

**Earnings Results
for the Nine-month Period
Ended December 31, 2020**

Investor Briefing

February 10, 2021

SoftBank Group Corp.

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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	104.45	
1 CNY	16.13	15.37	15.46	15.56	15.16	15.27	15.71	
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				108.83			103.50	
1 CNY				15.31			15.88	

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	WeWork Inc.

Accounting

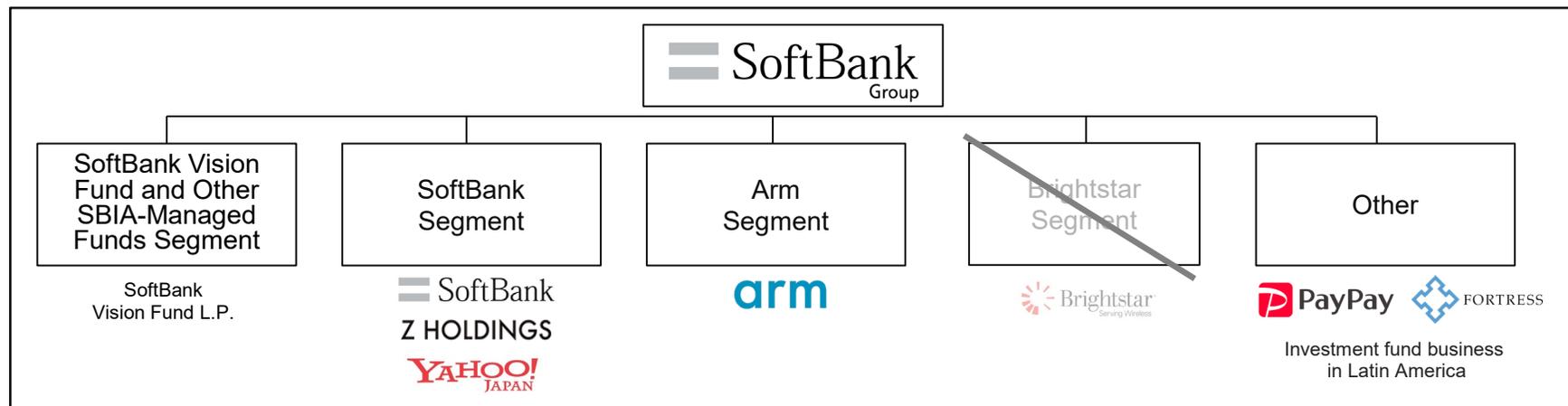
Consolidated Results

(JPY bn)	FY19 Q1-Q3	FY20 Q1-Q3	Change	YoY
Net sales	3,901.3	4,138.0	236.7	6.1%
Income before income tax	1,442.7	3,361.5	1,918.8	133.0%
Net income (attributable to owners of the parent)	476.6	3,055.2	2,578.6	541.0%
(Reference)				
Gain on investments	131.8	3,799.5	3,667.7	-
Investment Business of Holding Companies	840.7	846.5	5.8	0.7%
SVF1 and SVF2	-729.0	2,728.8	3,457.8	-
Other investments	20.1	224.2	204.1	-

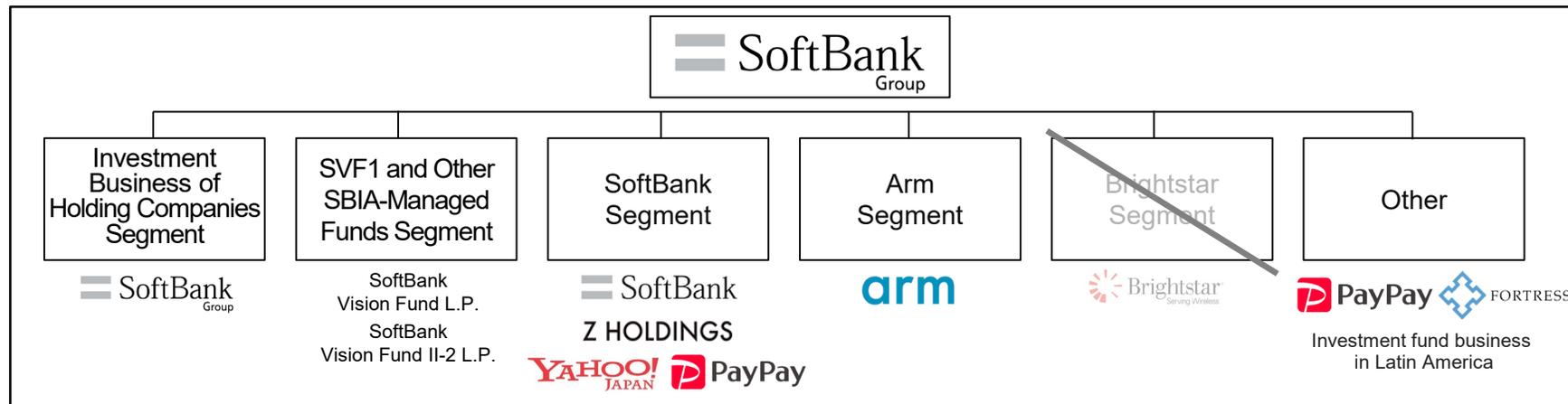
Change in Reportable Segments

- 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. “SoftBank Vision Fund and Other SBIA-Managed Funds” was **renamed to “SVF1 and Other SBIA-Managed Funds.”**”

FY19



FY20



Entry into Agreement for 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
		Cash of 0.75: Arm received as consideration for a license agreement.	(received on Sep 13, 2020)
	10.0	Cash: SBGC and SVF1 to receive	
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 Feb 8, 2021 USD 577.55 / share	On closing
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.		On closing (subject to satisfaction of specific financial performance targets by Arm)
Total 38.5 ±α		Consideration for the Company	
	1.5	NVIDIA share compensation for Arm employees	On closing
Total 40.0 ±α			

