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SoftBank

Notice of the 39th Annual General Meeting of Shareholders

(April 1, 2024 to March 31, 2025, "FY2024" or "this fiscal year")

Date and time:	**10:00 AM, Thursday, June 26, 2025** **(Reception opens at 9:00 AM)**
Venue:	**HALL A, Tokyo International Forum** **5-1, Marunouchi 3-chome, Marunouchi, Chiyoda-ku, Tokyo**

Agenda of the Meeting:

Proposal 1:	**Election of Eleven Board Directors**
Proposal 2:	**Election of One Audit & Supervisory Board Member**
Proposal 3:	**Election of One Substitute Audit & Supervisory Board Member**
Proposal 4:	**Determination of Remuneration for Board Directors**

Transportation

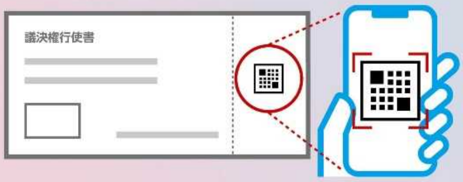
- **JR Yurakucho Station**
  Approx. 3-minute walk from International Forum Exit
- **Tokyo Metro Yurakucho Line Yurakucho Station**
  Approx. 3-minute walk from Exit D5 via B1 concourse

Exercising Voting Rights in Advance

Please exercise your voting rights via the Internet or in writing. For details, please refer to pages 4 to 5.

Deadline for exercising voting rights
5:45 PM, Wednesday, June 25, 2025

Easy voting with your smartphone!



The main content of this Notice can be viewed easily on your computer or smartphone.

https://s.srdb.jp/9434/

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Provided by TAKARA Printing

*Please refrain from driving to the venue as no parking space is provided.
*Please note that we do not distribute any gifts at the meeting. Thank you for your understanding.

SoftBank Corp.
Stock code: 9434

Corporate philosophy

Information Revolution—Happiness for everyone

Since our founding, SoftBank Corp. and its subsidiaries have sought to
harness the Information Revolution to contribute to the wellbeing of people and society.

Vision

Becoming a Corporate Group needed most by people around the world

The aim of our company is to contribute to people's happiness through the Information Revolution, and become the corporate group needed most by people around the world.
To achieve our vision, SoftBank strives to create an ideal society where everyone can feel the convenience, comfort, and safety, by the power of digital technology on top of the strong foundation of our businesses.

To Our Shareholders

First, I would like to express my heartfelt gratitude for your continued support. I am pleased to notify you of the 39th Annual General Meeting of Shareholders of SoftBank Corp.

In terms of our consolidated results for FY2024, revenue and profits both increased. All segments achieved growth in revenue and profit, which was truly the outcome of concerted efforts across the entire Company. Notably, PayPay Corporation*, which has received Group-wide support, recorded an operating income exceeding ¥30 billion for the first time on a full-year basis, making a significant contribution to our overall performance.

Given this strong performance, we have upwardly revised the financial targets for our Medium-term Management Plan, which concludes in FY2025. The operating income target, initially set at ¥970.0 billion, has been raised to ¥1 trillion, and net income attributable to owners of the Company has been raised from ¥535.0 billion to ¥540.0 billion. These revisions incorporate enhanced upfront investments aimed at achieving medium- to long-term growth in the AI era.

We anticipate that FY2025 will be a year of unprecedented upheavals centered on the evolution of AI, and it is predicted that AI that functions like personal assistants will begin to emerge. As such advanced AI is implemented and utilized across all industries and society, the value of the infrastructure supporting it will increase. We will further enhance our corporate value by evolving into a “Next-generation Social Infrastructure” that supports a society coexisting with AI through construction of AI data centers and large language models specialized for the Japanese language, and the development and provision of generative AI services.

SoftBank Corp. aims to continue balancing medium- and long-term growth and shareholder returns. In closing, I kindly ask our shareholders for their continued support.

* Includes PayPay Card Corporation.

June 2, 2025
President & CEO
SoftBank Corp.
Junichi Miyakawa

The Notice

Stock code: 9434
June 11, 2025
(Electronic provision of information starts on: June 2, 2025)

To Shareholders

Junichi Miyakawa
President & CEO
SoftBank Corp.
1-7-1, Kaigan, Minato-ku, Tokyo

Notice of the 39th Annual General Meeting of Shareholders

In convening this General Meeting of Shareholders, the Company implements measures for information provision in electronic format, and matters subject to the measures for electronic provision are posted on the following websites as the “Notice of the 39th Annual General Meeting of Shareholders.”

Company’s website:
https://www.softbank.jp/en/corp/ir/stock/shareholders/2025/

In addition to above, they are also posted on the following website:
Tokyo Stock Exchange website:
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

To view the information on the TSE website above, enter and search for the Company’s name or stock code, select “Basic information,” and go to “Documents for public inspection/PR information.”

Date and time:	10:00 AM, Thursday, June 26, 2025	
Venue:	HALL A, Tokyo International Forum 5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo (Please note that the venue has changed from that of last year.)	
Agenda of the Meeting:	▶Matters for reporting:	Business Report, Consolidated Financial Statements for FY2024 (April 1, 2024 to March 31, 2025) and results of audits of Consolidated Financial Statements by the Independent Auditor and Audit & Supervisory Board Non-consolidated Financial Statements for FY2024 (April 1, 2024 to March 31, 2025)
	▶Matters for approval:	Proposal 1: Election of Eleven Board Directors Proposal 2: Election of One Audit & Supervisory Board Member Proposal 3: Election of One Substitute Audit & Supervisory Board Member Proposal 4: Determination of Remuneration for Board Directors

◎ If you require any accommodations at the venue, please contact “Inquiries concerning the General Meeting of Shareholders” at the end of this document by Thursday, June 19, 2025.

◎ The matters listed below are not included in paper-based documents sent to shareholders who have made a request for delivery of such documents, pursuant to the provision of laws and regulations and Article 22 of the Articles of Incorporation of the Company. Accordingly, they are a part of the documents audited by Audit & Supervisory Board Members and the Independent Auditor in preparing their Audit Reports.
“Status of stock acquisition rights,” “Status of Independent Auditor,” “Overview of systems to ensure appropriateness of operations and its implementation status,” “Consolidated Statement of Changes in Equity,” “Non-consolidated Statement of Changes in Net Assets,” “Notes to Consolidated Financial Statements,” “Notes to Non-consolidated Financial Statements”

◎ For shareholders who have not made a request for delivery of paper documents, the Company sends in paper format a partial extract from the Reference Materials for the Annual General Meeting of Shareholders, in addition to statutory information.

◎ Any revisions to the information provided in electronic format will be posted on the websites above.

Procedure of the General Meeting of Shareholders

Before the Meeting		On the day of the Meeting	
I would like to exercise my voting rights in advance (in writing)	P.4	I would like to ask questions and exercise my voting rights on the day of the Meeting (via the internet)	P.6
I would like to exercise my voting rights in advance (via the internet)	P.5	I would like to ask questions and exercise my voting rights on the day of the Meeting (attend in person)	P.7
I would like to ask questions in advance (via the internet)	P.5	I would like only to view the online presentation on the day of the Meeting	P.7

Before the Meeting

Exercising Voting Rights in Advance (in Writing)

Please clearly indicate your approval or disapproval for each proposal on the enclosed voting form, and **return it by 5:45 PM, Wednesday, June 25, 2025.**

How to fill out the voting form

Proposal 1

If you approve of all candidates ▶ Circle "**Approve**"
If you disapprove of all candidates ▶ Circle "**Disapprove**"

* If you wish to indicate approval or disapproval for certain candidates, indicate their candidate number.

Proposals 2, 3 and 4

If you approve ▶ Circle "**Approve**"
If you disapprove ▶ Circle "**Disapprove**"

If you submitted the voting form without indicating your approval or disapproval, you will be deemed to have indicated your "approval."

Exercising Voting Rights in Advance (via the Internet)

Please access the Company's designated website for voting, follow the instructions on the screen and enter your approval or disapproval for the proposals **by 5:45 PM, Wednesday, June 25, 2025.**

From a smartphone

1. **Please read the QR code printed on the lower right of the voting form by a smartphone, etc.**
2. **Please follow the instructions on the screen and enter your approval or disapproval.**

From a PC

1. **Please access the voting website.**
   Voting website https://soukai.mizuho-tb.co.jp/
2. **Please enter the "voting right exercise code" and "password" printed on the voting form.**
3. **Please follow the instructions on the screen and enter your approval or disapproval.**

For inquiries concerning matters such as how to operate the smartphone to exercise your voting rights via the Internet, please contact the following.		
Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. Internet Helpline	**0120-768-524**	(Business hours: 9:00-21:00 excluding year-end and New Year holidays)

- If you enter the wrong password more than a certain number of times, your password will be locked. In that case, please follow the instructions on the screen.
- If you exercise your voting rights both in writing and via the Internet, the exercise via the Internet will be treated as effective.
- If you exercise your voting rights more than once via the Internet, the last exercise of your voting rights shall be deemed to be effective.

Electronic Voting Platform

Nominee shareholders such as managing trust banks and others (including standing proxies) will be able to use the electronic voting platform as a method to electronically exercise voting rights at the Annual General Meeting of Shareholders of the Company in addition to the method to exercise voting rights via the Internet, if the shareholders have applied in advance for the use of the electronic voting platform operated by ICJ, Inc.

Asking questions in advance (via the Internet)

From 9:00 AM, Wednesday, June 11, 2025, until noon, Wednesday, June 25, 2025, you may ask questions regarding the agenda of the Meeting through the SoftBank General Meeting of Shareholders Portal. Matters of high interest to our shareholders will be addressed at the Meeting. The Company plans to publish questions asked in advance by shareholders on the Company's website after the Meeting unless there are impediments to publication, such as the possible violation of personal privacy.

On the day of the Meeting

Asking questions and exercising voting rights on the day of the Meeting (via the Internet)

On the day of the Meeting, you can exercise your voting rights and ask questions on the SoftBank General Meeting of Shareholders Portal on the right while viewing the online presentation. You will be treated as having attended the Meeting in the same way as if you actually came to the venue and attended the Meeting, in keeping with the Companies Act.

1. How to attend on the day of the Meeting

Access the Meeting Day Attendance page on the SoftBank General Meeting of Shareholders Portal,

and click “Attend” from 9:00 AM on the day of the Meeting (Thursday, June 26, 2025).

- You can exercise your voting rights from the opening of the Meeting until the time of voting on the proposals, on the Meeting Day Attendance page. Please note that once you have exercised your voting rights, you cannot change the content of the vote.
- The exercise of voting rights by attending online is treated as follows.

Until the day before the Meeting	On the day of the Meeting	Treatment of voting rights
You exercised your voting rights in advance.	You exercised your voting rights.	Your exercise of voting rights on the day of the Meeting shall be valid.
	You did not exercise your voting rights.	Your prior exercise of voting rights shall be valid.
You did not exercise your voting rights in advance.	You exercised your voting rights.	Your exercise of voting rights on the day of the Meeting shall be valid.
	You did not exercise your voting rights.	Abstention

If you exercise your voting rights on the day of the Meeting, and if there is a proposal that you do not vote for or against, this will be treated as an abstention on the proposal.

2. Questions

- You can ask questions on the Meeting Day Attendance page. You can enter up to 200 characters in the text box.
- Please note that there is limited time for questions and answers, so questions are limited to one per person; we may not be able to answer all questions; and we may not be able to answer certain questions depending on their content, such as questions that do not pertain to the agenda of the Meeting.
- The Company plans to publish questions asked by shareholders on the day of the Meeting on the Company’s website after the Meeting unless there are impediments to publication, such as the possible violation of personal privacy.

3. Motions

- Motions submitted by shareholders attending online will not be accepted, including those related to the procedures of the General Meeting of Shareholders and those related to agenda items. Shareholders who wish to submit a motion are requested to consider attending the Meeting in person.

4. Environment for attending online

Please refer to the website on the right for the recommended environment for the SoftBank General Meeting of Shareholders Portal. Please be aware that you will be responsible for telecommunications equipment and all costs required for attending online.

Recommended environment for attending online
https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/

5. Other important matters

- Please note that Japanese is the only language available for attending online.
- Depending on the telecommunications environment, there is a possibility of communication failures including disruption of video or sound, or temporary interruption of the online presentation of the Meeting. Please note that the Company cannot be held responsible for any disadvantages caused by such communication failures to shareholders who attend online.

Asking questions and exercising voting rights on the day of the Meeting (attend in person)

Please bring the enclosed voting form and submit it at the reception.
If you attend the Meeting in person as well as exercise your voting rights online as described above, you will be treated as having attended the Meeting online.
We do not distribute any gifts at the meeting. Thank you for your understanding.

Viewing the Online Presentation on the day of the Meeting

The Meeting can be viewed from 10:00 AM, Thursday, June 26, 2025 on the “[Online presentation] The 39th Annual General Meeting of Shareholders” page of the Company’s website on the right. (Please note that, unlike Attending Online as described above, you will not be treated as attending the Meeting and will not be able to exercise your voting rights or ask questions.)

Online Presentation Website (viewing only)
https://www.softbank.jp/en/corp/news/info/2025/20250424_01

Changes in Meeting operation

The operation of the Meeting may change due to such factors as telecommunications issues involving online presentation and online attendance. If any change is made in the operation of the Meeting, notice will be given on the Company’s website on the right.

Website for notices on changes in the operation of the Meeting
https://www.softbank.jp/en/corp/ir/stock/shareholders/2025/

Reference Materials for the Annual General Meeting of Shareholders

Proposal 1: Election of Eleven Board Directors

The terms of office of all eleven Board Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the election of eleven Board Directors is proposed. Nominees for Directors are determined by the Board of Directors upon suggestion by a voluntary Nomination Committee comprising five members including the CEO and four independent external Directors, with an independent external Director as chair.

All six nominees for external Directors in this proposal meet the requirements for independent officers as stipulated by Tokyo Stock Exchange, Inc. (TSE) and are recognized as independent. If this proposal is approved as proposed, all of the nominees will be filed with TSE as independent officers.

Director nominees are as follows:

Candidate No.	Name			Current position at the Company
1	Reappointed Male	Yasuyuki Imai		Director & Chairman
2	Reappointed Male	Junichi Miyakawa		President & CEO
3	Reappointed Male	Jun Shimba		Representative Director & COO
4	Reappointed Male	Kazuhiko Fujihara		Board Director, Executive Vice President & CFO
5	Reappointed Male	Masayoshi Son		Board Director, Founder
6	Reappointed Male	Atsushi Horiba	Independent Officer External Director	Board Director
7	Reappointed Female	Naomi Koshi	Independent Officer External Director	Board Director
8	Reappointed Female	Maki Sakamoto	Independent Officer External Director	Board Director
9	Reappointed Female	Hiroko Sasaki	Independent Officer External Director	Board Director
10	New appointment Male	Hideaki Karaki	Independent Officer External Director	—
11	New appointment Female	Akiko Nakajo	Independent Officer External Director	—

Number of shares held in the Company

Candidate No. 1

Yasuyuki Imai

(Date of birth: August 15, 1958; 66 years old)

Reappointed

Common stock 21,697,000 shares

Biography, titles, responsibilities and significant concurrent positions

Apr. 1982	Joined Kajima Corporation
Apr. 2000	Joined SOFTBANK Corp. (currently SoftBank Group Corp.)
Oct. 2007	Corporate Officer, the Company
Apr. 2008	Managing Corporate Officer, the Company
June 2012	Director & Senior Managing Corporate Officer, the Company
Apr. 2015	Senior Managing Director, the Company
Apr. 2017	Representative Director & COO, the Company
Apr. 2018	Representative Director & COO, Enterprise Business Unit Head, the Company
Apr. 2024	Director & Chairman, the Company (to present)

Reason for nomination Since taking office as the Company's Corporate Officer in October 2007, Mr. Yasuyuki Imai has served in prominent positions at the Company, primarily head of the enterprise business unit. Since becoming the Company's Representative Director & COO in April 2017, he has contributed to the Company's growth. In addition, he has supervised the entire Group as the Company's Director & Chairman since April 2024. The Board would like to reelect Mr. Imai as a Board Director to benefit from his guidance for the further growth of the Group.

Number of shares held in the Company

Candidate No. 2

Junichi Miyakawa

(Date of birth: December 1, 1965; 59 years old)

Reappointed

Common stock 165,966,600 shares

Biography, titles, responsibilities and significant concurrent positions

Dec. 1991	Representative Director & President, KK Momotaro Internet
June 2000	Representative Director & President, Nagoya Metallic Communications Corp. (currently the Company)
Jan. 2002	Representative Director & President, Tokyo Metallic Communications Corp. (currently the Company)
Jan. 2002	Representative Director & President, Osaka Metallic Communications Corp. (currently the Company)
Apr. 2002	Representative Director & President, DTH Marketing Corp. (currently the Company)
Aug. 2003	Director, SOFTBANK BB Corp. (currently the Company)
Apr. 2006	Director & Executive Vice President (CTO), Vodafone K.K. (currently the Company)
June 2007	Director, Executive Vice President & CTO, the Company
Nov. 2014	Director & Senior Managing Corporate Officer, the Company
Nov. 2014	Technical Chief Operating Officer, Sprint Corporation (currently Sprint LLC)
Apr. 2015	Senior Managing Director, the Company
Aug. 2015	Senior Technical Advisor, Sprint Corporation (currently Sprint LLC)
Apr. 2017	Senior Managing Director & CTO, the Company
Dec. 2017	President and CEO, HAPSMobile Inc. (currently the Company)
Apr. 2018	Representative Director & CTO, Technology Unit Head and Technology Strategy Unit Head, the Company
Jan. 2019	President and CEO, MONET Technologies Inc.
Apr. 2021	President & CEO, the Company (to present)
June 2021	Director, A Holdings Corporation
June 2022	Director, MONET Technologies Inc.
Apr. 2025	Representative Director, A Holdings Corporation (to present)

Reason for nomination Based on his profound knowledge of cutting-edge technologies, Mr. Junichi Miyakawa has contributed to the growth of the Company primarily as the head of the technology unit since taking office as the Company's Director & Executive Vice President (CTO) in April 2006. Before joining the Group, Mr. Miyakawa established and managed his own telecommunications company, and more recently, has served as President of multiple Group companies, accumulating a proven track record in management. From April 2021, he assumed a leadership role as President & CEO of the Company, directing management and business operations with the aim of further growing the Company's core telecommunications business while expanding into areas outside of telecommunications. The Board would like to reelect Mr. Miyakawa as a Board Director to lead the further growth of the Group.

Candidate No. 3	**Jun Shimba**	(Date of birth: November 15, 1962; 62 years old)	Reappointed	Number of shares held in the Company Common stock 23,439,500 shares

Biography, titles, responsibilities and significant concurrent positions

Apr. 1985	Joined SOFTBANK Corp. (currently SoftBank Group Corp.)
June 2005	Director, SOFTBANK BB Corp. (currently the Company)
Apr. 2006	Managing Executive Officer, Vodafone K.K. (currently the Company)
June 2007	Director & Managing Executive Officer, SOFTBANK BB Corp. (currently the Company)
June 2007	Managing Corporate Officer, the Company
June 2012	Director & Senior Managing Corporate Officer, the Company
Apr. 2015	Senior Managing Director, the Company
Apr. 2017	Representative Director & COO, the Company
Apr. 2017	Representative Director, President & CEO, SoftBank Payment Service Corp. (currently SB Payment Service Corp.) (to present)
Apr. 2018	Representative Director & COO, Consumer Business Unit Head and Product & Marketing Unit Head, In Charge of Government Relations, the Company
Dec. 2019	Representative Director & COO, Consumer Business Unit Head, Consumer Sales Unit Head and Product & Marketing Unit Head, In Charge of Government Relations, the Company
June 2020	Director, PayPay Corporation (to present)
Apr. 2021	Representative Director & COO, Consumer Business Unit Head, the Company
Apr. 2024	Representative Director & COO, the Company (to present)

Reason for nomination Since taking office as the Company's Managing Executive Officer in April 2006, Mr. Jun Shimba has served in prominent positions at the Company, primarily head of the consumer business unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & COO in April 2017. The Board would like to reelect Mr. Shimba as a Board Director to lead the further growth of the Group.

Candidate No. 4	**Kazuhiko Fujihara**	(Date of birth: November 2, 1959; 65 years old)	Reappointed	Number of shares held in the Company Common stock 16,694,000 shares

Biography, titles, responsibilities and significant concurrent positions

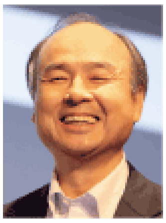
Apr. 1982	Joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)
Apr. 2001	Joined SOFTBANK Corp. (currently SoftBank Group Corp.)
Sept. 2001	General Manager of Group Management Group, SOFTBANK Corp.
May 2003	Manager, Management Planning Dept., SOFTBANK BB Corp. (currently the Company)
Apr. 2004	Administration Division Head & CFO, SOFTBANK BB Corp.
Nov. 2004	Director & CFO, SOFTBANK BB Corp.
Apr. 2006	Managing Executive Officer (CFO), Vodafone K.K. (currently the Company)
June 2007	Director, Senior Vice President & CFO, the Company
June 2012	Director, Executive Vice President & CFO, the Company
June 2014	Director & Managing Executive Officer, SOFTBANK Corp. (currently SoftBank Group Corp.)
Apr. 2015	Director, Executive Vice President & CFO, the Company
June 2015	Director, Yahoo Japan Corporation (currently LY Corporation)
Sept. 2016	Managing Executive Officer, SoftBank Group Corp.
June 2017	Senior Vice President, SoftBank Group Corp.
Apr. 2018	Board Director, Executive Vice President & CFO, Finance Unit Head, the Company
June 2019	Director, Yahoo Japan Corporation (currently LY Corporation)
Mar. 2021	Director, A Holdings Corporation (to present)
Apr. 2025	Board Director, Executive Vice President & CFO, the Company (to present)

Reason for nomination Since taking office as the Company's Managing Executive Officer (CFO) in April 2006, Mr. Kazuhiko Fujihara has consistently played a key role in the overall management of the Company as the person responsible for the financial area, mainly management planning, finance, accounting, and purchasing, and contributed to the Company's growth. The Board would like to reelect Mr. Fujihara as a Board Director to lead the further growth of the Group. (Certified public accountant in the State of Illinois)

Number of shares held in the Company

Candidate No. 5 **Masayoshi Son** (Date of birth: August 11, 1957; 67 years old) Reappointed

Common stock
40,000,000 shares



Biography, titles, responsibilities and significant concurrent positions

Sept. 1981	Founded SOFTBANK Corp. (currently SoftBank Group Corp.), Chairman & CEO
Jan. 1996	President & CEO, Yahoo Japan Corporation (currently LY Corporation)
Apr. 2006	Chairman of the Board, President & CEO, Vodafone K.K. (currently the Company)
June 2007	President & CEO, the Company
Apr. 2015	Chairman, the Company
June 2015	Director, Yahoo Japan Corporation (currently LY Corporation)
Mar. 2016	Manager, SoftBank Group International GK (currently SoftBank Group Japan Corporation)
June 2017	Chairman & CEO, SoftBank Group Corp.
Apr. 2018	Chairman, the Company
June 2018	Representative Director, SoftBank Group Japan Corporation (to present)
Nov. 2020	Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. (to present)
Apr. 2021	Board Director, Founder, the Company (to present)

Reason for nomination Mr. Masayoshi Son has extensive knowledge and experience in corporate management, business strategy, M&A and other matters as the founder of SoftBank Group Corp. The Board would like to reelect Mr. Son as a Board Director to benefit from his guidance in the Company's decision-making process for the further growth of the Group.

Number of shares held in the Company

Candidate No. 6 **Atsushi Horiba** (Date of birth: February 5, 1948 77 years old) External Director Independent Officer Reappointed

Common stock
46,500 shares

Biography, titles, responsibilities and significant concurrent positions

Sept. 1972	Joined HORIBA, Ltd.
June 1982	Director, HORIBA, Ltd.
June 1988	Senior Managing Director, HORIBA, Ltd.
Jan. 1992	Representative Director & President, HORIBA, Ltd.
June 1995	Representative Director & President, STEC Co., Ltd. (currently HORIBA STEC, Co., Ltd.)
June 2005	Chairman, Representative Director & President, HORIBA, Ltd.
Apr. 2016	Chairman & Representative Director, HORIBA STEC, Co., Ltd. (to present)
Jan. 2018	Chairman, Representative Director & Group CEO, HORIBA, Ltd. (to present)
June 2018	External Director, the Company (to present)
June 2021	Outside Director, Sumitomo Electric Industries, Ltd. (to present)

Reason for nomination and outline of expected roles Mr. Atsushi Horiba has served as Representative Director of HORIBA, Ltd. for 33 years since 1992 and has extensive management experience in leading the global growth of the HORIBA Group. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management. The Board would like to reelect Mr. Horiba as an External Director so he can contribute to the Group's further growth and enhancement of corporate governance.

Mr. Horiba attended 11 out of 12 Board of Directors meetings held in FY2024, amounting to an attendance rate of 91.7%.

He is an External Director (Independent Officer) of the Company and will have been in the position for 7 years at the conclusion of this Annual General Meeting of Shareholders.

He has been serving as the lead Independent External Director since June 20, 2023.

Number of shares held in the Company

Candidate No. 7

Naomi Koshi

(Date of birth: July 5, 1975
49 years old

External Director | Independent Officer | Reappointed

— shares

Biography, titles, responsibilities and significant concurrent positions

Oct. 2002	Registered as a lawyer
Oct. 2002	Lawyer, Nishimura & Partners (currently Nishimura & Asahi (Gaikokuho Kyodo Jigyo))
June 2009	Graduated from Harvard Law School, LL.M
Oct. 2009	Joined Debevoise & Plimpton LLP
Jan. 2010	Admitted to the New York State Bar
Sept. 2010	Visiting Fellow, Center on Japanese Economy and Business, Columbia Business School
Jan. 2012	Mayor, Otsu City
Sept. 2020	Partner Lawyer, Miura & Partners (to present)
Jan. 2021	Admitted to the California State Bar
Feb. 2021	Co-Founder and CEO, OnBoard K.K. (to present)
June 2021	External Director, the Company (to present)
Dec. 2023	Outside Audit & Supervisory Board Member, Mitsubishi Research Institute, Inc. (to present)

Reason for nomination and outline of expected roles In addition to her extensive knowledge and experience as a lawyer in Japan and overseas, Ms. Naomi Koshi engages in a broad range of activities including municipal government initiatives and support measures for the promotion of women's career advancement. The Company expects her to supervise the Company's management with her knowledge and experience, and give guidance on the Company's overall management and risk management. The Board would like to reelect Ms. Koshi as an External Director so she can contribute to the Group's further growth and enhancement of corporate governance.

Ms. Koshi attended 12 out of 12 Board of Directors meetings held in FY2024, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 4 years at the conclusion of this Annual General Meeting of Shareholders.

Number of shares held in the Company

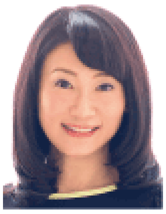
Candidate No. 8

Maki Sakamoto

(Date of birth: December 15, 1969
55 years old

External Director | Independent Officer | Reappointed

— shares



Biography, titles, responsibilities and significant concurrent positions

Apr. 1998	Assistant, The University of Tokyo
Apr. 2000	Lecturer, Department of Information and Communication Engineering, Faculty of Electro-Communications, The University of Electro-Communications
Apr. 2003	Lecturer, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications
Apr. 2004	Associate Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications
Apr. 2007	Associate Professor, Department of Human Communication, Faculty of Electro-Communications, The University of Electro-Communications
Apr. 2011	Associate Professor, Department of Informatics, Graduate School of Informatics and Engineering, The University of Electro-Communications
Apr. 2015	Professor, Department of Informatics, Graduate School of Informatics and Engineering, The University of Electro-Communications
Apr. 2016	Professor, Department of Informatics, Graduate School of Informatics and Engineering, The University of Electro-Communications (to present)
May 2018	Founder and Director COO, Kansei AI Co., Ltd. (to present)
Oct. 2018	Sub-Director, Artificial Intelligence eXploration Research Center, The University of Electro-Communications (to present)
Apr. 2020	Vice-president, The University of Electro-Communications (to present)
June 2024	External Director, the Company (to present)

Reason for nomination and outline of expected roles Ms. Maki Sakamoto specializes in informatics as a professor at the University of Electro-Communications and has extensive knowledge and experience in AI and other technologies. The Company expects her to supervise the Company's management with her knowledge and experience, and give guidance on the Company's overall management. The Board would like to reelect Ms. Sakamoto as an External Director so she can contribute to the Group's further growth and enhancement of corporate governance.

Ms. Sakamoto attended 10 out of 10 Board of Directors meetings held in FY2024, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 1 year at the conclusion of this Annual General Meeting of Shareholders.

Number of shares held in the Company

Candidate No. 9

Hiroko Sasaki

(Date of birth: October 29, 1973
51 years old

External Director | Independent Officer | Reappointed

2,000 shares

Biography, titles, responsibilities and significant concurrent positions

Apr. 1996	Joined the Bank of Japan
Apr. 2001	Joined McKinsey & Company, Inc.
Oct. 2009	Transformation Designer, Transformation Office, Sony Corporation (currently Sony Group Corporation)
Oct. 2010	Founder and President & CEO, ChangeWAVE Inc. (currently HYS Corporation) (to present)
Sep. 2016	President & CEO, Lyxis Co., Ltd. (currently ChangeWAVE Group, Inc.) (to present)
June 2021	Outside Director, Shinsei Bank, Limited, (currently SBI Shinsei Bank, Limited)
June 2021	Outside Director, UT Group Co., Ltd.
June 2022	Outside Director (Audit & Supervisory Committee Member), UT Group Co., Ltd.
Oct. 2022	Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited (to present)
Oct. 2022	Representative Director of Human Capital Management Promotion Association (to present)
June 2024	External Director, the Company (to present)

Reason for nomination and outline of expected roles

Ms. Hiroko Sasaki founded her own companies with a vision to transform companies and has extensive management experience, including assisting hundreds of companies with organizational transformation, management human resource development, and resolving issues facing people trying to maintain a career while burdened with nursing care. She has also served as a member of expert committees on the promotion of diversity at several large companies, and has been promoting corporate transformation. The Company expects her to supervise the Company's management with her knowledge and experience, and give guidance on the Company's overall management. The Board would like to reelect Ms. Sasaki as an External Director so she can contribute to the Group's further growth and enhancement of corporate governance.

Ms. Sasaki attended 10 out of 10 Board of Directors meetings held in FY2024, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 1 year at the conclusion of this Annual General Meeting of Shareholders.

Number of shares held in the Company

Candidate No. 10

Hideaki Karaki

(Date of birth: August 30, 1961
63 years old

External Director | Independent Officer | New appointment

— shares

Biography, titles, responsibilities and significant concurrent positions

Oct. 1985	Joined Arthur Young & Company (currently KPMG AZSA LLC)
Mar. 1991	Registered as a Certified Public Accountant
May 1993	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
Sep. 1995	Ernst & Young London office
July 2001	Partner, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)
July 2013	Chief Inspector for CPA audits, Certified Public Accountants and Auditing Oversight Board, the Financial Services Agency
July 2015	Quality Control Division, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)
July 2024	President, Hideaki Karaki CPA Office (to present)
Apr. 2025	Chair of the Contract Monitoring Committee, Japan International Cooperation Agency (JICA) (to present)

Reason for nomination and outline of expected roles

Mr. Hideaki Karaki has extensive knowledge and experience in corporate accounting, cultivated over many years as a certified public accountant. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management. The Board would like to elect Mr. Karaki as an External Director so he can contribute to the Group's further growth and enhancement of corporate governance. Although Mr. Karaki has not been engaged in corporate management, the Company believes that he will appropriately perform his duties as an External Director due to the aforementioned reasons.

