



Strategic Agreement

July 18th, 2016

Masayoshi Son

Chairman & CEO SoftBank Group Corp.

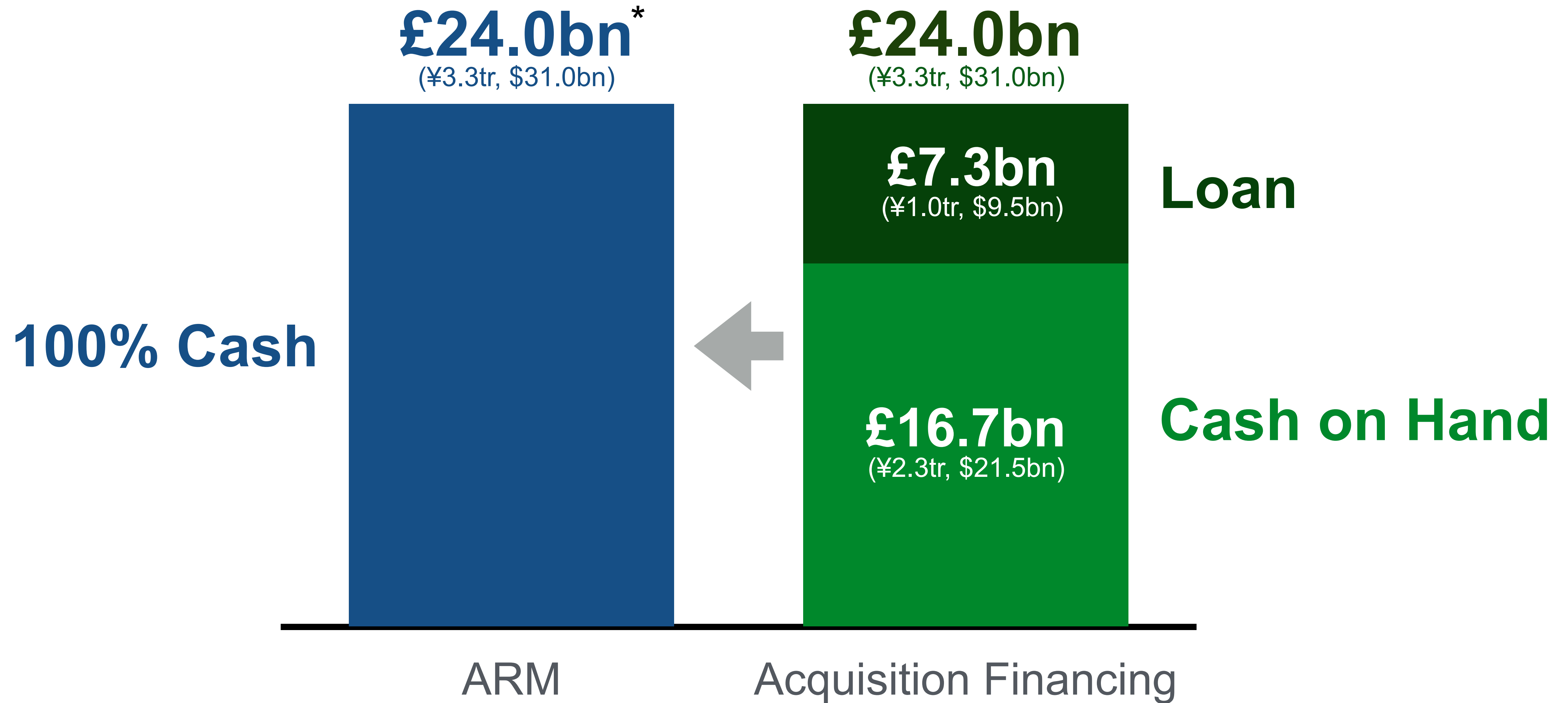
Transaction Summary

Deal Summary

Acquire 100% of ARM

Value: £24.3bn
(¥3.3tr, \$31.4bn)*

Total Acquisition Price



*Excluding 20.4m shares (1.4%) SoftBank currently owns

Key Transaction Terms

1 Price per share₁ : 1,700 pence

2 Unanimous Board support; support of ARM Management

3 SoftBank certain funds have been confirmed

4 Scheme of Arrangement transaction structure₂

1. ARM shareholders to also receive interim dividend of 3.78p

2. In order to become effective, the scheme of arrangement must be approved by a majority in number, representing at least 75 per cent.

in nominal value, of the relevant shares held by the shareholders present and voting in person or by proxy at the ARM shareholders meeting to be convened by the English court.

