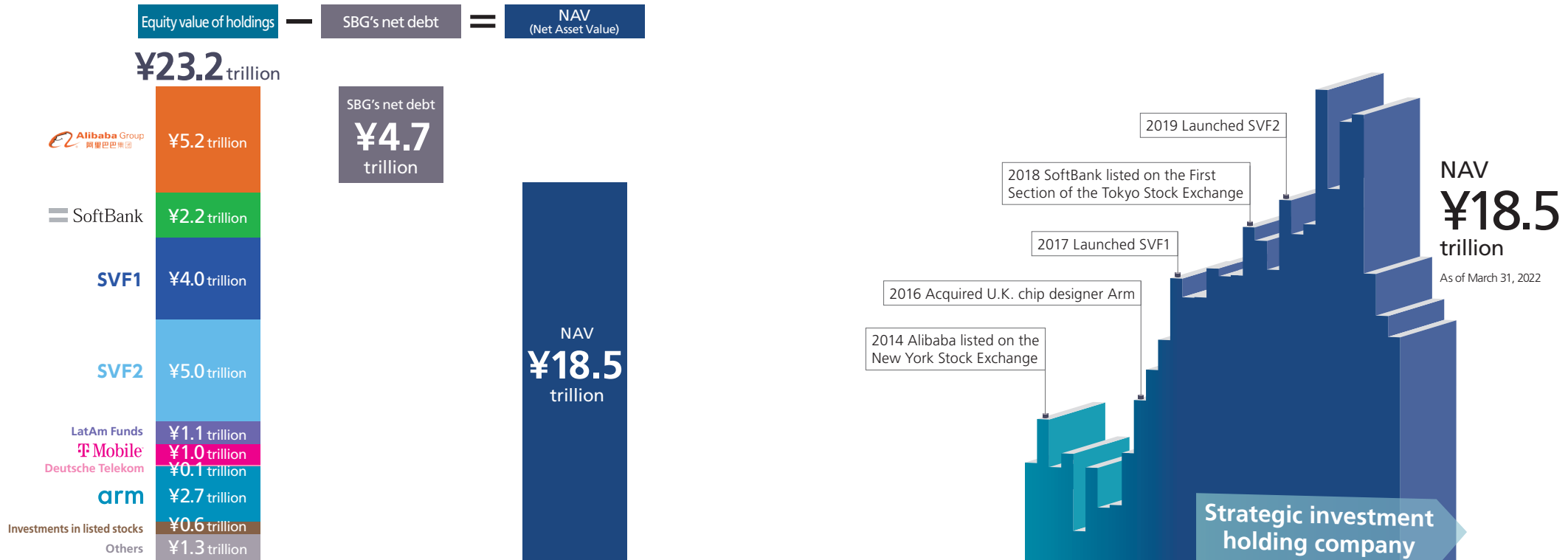


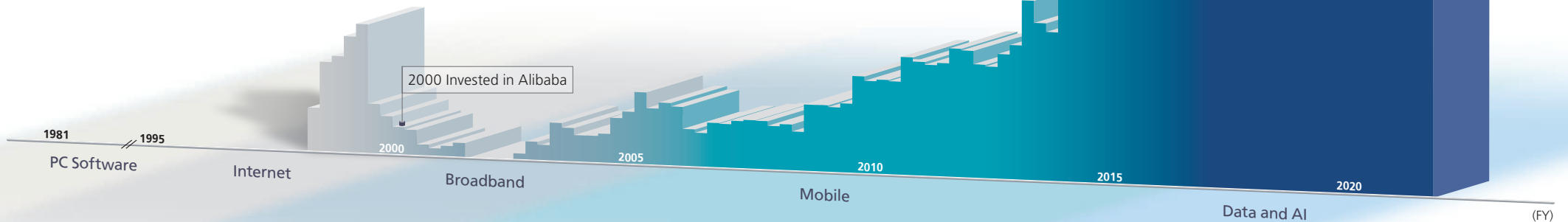
NAV (Net Asset Value) & LTV (Loan to Value)

Boosting NAV Growth by Investing in the Information Revolution

As of March 31, 2022



See page 73 for the assumptions used to calculate the equity value of holdings and net debt.



Note: NAV data for each quarter-end. The NAV data are the Company estimates based on the information available to it, and the accuracy or completeness of the information is not guaranteed as the figures are not audited. NAV trends are not a guarantee of future figures and are not indicative of the price of SBG's common shares or any securities held by the Company and should not form the basis of investment decisions. The figures are based on data before considering taxes unless otherwise stated.

An Important Indicator for Stable Financial Management: LTV

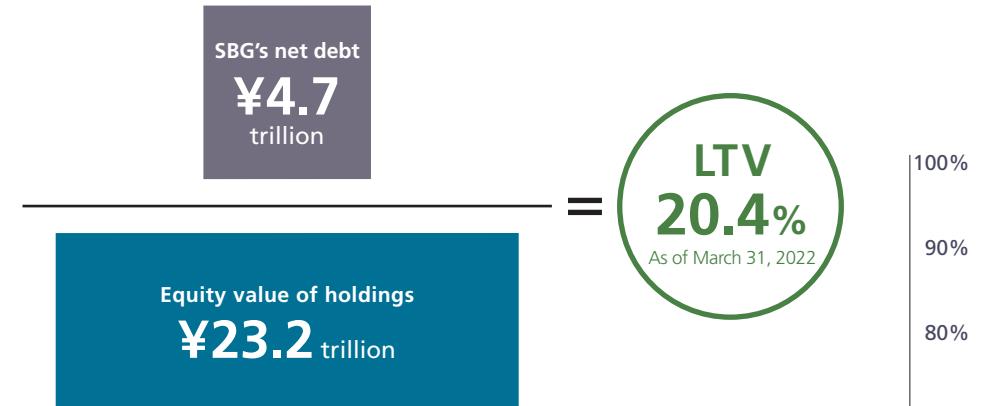
LTV is a financial indicator that is calculated as SBG’s net debt divided by the equity value of holdings. SBG’s finance policy is to maintain an LTV below 25% in normal times with an upper threshold of 35% even in times of emergency. The LTV below 25% is a very safe level and it indicates the equity value of holdings would be more than sufficient to repay the debt.

See page 73 for the assumptions used to calculate the equity value of holdings and net debt.

