
Climate-related Information Disclosures in accordance with the TCFD Recommendations

SoftBank Group Corp.

Company names and abbreviations used in the disclosures, unless otherwise stated, are as follows.

- "SoftBank Group Corp." or "SBG" : SoftBank Group Corp. (non-consolidated basis)
- "The Company" : SoftBank Group Corp. and its subsidiaries
- "The Group" : SoftBank Group Corp. and its subsidiaries and associates

Natural disasters and other adverse events from climate change are becoming more severe every year. We recognize that the continuous increase in greenhouse gas emissions could pose a significant impact on the global environment, which is the foundation of our business activities. As the company invests in AI businesses, we recognize climate-related risks in the global environment and our business to implement proper countermeasures to address them. We will also conduct our business activities with an awareness of the potential and opportunities of the technologies that contribute to solve climate change.

■ Governance

1. The Board's oversight of climate-related risks / opportunities

Board of Directors

At SoftBank Group Corp. (SBG), the Board of Directors make decisions on material sustainability matters. The Board of Directors oversee the Company's climate-related actions by deliberating and deciding identification of climate-related risks and opportunities, planning climate related actions, and setting group targets regarding greenhouse gas reductions. The Board of Directors also deliberate and decide the appointment of the Chief Sustainability Officer (CSusO) and establishment of the Sustainability Committee, which are explained in the following sections.

2. Management's role in assessing and managing climate-related risks / opportunities

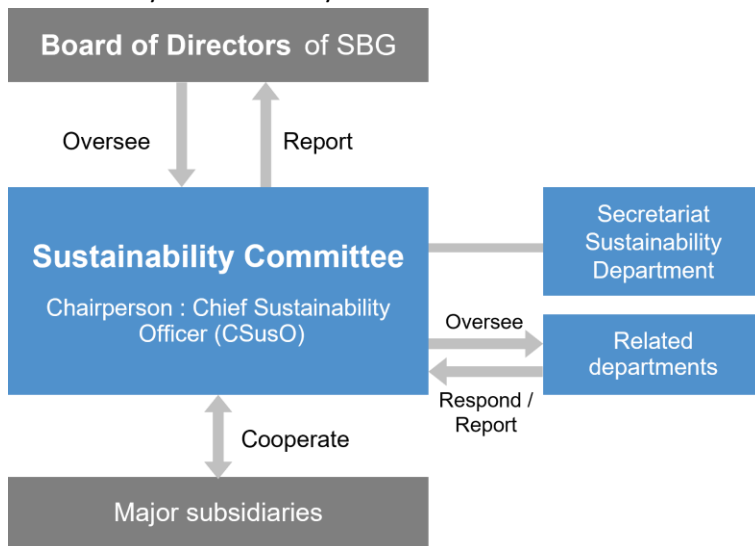
Chief Sustainability Officer (CSusO)

SBG has appointed Yotaro Agari as Chief Sustainability Officer (CSusO), who is also Head of Investor Relations Department and Head of Sustainability Department. The CSusO is responsible for the execution of operations related to sustainability and develops sustainability policies, sets targets, and promotes initiatives. As for climate-related actions, the CSusO is also playing a leading role, as one of the duties, in identifying risks and opportunities, planning and implementing actions, and setting group targets regarding greenhouse gas reductions.

Sustainability Committee

SBG has established the Sustainability Committee, chaired by the CSusO (Head of Investor Relations Department and Head of Sustainability Department) and comprised of three members including Board Director, Corporate Officer, Senior Vice President, CFO & CISO^{*1} (Head of Finance Unit & Head of Administration Unit), Corporate Officer, Senior Vice President (Head of Accounting Unit), and Corporate Officer, CLO^{*2} & GCO^{*3} (Head of Legal Unit). The Sustainability Committee continually discusses material sustainability-related issues for the Company and how to respond to the issues, and reports to the Board of Directors. The Board oversees the Sustainability Committee upon receiving the reports. As for climate-related actions, the Committee discusses the identification of climate-related risks and opportunities, planning of actions, and setting group targets regarding greenhouse gas reductions.

