SoftBank Group Report

SoftBank Group

ANNUAL REPORT 2023

Disclaimers

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

In addition, this Annual Report does not constitute an offer to sell, or a solicitation of an offer to buy, any securities of Arm Limited. Any offers to sell, solicitations of offers to buy, or sales of securities will be made in accordance with the registration requirements of the U.S. Securities Act of 1933, as amended, and other applicable securities laws.

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

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

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Names of companies, products and services that appear in this Annual Report are trademarks or registered trademarks of their respective companies. "Co., Ltd.," "Ltd.," "Corporation" and "Inc." have been omitted from company names except in certain circumstances.

Important Notice – Trading of SBG Common Stock, Disclaimer Regarding Unsponsored American Depository Receipts

SBG encourages anyone interested in buying or selling its common stock to do so on the Tokyo Stock Exchange, which is where its common stock is listed and primarily trades. SBG's disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, unsponsored American Depository Receipts ("ADRs"). SBG has not and does not participate in, support, encourage or otherwise consent to the creation of any unsponsored ADR programs or the issuance or trading of any ADRs issued thereunder in respect of its common stock. SBG does not represent to any ADR holder, bank or depositary institution, nor should any such person or entity form the belief, that (i) SBG has any reporting obligations within the meaning of the U.S. Securities Exchange Act of 1934 ("Exchange Act") or (ii) SBG's website will contain on an ongoing basis all information necessary for SBG to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder. To the maximum extent permitted by applicable law, SBG and the Group disclaim any responsibility or liability to ADR holders, banks, depositary institutions, or any other entities or individuals in connection with any unsponsored ADRs representing its common stock.

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

Notice Regarding Fund Information Contained in This Annual Report

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

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

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

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

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

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

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

SBGA and SBIA manage separate and independent operations and processes from each other and those of SBG in the management of Vision Fund I, Vision Fund II and SoftBank Latin America Fund, respectively. Any SB Funds managed by SBGA or SBIA are solely managed by SBGA or SBIA respectively.

Adoption of IFRSs
The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) from the three-month period ended June 30, 2013 (the first quarter of the fiscal year ended March 31, 2014). The date of transition to IFRS was April 1, 2012. The financial data for the year ended March 31, 2013, has also been presented based on IFRS.

Definition of Terms
"Fiscal 2022" refers to the fiscal year ended March 31, 2023, and other fiscal years are referred to in a corresponding manner in this Annual Report. "FYE" denotes the fiscal year-end. For example, "FYE2022" denotes March 31, 2023, the last day of fiscal 2022.

Notice Regarding PFIC Status

See "IR Disclaimers" on our website for details.

Company Names
Company names and abbreviations used in this Annual Report, unless otherwise stated or interpreted differently in the context, are as follows.

Company names and abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
The Group	Softbank Group Corp., its subsidiaries and associates
SB Northstar or asset management subsidiaries	SB Northstar LP
SoftBank Vision Fund 1 or SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	SoftBank Vision Fund II-2 L.P.
SoftBank Latin America Funds or LatAm Funds	SBLA Latin America Fund LLC
SoftBank Vision Funds or SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Limited
Alibaba	Alibaba Group Holding Limited
SoftBank	SoftBank Corp.
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc.

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For consolidated financial statements and notes, see "Financial Report 2023" on our website.

Our Unchanging 志 *Kokorozashi* (Mission), Ever-Changing Areas of Investment

Information Revolution —Happiness for Everyone

Information Revolution—Happiness for everyone

SBG has always remained true to its goal of making the world a happier place through the Information Revolution.

Just what is happiness?

Some might say happiness is to love and be loved in return, or to make the most of each day. Others might derive happiness from self-expression. Still others might find happiness in something as simple as a smile. Above all, SBG equates happiness with inspiration. Through our business, we strive to bring emotional meaning and happiness to lives. In everything we do, we aim to drive the Information Revolution and build a more connected, empowered, and joyful world. This unchanging *kokorozashi* (mission) is encapsulated in our philosophy, Information Revolution—Happiness for everyone.

Humankind stands on the cusp of the digital Big Bang. Computing performance is increasing dramatically, and we are getting ever closer to an age of super-intelligent machines that will surpass the human brain. Our mission is to harness the raw, unlimited power of the Information Revolution and channel it in a direction that makes people happier. This aspiration will continue to drive our organization toward further growth for many years to come.

Kaientai banner

SoftBank Brand Symbol

A two-line design—the banner of the Information Revolution that SBG hoists as we sail toward a new dawn

Imagine a group of visionaries who share the same unshakable spirit (*kokorozashi*). They act with one mind to achieve their ideals, braving all dangers to usher in a new era amid upheaval. SBG draws inspiration from one such group—the Kaientai, an enterprising shipping company founded in 1865 by the visionary Sakamoto Ryoma. Supplied with the best intelligence and possessing abundant knowledge and wisdom, the Kaientai and its founder rejected age-worn feudalistic values in favor of free thinking and bold action. In this way, they led a revolution that resulted in the modernization of Japan. Our corporate logo derives from the Kaientai's flag. It represents our admiration for, and belief in, the Kaientai's single-minded pursuit of their vision, which imagined a Japan 100 years in the future.

SBG is a fleet of similar visionaries. Our vessels fly the banner of the 21st-century Kaientai, symbolizing our own single-minded pursuit of a vision: Information Revolution—Happiness for everyone.

Our Vision for a Better World

— Help shape the next 300 years for future generations and for the planet

To realize our core philosophy and vision, we invest in the Information Revolution.

The Information Revolution has entered a new stage with the use of AI. AI has the potential to create a safer, more prosperous, and all-round better future by addressing social and environmental challenges, including climate change, the education gap, and economic inequality.

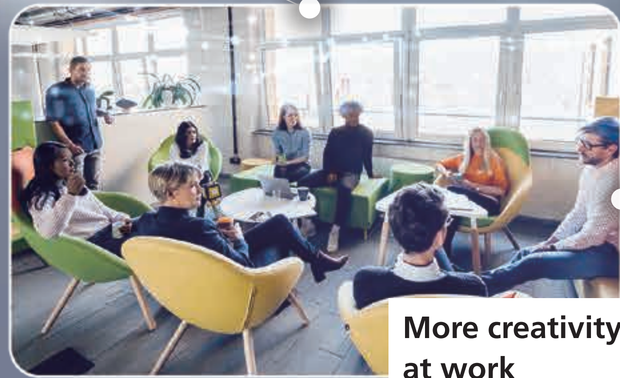
SBG accelerates the Information Revolution, and in this role we are helping to realize the world we have always envisaged since our foundation.

Autonomous driving for safer roads

Imagine a world of self-driving cars that travel to the destination without human input, a world where self-driving technology prevents road accidents by sensing blind spots and monitoring hazardous situations, enabling anyone to go from A to B with peace of mind.

Remote learning for educational equality

Imagine a world where all children can access a better education regardless of where they were born and raised, a world where remote learning programs are available everywhere, offering quality education to all.



More creativity at work

Imagine a world where workplaces are more humancentric and full of authentic, life-affirming experiences, a world where AI automates mundane and monotonous tasks, freeing up time for more creative pursuits.

Using AI to cure deadly diseases

Imagine a world where we can predict and prevent any disease using AI-driven genetic data analysis, a world where AI accelerates the search for drug candidates, enabling early treatment.

An enriched life for all

Imagine a world of seamless commerce where business transactions defy borders, a world of universal connectivity where all can access online content.

Technological solutions to environmental issues

Imagine a world where technological innovation makes renewable and clean energy ubiquitous, a world where we have the technology to reverse climate change and safeguard biodiversity.

A Business Model with Three Inputs SBG is a Strategic Investment Holding Company Driving the Information Revolution

—Building an ecosystem of industry-leading businesses aiming to grow for the next 300 years

Business Model

SBG = A strategic investment holding company

SBG describes itself as a Vision Capitalist for the Information Revolution. What exactly does this mean? It means providing capital to unicorns that will contribute to the Information Revolution and a happy future for all.

Our unicorn partners have innovative ideas for truly world-changing goods and services. These ideas can solve social issues and make people happier.

By providing them with capital, we accelerate their business growth and unleash the potential of our core philosophy and vision: Information Revolution—Happiness for everyone.

Cluster of No. 1 strategy

Our *Cluster of No. 1 strategy* is designed to build a strategically synergized ecosystem of companies. The strategy envisages this group as a symbiotic ecosystem of companies with industry-leading technologies and business models.

In this ecosystem, we work with visionary entrepreneurs who pioneer new industries. Although we help these business leaders in their decision-making, we respect their autonomy and do not find it necessary to hold a majority stake in their companies. However, we do encourage our members to identify with our core philosophy and vision and to work with us in unlocking synergistic growth.

Under this strategy, we have developed an ecosystem of entrepreneurial leaders in AI. These include nearly 500 portfolio companies within the SoftBank Vision Funds and other funds. They also include companies in which we have invested directly. Arm is one such company.

Three inputs that deliver sustainable growth

When a company invests capital into business activities, the resulting value is expected to exceed the initial capital commitment. The company will then reinvest that capital for an even higher return. When this cycle occurs on an ever greater scale, capital will keep accumulating, generating sustainable growth.

We have three key sources of capital: an ecosystem of portfolio companies, financial capital, and human capital.

This capital is both an input and an output. In implementing our business model, we “input” capital, and this capital is then “output” back to us in an amount larger than the initial input.

We aim for sustainable growth by perpetuating and accumulating our **three capital inputs.**

1

Ecosystem of portfolio companies

This input is the ecosystem we have developed in line with our *Cluster of No. 1 strategy*. This ecosystem includes nearly 500 portfolio companies, subsidiaries such as Arm, and Group companies.
Members of this ecosystem pursue growth independently, but in doing so they produce a stream of innovation and unleash synergies that enable the ecosystem to grow as one.

2

Financial capital

This input refers to the financial assets that fund our investments. We aim to grow our financial assets over the medium- to long-term, gaining high returns on investments and then reinvesting the profits.
We measure the growth of our financial capital using Net Asset Value (NAV).* Our NAV has grown over the medium- to long-term in line with our investments and other activities. We aim to grow it even bigger.

3

Human capital

This input is our talent. It includes our investment professionals who identify attractive investment opportunities. It also includes finance and accounting staff, legal and compliance experts, and many other employees who support our activities.
Our human capital grows as our diverse pool of employees pursue their own professional development while increasingly aligning themselves with our unique company culture, which emphasizes decisiveness and dedication.

*NAV = Equity value of holdings – Net debt

See page 20 for details of NAV.

Our 志 *Kokorozashi* (Mission) is Consistent Our Investment Areas Continue to Evolve

— Our history

'80s

SOFT BANK

1981
Founded as a distributor of packaged software for PCs

1982
Launched a publishing business

'90s

1994
Founded SoftBank Holdings Inc. in the U.S. for the purpose of strategic investment in Internet companies

YAHOO! JAPAN

1996
Launched *Yahoo! JAPAN*

'00s

2000
Invested in Alibaba

2001
Launched *Yahoo! BB* broadband service

JAPAN TELECOM

2004
Acquired JAPAN TELECOM and entered fixed-line telecommunications

2006
Acquired Vodafone K.K. and entered mobile telecommunications in Japan

Mobile

Broadband

Internet

PC Software

Our story begins in 1981, when Masayoshi Son founded SOFTBANK Japan. He envisaged the company as a “software bank” that would build infrastructure for the information-driven society. At the time, PC software led the Information Revolution, but the focus shifted to the Internet, later to broadband, and then to smartphones. We have always stood on the frontlines of such shifts. Adjusting swiftly to market or industry changes, we have always partnered with the paradigm-defining companies of the time and redeployed capital into new investment areas.

The Information Revolution has now entered another new phase, with AI completely redefining every industry. We invest in AI businesses with world-changing ideas. The aim of such investments is to accelerate groundbreaking technological innovations that can build a more connected, empowered, and joyful world.

Believing that the next few decades of AI innovation will surpass all the technological progress of the last three centuries, we work with entrepreneurs around the world who share our aspiration to forge this exciting future.

’10s

2010
Announced SoftBank’s Next 30-Year Vision

2013
Acquired U.S.-based carrier Sprint

2016
Acquired U.K. chip designer Arm

2017
Launched SVF1

2019
Launched SVF2

’20s

2020
Sprint and T-Mobile merged

Data and AI

SoftBank's Next 30-Year Vision: A Story of Value Creation

Announcement of SoftBank's Next 30-Year Vision (2010)

Sustainable development is an imperative for businesses. Companies are expected not to just make short-term profits but also to create social value for stakeholders.

In 2010, we unveiled SoftBank's Next 30-Year Vision, which looks 100 years into the future. Five years later, the UN adopted the 17 Sustainable Development Goals. Thus, even before the sustainable development agenda took off, we already had our own sustainability-focused philosophy and vision. We were also already integrating this philosophy and vision into our strategy and business model.

