

**Earnings Results  
for the Six-month Period  
Ended September 30, 2023**

**Investor Briefing**

**November 9, 2023**

**SoftBank Group Corp.**



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Exchange rates per JPY used for translation

Average during quarter	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	129.04	138.68	141.16	133.26	138.11	145.44		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				133.53		149.58		

Abbreviations

Abbreviations used in Finance section of this presentation are as follows.  
In some cases, "Ltd." and "Corporation" etc. are omitted from the company name.

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.
LatAm Funds or Latin America Funds	SBLA Latin America Fund LLC
SVF	SVF1, SVF2 and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
SBGC	SoftBank Group Capital Limited
T-Mobile or TMO	T-Mobile US, Inc. after merging with Sprint
Deutsche Telekom or DT	Deutsche Telekom AG
Arm	Arm Holdings plc or Arm Limited*
Alibaba	Alibaba Group Holding Limited

\* A corporate reorganization was undertaken in August 2023, pursuant to which Arm Holdings Limited, a former subsidiary of Arm Limited, acquired all the issued ordinary shares of Arm Limited, thereby making it a wholly owned subsidiary. Subsequently, Arm Holdings Limited changed its name to Arm Holdings plc and was listed on the Nasdaq Global Select Market through an initial public offering on September 14, 2023.

Other

Some figures in the report are rounded and may not add up to the figures presented as the total.

# Finance

SBG stand-alone financial figures are calculated by excluding those of self-financing entities from the consolidated figures, unless otherwise stated. Major self financing entities includes SBKK (including its subsidiaries such as Z Holdings(currently LY) and PayPay), SVF1, SVF2, LatAm Funds, and Arm, etc.

# Listed on NASDAQ

September 14, 2023

# arm


IPO Market Cap<sup>\*1</sup>

**\$52B**

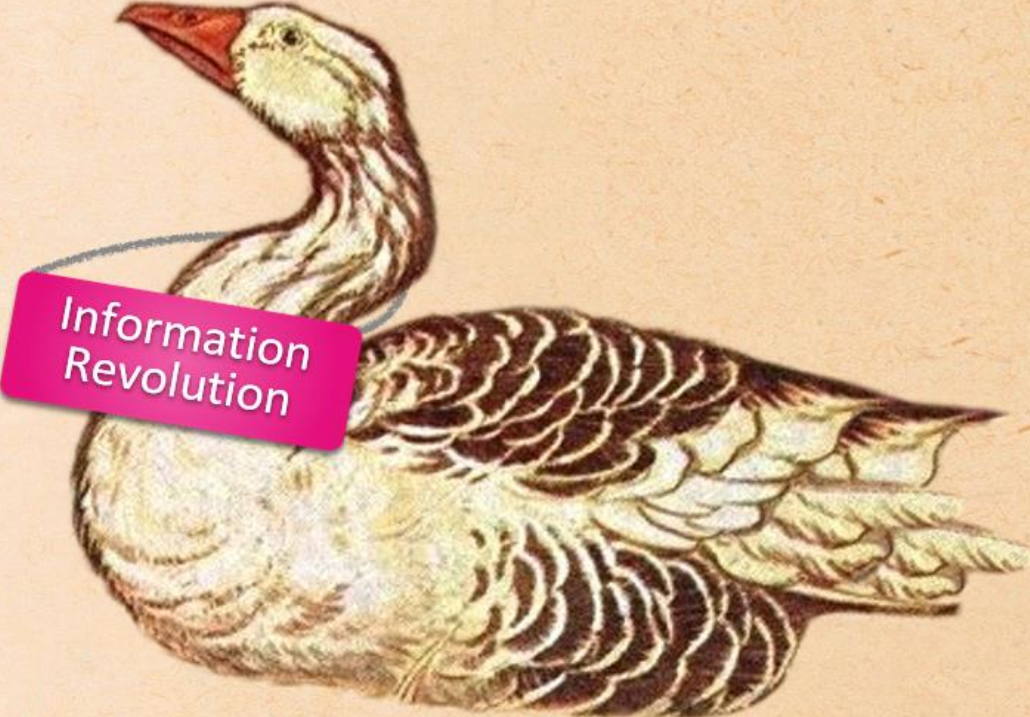
**(¥7.8T<sup>\*2</sup>)**

\*1 Calculated by 1,025,234,000 shares, the number of Arm's outstanding shares (before dilution.) as of Sep 30, 2023 multiplied by IPO price per ADS

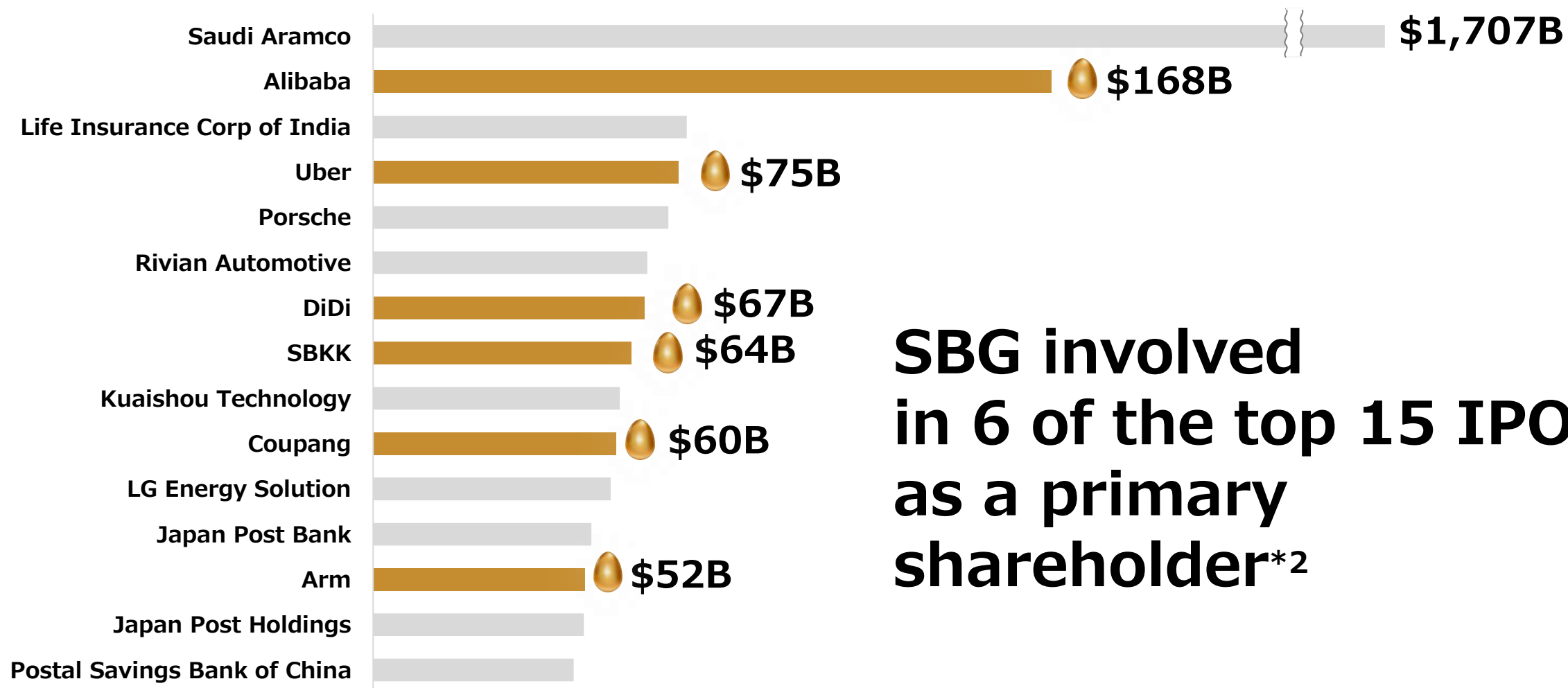
\*2 Converted to JPY at 1\$=¥149.58

 **SoftBank**  
Group

= Producer of golden eggs



# Global Top 15 Market Cap at IPO (Past 10 Years\*1)



**SBG involved in 6 of the top 15 IPOs as a primary shareholder\*2**

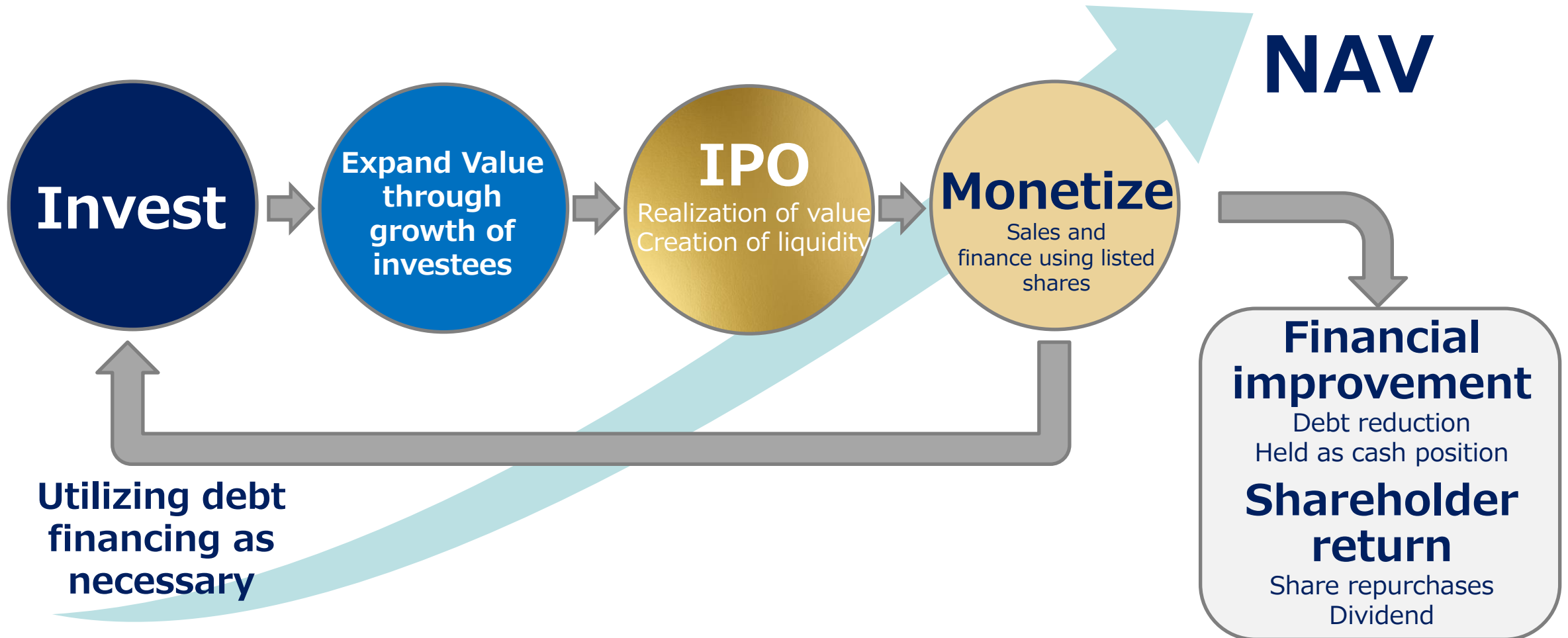
(Note) Created by SBG based on vendors such as Bloomberg

\*1 The 10-year span from Jan 2014 to Sep 30, 2023

\*2 SBG and its subsidiaries involved as a primary shareholders at the timing of listing

# SBG's Growth Strategy

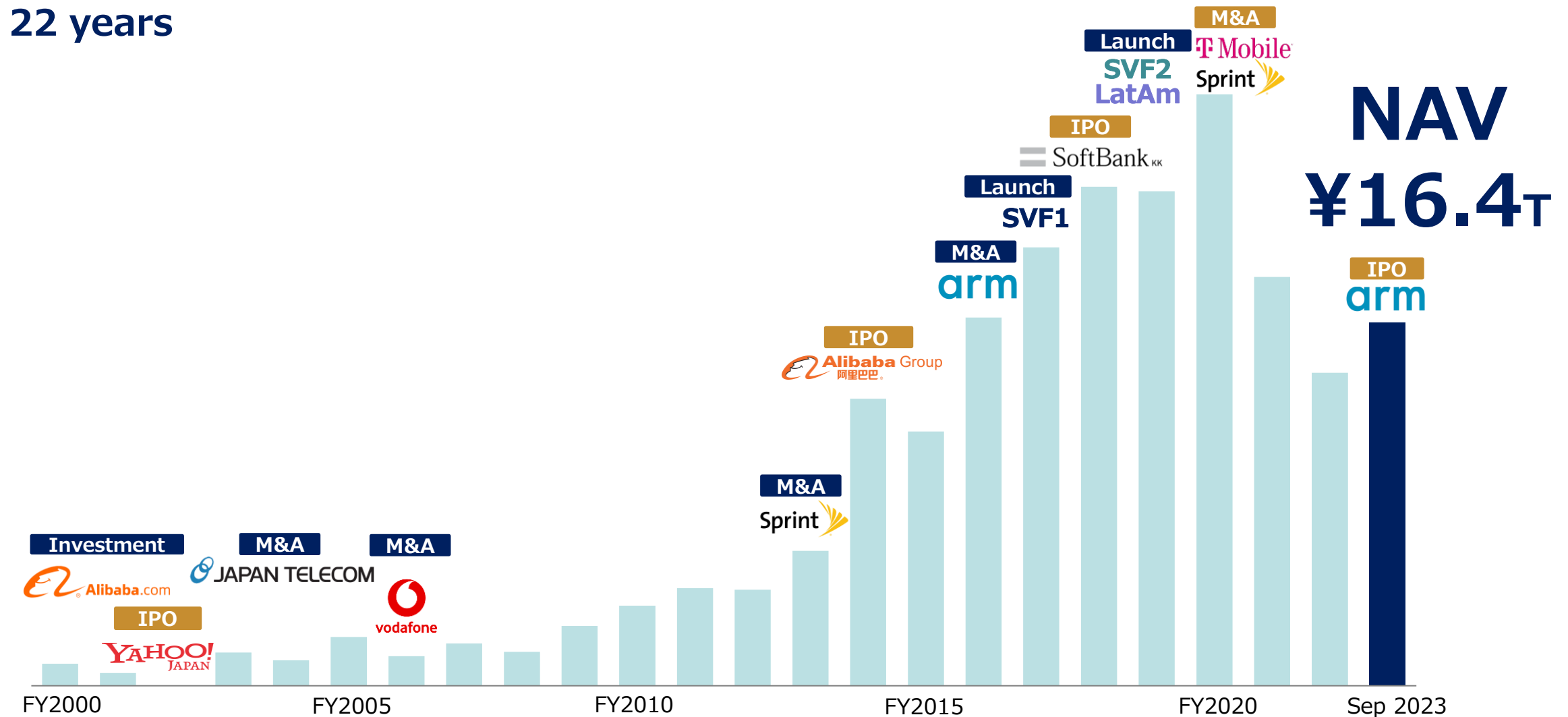
Expanding NAV through repeating investment cycle  
IPO is effective in realizing value and enhancing the flexibility for monetization, while it is just a milestone in a company's growth





# Historical NAV

The success in investments as exemplified in Alibaba and Vodafone Japan led to further reinvestments, resulting in significant increase of NAV to 17x in approx. 22 years



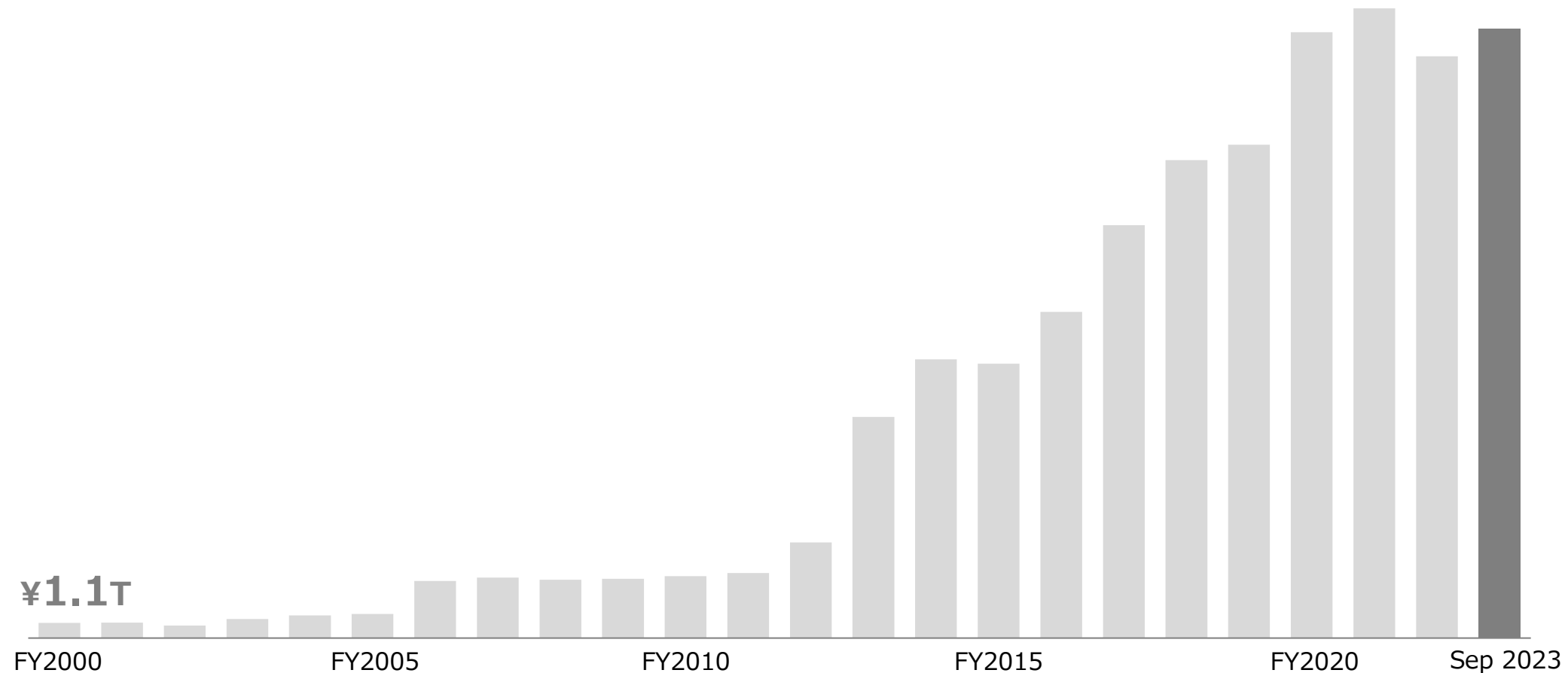
(Note) From FY2000 to FY2022, as of the end of each fiscal year

- NAV (Net Asset Value) = Adj. SBG stand-alone equity value of holdings – adj. SBG stand-alone net interest-bearing debt
- Information on NAV is provided for reference purposes only to illustrate its historical trend and is not intended to guarantee or imply future NAV.

