



REACHING EVERYONE... EVERYWHERE

# SoftBank Group Report

 **SoftBank**  
Group

ANNUAL REPORT 2022

## Disclaimers

This Annual Report 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 Annual Report 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 Annual Report 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 SB Fund (defined as below), 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](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 Annual Report 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 Annual Report 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 Annual Report 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 Annual Report 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.

This Annual Report contains statements relating to a potential initial public offering of Arm Limited. Such statements are presented solely for the informational purposes of the shareholders of SBG as such and are not, nor should they be construed as, an offer to sell or a solicitation of an offer to purchase any securities issued by Arm Limited.

## Regarding Trademarks

Names of companies, products and services that appear in this Annual Report are trademarks or registered trademarks of their respective companies. “Co.,” “Ltd.,” “Corporation” and “Inc.” have been omitted from company names except in certain circumstances.

## Important Notice – Trading of SBG Common Stock, Disclaimer Regarding Un-sponsored American Depository Receipts

SBG encourages anyone interested in buying or selling its common stock to do so on the Tokyo Stock Exchange, which is where its common stock is listed and primarily trades. SBG’s disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depository Receipts (“ADRs”). SBG has not and does not participate in, support, encourage or otherwise consent to the creation of any un-sponsored ADR programs or the issuance or trading of any ADRs issued thereunder in respect of its common stock. SBG does not represent to any ADR holder, bank or depository institution, nor should any such person or entity form the belief, that (i) SBG has any reporting obligations within the meaning of the U.S. Securities Exchange Act of 1934 (“Exchange Act”) or (ii) SBG’s website will contain on an ongoing basis all information necessary for SBG to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder. To the maximum extent permitted by applicable law, SBG and the Group disclaim any responsibility or liability to ADR holders, banks, depository institutions, or any other entities or individuals in connection with any un-sponsored ADRs representing its common stock.

The above disclaimers apply with equal force to the securities of any of the Group which are or may in the future be the subject of un-sponsored ADR programs, such as SoftBank Corp. or Z Holdings Corporation.

## Notice Regarding Fund Information Contained in This Annual Report

This Annual Report is furnished to you for informational purposes and is not, and may not be relied on in any manner as, legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to buy limited partnership or comparable limited liability equity interests in any fund managed by a subsidiary of SBG, including SB Global Advisers Limited (“SBGA”), SB Investment Advisers (UK) Limited (“SBIA”) and any of their respective affiliates thereof (collectively, the “SB Fund Managers” and each an “SB Fund Manager”) (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”). For the avoidance of doubt, the SB Funds include, among other funds, SoftBank Vision Fund L.P. (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the “Vision Fund I”), which are managed by SBIA and its affiliates; SoftBank Vision Fund II-2 L.P. (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the “Vision Fund II”), which are managed by SBGA and its affiliates; and SBLA Latin America Fund LLC (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the “SoftBank Latin America Fund”), which are managed by SBGA and its affiliates.

None of the SB Funds (including the Vision Fund I, Vision Fund II and SoftBank Latin America Fund), the SB Fund Managers, any successor or future fund managed by an SB Fund Manager, SBG or their respective affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the SB Funds or any other entity referenced in this presentation, or future performance of any successor or the future fund managed by an SB Fund Manager.

Information relating to the performance of the SB Funds or any other entity referenced in this Annual Report has been included for background purposes only and should not be considered an indication of the future performance of the relevant SB Fund, any other entity referenced in this Annual Report or any future fund managed by an SB Fund Manager. References to any specific investments of an SB Fund, to the extent included therein, are presented to illustrate the relevant SB Fund Manager’s investment process and operating philosophy only and should not be construed as a recommendation of any particular investment or security. The performance of individual investments of an SB Fund may vary, and the performance of the selected transactions is not necessarily indicative of the performance of all of the applicable prior investments. The specific investments identified and described in this Annual Report do not represent all of the investments made by the relevant SB Fund Manager, and no assumption should be made that investments identified and discussed therein were or will be profitable.

The performance of an SB Fund in this Annual Report is based on unrealized valuations of portfolio investments. Valuations of unrealized investments are based on assumptions and factors (including, for example, as of the date of the valuation, average multiples of comparable companies, and other considerations) that the relevant SB Fund Manager believes are reasonable under the circumstances relating to each particular investment. However, there can be no assurance that unrealized investments will be realized at the valuations indicated in this Annual Report or used to calculate the returns contained therein, and transaction costs connected with such realizations remain unknown and, therefore, are not factored into such calculations. Estimates of unrealized value are subject to numerous variables that change over time. The actual realized returns on the relevant SB Fund’s unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the relevant SB Fund Manager’s valuations are based.

Past performance is not necessarily indicative of future results. The performance of an SB Fund or any future fund managed by an SB Fund Manager may be materially lower than the performance information presented in this Annual Report. There can be no assurance that each SB Fund or any future fund managed by the relevant SB Fund Manager will achieve comparable results as those presented therein.

The actual realized return on unrealized investments by an SB Fund may differ materially from the performance information indicated in this Annual Report. No assumption should be made that investments identified and discussed in this Annual Report were or will be profitable, or that investments made in the future will be comparable in quality or performance to the investments described therein.

Third-party logos and vendor information included in this Annual Report are provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by such firms or businesses. There is no guarantee that an SB Fund Manager, an SB Fund’s portfolio companies, any future portfolio companies of a future fund managed by an SB Fund Manager or SBG will work with any of the firms or businesses whose logos are included in this Annual Report in the future.

SBGA and SBIA manage separate and independent operations and processes from each other and those of SBG in the management of Vision Fund I, Vision Fund II and SoftBank Latin America Fund, respectively. Any SB Funds managed by SBGA or SBIA are solely managed by SBGA or SBIA respectively.

**Adoption of IFRSs**

The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) from the three-month period ended June 30, 2013 (the first quarter of the fiscal year ended March 31, 2014). The date of transition to IFRS was April 1, 2012. The financial data for the year ended March 31, 2013, has also been presented based on IFRS.

**Definition of Terms**

“Fiscal 2021” refers to the fiscal year ended March 31, 2022, and other fiscal years are referred to in a corresponding manner in this Annual Report. “FYE” denotes the fiscal year-end. For example, “FYE2021” denotes March 31, 2022, the last day of fiscal 2021.

**Notice Regarding PFIC Status**

 See “IR Disclaimers” on our website for details.

**Company Names**

Company names and abbreviations used in this Annual Report, unless otherwise stated or interpreted differently in the context, are as follows.

Company names and abbreviations	Definition
SoftBank Group Corp. or SBG	▶ SoftBank Group Corp. (stand-alone basis)
The Company	▶ SoftBank Group Corp. and its subsidiaries
The Group	▶ SoftBank Group Corp. and its subsidiaries and associates
SoftBank Vision Fund 1 or SVF1	▶ SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	▶ SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles
SoftBank Vision Funds or SVFs	▶ A collective term for SoftBank Vision Fund 1 and 2
SBIA	▶ SB Investment Advisers (UK) Limited
SBIA US	▶ SB Investment Advisers (US) Inc.
SBGA	▶ SB Global Advisers Limited
SoftBank Latin America Funds or LatAm Funds*	▶ SBLA Latin America Fund LLC
SB Northstar	▶ SB Northstar LP
SoftBank	▶ SoftBank Corp.
Sprint	▶ Sprint Corporation
Alibaba	▶ Alibaba Group Holding Limited
Arm	▶ Arm Limited
T-Mobile	▶ T-Mobile US, Inc.

\* Includes SoftBank Latin America Fund 1 or SBLAF1 (SBLA Holdings (Cayman) L.P. and SBLA Latin America Fund (Cayman) L.P.), and SoftBank Latin America Fund 2 or SBLAF2 (SBLA Holdings II DE LLC and SLA Holdco I LLC).



**About the cover**

**“REACHING EVERYONE . . . EVERYWHERE”**

Technology is all around us. Through its investments, SBG is committed to innovating technology and improving all aspects of people’s lives.

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For consolidated financial statements and notes, see “Financial Report 2022.”

# Introducing the SoftBank Group Report

## —Sharing our 志 *kokorozashi*

We are happy to introduce our first SoftBank Group Report. This new report combines non-financial context with financial information and is designed to further boost our engagement with stakeholders. It also tells the story of our 志 *kokorozashi* (mission). The term originated in Japanese samurai culture and represents the spirit of societal improvement over individual pursuits and symbolizes our desire to use our strengths to help and serve other people. To that end, throughout this report, we will shed more light on our investing activities, strategy, and business model.



This is not the first time we have revamped our reports to include more non-financial information, such as details about our corporate governance and sustainability initiatives.

Back in 2010, we unveiled the “SoftBank’s Next 30-Year Vision” to further clarify our unwavering commitment to our founding philosophy, expressed in the philosophy, Information Revolution—Happiness for everyone. More recently, we started describing ourselves as a Vision Capitalist for the Information Revolution to underscore our role as a strategic investment holding company.

The SoftBank Group Report is the latest in this series of efforts. The new format presents our corporate story, showing how our strategy and business model will deliver our core philosophy and vision, how we will build value, and how we will enable 300 years of sustained growth.

Information Revolution—Happiness for everyone.

Since its founding, SBG has always remained true to its goal of accelerating the Information Revolution to make the world a happier place.

Just what is happiness?

Some might say happiness is to love and be loved in return, or to make the most of each day. Others might derive happiness from self-expression. Still, others might find happiness in something as simple as a smile. Above all, SBG equates happiness with inspiration. Through our business, we strive to bring emotional meaning and happiness to lives. In everything we do, we aim to drive the Information Revolution and build a more connected, empowered, and joyful world. This unchanging *kokorozashi* (mission) is encapsulated in our philosophy, Information Revolution—Happiness for everyone.

Humankind stands on the cusp of the digital Big Bang. Computing performance is increasing dramatically, and we are getting ever closer to an age of super-intelligent machines that will surpass human ability. Our mission is to harness the raw, unlimited power of the Information Revolution and channel it in a direction that makes people happier. This aspiration will continue to drive our organization toward further growth for many years to come.

## Our Unchanging 志 *Kokorozashi* (Mission), Ever-Changing Areas of Investment

# Information Revolution—Happiness for Everyone



Kaientai banner



SoftBank Brand Symbol



## A two-line design—the banner of the Information Revolution that SBG hoists as we sail toward a new dawn

Imagine a group of visionaries who share the same unshakable spirit (*kokorozashi*). They act with one mind to achieve their ideals, braving all dangers to usher in a new era in an age of upheaval. SBG draws inspiration from one such group—the Kaientai, an enterprising shipping company founded in 1865 by the visionary Sakamoto Ryoma. Supplied with the best intelligence and possessing abundant knowledge and wisdom, the Kaientai and its founder rejected age-worn feudalistic values in favor of free thinking and bold action. In this

way, they led a revolution that resulted in the modernization of Japan. Our corporate logo derives from the Kaientai's flag. It represents our admiration for, and belief in, the Kaientai's single-minded pursuit of their vision, which imagined a Japan 100 years in the future. SoftBank Group is a fleet of similarly visionary crusaders. Our vessels fly the banner of the 21st-century Kaientai, symbolizing our own single-minded pursuit of a vision: Information Revolution—Happiness for everyone.

# Our Vision for a Better World

## Help shape the next 300 years for our future generations and for the planet

To realize our core philosophy and vision, we invest in the Information Revolution.

The Information Revolution has entered a new stage with the use of AI, which has the potential to create a safer, more prosperous, and all-round better future by addressing social and environmental challenges, including climate change, the education gap, and economic inequality.

SBG is a Vision Capitalist for the Information Revolution, and in this role we are helping to realize the world we have envisioned since our founding.

## Autonomous driving for safer roads

Imagine a world of self-driving cars that travel to the destination without human input, a world where self-driving technology prevents road accidents by sensing blind spots and monitoring hazardous situations, enabling anyone to go from A to B with peace of mind.

Imagine a world where we can predict and prevent any disease using AI-driven genetic data analysis, a world where AI accelerates the search for drug candidates, enabling early treatment.

## Using AI to cure deadly diseases

## Remote learning for educational equality

Imagine a world where all children can access a better education regardless of place of birth, a world where remote learning programs are available everywhere, offering quality education to all.

Imagine a world of seamless commerce where business transactions defy borders, a world of universal connectivity where all can access online content.

## An enriched life for all

## More creativity at work

Imagine a world where workplaces are more human-centric and full of authentic, life-affirming experiences, a world where AI automates mundane and monotonous tasks, freeing up time for more creative pursuits.

Imagine a world where technological innovation makes renewable and clean energy ubiquitous, a world where we have the technology to reverse climate change and safeguard biodiversity.

## Technological solutions to environmental issues

# A Business Model with Three Inputs SBG Is a Vision Capitalist Driving the Information Revolution

## Building an ecosystem of industry-leading businesses aiming to grow for the next 300 years

### 1 SoftBank Group = A Vision Capitalist driving the Information Revolution

SBG describes itself as a Vision Capitalist for the Information Revolution. What exactly does this mean?

It means providing capital to promising companies, with a focus on unicorns that contribute to the Information Revolution and a happy future for all.

Our companies have innovative ideas and can solve social issues and make people happier by offering truly world-changing goods and services.

By providing them with capital, we, as a Vision Capitalist for the Information Revolution, accelerate their business growth and unleash the potential of our core philosophy and vision: Information Revolution—Happiness for everyone.

### 2 Cluster of No. 1 strategy

Our *Cluster of No. 1 strategy* is designed to build a strategically synergized ecosystem of companies. The strategy envisages this group as a symbiotic ecosystem of companies with industry-leading technologies and business models.

Although we collaborate with our portfolio companies to help inform their decision-making, we also respect their autonomy and we need not hold a majority stake. We seek to align ourselves with the entrepreneurs who are founding the companies of tomorrow and defining new industries. However, we encourage our members to identify with our core philosophy and vision and to collaborate with us to unlock synergistic growth.

Under this strategy, we have developed an ecosystem of entrepreneurial leaders in AI. These include some 500 portfolio companies within the SoftBank Vision Funds and other funds. They also include our subsidiaries and Group companies in which we have invested in directly, such as Arm.

### 3 Three inputs and sustainable growth

When a company invests capital into business activities, new value can be generated that exceeds the initial capital commitment. The company will then reinvest that capital for an even higher return. Through this reproduction on an expanded scale, capital keeps accumulating, generating sustainable growth.

We have three key sources of capital: an ecosystem of portfolio companies, financial capital, and human capital.

This capital is both an input and output. In implementing our business model, we “input” capital, and this capital is then “output” back to us in an amount larger than the initial input.

# Three Inputs

As a strategic investment holding company, we aim for sustainable growth by both perpetuating and accumulating our three capital inputs.

## Ecosystem of portfolio companies

This input is the ecosystem of some 500 portfolio companies and subsidiaries that we have developed in line with our *Cluster of No. 1 strategy*.

Members of this ecosystem pursue growth independently, but in doing so they produce a stream of innovation and unleash synergies that enable the ecosystem to grow as one.

## Financial capital

This input refers to the financial assets that fund our investments. We aim to grow our financial assets over the medium to long term realizing high returns on investments and then reinvesting the profits.

We measure the growth of our financial capital using Net Asset Value (NAV).<sup>\*</sup> Our NAV has grown over a medium- to long-term perspective in line with our investments and other activities. We aim to grow it even bigger.

<sup>\*</sup>NAV = Equity value of holdings – Net debt

 See page 18 for the details of NAV.

## Human capital

This input is our talent. It includes our investment professionals who identify attractive investment opportunities. It also includes finance and accounting staff, legal and compliance experts, and many other employees who support our activities.

Our human capital grows as our diverse pool of employees pursue their own professional development while increasingly aligning themselves with our unique company culture, which emphasizes decisiveness and dedication.

# Our 志 *Kokorozashi* (Mission) Is Consistent Our Investment Areas Continue to Evolve

## Our history

'80s



1981  
Founded as a distributor of packaged software for PCs



1982  
Launched a publishing business

'90s

1994  
Founded SoftBank Holdings Inc. in the U.S. for the purpose of strategic investment in Internet companies



1996  
Launched *Yahoo! JAPAN*

'00s



2000  
Invested in Alibaba



2001  
Launched broadband service, *Yahoo! BB*



2004  
Acquired JAPAN TELECOM and entered fixed-line telecommunications



2006  
Acquired Vodafone K.K. and entered mobile telecommunications in Japan

PC Software

Internet

Broadband

Mobile

Our story begins in 1981, when Masayoshi Son founded SOFTBANK Japan. He envisaged the company as a “software bank” that would build infrastructure for the information-driven society. At the time, PC software was the keystone of the Information Revolution. The keystone later shifted to the Internet, then to broadband, followed by smartphones. We have always stood on the frontlines of such shifts. Adjusting swiftly to market or industry changes, we have always partnered with the paradigm-defining companies of the time and redeployed capital into new investment areas.

The Information Revolution has now entered another new phase, with AI completely redefining every industry. We invest in AI businesses with world-changing ideas. The aim of such investments is to accelerate groundbreaking technological innovations that can build a more connected, empowered, and joyful world. Believing that the next few decades of AI innovation will surpass all the technological progress of the last three centuries, we work with entrepreneurs around the world who share our aspiration to forge this exciting future.

**'10s**



2010  
Announced the “SoftBank’s Next 30-Year Vision”



2013  
Acquired U.S.-based carrier Sprint



2016  
Acquired U.K. chip designer Arm



2017  
Launched SVF1



2019  
Launched SVF2

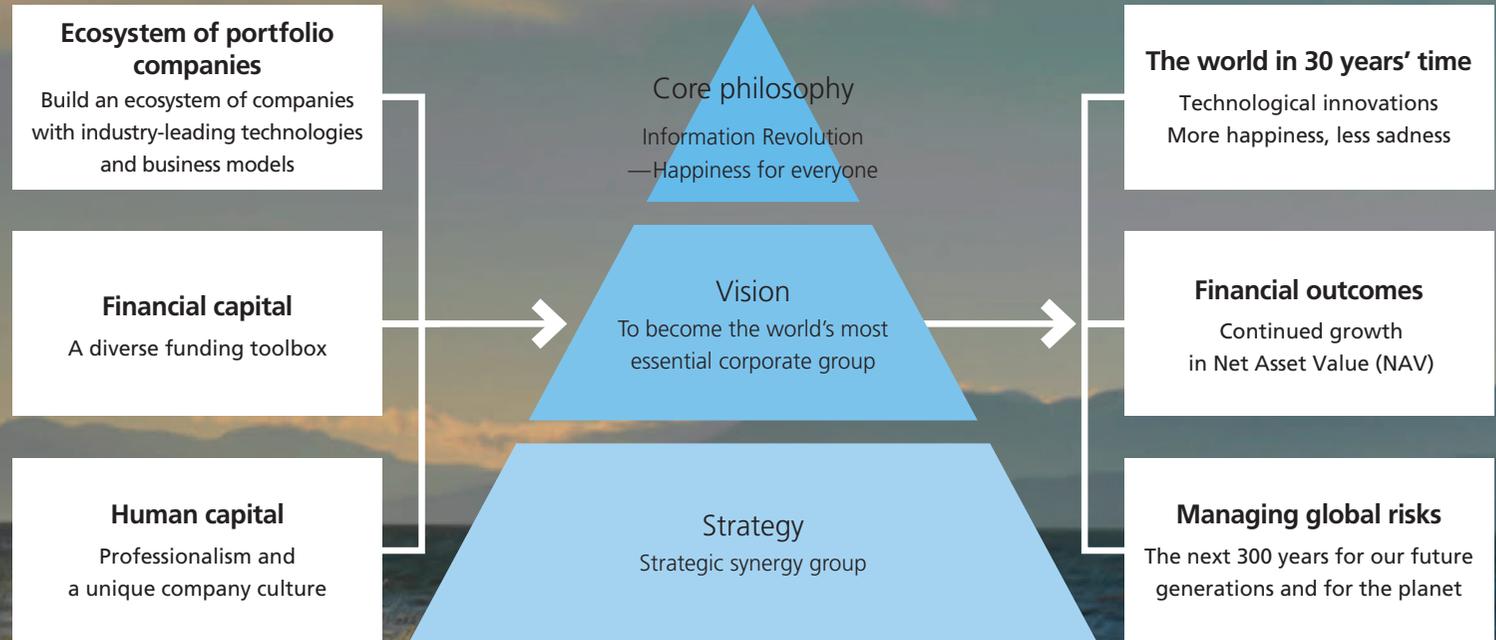


2020  
Sprint and T-Mobile merged

**Data and AI**

A photograph of a sailboat on the ocean at sunset. The sun is low on the horizon, creating a golden glow over the water and sky. The sailboat is a small, dark silhouette in the middle ground. The water is dark blue with white foam from the waves in the foreground. The sky is filled with soft, golden light and some clouds.

# SoftBank's Next 30-Year Vision: A Story of Value Creation



Announcement of the "SoftBank's Next 30-Year Vision" (2010)

Sustainable development is an imperative for businesses. Companies are expected not to just make short-term profits but also to create social value for stakeholders.

In 2010, we unveiled the "SoftBank's Next 30-Year Vision," which looks 100 years into the future. Five years later, the UN adopted the 17 Sustainable Development Goals. Thus, even before the sustainable development agenda took off, we already had our own sustainability-focused philosophy and vision in place. We were also already integrating this philosophy and vision into our strategy and business model.

Message from Our CEO

# Investing in Technology Evolution While Adhering to Our LTV Commitment

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## SBG's share price = NAV = Internet traffic

The share price of SBG has fallen to 65 as of June 23, 2022, taking the value as of June 24, 2021, a year ago, as 100. Over the same period, the NASDAQ Golden Dragon China Index, which primarily consists of American Depositary Receipts (ADRs) of Chinese companies, and the NASDAQ Composite Index have fallen to 55 and 78, respectively.\*<sup>1</sup> Since the majority of our current assets consist of stocks of companies around the world, mainly in the U.S. and China, our share price also fell along as the global stock markets declined.

Under these circumstances, it is not easy to predict our stock price tomorrow, next week, or next year. However, the story is different when it comes to long-term trends. The graph (on page 15) shows that SBG's share price (gray line) has been rising and falling sharply from fiscal 1997, when the company was listed on

the First Section of the Tokyo Stock Exchange, to the present. But, when viewed from a bird's eye, it has steadily increased over time, alongside the growth of the Net Asset Value (NAV; blue line). NAV is the market value of our equity value of holdings minus our borrowings. We are a "Vision Capitalist for the Information Revolution." We take risks and invest in AI-driven companies to help create a better future for people. Since our business is to increase the value of our holdings through such investments, it is only natural that our share price moves in proportion to our NAV. Therefore, to predict SBG's share price, we need to consider whether NAV will increase or decrease.

In addition, SBG's NAV has historically increased to a similar degree to overall Internet traffic. This is simply because we are determined to be at the cutting edge of the Information Revolution and own stocks of companies at the cutting edge of the Information Revolution. We have grown alongside the Information Revolution since our founding. Thus, as Internet traffic increases,

in other words, as the Information Revolution progresses, NAV naturally grows. Since day one, I have never doubted—not even for a single day—the evolution of the Information Revolution. I have always believed that Internet traffic, users, and usage would invariably grow. I have been interested only in the cutting edge of technology and have focused all my mind and energy accordingly. I have failed at times, and looking back, there were many lessons learned and embarrassments had. But my faith has not changed. Internet traffic will continue to

increase, the Information Revolution will continue to progress, and AI, at the cutting edge of the Information Revolution, will continue to evolve.

\*1 S&P Capital IQ, Bloomberg

### Investing in technology evolution—two growth engines are SoftBank Vision Funds and Arm

We invest in technology evolution. Believing in technology evolution and the vision of

technology evolution, we provide risk capital to companies on the forefront of that evolution. There are investors who bet against long-term evolution. It is meaningless and a recipe for failure if we say that “the horse’s time may come again” when the automobile is bound to beat the horse. I have a genuine and methodical approach to investing in technology evolution.

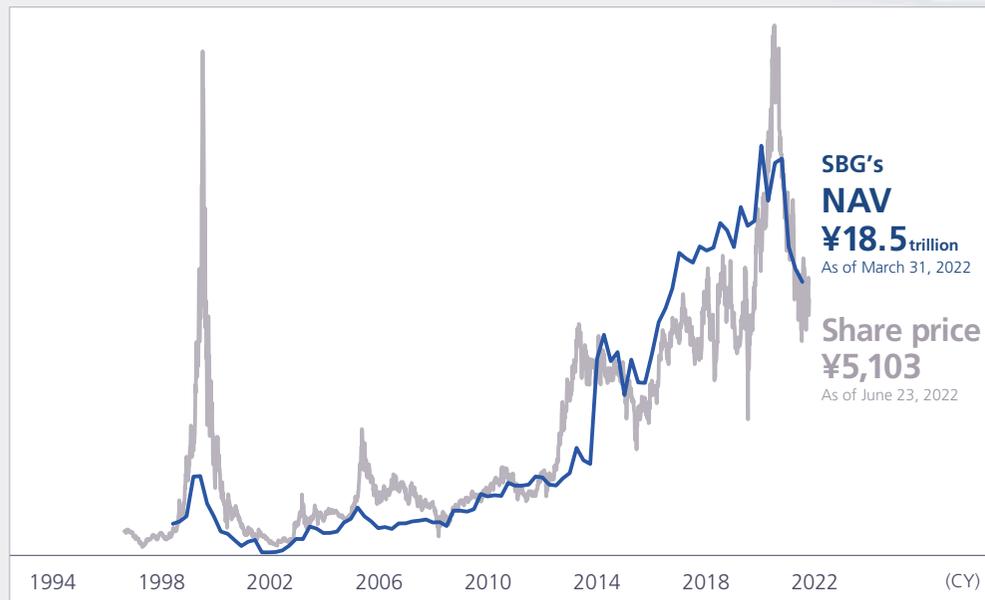
Specifically, we are focusing on two areas: SoftBank Vision Funds, which invest in companies using AI (which is now at the forefront of the Information Revolution), and Arm, which is driving all kinds of technological innovation. These two are without a doubt the two major growth engines for us.

SoftBank Vision Funds identify and invest in so-called unicorns,\*<sup>2</sup> or companies judged to have the potential to become unicorns, from around the world utilizing AI to deliver all manner of technological innovations. We are the world’s largest\*<sup>3</sup> capital provider in this field, having invested in nearly one-third of the world’s AI unicorns. SoftBank Vision Funds concentrate on the pioneering elements of the Information Revolution and the Internet revolution. We are now invested in 475 companies.\*<sup>4</sup>

Our other growth engine is Arm. Arm is in the business of licensing processor designs and other semiconductor-related intellectual property (IP) and has been a driving force behind the rapid technological innovation of

smartphones. The cumulative number of chips featuring Arm’s technology has consistently grown at a similar trajectory as the growth of Internet traffic. Today, Arm has a 95% market share\*<sup>5</sup> for main processors in the mobile device market, centered on smartphones.

In addition to smartphones, Arm seeks to drive technological innovation in other areas as well. The first concrete example is in cloud computing. Prior to our acquisition of Arm in 2016, Arm had practically no market share in this area. Since our acquisition, however, Arm has focused its R&D on new processor designs for cloud computing. As a result, Amazon Web Services, the world’s No. 1 cloud service provider, has started to deploy Arm technology for its state-of-the-art cloud server chips. Other cloud companies are also starting to deploy Arm technology, and Arm is seeking to continue to grow its market share. Cloud service providers use Arm technology because Arm-based CPUs consume much less power than those of other companies. This directly affects competitiveness because the biggest cost for cloud service providers is not chips or labor, but electricity. Arm’s technologies allow providers to significantly reduce electricity costs without compromising computing power. In fact, the CPU in Fugaku (jointly developed by RIKEN and Fujitsu), which tops the world’s supercomputer performance rankings,\*<sup>6</sup> uses Arm’s architecture.



The second is the automotive sector. Traditionally, hardware, mainly the gasoline engine, has been the most important factor determining the performance and quality of automobiles. However, the structure of the industry is shifting with the development of electric vehicles (EVs) and smart vehicles. EVs have about one-third the number of parts as gasoline-powered vehicles, and 40% of the total cost is the battery. Moreover, autonomous driving requires technologies to analyze images from in-vehicle cameras, recognize people and objects in the vicinity, and operate the brakes, steering wheel, and other controls. Indeed, the vehicle itself is becoming like a moving supercomputer. Many companies are adopting Arm-based technologies that, like in the case of smartphones and the cloud, can provide superior computing power with much lower power consumption.

The third is the area of Internet of Things (IoT). Since IoT-enabled devices are not always used in locations where power supply is available, the key is how to operate them with low power consumption. After our acquisition, Arm's market share has steadily increased. Arm now boasts the No. 1 market share.\*7 We seek to grow that share further in the future.

As you can see, Arm is at the forefront of the Information Revolution and is one of the driving forces behind it. I believe Arm will be at the very

core of the Group. We have already announced that Arm has begun preparations for a potential public offering, and I hope that you will watch with anticipation.

\*2 Unlisted companies valued at more than \$1 billion at the time of investment

\*3 Based on annual venture capital investment for deals in which each investor served as lead investor in 2021 (SBG estimate based on PitchBook data)

\*4 Portfolio companies as of March 31, 2022: SVF1 = 94 companies (including JVs/affiliates and 14 fully exited companies); SVF2 = 252 companies (including one fully exited company and Polygon (invested through the purchase of MATIC Tokens)); LatAm Funds = 103 companies + portfolio companies invested (from April 1 to May 6, 2022): SVF2 = 11 companies + companies post-investment committee approval but pre-investment closing as of May 6, 2022: SVF2 = 15 companies

\*5 Annual market share (by volume) for mobile application processors in smartphones and tablets in 2021 (Arm estimate, provided in April 2022)

\*6 Ranked No. 1 on the High Performance Conjugate Gradients (HPCG) Performance List, which benchmarks the performance of operations commonly used in real applications, and the Graph500 list, which benchmarks graph analytic performance; both lists announced at ISC 2022, an international conference on high-performance computing (HPC)

\*7 Annual market share (by volume) of the combined embedded and IoT market, which includes all industrial chips and IoT chips in 2021 (Arm estimate, provided in April 2022)

## Market capitalization of the Internet industry growing despite correction

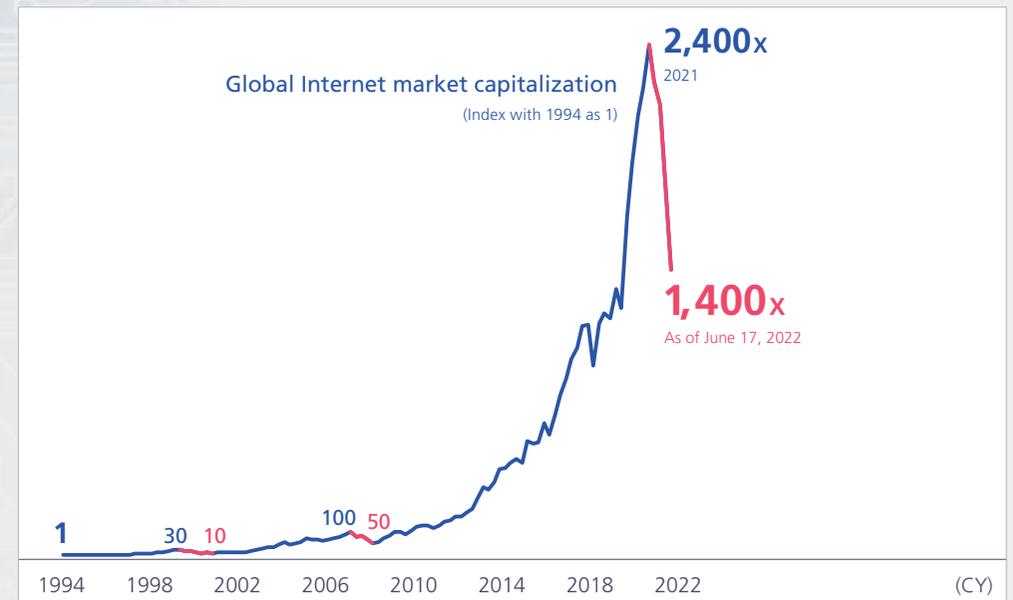
"Will SBG's share price go up?" In answer to this question from shareholders and investors, I say one thing: "I believe it will." Of course, there are times when it will go down. But if you look at it on a five- to 10-year time frame, I am quite confident about our share price.

For example, the market capitalization of the global Internet industry,\*\* if set at 1 in 1994, grew sharply to 30 by 2000 alongside the Internet bubble, but then plummeted to 10 in 2001 when the bubble burst. However, it grew back to 100 in less than 10 years and by 2021 it had jumped to 2,400, despite having dropped in half to 50 following the 2008 global financial crisis. As a result, what was 1 in 1994 became 2,400 in 2021.

Incidentally, the share price of SBG, which went public in 1994 (over-the-counter listing),

dropped to one-hundredth of its peak when the Internet bubble burst, after surging during the Internet bubble. However, the company was able to survive despite such circumstances. And now, SBG's NAV stands at ¥18.5 trillion\*9 (as of March 31, 2022), so I think we can say that it has grown considerably. Looking at the long-term in this way, things should become less confusing.

Now, energy prices have skyrocketed in the wake of economic sanctions against Russia's invasion of Ukraine and, combined



with monetary tightening in the U.S. to curb inflation and supply chain disruptions caused by COVID-19, there are growing concerns of a global economic slowdown. These macroeconomic headwinds have caused the market capitalization of the global Internet industry to drop from 2,400 to 1,400 (as of June 17, 2022). This swing may be shocking, but considering market capitalization was cut by one-third when the Internet bubble burst and by one-half during the global financial crisis, the current downturn has yet to reach half. This is the third major stock price correction, but I have no doubt the market will grow again. My beliefs and vision have not budged one bit. I believe that the Information Revolution has just begun, and the real work is just beginning.

\*8 SBG estimate based on S&P Capital IQ data as of December 31, 1994; foreign exchange rates as of the end of each quarter  
\*9 See pages 18 and 19 for details.

## Proper LTV control is key to risk management

Despite our strong belief in the technology evolution, we are naturally concerned that the global stock market may fall further during a downturn such as the current one. Therefore, we are taking measures to address the risk of further declines. In short, the key is LTV (Loan to Value; the ratio of net debt to equity value

of holdings). Our financial policy is to keep the LTV ratio below 25% in normal times with an upper threshold of 35% in times of emergency. To prevent LTV from rising too high, we can simply monetize our assets as appropriate and be more selective in our investments when the environment is uncertain.

In fact, by the end of December 2021, LTV had risen to 21.6%, even without an increase in net debt, as stock markets slumped globally and the value of our equity holdings declined. We realized the ratio could exceed 25% if this trend continued, so we took decisive actions to protect LTV. By making stricter selection of investments and selling assets at the right time, we improved our LTV to 20.4%\*<sup>9</sup> and significantly increased our cash position by the end of fiscal 2021, while maintaining our gross debt. Maintaining a strong cash position is also a very important measure against risk. Along with LTV, therefore, we have another financial policy, which is to maintain a sufficient cash position to cover at least two years of bond redemptions. Since the environment is uncertain at this time, we have secured a cash position of ¥2.9 trillion,\*<sup>10</sup> far exceeding the ¥1.3 trillion needed to redeem bonds over the next two years.

\*<sup>10</sup> Cash position = cash and cash equivalents + short-term investments recorded as current assets + undrawn commitment line, on a stand-alone basis for SBG (excluding SB Northstar)

## Full of motivation, confidence, and dreams

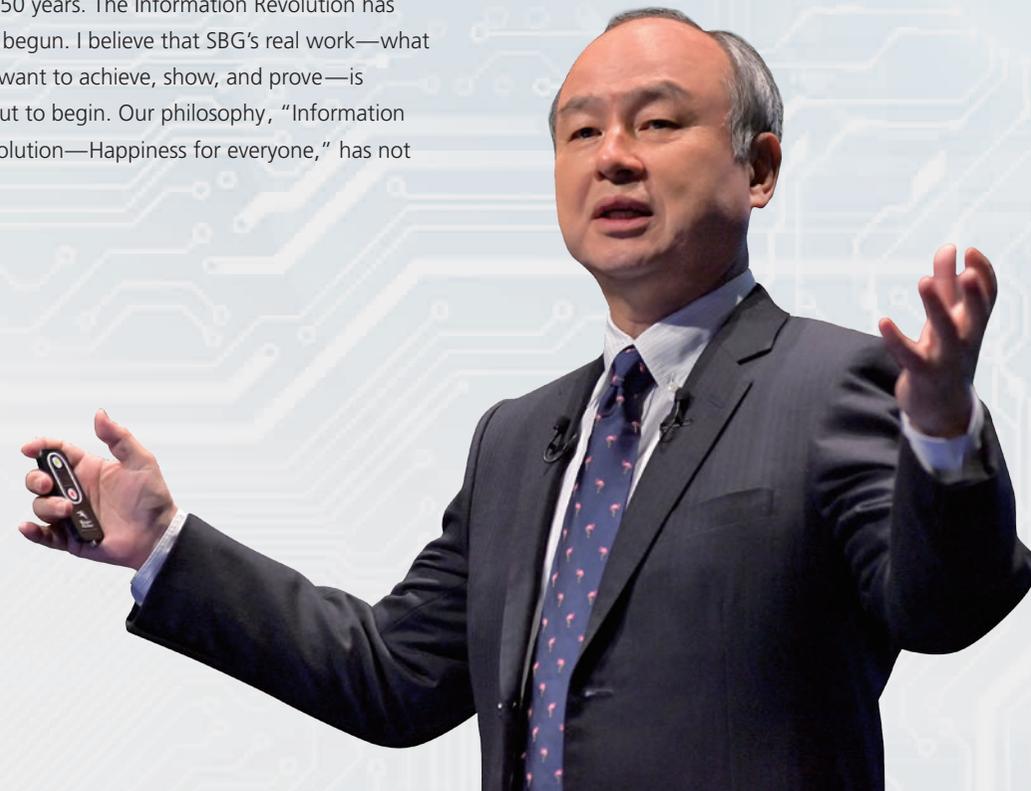
Our conviction in the Information Revolution is unwavering. We will continue investing in technology evolution and will never bet against short-term change. And we will maintain our LTV below 25% as a measure against risk. In other words, our vision is steadfast, but we will continue to make investments in a careful, disciplined manner.

We manage with a view to the next 10, 15, 30, 50 years. The Information Revolution has just begun. I believe that SBG's real work—what we want to achieve, show, and prove—is about to begin. Our philosophy, "Information Revolution—Happiness for everyone," has not

and will not change. We work hard every day to turn this philosophy into a reality—motivated, full of conviction, and pursuing our vision.

孫正義

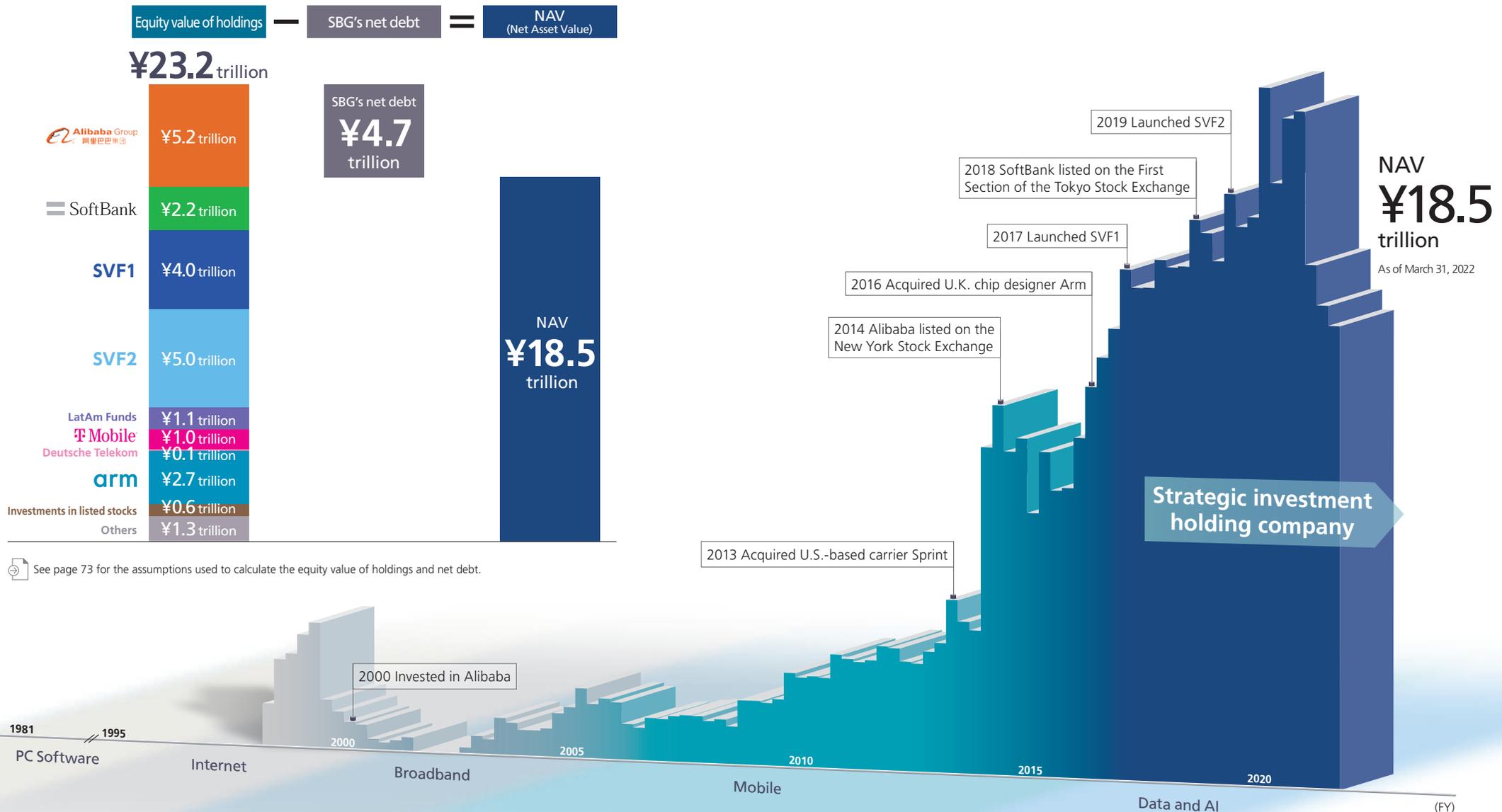
Masayoshi Son  
Representative Director,  
Corporate Officer,  
Chairman & CEO



NAV (Net Asset Value) & LTV (Loan to Value)

# Boosting NAV Growth by Investing in the Information Revolution

As of March 31, 2022



See page 73 for the assumptions used to calculate the equity value of holdings and net debt.

Note: NAV data for each quarter-end. The NAV data are the Company estimates based on the information available to it, and the accuracy or completeness of the information is not guaranteed as the figures are not audited. NAV trends are not a guarantee of future figures and are not indicative of the price of SBG's common shares or any securities held by the Company and should not form the basis of investment decisions. The figures are based on data before considering taxes unless otherwise stated.

# An Important Indicator for Stable Financial Management: LTV

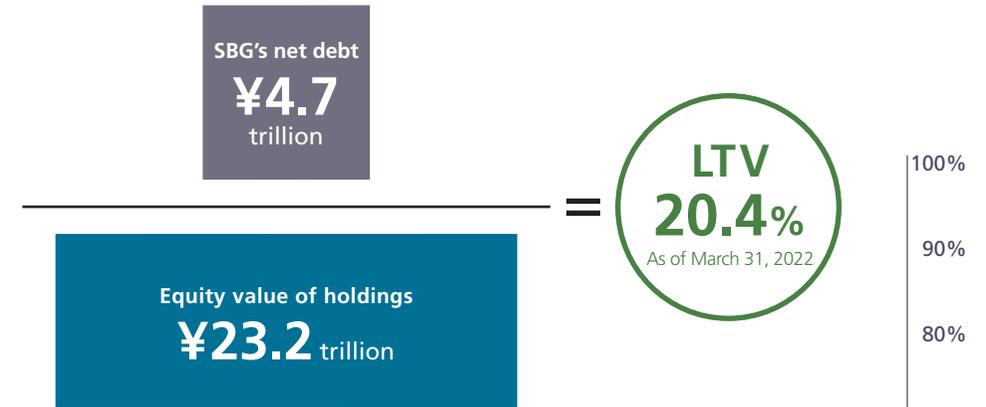
LTV is a financial indicator that is calculated as SBG’s net debt divided by the equity value of holdings. SBG’s finance policy is to maintain an LTV below 25% in normal times with an upper threshold of 35% even in times of emergency. The LTV below 25% is a very safe level and it indicates the equity value of holdings would be more than sufficient to repay the debt.

See page 73 for the assumptions used to calculate the equity value of holdings and net debt.

## Calculation of LTV



Note: The equity value of holdings excludes amounts to be settled at maturity or borrowings that are part of asset-backed finance. SBG’s net debt excludes borrowings that are part of asset-backed finance. The calculation of SBG’s net debt excludes interest-bearing debt and cash and cash equivalents, etc., attributable to entities managed on a self-financing basis such as SoftBank (including Z Holdings and other subsidiaries), SVF1, SVF2, LatAm Funds, Arm, and PayPay, as well as SB Northstar, an asset management subsidiary.



## LTV trends

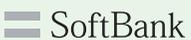


Note: LTV for each quarter-end

The SBC Investment Portfolio

# Classification of Assets Included in NAV

As of March 31, 2022

Reportable segments	Equity value of holdings				Total consolidated carrying amount of assets held*2
	Subsidiaries	Equity method associates	Investments accounted for using FVTPL*1	Total*2	
<b>Investment Business of Holding Companies</b>		 ¥5.2 trillion	  ¥1.0 trillion    ¥0.1 trillion Investments in listed stocks (including SB Northstar) ¥0.9 trillion SBG's other portfolio companies ¥0.8 trillion	<b>¥8.0 trillion</b>	<b>¥5.6 trillion</b>
<b>SoftBank Vision Funds</b>	<b>SVF1</b> ¥4.0 trillion <b>SVF2</b> ¥5.0 trillion			<b>¥9.0 trillion</b>	<b>¥9.0 trillion</b>
<b>SoftBank</b>	 ¥2.2 trillion			<b>¥2.2 trillion</b>	<b>¥1.3 trillion</b>
<b>Arm</b>	 ¥2.7 trillion*3			<b>¥2.7 trillion</b>	<b>¥1.9 trillion</b> *3
<b>Latin America Funds</b>	<b>LatAm Funds</b> ¥1.1 trillion			<b>¥1.1 trillion</b>	<b>¥1.1 trillion</b>
<b>Other</b>	<b>Other subsidiaries</b> ¥0.2 trillion			<b>¥0.2 trillion</b>	<b>¥0.3 trillion</b>
				<b>Total</b> <b>¥23.2 trillion</b>	<b>Total</b> <b>¥19.2 trillion</b>

See page 73 for the assumptions used to calculate the equity value of holdings.

\*1 Fair Value Through Profit or Loss: Valuation method of assets/liabilities at fair value at the end of the period and recording increases/decreases in the P/L statement.

\*2 The total equity value of holdings and total consolidated carrying amount of assets held are solely for the assets listed in the table. The total consolidated book value of equity holdings does not equal the acquisition cost of assets held or the book value for tax purposes.

\*3 SBG and SVF1 hold 75.01% and 24.99% of Arm shares, respectively. Arm's equity value of ¥2.7 trillion is attributed to SBG's holdings, and the value of the remaining SVF1 holdings is included in SVF1. Arm's consolidated carrying amount of ¥1.9 trillion is attributed to SBG's holdings.

## SoftBank Vision Funds

Equity value of holdings As of March 31, 2022	
SVF1	¥4.0 trillion
SVF2	¥5.0 trillion
LatAm Funds	¥1.1 trillion

## SoftBank Latin America Funds

SoftBank Vision Fund 1 began its operation in 2017, followed by SoftBank Vision Fund 2 and SoftBank Latin America Funds in 2019. These funds have unique investment portfolios consisting primarily of companies identified colloquially as unicorns or potential unicorns. They have the characteristics of being long-term private funds with a duration of more than a decade, in addition to their large amount of committed capital. Leveraging such distinctive features, they make medium- to long-term investments in companies with an established presence in wide-ranging markets and technology sectors while maintaining a level of geographic and strategic diversity across their portfolios to curb the effect of short-term market fluctuations and maximize returns over the medium to long term.

As SVF1's investment period ended in September 2019, it is now primarily focused on realizing value creation on invested capital. On the other hand, SVF2 is actively pursuing new investments. Starting from fiscal 2022, LatAm Funds will be managed by SBGA, the same as SVF2, and LatAm Funds segment will be integrated into the "SoftBank Vision Funds segment."

### Rajeev Misra

Corporate Officer,  
Executive Vice President,  
SoftBank Group Corp.  
CEO, SoftBank Investment Advisers



See pages 22–29 for details.

## arm

Equity value of holdings As of March 31, 2022	
	¥2.7 trillion

Founded in 1990, Arm Limited is primarily engaged in the licensing of semiconductor-related intellectual property, such as processor designs. Since being acquired by SBG in 2016, Arm has increased investments in R&D and expanded its product portfolio and addressable markets. In March 2021, it unveiled the *Armv9* architecture, which delivers improved performance and provides enhanced security, privacy, and confidentiality. In fiscal 2021, it released *Armv9*-based new products, such as the *Cortex-X2*.

Arm continues to focus on maintaining or gaining share in markets such as mobile computing, AI, IoT, cloud, autonomous driving, and the Metaverse. At the same time, it makes continued efforts to increase the royalty revenue it receives per chip and introduce new business models to help more companies gain access to Arm's technologies.

Rene Haas  
CEO, Arm Limited



See pages 30 and 31 for details.

## SoftBank

Equity value of holdings As of March 31, 2022	
	¥2.2 trillion

SoftBank, preceded primarily by the Japanese unit of Vodafone, which was acquired in 2006, is now the core Japanese operating company of the Company. Under its *Beyond Carrier* strategy, SoftBank aims to further grow its core telecommunications business. At the same time, it endeavors to expand its non-telecommunications businesses through the growth of Z Holdings, which became a subsidiary in June 2019, and LINE, which also became a subsidiary in March 2021, as well as the creation of new businesses.

SBG sold a portion of its SoftBank shares in 2020, but the strategic importance of SoftBank remains unchanged. The Company intends to continue to hold its post-sale shares held (ownership as of March 31, 2022: 40.7%, net of treasury stock) over the medium to long term.

Junichi Miyakawa  
President & CEO, SoftBank Corp.



See the SoftBank IR website for details.

SoftBank Vision Funds: Investment Strategy

## A Continued Conviction in the AI Revolution

Fiscal 2021 will live in the minds of investors as a year of two parts. Over the year, the NASDAQ stock market reached a high of 16,212.23, with P/E multiples across the market averaging above 20x. Demand for private technology companies transitioning to listed markets was also high with a record number of 384 listings taking place, raising \$92 billion, more than double the total raised in the previous year.\*<sup>1</sup> In my update to you last year, I discussed the rapid surge in digital adoption brought on by the global pandemic. While the negative impacts of COVID-19 began to recede in fiscal 2021, the demand for digital products and services provided by our portfolio companies remained high. Even as consumers revert to some traditional buying habits, the convenience and speed of digital consumption has seen baseline usage reset substantially higher than prior to the pandemic. This translated to substantial investor interest in AI-enabled companies during the first half of fiscal 2021, which disproportionately benefited our portfolio.

This is in sharp juxtaposition to the escalating

### Rajeev Misra

Corporate Officer,  
Executive Vice President,  
SoftBank Group Corp.  
CEO, SoftBank Investment Advisers

macroeconomic volatility observed over the second half of fiscal 2021. This was driven by the impact of China's increasingly challenging regulatory environment, ongoing supply chain issues, and Russia's invasion of Ukraine. Uncertainty has been perpetuated through three critical themes: fast-rising inflation impacting the economy, increasingly complex geopolitical risk, and a global energy shock, marked by surging energy prices across many markets. This context is challenging for the vast majority of public and private market investors, and SoftBank Group is not immune. Valuations have declined as our portfolio companies brace for what could be a period of sustained market uncertainty. Notwithstanding, SoftBank Vision Funds have cumulative gains of \$28.8 billion\*<sup>2</sup> since inception as of March 31, 2022. There is also reassurance that as long-dated vehicles, SoftBank Vision Funds were specifically structured to traverse market cycles and support an unrivaled ecosystem that is diversified by geography, sector, and technology.

We retain our conviction that technology-driven disruption is a generational trend that will be felt for decades to come, and our portfolio bears out this thesis. Since inception, SoftBank Vision Fund 1 has invested \$87.5 billion\*<sup>2</sup> in more than 90 companies. Fiscal 2021 saw 12

portfolio companies list on stock exchanges around the world, taking SoftBank Vision Fund 1's total tally of publicly traded companies to 26. This is reflected in the growing maturity of the fund's composition. As of March 31, 2022, 58% of SoftBank Vision Fund 1's assets were in exited or publicly listed positions. This has enabled our capital markets team to continue to monetize these positions, and we have now distributed \$38.7 billion to our LPs, a remarkable feat within five years of the fund's launch.

SoftBank Vision Fund 2 has continued to make strong progress. With 208 new investments in fiscal 2021, SoftBank Vision Fund 2 now has more than 250 portfolio companies. At \$56.0 billion in commitments, it is now the second largest technology fund in the world. Our focus on making smaller investments, partnering at earlier stages, and ensuring geographic and sector diversification should serve shareholders well.

We also recently integrated SoftBank Latin America Funds into the SoftBank Investment Advisers platform. Launched in 2019, SoftBank Latin America Funds have deployed approximately \$7.0 billion in over 100 companies across the region. Performance to date has been encouraging, returning a net blended IRR of 32%.\*<sup>3</sup>

\*1 PwC, "Global IPO Watch 2021"

\*2 SBG consolidated basis

\*3 Net Blended IRR reflects the combined net performance of different classes of securities in LatAm Funds structure, including Equity and Preferred Equity Interests, after taking into account management fees, performance fees, preferred equity coupon, operational expenses, organizational expenses, and other expenses borne by the Limited Partners. It is computed using the Limited Partners' cash outflows (capital contributions) and inflows (distributions), net of investment-related financing, as well as the Net Asset Value as of March 31, 2022. It includes preferred equity coupon distributions and related accruals. This figure is the Net Blended IRR specific to SBG's interests through SBLA, modified to reflect the additional impact of performance fee payments and related accruals from the perspective of the fund manager, as applicable.

## An evolving global platform

These steps mark the evolution of our investment capabilities from a single investment vehicle to a global multi-fund platform. SoftBank Investment Advisers was created five years ago to manage the first Vision Fund. With the subsequent launch and expansion of SoftBank Vision Fund 2 and the integration of SoftBank Latin America Funds, our global capabilities have substantially expanded. Today, the platform oversees \$175 billion in assets via a team of seasoned investment and functional experts working in 14 key geographies around the world.

Our efforts to build a strong local presence in key markets is paying off. Over fiscal 2021 we made our first investments in Israel, Japan, Saudi Arabia, Turkey, and the UAE. We continue to invest in human capital as well as developing talent within the firm, appointing six new managing partners over fiscal 2021, each of whom brings a wealth of global insights and expertise. We've strengthened our investing teams with 59 new hires, 46% of whom are women. I'm confident we have the right people and resources in place to ensure the firm's continued success.

Founders across the world continue to be drawn to the power of SoftBank Group's networks. Our portfolio ecosystem now comprises more than 450 companies, as well as Alibaba, Arm, and SoftBank Corp., which

supports connections and the sharing of ideas to accelerate collective growth.

There was no precedent for SoftBank Vision Funds, and many doubted they could succeed. But with vision and discipline, we have proven that venture capital can successfully scale.

This trend has fueled an innovation supercycle among private technology companies and irreversibly changed the profile of growth equity as an asset class. Allocations from institutional investors to this segment has outstripped every other private asset class in the past decade. This

has translated to a rapid upsurge in the number of unicorns around the world, now surpassing 1,000,\*4 of which I'm pleased to share that 195 are already in our portfolio.

Of course, the current environment calls for prudence and discipline. As Masa has said previously, we must play defense as economic conditions dictate and be highly selective in our capital deployment. Our investment teams continue to be active, but the increasingly stringent performance criteria for the approval of new investments will naturally lead to

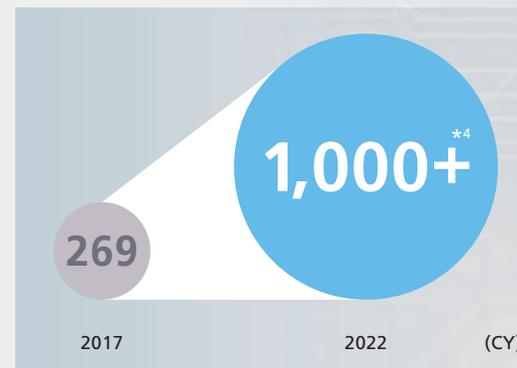
a tapering in the rate of transactions. The depressed outlook for capital markets also means there are likely to be fewer new public listings in fiscal 2022 as companies prioritize strengthening unit economics in the face of continued uncertainty. As with the COVID-19 pandemic, we are working closely with our companies to help ensure they emerge stronger when market conditions improve.

\*4 Statista, "Global Unicorn Herd Now Counts 1,000+ Companies," April 2022

## Growth Equity is Today's Preferred Asset Class

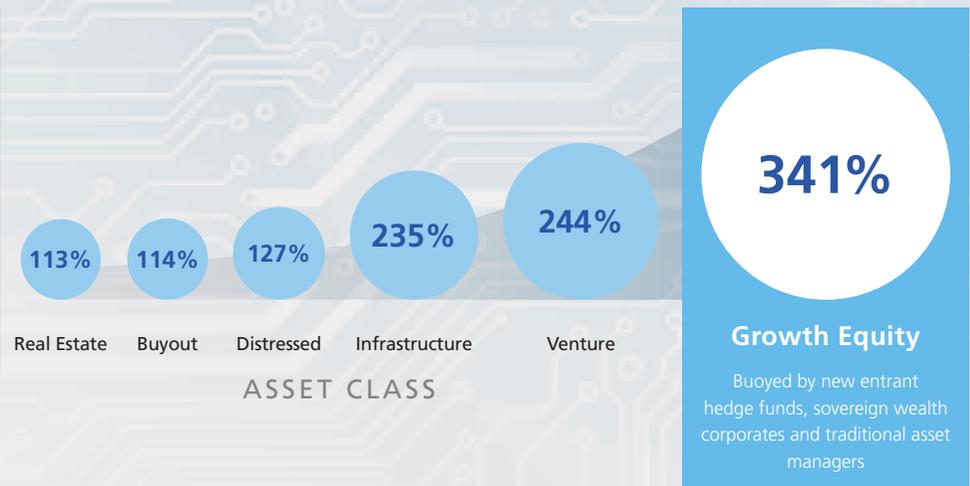
### Significant growth in the number of unicorns

Global Unicorn Count



### Growth equity outpace other asset classes

% Growth in Dry Powder. 2020 vs. 2010\*5



\*5 Bain & Company, "Global Private Equity Report," 2021

# SoftBank Vision Funds: In Focus

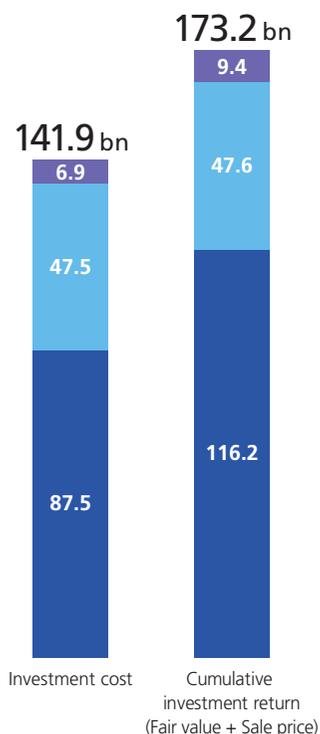
See SoftBank Vision Funds' website for further details.

