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Notice of the 40th Annual General Meeting of Shareholders

(April 1, 2025 to March 31, 2026, “FY2025” or “this fiscal year”)

Date and time: 10:00 AM, Thursday, June 23, 2026
(Reception opens at 9:00 AM)
Venue: HALL A, Tokyo International Forum
5-1, Marunouchi 3-chome,
Marunouchi, Chiyoda-ku, Tokyo

Agenda of the Meeting:

- Proposal 1:** Election of Thirteen Board Directors
- Proposal 2:** Election of Two Audit & Supervisory Board Member
- Proposal 3:** Election of One Substitute Audit & Supervisory Board Member

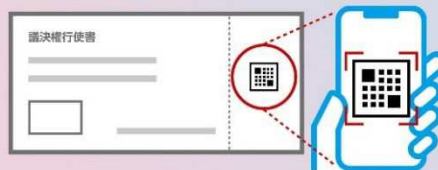


Exercising Voting Rights in Advance

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

Deadline for exercising voting rights
5:45 PM, Wednesday, June 22, 2026

Easy voting with your smartphone!



Transportation

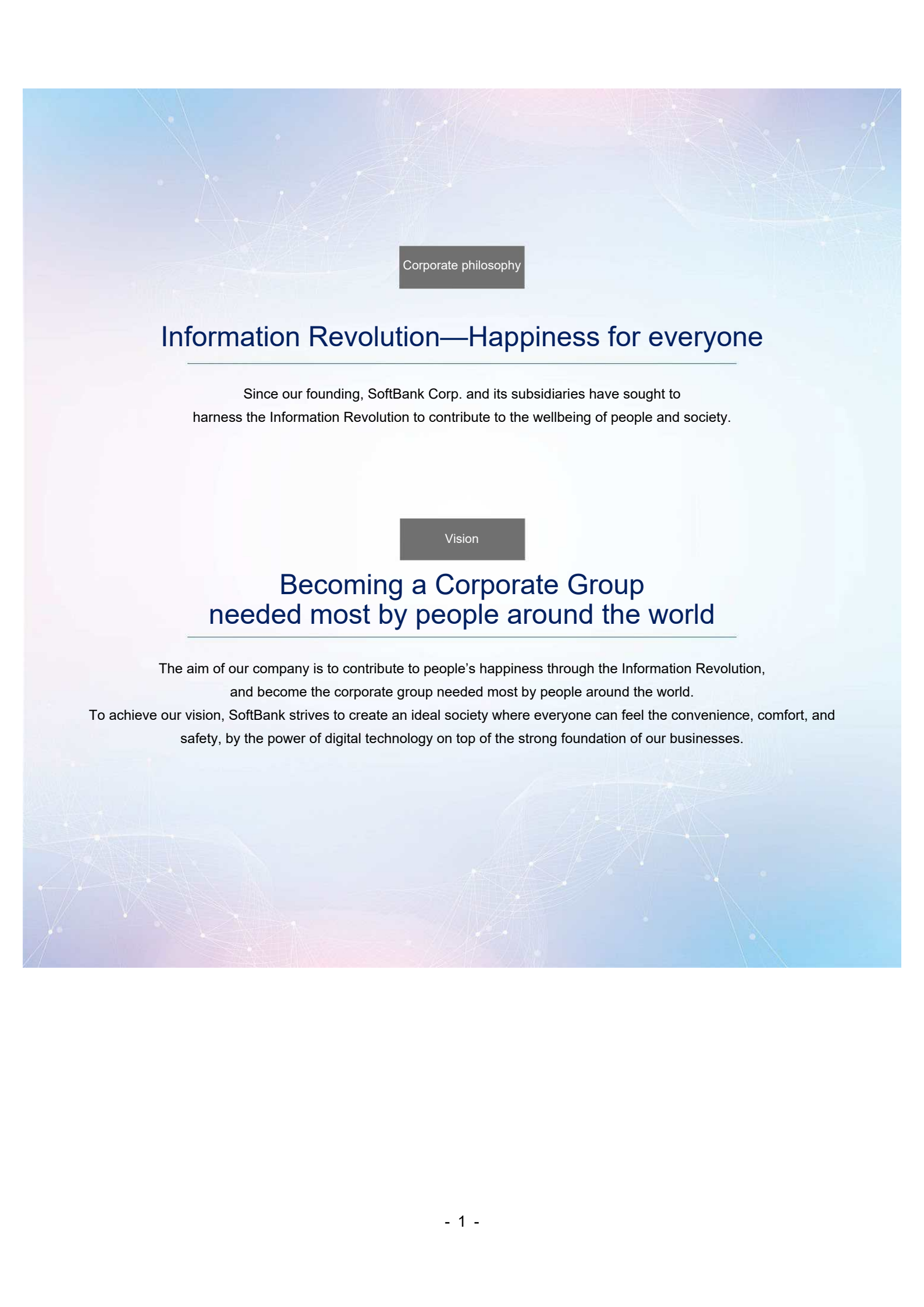
- **JR Yurakucho Station**
Approx. 3-minute walk from International Forum Exit
- **Tokyo Metro Yurakucho Line**
Yurakucho Station
Approx. 3-minute walk from Exit D5 via B1 concourse

*Please refrain from driving to the venue as no parking space is provided.

*Please note that we do not distribute any gifts at the meeting. Thank you for your understanding.

SoftBank Corp.

Stock code: 9434



Corporate philosophy

Information Revolution—Happiness for everyone

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

Vision

Becoming a Corporate Group needed most by people around the world

The aim of our company is to contribute to people's happiness through the Information Revolution, and become the corporate group needed most by people around the world.

To achieve our vision, SoftBank strives to create an ideal society where everyone can feel the convenience, comfort, and safety, by the power of digital technology on top of the strong foundation of our businesses.

To Our Shareholders

**Promoting the Growth Strategy
“Activate AI for Society”
Aiming for Medium- to Long-term Growth and
Continuous Dividend Increases
Junichi Miyakawa, President & CEO**



First, I would like to express my heartfelt gratitude for your continued support. I am pleased to notify you of the 40th Annual General Meeting of Shareholders of SoftBank Corp.

Under the previous Medium-term Management Plan, which concluded in FY2025, we actively made strategic investments in AI-related areas and advanced the growth strategies of each business ahead of schedule. As a result, we exceeded all of our initial forecasts for three consecutive fiscal years during the previous Medium-term Management Plan period.

In our new Medium-term Management Plan announced in May 2026, we have set forth a growth strategy, “Activate AI for Society,” under which we aim to activate the potential of AI across all businesses and drive its implementation in society. By promoting this strategy, we aim to achieve record-high consolidated operating income (¥1.7 trillion) and net income^{*1} (¥700.0 billion) in FY2030, while also aiming for continuous dividend increases during the period of this Medium-term Management Plan.

A key pillar supporting this growth is the Enterprise business. Investments in AI computing infrastructure, which were carried out under the previous Medium-term Management Plan, are shifting to the monetization phase. We also expect profit contributions from our AI data centers prepared at two domestic locations^{*2}. Based on this AI infrastructure, we will provide a seamless, end-to-end range of cloud and AI-related services to enterprise customers, thereby accelerating our growth.

Since our listing, SoftBank Corp. has placed great importance on balancing medium- to long-term growth with shareholder returns. This policy will remain unchanged for the next five years. While executing investments for future growth, we will also work to enhance shareholder returns. In closing, I kindly ask our shareholders for their continued support.

May 27, 2026

^{*1} Net income attributable to owners of SoftBank Corp.

^{*2} Sakai City, Osaka Prefecture, and Tomakomai City, Hokkaido Prefecture

The Notice

Stock code: 9434

June 1, 2026

(Electronic provision of information starts on: May 27, 2026)

To Shareholders

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

Notice of the 40th Annual General Meeting of Shareholders

In convening this General Meeting of Shareholders, the Company implements measures for information provision in electronic format, and matters subject to the measures for electronic provision are posted on the following websites as the “Notice of the 40th Annual General Meeting of Shareholders.”

Company’s website:

<https://www.softbank.jp/en/corp/ir/stock/shareholders/2026/>



In addition to above, they are also posted on the following website:

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

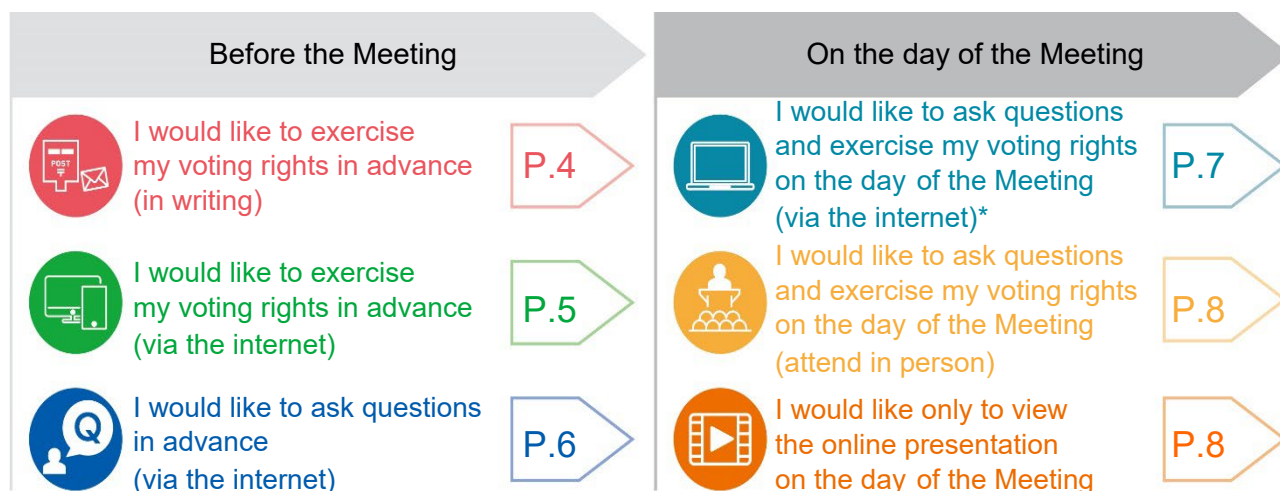


To view the information on the TSE website above, enter and search for the Company’s name or stock code, select “Basic information,” and go to “Documents for public inspection/PR information.”

Date and time:	10:00 AM, Thursday, June 23, 2026
Venue:	HALL A, Tokyo International Forum 5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Agenda of the Meeting:	▶ Matters for reporting: Business Report, Consolidated Financial Statements for FY2025 (April 1, 2025 to March 31, 2026) and results of audits of Consolidated Financial Statements by the Independent Auditor and Audit & Supervisory Board Non-consolidated Financial Statements for FY2025 (April 1, 2025 to March 31, 2026)
	▶ Matters for approval: Proposal 1: Election of Thirteen Board Directors Proposal 2: Election of Two Audit & Supervisory Board Member Proposal 3: Election of One Substitute Audit & Supervisory Board Member

- ◎ If you require any accommodations at the venue, please contact “Inquiries concerning the General Meeting of Shareholders” (<https://www.softbank.jp/corp/d/contact/>) by Tuesday, June 16, 2026.
- ◎ The matters listed below are not included in paper-based documents sent to shareholders who have made a request for delivery of such documents, pursuant to the provision of laws and regulations and Article 22 of the Articles of Incorporation of the Company. Accordingly, they are a part of the documents audited by Audit & Supervisory Board Members and the Independent Auditor in preparing their Audit Reports.
“Status of stock acquisition rights,” “Status of Independent Auditor,” “Overview of systems to ensure appropriateness of operations and its implementation status,” “Consolidated Statement of Changes in Equity,” “Non-consolidated Statement of Changes in Net Assets,” “Notes to Consolidated Financial Statements,” “Notes to Non-consolidated Financial Statements”
- ◎ For shareholders who have not made a request for delivery of paper documents, the Company sends in paper format a partial extract from the Reference Materials for the Annual General Meeting of Shareholders, in addition to statutory information.
- ◎ Any revisions to the information provided in electronic format will be posted on the websites above.

Procedure of the General Meeting of Shareholders



* Due to unforeseen circumstances such as communication failures or issues with the distribution system, it may not be possible to exercise your voting rights online on the day of the meeting. Therefore, we recommend that shareholders planning to attend online exercise their voting rights in advance.

Before the Meeting



Exercising Voting Rights in Advance (in Writing)

Please clearly indicate your approval or disapproval for each proposal on the enclosed voting form, and **return it by 5:45 PM, Monday, June 22, 2026.**

How to fill out the voting form

Proposal 1 and 2

If you approve of all candidates ☐ Circle **"Approve"**

If you disapprove of all candidates ☐ Circle **"Disapprove"**

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

Proposal 3

If you approve ☐ Circle **"Approve"**

If you disapprove ☐ Circle **"Disapprove"**

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



Exercising Voting Rights in Advance (via the Internet)

Please access the Company's designated website for voting, follow the instructions on the screen and enter your approval or disapproval for the proposals **by 5:45 PM, Monday, June 22, 2026.**

Via LINE (NEW)

If you complete the procedure using the QR code printed on the lower left of the voting form, you can exercise your voting rights as soon as you receive the LINE information.

For details, please review the instructions in the "Notice regarding the opening of the Mizuho Trust Bank (Stock Transfer Agency) official LINE account" on the back cover and complete the setup.

From a smartphone (existing method)

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

From a PC

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

For inquiries

Stock Transfer Agency Department,
Mizuho Trust & Banking Co., Ltd.
Internet Helpline

0120-768-524 (Business hours: 9:00-21:00)

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

Electronic Voting Platform

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



Asking questions in advance (via the Internet)

From 9:00 AM, Monday, June 1, 2026, until noon, Tuesday, June 16, 2026, you may ask questions regarding the agenda of the Meeting through the SoftBank General Meeting of Shareholders Portal. Matters of high interest to our shareholders will be addressed at the Meeting. The Company plans to publish questions asked in advance by shareholders on the Company's website after the Meeting unless there are impediments to publication, such as the possible violation of personal privacy.

On the day of the Meeting



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

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

1. How to attend on the day of the Meeting

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

and click “Attend” from 9:00 AM on

the day of the Meeting (Tuesday, June 23, 2026).

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

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

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

2. Questions

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

3. Motions

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

4. Other important matters

- Please refer to the website on the right for the recommended environment for the SoftBank General Meeting of Shareholders Portal. Please be aware that you will be responsible for telecommunications equipment and all costs required for attending online.
- Please note that Japanese is the only language available for attending online.
- Please note that due to potential communication failures or unforeseen issues with the streaming system, there is a possibility of disruption of video or sound, or temporary interruption of the online presentation of the Meeting, or the service becoming unavailable during the online attendance and live streaming. We recommend that you exercise your voting rights in advance. Please note that the Company cannot be held responsible for any disadvantages caused by such communication failures, etc. to shareholders who attend online.

Recommended environment for attending online

[https://jp.vcube.com/
support/virtual-shareholders-meeting/
requirements/](https://jp.vcube.com/support/virtual-shareholders-meeting/requirements/)



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

Please bring the enclosed voting form and submit it at the reception.

If you attend the Meeting in person as well as exercise your voting rights online as described above, you will be treated as having attended the Meeting online.

We do not distribute any gifts at the meeting. Thank you for your understanding.



Viewing the Online Presentation on the day of the Meeting

The Meeting can be viewed from 10:00 AM, Tuesday, June 23, 2026 on the "[Online presentation] The 40th Annual General Meeting of Shareholders" page of the Company's website on the right.

Online Presentation Website
(Please note that, unlike
Attending Online, you will not
be able to exercise your
voting rights or ask
questions.)

[https://www.softbank.jp/
en/corp/news/info/2026/
20260430_01/](https://www.softbank.jp/en/corp/news/info/2026/20260430_01/)



Changes in Meeting operation

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

Website for notices on
changes in the operation of
the Meeting
[https://www.softbank.jp/
en/corp/ir/stock/
shareholders/2026/](https://www.softbank.jp/en/corp/ir/stock/shareholders/2026/)



Reference Materials for the Annual General Meeting of Shareholders

Proposal 1: Election of Thirteen Board Directors

The terms of office of all eleven Board Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, in order to respond to changes in the business environment and increasing complexity of management issues surrounding the Group, and to further enhance the balance and diversity of knowledge, experience, and capabilities within the Board of Directors and improve its effectiveness, it is proposed that the number of Board Directors be increased by two including election of Board Directors from Group companies and that thirteen Board Directors be elected. Nominees for Directors are determined by the Board of Directors upon suggestion by a voluntary Nomination Committee comprising five members including the CEO and four independent external Directors, with an independent external Director as chair.

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

Director nominees are as follows:

Candidate No.		Name	Current position and responsibilities at the Company	Years in office	Attendance at Board of Directors meeting
1	Reappointed Male	Jun Shimba	Director & Chairman	14 years	100% (Attended 11 out of 11 meetings)
2	Reappointed Male	Junichi Miyakawa	President & CEO	20 years	100% (Attended 11 out of 11 meetings)
3	New appointment Male	Osamu Akiyama	Senior Vice President & CFO	—	—
4	Reappointed Male	Masayoshi Son	Board Director, Founder	20 years	81.8% (Attended 9 out of 11 meetings)
5	New appointment Male	Takeshi Idezawa	—	—	—
6	New appointment Male	Ichiro Nakayama	—	—	—
7	Reappointed Male	Atsushi Horiba	Independent Officer External Director Board Director Chair of the Remuneration Committee Chair of the Nominating Committee	8 years	81.8% (Attended 9 out of 11 meetings)
8	Reappointed Female	Naomi Koshi	Independent Officer External Director Board Director Member of the Remuneration Committee Member of the Nominating Committee	5 years	100% (Attended 11 out of 11 meetings)

Candidate No.		Name		Current position and responsibilities at the Company	Years in office	Attendance at Board of Directors meeting
9	Reappointed Female	Maki Sakamoto	Independent Officer External Director	Board Director Member of the Remuneration Committee Member of the Nominating Committee	2 years	100% (Attended 11 out of 11 meetings)
10	Reappointed Female	Hiroko Sasaki	Independent Officer External Director	Board Director Member of the Remuneration Committee Member of the Nominating Committee	2 years	100% (Attended 11 out of 11 meetings)
11	Reappointed Male	Hideaki Karaki	Independent Officer External Director	Board Director	1 year	100% (Attended 9 out of 9 meetings)
12	New appointment Male	Yukihiko Onishi	Independent Officer External Director	—	—	—
13	New appointment Male	Hidehiko Yuzaki	Independent Officer External Director	—	—	—

Candidate
No. 1

Jun Shimba

(Date of birth: November 15, 1962;
63 years old)

Reappointed

Number of shares held in the
Company

Common stock
30,790,200 shares



Biography, titles, responsibilities and significant concurrent positions

Apr. 1985	Joined SOFTBANK Corp. (currently SoftBank Group Corp.)	Apr. 2018	Representative Director & COO, Consumer Business Unit Head and Product & Marketing Unit Head, In Charge of Government Relations, the Company
June 2005	Director, SOFTBANK BB Corp. (currently the Company)	Dec. 2019	Representative Director & COO, Consumer Business Unit Head, Consumer Sales Unit Head and Product & Marketing Unit Head, In Charge of Government Relations, the Company
Apr. 2006	Managing Executive Officer, Vodafone K.K. (currently the Company)	June 2020	Director, PayPay Corporation (to present)
June 2007	Director & Managing Executive Officer, SOFTBANK BB Corp. (currently the Company)	Apr. 2021	Representative Director & COO, Consumer Business Unit Head, the Company
June 2007	Managing Corporate Officer, the Company	Apr. 2024	Representative Director & COO, the Company
June 2012	Director & Senior Managing Corporate Officer, the Company	Apr. 2026	Director & Chairman, the Company (to present)
Apr. 2015	Senior Managing Director, the Company	Apr. 2026	Director & Chairman, SB Payment Service Corp. (to present)
Apr. 2017	Representative Director & COO, the Company		
Apr. 2017	Representative Director, President & CEO, SoftBank Payment Service Corp. (currently SB Payment Service Corp.)		

Reason for nomination Since taking office as the Company's Managing Executive Officer in April 2006, Mr. Jun Shimba has served in prominent positions at the Company, primarily head of the consumer business unit, and contributed to the Company's growth. Since April 2026, he has been overseeing the entire Group as Director & Chairman. The Board would like to reelect Mr. Shimba as a Board Director to leverage his advice for the further growth of the Group.

Mr. Shimba attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

Candidate
No. 2

Junichi Miyakawa

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

Reappointed

Number of shares held in the
Company

Common stock
175,542,700 shares



Biography, titles, responsibilities and significant concurrent positions

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

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

Mr. Miyakawa attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

Candidate
No. **3**

Osamu Akiyama

(Date of birth: January 8, 1973;
53 years old)

New
appointment

Number of shares held in the
Company

Common stock
600,000 shares



Biography, titles, responsibilities and significant concurrent positions

Apr. 1995	Joined JAPAN TELECOM CO., LTD. (currently the Company)	Aug. 2019	General Manager, Financing Department, Strategic Finance Division, Finance Unit, the Company
May 2011	General Manager, Accounting Department, Finance Controller Division, Finance Division, Finance Unit, SoftBank Telecom Corp. (currently the Company)	Apr. 2020	Deputy Head, Strategic Finance Division, Finance Unit, the Company
Apr. 2015	General Manager, Revenue Management Department, Finance Controller Division, Finance and Accounting Division, Finance Unit, SoftBank Mobile Corp. (currently the Company)	Dec. 2020	Head, Strategic Finance Division, Finance Unit, the Company
Nov. 2016	General Manager, Treasury Department, Finance and Accounting Division, Finance Unit, the Company	July 2023	Vice President, Head, Strategic Finance Division, Finance Unit, the Company
May 2018	General Manager, Financial Planning Office, Strategic Finance Division, Finance Unit, the Company	Apr. 2025	Vice President, Finance Unit Head, the Company
		Apr. 2026	Senior Vice President & CFO, Finance Unit Head, the Company (to present)

Reason for nomination Since joining JAPAN TELECOM CO., LTD. (currently the Company) in 1995, Mr. Osamu Akiyama has served in the finance field after gaining experience in business planning and human resources fields. Currently, he serves as Senior Vice President & CFO of the Company and has extensive knowledge and experience in finance and accounting. The Board would like to elect Mr. Akiyama as a Board Director to lead the further growth of the Group.

Candidate
No. **4**

Masayoshi Son

(Date of birth: August 11, 1957;
68 years old)

Reappointed

Number of shares held in the
Company

Common stock
40,000,000 shares



Biography, titles, responsibilities and significant concurrent positions

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

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

Mr. Son attended 9 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 81.8%.

Candidate No.	5	Takeshi Idezawa	(Date of birth: June 9, 1973; 53 years old)	New appointment	Number of shares held in the Company — shares
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Biography, titles, responsibilities and significant concurrent positions

Apr. 2007	CEO, livedoor Co., Ltd. (currently NHN Techorus Corp.)	Mar. 2021	Representative Director, Co-CEO (Co-Chief Executive Officer), Z Holdings Corporation (currently LY Corporation)
Jan. 2012	Director, General Manager of Web Service Division, NHN Japan Corporation (Changed trade name to LINE Corporation in April 2013)	Apr. 2023	President and Representative Director, CEO, Marketing & Sales CPO, Z Holdings Corporation
Apr. 2014	Representative Director, COO, LINE Corporation (currently A Holdings Corporation)	June 2023	Director, PayPay Corporation (to present)
Apr. 2015	Representative Director, President and CEO, LINE Corporation	Oct. 2023	President and Representative Director, CEO (Chief Executive Officer), LY Corporation (to present)
July 2018	Representative Director, LINE Digital Frontier Corporation		

Reason for nomination In addition to his achievements in revitalizing the former livedoor Co., Ltd., Mr. Takeshi Idezawa also oversees the overall management of the LINE Group and has successfully led the management integration of Z Holdings Corporation and LINE Corporation. He has extensive knowledge and experience in management. The Board would like to elect Mr. Idezawa as a Board Director to leverage his advice in management judgment and decision-making processes of the Company for the further growth of the Group.

Candidate No.	6	Ichiro Nakayama	(Date of birth: September 21, 1969; 56 years old)	New appointment	Number of shares held in the Company — shares
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Biography, titles, responsibilities and significant concurrent positions

Apr. 2013	Representative Director, IDC Frontier Inc.	Apr. 2021	Managing Corporate Officer, Yahoo Japan Corporation (currently LY Corporation)
Mar. 2016	Executive Vice President, Ikyu Corporation	May 2022	Director, Fukuoka SoftBank HAWKS Corp. (to present)
June 2018	President & Representative Director, CEO, Corporate Officer, PayPay Corporation (to present)	Nov. 2023	Director, PayPay Bank Corporation
Nov. 2020	Director, Z Financial Corporation		

Reason for nomination Mr. Ichiro Nakayama has extensive knowledge and experience in management, including experience cultivated in the information and telecommunication business and the IT industry, corporate management in the B2C (consumer-facing services) field, and leading the growth of the PayPay Group as President & Representative Director, CEO, Corporate Officer, since the company's founding in 2018. The Board would like to elect Mr. Nakayama as a Board Director to leverage his advice in management judgment and decision-making processes of the Company for the further growth of the Group.

