

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

Consolidated Financial Report For the Fiscal Year Ended March 31, 2026 (IFRS)

May 11, 2026

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

(1) Consolidated operating results

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

	Revenue		Operating income		Profit before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	7,038,680	7.6	1,042,576	5.4	930,022	5.7	726,623	10.9	550,759	4.7	780,733	24.1
Fiscal year ended March 31, 2025	6,544,349	7.6	989,016	12.9	880,057	9.2	655,286	11.0	526,133	7.6	629,071	1.1

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of profit before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	11.35	11.27	19.3	5.4	14.8
Fiscal year ended March 31, 2025	10.99	10.84	20.5	5.6	15.1

Reference:

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

Fiscal year ended March 31, 2026 ¥(7,803) million

Fiscal year ended March 31, 2025 ¥(9,650) million

Notes:

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

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	18,502,175	4,668,455	2,957,859	16.0	55.13
As of March 31, 2025	16,102,195	4,265,371	2,743,630	17.0	50.96

Notes:

- The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Equity per share attributable to owners of the Company" is calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.
- "Equity per share attributable to owners of the Company" is based on "Equity attributable to owners of the Company" excluding the amount not attributable to common shareholders.

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	1,393,760	(1,270,806)	(136,854)	1,438,799
Fiscal year ended March 31, 2025	1,367,871	(995,183)	(956,429)	1,435,525

2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	43.00	-	4.30	-	408,226	78.3	17.4
Fiscal year ended March 31, 2026	-	4.30	-	4.30	8.60	410,817	75.8	16.2
Fiscal year ending March 31, 2027 (Forecast)	-	4.40	-	4.40	8.80		76.2	

Notes:

- The dividend for the fiscal year ended March 31, 2026 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 15, 2026.
- The abovementioned “Dividends” pertain to the dividends related to common shares. Please see the following “Dividends of Bond-Type Class Shares” for information on the dividends related to Bond-Type Class Shares.
- The Company conducted a stock split whereby each share of the Company’s common shares was split into 10 shares, with the effective date being October 1, 2024. Regarding the abovementioned amount for the fiscal year ended March 31, 2025, the second-quarter dividend per share is before the stock split while the fourth-quarter dividend per share takes the stock split into account. The annual dividends per share are not stated because the amounts cannot be simply combined due to the implementation of the stock split. If the stock split were not conducted, the annual dividends per share would be 86 yen.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2027

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

	Revenue		Operating income		Net income attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	7,500,000	6.6	1,100,000	5.5	560,000	1.7	11.54

Notes:

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

*** Notes**

(1) Significant changes in scope of consolidation: Yes

Newly consolidated: Four Companies

Company Names: LINE Bank Taiwan Limited, LINE MAN CORPORATION PTE. LTD. and its 2 subsidiaries

Excluded from consolidation: Two Companies

Company Names: Z Financial Corporation, LINE Pay Corporation

Note: For details, please refer to “(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2026” under “3. Notes to Summary Information” on page 22 of the appendix to this consolidated financial report.

(2) Changes in accounting policies and accounting estimates

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

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

[3] Changes in accounting estimates: No

Note: For details, please refer to “(2) Changes in Accounting Policies and Accounting Estimates” under “3. Notes to Summary Information” on page 22 of the appendix to this consolidated financial report.

(3) Number of issued shares (common stock)

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

As of March 31, 2026 47,971,989,700 shares

As of March 31, 2025 47,751,490,700 shares

[2] Number of shares of treasury stock

As of March 31, 2026 170,724,817 shares

As of March 31, 2025 184,234,180 shares

[3] Average number of shares outstanding

Fiscal year ended March 31, 2026 47,694,032,971 shares

Fiscal year ended March 31, 2025 47,312,471,615 shares

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

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

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

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

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

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see “(5) Forecasts” under “1. Results of Operations” on page 20 of the appendix to this consolidated financial report.

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

On Monday, May 11, 2026 (JST), the Company will hold an earnings results briefing online for the media, institutional investors, and financial institutions. This earnings results briefing is scheduled to be broadcast on the Company’s website in both Japanese and English at <https://www.softbank.jp/en/corp/ir/documents/presentations>. The Data Sheet is also scheduled to be posted on the Company’s website concurrently with the earnings report, and the materials and videos to be used at the earnings results briefing, along with a summary of the main questions and answers, are scheduled to be posted on the Company’s website promptly after the earnings results briefing.

Dividends of Bond-Type Class Shares

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

Series 1 Bond-Type Class Shares

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	50.00	-	50.00	100.00
Fiscal year ended March 31, 2026	-	50.00	-	50.00	100.00
Fiscal year ending March 31, 2027 (Forecast)	-	50.00	-	50.00	100.00

Note:

1. The dividend for the fiscal year ended March 31, 2026 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 15, 2026.

Series 2 Bond-Type Class Shares

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	-	-	126.24	126.24
Fiscal year ended March 31, 2026	-	128.00	-	128.00	256.00
Fiscal year ending March 31, 2027 (Forecast)	-	128.00	-	128.00	256.00

Note:

1. The dividend for the fiscal year ended March 31, 2026 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 15, 2026.

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

Based on the clause for acquisition by the Company (call option), the Company may acquire the Series 1 Bond-Type Class Shares and the Series 2 Bond-Type Class Shares in exchange for cash after the elapse of five years from the issuances, etc. We will determine whether to acquire (call) these Bond-Type Class Shares in exchange for cash, taking into consideration our business and financial strategy, market conditions and other factors at the time.

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

(Appendix)

Contents

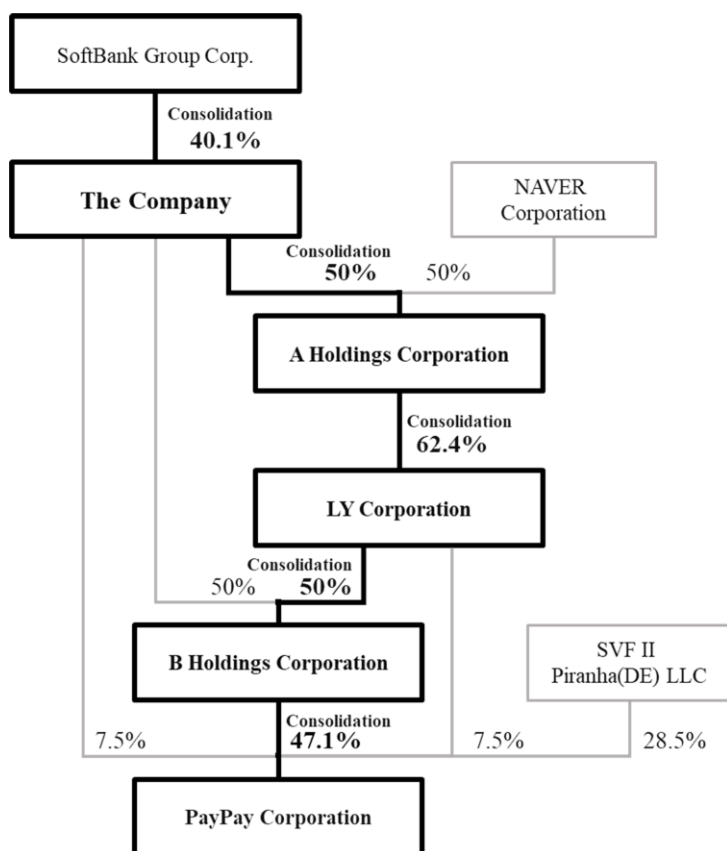
1. Results of Operations	p.5
(1) Overview of Consolidated Results of Operations	p.5
a. Management Environment and the Group's Initiatives	p.5
b. Consolidated Results of Operations	p.8
c. Results by Segment	p.9
(2) Overview of Consolidated Financial Position	p.16
(3) Overview of Consolidated Cash Flows	p.17
(4) Non-IFRS Financial Measures	p.18
(5) Forecasts	p.20
(6) Basic Policy on Profit Distribution and Dividends for the Current and Next Years.....	p.21
2. Basic Approach to the Selection of Accounting Standards	p.22
3. Notes to Summary Information	p.22
(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2026	p.22
(2) Changes in Accounting Policies and Accounting Estimates	p.22
4. Consolidated Financial Statements and Primary Notes	p.23
(1) Consolidated Statement of Financial Position	p.23
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	p.25
(3) Consolidated Statement of Changes in Equity	p.27
(4) Consolidated Statement of Cash Flows	p.29
(5) Notes on Going Concern Assumption	p.31
(6) Notes to Consolidated Financial Statements	p.31

Definition of Company Names and Abbreviations Used in this Appendix

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

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

The diagram below indicates ratio of voting rights as of March 31, 2026.



Reportable Segments

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

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

Segments	Main business	Core companies
Reportable segments		
Consumer segment	<ul style="list-style-type: none"> • Provision of mobile services to individual customers • Provision of broadband services • Sale of mobile devices • Trading and supply of electric power and provision of electric power trading agency services 	The Company Wireless City Planning Inc. SB Mobile Service Corp. SB Power Corp.
Enterprise segment	<ul style="list-style-type: none"> • Provision of mobile services to enterprise customers • Provision of fixed-line communications services, such as data communications and fixed-line telephone services • Provision of cloud, global, AI²/IoT³, and other solution services • Provision of software-defined connected vehicles⁴ solutions • Provision of cloud services, security operation monitoring services, and IoT solutions • Provision of IoT, Linux/OSS, and authentication and security services 	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc. eMnet Japan. co. ltd. Cubic Telecom Ltd. SB Technology Corp. ⁵ Cybertrust Japan Co., Ltd. SB OAI Japan GK ⁶
Distribution segment	<ul style="list-style-type: none"> • Provision of products and services addressing ICT⁷, cloud services, IoT solutions, and other areas for enterprise customers • Provision of mobile and PC peripherals, including accessories, as well as software, IoT products, and other items for individual customers 	SB C&S Corp.
Media & EC segment ⁸	<ul style="list-style-type: none"> • Provision of media-related services, such as media and advertising, search, marketing solutions, vertical, content, and stamps • Provision of commerce-related services such as shopping services, including Yahoo! JAPAN Shopping and ZOZOTOWN; reuse services including Yahoo! JAPAN Auction; food delivery services and O2O services. • Provision of AI, healthcare, and other services centered on FinTech⁹ 	LY Corporation ASKUL Corporation ZOZO, Inc. Ikyu Corporation LINE Pay Taiwan Limited LINE Bank Taiwan Limited ¹⁰ LINE Financial Corporation LINE Plus Corporation LINE SOUTHEAST ASIA CORP.PTE.LTD. Kurashiru, Inc. ¹¹ LINE MAN CORPORATION PTE. LTD. ¹² DECACORN CO., LTD. ¹² LINE MAN (THAILAND) COMPANY LIMITED ¹²
Financial segment	<ul style="list-style-type: none"> • Development and provision of mobile payments and other electronic payment services • Provision of credit card business • Banking business • Provision of online securities brokerage service for smartphones • Provision of payment processing services 	PayPay Corporation ¹³ PayPay Card Corporation PayPay Bank Corporation ¹⁴ PayPay Securities Corporation SB Payment Service Corp.
Other	<ul style="list-style-type: none"> • Planning and production of digital media and digital content • Others 	The Company ITmedia Inc.