Timeline

**Announcement
(18th July)**

**Scheme document
posted**

**Court and
shareholder
meeting**
.....
**Present petition
for sanction of
scheme**

**Scheme becomes
effective**

Transaction Rationale

Market Leader

ARM has unique, foundational technology

Growth Potential

Big markets: Mobile, Enterprise, IoT

SoftBank Fit

Investment in powerful secular trends

ARM's Future

As private company, invest strategically for long term

SoftBank Stakeholder Impact

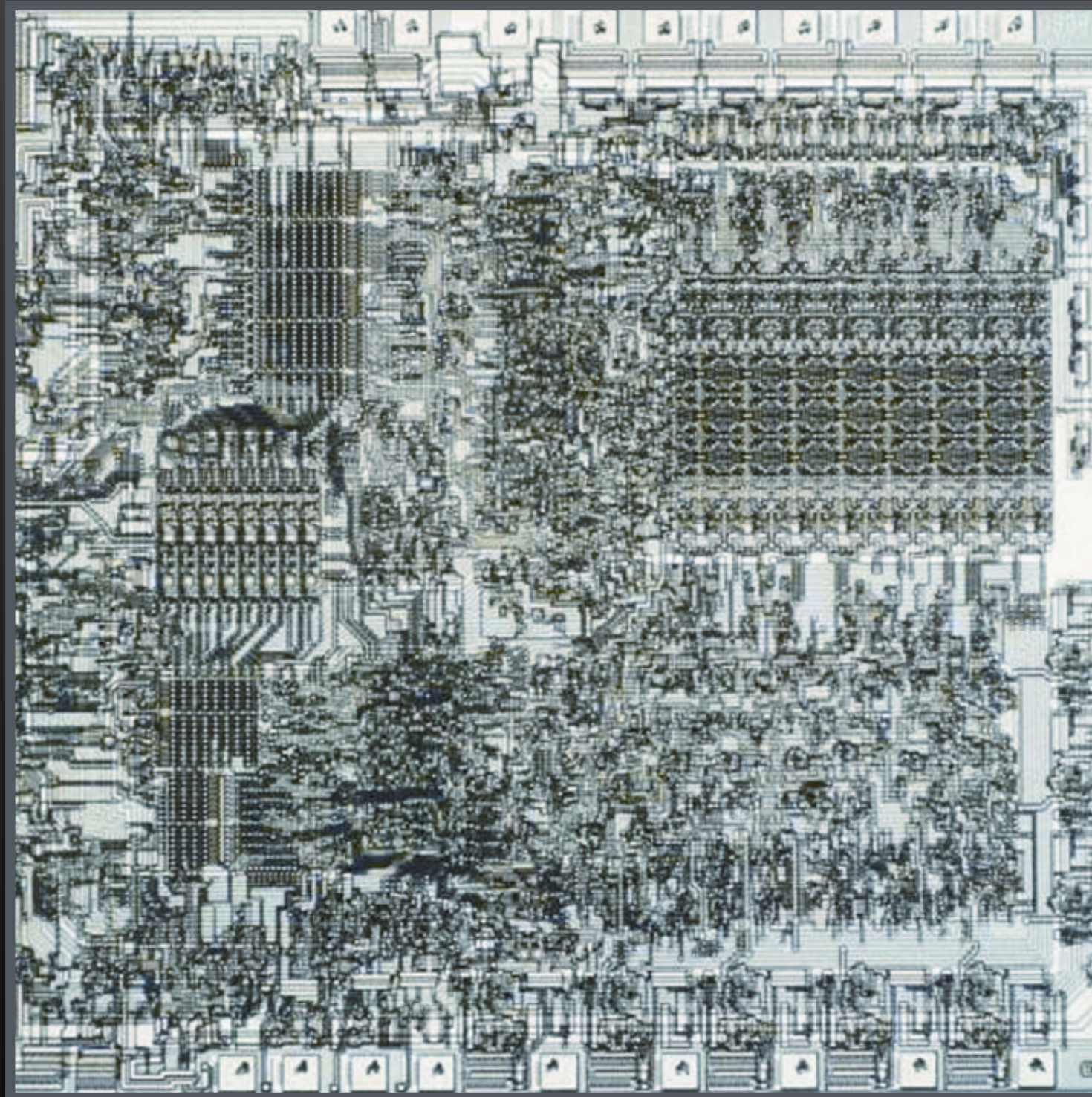
1 NO SoftBank equity financing used for transaction

2 NO change in Softbank dividend policy

3 Maintain flexibility with continued focus on net debt reduction

1976

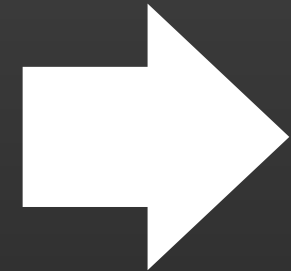
SoftBank's Origin



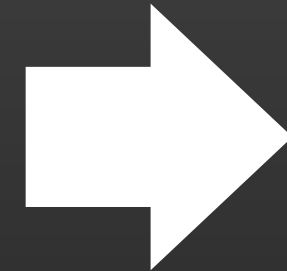
Technology Paradigm Shift



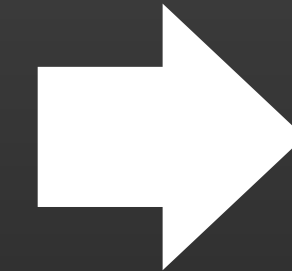
PC
(Distribution)



PC
Internet



PC
Broadband



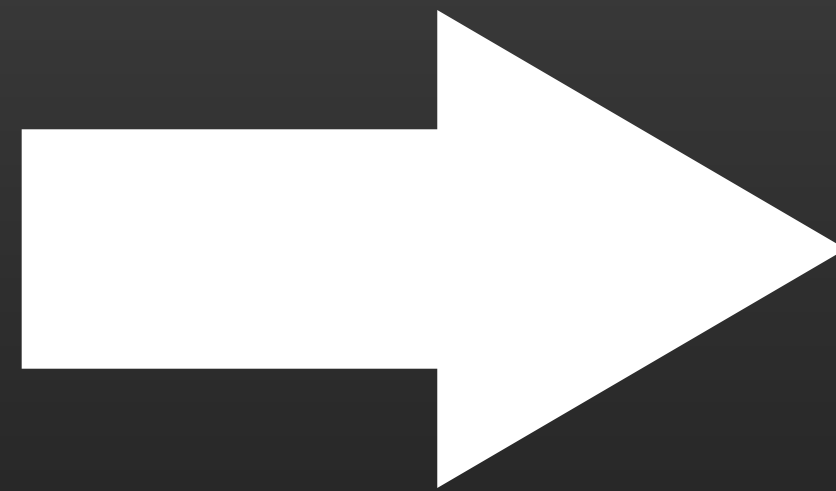
Mobile
Internet

SoftBank led the Information Revolution

The Next Paradigm Shift



Mobile
Internet



IoT (Internet of Things)

