

Recognition of Gain on Sale of Investment Securities in Non-Consolidated Financial Results
Following Completion of Settlement of Alibaba Prepaid Forward Contracts

SoftBank Group Corp. ("SBG") announced today that it will record a gain on sale of investment securities of JPY 1,259.2 billion as extraordinary income in its non-consolidated financial results for the fiscal year ending March 31, 2024, as a result of the settlement of certain intra-group transactions (collectively referred to as the "Intra-group Transactions", comprising the Intra-group Share Loan Agreement and the Intra-group Prepaid Forward Contracts, as defined below) between SBG and Skybridge LLC ("Skybridge"), a wholly owned subsidiary, related to the prepaid forward contracts using shares of Alibaba Group Holding Limited ("Alibaba").

As stated in "2. Impact on financial results," no gain on sale of investment securities will be recognized in SBG's consolidated financial results.

1. Summary of the settlement of the Intra-group Transactions

Several of SBG's wholly owned subsidiaries have been raising funds using Alibaba shares by entering into prepaid forward contracts with several financial institutions. Among them, Skybridge entered into prepaid forward contracts with financial institutions in April 2020, using 512.3 million Alibaba shares (equivalent to approximately 64.0 million ADRs) (the "Prepaid Forward Contracts"). These shares were borrowed from SBG through a share loan agreement (the "Intra-group Share Loan Agreement"). Concurrently, SBG and Skybridge entered into prepaid forward contracts (the "Intra-group Prepaid Forward Contracts").

Between October 2021 and January 2024, Skybridge settled all of the Prepaid Forward Contracts in several tranches, all in physical form. Upon the final settlement in January 2024, SBG transferred 512.3 million Alibaba shares to Skybridge, which Skybridge then used to settle the Intra-group Share Loan Agreement. At the same time, SBG and Skybridge settled the Intra-group Prepaid Forward Contracts.

In connection with the settlement of the Intra-group Transactions, neither SBG, Skybridge, nor the financial institutions have bought or sold any new Alibaba shares in the market, nor do they plan to do so in the future.

2. Impact on financial results

In connection with the settlement of the Intra Group Transactions, SBG will record a gain on sale of investment securities of JPY 1,259.2 billion as extraordinary income in its non-consolidated financial results for the fiscal year ending March 31, 2024. This gain on sale of investment securities includes a gain of JPY 700.6 billion related to the Intra-group Prepaid Forward Contracts that have been settled to date.

No gain on sale of investment securities will be recognized in SBG's consolidated financial results as these are intra-group transactions. The gain or loss on each prepaid forward contract with financial institutions is recognized at the time of settlement.