Notes:

1. Segment income for reportable segments is calculated as follows:

Segment income = (revenue – operating expenses (cost of sales + selling, general and administrative expenses ± other operating income and loss)) in each segment

2. AI stands for artificial intelligence.

3. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.

4. Software-defined connected vehicle is a term that describes a vehicle whose features and functions are primarily enabled through software connected to the Internet. Cubic Telecom Ltd.'s connectivity platform is embedded in vehicles at the point of manufacturing, enabling OEMs to leverage software-defined technologies.

5. At a meeting of its Board of Directors held on November 26, 2025, the Company resolved to carry out an absorption-type merger of its wholly owned subsidiary, SB Technology Corp., effective from April 1, 2026. Accordingly, SB Technology Corp. was dissolved.

6. The Company, SoftBank Group Corp. and OpenAI Group PBC launched their joint venture, SB OAI Japan GK on November 5, 2025.

7. ICT stands for Information Communication Technology.

8. Effective March 31, 2026, LY Corporation carried out an absorption-type merger of its wholly owned subsidiary, LINE Pay Corporation. Accordingly, LINE Pay Corporation was dissolved.

9. 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.

10. LY Corporation increased the capital of LINE Bank Taiwan Limited, an associate, in June 2025 through its subsidiary. As a result, LY Corporation acquired control of LINE Bank Taiwan Limited, which became its subsidiary.

11. On October 1, 2025, dely inc. changed its trade name to Kurashiru, Inc.

12. LY Corporation acquired additional shares and other interests in LINE MAN CORPORATION PTE. LTD., an associate, in September 2025 through its subsidiary. As a result, LY Corporation acquired control of LINE MAN CORPORATION PTE. LTD., and its subsidiaries, DECACORN CO., LTD. and LINE MAN (THAILAND) COMPANY LIMITED, became subsidiaries of LY Corporation.

13. PayPay Corporation was listed on a U.S. stock exchange on March 11, 2026 (U.S. time), and the Company's ratio of voting rights changed from 66.00% to 62.16%.

14. Following the acquisition of PayPay Bank Corporation as a subsidiary by PayPay Corporation in April 2025, from the fiscal year ending March 31, 2026, PayPay Bank Corporation, which was previously classified under the "Media & EC segment," has been transferred to the "Financial segment."

Major Initiatives

- In the telecommunications business, in June 2025, the Company made an equity investment in Sceye, Inc., which develops LTA-type³ HAPS⁴ vehicles, with which it also signed an agreement that gives it exclusive rights to provide HAPS-based services in Japan using Sceye, Inc.'s platform. By utilizing LTA-type HAPS and promoting early commercialization, the Company plans to launch pre-commercial HAPS services in Japan in 2026. Furthermore, by providing HAPS-based commercial services, the Company aims to build a next-generation telecommunications network with 3D architecture to support stable and reliable connectivity for drones and UAV⁵ in the 6G (6th generation mobile communications systems) era, in addition to providing telecommunications services during large-scale disasters when terrestrial networks are disrupted. Meanwhile, in August 2025, the Company revised various service fees related to its mobile and broadband services in light of recent social and economic conditions, including rising costs associated with high inflation. Additionally, in September 2025, the Company launched the Simple 3 S/M/L plans (hereinafter "Simple 3") under the Y!mobile brand. Simple 3 is a new price plan that enhances features valued by many users, such as larger data allowances, broader benefits from ecosystem services, and overseas data services available at no additional charge. Furthermore, in January 2026, the Company and Sony Network Communications Inc. announced that the two companies have entered into a definitive agreement to establish a joint venture company to be jointly owned by the two companies, and to have the joint venture company succeed to the Company's business relating to the construction, management, and operation of optical line terminals⁶ and subscriber lines through an absorption-type split. Under a governance structure in which both companies appoint an equal number of directors, the two companies aim to streamline operations, and further enhance network quality. By maximizing synergies, the two companies will strive to enhance the value provided to users.
- In the new field of AI and related areas, in October 2025, the Company and Oracle Corporation (hereinafter "Oracle") commenced a collaboration to provide secure, compliant, and scalable sovereign cloud and AI services to organizations in Japan, operating cloud data and systems under domestic control. Based on this collaboration, the Company has been sequentially offering "Cloud PF Type A" from April 2026. In "Cloud PF Type A," the Company will deploy "Oracle Alloy"⁷ to build an advanced cloud infrastructure in its data centers in Japan, ensuring that data and systems are fully managed and operated within Japan, to deliver secure, sovereign cloud services. The Company will utilize "Cloud PF Type A" to support GPU environments and build a cloud infrastructure capable of high-speed computation and generative AI workloads, addressing the increasing importance of sovereignty in generative AI adoption. In November 2025, the Company and its subsidiary SB Intuitions Corp. began offering "Sarashina API," a service that enables enterprise customers to connect to the homegrown large language model (LLM) "Sarashina mini." "Sarashina mini" is a lightweight model developed by SB Intuitions Corp. based on its expertise gained from building the 460-billion-parameter homegrown LLM "Sarashina," delivering high Japanese-language performance and a deep understanding of Japan's unique culture and business practices. Enterprise customers can use "Sarashina API" to connect their systems and applications, enabling efficiency across a wide range of operations. In addition to deploying "Sarashina mini," the Company and SB Intuitions Corp. will work on developing industry-specific Japanese LLMs to deliver tailored solutions that meet the diverse needs of various businesses and sectors. Also in November, the Company, SoftBank Group Corp., and OpenAI Group PBC (hereinafter "OpenAI") established a joint venture, SB OAI Japan GK (hereinafter "SB OAI Japan"). SB OAI Japan will leverage OpenAI's advanced AI technology to market "Crystal intelligence" — a packaged enterprise AI solution that integrates OpenAI's latest products with tailored implementation and system integration services. SB OAI Japan is expected to market "Crystal intelligence" exclusively in Japan, with availability planned for 2026. By rolling out "Crystal intelligence" and supporting the utilization of AI that is deeply rooted in management and operational processes, SB OAI Japan aims to transform the management of Japan's companies. Furthermore, in November, Gen-AX Corp., a subsidiary of the Company, officially began providing "X-Ghost," an autonomous AI-powered voice solution for contact centers. "X-Ghost" supports companies both in enhancing operational efficiency and delivering a superior customer experience as an "AI Operator" that autonomously thinks and handles customer interactions through natural voice dialogue. In addition, in January 2026, the Company announced the development of "Infrinia AI Cloud OS," a software stack⁸ designed for AI data centers, and its plan to deploy "Infrinia AI Cloud OS" initially within its own GPU cloud services. By deploying "Infrinia AI Cloud OS," AI data center operators can build Kubernetes⁹ as a Service (KaaS) in a multi-tenant environment, and Inference as a Service (Inf-aaS) that provides Large Language Model inference capabilities via APIs, as part of their own GPU cloud services. Furthermore, the Company aims to expand deployment of "Infrinia AI Cloud OS" to overseas data centers and cloud environments with a view to global adoption.
- In the Financial segment, in May 2025, the Company and Sumitomo Mitsui Card Company, Limited entered into a memorandum of understanding concerning a comprehensive business partnership in the digital field. The alliance aims to create convenient and beneficial cashless services by integrating various functions of SMBC Group's comprehensive personal financial service "Olive" and the Group's diverse products and services, including healthcare, and by facilitating mutual integration between "Olive" and "PayPay." Also, PayPay Corporation, a subsidiary of the Company, closed its initial public offering of 54,987,214 American depository shares (hereinafter the "ADSs") representing its common shares, and was listed on March 11, 2026 (US time). A total of 63,235,295 ADSs were offered in the IPO, and the total number of issued shares of PayPay Corporation stood at 676,955,535 as of the end of March 2026. Net proceeds from the IPO were JPY 94.6 billion (\$603 million), after deducting underwriting discounts and commissions and the estimated offering expenses payable by PayPay Corporation. Following the completion of the IPO, PayPay Corporation remains a consolidated subsidiary of the Company.
- In April 2025, the Company was selected as a "DX Stocks 2025" for the fifth consecutive year by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan. Furthermore, the Company was for the first time named a "DX Grand Prix 2025" company, an enterprise that leads the digital era. This was the result of strong

recognition of its outstanding capabilities in realizing DX¹⁰, such as the development and skill enhancement of digital and AI talent, the operational efficiency and sophistication of its existing business models, and its proactive sharing of information with stakeholders, including through its IR activities. Additionally, in May 2025, the Company was selected for the first time as an “SX Brand 2025,” a group of progressive companies that enhance their ability to generate growth capital in a sustainable manner through SX¹¹ with the aim of improving corporate value. This was due to strong recognition of the Company's value creation story of generating social value with technology as a competitive advantage, as well as its practice of setting TSR (Total Shareholder Return) as a medium- to long-term growth indicator and linking it to executive remuneration.

- In July 2025, the Company issued its first U.S. dollar-denominated senior unsecured notes in overseas markets. Prior to the issuance, the Company received credit ratings of “BBB”¹² from S&P Global Ratings Japan Inc. and “BBB+” from Fitch Ratings Japan Limited, both with a “Stable” outlook. By securing funding options beyond Japan, the Company aims to implement flexible financial strategies that take into account foreign exchange and global interest rate trends, thereby improving funding cost efficiency and smoothing its repayment schedule.

Notes:

1. For details on the material issues, please see the Company's website:
<https://www.softbank.jp/en/corp/sustainability/materiality/>
2. The target at the time of the announcement of the Medium-term Management Plan in May 2023 was ¥535.0 billion. Subsequently, backed by strong performance, the target was revised upward twice, in May 2025 and February 2026, to ¥543.0 billion.
3. LTA (Lighter-Than-Air) refers to a HAPS platform that remains airborne by utilizing buoyancy, being lighter than air.
4. HAPS (High Altitude Platform Station) collectively refers to systems that provide telecommunication services over wide areas by operating uncrewed vehicles as telecommunications base stations, such as aircraft continuously flown in the stratosphere.
5. UAV refers to uncrewed aerial vehicles.
6. An optical line terminal (“OLT”) refers to terminal equipment installed at a telecommunications carrier's central office to provide optical fiber services.
7. “Oracle Alloy” is a complete cloud infrastructure platform that enables partner operators to become cloud service providers and customize services to meet customer needs.
8. A software stack is a set of software components and functions used together to build and operate systems and applications.
9. Kubernetes is an open-source system for automating the deployment and scaling of applications and for managing containerized applications.
10. DX (digital transformation) refers to using digital technology to provide new value and experiences and transform society.
11. SX (sustainability transformation) refers to an initiative in which a company strives to improve long-term and sustainable corporate value by synchronizing the sustainability of society with that of itself while carrying out the necessary management and business reforms to achieve such synchronization.
12. The stand-alone credit profile (credit profile of the Company on a stand-alone basis) from S&P Global Ratings Japan Inc. is bbb+.

b. Consolidated Results of Operations

(Billions of yen)

	Fiscal Year Ended March 31		Change	Change %
	2025	2026		
Revenue	6,544.3	7,038.7	494.3	7.6%
Operating income	989.0	1,042.6	53.6	5.4%
Profit before income taxes	880.1	930.0	50.0	5.7%
Income taxes	(224.8)	(203.4)	21.4	(9.5)%
Net income	655.3	726.6	71.3	10.9%
Net income attributable to:				
Owners of the Company	526.1	550.8	24.6	4.7%
Non-controlling interests	129.2	175.9	46.7	36.2%
Adjusted EBITDA ¹	1,753.1	1,819.6	66.4	3.8%

Note:

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

An overview of the consolidated results of operations for the fiscal year ended March 31, 2026 is as follows:

(a) Revenue

For the fiscal year ended March 31, 2026, revenue increased by ¥494.3 billion (7.6%) year on year to ¥7,038.7 billion, marking a record high. All reportable segments posted higher revenue, with increases of ¥166.8 billion in the Distribution segment mainly due to solid increase in revenue from ICT related products for enterprise customers, recurring revenue products, and products for consumers, ¥80.5 billion in the Enterprise segment mainly due to an increase in demand for solutions associated with digitalization, ¥79.0 billion in the Financial segment mainly due to an increase in gross merchandise value of QR code payments and credit card services provided by PayPay Corporation and PayPay Card Corporation, ¥62.2 billion in the Consumer segment mainly due to increases in revenues from sales of goods and others and mobile, and ¥39.1 billion in the Media & EC segment mainly due to increases in commerce revenue excluding ASKUL Corporation and strategy revenue, despite the impact of the system outage at ASKUL Corporation.

