

**Earnings Results  
for the Fiscal Year  
Ended March 31, 2021  
Investor Briefing**

**May 14, 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	106.24
1 CNY	16.13	15.37	15.46	15.56	15.16	15.27	15.71	16.31
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				108.83				110.71
1 CNY				15.31				16.84

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
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
SoftBank Latin America Fund	SoftBank Latin America Fund L.P.
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

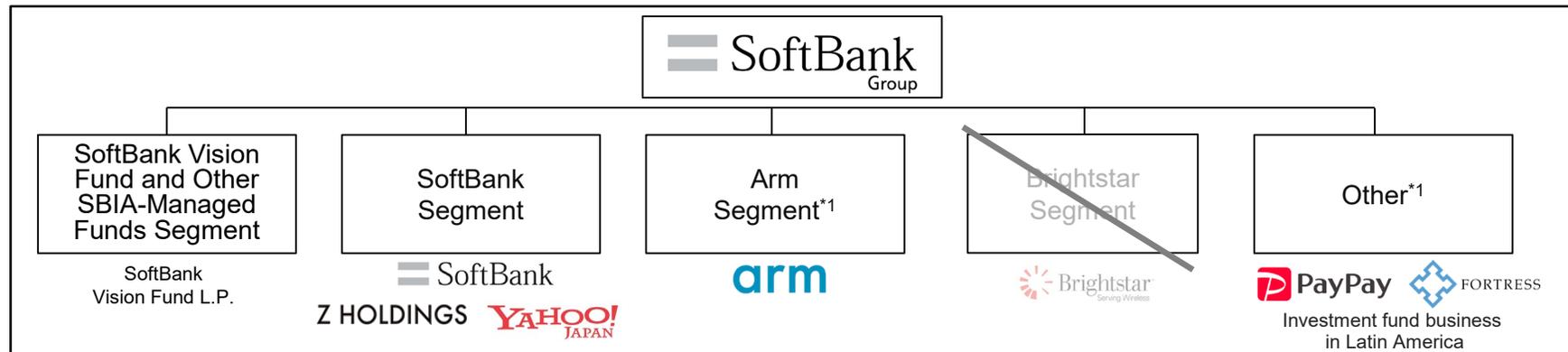
# Consolidated Results

(JPY bn)	FY19	FY20	Change	YoY
<b>Net sales</b>	<b>5,238.9</b>	<b>5,628.2</b>	<b>389.3</b>	<b>7.4%</b>
<b>Income before income tax</b>	<b>50.0</b>	<b>5,670.5</b>	<b>5,620.5</b>	<b>-</b>
<b>Net income</b> (attributable to owners of the parent)	<b>-961.6</b>	<b>4,988.0</b>	<b>5,949.6</b>	<b>-</b>
(Reference)				
<b>Gain on investments</b>	<b>-1,410.2</b>	<b>7,529.0</b>	<b>8,939.2</b>	<b>-</b>
Investment Business of Holding Companies	484.3	945.9	461.6	95.3%
SVF1 and SVF2	-1,844.9	6,292.0	8,136.9	-
Other investments	-49.6	291.0	340.6	-

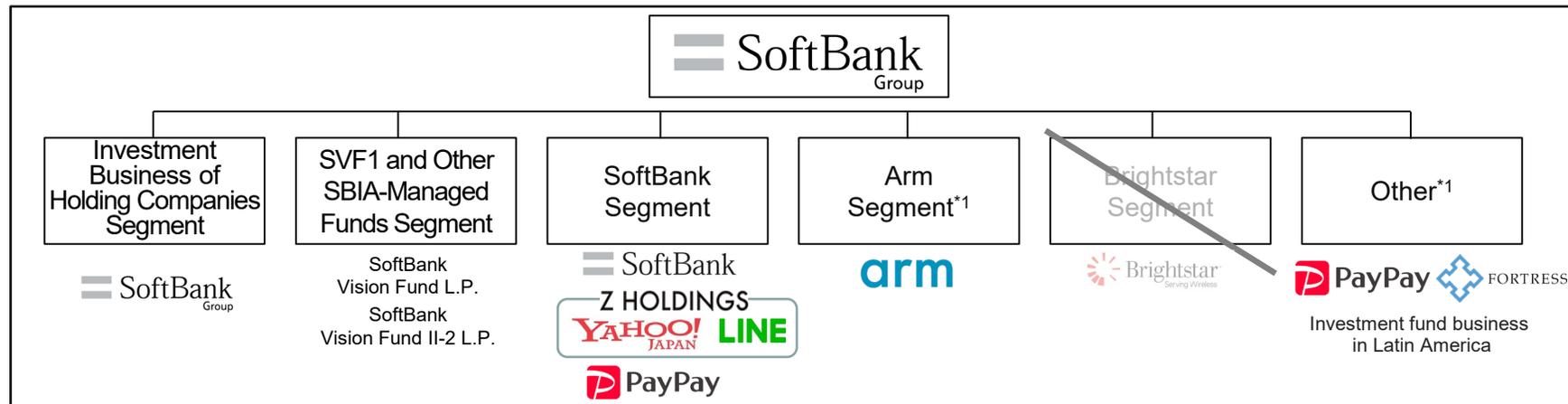
# Change in Reportable Segments

- 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.”**
- In Q4, **business integration of Z Holdings Corporation and LINE Corporation completed.**

**FY19**

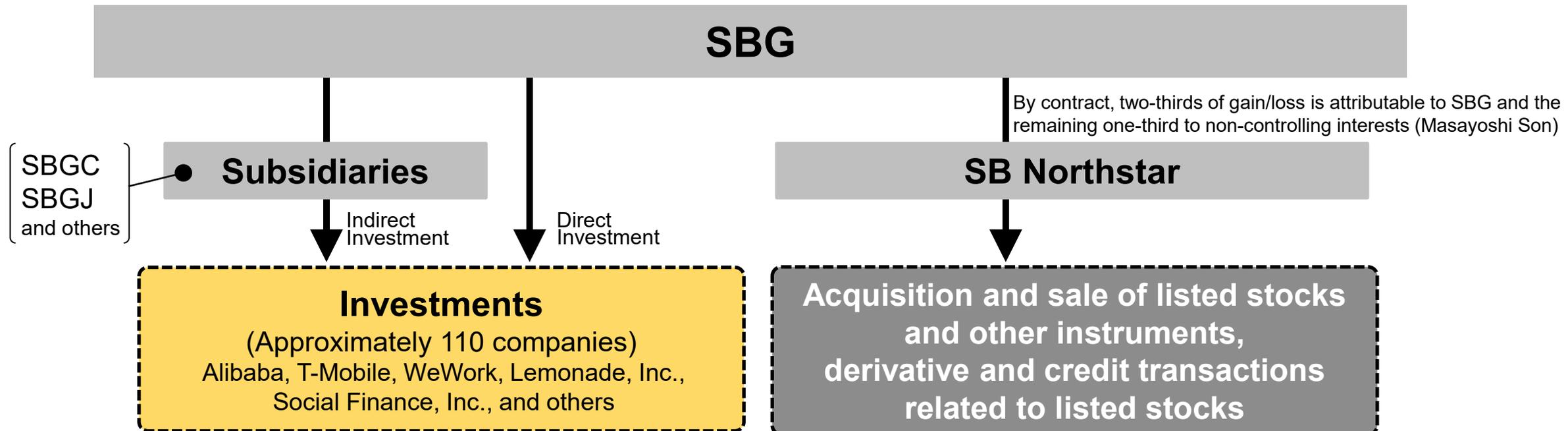


**FY20**



\*1 In conjunction with the decision to manage the Internet-of-Things Services Group (ISG) businesses separately from Arm’s remaining business, the operating results of the Arm segment for FY19 and FY20 exclude contributions of the ISG businesses. Operating results of the ISG businesses are included in “Other” in the reportable segments.

