

# Financial Section

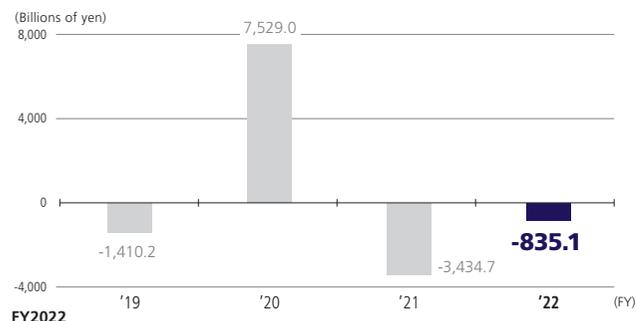


For consolidated financial statements and notes, see "Financial Report 2023" on our website.

# Graphs: Key Consolidated Financial Data

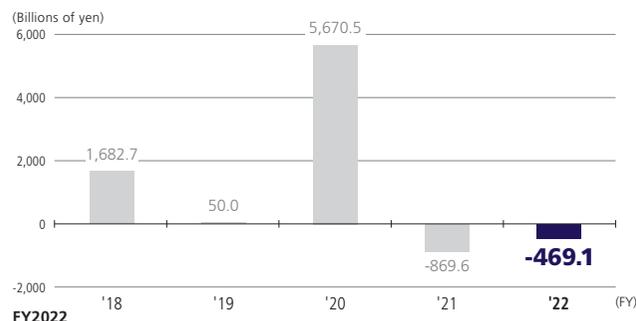
Fiscal years beginning April 1 and ending March 31 of the following year

## Gain (loss) on investments



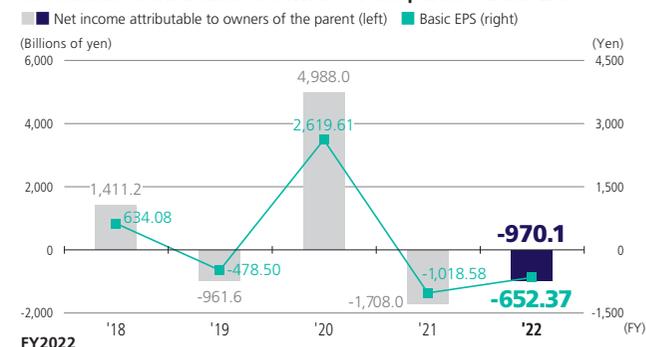
**FYE2022**  
Gain (loss) on investments  
**+ ¥2.6 tn YoY**

## Income before income tax



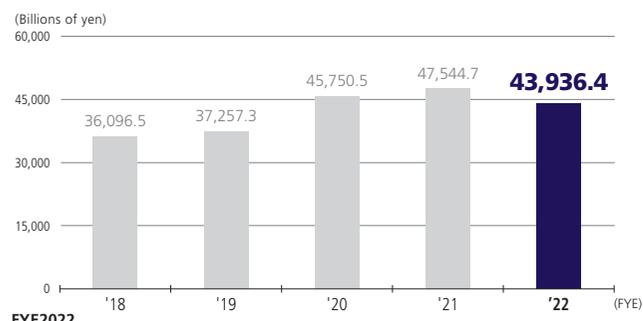
**FYE2022**  
Income before income tax  
**+ ¥0.4 tn YoY**

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



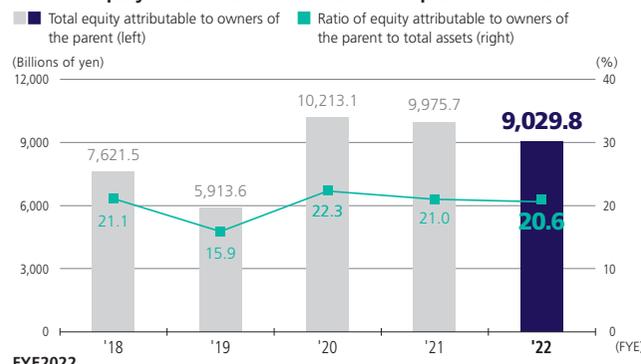
**FYE2022**  
Net income attributable to owners of the parent  
**+ ¥0.7 tn YoY**

## Total assets



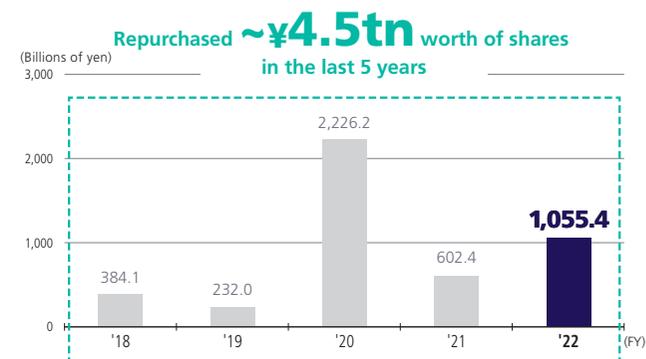
**FYE2022**  
Total assets  
**- 7.6% YoY**

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



**FYE2022**  
Total equity attributable to owners of the parent  
**- 9.5% YoY**  
Ratio of equity attributable to owners of the parent to total assets  
**20.6%**

## Share repurchase



**FYE2022**  
Share repurchase in FY2022  
**¥1,055.4 bn**

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)		FY2012	FY2013	FY2014	FY2015	FY2016
Net sales		3,202,536	6,666,651	8,504,135	8,881,777	8,901,004
Operating income* <sup>1</sup>		799,399	1,077,044	918,720	908,907	1,025,999
Income before income tax		715,504	924,049	1,213,035	919,161	712,526
Gain (loss) on investments* <sup>1</sup>		—	—	—	—	—
Net income attributable to owners of the parent		372,481	520,250	668,361	474,172	1,426,308
Total assets		7,218,172	16,690,127	21,034,169	20,707,192	24,634,212
Total equity attributable to owners of the parent		1,612,756	1,930,441	2,846,306	2,613,613	3,586,352
Interest-bearing debt* <sup>2</sup>		3,707,853	9,170,053	11,607,244	11,922,431	14,858,370
Net interest-bearing debt* <sup>3</sup>		2,257,806	7,059,286	8,182,817	9,248,363	11,923,065
Net cash provided by operating activities		813,025	860,245	1,155,174	940,186	1,500,728
Net cash provided by (used in) investing activities		(874,144)	(2,718,188)	(1,667,271)	(1,651,682)	(4,213,597)
Net cash provided by financing activities		471,477	2,359,375	1,719,923	43,270	2,380,746
Net increase (decrease) in cash and cash equivalents		417,944	524,433	1,295,163	(689,046)	(386,505)
Cash and cash equivalents at the fiscal year-end		1,439,057	1,963,490	3,258,653	2,569,607	2,183,102
<b>Major Indicators</b>	(Units)					
ROA	%	6.0	4.4	3.5	2.3	6.3
ROE	%	29.7	29.5	28.0	17.4	46.0
Ratio of equity attributable to owners of the parent to total assets	%	22.3	11.6	13.5	12.6	14.6
<b>Per share data*<sup>4</sup></b>	(Units)					
Basic EPS	¥	166.26	218.48	281.10	201.25	643.50
Diluted EPS	¥	164.04	217.34	279.38	194.16	637.82
Equity per share attributable to owners of the parent	¥	676.78	812.17	1,196.74	1,139.42	1,646.20
Dividend per share	¥	20.00	20.00	20.00	20.50	22.00
<b>Others</b>	(Units)					
Number of shares outstanding (excluding treasury stock)	'000	1,191,500	1,188,456	1,189,197	1,146,900	1,089,282
Number of subsidiaries		235	756	769	739	763
Number of associates		108	105	120	122	130
Number of employees (consolidated basis)		25,891	70,336	66,154	63,591	68,402

(Millions of yen)	FY2017	FY2018	FY2019	FY2020	FY2021	<b>FY2022</b>	
Net sales	9,158,765	6,093,548	5,238,938	5,628,167	6,221,534	<b>6,570,439</b>	
Operating income* <sup>1</sup>	1,303,801	2,073,636	—	—	—	—	
Income before income tax	384,630	1,682,673	50,038	5,670,456	(869,562)	<b>(469,127)</b>	
Gain (loss) on investments* <sup>1</sup>	—	—	(1,410,153)	7,529,006	(3,434,742)	<b>(835,059)</b>	
Net income attributable to owners of the parent	1,038,977	1,411,199	(961,576)	4,987,962	(1,708,029)	<b>(970,144)</b>	
Total assets	31,180,466	36,096,476	37,257,292	45,750,453	47,544,670	<b>43,936,368</b>	
Total equity attributable to owners of the parent	5,184,176	7,621,481	5,913,613	10,213,093	9,975,674	<b>9,029,849</b>	
Interest-bearing debt* <sup>2</sup>	17,042,188	15,685,106	14,272,208	19,547,976	22,323,580	<b>20,315,191</b>	
Net interest-bearing debt* <sup>3</sup>	13,617,255	12,056,031	11,027,565	14,016,812	17,100,637	<b>13,589,693</b>	
Net cash provided by operating activities	1,088,623	1,171,864	1,117,879	557,250	2,725,450	<b>741,292</b>	
Net cash provided by (used in) investing activities	(4,484,822)	(2,908,016)	(4,286,921)	(1,468,599)	(3,018,654)	<b>547,578</b>	
Net cash provided by financing activities	4,626,421	2,202,291	2,920,863	2,194,077	602,216	<b>191,517</b>	
Net increase (decrease) in cash and cash equivalents	1,151,548	523,868	(489,503)	1,293,710	506,276	<b>1,756,152</b>	
Cash and cash equivalents at the fiscal year-end	3,334,650	3,858,518	3,369,015	4,662,725	5,169,001	<b>6,925,153</b>	
<b>Major Indicators</b>	(Units)						
ROA	%	3.7	4.2	(2.6)	12.0	(3.7)	<b>(2.1)</b>
ROE	%	23.7	22.0	(14.2)	61.9	(16.9)	<b>(10.2)</b>
Ratio of equity attributable to owners of the parent to total assets	%	16.6	21.1	15.9	22.3	21.0	<b>20.6</b>
<b>Per share data*<sup>4</sup></b>	(Units)						
Basic EPS	¥	466.77	634.08	(478.50)	2,619.61	(1,018.58)	<b>(652.37)</b>
Diluted EPS	¥	454.19	628.27	(485.33)	2,437.29	(1,025.67)	<b>(662.41)</b>
Equity per share attributable to owners of the parent	¥	2,151.13	3,380.33	2,619.32	5,588.80	5,755.92	<b>5,888.94</b>
Dividend per share	¥	22.00	22.00	44.00	44.00	44.00	<b>44.00</b>
<b>Others</b>	(Units)						
Number of shares outstanding (excluding treasury stock)	'000	1,089,498	1,053,833	2,067,996	1,738,517	1,646,790	<b>1,463,048</b>
Number of subsidiaries		1,141	1,302	1,475	1,408	1,316	<b>1,280</b>
Number of associates		385	423	455	535	565	<b>573</b>
Number of employees (consolidated basis)		74,952	76,866	80,909	58,786	59,721	<b>63,339</b>

Notes: 1. The Company adopted IFRIC 21 "Levies" in FY2014. The figures for FY2013 have been retrospectively adjusted.

2. 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.

3. 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 the 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)	FY2021				FY2022			
	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>32.1</b>	<b>25.7</b>	<b>24.7</b>	<b>23.2</b>	<b>21.7</b>	<b>19.7</b>	<b>16.9</b>	<b>15.9</b>
Alibaba	12.4	7.3	6.0	5.2	4.5	3.0	2.0	0.7
SoftBank Corp.	2.3	2.4	2.3	2.2	2.4	2.2	2.3	2.4
SVF1	6.2	5.1	5.2	4.0	3.4	3.3	2.8	2.8
SVF2	2.9	4.0	4.8	5.0	4.5	4.2	3.7	3.5
LatAm Funds	0.8	0.9	0.9	1.1	1.0	1.0	0.9	0.8
T-Mobile	1.9	0.8	0.7	1.0	1.0	1.2	1.2	1.2
Deutsche Telekom	–	0.5	0.1	0.1	0.2	0.1	0.2	0.3
Arm	2.7	2.8	2.8	2.7	3.0	3.1	2.6	2.9
SB Northstar*	1.5	0.7	0.8	0.6	0.5	*	*	*
Others	1.6	1.3	1.0	1.3	1.3	1.6	1.3	1.3
<b>Net interest-bearing debt (asset-backed finance adjusted)</b>	<b>5.1</b>	<b>4.8</b>	<b>5.3</b>	<b>4.7</b>	<b>3.2</b>	<b>3.0</b>	<b>3.1</b>	<b>1.7</b>
Consolidated net interest-bearing debt	15.9	16.1	16.8	17.1	17.9	14.1	13.5	13.6
Net interest-bearing debt at self-financing entities, etc.	5.4	5.2	5.3	5.0	5.9	5.6	5.4	5.4
Other adjustments	5.4	6.1	6.2	7.4	8.9	5.5	5.0	6.5
<b>NAV</b>	<b>27.0</b>	<b>20.9</b>	<b>19.3</b>	<b>18.5</b>	<b>18.5</b>	<b>16.7</b>	<b>13.9</b>	<b>14.1</b>
(Yen)								
<b>NAV per share</b>	<b>15,756</b>	<b>12,193</b>	<b>11,364</b>	<b>11,206</b>	<b>11,640</b>	<b>10,791</b>	<b>9,472</b>	<b>9,656</b>
(%)								
<b>LTV</b>	<b>15.9</b>	<b>18.7</b>	<b>21.6</b>	<b>20.4</b>	<b>14.5</b>	<b>15.0</b>	<b>18.2</b>	<b>11.0</b>
(Reference)								
Share price (yen)	7,775	6,480	5,434	5,559	5,235	4,900	5,644	5,182
Total number of shares issued (excluding treasury stock) (thousands)	1,713,113	1,713,616	1,701,921	1,646,790	1,590,724	1,549,888	1,462,458	1,463,048
USD / JPY	110.58	111.92	115.02	122.39	136.68	144.81	132.70	133.53

Notes: 1. For the definitions of NAV and LTV, see pages 20-21.

2. Figures for NAV per share for FY2021 have been retroactively revised.

\* Figures for SB Northstar after FY2022 September 30 are included in Others.

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

As of June 21, 2023

## Results of operations

### 1. Alibaba

The Company recorded gains and losses as a result of the physical settlement of prepaid forward contracts corresponding to 296 million American Depositary Receipts (ADRs) of Alibaba shares (c and e in the following table). During the course of the physical settlement, the Company's voting ownership in Alibaba fell below 20% in the second quarter and Alibaba was therefore excluded from the associates of the Company. Remeasurement gain was recorded on the shares that continued to be held upon exclusion (d in the following table).

#### Gains and losses related to Alibaba shares in fiscal 2022

Gains and losses while an associate of the Company	
a. Loss on equity method investments	¥(25.4) billion
b. Dilution gain from changes in equity interest (net)	¥75.7 billion
c. Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	¥841.6 billion
Gains and losses upon exclusion from associates of the Company	
d. Gain from remeasurement of Alibaba shares held upon exclusion from associates	¥3,996.7 billion
Gains and losses after exclusion from associates of the Company	
e. Realized loss on investments (loss on sale from physical settlement) representing the difference between fair value at exclusion from associates and at settlement	¥(210.9) billion
f. Unrealized loss on valuation of investments representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates	¥(254.4) billion
Gains and losses associated with financing activities	
g. Finance cost	¥(107.9) billion
h. Derivative gain (excluding gain (loss) on investments)	¥24.9 billion
Total (contribution to income before income tax)	¥4,340.3 billion

### 2. SVF

Gross performance since inception was an \$11.4 billion gain in SVF1 and an \$18.3 billion loss in SVF2. \*1

### 3. Results highlights

#### ¥835.1 billion investment loss (¥526.1 billion gain for the fourth quarter)

- ¥4,560.5 billion investment gain at Investment Business of Holding Companies (including a ¥860.9 billion gain for the fourth quarter), which included
  - Gain of ¥4,838.3 billion relating to settlement of prepaid forward contracts using Alibaba shares (total of c and d in the above table)
  - Realized loss of ¥238.0 billion and unrealized valuation loss of ¥142.4 billion
- ¥5,322.3 billion investment loss at SoftBank Vision Funds (including a ¥315.5 billion loss for the fourth quarter), which included

- Realized gain (net) of ¥81.7 billion and unrealized valuation loss (net) of ¥1,952.0 billion at SVF1
  - Realized loss (net) of ¥3.5 billion and unrealized valuation loss (net) of ¥2,527.5 billion at SVF2
- Share prices of numerous public portfolio companies\*2 declined for fiscal 2022 amid the weakness in global stock markets, although share prices of several companies rose in the fourth quarter. The fair value of a wide range of private portfolio companies\*2 also decreased, reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

#### Loss before income tax of ¥469.1 billion (improvement of ¥400.4 billion yoy) reflecting the recordings of:

- Finance cost of ¥555.9 billion
- Foreign exchange loss of ¥772.3 billion due to the impact of the weaker yen amid an excess of U.S. dollar-denominated liabilities (net) mainly at SBG over its U.S. dollar-denominated cash and cash equivalents and loans receivable
- Decrease in third-party interests at SVF of ¥1,127.9 billion

#### Net loss attributable to owners of the parent of ¥970.1 billion (improvement of ¥737.9 billion yoy) reflecting the recordings of:

- Income tax of ¥320.7 billion
- Net income attributable to non-controlling interests of ¥180.3 billion

### 4. Maintained prudent defensive financial management with continued monetization of and contraction in investments, resulting in an improvement in LTV\*3 from the previous fiscal year-end.