## Performance snapshot

As of March 31, 2022

(U.S. dollars)

- LatAm Funds
- SVF2
- SVF1



## Investment results

As of March 31, 2022, SoftBank Vision Funds and SoftBank Latin America Funds have invested in more than 450 companies (including exited investments) across a diverse mix of geographies, sectors, and technologies. Their cumulative investment gains of \$31.3 billion\*<sup>1</sup>

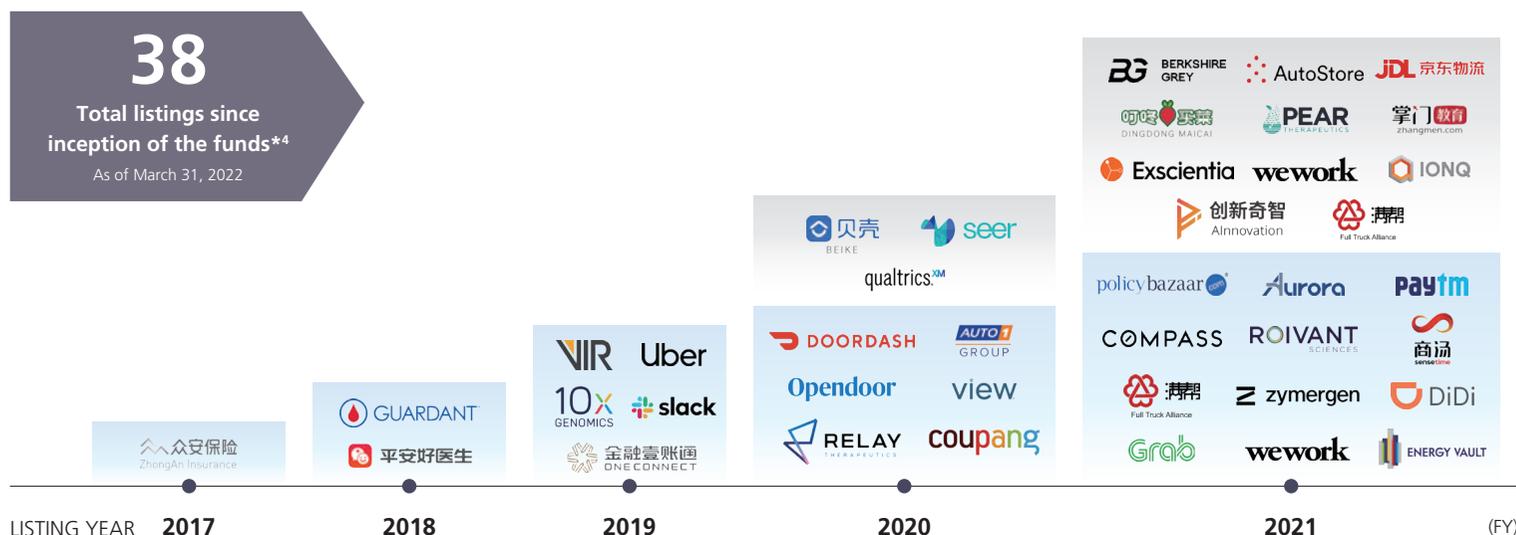
have been achieved on an acquisition base of \$141.9 billion,\*<sup>1</sup> representing a 1.22x multiple on invested capital. This brings the total fair value of both funds to \$173.2 billion.\*<sup>1, 2</sup>

Between inception in 2017 and the close of SoftBank Vision Fund 1's capital deployment window for new investments in 2019, we made 92 investments at an acquisition cost

of \$81.0 billion.\*<sup>3</sup> By March 31, 2022, 26 of these companies had listed on major exchanges around the world. Fiscal 2021 saw Grab list on Nasdaq stock market via the world's largest SPAC merger, while PB Fintech (Policybazaar) and One 97 Communications (Paytm) became two of the largest listings in the history of the Bombay Stock Exchange. Through a disciplined and

## Growing track record of public listings

SVF1 SVF2



\*1 SBG consolidated basis  
 \*2 Includes sale price of exited investments  
 \*3 SVF1's investment period was ended on September 12, 2019, after the accumulated investment amount exceeded 85% of total committed capital. Number of investments includes investments in portfolio companies made by SVF1 and joint ventures with existing portfolio companies from fund inception to the end of the investment period. The remaining capital has been used for follow-on investments, etc.  
 \*4 10x Genomics fully exited in August 2020, Slack Technologies fully exited in September 2020, and PingAn Good Doctor fully exited in October 2020. Full Truck Alliance and WeWork are both SVF1 and SVF2 investments.  
 Note: References to investments included herein should not be construed as a recommendation of any particular investment or security. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. See pages 98 and 101-103 for a more complete list of investments of SVF1 and SVF2. Exit or IPO information is presented solely for illustrative purposes, has been selected in order to provide examples of current and former SVF1 and SVF2 investments that have been publicly listed and do not purport to be a complete list thereof. Individual investors' results could vary.

balanced monetization strategy, these listings have enabled us to unlock substantial value for investors. As of March 31, 2022, SoftBank Vision Fund 1 had returned \$38.7 billion to our LPs (of which \$16.4 billion was distributed in fiscal 2021), while the maturing profile of the fund reflects that 58% of assets are now held in exited or publicly traded positions.

With total capital commitments of \$56.0 billion, SoftBank Vision Fund 2 has made extraordinary progress, deploying \$46.9 billion across a portfolio of more than 250 investment companies. Continuing the trend we witnessed emerging in fiscal 2020, public markets in early fiscal 2021 were ascribing higher multiples than private markets to growth companies. This translated to a surge in IPOs which benefited many of our existing portfolio companies but limited opportunities in late-growth stage companies as founders turned to public markets to raise their next round. In search of value, we subsequently adjusted our strategy to partner with companies at an earlier stage via smaller investments. This resulted in the fund's average investment size reducing to \$100 million–\$200 million and our relative ownership stake reduced on average to 10–15%. Fourteen of SoftBank Vision Fund 2 companies are now publicly traded, and the fund had already distributed \$8.6 billion to investors by March 31, 2022,

most of which took place in fiscal 2021. This is a substantial achievement for an investment vehicle less than three years old. While the pace of investing has slowed as we entered fiscal 2022, the fund retains considerable dry powder and the team remains vigilant and ready to deploy should the right opportunities be presented.

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### **Enhanced portfolio management — The Operating Group**

A key differentiator for SoftBank Investment Advisers has always been our ability to add value beyond capital. Our Operating Group comprises more than 30 industry specialists with the tactical knowledge, networks, and experience to help entrepreneurs build industry leading businesses. During the pandemic, our operators worked side-by-side with executive teams to help them navigate the unique challenges presented by regional lockdowns. In the current climate, we are again providing business-critical guidance to stabilize balance sheets and drive operating efficiencies in an environment where raising new capital is challenging. Our Operating Group is focused on our larger portfolio assets, whose performance has the capacity to drive major returns for the funds. The team is also integrated across the

investment process, supporting deal origination and due diligence at the pipeline stage as a precursor to portfolio management and value creation.

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### **Integration of SoftBank Latin America Funds**

Beginning in fiscal 2022, we incorporated SoftBank Latin America Funds into the SoftBank Investment Advisers platform, a highly complementary expansion to our investment capabilities. We have long believed that Latin America has been overlooked by global investors. The region is home to a large population, thriving economies, and top tier talent. That is well known today, but we placed our bets early, and have been investing in Latin America's winning businesses for the past three years. We began our work in Latin America by focusing on venture growth and growth equity opportunities. We found that earlier stage investing was well served by domestic VCs, but there was a significant gap at the growth stage. Entrepreneurs needed investors that could help drive their journey to global success.

Today, we invest at all stages in leading technology companies with the potential to become future unicorns, reflecting the maturity of the Latin America tech ecosystem and the

strength of regional founders. Where we led, others have followed. In 2019 when the first Latin America Fund was launched, the entire Latin America region attracted a modest \$4.4 billion in annual VC investment, a figure that increased to \$14.8 billion in 2021. As of March 31, 2022, our Latin America portfolio comprises 101 investments, seven of which are already publicly traded, while 32 others are already valued as unicorns. We see huge potential for sustained value creation as regional technology champions go global.

---

### **Embedding ESG within our investment process**

While SoftBank Vision Funds and SoftBank Latin America Funds are not impact funds, Environmental, Social, and Governance standards (ESG) are increasingly relevant to how we invest and oversee our portfolio.

We conduct ESG pre-investment risk assessments on a significant number of potential investment opportunities. These incorporate the use of a third-party digital intelligence tool that analyzes millions of publicly available data sources, metrics, and ESG risk profiles of the company. Post investment, selective risk monitoring is conducted including via third party providers where appropriate.

In relation to environmental impact, SoftBank Vision Funds invest in multiple companies that contribute to climate change mitigation. These include enterprises focused on the generation and storage of clean energy, such as Energy Vault and Enpal, or on the decarbonization of urban mobility, including TIER Mobility and Züm. Details on these, and other investments committed to solving large-scale environmental and social issues utilizing AI are covered in more detail in the Sustainability section of this report.

At the governance level, diversity is an important issue for us. We support portfolio companies with C-suite and board appointments to help provide a balanced pipeline of candidates by gender and race. By working with independent organizations such as Him for Her, Athena, Beyond Board, Stanford Women on Boards, and Boardlist, we have seen consistent progress in increasing female representation in boardrooms across the portfolio.

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## Creating a more equitable future

SoftBank Investment Advisers are committed to the creation of a more equitable tech and VC ecosystem that better reflects the communities we serve. Through the U.S.-

focused SB Opportunity Fund and our global Emerge program, we are taking concrete action to support underrepresented founders primed for growth. These initiatives are built on the premise that while talent is equally distributed, opportunity is not—which is why investing in entrepreneurs from different backgrounds is both the right thing to do and an attractive investment opportunity, fully aligned with SoftBank Group's core business. Each program offers the access, capital, counsel, and community needed to help overlooked founders scale their businesses, and are pillars of the ESG strategy for SoftBank Group's investment businesses.

SB Opportunity Fund is the Group's investment vehicle dedicated to investing in tech-enabled companies co-founded or led by Black, Latino/Latina, or Native American individuals based in the U.S. Since launched in June 2020 with the committed capital of \$100 million, it has actively supported such minority entrepreneurs.

Now in its third edition for fiscal 2022, the Emerge program is a next-generation accelerator aimed at engaging founders from underrepresented backgrounds. The first cohort was held in the U.S. in 2020 before moving to Europe in 2021. For 2021, we brought together a coalition of European VCs to leverage support from other like-minded parties. As of March 31, 2022, Emerge has invested in 22 companies with

plans to expand the program to new geographies including the Middle East and India in 2022.

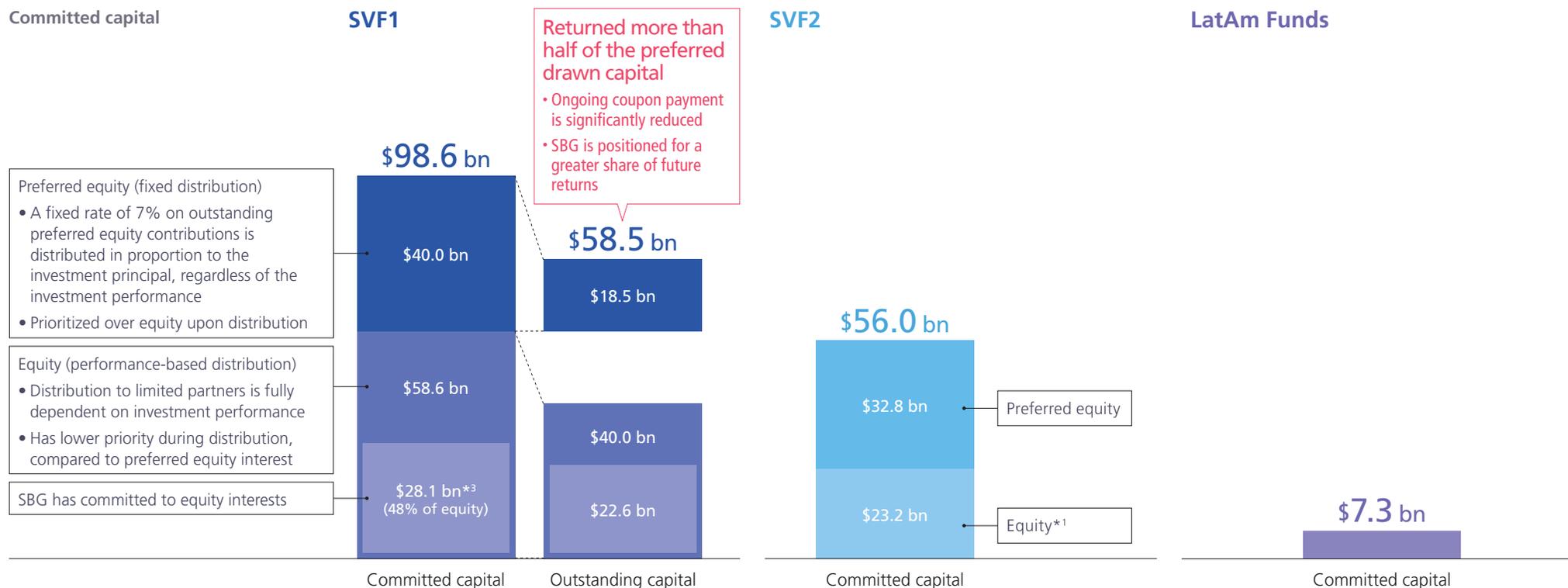
By investing in seed and early stage enterprises, these initiatives will serve to support a future pipeline of companies eligible for investment from SoftBank Vision Funds.

# Outline of Investment Funds

As of March 31, 2022, unless otherwise stated

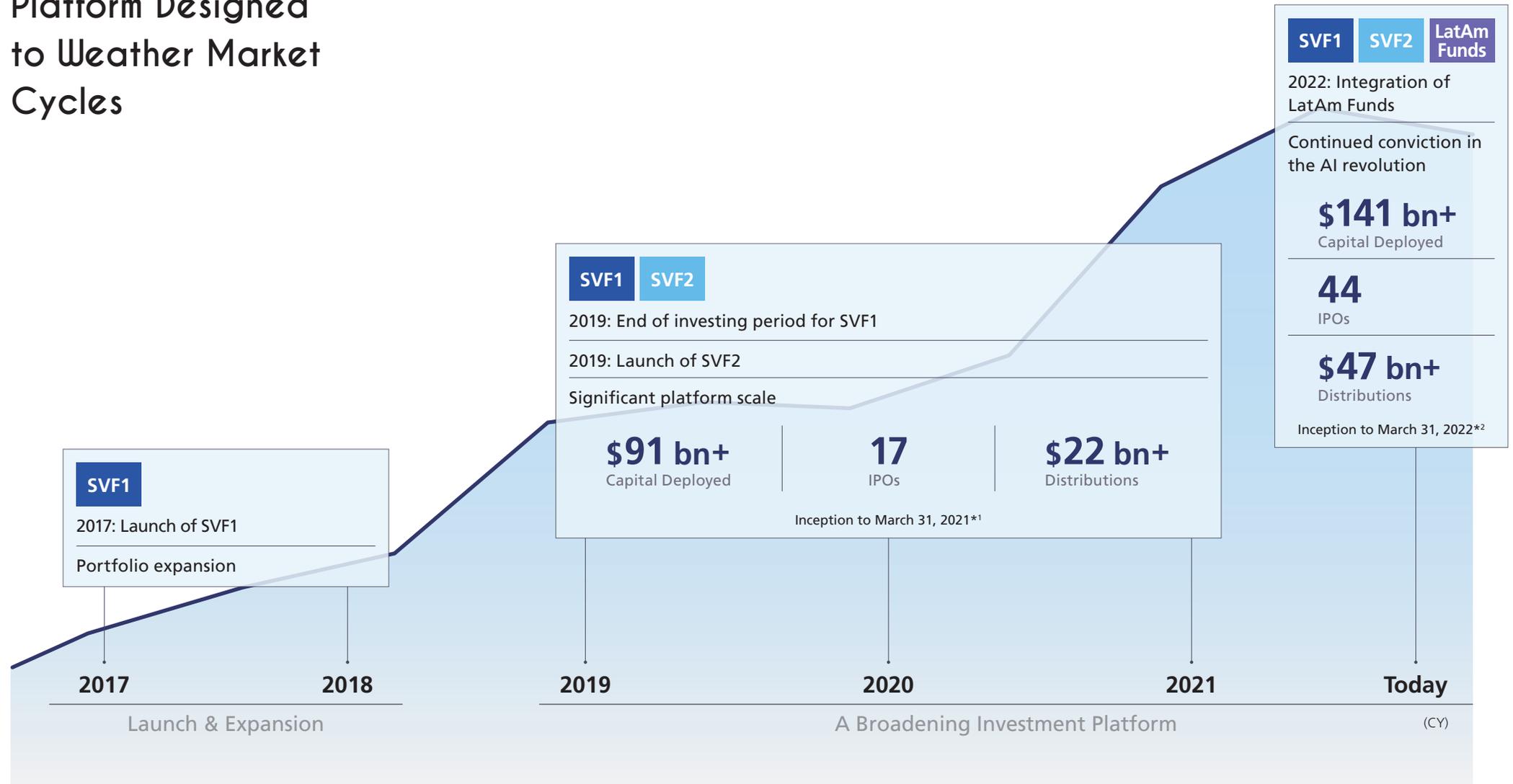
	SVF1	SVF2	LatAm Funds
Total committed capital	\$98.6 billion	\$56.0 billion	\$7.3 billion
Limited partner	SBG, External investors	SBG*1	SBG*1
Fund manager	SB Investment Advisers (UK) Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited*2 (SBG's wholly owned foreign subsidiary)
Start of operation	2017	2019	2019
Fund life	Until 2029 (in principle)	Until 2032 (in principle)	Until 2032 (in principle)
Current cycle	Value creation and realization period (& follow-on investment)	Investment period	Investment period

## Committed capital



\*1 Includes co-investment program. See page 93 for details of the program.  
 \*2 LatAm Funds are managed by SB Global Advisers Limited since April 2022.  
 \*3 Excludes committed capital for an incentive scheme related to SVF1.

# A Robust Investing Platform Designed to Weather Market Cycles



\*1 Capital Deployed, IPOs, and Distributions as of March 31, 2021 are cumulative figures for SVF1 and SVF2. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.  
 \*2 Capital Deployed, IPOs, and Distributions as of March 31, 2022 are cumulative figures for SVF1, SVF2 and LatAm Funds. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.  
 Note: The information provided herein is for illustrative purposes only. Past performance is not necessarily indicative of future results.

# 14

Global offices

# 9

Sectors



Logistics



Frontier Tech



Consumer



Transportation



Edtech



Enterprise



Fintech



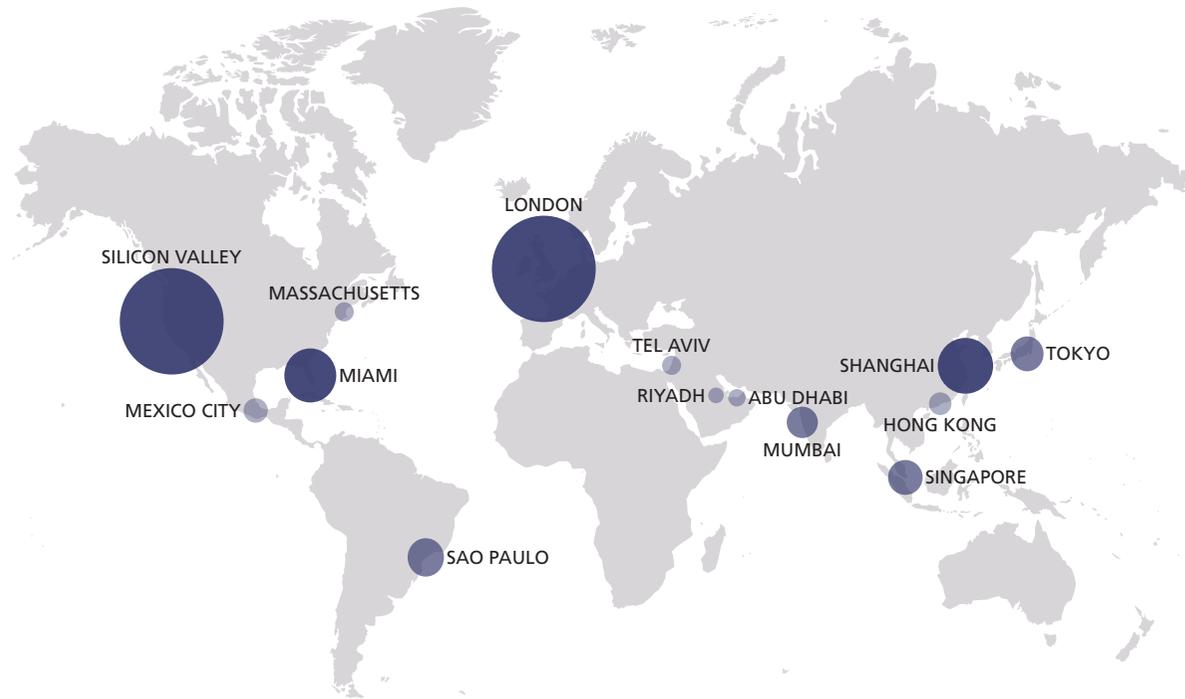
Health Tech



Proptech

## Local teams in 14 key geographies around the world

As of March 31, 2022



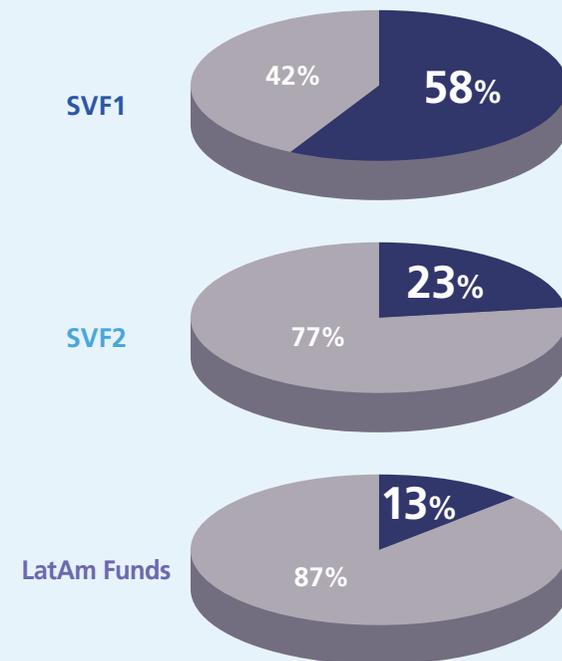
Note: The bubble graphic represents office size. There can be no assurance that the operations and / or processes of SoftBank Investment Advisers, SVF1, SVF2, and LatAm funds described in this report will continue in the future, and such processes and operations could change.

## Our portfolio is maturing over the years

Increased transparency and more flexibility for monetization

Total fair value (Realized & unrealized)

■ Exited & Public\*<sup>3</sup> ■ Private\*<sup>4</sup>



\*<sup>3</sup> Exited & Public fair value represents the gross realized proceeds and dividend income from exited investments plus the fair value of unrealized investments that were publicly listed as of March 31, 2022.

\*<sup>4</sup> Private fair value represents the fair value of unrealized investments that were not publicly traded as of March 31, 2022.

Arm: Business Strategy

# Preparing for the Next Chapter in Arm's Story



**Rene Haas**  
CEO, Arm Limited

## Leading the world in semiconductor technology

Arm is a global leader in the development of semiconductor technology and is central to the pervasive computing\*<sup>1</sup> that is shaping today's connected world. Arm's processor technology is the world's most widely licensed and deployed semiconductor design of its kind and is used in virtually all smartphones, most tablets and digital TVs, and a significant proportion of all chips with embedded processors. As new markets for electronics emerge, they are often based on Arm's advanced processor designs, including IoT, self-driving vehicles, and industrial automation.

\*<sup>1</sup> Computer technology, which integrates technologies such as mobile, automated driving, and IoT, among others, within the network environment. Provides information easily and securely accessed "anywhere, anytime."

## Arm's business model

Arm licenses processor designs to semiconductor companies that incorporate the technology into their computer chips. Licensees pay an up-front fee to gain access to our technology and a royalty on every chip that uses one of our technology designs. Typically, the royalty is based on the selling price of the chip.

Each Arm design is suitable for a wide range of end applications and can be reused in a variety of chip families to address multiple markets. Each new chip family generates a new stream of royalties. An Arm design can be used in many different chips, and certain Arm designs have shipped for more than 25 years.

## Investing for the long term

In our fast-paced world, new applications, device categories, and markets are continually emerging, many of which require advanced semiconductors to provide their capabilities. In contrast, it can take many years to develop the technology that is used in these new devices. Arm is investing currently for products that it expects consumers and enterprises will start using in 5–10 years. Since being acquired by SBG in 2016, Arm has significantly increased investments in R&D to ensure that it can develop technology suitable for all these new opportunities.

Arm has been investing to develop new processor technology to

- Maintain its market position in areas where it is already strong, such as smartphones, consumer electronics, and embedded computing;
- Increase royalty revenue per chip by increasing value where it can provide more technology (graphics processors and machine learning processors) or more valuable technology (for example, that increases performance and security);
- Establish market leadership in emerging technology areas including autonomous vehicles, IoT, and augmented reality headsets; and
- Introduce new business models to change the competitive landscape, for example, by directly licensing its technology to OEMs and cloud service providers.

## Revenues today are from investments made many years ago

It takes Arm's customers time to develop the complex SoCs (systems-on-chips)\*<sup>2</sup> that contain Arm technology. Licenses signed today are not expected to yield royalty revenue for at least 2–3 years. However, if the chips are commercially successful, they can bring additional royalty revenue streams that could last for years, and even decades, to come.

After several years of accelerated investments, in fiscal 2021 Arm saw further revenue growth as its new products began increasingly coming to market.

\*<sup>2</sup> Various functions such as microprocessors, graphics, and memory controllers are integrated on a single chip.

Arm’s technology non-royalty revenue (technology licensing revenue and software and services revenue) increased 61.0% from fiscal 2020 primarily due to the following:

- Recently introduced products such as *Cortex-X2*, *Cortex-A710*, and *Cortex-A510*—all based on Arm’s latest *Armv9* architecture.
- Some major global companies signing long-term agreements to gain access to a broad portfolio of Arm processors and related technologies.

- A higher-than-normal number of licenses being signed by a wide range of companies that intend to use Arm technology in end markets from autonomous driving to data center servers and from smartphones to supercomputers.

Arm’s technology royalty revenue grew 20.1% from fiscal 2020 due to the following:

- The growth in smartphones sales during the year, especially 5G smartphones, which use more Arm technology than 4G smartphones.
- The ongoing global rollout of the 5G network. The systems used in base stations

and wireless networking equipment contain Arm-based chips.

- The ramp-up of Arm-based chips in the data centers of some cloud service providers.
- Most of Arm’s royalty revenue in fiscal 2021 was from technology that was developed before 2016, whereas the increase in non-royalty revenue in fiscal 2021 was mainly due to technology and business models that have been introduced since Arm was acquired by the Company.

and automotive as well as in the industry’s largest software developer ecosystem. These investments have resulted in new entrants to the Arm ecosystem including Alibaba, Ampere Computing, Amazon Web Services, Bosch, DENSO, Mobileye Technologies, and Telechips.

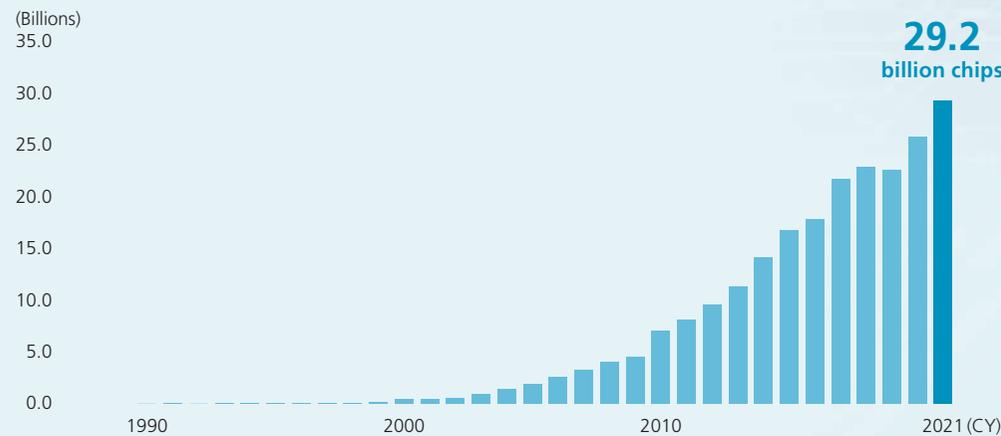
In the leadership of Arm, I am joined by my colleague, Inder M. Singh, who has been Arm’s CFO since 2018. Together, we will lead the business in the next chapter of Arm’s story. In the fourth quarter of fiscal 2021, SBG announced that Arm would commence preparations for a potential public offering.

### Preparing for the next chapter in Arm’s story

I, Rene Haas, was appointed as the CEO of Arm Limited in February 2022. Previously, I had served as president of Arm’s IP Products Group (IPG) since 2017. During that time, IPG increased investments in new products for growth markets such as infrastructure

Revenue (\$mn)	Fiscal 2020	Fiscal 2021	Increase	Growth rate
Technology royalty	1,278	1,536	258	20.1%
Technology non-royalty	702	1,129	427	61.0%
Total	1,980	2,665	685	34.6%

### Arm-based chips shipped (annual)\*3



\*3 Based on royalty reports received by Arm from its customers during each year. Adjusted to include any catch-up chip shipments if initial royalty reports did not include all Arm-based chip shipments.



Inder M. Singh  
CFO, Arm Limited

Message from Our CFO

## We Will Adhere to Our Financial Policies Even in Unstable Conditions. For the Time Being, We Will Practice Prudent Capital Management and Take a More Conservative Approach.



### Yoshimitsu Goto

Board Director,  
Corporate Officer,  
Senior Vice President,  
CFO & CISO  
Head of Finance Unit  
Head of Administration Unit  
SoftBank Group Corp.

### Change in external environment

An awareness of macroeconomic dynamics is critical for all investment companies. Even in the context of the past 5–10 years, we have just experienced a year of significant developments in the global environment. In the U.S., monetary policy is being tightened to counter inflation, leading to ongoing increases in interest rates, while oil prices continue to soar amid heightened geopolitical risks associated with Russia's invasion of Ukraine. These developments have had a significant impact on the stock market across the board with the NASDAQ Composite Index and the S&P 500 declining since the beginning of 2022. In addition, the NASDAQ Golden Dragon China Index, which consists of Chinese stocks listed in the U.S., has fallen by half over the past year due to changes in policy and regulations in both the U.S. and China.

Under these conditions, the value of SBG's equity holdings declined significantly to ¥23.2 trillion as of March 31, 2022, from ¥30.4 trillion a year earlier. However, had this change in the financial market occurred three years earlier, when Chinese stocks accounted for around 70% of our investment portfolio, our equity value of holdings would have declined even further. As we have continued to diversify our portfolio, the weighting of Chinese stocks in our portfolio has decreased, leading to a comparatively smaller decline. We also issue corporate bonds, but the bonds outstanding are fixed rate and thus not affected by the rising interest rates in the U.S. That said, some of our portfolio companies have business models that are directly affected by interest rate trends, and we need to take a careful approach to mitigate the impact. However, such companies make up only a small portion of our overall portfolio.

Meanwhile, in the capital markets, we see an ongoing risk-off sentiment. This uncertainty looks to be here to stay due to rising geopolitical risk and policy developments in China, as well as monetary policy trends in other countries. Therefore, over the next 6–12 months, we will closely monitor risk factors, be prepared for further downside and continue to practice prudent management and take a more conservative approach.

### Fiscal 2021 summary: Adhering to our financial policies, we continued to invest steadily and deliver returns to shareholders

In fiscal 2021, we steadily invested and delivered returns to shareholders, while continuing to firmly adhere to our financial policies amidst unstable market conditions.

### Adherence to financial policies

Our financial policies reflect our long-standing pledge to investors and have not changed. We will continue to adhere to three key financial policies: operating at an LTV of below 25% in normal times (with an upper threshold of 35% even in times of emergency); retaining funds to cover at least two years of bond redemptions; and securing continuous dividend income from SVF1, SVF2, and other subsidiaries. Our LTV as of March 31, 2022, was 20.4%, providing us with sufficient financial buffer. Our cash position was ¥2.9 trillion,\*<sup>1</sup> which, given our bond redemption schedule over the next two years, is well in excess of our liquidity requirement.

\*1 This figure refers to cash and cash equivalents + short-term investments recorded as current assets + undrawn commitment line (which stood at ¥124.7 billion as of March 31, 2022) on a stand-alone basis for SBG (excluding SB Northstar).

### NAV

NAV, the most important indicator in evaluating SBG as an investment company, stood at ¥18.5 trillion as of March 31, 2022, reflecting a decline in the share prices of listed portfolio companies. Over the long term, we expect NAV to fluctuate but trend higher. That said, our

current NAV per share is far greater than SBG's share price. Closing this gap remains a key agenda for management.

### Financial activities

We were able to continue to raise funds under our stable financial management approach. We fully leveraged the value of owned assets utilizing our equity stakes in Alibaba, Arm, T-Mobile, and Deutsche Telekom, to raise a total of \$22.3 billion (net) in fiscal 2021. Most notably, in March 2022, we raised \$8.0 billion in capital by using unlisted Arm shares. In fiscal 2021, we redeemed totaling ¥1.2 trillion\*<sup>2</sup> (\$10.8 billion)\*<sup>3</sup> of corporate bonds and raised ¥2.3 trillion (\$20.2 billion)\*<sup>3</sup> from

the market, for a net amount of approximately ¥1.0 trillion (\$9.4 billion)\*<sup>3</sup> after accounting for redemptions. This was accomplished by issuing of a full range of corporate bonds in Japan and overseas, including senior, subordinated, and hybrid bonds, while at the same time, meeting the needs of those investors who are expecting the bonds to be rolled over.

 \*2 See "Redemption of corporate bonds" on page 120 and "Proceeds from issuance of corporate bonds" on page 119.  
\*3 Converted using the average exchange rate of each quarter.

### Investment activities

We exited investments while pursuing new investments, leading to further diversification of our portfolio. We also continued to buyback our

shares. In conclusion, we accomplished what we wanted to achieve.

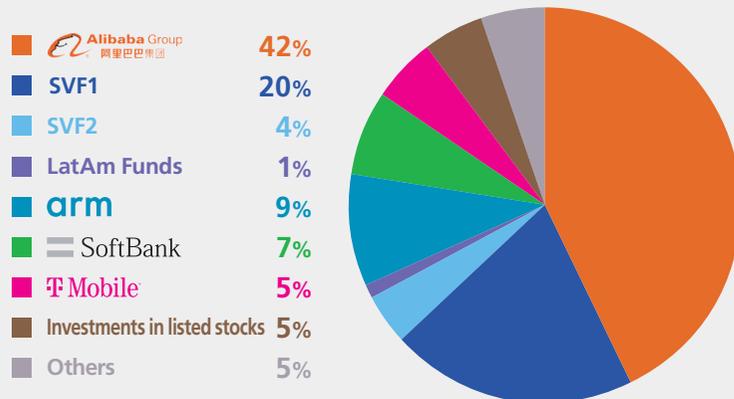
With the environment still favorable in the first half of fiscal 2021, we invested a combined \$44.2 billion at SVF1 and SVF2 and \$4.3 billion at the SoftBank Latin America Funds, which represents a cumulative total of nearly \$50.0 billion over fiscal 2021. However, starting in the third quarter, as the stock market began to deteriorate, we significantly reduced the speed of new investments. In response to changes in the financial environment, we took flexible and agile measures to manage LTV levels. Our management shares the view that we must adhere to our financial policies regardless of the macroeconomic environment. Our CEO and

finance team engaged in meaningful discussions and decided on priority measures to take, and steadily implemented those measures, which allowed us to reaffirm our financial security. We also made steady progress in the sale and monetization of investments and distributions from fund operations, with a total of \$15.2 billion in distributions received from SVF1 and SVF2. These distributions, together with our asset-backed finance and cash positions, provided sources of funds for reinvestment in our investment fund businesses.

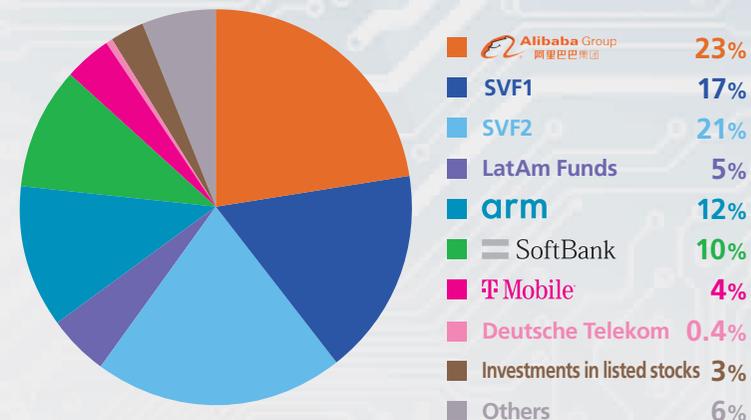
We are also mindful of the diversification of our portfolio. As of March 31, 2022, Alibaba shares accounted for approximately 23% of our total holdings, a significant reduction from

## Further portfolio diversification

Breakdown of equity value of holdings (excluding asset-backed finance)

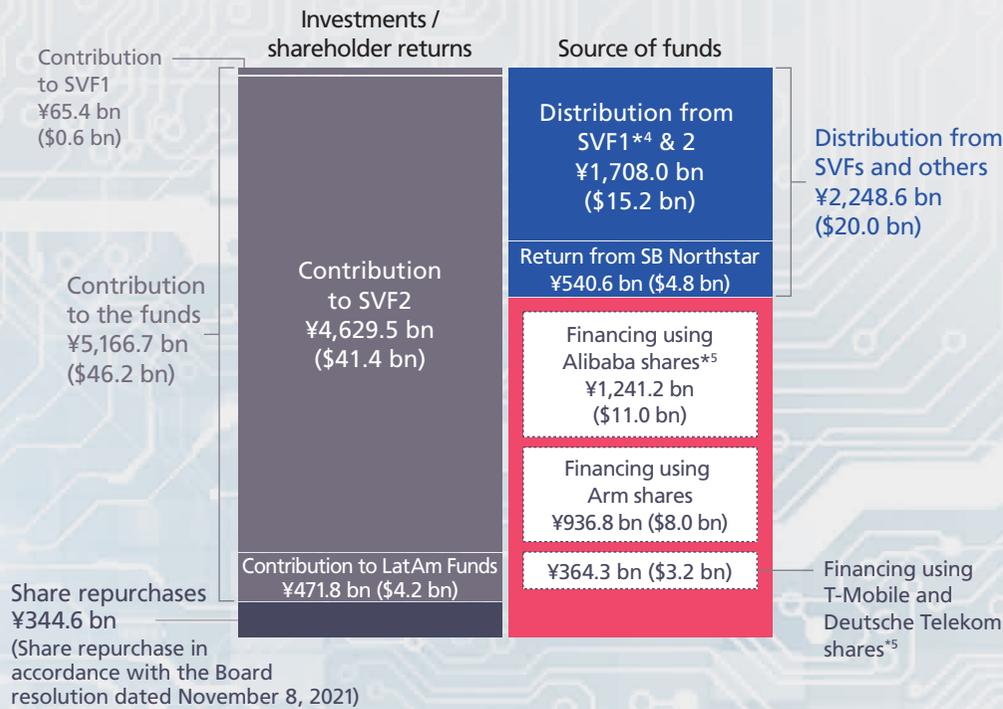


As of March 31, 2021



As of March 31, 2022

### Fiscal 2021 investment and recovery cycle



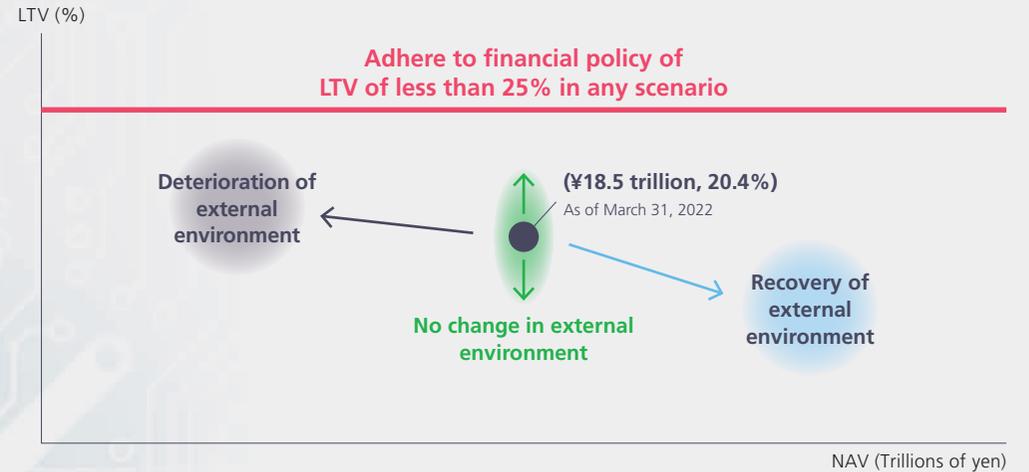
Note: Converted at the average exchange rate of each quarter.  
 \*4 Includes distribution to the SVF1 incentive scheme (\$1 billion).  
 \*5 Includes financing through prepaid forward contracts and margin loans (net).

more than 60% in the past. On the other hand, SoftBank Vision Funds increased their weighting in our portfolio. The number of investments in our investment fund business increased to 475,\*6 reflecting good progress in the diversification of our portfolio.

\*6 As of March 31, 2022 (May 6, 2022, for SVF2 only). Includes fully exited companies and 15 companies that are post-investment committee approval but pre-investment closing.

In November 2021, we announced a share buyback program of up to ¥1.0 trillion over a one-year period. We are executing this program in a flexible manner, in consideration of factors such as new investment opportunities and NAV discount level, among others, while strictly adhering to our financial policies. As of June 30, 2022, eight months after the announcement, we had bought back shares totaling ¥638.1

### Financial management policy for fiscal 2022 (illustrated)



Scenario	Assumptions	Actions to be taken
<b>No change in external environment</b>	Uncertainty in the external environment continues, and the equity value of holdings <b>remains unchanged</b> from FYE 2021.	Continue to invest and repurchase shares in accordance with our monetization and capital allocation policies
<b>Recovery of external environment</b>	The external environment recovers and the equity value of holdings <b>increases</b> from FYE2021.	Consider using leverage to accelerate investments while maintaining the level of LTV
<b>Deterioration of external environment</b>	The external environment further deteriorates, and the equity value of holdings <b>decreases</b> from FYE2021.	<b>Maintain LTV of &lt; 25% by significantly slowing new investments relative to monetization</b>

billion, an indication of the steady progress of the program.

### Responding flexibly to macroeconomic dynamics while adhering to our financial policies

Amid a persistently uncertain investment environment, in fiscal 2022 we will pursue two

pillars of our financial strategy: adherence to our financial policies, and flexible and agile financial management able to respond to any changes. We believe that the right thing to do is not to change our financial policies. No matter how the environment changes in the future, we will adhere to the three financial policies mentioned earlier.

As an investment company, over the past few years we have firmly established a cycle of investment, followed by monetization and reinvestment. Let us look back at the past two years. In fiscal 2020, we conducted a large-scale share buyback and strengthened our balance sheet using funds obtained from our ¥4.5 trillion monetization program completed amid deteriorating market conditions due to COVID-19. This resulted in an LTV of 12.2% at the fiscal year-end. In fiscal 2021, we made new investments and bought back additional shares by using funds generated through distributions and monetization from our investment fund business. Despite deteriorating market conditions, we ended the year with an LTV of 20.4%. As mentioned earlier, as we continue our cycle of investment/monetization/reinvestment, we must continue to operate prudently and respond flexibly and nimbly to any changes in the external environment while assessing risk factors and being prepared for further downside.

In February 2022, we announced the termination of the agreement to sell Arm to NVIDIA Corporation, and the preparations for a public listing of Arm, with careful consideration being taken to the best timing for the IPO. Positioning ourselves as a “Vision Capitalist for the Information Revolution,” we have long supported, through our investments, IT- and AI-driven companies that we believe will succeed in the future. By creating a new ecosystem revolving around Arm that provides core infrastructure for IT and AI, we will be even better positioned to lead the Information

Revolution. Since our acquisition of Arm, the company has made good progress with R&D and grown substantially, posting adjusted EBITDA\*7 of \$1.0 billion in fiscal 2021.

Accordingly, we believe that pursuing a listing at this stage will be beneficial for us and our shareholders. Following a successful re-listing, the proportion of our equity value of holdings represented by listed shares would increase, which we also expect would positively impact our credit rating.

\*7 Derived from financial information based on, but not necessarily fully compliant with, IFRS. Subject to change as unaudited and provisional.

## Stepping up essential ESG initiatives

In fiscal 2021, we further advanced our ESG initiatives. We began by establishing a Group policy on ESG areas of high importance to SBG. Some of our major Group companies are independent, publicly listed companies with their own policies. While understanding and respecting such policies, we established a new Environmental Policy and Supplier Code of Conduct to clearly state our policies as a Group. We will continue actively developing Group ESG policies going forward.

We also promote ESG initiatives in our investment business. Many of our portfolio companies are already working to address climate change, recycle resources, ensure diversity and inclusion, and eliminate inequality and discrimination. We believe that an important challenge for the future is how to

integrate ESG seamlessly into our investment criteria. Companies that lack an ESG perspective are more likely to deliver poor growth over the medium to long term, so investing in such companies could adversely affect our investment performance. It is important that we address social needs head on. We will not simply incorporate ESG into our investment criteria; we will continue to monitor the ESG efforts of those companies we choose to invest in and engage with them as necessary.

With respect to the environmental (E) aspect of ESG, in June 2022 we disclosed information in line with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), along with the Group’s greenhouse gas emission reduction targets. SBG has already achieved Carbon Neutrality, and several major subsidiaries have set their own targets. We will continue working together as a Group to promote these initiatives.

Regarding the social (S) aspect of ESG, we are stepping up efforts related to human rights, including identifying human rights risks. We have also remained proactive in addressing the spread of COVID-19. For example, we conducted a nationwide vaccination program and developed a “mobile PCR testing vehicle.” Another focus is human capital, which is becoming more important these days. We believe that continuously improving the quality of our human resources will drive our future growth – people are the most valuable form of capital in the investment business. For this reason, we help all individual employees to enhance their skills and become global talent.

As for the governance (G) aspect, the Board of Directors, which is the core of SBG’s governance, includes global corporate executives and top-notch academics with highly diversified skillsets, as evidenced by the Board’s skills matrix. Another feature of our Board is its independent directors, who account for more than 50% of members.

While these activities have already been highly rated by third-party ESG evaluation organizations,\*8 we plan to further enhance our essential initiatives. We will continue to promote ESG to enhance our vision while considering social demands and making sure for continuous improvements.

 \*8 See page 39 for the external evaluations of sustainability.

As of June 24, 2022, Yotaro Agari, Global Head of Investor Relations, was appointed as Chief Sustainability Officer and Head of the Sustainability Department.

 See page 57 for his message.

Sustainability: Our Basic Approach

# Sustainability Vision “Help Shape the Next 300 Years for Our Future Generations and the Planet”

**Our corporate philosophy, Information Revolution—Happiness for everyone, embodies our determination to bring happiness for everyone, even to future generations 300 years from now. To create a world where people can live in harmony with the earth, we will fulfill our responsibility as leader in the Information Revolution to realize a sustainable society.**

## Sustainability principles

We established the SoftBank Group Sustainability Principles as a guideline to appropriately advance sustainability activities. Based on these principles, we have identified material issues (“Strategic Material Issues”) reflecting the business characteristics and social demands of each Group company. We have also defined six activity themes for the Group to promote its sustainability initiatives autonomously.

### Six activity themes—Our direction

- 1 Drive sustainable growth and innovation in society by uniting wisdom and knowledge
- 2 Take responsibility by responding to emerging issues that come with technological advancement
- 3 Ensure the growth of the future generations and our business by creating higher quality employment for all
- 4 Leverage breakthrough technologies to resolve environmental issues, including energy problems
- 5 Demonstrate highly transparent governance and integrity to win further trust of our stakeholders
- 6 Maximize our potential as a group by joining forces with people around the world to make a positive impact on society

## Identifying material issues (“Strategic Material Issues”)

SBG has classified issues to be addressed from two perspectives: importance to stakeholders and importance to the Group. Among these issues, we identified eight key issues as Strategic Material Issues to prioritize.

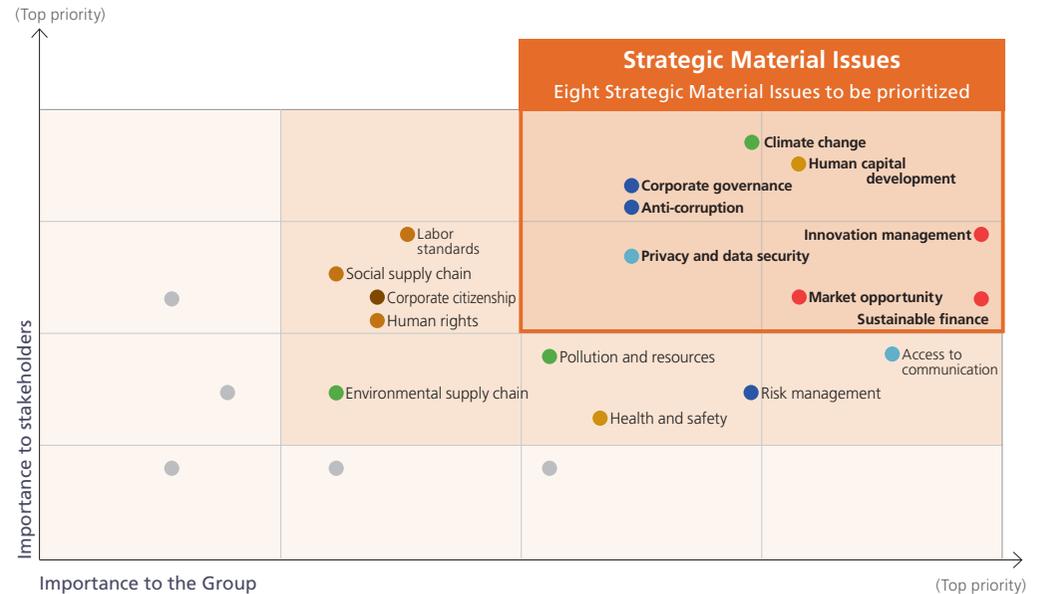


Identify issues surrounding the Group’s main businesses by referring to external guidelines and opinions of experts.

Analyze the importance on two axes: importance to stakeholders and importance to the Group.

Identify Strategic Material Issues that the Group should address with particular priority.

### Strategic Material Issues



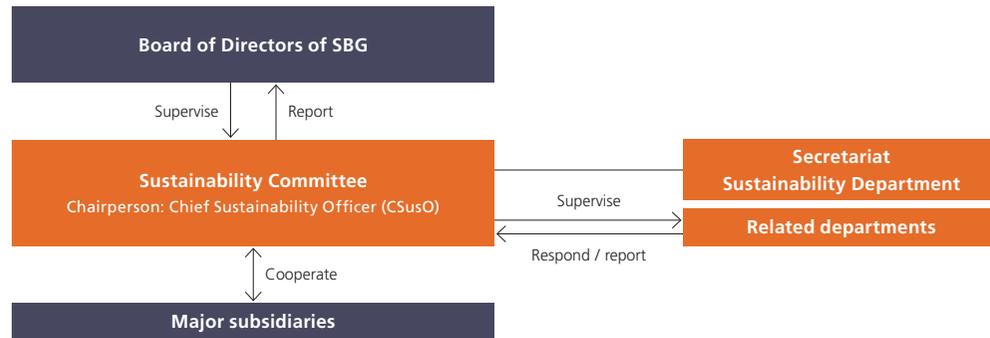
Note: The colors of each materiality indicate its association with the six activity themes.

## Sustainability governance structure

The Board of Directors has appointed Chief Sustainability Officer (CSusO) and established the Sustainability Committee. The Committee is chaired by CSusO (head of Investor Relations Department & head of Sustainability Department) and composed of three members including Board Director, Corporate Officer, Senior Vice President, CFO & CISO (head of Finance Unit &

head of Administration Unit); Corporate Officer, Senior Vice President (head of Accounting Unit); and Corporate Officer, CLO & GCO (head of Legal Unit). The Committee discusses material ESG issues surrounding the Group and its promotion policies, while taking into account the requests from our stakeholders, and reports to the Board for supervision.

### Sustainability governance structure



## Status of the Sustainability Committee

SBG's Sustainability Committee was established in June 2020 and meets around once a quarter. The heads of relevant departments within the company also attend the meetings to engage in cross-departmental discussions based on expertise and multiple perspectives.

The Committee was held three times in

fiscal 2021 (October 2021, December 2021, and March 2022). Its discussions included the Group's response to climate change and human rights risks, which are material issues for the Group, and revisiting the value creation story based on its corporate philosophy and strategies.

### Members

As of June 24, 2022

<b>Chairperson</b>	Yotaro Agari (head of Investor Relations Department & head of Sustainability Department)
<b>Members</b>	Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO & CISO, head of Finance Unit & head of Administration Unit) Kazuko Kimiwada (Corporate Officer, Senior Vice President, head of Accounting Unit) Tim Mackey (Corporate Officer, CLO & GCO, head of Legal Unit)

### Operations

As of March 31, 2022

<b>Meetings held</b>	5 times in total (2 times in fiscal 2020, 3 times in fiscal 2021)
<b>Main matters discussed to date</b>	<ul style="list-style-type: none"> <li>Integrating ESG factors into the investment process</li> <li>Strengthening ESG information disclosure</li> <li>Establishing ESG-related Group policies</li> <li>Responding to climate change</li> <li>Responding to human rights risks</li> </ul>

## Sustainability in the investment business

### Integrating ESG into the investment process

SBG believes that encouraging its portfolio companies to engage in ESG initiatives will contribute to the sustainable development of society and the sustainable growth of the Group. With this in mind, we revised our Portfolio Company Governance and Investment Guidelines Policy in May 2021 and set forth criteria on governance of portfolio companies to be considered in the investment process. The revised policy clearly states that environmental and social factors, in addition to governance, are to be assessed in the selection of investees and in post-investment monitoring. The policy applies to SBG and its subsidiaries.\*<sup>1</sup>

In evaluating the environmental and social factors of investees, each investment subsidiary develops its own management plan, which includes environmental and social issues and specific evaluation methods for addressing such issues. Some of our investment subsidiaries have already started evaluating the environmental and social initiatives of potential investees at due diligence processes and are studying how to utilize the evaluation results in investment decisions and post-investment monitoring.

\*<sup>1</sup> Includes SoftBank Vision Funds and investment subsidiaries managed by subsidiaries of SBG but excludes listed companies and subsidiaries that the Group is restricted from controlling for regulatory reasons and their subsidiaries.

### Environmental and social contributions through the business of portfolio companies

SBG, as a “Vision Capitalist for the Information Revolution,” contributes to resolving issues, such as climate change and educational and economic inequalities, and achieving sustainability on a global scale, by investing in companies with innovative technologies and business models. The following shows examples of SoftBank Vision Funds’ portfolio companies that contribute to solving environmental and social issues.

📄 See pages 42 and 47 for more on businesses of our portfolio companies.

#### Portfolio companies that contribute to solving environmental and social issues (SoftBank Vision Funds)

Environment	Society

Note: These are examples of portfolio companies that contribute to solving environmental and social issues.

### Discovering, fostering, and investing in outstanding underrepresented founders

SBG has been working to discover, foster, and invest in exceptional underrepresented founders through Emerge, an accelerator program to foster underrepresented founders, and the SB Opportunity Fund, which invests in the businesses of underrepresented founders in the U.S.

📄 See page 47 for more information on the Emerge and the SB Opportunity Fund.

## Sustainability bonds

Funds raised through the issuance of sustainability bonds by subsidiaries of the Company are used to promote businesses that help resolve environmental and social issues.

### HAPS Bond (SoftBank)

In January 2022, SoftBank issued a total of ¥30 billion in sustainability bonds (nicknamed “HAPS Bond”) to fund capital expenditures, R&D, and other areas related to high altitude platform station (HAPS) business.

HAPS are unmanned aircraft systems flown in the stratosphere that act as airborne base stations. They are operated to construct stable Internet environments that deliver connectivity to mountainous areas, remote islands, developing countries, and other areas and regions lacking access to traditional telecommunications networks.



HAPS image

### Green bonds (Z Holdings)

In July 2021, Z Holdings issued ¥20 billion in green bonds as a means of raising funds for projects that contribute to solving environmental issues. Funds raised are to be allocated to expenditures for constructing, refurbishing, acquiring, and operating energy-efficient data centers to be used by the Z Holdings Group, as well as to the procurement of renewable energy-based electricity to be used at data centers.



Environmentally conscious next-generation data center

## External evaluations of sustainability\*2

The main external evaluations of the Group’s sustainability are shown below.

### Inclusion in ESG indexes

Index name	Company name
Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&P Global CSA	Dow Jones Sustainability World Index (DJSI World) Z Holdings
	Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific) SoftBank Z Holdings
 FTSE4Good	FTSE4Good Index Series*4 SBG
 FTSE Blossom Japan	FTSE Blossom Japan Index*4 SoftBank
 FTSE Blossom Japan Sector Relative Index	FTSE Blossom Japan Sector Relative Index*4 Z Holdings
<b>2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX</b>	MSCI Japan ESG Select Leaders Index*5 SoftBank Z Holdings
<b>2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</b>	MSCI Japan Empowering Women Index (WIN)*6 SBG SoftBank Z Holdings

### Major evaluations and accreditations

**The Sustainability Yearbook Member**  
SBG, SoftBank,\*3 Z Holdings

**Sustainability Yearbook Member 2022**  
S&P Global

Selected as “The Sustainability Yearbook Member” by S&P Global in “The Sustainability Yearbook 2022,” a listing of companies with outstanding sustainability.

**CDP**  
SBG  
SoftBank

 **CDP**  
DISCLOSURE INSIGHT ACTION

Received an A– score in the overall rating and the Supplier Engagement Rating in the field of climate change by CDP, an international environment-related NGO.

**Kurumin, Platinum Kurumin**  
SBG  
SoftBank



SBG granted “Kurumin” certification and SoftBank granted “Platinum Kurumin” certification as excellent child-care support companies.

**Science Based Targets (SBT)**  
SoftBank

 **SCIENCE BASED TARGETS**  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The goals detailed in SoftBank’s “Carbon Neutral 2030 Declaration” were certified as Science Based Targets (SBT), as they are based on scientific evidence.

For more details, see each website:  SBG  SoftBank  Z Holdings

\*2 As of April 1, 2022

\*3 SoftBank was also selected as an “Industry Mover” for improving its score the most from the previous year.

\*4 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp., SoftBank Corp., and Z Holdings Corporation have been independently assessed according to the FTSE4Good Index Series, FTSE Blossom Japan Index series criteria, and have satisfied the requirements to become a constituent of those index series.

\*5 THE INCLUSION OF SoftBank Corp. and Z Holdings Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Corp. and Z Holdings Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

\*6 THE INCLUSION OF SoftBank Group Corp., SoftBank Corp. and Z Holdings Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp., SoftBank Corp. and Z Holdings Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

# Global Environment Conservation Initiatives

**Maintaining and protecting the global environment is our responsibility as a global citizen and represents an important foundation supporting the Group's sustainable development and growth. We are working to reduce the negative impact of our business activities on the environment. We are also leveraging the strengths and advanced technologies of each Group company to address climate change and other environmental issues.**

## Basic policy on environmental initiatives

In May 2021, SBG established its Environmental Policy as a set of principles for conducting corporate activities in consideration of the global environment. We promote our activities in accordance with this policy, which stipulates, among others, that we comply with environment-related laws and regulations, respond to climate change, reduce environmental burden, conserve resources, and conserve biodiversity.