Candidate No. 11	Akiko Nakajo	(Date of birth: December 26, 1967 57 years old	External Director	Independent Officer	New appointment	Number of shares held in the Company — shares

Biography, titles, responsibilities and significant concurrent positions

Apr. 1996	Joined Bloomberg Information Television, Co. Ltd.
Apr. 1997	Representative Director, President, Bloomberg Television, Co. Ltd.
Oct. 2003	Deputy Japan Representative, Bloomberg L.P.
Mar. 2006	Graduated from the University of Chicago Booth School of Business
Oct. 2009	Graduated from Advanced Management Program, Harvard Business School
Apr. 2013	Joined Google Inc. (currently Google Japan G.K.) Executive Officer in charge of Advertisement
Mar. 2016	Director of the Board (External), Kirin Company, Limited (currently Kirin Holdings Company, Limited)
July 2017	Managing Director, YouTube Japan, Google Japan G.K. (to present)
Apr. 2019	Strategic Advisor, Kirin Holdings Company, Limited
Mar. 2020	Member of the Central Broadcast Programs Council, Japan Broadcasting Corporation

Reason for nomination and outline of expected roles Ms. Akiko Nakajo has served as Deputy Japan Representative, Bloomberg L.P. and as Managing Director, YouTube Japan, Google Japan G.K., and has extensive experience in corporate management and deep insight into the utilization of technology for corporate digital transformation (DX) and innovation. The Company expects her to supervise the Company's management with her knowledge and experience, and give guidance on the Company's overall management. The Board would like to elect Ms. Nakajo as an External Director so she can contribute to the Group's further growth and enhancement of corporate governance.

(Notes)
1. The Company provided a loan to Mr. Yasuyuki Imai, to be used for paying expenses relating to the exercise of "SoftBank Corp. March 2018 Stock Acquisition Rights."
2. The Company provided a loan to Mr. Junichi Miyakawa, to be used for purchasing shares of the Company.
3. The Company provided a loan to Mr. Kazuhiko Fujihara, to be used for paying expenses relating to the exercise of "SoftBank Corp. March 2018 Stock Acquisition Rights."
4. Mr. Masayoshi Son concurrently holds the post of Representative Director of SoftBank Group Corp., with which the Company has concluded a secondment agreement and has business relationships, such as office leases and service outsourcing. He also concurrently holds the post of President of the Masason Foundation, with which the Company has concluded agreements including a secondment agreement. Furthermore, Mr. Masayoshi Son concurrently holds the post of Representative Employee of Son Asset Management, LLC, with which the Company has concluded agreements including an office services agreement.
5. Mr. Atsushi Horiba concurrently holds the post of Representative Director of HORIBA, Ltd., with which the Company has business relationships, such as telecommunications services. However, the respective amount of transactions accounts for less than 0.1% of the Company's revenue, and is therefore negligible.
6. Ms. Hiroko Sasaki concurrently holds the post of President & CEO of ChangeWAVE Group, Inc., with which the Company has business relationships, such as service outsourcing. However, the respective amount of transactions accounts for less than 0.1% of the Company's operating expenses, and is therefore negligible.
7. There are no other special interests between the candidates and the Company.

8. The titles and responsibilities of Director nominees as executives at the Company's parent companies (SoftBank Group Corp. and SoftBank Group Japan Corporation), the former sibling company (Sprint Corporation (currently Sprint LLC)), and subsidiaries (A Holdings Corporation and HAPSMobile Inc.) over the past ten years and at present are as described in "Biography, titles, responsibilities and significant concurrent positions." Titles and responsibilities that are not included in the above are as follows:
   Mr. Yasuyuki Imai concurrently held the post of Representative Director of SB Engineering Corp., a subsidiary of the Company, until March 2024, and the post of Director of the said company until June 2024. He also concurrently held the posts of Representative Director of SoftBank Payment Service Corp. (currently SB Payment Service Corp.) until March 2017 and President & CEO of SOFTBANK TELECOM AMERICA CORP. (currently SB TELECOM AMERICA CORP.) until February 2019, both subsidiaries of the Company.
   Mr. Junichi Miyakawa concurrently holds the post of Representative Director of B Holdings Corporation, a subsidiary of the Company. He also concurrently held the posts of Representative Director of BB BACKBONE until May 2019 and Representative Director of Wireless City Planning Inc. until June 2024, both subsidiaries of the Company.
   Mr. Jun Shimba concurrently holds the post of Representative Director of SB Payment Service Corp., a subsidiary of the Company. He also concurrently held the posts of Representative Director of Telecom Professional Service Co., Ltd., a sibling company of the Company, until September 2016, President & CEO of SOFTBANK TELECOM AMERICA CORP. (currently SB TELECOM AMERICA CORP.) and Representative Director of Telecom Engineering CO. LTD. (currently SB Engineering Corp.), both subsidiaries of the Company, until April 2017.
   Mr. Masayoshi Son concurrently held the posts of an executive of Skywalk Finance GK until September 2020 and Representative Director of SB Energy Corp. (currently Terras Energy Corporation) until October 2017, both sibling companies of the Company. He also concurrently held the post of Representative Director of Skywalk Finance Corporation, formerly a sibling company of the Company, until September 2020.
9. When performing their duties as a Director, in order to have them perform their duties as expected and enable the Company to employ talented personnel, it is stipulated in the Articles of Incorporation that the Company may conclude an agreement with Directors (excluding executive directors, etc.) to limit the liability for damages to the extent specified therein. The Company has concluded an agreement with Mr. Atsushi Horiba and Mses. Naomi Koshi, Maki Sakamoto and Hiroko Sasaki to limit the liability for damages to the minimum amount of liability stipulated in laws and regulations. Subject to the approval of this proposal as proposed, the Company will continue to conclude an agreement with them on the same terms and conditions, and plans to newly conclude an agreement with Mr. Hideaki Karaki and Ms. Akiko Nakajo on the same terms and conditions.
10. Mr. Atsushi Horiba and Mses. Naomi Koshi, Maki Sakamoto and Hiroko Sasaki meet the requirements for independent officers as stipulated by TSE and the Company has registered each of them as independent officer with TSE. If this proposal is approved as proposed, the Company will continue to file each of them as independent officer with TSE. In addition, Mr. Hideaki Karaki and Ms. Akiko Nakajo meet the requirements for independent officers as stipulated by TSE, and subject to the approval of this proposal as proposed, the Company plans to newly file each of them as independent officer with TSE.

Proposal 2: Election of One Audit & Supervisory Board Member

Audit & Supervisory Board Member Kazuko Kimiwada will resign at the conclusion of this Annual General Meeting of Shareholders. It is proposed that one Audit & Supervisory Board Member be elected. The term of office of the newly elected Audit & Supervisory Board Member will be up to the expiry of the original term of the predecessor Ms. Kazuko Kimiwada, in accordance with the provisions of the Articles of Incorporation of the Company. The Company has obtained approval from the Audit & Supervisory Board with respect to this proposal.

The nominee for Audit & Supervisory Board Member is as follows:

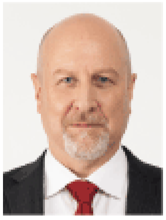
Number of shares held in the Company

Timothy Mackey

(Date of birth: June 15, 1971; 54 years old)

New appointment

— shares



Biography, titles, and significant concurrent positions

Apr. 1996	Joined Fukuoka Dome, Inc.
Feb. 2004	Joined Chapman Tripp
Aug. 2005	Registered as a barrister and solicitor of the High Court of New Zealand
June 2009	Admitted to the New York State Bar
July 2012	Lawyer, Milbank, Tweed, Hadley & McCloy LLP
Aug. 2013	Registered as a foreign lawyer
Aug. 2014	Lawyer, Paul Hastings, LLP
Nov. 2018	Joined SoftBank Group Corp.
Dec. 2020	Corporate Officer, CLO & GCO, Head of Legal Unit, SoftBank Group Corp. (to present)

Reason for nomination Mr. Timothy Mackey has extensive knowledge and experience as a lawyer and is serving as Corporate Officer, CLO & GCO, Head of Legal Unit, SoftBank Group Corp. The Board would like to elect Mr. Mackey as an Audit & Supervisory Board Member to have him conduct audits from a professional standpoint drawing on his knowledge and experience.

(Notes)
1. There are no special interests between Mr. Timothy Mackey and the Company.
2. The title and responsibilities of Mr. Timothy Mackey as an executive of the Company's parent company (SoftBank Group Corp.) over the past 10 years and at present are as described in "Biography, titles, and significant concurrent positions."
3. When performing their duties as an Audit & Supervisory Board Member, in order to have them perform their duties as expected and enable the Company to employ talented personnel, it is stipulated in the Articles of Incorporation that the Company may conclude an agreement with Audit & Supervisory Board Members to limit the liability for damages to the extent specified therein, to the minimum amount of liability stipulated in laws and regulations. Subject to the approval of this proposal as proposed, the Company plans to conclude such an agreement with Mr. Timothy Mackey.
4. The age is the full age at the conclusion of this Annual General Meeting of Shareholders.

Proposal 3: Election of One Substitute Audit & Supervisory Board Member

To prepare for contingencies in which the number of Audit & Supervisory Board Members falls below the statutory requirement, it is proposed that one substitute External Audit & Supervisory Board Member be elected.

The nominee for substitute Audit & Supervisory Board Member in this proposal meets the requirements for independent officers as stipulated by TSE and is recognized as independent. If this proposal is approved as proposed, the nominee will be filed with the TSE as an independent officer. The Company has obtained approval from the Audit & Supervisory Board with respect to this proposal.

The nominee for substitute Audit & Supervisory Board Member is as follows:

Number of shares held in the Company

Yasuhiro Nakajima

(Date of birth: October 13, 1961; 63 years old)

External Audit & Supervisory Board Member | Independent Officer

— shares

Biography, titles, and significant concurrent positions

Apr.	1984	Joined Hitachi, Ltd.
Mar.	1995	Registered as a Certified Public Accountant
July	2007	Representative Partner, PricewaterhouseCoopers Aarata (currently PwC Japan LLC)
July	2012	Executive Officer (Leader of Quality Management), PricewaterhouseCoopers Aarata
July	2014	General Manager, Nagoya Office, PricewaterhouseCoopers Aarata LLC
July	2017	Oversight Board Member, PricewaterhouseCoopers Aarata LLC
Apr.	2022	Specially Appointed Professor, Graduate School of Business, Osaka Metropolitan University (to present)
July	2022	Representative, Nakajima CPA Office (to present)
Mar.	2023	Outside Member of the Board, Bridgestone Corporation (to present)
Mar.	2025	External Director, Shiseido Company, Limited (to present)

Reason for nomination Mr. Yasuhiro Nakajima has extensive knowledge and experience in finance and accounting as a certified public accountant. The Board would like to elect Mr. Nakajima as a substitute External Audit & Supervisory Board Member to have him conduct audits from a professional standpoint drawing on his knowledge and experience, as well as to ensure audits from a more independent perspective. Although Mr. Nakajima has not engaged in corporate management other than by serving as an external board director, the Company believes that his advanced expertise will enable him to appropriately perform audits of the Company.

(Notes) 1. There are no special interests between Mr. Yasuhiro Nakajima and the Company.

2. When performing their duties as an Audit & Supervisory Board Member, in order to have them perform their duties as expected and enable the Company to employ talented personnel, it is stipulated in the Articles of Incorporation that the Company may conclude an agreement with Audit & Supervisory Board Members to limit the liability for damages to the extent specified therein, to the minimum amount of liability stipulated in laws and regulations. If this proposal is approved as proposed and Mr. Yasuhiro Nakajima takes office as an External Audit & Supervisory Board Member, the Company will enter into such an agreement with him.

(Reference)

Skill Matrix of Board Directors and Audit & Supervisory Board Members (subject to the election of each of the Board Director and Audit & Supervisory Board Member nominees at this Annual General Meeting of Shareholders)

The Board of Directors of the Company is a decision-making body for important matters and a supervisory body for business execution, leading management in order to realize long-term increase of corporate value. The Board continues to take on the challenge of realizing our corporate philosophy of "Information Revolution – Happiness for everyone," and maximizes our corporate value through the "Beyond Carrier" growth strategy by making decisions after proper investigation and adequate review, and supervises the status of business operations by each Board Director by grasping issues and risks associated with the execution of strategies from multiple perspectives. The Audit & Supervisory Board is an organization independent of the Board of Directors, which establishes audit policies and plans and priority audit items for each fiscal year, and confirms the appropriateness of the status of Board Directors' execution of their duties according to these policies and plans.

Based on the above, the Company appoints the Board Directors and Audit & Supervisory Board Members with high level of expertise, experience, and insight in terms of management, finance, legal/risk, digital/technology, sales/marketing, global, and sustainability perspective, with a balance of knowledge, experience, and abilities and a diversity of composition in mind.

Name	Title / position at the Company	Major career	Gender	Management	Finance	Legal / Risk	Digital / Technology	Sales / Marketing	Global	Sustain-ability
		Major career / credentials of External Officers	Male: M Female: F	•Corporate Management	•Finance •Accounting •Banking •Investment	•Legal •Risk •Labor - Management •Compliance	•Information & Communications technology •High-tech	•Business Strategy •Marketing •Sales	•Global Business	•Sustain-ability •ESG
Yasuyuki Imai	Director & Chairman		M	○				◎		
Junichi Miyakawa	President & CEO		M	◎			○		○	○
Jun Shimba	Representative Director & COO		M	○				◎		
Kazuhiko Fujihara	Board Director, Executive Vice President & CFO		M	○	◎				○	
Masayoshi Son	Board Director, Founder		M	◎			○		○	
Atsushi Horiba	External Director	Chairman, HORIBA, Ltd.	M	◎			○		○	○
Naomi Koshi	External Director	Lawyer, Mayor (2 terms)	F			◎			○	○
Maki Sakamoto	External Director	Vice-president, The University of Electro-Communications	F				◎			
Hiroko Sasaki	External Director	Founder, ChangeWAVE Inc.	F	○						◎
Hideaki Karaki	External Director	Certified Public Accountant	M		◎				○	
Akiko Nakajo	External Director	Managing Director, YouTube Japan, Google Japan G.K.	F	○			○	◎		
Shuji Kojima	Full-time Audit & Supervisory Board Member (External)	President, Mizuho Dream Partner, Ltd.	M		○	◎				
Eiji Shimagami	Full-time Audit & Supervisory Board Member		M			◎				
Timothy Mackey	Audit & Supervisory Board Member		M			◎			○	
Yoko Kudo	Audit & Supervisory Board Member (External)	Certified Public Accountant in the state of California	F		◎				○	

Legend: Primary Skills ◎, Supplementary Skills ○

(Note) This table does not show all of the skills possessed by each Board Director/Audit & Supervisory Board Member.

(Reference)

Definition and description of each skill

Item	Sub-item	Description
Management	· Corporate Management	Based on the Group's shared corporate philosophy of "Information Revolution - Happiness for everyone," extensive and deep knowledge and experience in corporate management are required to formulate and implement management strategies and plans over the medium and long term, and to supervise the effectiveness of such strategies and plans.
Finance	· Finance · Accounting · Banking · Investment	Extensive and deep knowledge and experience in finance, accounting, banking, investment, etc. are required to achieve the financial targets set forth in the Group's medium-term management plan, to formulate and implement strategies for achieving both growth and high shareholder returns, and to supervise these strategies appropriately.
Legal / Risk	· Legal · Risk · Labor - Management · Compliance	Extensive and deep knowledge and experience in legal affairs, risk management, labor-management, compliance, etc. are required to implement and supervise appropriate risk management, including compliance with domestic and foreign laws and regulations related to the management and business of the Group.
Digital / Technology	· Information & Communications technology · High-tech	Extensive and deep knowledge and experience in advanced technologies in the information technology field in addition to the information and communications technology as a core business are required to realize the Group's vision of becoming "the corporate group needed most by people around the world," and a corporation that provides next-generation social infrastructure essential for the development of a digital society, as well as to promote the growth strategy "Beyond Carrier" and aim to maximize corporate value.
Sales / Marketing	· Business Strategy · Marketing · Sales	Extensive and deep knowledge and experience in business strategy, marketing and sales are required to plan and accurately implement the Group's various businesses both in Japan and overseas, and to improve profit.
Global	· Global Business	Extensive and deep knowledge and experience in overseas business management and the business environment are required to plan and accurately implement the Group's global business.
Sustainability	· Sustainability · ESG	Extensive and deep knowledge and experience in sustainability management that supports corporate sustainability, including environment (including climate change), society, and governance, are required to contribute to the creation of a sustainable society and to formulate, integrate, and promote strategies for the Group to continue to grow sustainably, as well as to supervise these strategies appropriately.

Proposal 4: Determination of Remuneration for Board Directors

At the Annual General Meeting of Shareholders held on June 22, 2021, it was resolved that the maximum amount of cash remuneration of Board Directors (including External Directors) of the Company shall be ¥1,500 million per year (excluding the employee salary portion paid to the Board Directors concurrently serving as employees), and the maximum amount and details of remuneration for granting restricted stock as share-based remuneration to Board Directors excluding External Directors shall be ¥8,000 million per year (54 million shares*) (excluding the employee salary portion paid to the Board Directors concurrently serving as employees).

Previously, the Company has only paid cash remuneration and has not granted any share-based remuneration to External Directors. However, under this Proposal, shareholders are asked to kindly approve of including External Directors as grantees of restricted shares as share-based remuneration. The Company makes this Proposal with a view to offering incentives towards sustainable increase in the corporate value of the Company, while promoting further sharing of value between External Directors and shareholders by aligning their interests and making a greater commitment to improving corporate value, as well as increasing the ratio of share-based remuneration in remuneration paid to the Board Directors.

Please note that even if this Proposal is approved, the maximum amount of remuneration for granting restricted stock as share-based remuneration will remain unchanged at ¥8,000 million per year (54 million shares*), and except for the inclusion of External Directors among the grantees, there will be no changes to the [Details of Share-based Remuneration] below.

If Proposal 1 is approved as originally proposed, the number of Board Directors applicable (Grantee Directors) will be 11 (including 6 External Directors) for cash remuneration and 11 (including 6 External Directors) for share-based remuneration.

[Details of Share-based Remuneration]

Based on the resolution of the Board of Directors of the Company, the Grantee Directors shall wholly contribute the monetary remuneration claim paid under this proposal in the form of property contributed in kind, and shall, in return, receive shares of common stock of the Company that become available through issuance or disposal by the Company, where the total number of shares of common stock of the Company becoming available through such issuance or disposal shall not exceed 54 million per year*, as stated above (provided, however, that in the event of a stock split (including gratis allotment of shares of common stock of the Company), or a reverse stock split of shares of common stock of the Company, or any other circumstance necessitating the adjustment to the total number of shares of common stock of the Company issued or disposed of as restricted stock after the date of adoption of the resolution for approval of this proposal, such total number of shares shall be adjusted within a reasonable range), while the amount per share to be paid shall be determined at the Board of Directors, based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day preceding each resolution at the Board of Directors (if such date was a non-trading day, the closing price of the immediately preceding trading day), which should be within the range not particularly advantageous to the Grantee Directors who are to subscribe for the common stock of the Company. In addition, for the purpose of issuing or disposing of the shares of common stock of the Company under this Proposal, an agreement on the allotment of restricted stock (hereinafter the "Allotment Agreement") including the following terms shall be entered into between the Company and each Grantee Director.

(1) Transfer Restriction Period

Grantee Directors shall not transfer, use as collateral, or otherwise dispose of the shares of common stock of the Company allotted under the Allotment Agreement (hereinafter the "Allotted Shares") (hereinafter the "Transfer Restriction"), in the period between the date when they receive such allotment, and the date of their resignation from any and all of the posts of Director, Executive Officer or employee of the Company (hereinafter collectively the "posts of Officer, etc.") (hereinafter the "Transfer Restriction Period").

(2) Procedure on the Resignation or Retirement of the Grantee Director

If a Grantee Director resigns or retires from any and all of the posts of Officer, etc., prior to the expiration of the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares without consideration, unless such resignation or retirement is due to justifiable reasons, including the expiration of the term of office, retirement due to age, death, resignation due to company reasons, and resignation due to personal reasons (excluding the cases considered to involve change of job to start career at a competitor, unless such change is approved by, or at the request of the Company).

(3) Lifting of the Transfer Restrictions

Notwithstanding the provisions in (1) above, the Company shall lift the Transfer Restrictions for all of the Allotted Shares upon expiration of the Transfer Restriction Period, on the condition that the Grantee Director continuously remained in the posts of Officer, etc. throughout the Transfer Restriction Period.

(4) Acquisition without Consideration at the Expiration of the Transfer Restriction Period

The Company shall automatically acquire the Allotted Shares without consideration for which the Transfer Restrictions have not been lifted according to (3) above, upon expiration of the Transfer Restriction Period.

(5) Procedure in the Event of Organizational Restructuring, etc.

Notwithstanding the provisions in (1) above, if matters related to a merger agreement in which the Company is to be the absorbed company, a share exchange agreement or a share transfer plan in which the Company is to become a wholly-owned subsidiary, or other organizational restructuring, etc., are approved by the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company, where such organizational restructuring, etc. does not require approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company shall, by the resolution of the Board of Directors of the Company, lift the Transfer Restrictions for all of the Allotted Shares prior to the effective date of such organizational restructuring, etc. In such case, immediately subsequent to the lifting of the Transfer Restrictions, the Company shall automatically acquire the Allotted Shares for which the Transfer Restrictions have not been lifted without consideration.

(6) Return of Shares Without Consideration

If certain events arise, such as the Board of Directors determining that a Grantee Director has violated laws and regulations, internal rules, or the Allotment Agreement in any material respect, the Company may take measures such as acquiring the Allotted Shares without consideration. Furthermore, if any material revision or amendment occurs to the figures in the financial statements used as the basis for calculating performance-based remuneration, the same measures may be taken, taking the job responsibilities of the relevant Grantee Director into account.

(7) Other Matters Decided by the Board of Directors

Other matters concerning this system shall be decided by the Board of Directors, which shall be incorporated into the Allotment Agreement.

<Grounds for Deeming the Amount and Details of Share-based Remuneration as Appropriate>

Changes to the details of the share-based remuneration under this Proposal aim to increase the ratio of share-based remuneration in the remuneration paid to the Board Directors by including External Directors as grantees of restricted shares as share-based remuneration to promote further value sharing with shareholders and to strengthen incentives for increasing corporate value over the medium to long term. The amount of such remuneration shall be determined having confirmed that remuneration is highly competitive compared to the remuneration of corporate executives at domestic and foreign companies whose scale is approximately the same or higher than the Company based on a survey on remuneration of domestic corporate executives conducted by a third-party organization, and is determined according to the achievement of performance based on the level of performance the Company aims to achieve.

Furthermore, the amount to be paid per share of restricted stock shall be based on the closing price of shares of common stock of the Company on the Tokyo Stock Exchange on the business day preceding the resolution by the Board of Directors concerning allotment (the closing price of the immediately preceding trading day if such date was a non-trading day), and shall not be particularly favorable to Grantee Directors who are to subscribe to the common stock of the Company. The number of shares to be allotted each year as restricted stock shall be 0.1% of the total number of shares issued. Therefore, the dilution rate is insignificant.

Based on the above, the Company has deemed the amount and details of the share-based remuneration under this Proposal as appropriate.

In addition, if this proposal is approved as originally proposed, the policy for determining the individual remuneration of our directors will be revised as described on the following page onwards. Furthermore, as stated in the aforementioned policy, if there are any obstacles to granting share-based remuneration to Grantee Directors, the Company may pay an amount equivalent to the share-based remuneration in cash within the maximum amount of cash remuneration approved by the resolution of the Annual General Meeting of Shareholders held on June 22, 2021.

* 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. The number of shares shown is the number after the stock split.

[Policy for determining remuneration of individual Board Directors]

a. Policy and method for determining amount of remuneration paid to Officers and calculation method thereof

(a) Outline of the policy and the method for determining the remuneration of Officers

The policy for determining the remuneration of Officers of the Company shall be determined having confirmed that remuneration is highly competitive compared to the remuneration of corporate executives at domestic and foreign companies whose scale is approximately the same or higher than the Company based on a survey on remuneration of domestic corporate executives conducted by a third-party organization.

The Company's policy is that the remuneration of Board Directors shall be intended as incentive for achieving sustainable growth as well as enhancement of corporate value over the medium to long term, along with the creation of constant earnings growth, stable cash flows and sound relationship with stakeholders, while ensuring to restrain excessive risk-taking but to enhance motivation of Officers to contribute to improving corporate performance not only over the short term, but also medium to long term.

After the policy for determining remuneration is formulated at HR and General Affairs Division, the method for determining the remuneration of Board Directors shall be consulted with the Remuneration Committee, which is composed of the President & CEO and three or more External Directors, and then approved by the Board of Directors.

External Directors independent from business execution are paid fixed remuneration in cash and share-based remuneration (however, if there are any obstacles to granting share-based remuneration, the Company may pay an amount equivalent to the share-based remuneration in cash; Share-based remuneration is subject to approval at the 39th Annual General Meeting of Shareholders to be held on June 26, 2025).

The Company's policy is to pay fixed remuneration in cash alone to Audit & Supervisory Board Members engaging in the audit of business execution by Board Directors.

Under the Group's remuneration payment policy, remuneration of Board Directors who concurrently hold posts in the Group companies shall be paid from the main company of affiliation, whereby remuneration shall not be paid to Board Director Masayoshi Son.

(b) Structure of the remuneration of Officers

Based on the "(a) Outline of the policy and the method for determining the remuneration of Officers," in order to provide incentives for improving short-term performance and for increasing corporate value over the medium to long term, in addition to fixed remuneration, the remuneration of Board Directors (excluding External Directors) consists of basic remuneration, short-term performance-based remuneration, and medium-term performance-based remuneration, and the Company shall pay each type separately.

The basic remuneration shall be based on the following annual amount as determined by position, and paid in cash on a monthly basis.

Director & Chairman: ¥84 million
President & CEO: ¥120 million
Representative Director: ¥84 million
Board Director, Executive Vice President: ¥60 million

The amount of short-term performance-based remuneration is determined by multiplying the base amount as determined by position, by a factor corresponding to the target achievement ratio for the relevant fiscal year, and is paid annually as share-based remuneration to each individual in accordance with the following calculation method (however, if there are any obstacles to granting share-based remuneration, the Company may pay an amount equivalent to the short-term performance-based remuneration in cash).

Amount of short-term performance-based remuneration	=	Base amount by position (i)	×	Short-term performance target achievement (ii)

(i) Base amount determined individually by position
(ii) Factor determined according to the achievement of net income attributable to owners of the Company and operating income targets and materiality targets

*For details of (ii), refer to "(d) Indicators related to short-term performance-based remuneration, reason for adopting the indicators, and the method for determining the amount of the performance-based remuneration." The amount of short-term performance-based remuneration will be determined by calculating the basic amount following the above calculation formula and taking into account the role of each individual as appropriate.

The amount of medium-term performance-based remuneration is determined by multiplying the base amount as determined by position, by the payment rate corresponding to the relative TSR (total shareholder return) of the Company in the past three years, and is paid as share-based remuneration once every three years to each individual in accordance with the following calculation method (however, if there are any obstacles to granting share-based remuneration, the Company may pay an amount equivalent to the medium-term performance-based remuneration in cash).

Amount of medium -term performance-based remuneration	=	Base amount by position (iii)	×	TSR (total shareholder return) factor (iv)

(iii) Base amount as determined by position
(iv) Factor calculated based on the Company's TSR and relative TSR (a figure obtained by dividing the Company's TSR by the growth rate of Dividend-included TOPIX)

*For details of (iv), refer to "(e) Indicators related to medium-term performance-based remuneration, reason for adopting the indicators, and the method for determining the amount of performance-based remuneration." The amount of medium-term performance-based remuneration will be determined by calculating the basic amount following the above calculation formula and, taking into account the role of each individual as appropriate.

The Company pays External Directors fixed remuneration in cash every month as basic remuneration. In addition, in order to share the enhancement of corporate value over the medium to long term with shareholders, the Company pays annual share-based remuneration in a fixed amount based on factors such as years of experience (however, if there are any obstacles to granting share-based remuneration, the Company may pay an amount equivalent to the share-based remuneration in cash).

The types of remuneration and the maximum annual amounts of remuneration for Board Directors shall be determined by the General Meeting of Shareholders, and the allocation and payment methods shall be approved by the Board of Directors after consultation with the Remuneration Committee. The maximum amount of cash remuneration was resolved at the 35th Annual General Meeting of Shareholders held on June 22, 2021, to be ¥1,500 million (13 Board Directors at the time of resolution), and the maximum amount of share-based remuneration was resolved at the 35th Annual General Meeting of Shareholders held on June 22, 2021, to be ¥8,000 million (7 Board Directors excluding External Directors at the time of resolution). Furthermore, the Company has decided to propose at the 39th Annual General Meeting of Shareholders to be held on June 26, 2025, to include External Directors among the grantees of share-based remuneration, but the maximum amount of share-based remuneration will remain unchanged at ¥8,000 million (11 Board Directors at the time of resolution).

(c) Policy for determining the composition ratio

Based on the "(a) Outline of the policy and the method for determining the remuneration of Officers," the nature of duties performed by individual Board Directors and their actual performance, the Company has established the basic policy that the composition ratio between basic remuneration (cash remuneration) and short-term performance-based remuneration for Board Directors (excluding External Directors) shall be, in principle, 1:1.9 to 1:3.2, and that short-term performance-based remuneration shall fluctuate in a range of 0 to 2.5 times the base amount by position. In addition, the basic policy is to set the composition ratio between basic remuneration (cash remuneration) and medium-term performance-based remuneration at 1:1.1 to 1:2.1, and that medium-term performance-based remuneration shall fluctuate in a range of 0 to 3.0 times the base amount by position. Short-term performance-based remuneration and medium-term performance-based remuneration shall be paid entirely in the form of share-based remuneration.

In addition, for External Directors, the basic policy is to set the composition ratio between basic remuneration (cash remuneration) and share-based remuneration, which is paid in a fixed amount based on factors such as years of experience, at 1:0.2 to 1:1.1.

As for share-based remuneration, at the 34th Annual General Meeting of Shareholders held on June 24, 2020, the Company introduced the restricted stock remuneration system with the aim of offering incentives towards a sustainable increase in the corporate value of the Company, while promoting further sharing of value with shareholders. Furthermore, at the 39th Annual General Meeting of Shareholders to be held on June 26, 2025, the Company plans to include External Directors as grantees of share-based remuneration, and such shares will be subject to transfer restrictions until the date of retirement.

(d) Indicators related to short-term performance-based remuneration, reason for adopting the indicators, and the method for determining the amount of the performance-based remuneration

The Company has set the achievement of performance targets as the indicators for short-term performance-based remuneration. The reasons for adopting these indicators and the method for determining the amount of short-term performance-based remuneration are as follows.

A. Details of the indicators

Net income attributable to owners of the Company and operating income (on a consolidated basis, the same applies below) and materiality targets are used as performance-linked indicators for the achievement of short-term performance targets.

The portion linked to short-term performance will fluctuate in a range of 0 and 2.5 times (target: 1.0) depending on the achievement of performance targets. Each of the ratios determined depending on the achievement of the performance target of each indicator is multiplied by 50% to derive the performance target achievement factor. Materiality targets are added to the factor calculated based on the achievement of the performance target of net income attributable to owners of the Company and operating income targets, in a range of 0% to 5%, depending on the achievement of performance targets. In adopting net income attributable to owners of the Company and operating income as indicators, the factors shall be determined after consultation with the Remuneration Committee if there are particular factors that should be taken into consideration, such as special circumstances including impairment losses, major changes in other management indicators (including free cash flow), or serious scandals or accidents.

Performance target achievement factor = (Net income attributable to owners of the Company factor (i) x 50% + Operating income factor (ii) × 50%) + Materiality target factor (iii)

(i) Compare the target value and actual value of net income attributable to owners of the Company, and set 100% when the actual value is at the same level as the target value.
(ii) Compare the target value and actual value of operating income, and set 100% when the actual value is at the same level as the target value.
(iii) Add in a range of 0% to 5% depending on the achievement of performance targets of the materiality indicators.

B. Reasons for adopting the indicators

The reason for adopting net income attributable to owners of the Company as the performance-linked indicator factor is that the adoption of this indicator, which represents the financial source of dividends to be paid to stakeholders, will promote constructive dialogue with stakeholders, and motivate Board Directors to contribute to enhancement of corporate value over the medium to long term.