# Historical Consolidated Total Assets

Consolidated total assets expanded to ¥46T

Consolidated total asset  
¥46.0T



¥1.1T

FY2000

FY2005

FY2010

FY2015

FY2020

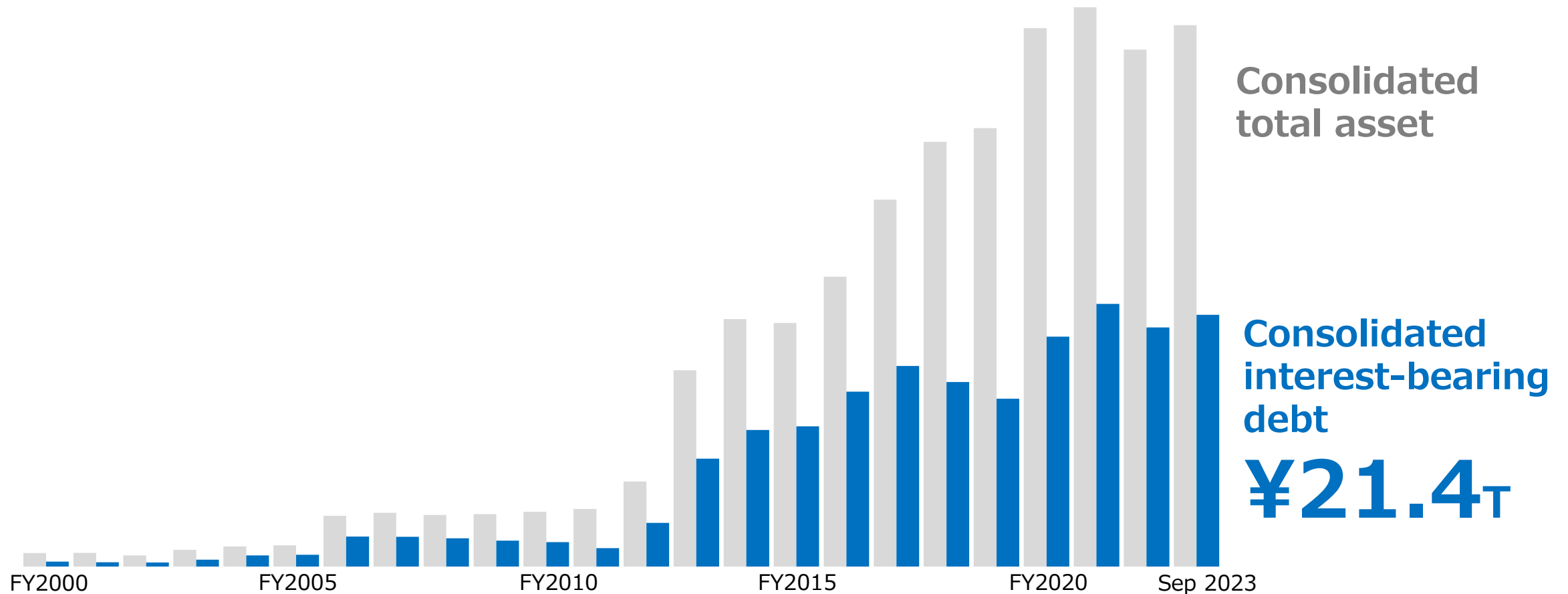
Sep 2023

(Note) From FY2000 to FY2022, as of the end of each fiscal year

# Historical Consolidated Interest-bearing Debt

## Pursuit group's optimal leverage

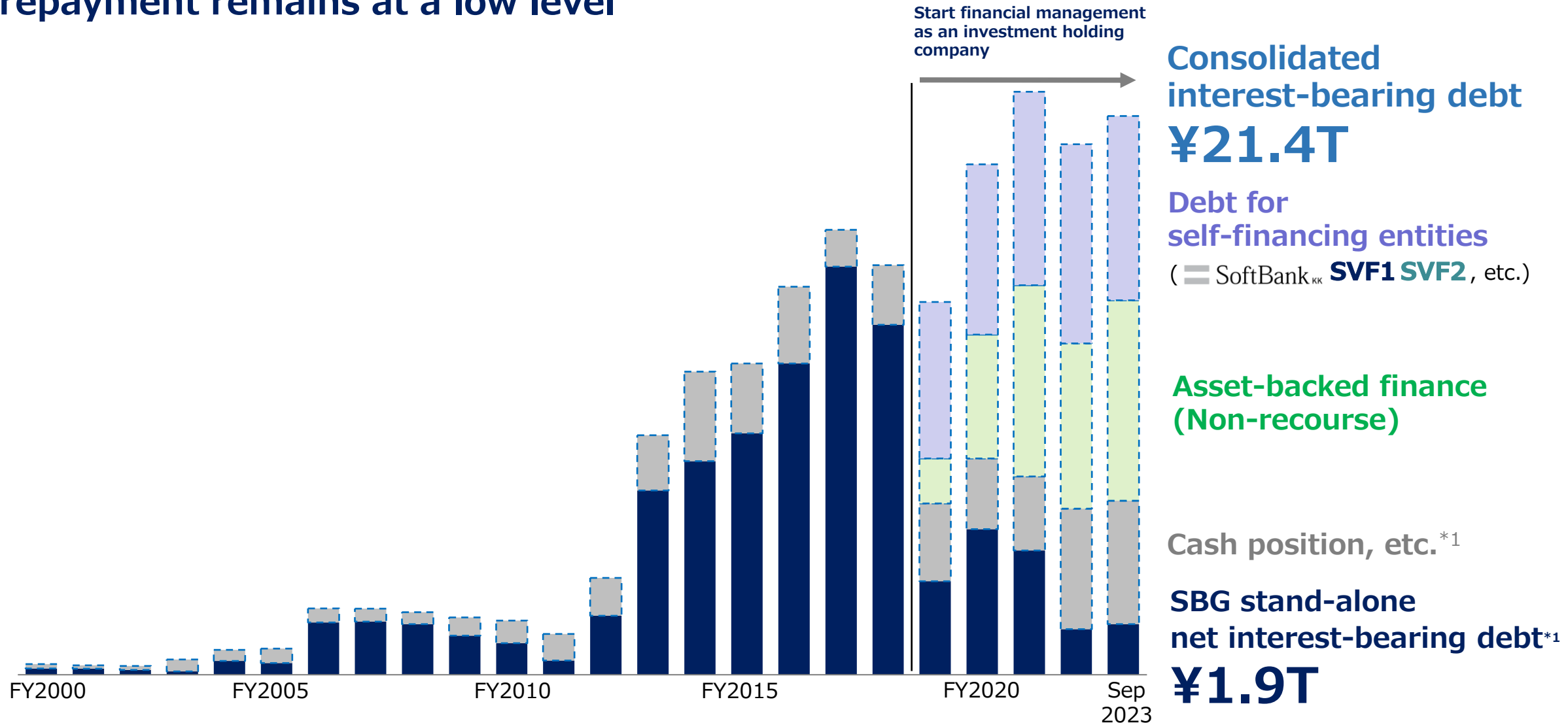
Consolidated interest-bearing debt (incl. non-recourse debt) increased along with the expansion of the overall group's assets



(Note) From FY2000 to FY2022, as of the end of each fiscal year

# Breakdown of Consolidated Interest-Bearing Debt

Contrarily, debt for which SBG has a direct obligation of repayment remains at a low level

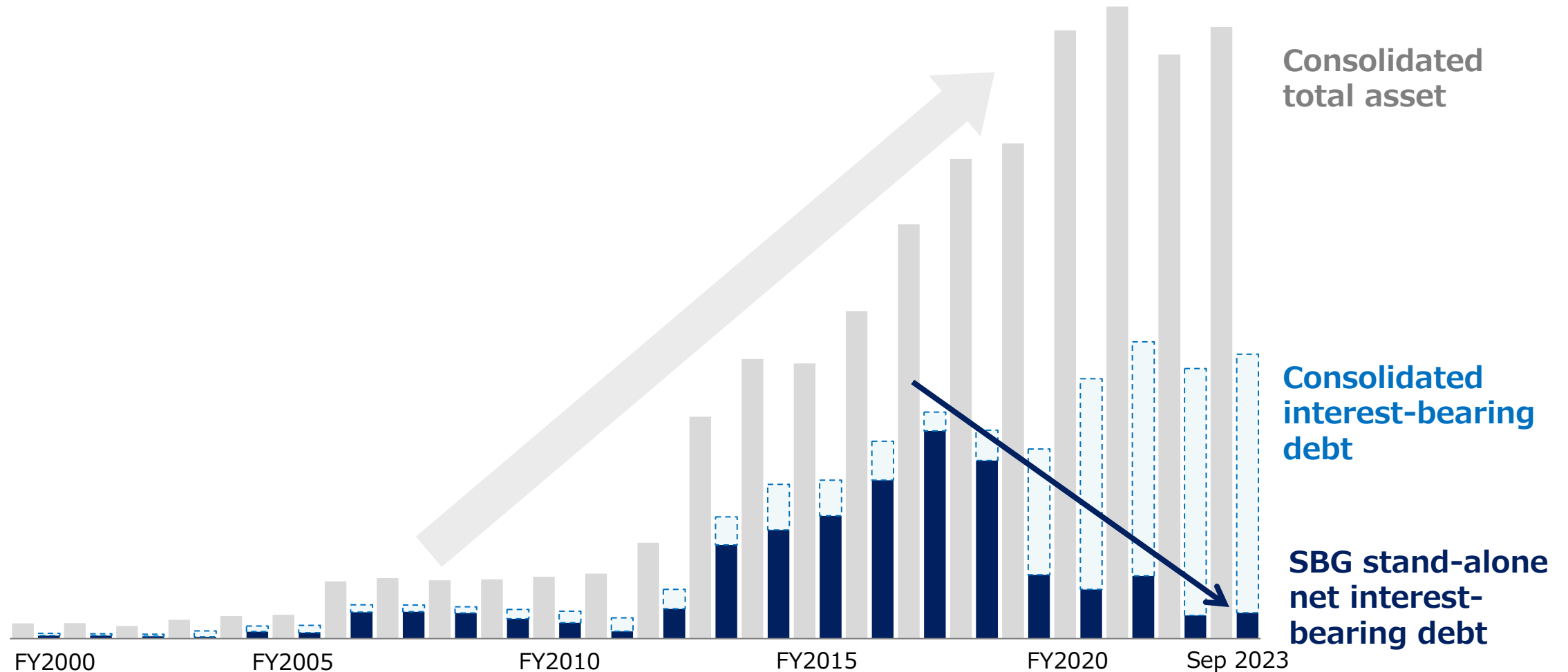


(Note) From FY2000 to FY2022, as of the end of each fiscal year

\*1 Incl. Hybrid finance adjustments (deduct 50% for which hybrid bonds and hybrid loans are recorded as liabilities and add 50% for which hybrid bonds recorded as equity)

# History of Asset and Debt

**Effectively utilizing financial leverage through non-recourse debt / financing (e.g., debt financing by self-financing entities and asset-backed finance)**  
**Realizing overall group growth while mitigating financial risks**



(Note) From FY2000 to FY2022, as of the end of each fiscal year

# Enhancement of Presence in the Financial Markets

Continue our efforts to diversify our funding sources by leveraging our robust financial foundation. Highest trust from market participants in our history

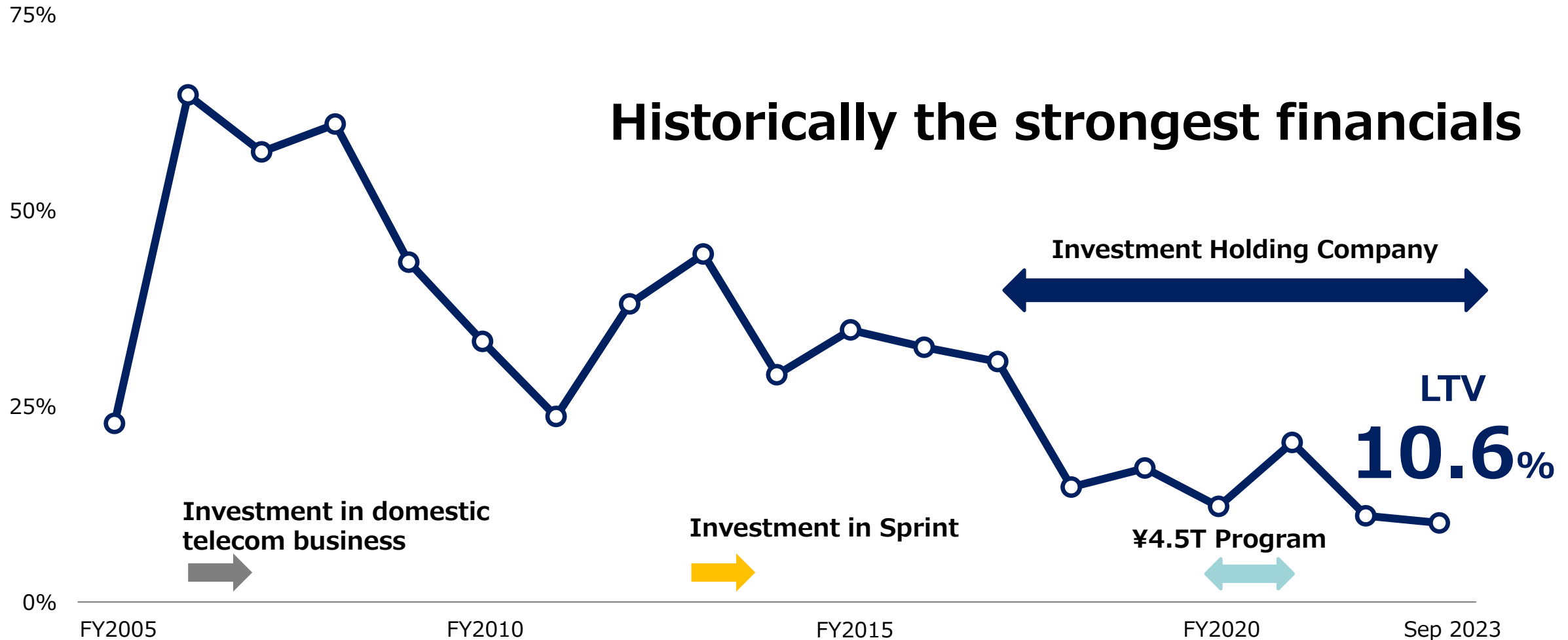
		Before 2010	Current
Commitment Line	Facility Banks	<p><b>¥145.0B</b> (2000)</p> <p><b>9 banks</b> (primarily domestic banks)</p>	<p><b>¥740.9B</b> equiv. (2023)</p> <p><b>21 banks</b> (both domestic and overseas financial institutions)</p>
	Bonds	<p>Begun full-fledged retail bond issuance in 2005</p> <p>Initial issue size: <b>¥12.5B</b></p>	<p>With ongoing cycles of redemptions and issuances, the annual issuance size grew to <b>¥1T</b></p>
	Foreign Bonds	<p>Issued the first Euro-denominated high-yield bond in 2004 (<b>€400M</b>)</p>	<p>Issue size expanded to <b>\$7.3B</b> equiv. in 2021 (largest ever issuance in the Reg-S high-yield market at the time)</p>
Asset-backed Finance	Utilizing shares	<p>Stock lending utilizing listed shares (former Yahoo Japan Corporation)</p> <p>Collar transactions (former Yahoo Inc.)</p>	<p>Diverse structure including utilization of unlisted assets</p> <p>Large transactions usually involve <b>10-20 banks</b></p> <p># of counterparties for collar transactions etc. increased to <b>14 companies</b></p>

# Historical LTV

LTV reached an all-time low level

Continue to grow and expand pursuing optimal leverage going forward

Historically the strongest financials



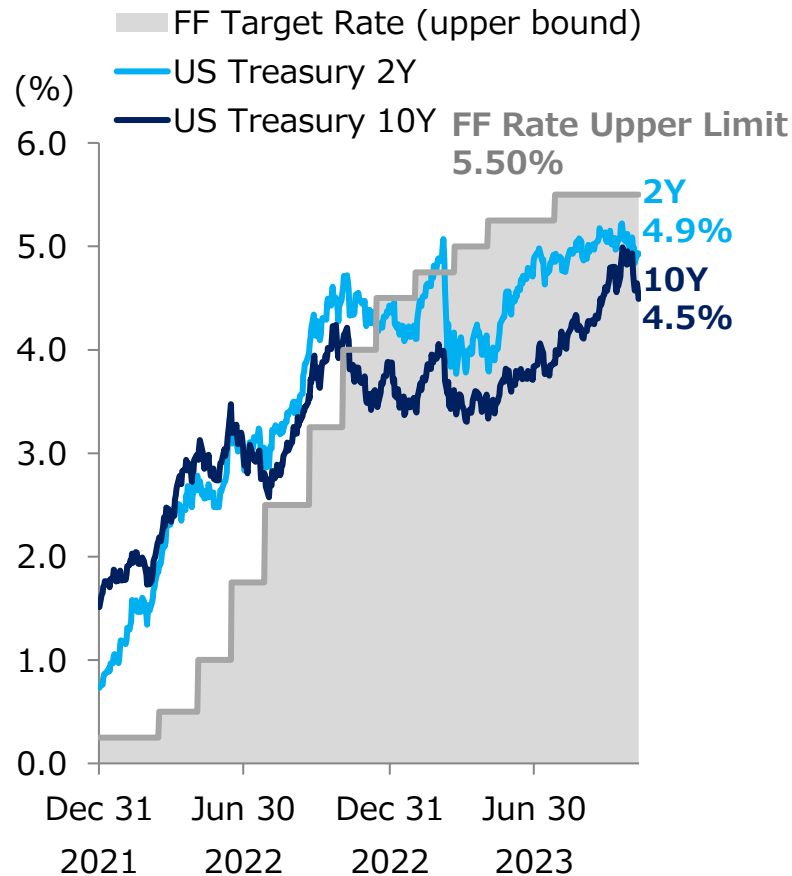
(Note) From FY2005 to FY2022, as of the end of each fiscal year

• Information on LTV is provided for reference purposes only to illustrate its historical trend and is not intended to guarantee or imply future LTV.

# Current Market Environment

## Persistently high US interest rates are weighing on the stock market

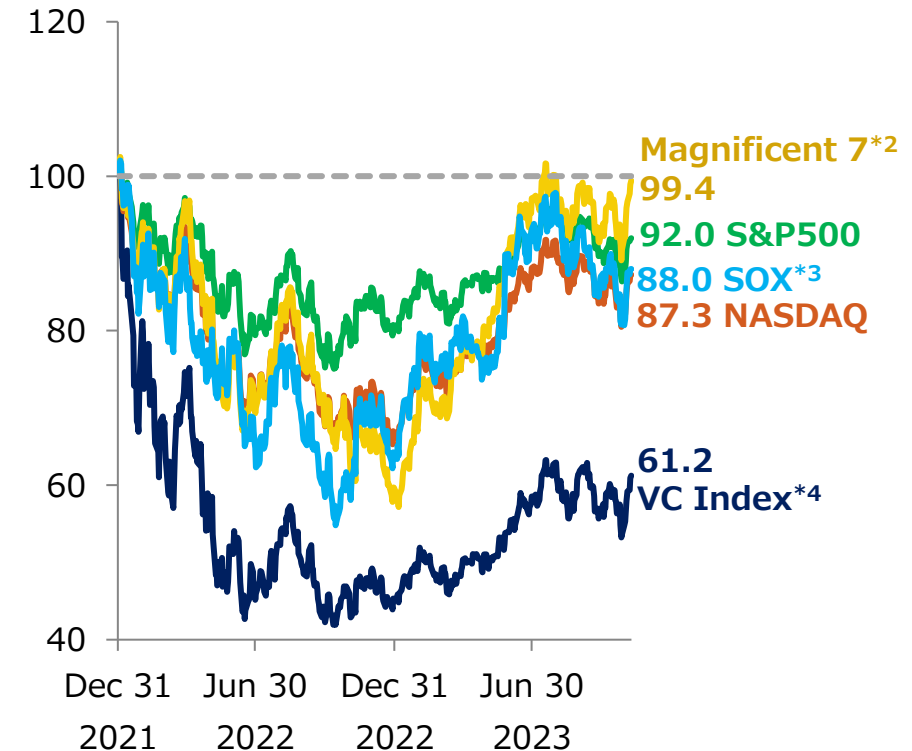
### U.S. Interest Rates



### Exchange Rate (USD/JPY)



### U.S. Stock Prices\*1



(Note) Created by SBG based on Bloomberg. As of Nov 8, 2023

\*1 Indexed with Dec 31, 2021 as 100

\*2 Magnificent 7: Nvidia, Alphabet, Amazon, Apple, Meta, Microsoft, and Tesla. The graph represents the market capitalization-weighted average of these stocks.