#### Continued monetization of investments

- Raised \$35.46 billion through prepaid forward contracts using Alibaba shares during fiscal 2022.
- SVF1 and SVF2 sold investments (including those through share exchanges) for a total of \$6.47 billion in fiscal 2022, including full exits of ten portfolio companies, such as Uber and KE Holdings, and partial exits of several public portfolio companies.
- Sold 21.2 million T-Mobile shares for \$2.40 billion in the first quarter.
- Raised \$4.39 billion through prepaid forward contracts using Alibaba shares, subsequent to the fiscal year-end.

#### Contraction in investments

SVF1 and SVF2 made new and follow-on investments (including those through share exchanges) totaling \$3.14 billion in fiscal 2022, a significant reduction from \$44.26 billion in the previous fiscal year.

## 5. Reduced interest-bearing debt of SBG and its subsidiaries engaged in fund procurement, etc. by ¥2,233.8 billion from the previous fiscal year-end as a result of proactive debt repayment and the physical settlement of prepaid forward contracts

- Reduced financial liabilities relating to the sale of shares through prepaid forward contracts by \$40.45 billion (including \$13.47 billion relating to contracts concluded during fiscal 2022) due to the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares in fiscal 2022.
- Repaid borrowings of \$4.50 billion made through commitment lines in the first quarter.
- Repaid the entire ¥325.2 billion of bank loans (senior loans) in the second quarter, including early repayment of ¥292.7 billion.
- Repaid in full \$6.0 billion in a margin loan borrowed through Alibaba shares in the second quarter.
- Repaid \$2.06 billion in a margin loan borrowed through T-Mobile shares in the six-month period ended September 30, 2022.
- Repurchased a total of \$2.07 billion worth of foreign currency-denominated senior notes (at face value) and \$0.75 billion worth of USD-denominated Undated Hybrid Notes (at face value) in fiscal 2022. The latter is classified as equity instruments in accordance with IFRSs.

## 6. On track with replacement of USD-denominated Undated Hybrid Notes

Subsequent to the fiscal year-end, the Company issued domestic Hybrid Notes of ¥222.0 billion in April 2023. Together with the borrowings made through the Hybrid Loan\*4 in May 2023, the Company completed the financing for the replacement of the USD-denominated Undated Hybrid Notes (\$2.0 billion) and JPY-denominated Hybrid Notes (¥15.4 billion) with the first voluntary call dates in July 2023 and in September 2023 respectively.

## 7. Share repurchase of ¥1.4 trillion completed

- On October 17, 2022, SBG completed the full repurchase of shares under the ¥1 trillion share repurchase program authorized in November 2021.
- On November 10, 2022, SBG completed the full repurchase of shares under the ¥400 billion share repurchase program authorized in August 2022.
- SBG retired 252,958,500 treasury shares (14.68% of the total number of shares issued prior to the retirement) on March 30, 2023, a number equal to the total number of shares acquired under the above two programs.

## 8. Reorganization is planned among Z Holdings and primarily LINE and Yahoo Japan

Z Holdings plans to reorganize its corporate group as of October 1, 2023, primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, to build an organization structure that puts more emphasis on products, to accelerate the expansion of synergies from the business integration.

## 9. Confidential submission of draft registration statement on Form F-1 by Arm

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depositary shares representing Arm's ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.

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

The fiscal year / Fiscal 2022: Twelve-month period ended March 31, 2023

The first quarter: Three-month period ended June 30, 2022

The second quarter: Three-month period ended September 30, 2022

The third quarter: Three-month period ended December 31, 2022

The fourth quarter: Three-month period ended March 31, 2023

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

The fiscal year-end: March 31, 2023

The previous fiscal year-end: March 31, 2022

\*1 Gross amounts before deductions such as third-party interests and taxes.

\*2 Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.

\*3 See page 21 for the definition of LTV.

\*4 The Hybrid Loan is eligible for 50% equity treatment for the drawn down amount from Japan Credit Rating Agency, Ltd. and S&P Global Ratings Japan Inc.

## Overall results for fiscal 2022

	Fiscal 2021	Fiscal 2022	Change	Change %
(Millions of yen)				
Net sales	6,221,534	<b>6,570,439</b>	348,905	5.6%
Gross profit	3,265,574	<b>3,328,042</b>	62,468	1.9%
Gain on investments				
Gain on investments at Investment Business of Holding Companies	104,367	<b>4,560,500</b>	4,456,133	–
Loss on investments at SoftBank Vision Funds	(3,625,827)	<b>(5,322,265)</b>	(1,696,438)	–
Gain (loss) on other investments	86,718	<b>(73,294)</b>	(160,012)	–
Total gain on investments	(3,434,742)	<b>(835,059)</b>	2,599,683	–
Selling, general and administrative expenses	(2,551,722)	<b>(2,695,328)</b>	(143,606)	5.6%
Finance cost	(382,512)	<b>(555,902)</b>	(173,390)	45.3%
Foreign exchange loss	(706,111)	<b>(772,270)</b>	(66,159)	–
Income (loss) on equity method investments	341,385	<b>(96,677)</b>	(438,062)	–
Derivative gain (excluding gain (loss) on investments)	1,234,708	<b>54,256</b>	(1,180,452)	(95.6%)
Change in third-party interests in SVF	970,559	<b>1,127,949</b>	157,390	16.2%
Other gain (loss)	393,299	<b>(24,138)</b>	(417,437)	–
Income before income tax	(869,562)	<b>(469,127)</b>	400,435	–
Income taxes	(592,637)	<b>(320,674)</b>	271,963	(45.9%)
Net income	(1,462,199)	<b>(789,801)</b>	672,398	–
Net income attributable to owners of the parent	(1,708,029)	<b>(970,144)</b>	737,885	–
Total comprehensive income	691,211	<b>468,140</b>	(223,071)	(32.3%)
Comprehensive income attributable to owners of the parent	449,419	<b>293,116</b>	(156,303)	(34.8%)

### 1. Net sales

Net sales increased ¥348,905 million (5.6%) year on year, to ¥6,570,439 million. Net sales increased in the SoftBank segment and the Arm segment.

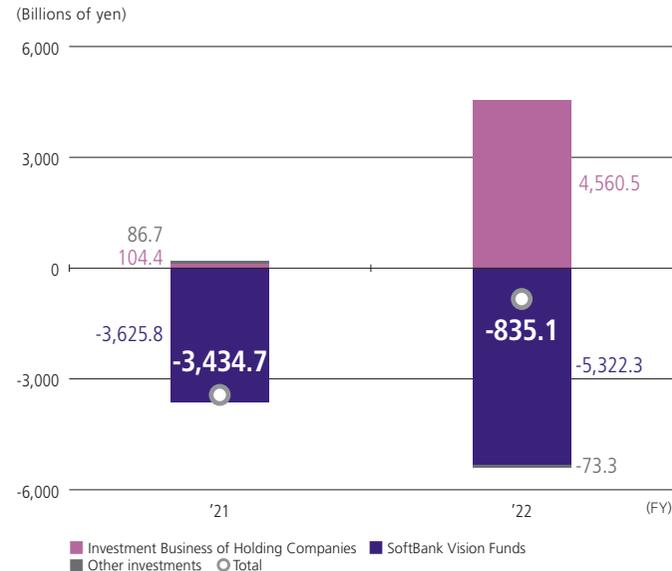
### 2. Loss on investments

Total loss on investments was ¥835,059 million.

Investment gain of ¥4,560,500 million was recorded at Investment Business of Holding Companies. This mainly reflected the recording of a gain of ¥4,838,251 million relating to the settlement of prepaid forward contracts using Alibaba shares (including a gain of ¥3,996,668 million from the remeasurement of Alibaba shares held upon Alibaba's exclusion from the Company's associates). For details, see "Investment Business of Holding Companies Segment" on page 81.

Investment loss of ¥5,322,265 million was recorded at SoftBank Vision Funds, of which ¥1,127,949 million was attributable to third-party interests. SVF1 recorded a realized gain on investments (net) of ¥81,714 million, mainly due to the full exits of eight portfolio companies,\*<sup>1</sup> such as Uber Technologies, Inc. ("Uber") and the partial exits of several public portfolio companies. Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥782,582 million for public portfolio companies, reflecting declines in the share prices of a wide range of portfolio companies in fiscal 2022. Of the losses, ¥213,825 million were attributable to SenseTime Group, Inc., ¥213,528 million to PT GoTo Gojek Tokopedia Tbk ("GoTo"), and ¥102,091 million to DoorDash, Inc. ("DoorDash"). For private portfolio companies, SVF1 recorded unrealized

### Gain (loss) on investments



valuation losses (net) totaling ¥1,169,384 million due to an overall decrease in the fair value of portfolio companies, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

SVF2 recorded realized loss on investments (net) of ¥3,499 million mainly as a result of the full exit of KE Holdings Inc. (“KE Holdings”) and the partial exits of several public portfolio companies. Meanwhile, SVF2 recorded unrealized valuation losses (net) totaling ¥2,527,524 million. For public portfolio companies, the losses were mainly due to share price declines of AutoStore Holdings Ltd. (“AutoStore”) and WeWork Inc. (“WeWork”) in fiscal 2022. For private portfolio companies, the fair value decreased in a wide range of investments, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies. For details, see “SoftBank Vision Funds Segment” on page 86.

### 3. Loss before income tax

Loss before income tax was ¥469,127 million, an improvement of ¥400,435 million year on year. Major changes other than gain (loss) on investments are as follows.

Finance cost increased by ¥173,390 million year on year, to ¥555,902 million. Interest expenses increased by ¥121,433 million in the Investment Business of Holding Companies segment. This mainly reflected increases in interest expenses at SBG\*<sup>2</sup> resulting from the full amortization of unamortized cost associated with financial liabilities related to the early physical settlement of a portion of prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was incepted in March 2022.

Foreign exchange loss of ¥772,270 million (net), a deterioration of ¥66,159 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.

The weaker yen increased the yen-translated value of net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is not Japanese yen (primarily U.S. dollars). 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 ¥1,337,214 million, which is listed under accumulated other comprehensive income in equity on the Consolidated Statement of Financial Position.

Loss on equity method investments decreased by ¥438,062 million year on year, to ¥96,677 million. Loss on equity method investments related to Alibaba was ¥25,394 million,\*<sup>3</sup> a deterioration of ¥413,305 million year on year. Alibaba was previously an equity method associate of the Company; however, it was excluded from the associates in the second quarter. This change reflected the Company’s loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

Derivative gain (excluding gain (loss) on investments) decreased by ¥1,180,452 million year on year, to ¥54,256 million. Derivative gain of ¥24,933 million was recorded in relation to prepaid forward contracts using Alibaba shares. In the fourth quarter, derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

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

Net loss attributable to owners of the parent was ¥970,144 million, an improvement of ¥737,885 million year on year.

Income taxes decreased by ¥271,963 million year on year, to ¥320,674 million. In addition to current income taxes totaling ¥283,702 million recorded at SoftBank Corp., Yahoo Japan Corporation, Arm, and other operating companies, current income taxes of ¥494,405 million and deferred income taxes of ¥408,508 million (a credit of income taxes) were recorded at SBG, at subsidiaries conducting fund procurement using Alibaba shares, and at related intermediate holding companies (both comprising wholly owned subsidiaries of the Company).

\*1 Includes share exchanges. During fiscal 2022, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration; its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and its stakes in Candy Digital, Inc. to Fanatics Holdings, Inc. in exchange for shares in Fanatics Holdings, Inc. as consideration. LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. and shares in Inco Limited for shares in Arco Platform Limited. These share exchanges are treated as full exits from investments and acquisition of new investments, 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 gains or losses on 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 for a reporting period staggered by the previous three months because it is impractical to align reporting periods with Alibaba due to factors, such as contracts with the company. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

## Status of Investment and Financial Support for WeWork

The Company recorded losses totaling ¥378,527 million for fiscal 2022 on WeWork stocks and warrants held by SVF1 and SVF2 (see a in the table below), mainly due to a significant decline in WeWork share price. In addition, losses totaling ¥221,839 million were recorded for fiscal 2022 as a result of estimating expected credit losses related to financial support under the October 2019 agreement between the Company and WeWork, including WeWork unsecured notes held by the Company (b below), WeWork senior secured notes held by SVF2 (c below), a commitment by SVF2 to acquire WeWork senior secured notes (d below), and credit support by SVF2 for a letter of credit facility provided to WeWork by financial institutions (e below).

In March 2023, WeWork, its principal bondholders, SVF2, and others agreed to support the restructuring of WeWork's debt. Pursuant to this transaction support agreement, the following changes have been made to the financial support provided by the Company and SVF2 to WeWork since April 2023. WeWork remains an associate of the Company after these changes.

		(Millions of yen)		
		Consolidated Statement of Profit or Loss		Consolidated Statement of Financial Position
		Account (as in the notes to the financial statements)	Fiscal 2022 Amount (Parentheses show loss)	Account  Carrying amount as of Mar 31, 2023 (Parentheses show liabilities)
				Changes since April 2023
a WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds		(340,411)	Investments from SVF (FVTPL) 43,081
	Loss on equity method investments		(15,307)	Investments accounted for using the equity method
	Other loss (Impairment loss on equity method investments)		(22,809)	4,824
b WeWork unsecured notes with a face value of \$1.65 billion* <sup>1</sup> held by the Company	Other loss (Provision for allowance for doubtful accounts)		(77,191)	* <sub>2</sub> 110,735 \$0.83 billion
c WeWork senior secured notes with a face value of \$0.25 billion* <sup>1</sup> held by SVF2	Loss on investments at SoftBank Vision Funds		18,022	Investments from SVF (FVTPL)
	Other loss (Provision for allowance for loan commitment losses)		(19,436)	32,959 \$0.25 billion
d Commitment by SVF2 to acquire WeWork senior secured notes up to \$0.25 billion* <sup>1</sup>	Other loss (Provision for allowance for loan commitment losses)		(1,008)	Other financial liabilities (current) (16)
e Credit support by SVF2 for a letter of credit facility up to \$1.43 billion* <sup>1</sup> provided to WeWork by financial institutions	Other loss (Provision for allowance for financial guarantee contract losses)		(142,226)	Other financial liabilities (current) (152,365) \$(1.14) billion
Total			(600,366)	

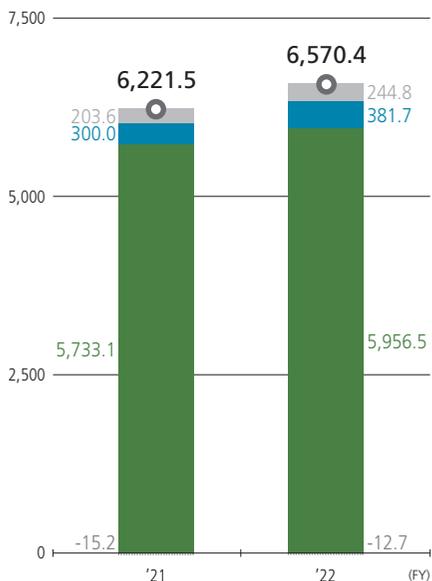
\*1 As of March 31, 2023

\*2 After deducting allowance for doubtful accounts

## Summary of Segment Information

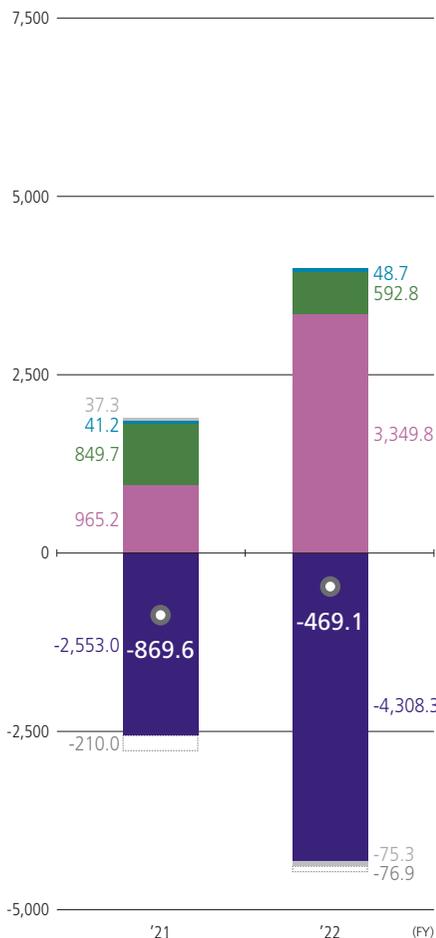
### Net sales

(Billions of yen)



### Segment income (income before income tax)

(Billions of yen)



■ Investment Business of Holding Companies\*1 ■ SoftBank Vision Funds\*1 ■ SoftBank ■ Arm  
 ■ 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 and Fukuoka SoftBank HAWKS Corp., among others.

### Overview of Reportable Segments

Segments	Main businesses	Core companies
Investment Business of Holding Companies	• Investment activities by SBG and its subsidiaries	• SoftBank Group Corp. • SoftBank Group Capital Limited • SoftBank Group Japan Corporation • SB Northstar LP
SoftBank Vision Funds	• Investment activities by SVF1, SVF2, and LatAm Funds	• SB Investment Advisers (UK) Limited • SoftBank Vision Fund L.P. • SB Global Advisers Limited • SoftBank Vision Fund II-2 L.P. • SBLA Latin America Fund LLC
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> <li>• Financial business: Provision of payment and financial 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> <li>• PayPal 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>	• Arm Limited

\* Since PayPal Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results are no longer included in "Other," but are presented within the SoftBank segment starting from the third quarter, with the results retrospectively adjusted and presented for fiscal 2022 and for the previous fiscal year.