We also set out environmental ethical standards in our Supplier Code of Conduct, including compliance with environmental laws and regulations, waste management and reduction, effective use of materials, and consideration for biodiversity, and require our suppliers to work in accordance with this code.

 For the full text of our Environmental Policy, see "Environmental Initiatives" under "Sustainability" on our website.

 For the full text of our Supplier Code of Conduct, see "Social Initiatives" under "Sustainability" on our website.

## Climate-related information disclosures in accordance with the TCFD recommendations

Natural disasters caused by climate change are becoming more serious every year, and urgent action is required to mitigate and adapt to such events. We keenly recognize the importance of addressing climate change and disclose information on the following four items in accordance with the recommendations of the TCFD.\*<sup>1</sup>

 \*1 Task Force on Climate-related Financial Disclosures. For the full text of our climate-related information disclosures in accordance with the TCFD recommendations, see "Environmental Initiatives" under "Sustainability" on our website.

## Disclosure items in accordance with the TCFD recommendations

<b>Governance</b>	Organizational governance of climate-related risks and opportunities
<b>Risk management</b>	Identifying, assessing, and managing climate-related risks
<b>Strategies</b>	Impact of climate-related risks and opportunities on our business
<b>Metrics and targets</b>	Metrics and targets for assessing and managing climate-related risks and opportunities

### Governance

**Board of Directors:** SBG's Board of Directors makes decisions on important sustainability issues for the entire Group. The Board deliberates and decides matters, including identifying climate-related risks and opportunities, developing countermeasures, and setting Group targets for greenhouse gas emission reduction and oversees the Company's response to climate change.

**Chief Sustainability Officer (CSusO):** The Board of Directors has appointed a CSusO who is in charge of executing operations related to sustainability. The CSusO is responsible for developing policies, setting targets, and promoting initiatives related to sustainability. As for climate-related actions, the CSusO also plays a leading role in, among others, identifying risks and opportunities, planning actions, and setting Group targets regarding greenhouse gas emission reduction.

**The Sustainability Committee:** The Sustainability Committee, chaired by the CSusO (head of Investor Relations Department and Sustainability Department), consists of three members, Board Director, Corporate Officer, Senior Vice President, CFO & CISO (head of Finance Unit and head of Administration Unit), Corporate Officer, Senior Vice President (head of Accounting Unit), and Corporate Officer, CLO and GCO (head of Legal Unit). The committee continually discusses

material sustainability-related issues for the Group and how to respond to them, and reports its findings to the Board of Directors. The Board oversees the committee upon receiving those reports. The committee also discusses and considers climate-related actions, including identifying climate-related risks and opportunities, planning of actions, and setting Group targets for greenhouse gas emission reduction.

### Risk management

SBG's Risk Management Office plays a central role in gathering information on various risks from functions within the company and from major Group companies, identifying material risks, and considering and monitoring countermeasures. Climate-related risks and countermeasures are also gathered regularly as part of the Group-wide risk management process.

In 2021, SBG established an internal working group ("TCFD WG") to hold cross-functional discussions on climate-related risks. Based on the results of the discussions, the Sustainability Committee and the Board of Directors identified climate-related risks and deliberated and decided countermeasures. We will incorporate the identified climate-related risks and countermeasures into our Group-wide risk management and sustainability-related risk management processes and monitor them on an ongoing basis.

## Strategies

### Consideration process of climate change impacts and actions

SBG identified risks and opportunities, examined the impact, and considered countermeasures, among others, at the TCFD WG for our investment businesses, which is our core business covering the Investment Business of Holding Companies, SoftBank Vision Funds,

and Latin America Funds (the “Company’s Investment Businesses”). Based on the study, the Sustainability Committee and the Board of Directors discussed the assessment of the impact of climate change on the Company\*2 and considered countermeasures.

\*2 The “Company” refers to SBG and subsidiaries at the Company’s Investment Businesses in the “Strategies” section on this page.

### Risks and opportunities in the Company’s Investment Businesses

Climate-related risks and opportunities anticipated in the Company’s Investment Businesses are summarized below.

Classification	Opportunities	Risks
<b>New investments</b>	<ul style="list-style-type: none"> <li>Expected returns from new investments in companies that provide climate-related technologies and services (e.g., climate tech)</li> </ul>	<ul style="list-style-type: none"> <li>Reduced investment opportunities due to potential portfolio companies’ concern to accept investments if our climate change response is inadequate</li> </ul>
<b>Existing investments</b>	<ul style="list-style-type: none"> <li>Enhanced corporate value of existing portfolio companies due to their adequate response to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Reduced corporate value of existing portfolio companies due to their inadequate response to climate change</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>Expanded financing opportunities by gaining investors’ support for our steady responses to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Reduced financing opportunities due to lower evaluation from investors if our climate change response is inadequate</li> </ul>

### Opportunities

As the entire world works to address climate change, demand for technologies that help combat climate change is expected to grow further. Some AI-driven companies provide technologies and services that help address climate change, such as climate techs. Our portfolio already includes those companies in a variety of sectors, including energy, transportation, and agriculture. As we proactively invest in these areas, where we

expect the market to keep expanding, we might be able to boost our investment returns.

In our existing portfolio companies, we see opportunities to enhance their corporate value by reducing greenhouse gas emissions and providing services and products that help combat climate change. We also believe that steady progress in our climate-related initiatives will help gain the support of investors who value climate action, thereby expanding financing opportunities.

### Risks

If our efforts to address climate change are materially inadequate, investee candidates who value investors’ actions against climate change might avoid accepting our investments, which could lead to reduced investment opportunities. This might also lead to a lower reputation from investors who value companies’ climate change responses and a decline in financing opportunities.

Moreover, other climate-related risks, such as natural disasters and tighter environmental regulations could worsen the financial condition of our portfolio companies, resulting in a decline in the equity value of our holdings of SBG.

### The Company’s recognized impact of risks and opportunities

If our climate change responses are significantly inadequate, there is a risk of reduced investment and financing opportunities as described above. However, we believe that such risks can be avoided if we steadily take action against climate change, including greenhouse gas emission reduction. As for climate-related risks in existing portfolio companies, many AI companies we invest in have relatively small greenhouse gas emissions and do not have large production facilities or complex supply chains. Therefore, we assume limited impacts from both transition risk and physical risk.

At the same time, we aim to contribute to the well-being of people by driving the deployment of AI and other disruptive technologies, guided by our corporate philosophy of Information Revolution—Happiness for everyone. As

increasingly serious natural disasters adversely affect people’s lives in various ways, we believe that proactive investment in providers of technologies and services that help address climate change will enable us to realize our corporate philosophy and contribute significantly to solving climate change.

### Responses to risks and opportunities

We are taking the following measures to address the identified climate-related risks and opportunities.

- Consideration of investments in climate tech, etc.**  
 Invest in companies that provide climate-related technologies and services
- Responses in the investment process**  
 Incorporate climate-related risk / opportunity assessments into the investment process
- Portfolio company engagement**  
 Engage with portfolio companies on climate change, including through workshops
- Greenhouse gas reduction**  
 Reduce greenhouse gas emissions from our business activities

## Metrics and targets

### Group target: Achieve Carbon Neutrality by fiscal 2030

Seeking to further reduce greenhouse gas emissions from our business activities, in June 2022 we set a new Group target\*<sup>3</sup> to achieve Carbon Neutrality by fiscal 2030 and reach virtually zero greenhouse gas emissions from business activities. To that end, we are actively using renewable electricity across the Group and promoting power- and energy-saving measures at head offices and data centers.

\*<sup>3</sup> Applies to greenhouse gas emissions (Scope 1 and 2) from the business activities of SBG and major subsidiaries

 For more information on greenhouse gas emissions, see "ESG Data" on our website.

## Initiatives for climate change mitigation

### One Planet Private Equity Funds membership (SBIA)

SBIA, which manages SoftBank Vision Funds, is a founding member of the One Planet Private Equity Funds (OPPEF), a private equity fund initiative on climate change. The initiative aims to promote investment and asset management that takes climate-related risks into account in partnership and collaboration with institutional investors around the world.

### Examples of investments in companies that contribute to climate change mitigation

Through our investment business, we have made a number of investments that are actively working to reduce carbon emissions.

#### SoftBank Vision Funds

##### Electricity storage solution for renewable energy (Energy Vault)

Energy Vault has developed a system to store electricity in proprietary "blocks" stacked in tower-like structures by using gravitational potential energy and kinetic energy. This system offers a low-cost solution for energy storage and it contributes to the further dissemination of renewable energy.



##### Solar panel lease at low price for housing (Enpal)

Enpal is a leasing company that provides residential solar systems. It contributes to the further spread of solar energy through leasing solar systems with no up-front costs. It has already provided solar systems in around 14,000 homes and aims to install them in a million homes over the next 10 years.



##### Leading decarbonization of micro-mobility industry (TIER Mobility)

TIER Mobility provides a sharing service for e-bikes, e-mopeds, and other light electric vehicles in over 20 countries and 200 cities in Europe and Middle East. The first micro-mobility provider to be fully carbon-neutral, TIER Mobility is leading the decarbonization in the sector.



##### Realizing carbon-neutral commute for students (Züm)

Züm is reducing CO<sub>2</sub> emissions in student transportation in the U.S. by deploying a fleet that includes electric school buses. Having achieved carbon-neutrality in 2021, Züm has pledged that 100% of its on-road fleet will consist of electric vehicles by 2025.



#### SB Opportunity Fund

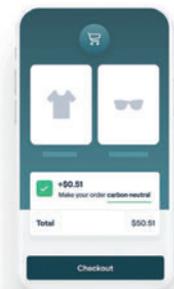
##### Capturing CO<sub>2</sub> in the air on building and factory rooftops (Noya)

Noya retrofits cooling towers on office buildings and factories so that they can capture atmospheric CO<sub>2</sub>. The company then purchases the captured CO<sub>2</sub> and uses it for industrial purposes, creating a sustainable cycle.



##### Making carbon offsets accessible to everyone (Cloverly)

Cloverly is a carbon offset app. It calculates the carbon footprint of the user's online purchases and other everyday transactions and then allows the user to purchase carbon credits to offset the emissions associated with the transactions. Through these carbon offsets, the app encourages consumers to support projects for reducing or capturing CO<sub>2</sub>.



## Renewable energy business (SB Energy, SB Energy Global Holdings, SB Power)

Through its renewable energy-related businesses, we are working to promote and expand the use of renewable energy. Meanwhile, SB Energy has strengths in the development, ownership, and operation of renewable energy power plants, which represent the upstream element in the sector. Using these strengths, it also engages in midstream and downstream businesses focusing on power utilization.

SB Energy operates 50 solar photovoltaic and wind power plants in Japan and Mongolia, with a generating capacity of around 773 MW,\*<sup>4</sup> enough to meet the annual power consumption of around 270,000 ordinary Japanese households. In addition, SB Energy Global Holdings and its subsidiaries own and operate four solar photovoltaic power plants in the U.S., with a total generating capacity of around 1,300 MW.\*<sup>4</sup>

SB Power, which engages in the retail electricity business, provides *Shizen Denki*, an electricity service for households with a virtually 100% renewable energy ratio.\*<sup>5</sup> In fiscal 2021, it achieved an annual CO<sub>2</sub> emission reduction effect of approximately 19,000 tons\*<sup>6</sup> through the service.



Miyagi Osato Solar Park

\*<sup>4</sup> As of April 2022

\*<sup>5</sup> By combining electricity supplied to customers with non-fossil certificates designated for renewable energy, SB Power can supply electricity with a virtually 100% renewable energy ratio and virtually zero CO<sub>2</sub> emissions.

\*<sup>6</sup> The CO<sub>2</sub> emission reduction effect is calculated by multiplying the amount of electricity used by *Shizen Denki* users by the national average CO<sub>2</sub> emission factor and adding J-Credits generated from support for activities by forest conservation groups.

## Establishment and operation of Renewable Energy Council and GDC Renewable Energy Council (SBG)

Together with local governments, SBG established the Renewable Energy Council and the Government-Designated Cities Renewable Energy Council in 2011. Led by 34 prefectures throughout Japan and the local governments of 20 designated cities, the two Councils share information to promote and expand the use of renewable energy and make policy recommendations to the Japanese government. As their secretariat, SBG is involved in the operation of both Councils from a neutral standpoint.



Visit the official website of the Renewable Energy Council to learn more (available only in Japanese).



Visit the official website of the Government-Designated Cities Renewable Energy Council to learn more (available only in Japanese).

## Conserving biodiversity

We recognize that preserving biodiversity is an important issue that underpins sustainable corporate management. In consideration of biodiversity, therefore, we are working to prevent and reduce the negative impacts of our business activities on the ecosystem.

### Examples of portfolio companies that contribute to biodiversity conservation



Production of drones that contribute to increased-agricultural productivity



Production of versatile fungi-based proteins



Production of cultured meat using animal cells

## Promotion of a circular economy

To ensure the efficient and effective use of our finite resources, we strive to reduce the environmental impact of our business activities by conserving resources, controlling waste generation, and promoting the reuse and recycling of products and materials. We are also helping build a circular economy through our reuse business, which includes flea market services.

### Examples of subsidiaries and portfolio companies that contribute to a circular economy



- Operation of *YAHUOKU!* (online auction and flea market service)
- Operation of *PayPay Flea Market* (online flea market service)



Production of food containers made of new materials to replace plastic

Sustainability: Social

# Our Initiatives to Society: As a Leader of the Information Revolution

**We strive to create an environment where all people are respected and challenged to be their best selves. As a leader in the Information Revolution, we will optimize the strengths of each Group company in contributing to the resolution of social issues that have emerged because of the development of information technology and the advance of globalization.**

## Respect for human rights

Under the corporate philosophy of Information Revolution—Happiness for everyone, we aim to properly develop and improve the power of the Information Revolution for the well-being of people. Accordingly, we recognize the importance of respecting human rights for all people in every aspect of our business activities. With this in mind, we have established our Human Rights Policy, which stipulates basic matters pertaining to human rights, and are conducting ongoing education and awareness activities through training and other programs to work on its dissemination and raise awareness of human rights among directors, officers, and employees. In addition, since it requires cross-departmental collaboration in the protection of and respect for human rights, SBG has established a system that can deal with human rights risks peculiar to the Group by coordinating with specialized teams in various fields, such as HR, compliance, risk management, and sustainability.

## Identifying human rights risks

### Human rights survey

In February 2022, as part of its human rights due diligence, SBG conducted a human rights survey to directors, officers, and employees to better understand human rights risks in business activities and consider preventive and remedial measures, with a response rate of approximately 77%. From the responses, we confirmed human rights issues that had occurred within the last 12 months and ascertained potential

human rights risks that could occur in the future. Responses included references to overwork, harassment, discrimination based on gender or other grounds, and human rights risks associated with AI and other technologies used or developed by our portfolio companies. For the identified human rights risks, we will continue to take measures to prevent an occurrence of such risks by providing ongoing training and other measures, while exploring countermeasures based on the findings from regular monitoring through employee satisfaction surveys.

## Protecting human rights in supply chain

It is essential that human rights are respected throughout our supply chain to ensure sustainable supply chain.

As such, SBG established the Supplier Code of Conduct that stipulates those matters with which suppliers are asked to comply. Our goals are to ensure the promotion of business activities that comply with high ethical standards. This includes respecting the human rights of workers and ensuring a safe and sanitary working environment.

SoftBank implements human rights due diligence in its supply chain as part of its response to human rights. In fiscal 2021, the company conducted self-assessments with major suppliers and distributors operating *SoftBank* and *Y!mobile* shops. Although no cases of human rights violations were identified, SoftBank requested distributors where potential human rights risks were observed to develop human rights policies and LGBTQ+ considerations, among others. The company

also requested the other distributors to promote further efforts to respect human rights.

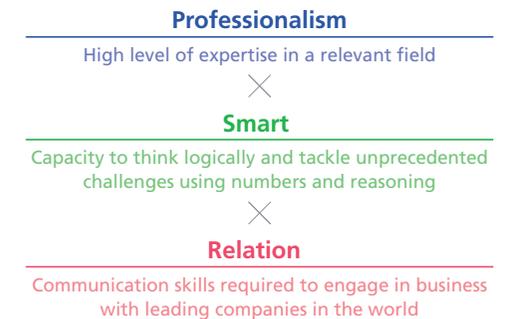
## Human resources strategy

SBG expects each of its employees to be a professional and strive to excel in their fields. In our hiring and career development activities, we are looking for people who share our vision, which continues to stand the test of time since our founding; thrive on change; and can continually improve themselves.

## SBG hiring policy and career development

SBG hires professionals based on the three core competencies: professionalism, smart, and relation, regardless of age, gender, nationality, etc. We have established a system for self-driven career development to enhance these three core competencies so that in-house training as well as external training programs can be selected and attended by employees themselves. Other assistance includes covering the costs necessary for retaining qualifications. In addition, we have established a system for second jobs to help employees realize their career goals.

## Three core competencies we seek in our employees



## Promoting diversity and inclusion

SBG believes the driving force for the growth of the entire Group is each employee being able to fully express their individualities and abilities. By advancing the hiring and promotion to management positions of individuals regardless of their age, gender, nationality, or disability, we are creating a workplace rich in diversity where everyone can play an active role.

### Empowerment of women

We are promoting diversity as a driving force underpinning the growth of the entire Group, with a particular focus on women empowerment.

#### SBG

SBG has traditionally hired and promoted employees based on their abilities without regard to gender. Approximately 44% of all employees and 22% of managers are female. Females occupy a wide range of positions, from Board Directors to junior managers, approximately 11% of the Board Directors, 18% of senior managers, and 28% of junior managers. Each of them is engaged in duties by making the best use of their expertise.

#### Data relating to women empowerment

Ratio of female employees Approx. <b>44%</b>	Ratio of female managers Approx. <b>22%</b>
Ratio of female employees (new hires) Approx. <b>52%</b>	Average years of employment Men: <b>9.44</b> years Women: <b>9.26</b> years

Note: As of March 31, 2022

 For more data on human resources and diversity, see "ESG Data" on our website.

#### SoftBank Investment Advisers

In November 2021, Lydia Jett became the first female investor to hold the rank of managing partner at SoftBank Investment Advisers (SBIA), which manages the SoftBank Vision Fund. In the past year, 40% of promotions to Investment Partner and Managing Partner in the last round were female. By promoting women to more senior roles, SBIA is helping to bridge the gender gap in the investment community.

#### SoftBank

SoftBank has positioned the promotion of diversity as a management priority. With the objective of promoting the advancement of women in its workforce, the company has set targets of roughly doubling women's representation in management from 7.1% in fiscal 2021 to 15% in fiscal 2030 and to have roughly tripled the ratio to 20% by fiscal 2035. Toward achieving these targets, the Advancement of Women Promotion Committee, which comprises executives and outside experts, was established in July 2021. In addition to further expanding previous initiatives, such as programs for female employees and unconscious bias training for all employees, the company is introducing and promoting new measures based on the discussions at the Advancement of Women Promotion Committee.

## Creating a healthy working environment for employees

SBG is working to identify and reduce occupational health and safety risks to maintain a healthy working environment where all employees can work in good physical and mental health. As part of those efforts, SBG conducts labor risk assessments, which include regular employee health checkups and stress checks, monitoring and forecasting long working hours, and checks for harassment as part of employee satisfaction surveys. As part of its effort to optimize working hours for employees, we simulate monthly and annual working hours for individual employees by using an attendance tracking system, act in response to employees expected to work overtime, and continuously report working hours to management.

### Vaccinations at workplaces for safe and secure working environments

To contribute to an earlier rollout of vaccinations against COVID-19 in Japan, from June 2021, SBG cooperated with its Group companies in administering approximately 240,000\*1 doses of vaccine at a total of 13 sites nationwide to employees of Group companies, their families, business partners, healthcare workers, and local residents. The management of vaccinations at workplaces was achieved efficiently by utilizing digital solutions. These included smooth reception and registration of vaccination completion procedures using the *HELPO* healthcare app provided by Group company Healthcare Technologies; health consultations where doctors and others respond via chat 24 hours a day, 365 days a year; and the effective filling of slots canceled on the same day by utilizing a vaccination slot notification service provided by Yahoo Japan. SBG also grants special paid leave to employees who need to take time off due to side effects, etc. By creating a working environment where employees can work with peace of mind, SBG is contributing to the early dissipation of COVID-19 infections in Japan.



Vaccinations site at workplace

\*1 Total number of first to third vaccinations as of May 31, 2022. Includes the Tokyo Nogizaka Vaccination Center and the WeWork Minato Mirai Site, which cooperated as vaccination sites.

## Best mix of work styles for the post-COVID era

### SBG

SBG has systems in place to ensure the safety of its employees. As one example, a system was introduced that allowed its employees to work from home as the spread of COVID-19 infections became more pronounced. In a post-pandemic future, we are aiming for an optimal mix of work styles, with a focus on in-office work while also making effective use of remote work and super flextime system, in a bid to better respond whenever an emergency strikes, including natural disasters such as earthquakes and typhoons, and pandemics, while ensuring the safety of our employees.

### SoftBank

Arising from our belief that maximizing the performance of the organization and individual employees will lead to an increase in corporate value, SoftBank is promoting the best mix of work styles that combines, for example, in-office work, remote work, and satellite office work. Rather than setting a uniform company-wide frequency of office attendance, the company is, on an organizational-wide basis, practicing work styles that allow the organization and individual employees to demonstrate their capabilities to the full based on business characteristics and other factors.

### Yahoo Japan

Since 2014, Yahoo Japan has had in place its *Office Anywhere* program, whereby employees can freely choose where they work, and since 2020 the company has been promoting new work styles that are not tied to time and place, such as removing the limit on the number of times used. From April 2022, the company expanded the means of commuting and the areas where employees can live, abolished the cap on one-way transportation expenses, and increased the *Office Anywhere* allowance to improve the working environment by enabling employees to choose their work styles more proactively than before. The company will also maximize performance by improving employee well-being, hiring talented people, and promoting work styles that match diverse values.

### PayPay

PayPay has institutionalized its Work From Anywhere at Anytime (WFA), new work style that allows employees to work freely anytime and anywhere in Japan if they are in an environment where performance can be demonstrated. As there are no restrictions placed on time and place, WFA can realize an efficient work style according to the situation. Continuing WFA even after COVID-19 infections have subsided, the company will make ongoing improvements for better work styles.

### Contribution to early subsiding of COVID-19 infections—Providing flexible testing

The SB Coronavirus Inspection Center developed a mobile PCR testing vehicle that enables the flexible provision of saliva PCR testing. By making highly accurate PCR testing available regardless of location, the company is supporting the building of a test system that utilizes screening tests in the post-COVID era. We are aiming to contribute to the early normalization of economic activities through a variety of measures including prevention of the spread of COVID-19 and revitalization of local economies.



## Toward establishment of AI ethics

Since its foundation, SBG has consistently invested in the technologies that have driven the Information Revolution, such as the Internet and mobile technologies, with AI currently becoming pivotal to that revolution. Of the myriad technologies that humankind has produced thus far, it is believed that AI will bring innovation to many more industries and has the potential to contribute to the realization of human well-being to an unprecedented extent. In contrast, misuse of AI could have negative consequences on human rights, including infringements of people's self-determination. SBG will seek to establish Group-wide AI ethics as the responsibility of a company that invests in AI, to ensure AI is utilized for people's well-being.

### Principles of AI ethics

SBG is advancing studies toward the establishment of its basic principles that will guide the Group's AI ethics. In establishing the principles, we are collaborating with Yutaka Matsuo, a leading expert in AI and deep learning in Japan and an SBG Board Director, and with domestic and overseas Group companies that are responsible for major businesses, while discussing the AI ethics for which we should be aiming. By

clarifying common principles that should be used as guidelines, we will help build a society where people can use AI with peace of mind.

### AI talent development

For society to enjoy the benefits of AI to the maximum extent, we believe that it is important to improve AI literacy on both the developer and user sides. We are therefore working to develop AI talent for the Group as a whole.

Aiming for AI skill acquisition for all its employees, including not only engineers but also AI users and service planners, SoftBank launched *AI Campus* within *SoftBank University*—its unique organization for talent development—and is focusing on providing programs for employees to acquire AI skills. In fiscal 2021, the company launched an e-learning course to learn about AI basics for beginners, and accelerate the increase of AI talent with AI-related knowledge and skills.

Having established *Z AI Academia*, a community to develop human resources with expertise in AI across Group companies, Z Holdings is promoting knowledge sharing within the Group and business collaboration utilizing AI. Not only researchers and engineers but also various occupations such as product managers and producers who utilize AI are included among those eligible for training, and the company is focusing on developing AI-savvy talents.

## Initiatives to resolve social issues through business

We believe that a socially responsible organization is one that creates a positive social impact. As an organization whose mainstay business is investing, we fulfill our social responsibility by investing in businesses that address social issues.

### SoftBank Vision Funds

#### Quality education for all (Unacademy)

Unacademy is India's largest online learning platform. Designed with the goal of democratizing access to high-quality education, the platform provides content to prepare students for specific examinations and more than a million video lessons that are free to view.



#### Curing disease through a new genome engineering technology (Tessera Therapeutics)

Tessera Therapeutics has developed a new biotechnology that can write and rewrite DNA into the genome, creating an opportunity to cure diseases at their source.



#### High-quality and affordable healthcare for seniors (Devoted Health)

Devoted Health provides high-quality and affordable healthcare to seniors in the U.S. At a time when healthcare is all too often confusing and impersonal, Devoted Health provides a seamless service, making healthcare easier and better suited to the person's needs.



#### Using predictive AI to reduce driver error and make the roads safer (Nauto)

Nauto uses a dual-facing camera and external sensors to detect and warn the driver of risks associated with distracted driving and tailgating, etc., preventing traffic accidents before they occur.



## Group companies in Japan

### Providing affordable broadband in Africa (SoftBank)

SoftBank and Smart Africa Secretariat\*2 are working to bridge the digital divide in Africa by providing affordable broadband to areas with poor Internet connectivity.

### Supporting local and regional economies through a payment app (PayPay)

To support local and regional economies hit hard by the COVID-19 pandemic, PayPay, in collaboration with local governments, is offering a campaign "Support Your Town Project" on its electronic payment app to encourage users to support local businesses.

\*2 An alliance of 32 African countries, international organizations, and global private-sector players tasked with Africa's digital agenda

## Helping entrepreneurs drive the Information Revolution

We are working to build a more diverse and inclusive society.

### Emerge: A program for underrepresented founders

In 2019, SBIA launched Emerge, a seed stage investment program designed to help underrepresented founders access the capital, network connections, and strategic insights to grow their businesses. In achieving selection for the program, founders receive direct funding from SBIA, alongside capital commitments from other leading VCs. In addition to direct investment, members of the Emerge cohort gain access to workshops on a range of business growth areas and mentoring sessions, as well as dialogue with operating specialists from across the Group's ecosystem. Each cohort culminates with a live showcase event where founders can pitch their business to potential investors. In 2022, SBIA is expanding the program's geographic coverage to Europe, the Middle East, and India to reach even more underrepresented entrepreneurs.

### SB Opportunity Fund: Supporting underrepresented founders in the U.S.

Amid ongoing issues of racial injustice in the U.S., we launched the \$100 million SB Opportunity Fund in 2020 to support Black, Latinx, and Native American founders. SB Opportunity Fund has already invested in more than 70 start-ups and will invest in many more in the years to come.

Sustainability: Governance

# Ensuring Effective Governance Is Vital to Realize Our Vision

See "Corporate Governance" on our website for the latest information.

Based on the Corporate Governance Report filed with the Tokyo Stock Exchange on June 29, 2022.

## Basic views

We are guided by a fundamental concept of "free, fair, and innovative" and a corporate philosophy of Information Revolution—Happiness for everyone. We aim to be a provider of essential technologies and services to people around the world while maximizing our corporate value. We recognize that it is vital to maintain effective corporate governance to realize this vision. We continue to strengthen governance by formulating

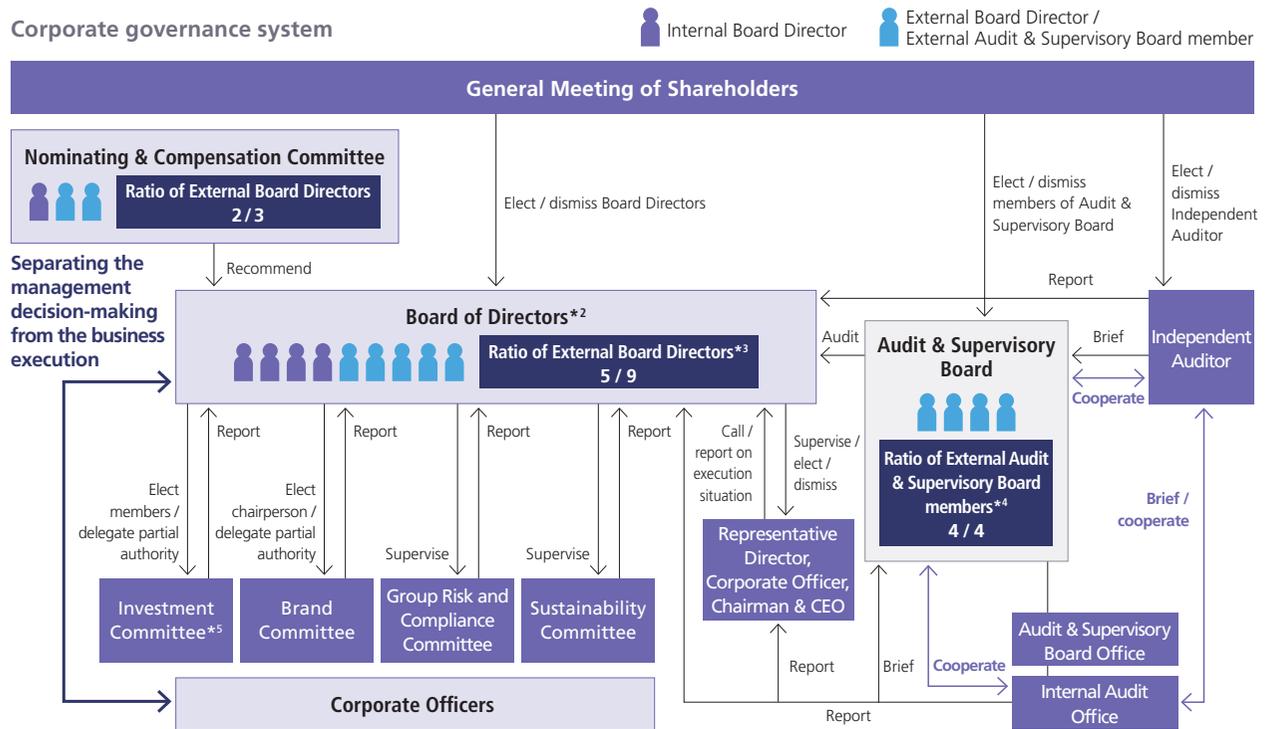
the charter and regulations; the SoftBank Group Charter to share the Group's fundamental concept and corporate philosophy, the Group Company Management Regulations of the SoftBank Group to set out the management policy and framework for the Group companies, and the SoftBank Group Code of Conduct to be complied with by the Company and its Board Directors and employees.

## Our path to strengthening governance

1994	Registered as an OTC stock with the Japan Securities Dealers Association
1995	Appointed the first foreign national Board Director
1998	Listed on the First Section of the Tokyo Stock Exchange
1999	Invited a Board Director from outside the company (equivalent to a current External Board Director) transitioned to a pure holding company
2002	External board directors system introduced in the Commercial Code (currently the Companies Act) of Japan Started livestreaming of earnings results briefings
2003	Started livestreaming of the Annual General Meeting of Shareholders
2006	Companies Act of Japan enacted
2012	Introduced a Corporate Officer system
2015	Japan's Corporate Governance Code entered into force
2019	Established the Group Risk and Compliance Committee
2020	Formulated the Portfolio Company Governance and Investment Guidelines Policy; increased the number of External Board Directors; appointed the first female Board Director; established the Nominating & Compensation Committee and the Sustainability Committee; appointed a CSusO and CRO*1; revised the Board of Directors structure (separation of the management decision-making function from the business execution function)
2021	Added environmental and social items to the above policy; achieved a 55.6% external ratio of Board Directors and a 100% external ratio of Audit & Supervisory Board members
2022	Transitioned from the First Section of the Tokyo Stock Exchange (TSE) to the Prime Market of the TSE

\*1 Chief Risk Officer

## Corporate governance system



\*2 Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act.

\*3 Of the five External Board Directors, four are designated as Independent Officers.

\*4 Of the four External Audit & Supervisory Board members, three are designated as Independent Officers.

\*5 Supervisory Committee is put in place to supervise matters such as investments and loans of the certain subsidiaries.

## Approach and policies on Group management

Based on its unique organizational strategy, the *Cluster of No. 1 strategy*, SBG is working to build a corporate group with diversified businesses in the information and technology sectors and increase its Net Asset Value (NAV). This is enabled by direct investments (including investments made through its subsidiaries) such as in SoftBank, Arm, and Alibaba, and other Group companies, as well as investments in investment funds such as SVF1, SVF2, and LatAm Funds. In this process, each portfolio company will seek self-sustained growth. At the same time, SBG, as a strategic investment

holding company, will help each portfolio company improve its corporate value by utilizing the Group's network of companies while promoting collaboration among portfolio companies.

Furthermore, SBG will ensure, or make reasonable efforts to ensure, that each portfolio company is operating under environmental, social, and corporate governance standards that are substantially equivalent to those set forth in the Portfolio Company Governance and Investment Guidelines Policy.

## Board of Directors

SBG's Board of Directors consists of members with a wealth of knowledge and experience in business management and a global perspective, in consideration of their nationality, ethnicity, gender, or age. The maximum number of Board Directors is set at 11 under the Articles of Incorporation. As of June 24, 2022, the Board of Directors consisted of nine members (five of whom are external) and includes two foreign nationals and one female.

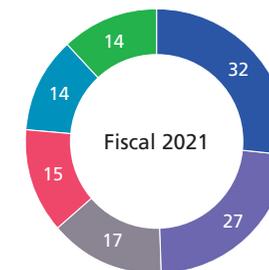
Agenda items for discussion at Board meetings are set forth in the Board of Directors

Regulations. The Board discusses statutory matters, as well as critical matters related to business management, such as investments, loans, and borrowings that exceed a certain amount. In addition, Special Directors are put in place for the purpose of prompt decision-making in accordance with Paragraph 1, Article 373 of the Companies Act of Japan, and matters related to disposal and acceptance of important assets and borrowing in a significant amount are resolved by the Board of Special Directors meeting.

## Status of Board of Directors

SBG's Board of Directors had a total of 14 meetings in fiscal 2021 (excluding meetings conducted by written resolution) and mainly discussed the following topics.

Number of Board resolutions/reports



Items	Main details
Governance	Executive compensation, reports from each committee, evaluation of the Board's effectiveness
Internal control (including that of subsidiaries)	Compliance (oversight of conflict-of-interest transactions and insider information management), risk management, internal controls/audits, approval of transactions made by subsidiaries, and other audit reports from the Audit & Supervisory Board
Business reports	Reports on portfolio status and each business segment
Financing	Fundraising, shareholder return
Investments	Consideration of investment projects (e.g., commitment to investment funds)
Others	Shareholder meeting, disclosure, sustainability

## Summary of results of Board of Directors evaluation

From November 2021 to April 2022, SBG evaluated the overall effectiveness of its Board of Directors in the following manner.

Subjects	Representative Director, Corporate Officer, Chairman & CEO, some of the Board Directors, and all Audit & Supervisory Board members
Evaluation method	Questionnaires and interviews were conducted with the target officers by an independent evaluator about topics that included the composition and operation of the Board and its support systems.
Evaluation results	Evaluators confirmed that the supervision system for conflicts of interest had been strengthened, among matters cited in the previous evaluation.
Comments from evaluators	Matters that need to be strengthened by the Board of Directors: <ul style="list-style-type: none"> <li>The need to increase the effectiveness of the Nominating &amp; Compensation Committee and the need to consider how best to engage in discussions on sustainability</li> <li>The need to devise ways to ensure sufficient time for deliberations at the Board meetings</li> </ul>

## Skill matrix of Board Directors and Audit & Supervisory Board members

SBG believes it is important for the Board Directors and Audit & Supervisory Board members to have a wide range of viewpoints and experience, as well as a high level of expertise, to ensure diversity and active discussions and decision-making of the Board. As of June 24, 2022, the skill matrix (skill set desired by SBG) of the Board Directors and Audit & Supervisory Board members was as follows.

	Name	Areas of expertise particularly expected by SBG (up to three areas)						
		Corporate management	Banking / M&A	Finance / Accounting	Law / Governance	Technology	Academic background	Diversity
Board Director	Masayoshi Son	✓	✓			✓		
	Yoshimitsu Goto	✓	✓	✓				
	Ken Miyauchi	✓	✓			✓		
	Kentaro Kawabe	✓	✓			✓		
	Masami Iijima	✓	✓		✓			
	Yutaka Matsuo		✓			✓	✓	
	Keiko Erikawa	✓				✓		✓
	Kenneth A. Siegel		✓		✓			✓
	David Chao	✓				✓		✓
Audit & Supervisory Board member	Maurice Atsushi Toyama		✓	✓				
	Yuji Nakata		✓		✓			
	Soichiro Uno		✓		✓			
	Keiichi Otsuka		✓	✓				

## Board Directors As of June 24, 2022 (Numbers of shares held are as of March 31, 2022)

### Nominating & Compensation Committee member

Representative Director, Corporate Officer, Chairman & CEO

### Masayoshi Son

Years in office:

40 years 9 months

Number of shares held in SBG:

460,161 thousand shares

Sep 1981 Founded SOFTBANK Corp. Japan (currently SoftBank Group Corp.), Chairman & CEO  
 Jan 1996 President & CEO, Yahoo Japan Corporation (currently Z Holdings Corporation)  
 Oct 2005 Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)  
 Apr 2006 Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)  
 Jun 2015 Director, Yahoo Japan Corporation (currently Z Holdings Corporation)  
 Sep 2016 Chairman and Executive Director, ARM Holdings plc  
 Jun 2017 Chairman & CEO, SoftBank Group Corp.  
 Mar 2018 Chairman and Director, Arm Limited (to present)  
 Nov 2020 Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. (to present)  
 Apr 2021 Board Director, Founder, SoftBank Corp. (to present)



Board Director, Corporate Officer, Senior Vice President, CFO & CSIO

### Yoshimitsu Goto

Years in office:

2 years\*6

Number of shares held in SBG:

1,079 thousand shares

Apr 1987 Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)  
 Jun 2000 Joined SoftBank Corp. (currently SoftBank Group Corp.)  
 Oct 2000 Head of Finance Department, SoftBank Corp. (currently SoftBank Group Corp.)  
 Apr 2006 Director, Vodafone K.K. (currently SoftBank Corp.)  
 Jul 2012 Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)  
 Oct 2013 President & CEO and acting owner, Fukuoka SoftBank HAWKS Corp. (to present)  
 Jun 2014 Board Director, SoftBank Corp. (currently SoftBank Group Corp.)  
 Jun 2015 Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)  
 Jun 2017 Corporate Officer, Senior Vice President, SoftBank Group Corp.  
 Apr 2018 Corporate Officer, Senior Vice President & CFO & CSIO, SoftBank Group Corp.  
 Jun 2020 Board Director, Senior Vice President, CFO, CSIO & CSUsO, SoftBank Group Corp.  
 Nov 2020 Board Director, Corporate Officer, Senior Vice President, CFO, CSIO & CSUsO, SoftBank Group Corp.  
 Jun 2022 Board Director, Corporate Officer, Senior Vice President, CFO & CSIO, SoftBank Group Corp. (to present)



Board Director

### Ken Miyauchi

Years in office:

34 years 4 months

Number of shares held in SBG:

2,532 thousand shares

Feb 1977 Joined Japan Management Association  
 Oct 1984 Joined SOFTBANK Corp. Japan (currently SoftBank Group Corp.)  
 Feb 1988 Board Director, SOFTBANK Corp. Japan (currently SoftBank Group Corp.)  
 Apr 2006 Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)  
 Jun 2007 Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)  
 Jun 2012 Director, Yahoo Japan Corporation (currently Z Holdings Corporation)  
 Jun 2013 Representative Board Director, Senior Executive Vice President, SoftBank Corp. (currently SoftBank Group Corp.)  
 Apr 2015 President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)  
 Apr 2018 Board Director, SoftBank Group Corp. (to present)  
 Jun 2018 President & CEO, SoftBank Corp.  
 Apr 2021 Representative Director & Chairman, SoftBank Corp. (to present)



Board Director

### Kentaro Kawabe

Years in office:

1 year

Number of shares held in SBG:

0.2 thousand shares

Dec 1996 Director, Dennotai Corporation  
 Sep 1999 CEO, Dennotai Corporation  
 Aug 2000 Joined Yahoo Japan Corporation (currently Z Holdings Corporation)  
 May 2009 Representative Director, GyaO Corporation (currently GYAO Corporation)  
 Apr 2012 Corporate Officer, Chief Operating Officer, President of Media Business Group, Yahoo Japan Corporation (currently Z Holdings Corporation)  
 Jun 2018 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation (currently Z Holdings Corporation)  
 Sep 2018 Board Director, SoftBank Corp. (to present)  
 Oct 2019 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation  
 Jan 2020 Executive Director, ZOZO, Inc. (to present)  
 Mar 2021 President and Representative Director, Co-CEO, Z Holdings Corporation (to present)  
 Jun 2021 Board Director, SoftBank Group Corp. (to present)  
 Apr 2022 Director, Yahoo Japan Corporation (to present)



Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 24, 2022.  
 \*6 Mr. Yoshimitsu Goto has been a Board Director for 2 years since June 2020 but has served as Board Director for a total of 3 years, including one year as Board Director from June 2014.

## Independence standards and qualifications for External Board Directors

SBG elects Independent External Board Directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The Board elects Independent External Board Director candidates who can contribute to increasing corporate value through their qualifications, ability, and deep knowledge in their fields of

expertise. SBG also elects candidates for their ability to actively participate in constructive discussions and frankly express their opinions. SBG ensures adequate independence of each of the External Board Directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of them actively participates in discussions at the Board meetings, and SBG makes management judgments and decisions based on these discussions.

### Major activities or reasons for appointment of External Board Directors

Name	Major activities or reasons for appointment	Attendance rate and attendance of Board of Directors meetings for fiscal 2021
Masami Iijima	Activities Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience in corporate management and governance. Also, as Chairperson of the Nominating & Compensation Committee, leads objective discussions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 14 of 14 meetings
Yutaka Matsuo	Activities Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience of AI and other technologies as a leading expert in the field, acquired through his engagement in AI research over many years. Also, as a member of the Nominating & Compensation Committee, expresses objective opinions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 14 of 14 meetings
Keiko Erikawa	Activities Uses her extensive knowledge and experience in corporate management and technology, acquired through her career as corporate manager and finance manager of a global digital entertainment company, to provide oversight and recommendations that contribute to SBG's management and decision-making process.	92% 11 of 12 meetings
Kenneth A. Siegel*7	Activities Uses his extensive knowledge and experience in corporate M&As and strategic alliances, acquired through his career as an attorney at an international law firm, to provide oversight and recommendations that contribute to SBG's management and decision-making process.	100% 12 of 12 meetings
David Chao	Reasons for appointment Has extensive knowledge and experience in investment, corporate management, and technology, having worked for global IT companies and consulting firms, including a position as co-founder and general partner of a venture capital fund. SBG appointed Mr. Chao as External Board Director in June 2022 with the expectation that he would use his wealth of knowledge and experience to supervise and give advice for the further growth of the Group.	—

\*7 Reasons for non-designation as an Independent Officer: Mr. Siegel concurrently holds positions with Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho and Morrison & Foerster LLP. SBG did not designate him as an Independent Officer as the amount of compensation to be paid to these firms in the future is yet to be determined, regardless of whether there are any transactions between SBG and those firms.

### External Board Directors As of June 24, 2022 (Numbers of shares held are as of March 31, 2022)

Independent	Apr 1974	Joined MITSUI & CO., LTD.
Nominating & Compensation Committee member	Apr 2008	Executive Managing Officer, MITSUI & CO., LTD.
	Jun 2008	Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
External Board Director, Independent Officer	Oct 2008	Representative Director, Senior Executive Managing Officer, MITSUI & CO., LTD.
	Apr 2009	Representative Director, President and Chief Executive Officer, MITSUI & CO., LTD.
	Apr 2015	Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.
	Jun 2016	Director, Ricoh Company, Ltd. (to present)
	Jun 2018	Board Director, SoftBank Group Corp. (to present)
	Jun 2019	Director, Isetan Mitsukoshi Holdings Ltd. (to present)
	Jun 2019	Counsellor, Bank of Japan (to present)
	Apr 2021	Director, MITSUI & CO., LTD.
	Jun 2021	Counselor, MITSUI & CO., LTD. (to present)
	Jun 2021	Director (Audit & Supervisory Committee member), Takeda Pharmaceutical Company Limited (to present)



Years in office:  
4 years

Number of shares held in SBG:  
1 thousand shares

Independent	Apr 2002	Researcher, National Institute of Advanced Industrial Science and Technology
Nominating & Compensation Committee member	Aug 2005	Visiting Scholar, Stanford University
	Oct 2007	Associate Professor, Graduate School of Engineering, the University of Tokyo
External Board Director, Independent Officer	Apr 2019	Professor, Graduate School of Engineering, the University of Tokyo (to present)
	Jun 2019	Board Director, SoftBank Group Corp. (to present)



#### Yutaka Matsuo

Years in office:  
3 years

Number of shares held in SBG:  
-

Independent	Jul 1978	Founded KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.), Senior Executive Director
External Board Director, Independent Officer	Apr 1994	Director, foundation for the Fusion Of Science and Technology (to present)
	Jun 2001	Chairman and CEO, KOEI Corporation (currently KOEI TECMO AMERICA Corporation)
	May 2007	Head Director, Association of Media in Digital (to present)
	Jun 2013	Chairman, Representative Director, KOEI TECMO GAMES CO., LTD.
	Jun 2013	Chairman, Representative Director, KOEI TECMO HOLDINGS CO., LTD. (to present)
	Jun 2014	Board Director, TECMO KOEI EUROPE LIMITED (currently KOEI TECMO EUROPE LIMITED) (to present)
	Apr 2015	Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (to present)
	Jun 2021	Board Director, SoftBank Group Corp. (to present)



Years in office:  
1 year

Number of shares held in SBG:  
213 thousand shares

External Board Director	Aug 1986	Joined Morrison & Foerster LLP
Kenneth A. Siegel	Jan 1994	Partner, Morrison & Foerster LLP
	Aug 1996	Managing Partner, Morrison & Foerster Tokyo Office (Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho) (to present)
	Jan 2009	Member of Executive Committee, Morrison & Foerster LLP
	Jan 2009	Board Director, Member of Executive Committee, Morrison & Foerster LLP (to present)
	Jun 2021	Board Director, SoftBank Group Corp. (to present)



Years in office:  
1 year

Number of shares held in SBG:  
-

Independent	Jun 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
External Board Director, Independent Officer	Jun 1989	Joined Apple Computer, Inc. (currently Apple Japan, Inc.)
	Aug 1993	Joined U.S. McKinsey & Company (McKinsey & Company, Inc.)
	May 1996	Co-Founder and CTO, Japan Communications Inc.
	Jan 1997	Co-Founder and General Partner, DCM Ventures (to present)
	Jun 2022	Board Director, SoftBank Group Corp. (to present)



Years in office:  
-

Number of shares held in SBG:  
-

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 24, 2022.

## Corporate Officer system

SBG adopted a Corporate Officer system in July 2012 to further strengthen its business execution functions. In November 2020, SBG clarified the individuals responsible for business execution by separating the management decision-making function from the business execution function.

### Corporate Officers As of June 24, 2022



Representative Director,  
Corporate Officer,  
Chairman & CEO  
**Masayoshi Son**



Corporate Officer,  
Executive Vice President  
**Rajeev Misra**



Board Director,  
Corporate Officer,  
Senior Vice President,  
CFO & CISO  
Head of Finance Unit  
Head of Administration Unit  
**Yoshimitsu Goto**



Corporate Officer,  
Senior Vice President  
Head of Accounting Unit  
**Kazuko Kimiwada**



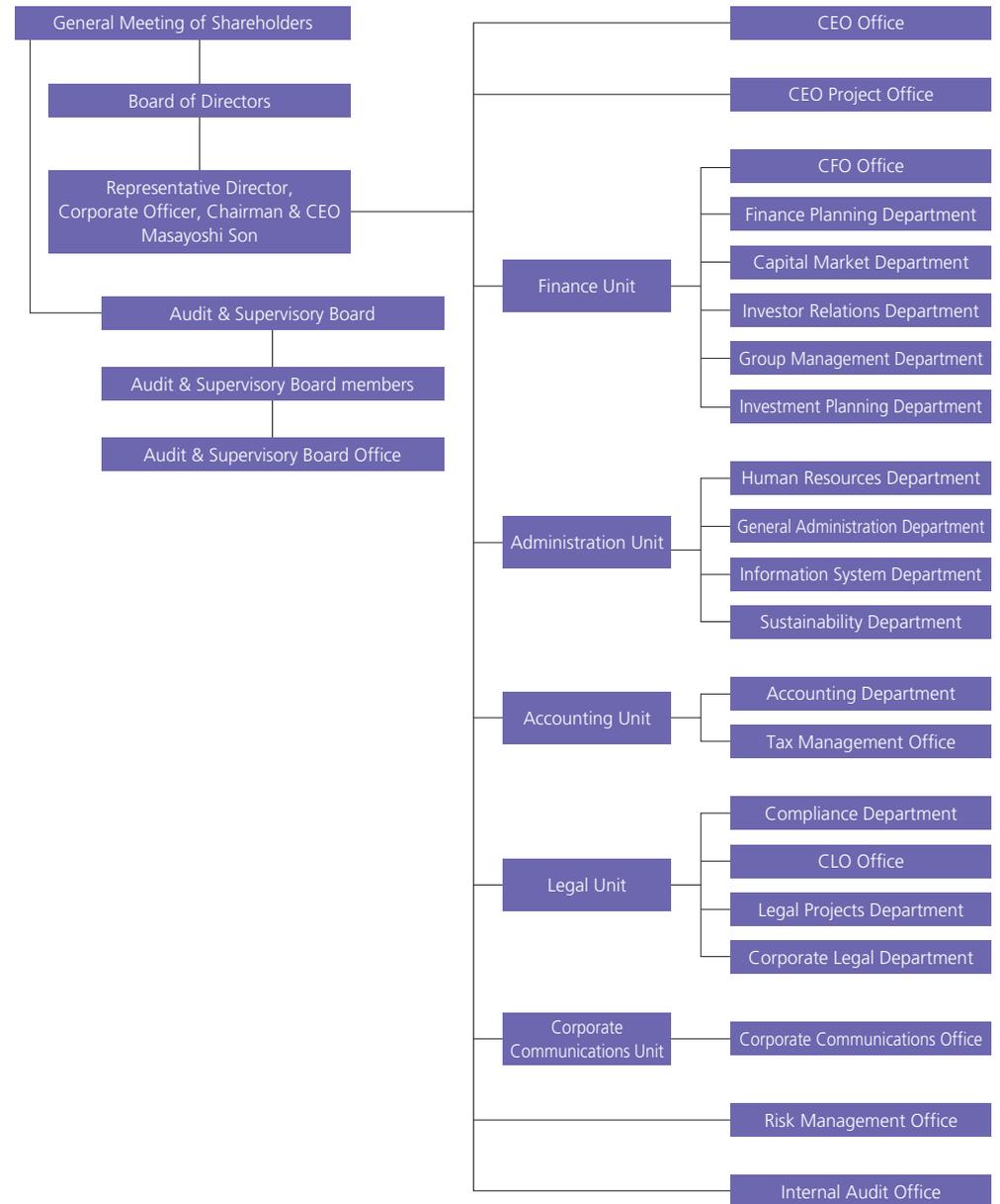
Corporate Officer,  
CLO & GCO  
Head of Legal Unit  
\*CLO: Chief Legal Officer  
\*GCO: Group Compliance Officer  
**Tim Mackey**



Corporate Officer  
Head of CFO Office,  
Finance Unit  
**Seiichi Morooka**

## Organizational chart

As of June 24, 2022



## Audit & Supervisory Board members and the Audit & Supervisory Board

Audit & Supervisory Board members attend Board of Directors meetings, allowing them to monitor and verify decision-making by the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board Director. Moreover, to audit the execution of duties by the Board Directors of SBG, Audit & Supervisory Board members receive regular reports from and conduct interviews as necessary with Board Directors, employees, auditors of major subsidiaries, and other personnel. The Audit & Supervisory Board consists of four External Audit & Supervisory

Board members (two full-time members and two part-time members) and is chaired by Maurice Atsushi Toyama, who has served as a full-time Audit & Supervisory Board member since June 2015. The Audit & Supervisory Board meets once a month, in principle. At these meetings, the audit policy and plan are formulated and details of various internal and external meetings attended only by full-time members are reported to part-time members. In addition, the Audit & Supervisory Board explains details of the audit plan for each fiscal year, interim audit status, and audit results to the Board of Directors. Furthermore, the Audit & Supervisory Board determines the appropriateness of reappointing the Independent Auditor each fiscal year.

### Major activities of External Audit & Supervisory Board members

Name	Major activities	Attendance rate and attendance for fiscal 2021	
		Board of Directors meetings	Audit & Supervisory Board meetings
Maurice Atsushi Toyama	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant, State of California, U.S.	100% 14 of 14 meetings	100% 14 of 14 meetings
Yuji Nakata	Makes remarks based on his extensive knowledge and experience, acquired through his career as head of risk management at a financial institution.	100% 12 of 12 meetings	100% 11 of 11 meetings
Soichiro Uno**	Makes remarks based on his extensive knowledge and experience as a lawyer.	100% 14 of 14 meetings	100% 14 of 14 meetings
Keiichi Otsuka	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant.	92% 11 of 12 meetings	100% 11 of 11 meetings

\*8 Reasons for non-designation as an Independent Officer: Mr. Uno concurrently holds a partner post at Nagashima Ohno & Tsunematsu. SBG did not designate him as an Independent Officer as the amount of compensation to be paid to the firm in the future is yet to be determined, regardless of whether there are any transactions between SBG and the firm.

### Audit & Supervisory Board members As of June 24, 2022 (Numbers of shares held are as of March 31, 2022)

Independent	Years in office	Number of shares held in SBG	Biography
Maurice Atsushi Toyama	7 years	-	Certified Public Accountant, State of California, U.S.
Yuji Nakata	1 year	-	External Audit & Supervisory Board member, Lawyer
Keiichi Otsuka	1 year	-	Certified Public Accountant

#### Maurice Atsushi Toyama

Certified Public Accountant, State of California, U.S.

Years in office:

7 years

Number of shares held in SBG:

-



Independent	Years in office	Number of shares held in SBG	Biography
Soichiro Uno	1 year	-	External Audit & Supervisory Board member, Lawyer
Keiichi Otsuka	1 year	-	Certified Public Accountant

#### Yuji Nakata

Years in office:

1 year

Number of shares held in SBG:

-



Independent	Years in office	Number of shares held in SBG	Biography
Keiichi Otsuka	1 year	-	Certified Public Accountant

#### Soichiro Uno

Lawyer

Years in office:

18 years

Number of shares held in SBG:

-



Independent	Years in office	Number of shares held in SBG	Biography
Keiichi Otsuka	1 year	-	Certified Public Accountant

#### Keiichi Otsuka

Certified Public Accountant

Years in office:

1 year

Number of shares held in SBG:

-



Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 24, 2022.

## Independent Auditor

### Status of audit by the Independent Auditor

SBG concluded an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the Certified Public Accountants who executed audit duties in fiscal 2021, the consecutive auditing period, the number of assistants for the audit duties, the policy for selection of the audit corporation, and evaluation of the audit corporation by the Audit & Supervisory Board for fiscal 2021 are as follows.

#### Names of Certified Public Accountants who executed audit duties

Designated Engagement Partner, Certified Public Accountant: Naofumi Yamazumi, Ryo Sakai, Yusuke Masuda

#### Consecutive auditing period

16 years

#### Composition of the assistants who supported the audit duties

Certified Public Accountants: 19, Others: 24

#### Policy for selection of the audit corporation and evaluation of the audit corporation by the Audit & Supervisory Board

The Audit & Supervisory Board sets criteria for appropriately selecting an Independent Auditor and appropriately evaluating the Independent Auditor in the Audit & Supervisory Board Members Audit Regulations. In accordance with such criteria, the Audit & Supervisory Board considers the system to ensure the proper execution of duties by the Independent Auditor, the independency required by the Independent Auditor, and its expertise, including the possession of worldwide network resources, and determines whether the reappointment of the Independent Auditor is appropriate each fiscal year. The Audit & Supervisory Board has determined that reappointment was appropriate for fiscal 2021. If the Audit & Supervisory Board determines that reappointment is inappropriate, it considers other candidates for Independent Auditor in accordance with such criteria, upon consideration of factors such as audits at other companies.

The Audit & Supervisory Board has resolved, as its decision-making policy of dismissal of or not reappointing the Independent Auditor, that the Independent Auditor can be dismissed by the Audit & Supervisory Board with unanimity of Audit & Supervisory Board members when the Independent Auditor corresponds to any of Paragraph 1, Article 340 of the Companies Act, and that, other than those cases above, the Audit & Supervisory Board shall submit a proposal on dismissal of or not reappointing the Independent Auditor to the Annual General Meeting of Shareholders when it is acknowledged that the execution of appropriate audit is difficult due to the occurrence of an event that impairs the qualification or independency of the Independent Auditor.

## Compensation for audits and other duties (fiscal 2021)

### Compensation for auditing Certified Public Accountants and other assistants

	Compensation for audit certification (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	860	106
Consolidated subsidiaries	2,622	417
Total	3,482	523

Note: The non-audit duties for SBG mainly consist of the preparation of comfort letters when issuing corporate bonds. The non-audit duties for consolidated subsidiaries of SBG mainly consist of agreed-upon procedures.

### Compensation to the same network as SBG's auditing Certified Public Accountants and other assistants (Deloitte Touche Tohmatsu Limited) (excluding "Compensation for auditing Certified Public Accountants and other assistants")

	Compensation for audit certification (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	–	97
Consolidated subsidiaries	3,257	763
Total	3,257	860

Note: The non-audit duties for SBG mainly consist of advisory services for taxation and other matters. The non-audit duties for the consolidated subsidiaries of SBG mainly consist of system-related assistance.

#### Other material compensation for audit certification duties

Not applicable.

#### Reason(s) why the Audit & Supervisory Board gave its consent to the compensation of the Independent Auditor, etc.

The Audit & Supervisory Board, based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association, reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating compensation estimates, and from the results, has given the consent prescribed in Paragraph 1, Article 399 of the Companies Act for the compensation paid to the Independent Auditor.

## Cooperation between the Audit & Supervisory Board members, the Independent Auditor, and the Internal Audit Office

The Audit & Supervisory Board members receive regular briefings from the Independent Auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, quarterly reviews, audit results, and other matters. The two parties also cooperate as necessary by exchanging information and opinions, among other measures. Furthermore, the Audit & Supervisory Board members receive briefings from the Internal Audit Office, which is responsible for SBG's internal audits, about

the audit plan and the results of internal audits performed on each department of SBG and its major subsidiaries. The two parties also cooperate as necessary by exchanging information and opinions, among other measures.

The Independent Auditor receives explanations from the Internal Audit Office on the audit plan and, when necessary, on the results of internal audits and other matters.