Ecosystem of portfolio companies
Build an ecosystem of companies with industry-leading technologies and business models

Financial capital
A diverse funding toolbox

Human capital
Professionalism and a unique company culture

Core philosophy
Information Revolution
—Happiness for everyone

Vision
To become the world's most essential corporate group

Strategy
Strategic synergy group

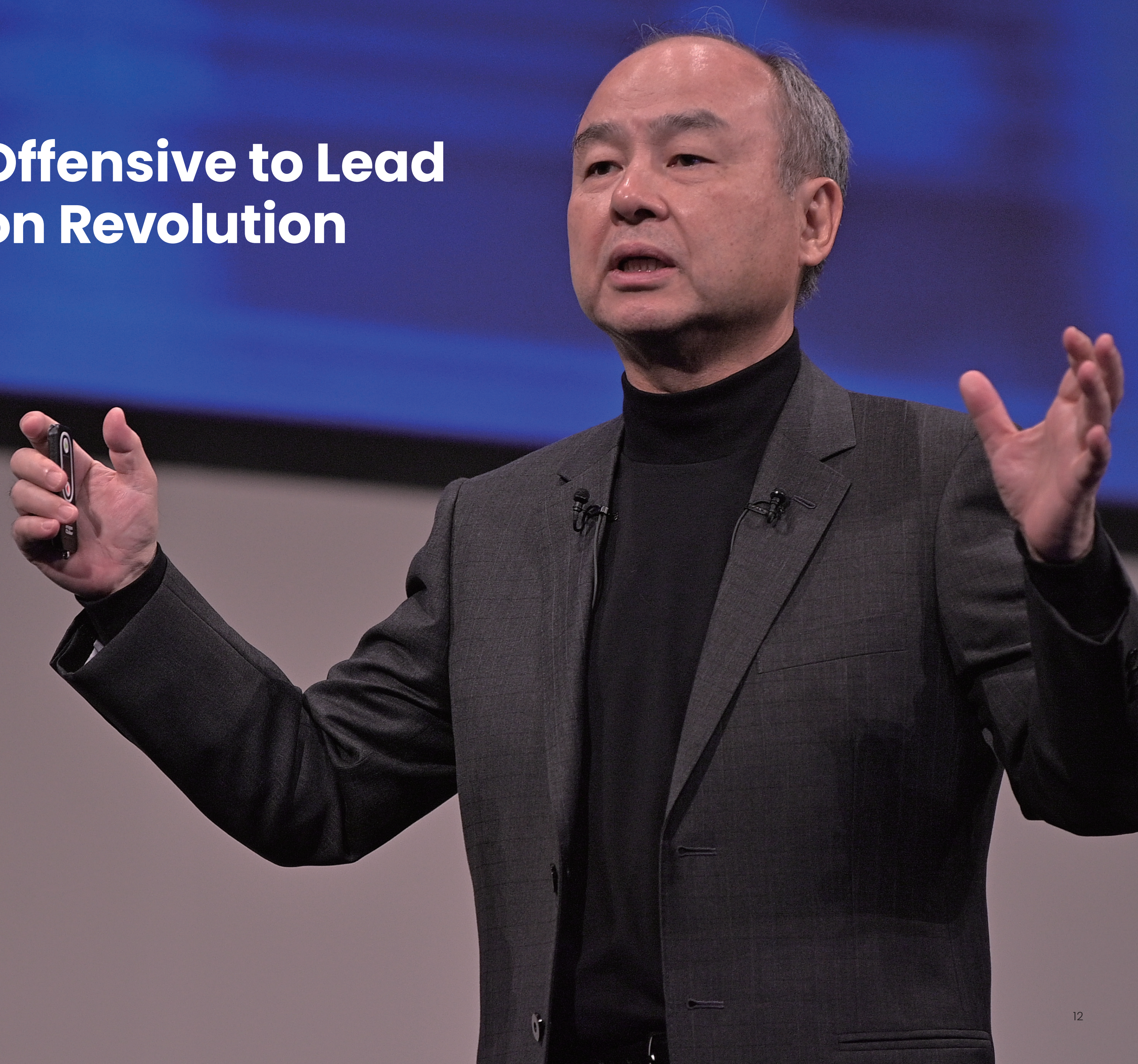
The world in 30 years
Technological innovations
More happiness, less sadness

Financial outcomes
Continued growth in Net Asset Value (NAV)

Managing global risks
The next 300 years for future generations and for the planet

Message from Our CEO

Going on the Offensive to Lead the Information Revolution



An architect supporting the future of humanity

In autumn 2022, there was a moment when I started to wonder how many years I had left in my entrepreneurial journey. At times, these thoughts left me feeling somewhat empty. I realized that I did not want to spend the rest of my life as an entrepreneur carrying out tasks solely driven by a sense of obligation. When I asked myself what I most wanted to achieve, I came to re-realize my greatest ambition in life: to be an architect in support of the future of humanity. Even if I could play only a minor role in that capacity and if I stumbled along the way, I know this pursuit would still be the noblest and most exhilarating. From that day on, I have contemplated the future of humanity, and how we ensure that future generations do not face hardships and instead live in a prosperous society.

Back when I was a 19 year-old student in the U.S., I came up with nearly 250 inventions in a single year. During that period, the right side of my brain—the side that controls creativity—was remarkably active. In contrast, in the 42 years since I founded SBG, I have primarily relied on my left brain's logical and analytical skills to manage the business. However, the turn of events in autumn 2022 reminded me of my life's greatest ambition and reignited the right hemisphere of my brain. As a result, I have come up with approximately 630 inventions in the eight months since. Right now, I am working hard on inventions at the core of how artificial intelligence (AI) will impact the future of humanity. Often, an idea will come to me in my sleep, and I will jump out of bed, scribble it down in my inventions notebook, take a picture of the page, and send it to my team. At this rate, I could rack up a thousand ideas in a year. Sure, most of them will turn out to be duds. However, I firmly believe some of them will be real gems that could have a positive impact for future generations.

Last year, I passed on more of the day-to-day running of the company, including the quarterly earnings calls, to my management team led by our CFO. This was to dedicate more time to unlocking my creativity to focus on strategizing for the future, not just for the company, but for all of humanity. Right now, nothing on Earth is more intelligent than the human brain. However, that is poised to change. Within the next decade, we will reach Singularity, meaning that AI's capabilities will surpass the collective intelligence of humans. We are determined to position ourselves at the forefront of this AI revolution—the Information Revolution. I believe this will ultimately lead to a substantial growth in our Group's profits.

Beyond the boundaries of wisdom with GPT-4

In November 2022, OpenAI, led by Sam Altman, spectacularly debuted ChatGPT, a form of generative AI. In just its first two months, it attracted 100 million users worldwide. GPT-4 was released in March 2023, introducing multimodal capability. Unlike its predecessors, it processes multiple input simultaneously, including text, audio, image, and video inputs. While GPT-3.5 fell short of passing a college entrance exam, GPT-4 successfully passed the U.S. bar exam, with a grade roughly equivalent to the top 10% of applicants.

It is no wonder then, why we as a Group have been working to harness the power of generative AI. In May and June 2023, we held a competition open to employees across the Group, inviting them to come up with ideas for leveraging generative AI. The aim was to improve productivity, create new businesses, and address various social challenges. Over the course of a 10-day submission period, approximately 52,000 suggestions were collected. Following a pre-screening process, the top 11 ideas were presented to Dr. Yutaka Matsuo, a leading AI researcher and external director of SBG, and myself. We were delighted to find that many of the ideas exhibited excellence and some of them even had substantial business potential.

If you look at AI in the context of the history of computing, I believe that AI is about to take computing to its next evolutionary stage. Early computers were machines that could perform basic calculations. Computers then evolved into storage machines, capable of storing all kinds of information. The next phase saw computers become search engines, with people using Yahoo! and Google to swiftly search and retrieve this stored information. Now, with the advent of AI, computers have developed the ability to reason and infer. I myself challenge the limits of conventional wisdom every day in my interactions with GPT-4, and I feel that AI has limitless potential as an inferencing machine.

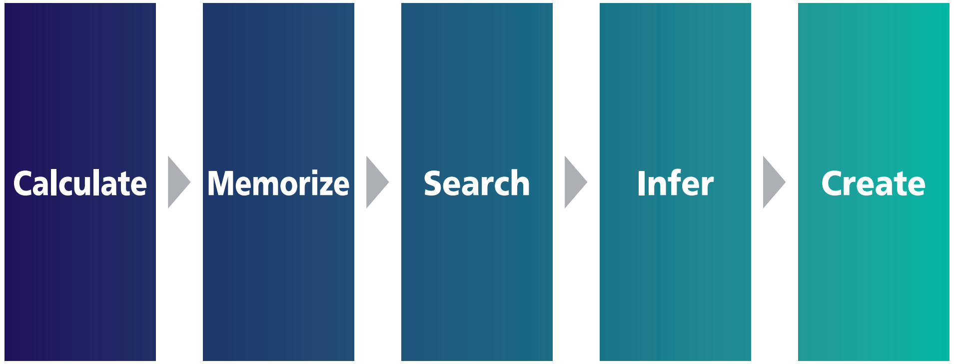
AI continues to evolve towards superintelligence

Computers will continue to evolve. In their next iteration, they will further enhance their capability to create. Many people think that the creative arts are the sole preserve of humans, but AI has already made inroads into this field. AI can now paint pictures, produce films, and create melodies and lyrics. It can even compose poetry and create stories.

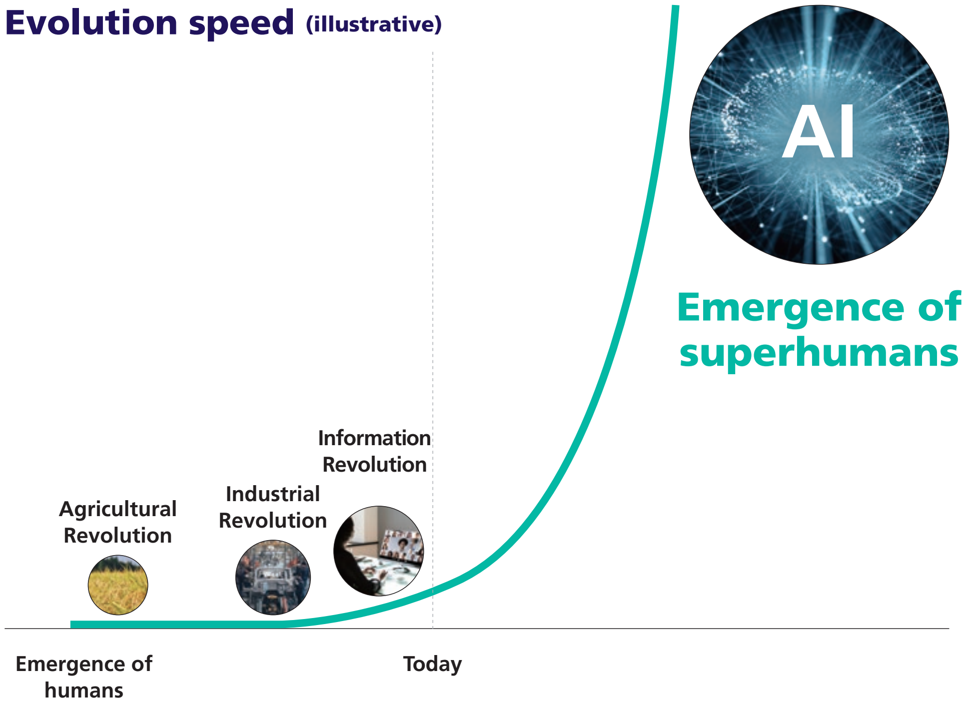
The actions of learning, retaining, and retrieving information involve knowledge. By contrast, reasoning or creating something original is a matter of intelligence. While humans can never claim to reason or create based on limitless knowledge, AI can make this claim, and it will never stop evolving. The superior ability of AI over humans will be a matter of debate for only another few years. I expect AI intelligence to eventually reach at least 10,000 times the sum of human intelligence. I believe this scenario is only a few decades away. When that day comes, AI will become superintelligent, linking all social systems together. AI will also have begun to independently evolve and grow, continually designing and refining its own processing capabilities across an ever-broadening spectrum of use cases, such as robotics. It will reach an advanced level of intelligence and capabilities surpassing the limits of human comprehension.

This superintelligent AI could solve many of the intractable problems we could never hope to deal with ourselves. It could, for example, develop accident-free and comfortable transportation solutions, increase our healthy life expectancy, and bolster social resilience against natural disasters. Data from IoT devices, including thermometers, humidity meters, traffic lights, light bulbs, and sensors, will be analyzable by AI in real time, expediting the evolution of AI. With its integration into IoT

Evolution of computing



Evolution speed (illustrative)



devices, superintelligent AI has the potential to swiftly and accurately identify and warn of disasters, facilitating timely and secure evacuation alerts. This superintelligent AI will ensure that everyone's basic needs like food, clothing, and shelter could be readily and affordably fulfilled, and will protect us from disease and disaster. It will soon be with us. Most of the 630 invention ideas I mentioned earlier were on this subject. An invention is something that has never existed before, something that no one has ever seen, heard, or felt. Inventions happen when you imagine something that does not yet exist and then give it shape. I believe that my inventions can help accelerate AI's evolution and thereby pave the way for a more abundant and joyful world, with less suffering and greater happiness.