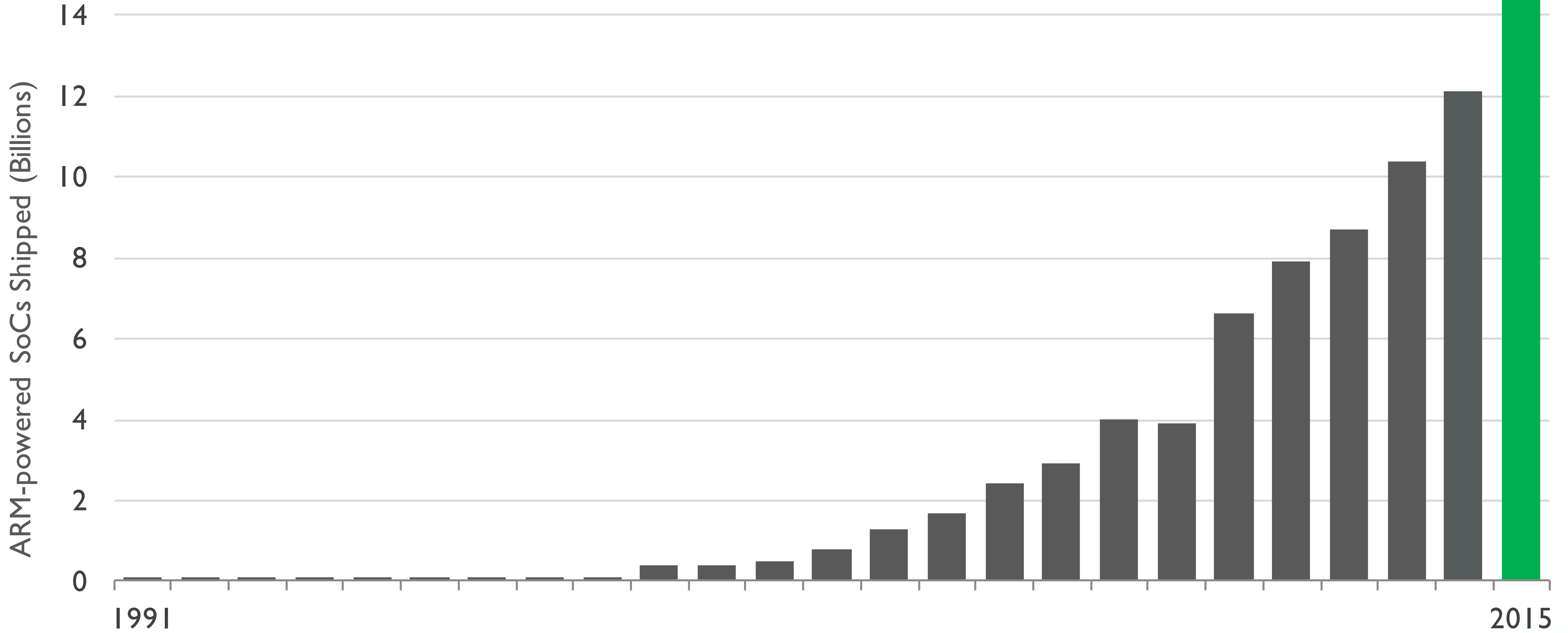


Key Driver of IoT era

ARM

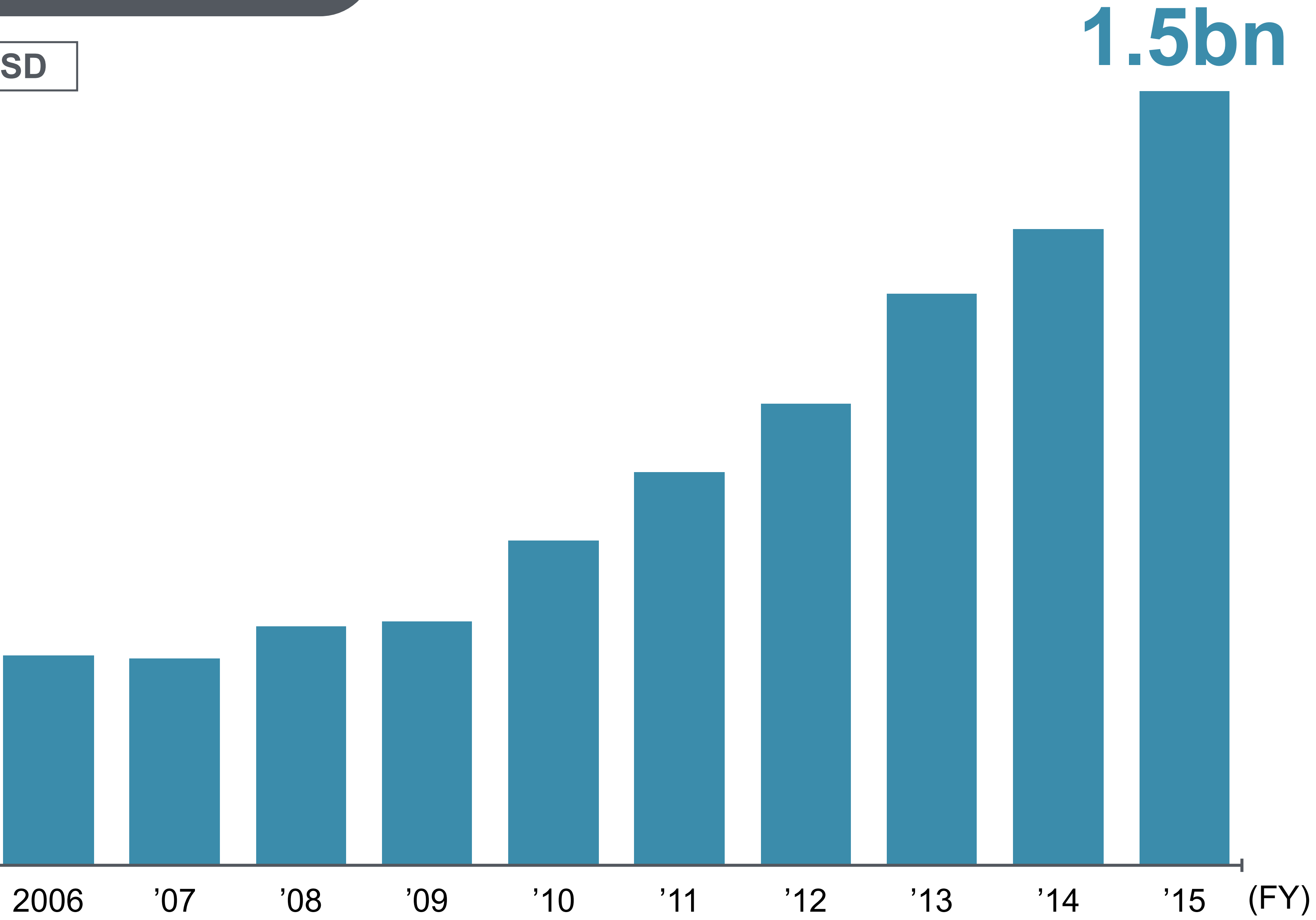
ARM Partnership: Building for the Long Term