(b) Operating income

For the fiscal year ended March 31, 2026, operating income increased by ¥53.6 billion (5.4%) year on year to ¥1,042.6 billion. Operating income increased by ¥44.6 billion in the Financial segment, ¥22.1 billion in the Enterprise segment, ¥20.4 billion in the Consumer segment, and ¥4.8 billion in the Distribution segment, despite a decrease of ¥18.4 billion in the Media & EC segment mainly due to the system outage at ASKUL Corporation.

(c) Net income

For the fiscal year ended March 31, 2026, net income increased by ¥71.3 billion (10.9%) year on year to ¥726.6 billion. This is mainly due to the aforementioned increase of ¥53.6 billion in operating income and a decrease in income tax. The decrease in income tax is mainly due to the additional recording of deferred tax assets associated with the reassessment of the recoverability of deferred tax assets at PayPay Corporation, while there was an increase in expenses resulting from the absence of the deferred tax impact from business restructuring of associates recorded in the previous fiscal year.

(d) Net income attributable to owners of the Company

For the fiscal year ended March 31, 2026, net income attributable to owners of the Company increased by ¥24.6 billion (4.7%) year on year to ¥550.8 billion. Net income attributable to non-controlling interests increased by ¥46.7 billion (36.2%) year on year to ¥175.9 billion, mainly due to an increase in net income at the LY Group, including PayPay Corporation.

(e) Adjusted EBITDA

For the fiscal year ended March 31, 2026, adjusted EBITDA increased by ¥66.4 billion (3.8%) year on year to ¥1,819.6 billion. This is mainly due to an increase in operating income.

c. Results by Segment

(a) Consumer Segment

OVERVIEW

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

FINANCIAL RESULTS

(Billions of yen)				
	Fiscal Year Ended March 31			
	2025	2026	Change	Change %
Revenue	2,952.9	3,015.1	62.2	2.1%
Operating expenses ¹	2,422.4	2,464.3	41.8	1.7%
Of which, depreciation and amortization	378.8	374.3	(4.5)	(1.2)%
Segment income	530.4	550.8	20.4	3.8%

Note:

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

Breakdown of Revenue

(Billions of yen)				
	Fiscal Year Ended March 31			
	2025	2026	Change	Change %
Service revenues	2,239.0	2,221.5	(17.5)	(0.8)%
Mobile	1,574.5	1,591.8	17.3	1.1%
Broadband	408.8	419.4	10.6	2.6%
Electricity	255.8	210.3	(45.4)	(17.8)%
Revenues from sales of goods and others	713.9	793.6	79.7	11.2%
Total revenue	2,952.9	3,015.1	62.2	2.1%

Consumer segment revenue increased by ¥62.2 billion (2.1%) year on year to ¥3,015.1 billion. Within Consumer segment revenue, service revenues decreased by ¥17.5 billion ((0.8)% year on year to ¥2,221.5 billion, and revenues from sales of goods and others increased by ¥79.7 billion (11.2%) year on year to ¥793.6 billion.

Within service revenues, mobile revenue increased by ¥17.3 billion (1.1%) year on year. The increase mainly reflected year-on-year growth in smartphone subscribers, led primarily by the Y!mobile brand, amid a stable trend in average revenue per user.

In addition, excluding the impact of customer acquisition measures, mobile revenue for each three-month period has transitioned to year-on-year growth since the three months ended December 31, 2023. Although revenue decreased in the fourth quarter, excluding the impact of retrospective adjustments of access charges in Accounting Regulations for Interconnection, it continued to increase year on year.

(Billions of yen)								
	Fiscal Year Ended March 31, 2025				Fiscal Year Ended March 31, 2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile revenue	392.3	396.5	388.2	397.5	397.5	400.9	404.6	388.7
Of which, the impact of customer acquisition measures ¹	–	–	(11.2)	(2.0)	–	–	(2.6)	(9.3)
Mobile revenue (excluding the impact of customer acquisition measures)	392.3	396.5	399.4	399.5	397.5	400.9	407.2	398.1
YoY change	7.6	4.5	6.3	6.4	5.2	4.4	7.8	(1.5)

Note:

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

Broadband revenue increased by ¥10.6 billion (2.6%) year on year. This increase was mainly due to a year-on-year increase in subscribers of the *SoftBank Hikari* fiber-optic service¹.

Electricity revenue decreased by ¥45.4 billion (17.8%) year on year. This decrease was mainly due to a decrease in transactions in the electricity market.

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

Operating expenses were ¥2,464.3 billion, an increase of ¥41.8 billion (1.7%) year on year. This increase was mainly due to increases in sales promotion expenses and the cost of goods of smartphones, etc., while there was a decrease in the cost of electricity.

As a result, segment income increased by ¥20.4 billion (3.8%) year on year to ¥550.8 billion.

Note:

1. Includes subscribers of SoftBank Air

(b) Enterprise Segment

OVERVIEW

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

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2025	2026	Change	Change %
Revenue	922.4	1,002.9	80.5	8.7%
Operating expenses ¹	752.1	810.5	58.4	7.8%
Of which, depreciation and amortization	166.3	178.3	12.0	7.2%
Segment income	170.3	192.4	22.1	13.0%

Note:

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

Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2025	2026	Change	Change %
Mobile	315.9	340.6	24.8	7.8%
Fixed-line	169.3	167.3	(2.1)	(1.2)%
Business solution and others	437.2	495.0	57.8	13.2%
Total revenue	922.4	1,002.9	80.5	8.7%

Enterprise segment revenue increased by ¥80.5 billion (8.7%) year on year to ¥1,002.9 billion. Within Enterprise segment revenue, mobile revenue increased by ¥24.8 billion (7.8%) to ¥340.6 billion, fixed-line revenue decreased by ¥2.1 billion (1.2%) to ¥167.3 billion, and business solution and others revenue increased by ¥57.8 billion (13.2%) to ¥495.0 billion.

The increase in mobile revenue was mainly due to an increase in mobile device sales from a growth in the number of mobile service subscribers, as well as an increase in telecommunications revenue.

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

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

Operating expenses were ¥810.5 billion, an increase of ¥58.4 billion (7.8%) year on year. This increase was mainly due to an increase in costs following the abovementioned increase in business solution and others revenue.

As a result, segment income increased by ¥22.1 billion (13.0%) year on year to ¥192.4 billion.

(c) Distribution Segment

OVERVIEW

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

FINANCIAL RESULTS

	(Billions of yen)			
	Fiscal Year Ended March 31		Change	Change %
	2025	2026		
Revenue	889.5	1,056.3	166.8	18.8%
Operating expenses ¹	859.1	1,021.1	162.0	18.9%
Of which, depreciation and amortization	4.3	4.1	(0.2)	(3.9)%
Segment income	30.4	35.3	4.8	15.9%

Note:

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

Distribution segment revenue increased by ¥166.8 billion (18.8%) year on year to ¥1,056.3 billion. This increase was mainly due to solid growth in ICT related products for enterprise customers and recurring revenue products such as cloud and SaaS, which have been strategic areas of focus, as well as increased sales of PCs due to GIGA School Program Phase 2 and migration from Windows 10, which is reaching the end of its support, and solid growth in products for consumers.

Operating expenses were ¥1,021.1 billion, an increase of ¥162.0 billion (18.9%) year on year. This increase was mainly due to an increase in cost of sales associated with the increase in revenue.

As a result, segment income increased by ¥4.8 billion (15.9%) year on year to ¥35.3 billion.

(d) Media & EC Segment

OVERVIEW

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

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31		Change	Change %
	2025	2026		
Revenue	1,628.9	1,668.0	39.1	2.4%
Operating expenses ¹	1,370.0	1,427.6	57.5	4.2%
Of which, depreciation and amortization	158.6	169.4	10.8	6.8%
Segment income	258.8	240.4	(18.4)	(7.1)%

Note:

* From the three months ended June 30, 2025, PayPay Bank Corporation, which was previously classified under the “Media & EC segment,” has been transferred to the “Financial segment.” As a result, the figures for the fiscal year ended March 31, 2025 have been retrospectively adjusted.

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

Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31		Change	Change %
	2025	2026		
Media	723.9	728.7	4.8	0.7%
Commerce	846.8	855.2	8.4	1.0%
Strategy	51.1	73.8	22.7	44.4%
Other	7.1	10.2	3.2	44.8%
Total revenue	1,628.9	1,668.0	39.1	2.4%

Note:

* From the three months ended June 30, 2025, in addition to the LY Group revising its management categories, PayPay Bank Corporation, which was previously classified under the “Media & EC segment,” has been transferred to the “Financial segment.” As a result, the revenue breakdown of all service categories in the “Media & EC segment” for the fiscal year ended March 31, 2025 has been retrospectively adjusted.

Media & EC segment revenue increased by ¥39.1 billion (2.4%) year on year to ¥1,668.0 billion. Within Media & EC segment revenue, media revenue increased by ¥4.8 billion (0.7%) to ¥728.7 billion, commerce revenue increased by ¥8.4 billion (1.0%) to ¥855.2 billion, strategy revenue increased by ¥22.7 billion (44.4%) to ¥73.8 billion, and other revenue increased by ¥3.2 billion (44.8%) to ¥10.2 billion.

The increase in media revenue mainly reflected an increase in revenue from account advertising, despite a decrease in revenue from search advertising.

The increase in commerce revenue was mainly due to the consolidation of LINE MAN CORPORATION PTE. LTD. and BEENOS Inc., as well as an increase in transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries), despite a decrease in transaction value affected by the system outage at ASKUL Corporation in October 2025.

The increase in strategy revenue mainly reflected the consolidation of LINE Bank Taiwan Limited.

Operating expenses were ¥1,427.6 billion, an increase of ¥57.5 billion (4.2%) year on year. The reasons for variance are as follows:

- Operating expenses decreased by ¥15.7 billion due to the absence of gains on loss of control over subsidiaries and the recognition of remeasurement gains on step acquisitions.