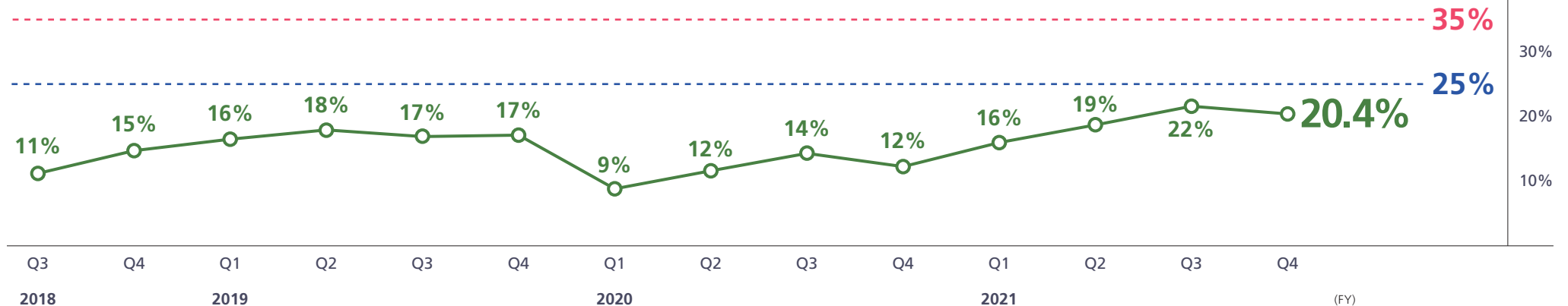
Calculation of LTV



Note: The equity value of holdings excludes amounts to be settled at maturity or borrowings that are part of asset-backed finance. SBG’s net debt excludes borrowings that are part of asset-backed finance. The calculation of SBG’s net debt excludes interest-bearing debt and cash and cash equivalents, etc., attributable to entities managed on a self-financing basis such as SoftBank (including Z Holdings and other subsidiaries), SVF1, SVF2, LatAm Funds, Arm, and PayPay, as well as SB Northstar, an asset management subsidiary.



LTV trends








Note: LTV for each quarter-end

The SBC Investment Portfolio

Classification of Assets Included in NAV

As of March 31, 2022

Reportable segments	Equity value of holdings				Total consolidated carrying amount of assets held*2
	Subsidiaries	Equity method associates	Investments accounted for using FVTPL*1	Total*2	
Investment Business of Holding Companies		 ¥5.2 trillion	  ¥1.0 trillion ¥0.1 trillion Investments in listed stocks (including SB Northstar) ¥0.9 trillion SBG's other portfolio companies ¥0.8 trillion	¥8.0 trillion	¥5.6 trillion
SoftBank Vision Funds	SVF1 ¥4.0 trillion SVF2 ¥5.0 trillion			¥9.0 trillion	¥9.0 trillion
SoftBank	 ¥2.2 trillion			¥2.2 trillion	¥1.3 trillion
Arm	 ¥2.7 trillion*3			¥2.7 trillion	¥1.9 trillion *3
Latin America Funds	LatAm Funds ¥1.1 trillion			¥1.1 trillion	¥1.1 trillion
Other	Other subsidiaries ¥0.2 trillion			¥0.2 trillion	¥0.3 trillion
				Total ¥23.2 trillion	Total ¥19.2 trillion

See page 73 for the assumptions used to calculate the equity value of holdings.

*1 Fair Value Through Profit or Loss: Valuation method of assets/liabilities at fair value at the end of the period and recording increases/decreases in the P/L statement.

*2 The total equity value of holdings and total consolidated carrying amount of assets held are solely for the assets listed in the table. The total consolidated book value of equity holdings does not equal the acquisition cost of assets held or the book value for tax purposes.

*3 SBG and SVF1 hold 75.01% and 24.99% of Arm shares, respectively. Arm's equity value of ¥2.7 trillion is attributed to SBG's holdings, and the value of the remaining SVF1 holdings is included in SVF1. Arm's consolidated carrying amount of ¥1.9 trillion is attributed to SBG's holdings.

SoftBank Vision Funds

Equity value of holdings As of March 31, 2022	
SVF1	¥4.0 trillion
SVF2	¥5.0 trillion
LatAm Funds	¥1.1 trillion

SoftBank Latin America Funds

SoftBank Vision Fund 1 began its operation in 2017, followed by SoftBank Vision Fund 2 and SoftBank Latin America Funds in 2019. These funds have unique investment portfolios consisting primarily of companies identified colloquially as unicorns or potential unicorns. They have the characteristics of being long-term private funds with a duration of more than a decade, in addition to their large amount of committed capital. Leveraging such distinctive features, they make medium- to long-term investments in companies with an established presence in wide-ranging markets and technology sectors while maintaining a level of geographic and strategic diversity across their portfolios to curb the effect of short-term market fluctuations and maximize returns over the medium to long term.

As SVF1's investment period ended in September 2019, it is now primarily focused on realizing value creation on invested capital. On the other hand, SVF2 is actively pursuing new investments. Starting from fiscal 2022, LatAm Funds will be managed by SBGA, the same as SVF2, and LatAm Funds segment will be integrated into the "SoftBank Vision Funds segment."

Rajeev Misra

Corporate Officer,
Executive Vice President,
SoftBank Group Corp.
CEO, SoftBank Investment Advisers



See pages 22–29 for details.

arm

Equity value of holdings
As of March 31, 2022

¥2.7 trillion

Founded in 1990, Arm Limited is primarily engaged in the licensing of semiconductor-related intellectual property, such as processor designs. Since being acquired by SBG in 2016, Arm has increased investments in R&D and expanded its product portfolio and addressable markets. In March 2021, it unveiled the *Armv9* architecture, which delivers improved performance and provides enhanced security, privacy, and confidentiality. In fiscal 2021, it released *Armv9*-based new products, such as the *Cortex-X2*.

Arm continues to focus on maintaining or gaining share in markets such as mobile computing, AI, IoT, cloud, autonomous driving, and the Metaverse. At the same time, it makes continued efforts to increase the royalty revenue it receives per chip and introduce new business models to help more companies gain access to Arm's technologies.

Rene Haas
CEO, Arm Limited



See pages 30 and 31 for details.

SoftBank

Equity value of holdings
As of March 31, 2022

¥2.2 trillion

SoftBank, preceded primarily by the Japanese unit of Vodafone, which was acquired in 2006, is now the core Japanese operating company of the Company. Under its *Beyond Carrier* strategy, SoftBank aims to further grow its core telecommunications business. At the same time, it endeavors to expand its non-telecommunications businesses through the growth of Z Holdings, which became a subsidiary in June 2019, and LINE, which also became a subsidiary in March 2021, as well as the creation of new businesses.

SBG sold a portion of its SoftBank shares in 2020, but the strategic importance of SoftBank remains unchanged. The Company intends to continue to hold its post-sale shares held (ownership as of March 31, 2022: 40.7%, net of treasury stock) over the medium to long term.

Junichi Miyakawa
President & CEO, SoftBank Corp.



See the SoftBank IR website for details.