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



# Segment Income - Investment Business of Holding Companies

(JPY bn)

P/L	FY19	FY20	Items
<b>Gain on investments</b>	<b>484.3</b>	<b>946.1</b>	
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 for T-Mobile shares held by the Company
Gain relating to settlement of prepaid forward contracts using Alibaba shares	1,218.5	-	
Realized loss on sales of investments at asset management subsidiaries	-	-20.6	Realized loss on sales of investments by SB Northstar (investment in listed stocks)
Unrealized gain on valuation of investments at asset management subsidiaries	-	134.2	Unrealized gain on valuation of investments by SB Northstar (investment in listed stocks and other instruments)
Derivative loss on investments at asset management subsidiaries	-	-610.7	Losses mainly related to call options on listed stocks and short stock index futures contracts at SB Northstar
Realized gain on sales of investments	17.8	222.2	FY20: Realized gain on investments SBG made in listed stocks: 222.0 bn
Unrealized gain (loss) on valuation of Investments	-690.7	608.4	FY20: • Unrealized gain on T-Mobile shares continued to be held by the Company: 219.6 bn (for the period from June 26, 2020 to FY20-end) • Unrealized valuation gain on following companies: Social Finance, Inc. +124.4 bn, Lemonade, Inc. +73.0 bn, Berkshire Grey, Inc. +49.5 bn • Unrealized gain on investments SBG made in listed stocks: 42.3 bn
Derivative gain (loss) on investments	-66.3	185.8	FY20: Increase of 264.4 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
Other	5.0	5.0	
Selling, general and administrative expenses	-75.1	-102.3	
Finance cost	-198.5	-218.6	Interest expenses increased mainly due to an increase in interest-bearing debt as a result of wholly owned subsidiaries conducting fund procurement entering into several prepaid forward contracts using Alibaba shares from Apr to Aug 2020 with financial institutions.
Income on equity method investments	657.2	601.4	FY19: Income on 277.2 bn related to acquiring Ant Financial*1 shares by Alibaba FY20: Income on equity method investments related to Alibaba 572.5 bn (Negative impact of 72.4 bn on income on equity method investments as Alibaba recorded an expense in FY20Q4 for the fine levied pursuant to China's Anti-Monopoly Law, which the Company recorded for FY20Q4 as a significant event in the staggered period)
Derivative loss (excluding gain (loss) on investments)	-1.9	-477.5	FY20: Derivative loss of 504.0 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 Oct and Nov in 2020)
Other gain	47.7	11.9	
<b>Segment income (income before income tax)</b>	<b>913.7</b>	<b>760.9</b>	

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

# Partial Sale of T-Mobile Shares and Evaluation at FY20-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 (FY20) (JPY bn)					FY20-end B/S
					Gain relating to sales of T-Mobile shares			Evaluation at FY20-end (Change for the period from Jun 26 to FY20-end)		
					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		219.6		
(6) Shares held by the Company excluding (5)	5	0.4%	(not for sale)							
(7) Contingent consideration	+49	-							264.4	
Total if (7) is acquired	54	-								Change from Apr 1 to FY20-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 SBG's wholly-owned subsidiary.

# Investment in Listed Stocks and Other Instruments

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

## SBG (FY20Q1-)

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

## SB Northstar (FY20Q2-)

<b>B/S</b>	<b>Current assets</b> <ul style="list-style-type: none"> <li>• Investments from asset management subsidiaries (stocks)</li> <li>• Securities pledged as collateral in asset management subsidiaries</li> <li>• Derivative financial assets in asset management subsidiaries</li> <li>• Other financial assets (margin deposits and restricted cash)</li> </ul> <b>Non-current assets</b> <ul style="list-style-type: none"> <li>• Other financial assets (investments from asset management subsidiaries (convertible bonds))</li> </ul> * Since no repetitive trading is expected.
<b>P/L</b>	<b>Gain (loss) on investments at Investment Business of Holding Companies</b> <ul style="list-style-type: none"> <li>• Realized gain (loss) on sales of investments at asset management subsidiaries</li> <li>• Unrealized gain (loss) on valuation of investments at asset management subsidiaries</li> <li>• Derivative gain (loss) on investments at asset management subsidiaries</li> </ul>
<b>C/F</b>	<b>C/F from operating activities</b> →As SB Northstar's primary business is to frequently trade marketable securities, investments made by the company are recorded under C/F from operating activities.
<b>C/F</b>	<b>C/F from investment activities</b> →Cash flows from acquisition of convertible bonds, which are not expected to be traded repeatedly, are recorded under C/F from investment 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	FY20-end balance (minuses indicate liabilities)	Account	Gain (loss)					
					Q1	Q2	Q3	Q4	FY20	
SBG	Actual stocks	Investment securities	15.5	Realized gain on sales of investments	64.5	102.8	40.6	14.1	222.0	
				Unrealized gain (loss) on valuation of investments	20.9	75.7	-41.6	-12.7	42.3	
	Actual stocks, etc.	Investments from asset management subsidiaries	755.3	Realized gain (loss) on sales of investments at asset management subsidiaries	-	-8.1	-84.3	71.8	-20.6	
		Securities pledged as collateral in asset management subsidiaries	1,427.3	Unrealized gain (loss) on valuation of investments at asset management subsidiaries <sup>*2</sup>	-	-95.1	200.8	28.4	134.1	
Credit transactions	Borrowed securities	-8.7 <sup>*1</sup>								
SB Northstar	Derivatives	Long call options of listed stocks	Derivative financial assets in asset management subsidiaries	176.6						
		Short call options of listed stocks	Derivative financial liabilities in asset management subsidiaries	-9.3						
		Short stock index futures contracts	-	-						
		Total return swap contracts related to listed stocks	Derivative financial assets in asset management subsidiaries	7.1	Derivative loss on investments at asset management subsidiaries	-	-292.3	-285.3	-33.1	-610.7
			Derivative financial liabilities in asset management subsidiaries	-5.4						
		Forward contracts related to listed stocks	Derivative financial assets in asset management subsidiaries	4.4						
				<b>Gain (loss) on investments at Investment Business of Holding Companies</b>	<b>85.4</b>	<b>-217.0</b>	<b>-169.8</b>	<b>68.5</b>	<b>-232.9</b>	
				Gain (loss) on investments attributable to non-controlling interests <sup>*3</sup>	-	131.8	56.3	-22.3	165.8	
				<b>Gain (loss) on investments attributable to owners of the parent<sup>*4</sup></b>	<b>85.4</b>	<b>-85.2</b>	<b>-113.5</b>	<b>46.2</b>	<b>-67.1</b>	

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

\*2 After elimination of intercompany transactions

\*3 33% of the gain (loss) on investments at SB Northstar

\*4 Excludes impacts such as selling, general and administrative expenses and tax expenses

# Price Sensitivity of Derivatives at SB Northstar (FY20-end)

The below table shows the impact on income before income tax of changes in the market prices of the underlying assets from March 31, 2021 of options, total return swap contracts, and forward contracts related to listed stocks at SB Northstar, assuming all other variables remain unchanged.

(JPY bn)

	Fair value at the end of the period (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
<b>Long call option of listed stocks in asset management subsidiaries</b>	176.6	30% increase	525.4	348.7	1,482.0
		10% increase	275.4	98.8	
		10% decrease	104.4	-72.2	
		30% decrease	27.1	-149.5	
<b>Short call option of listed stocks in asset management subsidiaries</b>	-9.3	30% increase	-60.2	-50.9	-297.9
		10% increase	-20.5	-11.2	
		10% decrease	-3.3	5.9	
		30% decrease	-0.1	9.1	
<b>Total return swap contracts related to listed stocks in asset management subsidiaries</b>	1.7	30% increase	86.3	84.7	280.6
		10% increase	29.9	28.2	
		10% decrease	-26.6	-28.2	
		30% decrease	-83.0	-84.7	
<b>Forward contracts related to listed stocks in asset management subsidiaries</b>	4.4	30% increase	8.2	3.8	8.3
		10% increase	5.6	1.3	
		10% decrease	3.1	-1.3	
		30% decrease	0.6	-3.8	