Sustainability Governance System



^{*1} CISO : Chief Information Security Officer

^{*2} CLO : Chief Legal Officer

^{*3} GCO : Group Compliance Officer

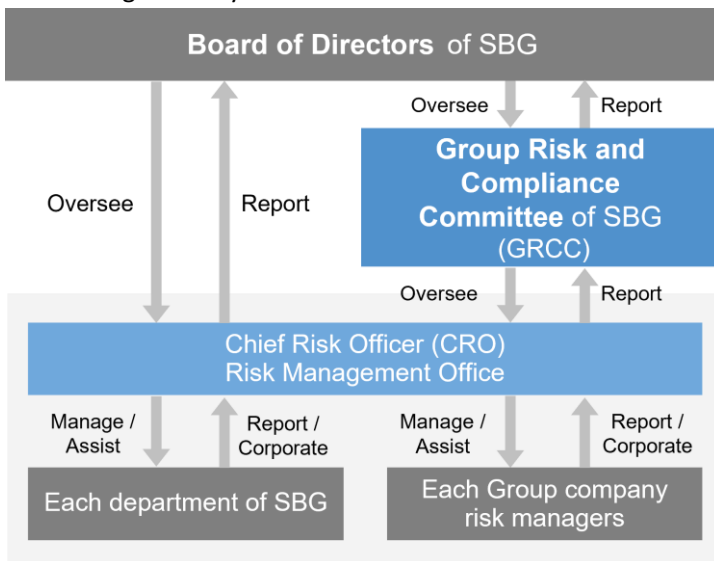
Risk Management

SBG has appointed the Chief Risk Officer (CRO) who is responsible for risk management of the Company. The CRO is Head of the Risk Management Office and the Office plays a central role in managing risks throughout the Group. The Risk Management Office gathers information concerning various types of risks, which includes non-financial risks, identified by each department of SBG as well as its major Group companies. The Office also receives escalations when the risks are materialized and monitors the status of response. By utilizing the risk information gathered, SBG identifies material risks for the entire Group by considering the impact and the likelihood of the risks.

The identified material risks are reported to and discussed by the SBG's Board of Directors and the Group Risk and Compliance Committee (GRCC), where SBG's Board Directors and Corporate Officers participate. Considering the results of the discussions by the Board and GRCC, SBG develops countermeasures to the risks and monitors the effectiveness of the countermeasures in place. SBG also incorporates climate-related risks into the risk management process explained above.

Furthermore, SBG established a working group on TCFD (TCFD WG). The members of TCFD WG are from various departments at SBG such as department specialized in finance, accounting, risk management, energy business, investor relation and sustainability and the TCFD WG had cross-functional discussion on climate-related risks. Based on the results of the discussions at the TCFD WG, the Sustainability Committee and the Board of Directors deliberated and decided the identification and assessment of our climate-related risks and the countermeasures to these risks. We will incorporate the identified climate-related risks and the countermeasures into the company-wide risk management process as well as sustainability-related risk management processes and will continuously monitor them.

Risk Management System



■ Strategy

1. Consideration process of climate change impacts and actions

SBG held twelve TCFD WG meetings in total to find out potential climate-related risks and opportunities of the Company^{*1} and then to consider the impacts of climate-related risks and opportunities may impose and the associated actions. The Sustainability Committee and the Board of Directors discussed the impact of climate change on the Company and necessary actions based on the discussion of the TCFD WG.

Within our business segments, the scope of our discussion includes the Investment Business of Holding Companies, the SoftBank Vision Funds, and the Latin America Funds^{*2} (the Company's Investment Business). As to the SoftBank segment, SoftBank Corp. has already made its disclosures in accordance with the TCFD recommendations. Please refer to the following websites for the disclosures of SoftBank Corp. in accordance with the TCFD recommendations.

SoftBank Corp. "Climate Change":

<https://www.softbank.jp/en/corp/sustainability/esg/environment/climate-change/>

In addition, regarding the Arm segment, Arm Limited plans to make its disclosures in accordance with the TCFD recommendations in fiscal 2024.

We applied two climate change scenarios, namely the 1.5°C scenario (a scenario where the global decarbonization progresses) and the 4°C scenario (a scenario where the impact of climate change becomes significant due to the limited level of global decarbonization) to analyze both the impact from transition to decarbonized society (transition risks and opportunities) and physical impact of climate change (physical risks and opportunities).

With regard to estimation of financial impacts of each identified risk and opportunity, we believe that we need further discussion toward the disclosure of quantitative financial impacts because, at this point, availability of the data for impact analysis of climate change on our portfolio companies in the Company's Investment Business is limited. On the other hand, we believe that what important is in addressing climate change issues is that we understand the climate-related risks and opportunities and integrate the response actions into our corporate management.