The reason for adopting operating income as the performance-linked indicator factor is that this indicator adequately reflects the level of profit derived from the mainstay business across the Group.

The reason for adopting materiality targets as the performance-linked indicator factor is that achievement of the SDGs is an important element as a key driver for promoting our business toward the realization of a sustainable society.

C. Method for determining the amount of short-term performance-based remuneration

The method for determining the amount of short-term performance-based remuneration is based on a range of 0 to 2.5 times the base amount by position as described in "(c) Policy for determining the composition ratio," and is determined through the process described in "(a) Outline of the policy and the method for determining the remuneration of Officers." The amount of short-term performance-based remuneration for the relevant fiscal year, as recommended by the Remuneration Committee after consultation, shall be submitted to the Board of Directors for approval.

(e) Indicators related to medium-term performance-based remuneration, reason for adopting the indicators, and the method for determining the amount of performance-based remuneration

The Company has set the TSR factor as the indicator for medium-term performance-based remuneration. The reasons for adopting the indicator and the method for determining the amount of medium-term performance-based remuneration are as follows.

A. Details of the indicator

As its indicator for medium-term performance-based remuneration, the Company adopts the TSR factor calculated based on the Company's TSR and relative TSR, and the TSR factor will fluctuate in a range of 0 to 3.0 times depending on the Company's TSR and relative TSR.

B. Reasons for adopting the indicator

The reason for adopting the TSR factor as the performance-linked indicator factor is to further promote value sharing with stakeholders and motivate Board Directors to improve share prices over the medium to long term.

C. Method for determining the amount of medium-term performance-based remuneration

The method for determining the amount of medium-term performance-based remuneration is based on a range of 0 to 3.0 times the base amount by position as described in "(c) Policy for determining the composition ratio," and is determined through the process described in "(a) Outline of the policy and the method for determining the remuneration of Officers." The amount of medium-term performance-based remuneration for the relevant fiscal year, as recommended by the Remuneration Committee after consultation, shall be submitted to the Board of Directors for approval.

b. Policy on process of determining remuneration of individual Officers and matters regarding the entrustment of the decision

(a) Policy on process of determining remuneration of individual Officers

The policy on process of determining the amount of remuneration of individual Officers is as follows.

1. Annual aggregate amounts of cash remuneration and share-based payment shall be determined by the resolution at the General Meeting of Shareholders.
2. The composition and level of remuneration, indicators for performance target achievement, and other related matters shall be reviewed at the Remuneration Committee, composed of the President & CEO and three or more External Directors with External Directors constituting a majority, and a recommendation on the subject shall then be submitted to the Board of Directors.
3. The Board of Directors shall adopt a resolution for entrusting the decisions on the amount of individual remuneration to the President & CEO, on condition that the recommendation by the Remuneration Committee be respected.
4. The President & CEO shall make decisions on the amount of individual remuneration respecting the resolution at the Board of Directors in 3. above and the recommendation by the Remuneration Committee.

In determining the amount of remuneration of individual Officers, the Remuneration Committee shall, in line with the executive remuneration policy, review the total amount of remuneration as well as the amount of individual remuneration, and make a recommendation to the Board of Directors.

(b) Matters regarding the entrustment of the decision on remuneration of individual Officers

The Company's policy is to entrust the determination of the amount of remuneration of individual Officers, including cash remuneration and share-based remuneration, to the President and CEO based on a resolution of the Board of Directors.

・Name of the person who is to receive the entrustment, and titles and responsibilities in the Company
Junichi Miyakawa, President & CEO

・Description of the decision to be entrusted
Decision on the amounts of remuneration of individual Board Directors

・Reason for the entrustment
The Company believes the entrustment is appropriate because the amounts of remuneration of individual Officers are to be decided based on a recommendation to the Board of Directors by the Remuneration Committee made upon reviewing the total amount of remuneration and the amount of individual remuneration in line with the executive remuneration policy, and the person entrusted with the decision is to respect the recommendation.

c. Request for return of remuneration

With regard to share-based remuneration, the Company may demand the return of the relevant remuneration without consideration, based on the responsibilities of the Board Director concerned, in the event that: the Board of Directors of the Company determines that the Board Director has violated laws or regulations, the internal rules of the Company, or contracts entered into between the Company and the Board Director in any material respect; or in the event that the Board of Directors determines that there has been a material revision or correction to the figures of financial statements on which the calculation of the share-based remuneration as performance-based remuneration was based; or in the event that the Board of Directors deems that it is appropriate for all or part of share-based remuneration to be acquired by the Company without consideration.

NEWS FLASH

This Year's Topics April 2024 – March 2025

2024.4

Announced a stock split(*1) and the establishment of a shareholder benefits program(*2)

2024.5

Approved as a Cloud Program by the Ministry of Economy, Trade and Industry, and received a subsidy for the construction of an AI computing infrastructure

2024.6

One-year subscription to Perplexity, an AI answer engine, offered at no charge

2024.11

Announced AI-RAN integrated solution AITRAS

Deploying RAN and AI on the same platform

2024.11

Launched Y!Mobile Parent and Child Discount

With the Home Bundle Discount Hikari Set (A) and PayPay Card Discount, Simple2 M available for ¥1,078 (including taxes) per month for one year

(*1) Each share of the Company's common shares was split into 10 shares (Record date: September 30, 2024)

(*2) Gift ¥1,000 worth of PayPay Money Lite. Can be used for transfers and bill payments (excluding taxes), as well as on the official PayPay/PayPay Card stores. Cannot be used for withdrawals or bill payments to local governments (such as taxes).

2024.11

Received Grand Prize for 6th NIKKEI SDGs Management Award for Second Consecutive Year

2024.12

Simple2 M for Y!mobile brand
Announced an increase from 20GB to 30GB at no additional charge(*3)

2024.12

Japan's telecommunications carriers join forces to strengthen disaster response

2025.2

Announced a partnership with OpenAI for the development and marketing of an Advanced Enterprise AI called "Cristal intelligence."(*4)

2025.3

Acquired the Sakai plant of Sharp Corporation to build an AI data center

(*3) Data capacity revisions are scheduled in June 2025, and during the period from January 1, 2025 to the time the revisions take effect, data capacity is being increased as an advance promotion.
(*4) Cristal intelligence is not the official name and is provisional.

Business Report

Status of the Group

1 Overview of operations for this fiscal year

1) Details of operations

Under the *Beyond Carrier* strategy, the Company and its subsidiaries (the "Group") seek 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.

In the Consumer segment, the Company has been promoting a multi-brand strategy offering services tailored to diversifying customer needs. In addition, the Company aims to maximize mobile revenue by expanding the number of smartphone subscribers and increasing Average Revenue Per User per month of mobile communications charges through providing added value by utilizing group services. As a result, the number of smartphone subscribers as of March 31, 2025 increased by 1,040 thousand year on year.

In the Enterprise segment, recurring revenues, such as cloud services and security solutions, led to the growth against the backdrop of the heightened demand for the digitalization of companies and industries.

In the Distribution segment, recurring revenue from cloud and SaaS, which have been strategic areas of focus, grew steadily, in addition to Information and Communication Technology (ICT) related products. This was also boosted by transactions related to AI computing infrastructure, leading to an increase in revenue.

In the Media & EC segment, the growth was led mainly by an increase in media revenue reflecting a strong performance in account advertising, as well as an increase in transaction volume and growth in commerce revenue reflecting a strong performance in the service EC business, which offers travel and restaurant reservations, etc.

In the Financial segment, the cashless payment service *PayPay* has been expanding steadily and recorded 68.38 million registered users as of the end of March 2025. Additionally, PayPay Corporation announced in December 2024 the acquisition of shares in PayPay Bank Corporation* and in February 2025 that it would become the parent company of PayPay Securities Corporation*. Going forward, PayPay Corporation will lead efforts to strengthen banking and securities services.

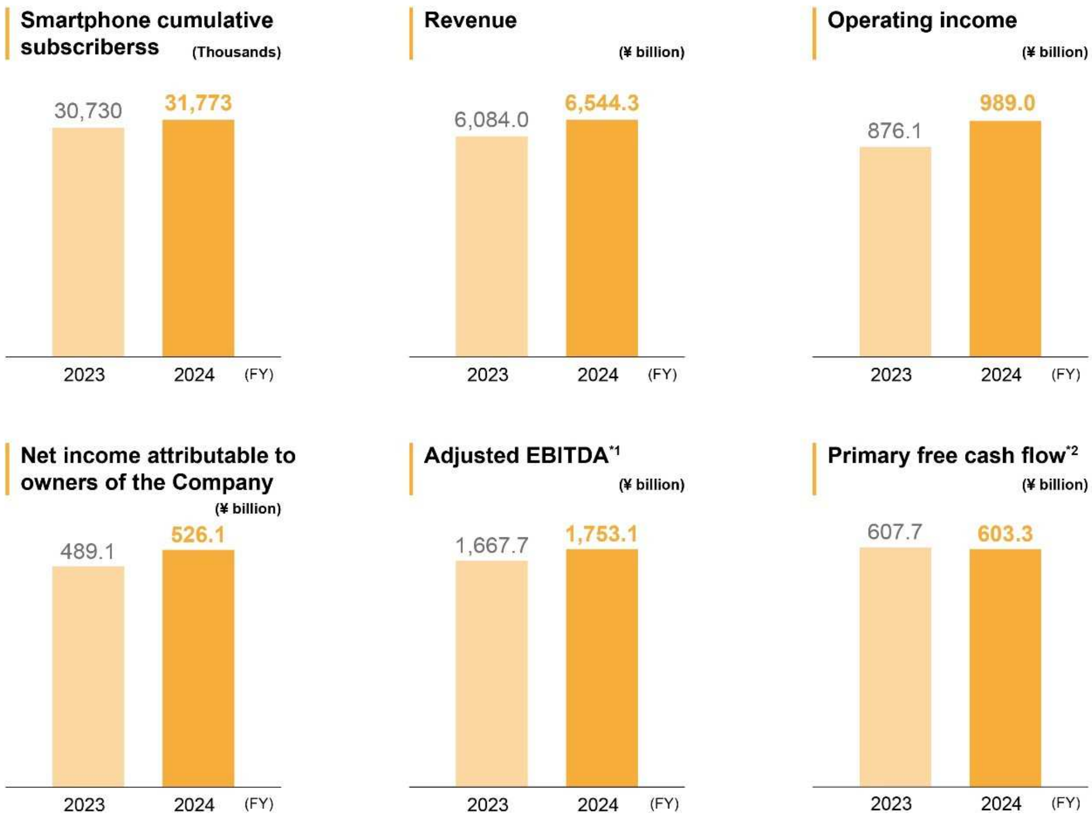
As a result, for the fiscal year ended March 31, 2025, revenue increased by ¥460.3 billion (7.6%) year on year to ¥6,544.3 billion. This was mainly due to increases of ¥242.9 billion (37.6%) in the Distribution segment, of ¥130.3 billion (4.6%) in the Consumer segment, of ¥88.5 billion (10.6%) in the Enterprise segment, of ¥64.0 billion (4.0%) in the Media & EC segment, and of ¥44.5 billion (19.1%) in the Financial segment.

Operating income increased by ¥112.9 billion (12.9%) year on year to ¥989.0 billion. This was mainly due to increases of ¥69.3 billion (35.0%) in the Media & EC segment, primarily reflecting the recording of profits associated with the loss of control of subsidiaries in the LY Group and increase in advertising revenue, as well as of ¥38.2 billion in the Financial segment, of ¥35.2 billion (7.1%) in the Consumer segment, of ¥4.2 billion (16.0%) in the Distribution segment, and of ¥3.4 billion (2.1%) in the Enterprise segment.

Net income attributable to owners of the Company increased by ¥37.1 billion (7.6%) year on year to ¥526.1 billion. This mainly reflected the significant increase in operating income due to the aforementioned factors. On the other hand, the increase was partly offset by, among other factors, the recognition of losses on valuation of investment securities held, the absence of a gain on changes in equity interest associated with the change in the LY Group's equity interest in Webtoon Entertainment Inc., and the recognition of losses on valuation of put options related to associates accounted for by the equity method.

(Note) PayPay Securities Corporation and PayPay Bank Corporation became subsidiaries of PayPay Corporation on April 1, 2025, and April 11, 2025, respectively.

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. This mainly reflected an increase in operating income. On the other hand, primary free cash flow decreased by ¥4.3 billion (0.7%) year on year, due to an increase in 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.



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

2. 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, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. “LY Group, 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. Long-term growth investments include investments in AI computing infrastructure, AI data centers, and Cubic Telecom Ltd.

2) Results by reportable segment

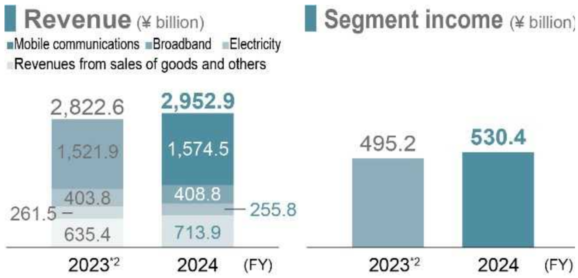
Consumer

Main businesses

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.

In revenue, the increase in mobile revenue mainly reflected an increase in smartphone subscribers mainly led by the *Y!mobile* brand and an improvement in Average Revenue Per User per month (ARPU) of the mobile service price compared to the previous fiscal year. ARPU improved due to an increase in the number of users of the low-priced *Y!mobile* brand, as well as the contribution of new price plans introduced in October 2023. ARPU for FY2023 decreased by ¥120 year on year, but remained flat year on year for FY2024. The increase in broadband revenue was mainly due to an increase in subscribers of the *SoftBank Hikari**1 fiber-optic service. The decrease in electricity revenue was mainly due to a decrease 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.

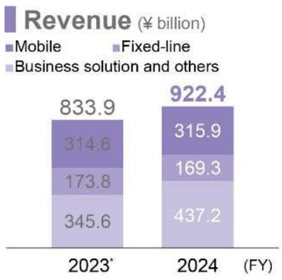


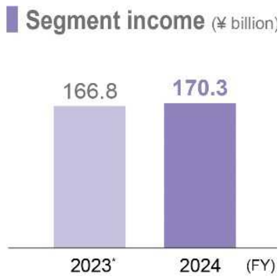
The total of cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses (collectively, "operating expenses") increased year on year. This increase was mainly due to increases in the cost of goods of smartphones, etc., and sales promotion expenses.

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

(Notes) 1. *SoftBank Hikari* subscribers include the number of subscribers to *SoftBank Air*.
2. 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 FY2023 for the "Consumer segment" and Broadband, which included the subsidiaries, have been retrospectively adjusted.

Enterprise





(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." 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 figures and revenue breakdown of all service categories in the "Enterprise segment" revenue for FY2023 has been retrospectively adjusted.

Main businesses

The Enterprise segment provides a wide range of services for enterprise customers, including 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, digital marketing services.

In revenue, 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 the 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 from cloud services, security solutions and IoT solutions as a result of capturing enterprise customers' demand for digitalization, and the impact of the acquisition of Cubic Telecom Ltd. as a subsidiary.

Operating expenses increased 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 a reversal of provisions for litigation recorded in the previous fiscal year.

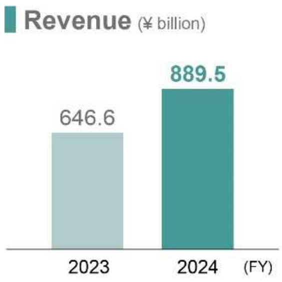
As a result, segment income increased by ¥3.4 billion (2.1%) year on year to ¥170.3 billion.

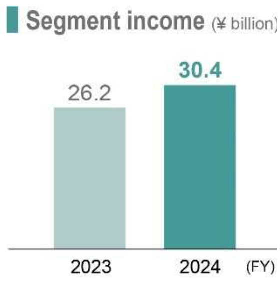
Distribution

Main businesses

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 distributor.

The increase in revenue was mainly due to solid growth in ICT related products and recurring revenue products for corporate customers such as cloud and SaaS, which have been strategic areas of focus, the impact of intersegment transactions related to AI computing platforms*, and an increase sales of PCs due to migration from Windows 10, which is reaching the end of its support.





Operating expenses increased year on year 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) This is revenue to Other, resulting from SB C&S Corp.'s sale of AI computing platforms, which were purchased from NVIDIA, to SoftBank Corp.

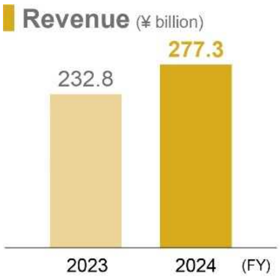
Financial

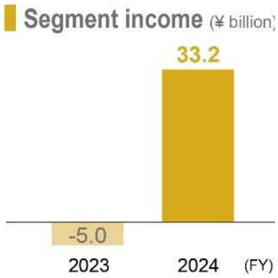
Main businesses

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.

Increase in revenue was mainly due to an increase in transaction volume in QR code payments and credit card services conducted by PayPay Corporation and PayPay Card Corporation.

Operating expenses increased year on year mainly due to an increase in sales promotion expenses related to point rewards, etc., due to the aforementioned increase in gross merchandise value in QR code payments and credit card services, despite cost control through the optimization of fixed costs.



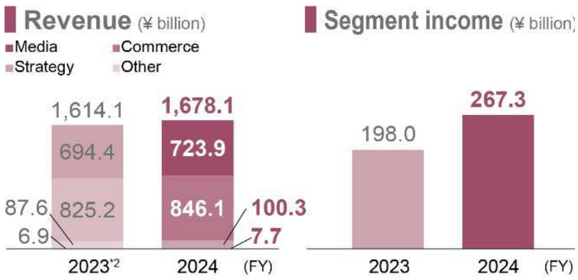


As a result, segment income increased by ¥38.2 billion year on year to ¥33.2 billion, transitioning this segment to profitability.

Media & EC

Main businesses
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*[1].

In revenue, the increase in media revenue mainly reflected an increase in revenue from account advertising. The increase in commerce revenue is mainly due to an increase in revenue of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), as well as strong performance in the service EC business, which deals with travel and restaurant reservations. The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field.



Operating expenses decreased year on year. This 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.

(Notes) 1. 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.
2. 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 FY2023 has been restated to reflect these changes.

3) Status of assets, profit and loss

International Financial Reporting Standards (IFRS)

Fiscal year (¥ million)	2021	2022	2023	2024
Revenue	5,690,606	5,911,999	6,084,002	**6,544,349**
Operating income	965,553	1,060,168	876,068	**989,016**
Net income attributable to owners of the Company	517,075	531,366	489,074	**526,133**
Total assets	13,097,464	14,682,181	15,521,906	**16,102,195**
Total equity	3,212,731	3,683,067	3,935,647	**4,265,371**
Ratio of equity attributable to owners of the Company to total assets (%)	15.0	15.2	15.3	**17.0**
Ratio of net income attributable to owners of the Company to equity attributable to owners of the Company (ROE) (%)	27.3	25.4	21.3	**20.5**
Per share (¥)				
Basic earnings per share	11.00	11.25	10.32	**10.99**
Equity attributable to owners of the Company per share	41.65	47.02	47.97	**50.96**

(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 "Equity attributable to owners of the Company per share" are calculated assuming that the stock split had been carried out at the beginning of FY2021.
2. For subsidiaries acquired through transactions under common control (all of the combining companies or businesses that are ultimately controlled by the same party or parties both before and after the business combination, and their control is other than temporary), the Company has changed the accounting policy to apply the acquisition method to transactions under common control involving non-controlling interests from FY2022 and retrospectively applying it to prior periods. As a result, the status of assets, profit and loss for FY2021 shows figures after retrospective application.
3. Net income used for basic earnings per share is based on net income attributable to owners of the Company excluding the amount not attributable to common shareholders.
4. 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.

4) Capital investments

During the fiscal year ended March 31, 2025, capital investment in 5G coverage deployment has been completed, while investment in AI computing platforms and an AI data center (a data center utilizing the Sakai plant of Sharp Corporation) increased. As a result, the total amount of capital investments for the fiscal year ended March 31, 2025 amounted to ¥912.8 billion.

5) Financing activities

Major financing activities are as follows.*1

(1) The Company entered into a syndicated loan agreement in September 2024 for an aggregate of ¥200.0 billion for long-term business funds.

(2) The Company and its subsidiary, LY Corporation, raised funds through leases totaling ¥272.6 billion.*2

(3) The Company conducted securitization of installment receivables of devices totaling ¥505.2 billion.

(4) The Company and its subsidiary, LY Corporation, issued unsecured bonds at an aggregate face value of ¥80.0 billion in May 2024 and at an aggregate face value of ¥50.0 billion in September 2024 for institutional investors, and issued unsecured bonds (*SoftBank Mirai Soshutsu Bond*) at an aggregate face value of ¥126.0 billion in February 2025 for individual investors.

(5) The Company raised ¥200.0 billion by issuing 25 million Bond-Type Class Shares and listing them on the Tokyo Stock Exchange Prime Market in October 2024.

(6) The Company raised ¥76.0 billion through a syndicated loan with Japan Bank for International Cooperation and four commercial banks to fund the acquisition of Cubic Telecom Ltd., a company based in Ireland in May 2024.

(Notes) 1. Each procurement amount is the amount after elimination of internal transactions.
2. This financing is mainly through sale and lease back transactions.

6) Status of organizational restructuring, etc.

The Company has made SB Technology Corp., a core ICT service company within the Group and a subsidiary of the Company, a wholly owned subsidiary in September 2024 through a tender offer under the Financial Instruments and Exchange Act and a consolidation of shares of the company for the purpose of maintaining and enhancing its competitive advantage in the domestic IT services market.

7) Other important matters related to the status of the Group

(1) Litigation

The Company is a party to the following pending legal and administrative proceedings.

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, etc., for additional services provided in connection with the installation of telecommunication lines, etc., that were ordered by JPiT in relation to a project to migrate the communication 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 telecommunication lines for Japan Post Group's business sites 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, etc. 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, etc., for such additional services.

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

In this lawsuit, JPiT alleges that the Company and NRI delayed performance, etc., 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 such alleged damages.

An order to consolidate the abovementioned lawsuits 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.

(2) Administrative guidance, etc. to LY Corporation

LY Corporation received administrative guidance from the Ministry of Internal Affairs and Communications (MIC) in March 2025 concerning the issue in which thumbnail images are not displayed correctly in *LINE* albums. LY Corporation takes the administrative guidance seriously and will thoroughly implement measures, including the guidance provided, to prevent recurrence and further damage while continuing to strive to ensure that users and other stakeholders can use our services with peace of mind.

2 Issues to be addressed by the Group

1) Corporate philosophy

Guided by our corporate philosophy of "Information Revolution—Happiness for everyone," the Group has, since its foundation, consistently contributed to humanity and society through information revolution. The Group develops new businesses in the information and technology fields, with the vision of becoming “a corporate group needed most by people around the world” and strives to maximize its corporate value.

2) Material issues

Guided by the aforementioned corporate philosophy, the Group, which provides social infrastructure, contributes to maintaining a sustainable society by creating “a world where all things, information and minds are connected” with a view to solving a wide range of social issues through its core businesses, and strives to increase its corporate value over the medium and long term. To achieve this, we have defined the following six material issues to be tackled by the Group.

Solving social issues through business

Building society and industry through digital transformation	Connecting people and information to create new excitement	Creating new business through open innovation

Solving social issues through corporate activities

Contributing to the global environment with the power of technology	Building high-quality social infrastructure	Developing a resilient management foundation

For an overview of our material issues, please refer to “4) Overview of our material issues.”

3) Management policy

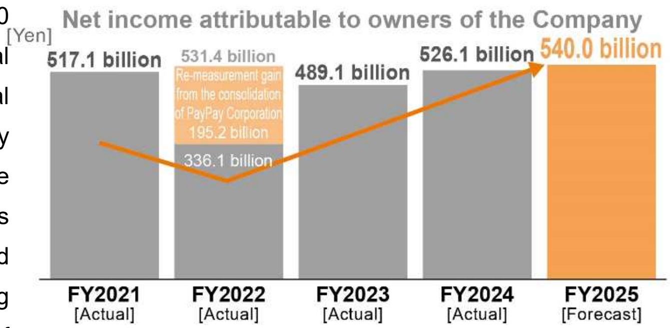
1. Management environment

   As for the management environment in FY2024, 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.

2. Medium-term Management Plan (FY2023-FY2025)

The Company will aim to be “a company that provides Next-generation Social Infrastructure essential for development of a digital society” over the long term. 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. We have identified the technologies needed to achieve this, and taken a variety of initiatives to prepare for them. Under the Medium-term Management Plan for FY2023 through FY2025, the Group will rebuild its business foundations to realize this vision.

The financial goal of this Medium-term Management Plan is to pursue record-high profit in terms of net income attributable to owners of the Company. In May 2023, we announced a forecast of ¥535.0 billion in net income attributable to owners of the Company for FY2025, but backed by strong performance, we revised this upward to ¥540.0 billion in May 2025. In addition, as a non-financial goal, we aim to increase the ratio of virtual renewable energy of the Company’s* electricity consumption. In May 2023, we announced that we aimed to achieve a ratio of 50% by FY2025, but as we reached 54% in FY2024, we revised this upward to 60% in May 2025. We have set a goal of raising the ratio to 100% by FY2030, with at least half of that amount from power generation from renewable energy sources.



(Note) Total of SoftBank Corp. and Wireless City Planning Inc.

Consolidated financial results for FY2024 and forecasts for FY2025 are as shown below.

Consolidated financial results for FY2024 and forecasts for FY2025

	Result of FY2024	Forecast for FY2025	Increase/(Decrease)	Change (%)
Revenue	¥6,544.3 billion	¥6,700.0 billion	¥155.7 billion	2%
Operating income	¥989.0 billion	¥1,000.0 billion	¥11.0 billion	1%
Net income attributable to owners of the Company	¥526.1 billion	¥540.0 billion	¥13.9 billion	3%
Dividends per common share*1,2	¥8.6	¥8.6	–	–

Operating income by segment: Results for FY2024 and forecasts for FY2025

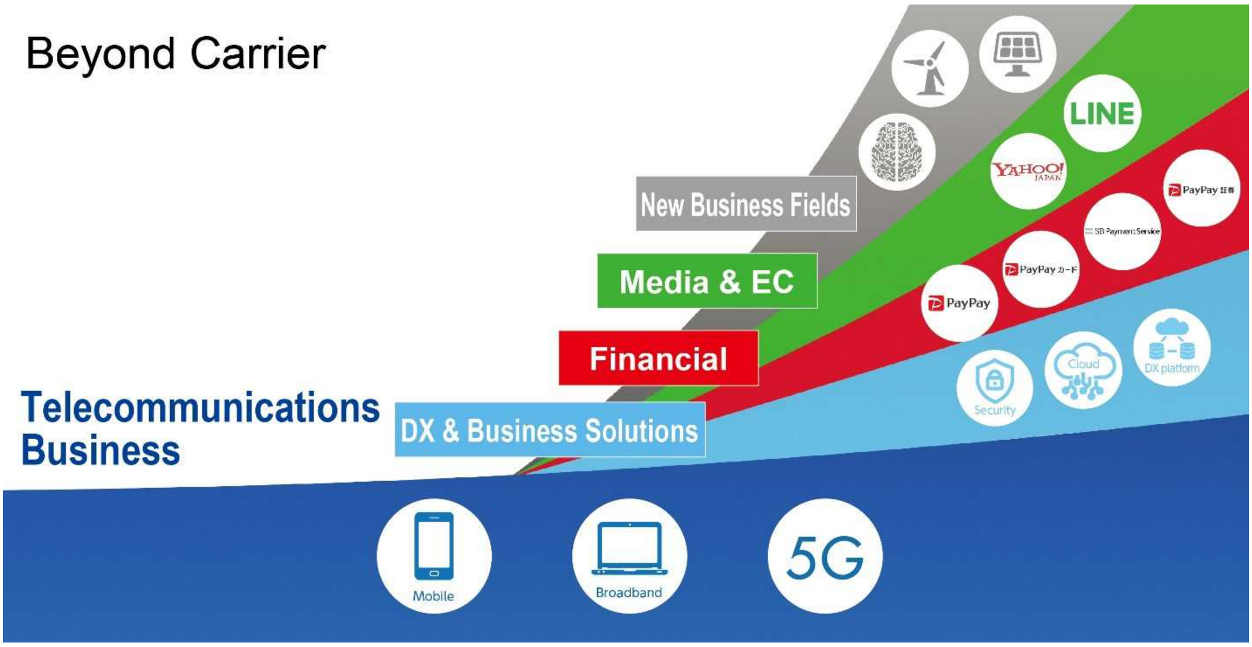
	Result of FY2024	Forecast for FY2025	Increase/(Decrease)	Change (%)
Consumer	¥530.4 billion	¥550.0 billion	¥19.6 billion	4%
Enterprise	¥170.3 billion	¥188.0 billion	¥17.7 billion	10%
Distribution	¥30.4 billion	¥32.0 billion	¥1.6 billion	5%
Media & EC*3,4	¥258.8 billion	¥330.0 billion	¥29.5 billion	10%
Financial*3,4	¥41.7 billion			
Subtotal	¥1,031.6 billion	¥1,100.0 billion	¥68.4 billion	7%
Other*5	¥(42.6) billion	¥(100.0) billion	¥(57.4) billion	–
Total	¥989.0 billion	¥1,000.0 billion	¥11.0 billion	1%

(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. The above dividends per common share for FY2024 is the annual dividends assuming that the stock split was conducted at the beginning of the fiscal year.
2. The year-end dividend for FY2024 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned on May 20, 2025.
3. From FY2025, PayPay Bank Corporation, which was previously classified as 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 FY2024 have been retrospectively adjusted. Please note that these retrospectively adjusted figures are currently under review.
4. 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 the Financial segment for the fiscal year ending March 31, 2026 are disclosed as a combined total.
5. Other includes operating income and loss not included in any of Consumer, Enterprise, Distribution, Media & EC, and Financial segments and adjustments including eliminations of intersegment transactions and expenses not allocated to each reportable segment.

3. Business strategy

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.



1. Further growth of the telecommunications business

The Group will continue to work to further grow its telecommunications business, a foundation of its business, by deploying 5G, increasing the number of smartphone and broadband subscribers, and improving ARPU (Average Revenue Per User per month) in mobile services.

i. Expansion of smartphone and broadband subscribers

The Group offers three distinctive brands of mobile communications services which meet needs from a broad range of users, from high volume users to budget-minded users. We will continue to strengthen links with a variety of services provided by the Group, such as the services on its comprehensive Internet service, *Yahoo! JAPAN*, the communication app *LINE*, and the cashless payment service *PayPay*. By doing so, we will steadily increase the number of smartphone subscribers. The Group will also further focus on increasing sales of high-speed internet connection services for households, primarily the *SoftBank Hikari* service.

ii. Improvement of ARPU in mobile services

In mobile services, the Group is expanding value-added services that are attractive to users in fields such as security, device warranty, entertainment, and in-store support. In addition, we are enhancing the attractiveness of the *SoftBank* brand by offering various benefits and promoting brand migration from the *Y!mobile* brand.

iii. 5G rollout

The Group launched its 5G services in March 2020. Our 5G population coverage has surpassed 95% and we have since expanded its service area. Until now, the Group's 5G services were mainly on a non-standalone basis, using ultra-high speed and large capacity communications. Following this, by progressively raising the level of our Stand Alone 5G services, we aim to realize communications with ultra-high speed and large capacity, ultra-low latency, and mass machine connections, and to provide 5G services that take advantage of these features. Meanwhile, we will improve cost efficiency in capital expenditures by fully leveraging our existing base station sites, collaborating with other companies and taking various other measures such as improving the efficiency of our network equipment.

