

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 2 of this report.

SoftBank Group Corp. Consolidated Financial Report For the Nine-Month Period Ended December 31, 2022 (IFRS)

Tokyo, February 7, 2023

1. Financial Highlights

(Millions of yen; amounts are rounded to the nearest million yen)

(1) Results of Operations

(Percentages are shown as year-on-year changes)

| | Net sales | 3 | Income before income tax | Net income | Net income attributable to owners of the parent | Total comprehensive income |
|-------------------------|------------------------|------|--------------------------|-----------------------------|---|-----------------------------|
| | Amount | % | Amount % | Amount % | Amount % | Amount % |
| Nine-month period ended | ¥4,875,773 | 6.4 | ¥(290,037) - | ¥(758,240) - | ¥(912,513) - | ¥410,565 (74.2) |
| December 31, 2022 | ¥4,073,773 | 0.4 | * (290,037) - | * (736,240) - | * (712,313) - | 14 10,303 (74.2) |
| Nine-month period ended | ¥4,580,840 | 10.7 | ¥1,234,724 (63.3) | ¥649,294 (79.0) | ¥392,617 (87.1) | ¥1,591,055 (37.4) |
| December 31, 2021 | 14 ,200,040 | 10.7 | ₹1,234,724 (03.3) | 1 047,294 (79.0) | + 392,01/ (8/.1) | ₹1,391,033 (37.4) |

| | Basic earnings per share (Yen) | Diluted earnings per share (Yen) |
|--|-----------------------------------|----------------------------------|
| Nine-month period ended December 31, 2022 | ¥(599.97) | ¥(608.51) |
| Nine-month period ended December 31, 2021 | ¥214.73 | ¥207.57 |

(2) Financial Position

| | Total assets | Total equity | Equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent to total assets (%) | |
|-------------------------|--------------|--------------|--|---|--|
| As of December 31, 2022 | ¥42,343,244 | ¥10,593,588 | ¥9,008,651 | 21.3 | |
| As of March 31, 2022 | ¥47,544,670 | ¥11,707,762 | ¥9,975,674 | 21.0 | |

2. Dividends

| | Dividends per share | | | | | | |
|-----------------------------|---------------------|----------------|---------------|----------------|-------|--|--|
| | First quarter | Second quarter | Third quarter | Fourth quarter | Total | | |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) | | |
| Fiscal year ended | | 22.00 | | 22.00 | 44.00 | | |
| March 31, 2022 | - | 22.00 | - | 22.00 | 44.00 | | |
| Fiscal year ending | | 22.00 | | | | | |
| March 31, 2023 | - | 22.00 | • | | | | |
| Fiscal year ending | | | | 22.00 | 44.00 | | |
| March 31, 2023 (Forecasted) | | | | 22.00 | 44.00 | | |

^{*} Revision of the latest forecasts on the dividends: No



* Notes

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): No

Newly consolidated: None

Excluded from consolidation: None

Note:

* Foreign subsidiaries prepare stand-alone financial statements only under circumstances where it is necessary under their local laws and practices. Applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) to (iii), is determined by using the financial statements.

On the other hand, for foreign subsidiaries that do not prepare stand-alone financial statements, information on the capital and net assets for those companies is not available. Therefore, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is used to determine whether the companies are the specified subsidiaries.

The applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is determined based on the percentage of total amount of purchase from SoftBank Group Corp. and dividend paid to SoftBank Group Corp. to total amount of operating revenue of SoftBank Group Corp.

For fund-type subsidiaries, the amount of net assets based on financial statements prepared in accordance with the corresponding laws and practices is used to determine the applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (ii).

- (2) Changes in accounting policies and accounting estimates
 - [1] Changes in accounting policies required by IFRSs: No
 - [2] Changes in accounting policies other than those in [1]: No
 - [3] Changes in accounting estimates: No
- (3) Number of shares issued (common stock)
 - [1] Number of shares issued (including treasury stock):

As of December 31, 2022: 1,722,953,730 shares As of March 31, 2022: 1,722,953,730 shares

[2] Number of shares of treasury stock:

As of December 31, 2022: 260,495,345 shares As of March 31, 2022: 76,163,508 shares

[3] Number of average shares outstanding during the nine-month period (April-December):

As of December 31, 2022: 1,568,603,134 shares As of December 31, 2021: 1,716,056,144 shares

- * This condensed interim consolidated financial report is not subject to interim review procedures by certified public accountants or an audit firm.
- * Note to forecasts on the consolidated results of operations and other items

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

On February 7, 2023 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on the Company's website in both Japanese and English at https://group.softbank/en/ir. The Data Sheet will also be posted on the website in a few days at the same site.



(Appendix)

Contents

| 1. Results of Operations | P.3 |
|---|------|
| (1) Overview of Results of Operations | P.3 |
| a. Consolidated Results of Operations | P.5 |
| b. Results by Segment | P.8 |
| (a) Investment Business of Holding Companies Segment | P.9 |
| (b) SoftBank Vision Funds Segment | P.14 |
| (c) SoftBank Segment | P.22 |
| (d) Arm Segment | P.24 |
| (2) Overview of Financial Position | P.28 |
| (3) Overview of Cash Flows | P.40 |
| (4) Forecasts | P.44 |
| Condensed Interim Consolidated Financial Statements and Primary Notes | P.46 |
| (1) Condensed Interim Consolidated Statement of Financial Position | P.48 |
| (2) Condensed Interim Consolidated Statement of Profit or Loss | |
| and Condensed Interim Consolidated Statement of Comprehensive Income | P.50 |
| (3) Condensed Interim Consolidated Statement of Changes in Equity | P.54 |
| (4) Condensed Interim Consolidated Statement of Cash Flows | P.58 |
| (5) Significant Doubt about Going Concern Assumption | P.60 |
| (6) Notes to Condensed Interim Consolidated Financial Statements | P.60 |

Disclaimer

This material does not constitute an offer to sell, or a solicitation of an offer to buy, limited partnership interests or comparable limited liability equity interests in any funds (including SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank Latin America Funds) managed by any of the subsidiaries of SoftBank Group Corp. ("SBG"), including SB Global Advisers Limited, SB Investment Advisers (UK) Limited, or their respective affiliates, or any securities in any jurisdiction, nor should it be relied upon as such in any way.

Notice Regarding PFIC Status

It is possible that SBG and certain subsidiaries of SBG may be a "passive foreign investment company" ("PFIC") under the U.S. Internal Revenue Code of 1986, as amended, for its current fiscal year due to the composition of its assets and the nature of its income. For the fiscal year ended March 31, 2022, we believe that SBG and certain subsidiaries of SBG were PFICs. We recommend that U.S. holders of SBG's shares consult their tax advisors with respect to the U.S. federal income tax consequences to them if SBG and its subsidiaries are classified as PFICs. SBG is not responsible for any tax treatments or consequences thereof with respect to U.S. holders of SBG's shares.



Definition of Company Names and Abbreviations Used in This Appendix

Company names and abbreviations used in this appendix, unless otherwise stated or interpreted differently in the context, are as follows:

| Company names/Abbreviations | Definition |
|-------------------------------------|---|
| SoftBank Group Corp. or SBG | SoftBank Group Corp. (stand-alone basis) |
| The Company | SoftBank Group Corp. and its subsidiaries |
| *Each of the following names or abb | reviations indicates the respective company and its subsidiaries, if any. |
| SB Northstar or | SB Northstar LP |
| asset management subsidiaries | |
| SoftBank Vision Fund 1 or SVF1 | SoftBank Vision Fund L.P. and its alternative investment vehicles |
| SoftBank Vision Fund 2 or SVF2 | SoftBank Vision Fund II-2 L.P. |
| SoftBank Latin America Funds or | SBLA Latin America Fund LLC |
| LatAm Funds | |
| SoftBank Vision Funds or SVF | SVF1, SVF2, and LatAm Funds |
| SBIA | SB Investment Advisers (UK) Limited |
| SBGA | SB Global Advisers Limited |
| Arm | Arm Limited |
| Alibaba | Alibaba Group Holding Limited |
| MgmtCo | MASA USA LLC |
| 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 period | Nine-month period ended December 31, 2022 |
| The third quarter-end | December 31, 2022 |
| The fiscal year | Fiscal year ending March 31, 2023 |
| The previous fiscal year | Fiscal year ended March 31, 2022 |
| The previous fiscal year-end | March 31, 2022 |

Exchange Rates Used for Translations

| | Fiscal year ended | | | | | Fiscal y | ear ending |
|-------------------------------|------------------------------|---------|---------|---------|---------|------------|------------|
| | March 31, 2022 March 31, 202 | | | | | h 31, 2023 | |
| USD/JPY | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Average rate for the quarter | ¥110.00 | ¥110.47 | ¥113.60 | ¥117.10 | ¥129.04 | ¥138.68 | ¥141.16 |
| Rate at the end of the period | | | | ¥122.39 | | | ¥132.70 |

CHANGES IN PRESENTATION OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND 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 "1. Changes in presentation" under "(6) Notes to Condensed Interim Consolidated Financial Statements and Primary Notes."



1. Results of Operations

(1) Overview of Results of Operations

1. Alibaba

The Company recorded a total profit of ¥5,371.6 billion as a result of the early physical settlement^{*1} (the "Early Physical Settlement") of prepaid forward contracts corresponding to 242 million American Depositary Receipts (ADRs) of Alibaba shares from August to September 2022. During the course of the Early Physical Settlement, the Company's voting ownership in Alibaba fell below 20% and Alibaba was therefore excluded from the associates of the Company.

| | | Account in the Condensed Interim Consolidated Statement of |
|---|------------------|---|
| | Amount | Profit or Loss |
| Gain on settlement of prepaid forward contracts | | |
| using Alibaba shares pertaining to the Early | | Gain on investments at Investment |
| Physical Settlement | ¥584.8 billion | Business of Holding Companies |
| Gain from remeasurement of Alibaba shares held | | Business of Holding Companies |
| upon exclusion from associates | ¥3,996.7 billion | |
| Derivative gain on prepaid forward contracts that | | Derivative gain (excluding gain |
| are the subject of the Early Physical Settlement | ¥790.1 billion | (loss) on investments) |
| Total (contribution to income before income tax) | ¥5,371.6 billion | |

Apart from the above, the Company recorded an unrealized valuation loss of ¥948.0 billion on Alibaba shares that continued to be held at the third quarter-end following a decrease in the share price that occurred from Alibaba's exclusion from the associates of the Company up to the third quarter-end.

2. SVF

Gross performance since inception was a \$11.0 billion gain in SVF1 and a \$16.7 billion loss in SVF2.*2

3. Highlights of results for the nine-month period ended December 31, 2022

- ◆ Loss of ¥1,361.2 billion on investments (including a ¥511.6 billion loss for the third quarter)
- ¥3,699.6 billion investment gain at Investment Business of Holding Companies (gain for the third quarter: ¥174.9 billion), which included
- · Gain of ¥4,581.5 billion relating to settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement
- · Unrealized valuation loss of ¥948.0 billion due to a decrease in the Alibaba share price from the time of Alibaba's exclusion from the Company's associates up to the third quarter-end
- ¥5,006.8 billion investment loss at SoftBank Vision Funds (including a ¥653.2 billion loss for the third quarter). This included realized gain (net) of ¥48.1 billion and unrealized valuation loss (net) of ¥2,052.8 billion at SVF1 and realized loss (net) of ¥2.7 billion and unrealized valuation loss (net) of ¥2,322.4 billion at SVF2. Share prices of numerous public portfolio companies*3 declined amid the weakness in global stock markets (although share prices of several companies rose in the third quarter), and the fair value of a wide range of private portfolio companies*3 also decreased, reflecting markdowns of weaker-performing companies and share price declines in market companies.
- ◆ Loss before income tax of ¥290.0 billion (deterioration of ¥1,524.8 billion yoy) reflecting the recordings of:
 - Finance cost of ¥433.5 billion
 - Foreign exchange loss of ¥728.0 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
 - Derivative gain (excluding gain (loss) on investments) of ¥619.6 billion related to prepaid forward contracts using Alibaba shares, due to the decrease in the Alibaba share price
 - Decrease in third-party interests at SVF of ¥1,145.8 billion
- ◆ Net loss attributable to owners of the parent of ¥912.5 billion (deterioration of ¥1,305.1 billion yoy) reflecting the recordings of:
 - Income tax of ¥468.2 billion
 - Net income attributable to non-controlling interests of ¥154.3 billion



4. Maintained prudent defensive financial management with continued monetization of and contraction in investments, resulting in an improvement in LTV (Loan-to-Value)*4 from the previous fiscal year-end.

◆ Continued monetization of investments

- Raised \$24.42 billion through prepaid forward contracts using Alibaba shares in the period.
- Sold 21.2 million T-Mobile shares for \$2.40 billion in the first quarter.
- SVF1 and SVF2 sold investments (including those through share exchanges) for a total of \$5.26 billion in the period, including full exits of eight portfolio companies, such as Uber and KE Holdings, and partial exits of several public portfolio companies.

◆ Contraction in investments

SVF1 and SVF2 made new and follow-on investments (including those through share exchanges) totaling \$2.76 billion in the period, a significant reduction from \$39.24 billion in the same period of the previous fiscal year.

5. Reduced interest-bearing debt by \(\frac{4}{3}\),674.0 billion at SBG and its subsidiaries engaged in fund procurement, etc., from the previous fiscal year-end as a result of proactive debt repayment and the Early Physical Settlement

- Reduced financial liabilities relating to the sale of shares by prepaid forward contracts by \$27.57 billion due to the Early Physical Settlement (including \$13.47 billion relating to contracts concluded in the six-month period ended September 30, 2022).
- Repaid borrowings of \$4.5 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.
- In the third quarter the Company repurchased a total of \$1.51 billion worth of foreign currency-denominated senior notes (at face value) and \$0.75 billion worth of USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (at face value). The latter is classified as equity instruments in accordance with IFRSs.

6. Completed share repurchase totaling ¥1.4 trillion

- On October 17, 2022, SBG completed the full acquisition of shares under the ¥1 trillion share repurchase program authorized in November 2021.
- On November 10, 2022, SBG completed the full acquisition of shares under the ¥400 billion share repurchase program authorized in August 2022.
- By March 31, 2023, SBG plans to retire 252,958,500 shares (14.68% of the total number of shares issued prior to the retirement), the same number as the total number of shares acquired in accordance with the above two programs.

7. In February 2023, Z Holdings resolved on a merger policy among the company and mainly LINE and Yahoo Japan.

Z Holdings decided on a basic policy of implementing a merger by around the end of the fiscal year ending March 31, 2024, mainly around the three companies (Z Holdings 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.

- 1. Certain contracts that became due for settlement during the implementation period were also settled.
- 2. Gross amounts before deductions such as third-party interests and taxes.
- 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 ratio of liabilities to holding assets, which is calculated as adjusted net interest-bearing debt divided by equity value of holdings. Equity value of holdings and adjusted net interest-bearing debt each exclude amounts to be settled at maturity or borrowings that are part of asset-backed finance. The calculation of adjusted net interest-bearing debt excludes interest-bearing debt and cash and cash equivalents, etc., attributable to entities managed on a self-financing basis, such as SoftBank Corp. (including its subsidiaries such as Z Holdings Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar.



a. Consolidated Results of Operations

| | | | | (Millions of | yen) |
|--|-------------------|-------------|-------------|--------------|--------------|
| N | line months ended | December 31 | | | |
| | 2021 | 2022 | Change | Change % | |
| Net sales | 4,580,840 | 4,875,773 | 294,933 | 6.4% | A |
| Gross profit | 2,476,969 | 2,579,123 | 102,154 | 4.1% | |
| Gain on investments | | | | | |
| Gain on investments at Investment | | | | | |
| Business of Holding Companies | 15,956 | 3,699,600 | 3,683,644 | - | В |
| Loss on investments at SoftBank | | | | | |
| Vision Funds | (629,134) | (5,006,755) | (4,377,621) | - | \mathbf{C} |
| Gain (loss) on other investments | 61,410 | (54,011) | (115,421) | - | |
| Total gain on investments | (551,768) | (1,361,166) | (809,398) | - | |
| Selling, general and administrative | | | | | |
| expenses | (1,849,385) | (1,921,115) | (71,730) | 3.9% | |
| Finance cost | (282,764) | (433,508) | (150,744) | 53.3% | D |
| Foreign exchange loss | (277,372) | (727,984) | (450,612) | - | E |
| Income (loss) on equity method | | | | | |
| investments | 203,742 | (70,611) | (274,353) | - | F |
| Derivative gain | | | | | |
| (excluding gain (loss) on investments) | 1,104,221 | 619,587 | (484,634) | (43.9%) | G |
| Change in third-party interests in SVF | 170,701 | 1,145,779 | 975,078 | 571.2% | |
| Other gain (loss) | 240,380 | (120,142) | (360,522) | - | H |
| Income before income tax | 1,234,724 | (290,037) | (1,524,761) | - | |
| Income taxes | (585,430) | (468,203) | 117,227 | (20.0%) | I |
| Net income | 649,294 | (758,240) | (1,407,534) | - | |
| Net income attributable to owners of | | | | | |
| the parent | 392,617 | (912,513) | (1,305,130) | - | |
| | | | | | |
| Total comprehensive income | 1,591,055 | 410,565 | (1,180,490) | (74.2%) | |
| Comprehensive income attributable to | | | | | |
| owners of the parent | 1,322,083 | 260,031 | (1,062,052) | (80.3%) | |

The following is an overview of the primary and noteworthy components.

A Net Sales

Net sales increased in the SoftBank segment and the Arm segment.

B Gain on Investments at Investment Business of Holding Companies

Investment gain of \(\frac{\pmathbf{\pmathbf{x}}}{3,699,600}\) million was recorded at Investment Business of Holding Companies. Of this, the Company recorded a gain of \(\frac{\pmathbf{x}}{4,838,251}\) million relating to the settlement of prepaid forward contracts using Alibaba shares (including a gain of \(\frac{\pmathbf{x}}{3,996,668}\) million from the remeasurement of Alibaba shares held upon Alibaba's exclusion from the Company's associates). On the other hand, the Company recorded an unrealized loss on valuation of investments of \(\frac{\pmathbf{y}}{955,478}\) million following a fall in the Alibaba share price from the time of Alibaba's exclusion from the Company's associates up to the third quarter-end. See "(a) Investment Business of



Holding Companies Segment" under "b. Results by Segment" for details.

C Loss on Investments at SoftBank Vision Funds

Investment loss of ¥5,006,755 million was recorded at SoftBank Vision Funds, of which ¥1,145,779 million was attributable to third-party interests. SVF1 recorded a realized gain on investments (net) of ¥48,148 million, mainly due to the full exits of six portfolio companies, such as Uber Technologies, Inc. ("Uber") and the partial exits of several public portfolio companies. Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥1,127,711 million for public portfolio companies, reflecting declines in the share prices of a wide range of portfolio companies in the period. Of the losses, ¥293,654 million were attributable to SenseTime Group, Inc. ("SenseTime"), ¥258,339 million to PT GoTo Gojek Tokopedia Tbk ("GoTo"), and ¥188,601 million to DoorDash, Inc. For private portfolio companies, SVF1 recorded unrealized valuation losses (net) totaling ¥925,125 million due to an overall decrease in the fair value of portfolio companies, mainly reflecting markdowns of weaker-performing companies and share price declines in market comparable companies.

SVF2 recorded realized loss on investments (net) of \(\frac{\text{\$\frac{4}}}{2}\),695 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 \(\frac{\text{\$\frac{4}}}{2}\),322,449 million. For public portfolio companies, the losses were mainly due to share price declines of AutoStore Holdings Ltd. ("AutoStore") and WeWork Inc. ("WeWork"). 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 in market comparable companies. For details, see "(b) SoftBank Vision Funds Segment" under "b. Results by Segment."

Primarily as a result of B through C, the total loss on investments was \(\frac{\pma}{1}\),361,166 million.

D Finance Cost

Interest expenses increased by ¥108,018 million in the Investment Business of Holding Companies segment. This mainly reflected increases in interest expenses at SBG² resulting from the full amortization of unamortized cost associated with financial liabilities related to the abovementioned Early Physical Settlement (early physical settlement of prepaid forward contracts corresponding to 242 million ADRs).

E Foreign Exchange Loss

Foreign exchange loss of ¥727,984 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.

The weaker yen increased the net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is not Japanese yen (primarily U.S. dollar). 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 ¥1,227,567 million, which is listed under accumulated other comprehensive income in equity on the Condensed Interim Consolidated Statement of Financial Position.

F Loss on Equity Method Investments

Loss on equity method investments related to Alibaba was ¥25,394 million,³ a deterioration of ¥257,795 million year on year. Alibaba was previously an equity method associate of the Company; it was excluded from the



associates in the second quarter. This change 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 Early Physical Settlement.

G Derivative Gain (Excluding Gain (Loss) on Investments)

Derivative gain of ¥549,134 million was recorded due to a decrease in the Alibaba share price, mainly for the prepaid forward contracts using Alibaba shares.

H Other Loss

Losses totaling ¥250,607 million were recorded in the period after estimating expected credit losses associated with (a) credit support by the Company and SVF2 for a letter of credit facility provided to WeWork by financial institutions, (b) a commitment by SVF2 to acquire senior secured notes to be issued by WeWork, and (c) unsecured notes issued by WeWork held by the Company, in accordance with an agreement between the Company and WeWork in October 2019. Of the total loss, ¥237,485 million was recorded in the Investment Business of Holding Companies segment. For details, see "12. Other gain (loss)" under "(6) Notes to Condensed Interim Consolidated Financial Statements and Primary Notes."

Primarily as a result of A through H, loss before income tax was \$290,037 million, a deterioration of \$1,524,761 million year on year.

I Income Taxes

Income taxes stood at ¥468,203 million. In addition to income taxes recorded at SoftBank Corp. and Yahoo Japan Corporation, income taxes of ¥299,884 million 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).