I am fully aware of the risks involved, of course. If abused, unconstrained AI could have devastating consequences. That is precisely why the world needs to discuss regulation to prevent such abuse, so that the right rules are in place. That said, it would be unfortunate if an excessive fear of risk were to lead to over-regulation. We should boldly facilitate progress in AI while making the necessary calibrations and adjustments. Through this evolutionary journey, we have the opportunity to imbue AI with the capability of reasoning. By doing so, we can ensure the safe operation of AI and its exclusive use for peaceful endeavors.

Arm has benefited from the growth in computing

Arm plays a crucial role at the very center of the evolution of AI. As of December 31, 2022, a total of 258 billion chips based on Arm technology had been shipped. The growth of Arm-based chip shipments has continued as Arm-based chips are used in all kinds of devices.

Following our acquisition of Arm in 2016, we doubled the number of its engineers. While the decision incurred significant upfront costs for Arm, it has proven to be highly rewarding as it drove a period of rapid growth. Since our acquisition, Arm not only has maintained an impressive leadership position in the smartphone chip market—but has also set its sight on broader horizons. With continuous advancements in CPUs and GPUs driving the computing landscape, we have witnessed Arm chips embedded in all kinds of devices, including a single integrated AI chip. I believe that Arm has continued room for growth in the years to come.

The SoftBank Vision Funds will also contribute to the evolution of AI. From the beginning, our investment decisions have prioritized AI, considering factors such as whether the prospective investments are AI-based or whether their application is the most suitable for leveraging AI. True, not all of these investments have been successful. However, within the nearly 500 portfolio companies, there are some very impressive

companies where AI will play a crucial role in disrupting existing industries and creating new ones. We believe these companies will also play a central role in the evolution of AI and the future success of our Group.

Empowering happiness through the Information Revolution

AI—especially superintelligent AI—will undoubtedly be at the core of the Information Revolution. If you think of a computer as nothing more than a calculating, storing, and retrieving machine, then I encourage you to think again. Superintelligent AI will go beyond the realm of knowledge into the world of creative intelligence, helping us build a richer, happier, and brighter future.

As such, the time has come for our Group to go on the offensive. We could not be more ready. In fiscal 2022, we took a defensive stance by monetizing assets and massively curtailing investments. As a result, as of March 31, 2023, our cash position*1 topped ¥5 trillion, while our LTV*2 (loan-to-value: adjusted net interest-bearing debt divided by the equity value of investments) stood at 11%. In other words, we now have the solid financial footing we need to play offense. Fiscal 2023 will be critical. Weekdays and weekends, awake and asleep, my head is filled with ideas, sparking one action after another. It is thrilling. A few years ago, I thought about handing over to a successor. But in all honesty, I am enjoying the work so much that I am not yet willing to relinquish the reins. What is the Information Revolution about? It is a revolution to empower happiness for everyone. That is where I am devoting my efforts, and I sincerely hope I can rely on your continued support.

孫 正義

Masayoshi Son
Representative Director,
Corporate Officer,
Chairman & CEO

*1 Cash and cash equivalents + short-term investments recorded as current assets + undrawn commitment lines. SBG stand-alone basis. Excludes SB Northstar

*2 See page 21 for details.

Message from Our CFO

Leveraging a Solid Financial Base for Both Defense and Offense

Yoshimitsu Goto

Board Director, Corporate Officer, Senior Vice President, CFO & CISO
Head of Finance Unit,
Head of Administration Unit

A new phase of the Information Revolution

In the SoftBank Group Report 2022, I reiterated our commitment to stand firm on our financial policy even in the face of volatile circumstances, as well as our primary focus for the time being to implement a prudent financial management approach of steadfast defense. Reflecting on the past year, we encountered continued turbulence, marked by significant geopolitical risks in Russia and China that showed no sign of abating, and interest rates continued to rise in both the U.S. and Europe. The latter half of the year brought other unexpected events such as the collapse of Silicon Valley Bank, fueling concerns of another financial crisis. Throughout these adversities, we played all-out defense—restricting investments and rigorously monetizing assets—to ensure our unwavering financial stability. We believe our steadfastness was well received and supported by our stakeholders.

While we fortified our defense, we continued to devise strategies under the leadership of Mr. Son, our Representative Director, Corporate Officer, Chairman & CEO. The dynamics of the Information Revolution differ greatly from those of the financial markets. Currently, we are witnessing remarkable advancements in the development of revolutionary technologies, such as generative AI represented by ChatGPT. Personally, I feel a similar sense of excitement and opportunity as I did during the emergence of the internet in the 1990s. At SBG, we define ourselves as a lifestyle company aiming to improve lives through the Information Revolution. We believe that now is the time to demonstrate foresight and take bold steps forward in our management approach. While we remain mindful of the market environment and continue to exercise

*CISO: Chief Information Security Officer prudent judgement, we also plan to resume necessary investments. With unwavering confidence in our financial stability established through our defensive strategy in fiscal 2022, we are well-positioned to transition into a balanced defense-offense approach in fiscal 2023. I sincerely hope that our stakeholders share my excitement about the developments and progress that the coming year will bring.

Looking back on fiscal 2022

In summarizing fiscal 2022, I am pleased to highlight our significant accomplishments in bolstering defensive capabilities, both through continuous monetization and by curbing new investments. This is evident in our key financial figures as of March 31, 2023. Net debt*1 was ¥1.7 trillion (down ¥3.0 trillion yoy), cash position*2 was ¥5.1 trillion (up ¥2.3 trillion yoy), and LTV, one of our key indicators, improved by 9.4 percentage points year on year to a safer level of 11.0%. However, our NAV declined to ¥14.1 trillion, down ¥4.4 trillion from a year ago. This decrease primarily resulted from a decline in the value of our assets caused by a downturn in the stock market. Throughout the years, we have managed our business with a clear focus on offense and defense phases. In this respect, I take great pride in the solid financial performance of our defensive strategy in fiscal 2022.

See pages 20-21 for definitions of NAV and LTV.

Continuous monetization and curbing new investments

On the asset monetization front, in order to maintain a balanced and secure investment portfolio, we have strategically reduced our exposure to Chinese equities, which have a significantly higher country risk. In fiscal 2022, this was demonstrated by the reduction of

Fiscal 2022 overview

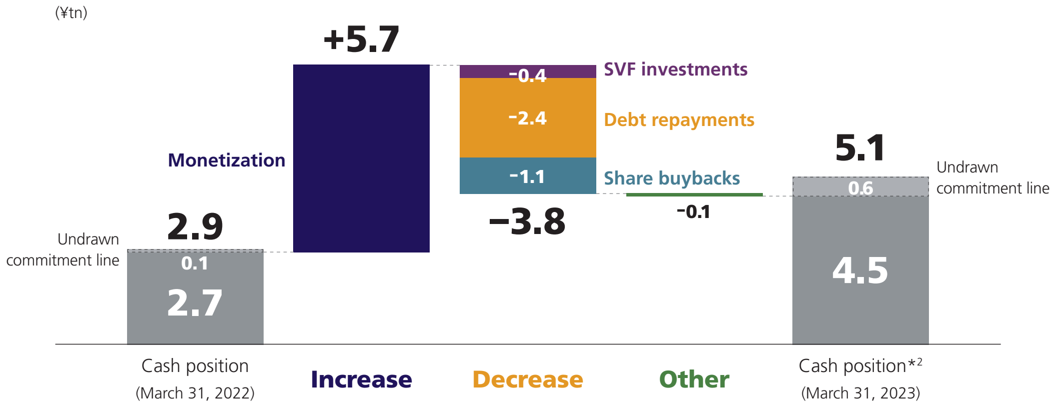
Enhanced financial security through large-scale monetization and significantly restraining investment

NAV and LTV	**NAV: ¥14.1 trillion** *¥(4.4) trillion yoy* **LTV: 11.0%** *(9.4) ppt yoy* **Net interest-bearing debt: ¥1.7 trillion*1** *¥(3.0) trillion yoy* **Cash position: ¥5.1 trillion*2** *up ¥2.3 trillion yoy*
Financing activities	**Large-scale monetization and debt reduction** Asset monetization: $39.0 billion *Including $35.5 billion asset-backed financing using Alibaba shares* Debt reduction: ¥2.4 trillion
Investing activities	**Significant curbing of investments** Invested $3.1 billion vs. $44.3 billion in fiscal 2021
Share buybacks	**Bought back ¥1.1 trillion shares** Fully completed share buybacks as resolved in November 2021 (with a ¥1 trillion limit) and August 2022 (with a ¥400 billion limit)

*1 Consolidated net interest-bearing debt (excluding PayPay Bank's deposits for the banking business and cash and equivalents), net of net interest-bearing debt of self-financing entities, etc. and other adjustments
*2 Cash and cash equivalents + short-term investments recorded as current assets + undrawn commitment line. SBG stand-alone basis. Excludes SB Northstar. Undrawn commitment line was equivalent to ¥649.8 billion as of March 31, 2023.

Financial activities in fiscal 2022

Effective use of funds raised through asset-backed financing to reduce debt and return to shareholders



Translated to yen using the average rate for each quarter
Monetization: $1.8 billion distributions from SVF1, $0.5 billion distributions from SVF2, $0.1 billion distributions from LatAm Funds, $0.9 billion return of funds from SB Northstar, $35.5 billion raised through prepaid forward contracts using Alibaba shares, $0.5 billion raised through asset-backed financing using Arm shares, $2.4 billion sale of T-Mobile shares, $0.7 billion sale of SoFi Technologies shares
SVF investments: $3.1 billion contributed to SVF1, SVF2, and LatAm Funds
Share buybacks: ¥1,055.4 billion of share repurchases under programs approved by the Board on November 8, 2021 and August 8, 2022
Debt repayment: $4.5 billion repayment of SBG commitment line, ¥325.2 billion repayment of SBG senior loan, $337.0 billion redemption of SBG domestic straight bonds, $2.1 billion foreign currency-denominated bonds repurchased, $0.75 billion SBG USD-denominated undated Hybrid Notes repurchased, $6.0 billion repayment of margin loans using Alibaba shares, $2.1 billion repayment of margin loans using T-Mobile shares. Debt repayment amount is net of ¥385.0 billion of domestic straight bonds issued by SBG during the period.

our ownership in Alibaba from 24.4% to 13.7%. This reduction was primarily driven by the early physical settlement of the prepaid forward contracts using Alibaba shares.

As of May 2023, we have used nearly all of our shareholding in the company for such contracts and other financing schemes, effectively completing the process of monetizing the shares. Since our initial investment in Alibaba back in 2000, we have invested a total of ¥7.4 billion. The investment has delivered remarkable results, generating a total return of ¥9.7 trillion*3 over the past 23 years. This impressive performance translates to an internal rate of return (IRR) of 57%.*4 It is important to note that when Mr. Son decided to invest in Alibaba, the company had zero revenue. Under the exceptional management skills of Mr. Jack Ma, the company flourished in the Chinese market. The partnership between Masa (Masayoshi Son) and Jack has been a monumental win-win relationship that will be remembered in history. We thank Alibaba for its significant contributions to our investment success. Capital relationships are just one part of our *Cluster of No. 1 strategy*, so we will continue to work with Alibaba as a like-minded partner.

Furthermore, we substantially reduced new investments made through SoftBank Vision Funds to $3.1 billion in fiscal 2022 from $44.3 billion in the previous year. This shift demonstrated our heightened investment discipline and defensive strategy.

*3 Net of costs associated with the monetization, such as option premiums on derivative transactions and cash settlements. Excludes amounts not yet monetized as of May 11, 2023

*4 Calculated based on actual investments and monetization from 2000 to May 11, 2023. Before tax consideration

Gross debt reduction

Concurrent with our monetization strategy, we actively reduced our debt over the past year. Specifically, we repaid ¥1,007.8 billion in margin loans*5 and ¥915.9 billion in bank loans, and redeemed or repurchased ¥442.0 billion in bonds,*6 for a total debt reduction of ¥2.4 trillion.*7 In this regard, as we have monetized our assets into cash, we also made efforts to return funds to loan lenders and bond investors. We believe that these efforts have been highly appreciated and valued.

*5 Net of a $0.5 billion increase in asset-backed financing using Arm shares in the first quarter of fiscal 2022

*6 Face value. Excludes the 58th series of unsecured bonds (¥385 billion) issued in the third quarter of fiscal 2022

*7 Calculated based on the average exchange rate during each quarter

Share buybacks

At the same time, in fiscal 2022, we successfully implemented large-scale share buybacks totaling ¥1,055.4 billion.*8 It is widely acknowledged that in a challenging market environment, the prudent approach would be to exercise restraint in both share buybacks and new investments. However, despite the prevailing market conditions, we executed the buyback program through fiscal 2022. This initiative was carried out in accordance with the ¥1 trillion program approved by the Board in fiscal 2021, taking careful consideration of our financial balance. As evidenced by our substantial share buybacks totaling ¥4.5 trillion*9 over the past five years, we have demonstrated an unwavering commitment to increase value for both our shareholders and bond investors. We will continue to leverage share buybacks as one of the measures to showcase the true value of our company.

*8 Total amount acquired in fiscal 2022 under the Board resolutions of November 8, 2021 and August 8, 2022.

*9 See page 71 for the breakdown of ¥4.5 trillion buybacks.

