

**Earnings Results
for the Six-month Period
Ended September 30, 2020**

Investor Briefing

November 11, 2020

SoftBank Group Corp.



Disclaimers

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

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

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

Regarding Trademarks

Names of companies, products and services that appear in this presentation are trademarks or registered trademarks of their respective companies.

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

SBG encourages anyone interested in buying or selling its common stock to do so on the Tokyo Stock Exchange, which is where its common stock is listed and primarily trades. SBG’s disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depository Receipts (“ADRs”).

SBG has not and does not participate in, support, encourage, or otherwise consent to the creation of any un-sponsored ADR programs or the issuance or trading of any ADRs issued thereunder in respect of its common stock. SBG does not represent to any ADR holder, bank or depository institution, nor should any such person or entity form the belief, that (i) SBG has any reporting obligations within the meaning of the U.S. Securities Exchange Act of 1934 (“Exchange Act”) or (ii) SBG’s website will contain on an ongoing basis all information necessary for SBG to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder.

To the maximum extent permitted by applicable law, SBG and the Group disclaim any responsibility or liability to ADR holders, banks, depository institutions, or any other entities or individuals in connection with any un-sponsored ADRs representing its common stock.

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

Notice regarding Fund Information contained in this Presentation

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

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

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

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

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

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

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

SBIA manages separate and independent operations and processes from those of SBG and any SB Funds managed by SBIA, including the Vision Fund I and the Vision Fund II, are solely managed by SBIA.

Exchange rates used for translation

Average during quarter	FY2019				FY2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	110.00	107.70	108.98	109.22	107.74	105.88		
1 CNY	16.13	15.37	15.46	15.56	15.16	15.27		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				108.83		105.80		
1 CNY				15.31		15.54		

Abbreviations

Abbreviations used in this presentation are as follows:

Abbreviations	Definition (Each of the following abbreviations indicates the respective company and its subsidiaries, if any)
SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
SBKK	SoftBank Corp.
SB Northstar	SB Northstar LP
SBGC	SoftBank Group Capital Limited
SVF1 or SoftBank Vision Fund 1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2 or SoftBank Vision Fund 2	SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles
SBIA	SB Investment Advisers (UK) Limited
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc. after merging with Sprint
Arm	Arm Limited
Alibaba	Alibaba Group Holding Limited
WeWork	The We Company

Accounting

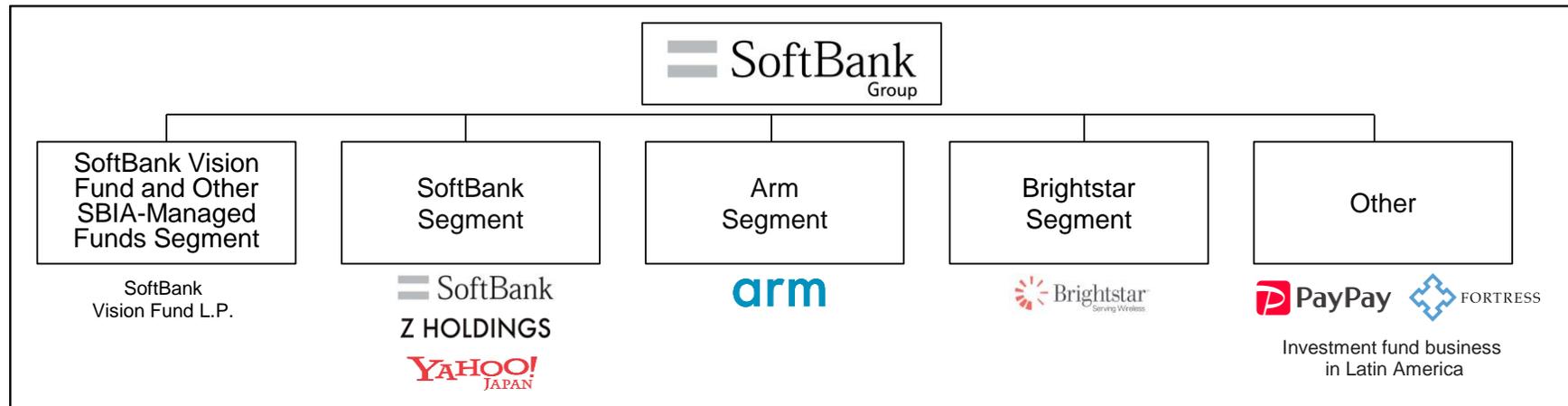
Consolidated Results

(JPY bn)	FY19 Q1-Q2	FY20 Q1-Q2	Change	YoY
Net sales	2,539.7	2,630.5	90.8	3.6%
Income before income tax	1,172.7	1,441.5	268.8	22.9%
Net income (attributable to owners of the parent)	421.6	1,883.2	1,461.6	346.7%
(Reference)				
Total gain on investments	216.0	2,033.3	1,817.3	841.5%

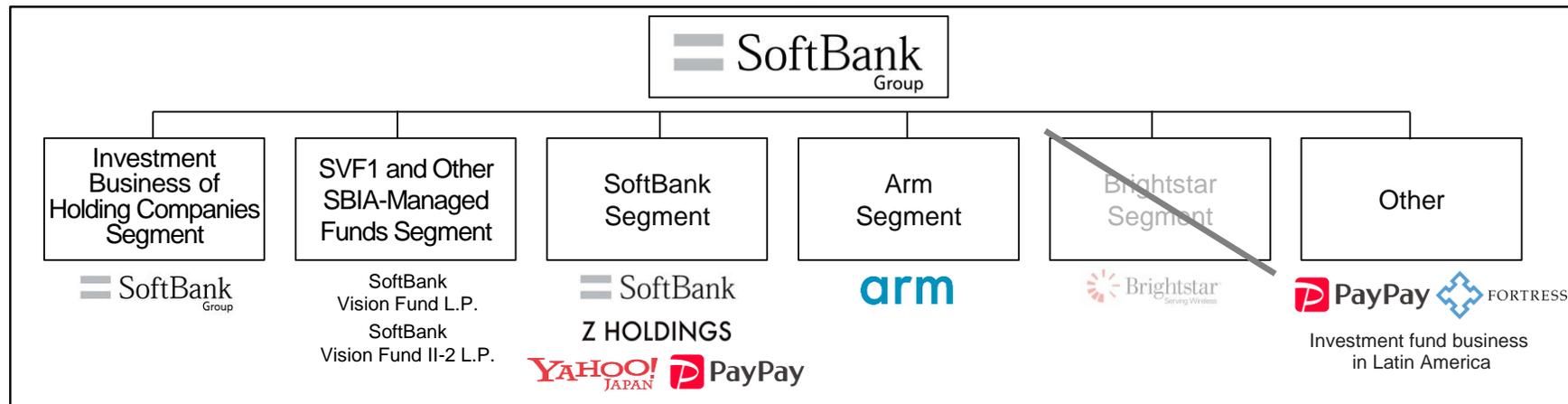
Change in Reportable Segments

- In Q1, “**Investment Business of Holding Companies**” was newly established. Segment income was revised to “income before income tax.”
- In Q2, “**Brightstar segment**” was removed. Changed the name from “SoftBank Vision Fund and Other SBIA-Managed Funds” to “**SVF1 and Other SBIA-Managed Funds**.”