## Committees that make decisions on matters delegated by the Board of Directors

### Investment Committee

The purpose of the Investment Committee is to make decisions on matters for which it has been delegated authority by the Board of Directors, to carry out agile corporate activities. The Committee consists of three Board Directors or Corporate Officers elected by the Board (Masayoshi Son, Yoshimitsu Goto, and Rajeev Misra). The agenda items for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. Such items include investments, loans, and borrowings under a certain amount. Resolutions of the Committee are only approved by majority agreement. If a proposal is rejected, it is brought to the Board of Directors. All resolutions of the Committee are reported to the Board of Directors.

### Brand Committee

The Brand Committee has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the SoftBank brand. The Committee has five members, including its chairperson, Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO). The other four members, who are appointed by the chairperson, are Kazuko Kimiwada (Corporate Officer, Senior Vice President), Natsuko Oga (head of CLO Office), Takeaki Nukii (head of Corporate Communications Office), and Tatsuya Iida (head of General Administration Department). The Committee makes decisions on matters set forth in the Regulations of the Brand Committee, including the licensing of the SoftBank brand. Decisions are only approved by unanimous agreement, and all decisions made by the Committee are reported to the Board.

## Voluntary committees

### Nominating & Compensation Committee

The Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, deliberates on standards for appointment and dismissal of Board Directors, proposals for candidates, individual compensation, and policies for evaluation and compensation for Board Directors, and reports the results of deliberations to the Board of Directors. It also conducts discussions on successors on an ongoing basis. Nominating & Compensation Committee members are elected by the Board from among Board Directors, and a majority of its members are Independent External Board Directors. The Committee currently consists of three Board Directors: Masami Iijima (Committee Chairperson, Independent External Board Director), Yutaka Matsuo (Independent External Board Director), and Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO).

### Group Risk and Compliance Committee (GRCC)

The purpose of the Group Risk and Compliance Committee (GRCC) is to supervise the risk management and compliance program of SBG and its Group companies and discuss important issues, promotion policies, and other matters on an ongoing basis. The Committee has three members, including its chairperson, Tim Mackey (Corporate Officer, Chief Legal Officer (CLO) & Group Compliance Officer (GCO)), who was appointed by the Board of Directors; Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO) and Kazuko Kimiwada (Corporate Officer, Senior Vice President). The GRCC deliberates on matters related to the risk management and compliance activities of SBG and its Group companies as set forth in the GRCC Management Regulations. Its decisions are only approved by majority agreement. The Committee's agenda items and discussion results are reported to the Board on a regular basis (at least once a year) based on the Board of Directors Regulations.

### Sustainability Committee

The purpose of the Sustainability Committee is to discuss important sustainability-related issues and promotion policies of SBG and its Group companies on an ongoing basis. The Committee has four members, including its chairperson, Yotaro Agari (Chief Sustainability Officer, head of Investor Relations Department and head of Sustainability Department), who has been appointed by the Board of Directors; Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO); Kazuko Kimiwada (Corporate Officer, Senior Vice President); and Tim Mackey (Corporate Officer, CLO & GCO). The Sustainability Committee deliberates on matters related to sustainability as set forth in the Sustainability Committee Operation Regulations. The Committee's agenda items and discussion results are reported to the Board as appropriate.

## Policy on determining compensation amounts and calculation methods

### Overview of the executive compensation system

The executive compensation policy of SBG is decided by resolution of the Board of Directors, accounting for the societal and relative status of each officer and the degree of his/her contribution to SBG, while referring to the results of compensation surveys conducted by professional organizations, to ensure that compensation levels are competitive enough to attract global talent who share the same aspirations. The individual amount of compensation is determined pursuant to the procedure described in "Organization and procedures for deciding executive compensation." For Board Directors whose main duties are as officers of subsidiaries and Group companies, compensation is determined by the compensation policy of each company, based on the *Cluster of No. 1 strategy*, and such compensation is paid by subsidiaries and Group companies. Compensation for External Board Directors and Audit & Supervisory Board members consists exclusively of fixed compensation because they are independent of business execution.

### Organization and procedures for deciding executive compensation

Executive compensation is paid within the range of the aggregate amount of compensation approved by the resolution of the General Meeting of Shareholders, subject to confirmation that it is in line

### Components of executive compensation

	Component	Details	Overview
Aggregate Compensation for Board Directors* <sup>11</sup>	Fixed compensation	Basic compensation	<ul style="list-style-type: none"> <li>An annual amount is set on an individual basis and paid in fixed monthly cash installments.</li> <li>Amount of compensation is decided on an individual basis, taking into consideration whether officers are full-time or part-time, as well as their positions and the duties they are in charge of.</li> </ul>
	Performance-based compensation* <sup>12</sup>	Cash bonuses	Incentive for short-term performance <ul style="list-style-type: none"> <li>Cash bonuses are paid every fiscal year as compensation for the execution of duties while in office.</li> </ul>
		Share-based payment	Incentive to improve corporate value over the medium to long term <ul style="list-style-type: none"> <li>Stock options using stock acquisition rights are provided with the aim to encourage executives to make continuous management effort, while sharing mutual interest with shareholders through increases in share prices.</li> <li>The content of stock acquisition rights includes normal stock options (with the exercise price calculated based on the market price at the time of allotment) and share-based stock options (with an exercise price of ¥1). The exercisable period will be set within a range of 10 years from the day following their allotment date.</li> </ul>

\*<sup>11</sup> Excludes compensation for External Board Directors

\*<sup>12</sup> The amount of cash bonuses and the number of stock acquisition rights allotted as stock compensation are decided based on multiple performance indicators for adequately rewarding the results achieved through business activities. Specifically, it is decided on an individual basis and shall take into consideration individual performance based on each officer's ability and achievements, as well as company performance including consolidated financial results, the stock price, and NAV (Net Asset Value).

with the aforementioned compensation policy and is found to be both rational and reasonable. The aggregate amount of compensation for Board Directors was capped at ¥5 billion in monetary compensation and ¥5 billion in share-based compensation,\*<sup>9</sup> while that for Audit & Supervisory Board members was capped at ¥160 million.\*<sup>10</sup>

The compensation of the Board Directors for fiscal 2021 has been decided by Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO), based on the contents of discussions by the Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, within the range of authority entrusted to him by resolution of the Board of Directors. The Nominating & Compensation Committee shall review proposed compensation from multiple viewpoints, including consistency with the SBG compensation policy for ensuring further rationality and reasonableness, and report back to the Board of Directors on its deliberation details. The Board of Directors reconfirms that the deliberations are in line with the SBG compensation policy. To ensure independence, compensation for Audit & Supervisory Board members for fiscal 2021 was decided through consultation among Audit & Supervisory Board members after the conclusion of the Annual General Meeting of Shareholders in June 2021.

\*<sup>9</sup> Resolved at the 38th Annual General Meeting of Shareholders on June 20, 2018. SBG was served by 12 Board Directors (including three External Directors) at the time of the resolution.

\*<sup>10</sup> Resolved at the 41st Annual General Meeting of Shareholders on June 23, 2021. Resolved to cap compensation at ¥160 million. SBG was served by four Audit & Supervisory Board members (all four being External Audit & Supervisory Board members) at the time of the resolution.

### Total amount of compensation by title (fiscal 2021)

Title	Number of people	Subtotals for each type of compensation (Millions of yen)			Total amount of compensation (Millions of yen)
		Fixed compensation (Basic compensation)	Performance-based compensation (Bonus)	Others	
Board Directors (excluding External Board Directors)	2	96	258	1	355
External Board Directors	6	183	–	–	183
Audit & Supervisory Board Members (excluding External Audit & Supervisory Board members)	1	6	–	–	6
External Audit & Supervisory Board members	5	80	–	–	80
Total	14	365	258	1	624

### Total consolidated compensation paid to respective Board Directors whose total consolidated compensation is ¥100 million or more (fiscal 2021)

Name	Amount of consolidated compensation (Millions of yen)	Title	Company name	Subtotals for each type of consolidated compensation (Millions of yen)			
				Basic compensation	Bonus	Share-based payment (of which undetermined amount)	Others
Masayoshi Son	100	Board Director	SBG SoftBank Corp.	12	50	–	–
Yoshimitsu Goto	293	Board Director	SBG	84	208	–	1
Ken Miyauchi	539	Board Director	SoftBank Corp.	96	–	443	(–)
Kentaro Kawabe	344	Board Director	Z Holdings Corporation	66	208	71	(–)
Ronald D. Fisher	126	–	SB Investment Advisers (US) Inc.	110	–	–	16
Simon Segars	1,151	–	Arm Limited	34	1,116	-3	(-3)

## Information Security

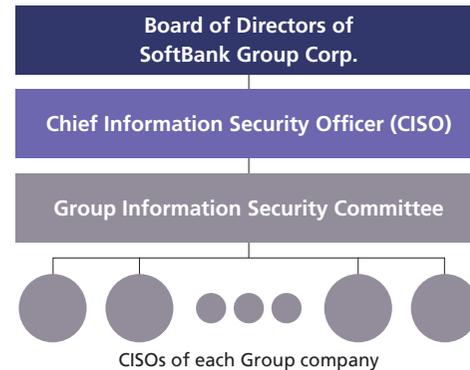
As a strategic investment holding company, SBG promotes initiatives to strengthen information security in the Group to realize and lead a safe and secure digital society.

### Constructing an Information Security Governance System

To promote and strengthen information security in the Group, we have established an information security governance system with the appointment of Yoshimitsu Goto (Board Director of SBG) as Chief Information Security Officer (CISO).

In the event of a serious information security incident in the Group, the department in charge shall respond to and restore the situation quickly and appropriately under the control of the CISO. To prevent any recurrence, we analyze the causes

### Information Security Governance Structure



of information security incidents to identify possible issues and reflect them in our information security strategy while working to improve security-related education for officers and employees.

## Initiatives to Strengthen Information Security

### Collaboration with Group companies and portfolio companies

SBG regularly exchanges information on information security threats and countermeasures with a wide variety of Group companies and portfolio companies that do business globally. In addition to keeping abreast of the latest security-related technologies, we act quickly to introduce advanced services and systems offered by each company to ensure secure work environments.

### NIST CSF compliance and external organization assessments

SBG implements measures that comply with NIST CSF,\*<sup>13</sup> a cybersecurity framework adopted by organizations and enterprises around the world. We have also received security-related assessments by external organizations with expertise in NIST CSF in the U.S. and other countries.

\*13 NIST CSF is a cybersecurity framework (CSF) established by the National Institute of Standards and Technology (NIST) that consolidates standards, guidelines, and best practices for cybersecurity risk management.

For the latest information on SBG's information security, see the "Information Security Report."

## Policy for constructive dialogue with shareholders

SBG assigns IR duties to its Board Director, Corporate Officer, and Senior Vice President and has established the Investor Relations Department as the responsible department. The department conducts IR activities in close coordination with related departments, including Accounting, Finance, Corporate Legal, and General Administration.

The management and the Investor Relations Department respond to requests for dialogue from shareholders and other investors. We always try to provide explanations with as much detail as possible. To that end, the management or the IR Department holds meetings with shareholders or other investors according to the purpose of dialogue, and if necessary, a full-time Audit & Supervisory Board member or the head of a relevant department joins such meetings. In addition to individual discussions, SBG holds earnings results briefings and investor briefings to explain the status of its businesses. The Investor Relations Department compiles the

### Primary Activities

- Number of meetings with institutional investors/analysts : 624 (fiscal 2021)
- Constructive dialogue with shareholders (Major discussion topics)
  - Investment and financial strategies
  - ESG initiatives
  - Disclosure enhancements
- Strengthened information dissemination to overseas investors
  - Video interview with CEO (short video format)
  - Transcription of Q&A sessions at various earnings events



For the latest information, see the IR section of our website.

opinions of shareholders and other investors obtained in the dialogue and periodically reports them to management.

### Message from Our Chief Sustainability Officer (CSusO), Global Head of Investor Relations

I am pleased to say that I assumed the roles of CSusO and head of the Sustainability Department in June 2022, in addition to serving as head of the Investor Relations Department. The aim of the dual role in the IR and Sustainability Departments is to move forward with sustainability initiatives, which are becoming increasingly important, in a more agile manner, and to communicate the results and progress of our efforts after better understanding the expectations of investors and other stakeholders. Our corporate philosophy and vision are a precursor of views on sustainability. I believe that promoting sustainability will lead to our sustainable growth.

I will also enhance IR initiatives. Despite the persistent unstable market environment, we appropriately control financial risks through flexible and agile operations. We will strive to disclose easy-to-understand information for equity/credit investors to understand our posture. In addition, we will pursue IR activities that are the best mix of in-person and virtual activities suitable for a "post Covid-19" environment.

### Yotaro Agari

CSusO  
Global Head of Investor Relations  
Head of Sustainability Department



Message from Lip-Bu Tan

## Enabling Further Success Amid a Challenging Environment

Mr. Lip-Bu Tan resigned from the position of External Board Director of SBG on June 24, 2022. The following is a message from Lip-Bu Tan upon his resignation.



**Lip-Bu Tan**

Former External Board Director of SoftBank Group Corp.

SBG appointed Lip-Bu Tan as an External Board Director in June 2020 given his extensive background in technology investing, dating back to his founding of the venture capital firm Walden International in 1987 (he resigned from the Board on June 24, 2022). He also served as CEO of Cadence Design Systems, a successful electronic design tool provider, beginning in 2008, later serving as its executive chair of the board.

### Board holds lively discussions from diverse perspectives

Although I am leaving the SBG Board, I would like to share how the SBG Board works from my two years of duty.

Over the past two years, most of the Board meetings were online rather than in person. Even so, we have managed the best we can. Our meetings have been constructive and interactive with many questions from the Board members. The meetings are carefully run to ensure all the members are provided with reasonable and easy-to-understand explanations so that they can actively participate. As a result, the Board makes decisions via consensus.

One of the functions of the Board is to provide supervision, guidance, and advice for Masa and the rest of the management team. Rather than making decisions that direct specific investments, which is the role of Masa, the Board members focus more on the policy, overall governance, financial management, and

strategic direction of the company. The Board's functions are clearly defined. While Masa and the management team are responsible for the day-to-day operation of the company, we help them to do the right thing, take part in strategy and some financial discussions, and pass resolutions. We are responsible for protecting shareholder value and making sure that conflicts of interest are addressed. All our current Board members are proactive and vocal, asking many questions from different perspectives and approaches until fully satisfied. We ensure that management gives us the necessary information, and then we make decisions as a Board.

### How SBG addresses challenges posed by changes in circumstances

Turning to the external environment, the global situation is challenging—not only for SBG but also for every other company. For some companies, the supply chain is a big problem because of the Russia-Ukraine situation. Although that issue does not immediately affect SBG, it is still facing some challenges as an investment company, including the deteriorating U.S.-China relationship, inflation, rising interest rates, and the slowdown in the IPO market.

In such circumstances, as an investment company, SBG must carefully manage cash flow

and liquidity. As SBG uses capital raised through borrowings for investments, these require close attention particularly with interest rates rising and challenges in the IPO market. Now the Board is more cautious of making new investments and is considering slowing the pace. We must ensure that the level of debt is comfortably managed and the company can service the interest and principal payments. So far, Goto-san (CFO Yoshimitsu Goto) and the team have done well and weathered such challenges. I believe that the Board will continue to monitor this activity closely after my departure.

Although making decisions on specific investments is not a role of the Board, I was able to oversee that, using my knowledge and experience at Walden. I am personally bullish on disruptive technologies. Walden invests heavily in AI, machine learning, computational biology, drug discovery, and crypto—I believe these are good areas in which to invest. But we must be mindful that there's a sea change under way in terms of valuation at the entry point. Nobody wants to invest based on valuations that are too high when the public market is under downward pressure.

Regarding SVFs, SVF1 is substantial with about \$100 billion of committed capital. The fund's investment amount in each portfolio company tends to be large, and there is a limit to the number of good opportunities in which we

can invest at such a scale. Moreover, there is a learning curve associated with these investments. SVF2 is more focused on early-stage companies, and its portfolio is more diverse. In some ways, this is positive, but we are not the only game in town. Many other venture firms and hedge funds are employing a similar strategy. For this reason, SBG needs to further strengthen our investment evaluation capabilities. It must differentiate itself, detailing what makes it unique in terms of what it can provide besides money.

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## Retaining the right talent

The key to the success of an investment business is to retain the right talent and the right team. The best venture firms have little turnover because they understand the importance of retaining rainmakers, or excellent deal makers. This is a people-oriented business, and when you have a big home run hitter, you do not want that person to leave. This is something I have discussed with Masa. He understands the importance of building a team culture and making sure that everyone works well together. That is an ongoing effort at SBG.

It is also important to provide an incentive for the team so that they can reap the fruits of their hard work. Typical PE funds, including Walden, have a standard 20% carry interest, but as a corporation, SBG does not have such a mechanism. Masa has tried to create an incentive scheme tailored to SBG by introducing a co-investment program. This structure is unique in the industry as SBG is in a unique situation. I should emphasize that this structure encourages

Masa and other management to take appropriate risks to achieve success, while adequately incentivizing them. The Board spent a lot of time on this proposal to ensure that conflicts of interest were properly addressed. For instance, we excluded public company shares from the scheme because the program is intended for less mature investments with room to improve their value. That makes the investments fair for SBG's shareholders. After a thorough review and ensuring that conflicts of interest were properly addressed by structuring the program pro-rata with the company without any cherry-picking, the Board approved the program.

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## Promoting sustainability management as a global company

Sustainability and governance are increasingly important topics for public companies across the globe. Companies are also stepping up their emphasis on ESG such as diversity of employment in terms of race/ethnicity and gender. Investment in climate technologies is also becoming a key area of focus. The Russia-Ukraine situation was a wake-up call for many industries to turn their attention to alternative energy resources, such as solar and wind.

SBG should lead by example in this area. Some of its investment strategies already focus on climate technologies, including electric vehicles. What really matters is to make change in a substantial and significant way rather than just preparing a nice and good-looking report. Then actions will speak for themselves. SBG could be even more proactive by working

together with its portfolio companies to achieve improvements in the climate area. It also must make such efforts and improvements visible. Such initiatives could set a good example in Japan and the Asia/Pacific region.

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## Continue fine-tuning the Board

In the past two years of my tenure, I believe SBG has made solid progress strengthening its corporate governance by improving the balance and diversity of the Board. But you need to continue fine-tuning. Masa is brilliant; he's a visionary. But he still needs people to provide safeguards, give him advice, and make him even more successful. Poor choices made too quickly can have negative consequences for the company. Therefore, it is essential to bring the right talent onto the Board of Directors and Audit & Supervisory Board. As a technology investor, having people knowledgeable of the market and technology trends would be helpful.

Enhancing diversity is also a continuing agenda item. SBG is as much a global company as a Japanese company. There is a need to build a more diverse Board with more female and international members and people from more diverse industry backgrounds. I feel that it is constantly evolving on this front. Masa is open-minded, and SBG is moving in the right direction.

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## Creating a succession plan is a key issue

CEO succession planning is one of the Board's most important responsibilities. This is an

ongoing effort, not something that happens overnight. Ideally, you want to promote from within so you can maintain the culture. Masa is now in his mid-60s, about the same age as me, and succession planning is something that needs to be addressed, albeit not with immediate urgency.

I just went through succession and transition at Cadence starting with recruiting my successor. I groomed him and invited him to my board for mentoring and coaching. Eventually, the board and I agreed that he was the best to take over my position and strategy. Customers and all our major shareholders need to be comfortable with the transition. Continuity is important to them. So, I have stayed on as the executive chair of the board to provide that continuity for the shareholders. This process takes time, so it is important to identify a successor and groom that person to allow the company to continue. Moreover, not only customers and shareholders but also non-shareholders must be comfortable with the transition.

Similarly, Masa needs to think about grooming his successor. He would continue to provide leadership, but much of the day-to-day work could be handled by his No. 2. Masa is still young; you have a few more years, but that needs to be addressed in the next few years.

We would all like to see SBG become increasingly successful. I am convinced that the Board will continue to help Masa to be more successful, safeguard him, and give him appropriate advice. He is brilliant—a visionary. We always try to help Masa, and he knows that all of us are here to support him.

Compliance

# Commitment to Integrity

## Compliance is our business foundation

We believe that going beyond legal and regulatory compliance, a commitment to integrity must be the foundation of our business. We aim to create an organization

where every officer and employee demonstrates the highest degree of ethical conduct in every action they take.

## Organizational structure

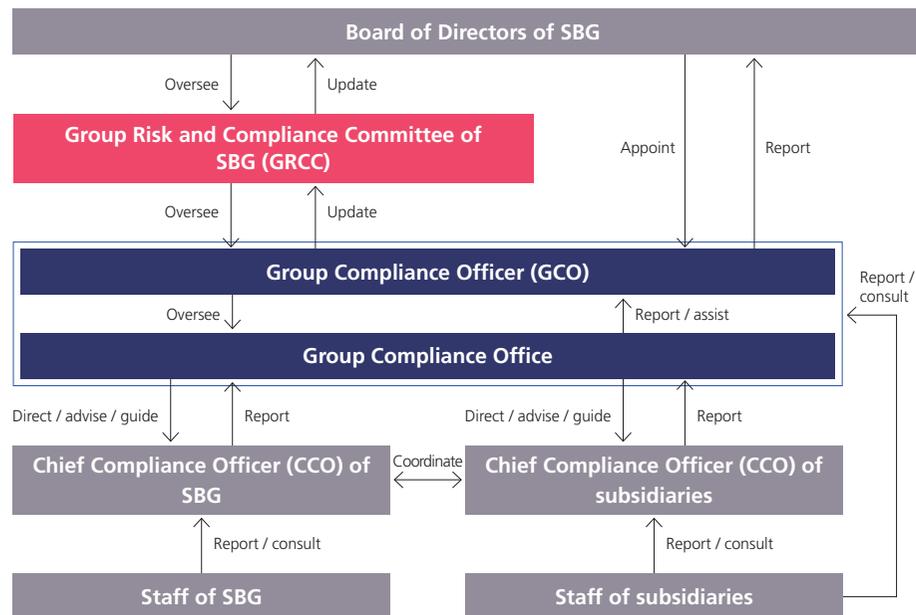
The Board of Directors of SBG has appointed a Group Compliance Officer (GCO) as the chief officer responsible for compliance across the Company, and similarly, each subsidiary appoints a Chief Compliance Officer (CCO). The GCO and CCOs have the responsibility to implement systems designed to ensure

compliance with applicable laws and regulations and to promote ethical conduct. The GCO and CCOs periodically report material incidents and risks together with activities of their ethics and compliance programs to their respective board of directors.

## Ethics and compliance program and oversight

The Group Risk and Compliance Committee (GRCC) consists of Board Directors and Corporate Officers of SBG and provides oversight of the risk management and ethics and compliance programs of the Company. The GRCC assesses the key performance indicators that measure the effectiveness of the risk management and ethics and compliance programs such as risk assessments, risk mitigation, and incidents of noncompliance. SBG's Board of Directors receives regular separate reports on, and evaluates and supervises the effectiveness of the ethics and compliance and risk management programs.

Group compliance structure



Structure of SBG's ethics and compliance program



## Code of conduct and Group policies

SBG has established the SoftBank Group Code of Conduct as the standard that all the Company's officers and staff should follow. Our Code of Conduct sets out specific examples to guide the Company's officers and staff regarding ethical conduct, including Q&As, definitions, and red flags regarding various areas such as anti-corruption, prohibition on discrimination, confidentiality, conflicts of interest, antitrust laws, money laundering, insider trading, working environment, and whistleblowing. In addition, SBG has established the "Supplier Code of Conduct" to clarify the ethical standard we would like our suppliers to follow.

SBG implemented Group Policies that establish Group-wide minimum requirements for all subsidiaries and their officers and staff across key risk areas such as anti-corruption, competition law, conflicts of interest, insider trading, economic sanctions, information security, privacy, human rights, brand management, corporate governance, the environment, and risk management. In addition, SBG and some of its subsidiaries whose main business is investment activity are subject to further strict policies and rules with respect to investment conflicts and insider information governance.

SBG continues to review and revise our Code of Conduct and Group Policies as appropriate.

### Top page of the SoftBank Group Code of Conduct website



 See the full text of the "Supplier Code of Conduct" on our website.

 See the "SoftBank Group Code of Conduct" on our website for details.

## Training and awareness

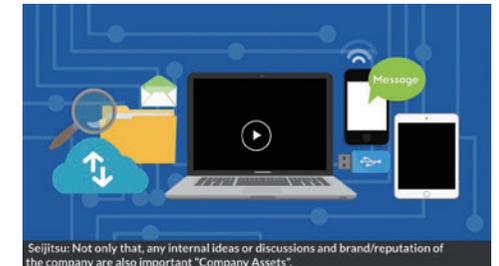
The Company conducts training and awareness-raising activities to ensure that officers and staff recognize risk areas and have the information they need to make the right choices.

The Company provides training for officers and staff regarding high-risk areas such as insider trading and conflicts of interest. SBG has introduced a global training system and provides training on the Code of Conduct and certain high-risk areas to Group companies in Japan and abroad.

As one example of the awareness-raising activities, SBG holds a Compliance Awareness Month annually for officers and employees of SBG and those at its major subsidiaries in Japan and overseas. SBG also periodically delivers e-mail communications featuring familiar compliance issues to enable its officers and employees to refresh and consolidate their knowledge about ethical behaviors.



Top screen of intranet site, Compliance Awareness Month 2021



Compliance awareness e-learning

## Monitor, audit, and review

SBG has implemented global ethics and compliance helplines and receives reports and consultations from the Company's officers and staff, as well as third-parties such as business partners, regarding compliance violations that involve the Company or its officers and staff. Reports and consultations can be made anonymously to the extent permitted by laws and regulations. We received frequent reports and requests for advice in fiscal 2021 from

across the Company. The CCOs are responsible for setting up helplines for their respective companies. Significant substantiated cases must be escalated to the GCO.

SBG conducts an annual employee survey to measure its ethical culture. In fiscal 2021, SBG conducted a global employee survey not only for SBG but also for its subsidiaries in Japan and overseas and used the results of the survey to improve our ethics and compliance programs.

Message from Our Group Compliance Officer (GCO)

## *Kokorozashi takaku* Achieving World-Class Compliance and Governance

### Becoming GCO & CLO

Before I became a lawyer, I spent a few years working in marketing for Fukuoka Dome (now Fukuoka PayPay Dome), having studied at a Japanese university. That was even before SoftBank acquired the Hawks baseball team (now the Fukuoka SoftBank Hawks). I began my legal career as an attorney at the Tokyo office of a U.S. law firm. The focus of my work was advising Japanese trading companies, power companies, and some corporates, doing a mix of M&A, capital markets, and project finance. I also handled several large-scale theme park development transactions.

My career at SBG began after I was seconded to the company in 2017. Following the secondment, I was offered a full-time role as

Group Deputy General Counsel. In September 2020, I was selected to be Group Compliance Officer (GCO), and in December of that year, I assumed the additional role of Chief Legal Officer (CLO) for the Group. In these roles, I manage the Group's Legal and Compliance functions, but my responsibilities go further than that. I see one of my roles as acting as an ambassador for SBG. Particularly as someone who has a command of both Japanese and English, a strong grasp of the organization's business strategy and corporate culture, and who works closely on a day to day basis with our overseas teams. It is an exciting job, for sure, although sometimes it is a bit like a roller-coaster. Then again, I should be used to that, having worked on numerous theme park projects!

By way of example of some of the challenges, perhaps I should mention one of the first things I felt the need to do on becoming GCO. When I joined the company, Compliance was a team housed within the Legal Department. After becoming GCO, I wanted to underscore the importance of Compliance and to clarify the responsibility of such function, so we elevated the team within the organization to a full department and built out the depth of the team's coverage.

to impress upon my team the importance of adopting a "here's how" mindset, and I encourage them to take pride in their work and to always consider what would most benefit SoftBank as a whole. When they have misgivings about a plan proposed by a business unit, the initial reaction should not always be to refuse point-blank. The mindset they should have is to work out what is "right" and to say, "Well, you can't do it that way, but here's how you could do it." Granted, of course, when the time comes to say "no," you must say it loud and clear—that is a fundamental of Compliance.

### Ever tighter compliance

For regulatory and other reasons, several of our Group companies must operate very independently from SBG despite it being the parent company. Examples include our listed subsidiaries and U.K.-based SoftBank Investment Advisers (SBIA), which manages the SoftBank Vision Funds. SBIA is classified as an authorized and regulated entity by the U.K.'s Financial Conduct Authority. So we respect the autonomy of our Group companies, while at the same time, because our Group's investing activities are largely delegated to our subsidiaries, SBG coordinates closely with its Group companies to build an integrated Group-wide program of Compliance. And this task is being managed increasingly effectively. For example, if a group company has adopted a particularly robust aspect of its Compliance program, we will co-opt that and roll it out across the entire group.

### Tim Mackey

Corporate Officer,  
CLO & GCO  
Head of Legal Unit

\*CLO: Chief Legal Officer

\*GCO: Group Compliance Officer



The insider trading policy is a good example. SBG has world-class rules and systems for managing insider information. The current groupwide measures were in fact modeled on the practices of a handful of our regulated subsidiaries.

Another example is the management conflicts of interest. When a director has a conflict of interest, the matter is always considered in detail and resolved by the Board of Directors in line with Japanese law. In other words, if it is determined, with consideration of the opinion of outside counsel, that the matter constitutes a conflict of interest, then the matter cannot be executed by the deal side until it has been presented to the Board, explaining why it is reasonable, proper, and there is a necessity to take such actions, and the Board would then deliberate and decide if the proposed matter or transactions can proceed.

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## Using marketing tactics for compliance training

Back when I was working at a law firm, I sent my clients a regular newsletter called *Tim's Times*. I tried to make it an engaging read for the audience because we all know that no one will read a dull newsletter.

We believe that the same goes for Compliance training, so one technique we now use is visual media such as animated videos as part of our in-house Compliance training. We try to make these both interesting and memorable, much like a TV ad. To that end, our Compliance team tries to think like a

marketing team. We want employees who take the training to recall the Compliance message when the moment of truth comes. Recently, for example, the head of the Accounting Unit, Kazuko Kimiwada (Corporate Officer, Senior Vice President), narrated a voice-over for one of our animated video trainings, along with other in-house volunteers. When I showed the video to Masa Son, he loved it and strongly supported how it would improve our Compliance culture. The videos are proving very popular among our employees, mostly because of the fun in hearing their colleagues, voice-over narration, but in turn it has definitely raised the value and recognition of our Compliance training.

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## Getting across the meaning of *kokorozashi takaku*

The SoftBank Group Code of Conduct is titled, in Japanese, *kokorozashi takaku*. This is also Masa Son's personal motto. The slogan is well known by our workforce, but there is a concern about whether employees truly understand the meaning behind the phrase. SBG's core philosophies, expressed in the original Japanese, might resonate with the Japanese audience, but those from other countries may not understand it in the same way. SoftBank has obviously gone global at quite a pace, so it is essential that we tailor our message to resonate with our global audience.

*Kokorozashi takaku* has been translated into English as "Aim High." To me, frankly this translation fails to convey Masa Son's original meaning. *Kokorozashi* connotes a public-

spirited attitude. When one hears the word in Japanese, one thinks of a samurai forging his way in life and contributing to society. Unfortunately, the English words "Aim High" alone do not do proper justice to this mindset, so our stakeholders interpret them in all kinds of ways depending on, among other things, their culture. "Aim" may sometimes be interpreted as referring to one's personal goals and in other cultures to corporate or social goals. "High" may also be interpreted in a similarly broad manner. To some, it may be a reference to striving for high integrity or high performance, to others, the motto may be interpreted as instructing one to aim solely for high profit, high returns, and the like.

Last year, when I visited some of our Group companies, I spoke with the company's Legal and Compliance teams about what *kokorozashi* means. When you recognize that the kanji character for *kokorozashi* is made up of two parts, the kanji character for heart, or mind, and the character for samurai, and you think about what you know about the samurai, then from that foundation, you can start comprehending the real meaning of *kokorozashi takaku*. It implies that the goal of creating a better society (and corporate culture) should be each individual's life goal.

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## Leaving a legacy for a 300-year organization

Our goal for the medium to long term is to set in place world-class governance and a high-integrity Compliance culture at SoftBank. To

that end, every employee needs to understand they are creating their own legacy. Personally, I hope to establish a legacy as GCO that, when the time comes to pass on the baton, I can look back on with pride. At the very least, one needs to take it one step at a time. When SBG is still going strong in 300 years, then the current team's time here will seem short indeed. It would be really great though if, several decades from now, future employees recall the team that helped build world-best class Compliance and governance all those years ago. It is with that *kokorozashi takaku* spirit that we tackle each day as it comes.

# Mitigating Factors That Adversely Affect the Enterprise's Sustainable Growth

## Risk Management System

At SBG, the Board of Directors appoints a Chief Risk Officer (CRO) who is responsible for risk management. We also have a Risk Management Office, supervised by the CRO, that spearheads Group-wide risk management activities.

To ensure a Group-wide understanding of the purpose of risk management and to clarify the basic roles of officers, employees, and risk managers, SBG established the Risk Management Policy, which applies to all officers and employees of SBG and the Group companies ensuring their active involvement in risk management activities. In accordance with the Risk Management Regulations and Group Company Management Regulations, which are set under the Risk Management Policy, SBG and the Group companies appoint risk managers. The risk managers are responsible for identifying and addressing risks that might arise during business activities. The Risk

Management Office ensures the effectiveness of Group-wide risk management by receiving reports on important matters from the risk managers and confirming proper compliance with both sets of regulations. The policy and regulations are periodically reviewed and approved by the Board of Directors of SBG and other committees.

The Risk Management Office reports identified risks that are material to SBG and the Group companies and their countermeasures to the Board of Directors and the Group Risk and Compliance Committee (GRCC) on a quarterly basis. Accordingly, both governance bodies supervise the Risk Management Office. The GRCC consists of key Board Directors and Corporate Officers of SBG and works to enhance the risk management system across the Group.

### Risk management system



## Risk management initiatives

The Risk Management Office works to strengthen risk management activities by identifying and addressing risks, with the aims of mitigating factors that adversely affect the enterprise's sustainable growth.

### Risk identification

The Risk Management Office is pursuing the following initiatives to gain a comprehensive understanding of the various risks facing the entire Group.

#### Prior confirmation of important agenda items

When important matters are to be resolved by SBG's Board of Directors and other committees, the Risk Management Office confirms the agenda items in advance and consults with the relevant departments if necessary. It also ensures that risk-related information that needs to be considered is reflected in the agenda.

#### Portfolio risk analysis

The Risk Management Office performs risk analysis over the entire Group's investment portfolio from various perspectives. For example, we monitor the impacts on SBG's financial ratios that are caused by changes in the external environment such as economic and monetary policies and other political conditions. We also monitor the concentration of investments in specific countries, regions, and sectors.

### Gathering risk-related information from each Group company and department of SBG

The Risk Management Office gathers information on various risks from the major Group companies and each department of SBG. When the risks materialize, the relevant Group companies and departments of SBG escalate the issue to the Risk Management Office in a timely manner.

### Responding to risks

Based on the information gathered through the above initiatives, the Risk Management Office identifies material risks at the Group level by analyzing and assessing the impact and likelihood of risk materialization. Material risks are reported to and discussed by the Board of Directors and the GRCC. Based on the results of those discussions, the Risk Management Office considers countermeasures and monitors the situation to confirm the effectiveness of those countermeasures.

### Message from Our Chief Risk Officer (CRO)

## Constantly strengthening risk management to increase resilience and ensure 300 years of growth

### Q What is the purpose of risk management?

**A** We work to strengthen risk management activities with the aim of “mitigating factors that adversely affect the enterprise’s sustainable growth.” Through SVF1, SVF2, and LatAm Funds, SBG invests primarily in unlisted companies that seek to transform the world through the use of AI. Investments in unlisted companies target high returns and thus entail medium- to long-term risks, so failure to respond appropriately to changes in the external environment might result in missed profit opportunities and/or losses. Conditions for investment are particularly uncertain considering various factors, highlighting the increasing importance of risk management. These factors include the recent escalation of the U.S.-China conflict, the Chinese government’s tightening of regulations on emerging companies, the accelerating monetary tightening in the U.S., and the chaotic situation in Russia and Ukraine.

Under such circumstances, SBG’s Risk Management Office conducts ongoing stress tests for large-scale crisis and concentration risk analysis of specific sectors and regions. For example, we analyze the impact of a potential worldwide market event like the Global Financial Crisis on our NAV, LTV,\* and the availability of funds to redeem bonds for the next two years, assuming several factors including negative impacts on the bond market and the recovery period in the equity market. For unlisted stocks, we also consider scenarios in which their valuation declines to the same extent as listed stocks during a market crisis.

 \*See pages 18 and 19 for NAV and LTV.

### Q What non-financial risks do you focus on and how are they addressed?

**A** Through regular collaboration with the relevant departments of SBG and major Group companies, the Risk Management Office focuses on understanding the risks that threaten the sustainable growth of the entire Group and how they are being addressed. In

particular, the succession plan of President Son, which is of great interest to all stakeholders, is discussed regularly by the Nominating & Compensation Committee. In addition to information security and talent retention, we discuss various risks with stakeholders, including climate change, human rights, and other ESG matters. We also assess the materiality of various non-financial risks from the Group perspective and report risks that the Group should focus on and measures to address those risks to the Board of Directors and the GRCC, supporting management’s decision-making.

### Q Are there any mechanisms you have devised to manage risks given that the investments are made in a wide range of sectors and regions?

**A** Under the Risk Management Policy, which applies to all officers and employees of SBG and the Group companies, each Group company appoints a risk manager and establishes an appropriate risk management system that considers the nature and size of its business. In addition, the Risk Management Office works with key Group companies to gather information on a regular basis. Especially for investment funds, such as SVF1, SVF2, and LatAm Funds, the Risk Management Office works to enhance its reporting systems for understanding and analyzing the status of new investments and post-investment monitoring. From the perspective of our Group-wide portfolio analysis, we strive to understand the degree of concentration in specific sectors and regions, and conduct stress tests based on scenarios that reflect the different risk characteristics of each industry and region.

Aiming to be a corporate group that can continue growing for 300 years, we invest in a variety of companies that use AI to transform the world. We will further enhance our resilience by strengthening risk management so we can deal with the transitory changes that we will face in the future.



Kiyoshi Ichimura

CRO,  
Head of Risk Management Office

# Risk Factors

SBG is a strategic investment holding company that manages an investment portfolio formed through investments, made either directly or through investment funds, in a large number of companies. The investment portfolio encompasses SBG's subsidiaries and associates ("Group companies") and investments not included in the former (collectively, "portfolio companies," including Group companies). These portfolio companies operate in a wide range of markets globally. Accordingly, a variety of risks accompany the execution of SBG's investment activities and the portfolio companies' business activities. The major risks that SBG believes could significantly affect investors' investment decisions as of June 24, 2022 are outlined below. However, these risks do not include all the risks that SBG and portfolio companies could face, and additional risks may arise in the future. Forward-looking statements were determined as of June 24, 2022, unless otherwise stated.

## (1) Business Model

Based on its unique organizational strategy, the *Cluster of No. 1 strategy*, SBG endeavors to enhance NAV\*<sup>1</sup> through its investment portfolio consisting of companies engaged in diverse businesses in the information and technology field harnessing artificial intelligence (AI). SBG's portfolio includes investments made through direct investments (including investments made through subsidiaries), such as in Group companies (for example, SoftBank Corp., Arm, and Alibaba), as well as those made through investment funds (SVF1, SVF2, and SoftBank Latin America Funds ("LatAm Funds")).

For this reason, SBG's investment portfolio is significantly affected by market trends in each sector of the information and technology field where portfolio companies operate. It is also significantly exposed to the market environment surrounding initial public offerings (IPOs), as investments are made primarily in unlisted companies in the investment businesses of SBG (including investments made through subsidiaries), SVF1, SVF2, and LatAm Funds. Due to these impacts, a decrease in the equity value of SBG's holdings could lead to a decline in NAV and deterioration in LTV.\*<sup>2</sup> In parallel, the recording of valuation losses on assets such as SBG's equity holdings could cause SBG's consolidated results of operations and financial position to deteriorate, thereby adversely affecting SBG's ability to make new investments and the success of its financial strategies.

SBG recognizes that building a diverse investment portfolio is a crucial management priority; however, as Alibaba shares accounted for just over 20% of the equity value of SBG's holdings as of March 31, 2022, fluctuations in the investment value of Alibaba shares could affect the equity value of SBG's holdings as well as its NAV and LTV.

\*1 NAV (Net Asset Value) = equity value of holdings – adjusted net interest-bearing debt. See page 18 for the assumptions used to calculate the equity value of holdings and net debt.

\*2 LTV (Loan To Value) = adjusted net interest-bearing debt ÷ equity value of holdings. See page 19 for the assumptions used to calculate the equity value of holdings and net debt.

## (2) Fund Procurement

SBG aims to meet the funding requirements for new investments on an ongoing basis, through measures such as selling equity assets, receiving dividends from portfolio companies, obtaining distributions from investment funds, and raising funds through asset-backed financing. This also applies to SBG's wholly owned subsidiaries that procure funds for SBG. However, if SBG is unable to dispose of equity assets or procure funds when the funds are

needed for new investments, it could miss investment opportunities and its ability to continue to increase NAV may be compromised. For certain asset-backed financing using equity holdings, in the event that the value of its eligible holdings declines due to a deterioration in the stock market or other factors, SBG may be required to post additional cash collateral or incur prepayment obligations. In addition, SBG could find it difficult to raise new funds.

SBG may also raise funds through sources including loans from financial institutions and the issuance of bonds to meet the funding needs of its investment activities. For this financing, if interest rates rise due to changes in monetary policies or in financial markets, or SBG's creditworthiness declines due to a decrease in the value of owned assets or a deterioration in its results of operations, which could lead to a downgrade in SBG's credit ratings, SBG's financing costs could increase, thereby adversely affecting SBG's consolidated and non-consolidated results of operations. Further, an inability to raise funds at the planned timing, scale, or conditions could adversely affect SBG's investment activities and financial position.

SBG (including wholly owned subsidiaries that procure funds) may raise new funds, refinance, sell some of its assets, or take other measures to secure resources to repay its debt. SBG strives to maintain a sufficient cash position in a stable manner with financial discipline, by raising funds at times it deems appropriate based on careful monitoring of market conditions. However, if faced with prolonged unfavorable funding conditions, SBG may be forced to dispose of equity assets on unfavorable terms or to execute unplanned equity asset disposals in order to secure resources for repayment, which could adversely affect the equity value of SBG's holdings, NAV, and consolidated and non-consolidated results of operations.

Various covenants may be attached to SBG's debt, including loans from financial institutions and corporate bonds. If the possibility of a breach of any of these covenants arises and SBG is unable to take steps to avoid such breach, SBG may forfeit the benefit of the term with respect to such obligations and, accordingly, may also be requested to make lump-sum repayments with respect to other obligations. As a result, SBG's creditworthiness may decline, and its financial position could be significantly adversely affected.

## (3) Management Team

SBG is managed under the leadership of a management team centered on Masayoshi Son, who serves as Representative Director, Corporate Officer, Chairman & CEO of SBG. The major portfolio companies and investment funds, in which SBG invests, are run autonomously by management teams led by their respective CEOs and other leaders. For example, Junichi Miyakawa serves as President & CEO of SoftBank Corp., and Rene Haas serves as CEO of Arm. In addition, Rajeev Misra (Corporate Officer, Executive Vice President of SBG) serves as CEO of the managers of SVF1, SVF2, and LatAm Funds.

SBG has adopted the management structure described above. Moreover, if an unforeseen situation were to befall key members of the management team, the decision-making process could be affected. To minimize this impact, SBG has drawn up contingency plans, including action guidelines and proactive measures. Furthermore, SBG's Nominating & Compensation Committee regularly discusses medium- and long-term policies and succession plans. However, there is no assurance that these measures will be successful. Unforeseen situations with respect to members of the SBG Group's management, particularly Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son, could impede the overall activities of SBG.

#### **(4) Investment Activities Overall**

SBG engages in investment activities such as corporate acquisitions, establishment of subsidiaries and joint ventures, and investments in operating companies (including listed and unlisted companies), holding companies (including companies that effectively control other companies through various contracts), and investment funds. These investment activities are subject to risks such as those stated in subsections a. through d. below, and if these risks materialize, the asset value of portfolio companies (i.e., the equity value of SBG's holdings) could decrease, resulting in a decrease in NAV and deterioration of LTV. In parallel, the recording of valuation losses on assets, such as SBG's equity holdings, could adversely affect its consolidated results of operations and financial position.

Among the portfolio companies, there are risks associated with investment funds and SoftBank Corp. that are considered to be highly material because they could have a particularly large impact on consolidated operating results. For information on those risks, see "(5) Investments Made through Investment Funds" and "(6) SoftBank Corp. Group."

##### **a. Trends in the external environment, including political circumstances, monetary and fiscal policies, and international conditions**

SBG invests in entities that operate not only in Japan, but also in countries and regions overseas, such as the U.S., China, India, Europe, and Latin America. Therefore, due to changes in the external environment, such as changes in political, military, or social circumstances, monetary and fiscal policies, and international conditions (for example, stricter regulations and trends surrounding the economic security of various countries, due to factors such as the Russia-Ukraine conflict or intensified U.S.-China rivalry), the investment activities of SBG and the business activities of portfolio companies may not develop as expected. For example, SBG's execution and realization of investments could be delayed, the terms and conditions for recovering investments could deteriorate, or the businesses and results of operations of each portfolio company could be adversely affected by a decrease in demand for, or a stagnation in the supply of, their services and products. Further, with respect to investments in unlisted companies with low liquidity, if market conditions deteriorate sharply or other similar issues arise, SBG may not be able to sell its interests in such companies at the timing, scale, or conditions desired by SBG. As a result, the equity value of SBG's holdings, NAV, LTV, and consolidated and non-consolidated results of operations may be adversely affected.

Apart from this, SBG's foreign currency-denominated investments in overseas companies could incur losses due to changes in foreign exchange rates. Further, in the preparation of SBG's consolidated financial statements, the local currency-based revenues, expenses, assets, and liabilities of Arm and other overseas Group companies are converted into Japanese yen. Consequently, fluctuations in foreign exchange rates could adversely affect SBG's consolidated results of operations and financial position.

In addition, SBG collects information about the changes in the external environment described above and considers the impact they may have on investment activities. Concurrently, SBG continuously monitors the concentration of investments in specific countries or regions, and business sectors, within its investment portfolio. Through these and other efforts, SBG strives to identify risks, and has a system in place to report the results of this risk identification process to management.

##### **b. Investment regulations**

The investment activities of SBG may require approvals and permissions from regulatory authorities of relevant countries, or the involvement of SBG in portfolio companies may be restricted. In addition, new or stricter

regulations on investment activities may be enacted in relevant countries. SBG addresses each of these regulations by ensuring close cooperation with concerned parties, including external advisers. However, if the necessary approvals and permissions cannot be obtained or other restrictions cannot be avoided, SBG may be unable to successfully implement its investment or divestment plans as expected.

For example, with respect to certain U.S. investments, SBG has entered into national security agreements with the companies that are considered covered investments (herein subsection b, the "covered companies") and the relevant regulatory authorities and agencies of the U.S. government. Pursuant to these national security agreements, SBG and the covered companies have agreed to implement measures to safeguard U.S. national security. Implementing these measures could result in increased costs or constraints on business operations within the U.S.

##### **c. Decrease in the asset value of portfolio companies**

Even after making investments, SBG has a system in place in which major risk factors of portfolio companies are continuously monitored and reported to management, including financial and management information, key performance indicators, differences between business plans at the time of the investment decision and actual progress, and the status of corporate governance. In addition, based on the findings of the monitoring, SBG takes the necessary measures to improve the management of portfolio companies, such as providing necessary advice, dispatching human resources at various levels (including officers and managers), and introducing business partners.

However, portfolio companies may be unable to develop businesses as envisioned by SBG at the time of the investment decision, due to factors including the obsolescence of portfolio companies' technologies and business models and intensified competitive environments, in addition to the changes in the external environment described in "a. Trends in the external environment, including political circumstances, monetary and fiscal policies, and international conditions." This may lead to a significant deterioration in business performance or a drastic revision of their business plans. There is also a possibility that the portfolio companies may increase their capital, which could result in a significant dilution of the per-share value of such portfolio companies' shares. In such cases, the asset value of portfolio companies may decrease, and SBG may record valuation losses on financial assets such as shares or impairment losses on goodwill, property, plant and equipment, and intangible assets acquired through investment, and may not receive the expected returns, such as profit sharing, from portfolio companies or be able to recover the investment. Consequently, the equity value of SBG's holdings and NAV could decrease, thereby leading to a deterioration of LTV. In parallel, the recording of valuation losses on assets such as SBG's equity holdings could adversely affect its consolidated results of operations and financial position.

In addition, SBG may provide loans, loan guarantees, additional investment or other forms of financial support to portfolio companies as deemed necessary to improve their shareholder value, if they are unable to develop businesses as envisioned at the time of the investment decision, are unable to create desired synergies with other portfolio companies, or need more funds than anticipated for business development. This could increase SBG's exposure to those companies. Nevertheless, SBG has a general policy of not making investments solely for the purpose of providing relief to the portfolio companies of investment funds.

Moreover, on a non-consolidated basis, any decline in the value of assets that were acquired through investment activities, including equity interests, could cause SBG to recognize a valuation loss, and a deterioration in the results of operations of portfolio companies could result in an inability to receive dividends from portfolio companies as expected, which could adversely affect SBG's results of operations and the distributable amount.

**d. Investment decisions**

SBG may make direct investments (including investments through subsidiaries) without going through investment funds. In the investment decision-making process for these cases, SBG seeks to appropriately estimate the investment target's equity value and to assess risks related to the target's businesses, finances, corporate governance, compliance, and internal controls, by conducting due diligence on the target's business, technology, business model, market size, business plan, competitive environment, financial condition, and legal compliance, etc. For this purpose, SBG obtains the cooperation of, for example, outside financial, legal and tax advisers, as necessary, in addition to the cooperation of relevant internal departments. Moreover, an objective review of the adequacy of the due diligence findings is carried out by a dedicated review department. Based on the results of such reviews, investment decisions are made by the Board of Directors or the Investment Committee to which authority is delegated by the Board of Directors.

However, even with such a prudent investment decision-making process in place, there is still a possibility of overestimating the corporate value, technology, business model, or market size of an investment target, or underestimating risk. Investment decisions could also be made while misjudging the integrity of founders and managers who have crucial influence. Consequently, after making an investment, the asset value of the investment (i.e., the equity value of SBG's holdings) could decrease, thereby leading to a decrease in NAV and deterioration of LTV. In parallel, the recording of valuation losses on assets such as SBG's equity holdings could adversely affect its consolidated results of operations and financial position.

**(5) Investments Made through Investment Funds**

SBG makes investments through investment funds such as SVF1, SVF2 and LatAm Funds to companies leveraging AI in the information and technology sector. SBG invests in these investment funds as a limited partner. Also, the wholly owned subsidiaries who manage these funds (SBIA, which manages SVF1, as well as SBGA, which manages SVF2 and LatAm Funds, collectively the "Managers") are respectively entitled to receive management fees and performance fees, each of which is measured by reference to the investment activities of the investment funds.

The investment funds and their Managers are subject to particular material risks, including those stated in subsections a. through i. below. The Managers have established a Risk Management Framework ("RMF") to embed risk management in their business and decision-making procedures globally, but it may not be able to fully avoid the emergence of such risks. If any of these risks were to emerge, they could adversely affect the value of the investment portfolio of the investment funds, thereby deteriorating the financial results of the investment funds and the Managers. A decrease in the value of investments in the investment funds could also adversely affect the equity value of SBG's holdings and thereby lead to a decline in NAV and deterioration in LTV, therefore adversely affect SBG's consolidated results of operations and financial position.

In this section (5), the term "portfolio companies" refers to the investees of the investment funds.

**RMF of the Managers**

This framework covers all aspects of risk management (both operational and investment) and sets a framework for identifying, assessing, and mitigating risks.

The principles underlining the Managers' respective RMFs are:

- "Tone from the top" (i.e., the Board is ultimately responsible for risk management and risk should be considered in key business decisions)

- The establishment of an effective risk culture across the organization which supports the business to meet investors' expectations, the firm's strategic objectives, and regulatory requirements
- Identifying and mitigating risks in a forward-looking manner, allowing management to take proactive action as required to safeguard assets of limited partners and the Managers' reputation
- Ensuring that material existing or emerging risks are actively identified, measured, mitigated, monitored, and reported
- Meeting the risk management requirements of local and Group company regulators

**a. Impact on the results of operations**

All entities that comprise the investment funds are consolidated by SBG. Investments held by the investment funds are measured at fair value at the end of every quarter. With respect to unlisted companies, fair value is measured by combining multiple methods, such as the price of recent transactions, discounted cash flow, and market comparable companies. Fair value of listed companies is determined by the market price at which they trade. A decline in the fair value of the investments—due to factors such as a deterioration in the results of operations of portfolio companies or a downturn in financial markets and economic conditions—could lead to a deterioration in the results of operations of the respective investment funds, which could have an adverse effect on SBG's consolidated results of operations and financial position. Further, on a non-consolidated basis, a deterioration in the results of operations of each fund could cause SBG to record a valuation loss on investment made as a limited partner, which could have an adverse effect on its results of operations and distributable amount.

The portfolio companies in which the respective investment funds have invested that SBG is deemed to control under IFRS, are treated as subsidiaries of SBG. The results of operations as well as assets and liabilities of said subsidiaries are reflected in SBG's consolidated financial statements. Therefore, a deterioration in the results of operations of said portfolio companies that are subsidiaries could have an adverse effect on SBG's consolidated results of operations and financial position. Gain and loss on investments in said subsidiaries that are recognized at the investment funds are eliminated in consolidation.

To ensure the appropriateness of fair value measurements, the investment funds have a robust valuation process, which is overseen by the Managers' respective Valuation and Financial Risk Committees ("VFRCs"). The VFRCs follow the Managers' Global Valuation Policy which is in line with IFRS 13 Fair Value Measurement and the International Private Equity and Venture Capital Valuation Guidelines to value the relevant investment fund's investments on a quarterly basis. In addition to this, independent valuations of SVF1's portfolio companies are conducted on a semi-annual basis by independent third-party valuation firms who have been appointed and engaged by SVF1's investor advisory board. SBIA is required to consider (to the extent appropriate in accordance with SBIA's regulatory obligations) all valuations received from such independent third-party valuation firms.

**b. Investment performance**

Net proceeds from the investment performance of the investment funds are distributed to their respective limited partners. If the investment funds experience a deterioration in investment profitability and are unable to generate investment performance as planned, SBG could be unable to receive performance-based distributions as a limited partner in accordance with its expectations or could be unable to recover its capital contributions.

In addition, as net proceeds from the investment performance of SVF1 are distributed to SBIA as performance fees, SBIA may be unable to receive performance fees in accordance with expectations. Further, as the SBIA

receives performance fees on the realization of gains, including after the disposition of investments, receipt of dividends from investments, and monetization of shares, SBIA could make more speculative investments than they would otherwise make in the absence of such performance-based fees. Performance fees paid to SBIA by SVF1 are subject to a clawback provision (a provision requiring the return of performance fees received in the past), which is triggered under certain conditions based on future investment performance. Therefore, if the investment performance at the time of liquidation of SVF1 does not exceed a certain level, the amount of performance fees that have been received by SBIA up until then could be reduced, or SBIA may not be able to receive performance fees.

#### **c. Lack of opportunity to exit from investments**

Due to the illiquid nature of many of the investments that the investment funds may acquire, the Managers are unable to predict with complete certainty what the exit strategy will ultimately be for any given positions. Accordingly, there can be no assurance that the investment funds will be able to realize such investments in a timely manner. Consequently, the timing of cash distributions to investors is uncertain and unpredictable. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors. The investment funds may be prohibited by contract or other limitations from selling certain securities for a period which may mean that the investment funds are unable to take advantage of favorable market prices.

Approval of an exit strategy is a key part of the Managers' Investment Committees' considerations and exit strategies are regularly reviewed and updated by the Managers' investment teams. Exit strategies are also stress tested under various market conditions by the investment risk team to allow for forward planning. In setting up a long-term fund structure, it was anticipated that multiple economic downturns could occur and that some investments may take longer to exit than others.

#### **d. Non-controlling investments and limited rights as shareholder**

The investment funds may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect its interests in such companies and to influence such companies' management. In addition, the investment funds may invest alongside financial, strategic, or other third-party co-investors (including Group companies) through joint ventures or other entities which may have larger or controlling ownership interests in such entities or portfolio companies. In such cases, the investment funds will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the relevant investment fund is not affiliated and whose interests may at times conflict with the interests of the relevant investment fund.

#### **e. Securing and retaining human resources**

The Managers seek to maximize the equity value of the investment funds that it respectively manages, by carefully selecting investments and promoting growth after investment through the provision of a wide range of support. For the success of these investment activities, it is essential to secure and retain capable personnel who possess broad knowledge of technology and financial markets as well as specialized skills in managing investment businesses. The Managers have broad investment and management capabilities, and aim to ensure staff retention through various HR support programs; from training and development to moving staff across the organization to ensure they fulfil

their potential. However, the potential inability of the Managers to secure or retain an adequate number of capable personnel could have an adverse effect on the maintenance or expansion of the investment scale and future investment performance of the investment funds it manages.

#### **f. Regulation of new technologies or business models**

The investment funds' portfolio includes companies that are advancing the use of or are conducting research and development in relation to new technologies such as AI and big data and companies that are rolling out new business models that are different from existing business models. The business fields in which these types of new technologies and business models are offered may be subject to specific and strict regulations and licensing regimes in many countries and regions. With the development of related laws, the introduction of, or changes in, regulations could have an adverse effect by creating financial burdens or restrictions on portfolio companies' business development and their results of operations by, for example, requiring portfolio companies to change, suspend, or discontinue the deployment of technologies, business models, or related research and development plans. Licenses and permits required to provide certain technology related services are subject to various conditions and there is no assurance that investment funds' portfolio companies will be able to satisfy such conditions.

#### **g. Concentration of investments in specific business fields**

The investment funds hold investments in multiple companies in specific business fields, which in some cases leads to a high level of concentration of investments in said business fields. In such business fields, a deterioration in the business environment, such as sluggish demand or intensified market competition (including competition among portfolio companies), could result in a deterioration in the results of operations, such as a decrease in the profitability of a portfolio company, an inability to develop a business in accordance with expectations at the time of the investment, or a deterioration in the market's valuation of said business fields. Such developments could adversely affect the results of operations or the fair value of portfolio companies.

Concentration risk is measured and reported by the respective Manager's investment risk team to senior management and considered by the relevant members of the Managers' Investment Committees and boards. Diversification is implemented or the risk is accepted through the investment process, including review by the Managers' respective Investment Committees and, as required, by SVF1's investor advisory board.

#### **h. Securities and debt issued by listed companies**

The investment funds' investment portfolios may contain securities and debt issued by listed companies. Such investments may subject the investment funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies resulting from the availability of quoted market prices, increased obligations to disclose information regarding such companies, limitations on the ability of the investment funds to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including employees of the Managers, and increased costs associated with each of the aforementioned risks. In addition, securities traded on a public exchange are subject to such exchange's right to suspend or limit trading in certain or all securities that it lists. Such a suspension could render it temporarily impossible for the investment funds' positions to be liquidated, and thereby expose such funds to losses.

The primary mechanism employed to mitigate the market risk following a liquidity event is to follow a deliberate

plan for selling down the positions to minimize the market impact and to maximize the value of the proceeds. In some cases, the Managers will also reduce its exposure by entering derivative contracts (for example, by selling a covered call option). The Managers also examine whether to hedge the foreign-exchange risk should the securities be denominated in a currency whose exchange rate relative to USD is volatile.

The operational and compliance risks that arise while managing the investment funds' listed securities positions are managed through an appropriate control framework involving the Managers' middle office, compliance, and operational risk functions, including the investment risk teams. These controls include pre-trade approval processes, such as the approval of trading counterparties, and post-trade reconciliations and monitoring.