Primarily as a result of A through I, net loss attributable to owners of the parent was \$912,513 million, a deterioration of \$1,305,130 million year on year.



b. Results by Segment

The Company's reportable segments are the components of its business activities for which decisions on resource allocation and assessments of performance are made. 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. As of the third quarter-end, there are four reportable segments: Investment Business of Holding Companies, SoftBank Vision Funds, SoftBank, and Arm.

The following is a summary of the reportable segments.

| Segments | Main businesses | Core companies |
|--|--|---|
| Reportable segments 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 | Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan Distribution business: Provision of ICT services products to enterprise customers and provision of communication device-related products and IoT equipment to retail customers Yahoo! JAPAN/LINE business: Provision of Internet advertising and e-commerce services Financial business: Provision of payment and financial services | SoftBank Corp. Z Holdings Corporation Yahoo Japan Corporation LINE Corporation PayPay Corporation* In the second |
| Arm | Design of microprocessor intellectual property and related technology Sale of software tools and provision of related services | Arm Limited |
| Other | · Alternative investment management business · Fukuoka SoftBank HAWKS-related businesses | Fortress Investment Group LLC Fukuoka SoftBank HAWKS Corp. |

^{1.} 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 starting from the third quarter, with the results retrospectively adjusted and presented for the period and for the same period of the previous fiscal year.



(a) Investment Business of Holding Companies Segment

1. Profits totaling \(\frac{4}{5}\),371.6 billion were recorded as a result of the Early Physical Settlement (the early physical settlement of prepaid forward contracts corresponding to 242 million ADRs of Alibaba shares). Alibaba was excluded from the associates of the Company as the voting ownership fell below 20% during the course of the settlement.

| Gain on settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement | ¥584.8 billion |
|--|------------------|
| Gain from remeasurement of Alibaba shares held upon exclusion from associates | ¥3,996.7 billion |
| Derivative gain on prepaid forward contracts that are the subject of the Early Physical Settlement | ¥790.1 billion |
| Total (contribution to segment income) | ¥5,371.6 billion |

Apart from the above, unrealized valuation loss of \(\frac{\pman}{9}48.0 \) billion was recorded on Alibaba shares following a decrease in its share price that occurred from its exclusion from the associates up to the third quarter-end.

2. Segment income was \(\frac{\pma}{3}\),131.8 billion, reflecting investment gain of \(\frac{\pma}{3}\),699.7 billion and derivative gain of \(\frac{\pma}{6}\)31.1 billion, including the above gains related to Alibaba shares, which were partially offset by foreign exchange loss of \(\frac{\pma}{7}\)25.4 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 120 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 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 Early Physical Settlement.

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.

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 the period was \(\frac{\pmathbf{4}}{137.8}\) billion, which brings the cumulative investment loss since inception to \(\frac{\pmathbf{4}}{884.1}\) billion. SB Northstar's business scale continues to be downsized, and the balance of its shareholdings and other instruments decreased from \(\frac{\pmathbf{4}}{315.9}\) billion as of the previous fiscal year-end to \(\frac{\pmathbf{4}}{96.1}\) billion as of the third quarter-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.

FINANCIAL RESULTS

| | | | | (Millions of | yen) |
|--|------------------|-------------|-------------|--------------|--------------|
| Nin | e months ended I | December 31 | | | |
| | 2021 | 2022 | Change | Change % | |
| Gain on investments at Investment Business of | | | | | |
| Holding Companies | 15,848 | 3,699,716 | 3,683,868 | - | A |
| Gain relating to settlement of prepaid | | | | | |
| forward contracts using Alibaba shares | 68,050 | 4,838,251 | 4,770,201 | - | |
| Gain relating to sales of T-Mobile shares | 3,149 | 24,842 | 21,693 | 688.9% | |
| Realized gain (loss) on investments at asset | | | | | |
| management subsidiaries | 68,315 | (69,904) | (138,219) | - | |
| Unrealized loss on valuation of | | | | | |
| investments at asset management | | | | | |
| subsidiaries | (259,294) | (62,815) | 196,479 | - | |
| Derivative gain (loss) on investments at asset | | | | | |
| management subsidiaries | 123,726 | (4,996) | (128,722) | - | |
| Realized loss on investments ^{*1} | (269,443) | (237,859) | 31,584 | - | |
| Unrealized gain (loss) on valuation of | | | | | |
| investments*1 | 261,777 | (957,296) | (1,219,073) | - | |
| Change in valuation for the fiscal year | (153,239) | (946,657) | (793,418) | - | |
| Reclassified to realized gain (loss) | | | | | |
| recorded in the past fiscal years*2 | 415,016 | (10,639) | (425,655) | - | |
| Derivative gain (loss) on investments | (4,211) | 155,534 | 159,745 | - | |
| Effect of foreign exchange translation***3 | 10,022 | - | (10,022) | - | |
| Other*1 | 13,757 | 13,959 | 202 | 1.5% | |
| Selling, general and administrative expenses | (62,426) | (44,199) | 18,227 | (29.2%) | |
| Finance cost | (209,184) | (317,202) | (108,018) | 51.6% | В |
| Foreign exchange loss | (275,129) | (725,356) | (450,227) | - | \mathbf{C} |
| Income (loss) on equity method investments | 221,680 | (24,708) | (246,388) | - | D |
| Derivative gain | | | | | |
| (excluding gain (loss) on investments) | | | | | |
| Mainly due to prepaid forward contracts using | | | | | |
| Alibaba shares | 1,106,657 | 631,115 | (475,542) | (43.0%) | \mathbf{E} |
| Other gain (loss) | 175,531 | (87,599) | (263,130) | - | |
| Segment income (income before income tax) | 972,977 | 3,131,767 | 2,158,790 | 221.9% | |

^{1.} Figures for the same period of 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 the



period 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.

Main gains and losses related to prepaid forward contracts using Alibaba shares included in the above table

| | (Milli | ions of yen) |
|---|----------------------------|--------------|
| | Nine months ended December | |
| | 2021 | 2022 |
| Gain on investments at Investment Business of Holding Companies | 68,050 | 3,679,303 |
| Gain relating to settlement of prepaid forward contracts using Alibaba | | |
| shares | 68,050 | 4,838,251 |
| of which, gain from remeasurement of Alibaba shares held upon its | | |
| exclusion from the Company's associates | - | 3,996,668 |
| Realized loss on investments | | |
| (recorded for physical settlements conducted after exclusion from associates) | - | (210,919) |
| Unrealized loss on valuation of investments | | |
| (recorded on share price decline of Alibaba shares that continued to be held at the | | |
| third quarter-end after exclusion from associates) | - | (948,029) |
| Finance cost | (9,469) | (95,747) |
| Derivative gain (excluding gain (loss) on investments) | 1,058,206 | 549,134 |

A Gain on investments at Investment Business of Holding Companies: ¥3,699,716 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 ¥69,904 million and unrealized valuation loss of ¥62,815 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 ¥237,859 million on investments was recorded. This mainly comprised ¥210,919 million loss realized on Alibaba shares associated with the physical settlement of the prepaid forward contracts using such shares carried out after Alibaba's exclusion from the Company's associates.
- · Unrealized loss of ¥957,296 million was recorded on valuation of investments. This mainly included ¥948,029 million unrealized loss on valuation of Alibaba's shares held at the third quarter-end, which was recorded following the decline in their price from the time Alibaba was excluded from the Company's associates to the third quarter-end.
- Derivative gain of ¥155,534 million on investments was recorded, mainly due to a gain of ¥147,567 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

B Finance cost: ¥317,202 million (increase of ¥108,018 million year on year)

Interest expenses increased by ¥114,006 million year on year at SBG² to ¥314,363 million. This was mainly due to the full amortization of unamortized costs associated with financial liabilities related to the Early Physical Settlement.



C Foreign exchange loss: ¥725,356 million

Foreign exchange loss of ¥725,356 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: \(\frac{\text{24}}{24}\),708 million (deterioration of \(\frac{\text{246}}{246}\),388 million year on year)

Loss on equity method investments related to Alibaba was ¥25,394 million,³ a deterioration of ¥257,795 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 Early Physical Settlement.

E Derivative gain (excluding gain (loss) on investments): ¥631,115 million

Derivative gain of ¥549,134 million was recorded due to a decrease in the Alibaba share price, mainly for the prepaid forward contracts using Alibaba shares.

Impact of the asset management subsidiaries on Condensed Interim Consolidated Statement of Financial Position *1

| | (Millions of yen) |
|---|--------------------|
| | December 31, 2022 |
| Cash and cash equivalents | 3,923 |
| Investments from asset management subsidiaries | 96,147 |
| Derivative financial assets in asset management subsidiaries | 129 |
| Other | 703 |
| Total assets | 100,902 |
| Trade and other payables | 40 |
| Total liabilities | 40 |
| Investments from Delaware subsidiaries*2 | 912,989 |
| Equivalent amount of cash investments by SBG in Delaware subsidiaries | 39,786 |
| Equivalent amount of loans to Delaware subsidiaries held by SBG | |
| (the amount entrusted by SBG related to asset management) | 853,310 |
| Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries | 19,893 A |
| Retained earnings | (890,439) B |
| Exchange differences on translating foreign operations | 78,312 |
| Equity | 100,862 C |

^{1.} SB Northstar's statement of financial position (excluding the impact of investments made by SB Northstar in Special Purpose Acquisition Companies ("SPACs") controlled by SB Investment Advisers (US) Inc.) is presented for reference to show the impact of SB Northstar on the Consolidated Statement of Financial Position of the Company.

^{2.} Investments from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries"), to the asset management subsidiary, SB Northstar



(Calculation of non-controlling interests)

| | (Millions of yen) |
|---|-------------------|
| Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries | 19,893 A |
| Cumulative loss attributable to non-controlling interests*3 | (296,717) |
| Exchange differences on translating foreign operations | 30,761 |
| Non-controlling interests (interests of Masayoshi Son) | (246,063) D |

Note:

(Interests in equity (C above))

| | (Millions of yen) |
|--|--------------------|
| Interests of SBG | 346,925 |
| Non-controlling interests (interests of Masayoshi Son) | (246,063) D |
| Equity | 100,862 C |

Main interest-bearing debt and lease liabilities in this segment

| | | Balance as of December 31, |
|---|---|----------------------------|
| | | 2022 in Condensed Interim |
| | | Consolidated Statement of |
| Borrower | Туре | Financial Position |
| SBG | Borrowings | ¥369.0 billion |
| | Corporate bonds | ¥5,721.2 billion |
| | Lease liabilities | ¥11.1 billion |
| | Commercial paper | ¥193.0 billion |
| Wholly owned subsidiaries conducting fund procurement*1 | Borrowings using Arm shares (asset-backed finance) | ¥1,116.9 billion |
| | Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts) | ¥2,415.2 billion |
| | Borrowings using SoftBank Corp. shares (margin loan) | ¥499.8 billion |
| | Prepaid forward contracts using T-Mobile shares (collar contracts) | ¥372.7 billion |
| N 4 | Collar transactions using Deutsche Telekom shares | ¥432.8 billion |

^{3.} One-third of B in the above table

^{1.} Borrowings of wholly owned subsidiaries conducting fund procurement are non-recourse to SBG.



(b) SoftBank Vision Funds Segment

1. Gross performance since inception was \$11.0 billion gain in SVF1 and \$16.7 billion loss in SVF2.*1

Market environment: The S&P 500 Index rose 7.1%, the NASDAQ-100 Technology Sector Index rose 0.5%, and the Thomson Reuters Venture Capital Index rose 6.8% from September 30 to December 31, 2022.

SVF1: \$100.6 billion in cumulative returns (exit price, etc. + fair value of investments held) on \$89.6 billion investments, with \$11.0 billion gross gain

- · Investment loss was \$17.7 billion (\frac{\pma}{2},365.4 billion) for the period.
- The fair value of investments held at the third quarter-end decreased by 4.4% from the previous quarter-end.*2
 - Up 0.4% for public portfolio companies,*3 mainly due to rises in share prices of DiDi, Roivant, and Grab, partially offset by declines in share prices of GoTo, Coupang, and other companies
 - Down 6.9% for private portfolio companies,*3 reflecting markdowns mainly due to their weaker-performances and higher cost of capital in accordance with private valuation methodologies adopted

SVF2: \$33.2 billion in cumulative returns on \$49.9 billion investments, with \$16.7 billion gross loss

- · Investment loss was \$16.8 billion (¥2,240.0 billion) for the period.
- The fair value of investments held at the third quarter-end decreased by 6.2% from the previous quarter-end.
 - Up 12.1% for public portfolio companies, mainly due to rise in share price of AutoStore, partially offset by decline in share prices of WeWork and other companies
 - Down 8.4% for private portfolio companies, reflecting markdowns of a wide range of portfolio companies due to their weaker-performances in accordance with private valuation methodologies adopted

(As of December 31, 2022; in billions of U.S. dollars)

| Since Inception | | | The Fiscal | Year*4 |
|--------------------|--|------------------------|---------------------------|--|
| Investment cost *5 | Returns*5 | Gain/ loss | Gain/loss Oct - Dec | Gain/loss Apr - Dec |
| | | | | |
| 23.1 | 41.6 | 18.5 | 0.3 | 0.3 |
| 66.5 | 56.6 | (9.9) | (2.6) | (16.0) |
| ecorded in pr | ior periods fo | r exited | (0.2) | (2.0) |
| 0.0 | 2.4 | 2.4 | 0.0 | 0.0 |
| 89.6 | 100.6 | 11.0 | (2.5) | (17.7) |
| | | | ¥(357.2) billion | ¥(2,365.4) billion |
| | Investment cost*5 23.1 66.5 ecorded in pr | Investment Returns*5 | Investment Gain/ loss | Investment cost*5 Returns*5 Gain/ loss Gain/loss Oct - Dec |

| | | | | ¥(305.6) billion | ¥(2,240.0) billion |
|--|---------------|---------------|--------|------------------|--------------------|
| Total | 49.9 | 33.2 | (16.7) | (2.2) | (16.8) |
| Derivatives/Interests/Dividends | - | (0.2) | (0.2) | (0.2) | 0.1 |
| Reversal of valuation gain/loss reco investments in the fiscal year | rded in prior | periods for e | xited | 0.0 | 0.1 |
| Investments before exit | 48.3 | 30.7 | (17.6) | (2.0) | (17.0) |
| Exited investments | 1.6 | 2.7 | 1.1 | (0.0) | (0.0) |
| SVF2 | | | Ţ. | | |

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 \$5.26 billion by SVF1 and SVF2 in the period (SVF1: \$4.66 billion, SVF2: \$0.60 billion), including full exits of eight portfolio companies, such as Uber and KE Holdings¹ and partial exits of several public portfolio companies.
- · Made new and follow-on investments by SVF1 and SVF2 totaling \$2.76 billion (SVF1: \$0.42 billion, SVF2: \$2.34 billion), ¹ a significant reduction from \$39.24 billion in the same period of the previous fiscal year.



Notes:

- 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 third quarter. The classification of portfolio companies as public/private is based on their status as of the third quarter-end. For portfolio companies with a change in the classification of public/private during the third quarter, comparisons are made by adjusting their status at the second quarter-end to that of the third 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 the fiscal year 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 the first/second quarter are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year. Therefore, the total amount of gains and losses for the first quarter (April to June) and the second quarter (July to September) disclosed in the first/second quarter and the gains and losses for the third quarter (October to December) for "investments before exits" may not match the amount of gains and losses for the period (April to December).
- 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.

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).

Outline of principal funds in the segment

As of December 31, 2022

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." 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 | 98.6 | 56.0 |
| (Billions of U.S. dollars) | The Company: 33.1*1 | The Company: 53.4 |
| | Third-party investors: 65.5 | Third-party investor (MgmtCo): 2.6 ^{*2} |
| Manager | SBIA | SBGA |
| | (The Company's wholly owned | (The Company's wholly owned |
| | U.K. subsidiary) | 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 | Until October 4, 2032 + Up to two 1- |
| | 1-year extensions option by SBIA | year extensions option by SBGA |
| Notes: | | |

- 1. 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.
- 2. 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 "14. Related party transactions regarding a co-investment program with restricted rights to receive distributions" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."



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 | 7.6^{*1} |
| (Billions of U.S. dollars) | |
| 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 |

Note:

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, and fund-level facilities, which provide bridge funding by way of a revolving loan for the period between capital calls and the arrivals of funds, thereby allowing a quick execution of investment after the investment decision is made.

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.

^{1.} 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 "14. Related party transactions regarding a co-investment program with restricted rights to receive distributions" in "(6) Notes to Condensed Interim Consolidated Financial Statements and Primary Notes."



FINANCIAL RESULTS

| | | | | (Millions of | yen) |
|--|----------------|-------------|-------------|--------------|------|
| Nine | months ended I | December 31 | | | |
| | 2021 | 2022 | Change | Change % | |
| Loss on investments at SoftBank | | | | | |
| Vision Funds*1 | (441,004) | (5,042,699) | (4,601,695) | - | A |
| Loss on investments at SVF1, SVF2, | | | | | |
| and LatAm Funds | (442,882) | (5,048,141) | (4,605,259) | | |
| Realized gain on investments*2 | 1,118,510 | 47,040 | (1,071,470) | (95.8%) | |
| Unrealized loss on valuation of | | | | | |
| investments | (1,591,806) | (5,020,518) | (3,428,712) | <u>-</u> | |
| Change in valuation for the fiscal year | (400,818) | (4,855,290) | (4,454,472) | - | |
| Reclassified to realized gain recorded in | | | | | |
| the past fiscal years*2 | (1,190,988) | (165,228) | 1,025,760 | - | |
| Interest and dividend income from | | | | | |
| investments | 25,361 | 1,190 | (24,171) | (95.3%) | |
| Derivative gain on investments | 51,217 | 16,191 | (35,026) | (68.4%) | |
| Effect of foreign exchange translation | (46,164) | (92,044) | (45,880) | - | |
| Gain on other investments | 1,878 | 5,442 | 3,564 | 189.8% | |
| Selling, general and administrative expenses | (61,431) | (53,184) | 8,247 | (13.4%) | |
| Finance cost | (19,812) | (59,074) | (39,262) | 198.2% | |
| Derivative gain (excluding gain (loss) on | | | | | |
| investments) | 1,013 | 865 | (148) | (14.6%) | |
| Change in third-party interests in SVF | 170,701 | 1,145,779 | 975,078 | 571.2% | B |
| Other loss | (300) | (2,437) | (2,137) | - | |
| Segment income (income before income tax) | (350,833) | (4,010,750) | (3,659,917) | _ | |

Notes:

- 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 the fiscal year are reclassified as realized gains and losses on investments.

Investments and disposals by SVF1 and SVF2

(Billions of U.S. dollars)

| | Investments made during the period | | | I | Disposals | ⁵ made durin | g the period | 1 | |
|------|------------------------------------|------|------|------|-----------|-------------------------|--------------|------|------|
| | Q1 | Q2 | Q3 | YTD | (| Q1 | Q2 | Q3 | YTD |
| SVF1 | 0.06 | 0.20 | 0.16 | 0.42 | 2. | 10 | 0.93 | 1.63 | 4.66 |
| SVF2 | 2.11 | 0.13 | 0.10 | 2.34 | 0. | 51 | 0.06 | 0.03 | 0.60 |

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



Segment income

A Loss on investments at SoftBank Vision Funds: ¥5,042,699 million

(Millions of yen)

| | Nine months ended I | • | | |
|---|---------------------|-------------|-------------|----------|
| | 2021 | 2022 | Change | Change % |
| Loss on investments at SVF1 | (624,234) | (2,365,421) | (1,741,187) | _ |
| Gain (loss) on investments at SVF2 | 44,487 | (2,239,999) | (2,284,486) | - |
| Gain (loss) on investments at LatAm Funds | 136,865 | (442,721) | (579,586) | - |
| Loss on investments at SVF1, SVF2, | | - | | |
| and LatAm Funds | (442,882) | (5,048,141) | (4,605,259) | _ |

B Change in third-party interests in SVF: \\ \pm\$1,145,779 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 "4. SoftBank Vision Funds business" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."



Investment performance

As of December 31, 2022

SVF1

(Billions of U.S. dollars)

| Total (| (1) | + | (2) | + | (3) | + | (4) | below) |
|----------|-----|-------|-----|-----|-----|-------|-----|--------|
| I Utai i | 11 | , , , | 4 | , , | U | , , , | | DCIUMI |

| | Cumulative | Cumulative | Cumulative | |
|---------------------------------------|------------------|--------------|--------------|--------------------|
| | number of | investment | investment | Cumulative |
| | investments | cost | return | gain ^{*1} |
| | 100 | 89.6 | 100.6 | 11.0 |
| (Reference) | | | | |
| | Cumulative | Cumulative | Cumulative | |
| | number of | investment | investment | Cumulative |
| | investments | cost | return | gain ^{*1} |
| Effects of share exchanges | (4) | (2.0) | (2.0) | - |
| Uber Advanced Technologies Grou | p and Aurora Inn | ovation Inc. | | |
| PT Tokopedia and GoTo | | | | |
| Grofers International Pte. Ltd. and I | Zomato Limited | | | |
| Zymergen, Inc. and Ginkgo Biowor | ks Holdings, Inc | | | |
| Effects of dividends in kind | (2) | _ | - | |
| Treasure Data, Inc. | | | | |
| Acetone Limited (Equity interest in | Arm China JV) | | | |
| Net of effects of share exchanges | | | | |
| and dividends in kind*2,3 | | | | |

(1) Exited investments

| | | | | | Realiz | ed gain (loss) |
|--------------|-------------|------------|------------|-----------------|----------------|-----------------|
| | Number of | Investment | | Cumulative | recorded for t | the fiscal year |
| | investments | cost | Exit price | realized gain*1 | Oct – Dec | Apr – Dec |
| Partial exit | - | 2.9 | 11.5 | 8.6 | | 1.3 |
| Full exit*4 | 22 | 20.2 | 30.1 | 9.9 | | (1.0) |
| Total | 22 | 23.1 | 41.6 | 18.5 | 0.3 | 0.3 |

(2) Investments before exit (investments held at the third quarter-end)*5

| | | | | Cumulative | | Unrealized |
|--------------------|-------------|------------|------------|----------------|------------------|----------------|
| | | | | unrealized | valuatio | on gain (loss) |
| | Number of | Investment | | valuation gain | recorded for the | |
| | investments | cost | Fair value | (loss)*7 | Oct – Dec | Apr – Dec |
| Public companies*6 | 23 | 31.4 | 19.9 | (11.5) | 0.1 | (8.6) |
| Private companies | 55 | 35.1 | 36.7 | 1.6 | (2.7) | (7.4) |
| Total | 78 | 66.5 | 56.6 | (9.9) | (2.6) | (16.0) |

(3) Derivatives

| | | Fair value / | | Derivati | ve gain (loss) |
|-----------|------------|--------------|-----------------|--------------|-----------------|
| | Derivative | settlement | Cumulative | recorded for | the fiscal year |
| | cost | price | derivative gain | Oct – Dec | Apr – Dec |
| Unsettled | <u>-</u> | 0.0 | 0.0 | | 0.0 |
| Settled | 0.0 | 1.5 | 1.5 | | |
| Total | 0.0 | 1.5 | 1.5 | 0.0 | 0.0 |

(4) Interest and dividend income from investments

| | Interest and dividend income | Cumulative income | Interest and divi | |
|-------|------------------------------|-------------------|-------------------|------------|
| Total | 0.9 | 0.9 | - | - Tipi Dec |

^{*} 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. 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.
- 3. 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.
- 4. Includes disposal (sale) through share exchanges
- 5. The classification of portfolio companies as public/private is based on their status as of the third quarter-end.
- 6. Includes DiDi Global Inc., which is traded in the over-the-counter market
- 7. 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.