Cash position

As a result of our initiatives over the past year, our cash position amounted to ¥5.1 trillion as of March 31, 2023, a significant increase from the previous year. Of the total cash position, ¥4.5 trillion was in cash and cash equivalents, while the cash balance attributable to SBG, excluding subsidiaries, was ¥3.5 trillion. Of this balance, 77% (¥2.7 trillion) is denominated in U.S. dollars. Our investment business now primarily focuses on investment opportunities denominated in U.S. dollars, making it the main currency for the business, and the majority of monetized assets were also denominated in U.S. dollars. As a result, our reserved cash in U.S. dollars has benefited from the strong dollar and the substantial rise in U.S. interest rates over the past year. In the fourth quarter of fiscal 2022, the average yield on our U.S. dollar deposits was 4.92%.

Approach to the risks of rising interest rates

As of March 31, 2023, 77% of our outstanding interest-bearing debt*10 had fixed interest rates, providing a degree of stability in our interest payments in the face of interest rate increases. Furthermore, when looking at the balance between funds managed and fund raised, we effectively manage the impact of higher interest payments, given that our interest income also increases as interest rates rise. We are proud of our successful navigation of these volatile financial market conditions.

In addition, we actively repurchased our outstanding fixed-rate foreign bonds and perpetual subordinated notes, when their prices declined due to rising interest rates. As a result of these actions, we achieved a gain on redemption of corporate bonds*11 of ¥44.1 billion in fiscal 2022. This result reinforces our confidence that there is little cause for concern regarding the financial risks to SBG associated with rising interest rates.

*10 Interest-bearing debt of SBG and fund procurement subsidiaries as of March 31, 2023. Includes margin loans and excludes prepaid forward contracts

*11 Excludes the difference of face value and purchase price associated with the $750 million buyback of U.S. dollar perpetual subordinated notes

Performance of SoftBank Vision Funds

SoftBank Vision Funds recorded another year of losses in fiscal 2022, bringing the cumulative investment loss since inception to $8.5 billion. While we are disappointed that the value of our investments is below the cost of investment, we are encouraged that the deficit has started to recover on a quarterly basis.

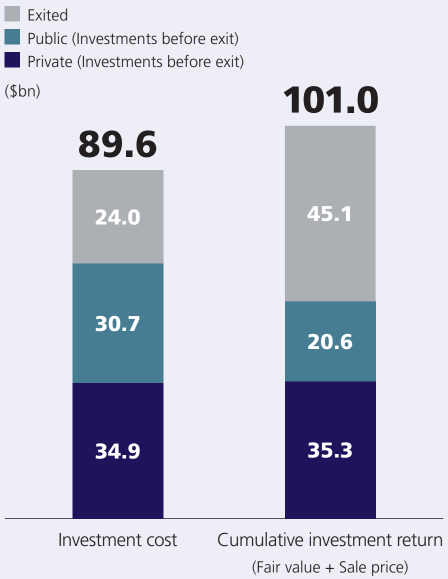
In SVF1, where the investment period has concluded, an investment of $89.6 billion has yielded a total investment return of $101.0 billion. Of this, $45.1 billion has been exited, and $20.6 billion has transitioned to the public market and can be monetized. We are assessing the potential upside of SVF1's remaining $35.3 billion in private investments, including Arm, which is currently preparing for an IPO.

On the other hand, many of SVF2's investments are still young—only two or three years into the initial investment—and it feels as though we have sown nearly 270 seeds across a large field. As we entered 2023, the market environment showed signs of improvement, and we are beginning to see clear signs of green shoots. Including the exited investments, the current value of SVF2's $50.2 billion investments stood at $31.9 billion*12 as of March 31, 2023, reflecting challenging market conditions. In terms of the number of investments, SVF2 boasts a more diversified portfolio compared to SVF1. The performance of SVF2 investments will therefore serve as a valuable reference for our future investment hypothesis when we resume investing. With this in mind, we will continue to closely monitor the growth of SVF2's portfolio companies.

SoftBank Vision Funds currently hold a portfolio of late stage and near-IPO investments, including Arm, worth over $37.0 billion. With the expectation of a recovering IPO market, we anticipate significant future growth.

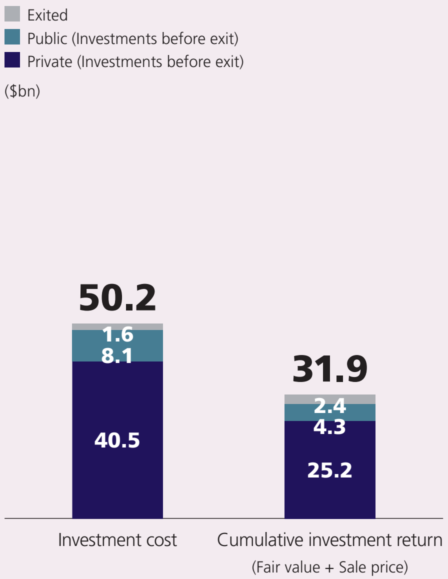
*12 Includes sale price of exited investments.
Note: The public/private classification of investments described herein is based on their status as of March 31, 2023.

SVF1: Cumulative investment return
(as of March 31, 2023)



Before deducting third-party interests, tax, and expenses. The public/private classification is as of March 31, 2023.
Exited investments include disposal (sale) through share exchanges, derivative gains and losses relating to investment (including unsettled derivatives), and interest and dividend income from investments. Public investments include investments in shares traded on the over-the-counter market.
For a certain investment that was initially determined to be transferred from the Company to SVF1 but later cancelled, any unrealized valuation gains and losses incurred for the period leading up to the decision to cancel the transfer are not included in cumulative investment return.

SVF2: Cumulative investment return
(as of March 31, 2023)



Before deducting third-party interests, tax, and expenses. The public/private classification is as of March 31, 2023.
Exited investments includes derivative gains or losses (including on unsettled derivatives) relating to investments and interest and dividend income from investments. Public investments include investments in shares traded on the over-the-counter market.
Investment cost and fair value of investments prior to the exit of SVF2 include those related to noncontrolling interests in other companies received as part of the acquisition consideration for the investment.

Financial strategy for fiscal 2023

As we enter fiscal 2023, we remain fully committed to our existing financial policy. While some market turbulence has subsided, we remain mindful of ongoing geopolitical risks such as Russia's invasion of Ukraine and China's foreign and domestic policies, which continue to pose challenges. Given the prevailing market conditions, we believe it is prudent to maintain a defensive approach. Simultaneously, the rapid evolution of technology demands our attention. Innovative technologies, including generative AI, are advancing at an accelerated pace and surpassing our initial expectations. We recognize that these dynamics present an opportunity to invest in these groundbreaking technologies and we must seize the moment now.

Considering these factors, we believe it is the right time to cautiously resume investing. The prevailing financial market conditions do not inspire much optimism, and we anticipate a potential downturn. However, our strong financial position at the end of fiscal 2022 gives us confidence to adopt a balanced approach that encompasses both defensive and offensive strategies.

Arm is growing faster than we expected in terms of revenue and adjusted EBITDA. We believe that, as AI technology advances, Arm chips are poised to gain wider adoption, driving further company growth. Arm's IPO preparations are on track and, if completed, we expect this would improve the quality of our portfolio.

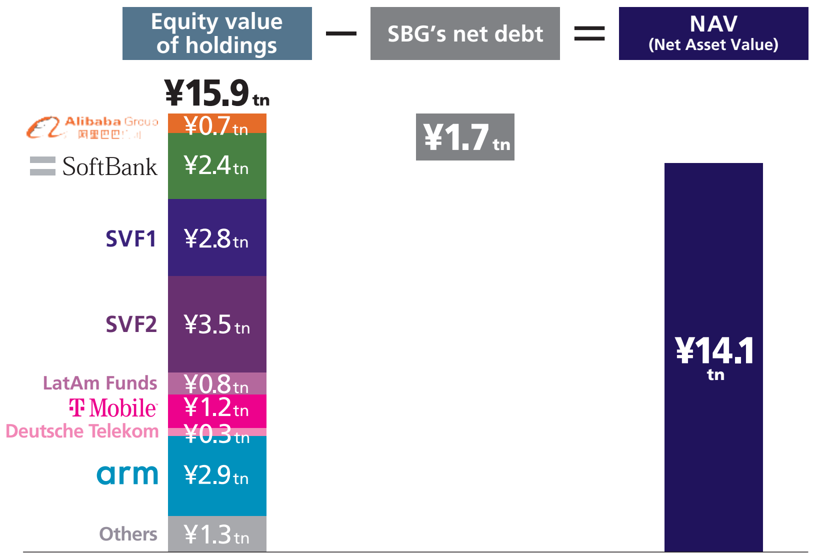
We have sufficient cash reserves, eliminating the need to actively raise new funds. Regarding bond redemption, our strategy is to refinance on an ongoing basis to allow investors to reinvest in SBG, while ensuring adequate funds for redemption.

We have bolstered our financial position to an unprecedented level of safety. We will maintain close communication with investors and rating agencies to ensure that our financial stability receives due recognition.

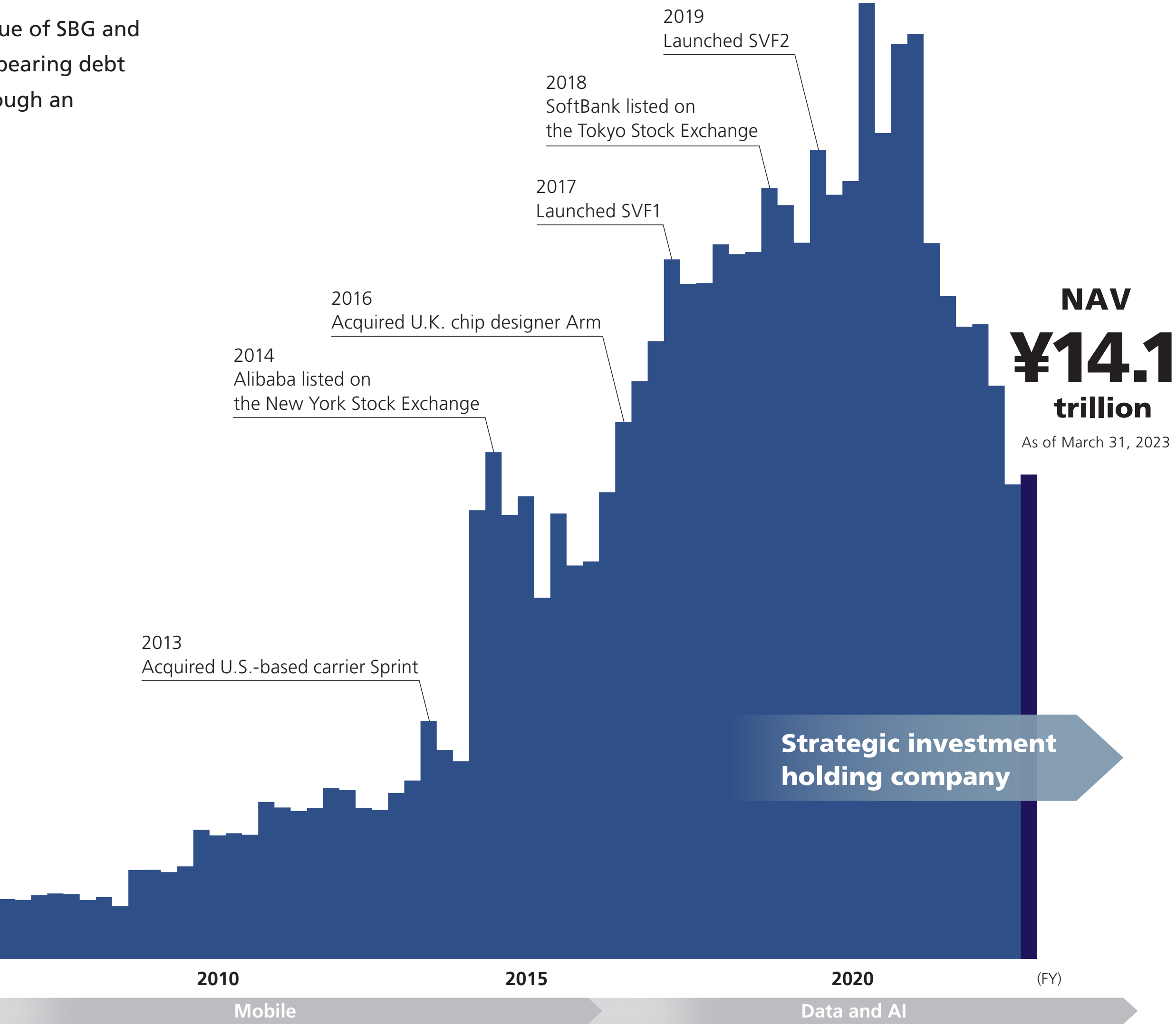
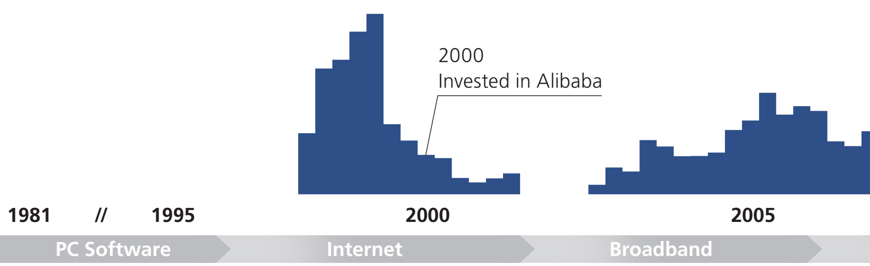
Boosting NAV Growth by Investing in the Information Revolution

As of March 31, 2023

NAV (Net Asset Value) is the most important indicator for assessing the value of SBG and is calculated as equity value of holdings minus SBG's adjusted net interest-bearing debt (net debt). SBG aims to maximize NAV over the medium- to long-term through an increase in the equity value of holdings.