(Billions of yen)

	Fiscal Year Ended March 31		Change
	2025	2026	
Remeasurement gain on step acquisitions ²	–	(58.9)	(58.9)
Gain on loss of control over subsidiaries ³	(43.2)	–	43.2
Total	(43.2)	(58.9)	(15.7)

Note:

2. Due to the consolidation of LINE MAN CORPORATION PTE. LTD. and LINE Bank Taiwan Limited by LY Corporation, a remeasurement gain on step acquisition was recognized.
3. Gains on loss of control over subsidiaries for IPX Corporation, LINE NEXT Corporation, and ValueCommerce Co., Ltd. were recorded.

- Operating expenses at the ASKUL Group (ASKUL Corporation and its subsidiaries) decreased due to the abovementioned system outage.
- Operating expenses increased mainly due to the consolidation of LINE MAN CORPORATION PTE. LTD., LINE Bank Taiwan Limited, and BEENOS Inc.
- Operating expenses increased due to an increase in sales promotion expenses.

As a result, segment income decreased by ¥18.4 billion (7.1%) year on year to ¥240.4 billion.

(e) Financial Segment

OVERVIEW

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

FINANCIAL RESULTS

	(Billions of yen)			
	Fiscal Year Ended March 31		Change	Change %
	2025	2026		
Revenue	325.5	404.5	79.0	24.3%
Operating expenses ¹	283.8	318.2	34.4	12.1%
Of which, depreciation and amortization	28.2	32.3	4.1	14.5%
Segment income	41.7	86.3	44.6	107.1%

Note:

* From the three months ended June 30, 2025, PayPay Bank Corporation, which was previously classified under the “Media & EC segment,” has been transferred to the “Financial segment.” As a result, the figures for the fiscal year ended March 31, 2025 have been retrospectively adjusted.

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

Financial segment revenue increased by ¥79.0 billion (24.3%) year on year to ¥404.5 billion. This increase was mainly due to an increase in gross merchandise value of QR code payments and credit card services provided by PayPay Corporation and PayPay Card Corporation.

Operating expenses were ¥318.2 billion, an increase of ¥34.4 billion (12.1%) year on year. This increase was mainly due to an increase in sales promotion expenses related to point rewards, etc., driven by the aforementioned increase in gross merchandise value, as well as an increase in expenses associated with the listing.

As a result, segment income increased by ¥44.6 billion (107.1%) year on year to ¥86.3 billion.

(2) Overview of Consolidated Financial Position

(Billions of yen)				
	March 31, 2025	March 31, 2026	Change	Change %
Current assets	4,858.7	5,405.5	546.9	11.3%
Non-current assets	11,243.5	13,096.6	1,853.1	16.5%
Total assets	16,102.2	18,502.2	2,400.0	14.9%
Current liabilities	6,835.2	8,525.2	1,690.0	24.7%
Non-current liabilities	5,001.6	5,308.5	306.9	6.1%
Total liabilities	11,836.8	13,833.7	1,996.9	16.9%
Total equity	4,265.4	4,668.5	403.1	9.5%

(Billions of yen)			
	Fiscal Year Ended March 31		
	2025	2026	Change
Capital expenditures ¹	912.8	745.3	(167.5)
Of which, capital expenditures in the Consumer segment and Enterprise segment ²	321.8	341.2	19.4

Notes:

1. Acceptance basis.

2. Capital expenditures in the Consumer segment and the Enterprise segment exclude investments in devices for rental services, shared equipment (contributions by other operators), establishment license fee for specified base stations using the 4.9GHz band, and the impact of adopting IFRS 16 "Leases."

ASSETS

Total assets amounted to ¥18,502.2 billion as of March 31, 2026, an increase of ¥2,400.0 billion (14.9%) from the previous fiscal year-end. This was mainly due to an increase of ¥1,159.7 billion in other financial assets, an increase of ¥533.4 billion in investment securities in banking business, an increase of ¥220.4 billion in trade and other receivables, and an increase of ¥120.9 billion in goodwill. The increase in other financial assets was mainly due to the consolidation of LINE Bank Taiwan Limited as a subsidiary, as well as an increase in loans to customers at PayPay Bank Corporation. The increase in investment securities in banking business was mainly due to the purchase of investment securities as part of the fund management activities at PayPay Bank Corporation and the consolidation of LINE Bank Taiwan Limited as a subsidiary.

LIABILITIES

Total liabilities amounted to ¥13,833.7 billion as of March 31, 2026, an increase of ¥1,996.9 billion (16.9%) from the previous fiscal year-end. This mainly reflected an increase of ¥760.0 billion in deposits for banking business, an increase of ¥522.4 billion in interest-bearing debt and an increase of ¥456.7 billion in trade and other payables. The increase in deposits for banking business was mainly due to the consolidation of LINE Bank Taiwan Limited as a subsidiary, as well as an increase in deposits from customers at PayPay Bank Corporation. The increase in interest-bearing debt was due to various financing activities, such as the securitization of receivables and the issuance of U.S. dollar-denominated unsecured straight bonds. The increase in trade and other payables was mainly due to an increase in accounts payable owed to PayPay Corporation's merchants.

EQUITY

Total equity amounted to ¥4,668.5 billion as of March 31, 2026, an increase of ¥403.1 billion (9.5%) from the previous fiscal year-end. Equity attributable to owners of the Company increased by ¥214.2 billion while non-controlling interests increased by ¥188.9 billion. The increase in equity attributable to owners of the Company was mainly due to an increase of ¥550.8 billion due to the recording of net income for the fiscal year ended March 31, 2026, and an increase of ¥32.4 billion due to the issuance of new shares including Series 2 Bond-Type Class Shares, while there was a decrease of ¥419.2 billion due to payment of cash dividends.

CAPITAL EXPENDITURES

In the fiscal year ended March 31, 2026, capital expenditures were ¥745.3 billion, a decrease of ¥167.5 billion year on year. This decrease was mainly due to the acquisition of land and buildings of Sharp Corporation's Sakai Plant for the construction of AI data centers totaling approximately ¥100.0 billion and establishment license fee for specified base stations using the 4.9 GHz band³ of ¥66.5 billion in the previous fiscal year, partially offset by an increase of ¥30.4 billion in right-of-use assets associated with the signing of lease contracts for data centers.

Note:

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

(3) Overview of Consolidated Cash Flows

(Billions of yen)

	Fiscal Year Ended March 31		Change
	2025	2026	
Cash flows from operating activities	1,367.9	1,393.8	25.9
Cash flows from investing activities	(995.2)	(1,270.8)	(275.6)
Cash flows from financing activities	(956.4)	(136.9)	819.6
Cash and cash equivalents at the end of the period	1,435.5	1,438.8	3.3
Free cash flow ¹	372.7	123.0	(249.7)
Adjusted free cash flow (excluding LY Group and PayPay, etc.) ^{1,2}	436.5	609.2	172.7
Primary free cash flow ^{1,3}	603.3	633.6	30.3

Notes:

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

a. Cash flows from operating activities

In the fiscal year ended March 31, 2026, net cash inflow from operating activities was ¥1,393.8 billion, an increase of ¥25.9 billion in cash inflow year on year. This increase mainly reflected an increase in EBITDA and a decrease in necessary working capital such as trade receivables, payables, inventories and others, including those of the banking and securities businesses, while there was an increase in income taxes paid.

b. Cash flows from investing activities

In the fiscal year ended March 31, 2026, net cash outflow from investing activities was ¥1,270.8 billion, an increase of ¥275.6 billion in cash outflow year on year. This increase mainly reflected an increase in payments for acquisition of investment securities in banking business.

Cash flows from investing activities include an expenditure of ¥24.5 billion related to long-term growth investments.

c. Cash flows from financing activities

In the fiscal year ended March 31, 2026, net cash outflow from financing activities was ¥136.9 billion. While there were cash inflows of ¥2,093.1 billion from fund procurement, including bank loans, leases, corporate bonds, and the securitization of receivables, there were cash outflows of ¥2,229.9 billion for factors including the repayment of loans and payment of cash dividends.

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

As a result of (a) through (c) above and others, cash and cash equivalents as of March 31, 2026 were ¥1,438.8 billion, an increase of ¥3.3 billion year on year.

e. Primary free cash flow

In the fiscal year ended March 31, 2026, primary free cash flow was positive ¥633.6 billion, an increase of ¥30.3 billion year on year.

For details, refer to "b. Free Cash Flow, Adjusted Free Cash Flow (excluding LY Group, PayPay, etc.), and Primary Free Cash Flow" under "(4) Non-IFRS Financial Measures."

(4) Non-IFRS Financial Measures

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

a. Adjusted EBITDA

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

Operating income is reconciled to adjusted EBITDA as follows.

	Fiscal Year Ended March 31, 2025	(Billions of yen) Fiscal Year Ended March 31, 2026
Operating income	989.0	1,042.6
(Add) Depreciation and amortization ¹	770.0	805.9
(Add) Stock compensation expenses	19.3	13.2
(Add (subtract)) Other adjustments:		
Impairment loss	13.8	7.3
(Add (subtract)) Other adjustments:		
Remeasurement gain on step acquisition	—	(58.9)
(Add (subtract)) Other adjustments:		
Gain on loss of control over subsidiaries	(39.0)	—
(Add (subtract)) Other adjustments:		
Other	—	9.5
Adjusted EBITDA	1,753.1	1,819.6

Note:

1. "Depreciation and amortization" in the table above includes Depreciation and amortization (¥748.0 billion for the fiscal year ended March 31, 2025 and ¥785.3 billion for the fiscal year ended March 31, 2026) and Loss on disposal of property, plant and equipment and intangible assets (¥22.0 billion for the fiscal year ended March 31, 2025 and ¥20.6 billion for the fiscal year ended March 31, 2026) stated in "4. Consolidated Financial Statements and Primary Notes, (4) Consolidated Statement of Cash Flows."

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

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

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

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

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

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

	Fiscal Year Ended March 31, 2025	(Billions of yen) Fiscal Year Ended March 31, 2026
Cash flows from operating activities	1,367.9	1,393.8
Cash flows from investing activities (capital expenditures) ¹	(743.5)	(569.8)
Cash flows from investing activities (others) ²	(251.7)	(701.1)
Free cash flow	372.7	123.0
Effect of securitization of installment sales receivables	(8.6)	202.2
Securitization of installment sales receivables: Proceeds ³	370.6	631.0
Securitization of installment sales receivables: Repayments ³	(379.2)	(428.8)
Free cash flow from LY Group and PayPay, etc. ⁴	(15.2)	250.9
Others ⁵	87.7	33.2
Adjusted free cash flow (excluding LY Group and PayPay, etc.)	436.5	609.2
Long-term growth investments ⁶	(166.9)	(24.5)
Primary free cash flow	603.3	633.6

Notes:

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

(5) Forecasts

Forecasts for the consolidated results for the fiscal year ending March 31, 2027

			(Billions of yen)	
	Fiscal Year Ended March 31, 2026 (Actual)	Fiscal Year Ending March 31, 2027 (Forecast)	Change	Change %
Revenue	7,038.7	7,500.0	461.3	6.6%
Operating income	1,042.6	1,100.0	57.4	5.5%
Net income attributable to owners of the Company	550.8	560.0	9.2	1.7%

Forecasts for operating income by segment for the fiscal year ending March 31, 2027

			(Billions of yen)	
	Fiscal Year Ended March 31, 2026 (Actual)	Fiscal Year Ending March 31, 2027 (Forecast)	Change	Change %
Consumer segment	550.8	560.0	9.2	1.7%
Enterprise segment	192.4	230.0	37.6	19.5%
Distribution segment	35.3	36.0	0.7	2.1%
Media & EC segment	240.4	264.0	23.6	9.8%
Financial segment	86.3	110.0	23.7	27.5%
Other ¹	(62.6)	(100.0)	(37.4)	-
Total	1,042.6	1,100.0	57.4	5.5%

Notes:

1. "Other" includes operating income and loss not included in any of the "Consumer," "Enterprise," "Distribution," "Media & EC," and "Financial" segments, and adjustments including eliminations of intersegment transactions and expenses not allocated to each reportable segment.