Candidate
No. **7**

Atsushi Horiba

(Date of birth: February 5, 1948
78 years old

External
Director

Independent
Officer

Reappointed

Number of shares held in the
Company

Common stock
75,000 shares



Biography, titles, responsibilities and significant concurrent positions

Sept. 1972	Joined HORIBA, Ltd.	Jan. 2018	Chairman, Representative Director & Group CEO, HORIBA, Ltd. (to present)
June 1982	Director, HORIBA, Ltd.	June 2018	External Director, the Company (to present)
Jan. 1992	Representative Director & President, HORIBA, Ltd.	June 2021	Outside Director, Sumitomo Electric Industries, Ltd. (to present)
June 1995	Representative Director & President, STEC Co., Ltd. (currently HORIBA STEC, Co., Ltd.)	Jan. 2025	Chairman, the Kyoto Chamber of Commerce and Industry (to present)
June 2005	Chairman, Representative Director & President, HORIBA, Ltd.		
Apr. 2016	Chairman & Representative Director, HORIBA STEC, Co., Ltd.		

Reason for nomination and outline of expected roles

Mr. Atsushi Horiba has served as Representative Director of HORIBA, Ltd. for 34 years since 1992 and has extensive management experience in leading the global growth of the HORIBA Group. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management. The Board would like to reelect Mr. Horiba as an External Director so he can contribute to the Group's further growth and enhancement of corporate governance.

Mr. Horiba attended 9 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 81.8%.

He is an External Director (Independent Officer) of the Company and will have been in the position for 8 years at the conclusion of this Annual General Meeting of Shareholders.

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

Candidate
No. **8**

Naomi Koshi

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

External
Director

Independent
Officer

Reappointed

Number of shares held in the
Company

Common stock
14,700 shares



Biography, titles, responsibilities and significant concurrent positions

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

Reason for nomination and outline of expected roles

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

Ms. Koshi attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 5 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate
No. 9

Maki Sakamoto

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

External
Director

Independent
Officer

Reappointed

Number of shares held in the
Company

Common stock
13,900 shares



Biography, titles, responsibilities and significant concurrent positions

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

Reason for nomination and outline of expected roles

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

Ms. Sakamoto attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 2 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate No.	10	Hiroko Sasaki	(Date of birth: October 29, 1973 52 years old)	External Director	Independent Officer	Reappointed	Number of shares held in the Company Common stock 24,100 shares
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Biography, titles, responsibilities and significant concurrent positions

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

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

Ms. Sasaki attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

She is an External Director (Independent Officer) of the Company and will have been in the position for 2 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate No.	11	Hideaki Karaki	(Date of birth: August 30, 1961 64 years old)	External Director	Independent Officer	Reappointed	Number of shares held in the Company Common stock 14,700 shares
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Biography, titles, responsibilities and significant concurrent positions

Oct. 1985	Joined Arthur Young & Company (currently KPMG AZSA LLC)	July 2015	Quality Control Division, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)
Mar. 1989	Registered as a Certified Public Accountant	July 2024	President, Hideaki Karaki CPA Office (to present)
May 1993	Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)	Apr. 2025	Chair of the Contract Monitoring Committee, Japan International Cooperation Agency (JICA) (to present)
Sept. 1995	Ernst & Young London office	June 2025	External Director, the Company (to present)
July 2001	Partner, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)		
July 2013	Chief Inspector for CPA audits, Certified Public Accountants and Auditing Oversight Board, the Financial Services Agency		

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

Mr. Karaki attended 9 out of 9 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

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

Candidate
No. **12**

Yukihiko Onishi

(Date of birth: July 22, 1959
66 years old

External
Director

Independent
Officer

New
appointment

Number of shares held in the
Company

— shares



Biography, titles, responsibilities and significant concurrent positions

Apr. 1983	Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)	Apr. 2015	Directors and Senior Managing Executive Officer, Head of Retail Business Unit, Sumitomo Mitsui Banking Corporation
Apr. 2011	Executive Officer, General Manager of Human Resources Dept., Sumitomo Mitsui Banking Corporation	Apr. 2015	Senior Managing Corporate Executive Officer, Sumitomo Mitsui Financial Group, Inc.
Apr. 2011	General Manager of Human Resources Dept., Sumitomo Mitsui Financial Group, Inc.	June 2018	President and CEO, Sumitomo Mitsui Card Company, Limited
Apr. 2012	General Manager of Corporate Planning Dept., Sumitomo Mitsui Financial Group, Inc.	Apr. 2025	Representative Director, President and CEO, Sumitomo Mitsui Card Company, Limited (to present)
Apr. 2013	Managing Corporate Executive Officer, General Manager of Corporate Planning Dept., Sumitomo Mitsui Banking Corporation		

Reason for nomination and outline of expected roles

Mr. Yukihiko Onishi has extensive management experience, including the experience cultivated in the financial industry and corporate management in an environment where cashless payments are rapidly expanding in Japan. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management. The Board would like to elect Mr. Onishi as an External Director so he can contribute to the Group's further growth and enhancement of corporate governance. Mr. Onishi was an executive officer of Sumitomo Mitsui Banking Corporation, one of the Company's lenders, and of Sumitomo Mitsui Financial Group, Inc., its parent company. However, since it has been over eight years since he resigned from both companies in April 2018, and he has not been involved in executive duties since his resignation. In addition, the Company secures funding through a variety of means, including bank loans, corporate bond issuances and other methods, ensuring that its funding base is sufficiently diversified. In light of these circumstances, we have determined that his relationship with his former employer does not influence the Company's independent business decisions and this does not affect his independence.

Candidate
No. **13**

Hidehiko Yuzaki

(Date of birth: October 4, 1965
60 years old

External
Director

Independent
Officer

New
appointment

Number of shares held in the
Company

— shares



Biography, titles, responsibilities and significant concurrent positions

Apr. 1990	Joined the Ministry of International Trade and Industry	Aug. 2000	Representative Director and Vice President, ACCA Networks Co., Ltd.
June 1995	Deputy Director, Nuclear Energy Industry Division, Agency for Natural Resources and Energy	Nov. 2009	Governor of Hiroshima Prefecture
May 1997	Deputy Director, Americas Division, International Trade Policy Bureau	Apr. 2026	Visiting Professor, Prefectural University of Hiroshima, Hiroshima Corporation for Higher Education (to present)
Aug. 1998	Seconded to IIGNITE Group, a U.S. venture capital firm	Apr. 2026	Visiting Professor, Hiroshima University (to present)
Mar. 2000	Founder, Representative Director and CEO, ACCA Networks Co., Ltd.		

Reason for nomination and outline of expected roles

Mr. Hidehiko Yuzaki brings a wealth of experience, including his 16 years as governor of the prefecture over four terms, as well as consulting and advisory experience in areas such as corporate planning, financial strategy, organizational development, and venture management. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management. The Board would like to elect Mr. Yuzaki as an External Director so he can contribute to the Group's further growth and enhancement of corporate governance.

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- (Notes) 1. The Company provided a loan to Mr. Junichi Miyakawa, to be used for purchasing shares of the Company.
2. Mr. Masayoshi Son concurrently holds the post of Representative Director of SoftBank Group Corp., with which the Company has concluded a secondment agreement and has business relationships, such as service outsourcing. He also concurrently holds the post of President of the Masason Foundation, with which the Company has concluded agreements including a secondment agreement. Furthermore, Mr. Masayoshi Son concurrently holds the post of Representative Employee of Son Asset Management, LLC, with which the Company has concluded agreements including an office services agreement.
3. Mr. Takeshi Idezawa concurrently holds the post of Representative Director of LY Corporation, with which the Company has concluded a secondment agreement and has business relationships, such as provision of smartphone services.
4. Mr. Ichiro Nakayama concurrently holds the post of Representative Director of PayPay Corporation, with which the Company has concluded a secondment agreement and has business relationships, such as outsourcing and use of telecommunications services.
5. Mr. Atsushi Horiba concurrently holds the post of Representative Director of HORIBA, Ltd., with which the Company has business relationships, such as telecommunications services. However, the respective amount of transactions accounts for less than 0.1% of the Company's revenue, and is therefore negligible.
6. Ms. Hiroko Sasaki concurrently holds the post of President & CEO of ChangeWAVE Group, Inc., with which the Company has business relationships, such as training. However, the respective amount of transactions accounts for less than 0.1% of the Company's operating expenses, and is therefore negligible.
7. Mr. Yukihiro Onishi concurrently holds the post of Representative Director of Sumitomo Mitsui Card Company, Limited, with which the Company has business relationships, such as telecommunications services and payment fees. However, the respective amount of transactions accounts for less than 0.1% of the Company's revenue or operating expenses, and is therefore negligible.
8. There are no other special interests between the candidates and the Company.
9. The titles and responsibilities of Director nominees as executives at the Company's parent companies (SoftBank Group Corp. and SoftBank Group Japan Corporation), the sibling company (Fukuoka SoftBank HAWKS Corp.), the former sibling company (Sprint Corporation (currently Sprint LLC)), and subsidiaries (A Holdings Corporation, LY Corporation and PayPay Corporation) over the past ten years and at present are as described in "Biography, titles, responsibilities and significant concurrent positions." Titles and responsibilities that are not included in the above are as follows:
- Mr. Junichi Miyakawa concurrently holds the post of Representative Director of B Holdings Corporation, a subsidiary of the Company. He also concurrently held the posts of Representative Director of BB BACKBONE until May 2019 and Representative Director of Wireless City Planning Inc. until June 2024, both subsidiaries of the Company.
- Mr. Jun Shimba concurrently held the posts of Representative Director of Telecom Professional Service Co., Ltd., a sibling company of the Company, until September 2016, as well as President & CEO of SOFTBANK TELECOM AMERICA CORP. (currently SB TELECOM AMERICA CORP.) and Representative Director of Telecom Engineering CO. LTD. (currently SB Engineering Corp.), both subsidiaries of the Company, until April 2017. He also concurrently held the post of Representative Director of SB Payment Service Corp. until March 2026.
- Mr. Masayoshi Son concurrently held the posts of an executive of Skywalk Finance GK until September 2020 and Representative Director of SB Energy Corp. (currently Eurus Energy Holdings Corporation) until October 2017, both sibling companies of the Company. He also concurrently held the post of Representative Director of Skywalk Finance Corporation, formerly a sibling company of the Company, until September 2020.
- Mr. Takeshi Idezawa concurrently holds the post of Representative Director of B Holdings Corporation, a subsidiary of the Company. He concurrently held the posts of Representative Director of LINE Corporation (currently Z Intermediate Global Corporation) until September 2023, Representative Director of LINE Digital Frontier Corporation until August 2020, and Representative Director of LINE Fukuoka Corporation (currently LY Communications Corporation) until May 2016.
- Mr. Ichiro Nakayama concurrently holds the post of Representative Director of PayPay SC Corporation, a subsidiary of the Company. He concurrently held the post of Representative Director of Ikyu Corporation, a subsidiary of the Company, until September 2018.
10. The Company has respectively concluded an agreement with Mr. Atsushi Horiba, Ms. Naomi Koshi, Ms. Maki Sakamoto, Ms. Hiroko Sasaki and Mr. Hideaki Karaki to limit the liability for damages to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act. Subject to the approval of their election, the Company plans to continue to conclude an agreement with them. Furthermore, if the election of Mr. Yukihiro Onishi and Mr. Hidehiko Yuzaki is approved, the Company plans to conclude agreements with them on the same terms and conditions.
11. The Company has concluded indemnification agreements with Board Directors as stipulated in Paragraph 1, Article 430-2 of the Companies Act. Under these agreements, the Company agrees to indemnify them for the expenses specified in Item 1 of the same paragraph and the losses specified in Item 2 of the same paragraph, within the scope stipulated by relevant laws and regulations. However, if it is determined that a Board Director performed his or her duties with the intent to secure improper benefits for himself or herself or a third party, or to cause damage to the Company, the Company may demand the return of any expenses or other amounts for which indemnification was received. Subject to the approval of their election, the Company plans to continue to conclude an agreement with them. Furthermore, if the election of Mr. Osamu Akiyama, Mr. Takeshi Idezawa, Mr. Ichiro Nakayama, Mr. Yukihiro Onishi, and Mr. Hidehiko Yuzaki is approved, the Company plans to conclude agreements with them on the same terms and conditions.
12. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering all Board Directors as the insured. The insurance contract compensates for damages arising from liability incurred by Board Directors as the insured in the performance of their duties, as well as claims related to the pursuit of such liability. Subject to the approval of their election, each candidate will be included as insured under the contract. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums are paid by the Company. The Company plans to renew this contract during each candidate's term of office.

In addition, SoftBank Group Corp., the parent company of the Company, has concluded a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering Board Directors, Audit & Supervisory Board Members, Executive Officers, employees in managerial positions, and others of SoftBank Group Corp. and some of its subsidiaries as the insured, and all Board Directors of the Company are covered under this insurance policy. Subject to the approval of their election, each candidate will be included as insured under the contract. The insurance contract compensates for damages arising from liability incurred by the insured in the performance of their duties, as well as claims related to the pursuit of such liability. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums related to officers, etc. of the Company are paid by the Company. SoftBank Group Corp. plans to renew this contract during each candidate's term of office.

Damages incurred by officers of the Company will first be covered by the relevant insurance policy entered into by SoftBank Group Corp. If the amount covered by that policy is insufficient, compensation will be provided under the abovementioned Company policy.

13. Mr. Atsushi Horiba, Ms. Naomi Koshi, Ms. Maki Sakamoto, Ms. Hiroko Sasaki, and Mr. Hideaki Karaki meet the requirements for independent officers as stipulated by TSE and the Company has registered each of them as independent officer with TSE. If this proposal is approved as originally proposed, the Company will continue to file each of them as independent officer with TSE. Additionally, Mr. Yukihiko Onishi and Mr. Hidehiko Yuzaki meet the requirements for independent officers as stipulated by TSE. If this proposal is approved as originally proposed, the Company plans to file each of them as independent officer with TSE.
14. The age is the full age at the conclusion of this Annual General Meeting of Shareholders.

Proposal 2: Election of Two Audit & Supervisory Board Members

Of the present four Audit & Supervisory Board Members, Mr. Eiji Shimagami will resign at the conclusion of this Annual General Meeting and the term of office of Ms. Yoko Kudo will expire at the conclusion of this Annual General Meeting. It is proposed that two Audit & Supervisory Board Members be elected. The term of office of Mr. Takashi Naito will be up to the expiry of the original term of Mr. Eiji Shimagami in accordance with the provisions of the Articles of Incorporation of the Company.

The Company has obtained approval from the Audit & Supervisory Board with respect to this proposal. The nominee for Audit & Supervisory Board Member is as follows:

		Number of shares held in the Company	
Candidate No.	1	Takashi Naito	
		(Date of birth: May 30, 1964) 62 years old	
		New appointment	Common stock 2,500,000 shares
			
Biography, titles, responsibilities and significant concurrent positions			
Apr. 1989	Joined International Telecom Japan Inc. (currently the Company)	June 2016	Audit & Supervisory Board Member, SB Players Corp.
Apr. 2007	General Manager, Accounting Division, Finance Division, SoftBank Telecom Corp. (currently the Company)	June 2018	Audit & Supervisory Board Member, SoftBank Technology Corp. (currently the Company)
Apr. 2008	General Manager, Accounting Division, Finance Division and General Manager, Internal Control Office, SoftBank Telecom Corp.	Mar. 2021	Audit & Supervisory Board Member, A Holdings Corporation
July 2010	Head, Finance and Accounting Division, SoftBank Mobile Corp. (currently the Company)	Apr. 2024	Deputy CFO and Executive Accounting Advisor, the Company (to present)
July 2012	Vice President, Head, Finance and Accounting Division, SoftBank Mobile Corp.	Aug. 2024	Assistant to the President, Head of Accounting Division, Corporate Strategy Group, PayPay Corporation
Reason for nomination Mr. Takashi Naito served as Vice President and Head of the Finance and Accounting Division until March 2024 and has served as an Audit & Supervisory Board Member for Group companies. He is well-versed in the Company's businesses and has extensive knowledge and experience in finance, accounting, and governance. The Board would like to elect Mr. Naito as an Audit & Supervisory Board Member so that he can audit the Company from a professional and multifaceted perspective based on his knowledge and experience.			

Candidate
No. **2**

Yoko Kudo

(Date of birth: November 30, 1961
64 years old)

External Audit
& Supervisory
Board Member
Independent
Officer
Reappointed

Number of shares held in the
Company

Common stock
75,400 shares



Biography, titles, responsibilities and significant concurrent positions

Sep. 1993	Joined Los Angeles office of Price Waterhouse (currently PricewaterhouseCoopers)	June 2022	External Audit & Supervisory Board Member, the Company (to present)
Jan. 1996	Registered as a Certified Public Accountant in the State of California	June 2023	Auditor, Japanese Olympic Committee (to present)
Dec. 1996	Joined Los Angeles office of Ernst & Young LLP	July 2023	Auditor, World Athletics Championships Tokyo 25 (to present)
Apr. 2005	Seconded to Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)	Apr. 2025	Auditor, ASICS Foundation (to present)
Jan. 2006	Transferred to Ernst & Young ShinNihon	June 2025	Board of Administration Member, Japan Volleyball Association (to present)
May 2006	Specified Partner of Ernst & Young ShinNihon (Principal)	June 2025	Member of the Audit and Supervisory Committee (Outside Director), KPP GROUP HOLDINGS CO., LTD. (to present)
July 2012	Specified Partner of Ernst & Young ShinNihon (Senior Principal)	Mar. 2026	Outside Director and Audit and Supervisory Committee Member, NIPPON EXPRESS HOLDINGS, INC. (to present)
June 2016	Audit & Supervisory Board Member, Japan Volleyball Association		
July 2020	Head, Non-audit Engagement Acceptance & Continuance Department, Professional Practice Division, Ernst & Young ShinNihon LLC		

Reason for nomination Ms. Yoko Kudo has extensive knowledge and experience in finance and accounting as a certified public accountant in the State of California. To ensure a more independent perspective in the audits of the Company, the Board would like to elect Ms. Kudo as an External Audit & Supervisory Board Member so that she can audit the Company from a professional perspective based on her knowledge and experience. Although Ms. Kudo has never been involved in corporate management, the Company believes that her high level of expertise will enable her to appropriately perform audits of the Company.

Ms. Kudo attended 11 out of 11 Board of Directors meetings held in FY2025, amounting to an attendance rate of 100%.

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

- (Notes) 1. There are no special interests between the candidates for Audit & Supervisory Board Members and the Company.
2. The positions and responsibilities as an executive officer held by the candidate for auditor at PayPay Corporation, a subsidiary of the Company, over the past ten years and at present are as described in "Biography, titles, responsibilities and significant concurrent positions." Titles and responsibilities that are not included in the above are as follows:
Mr. Takashi Naito served concurrently as Representative Director of Shiodome Lease Co., Ltd., our affiliate company, until September 2016.
3. The Company has concluded an agreement with Ms. Yoko Kudo to limit the liability for damages to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act. Subject to the approval of her election, the Company plans to continue to conclude an agreement with her. Furthermore, if the election of Mr. Takashi Naito is approved, the Company plans to conclude an agreement with him on the same terms and conditions.
4. The Company has concluded an indemnification agreement with Audit & Supervisory Board Members as stipulated in Paragraph 1, Article 430-2 of the Companies Act. Under these agreements, the Company agrees to indemnify them for the expenses specified in Item 1 of the same paragraph and the losses specified in Item 2 of the same paragraph, within the scope stipulated by relevant laws and regulations. However, if it is determined that an Audit & Supervisory Board Member performed his or her duties with the intent to secure improper benefits for himself or herself or a third party, or to cause damage to the Company, the Company may demand the return of any expenses or other amounts for which indemnification was received. Subject to the approval of the election of Ms. Yoko Kudo, the Company plans to continue to conclude an indemnification agreement with her. Furthermore, if the election of Mr. Takashi Naito is approved, the Company plans to conclude an agreement with him on the same terms and conditions.
5. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering all Audit & Supervisory Board Members as the insured. The insurance contract compensates for damages arising from liability incurred by Audit & Supervisory Board Members as the insured in the performance of their duties, as well as claims related to the pursuit of such liability. Subject to the approval of their election, each candidate will be included as insured under the contract. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums are paid by the Company. The Company plans to renew this contract during each candidate's term of office.

In addition, SoftBank Group Corp., the parent company of the Company, has concluded a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering Board Directors, Audit & Supervisory Board Members, Executive Officers, employees in managerial positions, and others of SoftBank Group Corp. and some of its subsidiaries as the insured, and all Audit & Supervisory Board Members of the Company are covered under this insurance policy. Subject to the approval of their election, each candidate will be included as insured under the contract. The insurance contract compensates for damages arising from liability incurred by the insured in the performance of their duties, as well as claims related to the pursuit of such liability. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums related to officers, etc. of the Company are paid by the Company. SoftBank Group Corp. plans to renew this contract during each candidate's term of office.

Damages incurred by officers of the Company will first be covered by the relevant insurance policy entered into by SoftBank Group Corp. If the amount covered by that policy is insufficient, compensation will be provided under the abovementioned Company policy.

6. Ms. Yoko Kudo meets the requirements for independent officers as stipulated by TSE and the Company has registered her as independent officer with TSE. If this proposal is approved as originally proposed, the Company will continue to file her as independent officer with TSE.
7. The age is the full age at the conclusion of this Annual General Meeting of Shareholders.

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

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

The Company has obtained approval from the Audit & Supervisory Board with respect to this proposal.

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

			Number of shares held in the Company
Yasuhiro Nakajima	(Date of birth: October 13, 1961; 64 years old)	External Audit & Supervisory Board Member Independent Officer	— shares



Biography, titles, and significant concurrent positions

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

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

- (Notes) 1. There are no special interests between Mr. Yasuhiro Nakajima and the Company.
2. The Company has concluded an agreement with Audit & Supervisory Board Members to limit the liability for damages to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act. If this proposal is approved as originally proposed and Mr. Yasuhiro Nakajima takes office as an External Audit & Supervisory Board Member, the Company plans to conclude an agreement with him on the same terms and conditions.
3. The Company has concluded an indemnification agreement with Audit & Supervisory Board Members as stipulated in Paragraph 1, Article 430-2 of the Companies Act. Under these agreements, the Company agrees to indemnify them for the expenses specified in Item 1 of the same paragraph and the losses specified in Item 2 of the same paragraph, within the scope stipulated by relevant laws and regulations. However, if it is determined that an Audit & Supervisory Board Member performed his or her duties with the intent to secure improper benefits for himself or herself or a third party, or to cause damage to the Company, the Company may demand the return of any expenses or other amounts for which indemnification was received. If Mr. Yasuhiro Nakajima assumes the position of External Audit & Supervisory Board Member, the Company plans to conclude such an indemnification agreement with him.
4. The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering all Audit & Supervisory Board Members as the insured. The insurance contract compensates for damages arising from liability incurred by Audit & Supervisory Board Members as the insured in the performance of their duties, as well as claims related to the pursuit of such liability. If Mr. Yasuhiro Nakajima assumes the position of External Audit & Supervisory Board Member, he will be included as insured under the contract. However, no compensation is given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The full amount of insurance premiums is paid by the Company. The Company plans to renew this contract during his term of office.
- In addition, SoftBank Group Corp., the parent company of the Company, has concluded a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering Board Directors, Audit & Supervisory Board Members, Executive Officers, employees in managerial positions, and others of SoftBank Group Corp. and some of its subsidiaries as the insured, and Audit & Supervisory Board Members of the Company are covered under this insurance policy. If Mr. Yasuhiro Nakajima assumes the position of External Audit & Supervisory Board Member, he will be included as insured under the contract. The insurance contract compensates for damages arising from liability incurred by the insured in the performance of their duties, as well as claims related to the pursuit of such liability. However, the policy does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The insurance premiums related to officers, etc. of the Company are paid by the Company. SoftBank Group Corp. plans to renew this contract during his term of office.
- Damages incurred by officers of the Company will first be covered by the relevant insurance policy entered into by SoftBank Group Corp. If the amount covered by that policy is insufficient, compensation will be provided under the abovementioned Company policy.

-
5. Mr. Yasuhiro Nakajima meets the requirements for independent officers as stipulated by TSE. If this proposal is approved as originally proposed, the Company plans to file him as independent officer with TSE.
 6. The age is the full age at the conclusion of this Annual General Meeting of Shareholders.