\*3 Philadelphia Stock Exchange Semiconductor Index (SOX)

\*4 Thomson Reuters Venture Capital Index



# Finance Summary in FY2023 Q2

**Completion of Arm IPO further strengthened our financial base.  
Continued proactive investments**

<b>NAV·LTV</b>	<p><b>NAV of ¥16.4T: +¥0.9T QoQ</b>  <b>LTV of 10.6%: +2.6pt QoQ</b>  <b>Net debt of ¥1.9T: +¥0.5T QoQ</b>  <b>Cash position of ¥5.1T*<sup>1</sup>: -¥0.7T QoQ</b></p>
<b>Arm</b>	<p><b>Purchased Arm shares from SVF1. Closing of Arm IPO</b></p> <ul style="list-style-type: none"> <li>- Purchased Arm shares from SVF1 and made initial payment of \$4.1B (Paying a total of \$16.1B in installments over two years)</li> <li>- Sold \$5.1B worth of Arm ADSs through the IPO (10% of ownership equiv.)</li> <li>- Refinanced Arm margin loan of \$8.5B (¥1.2T) (The largest margin loan right after IPO)</li> </ul>
<b>Financial activities</b>	<ul style="list-style-type: none"> <li>- Renewed commitment line for borrowings of up to \$4.7B plus ¥35.6B (approx. ¥740.9B in total)</li> <li>- Redeemed \$2.1B (approx. ¥275.1B) of USD and domestic hybrid bonds before maturity</li> </ul>
<b>Investment activities</b>	<p><b>Resuming investments from FY2023 Q1</b></p> <ul style="list-style-type: none"> <li>- Invested \$1.5B in Q2 (approx. ¥215.9B)*<sup>2</sup></li> </ul>

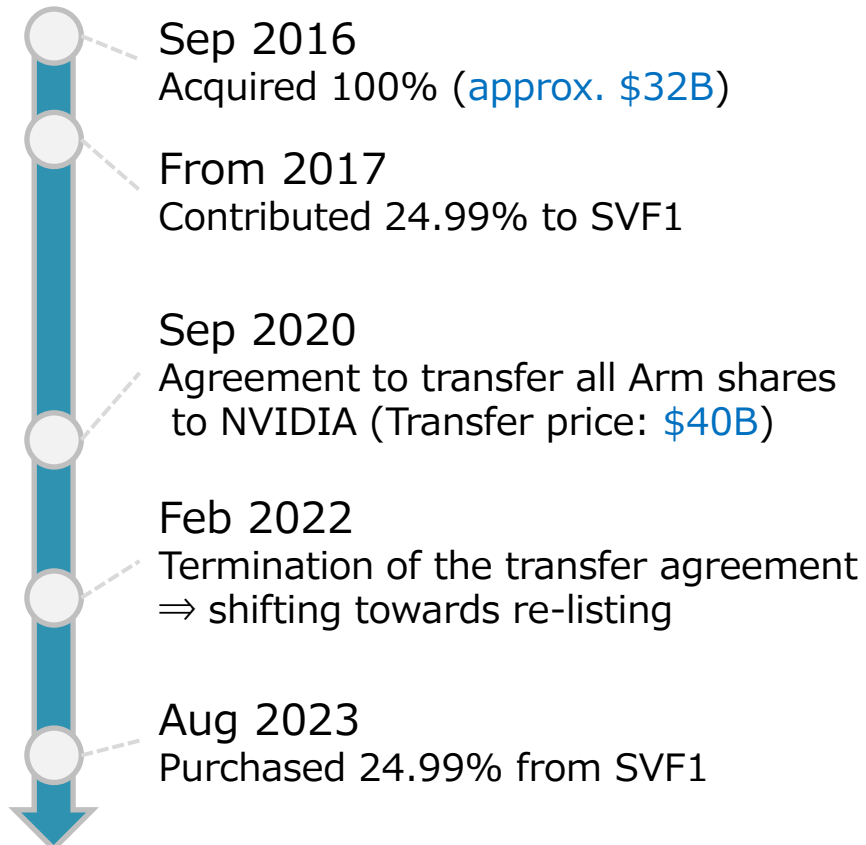
\*1 Cash and cash equivalents + short term investments recorded as current assets + investments in government bonds + undrawn commitment line. ¥740.9B equiv. was undrawn as of Sep 30, 2023. SBG stand alone basis (excl. SB Northstar; however, incl. its cash and cash equivalents)

\*2 The amount invested from SVF, SBG or its major wholly owned subsidiaries. Converted to JPY by using average exchange rate of FY2023 Q2.

# Summary of Arm IPO

The largest IPO ever for a semiconductor company\*<sup>1</sup>

Participation of numerous strategic investors symbolizes Arm's core significance in the semiconductor sector



**Sep 2023 IPO** IPO Market Cap: **\$52B**  
(Sales ratio 10%)

<b>IPO Price</b>	\$51.00 per ADS (Upper limit of the expected price range of \$47.00~\$51.00)
<b>IPO Market Cap*<sup>2</sup></b>	<b>\$52B (¥7.8T*<sup>3</sup>)</b> (Largest in 2023* <sup>4</sup> )
<b>SBG Proceeds (Offering Ratio)</b>	<b>\$5.1B (10%)</b> (Largest in 2023* <sup>4</sup> )
<b>Listing Date</b>	September 14, 2023
<b>Seller</b>	SBG's wholly owned subsidiary* <sup>5</sup>
<b>Listed Market</b>	Nasdaq Global Select Market

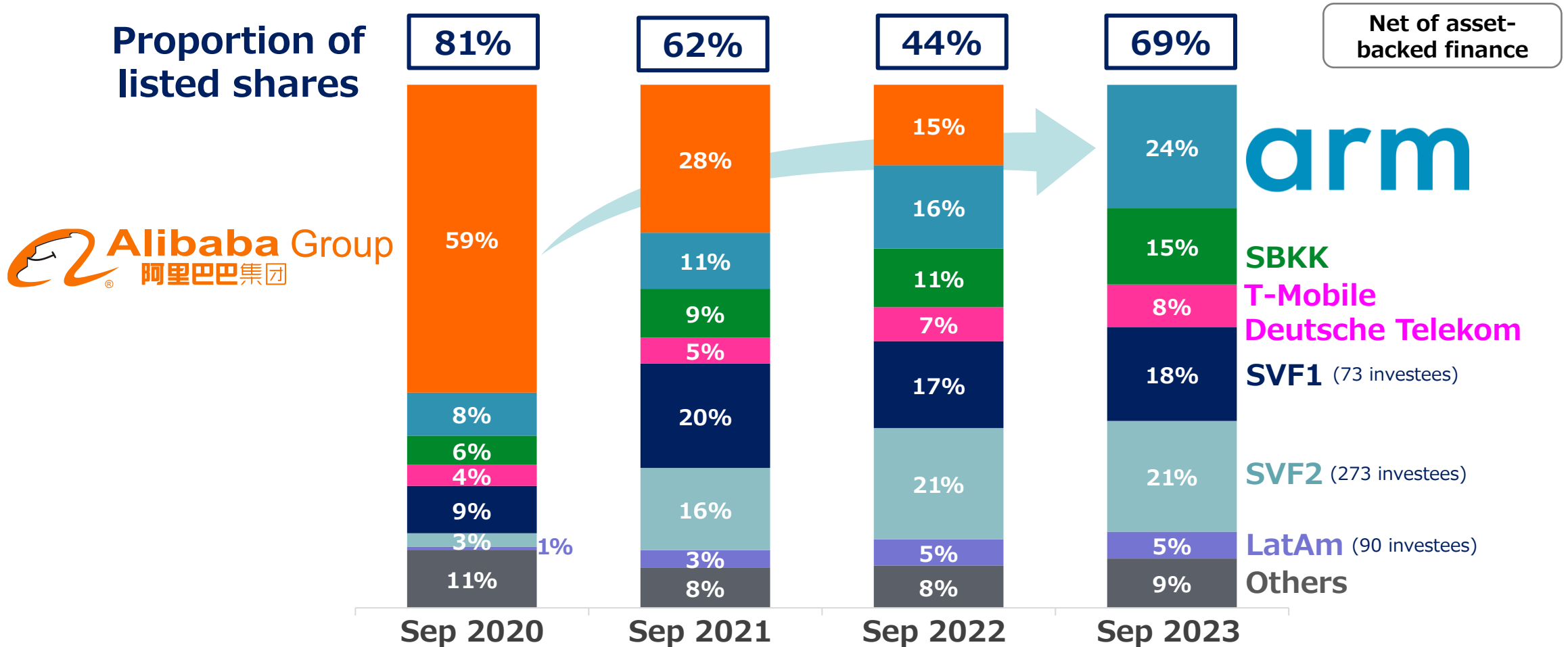
\*1 Source: vendors such as Bloomberg. IPO market cap basis. Comparisons based on market caps at IPO in the semiconductor sector

\*2 Calculated by 1,025,234,000 shares, the number of Arm's outstanding shares (before dilution) as of Sep 30, 2023 multiplied by IPO price per ADS.

\*3 Converted to JPY at 1\$=¥149.58. \*4 As of Nov 9, 2023. \*5 Kronos II LLC, an indirect wholly-owned subsidiary of SBG

# Portfolio Replacement

Improved portfolio quality: asset diversification, recovery in proportion of listed assets and reducing geopolitical risk



(Note)

For details of equity value of holdings as of the end of each September, see appendix of each quarter

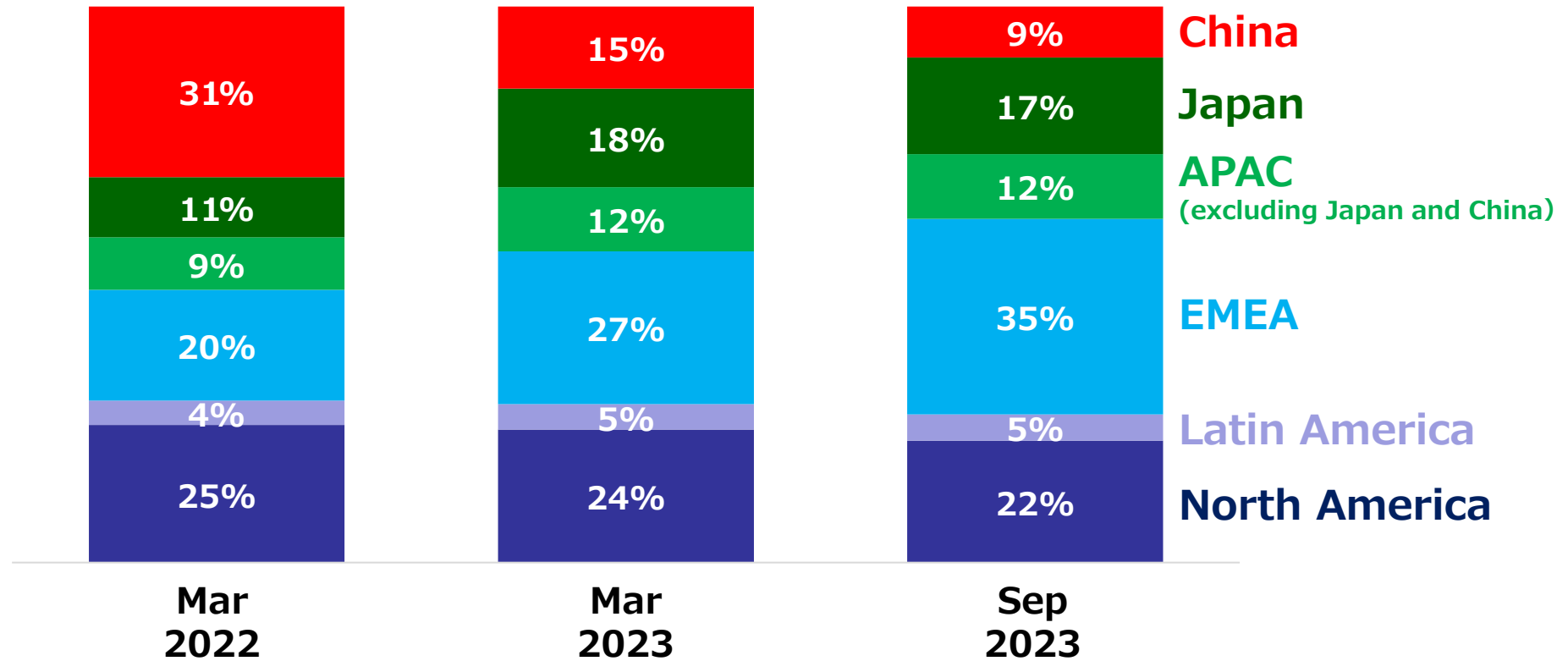
Listed share % includes shares of Alibaba, Arm, SoftBank Corp., T-Mobile, Deutsche Telekom, listed shares held by SVF1, SVF2 and LatAm Funds and public companies included in Others.

Includes Arm from Sep 2023. SVF1, SVF2, and LatAm Funds figures are for SBG's interest only.

# Geographical Portfolio Diversification

## The proportion of China decreased significantly

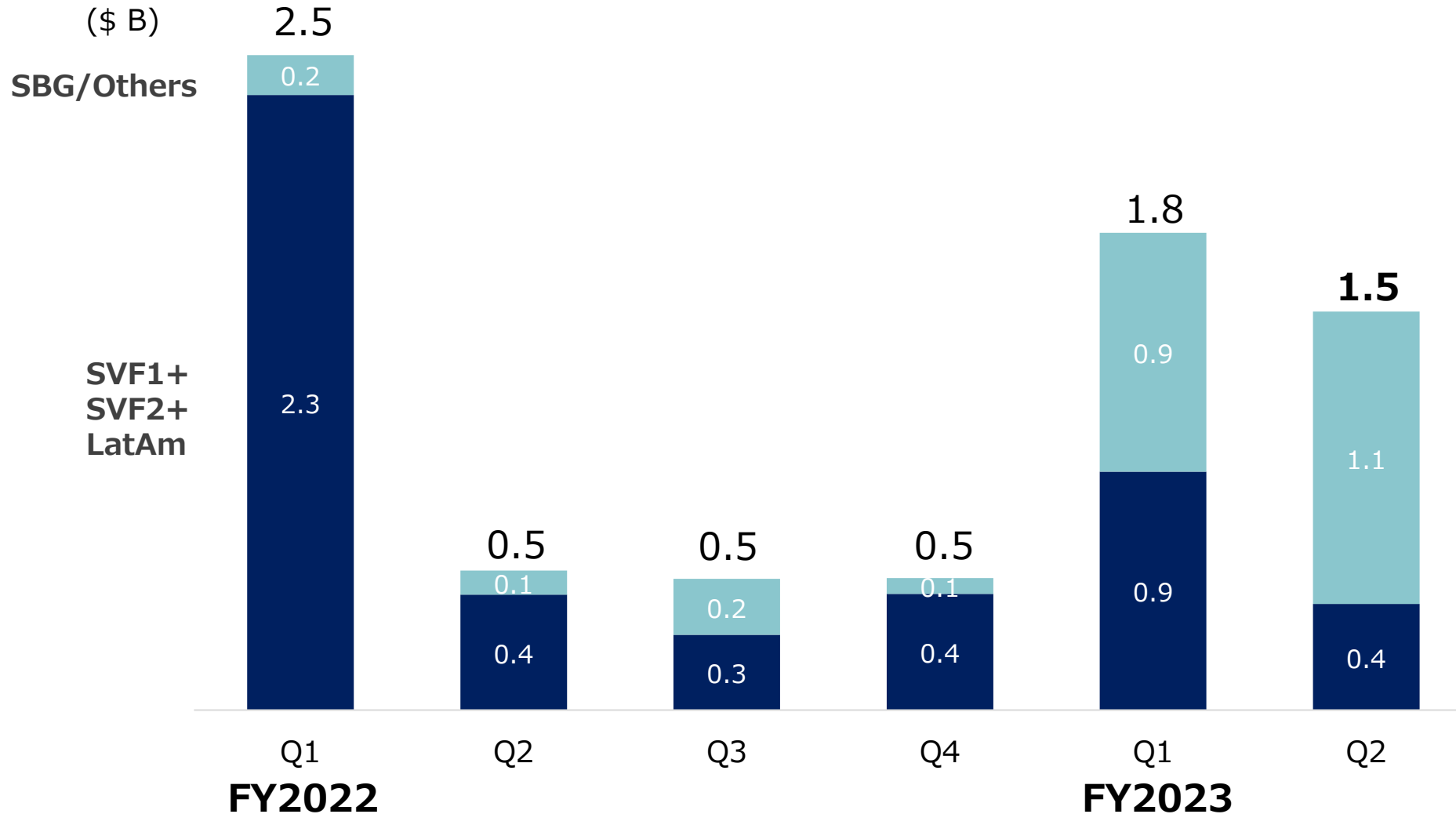
Net of asset-backed finance



(Note) Classification of regions based on the location of each portfolio company's headquarters  
 China: Alibaba, investments in China from SVF1 and SVF2, and other investment in China  
 Japan: SoftBank, investments in Japan from SVF1 and SVF2, and other investments in Japan  
 APAC (excluding China and Japan): Investments in APAC excluding China and Japan from SVF1 and SVF2, and other investments in the region  
 EMEA: Arm, Deutsche Telekom, investments in EMEA from SVF1 and SVF2, and other investments in EMEA  
 Latin America: Investments from LatAm Funds and other investments in Latin America  
 North America: T-Mobile, investments in North America from SVF1 and SVF2, and other investments in North America

# Invested Amounts (SVF1+2+LatAm+SBG/Others)

## Resuming investments from Q1; expanding investments cautiously



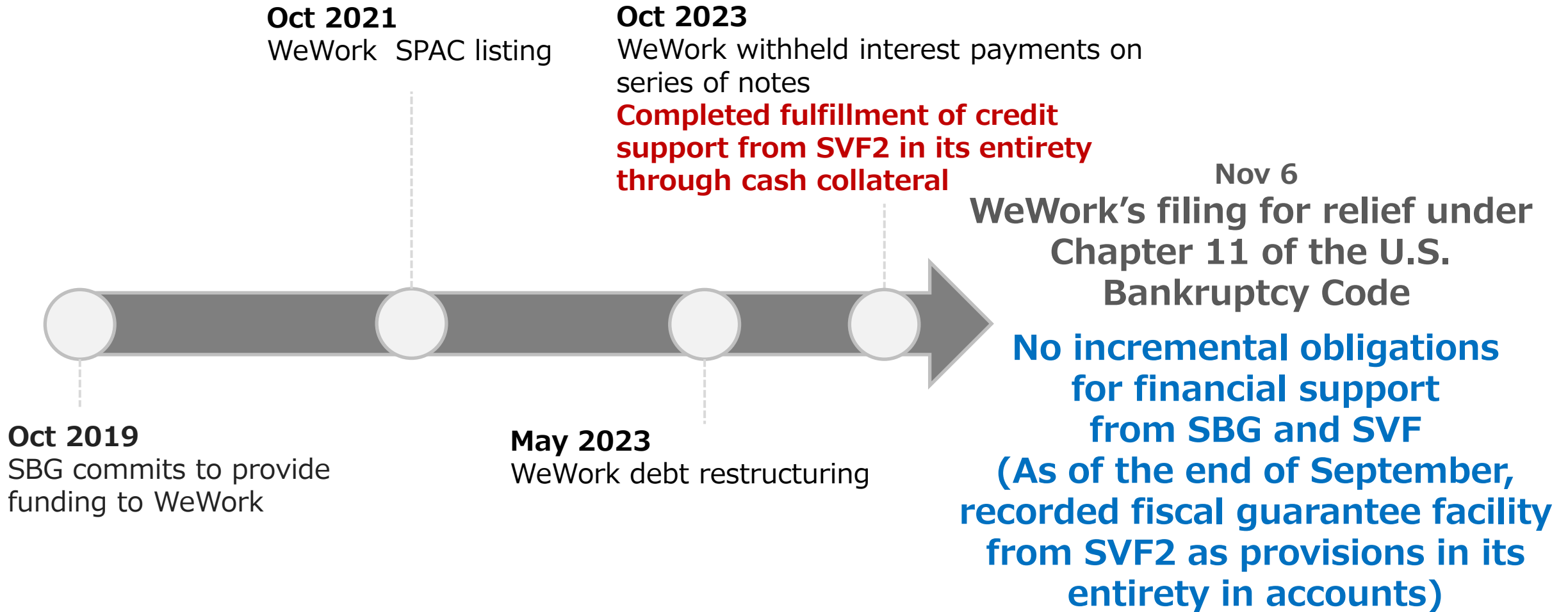
(Note)

Invested amounts by SBG/Others: Investment by SBG and its core wholly owned subsidiaries (excludes investments in U.S. Treasury Bonds). Excludes the amount invested in intra-group transactions regarding ARM shares.