SVF2

(Billions of U.S. dollars)

| Total $((1) + ($ | (2) + (2) | (3) + (| (4) | below) |
|------------------|-----------|---------|-----|--------|
|------------------|-----------|---------|-----|--------|

| Cumulative | Cumulative | Cumulative | |
|-------------|------------|------------|------------|
| number of | investment | investment | Cumulative |
| investments | cost | return | loss*1 |
| 273 | 49.9 | 33.2 | (16.7) |

(1) Exited investments

| | | | | Cumulative | Realiz | ed gain (loss) |
|--------------|-------------|------------|------------|---------------|----------------|----------------|
| | Number of | Investment | | realized gain | recorded for t | he fiscal year |
| | investments | cost | Exit price | (loss)*1 | Oct – Dec | Apr – Dec |
| Partial exit | - | 0.2 | 0.1 | (0.1) | | (0.0) |
| Full exit | 3 | 1.4 | 2.6 | 1.2 | | 0.0 |
| Total | 3 | 1.6 | 2.7 | 1.1 | (0.0) | (0.0) |

(2) Investments before exit (investments held at the third quarter-end)*2

| | | | | | | Unrealized |
|--------------------|-------------|------------|--------------|----------------|------------------|----------------|
| | | | | Cumulative | valuatio | on gain (loss) |
| | Number of | Investment | | unrealized | recorded for the | he fiscal year |
| | investments | cost*4 | Fair value*4 | valuation loss | Oct – Dec | Apr – Dec |
| Public companies*3 | 14 | 8.1 | 3.9 | (4.2) | 0.4 | (4.8) |
| Private companies | 256 | 40.2 | 26.8 | (13.4) | (2.4) | (12.2) |
| Total | 270 | 48.3 | 30.7 | (17.6) | (2.0) | (17.0) |

(3) Derivatives

| | | Fair value / | | Derivati | ve gain (loss) |
|-----------|------------|--------------|-----------------|----------------|----------------|
| | Derivative | settlement | Cumulative | recorded for t | he fiscal year |
| | cost | price | derivative loss | Oct – Dec | Apr – Dec |
| Unsettled | - | (0.1) | (0.1) | | 0.2 |
| Settled | - | (0.1) | (0.1) | | (0.1) |
| Total | - | (0.2) | (0.2) | (0.2) | 0.1 |

(4) Interest and dividend income from investments

| Interest and | | Interest and divi | dend income |
|--------------|-----------------|-----------------------------------|--|
| dividend | Cumulative | recorded for t | he fiscal year |
| income | income | Oct – Dec | Apr – Dec |
| 0.0 | 0.0 | 0.0 | 0.0 |
| | dividend income | dividend Cumulative income income | dividend Cumulative recorded for the income income Oct – Dec |

- * 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 third quarter-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.



Capital deployment

As of December 31, 2022

SVF1

(Billions of U.S. dollars)

| | Total | The Company | Third-party investors |
|---|-------|-------------|-----------------------|
| Committed capital (A) | 98.6 | 33.1 | 65.5 |
| Drawn capital ⁶ (B) | 87.2 | 29.9 | 57.3 |
| Return of capital (non-recallable) (C) | 33.0 | 9.2 | 23.8 |
| Outstanding capital $(D) = (B) - (C)$ | 54.2 | 20.7 | 33.5 |
| Remaining committed capital $(E) = (A) - (B)$ | 11.4 | 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.

SVF2

(Billions of U.S. dollars)

| Total |
|-------|
| 56.0 |
| 50.7 |
| 5.3 |
| |

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of December 31, 2022)

| Total committed capital | 56.0 |
|---|------|
| 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*1 | 32.1 |
| The Company's equity commitment to SVF2 LLC | 12.4 |
| MgmtCo's equity commitment to SVF2 LLC | 2.6 |
| | |

Notes:

As of the third quarter-end, total committed capital for SoftBank Latin America Funds is \$7.6 billion, with drawn capital totaling \$7.2 billion.

For a complete list of portfolio companies and historical quarterly results of SVF1, SVF2, and LatAm Funds, see the Data Sheets under "Earnings Results Briefing" on the Company's website at https://group.softbank/en/ir/presentations/.

^{*}As of the third quarter-end, no capital has been paid by MgmtCo.

^{1.} SVF2 LLC (SVF II Investment Holdings LLC) is a subsidiary of the Company established under SVF2 and indirectly holds investments subject to the co-investment program.



(c) SoftBank Segment

Segment income decreased by 22.2% yoy mainly due to decreases in income in the consumer business, which was affected by a fall in mobile service charges, and the Yahoo! JAPAN/LINE business.

(Millions of yen)

| | Nine months ended I | December 31 | | |
|---|---------------------|-------------|-----------|----------|
| | 2021 | 2022 | Change | Change % |
| Net sales | 4,207,250 | 4,388,232 | 180,982 | 4.3% |
| Segment income (income before income tax) | 700,824 | 545,543 | (155,281) | (22.2%) |
| Depreciation and amortization | (552,678) | (559,493) | (6,815) | 1.2% |
| Gain (loss) on investments | 21,506 | (26,215) | (47,721) | - |
| Finance cost | (46,452) | (47,588) | (1,136) | 2.4% |
| Loss on equity method investments | (25,821) | (32,559) | (6,738) | - |
| Derivative gain | | | | |
| (excluding gain (loss) on investments) | 289 | 801 | 512 | 177.2% |
| Other loss | (8,429) | (29,140) | (20,711) | - |

Note:

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 strengthen its earnings base by going beyond the confines of a conventional telecommunications carrier, while further growing the telecommunications business, and expanding its businesses in three fields: telecommunications, Yahoo! JAPAN/LINE, and new businesses. Recently, SoftBank Corp. converted PayPay Corporation into a subsidiary and has been focusing with Z Holdings Corporation on expanding payment and financial services, which make up the core of new businesses.

FINANCIAL RESULTS

Segment income was ¥545,543 million, a decrease of ¥155,281 million (22.2%) year on year. This was mainly due to decreases in income in the consumer and Yahoo! JAPAN/LINE businesses, as well as a deterioration in investment loss.

Income in the consumer business decreased mainly due to a fall in mobile service charges. Despite an increase in its sales mainly in commerce and advertising-related services, income in the Yahoo! JAPAN/LINE business decreased mainly due to an increase in personnel expenses associated with a reinforcement of its workforce for further growth. In the enterprise business, despite an increase in sales for cloud services and the like as the digitization of enterprises accelerated, income was leveled year on year, mainly due to an increase in costs associated with sales growth and the recording of a provision for litigation. 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 \(\frac{\pmathbf{4}}{3}1,304\) million was recorded in relation to DEMAE-CAN CO., LTD., which operates a food delivery service under LINE Corporation. The loss had a negative impact of \(\frac{\pmathbf{2}}{2}2,965\) million on net income attributable to owners of the parent at the Company.

^{1.} 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 three-month period ended December 31, 2022, with the results retrospectively adjusted and presented for the nine-month period ended December 31, 2022 and for the same period of the previous fiscal year.



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 \(\frac{\pmathbf{Y}}{2}\)94,843 million and amortization expenses for identifiable intangible assets pertaining to PayPay Corporation in the third quarter 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 the nine months ended December 31, 2022 and the same period of 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, please refer to its website at https://www.softbank.jp/en/corp/ir/.



(d) Arm Segment

- 1. Arm's business remains robust, including a record high royalty revenue and strong demand for technology licenses.
- ◆ Net sales increased by 3.7% yoy (U.S. dollar-based) mainly due to continuing strong royalty revenue growth offset by a decline in non-royalty revenue due to very strong license revenue in the same period of the previous fiscal year. In yen terms, net sales increased by 27.1% 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 18.6% yoy (U.S. dollar-based) due to market share gains in infrastructure, more chips being deployed into IoT devices, and higher royalty rates in smartphones.
- Technology non-royalty revenue decreased by 15.4% yoy (U.S. dollar-based). Non-royalty revenue declined as revenues recognized in the same period of the previous fiscal year included some high-value deals, which were signed with large customers in prior years, resulting in record revenues for the period. For the period, continued strong demand for Arm licenses resulted in the second highest revenue for the nine-month period. On a quarterly basis, non-royalty revenue in the third quarter increased by 64.7% year on year.
- ◆ Segment income on a U.S. dollar basis increased mainly due to higher net sales. In yen terms, segment income increased by 76.6% due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.
- 2. Arm continued its preparations for a potential public offering.

Arm appointed two new independent Board members in December 2022, bringing the number of independent directors to four out of eight Board members in total (as of December 31, 2022).

| (N | Iillions | s of | yen) |
|----|----------|------|------|
| | | | |

| Ν | Vine months ended D | ecember 31 | | |
|---|---------------------|------------|--------|----------|
| | 2021 | 2022 | Change | Change % |
| Net sales | 227,370 | 288,952 | 61,582 | 27.1% |
| Segment income (income before income tax)*1 | 31,088 | 54,901 | 23,813 | 76.6% |

Note:

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.

Strengthening management

As Arm continues to prepare for a potential public offering and to further strengthen the Arm Board, Arm appointed new Board members Paul E. Jacobs, chairman and CEO of XCOM Labs and former CEO and executive chairman of Qualcomm Inc., and Rosemary Schooler, former corporate vice president and general manager of Data Center and AI Sales for Intel in December 2022. The new addition brought the number of independent directors to four out of eight Board members in total (as of December 31, 2022).

^{1.} Segment income included amortization expenses of ¥46,359 million for the period and ¥37,877 million for the same period of 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.



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).

The semiconductor industry has continued to grow during the period, compared to the same period of the previous fiscal year, due to long-term trends, such as more products and services depending on increasing amounts of embedded intelligence, such as cars providing more driver information and assistance, and smartphones improving camera technology generation after generation for better photography. On a quarterly basis, however, after two years of strong growth, the semiconductor industry started to slow in the first two quarters of the fiscal year and declined in the third quarter. Also, some of Arm's customers have indicated that inventory levels are very high across the value chain, which may result in their revenues declining for a short period until inventory levels are lower.

The industry is vulnerable to other external factors, including inventory corrections, trade disputes and their associated sanctions against specific companies, supply-chain disruption, as well as the impact of temporary component shortages. If shipments of consumer electronic devices weaken, it may lead to lower technology royalty revenue, and if Arm's customers facing reduced revenues choose to delay licensing decisions, it may lead to lower technology non-royalty revenue. However, it is difficult to anticipate when these events may occur and the impact on the semiconductor industry in general or Arm specifically.

Arm is expecting that, as consumer and enterprise electronics become more advanced, its technology will be further utilized and opportunities will expand over the long term.

FINANCIAL RESULTS

Net sales in U.S. dollars

Net sales in this section are presented in U.S. dollars as Arm's revenue is primarily U.S. dollar-based.

(Millions of U.S. dollars)

| | | (14 | illilons of C | .b. dollars) |
|------------------------|-----------------------|----------|---------------|--------------|
| | Nine months ended Dec | ember 31 | | |
| | 2021 | 2022 | Change (| Change % |
| Technology royalty | 1,149 | 1,362 | 213 | 18.6% |
| Technology non-royalty | 896 | 758 | (138) | (15.4%) |
| Total net sales | 2,045 | 2,120 | 75 | 3.7% |

Net sales increased by \$75 million (3.7%) year on year due to strong growth in technology royalty revenue, partially offset by a decrease in technology non-royalty revenue.

Technology royalty revenue

Technology royalty revenue increased by \$213 million (18.6%) year on year. Royalty revenues were driven by the strong shipments of Arm-based 5G high-end smartphones, including some based on Arm's latest *Armv9* architecture, which will typically command a higher royalty fee, deployment of networking equipment into 5G base stations, and Arm's customers gaining share in multiple markets, such as automotive, IoT, and servers. In addition, Arm's customers have benefitted from the high demand for computer chips, which enabled prices to increase. As Arm's royalty revenue is often based on the price of the chips, Arm also benefitted from higher chip prices.



Technology non-royalty revenue

Technology non-royalty revenue decreased by \$138 million (15.4%) year on year. This decrease is primarily due to high technology non-royalty revenue in the same period of the previous fiscal year, which was due in part to the timing of revenue related to contracts signed with some large customers who were making major investments in Arm's expanded technology portfolio. Arm continued to see robust customer demand for its products in the third quarter with technology non-royalty revenue increasing by 64.7% year on year.

Following the acquisition by the Company, Arm increased investment in R&D, which expanded Arm's product portfolio to include processors optimized for servers, automotive electronics, and AI acceleration. This led to a wider range of customers licensing Arm technology, as well as existing customers having more Arm technology to choose from, both of which helped to drive licensing revenues. This included licenses for processors used by customers intending to build Arm-based servers and PC chips, smartphones, networking equipment, autonomous systems, such as industrial robotics and self-driving vehicles, and for AI-enabled microcontrollers.

Segment income

Segment income on a U.S. dollar basis increased due to higher net sales combined by the improved operational efficiency, partially offset by professional fees related to preparations for a public offering. In yen terms, segment income increased by \(\frac{4}{23}\),813 million (76.6%) year on year to \(\frac{4}{54}\),901 million, due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.

OPERATIONSRoyalty units⁷

| | | | | (Billion) |
|--|-------------------|---------|--------|-----------|
| Nine-month po | eriod ended Septe | mber 30 | | |
| | 2021 | 2022 | Change | Change % |
| Royalty units as reported by Arm's licensees | 21.4 | 22.9 | 1.5 | 7.0% |

Arm's licensees reported that they had shipped 22.9 billion Arm-based chips in the nine-month period ended September 30, 2022, an increase of 7.0% 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 Main developments | 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. Arm announced its annual update of technology for smartphones in June 2022, including the Arm Cortex-X3 and Cortex-A715 CPUs, both based on Armv9 technology and Arm Immortalis-G715 GPU, which brings hardware-based ray tracing support to mobile devices, delivering more realistic and immersive gaming experiences. Mediatek Inc. announced the Dimensity 9200 chip for premium smartphones in November 2022. It is the first chip based on the Arm Cortex-X3 and Cortex-A715 CPUs and Arm Immortalis-G715 announced by Arm in June 2022. 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. |
| Infrastructure | |
| Opportunity Main developments | Arm has a growing share in networking infrastructure and a nascent share in data cente servers. 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 Arm Neoverse NI CPU. Google joins Alibaba, Amazon, and Microsoft in deploying server chips based on Arm technology. Arm announced in September 2022 Neoverse V2, the latest Arm core targeted at providing world-leading performance for cloud servers, hyperscale workloads, and high-performance computing applications. Amazon Web Services, Inc. announced in November 2022 that the Arm Neoverse-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. |
| Automotive | |
| Opportunity Main developments | 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 Arm announced in July 2022 that it is working with Cruise LLC to scale out their autonomous driving platform. |
| | • 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. |
| IoT | |
| Opportunity | 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. |
| Main developments | In June 2022, Arm announced the <i>Arm Mali-C55 Image Signal Processor</i> (ISP), 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. |

For more information about Arm, its business, and its technology, please refer to its website at https://www.arm.com.



(2) Overview of Financial Position

1. Status of investment assets

- ◆ Carrying amount of investments from SVF (FVTPL) of ¥10,856.8 billion, a decrease of ¥4,052.9 billion from the previous fiscal year-end*1
 - Decrease at SVF1 of \(\frac{\pmathbf{\text{2}}}{2.122.0}\) billion**2: The balance decreased by \(\frac{\pmathbf{\text{5}}}{35}\) billion due to a decrease in the fair value of investments held at the third quarter-end and by \(\frac{\pmathbf{6}}{6.38}\) billion due to divestments.\(\frac{1}{2}\)
 These were partially offset by an increase of \(\frac{\pmathbf{0}}{0.42}\) billion due to new and follow-on investments.\(\frac{1}{2}\)
 - Decrease at SVF2 of \(\frac{\pmathbf{\frac{4}}}{1,609.3}\) billion*2: The balance decreased by \(\frac{\pmathbf{5}}{17.42}\) billion due to a decrease in the fair value of investments held at the third quarter-end and by \(\frac{\pmathbf{5}}{0.53}\) billion due to divestments.

 These were partially offset by an increase of \(\frac{\pmathbf{2}}{2.34}\) billion due to new and follow-on investments.
 - Decrease at LatAm Funds of ¥321.5 billion*2
- ◆ Carrying amount of investment securities of ¥6,854.0 billion, an increase of ¥3,768.7 billion from the previous fiscal year-end
 - Carrying amount of ¥4,148.6 billion was recorded for Alibaba shares held at the third quarter-end.
- ♦ Investments accounted for using the equity method of ¥749.4 billion, a decrease of ¥4,485.2 billion from the previous fiscal year-end
 - Consolidated carrying amount of Alibaba of ¥4,572.1 billion decreased due to its exclusion from equity method associates. Alibaba shares are 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 ¥1,147.9 billion from the previous fiscal year-end.
- ◆ Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥2,492.5 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 \$24.42 billion was newly raised through such contracts.

3. Changes in equity

- ◆ Total equity decreased by ¥1,114.2 billion from the previous fiscal year-end.
 - ¥912.5 billion net loss attributable to owners of the parent reduced retained earnings.
 - \frac{\pmathbb{1}}{1,055.4} billion worth of shares were repurchased in the period.
 - -¥1,227.6 billion increase in exchange differences from the translation of foreign operations due to the weaker yen
- ◆ Ratio of equity attributable to owners of the parent (equity ratio) was 21.3% at the third quarter-end, up from 21.0% at the previous fiscal year-end.

Notes:

- 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 the transfer.
- 2. Includes increases in the carrying amount of investments at SVF1, SVF2, and LatAm Funds due to an 8.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the third quarter-end

(Millions of yen)

| | March 31, 2022 | December 31, 2022 | Change | Change % |
|-------------------|----------------|--------------------------|-------------|----------|
| Total assets | 47,544,670 | 42,343,244 | (5,201,426) | (10.9%) |
| Total liabilities | 35,836,908 | 31,749,656 | (4,087,252) | (11.4%) |
| Total equity | 11,707,762 | 10,593,588 | (1,114,174) | (9.5%) |



(a) Assets

(Millions of yen)

| | | | (Williams of Yell) |
|---------------------------------|----------------|--------------------------|----------------------|
| | March 31, 2022 | December 31, 2022 | Change |
| Cash and cash equivalents | 5,169,001 | 5,778,054 | 609,053 |
| Trade and other receivables | 2,361,149 | 2,681,391 | 320,242 |
| Derivative financial assets | 1,050,446 | 123,510 | (926,936) A |
| Other financial assets | 971,125 | 509,034 | (462,091) B |
| Inventories | 142,767 | 172,913 | 30,146 |
| Other current assets | 334,101 | 275,907 | (58,194) |
| Total current assets | 10,028,589 | 9,540,809 | (487,780) |
| Property, plant and equipment | 1,842,749 | 1,717,622 | (125,127) C |
| Right-of-use assets | 914,743 | 873,131 | (41,612) |
| Goodwill | 4,897,913 | 5,170,290 | 272,377 D |
| Intangible assets | 2,427,580 | 2,423,940 | (3,640) |
| Costs to obtain contracts | 330,899 | 345,601 | 14,702 |
| Investments accounted for using | | | |
| the equity method | 5,234,519 | 749,355 | (4,485,164) E |
| Investments from SVF (FVTPL) | 14,909,614 | 10,856,761 | (4,052,853) F |
| SVF1 | 8,365,274 | 6,243,257 | (2,122,017) |
| SVF2 | 5,401,117 | 3,791,817 | (1,609,300) |
| LatAm Funds | 1,143,223 | 821,687 | (321,536) |
| Investment securities | 3,085,369 | 6,854,039 | 3,768,670 G |
| Derivative financial assets | 1,333,787 | 1,357,136 | 23,349 H |
| Other financial assets | 2,230,615 | 2,117,698 | (112,917) I |
| Deferred tax assets | 163,255 | 180,811 | 17,556 |
| Other non-current assets | 145,038 | 156,051 | 11,013 |
| Total non-current assets | 37,516,081 | 32,802,435 | (4,713,646) |
| Total assets | 47,544,670 | 42,343,244 | (5,201,426) |
| | | | |

Reasons for changes by primary component

| Components | Main reasons for changes from the previous fiscal year-end |
|---------------------------------|--|
| Current assets | |
| 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 \$\\\\$100,883\$ million at the third quarter-end after being reclassified from non-current assets. |
| B Other financial assets | At SB Northstar, with the downsizing of the business, restricted cash decreased by ¥131,474 million, investments from asset management subsidiaries decreased by ¥126,415 million, and derivative financial assets in asset management subsidiaries decreased by ¥48,337 million. |



| Components | Main reasons for changes from the previous fiscal year-end |
|---|--|
| Non-current assets C Property, plant and equipment | 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 the scope of consolidation. SoftBank Corp. made a capital investment in telecommunications equipment. |
| D Goodwill | Goodwill of Arm increased by ¥243,937 million due to the weaker yen 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 third quarter-end are recorded as "investment securities." |
| F Investments from SVF (FVTPL) | The carrying amount of investments at SVF1 decreased by ¥2,122.0 billion. This mainly reflected a decrease of \$15.35 billion due to a decrease in the fair value of investments held at the third quarter-end and a decrease of \$6.38 billion due to divestments.¹ These were partially offset by an increase of \$0.42 billion due to new and follow-on investments.¹ The carrying amount of investments at SVF2 decreased by ¥1,609.3 billion. This mainly reflected a decrease of \$17.42 billion due to a decrease in the fair value of investments held at the third quarter-end and a decrease of \$0.53 billion due to divestments. These were partially offset by an increase of \$2.34 billion due to new and follow-on investments. The carrying amount of investments at LatAm Funds decreased by ¥321.5 billion. This mainly reflected a decrease of \$3.37 billion due to a decrease in the fair value of portfolio companies held at the third quarter-end*¹ and a decrease of \$0.06 billion due to divestments.¹ These were partially offset by an increase of \$0.28 billion due to new and follow-on investments.¹ The carrying amount of investments at each fund as of the third quarter-end also included the increase caused by the foreign exchange rate used for translation of 8.4% depreciation of the yen against the U.S. dollar. For details on the status of investments at SVF1, SVF2, and LatAm Funds, see "(b) SoftBank Vision Funds Segment" under "b. Results by Segment" in "(1) Overview of Results of Operations." |



Components

Main reasons for changes from the previous fiscal year-end

G Investment securities

- The carrying amount of Alibaba shares held at the third quarter-end was ¥4,148,632 million (\$31,263 million). This mainly reflected the physical settlement of a portion of prepaid forward contracts made using Alibaba shares in the third quarter after newly recording the carrying amount of Alibaba shares of ¥4,484,758 million (\$30,970 million) at the second quarter-end.
- The carrying amount of T-Mobile shares decreased by ¥218,174 million (\$2,252 million) (balance at the third quarter-end: ¥738,881 million (\$5,568 million)). This mainly reflected the sale of 21.2 million T-Mobile shares held by the Company to Deutsche Telekom following its partial exercise of call options for the shares.
- The carrying amount of Deutsche Telekom shares increased by ¥75,623 million (increased in U.S. dollar terms by \$241 million*2) due to an increase in the company's share price. The balance at the third quarter-end was ¥593,583 million (\$4,473 million).