See page 69 for the assumptions used to calculate the equity value of holdings and net debt.

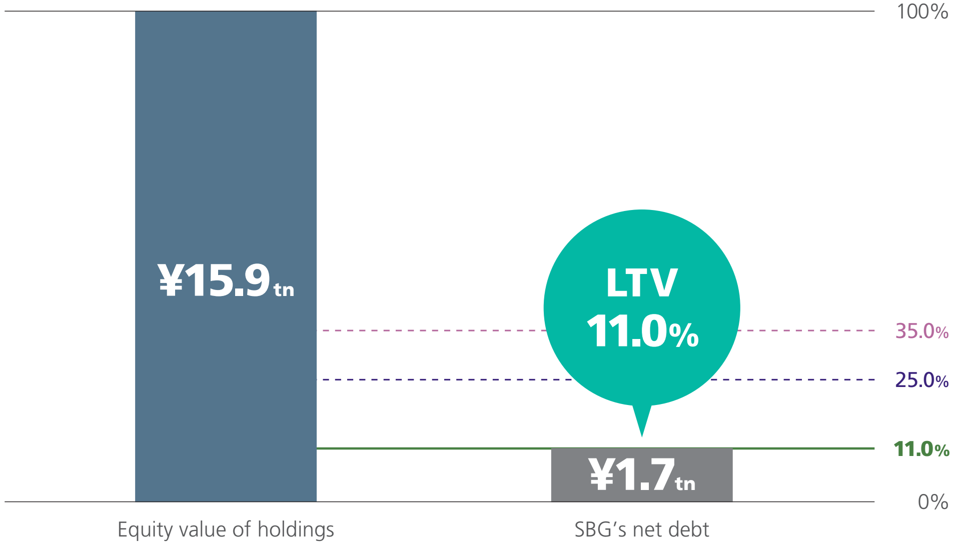
Note: NAV data for each quarter-end. The NAV data are the Company estimates based on the information available to it, and the accuracy or completeness of the information is not guaranteed as the figures are not audited. NAV trends are not a guarantee of future figures and are not indicative of the price 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. In the calculation of NAV, 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 its subsidiaries such as Z Holdings and PayPay), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar.

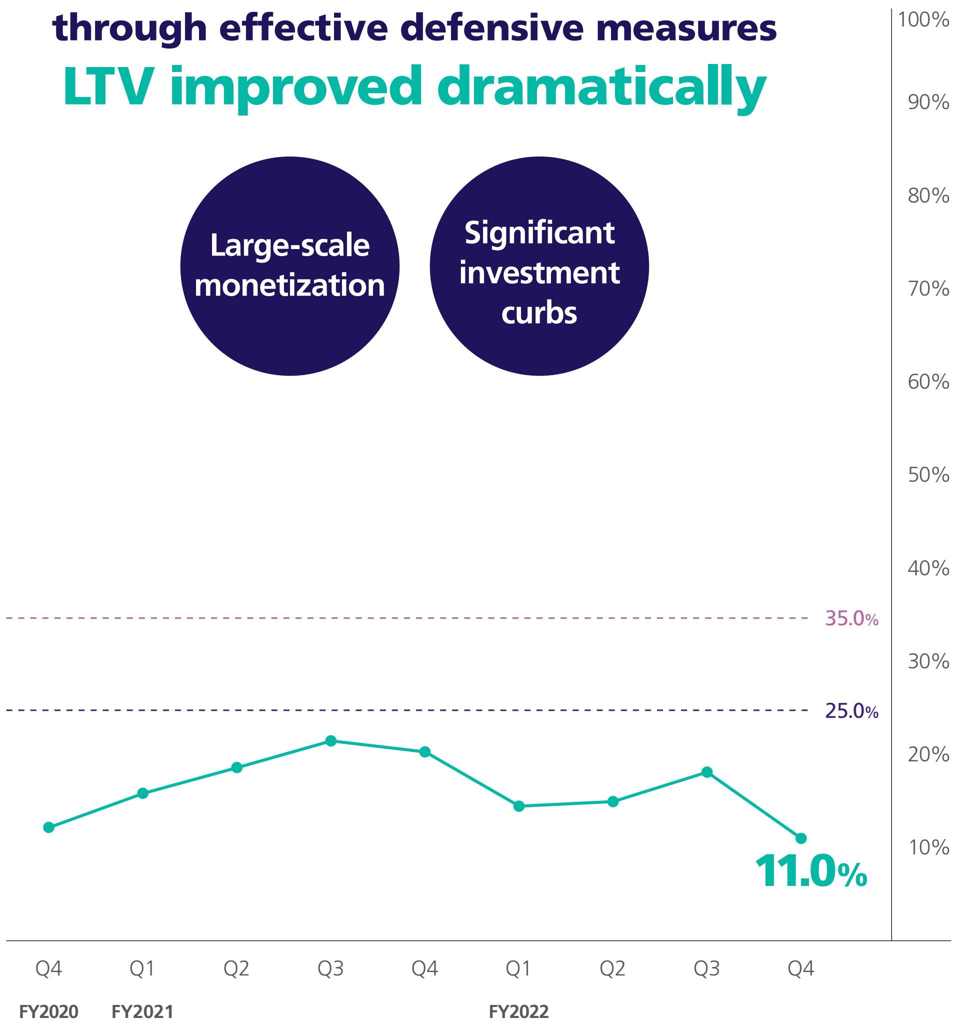
An Important Indicator for Stable Financial Management: LTV

LTV (Loan to Value) is a financial indicator that is calculated as SBG's adjusted net interest-bearing debt (net debt) divided by the equity value of holdings. SBG's finance policy is to maintain LTV below 25% in normal times with an upper threshold of 35% even in times of emergency. An LTV below 25% is a very high level of safety indicating that the equity value of holdings is more than sufficient to repay the debt.

SBG's net debt ÷ **Equity value of holdings** = **LTV** (Loan to Value)

LTV as of March 31, 2023





See page 69 for the assumptions used to calculate the equity value of holdings and net debt.

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 its subsidiaries such as Z Holdings and PayPay), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar.

Note: LTV data for each quarter-end

Message from SoftBank Vision Funds Management

Investing in AI Generational Growth

Rajeev Misra
Co-CEO, SB Investment Advisers

At the macro-level, volatility has been ever-present over the past 12 months. Challenging dynamics in geopolitics, regulations, and monetary policy led investors worldwide to pivot towards a more conservative approach following the high levels of capital deployment in fiscal 2021.

Despite its challenges, fiscal 2022 was a tipping point for AI and its widespread adoption. People around the world watched with fascination and delight as generative AI wrote stories, told jokes, and created original art. The adoption rate of OpenAI's ChatGPT was unprecedented; it took only two months for the platform to reach 100 million unique users. By comparison, it took TikTok and Instagram nine months and 28 months, respectively, to hit the same milestone. This is the latest in an incontrovertible and growing dataset proving that AI has transitioned to the mainstream.

While a number of our portfolio companies are applying generative AI in novel applications, SoftBank Vision Funds are a diversified investment platform, meaning that we have been able to invest across the full stack of AI technology. AI spans an ever-widening spectrum of use cases, and we think of our capital deployment broadly across three levels. The first is the foundation layer, where our portfolio companies are developing AI architecture through chip design to underpin the raw processing power required for a generational change in computing. Second, the application layer represents the essential digital infrastructure to enable the widespread adoption of AI at the B2B level. Finally, at the services layer, users interface with the technology directly to access new products and services across every sector, from digital health to financial services.

The growing prevalence of these technologies will transform existing industries and create entirely new ones. According to PwC, AI is expected to enable $15.7 trillion of economic growth by 2030.*1 Similarly, by 2025, global data volume is expected to have increased by more than 10 times from 10 years prior.*2 As more data become available, AI's impact will continue to grow and alter the trajectory of enterprise technology. Similarly, AI is revolutionizing health tech, accelerating the search for potential drug molecules up to a thousand times faster.

The SoftBank Group has been investing ahead of major technology shifts for over 40 years, and we have been ahead of the field in investing growth capital in AI at scale, first with the Group's acquisition of Arm in 2016 and subsequently with the launch of SoftBank Vision Fund 1 in 2017. While cynics would argue there is a degree of hype around generative AI at present, remember Amara's Law.*3 AI is a generational technology that sits above market cycles. It is ushering in a wave of inevitable digital change. 2022 will be recalled as a challenging time for global investing, but our portfolio is constructed upon a continued conviction in the AI revolution. We are confident our portfolio companies are primed to benefit as the potential of this technology becomes reality.

On a personal note, as CEO of SB Investment Advisers, my role has modified to focus primarily on the performance and monetization of SoftBank Vision Fund 1. While I have passed day-to-day management for SoftBank Vision Fund 2 and LatAm Funds to my colleagues on the Executive Committee, I remain highly committed to the firm. It continues to be a privilege to serve the SoftBank Group and the Fund's other Limited Partners; I am motivated and energized in striving to attain our investment objectives.

*1 PwC, "Sizing the prize, PwC's Global Artificial Intelligence Study: Exploiting the AI Revolution"
*2 Statista, "Volume of data/information created, captured, copied, and consumed worldwide from 2010 to 2020, with forecasts from 2021 to 2025"
*3 "We tend to overestimate the effect of a technology in the short run and underestimate the effect in the long run," coined by Roy Amara, past president of the Institute for the Future.

Message from SoftBank Vision Funds Management

Resilience and Discipline in a Challenging Market

Alex Clavel
Member of the Executive Committee, SB Global Advisers
Co-CEO, SB Investment Advisers

Greg Moon
Member of the Executive Committee, SB Global Advisers

Navneet Govil
CFO, Member of the Executive Committee, SB Global Advisers
CFO, SB Investment Advisers

When Masa (Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SBG) addressed investors and the media at SBG's earnings in May 2022, he talked about the importance of strengthening our defense in turbulent times. These remarks were well-timed, as global market instability increased over the course of the year. The continued escalation of the conflict in Ukraine prompted a spike in global energy prices while ongoing geopolitical tensions between the U.S. and China saw local regulators adopt a more interventionist stance with technology-led growth startups. Tightening monetary policy has also increased the cost of capital. In the face of persistent consumer inflation, central banks have taken action; since the beginning of 2022, the U.S. federal funds rate has climbed rapidly, and as of March 2023 it was at 5%—the highest since 2007. The pace of the rate hike cycle wrongfooted numerous financial institutions. Banking failures from Silicon Valley Bank, Signature Bank, and First Republic Bank remind us that we remain in volatile times.

This macro instability translated as a sizable correction in global markets. The NASDAQ-100 Technology Sector Index fell as much as 40.2% in the first half, while the Refinitiv Venture Capital Index was down 57.7%. Although this was a market phenomenon, not a SoftBank Group one, we were impacted. As of March 31, 2023, collective markdowns for fiscal 2022 across SoftBank Vision Funds equated to 21% of assets. Looking at the more granular detail of performance since inception, SoftBank Vision Fund 1 remains in positive territory, posting $11.4 billion of cumulative gross investment gains* since launch. The vintage of SoftBank Vision Fund 2 and LatAm Funds meant the impact on performance was more marked, with these funds currently marking a cumulative investment loss of $18.3 billion* and $1.7 billion,* respectively.

In the face of growing market uncertainty, we pivoted our strategy to prioritize defense. Following high volumes of new investments in fiscal 2021, we radically scaled back the rate of capital deployment in fiscal 2022, applying an increasingly high bar for any new investment approvals. The agility of this response means that we have been able to preserve capital through the present volatility and still have substantial dry powder to deploy when market conditions improve.

Capital preservation was also a key feature in our portfolio management over the year. Our investment teams engaged with management teams in every sector and geography to support their companies in becoming more operationally and financially resilient. In today's environment, businesses are learning to achieve more with less, whether that is to strengthen company governance and culture, reexamine supply chains, or make core processes more efficient. A focus on the fundamentals has in part meant that our companies continue to attract capital from prestigious global investors, a source of encouragement in the face of sustained market uncertainty. As of March 31, 2023, 98% of SoftBank Vision Fund 1 private portfolio companies by fair value had over 12 months of cash runway, while 90% of private portfolio companies in SoftBank Vision Fund 2 and 84% of private portfolio companies in LatAm Funds have the same cash runway. The markets may continue to fluctuate, but our portfolio companies are prepared for the potential impact of today's conditions and are determined to grow sustainably.

At the fund level, we continue to focus on maximizing value across our portfolio and returning capital to our LPs, including SBG. There are multiple drivers to our monetization strategy, which range from strategic and financial to opportunistic. First, we consider asset-specific factors, including performance expectations, position size and liquidity, and investment risk profile. Second, we review a broad spectrum of market and fund factors, including sector and geographic outlook, macroeconomic outlook, and optimization of IRR and MOIC. This disciplined approach to monetization is the cornerstone of our consistent returns profile since inception, posting robust growth in cumulative proceeds year over year. Our strategic monetization during periods of market strength resulted in an approximate $30 billion increase in cumulative proceeds, from $16.5 billion in December 2020 to $46.0 billion in December 2021. Furthermore, this contributed to a gross realized gain of $22.9 billion.