In addition, 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 FY2030, and begin service by FY2031

2. Expansion of DX/solution business for enterprises

In addition to providing telecommunications services to enterprise customers, the Group will focus on selling DX/solution products that meet the rapidly expanding digitization needs of businesses, as well as developing and providing generative AI-related solutions, aiming to acquire new customers and increase the transaction amount per customer. We will secure human resources for digital technologies through employee reskilling and recruitment activities, and propose high value-added solutions that solve issues faced by companies. Furthermore, we will create new businesses which lead to solving social issues by leveraging our knowledge of cutting-edge technologies.

In September 2024, we fully owned SB Technology Corp., which was our core ICT service subsidiary. By mutually utilizing the engineering, security and cloud services of SB Technology Corp. and the management resources of the Company, we aim to improve profitability by focusing more on high value-added services.

3. Growth of Media & EC

In the Media & EC business, the Group provides Internet services with one of the largest user bases in Japan, including the comprehensive Internet service, *Yahoo! JAPAN,* and the communication app *LINE*. This business operates diverse services, including search, news, and online shopping.

i. Expansion of the media field

In the media field, which handles Internet advertising and other services, we will work to maximize the sales of existing advertisements by increasing the unit price of advertisements through raising distribution accuracy by leveraging the Group's technologies and assets. In addition, we will seek to achieve further sales growth by supporting integrated marketing from the acquisition of new customers to encouraging ongoing use, through our advantages in marketing analysis via data linking and promotion of repeat purchasing through communications apps.

In November 2023, we launched a new membership service *LYP Premium* as part of cross-use initiatives. In addition to the benefits previously offered by former *Yahoo! Premium*, this service provides benefits that make the *LINE* app more fun and convenient, with the aim of acquiring new members and expanding the use of LY Group services.

ii. Growth of the commerce field

In the commerce field, which includes online shopping, we are working to reach a broad range of users by operating multiple commerce services that each have distinct characteristics, such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, amid diversification of user needs. Going forward, we will aim for sustainable growth in earnings by further promoting mutual use of the Group services such as *LINE*, *Yahoo! JAPAN*, and *PayPay*, which have some of the largest user bases in Japan, and by expanding the Group ecosystem.

In addition, as part of our future initiatives, we plan to renew the *LINE* app. By adding a new "Shopping" tab, we will provide a purchasing experience that starts from the messenger app. Through the renewal of the *LINE* app, we will work to improve the convenience of *LINE* and further promote cross-use.

iii. Improvement of security governance

LY Corporation, a core company in the Media & EC business, received administrative guidance from MIC in March and April 2024 and recommendations and requests for reports, etc. from the Personal Information Protection Commission in March 2024 concerning the leakage of information due to unauthorized access, which was announced in November 2023. In response, LY Corporation has been submitting regular reports to MIC and the Personal Information Protection Commission since April 2024. In addition, LY Corporation received administrative guidance from MIC in March 2025 concerning the issue in which thumbnail images are not displayed correctly in *LINE* albums that occurred in November 2024. LY Corporation takes this matter seriously as a serious situation that could damage its trust as a platform operator with a large number of users, and is promoting measures to prevent recurrence. As the parent company of LY Corporation, the Company is working to ensure effective security governance, including regular risk assessments and strengthening communication systems in the event of an emergency.

4. Growth of Financial business

The Financial segment includes PayPay Corporation and PayPay Card Corporation, as well as SB Payment Service Corp., which provides payment processing services, and PayPay Securities Corporation, which provides online securities trading service for smartphones.

i. Promoting further growth of *PayPay* and peripheral financial services

The Group will pursue further growth of *PayPay* through an increase in MTU (Monthly Transaction Users) with efficient promotions, an increase in payment unit prices and number of payments through expanded use of *PayPay Credit* and *PayPay Card*, and the group synergies. In addition, we will expand the Group's financial business by leveraging the strength of *PayPay* as a payment platform and promoting the growth of peripheral financial services. PayPay Corporation announced in December 2024 the acquisition of shares in PayPay Bank Corporation* and in February 2025 that it would become the parent company of PayPay Securities Corporation*. Going forward, PayPay Corporation will lead efforts to strengthen banking and securities services.

(Note) PayPay Securities Corporation and PayPay Bank Corporation became subsidiaries of PayPay Corporation on April 1, 2025, and April 11, 2025, respectively.

ii. Maximization of transaction volume in payment processing services

In the payment processing services provided by SB Payment Service Corp., we will actively pursue payment opportunities in fields other than payment of mobile communications charges (non-telecommunications field) to maximize payment transaction volume.

5. New business creation and expansion

The Group is working to create and expand innovative new businesses that leverage cutting-edge technologies in fields such as AI, FinTech, mobility, healthcare, and renewable energy, by utilizing its user base of tens of millions of users in different fields such as telecommunications, e-commerce, payments, and social media.

The Company particularly focuses on the field of generative AI and promotes a “multi-model strategy” that provides multiple large-scale language models (LLM) according to customer needs. As part of this initiative, we are engaged in the in-house development of LLM (*Sarashina*) specialized for the Japanese language, while also selling various generative AI solutions such as “Google Workspace with Gemini” provided by Google LLC in the USA, and “Azure OpenAI Service” and “Microsoft 365 Copilot” provided by Microsoft Corporation in the USA. Additionally, in February 2025, we announced a partnership with OpenAI, Inc. in the USA to develop and market Advanced Enterprise AI services. Furthermore, we are working on the construction of large-scale AI data centers necessary for the future provision of generative AI services.

6. Improvement of cost efficiency

The Group will flexibly make business investments while continuing to improve cost efficiency. For example, we strive to automate call center operations, network operations and monitoring, etc., using AI to further improve efficiency. In addition, we will continue to optimize our network equipment in line with the termination of PHS, 3G and ADSL services. We will also strive to reduce group-wide costs through joint purchasing with Group companies and in-house development and operations by utilizing Group companies.

4. Financial strategy

(a) Priority management indicator

The Group considers primary free cash flow* to be a significant management indicator. In order to invest in growth while maintaining high shareholder returns, we will aim to create stable primary free cash flow going forward. We will also conduct a capital-efficient management with appropriate financial leverage, while maintaining a sound financial structure. In addition, we plan to utilize Bond-Type Class Shares and other instruments for long-term growth investments, such as the realization of services using generative AI and the construction of next-generation social infrastructure.

(b) Policy for shareholder returns

We consider the return of profits to shareholders to be an important goal for our management along with increasing medium- to long-term corporate value.

Please refer to “Policy to determine dividends of surplus” for details.

(Note) 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, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. “LY Group, 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. Long-term growth investments include investments in AI computing infrastructure, AI data centers, and Cubic Telecom Ltd.

4) Overview of our material issues

1. Building society and industry through DX

   The Company creates new industries and provides solutions for transforming various businesses in society by utilizing cutting-edge technologies such as 5G and AI.

2. Connecting people and information to create new excitement

   The Company provides new experiences and enriches the lifestyles of customers through promoting the adoption of smart devices. Concurrently, the Company creates value for both consumers and partners by providing them with attractive platforms that connect people to information.

3. Creating new business through open innovation

   The Company creates new businesses and develops cutting-edge technologies and business models in Japan by leveraging relationships with global leading innovative companies. Concurrently, the Company promotes the development of a highly-skilled workforce and the establishment of an organization that supports the expansion and penetration of new businesses.

4. Contributing to the global environment with the power of technology

   The Company contributes to mitigating climate change, promoting a circular economy and the adoption of renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.

5. Building high-quality social infrastructure

   The Company is committed to maintaining a constantly connected and stable telecommunication network, while also protecting customers' important data. In addition, the Company will promote the construction of a "next-generation social infrastructure" with a structure that can meet the demand for data processing and electricity, which is expected to increase rapidly due to the accelerated evolution of AI.

6. Developing a resilient management foundation

   The Company conducts corporate governance with integrity to earn the trust of society through ongoing dialogue with stakeholders. In addition, the Company fosters innovation and improves the well-being of employees by developing a progressive workplace environment where diverse human resources can thrive utilizing cutting-edge technologies, and by promoting health and productivity management to maintain and enhance the health of employees and their families.

The Group will continue to work to solve social issues both through business and corporate activities, based on its corporate philosophy of "Information Revolution—Happiness for everyone." Through this, we will work to contribute to the creation of a sustainable society.

3 Major parent and subsidiaries (as of March 31, 2025)

1) Relationship with the parent

The Company's parent company is SoftBank Group Japan Corporation, the owner of 19,148,580,700 common shares of the Company (equity interest: 40.26%). SoftBank Group Japan Corporation is a wholly-owned subsidiary of SoftBank Group Corp. and the parent company of the Company.

2) Major subsidiaries

Company name	Capital	Voting rights of the Company[*1] (%)	Principal business activities
Wireless City Planning Inc.[*2]	¥110 million	31.8	Telecommunications business
SB Power Corp.	¥3,000 million	100.0	Sale, purchase, and supply of power and power transaction mediation
Cubic Telecom Ltd.	240 thousand EUR	54.3	Supply of IoT platforms for SDCVs
SB C&S Corp.	¥500 million	100.0	Manufacture, distribution and sales of IT-related products, and IT-related services
A Holdings Corporation[*2]	¥100 million	50.0	Management of investees' business activities, and related operations
LY Corporation	¥250,128 million	62.5 [62.5]	Operation of internet advertising, e-commerce, membership services and other businesses, and group company management operations
ASKUL Corporation[*2]	¥21,234 million	46.5 [46.5]	Office-related product sales and other delivery services
ZOZO, Inc.	¥1,360 million	51.5 [51.5]	Planning and operation of fashion e-commerce site *ZOZOTOWN*, customer support and operation of logistics center ZOZOBASE
IKYU CORPORATION	¥400 million	100.0 [100.0]	Operation of internet reservation site for luxury hotels and inns, select restaurants, etc.
PayPay Bank Corporation[*2]	¥72,217 million	46.6 [46.6]	Banking
Z Intermediate Global Corporation	¥1 million	100.0 [100.0]	Holding company
LINE SOUTHEAST ASIA CORP.PTE.LTD.	220,500 thousand USD	100.0 [100.0]	Holding company
LINE Financial Corporation	244,903 million KRW	100.0 [100.0]	Planning and operation of LINE's global financial platform services

Company name	Capital	Voting rights of the Company[*1] (%)	Principal business activities
LINE Pay Corporation	¥21,535 million	100.0 [100.0]	Issuance, sales and administration of prepaid payment instruments, provision of electronic payment/settlement system and operation of funds transfer business, and operation of related services including *LINE Kakeibo* and *LINE POINTS*
LINE Plus Corporation	25,032 million KRW	100.0 [100.0]	Overseas marketing and development of various overseas services related to LINE
PayPay Corporation	¥94,434 million	69.8 [63.9]	Development/provision of e-payment services such as mobile payments
PayPay Card Corporation	¥100 million	100.0 [100.0]	Credit and credit card loans
SB Payment Service Corp.	¥6,075 million	100.0	Settlement and collection services

(Notes) 1. The figures in brackets represent the percentage of indirectly held voting rights.
2. Classified as a subsidiary because the Company is deemed to have substantial control even though the percentage of voting rights it holds is less than 50%.

4 Major business offices (as of March 31, 2025)

Company name	Major offices
SoftBank Corp.	Head office: Minato-ku, Tokyo Sales office: Chuo-ku, Sapporo; Miyagino-ku, Sendai; Nakamura-ku, Nagoya; Kita-ku, Osaka; Kanazawa, Ishikawa Pref; Naka-ku, Hiroshima; Takamatsu, Kagawa Pref; Hakata-ku, Fukuoka
Wireless City Planning Inc.	Head office: Minato-ku, Tokyo
SB Power Corp.	Head office: Minato-ku, Tokyo
Cubic Telecom Ltd.	Head office: Dublin, Ireland
SB C&S Corp.	Head office: Minato-ku, Tokyo
A Holdings Corporation	Head office: Minato-ku, Tokyo
LY Corporation	Head office: Chiyoda-ku, Tokyo
ASKUL Corporation	Head office: Koto-ku, Tokyo
ZOZO, Inc.	Head office: Inage-ku, Chiba
IKYU CORPORATION	Head office: Chiyoda-ku, Tokyo
PayPay Bank Corporation	Head office: Shinjuku-ku, Tokyo
Z Intermediate Global Corporation	Head office: Chiyoda-ku, Tokyo
LINE SOUTHEAST ASIA CORP.PTE.LTD.	Head office: Republic of Singapore
LINE Financial Corporation	Head office: Seongnam-si, Gyeonggi-do, Republic of Korea
LINE Pay Corporation	Head office: Shinagawa-ku, Tokyo
LINE Plus Corporation	Head office: Seongnam-si, Gyeonggi-do, Republic of Korea
PayPay Corporation	Head office: Shinjuku-ku, Tokyo
PayPay Card Corporation	Head office: Shinjuku-ku, Tokyo
SB Payment Service Corp.	Head office: Minato-ku, Tokyo

5 Employees (as of March 31, 2025)

1) Employees of the Group

Number of employees	Change from the end of the previous fiscal year
55,070	330 decrease

(Note) The above number of employees does not include fixed-term employees, contract employees or temporary employees.

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year
18,895	6 increase

(Note) The above number of employees does not include fixed-term employees, contract employees and temporary employees.

6 Status of major lenders (as of March 31, 2025)

Lenders	Outstanding balance of loans
Bank borrowing	¥1,399,342 million
Lease contracts	¥841,474 million
Securitization of receivables	¥850,348 million

(Notes) 1. The above bank borrowing is based on agreements concluded by the Company and its subsidiary LY Corporation with certain third-party financial institutions, with Mizuho Bank, Ltd and others acting as mandated lead arrangers.
2. The above lease contracts are financing for sale and lease back transactions that the Company and its subsidiary Wireless City Planning Inc. and LY Corporation have entered into with lease companies.
3. The above securitization of receivables is in the form of the Company's installment receivables of devices.

Status of the Company

1 Status of shares (as of March 31, 2025)

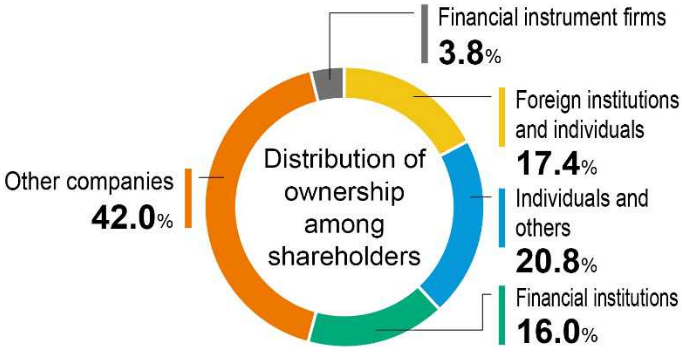
1) Shares authorized

80,109,603,000 shares

2) Shares issued

Common stock	47,751,490,700 shares
Series 1 Bond-Type Class Shares	30,000,000 shares
Series 2 Bond-Type Class Shares	25,000,000 shares

(Treasury common stock 184,234,180 shares)



3) Number of shareholders

Common stock	1,360,538
Series 1 Bond-Type Class Shares	20,593
Series 2 Bond-Type Class Shares	31,727

4) Principal shareholders

Name of shareholders	Number of shares held				Percentage of total shares issued (%)
	Common stock	Bond-Type Class Shares		Total	
		Series 1	Series 2		
SoftBank Group Japan Corporation	19,148,580,700	-	-	19,148,580,700	40.21
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,991,837,500	-	-	4,991,837,500	10.48
Custody Bank of Japan, Ltd. (Trust Account)	1,762,446,200	26,200	14,200	1,762,486,600	3.70
SMBC Nikko Securities Inc.	626,459,900	-	-	626,459,900	1.32
STATE STREET BANK WEST CLIENT - TREATY 505234	623,970,900	-	-	623,970,900	1.31
STATE STREET BANK AND TRUST COMPANY 505001	414,703,263	-	-	414,703,263	0.87
JP MORGAN CHASE BANK 385781	391,676,870	-	-	391,676,870	0.82
JPMorgan Securities Japan Co., Ltd.	385,418,452	-	-	385,418,452	0.81
Goldman Sachs Japan Co., Ltd. BNYM	286,254,004	-	-	286,254,004	0.60
JP MORGAN CHASE BANK 385632	250,861,308	-	-	250,861,308	0.53

(Notes) 1. On October 3, 2024, the Company issued 25,000,000 Series 2 Bond-Type Class Shares, which were listed on the Prime Market of the Tokyo Stock Exchange, Inc. on October 4, 2024.
2. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares effective October 1, 2024. As a result, shares authorized increased by 72,098,642,700 shares, and shares issued of common stock increased by 42,911,435,430 shares.
3. The total number of shares of common stock issued increased by 83,854,500 shares due to the exercise of stock acquisition rights.
4. Percentage of total shares issued is calculated excluding treasury stock (184,234,180 shares).
5. The above numbers of shares held include those held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. that are related to trust operations.

5) Status of shares issued to Officers as remuneration for discharge of duties in this fiscal year

Title	Class and number of shares	Number of officers to whom shares were issued
Board Directors (excluding External Directors)	Common stock 14,716,000 shares	4

(Note) The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares effective October 1, 2024. The number of shares shown is the number after the stock split.

2 Status of Corporate Officers

1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Title	Name	Area of responsibility and status of significant concurrent position
Director & Chairman	Yasuyuki Imai	
President & CEO	Junichi Miyakawa	In Charge of Beyond Japan Strategy, Digital Infrastructure Strategy, Green Transformation Strategy, Research Institute of Advanced Technology, Government Relations, Compliance and Alliance & Investment Strategy Director, A Holdings Corporation
Representative Director & COO	Jun Shimba	Representative Director, President & CEO, SB Payment Service Corp. Director, PayPay Corporation
Board Director, Executive Vice President & CFO	Kazuhiko Fujihara	Finance Unit Head Director, A Holdings Corporation
Board Director, Founder	Masayoshi Son	Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. Representative Director, SoftBank Group Japan Corporation
Board Director External Independent Officer	Atsushi Horiba	Chairman, Representative Director & Group CEO, HORIBA, Ltd. Chairman & Representative Director, HORIBA STEC, Co., Ltd. Outside Director, Sumitomo Electric Industries, Ltd.
Board Director External Independent Officer	Takehiro Kamigama	External Director, OMRON Corporation External Director, KOKUYO Co., Ltd. Chief Consultant, Contemporary Amperex Technology Japan KK Representative Director, Gama Expert, Inc.
Board Director External Independent Officer	Kazuaki Oki	Head of Oki CPA Office Supervisory Officer, NIPPON LIFE PRIVATE REIT Inc. Representative Partner, Chiyoda Audit Corporation
Board Director External Independent Officer	Naomi Koshi	Partner Lawyer, Miura & Partners Co-Founder and CEO, OnBoard K.K. Outside Audit & Supervisory Board Member, Mitsubishi Research Institute, Inc.
Board Director External Independent Officer	Maki Sakamoto	Vice-president, The University of Electro-Communications Sub-Director, Artificial Intelligence eXploration Research Center, The University of Electro-Communications Professor, Department of Informatics, Graduate School of Informatics and Engineering, The University of Electro-Communications Director COO, Kansei AI Co., Ltd.
Board Director External Independent Officer	Hiroko Sasaki	President & CEO, ChangeWAVE Group, Inc. Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited Representative Director, Human Capital Management Promotion Association

Title	Name	Area of responsibility and status of significant concurrent position
Full-time Audit & Supervisory Board Member External Independent Officer	Shuji Kojima	
Full-time Audit & Supervisory Board Member	Eiji Shimagami	
Audit & Supervisory Board Member	Kazuko Kimiwada	Executive Corporate Officer, CSusO, Head of Accounting Unit, SoftBank Group Corp.
Audit & Supervisory Board Member External Independent Officer	Yoko Kudo	External Director, Chubu Electric Power Co., Inc.

(Notes)
1. Board Directors Ken Miyauchi and Kyoko Uemura resigned from the position at the Company on June 20, 2024 due to expiration of their term of office.
2. Board Directors Maki Sakamoto and Hiroko Sasaki assumed the position at the Company on June 20, 2024.
3. Audit & Supervisory Board Member Kazuko Kimiwada assumed the position of Executive Corporate Officer, CSusO, Head of Accounting Unit, SoftBank Group Corp. on February 1, 2025.
4. Board Director Junichi Miyakawa resigned from the position of Director, MONET Technologies Inc. on June 24, 2024.
5. Full-time Audit & Supervisory Board Member Shuji Kojima has extensive expertise and experience in human resources, compliance and risk management at a financial institution, and has considerable insight into finance and accounting.
6. Audit & Supervisory Board Member Kazuko Kimiwada is a certified public accountant and has 24 years of business experience as an accounting manager of SoftBank Group Corp., and she has considerable insight into finance and accounting.
7. Audit & Supervisory Board Member Yoko Kudo has extensive expertise and experience as a certified public accountant in the State of California, and she has considerable insight into finance and accounting.
8. In the fiscal year ended March 31, 2025, the average ratio of attendance by all Board Directors at the Board of Directors meetings was 97.0%.

2) Remuneration of Board Directors and Audit & Supervisory Board Members

(1) Policy for determining remuneration, etc. of individual Board Directors and remuneration system

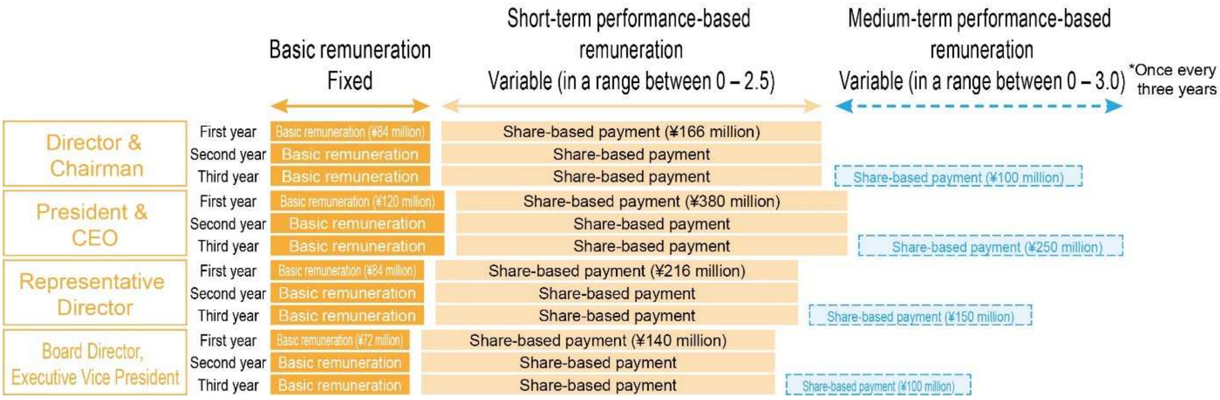
The Company's policy for determining remuneration, etc. of individual Board Directors is determined by the Board of Directors after consultation with the Remuneration Committee. The following is a summary of this policy and the details of the Company's Board Director remuneration system based on this policy.

1. Outline of the policy and the method for determining the remuneration of Officers

- The remuneration shall be at a reasonable level compared with the remuneration of the executives at the Japanese companies with largely comparable scale of business, based on the survey of domestic executive remuneration carried out by a third party organization.
- The remuneration of Board Directors shall be intended as incentive for achieving sustainable growth as well as enhancement of corporate value over the medium to long term, along with the creation of constant earnings growth, stable cash flows and sound relationship with stakeholders, while ensuring to restrain excessive risk-taking but to enhance motivation of Officers to contribute to improving corporate performance not only over the short term, but also medium to long term.
- After the policy for determining remuneration is formulated at HR Division, the method for determining the remuneration of Board Directors shall be consulted with the Remuneration Committee and then approved by the Board of Directors.
- Fixed remuneration alone shall be paid to External Directors independent from business execution and Audit & Supervisory Board Members and External Audit & Supervisory Board Members engaging in the audit of business execution by Board Directors.
- Under the Group's remuneration payment policy, remuneration of Board Directors who concurrently hold posts in the Group companies shall be paid from the main company.

2. Structure of the remuneration of Board Directors

In order to provide incentives for improving short-term performance and for increasing corporate value over the medium to long term, in addition to fixed remuneration, the remuneration of Board Directors (excluding External Directors) consists of basic remuneration, short-term performance-based remuneration, and medium-term performance-based remuneration.



(Note) The remuneration of Board Director Masayoshi Son is to be excluded from the scope of actual payment, as remuneration of Directors who concurrently hold posts in the Group companies is paid from the main company.

(a) Basic remuneration (cash payment)

The basic remuneration shall be based on the annual amount as determined by position, and paid in cash on a monthly basis.

(b) Short-term performance-based remuneration (share-based payment)

Short-term performance-based remuneration is paid annually in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the short-term performance-based remuneration for the relevant fiscal year is, in principle, 1:1.9 to 1:3.2, in accordance with the nature of duties performed by individual Board Directors and their actual performance. The short-term performance-based remuneration fluctuates in a range of 0 to 2.5 times the base amount by position.

i. Calculation method

The amount of short-term performance-based remuneration is determined by multiplying the base amount as determined by position, by a factor corresponding to the target achievement ratio for each fiscal year (between 0 – 2.5, with target of 1.0).

Amount of short-term performance-based remuneration = Base amount by position × Short-term performance target achievement factor (0 – 2.5): ((a) Net income factor ×50% + (b) Operating income factor ×50%) + (c) Materiality factor + 0 – 5%

(Note) The amount to be paid is determined using the above formula as the basis for the calculation. The role of each Board Director is considered as necessary in determining the final remuneration amount.

ii. Performance-linked indicators

Net income attributable to owners of the Company and operating income (on a consolidated basis, the same applies below) and materiality targets are used as performance-linked indicators for the achievement of short-term performance targets. Materiality targets are adopted as particularly important issues for the Company to contribute to society through its business, from among the six material issues identified for the sustainable growth of the Company.

Performance targets

	Indicators	Reason for adoption	Factor calculation method*	Targets for FY2024 (¥ million)	Actual for FY2024 (¥ million)
(a)	Net income attributable to owners of the Company	The adoption of this indicator, which represents the financial source of dividends to be paid to stakeholders, will promote constructive dialogue with stakeholders, and motivate Board Directors to contribute to enhancement of corporate value over the medium to long term	Each of the ratios determined depending on the achievement against the target of each indicator is multiplied by 50% to derive the performance target achievement factor. (This factor is determined as 100% when the actual performance substantially equals the target.)	500,000	526,133
(b)	Operating income	This indicator adequately reflects the level of profit derived from the mainstay business across the Group.		900,000	989,016

(Note) In adopting net income attributable to owners of the Company and operating income as indicators, the factors shall be determined after consultation with the Remuneration Committee if there are particular factors that should be taken into consideration, such as special circumstances including impairment loss, major changes in other management indicators (including free cash flow), or serious scandals or accidents.

Materiality targets

	Indicators		Reason for adoption	Factor calculation method	Targets for FY2024 (¥ million)	Actual for FY2024 (¥ million)
(c)	Contributing to the global environment with the power of technology	Base station effectively renewable energy ratio[*1]	Achievement of the SDGs is an important element as a key driver for driving our business toward the realization of a sustainable society.	The amount is increased by 0% to 5% of the amount, depending on the target achievement.	90% or more	92.5%[*2]
	Building high-quality social infrastructure	Expansion of 5G standalone (SA) coverage: Offer SA for smartphones in key areas of all prefectures			Number of prefectures: 26	Number of prefectures: 21
		Number of major network accidents			0	1
		Number of major accidents involving information security			0	0
	Connecting people and information to create new excitement	Cumulative smartphone subscribers			Annual net addition of 1.00 million	Annual net addition of 1.04 million
	Building society and industry through DX	Solutions and other sales: CAGR (compound annual growth rate)			10% or more	27%
	Developing a resilient management foundation	Selection for DJSI World			To be selected	Selected

(Notes) 1. Measure to achieve carbon neutrality by 2030.
2. In calculating the amount to be paid, the Company uses the figure determined as of the Company's predetermined record date.

(c) Medium-term performance-based remuneration (share-based payment)

Medium-term performance-based remuneration is paid once every three years to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions their until retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the medium-term performance-based remuneration for the relevant fiscal year is, in principle, 1:1.1 to 1:2.1, in accordance with the nature of duties performed by individual Board Directors and their actual performance. The medium-term performance-based remuneration fluctuates in a range of 0 to 3.0 times the base amount by position. Because the Company plans to pay medium-term performance-based remuneration as executive remuneration for the period from FY2024 to FY2026, none has been paid as executive remuneration for FY2024 as a single year.

i. Calculation method

The amount of medium-term performance-based remuneration is determined by multiplying the base amount as determined by position, by a TSR factor (between 0 – 3.0) corresponding to relative TSR (total shareholder return) in the past three years.

Amount of medium-term performance-based remuneration = Base amount by position × TSR factor (0 - 3.0)
*Calculated based on relative TSR

(Note) The amount to be paid is determined using the above formula as the basis for the calculation. The role of each Board Director is considered as necessary in determining the final remuneration amount.

ii. Performance-linked indicators

A TSR factor calculated based on relative TSR is used for a performance-linked indicator that determines medium-term performance target achievement, in order to further promote value sharing with stakeholders and to raise awareness among Board Directors of medium- to long-term share price improvements.

3. Policy on process of determining remuneration of individual Board Directors and matters regarding the entrustment of the decision

(a) Policy on process of determining the amount of remuneration of individual Board Directors

i. Annual aggregate amounts of cash remuneration and share-based payment shall be determined by the resolution at the General Meeting of Shareholders.

ii. The composition and level of remuneration, indicators for performance target achievement, and other related matters shall be reviewed at the Remuneration Committee, and a recommendation on the subject shall then be submitted to the Board of Directors.

iii. The Board of Directors shall adopt a resolution for entrusting the decisions on the amount of individual remuneration to the President & CEO, on condition that the recommendation by the Remuneration Committee be respected.

iv. The President & CEO shall make decisions on the amount of individual remuneration, respecting the recommendation by the Remuneration Committee and the resolution at the Board of Directors.

In determining the amount of remuneration of individual Board Directors, the Remuneration Committee shall, in line with the executive remuneration policy, review the total amount of remuneration as well as the amount of individual remuneration, and make a recommendation to the Board of Directors

(b) Matters regarding the entrustment of the decision on remuneration of individual Board Directors

Name of the person who received the entrustment	Junichi Miyakawa, President & CEO
Description of the entrusted decision	Decision on the amounts of remuneration of individual Board Directors
Reason for the entrustment	In deciding on the amounts of remuneration of individual Board Directors, the Remuneration Committee shall, in line with the executive remuneration policy, review the total amount of remuneration and the amount of individual remuneration and make recommendation to the Board of Directors. The person who has received the entrustment is supposed to respect such recommendation and make decision.

4. Request for return of Board Directors' remuneration

With regard to performance-based remuneration of Board Directors, the Company may demand the return of the remuneration without consideration, based on the responsibilities of the Board Director concerned, in the event that: the Board of Directors of the Company determines that the Board Director has violated laws or regulations, the internal rules of the Company, or contracts entered into between the Company and the Board Director in any material respect; or in the event that the Board of Directors determines that there has been a material revision or correction to the figures of financial statements on which the calculation of the performance-based remuneration was based; or in the event that the Board of Directors deems that it is appropriate for all or part of the performance-based remuneration to be acquired by the Company without consideration.

(2) Matters regarding Resolution of the General Meeting of Shareholders on the remuneration of Board Directors, etc.

	Basic remuneration (cash payment)		Performance-based remuneration (share-based payment)
Resolution of the General Meeting of Shareholders	35th Ordinary General Meeting of Shareholders held on June 22, 2021	Extraordinary General Meeting of Shareholders held on February 25, 2015	35th Ordinary General Meeting of Shareholders held on June 22, 2021
Maximum amount (per year)	¥1,500 million	¥80 million	¥8,000 million (54 million shares*)
Recipients	Board Directors	Audit & Supervisory Board Members	Board Directors (excluding External Directors)
Number of recipients (as of the time of the resolution of the General Meeting of Shareholders)	13 people	6 people	7 people

(Note) The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares effective October 1, 2024. The number of shares shown is the number after the stock split.