The carrying amount of T-Mobile shares and Deutsche Telekom shares as of the third quarter-end also included the increase caused by the foreign exchange rate used for translation of 8.4% depreciation of the yen against the U.S. dollar.

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 "1. Changes in presentation" under "(6) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."

H Derivative financial assets

- The fair value of the contingent consideration related to T-Mobile shares increased by \\$195,030 million (balance at the third quarter-end: \\$786,459 million).
- Derivative financial assets decreased by ¥141,170 million, mainly due to the physical settlement of a portion of prepaid forward contracts using Alibaba shares and the reclassification of those contracts for which settlement became due within one year to current assets. This more than offset an increase in derivative financial assets due to a fall in the Alibaba share price from the previous fiscal year-end.

I Other financial assets

WeWork unsecured notes held by the Company, with a face value of \$1.65 billion, was recorded at \$72,128 million. The amount is obtained by deducting provision for doubtful accounts of \$104,883 million from the carrying amount of \$177,011 million. For details, see "(Reference) Loans, Guarantees, and Loan Facility to WeWork" at the end of this section.

- 1. Includes the impact from the weaker local currencies against the U.S. dollar
- 2. Includes the impact from the weaker euro against the U.S. dollar



(Reference) Cash and cash equivalents by entity

Consolidated cash and cash equivalents increased by ¥609.1 billion to ¥5,778.1 billion from the previous fiscal year-end. Of this, cash and cash equivalents of SBG increased by ¥393.4 billion to ¥2,896.0 billion. For details, see "(3) Overview of Cash Flows."

(Millions of yen)

| | | (1VI | (Millions of yen) |
|---|----------------|-------------------|-------------------|
| | March 31, 2022 | December 31, 2022 | Change |
| SBG and wholly owned subsidiaries | | | |
| conducting fund procurement, etc. | 2,569,355 | 2,911,693 | 342,338 |
| SBG | 2,502,626 | 2,895,980 | 393,354 |
| Wholly owned subsidiaries conducting fund | | | |
| procurement | 26,271 | 11,790 | (14,481) |
| SB Northstar | 40,458 | 3,923 | (36,535) |
| SoftBank Vision Funds segment | | | |
| SVF1 | 47,754 | 36,145 | (11,609) |
| SVF2 | 150,462 | 63,423 | (87,039) |
| LatAm Funds | 1,890 | 2,860 | 970 |
| SBIA, SBGA, SBLA Advisers Corp. | 24,340 | 45,315 | 20,975 |
| SoftBank segment | | | |
| SoftBank Corp. | 318,661 | 274,569 | (44,092) |
| Z Holdings Corporation | 130,277 | 78,217 | (52,060) |
| PayPay Corporation,*1 PayPay Bank | | | |
| Corporation,*2 PayPay Card Corporation | 824,671 | 1,032,252 | 207,581 |
| Yahoo Japan Corporation | 174,346 | 348,786 | 174,440 |
| Others | 525,934 | 524,293 | (1,641) |
| Others*1 | 401,311 | 460,501 | 59,190 |
| Total | 5,169,001 | 5,778,054 | 609,053 |

^{1.} PayPay Corporation was previously included in "Others," but 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 third quarter-end was ¥446,037 million.



(b) Liabilities

| | | | (Millions of yen) |
|----------------------------------|----------------|--------------------------|--------------------|
| | March 31, 2022 | December 31, 2022 | Change |
| Interest-bearing debt | 7,328,862 | 3,871,065 | (3,457,797) |
| Lease liabilities | 240,241 | 202,479 | (37,762) |
| Deposits for banking business | 1,331,385 | 1,450,442 | 119,057 |
| Trade and other payables | 1,968,864 | 2,344,659 | 375,795 A |
| Derivative financial liabilities | 119,592 | 57,544 | (62,048) |
| Other financial liabilities | 554,814 | 492,285 | (62,529) B |
| Income taxes payable | 183,388 | 105,098 | (78,290) |
| Provisions | 34,056 | 64,945 | 30,889 |
| Other current liabilities | 620,260 | 598,123 | (22,137) |
| Total current liabilities | 12,381,462 | 9,186,640 | (3,194,822) |
| Interest-bearing debt | 14,128,570 | 14,230,530 | 101,960 |
| Lease liabilities | 625,907 | 640,733 | 14,826 |
| Third-party interests in SVF | 5,640,498 | 4,531,951 | (1,108,547) |
| Derivative financial liabilities | 174,003 | 364,884 | 190,881 C |
| Other financial liabilities | 129,849 | 64,268 | (65,581) |
| Provisions | 107,961 | 164,930 | 56,969 |
| Deferred tax liabilities | 2,436,034 | 2,322,742 | (113,292) D |
| Other non-current liabilities | 212,624 | 242,978 | 30,354 |
| Total non-current liabilities | 23,455,446 | 22,563,016 | (892,430) |
| Total liabilities | 35,836,908 | 31,749,656 | (4,087,252) |

Reasons for changes by primary component

| Reasons for changes by primary component | | | | |
|--|--|--|--|--|
| Components | Main reasons for changes from the previous fiscal year-end | | | |
| *See "(Reference)" on the following page 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 | At the third quarter-end, the Company recorded the following: (a) allowance for financial guarantee contract losses of ¥113,449 million in relation to credit support provided by the Company and SVF2 for letter of credit facility to WeWork from financial institutions (up ¥91,169 million from the previous fiscal year-end) and (b) allowance for loan commitment losses of ¥33,320 million in relation to a commitment to acquire senior secured notes by SVF2 to be issued by WeWork (not recorded at the previous fiscal year-end). For details, see "(Reference) Loans, Guarantees, and Loan Facility to WeWork" at the end of this section. | | | |



| Components | Main reasons for changes from the previous fiscal year-end |
|------------------------------------|---|
| Non-current liabilities | |
| C Derivative financial liabilities | Derivative financial liabilities increased by ¥223,625 million due to the recording of liabilities for a portion of prepaid forward contracts using Alibaba shares that were newly concluded in the period. |
| D Deferred tax liabilities | Deferred tax liabilities related to prepaid forward contracts using Alibaba shares decreased due to a decrease in derivative financial assets and an increase in derivative financial liabilities. |



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

| | | | (Millions of y | yen) |
|--|----------------|--------------------------|----------------|--------------|
| | March 31, 2022 | December 31, 2022 | Change | |
| SBG and wholly owned subsidiaries | | | | |
| conducting fund procurement, etc. | 14,869,325 | 11,195,326 | (3,673,999) | |
| SBG | 7,442,237 | 6,294,302 | (1,147,935) | |
| Borrowings | 1,255,116 | 369,005 | (886,111) | A |
| Corporate bonds | 5,918,265 | 5,721,242 | (197,023) | В |
| Lease liabilities | 12,056 | 11,055 | (1,001) | |
| Commercial paper | 256,800 | 193,000 | (63,800) | |
| Wholly owned subsidiaries conducting | | | | |
| fund procurement | 7,393,573 | 4,901,024 | (2,492,549) | |
| Borrowings*1 | 2,857,000 | 2,049,421 | (807,579) | \mathbf{C} |
| Financial liabilities relating to sale of shares | | | | |
| by prepaid forward contracts | 4,536,573 | 2,851,603 | (1,684,970) | D |
| SB Northstar | 33,515 | - | (33,515) | |
| Borrowings | 33,515 | - | (33,515) | |
| SoftBank Vision Funds segment | | | | |
| SVF1 | 336,535 | 554,812 | 218,277 | |
| Borrowings | 336,535 | 554,812 | 218,277 | E |
| SVF2 | 731,540 | 765,118 | 33,578 | |
| Borrowings | 731,540 | 765,118 | 33,578 | E |
| LatAm Funds | 9,179 | - | (9,179) | |
| Borrowings | 9,179 | - | (9,179) | |
| SBIA, SBLA Advisers Corp. | 759 | 14,938 | 14,179 | |
| Lease liabilities | 759 | 14,938 | 14,179 | |
| SoftBank segment | | | | |
| SoftBank Corp. | 4,236,453 | 4,280,701 | 44,248 | |
| Borrowings | 3,085,954 | 3,261,609 | 175,655 | |
| Corporate bonds | 469,252 | 469,342 | 90 | |
| Lease liabilities | 559,846 | 514,749 | (45,097) | |
| Commercial paper | 121,401 | 35,001 | (86,400) | |
| Z Holdings Corporation | 1,022,260 | 1,070,939 | 48,679 | |
| Borrowings | 418,283 | 492,039 | 73,756 | |
| Corporate bonds | 603,977 | 578,900 | (25,077) | |
| PayPay Corporation,*2 PayPay Bank | | | | |
| Corporation,*3 PayPay Card Corporation | 298,921 | 335,939 | 37,018 | |
| Yahoo Japan Corporation | 28,046 | 89,626 | 61,580 | |
| Other | 414,536 | 432,444 | 17,908 | |
| Others*2 | | | | |
| Other interest-bearing debt | 286,988 | 126,967 | (160,021) | |
| Lease liabilities | 89,038 | 77,996 | (11,042) | _ |
| Total | 22,323,580 | 18,944,806 | (3,378,774) | |

Notes:

^{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 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 is not included in interest-bearing debt.



Reasons for changes from the previous fiscal year-end at core companies

| Components | Details |
|--------------------------|--|
| SBG and wholly ow | ned subsidiaries conducting fund procurement, etc. |
| SBG | |
| A Borrowings | Borrowings of \$4.50 billion made using commitment lines were repaid in the first quarter. The entire ¥325.2 billion of senior loans were repaid in the third quarter. This included ¥292.7 billion repaid before maturity. |
| B Corporate bonds | Foreign currency-denominated straight bonds with face values of \$0.27 billion and 0.22 billion euros were repurchased in the first quarter. 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. Foreign currency-denominated straight bonds with face values of \$0.51 billion and 1.02 billion euros were repurchased in the third quarter. Domestic straight bonds with a face value of ¥385.0 billion were issued in the third quarter. Domestic straight bonds with a face value of ¥337.0 billion were redeemed upon maturity in the third quarter. The carrying amount of foreign currency-denominated straight bonds increased due to an |
| | 8.4% depreciation of the yen against the U.S. dollar at the third quarter-end in the foreign currency exchange rate used for translations. |
| Wholly owned subsi | diaries conducting fund procurement |
| C Borrowings | Through Alibaba shares |
| | · 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 third quarter-end. |
| | Through Arm shares |
| | • \$0.50 billion (net) was borrowed through asset-backed finance in the first quarter. |
| | Through T-Mobile shares · 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 third quarter-end. |



| Components | Details |
|---|---|
| D Financial liabilities relating to sale of shares by prepaid forward contracts | **S10.49 billion was raised in the first quarter by concluding prepaid forward contracts (forward contracts). **Financial liabilities relating to sale of shares by prepaid forward contracts of \(\frac{1}{2} \) 604,888 million (\(\frac{1}{2} \) 4.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the first quarter. **Financial liabilities relating to sale of shares by prepaid forward contracts of \(\frac{1}{2} \) 3,958,469 million (\(\frac{1}{2} \) 8.57 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the second quarter. This included liabilities of \(\frac{1}{2} \) 1,862,409 million (\(\frac{1}{2} \) 3.47 billion) that had been recorded upon the conclusion of the contracts during the six months ended September 30, 2022. **After the above settlement, \(\frac{1}{2} \) 0.9 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts). **\$\(\frac{1}{2} \) 6.07 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts). **Financial liabilities relating to the sale of shares by prepaid forward contracts of \(\frac{1}{2} \) 974,790 million (\(\frac{1}{2} \) 6.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the third quarter. For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "5. Interest-bearing debt" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes." |
| • • • | 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. 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. After the above settlement, \$1.09 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts). \$6.07 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts). 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. For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts under "5. Interest-bearing debt" in "(6) Notes to Condensed Interim |
| | Statements and Primary Notes." |
| | |

SoftBank Vision Funds segment*3

SVF1 and SVF2

E Borrowings

- · Borrowings made through asset-backed finance increased by \$1.43 billion at SVF1 and decreased by \$0.21 billion at SVF2.
- The balance of the borrowings increased due to the foreign exchange rate used for translations at the third quarter-end having an 8.4% depreciation of the yen against the U.S. dollar.

Note:

3. For details of borrowings at SVF1, SVF2, and LatAm Funds, see "Financing at SVF" under "OVERVIEW" in "(b) SoftBank Vision Funds Segment" in "b. Results by Segment" in "(1) Overview of Results of Operations" in "1. Results of Operations."



(c) Equity

(Millions of yen)

| | March 31, 2022 | December 31, 2022 | Change |
|--|----------------|--------------------------|----------------------|
| Common stock | 238,772 | 238,772 | - |
| Capital surplus | 2,634,574 | 2,652,608 | 18,034 |
| Other equity instruments | 496,876 | 414,055 | (82,821) A |
| Retained earnings | 4,515,704 | 3,490,974 | (1,024,730) B |
| Treasury stock | (406,410) | (1,454,456) | (1,048,046) C |
| Accumulated other comprehensive income | 2,496,158 | 3,666,698 | 1,170,540 D |
| Total equity attributable to owners of | | | |
| the parent | 9,975,674 | 9,008,651 | (967,023) |
| Non-controlling interests | 1,732,088 | 1,584,937 | (147,151) |
| Total equity | 11,707,762 | 10,593,588 | (1,114,174) |

Reasons for changes by primary component

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| A Other equity instruments | A portion of the USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (the Hybrid Notes) amounting to the face value of \$0.75 billion was repurchased in the third quarter. The Hybrid Notes are classified as equity instruments in accordance with IFRSs. |
| B Retained earnings | Net loss attributable to owners of the parent of ¥912,513 million was recorded. |
| C Treasury stock | SBG acquired 185,700,600 of its own shares for a total of ¥1,055,426 million during the period in accordance with board resolutions on November 8, 2021 and August 8, 2022. By March 31, 2023, SBG plans to retire 252,958,500 shares of treasury stock (14.68% of the total number of shares issued prior to the retirement), the same number as the total number of shares repurchased in accordance with both board resolutions. |
| 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 ¥1,227,567 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. |



(Reference) Loans, Guarantees, and Loan Facility to WeWork

(Millions of yen)

| | Condensed Interim Consolidated Statement of Financial Position | | Condensed Interim Consolidated Statement of Profit or Loss | |
|---|---|---|---|--------------------------|
| | Account | Carrying amount at the third quarter-end (Parentheses show liabilities) | Account (as in the notes) | Losses for the period |
| Unsecured notes issued by WeWork with a face value \$1.65 billion held by the Company | Other financial assets (non-current) | * ¹ 72,128 | Other loss (provision for allowance for doubtful accounts) | (111,569) |
| Credit support by the Company and SVF2 for letter of credit up to \$1.457 billion from financial institutions to WeWork | Other financial liabilities (current) | (113,449) | Other loss (provision for allowance for financial guarantee contract losses) | (103,593) |
| Commitment by SVF2 to acquire senior secured notes to be issued by WeWork | Other financial liabilities (current) | (33,320) | Other loss (provision for allowance for loan commitment losses) | (35,445) |
| | | | Total | (250,607) |

Note:

^{1.} After deducting allowance for doubtful accounts



(3) Overview of Cash Flows

- 1. Cash flows from operating activities
- ◆ Income taxes paid of ¥584.5 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: \(\frac{\pmax}{3}\)84.6 billion (\(\frac{\pmax}{3}\),909.0 billion in the same period of the previous fiscal year)
 - Proceeds from sales of investments by SVF: ¥681.1 billion (¥1,734.2 billion in the same period of the previous fiscal year)
- Proceeds from sales/redemption of investments of ¥584.5 billion following progress on the sale of T-Mobile and other shares
- Outlays of ¥499.6 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 ¥463.2 billion from investing activities (compared to net cash outflow of ¥ 2,843.6 billion in the same period of the previous fiscal year).
- 3. Cash flows from financing activities
- ◆ Net cash outflow of ¥875.9 billion from financing activities. Funded through continued asset-backed finance, the Company made multiple debt repayments in the period. This included 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: ¥6,485.9 billion
 - · Main proceeds at SBG: ¥385.0 billion (Issued domestic straight corporate bonds of ¥385.0 billion (face value))
 - · Main proceeds at wholly owned subsidiaries conducting fund procurement: ¥3,481.4 billion (Procured \$24.42 billion through prepaid forward contracts using Alibaba shares, \$1.40 billion through asset-backed finance using Arm shares)
 - · Main proceeds at SVF: ¥580.7 billion (SVF1 procured \$4.50 billion through asset-backed finance)
 - Payments for interest-bearing debt: ¥5,074.9 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 \$0.90 billion in borrowings in asset-backed finance made through Arm shares)
 - Main outlays at SVF: ¥426.2 billion (for repayment of borrowings totaling \$3.27 billion at SVF1 and SVF2 made through asset-backed finance)
 - Repurchase of treasury stock of ¥1,055.4 billion
 - Distribution and repayments to third-party investors at SVF of ¥465.6 billion
 - Payments of ¥356.0 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 third quarter-end and its changes during the period
- The balance of cash and cash equivalents stood at ¥5,778.1 billion at the third quarter-end, an increase of ¥609.1 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 ¥296.9 billion reflecting the weaker yen.



SIGNIFICANT NON-CASH TRANSACTIONS

The Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form in the period. This was a non-cash transaction and had no impact on the consolidated cash flows. For details, see "(5) Significant non-cash transactions" under "13. Supplemental information to the Condensed Interim Consolidated Statement of Cash Flows" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."

| | | | (Millions of yen) |
|---|-----------------|-----------------|-------------------|
| | Nine months end | led December 31 | |
| | 2021 | 2022 | Change |
| Cash flows from operating activities | 2,408,979 | 724,846 | (1,684,133) |
| Cash flows from investing activities | (2,843,565) | 463,212 | 3,306,777 |
| Cash flows from financing activities | 311,028 | (875,878) | (1,186,906) |
| Effect of exchange rate changes on cash and | | | |
| cash equivalents | 79,599 | 296,873 | 217,274 |
| Increase (decrease) in cash and cash | | | |
| equivalents | (43,959) | 609,053 | 653,012 |
| Cash and cash equivalents at the beginning | | | |
| of the period | 4,662,725 | 5,169,001 | 506,276 |
| Cash and cash equivalents at the end of the | | | |
| period | 4,618,766 | 5,778,054 | 1,159,288 |

(a) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of \(\frac{\pmathbf{Y}}{724,846}\) million, a \(\frac{\pmathbf{Y}}{1,684,133}\) million decrease year on year. This was mainly due to a decrease in cash inflows primarily from sale of investments at SB Northstar, from \(\frac{\pmathbf{Y}}{1,907,441}\) million to \(\frac{\pmathbf{Y}}{116,071}\) million, accompanying the downsizing of its business.

Meanwhile, the amount of income taxes paid was ¥584,489 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 corresponding to 242 million ADRs of Alibaba shares. In the same period of 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 tax on dividends from SBGJ to SBG. Such withholding income taxes were refunded within the same period of the previous fiscal year.

