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The investment company was helped by gains in its stakes in e-commerce company Coupang. A Coupang fulfillment center.

Tech Gains Boost SoftBank

Japanese company has begun investing more aggressively in recent months

By Kosaku Narioka

SoftBank Group posted a $7.7 billion quarterly profit, supported by gains in its tech investments, and is getting ready for bigger investments.

The Japanese technology investment company returned to a net profit in the three months ended September, it said Tuesday, helped by gains in its stakes in e-commerce company Coupang, Chinese ride-hailing company **DiDi Global** and **T-Mobile US**, compared with a net loss a year earlier.

SoftBank Group Chief Financial Officer Yoshimitsu Goto said at a briefing that strong earnings results improve its financial footing, allowing it to make bigger investments selectively at the right time.

"We are preparing to take advantage of various opportunities," Goto said.

SoftBank invested about $500 million in OpenAI through its Vision Fund 2 when the startup behind ChatGPT raised $6.6 billion in a recent round of new funding.

While the investment was modest, Goto on Tuesday described it as significant and said it would help strengthen SoftBank's relationship with OpenAI.

In October, SoftBank Group Chief Executive Masayoshi Son reiterated his bullish forecasts for AI, saying he believed artificial general intelligence, by which computers have human-level cognitive abilities, would be achieved in two to three years.

The company and its tech funds have begun investing more aggressively in recent months after a yearslong defensive strategy, as tech stocks have risen thanks to artificial-intelligence enthusiasm and the Federal Reserve's rate cuts.

SoftBank Group reported second-quarter net profit of ¥1.180 trillion, equivalent to $7.68 billion, compared with a net loss of ¥931.11 billion a year earlier. That was sharply higher than the ¥199.3 billion estimated net profit in a poll of analysts by data provider Visible Alpha.

SoftBank's Vision Funds business swung to a profit of ¥373.14 billion from a loss of ¥258.86 billion in the year-ago period.

Its bottom line last year was weighed by losses related to office-sharing company **WeWork**'s bankruptcy in the U.S.

SoftBank's earnings are susceptible to fluctuations in tech stocks. It reported a first-quarter net loss after two consecutive quarters of net profits.

Last week, **Arm Holdings** posted a quarterly net profit of $107 million, compared with a net loss a year earlier, boosted by sales of increasingly complex chips crucial for AI applications.

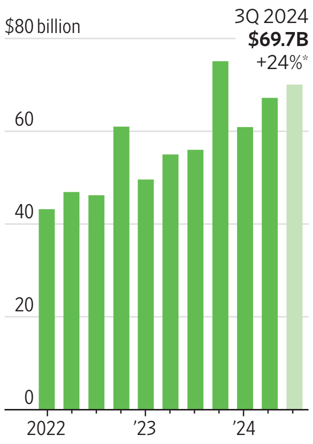
SoftBank Group's stake in Arm now makes up a big chunk of the Japanese investment company's portfolio after it cashed in on its stake in **Alibaba Group Holding** over the years and reduced its concentration in China.

SoftBank's stock has gained about 50% this year, fueled by enthusiasm over rising AI-related demand at the company's holdings, including Arm.

Shopify Shares Soar as Revenue Beats Estimates

By Adriano Marchese

Shopify's quarterly gross merchandise volume



*Change from a year earlier
Source: the company

Shopify logged higher-than-expected sales for the third quarter, boosted by an increase in consumer spending and the addition of more merchants to its e-commerce platform.

The Ottawa-based company on Tuesday said third-quarter sales rose 26%, with gross merchandise volume, a key metric that tallies the total value of orders on Shopify, up 24% from a year ago.

Shopify expects growth to pick up in the fourth quarter, which includes the key holiday selling season. The company forecast revenue growth in the mid-to-upper 20% range, better than the 23% expected by analysts, according to FactSet.

The company's U.S.-listed shares soared 21% to $108.92 in Tuesday's trading.

Company executives said they continue to add a variety of new storefronts that use its tools to simplify managing online business. President Harley Finkelstein said that tools that automate certain processes allow merchants to focus more on the product they are selling.

"Let's be honest: Nobody starts a business with the goal of focusing their time on sales tax compliance or inventory management," he said on an earnings call.

The company said the number of its merchants outside North America grew by 36%, including watch retailer Watches of Switzerland, and cosmetics company The Body Shop.

Shopify also said it has slashed the amount of time it takes merchants to import large data sets in connection with their inventory.

The process now takes a matter of minutes, rather than hours or days, which can help speed up onboarding of large clients.

"Enterprise is not a short-term play," Finkelstein said. "It is a massive opportunity to build for the long term."