Maintaining a defensive posture extended beyond our investment activities and portfolio. We also took steps to improve our own operating efficiency. This included the consolidation of the SoftBank Group's international investment capabilities within SB Investment Advisers and SB Global Advisers. This has allowed us to concentrate our investment capabilities within a single, integrated team, as well as deliver operational synergies across multiple functional teams. The benefits of this approach are immediately apparent, and we are working more closely with all parts of the firm as "One SoftBank."

Global markets continue to demand caution, but our portfolio continues to make progress behind the scenes. We have a strong stable of late-stage companies in our mature portfolio, representing over $37 billion in fair value, which are primed for public listing when the time is right.

While cautious and deliberate, we feel well-prepared for the changes that fiscal 2023 will bring. Through our selective investing approach, value optimization, and disciplined monetization, we continue to evolve our investment platform to meet market opportunities.

* SBG consolidated basis. All other figures in this section are on an SVF stand-alone basis. Before deducting third-party interests, tax, and expenses.

A High Conviction Portfolio Supported by Defensive Measures

See SoftBank Vision Funds' website for further details.

Performance snapshot
As of March 31, 2023

Investment results

As of March 31, 2023, SoftBank Vision Funds had invested in over 470 companies (including exited investments) across a diverse mix of geographies, sectors, and technologies. The total fair value*1 for funds on the platform stands at $138.7 billion.

In SoftBank Vision Fund 1, we have made 94 investments at an acquisition cost of $89.6 billion. Total fair value*1 stood at $101.0 billion, representing a cumulative investment gain of $11.4 billion. By March 31, 2023, 30 of these companies had listed on major exchanges around the world. Fiscal 2022 saw GoTo Group list on the Indonesia Stock Exchange as the third largest IPO in Asia for the year, based on the total funds raised. Other public listings included Delhivery's IPO on the Bombay Stock Exchange and Getaround, which listed on the New York Stock Exchange via a SPAC merger. To give a more granular breakdown of the Fund's capital construction by fair value, $35.3 billion is held in private companies; $20.6 billion is in liquid, publicly traded positions; and we have exited portfolio positions to a value of $42.7 billion.

As a younger fund, SoftBank Vision Fund 2 comprises 274 investments, at a total fair value*1 of $31.9 billion. As mentioned in the previous section, the rate of new investing tapered substantially in fiscal 2022. To put this in context, in fiscal 2021 we made 226 new and follow-on investments, deploying a total of $40.8 billion for new and follow-on investments. The equivalent figure for fiscal 2022 was 59 new and follow-on investments for a total of $2.7 billion deployed, a reduction in capital allocation of 93%. The Fund's capital construction by asset type stands at $25.2 billion in private positions, $4.3 billion in publicly traded companies, and $2.7 billion of exits.

LatAm Funds meanwhile posted fair value*1 of $5.7 billion across 107 investments as of March 31, 2023. A portfolio company, Satellogic, listed on NASDAQ in 2022, taking the Fund's number of listed assets to three. $5.1 billion of the Fund's assets are in private companies, with $0.4 billion in public listings and $0.2 billion of assets already exited.

Turning to our SPAC strategy, in June 2022, SVF Investment Corp. 3 merged with Symbotic, an automation technology leader, using AI-powered robotics and software to reimagine the global supply chain. As of March 31, 2023, our gross MOIC was 2.3x and Symbotic's market cap was $12.7 billion. For our other SPACs, while we evaluated many companies, the absence of a suitable target partner within our criteria meant that the respective Boards elected to redeem the SPACs' assets in the fourth quarter of fiscal 2022.

*1 Includes sale price of exited investments.
Note: The figures in this section are on an SBG consolidated basis. Figures in the following sections are on an SVF stand-alone basis. Before deducting third-party interests, tax, and expenses. The public/private classification is as of March 31, 2023. Some figures have been rounded and may not add up to the totals presented.

Resilience through diversification

It is important to remember that as a long-term investor in secular technology trends, SoftBank Vision Funds are designed to traverse market cycles. Optionality and diversification are valuable during times of uncertainty. Disciplined portfolio construction allows for strategic optionality. We embed diversification throughout the portfolio in dimensions of fund life cycle, geographies, and across the nine sectors we track.

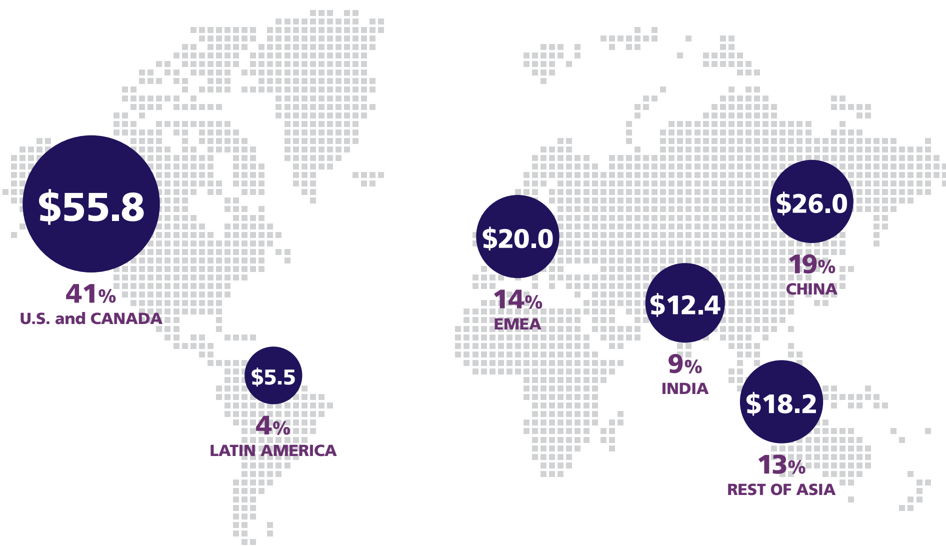
At the geographic level, the footprint of our portfolio across all funds has evolved to be a balanced global exposure with the majority of assets deployed in the U.S., which continues to lead the market in the penetration of AI technologies within growth startups.

Similarly, our investments are organized across nine key sectors where AI and innovative applications of big data are powering secular growth. AI is a general-purpose technology that will influence every industry globally. This diversification ensures that we maintain exposure to growth opportunities across consumer and

Portfolio fair value by geography

As of March 31, 2023
($bn)

GLOBALLY DIVERSIFIED PORTFOLIO



Portfolio fair value by sector

As of March 31, 2023

INVESTED ACROSS DIVERSE SECTORS

Enterprise	Consumer	Fintech	Health Tech	Logistics	Frontier Tech	Proptech	Transportation	Edtech
8%	28%	7%	6%	13%	15%	6%	15%	1%

Note: The information herein is provided solely for illustrative purposes and reflects the current beliefs of SBIA/SBGA as of the date hereof. Geographical and sector characterizations have been determined by SBIA/SBGA, and although SBIA/SBGA believe that such determinations are reasonable, they are inherently subjective in nature. Fair value includes sale price of exited investments.

enterprise businesses, from digital commerce and logistics automation to data analytics and financial inclusion.

To look at a few examples in more detail, digital commerce has brought an unprecedented number of consumers online, many of whom are increasingly expecting a seamless digital-first retail experience. Industry analysis indicates that e-commerce has been steadily growing its influence in global retail sales, rising from 7% in 2015 to 20% in 2022.*2

*2 Statista, "E-commerce as percentage of total retail sales worldwide from 2015 to 2026"

AI is driving the shift to e-commerce by delivering customers an optimized, online retail experience. It is also helping retailers unlock commercial potential through new monetization opportunities and operational capabilities. To observe this in action at the portfolio company level, Contentsquare is an insights optimization platform designed to help businesses understand digital user interactions. Through data and AI, it not only offers automatic recommendations but also measures content performance, explains consumer decisions, and uncovers preference trends that lead to actionable business insights.

Another example is the short-form video sharing platform ByteDance, which has approximately 3 billion active users. Through its AI-powered recommendations engine, it has evolved into an e-commerce powerhouse, opening endless possibilities for small and large businesses to reach end-consumers.

Technological innovation is only made possible through data. Since 2012, AI computing power has increased exponentially, doubling roughly every three and a half months. The ability for companies to optimize performance is improving radically on a global commercial scale. As the volume of data we create and consume worldwide has multiplied in the past decade, we have invested in a raft of companies leveraging AI to crystallize next-level commercial insights, optimize data management, and protect data for consumers and enterprises globally.

To share an example of a company in the cybersecurity space, Arkose Labs has an e-CAPTCHA mechanism that leverages proprietary algorithms to create sophisticated cyber-barriers against identity fraud. Its authentication system identifies attackers using behavioral analytics, stratifies risk levels, and adapts security friction based on risk. Though it is still an early-stage start up, Arkose Labs has already secured over 30 blue-chip enterprise customers.

Our portfolio company, MinIO, meanwhile serves as a data lake for enterprise applications, aligning data across on-premise and public cloud environments. The platform can assimilate differences between multiple hardware architectures, enabling data to be stored and deployed in high-performance use cases in AI and Machine Learning.

A maturing portfolio generating sustainable revenue growth

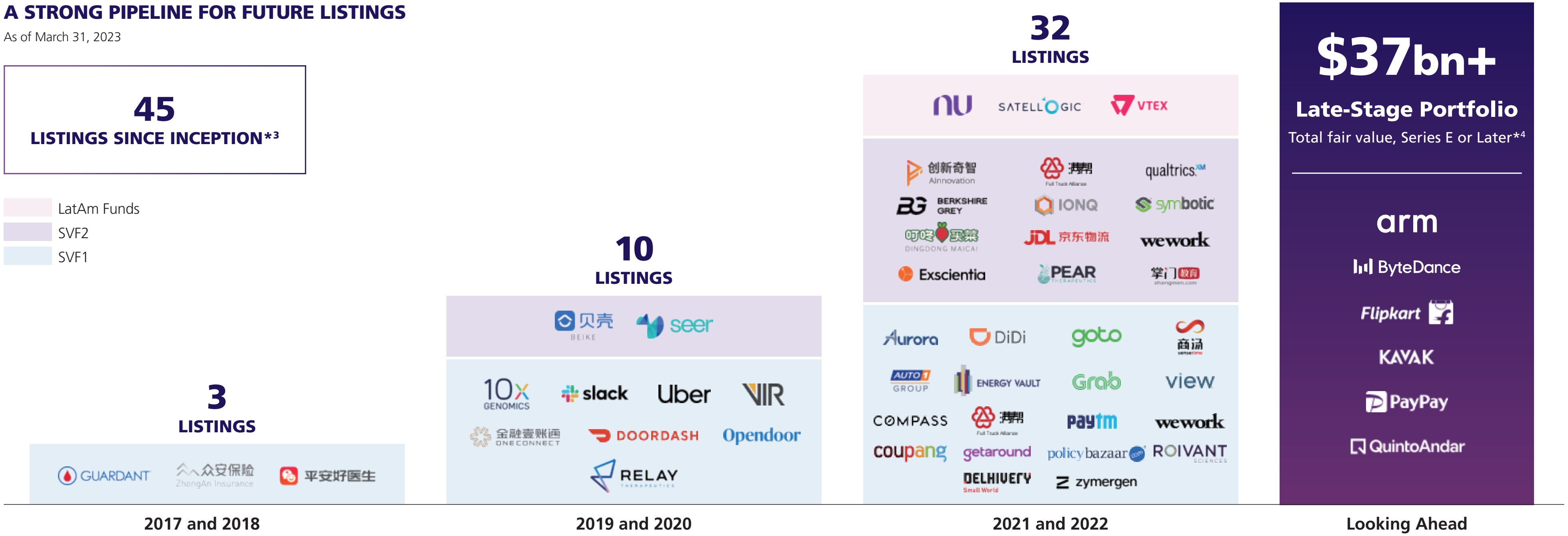
It is also important to observe the portfolio maturing over time. We look for companies that combine innovation with steady, growing revenue streams and a clear and addressable market. 76% of our private portfolio companies are now late-stage companies that generate over $250 million in annual revenue.

Despite an environment that has become increasingly capital scarce, our portfolio continued to attract interest from leading third-party investors. Fiscal 2022 saw our portfolio companies complete 60 funding rounds, 80% of which were up rounds. These rounds raised total proceeds of over $16.3 billion, attracting capital from 1,000+ institutional investors. The net effect is remarkable balance sheet strength across the portfolio as we work with companies to ensure they have ample runway to weather the effects of a potentially sustained downturn.

Turning to the potential IPO pipeline, in

A STRONG PIPELINE FOR FUTURE LISTINGS

As of March 31, 2023



*3 Listings since inception include companies invested in on IPO/public listing date. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.

*4 Source: SBIA/SBGA Analysis. As of March 31, 2023. Arm and ByteDance are SVF1 investments. Flipkart and PayPay are SVF2 investments. QuintoAndar and Kavak are LatAm Funds investments.

