BOND SPOTLIGHT

SoftBank: new HY deal is a leveraged bet on OpenAI

Rose Choy* | 23 Sep 2026 | 5 minute read

SUMMARY

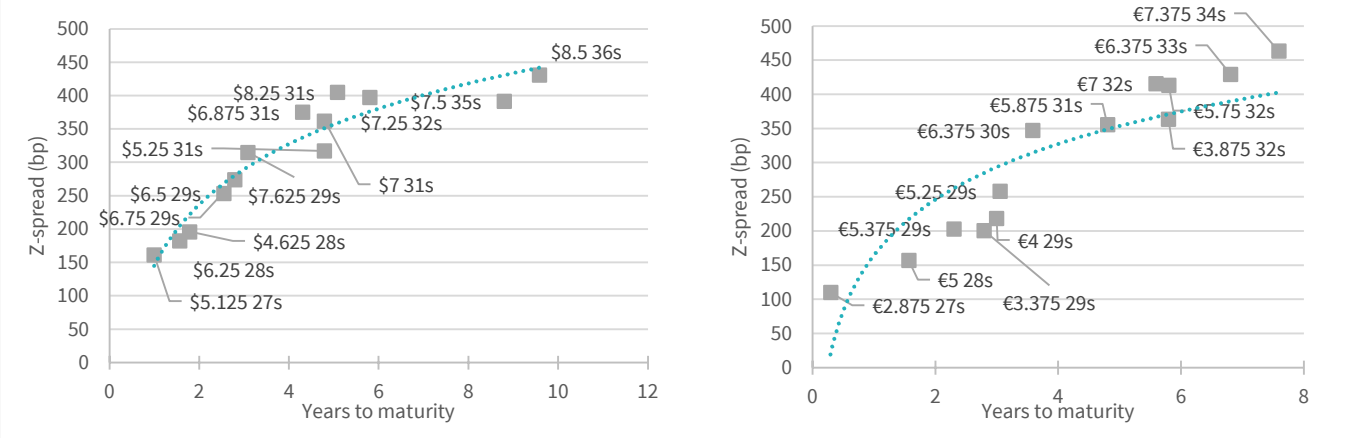
- SOFTBK is bringing one of the largest multi-tranche high yield deals to the market this week.
- The deal proceeds will be primarily used to finance its USD10 billion investment in OpenAI.
- SoftBank Group has a net zero emissions strategy for Scopes 1,2&3 by FY2050, and an earlier Scope 1&2 net zero by FY2030.
- However, the recent investment strategy in AI infrastructure, which includes fossil gas buildout, could derail its sustainability strategy given the large demands to source reliable power.

SoftBank Group Corp (Ticker SOFTBK), rated BB+/BB+ (S&P/Fitch), is marketing USD11billion of USD and EUR high yield notes. Proceeds will fund its USD10 billion follow-on investment in OpenAI and remainder for general corporate purposes. This is new debt, and net debt will increase by USD11billion, against a larger stake in OpenAI, a private company.1 Notes are expected to price on 24 September.

SoftBank Group is an investment holding company focused on artificial intelligence and the technology ecosystem and is listed under the Tokyo Exchange. As of 30 June 2026, Softbank's major equity holdings consisted of 60% equity value in ARM, 17% in OpenAI and the remainder in other investment vehicles. SoftBank currently owns about 86% of ARM and 13% in OpenAI.[2]

SoftBank Group targets net zero emissions in its Scopes 1, 2 and 3 by FY2050.[3] It is also aiming to switch to 100% carbon neutral power by FY2030 and to reduce its Scope 1 and 2 emissions to net zero by FY2030.[4] Softbank Group's sustainability story is evolving, as its investments become more focused in the power-intensive AI infrastructure sector. As part of its strategic investments to realise

Figure 1. Softbank Group USD (left) and EUR (right) bond curves. Source: Bloomberg Finance L.P., accessed 22 Sep 2026



[1] Netroadshow for SoftBank Group, Sep 2026.
[2] Pro-Forma for completion of 2026 three tranches of investment in OpenAI.
[3] "Disclosure Based on TCFD Recommendations", SoftBank, 2026.
[4] "Top Message", SoftBank, 2026.

value across its portfolio, AI infrastructure is a key pillar.

This infrastructure includes building out multi-gigawatt AI infrastructure in Texas, Ohio and France, which is dependent on large, reliable power supplies.