### Integration of reportable segments

#### Integration of the Latin America Funds Segment into the SoftBank Vision Funds Segment

From the first quarter, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment following a review of the segment management classification after SBGA, the manager of SVF2, began managing LatAm Funds. In line with this, gains and losses on investments at LatAm Funds, which were presented as gains and losses on investments at Latin America Funds in the past fiscal year, are now included in gains and losses on investments at SoftBank Vision Funds. Also, the change in third-party interests in LatAm Funds, which was included in other gains and losses in the past fiscal year, is now included in change in third-party interests in SVF. Information for the same period of the previous fiscal year has been reclassified and presented accordingly. Presentations in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows have also been changed. For details, see "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

## Investment Business of Holding Companies Segment

1. As a result of the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares, gains and losses on sale (¥841.6 billion gain on settlement of prepaid forward contracts using Alibaba shares and ¥210.9 billion realized investment loss) were recorded. Alibaba was excluded from the associates of the Company as the voting ownership fell below 20% in the second quarter during the course of the physical settlement. ¥3,996.7 billion remeasurement gain was recorded on shares that continued to be held upon exclusion.
2. Segment income was ¥3,349.8 billion. This reflected ¥4,560.6 billion investment gain, including the above gains and losses related to Alibaba shares, which was partially offset by finance cost of ¥398.5 billion and foreign exchange loss of ¥772.1 billion.

### 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, SoftBank Group Japan Corporation (“SBGJ”), the asset management subsidiary SB Northstar, and certain other subsidiaries engaged in investment and financing activities. Gains and losses on investments at Investment Business of Holding Companies comprise gains and losses on investments held by SBG either directly or through its subsidiaries but do 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.

This segment has approximately 110 portfolio companies, including Alibaba, T-Mobile, and Deutsche Telekom AG (“Deutsche Telekom”), as well as investees of SB Northstar, most of which are investments classified as financial assets at FVTPL. 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 Profit or Loss as gains and losses on investments.

### Investment in listed stocks and other instruments by asset management subsidiaries

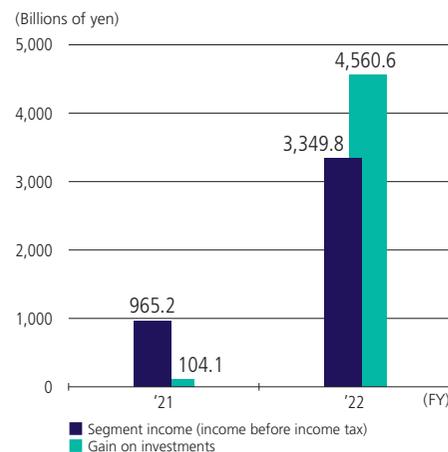
SB Northstar acquires and sells listed stocks and other instruments and engages in derivative and credit transactions related to listed stocks, using surplus funds of SBG. Investment loss related to asset management subsidiaries for fiscal 2022 was ¥146.2 billion, which brings the cumulative investment loss since inception to ¥892.4 billion.\* SB Northstar’s business scale continues to be downsized and the balance of its shareholdings and other instruments decreased from ¥315.9 billion as of the previous fiscal year-end to ¥79.2 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 impact 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.

\* Both fiscal 2022 and the cumulative investment loss amounts exclude the impact of SB Northstar’s investments in three Special Purpose Acquisition Companies (“SPACs”) controlled by SB Investment Advisers (US) Inc. Of these SPACs, one completed a merger with an operating company during fiscal 2022 and two terminated operations during fiscal 2022 as they were unable to complete a merger with operating companies.

### Segment income (income before income tax) / gain on investments



**Financial results**

	(Millions of yen)			
	Fiscal 2021	Fiscal 2022	Change	Change %
Gain on investments at Investment Business of Holding Companies	104,135	<b>4,560,568</b>	4,456,433	– A
Gain relating to settlement of prepaid forward contracts using Alibaba shares	199,972	<b>4,838,251</b>	4,638,279	–
Gain relating to sales of T-Mobile shares	3,149	<b>24,842</b>	21,693	688.9%
Realized gain (loss) on investments at asset management subsidiaries	54,853	<b>(73,950)</b>	(128,803)	–
Unrealized loss on valuation of investments at asset management subsidiaries	(393,635)	<b>(67,054)</b>	326,581	–
Derivative gain (loss) on investments at asset management subsidiaries	89,476	<b>(5,102)</b>	(94,578)	–
Realized loss on investments* <sup>1</sup>	(269,343)	<b>(235,617)</b>	33,726	–
Unrealized gain (loss) on valuation of investments* <sup>1</sup>	288,734	<b>(144,198)</b>	(432,932)	–
Change in valuation for the fiscal year	(126,282)	<b>(132,423)</b>	(6,141)	–
Reclassified to realized gain (loss) recorded in the past fiscal years* <sup>2</sup>	415,016	<b>(11,775)</b>	(426,791)	–
Derivative gain on investments	101,524	<b>205,506</b>	103,982	102.4%
Effect of foreign exchange translation* <sup>1</sup> * <sup>3</sup>	10,022	–	(10,022)	–
Other* <sup>1</sup>	19,383	<b>17,890</b>	(1,493)	(7.7%)
Selling, general and administrative expenses	(85,871)	<b>(73,796)</b>	12,075	(14.1%)
Finance cost	(277,108)	<b>(398,541)</b>	(121,433)	43.8% B
Foreign exchange loss	(705,108)	<b>(772,053)</b>	(66,945)	– C
Income (loss) on equity method investments	376,433	<b>(22,836)</b>	(399,269)	– D
Derivative gain (excluding gain (loss) on investments) <i>Mainly due to prepaid forward contracts using Alibaba shares</i>	1,236,686	<b>65,732</b>	(1,170,954)	(94.7%) E
Other gain (loss)	315,991	<b>(9,228)</b>	(325,219)	– F
<b>Segment income (income before income tax)</b>	<b>965,158</b>	<b>3,349,846</b>	<b>2,384,688</b>	<b>247.1%</b>

\*1 Figures for the previous fiscal year are restated. There is no change in the total amount of gain (loss) on investments at Investment Business of Holding Companies.

\*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2022 are reclassified as “realized gain (loss) on investments.”

\*3 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 of. “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.

**Gains and losses related to Alibaba shares in fiscal 2022**

	(Millions of yen)
<b>Gains and losses while an associate of the Company</b>	
Loss on equity method investments	(25,394)
Dilution gain from changes in equity interest (net)	75,678
Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	841,583
<b>Gains and losses upon exclusion from associates of the Company</b>	
Gain from remeasurement of Alibaba shares held upon exclusion from associates	3,996,668
<b>Gains and losses after exclusion from associates of the Company</b>	
Realized loss on investments (loss on sale from physical settlement) <i>representing the difference between fair value at exclusion from associates and at settlement</i>	(210,919)
Unrealized loss on valuation of investments <i>representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates</i>	(254,356)
<b>Gains and losses associated with financing activities</b>	
Finance cost	(107,884)
Derivative gain (excluding gain (loss) on investments)	24,933
<b>Total (contribution to segment income)</b>	<b>4,340,309</b>

**A Gain on investments at Investment Business of Holding Companies: ¥4,560,568 million**

- Gain relating to settlement of prepaid forward contracts using Alibaba shares of ¥4,838,251 million was recorded due to the physical settlement of a portion of the contracts. The amount includes a gain of ¥3,996,668 million from remeasurement of Alibaba shares.
- Gain of ¥24,842 million relating to sales of T-Mobile shares was recorded. This was due to the sale of 21.2 million T-Mobile shares held by the Company to Deutsche Telekom as Deutsche Telekom exercised a portion of its call options in April 2022.
- Realized loss of ¥73,950 million and unrealized valuation loss of ¥67,054 million were recorded on investments at asset management subsidiaries. This was a result of investments in listed stocks and other instruments by SB Northstar.
- Realized loss of ¥235,617 million on investments was recorded. This mainly comprised ¥210,919 million loss realized on Alibaba shares due to the physical settlement of the prepaid forward contracts using such shares, which was carried out after Alibaba’s exclusion from the Company’s associates.
- Unrealized loss of ¥144,198 million was recorded on valuation of investments. This mainly included a ¥254,356 million unrealized loss on a change in the fair value of Alibaba shares held at the fiscal year-end, which was recorded on the change in fair value from the exclusion from the Company’s associates to the fiscal year-end.

- Derivative gain of ¥205,506 million on investments was recorded, mainly due to a gain of ¥189,874 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

**B Finance cost: ¥398,541 million (increase of ¥121,433 million year on year)**

Interest expenses increased by ¥129,565 million year on year at SBG\*<sup>1</sup> to ¥396,240 million. This was mainly due to the full amortization of unamortized costs associated with financial liabilities related to the early physical settlement of a portion of the prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was incepted in March 2022.

**C Foreign exchange loss: ¥772,053 million**

Foreign exchange loss of ¥772,053 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 Loss on equity method investments: ¥22,836 million (deterioration of ¥399,269 million year on year)**

Loss on equity method investments related to Alibaba was ¥25,394 million,\*<sup>2</sup> a deterioration of ¥413,305 million year on year. Alibaba was previously an equity method associate of the Company but was excluded from the associates in the second quarter. This reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

**E Derivative gain (excluding gain (loss) on investments): ¥65,732 million**

Derivative gain of ¥24,933 million was recorded mainly for the prepaid forward contracts using Alibaba shares. In the fourth quarter, a derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

**F Other loss: ¥9,228 million**

As stated in "Status of Investment and Financial Support for WeWork," the Company recorded a ¥217,081 million loss related to financial support provided to WeWork. On the other hand, interest income increased by ¥65,962 million year on year to ¥103,462 million mainly due to an increase in interest rates on USD-denominated deposits. Meanwhile, a dilution gain of ¥75,678

million (net) from changes in equity interest was recorded due to a change in the Company's ownership interest in Alibaba prior to its exclusion from associates.

\*<sup>1</sup> Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

\*<sup>2</sup> The Company applied the equity method to Alibaba's consolidated financial statements for a reporting period staggered by the previous three months because it is impractical to align reporting periods with Alibaba due to factors, such as contracts with the company. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

## Investment in Alibaba

Alibaba was previously an equity method associate of the Company but was excluded from the associates during the second quarter. This reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

Upon Alibaba's exclusion from the Company's associates, Alibaba shares held by the Company were classified as financial assets at FVTPL and were remeasured at fair value based on the share price at that time. The shares are measured at fair value quarterly and any change in fair value is recorded in the Consolidated Statement of Profit or Loss as gain and loss on investments.

### Alibaba shares held by the Company



\*1 Calculated based on 21,357,323,112 ordinary shares outstanding as of March 31, 2022, as disclosed in Alibaba's Form 20-F.

\*2 Calculated based on 21,185,107,544 ordinary shares outstanding as of July 15, 2022, as disclosed in Alibaba's Form 20-F.

\*3 Calculated based on the number of ordinary shares outstanding as of September 30, 2022.

\*4 Calculated based on 20,680,409,344 ordinary shares outstanding as of December 31, 2022.

### Impact of the asset management subsidiaries on the Company's Consolidated Statement of Financial Position

	(Millions of yen)
	March 31, 2023
Cash and cash equivalents	18,231
Investments from asset management subsidiaries	79,236
Derivative financial assets in asset management subsidiaries	24
Other	501
<b>Total assets</b>	<b>97,992</b>
Trade and other payables	229
<b>Total liabilities</b>	<b>229</b>
Investments from the Delaware subsidiaries* <sup>1</sup>	912,989
Equivalent amount of cash investments by SBG in the Delaware subsidiaries	39,786
Equivalent amount of loans to the Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	853,310
Equivalent amount of cash investments by Masayoshi Son in the Delaware subsidiaries	19,893 A
Retained earnings	(898,420) B
Exchange differences on translating foreign operations	83,194
<b>Equity</b>	<b>97,763 C</b>

\*1 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. (the "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 the Delaware subsidiaries	19,893 A
Cumulative loss attributable to non-controlling interests* <sup>2</sup>	(299,377)
Exchange differences on translating foreign operations	32,541
<b>Non-controlling interests (interests of Masayoshi Son)</b>	<b>(246,943) D</b>

\*2 One-third of B in the above table

### Interests in equity (C above)

	(Millions of yen)
Interests of SBG	344,706
Non-controlling interests (interests of Masayoshi Son)	(246,943) D
<b>Equity</b>	<b>97,763 C</b>

### Main interest-bearing debt and lease liabilities in this segment

Borrower	Type	Balance as of March 31, 2023 in Consolidated Statement of Financial Position
SBG	Borrowings	¥381.9 billion
	Corporate bonds	¥5,753.0 billion
	Lease liabilities	¥10.7 billion
	Commercial paper	¥161.0 billion
Wholly owned subsidiaries conducting fund procurement*	Borrowings using Arm shares (asset-backed finance)	¥1,126.6 billion
	Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts)	¥3,823.7 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥497.4 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥376.2 billion
	Collar transactions using Deutsche Telekom shares	¥441.3 billion

\* Borrowings of wholly owned subsidiaries conducting fund procurement are non-recourse to SBG.

## SoftBank Vision Funds Segment

### 1. Gross performance since inception was \$11.4 billion gain in SVF1 and \$18.3 billion loss in SVF2.\*1

**Market environment: The S&P 500 Index rose 7.0%, the NASDAQ-100 Technology Sector Index rose 23.9%, and the Thomson Reuters Venture Capital Index rose 11.6% from December 31, 2022 to March 31, 2023.**

#### SVF1: \$101.0 billion in cumulative returns (exit price, etc. + fair value of investments held) on \$89.6 billion investments, with \$11.4 billion gross gain

- Investment loss was \$17.3 billion (¥2,311.2 billion) for fiscal 2022.
- The fair value of investments held at the fourth quarter-end increased by 0.4% from the previous quarter-end.\*2
  - Up 8.0% for public portfolio companies,\*3 mainly due to rise in share prices of DiDi, Coupang, and DoorDash, partially offset by declines in share prices of Grab and other companies
  - Down 3.6% for private portfolio companies,\*3 mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies, consistent with private valuation methodologies adopted

#### SVF2: \$31.9 billion in cumulative returns on \$50.2 billion investments, with \$18.3 billion gross loss

- Investment loss was \$18.4 billion (¥2,445.4 billion) for fiscal 2022.
- The fair value of investments held at the fourth quarter-end decreased by 5.4% from the previous quarter-end.
  - Up 10.0% for public portfolio companies, mainly due to rise in share prices of AutoStore and Symbotic, partially offset by decline in share prices of WeWork and other companies
  - Down 7.7% for private portfolio companies, reflecting markdowns of a wide range of portfolio companies due to their weaker performances, consistent with private valuation methodologies adopted

### 2. Continued prudent defensive financial management – significantly curtailed investments and continued to monetize investments under a disciplined approach amid the challenging market environment

- Sold investments for a total of \$6.47 billion by SVF1 and SVF2 in fiscal 2022 (SVF1: \$5.79 billion, SVF2: \$0.68 billion), including full exits of ten portfolio companies\*6 such as Uber and KE Holdings, and partial exits of several public portfolio companies.
- Made new and follow-on investments by SVF1 and SVF2 totaling \$3.14 billion (SVF1: \$0.45 billion, SVF2: \$2.69 billion), \*6 a significant reduction from \$44.26 billion in the previous fiscal year.

(As of March 31, 2023; in billions of U.S. dollars)

	Since Inception			Fiscal 2022*4	
	Investment cost*5	Returns*5	Gain/loss	Gain/loss Jan - Mar	Gain/loss YTD
<b>SVF1</b>					
Exited investments	24.0	42.7	18.7	0.3	0.6
Investments before exit	65.6	55.9	(9.7)	0.2	(14.7)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022</i>				(0.1)	(3.2)
Derivatives/Interests/Dividends	0.0	2.4	2.4	(0.0)	0.0
<b>Total</b>	<b>89.6</b>	<b>101.0</b>	<b>11.4</b>	<b>0.4</b>	<b>(17.3)</b>
				<b>¥54.2 billion</b>	<b>¥(2,311.2) billion</b>
<b>SVF2</b>					
Exited investments	1.6	2.7	1.1	(0.0)	(0.0)
Investments before exit	48.6	29.5	(19.1)	(1.5)	(18.6)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022</i>				0.0	0.1
Derivatives/Interests/Dividends	–	(0.3)	(0.3)	(0.0)	0.1
<b>Total</b>	<b>50.2</b>	<b>31.9</b>	<b>(18.3)</b>	<b>(1.5)</b>	<b>(18.4)</b>
				<b>¥(205.4) billion</b>	<b>¥(2,445.4) billion</b>

\*1 Cumulative gross gains and proceeds from realized investments are before deducting third-party interests, taxes, and expenses. The same applies to the presentation of cumulative investment performance hereinafter.

\*2 Represents changes in U.S. dollar-based fair values, excluding those from investments or exits made during the fourth quarter. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end. For portfolio companies with a change in the classification of public/private during the fourth quarter, comparisons are made by adjusting their status at the third quarter-end to that of the fourth quarter-end. The same applies to the change in fair value of investments held at the quarter-end in this section.

\*3 Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.

\*4 The amount of gains and losses for exited investments in fiscal 2022 represents the exit price, net of the investment cost of such investments. Unrealized valuation gains and losses of such investments recorded in prior years, or in or before the third quarter of fiscal 2022, are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022. Therefore, the total amount of gains and losses for each quarter disclosed in or before the third quarter of fiscal 2022 and the gains and losses for the fourth quarter for "investments before exits" may not match the amount of gains and losses for fiscal 2022 (YTD).