SoftBank Vision Funds: Investment Strategy

A Continued Conviction in the AI Revolution

Fiscal 2021 will live in the minds of investors as a year of two parts. Over the year, the NASDAQ stock market reached a high of 16,212.23, with P/E multiples across the market averaging above 20x. Demand for private technology companies transitioning to listed markets was also high with a record number of 384 listings taking place, raising \$92 billion, more than double the total raised in the previous year.*¹ In my update to you last year, I discussed the rapid surge in digital adoption brought on by the global pandemic. While the negative impacts of COVID-19 began to recede in fiscal 2021, the demand for digital products and services provided by our portfolio companies remained high. Even as consumers revert to some traditional buying habits, the convenience and speed of digital consumption has seen baseline usage reset substantially higher than prior to the pandemic. This translated to substantial investor interest in AI-enabled companies during the first half of fiscal 2021, which disproportionately benefited our portfolio.

This is in sharp juxtaposition to the escalating

macroeconomic volatility observed over the second half of fiscal 2021. This was driven by the impact of China's increasingly challenging regulatory environment, ongoing supply chain issues, and Russia's invasion of Ukraine. Uncertainty has been perpetuated through three critical themes: fast-rising inflation impacting the economy, increasingly complex geopolitical risk, and a global energy shock, marked by surging energy prices across many markets. This context is challenging for the vast majority of public and private market investors, and SoftBank Group is not immune. Valuations have declined as our portfolio companies brace for what could be a period of sustained market uncertainty. Notwithstanding, SoftBank Vision Funds have cumulative gains of \$28.8 billion*² since inception as of March 31, 2022. There is also reassurance that as long-dated vehicles, SoftBank Vision Funds were specifically structured to traverse market cycles and support an unrivaled ecosystem that is diversified by geography, sector, and technology.

We retain our conviction that technology-driven disruption is a generational trend that will be felt for decades to come, and our portfolio bears out this thesis. Since inception, SoftBank Vision Fund 1 has invested \$87.5 billion*² in more than 90 companies. Fiscal 2021 saw 12

portfolio companies list on stock exchanges around the world, taking SoftBank Vision Fund 1's total tally of publicly traded companies to 26. This is reflected in the growing maturity of the fund's composition. As of March 31, 2022, 58% of SoftBank Vision Fund 1's assets were in exited or publicly listed positions. This has enabled our capital markets team to continue to monetize these positions, and we have now distributed \$38.7 billion to our LPs, a remarkable feat within five years of the fund's launch.

SoftBank Vision Fund 2 has continued to make strong progress. With 208 new investments in fiscal 2021, SoftBank Vision Fund 2 now has more than 250 portfolio companies. At \$56.0 billion in commitments, it is now the second largest technology fund in the world. Our focus on making smaller investments, partnering at earlier stages, and ensuring geographic and sector diversification should serve shareholders well.

We also recently integrated SoftBank Latin America Funds into the SoftBank Investment Advisers platform. Launched in 2019, SoftBank Latin America Funds have deployed approximately \$7.0 billion in over 100 companies across the region. Performance to date has been encouraging, returning a net blended IRR of 32%.*³

Rajeev Misra

Corporate Officer,
Executive Vice President,
SoftBank Group Corp.
CEO, SoftBank Investment Advisers

*1 PwC, "Global IPO Watch 2021"

*2 SBG consolidated basis

*3 Net Blended IRR reflects the combined net performance of different classes of securities in LatAm Funds structure, including Equity and Preferred Equity Interests, after taking into account management fees, performance fees, preferred equity coupon, operational expenses, organizational expenses, and other expenses borne by the Limited Partners. It is computed using the Limited Partners' cash outflows (capital contributions) and inflows (distributions), net of investment-related financing, as well as the Net Asset Value as of March 31, 2022. It includes preferred equity coupon distributions and related accruals. This figure is the Net Blended IRR specific to SBG's interests through SBLA, modified to reflect the additional impact of performance fee payments and related accruals from the perspective of the fund manager, as applicable.

An evolving global platform

These steps mark the evolution of our investment capabilities from a single investment vehicle to a global multi-fund platform. SoftBank Investment Advisers was created five years ago to manage the first Vision Fund. With the subsequent launch and expansion of SoftBank Vision Fund 2 and the integration of SoftBank Latin America Funds, our global capabilities have substantially expanded. Today, the platform oversees \$175 billion in assets via a team of seasoned investment and functional experts working in 14 key geographies around the world.

Our efforts to build a strong local presence in key markets is paying off. Over fiscal 2021 we made our first investments in Israel, Japan, Saudi Arabia, Turkey, and the UAE. We continue to invest in human capital as well as developing talent within the firm, appointing six new managing partners over fiscal 2021, each of whom brings a wealth of global insights and expertise. We've strengthened our investing teams with 59 new hires, 46% of whom are women. I'm confident we have the right people and resources in place to ensure the firm's continued success.

Founders across the world continue to be drawn to the power of SoftBank Group's networks. Our portfolio ecosystem now comprises more than 450 companies, as well as Alibaba, Arm, and SoftBank Corp., which

supports connections and the sharing of ideas to accelerate collective growth.

There was no precedent for SoftBank Vision Funds, and many doubted they could succeed. But with vision and discipline, we have proven that venture capital can successfully scale.

This trend has fueled an innovation supercycle among private technology companies and irreversibly changed the profile of growth equity as an asset class. Allocations from institutional investors to this segment has outstripped every other private asset class in the past decade. This

has translated to a rapid upsurge in the number of unicorns around the world, now surpassing 1,000,*⁴ of which I'm pleased to share that 195 are already in our portfolio.

Of course, the current environment calls for prudence and discipline. As Masa has said previously, we must play defense as economic conditions dictate and be highly selective in our capital deployment. Our investment teams continue to be active, but the increasingly stringent performance criteria for the approval of new investments will naturally lead to

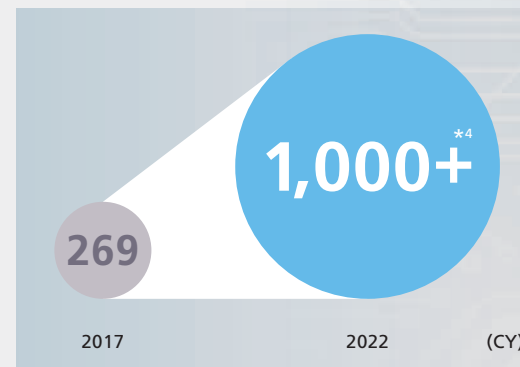
a tapering in the rate of transactions. The depressed outlook for capital markets also means there are likely to be fewer new public listings in fiscal 2022 as companies prioritize strengthening unit economics in the face of continued uncertainty. As with the COVID-19 pandemic, we are working closely with our companies to help ensure they emerge stronger when market conditions improve.