In the fiscal year ending March 31, 2027, the Company expects to post continued revenue and profit growth on a consolidated basis.

While operating income is forecast to rise across all reportable segments, the Company will actively pursue growth investments in areas such as AI infrastructure and AI services for business expansion during the current Medium-term Management Plan period. In the Consumer segment, the Company expects an increase in profits mainly due to higher revenue driven by the revision of mobile service fees and other factors, despite increases in amortization of sales commissions from previous fiscal years and sales promotion expenses. In the Enterprise segment, the Company expects higher profits mainly from cloud, AI, and mobile services, driven by the advancement of customers' DX (Digital Transformation) and AX (AI Transformation). In the Media & EC segment, the Company expects to see profit growth driven by the recovery from the system outage at ASKUL Corporation, reductions in fixed costs, and the enhancement of product capabilities. In the Financial segment, the Company expects to see profit growth driven by further expansion in the payment field and growth in the financial services field. Additionally, "Other" is expected to see an increase in research and development expenses and other items toward the construction of Next-generation Social Infrastructure.

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

The Company considers the return of profits to shareholders to be an important goal for our management along with increasing medium- to long-term corporate value. To increase corporate value, the Company will make capital investments efficiently to further raise the sophistication of communication networks, such as by expanding 5G SA (Standalone) areas, as well as continuing investments in AI-related businesses and other new businesses. 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.

Under this policy, the Company aims to continuously increase dividend per share for common shares in line with profit growth during the Medium-term Management Plan from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2031.

For the fiscal year ended March 31, 2026, the Company plans to pay a year-end dividend per share of ¥4.30¹ for common shares, ¥50.00¹ for the Series 1 Bond-Type Class Shares, and ¥128.00¹ for the Series 2 Bond-Type Class Shares.

For the fiscal year ending March 31, 2027, the Company plans to pay an annual dividend per share for common shares of ¥8.80 (comprising interim and year-end dividends of ¥4.40 and ¥4.40, respectively), and a prescribed amount of dividend for the Series 1 Bond-Type Class Shares and the Series 2 Bond-Type Class Shares.

Notes:

1. This matter is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 15, 2026.

2. Basic Approach to the Selection of Accounting Standards

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

3. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2026

(Subsidiary (four companies) newly consolidated)

LY Corporation, a subsidiary of the Company, has increased the capital into LINE Bank Taiwan Limited (hereinafter “LBT”), an associate of LY Corporation, through its subsidiary, LINE Financial Taiwan Limited (hereinafter “LFT”) on June 17, 2025. As a result of this transaction, the voting rights of LFT in LBT reached 51.2%, thereby exceeding a majority. As a result, LY Corporation has acquired control over LBT, and LBT has become the Group’s subsidiary.

LY Corporation, a subsidiary of the Company, has conducted a series of transactions including additional acquisitions of shares of LINE MAN CORPORATION PTE. LTD. (hereinafter “LMWN”), an associate of LY Corporation, through its subsidiary LINE SOUTHEAST ASIA CORP. PTE. LTD. As a result of these transactions, LY Corporation acquired control over LMWN, and LMWN has become the Group’s subsidiary.

In addition, following the conversion of LMWN into a subsidiary, its subsidiaries, DEACORN CO., LTD and LINE MAN (THAILAND) COMPANY LIMITED, have become the Group’s subsidiaries.

(Subsidiary (two companies) excluded from the scope of consolidation)

On August 1, 2025, LY Corporation, a subsidiary of the Company, carried out an absorption-type merger, with LY Corporation as the surviving company and Z Financial Corporation as the absorbed company. Accordingly, Z Financial Corporation was excluded from the scope of consolidation.

On March 31, 2026, LY Corporation, a subsidiary of the Company, carried out an absorption-type merger, with LY Corporation as the surviving company and LINE Pay Corporation as the absorbed company. Accordingly, LINE Pay Corporation was excluded from the scope of consolidation.

(2) Changes in Accounting Policies and Accounting Estimates

(Changes in accounting policies required by IFRS)

The Group has applied the following standard from the fiscal year ended March 31, 2026.

IFRS	Title	Outline of amendments
IAS 21 (Revised)	Effects of Changes in Foreign Exchange Rates (Revised in August 2023)	Clarifying a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

	As of March 31, 2025	(Millions of yen) As of March 31, 2026
ASSETS		
Current assets		
Cash and cash equivalents	1,435,525	1,438,799
Trade and other receivables	2,805,640	3,026,078
Other financial assets	260,236	490,348
Inventories	191,451	232,037
Other current assets	165,803	218,269
Total current assets	<u>4,858,655</u>	<u>5,405,531</u>
Non-current assets		
Property, plant and equipment	1,966,995	2,003,769
Right-of-use assets	749,157	772,596
Goodwill	2,068,492	2,189,385
Intangible assets	2,531,480	2,576,720
Contract costs	384,500	440,736
Investments accounted for using the equity method	273,148	205,823
Investment securities	255,068	345,757
Investment securities in banking business	747,056	1,280,476
Other financial assets	2,099,465	3,029,086
Deferred tax assets	65,128	138,289
Other non-current assets	103,051	114,007
Total non-current assets	<u>11,243,540</u>	<u>13,096,644</u>
Total assets	<u><u>16,102,195</u></u>	<u><u>18,502,175</u></u>

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	1,646,524	1,956,418
Trade and other payables	2,828,640	3,285,304
Contract liabilities	137,223	169,055
Deposits for banking business	1,795,965	2,556,010
Other financial liabilities	2,742	25,422
Income taxes payable	122,844	150,880
Provisions	52,932	67,657
Other current liabilities	248,336	314,489
Total current liabilities	6,835,206	8,525,235
Non-current liabilities		
Interest-bearing debt	4,315,628	4,528,164
Other financial liabilities	104,741	170,165
Provisions	142,392	161,335
Deferred tax liabilities	322,232	336,189
Other non-current liabilities	116,625	112,632
Total non-current liabilities	5,001,618	5,308,485
Total liabilities	11,836,824	13,833,720
Equity		
Equity attributable to owners of the Company		
Common stock	228,162	244,355
Capital surplus	927,067	962,257
Retained earnings	1,594,862	1,728,300
Treasury stock	(29,221)	(27,078)
Accumulated other comprehensive income (loss)	22,760	50,025
Total equity attributable to owners of the Company	2,743,630	2,957,859
Non-controlling interests	1,521,741	1,710,596
Total equity	4,265,371	4,668,455
Total liabilities and equity	16,102,195	18,502,175

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	6,544,349	7,038,680
Cost of sales	(3,384,115)	(3,654,685)
Gross profit	3,160,234	3,383,995
Selling, general and administrative expenses	(2,200,591)	(2,384,078)
Other operating income	43,195	58,879
Other operating expenses	(13,822)	(16,220)
Operating income	989,016	1,042,576
Gain on changes in equity interest	4,564	-
Share of losses of associates accounted for using the equity method	(9,650)	(7,803)
Financing income	11,676	14,528
Financing costs	(117,352)	(109,634)
Gain on sales of equity method investments	3,713	10,984
Impairment loss on equity method investments	(1,910)	(20,629)
Profit before income taxes	880,057	930,022
Income taxes	(224,771)	(203,399)
Net income ¹	655,286	726,623
Net income attributable to		
Owners of the Company	526,133	550,759
Non-controlling interests	129,153	175,864
	655,286	726,623
Earnings per share attributable to owners of the Company ²		
Basic earnings per share (Yen)	10.99	11.35
Diluted earnings per share (Yen)	10.84	11.27

Notes:

- All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2025 and 2026 were generated from continuing operations.
- The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income	655,286	726,623
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	2,707	4,076
Changes in the fair value of equity instruments at FVTOCI	(3,424)	(2,136)
Share of other comprehensive income (loss) of associates accounted for using the equity method	97	682
Total items that will not be reclassified to profit or loss	(620)	2,622
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(3,805)	(3,105)
Cash flow hedges	7,219	9,826
Exchange differences on translation of foreign operations	(14,846)	45,839
Share of other comprehensive income (loss) of associates accounted for using the equity method	(14,163)	(1,072)
Total items that may be reclassified subsequently to profit or loss	(25,595)	51,488
Total other comprehensive income (loss), net of tax	(26,215)	54,110
Total comprehensive income	629,071	780,733
Total comprehensive income attributable to		
Owners of the Company	524,159	579,763
Non-controlling interests	104,912	200,970
	629,071	780,733

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

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

For the fiscal year ended March 31, 2026

(Millions of yen)

	Equity attributable to owners of the Company							Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	
As of April 1, 2025	228,162	927,067	1,594,862	(29,221)	22,760	2,743,630	1,521,741	4,265,371
Comprehensive income								
Net income	-	-	550,759	-	-	550,759	175,864	726,623
Other comprehensive income (loss)	-	-	-	-	29,004	29,004	25,106	54,110
Total comprehensive income	-	-	550,759	-	29,004	579,763	200,970	780,733
Transactions with owners and other transactions								
Cash dividends	-	-	(419,164)	-	-	(419,164)	(99,871)	(519,035)
Issuance of new shares	16,193	16,193	-	-	-	32,386	-	32,386
Transfer from common stock to capital surplus	-	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	433	-	2,143	-	2,576	-	2,576
Changes from business combinations	-	-	-	-	-	-	69,507	69,507
Changes from loss of control	-	-	-	-	-	-	(1,278)	(1,278)
Changes in interests in existing subsidiaries	-	31,116	-	-	-	31,116	49,689	80,805
Share-based payment transactions	-	1,437	-	-	-	1,437	-	1,437
Put options written on non-controlling interests	-	(13,875)	-	-	-	(13,875)	(30,412)	(44,287)
Transfer from accumulated other comprehensive income (loss) to retained earnings	-	-	1,739	-	(1,739)	-	-	-
Other	-	(114)	104	-	-	(10)	250	240
Total transactions with owners and other transactions	16,193	35,190	(417,321)	2,143	(1,739)	(365,534)	(12,115)	(377,649)
As of March 31, 2026	244,355	962,257	1,728,300	(27,078)	50,025	2,957,859	1,710,596	4,668,455