# Details and Progress of the Agreement between the Company and WeWork in Oct 2019 and in FY20

Existing commitment of USD 1.5 bn	Reduction of exercise price from USD110.00/share to USD 11.60/share and early payment	<ul style="list-style-type: none"> <li>• The Company paid full amount of USD 1.5 bn in Oct 2019.</li> <li>• USD 200 mn was converted into preferred stock in Nov 2019, while the remaining USD 1.3 bn was converted into preferred stock in Apr 2020.</li> </ul>	
Tender offer	Tender offer up to USD 3.0 bn at USD 19.19/share	<ul style="list-style-type: none"> <li>• The Company launched the tender offer in Nov 2019, but terminated it in Apr 2020 as the Company asserted several of the closing conditions were not satisfied by the deadline.</li> <li>• In settling lawsuits relating to the terminated tender offer, the Company purchased common stock and preferred stock of WeWork at a price of USD 19.19/share (USD 1.5 bn in total) from (1) We Holdings LLC (an affiliated holding company of Adam Neumann) via a private sale in Feb 2021, and (2) certain other shareholders of WeWork via a tender offer launched in Mar 2021 and completed in Apr 2021.</li> </ul>	
Credit support/ notes purchase	a) Credit support for USD 1.75 bn letter of credit facility by financial institutions to WeWork	<ul style="list-style-type: none"> <li>• The Company received warrants that are exercisable for WeWork preferred stock at an exercise price of USD 0.01/ share as consideration for a) and b)</li> </ul>	<p>The Company agreed the followings with WeWork and BowX in conjunction with the agreement relating to the merger transaction between the two companies:</p> <p>(1) The conversion and exchange of WeWork preferred stock held by the Company into common stock of the merged company upon the merger.</p> <p>(2) For a), extension of credit support by the Company as co-obligor to the credit facility for an additional year until February 2024, subject to the financial institutions agreeing to the extension .</p> <p>(3) For c), an amended amount up to \$550 million to be purchasable by the Company until February 12, 2023 or for a period of 18 months from the closure of the merger transaction, whichever comes first.</p> <p>As consideration for (1) and (2), the Company will acquire warrants that are exercisable for common stock of the merged company at the price of USD 0.01/ share, as adjusted, when each is completed.</p>
	b) Up to USD 2.2 bn in unsecured notes to be issued by WeWork	<ul style="list-style-type: none"> <li>• Purchased USD 1.8 bn out of b) by the end of FY20</li> </ul>	
	c) Up to USD 1.1 bn in senior secured notes to be issued by WeWork	<ul style="list-style-type: none"> <li>• Agreed in Aug 2020, but the notes have not been issued by the end of FY20</li> </ul>	
Exchange of SVF1's JV shares	Exchange of WeWork JV shares held by SVF1 for WeWork preferred stock	<ul style="list-style-type: none"> <li>• The exchange of WeWork Asia shares at USD 11.60/share was completed in Apr 2020. The exchange of WeWork China was canceled.</li> </ul>	

# Investments and Debt Financing to WeWork from the WeWork Investment Subsidiary-1

## Equity

(USD mn)

Type	Cumulative investment amount	Cumulative gain (loss)	Consolidated Statement of Financial Position			Consolidated Statement of Income				
			Account	Carrying amount (Minuses show liabilities)		Account	Gain (loss)			
				FY19-end	FY20-end		FY19	FY20		
Common stock	Breakdown omitted	Breakdown omitted	Investment securities	-	-	Loss from financial instruments at FVTPL	-417	-		
			Investments accounted for using the equity method	14	173	Loss on equity method investments	-40	-109		
Other loss						-113	-307			
Preferred stock					Investment securities	885	1,521	Gain (loss) from financial instruments at FVTPL	-3,213	112
Of \$1.5 billion paid in October 2019, \$1.3 billion before conversion to preferred stock of WeWork at FY19-end					Other financial assets	406	-		-894	-
Warrants exercisable for acquisition of preferred stock of WeWork (before exercise)					Derivative financial assets	165	26	Derivative gain (loss) on investments	-703	-22
Warrants exercisable for common stock of the merged company (before exercise)									-	126
Derivatives related to the tender offer that started in Mar 2021					Derivative financial liabilities	-	-694	Derivative loss (excluding gain (loss) on investments)	-	-166
								Derivative loss on investments	-	-528
Total	6,580	-6,292		1,470	1,152		-5,380	-894		

# Investments and Debt Financing to WeWork from the WeWork Investment Subsidiary-2

## Debt

(USD mn)

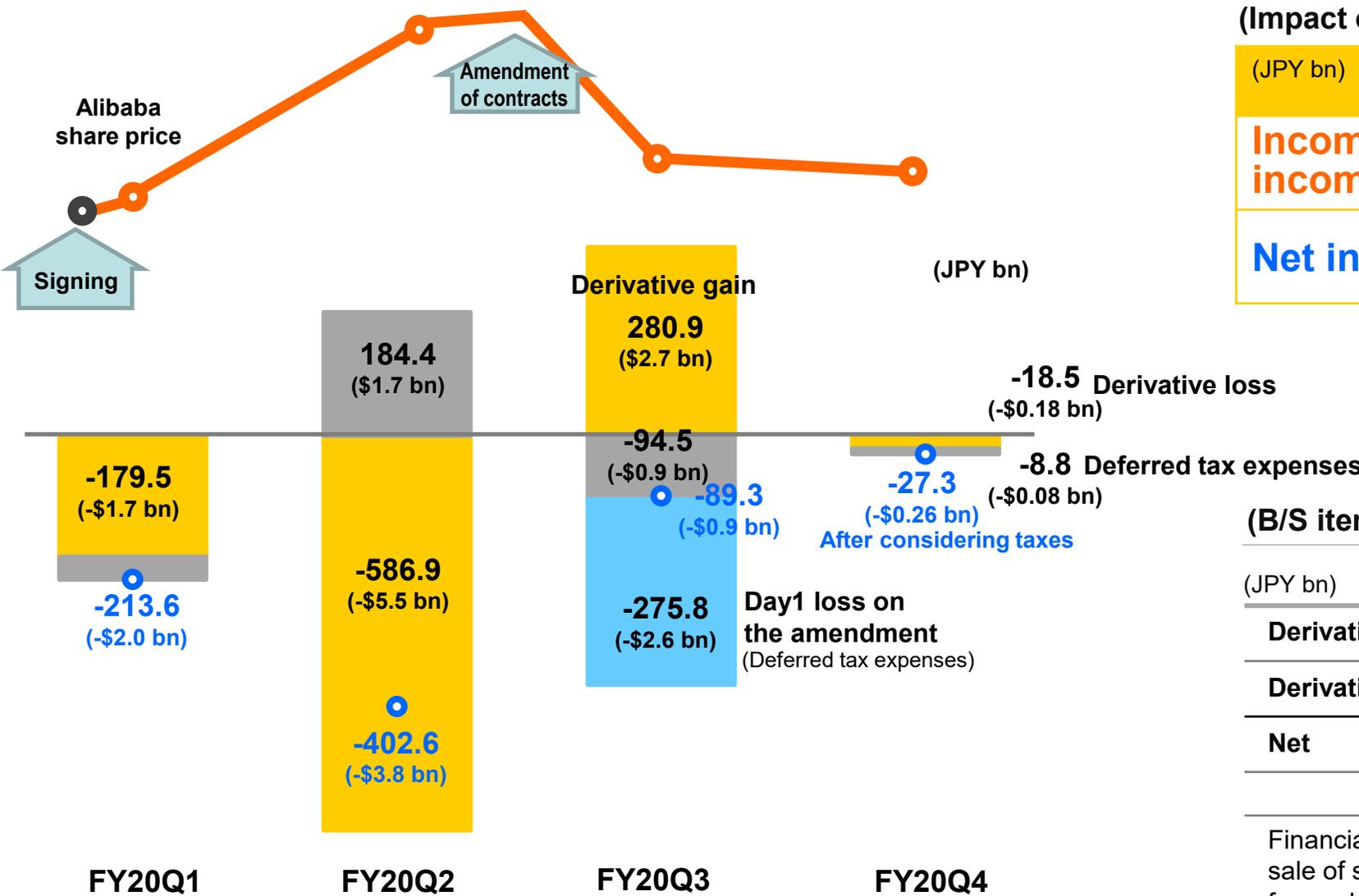
Type	Cumulative debt financing amount	Cumulative gain (loss)	Consolidated Statement of Financial Position			Consolidated Statement of Income		
			Account	Carrying amount (Minuses show liabilities)		Account	Gain (loss)	
				FY19-end	FY20-end		FY19	FY20
Purchase of unsecured notes	1,800	44	Other financial assets	-	1,173	Other gain (loss)	-	44
Liabilities related to loan commitment	-	-256	Other financial liabilities	-1,334	-92		-826	570
Liabilities related to financial guarantee contract	-	140		-819	-220		-459	599
<b>Total</b>	<b>1,800</b>	<b>-72</b>		<b>-2,153</b>	<b>861</b>		<b>-1,285</b>	<b>1,213</b>

\* Allowances for losses from the financial guarantee contract and the loan commitment are recorded as "other financial liabilities" in the Consolidated Statement of Financial Position. The Company did not record gains or losses relating to the agreement on these contracts on the Consolidated Statement of Income at the time of execution, since the Company acquired consideration for the agreement (warrants convertible for preferred stock of WeWork at \$0.01 per share). Subsequently, at the previous fiscal year-end, the Company recorded provision for allowance for losses following a deterioration in WeWork's credit risk, which was reversed during the fiscal year mainly due to the improvement of WeWork's credit risk. For liabilities related to the loan commitment, when the WeWork Investment Subsidiary purchased the unsecured notes, a corresponding amount was reversed from "other financial liabilities" and deducted from the initial recognition amount of loan receivable recorded as "other financial assets." The unsecured notes are regularly amortized from the time when the loan receivable was recognized. Liabilities related to financial guarantee contract are regularly amortized from the fourth quarter of the previous year, when the guarantee started.