(3) Total amount of remuneration and number of recipients by type of remuneration

Title	Total amount of remuneration (¥ million)	Subtotals for each type of remuneration (¥ million)			Number of recipients
		Basic remuneration	Short-term performance-based remuneration	Others	
Board Directors (excluding External Directors)	1,689	381	1,222	86	5 people
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	24	24	-	-	1 person
External Directors	82	82	-	-	7 people
External Audit & Supervisory Board Members	37	37	-	-	2 people

(Notes)
1. The total amount of remuneration paid to Board Directors does not include the employee salary portion for Board Directors who serve concurrently as employees.
2. Short-term performance-based remuneration is share-based remuneration in the form of non-monetary payment, and represent the amount to be paid in the form of restricted stock.
3. Others mainly represents the amounts accounted for (expensed) in this fiscal year concerning the stock options allotted as non-monetary payment in July 2021, which is different from the amount to be gained as a result of exercise or sale of the stock options. It also includes an amount of stock options (¥23 million) that were vested at the retirement of one Board Director who retired on June 20, 2024.
4. In addition to the above, no remuneration was paid to External Officers as officers of SoftBank Group Corp. or its subsidiaries in the fiscal year ended March 31, 2025.
5. The remuneration of individual Board Directors for this fiscal year was determined based on the policy for determining remuneration of individual Board Directors, respecting the recommendation of the Remuneration Committee and the resolutions of the Board of Directors. The Board of Directors has therefore determined that the details of the remuneration of individual Board Directors for this fiscal year are consistent with the policy for determining details of remuneration of individual Board Directors.

(4) Total consolidated remuneration paid to those whose total consolidated remuneration is ¥100 million or more

Name	Amount of consolidated remuneration (¥ million)	Title	Company category	Subtotals for each type of consolidated remuneration (¥ million)		
				Basic remuneration	Short-term performance-based remuneration	Others
Yasuyuki Imai	324	Board Director	The Company	84	225	15*
Junichi Miyakawa	654	Board Director	The Company	120	515	20*
Jun Shimba	391	Board Director	The Company	84	293	15*
Kazuhiko Fujihara	272	Board Director	The Company	72	190	10*

(Note) Figures mainly represent the amounts accounted for (expensed) in the fiscal year ended March 31, 2025 concerning the stock options granted in July 2021.

3) Description of limited liability agreement

The Company and non-executive directors, Atsushi Horiba, Takehiro Kamigama, Kazuaki Oki, Naomi Koshi, Maki Sakamoto, and Hiroko Sasaki, and Audit & Supervisory Board Members have respectively concluded a contract to limit their liability for damages stipulated in Paragraph 1, Article 423 of the Companies Act in accordance with Paragraph 1, Article 427 of the same Act to the minimum amount stipulated by relevant laws and regulations.

4) Items on External Officers

(1) Relationship with companies where External Officers hold a significant concurrent position

Title	Name	Relationship with companies where External Officers hold a significant concurrent position
Board Director	Atsushi Horiba	The Company has business relationships, such as telecommunications services, with HORIBA, Ltd., where External Director Atsushi Horiba serves as Representative Director. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible. The Company has business relationships, such as the ordering of equipment and telecommunications services, with Sumitomo Electric Industries, Ltd., where Mr. Horiba serves as Outside Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Takehiro Kamigama	The Company has business relationships, such as telecommunications services, with OMRON Corporation, where External Director Takehiro Kamigama serves as External Director. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible. The Company has business relationships, such as office engineering work and telecommunications services, with KOKUYO Co., Ltd., where Mr. Kamigama serves as External Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Naomi Koshi	The Company has business relationships, such as legal advice services, with Miura & Partners, where External Director Naomi Koshi serves as Partner Lawyer. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company has business relationships, such as telecommunication services, with Mitsubishi Research Institute, Inc., where Ms. Koshi serves as Outside Audit & Supervisory Board Member. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible.
Board Director	Maki Sakamoto	The Company has a joint research agreement and business relationships, such as telecommunication services, with The University of Electro-Communications, where External Director Maki Sakamoto serves as Vice-president. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Hiroko Sasaki	The Company has business relationships, such as business entrustment, with ChangeWAVE Group, Inc., where External Director Hiroko Sasaki serves as President & CEO. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company has business relationships, such as telecommunications services, with Sumitomo Mitsui DS Asset Management Company, Limited, where Ms. Sasaki serves as Outside Director. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible.
Audit & Supervisory Board Member	Yoko Kudo	The Company has business relationships, such as the establishment of a base station and telecommunications services, with Chubu Electric Power Co., Inc., where External Audit & Supervisory Board Member Yoko Kudo served as External Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.

(Note) There are no other special interests between companies in which External Officers hold major concurrent positions and the Company.

(2) Major activities for this fiscal year

Title	Name	Attendance at Board of Directors meeting*1, *2	Major activities and overview of duties relating to expected roles
Board Director	Atsushi Horiba	91.7% Attended 11 out of 12 meetings	Makes necessary remarks based on his deep knowledge and experience in overall management as the manager of the world's leading analytical equipment manufacturer, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, acting as Chair of each committee, and makes comments as appropriate.
Board Director	Takehiro Kamigama	91.7% Attended 11 out of 12 meetings	Makes necessary remarks based on his deep knowledge and experience in overall management as the manager of the world's leading comprehensive electronics components manufacturer, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Kazuaki Oki	100% Attended 12 out of 12 meetings	Makes necessary remarks from a professional perspective based on his extensive knowledge and experience as a certified public accountant, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Naomi Koshi	100% Attended 12 out of 12 meetings	Makes necessary remarks from a professional perspective as a lawyer, as well as her extensive knowledge and experience in areas such as municipal government and promotion of women's career advancement, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Maki Sakamoto	100% Attended 10 out of 10 meetings	Makes necessary remarks based on her extensive knowledge and experience as a university professor specializing in informatics, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.
Board Director	Hiroko Sasaki	100% Attended 10 out of 10 meetings	Makes necessary remarks based on her deep knowledge and experience in overall management as the manager of a company promoting organizational change and DE&I, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.

(Notes) 1. The number of meetings of the Board of Directors by written resolution is excluded.
2. The attendance of Board Directors Maki Sakamoto and Hiroko Sasaki shows the number of meetings held after their appointment on June 20, 2024.

Title	Name	Attendance at Board of Directors meeting*	Attendance at Audit & Supervisory Board meeting	Major activities
Full-time Audit & Supervisory Board Member	Shuji Kojima	100% Attended 12 out of 12 meetings	100% Attended 16 out of 16 meetings	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience concerning human resources, compliance, risk management, finance and accounting.
Audit & Supervisory Board Member	Yoko Kudo	100% Attended 12 out of 12 meetings	93.8% Attended 15 out of 16 meetings	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience in finance and accounting.

(Note) The number of meetings of the Board of Directors by written resolution is excluded.

(3) Total amount of remuneration paid by the parent or subsidiaries of the parent

Not applicable.

(4) Comments on descriptions regarding External Officers

Not applicable.

3 Policy to determine dividends of surplus

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 platforms. 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.

Based on this policy, for the fiscal year ended March 31, 2025, the year-end dividend per share is planned to be ¥4.3[*1,2] for common shares. Combined with the interim dividend of ¥4.3[*2] per share we paid with a record date of September 30, 2024, the annual dividend will be ¥8.6[*2] per share. In addition, for the fiscal year ended March 31, 2025, the year-end dividend per share is planned to be ¥50.00[*1] for the Series 1 Bond-Type Class Shares. Combined with the interim dividend of ¥50.00 per share we paid with a record date of September 30, 2024, the annual dividend will be ¥100.00 per share. We also plan to pay a year-end dividend per share of ¥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 ¥8.6[*2] (of which, the interim and year-end dividends per share are planned to be ¥4.3 and ¥4.3, respectively) 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 was split into 10 shares, with the effective date being October 1, 2024. Dividends for the fiscal year ended March 31, 2025 are stated after taking 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.

(Note) Within this Business Report amounts less than stated units are rounded, and ratios less than stated units are rounded.

Consolidated Financial Statements

Consolidated Statement of Financial Position

(As of March 31, 2025)

(Millions of yen)

Account	Amount
<ASSETS>	
Current assets	
Cash and cash equivalents	1,435,525
Trade and other receivables	2,805,640
Other financial assets	260,236
Inventories	191,451
Other current assets	165,803
Total current assets	**4,858,655**
Non-current assets	
Property, plant and equipment	1,966,995
Right-of-use assets	749,157
Goodwill	2,068,492
Intangible assets	2,531,480
Contract costs	384,500
Investments accounted for using the equity method	273,148
Investment securities	255,068
Investment securities in banking business	747,056
Other financial assets	2,099,465
Deferred tax assets	65,128
Other non-current assets	103,051
Total non-current assets	**11,243,540**
Total assets	**16,102,195**

Account	Amount
<LIABILITIES AND EQUITY>	
Current liabilities	
Interest-bearing debt	1,646,524
Trade and other payables	2,828,640
Contract liabilities	137,223
Deposits for banking business	1,795,965
Other financial liabilities	2,742
Income taxes payable	122,844
Provisions	52,932
Other current liabilities	248,336
Total current liabilities	**6,835,206**
Non-current liabilities	
Interest-bearing debt	4,315,628
Other financial liabilities	104,741
Provisions	142,392
Deferred tax liabilities	322,232
Other non-current liabilities	116,625
Total non-current liabilities	**5,001,618**
Total liabilities	**11,836,824**
Equity	
Equity attributable to owners of the Company	
Common stock	228,162
Capital surplus	927,067
Retained earnings	1,594,862
Treasury stock	(29,221)
Accumulated other comprehensive income (loss)	22,760
Total equity attributable to owners of the Company	2,743,630
Non-controlling interests	1,521,741
Total equity	**4,265,371**
Total liabilities and equity	**16,102,195**

Note:
1. Amounts less than one million yen are rounded to the nearest million.

Consolidated Statement of Income

(Fiscal year ended March 31, 2025)

(Millions of yen)

Account	Amount
Revenue	6,544,349
Cost of sales	(3,384,115)
Gross profit	**3,160,234**
Selling, general and administrative expenses	(2,200,591)
Other operating income	43,195
Other operating expenses	(13,822)
Operating income	**989,016**
Gain on changes in equity interest	4,564
Share of losses of associates accounted for using the equity method	(9,650)
Financing income	11,676
Financing costs	(117,352)
Gain on sales of equity method investments	3,713
Impairment loss on equity method investments	(1,910)
Profit before income taxes	**880,057**
Income taxes	(224,771)
Net income	**655,286**
Net income attributable to	
Owners of the Company	526,133
Non-controlling interests	129,153
Net income	**655,286**

Note:
1. Amounts less than one million yen are rounded to the nearest million.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2025)

(Millions of yen)

Account	Amount	
<Assets>		
I Non-current assets		
A Non-current assets - telecommunications business		
(1) Property, plant and equipment		
1 Machinery	2,666,292	
Accumulated depreciation	1,923,789	742,503
2 Antenna facilities	737,691	
Accumulated depreciation	431,400	306,291
3 Terminal facilities	302,214	
Accumulated depreciation	190,099	112,115
4 Local line facilities	29,941	
Accumulated depreciation	15,197	14,744
5 Long-distance line facilities	89,931	
Accumulated depreciation	81,758	8,173
6 Engineering facilities	97,332	
Accumulated depreciation	89,878	7,454
7 Submarine line facilities	25,477	
Accumulated depreciation	17,006	8,471
8 Buildings	218,399	
Accumulated depreciation	124,768	93,631
9 Structures	41,684	
Accumulated depreciation	30,812	10,872
10 Machinery and equipment	2,118	
Accumulated depreciation	1,037	1,081
11 Vehicles	3,524	
Accumulated depreciation	3,186	338
12 Tools, furniture and fixtures	188,678	
Accumulated depreciation	102,561	86,117
13 Land		44,137
14 Assets under construction		224,238
Total property, plant and equipment		1,660,165
(2) Intangible assets		
1 Right of using submarine line facilities		1,645
2 Right to use facilities		26
3 Software		441,594
4 Patent right		9
5 Leasehold right		67
6 Spectrum-related costs		127,945
7 Trademark		105,001
8 Assets under construction		120,562
9 Other intangible assets		31,728
Total intangible assets		828,577
Total non-current assets - telecommunications business		2,488,742

Account	Amount	
B Investments and other assets		
1 Investment securities		38,243
2 Shares of subsidiaries and associates		1,234,785
3 Other investments in subsidiaries and associates		35,486
4 Investments in capital		1
5 Long-term loans receivable to directors and employees		21,461
6 Long-term loans receivable to subsidiaries and associates		7,333
7 Long-term prepaid expenses		82,355
8 Deferred tax assets		114,073
9 Other investments and other assets		45,600
Less: Allowance for doubtful accounts		(24,890)
Total investments and other assets		1,554,447
Total non-current assets		4,043,189
II Current assets		
1 Cash and deposits		250,800
2 Notes receivable - trade		177
3 Accounts receivable - trade		938,953
4 Contract assets		15,203
5 Accounts receivable - other		110,089
6 Investments in leases		17,547
7 Merchandise		81,868
8 Supplies		12,309
9 Advance payments to suppliers		10,573
10 Prepaid expenses		74,975
11 Short-term loans receivable		45,198
12 Deposits paid		46,600
13 Other current assets		35,574
Less: Allowance for doubtful accounts		(38,916)
Total current assets		1,600,950
Total assets		5,644,139

Note:
1. Amounts less than one million yen are rounded to the nearest million.

(Millions of yen)

Account	Amount	
<Liabilities>		
I Non-current liabilities		
1 Bonds		876,000
2 Long-term loans payable		962,409
3 Long-term loans payable to subsidiaries and associates		30,000
4 Lease obligations		412,749
5 Provision for retirement benefits		6,793
6 Provision for loss on contract		51,308
7 Asset retirement obligations		45,677
8 Long-term accounts payable - other		62,702
9 Contract liabilities		61,065
10 Other non-current liabilities		2,131
Total non-current liabilities		2,510,834
II Current liabilities		
1 Current portion of non-current liabilities		310,986
2 Accounts payable - trade		136,213
3 Short-term loans payable		83,946
4 Lease obligations		237,222
5 Accounts payable - other		626,649
6 Accrued expenses		21,536
7 Income taxes payable		50,454
8 Contract liabilities		76,174
9 Deposits received		174,520
10 Unearned revenue		920
11 Provision for bonuses		35,700
12 Provision for loss on contract		35,477
13 Asset retirement obligations		11,265
14 Other current liabilities		57,655
Total current liabilities		1,858,717
Total liabilities		4,369,551
<Net assets>		
I Shareholders' equity		
1 Capital stock		228,162
2 Capital surplus		
(a) Legal capital surplus	95,224	
(b) Other capital surplus	213,507	
Total capital surplus		308,731
3 Retained earnings		
(a) Other retained earnings		
Retained earnings brought forward	747,187	
Total retained earnings		747,187
4 Treasury stock		(29,221)
Total shareholders' equity		1,254,860
II Valuation and translation adjustments		
1 Valuation difference on available-for-sale securities	5,829	
2 Deferred gains or losses on hedges	5,696	
Total valuation and translation adjustments		11,525
III Subscription rights to shares		8,203
Total net assets		1,274,588
Total liabilities and net assets		5,644,139

Non-consolidated Statement of Income

(For the fiscal year from April 1, 2024 to March 31, 2025)

(Millions of yen)

Account	Amount	
I Operating revenue and expenses from telecommunications business		
(1) Operating revenue		2,448,186
(2) Operating expenses		
1 Business expenses	745,410	
2 Facilities maintenance expenses	379,905	
3 Administrative expenses	80,514	
4 Experiment and research expenses	19,444	
5 Depreciation and amortization	421,707	
6 Non-current assets retirement cost	29,606	
7 Communication facility fee	387,161	
8 Taxes and dues	37,361	2,101,108
Operating income from telecommunications business		347,078
II Operating revenue and expenses from incidental business		
(1) Operating revenue		1,058,543
(2) Operating expenses		919,701
Operating income from incidental business		138,842
Operating income		485,920
III Non-operating income		
1 Dividend income	91,094	
2 Miscellaneous income	23,379	114,473
IV Non-operating expenses		
1 Interest expenses	30,235	
2 Loss on sales of receivables	33,509	
3 Miscellaneous expenses	26,346	90,090
Ordinary income		510,303
V Extraordinary income		
1 Gain on sales of shares of subsidiaries and associates	5,574	5,574
Ⅵ Extraordinary losses		
1 Loss on valuation of shares of subsidiaries and associates	18,774	18,774
Income before income taxes		497,103
Income taxes - current	100,468	
Income taxes - deferred	(21,645)	78,823
Net income		418,280

Note:
1. Amounts less than one million yen are rounded to the nearest million.

Audit Reports

(TRANSLATION)

INDEPENDENT AUDITOR’S REPORT

May 13, 2025

To the Board of Directors of
SoftBank Corp.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Satoshi Iizuka

Designated Engagement Partner,
Certified Public Accountant:

Takafumi Shimodaira

Designated Engagement Partner,
Certified Public Accountant:

Saori Goto

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of SoftBank Corp. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

(TRANSLATION)

INDEPENDENT AUDITOR’S REPORT

May 13, 2025

To the Board of Directors of
SoftBank Corp.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Satoshi Iizuka

Designated Engagement Partner,
Certified Public Accountant:

Takafumi Shimodaira

Designated Engagement Partner,
Certified Public Accountant:

Saori Goto

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of SoftBank Corp. (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2025, and the non-consolidated statement of income and non-consolidated statement of changes in net assets for the 39th fiscal year from April 1, 2024 to March 31, 2025, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Audit Report

With respect to the Directors' performance of their duties during the 39th business year from April 1, 2024 to March 31, 2025, the Audit & Supervisory Board has prepared this Audit Report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the Audit Report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
   (1) The Audit & Supervisory Board has established the audit policies in this fiscal year, division of duties, audit plan, etc. and received a report from each Audit & Supervisory Board Member regarding the status of implementation of their audits and results thereof. In addition, the Audit & Supervisory Board has received reports from the Directors, etc. and the Independent Auditors regarding the status of performance of their duties, and requested explanations as necessary.

   (2) In conformity with the Audit & Supervisory Board Members auditing standards established by the Audit & Supervisory Board, and in accordance with the audit policies in this fiscal year, division of duties, audit plan, etc., each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding with the Directors, the internal audit unit and other employees, etc., while utilizing means via telephone, the Internet, and the like, endeavored to collect information and maintain and improve the audit environment, and has conducted audit by the following methods.
      (a) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the Directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the head office and major sales offices. With respect to the major subsidiaries, each Audit & Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with the Directors or Audit & Supervisory Board Members, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary.
      (b) Each Audit & Supervisory Board Member received regular reports from Directors and employees concerning the architecture and implementation of (i) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors listed within the Business Report, during the performance of their duties, complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Paragraphs 1 and 3, Article 100 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of corporate group consisting of a joint stock company (*kabushiki kaisha*) and its subsidiaries, and (ii) the systems (internal control systems) based on such resolutions, and requested further information as necessary, making remarks when appropriate.
      (c) Each Audit & Supervisory Board Member monitored and verified whether the Independent Auditors maintained its independence and properly conducted its audit, received a report from the Independent Auditors on the status of its performance of duties, and requested explanations as necessary. Each Audit & Supervisory Board Member was notified by the Independent Auditors that it had established a "system to ensure that the performance of the duties of the Independent Auditors was properly conducted" (the matters listed in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), and requested explanations as necessary.

   Based on the above-described methods, each Audit & Supervisory Board Member examined the Business Report and the accompanying supplemental schedules, and the Consolidated Financial Statements (the Consolidated Statement of Financial Position, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity, and notes to Consolidated Financial Statements, which were prepared in accordance with the provision of the latter clause in the Paragraph 1, Article 120 of the Ordinance on Accounting of Companies that prescribes certain omissions of disclosure items required under the International Financial Reporting Standards) as well as, the Non-consolidated Financial Statements (the Balance Sheet, the Statement of Income and Statement of Changes in Equity, and notes to Non-consolidated Financial Statements) and the accompanying supplemental schedules thereto, for the business year under consideration.

2. Result of Audit

(1) Result of Audit of Business Report, etc.

(a) We acknowledge that the Business Report and the accompanying supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

(b) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.

(c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report or the Directors' performance of their duties concerning the internal control systems.

(2) Result of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Result of Audit of Non-consolidated Financial Statements and their Accompanying Supplemental Schedules

We acknowledge that the methods and results of audit performed by the Independent Auditors, Deloitte Touche Tohmatsu LLC, are appropriate.

May 15, 2025

Audit & Supervisory Board of SoftBank Corp.

Full-time Audit & Supervisory Board Member: Shuji Kojima (Seal)
Full-time Audit & Supervisory Board Member: Eiji Shimagami (Seal)
Audit & Supervisory Board Member: Kazuko Kimiwada (Seal)
Audit & Supervisory Board Member: Yoko Kudo (Seal)

(Note) Full-time Audit & Supervisory Board Member Shuji Kojima, and Audit & Supervisory Board Member Yoko Kudo are External Audit & Supervisory Board Members set forth in Item 16, Article 2 and Paragraph 3, Article 335 of the Companies Act of Japan.

Now accepting applications for Shareholder Benefits

Eligible shares: Common shares (9434)

Gift PayPay Money Lite (¥1,000 worth)

* PayPay Money Lite cannot be used for withdrawals, but it can be transferred between PayPay users free of charge.

Eligible shareholders

Shareholders who have held the Company's common shares for 1 year or longer* and hold 100 or more shares, and completed the shareholder benefits application by the deadline.

*For the first application, shareholders who hold shares from March 31, 2025 to March 31, 2026 shall be eligible (based on March 31).
For the second application, shareholders who hold shares from September 30, 2025 to September 30, 2026 shall be eligible (based on September 30).
Either March 31 or September 30 will be applied as the base date.

Schedule

■First application deadline: March 31, 2026 ■First gift period: May 2026

For details on how to apply

Site scheduled to open on June 11, 2025
https://stn.mb.softbank.jp/X5u8H

Details are also provided in the A4 leaflet enclosed with this notification.

Information about our website for individual investors

In order to familiarize individual investors with our company, we provide a variety of information related to IR.
https://www.softbank.jp/corp/ir/investor

Earnings Investors Briefing

We hold company briefings for individual investors at securities company branches nationwide, etc.
The details can be viewed on our website.
https://www.softbank.jp/corp/ir/investor/briefings/

Inquiries concerning shareholder benefits

SoftBank shareholder benefits help desk
Phone: 0800-222-3069
(Business hours: 10:00-18:00 open seven days a week)

Inquiries concerning share administration

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Phone: 0120-288-324 (Toll free in Japan)
(Business hours: 9:00-17:00 weekdays excluding Saturdays, Sundays, and holidays)

Inquiries concerning the General Meeting of Shareholders

SoftBank switchboard
Phone: 03-6889-2000
(Business hours: 9:00-17:45 weekdays excluding Saturdays, Sundays, and holidays)

URL for inquiries
https://www.softbank.jp/corp/d/contact/

"This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between the translated document and the Japanese original, the original shall prevail. SoftBank Corp. assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation."

Electronic provision of information starts on: June 2 , 2025

To Our Shareholders:

The 39th Annual General Meeting of Shareholders Other Matters Subject to the Measures for Electronic Provision (Omitted from Paper-based Documents)

June 2, 2025

SoftBank Corp.

Table of Contents

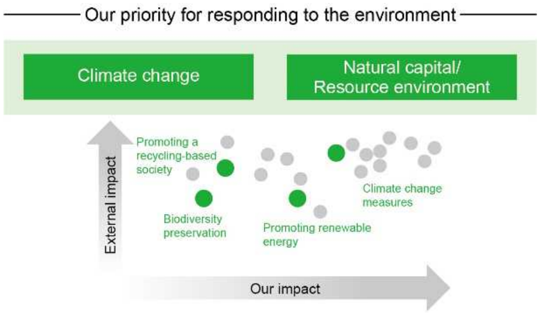
All matters above are provided to shareholders of SoftBank Corp. on the website of SoftBank Corp. on the Internet (https://www.softbank.jp/corp/ir/) in accordance with all laws and Article 22 of the Articles of Incorporation of SoftBank Corp.

(Reference)

(Reference) ESG

■ Initiatives for Global Environment Issues (Environment)

The Company will proactively work to maintain and preserve the global environment through its business and contribute to the continued development of a sustainable society.



<Contributions to climate change measures>

In addition to the Company's existing Carbon Neutral 2030 declaration, which aims to reduce GHG emissions (Scope 1 and Scope 2) from business processes and energy consumption to zero by 2030, the Company is also promoting the Net-Zero pledge throughout the Group companies. This pledge focusses on achieving zero supply chain emissions (Scope 3), which includes GHG emissions generated by business partners, by 2050. Targets for Net-Zero include short-term targets already certified by the Science Based Targets initiative (SBTi), an international climate change initiative, and has also obtained the SBT Net-Zero certification, which is based on scientific evidence. In addition, the Company has joined the RE100[*1], an international initiative that urges companies to use 100% renewable energy to power their business activities. Along with signing long-term contracts to procure green energy, by 2030, 50% of electricity use to be generated from additional renewable energy sources with additionality[*2], we will eventually convert all electricity usage to renewable energy sources to reduce GHG emissions, strive to become carbon neutral and contribute to the realization of a decarbonized society.

(Notes)

1. RE100 is run by Climate Group, an international environmental NGO, in partnership with CDP, an NGO promoting global information disclosure on climate change
2. Additionality: The dynamic where the method of sourcing renewable energy selected by companies encourage investment into new (additional) renewable energy facilities, leading to the spread of renewable energy sources

<Response to TCFD recommendations>

In April 2020, the Company announced its support for the Task Force on Climate-related Financial Disclosures (TCFD)[*] recommendations. Based on the recommendations, we will strengthen our governance and strive to proactively disclose and enhance information in accordance with the framework of governance, strategy, risk management, and metrics and targets recommended by the TCFD for companies.

Our risks and opportunities related to climate change and our environmental impact data, including GHG emissions, are available on our sustainability website.

■Disclosure Based on TCFD Recommendations
https://www.softbank.jp/en/corp/sustainability/esg/environment/climate-change/tcfd/

■Disclosure Based on TCFD Recommendations

(Note) Task Force on Climate-related Financial Disclosures: An international initiative established by the Financial Stability Board (FSB) in 2015 with the goal of encouraging companies to disclose information regarding the financial impact that risks and opportunities associated with climate change have on their businesses

<Biodiversity preservation>

The Company recognizes the importance of biodiversity preservation and supports the achievement of “Nature Positive” pursued by the international community. We consider minimizing the impact of our corporate activities on ecosystems as one of our material issues and are committed to promoting initiatives related to biodiversity preservation and natural capital.

In addition, based on the TNFD*[1], we are further advancing the assessment of risks and opportunities related to biodiversity using the LEAP Approach*[2] and working to actively disclose information. The data center scheduled to open in Tomakomai City, Hokkaido, in FY2026 is recognized as an important area for biodiversity. Prior to construction, we conducted a biological survey of the planned construction site in collaboration with specialized professionals. Going forward, we will work with the local government's biodiversity preservation plan and collaborate with local stakeholders to explore activities that prioritize biodiversity preservation.

Also, in order to provide wide-ranging and stable communication services as part of social infrastructure, there are cases it is unavoidably necessary to install communication facilities, such as base stations, in important biodiversity areas such as national parks. As a biodiversity preservation target, we aim to implement forest conservation activities that cover an area of at least double the size of the communication facilities, such as base stations, installed in Key Biodiversity Areas designated by national and international treaties, using FY2020 as the baseline year. In FY2024, we carried out forest conservation activities such as planting trees equivalent to a total of 2,100m^2. We will continue these activities and contribute to the preservation of biodiversity.

(Notes) 1. Taskforce on Nature-related Financial Disclosures: An international organization that establishes a framework for the appropriate assessment and disclosure of risks and opportunities related to natural capital and biodiversity.
2. LEAP Approach: An integrated assessment process for assessing nature-related risks and opportunities as outlined by TNFD

<Promoting a recycling-based society>

The Company supports the targets set by the GSMA (GSM Association), an organization comprising global telecommunications operators, of 20% or more of the number of recycled devices collected relative to the number of new handsets sold and 100% of the number of collected devices to be processed without incineration. We have achieved these targets as of March 2024.

<Efforts to promote renewable energy>

The Company and its wholly-owned subsidiary SB Power Corp. offer *Shizen Denki*, a price menu for households with an effectively 100% renewable energy ratio and zero CO_2 emissions*[1]. In addition, SB Power Corp. contributes ¥50 per month for each *Shizen Denki* contract, to support the activities of forest conservation groups*[2]. In FY2024, an annual CO_2 emissions reduction of approximately 31,000 t-CO_2 was achieved through the provision of the *Shizen Denki* service.

(Notes) 1. By combining electricity that is supplied to customers with certificates of the environmental value of electricity produced from non-fossil power sources that do not use fossil fuels, such as solar power and hydroelectric power, we effectively provide electricity with a 100% renewable energy ratio and zero CO_2 emissions. The service is not to guarantee that electricity supplied to customers is actually generated from renewable energy
2. Donations are made to organizations that conduct projects certified under the J-Credit Scheme, which is operated by the Ministry of Economy, Trade and Industry, the Ministry of the Environment, and the Ministry of Agriculture, Forestry and Fisheries

■ Initiatives for Sustainable Society (Social)

<Promotion of health management>

The Company aims to maintain and improve the health of its employees in accordance with its basic mental and physical health policy. We also position the maintenance and improvement of employee health as an important management issue, as the physical and mental well-being of each individual employee is the driving force behind realizing the dreams and ambitions of both the company and the individuals.

President & CEO Junichi Miyakawa has issued the health management declaration, under which, in the signature style of the Company, we actively utilize cutting edge AI and ICT to promote health management that maintains and enhances the well-being of our employees and their families.

(As of March 31, 2025)

(Notes) 1. CHRO is an abbreviation for Chief Human Resources Officer.
2. SB Atwork Corp. is a wholly-owned subsidiary of the Company.

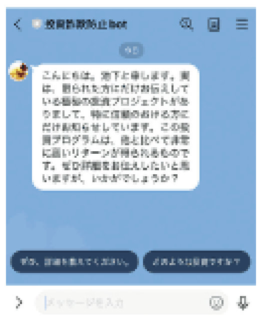
<Initiatives to promote women's career advancement>

In 2021, the Company set a target to increase the ratio of female managers to 15% by FY2030 and to 20% by FY2035, aiming to promote women's career advancement. In July of the same year, the Company established the Advancement of Women Promotion Committee, consisting of officers and external experts to achieve this goal. The Committee is chaired by President & CEO Junichi Miyakawa and its members include officers in charge of each organization. The Committee discusses policies and new initiatives to promote and strengthen the advancement of women, and confirms the progress of each initiative.

<Initiatives aimed at eliminating the digital divide>

Smartphone advisor® system and smartphone classes

At SoftBank stores, SoftBank-certified expert smartphone advisors® ascertain customers' usage details and provide solid support, from help selecting the most suitable price plan and appropriate device to walking customers through such initial settings as filtering and providing consultation for repairs. Smartphone advisors® and other SoftBank-certified smartphone specialists hold smartphone classes, open to both SoftBank and non-SoftBank customers alike. These easy-to-follow classes show both prospective and current users of smartphones and tablets how convenient and fun these devices can be. We also introduce the smartphone classes held at our stores in videos.



“Fraud prevention events” held to learn about the tactics of fraud by using generative AI

We have developed an “SNS-based investment and romance fraud victim simulated experience tool” utilizing generative AI in collaboration with the Kagawa Prefectural Police, and it is currently available for demonstration at events. In this tool, on the LINE app, users can simulate interactions with a fictional perpetrator played by the generative AI which was developed to prevent the rapidly increasing SNS-based investment and romance fraud. When a message is sent, the generative AI responds in real-time with the next message, allowing users to experience realistic interactions with the perpetrator. It aims to prevent the spread of fraud victims by experiencing and understanding the tactics of fraud in advance.