#### **i. SPAC**

To potentially pursue a wider range of investment opportunities, SBG's subsidiaries may form a special purpose acquisition company ("SPAC") for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that the company has not yet identified at the time of the offering and it aims to complete such business combination within two years from the closing of each offering. However, investment in a SPAC as sponsor entails risks, such as litigation risk due to the failure to identify and address risks of a target company prior to business combination, or the risk of failure in finding a SPAC target thus no business combination will occur. Such risks may result in a decline in the sponsor's reputation.

#### **(6) SoftBank Corp. Group**

SoftBank Corp. and its subsidiaries (Z Holdings Corporation, for example) (collectively herein (6), "SoftBank Corp.") mainly conduct telecommunications, internet advertising, and e-commerce businesses. There are risks associated with SoftBank Corp. that are considered to be highly material, including those stated in subsections a. through c. below. If the following risks materialize, SoftBank Corp.'s results of operations could deteriorate, which could result in a decrease in asset value (i.e., the equity value of SBG's holdings), and thereby lead to a decrease in NAV and deterioration of LTV. In parallel, the recording of impairment losses on goodwill, property, plant and equipment, and intangible assets acquired through investment and the incorporation of SoftBank Corp.'s performance could also adversely affect SBG's consolidated results of operations and financial position.

#### **a. Leakage and inappropriate use of information**

In its business operations, SoftBank Corp. handles customer information (including personal information) and other confidential information. This information could be leaked or lost, or may be used inappropriately in breach of laws and regulations or policies, or involved in a similar incident, either intentionally or accidentally by SoftBank Corp. (including officers and employees and people related to subcontractors) or through a cyberattack, hacking, computer virus infection or other form of unauthorized access by a third party with malicious intent or through other means. Such an occurrence could reduce SoftBank Corp.'s competitiveness and impose significant costs on SoftBank Corp. for payment of damages and modification of security systems, in addition to having an adverse impact on SoftBank Corp.'s credibility or corporate image and making it difficult to retain and acquire customers. These outcomes could adversely affect SoftBank Corp.'s business development, financial position, and results of operations.

The business integration of Z Holdings Corporation and LINE Corporation has led to a dramatic increase in the

amount of data, including personal information, handled by SoftBank Corp. Looking ahead, SoftBank Corp. will work to strengthen governance regarding the appropriate handling of personal information. However, if such measures to strengthen governance do not function effectively, SoftBank Corp. could be subject to administrative sanctions by the authorities, sustain damage to its credibility, or suffer a decline in demand for its services. In addition, SoftBank Corp. may need to formulate and implement additional measures or may experience a leakage of data or an event with the risk of such a leakage, and so forth. Consequently, these outcomes could affect SoftBank Corp.'s business development, financial position, and results of operations.

SoftBank Corp. strives to build a framework to protect and manage information assets appropriately, including the appointment of a Chief Information Security Officer and education and training sessions on information security for officers and employees. SoftBank Corp. maintains and controls this level of information security through various measures. Specifically, SoftBank Corp. implements physical security control measures such as restricting access to work areas that involve customer information and other confidential information, and establishing room access management rules specific to those restricted areas. SoftBank Corp. has strengthened its AI-based predictive detection (behavior detection) system for internal misconduct. Certain conditions, such as the use of business PCs and the intranet and the status of access to internal servers by officers and employees, are monitored. SoftBank Corp. also conducts monitoring and defensive measures against unauthorized access via cyberattacks from outside the company. Moreover, SoftBank Corp. partitions and sets apart access rights and networks to be used for various types of information, according to the information security level. Furthermore, SoftBank Corp. has established policies and rules on the management and strategic use of data from within and outside the company, thereby strengthening the internal management system concerning matters such as the confidentiality of telecommunications and the handling of personal information. Additionally, as it develops business in Japan and overseas, SoftBank Corp. undertakes the necessary responses to laws and regulations concerning the protection of personal information and related matters in each country.

#### **b. Steady provision of services**

##### **(a) Capacity enhancement of telecommunications networks**

To maintain and enhance the quality of its telecommunications services, SoftBank Corp. needs to, and systematically plans to, increase the capacity of its telecommunications networks (by securing required spectrum, for example) based on the forecast of future network traffic (communication volume). However, if the actual traffic is significantly higher than expected, or if SoftBank Corp. fails to increase network capacity in a timely manner, the quality and reliability of its services and corporate image may deteriorate, which may adversely affect its ability to retain and acquire customers. Moreover, additional capital investment may be required, which may adversely affect the business development, financial position and results of operations of SoftBank Corp.

##### **(b) Service disruptions or decline in quality due to system faults and other factors**

If human error, equipment or system problems, cyberattacks by third parties, hacking or other unauthorized access occurs in the various services provided by SoftBank Corp., such as telecommunications networks and systems for customers, there is a possibility that a serious problem could occur, including an inability to provide services continuously or a decline in the quality of services. SoftBank Corp. has taken measures such as building redundancy into systems, clearly defining restoration procedures in preparation for incidents such

as system faults, and creating appropriate capabilities that facilitate rapid recovery from system faults and similar problems should they occur. Even with these measures in place, if such disruptions or a decline in quality are not avoided and/or if significant time is required to restore services, SoftBank Corp.'s credibility or corporate image could deteriorate, making it difficult to retain and acquire customers. This could adversely affect SoftBank Corp.'s business development, financial position and results of operations.

(c) Natural disasters, accidents and other unpredictable events

SoftBank Corp. constructs and maintains telecommunications networks, information systems, and other systems necessary for the provision of various services, including internet and telecommunications services. In the past few years, there has been a heightened risk of sustaining damage from major natural disasters, such as earthquakes and typhoons, owing to factors such as the increased likelihood of the occurrence of a Nankai Trough earthquake or an earthquake directly under the Tokyo metropolitan area and the progression of climate change. Natural disasters such as earthquakes, typhoons, floods, tsunamis, tornadoes, heavy rainfall, heavy snowfall, or volcanic activity; the amplification of those natural disasters due to climate change in recent years; other unexpected disruptions such as fires or power outages or shortages; and unpredictable events such as terrorist attacks or the spread of infectious diseases could interfere with the normal operation of telecommunications networks, information systems, and other systems. This could hinder the provision of various services by SoftBank Corp. In order to ensure that it can provide a stable telecommunications environment even in the aforementioned circumstances, SoftBank Corp. has introduced measures to build redundancy into networks and mitigate power outages at network centers and base stations. In addition, SoftBank Corp. has implemented measures such as strategically placing network centers, data centers, and other key facilities throughout Japan, as part of efforts to mitigate the impact of the aforementioned circumstances on the provision of various services. Even with these measures in place, if the provision of various services is hindered, and these impacts become widespread and/or if significant time is required to restore services, SoftBank Corp.'s credibility or corporate image could deteriorate, making it difficult to retain and acquire customers. Moreover, significant costs may be incurred by SoftBank Corp. for recovery and repair of telecommunications networks, information systems, and other systems. This could adversely affect SoftBank Corp.'s business development, financial position and results of operations.

**c. Dependence on management resources of other companies**

(a) Consignment of operations

SoftBank Corp. consigns certain sales activities, retention and acquisition of customers, and network construction and maintenance mainly for telecommunications services, and execution of other related operations in whole or part to subcontractors. In addition, SoftBank Corp.'s information search services make use of other companies' search engines and paid search advertising placement systems. When selecting suppliers, including subcontractors, SoftBank Corp. evaluates and selects suppliers in accordance with its purchasing rules. At the time of commencement of new business transactions, SoftBank Corp. concludes a basic contract for business transactions that incorporates its Supplier Ethics and Rules of Conduct. Even after commencement of business transactions, SoftBank Corp. strives to reduce risks in the supply chain by establishing a PDCA cycle that includes conducting risk assessments through sustainability procurement surveys, assessing suppliers and identifying issues, and conducting interviews with suppliers. If these

subcontractors (including officers and employees and related parties) are unable to execute operations in line with SoftBank Corp.'s expectations, or if they cause problems involving human rights violations, such as the unauthorized acquisition of information concerning SoftBank Corp. and its customers, or the use of such information for purposes other than intended, SoftBank Corp.'s business development could be adversely affected.

As these subcontractors carry SoftBank Corp.'s services and products, damage to the credibility or corporate image of these subcontractors due to events like those described above would also have a negative impact on SoftBank Corp.'s credibility or corporate image, which could affect the retention and acquisition of customers. As a result, SoftBank Corp.'s business development, financial position, and results of operations could be adversely affected.

Furthermore, if these subcontractors should commit any acts in breach of laws and regulations, SoftBank Corp. could be investigated and held accountable for non-fulfillment of its supervisory responsibility by, for example, receiving a warning or administrative guidance from the relevant regulatory authorities. SoftBank Corp.'s credibility or corporate image could deteriorate as a result, making it difficult to retain and acquire customers. Consequently, SoftBank Corp.'s business development, financial position, and results of operations could be adversely affected.

(b) Use of facilities, etc. of other companies

SoftBank Corp. makes use of certain telecommunications lines and facilities owned by other operators when constructing the telecommunications networks required for providing telecommunications services. While SoftBank Corp. uses the telecommunications lines and facilities of multiple operators, in principle, SoftBank Corp.'s business development, financial position, and results of operations could be adversely affected if it becomes difficult to continue to use the facilities of these operators, or if usage agreements are revised on disadvantageous terms for SoftBank Corp., by, for example, increasing utilization or connection fees for those facilities.

(c) Procurement of various equipment

SoftBank Corp. procures telecommunications equipment, network devices, and so forth (including but not limited to radio equipment for mobile phone base stations, for example). As a general rule, SoftBank Corp. has adopted a policy of procuring equipment from multiple suppliers to build its network. Even so, SoftBank Corp. expects that it may remain highly dependent on specific suppliers for equipment. SoftBank Corp. may be unable to switch suppliers or equipment in a timely manner without requiring large cost outlays should problems occur with the procurement of equipment in a case where SoftBank Corp. relies heavily on a specific supplier. Such problems could include supply interruptions, delivery delays, order volume shortfalls, and defects. Suppliers may also cease to provide the maintenance and inspection services required for telecommunications equipment to maintain performance. Either of these situations could impede SoftBank Corp.'s provision of services, making it difficult to retain and acquire customers; cause SoftBank Corp. to incur additional costs for changing a supplier; or lead to a decline in sales of telecommunications equipment. This could adversely affect SoftBank Corp.'s business development, financial position and results of operations.

## (7) Laws, Regulations and Systems

SBG conducts investment activities pursuant to laws, regulations, systems and so forth (“laws and regulations”) in each country. Moreover, portfolio companies conduct business activities in compliance with laws and regulations in various fields in each country. Specifically, these laws and regulations cover an expansive range of areas. Among them are laws and regulations pertaining to investments and various laws and regulations pertaining to businesses such as telecommunications services, internet advertising, e-commerce, energy, AI, robotics, ride sharing, finance and settlement services, and other corporate business activities (including but not limited to laws and regulations related to business permits, national security, import and export activities, protection of personal information and privacy, the environment, product liability, fair competition, consumer protection, anti-bribery, labor affairs, intellectual property, prevention of money laundering, taxation, and foreign exchange). SBG and its portfolio companies are affected by these laws and regulations both directly and indirectly.

Revisions to laws and regulations, the enforcement of new laws and regulations, or new interpretations and applications of laws and regulations (including amendments thereof) could hinder SBG’s investment activities or its portfolio companies’ business activities. For example, SBG may be unable to develop its investment activities and portfolio companies may be unable to develop their business activities in accordance with expectations, new investments or businesses may be restricted, or recovery of investments may be delayed or become impossible. In addition, incurring a new or increased financial burden could adversely affect SBG’s consolidated and non-consolidated results of operations. The legal department of SBG collects information on new or revised laws and regulations, mainly related to investment activities, and receives advice from outside advisers.

Furthermore, in countries and regions in which SBG or its portfolio companies conduct business activities, tax laws and regulations may be newly introduced or amended, or their interpretation or enforcement may be revised. Views differing with that of tax authorities may give rise to additional tax burdens. In these cases, SBG’s consolidated and non-consolidated results of operations or financial position could be adversely affected.

Apart from this, SBG has been undertaking measures to strengthen its Group compliance structure for complying with laws and regulations and to facilitate an improvement in the knowledge and awareness of officers and employees through training sessions and other means. In spite of such efforts, if SBG and its portfolio companies (including officers and employees) conduct activities in breach of those laws and regulations, regardless of whether they were aware of the breach or not, SBG and its portfolio companies may be subject to administrative sanctions or guidance by government agencies (including deregistration, revocation of licenses and fines), or may face cancellation of business agreements by business partners. As a result, the credibility and corporate image of SBG and its portfolio companies may be impaired, or its business activities may be hindered. In addition, SBG may incur a financial burden, which could adversely affect SBG’s results of operations and the asset value of its portfolio companies.

## (8) Intellectual Property

Infringement of SBG’s SoftBank brand by a third party could impair the corporate image or credibility of SBG and subsidiaries that employ the SoftBank brand. Additionally, infringement of the intellectual property of portfolio companies such as Arm by a third party could have a negative impact on these companies’ business development and results of operations. On the other hand, if portfolio companies were to unintentionally infringe on intellectual property rights held by a third party, such portfolio companies may be prevented from using the intellectual property or subjected to claims for compensatory damages, license fees, and so forth from the third party. In all

cases, the equity value of SBG’s holdings, NAV, LTV, and consolidated and non-consolidated results of operations could be adversely affected.

## (9) Litigation

SBG faces the possibility of lawsuits by third parties claiming compensatory damages for the alleged infringement of rights or benefits. These third parties may comprise shareholders (including current and past shareholders of portfolio companies), portfolio companies, customers, business partners, and employees (including current and past employees of portfolio companies). Such lawsuits could hinder SBG’s investment activities or may impair SBG’s corporate image, as well as create a financial burden that could adversely affect SBG’s consolidated and non-consolidated results of operations.

## (10) Sustainability

SBG believes that it is crucial to take the lead and implement essential activities to address Environmental, Social, and Governance (“ESG”) factors. SBG has a Sustainability Committee chaired by the Chief Sustainability Officer (“CSusO”), the manager responsible for sustainability. The Sustainability Committee strives to mitigate and avoid ESG risks by regularly discussing ESG-related matters and countermeasures, while strengthening ESG-related disclosure. In investment activities, SBG has adopted a Group policy of formulating management plans for evaluation processes at each investing entity and carrying out comprehensive investment evaluations, in order to analyze the opportunities and risks associated with the sustainability aspects of portfolio companies. However, SBG’s ESG activities may diverge significantly from the expectations of stakeholders. In these cases, SBG’s public approval may deteriorate and adversely affect its investment and financing activities. In addition, SBG may be unable to adequately assess the opportunities and risks associated with the sustainability aspects of portfolio companies. In these cases, portfolio companies may be unable to develop their businesses as expected. This could have the effect of reducing the equity value of SBG’s holdings.

## (11) Information Security

SBG has a Chief Information Security Officer (CISO) who is responsible for information security. Under the leadership of the CISO, SBG identifies vulnerabilities and risks that could threaten information security, and implements information security measures focused on organizational, physical, personnel-related and technical dimensions according to risk. Through these efforts, SBG endeavors to protect its information assets.

However, even with these measures in place, SBG may be unable to completely prevent cyberattacks, hacking, computer virus infections or other forms of unauthorized access or internal misconduct. The inability to prevent such events could lead to the leakage, alteration, or loss of information, or cause other such information security incidents.

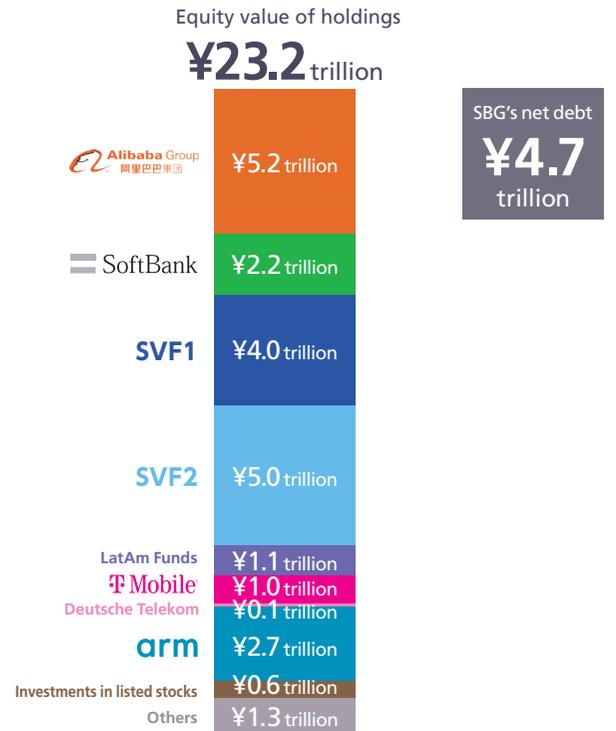
Such occurrences may impair the credibility and corporate image of SBG and its portfolio companies and may hinder their business activities. SBG and its portfolio companies may incur financial losses or additional cost outlays or other responses may be needed to address such occurrences, which could adversely affect SBG’s consolidated and non-consolidated results of operations.

# Calculation of Equity Value of Holdings and Net Debt

As of March 31, 2022

## Equity value of holdings

- Calculated by multiplying the number of Alibaba ADSs equivalent to the number of shares held by SBG by the ADS price; less (a) and (b) below.
  - (a) the sum of the outstanding maturity settlement amounts (calculated by using the company's share price) of the prepaid forward contracts (floor contracts, collar contracts, forward contracts, and call spread) using Alibaba shares.
  - (b) equivalent amount of debt outstanding for margin loans using Alibaba shares.
- Calculated by multiplying the number of shares held by SBG by the share price of SoftBank Corp., less the equivalent amount of debt outstanding for margin loans using SoftBank Corp., shares.
- SBG's share of the equivalent value of assets held by SVF1 + performance fees accrued, etc.
- SBG's share of the equivalent value of assets held by SVF2, etc.
- SBG's share of the equivalent value of assets held by SoftBank Latin America Funds + performance fees accrued.
- The sum of (c) to (e), less (f) to (h) below.
  - (c) value of SBG's shareholding, including the number of shares subject to call options held by Deutsche Telekom (56,124,954 shares as of March 31, 2022), multiplied by the company's share price.
  - (d) fair value of SBG's right to acquire T-Mobile shares (48,751,557 shares) for no consideration under certain conditions (contingent consideration).
  - (e) fair value of the rights received in connection with the transaction in which T-Mobile sold the company's shares to Trust that offered its Cash Mandatory Exchangeable Trust Securities, which allows a subsidiary of SBG to acquire T-Mobile shares under certain conditions.
  - (f) the amount of derivative financial liabilities related to unexercised call options held by Deutsche Telekom.
  - (g) of the total borrowing amount of the margin loan using T-Mobile shares, the amount that is considered as asset-backed financing non-recourse to SBG (\$1.49 billion, which is a portion of the total borrowing amount of \$2.06 billion less the maximum amount guaranteed by SBG (\$0.57 billion), because SBG guarantees a portion of the borrowing on an exceptional basis. As a precondition for SBG to fulfill its guarantee obligations, the lenders are obligated to first recover the amount to the maximum extent possible from Alibaba shares pledged as collateral for such borrowing.).
  - (h) maturity settlement amount of the prepaid forward contracts (collar contracts) using T-Mobile shares (calculated by using the company's share price).
- Calculated by multiplying the number of Deutsche Telekom shares held by SBG by the company's share price, less the maturity settlement amount of a collar transaction using Deutsche Telekom shares.
- The fair value of Arm shares held by SBG (75.01% of outstanding shares), which is calculated based on the fair value of all shares of Arm calculated at SVF1, minus the amount equivalent to the outstanding debt balance of the borrowings made through asset-backed finance using Arm shares.
- SBG's share of SB Northstar's NAV plus the value of NVIDIA Corporation shares held by SBG multiplied by its share price.
- The sum of (i) and (j) below.
  - (i) Listed shares: calculated by multiplying the number of shares held by SBG by the share price of each listed share.
  - (j) Unlisted shares: calculated based on the fair value (or the carrying amount in SBG's balance sheet for those not measured at fair values) of unlisted shares, etc. held by SBG.



## Net debt

- Net debt = SBG net interest-bearing debt
- SBG net interest-bearing debt = Consolidated net interest-bearing debt - Net interest-bearing debt at self-financing entities, etc. - Other adjustments.  
Consolidated net interest-bearing debt: excludes bank deposits and cash position at PayPay Bank
- Net interest-bearing debt at self-financing entities, etc.: the sum of gross interest-bearing debt minus the sum of cash positions of self-financing entities, such as SoftBank Corp., (including its subsidiaries such as Z Holdings Corp.), SVF1, SVF2, SoftBank Latin America Funds, Arm, and PayPay Corporation, as well as SB Northstar.
- Other adjustments: the sum of adjustments of (k) to (u) below.
  - (k) JPY Hybrid Bonds issued in September 2016: deducting 50% from interest-bearing debt (to treat it as equity), as the entire amount is recorded as a liability in the consolidated financial statements.
  - (l) USD Hybrid Notes issued in July 2017: adding 50% to interest-bearing debt (to treat it a liability), as the entire amount is recorded as equity in the consolidated financial statements.
  - (m) JPY Hybrid Loan borrowed in November 2017: deducting 50% from interest-bearing debt (to treat it as equity), as the entire amount is recorded as a liability in the consolidated financial statements.
  - (n) JPY Hybrid Bonds issued in February and June 2021: deducting 50% from interest-bearing debt (to treat it as equity), as the entire amount is recorded as a liability in the consolidated financial statements.
  - (o) deducting the amount equivalent to the outstanding margin loans using Alibaba shares.
  - (p) deducting the financial liabilities relating to prepaid forward contracts (floor contracts, collar contracts, and forward contracts) using Alibaba shares.
  - (q) deducting the equivalent amount of debt outstanding for margin loans using SoftBank Corp. shares.
  - (r) deducting the loan amount that is considered as asset-backed financing non-recourse to SBG, which is a portion of the margin loan using T-Mobile shares pledged as collateral (refer to (g)).
  - (s) deducting the financial liabilities relating to prepaid forward contracts (collar contracts) using T-Mobile shares.
  - (t) deducting the financial liabilities recorded as borrowings relating to collar transactions using Deutsche Telekom shares.
  - (u) deducting the amount equivalent to the outstanding debt balance of the borrowings made through asset-backed finance using Arm shares.

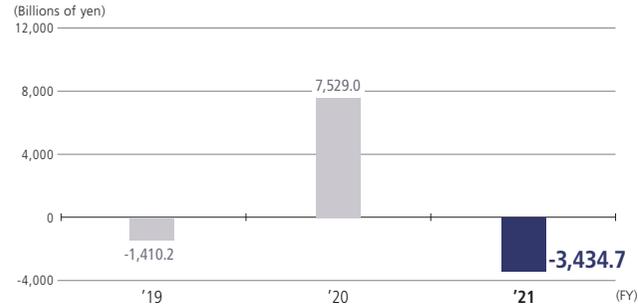
# Financial Section

 For consolidated financial statements and notes, see "Financial Report 2022."

# Graphs: Key Consolidated Financial Data

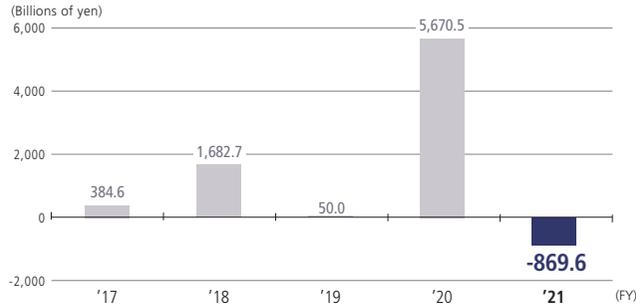
Fiscal years beginning April 1 and ending March 31 of the following year

## Gain (loss) on investments



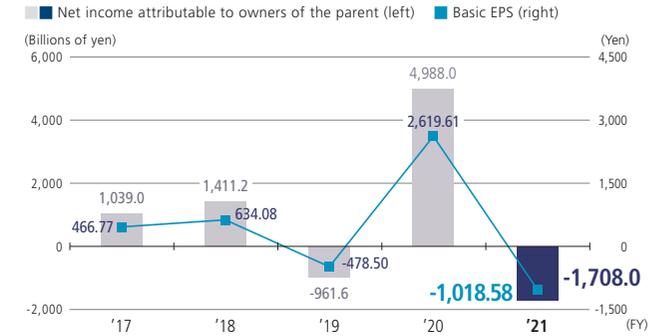
**FY2021**  
Gain (loss) on investments  
- ¥11.0 trillion YoY

## Income before income tax



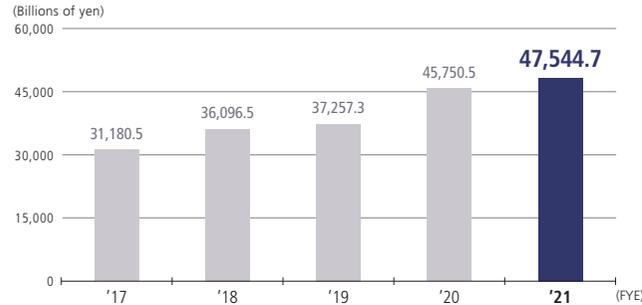
**FY2021**  
Income before income tax  
- ¥6.5 trillion YoY

## Net income attributable to owners of the parent / Basic EPS



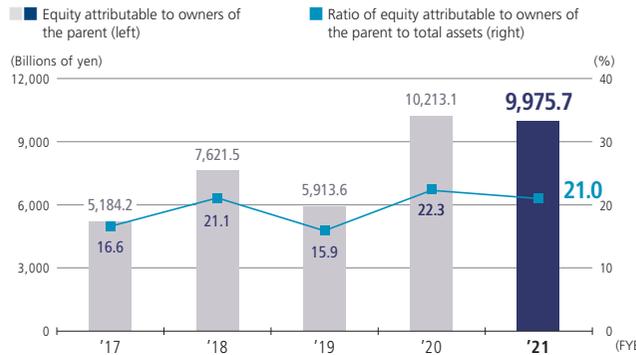
**FY2021**  
Net income attributable to owners of the parent  
- ¥6.7 trillion YoY

## Total assets



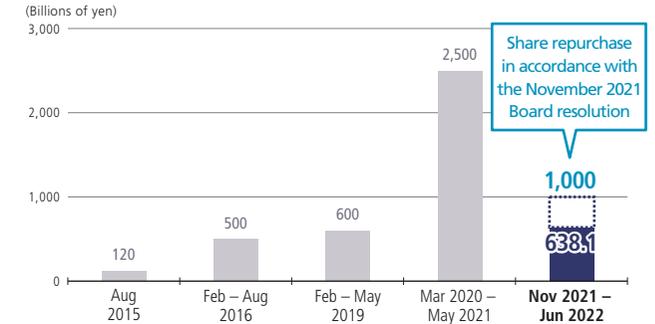
**FYE2021**  
Total assets  
+3.9% YoY

## Equity attributable to owners of the parent / Ratio of equity attributable to owners of the parent to total assets



**FYE2021**  
Equity attributable to owners of the parent  
- 2.3% YoY  
Ratio of equity attributable to owners of the parent to total assets  
21.0%

## Share repurchase



**Share repurchase from November 2021 to June 2022**  
¥638.1 billion / 1 trillion

Notes: 1. Prior to FY2018, gain (loss) on investments are not presented.  
2. Sprint and Brightstar Global Group Inc. ("Brightstar") ceased to be a subsidiary of the Company in FY2020. Operating results of Sprint and Brightstar are excluded from FY2018 and FY2019, respectively.  
3. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. Basic EPS has been retroactively adjusted to reflect the impact of the share split.  
4. The Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" in FY2018, and IFRS 16 "Leases" in FY2019. The information for each previous fiscal year is not restated.

# Eleven-Year Key Consolidated Financial Data

Fiscal years beginning April 1 and ending March 31 of the following year

(Millions of yen)	JGAAP		IFRS			
	FY2011	FY2012	FY2013	FY2014	FY2015	
Net sales	3,202,436	3,202,536	6,666,651	8,504,135	8,881,777	
Operating income* <sup>1</sup>	675,283	799,399	1,077,044	918,720	908,907	
Income before income tax	632,257	715,504	924,049	1,213,035	919,161	
Gain (loss) on investments* <sup>1</sup>	—	—	—	—	—	
Net income attributable to owners of the parent	313,753	372,481	520,250	668,361	474,172	
Total assets	4,899,705	7,218,172	16,690,127	21,034,169	20,707,192	
Total equity attributable to owners of the parent	936,695	1,612,756	1,930,441	2,846,306	2,613,613	
Interest-bearing debt* <sup>2</sup>	1,568,126	3,707,853	9,170,053	11,607,244	11,922,431	
Net interest-bearing debt* <sup>3</sup>	547,299	2,257,806	7,059,286	8,182,817	9,248,363	
Net cash provided by operating activities	740,227	813,025	860,245	1,155,174	940,186	
Net cash used in investing activities	(375,656)	(874,144)	(2,718,188)	(1,667,271)	(1,651,682)	
Net cash provided by (used in) financing activities	(196,667)	471,477	2,359,375	1,719,923	43,270	
Net increase (decrease) in cash and cash equivalents	168,069	417,944	524,433	1,295,163	(689,046)	
Cash and cash equivalents at the fiscal year-end	1,014,559	1,439,057	1,963,490	3,258,653	2,569,607	
<b>Major Indicators</b>	(Units)					
ROA	%	6.6	6.0	4.4	3.5	2.3
ROE	%	40.3	29.7	29.5	28.0	17.4
Ratio of equity attributable to owners of the parent to total assets	%	19.1	22.3	11.6	13.5	12.6
<b>Per share data*<sup>4</sup></b>	(Units)					
Basic EPS	¥	142.89	166.26	218.48	281.10	201.25
Diluted EPS	¥	139.38	164.04	217.34	279.38	194.16
Equity per share attributable to owners of the parent	¥	426.35	676.78	812.17	1,196.74	1,139.42
Dividend per share	¥	20.00	20.00	20.00	20.00	20.50
<b>Others</b>	(Units)					
Number of shares outstanding (excluding treasury stock)	'000	1,098,515	1,191,500	1,188,456	1,189,197	1,146,900
Number of subsidiaries		196	235	756	769	739
Number of associates		97	108	105	120	122
Number of employees (consolidated basis)		22,710	25,891	70,336	66,154	63,591

(Millions of yen)	IFRS						
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	
Net sales	8,901,004	9,158,765	6,093,548	5,238,938	5,628,167	<b>6,221,534</b>	
Operating income* <sup>1</sup>	1,025,999	1,303,801	2,073,636	–	–	–	
Income before income tax	712,526	384,630	1,682,673	50,038	5,670,456	<b>(869,562)</b>	
Gain (loss) on investments* <sup>1</sup>	–	–	–	(1,410,153)	7,529,006	<b>(3,434,742)</b>	
Net income attributable to owners of the parent	1,426,308	1,038,977	1,411,199	(961,576)	4,987,962	<b>(1,708,029)</b>	
Total assets	24,634,212	31,180,466	36,096,476	37,257,292	45,750,453	<b>47,544,670</b>	
Total equity attributable to owners of the parent	3,586,352	5,184,176	7,621,481	5,913,613	10,213,093	<b>9,975,674</b>	
Interest-bearing debt* <sup>2</sup>	14,858,370	17,042,188	15,685,106	14,272,208	19,547,976	<b>22,323,580</b>	
Net interest-bearing debt* <sup>3</sup>	11,923,065	13,617,255	12,056,031	11,027,565	14,016,812	<b>17,100,637</b>	
Net cash provided by operating activities	1,500,728	1,088,623	1,171,864	1,117,879	557,250	<b>2,725,450</b>	
Net cash used in investing activities	(4,213,597)	(4,484,822)	(2,908,016)	(4,286,921)	(1,468,599)	<b>(3,018,654)</b>	
Net cash provided by (used in) financing activities	2,380,746	4,626,421	2,202,291	2,920,863	2,194,077	<b>602,216</b>	
Net increase (decrease) in cash and cash equivalents	(386,505)	1,151,548	523,868	(489,503)	1,293,710	<b>506,276</b>	
Cash and cash equivalents at the fiscal year-end	2,183,102	3,334,650	3,858,518	3,369,015	4,662,725	<b>5,169,001</b>	
<b>Major Indicators</b>	(Units)						
ROA	%	6.3	3.7	4.2	(2.6)	12.0	<b>(3.7)</b>
ROE	%	46.0	23.7	22.0	(14.2)	61.9	<b>(16.9)</b>
Ratio of equity attributable to owners of the parent to total assets	%	14.6	16.6	21.1	15.9	22.3	<b>21.0</b>
<b>Per share data*<sup>4</sup></b>	(Units)						
Basic EPS	¥	643.50	466.77	634.08	(478.50)	2,619.61	<b>(1,018.58)</b>
Diluted EPS	¥	637.82	454.19	628.27	(485.33)	2,437.29	<b>(1,025.67)</b>
Equity per share attributable to owners of the parent	¥	1,646.20	2,151.13	3,380.33	2,619.32	5,588.80	<b>5,755.92</b>
Dividend per share	¥	22.00	22.00	22.00	44.00	44.00	<b>44.00</b>
<b>Others</b>	(Units)						
Number of shares outstanding (excluding treasury stock)	'000	1,089,282	1,089,498	1,053,833	2,067,996	1,738,517	<b>1,646,790</b>
Number of subsidiaries		763	1,141	1,302	1,475	1,408	<b>1,316</b>
Number of associates		130	385	423	455	535	<b>565</b>
Number of employees (consolidated basis)		68,402	74,952	76,866	80,909	58,786	<b>59,721</b>

Notes: 1. The Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" in FY2018 and IFRS 16 "Leases" in FY2019. The information for each previous fiscal year is not restated.

Terminology differences between JGAAP and IFRSs are as follows. (JGAAP / IFRSs)

- Income before income taxes and minority interests / income before income tax
- Net income / net income attributable to owners of the parent
- Total shareholders' equity / total equity attributable to owners of the parent
- Ratio of total shareholders' equity / ratio of total equity attributable to owners of the parent
- Net income per share / basic EPS
- Diluted net income per share / diluted EPS
- Shareholders' equity per share / equity per share attributable to owners of the parent

2. The Company adopted IFRIC 21 "Leases" in FY2014. The figures for FY2013 have been retrospectively adjusted.

3. As of June 1, 2015, GungHo Online Entertainment, Inc. ("GungHo") no longer qualified as a subsidiary and became an equity method associate. Accordingly, GungHo's net income and loss for the period from April 1, 2015 to June 1, 2015 are presented as discontinued operations. Its net income and loss for FY2014 were revised retrospectively and presented under discontinued operations. Furthermore, as of August 16, 2016, GungHo no longer qualified as an equity method associate.

4. The Company sold all of its shares in Supercell Oy ("Supercell") to an affiliate of Tencent Holdings Limited on July 29, 2016. Accordingly, Supercell's net income until July 29, 2016 is presented as discontinued operations. Net income of Supercell for FY2015 was revised retrospectively and presented under discontinued operations.

\*1 From FY2020, "operating income" is no longer presented and "gain (loss) on investments" is newly presented. Information for FY2019 is restated in the same manner.

\*2 Includes lease liabilities from FY2019. Deposits for banking business of PayPay Bank Corporation are not included in interest-bearing debt.

\*3 Calculated by subtracting cash position (cash and cash equivalents + short-term investments recorded as current assets (both excluding those of PayPay Bank Corporation)) from the presented interest-bearing debt.

\*4 Basic EPS and diluted EPS are calculated based on net income attributable to owners of the parent.

The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. Per share information has been retroactively adjusted to reflect the impact of the share split.

## NAV & LTV

(Trillions of yen)	FY2020				FY2021			
	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31
<b>Equity value of holdings (asset-backed finance adjusted)</b>	<b>24.8</b>	<b>31.5</b>	<b>28.1</b>	<b>30.4</b>	<b>32.1</b>	<b>25.7</b>	<b>24.7</b>	<b>23.2</b>
Alibaba	12.6	18.6	13.1	12.8	12.4	7.3	6.0	5.2
SoftBank	3.6	1.8	2.0	2.3	2.3	2.4	2.3	2.2
SVF1	2.7	2.9	4.2	6.2	6.2	5.1	5.2	4.0
SVF2	0.2	0.8	1.0	1.3	2.9	4.0	4.8	5.0
LatAm Funds	0.2	0.2	0.3	0.4	0.8	0.9	0.9	1.1
T-Mobile	1.4	1.3	1.6	1.5	1.9	0.8	0.7	1.0
Deutsche Telekom	–	–	–	–	–	0.5	0.1	0.1
Arm	2.7	2.6	2.6	2.7	2.7	2.8	2.8	2.7
SB Northstar	0.4	2.3	2.1	1.7	1.5	0.7	0.8	0.6
Others	1.2	1.2	1.2	1.6	1.6	1.3	1.0	1.3
<b>Net interest-bearing debt (asset-backed finance adjusted)</b>	<b>2.2</b>	<b>3.6</b>	<b>4.0</b>	<b>3.7</b>	<b>5.1</b>	<b>4.8</b>	<b>5.3</b>	<b>4.7</b>
Consolidated net interest-bearing debt	10.0	9.1	12.4	14.0	15.9	16.1	16.8	17.1
Net interest-bearing debt at self-financing entities, etc.	4.3	2.5	4.7	5.5	5.4	5.2	5.3	5.0
Other adjustments	3.5	2.9	3.6	4.9	5.4	6.1	6.2	7.4
<b>NAV</b>	<b>22.7</b>	<b>27.9</b>	<b>24.1</b>	<b>26.7</b>	<b>27.0</b>	<b>20.9</b>	<b>19.3</b>	<b>18.5</b>
(Yen)								
<b>NAV per share</b>	<b>11,647</b>	<b>14,837</b>	<b>13,362</b>	<b>15,353</b>	<b>15,755</b>	<b>12,191</b>	<b>11,363</b>	<b>11,204</b>
(%)								
<b>LTV</b>	<b>8.8</b>	<b>11.6</b>	<b>14.3</b>	<b>12.2</b>	<b>15.9</b>	<b>18.7</b>	<b>21.6</b>	<b>20.4</b>
(Reference)								
Share price (yen)	5,450	6,469	8,058	9,330	7,775	6,480	5,434	5,559
Total number of shares issued (excluding treasury stock) (thousands)	1,946,496	1,879,320	1,801,645	1,738,517	1,713,113	1,713,616	1,701,921	1,646,790
USD / JPY	107.56	105.80	103.50	110.71	110.58	111.92	115.02	122.39

Notes: 1. For the definition of NAV and LTV, see pages 18-19.

2. Since FY2021 September 30, the equity value of SBG's subsidiaries, etc., which were not included previously, has been included in "Others" to calculate NAV. NAV, NAV per share, and LTV prior to FY2021 June 30 have been retroactively revised accordingly.

3. The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

# Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows

As of June 24, 2022

## Results of operations

### 1. Fiscal 2021 highlights of results

#### Loss on investments of ¥3,434.7 billion

– ¥3,738.8 billion investment loss at SVF1, SVF2, and others (of which ¥972.7 billion was attributable to third-party interests)

- SVF1: Realized gain (net) of ¥1,226.1 billion was recorded mainly due to partial exits of listed portfolio companies, of which ¥1,463.8 billion had been recorded as unrealized gains on investments (net) in previous fiscal years. Unrealized loss on valuation (net) totaled ¥2,922.3 billion mainly due to a decline in the share prices of most listed portfolio companies caused by multiple factors, including overhang concerns, regulatory tightening, and the general avoidance of high-growth technology stocks in anticipation of higher interest rates. For the same reasons, growth in the fair value of unlisted portfolio companies was also sluggish.
- SVF2: Recorded realized gain of ¥128.6 billion, of which ¥314.1 billion had been recorded as unrealized gains on investments (net) in previous fiscal years, and unrealized loss on valuation (net) of ¥265.5 billion.

#### Loss before income tax of ¥869.6 billion (deterioration of ¥6,540.0 billion yoy)

– Recorded finance cost of ¥382.5 billion and derivative gain (excluding gain (loss) on investments) of ¥1,234.7 billion, which was mainly related to prepaid forward contracts using Alibaba shares.

#### Net loss attributable to owners of the parent of ¥1,708.0 billion (deterioration of ¥6,696.0 billion yoy)

### 2. New investments and share repurchases were made while maintaining LTV\*1 less than 25%, with proceeds generated by SoftBank Vision Funds, as well as flexible financing.

#### Distributions from SoftBank Vision Funds

– SVF1 and SVF2 distributed proceeds mainly from the partial sale and monetization of investments. The Company received such proceeds of \$6.79 billion from SVF1 and \$8.43 billion from SVF2.

#### Fund procurement

- \$13.17 billion (net) was raised through prepaid forward contracts using Alibaba shares, from new contracts signed, rollovers, and the early termination of existing contracts.
- \$8.0 billion was raised through borrowings made using Arm shares (asset-backed finance).

#### Investments

- SVF1 made investments totaling \$3.33 billion in fiscal 2021 and held 82 investments\*2 (including 22 listed portfolio companies) as of the fiscal year-end. Twelve companies were newly listed in fiscal 2021.
- SVF2 made new and follow-on investments totaling \$40.82 billion in fiscal 2021, bringing the fund's total cost to \$47.54 billion. SVF2 held 250 investments\*3 (including 14 listed portfolio companies) as of the fiscal year-end. Eleven companies were newly listed in fiscal 2021.
- SoftBank Latin America Funds made investments totaling \$4.3 billion in fiscal 2021 including 65 new investments and held 101 investments\*4 as of the fiscal year-end.

#### Share repurchase

– Of a total ¥1 trillion authorized share repurchases approved in November 2021, SBG repurchased shares totaling ¥344.6 billion as of the fiscal year-end.

#### Dividends

– The annual dividend for fiscal 2021, including the interim dividend, is ¥44 per share, the same as the previous fiscal year. This brings the total dividend payout for fiscal 2021 to ¥73.9 billion.

### 3. Refinanced ¥1.2 trillion in bonds. Issued foreign currency-denominated straight bonds, taking advantage of the low-interest-rate-environment in a timely manner.

- SBG issued domestic hybrid bonds of ¥405.0 billion and domestic subordinated bonds of ¥500.0 billion and ¥550.0 billion. Domestic hybrid bonds of ¥455.6 billion and domestic subordinated bonds of ¥361.6 billion and ¥404.4 billion were redeemed.
- SBG issued foreign currency-denominated straight bonds of \$3.85 billion and €2.95 billion.

Notes: Abbreviations for Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows

The fiscal year / Fiscal 2021: Twelve-month period ended March 31, 2022

The first quarter: Three-month period ended June 30, 2021

The second quarter: Three-month period ended September 30, 2021

The third quarter: Three-month period ended December 31, 2021

The fourth quarter: Three-month period ended March 31, 2022

The previous fiscal year / Fiscal 2020: Twelve-month period ended March 31, 2021

The fiscal year-end: March 31, 2022

The previous fiscal year-end: March 31, 2021

\*1 See page 19 for definitions of LTV.

\*2 Includes two investments accounted for as subsidiaries of the Company.

\*3 Includes one investment accounted for as a subsidiary of the Company.

\*4 Includes one investment accounted for as a subsidiary of the Company.

## Overall results for fiscal 2021

	(Millions of yen)			
	Fiscal 2020	Fiscal 2021	Change	Change %
<b>Continuing operations</b>				
Net sales	5,628,167	<b>6,221,534</b>	593,367	10.5%
Gross profit	2,874,929	<b>3,265,574</b>	390,645	13.6%
Gain (loss) on investments				
Gain on investments at Investment Business of Holding Companies	945,944	<b>104,362</b>	(841,582)	(89.0%)
Gain (loss) on investments at SVF1, SVF2, and others	6,292,024	<b>(3,738,825)</b>	(10,030,849)	–
Gain on investments at Latin America Funds	196,556	<b>111,070</b>	(85,486)	(43.5%)
Gain on other investments	94,482	<b>88,651</b>	(5,831)	(6.2%)
Total gain (loss) on investments	7,529,006	<b>(3,434,742)</b>	(10,963,748)	–
Selling, general and administrative expenses	(2,271,497)	<b>(2,551,722)</b>	(280,225)	12.3%
Finance cost	(307,250)	<b>(382,512)</b>	(75,262)	24.5%
Foreign exchange loss	(137,166)	<b>(706,111)</b>	(568,945)	–
Income on equity method investments	616,432	<b>341,385</b>	(275,047)	(44.6%)
Derivative gain (loss) (excluding gain (loss) on investments)	(480,251)	<b>1,234,708</b>	1,714,959	–
Change in third-party interests in SVF1 and SVF2	(2,246,417)	<b>972,674</b>	3,219,091	–
Other gain	92,670	<b>391,184</b>	298,514	322.1%
Income before income tax	5,670,456	<b>(869,562)</b>	(6,540,018)	–
Income taxes	(1,303,168)	<b>(592,637)</b>	710,531	(54.5%)
Net income from continuing operations	4,367,288	<b>(1,462,199)</b>	(5,829,487)	–
<b>Discontinued operations</b>				
Net income from discontinued operations	710,948	–	(710,948)	–
Net income	5,078,236	<b>(1,462,199)</b>	(6,540,435)	–
Net income attributable to owners of the parent	4,987,962	<b>(1,708,029)</b>	(6,695,991)	–
Total comprehensive income				
Comprehensive income attributable to owners of the parent	5,578,244	<b>691,211</b>	(4,887,033)	(87.6%)
	5,482,739	<b>449,419</b>	(5,033,320)	(91.8%)

## 1. Net sales

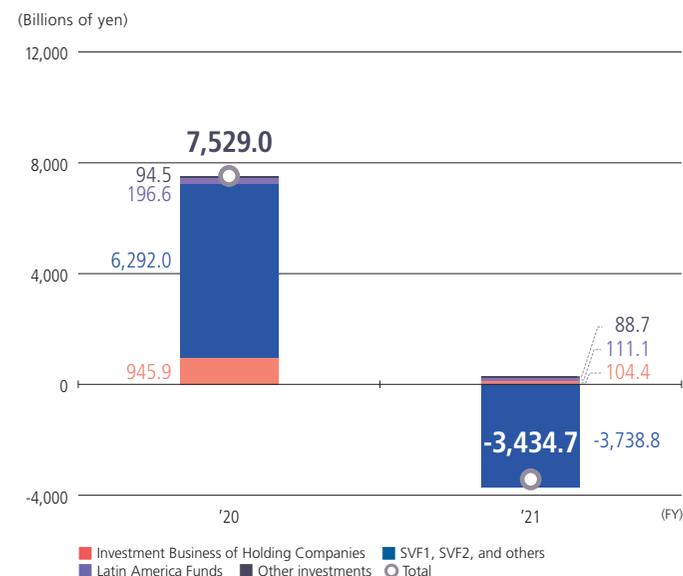
Net sales increased ¥593,367 million (10.5%) year on year, to ¥6,221,534 million. Net sales increased in the SoftBank and Arm segments.

## 2. Loss on investments

Total loss on investments was ¥3,434,742 million.

Gain on investments at Investment Business of Holding Companies was ¥104,362 million. The Company recorded a gain related to settlement of prepaid forward contracts using Alibaba shares of ¥199,972 million and gain on investments in T-Mobile and Deutsche Telekom shares (derivative gain related to investments, unrealized valuation loss, and gain on sales of T-Mobile shares) of ¥70,307 million. On the other hand, the Company recorded a loss of ¥229,504 million on investments in listed stocks and other instruments. See “Investment Business of Holding Companies Segment” on page 84 for details.

## Gain (loss) on investments



Loss on investments at SVF1, SVF2, and others was ¥3,738,825 million, of which ¥972,674 million was attributable to third-party interests. SVF1 recorded realized gain on investments (net) of ¥1,226,097 million, mainly as a result of sales\*<sup>1</sup> of entire or partial shareholding positions of certain investments, of which ¥1,463,810 million had been recorded as unrealized gains on investments (net) in previous fiscal years. In addition, SVF1 recorded unrealized loss on valuation (net) totaling ¥3,632,168 million for listed portfolio companies, including losses of ¥1,645,327 million recorded for Coupang, Inc. (“Coupang”) and ¥911,412 million for DiDi Global Inc. (“DiDi”). This reflected a decline in the share prices of most of its listed portfolio companies due to multiple factors, including overhang concerns and regulatory tightening, in addition to the general avoidance of high-growth technology stocks led by an anticipation of higher interest rates. For unlisted portfolio companies, SVF1 recorded unrealized gains on valuation (net) totaling ¥709,833 million, reflecting an overall increase in the fair values of certain portfolio companies in fiscal 2021 following successful funding rounds and strong business performance, while a wide range of portfolio companies was written down in the fourth quarter reflecting a decline in the share prices of public market comparable companies.

SVF2 recorded realized gain on investments of ¥128,577 million, of which ¥314,096 million had been recorded as unrealized gains on investments (net) in previous fiscal years, mainly due to the partial sale of its investment in KE Holdings Inc. (“KE Holdings”). In addition, SVF2 recorded unrealized loss on valuation (net) of ¥265,476 million due to a decline in the share price of KE Holdings and a decrease in fair values of unlisted portfolio companies, offsetting an increase in the share price of AutoStore Holdings Ltd. (“AutoStore”), which listed in the third quarter. See “SoftBank Vision Funds Segment” on page 91 for details.

Gain on investments at Latin America Funds was ¥111,070 million. Unrealized gain on valuation of investments (net) totaled ¥118,922 million, mainly due to an increase in fair values of unlisted portfolio companies, such as QUINTOANDAR, LTD., Kavak Holdings Limited, and Creditas Financial Solutions, Ltd., while the share prices of listed portfolio companies, such as Banco Inter S.A. and VTEX declined. See “Latin America Funds Segment” on page 109 for details.

### 3. Loss before income tax

Loss before income tax was ¥869,562 million, a deterioration of ¥6,540,018 million year on year. Major changes other than gain (loss) on investments are as follows.

Selling, general and administrative expenses increased by ¥280,225 million year on year, to ¥2,551,722 million. In the SoftBank segment, the expenses increased by ¥313,832 million. This was due to the impact

of the consolidation of LINE Corporation in March 2021 and an increase in sales promotion and other expenses at Yahoo Japan Corporation.

Finance cost increased by ¥75,262 million year on year, to ¥382,512 million. Interest expenses increased by ¥58,512 million in the Investment Business of Holding Companies segment. This mainly reflected increases in interest expenses at SBG.\*<sup>2</sup>

Foreign exchange loss of ¥706,111 million (net), a deterioration of ¥568,945 million year on year, was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

At foreign subsidiaries and associates whose functional currency is not Japanese yen (primarily U.S. dollars), such as SoftBank Vision Funds, the yen value of their net assets increased due to the weaker yen. However, this positive impact is not included in foreign exchange gains; instead, it is included in the increase in exchange differences from the translation of foreign operations of ¥2,176,948 million, which is listed under accumulated other comprehensive income in equity of the Consolidated Statement of Financial Position.

Income of equity method investments decreased by ¥275,047 million year on year, to ¥341,385 million. Income on equity method investments related to Alibaba was ¥387,911 million,\*<sup>3</sup> a decrease of ¥184,605 million year on year. This was mainly due to a decrease in investment gain on Alibaba’s investments classified as financial assets at FVTPL. The result also reflected increased investments in growth initiatives, increased spending for user enhancements, and increased support to e-commerce merchants.

Alibaba recorded an expense for the three-month period ended March 31, 2021 for the fine levied by China’s State Administration for Market Regulation pursuant to China’s Anti-Monopoly Law. The Company had already recorded the expense in the fourth quarter of the previous fiscal year as a significant event during the applicable period on a three-month time lag.

Derivative gain (excluding gain (loss) on investments) increased by ¥1,714,959 million year on year, to ¥1,234,708 million. Derivative gain of ¥1,132,994 million was recorded in connection with prepaid forward contracts using Alibaba shares entered into in fiscal 2019, 2020, and 2021.

Within derivative gain (loss), gains and losses related to investing activities, such as acquisition and sale of shares, are included in “gain (loss) on investments.” For example, this applies to derivative gains and losses arising from long call options of listed stocks held by asset management subsidiaries. Conversely, those related to non-investing activities, particularly gains and losses arising from derivatives used in fund procurement, are included in “derivative gain (loss) (excluding gain (loss) on investments).” For example, this applies to derivative gains and losses related to prepaid forward contracts using Alibaba shares and T-Mobile shares. However, in cases where the prepaid forward contracts are settled using shares rather than cash, gains and losses arising from the reversal of derivative financial assets or liabilities at settlement are included in “gain (loss) on investments” as part of gains and losses related to settlement of prepaid forward contracts using shares.

#### 4. Net loss attributable to owners of the parent

Net loss attributable to owners of the parent was ¥1,708,029 million, a deterioration of ¥6,695,991 million year on year.

Income taxes decreased by ¥710,531 million year on year, to ¥592,637 million. Current income taxes were recorded at SoftBank Corp. and Yahoo Japan Corporation. Meanwhile, deferred tax expenses were recorded due to the recording of derivative gain related to prepaid forward contracts using Alibaba shares.

In the previous fiscal year, the Company recorded a gain of ¥720,842 million related to loss of control of Sprint in connection with Sprint ceasing to be a subsidiary of the Company following the completion of the merger between Sprint and T-Mobile US, Inc. The gain was included in net income from discontinued operations.

\*1 Includes a share exchange. In the first quarter, SVF1 exchanged all of its shares in PT Tokopedia (“Tokopedia”) for shares in GoTo, a newly formed company as a result of a merger between Tokopedia and PT Aplikasi Karya Anak Bangsa. This share exchange is treated as a full exit (entire sale) from the investment and an acquisition of a new investment, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gain and loss on the investments.

\*2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

\*3 The Company applied the equity method to Alibaba's consolidated financial statements (the Company's economic interests in Alibaba as of December 31, 2021: 24.28%) for each reporting period on a three-month time lag because it is impractical to align reporting periods with Alibaba due to contracts with the company, among others. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the period on a three-month time lag.

### Impact of the situation in Russia and Ukraine

SBG and SoftBank Vision Funds have no direct investments in Russian or Ukrainian companies as of the fiscal year-end. In addition, no Russian investors are included as third-party investors of SVF1. Although some group companies and investees may have operating businesses in Russia or Ukraine or do business with Russian companies (including those that have already withdrawn or ceased operations or ceased transactions), the impact of such operations or transactions on the Company's consolidated financial statements is limited.

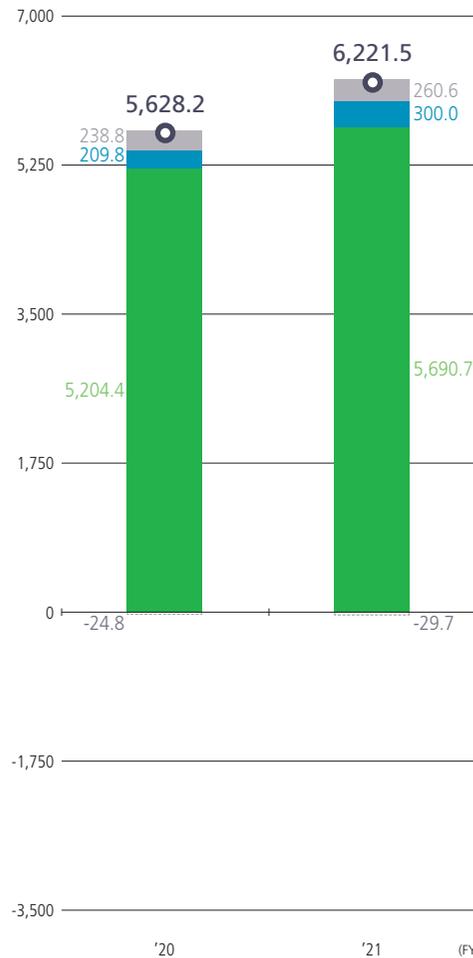
However, there are growing concerns of a global economic slowdown as energy prices have surged in the wake of economic sanctions against Russia following its invasion of Ukraine, combined with the onset of monetary tightening in the U.S. to curb inflation, and continued supply chain disruptions due to COVID-19. These macroeconomic headwinds have led to increased global stock market volatility, which has adversely affected the value of the Company's equity holdings and NAV.\* The Company remains committed to ensuring liquidity and diversity in its investment portfolio while adhering to its financial policy of maintaining a prudent LTV and cash position. Like many other international funds, SoftBank Vision Funds, and Latin America Funds are not immune to changes in the external environment, hence they continue to carefully construct and manage their investment portfolios by closely monitoring the market and placing emphasis on assessing the fundamentals of the investees.

\* See page 18 for details of NAV.

## Summary of Segment Information

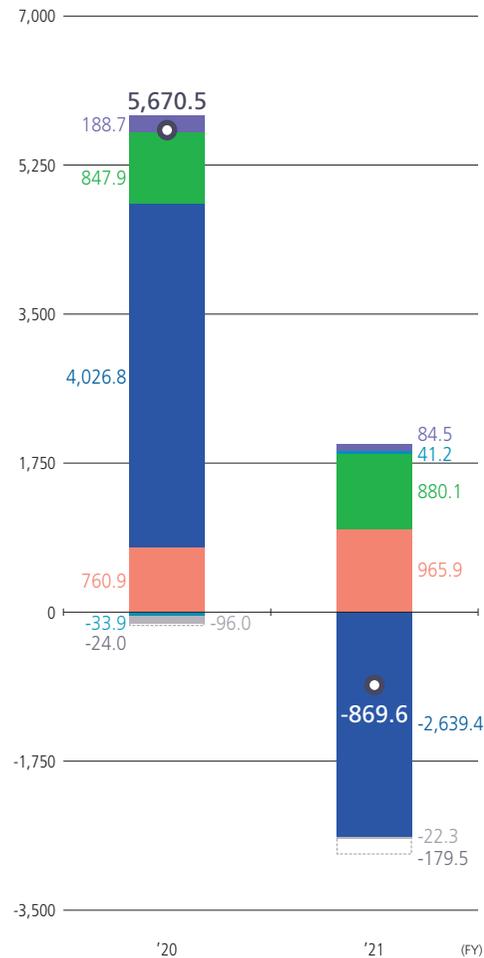
### Net sales

(Billions of yen)



### Segment income (income before income tax)

(Billions of yen)



■ Investment Business of Holding Companies\*1
 ■ SoftBank Vision Funds\*1
 ■ SoftBank
 ■ Arm
 ■ Latin America Funds\*1
 ■ Other\*2
  Reconciliations
 ○ Consolidated

\*1 Net sales are not recorded for this segment as it is not engaged in the sale of goods and services.

\*2 Includes the business results of Fortress Investment Group LLC, PayPay Corporation, and the ISG business of Arm, among others.