(b) Cash Flows from Investing Activities

Primary components

| Components | Primary details |
|--------------------------------|--|
| Proceeds from sales/redemption | · In the first quarter, the Company sold 21.2 million T-Mobile shares for |
| of investments | ¥309,696 million (\$2.40 billion) to Deutsche Telekom due to Deutsche |
| ¥584,524 million | Telekom's partial exercise of its call options for the shares. |
| | · In the second quarter, the Company sold its SoFi Technologies, Inc. shares for ¥90,823 million (\$0.65 billion). |
| Payments for acquisition of | · SVF2 invested ¥327,211 million (\$2.51 billion) in total. |
| investments by SVF | · LatAm Funds invested ¥35,437 million (\$0.27 billion) in total. |
| ¥(384,567) million | · SVF1 invested ¥21,919 million (\$0.16 billion) in total. |



| Components | Primary details |
|---|--|
| Proceeds from sales of investments by SVF ¥681,059 million | SVF1 sold all of its shares in Uber and others, as well as portions of multiple investments, for ¥592,895 million (\$4.39 billion). SVF2 sold all of its shares in KE Holdings and others, as well as portions of multiple investments, for ¥86,253 million (\$0.66 billion). |
| Purchase of property, plant and equipment, and intangible assets ¥(499,634) 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 ¥125,127 million | Following the termination of all operations by the two Company sponsored SPACs without merging with operating companies, \$0.89 billion in proceeds received from third-party investors other than the Company (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" at the end of this section. |

(c) Cash Flows from Financing Activities

Primary components

| Components | Primary details |
|---|--|
| Proceeds in short-term interest- bearing debt, net | ·Short-term borrowings increased by ¥82,277 million (net) at Z Holdings Corporation and its subsidiaries. |
| ¥15,357 million*1 (Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities) | · Short-term interest-bearing debt decreased by ¥70,300 million (net) as SBG redeemed commercial paper. |
| Proceeds from interest-bearing del | ot (total of A through C below) |
| ¥6,485,867 million | |
| A Proceeds from borrowings ¥2,679,259 million*2 | SBG made short-term borrowings of ¥372,750 million. Wholly owned subsidiaries conducting fund procurement borrowed ¥180,656 million (\$1.40 billion) through asset-backed finance using Arm shares. SVF1 borrowed ¥580,680 million (\$4.50 billion) through asset-backed finance. SoftBank Corp. procured ¥805,480 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions. The company also issued commercial paper for ¥167,000 million. |
| B Proceeds from issuance of corporate bonds ¥445,000 million | SBG issued domestic straight bonds totaling ¥385,000 million. Z Holdings Corporation issued domestic straight bonds totaling ¥60,000 million. |



| Group | |
|--|---|
| Components | Primary details |
| C Proceeds from procurement by prepaid forward contracts using shares ¥3,361,608 million | Wholly owned subsidiaries conducting fund procurement raised a total of \$24.42 billion through prepaid forward contracts (forward contracts) using Alibaba shares. |
| Repayment of interest-bearing de ¥(5,074,939) million | bt |
| Repayment of borrowings \(\frac{1}{4}\),328,611) million*2 | SBG repaid short-term borrowings of ¥920,291 million and repaid entire senior loans of ¥325,204 million, which included ¥292,683 million repaid before maturity. Wholly owned subsidiaries conducting fund procurement repaid borrowings as follows: Repaid in full ¥797,820 million (\$6.0 billion) in a margin loan borrowed through Alibaba shares. Repaid ¥274,538 million (\$2.06 billion) in a margin loan borrowed through T-Mobile shares in the previous fiscal year. Repaid ¥116,136 million (\$0.90 billion) in borrowings made through asset-backed finance using Arm shares. SVF1 and SVF2 repaid ¥397,269 million (\$3.05 billion) and ¥28,904 million (\$0.22 billion), respectively, in borrowings made through asset-backed finance. SoftBank Corp. repaid ¥652,968 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions and redeemed ¥278,400 million in commercial paper. |
| Redemption of corporate bonds ¥(743,901) million | SBG redeemed bonds totaling ¥658,901 million as follows: Repurchased foreign currency-denominated straight bonds with face values totaling \$0.27 billion and 0.22 billion euros in the first quarter. Redeemed foreign currency-denominated straight bonds with face values of \$0.51 billion and 0.19 billion euros upon maturity in the second quarter. Repurchased foreign currency-denominated straight bonds with face values totaling \$0.51 billion and 1.02 billion euros and redeemed domestic straight bonds of ¥337,024 million upon maturity in the third quarter. Z Holdings Corporation redeemed domestic straight bonds of ¥85,000 million upon maturity. |
| Distribution/repayment from SVF to third-party investors ¥(465,606) million | SVF1 made distributions to third-party investors. |
| Redemption of non-controlling interests subject to possible redemption \$\pmu(125,127)\$ million | Following the termination of all operations by the two Company sponsored SPACs without merging with operating companies, \$0.89 billion was redeemed to the Public Market Investors. For details, see "Refund and Redemption of Invested Funds Related to the Company sponsored SPACs" at the end of this section. |



| Components | Primary details |
|---|---|
| Redemption of other equity instruments ¥(104,597) million | A portion of the USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (the Hybrid Notes) amounting to the face value of \$0.75 billion was repurchased. The Hybrid Notes are classified as equity |
| ±(104,397) illillioli | instruments in accordance with IFRSs. |
| Purchase of treasury stock \(\frac{1}{0.055,433}\) million | SBG repurchased 185,700,600 of its own shares for ¥1,055,426 million in the period in accordance with board resolutions on November 8, 2021 and on August 8, 2022. |
| Cash dividends paid ¥(70,061) million | SBG paid dividends. |
| Cash dividends paid to non-controlling interests ¥(285,978) million | SoftBank Corp., Z Holdings Corporation, and others paid dividends to non-controlling interests. |

Notes:

- 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 \$1,030,211 million and outlays of \$1,768,068 million related to borrowings with a contracted term of one year or less.

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.

(4) Forecasts

The Company does not provide forecasts of consolidated results of operations as they are difficult to project due to numerous uncertainties affecting earnings.



Notes to "1. Overview of Results of Operations"

- Includes share exchanges. During the period, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration and sold its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. These share exchanges are treated as full exits (entire sale) 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 and losses on investments.
- 2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
- 3 The Company applies 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.
- 4 Private companies valued at over \$1 billion at the time of investment
- 5 After deducting transaction fees, etc.
- 6 Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.
- This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for nine months ended September 30, 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 nine months ended September 30, 2022. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates. In the fourth quarter of the previous fiscal year, previously announced royalty unit data for nine months ended September 30, 2021, has been restated based on information received by Arm from its licensees.



2. Condensed Interim Consolidated Financial Statements and Primary Notes

(Definitions of company names and abbreviations used in the condensed interim consolidated financial statements and primary notes)

Company names and abbreviations used in the condensed interim consolidated financial statements and primary notes, unless otherwise stated or interpreted differently in the context, are as follows:

| Company names / Abbreviations | Definition |
|---|--|
| SoftBank Group Corp. | SoftBank Group Corp. (stand-alone basis) |
| The Company | SoftBank Group Corp. and its subsidiaries |
| * Each of the following names or abbreviati | ons indicates the respective company and its subsidiaries, if any. |
| SB Northstar or the asset management subsidiary | SB Northstar LP |
| SVF1 | SoftBank Vision Fund L.P. and its alternative investment vehicles |
| SVF2 | SoftBank Vision Fund II-2 L.P. |
| SVF2 LLC | SVF II Investment Holdings LLC |
| LatAm Funds | SBLA Latin America Fund LLC |
| SLA LLC | SLA Holdco II LLC |
| SVF | SVF1, SVF2 and LatAm Funds |
| SBIA | SB Investment Advisers (UK) Limited |
| SBGA | SB Global Advisers Limited |
| SBLA | SBLA Advisers Corp. |
| Arm | Arm Limited |
| Fortress | Fortress Investment Group LLC |
| Sprint | Sprint Corporation |
| Alibaba | Alibaba Group Holding Limited |
| WeWork | WeWork Inc. |
| MgmtCo | MASA USA LLC |



From the three-month period ended June 30, 2022, the accounts of the condensed interim consolidated financial statements have been changed as follows:

Condensed Interim Consolidated Statement of Financial Position

| Previous | Current |
|--|------------------------------|
| Investments from SVF1 and SVF2 accounted for using FVTPL | Investments from SVF (FVTPL) |
| Third-party interests in SVF1 and SVF2 | Third-party interests in SVF |

Condensed Interim Consolidated Statement of Profit or Loss

| Previous | Current | | |
|--|---|--|--|
| Gain (loss) on investments at SVF1, SVF2, and others | Gain (loss) on investments at SoftBank Vision Funds | | |
| Change in third-party interests in SVF1 and SVF2 | Change in third-party interests in SVF | | |

Condensed Interim Consolidated Statement of Cash Flows

| Previous | Current |
|---|--|
| (Gain) loss on investments at SVF1, SVF2, and others | (Gain) loss on investments at SoftBank Vision Funds |
| Change in third-party interests in SVF1 and SVF2 | Change in third-party interests in SVF |
| Payments for acquisition of investments by SVF1 and SVF2 | Payments for acquisition of investments by SVF |
| Proceeds from sales of investments by SVF1 and SVF2 | Proceeds from sales of investments by SVF |
| Contributions into SVF1 from third-party investors | Contributions into SVF from third-party investors |
| Distribution/repayment from SVF1 to third-party investors | Distribution/repayment from SVF to third-party investors |



(1) Condensed Interim Consolidated Statement of Financial Position

| | | (Millions of yen) |
|---|----------------------|----------------------------|
| | As of March 31, 2022 | As of December 31, 2022 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 5,169,001 | 5,778,054 |
| Trade and other receivables | 2,361,149 | 2,681,391 |
| Derivative financial assets | 1,050,446 | 123,510 |
| Other financial assets | 971,125 | 509,034 |
| Inventories | 142,767 | 172,913 |
| Other current assets | 334,101 | 275,907 |
| Total current assets | 10,028,589 | 9,540,809 |
| Non-current assets | | |
| Property, plant and equipment | 1,842,749 | 1,717,622 |
| Right-of-use assets | 914,743 | 873,131 |
| Goodwill | 4,897,913 | 5,170,290 |
| Intangible assets | 2,427,580 | 2,423,940 |
| Costs to obtain contracts | 330,899 | 345,601 |
| Investments accounted for using the equity method | 5,234,519 | 749,355 |
| Investments from SVF (FVTPL) | 14,909,614 | 10,856,761 |
| Investment securities | 3,085,369 | 6,854,039 |
| Derivative financial assets | 1,333,787 | 1,357,136 |
| Other financial assets | 2,230,615 | 2,117,698 |
| Deferred tax assets | 163,255 | 180,811 |
| Other non-current assets | 145,038 | 156,051 |
| Total non-current assets | 37,516,081 | 32,802,435 |
| Total assets | 47,544,670 | 42,343,244 |



| | As of March 31, 2022 | As of December 31, 2022 | |
|---|----------------------|-------------------------|--|
| Liabilities and equity | | | |
| Current liabilities | | | |
| Interest-bearing debt | 7,328,862 | 3,871,065 | |
| Lease liabilities | 240,241 | 202,479 | |
| Deposits for banking business | 1,331,385 | 1,450,442 | |
| Trade and other payables | 1,968,864 | 2,344,659 | |
| Derivative financial liabilities | 119,592 | 57,544 | |
| Other financial liabilities | 554,814 | 492,285 | |
| Income taxes payable | 183,388 | 105,098 | |
| Provisions | 34,056 | 64,945 | |
| Other current liabilities | 620,260 | 598,123 | |
| Total current liabilities | 12,381,462 | 9,186,640 | |
| Non-current liabilities | | | |
| Interest-bearing debt | 14,128,570 | 14,230,530 | |
| Lease liabilities | 625,907 | 640,733 | |
| Third-party interests in SVF | 5,640,498 | 4,531,951 | |
| Derivative financial liabilities | 174,003 | 364,884 | |
| Other financial liabilities | 129,849 | 64,268 | |
| Provisions | 107,961 | 164,930 | |
| Deferred tax liabilities | 2,436,034 | 2,322,742 | |
| Other non-current liabilities | 212,624 | 242,978 | |
| Total non-current liabilities | 23,455,446 | 22,563,016 | |
| Total liabilities | 35,836,908 | 31,749,656 | |
| Equity | | | |
| Equity attributable to owners of the parent | | | |
| Common stock | 238,772 | 238,772 | |
| Capital surplus | 2,634,574 | 2,652,608 | |
| Other equity instruments | 496,876 | 414,055 | |
| Retained earnings | 4,515,704 | 3,490,974 | |
| Treasury stock | (406,410) | (1,454,456) | |
| Accumulated other comprehensive income | 2,496,158 | 3,666,698 | |
| Total equity attributable to owners of the parent | 9,975,674 | 9,008,651 | |
| Non-controlling interests | 1,732,088 | 1,584,937 | |
| Total equity | 11,707,762 | 10,593,588 | |
| Total liabilities and equity | 47,544,670 | 42,343,244 | |



(2) <u>Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated</u> <u>Statement of Comprehensive Income</u>

For the nine-month period ended December 31

Condensed Interim Consolidated Statement of Profit or Loss

| (Millions | of yen) |
|-----------|---------|
|-----------|---------|

| | | , , |
|---|--|--|
| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
| Net sales | 4,580,840 | 4,875,773 |
| Cost of sales | (2,103,871) | (2,296,650) |
| Gross profit | 2,476,969 | 2,579,123 |
| Gain on investments | | |
| Gain on investments at Investment Business of Holding Companies | 15,956 | 3,699,600 |
| Loss on investments at SoftBank Vision Funds | (629,134) | (5,006,755) |
| Gain (loss) on other investments | 61,410 | (54,011) |
| Total gain on investments | (551,768) | (1,361,166) |
| Selling, general and administrative expenses | (1,849,385) | (1,921,115) |
| Finance cost | (282,764) | (433,508) |
| Foreign exchange loss | (277,372) | (727,984) |
| Income (loss) on equity method investments | 203,742 | (70,611) |
| Derivative gain (excluding gain (loss) on investments) | 1,104,221 | 619,587 |
| Change in third-party interests in SVF | 170,701 | 1,145,779 |
| Other gain (loss) | 240,380 | (120,142) |
| Income before income tax | 1,234,724 | (290,037) |
| Income taxes | (585,430) | (468,203) |
| Net income | 649,294 | (758,240) |
| Net income attributable to | | |
| Owners of the parent | 392,617 | (912,513) |
| Non-controlling interests | 256,677 | 154,273 |
| Net income | 649,294 | (758,240) |
| Earnings per share | | |
| Basic earnings per share (Yen) | 214.73 | (599.97) |
| Diluted earnings per share (Yen) | 207.57 | (608.51) |



Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen) Nine-month period ended Nine-month period ended December 31, 2021 December 31, 2022 649,294 (758,240) Net income Other comprehensive income, net of tax Items that will not be reclassified to profit or loss Equity financial assets at FVTOCI 28,625 11,517 Total items that will not be reclassified to profit or 28,625 11,517 loss Items that may be reclassified subsequently to profit or loss Debt financial assets at FVTOCI 80 (2,012)Cash flow hedges (2,787)(54,198)Exchange differences on translating foreign 931,351 1,122,339 operations Share of other comprehensive income of (15,508)91,159 associates Total items that may be reclassified subsequently to 913,136 1,157,288 profit or loss Total other comprehensive income, net of tax 941,761 1,168,805 **Total comprehensive income** 1,591,055 410,565 Total comprehensive income attributable to Owners of the parent 1,322,083 260,031 268,972 150,534 Non-controlling interests Total comprehensive income 1,591,055 410,565



For the three-month period ended December 31
Condensed Interim Consolidated Statement of Profit or Loss

| | Three-month period ended December 31, 2021 | Three-month period ended December 31, 2022 |
|--|--|--|
| Net sales | 1,597,336 | 1,693,296 |
| Cost of sales | (755,400) | (835,502) |
| Gross profit | 841,936 | 857,794 |
| Gain on investments | | |
| Gain (loss) on investments at Investment Business of Holding Companies | (263,974) | 174,945 |
| Gain (loss) on investments at SoftBank Vision Funds | 55,659 | (653,213) |
| Gain (loss) on other investments | 51,782 | (33,300) |
| Total gain on investments | (156,533) | (511,568) |
| Selling, general and administrative expenses | (662,713) | (666,775) |
| Finance cost | (97,165) | (119,291) |
| Foreign exchange gain (loss) | (185,175) | 367,442 |
| Loss on equity method investments | (61,589) | (15,741) |
| Derivative gain (loss) (excluding gain (loss) on investments) | 483,262 | (410,193) |
| Change in third-party interests in SVF | (23,391) | 127,038 |
| Other gain (loss) | 49,121 | (211,379) |
| Income before income tax | 187,753 | (582,673) |
| Income taxes | (128,584) | (162,005) |
| Net income | 59,169 | (744,678) |
| Net income attributable to | | |
| Owners of the parent | 29,048 | (783,415) |
| Non-controlling interests | 30,121 | 38,737 |
| Net income | 59,169 | (744,678) |
| Earnings per share | | |
| Basic earnings per share (Yen) | 12.07 | (527.14) |
| Diluted earnings per share (Yen) | 11.43 | (534.33) |



Condensed Interim Consolidated Statement of Comprehensive Income

| | Three-month period ended December 31, 2021 | Three-month period ended December 31, 2022 |
|---|--|---|
| Net income | 59,169 | (744,678) |
| Other comprehensive income, net of tax | | |
| Items that will not be reclassified to profit or loss | | |
| Equity financial assets at FVTOCI | 15,860 | (4,516) |
| Total items that will not be reclassified to profit or | 15,860 | (4,516) |
| loss | 12,000 | (1,510) |
| Items that may be reclassified subsequently to | | |
| profit or loss | (120) | (4.0=5) |
| Debt financial assets at FVTOCI | (120) | (1,076) |
| Cash flow hedges | (6,288) | 18,579 |
| Exchange differences on translating foreign operations | 628,187 | (1,388,946) |
| Share of other comprehensive income of associates | 2,086 | (10,002) |
| Total items that may be reclassified subsequently to profit or loss | 623,865 | (1,381,445) |
| Total other comprehensive income, net of tax | 639,725 | (1,385,961) |
| Total comprehensive income | 698,894 | (2,130,639) |
| Total comprehensive income attributable to | | |
| Owners of the parent | 657,359 | (2,192,018) |
| Non-controlling interests | 41,535 | 61,379 |
| Total comprehensive income | 698,894 | (2,130,639) |



(3) Condensed Interim Consolidated Statement of Changes in Equity

For the nine-month period ended December 31, 2021

| | Equity attributable to owners of the parent | | | | | | |
|--|---|--------------------|--------------------------|-------------------|-------------------|--|------------|
| | Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other comprehensive income | Subtotal |
| As of April 1, 2021 | 238,772 | 2,618,504 | 496,876 | 8,810,422 | (2,290,077) | 338,329 | 10,212,826 |
| Comprehensive income | | | | | | | |
| Net income | - | - | - | 392,617 | - | - | 392,617 |
| Other comprehensive income | - | | | | | 929,733 | 929,733 |
| Total comprehensive income | - | - | - | 392,617 | - | 929,733 | 1,322,350 |
| Transactions with owners and | | | | | | | |
| other transactions | | | | | | | |
| Cash dividends | - | - | - | (75,947) | - | - | (75,947) |
| Distribution to owners of other | | | | (15,676) | | | (15,676) |
| equity instruments | _ | _ | _ | (13,070) | _ | _ | (13,070) |
| Transfer of accumulated other | | | | | | | |
| comprehensive income to | - | - | - | 83 | - | (83) | - |
| retained earnings | | | | | | | |
| Purchase and disposal of treasury | _ | _ | _ | (2,574) | (319,306) | _ | (321,880) |
| stock | | | | (2,571) | (317,500) | | (321,000) |
| Retirement of treasury stock | - | - | - | (2,475,817) | 2,475,817 | - | - |
| Changes from loss of control | - | - | - | - | - | - | - |
| Changes in interests in subsidiaries | - | (1,991) | - | - | - | - | (1,991) |
| Changes in associates' interests in their subsidiaries | - | (4,443) | - | - | - | - | (4,443) |
| Changes in interests in associates' capital surplus | - | (1) | - | - | - | - | (1) |
| Share-based payment transactions | _ | (666) | _ | _ | - | _ | (666) |
| Other | - | 135 | - | - | - | - | 135 |
| Total transactions with owners | | | | (2.5(2.02)) | | (0.5) | (120.160) |
| and other transactions | - | (6,966) | - | (2,569,931) | 2,156,511 | (83) | (420,469) |
| As of December 31, 2021 | 238,772 | 2,611,538 | 496,876 | 6,633,108 | (133,566) | 1,267,979 | 11,114,707 |
| = | | | | | | | |



| | Equity attributable to over parent | | (| |
|--|---|------------|----------------------------------|--------------|
| | Accumulated other comprehensive income directly relating to assets classified as held for sale | Total | Non- controlling interests | Total equity |
| As of April 1, 2021 | 267 | 10,213,093 | 1,742,500 | 11,955,593 |
| Comprehensive income | | | | |
| Net income | - | 392,617 | 256,677 | 649,294 |
| Other comprehensive income | (267) | 929,466 | 12,295 | 941,761 |
| Total comprehensive income | (267) | 1,322,083 | 268,972 | 1,591,055 |
| Transactions with owners and | | | | |
| other transactions | | | | |
| Cash dividends | - | (75,947) | (273,103) | (349,050) |
| Distribution to owners of other equity instruments | - | (15,676) | - | (15,676) |
| Transfer of accumulated other | | | | |
| comprehensive income to retained earnings | - | - | - | - |
| Purchase and disposal of treasury stock | - | (321,880) | - | (321,880) |
| Retirement of treasury stock | - | - | - | - |
| Changes from loss of control | - | - | (15,861) | (15,861) |
| Changes in interests in subsidiaries | - | (1,991) | (654) | (2,645) |
| Changes in associates' interests in their subsidiaries | - | (4,443) | - | (4,443) |
| Changes in interests in associates' capital surplus | - | (1) | - | (1) |
| Share-based payment transactions | - | (666) | 10,580 | 9,914 |
| Other | - | 135 | (1,074) | (939) |
| Total transactions with owners | | (420, 460) | (200.112) | (700.501) |
| and other transactions | - | (420,469) | (280,112) | (700,581) |
| As of December 31, 2021 | - | 11,114,707 | 1,731,360 | 12,846,067 |