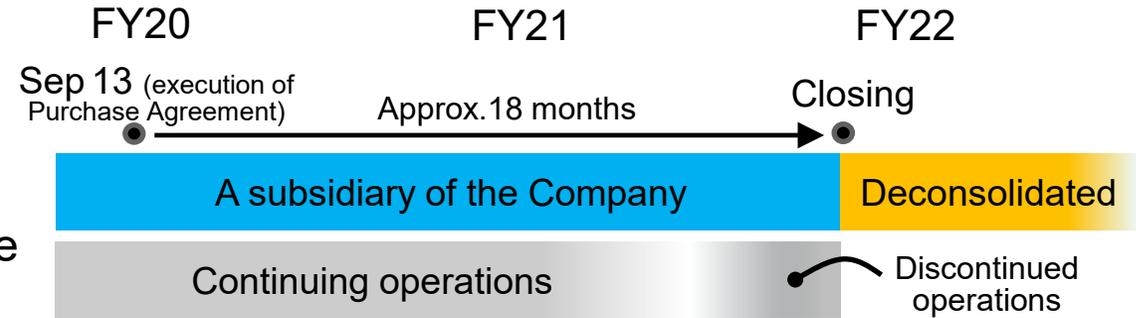
- ✓ The consideration for the Company will be allocated to SBGC and SVF1 in accordance with their respective ownership ratios of Arm shares (75.01% to SBGC and 24.99% to SVF1).
- ✓ The proceeds received by SVF1 will be further distributed to SVF1's limited partners, including the Company, based on a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

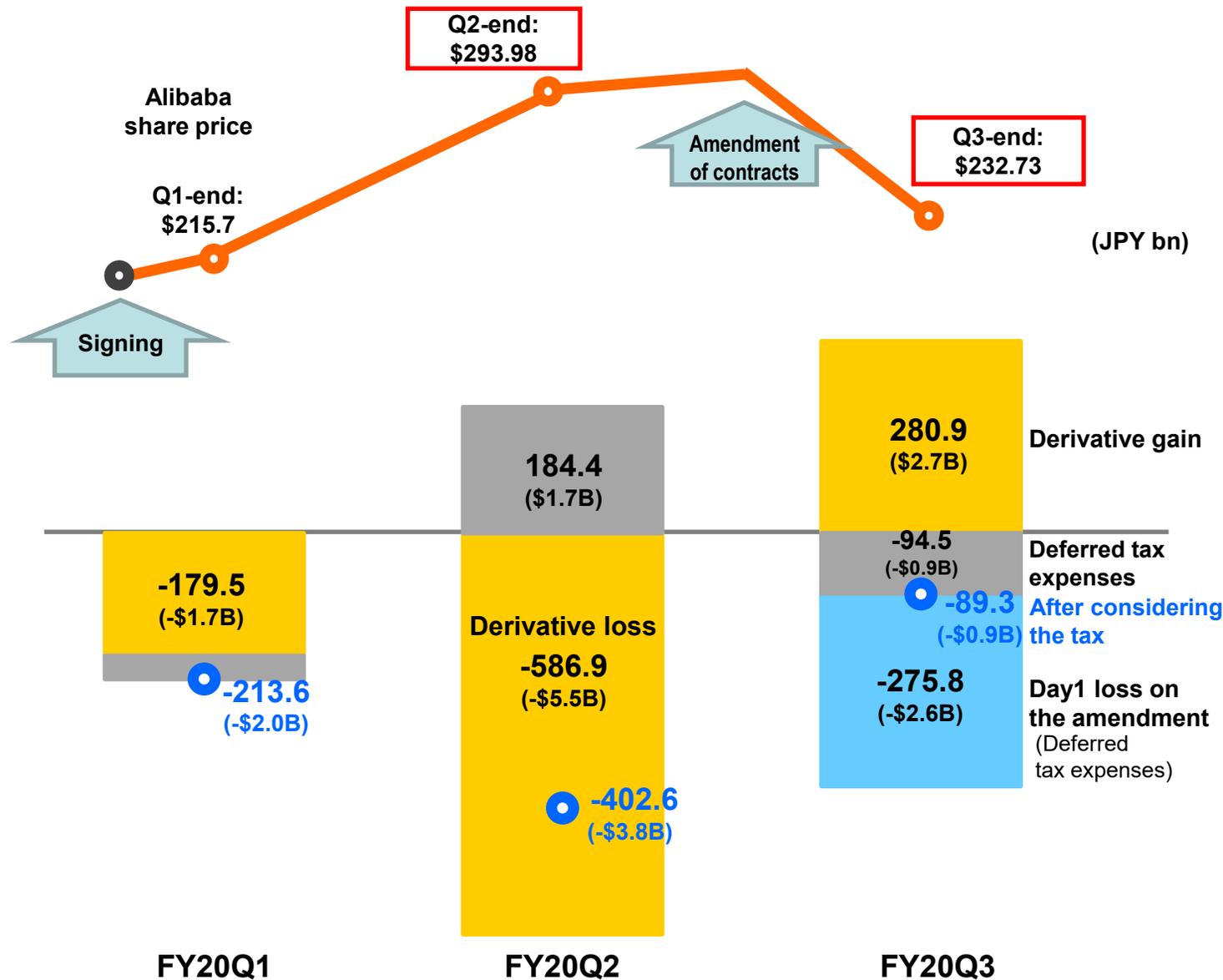
Entry into Agreement for Sale of All Shares in Arm – Accounting

- 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.		