Pricing

SOFTBK is a frequent issuer in the high yield market in the USD, EUR and JPY currencies. The company has issued subordinated perpetuals as well as senior high yield debt. Due to the total large issue sizes, the market would likely require the new bonds to come with some attractive new issue concession. The current 5 tranche deal will consist of 3.5 yr USD bond, 5.5 yr USD bond, 7.5 yr USD bond, totalling USD 10bn and a 4 yr EUR bond and a 6 yr EUR bond totalling EUR1 billion. This is the first time SoftBank is issuing in the 144A market, which could capture some of the US high yield demand (including HY ETFs). The Bloomberg U.S. Corporate High Yield Index currently has about USD1,515 billion outstanding, and a new USD10billion issue would constitute about 0.7% of the index. The market has been sounded out for its 7.5 yr USD tranche at "high 9% to 10%", while the 3.5- and 5.5-year USD tranches have been sounded out at around "9%-low 9%" and "mid 9%" respectively.[5] Currently the 7.5% 2035 USD SOFTBK bonds are trading at an offer yield of around 8.4%.

SB Energy – partnerships and platform for AI infrastructure[6]

SoftBank's strategy for buildout of AI infrastructure emphasises renewable-powered data centres and power-efficiency optimisation. However, its recently announced AI infrastructure projects could be at odds with the renewable power strategy. Its 100% subsidiary, SB Energy, is one of the key subsidiaries to execute its strategy to secure and develop power and other development capabilities for the infrastructure.

SB Energy has formed several important partnerships to this strategy. In Jan 2026, SB Energy entered into a 15-yr lease agreement for a data centre in Texas, where OpenAI and SoftBank each invested USD500million in SB Energy. The Texas project will have 0.8GW of IT load capacity and is supported by long-term contracted demand from OpenAI.

SB Energy is part of a consortium to develop 8 IT-GW AI data-centre capacity at the PORTS-Pike Technology Campus, in conjunction with AEP Ohio. SB Energy has entered into an agreement in Aug 2026, with OpenAI to secure the power (8 GW) to own and operate the data centres in this campus under a 20-yr lease. This data centre is to be supported by 10GW of new power generation, of which 9.2GW is expected to be fossil gas generation capacity and expected to become operational beginning in 2028 in phases. This gas generation project is part of the USD33.3bn of Japanese funding that was announced under the U.S.-Japan Strategic Trade and Investment Agreement and part of the USD550billion of Japanese investment in the U.S. as part of the Japan-US trade negotiations.

In Aug 2026, NVIDIA agreed to invest USD3billion in SB Energy in two parts: USD1.5 billion paid upfront to Energy Global L.P. (SoftBank's subsidiary) in exchange for shares later (a pre-paid forward); and USD1.5 billion

[5] "SoftBank Draws Over $20 Billion of Early Interest in Junk Bond", Bloomberg Finance L.P., 22 Sept. 2026.
[6] All information on SB Energy and transactions from Preliminary Offering Memorandum for SoftBank Group dated 21 September 2026.

used to buy SB Energy shares in a private placement. NVIDIA is also providing credit support for the land, power, and shell infrastructure for the PORTS-Pike Technology Campus ("Ohio campus"). NVIDIA guarantees a minimum value for OpenAI's lease at the campus at USD24.7billion per GW of IT capacity. This floor is fixed at the start but falls over the 20-year lease. If the lease becomes worth less than this guaranteed amount, NVIDIA will cover the shortfall at a total cap of USD105billion on the initial 4.25GW of capacity. In return, NVIDIA will be the exclusive AI compute infrastructure provider for this same campus.

Outside of the US, Softbank Group has announced in Jun 2026 to develop and operate up to 5GW of AI data-centre capacity in France, with an investment of up to EUR75billion. The initial investment of EUR45billion to deliver 3.1GW of AI data-centre capacity in Bosquel France, under a joint-venture which is majority owned by SoftBank.