### Overview of Reportable Segments

Segments	Main businesses	Core companies
Investment Business of Holding Companies	<ul style="list-style-type: none"> <li>Investment activities by SBG and its subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>SoftBank Group Corp.</li> <li>SoftBank Group Capital Limited</li> <li>SoftBank Group Japan Corporation</li> <li>SB Northstar LP</li> </ul>
SoftBank Vision Funds	<ul style="list-style-type: none"> <li>Investment activities by SVF1 and SVF2</li> </ul>	<ul style="list-style-type: none"> <li>SB Investment Advisers (UK) Limited</li> <li>SoftBank Vision Fund L.P.</li> <li>SB Global Advisers Limited</li> <li>SoftBank Vision Fund II-2 L.P.</li> </ul>
SoftBank	<ul style="list-style-type: none"> <li>Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan</li> <li>Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan</li> <li>Distribution business: Provision of ICT services products to enterprise customers and provision of communication device-related products and IoT equipment to retail customers</li> <li>Yahoo! JAPAN/LINE business: Provision of internet advertising and e-commerce services</li> </ul>	<ul style="list-style-type: none"> <li>SoftBank Corp.</li> <li>Z Holdings Corporation</li> <li>Yahoo Japan Corporation</li> <li>LINE Corporation</li> </ul>
Arm	<ul style="list-style-type: none"> <li>Design of microprocessor intellectual property and related technology</li> <li>Sale of software tools and provision of related services</li> </ul>	<ul style="list-style-type: none"> <li>Arm Limited</li> </ul>
Latin America Funds	<ul style="list-style-type: none"> <li>Investment activities by SoftBank Latin America Funds</li> </ul>	<ul style="list-style-type: none"> <li>SBLA Latin America Fund LLC</li> <li>SBLA Advisers Corp.</li> <li>SBLA Latin America Fund (Cayman) L.P.</li> <li>SBLA Holdings (Cayman) L.P.</li> <li>SBLA Holdings II DE LLC</li> <li>SLA Holdco I LLC</li> </ul>

### Establishment and renaming of reportable segments

#### New establishment of the Latin America Funds Segment

SoftBank Latin America Funds, which were previously included within "Other," are newly presented as an independent reportable segment starting from the first quarter due to their greater financial significance. In line with this, "gain (loss) on investments at Latin America Funds," which were previously included in "gain (loss) on other investments" in the Consolidated Statement of Income, are newly presented as an independent item. Information for the previous fiscal year has been reclassified and presented accordingly. Because SoftBank Latin America Funds will be managed by SBGA, which manages SVF2, the Latin America Funds segment will be integrated into the SoftBank Vision Funds segment starting from the first quarter of fiscal 2022. See "Latin America Funds Segment" on page 109 for the overview of the segment.

#### Rename to "SoftBank Vision Funds segment"

In the second quarter, the "SoftBank Vision Funds segment" was renamed from "SVF1 and Other SBIA-Managed Funds segment" due to change in the manager of SVF2 to SBGA.

## Investment Business of Holding Companies Segment

- Gain on investments of ¥104.1 billion: Recorded ¥200.0 billion gain related to settlement of prepaid forward contracts using Alibaba shares and a total of ¥70.3 billion investment gain in T-Mobile and Deutsche Telekom (derivative gain on investments, unrealized valuation loss, gain on sales of T-Mobile shares), despite investment losses totaling ¥229.7 billion\* for listed stocks and other instruments.**
- Segment income of ¥965.9 billion, as a result of the recording of ¥1,133.0 billion derivative gain related to prepaid forward contracts using Alibaba shares.**

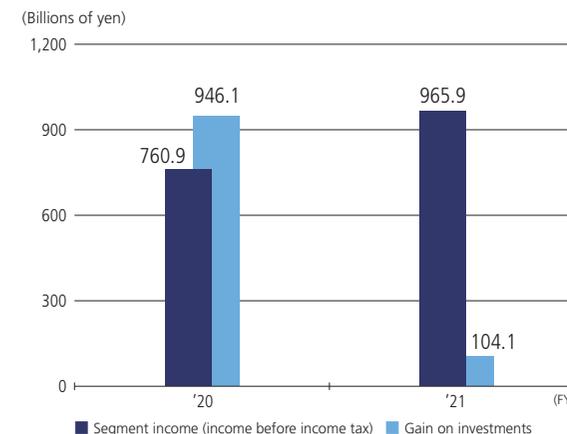
\* Includes the impact of investments by SB Northstar in special purpose acquisition companies (SPACs) controlled by SBIA US, which has been eliminated in consolidation.

### Overview

This segment is led by SBG, which conducts investment activities, either directly or through its subsidiaries, as a strategic investment holding company. The segment consists of SBG, SoftBank Group Capital Limited (“SBGC”), SoftBank Group Japan Corporation (“SBGJ”), asset management subsidiary SB Northstar, and certain other subsidiaries engaged in investment and financing activities. Gain and loss on investments at Investment Business of Holding Companies comprises gains and losses on investments held by SBG either directly or through its subsidiaries but does not include gains and losses on investments pertaining to subsidiaries’ shares, such as dividend income from subsidiaries or impairment losses related to the subsidiaries’ shares.

The companies comprising this segment hold approximately 120 portfolio companies, including Alibaba, T-Mobile, and Deutsche Telekom, as well as investees of SB Northstar. They are either equity method associates (such as Alibaba) or investments classified as financial assets at FVTPL. Regarding the financial results of portfolio companies classified as equity method associates, income and losses are recorded as “income (loss) on equity method investments” in proportion to equity interest. Investments classified as financial assets at FVTPL are measured at fair value every quarter, and any change in fair value is recorded in the Consolidated Statement of Income as “gain (loss) on investments.”

### Segment income (income before income tax) / gain on investments



## Financial results

	(Millions of yen)			
	Fiscal 2020	Fiscal 2021	Change	Change %
Gain on investments at Investment Business of holding Companies	946,107	<b>104,131</b>	(841,976)	(89.0%) A
Gain relating to settlement of prepaid forward contracts using Alibaba shares	–	<b>199,972</b>	199,972	–
Gain relating to sales of T-Mobile shares	421,755	<b>3,149</b>	(418,606)	(99.3%)
Realized gain (loss) on investments at asset management subsidiaries	(20,537)	<b>54,853</b>	75,390	–
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	134,237	<b>(393,635)</b>	(527,872)	–
Derivative gain (loss) on investments at asset management subsidiaries	(610,690)	<b>89,476</b>	700,166	–
Realized gain (loss) on investments	222,161	<b>(265,897)</b>	(488,058)	–
Unrealized gain on valuation of investments	608,448	<b>282,824</b>	(325,624)	(53.5%)
Change in valuation for the fiscal year	609,734	<b>(156,603)</b>	(766,337)	–
Reclassified to realized gain (loss) recorded in the past fiscal year*1	(1,286)	<b>439,427</b>	440,713	–
Derivative gain on investments	185,769	<b>101,524</b>	(84,245)	(45.3%)
Effect of foreign exchange translation*2	–	<b>12,486</b>	12,486	–
Other	4,964	<b>19,379</b>	14,415	290.4%
Selling, general and administrative expenses	(102,276)	<b>(85,742)</b>	16,534	(16.2%)
Finance cost	(218,604)	<b>(277,116)</b>	(58,512)	26.8% B
Foreign exchange loss	(140,223)	<b>(705,108)</b>	(564,885)	– C
Income on equity method investments	601,364	<b>376,433</b>	(224,931)	(37.4%) D
Derivative gain (loss) (excluding gain (loss) on investments) <i>Mainly due to prepaid forward contracts using Alibaba shares</i>	(477,536)	<b>1,236,395</b>	1,713,931	– E
Other gain	152,095	<b>316,891</b>	164,796	108.4% F
<b>Segment income (income before income tax)</b>	<b>760,927</b>	<b>965,884</b>	<b>204,957</b>	<b>26.9%</b>

\*1 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2021 are reclassified as "realized gain (loss) on investments."

\*2 Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were incurred, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effects of foreign exchange translation" are amounts arising from the different foreign currency exchange rates used for these unrealized gains and losses on valuation and realized gains and losses.

### A Gain on investments at Investment Business of Holding Companies: ¥104,131 million

- Gain relating to settlement of prepaid forward contracts using Alibaba shares of ¥199,972 million was recorded due to the settlement of a portion of the contracts through the delivery of Alibaba shares.
- Gain relating to sales of T-Mobile shares of ¥3,149 million was recorded in conjunction with a partial sale of T-Mobile shares in September 2021. See "Partial sale of T-Mobile shares in September 2021" on page 87 for details of the sale transaction. Cumulative losses pertaining to the 45.4 million T-Mobile shares that were the subject of this sale were ¥13,447 million. This is the difference between the fair value of the 45.4 million shares as of June 26, 2020, when T-Mobile was excluded from the Company's equity method associates, and the fair value of the 225.0 million Deutsche Telekom shares received as consideration upon completion of such sale.
- Realized gain of ¥54,853 million and unrealized valuation loss of ¥393,635 million were recorded on investments at asset management subsidiaries. This was a result of investments in listed stocks and other instruments by SB Northstar.
- Derivative gain on investments at asset management subsidiaries of ¥89,476 million was recorded. This was due to the recording of gains at SB Northstar mainly related to long call options on listed stocks.
- Realized loss on investments of ¥265,897 million and unrealized gain on valuation of investments of ¥282,824 million were recorded. These were mainly due to the sale of shares of a wholly owned subsidiary that held the shares of WeWork Inc. ("WeWork") from SBG to SVF2. Following the sale, the Company recorded a realized loss of ¥458,716 million in this segment, while also reclassifying a ¥478,059 million unrealized valuation loss recorded in previous fiscal years as a realized gain. These gains and losses related to the sale are eliminated in consolidation as an intercompany transaction. From the acquisition of the WeWork shares to the sale of such shares, the Company recorded a cumulative loss of ¥636,135 million (\$5,924 million) in the segment, which includes the abovementioned investment gains and losses as well as gains and losses related to investments accounted for using the equity method. Unrealized gain (loss) on valuation of investments resulting from changes in valuation for fiscal 2021 also included a ¥22,786 million gain for T-Mobile, a ¥90,653 million loss for Lemonade, Inc., a ¥84,347 million loss for SoFi Technologies, Inc., and a ¥48,542 million loss for Deutsche Telekom.
- Derivative gain on investments of ¥101,524 million was recorded, mainly due to a gain of ¥93,039 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

**B Finance cost: ¥277,116 million (increase of ¥58,512 million year on year)**

Interest expenses increased by ¥56,026 million year on year at SBG\*1 to ¥266,675 million, due to an increase in interest-bearing debt mainly resulting from the issuance of bonds, and borrowings made through margin loans.

**C Foreign exchange loss: ¥705,108 million**

Foreign exchange loss of ¥705,108 million (net) was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

**D Income on equity method investments: ¥376,433 million (decrease of ¥224,931 million year on year)**

Income on equity method investments related to Alibaba was ¥387,911 million,\*2 a decrease of ¥184,605 million year on year. This was mainly due to a decrease in investment gain on Alibaba's investments classified as financial assets at FVTPL. The result also reflected increased investments in growth initiatives, increased spending for user enhancements, and increased support to e-commerce merchants.

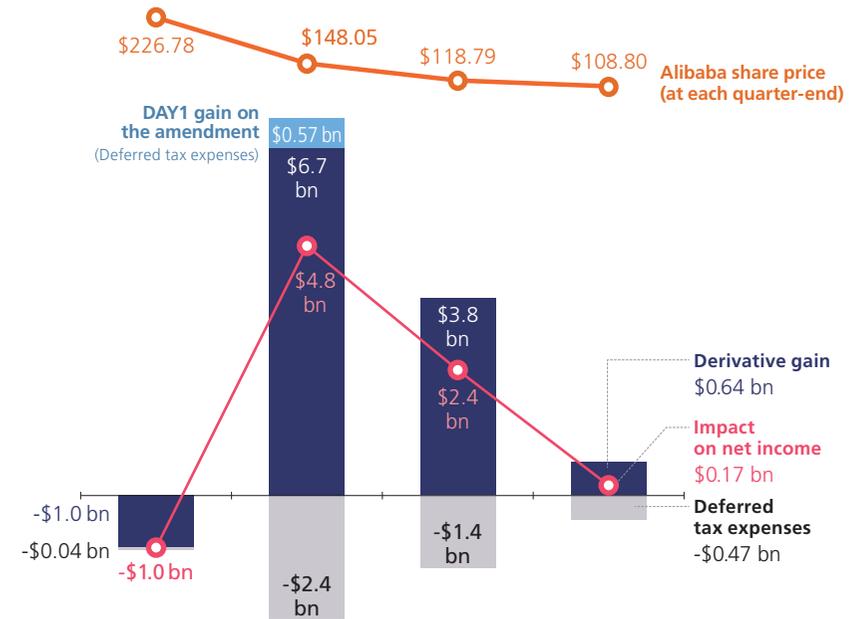
Alibaba recorded an expense for the three-month period ended March 31, 2021 for a fine levied by China's State Administration for Market Regulation pursuant to China's Anti-Monopoly Law. The Company had already recorded the expense in the fourth quarter of the previous fiscal year on a three-month time lag as a significant event during the period.

**E Derivative gain (excluding gain (loss) on investments): ¥1,236,395 million**

Derivative gain of ¥1,132,994 million was recorded in connection with prepaid forward contracts using Alibaba shares entered into in fiscal 2019, 2020, and 2021.

**F Other gain: ¥316,891 million**

Following the termination of the agreement with NVIDIA Corporation for the sale of all shares in Arm in February 2022, the deposit of \$1.25 billion, which the Company had received at the time of signing in September 2021, was non-refundable. Consequently, ¥109,796 million, which corresponds to 75.01% interests in Arm held by the Company's wholly owned subsidiary, SBGC was recognized as profit in the fourth quarter.

**Derivative gain (loss) on Alibaba prepaid forward contracts**

	FY21Q1	FY21Q2	FY21Q3	FY21Q4	Fiscal 2021
Derivative gain (loss) (excluding gain (loss) on investments)	(109.7)	734.8	433.1	74.8	1,133.0
Deferred tax expenses	(4.1)	(270.0)	(163.0)	(54.6)	(491.7)
DAY1 gain (deferred tax expenses) due to revisions of the prepaid forward contracts	–	63.8	–	–	63.8
<b>Impact on net income</b>	<b>(113.8)</b>	<b>528.6</b>	<b>270.1</b>	<b>20.2</b>	<b>705.1</b>

\*1 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

\*2 The Company applied the equity method to Alibaba's consolidated financial statements (the Company's economic interests in Alibaba as of December 31, 2021: 24.28%) for each reporting period on a three-month time lag because it is impractical to align reporting periods with Alibaba due to contracts with the company, among others. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the period on a three-month time lag.

## Partial sale of T-Mobile shares in September 2021

On September 6, 2021, the Company entered into a master framework agreement (the "Agreement") with Deutsche Telekom, pursuant to which Deutsche Telekom agreed to partially exercise its right to acquire the shares of T-Mobile in accordance with the terms of the fixed and floating call options ("Deutsche Telekom Call Options") granted by the Company to Deutsche Telekom in June 2020, and to amend certain execution conditions associated with the floating call options. Following the exercise of Deutsche Telekom Call Options, the Company sold 45,366,669 of its 106,291,623 T-Mobile shares to Deutsche Telekom and received 225,000,000 Deutsche Telekom shares (the reference price: €20 per share; 4.5% of Deutsche Telekom's outstanding shares) as consideration. Under the Agreement, Deutsche Telekom also provided its consent for the Company to have additional flexibility to pledge its T-Mobile shares in connection with entry into margin loans and other monetization transactions. Following entry into the Agreement, the Company carried out the monetization transactions using T-Mobile and Deutsche Telekom shares as shown on the table to the right.

On April 12, 2022, Deutsche Telekom exercised additional Deutsche Telekom Call Options, upon which the Company sold an additional 21,153,145 of its T-Mobile shares to Deutsche Telekom for consideration of \$2.4 billion. Of this amount, approximately \$1.2 billion was used to partially pre-pay the margin loan which these shares underlay. Following the transaction, the Company owned 39,771,809 T-Mobile shares.

Transaction	Procured amount (Billions of U.S. dollars)	Execution timing	Number of shares held	
			T-Mobile shares (millions)	Deutsche Telekom shares (millions)
A Borrowings made using 106,291,623 T-Mobile shares pledged as collateral (margin loan)	4.38	July 2020		
<b>Number of shares held as of June 30, 2021</b>			106.3	–
B Fund procurement through prepaid forward contracts using 17,935,000 T-Mobile shares	1.81			
C Borrowings made using 42,989,954 T-Mobile shares pledged as collateral (margin loan)	2.65			
Repayment of borrowings in "A" using funds acquired in "B" and "C"	(4.38)	September 2021		
D 60-day loan using 45,366,669 T-Mobile shares pledged as collateral (bridge loan)	1.25			
Sale of 45,366,669 T-Mobile shares to Deutsche Telekom, receiving 225,000,000 Deutsche Telekom shares as consideration	–		(45.4)	225.0
<b>Number of shares held as of September 30, 2021</b>			60.9	225.0
E Fund procurement through collar transactions using 225,000,000 Deutsche Telekom shares	3.04*	October 2021		
Repayment of borrowings in "D" using part of the funds acquired in "E"	(1.25)			
<b>Number of shares held as of December 31, 2021</b>			60.9	225.0
F Fund procurement through prepaid forward contracts using 6,865,000 T-Mobile shares	0.68	March 2022		
Partial repayment of borrowings in "C" using part of the funds acquired in "F"	(0.59)			
<b>Number of shares held as of March 31, 2022</b>			60.9	225.0
G Sale of 21,153,145 T-Mobile shares to Deutsche Telekom, receiving \$2.40 billion as consideration	2.4	April 2022	(21.2)	
Partial repayment of borrowings in "C" using part of the funds acquired in "G"	(1.20)			

\* The euro equivalent of the amount procured is €2.64 billion.

## Investment in listed stocks and other instruments by asset management subsidiaries

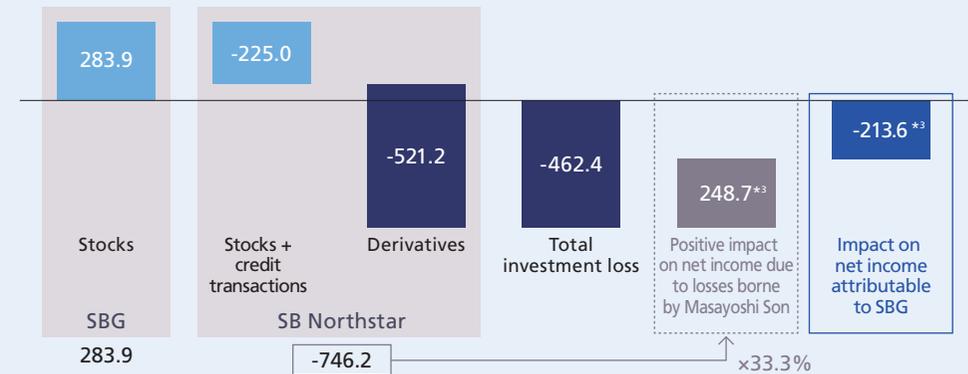
SB Northstar acquires and sells listed stocks and other instruments and engages in derivative and credit transactions related to listed stocks, using surplus funds of SBG. However, its business scale is being downsized to reallocate funds to investments under SVF2, which is currently the primary focus of the Company. The balance of SB Northstar's shareholdings\*<sup>1</sup> decreased from ¥2.2 trillion as of the previous fiscal year-end to ¥351.0 billion as of the fiscal year-end. SBG indirectly holds 67% and SBG's Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son indirectly holds 33% of interests in SB Northstar. Masayoshi Son's interest is deducted from the gains and losses on investments at SB Northstar as a non-controlling interest; therefore, 67% of the gains and losses on investments impacts net income attributable to owners of the parent. If, at the end of the fund life (12 years + 2-year extension), SB Northstar has any unfunded repayment obligations to SBG, Masayoshi Son will pay his pro rata share of any such unfunded obligations based upon his relative ownership percentage of SB Northstar.

Investment decisions of SB Northstar were made by the Company's wholly owned subsidiary SB MANAGEMENT LIMITED up until March 31, 2022; however, in conjunction with the downsizing of SB Northstar's business, SB Northstar's investment decisions have been made by its general partner, a wholly owned subsidiary of the Company, since April 1, 2022.

\*<sup>1</sup> Includes NVIDIA Corporation shares held by SBG of ¥15.5 billion at the previous fiscal year-end and ¥35.1 billion at the fiscal year-end.

## Cumulative investment gain (loss)\*<sup>2</sup>

(Billions of yen)

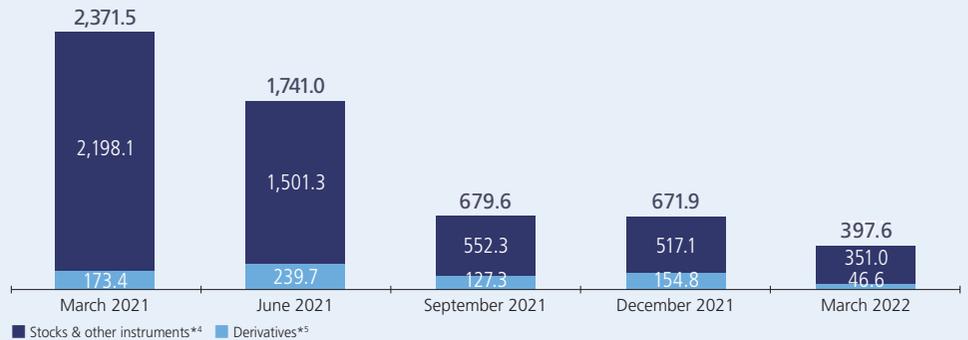


\*<sup>2</sup> Includes gain (loss) on investments relating to NVIDIA Corporation shares held by SBG.

\*<sup>3</sup> Excludes impacts such as selling, general and administrative expenses and tax expenses.

## Stocks, etc. and derivatives (fair value)

(Billions of yen)



\*<sup>4</sup> Sum of stocks held by SBG and investments held by SB Northstar (stocks, securities pledged as collateral and convertible bonds)

\*<sup>5</sup> Net amount of derivative financial assets and derivative financial liabilities of SB Northstar

### Impact of the asset management subsidiaries on the Company's consolidated statement of financial position\*1

	(Millions of yen)	
	March 31, 2022	
Cash and cash equivalents	40,458	
Investments from asset management subsidiaries	313,982	
Securities pledged as collateral in asset management subsidiaries	1,927	
Derivative financial assets in asset management subsidiaries	48,466	
Other financial assets	131,474	
Other	1,880	
<b>Total assets</b>	<b>538,187</b>	
Interest-bearing debt	33,515	
Derivative financial liabilities in asset management subsidiaries	1,880	
Other financial liabilities	170,320	
Other	2,210	
<b>Total liabilities</b>	<b>207,925</b>	
Investments from Delaware subsidiaries*2	1,036,384	
Equivalent amount of cash investments by SBG in Delaware subsidiaries	39,786	
Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	976,705	
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893	A
Retained earnings	(748,753)	B
Exchange differences on translating foreign operations	42,631	
<b>Equity</b>	<b>330,262</b>	C

\*1 SB Northstar's statement of financial position (excluding the impact of Alibaba shares contributed in kind to SB Northstar by SBG via Delaware subsidiaries and investments made by SB Northstar in SPACs controlled by SBIA US) is presented for reference to show the impact of SB Northstar on the Consolidated Statement of Financial Position of the Company.

\*2 Investments from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries"), to the asset management subsidiary, SB Northstar

### Calculation of non-controlling interests

	(Millions of yen)	
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893	A
Cumulative loss attributable to non-controlling interests*3	(249,493)	
Exchange differences on translating foreign operations	11,461	
<b>Non-controlling interests (interests of Masayoshi Son)</b>	<b>(218,139)</b>	D

\*3 One-third of B in the table

### Interests in equity (C above)

	(Millions of yen)	
Interests of SBG	548,401	
Non-controlling interests (interests of Masayoshi Son)	(218,139)	D
<b>Equity</b>	<b>330,262</b>	C

### Main interest-bearing debt and lease liabilities in the segment

Borrower	Type	Balance as of March 31, 2022 in Consolidated Statement of Financial Position
SoftBank Group Corp.	Borrowings	¥1,255.1 billion
	Corporate bonds	¥5,918.3 billion
	Lease liabilities	¥12.1 billion
	Commercial paper	¥256.8 billion
Wholly owned subsidiaries conducting fund procurement*	Borrowings using Arm shares (asset-backed finance)	¥961.5 billion
	Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts)	¥4,196.1 billion
	Borrowings using Alibaba shares (margin loan)	¥731.5 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥498.7 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥340.4 billion
	Borrowings using T-Mobile shares (margin loan)	¥251.6 billion
	Collar transactions using Deutsche Telekom shares	¥413.7 billion
<b>SB Northstar</b>	<b>Borrowings</b>	<b>¥33.5 billion</b>

\* Borrowings of wholly owned subsidiaries conducting fund procurement are non-recourse to SBG, except for borrowings using T-Mobile shares which SBG partially guarantees.

## Investments in WeWork

- In August 2021, SBG transferred SB WW Holdings (Cayman) Limited (“SBWW”), a wholly owned subsidiary that holds WeWork common stock and preferred stock, to SVF2 in accordance with the policy for handling the investment portfolio.
- On October 21, 2021, WeWork listed on NYSE through a merger with a SPAC, BowX Acquisition Corp. (De-SPAC).
- Along with the De-SPAC, the preferred stock was converted to common stock. After the transfer of SBWW to SVF2, FVTPL valuation gain (loss) is recorded in SoftBank Vision Funds segment for the common stock held from before De-SPAC. On SBG consolidated basis, such amount is eliminated in adjustments and the equity method continues to be applied to such shares (6.41% of shares issued as of March 31, 2022).
- In March 2022, SBG transferred its warrants, etc. acquired as consideration for the extension of a letter of credit facility, to SVF2.

(Millions of U.S. dollars)

Investor	Cumulative acquisition costs (consolidated basis)		Fair value at the transfer (C)	March 31, 2022		Cumulative gain (loss) (consolidated basis)	Formula for cumulative gain (loss)
	Cash (A)	Penny warrant (B)		Fair value (D)	Economic ownership (fully diluted)		
SoftBank Group Corp.	7,501	867* <sup>1</sup>	2,444	–	–	<b>(5,924)</b>	C – (A + B)
	–	102* <sup>2</sup>	75	–	–	<b>(27)</b>	C – B
SVF2	–	–	2,519	2,525	44.03%	<b>6</b>	D – C
SVF1	3,400* <sup>3</sup>	–	–	622	10.85%	<b>(2,778)</b>	D – A
<b>Total</b>	<b>10,901</b>	<b>969</b>	<b>–</b>	<b>3,147</b>	<b>54.88%*<sup>4</sup></b>	<b>(8,723)</b>	<b>D – (A + B)</b>

Note: There is no guarantee that historical trends will continue throughout the investment. It should not be assumed that investments made in the future will be comparable in quality or performance to investments described herein.

\*1 Warrants that are exercisable for WeWork common stock at an exercise price of \$0.01 or \$0.02 per share as consideration for credit support for a letter of credit facility and the obligation to purchase unsecured notes. \$867 million is the fair value of the warrants at the initial recognition less \$1 million of the consideration of exercise.

\*2 Warrants newly acquired in the third quarter as consideration for the extension of a letter of credit facility. \$102 million is the fair value of the warrants at the initial recognition.

\*3 The cumulative acquisition cost of SVF1 includes the investment in WeWork Asia Holding Company B.V. (“WeWork Asia”). The shares of WeWork Asia were exchanged for WeWork preferred stock in April 2020 at a price of \$11.60 per share. The transfer of SBWW from SBG to SVF2 has no impact on SVF1’s investment in WeWork.

\*4 WeWork is not a subsidiary of the Company as the Company does not have control over WeWork due to restriction from exercising voting rights more than 49.9% of the voting securities present and voting at shareholders meeting, and no right to hold a majority of voting rights at Board of Directors of WeWork.

## SoftBank Vision Funds Segment

### 1. Loss on investments (net) was ¥3,547.4 billion. Segment loss was ¥2,639.4 billion, after deducting change in third-party interests.

#### • SVF1

- ¥1,226.1 billion realized gain on investments (net), of which ¥1,463.8 billion had been recorded as unrealized gains on investments (net) in previous fiscal years, mainly due to a partial sale of its interests in listed portfolio companies such as DoorDash, Coupang, and Uber.
- ¥2,768.0 billion unrealized valuation loss (net) on investments held at the fiscal year-end
  - ¥3,632.2 billion valuation loss (net) for listed portfolio companies: Share prices declined in a wide range of listed portfolio companies, including Coupang, DiDi, and Grab, due to multiple factors, including overhang concerns and regulatory tightening, in addition to the general avoidance of high-growth technology stocks led by an anticipation of higher interest rates.
  - ¥864.2 billion valuation gain (net) for unlisted portfolio companies: Write-downs were recorded for a wide range of portfolio companies in the fourth quarter, reflecting a decline in the share prices of public market comparable companies. However, for the entire fiscal year, net valuation gains were recorded due to an overall increase in the fair value of those with funding rounds, those that are expected to be listed and those whose performance is progressing faster than expected.

#### • SVF2

- ¥128.6 billion realized gain on investments. Of this, ¥314.1 billion had been recorded as unrealized gains on investments (net) in previous fiscal years.

- ¥271.9 billion unrealized valuation loss on investments (net) held at the fiscal year-end
  - ¥128.6 billion valuation loss (net) for listed portfolio companies
  - ¥143.2 billion valuation loss (net) for unlisted portfolio companies

### 2. Status of investment activities

#### • SVF1

- Investments before exit: Held 82 investments (including 22 listed portfolio companies) as of the fiscal year-end with fair value amounting to \$78.57 billion, at investment cost totaling \$70.37 billion
- Cumulative gross gain\* since SVF1's inception was \$28.75 billion, including cumulative realized gain of \$18.14 billion, cumulative derivative gain of \$1.48 billion, and cumulative dividend income of \$0.94 billion

#### • SVF2

- Held 250 investments (including 14 listed portfolio companies) as of the fiscal year-end with fair value amounting to \$45.98 billion, at investment cost totaling \$46.59 billion
- Cumulative gross gain\* since SVF2's inception was \$0.08 billion, including cumulative realized gain of \$1.11 billion and cumulative derivative loss of \$0.42 billion
- Committed capital totaled \$56.0 billion as of the fiscal year-end

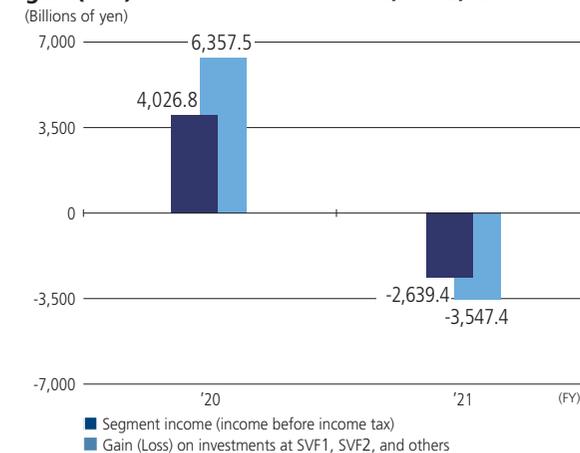
\* Cumulative gross gain is before deducting third-party interests, tax, and expenses.

## Overview

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1) and SoftBank Vision Fund 2 (SVF2).

SVF1 aims to maximize returns from a medium- to long-term perspective through large-scale investments in high-growth- potential companies leveraging AI, particularly in private companies valued at over \$1 billion at the time of investment, colloquially known as unicorns. SVF1 is managed by SBIA, a wholly owned subsidiary of the Company established in the U.K., which is authorized and regulated by the Financial Conduct Authority. SVF1's investment period ended on September 12, 2019. The remaining undrawn capital is reserved for follow-on investments in existing portfolio companies (including investments in joint ventures with them), fixed distributions, and operating expenses. In principle, the life of SVF1 is until November 20, 2029 (unless extended for two additional one-year periods by SBIA).

### Segment income (income before income tax) / gain (loss) on investments at SVF1, SVF2, and others



SVF2 launched in October 2019 with committed capital from SBG, aiming to facilitate the continued acceleration of the AI revolution through investment in market-leading, tech-enabled growth companies across vintage years. While SVF2 was previously managed by SBIA, the fund has been managed since the second quarter by SBGA, a wholly owned subsidiary of the Company established in the U.K. Investment management decisions of SVF2 are made through an investment committee established in SBGA. SBGA is headed by Rajeev Misra, CEO of SBIA, who is also a member of the investment committee. SBGA outsources the majority of its investment and operating functions to SBIA and SBIA continues to support the management of SVF2 under a service agreement. In addition, MASA USA LLC (“MgmtCo”), an investment entity for the co-investment program, newly participated in the fund in the second quarter.\*1 The interest attributable to MgmtCo is treated as a third-party interest in the Company’s consolidated financial statements. As of the fiscal year-end, SVF2’s total committed capital is \$56.0 billion.

In addition, SBIA US uses SPACs to complement its investments in listed and unlisted companies and to pursue a wider range of investment opportunities beyond the investment mandates for the private funds. SVF Investment Corp.3, a SPAC controlled by SBIA US, raised \$320 million at the time of its initial public offering on NASDAQ in March 2021. Subsequently, it announced a definitive merger agreement with Symbotic LLC, a US developer of automated fulfillment solutions for retailers and distributors. The merger with Symbotic LLC was completed in June 2022 and the combined company has started its operation under the “Symbotic Inc.” name and transactions on NASDAQ under the ticker symbol “SYM.”

\*1 As of the fiscal year-end, only Masayoshi Son, SBG’s Representative Director, Corporate Officer, Chairman & CEO, invests in MgmtCo. Participation by members of management other than Masayoshi Son was undecided as of April 30, 2022; however, such participation is planned for the future.

### Financing at SoftBank Vision Funds

SVF1 and SVF2 may independently make borrowings that are non-recourse to SBG, for the purpose of leveraging and maintaining liquidity. As of the fiscal year-end, two types of borrowings were in place: asset-backed finance, which utilizes assets held to enhance returns and distribute to limited partners; and fund-level facility, which provides bridge funding by way of a revolving loan for the period between capital calls and arrivals of funds, thereby allowing a quick execution of investment after the investment decision is made.

 See pages 98 and 101-103 for a complete list of SVF1 and SVF2’s portfolio companies.

### Outline of principal funds in the segment

As of March 31, 2022

	SoftBank Vision Fund 1	SoftBank Vision Fund 2
Major limited partnership	SoftBank Vision Fund L.P.	SoftBank Vision Fund II-2 L.P.
Total committed capital (Billions of U.S. dollars)	98.6	56.0
	The Company: 33.1*2 Third-party investors: 65.5	The Company: 53.4 Third-party investor (MgmtCo): 2.6
General partner	SVF GP (Jersey) Limited (The Company’s wholly owned overseas subsidiary)	SVF II GP (Jersey) Limited (The Company’s wholly owned overseas subsidiary)
Investment period	Ended on September 12, 2019	To be determined by the general partner
Minimum fund life	Until November 20, 2029 (in principle)	Until October 4, 2032 (in principle)

\*2 The Company’s committed capital to SVF1 includes approximately \$8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.

### Capital deployment

As of March 31, 2022

	(Billions of U.S. dollars)		
	Total	The Company	Third-party investors
Committed capital (A)	<b>98.6</b>	33.1	65.5
Drawn capital*3 (B)	<b>87.2</b>	29.9	57.3
Return of capital (non-recallable) (C)	28.7	7.3	21.4
Outstanding capital (D) = (B) – (C)	58.5	22.6	35.9
Remaining committed capital (E) = (A) – (B)	<b>11.4</b>	3.2	8.2

Note: The Company’s committed capital to SVF1 includes approximately \$8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.

\*3 Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.

### SVF2

(Billions of U.S. dollars)

	Total
Committed capital (A)	<b>56.0</b>
Drawn capital (B)	<b>48.2</b>
Remaining committed capital (C) = (A) – (B)	<b>7.8</b>

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of March 31, 2022)

Total committed capital	<b>56.0</b>
The Company’s equity commitment to investments outside the scope of the Program	8.2
The Company’s preferred equity commitment to SVF2 LLC	32.8
The Company’s equity commitment to SVF2 LLC	12.4
MgmtCo’s equity commitment to SVF2 LLC	2.6

Note: As of the fiscal year-end, no capital has been paid by MgmtCo.

## Co-investment program of SVF2

In the second quarter, SVF2 introduced a co-investment program with restricted rights to receive distributions (the “Program”). Under the Program, the Company’s management makes joint investments with the Company and shares both the profits and risks associated with the investments. The Program aims for the Company’s management to further focus on SVF2 and contribute to the Company’s earnings growth.

The Program targets an approved selection of SVF2’s investments, including investments in private portfolio companies held or intended to be held by SVF2 as of June 23, 2021, and any new investments executed on or after June 24, 2021 (excluding any follow-on investments in the portfolio companies outside of the Program’s scope). Target investments are indirectly held by SVF II Investment Holdings LLC (“SVF2 LLC”), a subsidiary of the Company established beneath SVF2. SVF2 LLC issued equity to the Company and MgmtCo. Accordingly, the Company holds 82.75% and MgmtCo holds 17.25% of the total equity interests. These equity interests are entitled to performance-based distributions that are allocated based on the proportion of respective equity contributions.

Distributions from SVF2 LLC to MgmtCo are subject to certain restrictions. Specifically, distribution will not be made to MgmtCo until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair market value of all of SVF2 LLC’s unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC’s investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo will be released proportionately in increments of 10%. When the ratio reaches 200%, all restrictions will be released and MgmtCo will be entitled to receive the full amount of the distribution.

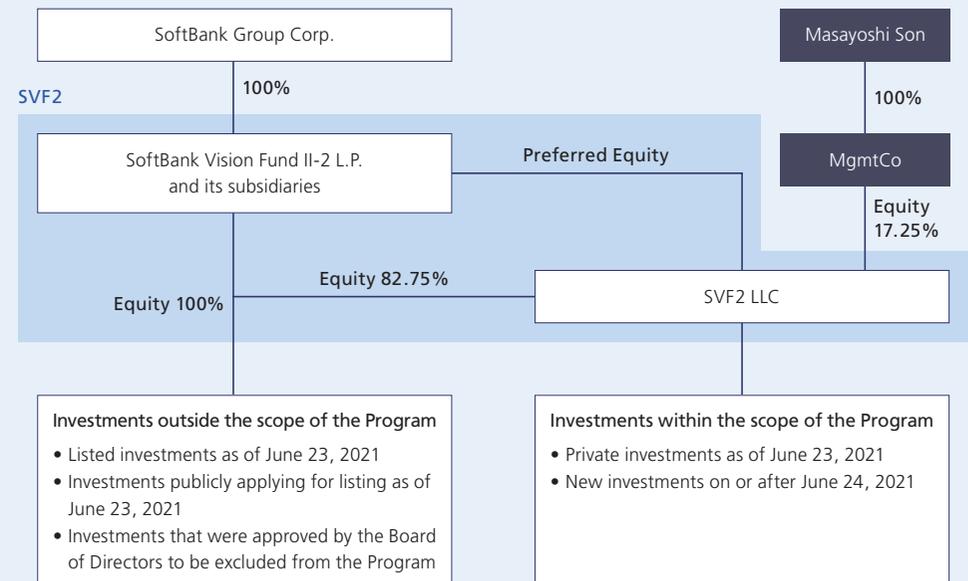
MgmtCo is entitled to make full or partial payment of its capital contribution in SVF2 LLC at any point in time and is required to pay a premium calculated at 3% per annum on the outstanding receivables of SVF2 LLC.\*<sup>1</sup> Any distributable amount from SVF2 LLC to MgmtCo is offset against receivables at the time of the distribution notice and no distribution payment will be made to MgmtCo until SVF2 LLC’s receivables are paid in full.\*<sup>2</sup> Furthermore, in the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

In parallel with the introduction of the Program, the Company has decided to invest in SVF2 LLC in the form of preferred equity, which generates a fixed distribution of 8% per annum, to enhance the efficiency of recovery of investment funds. The preferred equity interests have a priority right over the equity interests held by the Company and MgmtCo under the Program in terms of distributions and return of contributions. The Company continues to hold 100% of the equity for the investments in portfolio companies outside of the Program’s scope.\*<sup>3</sup>

\*<sup>1</sup> As of the fiscal year-end, none of the investment amounts from MgmtCo has been paid.

\*<sup>2</sup> SVF2 LLC’s receivables include the transaction amounts incurred in connection with the acceptance of MgmtCo’s capital contribution. Such transaction amounts include (i) MgmtCo’s interest of 17.25% of the aggregate of the initial acquisition cost of investments held by SVF2 LLC and amounts of contributions made by the Company to SVF2 to meet other costs, (ii) increase in fair market value of the investments from its initial acquisition cost at SVF2 to June 30, 2021 multiplied by MgmtCo’s interest of 17.25%, and (iii) adjustments equivalent to the interest incurred for the period from the Company’s contribution to SVF2 until June 30, 2021.

\*<sup>3</sup> For investments outside the scope of the co-investment program, see “SVF2: Portfolio” on pages 101-103.



For further details of the program, see “(1) Introduction of Co-investment Program with Restricted Right to Receive Distributions and Preferred Equity to SVF2” under “7. SoftBank Vision Funds business” together with “a. Co-investment program with restricted rights to receive distributions” in “For the fiscal year ended March 31, 2022” in “(1) Related party transactions and balances” under “Note 48. Related party transactions” in “Notes to Consolidated Financial Statements” in “Financial Report 2022.”

## Financial results

	Fiscal 2020	Fiscal 2021	Change	Change %	
					(Millions of yen)
Gain (loss) on investments at SVF1, SVF2, and others* <sup>1</sup>	6,357,462	<b>(3,547,354)</b>	(9,904,816)	–	A
Realized gain on investments	419,640	<b>1,354,674</b>	935,034	222.8%	
Unrealized gain (loss) on valuation of investments	5,897,059	<b>(4,817,764)</b>	(10,714,823)	–	
Change in valuation for the fiscal year	6,013,404	<b>(3,039,858)</b>	(9,053,262)	–	
Reclassified to realized loss recorded in the past fiscal year* <sup>2</sup>	(116,345)	<b>(1,777,906)</b>	(1,661,561)	–	
Interest and dividend income from investments	29,849	<b>50,649</b>	20,800	69.7%	
Derivative gain (loss) on investments	1,091	<b>(49,587)</b>	(50,678)	–	
Effect of foreign exchange translation	9,823	<b>(85,326)</b>	(95,149)	–	
Selling, general and administrative expenses	(74,194)	<b>(69,754)</b>	4,440	(6.0%)	
Finance cost	(10,419)	<b>(31,616)</b>	(21,197)	203.4%	
Derivative gain (excluding gain (loss) on investments)	–	<b>2,056</b>	2,056	–	
Change in third-party interests in SVF1 and SVF2	(2,246,417)	<b>972,674</b>	3,219,091	–	B
Other gain	391	<b>34,591</b>	34,200	–	C
<b>Segment income (income before income tax)</b>	<b>4,026,823</b>	<b>(2,639,403)</b>	<b>(6,666,226)</b>	<b>–</b>	

\*1 Unrealized gains and losses associated with the change in valuation of SoftBank Vision Funds' investment in shares in Arm and PayPal Corporation, which are subsidiaries of the Company, and dividend income received from such investments are included in segment income of the SoftBank Vision Funds segment as "gain (loss) on investments at SVF1, SVF2, and others," but are eliminated in consolidation and not included in "gain (loss) on investments at SVF1, SVF2, and others" in the Consolidated Statement of Income.

\*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2021 are reclassified as "realized gain (loss) on investments."

During fiscal 2021, SVF1 made new and follow-on investments totaling \$3.33 billion\*<sup>3</sup> and sold all of its interests in three portfolio companies and a portion of its interests in 13 portfolio companies for a total of \$18.89 billion,\*<sup>4</sup> of which the initial acquisition cost was \$7.95 billion.\*<sup>3</sup> SVF2 made new and follow-on investments totaling \$40.82 billion and sold all of its interest in one portfolio company and a portion of its interests in three portfolio companies for a total of \$2.06 billion, of which the initial acquisition cost was \$0.91 billion.

## Segment income

### A Loss on investments at SVF1, SVF2, and others: ¥(3,547,354) million

- SVF1
  - Realized gain on investments (net) of ¥1,226,097 million was recorded, mainly due to the sale\*<sup>3</sup> of all of its interests in three portfolio companies and a portion of its interests in 13 portfolio companies including DoorDash Inc ("DoorDash"), Coupang, and Uber Technologies, Inc. ("Uber"). Of the gain for fiscal 2021, ¥1,463,810 million had been recorded as unrealized gains on investments (net) in previous fiscal years.
  - Unrealized loss on valuation of investments held by SVF1 at the fiscal year-end was ¥2,768,000 million (\$23,894 million, net) (see "Status of SVF1 investments" on page 96 for a breakdown). Valuation loss (net) totaling \$31,788 million for listed portfolio companies was recorded due to a decline in the share prices of 19 portfolio companies, including Coupang, DiDi, and Grab. This was caused by multiple factors, including overhang concerns and regulatory tightening, in addition to the general avoidance of high-growth technology stocks led by an anticipation of higher interest rates, despite an increase in the share prices of three portfolio companies including SenseTime Group Inc. ("SenseTime"), which was listed in the third quarter. Of the loss, \$14,605 million was attributable to Coupang and \$8,015 million was attributable to DiDi. In contrast, valuation gain (net) totaling \$7,894 million was recorded for unlisted portfolio companies mainly due to an overall increase in the fair value of those with funding rounds, those that are expected to be listed and those whose performance is progressing faster than expected, while a wide range of portfolio companies was written down in the fourth quarter reflecting a decline in the share prices of public market comparable companies.

As of the fiscal year-end, cumulative gross gain since SVF1's inception was \$28.75 billion. See "Status of SVF1 investments" on page 96 for a breakdown.

- SVF2
  - Realized gain on investments of ¥128,577 million was recorded, as a result of the entire sale of its interest in one portfolio company and a partial sale of its interest in KE Holdings. Of the gain for fiscal 2021, ¥314,096 million had been recorded as unrealized gains on investments (net) in previous fiscal years.
  - Unrealized loss on valuation of investments was ¥271,858 million (\$2,202 million, net) (see "Status of SVF2 investments" on page 99 for a breakdown). Valuation loss (net) of \$1,049 million for listed portfolio companies was recorded. This was mainly due to a decline in the share price of KE Holdings in fiscal 2021, which offset an increase in the share price of AutoStore, which was newly listed in the third quarter. In addition, valuation loss (net) of \$1,153 million was recorded

for unlisted portfolio companies, mainly due to decreases in the fair values of a wide range of portfolio companies in the fourth quarter reflecting declines in the share prices of public market comparable companies.

As of the fiscal year-end, cumulative gross gain since SVF2's inception was \$0.08 billion. See "Status of SVF2 investments" on page 99 for a breakdown.

### **B Change in third-party interests in SVF1 and SVF2: ¥972,674 million**

This indicates the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions, which are based on the gains and losses on investments at SVF1 and SVF2, net of (i) management and performance fees payable to SBIA from SVF1, (ii) management and performance-linked management fees payable to SBGA from SVF2, and (iii) operating and other expenses of SVF1 and SVF2.

 For details, see "(4) Third-party interests in SVF1 and SVF2" under "Note 7. SoftBank Vision Funds business" in "Notes to Consolidated Financial Statements" in "Financial Report 2022."

### **C Other gain: ¥34,591 million**

Following the termination of the agreement with NVIDIA Corporation for the sale of all shares in Arm in February 2022, the deposit of \$1.25 billion, which the Company had received at the time of signing in September 2021, was non-refundable. Consequently, ¥36,579 million, which corresponds to 24.99% interests in Arm held by SVF1, was recognized as profit in the fourth quarter.

\*3 Includes a share exchange. In the first quarter, SVF1 exchanged all of its shares in PT Tokopedia ("Tokopedia") for shares in GoTo, a newly formed company as a result of a merger between Tokopedia and PT Aplikasi Karya Anak Bangsa. This share exchange is treated as a full exit (entire sale) from the investment and an acquisition of a new investment, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gain and loss on the investments.

\*4 After deducting transaction fees, etc.

### **Investments transferred from the Company to SVF2**

The Company established a policy for handling the investment portfolio of SBG and its major investment subsidiaries, and, in accordance with this policy, is proceeding with the transfer of unlisted investments to SVF2 in principle.

The Company transferred the investments shown below to SVF2 through sale or in-kind contribution as of the fiscal year-end.

			(Millions of U.S. dollars)
	Transfer month	Transfer method	Transfer value by the Company to SVF2
UPSIDE Foods, Inc.	November 2020	Sale	51
Berkshire Grey, Inc.	March 2021	In-kind contribution	115
Cybereason Inc.	June 2021	In-kind contribution	317
InMobi Pte. Ltd.	June 2021	Sale	597
Treasure Data, Inc.	June 2021	Sale	519
WeWork Inc.	August 2021	Sale	2,444
Ola Electric Mobility Private Limited	November 2021	Sale	556
PayPay Corporation	December 2021	Sale	1,467
Kigen (UK) Limited	January 2022	Sale	25
WeWork Inc. (warrants, etc.)*	March 2022	Sale /In-kind contribution	100
<b>Total</b>			<b>6,191</b>

Note: The value of investments transferred from the Company to SVF2 is based on either the Company's carrying amount as of the quarter-end immediately prior to the transfer date if the transfer is made by in-kind contribution, or on fair value available at the time of the transfer if the transfer is made by a sale. Investment gains and losses that occurred prior to the transfer are recorded in the reportable segment to which the investment belonged prior to the transfer.

\* Although WeWork Inc. listed in October 2021, its warrants were also transferred as SoftBank Vision Funds have historically invested in the company.

## Status of SVF1 investments

As of March 31, 2022

### Total ((1) + (2) + (3) + (4) below)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
<b>Total</b>	<b>98</b>	<b>89.2</b>	<b>117.9</b>	<b>28.8</b>

### (1) Investments before exit (investments held at the fiscal year-end)

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)*2	Unrealized valuation gain (loss) recorded for fiscal 2021
Listed companies	22	33.2	30.6	(2.6)	(31.8)
Unlisted companies	60	37.2	48.0	10.8	7.9
<b>Total</b>	<b>82</b>	<b>70.4</b>	<b>78.6</b>	<b>8.2</b>	<b>(23.9)</b>

### (2) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain*1	Realized gain recorded for fiscal 2021
Partial exit	—	7.8	20.0	12.2	9.8
Full exit*3	16	11.0	16.9	5.9	1.1
<b>Total</b>	<b>16</b>	<b>18.8</b>	<b>36.9</b>	<b>18.1</b>	<b>10.9</b>

### (3) Derivative gain and loss relating to investment

	Derivative cost	Fair value / settlement price	Cumulative derivative gain	Derivative gain recorded for fiscal 2021
Unsettled	—	—	—	—
Settled	0.0	1.5	1.5	0.0
<b>Total</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>0.0</b>

### (4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2021
<b>Total</b>	<b>0.9</b>	<b>0.9</b>	<b>0.4</b>

### (Reference)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
Effects of share exchanges Uber Advanced Technologies Group and Aurora Innovation Inc. PT Tokopedia and GoTo	(2)	(1.7)	(1.7)	0.0
Effects of dividends in kind Treasure Data, Inc. Acetone Limited (Equity interest in Arm China JV)	(2)	—	—	—
<b>Net of effects of share exchanges and dividends in kind*4,5</b>	<b>94</b>	<b>87.4</b>	<b>116.2</b>	<b>28.8</b>

Note: The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

\*1 Before deducting third-party interests, tax, and expenses.

\*2 For a certain investment that was initially determined to be transferred from the Company to SVF1 but later canceled, any unrealized valuation gains and losses incurred for the period leading up to the decision to cancel the transfer are not included in the presentation.

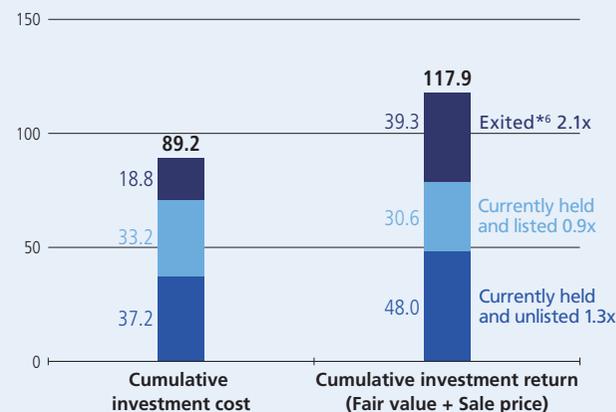
\*3 Includes disposal (sale) through share exchanges.

\*4 In addition to the share exchanges listed above, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated companies, which are also existing portfolio companies. Acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.

\*5 For investments in which share exchanges occurred, acquisition costs of new investments and disposal prices (sale prices) of investments initially held are deducted for the purpose of presenting the cumulative net investment performance. Similarly, investments acquired through dividends in kind from existing portfolio companies are deducted from investment count.

## Cumulative investment cost and return

(Billions of U.S. dollars)



\*6 Value of exited investments includes associated derivative gain/loss and interests and dividend received from portfolio companies.

## Breakdown of SVF1 investments before exit (investments held at the fiscal year-end)

As of March 31, 2022

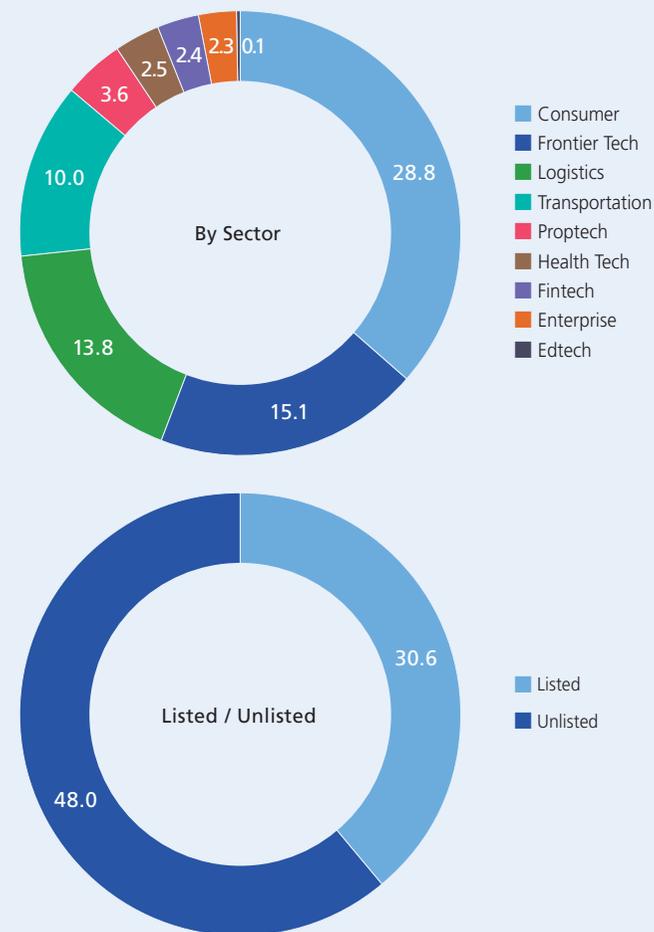
(Billions of U.S. dollars)

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)	Unrealized valuation gain (loss) recorded for fiscal 2021
Consumer	14	10.5	28.8	18.3	(8.7)
Edtech	1	0.7	0.1	(0.6)	(1.0)
Enterprise	7	1.6	2.3	0.7	0.3
Fintech	10	4.0	2.4	(1.6)	0.0
Frontier Tech	11	11.4	15.1	3.7	2.9
Health Tech	8	2.0	2.5	0.5	(1.4)
Logistics	13	8.7	13.8	5.1	(0.8)
Proptech	9	10.1	3.6	(6.5)	(2.1)
Transportation	9	21.4	10.0	(11.4)	(13.1)
<b>Total</b>	<b>82</b>	<b>70.4</b>	<b>78.6</b>	<b>8.2</b>	<b>(23.9)</b>
(Reference)					
Listed companies*	22	33.2	30.6	(2.6)	(31.8)
Coupang		2.2	8.2	6.0	(14.6)
One97 Communications (PayTM)		1.4	0.8	(0.6)	(0.5)
OneConnect		0.1	0.0	(0.1)	(0.1)
PB Fintech (Policybazaar)		0.1	0.4	0.3	0.2
Energy Vault		0.1	0.3	0.2	0.2
SenseTime		1.4	3.7	2.3	2.1
Zymergen		0.4	0.1	(0.3)	(0.8)
Guardant Health		0.0	0.0	0.0	(0.0)
Relay Therapeutics		0.3	0.8	0.5	(0.1)
Roivant Sciences		0.9	0.5	(0.4)	(0.7)
Vir Biotechnology		0.2	0.6	0.4	(0.6)
DoorDash		0.4	4.0	3.6	(0.5)
Full Truck Alliance		1.7	1.3	(0.4)	(0.7)
Compass		1.1	1.1	(0.0)	(1.3)
Opendoor		0.3	0.4	0.1	(0.5)
View		1.2	0.1	(1.1)	(0.4)
WeWork		3.2	0.6	(2.6)	(0.0)
Aurora Innovation		0.3	0.2	(0.1)	(0.1)
Auto1		0.7	0.4	(0.3)	(1.7)
DiDi		12.1	2.4	(9.7)	(8.0)
Grab		3.0	2.5	(0.5)	(2.5)
Uber		2.1	2.2	0.1	(1.2)
Unlisted companies	60	37.2	48.0	10.8	7.9
<b>Total</b>	<b>82</b>	<b>70.4</b>	<b>78.6</b>	<b>8.2</b>	<b>(23.9)</b>

\* The color corresponding to the listed companies indicates the sector to which the company belongs. Investments in that sector are not limited to those listed companies.

## Breakdown of fair value of investments held at March 31, 2022

(Billions of U.S. dollars)



**SVF1: Portfolio (total of 82 investments)**

As of March 31, 2022. Excludes exited investments.