One potential wild card facing cross-border merchants are possible tariffs President-elect Donald Trump may impose on their operations. Finkelstein said the company has experience operating under multiple administrations over nearly two decades.

"What we can do is arm our merchants and the people that use Shopify with the tools they need to compete in any environment," Finkelstein said.

For the third quarter, Shopify reported net income of $828 million, or 64 cents a share, up from $718 million, or 55 cents, in the prior-year period. Analysts polled by FactSet expected 19 cents.

Revenue came in at $2.16 billion, topping analyst expectations of $2.12 billion. The company noted strong growth in markets such as Germany, France and the Netherlands, where it is gaining share.

Infineon Forecasts Sales Drop, Citing a Weak Chip Market

By Mauro Orru

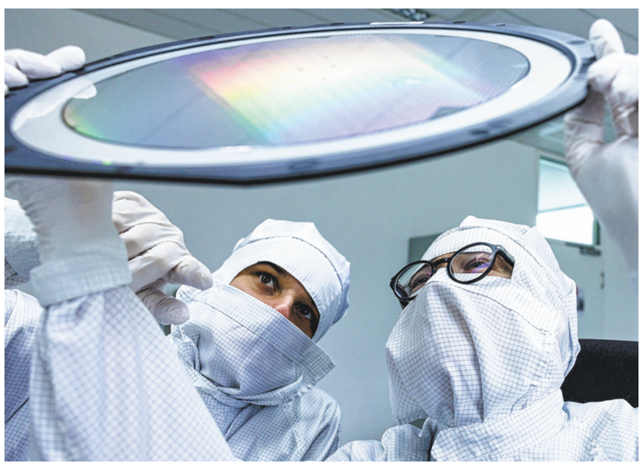
Infineon Technologies is expecting lower sales in its new fiscal year as demand for chips in cars and industrial equipment remains weak.

The German chip maker said revenue in the year to the end of September 2025 would decline slightly from the 14.96 billion euros, or $15.94 billion, it reported for fiscal 2024. Its segment result margin—a key profitability measure—is expected to be in the mid- to high-teens percentages compared with the 20.8% margin it reported in fiscal 2024.

Infineon said revenue at its automotive business should fall slightly in the year. The company is particularly exposed to carmakers since its automotive business generally accounts for the lion's share of annual sales.

Automakers have been agonizing for months over a slow electric-vehicle market and fierce competition from local carmakers in China, which forced several European auto manufacturers to lower their own profit and sales forecasts.

Infineon said it expects revenue at its green industrial power division to decline even more than auto chip sales. The power-and-sensor systems business should log a moderate increase in revenue, while sales at its connected secure systems division are expected to remain more or less stable.



JENS SCHLUETER/AFP/GETTY IMAGES

Infineon and other chip makers are facing uneven demand.

Chip makers have been grappling with uneven demand in recent months. Orders for chips to power artificial intelligence in data centers keep booming, but manufacturers of smartphones, laptops, electric vehicles and industrial machinery haven't placed many new orders for chips lately.

The company booked €3.92 billion in sales in the three months to the end of September, down 6% year over year.

Infineon swung to a quarterly net loss of €84 million from a profit of €753 million, while its segment result declined to €832 million from €1.04 billion, generating a 21.2% margin.

Analysts had forecast quarterly sales of €3.97 billion, a profit of €510 million, a segment result of €788 million and a 19.9% margin, according to a Vara Research consensus.

For the current quarter, Infineon predicts sales of around €3.2 billion and a segment result margin in the midteens percentage range.

Infineon shares rose 3.7% in Germany on Tuesday.

Meta Bows To Europe Rebulators

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second change in a year that Meta has made to its EU ads options. Last fall, it introduced an option called "subscription for no ads," which forced users in Europe to choose between consenting to its highly targeted ads or buying a subscription to an ad-free version of Facebook or Instagram.

The subscription offer was Meta's effort to navigate both a new EU digital competition law and rulings by privacy regulators in the bloc, who said an earlier law also required Meta to seek user consent before repurposing information about user behavior to target ads. Meta added a fee to cover at least some of the potential lost revenue.

The company argued at the time that an EU court decision had suggested a fee was permissible. But in July, EU regulators charged Meta with violating the new digital competition law with what officials called Meta's pay or consent model.

The new less-personalized ads option is an effort by Meta to try to settle that case. As part of the new offer, Meta will also announce it is cutting the price of its subscriptions.

EU regulators have said they intend to finish their investigation by late March. Officials haven't validated Meta's approach, and discussions with the company haven't concluded, according to some of the people briefed on the plans.

Meta says its new contextual ads "meet EU regulator demands and go beyond what's required by EU law."

A spokeswoman for the European Commission, the EU's executive arm, said the investigation is ongoing and that the commission sent its preliminary findings in the case in July.