SoftBank ARM Group Strategic Agreement

July 18th, 2016 Masayoshi Son Chairman & CEO SoftBank Group Corp.



Transaction Summary





Deal Summary

Acquire 100% of ARM

Value: £24.3bn (¥3.3tr, \$31.4bn)*

*£1 = ¥136.38 (Reflecting FX transaction), US\$1 = ¥105.64



Total Acquisition Price



100% Cash



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

£24.0bn (¥3.3tr, \$31.0bn)

> £7.3bn (¥1.0tr, \$9.5bn)

Loan

£16.7bn (¥2.3tr, \$21.5bn)

Cash on Hand

Acquisition Financing





Key Transaction Terms

Price per share₁: 1,700 pence

Unanimous Board support; support of ARM Management

SoftBank certain funds have been confirmed

Scheme of Arrangement transaction structure 2

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

3

2. In order to become effective, the scheme of arrangement must be approved by a majority in number, representing at least 75 per cent. in nominal value, of the relevant shares held by the shareholders present and voting in person or by proxy at the ARM shareholders meeting to be convened by the English court.



Announcement (18th July)

Scheme document posted

Timeline

Court and shareholder meeting

Present petition for sanction of scheme

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Scheme becomes effective





Transaction Rationale

Market Leader	ARM has unio
Growth Potential	Big markets:
SoftBank Fit	Investment in
ARM's Future	As private co

que, foundational technology

Mobile, Enterprise, IoT

powerful secular trends

mpany, invest strategically for long term





SoftBank Stakeholder Impact

1 NO SoftBank equity financing used for transaction

2 NO change in Softbank dividend policy

3

Maintain flexibility with continued focus on net debt reduction





SoftBank's Origin











PC (Distribution)

PC Internet

SoftBank led the Information Revolution

Technology Paradigm Shift



PC Broadband

Mobile Internet



The Next Paradigm Shift



Mobile Internet



loT (Internet of Things)





Key Driver of IoT era

















Total Revenue





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





Profit After Tax

USD



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







ARM Technology

processor and multimedia IP to software





Advanced consumer products are incorporating more and more ARM technology – from



ARM's Opportunity in Automotive







Security is essential for IoT Devices





Delivering more value per chip

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

















Markets for ARM: 2015 and 2020

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

* Includes smartphones, tablets, laptops.

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



Source: Gartner, WSTS and ARM estimates

- +7% +5% +4%
- +5% +4%
- **⊦34%** +5% **⊦|5%**
- +53% +8% +9%





ARM's main growth markets

Mobile Computing



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

Enterprise Infrastructure



- Networks evolve to cope with increased data at lower latency: virtualisation, integration and programmability
- Most major chip vendors have announced ARM-based products



15%

Networking Infrastructure Share in 2015

Base stations, routers, switches, and servers for cloud and data centres





ARM investing for the long term

Mobile Computing



Investing to generate more value per device

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

Enterprise Infrastructure



Investing to accelerate market share gains

- New software ecosystems
- Supporting deployments







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



ARM's expanding opportunity

Mobile Application Processors

Includes smartphones, tablets and ARM addressable laptops

Networking Infrastructure

Servers

Embedded Intelligence

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

* 2015ARM Market Share by Volume

30%

85%

15%

< |%

† Total Available Market (TAM)







ARM's expanding opportunity

Automotive

Includes Automotive Infotainment

Other Mobile Chips

Modems, WiFi/BT, GPS, NFC, sensor hubs, image sensors, eMMC, etc...

Consumer Electronics

Includes Desktop PCs, DTVs and STBs

Chips into **Other Markets**

	10%
	35%
	40%
1	
	30%

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









ARM Connected Community – 1,300+ Partners

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We Will Support and Accelerate Existing Strategy

Shared Vision

Global Relationships

Maintain Neutrality

Investment in Innovation





We will drive the next paradigm shift







ARM the mobile industry standard

Significant growth potential beyond mobile

ARM is a key driver of loT

Summary



Information Revolution - Happiness for everyone

SoftBank Group



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