For the nine-month period ended December 31, 2022

| | | | Equity attribut | table to owne | rs of the parer | ıt | |
|---|--------------|--------------------|--------------------------|-------------------|-------------------|--|-------------|
| | Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other comprehensive income | Total |
| As of April 1, 2022 | 238,772 | 2,634,574 | 496,876 | 4,515,704 | (406,410) | 2,496,158 | 9,975,674 |
| Comprehensive income | | | | | | | |
| Net income | - | - | - | (912,513) | - | - | (912,513) |
| Other comprehensive income | - | | | | | 1,172,544 | 1,172,544 |
| Total comprehensive income | - | - | - | (912,513) | - | 1,172,544 | 260,031 |
| Transactions with owners and | | | | | | | |
| other transactions | | | | | | | |
| Cash dividends | - | - | - | (70,327) | - | - | (70,327) |
| Distribution to owners of other equity instruments | - | - | - | (21,240) | - | - | (21,240) |
| Redemption and cancellation of other equity instruments | - | - | (82,821) | (21,776) | - | - | (104,597) |
| Transfer of accumulated other comprehensive income to retained earnings | - | - | - | 2,004 | - | (2,004) | - |
| Purchase and disposal of treasury stock | - | - | - | (878) | (1,048,046) | - | (1,048,924) |
| Changes from loss of control | - | - | - | - | - | - | - |
| Changes in interests in subsidiaries | - | 4,317 | - | - | - | - | 4,317 |
| Changes in associates' interests in their subsidiaries | - | (5,845) | - | - | - | - | (5,845) |
| Changes in interests in associates' capital surplus | - | 21,223 | - | - | - | - | 21,223 |
| Share-based payment transactions | - | (150) | - | _ | _ | - | (150) |
| Other | - | (1,511) | - | - | - | - | (1,511) |
| Total transactions with owners | | 10.024 | (02.021) | (112.217) | (1.040.040) | (2.004) | (1.227.054) |
| and other transactions | | 18,034 | (82,821) | (112,217) | (1,048,046) | (2,004) | (1,227,054) |
| As of December 31, 2022 | 238,772 | 2,652,608 | 414,055 | 3,490,974 | (1,454,456) | 3,666,698 | 9,008,651 |



| | Non- controlling interests | Total aquity |
|---|----------------------------------|-------------------------|
| As of April 1, 2022 | 1,732,088 | Total equity 11,707,762 |
| - | 1,/32,088 | 11,/0/,/02 |
| Comprehensive income | 154 272 | (759.240) |
| Net income | 154,273 | (758,240) |
| Other comprehensive income | (3,739) | 1,168,805 |
| Total comprehensive income | 150,534 | 410,565 |
| Transactions with owners and | | |
| other transactions | | |
| Cash dividends | (287,689) | (358,016) |
| Distribution to owners of other equity instruments | - | (21,240) |
| Redemption and cancellation of other equity instruments | - | (104,597) |
| Transfer of accumulated other | | |
| comprehensive income to | _ | _ |
| retained earnings | | |
| Purchase and disposal of treasury | | |
| stock | - | (1,048,924) |
| Changes from loss of control | (5,195) | (5,195) |
| Changes in interests in subsidiaries | 28,548 | 32,865 |
| Changes in associates' interests in their subsidiaries | - | (5,845) |
| Changes in interests in associates' capital surplus | - | 21,223 |
| Share-based payment transactions | 25,084 | 24,934 |
| Other | (58,433) | (59,944) |
| Total transactions with owners and other transactions | (297,685) | (1,524,739) |
| As of December 31, 2022 | 1,584,937 | 10,593,588 |
| | | |



(4) Condensed Interim Consolidated Statement of Cash Flows

| | | (Millions of yen) |
|--|---|---|
| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
| Cash flows from operating activities | | |
| Net income | 649,294 | (758,240) |
| Depreciation and amortization | 633,501 | 656,107 |
| Gain on investments at Investment Business of Holding Companies | (11,450) | (3,779,022) |
| Loss on investments at SoftBank Vision Funds | 629,134 | 5,006,755 |
| Finance cost | 282,764 | 433,508 |
| Foreign exchange loss | 277,372 | 727,984 |
| (Income) loss on equity method investments | (203,742) | 70,611 |
| Derivative gain (excluding (gain) loss on investments) | (1,104,221) | (619,587) |
| Change in third-party interests in SVF | (170,701) | (1,145,779) |
| (Gain) loss on other investments and other (gain) loss | (301,790) | 174,153 |
| Income taxes | 585,430 | 468,203 |
| Decrease in investments from asset management subsidiaries | 463,563 | 144,271 |
| Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries | 23,937 | 48,961 |
| (Increase) decrease in restricted cash in asset management subsidiaries | (52,685) | 138,915 |
| Decrease in securities pledged as collateral in asset management subsidiaries | 1,329,563 | 2,032 |
| Increase (decrease) in borrowed securities in asset management subsidiaries | 135,176 | (131,796) |
| Increase in trade and other receivables | (332,818) | (403,587) |
| Increase in inventories | (27,152) | (28,338) |
| Increase in trade and other payables | 243,275 | 421,515 |
| Other | 176,252 | 30,052 |
| Subtotal | 3,224,702 | 1,456,718 |
| Interest and dividends received | 25,161 | 52,074 |
| Interest paid | (259,894) | (309,251) |
| Income taxes paid | (838,963) | (584,489) |
| Income taxes refunded | 257,973 | 109,794 |
| Net cash provided by operating activities | 2,408,979 | 724,846 |



| | | (Millions of yen) |
|--|---|---|
| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
| Cash flows from investing activities | | |
| Payments for acquisition of investments | (466,734) | (222,808) |
| Proceeds from sales/redemption of investments | 339,662 | 584,524 |
| Payments for acquisition of investments by SVF | (3,908,978) | (384,567) |
| Proceeds from sales of investments by SVF | 1,734,173 | 681,059 |
| Payments for acquisition of investments by asset management subsidiaries | (155,515) | - |
| Proceeds from loss of control over subsidiaries | 131,575 | 6,998 |
| Payments for acquisition of marketable securities for short-term trading | (86,824) | (61,541) |
| Proceeds from sales/redemption of marketable securities for short-term trading | 88,800 | 69,505 |
| Purchase of property, plant and equipment, and intangible assets | (690,535) | (499,634) |
| Payments for loan receivables | (106,321) | (14,007) |
| Collection of loan receivables | 54,350 | 91,608 |
| Proceeds from withdrawal of restricted cash | 359,038 | 21 |
| Proceeds from withdrawal of trust accounts in SPACs | - | 125,127 |
| Other | (136,256) | 86,927 |
| Net cash (used in) provided by investing activities | (2,843,565) | 463,212 |
| Cash flows from financing activities | | |
| (Repayment) proceeds in short-term interest-bearing debt, net | (913,287) | 15,357 |
| Proceeds from interest-bearing debt | 9,453,135 | 6,485,867 |
| Repayment of interest-bearing debt | (6,381,610) | (5,074,939) |
| Repayment of lease liabilities | (254,785) | (203,650) |
| Contributions into SVF from third-party investors | 139,649 | 17,857 |
| Distribution/repayment from SVF to third-party investors | (975,999) | (465,606) |
| Redemption of non-controlling interests subject to possible redemption | - | (125,127) |
| Redemption of other equity instruments | - | (104,597) |
| Distribution to owners of other equity instruments | (15,676) | (21,240) |
| Purchase of treasury stock | (328,463) | (1,055,433) |
| Cash dividends paid | (75,691) | (70,061) |
| Cash dividends paid to non-controlling interests | (271,052) | (285,978) |
| Other | (65,193) | 11,672 |
| Net cash provided by (used in) financing activities | 311,028 | (875,878) |
| Effect of exchange rate changes on cash and cash equivalents | 79,599 | 296,873 |
| (Decrease) increase in cash and cash equivalents | (43,959) | 609,053 |
| Cash and cash equivalents at the beginning of the period | 4,662,725 | 5,169,001 |
| Cash and cash equivalents at the end of the period | 4,618,766 | 5,778,054 |
| | | |



(5) Significant Doubt about Going Concern Assumption

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

1. Changes in presentation

(Condensed interim consolidated statement of financial position)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the investments from LatAm Funds, which were included in "Investment securities" and "Other financial assets (non-current)" in the past fiscal year, are included in "Investments from SVF (FVTPL)" from the three-month period ended June 30, 2022. In addition, the third-party interests in LatAm Funds, which were included in "Other financial liabilities (non-current)" in the past fiscal year, are included in "Third-party interests in SVF" from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥1,123,198 million, which was included in "Investment securities," and ¥20,025 million, which was included in "Other financial assets (non-current)" as of March 31, 2022, are reclassified as "Investments from SVF (FVTPL)." Furthermore, ¥80,663 million, which was included in "Other financial liabilities (non-current)" as of March 31, 2022, is reclassified as "Third-party interests in SVF."

"Investments from asset management subsidiaries," "Securities pledged as collateral in asset management subsidiaries," and "Derivative financial assets in asset management subsidiaries," which were separately presented in the past fiscal year, are included in "Other financial assets (current)" from the three-month period ended June 30, 2022 since the amounts decreased and became insignificant. In order to reflect the changes in presentation, \(\frac{1}{2}\)158,094 million, \(\frac{1}{2}\)1,927 million, and \(\frac{1}{2}\)48,466 million, which were separately presented as "Investments from asset management subsidiaries," "Securities pledged as collateral in asset management subsidiaries," and "Derivative financial assets in asset management subsidiaries" as of March 31, 2022, respectively, are included in "Other financial assets (current)."

(Condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as "Gain (loss) on investments at Latin America Funds" in the past fiscal year, are included in "Gain (loss) on investments at SoftBank Vision Funds" from the three-month period ended June 30, 2022. In addition, the change in third-party interests in LatAm Funds, which was included in "Other gain (loss)" in the past fiscal year, is included in "Change in third-party interests in SVF" from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥136,734 million and ¥(56,964) million, which were presented as "Gain (loss) on investments at Latin America Funds," are reclassified as "Loss on investments at SoftBank Vision Funds" for the nine-month period ended December 31, 2021 and the three-month period ended December 31, 2021, respectively. Similarly, ¥(1,750) million and ¥(663) million, which were included in "Other loss," are reclassified as "Change in third-party interests in SVF," respectively.



(Condensed interim consolidated statement of cash flows)

a. Cash flows from operating activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as "(Gain) loss on investments at Latin America Funds" in the past fiscal year, are included in "(Gain) loss on investments at SoftBank Vision Funds" from the three-month period ended June 30, 2022. In addition, the change in third-party interests in LatAm Funds, which was included in "(Gain) loss on other investments and other (gain) loss" in the past fiscal year, is included in "Change in third-party interests in SVF" from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, \(\frac{1}{3}(136,734)\) million, which was presented as "Gain on investments at Latin America Funds," and \(\frac{1}{3}1,750\) million, which were included in "(Gain) loss on other investments and other (gain) loss" for the nine-month period ended December 31, 2021, are reclassified as "Loss on investments at SoftBank Vision Funds" and "Change in third-party interests in SVF," respectively.

"(Increase) decrease in restricted cash in asset management subsidiaries," which was included in "Other" in the past fiscal year, is separately presented from the three-month period ended June 30, 2022 since the amount increased and became significant. In order to reflect the change in presentation, \(\frac{1}{2}\)(52,685) million, which was included in "Other" for the nine-month period ended December 31, 2021, is reclassified as "(Increase) decrease in restricted cash in asset management subsidiaries."

b. Cash flows from investing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the payments for the investing activities by LatAm Funds, which were included in "Payments for acquisition of investments" and "Payments for loan receivables" in the past fiscal year, are included in "Payments for acquisition of investments by SVF" from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, \(\frac{1}{2}\)(363,497) million, which was included in "Payments for acquisition of investments," and \(\frac{1}{2}\)(12,466) million, which was included in "Payments for loan receivables" for the ninemonth period ended December 31, 2021, are reclassified as "Payments for acquisition of investments by SVF," respectively.

c. Cash flows from financing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the contributions into LatAm Funds, which were included in "Other" in the past fiscal year, are included in "Contributions into SVF from third-party investors" from the three-month period ended June 30, 2022. In order to reflect the change in presentation, ¥673 million, which was included in "Other" for the ninemonth period ended December 31, 2021, is reclassified as "Contributions into SVF from third-party investors."



2. Significant accounting policies

Significant accounting policies applied to the condensed interim consolidated financial statements are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2022. In addition, income taxes for the nine-month period ended December 31, 2022 are calculated based on the estimated effective tax rate for the fiscal year.

Significant accounting policies for the SoftBank Vision Funds segment are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2022. The details are described as follows.

(Significant accounting policies for the SoftBank Vision Funds segment)

For SVF1, SVF2 and LatAm Funds, the Company applies the following accounting policies.

a. Consolidation of SVF1, SVF2 and LatAm Funds by the Company

SVF1 and SVF2 are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company (SVF2 owns limited liability companies including SVF2 LLC) as its subsidiaries and by their forms of organization, qualify as structured entities. SVF1 and SVF2 are consolidated by the Company for the following reasons.

As of December 31, 2022, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2. Furthermore, SBIA receives performance fees and SBGA receives performance-linked management fees. The Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2.

LatAm Funds is a limited liability company in which a wholly-owned subsidiary of the Company invests (LatAm Funds owns limited partnerships and the other forms of entities). LatAm Funds is consolidated by the Company as it holds more than one-half of the voting rights of LatAm Funds.

Inter-company transactions such as management fees and performance fees to SBIA paid or to be paid, as applicable, from SVF1, and management fees, performance-linked management fees and performance fees to SBGA paid or to be paid, as applicable, from SVF2 or LatAm Funds are eliminated in consolidation.

b. Portfolio company investments made by SVF1, SVF2 and LatAm Funds

(a) Investments in subsidiaries

Of the portfolio company investments made by SVF1, SVF2 and LatAm Funds, the portfolio companies that the Company is deemed to control under IFRS 10 "Consolidated Financial Statements" are



subsidiaries of the Company. Accordingly, their results of operations, assets and liabilities are included in the Company's condensed interim consolidated financial statements.

Gain and loss on investments in the subsidiaries of the Company which are recognized in SVF1, SVF2 and LatAm Funds are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1, SVF2 and LatAm Funds, the portfolio companies over which the Company has significant influence under IAS 28 "Investments in Associates and Joint Ventures" are associates of the Company, and the portfolio companies that are joint ventures of the Company when, as defined under IFRS 11 "Joint Arrangements," SVF1, SVF2 and LatAm Funds have joint control with other investors under contractual arrangements and the investors have rights to the net assets of the arrangement.

The investments in associates and joint ventures of the Company made by SVF1, SVF2 and LatAm Funds are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28 "Investments in Associates and Joint Ventures" and presented as "Investments from SVF (FVTPL)" in the condensed interim consolidated statement of financial position. The payments for these investments are presented as "Payments for acquisition of investments by SVF" and the proceeds from sales of these investments are presented as "Proceeds from sales of investments by SVF" under cash flows from investing activities in the condensed interim consolidated statement of cash flows.

If the investments in associates and joint ventures that were transferred from SoftBank Group Corp. and its subsidiaries to SVF1, SVF2 or LatAm Funds were accounted for using the equity method prior to the transfer, these investments continue to be accounted for using the equity method after the transfer to SVF1, SVF2 or LatAm Funds and presented as "Investments accounted for using the equity method" in the condensed interim consolidated statement of financial position. Gain and loss on the investments which were recognized in SVF1, SVF2 or LatAm Funds are eliminated in consolidation and gain and loss on the investments accounted for using the equity method are presented as "Income (loss) on equity method investments" in the condensed interim consolidated statement of profit or loss.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1, SVF2 and LatAm Funds are accounted for as financial assets at FVTPL. The presentation of these investments in the condensed interim consolidated statement of financial position and the condensed interim consolidated statement of cash flows are the same as the above "(b) Investments in associates and joint ventures."

- c. Contribution from limited partners in SVF1 and SVF2, and investors in LatAm Funds, SVF2 LLC and SLA LLC (collectively "SVF Investors")
 - (a) Contribution from SVF Investors other than the Company ("Third-Party Investors," and each a "Third-Party Investor")

The interests attributable to Third-Party Investors in SVF1, SVF2 and LatAm Funds are classified as financial liabilities, "Third-party interests in SVF" in the condensed interim consolidated statement of



financial position, due to the predetermined finite life and contractual payment provision to each of Third-Party Investors at the end of the finite life within the constitutional agreements relating to SVF1, SVF2 and LatAm Funds. The liabilities are classified as "financial liabilities measured at amortized cost" upon initial recognition. The carrying amounts attributable to Third-Party Investors represent the amounts that would be distributed in accordance with the constitutional agreements in a theoretical liquidation scenario at the end of each quarter.

Third-Party Investor in SVF2 and LatAm Funds is entitled to make full or partial payments of its investments and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC or SLA LLC to the end of company life of SVF2 LLC or SLA LLC, and as of December 31, 2022, the Company has recognized receivables from Third-Party Investor. The receivables are included in "Other financial assets (non-current)" in the condensed interim consolidated statement of financial position.

"Third-party interests in SVF" fluctuates due to the results of SVF1, SVF2 and LatAm Funds in addition to contributions from Third-Party Investors, and distributions and repayments of investments to Third-Party Investors, respectively. The fluctuations due to the results of SVF1, SVF2 and LatAm Funds are presented as "Change in third-party interests in SVF" in the condensed interim consolidated statement of profit or loss.

Contributions from Third-Party Investors are included in "Contributions into SVF from third-party investors" under cash flows from financing activities in the condensed interim consolidated statement of cash flows. The distributions and repayments of investments to Third-Party Investors are included in "Distribution/repayment from SVF to third-party investors" under cash flows from financing activities in the condensed interim consolidated statement of cash flows. No cash contributions into SVF2 and LatAm Funds from Third-Party Investors and no cash distributions/repayments from SVF2 and LatAm Funds to Third-Party Investors were made as of December 31, 2022.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9 "Financial Instruments," and, therefore, such amount is not recorded in the condensed interim consolidated statement of financial position.

(b) Contribution from the Company

Contributions to SVF1, SVF2 and LatAm Funds from the Company are eliminated in consolidation.



3. Segment information

(1) Description of reportable segments

The Company's reportable segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by the Company's Board of Directors in order to make decisions about the allocation of resources and assess its performance.

For the fiscal year ended March 31, 2022, the Company had five reportable segments, the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, the Arm segment, and the Latin America Funds segment. As a result of the revision for its segment classifications, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment from the three-month period ended June 30, 2022 since LatAm Funds has been managed by SBGA, which manages SVF2. In addition, PayPay Corporation, which was previously included in "Other," is classified in the SoftBank segment from the three-month period ended December 31, 2022 since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation.

The Investment Business of Holding Companies segment conducts, mainly through SoftBank Group Corp. as a strategic investment holding company, investment activities in a wide range of sectors in Japan and overseas directly or through subsidiaries of the Company. The Investment Business of Holding Companies segment consists of SoftBank Group Corp., SoftBank Group Capital Limited, SoftBank Group Japan Corporation, SB Northstar that is an asset management subsidiary, and certain subsidiaries of the Company that conduct investment or funding. Gain and loss on investments at Investment Business of Holding Companies consist of gain and loss arising from investments held directly by SoftBank Group Corp. or through subsidiaries of the Company. However, gain and loss on investments relating to investments in subsidiaries including dividend income from subsidiaries and impairment loss on investments in subsidiaries are excluded.

The SoftBank Vision Funds segment conducts, mainly through SVF1, SVF2, and LatAm Funds, investment activities in a wide range of technology sectors. Primarily, gain and loss on investments at SVF1, SVF2, LatAm Funds, and others consist of gain and loss arising from investments held by SVF1, SVF2, and LatAm Funds including the investment in the Company's subsidiary.

The SoftBank segment provides, mainly through SoftBank Corp., mobile services, sale of mobile devices, broadband services, and solution services in Japan, through Yahoo Japan Corporation and LINE Corporation, internet advertising and e-commerce services, and through PayPay Corporation, payment and financial services.

The Arm segment provides, through Arm, designs of microprocessor intellectual property and related technology, sale of software tools, and related services.



Information on business segments, which is not included in the reportable segments, is classified in "Other." "Other" includes mainly Fortress and the Fukuoka SoftBank HAWKS-related operations.

"Reconciliations" includes an elimination of intersegment transactions, as well as an elimination of gain and loss on the investment in shares in Arm and PayPay Corporation, subsidiaries of the Company, and WeWork, an equity method associate, and others, which are included in segment income of the SoftBank Vision Funds segment.

Segment information for the nine-month period ended December 31, 2021 and the three-month period ended December 31, 2021 is presented based on the reportable segments after the aforementioned change.

(2) Net sales and income of reportable segments

Income of reportable segments is defined as "Income before income tax." As in the condensed interim consolidated statement of profit or loss, "Gain (loss) on investments" included in segment income includes realized gain and loss from investments in financial assets at FVTPL for which investment performance is measured at fair value, unrealized gain and loss on valuation of investments, dividend income from investments, derivative gain and loss relating to investments in financial assets at FVTPL, and realized gain and loss from investments accounted for using the equity method. The Investment Business of Holding Companies segment calculates its segment income by eliminating gain and loss on investments relating to investments in subsidiaries, including dividend income from subsidiaries and impairment loss on investments in subsidiaries.

Intersegment transaction prices are determined under the same general business conditions as applied for external customers.