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

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

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

Name	Title / position at the Company	Major career	Gender	Management	Finance	Legal / Risk	AI / Digital / Technology	Sales / Marketing	Global	Sustainability
		Major career / credentials of External Officers	Male: M Female: F	•Corporate Management	•Finance •Accounting •Banking •Investment	•Legal •Risk •Labor - Management •Compliance	•AI •Information & Communications technology •High-tech	•Business Strategy •Marketing •Sales	•Global Business	•Sustainability •ESG
Jun Shimba	Director & Chairman		M	◎			○	○	○	
Junichi Miyakawa	President & CEO		M	◎		○	○		○	○
Osamu Akiyama	Board Director Senior Vice President & CFO		M	○	◎					○
Masayoshi Son	Board Director, Founder		M	◎	○		○	○	○	
Takeshi Idezawa	Board Director		M	◎			○	○	○	○
Ichiro Nakayama	Board Director		M	◎			○	○	○	
Atsushi Horiba	External Director	Chairman, HORIBA, Ltd.	M	◎			○		○	○
Naomi Koshi	External Director	Lawyer, Mayor (2 terms)	F			◎			○	○
Maki Sakamoto	External Director	Vice-president, The University of Electro-Communications	F				◎			
Hiroko Sasaki	External Director	Founder, ChangeWAVE Inc.	F	○						◎
Hideaki Karaki	External Director	Certified Public Accountant	M		◎				○	
Yukihiko Onishi	External Director	Representative Director, President and CEO, Sumitomo Mitsui Card Company, Limited	M	◎	○					
Hidehiko Yuzaki	External Director	Corporate Manager, Governor of Hiroshima Prefecture (4 terms)	M	○	○	○			○	◎
Shuji Kojima	Full-time Audit & Supervisory Board Member (External)	President, Mizuho Dream Partner, Ltd.	M		○	◎				
Takashi Naito	Full-time Audit & Supervisory Board Member		M		◎	○				
Kazuko Kimiwada	Audit & Supervisory Board Member		F		◎				○	○
Yoko Kudo	Audit & Supervisory Board Member (External)	Certified Public Accountant in the State of California	F		◎				○	

Legend: Primary Skills ◎, Supplementary Skills ○

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

(Reference)

Reason for selection of each skill in Skill Matrix

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

NEWS FLASH

This Year's Topics April 2025 – March 2026

2025.4

Selected for DX Grand Prix 2025



2025.5

Agreed on comprehensive business partnership in digital fields with Sumitomo Mitsui Card

SoftBank

PayPay



SMBC 三井住友カード

SMBC 三井住友銀行

2025.7

NatureBank

Launched forest conservation initiatives in all 47 prefectures and cities nationwide and "NatureBank" to contribute to decarbonization through a tree-planting contribution program driven by customers' eco-friendly actions

2025.9

超! おトクな新プラン登場

SoftBank Air ご加入*/ PayPayカード ゴールド支払いで**

シンプル3 月額 780円/月 従来 (858円/月)

シンプル3 基本使用料 ※1 おうち割 定額セット (A) ※2 PayPayカード割 (ゴールド)

3,058円/月 -1,650円/月 -550円/月

※1 日割おうち割 月々1,000円(税込) 基本使用料 定額割 定額セット (A) 月々1,650円(税込) PayPayカード割 (ゴールド) 月々550円(税込) 合計 3,058円(税込) 基本使用料 1,000円(税込) 定額割 定額セット (A) 月々1,650円(税込) PayPayカード割 (ゴールド) 月々550円(税込) 合計 3,058円(税込)

※2 月々550円(税込) 基本使用料 1,000円(税込) 定額割 定額セット (A) 月々1,650円(税込) PayPayカード割 (ゴールド) 月々550円(税込) 合計 3,058円(税込)

おトクな新プラン登場

Launched new price plan Simple3 for Y!mobile brand

2025.11



The SoftBank Group and OpenAI Launch "SB OAI Japan" Joint Venture

~New company launched for rollout of "Crystal intelligence" to transform Japan's corporate management and operational practices with AI~

2025.11

Gen-AX Corp. officially began providing "X-Ghost," an autonomous AI-powered operator



2025.11

Our AI computing platform ranked first in a metric evaluating AI computing performance in the supercomputer performance rankings



2025.12

Launched AI computing platform powered by NVIDIA GB200 NVL72

~support the development and commercialization of Japan-made LLM "Sarashina"~

2026.3



PayPay Corporation made its initial public offering on the Nasdaq Global Select Market in the United States

(*1) Ranked No. 1 in Japan (No. 5 worldwide) in the "HPL-MxP" benchmark that measures AI computing performance announced at the International Conference "SC25"

Business Report

Status of the Group

1 Overview of operations for this fiscal year

1) Details of operations

In the fiscal year ended March 31, 2026, the Japanese economy remained generally robust, despite impacts such as rising prices, labor shortages, and rising interest rates. On the other hand, the outlook remains uncertain against the backdrop of factors such as U.S. tariff trends and increasing tensions in the Middle East. Under these business conditions, digitalization has been progressing while the utilization of AI has been expanding rapidly among companies and the government as they seek to address labor shortages and strengthen competitiveness. In particular, with the evolution and widespread adoption of AI, demand for data processing and electricity is expected to expand, and the infrastructure that supports these needs is growing increasingly important.

Under the Medium-term Management Plan from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2026, the Company and its subsidiaries (the "Group") have been rebuilding its business foundations by strengthening the earnings base of the telecommunications business and driving growth in non-telecommunications businesses. Furthermore, net income attributable to owners of the Company for the fiscal year ended March 31, 2026, which is the plan's final year, reached a record high of ¥550.8 billion, exceeding the target of ¥543.0 billion*.

In the Consumer segment, mobile revenue increased mainly reflected an increase in smartphone subscribers mainly led by the Y!mobile brand compared to the previous fiscal year, amid a stable trend in average revenue per user. In addition, strong sales of mobile devices contributed to revenue and profit growth across the entire segment.

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

In the Distribution segment, recurring revenue from cloud and SaaS, which have been strategic areas of focus, grew steadily, in addition to Information and Communication Technology (ICT) related products.

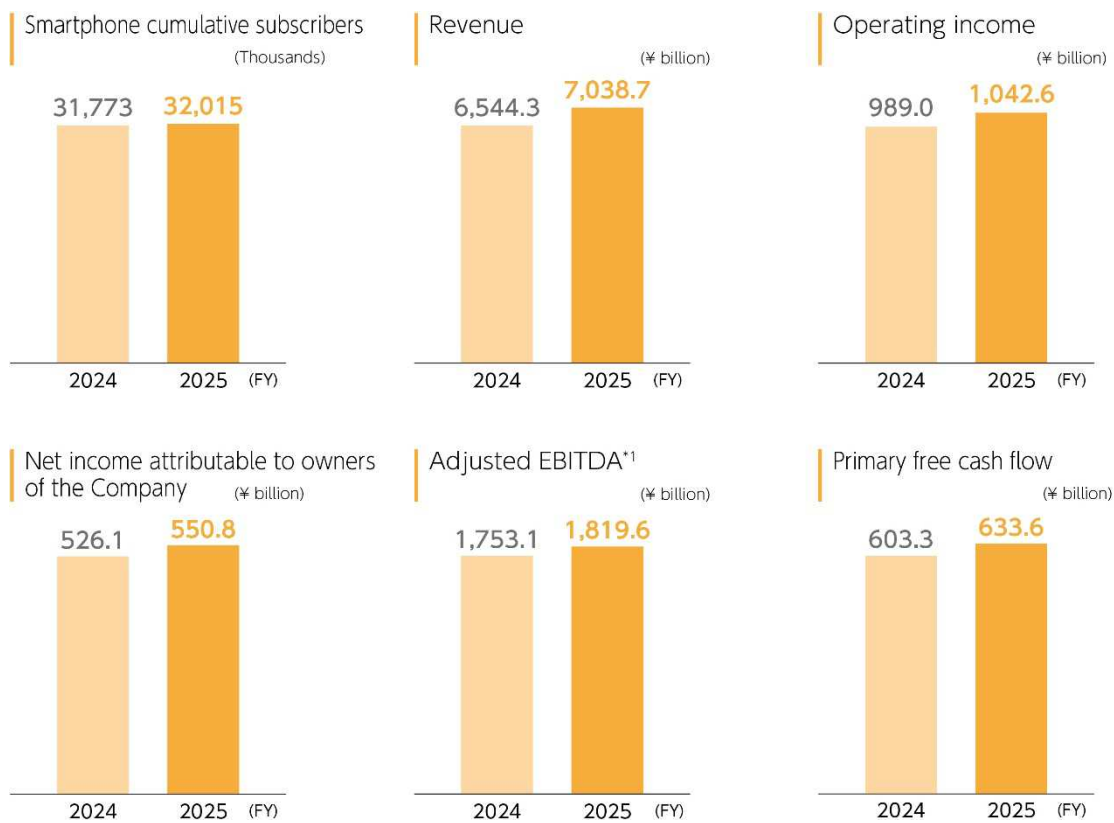
In the Media & EC segment, revenue increased mainly due to growth in commerce revenue and strategy revenue, however profit decreased due to factors such as the system outage at ASKUL Corporation.

In the Financial segment, the cashless payment service *PayPay* has been expanding steadily and recorded 73.36 million registered users as of the end of March 2026. Additionally, PayPay Corporation made its initial public offering on a U.S. stock exchange in March 2026.

As a result, for the fiscal year ended March 31, 2026, revenue increased by ¥494.3 billion (7.6%) year on year to ¥7,038.7 billion. Operating income increased by ¥53.6 billion (5.4%) year on year to ¥1,042.6 billion. Net income attributable to owners of the Company increased by ¥24.6 billion (4.7%) year on year to ¥550.8 billion. This was mainly due to the increase in operating income of ¥53.6 billion and a decrease in corporate income tax. The decrease in corporate income tax was primarily due to an increase in expenses resulting from the reversal of tax effects related to the restructuring of subsidiaries and associates recognized in the previous fiscal year, offset by a decrease in expenses resulting from the recognition of additional deferred tax assets following a reassessment of the recoverability of deferred tax assets at PayPay Corporation.

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 mainly reflected an increase in operating income. On the other hand, primary free cash flow*¹ increased by ¥30.3 billion year on year to ¥633.6 billion.

(Note) 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.



- (Notes)
- Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) + stock compensation expenses ± other adjustments.
 - Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) + dividends received from A Holdings Corporation - investment in PayPay Corporation + proceeds from the sale of shares of PayPay Securities Corporation - free cash flow of 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. Long-term growth investments include investments in AI computing infrastructure and AI data centers.

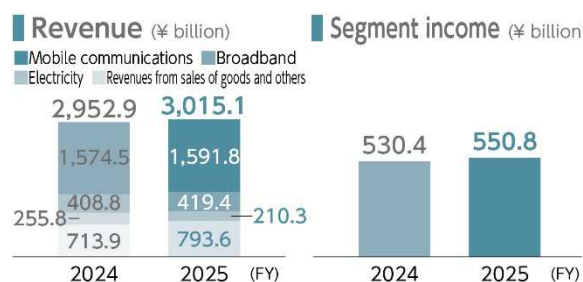
2) Results by reportable segment

Consumer

Main businesses

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

In revenue, the increase in mobile revenue mainly reflected year on year growth in smartphone subscribers, led by the Y!mobile brand, amid a stable trend in Average Revenue Per User per month (ARPU). The increase in broadband revenue was mainly due to an increase in subscribers of the *SoftBank Hikari** fiber-optic service year on year. The decrease in electricity revenue was mainly due to a decrease in trading activity 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.



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

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

(Note) *SoftBank Hikari* subscribers include the number of subscribers to *SoftBank Air*.

Enterprise

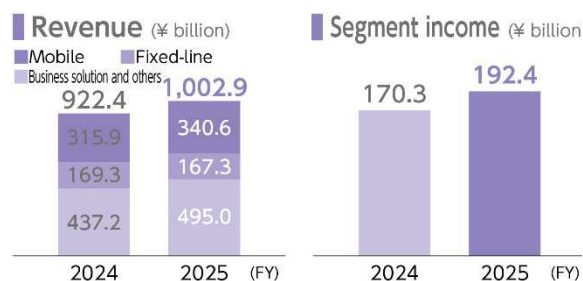
Main businesses

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

In revenue, the increase in mobile revenue was mainly due to the increases in devices revenue and telecommunications revenue from a growth in the number of subscribers to mobile services. The decrease in the fixed-line revenue was mainly due to a decrease in the number of subscribers to telephone services. The increase in business solution and others revenue was mainly due to increased revenue from cloud, security solutions, etc. as a result of capturing enterprise customers' demand for digitalization.

Operating expenses increased year on year 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.

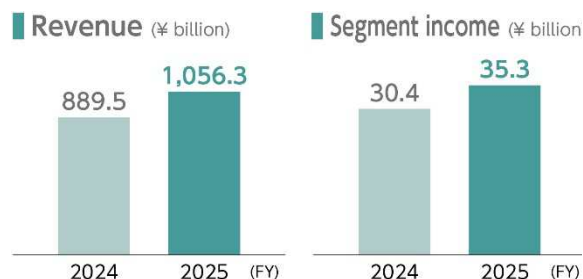


Distribution

Main businesses

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

The increase in revenue was mainly due to solid growth in ICT related products and recurring revenue products for enterprise customers 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 increased year on year mainly due to an increase in cost of sales associated with the increase in revenue.

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

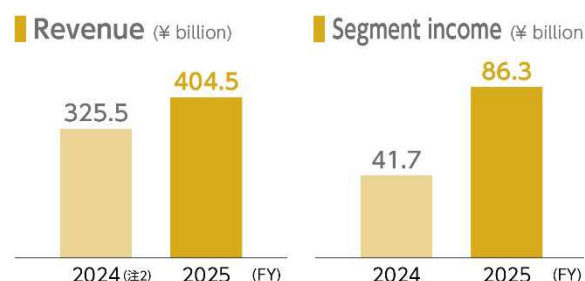
Financial

Main businesses

The Group provides cashless payment services such as QR code payments*¹ 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.

The increase in revenue 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 increased year on year 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.

(Note 1) QR code is a registered trademark of DENSO WAVE INCORPORATED.

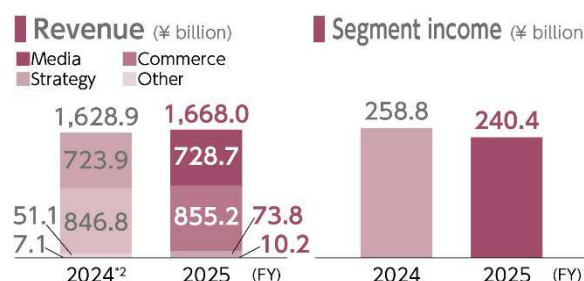
(Note 2) From the three-month period ended June 30, 2025, PayPay Bank Corporation, which was previously classified under the "Media & EC segment," has been transferred to the "Financial segment." As a result, the figures for fiscal year 2024 have been retrospectively adjusted.

Media & EC

Main businesses

The Group offers services that center on media and commerce, covering online to offline services in a comprehensive manner. In the media field, the Group provides advertising-related services on its comprehensive Internet service, *Yahoo! JAPAN*, and communication app, *LINE*. In the commerce field, the Group provides online shopping services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, and reuse services such as *Yahoo! JAPAN Auction*. In the strategy field, the Group provides services centered on FinTech* that the Group is working to establish as a new pillar of revenue following media and commerce.

In revenue, the increase in media revenue mainly reflected an increase in revenue from account advertising, while revenue from search advertising decreased. The increase in commerce revenue is mainly due to making LINE MAN CORPORATION PTE. LTD. and BEENOS Inc. into subsidiaries and an increase in transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries), while transaction value of ASKUL Corporation decreased due to the system outage occurred in October 2025. The increase in strategy revenue mainly due to making LINE Bank Taiwan Limited as a subsidiary.



Operating expenses increased year on year. This mainly reflected decreases due to temporary factors (the total of the absence of gain on loss of control over subsidiaries recorded in the previous fiscal year and gain from remeasurement associated with a business combination recorded in this fiscal year), decreases at the ASKUL Group (ASKUL Corporation and its subsidiaries) due to the system outage, increases due to making LINE MAN CORPORATION PTE. LTD., LINE Bank Taiwan Limited, and BEENOS Inc. as subsidiaries, and increased sales promotion expenses. As a result, segment income decreased by ¥18.4 billion (7.1%) year on year to ¥240.4 billion.

(Note 1) FinTech is a term coined from the combination of finance and technology, and refers to a variety of innovative services that combine financial services with information and communication technology.

(Note 2) 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 2024 have been retrospectively adjusted.

2 Issues to be addressed by the Group

1) Corporate philosophy

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

2) Material issues

The Company has defined six material issues that link the aforementioned corporate philosophy, vision and our growth strategy, “Activate AI for Society.” These are priority issues to be tackled by the Company to achieve both the enhancement of corporate value of the Company and the realization of a sustainable society.



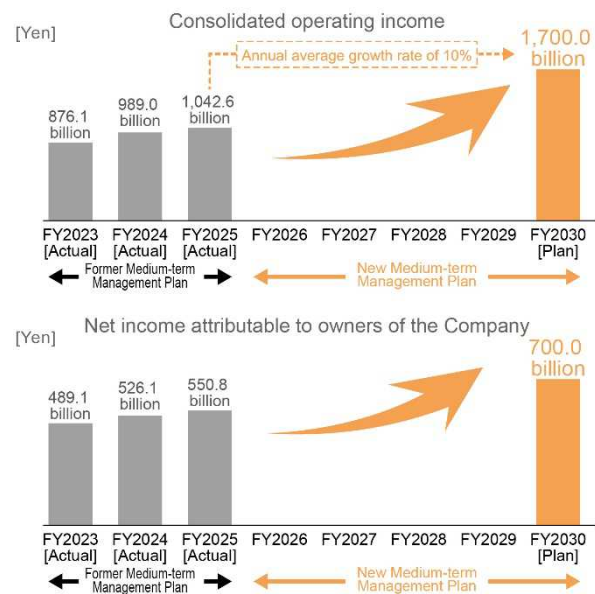
For an overview of our material issues, please refer to “4) Overview of our material issues.”

3) Management policy

1. Medium-term Management Plan (FY2026-FY2030)

The Company has established a long-term vision, “a company that provides Next-generation Social Infrastructure essential for development of a digital society,” for FY2030. Under the Medium-term Management Plan for FY2023 through FY2025, the Group has been rebuilding its business foundation by strengthening the revenue base of telecommunications business and growing non-telecommunications business. In the subsequent Medium-term Management Plan for FY2026 through FY2030, we will drive further business growth while aiming to realize next-generation social infrastructure.

Under this Medium-term Management Plan, the Company has set financial goals to achieve consolidated operating income of ¥1,700 billion and net income attributable to owners of the Company of ¥700.0 billion in FY2030, aiming to reach record-high profits. Additionally, as a non-financial goal, the Company is committed to achieving carbon neutrality by FY2030, even as it continues to expand its AI data centers, etc.



Consolidated financial results for FY2025 and forecasts for FY2026 are as shown below.

Consolidated financial results for FY2025 and forecasts for FY2026

	Result of FY2025	Forecast for FY2026	Increase/(Decrease)	Change (%)
Revenue	¥7,038.7 billion	¥7,500.0 billion	¥461.3 billion	7%
Operating income	¥1,042.6 billion	¥1,100.0 billion	¥57.4 billion	6%
Net income attributable to owners of the Company	¥550.8 billion	¥560.0 billion	¥9.2 billion	2%
Dividends per common share* ¹	¥8.6	¥8.8	¥0.2	2%

Operating income by segment: Results for FY2025 and forecasts for FY2026

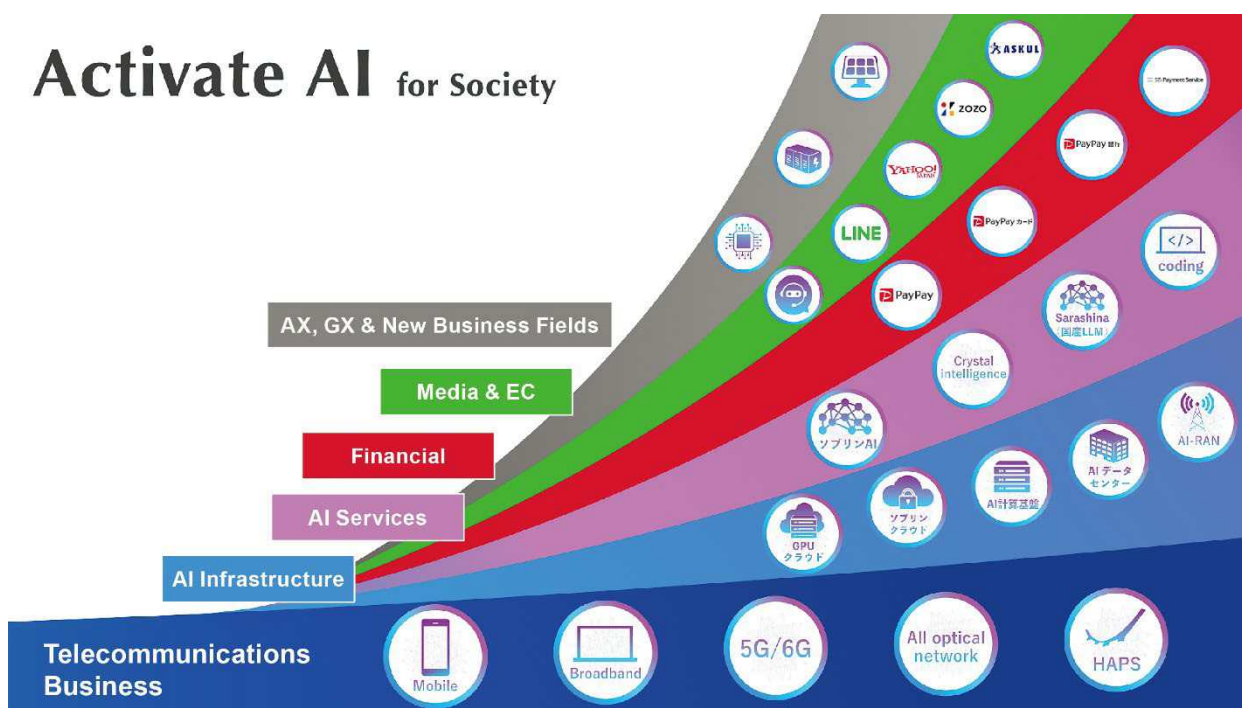
	Result of FY2025	Forecast for FY2026	Increase/(Decrease)	Change (%)
Consumer	¥550.8 billion	¥560.0 billion	¥9.2 billion	2%
Enterprise	¥192.4 billion	¥230.0 billion	¥37.6 billion	20%
Distribution	¥35.3 billion	¥36.0 billion	¥0.7 billion	2%
Media & EC	¥240.4 billion	¥264.0 billion	¥23.6 billion	10%
Financial	¥86.3 billion	¥110.0 billion	¥23.7 billion	27%
Other* ²	¥(62.6) billion	¥(100.0) billion	¥(37.4) billion	—
Total	¥1,042.6 billion	¥1,100.0 billion	¥57.4 billion	6%

(Notes) 1. The year-end dividend for FY2025 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 15, 2026.

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

2. Business strategy

The Group has adopted the “Activate AI for Society” growth strategy. We aim to maximize corporate value by activating the potential of AI across all our businesses and driving its implementation in society.



1. Further growth of the telecommunications business

In the telecommunications business, which forms the foundation of the Group's operations, we aim to achieve continued growth in mobile service revenue and segment profit, while strengthening competitiveness by providing a seamless and robust network.

i. Continued growth in mobile service revenue and segment profit

We aim to achieve continued growth in mobile service revenue and segment profit by promoting the adoption of price plans that offer attractive value-added services, while leveraging the Group's ecosystem to acquire and retain users with strong long-term usage potential.

ii. Strengthening competitiveness through the construction of a seamless and robust network

In addition to advancing network sophistication through measures such as expanding 5G SA (Stand Alone) coverage areas, we aim to construct a seamless, user-experience-oriented network by integrating AI to create a network capable of autonomously providing optimal services. Furthermore, by utilizing satellite communication services and LTA (Lighter Than Air) type*¹ HAPS*² (flying base stations), we will work to secure communications during disasters and other emergencies, thereby enhancing the resilience of our network infrastructure.

- (Notes)
1. LTA (Lighter Than Air) type: A method using helium gas, which is lighter than air.
 2. HAPS (High Altitude Platform Station): A general term for a system that operates an unmanned aircraft that can fly continuously in the stratosphere for a long period of time as communication base stations to provide communication services over a wide area.

2. Growth in the enterprise business through expansion in the field of cloud and AI

Against the backdrop of increasingly sophisticated corporate demand for DX and the rapid advancement of generative AI, the Group aims to achieve further growth in its enterprise business.

In telecommunications services for enterprise customers, which form the foundation of this business, we will maintain steady growth by providing value-added services tailored to customer needs. Using this solid customer base as a foundation, we will further advance DX solutions while aiming for further growth in our focus areas of cloud and AI.

Specifically, in addition to developing infrastructure foundations such as Japan's largest AI computing infrastructure equipped with the latest GPUs, AI data centers, and a sovereign cloud that securely manages and operates sensitive data within Japan, we will focus on deploying high-value-added AI services, including “Crystal Intelligence,” a cutting-edge AI solution for enterprises.

Through these initiatives, we will promote the expansion of our customer base and the increase in transaction amount per customer (ARPA) by flexibly providing services to meet corporate needs for AI implementation and data utilization, aiming to enhance the profitability of the business as a whole.