ARM
14.8bn



Total Revenue

USD

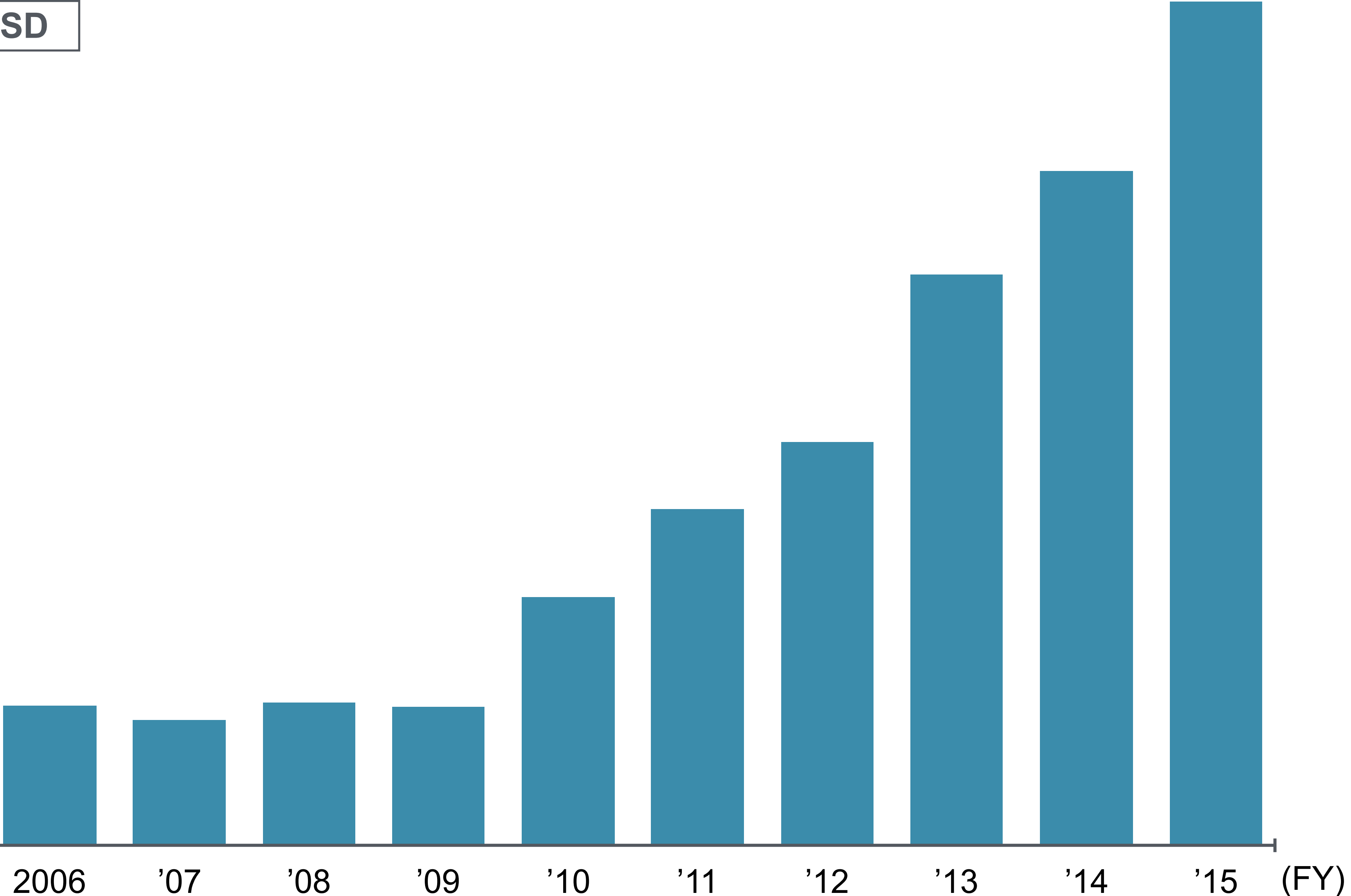


(Source) Created by SoftBank Group Corp. based on ARM Holdings' disclosure materials

Profit After Tax

USD

661mil



(Source) Created by SoftBank Group Corp. based on ARM Holdings' disclosure materials

ARM Technology

Advanced consumer products are incorporating more and more ARM technology – from processor and multimedia IP to software