Derivative gain (loss) on Alibaba Prepaid Forward Contracts



(JPY bn)	FY20Q3 YTD
Income before income tax	-485.4 (-\$4.5B)
Net income	-705.5 (-\$6.6B)

(B/S items relating to Alibaba prepaid forward contracts)

(JPY bn)	FY19-end	FY20Q3-end
Derivative financial assets	5.0	680.6
Derivative financial liabilities	-	-30.9
Net	5.0	649.7
Financial liabilities relating to sale of shares by prepaid forward contracts	196.1	2,866.4

Segment Income - Investment Business of Holding Companies

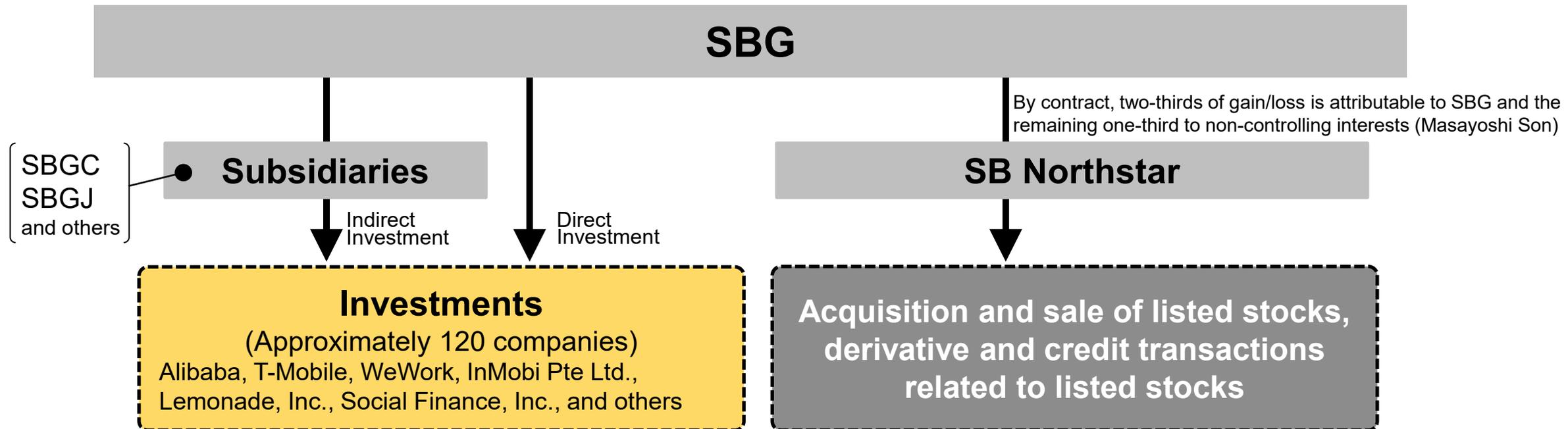
(JPY bn)

P/L	FY19 Q1-Q3	FY20 Q1-Q3	Items
Gain on investments	840.7	846.5	
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	-	-92.5	Realized loss on sales of investments by SB Northstar (investment in listed stocks)
Unrealized gain on valuation of investments at asset management subsidiaries	-	105.7	Unrealized gain on valuation of investments by SB Northstar (investment in listed stocks)
Derivative loss on investments at asset management subsidiaries	-	-577.6	Mainly losses related to call options on listed stocks and short stock index futures contracts at SB Northstar
Realized gain on sales of investments	21.4	206.2	FY20Q1-Q3: Realized gain on investments SBG made in listed stocks: 207.9 bn
Unrealized gain (loss) on valuation of Investments	-396.3	532.1	FY20Q1-Q3: •Unrealized gain on T-Mobile shares continued to be held by the Company: 327.6 bn (for the period from June 26 to FY20Q3-end) •Unrealized valuation gain on investments SBG made in listed stocks: 55.0 bn
Derivative gain (loss) on investments	-6.1	248.6	FY20Q1-Q3: Increase of 324.5 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	3.2	2.2	
Selling, general and administrative expenses	-52.7	-74.1	
Finance cost	-147.6	-157.8	Interest expenses increased mainly due to an increase in interest-bearing debt at wholly owned subsidiaries conducting fund procurement for SBG.
Income on equity method investments	471.3	363.7	FY20Q1-Q3: Income on equity method investments related to Alibaba 340.0 bn (FY19Q1-Q3: Income on 277.2 bn related to acquiring Ant Financial*1 shares by Alibaba)
Derivative loss (excluding gain (loss) on investments)	-17.8	-482.7	FY20Q1-Q3: Derivative loss of 485.4 bn in connection with several prepaid forward contracts using Alibaba shares entered into in Nov 2019 and from Apr to Aug 2020 (including the impact of amendments of the contracts in October to November in 2020)
Other gain	309.8	267.4	FY20Q1-Q3: •Foreign exchange gain of ¥87.5 billion for U.S. dollar-denominated borrowings from overseas subsidiaries conducted by SBG mainly due to the stronger yen •Reversal of provisions for allowance of 78.3 bn related to WeWork*2
Segment income (income before income tax)	1,403.6	763.0	

*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 31.3 bn and 46.9 bn, respectively, mainly due to the improvement in the credit risk of WeWork, in FY20Q1-Q3.

- 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 **asset management subsidiary 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.