*4 Statista, "Global Unicorn Herd Now Counts 1,000+ Companies," April 2022

Growth Equity is Today's Preferred Asset Class

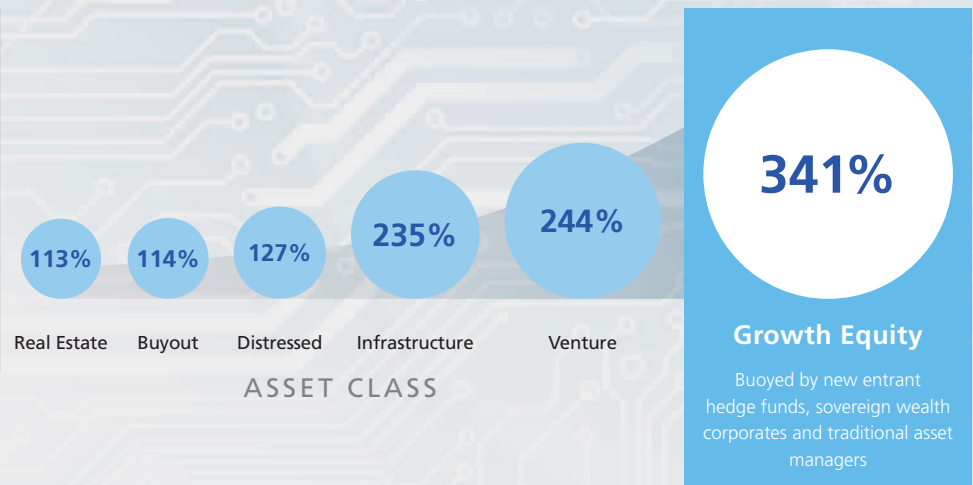
Significant growth in the number of unicorns

Global Unicorn Count



Growth equity outpace other asset classes

% Growth in Dry Powder. 2020 vs. 2010*⁵



*5 Bain & Company, "Global Private Equity Report," 2021

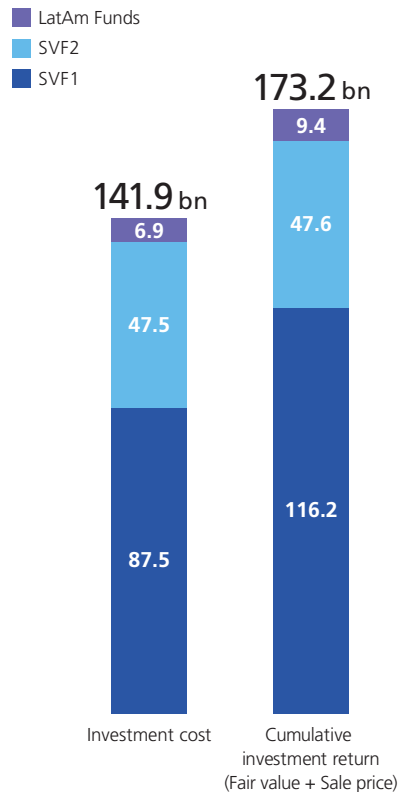
SoftBank Vision Funds: In Focus

See SoftBank Vision Funds' website for further details.

Performance snapshot

As of March 31, 2022

(U.S. dollars)



Investment results

As of March 31, 2022, SoftBank Vision Funds and SoftBank Latin America Funds have invested in more than 450 companies (including exited investments) across a diverse mix of geographies, sectors, and technologies. Their cumulative investment gains of \$31.3 billion*¹

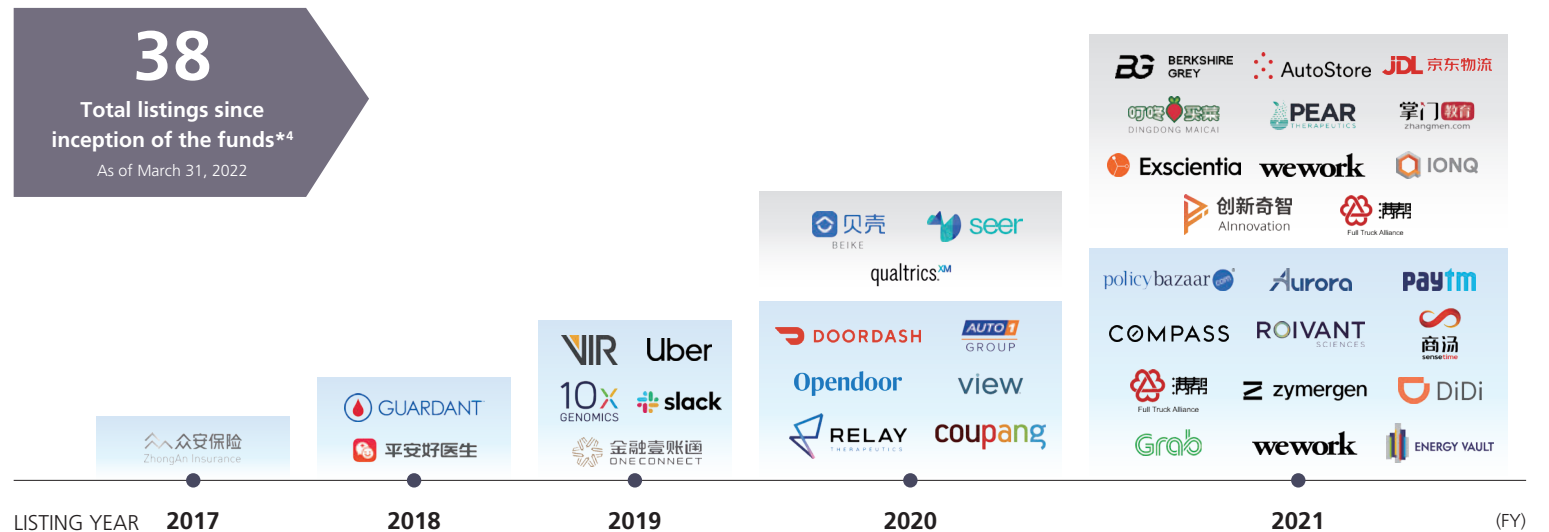
have been achieved on an acquisition base of \$141.9 billion,*¹ representing a 1.22x multiple on invested capital. This brings the total fair value of both funds to \$173.2 billion.*^{1, 2}