FY19



FY20



Sale of All Shares in Arm – Overview

- In Sep 2020, the Company agreed to sell all of Arm shares to NVIDIA.
- As the Company expects to receive approx. 6.7-8.1% of NVIDIA shares, further upside can be enjoyed as the largest shareholder when the share price goes higher.

(USD bn)

Transaction value		Details	Time of receipt
12.0	2.0	Cash of 1.25: SBGC received as a deposit for part of the consideration in the transaction.	FY20Q2 (received on Sep 13, 2020)
		Cash of 0.75: Arm received as consideration for a license agreement.	
	10.0	Cash: SBGC and SVF1 to receive	On closing
21.5 ±α	44.37 mil of NVIDIA shares: SBGC and SVF1 to receive	Number of shares to be received by the Company were determined based on the share price of NVIDIA: USD 484.60 / share. (Reference): Closing price as of Nov 9 USD 545.23 / share	
Up to 5.0 ±α ^{*1}	Up to 10.32 mil of NVIDIA shares or cash: SBGC and SVF1 to receive Earn-out subject to satisfaction of certain financial performance targets for each of revenue and EBITDA ^{*2} of Arm in FY21.		
Total 38.5 ±α		Consideration for the Company	
	1.5	NVIDIA share compensation for Arm employees	On closing
Total 40.0 ±α			

- ✓ The consideration for the Company will be allocated to SBGC and SVF1 in accordance with their respective ownership ratios of Arm shares (75.01% to SBGC and 24.99% to SVF1).
- ✓ The proceeds received by SVF1 will be further distributed to SVF1's limited partners, including the Company, based on a designated waterfall.

*1 If elected to receive it in shares
 *2 Subject to certain adjustment and amounts and excludes amounts attributable to the ISG business

Sale of All Shares in Arm – Accounting

- Arm will continue to be classified under continuing operations (until the closing of the transaction is deemed highly probable, such as obtaining regulatory approvals).
- On closing, Arm will cease to be a subsidiary of the Company: expected to take approx. 18 months to close following the execution of the Purchase Agreement.

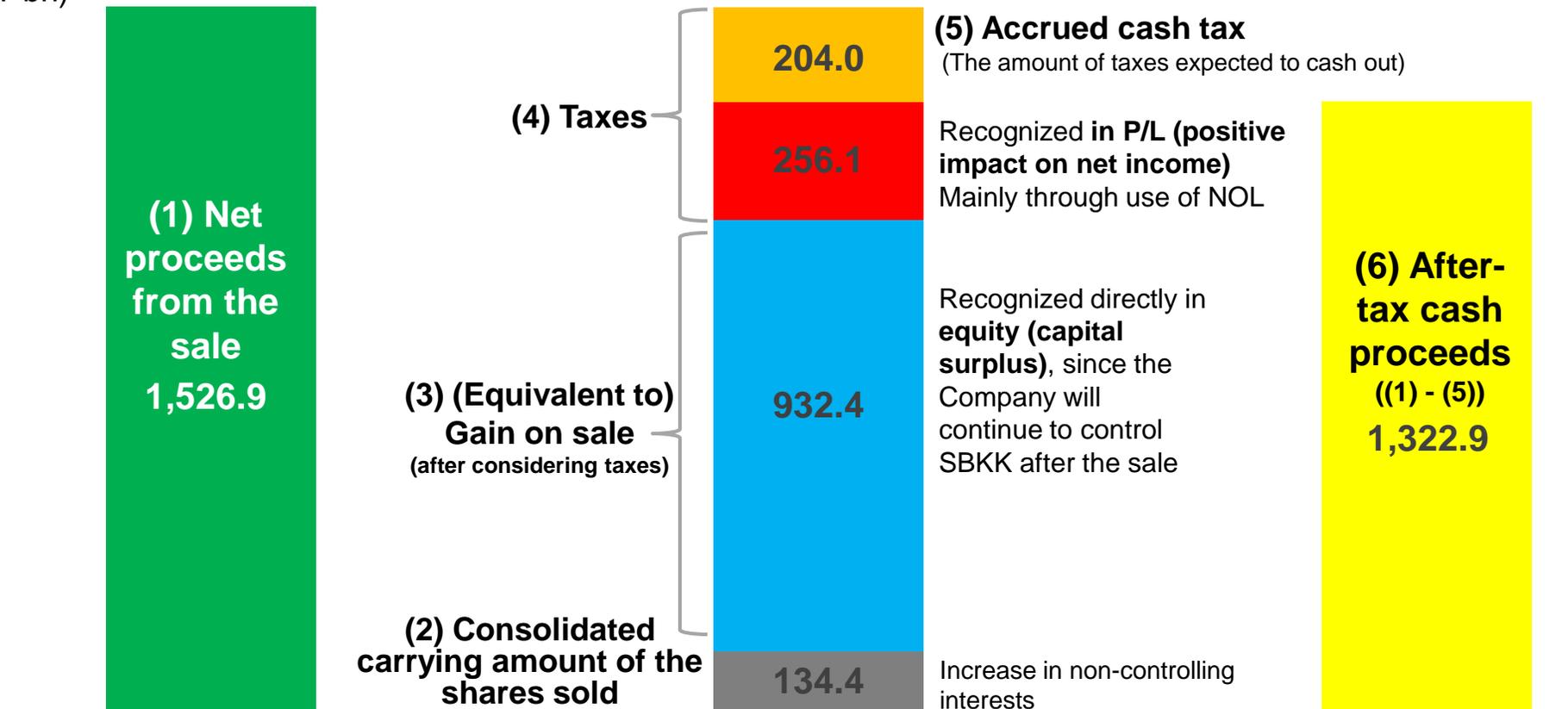


	The Company's consolidated		SVF1 and Other SBIA-Managed Funds segment
Continuing operations (until the closing of the transaction is deemed highly probable)	Recording 100% of Arm's financial results	Impairment tests on goodwill	Recording changes in valuation of Arm shares of 24.99% held by SVF1 under "gain (loss) on investments" : the amount is eliminated in the Company's consolidated P/L as Arm is a subsidiary of the Company. (Reference) The above changes in valuation is recorded under "Change in third-party interests in SVF1" in P/L based on a designated waterfall.
Discontinued operations		To be measured at fair value or carrying amount, whichever is lower when assets and liabilities are classified as disposal group held for sale.	
On closing	The difference between the consideration and carrying amount will be recorded as gain relating to loss of control under "net income from discontinued operations."		
After deconsolidation	NVIDIA shares to be received will be recorded as financial assets at FVTPL, with its changes in fair value will be recognized as net income or loss.		

Accounting Treatment for Partial Sale of SBKK Shares and After-tax Cash Proceeds

- In May and Sep 2020, SBG sold a total of 1.27 bn shares of SBKK held through SBGJ (SoftBank Group Japan Corp.) and received a total of JPY 1.5 tn.
 - ✓ May: 240 mil shares (shareholding ratio: 5.0%) sold for JPY 310.2 bn
 - ✓ Sep: 1,030 mil shares (shareholding ratio: 21.7%) sold for JPY 1,216.7 bn
- **Shareholding ratio after the sales: 40.2%**. SBKK continues to be a subsidiary of the Company.