## (Reference) Fair value of the entire equity of WeWork, evaluated by the Company

Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021
USD 2.9 bn	USD 2.9 bn	USD 2.9 bn	USD 2.2 bn	USD 3.8 bn

# Derivative Gain (Loss) on Alibaba Prepaid Forward Contracts



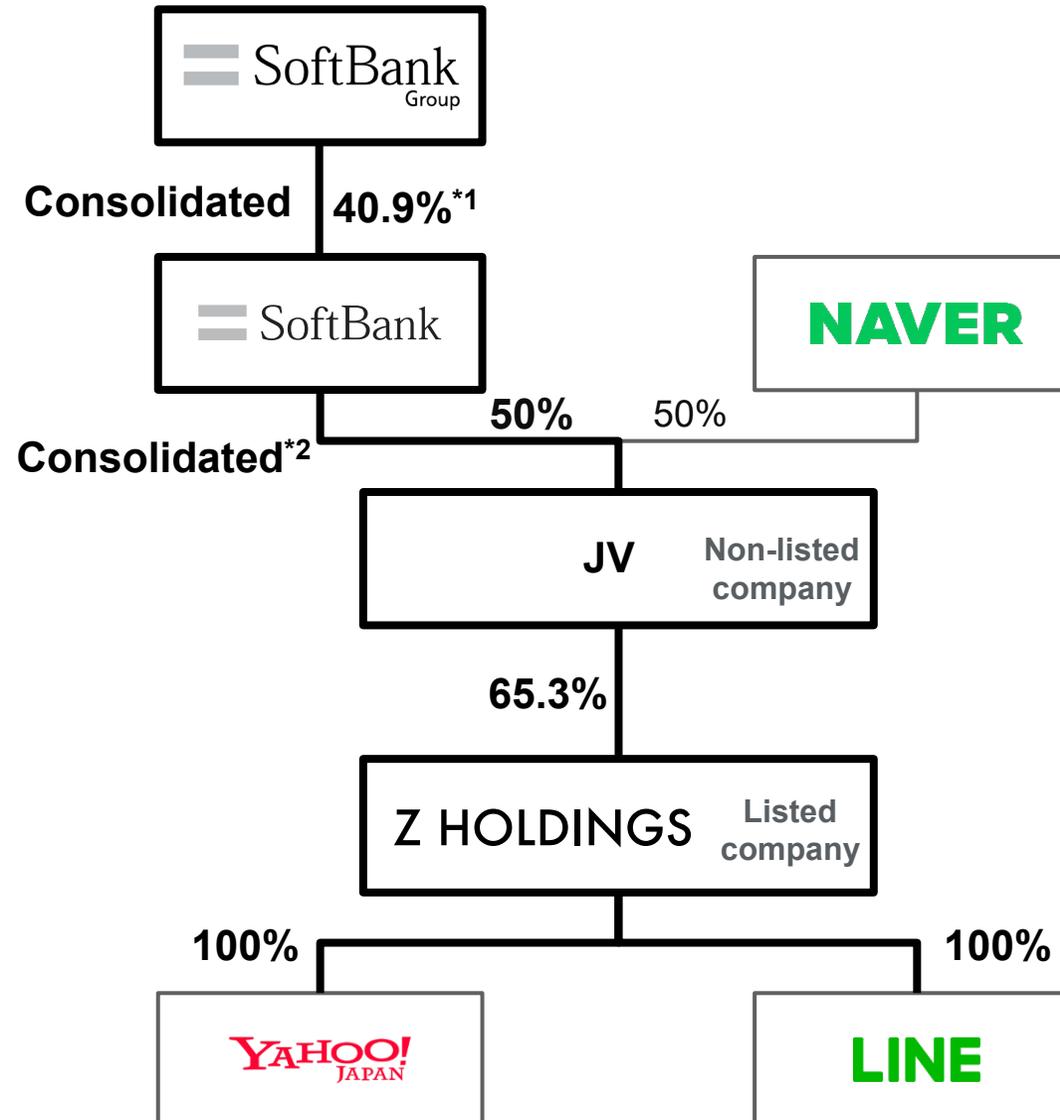
## (Impact on P/L)

(JPY bn)	FY20 cumulative
<b>Income before income tax</b>	<b>-504.0</b> (-\$4.7 bn)
<b>Net income</b>	<b>-732.9</b> (-\$6.8 bn)

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

(JPY bn)	FY19-end	FY20-end
<b>Derivative financial assets</b>	5.0	<b>703.7</b>
<b>Derivative financial liabilities</b>		<b>-28.1</b>
<b>Net</b>	5.0	<b>675.6</b>
Financial liabilities relating to sale of shares by prepaid forward contracts	196.1	<b>3,085.7</b>

# Structure After Business Integration of Z Holdings Corporation and LINE Corporation



\* The structure presented is simplified for illustrative purposes.

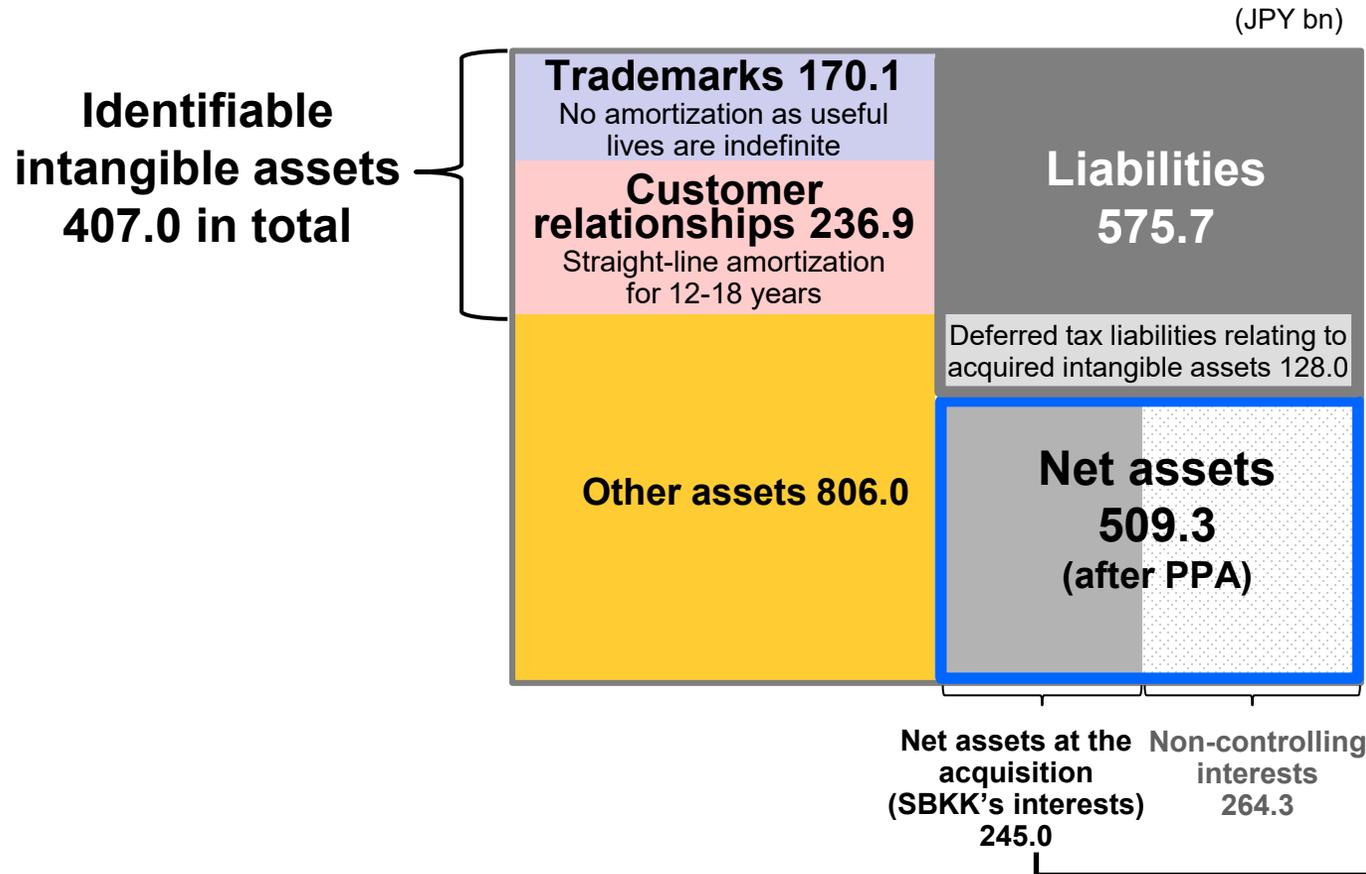
\*1 Holding ratio as of March 31, 2021

\*2 SBKK holds the right to appoint the majority of the JV's board of directors (three out of five).