3. Growth of Media & EC

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

i. Expansion of the media field

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

Furthermore, by advancing a platform “Connect One” concept that integrates LINE Official Accounts with corporate services to seamlessly connect customer touchpoints through both online and offline channels, we aim to support the building of continuous relationships with customers and expand revenue opportunities beyond advertising. Furthermore, by leveraging *LINE MINI App*, we will strengthen integrations for services such as reservations, orders, payments, and membership enrollment. By providing seamless services from user touchpoints through to transactions, we aim to establish a new revenue base.

In addition, through *LYP Premium*, the Group's cross-service paid membership program, we will promote cross-service usage of Group services, including *LINE* and *Yahoo! JAPAN*, aiming to expand our membership base and service usage.

i. Growth of the commerce field

In the commerce field, which includes online shopping, we are working to reach a broad range of users by operating multiple commerce services that each have distinct characteristics, such as *Yahoo! JAPAN Shopping*

and ZOZOTOWN, as user needs continue to diversify. We will continue to aim for sustainable growth in earnings by further promoting mutual use of the Group services such as *LINE*, *Yahoo! JAPAN*, and *PayPay*, which have some of the largest user bases in Japan, and by expanding the Group ecosystem.

In addition, at the renewal of the *LINE* app that has been gradually implemented since the second half of FY2025, by adding a new “Shopping” tab, we will provide a purchasing experience that starts from the messenger app. Through the renewal of the *LINE* app, we will work to improve the convenience of *LINE* and further promote cross-service usage.

ii. Ensuring security governance

LY Corporation, a core company in the Media & EC business, places a high priority on ensuring security governance, including the protection of personal information, as a platform operator with a large number of users. As the parent company of LY Corporation, the Company is implementing measures to ensure effective security governance, including regular risk assessments and strengthening communication systems in the event of an emergency.

LY Corporation received administrative guidance from MIC and recommendations and requests for reports, etc. from the Personal Information Protection Commission in FY2023 concerning the leakage of information due to unauthorized access, which was announced in November 2023. LY Corporation received additional administrative guidance from MIC in FY2024. In response, the Company has implemented measures to prevent a recurrence and has completed the key measures it formulated, including the separation of systems and private networks from NAVER Corporation and NAVER Cloud Corporation by the end of March 2026.

In addition, the damage caused by ransomware, etc. has become increasingly severe in recent years, becoming a threat that directly impacts business continuity. In October 2025, a system outage occurred at ASKUL Corporation, a consolidated subsidiary of LY Corporation, due to a ransomware attack, which impacted some business operations. Considering the spread of these threats and the incidents that have occurred at the Group companies, the Company is implementing countermeasures in collaboration with the Group companies including data preservation and the verification of recovery procedures to ensure business continuity.

4. Growth of Financial business

The Financial segment includes PayPay Corporation and its subsidiary PayPay Card Corporation, PayPay Bank Corporation, and PayPay Securities Corporation. It also includes SB Payment Service Corp., which provides payment processing services.

PayPay Corporation, the core of the financial business, is advancing the establishment of a highly convenient digital financial platform by leveraging code-based payments as its foundation and deepening integration with financial services such as credit cards, banking, and securities. The Company aims to diversify its revenue sources and achieve sustainable profit growth by expanding usage in the payment field, expanding usage of services in the financial services field, and strengthening the collaboration between the payment and financial services fields. PayPay Corporation listed on the NASDAQ market in the United States on March 12, 2026. Taking this opportunity, the company will pursue business opportunities overseas while also exploring the development of new services in Japan.

i. Growth in the payment field and improvement in profitability

By expanding usage opportunities across both offline and online channels, implementing efficient promotions, and enhancing the value of the *PayPay* platform, we aim to increase the number of monthly transaction users* (MTU) and maximize the number of payment transactions. Additionally, through strengthened collaboration with PayPay Card Corporation, we will accelerate the adoption of *PayPay Credit* to promote expansion of payment transaction volume while also increasing interest income, achieving continuous improvement in profitability.

(Note) The number of unique users who made at least one payment per month. This includes payments made via *PayPay Balance*, *PayPay Debit*, *PayPay Balance Card*, *PayPay Credit*, *Alipay*, *LINE Pay*, etc. It does not include the use of the "Send/Receive" feature for *PayPay Balance* between users.

ii. Accelerating growth in the financial services field

Through making PayPay Bank Corporation and PayPay Securities Corporation subsidiaries of PayPay Corporation completed in April 2025, we will promote the construction of a financial platform that integrates payments, banking, and securities. Specifically, we will strive to expand deposits, loans, and securities accounts, etc. by enhancing the UI/UX of banking and securities services within the *PayPay* app and ensuring more seamless integration between payment and each financial function. In addition, by advancing credit models utilizing payment data, etc., we aim to strengthen profitability through expanding the provision of personal loans and financing for merchants. Furthermore, by strengthening the integration of payment and financial services, we will promote improved profitability per user, diversification of revenue sources, and sustainable profit growth through enhanced user convenience and increased usage of financial services.

5. New business creation and expansion

The Group is working to create and expand new businesses in promising growth fields by utilizing its customer and business bases cultivated across multiple fields such as telecommunications, e-commerce, payments, and social media. We are committed to creating new business opportunities by leveraging cutting-edge technologies in fields such as AI, FinTech, mobility, healthcare, and energy. As part of this initiative, we are engaged in development of LLM “Sarashina” specialized for the Japanese language and “HAPS (flying base stations),” while also working to commercialize innovative batteries.

6. Improvement of cost efficiency

The Group will flexibly make business investments while continuing to improve cost efficiency. We are exploring the utilization of AI across all fields, including the automation of call center operations and network operations and monitoring, with the aim of further improving operational efficiency. In addition, we will continue to optimize our network equipment in line with the termination of PHS, 3G and ADSL services. We will also strive to reduce group-wide costs through joint purchasing with Group companies and in-house development and operations by utilizing Group companies.

3. Financial strategy

(a) Basic policy on financial management

Under a policy that emphasizes both “medium- to long-term growth” and “shareholder returns,” the Group conducts its financial management based on a capital allocation policy covering the three-year accumulated period from FY2026 to FY2028 (excluding LY Corporation and PayPay Corporation, etc.). Specifically, we will use stable operating cash flow, primarily from the telecommunications business, to cover telecommunications-related capital expenditures* and total dividends. We will also secure additional investment capacity and funds for financial improvement through the monetization of AI-related businesses, etc. Then, while pursuing both financial soundness and capital efficiency, we will execute strategic investments including those in AI with the aim of enhancing corporate value over the medium to long term.

(Note) This includes lease payments for land and buildings used to establish base stations.

(b) Policy for shareholder returns

We consider the return of profits to shareholders to be an important goal for our management along with increasing medium- to long-term corporate value. Please refer to “Policy to determine dividends of surplus” for details.

4) Overview of our material issues

1. Solving social issues through DX and AX

The Company supports business and industrial transformation of client companies through digital technology and AI, while also promoting the creation of new businesses and regional revitalization through collaboration with the national and local governments, thus contributing to the solution of social issues.

2. Connecting people and information to create new excitement

The Company contributes to enriching the lifestyles of customers and creating new experiences by widely providing the value delivered by digital technology through a diverse range of services and platforms that connect people to information.

3. Realizing next-generation social infrastructure to support a society that coexists with AI

The Company contributes to realizing safe and highly reliable next-generation social infrastructure by constructing AI infrastructure such as AI data centers and AI computing infrastructure, developing AI platforms such as sovereign clouds and sovereign AI, and establishing AI governance systems.

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

The Company contributes to the global environment by utilizing technology to achieve carbon neutrality, promote resource recycling, and conserve biodiversity.

5. Providing sustainable communication networks

The Company contributes to realizing a digital environment that users can use with peace of mind by continuously providing high-quality communication networks that are stable and resilient, while promoting information security and privacy protection.

6. Developing a resilient management foundation

The Company develops a resilient management foundation to support sustainable growth by enhancing corporate governance, promoting dialogue with stakeholders, and strengthening human capital through the creation of an environment where diverse human resources can thrive.

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

3 Major parent and subsidiaries (as of March 31, 2026)

1) Relationship with the parent

The Company's parent company is SoftBank Group Japan Corporation, the owner of 19,148,580,700 common shares of the Company (equity interest: 40.06%). SoftBank Group Japan Corporation is a wholly-owned subsidiary of SoftBank Group Corp. and the parent company of the Company.

2) Major subsidiaries

Company name	Capital	Voting rights of the Company*1 (%)	Principal business activities
Wireless City Planning Inc.*2	¥110 million	31.8	Telecommunications business
SB Power Corp.	¥3,000 million	100.0	Sale, purchase, and supply of power and power transaction mediation
Cubic Telecom Ltd.	240 thousand EUR	54.3	Supply of IoT platforms for SDCVs
SB C&S Corp.	¥500 million	100.0	Manufacture, distribution and sales of IT-related products, and IT-related services
A Holdings Corporation*2	¥100 million	50.0	Management of investees' business activities, and related operations
LY Corporation	¥252,134 million	62.4 [62.4]	Operation of internet advertising, e-commerce, membership services and other businesses, and group company management operations
ASKUL Corporation*2	¥21,233 million	46.9 [46.9]	Office-related product sales and other delivery services
ZOZO, Inc.	¥1,359 million	51.9 [51.9]	Planning and operation of fashion e-commerce site ZOTOTOWN, customer support and operation of logistics center ZOZOBASE
IKYU CORPORATION	¥400 million	100.0 [100.0]	Operation of internet reservation site for luxury hotels and inns, select restaurants, etc.
Z Intermediate Global Corporation	¥1 million	100.0 [100.0]	Holding company
LINE SOUTHEAST ASIA CORP.PTE.LTD.	588,254 thousand USD	100.0 [100.0]	Holding company
LINE MAN CORPORATION PTE. LTD.*3	433,401 thousand USD	50.8 [50.8]	Holding company
DECACORN CO., LTD.*3	11,418 million THB	100.0 [100.0]	Holding company
LINE MAN (THAILAND) COMPANY LIMITED*3	9,235 million THB	100.0 [100.0]	Operating a food delivery business in Thailand

Company name	Capital	Voting rights of the Company ^{*1} (%)	Principal business activities
LINE Financial Corporation	261,756 million KRW	100.0 [100.0]	Planning and operation of LINE's global financial platform services
LINE Plus Corporation	25,032 million KRW	100.0 [100.0]	Overseas marketing and development of various overseas services related to LINE
LINE Bank Taiwan Limited ^{*3}	20,000 million TWD	51.2 [51.2]	Internet-only bank
PayPay Corporation	¥200,635 million	62.2 [54.6]	Development/provision of e-payment services such as mobile payments
PayPay Bank Corporation	¥72,216 million	75.5 [75.5]	Banking
PayPay Card Corporation	¥100 million	100.0 [100.0]	Credit card business
SB Payment Service Corp.	¥6,075 million	100.0	Settlement and collection services

- (Notes)
1. The figures in brackets represent the percentage of indirectly held voting rights.
 2. Classified as a subsidiary because the Company is deemed to have substantial control even though the percentage of voting rights it holds is less than 50%.
 3. LY Corporation, a subsidiary of the Company, has conducted a series of transactions, including additional acquisition of shares in LINE MAN CORPORATION PTE. LTD. ("LMWN"), an associate accounted for by the equity method of LY Corporation, through LINE SOUTHEAST ASIA CORP. PTE. LTD., a subsidiary of LY Corporation. As a result of these transactions, LY Corporation has obtained control over LMWN, and LMWN has become a new subsidiary of the Group. Additionally, following the conversion of LMWN into a subsidiary, its subsidiaries, DECACORN CO., LTD. and LINE MAN (THAILAND) COMPANY LIMITED, have also become subsidiaries of the Group.
 4. LY Corporation, a subsidiary of the Company, has increased the capital into LINE Bank Taiwan Limited ("LBT"), an associate accounted for by the equity method of LY Corporation, through LINE Financial Taiwan Limited ("LFT"), a subsidiary of LY Corporation, on June 17, 2025. As a result of this transaction, the voting rights of LFT in LBT reached 51.2%, thereby exceeding a majority. Consequently, LY Corporation has obtained control over LBT, and LBT has become a new subsidiary of the Group.
 5. 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.

4 Major business offices (as of March 31, 2026)

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

5 Employees (as of March 31, 2026)

1) Employees of the Group

Number of employees	Change from the end of the previous fiscal year
58,432	3,362 increase

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

2) Employees of the Company

Number of employees	Change from the end of the previous fiscal year
19,150	255 increase

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

6 Status of major lenders (as of March 31, 2026)

Lenders	Outstanding balance of loans
Bank borrowing	¥1,508,899 million
Lease contracts	¥670,511 million
Securitization of receivables	¥1,047,185 million

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

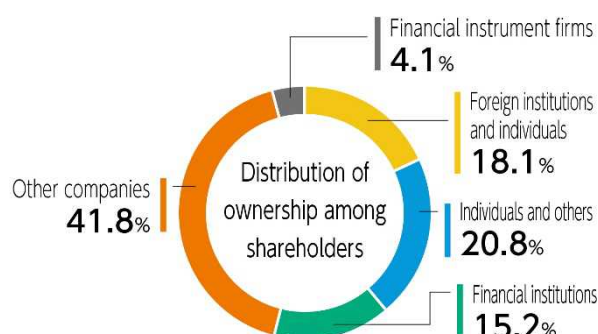
Status of the Company

1) Status of shares (as of March 31, 2026)

1) Shares authorized 80,109,603,000 shares

2) Shares issued

Common stock 47,971,989,700 shares
 Series 1 Bond-Type Class Shares 30,000,000 shares
 Series 2 Bond-Type Class Shares 25,000,000 shares
 (Treasury common stock 170,724,817 shares)



3) Number of shareholders

Common stock 1,837,411
 Series 1 Bond-Type Class Shares 20,278
 Series 2 Bond-Type Class Shares 31,216

4) Principal shareholders

Name of shareholders	Number of shares held				Percentage of total shares issued (%)
	Common stock	Bond-Type Class Shares		Total	
		Series 1	Series 2		
SoftBank Group Japan Corporation	19,148,580,700	-	-	19,148,580,700	40.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,692,651,900	-	-	4,692,651,900	9.82
Custody Bank of Japan, Ltd. (Trust Account)	1,763,858,900	26,200	14,200	1,763,899,300	3.69
SMBC Nikko Securities Inc.	491,519,562	-	-	491,519,562	1.03
JPMorgan Securities Japan Co., Ltd.	489,167,723			489,167,723	1.02
STATE STREET BANK AND TRUST COMPANY 505001	429,841,937	-	-	429,841,937	0.90
JP MORGAN CHASE BANK 385781	419,455,170	-	-	419,455,170	0.88
Goldman Sachs Japan Co., Ltd. BNYM	315,993,980	-	-	315,993,980	0.66
JP MORGAN CHASE BANK 385642	259,201,293	-	-	259,201,293	0.54
Custody Bank of Japan, Ltd. (Trust Account 4)	254,208,300			254,208,300	0.53

(Notes) 1. The total number of shares of common stock issued increased by 220,499,000 shares due to the exercise of stock acquisition rights.

2. Percentage of total shares issued is calculated excluding treasury stock (170,724,817 shares).

3. The above numbers of shares held include those held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. that are related to trust operations.

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

Title	Class and number of shares	Number of officers to whom shares were issued
Board Directors (excluding External Directors)	Common stock 5,640,300 shares	4
External Directors	Common stock 92,600 shares	6

2) Status of Corporate Officers

1) Status of Board Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Title	Name	Area of responsibility	Status of significant concurrent position
Director & Chairman	Yasuyuki Imai	—	—
Representative Director	Junichi Miyakawa	President & CEO	Representative Director, A Holdings Corporation Director, PayPay Corporation
Representative Director	Jun Shimba	Representative Director & COO	Representative Director, President & CEO, SB Payment Service Corp. Director, PayPay Corporation
Board Director	Kazuhiko Fujihara	Executive Vice President & CFO	Finance Unit Head Director, A Holdings Corporation
Board Director, Founder	Masayoshi Son	—	Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. Representative Director, SoftBank Group Japan Corporation
Board Director External Independent Officer	Atsushi Horiba	Chair of the Remuneration Committee Chair of the Nominating Committee	Chairman, Representative Director & Group CEO, HORIBA, Ltd. Outside Director, Sumitomo Electric Industries, Ltd.
Board Director External Independent Officer	Naomi Koshi	Member of the Remuneration Committee Member of the Nominating Committee	Partner Lawyer, Miura & Partners Co-Founder and CEO, OnBoard K.K. Outside Audit & Supervisory Board Member, Mitsubishi Research Institute, Inc.
Board Director External Independent Officer	Maki Sakamoto	Member of the Remuneration Committee Member of the Nominating Committee	Vice-president, The University of Electro-Communications Sub-Director, Artificial Intelligence eXploration Research Center, The University of Electro-Communications Professor, Department of Informatics, Graduate School of Informatics and Engineering, The University of Electro-Communications Director COO, Kansei AI Co., Ltd.
Board Director External Independent Officer	Hiroko Sasaki	Member of the Remuneration Committee Member of the Nominating Committee	President & CEO, ChangeWAVE Group, Inc. Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited Representative Director, Human Capital Management Promotion Association

Title		Name	Area of responsibility	Status of significant concurrent position
Board Director	External	Hideaki Karaki	—	President, Hideaki Karaki CPA Office Chair of the Contract Monitoring Committee, Japan International Cooperation Agency (JICA)
	Independent Officer			
Board Director	External	Akiko Nakajo	—	Director (Outside), McDonald's Holdings Company (Japan), Ltd.
	Independent Officer			
Full-time Audit & Supervisory Board Member	External	Shuji Kojima	—	—
	Independent Officer			
Full-time Audit & Supervisory Board Member	External	Eiji Shimagami	—	—
	Independent Officer			
Audit & Supervisory Board Member	External	Kazuko Kimiwada	—	Executive Corporate Officer, CAO, CSusO, Head of Accounting Unit, SoftBank Group Corp.
	Independent Officer			
Audit & Supervisory Board Member	External	Yoko Kudo	—	Outside Director, Member of the Audit and Supervisory Committee, KPP GROUP HOLDINGS CO., LTD. Outside Director and Audit and Supervisory Committee Member, NIPPON EXPRESS HOLDINGS, INC.
	Independent Officer			

- (Notes) 1. Board Director Yasuyuki Imai was transferred from the position of Director & Chairman at the Company to that of Director & Special Advisor on April 1, 2026.
2. Board Director Jun Shimba was transferred from the position of Representative Director & COO at the Company to that of Director & Chairman on April 1, 2026.
3. Board Director Kazuhiko Fujihara was transferred from the position of Board Director, Executive Vice President & CFO at the Company to that of Director & Senior Advisor on April 1, 2026.
4. Board Directors Takehiro Kamigama and Kazuaki Oki resigned from the position at the Company on June 26, 2025 due to expiration of their term of office.
5. Board Directors Hideaki Karaki and Akiko Nakajo assumed the position at the Company on June 26, 2025.
6. Board Director Atsushi Horiba resigned from the position of Chairman & Representative Director at HORIBA STEC, Co., Ltd. on March 27, 2026.
7. Board Director Akiko Nakajo assumed the position of Director (Outside) at McDonald's Holdings Company (Japan), Ltd. on March 25, 2026.
8. Audit & Supervisory Board Member Kazuko Kimiwada assumed the position of Executive Corporate Officer, CAO, CSusO, Head of Accounting Unit at SoftBank Group Corp. on June 27, 2025.
9. Audit & Supervisory Board Member Yoko Kudo resigned from the position of External Director at Chubu Electric Power Co., Inc. on June 26, 2025 and assumed the position of Outside Director, Member of the Audit and Supervisory Committee at KPP GROUP HOLDINGS CO., LTD. on June 27, 2025 and the position of Outside Director and Audit and Supervisory Committee Member at NIPPON EXPRESS HOLDINGS, INC. on March 27, 2026.
10. Full-time Audit & Supervisory Board Member Shuji Kojima has extensive expertise and experience in human resources, compliance and risk management at a financial institution, and has considerable insight into finance and accounting.
11. Audit & Supervisory Board Member Kazuko Kimiwada is a certified public accountant and has 25 years of business experience as an accounting manager of SoftBank Group Corp., and she has considerable insight into finance and accounting.
12. Audit & Supervisory Board Member Yoko Kudo has extensive expertise and experience as a certified public accountant in the State of California, and she has considerable insight into finance and accounting.
13. In the fiscal year ended March 31, 2026, the average ratio of attendance by all Board Directors at the Board of Directors meetings was 96.7%.

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

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

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

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

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

2. Structure of the remuneration of Board Directors

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

		Basic remuneration Fixed	Short-term performance-based remuneration Variable (in a range between 0 - 2.5)	Medium-term performance-based remuneration Variable (in a range between 0 - 3.0) *Once every three years
Director & Chairman	First year	Basic remuneration (¥84 million)	Share-based payment (¥166 million)	
	Second year	Basic remuneration	Share-based payment	
	Third year	Basic remuneration	Share-based payment	[Share-based payment (¥100 million)]
President & CEO	First year	Basic remuneration (¥120 million)	Share-based payment (¥380 million)	
	Second year	Basic remuneration	Share-based payment	
	Third year	Basic remuneration	Share-based payment	[Share-based payment (¥250 million)]
Representative Director	First year	Basic remuneration (¥84 million)	Share-based payment (¥216 million)	
	Second year	Basic remuneration	Share-based payment	
	Third year	Basic remuneration	Share-based payment	[Share-based payment (¥150 million)]
Board Director, Executive Vice President	First year	Basic remuneration (¥60 million)	Share-based payment (¥120 million)	
	Second year	Basic remuneration	Share-based payment	
	Third year	Basic remuneration	Share-based payment	[Share-based payment (¥90 million)]

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

(a) Basic remuneration (cash payment)

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

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

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

i. Calculation method

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

$$\begin{array}{|c|} \hline \text{Amount of} \\ \text{short-term} \\ \text{performance-based} \\ \text{remuneration} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Base amount} \\ \text{by position} \\ \hline \end{array} \times \left(\begin{array}{|c|} \hline \text{Short-term performance target achievement factor (0 – 2.5)} \\ \hline \end{array} \right)$$

(a) Net income factor ×50%	+	(b) Operating income factor ×50%	+	(c) Materiality factor + 0 – 5%
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(Note) The amount to be paid is determined using the above formula as the basis for the calculation. The role of each Board Director is considered as necessary in determining the final remuneration amount.

ii. Performance-linked indicators

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

Performance targets

	Indicators	Reason for adoption	Factor calculation method*	Targets for FY2025 (¥ million)	Actual for FY2025 (¥ million)
(a)	Net income attributable to owners of the Company	The adoption of this indicator, which represents the financial source of dividends to be paid to stakeholders, will promote constructive dialogue with stakeholders, and motivate Board Directors to contribute to enhancement of corporate value over the medium to long term	Each of the ratios determined depending on the achievement against the target of each indicator is multiplied by 50% to derive the performance target achievement factor. (This factor is determined as 100% when the actual performance substantially equals the target.)	540,000	550,759
(b)	Operating income	This indicator adequately reflects the level of profit derived from the mainstay business across the Group.		1,000,000	1,042,576

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

Materiality targets

	Indicators		Reason for adoption	Factor calculation method	Targets for FY2025 (¥ million)	Actual for FY2025 (¥ million)
(c)	Contributing to the global environment with the power of technology	Renewable energy ratio*1	Achievement of the SDGs is an important element as a key driver for driving our business toward the realization of a sustainable society.	The amount is increased by 0% to 5% of the amount, depending on the target achievement.	65% or more	65%*2
	Building high-quality social infrastructure	Expansion of 5G standalone (SA) coverage:			Number of prefectures: 46	Number of prefectures: 47
		Offer SA for smartphones in key areas of all prefectures			0	0
		Number of major network accidents			0	0
	Building society and industry through DX	Solutions and other sales: CAGR (compound annual growth rate)			10% or more	13%
	Developing a resilient management foundation	Selection for DJBIC World			To be selected	Selected

(Notes) 1. Measure to achieve carbon neutrality by 2030.

2. In calculating the amount to be paid, the Company uses the figure determined as of the Company's predetermined record date.

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

Medium-term performance-based remuneration is paid once every three years to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the medium-term performance-based remuneration for the relevant fiscal year is, in principle, 1:1.1 to 1:2.1, in accordance with the nature of duties performed by individual Board Directors and their actual performance. The medium-term performance-based remuneration fluctuates in a range of 0 to 3.0 times the base amount by position. Because the Company plans to pay medium-term performance-based remuneration as executive remuneration for the period from FY2024 to FY2026, none has been paid as executive remuneration for FY2025 as a single year.

i. Calculation method

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

Amount of medium-term performance- based remuneration	=	Base amount by position	×	TSR factor (0 - 3.0) *Calculated based on relative TSR
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(Note) The amount to be paid is determined using the above formula as the basis for the calculation. The role of each Board Director is considered as necessary in determining the final remuneration amount.

ii. Performance-linked indicators

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

In addition to a fixed monthly payment in cash as basic remuneration, External Directors are paid fixed-value share-based payment annually, taking into consideration their years of experience and other factors, in order to share the enhancement of corporate value over the medium to long term with shareholders. (However, if there are obstacles in paying the share-based payment, an amount equivalent to the share-based payment may be paid in cash.) Under the basic policy of the Company, the composition ratio between the basic remuneration (cash remuneration) and the total share-based payment is, in principle, 1:0.2 to 1:1.1.