\*5 For derivatives, the investment cost represents the cost of the derivatives. Investment returns represent the exit price for exited investments, the fair value for investments before exits, the settlement amount of settled contracts or the fair value of open contracts for derivatives, and the respective amounts received for interest or dividends.

\*6 Includes share exchanges. During fiscal 2022, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration; its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and its stakes in Candy Digital, Inc. to Fanatics Holdings, Inc. in exchange for shares in Fanatics Holdings, Inc. as consideration. LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. and shares in Inco Limited for shares in Arco Platform Limited. These share exchanges are treated as full exits from investments and acquisition of new investments, 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 gains or losses on investments.

## Overview

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1), SoftBank Vision Fund 2 (SVF2), and SoftBank Latin America Funds (LatAm Funds).

## Financial results

	(Millions of yen)			
	Fiscal 2021	Fiscal 2022	Change	Change %
Loss on investments at SoftBank Vision Funds*1	(3,434,469)	<b>(5,279,494)</b>	(1,845,025)	- A
Loss on investments at SVF1, SVF2, and LatAm Funds	(3,436,420)	<b>(5,298,458)</b>	(1,862,038)	-
Realized gain on investments*2	1,345,560	<b>78,616</b>	(1,266,944)	(94.2%)
Unrealized loss on valuation of investments	(4,698,612)	<b>(5,267,270)</b>	(568,658)	-
Change in valuation for the fiscal year	(2,928,740)	<b>(4,978,591)</b>	(2,049,851)	-
Reclassified to realized gain recorded in the past fiscal years*2	(1,769,872)	<b>(288,679)</b>	1,481,193	-
Interest and dividend income from investments	51,897	<b>1,512</b>	(50,385)	(97.1%)
Derivative gain (loss) on investments	(50,303)	<b>14,537</b>	64,840	-
Effect of foreign exchange translation	(84,962)	<b>(125,853)</b>	(40,891)	-
Gain on other investments	1,951	<b>18,964</b>	17,013	872.0%
Selling, general and administrative expenses	(94,456)	<b>(65,999)</b>	28,457	(30.1%)
Finance cost	(33,278)	<b>(81,181)</b>	(47,903)	143.9%
Derivative gain (excluding gain (loss) on investments)	2,056	<b>907</b>	(1,149)	(55.9%)
Change in third-party interests in SVF	970,559	<b>1,127,949</b>	157,390	16.2% B
Other gain (loss)	36,561	<b>(10,473)</b>	(47,034)	-
<b>Segment income (income before income tax)</b>	<b>(2,553,027)</b>	<b>(4,308,291)</b>	<b>(1,755,264)</b>	-

\*1 Unrealized gains and losses associated with the change in valuation of SoftBank Vision Funds' investment in shares in the Company's subsidiaries (mainly Arm and PayPay Corporation), and dividend income received from such investments are included in segment income of the SoftBank Vision Funds segment as gains and losses on investments at SoftBank Vision Funds, but are eliminated in consolidation and not included in gains and losses on investments at SoftBank Vision Funds in the Consolidated Statement of Profit or Loss.

\*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2022 are reclassified as realized gains and losses on investments.

## Investments and disposals by SVF1 and SVF2 in fiscal 2022

	Investments					Disposals*				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
SVF1	0.06	0.20	0.16	0.03	0.45	2.10	0.93	1.63	1.13	5.79
SVF2	2.11	0.13	0.09	0.36	2.69	0.51	0.06	0.03	0.08	0.68

Note: Investments and disposals by SVF1 and SVF2 include those through share exchanges. Investments include new and follow-ons.

\* After deducting transaction fees, etc.

## Segment income

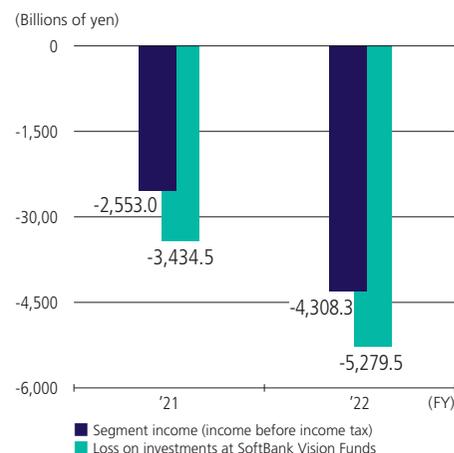
### A Loss on investments at SoftBank Vision Funds: ¥5,279,494 million

	(Millions of yen)			
	Fiscal 2021	Fiscal 2022	Change	Change %
Loss on investments at SVF1	(3,028,428)	<b>(2,311,213)</b>	717,215	-
Loss on investments at SVF2	(518,943)	<b>(2,445,427)</b>	(1,926,484)	-
Gain (loss) on investments at LatAm Funds	110,951	<b>(541,818)</b>	(652,769)	-
<b>Loss on investments at SVF1, SVF2, and LatAm Funds</b>	<b>(3,436,420)</b>	<b>(5,298,458)</b>	<b>(1,862,038)</b>	-

### B Change in third-party interests in SVF: ¥1,127,949 million

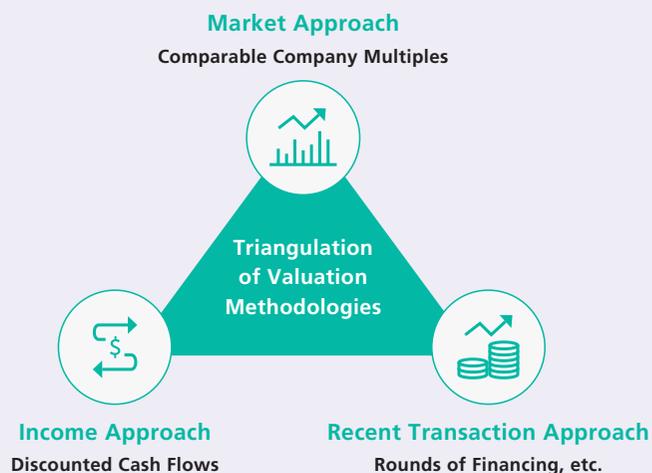
This indicates the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions, which are based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1; (ii) management and performance-linked management fees payable to SBGA from SVF2; (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds; and (iv) operating and other expenses of SVF. For details, see "(2) Third-party interests in SVF" under "Note 7. SoftBank Vision Funds business" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

## Segment income (income before income tax) / loss on investments at SoftBank Vision Funds



## Fair value measurement of investments

SVF1, SVF2, and LatAm Funds calculate the fair value of their investments at each quarter-end in accordance with IFRS 13 Fair Value Measurement and based on the SBIA Global Valuation Policy and the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines). For public portfolio companies, fair values of portfolio companies that are traded on stock exchanges are determined using quoted prices, while fair values of those traded on over-the-counter markets are determined using single or multiple factors, such as quoted prices and other observable inputs. For private portfolio companies, one or more valuation methods are used, including the market approach using figures of market comparable companies, the income approach using estimated future cash flows, and the recent transactions method using prices of recent funding rounds and similar transactions.



## Financing at SVF

SVF1, SVF2, and LatAm Funds may independently make borrowings that are non-recourse to SBG for the purpose of leveraging and maintaining liquidity. Types of borrowings include asset-backed finance, which utilizes assets held to enhance returns and distribute to limited partners.

## Outline of principal funds in the segment

As of March 31, 2023

### SVF1 and SVF2

SVF1 and SVF2 aim to maximize returns from a medium- to long-term perspective through large-scale investments in high-growth-potential companies leveraging AI, particularly in “unicorns.”\*<sup>1</sup> SVF1’s investment period has ended and 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.

	SVF1	SVF2
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* <sup>3</sup>
	The Company: 33.1* <sup>2</sup>	The Company: 53.4* <sup>3</sup>
	Third-party investors: 65.5	Third-party investor (MgmtCo): 2.6* <sup>4</sup>
Manager	SBIA (The Company’s wholly owned U.K. subsidiary)	SBGA (The Company’s wholly owned U.K. subsidiary)
Investment period	Ended on September 12, 2019	To be determined by the manager
Fund life	Until November 20, 2029 + Up to two 1-year extensions option by SBIA	Until October 4, 2032 + Up to two 1-year extensions option by SBGA

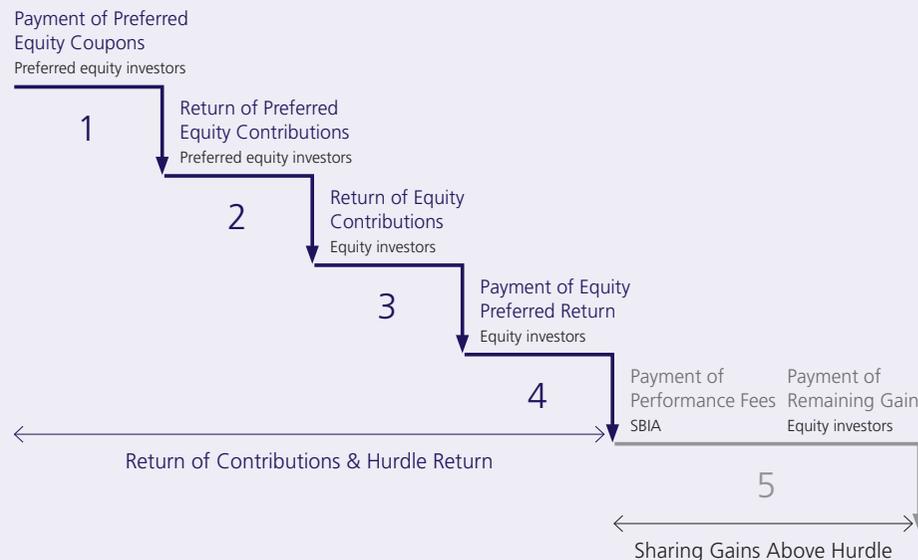
### LatAm Funds

LatAm Funds invests in companies harnessing the power of data and technology to redefine industries within rapidly developing Latin America.

	LatAm Funds
Major limited liability company	SBLA Latin America Fund LLC
Total committed capital (Billions of U.S. dollars)	7.6* <sup>5</sup>
Manager	SBGA (The Company’s wholly owned U.K. subsidiary)
Investment period	To be determined by the manager
Fund life	Until October 4, 2032 + Up to two 1-year extensions option by SBGA

As of March 31, 2023, total committed capital for LatAm Funds is \$7.6 billion, with drawn capital totaling \$7.3 billion.

### SVF1 distribution waterfall



\*1 Private companies valued at over \$1 billion at the time of investment

\*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.

\*3 As of June 21, 2023, the Company’s committed capital to SVF2 has been increased to \$57.4 billion, and the total committed capital for SVF2 is \$60.0 billion.

\*4 A co-investment program has been introduced for SVF2 for the Company’s management. MASA USA LLC (“MgmtCo”), an investment entity for the co-investment program, participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company’s consolidated financial statements. For details, see “(a) Transactions between SVF2 and related parties” in “a. Co-investment program with restricted rights to receive distributions” in “(1) Related party transactions and balances” under “Note 45. Related party transactions” in “Notes to Consolidated Financial Statements” in “Financial Report 2023.”

\*5 A co-investment program has been introduced for LatAm Funds for the Company’s management. MgmtCo participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company’s consolidated financial statements. For details, see “(b) Transactions between LatAm Funds and related parties” in “a. Co-investment program with restricted rights to receive distributions” in “(1) Related party transactions and balances” under “Note 45. Related party transactions” in “Notes to Consolidated Financial Statements” in “Financial Report 2023.”

## Co-investment program of SVF2

In the second quarter of fiscal 2021, 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.\*<sup>1</sup> 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.

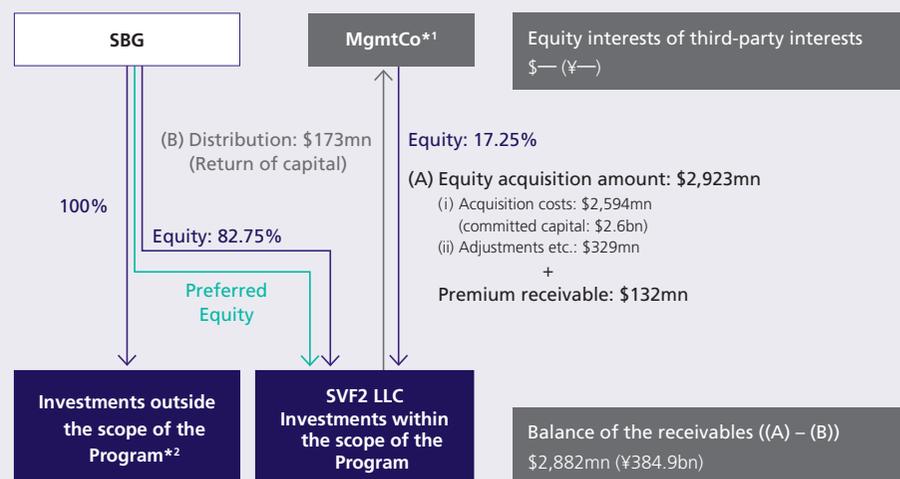
Distributions from SVF2 LLC to MgmtCo are subject to certain restrictions. Specifically, distribution will not be made to MgmtCo until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair market value of all of SVF2 LLC's unrealized investments (net of borrowings) 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. 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. 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. SBG continues to hold 100% of the equity for the investments in portfolio companies outside of the Program's scope.\*<sup>2</sup>

As of March 31, 2023



\*1 As of the fiscal year-end, only Masayoshi Son, SBG's Representative Director, Corporate Officer, Chairman & CEO, invests in MgmtCo. Participation by management other than Masayoshi Son has not been determined as of the date hereof, but is expected in the future.

\*2 For investments outside the scope of the co-investment program, see "SVF2: Portfolio" on pages 94-95.

For further details of the program, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

## Status of SVF1 investments

As of March 31, 2023

Total ((1) + (2) + (3) + (4) below) (Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1	Investment gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
	<b>100</b>	<b>89.6</b>	<b>101.0</b>	<b>11.4</b>	<b>0.4</b>	<b>(17.3)</b>

### (1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain*1	Realized gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Partial exit	–	3.7	12.6	8.9		1.7
Full exit*2	24	20.3	30.1	9.8		(1.1)
<b>Total</b>	<b>24</b>	<b>24.0</b>	<b>42.7</b>	<b>18.7</b>	<b>0.3</b>	<b>0.6</b>

### (2) Investments before exit (investments held at the fiscal year-end)\*3

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)*5	Unrealized valuation gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Public*4	23	30.7	20.6	(10.1)	1.5	(6.0)
Private	53	34.9	35.3	0.4	(1.3)	(8.7)
<b>Total</b>	<b>76</b>	<b>65.6</b>	<b>55.9</b>	<b>(9.7)</b>	<b>0.2</b>	<b>(14.7)</b>

### (3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain	Derivative gain (loss) recorded for fiscal 2022	
				Jan - Mar	YTD
Unsettled	–	0.0	0.0		0.0
Settled	0.0	1.5	1.5		–
<b>Total</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>(0.0)</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 2022	
			Jan - Mar	YTD
<b>Total</b>	<b>0.9</b>	<b>0.9</b>	<b>–</b>	<b>–</b>

## (Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
Effects of dividends in kind Treasure Data, Inc. Acetone Limited (equity interests in Arm China JV)	(2)	–	–	–
<b>Net of effects of share exchanges and dividends in kind*6,7</b>	<b>94</b>	<b>87.6</b>	<b>99.0</b>	<b>11.4</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, taxes, and expenses

\*2 Includes disposal (sale) through share exchanges

\*3 The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.

\*4 Includes DiDi Global Inc., which is traded in the over-the-counter market

\*5 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.

\*6 For investments in which share exchanges occurred, the 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 the investment count.

\*7 In addition to the public share exchanges above, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated companies, which are also existing portfolio companies. The acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.

## Capital deployment of SVF1

As of March 31, 2023

	(Billions of U.S. dollars)		
	Total	The Company	Third-party investors
Committed capital (A)	<b>98.6</b>	33.1	65.5
Drawn capital* (B)	<b>87.2</b>	29.9	57.3
Return of capital (non-recallable) (C)	<b>33.3</b>	9.2	24.1
Outstanding capital (D) = (B) – (C)	<b>53.9</b>	20.7	33.2
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.

\* Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.

## Status of SVF2 investments

As of March 31, 2023

Total ((1) + (2) + (3) + (4) below) (Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1	Investment loss recorded for fiscal 2022	
					Jan - Mar	YTD
	<b>274</b>	<b>50.2</b>	<b>31.9</b>	<b>(18.3)</b>	<b>(1.5)</b>	<b>(18.4)</b>

### (1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain (loss)*1	Realized gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Partial exit	–	0.2	0.1	(0.1)		(0.0)
Full exit	3	1.4	2.6	1.2		0.0
<b>Total</b>	<b>3</b>	<b>1.6</b>	<b>2.7</b>	<b>1.1</b>	<b>(0.0)</b>	<b>(0.0)</b>

### (2) Investments before exit (investments held at the fiscal year-end)\*2

	Number of investments	Investment cost*4	Fair value*4	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Public*3	14	8.1	4.3	(3.8)	0.4	(4.5)
Private	257	40.5	25.2	(15.3)	(1.9)	(14.1)
<b>Total</b>	<b>271</b>	<b>48.6</b>	<b>29.5</b>	<b>(19.1)</b>	<b>(1.5)</b>	<b>(18.6)</b>

### (3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative loss	Derivative gain (loss) recorded for fiscal 2022	
				Jan - Mar	YTD
Unsettled	–	(0.2)	(0.2)		0.2
Settled	–	(0.1)	(0.1)		(0.1)
<b>Total</b>	<b>–</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>0.1</b>

### (4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2022	
			Jan - Mar	YTD
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>0.0</b>

## (Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1
Net of effects of purchase of WeWork senior secured notes*5	273	50.2	31.9	(18.3)

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, taxes, and expenses

\*2 The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.