■ Corporate Governance (Governance)

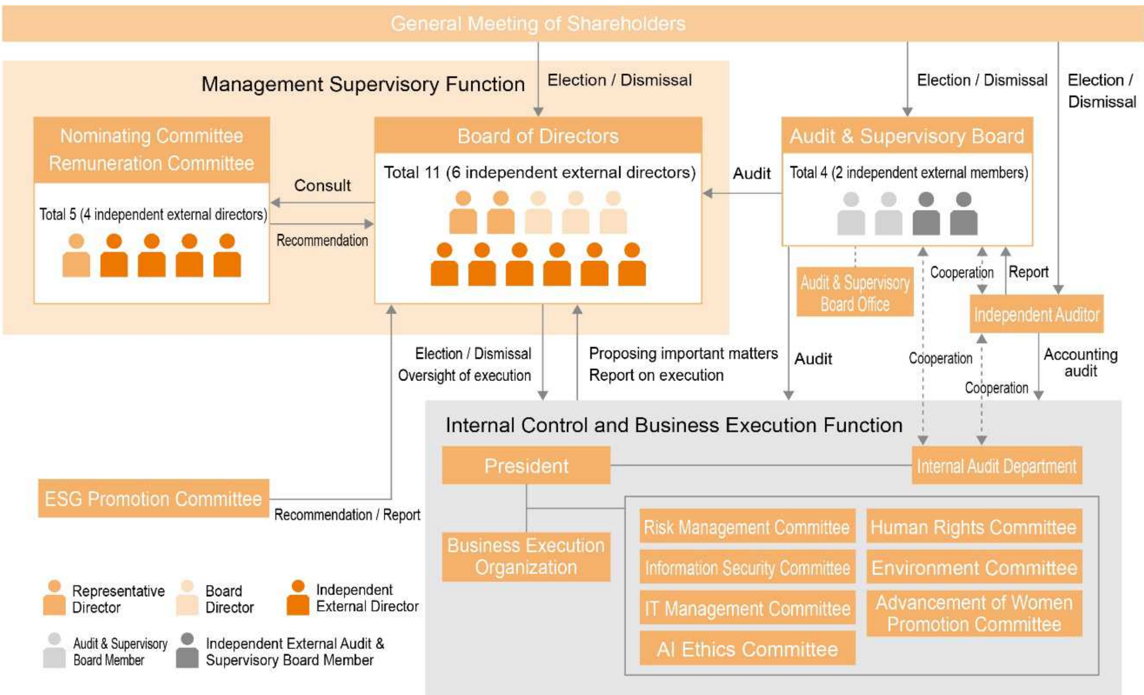
<Basic views>

The Group is guided by a philosophy of “Information Revolution — Happiness for everyone,” a corporate philosophy common to the Group. Toward the realization of the vision of becoming “the corporate group needed most by people around the world,” the Company aims to create a new social infrastructure and realize an ideal society where everyone can spend their time conveniently, comfortably and safely by the domestic telecom business foundation that it has built up so far and providing products and services that utilize the latest digital technology.

The Group recognizes that it is vital to maintain effective corporate governance in order to realize this vision. The Company promotes the penetration of fundamental concepts and policies throughout the Group and continues to strengthen corporate governance within the Group based on various rules with which group companies and their officers and employees must comply.

<Corporate governance system of the Company>

(As of March 31, 2025)



<Advisory bodies to the Board of Directors responsible for management supervision>

The Company has established the Nominating Committee and Remuneration Committee as advisory bodies to the Board of Directors, which is responsible for management supervision. A summary of each committee is as follows. The Board of Directors shall respect reports or recommendations of each committee to the maximum extent possible.

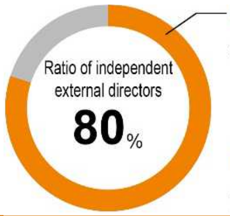
Nominating Committee	Chair	Atsushi Horiba (independent External Director)	Number of meetings held in FY2024	2 meetings

- Main roles

  The committee deliberates and makes recommendations to the Board of Directors on matters concerning the election and dismissal of board directors and the nomination of representative directors.
- Main items deliberated in FY2024

  Structure of the Board of Directors, election of board directors, nomination of representative directors, skill matrix of board directors

- Composition of the committee



4 independent external Directors
Atsushi Horiba (Chair)
Takehiro Kamigama
Kazuaki Oki
Naomi Koshi

1 internal Director
Junichi Miyakawa
(President & CEO)

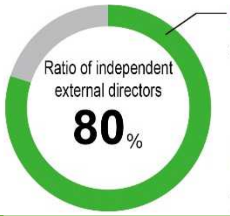
Remuneration Committee	Chair	Atsushi Horiba (independent External Director)	Number of meetings held in FY2024	4 meetings

- Main roles

  The committee deliberates and makes recommendations to the Board of Directors on matters concerning board directors' remuneration.
- Main items deliberated in FY2024

  Remuneration by position, performance-linked indicators, disclosure documents, individual remuneration amounts

- Composition of the committee



4 independent external Directors
Atsushi Horiba (Chair)
Takehiro Kamigama
Kazuaki Oki
Naomi Koshi

1 internal Director
Junichi Miyakawa
(President & CEO)

(Notes) 1. The composition of each committee is as of March 31, 2025.

2. The Special Committee was abolished on June 20, 2024, and a new structure was established around the Independent Outside Directors' Meeting. This is because a majority of the Company's Board Directors became independent external directors, which will enable the Company to fundamentally strengthen the supervisory function of the Board of Directors including from the perspective of protecting the interests of minority shareholders. The priority of the Independent Outside Directors' Meeting is to protect the interests of minority shareholders and is intended to further invigorate discussion at meetings of the Board of Directors from that perspective. The meeting engages in the prior consideration of matters in the same way as the former Special Committee, and also serves as a forum where all independent external directors can frankly exchange views and share information. It is managed to contribute to improving the effectiveness of the Board of Directors. No meetings were held for the Special Committee or the Independent Outside Directors' Meeting during this fiscal year.

(Reference)

■ ESG external evaluations

In implementing ESG initiatives, the Company has received evaluations from domestic and overseas institutions.

We will continue to make further efforts to improve our corporate and business activities based on the evaluation items and the results of these evaluations.

Received the Grand Prize in the 6th NIKKEI SDGs Management Awards

The Company received the Grand Prize, the highest evaluation, at the 6th NIKKEI SDGs Management Awards by The Nikkei. The Company is the first company to win the Grand Prize for two consecutive years. In addition, the Company was selected as a “Prime Seat Company” (introduced at the 6th Awards), which recognizes companies that have continuously received high evaluations.

Highest rating in the Decarbonization Management Ranking GX (Green Transformation) 500, for two consecutive years

In the 2024 edition of the “Decarbonization Management Ranking GX500” by The Nikkei, which ranks the decarbonization efforts of the top 500 leading companies, the Company has achieved the highest rating and has been ranked No.1 for two consecutive years. The company received high marks for its specific measures to reduce greenhouse gas (GHG) emissions and information disclosure, including plans to distribute data centers, whose power consumption is expected to increase due to the spread of generative AI (artificial intelligence) by 2030, to at least 24 locations nationwide with a focus on local production and consumption of renewable energy.

Evaluations of sustainability (Partial)

- Selected for three consecutive years for DJSI World
- Achieved the highest rating of ‘AAA’ for two consecutive years in the MSCI Japan ESG Select Leaders Index*
- Selected for the first time as an SX Brands 2025
- Selected for inclusion in the FTSE4Good Index Series
- Selected for inclusion in the FTSE Blossom Japan Index
- Selected for inclusion in the FTSE Blossom Japan Sector Relative Index
- Verified by the Science Based Targets initiative (SBTi) as sound science based targets
- Selected for five consecutive years as a Digital Transformation Stock 2025 Selected as Digital Transformation Grand Prix 2025
- Selected as excellent company in the Gomez ESG Site Ranking 2024
- Received the Gold Prize in the Gomez IR Site Ranking 2024
- Selected as an AAA Website in the 2024 All Japan Listed Companies' Website Ranking
- Selected as Grand Prize in 2024 Internet IR Award by Daiwa Investor Relations Co. Ltd.

*Disclaimer
The inclusion of SoftBank Corp. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of SoftBank Corp. by MSCI or any of its affiliates.
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Evaluations of health management and working environment (Partial)

- Received a 5 star rating in the NIKKEI Smart Work Management Survey Received the NIKKEI Smart Work Award 2025 in the Technologies Utilization category
- Recognized in the Certified Health & Productivity Management Outstanding Organizations Recognition Program(White 500 in the large enterprise category) for the seven consecutive year
- Received the “Gold” rating in the PRIDE Index for eight consecutive years
- Recognized as a Welfare Promotion Corporation under the Hataraku Yell 2024 program
- Recognized as Sports Yell Company for the seventh consecutive year “Silver” certification

Status of the Company

Status of stock acquisition rights (as of March 31, 2025)

1) Status of stock acquisition rights held by the Company's Officers issued as remuneration for discharge of duties

Title	Name of stock acquisition rights (date of issuance)	Number of stock acquisition rights	Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Exercise price (per share)	Exercise period	Number of stock acquisition right holders
Board Directors (excluding External Directors)	SoftBank Corp. July 2021 Stock Acquisition Rights (July 20, 2021)	54,000	Common stock 54,000,000 shares	¥150	April 1, 2023 to March 31, 2028	4

(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. The number of shares and exercise price shown are those after the stock split.

2) Status of stock acquisition rights issued to employees as remuneration for discharge of duties in this fiscal year

<table>
<tr><th>Title</th><th>Name of stock acquisition rights (date of issuance)</th><th>Number of stock acquisition rights</th><th>Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights</th><th>Exercise price (per share)</th><th>Exercise period</th><th>Number of employees to whom stock acquisition rights were issued</th></tr>
<tr><td>Executive Officers and employees of the Company</td><td>SoftBank Corp. July 2024 Stock Acquisition Rights (¥1) (July 19, 2024)</td><td>3,839</td><td>Common stock 3,839,000 shares</td><td>¥1</td><td>August 1, 2026 to July 31, 2031</td><td>111</td></tr>
<tr><td>Executive Officers and employees of the Company</td><td rowspan="2">SoftBank Corp. August 2024 Stock Acquisition Rights (August 30, 2024)</td><td>1,186,411</td><td>Common stock 1,186,411,000 shares</td><td rowspan="2">¥211</td><td rowspan="2">April 1, 2027 to March 31, 2032</td><td>20,448</td></tr>
<tr><td>Board Directors, Executive Officers and employees of the subsidiaries of the Company</td><td>122,959</td><td>Common stock 122,959,000 shares</td><td>4,312</td></tr>
</table>

(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. The number of shares and exercise price shown are those after the stock split.

3) Status of other stock acquisition rights

Not applicable.

Status of Independent Auditor

1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

2) Amount of remuneration to the Independent Auditor

Amount of remuneration as the Independent Auditor for this fiscal year	¥586 million
Aggregate amount of cash and other benefits to be paid to the Independent Auditor by the Company and its subsidiaries	¥4,176 million

(Notes) 1. The audit agreement between the Independent Auditor and the Company does not distinguish between the remuneration for auditing services under the Financial Instruments and Exchange Act and the Companies Act, and it is practically impossible to distinguish them. Therefore, the amount of remuneration to be paid to the Independent Auditor for this fiscal year is the aggregate amount of the aforementioned remuneration.

2. The Audit & Supervisory Board reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating remuneration estimates based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. Based on the results, it has given consent to the remuneration to the Independent Auditor prescribed in Paragraph 1, Article 399 of the Companies Act.

3. Some of the Company's subsidiaries have been audited by an audit firm other than the Company's Independent Auditor.

3) Details of non-audit services provided by the Independent Auditor

The Company pays consideration to the Independent Auditor for services other than those pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Act, such as preparation of comfort letters in the event of issuance of corporate bonds and advisory and guidance services on ensuring the reliability of non-financial information, etc.

4) Decision-making policy of dismissal or non-reappointment of Independent Auditor

The Audit & Supervisory Board shall determine the details of the proposal on the dismissal or non-reappointment of the Independent Auditor to be submitted to the general meeting of shareholders in the event of difficulties for the Independent Auditor to execute its duties or when deemed necessary.

The Independent Auditor will be dismissed by the unanimous consent of the Audit & Supervisory Board Members when deemed to fall under any of the items under Paragraph 1, Article 340 of the Companies Act.

5) Description on limited liability agreement

The Company has not concluded a contract stipulated in Paragraph 1, Article 427 of the Companies Act with the Independent Auditor.

Overview of systems to ensure the appropriateness of operations and its implementation status

Overview of the Board of Directors resolution on the systems to ensure the appropriateness of operations

[1] Systems to ensure that the execution of the duties of board directors and employees is in compliance with laws, regulations, and the Articles of Incorporation of the Company

The Company has established the code of conduct to be followed by all board directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance, but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

(1) A chief compliance officer (CCO) is appointed. The CCO proposes and carries out measures required to establish and enhance the Company's compliance system.

(2) A department in charge of compliance is established to assist the CCO.

(3) A compliance officer and a compliance manager shall be placed in each business unit for thorough compliance.

(4) Internal and external hotlines (compliance reporting desk) are established for direct reporting and consultations by board directors and employees, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. The Company ensures that persons who have reported or consulted on the hotlines will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the hotline in the Whistleblowing Regulations.

(5) Audit & Supervisory Board Members and the Audit & Supervisory Board request measures for improvements to the Board of Directors, if they identify issues in the system for compliance with laws, regulations, and the Articles of Incorporation.

[2] System for the storage and management of information regarding the execution of duties by board directors

The Company has established the following system to appropriately store and maintain information related to the execution of duties by board directors:

(1) The Company determines retention periods and methods and measures to prevent accidents, based on the Basic Regulations for Information Security, and classifies and appropriately stores these documents according to their degree of confidentiality.

(2) A chief information security officer (CISO) has been appointed as the person responsible for information security management, and persons responsible for information security are placed in each business unit to establish a system to store and manage information, based on the Basic Regulations for Information Security.
(3) The Chief Data Officer Office has been established and a chief data officer (CDO) has been appointed. In addition, policies and rules have been set out to manage and strategically utilize internal and external data, and the internal management system for handling secrecy of communication and personal information has been strengthened.

[3] Regulations and system relating to managing the risk of loss

The Company has established the following system to avoid and minimize risk and to implement necessary measures related to the variety of risks in its business operations:
(1) Based on the Risk Management Regulations, the risk management department summarizes the status of risk evaluation, analysis and response at each unit, and regularly reports its findings to the Risk Management Committee consisting of representative directors and other committee members.
(2) The Risk Management Committee determines the degree of importance and owners of the risks, and confirms and promotes measures developed and taken by the risk owners, thereby reducing risks and preventing the occurrence of risk events. The Risk Management Committee then regularly reports ifs findings to the Board of Directors.
(3) When an emergency situation arises, an Emergency Response Department will be established and efforts will be made to minimize the damage (loss) based on the instructions of the Emergency Response Department.

[4] Systems to ensure the efficiency of board directors in the execution of their duties

The Company has established the following structure to maintain an efficient management system:
(1) The Company has set out the Rules of the Board of Directors to clarify matters to be decided and reported on by the Board of Directors, and the Internal Approval Regulations and other regulations relating to institutional decision-making to clarify decision-making authority.
(2) To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors includes external directors who are independent of the Company.
(3) To ensure that the board directors can discuss matters fully at Board of Directors meetings, they are provided with materials for the meeting in advance, and with additional or supplementary materials upon their request.
(4) The scope of operations and responsibilities necessary for operations are clearly defined in the Organization Management Regulations.

[5] Systems to ensure appropriateness of operations of the Company and the Group consisting of its parent and subsidiaries

The Company shares fundamental concepts and policies throughout the Group and reinforces the management system and compliance in accordance with the SoftBank Charter of Corporate Behavior, etc. In addition, the following systems have been established to apply rules shared by the Group to board directors and employees of the Group:

(1) The CCO establishes and reinforces the compliance system of the Group. For practicing compliance, CCO gives advice, instructions, and orders to the CCOs of each Group company to ensure that such activities comply with the Group's basic compliance policy. The compliance reporting desk has also been established to receive reports and provide consultation to board directors and employees of the Group to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. The Company ensures that persons who have reported or consulted on the Hotline will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the Hotline in the Whistleblowing Regulations.

(2) The Group Security Committee, composed of the persons responsible for information security in each Group company, has been established to report and share information on trends, plans and other matters related to information security. This Committee is headed by the CISO, who is responsible for information security in the Company.

(3) The representative of each Group company must submit a Representative Oath pertaining to the financial reports submitted to the Company, thereby ensuring the accuracy of the annual securities report and other reports submitted by the Group.

(4) The internal audit unit comprehensively judges the results of past internal audits, financial position, and carries out internal audits of the Company and the Group companies deemed as having high risk.

(5) While the Group addresses risk in an effort to reduce and prevent any possible risks, in the event of emergency, an immediate report to the Company is requested in accordance with the Risk Management Regulations. In addition, the Company will coordinate closely with each Group company according to the situation to minimize damage (loss).

[6] System for excluding antisocial forces

The Company clearly states in the Regulations on Countermeasures against Antisocial Forces its policy of having absolutely no association with antisocial forces that pose a threat to public order and safety. The Company establishes an internal system to counter antisocial forces and has a responsible division in place to carry out overall management. For dealing with inappropriate requests from antisocial forces, the Company will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

[7] Matters relating to support staff that assists the Audit & Supervisory Board Members upon request for such placement from Audit & Supervisory Board Members, matters relating to the independence from the board directors, and matters relating to ensuring the effectiveness of instructions given to the relevant employees

The Company has established the Assistant to Audit Department as an organization to support the work of the Audit & Supervisory Board Members, and has assigned dedicated staff to this department. The appointment of the support staff is notified to the Audit & Supervisory Board Members, and any personnel changes, evaluations, or other such actions require the agreement of the Audit & Supervisory Board Members. In addition, directions and instructions to the support staff are issued by the Audit & Supervisory Board Members to ensure the effectiveness of the instructions.

[8] System for reporting to the Audit & Supervisory Board Members by board directors and employees and other systems for reporting to the Audit & Supervisory Board Members

Board directors and employees will report the following matters to the Audit & Supervisory Board Members or the Audit & Supervisory Board promptly (or immediately for any urgent matters including facts that may potentially cause severe damage to the Company):

(1) Matters related to the compliance system or use of the compliance reporting desk.
(2) Matters related to finances (including financial reporting and actual results against planned budget).
(3) Matters related to human resources (including labor management).
(4) The status of work related to risk matters on information security.
(5) The status of work related to large-scale disaster and network disruption, etc.
(6) The development status of internal control.
(7) The status of work related to external fraud investigations.
(8) Matters related to violations of laws, regulations, or the Articles of Incorporation.
(9) Results of audits conducted by the internal audit unit.
(10) Other matters which could materially harm the Company or matters that the Audit & Supervisory Board Members have decided that need to be reported in order for them to execute their duties.

[9] Other systems to ensure that the audits by the Audit & Supervisory Board Members are conducted effectively

(1) When the Audit & Supervisory Board Members deem it necessary, opportunities are provided for them to interview board directors or employees of the Group. In addition, the Audit & Supervisory Board Members periodically meet with the independent auditor and the Audit & Supervisory Board Members of major subsidiaries and other entities for an exchange of information and to ensure cooperation, and also attend important meetings.
(2) The Company ensures a system that persons who have reported or consulted with the Audit & Supervisory Board Members will not be treated disadvantageously on the grounds of having reported or consulted with the Audit & Supervisory Board Members.

(3) The Company pays for expenses relating to the independent auditor, the attorneys and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board Members.

Overview of the implementation status of systems to ensure the appropriateness of operations

[1] Matters concerning compliance

The Company continues to conduct compliance training for board directors and employees, as well as the offering of information and giving of advice, etc., as necessary, for enhancing the compliance system. In addition, the Company works to ensure the effectiveness of compliance of the Company through setting and operating hotlines so that board directors and employees of the Company and its subsidiaries can report and consult directly. Effects of these measures are reviewed and improved, as necessary.

[2] Matters concerning risk

Based on the Risk Management Regulations, the risk management department summarizes the status of risk evaluation, analysis and response at each unit, and regularly reports its findings to the Risk Management Committee consisting of board directors. The Risk Management Committee determines the degree of importance and owners of the risks, and confirms and promotes measures developed and taken the by risk owners, thereby reducing risks and preventing the occurrence of risk events. The Risk Management Committee then regularly reports its findings to the Board of Directors.

The Group companies also continuously work on reducing risks and preventing the occurrence thereof.

In addition, the Company is working to strengthen its information management system through continued efforts such as holding awareness-raising activities with the aim to prevent inappropriate information management and divulging of confidential information.

[3] Matters concerning internal audits

The internal audit unit carries out audits on the effectiveness of the system for compliance with laws, regulations and the Articles of Incorporation as well as the risk management process at the Company. In addition, the unit continuously carries out audits of Group companies deemed as having a high risk and reports the results of the audits to the President & CEO of the Company, as well as to the Board of Directors, Audit & Supervisory Board Members, and the Audit & Supervisory Board each time.

[4] Matters concerning the execution of duties by board directors and employees

The Company ensures efficiency of the execution of duties by its board directors and employees based on internal regulations such as the Rules of the Board of Directors, Internal Approval Regulations and Organization Management Regulations. The Company also ensures an environment where matters can be fully discussed at the Board of Directors meetings by board directors.

[5] Matters concerning duties of Audit & Supervisory Board Members

Audit & Supervisory Board Members attend the Company's important meetings and arrange opportunities to interview board directors and employees of the Company and the Group, as necessary. In addition, they continue to enhance cooperation by holding regular meetings with the Independent Auditor and Audit & Supervisory Board Members, etc. of major subsidiaries. Through these efforts, Audit & Supervisory Board Members ensure the effectiveness of audits.

(Note) Within this Business Report, amounts less than stated units are rounded, and ratios less than stated units are rounded.

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2025)

(Millions of yen)

	Equity attributable to owners of the Company			
	Common stock	Capital surplus	Retained earnings	Treasury stock
As of April 1, 2024	214,394	736,052	1,475,775	(75,822)
Comprehensive income				
Net income	—	—	526,133	—
Other comprehensive income (loss)	—	—	—	—
Total comprehensive income	—	—	526,133	—
Transactions with owners and other transactions				
Cash dividends	—	—	(408,894)	—
Issuance of new shares	113,768	109,985	—	—
Transfer from common stock to capital surplus	(100,000)	100,000	—	—
Purchase of treasury stock	—	—	—	(0)
Disposal of treasury stock	—	(22,610)	—	46,601
Changes from loss of control	—	4,831	—	—
Changes in interests in existing subsidiaries	—	(17)	—	—
Share-based payment transactions	—	(1,050)	—	—
Transfer from accumulated other comprehensive income (loss) to retained earnings	—	—	1,941	—
Other	—	(124)	(93)	—
Total transactions with owners and other transactions	13,768	191,015	(407,046)	46,601
As of March 31, 2025	228,162	927,067	1,594,862	(29,221)

	Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2024	26,675	2,377,074	1,558,573	3,935,647
Comprehensive income				
Net income	—	526,133	129,153	655,286
Other comprehensive income (loss)	(1,974)	(1,974)	(24,241)	(26,215)
Total comprehensive income	(1,974)	524,159	104,912	629,071
Transactions with owners and other transactions				
Cash dividends	—	(408,894)	(124,638)	(533,532)
Issuance of new shares	—	223,753	—	223,753
Transfer from common stock to capital surplus	—	—	—	—
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	23,991	—	23,991
Changes from loss of control	—	4,831	(12,034)	(7,203)
Changes in interests in existing subsidiaries	—	(17)	(4,931)	(4,948)
Share-based payment transactions	—	(1,050)	—	(1,050)
Transfer from accumulated other comprehensive income (loss) to retained earnings	(1,941)	—	—	—
Other	—	(217)	(141)	(358)
Total transactions with owners and other transactions	(1,941)	(157,603)	(141,744)	(299,347)
As of March 31, 2025	22,760	2,743,630	1,521,741	4,265,371

Non-consolidated Financial Statements

Non-consolidated Statement of Changes in Net Assets

(For the fiscal year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2024	214,394	81,455	36,312	117,767	737,800	737,800	(75,822)	994,139
Changes of items during period								
Issuance of new shares	113,768	113,769	—	113,769	—	—	—	227,537
Cash dividends	—	—	—	—	(408,893)	(408,893)	—	(408,893)
Net income	—	—	—	—	418,280	418,280	—	418,280
Purchase of treasury stock	—	—	—	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	(22,805)	(22,805)	—	—	46,601	23,797
Transfer from common stock to other capital surplus	(100,000)	—	100,000	100,000	—	—	—	—
Transfer from legal capital surplus to other capital surplus	—	(100,000)	100,000	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during period	13,768	13,769	177,195	190,964	9,387	9,387	46,601	260,721
Balance as of March 31, 2025	228,162	95,224	213,507	308,731	747,187	747,187	(29,221)	1,254,860

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of April 1, 2024	7,779	(1,622)	6,157	9,522	1,009,818
Changes of items during period					
Issuance of new shares	—	—	—	—	227,537
Cash dividends	—	—	—	—	(408,893)
Net income	—	—	—	—	418,280
Purchase of treasury stock	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	23,797
Transfer from common stock to other capital surplus	—	—	—	—	—
Transfer from legal capital surplus to other capital surplus	—	—	—	—	—
Net changes of items other than shareholders' equity	(1,950)	7,318	5,368	(1,319)	4,049
Total changes of items during period	(1,950)	7,318	5,368	(1,319)	264,770
Balance as of March 31, 2025	5,829	5,696	11,525	8,203	1,274,588

Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

(Basis of Preparation of Consolidated Financial Statements)

1. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared on the basis of IFRS Accounting Standards ("IFRS") pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under IFRS.

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

Company names/Abbreviations	Definition
The Company	SoftBank Corp. (stand-alone basis)
The Group	SoftBank Corp. and its subsidiaries
SBG	SoftBank Group Corp. (stand-alone basis)

2. Scope of consolidation

(1) Number of consolidated subsidiaries: 229

(2) Names of main consolidated subsidiaries

Wireless City Planning Inc., SB Power Corp., Cubic Telecom Ltd., SB C&S Corp., A Holdings Corporation, LY Corporation, ASKUL Corp., ZOZO, Inc., Ikyu Corp., PayPay Bank Corporation, Z Intermediate Global Corporation, LINE SOUTHEAST ASIA CORP.PTE.LTD., LINE Financial Corporation, LINE Pay Corporation, LINE Plus Corporation, PayPay Corporation, PayPay Card Corporation, SB Payment Service Corp.

(3) Names of new and main consolidated subsidiaries and the reasons thereof

There are no applicable items.

(4) Names of main subsidiaries excluded from consolidation and the reasons thereof

There are no applicable items.

3. Scope of associates accounted for by the equity method

(1) Number of associates accounted for by the equity method: 60

(2) Names of main associates accounted for by the equity method

Demae-can Co., Ltd., Webtoon Entertainment Inc., LINE Bank Taiwan Limited, LINE Man Corporation PTE.LTD

(3) Names of new and main associates accounted for by the equity method and the reasons thereof

There are no applicable items.

(4) Names of main associates excluded from the scope of equity method and the reasons thereof

WeWork Japan GK	Due to company liquidation

4. Material accounting policies

(1) Valuation standards and methods for financial assets and financial liabilities

a. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a contractual party to an instrument.

Financial assets and financial liabilities are measured at fair value at initial recognition. Except for financial assets at fair value through profit or loss ("financial assets at FVTPL") and financial liabilities at fair value through profit or loss ("financial liabilities at FVTPL"), transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

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

(a) Financial assets at amortized cost

Financial assets at amortized cost are classified if both of the following conditions are met:

・the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and

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

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

(b) Debt instruments at FVTOCI

Debt instruments at FVTOCI are classified if both of the following conditions are met:

・the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and

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

Subsequent to initial recognition, debt instruments at FVTOCI are measured at fair value and gains or losses arising from changes in fair value are recognized in other comprehensive income. Upon derecognition, previously recognized accumulated other comprehensive income is transferred to profit or loss. Exchange differences arising on monetary financial assets classified as investments in debt instruments at FVTOCI and interest income calculated using the effective interest method relating to debt instruments at FVTOCI are recognized in profit or loss.

(c) Equity instruments at FVTOCI

The Group makes an irrevocable election at initial recognition to recognize changes in fair value of certain investments in equity instruments in other comprehensive income, rather than in profit or loss, and classifies them as investments in equity instruments at FVTOCI. Subsequent to initial recognition, investments in equity instruments at FVTOCI are measured at fair value and gains or losses arising from the changes in fair value are recognized in other comprehensive income.

The Group transfers accumulated gains or losses directly from other comprehensive income to retained earnings in the case of derecognition or significant or prolonged decline in fair value below cost. Dividends received related to investments in equity instruments at FVTOCI are recognized in profit or loss.

(d) Financial assets at FVTPL

Non-derivative financial assets other than those classified as "financial assets at amortized cost," "debt instruments at FVTOCI," or "equity instruments at FVTOCI" are classified as "financial assets at FVTPL." No financial assets have been designated as those measured at fair value through profit or loss to eliminate or significantly reduce accounting mismatches.

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

(e) Impairment of financial assets

Allowance for doubtful accounts is recognized for expected credit losses on financial assets at amortized cost, debt instruments at FVTOCI, and contract assets under IFRS 15 "Revenue from Contracts with Customers." The Group assesses whether credit risk on financial assets has increased significantly since initial recognition at the end of each fiscal year and at the end of each quarter. If the credit risk on financial assets has not increased significantly since the initial recognition, the Group measures the allowance for doubtful accounts at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since the initial recognition or for credit-impaired financial assets, the Group measures the allowance for doubtful accounts at an amount equal to the lifetime expected credit losses. However, for trade receivables and contract assets arising from IFRS 15 that do not contain a significant financing component, the Group always measures the allowance for doubtful accounts at an amount equal to the lifetime expected credit losses using the simplified approach.

The Group measures expected credit losses in a way that reflects:

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

The Group shall recognize in profit or loss the amount of provision for the allowance of doubtful accounts and the amount of a reversal of the allowance for doubtful accounts if any event occurs that decreases the allowance for doubtful accounts.

The carrying amount of a financial asset is written off against the allowance for doubtful accounts when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

(f) Derecognition of financial assets

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

c. Non-derivative financial liabilities

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

Non-derivative financial liabilities are classified as "financial liabilities at FVTPL" when the Group designates the entire hybrid contract that contains one or more embedded derivatives as financial liabilities at FVTPL. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and gains or losses arising from changes in fair value and interest expense are recognized in profit or loss.

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

The Group derecognizes financial liabilities when the Group satisfies its obligations or when the Group's obligations are discharged, canceled, or expired.

d. Derivatives and hedge accounting

(a) Derivatives

The Group is engaged in derivative transactions, including foreign currency forward contracts and interest rate swap agreements, in order to manage its exposure to foreign exchange rate and interest rate volatility.

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

(b) Hedge accounting

The Group designates certain derivative transactions as hedging instruments that are accounted for as cash flow hedges.

At the inception of the hedge, the Group formally designates and documents the hedge relationship qualifying for hedge accounting, along with its risk management objectives and its strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group evaluates whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period.

Hedges are determined effective when all of the following requirements are met:

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

If a hedging relationship ceases to meet the hedge effectiveness requirements relating to the hedge ratio, as long as the risk management objective remains the same, the Group shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

The effective portion of changes in the fair value of derivatives that are designated as and qualify for cash flow hedges is recognized in other comprehensive income and accumulated in accumulated other comprehensive income. Accumulated other comprehensive income is transferred to profit or loss line items related to the hedged item in the consolidated statement of income as long as the cash flows from the hedged item affect profit or loss. Any ineffective portion of changes in the fair value of derivatives is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the historical cost of the non-financial asset or non-financial liability at initial recognition.

Hedge accounting is discontinued prospectively only when the hedge relationship no longer meets the criteria for hedge accounting, such as when the hedging instrument expires, is sold, is terminated, or is exercised.

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

(c) Embedded derivatives

Derivatives embedded in non-derivative financial assets ("embedded derivatives") are not separated from the host contract and accounted for as an integral part of the entire hybrid contract.