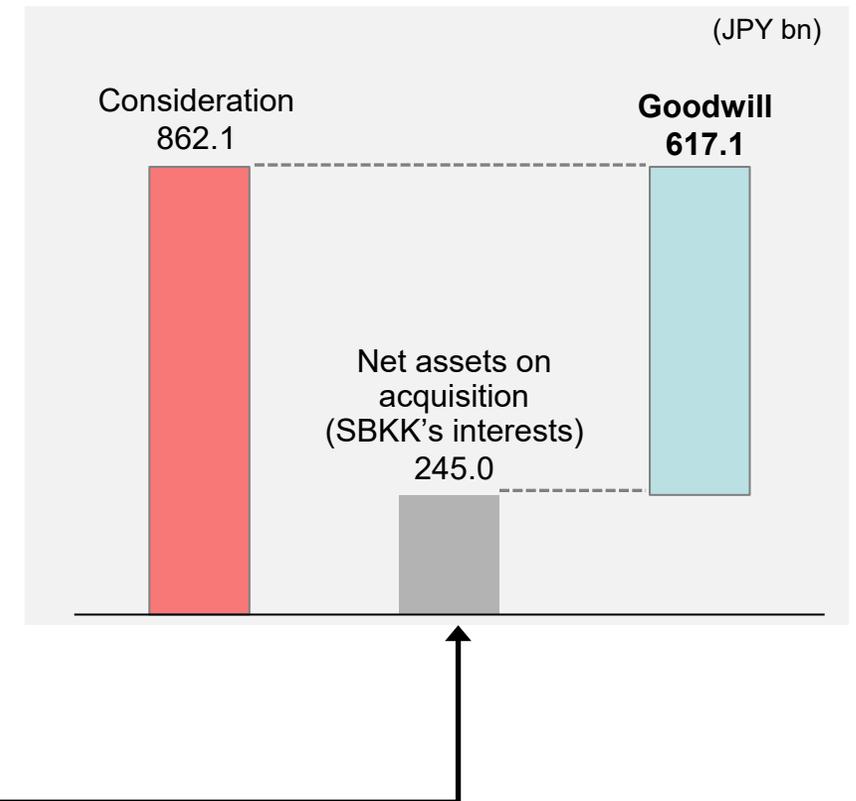
# Business Integration of Z Holdings Corporation and LINE Corporation

**Identifiable intangible assets: JPY 407.0 bn in total**  
**Goodwill: JPY 617.1 bn**

\* The above amounts are fair values based on the best estimate currently available; therefore may change in a year from the acquisition date when additional information is obtained and evaluated related to facts and circumstances that existed as of the acquisition date.



## Amount of Consideration and Goodwill



# 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 hold 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 in Sep 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: <b>USD 484.60 / share.</b>  (Reference): Closing price as of May 12, 2021 USD 550.34 / share	
Up to 5.0 ±α <sup>*1</sup>	Up to 10.32 mil of NVIDIA shares or cash: SBGC and SVF1 to receive <b>Earn-out</b> subject to satisfaction of certain financial performance targets for each of revenue and EBITDA <sup>*2</sup> 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



# SPACs Controlled by SBG's Subsidiaries

A Special Purpose Acquisition Company (“SPAC”) is an investment vehicle formed for the purpose of effecting business combination with an existing operating company.

- A subsidiary of SBG, as a sponsor, establishes a SPAC with a small amount of capital. The SPAC issues founder shares and warrants designed to allow the sponsor to own up to 20% of the equity of the merged entity. **(The sponsor can acquire up to 20% of interests in the merged entity with a small investment.)**
  - (1) Executes an IPO to raise capital for business combination; starts seeking a target company for the merger
  - (2) Identifies a target company for the merger (within 19 months from the date of the IPO)
  - (3) Completes the merger (De-SPAC) (within 24 months from the date of the IPO)
- An existing operating company can effectively go public in a shorter period of time compared to traditional IPOs.

As of March 31, 2021

	(1) Post-IPO/start selection of a target company for a merger	(2) Identification of a target company for a merger	(3) Completion of a merger (De-SPAC)
SB Investment Advisers (UK) (“SBIA”)	3 companies	-	-
Investment fund business in Latin America	1 company	-	-
Fortress	3 companies	1 company	1 company
<b>Total</b>	<b>7 companies</b>	<b>1 company</b>	<b>1 company</b>

SPAC: Consolidated as a subsidiary

SPAC after De-SPAC: Excluded from the scope of consolidation

# SPACs Controlled by SBG's Subsidiaries

Nine SPACs controlled by SBG's subsidiaries raised USD 3,304 mn in total through IPO in FY20

SBIA: USD 1,154 mn

Investment fund business in Latin America: USD 230 mn

Fortress: USD 1,920 mn (of which USD 345 mn from one entity that completed De-SPAC)

## Impact of eight SPACs controlled by SBG's subsidiaries on FY20 SBG consolidated F/S

- The proceeds can only be used for a merger with a target company and redemptions of the interests attributable to public market investors.
- The proceeds received are held in a trust account until completion of merger with a target company and are invested only in certain financial assets that are highly liquid.
- The SPACs will cease all operations and redeem all interests attributable to public market investors in it, if it is unable to complete a merger within 24 months from the date of IPO (operating expenses of the SPAC are borne by the sponsor).
- Public market investors retain an option to redeem part or all of the proceeds contributed from them upon completion of the initial merger.
  - Because the relevant SPACs will be obligated to redeem them for cash under such conditions, non-controlling interests subject to possible redemption are classified as "liabilities", not as "equity" under IFRSs.

		(JPY mn)
<b>Assets</b>		<b>FY20-end</b>
	Other financial assets (non-current)	
	Trust accounts in SPACs	327,569

		(JPY mn)
<b>Liabilities</b>		<b>FY20-end</b>
	Other financial liabilities (non-current)	
	Non-controlling interests subject to possible redemption	298,092

## Impact of one SPAC (deconsolidated after De-SPAC) on FY20 SBG consolidated F/S

- Upon deconsolidation, the increase in the value of the shares held by the sponsor was recognized as gain. (JPY 13,516 mn)

# Consolidated P/L Summary (IFRSs)

(JPY bn)

P/L item	FY19	FY20	Change
<b>Continuing operations</b>			
<b>Net sales</b>	<b>5,238.9</b>	<b>5,628.2</b>	<b>+389.3</b>
<b>Gross profit</b>	<b>2,654.7</b>	<b>2,874.9</b>	<b>+220.2</b>
Gain (loss) on investments			
Gain on investments at Investment Business of Holding Companies	+484.3	+945.9	+461.6
Gain (loss) on Investments at SVF1 and SVF2, and others	-1,844.9	+6,292.0	+8,136.9
Gain (loss) on other investments	-49.6	+291.0	+340.6
<b>Total gain (loss) on investments</b>	<b>-1,410.2</b>	<b>7,529.0</b>	<b>+8,939.2</b>
Selling, general and administrative expenses	-2,060.1	-2,271.5	-211.4
Finance cost	-293.9	-307.3	-13.4
Income on equity method investments	+624.0	+616.4	-7.6
Derivative loss (excluding gain (loss) on investments)	-	-480.3	-480.3
Change in third-party interests in SVF1	+540.9	-2,246.4	-2,787.3
Other loss	-5.5	-44.5	-39.0
<b>Income before income tax</b>	<b>50.0</b>	<b>5,670.5</b>	<b>+5,620.5</b>
Income taxes	-792.7	-1,303.2	-510.5
<b>Net income from continuing operations</b>	<b>-742.6</b>	<b>4,367.3</b>	<b>+5,109.9</b>
<b>Discontinued operations</b>			
Net income from discontinued operations	-58.1	710.9	+769.0
Net income	-800.8	5,078.2	+5,879.0
<b>Net income attributable to owners of the parent</b>	<b>-961.6</b>	<b>4,988.0</b>	<b>+5,949.6</b>

## Gain on investments at Investment Business of Holding Companies: +945.9 bn

(see pages 5 and 8 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: 219.6 bn
- Derivative gain resulting from an increase in the fair value of a contingent consideration\*1: 264.4 bn
- Investment loss in listed stocks and other instruments: 232.9 bn

## Gain on Investments at SVF1, SVF2, and others: +6,292.0 bn

- (see page 26 for details)
- Realized gain on sales of investments (net): 423.7 bn
  - Unrealized gain on valuation of investments (net): 5,478.1 bn at SVF1 and 490.3 bn at SVF2

## Gain on other Investments: +291.0 bn

- Gain on investments at SoftBank Latin America Fund (net) : 196.6 bn

## Income on equity method investments: +616.4 bn (decreased 7.6 bn yoy)

Gain on equity method investments in Alibaba: 572.5 bn (FY19: Gain of 286.5 bn related to Alibaba acquiring Ant Financial\*2 shares by Alibaba)

## Derivative loss (excluding gain (loss) on investments): -480.3 bn

Derivative loss in connection with several prepaid forward contracts using Alibaba shares entered into in Nov 2019 and from Apr to Aug 2020: 504.0 bn (including the impact of amendments of the contracts in October and November in 2020)

## Income taxes

- Recorded current income taxes at SBKK and Yahoo Japan Corporation
- Recorded current income taxes associated with the sale of T-Mobile shares
- Recorded deferred tax expenses due to revisions of the prepaid forward contracts using Alibaba shares
- A credit of income taxes of 256.1 bn (profit) was recorded mainly due to the use of loss carryforwards, to which deferred tax assets had not been recognized against taxable income generated from the partial sale of SBKK shares. (see page 32 for details)

Recorded gain relating to loss of control of Sprint: 720.8 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.)