ARM® TRUSTZONE®

System Security

ARM® ARTISAN®

Physical IP

ARM® MALI™

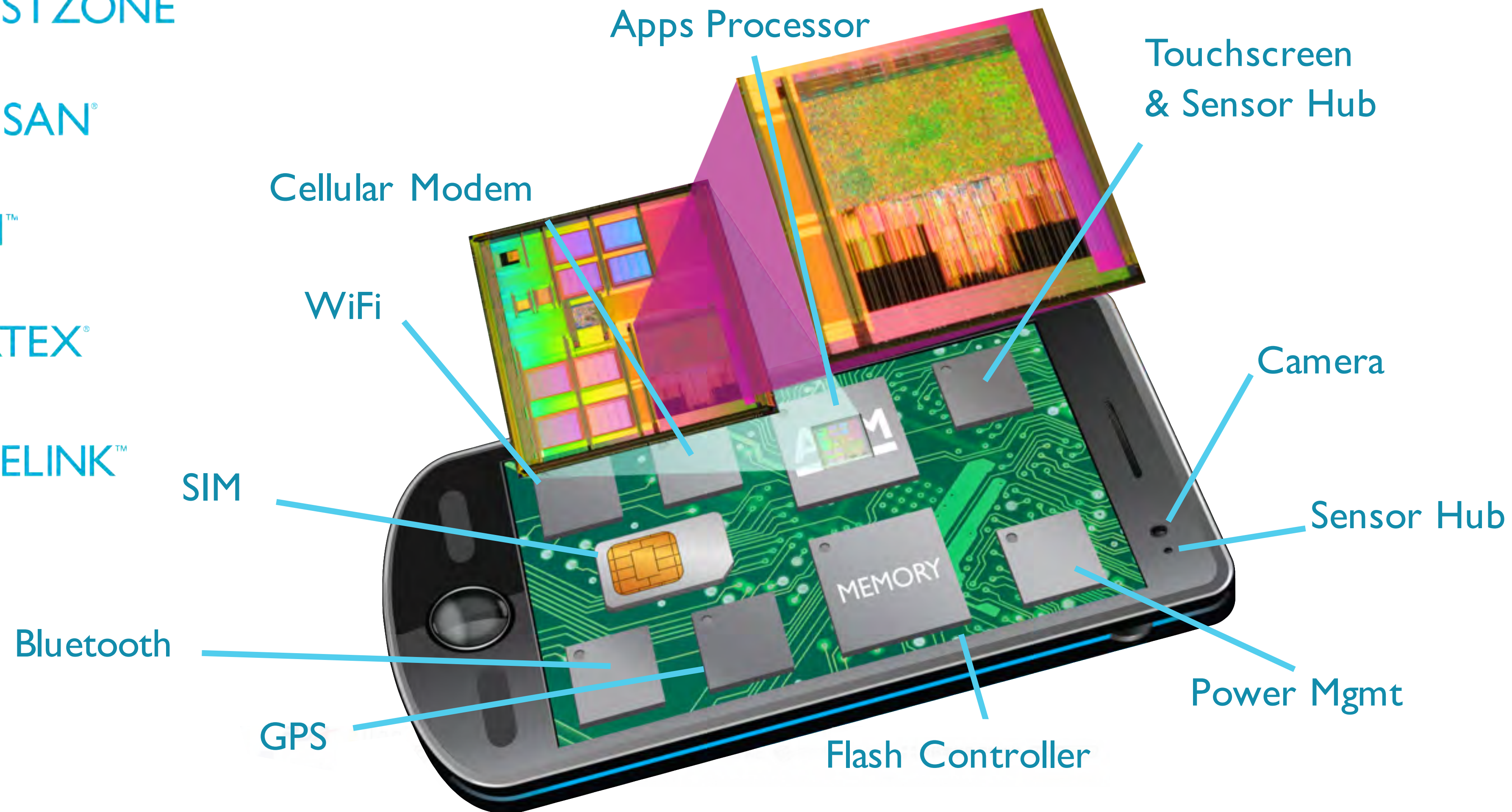
Visual Technology

ARM® CORTEX®

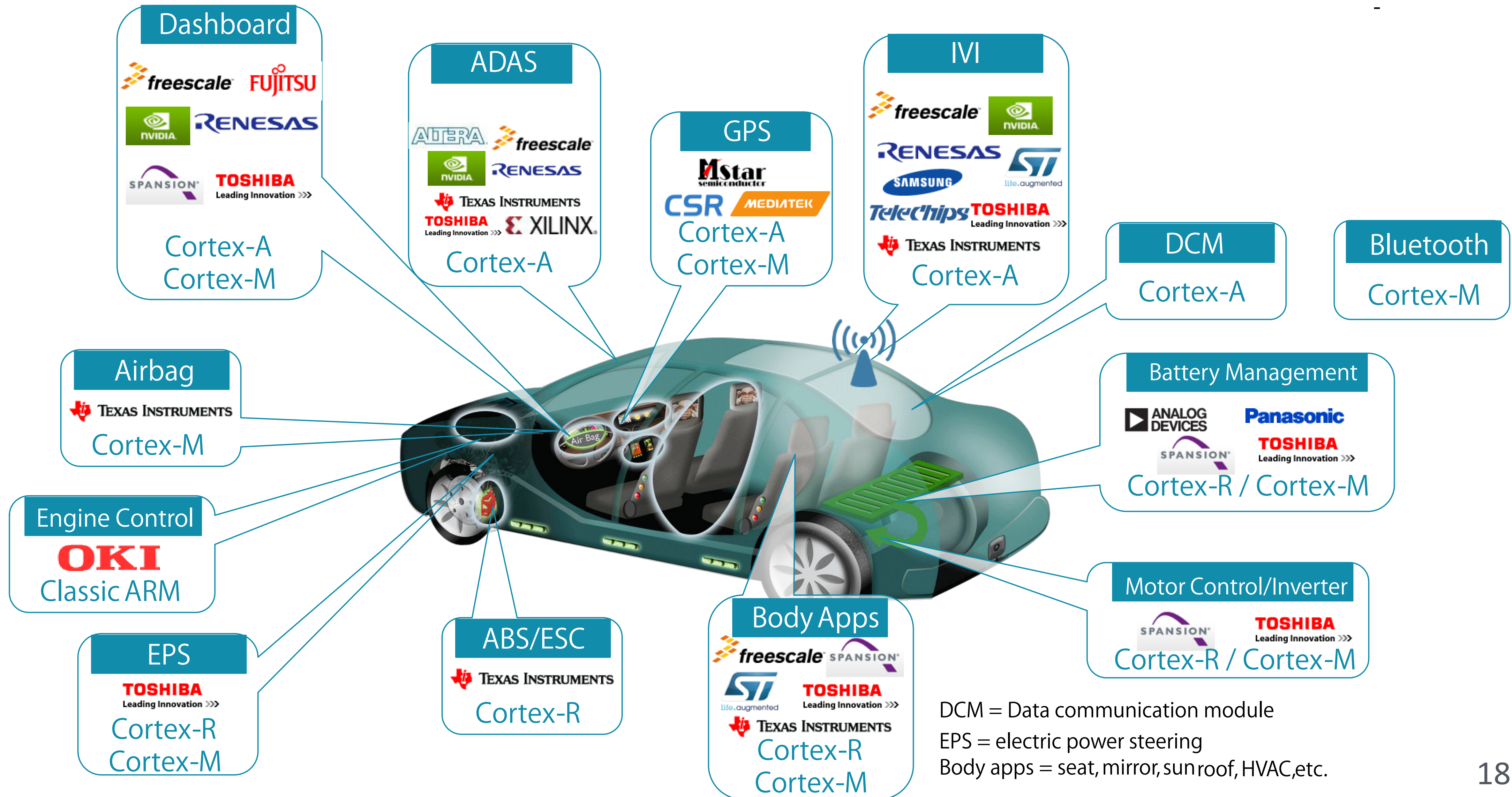
Processor Technology

ARM® CORELINK™

Processor System IP