Derivatives embedded in non-derivative financial liabilities ("embedded derivatives") are separated from the host contracts and accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the whole financial instruments, including the embedded derivatives, are not classified as financial liabilities at FVTPL. In the case where the Group is required to separate embedded derivatives from their host contracts but is unable to measure the embedded derivatives separately either at acquisition or subsequently at the end of the fiscal year, the entire hybrid contract is designated and accounted for as financial liabilities at FVTPL.

(2) Valuation standards and methods for inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile devices and accessories. Their costs comprise all costs related to purchases and other costs incurred in bringing inventory to its present location and condition. The costs are calculated primarily using the moving-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale, namely marketing, selling, and distribution costs.

(3) Valuation standards and methods for property, plant and equipment and intangible assets, and methods of depreciation and amortization thereof

a. Property, plant and equipment

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

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

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

Buildings and structures		
Buildings	20 - 50	years
Structures	10 - 50	years
Building fixtures	3 - 22	years
Network equipment		
Radio network equipment, core network equipment and other network equipment	5 - 15	years
Towers	10 - 42	years
Other	5 - 30	years
Furniture, fixtures and equipment		
Leased mobile devices	2 - 3	years
Other	2 - 20	years

The primary assets subject to operating lease as lessor of the above are leased mobile devices.
The depreciation methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

b. Intangible assets

Intangible assets are measured on a historical cost basis and are stated at historical cost less accumulated amortization and accumulated impairment losses.

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

Except for intangible assets with indefinite useful lives, intangible assets are amortized on a straight-line method over the estimated useful lives of each asset.

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

Software	5 - 10 years
Customer relationships	8 - 25 years
Spectrum-related costs	18 years
Other	2 - 25 years

Spectrum-related costs are the Company's share of costs for the spectrums assigned to the Company based on the Radio Act. These spectrum-related costs include the costs arising from the migration of pre-existing users to other spectrums by the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

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

Intangible assets with indefinite useful lives are not amortized. An intangible asset with an indefinite useful life or the cash-generating unit to which the asset belongs is tested for impairment at a certain timing within the fiscal year and whenever an indication of impairment exists.

The Group's intangible assets that have indefinite useful lives primarily relate to its trademark usage right of the *"SoftBank"* brand, trademarks of the *"Yahoo!"* and the *"Yahoo! JAPAN"* brands in Japan, and trademarks of the *"ZOZO"* and *"LINE"* brands.

In addition, the Group does not apply IFRS 16 to leases of intangible assets.

c. Leases

At inception of a contract, the Group assesses whether contractual arrangements are, or contain, a lease. The lease terms are the non-cancelable period of a lease, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

(As lessee)

(a) Right-of-use assets

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

Subsequent to initial recognition, a right-of-use asset is depreciated using the straight-line method over the estimated useful life when it is certain that the lease transfers ownership of the underlying asset, or over the shorter of the lease term or estimated useful life of the right-of-use asset when it is not certain that the lease transfers ownership of the underlying asset. The estimated useful life of a right-of-use asset is determined in the same manner as property, plant and equipment. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses.

(b) Lease liability

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

The lease payments included in the measurement of the lease liability primarily comprise fixed lease payments, lease payments for an extended term if the lessee is reasonably certain to exercise an extension option, and payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to initial recognition, lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured if there is a change in future lease payments resulting from a change in an index or a rate, a change in the amounts expected to be payable under a residual value guarantee, or a change in the assessment of possibility of exercising an extension option or a termination option.

If a lease liability is remeasured, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. However, if the amount of decrease in liability resulting from the remeasurement of the lease liability is greater than the carrying amount of the right-of-use asset, any remaining amount after reducing the right-of-use asset to zero is recognized as profit or loss.

(As lessor)

(a) Lease classification

At inception of a lease contract, the Group determines the classification of a lease as either a finance lease or operating lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise a lease is classified as an operating lease. If the lease term is for the major part of the economic life of the underlying asset, or the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset, it is deemed that substantially all the risks and rewards incidental to ownership of an underlying asset are transferred.

(b) Sublease classification

If the Group is a party to a sublease contract, the head lease (as lessee) and the sublease (as lessor) are accounted for separately. In classifying a sublease as a finance lease or an operating lease, the Group considers the risks, rewards, and estimated useful life of a right-of-use asset recognized by the Group in the head lease rather than the assets subject to lease.

(c) Recognition and measurement

Lease receivables in finance leases are recognized at the amount of the Group's net investment in the lease, as of the date the lease is determined and through its maturity. Lease payments received are apportioned between financing income and the repayments of the principal portion. Lease receivables are measured at amortized cost using the effective interest method. Interest income based on the effective interest method is recognized in profit or loss.

Lease payments under operating leases are recognized as income on a straight-line basis.

(4) Accounting treatment of goodwill

Please refer to "(10) Accounting treatment of business combinations" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized and is tested for impairment when there is an indication of impairment in operating segments (cash-generating unit groups) to which goodwill has been allocated, and at a certain timing within the fiscal year, irrespective of whether there is any indication of impairment. For the details of impairment, refer to "(5) Impairment of property, plant and equipment, right-of-use assets, intangible assets, and goodwill."

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

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

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

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

At the end of each reporting period, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired.

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

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment whenever an indication of impairment exists, and at a certain timing within the fiscal year, regardless of whether there is any indication of impairment.

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

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

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

b. Impairment of goodwill

At the end of each reporting period, the Group assesses whether there is any indication that goodwill may be impaired.

Goodwill is allocated to operating segments (cash-generating unit groups) that are expected to benefit from the synergies arising from a business combination and is tested for impairment whenever there is an indication of impairment in the operating segments (cash-generating unit groups) to which goodwill has been allocated, and at a certain timing within the fiscal year, irrespective of whether there is any indication that the operating segment (cash-generating unit group) may be impaired. If, at the time of the impairment test, the recoverable amount of the asset group which belongs to the operating segment (cash-generating unit group) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the operating segment (cash-generating unit group) and then to the other assets proportionately based on the carrying amount of each asset in the operating segment (cash-generating unit group).

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

(6) Criteria for recording significant provisions

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

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

The Group mainly recognizes asset retirement obligations and provision for loss on contract as provisions.

(7) Revenue recognition

a. Revenue

Consumer business

Revenues in the Consumer business mainly consist of revenues from mobile services, sales of mobile devices, broadband services and electricity services for individual customers.

(a) Mobile services and sales of mobile devices

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

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

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

In mobile services, the contractual period is defined as the period in which the party to the contract has present enforceable rights and obligations based on the terms of the contract with the subscriber. If the subscriber is granted an option to renew the contract and it is determined that the option provides the subscriber with a "material right," a separate performance obligation is identified. As a practical alternative to estimating the stand-alone selling price of the option that represents a performance obligation, the Group allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.
Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payment and have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient permitted by IFRS.

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

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

i. Indirect sales

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

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

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile service revenue based on the ratio of their stand-alone selling prices as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction prices. In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sale of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

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

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

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

(b) Broadband services

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

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

(c) Electricity services

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

Enterprise business

Revenues in the Enterprise business mainly consist of revenues from mobile services and mobile device rental services, fixed-line communications services, and business solution services and others for enterprise customers.

(a) Mobile services and mobile device rental services

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

(b) Fixed-line communications services

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

(c) Business solution and others

Revenues from business solution and others mainly consist of services, such as data center, cloud, security, global, AI, Internet of Things ("IoT"), digital marketing, and equipment sales.

Revenues from business solution and others are recognized when products or services are provided to subscribers, representing the point when subscribers have obtained control of the product or service, based upon the consideration receivable from subscribers.

Distribution business

Revenues in the Distribution business are mainly generated from the sales of hardware, software, and services in relation to Information and Communication Technology ("ICT"), cloud and IoT solutions for enterprise customers. Revenues are also driven by the sales of PC software, IoT products, and mobile device accessories for individual customers.

Revenues in the Distribution business are recognized as revenue at the time of delivery to customers, representing the point in time when the customers are deemed to have obtained control over the goods and other items.

For transactions conducted by the Group on behalf of third parties, revenues are presented on a net basis by excluding payment to third parties from the total consideration received from customers.

Media&EC business

Revenues in the Media&EC business mainly consist of revenues from the media business and the commerce business.

(a) Media business

The media business mainly comprises planning and sale of internet-based advertising-related services, information listing services, and other corporate services. Revenues in the media business mainly consist of revenues from search advertising, account advertising, display advertising, and others.

i. Search advertising

Revenues from search advertising are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement.

ii. Account advertising

Account advertising mainly comprises LINE Official Accounts and LINE Sponsored Stickers. Revenues from LINE Official Accounts are recognized over time during the contractual period in which the account is available for the registered user. Revenues from LINE Sponsored Stickers are recognized over time during the contractual period.

iii. Display advertising

Display advertising comprises display advertising (reservation) and display advertising (programmatic). Revenues from display advertising (reservation) are recognized over the period in which the related advertisement is displayed. Revenues from display advertising (programmatic) are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content. Revenues from LINE VOOM and LINE NEWS advertising are recognized upon the fulfilment of certain actions under contracts with advertisers.

iv . Others

Others mainly comprises *LYP Premium*. Revenues from *LYP Premium* are recognized over the period during which the membership is valid.

(b) Commerce business

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

i. Sale of goods by the ASKUL Group

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

ii. *ZOZOTOWN*

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

iii. *Yahoo!auction*

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

Financial business

Revenues in the Financial business mainly consist of merchant fees from providing QR code payment services and merchant fees from credit-related services.

The merchant fees from providing QR code payment services are recognized as revenue at the completion of the settlement, assuming that the merchant has received the payment service at the point of sale of goods or other transactions.

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

b. Contract costs

The Group recognizes the costs of obtaining telecommunications service contracts with subscribers that it would not have incurred if the contracts had not been obtained, and if it expects to recover those costs as contract assets. Contract acquisition costs to be capitalized by the Group are mainly sales commissions to dealers related to the acquisition and renewal of telecommunications service contracts between the Group and subscribers.

The Group recognizes the costs to fulfill a contract as an asset if the costs relate directly to the contract or to an anticipated contract that the Group can specifically identify, the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. The costs to fulfill contracts capitalized by the Group are mainly setup costs that are incurred prior to the provision of *SoftBank Hikari*, a high-speed Internet connection service via optical fiber lines.

Contract acquisition costs are amortized on a straight-line basis over the period (mainly two to four years) during which goods or services directly related to such costs are expected to be provided. In addition, the Group assesses capitalized contract acquisition costs for impairment at the end of each reporting period. The costs to fulfill contracts are amortized on a straight-line basis over the period (mainly four years) during which goods or services directly related to such costs are expected to be provided. In addition, the Group assesses capitalized costs to fulfil contracts for impairment at the end of each reporting period.

The Group utilizes the practical expedient under IFRS 15 that allows the Group to recognize contract acquisition costs as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

(8) Income taxes

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

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

Deferred tax is the tax expected to be payable or recoverable on the differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the asset and liability method. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of each fiscal year.

Deferred tax assets are not recognized for temporary differences that arise from the initial recognition of assets and liabilities in transactions that are not business combinations, affect neither accounting nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.

In relation to investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized for deductible temporary differences when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

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

- temporary differences that arise from the initial recognition of assets and liabilities in transactions that are not business combinations, affect neither accounting nor taxable profit, and do not give rise to equal taxable and deductible temporary differences;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

In accordance with temporary relief in the amendments to IAS 12, the Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to income taxes under the Pillar Two model rules.

(9) Foreign currency translation

a. Transactions denominated in foreign currencies

The financial statements of each Group company are prepared in their functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

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

Foreign exchange differences arising from translation are recognized in profit or loss, except for those arising from investments in equity instruments at FVTOCI which are recognized in other comprehensive income.

b. Foreign operations

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

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

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income and cumulative differences are included in accumulated other comprehensive income. These cumulative differences are reclassified from equity to profit or loss when the Group loses control or significant influence over the foreign operation.

(10) Accounting treatment of business combinations

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

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

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

・deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;

・liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and

・assets or disposal groups that are classified as held-for-sale are measured in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations."

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

On an acquisition-by-acquisition basis, the Group chooses a measurement basis of non-controlling interests at either fair value or by the proportionate share of the non-controlling interests in the recognized amounts of the acquiree's identifiable net assets. When a business combination is achieved in stages, the Group's previously held interest in the acquiree is remeasured at fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. The amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are accounted for in the same way that the Group has disposed of the interest in the acquiree.

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

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

(11) Government Grants

The Group recognizes government grants when there is reasonable assurance that the Group will comply with the conditions attaching to them, and that the grants will be received. Government grants related to income are recognized in profit or loss over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants recognized in profit or loss are deducted from the related expense. Government grants related to assets are deducted from the cost of the assets.

(Notes Relating to Changes in Accounting Policies)

Adoption of new accounting standards and interpretations

The Group has applied the following standards from the current fiscal year.

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.

(Notes Relating to Accounting 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:

1. 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.

Information relating to estimated fair value measurement of intangible assets and goodwill acquired from business combinations is described in "(10) Accounting treatment of business combinations" under "4. Material accounting policies." For more information relating to impairment loss of intangible assets and goodwill, refer to "(5) Impairment of property, plant and equipment, right-of-use assets, intangible assets, and goodwill" under "4. Material accounting policies."

2. 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.

For more information relating to estimated residual values and useful lives of property, plant and equipment and intangible assets refer to "(3) Valuation standards and methods for property, plant and equipment and intangible assets, and methods of depreciation and amortization thereof" under "4. Material accounting policies."

3. 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.

For more information relating to fair value of financial instruments, refer to "(1) Fair value hierarchy", "(2) Financial instruments measured at fair value on a recurring basis" and "(3) Fair value measurements of financial instruments that are categorized as Level 3" under "(Notes Relating to Financial Instruments) 2. Fair value of financial instruments and matters relating to categorization by level within fair value hierarchy."

4. 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.

For more information relating to contract acquisition costs, refer to "(7) Revenue recognition b. Contract costs" under "4. Material accounting policies."

(Notes Relating to Consolidated Statement of Financial Position)

1. Assets pledged as collateral and others

(1) Assets pledged as collateral

Certain investment securities of ¥249,056 million are pledged as collateral for financing and exchange settlement purposes by the banking subsidiary.

(2) Others

a. Assets with limited property rights under sale and leaseback transactions for which the transfer is not a sale

If the transfer of an asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the asset as property, plant and equipment. Such assets with limited property rights are as follows:

	(Millions of yen)
Property, plant and equipment	743,783

Liabilities related to the assets with limited property rights above are as follows:

	(Millions of yen)
Interest-bearing debt:	
Current portion of long-term borrowings	214,420
Long-term borrowings	380,051
Total	594,471

b. Assets for lease contracts of intangible assets

Assets with limited property rights retained by lessors due to lease contracts of intangible assets to which the Group does not apply IFRS 16 are as follows:

	(Millions of yen)
Intangible assets	261,046

Liabilities related to the assets with limited property rights above are as follows:

	(Millions of yen)
Interest-bearing debt:	
Current portion of long-term borrowings	94,774
Long-term borrowings	138,518
Total	233,292

c. Deposits in the Bank of Japan

The banking subsidiary is required to deposit certain amounts, which are determined by a fixed ratio against the deposits it receives ("the legal reserve requirement"), in the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2025, cash and cash equivalents included deposits at the Bank of Japan of ¥212,258 million, which are more than the legal reserve requirement.

2. Allowance for doubtful accounts directly deducted from assets

	(Millions of yen)
Trade and other receivables	26,692
Other current assets	0
Other financial assets (current)	3,134
Other financial assets (non-current)	58,891
Total	88,717

3. Accumulated depreciation of assets

	(Millions of yen)
Accumulated depreciation of property, plant and equipment	3,412,902
Accumulated depreciation of right-of-use assets	441,251

Accumulated depreciation includes accumulated impairment losses.

4. Contingencies

(1) Lending commitments

The lending commitments of the Group mainly consist of the shopping limits and cashing limits that are granted to customers in the Group's credit card business. The total amount and remaining balances at year-end are as follows.

	(Millions of yen)
Total lending commitments	11,242,877
Funded	1,271,749
Unfunded	9,971,128

The unfunded balance of the shopping limit and cashing limit does not indicate that the total amount of the balance will be used in the future because customers may use the credit card up to the limit at any time and do not always use the full amount of the limit and the Group may change the limit arbitrarily. Also, maturities for the unfunded lending commitments are within one year because they are payable on demand.

(2) Credit guarantees

Guarantees that the Group provides are as follows.

	(Millions of yen)
Total amount of financial guarantee contract	5,983
Guarantee balance	5,983

(3) Litigation

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 with regard to the judgment.

5. Financial covenants and other contractual clauses

(1) Financial covenants and other contractual clauses on interest-bearing debts of the Company

The Company's interest-bearing debt is subject to financial covenants and other contractual clauses, the main details of which are as follows:

- At March 31 and September 30 of each year, the Company is required to maintain equity in the consolidated statement of financial position of the Group at a minimum of 75% of that of the same date during the previous fiscal year.
- At March 31 and September 30 of each year, the Company is required to maintain net assets in the non-consolidated balance sheet of the Company at a minimum of 75% of that of the same date during the previous fiscal year.
- The Company must not incur operating losses or net losses in the consolidated statement of income of the Group for two consecutive fiscal years.
- The Company must not incur operating losses or net losses in the non-consolidated statement of income of the Company for two consecutive fiscal years.
- At March 31 and September 30 of each year, the Company is required to maintain a net leverage ratio [(a)] below a certain value:

a. Net leverage ratio: Net debt (b) divided by adjusted EBITDA (c)

b. "Net debt" means the total amount of interest-bearing debt shown in the consolidated statement of financial position of the Group after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.

c. "Adjusted EBITDA" means EBITDA adjusted for certain items as specified in the loan agreement.

(2) Financial covenants and other contractual clauses on interest-bearing debts of LY Corporation

The interest-bearing debt of LY Corporation, a subsidiary of the Company, is subject to financial covenants and other contractual clauses, the main details of which are as follows:

- At March 31 of each year, LY Corporation is required to maintain net assets presented in the non-consolidated balance sheet prepared in accordance with IFRS at a minimum of 75% of that of the same date during the previous fiscal year.
- At March 31 and September 30 of each year, the LY Corporation Group is required to maintain equity presented in the consolidated statement of financial position at a minimum of 75% of that of the same date during the previous fiscal year.
- At March 31 of each year, LY Corporation must not have a net capital deficiency in the non-consolidated balance sheet prepared in accordance with IFRS.
- At March 31 and September 30 of each year, the LY Corporation Group must not have a net capital deficiency in the consolidated statement of financial position.
- At March 31 of each year, LY Corporation must not incur operating losses or net losses for two consecutive fiscal years in the non-consolidated statement of income prepared in accordance with IFRS.
- At March 31 of each year, the LY Corporation Group must not incur operating losses or net losses in the consolidated statement of income for two consecutive fiscal years.
- At March 31 and September 30 of each year, LY Corporation is required to maintain a net leverage ratio[(a)] below a certain value:

a. Net leverage ratio: Net debt (b) divided by adjusted EBITDA (c)

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

c. "Adjusted EBITDA" means EBITDA adjusted for certain items as specified in the loan agreement.

(Notes Relating to Consolidated Statement of Income)

Other operating income and other operating expenses

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

	(Millions of yen)
Other operating income	
Gain on loss of control over subsidiaries	43,195
Other operating expenses	
Impairment loss	(13,822)

(Notes Relating to Consolidated Statement of Changes in Equity)

1. Class and total number of outstanding shares

Class of shares	Number of shares at beginning of the current fiscal year	Increase in number of shares during the current fiscal year	Decrease in number of shares during the current fiscal year	Number of shares at end of the current fiscal year
Common stock (Thousands of shares)	4,756,201	42,995,290	-	47,751,491
Series 1 Bond-Type Class Shares (Thousands of shares)	30,000	-	-	30,000
Series 2 Bond-Type Class Shares (Thousands of shares)	-	25,000	-	25,000

Note:
The increase in the number of outstanding shares is primarily due to a 10-for-1 stock split of common shares with an effective date of October 1, 2024.

2. Dividends

(1) Dividends paid

The Company

Board of Directors' meeting held on May 17, 2024

Class of shares	Common stock
Total dividends	¥202,461 million
Dividends per share	¥43.00
Record date	March 31, 2024
Effective date	June 6, 2024
Source of dividends	Retained earnings

Board of Directors' meeting held on May 17, 2024

Class of shares	Series 1 Bond-Type Class Shares
Total dividends	¥1,246 million
Dividends per share	¥41.53
Record date	March 31, 2024
Effective date	June 6, 2024
Source of dividends	Retained earnings

Board of Directors' meeting held on October 21, 2024

Class of shares	Common stock
Total dividends	¥203,687 million
Dividends per share	¥43.00
Record date	September 30, 2024
Effective date	December 6, 2024
Source of dividends	Retained earnings

Board of Directors' meeting held on October 21, 2024

Class of shares	Series 1 Bond-Type Class Shares
Total dividends	¥1,500 million
Dividends per share	¥50.00
Record date	September 30, 2024
Effective date	December 6, 2024
Source of dividends	Retained earnings

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 (the "Annual Rate Quotation Date") 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 will be calculated based on actual day counts on a 366-day year basis.
3. Dividends per share shows the amount before the stock split.

(2) Dividends for which the record date is in the current fiscal year, and the effective date for payment is in the following fiscal year

The resolution planned at the Board of Directors' meeting on May 20, 2025 is as follows:

The Company

Board of Directors' meeting held on May 20, 2025

Class of shares	Common stock
Total dividends	¥204,539 million
Dividends per share	¥4.30
Record date	March 31, 2025
Effective date	June 12, 2025
Source of dividends	Retained earnings

Board of Directors' meeting held on May 20, 2025

Class of shares	Series 1 Bond-Type Class Shares
Total dividends	¥1,500 million
Dividends per share	¥50.00
Record date	March 31, 2025
Effective date	June 12, 2025
Source of dividends	Retained earnings

Board of Directors' meeting held on May 20, 2025

Class of shares	Series 2 Bond-Type Class Shares
Total dividends	¥3,156 million
Dividends per share	¥126.24
Record date	March 31, 2025
Effective date	June 12, 2025
Source of dividends	Retained earnings

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 Annual Rate Quotation Date with respect to the fiscal year in which the record date falls plus 3.182%.
2. 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 with respect to the fiscal year 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 with respect to the fiscal year in which the record date falls plus 3.710%.
3. Dividends per share shows the amount after the stock split.

3. Class and number of shares for stock acquisition rights as of March 31, 2025

(Excluding stock acquisition rights for which the commencement date of exercise period has not yet arrived)

Common stock	296,658,000 shares

(Notes Relating to Financial Instruments)

1. Matters regarding conditions of financial instruments

The Group is promoting diversification of its business and is subject to various financial risks (credit risk, market risk, and liquidity risk) due to factors in its business and financial market environments. The Group manages its risks based on established policies to prevent and reduce these financial risks.

Derivative transactions entered into by the Company are executed and managed in accordance with internal rules and through the prescribed execution procedures and are limited to the extent of actual demand.

(1) Credit risk

Credit risk is a risk of a financial loss of the Group resulting from counterparties of the financial assets held failing to meet their contractual obligations.

In the course of the Group's business, trade and other receivables, contract assets, other financial assets (including deposits, equity securities, debt securities, and derivatives), investment securities and investment securities in banking business are exposed to the credit risks of its counterparties.

In order to prevent and reduce the risk, the Group does not expose itself to significant concentrations of credit risk for such receivables and financial assets.

Investment securities in banking business mainly include investment securities such as domestic bonds and foreign bonds and trust beneficiary rights. Such bonds are exposed to the credit risk of issuers, whereas trust beneficiary rights are exposed to the credit risk of underlying assets.

Equity instruments at FVTOCI consist primarily of shares of companies with which the Group has business relationships and are exposed to the issuers' credit risk. This risk is managed by continuously monitoring the financial conditions of issuers.

Trade receivables include receivables from dealers, communications fee receivables from customers, and installment receivables of mobile devices, and are exposed to the credit risk of dealers and customers. To manage credit risk for receivables from dealers, the Group performs due date controls and balance controls for each dealer in accordance with its internal credit management policies and regularly monitors major dealers' credit statuses. For customer credit risk, the Group conducts screening in accordance with its internal company standards upon entering into an agreement with customers and checks the status of usage and collection of each customer periodically to avoid an increase in the uncollectible amounts. Regarding installment receivables, the Group refers to external institutions for credit risk information.

Derivative transactions are executed and managed based on internal rules, and the Group enters into derivative transactions only with highly creditworthy financial institutions in order to mitigate credit risk.

The carrying amount of financial assets, net of impairment, which is presented in the consolidated statement of financial position, as well as the amount of lending commitments represents the Group's maximum exposure to credit risk on its financial assets. The value of collateral held, and other credit enhancements are not included.

For trade receivables and contract assets arising from IFRS 15 that do not contain a significant financing component, the Group always measures the lifetime expected credit losses using the simplified approach. For receivables, lending commitments and others other than trade receivables and contract assets, the Group measures future expected credit losses in consideration of the assessment of a significant increase of credit risk. The Group determines whether credit risk has increased significantly or not, based on the change in default risk by considering the counterparty's past due information, deterioration of business performance, external credit rating, and other factors. For receivables, lending commitments and others other than trade receivables and contract assets, the expected credit losses are measured at an amount equal to the 12-month expected credit losses in principle, but are measured at an amount equal to the lifetime expected credit losses when the credit risk has increased significantly since initial recognition.

The Group considers a financial asset to be in default when the financial asset becomes credit-impaired. In case of events such as those listed below, that have a detrimental impact on the estimated future cash flows of financial assets, the financial assets are deemed to be credit-impaired and the expected credit losses are measured individually. When financial assets are not individually significant, the expected credit losses are measured collectively based on the credit risk characteristics and the nature of the transactions that have occurred.

・significant financial difficulty of the issuer or borrower
・breach of contract, such as a default or delinquency in interest or principal payments
・high possibility of the borrower filing for bankruptcy or entering financial reorganization

(2) Market risk

a. Currency risk

The Group conducts foreign currency-denominated transactions and is exposed to currency risk arising mainly from fluctuations in the exchange rate of U.S. dollars to Japanese yen. To avoid this risk, the Group utilizes forward foreign exchange contracts. In addition, to avoid currency risk arising from foreign exchange dealings, the Group enters into covering transactions with counterparties to cover its positions arising from transactions with customers.

b. Price risk

The Group, for the purposes of its business strategy, holds securities traded on active markets, such as publicly traded shares, and is exposed to market price fluctuation risk. Equity instruments are acquired to mutually expand businesses and enhance business relationships and are not held for trading in the short term. To manage the market price fluctuation risk, the Group continuously monitors issuers' financial conditions and market prices and reviews the holding status of the instruments considering the business relationships with those issuers.

c. Interest rate risk

The Group raises capital through interest-bearing loans including those with floating interest rates, and hence is exposed to the risk of an increase in the interest payments resulting from rising interest rates. In order to prevent or reduce the risk of interest rate fluctuations, the Group maintains an appropriate mix of interest-bearing debt with fixed and floating interest rates, and uses interest rate swap transactions for certain borrowings with floating interest rates to hedge the risk of interest rate fluctuations and convert the floating rates into fixed rates. For floating interest rate debt, the Group also continuously monitors interest rate fluctuations.

(3) Liquidity risk

The Group is exposed to liquidity risk through potential difficulty to meet its obligations such as trade payables, accounts payable, borrowings, and lease liabilities.

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

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

2. Fair value of financial instruments and matters relating to categorization by level within fair value hierarchy

(1) Fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for valuation.

The fair value hierarchy is defined as follows:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.
Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.
Transfers between levels of the fair value hierarchy are recognized as if they have occurred at the beginning of each quarter. There were no transfers between Level 1 and Level 2 during the current fiscal year.

(2) Financial instruments measured at fair value on a recurring basis

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy:

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	34,292	―	96,270	130,562
Bonds	4,639	96,103	17,374	118,116
Trust beneficiary rights	―	―	156,392	156,392
Derivative financial assets	228	14,725	―	14,953
Other[1]	132,512	800	104,916	238,228
Total	171,671	111,628	374,952	658,251
Financial liabilities				
Derivative financial liabilities	102	3,729	12,577	16,408
Other	―	―	8,550	8,550
Total	102	3,729	21,127	24,958

Note:

1. "Other" under financial assets in the above table includes mainly investments in exchange-traded fund and investment limited partnerships.

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Equity securities

Equity securities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1. Where such quoted prices in active markets for identical assets are not available, they are measured using appropriate valuation techniques such as the comparable company analysis, discounted cash flow method and transaction case approach. They are classified as Level 2 if all significant inputs such as quoted prices and discount rates that are used for the measurement are observable, whereas if inputs include significant unobservable inputs, they are classified as Level 3. The Group uses valuation multiple, such as revenue multiple of comparable companies, capital cost and perpetual growth rate as the significant unobservable inputs to calculate the fair value of financial assets classified as Level 3.

b. Debt securities and trust beneficiary rights

Fair value using quoted prices in active markets for identical assets are measured using such quoted prices and is classified as Level 1. Fair value using inputs other than Level 1 that are observable, either directly or indirectly, are measured by using prices based on available information, mainly such as reference trading statistics and brokers' quotes. The Group also utilizes the discounted cash flow method using discount rates as inputs after taking into account risk-free interest rates and credit spreads. They are categorized as Level 2 or Level 3 depending on the observability and significance of inputs.

c. Derivative financial assets and liabilities

Derivative financial assets and liabilities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1. Where such quoted prices in active markets for identical assets are not available, they are measured based on prices of comparable contracts and prices quoted by financial institutions with which contracts were concluded, as well as using valuation techniques such as the discounted cash flow method and the Black-Scholes model. They are categorized as Level 2 or Level 3 depending on the observability and significance of inputs. Significant unobservable inputs used to calculate the fair value of financial liabilities classified as Level 3 include revenue multiple of comparable companies and capital cost.

(3) Fair value measurements of financial instruments that are categorized as Level 3

a. Fair value measurements and inputs

Equity securities

Fair value of equity securities is measured primarily based on the discounted cash flow method and transaction case approach. The significant unobservable inputs of the discounted cash flow method are primarily cost of capital and valuation multiple, such as revenue multiple of comparable companies, used for the measurement of the terminal value.

b. Sensitivity analysis

Fair value of equity securities decreases (increases) when cost of capital increases (decreases) among unobservable inputs. On the other hand, fair value of equity securities increases (decreases) when valuation multiple, such as revenue multiple, increases (decreases). The financial instruments classified as Level 3 are not expected to significantly change their fair value in case the unobservable inputs are changed to reasonably possible alternative assumptions.

c. Valuation processes

Fair value is measured by the Group's personnel in the treasury and accounting departments based on internal regulations, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics, and risks of the financial instruments subject to fair value measurement. The fair value of financial instruments that require a high level of knowledge and experience for the valuation is measured by external specialists if the amount of such financial instruments is material. The result of the measurement conducted at the end of each quarter, including the valuation by the external specialists and the analysis of fair value changes and other contents, is reviewed and approved by the personnel responsible for each department.

d. Changes in financial instruments categorized as Level 3

Changes in financial instruments categorized as Level 3 are as follows:

Financial assets (Millions of yen)

	Equity securities	Bonds	Trust beneficiary rights	Other
As of April 1, 2024	109,860	2,352	123,992	108,868
Gains or losses				
Net income[1]	(13,633)	4,082	―	(6,713)
Other comprehensive income (loss)	(7,894)	(78)	(1,631)	5,071
Purchases	22,608	4,091	62,761	9,071
Sales	(12,541)	(1,500)	(28,730)	(6,484)
Changes in scope of consolidation	(2,017)	(548)	―	(5,101)
Other	(113)	8,975	―	204
March 31, 2025	96,270	17,374	156,392	104,916

Financial liabilities (Millions of yen)

	Derivative financial liabilities	Other
As of April 1, 2024	―	23,164
Gains or losses		
Net income[1]	12,577	315
Changes in scope of consolidation	―	(14,929)
March 31, 2025	12,577	8,550

Note:

1. Gains or losses recognized in "Net income" in the above table are included in "Financing income" and "Financing costs" in the consolidated statement of income.