Investment in Listed Stocks and Other Instruments: Main Impact on B/S and P/L (Gain (Loss) on Investments)

(JPY bn)

Investor	Investment type	Consolidated B/S		Consolidated P/L				
		Account	FY20Q3-end balance (minuses indicate liabilities)	Account	Gain (loss) recorded			
					Q1	Q2	Q3	FY20 Q1-Q3
SBG	Actual stocks	Investment securities	14.2	Realized gain on sales of investments	64.5	102.8	40.6	207.9
				Unrealized gain (loss) on valuation of investments	20.9	75.7	-41.6	55.0
	Actual stocks	Investments from asset management subsidiaries	1,039.9	Realized loss on sales of investments at asset management subsidiaries	-	-8.1	-84.3	-92.4
		Securities pledged as collateral (Other financial assets)	1,227.6	Unrealized gain (loss) on valuation of investments at asset management subsidiaries	-	-95.1	200.8	105.7
SB Northstar	Credit transactions	Borrowed securities (Other financial liabilities)	—*1					
		Derivatives	Long call option of listed stocks	174.0	Derivative loss on investments at asset management subsidiaries	-	-292.3	-285.3
	Short call option of listed stocks		-24.6					
	Short stock index futures contracts		-18.7					
	Total return swap contracts related to listed stocks		0.1					
		Derivative financial liabilities in asset management subsidiaries	-21.4					
				Gain (loss) on investments at Investment Business of Holding Companies	85.4	-217.0	-169.8	-301.4
				Gain (loss) on investments attributable to non-controlling interests*2	-	131.8	56.3	188.1
				Gain (loss) on investments attributable to owners of the parent*3	85.4	-85.2	-113.5	-113.3

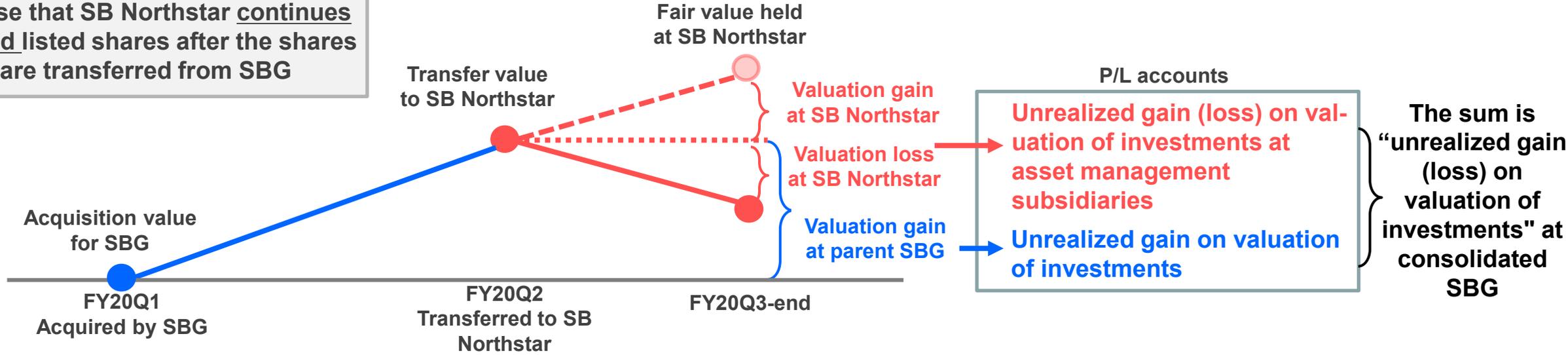
*1 Fair value of the securities borrowed for short credit transactions. There were no securities borrowed for short credit transactions at the third quarter-end.

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

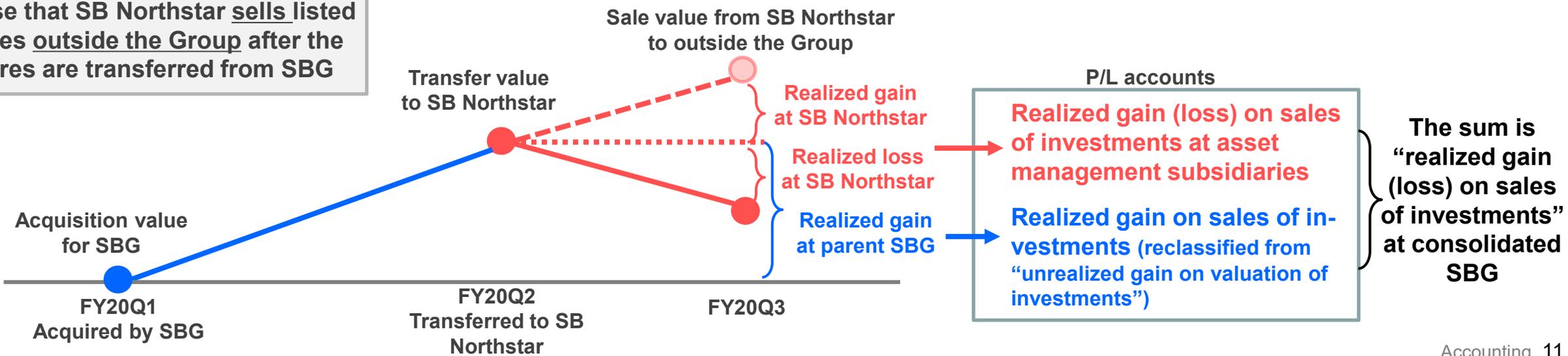
*3 Excludes impacts such as selling, general and administrative expenses and tax expenses

Investment in Listed Stocks by SB Northstar: Gain/Loss on Investments Transferred from SBG in P/L

In case that SB Northstar continues to hold listed shares after the shares are transferred from SBG



In case that SB Northstar sells listed shares outside the Group after the shares are transferred from SBG



Impact of the Asset Management Subsidiaries on SBG Consolidated B/S*1

	December 31, 2020		(JPY bn) December 31, 2020
Cash and cash equivalents	284.9	Interest-bearing debt	1,528.8
Investments from asset management subsidiaries	1,039.9	Derivative financial liabilities in asset management subsidiaries	64.7
Derivative financial assets in asset management subsidiaries	174.1	Other	14.3
Other financial assets	1,381.4	Total liabilities	1,607.8
Other	10.0	Investments from Delaware subsidiaries (defined below)*2	1,929.9
		Equivalent amount of cash investments by SBG in Delaware subsidiaries	39.8
		Equivalent amount of loans to and receivables of Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	1,870.2
		Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19.9 A
		Retained earnings	-576.0 B
		Exchange differences on translating foreign operations	-71.4
Total assets	2,890.3	Equity	1,282.5 C