(JPY bn)

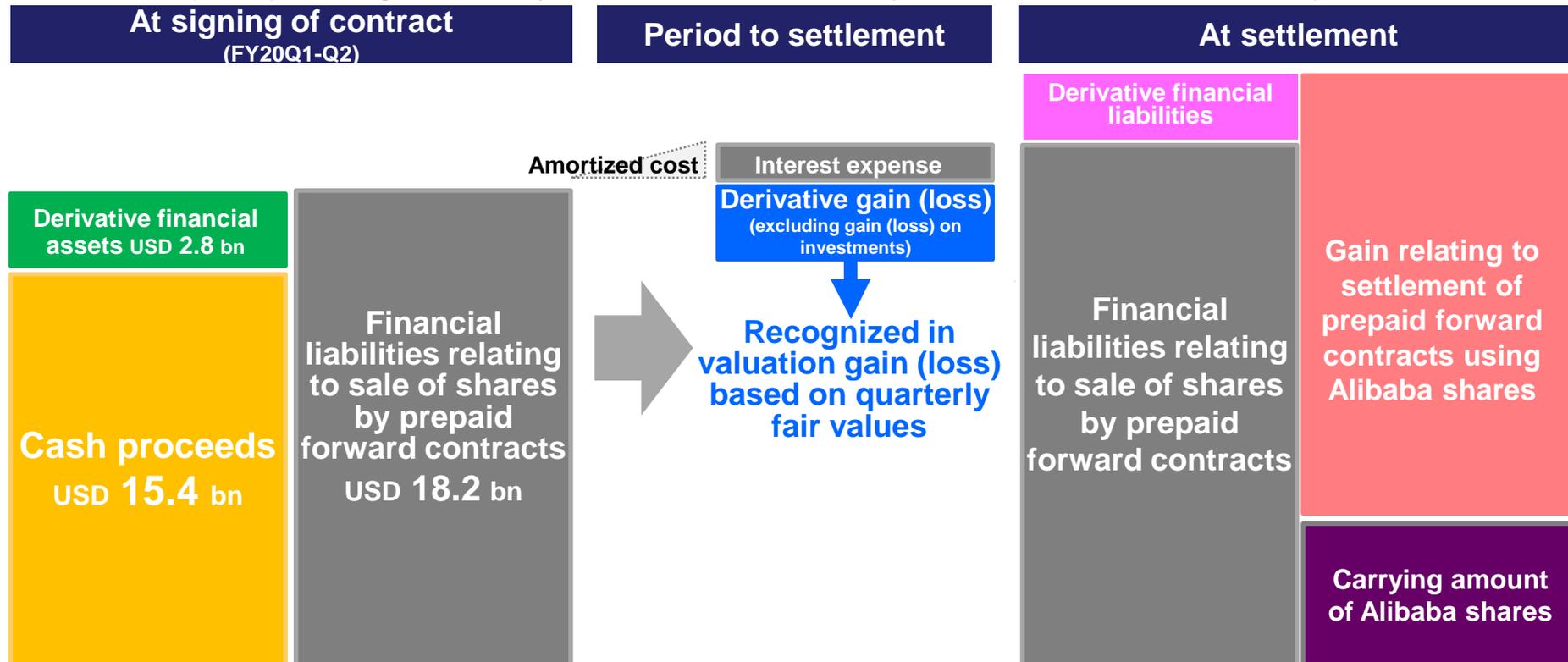


*Figures in the graph are the sum of the sales in May and Sep.

Conclusion of Prepaid Forward Contracts Using Alibaba Shares

- From Apr to Aug 2020, SBG’s wholly owned subsidiaries* entered into several prepaid forward contracts using Alibaba shares and **procured an aggregate amount of USD 15.4 bn.**
- B/S: Financial liabilities relating to sale of shares by prepaid forward contracts of USD 18.2 bn and derivative financial assets of USD 2.8 bn were recorded.
- P/L: Valuation gain (loss) was recorded under “derivative gain (loss) (excluding gain (loss) on investments).”

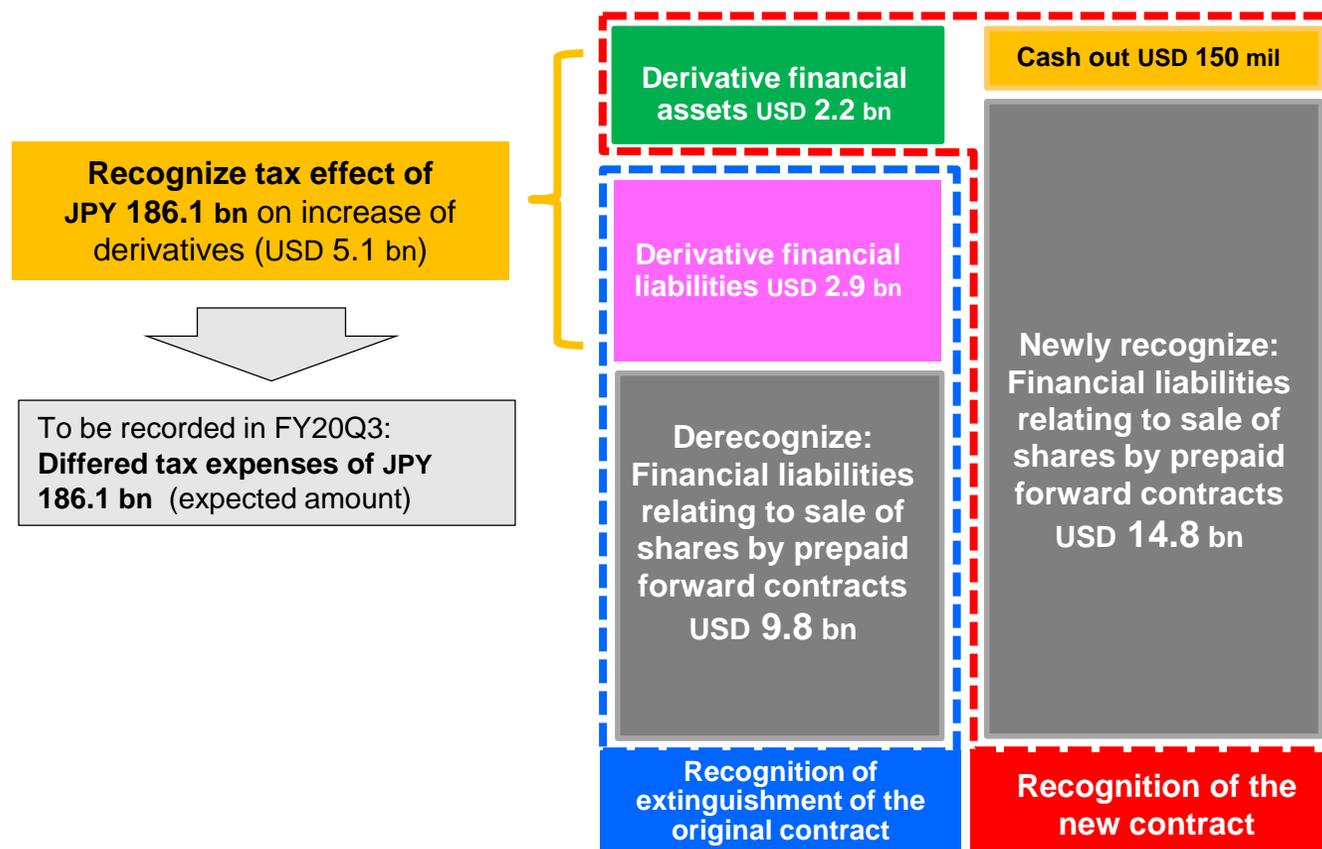
(Reference) Prepaid forward contracts using Alibaba shares
 (conceptual image if settled by shares: based on the share price of Alibaba as of FY20Q2-end.)