Between inception in 2017 and the close of SoftBank Vision Fund 1's capital deployment window for new investments in 2019, we made 92 investments at an acquisition cost

of \$81.0 billion.*³ By March 31, 2022, 26 of these companies had listed on major exchanges around the world. Fiscal 2021 saw Grab list on Nasdaq stock market via the world's largest SPAC merger, while PB Fintech (Policybazaar) and One 97 Communications (Paytm) became two of the largest listings in the history of the Bombay Stock Exchange. Through a disciplined and

Growing track record of public listings

SVF1 SVF2



*1 SBG consolidated basis
 *2 Includes sale price of exited investments
 *3 SVF1's investment period was ended on September 12, 2019, after the accumulated investment amount exceeded 85% of total committed capital. Number of investments includes investments in portfolio companies made by SVF1 and joint ventures with existing portfolio companies from fund inception to the end of the investment period. The remaining capital has been used for follow-on investments, etc.
 *4 10x Genomics fully exited in August 2020, Slack Technologies fully exited in September 2020, and PingAn Good Doctor fully exited in October 2020. Full Truck Alliance and WeWork are both SVF1 and SVF2 investments.
 Note: References to investments included herein should not be construed as a recommendation of any particular investment or security. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. See pages 98 and 101-103 for a more complete list of investments of SVF1 and SVF2. Exit or IPO information is presented solely for illustrative purposes, has been selected in order to provide examples of current and former SVF1 and SVF2 investments that have been publicly listed and do not purport to be a complete list thereof. Individual investors' results could vary.

balanced monetization strategy, these listings have enabled us to unlock substantial value for investors. As of March 31, 2022, SoftBank Vision Fund 1 had returned \$38.7 billion to our LPs (of which \$16.4 billion was distributed in fiscal 2021), while the maturing profile of the fund reflects that 58% of assets are now held in exited or publicly traded positions.

With total capital commitments of \$56.0 billion, SoftBank Vision Fund 2 has made extraordinary progress, deploying \$46.9 billion across a portfolio of more than 250 investment companies. Continuing the trend we witnessed emerging in fiscal 2020, public markets in early fiscal 2021 were ascribing higher multiples than private markets to growth companies. This translated to a surge in IPOs which benefited many of our existing portfolio companies but limited opportunities in late-growth stage companies as founders turned to public markets to raise their next round. In search of value, we subsequently adjusted our strategy to partner with companies at an earlier stage via smaller investments. This resulted in the fund's average investment size reducing to \$100 million–\$200 million and our relative ownership stake reduced on average to 10–15%. Fourteen of SoftBank Vision Fund 2 companies are now publicly traded, and the fund had already distributed \$8.6 billion to investors by March 31, 2022,

most of which took place in fiscal 2021. This is a substantial achievement for an investment vehicle less than three years old. While the pace of investing has slowed as we entered fiscal 2022, the fund retains considerable dry powder and the team remains vigilant and ready to deploy should the right opportunities be presented.

Enhanced portfolio management — The Operating Group

A key differentiator for SoftBank Investment Advisers has always been our ability to add value beyond capital. Our Operating Group comprises more than 30 industry specialists with the tactical knowledge, networks, and experience to help entrepreneurs build industry leading businesses. During the pandemic, our operators worked side-by-side with executive teams to help them navigate the unique challenges presented by regional lockdowns. In the current climate, we are again providing business-critical guidance to stabilize balance sheets and drive operating efficiencies in an environment where raising new capital is challenging. Our Operating Group is focused on our larger portfolio assets, whose performance has the capacity to drive major returns for the funds. The team is also integrated across the

investment process, supporting deal origination and due diligence at the pipeline stage as a precursor to portfolio management and value creation.

Integration of SoftBank Latin America Funds

Beginning in fiscal 2022, we incorporated SoftBank Latin America Funds into the SoftBank Investment Advisers platform, a highly complementary expansion to our investment capabilities. We have long believed that Latin America has been overlooked by global investors. The region is home to a large population, thriving economies, and top tier talent. That is well known today, but we placed our bets early, and have been investing in Latin America's winning businesses for the past three years. We began our work in Latin America by focusing on venture growth and growth equity opportunities. We found that earlier stage investing was well served by domestic VCs, but there was a significant gap at the growth stage. Entrepreneurs needed investors that could help drive their journey to global success.

Today, we invest at all stages in leading technology companies with the potential to become future unicorns, reflecting the maturity of the Latin America tech ecosystem and the

strength of regional founders. Where we led, others have followed. In 2019 when the first Latin America Fund was launched, the entire Latin America region attracted a modest \$4.4 billion in annual VC investment, a figure that increased to \$14.8 billion in 2021. As of March 31, 2022, our Latin America portfolio comprises 101 investments, seven of which are already publicly traded, while 32 others are already valued as unicorns. We see huge potential for sustained value creation as regional technology champions go global.

Embedding ESG within our investment process

While SoftBank Vision Funds and SoftBank Latin America Funds are not impact funds, Environmental, Social, and Governance standards (ESG) are increasingly relevant to how we invest and oversee our portfolio.

We conduct ESG pre-investment risk assessments on a significant number of potential investment opportunities. These incorporate the use of a third-party digital intelligence tool that analyzes millions of publicly available data sources, metrics, and ESG risk profiles of the company. Post investment, selective risk monitoring is conducted including via third party providers where appropriate.

In relation to environmental impact, SoftBank Vision Funds invest in multiple companies that contribute to climate change mitigation. These include enterprises focused on the generation and storage of clean energy, such as Energy Vault and Enpal, or on the decarbonization of urban mobility, including TIER Mobility and Züm. Details on these, and other investments committed to solving large-scale environmental and social issues utilizing AI are covered in more detail in the Sustainability section of this report.

At the governance level, diversity is an important issue for us. We support portfolio companies with C-suite and board appointments to help provide a balanced pipeline of candidates by gender and race. By working with independent organizations such as Him for Her, Athena, Beyond Board, Stanford Women on Boards, and Boardlist, we have seen consistent progress in increasing female representation in boardrooms across the portfolio.

Creating a more equitable future

SoftBank Investment Advisers are committed to the creation of a more equitable tech and VC ecosystem that better reflects the communities we serve. Through the U.S.-

focused SB Opportunity Fund and our global Emerge program, we are taking concrete action to support underrepresented founders primed for growth. These initiatives are built on the premise that while talent is equally distributed, opportunity is not—which is why investing in entrepreneurs from different backgrounds is both the right thing to do and an attractive investment opportunity, fully aligned with SoftBank Group's core business. Each program offers the access, capital, counsel, and community needed to help overlooked founders scale their businesses, and are pillars of the ESG strategy for SoftBank Group's investment businesses.

SB Opportunity Fund is the Group's investment vehicle dedicated to investing in tech-enabled companies co-founded or led by Black, Latino/Latina, or Native American individuals based in the U.S. Since launched in June 2020 with the committed capital of \$100 million, it has actively supported such minority entrepreneurs.