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Net income	655,286	726,623
Depreciation and amortization	748,014	785,278
Loss on disposal of property, plant and equipment and intangible assets	21,978	20,580
Remeasurement gain on step acquisition	-	(58,879)
Gain relating to loss of control over subsidiaries	(43,195)	-
Financing income	(11,676)	(14,528)
Financing costs	117,352	109,634
Share of losses of associates accounted for using the equity method	9,650	7,803
Gain on sales of equity method investments	(3,713)	(10,984)
Impairment loss on equity method investments	1,910	20,629
Gain on changes in equity interest	(4,564)	-
Income taxes	224,771	203,399
(Increase) decrease in trade and other receivables	(321,107)	(346,717)
(Increase) decrease in inventories	(39,375)	(40,133)
Purchases of mobile devices leased to enterprise customers	(49,462)	(70,615)
Increase (decrease) in trade and other payables	290,076	439,485
Increase (decrease) in consumption taxes payable	(4,899)	28,226
Increase (decrease) in deposits for banking business	152,810	387,323
(Increase) decrease in loans in banking business	(194,654)	(341,299)
(Increase) decrease in investment securities in the securities business	(31,222)	(72,277)
Other	104,158	(51,716)
Subtotal	1,622,138	1,721,832
Interest and dividends received	11,789	11,124
Interest paid	(78,451)	(91,794)
Income taxes paid	(243,266)	(257,558)
Income taxes refunded	55,661	10,156
Net cash inflow from operating activities	1,367,871	1,393,760
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(746,657)	(570,465)
Proceeds from sales of property, plant and equipment and intangible assets	3,125	713
Payments for acquisition of investments	(86,700)	(153,954)
Proceeds from sales/redemption of investments	59,395	69,868
Purchase of investment securities in banking business	(344,567)	(768,592)
Proceeds from sales/redemption of investment securities in banking business	123,714	203,322
Proceeds from (payments for) obtaining control of subsidiaries	(350)	(44,267)
Proceeds from (payments for) loss of control over subsidiaries	(21,909)	66
Other	18,766	(7,497)
Net cash outflow from investing activities	(995,183)	(1,270,806)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	(417,203)	217,269
Proceeds from interest-bearing debt	1,649,994	1,692,586
Repayment of interest-bearing debt	(1,872,502)	(1,610,443)
Proceeds from issuance of shares	221,055	31,098
Proceeds from stock issuance to non-controlling interests	23,249	152,136
Payments for purchase of treasury stock of subsidiaries	(6,847)	(69,794)
Cash dividends paid	(408,836)	(418,902)
Cash dividends paid to non-controlling interests	(124,909)	(99,808)
Other	(20,430)	(30,996)
Net cash inflow (outflow) from financing activities	(956,429)	(136,854)
Effect of exchange rate changes on cash and cash equivalents	(6,618)	17,174
Increase (decrease) in cash and cash equivalents relating to transfer of assets classified as held for sale	33,011	-
Increase (decrease) in cash and cash equivalents	(557,348)	3,274
Cash and cash equivalents at the beginning of the year	1,992,873	1,435,525
Cash and cash equivalents at the end of the year	1,435,525	1,438,799

(5) Notes on Going Concern Assumption

There are no applicable items.

(6) Notes to Consolidated Financial Statements

1. Reporting entity

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

The Group is engaged in a variety of businesses in the information and technology fields centering on its Consumer, Enterprise, Distribution, Media & EC and Financial businesses. For details, refer to “(1) Summary of reportable segments” under “Note 6. Segment information.”

2. Changes in presentation

(Consolidated Statement of Cash Flows)

a. “(Increase) decrease in investment securities in the securities business,” which was included in “Other” under cash flows from operating activities for the fiscal year ended March 31, 2025, has been presented as a separate item for the fiscal year ended March 31, 2026 as the amount became material. In order to reflect this change, reclassification has been made in the consolidated statement of cash flows for the fiscal year ended March 31, 2025.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2025, “Other” of ¥72,936 million under cash flows from operating activities has been reclassified as “(Increase) decrease in investment securities in the securities business” of ¥(31,222) million and “Other” of ¥104,158 million under cash flows from operating activities.

b. “Payments for purchase of treasury stock of subsidiaries,” which was included in “Other” under cash flows from financing activities for the fiscal year ended March 31, 2025, has been presented as a separate item for the fiscal year ended March 31, 2026 as the amount became material. In order to reflect this change, reclassification has been made in the consolidated statement of cash flows for the fiscal year ended March 31, 2025.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2025, “Other” of ¥(27,277) million under cash flows from financing activities has been reclassified as “Payments for purchase of treasury stock of subsidiaries” of ¥(6,847) million and “Other” of ¥(20,430) million under cash flows from financing activities.

c. “Payments for purchase of treasury stock,” which was presented as a separate item under cash flows from financing activities for the fiscal year ended March 31, 2025, has been included in “Other” under cash flows from financing activities for the fiscal year ended March 31, 2026 as the amount became immaterial. In order to reflect this change, reclassification has been made in the consolidated statement of cash flows for the fiscal year ended March 31, 2025.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2025, “Payments for purchase of treasury stock” of ¥(0) million under cash flows from financing activities has been reclassified as “Other” of ¥(0) million under cash flows from financing activities.

3. Material accounting policies

(1) Adoption of new accounting standards and interpretations

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

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

The Group has applied the following standard from the fiscal year ended March 31, 2026.

IFRS	Title	Outline of amendments
IAS 21 (Revised)	Effects of Changes in Foreign Exchange Rates (Revised in August 2023)	Clarifying a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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

4. Significant judgments and estimates

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

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

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

(1) Significant judgments

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

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

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

b. Judgments for accounting treatment of contracts including leases

Identifying a lease

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

- (a) The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.
- (b) Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset.
- (c) The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:
 - i. the lessee has the right to operate the asset; or
 - ii. the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

Lease classification

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

- (a) if the lease transfers all the risks and rewards associated with the ownership of the asset;
- (b) if ownership of the asset will transfer to the lessee at the conclusion of the lease;
- (c) whether the lessee will have the ability to purchase the leased asset at a cost significantly below the asset's fair value;
- (d) whether the term of the lease is for a major part of the asset's useful economic life; and
- (e) the level of risk that the Group retains in relation to the asset.

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

c. Judgments for accounting for revenue recognition

Principal versus agent considerations

Gross versus net presentation

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

Timing of revenue recognition for indirect sales

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

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

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

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

(2) Significant estimates

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

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

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

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

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

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

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

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

c. Fair value measurement of financial instruments

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

d. Estimated amortization period of contract acquisition costs

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

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

5. Business combinations

Fiscal year ended March 31, 2025

Acquisition of Cubic Telecom Ltd.

(Finalization of the provisional accounting treatment for the business combination)

For the fiscal year ended March 31, 2024, provisional accounting was applied to the business combination with Cubic Telecom Ltd. that took place on March 6, 2024. The allocation of the consideration transferred was completed during the three months ended June 30, 2024. There are no significant changes between the initial provisional and final amounts.

Fiscal year ended March 31, 2026

(1) Acquisition of BEENOS Inc.

a. Summary of the Transactions

LY Corporation, a subsidiary of the Company, commenced a tender offer for the common shares and stock acquisition rights of BEENOS Inc. (hereinafter “BEENOS”) as resolved at its Board of Directors meeting held on March 21, 2025, with the aim of enhancing corporate value through the creation of business synergies, particularly in the cross-border e-commerce business.

The tender offer was completed on May 7, 2025, and LY Corporation acquired 10,918,182 common shares and stock acquisition rights (the number of shares to be issued upon exercise: 417,540) of BEENOS on the settlement completion date of May 14, 2025, for a total cash consideration of ¥44,675 million. As a result, LY Corporation’s voting rights ratio in BEENOS increased to 84.08% (calculated based on the number of voting rights of issued common shares), and BEENOS has become a subsidiary of the Company.

b. Summary of the acquiree

Name BEENOS Inc.

Business Various e-commerce businesses domestically and internationally

c. Acquisition date

May 14, 2025

d. Consideration and its breakdown

	(Millions of yen)
	Acquisition date (May 14, 2025)
Cash paid	44,675
Total consideration	A 44,675

e. The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date¹:

	(Millions of yen)	
	Acquisition date	
	(May 14, 2025)	
Cash and cash equivalents		16,909
Trade and other receivables		2,377
Other financial assets (current)		5,225
Other current assets		2,849
Intangible assets ²		11,189
Other non-current assets		3,827
Total assets		<u>42,376</u>
Interest-bearing debt (current)		3,229
Trade and other payables		9,249
Other current liabilities		1,703
Deferred tax liabilities		3,632
Other non-current liabilities		1,155
Total liabilities		<u>18,968</u>
Net assets	B	<u>23,408</u>
Non-controlling interests ³	C	<u>3,786</u>
Goodwill ⁴	A-(B-C)	<u>25,053</u>

Notes:

1. Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value as of the acquisition date.
2. The amount of intangible assets includes ¥10,829 million of trademarks as identifiable assets with indefinite useful lives. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, future sales forecast generated by the trademarks, and royalty rate.
3. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.
4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

f. The table below shows payments for obtaining control of the subsidiary:

	(Millions of yen)	
	Acquisition date	
	(May 14, 2025)	
Consideration paid in cash		(44,675)
Cash and cash equivalents held by the acquiree at the time of obtaining control		16,909
Cash paid for obtaining control of the subsidiary		<u>(27,766)</u>

g. Revenue and net income of the acquiree

The revenue and net income (before elimination of intercompany transactions) of the acquiree recorded in the consolidated statement of income on and after the acquisition date are ¥16,949 million and ¥557 million, respectively.

h. Consolidated revenue and net income on the assumption that the business combination was completed at the beginning of the year:

On the assumption that the acquisition date is April 1, 2025, the Company's consolidated pro forma financial information (unaudited) for the fiscal year ended March 31, 2026 is as follows:

	(Millions of yen)
	For the fiscal year ended
	March 31, 2026
Revenue (Pro forma financial information)	<u>7,041,759</u>
Net income (Pro forma financial information)	726,776

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

a. Summary of the Transactions

LY Corporation, 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 (hereinafter “LBT”), an associate of LY Corporation, through its subsidiary LINE Financial Taiwan Limited (hereinafter “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 was completed on June 17, 2025.

Upon completion of the capital increase, the number of LBT common shares held by LFT amounted to 1,023,000 thousand shares and the voting rights of LFT in LBT reached 51.2%, thereby exceeding a majority. As a result, LY Corporation has acquired control over LBT, and LBT has become the Group’s subsidiary.

b. Summary of the acquiree

Name	LINE Bank Taiwan Limited
Business	Internet-only bank

c. Acquisition date

June 17, 2025

d. Consideration and its breakdown

	(Millions of yen)
	Acquisition date (June 17, 2025)
Fair value of LBT common shares held as of the acquisition date	36,751
Cash paid	13,478
Total consideration	A <u>50,229</u>

As a result of remeasurement of the Group’s previously held interests in LBT to the fair value as of the acquisition date, a gain on step acquisition of ¥14,502 million was recognized. This amount is included in “Other operating income” in the consolidated statement of income.

e. The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date¹:

	(Millions of yen)	
	Acquisition date	
	(June 17, 2025)	
Cash and cash equivalents		10,544
Trade and other receivables		37,941
Other financial assets (current)		43,809
Other current assets		3,540
Intangible assets		9,316
Investment securities in banking business		32,442
Other financial assets (non-current)		313,395
Other non-current assets		9,094
Total assets		<u>460,081</u>
Trade and other payables		2,514
Deposits for banking business		365,556
Other current liabilities		3,270
Other non-current liabilities		10,090
Total liabilities		<u>381,430</u>
Net assets	B	<u>78,651</u>
Non-controlling interests ²	C	38,406
Goodwill ³	A-(B-C)	<u>9,984</u>

Notes:

1. Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value as of the acquisition date.
2. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.
3. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

f. The table below shows payments for obtaining control of the subsidiary:

	(Millions of yen)	
	Acquisition date	
	(June 17, 2025)	
Consideration paid in cash		(13,478)
Cash and cash equivalents held by the acquiree at the time of obtaining control		10,544
Cash paid for obtaining control of the subsidiary		<u>(2,934)</u>

g. Revenue and net loss of the acquiree

The revenue and net loss (before elimination of intercompany transactions) of the acquiree recorded in the consolidated statement of income on and after the acquisition date are ¥15,886 million and ¥144 million, respectively.

h. Consolidated revenue and net income on the assumption that the business combination was completed at the beginning of the year:

On the assumption that the acquisition date is April 1, 2025, the Company's consolidated pro forma financial information (unaudited) for the fiscal year ended March 31, 2026 is as follows:

The gain on step acquisition is included in the pro forma financial information.