\*3 Includes Zhangmen Education Inc., which is traded in the over-the-counter market

\*4 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.

\*5 WeWork senior secured notes purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019 are deducted from the investment count.

## Capital deployment of SVF2

As of March 31, 2023

	(Billions of U.S. dollars)
<b>Total</b>	<b>56.0</b>
Committed capital* (A)	<b>56.0</b>
Drawn capital (B)	<b>50.9</b>
Remaining committed capital (C) = (A) – (B)	<b>5.1</b>

Note: Remaining committed capital includes recallable return of capital.

### (Reference: Breakdown of committed capital as of March 31, 2023)

Total committed capital*	<b>56.0</b>
The Company's equity commitment to investments outside the scope of the co-investment program	8.9
The Company's preferred equity commitment to SVF2 LLC	32.1
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.

\* As of June 21, 2023, the Company's committed capital to SVF2 has been increased to \$57.4 billion, and the total committed capital for SVF2 is \$60.0 billion.

## SVF1: Portfolio

As of March 31, 2023. Excludes exited investments

Investment cost: \$65.6 billion\*

Fair value: \$55.9 billion\*

Total of 76 investments

### Consumer

Brainbees Solutions Private Limited (FirstCry)
Bytedance Ltd.
Coupang, Inc.
Esquared Capital Limited (Klook)
Fanatics Holdings, Inc.
GetYourGuide AG
Globalbees Brands Private Limited
Oravel Stays Limited (OYO)
OYO Technology & Hospitality (China) Pte. Ltd.
Plenty United Inc.
PT GoTo Gojek Tokopedia Tbk
Tabist Co., Ltd. (OYO Japan)
Zomato Limited

### Edtech

Zuoyebang Education Limited
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### Enterprise

Automation Anywhere, Inc.
Cambridge Mobile Telematics Inc.
Cohesity APJ Pte. Ltd.
Cohesity, Inc.
Globality, Inc.
GPCY Holding (Gympass)
MapBox Inc.

### Fintech

Creditas Financial Solutions, Ltd.
Greensill Capital Pty Ltd.
Kabbage, Inc.
OakNorth Holdings Limited
One 97 Communications Limited (Paytm)
OneConnect Financial Technology Co., Ltd.

PB Fintech Limited (Policybazaar)
Pollen, Inc. (C2FO)
VNLife Corporation Joint Stock Company
ZA Tech Global Limited (ZhongAn's affiliate)

### Frontier Tech

Arm Limited
ARM Technology (China) Co., Ltd
Brain Corporation
CloudMinds Inc.
Energy Vault, Inc.
Ginkgo Bioworks Holdings, Inc.
Improbable Worlds Limited
Light Labs, Inc.
SenseTime Group Inc.
Treasure Data, Inc.

### Health Tech

CollectiveHealth, Inc.
Good Doctor Technology Limited
HealthKconnect Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)
Relay Therapeutics, Inc.
Roivant Sciences Ltd.
Vir Biotechnology, Inc.

### Logistics

Delhivery Limited
DoorDash, Inc.
Flexport, Inc.
Full Truck Alliance Co. Ltd
GoBrands, Inc. (goPuff)
Local Services Holding Limited (Alibaba Local Services)
Loggi Technology International
Nauto, Inc.
Nuro, Inc.
Rappi Inc.

Reef Global Inc.
Truck Champion Limited (Full Truck Alliance's affiliate)
Zume, Inc.

### Proptech

CLUTTER INC.
Compass, Inc.
Katerra Inc.
View Inc.
WeWork Greater China Holding Company B.V.
WeWork Inc.
WeWork Japan GK
Ziroom Inc.

### Transportation

ANI Technologies Private Limited (Ola)
Aurora Innovation Inc.
Auto1 Group GmbH
DiDi Global Inc.
Fair Financial Corp.
Getaround, Inc.
Grab Holdings Inc.
Guazi.com Inc.

Public companies Stock offering plan announced

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.  
\*SBG consolidated basis

## SVF2: Portfolio

As of March 31, 2023. Excludes exited investments

Investment cost: \$48.6 billion\*<sup>1</sup>

Fair value: \$29.5 billion\*<sup>1</sup>

Total of 271 investments



### Consumer

AccelByte Inc
Bacasable Global Limited (SandBox)
Baron App, Inc. (Cameo)
Bundl Technology Private Limited (Swiggy) ☆
Cerebral Inc.
Cityblock Health, Inc.
Dice FM Ltd.
Digital Arbitrage, Inc. (Cloudbeds)
Dingdong (Cayman) Limited 🏠 ☆
DSM Grup Danismanlik I.V.S.T.A.S (Trendyol)
eFishery Pte. Ltd.
Embark Veterinary, Inc.
Eobuwie. PL S.A.
Extend, Inc.
Fetch Rewards, Inc.
Flipkart Private Limited
Get Together Inc. (IRL)
Global Car Group Pte. Ltd. (Cars24)
InterFocus Cayman Ltd. (Patpat)
Keep Inc. ▶
Keli Network Inc. (Jellysmack)
Kolonial.no AS (Oda)
Lenskart Solutions Private Limited
Live Momentum Ltd (StreamElements)
Loop Now Technologies, Inc (Firework)
Manticore Games, Inc
Meesho Inc. ☆
Misfits Market, Inc.
Mmhmm Inc.
Modern Clinics Inc. (Sprout Therapy)
Naver Z Corporation
NTEX Transportation Services Private Limited (Elastic Run)

OnboardIQ, Inc. (Fountain)
OP Invest AS (Gelato)
OrderMark, Inc.
Papa Inc.
PerchHQ LLC
PicsArt, Inc.
RewardStyle, Inc.
Ripples Capital Limited (Kitopi)
SCA Investments Limited (Gousto)
Sender Inc. (Sendoso)
Shoplazza Corporation Limited
Soda, Inc.
Sorare SAS
Spotter, Inc.
Tempo Interactive Inc.
The Fynder Group, Inc. (Nature's Fynd)
UPSIDE Foods, Inc.
Vestiaire Collective S.A.
Vuori, Inc.
Weee! Inc.
Whoop, Inc.
XPX Holdings Limited
ZenBusiness Inc.
2 other investments



### Edtech

360Learning S.A.
Apiom, Inc. (Go1)
Atom Learning Ltd.
Eruditus Learning Solutions Pte. Ltd.
GoStudent GmbH
Happy_seed (Cayman) Limited (VIPThink)
Paper Education Company Inc.
Riiid Inc.
Sorting Hat Technologies Pvt. Ltd (Unacademy)
Zhangmen Education Inc. 🏠 ☆



### Enterprise

6Sense Insights, Inc.
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Public companies



Stock offering plan announced



Investment outside of the co-investment program

7shifts Inc.
Adverity GmbH
Aiquire LLC d.b.a. Pyxis One
Andela Inc.
Anyvision Interactive Technologies Ltd.
Arkose Labs Holdings, Inc.
Attentive Mobile, Inc.
Behavox Ltd.
Beisen Holding Limited* <sup>2</sup> ▶
Boomerang Commerce Inc. (CommerceIQ)
Clarify Health Solutions, Inc.
Clarity AI, Inc.
Clarity Ltd.
Class Technologies Inc.
CoachHub GmbH
Commerce Fabric, Inc.
Content Square S.A.S.
ContractPod Technologies Limited
Copado Holdings, Inc.
Cybereason Inc. ☆
Eightfold AI Inc
Esusu Financial, Inc.
Guangzhou Tungee Technology Co., Ltd.
Huice Group Holding Limited (Wangdiantong)
Icertis, Inc.
InMobi Pte. Ltd.
Iyuno Sweden Holding I AB
JOB AND TALENT HOLDING LIMITED
Labelbox, Inc.
LegalForce, Inc.
MindTickle Inc.
Minio, Inc.
Movai Inc. (XMOV)
OneTrust LLC
Pantheon Systems, Inc.
Pax8, Inc.
Peak AI Limited
Permutive, Inc.
Plume Design, Inc.

Qingdao Alnnovation Technology Group Co., Ltd. 🏠
Quicko Technosoft Labs Private Limited (Whatfix)
R Software Inc. (RapidAPI)
Redis Labs Ltd.
Remote Technology, Inc.
SendBird, Inc.
Sense Talent Labs, Inc.
Shanghai Gaussian Automation Technology Development Co., Ltd.
Shenzhen Dianxiaomi Network Technology Co, Ltd. (DXM)
Skedulo Holdings, Inc.
Smooth and Steady Inc. (Ekuaiobao)
Sobot Technologies Inc.
Standard Cognition, Corp.
TigerGraph, Inc.
Trax Ltd
Treasure Data, Inc.
Unifonic Inc.
Vendr, Inc.
Workboard, Inc.
Z21 Labs Inc. (Observe AI)
Zaihui Inc.
2 other investments



### Fintech

Advance Intelligence Group Limited (Advance.AI)
Aleo Systems Inc.
Apollo Agriculture, Inc.
Better Holdco, Inc. ▶ ☆
bKash Limited
Blockdaemon, Inc.
Brex Inc.
CFT Clear Finance Technology Corp. (Clearco)
Chime Financial, Inc.
Consensys Software Inc.
Digital Currency Group, Inc.
Digits Financial, Inc.
Drivewealth Holdings, Inc.

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.

\*1 SBG consolidated basis

\*2 Listed on April 13, 2023.

## SVF2: Portfolio

As of March 31, 2023. Excludes exited investments

	Elliptic Enterprises Limited
	Envelop Risk Analytics Ltd.
	Ethos Technologies Inc.
	eToro Group Ltd. ☆
	FTX Trading Ltd.
	Funding Asia Group PTE. LTD. (Funding Societies)
	Human Interest Inc.
	Infinity Stones Inc.
	Juspay Technologies Private Limited
	Klarna Holding AB
	M1 Holdings Inc.
	OFB Tech Private Limited (OfBusiness) ☆
	Opay Limited
	PayPay Corporation
	PrimaryBid Limited
	Revolut Ltd.
	TabaPay, Inc.
	Vivid Money Holdco Limited
	West Realm Shires Inc. (FTX US)
	Zeta Investments Holdings Pte. Ltd.
	Zopa Group Limited
	1 other investment

	<b>Frontier Tech</b>
	Agile Robots AG
	CertiK Global Ltd.
	Cornami, Inc.
	Enpal GmbH
	FormLabs, Inc.
	Guangzhou Xaircraft Technology Co., Ltd. (XAG)
	Improbable MV Limited
	IonQ, Inc. ☆
	Keenon Robotics Co., Ltd.
	Kigen (UK) Limited
	Opentrons Labworks, Inc.
	Patsnap Limited
	Qualtrics International Inc. ☆
	SambaNova Systems Inc.
	Shanghai Eigencomm Technologies Co., Ltd.

	Shanghai JAKA Robotics Ltd.
	Soul Machines Limited
	Swell Energy Inc.
	Vianai Systems, Inc.
	Wiliot Ltd.
	1 other investment

	<b>Health Tech</b>
	Abogen Therapeutics Limited
	Aculys Pharma, Inc.
	AI Medical Service Inc.
	Arsenal Biosciences, Inc.
	Big Health Ltd.
	Biofourmis Holdings Pte. Ltd.
	bloXroute Labs, Inc.
	CMR Surgical Limited
	Deep Genomics Incorporated
	Devoted Health, Inc.
	Dewpoint Therapeutics, Inc.
	EDDA Healthcare and Technology Holding Limited ☆
	ElevateBio LLC
	Encoded Therapeutics, Inc.
	Exscientia plc. ☆
	GoForward, Inc.
	Hexagon Bio, Inc.
	Insitro, Inc.
	Karius, Inc.
	Leyden Laboratories B.V.
	Lumicks Technologies B.V.
	Neuron23, Inc.
	Noah Medical Corporation
	Pear Therapeutics, Inc.*1 ☆
	Plexium, Inc.
	Proximie Limited
	QuantumPharm Inc. (XtalPi)
	Quris Technologies Ltd.
	RBNC Therapeutics, Inc.
	Repertoire Immune Medicines

	ScriptDash Inc. (Alto Pharmacy)
	Seer, Inc. ☆
	Shanghai Fourier Intelligence Co., Ltd.
	Shenzhen XinJuTe Intelligent Medical Devices Co., Ltd. (Futurtec)
	Synthego Corporation
	Tessera Therapeutics, Inc.
	Umoja Biopharma, Inc.
	Variant Bio, Inc.
	Venn Biosciences Corporation (InterVenn)
	Ventus Therapeutics U.S.
	3 other investments

	<b>Logistics</b>
	AutoStore Holdings Ltd. ☆
	Berkshire Grey, Inc. ☆
	Cargomatic, Inc.
	ezCater, Inc.
	Flock Freight, Inc.
	Forto GmbH
	Full Truck Alliance Co. Ltd. ☆
	JD Logistics, Inc. ☆
	Material Technologies Corporation (Material Bank)
	Paack SPV Investments, S.L.
	Reibus International, Inc.
	RightHand Robotics, Inc.
	SendCloud Global BV
	Shipbob, Inc.
	Symbolic Inc. ☆
	Veho Tech, Inc.

	<b>Proptech</b>
	Clicpiso Holdco Global S.à r.l. (Clikalia)
	Lyra Technologies, Inc. (Block Renovation)
	Pacaso Inc.
	Roofstock, Inc.
	WeWork Inc. ☆
	Yanolja Co., Ltd.
	3 other investments*2

Public companies Stock offering plan announced Investment outside of the co-investment program

	<b>Transportation</b>
	NetraDyne, Inc.
	Ola Electric Mobility Private Limited
	Platform Science, Inc.
	Rimac Group D.O.O.
	Robotic Research OpCo, LLC
	Tier Mobility GmbH
	TRUSTY CARS PTE. LTD. (Carro)
	Voyager Group Inc. (DiDi AV JV)
	Zum Services, Inc.
	1 other investment

	<b>Other</b>
	7wire Ventures Fund II, L.P.
	Brex Venture Debt Fund
	Liberty 77 Capital LP
	MX Fund II GmbH & Co KG (Merantix)
	NorthStar Equity Partners V Limited
	OurCrowd International General Partner, L.P.
	Paradigm One (Cayman) Feeder LP

\*1 Delisted on April 19, 2023.

\*2 Includes WeWork senior secured notes purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019.

## LatAm Funds: Portfolio

As of March 31, 2023. Excludes exited investments

 Public companies

Investment cost: \$7.1 billion\*<sup>1</sup>

Fair value: \$5.5 billion\*<sup>1</sup>

Total of 92 investments\*<sup>2</sup>

### Consumer

Goody Technologies, Inc.

JusBrasil, Ltd.

Laika Universe Inc.

MadeiraMadeira Ltd.

Petlove Cayman, Ltd.

PopUP Design, Inc. (GAIA)

Sorare SAS

Televisa-Univision

Tul Inc.

Tupoe Ltd. (Glorify)

Zapt Holdings Limited

### Edtech

Afya Limited 

Arco Platform Limited 

Camino Education Ltd.

Descomplica, Ltd.

UOL EdTech Cayman Ltd

1 other investment

### Enterprise

Cortex Intelligence Ltd.

CRMBONUS HOLDING

DOTZ S.A. 

GPCY Holding (Gympass)

Grupo Bursatil Mexicano

Gupy Ltd.

Incode Technologies, Inc.

Omie Ltd.

Pipefy, Inc.

Rankmi Holdings Limited

Serpahim Holdings Ltd. (Gabriel)

Solidarium (Olist)

Unico Technologies Ltd (acesso digital)

VTEX 

1 other investment

### Fintech

2TM Holdings Company Ltd

Adelante Financial Holdings Limited (Addi)

Atom Finance, Inc.

Avenue Holding Cayman Ltd.

Bancar Technologies Limited (Uala)

Betterfly PBC

Buk Holdings Limited

Contabilizei Company

Creditas Financial Solutions, Ltd.

Digital Currency Group, Inc. (DCG)

Hashdex, Ltd.

Inter & Co, Inc. 

Justo Seguros Holdings Limited

Konfio Limited

Kushki Group Holdings, Ltd.

Merama, Inc.

Nu Holdings Ltd. 

OpenCo Holding Limited

PayClip, Inc.

PayStand Inc.

Pismo Holdings

Solfacil International Ltd.

Swile SAS

Terramagna Ltd.

The Badger Technology Company Holdings Ltd.

(Bitso)

TRBL LTD. (Tribal)

3 other investments

### Frontier Tech

SATELLOGIC INC. 

### Health Tech

Alice Holding

### Logistics

FHF Ventures Ltd. (Cobli)

Frubana Inc.

Jokr S.a.r.l.

Loadsmart, Inc.

Loggi Technology International

Rappi, Inc.

### PropTech

Loft Holdings Ltd

McN Investment Ltd. (Habi)

QUINTOANDAR, LTD.

2 other investments

### Transportation

Buser, Ltd.

International Logistics Holding LLC (CargoX)

Kavak Holdings Limited

Nowports Inc.

### Other

14 investments (including LP interests)

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.