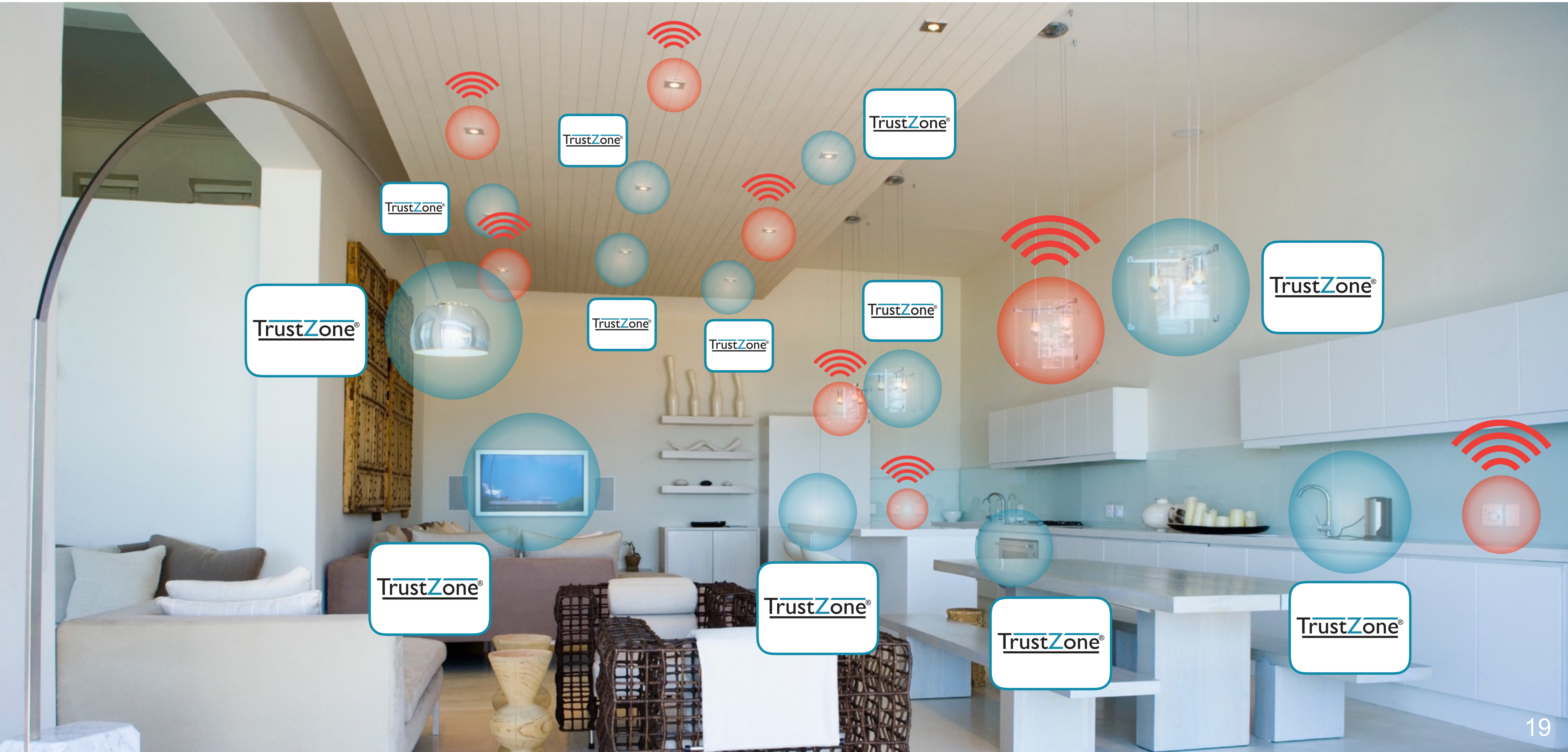


ARM's Opportunity in Automotive



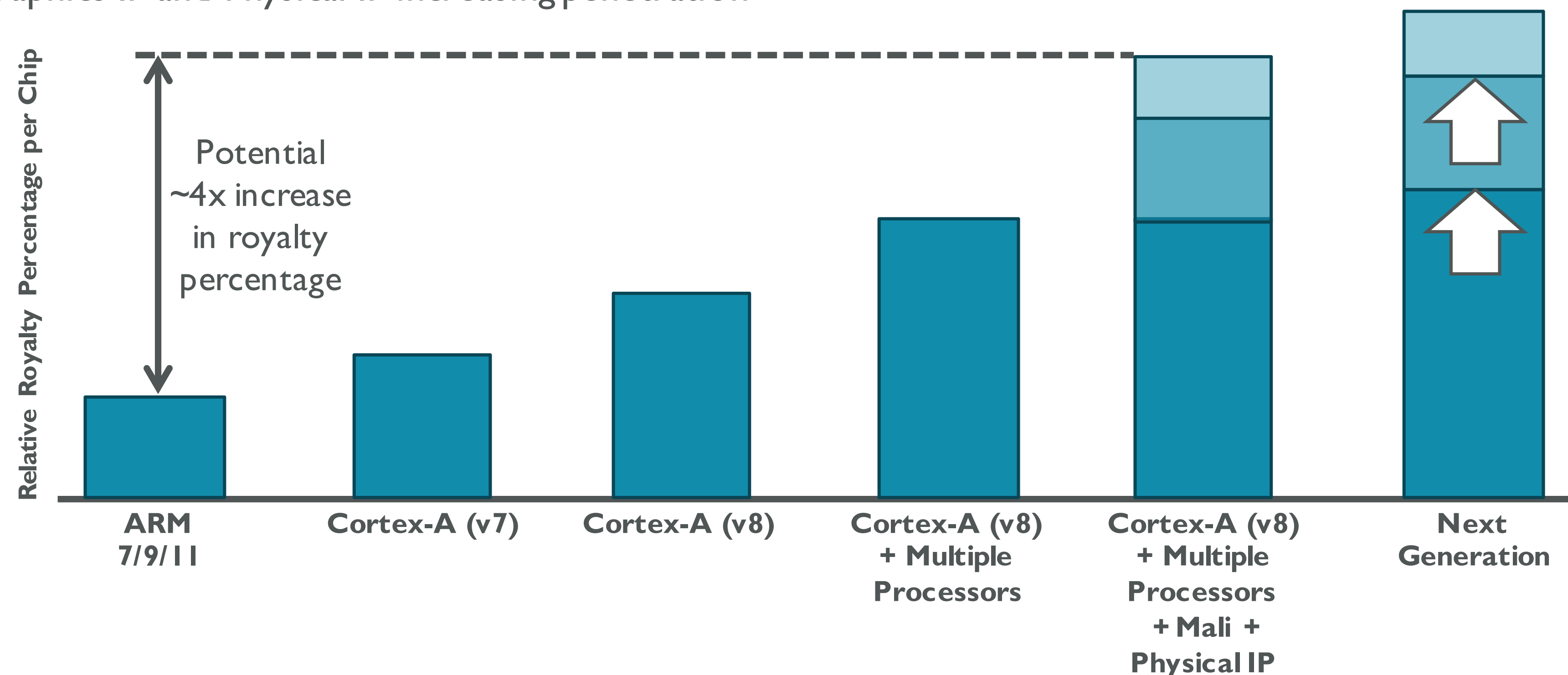
DCM = Data communication module
 EPS = electric power steering
 Body apps = seat, mirror, sunroof, HVAC, etc.