Invested amounts by SVF: Sum of new and follow-on investments, including those through share exchanges. Excludes the amount invested by SVF to acquire investments transferred from SBG.

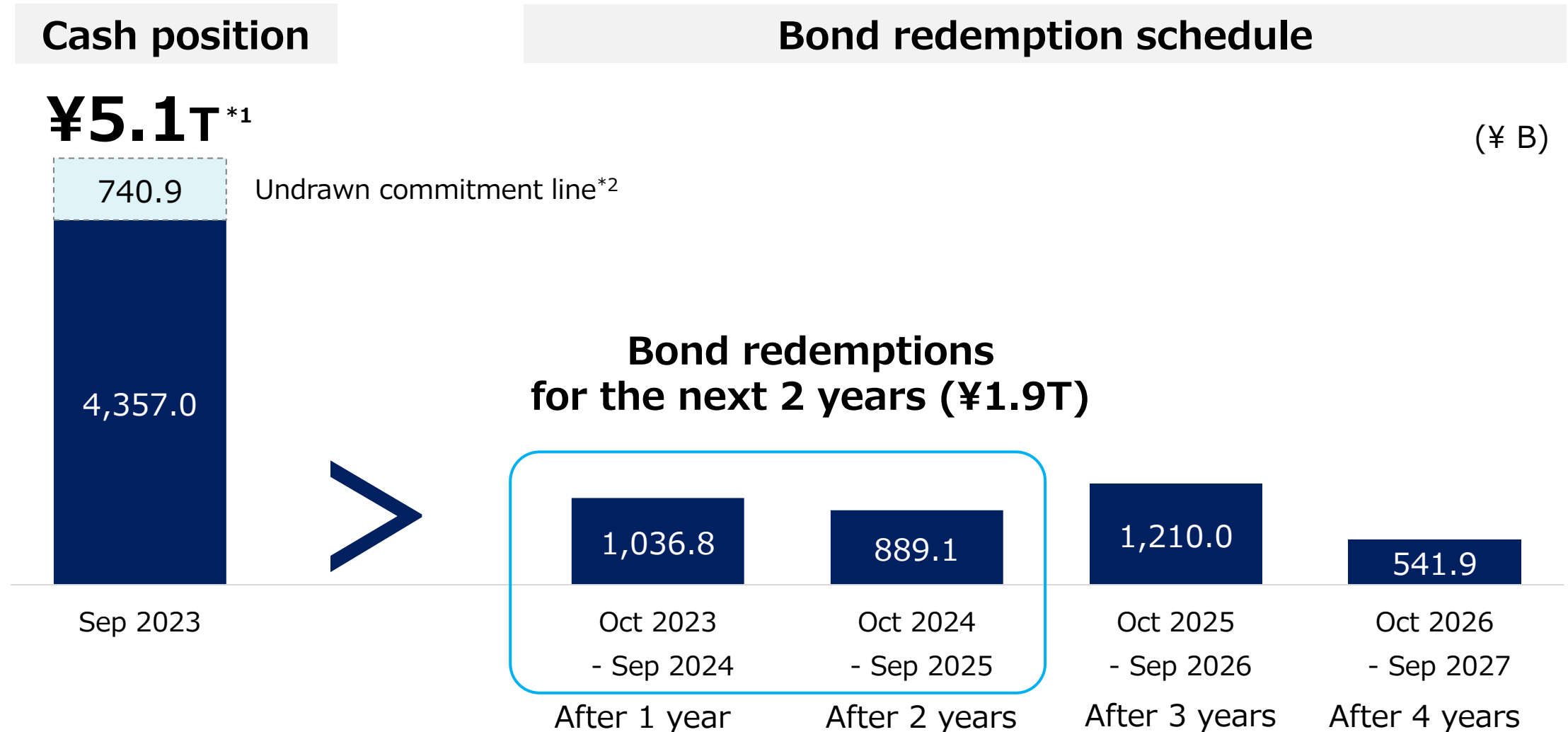
# Status of WeWork

## SB group has fulfilled all its credit support obligations



# Cash Position and Coming Bond Redemptions

Maintain ample cash position, well over 2-year worth of bond redemptions



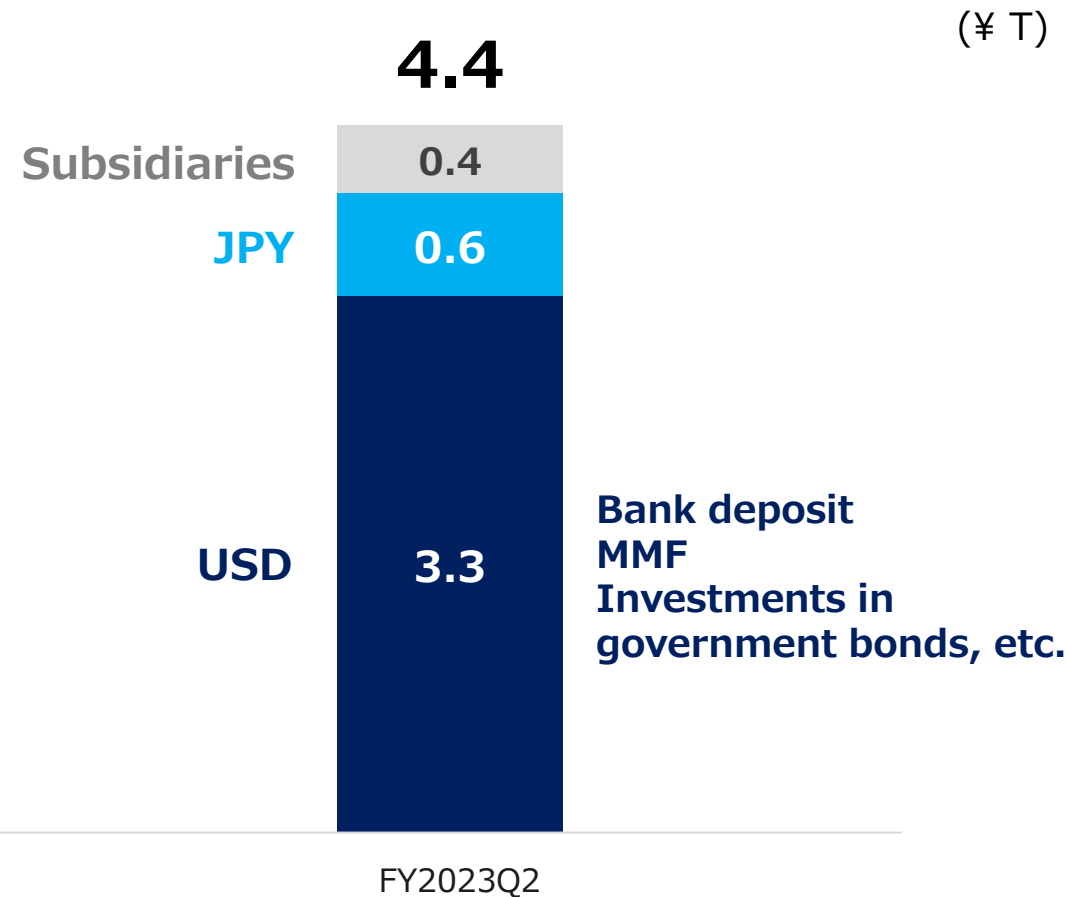
\*1 Cash and cash equivalents + short term investments recorded as current assets + investments in government bonds + undrawn commitment line. SBG stand-alone basis (excl. SB Northstar; however, incl. its cash and cash equivalents).

\*2 The total size of commitment line is equivalent to ¥704.9B as of Sep 30, 2023, none of which is drawn.

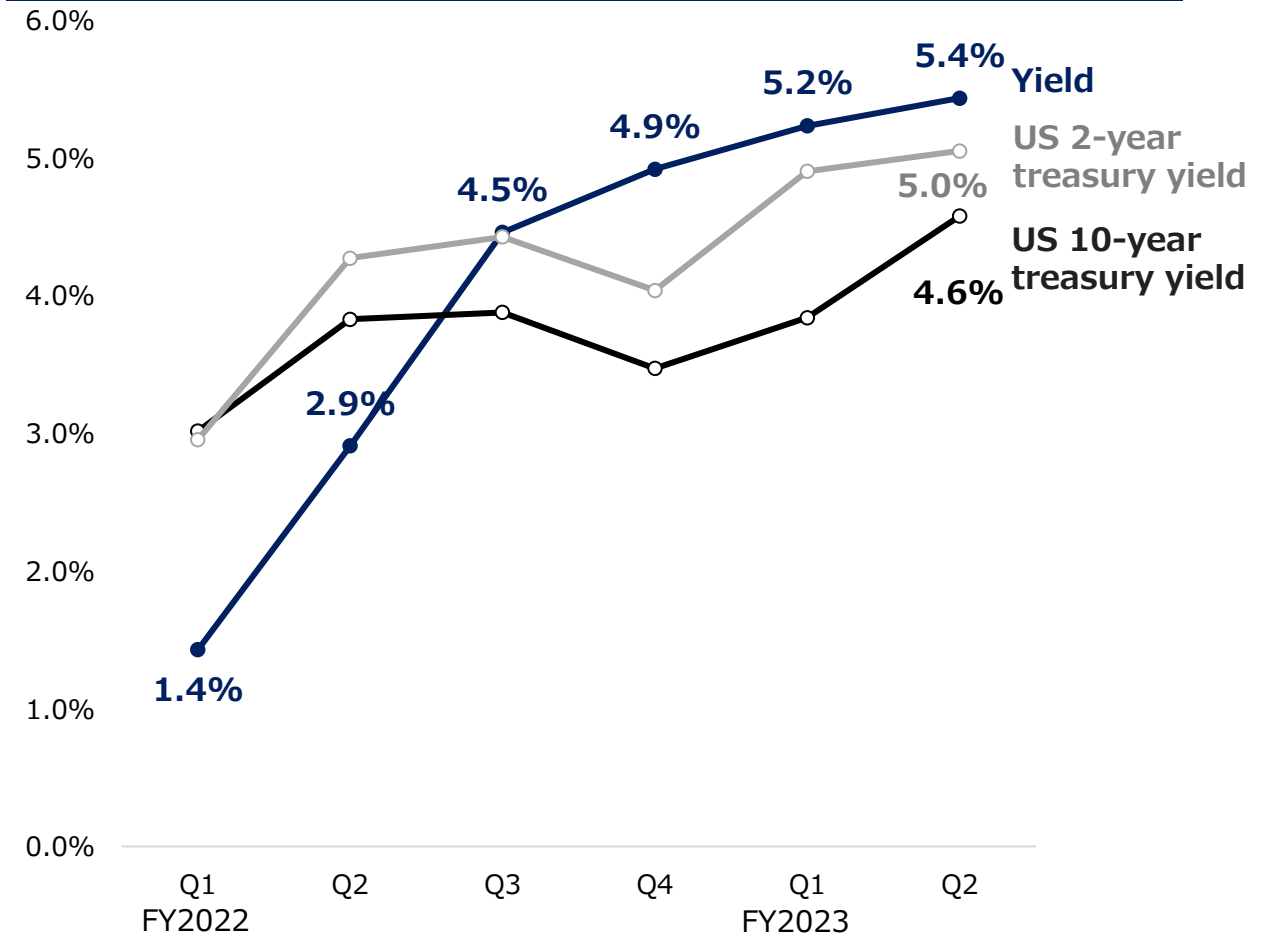
# Breakdown and Yield of Cash Position

## Continuing high-yield operations primarily with US dollar deposits

Breakdown of cash position\*1



Average yield\*2 for SBG USD deposits, etc.



\*1 Cash position = cash and cash equivalents + short-term investments recorded as current assets + investments in government bonds. SBG stand-alone basis (excl. SB Northstar; however, incl. its cash and cash equivalents)

\*2 Average of the yield in each quarter



# Response to Interest Rate Hike

Possess considerable financial flexibility, a result of ample cash position built up through accelerated monetization

## Ample Cash Position

SBG to determine the timing of funding

¥5.1<sub>T</sub>

>

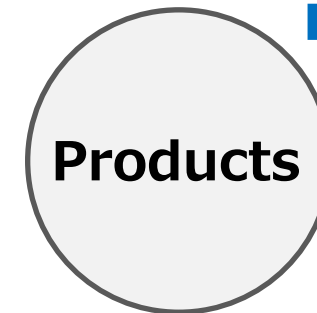
¥1.9<sub>T</sub>

**Cash position\***  
(equiv. to 5 years worth bond redemptions)

**2-year worth of bond redemptions**

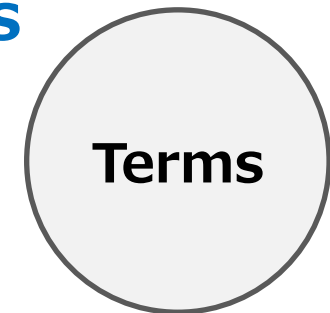
## Various Funding Options

Select from various funding methods



- Bond
- Loan
- Asset-backed finance

×



- Interest (Floating·fixed)
- Currency
- Procure amount
- Maturity ...etc.

\* Cash and cash equivalents + short term investments recorded as current assets + investments in government bonds + undrawn commitment line. SBG stand-alone basis (excl. SB Northstar; however, incl. its cash and cash equivalents)

The total size of commitment line is equivalent to ¥704.9B as of Sep 30, 2023, none of which is drawn.

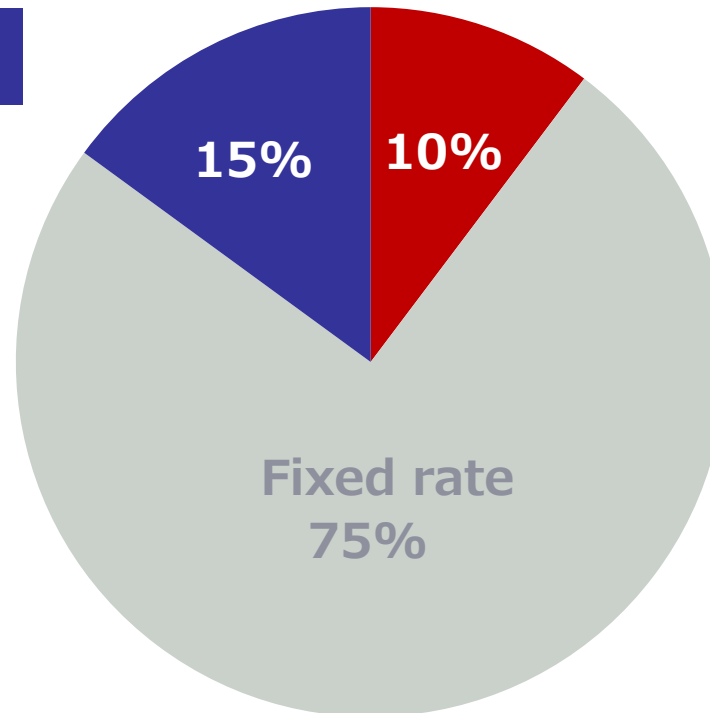
# Impact of Rise in Interest Rate: Floating Rate Debt

No risk of surge in interest payments amid short-term interest rate rise

## Fixed/Floating Ratio of SBG Stand-alone Interest-bearing Debt\*1

### Floating rate; USD

1 percentage point rise in USD interest rates increases interests by;  
**\$0.1B\*2** in payment < **\$0.2B\*3** in income



### Floating rate; JPY\*4

**¥8.2B** interest payment increase with a 1 percentage point rise in JPY interest rate\*5

\*1 Interest-bearing debt outstanding at SBG and subsidiaries conducting fund procurement as of Sep 30, 2023 (incl. margin loans and excl. prepaid forward contracts)

\*2 Estimated increase in interest payment for USD-denominated floating rate debt for 12 months. Outstanding amount as of Sep 2023 is \$8.5B (face value).

\*3 Estimated increase in interest income for USD-denominated floating rate deposits and MMF for 12 months.

\*4 Includes commercial papers.