Note: Select investments presented herein are solely for illustrative purposes and have been selected in order to provide examples of investments made by SVF 1, SVF 2, and LatAm Funds that have gone public or, in the opinion of SBIA, may go public in the future and do not purport to be a complete list of investments. 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. Past performance is not indicative of future results.

the past two years, our portfolio has seen 32 public listings, with a total of 45 listings since inception. When evaluating public listing readiness, our portfolio companies consider four key factors to ensure a successful market entry: strong fundamentals, resilient business models, sustainable growth, and a disciplined approach to governance, operations, and financial management. We have a strong stable of late-stage companies in our mature portfolio, representing over $37 billion in fair value. This includes companies like Arm, ByteDance, and PayPay.

This provides a stable foundation on which to base future monetizations. As of March 31, 2023, we had returned $56.5 billion to LPs, representing a gross realized MOIC of 2x. We have exited 30% of our public investments and 7% of our private investments. To break this down at the fund level, this equates to 51% of capital returned for SoftBank Vision Fund 1, while as younger funds, the equivalent figure for SoftBank Vision Fund 2 and LatAm Funds stands at 18% and 1%, respectively. We continue to take a strategic approach to monetization, with the aim of maximizing value across our portfolio and consistently returning capital to investors.

DISCIPLINED APPROACH TO MONETIZATION

As of March 31, 2023

Monetized Public and Private Investments*5

SVF1

10x Genomics, Guardant, NVIDIA, 平安好医生, Opendoor, slack, Uber, 众安保险 ZhongAn Insurance, OSIsoft, Flipkart, cruise

Other Undisclosed Full and Partial Exits

SVF2

贝壳 BEIKE, vividion therapeutics

Other Undisclosed Full and Partial Exits

CUMULATIVE PROCEEDS SINCE INCEPTION

Monetization Highlights

~$30bn
Increase in Proceeds during Period of Market Strength, 2020 to 2021*6

Gross Investment MOIC*7
2.0x

Gross Realized Gain*8
$22.9bn

*5 Monetized Public and Private Investments logos include fully exited portfolio companies and do not include undisclosed or partially exited portfolio companies.
*6 Cumulative Gross Realized Proceeds represent proceeds received for fully and partially realized investments, related hedges, and dividend income from inception to March 31, 2023. The $30 billion figure represents growth in proceeds from December 31, 2020, to December 31, 2021.
*7 Gross Investment Multiple of Invested Capital ("MOIC") is Gross Realized Proceeds divided by investment cost. Gross Realized Proceeds are defined as the sum of all external cash flows derived from investments, gross of taxes, transaction fees, investment-related financing, and other fund-related expenses. Investment Cost is defined as the sum of all external cash flows directed toward Portfolio Companies, principal amounts borrowed as directly related to investments, and net premiums paid by SVF1 for investment-related hedges.
*8 Gross Realized Gain represents the difference between Gross Realized Proceeds and Cost for fully and partially exited investments as of March 31, 2023.
*9 Source: S&P Capital IQ

Note: There can be no assurance that the operations and/or processes of SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank LatAm Funds described in this report will continue throughout the life of SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank LatAm Funds or any successor Fund managed by the Manager, and such processes and operations may change. Select investments presented herein are solely for illustrative purposes and do not purport to be a complete list of SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank LatAm Funds investments. 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 93-96 for a more complete list of SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank LatAm Funds investments. Net performance for individual investments cannot be calculated without making arbitrary assumptions about allocations of fees and expenses, and for that reason is not included herein. Past performance is not indicative of future results.

Outline of SoftBank Vision Funds

As of March 31, 2023, unless otherwise stated

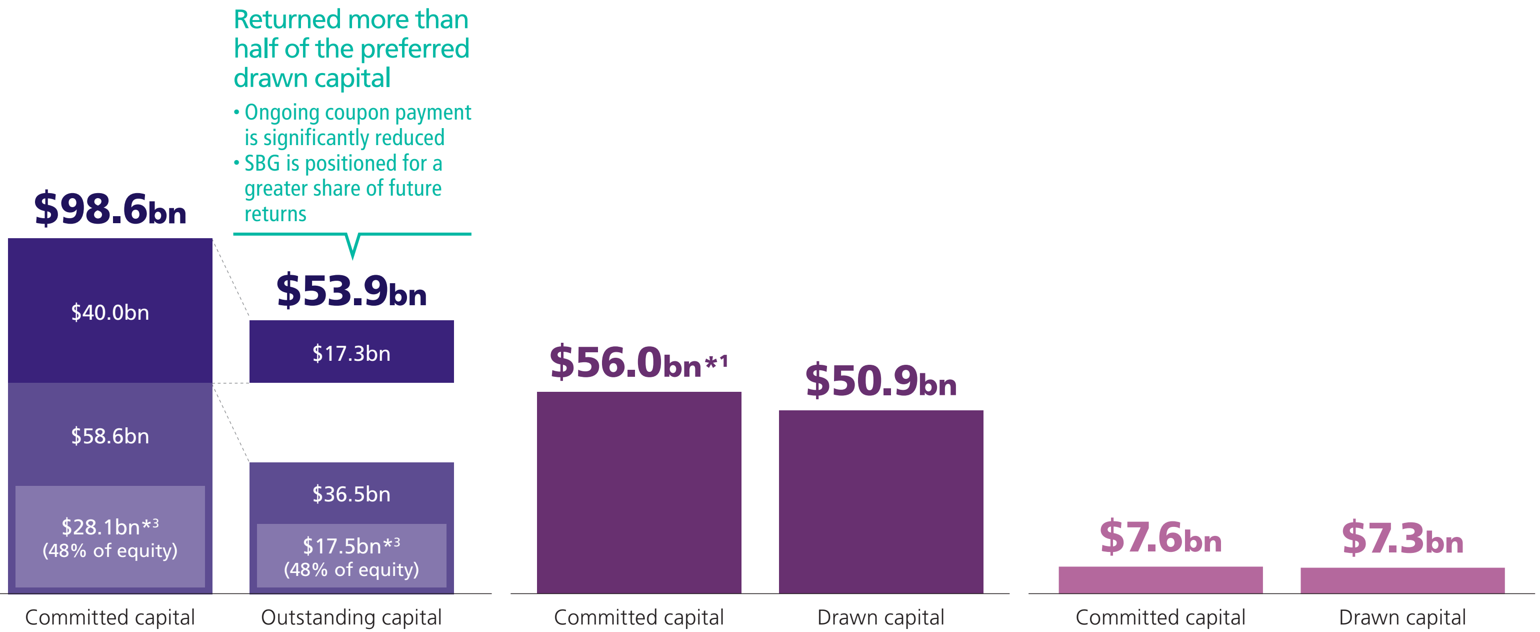
	SVF1	SVF2	LatAm Funds
Total committed capital	$98.6 billion	$56.0 billion*1	$7.6 billion
Limited partner	SBG, External investors	SBG, management*2	SBG, management*2
Fund manager	SB Investment Advisers (UK) Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)
Start of operation	2017	2019	2019
Fund life	Until 2029 + Up to two 1-year extensions by SBIA	Until 2032 + Up to two 1-year extensions by SBGA	Until 2032 + Up to two 1-year extensions by SBGA
Current cycle	Value creation and realization period (& follow-on investment)	Investment period	Investment period

Capital Structure of SVF1

Preferred equity (fixed distribution)
- A fixed rate of 7% on outstanding preferred equity contributions is distributed in proportion to the investment principal, regardless of the investment performance
- Prioritized over equity upon distribution

Equity (performance-based distribution)
- Distribution to limited partners is fully dependent on investment performance
- Has lower priority during distribution, compared to preferred equity interest

SBG has committed to equity interests



*1 As of June 21, 2023, the total committed capital for SVF2 is $60.0 billion.
*2 A co-investment program has been introduced for SBG's management. An investment entity for the co-investment program participates in both funds.

For further details of the program, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

*3 Excludes committed capital for an incentive scheme related to SVF1.

Message from Arm CEO

Arm Technology is Defining the Future of Computing

Rene Haas

Board Director, SoftBank Group Corp.
CEO, Arm Limited

Leading the world in semiconductor technology

Arm is a global leader in the development of semiconductor technology and is defining the future of computing. A future that is being built by one of the most successful technology ecosystems in the world combining Arm, the leading CPU designer, and over 1,000 companies that partner with Arm to create billions of digital electronics products. We fueled the smartphone revolution and now we are redefining what is possible in cloud computing, transforming the automotive industry, enabling a thriving IoT economy, and making the metaverse a reality.

Through our focus on energy efficiency and our history of continuous innovation, we have enabled new categories of "smart" consumer electronics. Today, efficiency is not only important for business but also believed by many to be a critical component in achieving sustainability for our planet. This makes Arm's CPU technology ideal for current and future computing applications as the demands for compute performance are insatiable while the need for low power and efficiency remains critical.

Arm's business model

Arm licenses processor designs to semiconductor companies that incorporate the technology into their computer chips. Licensees pay a license 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 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-designed products continue to generate royalty revenue even 25 years after their initial development.

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

- Gain or maintain share in long-term growth markets, such as smartphones, consumer electronics, automotive, and embedded computing.
- Increase the value of Arm processors in every smart device by providing

additional functionality, higher performance, higher efficiency, and more specialized designs.

- Expand our product offerings to include more complete systems that further increase the value of our products to our customers.
- Invest in next-generation technologies such as artificial intelligence and machine learning.
- Expand access to Arm products through our flexible business model, creating new ways for customers to include Arm technology in their products.

Revenues today are from investments made many years ago

It takes Arm's customers time to develop the complex SoCs (system-on-chips)*[1] 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 2022 Arm saw further revenue growth as its new products continue to come to market.

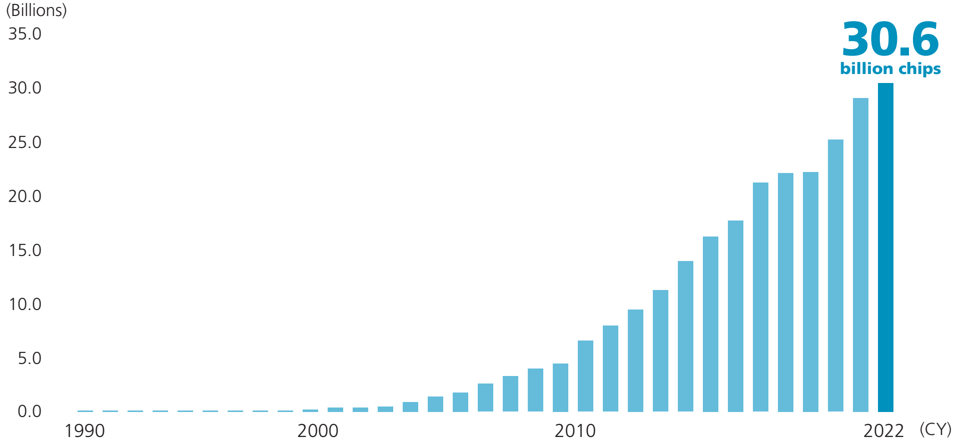
Arm's technology royalty revenue grew to record levels in fiscal 2022, up 16.1% from fiscal 2021 due to the following:

- The growth in revenue from chips used in premium smartphones, especially 5G smartphones, which use more Arm technology than 4G smartphones.
- The continuing ramp-up of Arm-based chips in the data centers of some cloud service providers.
- The adoption of more Arm-based chips into automotive markets.

This growth was despite a slowdown in the semiconductor industry, which declined 3.2%*[2] during fiscal 2022 primarily due to a decline in sales of low-cost smartphones, consumer electronics, and PCs, partially offset by continuing growth in automotive and industrial electronics.

Arm's technology non-royalty revenue decreased 8.5% from fiscal 2021 primarily due to the revenue associated with high-value, multiyear agreements being recognized in fiscal 2021 creating a challenging comparison, partly offset by recently introduced licenses such as the Arm Total Access licenses, which are high-value licenses providing the licensee with a portfolio of Arm products for many years.

Arm-based chips shipped (annual)*[3]



Revenue ($mn)	Fiscal 2020	Fiscal 2021	Fiscal 2022
Technology royalty	1,278	1,536	1,783
Technology non-royalty	702	1,129	1,034
Total	1,980	2,665	2,817

Preparing for the new chapter in Arm's story

We have made significant changes in Arm's leadership. In November 2022, we welcomed Jason Child as Arm's new CFO. Before joining Arm, he held multiple CFO positions. We have also expanded and diversified our Board by adding four new independent directors who bring a wealth of experience.

In addition, I joined the SBG Board in June 2023. I am excited about being a part of SBG's journey to create the Information Revolution, and I am confident that I can serve the company's stakeholders by providing insights regarding emerging technologies trends such as artificial intelligence, advanced chip design and manufacturing, and the Internet of Things. And how SBG, and its investees, might be best able to benefit from these trends.

In February 2022, SBG announced that Arm would start preparations for an Initial Public Offering (IPO) and in April 2023, we confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed IPO.

See Arm's website for its latest information.

*1 System-on-Chip: Where various functions such as microprocessors, graphics, and memory controllers are integrated on a single chip.
*2 World Semiconductor Trade Statistics
*3 Based on royalty reports received by Arm from its customers during each year.