	(Millions of yen)
	For the fiscal year ended
	March 31, 2026
Revenue (Pro forma financial information)	<u>7,041,983</u>
Net income (Pro forma financial information)	725,890

(3) Conversion of LINE MAN CORPORATION PTE. LTD. into a subsidiary

a. Summary of the Transactions

To further strengthen collaboration with LINE MAN CORPORATION PTE. LTD. (hereinafter “LMWN”), an equity-method associate of LY Corporation, that operates businesses such as on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, LY Corporation, a subsidiary of the Company, resolved at the meeting of its Board of Directors held on September 11, 2025, that LY Corporation acquires a portion of LMWN shares held by Apfarm Investment Pte Ltd and Gamnat Pte. Ltd. through its subsidiary LINE SOUTHEAST ASIA CORP. PTE. LTD. (hereinafter “LSEA”), that an amendment to the shareholders’ agreement will be agreed with among LMWN’s shareholders regarding changes to each shareholder’s rights as stipulated in the shareholders’ agreement, and that LSEA will receive a comprehensive proxy from MIRAI Fund for the future exercise of voting rights associated with LMWN shares held by MIRAI Fund, and LSEA will be authorized to exercise said voting rights. The acquisition of shares and the amendment to the shareholders’ agreement were completed on September 30, 2025.

As of the completion date, LY Corporation acquired control over LMWN, and LMWN has become a subsidiary of the Group.

b. Summary of the acquiree

Name	LINE MAN CORPORATION PTE. LTD.
Business	Operation of on-demand services (primarily in food delivery) and digital solutions business for merchants in Thailand, and management of group companies

c. Acquisition date

September 30, 2025

d. Consideration and its breakdown

	(Millions of yen)
	Acquisition date
	(September 30, 2025)
Fair value of LMWN common shares held as of the acquisition date	63,239
Cash paid	15,327
Total consideration	A <u>78,566</u>

As a result of remeasurement of the Group’s previously held interests in LMWN to the fair value as of the acquisition date, a gain on step acquisition of ¥44,377 million was recognized. This amount is included in “Other operating income” in the consolidated statement of income.

e. The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date¹:

	(Millions of yen)	
	Acquisition date	
	(September 30, 2025)	
Cash and cash equivalents		12,542
Trade and other receivables		4,847
Other current assets		3,214
Intangible assets ²		71,891
Other non-current assets		3,483
Total assets		<u>95,977</u>
Interest-bearing debt (current)		6,703
Trade and other payables		8,207
Other current liabilities		2,731
Deferred tax liabilities		13,736
Other non-current liabilities		3,460
Total liabilities		<u>34,837</u>
Net assets	B	<u>61,140</u>
Non-controlling interests ³	C	30,254
Goodwill ⁴	A-(B-C)	<u>47,680</u>

Notes:

1. Correction of provisional amounts

Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value as of the acquisition date. The allocation of the consideration transferred was completed during the three months ended December 31, 2025. Reflecting the adjustments to these provisional amounts, the initial allocation of the consideration transferred has been revised. The major impacts of these adjustments on the assets acquired and liabilities assumed in the consolidated statement of financial position as of March 31, 2026, comprise an increase in intangible assets of ¥67,623 million, an increase in deferred tax liabilities of ¥13,525 million, an increase in non-controlling interests of ¥27,494 million, and a decrease in goodwill of ¥26,604 million.

2. The amount of intangible assets includes ¥67,623 million of identifiable assets and the table below shows the breakdown of the identifiable assets. The trademarks are classified as intangible assets with indefinite useful lives. The estimated useful lives of customer relationships are from 13 to 19 years. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, future sales forecast generated by trademarks, and royalty rate.

	(Millions of yen)	
	Acquisition date	
	(September 30, 2025)	
Intangible assets with indefinite useful lives		
Trademarks		41,645
Intangible assets with finite useful lives		
Customer relationships		22,984
Other		2,994
Total		<u>67,623</u>

3. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.

4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

f. The table below shows payments for obtaining control of the subsidiary:

	(Millions of yen)
	Acquisition date
	(September 30, 2025)
Consideration paid in cash	(15,327)
Cash and cash equivalents held by the acquiree at the time of obtaining control	12,542
Cash paid for obtaining control of the subsidiary	(2,785)

g. Revenue and net loss of the acquiree

The revenue and net loss (before elimination of intercompany transactions) of the acquiree recorded in the consolidated statement of income on and after the acquisition date are ¥44,235 million and ¥2,370 million, respectively.

h. Consolidated revenue and net income on the assumption that the business combination was completed at the beginning of the year:

On the assumption that the acquisition date is April 1, 2025, the Company's consolidated pro forma financial information (unaudited) for the fiscal year ended March 31, 2026 is as follows:

The increase in amortization of identifiable intangible assets recognized at the actual acquisition date and the gain on step acquisition are included in the pro forma financial information.

	(Millions of yen)
	For the fiscal year ended
	March 31, 2026
Revenue (Pro forma financial information)	7,077,561
Net income (Pro forma financial information)	724,791

6. Segment information

(1) Summary of reportable segments

The reportable segments of the Group are based on operating segments for which separate financial information is available, and which the Board of Directors (the Group's chief operating decision maker) regularly reviews to determine the allocation of management resources and evaluate their performance. The Group has "Consumer," "Enterprise," "Distribution," "Media & EC" and "Financial" as its reportable segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

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

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

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

In the "Financial" segment, the Group provides cashless payment services such as QR code payment and credit card services, development and provision of marketing solutions for merchants, financial services such as banking and asset management, as well as payment agency services that provide a comprehensive range of diversified payments such as credit cards, electronic money and QR codes. Following the intra-group reorganization effective April 11, 2025, the management business categories have been reevaluated, and PayPay Bank Corporation has been transferred from the "Media & EC" segment to the "Financial" segment. As a result, the figures for the fiscal year ended March 31, 2025, have been retrospectively adjusted.

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

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

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

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

Fiscal year ended March 31, 2025

	Reportable segments						(Millions of yen)		
	Consumer	Enterprise	Distribution	Media & EC	Financial	Total	Other	Adjustments	Consolidated
Revenue									
Sales to external customers	2,933,387	888,160	705,700	1,602,774	303,059	6,433,080	111,269	-	6,544,349
Intersegment revenue or transferred revenue	19,489	34,247	183,804	26,100	22,409	286,049	12,173	(298,222)	-
Total	2,952,876	922,407	889,504	1,628,874	325,468	6,719,129	123,442	(298,222)	6,544,349
Segment income	530,437	170,267	30,434	258,838	41,665	1,031,641	(36,501)	(6,124)	989,016
Depreciation and amortization ¹	378,826	166,291	4,297	158,574	28,207	736,195	14,711	(2,892)	748,014

Fiscal year ended March 31, 2026

	Reportable segments						(Millions of yen)		
	Consumer	Enterprise	Distribution	Media & EC ²	Financial	Total	Other	Adjustments	Consolidated
Revenue									
Sales to external customers	2,996,054	970,136	923,551	1,641,041	379,312	6,910,094	128,586	-	7,038,680
Intersegment revenue or transferred revenue	19,026	32,759	132,774	26,937	25,179	236,675	13,622	(250,297)	-
Total	3,015,080	1,002,895	1,056,325	1,667,978	404,491	7,146,769	142,208	(250,297)	7,038,680
Segment income	550,807	192,390	35,259	240,418	86,290	1,105,164	(62,913)	325	1,042,576
Depreciation and amortization ¹	374,317	178,313	4,129	169,364	32,303	758,426	29,656	(2,804)	785,278

Notes:

1. “Depreciation and amortization” includes amortization of long-term prepaid expenses which are presented as “Other non-current assets” in the consolidated statement of financial position.
2. The “Segment income” for “Media & EC” includes a gain on step acquisition of ¥44,377 million associated with the conversion of LINE MAN CORPORATION PTE. LTD. into a subsidiary. For details, refer to “(3) Conversion of LINE MAN CORPORATION PTE. LTD. into a subsidiary” under “Note 5. Business combinations.”

Reconciliations of “Segment income” to “Consolidated profit before income taxes” are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Segment income	989,016	1,042,576
Gain on changes in equity interest	4,564	-
Share of losses of associates accounted for using the equity method	(9,650)	(7,803)
Financing income	11,676	14,528
Financing costs	(117,352)	(109,634)
Gain on sales of equity method investments	3,713	10,984
Impairment loss on equity method investments	(1,910)	(20,629)
Profit before income taxes	880,057	930,022

7. Income taxes

For the fiscal year ended March 31, 2026, the recoverability of deferred tax assets at PayPay Corporation, a subsidiary of the Company, was reviewed, resulting in a decrease in income taxes of ¥57,535 million.

8. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2025	(Millions of yen) As of March 31, 2026
Current		
Short-term borrowings	353,233	625,819
Commercial paper	108,000	73,000
Current portion of long-term borrowings	811,447	863,753
Current portion of lease liabilities	153,782	163,863
Current portion of corporate bonds	219,992	229,958
Current portion of installment payables	70	25
Total	1,646,524	1,956,418
Non-current		
Long-term borrowings	2,429,362	2,474,053
Lease liabilities	638,581	649,770
Corporate bonds	1,247,664	1,404,325
Installment payables	21	16
Total	4,315,628	4,528,164

9. Equity

(1) Common stock and capital surplus

a. Common shares

Fiscal year ended March 31, 2025

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

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

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

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

Fiscal year ended March 31, 2026

Due to the issuance of new shares upon exercise of stock acquisition rights, the number of shares issued increased by 220,499 thousand shares.

As a result of the issuance of the shares, "Common stock" and "Capital surplus" increased by ¥16,193 million each under the Companies Act of Japan.

b. Class shares

The Company issued Series 1 Bond-Type Class Shares with the payment date of November 1, 2023. In addition, the Company issued Series 2 Bond-Type Class Shares with the payment date of October 3, 2024.