■ Listed securities □ Listing plan announced

Sector	Name (in alphabetical order)	Initial investment date
<b>Consumer</b>	Brainbees Solutions Private Limited (FirstCry)	FY2018 Q4
	Bytedance Ltd.	FY2018 Q1
	Candy Digital, Inc.	FY2021 Q3
	■ Coupang, Inc.	FY2018 Q2
	Esquared Capital Limited (Klook)	FY2019 Q1
	Fanatics Holdings, Inc.	FY2017 Q2
	GetYourGuide AG	FY2018 Q4
	Globalbees Brands Private Limited	FY2021 Q3
	Grofers International Pte. Ltd. (Blinkit)	FY2018 Q3
	□ Oravel Stays Limited (OYO)	FY2017 Q2
	OYO Technology & Hospitality (China) Pte. Ltd.	FY2018 Q2
	Plenty United Inc.	FY2017 Q2
	□ PT GoTo Gojek Tokopedia Tbk	FY2021 Q1
	Tabist Co., Ltd. (OYO Japan)	FY2018 Q4
	<b>Edtech</b>	Zuoyebang Education Limited
<b>Enterprise</b>	Automation Anywhere, Inc.	FY2018 Q3
	Cambridge Mobile Telematics Inc.	FY2018 Q4
	Cohesity APJ Pte. Ltd.	FY2019 Q1
	Cohesity, Inc.	FY2018 Q1
	Globality, Inc.	FY2018 Q3
	GPCY Holding (Gympass)	FY2019 Q1
	MapBox Inc.	FY2017 Q3
<b>Fintech</b>	Creditas Financial Solutions, Ltd.	FY2019 Q2
	Greensill Capital Pty Ltd.	FY2019 Q1
	Kabbage, Inc.	FY2018 Q3
	OakNorth Holdings Limited	FY2018 Q4
	■ One97 Communications Limited (PayTM)	FY2017 Q3
	■ OneConnect Financial Technology Co., Ltd.	FY2018 Q1

Sector	Name (in alphabetical order)	Initial investment date
<b>Fintech</b>	■ PB Fintech Limited (Policybazaar)	FY2019 Q1
	Pollen, Inc. (C2FO)	FY2019 Q2
	VNLife Corporation Joint Stock Company	FY2019 Q1
	ZA Tech Global Limited (ZhongAn's affiliate)	FY2018 Q4
	<b>Frontier Tech</b>	Arm Limited
<b>Health Tech</b>	ARM Technology (China) Co., Ltd	FY2021 Q4
	Brain Corporation	FY2017 Q2
	CloudMinds Inc.	FY2018 Q4
	■ Energy Vault, Inc.	FY2019 Q2
	Fungible Inc.	FY2019 Q1
	Improbable Worlds Limited	FY2017 Q3
	Light Labs, Inc.	FY2018 Q2
	■ SenseTime Group Inc.	FY2018 Q2
	Treasure Data, Inc.	FY2021 Q1
	■ Zymergen, Inc.	FY2018 Q3
<b>Health Tech</b>	CollectiveHealth, Inc.	FY2019 Q1
	Good Doctor Technology Limited	FY2019 Q3
	Guardant Health AMEA, Inc.	FY2018 Q1
	■ Guardant Health, Inc.	FY2017 Q2
	HealthKonnnect Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)	FY2017 Q4
	■ Relay Therapeutics, Inc.	FY2018 Q3
	■ Roivant Sciences Ltd.	FY2017 Q2
■ Vir Biotechnology, Inc.	FY2017 Q2	
<b>Logistics</b>	□ Delhivery Limited	FY2018 Q4
	■ DoorDash, Inc.	FY2018 Q3
	Flexport, Inc.	FY2019 Q1
	■ Full Truck Alliance Co. Ltd	FY2018 Q1

Sector	Name (in alphabetical order)	Initial investment date
<b>Logistics</b>	GoBrands, Inc. (goPuff)	FY2019 Q2
	Local Services Holding Limited (Alibaba Local Services)	FY2018 Q3
	Loggi Technology International	FY2018 Q1
	Nauto, Inc.	FY2017 Q3
	Nuro, Inc.	FY2018 Q4
	Rappi Inc.	FY2019 Q1
	Reef Global Inc.	FY2018 Q4
	Truck Champion Limited (Full Truck Alliance's affiliate)	FY2020 Q1
Zume, Inc.	FY2018 Q3	
<b>PropTech</b>	CLUTTER INC.	FY2018 Q4
	■ Compass, Inc.	FY2017 Q4
	Katerra Inc.	FY2017 Q4
	■ Opendoor Technologies Inc.	FY2018 Q2
	■ View Inc.	FY2018 Q3
	WeWork Greater China Holding Company B.V	FY2017 Q3
	■ WeWork Inc.	FY2017 Q3
WeWork Japan GK	FY2017 Q3	
Ziroom Inc.	FY2019 Q2	
<b>Transportation</b>	ANI Technologies Private Limited (Ola)	FY2019 Q2
	■ Aurora Innovation Inc.	FY2020 Q4
	■ Auto1 Group GmbH	FY2017 Q4
	■ DiDi Global Inc.	FY2018 Q4
	Fair Financial Corp.	FY2018 Q4
	Getaround, Inc.	FY2018 Q4
	■ Grab Holdings Inc.	FY2018 Q3
Guazi.com Inc.	FY2019 Q1	
■ Uber Technologies, Inc.	FY2018 Q3	

## Status of SVF2 investments

As of March 31, 2022

Total ((1) + (2) + (3) + (4) below)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
	<b>251</b>	<b>47.5</b>	<b>47.6</b>	<b>0.1</b>

### (1) Investments before exit (investments held at the fiscal year-end)

	Number of investments	Investment cost*2	Fair value*2	Cumulative unrealized valuation gain (loss)	Unrealized valuation loss recorded for fiscal 2021
Listed companies	14	8.5	9.1	0.6	(1.0)
Unlisted companies	236	38.1	36.9	(1.2)	(1.2)
<b>Total</b>	<b>250</b>	<b>46.6</b>	<b>46.0</b>	<b>(0.6)</b>	<b>(2.2)</b>

### (2) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain*1	Realized gain recorded for fiscal 2021
Partial exit	—	0.9	2.0	1.1	1.1
Full exit	1	0.0	0.1	0.0	0.0
<b>Total</b>	<b>1</b>	<b>0.9</b>	<b>2.1</b>	<b>1.1</b>	<b>1.2</b>

### (3) Derivative gain and loss relating to investment

	Derivative cost	Fair value / Settlement price	Cumulative derivative loss	Derivative loss recorded for fiscal 2021
Unsettled	—	(0.4)	(0.4)	(0.4)
Settled	—	—	—	—
<b>Total</b>	<b>—</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>

### (4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2021
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

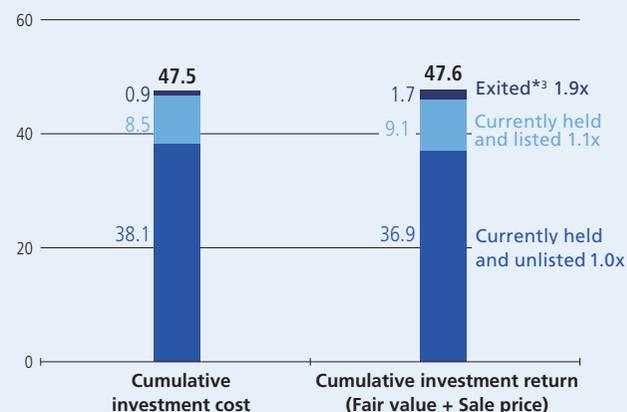
Note: The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

\*1 Before deducting tax and expenses.

\*2 The investment cost and fair value of investments before exit in SVF2 include those related to a minor SVF2 ownership percentage in another portfolio company received as part of the consideration for SVF2's investment in a portfolio company.

## Cumulative investment cost and return

(Billions of U.S. dollars)



\*3 Value of exited investments includes derivative gain and loss relating to investment and interest and dividend income from investments.

## Breakdown of SVF2 investments before exit (investments held at the fiscal year-end)

As of March 31, 2022

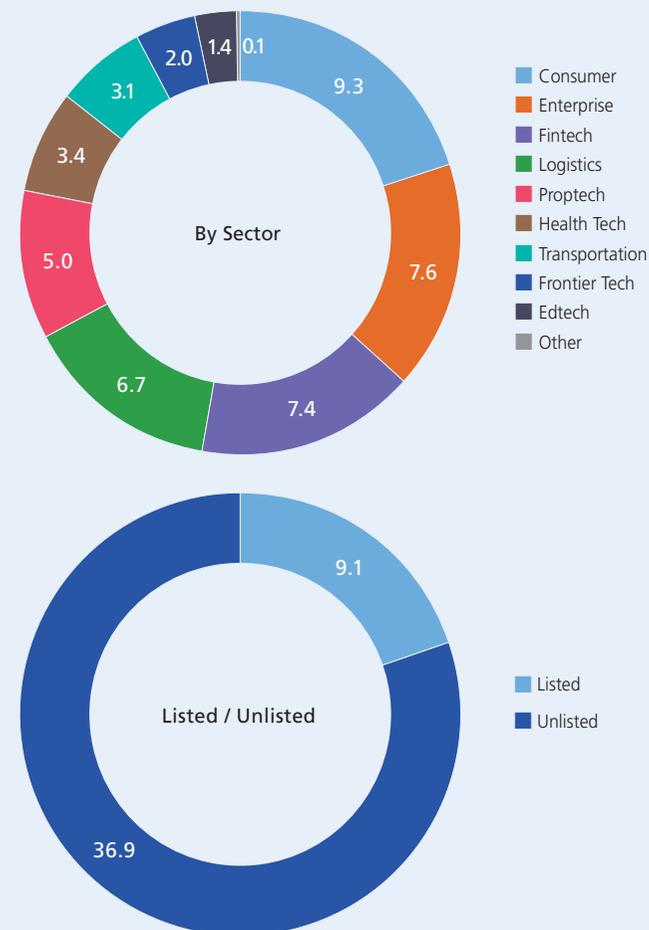
(Billions of U.S. dollars)

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)	Unrealized valuation gain (loss) recorded for fiscal 2021
Consumer	55	10.0	9.3	(0.7)	(0.8)
Edtech	10	1.5	1.4	(0.1)	(0.1)
Enterprise	57	7.7	7.6	(0.1)	(0.1)
Fintech	35	8.5	7.4	(1.1)	(0.8)
Frontier Tech	18	2.3	2.0	(0.3)	(0.4)
Health Tech	38	3.8	3.4	(0.4)	(0.4)
Logistics	15	5.4	6.7	1.3	1.4
Proptech	8	5.1	5.0	(0.1)	(1.7)
Transportation	9	2.2	3.1	0.9	0.7
Other	5	0.1	0.1	0.0	0.0
<b>Total</b>	<b>250</b>	<b>46.6</b>	<b>46.0</b>	<b>(0.6)</b>	<b>(2.2)</b>
(Reference)					
Listed companies*	14	8.5	9.1	0.6	(1.0)
Dingdong		0.3	0.0	(0.3)	(0.3)
Zhangmen		0.1	0.0	(0.1)	(0.1)
Alnovation		0.1	0.1	(0.0)	(0.0)
IonQ		0.1	0.1	0.0	0.0
Qualtrics		0.0	0.0	(0.0)	(0.0)
Exscientia		0.3	0.3	(0.0)	(0.0)
Pear Therapeutics		0.1	0.1	0.0	0.1
Seer		0.2	0.1	(0.1)	(0.2)
AutoStore		2.8	4.8	2.0	2.0
Berkshire Grey		0.7	0.2	(0.5)	(0.4)
Full Truck Alliance		0.2	0.1	(0.1)	(0.1)
JD Logistics		0.6	0.3	(0.3)	(0.3)
KE Holdings		0.5	0.5	(0.0)	(1.7)
WeWork		2.5	2.5	(0.0)	(0.0)
Unlisted companies	236	38.1	36.9	(1.2)	(1.2)
<b>Total</b>	<b>250</b>	<b>46.6</b>	<b>46.0</b>	<b>(0.6)</b>	<b>(2.2)</b>

\* The color corresponding to the listed companies indicates the sector to which the company belongs. Investments in that sector are not limited to those listed companies.

## Breakdown of fair value of investments held at March 31, 2022

(Billions of U.S. dollars)



**SVF2: Portfolio (total of 250 investments)**

As of March 31, 2022. Excludes exited investments.

■ Listed securities □ Listing plan announced ☆ Investment outside of the co-investment program

Sector	Name (in alphabetical order)	Initial investment date
Consumer	Bacasable Global Limited (SandBox)	FY2021 Q3
	Baron App, Inc. (Cameo)	FY2020 Q4
	☆ Bundl Technology Private Limited (Swiggy)	FY2021 Q2
	Cerebral Inc.	FY2021 Q3
	Chengxin Technology Inc. (DiDi Grocery)	FY2020 Q4
	Cityblock Health, Inc.	FY2021 Q2
	Dice FM Ltd.	FY2021 Q2
	Digital Arbitrage, Inc. (Cloudbeds)	FY2021 Q3
	☆ ■ Dingdong (Cayman) Limited	FY2021 Q1
	DSM Grup Danismanlik I.V.S.T.A.S (Trendyol)	FY2021 Q2
	eFishery Pte. Ltd.	FY2021 Q4
	Embark Veterinary, Inc.	FY2021 Q2
	Eobuwie. PL S.A.	FY2021 Q2
	Extend, Inc.	FY2021 Q1
	Fetch Rewards, Inc.	FY2021 Q1
	Flipkart Private Limited	FY2021 Q2
	Get Together Inc. (IRL)	FY2021 Q1
	Global Car Group Pte. Ltd. (Cars24)	FY2021 Q2
	InterFocus Cayman Ltd. (Patpat)	FY2021 Q2
	□ Keep Inc.	FY2020 Q3
	Keli Network Inc. (Jellysmack)	FY2021 Q1
	Kolonial.no AS (Oda)	FY2021 Q1
	Lenskart Solutions Private Limited	FY2019 Q3
	Live Momentum Ltd (StreamElements)	FY2021 Q2
	Manticore Games, Inc	FY2020 Q4
	☆ Meesho Inc.	FY2021 Q1
	Misfits Market, Inc.	FY2021 Q2
	Mmhmm Inc.	FY2021 Q1

Sector	Name (in alphabetical order)	Initial investment date
Consumer	Modern Clinics Inc. (Sprout Therapy)	FY2021 Q2
	Naver Z Corporation	FY2021 Q3
	NTEX Transportation Services Private Limited (Elastic Run)	FY2021 Q4
	OnboardIQ, Inc. (Fountain)	FY2021 Q2
	OP Invest AS (Gelato)	FY2021 Q2
	OrderMark, Inc.	FY2020 Q3
	Papa Inc.	FY2021 Q3
	PerchHQ LLC	FY2021 Q1
	PicsArt, Inc.	FY2021 Q2
	RewardStyle, Inc.	FY2021 Q3
	Ripples Capital Limited (Kitopi)	FY2021 Q2
	SCA Investments Limited (Gousto)	FY2021 Q3
	Sender Inc. (Sendoso)	FY2021 Q2
	Shoplazzza Corporation Limited	FY2021 Q3
	Soda, Inc.	FY2021 Q3
	Sorare SAS	FY2021 Q2
	Spotter, Inc.	FY2021 Q4
	Tempo Interactive Inc.	FY2020 Q4
	The Fynder Group, Inc. (Nature's Fynd)	FY2021 Q1
	UPSIDE Foods, Inc.	FY2020 Q3
	Vestiaire Collective S.A.	FY2021 Q3
	Vuori, Inc.	FY2021 Q3
Weee! Inc.	FY2021 Q4	
Whoop, Inc.	FY2020 Q3	
XPX Holdings Limited	FY2021 Q1	
ZenBusiness Inc.	FY2021 Q3	
1 other investment	—	

Sector	Name (in alphabetical order)	Initial investment date
Edtech	360Learning S.A.	FY2021 Q2
	Apiom, Inc. (Go1)	FY2021 Q1
	Atom Learning Ltd.	FY2021 Q3
	Eruditus Learning Solutions Pte. Ltd.	FY2021 Q2
	GoStudent GmbH	FY2021 Q2
	Happy_seed (Cayman) Limited (VIPThink)	FY2020 Q2
	Paper Education Company Inc.	FY2021 Q4
	Riiid Inc.	FY2021 Q1
	Sorting Hat Technologies Pvt. Ltd (Unacademy)	FY2020 Q2
	☆ ■ Zhangmen Education Inc.	FY2020 Q2
Enterprise	6Sense Insights, Inc.	FY2021 Q4
	7shifts Inc.	FY2021 Q4
	Adverity GmbH	FY2021 Q3
	Aiquire LLC d.b.a. Pyxis One	FY2021 Q3
	Andela Inc.	FY2021 Q2
	Anyvision Interactive Technologies Ltd.	FY2021 Q2
	Arkose Labs Holdings, Inc.	FY2021 Q1
	Attentive Mobile, Inc.	FY2021 Q1
	Behavox Ltd.	FY2019 Q4
	□ Beisen Holding Limited	FY2021 Q1
	Boomerang Commerce Inc. (CommercelQ)	FY2021 Q4
	Clarity AI, Inc.	FY2021 Q2
	Claroty Ltd.	FY2021 Q4
	Class Technologies Inc.	FY2021 Q2
	Commerce Fabric, Inc.	FY2021 Q4
Content Square S.A.S.	FY2021 Q1	
ContractPod Technologies Limited	FY2021 Q2	
Copado Holdings, Inc.	FY2021 Q2	

**SVF2: Portfolio (total of 250 investments)**

As of March 31, 2022. Excludes exited investments.

■ Listed securities □ Listing plan announced ☆ Investment outside of the co-investment program

Sector	Name (in alphabetical order)	Initial investment date
Enterprise	☆ Cybereason Inc.	FY2021 Q1
	Eightfold AI Inc	FY2021 Q1
	Esusu Financial, Inc.	FY2021 Q4
	Guangzhou Tungee Technology Co., Ltd.	FY2021 Q2
	Huice Group Holding Limited (Wangdiantong)	FY2021 Q2
	Icertis, Inc.	FY2021 Q3
	InMobi Pte. Ltd.	FY2021 Q1
	Iyuno Sweden Holding I AB	FY2021 Q2
	JOB AND TALENT HOLDING LIMITED	FY2020 Q4
	Labelbox, Inc.	FY2021 Q3
	MindTickle Inc.	FY2020 Q3
	Minio, Inc.	FY2021 Q3
	Movai Inc (XMOV)	FY2021 Q4
	OneTrust LLC	FY2021 Q1
	Pantheon Systems, Inc.	FY2021 Q2
	Pax8, Inc.	FY2021 Q4
	Peak AI Limited	FY2021 Q2
	Permutive, Inc.	FY2021 Q3
	Plume Design, Inc.	FY2021 Q2
	■ Qingdao AlInnovation Technology Group Co., Ltd	FY2021 Q1
	Quicko Technosoft Labs Private Limited (Whatfix)	FY2021 Q1
	R Software Inc. (RapidAPI)	FY2021 Q4
	Redis Labs Ltd.	FY2020 Q4
	SendBird, Inc.	FY2020 Q4
	Sense Talent Labs, Inc.	FY2021 Q3
	Shanghai Gaussian Automation Technology Development Co., Ltd.	FY2021 Q3

Sector	Name (in alphabetical order)	Initial investment date
Enterprise	Shenzhen Dianxiaomi Network Technology Co, Ltd. (DXM)	FY2021 Q4
	Skedulo Holdings, Inc.	FY2021 Q1
	Smooth and Steady Inc. (Ekuaiobao)	FY2021 Q2
	Sobot Technologies Inc.	FY2021 Q4
	Standard Cognition, Corp.	FY2020 Q4
	TigerGraph, Inc.	FY2021 Q1
	Trax Ltd	FY2021 Q1
	Treasure Data, Inc.	FY2021 Q1
	Unifonic Inc.	FY2021 Q2
	Workboard, Inc.	FY2021 Q1
	Z21 Labs Inc. (Observe AI)	FY2021 Q4
	Zaihui Inc.	FY2021 Q2
1 other investment	–	
Fintech	Advance Intelligence Group Limited (Advance.AI)	FY2021 Q2
	Aleo Systems Inc.	FY2021 Q4
	Apollo Agriculture, Inc.	FY2021 Q4
	☆□ Better Holdco, Inc.	FY2021 Q1
	bKash Limited	FY2021 Q3
	Blockdaemon, Inc.	FY2021 Q2
	Brex Inc.	FY2021 Q2
	CFT Clear Finance Technology Corp. (Clearco)	FY2021 Q1
	Chime Financial, Inc.	FY2021 Q2
	ConsenSys Software Inc.	FY2021 Q4
	Digital Currency Group, Inc.	FY2021 Q3
	Digits Financial, Inc.	FY2021 Q1
Drivewealth Holdings, Inc.	FY2021 Q2	
Elliptic Enterprises Limited	FY2021 Q3	
Envelop Risk Analytics Ltd.	FY2021 Q3	

Sector	Name (in alphabetical order)	Initial investment date
Fintech	Ethos Technologies Inc.	FY2021 Q2
	☆□ eToro Group Ltd.	FY2020 Q4
	FTX Trading Ltd.	FY2021 Q2
	Funding Asia Group PTE. LTD. (Funding Societies)	FY2021 Q4
	Human Interest Inc.	FY2021 Q2
	Juspay Technologies Private Limited	FY2021 Q3
	Klarna Holding AB	FY2020 Q4
	M1 Holdings Inc.	FY2021 Q2
	☆ OFB Tech Private Limited (OfBusiness)	FY2021 Q2
	Opay Limited	FY2021 Q1
	PayPay Corporation	FY2021 Q3
	PrimaryBid Limited	FY2021 Q4
	Revolut Ltd.	FY2021 Q2
	TabaPay, Inc.	FY2021 Q4
	Vivid Money Holdco Limited	FY2021 Q4
	West Realm Shires Inc. (FTX US)	FY2021 Q2
	Zeta Investments Holdings Pte. Ltd.	FY2021 Q1
Zopa Group Limited	FY2021 Q3	
2 other investments	–	
Frontier Tech	Agile Robots AG	FY2021 Q2
	Cornami, Inc.	FY2021 Q3
	Enpal GmbH	FY2021 Q3
	FormLabs, Inc.	FY2021 Q1
	□ Guangzhou Xaircraft Technology Co., Ltd. (XAG)	FY2020 Q3
	Improbable MV Limited	FY2021 Q4
	☆■ IonQ, Inc.	FY2021 Q1
	Keenon Robotics Co., Ltd.	FY2021 Q2
Kigen (UK) Limited	FY2021 Q4	

**SVF2: Portfolio (total of 250 investments)**

As of March 31, 2022. Excludes exited investments.

■ Listed securities □ Listing plan announced ☆ Investment outside of the co-investment program

Sector	Name (in alphabetical order)	Initial investment date
<b>Frontier Tech</b>	MX Fund II GmbH & Co KG (Merantix)	FY2021 Q3
	Opentrons Labworks, Inc.	FY2021 Q2
	Patsnap Limited	FY2020 Q4
	☆■ Qualtrics International Inc.	FY2020 Q4
	SambaNova Systems Inc.	FY2021 Q1
	Shanghai Eigencomm Technologies Co., Ltd.	FY2021 Q4
	Soul Machines Limited	FY2021 Q3
	Vianai Systems, Inc.	FY2021 Q1
	Wiliot Ltd.	FY2021 Q2
	<b>Health Tech</b>	Twire Ventures Fund II, L.P.
Abogen Therapeutics Limited		FY2021 Q3
Aculys Pharma, Inc.		FY2021 Q3
Big Health Ltd.		FY2021 Q4
Biofourmis Holdings Pte. Ltd.		FY2020 Q2
CMR Surgical Limited		FY2021 Q2
Deep Genomics Incorporated		FY2021 Q2
Devoted Health, Inc.		FY2021 Q2
Dewpoint Therapeutics, Inc.		FY2021 Q4
☆□ EDDA Healthcare and Technology Holding Limited		FY2020 Q4
ElevateBio LLC		FY2020 Q4
Encoded Therapeutics, Inc.		FY2020 Q1
■ Exscientia plc.		FY2021 Q1
GoForward, Inc.		FY2020 Q4
Hexagon Bio, Inc.		FY2021 Q1
Insitro, Inc.		FY2021 Q1
Karius, Inc.		FY2019 Q4
Leyden Laboratories B.V.		FY2021 Q3
Lumicks Technologies B.V.		FY2021 Q1

Sector	Name (in alphabetical order)	Initial investment date
<b>Health Tech</b>	Neuron23, Inc.	FY2021 Q3
	Noah Medical Corporation	FY2021 Q4
	☆■ Pear Therapeutics, Inc.	FY2020 Q3
	Plexium, Inc.	FY2021 Q4
	QuantumPharm Inc. (XtalPi)	FY2020 Q2
	RBNC Therapeutics, Inc.	FY2021 Q2
	Repertoire Immune Medicines	FY2021 Q1
	ScriptDash Inc. (Alto Pharmacy)	FY2019 Q3
	☆■ Seer, Inc.	FY2020 Q3
	Shanghai Fourier Intelligence Co., Ltd.	FY2021 Q4
	Shenzhen XinJuTe Intelligent Medical Devices Co., Ltd. (Futurtec)	FY2021 Q3
	Synthego Corporation	FY2021 Q4
	Tessera Therapeutics, Inc	FY2020 Q3
	Umoja Biopharma, Inc.	FY2021 Q1
	Variant Bio, Inc.	FY2021 Q3
	Venn Biosciences Corporation (InterVenn)	FY2021 Q2
	Ventus Therapeutics U.S.	FY2021 Q4
2 other investments	–	
<b>Logistics</b>	■ AutoStore Holdings Ltd.	FY2021 Q1
	☆■ Berkshire Grey, Inc.	FY2020 Q4
	Cargomatic, Inc.	FY2021 Q3
	ezCater, Inc.	FY2021 Q3
	Flock Freight, Inc.	FY2020 Q3
	Forto GmbH	FY2021 Q2
	☆■ Full Truck Alliance Co. Ltd.	FY2020 Q3
	☆■ JD Logistics, Inc	FY2021 Q1
	Material Technologies Corporation (Material Bank)	FY2021 Q2

Sector	Name (in alphabetical order)	Initial investment date
<b>Logistics</b>	Paack SPV Investments, S.L.	FY2021 Q4
	Reibus International, Inc.	FY2021 Q3
	RightHand Robotics, Inc.	FY2021 Q4
	SendCloud Global BV	FY2021 Q2
	Shipbob, Inc.	FY2020 Q2
	Veho Tech, Inc.	FY2021 Q4
<b>Proptech</b>	Clicpiso Holdco Global S.à r.l. (Clikalia)	FY2021 Q4
	☆■ KE Holdings Inc. (Beike)	FY2019 Q3
	Lyra Technologies, Inc. (Block Renovation)	FY2021 Q3
	Pacaso Inc.	FY2021 Q2
	Roofstock, Inc.	FY2021 Q3
	☆■ WeWork Inc.	FY2021 Q2
Yanolja Co., Ltd.	FY2021 Q2	
1 other investment	–	
<b>Transportation</b>	NetraDyne, Inc.	FY2021 Q2
	Ola Electric Mobility Private Limited	FY2021 Q3
	Platform Science, Inc.	FY2021 Q3
	Robotic Research OpCo, LLC	FY2021 Q3
	TIER Mobility GmbH	FY2020 Q3
	TRUSTY CARS PTE. LTD. (Carro)	FY2021 Q2
	Voyager Group Inc. (DiDi AV JV)	FY2019 Q4
	Zum Services, Inc.	FY2021 Q3
1 other investment	–	
<b>Other</b>	Brex Venture Debt Fund	FY2021 Q4
	Liberty 77 Capital LP	FY2021 Q4
	NorthStar Equity Partners V Limited	FY2021 Q2
	OurCrowd International General Partner, L.P.	FY2021 Q3
	Paradigm One (Cayman) Feeder LP	FY2021 Q3

## Listings / Listing plans for SVF1&2 portfolio companies

As of March 31, 2022. Excluding those already listed at the time of investment

Fund	Name	Listing date (YYYY/MM/DD)	Listing method
SVF1	<b>Investments before exit</b>		
	Guardant Health, Inc.	2018/10/4	IPO
	Uber Technologies, Inc.	2019/5/10	IPO
	Vir Biotechnology, Inc.	2019/10/11	IPO
	OneConnect Financial Technology Co., Ltd.	2019/12/13	IPO
	Relay Therapeutics, Inc.	2020/7/16	IPO
	DoorDash, Inc.	2020/12/9	IPO
	Opendoor Technologies Inc.	2020/12/21	De-SPAC
	Auto1 Group GmbH	2021/2/4	IPO
	View Inc.	2021/3/9	De-SPAC
	Coupang, Inc.	2021/3/11	IPO
	Compass, Inc.	2021/4/1	IPO
	Zymergen, Inc.	2021/4/22	IPO
	Full Truck Alliance Co. Ltd	2021/6/22	IPO
	DiDi Global Inc.	2021/6/30	IPO
	Roivant Sciences Ltd.	2021/10/1	De-SPAC
	WeWork Inc.	2021/10/21	De-SPAC
	Aurora Innovation Inc.	2021/11/4	De-SPAC
	PB Fintech Limited (Policybazaar)	2021/11/15	IPO
	One97 Communications Limited (PayTM)	2021/11/18	IPO
	Grab Holdings Inc.	2021/12/2	De-SPAC
	SenseTime Group Inc.	2021/12/30	IPO
	Energy Vault, Inc.	2022/2/14	De-SPAC
	PT GoTo Gojek Tokopedia Tbk	FY2022 Q1 *1	IPO
	Delhivery Limited	TBA	IPO
	Oravel Stays Limited (OYO)	TBA	IPO
SVF1	<b>Exited investments</b>		
	ZhongAn Online P & C Insurance Co., Ltd.	2017/9/28	IPO
	Ping An Healthcare and Technology Company Limited (Ping An Good Doctor)	2018/5/4	IPO
	Slack Technologies, Inc.	2019/6/20	Direct listing
	10x Genomics, Inc.	2019/9/12	IPO

Fund	Name	Listing date (YYYY/MM/DD)	Listing method
SVF2	<b>Investments before exit</b>		
	KE Holdings Inc. (Beike)	2020/8/13	IPO
	Seer, Inc.	2020/12/4	IPO
	Qualtrics International Inc.	2021/1/28	IPO
	JD Logistics, Inc	2021/5/28	IPO
	Zhangmen Education Inc.	2021/6/8	IPO
	Full Truck Alliance Co. Ltd.	2021/6/22	IPO
	Dingdong (Cayman) Limited	2021/6/29	IPO
	Berkshire Grey, Inc.	2021/7/22	De-SPAC
	Exscientia plc.	2021/10/1	IPO
	IonQ, Inc.	2021/10/1	De-SPAC
	AutoStore Holdings Ltd.	2021/10/20	IPO
	WeWork Inc.	2021/10/21	De-SPAC
	Pear Therapeutics, Inc.	2021/12/6	De-SPAC
	Qingdao AlInnovation Technology Group Co., Ltd.	2022/1/27	IPO
	Beisen Holding Limited	TBA	IPO
	Better Holdco, Inc.	TBA	De-SPAC *2
	EDDA Healthcare and Technology Holding Limited	TBA	IPO
	eToro Group Ltd.	TBA	De-SPAC *3
	Guangzhou Xaircraft Technology Co., Ltd. (XAG)	TBA	IPO
Keep Inc.	TBA	IPO	

Note: De-SPAC is subject to receipt of stockholder approval of respective SPACs and the satisfaction of other customary closing conditions.

\*1 PT GoTo Gojek Tokopedia Tbk listed on April 11, 2022.

\*2 The merger between Better Holdco, Inc. and Aurora Acquisition Corp., a SPAC, was announced on May 11, 2021.

\*3 The merger between eToro Group Ltd. and FinTech Acquisition Corp. V, a SPAC, was announced on March 16, 2021.

## SoftBank Segment

**Segment income increased by 3.8% yoy mainly due to an increase in income in the Yahoo! JAPAN/ LINE and enterprise businesses, as well as the greater gain on investments, despite a decrease in income in the consumer business and an increased loss on equity method investments.**

### Overview

Segment results include the results of business activities conducted by SoftBank Corp. mainly in Japan, such as provision of mobile services and sale of mobile devices, as well as provision of broadband and e-commerce services. Under its *Beyond Carrier* strategy, SoftBank Corp. aims to strengthen its earnings base by going beyond the confines of a conventional telecommunications carrier, while further growing the telecommunications business, and expanding its businesses in three fields: telecommunications business, Yahoo! JAPAN / LINE business, and new businesses.

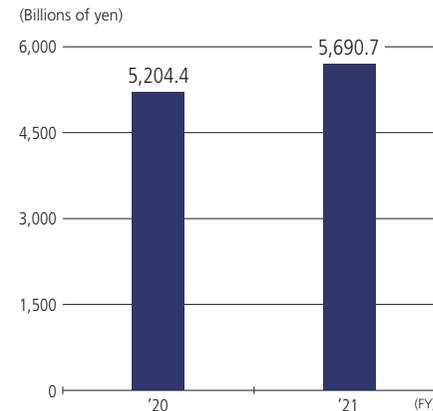
### Financial results

Segment income was ¥880,104 million, an increase of ¥32,171 million (3.8%) year on year. This was mainly due to an increase in income in the Yahoo! JAPAN / LINE and enterprise businesses, and an increase in investment income, which absorbed a decrease in income in the consumer business and an increased loss on equity method investments.

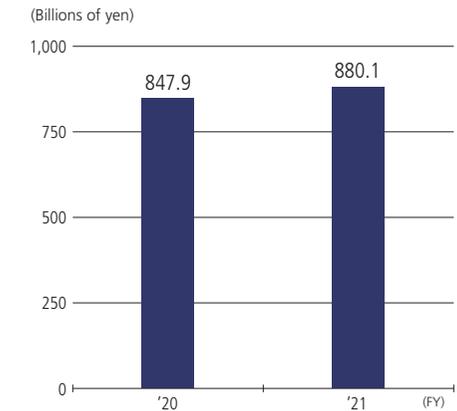
Income in the Yahoo! JAPAN / LINE business grew due to an increase in sales centered on advertising-related services mainly associated with the consolidation of LINE Corporation. Income in the enterprise business increased, reflecting growth in mobile revenue following greater demand for remote working and growth in sales of cloud and digital marketing advertising services as the digitization of enterprises accelerated. On the other hand, income in the consumer business decreased due to the impact of cutting mobile service charges. The increase in gain on investments was due to the recording of a valuation loss in the previous fiscal year on one of its investees, in which SoftBank Corp. invested as part of its efforts to expand its telecommunications network globally, as well as the increase in the fair value of the investment and gain on the exchange of shares of eBOOK Initiative Japan Co., Ltd. The increased loss on equity method investments was due to the impact of Demae-can Co., Ltd. and foreign equity method associates of LINE Corporation.

 For more information on SoftBank Corp.'s financial results and business operations, see its website.

### Net sales



### Segment income (income before income tax)



## Arm Segment

### 1. Continuing strong revenue growth, positive segment income

- Net sales increased by 43.0% yoy.
  - Technology royalty revenue increased by 20.1% yoy (U.S. dollar-based) due to strong industry growth and market share gains.
  - Technology non-royalty revenue increased by 61.0% yoy (U.S. dollar-based) due to the availability of Arm’s newly developed products following years of planned R&D investment.
- The increase in segment income is due to the strong increase in revenue combined with slower increases in R&D costs as Arm focused its investments on key growth areas.

### 2. More Arm customers chose to adopt Arm’s latest technology for their next generation products and services.

In the fourth quarter, Arm signed licenses for its CPU and GPU IP that its customers will use in a wide range of end markets including automotive vision systems, networking equipment, servers and smartphones.

### 3. The Company announced that Arm will prepare for a future IPO.

## Overview

Arm’s operations primarily consist of the licensing of semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Following acquisition by the Company, Arm accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm develops new technologies with the intention to maintain or increase its share of the existing markets and expand into new markets.

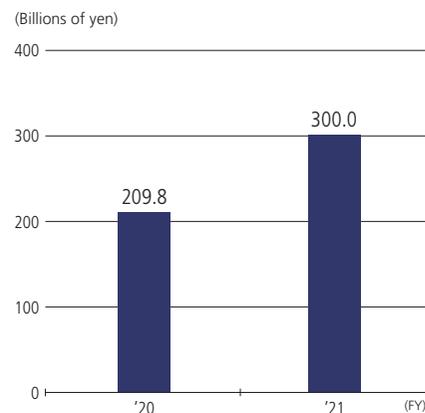
## Industry trends and their impact

Semiconductor industry trends can have a significant impact on Arm’s financial results, both positively and negatively. The semiconductor industry has grown very strongly due to long-term trends such as more products and services depending on increasing amounts of embedded intelligence, such as cars providing more driver information and assistance, and smartphones improving camera technology generation after generation for better photography. Some markets have shown particularly strong growth in fiscal 2021 including 5G smartphones and networking equipment as well as embedded and automotive applications, where Arm has good exposure. This growth has benefited Arm’s technology royalty revenue as it grows with industry sales. Industry growth also accelerated Arm’s customers’ design activity, creating new opportunities for Arm to license its latest technologies and thus driving non-royalty revenue (technology licensing revenue and software and services revenue). The industry is vulnerable to other external factors, including trade disputes and sanctions against specific companies, as well as the impact of temporary component shortages; for example, some automotive manufacturers and smartphone OEMs could not source sufficient numbers of chips resulting in delays in the production of cars and phones. If shipments of consumer electronic devices weaken, it may lead to

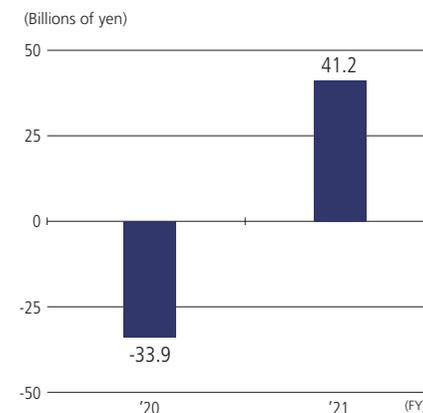
lower Arm’s technology royalty revenue, and if customers facing reduced revenues choose to delay licensing decisions, it may lead to lower technology non-royalty revenue. However, it is difficult to anticipate when these events may occur and the impact on the semiconductor industry in general or Arm specifically.

Arm is expecting that, as consumer and enterprise electronics become more advanced, its technology will be further utilized, and opportunities will expand over the long term.

### Net sales



### Segment income (income before income tax)



Notes: 1. Since the fourth quarter of the previous fiscal year, the Internet-of-Things Services Group (ISG) business is managed separately from the Arm business and its results are therefore included in “Other” instead of the Arm segment.  
 2. Segment income included amortization expenses of ¥51,153 million for fiscal 2021 and ¥48,108 million for the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

## Financial results

### Net sales in U.S. dollars

Net sales in this section are presented in U.S. dollars as Arm's revenue is primarily based in U.S. dollars.

(Millions of U.S. dollars)

	Fiscal 2020	Fiscal 2021	Change	Change %
Technology royalty	1,278	<b>1,536</b>	258	20.1%
Technology non-royalty	702	<b>1,129</b>	427	61.0%
<b>Total net sales</b>	<b>1,980</b>	<b>2,665</b>	<b>685</b>	<b>34.6%</b>

Net sales increased by \$685 million (34.6%) year on year due to increases in both technology royalty revenue and technology non-royalty revenue.

### Technology royalty revenue

Technology royalty revenue increased by \$258 million (20.1%) year on year. Royalty revenues were driven by the strong ramp in shipments of Arm-based 5G smartphones, deployment of networking equipment into 5G base stations, and Arm's customers gaining share in multiple markets such as automotive and servers. In addition, Arm's customers benefitted from the very high demand for computer chips enabling prices to increase, and as Arm's royalty revenue is often based on the price of chips, Arm is also benefiting from higher chip prices.

### Technology non-royalty revenue

Technology non-royalty revenue increased by \$427 million (61.0%) year on year. This increase is primarily due to the availability of more Arm technology following the period of accelerated R&D spending since Arm was acquired by the Company. Over the past few years, Arm has increased investment in R&D, which has now resulted in a product portfolio that has expanded the breadth of Arm technology to include CPUs optimized for servers, automotive electronics, and AI acceleration. This has led to a wider range of customers licensing Arm technology, as well as existing customers having more Arm technology to choose from, both of which are helping to drive licensing revenues. This included licenses for CPUs used by customers intending to build Arm-based server and PC chips, smartphones, networking equipment, autonomous systems such as industrial robotics and self-driving vehicles and for AI enabled microcontrollers. In addition, in fiscal 2021, strong industry demand for Arm-based chips encouraged Arm's customers to invest in new R&D projects to develop more chips and therefore increased demand for Arm CPU licenses.

### NVIDIA technology license

In September 2020, as part of the proposed acquisition of Arm by NVIDIA Corporation, Arm received \$0.75 billion as consideration for a technology license agreement. In the fourth quarter, it was announced that NVIDIA Corporation was no longer planning to acquire Arm, nevertheless, the technology license remains extant with revenue being recognized in the period of the agreement.

### Segment income

Segment income was ¥41,200 million, improving by ¥75,073 million year on year due to the strong revenue growth.

In the fourth quarter, Arm initiated a global restructuring of its non-engineering functions with the goal of improving operational efficiency. The restructuring will involve some redundancies, and, in some countries, redundancy proposals are subject to employee consultation processes according to local law. As the restructuring is still ongoing, the only restructuring costs that became highly probable to be incurred were recorded in the fourth quarter.

## Operations

### Royalty units\*

(Billion)

	Year ended December 31		Change	Change %
	2020	2021		
<b>Royalty units as reported by Arm's licensees</b>	<b>25.3</b>	<b>29.2</b>	<b>3.9</b>	<b>15.4%</b>

\* This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for the 12-month period ended December 31, 2021, as reported by licensees in royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis for fiscal 2021 is based on chips shipped for ended December 31, 2021. In contrast, royalty revenues are accrued in the same quarter the chips are shipped, based on estimates. In the fourth quarter, previously announced royalty unit data has been restated based on information received by Arm from its licensees.

Arm's licensees reported shipments of 29.2 billion Arm-based chips in the year ended December 31, 2021, an increase of 15.4% year on year. This is the highest annual growth rate in four years.

## Technology development

Arm considers the following as its primary areas for increased investment and is evolving technology in both its mobile business and other businesses with strong growth potential.

### Arm's primary investment areas and main developments

#### Mobile computing

Opportunity	Arm already has over 95% share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.
Q1	Arm introduced three new processors, <i>Cortex-X2</i> , <i>Cortex-A710</i> , and <i>Cortex-A510</i> , based on <i>Armv9</i> , and three new graphics processors, <i>Mali-G710</i> , <i>Mali-G510</i> , and <i>Mali-G310</i> , all targeting the smartphone and mobile computing segment.
Q3	Mediatek Inc., Qualcomm Technologies, Inc. and Samsung Electronics Co., Ltd. announced their first chips for smartphones based on Arm CPUs developed with the <i>Armv9</i> architecture. These chips should start to appear in smartphones in 2022.
Q4	Lenovo Group Limited announced their first ThinkPad laptop based on an Arm-based chip from Qualcomm Technologies, Inc. The Lenovo ThinkPad X13s uses four Arm high-performance CPUs and four Arm high efficiency CPUs and has a long battery life.

#### Infrastructure

Opportunity	Arm has a growing share in networking infrastructure and a nascent share in data center servers.
Q1	<ul style="list-style-type: none"> <li>Supercomputer Fugaku with Arm technology for servers, jointly developed by RIKEN and Fujitsu Limited, has retained its number one ranking in the TOP500, a global ranking based on calculation speed of supercomputers.</li> <li>Oracle Corporation announced that Oracle Cloud Infrastructure will include Arm-based servers using chips from Ampere Computing LLC.</li> <li>NVIDIA Corporation and Marvell Technology, Inc. separately announced new 5G networking infrastructure chips based on Arm processor technology.</li> </ul>
Q2	Cloudflare, Inc. announced a blueprint for a zero-emissions internet, assisted by the deployment of low-power Arm-based technology. Cloudflare reported that it "achieved more than 50% improvement in requests per watt by deploying Arm Neoverse-based processors in its edge servers."
Q3	<ul style="list-style-type: none"> <li>Alibaba announced Yitian 710, their first Arm-based chip for data centers, featuring 128 <i>Armv9</i> cores.</li> <li>Amazon Web Services Inc. announced Graviton3, their next generation of Arm-based chip for data centers, claiming 2-3x higher performance for certain workloads, including cryptographic and machine learning, compared to Graviton2.</li> </ul>
Q4	Fujitsu Limited announced it had successfully developed the world's fastest quantum computer simulator capable of handling 36 qubit quantum circuits on a cluster system using the same Arm-based A64FX CPU that powers the world's fastest supercomputer, Fugaku.

#### Automotive

Opportunity	As vehicles become smarter, they require more computational capability. Arm is well-positioned to gain market share by providing energy efficiency and Arm processor technology has already been licensed by most companies that develop automotive chips.
Q1	Arm and leading automotive companies and technology providers, including Audi AG, DENSO CORPORATION, and NXP Semiconductors N.V., have started a new collaboration to create standards for self-driving vehicles.
Q2	Arm introduced a new automotive design platform to enable the development of software-defined cars in the future; software can be downloaded to modify the performance and functionality of a car.
Q4	Mobileye Technologies Limited, an Intel Corporation company and a pioneer in automotive vision-safety technology, announced that it has licensed Arm's newly introduced <i>Mali-C78AE</i> ISP and <i>Mali-G78AE</i> GPU, for Mobileye's next-generation EyeQ technology.

#### IoT

Opportunity	For IoT to reach its full potential, it must be secure against hacking and robust against faults. Arm has developed technology to secure and manage data in IoT device networks.
Q1	Arm announced an initiative to help reduce the time to develop software for Arm-based microcontrollers by enabling more code-reuse and code-sharing between developers.
Q2	Arm announced <i>Total Solutions for IoT</i> , an initiative which includes virtual development boards hosted on AWS, allowing software to be developed in parallel to a new chip design. This initiative could help reduce the time needed to develop an IoT product by up to two years.
Q4	Arm announced the new <i>Cortex-M85</i> CPU for high-performance microcontrollers that require AI functionality, such as smart cameras with object recognition or face identification capability.



For more information about Arm, its business, and its technology, see its website.

## Latin America Funds Segment

- 1. ¥111.1 billion gain on investments (net) was recorded due to increases in the fair values of unlisted portfolio companies.**
- 2. As of the fiscal year-end, SoftBank Latin America Funds held a total of 101 investments, including seven\* listed portfolio companies. The investment cost totaled \$6.9 billion with a fair value amounting to \$9.4 billion.**

\* Includes a SPAC invested but not sponsored by the Company.

### Overview

Segment results include the results of the investments and operational activities of SoftBank Latin America Funds, primarily SoftBank Latin America Fund 1 (SBLAF1) and SoftBank Latin America Fund 2 (SBLAF2), which are managed by the Company's wholly owned U.S. subsidiary SBLA Advisers Corp. The Latin America Funds segment will be integrated into the SoftBank Vision Funds segment starting from the first quarter of the fiscal year ending March 31, 2023 as SoftBank Latin America Funds will be managed by SBGA, which manages SVF2.

SBLAF1 and SBLAF2 were established with the objective of investing in companies using technologies in all industries within rapidly developing Latin America. As of the fiscal year-end, total committed capital is \$5.0 billion for SBLAF1\*1 and \$2.3 billion for SBLAF2.

In the second quarter, SoftBank Latin America Funds introduced a co-investment program with restricted rights to receive distributions and preferred equity in the same way as SVF2.\*2

 For details, see "a. Co-investment program with restricted rights to receive distributions" in "For the fiscal year ended March 31, 2022" in "(1) Related party transactions and balances" under "Note 48. Related party transactions" under "Notes to Consolidated Financial Statements" in "Financial Report 2022."

\*1 In addition to the Company's commitment, a co-investment program of employees involved in the management of SBLAF1 committed \$7 million to the fund. The program ended in the fourth quarter after distributing to employees.

\*2 For SBLAF1, investments in unlisted companies made on or after June 24, 2021 are subject to these.

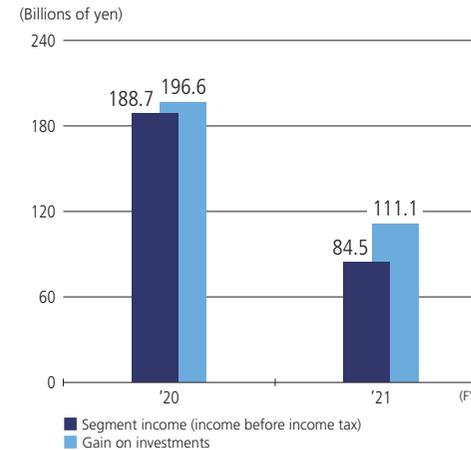
### Financial Results

Unrealized gain on valuation of investments (net) totaled ¥118,922 million. This was mainly due to an increase in the fair values of unlisted portfolio companies, such as QUINTOANDAR, LTD., Kavak Holdings Limited, and Creditas Financial Solutions, Ltd., partly caused by the value of local currencies rising against the U.S. dollar, while the share price of listed portfolio companies, such as Banco Inter S.A. and VTEX, declined. In contrast, realized loss on investments of ¥9,114 million was recorded for two portfolio companies of SBLAF1 in the second quarter. These resulted in gain on investments of ¥111,070 million and segment

income of ¥84,451 million. As of the fiscal year-end, SoftBank Latin America Funds held a combined total of 101 investments and invested a cumulative total of \$6.9 billion, with a fair value of \$9.4 billion.

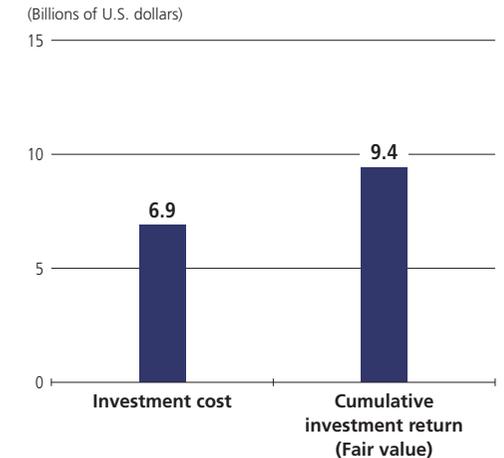
 See page 110 for a list of SoftBank Latin America Funds' portfolio companies.

### Segment income (income before income tax) / Gain on investments



### Cumulative investment cost and return

As of March 31, 2022.



Note: SBLAF1 has invested in one affiliated SPAC through the SPAC's sponsor, which is the Company's subsidiary in this segment. The operating results of the SPAC, as a subsidiary of the Company, are included in this segment.

## SBLAF1: Portfolio (total of 58 investments)

As of March 31, 2022. Excludes exited investments.

Sector	Name (in alphabetical order)	Initial investment date
<b>Authentication</b>	Unico Technologies Ltd (acesso digital)	FY2020 Q3
<b>Auto Marketplaces</b>	Kavak Holdings Limited	FY2019 Q3
<b>Blockchain</b>	2TM Holdings Company Ltd	FY2021 Q2
	Digital Currency Group, Inc. (DCG)	FY2021 Q2
	Hashdex, Ltd.	FY2021 Q1
	Sorare SAS	FY2021 Q2
	The Badger Technology Company Holdings Ltd. (Bitso)	FY2021 Q1
<b>Consumer</b>	Tupoe Ltd. (Glorify)	FY2021 Q2
	1 other investment	–
<b>E-Commerce</b>	Jokr S.a.r.l.	FY2020 Q4
	MadeiraMadeira Ltd.	FY2019 Q3
	Petlove Cayman, Ltd.	FY2020 Q1
	Rappi, Inc.	FY2019 Q3
	Solidarium (Olist)	FY2019 Q3
	■ VTEX	FY2019 Q3
<b>Education</b>	■ Afya Limited	FY2020 Q2
	Camino Education Ltd.	FY2020 Q2
	Descomplica, Ltd.	FY2020 Q4
	UOL EdTech Cayman Ltd	FY2020 Q3
<b>Fintech</b>	■ Banco Inter S.A.	FY2019 Q3
	Contabilizei Company	FY2020 Q3
	Creditas Financial Solutions, Ltd.	FY2019 Q3
	■ DOTZ S.A.	FY2021 Q1
	Inco Limited (Isaac)	FY2021 Q3
	Konfio Limited	FY2019 Q3
	Kushki Group Holdings, Ltd.	FY2021 Q1
	■ Nu Holdings Ltd.	FY2021 Q3
	PayClip, Inc.	FY2019 Q3
	Yaydoo, Inc.	FY2021 Q2
	1 other investment	–
<b>Health &amp; Wellness</b>	GPCY Holding (Gympass)	FY2020 Q2
<b>Information Services</b>	JusBrasil, Ltd.	FY2020 Q4
<b>Insurance</b>	Betterfly PBC	FY2021 Q1
<b>Logistics</b>	Frubana Inc.	FY2019 Q4
	Loggi Technology International	FY2019 Q3
	Tul Inc.	FY2021 Q2
<b>Mobility</b>	Buser, Ltd.	FY2019 Q3
<b>Real Estate</b>	Loft Holdings Ltd	FY2019 Q3
	McN Investment Ltd. (Habi)	FY2021 Q1
	QUINTOANDAR, LTD.	FY2019 Q3
	1 other investment	–
<b>SaaS</b>	Cortex Intelligence Ltd.	FY2020 Q1
	FHF Ventures Ltd. (Cobli)	FY2021 Q2
	Omie Ltd.	FY2021 Q2
	1 other investment	–
<b>Security</b>	Serpahim Holdings Ltd. (Gabriel)	FY2021 Q3
	12 others (including LP interests)	–

Note: In addition to the above, an entity other than SBLAF1 and SBLAF2 invested in Televisa-Univision (Sector: Media, Initial investment date: FY2020 Q3).

## SBLAF2: Portfolio (total of 52 investments)

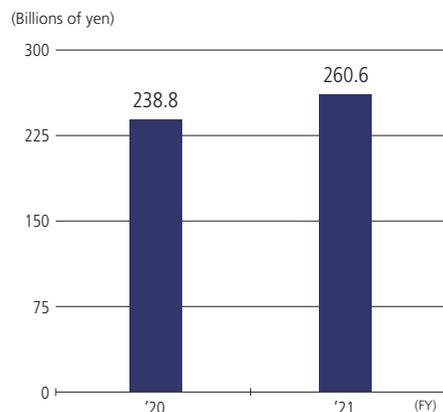
As of March 31, 2022. Excludes exited investments.

■ Listed securities

Sector	Name (in alphabetical order)	Initial investment date
<b>Authentication</b>	Incode Technologies, Inc.	FY2021 Q3
	Unico Technologies Ltd (acesso digital)	FY2021 Q2
<b>Blockchain</b>	2TM Holdings Company Ltd	FY2021 Q2
<b>Consumer</b>	Goody Technologies, Inc.	FY2021 Q3
	Tupoe Ltd. (Glorify)	FY2021 Q3
	Zapt Holdings Limited	FY2021 Q4
<b>Crypto</b>	Smash Works Inc. (Arch)	FY2021 Q4
<b>E-Commerce</b>	Birdie SSOT Corp.	FY2021 Q4
	D-Una Holdings Limited	FY2021 Q3
	Laika Universe Inc.	FY2021 Q4
	Merama, Inc.	FY2021 Q2
	PopUP Design, Inc. (GAIA)	FY2021 Q2
	Solidarium (Olist)	FY2021 Q4
<b>Education</b>	Medway Limited	FY2021 Q4
<b>Fintech</b>	Adelante Financial Holdings Limited (Addi)	FY2021 Q3
	Avenue Holding Cayman Ltd.	FY2021 Q2
	Bancar Technologies Limited	FY2021 Q3
	Contabilizei Company	FY2021 Q4
	Creditas Financial Solutions, Ltd.	FY2021 Q4
	Konfio Limited	FY2021 Q3
	OpenCo Holding Limited	FY2021 Q3
	Pismo Holdings	FY2021 Q3
	Solfacil International Ltd.	FY2021 Q4
	Swile SAS	FY2021 Q3
	Terramagna Ltd.	FY2021 Q3
	TRBL LTD. (Tribal)	FY2021 Q4
	1 other investment	–
<b>Frontier Tech</b>	■ SATELLOGIC INC.	FY2021 Q4
<b>Health Tech</b>	Bluecorp Health Ltd. (Nilo)	FY2021 Q4
	Salu Ltd.	FY2021 Q4
<b>Insurance</b>	Alice Holding	FY2021 Q4
	Justo Seguros Holdings Limited	FY2021 Q3
<b>Logistics</b>	Frubana Inc.	FY2021 Q3
	Loadsmart, Inc.	FY2021 Q4
<b>Real Estate</b>	QUINTOANDAR, LTD.	FY2021 Q4
	1 other investment	–
<b>SaaS</b>	Abstra Tech	FY2021 Q3
	Atom Finance, Inc.	FY2021 Q1
	BotCity LLC	FY2021 Q3
	Buk Holdings Limited	FY2021 Q3
	CRMBONUS HOLDING	FY2021 Q3
	DGB USA, Inc. (Digibee)	FY2021 Q4
	Gupy Ltd.	FY2021 Q4
	Neivor Technology Limited	FY2021 Q4
	Pipefy, Inc.	FY2021 Q3
	Worc Technologies Holding Limited	FY2021 Q3
<b>Transportation</b>	International Logistics Holding LLC (CargoX)	FY2021 Q3
	Nowports Inc.	FY2021 Q3
<b>Others</b>	Indaband	FY2021 Q4
	3 others (including LP interests)	–

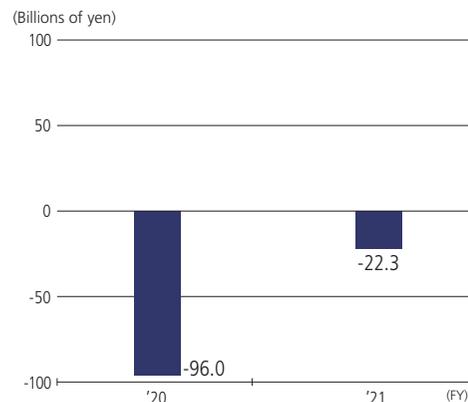
## Other

### Net sales



Note: Since the fourth quarter of the previous fiscal year, the ISG business (including Treasury Data, Inc.) is managed separately from the Arm business and its operating results are therefore included in "Other" instead of the Arm segment. In the third quarter, SBG's shares of PayPay Corporation were transferred to SVF2. As PayPay Corporation continues to be a subsidiary of the Company, its operating results are included in "Other."

### Segment income (income before income tax)



Segment loss was ¥22,347 million. PayPay Corporation and Fortress Investment Group LLC recorded losses before income tax of ¥60,464 million and ¥30,825 million, respectively, while a gain of ¥72,936 million was recorded relating to the loss of control of Boston Dynamics, Inc. following its sale in June 2021.

 For details of the gain on loss of control of Boston Dynamics, Inc., see "Note 16. Disposal group classified as held for sale" under "Notes to Consolidated Financial Statements" in "Financial Report 2022."

## An overview of PayPay Corporation

PayPay Corporation, which is engaged in smartphone payment services in Japan, recorded loss before income tax of ¥60,464 million. This was mainly due to recording expenses associated with campaigns aimed at acquiring users and promoting their use, as well as for the retention and expansion of stores where the service is available. On the other hand, loss before income tax narrowed year on year as revenues increased, mainly due to growth in gross merchandise volume and an increase in payment fees following the introduction of payment fees to small and medium-sized merchants in October 2021. PayPay Corporation's payment services continued to see strong growth, with the number of payments for fiscal 2021 reaching 3,630 million, a 1.8-fold increase year on year.

### Results of PayPay Corporation included in "Other"

	Fiscal 2020	Fiscal 2021	Change	Change %
Net sales	29,986	<b>57,437</b>	27,451	91.5%
Loss before income taxes	(72,650)	<b>(60,464)</b>	12,186	–

(Millions of yen)

Note: In the fourth quarter, a lump-sum deduction of ¥6,399 million was made from net sales, including a portion of marketing costs for stores, which had been recorded as expenses in the first three quarters of fiscal 2021. While the similar costs were incurred in the previous fiscal years, no retrospective adjustments have been made as the amounts were insignificant.

## Financial Position

### 1. Status of investment assets

**Carrying amount of investments from SVF1 and SVF2 totaled ¥13,766.4 billion, an increase of ¥119.6 billion from the previous fiscal year-end.\***

- Decrease at SVF1 of ¥4,038.0 billion: The balance decreased by \$25.28 billion due to a decrease in the fair value of investments held at the fiscal year-end and by \$21.62 billion mainly due to sales of investments. These were partially offset by an increase of \$3.05 billion due to new and follow-on investments.
- Increase at SVF2 of ¥4,157.6 billion: The balance increased by \$38.43 billion due to new and follow-on investments, despite decreases of \$3.87 billion in sales of investments and \$2.16 billion in the fair value of investments held at the fiscal year-end.

**Carrying amount of investment securities of ¥4,208.6 billion, an increase of ¥501.8 billion from the previous fiscal year-end**

- T-Mobile shares: The balance decreased by ¥517.3 billion mainly due to the sales of shares to Deutsche Telekom. Deutsche Telekom shares were received in return for the sale (fiscal year-end balance: ¥518.0 billion).
- SoftBank Latin America Funds: The balance increased by ¥682.2 billion mainly due to new investments.

**Carrying amount of stocks and other instruments held at asset management subsidiaries decreased from ¥2,182.5 billion at the previous fiscal year-end to ¥315.9 billion mainly due to sales.**

- The balance of investments from asset management subsidiaries was ¥314.0 billion, a decrease of ¥441.3 billion.
- The balance of securities pledged as collateral in asset management subsidiaries was ¥1.9 billion, a decrease of ¥1,425.4 billion.

### 2. Changes in liabilities associated with fund procurement

**Interest-bearing debt of SBG increased by ¥1,283.9 billion from the previous fiscal year-end.**

- SBG issued domestic hybrid bonds of ¥405.0 billion and domestic subordinated bonds of ¥500.0 billion and ¥550.0 billion, as well as foreign currency-denominated straight bonds of \$3.85 billion and €2.95 billion. Meanwhile, domestic hybrid bonds of ¥455.6 billion and domestic subordinated bonds of ¥361.6 billion and ¥404.4 billion were redeemed.

**Interest-bearing debt at wholly owned subsidiaries conducting fund procurement increased by ¥2,433.8 billion from the previous fiscal year-end.**

- Financial liabilities relating to sale of shares by prepaid forward contracts increased by ¥1,450.8 billion. Borrowings increased by ¥983.0 billion mainly due to borrowings of \$8.0 billion made using Arm shares (asset-backed finance).