*West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited and Tigress 2020 Holdings Limited

(Q3) Amendment of Prepaid Forward Contract Using Alibaba Shares

- **Amended in Oct 2020:** Revised the cap and floor for the price of shares for the contract entered into in Apr 2020.
- The following accounting treatment will be made **in FY20Q3** based on the amendment.
 - ✓ **Derecognize** the financial liabilities relating to sale of shares by prepaid forward contracts (USD 9.8 bn) and derivative financial liabilities (non-current) (USD 2.9 bn).
 - ✓ **Newly recognize** the financial liabilities (USD 14.8 bn) relating to sale of shares by prepaid forwards and derivative financial assets (non-current) (USD 2.2 bn), for the new contract.
 - ✓ **The deferred tax expenses of JPY 186.1 bn are expected to be recorded** as a result of the fluctuation of derivative financial assets and liabilities.



Segment Income - Investment Business of Holding Companies

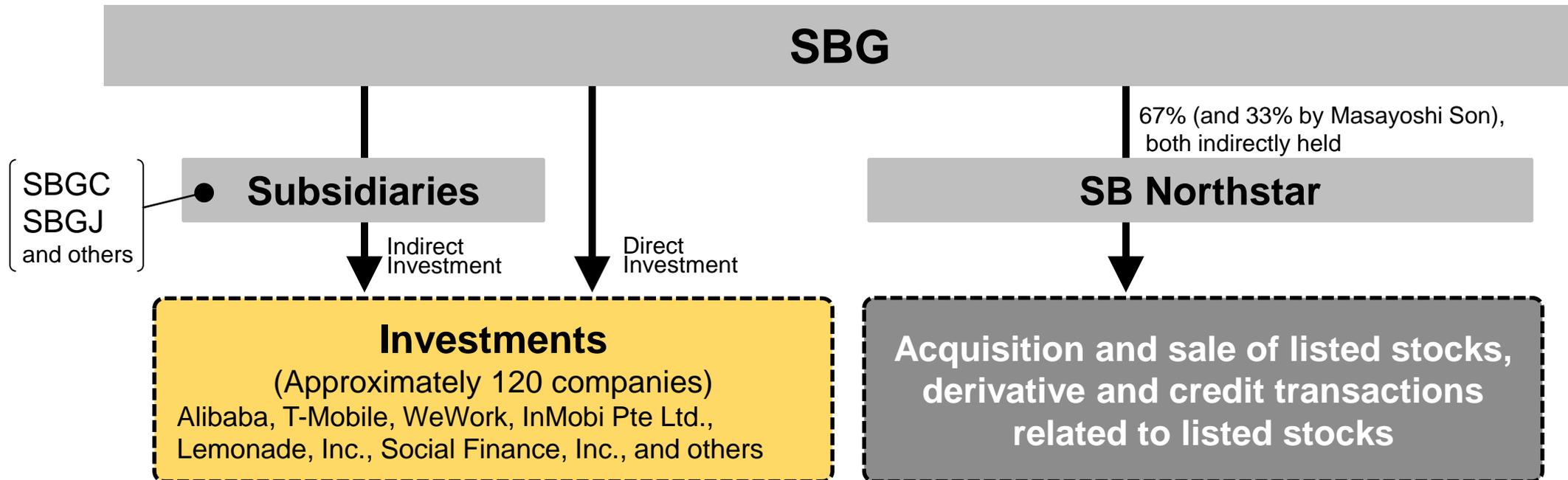
(JPY bn)

P/L	FY19 Q1-Q2	FY20 Q1-Q2	Items
Gain on investments	729.4	579.6	
Gain relating to sales of T-Mobile shares	-	421.8	(1) Gain of 280.3 bn on sales of T-Mobile shares (2) Gain of 296.0 bn on the revaluation of T-Mobile shares continued to be held by the Company (3) Derivative loss of 154.5 bn relating to the call options received by Deutsche Telekom AG (Deutsche Telekom) for T-Mobile shares held by the Company (4) Realized loss on sale of investments of 3.1 bn from the sales of T-Mobile shares in Jul and Aug 2020 and derivative gain of 3.0 bn following the derecognition of derivative liabilities
Gain relating to settlement of prepaid forward contracts using Alibaba shares	1,218.5	-	
Realized loss on sales of investments at asset management subsidiaries	-	-8.1	Realized loss on sales of investments by SB Northstar (investment in listed stock)
Unrealized loss on valuation of investments at asset management subsidiaries	-	-95.1	Unrealized loss on valuation of investments by SB Northstar (investment in listed stock)
Derivative loss on investments at asset management subsidiaries	-	-292.3	Losses related to call options on listed stocks and short stock index futures contracts at SB Northstar
Realized gain on sales of investments	27.2	163.6	FY20Q1-Q2: Realized gain on investments SBG made in listed stocks: 167.2 bn
Unrealized gain (loss) on valuation of Investments	-399.9	234.6	FY20Q1-Q2: •Unrealized gain on T-Mobile shares continued to be held by the Company: 100.1 bn (for the period from June 26 to FY20Q2-end) •Unrealized valuation gain on investments SBG made in listed stocks: 96.6 bn
Derivative gain (loss) on investments	-119.0	151.7	FY20Q1-Q2: Increase of 177.0 bn in the fair value of the right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the merger between Sprint and T-Mobile US, Inc.
Other	2.6	3.5	
Selling, general and administrative expenses	-34.3	-52.9	
Finance cost	-97.2	-108.2	
Income on equity method investments	453.7	194.6	FY20Q1-Q2: Income on equity method investments of Alibaba 167.8 bn (FY19Q1-Q2: Income on 277.2 bn related to acquiring Ant Financial*1 shares by Alibaba)
Derivative gain (loss) (excluding gain (loss) on investments)	7.4	-762.4	FY20Q1-Q2: Derivative loss of 766.4 bn in connection with several prepaid forward contracts using Alibaba shares entered into in Nov 2019 and from Apr to Aug 2020
Other gain (loss)	36.7	174.6	FY20Q1-Q2: Reversal of provisions for allowance of 79.8 bn related to WeWork*2
Segment income (income before income tax)	1,095.8	25.3	

*1 Ant Small and Micro Financial Services Group Co., Ltd. (currently Ant Group Co., Ltd.)

*2 The Company recorded provisions for allowance for financial guarantee contract losses and loan commitment losses of 52.3 bn and 90.2 bn, respectively, in FY19Q4 in connection with credit support by the Company for a letter of credit facility provided to WeWork by financial institutions and purchase by the Company's wholly owned subsidiary of unsecured notes to be issued by WeWork; however, the Company reversed 21.5 bn and 58.4 bn, respectively, mainly due to the improvement in the credit risk of WeWork, in FY20Q1-Q2.