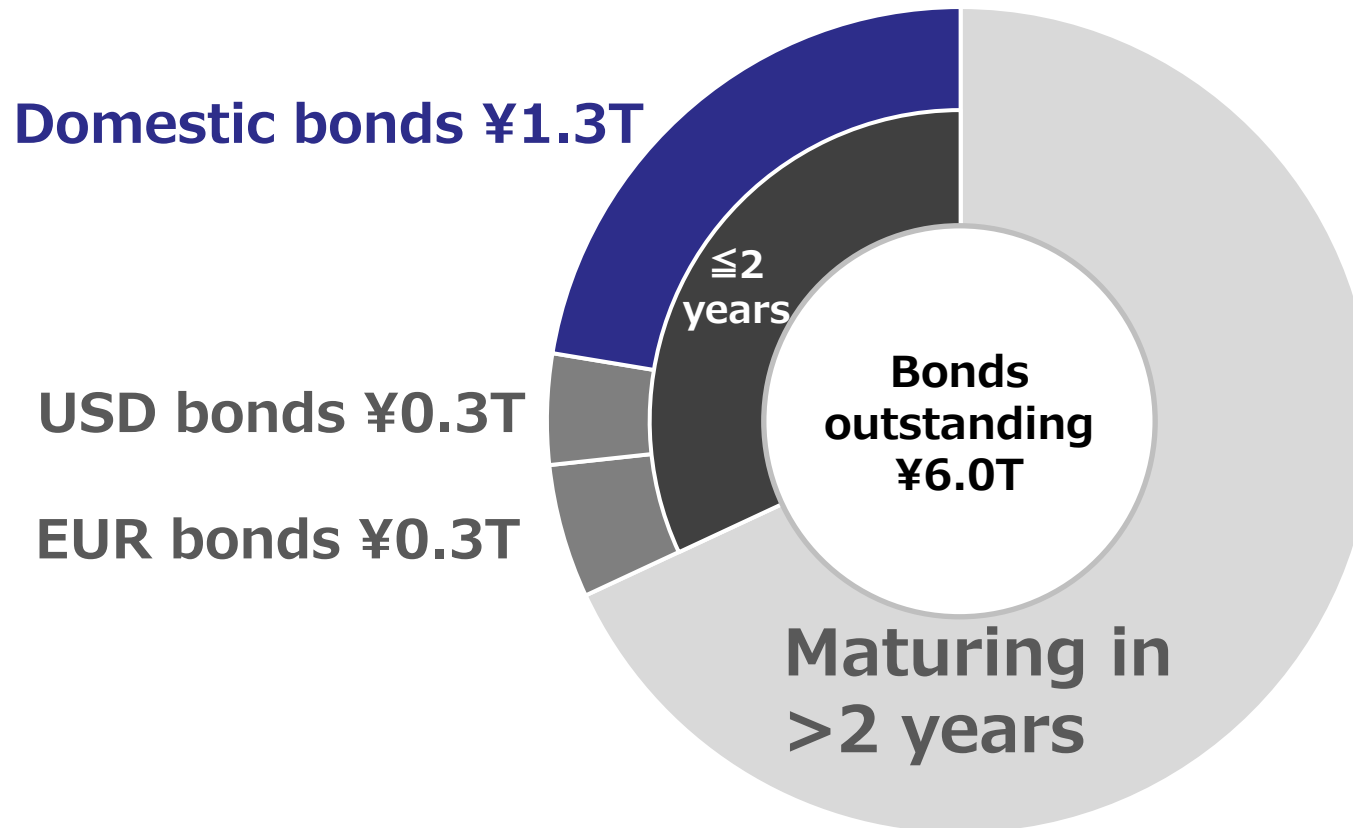
\*5 Estimated increase in interest payment for JPY-denominated floating rate debt for 12 months. Outstanding amount as of Sep 2023 is ¥820.6B (face value).

# Impact of Rise in Interest Rate: Fixed Rate Debt

Assuming current interest rate environment remains for 2 years

Majority of bonds due within 2 years consist of low-interest domestic bonds

## Breakdown of Bonds Outstanding\*1



\*1 Outstanding amount and the number of years to maturity of SBG bonds. As of Sep 30, 2023

• For foreign currency bonds, the contracted swap foreign exchange rate is used where applicable. Otherwise, converted at \$1=¥ 149.58 and €1=¥158.00.

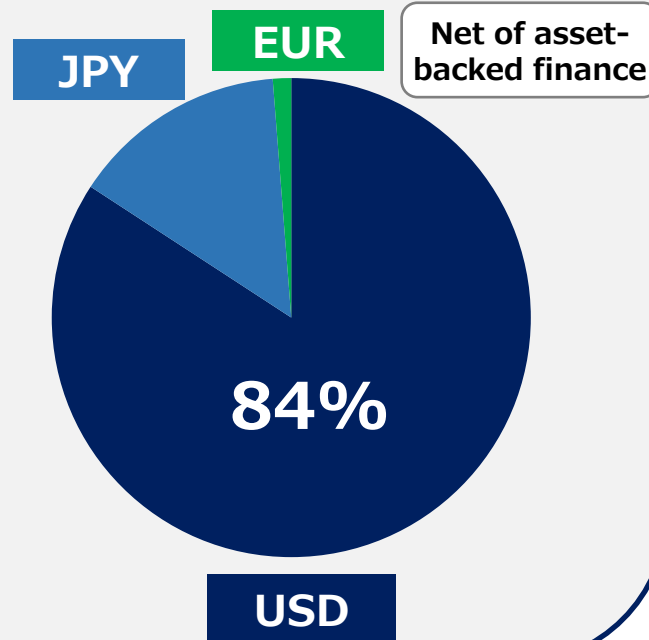
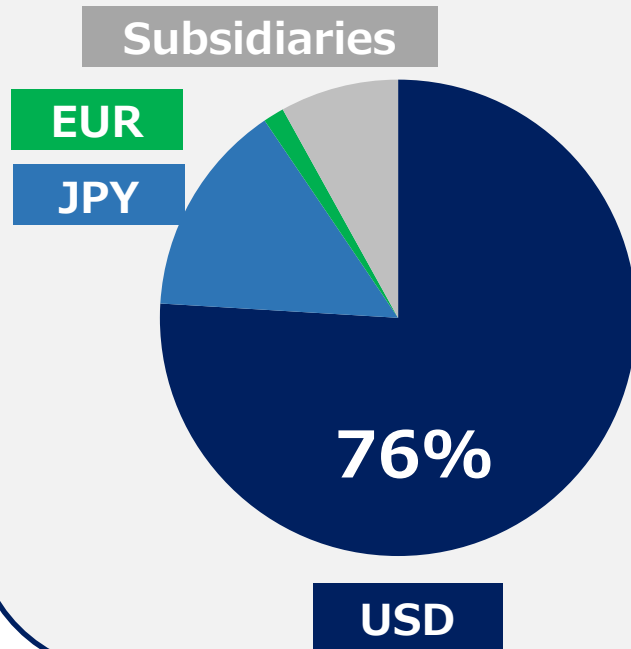
# Breakdown by Currency

Investment and monetization flows are mainly in dollars, while debt refinancing are principally in the same currency

## Investments and monetization

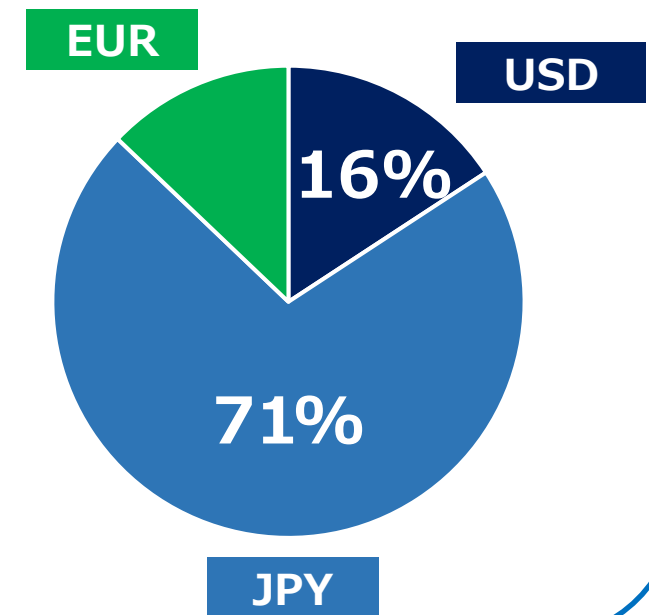
Cash position: ¥4.4T\*1

Equity value of holdings: ¥18.4T\*2



## Debt composition

Debt\*3: ¥6.7T



(Note) As of September 30, 2023. Converted to JPY at \$1=¥149.58 and €1=¥158.00

\*1 Cash position = Cash and cash equivalents + short term investments recorded as current assets + investments in government bonds. SBG stand alone basis (excl. SB Northstar; however, incl. its cash and cash equivalents).

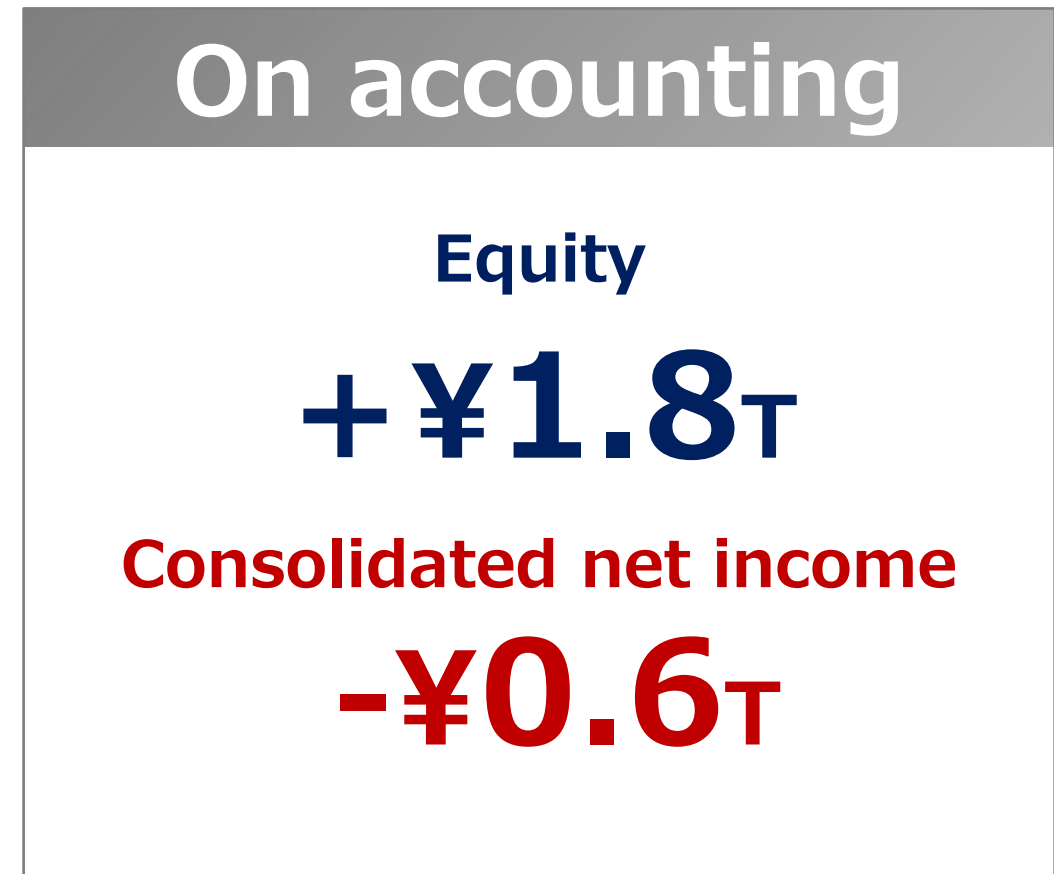
\*2 SBG stand-alone equity value of holdings. See Appendix "LTV Calculation: SBG Stand-alone Equity Value of Holdings" for details.

\*3 SBG stand-alone interest-bearing debt (excl. non-recourse debt) as of Sep 30, 2023

# Impact of Forex (FY2023H1)

Weaker JPY increased NAV and equity

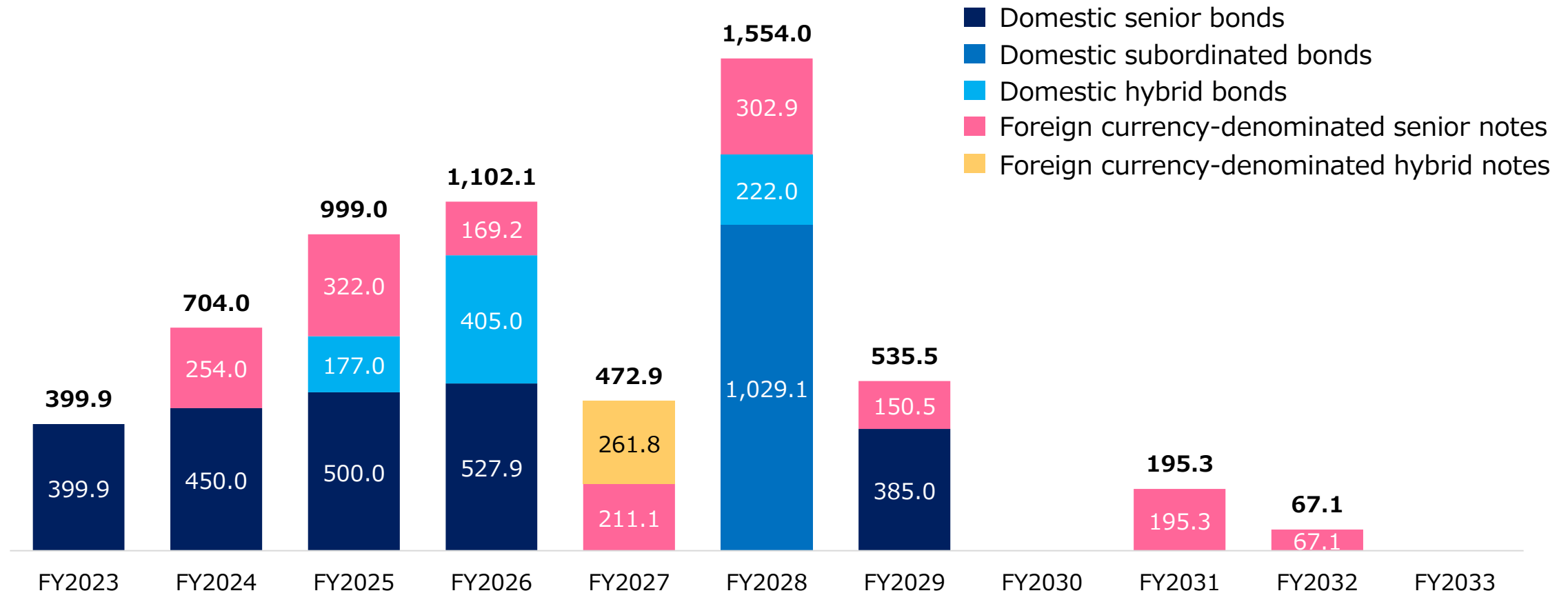
FX losses are recorded mainly related to foreign currency-denominated borrowings from group companies



# Bond Redemption Schedule

Bond issuances will be managed with due consideration for cash position and market environment.

(¥ B)



- Outstanding balance as of Sep 30, 2023. Excl. bonds repurchased
- Prepared on the assumption that hybrid bonds will be redeemed on the first call dates
- Secondary repurchase in FY2023 Q2 is ¥12.2B equiv.in total. Currency breakdown is \$58M in USD (¥7.8B equiv.) and €32M in EUR (¥4.3B equiv.).

# Funding and Fund Management Plans in FY2023

**Funding: Mainly for refinancing**

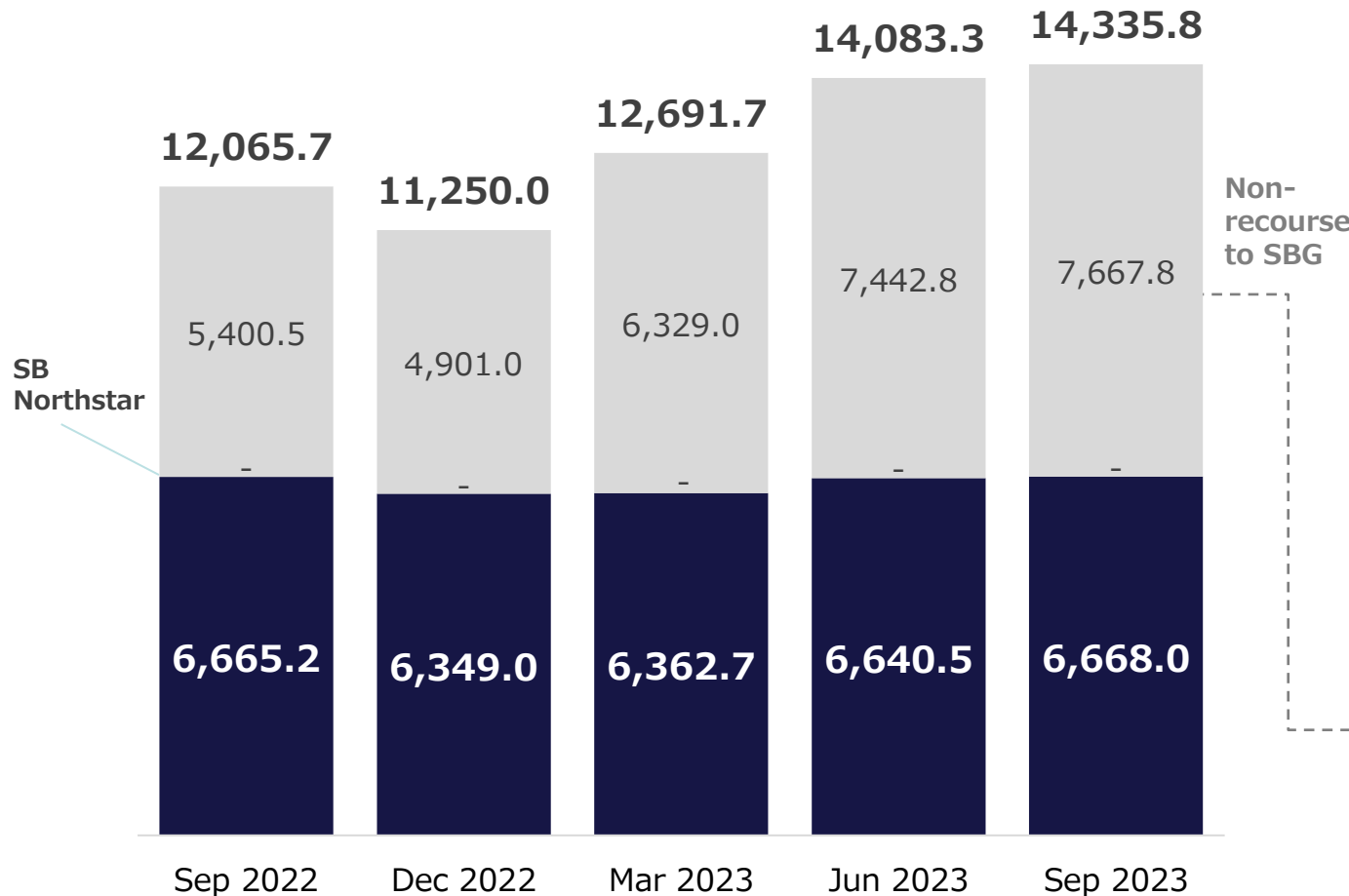
**Surplus fund management: Propelling diversification**

<b>Funding</b>	<b>Bond</b>	<p><b>The current focus is on refinancing. No plans to be active in funding</b></p> <p>Domestic: ~¥400.0B of bonds to be redeemed in Mar 2024 International: \$1.9B equiv. of senior bonds to be redeemed in FY2024</p>
	<b>Loan</b>	<p><b>No plans at this moment</b></p> <p>Annual renewal of commitment line was completed in Q2</p>
	<b>Asset-backed finance</b>	<p><b>Continue to consider diversification of fundraising utilizing ample asset</b></p>
<b>Excess cash management</b>		<p><b>Mainly managed in USD deposits, etc.</b></p> <p>Deposited across several high-credit financial institutions Continue to work on diversifying excess cash management, including MMF and investments in U.S. government bonds</p>