Based on this belief, in this disclosure, we have decided to disclose our perspective of climate-related risks and opportunities as well as associated impacts in a qualitative manner, while we will continue to discuss the quantitative estimation and disclosure of financial impacts on the Company.

2. Risks / opportunities and financial impact

^{*1} In this disclosure, "The Company" under the "Strategy" part (p.4-p.8) means SoftBank Group Corp. and its subsidiaries under the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment and the Latin America Funds segment.

^{*2} The Latin America Funds segment will be integrated into the SoftBank Vision Funds segment starting from fiscal 2022 Q1.

Hereafter, we describe potential climate-related risks and opportunities on the Company's Investment Business.

Potential climate-related opportunities (Summary)

New investment	Growth of investment profit by investment in climate tech companies	Companies providing climate-related technologies and services (climate tech companies) are expected to achieve high growth because of the growing importance of climate actions. Investment in this area can lead to an increase in return on investment.
Portfolio company	Growth of corporate value of our portfolio companies by their implementation of climate-related actions	Our portfolio companies can have opportunities to increase their corporate value by implementing climate-related actions such as reducing their greenhouse gas emission and providing services that contribute to climate change mitigation and adaptation, which can lead to an increase in the equity value of our portfolio.
Financing	Expansion of financing opportunities by gaining support from investors due to our steady climate-related actions	Our steady implementation of climate-related actions such as reduction of greenhouse gas emissions and climate-related disclosure can consequently lead to obtaining support from investors who place importance on the climate-related response of companies and expand our financing opportunities.

Potential climate-related risks (Summary)

New investment	Concerns / avoidance from potential investees due to our inadequate climate-related actions	If our climate-related actions are significantly inadequate, some potential investees that value climate-related responses may be concerned about accepting our investment, which can lead to a decrease of investment opportunities.
Portfolio company	Decrease in corporate value of our portfolio companies due to climate change risks	Transition and physical risks of climate change could impose negative financial impacts on our portfolio companies, which can lead to a decrease in the equity value of our portfolio. (Examples of potential risks) - Increased regulatory compliance costs due to more stringent environmental regulations - Suspension of operations and damage to facilities due to natural disasters - Loss of customers due to inadequate climate-related response
Financing	Decrease in financing opportunity because of decline of reputation with investors due to our inadequate climate-related actions	If our climate actions are significantly inadequate, investors who place importance on climate-related response of companies may be concerned about investing in the Company, which can lead to a decrease in our financing opportunities.

Potential opportunities

As the world is tackling climate change, the demand for technologies contributing to climate change solutions is expected to have a high growth potential. Some companies conducting AI business provide technologies and services contributing to climate change solutions such as supply of renewable energy and expansion of low-

carbon transportation (climate tech companies). While the Company has invested in climate tech companies in various sectors such as energy, transportation, and agriculture, we believe that active investments in these sectors, whose market is expected to expand in the future, can lead to an increase in our investment profits.

We also recognize that there are growth opportunities for our portfolio companies' corporate value by implementing climate-related actions such as reducing their greenhouse gas emission and providing services and products that contribute to climate change mitigation and adaptation. For example, when companies operating ride-sharing businesses provide environmentally friendly transportation services, or real estate companies decarbonize their real estate portfolio, it enables them to respond to growing environmental awareness among consumers, which can consequently lead to obtaining support from customers and increasing their revenues.

In addition, since more investors place importance on companies' responses to climate change, we believe that our steady implementation of climate change response, such as reducing greenhouse gas emissions and disclosing climate-related information, can eventually lead to obtaining support from investors who place importance on responding to climate change, which can expand our financing opportunities.

Potential risks

There are entrepreneurs, among our potential investees, who are well aware of environmental and social issues, including climate change, and value climate-related response of investors when they receive the investments. If our climate actions are significantly inadequate, these entrepreneurs may avoid accepting funding from us, potentially leading to a decrease in investment opportunities.

In addition, companies using AI, which we invest in, require a certain amount of electricity to operate their businesses. Therefore, if greenhouse gas emission regulations are tightened, these companies may incur additional costs for energy conservation and introduction of renewable energy. Furthermore, an increase in natural disasters resulting from climate change that damage data centers and communications infrastructure may lead to a temporary suspension of business operations. These climate-related risks may have a negative impact on the financial condition of the portfolio companies, which can lower the value of the equity that the Company owns and adversely affect the financial condition of the Company.