Security is essential for IoT Devices



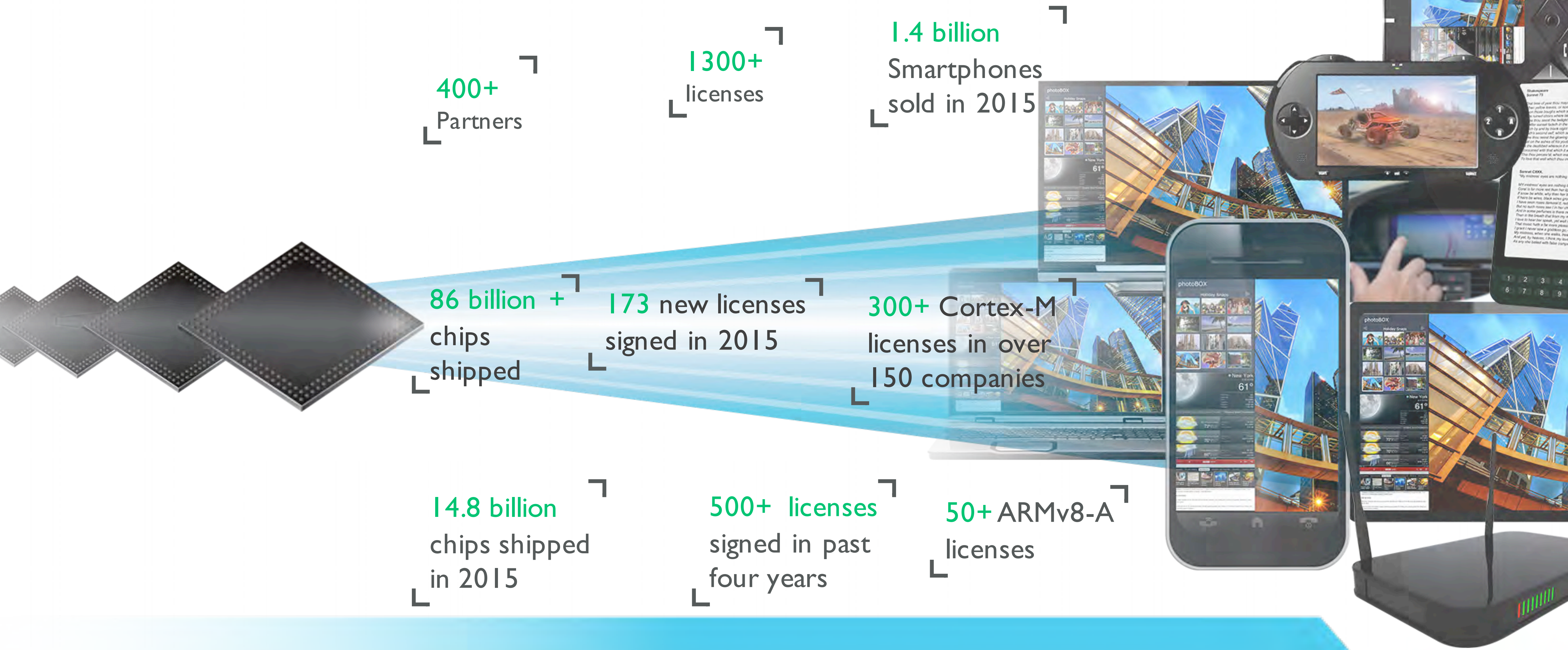
Delivering more value per chip

- ARM is developing more advanced technology, delivering a greater benefit to customers and generating a higher royalty percentage per chip:
 - More capable processor command a higher royalty per chip
 - Higher royalty for the ARMv8-A architecture
 - Multiple processors per chip – from 8 to 256 cores per chip
 - Mali graphics IP and Physical IP increasing penetration



Where Innovation Begins

ARM



Hundreds of optimized system-on-chip solutions

Markets for ARM: 2015 and 2020

Application	Chip Function	2015				2020		
		Device Shipments	Chip Shipments	ARM Chips	Market Share	Device Shipments	Chip Shipments	Chip CAGR
Mobile Computing *	Apps Processors	1,800	1,800	1,600	>85%	2,400	2,400	+6%
	Connectivity and Control		11,000	4,000	37%		16,000	+6%
Consumer Electronics **	Apps Processors	3,600	1,000	700	70%	5,200	1,700	+7%
	Connectivity and Control		8,000	3,000	40%		10,000	+5%
Enterprise Infrastructure	Servers	300	22	>0	<1%	400	27	+4%
	Networking - Infrastructure		140	20	15%		180	+5%
	Networking - Home and Office		700	200	30%		780	+4%
Automotive	Apps Processors	90	68	65	>95%	100	450	+34%
	Control		2,700	200	7%		3,500	+5%
Embedded Intelligence	Apps Processors		500	350	70%		1,000	+15%
	Connectivity		600	300	50%		5,000	+53%
	Control		20,000	4,400	22%		30,000	+8%
Total (in millions)			46,500	14,800	32%		71,000	+9%

* Includes smartphones, tablets, laptops.

** Includes voice-only mobile phones, desktop PCs, computer peripherals, wearables, white goods, etc.

Source: Gartner, WSTS and ARM estimates

ARM's main growth markets

Mobile Computing



- Smartphones, tablets and laptops
- Apps processor, modem, connectivity, touchscreen and image sensors
- Apps processor: Increasing proportion using ARM technology with higher royalty per chip from ARMv8-A, octa-cores, graphics and physical IP

Enterprise Infrastructure



- Base stations, routers, switches, and servers for cloud and data centres
- Networks evolve to cope with increased data at lower latency: virtualisation, integration and programmability
- Most major chip vendors have announced ARM-based products

Embedded Intelligence



- Automotive, white-goods, wearables, smart devices in industrial and utilities
- Microcontrollers, smartcards, embedded connectivity chips
- 200 companies have licenced ARM processors for use in embedded intelligent devices

ARM investing for the long term

Mobile Computing

\$40bn
TAM 2020

Investing to generate more value per device

- More advanced processors
- Broader range of technologies available (graphics, video, display, interconnect)
- Closer collaboration with market leaders