(4) Financial instruments not measured at fair value on a recurring basis

The table below presents the carrying amounts of financial liabilities not measured at fair value on a recurring basis and categorization by level within the fair value hierarchy:

Financial instruments whose carrying amounts are reasonably similar to their fair values are not included in the table below.

(Millions of yen)

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt (non-current)					
Long-term borrowings	2,429,362	—	1,431,064	1,001,408	2,432,472
Corporate bonds	1,247,664	—	1,210,795	—	1,210,795

The major valuation techniques for fair value measurements of the financial liabilities above are as follows:

a. Long-term borrowings

Fair values of the non-current portion of long-term borrowings with floating interest rates are measured based on the discounted cash flow method using observable inputs such as market interests, and are categorized as Level 2.

Fair values of the non-current portion of long-term borrowings with fixed rates are measured based on the discounted cash flow method using an interest rate, considering the credit spread that would be used for a borrowing with the same terms and maturity, and are categorized as Level 3.

Fair values of the non-current portion of long-term borrowings associated with leases of intangible assets are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and are categorized as Level 3.

Fair values of the non-current portion of long-term borrowings in relation to sale and leaseback transactions not accounted as sales are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and are categorized as Level 3.

b. Corporate bonds (non-current portion)

Fair values of the non-current portion of corporate bonds are measured using quoted prices that are observable in markets that are not active for identical bonds, such as reference trading statistics, and are categorized as Level 2.

(5) Redemption schedule for interest-bearing debt and deposits for banking business

Redemption schedule for interest-bearing debt and deposits for banking business is as follows:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years
Interest-bearing debt				
Short-term borrowings	353,233	353,233	353,233	—
Commercial paper	108,000	108,000	108,000	—
Long-term borrowings (including current portion)	3,240,809	3,258,938	814,844	793,153
Bonds (including current portion)	1,467,656	1,471,000	220,000	230,000
Lease liabilities	792,363	792,363	153,782	128,631
Installment payable	91	91	70	17
Deposits for banking business[1]	1,810,852	1,810,852	1,795,965	3,528
Total	7,773,004	7,794,477	3,445,894	1,155,329

	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt				
Short-term borrowings	—	—	—	—
Commercial paper	—	—	—	—
Long-term borrowings (including current portion)	699,359	502,466	214,295	234,821
Bonds (including current portion)	280,000	160,000	140,000	441,000
Lease liabilities	105,657	88,593	75,862	239,838
Installment payable	4	—	—	—
Deposits for banking business[1]	4,051	694	1,745	4,869
Total	1,089,071	751,753	431,902	920,528

Note:

1. Deposits for banking business payable on demand are included in "Within 1 year." Deposits for banking business include ¥1,658,539 million deposits for banking business payable on demand.

(Notes Relating to Per Share Data)

1. Equity per share attributable to owners of the Company[1]	¥50.96
2. Basic earnings per share[2,3]	¥10.99

Notes:

1. "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 ordinary shareholders of the Company.
2. "Basic earnings per share" is based on "Net income attributable to owners of the Company" excluding the amount not attributable to ordinary shareholders of the Company.
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. “Basic earnings per share” is calculated assuming that the stock split had been carried out at the beginning of the current fiscal year.

(Notes Relating to Business Combinations)

Acquisition of Cubic Telecom Ltd.

(Finalization of provisional accounting for business combination)

In the previous fiscal year, the Company provisionally accounted for the business combination with Cubic Telecom Ltd. that took place on March 6, 2024. The allocation of the consideration transferred was completed in the current fiscal year. There is no material change from the initial provisional amounts to the finalized amounts.

(Notes Relating to Revenue Recognition)

1. Disaggregation of revenue

The components of revenue are as follows:

	(Millions of yen)
Consumer[4]	
Service revenues	
Mobile	1,555,584
Broadband	408,247
Electricity	255,694
Revenues from sales of goods and others	713,862
Subtotal	2,933,387
Enterprise[4]	
Mobile[3]	299,314
Fixed-line	162,715
Business solution and others[3]	426,131
Subtotal	888,160
Distribution	705,700
Media&EC	
Media[4]	703,881
Commerce[4]	844,232
Strategy	97,785
Other	4,048
Subtotal	1,649,946
Financial	255,887
Other[4]	111,269
Total	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 were ¥202,785 million.
3. "Mobile" and "Business solution and others" under "Enterprise" include service revenues and revenues from sales of goods and others. Service revenues and revenues from sales of goods and others were ¥559,582 million and ¥165,864 million, respectively.
4. During the current fiscal year, certain subsidiaries categorized as "Consumer" were transferred to "Other." The business categories of "Enterprise" have been reevaluated and some services included in "Enterprise" and "Other" 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. The business categories of "Media & EC" have been reevaluated and some services categorized as "Media" were transferred to "Commerce."

2. Information that serves as the basis for understanding revenue

Information that serves as the basis for understanding revenue is described in "Note 4. Material accounting policies (7) Revenue recognition" under "Basis of Preparation of Consolidated Financial Statements."

3. Transaction prices allocated to remaining performance obligations

(1) Contract balances

The components of contract balances are as follows:

(Millions of yen)

	As of April 1, 2024	As of March 31, 2025
Receivables from contracts with customers	962,577	993,360
Contract assets	22,000	18,185
Total	984,577	1,011,545
Contract liabilities	190,571	202,955

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer (when that right is conditioned on something other than the passage of time). Major contract assets are as follows:

- Various campaign discounts provided to a customer are accounted for as a reduction of the transaction price. The total of the transaction price is allocated per performance obligation, and the amount of the Group's right to consideration in exchange for fulfilling the performance obligations, excluding the receivables, is recognized as a contract asset.

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has already received consideration from the customer. Major contract liabilities are as follows:

- Activation fees and upgrade fees received from customers at the inception of a new contract and model changes; and
- Consideration for services already received from the customer, such as advances received, is recognized as contract liabilities.

Of the revenue recognized during the current fiscal year, the amount included in the balance of contract liabilities at the beginning of the year is ¥95,628 million.

Impairment loss recognized for receivables arising from contracts with customers during the current fiscal year is ¥14,380 million.

(2) Transaction prices allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2025 is ¥142,368 million. The unsatisfied performance obligations arise primarily from mobile services and mobile device rental services in the Enterprise business, and are expected to be recognized as revenue mainly over approximately three years.

As the Group applies the practical expedient in paragraph 121 of IFRS 15, the following transaction prices for the remaining performance obligations are not included:

- the transaction price for a contract that has an original expected duration of one year or less; and
- the transaction price for a contract in which consideration is received from the customer in the amount that corresponds directly with the value of services provided, such as fees charged per use.

(Notes Relating to Subsequent Events)

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

(1) Summary of the Transactions

LY 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.

Notes to Non-consolidated Financial Statements

Notes to Non-consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation standards and methods for major assets

(1) Securities

Shares of subsidiaries and associates	: Stated at cost determined by the moving-average method
Available-for-sale securities	
With market quotations	: Stated at fair value (unrealized gains/losses are directly included in net assets; cost of securities sales is determined by the moving-average method)
Without market quotations	: Stated at cost determined by the moving-average method
(2) Derivative instruments	: Stated at fair value
(3) Inventories	: Stated at cost determined primarily by the moving-average method (the balance sheet value is determined by the write-down method based on a decline in profitability.)

2. Depreciation and amortization

(1) Property, plant and equipment (including leased assets)	: Calculated using the straight-line method
(2) Intangible assets (including leased assets)	: Calculated using the straight-line method
(3) Long-term prepaid expenses	: Calculated using the straight-line method

3. Principles for allowances and provisions

(1) Allowance for doubtful accounts

In anticipation of uncollectible receivables, allowance for doubtful accounts is calculated based on bad debt ratio, as well as considering the collectability of the account on an individual basis.

(2) Provision for retirement benefits

Provision for retirement benefits is calculated based on the expected retirement benefit obligation at the end of the current fiscal year.

From March 31, 2007, the Group has frozen all defined benefit lump-sum plans.

1) Attributing expected retirement benefits to periods

In determining its retirement benefit obligation, the expected retirement benefits are attributed to periods until the end of the current fiscal year based on the benefit formula basis.

2) Accounting for unrecognized differences and prior service costs

Actuarial gains (losses) and past service costs are all expensed in the fiscal year when they are incurred.

(3) Provision for bonuses

Expected bonus payments are recorded based on the amount to be incurred in the current fiscal year.

(4) Provision for loss on contract

To prepare for future losses incurred in fulfilling contracts with customers, an amount of losses for the next and subsequent fiscal years is estimated and the amount as deemed necessary is recorded.

4. Principles for revenue and expenses

(1) Principles for revenue

The Company adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, September 13, 2024), whereby the Company recognizes revenue when control of promised goods or services is transferred to a customer in an amount which the Company expects to be entitled in exchange for those goods or services.

1) Consumer business

Revenues in the Consumer business mainly consist of revenues from mobile services, sales of mobile devices and broadband services for individual customers.

a. Mobile services and sales of mobile devices

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

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

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

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

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

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

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

i. Indirect sales

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

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

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile services revenue based on the ratio of their stand-alone selling prices as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile charges related to mobile service revenue are deducted from the total transaction price. In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sales of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

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

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

b. Broadband services

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

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

2) Enterprise business

Revenues in the Enterprise business mainly consist of revenues from mobile services and mobile device rental services, fixed-line communications services, and business solution services and others for enterprise customers.

a. Mobile services and mobile device rental services

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

b. Fixed-line communications services

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

c. Business solution services and other

Revenues from business solution and others mainly consist of services, such as data center, cloud, security, global, AI, Internet of Things ("IoT"), digital marketing, equipment sales.
Revenues from business solution services and other are recognized based upon the consideration receivable from subscribers at the time of delivery or provision of the services to the subscribers representing the point in time when subscribers are considered to have obtained control of the solution services and other.

(2) Revenue from finance lease transactions

Revenue and cost of sales are recorded at the inception of lease contracts.

5. Other basis of presentation of financial statements

(1) Accounting for hedge transactions

Interest rate swaps

1) Hedge accounting

Recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized.

2) Derivative instruments for hedging and hedged items

Derivative instruments for hedging	: Interest rate swap contracts
Hedged items	: Interest expense on borrowings

3) Hedging policy

In accordance with internal policy, the Company uses derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates, regarding loans payable with variable interest rates.

4) Effectiveness of hedge transactions

The effectiveness of hedge transactions is assessed by measuring the correlation between the variability of cash flows associated with the interest rate of hedged items and the variability of cash flows of hedge instruments.

(Notes Relating to Changes in Presentation)

Balance Sheet

"Long-term accounts payable - other" (¥1,275 million in the previous fiscal year), which was included in "Other non-current liabilities" in the previous fiscal year, is presented as a separate item in the current fiscal year as the amounts became material.

(Notes Relating to Significant Accounting Estimates)

Of assets and liabilities recorded using accounting estimates in the non-consolidated financial statements of the current fiscal year, items that have the risk of significant impacts on the non-consolidated financial statements of the following fiscal year are as follows:

Estimates for impairment of shares of subsidiaries and associates

Shares of subsidiaries and associates are recorded at cost in the balance sheet; provided, however, that in cases where the fair value of shares of subsidiaries and associates has significantly declined, unless recovery is deemed possible, the carrying amount is written down to fair value, and the valuation differences are recognized as losses. In cases where it is extremely difficult to determine the fair value of shares of subsidiaries and associates, when the net asset value has significantly declined due to the deterioration of the issuer's financial position, the carrying amount is reduced correspondingly, and the valuation differences are recognized as losses.

The net asset value used in estimating the impairment losses on shares of subsidiaries and associates is calculated by multiplying the net asset value per share of the issuer by the number of shares held. The net asset value per share of the issuer is determined based on the latest financial statements of the issuer, taking into consideration the fair valuation difference on assets and liabilities, the issuer's excess earning power and other factors. In measuring the net asset value, management's judgements and estimates may have a material impact on the non-consolidated financial statements of the Company. The fair value of assets and liabilities and the issuer's excess earning power are measured based on the assumptions, such as estimated future cash flow generated by the issuer, growth rate and discount rate.

The assumptions above that are determined by management's best estimates may be affected by uncertainties in future economic conditions and may have a material impact on the non-consolidated financial statements of the following fiscal year if the assumptions were revised.

The estimated amounts of impairment losses on shares of subsidiaries and associates are described in "Notes Relating to Financial Instruments, 2. Fair value of financial instruments."

(Notes Relating to Balance Sheet)

1. Contingencies

(1) Lending commitments

The Company entered into lending commitment contracts with subsidiaries and other entities.

The details of lending commitments with subsidiaries and other entities are as follows:

	(Millions of yen)
Total lending commitments	163,305
Funded	51,303
Unfunded	112,002

(2) Litigation

The Company 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 Company's financial position or results of operations.

(a) On April 30, 2015, the Company filed a lawsuit with the Tokyo District Court against 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 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 filed a final appeal and a petition for acceptance of final appeal to the Supreme Court against this judgment.

2. Accumulated reduction entry of property, plant and equipment due to subsidies received from governments and others

	(Millions of yen)
	3,364

3. Non-current assets - incidental business

"Non-current assets - incidental business" are included in "non-current assets - telecommunications business" because the amount is not material. The amount of "non-current assets - incidental business" is ¥268 million as of the end of the current fiscal year.

4. Financial covenants

The Company's interest-bearing debt is subject to financial covenants mainly as follows:

- At March 31 and September 30 of each year, the Company is required to maintain equity in the consolidated statement of financial position of the Group at a minimum of 75% of that of the same date during the previous fiscal year.
- At March 31 and September 30 of each year, the Company is required to maintain net assets in the non-consolidated balance sheet of the Company at a minimum of 75% of that of the same date during the previous fiscal year.
- The Company must not incur operating losses or net losses in the consolidated statement of income of the Group for two consecutive fiscal years.
- The Company must not incur operating losses or net losses in the non-consolidated statement of income of the Company for two consecutive fiscal years.
- At March 31 and September 30 of each year, the Company is required to maintain a net leverage ratio[a] below a certain value:

a. Net leverage ratio: Net debt (b) divided by adjusted EBITDA (c)

b. "Net debt" means the total amount of interest-bearing debt shown in the consolidated statement of financial position of the Group after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.

c. "Adjusted EBITDA" means EBITDA adjusted for certain items as specified in the loan agreement.

5. Monetary receivables from and payables to subsidiaries and associates

Monetary receivables from and payables to subsidiaries and associates, other than those presented separately, are as follows:

	(Millions of yen)
Long-term monetary receivables	1,064
Long-term monetary payables	30,183
Short-term monetary receivables	84,038
Short-term monetary payables	242,736

6. Monetary receivables from and payables to board directors

Monetary receivables from and payables to board directors are as follows:

	(Millions of yen)
Monetary receivables	20,680

(Notes Relating to Statement of Income)

Transactions with subsidiaries and associates

	(Millions of yen)
Operating revenue	76,701
Operating expenses	407,242
Non-operating transactions	94,823

(Notes Relating to Statement of Changes in Net Assets)

Class and number of treasury stock at the end of the current fiscal year

	(Thousands of Shares)
Common stock	184,234

(Notes Relating to Tax Effect Accounting)

1. Significant components of deferred tax assets and liabilities

Deferred tax assets	(Millions of yen)
Non-qualified contribution-in-kind	88,123
Accounts payable - other and accrued expenses	37,764
Loss on valuation of investment securities	31,009
Allowance for doubtful accounts	19,761
Asset retirement obligations	17,847
Depreciable assets	14,376
Contract liabilities and other current liabilities	13,452
Provision for bonuses	11,334
Inventories	6,477
Enterprise tax payable	3,681
Others	20,054
Gross deferred tax assets	263,878
Less: Valuation allowance	(121,251)
Total deferred tax assets	142,627
Offset against deferred tax liabilities	(28,554)
Net deferred tax assets	114,073

Deferred tax liabilities	(Millions of yen)
Removal costs for asset retirement obligations	(7,959)
Lease investments assets	(5,373)
Right of return assets	(4,714)
Valuation difference on available-for-sale securities	(3,647)
Others	(6,861)
Total deferred tax liabilities	(28,554)
Offset against deferred tax assets	28,554
Net deferred tax liabilities	-

2. Revision of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes

With the promulgation of the "Act for Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025)" on March 31, 2025, the "Special Defense Corporate Tax" will be levied from the fiscal year beginning on or after April 1, 2026.

In light of this, deferred tax assets and deferred tax liabilities relating to temporary differences that are expected to reverse from the fiscal year beginning on or after April 1, 2026 are calculated by changing the statutory effective tax rate from 30.62% to 31.52%.

The impact resulting from this change in the tax rate is insignificant.

(Notes Relating to Non-current Assets Used under Leases)

Leased assets used under finance lease transactions

Non-current assets - telecommunications business	(Millions of yen)
Machinery	446,374
Antenna facilities	172,728
Terminal facilities	81
Local line facilities	477
Long-distance line facilities	2,277
Engineering facilities	4,717
Buildings	26,064
Structures	2,642
Machinery and equipment	21
Vehicles	44
Tools, furniture and fixtures	3,032
Software	178,657
Total	837,114

(Notes Relating to Financial Instruments)

1. Status of financial instruments

(1) Policy relating to financial instruments

The Company manages funds mainly in short-term deposits, and raises funds through loans from financial institutions, issuance of commercial paper and bonds, securitization of receivables and sale and lease back transactions. The funds raised are primarily intended for capital expenditures.

(2) Details of financial instruments, related risks and risk management system thereof

As investment securities consist primarily of shares of companies with which the Company aims to expand business, maintain its competitive advantage or create synergies in business operations, these securities are exposed to the issuer's credit risk and market price fluctuation risk. These risks are managed by continuously monitoring the financial conditions of issuers and other factors considering market price fluctuations.

Trade receivables include receivables from dealers, communications fee receivables from customers, and installment receivables of mobile devices, and are exposed to the credit risk of dealers and customers. To manage credit risk for receivables from dealers, the Company performs due date controls and balance controls for each dealer in accordance with its internal credit management policies and regularly monitors major dealers' credit statuses. For customer credit risk, the Company conducts screening in accordance with its internal standards upon entering into an agreement with customers and checks the status of usage and collection of each customer from time to time to avoid an increase in any uncollectible amounts. Regarding installment receivables, the Company refers to external institutions for credit risk information.

Short-term loans receivable mainly consist of loans extended to subsidiaries of the Company: SB C&S Corp. and IDC Frontier Inc.

Lease obligations are intended to raise funds required for capital expenditures. "Accounts payable – trade" and "accounts payable – other" in trade payables are generally due within one year.

Short-term loans payable mainly consist of loans from the Company's subsidiary, IDC Frontier Inc., as well as utilization of self-trust for securitization of receivables and joint management designated money trusts. Current portion of non-current liabilities and long-term loans payable mainly consist of loans from the Company’s subsidiary, SB Payment Service Corp., and from financial institutions. Bonds and commercial paper represent funds raised from capital markets.

Derivative transactions are interest rate swap agreements to avoid the risk of interest rate fluctuations for long-term loans with floating interest rates and convert the floating rates into fixed rates. Derivative transactions are executed and managed in accordance with the internal rules, and the Company enters into derivative transactions only with highly creditworthy financial institutions in order to mitigate credit risk.

(3) Supplementary explanation on matters regarding fair value of financial instruments

Since certain assumptions and factors are reflected in determining the fair value of financial instruments, different assumptions and factors could result in a different fair value.

2. Fair value of financial instruments

The carrying amount, the fair value, and the differences between them as of the end of the current fiscal year are as follows.

Equity securities, etc. that do not have a market price are not included in the table below. (Please refer to Note 3.) Notes on cash are omitted, and notes on financial instruments that are settled in the short-term are omitted because their carrying amounts approximate their fair values.

(Millions of yen)

	Carrying amount	Fair value	Difference
(1) Investment securities			
Available-for-sale securities	17,155	17,155	-
(2) Shares of subsidiaries and associates			
Shares of subsidiaries	2,021	1,480	(541)
(3) Accounts receivable – trade	938,953		
Less: Allowance for doubtful accounts (current assets)[1]	(38,754)		
	900,199	900,199	-
(4) Deposits paid	46,600	46,600	-
Total assets	965,975	965,434	(541)
(5) Bonds	876,000	846,954	(29,046)
(6) Long-term loans payable	962,409	962,115	(294)
(7) Lease obligations (non-current liabilities)	412,749	407,525	(5,224)
(8) Current portion of non-current liabilities	310,986	310,986	-
(9) Lease obligations (current liabilities)	237,222	237,222	-
(10) Deposits received	174,520	174,520	-
Total liabilities	2,973,886	2,939,322	(34,564)
(11) Derivative transactions[2]	9,767	9,767	-

Notes:
1. This amount represents the allowance for "Accounts receivable - trade."
2. The net amount of assets and liabilities arising from derivative transactions is presented, and the amount in parentheses represents a net liability position.

(Note 1) Description of the valuation techniques and inputs used for calculating fair value

Fair values of financial instruments are classified into the following three levels, according to the observability and significance of inputs used in the fair value measurement.

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Investment securities, (2) Shares of subsidiaries and associates

The fair value of equity securities is based on quoted market price, and the fair value of investment trusts is based on net asset value. Equity securities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1.

(3) Accounts receivable - trade

Installment receivables are discounted, by using the interest rate reflecting the remaining period to maturity and credit risk, and are classified as Level 2. Installment receivables are stated at carrying amount because their carrying amounts approximate their fair values. Accounts receivable - trade other than installment receivables are categorized into groups for each section of period and calculated for each such group, by using the discounted present value method based on the interest rate reflecting the amount of receivables, the remaining period to maturity and credit risk, and are classified as Level 2. Accounts receivable - trade other than installment receivables are stated at carrying amount because their carrying amounts approximates their fair values.

(4) Deposits paid

Deposits paid are categorized into groups for each section of period and calculated for each group, by using the discounted present value method based on the interest rate reflecting the amount of receivables, the remaining period to maturity and credit risk, and are classified as Level 2. Deposits paid without maturity are stated at carrying amount because their carrying amounts approximate their fair values.

(5) Bonds

The carrying amounts of bonds are measured based on the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association, and are classified as Level 2.

(6) Long-term loans payable

The fair values of long-term loans payable are measured by discounting the total of principal and interest at an interest rate that would be used for a similar new loan, whereby long-term loans payable with floating rate is classified as Level 2, while those with fixed rate as Level 3.

(7) Lease obligations (non-current liabilities)

The fair values of lease obligations are estimated by discounting the total of principal and interest at an interest rate that would be used for a lease contract with the same terms and maturity, and are classified as Level 2.

(8) Current portion of non-current liabilities

The fair values of the current portion of non-current liabilities are measured by discounting the total of principal and interest at an interest rate that would be used for a similar new loan, whereby current portion of non-current liabilities with floating rate is classified as Level 2, while that with fixed rate as Level 3. Current portion of non-current liabilities is stated at carrying amount because its carrying amount approximates its fair value.

(9) Lease obligations (current liabilities)

The fair values of lease obligations are estimated by discounting the total of principal and interest at an interest rate that would be used for a lease contract with the same terms and maturity, and are classified as Level 2. Lease obligations (current liabilities) are stated at carrying amount because their carrying amounts approximate their fair values.

(10) Deposits received

Deposits received are categorized into groups for each section of period and calculated for each such group, by using the discounted present value method based on the interest rate reflecting the future cash flows, remaining period to due date and credit risk, and are classified as Level 2. Demand deposits received are stated at the amount payable on demand at the balance sheet date (carrying amount), which is deemed to represent fair value.

(Note 2) Derivative transactions

(1) Derivative transactions for which hedge accounting is not applied

There are no applicable items.

(2) Derivative transactions for which hedge accounting is applied

With respect to the derivative transactions for which hedge accounting is applied, the contract amount or the notional amount specified in the contract for each hedge accounting method at the balance sheet date are as follows:

(Millions of yen)

Hedge accounting method	Transaction type, etc.	Main hedged item	Contract amount	Contract amount maturing over 1 year	Fair value[1]
General treatment	Interest rate swaps Pay fixed / Receive floating	Long-term loans payable	570,000	485,000	9,767

Note:
1. Fair value measurement is based on quoted prices by counterparty financial institutions and the fair value is classified as Level 2.

(Note 3) Equity securities, etc. that do not have a market price

(Millions of yen)

Category	Carrying amount
Investment securities	
Unlisted shares	10,575
Shares of subsidiaries and associates	
Shares of subsidiaries	
Unlisted shares	1,214,091
Shares of associates	
Unlisted shares	18,673
Other	46,000

These instruments are not included in "(1) Investment securities" and "(2) Shares of subsidiaries and associates." Investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the balance sheet are included in Other. The total carrying amount of these investments is ¥41,820 million.

(Notes Relating to Profit and Loss on Equity Method Investments, etc.)

	(Millions of yen)
Amount of investments in associates	275,483
Amount of investments on equity method	273,148
Amount of investment losses on equity method	6,996

Note:

1. The amounts above include the amounts related to investments in associates held by subsidiaries of the Company. The amount of investments in associates is the carrying amount of the investments to which the equity method is applicable under IFRS, pursuant to the provisions of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting. The amount of investments on equity method and the amount of investment losses on equity method are calculated in accordance with IFRS.

   The amount of investment losses on equity method are presented by including Gain on changes in equity interest and Impairment loss on equity method investments.

(Notes Relating to Related-Party Transactions)

Subsidiaries

Category	Name	Nature of business or profession	Voting rights (%)	Relationship with related-party	Nature of transaction	Amount of transaction (Millions of yen)	Balance as of March 31, 2025	
							Account	Amount (Millions of yen)
Subsidiary	Wireless City Planning Inc.	Telecommunica-tions business	(Own) Direct 31.8	Interlocking directorate Lending of loans	Receipt of dividend	18,990		-
Subsidiary	A Holdings Corporation.	Management of investees' business activities	(Own) Direct 50.0	Interlocking directorate	Receipt of dividend[1]	90,306		-
Subsidiary	SB C&S Corp.	Distribution business	(Own) Direct 100.0	Interlocking directorate Lending of loans	Receipt of dividend	15,150		-
					Lending of loans[2]	79,800		
					Collection of loans receivable	89,000		-
					Receipt of interest[2]	190	Other current assets	66
Subsidiary	SB Payment Service Corp.	Payment agency business	(Own) Direct 100.0	Interlocking directorate	Receipt of deposit[3]	(2,434)		
					Interest payment[3]	158	Deposits received	108,010

Notes:

1. ¥32,687 million is recorded as a non-operating income and ¥57,619 million is recorded as a reduction in "Shares of subsidiaries and associates" on the balance sheet.
2. Interest rates for loans are reasonably calculated based on market interest rates and actual interest rates of the Company's borrowings with periods similar to the loan periods.
3. For funds deposited by subsidiaries through the cash management system (CMS), interest rates are determined based on market interest rates. Since fund transfers under the deposit and loan system are conducted on a daily basis, the transaction amount of funds deposited with the Company is stated as increase/decrease.

Officers, major individual shareholders, etc.

Category	Name	Nature of business or profession	Voting rights (%)	Relationship with related-party	Nature of transaction	Amount of transaction (Millions of yen)	Balance as of March 31, 2025	
							Account	Amount (Millions of yen)
Officers and their relatives	Ken Miyauchi	Board Director of the Parent Company	(Owned) Direct 0.01	Board Director of the Parent Company	Exercise of stock acquisition rights[1]	947		
Officers and their relatives	Yasuyuki Imai	Board Director of the Company	(Owned) Direct 0.05	Board Director of the Company	Exercise of stock acquisition rights[1]	249		-
					Collection of loans receivable[2,3,4]	430	Long-term loans receivable to directors and employees	430
					Receipt of interest on loans receivable	9		-
Officers and their relatives	Junichi Miyakawa	Board Director of the Company	(Owned) Direct 0.35	Board Director of the Company	Exercise of stock acquisition rights[1]	249		-
					Lending of loans[2,3,4,5]	-	Long-term loans receivable to directors and employees	19,930
					Receipt of interest on loans receivable	219		-
Officers and their relatives	Jun Shimba	Board Director of the Company	(Owned) Direct 0.05	Board Director of the Company	Exercise of stock acquisition rights[1]	689		-
Officers and their relatives	Kazuhiko Fujihara	Board Director of the Company	(Owned) Direct 0.03	Board Director of the Company	Exercise of stock acquisition rights[1]	187		-
					Collection of loans receivable[2,3,4]	320	Long-term loans receivable to directors and employees	320
					Receipt of interest on loans receivable	6		-
					Refund of deposits	207		-
					Receipt of deposits[2]	200		-
					Offsetting of deposits[2]	200		-
					Payment of interest on deposits	0		-
Officers and their relatives	Masayoshi Son	Board Director of the Company	(Owned) Direct 0.08	Board Director of the Company	Exercise of stock acquisition rights[1]	498		-

Notes:

1. The amount represents the exercise of stock acquisition rights under the resolution passed at the Board Directors' meetings held on March 6, 2018, March 27, 2018 and June 22, 2021 for the current fiscal year. The amount of the transaction is calculated by the number of the stock granted due to exercise of stock acquisition rights multiplying by payment amount.
2. Lending rate was set at 1.03%-1.10% (fixed rate) as reasonably determined in consideration of the borrowing rate actually borne by the Company, which is on the level similar to market rate on similar term. The loan is repayable in full on the maturity date, which is the end of the fiscal year five years after the loan disbursement date. The borrower may agree to extend the repayment period for up to five years or choose to prepay the loan before the maturity date. Borrowers are entitled to deposit the fund 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 the loan principal.
3. In this transaction, the borrowers' assets as follows have been provided as security.
   - Shares in SoftBank Corp. purchased by using the loan
4. In the event that the fair value of the security falls below certain percentage of the loan balance prior to the due date, the Company shall be entitled to request 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").
5. Of the total amount due, the remaining shortfall, if any, after the enforcement of security and execution of the Additional Entitlement shall fully be guaranteed by Board Director, Mr. Masayoshi Son.

(Notes Relating to Asset Retirement Obligations)

Asset retirement obligations that are reported on the balance sheet

1. Summary of asset retirement obligations

   Asset retirement obligations are recognized based on the reasonably estimated amount required for the removal of equipment or site restoration for part of base stations, data centers, network centers, and offices including the corporate headquarters building.

   The estimate is based on the current business plan and both the amounts provided for and timing of payments are uncertain and dependent on future business plan developments.

2. Calculation method for the amount of asset retirement obligations

   The expected usage period is estimated, and the average yield of interest-bearing government bonds is used as the discount rate.

3. Increase or decrease in the total amount of asset retirement obligations during the current fiscal year

	(Millions of yen)
Balance at the beginning of the current fiscal year	52,367
Increase due to acquiring property, plant and equipment	1,161
Adjustment due to passage of time	122
Decrease due to payments for asset retirement obligations	(11,857)
Increase due to changes in estimates	15,149
Balance at the end of the current fiscal year	56,942

4. Changes in estimates of asset retirement obligations

   The Company recorded asset retirement obligations of ¥15,149 million based on the increased probability of the removal of certain network equipment after consideration of the efficient operation of network equipment as well as the revised estimates of restoration costs for certain equipment due to changing environment such as rise in prices.

(Notes Relating to Per Share Data)

Net assets per share[1]	¥19.80
Net income per share[2,3]	¥8.71

Notes:

1. "Net assets per share" is based on "Net assets" excluding the amount not attributable to ordinary shareholders of the Company.
2. "Net income per share" is based on "Net income" excluding the amount not attributable to ordinary shareholders of the Company.
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. "Net income per share" is calculated assuming that the stock split had been carried out at the beginning of the current fiscal year.

(Notes Relating to Revenue Recognition)

Information that serves as the basis for understanding revenue from contract with customers is described in "4. Principles for revenue and expenses" under "Significant Accounting Policies."

(Notes Relating to Subsequent Events)

There are no significant subsequent events to be disclosed.