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

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

- i. Annual aggregate amounts of cash remuneration and share-based payment shall be determined by the resolution at the General Meeting of Shareholders.
- ii. The composition and level of remuneration, indicators for performance target achievement, and other related matters shall be reviewed at the Remuneration Committee, and a recommendation on the subject shall then be submitted to the Board of Directors.
- iii. The Board of Directors shall adopt a resolution for entrusting the decisions on the amount of individual remuneration to the President & CEO, on condition that the recommendation by the Remuneration Committee be respected.
- iv. The President & CEO shall make decisions on the amount of individual remuneration, respecting the recommendation by the Remuneration Committee and the resolution at the Board of Directors.

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

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

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

4. Request for return of Board Directors' remuneration

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

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

	Basic remuneration (cash payment)		Performance-based remuneration (share-based payment)
Resolution of the General Meeting of Shareholders	35th Ordinary General Meeting of Shareholders held on June 22, 2021	Extraordinary General Meeting of Shareholders held on February 25, 2015	39th Ordinary General Meeting of Shareholders held on June 26, 2025
Maximum amount (per year)	¥1,500 million	¥80 million	¥8,000 million (54 million shares*)
Recipients	Board Directors	Audit & Supervisory Board Members	Board Directors
Number of recipients (as of the time of the resolution of the General Meeting of Shareholders)	13 people	6 people	11 people

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

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

Title	Total amount of remuneration (¥ million)	Subtotals for each type of remuneration (¥ million)			Number of recipients
		Basic remuneration	Short-term performance-based remuneration	Others	
Board Directors (excluding External Directors)	1,529	351	1,014	163	4 people
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board Members)	25	25	-	-	1 person
External Directors	100	100	-	-	8 people
External Audit & Supervisory Board Members	38	38	-	-	2 people

(Notes) 1. The total amount of remuneration paid to Board Directors does not include the employee salary portion for Board Directors who serve concurrently as employees.
2. The basic remuneration for External Directors includes a total of ¥20 million in share-based payment in the form of non-monetary payment for six External Directors. This share-based payment was paid in July 2025 in the form of restricted stock.
3. Short-term performance-based remuneration is share-based payment in the form of non-monetary payment, and represent the amount to be paid in the form of restricted stock. However, cash payments (¥329 million) are planned for the two Board Directors who are scheduled to resign on June 23, 2026.
4. Others mainly represents the amounts accounted for (expensed) in this fiscal year concerning the stock options allotted as non-monetary payment in July 2021, which is different from the amount to be gained as a result of exercise or sale of the stock options. It also includes an amount accounted for (expensed) in this fiscal year concerning medium-term performance-based remuneration to be paid to the two Directors who are scheduled to resign on June 23, 2026. The amount accounted for (expensed) in this fiscal year is scheduled to be paid in cash in June 2027, following the calculation period for the medium-term performance-based remuneration.
5. In addition to the above, no remuneration was paid to External Officers as officers of SoftBank Group Corp. or its subsidiaries in the fiscal year ended March 31, 2026.
6. The remuneration of individual Board Directors for this fiscal year was determined based on the policy for determining remuneration of individual Board Directors, respecting the recommendation of the Remuneration Committee and the resolutions of the Board of Directors. The Board of Directors has therefore determined that the details of the remuneration of individual Board Directors for this fiscal year are consistent with the policy for determining details of remuneration of individual Board Directors.

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

Name	Amount of consolidated remuneration (¥ million)	Title	Company category	Subtotals for each type of consolidated remuneration (¥ million)		
				Basic remuneration	Short-term performance-based remuneration	Others
Yasuyuki Imai	350	Board Director	The Company	84	191	75 ^{*1}
Junichi Miyakawa	568	Board Director	The Company	120	437	11 ^{*2}
Jun Shimba	341	Board Director	The Company	84	248	8 ^{*2}
Kazuhiko Fujihara	270	Board Director	The Company	63	138	69 ^{*1}

(Notes) 1. Figures include (i) the amount accounted for (expensed) in this fiscal year concerning the stock options granted in July 2021, and (ii) the amount accounted for (expensed) in this fiscal year concerning medium-term performance-based remuneration to be paid to the two Directors who are scheduled to resign on June 23, 2026. With respect to (ii), it is scheduled to be paid in cash in June 2027, following the calculation period for the medium-term performance-based remuneration.

2. Figures mainly represent the amounts accounted for (expensed) in the fiscal year ended March 31, 2026 concerning the stock options granted in July 2021.

3) Description of limited liability agreement

The Company has concluded a limited liability agreement with non-executive directors, Atsushi Horiba, Naomi Koshi, Maki Sakamoto, Hiroko Sasaki, Hideaki Karaki, and Akiko Nakajo, as well as Audit & Supervisory Board Members, Shuji Kojima, Eiji Shimagami, Kazuko Kimiwada, and Yoko Kudo pursuant to Paragraph 1, Article 427 of the Companies Act, limiting their liabilities to the minimum liability limit stipulated in Paragraph 1, Article 425 of the same Act.

4) Description of indemnification agreements

The Company has entered into indemnification agreements with Yasuyuki Imai, Junichi Miyakawa, Jun Shimba, Kazuhiko Fujihara, Masayoshi Son, Atsushi Horiba, Naomi Koshi, Maki Sakamoto, Hiroko Sasaki, and Hideaki Karaki, as well as Akiko Nakajo, Shuji Kojima, Eiji Shimagami, Kazuko Kimiwada, and Yoko Kudo pursuant to Paragraph 1, Article 430-2 of the Companies Act. The agreements provide for the indemnification of expenses specified in Item 1 and losses specified in Item 2 of the same paragraph, within the scope stipulated by laws and regulations. However, if it is determined that a Board Director or Audit & Supervisory Board Member performed his or her duties with the intent to secure improper benefits for himself or herself or a third party, or to cause damage to the Company, the Company may demand the return of any expenses or other amounts for which indemnification was received.

5) Description of the directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering Board Directors and Audit & Supervisory Board Members as the insured. The insurance contract compensates for damages arising from liability incurred by Board Directors and Audit & Supervisory Board Members as the insured in the performance of their duties, as well as claims related to the pursuit of such liability. However, no compensation is given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The full amount of insurance premiums is paid by the Company.

Additionally, SoftBank Group Corp., the parent company of the Company, has concluded a directors and officers liability insurance (D&O insurance) contract as stipulated in Paragraph 1, Article 430-3 of the Companies Act with an insurance company, covering Board Directors, Audit & Supervisory Board Members, Executive Officers, employees in managerial positions, and others of SoftBank Group Corp. and some of its subsidiaries as the insured, and all Board Directors and Audit & Supervisory Board Members of the Company are covered under this insurance policy. The insurance contract compensates for damages arising from liability incurred by the insured in the performance of their duties, as well as claims

related to the pursuit of such liability. However, no compensation is given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. The premiums related to officers, etc. of the Company are paid by the Company.

Damages incurred by officers of the Company will first be covered by the relevant insurance policy entered into by SoftBank Group Corp. If the amount covered by that policy is insufficient, compensation will be provided under the abovementioned Company policy.

6) Items on External Officers

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

Title	Name	Relationship with companies where External Officers hold a significant concurrent position
Board Director	Atsushi Horiba	The Company has business relationships, such as telecommunications services, with HORIBA, Ltd., where External Director Atsushi Horiba serves as Representative Director. However, the amount of transactions accounts for less than 0.01% of the Company's revenue, and it is therefore negligible. The Company has business relationships, such as the establishment of a base station, with HORIBA STEC, Co., Ltd., where External Director Atsushi Horiba serves as Chairman & Representative Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company has business relationships, such as the ordering of equipment and telecommunications services, with Sumitomo Electric Industries, Ltd., where Mr. Horiba serves as Outside Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Naomi Koshi	The Company has business relationships, such as legal advice services, with Miura & Partners, where External Director Naomi Koshi serves as Partner Lawyer. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company has business relationships, such as market research and telecommunication services, with Mitsubishi Research Institute, Inc., where Ms. Koshi serves as Outside Audit & Supervisory Board Member. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Maki Sakamoto	The Company has a joint research agreement and business relationships, such as telecommunication services, with The University of Electro-Communications, where External Director Maki Sakamoto serves as Vice-president. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.
Board Director	Hiroko Sasaki	The Company has business relationships, such as training, with ChangeWAVE Group, Inc., where External Director Hiroko Sasaki serves as President & CEO. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible. The Company has business relationships, such as telecommunications services, with Sumitomo Mitsui DS Asset Management Company, Limited, where Ms. Sasaki serves as Outside Director. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible.
Board Director	Akiko Nakajo	The Company has business relationships, such as promotion of the Company's services, with, McDonald's Holdings Company (Japan), Ltd., where External Director Akiko Nakajo serves as Director (Outside). However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses, and it is therefore negligible.
Audit & Supervisory Board Member	Yoko Kudo	The Company has business relationships, such as telecommunications services, with KPP GROUP HOLDINGS CO., LTD., where External Audit & Supervisory Board Member Yoko Kudo serves as Outside Director, Member of the Audit and Supervisory Committee. However, the amount of transactions accounts for less than 0.1% of the Company's revenue, and it is therefore negligible. The Company has business relationships, such as the establishment of a base station and telecommunications services, with Chubu Electric Power Co., Inc., where Ms. Kudo served as External Director. However, the amount of transactions accounts for less than 0.1% of the Company's operating expenses or revenue, and it is therefore negligible.

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

(2) Major activities for this fiscal year

Title	Name	Attendance at Board of Directors meeting*1, *2	Major activities and overview of duties relating to expected roles
Board Director	Atsushi Horiba	81.8% Attended 9 out of 11 meetings	Makes necessary remarks based on his deep knowledge and experience in overall management as the manager of the world's leading analytical equipment manufacturer, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, acting as Chair of each committee, and makes comments as appropriate.
Board Director	Naomi Koshi	100% Attended 11 out of 11 meetings	Makes necessary remarks from a professional perspective as a lawyer, as well as her extensive knowledge and experience in areas such as municipal government and promotion of women's career advancement, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Maki Sakamoto	100% Attended 11 out of 11 meetings	Makes necessary remarks based on her extensive knowledge and experience as a university professor specializing in informatics, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Hiroko Sasaki	100% Attended 11 out of 11 meetings	Makes necessary remarks based on her deep knowledge and experience in overall management as the manager of a company promoting organizational change and DE&I, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of each committee, and makes comments as appropriate.
Board Director	Hideaki Karaki	100% Attended 9 out of 9 meetings	Makes necessary remarks based on his extensive knowledge and experience in corporate accounting cultivated over many years as a certified public accountant, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision.
Board Director	Akiko Nakajo	100% Attended 9 out of 9 meetings	Makes necessary remarks based on her deep knowledge and experience in overall management as the manager of numerous companies including global IT companies, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.

(Notes) 1. The number of meetings of the Board of Directors by written resolution is excluded.

2. The attendance of Board Directors Hideaki Karaki and Akiko Nakajo shows the number of meetings held after their appointment on June 26, 2025.

Title	Name	Attendance at Board of Directors meeting*	Attendance at Audit & Supervisory Board meeting	Major activities
Full-time Audit & Supervisory Board Member	Shuji Kojima	100% Attended 11 out of 11 meetings	100% Attended 16 out of 16 meetings	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience concerning human resources, compliance, risk management, finance and accounting.
Audit & Supervisory Board Member	Yoko Kudo	100% Attended 11 out of 11 meetings	100% Attended 16 out of 16 meetings	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience in finance and accounting.

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

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

Not applicable.

(4) Comments on descriptions regarding External Officers

Not applicable.

Consolidated Financial Statements

Consolidated Statement of Financial Position

(As of March 31, 2026)

(Millions of yen)

Account	Amount
<ASSETS>	
Current assets	
Cash and cash equivalents	1,438,799
Trade and other receivables	3,026,078
Other financial assets	490,348
Inventories	232,037
Other current assets	218,269
Total current assets	5,405,531
Non-current assets	
Property, plant and equipment	2,003,769
Right-of-use assets	772,596
Goodwill	2,189,385
Intangible assets	2,576,720
Contract costs	440,736
Investments accounted for using the equity method	205,823
Investment securities	345,757
Investment securities in banking business	1,280,476
Other financial assets	3,029,086
Deferred tax assets	138,289
Other non-current assets	114,007
Total non-current assets	13,096,644
Total assets	18,502,175

Account	Amount
<LIABILITIES AND EQUITY>	
Current liabilities	
Interest-bearing debt	1,956,418
Trade and other payables	3,285,304
Contract liabilities	169,055
Deposits for banking business	2,556,010
Other financial liabilities	25,422
Income taxes payable	150,880
Provisions	67,657
Other current liabilities	314,489
Total current liabilities	8,525,235
Non-current liabilities	
Interest-bearing debt	4,528,164
Other financial liabilities	170,165
Provisions	161,335
Deferred tax liabilities	336,189
Other non-current liabilities	112,632
Total non-current liabilities	5,308,485
Total liabilities	13,833,720
Equity	
Equity attributable to owners of the Company	
Common stock	244,355
Capital surplus	962,257
Retained earnings	1,728,300
Treasury stock	(27,078)
Accumulated other comprehensive income (loss)	50,025
Total equity attributable to owners of the Company	2,957,859
Non-controlling interests	1,710,596
Total equity	4,668,455
Total liabilities and equity	18,502,175

Note:

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

Consolidated Statement of Income

(Fiscal year ended March 31, 2026)

(Millions of yen)

Account	Amount
Revenue	7,038,680
Cost of sales	(3,654,685)
Gross profit	3,383,995
Selling, general and administrative expenses	(2,384,078)
Other operating income	58,879
Other operating expenses	(16,220)
Operating income	1,042,576
Share of losses of associates accounted for using the equity method	(7,803)
Financing income	14,528
Financing costs	(109,634)
Gain on sales of equity method investments	10,984
Impairment loss on equity method investments	(20,629)
Profit before income taxes	930,022
Income taxes	(203,399)
Net income	726,623
Net income attributable to	
Owners of the Company	550,759
Non-controlling interests	175,864
Net income	726,623

Note:

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

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Account	Amount		Account	Amount	
<Assets>					
I Non-current assets			B Investments and other assets		
A Non-current assets - telecommunications business			1 Investment securities		79,064
(1) Property, plant and equipment			2 Shares of subsidiaries and associates		1,243,013
1 Machinery	2,632,137		3 Other investments in subsidiaries and associates		37,632
Accumulated depreciation	1,892,212	739,925	4 Investments in capital		1
2 Antenna facilities	744,706		5 Long-term loans receivable to directors and employees		19,932
Accumulated depreciation	448,265	296,441	6 Long-term loans receivable to subsidiaries and associates		3,565
3 Terminal facilities	350,186		7 Long-term prepaid expenses		93,607
Accumulated depreciation	212,144	138,042	8 Deferred tax assets		123,194
4 Local line facilities	29,279		9 Other investments and other assets		80,358
Accumulated depreciation	17,083	12,196	Less: Allowance for doubtful accounts		(25,289)
5 Long-distance line facilities	89,948		Total investments and other assets		1,655,077
Accumulated depreciation	81,825	8,123	Total non-current assets		4,142,965
6 Engineering facilities	98,114		II Current assets		
Accumulated depreciation	90,920	7,194	1 Cash and deposits		306,669
7 Submarine line facilities	25,446		2 Notes receivable - trade		282
Accumulated depreciation	17,326	8,120	3 Accounts receivable - trade		1,007,723
8 Buildings	237,426		4 Contract assets		15,204
Accumulated depreciation	137,236	100,190	5 Accounts receivable - other		101,243
9 Structures	46,724		6 Investments in leases		19,436
Accumulated depreciation	31,447	15,277	7 Merchandise		100,187
10 Machinery and equipment	2,109		8 Supplies		14,838
Accumulated depreciation	1,188	921	9 Advance payments to suppliers		22,644
11 Vehicles	3,619		10 Prepaid expenses		87,734
Accumulated depreciation	3,187	432	11 Short-term loans receivable		135,004
12 Tools, furniture and fixtures	254,188		12 Deposits paid		57,886
Accumulated depreciation	122,413	131,775	13 Other current assets		47,478
13 Land		44,255	Less: Allowance for doubtful accounts		(51,098)
14 Assets under construction		202,856	Total current assets		1,865,230
Total property, plant and equipment		1,705,747	Total assets		6,008,195
(2) Intangible assets					
1 Right of using submarine line facilities		1,536			
2 Right to use facilities		24			
3 Software		436,114			
4 Patent right		8			
5 Leasehold right		67			
6 Spectrum-related costs		119,001			
7 Trademark		70,001			
8 Assets under construction		123,493			
9 Other intangible assets		31,897			
Total intangible assets		782,141			
Total non-current assets - telecommunications business		2,487,888			

Note:

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

(Millions of yen)

Account	Amount	
<Liabilities>		
I Non-current liabilities		
1 Bonds		1,053,480
2 Long-term loans payable		930,106
3 Lease obligations		331,013
4 Provision for retirement benefits		5,785
5 Provision for loss on contract		59,634
6 Asset retirement obligations		51,322
7 Long-term accounts payable - other		58,981
8 Contract liabilities		55,636
9 Other non-current liabilities		2,262
Total non-current liabilities		2,548,219
II Current liabilities		
1 Current portion of non-current liabilities		332,790
2 Accounts payable - trade		152,632
3 Short-term loans payable		161,207
4 Lease obligations		200,244
5 Accounts payable - other		646,649
6 Accrued expenses		24,638
7 Income taxes payable		90,140
8 Contract liabilities		93,743
9 Deposits received		241,773
10 Unearned revenue		817
11 Provision for bonuses		37,899
12 Provision for directors' bonuses		449
13 Provision for loss on contract		50,838
14 Asset retirement obligations		10,812
15 Other current liabilities		81,325
Total current liabilities		2,125,956
Total liabilities		4,674,175
<Net assets>		
I Shareholders' equity		
1 Capital stock		244,355
2 Capital surplus		
(a) Legal capital surplus	111,417	
(b) Other capital surplus	213,932	
Total capital surplus		325,349
3 Retained earnings		
(a) Other retained earnings		
Retained earnings brought forward	755,177	
Total retained earnings		755,177
4 Treasury stock		(27,078)
Total shareholders' equity		1,297,803
II Valuation and translation adjustments		
1 Valuation difference on available-for-sale securities	10,957	
2 Deferred gains or losses on hedges	15,639	
Total valuation and translation adjustments		26,596
III Subscription rights to shares		9,621
Total net assets		1,334,020
Total liabilities and net assets		6,008,195

Non-consolidated Statement of Income

(For the fiscal year from April 1, 2025 to March 31, 2026)

(Millions of yen)

Account	Amount	
I Operating revenue and expenses from telecommunications business		
(1) Operating revenue		2,470,308
(2) Operating expenses		
1 Business expenses	736,232	
2 Facilities maintenance expenses	379,515	
3 Administrative expenses	86,277	
4 Experiment and research expenses	32,369	
5 Depreciation and amortization	443,568	
6 Non-current assets retirement cost	28,917	
7 Communication facility fee	399,915	
8 Taxes and dues	38,156	2,144,949
Operating income from telecommunications business		325,359
II Operating revenue and expenses from incidental business		
(1) Operating revenue		1,215,921
(2) Operating expenses		1,036,939
Operating income from incidental business		178,982
Operating income		504,341
III Non-operating income		
1 Dividend income	128,363	
2 Miscellaneous income	24,407	152,770
IV Non-operating expenses		
1 Interest expenses	31,662	
2 Interest on bonds	12,339	
3 Loss on sales of receivables	36,951	
4 Miscellaneous expenses	18,175	99,127
Ordinary income		557,984
V Extraordinary income		
1 Gain on sales of shares of subsidiaries and associates	6,479	6,479
VI Extraordinary losses		
1 Loss on valuation of shares of subsidiaries and associates	16,982	16,982
Income before income taxes		547,481
Income taxes - current	135,558	
Income taxes - deferred	(15,231)	120,327
Net income		427,154

Note:

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

Audit Reports

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2026

To the Board of Directors of
SoftBank Corp.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Satoshi Iizuka

Designated Engagement Partner,
Certified Public Accountant:

Takafumi Shimodaira

Designated Engagement Partner,
Certified Public Accountant:

Saori Goto

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of SoftBank Corp. and its subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2026, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2025 to March 31, 2026, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under IFRS Accounting Standards as issued by the IASB, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Notes to the Readers of Independent Auditor's Report

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

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2026

To the Board of Directors of
SoftBank Corp.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Satoshi Iizuka

Designated Engagement Partner,
Certified Public Accountant:

Takafumi Shimodaira

Designated Engagement Partner,
Certified Public Accountant:

Saori Goto

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of SoftBank Corp. (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2026, and the non-consolidated statement of income and non-consolidated statement of changes in net assets for the 40th fiscal year from April 1, 2025 to March 31, 2026, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

Report and the accompanying supplemental schedules.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Notes to the Readers of Independent Auditor's Report

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

Audit Report

With respect to the Directors' performance of their duties during the 40th business year from April 1, 2025 to March 31, 2026, the Audit & Supervisory Board has prepared this Audit Report after deliberations, as unanimous opinion of all Audit & Supervisory Board Members based on the Audit Report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

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

2. Result of Audit

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

- (a) We acknowledge that the Business Report and the accompanying supplemental schedules thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (b) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- (c) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the information provided in the Business Report or the Directors' performance of their duties concerning the internal control systems.

(2) Result of Audit of Consolidated Financial Statements

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

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

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

May 14, 2026

Audit & Supervisory Board of SoftBank Corp.

Full-time Audit & Supervisory Board Member: Shuji Kojima (Seal)

Full-time Audit & Supervisory Board Member: Eiji Shimagami (Seal)

Audit & Supervisory Board Member: Kazuko Kimiwada (Seal)

Audit & Supervisory Board Member: Yoko Kudo (Seal)

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

Company name (Corporate name)	SoftBank Corp.
Location of head office	1-7-1, Kaigan, Minato-ku, Tokyo 105-7529 Phone: 03-6889-2000
Business year	From April 1 to March 31 of the next year
Year-end dividend record date	March 31
Interim dividend record date	September 30
Annual general meeting of shareholders	Every year in June
Stock exchange registration	Tokyo Stock Exchange, Prime Market
Method of public notices	Public notices shall be provided electronically. URL for public notices: https://www.softbank.jp/corp/ (in Japanese) (In the event that electronic public notices cannot be provided due to any accident or other unavoidable circumstances, public notices shall be published in the Nikkei Keizai Shimbum.)

Information about our website for individual investors

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



Procedures to change registration details such as address and name, to designate bank accounts to receive dividend payment transfers, and to submit "My Number" individual number under the Social Security and Tax Number System

For shareholders who have accounts at securities firms, etc.: Please contact the securities firm where you opened your account.

For shareholders who have special accounts: Please contact Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. (Contact info is shown below.) You may also contact branches of Mizuho Trust & Banking Co., Ltd.

Procedures to receive unclaimed dividends

For procedures relating to past dividend payment periods, please contact the head office and branches of Mizuho Trust & Banking Co., Ltd. and Mizuho Bank, Ltd.

For inquiries to administrators of registers of shareholders and special account management institutions

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Phone: **0120-288-324** (Toll free in Japan)

(Business hours: 9:00-17:00 weekdays excluding Saturdays, Sundays, and holidays)

Mail to: 2-8-4, Izumi, Suginami-ku, Tokyo 168-8507

Dedicated phone number for electronic provision system

Phone: **0120-524-324** (Toll free in Japan)

(Business hours: 9:00-17:00 weekdays excluding Saturdays, Sundays, and holidays)

Earnings Investors Briefing

We hold company briefings for individual investors at securities company branches nationwide, etc.

The details can be viewed on our website.

<https://www.softbank.jp/corp/ir/investor/briefings/>



Inquiries concerning share administration

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Phone: 0120-288-324 (Toll free in Japan)

(Business hours: 9:00-17:00 weekdays excluding Saturdays, Sundays, and holidays)

Inquiries concerning the General Meeting of Shareholders

URL for inquiries

<https://www.softbank.jp/corp/d/contact/>

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QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Mizuho Trust & Banking Co., Ltd. (Stock Transfer Agency) Official LINE Account Setup Guide

Take your first step as a shareholder
— made easier with **LINE**

- General Meeting of Shareholders materials delivered via **LINE**
- Voting rights can also be exercised via **LINE**
- Shareholder number can also be confirmed via **LINE**

Registration is easy — just **3 steps!**

STEP 1

Add the official account as a friend

Please add Mizuho Trust & Banking Co., Ltd.'s official account as a "friend" using one of the following methods.
(This account delivers information related to the General Meeting of Shareholders and shares only.)

Add via
QR Code



or
Add via ID search
mhdaiko

STEP 2

Verify your identity using the enclosed voting form

Please use the "voting form" enclosed with this document to verify your identity.



Please scan this QR code within your LINE account.

STEP 3

Receive materials via LINE starting from the next General Meeting of Shareholders

Starting from the next General Meeting of Shareholders, meeting-related materials will be delivered to you via LINE.