Tax rate analysis	FY20	
	Rate (%)	Amount (JPY bn)
Net income before income tax		5,670.5
Effective statutory tax rate	31.5%	1,783.9
(Main factors of tax rate analysis)		
(1) Permanent difference (mainly tax rate differences)	-22.0%	-1,247.9
(2) Anti-tax heaven taxation in Japan	6.9%	392.3
(3) Tax effect on investments in affiliates	4.3%	242.4
(4) Income taxes related to intercompany transactions eliminated in consolidation	3.8%	216.4
(5) Tax effect on investments in subsidiaries	-1.7%	-94.3
Others	0.2%	10.4
Actual tax rate	23.0%	1,303.2

# Consolidated B/S Summary (IFRSs) - 1

(JPY bn)

B/S item	Main items	As of Mar 2020	As of Mar 2021	Change
Current assets		15,636.9	10,820.2	-4,816.7
	Cash and cash equivalents	3,369.0	4,662.7	+1,293.7
	Investments from asset management subsidiaries	-	A 658.2	+658.2
	Securities pledged as collateral in asset management subsidiaries	-	B 1,427.3	+1,427.3
	Derivative financial assets in asset management subsidiaries	-	C 188.1	+188.1
	Other financial assets	313.5	D 1,055.2	+741.7
	Other current assets	461.0	446.7	-14.3
	Assets classified as held for sale	9,236.0	38.6	-9,197.4
Non-current assets		21,620.3	34,930.3	+13,310.0
	Property, plant and equipment	1,264.5	1,668.6	+404.1
	Goodwill	3,998.2	4,684.4	+686.2
	Intangible assets	1,986.0	2,308.4	+322.4
	Investments accounted for using the equity method	3,240.4	4,350.0	+1,109.6
	Investments from SVF1 and SVF2 accounted for using FVTPL	6,892.2	13,646.8	+6,754.6
	SVF1	6,681.7	12,403.3	+5,721.6
	SVF2	210.6	1,243.5	+1,032.9
	Investment securities	1,211.5	3,706.8	+2,495.3
	Derivative financial assets	59.3	908.7	+849.4
Other financial assets	1,100.7	1,919.3	+818.6	
Total assets		37,257.3	45,750.5	+8,493.2

**1 Current assets related to investments from SB Northstar**  
 A: The fair value of listed stocks  
 B: Securities pledged as collateral  
 C: Fair value of long call option of listed stocks, etc.  
 D: Margin deposits of 14.7 bn and restricted cash of 111.8 bn

**Current assets related to forward contracts using Alibaba shares**  
 • Restricted cash: 361.4 bn (the amount required for the early termination of a portion of the collar contract in April 2021)  
 • Derivative assets: 359.1 bn (reclassified from non-current assets for the contracts with a contracted term of one year or less)

**2 Impact of the business integration of Z Holdings Corporation and LINE Corporation**  
 • Goodwill : 617.1 bn, identifiable intangible assets (sum of trademarks and customer relationships): 407.0 bn related to LINE Corporation (including its subsidiaries), as of the acquisition date

(Reference) Carrying amount of Alibaba shares: 3,751.4 bn (FY20-end)

**3 Investment securities: 3,706.8 bn (increased 2,495.3 bn)**  
 • T-Mobile shares continued to be held after the partial sale: +1,474.4 bn  
 • Increase in the fair value of portfolio companies of and new and follow-on investments from SoftBank Latin America Fund: +327.5 bn  
 • Increase in the fair value of Social Finance, Inc. and Lemonade, Inc.

Increase of derivative financial assets related to the below:  
 • Contingent consideration for T-Mobile shares: 460.7 bn  
 • Prepaid forward contracts using Alibaba shares: 339.6 bn

Balance of funds that were raised through IPOs by SPACs, which were formed by the Company's subsidiaries as sponsors (listed and not yet merged with operating companies as of FY20-end), and invested in money market funds as of FY20-end: +327.6 bn

# Consolidated B/S Summary (IFRSs) - 2

(JPY bn)

B/S item	Main items	As of Mar 2020	As of Mar 2021	Change
Current liabilities		14,191.1	12,891.0	-1,300.1
	Interest-bearing debt	3,845.2	7,735.2	+3,890.0
	Lease liabilities	378.4	307.4	-71.0
	Deposits for banking business	873.1	1,109.2	+236.1
	Trade and other payables	1,585.3	1,970.3	+385.0
	Derivative financial liabilities in asset management subsidiaries	-	14.7	+14.7
	Derivative financial liabilities	9.3	322.2	+312.9
	Income taxes payables	164.3	391.9	+227.6
	Other current liabilities	596.5	952.4	+355.9
	Liabilities directly relating to assets classified as held for sale	6,455.0	11.3	-6,443.7
Non-current liabilities		15,693.2	20,903.9	+5,210.7
	Interest-bearing debt	9,286.7	10,777.7	+1,491.0
	Lease liabilities	761.9	727.6	-34.3
	Third-party interests in SVF1	4,559.7	6,601.8	+2,042.1
	Other financial liabilities	77.2	415.4	+338.2
	Deferred tax liabilities	711.2	2,030.7	+1,319.5
	Other non-current liabilities	79.6	207.5	+127.9
<b>Total liabilities</b>		<b>29,884.4</b>	<b>33,794.9</b>	<b>+3,910.5</b>

**1 Interest-bearing debt (current) of SB Northstar**

- Short-term borrowings to be used in transactions for listed stocks: +1,203.9 bn
- Borrowings made using Alibaba shares (margin loan): + USD 6.0 bn

Recording of derivative financial liabilities for the call options received by Deutsch Telekom for T-Mobile shares held by the Company: 204.8 bn

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

- Increased due to the recording of expected payment amount of withholding income tax related to dividends paid from SBGJ to SBG: 245.1 bn
- A deposit received for the sale of all shares of Arm: USD 1.25 bn

**2 Financial liabilities relating to sale of shares by prepaid forward contracts: 3,085.7 bn (+2,889.6 bn)**

Increased (including current liabilities) due to prepaid forward contracts using Alibaba shares concluded from Apr to Aug 2020 and amendments made to some of the contracts in Oct and Nov 2020 (For details of debt reduction related to JPY 4.5 trillion program, see the Finance Section.)

Financial liabilities of 298.1 bn were recorded for the equity interests of investors other than sponsors in SPACs (listed and not yet merged with operating companies as of FY20-end), which were formed by the Company's subsidiaries as sponsors.

Increased mainly from differed tax liabilities at SBG

\* For the breakdown of interest-bearing debt and lease liabilities at core companies, see page 51 of SBG's Consolidated Financial Report.