*1 SB Northstar's statement of financial position excluding the impact of Alibaba shares contributed in kind to SB Northstar by SBG via Delaware subsidiaries

*2 Investment 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

Equivalent amount of cash investment by Masayoshi Son in Delaware subsidiaries	19.9	A
Gain (loss) attributable to non-controlling interests	-192.0	1/3 of B
Exchange differences on translating foreign operations	-24.6	
Non-controlling interests (interests of Masayoshi Son)	-196.7	D

■ Interests in equity

Interests of SBG	1,479.2
Non-controlling interests (interests of Masayoshi Son)	-196.7 D
Equity	1,282.5 C

Price Sensitivity of Derivatives at SB Northstar (FY20Q3-end)

The below table shows the impact on income before income tax of changes in the market prices of the underlying assets for long and short call options of listed stocks, short stock index futures contracts, and total return swap contracts of listed stocks at SB Northstar from December 31, assuming all other variables remain unchanged.

(JPY bn)

	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	174.0	30% increase	585.4	411.4	4,587.5
		10% increase	289.9	115.9	
		10% decrease	91.1	-82.9	
		30% decrease	16.7	-157.3	
Short call option of listed stocks in asset management subsidiaries	-24.6	30% increase	-169.9	-145.3	3,161.8
		10% increase	-60.0	-35.3	
		10% decrease	-7.0	17.6	
		30% decrease	-0.4	24.3	
Short stock index futures contracts in asset management subsidiaries	-18.7	30% increase	-162.9	-144.2	461.4
		10% increase	-66.8	-48.1	
		10% decrease	29.4	48.1	
		30% decrease	125.5	144.2	
Total return swap contracts related to listed stocks in asset management subsidiaries	-21.2	30% increase	26.5	47.7	178.8
		10% increase	-5.3	15.9	
		10% decrease	-37.1	-15.9	
		30% decrease	-69.0	-47.7	

Consolidated P/L Summary (IFRSs)

P/L item	FY19 Q1-Q3	FY20 Q1-Q3	Change
Continuing operations			
Net sales	3,901.3	4,138.0	+236.7
Gross profit	2,007.7	2,168.3	+160.6
Gain on investments			
Gain on investments at Investment Business of Holding Companies	+840.7	+846.5	+5.8
Gain (loss) on Investments at SVF1 and SVF2	-729.0	+2,728.8	+3,457.8
Gain on other investments	+20.1	+224.2	+204.1
Total gain on investments	131.8	3,799.5	+3,667.7
Selling, general and administrative expenses	-1,445.7	-1,575.2	-129.5
Finance cost	-215.5	-224.3	-8.8
Income on equity method investments	+472.5	+379.4	-93.1
Derivative loss (excluding gain (loss) on investments)	-17.6	-480.7	-463.1
Change in third-party interests in SVF1	+190.0	-956.7	-1,146.7
Other gain	+319.5	+251.2	-68.3
Income before income tax	1,442.7	3,361.5	+1,918.8
Income taxes	-731.9	-976.0	-244.1
Net income from continuing operations	710.8	2,385.5	+1,674.7
Discontinued operations			
Net income from discontinued operations	-54.3	711.2	+765.5
Net income	656.5	3,096.7	+2,440.2
Net income attributable to owners of the parent	476.6	3,055.2	+2,578.6

(JPY bn)

Gain on investments at Investment Business of Holding Companies: +846.5 bn

(see page 7, 10, 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: 327.6 bn
- Derivative gain on resulting from an increase in the fair value of a contingent consideration*1: 324.5 bn
- Investment loss in listed stocks and other instruments: 301.4 bn

Gain on Investments at SVF1 and SVF2: +2,728.8 bn (see page 19 for details)

- Realized gain on sales of investments (net): 209.3 bn
- Unrealized gain (net) on valuation of investments held at FY20Q3-end: 2,072.1 bn at SVF1 and 542.7 bn at SVF2

Finance cost: -224.3 bn (increased 8.8 bn yoy)

Income on equity method investments: +379.4 bn (decreased 93.1 bn yoy)

Gain on equity method investments in Alibaba: 340.0 bn (FY19Q1-Q3: Gain of 277.2 bn related to acquiring Ant Financial*2 shares by Alibaba)

Derivative loss (excluding gain (loss) on investments): -480.7 bn (deteriorated 463.1 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: 485.4 bn (including the impact of amendments of the contracts in October to November in 2020)

Income taxes

- Income taxes related to SoftBank Corp. and Yahoo Japan Corporation were recorded, as well as tax expenses related to the sale of T-Mobile shares.
- 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 23 for details)

Net income from discontinued operations: +711.2 bn

Recorded gain relating to loss of control of Sprint: 721.1 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 Ant Small and Micro Financial Services Group Co., Ltd. (currently Ant Group Co., Ltd.)

