April 1, 2025
SoftBank Group Corp.

# Announcement Regarding Follow-on Investments in OpenAI

SoftBank Group Corp. ("SBG") today announced that, on March 31, 2025 (U.S. time), it entered into a definitive agreement with OpenAI Global, LLC ("OpenAI Global") and its affiliates (collectively, "OpenAI"), a U.S.-based artificial intelligence research and development company, to make follow-on investments of up to USD 40.0 billion (approximately JPY 5.98 trillion[*1])(the "Transaction"), as detailed below. SBG is planning to syndicate out USD 10.0 billion of the up to USD 40.0 billion investment to co-investors. Accordingly, SBG's effective investment amount is expected to be up to USD 30.0 billion (approximately JPY 4.49 trillion[*1]).

SBG's financial policies[*2] regarding LTV (Loan-to-Value: calculated as adjusted net interest-bearing debt ÷ equity value of holdings) and cash position remain unchanged.

[*1] Converted at USD = JPY149.52

[*2] SBG manages LTV below 25% in normal times in financial markets, with an upper threshold of 35% even in times of emergency. Concurrently, SBG secures a cash position sufficient to cover bond redemptions for at least the next two years.

## 1. Rationale for the Transaction

With the center of the "Information Revolution" having evolved from personal computers, the Internet, and broadband to smartphones, it has now entered a new phase led by artificial intelligence (AI). In this context, SBG has declared its mission to realize Artificial Super Intelligence (ASI) for the advancement of humanity.

Recognizing OpenAI as the partner closest to achieving Artificial General Intelligence (AGI), a key milestone on the path to ASI, and its mission of ensuring AGI benefits all of humanity, SBG has positioned OpenAI as its most important partner and invested USD 2.2 billion in total through SoftBank Vision Fund 2 since September 2024.

The advancement of OpenAI's AI models is key to achieving AGI and ASI, and massive computing power is essential. To that end, SBG has announced the "Stargate Project" together with OpenAI on January 21, 2025, to build dedicated AI infrastructure for OpenAI in the United States.

In alignment with this initiative, and to both further support OpenAI's growth and capture the benefits of that growth in SBG's NAV (Net Asset Value: calculated as equity value of holdings – adjusted net interest-bearing debt), SBG has decided to make follow-on investments in OpenAI.

## 2. Details of the Transaction

| | First Closing | Second Closing |
|---|---|---|
| Pre-Money Valuation | USD 260.0 billion | |
| Investment Amount | USD 10.0 billion | (1) Up to USD 30.0 billion if OpenAI Global, the for-profit subsidiary of OpenAI, Inc., completes a recapitalization of its economic waterfall (the "Funding Conditions") by the end of 2025, or in certain circumstances, early 2026.<br>(2) USD 10.0 billion if the Funding Conditions have not been met by the end of 2025, or in certain circumstances, early 2026. |
| Syndication | Up to USD 10.0 billion of the investment amount may be syndicated out to co-investors. However, in the case of (2) above, syndication of USD 10.0 billion for the second closing will not reduce SBG's USD 10.0 billion commitment for the Second Closing. | |
| Investment Timing | April 2025 | December 2025 |
| Investing Entity | SBG or its subsidiary | |
| Investment Target | OpenAI Global | OpenAI Global or a new entity following the satisfaction of the Funding Conditions |
| Type of Securities to be Acquired | Convertible Interest Rights, which are convertible into:<br>● Convertible Preferred Shares of a new entity with 1x liquidation preference once the Funding Conditions are met | |

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|---|---|
| | ● Convertible Preferred Shares will automatically convert into common stock in connection with an IPO / go-public transaction |

**3. Overview of OpenAI Global**

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|---|---|
| (1) Name | OpenAI Global, LLC |
| (2) Address | San Francisco, California, USA |
| (3) Name and title of representative | Sam Altman, CEO |
| (4) Business Description | To build safe and beneficial artificial general intelligence (AGI) that benefits all of humanity |
| (5) Founded | December 2015 (OpenAI, Inc., the controlling entity of OpenAI Global) |

**4. Timeline**

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|---|---|
| SBG Board resolution regarding the Transaction[*3] | March 27, 2025 (Japan time) |
| Execution of the agreement for investment of up to USD 40.0 billion by SBG and OpenAI Global | March 31, 2025 (U.S. time) |
| Completion of investment of USD 10.0 billion | Mid-April, 2025 (Planned) |
| Completion of investment of up to USD 30.0 billion | December 2025 (Planned) |

[*3] The final decision with respect to the final terms of the Transaction and the agreements thereof was delegated to Mr. Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SBG, and Mr. Yoshimitsu Goto, Board Director, Corporate Officer, Senior Vice President, CFO & CISO of SBG, to the extent not inconsistent with the contents of the SBG Board resolution.

**5. Syndication**

SBG and OpenAI have initiated discussions with major institutional investors regarding syndication, and up to USD 10.0 billion of the up to USD 40.0 billion investment is expected to be syndicated out to co-investors.

**6. Financing**

As part of the Transaction, the payment of USD 10.0 billion to OpenAI Global scheduled for April 2025 is expected to be financed through borrowings from Mizuho Bank, Ltd.,

among other financial institutions (excluding the syndicated amount).

**7. Impact on Consolidated Financial Results**

In SBG's consolidated financial statements, the Convertible Interest Rights in OpenAI Global or the new entity following the satisfaction of the Funding Conditions will be classified as financial assets measured at fair value through profit or loss (FVTPL). They will be measured at fair value on a quarterly basis, with any changes in fair value recognized in the consolidated statement of profit or loss as gains and losses on investments.