- Main businesses: Investment activities by SBG and its subsidiaries
- Core companies: SBG, SBGC, SBGJ and SB Northstar



- In order to **diversify assets and manage surplus funds**, investments were initially made by SBG directly and later by **the newly established SB Northstar** from Q2.
- SB Northstar is engaged in **acquiring and selling listed stocks and derivative and credit transactions related to listed stocks**.
- Accounts in B/S, P/L and C/F are as follows.

SBG (FY20Q1-)

B/S	Non-current assets Investment securities
P/L	Gain (loss) on investments at Investment Business of Holding Companies <ul style="list-style-type: none"> • Realized gain (loss) on sales of investments • Unrealized gain (loss) on valuation of investments
C/F	C/F from investing activities <ul style="list-style-type: none"> • Payments for acquisition of investments • Proceeds from sale/redemption of investments

SB Northstar (FY20Q2-)

B/S	Current assets <ul style="list-style-type: none"> • Investments from asset management subsidiaries • Derivative financial assets in asset management subsidiaries • Other financial assets (securities pledged as collateral, margin deposits and restricted cash) Current liabilities <ul style="list-style-type: none"> • Derivative financial liabilities in asset management subsidiaries • Other financial liabilities (borrowed securities)
P/L	Gain (loss) on investments at Investment Business of Holding Companies <ul style="list-style-type: none"> • Realized gain (loss) on sales of investments at asset management subsidiaries • Unrealized gain (loss) on valuation of investments at asset management subsidiaries • Derivative gain (loss) on investments at asset management subsidiaries
C/F	C/F from operating activities As SB Northstar's primary business is to frequently trade marketable securities, investments made by the company are recorded in C/F from operating activities.

Main Impact on B/S and P/L (Gain (Loss) on Investments)

(JPY bn)

Investor	Investment type	Account in consolidated B/S	Balance in B/S (minuses indicate liabilities)	Account in consolidated P/L	Gain (loss) recorded in consolidated P/L			
			FY20Q2-end		Q1	Q2	FY20 Q1-Q2	
SBG	Actual stocks	Investment securities	15.0	Realized gain on sales of investments	64.5	102.8	167.2	
				Unrealized gain on valuation of investments	20.9	75.7	96.6	
SB Northstar	Actual stocks	Investments from asset management subsidiaries	1,551.8	Realized loss on sales of investments at asset management subsidiaries	-	-8.1	-8.1	
		Securities pledged as collateral (Other financial assets)	213.3	Unrealized loss on valuation of investments at asset management subsidiaries	-	-95.1	-95.1	
	Credit transaction	Borrowed securities (Other financial liabilities)	-434.6 ^{*1}					
	Derivatives	Long call option of listed stocks	Derivative financial assets in asset management subsidiaries	496.6				
		Short call option of listed stocks	Derivative financial liabilities in asset management subsidiaries	-133.5	Derivative loss on investments at asset management subsidiaries	-	-292.3	-292.3
	Short stock index futures contracts		-73.6					
				Gain (loss) on investments at Investment Business of Holding Companies	85.4	-217.0	-131.7	
				Gain (loss) on investments attributable to non-controlling interests ^{*2}	-	131.8	131.8	
				Gain (loss) on investments attributable to owners of the parent^{*3}	85.4	-85.2	0.2	

Notes:

*1 Fair value of the securities borrowed for short credit transactions

*2 33% of the gain (loss) on investments at SB Northstar

*3 Excludes impacts such as selling, general and administrative expenses and tax expenses

Price Sensitivity of Derivatives at SB Northstar (FY20Q2-end)

The below table shows the impact of changes in market prices on income before income tax; arising from options for acquisition/sale of listed stocks, and stock index futures contracts at SB Northstar, assuming all other variables remain unchanged.

(JPY bn)

As of FY20Q2-end	Fair value at the end of the term (minuses indicate liabilities)	Assumption of change in market price	Estimated fair value after factoring in assumptions (minuses indicate liabilities)	Impact on income before income tax	Notional principal
Long call option of listed stocks in asset management subsidiaries	496.6	30% increase	2,040.8	1,544.1	7,625.2
		10% increase	893.5	396.8	
		10% decrease	241.3	-255.4	
		30% decrease	35.4	-461.2	
Short call option of listed stocks in asset management subsidiaries	-133.5	30% increase	-732.3	-598.8	5,032.2
		10% increase	-266.6	-133.1	
		10% decrease	-56.6	76.9	
		30% decrease	-4.6	128.9	
Short stock index futures contracts in asset management subsidiaries	-73.6	30% increase	-672.0	-598.4	1,918.4
		10% increase	-273.0	-199.5	
		10% decrease	125.9	199.5	
		30% decrease	524.8	598.4	

Consolidated P/L Summary (IFRSs)

P/L item	FY19 Q1-Q2	FY20 Q1-Q2	Change
Continuing operations			
Net sales	2,539.7	2,630.5	+90.8
Gross profit	1,314.8	1,419.8	+105.0
Gain on investments			
Gain on investments at Investment Business of Holding Companies	+729.4	+579.6	-149.8
Gain (loss) on Investments at SVF1 and SVF2	-529.3	+1,336.6	+1,865.9
Gain on other investments	+15.9	+117.1	+101.2
Total gain on investments	216.0	2,033.3	+1,817.3
Selling, general and administrative expenses	-915.4	-1,011.3	-95.9
Finance cost	-140.6	-153.8	-13.2
Income on equity method investments	+454.0	+200.8	-253.2
Derivative gain (loss) (excluding gain (loss) on investments)	+7.7	-761.6	-769.3
Change in third-party interests in SVF1	+180.8	-457.5	-638.3
Other gain	+55.5	+171.7	+116.2
Income before income tax	1,172.7	1,441.5	+268.8
Income taxes	-591.5	-272.3	+319.2
Net income from continuing operations	581.2	1,169.2	+588.0
Discontinued operations			
Net income from discontinued operations	-49.0	710.2	+759.2
Net income	532.2	1,879.4	+1,347.2
Net income attributable to owners of the parent	421.6	1,883.2	+1,461.6

(JPY bn)

Gain on investments at Investment Business of Holding Companies: +579.6 bn

(see page 9, 12 and 24 for details)

- Gain relating to sales of T-Mobile shares: 421.8 bn
- Unrealized gain on T-Mobile shares continued to be held by the Company: 100.1 bn
- Derivative gain on resulting from an increase in the fair value of a contingent consideration*1: 177.0 bn
- Investment loss in listed stocks and other instruments: 131.7 bn

Gain on Investments at SVF1 and SVF2: +1,336.6 bn (see page 19 for details)

- Realized gain on sales of investments (net): 141.4 bn
- Unrealized gain (net) on valuation of investments held at FY20Q2-end: 729.9 bn*2 at SVF1 and 537.2 bn at SVF2

Finance cost: -153.8 bn (increased 13.2 bn yoy)

Income on equity method investments: +200.8 bn (decreased 253.2 bn yoy)

Gain on equity method investments of Alibaba: 167.8 bn (FY19Q1-Q2: Gain of 277.2 bn related to acquiring Ant Financial*3 shares by Alibaba)

Derivative gain (loss) (excluding gain (loss) on investments): -761.6 bn (deteriorated 769.3 bn yoy)

Derivative loss in connection with several prepaid forward contracts using Alibaba shares entered into in Nov 2019 and from Apr to Aug 2020: 766.4 bn

Income taxes

A credit of income taxes of 256.1 bn (profit) was recorded mainly due to the determination that the partial sale of SBKK shares has increased the probability of generating taxable income at SBGJ that is available for the use of loss carryforwards, to which deferred tax assets had not been recognized. (see page 6 for details)

Net income from discontinued operations: +710.2 bn

Recorded gain relating to loss of control of Sprint: 721.4 bn

*1 The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the completion of the merger between Sprint and T-Mobile US, Inc.