Although the Bond-Type Class Shares have a defined period for fixed dividends and any unpaid dividends shall be carried over to

subsequent fiscal years, they are classified as equity instruments because the Company has the option to defer dividend payments, has no obligation to repurchase the Bond-Type Class Shares and has unconditional right to avoid delivering cash or another financial asset except for the distribution of residual assets on liquidation.

(2) Treasury stock

Changes in treasury stock are as follows:

	Fiscal year ended March 31, 2025	(Thousands of shares) Fiscal year ended March 31, 2026
Balance at the beginning of the year	47,805	184,234
Increase ¹	279,317	0
Decrease ²	(142,888)	(13,509)
Balance at the end of the year	<u>184,234</u>	<u>170,725</u>

Notes:

- For the fiscal year ended March 31, 2025, based on the resolution of the Board of Directors meeting held on April 25, 2024, the Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. As a result of this stock split, the number of treasury stock increased by 279,317 thousand shares.
- For the fiscal year ended March 31, 2025, due to the exercise of stock acquisition rights and others, the number of treasury stock decreased by 142,888 thousand shares. As a result, "Treasury stock" decreased by ¥46,601 million and a loss on disposal of treasury stock of ¥22,610 million was recognized as a decrease in "Capital surplus."
For the fiscal year ended March 31, 2026, due to the exercise of stock acquisition rights and others, the number of treasury stock decreased by 13,509 thousand shares. As a result, "Treasury stock" decreased by ¥2,143 million and a gain on disposal of treasury stock of ¥433 million was recognized as an increase in "Capital surplus."

10. Dividends

Dividends paid are as follows:

Fiscal year ended March 31, 2025

(1) Dividends paid

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 17, 2024	Common stock	43.00	202,461	March 31, 2024	June 6, 2024
Board of Directors meeting held on May 17, 2024	Series 1 Bond-Type Class Shares	41.53	1,246	March 31, 2024	June 6, 2024
Board of Directors meeting held on October 21, 2024	Common stock	43.00	203,687	September 30, 2024	December 6, 2024
Board of Directors meeting held on October 21, 2024	Series 1 Bond-Type Class Shares	50.00	1,500	September 30, 2024	December 6, 2024

Notes:

1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. Dividends per share reflects the dividend amount before this stock split.
2. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the Series 1 Bond-Type Class Shares is 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the date two business days before the last day of the fiscal year before the fiscal year (Annual Rate Quotation Date) in which the record date falls plus 3.182%.
3. The amount of the Preferred Dividend to the Series 1 Bond-Type Class Shares with a record date of March 31, 2024 will be calculated based on actual day counts on a 366-day year basis.

(2) Dividends whose record date is in the fiscal year ended March 31, 2025, but whose effective date is after April 1, 2025 are as follows:

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 20, 2025	Common stock	4.30	204,539	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 1 Bond-Type Class Shares	50.00	1,500	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 2 Bond-Type Class Shares	126.24	3,156	March 31, 2025	June 12, 2025

Notes:

1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. Dividends per share reflects the dividend amount after this stock split.
2. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the Series 1 Bond-Type Class Shares is 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the date two business days before the last day of the fiscal year before the fiscal year (Annual Rate Quotation Date) in which the record date falls plus 3.182%.
3. If the record date falls in a fiscal year ending on or before March 31, 2030, the annual dividend rate for the Series 2 Bond-Type Class Shares is 3.200% per annum. If the record date falls in a fiscal year ending on or after April 1, 2030 and before March 31, 2050, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date 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%.

Fiscal year ended March 31, 2026

(1) Dividends paid

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 20, 2025	Common stock	4.30	204,539	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 1 Bond-Type Class Shares	50.00	1,500	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 2 Bond-Type Class Shares	126.24	3,156	March 31, 2025	June 12, 2025
Board of Directors meeting held on October 23, 2025	Common stock	4.30	205,270	September 30, 2025	December 5, 2025
Board of Directors meeting held on October 23, 2025	Series 1 Bond-Type Class Shares	50.00	1,500	September 30, 2025	December 5, 2025
Board of Directors meeting held on October 23, 2025	Series 2 Bond-Type Class Shares	128.00	3,200	September 30, 2025	December 5, 2025

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 (Annual Rate Quotation Date) 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%.

(2) Dividends whose record date is in the fiscal year ended March 31, 2026, but whose effective date is after April 1, 2026 are as follows:

The following resolution is scheduled for the Board of Directors meeting held on May 15, 2026

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 15, 2026	Common stock	4.30	205,547	March 31, 2026	June 2, 2026
Board of Directors meeting held on May 15, 2026	Series 1 Bond-Type Class Shares	50.00	1,500	March 31, 2026	June 2, 2026
Board of Directors meeting held on May 15, 2026	Series 2 Bond-Type Class Shares	128.00	3,200	March 31, 2026	June 2, 2026

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 (Annual Rate Quotation Date) 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%

11. Revenue

The components of revenue are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Consumer		
Service revenues		
Mobile	1,555,584	1,586,417
Broadband	408,247	405,791
Electricity	255,694	210,265
Revenues from sales of goods and others	713,862	793,581
Subtotal	2,933,387	2,996,054
Enterprise		
Mobile ³	299,314	324,680
Fixed-line	162,715	162,396
Business solution and others ³	426,131	483,060
Subtotal	888,160	970,136
Distribution	705,700	923,551
Media & EC ^{4,5}		
Media	703,883	707,725
Commerce	844,869	854,161
Strategy	50,616	72,689
Other	3,406	6,466
Subtotal	1,602,774	1,641,041
Financial ⁴	303,059	379,312
Other	111,269	128,586
Total	6,544,349	7,038,680

Notes:

- The components of revenue represent sales to external customers.
- The components of revenue include revenues from other sources, excluding those arising from IFRS 15 “Revenue from Contracts with Customers” (mainly from PayPay Card Corporation’s financial business included in “Financial” and lease transactions included in “Enterprise”). Revenues from other sources for the fiscal years ended March 31, 2025 and 2026 were ¥202,785 million and ¥251,505 million, respectively.
- “Mobile” and “Business solution and others” under “Enterprise” include service revenues and revenues from sales of goods and others. Service revenues for the fiscal years ended March 31, 2025 and 2026 were ¥559,582 million and ¥594,130 million, respectively. Revenues from sales of goods and others for the fiscal years ended March 31, 2025 and 2026 were ¥165,864 million and ¥213,609 million, respectively.
- Effective for the three months ended June 30, 2025, following the intra-group reorganization effective April 11, 2025, the management business categories have been reevaluated, and PayPay Bank Corporation has been transferred from “Media & EC” to “Financial.” As a result, revenue under “Media & EC” and “Financial” for the fiscal year ended March 31, 2025, have been retrospectively adjusted.
- Effective for the three months ended June 30, 2025, the business categories of “Media & EC” have been reevaluated and some services included in “Media & EC” were transferred between the business categories. As a result, all components of revenue under “Media & EC” for the fiscal year ended March 31, 2025, have been retrospectively adjusted.

12. Earnings per share

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

(1) Basic earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net income attributable to common shareholders of the Company (Millions of yen)		
Net income attributable to owners of the Company	526,133	550,759
Net income not-attributable to common shareholders of the Company ²	(6,156)	(9,400)
Net income used in the calculation of basic earnings per share	<u>519,977</u>	<u>541,359</u>
Weighted-average number of shares of common stock outstanding (Thousands of shares) ¹	47,312,472	47,694,033
Basic earnings per share (Yen)	<u>10.99</u>	<u>11.35</u>

(2) Diluted earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Diluted net income attributable to common shareholders (Millions of yen)		
Net income used in the calculation of basic earnings per share	519,977	541,359
Effect of dilutive securities issued by subsidiaries and associates	(3,724)	(1,083)
Total	<u>516,253</u>	<u>540,276</u>
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share(Thousands of shares) ¹		
Weighted-average number of shares of common stock outstanding	47,312,472	47,694,033
Increase in the number of shares of common stock due to stock acquisition rights	332,966	253,487
Total	<u>47,645,438</u>	<u>47,947,520</u>
Diluted earnings per share (Yen)	<u>10.84</u>	<u>11.27</u>

Notes:

1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

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

13. Other operating income and other operating expenses

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

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Other operating income		
Remeasurement gain on step acquisition ¹	-	58,879
Gain relating to loss of control over subsidiaries	43,195	-
Total	43,195	58,879
Other operating expenses		
Impairment loss	(13,822)	(7,265)
Other	-	(8,955)
Total	(13,822)	(16,220)

Note:

1. Remeasurement gain on step acquisition for the fiscal year ended March 31, 2026, includes a gain on step acquisition of ¥44,377 million associated with the conversion of LINE MAN CORPORATION PTE. LTD. into a subsidiary. For details, refer to “(3) Conversion of LINE MAN CORPORATION PTE. LTD. into a subsidiary” under “Note 5. Business combinations.”

14. Supplemental information to the consolidated statement of cash flows

Significant non-cash transactions

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

(1) Lease transactions

The increases in “Right-of-use assets” on the lease transactions (excluding lease payments and initial direct costs paid before the lease commencement date) for the fiscal years ended March 31, 2025 and 2026, were ¥181,812 million and ¥214,894 million, respectively, and are non-cash transactions.

(2) Other non-cash transactions

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

15. Related party transactions

Fiscal year ended March 31, 2025

Significant related party transactions of the Group are as follows:

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

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

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

Fiscal year ended March 31, 2026

Significant related party transactions of the Group are as follows:

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	
			Fiscal year ended March 31, 2026	As of March 31, 2026
			Amount of transaction	Balance at period-end
Yasuyuki Imai	Director of the Company	Collection of loans receivable ^{1,2,3}	430	-
		Receipt of interest on loans receivable	4	-
		Receipt of deposits ¹	400	-
		Offset of deposits ¹	400	-
		Offset of interest on deposits ¹	1	-
Junichi Miyakawa	Director of the Company	Lending of loans ^{1,2,3,4}	-	19,930
		Receipt of interest on loans receivable	219	-
Kazuhiko Fujihara	Director of the Company	Collection of loans receivable ^{1,2,3}	320	-
		Receipt of interest on loans receivable	1	-

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

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

16. Contingencies

The Group is a party to several pending legal and administrative proceedings. When it is difficult to reasonably estimate the outcomes of such matters, provisions have not been recorded. 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.

Regarding the following lawsuit that has been disclosed from the outset, on July 17, 2025, the Supreme Court rendered a decision to dismiss and not accept the respective final appeals and petitions for acceptance of final appeal filed by the Company and Japan Post Information Technology Co., Ltd. ("JPiT"), thereby concluding the litigation. The details of the lawsuit are as follows.

- 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 Nomura Research Institute, Ltd. ("NRI") as co-defendants.

In this lawsuit, JPiT alleged that the Company and NRI had delayed performance of the ordered services related to the project for migration to the 5th PNET mentioned in a. above and alleged that such delay had 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. However, as described above, on July 17, 2025, the Supreme Court issued a decision to dismiss each of the Company's and JPiT's appeals and not to accept their respective petitions for acceptance of appeal, thereby finalizing the appellate judgment rendered on March 21, 2024, and concluding the litigation.

As a result, the payment of additional service fees of ¥65 million and delay damages from JPiT to the Company was finalized, and all claims for damages filed by JPiT against the Company and NRI were dismissed.

17. Subsequent events

There are no significant subsequent events to be disclosed.