\*1 SBG consolidated basis

\*2 For two portfolio companies invested in common and preferred shares, each holding is counted as one investment.

## SoftBank Segment

1. Segment income decreased by 30.2% yoy mainly due to a decrease in income in the consumer business, which was affected by a fall in mobile service charges.
2. Z Holdings plans to reorganize the corporate group primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, in order to build an organizational structure that puts more emphasis on products and to accelerate the expansion of synergies from the business integration.

### Overview

Segment results include the results of business activities of 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 achieve sustainable growth in its core telecommunications business, while expanding its business in domains outside of telecommunications through internet services such as *Yahoo! JAPAN* and *LINE* and the development of businesses that utilize advanced technologies including AI, IoT, and FinTech, such as the cashless payment service *PayPay*.

### Financial results

Segment income was ¥592,782 million, a decrease of ¥256,953 million (30.2%) year on year. This was mainly due to a decrease in income in the consumer business and a deterioration in investment loss.

Income in the consumer business decreased mainly due to a fall in mobile service charges. In the enterprise business, income increased, mainly due to higher sales of cloud services and other products as the digitalization of enterprises accelerates. Income in the Yahoo! JAPAN/LINE business was level year on year despite an increase in commerce sales, mainly as a result of increases in cost of sales and personnel expenses associated with an increase in the number of employees. The deterioration in loss on investments was due to a decrease in the fair value of portfolio companies, primarily those that were invested for the purpose of strengthening solution services.

Impairment loss on equity method investments of ¥31,304 million was recorded in the third quarter in relation to DEMAE-CAN CO., LTD., which operates a food delivery service under LINE Corporation. The loss had a negative impact of ¥2,965 million on net income attributable to owners of the parent at the Company.

### No impact from the conversion of PayPay Corporation into a subsidiary of SoftBank Corp.

In conjunction with the conversion of PayPay Corporation to a subsidiary, SoftBank Corp. changed the accounting policy for business combinations under common control involving non-controlling interests from the book-value method (pooling of interests method) to the acquisition method, starting from the third quarter. As a result, SoftBank Corp. recorded a gain from remeasurement relating to the business combination of ¥294,843 million and amortization expenses for identifiable

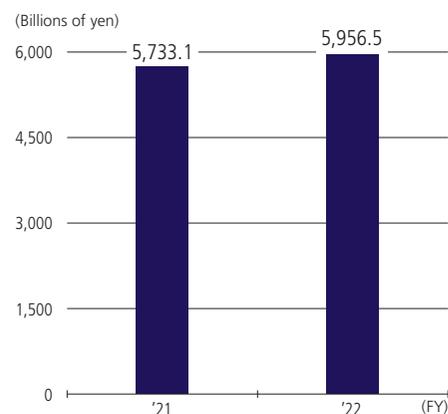
intangible assets pertaining to PayPay Corporation for fiscal 2022 associated with the conversion of PayPay Corporation into a subsidiary. Furthermore, as a result of this change in accounting policy, the acquisition method was retrospectively applied to transactions executed in prior years under common control involving non-controlling interests such as the consolidation of Yahoo Japan Corporation (currently Z Holdings Corporation) in June 2019. With this retroactive application, assets, liabilities, and equity of SoftBank Corp. increased in its consolidated statement of financial position as of March 31, 2022. The company also recorded amortization expenses by recognizing identifiable intangible assets pertaining to Z Holdings Corporation in conjunction with this change in accounting policy, in its consolidated statement of income for fiscal 2022 and the previous fiscal year.

Nevertheless, there is no impact from these on SBG's consolidated financial statements as PayPay Corporation and Z Holdings Corporation have consistently been classified as subsidiaries of SBG.

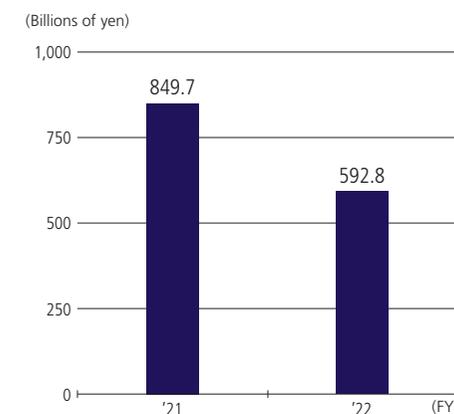


For more information on SoftBank Corp.'s financial results and business operations, see its website.

### Net sales



### Segment income (income before income tax)



Note: Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results are no longer included in "Other," but are presented within the SoftBank segment from the third quarter, with the results retrospectively adjusted and presented for fiscal 2022 and for the previous fiscal year.

## Arm Segment

### 1. Arm’s business remains robust, with record net sales (U.S. dollar-based) for fiscal 2022.

- **Net sales increased by 5.7% yoy (U.S. dollar-based) to record high due to continuing strong royalty revenue growth, offset by a decline in non-royalty revenue due to very strong license revenue in the previous fiscal year. In yen terms, net sales increased by 27.2% due to the weaker yen exchange rate used for translation in the preparation of the Company’s consolidated financial statements.**

- Technology royalty revenue increased by 16.1% yoy (U.S. dollar-based) due to market share gains in infrastructure, and more chips being deployed into IoT devices and automotive applications.
- Technology non-royalty revenue decreased by 8.5% yoy (U.S. dollar-based) as revenues recognized for the previous fiscal year included some high-value deals, which were signed with large customers in prior years, resulting in record revenues. For fiscal 2022, continued strong demand for Arm technology resulted in the second highest annual revenue. On a quarterly basis, non-royalty revenue for the fourth quarter increased by 18.1% yoy.

- **Segment income on a U.S. dollar basis stayed flat yoy mainly due to expenses related to stock compensation schemes and professional fees related to preparations for the proposed initial public offering. In yen terms, segment income increased by 18.1% yoy due to the weaker yen exchange rate used for translations in the preparation of the Company’s consolidated financial statements.**

### 2. Confidential submission of draft registration statement on Form F-1 by Arm

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depository shares representing Arm’s ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.

## Overview

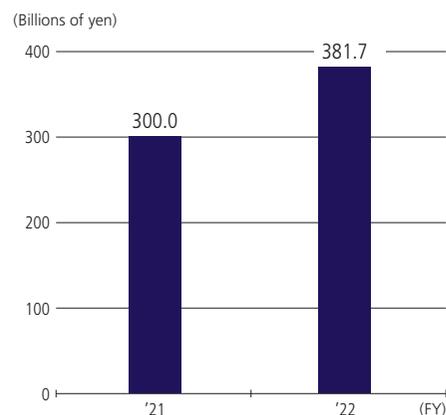
Arm’s operations primarily consist of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Following its acquisition by the Company in 2016, Arm accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm has developed new technologies that have helped it maintain or increase its share of the existing markets and expand into new markets. As Arm prepares for a potential public offering, it is continuing to grow investment in R&D to develop solutions to meet customers’ future technology needs whilst focusing on the efficiency of its non-engineering functions.

## Industry trends and their impact

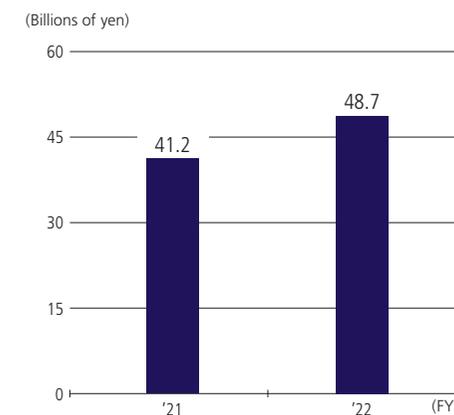
Semiconductor industry trends can have a significant impact on Arm’s financial results, both positively and negatively. Industry growth benefits Arm’s technology royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm’s customers to increase design activity, creating new opportunities for Arm to license its latest technologies and thus driving non-royalty revenue (technology licensing revenue and software and services revenue).

After two years of strong growth, the semiconductor industry declined during fiscal 2022, compared to the previous fiscal year, due to a decline in the sales of smartphones and other consumer electronics devices, partially offset by continuous growth in the sales of chips into the

## Net sales



## Segment income (income before income tax)



Note: Segment income included amortization expenses of ¥61,467 million for fiscal 2022 and ¥51,153 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.



## Operations

### Royalty units\*

(Billions)

	Year ended December 31			
	2021	2022	Change	Change %
<b>Royalty units as reported by Arm's licensees</b>	29.2	<b>30.6</b>	1.4	4.7%

\* This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for 12 months ended December 31, 2022, as reported by licensees in the royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis in this report is based on chips shipped for 12 months ended December 31, 2022. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates.

Arm's licensees reported that they had shipped 30.6 billion Arm-based chips in the year ended December 31, 2022, an increase of 4.7% year on year.

## 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	<ul style="list-style-type: none"> <li>Arm already has more than 95% market share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.</li> </ul>
Main developments	<ul style="list-style-type: none"> <li>Arm announced its annual update of technology for smartphones in June 2022, including the <i>Arm Cortex-X3</i> and <i>Cortex-A715</i> CPUs, both based on <i>Armv9</i> technology, and <i>Arm Immortalis-G715</i> GPU, which brings hardware-based ray tracing support to mobile devices, delivering more realistic and immersive gaming experiences.</li> <li>Mediatek Inc. announced the Dimensity 9200 chip for premium smartphones in November 2022. It is the first chip based on the <i>Arm Cortex-X3</i> and <i>Cortex-A715</i> CPUs and <i>Arm Immortalis-G715</i> GPU announced by Arm in June 2022.</li> <li>Also in November 2022, Vivo Communication Technology Co. Ltd. announced that their x90 Pro flagship smartphone would be the first smartphone to use the Mediatek Dimensity 9200 chip and started shipping in January 2023.</li> </ul>

## Infrastructure

Opportunity	<ul style="list-style-type: none"> <li>Arm has a growing share in networking infrastructure and a nascent share in data center servers.</li> </ul>
Main developments	<ul style="list-style-type: none"> <li>Arm announced adoption of <i>Arm Neoverse</i>-based chips by Google Cloud servers in July 2022. Google Cloud customers can now run workloads on the Ampere Altra chip, based on <i>Arm Neoverse N1</i> CPU. Google joins Alibaba, Amazon, and Microsoft in deploying server chips based on Arm technology.</li> <li>Arm announced in September 2022 <i>Neoverse V2</i>, the latest Arm core targeted at providing world-leading performance for cloud servers, hyperscale workloads, and high-performance computing applications.</li> <li>Amazon Web Services, Inc. announced in November 2022 that the <i>Arm Neoverse</i>-based AWS Graviton3E server chip, which is 35% faster than the previous generation chip, will be deployed early in 2023 in its high-performance server systems.</li> </ul>

## Automotive

Opportunity	<ul style="list-style-type: none"> <li>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.</li> </ul>
Main developments	<ul style="list-style-type: none"> <li>Arm announced in July 2022 that it is working with Cruise LLC to scale out their autonomous driving platform.</li> <li>NVIDIA Corporation announced that their future chip for safe and secure autonomous vehicles DRIVE Thor will be based on Arm's next generation CPU codenamed Poseidon in September 2022.</li> </ul>

## IoT

Opportunity	<ul style="list-style-type: none"> <li>For IoT to reach its full potential, it must be secured against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks.</li> </ul>
Main developments	<ul style="list-style-type: none"> <li>In June 2022, Arm announced the <i>Arm Mali-C55 Image Signal Processor</i>, its smallest and most configurable image signal processor designed for IoT devices, such as home security cameras and drones, which is already seeing success with licensees, such as Renesas Electronics Corp.</li> </ul>



For more information about Arm, its business, and its technology, see its website.

## Financial Position

### 1. Status of investment assets

- **Carrying amount of investments from SVF (FVTPL) decreased by ¥4,419.9 billion from the previous fiscal year-end\*1 to ¥10,489.7 billion, which reflected the following:**
  - ¥2,254.7 billion decrease at SVF1\*2: The balance decreased by \$14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and by \$8.45 billion due to divestments.\*3 These were partially offset by an increase of \$0.45 billion due to new and follow-on investments.\*3
  - ¥1,754.8 billion decrease at SVF2\*2: The balance decreased by \$18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and by \$0.61 billion due to divestments. These were partially offset by an increase of \$2.69 billion due to new and follow-on investments.
  - ¥410.3 billion\*2 decrease at LatAm Funds
- **Carrying amount of investment securities increased by ¥4,621.1 billion from the previous fiscal year-end to ¥7,706.5 billion, which included the following:**
  - Carrying amount of ¥4,842.3 billion for Alibaba shares held at the fiscal year-end
  - Carrying amount of T-Mobile shares of ¥769.2 billion (a ¥187.8 billion decrease from the previous fiscal year-end)
  - Carrying amount of Deutsche Telekom shares of ¥729.5 billion (a ¥211.5 billion increase from the previous fiscal year-end)
- **Investments accounted for using the equity method decreased by ¥4,504.1 billion from the previous fiscal year-end to ¥730.4 billion, which reflected the following:**

- ¥4,572.1 billion decrease in consolidated carrying amount of Alibaba due to its exclusion from equity method associates. Alibaba shares are now recorded as “investment securities” under financial assets at FVTPL, for which investment performances are measured at fair value.

### 2. Changes in liabilities associated with financing activities

- **Interest-bearing debt of SBG decreased by ¥1,135.6 billion from the previous fiscal year-end.**
- **Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥1,064.6 billion from the previous fiscal year-end.**
  - Financial liabilities of \$40.45 billion relating to the sale of shares by prepaid forward contracts using Alibaba shares were derecognized following the physical settlement of a portion of these contracts, while \$35.46 billion was newly raised through such contracts.

### 3. Changes in equity

- **Total equity decreased by ¥1,058.5 billion from the previous fiscal year-end.**
  - Retained earnings decreased due to a ¥970.1 billion net loss attributable to owners of the parent.
  - ¥1,055.4 billion\*4 worth of shares were repurchased in fiscal 2022.
  - Exchange differences from the translation of foreign operations increased by ¥1,337.2 billion due to the weaker yen.
- **Ratio of equity attributable to owners of the parent (equity ratio) was 20.6% at the fiscal year-end, compared with 21.0% at the previous fiscal year-end.**

\*1 Investments from SVF (FVTPL) do not include their investments in the Company's subsidiaries or investments that were transferred from the Company to the funds and continue to be accounted for using the equity method (and are included in “investments accounted for using the equity method”) prior to and after such transfer.

\*2 Includes increases in the carrying amount of investments at SVF1, SVF2, and LatAm Funds due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.

\*3 Includes share exchanges.

\*4 The total acquisition amount of 185,700,600 shares purchased during fiscal 2022 in accordance with board resolutions in November 2021 and August 2022. On March 30, 2023, the Company retired 252,958,500 treasury shares, corresponding to the number of shares repurchased under the two board resolutions.

	March 31, 2022	March 31, 2023	Change	Change %
Total assets	47,544,670	<b>43,936,368</b>	(3,608,302)	(7.6%)
Total liabilities	35,836,908	<b>33,287,153</b>	(2,549,755)	(7.1%)
Total equity	11,707,762	<b>10,649,215</b>	(1,058,547)	(9.0%)

## Assets

	March 31, 2022	March 31, 2023	Change	
Cash and cash equivalents	5,169,001	<b>6,925,153</b>	1,756,152	
Trade and other receivables	2,361,149	<b>2,594,736</b>	233,587	
Derivative financial assets	1,050,446	<b>249,414</b>	(801,032)	A
Other financial assets	971,125	<b>371,313</b>	(599,812)	B
Inventories	142,767	<b>163,781</b>	21,014	
Other current assets	334,101	<b>282,085</b>	(52,016)	
Total current assets	10,028,589	<b>10,586,482</b>	557,893	
Property, plant and equipment	1,842,749	<b>1,781,142</b>	(61,607)	C
Right-of-use assets	914,743	<b>858,577</b>	(56,166)	
Goodwill	4,897,913	<b>5,199,480</b>	301,567	D
Intangible assets	2,427,580	<b>2,409,641</b>	(17,939)	
Costs to obtain contracts	330,899	<b>332,856</b>	1,957	
Investments accounted for using the equity method	5,234,519	<b>730,440</b>	(4,504,079)	E
Investments from SVF (FVTPL)	14,909,614	<b>10,489,722</b>	(4,419,892)	F
SVF1	8,365,274	<b>6,110,527</b>	(2,254,747)	
SVF2	5,401,117	<b>3,646,305</b>	(1,754,812)	
LatAm Funds	1,143,223	<b>732,890</b>	(410,333)	
Investment securities	3,085,369	<b>7,706,501</b>	4,621,132	G
Derivative financial assets	1,333,787	<b>1,170,845</b>	(162,942)	H
Other financial assets	2,230,615	<b>2,303,620</b>	73,005	I
Deferred tax assets	163,255	<b>210,823</b>	47,568	
Other non-current assets	145,038	<b>156,239</b>	11,201	
Total non-current assets	37,516,081	<b>33,349,886</b>	(4,166,195)	
<b>Total assets</b>	<b>47,544,670</b>	<b>43,936,368</b>	<b>(3,608,302)</b>	

(Millions of yen)