For the nine-month period ended December 31, 2021

| Reportab | le | seament |
|----------|----|---------|
| Kebulau | 10 | Segment |

| | Investment Business of Holding Companies | SoftBank Vision Funds | SoftBank | Arm |
|---|--|--------------------------|-----------------|--------------|
| Net sales | | | | |
| Customers | - | - | 4,205,094 | 226,836 |
| Intersegment | - | - | 2,156 | 534 |
| Total | | | 4,207,250 | 227,370 |
| Segment income | 972,977 | (350,833) | 700,824 | 31,088 |
| Depreciation and amortization | (2,912) | (535) | (552,678) | (55,746) |
| Gain (loss) on investments | 15,848 | (441,004) | 21,506 | 244 |
| Finance cost | (209,184) | (19,812) | (46,452) | (733) |
| Foreign exchange loss | (275,129) | (71) | (141) | - |
| Income (loss) on equity method investments | 221,680 | - | (25,821) | (400) |
| Derivative gain (loss) (excluding gain (loss) on investments) | 1,106,657 | 1,013 | 289 | (259) |
| | Total | Other | Reconciliations | Consolidated |
| Net sales | | | | |
| Customers | 4,431,930 | 148,910 | - | 4,580,840 |
| Intersegment | 2,690 | 7,968 | (10,658) | - |
| Total | 4,434,620 | 156,878 | (10,658) | 4,580,840 |
| Segment income | 1,354,056 | 71,068 | (190,400) | 1,234,724 |
| Depreciation and amortization | (611,871) | (21,630) | - | (633,501) |
| Gain (loss) on investments | (403,406) | 39,659 | (188,021) | (551,768) |
| Finance cost | (276,181) | (10,194) | 3,611 | (282,764) |
| Foreign exchange loss | (275,341) | (2,031) | - | (277,372) |
| Income (loss) on equity method investments | 195,459 | 19,524 | (11,241) | 203,742 |
| Derivative gain (loss) (excluding gain (loss) on investments) | 1,107,700 | (3,479) | - | 1,104,221 |



For the nine-month period ended December 31, 2022

(Millions of yen)

| T . 1 | | |
|----------|-----|---------|
| Reportab | ıle | segment |

| | | Keportable | segments | |
|---|--|---------------------------------------|-----------------|--------------|
| | Investment Business of Holding Companies | SoftBank Vision Funds [*] | SoftBank | Arm |
| Net sales | | | | |
| Customers | - | - | 4,385,950 | 288,952 |
| Intersegment | - | - | 2,282 | - |
| Total | | | 4,388,232 | 288,952 |
| Segment income | 3,131,767 | (4,010,750) | 545,543 | 54,901 |
| Depreciation and amortization | (3,398) | (750) | (559,493) | (66,662) |
| Gain (loss) on investments | 3,699,716 | (5,042,699) | (26,215) | 254 |
| Finance cost | (317,202) | (59,074) | (47,588) | (789) |
| Foreign exchange gain (loss) | (725,356) | 460 | (1,223) | (1,581) |
| Income (loss) on equity method investments | (24,708) | - | (32,559) | 165 |
| Derivative gain (loss) (excluding gain (loss) on investments) | 631,115 | 865 | 801 | 1,168 |
| | Total | Other | Reconciliations | Consolidated |
| Net sales | | | | |
| Customers | 4,674,902 | 200,871 | - | 4,875,773 |
| Intersegment | 2,282 | 6,699 | (8,981) | - |
| Total | 4,677,184 | 207,570 | (8,981) | 4,875,773 |
| Segment income | (278,539) | (12,419) | 921 | (290,037) |
| Depreciation and amortization | (630,303) | (25,804) | - | (656,107) |
| Gain (loss) on investments | (1,368,944) | (28,050) | 35,828 | (1,361,166) |
| Finance cost | (424,653) | (12,195) | 3,340 | (433,508) |
| Foreign exchange gain (loss) | (727,700) | (284) | - | (727,984) |
| Income (loss) on equity method investments | (57,102) | (124) | (13,385) | (70,611) |
| Derivative gain (loss) (excluding gain (loss) on investments) | 633,949 | (14,362) | - | 619,587 |

Note:

^{*} The details of the difference between "Gain (loss) on investments" in the SoftBank Vision Funds segment and "Gain (loss) on investments at SoftBank Vision Funds" in the condensed interim consolidated statement of profit or loss are described in "(1) Income and loss arising from the SoftBank Vision Funds business" under "Note 4. SoftBank Vision Funds business."



For the three-month period ended December 31, 2021

| Reportal | hle | seam | ent |
|----------|-----|--------|-----|
| Kebulai | שוט | SCRIII | |

| | Investment Business of Holding Companies | SoftBank Vision Funds | SoftBank | Arm |
|---|--|--------------------------|-----------------|--------------|
| Net sales | | | | |
| Customers | - | - | 1,465,172 | 65,743 |
| Intersegment | - | - | 674 | 272 |
| Total | | | 1,465,846 | 66,015 |
| Segment income | (42,585) | 50,353 | 182,592 | (2,906) |
| Depreciation and amortization | (977) | (182) | (183,624) | (19,151) |
| Gain (loss) on investments | (263,841) | 108,096 | 1,222 | 232 |
| Finance cost | (70,772) | (9,655) | (15,348) | (244) |
| Foreign exchange gain (loss) | (185,280) | (20) | (13) | - |
| Income (loss) on equity method investments | (45,309) | - | (11,497) | 478 |
| Derivative gain (loss) (excluding gain (loss) on investments) | 482,668 | (411) | 287 | 718 |
| | Total | Other | Reconciliations | Consolidated |
| Net sales | | | | |
| Customers | 1,530,915 | 66,421 | - | 1,597,336 |
| Intersegment | 946 | 2,886 | (3,832) | - |
| Total | 1,531,861 | 69,307 | (3,832) | 1,597,336 |
| Segment income | 187,454 | 60,152 | (59,853) | 187,753 |
| Depreciation and amortization | (203,934) | (6,814) | - | (210,748) |
| Gain (loss) on investments | (154,291) | 50,326 | (52,568) | (156,533) |
| Finance cost | (96,019) | (2,626) | 1,480 | (97,165) |
| Foreign exchange gain (loss) | (185,313) | 138 | - | (185,175) |
| Income (loss) on equity method investments | (56,328) | 38 | (5,299) | (61,589) |
| Derivative gain (loss) (excluding gain (loss) on investments) | 483,262 | - | - | 483,262 |



For the three-month period ended December 31, 2022

| Reportab | le | seament |
|----------|----|---------|
| Kebulau | 10 | Segment |

| | | repertaere | segments | |
|---|--|--------------------------|-----------------|--------------|
| | Investment Business of Holding Companies | SoftBank Vision Funds | SoftBank | Arm |
| Net sales | | | | |
| Customers | - | - | 1,535,772 | 105,247 |
| Intersegment | - | - | 229 | - |
| Total | | | 1,536,001 | 105,247 |
| Segment income | (130,522) | (660,096) | 120,646 | 19,270 |
| Depreciation and amortization | (1,222) | (401) | (189,621) | (22,752) |
| Gain (loss) on investments | 175,008 | (730,357) | (22,765) | 52 |
| Finance cost | (76,563) | (23,279) | (16,509) | (255) |
| Foreign exchange gain (loss) | 374,787 | (43) | (2,713) | (4,589) |
| Loss on equity method investments | (829) | - | (10,611) | (258) |
| Derivative gain (loss) (excluding gain (loss) on investments) | (410,386) | 245 | (740) | 688 |
| | Total | Other | Reconciliations | Consolidated |
| Net sales | | | | |
| Customers | 1,641,019 | 52,277 | - | 1,693,296 |
| Intersegment | 229 | 2,117 | (2,346) | - |
| Total | 1,641,248 | 54,394 | (2,346) | 1,693,296 |
| Segment income | (650,702) | (892) | 68,921 | (582,673) |
| Depreciation and amortization | (213,996) | (5,423) | - | (219,419) |
| Gain (loss) on investments | (578,062) | (10,587) | 77,081 | (511,568) |
| Finance cost | (116,606) | (3,838) | 1,153 | (119,291) |
| Foreign exchange gain (loss) | 367,442 | - | - | 367,442 |
| Loss on equity method investments | (11,698) | (431) | (3,612) | (15,741) |
| Derivative gain (loss) (excluding gain (loss) on investments) | (410,193) | - | - | (410,193) |



4. SoftBank Vision Funds business

(1) Income and loss arising from the SoftBank Vision Funds business

a. Overview

Segment income arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA receives from SVF1, and that SBGA receives from SVF2 and LatAm Funds.

The amount of the net profits attributable to Third-Party Investors that is deducted from the segment income is presented as "Change in third-party interests in SVF1 and SVF2."

b. Segment income arising from the SoftBank Vision Funds business

The components of segment income arising from the SoftBank Vision Funds business are as follows:

(Millions of yen)

| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
|--|--|--|
| Loss on investments at SoftBank Vision Funds | | |
| Loss on investments at SVF1, SVF2, and LatAm | | |
| Funds | | |
| Realized gain on investments*2 | 1,118,510 | 47,040 |
| Unrealized loss on valuation of investments | | |
| Change in valuation for the fiscal year*3 | (400,818) | (4,855,290) |
| Reclassified to realized gain recorded in the past fiscal years *4 | (1,190,988) | (165,228) |
| Interest and dividend income from investments | 25,361 | 1,190 |
| Derivative gain on investments | 51,217 | 16,191 |
| Effect of foreign exchange translation*5 | (46,164) | (92,044) |
| Subtotal | (442,882) | (5,048,141) |
| Gain on other investments | 1,878 | 5,442 |
| Total loss on investments at SoftBank Vision Funds | (441,004) | (5,042,699) |
| Selling, general and administrative expenses | (61,431) | (53,184) |
| Finance cost (interest expenses) | (19,812) | (59,074) |
| Derivative gain (excluding gain (loss) on investments) | 1,013 | 865 |
| Change in third-party interests in SVF | 170,701 | 1,145,779 |
| Other loss*6 | (300) | (2,437) |
| Segment income arising from the SoftBank Vision Funds business (income before income tax) | (350,833) | (4,010,750) |



Notes:

- 1. The Latin America Funds segment has been integrated into the SoftBank Vision Funds segment from the three-month period ended June 30, 2022 since LatAm Funds has been managed by SBGA, which manages SVF2. Segment income arising from the SoftBank Vision Funds business for the nine-month period ended December 31, 2021 is presented based on the reportable segments after the aforementioned change.
- 2. The amount of realized gain and loss on investments is the exit price net of the investment cost. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by share exchange are included.
- 3. For the nine-month period ended December 31, 2022, ¥3,132 million of the unrealized gain (net) on valuation arising from shares of the Company's subsidiaries held by SVF1 and SVF2 (mainly Arm and PayPay Corporation) is included in "Loss on investments at SoftBank Vision Funds" (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation.

For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. For the nine-month period ended December 31, 2022, \(\frac{1}{2}\)34,074 million of the unrealized loss on valuation arising from WeWork common shares held by SVF2 is included in "Loss on investments at SoftBank Vision Funds" (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized loss on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.

The unrealized gain and loss on valuation, that are eliminated in consolidation, are not included in "Gain (loss) on investments at SoftBank Vision Funds" in the condensed interim consolidated statement of profit or loss.

- 4. It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at SVF1, SVF2, and others" in the past fiscal years, which are reclassified to "Realized gain on investments" due to the realization for the nine-month period ended December 31, 2022.
- 5. Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.
- 6. In December 2022, SVF2 provided credit support for the \$1.107 billion credit facility for WeWork provided by financial institutions. For the nine-month period ended December 31, 2022, ¥13,122 million of provision for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded as expected credit losses were higher than the amount recorded as of the contract date due to an increase in the credit spread for WeWork's unsecured notes distributed in the market.



(2) Third-party interests in SVF

a. Terms and conditions of contribution from/ distribution to SVF Investors

Contributions by SVF Investors are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to SVF Investors, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance, as applicable, of SVF1, SVF2 and LatAm Funds. The net proceeds from SVF1 and LatAm Funds are also allocated to the performance fees attributed to SBIA and SBGA, respectively, using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to SVF Investors is allocated to each of the SVF Investors based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each of the SVF Investors after each of SVF1, SVF2 and LatAm Funds, as applicable, receive cash through dividend, or disposition or monetization of investments.

In SVF1, fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contributions. The fixed distributions are made every last business day of the months of June and December. The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 and LatAm Funds are described in "Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions." There are no Third-Party Investors who contributed to Preferred Equity in SVF2 and LatAm Funds.

In the following table, Third-Party Investors contributing Equity are defined as "Investors entitled to performance-based distribution" and Third-Party Investors contributing Preferred Equity are defined as "Investors entitled to fixed distribution."



b. Changes in interests attributable to Third-Party Investors

(a) Third-party interests in SVF1

Changes in interests attributable to Third-Party Investors in SVF1 (included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position) are as follows:

| | | , | | (Millions of yen) |
|--|--------------|------------------|---------------------|---------------------|
| | | | (For reference | purposes only) |
| | | | | ondensed interim |
| | | | | ancial statements |
| | | | Consolidated | Consolidated |
| | | interests in | statement | statement of cash |
| | | F1 | of profit or loss | flows |
| | ` | rent liabilities | (Negative figures | (Negative figures |
| | and non-curr | ent liabilities) | represent expenses) | represent payments) |
| | | (Breakdown) | • | , |
| As of April 1, 2022 | 5,289,754 | , | | |
| Contributions from third-party investors | 17,857 | | - | 17,857 |
| Changes in third-party interests | (810,559) | | 810,559 | - |
| Attributable to investors entitled to fixed distribution | | 127,957 | | |
| Attributable to investors entitled to performance-based distribution | | (938,516) | | |
| Distribution/repayment to third-party investors | (465,606) | | - | (465,606) |
| Exchange differences on translating third-party interests* | 456,682 | | - | - |
| As of December 31, 2022 | 4,488,128 | · : | | |

Note:

^{*} Exchange differences were included in "Exchange differences on translating foreign operations" in the condensed interim consolidated statement of comprehensive income.



(b) Third-party interests in SVF2 and receivables

Changes in interests attributable to Third-Party Investor in SVF2 (included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position) are as follows: Third-party Investor in SVF2 is the investor entitled to performance-based distribution.

| | | | (Millions of yen) |
|--|--|---|---|
| | | Links with the co | purposes only) ondensed interim ancial statements |
| | Third-party interests in SVF2 (Total of current liabilities and non-current liabilities) | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 Changes in third-party interests Exchange differences on translating | 270,081 (291,332) | 291,332 | - |
| third-party interests* As of December 31, 2022 | 21,251 | - | - |

Note:

The Company has receivables from Third-party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in "Other financial assets (non-current)" in the condensed interim consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in "(1) Transactions between SVF2 and related parties" under "Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions."

| | (Millions of yen) |
|---|---|
| | Receivables from third-party investor in SVF2 |
| As of April 1, 2022 | 342,663 |
| Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor | 8,474 |
| Exchange differences on receivables | 28,641 |
| As of December 31, 2022 | 379,778 |

^{*} Exchange differences were included in "Exchange differences on translating foreign operations" in the condensed interim consolidated statement of comprehensive income.



(c) Third-party interests in LatAm Funds and receivables

Changes in interests attributable to Third-Party Investor in LatAm Funds (included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position) are as follows: Third-party Investor in LatAm Funds is the investor entitled to performance-based distribution.

| | | | (Millions of yen) |
|--|-------------------------------|---------------------|---------------------|
| | | | purposes only) |
| | | | ondensed interim |
| | | Consolidated | Consolidated |
| | Third-party interests in | statement | statement of cash |
| | LatAm Funds | of profit or loss | flows |
| | (Total of current liabilities | (Negative figures | (Negative figures |
| | and non-current liabilities) | represent expenses) | represent payments) |
| | | | |
| As of April 1, 2022 | 80,663 | | |
| Changes in third-party interests | (43,888) | 43,888 | - |
| Exchange differences on translating third-party interests* | 7,048 | - | - |
| As of December 31, 2022 | 43,823 | | |
| | | | |

Note:

The Company has receivables from Third-party Investor in LatAm Funds. The changes in the receivables from Third-Party Investor in LatAm Funds (included in "Other financial assets (non-current)" in the condensed interim consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in LatAm Funds are described in "(2) Transactions between LatAm Funds and related parties" under "Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions."

| | (Millions of yen) |
|---|--|
| | Receivables from third-party investor in LatAm Funds |
| As of April 1, 2022 | 80,663 |
| Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor | 2,001 |
| Exchange differences on receivables | 6,741 |
| As of December 31, 2022 | 89,405 |

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1's Third-Party Investors as of December 31, 2022 was \$8.2 billion.

^{*} Exchange differences were included in "Exchange differences on translating foreign operations" in the condensed interim consolidated statement of comprehensive income.



(3) Management fees and performance fees

Terms and conditions of management fees, performance-linked management fees, and performance fees, included in segment income from the SoftBank Vision Funds business, are as follows.

a. Management fees and performance fees in SVF1

Management fees to SBIA from SVF1 are, in accordance with the limited partnership agreement, calculated by multiplying 1% per annum by Equity contributions used to fund investments and paid to SBIA by SVF1 quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend and monetization of an investment.

From the inception of SVF1 to December 31, 2022, the cumulative amount of performance fees paid to SBIA was \$439 million. For the nine-month period ended December 31, 2022, no performance fees were paid to SBIA.

In addition, the performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance.

b. Management fees and performance-linked management fees in SVF2

Management fees to SBGA from SVF2 are, in accordance with the constitutional agreements, calculated by multiplying 0.7% per annum by the acquisition cost of investments and paid to SBGA by SVF2 quarterly.

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of an investment in SVF2.

From the inception of SVF2 to December 31, 2022, no performance-linked management fees were paid to SBGA.

c. Management fees, performance-linked management fees and performance fees in LatAm Funds

Management fees to SBGA from LatAm Funds are, in accordance with the constitutional agreements, calculated based on the acquisition cost of investments and paid to SBGA by LatAm Funds quarterly.

LatAm Funds introduced the performance-linked management fees in July 2022. The amount of the performance-linked management fees to SBGA from LatAm Funds is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment



performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of investments in LatAm Funds.

Same as the performance-based distributions, the amount of the performance fees to SBGA from LatAm Funds is calculated using the allocation method as specified in the constitutional agreements. SBGA is entitled to receive the performance fees when LatAm Funds receives cash through disposition, dividend and monetization of an investment.

From the inception of LatAm Funds to December 31, 2022, neither performance fees nor performance-linked management fees were paid to SBGA.



5. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

| | | (Millions of yen) |
|--|----------------------|----------------------------|
| | As of March 31, 2022 | As of December 31, 2022 |
| Current | | |
| Short-term borrowings | 1,551,238 | 922,721 |
| Commercial paper | 527,201 | 390,001 |
| Current portion of long-term borrowings*1 | 2,377,864 | 2,119,983 |
| Current portion of corporate bonds | 519,870 | 246,009 |
| Current portion of financial liabilities relating to sale of shares by prepaid forward contracts*2 | 2,352,539 | 192,208 |
| Current portion of installment payables | 150 | 143 |
| Total = | 7,328,862 | 3,871,065 |
| Non-current | | |
| Long-term borrowings | 5,472,605 | 5,047,461 |
| Corporate bonds | 6,471,624 | 6,523,475 |
| Financial liabilities relating to sale of shares by prepaid forward contracts*2 | 2,184,034 | 2,659,394 |
| Installment payables | 307 | 200 |
| Total | 14,128,570 | 14,230,530 |
| = | | |

Notes:

- 1. Skywalk Finance GK had made a borrowing by using Alibaba shares pledged as collateral. For the nine-month period ended December 31, 2022, Skywalk Finance GK repaid all of its borrowing of \$6.0 billion before the maturity date and the collateral for Alibaba shares was released. The carrying amount of current portion of long-term borrowings is \(\frac{4}{731,517}\) million and the carrying amount of Alibaba shares pledged as collateral, on a consolidation basis, which are included in "Investments accounted for using the equity method" is \(\frac{4}{1,154,179}\) million in the condensed interim consolidated statement of financial position as of March 31, 2022.
- 2. These are primarily financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares. For the nine-month period ended December 31, 2022, the balance of liabilities decreased significantly due to the physical settlement of a part of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

(2) Transactions for sale of Alibaba shares by prepaid forward contracts

Wholly-owned subsidiaries of the Company entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by the subsidiaries.

In the prepaid forward contracts, the number of Alibaba shares settled by the prepaid forward contracts is fixed regardless of changes in market share price in the future in a forward contract or determined by reference to market price of the shares at the valuation dates prior to the settlement date. The latter type of contracts include Floor contract that a floor is set for the price of shares settled and Collar contract that a cap



and a floor are set for the price of shares settled. A part of wholly-owned subsidiaries of the Company entering into prepaid forward contracts with financial institutions to procure funds using Alibaba shares ("Entities for fund procurement by using Alibaba shares"), in addition to the prepaid forward contracts, enter into the call spread (combination of long position of call option and short position of call option with different strike prices) contracts in preparation for Alibaba shares price rise.

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. The Company accounts for the contracts by bifurcating the main contracts and embedded derivatives, and the main contracts are recognized as financial liabilities relating to sale of shares by prepaid forward contracts then measured at amortized cost while the embedded derivatives are measured at fair value. Also, the call spread contracts are measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts, a tax effect is recognized. The ending balance of the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts are described in "Note 6. Financial instruments."

Entities for fund procurement by using Alibaba shares have the option to settle all of the prepaid forward contracts by delivering cash, Alibaba shares, or a combination of cash and Alibaba shares. If Entities for fund procurement by using Alibaba shares elect cash settlement, Entities for fund procurement by using Alibaba shares will pay the cash equivalent to the fair value of the number of shares subject to the settlement, as determined by reference to the market price of the shares.

Alibaba shares held by Entities for fund procurement by using Alibaba shares are pledged as collateral in accordance with all of the prepaid forward contracts, and except for a certain contract, the Company granted the right of use to the financial institutions with respect to such shares. However, the collateral can be released by cash settlement at the discretion of Entities for fund procurement by using Alibaba shares.