* Materials will also continue to be sent by postal mail as before.



* Individual shareholders may also exercise their voting rights via LINE.

For inquiries regarding this service:

Stock Transfer Agency Department,
Mizuho Trust & Banking Co., Ltd.:

☎ **0120-288-324** (Business hours:
Monday–Friday, 9:00–17:00)

- This service is provided by Mizuho Trust & Banking Co., Ltd., the shareholder register administrator.
- This service is available only to those who own a smartphone and a LINE account.
- QR Code is a registered trademark of DENSO WAVE INCORPORATED.



Aomaru
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Notice of the "Let's Use It! **LINE** Notification Campaign" hosted by Mizuho Trust & Banking Co., Ltd.

Please add Mizuho Trust & Banking Co., Ltd.'s official LINE account as a friend and register for the LINE notification service using your voting form for a chance to win a **QUO Card worth 500 yen.**

Application deadline

Three months after the date of the General Meeting of Shareholders

Prize

QUO Card worth 500 yen

Winning rate

1 winner per 100 applicants

Prize delivery

Around late December for General Meetings of Shareholders held by September

(Winners will be notified by prize delivery.)

Notes on this campaign and the handling of personal information

• This campaign (hereinafter, "the Campaign") is hosted by Mizuho Trust & Banking Co., Ltd. (hereinafter, "the Bank"). • The Campaign is open to individual shareholders of companies that have pre-registered to participate (hereinafter, "Participating Issuing Companies"). • A lottery will be held for individual shareholders with voting rights at Participating Issuing Companies who complete LINE notification registration by the end of September of the current year. (Those who register in October or later will be entered in the following year's lottery.) • Individual shareholders who hold voting rights in multiple Participating Issuing Companies will be entered in a separate lottery for each company upon completing LINE notification registration for each. • Canceling and re-registering after an initial registration will not result in re-entry into the lottery. • Winners will be notified by prize delivery. • Shareholders who apply for the Campaign are deemed to have consented to the Participating Issuing Company in which they hold shares providing the Bank with the application information necessary for the lottery and prize delivery, including their address, name, shareholder number, and other personal information (hereinafter, "Applicant Shareholder Personal Information"). • The Bank will receive Applicant Shareholder Personal Information from Participating Issuing Companies and use it for the purposes of conducting the lottery, delivering prizes, and responding to inquiries. The Bank may also use Applicant Shareholder Personal Information and other information recorded in the shareholder register (collectively, "the Information") as anonymized statistical data for purposes such as analyzing the effectiveness of the Campaign. The Bank will not use the Information for any purposes other than those stated above without the shareholder's consent, and will not disclose the Information to any third parties other than Participating Issuing Companies without the shareholder's consent. In addition, the Bank will handle the Information in accordance with its Privacy Policy (<https://www.mizuho-tb.co.jp/protection/customer/policy.html>). • The Campaign may be discontinued without prior notice.

For inquiries regarding this campaign:

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.:

☎ **0120-018-324** (Business hours: Monday–Friday, 9:00–17:00)

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

Electronic provision of information starts on: May 27, 2026

To Our Shareholders:

The 40th Annual General Meeting of Shareholders
Other Matters Subject to the Measures for Electronic
Provision (Omitted from Paper-based Documents)

May 27, 2026
SoftBank Corp.

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

(Reference)

(Reference) ESG

The Company promotes various initiatives with a strong emphasis on ESG (Environment, Social, and Governance), which represents an international perspective on sustainable corporate growth.

■ Initiatives for Global Environment Issues (Environment)

The Company recognizes environmental initiatives as one of its key management priorities and is actively promoting measures to address climate change as well as initiatives related to natural capital, including biodiversity preservation and resource circulation.

<Contributions to climate change measures>

The Company has established the targets of achieving Carbon Neutral 2030, under which GHG emissions from fuel combustion and other sources associated with its business processes (Scope 1) and GHG emissions resulting from energy consumption in its business processes (Scope 2) will be reduced to net zero by 2030, as well as achieving Net Zero, under which GHG emissions throughout the entire value chain (Scope 3) will be reduced to net zero by 2050, and is promoting initiatives toward these goals.



To achieve Carbon Neutral 2030, the Company aims to shift the electricity used in business activities to 100% carbon-neutral power and has implemented measures such as entering into long-term renewable energy procurement agreements. In addition, the Company is promoting energy-saving measures through the utilization of technology and advancing initiatives such as the decentralization of AI data centers to address the increasing power demand resulting from the widespread adoption of AI.

<Response to natural capital (biodiversity preservation, resource circulation, etc.) >

The Company recognizes natural capital as an important issue in its business activities, including facilities and devices, in order to provide wide-ranging and stable communication services as part of social infrastructure. The Company supports the achievement of “Nature Positive” pursued by the international community and is actively promoting initiatives related to natural capital, including efforts to reduce impacts on ecosystems.

Initiatives toward achieving “Nature Positive” by 2030

In cases where development activities, such as the installation of facilities, are carried out in important biodiversity areas such as national parks, the Company carries out forest conservation activities, such as planting trees that take local vegetation into consideration, covering at least twice the area developed.

[FY2025: 2,437 m²]



“NatureBank” — A consumer participation tree-planting contribution program

The Company promotes “NatureBank,” an initiative under which tree-planting activities equivalent to the amount of CO₂ emissions reduced through consumers’ use of environmentally friendly services provided by the Company and its group companies are supported, thereby encouraging environmentally conscious behavior among consumers. In addition, the Company collaborates with 47 prefectures and municipalities to implement the “Japan Forest Restoration Support Project,” thereby supporting the restoration of forests in Japan.

[Number of Consumer Actions in FY2025: 10.99 consumer actions]

[Number of Trees Contributed Through Planting Activities in FY2025: 57,801 trees]



Mobile phone recycling and reuse

Against the backdrop of increasingly severe resource depletion, the Company promotes the effective use of valuable resources such as rare minerals, gold, silver, and copper by reusing used smartphones and recycling mobile phones collected free of charge at its retail stores.

[Cumulative Number of Recycled and Reused Devices (FY2020–FY2025): 15.13 million units]



■ Initiatives for Sustainable Society (Social)

<Promotion of health management>

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

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



(Notes) 1. CHRO is an abbreviation for Chief Human Resources Officer.

2. SB Atwork Corp. is a wholly-owned subsidiary of the Company.

<Initiatives to promote women's career advancement>

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

<Realizing a society where AI and ICT can be used safely (digital divide, etc.) >

Smartphone classes

The Company conducts smartphone training classes at its stores and other locations through certified smartphone advisors® to support customers who are using smartphones for the first time or who are not familiar with smartphone operation, enabling them to use smartphones safely and comfortably.

[FY2025: 1.4 million participants]



Information ethics education to promote safe use of ICT among children

In order to create an environment in which children can safely use smartphones and the internet, the Company provides learning opportunities and educational content that enables them to acquire knowledge of information ethics.

[Number of GIGA Workbook* adoption in FY2025: 13 prefectures and 47 municipalities]

*A workbook-style educational material for elementary, junior high, and high school students to learn information ethics and information literacy.

Measures against sophisticated fraud schemes

As measures against the increasing number of scam calls and increasingly sophisticated forms of special fraud, the Company provides services such as spam call blocking, spam email filtering, and personal information leakage checks. In addition, the Company is promoting awareness-raising activities in cooperation with the police and other organizations, including the provision of a simulated scam experience tool that utilizes generative AI.

<Next-generation education support through AI and ICT>

"AI Challenge" — Developing AI talent

With the aim of empowering youth to thrive in the AI era, the Company provides an AI talent development program for junior high and high school students, enabling them to learn the fundamentals and mechanisms of AI in a practical manner.

[Cumulative total as of the end-of FY2025: 330 organizations]



“AI Smart Coach” — Sports education support through technology

In response to regional disparities in sports coaching and education, particularly in remote islands and depopulated areas, the Company provides a service that supports students’ independent and collaborative learning by utilizing smartphone videos and AI-based skeletal analysis technology.

The service was awarded the Corporate Category of the “HEROs AWARD 2025” hosted by The Nippon Foundation.



■ Corporate Governance (Governance)

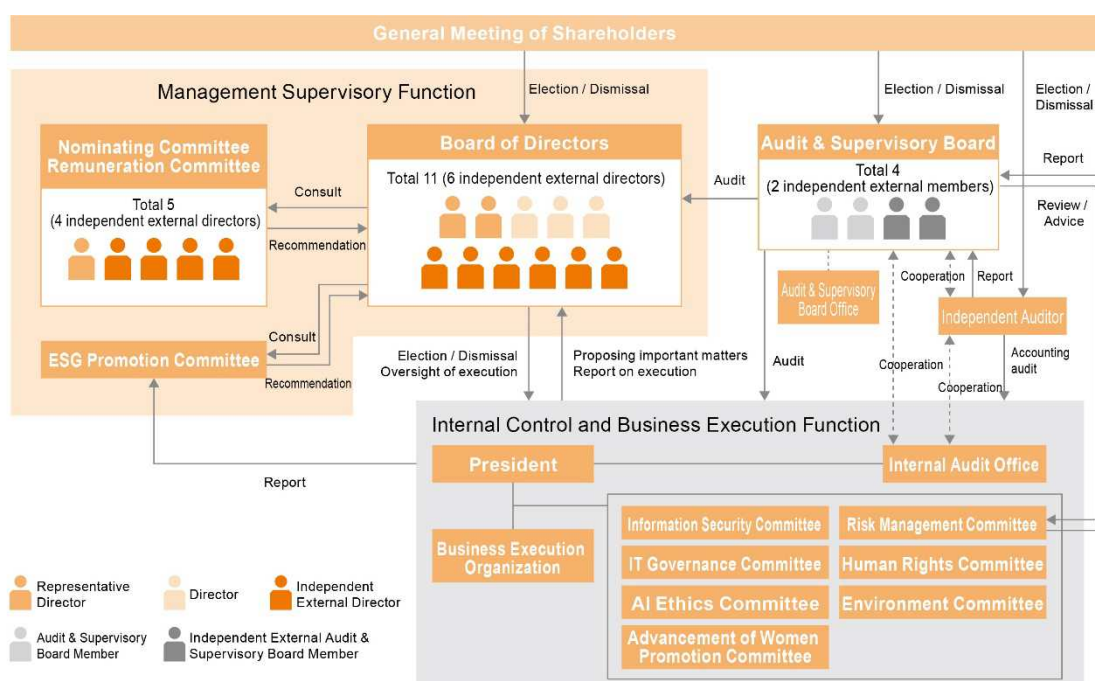
<Basic views>

The Group is guided by a philosophy of “Information Revolution — Happiness for everyone,” a corporate philosophy common to the Group. Toward the realization of the vision of becoming “the corporate group needed most by people around the world,” the Company aims to create new social infrastructure by building on the domestic telecommunications business foundation it has established and by providing products and services that utilize cutting-edge digital technologies, thereby helping realize an ideal society where everyone can live conveniently, comfortably, and safely.

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

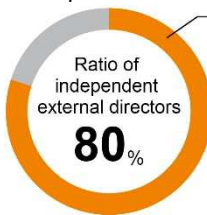
<Corporate governance system of the Company>

(As of March 31, 2026)



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

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

Nominating Committee	Chair	Atsushi Horiba (independent External Director)	Number of meetings held in FY2025	3 meetings
- Main roles The committee deliberates and makes recommendations to the Board of Directors on matters concerning the election and dismissal of board directors and the nomination of representative directors. - Main items deliberated in FY2025 Structure of the Board of Directors, election of board directors, nomination of representative directors, skill matrix of board directors		- Composition of the committee  Ratio of independent external directors 80% 4 independent external Directors Atsushi Horiba (Chair) Naomi Koshi Maki Sakamoto Hiroko Sasaki 1 internal Director Junichi Miyakawa (President & CEO)		
Remuneration Committee	Chair	Atsushi Horiba (independent External Director)	Number of meetings held in FY2025	2 meetings
- Main roles The committee deliberates and makes recommendations to the Board of Directors on matters concerning board directors' remuneration. - Main items deliberated in FY2025 Remuneration by position, performance-linked indicators, disclosure documents, individual remuneration amounts		- Composition of the committee  Ratio of independent external directors 80% 4 independent external Directors Atsushi Horiba (Chair) Naomi Koshi Maki Sakamoto Hiroko Sasaki 1 internal Director Junichi Miyakawa (President & CEO)		

(Note) The composition of each committee is as of March 31, 2026.

(Reference)

■ ESG external evaluations

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

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

Received high evaluations from domestic and overseas sustainability rating and assessment institutions

Selected as a "Prime Seat Company" in the 7th NIKKEI SDGs Management Awards for two consecutive years



Ranked No.1 in the Decarbonization Management Ranking GX500 for three consecutive years



脱炭素経営ランキング
2025
1位

Selected the Dow Jones Best-in-Class World Index, leading global ESG index, for four consecutive years



Achieved the highest score in Japan in the FTSE4Good Index Series



Achieved the highest MSCI ESG rating of AAA*



* Disclaimer

The inclusion of SoftBank Corp. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of SoftBank Corp. by MSCI or any of its affiliates. The MSCI Index are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

Selected for inclusion in the SOMPO Sustainability Index



Sompo Sustainability Index

Selected for inclusion in the S&P/JPX Carbon Efficient Index



Selected as an A List company, the highest rating in the CDP Climate Change 2025



Verified by the Science Based Targets initiative (SBTi) as sound science based targets



Selected as a winner of the Platinum DX Companies 2026-2028



Selected for inclusion in the SX Brand 2026



Selected as excellent company in the Gomez ESG Site Ranking 2025



Received the Gold Prize in the Gomez IR Site Ranking 2025



Selected as an AAA Website in the 2025 All Japan Listed Companies' Website Ranking



Selected as Grand Prize in 2025 Internet IR Award by Daiwa Investor Relations Co. Ltd. Grand Prize in the Sustainability Category



Received Grand Prize in the NIKKEI Smart Work Award 2026



Awarded the highest 5-star rating in the Nikkei Smart Work Management Survey



Recognized in the Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) for the eight consecutive year



Awarded Grand Prize in the Large Enterprise Sector of the GenAI HR Awards 2025



Selected for the first time as a Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting



For information on other external evaluations, please see here.



Business Report

Status of the Company

| Status of stock acquisition rights (as of March 31, 2026)

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

Title	Name of stock acquisition rights (date of issuance)	Number of stock acquisition rights	Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Exercise price (per share)	Exercise period	Number of stock acquisition right holders
Board Directors (excluding External Directors)	SoftBank Corp. July 2021 Stock Acquisition Rights (July 20, 2021)	24,000	Common stock 24,000,000 shares	¥150	April 1, 2023 to March 31, 2028	4

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

Title	Name of stock acquisition rights (date of issuance)	Number of stock acquisition rights	Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Exercise price (per share)	Exercise period	Number of employees to whom stock acquisition rights were issued
Executive Officers and employees of the Company	SoftBank Corp. July 2025 Stock Acquisition Rights (¥1) (July 18, 2025)	35,158	Common stock 3,515,800 shares	¥1	August 1, 2027 to July 31, 2032	101

3) Status of other stock acquisition rights

Not applicable.

| Status of Independent Auditor

1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

2) Amount of remuneration to the Independent Auditor

Amount of remuneration as the Independent Auditor for this fiscal year	¥626 million
Aggregate amount of cash and other benefits to be paid to the Independent Auditor by the Company and its subsidiaries	¥5,430 million

- (Notes)
1. The audit agreement between the Independent Auditor and the Company does not distinguish between the remuneration for auditing services under the Financial Instruments and Exchange Act and the Companies Act, and it is practically impossible to distinguish them. Therefore, the amount of remuneration to be paid to the Independent Auditor for this fiscal year is the aggregate amount of the aforementioned remuneration.
 2. The Audit & Supervisory Board reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating remuneration estimates based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association. Based on the results, it has given consent to the remuneration to the Independent Auditor prescribed in Paragraph 1, Article 399 of the Companies Act.
 3. Some of the Company's subsidiaries have been audited by an audit firm other than the Company's Independent Auditor.

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

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

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

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

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

5) Description on limited liability agreement

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

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

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

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

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

- (1) A chief compliance officer (CCO) is appointed. The CCO proposes and carries out measures required to establish and enhance the Company's compliance system.
- (2) A department in charge of compliance is established to assist the CCO.
- (3) A compliance officer and a compliance manager shall be placed in each business unit for thorough compliance.
- (4) Internal and external hotlines (compliance reporting desk) are established for direct reporting and consultations by board directors and employees, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. The Company ensures that persons who have reported or consulted on the hotlines will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the hotline in the Whistleblowing Regulations.
- (5) Audit & Supervisory Board Members and the Audit & Supervisory Board request measures for improvements to the Board of Directors, if they identify issues in the system for compliance with laws, regulations, and the Articles of Incorporation.

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

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

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

(2) A chief information security officer (CISO) has been appointed as the person responsible for information security management, and persons responsible for information security are placed in each business unit to establish a system to store and manage information, based on the Basic Regulations for Information Security.

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

The Company has established the following system to avoid and minimize risk and to implement necessary measures related to the variety of risks in its business operations:

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

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

The Company has established the following structure to maintain an efficient management system:

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

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

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

- (1) The CCO establishes and reinforces the compliance system of the Group. For practicing compliance, CCO gives advice, instructions, and orders to the CCOs of each Group company to ensure that such activities comply with the Group's basic compliance policy. The Company has also established the compliance reporting desk to receive reports and provide consultation to board directors and employees of the Group to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. The Whistleblowing Regulations ensures that persons who have reported or consulted on the Hotline will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the Hotline.
- (2) The Group Security Committee, composed of the persons responsible for information security in each Group company, has been established to report and share information on trends, plans and other matters related to information security. This Committee is headed by the CISO, who is responsible for information security in the Company.
- (3) The representative of each Group company must submit a Representative Oath pertaining to the financial reports submitted to the Company, thereby ensuring the accuracy of the annual securities report and other reports submitted by the Group.
- (4) The internal audit unit comprehensively judges the results of past internal audits, financial position, and carries out internal audits of the Company and the Group companies deemed as having high risk.
- (5) While the Group addresses risk in an effort to reduce and prevent any possible risks, in the event of emergency, an immediate report to the Company is requested in accordance with the Risk Management Regulations. In addition, the Company will coordinate closely with each Group company according to the situation to minimize damage (loss).

[6] System for excluding antisocial forces

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

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

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

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

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

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

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

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

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

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

[1] Matters concerning compliance

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

[2] Matters concerning risk

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

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

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

[3] Matters concerning internal audits

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

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

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

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

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

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

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2026)

(Millions of yen)

	Equity attributable to owners of the Company			
	Common stock	Capital surplus	Retained earnings	Treasury stock
As of April 1, 2025	228,162	927,067	1,594,862	(29,221)
Comprehensive income				
Net income	—	—	550,759	—
Other comprehensive income (loss)	—	—	—	—
Total comprehensive income	—	—	550,759	—
Transactions with owners and other transactions				
Cash dividends	—	—	(419,164)	—
Issuance of new shares	16,193	16,193	—	—
Purchase of treasury stock	—	—	—	(0)
Disposal of treasury stock	—	433	—	2,143
Changes from business combinations	—	—	—	—
Changes from loss of control	—	—	—	—
Changes in interests in existing subsidiaries	—	31,116	—	—
Share-based payment transactions	—	1,437	—	—
Put options written on non-controlling interests	—	(13,875)	—	—
Transfer from accumulated other comprehensive income (loss) to retained earnings	—	—	1,739	—
Other	—	(114)	104	—
Total transactions with owners and other transactions	16,193	35,190	(417,321)	2,143
As of March 31, 2026	244,355	962,257	1,728,300	(27,078)

	Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2025	22,760	2,743,630	1,521,741	4,265,371
Comprehensive income				
Net income	—	550,759	175,864	726,623
Other comprehensive income (loss)	29,004	29,004	25,106	54,110
Total comprehensive income	29,004	579,763	200,970	780,733
Transactions with owners and other transactions				
Cash dividends	—	(419,164)	(99,871)	(519,035)
Issuance of new shares	—	32,386	—	32,386
Purchase of treasury stock	—	(0)	—	(0)
Disposal of treasury stock	—	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	49,689	80,805
Share-based payment transactions	—	1,437	—	1,437
Put options written on non-controlling interests	—	(13,875)	(30,412)	(44,287)
Transfer from accumulated other comprehensive income (loss) to retained earnings	(1,739)	—	—	—
Other	—	(10)	250	240
Total transactions with owners and other transactions	(1,739)	(365,534)	(12,115)	(377,649)
As of March 31, 2026	50,025	2,957,859	1,710,596	4,668,455

Non-consolidated Financial Statements

Non-consolidated Statement of Changes in Net Assets

(For the fiscal year from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2025	228,162	95,224	213,507	308,731	747,187	747,187	(29,221)	1,254,860
Changes of items during period								
Issuance of new shares	16,193	16,193	—	16,193	—	—	—	32,386
Cash dividends	—	—	—	—	(419,164)	(419,164)	—	(419,164)
Net income	—	—	—	—	427,154	427,154	—	427,154
Purchase of treasury stock	—	—	—	—	—	—	(0)	(0)
Disposal of treasury stock	—	—	425	425	—	—	2,143	2,567
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during period	16,193	16,193	425	16,618	7,990	7,990	2,143	42,943
Balance as of March 31, 2026	244,355	111,417	213,932	325,349	755,177	755,177	(27,078)	1,297,803

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of April 1, 2025	5,829	5,696	11,525	8,203	1,274,588
Changes of items during period					
Issuance of new shares	—	—	—	—	32,386
Cash dividends	—	—	—	—	(419,164)
Net income	—	—	—	—	427,154
Purchase of treasury stock	—	—	—	—	(0)
Disposal of treasury stock	—	—	—	—	2,567
Net changes of items other than shareholders' equity	5,128	9,943	15,071	1,418	16,489
Total changes of items during period	5,128	9,943	15,071	1,418	59,432
Balance as of March 31, 2026	10,957	15,639	26,596	9,621	1,334,020

Notes to Consolidated Financial Statements

Notes to Consolidated Financial Statements

(Basis of Preparation of Consolidated Financial Statements)

1. Basis of preparation of consolidated financial statements

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

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

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

2. Scope of consolidation

(1) Number of consolidated subsidiaries: 271

(2) Names of main consolidated subsidiaries

Wireless City Planning Inc., SB Power Corp., Cubic Telecom Ltd., SB C&S Corp., A Holdings Corporation, LY Corporation, ASKUL Corp., ZOZO, Inc., Ikyu Corp., Z Intermediate Global Corporation, LINE SOUTHEAST ASIA CORP.PTE.LTD., LINE MAN CORPORATION PTE. LTD., DECACORN CO., LTD., LINE MAN (THAILAND) COMPANY LIMITED, LINE Financial Corporation, LINE Plus Corporation, LINE Bank Taiwan Limited, PayPay Corporation, PayPay Bank Corporation, PayPay Card Corporation, SB Payment Service Corp.

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

LINE Bank Taiwan Limited	Transferred from an equity-method associate due to additional acquisition of shares
LINE MAN CORPORATION PTE. LTD.	Transferred from an equity-method associate due to additional acquisition of shares and other factors
DECACORN CO., LTD.	Due to LINE MAN CORPORATION PTE. LTD. becoming a consolidated subsidiary
LINE MAN (THAILAND) COMPANY LIMITED	Due to LINE MAN CORPORATION PTE. LTD. becoming a consolidated subsidiary

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

LINE Pay Corporation	Extinction due to absorption-type merger
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3. Scope of associates accounted for by the equity method

(1) Number of associates accounted for by the equity method: 62

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

Demae-can Co., Ltd., Webtoon Entertainment Inc.

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

There are no applicable items.

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

LINE Bank Taiwan Limited	Change to a consolidated subsidiary due to additional acquisition of shares
LINE MAN CORPORATION PTE. LTD.	Change to a consolidated subsidiary due to additional acquisition of shares and other factors

4. Material accounting policies

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

a. Financial instruments

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

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

b. Non-derivative financial assets

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

All purchases and sales of financial assets made in a regular way are recognized and derecognized on a trade date basis. Purchases and sales made in a regular way refer to acquiring or disposing of financial assets under a contract that requires the delivery of assets within a time frame established by regulation or convention in the marketplace.

(a) Financial assets at amortized cost

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

- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(b) Debt instruments at FVTOCI

Financial assets are classified as debt instruments at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(c) Equity instruments at FVTOCI

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

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

(d) Financial assets at FVTPL

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

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

(e) Impairment of financial assets

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

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

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

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

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

(f) Derecognition of financial assets

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

c. Non-derivative financial liabilities

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

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

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

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

d. Derivatives and hedge accounting

(a) Derivatives

The Group is engaged in derivative transactions, including foreign currency forward contracts, interest rate swap agreements, and currency swap agreements, in order to hedge its exposure to risks arising from foreign exchange rates and interest rates.

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

(b) Hedge accounting

The Group designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

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

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

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

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

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

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

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

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

(c) Embedded derivatives

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

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

(2) Valuation standards and methods for inventories

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

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

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

a. Property, plant and equipment

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

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

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

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

The primary assets subject to operating lease as lessor of the above are leased mobile devices.