SB Energy is currently a wholly owned subsidiary of SoftBank Group, but it has filed with the SEC on Sept 1, 2026, to IPO. SB Energy also began to market a Japan tranche on Sept 15, 2026, to raise up to USD500 million from Japanese investors ahead of its US IPO.[7] SB Energy's IPO which is targeting a valuation of around USD50 billion could potentially be delayed, due to OpenAI's IPO timing which has become uncertain.[8]

The Ohio campus does not seem to fit in with SoftBank Group's climate targets of net zero Scope 1 and 2 by FY2030. Of its 10GW of generation, about 9.2GW is to be sourced from fossil gas, with operations from 2028 onwards. If SoftBank Group still consolidates SB Energy as part of its group holdings, the emissions will impact the Group's Scope 1. If SB Energy successfully IPOs more than 50%, then SoftBank Group can deconsolidate this subsidiary and move towards Scope 3. However, commissioning 9.2GW building out of gas power plants is still holistically at odds with the Group target for carbon-neutral power.

Conclusions

The new high yield bonds will fund an additional stake in OpenAI, which will increase SoftBank's bet on the future of AI and its infrastructure.

OpenAI is also the anchor tenant on several SoftBank leases including the Texas lease, the Ohio 20-year lease, and the main valuation support for its SB Energy IPO.

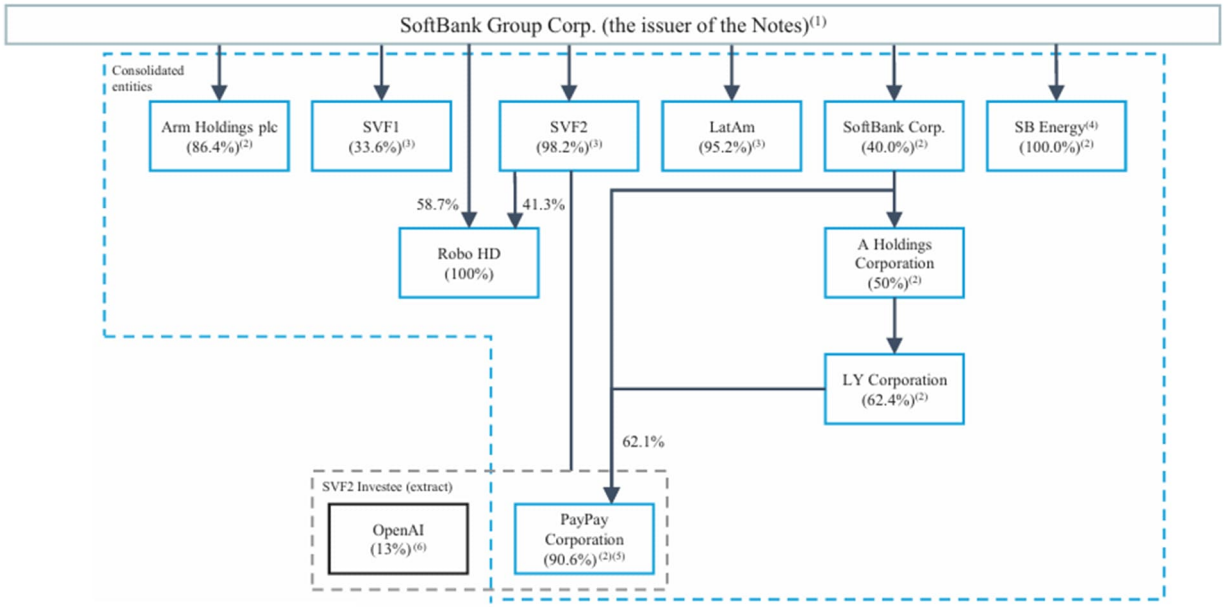
A delayed OpenAI funding round or timing for its IPO will directly impact Softbank Group's financing plans, infrastructure cashflows and its own deleveraging plans. Although currently ARM is still the most important driver of SoftBank Group's NAV and main asset, the current high yield bonds will add another USD11 billion to its capital structure and become more correlated to the timing and fortunes of OpenAI.

SoftBank's climate performance could also suffer versus targets from a similar concentration. If this gas-focused buildout in Ohio is on schedule, it will add Scope 1 emissions towards the Group's FY2030 target for carbon-neutral power and Scope 1 and 2 by FY2030.

[7] "SB Energy to sell up to US500 million shares to Japan investors as part of US IPO", Reuters, 15 Sept. 2026.
[8] "OpenAI's listing delay raises stakes for SoftBank's $50bn data centre IPO", FT, 18 Sept. 2026.

Appendix

SoftBank Group Corporate Structure (Source: Preliminary Offering Memorandum for SoftBank Group dated 21 September 2026)



Version log

Date	Comment
23 Sep 2026	Document published

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