Now in its third edition for fiscal 2022, the Emerge program is a next-generation accelerator aimed at engaging founders from underrepresented backgrounds. The first cohort was held in the U.S. in 2020 before moving to Europe in 2021. For 2021, we brought together a coalition of European VCs to leverage support from other like-minded parties. As of March 31, 2022, Emerge has invested in 22 companies with

plans to expand the program to new geographies including the Middle East and India in 2022.

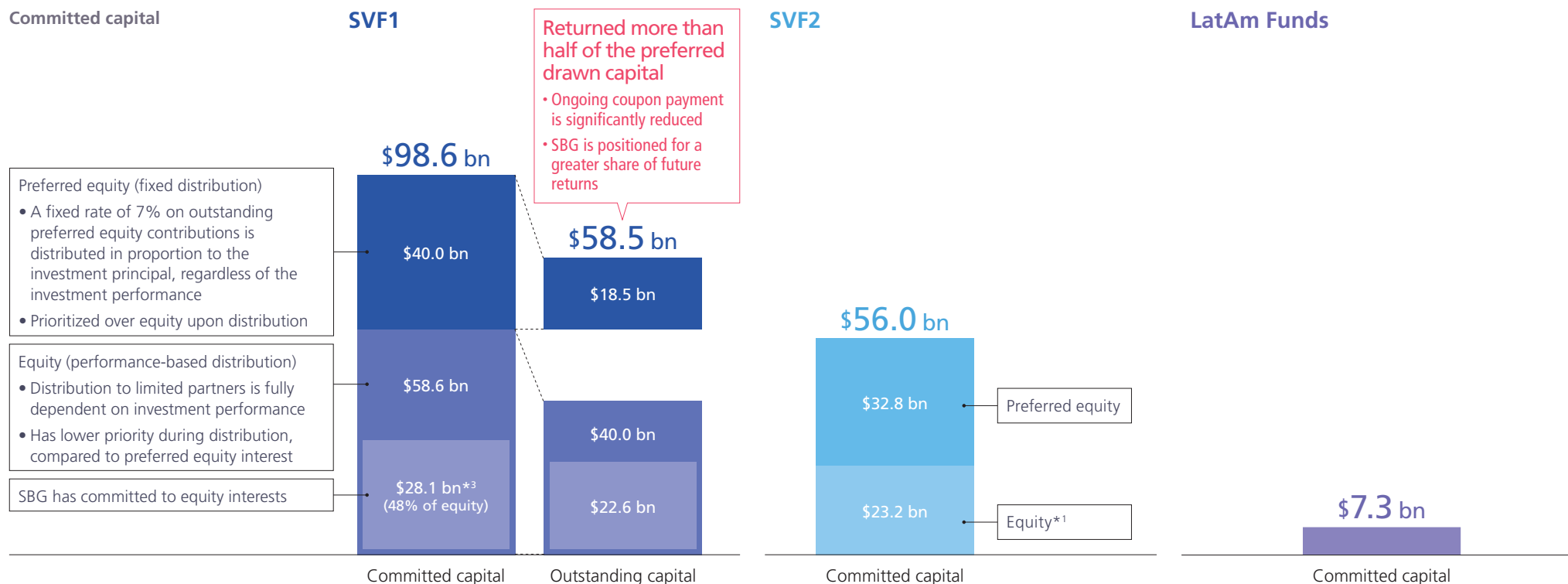
By investing in seed and early stage enterprises, these initiatives will serve to support a future pipeline of companies eligible for investment from SoftBank Vision Funds.

Outline of Investment Funds

As of March 31, 2022, unless otherwise stated

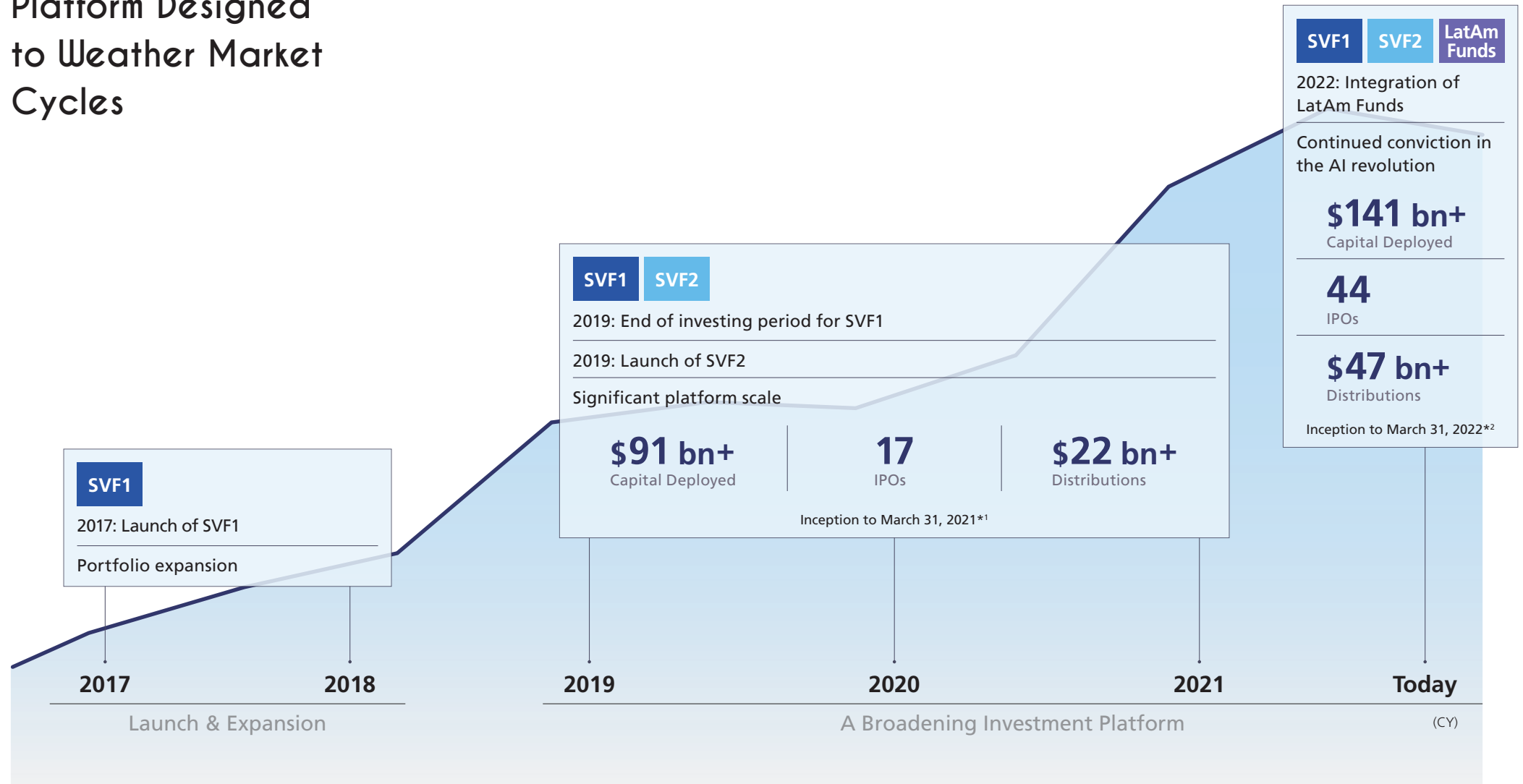
	SVF1	SVF2	LatAm Funds
Total committed capital	\$98.6 billion	\$56.0 billion	\$7.3 billion
Limited partner	SBG, External investors	SBG*1	SBG*1
Fund manager	SB Investment Advisers (UK) Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited*2 (SBG's wholly owned foreign subsidiary)
Start of operation	2017	2019	2019
Fund life	Until 2029 (in principle)	Until 2032 (in principle)	Until 2032 (in principle)
Current cycle	Value creation and realization period (& follow-on investment)	Investment period	Investment period