# Consolidated B/S Summary (IFRSs) - 3

(JPY bn)

B/S item	Items	As of Mar 2020	As of Mar 2021	Change
Equity		<b>7,372.9</b>	<b>11,955.6</b>	<b>+4,582.7</b>
	Common stock	238.8	238.8	-
	Capital surplus	1,490.3	2,618.5	+1,128.2
	Other equity instruments*	496.9	496.9	-
	Retained earnings	3,945.8	8,810.4	+4,864.6
	Treasury stock	-101.6	-2,290.1	-2,188.5
	Accumulated other comprehensive income	-362.3	338.3	+700.6
	Accumulated other comprehensive income directly relating to assets classified as held for sale	205.7	0.3	-205.4
	Total equity attributable to owners of the parent	5,913.6	10,213.1	+4,299.5
	Non-controlling interests	1,459.3	1,742.5	+283.2
	<b>Ratio of equity attributable to owners of the parent (equity ratio)</b>	<b>15.9%</b>	<b>22.3%</b>	<b>+6.4%</b>

- Changes in interests in subsidiaries resulting from the partial sale of SBKK shares: +932.4 bn
- Changes in interests due to a decrease in the equity stake in the new company formed by the merger following the business integration of Z Holdings Corporation and LINE Corporation: +243.0 bn

1 Net income attributable to owners of the parent: +4,988.0 bn

2 Share repurchase in FY20: 2,226.2 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
- 742.2 bn under the Board's approval on Jul 30, 2020

Increased in exchange differences arising from translating overseas subsidiaries and associates into yen due to a weaker yen against the major currencies: +652.0 bn

FY19-end: Sprint classified as discontinued operations (deconsolidated at the beginning of FY20)  
 FY20-end: Boston Dynamics, Inc. reclassified

- Impact from the business integration of Z Holdings Corporation and LINE Corporation: +441.9 bn
  - the recognition of 264.3 bn of non-controlling interests related to LINE Corporation (including its subsidiaries) on the acquisition date
  - a decrease in the equity stake in the new company formed by the merger
- Partial sale of SBKK's shares: +134.4 bn
- Impact from deconsolidation of Sprint: -424.7 bn
- SB Northstar -152.9 bn

\* 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	FY20	Change	Primary details for FY20Q1-Q3	
<b>C/F from operating activities</b>	1,117.9	557.3	<b>-560.6</b>	1,119.2	Subtotal of cash flows from operating activities
				-265.1	Interest paid
				-588.6	Income taxes paid
				264.2	Income taxes refunded
<b>C/F from investing activities</b>	-4,286.9	-1,468.6	<b>+2,818.3</b>	-4,186.7	Payments for acquisition of investments
				3,845.8	Proceeds from sale/redemption of investments
				-856.6	Payments for acquisitions of investments by SVF1 and SVF2
				856.4	Proceeds from sales of investments by SVF1
				312.8	Payments for acquisition of control over subsidiaries
				-351.3	Payments into restricted cash
				-351.0	Payments into trust accounts in SPACs
				1,575.3	Proceeds in short-term interest-bearing debt, net
<b>C/F from financing activities</b>	2,920.9	2,194.1	<b>-726.8</b>	7,965.1	Proceeds from interest-bearing debt
				-5,790.9	Repayment of interest-bearing debt
				979.3	Contributions into SVF1 from third-party investors
				-1,362.1	Distribution/repayment from SVF1 to third-party investors
				345.5	Proceeds from non-controlling interests subject to possible redemption
				1,553.0	Proceeds from the partial sales of shares of subsidiaries to non-controlling interests
				-2,226.2	Purchase of treasury stock
				Cash and cash equivalents opening balance	3,858.5
Cash and cash equivalents closing balance	3,369.0	4,662.7			

## C/F from operating activities: decreased 602.5 bn yoy

(Major reasons for decrease)

- Decrease of Income taxes paid by 613.4 bn yoy
- Deconsolidation of Sprint (Sprint recorded operating cash inflows of 641.0 bn in FY19)
- SB Northstar recorded cash outflows of 509.2 bn (before elimination of intercompany transactions) mainly associated with realized loss on investments in derivatives.

## Payments for acquisition of investments: -4,186.7 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 (SBNS has taken over this investment activity from FY20Q2; see pages 7-8)
- Acquisition of LINE Corporation shares by SBKK -269.1 bn; Subscription of LINE Corporation bonds by SBKK : -739.6 bn

## Proceeds from sales /redemption of investments: +3,845.8 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
- Sale of LINE Corporation shares by SBKK: +93.8 bn
- Sale or redemption of LINE Corporate Bonds by SBKK: 739.6 bn

Transactions between SBKK and LINE Corporation prior to LINE Corporation becoming a subsidiary are presented in gross amounts (total cash outflow for acquisition of LINE Corporation shares (net) was 175.3 bn)

## Proceeds from interest-bearing debt: +7,965.1 bn

(SBG)

Short-term borrowings: +1,040.1 bn domestic hybrid notes: +177.0 bn

(Wholly owned subsidiaries conducting fund procurement)

- Procurement through borrowings made using T-Mobile shares (margin loan): USD +4,380 mn
- Procurement through borrowings made using Alibaba shares (margin loan): USD +8,125 mn
- Procurement through several prepaid forward contracts using Alibaba shares: USD +15,445 mn (SB Northstar)
- Procurement through borrowings made using Alibaba shares (margin loan): USD +6,000 mn

## Repayment of interest-bearing debt: -5,790.9 bn

(SBG)

Repayment of short-term borrowings -863.3 bn; repayment of senior loans -392.4 bn; and redemption of corporate bonds -557.6 bn

(Wholly owned subsidiaries conducting fund procurement)

Repayment of margin loan made using Alibaba shares: USD -9,444 mn

(SVF1)

- Repayment of borrowings under the Fund Level Facility: USD -4,976 mn
- Repayment of borrowings under the Portfolio Financing Facility: USD -1,033 mn

Partial sale of SBKK shares

# Segment Income - SVF1 and Other SBIA-Managed Funds

(JPY bn)

P/L	FY19	FY20	Items
<b>Gain on investments at SVF1, SVF2, and others</b>	<b>-1,844.9</b>	<b>6,357.5</b>	
Realized gain on sales of investments	58.3	419.6	<u>SVF1</u> Sale of a portion of shares in five portfolio companies and all shares in eight portfolio companies (including share exchanges) : 424.2 bn
Unrealized gain (loss) on valuation of investments	-1,917.7	5,897.1	
Change in valuation for the fiscal year	-1,877.7	6,013.4	Unrealized gain (net) on valuation of investments held at FY20-end: <u>SVF1: 5,523.1 bn (USD 52,186 mn)</u> •Listed companies: USD 40,507 mn in total •Unlisted companies: USD 11,679 mn in total <u>SVF2: 490.3 bn (USD 4,633 mn)</u> Mainly recorded USD 4,671 mn for listed stocks, mainly driven by an Increase in the share price of KE Holdings Inc. (See page 33-34 of SBG's Consolidated Financial Report for details)
Reclassified to realized gain recorded in the past fiscal year	-40.0	-116.3	Unrealized gain on valuation of investments recorded in prior fiscal years related to the investments exited in FY20 are reclassified to "realized gain on sales of investments"
Dividend income from investments	12.8	29.8	
Derivative gain on investments	0.1	1.1	
Effect of foreign exchange translation	1.5	9.8	
Selling, general and administrative expenses	-86.5	-74.2	Administrative expenses at SBIA, SVF1 and SVF2
Finance cost	-23.5	-10.4	Interest expenses decreased primarily due to a decline in the outstanding balance of borrowings following the repayment of borrowings (Fund Level Facility and Portfolio Financing Facility).
Change in third-party interests in SVF1	540.9	-2,246.4	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	1.4	0.4	
<b>Segment income (income before income tax)</b>	<b>- 1,412.6</b>	<b>4,026.8</b>	

# Appendix

- 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, SVF2, and others**
- **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.