*2 Investment gain (loss) related to Arm shares held by SVF1 is excluded.

*3 Ant Small and Micro Financial Services Group Co., Ltd. (currently Ant Group Co., Ltd.)

(+: plus to profit -minus to profit)

Consolidated B/S Summary (IFRSs) - 1

B/S item	Main items	As of Mar 2020	As of Sep 2020	Change	(JPY bn)
Current assets		15,636.9	10,406.3	-5,230.6	
	Cash and cash equivalents	3,369.0	5,105.2	+1,736.2	Increased mainly due to the sale and monetization of assets under the JPY 4.5 trillion program
	Investments from asset management subsidiaries	-	1,551.8	+1,551.8	1 Current assets related to investments from SB Northstar A: The fair value of listed stocks B: The fair value of long call option of listed stocks C: Securities pledged as collateral of 213.3 bn, margin deposits of 244.4 bn and restricted cash of 105.8 bn
	Derivative financial assets in asset management subsidiaries	-	496.6	+496.6	
	Other financial assets	313.5	777.3	+463.8	
	Other current assets	461.0	177.2	-283.8	
Assets classified as held for sale	9,236.0	216.2	-9,019.8	2 FY19Q4-end: recorded Sprint's assets (deconsolidated at the beginning of FY20) FY20Q2-end: recorded Brightstar's assets	
		21,620.3	25,241.9	+3,621.6	(Reference) Carrying amount of Alibaba shares: 3,109.4 bn (FY20Q2-end)
Non-current assets	Property, plant and equipment	1,264.5	1,440.4	+175.9	
	Right-of-use assets	1,293.7	1,222.5	-71.2	
	Goodwill	3,998.2	3,941.3	-56.9	
	Intangible assets	1,986.0	1,899.5	-86.5	
	Investments accounted for using the equity method	3,240.4	3,505.6	+265.2	
	Investments from SVF1 and SVF2 accounted for using FVTPL	6,892.2	7,949.4	+1,057.2	3 Investments from SVF1 and SVF2 accounted for using FVTPL: 7,949.4 bn (increased 1,057.2 bn) Mainly due to Increase of fair value of investments (see page 19 for details)
	SVF1	6,681.7	7,140.5	+458.8	
	SVF2	210.6	808.9	+598.3	
	Investment securities	1,211.5	2,892.5	+1,681.0	4 Investment securities: 2,892.5 bn (increased 1,681.0 bn) • T-Mobile shares continued to be held after the partial sale of its shares: +1,286.1 bn • Investment fund business in Latin America: +105.2 bn
	Derivative financial assets	59.3	551.5	+492.2	
Other financial assets	1,100.7	1,257.8	+157.1		
	Total assets	37,257.3	35,648.2	-1,609.1	Increase of derivative financial assets related to the below: • The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the completion of the merger between Sprint and T-Mobile US, Inc.: 373.4 bn • Several prepaid forward contracts using Alibaba shares: 101.5 bn

Consolidated B/S Summary (IFRSs) - 2

B/S item	Main items	As of Mar 2020	As of Sep 2020	Change
Current liabilities		14,191.1	7,599.3	-6,591.8
	Interest-bearing debt	3,845.2	A 2,900.8	-944.4
	Lease liabilities	378.4	338.2	-40.2
	Deposits for banking business	873.1	1,046.1	+173.0
	Trade and other payables	1,585.3	1,330.1	-255.2
	Derivative financial liabilities in asset management subsidiaries	-	B 207.0	+207.0
	Derivative financial liabilities	9.3	181.4	+172.1
	Other financial liabilities	248.0	C 580.4	+332.4
	Income taxes payables	164.3	386.6	+222.3
	Other current liabilities	596.5	450.7	-145.8
	Liabilities directly relating to assets classified as held for sale	6,455.0	134.8	-6,320.2
Non-current liabilities		15,693.2	19,628.3	+3,935.1
	Interest-bearing debt	9,286.7	11,506.8	+2,220.1
	Lease liabilities	761.9	752.1	-9.8
	Third-party interests in SVF1	4,559.7	5,244.9	+685.2
	Derivative financial liabilities	128.1	613.8	+485.7
	Deferred tax liabilities	711.2	967.8	+256.6
	Other non-current liabilities	79.6	296.2	+216.6
	Total liabilities	29,884.4	27,227.6	-2,656.8

(JPY bn)

1 Current liabilities related to SB Northstar
 A: Short-term borrowings to be used in transactions for listed stocks: 364.3 bn
 B: The fair value of short call option of listed stocks and short stock index futures contracts
 C: The fair value of securities borrowed for short credit transactions: 434.6 bn

Brightstar's accounts payable (FY20-end: 142.7 bn) were reclassified as liabilities directly relating to assets classified as held for sale.

Recording of derivative financial liabilities for the call options received by Deutsch Telekom for T-Mobile shares held by the Company: 178.7 bn

Increased due to the recording of income taxes payables primary for a gain on the sale of SBKK shares at SBGJ

Decreased due to payment of withholding income taxes related to dividends from Yahoo Japan corporation to Z Holdings Corporation in FY19: 102.1 bn

2 FY19Q4-end: recorded Sprint's liabilities (deconsolidated at the beginning of FY20)
 FY20Q2-end: recorded Brightstar's liabilities

3 Interest-bearing debt (non-current): 11,506.8 bn (+2,220.1 bn)
 Increased due to the recording of financial liabilities in connection with several prepaid forward contracts using Alibaba shares

Increased derivative financial liabilities related to several prepaid forward contracts using Alibaba shares: 537.0 bn

Increased SBG's differed tax liabilities

Includes the deposit of USD 1.25 bn received for the sale of all shares of Arm

Consolidated B/S Summary (IFRSs) - 3

B/S item	Items	As of Mar 2020	As of Sep 2020	Change
Equity		7,372.9	8,420.6	+1,047.7
	Common stock	238.8	238.8	-
	Capital surplus	1,490.3	2,388.0	+897.7
	Other equity instruments*	496.9	496.9	-
	Retained earnings	3,945.8	5,768.9	+1,823.1
	Treasury stock	-101.6	-1,113.3	-1,011.7
	Accumulated other comprehensive income	-362.3	-471.6	-109.3
	Accumulated other comprehensive income directly relating to assets classified as held for sale	205.7	-4.9	-210.6
	Total equity attributable to owners of the parent	5,913.6	7,302.8	+1,389.2
Non-controlling interests	1,459.3	1,117.9	-341.4	
Ratio of equity attributable to owners of the parent (equity ratio)	15.9%	20.5%	+4.6%	

(JPY bn)

Changes in interests in subsidiaries resulting from the partial sale of SBKK shares: +932.4 bn