Consolidated B/S Summary (IFRSs) - 1

B/S item	Main items	As of Mar 2020	As of Dec 2020	Change	(JPY bn)
Current assets		15,636.9	10,066.9	-5,570.0	Increased mainly due to the sale and monetization of assets under the JPY 4.5 trillion program
	Cash and cash equivalents	3,369.0	4,452.1	+1,083.1	
	Investments from asset management subsidiaries	-	A 1,039.9	+1,039.9	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 and total return swap contracts related to listed stocks C: Securities pledged as collateral of 1,227.6 bn, margin deposits of 90.1 bn and restricted cash of 63.8 bn
	Derivative financial assets in asset management subsidiaries	-	B 174.1	+174.1	
	Other financial assets	313.5	C 1,802.7	+1,489.2	
	Other current assets	461.0	161.1	-299.9	2 FY19Q4-end: recorded Sprint's assets (deconsolidated at the beginning of FY20) FY20Q3-end: recorded Boston Dynamics, Inc.'s assets
	Assets classified as held for sale	9,236.0	40.3	-9,195.7	SoftBank Corp. acquired telecommunications equipment and amortized right-of-use assets related to such assets.
Non-current assets		21,620.3	27,791.9	+6,171.6	
	Property, plant and equipment	1,264.5	1,511.8	+247.3	
	Right-of-use assets	1,293.7	1,163.8	-129.9	
	Goodwill	3,998.2	3,875.9	-122.3	• Goodwill of Arm decreased due to the stronger yen. • Intangible assets of Arm such as technology and customer relationships decreased due to regular amortization.
	Intangible assets	1,986.0	1,859.0	-127.0	(Reference) Carrying amount of Alibaba shares: 3,342.4 bn (FY20Q3-end)
	Investments accounted for using the equity method	3,240.4	3,730.3	+489.9	3 Investments from SVF1 and SVF2 accounted for using FVTPL: 9,394.9 bn (increased 2,502.7 bn) Mainly due to Increase of fair value of investments (see page 19 for details)
	Investments from SVF1 and SVF2 accounted for using FVTPL	6,892.2	9,394.9	+2,502.7	
	SVF1	6,681.7	8,430.8	+1,749.1	4 Investment securities: 3,370.9 bn (increased 2,159.4 bn) • T-Mobile shares continued to be held after the partial sale of its shares: +1,483.5 bn • Investment fund business in Latin America: +198.5 bn
	SVF2	210.6	964.2	+753.6	
	Investment securities	1,211.5	3,370.9	+2,159.4	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.: 520.8 bn • Several prepaid forward contracts using Alibaba shares: 463.0 bn*1
Derivative financial assets	59.3	1,066.3	+1,007.0		
Other financial assets	1,100.7	1,291.4	+190.7		
Total assets		37,257.3	37,858.8	+601.5	

*1 Recognized derivative financial assets of 333.2 (including current assets) bn for newly concluded contracts, following amendments to some of the contracts in FY20Q3.

Consolidated B/S Summary (IFRSs) - 2

B/S item	Main items	As of Mar 2020	As of Dec 2020	Change
Current liabilities		14,191.1	9,810.7	-4,380.5
	Interest-bearing debt	3,845.2	A 5,352.2	+1,507.0
	Lease liabilities	378.4	317.3	-61.1
	Deposits for banking business	873.1	1,105.4	+232.3
	Trade and other payables	1,585.3	1,628.7	+43.4
	Derivative financial liabilities in asset management subsidiaries	-	B 64.7	+64.7
	Derivative financial liabilities	9.3	239.3	+230.0
	Other financial liabilities	248.0	96.5	-151.5
	Income taxes payables	164.3	329.5	+165.2
	Other current liabilities	596.5	642.7	+46.2
	Liabilities directly relating to assets classified as held for sale	6,455.0	10.8	-6,444.2
Non-current liabilities		15,693.2	19,425.8	+3,732.6
	Interest-bearing debt	9,286.7	11,242.5	+1,955.8
	Lease liabilities	761.9	711.4	-50.5
	Third-party interests in SVF1	4,559.7	5,455.9	+896.2
	Derivative financial liabilities	128.1	89.5	-38.6
	Deferred tax liabilities	711.2	1,548.8	+837.6
	Other non-current liabilities	79.6	166.3	+86.7
	Total liabilities	29,884.4	29,236.5	-647.9

(JPY bn)

1 Current Interest-bearing debt of SB Northstar

- Short-term borrowings to be used in transactions for listed stocks: +910.0 bn
- Borrowings made using Alibaba shares (margin loan): + USD 6.0 bn

Current derivative financial liabilities at SB Northstar

- The fair value of short call option of listed stocks, short stock index futures contracts and total return swap contracts related to listed stocks

Recording of derivative financial liabilities for the call options received by Deutsch Telekom for T-Mobile shares held by the Company: 235.9 bn

Decrease in valuation loss allowances in relation to the financial guarantee contract and loan commitment for WeWork, mainly due to the improvement of its credit risk: -149.4 bn

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

2

FY19Q4-end: recorded Sprint's liabilities (deconsolidated at the beginning of FY20)
FY20Q3-end: recorded Boston Dynamics, Inc.'s liabilities

3 Financial liabilities relating to sale of shares by prepaid forward contracts: 2,866.4 (+2,670.3 bn)

Increased by 2,670.3 bn (including current liabilities) due to several prepaid forward contracts using Alibaba shares concluded from April to August 2020 and amendments to some of the contracts made in October and November 2020

FY20Q3: Derivative financial liabilities of 476.3 bn related to some of the prepaid forward contracts using Alibaba shares were derecognized following the amendment of those contracts.

Mainly increased differed tax liabilities at SBG

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

* For the breakdown of interest-bearing debt and lease liabilities at core companies, see page 46 of SBG's Consolidated Financial Report.

Consolidated B/S Summary (IFRSs) - 3

B/S item	Items	As of Mar 2020	As of Dec 2020	Change	(JPY bn)
Equity		7,372.9	8,622.3	+1,249.4	Changes in interests in subsidiaries resulting from the partial sale of SBKK shares: +932.4 bn
	Common stock	238.8	238.8	-	
	Capital surplus	1,490.3	2,401.8	+911.5	1 Net income attributable to owners of the parent: +3,055.2 bn
	Other equity instruments*	496.9	496.9	-	
	Retained earnings	3,945.8	6,899.4	+2,953.6	2 Share repurchase in FY20Q1-Q3: 1,607.8 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 •500.0 bn under the Board's approval on Jun 25, 2020 •123.8 bn under the Board's approval on Jul 30, 2020
	Treasury stock	-101.6	-1,687.4	-1,585.8	
	Accumulated other comprehensive income	-362.3	-722.8	-360.5	Decreased in exchange differences arising from translating overseas subsidiaries and associates into yen due to a stronger yen against the major currencies: -388.4 bn
	Accumulated other comprehensive income directly relating to assets classified as held for sale	205.7	-1.6	-207.3	FY19Q4-end: recorded Sprint's accumulated other comprehensive income (deconsolidated at the beginning of FY20) FY20Q3-end: recorded Boston Dynamics, Inc.'s accumulated other comprehensive income
	Total equity attributable to owners of the parent	5,913.6	7,625.0	+1,711.4	
Non-controlling interests	1,459.3	997.3	-462.0	•Removed 424.7 bn as Sprint ceased to be a subsidiary of the Company •SB Northstar -215.9 bn •Increased 134.4 bn resulting from the partial sale of SBKK's shares	
Ratio of equity attributable to owners of the parent (equity ratio)	15.9%	20.1%	+4.2%		