Enterprise Infrastructure

\$36bn
TAM 2020

Investing to accelerate market share gains

- New software ecosystems
- Supporting deployments

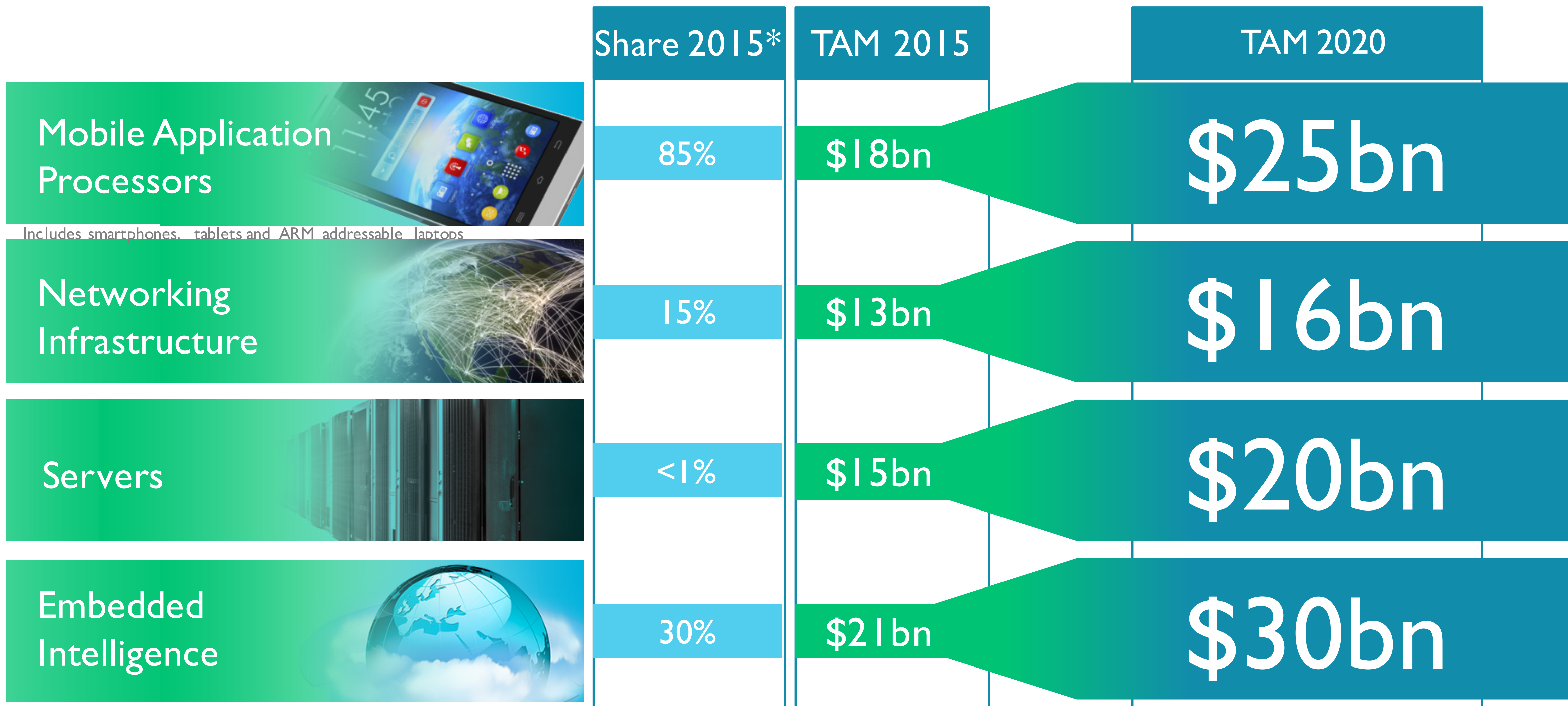
Embedded Intelligence

\$45bn
TAM 2020

Investing to create new revenue streams

- New architectures for secure, connected devices
- Broader range of technologies
- New markets and opportunities

ARM's expanding opportunity



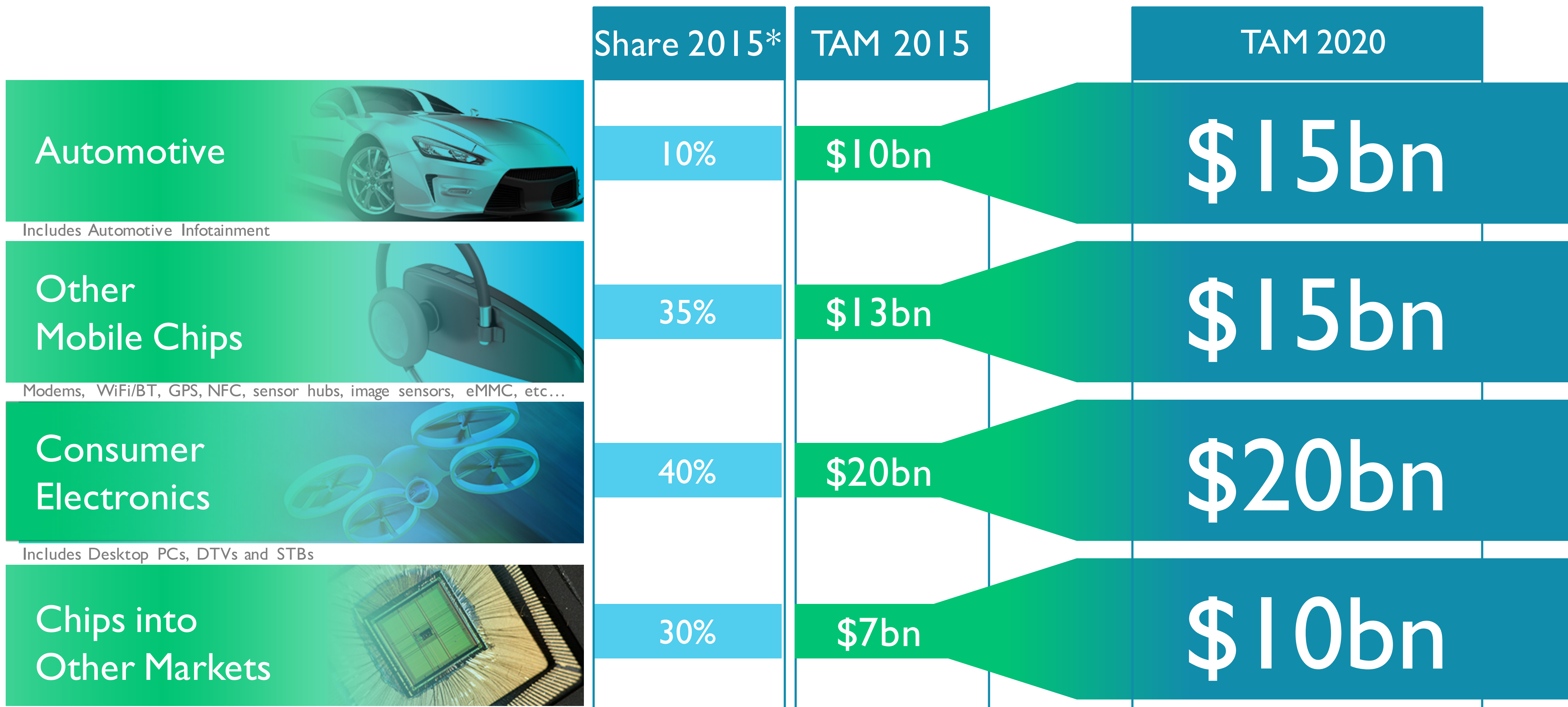
Includes smartphones, tablets and ARM addressable laptops

Includes microcontrollers, smartcards and non-mobile connectivity. Excludes automotive

* 2015 ARM Market Share by Volume

† Total Available Market (TAM)

ARM's expanding opportunity



* 2015 ARM Market Share by Volume
 † Total Available Market (TAM)

ARM Connected Community – 1,300+ Partners



We Will Support and Accelerate Existing Strategy

Shared Vision

Maintain Neutrality

Global Relationships

**Investment
in Innovation**

We will drive the next paradigm shift

 SoftBank

+

ARM

Summary

ARM the mobile industry standard

Significant growth potential beyond mobile

ARM is a key driver of IoT

Information Revolution

- Happiness for everyone

 SoftBank
Group

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