Components	Main reasons for changes from the previous fiscal year-end
<b>Current assets</b>	
A Derivative financial assets	Derivative financial assets decreased due to the physical settlement of the prepaid forward contracts using Alibaba shares in full of the balance of ¥1,033,619 million outstanding at the previous fiscal year-end. In addition, derivative financial assets for which settlement became due within one year were recorded in the amount of ¥159,268 million at the fiscal year-end after being reclassified from non-current assets.
B Other financial assets	<ul style="list-style-type: none"> <li>Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at the previous fiscal year-end of \$2.66 billion in proceeds received from third-party investors other than the Company (the "Public Market Investors") and held in a trust account was used in mergers or redeemed to the Public Market Investors so that there was no outstanding balance by the fiscal year-end. For details, see "Note 8. Special purpose acquisition companies sponsored by the Company" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."</li> <li>At SB Northstar, with the downsizing of its business, investments from asset management subsidiaries decreased by ¥134,460 million, restricted cash decreased by ¥131,474 million, and derivative financial assets in asset management subsidiaries decreased by ¥48,442 million.</li> </ul>
<b>Non-current assets</b>	
C Property, plant and equipment	<ul style="list-style-type: none"> <li>The property, plant and equipment of ¥240,322 million of a U.S. subsidiary engaged in the renewable energy business was excluded following the company's exclusion from consolidation.</li> <li>SoftBank Corp. made a capital investment in telecommunications equipment.</li> </ul>
D Goodwill	Goodwill of Arm increased by ¥263,597 million due to the weaker yen exchange rate used for translation against the U.S. dollar.
E Investments accounted for using the equity method	The carrying amount of Alibaba decreased by ¥4,572,129 million. This reflected derecognition of investments in Alibaba accounted for using the equity method following its exclusion from equity method associates as the Company's voting ownership in the company fell below 20% during the course of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares from August to September 2022. Alibaba shares held by the Company at the fiscal year-end are recorded as "investment securities."
F Investments from SVF (FVTPL)	<ul style="list-style-type: none"> <li>The carrying amount of investments at SVF1 decreased by ¥2,254.7 billion. This mainly reflected a decrease of \$14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of \$8.45 billion due to divestments.*1 These were partially offset by an increase of \$0.45 billion due to new and follow-on investments.*1</li> <li>The carrying amount of investments at SVF2 decreased by ¥1,754.8 billion. This mainly reflected a decrease of \$18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of \$0.61 billion due to divestments. These were partially offset by an increase of \$2.69 billion due to new and follow-on investments.</li> </ul>

Components	Main reasons for changes from the previous fiscal year-end
F Investments from SVF (FVTPL)	<ul style="list-style-type: none"> <li>The carrying amount of investments at LatAm Funds decreased by ¥410.3 billion. This mainly reflected a decrease of \$4.10 billion due to a decrease in the fair value of portfolio companies held at the fiscal year-end*2 and a decrease of \$0.08 billion due to divestments.*1 These were partially offset by an increase of \$0.33 billion due to new and follow-on investments.*1</li> <li>The carrying amount of investments at each fund as of the fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</li> <li>For details on the status of investments at SVF1, SVF2, and LatAm Funds, see “SoftBank Vision Funds Segment” on page 86.</li> </ul>
G Investment securities	<ul style="list-style-type: none"> <li>The carrying amount of Alibaba shares held at the fiscal year-end was ¥4,842,305 million (\$36,264 million). This reflected an increase in the Alibaba share price, despite the settlement of a portion of prepaid forward contracts using Alibaba shares, after the carrying amount of Alibaba shares was newly recorded at ¥4,484,758 million (\$30,970 million) at the second quarter-end.</li> <li>The carrying amount of T-Mobile shares decreased by ¥187,849 million (\$2,059 million) (balance at the fiscal year-end: ¥769,206 million (\$5,761 million)). This mainly reflected the sale of 21.2 million T-Mobile shares by the Company to Deutsche Telekom following its partial exercise of call options for the shares.</li> <li>The carrying amount of Deutsche Telekom shares increased by ¥211,523 million (\$1,231 million*3) due to an increase in the company's share price. The balance at the fiscal year-end was ¥729,483 million (\$5,463 million).</li> <li>The carrying amount of T-Mobile shares and Deutsche Telekom shares as of the fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</li> <li>The carrying amount of investments from LatAm Funds is now included in investments from SVF (FVTPL) following the integration of the Latin America Funds segment into the SoftBank Vision Funds segment in the first quarter. For details, see “(4) Changes in presentation” under “Note 2. Basis of preparation of consolidated financial statements” in “Notes to Consolidated Financial Statements” in “Financial Report 2023.”</li> </ul>
H Derivative financial assets	<ul style="list-style-type: none"> <li>Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥300,368 million, mainly due to the partial physical settlement and the reclassification of those contracts for which settlement became due within one year to current assets.</li> <li>The fair value of the contingent consideration related to T-Mobile shares increased by ¥242,341 million (balance at the fiscal year-end: ¥833,770 million).</li> </ul>
I Other financial assets	WeWork unsecured notes held by the Company, with a face value of \$1.65 billion, was recorded at ¥110,735 million. The amount was obtained by deducting provision for doubtful accounts of ¥71,091 million from the carrying amount of ¥181,826 million. For details, see “Status of Investment and Financial Support for WeWork” on page 79.

\*1 Includes share exchanges.

\*2 Includes the impact from the weaker local currencies against the U.S. dollar.

\*3 Includes the impact from the weaker euro against the U.S. dollar as the shares are held by a U.S. subsidiary.

## (Reference) Cash and cash equivalents by entity

Consolidated cash and cash equivalents increased by ¥1,756.2 billion to ¥6,925.2 billion from the previous fiscal year-end. Of this, cash and cash equivalents of SBG and wholly owned subsidiaries conducting fund procurement, etc. increased by ¥1,446.7 billion to ¥4,016.1 billion. For details, see “Cash Flows” on page 107.

(Millions of yen)

	March 31, 2022	March 31, 2023	Change
<b>SBG and wholly owned subsidiaries conducting fund procurement, etc.</b>			
SBG	2,569,355	<b>4,016,085</b>	1,446,730
Wholly owned subsidiaries conducting fund procurement	2,502,626	<b>3,454,474</b>	951,848
SB Northstar	26,271	<b>543,380</b>	517,109
	40,458	<b>18,231</b>	(22,227)
<b>SoftBank Vision Funds segment</b>			
SVF1	47,754	<b>72,159</b>	24,405
SVF2	150,462	<b>36,930</b>	(113,532)
LatAm Funds	1,890	<b>2,818</b>	928
SBIA, SBGA, SBLA Advisers Corp.	24,340	<b>97,546</b>	73,206
<b>SoftBank segment</b>			
SoftBank Corp.	318,661	<b>280,768</b>	(37,893)
Z Holdings Corporation	130,277	<b>89,821</b>	(40,456)
PayPay Corporation,*1 PayPay Bank Corporation,*2 PayPay Card Corporation	824,671	<b>857,430</b>	32,759
Yahoo Japan Corporation	174,346	<b>298,277</b>	123,931
Others	525,934	<b>532,871</b>	6,937
<b>Others*1</b>	401,311	<b>640,448</b>	239,137
<b>Total</b>	<b>5,169,001</b>	<b>6,925,153</b>	<b>1,756,152</b>

\*1 PayPay Corporation was previously included in “Others,” but starting from the third quarter it is included in the “SoftBank segment” as it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.

\*2 Cash and cash equivalents of PayPay Bank Corporation at the fiscal year-end were ¥369,813 million.

## Liabilities

	March 31, 2022	March 31, 2023	(Millions of yen) Change
Interest-bearing debt	7,328,862	<b>5,129,047</b>	(2,199,815)
Lease liabilities	240,241	<b>184,105</b>	(56,136)
Deposits for banking business	1,331,385	<b>1,472,260</b>	140,875
Trade and other payables	1,968,864	<b>2,416,872</b>	448,008 A
Derivative financial liabilities	119,592	<b>82,612</b>	(36,980)
Other financial liabilities	554,814	<b>180,191</b>	(374,623) B
Income taxes payable	183,388	<b>367,367</b>	183,979 C
Provisions	34,056	<b>72,350</b>	38,294
Other current liabilities	620,260	<b>675,920</b>	55,660
<b>Total current liabilities</b>	<b>12,381,462</b>	<b>10,580,724</b>	(1,800,738)
Interest-bearing debt	14,128,570	<b>14,349,147</b>	220,577
Lease liabilities	625,907	<b>652,892</b>	26,985
Third-party interests in SVF	5,640,498	<b>4,499,369</b>	(1,141,129)
Derivative financial liabilities	174,003	<b>899,351</b>	725,348 D
Other financial liabilities	129,849	<b>58,545</b>	(71,304)
Provisions	107,961	<b>163,627</b>	55,666
Deferred tax liabilities	2,436,034	<b>1,828,557</b>	(607,477) E
Other non-current liabilities	212,624	<b>254,941</b>	42,317
<b>Total non-current liabilities</b>	<b>23,455,446</b>	<b>22,706,429</b>	(749,017)
<b>Total liabilities</b>	<b>35,836,908</b>	<b>33,287,153</b>	(2,549,755)

Components	Main reasons for changes from the previous fiscal year-end
*See page 105 for a breakdown of interest-bearing debt.	
Current liabilities	
A Trade and other payables	Trade and other payables increased mainly due to increases in accounts payable to merchants and deposits from users (amounts that users can deposit or otherwise use for payments) at PayPay Corporation, as a result of the increase in gross merchandise value.
B Other financial liabilities	<ul style="list-style-type: none"> <li>Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at the previous fiscal year-end of \$2.51 billion in total interests of the Public Market Investors recorded under liabilities as non-controlling interests subject to possible redemption was derecognized. For details, see "Note 8. Special purpose acquisition companies sponsored by the Company" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."</li> <li>At the fiscal year-end, the Company recorded allowance for financial guarantee contract losses of ¥152,365 million in relation to credit support provided by SVF2 for a letter of credit facility to WeWork from certain financial institutions (up ¥130,085 million from the previous fiscal year-end). For details, see "Status of Investment and Financial Support for WeWork" on page 79.</li> </ul>
C Income taxes payable	Income taxes payable of ¥164,638 million were recorded at SBG based on taxable income. The income included gains on the sale of Alibaba shares to subsidiaries used for fund procurement, which was carried out in relation to the early physical settlement that took place during fiscal 2022.
Non-current liabilities	
D Derivative financial liabilities	Derivative financial liabilities of ¥805,039 million were recorded for prepaid forward contracts using Alibaba shares that were newly concluded during fiscal 2022.
E Deferred tax liabilities	Deferred tax liabilities are presented on a net basis with deferred tax assets in the same tax entity in the Consolidated Statement of Financial Position. Primarily as a result of the intra-group transaction of Alibaba shares during fiscal 2022, it became more probable that SBG would generate taxable income against which loss carry-forwards could be utilized, for which no deferred tax assets had been recognized. As a result, ¥506,782 million was recognized as a deferred tax asset, resulting in a net decrease in deferred tax liabilities.

## (Reference) Interest-bearing debt and lease liabilities (total of current and non-current)

(Millions of yen)

	March 31, 2022	March 31, 2023	Change
<b>SBG and wholly owned subsidiaries conducting fund procurement, etc.</b>	14,869,325	<b>12,635,554</b>	(2,233,771)
<b>SBG</b>	7,442,237	<b>6,306,590</b>	(1,135,647)
Borrowings	1,255,116	<b>381,851</b>	(873,265) A
Corporate bonds	5,918,265	<b>5,753,022</b>	(165,243) B
Lease liabilities	12,056	<b>10,717</b>	(1,339)
Commercial paper	256,800	<b>161,000</b>	(95,800)
<b>Wholly owned subsidiaries conducting fund procurement</b>	7,393,573	<b>6,328,964</b>	(1,064,609)
Borrowings* <sup>1</sup>	2,857,000	<b>2,065,361</b>	(791,639) C
Financial liabilities relating to sale of shares by prepaid forward contracts	4,536,573	<b>4,263,603</b>	(272,970) D
<b>SB Northstar</b>	33,515	–	(33,515)
Borrowings	33,515	–	(33,515)
<b>SoftBank Vision Funds segment</b>			
<b>SVF1</b>	336,535	<b>552,681</b>	216,146
Borrowings	336,535	<b>552,681</b>	216,146 E
<b>SVF2</b>	731,540	<b>770,004</b>	38,464
Borrowings	731,540	<b>770,004</b>	38,464 E
<b>LatAm Funds</b>	9,179	–	(9,179)
Borrowings	9,179	–	(9,179)
<b>SBIA, SBLA Advisers Corp.</b>	759	<b>14,873</b>	14,114
Lease liabilities	759	<b>14,873</b>	14,114
<b>SoftBank segment</b>			
<b>SoftBank Corp.</b>	4,236,453	<b>4,149,812</b>	(86,641)
Borrowings	3,085,954	<b>3,080,878</b>	(5,076)
Corporate bonds	469,252	<b>578,684</b>	109,432
Lease liabilities	559,846	<b>490,249</b>	(69,597)
Commercial paper	121,401	<b>1</b>	(121,400)
<b>Z Holdings Corporation</b>	1,022,260	<b>1,064,457</b>	42,197
Borrowings	418,283	<b>485,470</b>	67,187
Corporate bonds	603,977	<b>578,987</b>	(24,990)
<b>PayPay Corporation,*<sup>2</sup> PayPay Bank Corporation,*<sup>3</sup> PayPay Card Corporation</b>	298,921	<b>396,075</b>	97,154
<b>Yahoo Japan Corporation</b>	28,046	<b>111,386</b>	83,340
<b>Other</b>	414,536	<b>412,961</b>	(1,575)
<b>Others*<sup>2</sup></b>			
Other interest-bearing debt	286,988	<b>130,014</b>	(156,974)
Lease liabilities	89,038	<b>77,374</b>	(11,664)
<b>Total</b>	22,323,580	<b>20,315,191</b>	(2,008,389)

\*1 The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is non-recourse to SBG.

\*2 PayPay Corporation was previously included in "Others," but starting from the third quarter, it is included in the "SoftBank segment" since it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.

\*3 Deposits for banking business of PayPay Bank Corporation are not included in interest-bearing debt.

Components	Main reasons for changes from the previous fiscal year-end
<b>SBG and wholly owned subsidiaries conducting fund procurement, etc.</b>	
<b>SBG</b>	
A Borrowings	<ul style="list-style-type: none"> <li>Borrowings of \$4.50 billion made using commitment lines were repaid in the first quarter.</li> <li>The entire ¥325.2 billion of senior loans were repaid in the second quarter. This included ¥292.7 billion repaid before maturity.</li> </ul>
B Corporate bonds	<ul style="list-style-type: none"> <li>Foreign currency-denominated straight bonds with face values of \$0.27 billion and 0.22 billion euros were repurchased in the first quarter.</li> <li>Foreign currency-denominated straight bonds with face values of \$0.51 billion and 0.19 billion euros were redeemed upon maturity in the second quarter.</li> <li>Foreign currency-denominated straight bonds with face values of \$0.51 billion and 1.02 billion euros were repurchased in the third quarter.</li> <li>Domestic straight bonds with a face value of ¥385.0 billion were issued in the third quarter.</li> <li>Domestic straight bonds with a face value of ¥337.0 billion were redeemed upon maturity in the third quarter.</li> <li>The carrying amount of foreign currency-denominated straight bonds increased due to a 9.1% depreciation of the yen against the U.S. dollar at the fiscal year-end in the foreign currency exchange rate used for translations.</li> </ul>
<b>Wholly owned subsidiaries conducting fund procurement</b>	
C Borrowings	<p><i>Through Alibaba shares</i></p> <ul style="list-style-type: none"> <li>Borrowings of \$6.0 billion made through a margin loan were repaid in full in the second quarter. There were no borrowings outstanding at the fiscal year-end.</li> </ul> <p><i>Through Arm shares</i></p> <ul style="list-style-type: none"> <li>\$0.50 billion (net) was borrowed through asset-backed finance in the first quarter.</li> </ul> <p><i>Through T-Mobile shares</i></p> <ul style="list-style-type: none"> <li>Borrowings of \$2.06 billion made through a margin loan in the previous fiscal year were repaid during the six months ended September 30, 2022. There were no borrowings outstanding at the fiscal year-end.</li> </ul>
D 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>\$10.49 billion was raised in the first quarter by concluding prepaid forward contracts (forward contracts).</li> <li>Financial liabilities relating to sale of shares by prepaid forward contracts of ¥604,888 million (\$4.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the first quarter.</li> <li>Financial liabilities relating to sale of shares by prepaid forward contracts of ¥3,958,469 million (\$28.57 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the second quarter. This included liabilities of ¥1,862,409 million (\$13.47 billion) that had been recorded upon the conclusion of the contracts during the six months ended September 30, 2022.</li> <li>After the above settlement, \$1.09 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts).</li> <li>\$6.07 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts).</li> <li>Financial liabilities relating to the sale of shares by prepaid forward contracts of ¥974,790 million (\$6.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the third quarter.</li> <li>\$11.04 billion was raised in the fourth quarter by concluding prepaid forward contracts (forward contracts). For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."</li> </ul>
<b>SoftBank Vision Funds segment</b>	
<b>SVF1 and SVF2</b>	
E Borrowings	<ul style="list-style-type: none"> <li>Borrowings made through asset-backed finance increased by \$1.39 billion at SVF1 and decreased by \$0.21 billion at SVF2.*<sup>4</sup></li> <li>The balance of the borrowings increased due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</li> </ul>

\*4. For details, see "Financing at SVF" in "SoftBank Vision Funds Segment" on page 88.