1 Net income attributable to owners of the parent: +1,883.2 bn

2 Share repurchase in FY20Q1-Q2: 1,024.1 bn (Breakdown)
 •484.0 bn under the Board's approval on Mar 13, 2020
 •500.0 bn under the Board's approval on May 15, 2020
 •40.1 bn under the Board's approval on Jun 25, 2020

FY19Q4-end: recorded Sprint's accumulated other comprehensive income (deconsolidated at the beginning of FY20)
 FY20Q2-end: recorded Brightstar's accumulated other comprehensive income

•Removed 424.7 bn as Sprint ceased to be a subsidiary of the Company
 •Increased 134.4 bn resulting from the partial sale of SBKK's shares

*USD-denominated undated subordinated notes issued by SBG in July 2017, which were classified as equity instruments in accordance with IFRSs

Consolidated C/F Summary (IFRSs)

C/F item	FY20 Q1-Q2	(JPY bn)	
C/F from operating activities	531.9	783.7	Subtotal of cash flows from operating activities
		-132.7	Interest paid
		-394.8	Income taxes paid
		261.5	Income taxes refunded
C/F from investing activities	-322.2	-3,007.6	Payments for acquisition of investments
		2,888.0	Proceeds from sale/redemption of investments
		-220.0	Payments for acquisitions of investments by SVF1 and SVF2
		281.5	Proceeds from sales of investments by SVF1
		-339.2	Purchase of property, plant and equipment, and intangible assets
C/F from financing activities	1,591.1	789.0	Proceeds in short-term interest-bearing debt, net
		3,657.6	Proceeds from interest-bearing debt
		-3,408.8	Repayment of interest-bearing debt
		-214.6	Repayment of lease liabilities
		764.7	Contributions into SVF1 from third-party investors
		-421.5	Distribution/repayment from SVF1 to third-party investors
		1,526.9	Proceeds from the partial sales of shares of subsidiaries to non-controlling interests
		-1,024.1	Purchase of treasury stock
Cash and cash equivalents opening balance	3,369.0		
Cash and cash equivalents closing balance	5,105.2		

As SB Northstar's primary business is to frequently trade marketable securities, investments made by the company are recorded in C/F from operating activities.

Payments for acquisition of investments: -3,007.6 bn
 Acquisition of highly liquid listed stocks by SBG with the aim of diversifying its assets and managing its surplus funds: -2,705.4 bn

Proceeds from sale/redemption of investments: +2,888.0 bn
 • From the sale of a portion of the abovementioned listed stocks: +675.7 bn
 • From the partial sale of T-Mobile shares: +2,099.7 bn

Proceeds from interest-bearing debt: +3,657.6 bn (SBG)
 Short-term borrowings: +361.4 bn
 (Wholly owned subsidiaries conducting fund procurement)
 • Procurement through borrowings made using T-Mobile shares (margin loan): USD +4,380 mil
 • Procurement through several prepaid forward contracts using Alibaba shares: USD +15,445 mil
 (SBKK, Z Holdings)
 • SBKK: Borrowings +420.5 bn and issuance of bonds +100.0 bn
 • Z Holdings: Short-term borrowings +159.7 bn and issuance of bonds +200.0 bn

Repayment of interest-bearing debt: -3,408.8 bn (SBG)
 Repayment of short-term borrowings: -447.4 bn, senior loans: -359.9 bn and redemption of corporate bonds: -267.6 bn
 (Wholly owned subsidiaries conducting fund procurement)
 Full repayment of margin loan made using Alibaba shares: USD -9,444 mil (SVF1)
 • Repayment of borrowings under the Fund Level Facility: USD -3,080 mil
 • Repayment of borrowings under the Portfolio Financing Facility: USD -789 mil (SBKK, Z Holdings)
 • SBKK: Repayment of borrowings -394.9 bn
 • Z Holdings: Repayment of short-term borrowings -345.6 bn

Partial sale of SBKK shares

Segment Income - SVF1 and Other SBIA-Managed Funds

(JPY bn)

P/L	FY19 Q1-Q2	FY20 Q1-Q2	Items
Gain on investments at SVF1 and SVF2	-529.3	1,411.6	
Realized gain on sales of investments	34.8	141.4	Sale of a portion of shares in 4 portfolio companies and all shares in 6 portfolio companies (including share exchanges) at SVF1
Unrealized gain (loss) on valuation of investments	-573.7	1,260.6	
Change in valuation for the fiscal year	-537.9	1,342.0	Unrealized gain (net) on valuation of investments held at FY20Q2-end: <u>SVF1: 804.8 bn (USD 7,563 mil)</u> <ul style="list-style-type: none"> •Listed companies: USD 3,517 mil in total •Unlisted companies: USD 4,046 mil in total <u>SVF2: 537.2 bn (USD 507.4 mil)</u> Increase in the share price of KE Holdings Inc. following its listing: USD 5,068 mil (See page 27-29 of SBG's Consolidated Financial Report for details)
Reclassified to realized loss recorded in the past fiscal year	-35.8	-81.4	Unrealized gain on valuation of investments at SVF1 recorded in prior fiscal years related to the investments exited in FY20Q1-Q2 are reclassified to "realized gain on sale of investments."
Dividend income from investments	8.3	4.6	
Derivative gain on investments	-	1.1	
Effect of foreign exchange translation	1.3	3.9	
Selling, general and administrative expenses	-43.0	-34.4	Administrative expenses arising from SBIA, SVF1 and SVF2
Finance cost	-9.2	-6.2	Interest expenses on borrowings
Change in third-party interests in SVF1	180.8	-457.5	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 gain and loss on investments at SVF1, net of management and performance fees payable to SBIA, and operating and other expenses of SVF1.
Other gain (loss)	0.7	0.6	
Segment income (income before income tax)	-400.0	914.0	

Appendix

Breakdown of Goodwill / Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2020	As of Sep 2020	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Goodwill*1		3,998.2	3,941.3					
	Arm	2,554.1	2,515.9	-	-38.2	-		
	SBKK	907.5	907.5	-	-	-		
	ZOZO	212.9	212.9	-	-	-		
Main intangible assets	Technologies	395.6	370.8					
	Main b/d	Arm	387.8	379.8	-18.4	+10.4	-	Amortized at straight-line method for 8-20 years
	Customer relationships	474.7	449.2					
	Main b/d	ZOZO	316.7	310.1	-6.6	-	-	Amortized at straight-line method for 18-25 years
		Arm	103.3	96.9	-5.5	-0.9	-	Amortized at straight-line method for 13 years
	Trademarks	221.1	215.5					
	Main b/d	ZOZO	178.7	178.7	-	-	-	
	Management contracts	46.2	35.7					
	Fortress	46.2	35.7	-9.3	-1.2	-	Amortized at straight-line method for 3-10 years	

*1 The amounts of goodwill recognized at the date of acquisition by SBG. They do not include goodwill recognized as a result of M&A executed by the relevant subsidiaries after their acquisition dates.

*In FY20Q1, Arm changed its functional currency from GBP to USD.

- In FY20Q1, “Gain (loss) on investments” is newly presented
- Operating income is no longer used
- The importance of investment activities has increased in the consolidated results, following the completion of Sprint/T-Mobile US, Inc. merger and removal of Sprint from subsidiaries.