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

b. Intangible assets

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

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

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

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

Software	5 - 15 years
Customer relationships	8 - 25 years
Spectrum-related costs	18 years
Other	2 - 25 years

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

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

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

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

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

c. Leases

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

(As lessee)

(a) Right-of-use assets

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

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

(b) Lease liability

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

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

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

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

(As lessor)

(a) Lease classification

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

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

(b) Sublease classification

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

(c) Recognition and measurement

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

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

(4) Accounting treatment of goodwill

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

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

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

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

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

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

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

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

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

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

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

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

b. Impairment of goodwill

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

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

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

(6) Criteria for recording significant provisions

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

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

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

(7) Revenue recognition

a. Revenue

Consumer business

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

(a) Mobile services and sales of mobile devices

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

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

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

In mobile services, the contractual period is defined as the period in which the party to the contract has present enforceable rights and obligations based on the terms of the contract with the subscriber. If the subscriber is granted an option to renew the contract and it is determined that the option provides the subscriber with a "material right," a separate performance obligation is identified. As a practical alternative to estimating the stand-alone selling price of the option that represents a performance obligation, the Group allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.

Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payment and have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient permitted by IFRS.

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

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

i. Indirect sales

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

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

ii. Direct sales

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

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

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

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

(b) Broadband services

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

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

(c) Electricity services

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

Enterprise business

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

(a) Mobile services and mobile device rental services

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

(b) Fixed-line communications services

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

(c) Business solution and others

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

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

Distribution business

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

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

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

Media&EC business

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

(a) Media business

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

i. Search advertising

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

ii. Account advertising

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

iii. Display advertising

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

iv. Others

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

(b) Commerce business

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

i. Sale of goods by the ASKUL Group

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

ii. ZOZOTOWN

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

iii. Yahoo!auction

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

Financial business

Revenues in the Financial business mainly consist of merchant fees from providing QR code¹ payment services and merchant fees from credit-related services.

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

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

Note: "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

b. Contract costs

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

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

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

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

(8) Income taxes

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

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

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

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

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

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

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

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

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

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

(9) Foreign currency translation

a. Transactions denominated in foreign currencies

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

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

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

b. Foreign operations

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

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

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

(10) Accounting treatment of business combinations

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

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

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

- deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets or disposal groups that are classified as held-for-sale are measured in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations."

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

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

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

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

(11) Government Grants

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

(Notes Relating to Changes in Accounting Policies)

Adoption of new accounting standards and interpretations

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

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, 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.

(Notes Relating to Accounting Estimates)

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

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

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

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

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

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

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

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

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

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

3. Fair value measurement of financial instruments

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

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

4. Estimated amortization period of contract acquisition costs

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

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

(Notes Relating to Consolidated Statement of Financial Position)

1. Assets pledged as collateral and others

(1) Assets pledged as collateral

Certain investment securities of ¥605,904 million are pledged as collateral for financing and exchange settlement purposes by the banking subsidiary.

(2) Others

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

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

(Millions of yen)

Property, plant and equipment	645,037
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Liabilities related to the assets with limited property rights above are as follows:

(Millions of yen)

Interest-bearing debt:

Current portion of long-term borrowings	183,914
Long-term borrowings	303,073
Total	486,987

b. Assets for lease contracts of intangible assets

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

	(Millions of yen)
Intangible assets	181,115

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

	(Millions of yen)
<u>Interest-bearing debt:</u>	
Current portion of long-term borrowings	71,527
Long-term borrowings	95,106
Total	166,633

c. Deposits in the Bank of Japan

A banking subsidiary subject to the Act on Reserve Requirement System in Japan is required to deposit with the Bank of Japan an amount equal to or greater than a certain ratio of the deposits it receives (the legal reserve requirement). As of March 31, 2026, cash and cash equivalents included deposits at the Bank of Japan of ¥292,622 million, which are more than the legal reserve requirement.

2. Allowance for doubtful accounts directly deducted from assets

	(Millions of yen)
Trade and other receivables	34,841
Other current assets	0
Other financial assets (current)	322
Other financial assets (non-current)	63,639
Total	98,802

3. Accumulated depreciation of assets

	(Millions of yen)
Accumulated depreciation of property, plant and equipment	3,505,188
Accumulated depreciation of right-of-use assets	526,526

Accumulated depreciation includes accumulated impairment losses.

4. Contingencies

(1) Lending commitments

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

	(Millions of yen)
Unfunded	10,648,137

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

(2) Credit guarantees

Guarantees that the Group provides are as follows.

	(Millions of yen)
Total amount of financial guarantee contract	7,215
Guarantee balance	7,207

(3) Litigation

The Group is a party to several pending legal and administrative proceedings. When it is difficult to reasonably estimate the outcomes of such matters, 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.

5. Financial covenants and other contractual clauses

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

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

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

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

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

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

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

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

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

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

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

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

(Notes Relating to Consolidated Statement of Income)

Other operating income and other operating expenses

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

(Millions of yen)

Other operating income	
Remeasurement gain on step acquisition ¹	58,879
Other operating expenses	
Impairment loss	(7,265)
Other	(8,955)
Total	<u>(16,220)</u>

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 "Notes Relating to Business Combinations."

(Notes Relating to Consolidated Statement of Changes in Equity)

1. Class and total number of outstanding shares

Class of shares	Number of shares at beginning of the current fiscal year	Increase in number of shares during the current fiscal year	Decrease in number of shares during the current fiscal year	Number of shares at end of the current fiscal year
Common stock (Thousands of shares)	47,751,491	220,499	-	47,971,990
Series 1 Bond-Type Class Shares (Thousands of shares)	30,000	-	-	30,000
Series 2 Bond-Type Class Shares (Thousands of shares)	25,000	-	-	25,000

2. Dividends

(1) Dividends paid

The Company

Board of Directors' meeting held on May 20, 2025

Class of shares

Common stock

Total dividends

¥204,539 million

Dividends per share

¥4.30

Record date

March 31, 2025

Effective date

June 12, 2025

Source of dividends

Retained earnings

Board of Directors' meeting held on May 20, 2025

Class of shares

Series 1 Bond-Type

Class Shares

Total dividends

¥1,500 million

Dividends per share

¥50.00

Record date

March 31, 2025

Effective date

June 12, 2025

Source of dividends

Retained earnings

Board of Directors' meeting held on May 20, 2025

Class of shares

Series 2 Bond-Type

Class Shares

Total dividends

¥3,156 million

Dividends per share

¥126.24

Record date

March 31, 2025

Effective date

June 12, 2025

Source of dividends

Retained earnings

Board of Directors' meeting held on October 23, 2025	
Class of shares	Common stock
Total dividends	¥205,270 million
Dividends per share	¥4.30
Record date	September 30, 2025
Effective date	December 5, 2025
Source of dividends	Retained earnings

Board of Directors' meeting held on October 23, 2025	
Class of shares	Series 1 Bond-Type Class Shares
Total dividends	¥1,500 million
Dividends per share	¥50.00
Record date	September 30, 2025
Effective date	December 5, 2025
Source of dividends	Retained earnings

Board of Directors' meeting held on October 23, 2025	
Class of shares	Series 2 Bond-Type Class Shares
Total dividends	¥3,200 million
Dividends per share	¥128.00
Record date	September 30, 2025
Effective date	December 5, 2025
Source of dividends	Retained earnings

Notes:

1. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the Series 1 Bond-Type Class Shares is 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the date two business days before the last day of the fiscal year before the fiscal year (the "Annual Rate Quotation Date") in which the record date falls plus 3.182%.
2. 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 for which the record date is in the current fiscal year, and the effective date for payment is in the following fiscal year

The Company	
Board of Directors' meeting held on May 15, 2026	
Class of shares	Common stock
Total dividends	¥205,547 million
Dividends per share	¥4.30
Record date	March 31, 2026
Effective date	June 2, 2026
Source of dividends	Retained earnings

Board of Directors' meeting held on May 15, 2026	
Class of shares	Series 1 Bond-Type Class Shares
Total dividends	¥1,500 million
Dividends per share	¥50.00
Record date	March 31, 2026
Effective date	June 2, 2026
Source of dividends	Retained earnings

Board of Directors' meeting held on May 15, 2026	
Class of shares	Series 2 Bond-Type Class Shares
Total dividends	¥3,200 million
Dividends per share	¥128.00
Record date	March 31, 2026
Effective date	June 2, 2026
Source of dividends	Retained earnings

Notes:

- 1.If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the Series 1 Bond-Type Class Shares is 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date with respect to the fiscal year in which the record date falls plus 3.182%.
- 2.If the record date falls in a fiscal year ending on or before March 31, 2030, the annual dividend rate for the Series 2 Bond-Type Class Shares is 3.200% per annum. If the record date falls in a fiscal year ending on or after April 1, 2030 and before March 31, 2050, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date with respect to the fiscal year in which the record date falls plus 2.960%. If the record date falls in a fiscal year ending on or after April 1, 2050, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date with respect to the fiscal year in which the record date falls plus 3.710%.

3. Class and number of shares for stock acquisition rights as of March 31, 2026

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

Common stock	309,687,000 shares
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(Notes Relating to Financial Instruments)

1. Matters regarding conditions of financial instruments

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

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

(1) Credit risk

Credit risk is a risk of a financial loss of the Group resulting from counterparties of the financial assets held failing to meet their contractual obligations.

In the course of the Group's business, trade and other receivables, contract assets, other financial assets (including deposits, equity securities, debt securities, and derivatives), investment securities and investment securities in banking business are exposed to the credit risks of its counterparties.

In order to prevent and reduce the risk, the Group does not expose itself to significant concentrations of credit risk for such receivables and financial assets.

Investment securities in banking business mainly include investment securities such as domestic bonds and foreign bonds and trust beneficiary rights. Such bonds are exposed to the credit risk of issuers, whereas trust beneficiary rights are exposed to the credit risk of underlying assets.

Equity instruments at FVTOCI consist primarily of shares of companies with which the Group has business relationships and are exposed to the issuers' credit risk. This risk is managed by continuously monitoring the financial conditions of issuers.

Trade receivables include receivables from dealers, communications fee receivables from customers, and installment receivables of mobile devices, and are exposed to the credit risk of dealers and customers. To manage credit risk for receivables from dealers, the Group performs due date controls and balance controls for each dealer in accordance with its internal credit management policies and regularly monitors major dealers' credit statuses. For customer credit risk, the Group conducts screening in accordance with its internal company standards upon entering into an agreement with customers and checks the status of usage and collection of each customer periodically to avoid an increase in the uncollectible amounts. Regarding installment receivables, the Group refers to external institutions for credit risk information.

Derivative transactions are executed and managed based on internal rules, and the Group enters into derivative transactions only with highly creditworthy financial institutions in order to mitigate credit risk.

The carrying amount of financial assets, net of impairment, which is presented in the consolidated statement of financial position, as well as the amount of lending commitments represents the Group's maximum exposure to credit risk on its financial assets. The value of collateral held, and other credit enhancements are not included.

For trade receivables and contract assets arising from IFRS 15 that do not contain a significant financing component, the Group always measures the lifetime expected credit losses using the simplified approach. For receivables, lending commitments and others other than trade receivables and contract assets, the Group measures future expected credit losses in consideration of the assessment of a significant increase of credit risk. The Group determines whether credit risk has increased significantly or not, based on the change in default risk by considering the counterparty's past due information, deterioration of business performance, external credit rating, and other factors. For receivables, lending commitments and others other than trade receivables and contract assets, the expected credit losses are measured at an amount equal to the 12-month expected credit losses in principle, but are measured at an amount equal to the lifetime expected credit losses when the credit risk has increased significantly since initial recognition.

The Group considers a financial asset to be in default when the financial asset becomes credit-impaired. In case of events such as those listed below, that have a detrimental impact on the estimated future cash flows of financial assets, the financial assets are deemed to be credit-impaired and the expected credit losses are measured individually. When financial assets are not individually significant, the expected credit losses are measured collectively based on the credit risk characteristics and the nature of the transactions that have occurred.

- significant financial difficulty of the issuer or borrower
- breach of contract, such as a default or delinquency in interest or principal payments
- high possibility of the borrower filing for bankruptcy or entering financial reorganization

(2) Market risk

a. Currency risk

The Group conducts foreign currency-denominated transactions and is exposed to currency risk arising mainly from fluctuations in the exchange rate of U.S. dollars to Japanese yen. To avoid this risk, the Group utilizes forward foreign exchange contracts. In addition, the Group's financing through foreign currency-denominated interest-bearing debt is also exposed to currency risk arising mainly from fluctuations in the exchange rate of U.S. dollars to Japanese yen, and the Group uses currency swaps to avoid this risk. Further, to avoid currency risk arising from foreign exchange dealings, the Group enters into covering transactions with counterparties to cover its positions arising from transactions with customers.

b. Price risk

The Group, for the purposes of its business strategy, holds securities traded on active markets, such as publicly traded shares, and is exposed to market price fluctuation risk. Equity instruments are acquired to mutually expand businesses and enhance business relationships and are not held for trading in the short term. To manage the market price fluctuation risk, the Group continuously monitors issuers' financial conditions and market prices and reviews the holding status of the instruments considering the business relationships with those issuers.

c. Interest rate risk

The Group raises capital through interest-bearing loans including those with floating interest rates, and hence is exposed to the risk of an increase in the interest payments resulting from rising interest rates. In order to prevent or reduce the risk of interest rate fluctuations, the Group maintains an appropriate mix of interest-bearing debt with fixed and floating interest rates, and uses interest rate swap transactions for certain borrowings with floating interest rates to hedge the risk of interest rate fluctuations and convert the floating rates into fixed rates. For floating interest rate debt, the Group also continuously monitors interest rate fluctuations.

(3) Liquidity risk

The Group is exposed to liquidity risk through potential difficulty to meet its obligations such as trade payables, accounts payable, borrowings, and lease liabilities.

In order to prevent and reduce liquidity risk, the Group maintains access to diversified fundraising sources including both indirect financing, such as bank borrowings and leases, and direct financing, such as issuance of bonds and securitization, taking market conditions and its current/non-current debt ratios into consideration. As part of fund management activities, the Group invests its funds primarily in liquid short-term deposits.

The Group also continuously monitors its forecasted and actual cash flows and liquid funds.

2. Fair value of financial instruments and matters relating to categorization by level within fair value hierarchy

(1) Fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for valuation.

The fair value hierarchy is defined as follows:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.

Transfers between levels of the fair value hierarchy are recognized as if they have occurred at the beginning of each quarter. There were no transfers between Level 1 and Level 2 during the current fiscal year.

(2) Financial instruments measured at fair value on a recurring basis

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy:

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	40,441	—	125,257	165,698
Bonds	59,067	163,625	8,165	230,857
Trust beneficiary rights	—	—	195,584	195,584
Derivative financial assets	207	47,898	—	48,105
Other ¹	205,717	1,756	141,747	349,220
Total	305,432	213,279	470,753	989,464
Financial liabilities				
Derivative financial liabilities	1,192	3,697	18,508	23,397
Other	—	—	59,701	59,701
Total	1,192	3,697	78,209	83,098

Note:

1. "Other" under financial assets in the above table includes mainly investments in exchange-traded fund and investment limited partnerships.

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Equity securities

Equity securities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1. Where such quoted prices in active markets for identical assets are not available, they are measured using appropriate valuation techniques such as the comparable company analysis, discounted cash flow method and transaction case approach. They are classified as Level 2 if all significant inputs, such as quoted prices of comparable companies and discount rates used for the measurement, are observable, whereas if inputs include significant unobservable inputs, they are classified as Level 3. The Group uses valuation multiple, such as revenue multiple of comparable companies, capital cost and perpetual growth rate as the significant unobservable inputs to calculate the fair value of financial assets classified as Level 3.

b. Debt securities and trust beneficiary rights

Fair value using quoted prices in active markets for identical assets are measured using such quoted prices and is classified as Level 1. Fair value using inputs other than Level 1 that are observable, either directly or indirectly, are measured by using prices based on available information, mainly such as reference trading statistics and brokers' quotes. The Group also utilizes the discounted cash flow method using discount rates as inputs after taking into account risk-free interest rates and credit spreads. They are categorized as Level 2 or Level 3 depending on their observability and significance of inputs.

c. Derivative financial assets and liabilities

Derivative financial assets and liabilities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1. Where such quoted prices in active markets for identical assets are not available, they are measured based on prices of comparable contracts and prices quoted by financial institutions with which contracts were concluded, as well as using valuation techniques such as the discounted cash flow method and the Black-Scholes model. They are categorized as Level 2 or Level 3 depending on the observability and significance of inputs. Significant unobservable inputs used to calculate the fair value of financial liabilities classified as Level 3 include revenue multiple of comparable companies and capital cost.

(3) Fair value measurements of financial instruments that are categorized as Level 3

a. Fair value measurements and inputs

Equity securities

Fair value of equity securities is measured primarily based on the discounted cash flow method and transaction case approach. The significant unobservable inputs of the discounted cash flow method are primarily cost of capital and valuation multiple, such as revenue multiple of comparable companies, used for the measurement of the terminal value.

b. Sensitivity analysis

Fair value of equity securities decreases (increases) when cost of capital increases (decreases) among unobservable inputs. On the other hand, fair value of equity securities increases (decreases) when valuation multiple, such as revenue multiple, increases (decreases). The financial instruments classified as Level 3 are not expected to significantly change their fair value in case the unobservable inputs are changed to reasonably possible alternative assumptions.

c. Valuation processes

Fair value is measured by the Group's personnel in the treasury and accounting departments based on internal regulations, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics, and risks of the financial instruments subject to fair value measurement. The fair value of financial instruments that require a high level of knowledge and experience for the valuation is measured by external specialists if the amount of such financial instruments is material. The result of the measurement conducted at the end of each quarter, including the valuation by the external specialists and the analysis of fair value changes and other contents, is reviewed and approved by the personnel responsible for each department.

d. Changes in financial instruments categorized as Level 3

Changes in financial instruments categorized as Level 3 are as follows:

Financial assets		(Millions of yen)		
	Equity securities	Bonds	Trust beneficiary rights	Other
As of April 1, 2025	96,270	17,374	156,392	104,916
Gains or losses				
Net income ¹	(2,762)	4,767	—	2,386
Other comprehensive income	(5,042)	(259)	111	(670)
Purchases	38,652	3,241	70,968	20,585
Sales	(18,106)	(1,400)	(31,887)	(523)
Changes in scope of consolidation	11,858	405	—	1,442
Transfer to Level 1 due to listing	(811)	—	—	—
Other	5,198	(15,963)	—	13,611
March 31, 2026	125,257	8,165	195,584	141,747

Financial liabilities		(Millions of yen)
	Derivative financial liabilities	Other
As of April 1, 2025	12,577	8,550
Gains or losses		
Net income ¹	5,931	6,864
Other ²	—	44,287
March 31, 2026	18,508	59,701

Notes:

1. Gains or losses recognized in "Net income" in the above table are included in "Financing income" and "Financing costs" in the consolidated statement of income.
2. "Other" under financial liabilities in the above table includes the initial recognition amount of written put options on non-controlling interests.

(4) Financial instruments not measured at fair value on a recurring basis

The table below presents the carrying amounts of financial liabilities not measured at fair value on a recurring basis and categorization by level within the fair value hierarchy:

Financial instruments whose carrying amounts are reasonably similar to their fair values are not included in the table below.

(Millions of yen)

	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt (non-current)					
Long-term borrowings	2,474,053	—	1,406,241	1,047,939	2,454,180
Corporate bonds	1,404,325	—	1,354,690	—	1,354,690

The major valuation techniques for fair value measurements of the financial liabilities above are as follows:

a. Long-term borrowings

Fair values of the non-current portion of long-term borrowings are categorized as Level 2 when they are measured based on the discounted cash flow method using observable inputs, such as market interests. Fair values are categorized as Level 3 when they are measured based on the discounted cash flow method using unobservable inputs, such as an interest rate that takes into account the period until payment and credit risk.

Fair values of the non-current portion of long-term borrowings associated with leases of intangible assets are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and are categorized as Level 3.

Fair values of the non-current portion of long-term borrowings in relation to sale and leaseback transactions not accounted as sales are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and are categorized as Level 3.

b. Corporate bonds (non-current portion)

Fair values of the non-current portion of corporate bonds are measured using quoted prices that are observable in markets that are not active for identical bonds, such as reference trading statistics, and are categorized as Level 2.

(5) Redemption schedule for interest-bearing debt and deposits for banking business

Redemption schedule for interest-bearing debt and deposits for banking business is as follows:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years
Interest-bearing debt				
Short-term borrowings	625,819	625,819	625,819	-
Commercial paper	73,000	73,000	73,000	-
Long-term borrowings (including current portion)	3,337,806	3,354,524	866,083	915,668
Bonds (including current portion)	1,634,283	1,638,380	230,000	339,900
Lease liabilities	813,633	813,633	163,863	141,611
Installment payable	41	41	26	11
Deposits for banking business ¹	2,582,914	2,582,914	2,556,010	12,704
Total	9,067,496	9,088,311	4,514,801	1,409,894

	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt				
Short-term borrowings	-	-	-	-
Commercial paper	-	-	-	-
Long-term borrowings (including current portion)	794,168	392,949	198,736	186,920
Bonds (including current portion)	190,000	140,000	381,540	356,940
Lease liabilities	113,444	99,431	76,418	218,866
Installment payable	4	-	-	-
Deposits for banking business ¹	6,491	1,201	2,218	4,290
Total	1,104,107	633,581	658,912	767,016

Note:

1. Deposits for banking business payable on demand are included in "Within 1 year." Deposits for banking business include ¥2,194,376 million deposits for banking business payable on demand.

(Notes Relating to Per Share Data)

1. Equity per share attributable to owners of the Company ¹	¥55.13
2. Basic earnings per share ²	¥11.35

Notes:

1. "Equity per share attributable to owners of the Company" is based on "Equity attributable to owners of the Company" excluding the amount not attributable to ordinary shareholders of the Company.
2. "Basic earnings per share" is based on "Net income attributable to owners of the Company" excluding the amount not attributable to ordinary shareholders of the Company.

(Notes Relating to Business Combinations)

(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		42,376
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		18,968
Net assets	B	23,408
Non-controlling interests ³	C	3,786
Goodwill ⁴	A-(B-C)	25,053

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. 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.

(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 50,229

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		460,081
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		381,430
Net assets	B	78,651
Non-controlling interests ²	C	38,406
Goodwill ³	A-(B-C)	9,984

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. 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.

(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 78,566

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		95,977
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		34,837
Net assets	B	61,140
Non-controlling interests ³	C	30,254
Goodwill ⁴	A-(B-C)	47,680

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 in the fiscal year ended March 31, 2026. 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	67,623

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. 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.

(Notes Relating to Revenue Recognition)

1. Disaggregation of revenue

The components of revenue are as follows:

	(Millions of yen)
Consumer	
Service revenues	
Mobile	1,586,417
Broadband	405,791
Electricity	210,265
Revenues from sales of goods and others	793,581
Subtotal	2,996,054
Enterprise	
Mobile ³	324,680
Fixed-line	162,396
Business solution and others ³	483,060
Subtotal	970,136
Distribution	923,551
Media&EC	
Media	707,725
Commerce	854,161
Strategy	72,689
Other	6,466
Subtotal	1,641,041
Financial	379,312
Other	128,586
Total	7,038,680

Notes:

1. The components of revenue represent sales to external customers.
2. The components of revenue include revenues from other sources, excluding those arising from IFRS 15 "Revenue from Contracts with Customers" (mainly from PayPay Card Corporation's financial business included in "Financial" and lease transactions included in "Enterprise"). Revenues from other sources were ¥251,505 million.
3. "Mobile" and "Business solution and others" under "Enterprise" include service revenues and revenues from sales of goods and others. Service revenues and revenues from sales of goods and others were ¥594,130 million and ¥213,609 million, respectively.

2. Information that serves as the basis for understanding revenue

Information that serves as the basis for understanding revenue is described in "Note 4. Material accounting policies (7) Revenue recognition" under "Basis of Preparation of Consolidated Financial Statements."

3. Transaction prices allocated to remaining performance obligations

(1) Contract balances

The components of contract balances are as follows:

	(Millions of yen)	
	As of April 1, 2025	As of March 31, 2026
Receivables from contracts with customers	993,360	1,087,111
Contract assets	18,185	20,264
Total	1,011,545	1,107,375
Contract liabilities	202,955	228,469

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer (when that right is conditioned on something other than the passage of time). Major contract assets are as follows:

- Various campaign discounts provided to a customer are accounted for as a reduction of the transaction price. The total of the transaction price is allocated per performance obligation, and the amount of the Group's right to consideration in exchange for fulfilling the performance obligations, excluding the receivables, is recognized as a contract asset.

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has already received consideration from the customer. Major contract liabilities are as follows:

- Activation fees and upgrade fees received from customers at the inception of a new contract and model changes; and
- Consideration for services already received from the customer, such as advances received, is recognized as contract liabilities.

Of the revenue recognized during the current fiscal year, the amount included in the balance of contract liabilities at the beginning of the year is ¥106,460 million.

Impairment loss recognized for receivables arising from contracts with customers during the current fiscal year is ¥16,814 million.