Committed capital



*1 Includes co-investment program. See page 93 for details of the program.
 *2 LatAm Funds are managed by SB Global Advisers Limited since April 2022.
 *3 Excludes committed capital for an incentive scheme related to SVF1.

A Robust Investing Platform Designed to Weather Market Cycles




*1 Capital Deployed, IPOs, and Distributions as of March 31, 2021 are cumulative figures for SVF1 and SVF2. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.
 *2 Capital Deployed, IPOs, and Distributions as of March 31, 2022 are cumulative figures for SVF1, SVF2 and LatAm Funds. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.
 Note: The information provided herein is for illustrative purposes only. Past performance is not necessarily indicative of future results.

14


Global offices

9


Sectors




Logistics




Frontier Tech




Consumer




Transportation




Edtech




Enterprise



Fintech



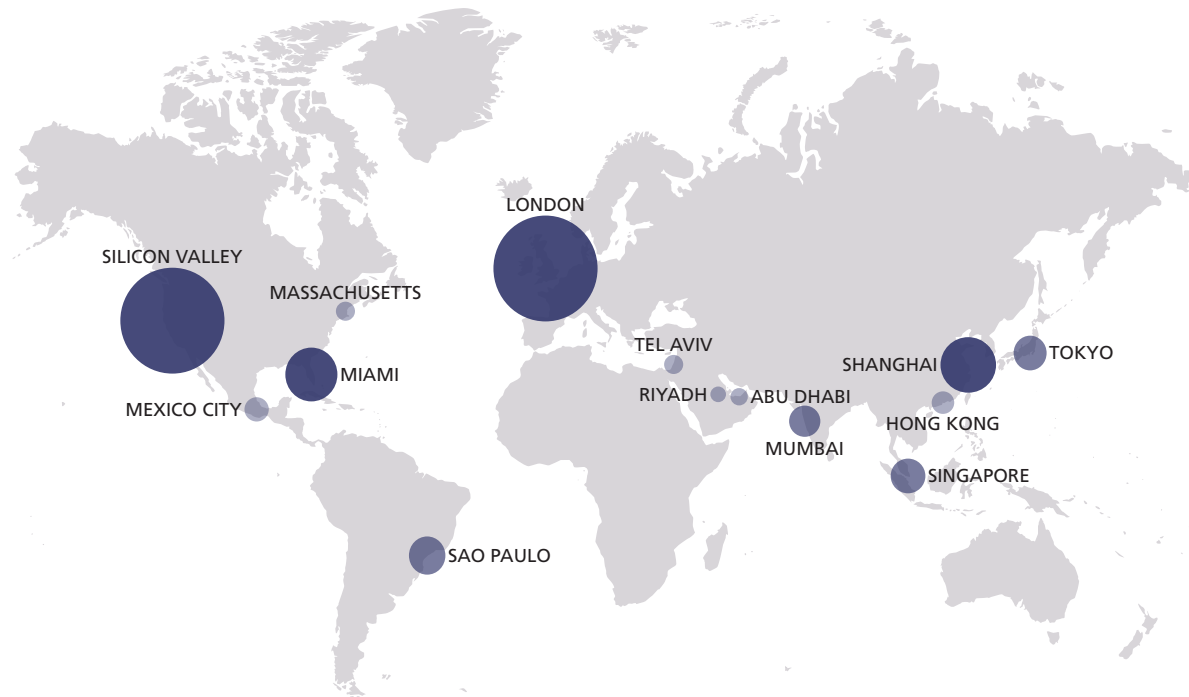
Health Tech



Proptech

Local teams in 14 key geographies around the world

As of March 31, 2022



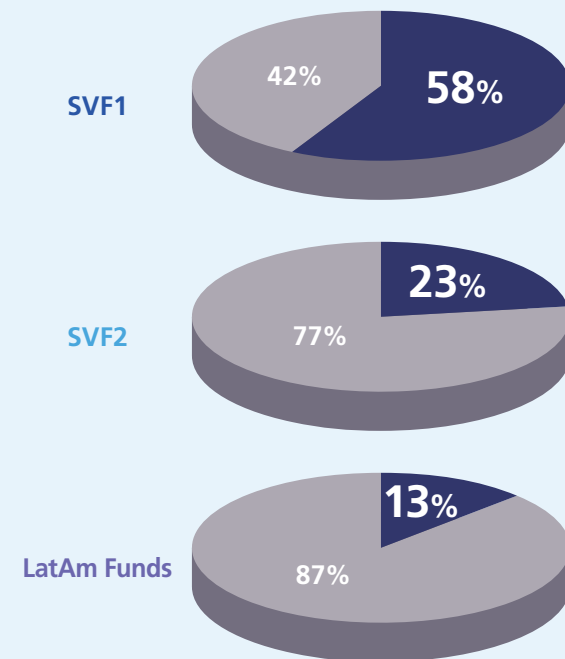
Note: The bubble graphic represents office size. There can be no assurance that the operations and / or processes of SoftBank Investment Advisers, SVF1, SVF2, and LatAm funds described in this report will continue in the future, and such processes and operations could change.

Our portfolio is maturing over the years

Increased transparency and more flexibility for monetization

Total fair value (Realized & unrealized)

■ Exited & Public*³ ■ Private*⁴



*³ Exited & Public fair value represents the gross realized proceeds and dividend income from exited investments plus the fair value of unrealized investments that were publicly listed as of March 31, 2022.