- “Gain (loss) on investments” is newly presented in order to **clearly indicate investment performance in P/L.**
- “Gain (loss) on investments” includes (1) to (4).
 - (1) Realized gain (loss) on sales of investment securities (financial assets at FVTPL) and investments accounted for using the equity method
 - (2) Unrealized gain (loss) on valuation of financial assets at FVTPL
 - (3) Dividend income from investments
 - (4) Derivative gain (loss) related to financial assets at FVTPL and other investments

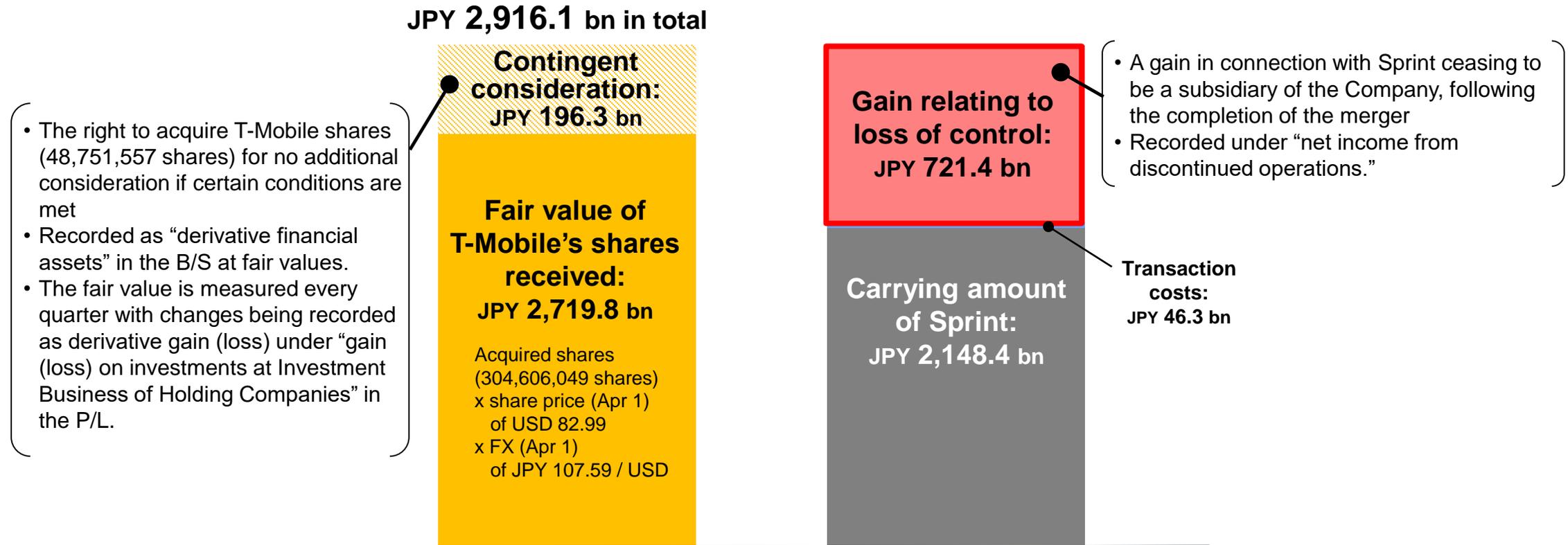
P/L after the revision of the presentation

Net sales
Gross profit
Gain (loss) on investments <ul style="list-style-type: none"> • Gain (loss) on investments at Investment Business of Holding Companies • Gain (loss) on investments at SVF1 and SVF2 • Gain (loss) on other investments
<ul style="list-style-type: none"> • Selling, general and administrative expenses • Finance cost • Income (loss) on equity method investments • Derivative gain (loss) (excluding gain (loss) on investments)* etc.
Income before income tax
Net income attributable to owners of the parent

*Derivative gain (loss) not included in “gain (loss) on investments” is shown as “derivative gain (loss) (excluding gain (loss) on investments).”

Completion of the Merger of Sprint / T-Mobile US, Inc.

- On April 1, 2020, the merger of Sprint / T-Mobile US, Inc. was completed.
- The Company received T-Mobile’s 304,606,049 shares and contingent consideration (the right to acquire T-Mobile’s 48,751,557 shares for no additional consideration if certain conditions are met).
- Sprint ceased to be a subsidiary of the Company, and T-Mobile became an equity method associate of the Company.



Partial Sale of T-Mobile Shares and Evaluation at Q2-end

The Company sold (1) and (2) below in FY20Q1 and received JPY 1,830.4 bn. With additional sales of (3) and (4) in Q2, the Company received **JPY 2,099.7 bn** in aggregate for FY20Q1-Q2.

	Number of shares (mil)	Shareholding ratio *1	Total amount of sale (USD mil)	Date of sale	P/L (FY20Q1-Q2) (JPY bn)					FY20Q2-end B/S
					Gain relating to sales of T-Mobile shares			Evaluation at Q2-end (Change for the period from Jun 26 to Q2-end)		
					Closing price on Jun 26: USD 105.20 / share Opening price on Jul 16: USD 104.50 / share Opening price on Aug 3: USD 107.98 / share			Closing price on Sep 30: USD 114.36 / share FX on Sep 30: JPY 105.80 / USD		
					Gain (loss) on sale	Revaluation of shares held	Derivative gain (loss)	Valuation gain	Derivative gain (loss)	
Before sale	305	24.7%								
(1) Public offering	-154	-12.5%	15,877	Jun 26	280.3					
(2) Private offering	-19	-1.6%	1,667							
(3) Sale to Marcelo Claure	-5	-0.4%	515	Jul 16	-3.1		3.0 (derecognized the derivative liabilities)			
(4) Rights offering	-20	-1.6%	2,034	Aug 3						
Subtotal	106	8.6%								
(5) Call options received by Deutsche Telekom	-101	-8.2%				296.0		100.1		
(6) Shares held by the Company excluding (5)	5	0.4%	(not for sale)							
(7) Contingent consideration	+49	-							177.0	
Total if (7) is acquired	54	-							Change from Apr 1 to Q2-end	

(Assets)
 • Shares of (5)(6): Recorded JPY 1.3 tn under "investment securities"
 • (7): Recorded JPY 373.4 bn under "derivative financial assets"
 Recorded JPY 196.3 bn on Apr 1 (see page 23) + change in the fair value to Q2-end: JPY 177.0 bn

(Liabilities)
 (5): Recorded JPY 178.7 bn under "derivative financial liabilities"
 Derivative loss at time of sale on Jun 26: JPY -154.5 bn + change in the fair value to Q2-end of JPY -26.0 bn + FX effect

JPY 421.8 bn in total

*1 Shareholding ratio of T-Mobile's outstanding shares as of Apr 1, 2020.

*On July 30, 2020, SBG's wholly-owned subsidiary borrowed USD 4.38 bn (margin loan) using the T-Mobile shares held by the Company.

Consolidation of Earnings of PayPay

PayPay has consistently been classified as a subsidiary of SBG since its founding in June 2018.

		FY18	FY19	FY20
PayPay	Voting ratio	May 15, 2019 SBKK: 50% Yahoo Japan (currently Z Holdings): 50%		SBG: 50% SBKK: 25% Z Holdings: 25%
	Reporting entity	SBG	Subsidiary (Other segment)	Subsidiary (Other segment)
		SBKK	Subsidiary	Equity Method Affiliate