(2) Transaction prices allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2026 is ¥173,080 million. The unsatisfied performance obligations arise primarily from mobile services and mobile device rental services in the Enterprise business, and are expected to be recognized as revenue mainly over approximately three years.

As the Group applies the practical expedient, the transaction price for contracts with an original expected duration of one year or less and the transaction price for contracts in which consideration is received from the customer in an amount that corresponds directly with the volume of services provided are not included in the transaction prices allocated to the unsatisfied performance obligations mentioned above.

(Notes Relating to Subsequent Events)

There are no significant subsequent events to be disclosed.

Notes to Non-consolidated Financial Statements

Notes to Non-consolidated Financial Statements

(Significant Accounting Policies)

1. Valuation standards and methods for major assets

(1) Securities

Shares of subsidiaries and associates : Stated at cost determined by the moving-average method

Available-for-sale securities

With market quotations : Stated at fair value (unrealized gains/losses are directly included in net assets; cost of securities sales is determined by the moving-average method)

Without market quotations : Stated at cost determined by the moving-average method

(2) Derivative instruments : Stated at fair value

(3) Inventories : Stated at cost determined primarily by the moving-average method (the balance sheet value is determined by the write-down method based on a decline in profitability.)

2. Depreciation and amortization

(1) Property, plant and equipment : Calculated using the straight-line method
(including leased assets)

(2) Intangible assets : Calculated using the straight-line method
(including leased assets)

(3) Long-term prepaid expenses : Calculated using the straight-line method

3. Principles for allowances and provisions

(1) Allowance for doubtful accounts

In anticipation of uncollectible receivables, allowance for doubtful accounts is calculated based on bad debt ratio, as well as considering the collectability of the account on an individual basis.

(2) Provision for retirement benefits

Provision for retirement benefits is calculated based on the expected retirement benefit obligation at the end of the current fiscal year.

From March 31, 2007, the Group has frozen all defined benefit lump-sum plans.

1) Attributing expected retirement benefits to periods

In determining its retirement benefit obligation, the expected retirement benefits are attributed to periods until the end of the current fiscal year based on the benefit formula basis.

2) Accounting for unrecognized differences and prior service costs

Actuarial gains (losses) and past service costs are all expensed in the fiscal year when they are incurred.

(3) Provision for bonuses

Expected bonus payments are recorded based on the amount to be incurred in the current fiscal year.

(4) Provision for directors' bonuses

Expected bonus payments to directors are recorded based on the amount to be incurred in the current fiscal year.

(5) Provision for loss on contract

To prepare for future losses incurred in fulfilling contracts with customers, an amount of losses for the next and subsequent fiscal years is estimated and the amount as deemed necessary is recorded.

4. Principles for revenue and expenses

(1) Principles for revenue

The Company adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, September 13, 2024), whereby the Company recognizes revenue when control of promised goods or services is transferred to a customer in an amount which the Company expects to be entitled in exchange for those goods or services.

1) Consumer business

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

a. Mobile services and sales of mobile devices

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

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

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

In mobile services, the contractual period is defined as the period in which the party to the contract has present enforceable rights and obligations based on the terms of the contract with the subscriber. If the subscriber is granted an option to renew the contract and it is determined that the option provides the subscriber with a "material right," a separate performance obligation is identified. As a practical alternative to estimating the stand-alone selling price of the option that represents a performance obligation, the Company allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.

Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payments and have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient permitted by "Accounting Standard for Revenue Recognition".

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

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

i. Indirect sales

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

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

ii. Direct sales

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

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

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

b. Broadband services

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

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

2) Enterprise business

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

a. Mobile services and mobile device rental services

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

b. Fixed-line communications services

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

c. Business solution services and other

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

Revenues from business solution services and other are recognized based upon the consideration receivable from subscribers at the time of delivery or provision of the services to the subscribers representing the point in time when subscribers are considered to have obtained control of the solution services and other.

(2) Revenue from finance lease transactions

Revenue and cost of sales are recorded at the inception of lease contracts.

5. Other basis of presentation of financial statements

(1) Accounting for hedge transactions

Interest rate swaps and currency swaps

1) Hedge accounting

Recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized.

2) Derivative instruments for hedging and hedged items

Derivative instruments for hedging : Interest rate swap contracts, currency swap contracts

Hedged items : Interest expense on borrowings, and principal and interest on foreign currency-denominated bonds

3) Hedging policy

In accordance with internal policy, the Company uses derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates, regarding loans payable with variable interest rates. In addition, with respect to foreign currency-denominated bonds, the Company enters into currency swap transactions for the purpose of hedging currency risk arising from foreign exchange dealings and fixing the cash flows of principal and interest in Japanese yen.

4) Effectiveness of hedge transactions

The effectiveness of hedge transactions is assessed by measuring the correlation between the variability of cash flows associated with the interest rate or foreign exchange fluctuations of hedged items and the variability of cash flows of hedge instruments.

(Notes Relating to Changes in Presentation)

Statement of Income

Usage fees for pipeline facilities, pole attachment fees, and certain colocation-related expenses (¥16,381 million in the previous fiscal year), which were included in "Facilities maintenance expenses" in the previous fiscal year, have been included in "Communication facility fee" from the current fiscal year due to the revision of the Guidelines on the Application of the Telecommunications Business Act and the Radio Act related to MVNO¹. In addition, "Interest on bonds" (¥7,373 million in the previous fiscal year), which was included in "Miscellaneous expenses" under "Non-operating expenses" in the previous fiscal year, is presented as a separate item in the current fiscal year as the amounts became material.

Note: MVNO stands for Mobile Virtual Network Operator.

(Notes Relating to Significant Accounting Estimates)

Of assets and liabilities recorded using accounting estimates in the non-consolidated financial statements of the current fiscal year, items that have the risk of significant impacts on the non-consolidated financial statements of the following fiscal year are as follows:

Estimates for impairment of shares of subsidiaries and associates

Shares of subsidiaries and associates are recorded at cost in the balance sheet; provided, however, that in cases where the fair value of shares of subsidiaries and associates has significantly declined, unless recovery is deemed possible, the carrying amount is written down to fair value, and the valuation differences are recognized as losses. In cases where it is extremely difficult to determine the fair value of shares of subsidiaries and associates, when the net asset value has significantly declined due to the deterioration of the issuer's financial position, the carrying amount is reduced correspondingly, and the valuation differences are recognized as losses.

The net asset value used in estimating the impairment losses on shares of subsidiaries and associates is calculated by multiplying the net asset value per share of the issuer by the number of shares held. The net asset value per share of the issuer is determined based on the latest financial statements of the issuer, taking into consideration the fair valuation difference on assets and liabilities, the issuer's excess earning power and other factors. In measuring the net asset value, management's judgements and estimates may have a material impact on the non-consolidated financial statements of the Company. The fair value of assets and liabilities and the issuer's excess earning power are measured based on the assumptions, such as estimated future cash flow generated by the issuer, growth rate and discount rate. The assumptions above that are determined by management's best estimates may be affected by uncertainties in future economic conditions and may have a material impact on the non-consolidated financial statements of the following fiscal year if the assumptions were revised.

The estimated amounts of impairment losses on shares of subsidiaries and associates are described in "Notes Relating to Financial Instruments, 2. Fair value of financial instruments."

(Notes Relating to Balance Sheet)

1. Contingencies

(1) Lending commitments

The Company entered into lending commitment contracts with subsidiaries and other entities.

The details of lending commitments with subsidiaries and other entities are as follows:

	(Millions of yen)
Total lending commitments	221,877
Funded	135,825
Unfunded	86,052

(2) Litigation

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

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 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 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.

2. Accumulated reduction entry of property, plant and equipment due to subsidies received from governments and others

(Millions of yen)

7,316

3. Non-current assets - incidental business

"Non-current assets - incidental business" are included in "non-current assets - telecommunications business" because the amount is not material. The amount of "non-current assets - incidental business" is ¥235 million as of the end of the current fiscal year.

4. Financial covenants

The Company's interest-bearing debt is subject to financial covenants mainly as follows:

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

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

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

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

5. Monetary receivables from and payables to subsidiaries and associates

Monetary receivables from and payables to subsidiaries and associates, other than those presented separately, are as follows:

	(Millions of yen)
Long-term monetary receivables	474
Long-term monetary payables	14
Short-term monetary receivables	281,804
Short-term monetary payables	324,598

6. Monetary receivables from and payables to board directors

Monetary receivables from and payables to board directors are as follows:

	(Millions of yen)
Monetary receivables	19,930

(Notes Relating to Statement of Income)

Transactions with subsidiaries and associates

	(Millions of yen)
Operating revenue	82,184
Operating expenses	368,353
Non-operating transactions	131,965

(Notes Relating to Statement of Changes in Net Assets)

Class and number of treasury stock at the end of the current fiscal year

	(Thousands of Shares)
Common stock	170,725

(Notes Relating to Tax Effect Accounting)

Significant components of deferred tax assets and liabilities

Deferred tax assets	(Millions of yen)
Non-qualified contribution-in-kind	88,069
Accounts payable - other and accrued expenses	48,820
Loss on valuation of investment securities	25,682
Allowance for doubtful accounts	23,895
Asset retirement obligations	19,585
Depreciable assets	14,342
Contract liabilities and other current liabilities	13,604
Provision for bonuses	12,519
Inventories	6,913
Enterprise tax payable	5,516
Others	24,384
Gross deferred tax assets	283,329
Less: Valuation allowance	(121,509)
Total deferred tax assets	161,820
Offset against deferred tax liabilities	(38,626)
Net deferred tax assets	123,194

Deferred tax liabilities	(Millions of yen)
Removal costs for asset retirement obligations	(7,307)
Lease investments assets	(6,126)
Right of return assets	(9,021)
Valuation difference on available-for-sale securities	(5,176)
Others	(10,996)
Total deferred tax liabilities	(38,626)
Offset against deferred tax assets	38,626
Net deferred tax liabilities	-

(Notes Relating to Non-current Assets Used under Leases)

Leased assets used under finance lease transactions

Non-current assets - telecommunications business	(Millions of yen)
Machinery	365,156
Antenna facilities	181,025
Terminal facilities	61
Local line facilities	931
Long-distance line facilities	2,033
Engineering facilities	4,024
Buildings	23,609
Structures	2,470
Machinery and equipment	39
Vehicles	24
Tools, furniture and fixtures	3,283
Software	131,475
Total	714,130

(Notes Relating to Financial Instruments)

1. Status of financial instruments

(1) Policy relating to financial instruments

The Company manages funds mainly in short-term deposits, and raises funds through loans from financial institutions, issuance of commercial paper and bonds, securitization of receivables and sale and lease back transactions. The funds raised are primarily intended for capital expenditures.

(2) Details of financial instruments, related risks and risk management system thereof

As investment securities consist primarily of shares of companies with which the Company aims to expand business, maintain its competitive advantage or create synergies in business operations, these securities are exposed to the issuer's credit risk and market price fluctuation risk. These risks are managed by continuously monitoring the financial conditions of issuers and other factors considering market price fluctuations.

Trade receivables include receivables from dealers, communications fee receivables from customers, and installment receivables of mobile devices, and are exposed to the credit risk of dealers and customers. To manage credit risk for receivables from dealers, the Company performs due date controls and balance controls for each dealer in accordance with its internal credit management policies and regularly monitors major dealers' credit statuses. For customer credit risk, the Company conducts screening in accordance with its internal standards upon entering into an agreement with customers and checks the status of usage and collection of each customer from time to time to avoid an increase in any uncollectible amounts. Regarding installment receivables, the Company refers to external institutions for credit risk information.

Short-term loans receivable mainly consist of loans extended to subsidiaries of the Company: SB C&S Corp., SB Power Corp., SB Players Corp., and IDC Frontier Inc.

Lease obligations are intended to raise funds required for capital expenditures. "Accounts payable - trade" and "accounts payable - other" in trade payables are generally due within one year.

Short-term loans payable mainly consist of utilization of self-trust for securitization of receivables and joint management designated money trusts, as well as loans from the Company's subsidiary, IDC Frontier Inc. Current portion of non-current liabilities and long-term loans payable mainly consist of loans from financial institutions. Bonds and commercial paper represent funds raised from capital markets.

Derivative transactions are interest rate swap agreements to avoid the risk of interest rate fluctuations for long-term loans with floating interest rates and convert the floating rates into fixed rates, as well as currency swap agreements to hedge the risk of foreign exchange fluctuations related to foreign currency-denominated bonds and fix the principal and interest in Japanese yen. Derivative transactions are executed and managed in accordance with the internal rules, and the Company enters into derivative transactions only with highly creditworthy financial institutions in order to mitigate credit risk.

(3) Supplementary explanation on matters regarding fair value of financial instruments

Since certain assumptions and factors are reflected in determining the fair value of financial instruments, different assumptions and factors could result in a different fair value.

2. Fair value of financial instruments

The carrying amount, the fair value, and the differences between them as of the end of the current fiscal year are as follows.

Equity securities, etc. that do not have a market price are not included in the table below. (Please refer to Note 3.) Notes on cash are omitted, and notes on financial instruments that are settled in the short-term are omitted because their carrying amounts approximate their fair values.

(Millions of yen)			
	Carrying amount	Fair value	Difference
(1) Investment securities			
Available-for-sale securities	25,699	25,699	-
(2) Shares of subsidiaries and associates			
Shares of subsidiaries	58,934	175,469	116,535
(3) Accounts receivable - trade	1,007,723		
Less: Allowance for doubtful accounts (current assets) ¹	(50,811)		
	956,912	956,912	-
(4) Deposits paid	57,886	57,886	-
Total assets	1,099,431	1,215,966	116,535
(5) Bonds	1,053,480	1,011,872	(41,608)
(6) Long-term loans payable	930,106	915,365	(14,741)
(7) Lease obligations (non-current liabilities)	331,013	325,256	(5,757)
(8) Current portion of non-current liabilities	332,790	332,790	-
(9) Lease obligations (current liabilities)	200,244	200,244	-
(10) Deposits received	241,773	241,773	-
Total liabilities	3,089,406	3,027,300	(62,106)
(11) Derivative transactions ²	41,130	41,130	-

Notes:

1. This amount represents the allowance for "Accounts receivable - trade."
2. The net amount of assets and liabilities arising from derivative transactions is presented, and the amount in parentheses represents a net liability position.

(Note 1) Description of the valuation techniques and inputs used for calculating fair value

Fair values of financial instruments are classified into the following three levels, according to the observability and significance of inputs used in the fair value measurement.

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Investment securities, (2) Shares of subsidiaries and associates

The fair value of equity securities is based on quoted market price, and the fair value of investment trusts is based on net asset value. Equity securities are measured using quoted prices in active markets for identical assets if such prices are available, and are classified as Level 1.

(3) Accounts receivable - trade

Installment receivables are discounted, by using the interest rate reflecting the remaining period to maturity and credit risk, and are classified as Level 2. Installment receivables are stated at carrying amount because their carrying amounts approximate their fair values. Accounts receivable - trade other than installment receivables are categorized into groups for each section of period and calculated for each such group, by using the discounted present value method based on the interest rate reflecting the amount of receivables, the remaining period to maturity and credit risk, and are classified as Level 2. Accounts receivable - trade other than installment receivables are stated at carrying amount because their carrying amounts approximate their fair values.

(4) Deposits paid

Deposits paid are categorized into groups for each section of period and calculated for each group, by using the discounted present value method based on the interest rate reflecting the amount of receivables, the remaining period to maturity and credit risk, and are classified as Level 2. Deposits paid without maturity are stated at carrying amount because their carrying amounts approximate their fair values.

(5) Bonds

The carrying amounts of bonds are measured based on the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association, and are classified as Level 2.

(6) Long-term loans payable

The fair values of long-term loans payable are measured by discounting the total of principal and interest at an interest rate that would be used for a similar new loan, whereby they are classified as Level 2 or Level 3.

(7) Lease obligations (non-current liabilities)

The fair values of lease obligations are estimated by discounting the total of principal and interest at an interest rate that would be used for a lease contract with the same terms and maturity, and are classified as Level 2.

(8) Current portion of non-current liabilities

The fair values of the current portion of non-current liabilities are measured by discounting the total of principal and interest at an interest rate that would be used for a similar new loan, whereby they are classified as Level 2 or Level 3. The current portion of non-current liabilities is stated at carrying amount because its carrying amount approximates its fair value.

(9) Lease obligations (current liabilities)

The fair values of lease obligations are estimated by discounting the total of principal and interest at an interest rate that would be used for a lease contract with the same terms and maturity, and are classified as Level 2. Lease obligations (current liabilities) are stated at carrying amount because their carrying amounts approximate their fair values.

(10) Deposits received

Deposits received are categorized into groups for each section of period and calculated for each such group, by using the discounted present value method based on the interest rate reflecting the future cash flows, remaining period to due date and credit risk, and are classified as Level 2. Demand deposits received are stated at the amount payable on demand at the balance sheet date (carrying amount), which is deemed to represent fair value.

(Note 2) Derivative transactions

(1) Derivative transactions for which hedge accounting is not applied

There are no applicable items.

(2) Derivative transactions for which hedge accounting is applied

With respect to the derivative transactions for which hedge accounting is applied, the contract amount or the notional amount specified in the contract for each hedge accounting method at the balance sheet date are as follows:

(Millions of yen)

Hedge accounting method	Transaction type, etc.	Main hedged item	Contract amount	Contract amount maturing over 1 year	Fair value ¹
General treatment	Interest rate swaps Pay fixed / Receive floating	Long-term loans payable	764,048	594,589	16,944
General treatment	Currency Swap	Bonds	143,930	143,930	23,551

Note:

1. Fair value measurement is based on quoted prices by counterparty financial institutions and the fair value is classified as Level 2.

(Note 3) Equity securities, etc. that do not have a market price

(Millions of yen)

Category	Carrying amount
Investment securities	
Unlisted shares	30,259
Shares of subsidiaries and associates	
Shares of subsidiaries	
Unlisted shares	1,170,407
Shares of associates	
Unlisted shares	13,672
Other	60,739

These instruments are not included in "(1) Investment securities" and "(2) Shares of subsidiaries and associates." Investments in partnerships and other similar entities for which equity interests are recorded on a net basis on the balance sheet are included in Other. The total carrying amount of these investments is ¥42,757 million.

(Notes Relating to Profit and Loss on Equity Method Investments, etc.)

	(Millions of yen)
Amount of investments in associates	190,497
Amount of investments on equity method	205,823
Amount of investment losses on equity method	28,432

Note:

1. The amounts above include the amounts related to investments in associates held by subsidiaries of the Company. The amount of investments in associates is the carrying amount of the investments to which the equity method is applicable under IFRS, pursuant to the provisions of Paragraph 1 of Article 120 of the Regulation on Corporate Accounting. The amount of investments on equity method and the amount of investment losses on equity method are calculated in accordance with IFRS.

The amount of investment losses on equity method are presented by including Gain on changes in equity interest and Impairment loss on equity method investments.

(Notes Relating to Related-Party Transactions)

Subsidiaries

Category	Name	Nature of business or profession	Voting rights (%)	Relationship with related-party	Nature of transaction	Amount of transaction (Millions of yen)	Balance as of March 31, 2026	
							Account	Amount (Millions of yen)
Subsidiary	Wireless City Planning Inc.	Telecommunications business	(Own) Direct 31.8	Interlocking directorate Lending of loans	Receipt of dividend	19,533		-
Subsidiary	A Holdings Corporation.	Management of investees' business activities	(Own) Direct 50.0	Interlocking directorate	Receipt of dividend ¹	62,324		-
Subsidiary	SB C&S Corp.	Distribution business	(Own) Direct 100.0	Interlocking directorate Lending of loans	Receipt of dividend	18,058		-
					Lending of loans ²	60,000	Short-term loans receivable	65,000
					Collection of loans receivable	10,000		
					Receipt of interest ²	226	Other current assets	127
Subsidiary	SB Payment Service Corp.	Payment agency business	(Own) Direct 100.0	Interlocking directorate	Receipt of deposit ³	42,732	Deposits received	150,753
					Interest payment ³	220		

Notes:

1. ¥56,727 million is recorded as a non-operating income and ¥5,597 million is recorded as a reduction in investments on the balance sheet.
2. Interest rates for loans are reasonably calculated based on market interest rates and actual interest rates of the Company's borrowings with periods similar to the loan periods.
3. For funds deposited by subsidiaries through the cash management system (CMS), interest rates are determined based on market interest rates. Since fund transfers under the deposit and loan system are conducted on a daily basis, the transaction amount of funds deposited with the Company is stated as increase/decrease.

Officers, major individual shareholders, etc.

Category	Name	Nature of business or profession	Voting rights (%)	Relationship with related-party	Nature of transaction	Amount of transaction (Millions of yen)	Balance as of March 31, 2026	
							Account	Amount (Millions of yen)
Officers and their relatives	Yasuyuki Imai	Board Director of the Company	(Owned) Direct 0.05	Board Director of the Company	Exercise of stock acquisition rights ¹	900		-
					Collection of loans receivable ^{2,3,4}	430		-
					Receipt of interest on loans receivable	4		-
					Receipt of deposits ²	400		
					Offsetting of deposits ²	400		-
					Offsetting of interest on deposits ²	1		-
Officers and their relatives	Junichi Miyakawa	Board Director of the Company	(Owned) Direct 0.37	Board Director of the Company	Exercise of stock acquisition rights ¹	1,800		-
					Lending of loans ^{2,3,4,5}	-	Long-term loans receivable to directors and employees	19,930
					Receipt of interest on loans receivable	219		-
Officers and their relatives	Jun Shimba	Board Director of the Company	(Owned) Direct 0.06	Board Director of the Company	Exercise of stock acquisition rights ¹	900		-
Officers and their relatives	Kazuhiko Fujihara	Board Director of the Company	(Owned) Direct 0.04	Board Director of the Company	Exercise of stock acquisition rights ¹	900		-
					Collection of loans receivable ^{2,3,4}	320		-
					Receipt of interest on loans receivable	1		-

Notes:

1. The amount represents the exercise of stock acquisition rights under the resolution passed at the Board of Directors' meeting held on June 22, 2021 for the current fiscal year. The amount of the transaction is calculated by the number of the stock granted due to exercise of stock acquisition rights multiplying by payment amount.
2. Lending rate was set at 1.03%-1.10% (fixed rate) as reasonably determined in consideration of the borrowing rate actually borne by the Company, which is on the level similar to market rate on similar term. The loan is repayable in full on the maturity date, which is the end of the fiscal year five years after the loan disbursement date. The borrower may agree to extend the repayment period for up to five years or choose to prepay the loan before the maturity date. Borrowers are entitled to deposit the fund not exceeding the balance of this loan to the Company, in which case the interest rate applicable to such deposits is the same as the abovementioned lending rate. Decrease in the amount of deposits and interest on deposits is due to offsetting against loans receivable and interest on loans receivable.
3. In this transaction, the borrowers' assets as follows have been provided as security.
 - Shares in SoftBank Corp. purchased by using the loan
4. In the event that the fair value of the security falls below certain percentage of the loan balance prior to the due date, the Company shall be entitled to request pledge of additional security from the borrowers.
In such case, the Company shall be entitled to reserve part of the remuneration, etc. the Group will pay to the borrowers within certain limitation, and to use it for the repayment of the loan (hereinafter the "Additional Entitlement").
5. Of the total amount due, the remaining shortfall, if any, after the enforcement of security and execution of the Additional Entitlement shall fully be guaranteed by Board Director, Mr. Masayoshi Son.

(Notes Relating to Asset Retirement Obligations)

Asset retirement obligations that are reported on the balance sheet

1. Summary of asset retirement obligations

Asset retirement obligations are recognized based on the reasonably estimated amount required for the removal of equipment or site restoration for part of base stations, data centers, network centers, and offices including the corporate headquarters building.

The estimate is based on the current business plan and both the amounts provided for and timing of payments are uncertain and dependent on future business plan developments.

2. Calculation method for the amount of asset retirement obligations

The expected usage period is estimated, and the average yield of interest-bearing government bonds is used as the discount rate.

3. Increase or decrease in the total amount of asset retirement obligations during the current fiscal year

	(Millions of yen)
Balance at the beginning of the current fiscal year	56,942
Increase due to acquiring property, plant and equipment	1,150
Adjustment due to passage of time	222
Decrease due to payments for asset retirement obligations	(5,484)
Increase due to changes in estimates	9,304
Balance at the end of the current fiscal year	62,134

4. Changes in estimates of asset retirement obligations

The Company recorded asset retirement obligations of ¥9,304 million based on the revised estimates of restoration costs for certain equipment due to changing environment such as rise in prices.

(Notes Relating to Per Share Data)

Net assets per share ¹	¥20.91
Net income per share ²	¥8.76

Notes:

1. "Net assets per share" is based on "Net assets" excluding the amount not attributable to ordinary shareholders of the Company.
2. "Net income per share" is based on "Net income" excluding the amount not attributable to ordinary shareholders of the Company.

(Notes Relating to Revenue Recognition)

Information that serves as the basis for understanding revenue from contract with customers is described in "4. Principles for revenue and expenses" under "Significant Accounting Policies."

(Notes Relating to Subsequent Events)

There are no significant subsequent events to be disclosed.