# SBG Stand-alone Interest-bearing Debt\*1

Exchange rate effects slightly increased SBG's stand-alone interest-bearing debt

(¥ B)



## Main changes from June 30, 2023

- Impact of Forex (incl. non-recourse debt) +¥233.1B\*2

## Breakdown (September 30, 2023)

(¥ B)

Category	Value	Vs, Jun 30
<b>SBG borrowings</b>		
Bank loan	325.0	+30.8
Hybrid loan	135.0	+0.2
Others	0	-
Subtotal	459.9	+30.9
<b>SBG bonds and CPs</b>		
Domestic senior bonds	2,253.8	+1.0
Domestic subordinated bonds	1,017.9	+0.5
Domestic hybrid bonds	791.9	-15.2
Foreign currency notes	1,894.8	+21.7
CPs	183.5	-5.5
Subtotal	6,141.9	+2.5
<b>SBG lease liabilities</b>	10.0	-0.3
<b>Subsidiaries' debt</b>		
Financial liabilities relating to prepaid forward contracts	5,428.3	+190.1
Collar transactions using DT shares	481.6	+0.1
Margin loan using SBKK shares	498.1	+0.3
Margin loan using Arm shares	1,259.8	+34.5
Others	56.1	-5.6
Subtotal	7,723.9	+219.4
<b>Total</b>	<b>14,335.8</b>	<b>+252.5</b>

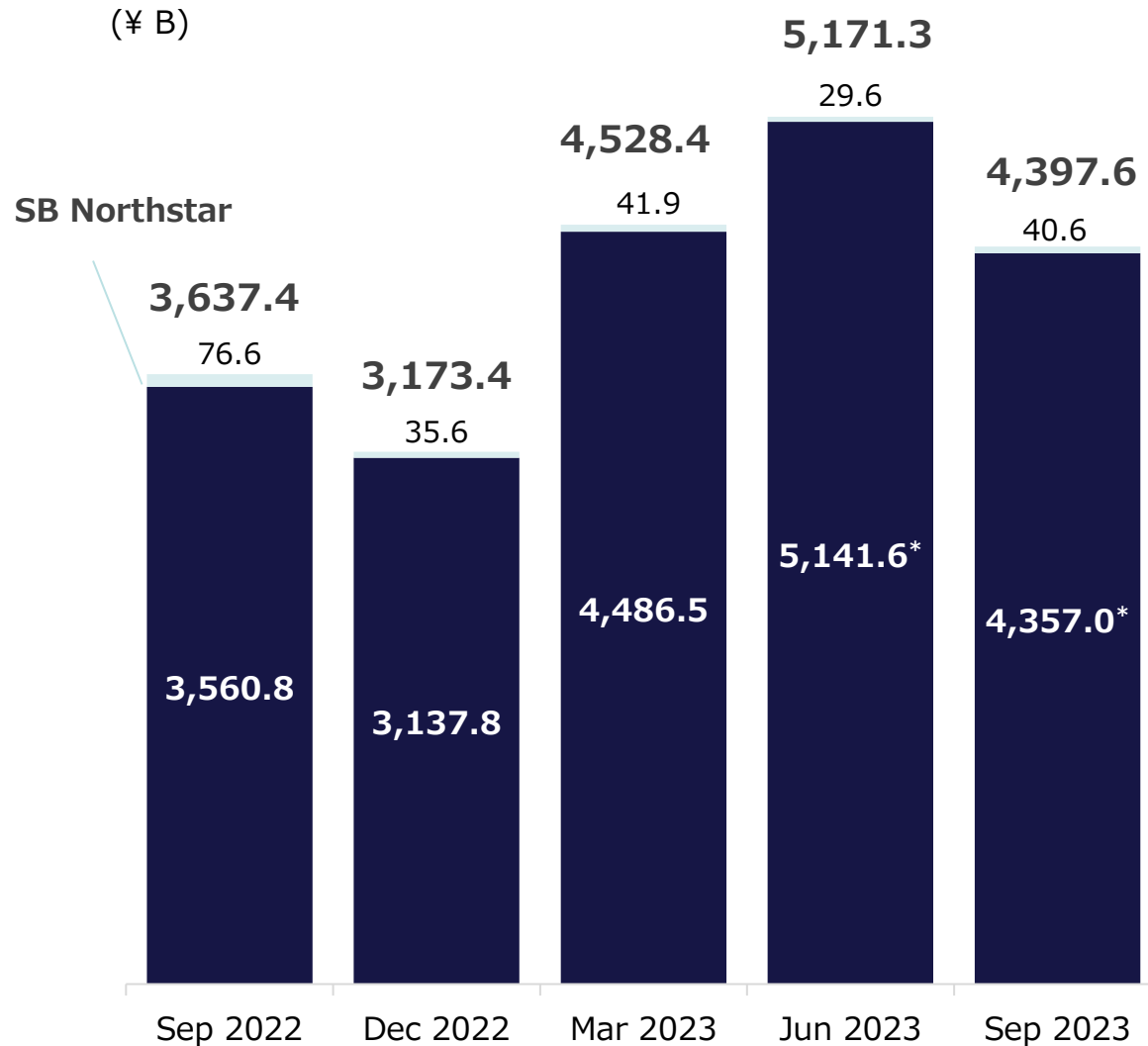
\*1 Includes only interest-bearing debt and lease liabilities to third parties

\*2 Excludes the impact of foreign currency debts included in "Others"



# SBG Stand-alone Cash Position

## Maintain ample cash position



Main changes from June 2023	
Increase	Decrease
<ul style="list-style-type: none"> <li>• Proceeds from Arm IPO (+\$5.1B)</li> </ul>	<ul style="list-style-type: none"> <li>• Bond buyback and early redemption (-¥287.3B equiv.)</li> <li>• Repurchase of Arm shares (-\$4.1B)</li> <li>• Investments by SBG/Others (-\$1.1B)</li> <li>• Contribution to SVF2 (-\$2.3B)</li> </ul>

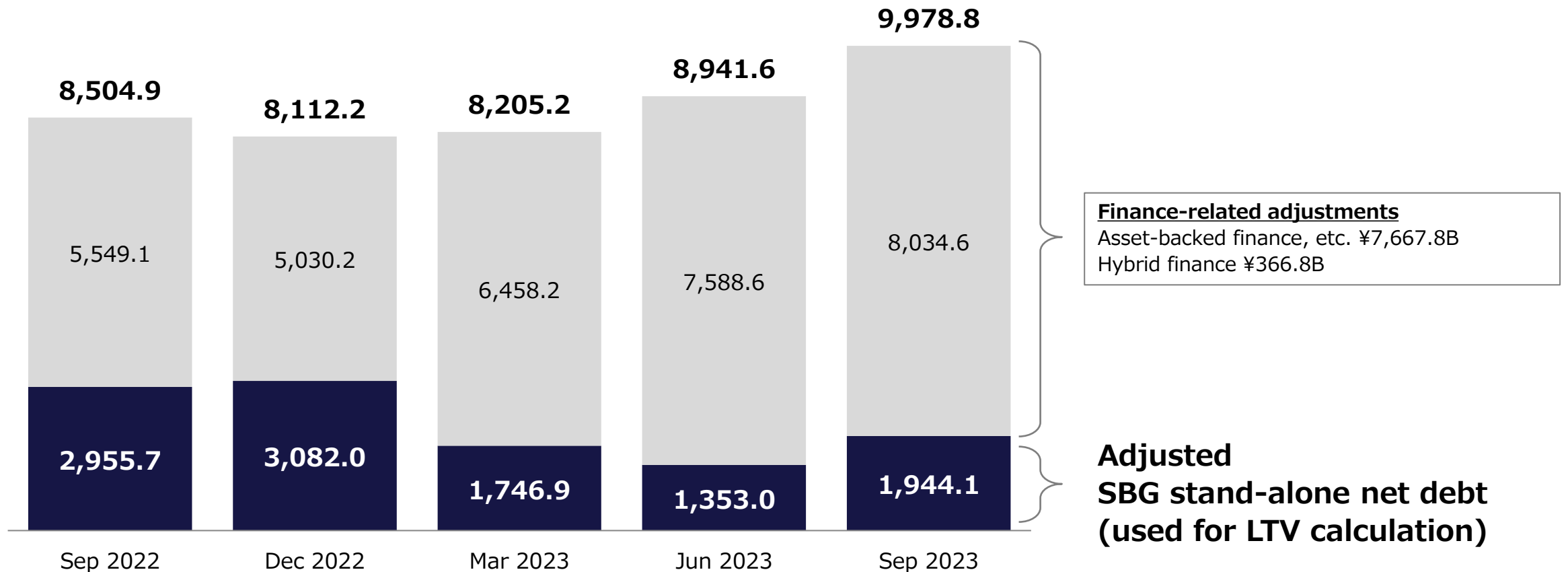
(Note) Cash position = cash and cash equivalents + short-term investments recorded as current assets (such as investments from asset management subsidiaries) + investments in government bonds. SBG stand-alone basis

\* From Jun 2023, SBG stand-alone cash position includes cash and cash equivalents of SB Northstar (¥248.3B in Jun 2023 and ¥1,027.1B in Sep 2023, respectively).

# SBG Stand-alone Net Interest-bearing Debt

## Adjusted net interest-bearing debt remains at a low level

(¥ B)

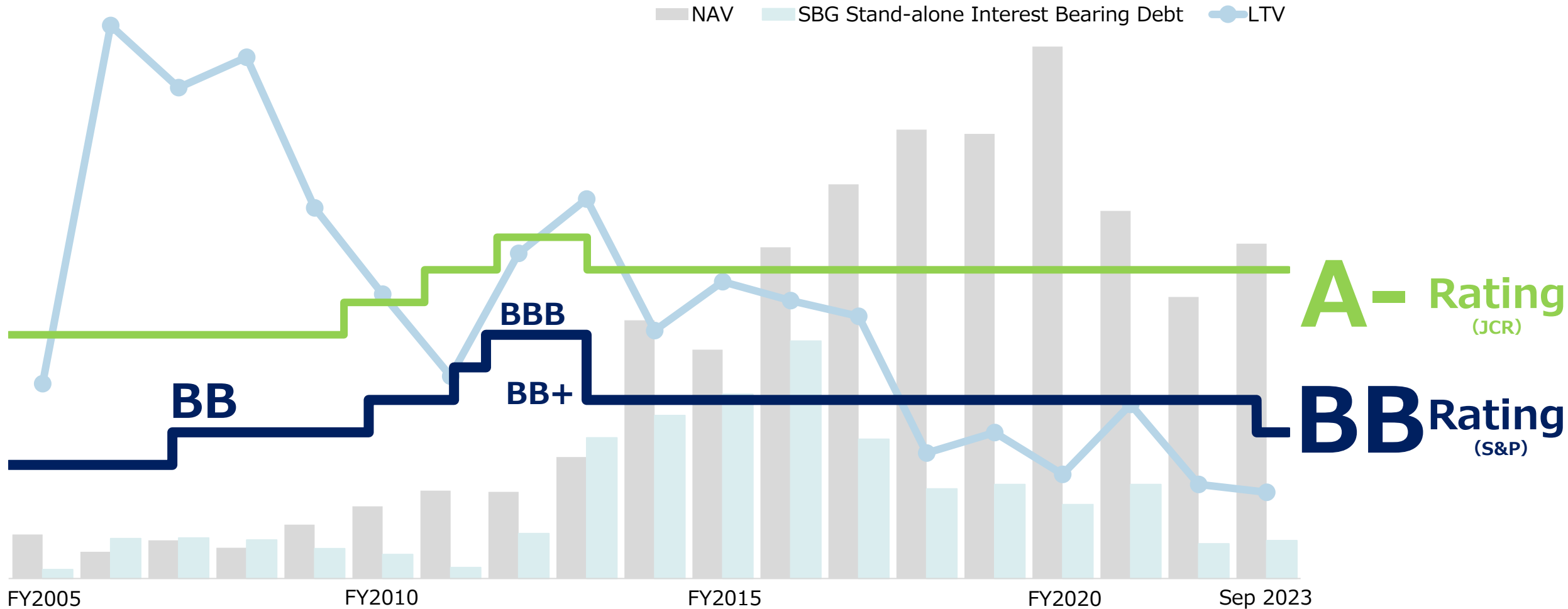


(Note)

•SBG stand-alone cash position excl. SB Northstar; however, incl. its cash and cash equivalents. See Appendix "LTV Calculation: Details of SBG Stand-alone Net Debt" for details.

# Historical Credit Ratings and Financial Condition

**Strongest financials in history backed by ample assets and low leverage level**  
**However, S&P rating is at its lowest in the past 15 years**



(Note) From FY2005 to FY2022, as of the end of each fiscal year

• Information on NAV and LTV is provided for reference purposes only to illustrate its historical trend and is not intended to guarantee or imply future NAV and LTV.



**There is a gap**

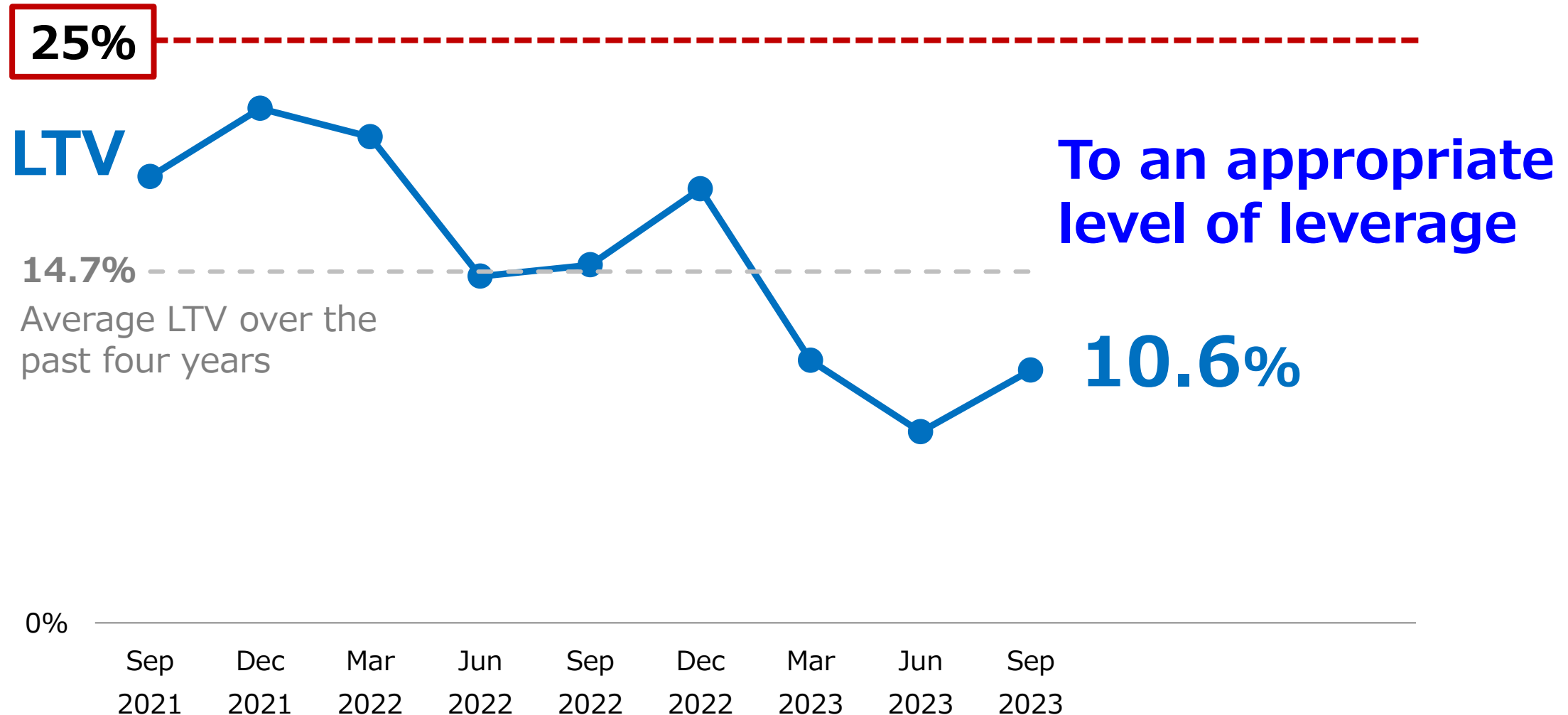
**between the credit rating and creditworthiness**

Continuing dialogue with credit rating agencies to obtain a fair evaluation

# LTV Management Policy

Continue to leverage for NAV expansion

Continue LTV management with a comfortable buffer, even after resuming investments



**1**

**Maintain LTV below 25% in normal times**  
(upper threshold of 35% even in times of emergency)

**2**

Maintain at least **2-year worth of bond redemptions in cash**

**3**

Secure **recurring distributions and dividend income** from SVF and other subsidiaries