**Borrowings at SVF2 increased by ¥731.5 billion from the previous fiscal year-end, due to asset-backed finance.**

### 3. Changes in equity

**Equity decreased by ¥247.8 billion in total from the previous fiscal year-end.**

- ¥1,708.0 billion net loss attributable to owners of the parent reduced retained earnings.
- ¥602.4 billion worth of shares were repurchased in fiscal 2021 (including ¥344.6 billion acquired out of a maximum ¥1 trillion authorized in November 2021).
- ¥2,176.9 billion increase in exchange differences from the translation of foreign operations due to the weaker yen.

**Ratio of equity attributable to owners of the parent (equity ratio) was at 21.0% at the fiscal year-end, down from 22.3% at the previous fiscal year-end.**

\* Investments from SVF1 and SVF2 do not include their investments in the Company's subsidiaries or investments that are transferred from the Company to the funds and continue to be accounted for using the equity method (and included in "investments accounted for using the equity method") prior to and after the transfer.

	March 31, 2021	March 31, 2022	Change	Change %
Total assets	45,750,453	<b>47,544,670</b>	1,794,217	3.9%
Total liabilities	33,794,860	<b>35,836,908</b>	2,042,048	6.0%
Total equity	11,955,593	<b>11,707,762</b>	(247,831)	(2.1%)

## Assets

	March 31, 2021	March 31, 2022	Change	
			(Millions of yen)	
Cash and cash equivalents	4,662,725	<b>5,169,001</b>	506,276	
Trade and other receivables	2,216,434	<b>2,361,149</b>	144,715	
Investments from asset management subsidiaries	658,227	<b>158,094</b>	(500,133)	A
Securities pledged as collateral in asset management subsidiaries	1,427,286	<b>1,927</b>	(1,425,359)	B
Derivative financial assets in asset management subsidiaries	188,056	<b>48,466</b>	(139,590)	C
Derivative financial assets	383,315	<b>1,050,446</b>	667,131	D
Other financial assets	671,907	<b>762,638</b>	90,731	E
Inventories	126,830	<b>142,767</b>	15,937	
Other current assets	446,739	<b>334,101</b>	(112,638)	F
Assets classified as held for sale	38,647	–	(38,647)	G
<b>Total current assets</b>	<b>10,820,166</b>	<b>10,028,589</b>	<b>(791,577)</b>	
Property, plant and equipment	1,668,578	<b>1,842,749</b>	174,171	
Right-of-use assets	1,147,020	<b>914,743</b>	(232,277)	
Goodwill	4,684,419	<b>4,897,913</b>	213,494	H
Intangible assets	2,308,370	<b>2,427,580</b>	119,210	I
Costs to obtain contracts	246,996	<b>330,899</b>	83,903	
Investments accounted for using the equity method	4,349,971	<b>5,234,519</b>	884,548	J
Investments from SVF1 and SVF2 accounted for using FVTPL	13,646,774	<b>13,766,391</b>	119,617	K
SVF1	12,403,286	<b>8,365,274</b>	(4,038,012)	
SVF2	1,243,488	<b>5,401,117</b>	4,157,629	
Investment securities	3,706,784	<b>4,208,567</b>	501,783	L
Derivative financial assets	908,660	<b>1,333,787</b>	425,127	M
Other financial assets	1,919,262	<b>2,250,640</b>	331,378	N
Deferred tax assets	206,069	<b>163,255</b>	(42,814)	
Other non-current assets	137,384	<b>145,038</b>	7,654	
<b>Total non-current assets</b>	<b>34,930,287</b>	<b>37,516,081</b>	<b>2,585,794</b>	
<b>Total assets</b>	<b>45,750,453</b>	<b>47,544,670</b>	<b>1,794,217</b>	

Components	Main reasons for changes from the previous fiscal year-end
<b>Current assets</b>	
A Investments from asset management subsidiaries	Listed stocks held by SB Northstar decreased primarily due to sales.
B Securities pledged as collateral in asset management subsidiaries	Securities pledged as collateral decreased due to SB Northstar's sale of investments.
C Derivative financial assets in asset management subsidiaries	The fair value of long call options of listed stocks held by SB Northstar decreased.
D Derivative financial assets	Derivative financial assets related to prepaid forward contracts using Alibaba shares increased by ¥674,504 million, due to the recording of derivative gains, the reclassified derivative financial assets with a remaining term of one year or less from non-current assets, and newly concluded prepaid forward contracts.
E Other financial assets	<ul style="list-style-type: none"> <li>Following the early termination and repayment of a portion of the collar contracts among the prepaid forward contracts using Alibaba shares in April 2021, restricted cash recorded at the previous fiscal year-end in relation to the contract termination decreased by ¥361,355 million.</li> </ul> <p> For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2022."</p> <ul style="list-style-type: none"> <li>Trust accounts at SPACs increased by ¥326,062 million due to the reclassifying funds that were raised through initial public offerings by SPACs sponsored by the Company's subsidiaries to current assets as the SPACs had a remaining life of one year or less. Since use of the procured funds is restricted to the merger of a SPAC or repayment of contribution to investors during its life (24 months from procurement), these funds had been recorded as other financial assets under non-current assets.</li> </ul>
F Other current assets	Taxes receivable decreased by ¥103,125 million, partially due to a refund of a withholding income tax in July 2021, which was paid in the previous fiscal year in relation to dividends paid from SBGJ to SBG.
G Assets classified as held for sale	Boston Dynamics, Inc.'s assets were presented in this category at the previous fiscal year-end in conjunction with the classification of the company in the disposal group classified as held for sale; however, these assets were derecognized following the completion of the sale in the first quarter.

Components	Main reasons for changes from the previous fiscal year-end
<b>Non-current assets</b>	
H Goodwill	Goodwill of Arm increased by ¥276,576 million due to the weaker yen against the U.S. dollar.
I Intangible assets	Yahoo Japan Corporation entered into an agreement with Oath Holdings Inc. and other parties, with whom it had previously entered into a license agreement, to acquire trademarks in Japan related to <i>Yahoo!</i> , <i>Yahoo! JAPAN</i> , etc. for ¥178.5 billion. Intangible assets increased as a result of this acquisition.
J Investments accounted for using the equity method	The consolidated carrying amount for Alibaba increased due to the weaker yen against the Chinese yuan and the recording of gain on equity method investments, offsetting a decrease due to the settlement in kind of certain prepaid forward contracts.
K Investments from SVF1 and SVF2 accounted for using FVTPL	<ul style="list-style-type: none"> <li>The carrying amount of investments at SVF1 decreased by ¥4,038.0 billion. This reflected a decrease of \$25.28 billion due to decreases in the fair value of portfolio companies held at the fiscal year-end and a decrease of \$21.62 billion mainly due to the sale of investments. These were partially offset by an increase of \$3.05 billion due to new and follow-on investments in existing portfolio companies.</li> <li>The carrying amount of investments at SVF2 increased by ¥4,157.6 billion. This reflected an increase of \$38.43 billion due to new and follow-on investments in existing portfolio companies, partially offset by a decrease of \$3.87 billion due to the sale of investments and \$2.16 billion due to decreases in the fair value of portfolio companies held at the fiscal year-end.</li> </ul> <p>For details of the status of investments at SVF1 and SVF2, see "SoftBank Vision Funds Segment" on page 91.</p>
L Investment securities	<ul style="list-style-type: none"> <li>The carrying amount of T-Mobile shares decreased by ¥517,301 million. This mainly reflected the sale to Deutsche Telekom of 45.4 million T-Mobile shares held by the Company due to Deutsche Telekom's partial exercise of call options for T-Mobile shares.</li> <li>The Company received 225 million Deutsche Telekom shares as consideration for the sale of T-Mobile shares (fiscal year-end balance: ¥517,960 million).</li> <li>The carrying amount of investments from SoftBank Latin America Funds increased by ¥682,191 million due to new and follow-on investments, as well as increases in the fair values of portfolio companies (fiscal year-end balance: ¥1,123,199 million).</li> </ul>
M Derivative financial assets	<ul style="list-style-type: none"> <li>Derivative financial assets related to prepaid forward contracts using Alibaba shares increased by ¥194,259 million due to the recording of derivative gains and newly concluded prepaid forward contracts, while assets with a remaining term of one year or less were reclassified as current assets.</li> <li>The fair value of the contingent consideration related to T-Mobile shares increased by ¥130,720 million (fiscal year-end balance: ¥591,429 million).</li> </ul>
N Other financial assets	<ul style="list-style-type: none"> <li>Accounts receivable of ¥423,326 million was recorded against MgmtCo.</li> </ul> <p> For details, see "*5" under "Note 13. Other financial assets" in "Notes to Consolidated Financial Statements" in "Financial Report 2022."</p> <ul style="list-style-type: none"> <li>Trust accounts in SPACs decreased by ¥327,569 million due to the reclassifying funds that were raised through initial public offerings by SPACs sponsored by the Company's subsidiaries to current assets, since the SPACs had a remaining life of one year or less.</li> </ul>

**(Reference) Cash and cash equivalents by entity**

	March 31, 2021	March 31, 2022	Change
(Millions of yen)			
<b>SoftBank Group Corp. / Wholly owned subsidiaries conducting fund procurement / SB Northstar</b>			
SoftBank Group Corp.	2,202,778	<b>2,569,355</b>	366,577
Wholly owned subsidiaries conducting fund procurement	33,320	<b>26,271</b>	(7,049)
SB Northstar	221,281	<b>40,458</b>	(180,823)
<b>SoftBank Vision Funds segment</b>			
SVF1	67,580	<b>47,754</b>	(19,826)
SVF2	63,470	<b>150,462</b>	86,992
SBIA, SBGA	25,895	<b>19,898</b>	(5,997)
<b>SoftBank segment</b>			
SoftBank Corp.	302,539	<b>318,661</b>	16,122
Z Holdings Corporation*1	420,941	<b>383,093</b>	(37,848)
Others*2	861,412	<b>845,038</b>	(16,374)
<b>Others</b>	718,110	<b>834,740</b>	116,630
<b>Total</b>	4,662,725	<b>5,169,001</b>	506,276

\*1 Includes Yahoo Japan Corporation and LINE Corporation.

\*2 Includes PayPay Bank Corporation, whose balance of cash and cash equivalents was ¥334,387 million at the fiscal year-end.

## Liabilities

	March 31, 2021	March 31, 2022	(Millions of yen) Change
Interest-bearing debt	7,735,239	<b>7,328,862</b>	(406,377)
Lease liabilities	307,447	<b>240,241</b>	(67,206)
Deposits for banking business	1,109,240	<b>1,331,385</b>	222,145
Trade and other payables	1,970,275	<b>1,968,864</b>	(1,411)
Derivative financial liabilities	322,213	<b>119,592</b>	(202,621) A
Other financial liabilities	65,958	<b>554,814</b>	488,856 B
Income taxes payable	391,930	<b>183,388</b>	(208,542) C
Provisions	24,939	<b>34,056</b>	9,117
Other current liabilities	952,443	<b>620,260</b>	(332,183) D
Liabilities directly relating to assets classified as held for sale	11,271	–	(11,271) E
<b>Total current liabilities</b>	<b>12,890,955</b>	<b>12,381,462</b>	(509,493)
Interest-bearing debt	10,777,736	<b>14,128,570</b>	3,350,834
Lease liabilities	727,554	<b>625,907</b>	(101,647)
Third-party interests in SVF1 and SVF2	6,601,791	<b>5,559,835</b>	(1,041,956)
Derivative financial liabilities	32,692	<b>174,003</b>	141,311
Other financial liabilities	415,407	<b>210,512</b>	(204,895) F
Provisions	110,586	<b>107,961</b>	(2,625)
Deferred tax liabilities	2,030,651	<b>2,436,034</b>	405,383 G
Other non-current liabilities	207,488	<b>212,624</b>	5,136
<b>Total non-current liabilities</b>	<b>20,903,905</b>	<b>23,455,446</b>	2,551,541
<b>Total liabilities</b>	<b>33,794,860</b>	<b>35,836,908</b>	2,042,048

Components	Main reasons for changes from the previous fiscal year-end
Note: See page 116 for a breakdown of interest-bearing debt.	
<b>Current liabilities</b>	
A Derivative financial liabilities	<ul style="list-style-type: none"> <li>Derivative financial liabilities decreased by ¥101,067 million mainly due to the partial exercise of call options for T-Mobile shares by Deutsche Telekom (fiscal year-end balance: ¥103,754 million).</li> <li>With the completion of the tender offer for WeWork shares in April 2021, the Company reversed a derivative financial liability of ¥76,823 million recorded at the previous fiscal year-end as the difference between (1) the valuation amount of common stock and preferred stock expected to be acquired and (2) the planned acquisition amount.</li> </ul>
For details, see "iii. Option contracts" and "v. Forward contracts" under "Note 31. Financial instruments" in "Notes to Consolidated Financial Statements" in "Financial Report 2022."	
B Other financial liabilities	Non-controlling interests with redemption options increased by ¥307,144 million. This was mainly due to the reclassifying the interests of investors other than the sponsor related to SPACs sponsored by the Company's subsidiaries from non-current liabilities, since the SPACs had a remaining life of one year or less.
C Income taxes payable	SBGJ paid income tax of ¥197,432 million based on taxable income including a gain on sale of shares of SoftBank Corp. generated in the previous fiscal year.
D Other current liabilities	<ul style="list-style-type: none"> <li>Withholding income tax of ¥245,053 million was paid in relation to dividends paid from SBGJ to SBG in the previous fiscal year.</li> <li>The deposit of \$1.25 billion that had been received for the sale of Arm was derecognized and recorded as profit.</li> </ul>
E Liabilities directly relating to assets classified as held for sale	Boston Dynamics, Inc.'s liabilities were presented in this category at the previous fiscal year-end in conjunction with the classification of the company in the disposal group classified as held for sale; however, these liabilities were derecognized following the completion of the sale in the first quarter.
<b>Non-current liabilities</b>	
F Other financial liabilities	Non-controlling interests with redemption options decreased by ¥298,092 million. This was due to the reclassifying the interests of investors other than the sponsor related to SPACs sponsored by the Company's subsidiaries to current liabilities, since the SPACs had a remaining life of one year or less.
G Deferred tax liabilities	Deferred tax liabilities increased due to an increase in the fair value of derivative financial assets related to prepaid forward contracts using Alibaba shares concluded in fiscal 2019, 2020, and 2021.

**(Reference) Interest-bearing debt and lease liabilities  
(total of current liabilities and non-current liabilities)**

(Millions of yen)

	March 31, 2021	March 31, 2022	Change
<b>SoftBank Group Corp. / Wholly owned subsidiaries conducting fund procurement / SB Northstar</b>	12,984,650	<b>14,869,325</b>	1,884,675
SoftBank Group Corp.	6,158,350	<b>7,442,237</b>	1,283,887
Borrowings	1,152,934	<b>1,255,116</b>	102,182
Corporate bonds	4,745,549	<b>5,918,265</b>	1,172,716
Lease liabilities	13,367	<b>12,056</b>	(1,311)
Commercial paper	246,500	<b>256,800</b>	10,300
Wholly owned subsidiaries conducting fund procurement	4,959,779	<b>7,393,573</b>	2,433,794
Borrowings* <sup>1</sup>	1,874,040	<b>2,857,000</b>	982,960
Financial liabilities relating to sale of shares by prepaid forward contracts	3,085,739	<b>4,536,573</b>	1,450,834
SB Northstar	1,866,521	<b>33,515</b>	(1,833,006)
Borrowings	1,866,521	<b>33,515</b>	(1,833,006)
<b>SoftBank Vision Funds segment</b>			
SVF1	444,227	<b>336,535</b>	(107,692)
Borrowings	444,227	<b>336,535</b>	(107,692)
SVF2	–	<b>731,540</b>	731,540
Borrowings	–	<b>731,540</b>	731,540
SBIA	363	<b>339</b>	(24)
Lease liabilities	363	<b>339</b>	(24)
<b>SoftBank segment</b>			
SoftBank Corp.	4,166,323	<b>4,236,453</b>	70,130
Borrowings	3,037,229	<b>3,085,954</b>	48,725
Corporate bonds	260,000	<b>469,252</b>	209,252
Lease liabilities	706,393	<b>559,846</b>	(146,547)
Commercial paper	162,701	<b>121,401</b>	(41,300)
Z Holdings Corporation* <sup>2</sup>	1,030,980	<b>1,170,856</b>	139,876
Borrowings	442,406	<b>481,678</b>	39,272
Corporate bonds	543,992	<b>603,977</b>	59,985
Lease liabilities	44,582	<b>35,201</b>	(9,381)
Commercial paper	–	<b>50,000</b>	50,000
Other	494,747	<b>592,116</b>	97,369
<b>Others</b>			
Other interest-bearing debt	334,917	<b>296,166</b>	(38,751)
Lease liabilities	91,769	<b>90,250</b>	(1,519)
<b>Total</b>	19,547,976	<b>22,323,580</b>	2,775,604

Components	Main reasons for changes from the previous fiscal year-end
<b>SoftBank Group Corp. / Wholly owned subsidiaries conducting fund procurement/ SB Northstar</b>	
SoftBank Group Corp.	
A Corporate bonds	<ul style="list-style-type: none"> <li>Domestic hybrid bonds of ¥405.0 billion were issued in the first quarter, while ¥455.6 billion was redeemed in the second quarter.</li> <li>Foreign currency-denominated straight bonds of \$3.85 billion and €2.95 billion were issued in the second quarter.</li> <li>Domestic subordinated bonds were issued in the amounts of ¥500.0 billion in the first quarter and ¥550.0 billion in the fourth quarter, while ¥361.6 billion was redeemed in the third quarter and ¥404.4 billion in the fourth quarter.</li> </ul>
Wholly owned subsidiaries conducting fund procurement	
B Borrowings	<p><i>Through Arm shares</i></p> <ul style="list-style-type: none"> <li>\$8.0 billion was borrowed through asset-backed finance in the fourth quarter.</li> </ul> <p><i>Through Alibaba shares</i></p> <ul style="list-style-type: none"> <li>\$1.88 billion was borrowed through margin loans in the first quarter.</li> <li>\$10.0 billion was repaid and \$6.0 billion was newly borrowed in margin loans in the third quarter.</li> </ul> <p><i>Through T-Mobile shares</i></p> <ul style="list-style-type: none"> <li>In the second quarter, \$2.65 billion was borrowed through a margin loan, and in the same quarter, \$4.38 billion, which was borrowed through a margin loan in the previous fiscal year, was repaid early. In the fourth quarter, \$0.68 billion procured through prepaid forward contracts (collar contracts) was used to repay \$0.59 billion borrowed through a margin loan in the second quarter.</li> </ul> <p><i>Through Deutsche Telekom shares</i></p> <ul style="list-style-type: none"> <li>€2.64 billion was raised in the third quarter through collar transactions.</li> </ul> <p> For details, see “*3” under “(1) Components of interest-bearing debt,” “*3” and “*5” under “(5) Assets pledged as collateral” in “Note 25. Interest-bearing debt” in “Notes to Consolidated Financial Statements” in “Financial Report 2022.”</p>
C Financial liabilities relating to sale of shares by prepaid forward contracts	<p><i>Through Alibaba shares</i></p> <ul style="list-style-type: none"> <li>Certain collar contracts, among the prepaid forward contracts, were terminated early and \$2.86 billion was settled in cash in the first quarter. In addition, \$3.0 billion was raised by concluding new collar contracts.</li> <li>Certain details of collar contracts, among the prepaid forward contracts, were amended in the second quarter. In addition, \$7.35 billion was raised by concluding new collar and forward contracts.</li> <li>\$2.21 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts).</li> <li>In the third and fourth quarters, certain prepaid forward contracts were settled in kind by delivering Alibaba shares. Consequently, financial liabilities of ¥784,197 million related to sale of shares by prepaid forward contracts were derecognized.</li> <li>\$4.13 billion was raised in the fourth quarter by concluding prepaid forward contracts (forward contracts).</li> </ul> <p> For details, see “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 25. Interest-bearing debt” in “Notes to Consolidated Financial Statements” in “Financial Report 2022.”</p> <p><i>Through T-Mobile shares</i></p> <ul style="list-style-type: none"> <li>\$1.81 billion was raised in the second quarter by concluding prepaid forward contracts (collar contracts).</li> <li>\$0.68 billion was raised in the fourth quarter by concluding prepaid forward contracts (collar contracts).</li> </ul>
SB Northstar	
D Borrowings	<ul style="list-style-type: none"> <li>Short-term borrowings decreased by ¥1,170,410 million.</li> <li>\$6.0 billion was repaid among margin loans using Alibaba shares.</li> </ul>
<b>SoftBank Vision Funds segment*<sup>3</sup></b>	
SVF1	
E Borrowings	Borrowings made through asset-backed finance decreased by \$1.26 billion.
SVF2	
E Borrowings	Borrowings made through asset-backed finance increased by \$5.98 billion.

\*3 For financing at SVF1 and SVF2, see “Financing at SoftBank Vision Funds” under “Overview” in “SoftBank Vision Funds Segment” on page 92.

\*1 The interest-bearing debt of wholly owned subsidiaries conducting fund procurement is non-recourse to SBG. However, \$2.06 billion of borrowings made using T-Mobile shares is exceptionally guaranteed by SBG up to a limit of \$0.57 billion. As a precondition for SBG to fulfill its guarantee obligations, the lenders are obligated to first recover the amount to the maximum extent possible from Alibaba shares that have been pledged as collateral.

\*2 Includes Yahoo Japan Corporation and LINE Corporation.

## Equity

(Millions of yen)

	March 31, 2021	March 31, 2022	Change	
Common stock	238,772	<b>238,772</b>	–	
Capital surplus	2,618,504	<b>2,634,574</b>	16,070	
Other equity instruments	496,876	<b>496,876</b>	–	
Retained earnings	8,810,422	<b>4,515,704</b>	(4,294,718)	A
Treasury stock	(2,290,077)	<b>(406,410)</b>	1,883,667	B
Accumulated other comprehensive income	338,329	<b>2,496,158</b>	2,157,829	C
Accumulated other comprehensive income directly relating to assets classified as held for sale	267	–	(267)	
Total equity attributable to owners of the parent	10,213,093	<b>9,975,674</b>	(237,419)	
Non-controlling interests	1,742,500	<b>1,732,088</b>	(10,412)	
Total equity	11,955,593	<b>11,707,762</b>	(247,831)	

Components	Main reasons for changes from the previous fiscal year-end
A Retained earnings	<ul style="list-style-type: none"> <li>• Net loss attributable to owners of the parent of ¥1,708,029 million was recorded.</li> <li>• ¥2,475,817 million* was deducted following the retirement of 366,860,600 shares of treasury stock in May 2021 (equivalent to 17.6% of the total number of issued shares as of April 30, 2021).</li> </ul>
B Treasury stock	<ul style="list-style-type: none"> <li>• SBG repurchased 25,980,400 of its own shares for ¥257,777 million from April 1 to May 12, 2021, in accordance with a Board resolution on July 30, 2020, completing the share repurchase under that resolution. SBG also repurchased 67,257,900 of its own shares for ¥344,573 million from November 10, 2021 to March 24, 2022, in accordance with a Board resolution on November 8, 2021 to repurchase the Company's own shares up to ¥1 trillion.</li> <li>• SBG retired treasury stock in May 2021.</li> </ul>
C Accumulated other comprehensive income	<ul style="list-style-type: none"> <li>• Exchange differences from the translation of foreign operations, which arise from translating foreign subsidiaries and associates into yen, increased by ¥2,176,948 million due to a weaker yen against the U.S. dollar and the Chinese yuan.</li> </ul>

\* The number of shares retired is the same as the number of shares acquired from the share repurchase (the "Share Repurchase") conducted in accordance with respective resolutions of the Board of Directors in March, May, June, and July 2020. However, because the retirement amount is calculated based on the carrying amounts, including treasury stock held by the Company prior to the Share Repurchase, the retirement amount differs from the total repurchase amount of the Share Repurchase.

## Cash Flows

### 1. Cash flows from operating activities

Net cash inflows from operating activities of ¥2,725.5 billion; contributed to by an increase in cash inflows of ¥2,044.5 billion mainly due to the recovery of funds from the sale of investments in SB Northstar as a result of the downsizing of the business

### 2. Cash flows from investing activities

Net cash outflow of ¥3,018.7 billion from investing activities, mainly due to new investments by SVF2 and sale of investments by SVF1

– Payments for acquisition of investments by SVF1 and SVF2: ¥4,077.5 billion of which ¥3,865.8 billion was by SVF2

– Proceeds from sale of investments by SVF1 and SVF2: ¥2,221.8 billion

- ¥1,997.6 billion by SVF1; mainly due to partial sale of its interests in listed portfolio companies including Uber, DoorDash, and Coupang
- ¥224.2 billion by SVF2; mainly due to partial sale of its interests in KE Holdings

### 3. Cash flows from financing activities

Net cash inflow of ¥602.2 billion from financing activities, due to cash inflows through various financing activities exceeding cash outflows for debt repayment, etc.

– Proceeds from interest-bearing debt: ¥12,881.0 billion

- Proceeds from financing using assets held: ¥5,201.4 billion which represents the total of proceeds from asset-backed finance using shares of Alibaba, Arm, T-Mobile, Deutsche Telekom, and assets held by SVF1 and SVF2
- Proceeds from issuance of bonds: ¥2,580.2 billion, of which ¥2,269.7 billion was by SBG

– Payments for interest-bearing debt and repayment in short-term interest-bearing debt (net; cash outflow): ¥9,971.5 billion

- Repayment of funds procured using assets held: ¥2,737.0 billion which represents the total of repayments for asset-backed finance using shares of Alibaba, T-Mobile, and assets held by SVF1 and SVF2
- Redemption of corporate bonds: ¥1,267.1 billion, of which ¥1,226.6 billion was by SBG
- Repayment in short-term interest-bearing debt (net; cash outflow): ¥1,173.8 billion

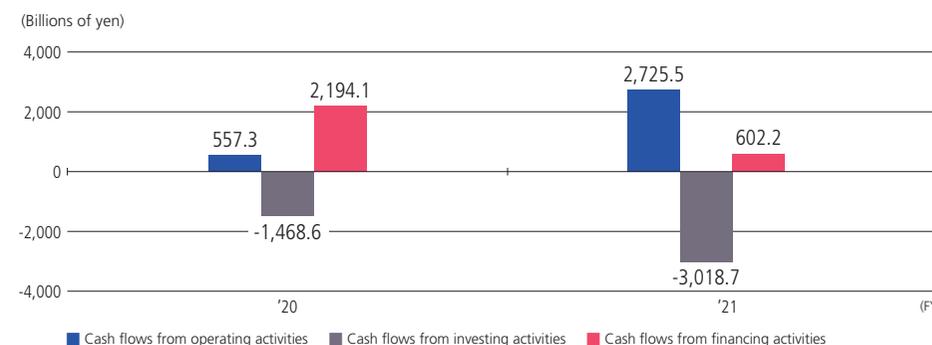
– Distribution / repayment of ¥1,228.7 billion from SVF1 to third-party investors

– Purchase of treasury stock of ¥602.4 billion

– Cash dividends of ¥309.6 billion paid to non-controlling interests

	FY2020	FY2021	(Millions of yen) Change
Cash flows from operating activities	557,250	<b>2,725,450</b>	2,168,200
Cash flows from investing activities	(1,468,599)	<b>(3,018,654)</b>	(1,550,055)
Cash flows from financing activities	2,194,077	<b>602,216</b>	(1,591,861)

### Cash flows from operating activities / Cash flows from investing activities / Cash flows from financing activities



## Cash flows from operating activities

Cash flows from operating activities increased by ¥2,168,200 million year on year. This is mainly due to sale and recovery of investments by SB Northstar pertaining to the downsizing of its business, which had an incremental impact on cash inflows of ¥2,044,495 million.

The amount of income taxes paid (cash outflow) increased by ¥285,102 million year on year. This was mainly due to payment in the first quarter of corporate taxes on taxable income at SBGJ including gains on the sale of SoftBank Corp. shares generated in the previous fiscal year, as well as payment of withholding income tax on dividends from SBGJ to SBG. Of this, the withholding income tax was refunded in the second quarter.

## Cash flows from investing activities

Components	Primary details
Payments for acquisition of investments ¥(993,490) million	<ul style="list-style-type: none"> <li>SoftBank Latin America Funds made new and follow-on investments totaling ¥471,398 million (\$4.19 billion).</li> <li>The Company acquired preferred stock and common stock of WeWork by tender offer, completed in April 2021, for ¥101,377 million.</li> <li>The unpaid acquisition price of ¥115,274 million for shares of A Holdings Corporation established through the business integration of Z Holdings Corporation and LINE Corporation was paid after the shares were acquired from non-controlling interests in the previous fiscal year.</li> </ul>
Payments for acquisition of investments by SVF1 and SVF2 ¥(4,077,451) million	<ul style="list-style-type: none"> <li>SVF2 made new and follow-on investments totaling ¥3,865,823 million (\$34.58 billion).</li> <li>SVF1 made follow-on investments totaling ¥211,628 million (\$1.89 billion).</li> </ul>
Proceeds from sales of investments by SVF1 and SVF2 ¥2,221,771 million	<ul style="list-style-type: none"> <li>SVF1 sold a portion of its interests mainly in listed portfolio companies, including Uber, DoorDash, and Coupang.</li> <li>SVF2 sold all of its interest in one portfolio company and a portion of its interests in three portfolio companies including KE Holdings.</li> </ul>
Purchase of property, plant and equipment and intangible assets ¥(835,073) million	<ul style="list-style-type: none"> <li>SoftBank Corp. purchased telecommunications equipment.</li> <li>Yahoo Japan Corporation purchased intangible assets following an execution of an agreement with Oath Holdings Inc. and other parties, with whom it had previously entered into a license agreement, to acquire trademarks in Japan related to <i>Yahoo!</i> and <i>Yahoo! JAPAN</i> etc. and paid ¥178.5 billion.</li> </ul>
Proceeds from withdrawal of restricted cash ¥486,820 million	In April 2021, restricted cash (a deposit of \$3.3 billion required for the early termination of a portion of the collar contracts out of the prepaid forward contracts using Alibaba shares) recorded at the previous fiscal year-end was withdrawn. In the same month, a payment of ¥313,411 million (\$2.86 billion) was completed for the early termination, and the cash outflow associated with the transaction was recorded as “repayment of interest-bearing debt” (cash flows from financing activities).

## Cash flows from financing activities

Components	Primary details
Proceeds (repayment) in short-term interest-bearing debt, net ¥(1,173,787) million* <sup>1</sup> (Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities)	<ul style="list-style-type: none"> <li>Short-term borrowings at SB Northstar decreased by ¥1,183,150 million (net).</li> <li>SoftBank Corp.'s short-term borrowings decreased by ¥132,234 million (net).</li> <li>PayPay Card Corporation and LINE Corporation issued commercial paper of ¥88,000 million (net) and ¥44,000 million (net), respectively.</li> </ul>
Proceeds from interest-bearing debt (total of A through C below) ¥12,880,985 million	
A Proceeds from borrowings ¥8,144,423 million* <sup>2</sup>	<ul style="list-style-type: none"> <li>SBG made short-term borrowings of ¥2,884,276 million.</li> <li>Wholly owned subsidiaries conducting fund procurement made the following borrowings. <ul style="list-style-type: none"> <li>¥936,800 million (\$8.0 billion) was borrowed through asset-backed finance using Arm shares.</li> <li>A total of ¥205,594 million (\$1.88 billion) was borrowed through margin loans using Alibaba shares.</li> <li>¥292,494 million (\$2.65 billion) was borrowed through margin loans and ¥138,088 million (\$1.25 billion) was borrowed through a bridge loan, both using T-Mobile shares. ¥346,265 million (€2.64 billion) was borrowed through collar transactions using Deutsche Telekom shares.</li> </ul> </li> <li>SVF1 and SVF2 borrowed ¥332,036 million (\$3.0 billion) and ¥793,769 million (\$7.0 billion) through asset-backed finance, respectively.*<sup>3</sup></li> <li>SoftBank Corp. issued commercial paper of ¥137,400 million and procured ¥1,060,199 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions.</li> <li>Z Holdings Corporation borrowed ¥329,520 million.</li> </ul>
B Proceeds from issuance of corporate bonds ¥2,580,245 million	<ul style="list-style-type: none"> <li>SBG issued domestic hybrid bonds of ¥405,000 million, foreign currency-denominated straight bonds totaling ¥814,745 million (\$3.85 billion and €2.95 billion), and domestic subordinated bonds totaling ¥1,050,000 million.</li> <li>SoftBank Corp. issued domestic straight bonds of ¥210,000 million.</li> <li>Z Holdings Corporation issued domestic straight bonds of ¥100,000 million.</li> </ul>
C Proceeds from procurement by prepaid forward contracts using shares ¥2,156,317 million	The Company's wholly owned subsidiaries conducting fund procurement raised an aggregate amount of ¥1,876,660 million (\$16.69 billion) through prepaid forward contracts using Alibaba shares. An aggregate amount of ¥279,657 million (\$2.49 billion) was also raised through prepaid forward contracts using T-Mobile shares.

Components	Primary details
Repayment of interest-bearing debt (total of D through F below) ¥(8,797,688) million	
D Repayment of borrowings ¥(7,209,092) million*2	<ul style="list-style-type: none"> <li>• SBG repaid short-term borrowings of ¥2,796,305 million.</li> <li>• SB Northstar repaid a margin loan using Alibaba shares of ¥662,820 million (\$6.0 billion).</li> <li>• Wholly owned subsidiaries conducting fund procurement made the following repayments. <ul style="list-style-type: none"> <li>– In margin loans using Alibaba shares, existing borrowings of \$10.0 billion were repaid and \$6.0 billion was newly borrowed in the third quarter. As the settlement was made on a net basis, ¥454,680 million (\$4.0 billion) was recorded as a cash outflow for repayment of borrowings.</li> <li>– A margin loan using T-Mobile shares of ¥483,772 million (\$4.38 billion), which was borrowed in the previous fiscal year, was repaid early. A bridge loan of ¥142,000 million (\$1.25 billion) borrowed in the second quarter, was also repaid. In addition, a margin loan of ¥68,503 million (\$0.59 billion) was repaid using \$0.68 billion raised through prepaid forward contracts (collar contracts) concluded in the fourth quarter.</li> </ul> </li> <li>• SVF1 and SVF2 repaid ¥495,760 million (\$4.28 billion) and ¥107,879 million (\$0.97 billion), respectively, in borrowings made through asset-backed finance.*3</li> <li>• SoftBank Corp. repaid ¥127,700 million in commercial paper and ¥899,392 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions.</li> <li>• Z Holdings Corporation repaid ¥204,550 million in borrowings.</li> </ul>
E Redemption of corporate bonds ¥(1,267,059) million	SBG redeemed domestic hybrid bonds of ¥455,600 million and domestic subordinated bonds totaling ¥765,969 million.
F Payment of settlement of prepaid forward contracts ¥(321,537) million	The Company paid ¥313,411 million (\$2.86 billion) in connection with early termination of a portion of the collar contracts among the prepaid forward contracts using Alibaba shares in April 2021.
Distribution/repayment from SVF1 to third-party investors ¥(1,228,703) million	SVF1 made distributions to third-party investors.
Purchase of treasury stock ¥(602,361) million	SBG repurchased 25,980,400 of its own shares for ¥257,777 million from April 1 to May 12, 2021 in accordance with a Board resolution on July 30, 2020, completing the share repurchase under that resolution. In addition, SBG repurchased 67,257,900 of its own shares for ¥344,573 million from November 10, 2021 to March 24, 2022 in accordance with a Board resolution on November 8, 2021 to repurchase its own shares up to ¥1 trillion.
Cash dividends paid to non-controlling interests ¥(309,649) million	SoftBank Corp., A Holdings Corporation, and Z Holdings Corporation paid dividends to non-controlling interests.

\*1 "Proceeds (repayment) in short-term interest-bearing debt, net" presents cash flows from financing activities that meet the requirement of "Reporting cash flows on a net basis" under IFRSs.

\*2 "Proceeds from borrowings" and "repayment of borrowings" include proceeds of ¥4,152,853 million and outlays of ¥4,097,720 million related to borrowings with a contracted term of one year or less.

\*3 For financing at SVF1 and SVF2, see "Financing at SoftBank Vision Funds" under "Overview" in "SoftBank Vision Funds Segment" on page 92.

## Sources of Capital and Liquidity

### SBG's sources of capital

As a strategic investment holding company, SBG invests in a number of companies through direct investments including subsidiaries and associates (including investments made through its subsidiaries), as well as through investment funds (e.g., SVF1, SVF2, and LatAm Funds). SBG collects funds through the monetization of these assets whenever deemed appropriate and via dividends from portfolio companies and distributions from investment funds. SBG allocates these proceeds to new investments based on its growth strategies, as well as redirecting them to shareholder returns and financial improvements at appropriate times. SBG also raises funds through sources including loans from financial institutions and the issuance of bonds to meet funding needs for its investment activities and debt repayments.

SBG is able to flexibly monetize assets. Instead of just selling off the assets, it will sometimes use them as collateral to secure asset-backed finance, including in the form of prepaid forward contracts and margin loans. As for the private equity investments made through SVF1, SVF2, and LatAm Funds, more opportunities for sale and monetization can be expected as their liquidity increases through public listings.

In issuing corporate bonds, SBG secures opportunities to raise funds from various markets in Japan and overseas by issuing not only yen-denominated senior notes but also bonds with different product characteristics such as U.S. dollar- and euro-denominated senior notes and hybrid bonds to ensure stable procurement.

### Sources of capital and liquidity in fiscal 2021

In fiscal 2021, SBG received ¥1,708.0 billion (\$15.22 billion) in distributions from SVF1 and SVF2 and ¥540.6 billion (\$4.82 billion) in returns from SB Northstar's investments in listed stocks and other instruments. It also procured ¥3,343.4 billion (\$29.43 billion, net)\*1 in proceeds from the sale or monetization of assets (the main assets being holdings in Alibaba, Arm, T-Mobile, and Deutsche Telekom). Using these proceeds, SBG contributed a total of ¥5,166.7 billion (\$46.18 billion)\*1 capital to SVF1, SVF2, and LatAm Funds. As part of its efforts to deliver strong shareholder returns, SBG repurchased shares totaling ¥344.6 billion.\*2 Also in fiscal 2021, SBG issued corporate bonds of ¥2,269.7 billion and paid ¥1,226.6 billion in bond redemptions. Moreover, it increased funding flexibility by raising the limit of its commitment line from ¥310.0 billion to ¥675.5 billion.

As a result of these financing and investing activities, among others, the cash position\*<sup>3</sup> at the fiscal year-end totaled ¥2,749.9 billion. This figure, together with the ¥124.7 billion in undrawn commitment line, far exceeds the ¥1,299.2 billion in bond redemptions to be paid over the next two years.

\*1 Includes \$6.06 billion of investments transferred from SBG to SVF2 in fiscal 2021.  
 \*2 Excludes the ¥257.8 billion sum that SBG repurchased between April 1 and May 12, 2021, pursuant to a resolution of the Board of Directors on July 30, 2020. This repurchase formed part of the “¥4.5 trillion program” announced in March 2020. The purpose of the program was to sell or monetize ¥4.5 trillion of SBG’s assets and to use the proceeds for shareholder returns and financial improvements through debt reduction.  
 \*3 SBG defines the cash position as the sum of cash and cash equivalents and short-term investments recorded as current assets. The cash position is calculated by excluding that of group entities managed on a self-financing basis and SB Northstar, an asset management subsidiary, from the consolidated cash position (excluding that of PayPay Bank Corporation). Group entities include the listed SoftBank Corp. (including its subsidiaries such as Z Holdings Corporation), SVF1, SVF2, SoftBank LatAm Funds, Arm, and PayPay Corporation.

### Exchange rates used for translations

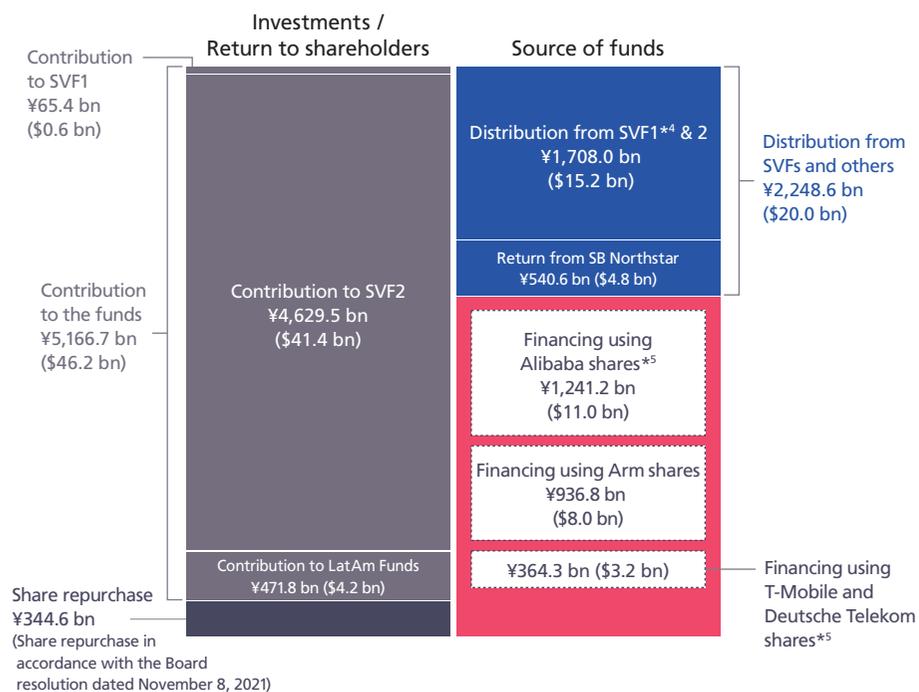
Average rate for the quarter

	Fiscal 2020				Fiscal 2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥107.74	¥105.88	¥104.45	¥106.24	<b>¥110.00</b>	<b>¥110.47</b>	<b>¥113.60</b>	<b>¥117.10</b>

Rates at the end of the period

	March 31, 2021	March 31, 2022
USD / JPY	¥110.71	<b>¥122.39</b>

### Cycle of investment and recovery in fiscal 2021



Note: Converted at the average exchange rate of each quarter.  
 \*4 Includes distribution to the SVF1 incentive scheme (\$1 billion).  
 \*5 Includes financing through prepaid forward contracts and margin loans (net).

# Major Subsidiaries and Associates

As of March 31, 2022

## Corporation

### Subsidiaries

Company name	Capital	Voting rights (%)	Main businesses
<b>Investment Business of Holding Companies Segment</b>			
SoftBank Group Capital Limited	\$5,508 K	100.0	Holding company
SoftBank Group Japan Corporation	¥188,798 mn	100.0	Holding company
SB Group US, Inc.	\$0 K	100.0	Management of overseas investment
Shiodome Project 9 GK* <sup>1</sup>	¥1 mn	100.0	Holding company
Skybridge Corporation	¥1 mn	100.0	Holding company
Skywalk Finance GK* <sup>1,2</sup>	¥0 mn	100.0	Holding company
West Raptor Holdings, LLC* <sup>1,3</sup>	\$1,645,366 K	100.0	Holding company
SB Pan Pacific Corporation	¥48,249 mn	100.0	Holding company
STARFISH I PTE. LTD.	¥101,450 mn	100.0	Holding company
Hayate Corporation	¥77,843 mn	100.0	Holding company
<b>SoftBank Vision Funds Segment</b>			
 SB Investment Advisers (UK) Limited	\$865 K	100.0	Management of SoftBank Vision Fund 1
 SB Global Advisers Limited* <sup>4</sup>	\$10 K	100.0	Management of SoftBank Vision Fund 2
<b>SoftBank Segment</b>			
 SoftBank Corp.	¥204,309 mn	40.7	Provision of mobile communications services; sale of mobile devices; provision of broadband communications services and solution services in Japan
A Holdings Corporation	¥100 mn	50.0	Holding company of shares of Z Holdings Corporation
 Z Holdings Corporation	¥237,980 mn	64.8	Management of group companies of Z Holdings Corporation
 Cybertrust Japan Co., Ltd.	¥794 mn	58.4	IoT business, certification service business, security solution business, and Linux / OSS business
 SB Technology Corp.	¥1,255 mn	53.0	Solutions and services for online businesses
 ITmedia Inc.	¥1,826 mn	52.6	Operation of comprehensive IT information site <i>ITmedia</i>
 Vector Inc.	¥1,019 mn	42.4	PC software download sales and advertising
 eMnet Japan.co.ltd.	¥309 mn	41.4	Internet advertising agency business
<b>Subsidiaries of Z Holdings Corporation</b>			
Z Intermediate Holdings Corporation	¥1 mn	100.0	Holding company
 Yahoo Japan Corporation	¥300 mn	100.0	Internet advertising and e-commerce business
 LINE Corporation	¥34,201 mn	100.0	Provision of services of communication, content, and advertisements based on the mobile messenger application <i>LINE</i>
LINE SOUTHEAST ASIA CORP.PTE.LTD.	¥25,490 mn	100.0	Holding company
 ValueCommerce Co., Ltd.	¥1,728 mn	52.0	Affiliate advertising marketing service; StoreMatch online advertising distribution service
 ZOZO, Inc.	¥1,360 mn	51.0	Planning and operation of fashion e-commerce website; operational support of brands' own e-commerce website; operation of fashion coordination app
 PayPay Bank Corporation* <sup>5</sup>	¥37,250 mn	46.6	Banking
 ASKUL Corporation	¥21,190 mn	44.5	Mail-order sale of stationery and services

Company name	Capital	Voting rights (%)	Main businesses
<b>Arm Segment</b>			
 Arm Limited* <sup>6</sup>	\$1,273 K	100.0	Design of microprocessor intellectual property and related technology; sale of software tools and provision of related services
Arm PIPD Holdings One, LLC* <sup>1,3</sup>	\$620,855 K	100.0	Holding company
Arm PIPD Holdings Two, LLC* <sup>1,3</sup>	\$426,016 K	100.0	Holding company
<b>Latin America Funds Segment</b>			
 SBLA Advisers Corp.* <sup>4</sup>	\$0 K	100.0	Management of SoftBank Latin America Funds
<b>Other</b>			
 PayPay Corporation	¥121,800 mn	100.0	Smartphone payment business
 Fortress Investment Group LLC* <sup>1,7</sup>	–	100.0	Alternative investment management business
 Fukuoka SoftBank HAWKS Corp.	¥100 mn	100.0	Ownership of professional baseball team; operation of baseball games; management and maintenance of baseball stadium and other sports facilities; distribution of video, voice, and data content via media
 SB Energy Corp.	¥4,770 mn	100.0	Generation of electricity from renewable energy sources; supply and sale of electricity
 SoftBank Ventures Asia Corp.	KRW18,000 mn	100.0	Management of fund in Asia
 SoftBank Robotics Group Corp.	¥54,601 mn	87.8	Holding company

## Associates

Company name	Capital	Voting rights (%)	Main businesses
<b>Investment Business of Holding Companies Segment</b>			
 Alibaba Group Holding Limited* <sup>2</sup>	CNY1,000 K	24.3	Investor company of companies operating e-commerce business; cloud computing; digital media and entertainment
<b>SoftBank Vision Funds Segment</b>			
 WeWork Inc.	–	49.9	Provision of flexible workspace
<b>SoftBank Segment</b>			
 Geniee, Inc.	¥1,550 mn	31.7	Advertising technology business
 C Channel Corporation	¥10 mn	29.0	E-commerce business; Internet advertising and marketing
<b>Associates of Z Holdings Corporation</b>			
 DEMAЕ-CAN CO., LTD.	¥100 mn	37.1	Operation of food delivery service <i>Demaе-can</i>

## Fund

### Subsidiaries

Fund Name	Capital accepted	Investment ratio (%)	Main businesses
<b>Investment Business of Holding Companies Segment</b>			
SB Northstar LP	\$28 B	100.0	Investment in listed stocks and other financial instruments
<b>SoftBank Vision Funds Segment</b>			
 SoftBank Vision Fund L.P.* <sup>8</sup>	\$87 B	33.6	Investment fund in the technology sector
 SoftBank Vision Fund II-2 L.P.* <sup>9</sup>	\$48 B	100.0	Investment fund in the technology sector
<b>Latin America Funds Segment</b>			
 SBLA Latin America Fund LLC* <sup>4,9,10</sup>	\$7 B	100.0	Investment fund in the technology sector

\*1 The voting rights represent SBG's entire contributions as percentage of capital.

\*2 Skywalk Finance GK uses its holdings of Alibaba shares as collateral for its borrowings.

\*3 Capital represents the amount of capital contribution.

\*4 SoftBank Latin America Funds have been managed by SBGA starting from the first quarter of the fiscal year ending March 31, 2023.

\*5 On April 5, 2021, The Japan Net Bank, Limited changed its name to PayPay Bank Corporation.

\*6 On September 13, 2020 (U.S. time), SBGC, SVF1, and NVIDIA Corporation entered an agreement for the sale of all shares of Arm Limited (held by SBGC and SVF1) to NVIDIA Corporation. Since then, SBG and NVIDIA Corporation have made genuine efforts to realize this transaction, but in light of the regulatory challenges both parties agreed to terminate the agreement on February 8, 2022.

\*7 Fortress Investment Group LLC has not prepared stand-alone financial statements, thus a capital amount is not listed.

\*8 The capital accepted of SoftBank Vision Fund L.P. includes the capital accepted by alternative investment vehicles. Investment ratio of SoftBank Vision Fund L.P. includes incentive scheme related to SVF1.

\*9 The capital accepted and investment ratio include equity and preferred equity contributions under a co-investment program with MASA USA LLC, a company controlled by Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO of SBG) with restricted rights to receive distributions. The ratio of MASA USA's equity stake in the co-investment program is 17.25%.

\*10 SoftBank Latin America Fund L.P. changed its name to SLA Latin America Fund LLC, effective September 22, 2021, and to SBLA Latin America Fund LLC, effective October 6, 2021.

# Stock Information

**Shareholder registrar** Mitsubishi UFJ Trust and Banking Corporation

**Stock exchange registration** Tokyo Stock Exchange, Prime Market

**Securities code** 9984

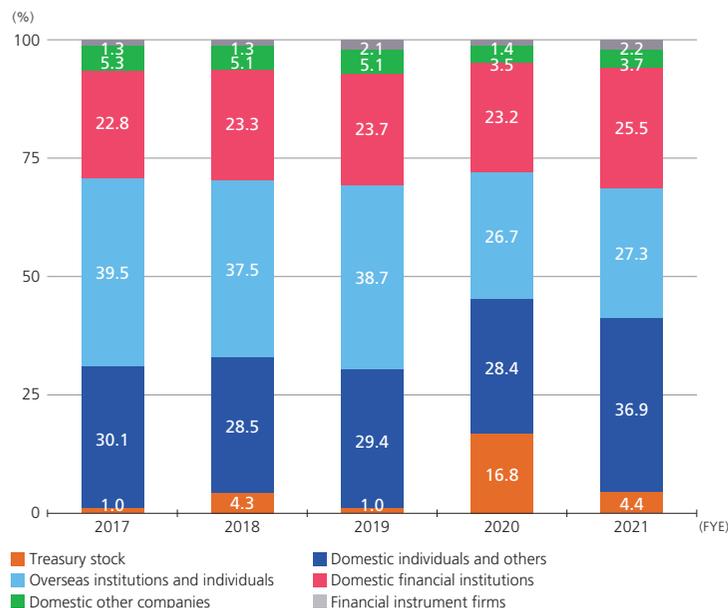
**Number of shares**  
As of March 31, 2022

**Shares authorized** 7,200,000,000

**Shares issued** 1,722,953,730  
(including 76,163,508 of treasury stock)

**Number of shareholders** 291,391  
As of March 31, 2022

## Distribution by shareholder type



## Major shareholders

As of March 31, 2022

Name	Number of shares held (thousands)	Percentage of total shares issued (%)
Masayoshi Son	460,161	27.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	294,958	17.91
Custody Bank of Japan, Ltd. (Trust Account)	100,460	6.10
JP MORGAN CHASE BANK 380763	29,066	1.77
STATE STREET BANK WEST CLIENT-TREATY 505234	20,423	1.24
SON CORPORATION LLC	19,060	1.16
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	18,742	1.14
SON ASSETS MANAGEMENT LLC	18,504	1.12
SSBTC CLIENT OMNIBUS ACCOUNT	18,218	1.11
JP MORGAN CHASE BANK 385781	17,119	1.04
<b>Top 10 Shareholders</b>	<b>996,711</b>	<b>60.53</b>

Notes:

- Percentage of total shares issued is calculated by deducting treasury stock (76,163,508 shares).
- Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd., and Custody Bank of Japan, Ltd., are all related to trust operations.
- As for major shareholders, the number of shares held effectively by Masayoshi Son, verified by SBG, is presented as has been hitherto on a combined basis (by means of name-based aggregation), while those held by other major shareholders are presented precisely as reported in the register of shareholders.

## Stock price and trading volume



Note: Stock prices are average prices for each month, and trading volumes are average daily trading volumes for each month. The stock prices and trading volumes have been adjusted to reflect the share split on June 28, 2019.

## Market capitalization

(FYE)

	2017	2018	2019	2020	2021
Market capitalization (Trillions of yen)	8.7	11.3	7.8	16.2	9.2

Note: Market capitalization is calculated by multiplying the stock price by the total number of shares issued (excluding treasury stock after adjusting for the aforementioned share split) as of the end of each fiscal year.

# Corporate Data

As of March 31, 2022

<b>Corporate name</b>	SoftBank Group Corp.
<b>Founded</b>	September 3, 1981
<b>Corporate headquarters</b>	1-7-1, Kaigan, Minato-ku, Tokyo 105-7537, Japan
<b>Telephone number</b>	+81-3-6889-2000
<b>Representative</b>	Masayoshi Son Representative Director, Corporate Officer, Chairman & CEO
<b>Share capital</b>	¥238.8 billion
<b>Number of subsidiaries</b>	1,316
<b>Number of associates</b>	565
<b>Number of joint ventures</b>	37
<b>Number of employees</b>	255 (consolidated basis: 59,721)
<b>Main business</b>	Pure holding company
<b>Independent auditor</b>	Deloitte Touche Tohmatsu LLC

## Selection for major indices

- Nikkei Stock Average
- JPX-Nikkei Index 400
- TOPIX Core 30 / TOPIX 100 / TOPIX 500 / TOPIX 1000
- Nikkei 500 Stock Average
- Nikkei Stock Index 300
- FTSE4Good Index Series\*1
- FTSE Blossom Japan Index\*1
- FTSE Blossom Japan Sector Relative Index\*1
- MSCI Japan Empowering Women Index (WIN)\*2
- S&P/JPX Carbon Efficient Index



## Credit rating indices

Rating agency	Long-term bond	Short-term bond	Outlook
Standard & Poor's	BB+	—	Stable
Japan Credit Rating Agency	A-	J-1	Positive

## External evaluations on sustainability

- Selected as "The Sustainability Yearbook Member" in "The Sustainability Yearbook 2022," a listing of companies with outstanding sustainability performance. (2022, S&P Global)
- Received an A- score in the overall rating and the Supplier Engagement Rating in the field of climate change. (2020/2021, CDP)
- Granted "Kurumin" certification under the Act on Advancement of Measures to Support Raising Next-Generation Children. (2015, Ministry of Health, Labor and Welfare)
- Certified as a model company for its excellent cybersecurity stance and information disclosure. (2021, Information Technology Federation of Japan)



Kurumin certification



Information Technology Federation of Japan

## Website

### Investor Relations

We provide videos and related materials of the latest earnings results briefing and IR-related news, among others.



### Sustainability

We introduce our efforts to resolve social issues through our business.



We seek to bring about a society that enriches the lives of people throughout the world.

## Follow us



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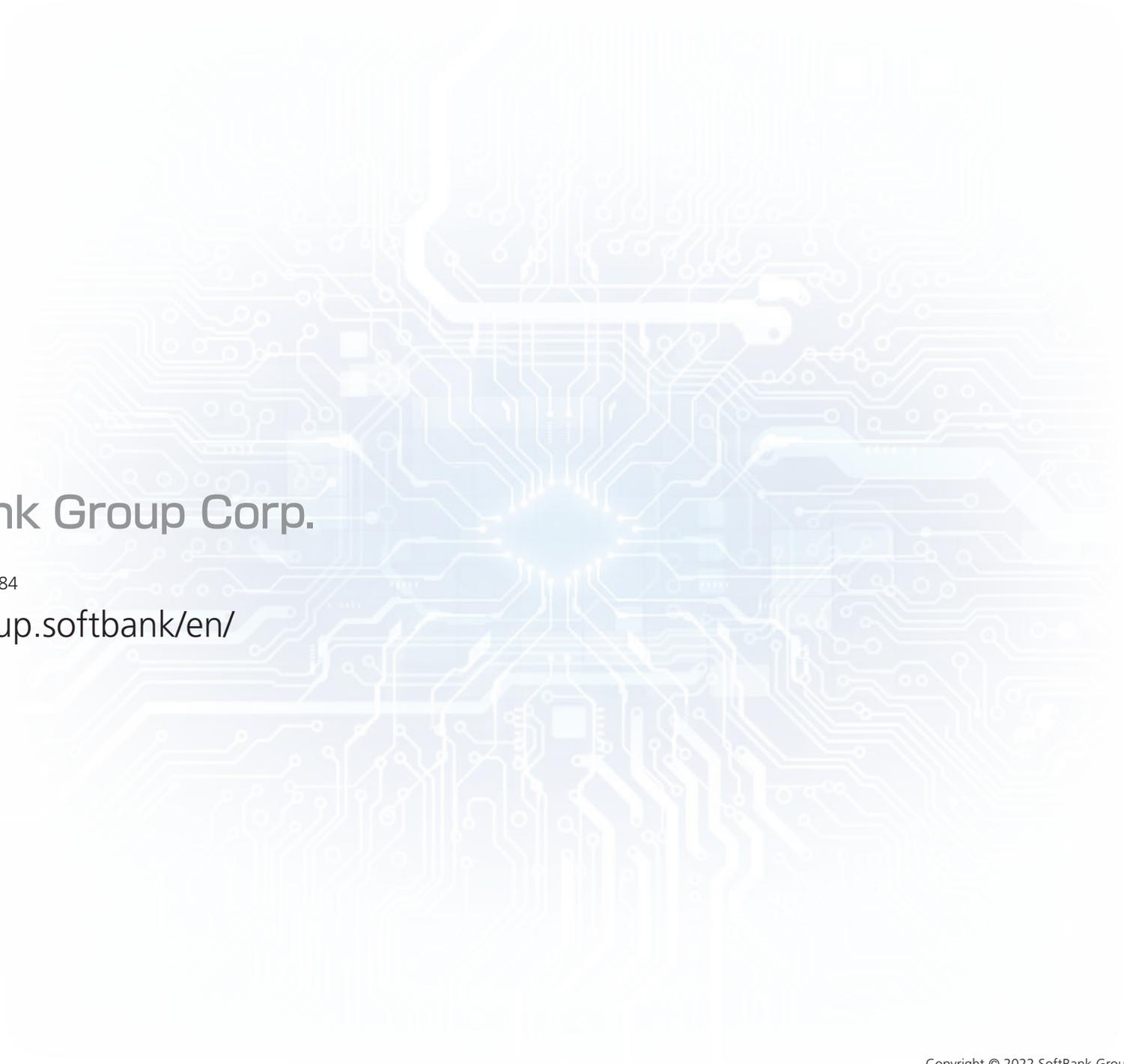
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\*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp. has been independently assessed according to the FTSE4Good Index Series, FTSE Blossom Japan Index series criteria, and has satisfied the requirements to become a constituent of those index series.

\*2 THE INCLUSION OF SoftBank Group Corp. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



# SoftBank Group Corp.

TSE Prime Market: 9984

<https://group.softbank/en/>