Entities for fund procurement by using Alibaba shares procured \$1,353,700 million (\$10.5 billion) in total by entering into forward contracts for the three-month period ended June 30, 2022, \$1,089,793 million (\$7.9 billion) in total by entering into forward contracts for the three-month period ended September 30, 2022, and \$857,246 million (\$6.1 billion) in total by entering into forward contracts for the three-month period ended December 31, 2022.

In contrast, for the three-month period ended September 30, 2022, a part of prepaid forward contracts was settled by Alibaba shares from August to September 2022 based on the board resolution in August 2022 ("Physical settlement under the board resolution in August 2022"), and most of them were early termination. As a result of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba via voting rights and Alibaba ceased to be an equity method associate of the Company. The details are described in "Notes 1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 9. Gain on investments." Consequently, ¥891,249 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥2,930,540 million of financial liabilities relating to sale of shares by prepaid forward contracts, ¥304,895 million of "Derivative financial assets (current)," ¥478,934 million of "Derivative financial assets (non-current)," ¥13,376 million of "Derivative financial liabilities (non-current)," and ¥2,609,895 million of Alibaba shares included in "Investments accounted for using the equity method" or "Investment securities," which was recognized as a result of the remeasurement, were derecognized from the condensed interim consolidated statement of financial position as of the settlement date.



Also, before aforementioned settlement based on the board resolution in August 2022, for the three-month period ended June 30, 2022 and the three-month period ended September 30, 2022, the settlement date of certain prepaid forward contracts arrived and they were settled by Alibaba shares. As a result, ¥741,568 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥480,155 million of "Derivative financial assets (current)," and ¥152,653 million of Alibaba shares included in "Investments accounted for using the equity method" were derecognized from the condensed interim consolidated statement of financial position as of the settlement date, and ¥132,157 million of "Gain on investments at Investment Business of Holding Companies" was recorded in the condensed interim consolidated statement of profit or loss.

Furthermore, for the three-month period ended December 31, 2022, the settlement date of certain prepaid forward contracts arrived and they were settled by Alibaba shares. As a result, ¥974,790 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥610,321 million of "Derivative financial assets (current)," and ¥364,469 million of Alibaba shares included in "Investment securities" were derecognized from the condensed interim consolidated statement of financial position as of the settlement date.

As of December 31, 2022, the Company set \(\frac{\text{\frac{4}}}{2,110,265}\) million of Alibaba shares, which is recognized as "Investment securities" in the condensed interim consolidated statement of financial position, as collateral for \(\frac{\text{\frac{4}}}{192,208}\) million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and \(\frac{\text{\frac{4}}}{2,222,979}\) million of financial liabilities relating to sale of shares by prepaid forward contracts.



(3) Components of proceeds and repayment in short-term interest-bearing debt, net

The components of "(Repayment) proceeds in short-term interest-bearing debt, net" in the condensed interim consolidated statement of cash flows are as follows:

(Millions of yen)

| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
|--|--|--|
| Net (decrease) increase in short-term borrowings | (1,008,687) | 68,657 |
| Net increase (decrease) in commercial paper | 95,400 | (53,300) |
| Total | (913,287) | 15,357 |

(4) Components of proceeds from interest-bearing debt

The components of "Proceeds from interest-bearing debt" in the condensed interim consolidated statement of cash flows are as follows:

(Millions of yen)

| Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
|--|--|
| 5,859,639 | 2,679,259 |
| 2,000,245 | 445,000 |
| 1,593,251 | 3,361,608 |
| 9,453,135 | 6,485,867 |
| | 5,859,639 2,000,245 1,593,251 |

Note:

(5) Components of repayment of interest-bearing debt

The components of "Repayment of interest-bearing debt" in the condensed interim consolidated statement of cash flows are as follows:

(Millions of yen)

| | December 31, 2021 | December 31, 2022 |
|--|-------------------|-------------------|
| Repayment of borrowings | (5,219,906) | (4,328,611) |
| Redemption of corporate bonds | (842,217) | (743,901) |
| Repayment for settlement of prepaid forward contracts using shares | (319,487) | (2,427) |
| Total | (6,381,610) | (5,074,939) |

^{*} The amount was primarily procured under the prepaid forward contracts using Alibaba shares. The details of prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."



6. Financial instruments

The details of derivative contracts are mainly as follows:

(Millions of yen)

| _ | As of March 31, 2022 Carrying amount (fair value) | | As of December 31, 2022 Carrying amount (fair value) | |
|--|--|-------------|---|-------------|
| | | | | |
| | Assets | Liabilities | Assets | Liabilities |
| Prepaid forward contracts using Alibaba shares (Option contracts)*1 | 1,379,801 | - | 458,664 | - |
| Call spread contracts relating to prepaid forward contracts using Alibaba shares*1 | 2,302 | - | 835 | - |
| Prepaid forward contracts using Alibaba shares (Forward contracts)*1 | 190,334 | (67,672) | 39,030 | (291,297) |
| Contingent consideration relating to acquisition of T-Mobile shares*2 | 591,429 | - | 786,459 | - |
| Short call option for T-Mobile shares to Deutsche Telekom*3 | - | (103,754) | - | (53,869) |

A - - C

Notes:

- 1. The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 5. Interest-bearing debt."
- 2. Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. on April 1, 2020 and the Company has the right to acquire 48,751,557 shares of T-Mobile for no additional consideration if certain conditions are met. In addition, "T-Mobile" indicates T-Mobile US, Inc. after merging with Sprint.
- 3. The decrease was primarily due to the partial exercise of the call options by Deutsche Telekom AG ("Deutsche Telekom"). The details are described in "Notes 3" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 9. Gain on investments."



7. Foreign currency exchange rates

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

(1) Rate at the end of the period

USD 122.39 (Yen)

As of As of December 31, 2022

USD 122.39 132.70

CNY* 19.26 -

(2) Average rate for the quarter

For the nine-month period ended December 31, 2021

(Yen)

| | Three-month period ended June 30, 2021 | Three-month period ended September 30, 2021 | Three-month period ended December 31, 2021 |
|-----|--|---|--|
| USD | 110.00 | 110.47 | 113.60 |
| CNY | 17.01 | 17.09 | 17.75 |

For the nine-month period ended December 31, 2022

(Yen)

| | Three-month period ended June 30, 2022 | Three-month period ended September 30, 2022 | Three-month period ended December 31, 2022 |
|------|---|---|--|
| USD | 129.04 | 138.68 | 141.16 |
| CNY* | 19.60 | 20.19 | - |

Note:

^{*} For the three-month period ended September 30, 2022, Alibaba ceased to be an equity method associate of the Company. As a result, exchange rates of Chinese yuan are not presented from the three-month period ended December 31, 2022 since it is no longer considered as a major currency used for translating financial statements of foreign operations.



8. Equity

(1) Other equity instruments

On July 19, 2017, the Company issued \$2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and \$1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resettable Notes (collectively, the "Hybrid Notes").

The Hybrid Notes are classified as equity instruments in accordance with IFRSs because the Company has the option to defer interest payments, the notes have no maturity date, and the Company has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

In addition, on October 12, 2022, the Company purchased a portion of the above USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (the face value of \$0.75 billion) and retired them on the same date. The amount of ¥21,776 million reduced from "Retained earnings" as "Redemption and cancellation of other equity instruments" in the condensed interim consolidated statement of changes in equity is the difference between the issue amount and the purchase amount, including foreign exchange effects.

(2) Treasury stock

Changes in treasury stock are as follows:

(Thousands of shares)

| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
|--|--|--|
| Balance at the beginning of the period | 351,298 | 76,164 |
| Increase during the period* | 37,931 | 185,702 |
| Decrease during the period | (368,196) | (1,371) |
| Balance at the end of the period | 21,033 | 260,495 |

Note:

(3) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen) As of As of December 31, 2022 March 31, 2022 Equity financial assets at FVTOCI 46,338 46,323 Debt financial assets at FVTOCI 298 308 Cash flow hedges 1,696 (55,326)Exchange differences on translating foreign 2,447,826 3,675,393 operations * Total 2,496,158 3,666,698

Note:

^{*} For the nine-month period ended December 31, 2022, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021 and August 8, 2022, the number of treasury stock increased by 185,701 thousand shares (the amount purchased is ¥1,055,426 million).

^{*} The increase was primarily due to a weaker yen against the U.S. dollar compared with the exchange rate as of March 31, 2022.



9. Gain on investments

(1) Gain and loss on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

(Millions of yen) Nine-month period ended Nine-month period ended December 31, 2021 December 31, 2022 Gain relating to settlement of prepaid forward 68,050 4,838,251 contracts using Alibaba shares*1,2 Gain relating to sales of T-Mobile shares*3 3,149 24,842 Realized gain (loss) on investments at asset 68,315 (69,904)management subsidiaries Unrealized loss on valuation of investments at asset (259,186)(62,931)management subsidiaries Derivative gain (loss) on investments at asset (4,996)123,726 management subsidiaries Realized gain (loss) on investments*1,2 82,036 (240,222)(79,733)Unrealized loss on valuation of investments*2 (955,478)Derivative gain (loss) on investments*4 (4,211)155,534 Other 13,810 14,504 Total 15,956 3,699,600

Notes:

1. During the course of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba because the voting power against Alibaba held by the Company decreased to below 20%, and Alibaba ceased to be an equity method associate of the Company. At the same time, Alibaba shares held by the Company as of the date the Company lost significant influence over Alibaba ("remaining Alibaba shares") were remeasured based on the stock price of that day and were included in "Investment securities" in the condensed interim consolidated statement of financial position.

As a result of the Physical settlement under the board resolution in August 2022 and the remeasurement of remaining Alibaba shares, for the three-month period ended September 30, 2022, ¥584,796 million of gain on settlement of prepaid forward contracts using Alibaba shares and ¥3,996,668 million of gain from remeasurement of Alibaba shares were recognized.

In the schedule above, gain on settlement of prepaid forward contracts using Alibaba shares is divided into "Gain relating to settlement of prepaid forward contracts using Alibaba shares" and "Realized gain (loss) on investments," depending on whether a physical settlement is completed before Alibaba ceases to be an equity method associate of the Company or not, and the gain from remeasurement of Alibaba shares is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

Also, before the Physical settlement under the board resolution in August 2022, for the six-month period ended September 30, 2022, certain prepaid forward contracts using Alibaba shares were settled by Alibaba shares and ¥132,157 million of gain on settlement of prepaid forward contracts using Alibaba shares was recognized. The gain is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

2. "Gain relating to settlement of prepaid forward contracts using Alibaba shares" is composed of (1) gain on settlement of prepaid forward contracts using Alibaba shares which a settlement is completed before Alibaba ceases to be an equity method associate of the Company and (2) the effect of the remeasurement of remaining Alibaba shares recorded as of the date when Alibaba ceases to be an equity method associate of the Company. Effects of stock price changes after Alibaba ceases to be an equity method associate of the Company are included in "Realized gain (loss) on investments" or "Unrealized gain (loss) on



valuation of investments" rather than "Gain relating to settlement of prepaid forward contracts using Alibaba shares." For the nine-month period ended December 31, 2022, ¥210,919 million of realized loss on investments and ¥948,029 million of unrealized loss on valuation of investments were recognized related to the remaining Alibaba shares.

3. On April 12, 2022, Deutsche Telekom exercised options to purchase T-Mobile shares granted by the Company to Deutsche Telekom and the Company sold 21,153,145 of T-Mobile shares held by a wholly-owned subsidiary of the Company to Deutsche Telekom. In connection with the exercise, the wholly-owned subsidiary of the Company received \$2.40 billion as consideration for the sale of T-Mobile shares. As a result, \(\frac{x}{2}4,842\) million of gain relating to sales of T-Mobile shares was recorded for the nine-month period ended December 31, 2022.

Cumulative gains on T-Mobile shares and the options associated with the transaction are \(\frac{\pmathbf{22}}{22},528\) million. Of this, \(\frac{\pmathbf{4}}{6},012\) million of loss was recorded for the fiscal year ended March 31, 2021, and \(\frac{\pmathbf{3}}{3},698\) million of gain was recorded for the fiscal year ended March 31, 2022.

- 4. For the nine-month period ended December 31, 2022, ¥147,567 million of derivative gain on investments was recorded due to changes in the fair value of contingent consideration related to the acquisition of T-Mobile shares through the merger transaction with Sprint and T-Mobile US, Inc. The details of contingent consideration are described in "Notes 2" under "Note 6. Financial instruments."
- (2) Gain and loss on investments at SoftBank Vision Funds

The details of gain and loss on investments at SoftBank Vision Funds are described in "(1) Income and loss arising from the SoftBank Vision Funds business" under "Note 4. SoftBank Vision Funds business."

10. Finance cost

The components of finance cost are as follows:

(Millions of yen)

| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
|--------------------|--|--|
| Interest expenses* | (282,764) | (433,508) |

Note:

^{*} For the nine-month period ended December 31, 2022, the increase was mainly due to the full amortization of the unamortized cost associated with the financial liabilities related to the early settlement of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 5. Interest-bearing debt."



11. Derivative gain (excluding gain (loss) on investments)

For the nine-month period ended December 31, 2022, derivative gain of \(\frac{\text{\$}}{5}49,134\) million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 5. Interest-bearing debt." The above gain includes \(\frac{\text{\$}}{7}90,145\) million of derivative gain recorded for the three-month period ended September 30, 2022 regarding the prepaid forward contracts using Alibaba shares subject to the Physical settlement under the board resolution in August 2022. The details of the physical settlement are described in "Notes 1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 9. Gain on investments."

12. Other gain (loss)

The components of other gain and loss are as follows:

| | | (Millions of yen) |
|---|--|--|
| | Nine-month period ended December 31, 2021 | Nine-month period ended December 31, 2022 |
| Interest income | 27,094 | 54,522 |
| Dilution gain from changes in equity interest*1 | 55,859 | 84,678 |
| Gain on redemption of corporate bonds*2 | - | 43,595 |
| Gain relating to loss of control over subsidiaries | 115,835 | 22,880 |
| Provision for allowance for doubtful accounts*3 | (1,630) | (134,581) |
| Provision for allowance for financial guarantee contract losses*4 | - | (103,593) |
| Impairment loss on equity method investments *5,6 | (25,936) | (59,299) |
| Provision for allowance for loan commitment losses*7 | - | (35,445) |
| Provision for loss relating to litigation*8 | - | (18,853) |
| Reversal of impairment loss on equity method investments | 39,993 | - |
| Other | 29,165 | 25,954 |
| Total | 240,380 | (120,142) |
| | · · · · · · · · · · · · · · · · · · · | |

Notes:

- 1. Primarily, the amount is related to the dilution gain arising from changes in Alibaba's equity interest held by the Company, due to the exercise of stock options in Alibaba, before Alibaba ceased to be an equity method associate.
- 2. The amount is related to foreign-currency-denominated notes purchased by SoftBank Group Corp.
- 3. For the nine-month period ended December 31, 2022, ¥111,569 million of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork was recorded as the expected credit losses were higher than the amount recorded as of March 31, 2022 due to an increase in the credit spread for WeWork's unsecured notes distributed in the market.
- 4. ¥103,593 million of provision for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded as expected credit losses were higher than the amount recorded as of March 31, 2022 due to an increase in the credit spread for WeWork's unsecured notes distributed in the market. Previously,



SoftBank Group Corp. provided the credit support for the \$1.60 billion credit facility for WeWork provided by financial institutions. Since December 2022, total amount of the credit facility for WeWork provided by financial institutions has been changed from \$1.60 billion to \$1.457 billion and SVF2 has provided credit support for the \$1.107 billion out of the \$1.457 billion credit facility for WeWork provided by financial institutions. SoftBank Group Corp. continues to provide the credit support for the remaining \$0.35 billion credit facility.

- 5. For the nine-month period ended December 31, 2022, ¥31,304 million of impairment loss was recorded as the carrying amount of equity method investments in DEMAE-CAN CO., LTD. was reduced to the recoverable amount.
- 6. For the nine-month period ended December 31, 2022, primarily, ¥20,968 million of impairment loss was recorded as the fair value of WeWork shares accounted for using the equity method decreased.
- 7. ¥35,445 million of provision for allowance for loan commitment losses related to acquiring senior secured notes to be issued by WeWork was recorded. In November 2022, SVF2 became a party to the loan commitment contract related to acquiring the notes instead of the Company's wholly owned subsidiary other than SVF, effective from December 2022.
- 8. The amount was recorded based on the ruling of the Tokyo District Court delivered on September 9, 2022, related to litigation in which SoftBank Corp. was involved as a party, associated with a project to migrate the communications network connecting 27,000 sites (postal offices, etc.) countrywide to a new network, the 5th PNET. In addition, the case was appealed to the Tokyo High Court on September 22, 2022.



13. Supplemental information to the condensed interim consolidated statement of cash flows

(1) Income taxes paid and income taxes refunded

For the nine-month period ended December 31, 2022

Payment of withholding income tax related to dividends within the group companies of \pmu82,041 million is included in "Income taxes paid." In addition, refunded withholding income tax related to dividends within the group companies of \pmu92,895 million is included in "Income taxes refunded."

(2) Proceeds from sales/redemption of investments

For the nine-month period ended December 31, 2022

Proceeds of ¥309,696 million received from sales of T-Mobile shares are included in "Proceeds from sales/redemption of investments."

(3) Proceeds from withdrawal of trust accounts in SPACs

For the nine-month period ended December 31, 2022

"Proceeds from withdrawal of trust accounts in SPACs" is proceeds from withdrawal of proceeds, received from investors other than the Company as a sponsor ("Public Market Investors") and held in trust accounts, in a Special Purpose Acquisition Company ("SPAC") sponsored by the Company. The proceeds were withdrawn for redemption to the Public Market Investors when the SPACs ceased all operations.

(4) Redemption of non-controlling interests subject to possible redemption

For the nine-month period ended December 31, 2022

"Redemption of non-controlling interests subject to possible redemption" is repayment of all the proceeds to the Public Market Investors of the SPACs. The repayment was required because the SPACs sponsored by the Company were unable to complete a merger within 24 months from the date of the initial public offering and ceased all operations.

(5) Significant non-cash transactions

For the nine-month period ended December 31, 2022

Based on the board resolution in August 2022 or the settlement date of a part of prepaid forward contracts arrived, \(\pm\)5,538,147 million of financial liabilities relating to sale of shares by prepaid forward contracts, \(\pm\)1,874,305 million of derivative financial assets, and \(\pm\)13,376 million of derivative financial liabilities, were settled by Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 5. Interest-bearing debt."



14. Related party transactions regarding a co-investment program with restricted rights to receive distributions

MgmtCo, which is the investor in SVF2 LLC (a subsidiary of the Company under SVF2) and the investor in SLA LLC (a subsidiary of the Company under the LatAm Funds), is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds has been introduced from the three-month period ended September 30, 2021 for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and LatAm Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and LatAm Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 and LatAm Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and LatAm Funds, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company's Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo's Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company's investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.



Related party transactions of the Company are as follows:

(1) Transactions between SVF2 and related parties

| | | | | (Millions of yen) |
|---|---|---|---|---|
| Name of the company or individual | Nature of relationship | Nature of transaction | For the nine-month period ended December 31, 2022 | As of December 31, 2022 |
| | | | Amount of transaction | Balance at period end |
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SVF2 LLC and related adjustments *1,2 | - | 379,778 ^{*3,4} (\$2,862 million) |
| | | The premium received on SVF2 LLC's receivables | 8,474 ^{*3} (\$62 million) | |
| | | MgmtCo's Equity interests in SVF2 LLC*5,6 | - | - |
| | | Net balance at period end (Receivables in SVF2 LLC MgmtCo's Equity interest | | 379,778 (\$2,862 million) |

Notes:

1. Restrictions on rights to receive distributions to MgmtCo

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair 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 are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. 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.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments Balance at period end is the balance of SVF2 LLC's receivables consist of the balance related to receipt of capital contribution, related adjustments and premiums received from MgmtCo, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo.

The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in SVF2 LLC at the inception of the program, which consists of the amount calculated based on MgmtCo's



Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of December 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

5. MgmtCo's Equity interest in SVF2 LLC

The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position.

6. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SVF2 LLC less MgmtCo's Equity interest in SVF2 LLC.



(2) Transactions between LatAm Funds and related parties

| | | | | (Millions of yen) |
|---|--|---|---|-------------------------------|
| | Nature of relationship | Nature of transaction | For the nine-month period ended December 31, 2022 | As of December 31, 2022 |
| | | | Amount of transaction | Balance at period end |
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and | Receipt of capital contribution in SLA LLC and related adjustments *1,2 | - | 89,405*3,4 (\$674 million) |
| | related entities of which he holds more than one- half of the voting rights | The premium received on SLA LLC's receivables | 2,001*3 (\$15 million) | - |
| | | MgmtCo's Equity interests in SLA LLC*5,6 | - | 43,823 (\$330 million) |
| | Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*7 | | 45,582 (\$344 million) | |

Notes:

1. Restrictions on rights to receive distributions to MgmtCo

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA 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.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received.

The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in SLA LLC at the inception of the program, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's



contribution to LatAm Funds until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SLA LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amounts from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC's receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of December 31, 2022, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

5. MgmtCo's Equity interest in SLA LLC

The amount represents SLA LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position.

6. Management fee, performance-linked management fees and performance fees to be charged to MgmtCo

The terms of the management fee, performance-linked management fees and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SLA LLC less MgmtCo's Equity interest in SLA LLC.



15. Significant subsequent events

(Retirement of treasury stock)

SoftBank Group Corp., at the Board of Directors meeting held on January 27, 2023, resolved the retirement of treasury stock pursuant to Article 178 of the Companies Act of Japan.

(1) Reason of the retirement To increase shareholder profit by decreasing the total number of shares

issued

(2) Method of the retirement Reduction from retained earnings

(3) Class of shares to be retired Common stock of SoftBank Group Corp.

(4) Number of shares to be 252,958,500 shares

retired (14.68% of the total number of shares issued prior to the retirement)

(5) Planned retirement date By March 31, 2023

(6) Number of shares issued after

the retirement

1,469,995,230 shares