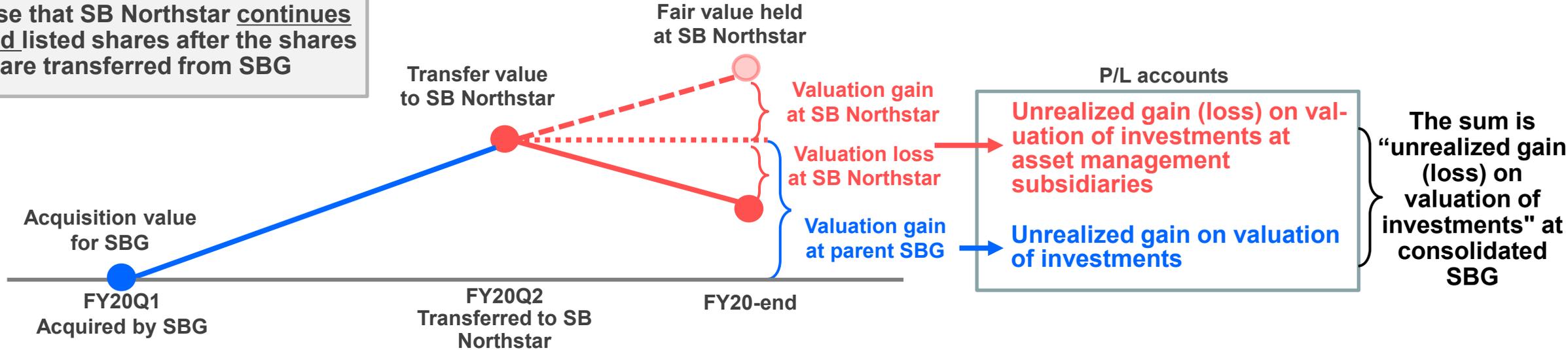
Income before income tax

Net income attributable to owners of the parent

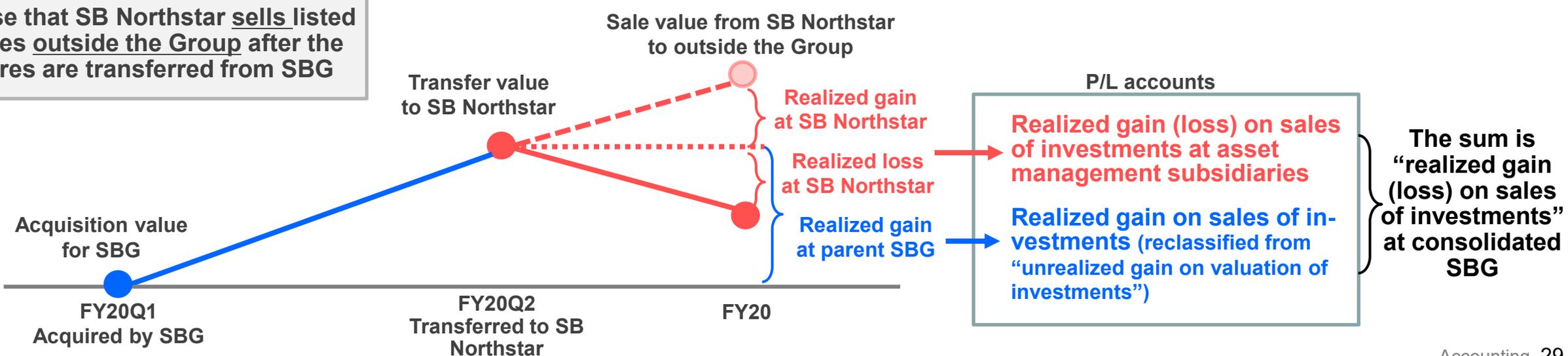
\*Derivative gain (loss) not included in “gain (loss) on investments” is shown as “derivative gain (loss) (excluding gain (loss) on investments).”

# 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

	March 31, 2021		(JPY bn) March 31, 2021
Cash and cash equivalents	221.3	Interest-bearing debt	1,866.5
Investments from asset management subsidiaries	755.3	Derivative financial liabilities in asset management subsidiaries	14.7
Securities pledged as collateral in asset management subsidiaries	1,427.3	Other	19.2
Derivative financial assets in asset management subsidiaries	188.1	<b>Total liabilities</b>	<b>1,900.4</b>
Other financial assets	126.5	Investments from Delaware subsidiaries (defined below)*2	1,349.0
Other	14.2	Equivalent amount of cash investments by SBG in Delaware subsidiaries	39.8
		Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	1,289.3
		Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19.9 A
		Retained earnings	-506.3 B
		Exchange differences on translating foreign operations	-10.4
<b>Total assets</b>	<b>2,732.7</b>	<b>Equity</b>	<b>832.3 C</b>

\*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 and investments made by SB Northstar in SPACs controlled by SBIA

\*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	-168.7	1/3 of B
Exchange differences on translating foreign operations	-4.1	
<b>Non-controlling interests (interests of Masayoshi Son)</b>	<b>-152.9</b>	<b>D</b>

## ■ Interests in equity

Interests of SBG	985.2
Non-controlling interests (interests of Masayoshi Son)	-152.9 D
<b>Equity</b>	<b>832.3 C</b>

# Breakdown of Goodwill / Intangible Assets

(JPY bn)

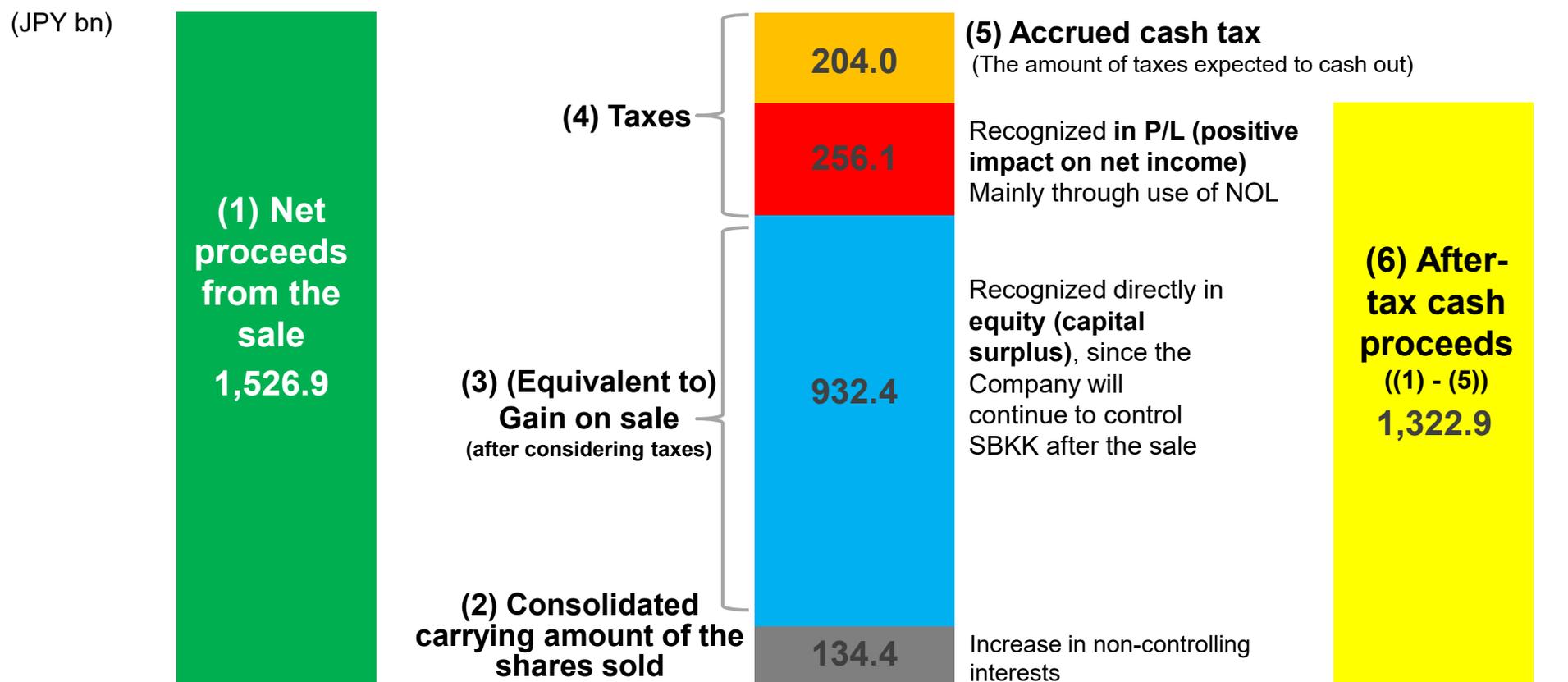
B/S Item	Main items	As of Mar 2020	As of Mar 2021	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Goodwill <sup>*1</sup>		<b>3,998.2</b>	<b>4,684.4</b>					
	Arm	2,554.1	2,632.7	-	+78.6	-	Includes ISG businesses	
	SBKK	907.5	907.5	-	-	-		
	ZOZO	212.9	212.9	-	-	-		
	LINE	-	617.1	-	-	617.1	Newly recorded	
Main intangible assets	<b>Technologies</b>	<b>395.6</b>	<b>368.1</b>					
	Main b/d	Arm	387.8	361.7	-36.5	+10.4	-	Amortized at straight-line method for 8-20 years
	<b>Customer relationships</b>	<b>474.7</b>	<b>674.9</b>					
	Main b/d	ZOZO	316.7	303.6	-13.1	-	-	Amortized at straight-line method for 18-25 years
	Main b/d	LINE	-	236.9	-	-	-	Amortized at straight-line method for 12-18 years
	Main b/d	Arm	103.3	95.7	-10.9	+3.4	-	Amortized at straight-line method for 13 years
	<b>Trademarks</b>	<b>221.1</b>	<b>385.2</b>					
	Main b/d	ZOZO	178.7	178.7	-	-	-	
	Main b/d	LINE	-	170.0	-	-	-	
	<b>Management contracts</b>	<b>46.2</b>	<b>33.2</b>					
Main b/d	Fortress	46.2	33.2	-13.3	+0.3	-	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.

# 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 mn 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.