

**microsoft-8-K-2024-12-03-Financial\_Report -  
LEASES**

| 12 Months Ended |
|-----------------|
| Jun. 30, 2024   |
|                 |

ch and development facilities, Microsoft Experience Centers, and certain equipment. Our leases have remaining lease terms of less than 1 year to 17 years, some of which include options to extend the leases for up to 5 years.

| (In millions)  |          |                   |
|--|----------|-------------------|
| Year Ended June 30, 2024 2023 2022                                   |          |                   |
| Operating lease cost \$ 3,555 \$ 2,875 \$ 2,461                      |          |                   |
| Finance lease cost:  |          |                   |
| Amortization of right-of-use assets                                  | \$ 1,800 | \$ 1,352 \$ 980   |
| Interest on lease liabilities  | 734      | 501 429           |
| Total finance lease cost   | \$ 2,534 | \$ 1,853 \$ 1,409 |
| Supplemental cash flow information related to leases was as follows: |          |                   |
| (In millions)  |          |                   |

| Year Ended June 30, 2024 2023 2022                                      |          |                   |
|---|----------|-------------------|
| Cash paid for amounts included in the measurement of lease liabilities: |          |                   |
| Operating cash flows from operating leases                              | \$ 3,550 | \$ 2,706 \$ 2,368 |
| Operating cash flows from finance leases                                | 734      | 501 429           |
| Financing cash flows from finance leases                                | 1,286    | 1,056 896         |
| Right-of-use assets obtained in exchange for lease obligations:         |          |                   |
| Operating leases  | 6,703    | 3,514 5,268       |
| Finance leases  | 11,633   | 3,128 4,234       |

|  |           |           |
|--|-----------|-----------|
| Supplemental balance sheet information related to leases was as follows: |           |           |
| (In millions, except lease term and discount rate)                       |           |           |
| June 30, 2024 2023   |           |           |
| Operating Leases   |           |           |
| Operating lease right-of-use assets                                      | \$ 18,961 | \$ 14,346 |
| Other current liabilities  | \$ 3,580  | \$ 2,409  |
| Operating lease liabilities  | 15,497    | 12,728    |
| Total operating lease liabilities  | \$ 19,077 | \$ 15,137 |
| Finance Leases   |           |           |
| Property and equipment, at cost  | \$ 32,248 | \$ 20,538 |
| Accumulated depreciation   | ( 6,386 ) | ( 4,647 ) |
| Property and equipment, net  | \$ 25,862 | \$ 15,891 |
| Other current liabilities  | \$ 2,349  | \$ 1,197  |
| Other long-term liabilities  | 24,796    | 15,870    |
| Total finance lease liabilities  | \$ 27,145 | \$ 17,067 |
| Weighted Average Remaining Lease Term                                    |           |           |
| Operating leases   | 7 years   | 8 years   |
| Finance leases   | 12 years  | 11 years  |
| Weighted Average Discount Rate   |           |           |
| Operating leases   | 3.3 %     | 2.9 %     |
| Finance leases   | 3.9 %     | 3.4 %     |

The following table outlines maturities of our lease liabilities as of June 30, 2024:

(In millions)

| Year Ending June 30, Operating Leases Finance Leases |           |           |
|--|-----------|-----------|
| 2025   | \$ 4,124  | \$ 3,311  |
| 2026   | 3,549     | 3,021     |
| 2027   | 2,981     | 3,037     |
| 2028   | 2,405     | 3,026     |
| 2029   | 1,924     | 2,638     |
| Thereafter   | 6,587     | 19,116    |
| Total lease payments                                 | 21,570    | 34,149    |
| Less imputed interest                                | ( 2,493 ) | ( 7,004 ) |
| Total  | \$ 19,077 | \$ 27,145 |

Additional operating and finance leases, primarily for datacenters, that had not yet commenced of \$ 8.6 billion and \$ 108.4 billion, respectively. These operating and finance leases will commence between fiscal year 2025 and fis