*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)

(JPY bn)

C/F item	FY19 Q1-Q3	FY20 Q1-Q3	Primary details for FY20Q1-Q3	
C/F from operating activities	623.7	-73.0	370.7	Subtotal of cash flows from operating activities
			-187.5	Interest paid
			-538.9	Income taxes paid
			263.0	Income taxes refunded
C/F from investing activities	-3,759.1	-805.9	-3,092.1	Payments for acquisition of investments
			2,953.2	Proceeds from sale/redemption of investments
			-576.8	Payments for acquisitions of investments by SVF1 and SVF2
			399.2	Proceeds from sales of investments by SVF1
C/F from financing activities	3,064.6	2,055.7	1,421.6	Proceeds in short-term interest-bearing debt, net
			5,090.8	Proceeds from interest-bearing debt
			-4,017.5	Repayment of interest-bearing debt
			774.7	Contributions into SVF1 from third-party investors
			-602.7	Distribution/repayment from SVF1 to third-party investors
			1,553.0	Proceeds from the partial sales of shares of subsidiaries or non-controlling interests
			-1,607.8	Purchase of treasury stock
Cash and cash equivalents opening balance	3,858.5	3,369.0	Partial sale of SBKK shares	
Cash and cash equivalents closing balance	3,369.0	4,452.1		

C/F from operating activities: -73.0 bn (-696.7 bn yoy)

FY19Q1-Q3: Includes Sprint's cash flow of 431.4 bn (deconsolidated at the beginning of FY20)
 FY20Q1-Q3: SB Northstar -885.6 bn (before elimination of the intercompany transactions) mainly due to realized loss on investments in listed stocks and derivatives

Payments for acquisition of investments: -3,092.1 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: +2,953.2 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: +5,090.8 bn

(SBG)

Short-term borrowings: +414.7 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 (SB Northstar)
- Procurement through borrowings made using Alibaba shares (margin loan): USD +6,000 mil (SBKK, Z Holdings)
- SBKK: Borrowings +722.0 bn and issuance of bonds +220.0 bn
- Z Holdings: Short-term borrowings +190.1 bn; borrowings +150.0 bn; and issuance of bonds +200.0 bn

Repayment of interest-bearing debt: -4,017.5 bn

(SBG)

Repayment of short-term borrowings -512.3 bn; repayment of senior loans -359.9 bn; and redemption of corporate bonds -317.6 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 -3,410 mil
- Repayment of borrowings under the Portfolio Financing Facility: USD -800 mil (SBKK, Z Holdings)
- SBKK: Repayment of borrowings -612.1 bn
- Z Holdings: Repayment of short-term borrowings -555.1 bn

Segment Income - SVF1 and Other SBIA-Managed Funds

(JPY bn)

P/L	FY19 Q1-Q3	FY20 Q1-Q3	Items
Gain on investments at SVF1 and SVF2	-729.0	2,767.3	
Realized gain on sales of investments	14.6	205.3	<u>SVF1</u> Sale of a portion of shares in 4 portfolio companies and all shares in 7 portfolio companies (including share exchanges) : 209.8 bn
Unrealized gain (loss) on valuation of investments	-754.8	2,545.6	
Change in valuation for the fiscal year	-727.3	2,652.7	Unrealized gain (net) on valuation of investments held at FY20Q3-end: <u>SVF1: 2,110.0 bn (USD 20,068 mil)</u> •Listed companies: USD 14,667 mil in total •Unlisted companies: USD 5,401 mil in total <u>SVF2: 542.7 bn (USD 5,126 mil)</u> Mainly driven by an Increase in the share price of KE Holdings Inc. and Seer, Inc. following their listings: USD 5,201 mil (See page 29-32 of SBG's Consolidated Financial Report for details)
Reclassified to realized loss recorded in the past fiscal year	-27.5	-107.2	Unrealized gain on valuation of investments recorded in prior fiscal years related to the investments exited in FY20Q1-Q3 are reclassified to "realized gain on sales of investments"
Dividend income from investments	10.1	8.2	
Derivative gain on investments	-	1.1	
Effect of foreign exchange translation	1.1	7.1	
Selling, general and administrative expenses	-68.5	-45.2	Administrative expenses arising from SBIA, SVF1 and SVF2
Finance cost	-17.1	-7.6	Interest expenses decreased primarily due to a decline in the outstanding balance of borrowings resulting from the repayment of borrowings (Fund Level Facility and Portfolio Financing Facility).
Change in third-party interests in SVF1	190.0	-956.7	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	0.6	0.4	
Segment income (income before income tax)	-624.0	1,758.1	