*⁴ Private fair value represents the fair value of unrealized investments that were not publicly traded as of March 31, 2022.

Arm: Business Strategy

Preparing for the Next Chapter in Arm's Story



Rene Haas
CEO, Arm Limited

Leading the world in semiconductor technology

Arm is a global leader in the development of semiconductor technology and is central to the pervasive computing*¹ that is shaping today's connected world. Arm's processor technology is the world's most widely licensed and deployed semiconductor design of its kind and is used in virtually all smartphones, most tablets and digital TVs, and a significant proportion of all chips with embedded processors. As new markets for electronics emerge, they are often based on Arm's advanced processor designs, including IoT, self-driving vehicles, and industrial automation.

*¹ Computer technology, which integrates technologies such as mobile, automated driving, and IoT, among others, within the network environment. Provides information easily and securely accessed "anywhere, anytime."

Arm's business model

Arm licenses processor designs to semiconductor companies that incorporate the technology into their computer chips. Licensees pay an up-front fee to gain access to our technology and a royalty on every chip that uses one of our technology designs. Typically, the royalty is based on the selling price of the chip.

Each Arm design is suitable for a wide range of end applications and can be reused in a variety of chip families to address multiple markets. Each new chip family generates a new stream of royalties. An Arm design can be used in many different chips, and certain Arm designs have shipped for more than 25 years.

Investing for the long term

In our fast-paced world, new applications, device categories, and markets are continually emerging, many of which require advanced semiconductors to provide their capabilities. In contrast, it can take many years to develop the technology that is used in these new devices. Arm is investing currently for products that it expects consumers and enterprises will start using in 5–10 years. Since being acquired by SBG in 2016, Arm has significantly increased investments in R&D to ensure that it can develop technology suitable for all these new opportunities.

Arm has been investing to develop new processor technology to

- Maintain its market position in areas where it is already strong, such as smartphones, consumer electronics, and embedded computing;
- Increase royalty revenue per chip by increasing value where it can provide more technology (graphics processors and machine learning processors) or more valuable technology (for example, that increases performance and security);
- Establish market leadership in emerging technology areas including autonomous vehicles, IoT, and augmented reality headsets; and
- Introduce new business models to change the competitive landscape, for example, by directly licensing its technology to OEMs and cloud service providers.

Revenues today are from investments made many years ago

It takes Arm's customers time to develop the complex SoCs (systems-on-chips)*² that contain Arm technology. Licenses signed today are not expected to yield royalty revenue for at least 2–3 years. However, if the chips are commercially successful, they can bring additional royalty revenue streams that could last for years, and even decades, to come.

After several years of accelerated investments, in fiscal 2021 Arm saw further revenue growth as its new products began increasingly coming to market.

*² Various functions such as microprocessors, graphics, and memory controllers are integrated on a single chip.

Arm’s technology non-royalty revenue (technology licensing revenue and software and services revenue) increased 61.0% from fiscal 2020 primarily due to the following:

- Recently introduced products such as *Cortex-X2*, *Cortex-A710*, and *Cortex-A510*—all based on Arm’s latest *Armv9* architecture.
- Some major global companies signing long-term agreements to gain access to a broad portfolio of Arm processors and related technologies.

- A higher-than-normal number of licenses being signed by a wide range of companies that intend to use Arm technology in end markets from autonomous driving to data center servers and from smartphones to supercomputers.

Arm’s technology royalty revenue grew 20.1% from fiscal 2020 due to the following:

- The growth in smartphones sales during the year, especially 5G smartphones, which use more Arm technology than 4G smartphones.
- The ongoing global rollout of the 5G network. The systems used in base stations

and wireless networking equipment contain Arm-based chips.

- The ramp-up of Arm-based chips in the data centers of some cloud service providers.
- Most of Arm’s royalty revenue in fiscal 2021 was from technology that was developed before 2016, whereas the increase in non-royalty revenue in fiscal 2021 was mainly due to technology and business models that have been introduced since Arm was acquired by the Company.

and automotive as well as in the industry’s largest software developer ecosystem. These investments have resulted in new entrants to the Arm ecosystem including Alibaba, Ampere Computing, Amazon Web Services, Bosch, DENSO, Mobileye Technologies, and Telechips.

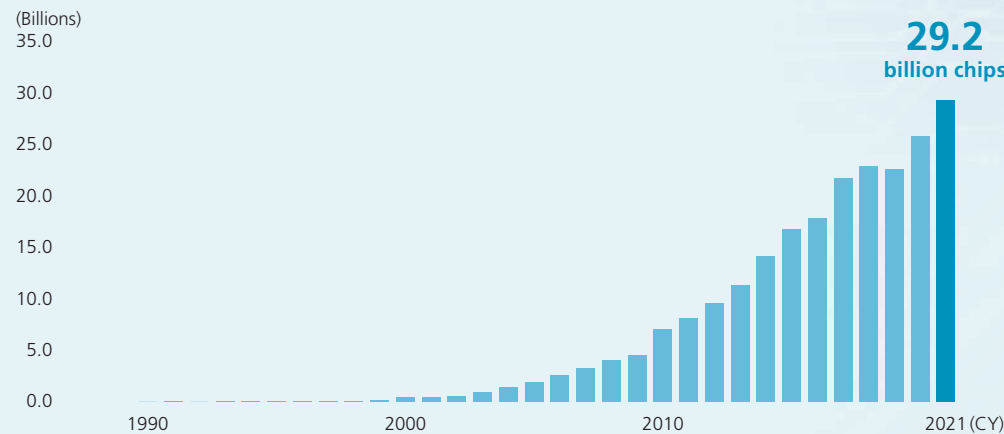
In the leadership of Arm, I am joined by my colleague, Inder M. Singh, who has been Arm’s CFO since 2018. Together, we will lead the business in the next chapter of Arm’s story. In the fourth quarter of fiscal 2021, SBG announced that Arm would commence preparations for a potential public offering.

Preparing for the next chapter in Arm’s story

I, Rene Haas, was appointed as the CEO of Arm Limited in February 2022. Previously, I had served as president of Arm’s IP Products Group (IPG) since 2017. During that time, IPG increased investments in new products for growth markets such as infrastructure

Revenue (\$mn)	Fiscal 2020	Fiscal 2021	Increase	Growth rate
Technology royalty	1,278	1,536	258	20.1%
Technology non-royalty	702	1,129	427	61.0%
Total	1,980	2,665	685	34.6%

Arm-based chips shipped (annual)*3



*3 Based on royalty reports received by Arm from its customers during each year. Adjusted to include any catch-up chip shipments if initial royalty reports did not include all Arm-based chip shipments.



Inder M. Singh
CFO, Arm Limited