We aim to maximize investment returns from a medium- to long-term perspective by making large-scale investments in high-growth-potential AI companies through the SoftBank Vision Fund 1 and 2 and other funds. Therefore, Financing is essential for us to capture attractive investment opportunities. On the other hand, if our climate-related actions are significantly inadequate, it can consequently lead to a loss of support from investors and to a decrease in our financing opportunities since more investors place importance on companies' responses to climate change nowadays.

Our perspective of climate-related risks / opportunities and associated impacts

While aforementioned climate change risks could potentially result in a negative financial impact on our portfolio companies, such risks are expected to be limited because AI companies tend to emit less greenhouse gases than fossil-fuel intensive sectors, and usually do not have large production facilities nor complex supply chains. This means that both of their transition and physical risks are expected to be limited.

In addition, although insufficient climate-related actions of the Company could result in losing support of investors and potential investees, which can lead to a decrease in financing opportunities and that of investment opportunities, we believe that we are able to substantially avoid such risks by steadily implementing climate-related actions.

Meanwhile, under the corporate philosophy of "Information Revolution—Happiness for everyone," we aim to contribute to happiness for people through investing in human progress by building an ecosystem with entrepreneurs who have new technologies and business models. While natural disasters are becoming more severe every year due to climate change and have various adverse effects on people's lives, we believe that finding companies with breakthrough climate-related technologies and services and actively investing in these companies will lead to demonstration of our corporate philosophy, and eventually contributing to climate change solutions.

The expectations and demands for technologies contributing to climate change solutions are expected to grow further as a growing number of governments and companies declare their commitment to be carbon neutral or net zero emissions toward a decarbonized society. In particular, we recognize an expansion of the areas where AI and other software technologies can contribute, for instance, optimization of energy supply and consumption and improvement of agricultural productivity. We will continue to invest in companies providing breakthrough climate-related technologies and services and obtain opportunities due to their growth potential as well as we contribute to climate change solutions through demonstrating our corporate philosophy.

3. Actions

Based on the perspective described in the previous section "2. Risks / opportunities and financial Impact," we are taking climate-related actions as follows.

Investments in companies providing climate-related technologies and services

We believe that active investments in climate tech companies will contribute to realization of our corporate philosophy of "Information Revolution—Happiness for everyone," as well as bringing further growth to our investment business. We have invested in a number of companies providing services contributing to climate change solutions in various sectors such as energy, transportation, and agriculture. We will continue to consider investments in such businesses, taking advantage of the knowledge and experiences we have accumulated.

Incorporating assessment of climate-related risks / opportunities into the investment process

In May 2021, SBG revised its "Portfolio Company Governance and Investment Guidelines Policy" to integrate assessment of risks and opportunities arising from environmental and social factors in both pre- and post-investment evaluation process. This policy applies to SBG and its subsidiaries*¹ and the assessment of climate-related risks and opportunities has already been integrated into part of the investment process.

Promoting engagement with portfolio companies related to climate change

As part of the engagement activities, SoftBank Vision Fund 1 and 2 held sustainability sessions with the portfolio companies four times by the end of fiscal 2021. The sessions provide useful information for portfolio companies when managing climate change such as the importance of disclosure in accordance with the TCFD recommendations and the case studies of decarbonization in business. The sessions also serve as a forum for promoting collaboration among portfolio companies, with the leaders from our portfolio companies conducting climate tech businesses and/or making efforts for decarbonization participate in the sessions as panelists from time to time. We will continue to support our portfolio companies in managing climate-related risks and opportunities through our engagement activities on climate change and promoting collaborations among portfolio companies.

Reduction of greenhouse gas emissions from business activities

The Company is making efforts to reduce greenhouse gas emissions from business activities. The majority of the SoftBank Group's greenhouse gas emissions come from the use of electricity. Therefore, as a step forward to achieve Carbon Neutrality, the SoftBank Group mainly focuses on a shift to electricity generated from renewable energy sources. Meanwhile, electricity- and energy-saving measures utilizing IoT are also implemented at the head office building, data centers, and other facilities.

■ Metrics and Targets

*¹ Including SoftBank Vision Fund and other fund subsidiaries managed by a subsidiary of SBG but excluding listed companies and subsidiaries that the Group is restricted from controlling for regulatory reasons, and their subsidiaries

Group target

For further greenhouse gas reduction, the Company set a group target^{*1} as below in June 2022 and aims to reduce greenhouse gas emissions from business activities to virtually zero by fiscal 2030.