# Adhering to Financial Policy

## Our Policy on Supporting Portfolio Companies

---

Portfolio company  
finances to be  
**self-financing**

**No rescue  
package**

**Adhering to  
financial policy**

**Financial  
management  
adaptable to  
both Defense  
and Offence**



**Defense**  
against further downside

**Invest in the  
Information  
Revolution,**  
while maintaining  
financial stability

**Maintain LTV below 25% in normal times**  
(LTV = 10.6% as of Sep 30, 2023)

**Maintain at least 2-year worth of bond  
redemptions in cash**  
(Cash position = ¥5.1T as of Sep 30, 2023)

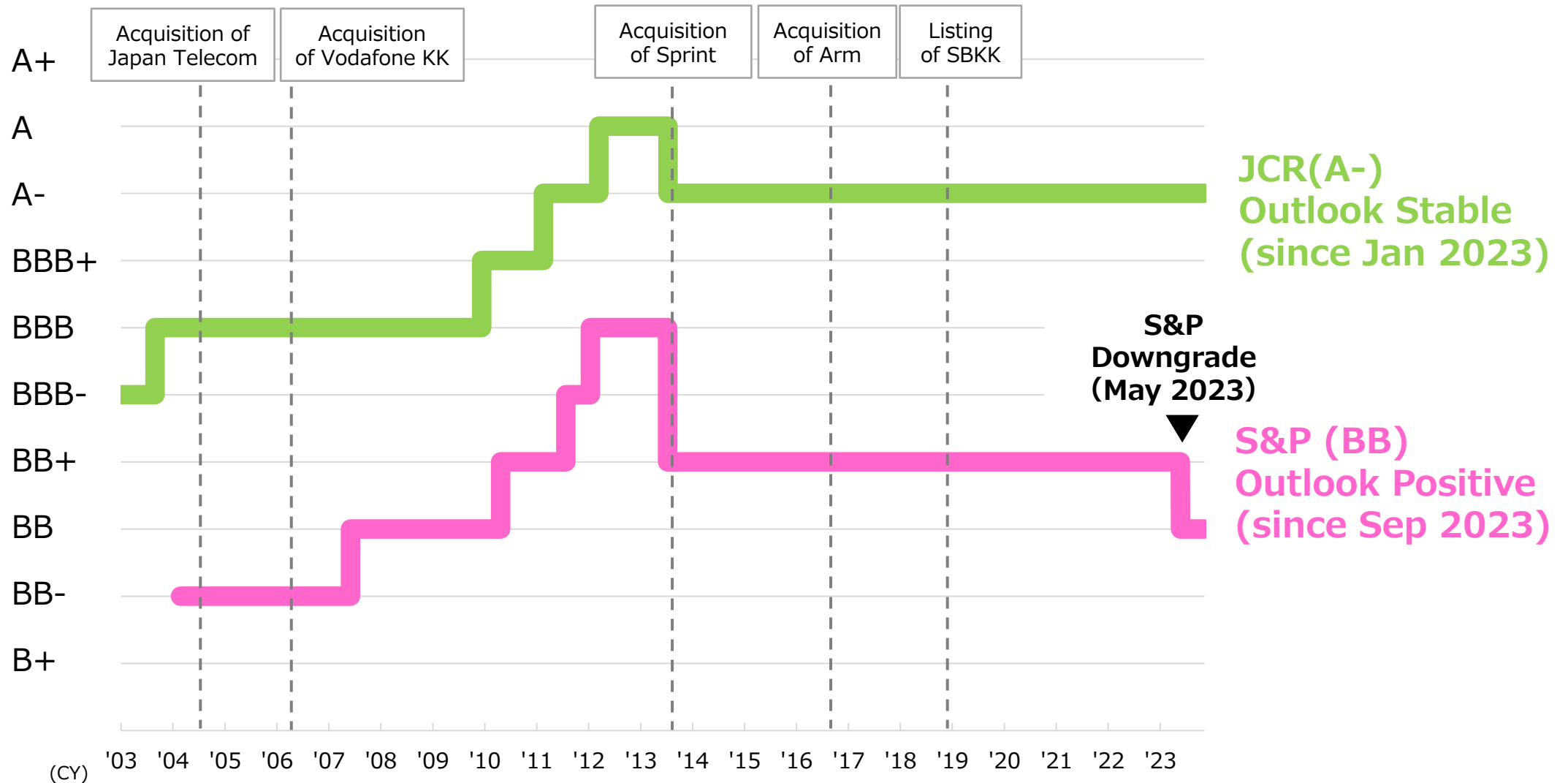


**Endeavor to  
strike a  
balance**

\* The level of NAV discount is also considered

# Appendix

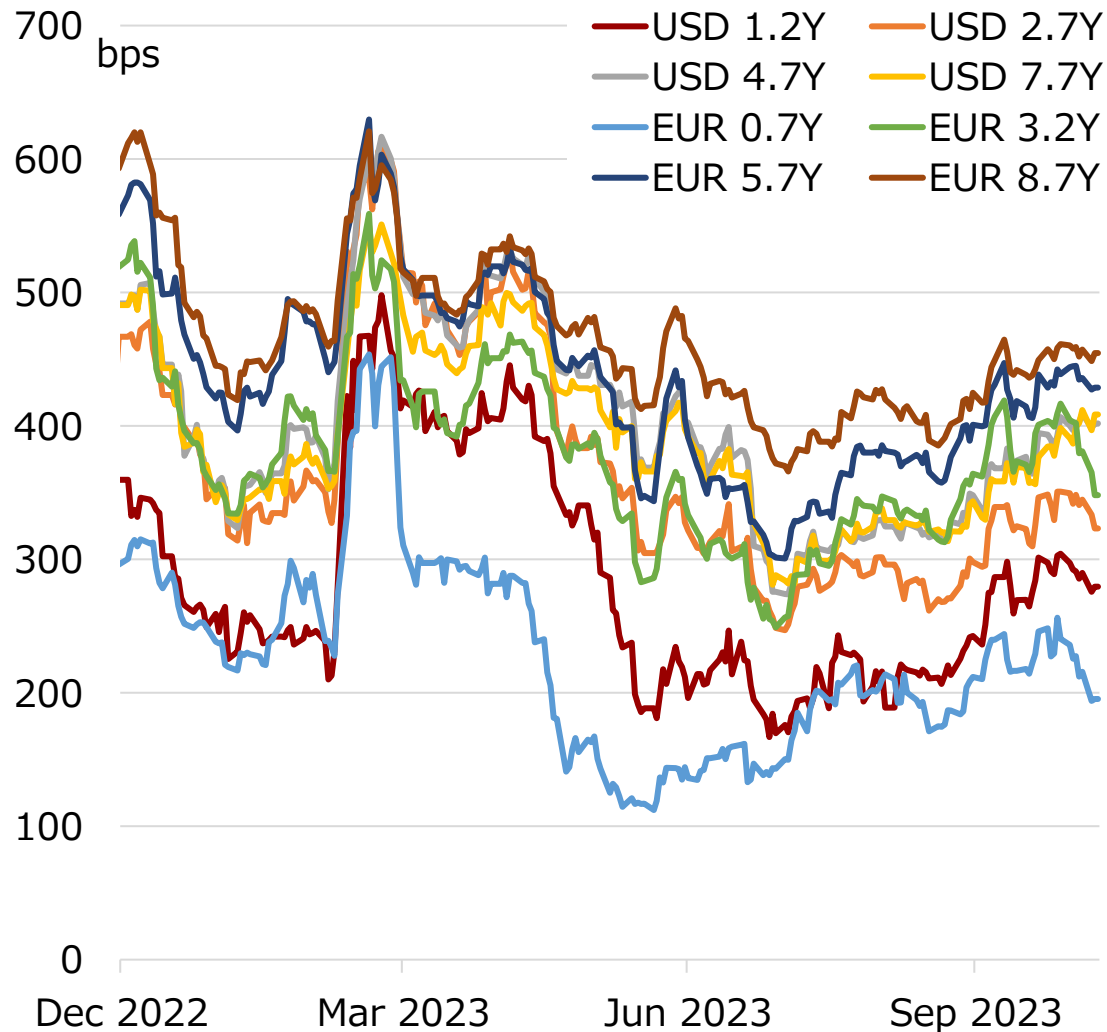
# Historical SBG Credit Rating



(Note) As of Nov 9, 2023

# SBG Credit Spread

## Spread of SBG foreign currency-denominated senior notes



## SBG 5-year CDS

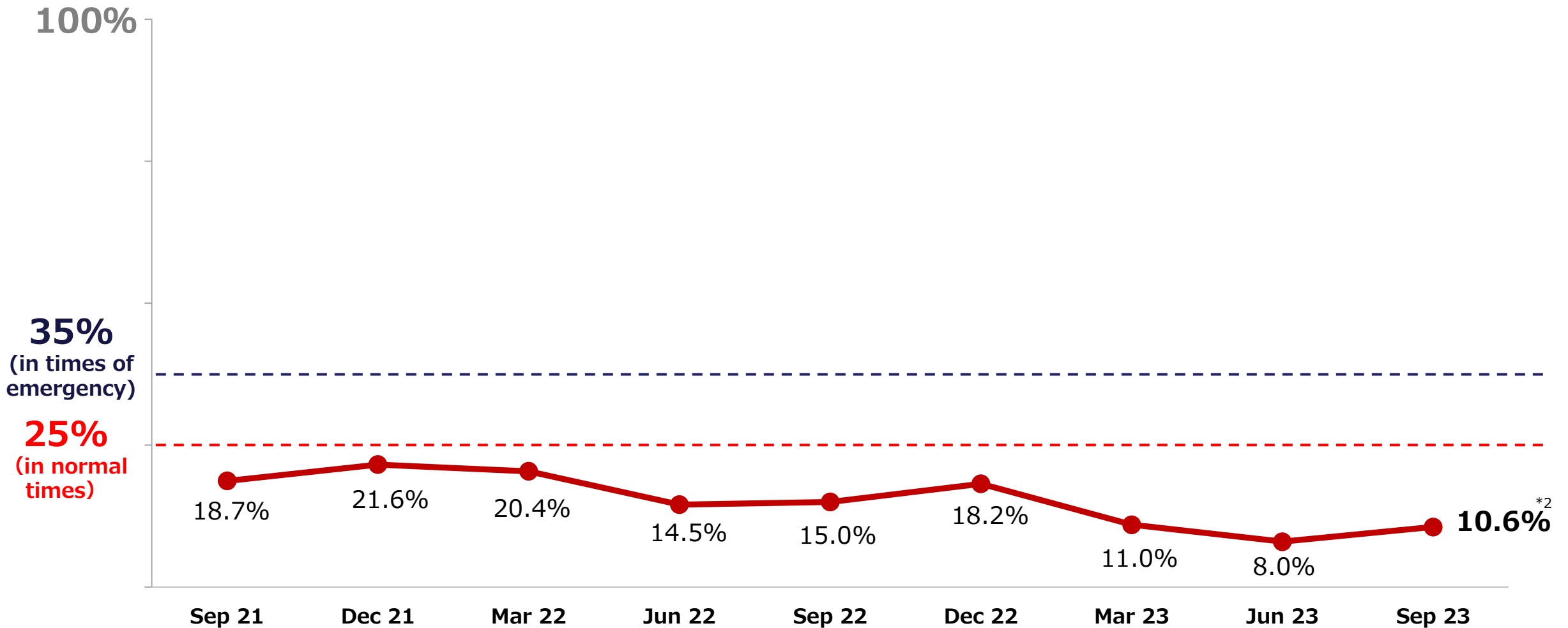


(Note) As of Nov 8, 2023. Created by SBG based on Z Spread from Bloomberg for the senior foreign currency denominated bonds issued in Jul 2021, and spread from Capital IQ for CDS. Finance 42

# LTV Trend\*1

## Controlled within financial discipline

Net of asset-backed finance



\*1 As of the end of each quarter

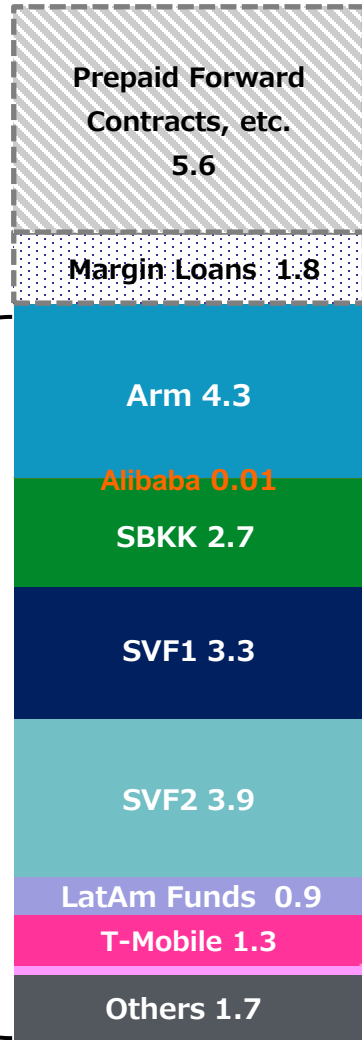
\*2 For details, see Appendix "LTV Calculation: SBG Stand-alone Equity Value of Holdings" and "LTV Calculation: SBG Stand-alone Net Debt."

# Calculation of Equity Value of Holdings as of Sep 30, 2023

\$1 = ¥149.58

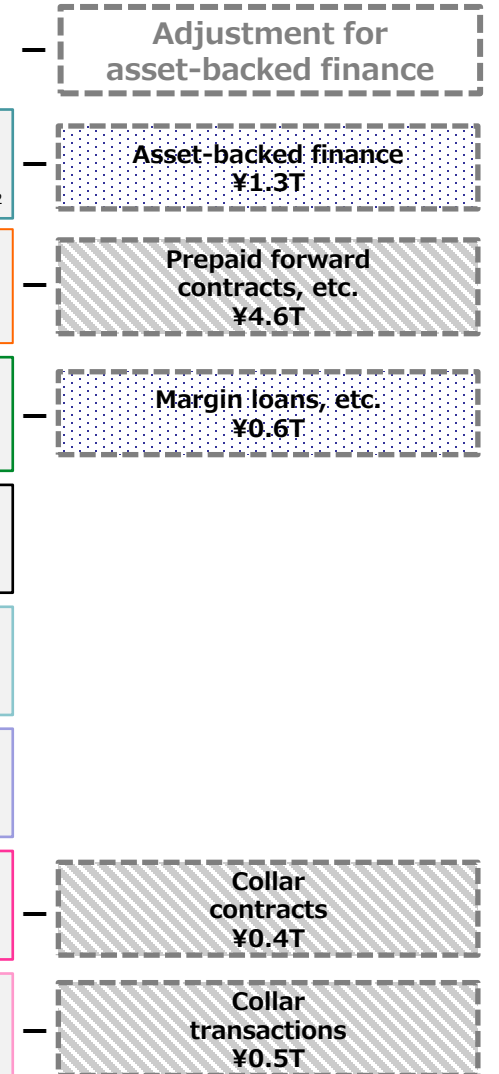
(¥ T)

**¥25.7T**  
(unadjusted)



Equity value of holdings (adjusted) =

Equity value of holdings (unadjusted) =



**¥4.3T**

**¥5.6T** = 923M shares held<sup>\*1</sup> × Share price \$ 53.52<sup>\*1</sup> - Payable amount for Arm transaction<sup>\*2</sup>

**¥0.01T**

**¥4.6T** = 355M shares held<sup>\*1</sup> × Share price \$ 86.74<sup>\*1</sup>

**¥2.7T**

**¥3.2T** = 1,915M shares held × Share price ¥1,690.5

**¥3.3T**

**¥3.3T** = Equivalent asset value of each fund × SBG's interest

**¥3.9T**

**¥3.9T** = + Performance fees accrued, etc.

**¥0.9T**

**¥0.9T** =

**¥1.3T**

**¥1.7T** = 43M shares held<sup>\*3</sup> × Share price \$ 140.05 + Contingent consideration<sup>\*4</sup>

**¥0.2T**

**¥0.7T** = 225M shares held × Share price €19.868

(Note) See Appendix "LTV Calculation: SBG Stand-alone Equity Value of Holdings" and "LTV Calculation: SBG Stand-alone Net Debt" for details of each calculation.

\*1 The number of ADSs equivalent to the number of shares held by SBG and the ADS price

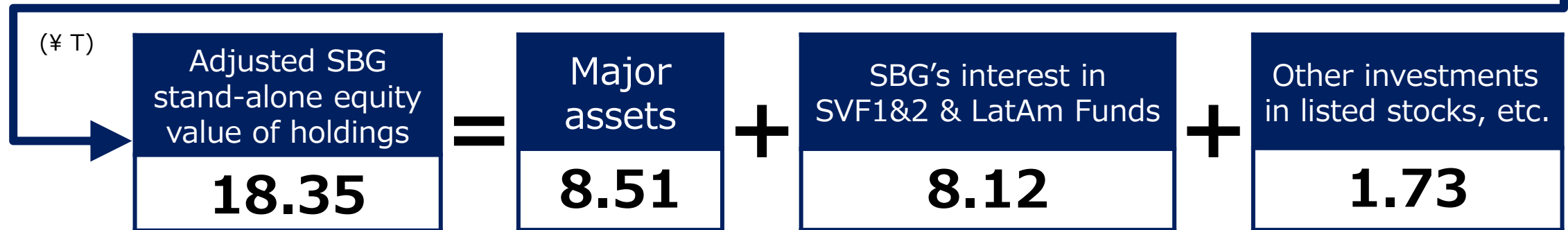
\*2 Payable amount of the consideration for Arm shares acquired from SVF1 (¥1.8T) \*3 Includes the number of shares subject to call options held by Deutsche Telekom

\*4 Fair value of the right of SBG and its subsidiary to acquire T-Mobile shares under certain conditions

Sep 2023

# LTV Calculation: SBG Stand-alone Equity Value of Holdings

$$\frac{\text{(L) Adjusted SBG stand-alone net debt } \text{¥1.94T}}{\text{(V) Adjusted SBG stand-alone equity value of holdings}^* \text{¥18.35T}} = 10.6\%$$



Alibaba	+4.60	SBKK	+3.24	T-Mobile	+1.70	SVF1	+3.29
Asset-backed finance	-4.60	Asset-backed finance	-0.56	Asset-backed finance	-0.43	SVF2	+3.89
<b>Alibaba (adjusted)</b>	<b>+0.01</b>	<b>SBKK (adjusted)</b>	<b>+2.67</b>	<b>T-Mobile (adjusted)</b>	<b>+1.27</b>	LatAm Funds	+0.94
Deutsche Telekom	+0.71	Arm	+7.39				
		Payable amount for Arm transaction	-1.80				
		Arm (pre-adjusted)	+5.59				
Asset-backed finance	-0.48	Asset-backed finance	-1.26				
<b>Deutsche Telekom (adjusted)</b>	<b>+0.23</b>	<b>Arm (adjusted)</b>	<b>+4.33</b>				

(Note) As of Sep 30, 2023

\*1 See Appendix "LTV Calculation: Details of SBG Stand-alone Equity Value of Holdings" for details of adjusted SBG stand-alone equity value of holdings for each asset.



# LTV Calculation: Details of SBG Stand-alone Equity Value of Holdings (1/2)

Assets	Value	Calculation method
<b>Alibaba</b>	<b>0.01</b>	
Before adjustment	4.60	Multiplying the number of Alibaba ADSs equivalent to the number of shares held by SBG by the ADS price
Adjustment for asset-backed finance	-4.60	Sum of the outstanding maturity settlement amounts (calculated by using the company's share price (ADS price) as of Sep 30, 2023) of the prepaid forward contracts (floor contracts, collar contracts, forward contracts, and call spread) using Alibaba shares (¥4,598.5B)
<b>(b) SBKK</b>	<b>2.67</b>	
Before adjustment	3.24	Multiplying the number of SBKK shares held by SBG by the share price
Adjustment for asset-backed finance	-0.56	Equivalent amount of outstanding debt for margin loans using SBKK shares, etc. (¥563.5B)
<b>(c) SVF1</b>	<b>3.29</b>	SBG's share of the equivalent value of assets held by SVF1 + performance fees accrued, etc.
<b>(d) SVF2</b>	<b>3.89</b>	SBG's share of the equivalent value of assets held by SVF2, etc.
<b>(e) LatAm Funds</b>	<b>0.94</b>	SBG's share of the equivalent value of assets held by LatAm Funds + performance fees accrued
<b>(f) Arm</b>	<b>4.33</b>	
Before deduction of payable amount of the consideration for Arm shares and adjustment for asset-backed finance	7.39	Multiplying the number of Arm shares held by SBG by the share price
Payable amount of the consideration for Arm shares	-1.80	Payable amount of the consideration for Arm shares acquired from SVF1 (\$12.0B)
Before adjustment for asset-backed finance	5.59	Multiplying the number of Arm shares held by SBG by the share price - payable amount of the consideration for Arm shares acquired from SVF1 (\$12.0B)
adjustment for asset-backed finance	-1.26	Equivalent amount of outstanding debt for margin loans using Arm shares held by SBG (¥1,259.8B)

# LTV Calculation: Details of SBG Stand-alone Equity Value of Holdings (2/2)

(¥ T)

Assets	Value	Calculation method
<b>(g) T-Mobile</b>	<b>1.27</b>	
Before adjustment	1.70	<i>summing</i> - Value of SBG's shareholding (incl. the number of shares subject to call options held by Deutsche Telekom (DT): 34,971,809 shares as of Sep 30, 2023) × the share price - Fair value of SBG's right to acquire 48,751,557 T-Mobile shares for no additional consideration under certain conditions
Adjustment for asset-backed finance	-0.43	<i>minus</i> - Balance of derivative financial liabilities related to unexercised call options held by DT - Maturity settlement amount of the prepaid forward contracts (collar contracts) using T-Mobile shares (calculated by using the company's share price) (¥428.0B)
<b>(h) Deutsche Telekom</b>	<b>0.23</b>	
Before adjustment	0.71	Number of DT shares held by SBG × the share price
Adjustment for asset-backed finance	-0.48	Deducting maturity settlement amounts of collar transactions using DT shares executed in Oct 2021 (¥480.6B)
<b>(i) Others*1</b>	<b>1.73</b>	Listed shares: multiplying the number of shares held by SBG by each share price Unlisted shares: fair value (the carrying amount in SBG's balance sheet for those not measured at FVs) of shares, etc. held by SBG SB Northstar: SBG's share of SB Northstar's NAV plus the value of NVIDIA Corporation shares held by SBG multiplied by its share price
<b>Adjusted SBG stand-alone equity value of holdings</b>	<b>18.35</b>	<b>Sum of (a) through (i) on Finance pages 46 and 47</b>

(Note) As of Sep 30, 2023

\*1 SB Northstar's cash and cash equivalents and interest-bearing debt, other than margin loans and prime brokerage loans, are treated as net interest-bearing debt of SBG and not included in the calculation of SB Northstar's NAV. There is no balance of margin loans and prime brokerage loans of SB Northstar as of Sep 30, 2023.