## Equity

	March 31, 2022	March 31, 2023	Change	
Common stock	238,772	<b>238,772</b>	–	
Capital surplus	2,634,574	<b>2,652,790</b>	18,216	
Other equity instruments	496,876	<b>414,055</b>	(82,821)	A
Retained earnings	4,515,704	<b>2,006,238</b>	(2,509,466)	B
Treasury stock	(406,410)	<b>(38,791)</b>	367,619	C
Accumulated other comprehensive income	2,496,158	<b>3,756,785</b>	1,260,627	D
Total equity attributable to owners of the parent	9,975,674	<b>9,029,849</b>	(945,825)	
Non-controlling interests	1,732,088	<b>1,619,366</b>	(112,722)	
<b>Total equity</b>	<b>11,707,762</b>	<b>10,649,215</b>	<b>(1,058,547)</b>	

(Millions of yen)

Components	Main reasons for changes from the previous fiscal year-end
A Other equity instruments	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for \$0.75 billion (face value) in the third quarter.
B Retained earnings	<ul style="list-style-type: none"> <li>• ¥1,412,374 million* was deducted following the retirement of 252,958,500 shares of treasury stock in March 2023.</li> <li>• Net loss attributable to owners of the parent of ¥970,144 million was recorded.</li> </ul>
C Treasury stock	<ul style="list-style-type: none"> <li>• SBG acquired 185,700,600 of its own shares for a total of ¥1,055,426 million during fiscal 2022 in accordance with board resolutions on November 8, 2021 and August 8, 2022.</li> <li>• In March 2023, SBG retired 252,958,500 shares of treasury stock (14.68% of the total number of shares issued prior to the retirement), a number equal to the total number of shares repurchased in accordance with the above board resolutions.</li> </ul>
D Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, increased by ¥1,337,214 million mainly due to the weaker yen against the U.S. dollar, despite a decrease of ¥314,356 million due to the exclusion of Alibaba from equity method associates.

\* The amount of treasury stock retired is calculated using the moving average method.

## Cash Flows

### 1. Cash flows from operating activities

- Income taxes paid of ¥638.2 billion

### 2. Cash flows from investing activities

- **New investments at SVF2 were significantly reduced, while divestments progressed mainly at SVF1.**
  - Payments for acquisition of investments by SVF: ¥456.4 billion (¥4,561.3 billion in the previous fiscal year)
  - Proceeds from sales of investments by SVF: ¥833.2 billion (¥2,221.8 billion in the previous fiscal year)
- **Proceeds from sales/redemption of investments of ¥619.8 billion from the sale of T-Mobile and other shares**
- **Outlays of ¥633.8 billion for purchase of property, plant and equipment and intangible assets due to capital expenditure mainly at SoftBank Corp.**
- **The above resulted in net cash inflow of ¥547.6 billion from investing activities (compared to net cash outflow of ¥3,018.7 billion in the previous fiscal year).**

### 3. Cash flows from financing activities

- **Net cash inflow from financing activities was ¥191.5 billion. Funded through continuous asset-backed finance, the Company remained active in repaying debts, including repayments of margin loans and purchase of foreign currency-denominated notes. Share repurchases and distribution/repayments to third-party investors of SVF also continued, as well as dividend payouts.**
  - Proceeds from interest-bearing debt: ¥9,176.1 billion
    - Main proceeds at SBG: ¥385.0 billion (from issuance of domestic straight corporate bonds)
    - Main proceeds at wholly owned subsidiaries conducting fund procurement: ¥4,952.5 billion (\$35.46 billion through prepaid forward contracts using Alibaba shares and \$1.40 billion through asset-backed finance using Arm shares)

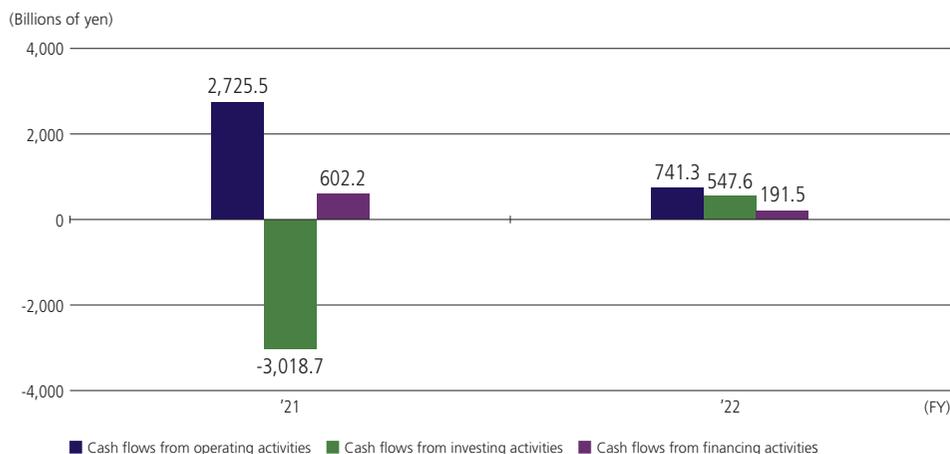
- Main proceeds at SVF: ¥580.7 billion (\$4.5 billion procured at SVF1 through asset-backed finance)
- Payments for interest-bearing debt: ¥6,295.0 billion
- Main outlays at SBG: ¥1,949.2 billion (for repayment of ¥1,049.3 billion in short-term borrowings and full repayment of ¥325.2 billion in senior loans, repurchase of foreign currency-denominated straight bonds with total face values of \$0.79 billion and 1.25 billion euros, and redemption upon maturity of domestic straight bonds with a total face value of ¥337.0 billion)
- Main outlays at wholly owned subsidiaries conducting fund procurement: ¥1,188.5 billion (for full repayment of \$6.0 billion in a margin loan borrowed through Alibaba shares, repayment of \$2.06 billion in a margin loan borrowed through T-Mobile shares in the previous fiscal year, and repayment of \$0.9 billion in borrowings in asset-backed finance made through Arm shares)
- Main outlays at SVF: ¥432.1 billion (for repayment of borrowings totaling \$3.32 billion made through asset-backed finance at SVF1 and SVF2 )
- Repurchase of treasury stock of ¥1,055.4 billion
- Distribution and repayments to third-party investors at SVF of ¥544.2 billion
- Payments of ¥358.7 billion for dividends at SBG and for dividends to non-controlling interests in subsidiaries such as SoftBank Corp.

### 4. Balance of cash and cash equivalents at the fiscal year-end and its changes

- **The balance of cash and cash equivalents stood at ¥6,925.2 billion at the fiscal year-end, an increase of ¥1,756.2 billion from the previous fiscal year-end, due to cash flows from operating, investing, and financing activities, as well as the effect of exchange rate changes on cash and cash equivalents of ¥275.8 billion reflecting the weaker yen.**

	Fiscal 2021	Fiscal 2022	Change
Cash flows from operating activities	2,725,450	<b>741,292</b>	(1,984,158)
Cash flows from investing activities	(3,018,654)	<b>547,578</b>	3,566,232
Cash flows from financing activities	602,216	<b>191,517</b>	(410,699)
Effect of exchange rate changes on cash and cash equivalents	197,264	<b>275,765</b>	78,501
Increase in cash and cash equivalents	506,276	<b>1,756,152</b>	1,249,876
Cash and cash equivalents at the beginning of the period	4,662,725	<b>5,169,001</b>	506,276
Cash and cash equivalents at the end of the period	5,169,001	<b>6,925,153</b>	1,756,152

### 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 resulted in a net inflow of ¥741,292 million, a ¥1,984,158 million decrease year on year. This was mainly due to a decrease in cash inflows primarily from sale of investments at SB Northstar, from ¥2,044,495 million to ¥126,062 million, accompanying the downsizing of its business.

Meanwhile, the amount of income taxes paid was ¥638,160 million. In the third quarter, the Company's wholly owned subsidiary paid income tax of ¥201,792 million for its taxable income arising mainly due to realizing derivative gains related to the early physical settlement of prepaid forward contracts using Alibaba shares. In the previous fiscal year, the Company recorded payment of corporate taxes on taxable income at SBGJ, which included gains on the sale of SoftBank Corp. shares in the fiscal year ended March 31, 2021, as well as payment of withholding income taxes on dividends from SBGJ to SBG. Such withholding income taxes were refunded within the previous fiscal year.

### Cash Flows from Investing Activities

Components	Primary details
Proceeds from sales/redemption of investments ¥619,775 million	<ul style="list-style-type: none"> <li>In the first quarter, the Company sold 21.2 million T-Mobile shares for ¥309,696 million (\$2.40 billion) to Deutsche Telekom due to Deutsche Telekom's partial exercise of its call options for the shares.</li> <li>In the second quarter, the Company sold its SoFi Technologies, Inc. shares for ¥90,823 million (\$0.65 billion).</li> </ul>
Payments for acquisition of investments by SVF ¥(456,351) million	<ul style="list-style-type: none"> <li>SVF2 invested ¥392,979 million (\$3.00 billion) in total.</li> <li>LatAm Funds invested ¥41,453 million (\$0.31 billion) in total.</li> <li>SVF1 invested ¥21,919 million (\$0.16 billion) in total.</li> </ul>
Proceeds from sales of investments by SVF ¥833,180 million	<ul style="list-style-type: none"> <li>SVF1 sold all of its shares in Uber and others, as well as portions of multiple investments, for ¥733,528 million (\$5.45 billion).</li> <li>SVF2 sold all of its shares in KE Holdings and others, as well as portions of multiple investments, for ¥97,741 million (\$0.75 billion).</li> </ul>
Purchase of property, plant and equipment, and intangible assets ¥(633,765) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Proceeds from withdrawal of trust accounts in SPACs ¥323,666 million	Following the termination of all operations by six Company sponsored SPACs without merging with operating companies, \$2.38 billion in proceeds received from the Public Market Investors held in a trust account was withdrawn from the account. For details, see "Refund and Redemption of Invested Funds Related to the Company sponsored SPACs" on page 110.

## Cash Flows from Financing Activities

Components	Primary details
Payments in short-term interest-bearing debt, net ¥(73,371) million* <sup>1</sup> <small>(Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities)</small>	Short-term interest-bearing debt decreased by ¥90,800 million (net) as SBG redeemed commercial paper.
Proceeds from interest-bearing debt (total of A through C below) ¥9,176,112 million	
A Proceeds from borrowings ¥3,778,352 million* <sup>2</sup>	<ul style="list-style-type: none"> <li>• SBG made short-term borrowings of ¥514,600 million.</li> <li>• Wholly owned subsidiaries conducting fund procurement borrowed the following:                             <ul style="list-style-type: none"> <li>– ¥180,656 million (\$1.40 billion) through asset-backed finance using Arm shares.</li> <li>– ¥500,000 million as a margin loan using SoftBank Corp. shares</li> </ul> </li> <li>• SVF1 borrowed ¥580,680 million (\$4.50 billion) through asset-backed finance.</li> <li>• SoftBank Corp. procured ¥990,764 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions. The company also issued commercial paper for ¥167,000 million.</li> </ul>
B Proceeds from issuance of corporate bonds ¥565,000 million	<ul style="list-style-type: none"> <li>• SBG issued domestic straight bonds totaling ¥385,000 million.</li> <li>• SoftBank Corp. issued domestic straight bonds totaling ¥120,000 million.</li> <li>• Z Holdings Corporation issued domestic straight bonds totaling ¥60,000 million.</li> </ul>
C Proceeds from procurement by prepaid forward contracts using shares ¥4,832,760 million	Wholly owned subsidiaries conducting fund procurement raised a total of \$35.46 billion through prepaid forward contracts (forward contracts) using Alibaba shares.
Repayment of interest-bearing debt ¥(6,294,991) million	
Repayment of borrowings ¥(5,534,321) million* <sup>2</sup>	<ul style="list-style-type: none"> <li>• SBG repaid short-term borrowings of ¥1,049,341 million and repaid entire senior loans of ¥325,204 million, which included ¥292,683 million repaid before maturity.</li> <li>• Wholly owned subsidiaries conducting fund procurement repaid borrowings as follows:                             <ul style="list-style-type: none"> <li>– Repaid in full ¥797,820 million (\$6.00 billion) in a margin loan borrowed through Alibaba shares.</li> <li>– Repaid ¥274,538 million (\$2.06 billion) in a margin loan borrowed through T-Mobile shares in the previous fiscal year.</li> <li>– Repaid ¥116,136 million (\$0.90 billion) in borrowings made through asset-backed finance using Arm shares.</li> <li>– Repaid ¥500,000 million margin loan borrowed through SoftBank Corp. shares.</li> </ul> </li> </ul>

Components	Primary details
	<ul style="list-style-type: none"> <li>• SVF1 and SVF2 repaid ¥403,231 million (\$3.10 billion) and ¥28,904 million (\$0.22 billion), respectively, in borrowings made through asset-backed finance.</li> <li>• SoftBank Corp. repaid ¥988,233 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions and redeemed ¥288,400 million in commercial paper.</li> </ul>
Redemption of corporate bonds ¥(755,911) million	<ul style="list-style-type: none"> <li>• SBG repurchased foreign currency-denominated straight bonds with face values totaling \$0.79 billion and 1.25 billion euros, and redeemed foreign currency-denominated straight bonds with face values of \$0.51 billion and 0.19 billion euros and domestic straight corporate bonds with a face value of ¥337,024 million upon maturity.</li> <li>• Z Holdings Corporation redeemed domestic straight bonds of ¥85,000 million upon maturity.</li> </ul>
Distribution/repayment from SVF to third-party investors ¥(544,242) million	SVF1 made distributions to third-party investors.
Redemption of non-controlling interests subject to possible redemption ¥(319,401) million	Following the termination of all operations by the six Company sponsored SPACs without merging with operating companies, \$2.34 billion was redeemed to the Public Market Investors. For details, see “Refund and Redemption of Invested Funds Related to the Company sponsored SPACs” on page 110.
Redemption of other equity instruments ¥(104,597) million	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for \$0.75 billion (face value).
Purchase of treasury stock ¥(1,055,436) million	SBG repurchased 185,700,600 of its own shares for ¥1,055,426 million in accordance with board resolutions on November 8, 2021 and on August 8, 2022.
Cash dividends paid ¥(70,241) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(288,452) million	SoftBank Corp., Z Holdings Corporation, and others paid dividends to non-controlling interests.

\*1 “Proceeds in short-term interest-bearing debt, net” represents 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 ¥1,339,025 million and outlays of ¥2,117,252 million related to borrowings with a contracted term of one year or less.

### Significant Non-cash Transactions

The Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form during fiscal 2022. This was a non-cash transaction and had no impact on the consolidated cash flows. For details, see “(9) Significant non-cash transactions” under “Note 44. Supplemental information to the consolidated statement of cash flows” in “Notes to Consolidated Financial Statements” in “Financial Report 2023.”

### Refund and Redemption of Invested Funds Related to the Company sponsored SPACs

The Company sponsored SPACs execute an initial public offering and raise capital through contributions from the Public Market Investors. The proceeds received from the Public Market Investors are held in a trust account until completion of the initial merger or redemption to the Public Market Investors. If those SPACs are unable to complete a merger within 24 months from the date of the initial public offering and cease all operations, the funds in a trust account will be withdrawn and redeemed in full to the Public Market Investors. In such cases, the proceeds withdrawn from a trust account to the SPACs are recorded in the Company’s consolidated cash flow statements as “Proceeds from withdrawal of trust accounts in SPACs” under cash flows from investing activities and, when subsequently redeemed to the Public Market Investors, as “Redemption of non-controlling interests subject to possible redemption” under cash flows from financing activities.

### Sources of Capital and Liquidity

#### SBG’s sources of capital

As a strategic investment holding company, SBG invests in numerous 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 holdings 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. Additionally, SBG issues corporate bonds and borrows from financial institutions with the purpose of utilizing the proceeds for debt repayment and other purposes.

In terms of monetizing holdings, SBG employs diverse asset-backed finance, such as prepaid forward contracts and margin loans, in addition to outright sale of assets, enabling agile monetization of its assets. There is also an expectation of expanded opportunities for sale and monetisation as private equity investments become more liquid through listing, particularly those

extensively pursued by SVF1, SVF2, and LatAm Funds.

In issuing corporate bonds, SBG issues not only yen-denominated senior notes but also bonds with different product characteristics, such as U.S. dollar- or euro-denominated senior notes, and hybrid bonds. This approach allows SBG to secure funding opportunities from various domestic and international markets and ensure stable financing.

### Sources of capital and liquidity in fiscal 2022

In fiscal 2022, SBG significantly curbed its investment activities in light of challenging market conditions. As a result, the total capital contributed by SBG to SVF1, SVF2, and LatAm Funds amounted to ¥415.3 billion (\$3.10 billion), while the distributions received from these funds totaled ¥305.2 billion (\$2.34 billion). As for financing activities, SBG raised ¥5,236.9 billion (\$39.02 billion, net) through ongoing monetization of assets, mainly shares in Alibaba. At the same time, as part of its shareholder return policy, SBG repurchased shares totaling ¥1,055.4 billion. It also repaid margin loans and senior loans, resulting in a significant net debt reduction of ¥2,368.8 billion.

Due mainly to its continued defensive financial management as reflected in the above investing and financing activities, SBG’s cash position at the end of fiscal 2022 stood at ¥4,486.5 billion.\* This figure, together with the ¥649.8 billion (\$4.87 billion) available under commitment line, far exceeds the ¥1,493.3 billion of bond redemptions over the next two years.

\* Cash and cash equivalents + short-term investments recorded current assets. SBG stand-alone basis. Excludes SB Northstar.

#### Exchange rates used for translations

##### Average rate for the quarter

	Fiscal 2021				Fiscal 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥110.00	¥110.47	¥113.60	¥117.10	<b>¥129.04</b>	<b>¥138.68</b>	<b>¥141.16</b>	<b>¥133.26</b>

##### Rates at the end of the period

	March 31, 2022	March 31, 2023
USD / JPY	¥122.39	<b>¥133.53</b>