Group target^{*1}

Achieve Carbon Neutrality by fiscal 2030

Targets of SBG and major subsidiaries

SBG has achieved Carbon Neutrality^{*2} since fiscal 2020. In addition, major subsidiaries have also set their own targets regarding greenhouse gas emission reduction, undertaking various initiatives to achieve the targets.

Targets and progress in fiscal 2021 at SBG and major subsidiaries

	Target	Progress in fiscal 2021
SBG	Achieved Carbon Neutrality ^{*2} in fiscal 2020 and fiscal 2021	
SoftBank Corp.	Achieve Carbon Neutrality ^{*2} by fiscal 2030	50% shift to renewable electricity ^{*3} at base stations
Z Holdings Corporation	Achieve Carbon Neutrality ^{*2} for the entire Z Holdings Corporation Group by fiscal 2030	Set greenhouse gas reduction milestones at its major subsidiaries
Yahoo Japan Corporation	100% shift to renewable electricity by fiscal 2023	Introduction of renewable electricity that complies with RE100 ^{*4} in May 2021
Arm Limited	-100% shift to renewable electricity by 2023 -Achieve Net Zero Carbon ^{*5} by 2030	95% shift to renewable electricity expected

Greenhouse Gas Emissions

For Greenhouse Gas Emissions of the Company, please refer to “ESG Data” page on our website.

https://group.softbank/en/sustainability/esg_data#1

^{*1} Covers greenhouse gas emissions (Scope 1 and Scope 2) from business activities by SBG and its major subsidiaries which are, in principle, in accordance with the "Major subsidiaries" in the Annual Report but there are some exceptions for reasons such as regulations

^{*2} Covers Scope 1 and Scope 2

^{*3} Effectively renewable electricity using non-fossil certificates with renewable energy designation

^{*4} RE100 is a global initiative that aims to provide 100% of the electricity used in business activities from renewable energy sources

^{*5} Covers Scope 1, Scope 2, and Scope 3

Date of issue June 27, 2022
Date of revision August 3, 2022 (p4. Change of the expected schedule of Arm Limited’s TCFD disclosures)

Disclaimers

This disclosure provides relevant information about SoftBank Group Corp. (“SBG”) and its subsidiaries (including Arm Limited, together with SBG, the “Company”) and its affiliates (together with the Company, the “Group”) and does not constitute or form any solicitation of investment including any offer to buy or subscribe for any securities in any jurisdiction.

This disclosure contains forward-looking statements, beliefs or opinions regarding the Group, such as statements about the Group’s future business, future position and results of operations, including estimates, forecasts, targets and plans for the Group. Without limitation, forward-looking statements often include the words such as “targets,” “plans,” “believes,” “hopes,” “continues,” “expects,” “aims,” “intends,” “will,” “may,” “should,” “would,” “could,” “anticipates,” “estimates,” “projects” or words or terms of similar substance or the negative thereof. Any forward-looking statements in this disclosure are based on the current assumptions and beliefs of the Group in light of the information currently available to it as of the date hereof. Such forward-looking statements do not represent any guarantee by any member of the Group or its management of future performance and involve known and unknown risks, uncertainties and other factors, including but not limited to, the success of the Group’s business model; the Group’s ability to procure funding and the effect of its funding arrangements; key person risks relating to the management team of SBG; risks relating to and affecting the Group’s investment activities; risks relating to any fund managed by a subsidiary of SBG, including SB Global Advisers Limited, SB Investment Advisers (UK) Limited and any of their respective affiliates thereof (such funds together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle collectively, the “SB Funds” and each an “SB Fund”), its investments, investors and investees; risks relating to SoftBank Corp. and the success of its business; risks relating to law, regulation and regulatory regimes; risks relating to intellectual property; litigation; and other factors, any of which may cause the Group’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements. For more information on these and other factors which may affect the Group’s results, performance, achievements or financial position, see “Risk Factors” on SBG’s website at https://group.softbank/en/ir/investors/management_policy/risk_factor. None of the Group nor its management gives any assurances that the expectations expressed in these forward-looking statements will turn out to be correct, and actual results, performance, achievements or financial position could materially differ from expectations. Persons viewing this disclosure should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements contained in this disclosure or any other forward-looking statements the Company may make. Past performance is not an indicator of future results, and the results of the Group in this disclosure may not be indicative of, and are not an estimate, forecast or projection of, the Group’s future results.

The Company does not guarantee the accuracy or completeness of information in this disclosure regarding companies (including, but not limited to, those in which SB Funds have invested) other than the Group which has been quoted from public and other sources.