# LTV Calculation: SBG Stand-alone Net Debt

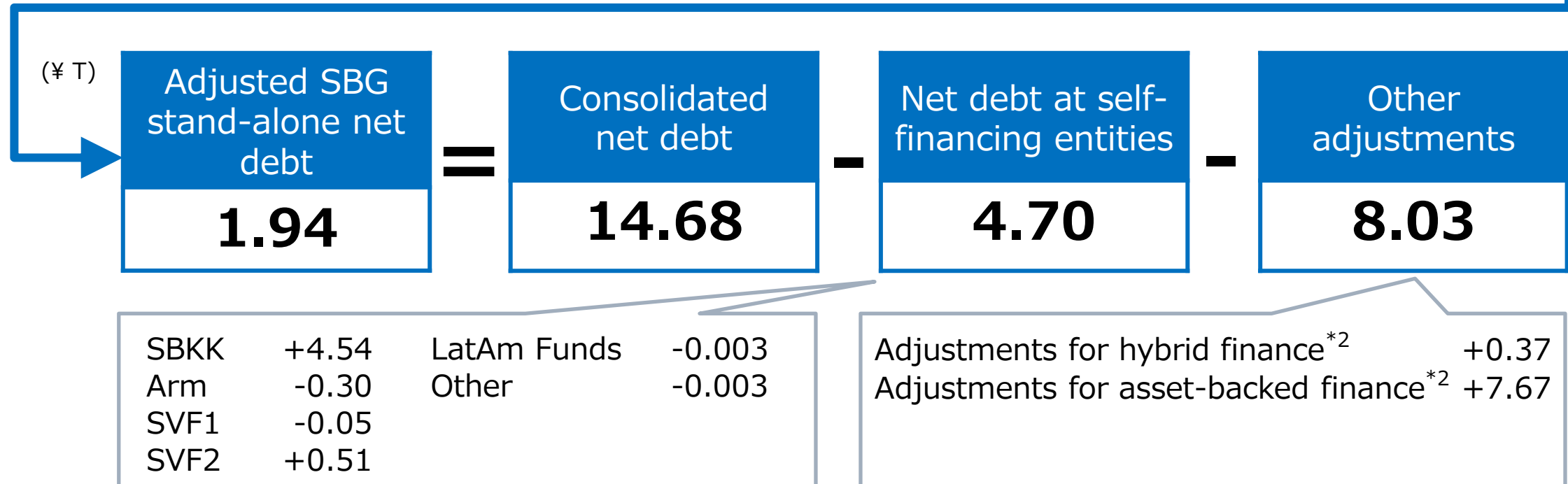
(L) Adjusted SBG stand-alone net debt\*1

¥1.94T

(V) Adjusted SBG stand-alone equity value of holdings

¥18.35T

= 10.6%



(Note) As of Sep 30, 2023

\*1 The presented net debt only includes debts to third parties. The presented net interest-bearing debt excludes the amount calculated as deposits for banking business less cash position at PayPay Bank.

\*2 See Appendix "LTV Calculation: Details of SBG Stand-alone Net Debt" for details.

# LTV Calculation: Details of SBG Stand-alone Net Debt

(¥ T)

<b>SBG stand-alone net debt (before adjustment)</b>	<b>9.98</b>	<b>Consolidated net interest-bearing debt - net interest-bearing debt at self-financing entities*1</b>
<b>Adjustment for hybrid finance</b>	<b>-0.37</b>	For hybrid bonds and hybrid loans with maturity dates, deduct 50% from interest-bearing debt; as the entire amount is recorded as interest-bearing debt in the consolidated financial statements. As for perpetual bonds, add 50% to interest-bearing debt; as the entire amount is recorded as equity in the consolidated financial statements.
<b>Adjustments for asset-backed finance</b>	<b>-7.67</b>	
Alibaba shares	-4.94	Financial liabilities relating to prepaid forward contracts (floor contracts, collar contracts, and forward contracts) using Alibaba shares (¥4,940.4B)
Arm shares	-1.26	Amount equivalent to the outstanding debt balance of the borrowings made through asset-backed finance using Arm shares (¥1,259.8B)
T-Mobile shares	-0.42	Financial liabilities relating to prepaid forward contracts (collar contracts) using T-Mobile shares (¥424.2)
Deutsche Telekom shares	-0.48	Amount equivalent to the outstanding debt balance relating to collar transactions using Deutsche Telekom shares executed in Oct 2021 (¥481.6B)
SBKK shares	-0.56	Equivalent amount of debt outstanding for margin loans using SBKK shares, etc. (¥561.8B)
<b>Adjusted SBG stand-alone net debt</b>	<b>1.94</b>	

(Note) As of Sep 30, 2023

• Net interest-bearing debt = Interest-bearing debt - Cash position

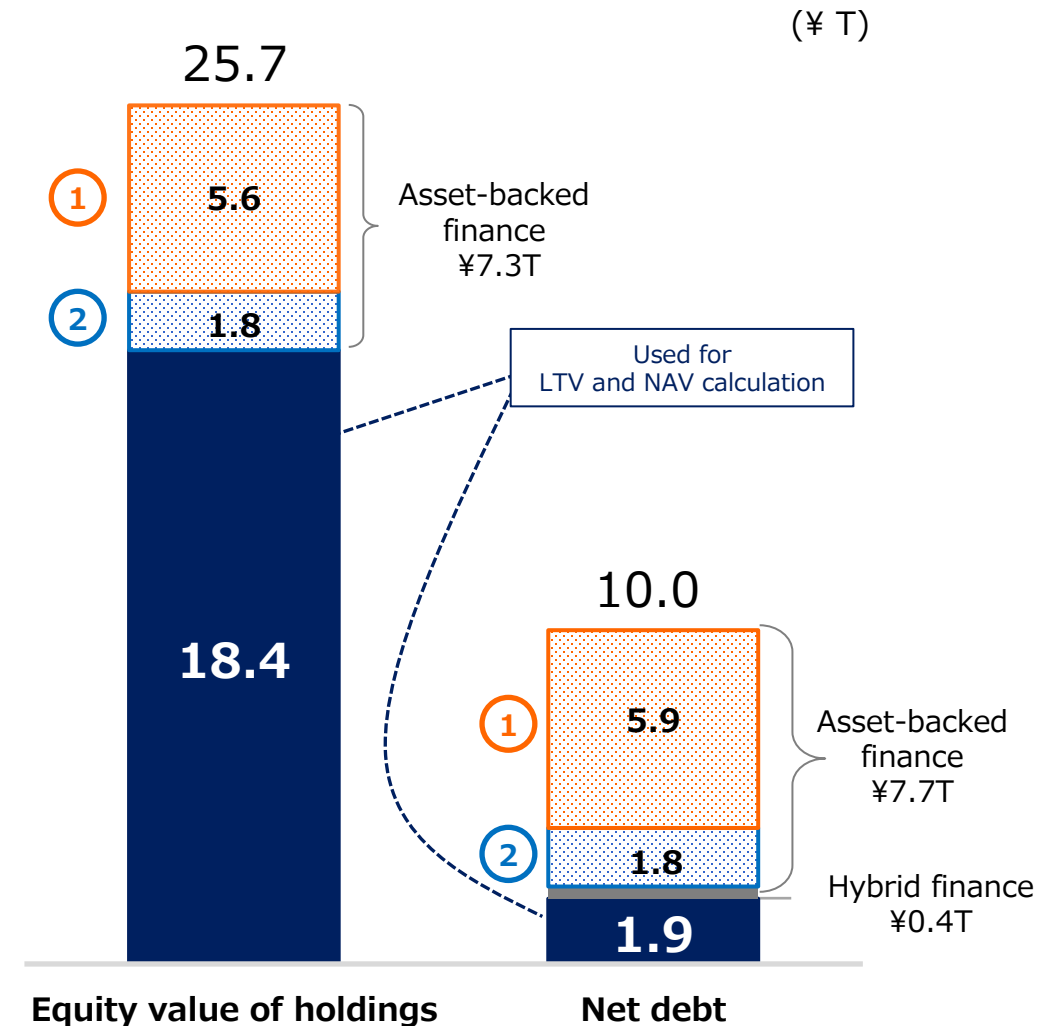
• Cash position = cash and cash equivalents + short-term investments recorded as current assets + investments in government bonds

\*1 Self-financing entities include SB Northstar; however, SB Northstar's cash and cash equivalents and interest-bearing debt, other than margin loans and prime brokerage loans, are treated as SBG stand-alone net interest-bearing debt. There is no balance of margin loans and prime brokerage loans of SB Northstar as of Sep 30, 2023.

# Adjustment for Asset-backed Finance in LTV and NAV Calculation

**Non-recourse asset-backed finance is deducted from debt.  
Value of assets required for settlement is deducted from assets.**

	① Forward/Collar/Put transactions	② Margin loan
Main shares used	Alibaba	SBKK, Arm
Nature	Funding through variable prepaid forward contracts* <sup>1</sup> (non-recourse to SBG)	Funding by pledging shares as collateral (non-recourse to SBG)
Amounts deducted from debt	<ul style="list-style-type: none"> <li>Carrying amount on BS</li> <li>Fixed regardless of the share price</li> </ul>	<ul style="list-style-type: none"> <li>Carrying amount on BS</li> <li>Fixed regardless of the share price</li> </ul>
Amounts deducted from assets	<ul style="list-style-type: none"> <li>Estimated settlement amount at maturity based on the quarter-end share price</li> <li>Fluctuates depending on the share price</li> </ul>	Equivalent to the value of assets required for repayment (amount of debts recorded on BS)
If share price falls	<ul style="list-style-type: none"> <li>Settlement amount decreases if the share price falls below the floor price</li> <li>Neither additional collateral or prepayment are required</li> </ul>	<ul style="list-style-type: none"> <li>Additional collateral and/or prepayment is required if the share price falls below a certain level</li> <li>Total repayment amount is fixed</li> </ul>

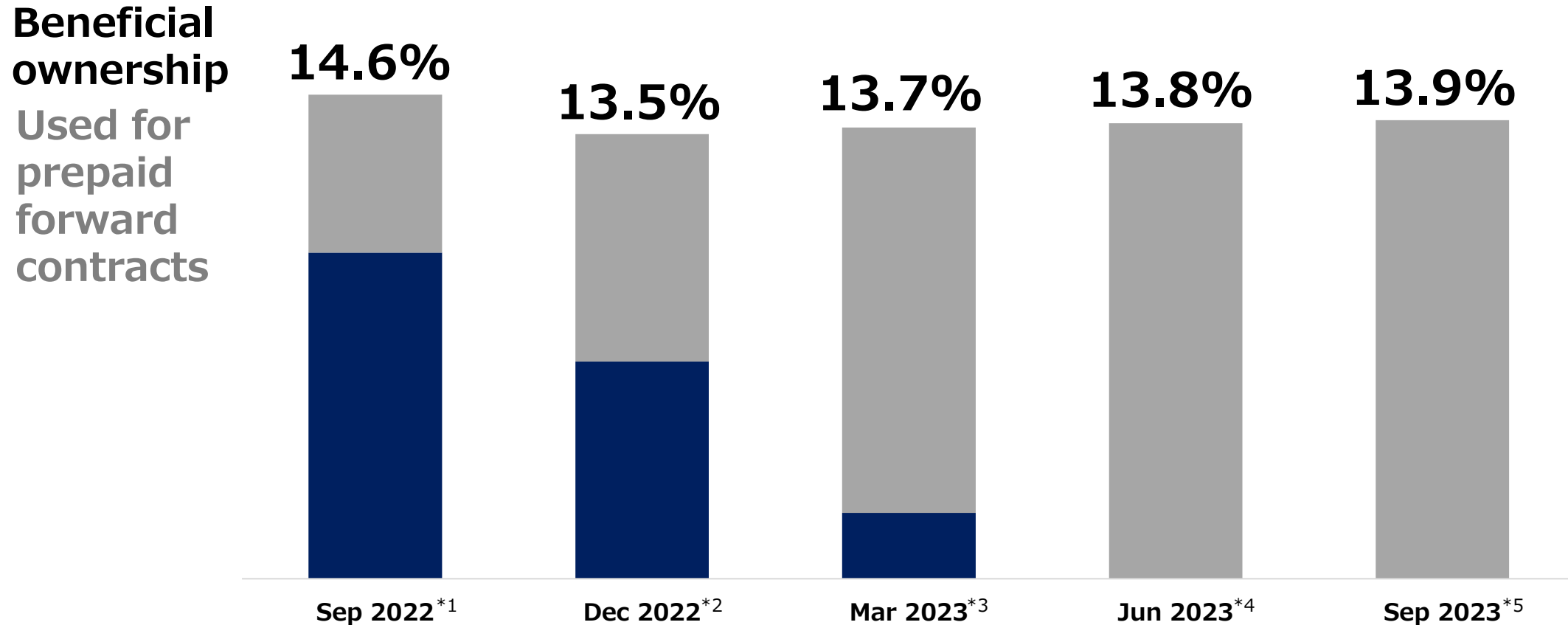


(Note) As of Sep 30, 2023

\*1 Contracts to buy or sell shares at a pre-agreed price (forward) or a price range (collar/put) at maturity

# Beneficial Ownership of Alibaba Shares

## Fully monetized Alibaba shares through prepaid forward contracts



\*1 Calculated based on 21,185,107,544 ordinary shares outstanding as of Jul 15, 2022 which are disclosed in Alibaba's Form 20-F.

\*2 Calculated based on the number of ordinary shares outstanding as of Sep 30, 2022.

\*3 Calculated based on 20,680,409,344 ordinary shares outstanding as of Dec 31, 2022.

\*4 Calculated based on the number of ordinary shares outstanding as of Mar 31, 2023.

\*5 Calculated based on the number of ordinary shares outstanding as of Jun 30, 2023.

<b>Objective</b>	Non-recourse financing using derivatives
<b>Outline</b>	<ul style="list-style-type: none"><li>• Transaction where parties agree to settle at a pre-specified price or price range at a specific date in the future</li><li>• Finance through pledged shares and derivatives referencing them</li><li>• Settlement at maturity is available in cash or in kind, in principle</li><li>• Settlement amount at maturity decreases when share price falls and increases when share price rises</li></ul>
<b>Forward transaction</b>	<ul style="list-style-type: none"><li>• Settlement of pledged shares at a pre-agreed <u>forward price</u></li><li>• Settlement price is fixed regardless of a change in the pledged share price. No upside can be enjoyed from the future share price appreciation</li></ul>
<b>Collar transaction</b>	<ul style="list-style-type: none"><li>• Settlement of pledged shares at a pre-agreed <u>price range</u></li><li>• Settlement is available at a floor price if the share price falls. Upside from the share price appreciation is limited to the cap price</li></ul>

# Consolidated Interest-bearing Debt/ Cash Position/ Net Interest-bearing Debt

## Consolidated Interest-bearing Debt\*<sup>1</sup>

(¥ B)

	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
<b>SBG stand-alone</b>	12,065.7	11,250.0	12,691.7	14,083.3	<b>14,335.8</b>
<i>Incl. SB Northstar</i>	-	-	-	-	-
<b>SVF1&amp;2 and LatAm Funds</b>	1,481.1	1,319.9	1,322.7	1,419.9	<b>542.2</b>
<b>SoftBank Segment</b>	6,135.0	6,209.6	6,134.7	6,240.6	<b>6,326.0</b>
<b>Others (Arm, etc.)</b>	178.2	165.2	166.1	164.6	<b>189.8</b>
<b>Total</b>	<b>19,860.0</b>	<b>18,944.8</b>	<b>20,315.2</b>	<b>21,908.5</b>	<b>21,393.7</b>

## Cosolidated Cash Position\*<sup>2</sup>

(¥ B)

	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
<b>SBG stand-alone</b>	3,637.4	3,173.4	4,528.4	5,171.3	<b>4,397.6</b>
<i>Incl. SB Northstar</i>	76.6	35.6	41.9	29.6	<b>40.6</b>
<b>SVF1&amp;2 and LatAm Funds</b>	50.2	102.6	112.0	112.9	<b>79.6</b>
<b>SoftBank Segment</b>	1,392.5	1,825.4	1,702.2	1,534.8	<b>1,783.3</b>
<b>Others (Arm, etc.)</b>	647.8	366.1	383.0	388.8	<b>451.0</b>
<b>Total</b>	<b>5,727.9</b>	<b>5,467.5</b>	<b>6,725.5</b>	<b>7,207.7</b>	<b>6,711.5</b>

## Consolidated Net Interest-bearing Debt\*<sup>3</sup>

(¥ B)

	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023
<b>SBG stand-alone</b>	8,428.3	8,076.6	8,163.3	8,912.0	<b>9,938.1</b>
<i>Incl. SB Northstar</i>	-76.6	-35.6	-41.9	-29.6	<b>-40.6</b>
<b>SVF1&amp;2 and LatAm Funds</b>	1,431.0	1,217.4	1,210.7	1,307.0	<b>462.6</b>
<b>SoftBank Segment</b>	4,742.5	4,384.2	4,432.5	4,705.8	<b>4,542.7</b>
<b>Others (Arm, etc.)</b>	-469.6	-200.9	-216.8	-224.1	<b>-261.2</b>
<b>Total</b>	<b>14,132.1</b>	<b>13,477.3</b>	<b>13,589.7</b>	<b>14,700.7</b>	<b>14,682.2</b>

\*1 The presented interest-bearing debt only includes interest-bearing debt and lease liabilities to third parties, and excludes deposits for banking business at PayPay Bank.

\*2 The presented cash position is the sum of cash and cash equivalents and short-term investments recorded as current assets, and excludes cash position at PayPay Bank. Incl. SB Northstar's cash and cash equivalents in SBG stand-alone cash position. From Sep 2023, incl. government bonds.

\*3 The presented net interest-bearing debt excludes the amount calculated as deposits for banking business less cash position at PayPay Bank. Negative figures indicate net cash.