Appendix

Breakdown of Goodwill / Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2020	As of Dec 2020	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Goodwill* ¹		3,998.2	3,875.9					
	Arm	2,554.1	2,461.3	-	-92.8	-		
	SBKK	907.5	907.5	-	-	-		
	ZOZO	212.9	212.9	-	-	-		
Main intangible assets	Technologies	395.6	353.4					
	Main b/d	Arm	387.8	347.0	-27.4	-13.4	-	Amortized at straight-line method for 8-20 years
	Customer relationships	474.7	439.1					
	Main b/d	ZOZO	316.7	306.9	-9.8	-	-	Amortized at straight-line method for 18-25 years
		Arm	103.3	92.2	-8.2	-2.9	-	Amortized at straight-line method for 13 years
	Trademarks	221.1	215.0					
	Main b/d	ZOZO	178.7	178.7	-	-	-	
	Management contracts	46.2	32.9					
	Fortress	46.2	32.9	-11.4	-1.9	-	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

- **Gain (loss) on investments at Investment Business of Holding Companies**
- **Gain (loss) on investments at SVF1 and SVF2**
- **Gain (loss) on other investments**

- Selling, general and administrative expenses
- Finance cost
- Income (loss) on equity method investments
- Derivative gain (loss) (excluding gain (loss) on investments)* etc.

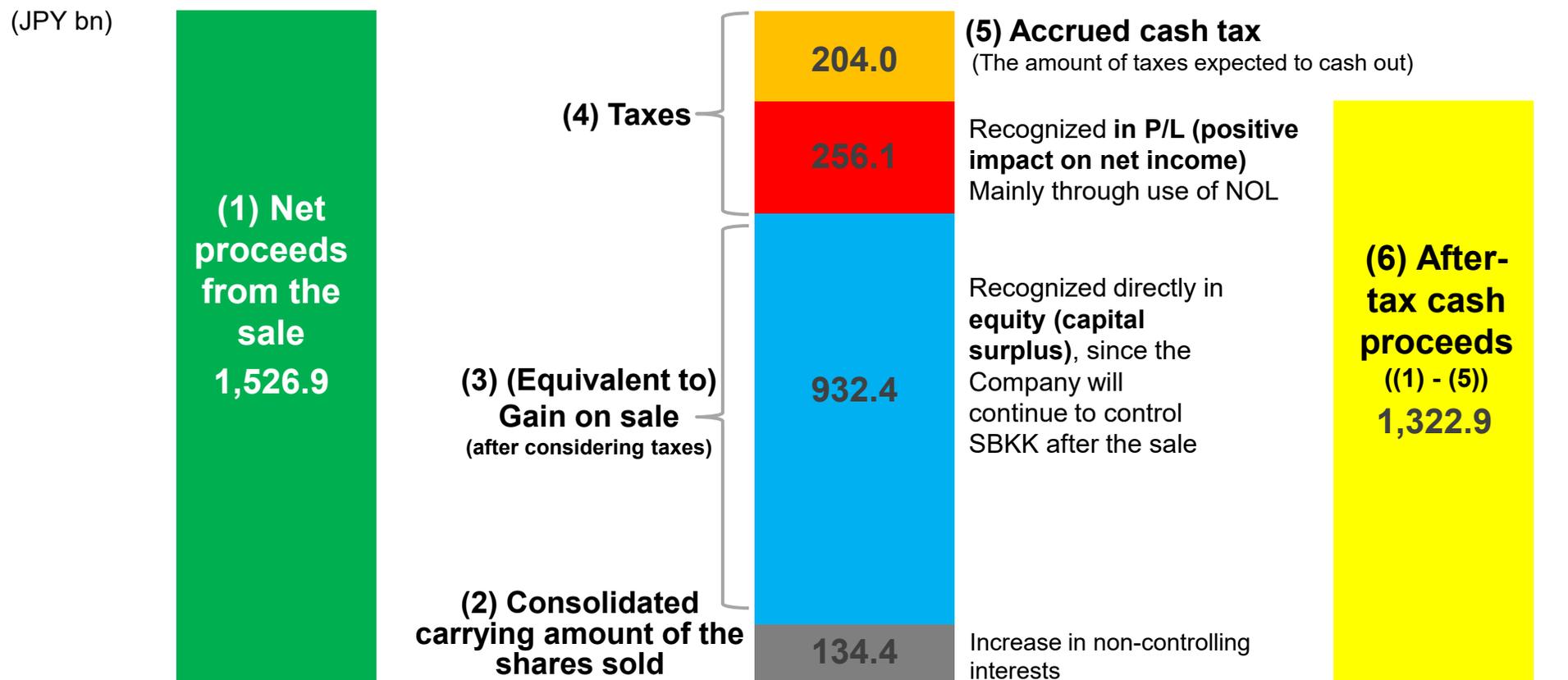
Income before income tax

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).”

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: 1.03 bn 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.



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

Partial Sale of T-Mobile Shares and Evaluation at Q3-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-Q3) (JPY bn)					FY20Q3-end B/S
					Gain relating to sales of T-Mobile shares			Evaluation at Q3-end (Change for the period from Jun 26 to Q3-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 Dec 31: USD 134.85 / share FX on Dec 31: JPY 103.50 / 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					(Assets) •Shares of (5)(6): Recorded JPY 1.48 tn under "investment securities" •(7): Recorded JPY 520.8 bn under "derivative financial assets" JPY 196.3 bn recorded on Apr 1 (see page 23) + change in the fair value to Q3-end JPY 324.5 bn (Liabilities) (5): Recorded JPY 235.9 bn under "derivative financial liabilities" Derivative loss at time of sale on Jun 26 JPY -154.5 bn + change in the fair value to Q3-end JPY -87.7 bn + FX effect
(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)			-75.8	
(4) Rights offering	-20	-1.6%	2,034	Aug 3						
Subtotal	106	8.6%				296.0		327.6		
(5) Call options received by Deutsche Telekom	-101	-8.2%						-154.5		
(6) Shares held by the Company excluding (5)	5	0.4%	(not for sale)							
(7) Contingent consideration	+49	-							324.5	
Total if (7) is acquired	54	-							Change from Apr 1 to Q3-end	

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.