Sustainability Vision "Help Shape the Next 300 Years for Our Future Generations and the Planet"

Our corporate philosophy, Information Revolution—Happiness for everyone, embodies our determination to bring happiness to everyone, even to future generations 300 years from now. To create a world where people can live in harmony with the earth, we will fulfill our responsibility as a leader of the Information Revolution to realize a sustainable society.

Sustainability principles

SBG established the SoftBank Group Sustainability Principles as a guideline to appropriately advance sustainability activities. Based on these principles, we have identified our Strategic Material Issues reflecting the business characteristics and social demands of each Group company. We have also defined six activity themes for the Group to promote its sustainability initiatives autonomously.

Six activity themes—Our direction

1. Drive sustainable growth and innovation in society by uniting wisdom and knowledge
2. Take responsibility by responding to emerging issues that come with technological advancement
3. Ensure the growth of future generations and our business by creating higher-quality employment for all
4. Leverage breakthrough technologies to resolve environmental issues, including energy problems
5. Demonstrate highly transparent governance and integrity to win the further trust of our stakeholders
6. Maximize our potential as a group by joining forces with people around the world to make a positive impact on society

Identifying material issues ("Strategic Material Issues")

SBG has classified issues to be addressed from two perspectives: importance to stakeholders and importance to the Group. Among these issues, we identified eight key issues as Strategic Material Issues to be prioritized.

Step 1
Identification of issues

Identify issues

Identify issues surrounding the Group's main businesses by referring to external guidelines and the opinions of experts.

Step 2
Materiality analysis

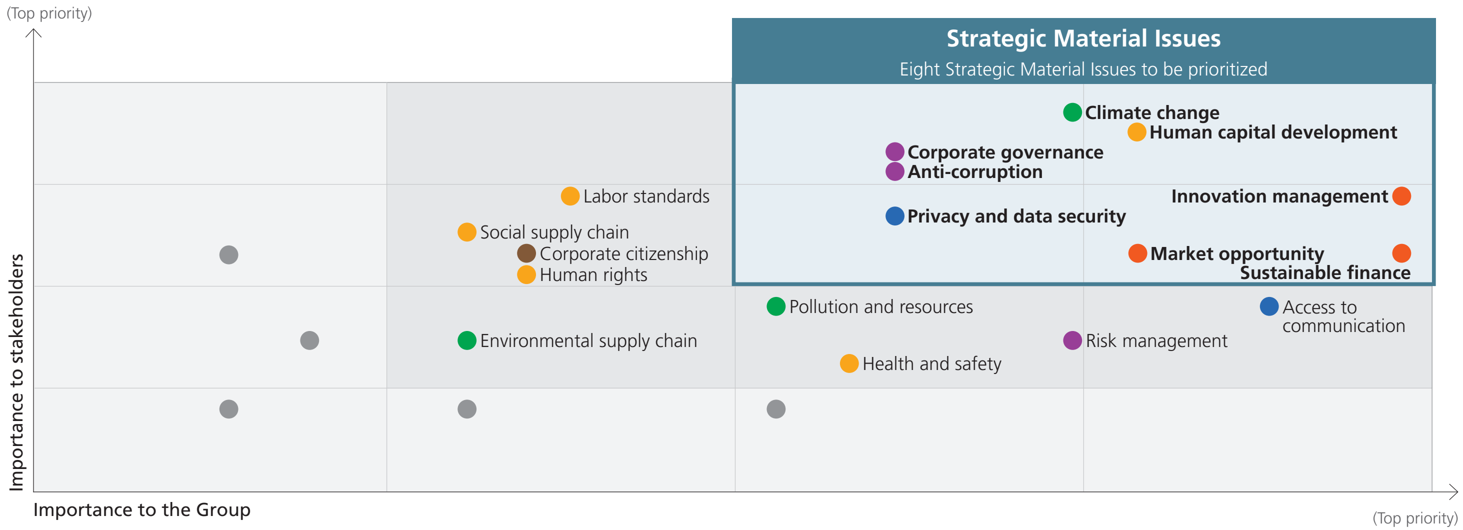
Analyze the importance of issues to stakeholders and the Group

Analyze the importance on two axes: importance to stakeholders and importance to the Group.

Step 3
Identification of material issues

Identify material issues to be prioritized

Identify Strategic Material Issues that the Group should prioritize.



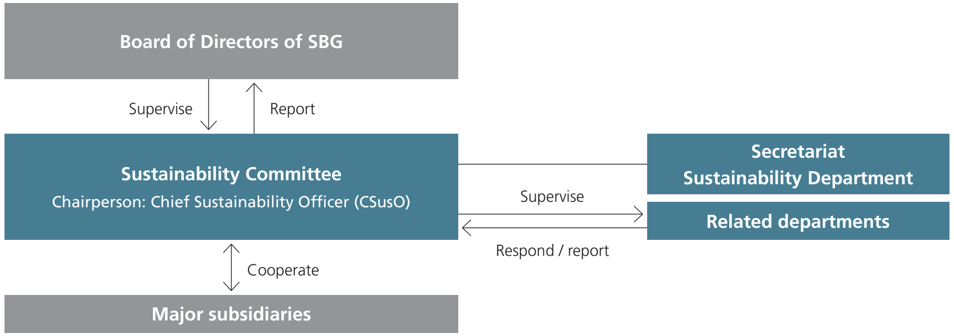
Note: The colors of each materiality indicate its association with the six activity themes.

Sustainability governance

Sustainability governance structure

SBG's Board of Directors has appointed the Chief Sustainability Officer (CSusO) and established the Sustainability Committee. The Committee is chaired by the CSusO (head of Investor Relations Department & head of Sustainability Department) and composed of three members including Board Director, Corporate Officer, Senior Vice President, CFO & CISO (head of Finance Unit & head of Administration Unit); Corporate Officer, Senior Vice President (head of Accounting Unit); and Corporate Officer, CLO & GCO (head of Legal Unit). The Committee discusses material ESG issues surrounding the Group and its promotion policies, while considering requests from our stakeholders, and reports to the Board for supervision.

Sustainability governance structure



Sustainability Committee

SBG's Sustainability Committee was established in June 2020 and usually holds meetings once a quarter. In addition to the Committee members, the heads of relevant departments attend the meetings to engage in cross-functional discussions based on specialized knowledge and multiple perspectives.

The Committee met three times in fiscal 2022 (July, September, and December). The discussions involved a variety of matters such as integrating ESG factors into the investment process, advancing tax transparency initiatives, developing an approach to AI ethics, and addressing risks related to climate change and human rights.

Committee members

As of March 31, 2023

Chairperson	Yotaro Agari (CSusO, Head of Investor Relations Department & Head of Sustainability Department)
Other members	Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO & CISO, Head of Finance Unit, Head of Administration Unit) Kazuko Kimiwada (Corporate Officer, Senior Vice President, Head of Accounting Unit) Tim Mackey (Corporate Officer, CLO & GCO, Head of Legal Unit)

Committee activity

As of March 31, 2023

Meetings held	8 (2 in fiscal 2020, 3 in fiscal 2021, 3 in fiscal 2022)
Main discussion matters	• Integrating ESG factors into the investment process • Advancing tax transparency initiatives • Developing an approach to AI ethics • Responding to climate change • Addressing human rights risks • Strengthening ESG information disclosures • Establishing ESG-related Group policies

Sustainability risk management

We incorporate sustainability risks into the corporate risk management process. See "Risk management" for further details of our risk management system and our risk management initiatives.

See page 60 for our risk management.

Message from Our Chief Sustainability Officer (CSusO)

Yotaro Agari
CSusO,
Head of Investor Relations Department
Head of Sustainability Department

The past few years have brought major upheavals, the kind that only happen once every few decades. The COVID-19 pandemic caused a myriad of disruptions around the world for three years; Russia's invasion of Ukraine has increased geopolitical tensions; societies have grown more divided than ever; and central banks, seeking to control inflation, have changed tack in monetary policy. All these changes have created uncertainties, shrouding the economic and market outlook. Meanwhile, the effects of climate change are manifesting themselves globally, and the world has no time to lose in cutting greenhouse gas emissions.

In these complex and challenging times, it is even more essential that businesses embrace sustainability. Our long-cherished corporate philosophy, Information Revolution—Happiness for everyone, is synonymous with a commitment to sustainability and delivering sustainable growth to all our stakeholders.

For us, fiscal 2022 was another year of sustainability action.

Among other things, as a strategic investment holding company, we address sustainability challenges together with our investees and subsidiaries. Crucial to this is integrating ESG into the investment process, which enables active engagement with our investee companies. This year, we advanced the development of a new framework to understand investees' ESG risks and opportunities and to facilitate engagement.

I should also mention Arm's sustainability initiatives. In its response to climate change, Arm has committed to achieving net-zero carbon emissions by 2030, and in fiscal 2022 it made good progress along its road map toward this target. Arm has also committed to closing the digital divide to extend the benefits of technology to people and areas currently not connected. As part of this, Arm worked with partners to deliver connectivity in hard-to-reach places.

As for corporate governance, we remain committed as ever to improving board independence and diversity. Our corporate governance structures are designed to make management transparent and accountable to minority shareholders while ensuring our own uniqueness to create value.

Expectations for each sustainability issue increase with each passing year. We have also seen new sustainability themes emerge, AI ethics being one example.

My team and I will continue to strive to obtain necessary data and establish a solid framework for our various initiatives. We will also work to improve stakeholder communication so that we can deliver a more comprehensive outlook for the Group's sustainability initiatives and their outcomes.

External evaluations of sustainability (as of June 30, 2023)

The main external evaluations of the Group's sustainability are shown below.

Inclusion in ESG indexes

	Index name	Company name
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Dow Jones Sustainability World Index (DJSI World)	SoftBank Z Holdings
	Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)	SoftBank Z Holdings
FTSE4Good / FTSE Blossom Japan / FTSE Blossom Japan Sector Relative Index	FTSE4Good Index Series*1 FTSE Blossom Japan Index*1 FTSE Blossom Japan Sector Relative Index*1	SBG SoftBank Z Holdings
2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	MSCI Japan ESG Select Leaders Index*2	SoftBank Z Holdings
2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	MSCI Japan Empowering Women Index (WIN)*3	SBG SoftBank Z Holdings

Major evaluations and accreditations

Sustainability Yearbook Member

SBG,*4 SoftBank,*5 Z Holdings*6

Selected as a "Sustainability Yearbook Member" by S&P Global in "The Sustainability Yearbook 2023," a listing of companies with outstanding sustainability.

Kurumin, Platinum Kurumin

SBG,
SoftBank

SBG received "Kurumin" certification and SoftBank received "Platinum Kurumin" certification as excellent childcare support companies.

CDP

SBG,
SoftBank

Earned a Climate Change Response Score of A- and a Supplier Engagement Rating of A by the CDP (a global environmental NGO)

Science-Based Targets (SBTs)

SoftBank

The goals detailed in SoftBank's "Carbon Neutral 2030 Declaration" were certified as Science-Based Targets (SBTs) as they are based on scientific evidence.

For further details, see each company's website: SBG SoftBank Z Holdings

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp., SoftBank Corp., and Z Holdings Corporation have been independently assessed according to the FTSE4Good Index Series, FTSE Blossom Japan Index series criteria, and have satisfied the requirements to become a constituent of those index series.
*2 THE INCLUSION OF SoftBank Corp. and Z Holdings Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Corp. and Z Holdings Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.
*3 THE INCLUSION OF SoftBank Group Corp., SoftBank Corp. and Z Holdings Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp., SoftBank Corp. and Z Holdings Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.
*4 SBG was selected as among the top 15% companies in its industry.
*5 SoftBank was awarded a "Top 10% S&P Global ESG Score" in its industry.
*6 Z Holdings was awarded a "Top 5% S&P Global ESG Score" in its industry.

ESG in the investment business

Taking into account environmental, social, and governance standards in investing activities, we support the sustainable development of society at large while also enhancing the performance of our investments over the medium- to long-term. With this belief, we are undertaking the following initiatives.

Integrating ESG into the investment process

SBG revised its Portfolio Company Governance and Investment Guidelines Policy in May 2021, which originally set forth criteria on the governance of portfolio companies to be considered in the investment process. The revised Policy clearly states that environmental and social factors, in addition to governance, are to be assessed in the selection of investees and in post-investment monitoring. The Policy applies to SBG and its subsidiaries.*7 Each investment subsidiary decides and implements its own specific investment plans.

*7 Includes SoftBank Vision Funds and other investment subsidiaries managed by subsidiaries of SBG but excludes listed subsidiaries and subsidiaries that the Group is restricted from controlling for regulatory reasons and their subsidiaries.

Integrating ESG into SoftBank Vision Funds' investments

Described below are ways in which SoftBank Vision Funds integrate ESG into their investments.

Pre-Investment: assessing the risks of potential investments

SoftBank Vision Funds recognize four material themes in environmental and social fields that matter to the international community as well as to the Company's investment business: climate change, human rights (forced labor), discrimination/harassment, and AI ethics. As part of its due diligence, SoftBank Vision Funds evaluate the potential investment's status in addressing these material themes in environmental and social fields, as well as governance, to assess the risks, and use the results for investment decision-making.

Post-Investment: monitoring and engagement

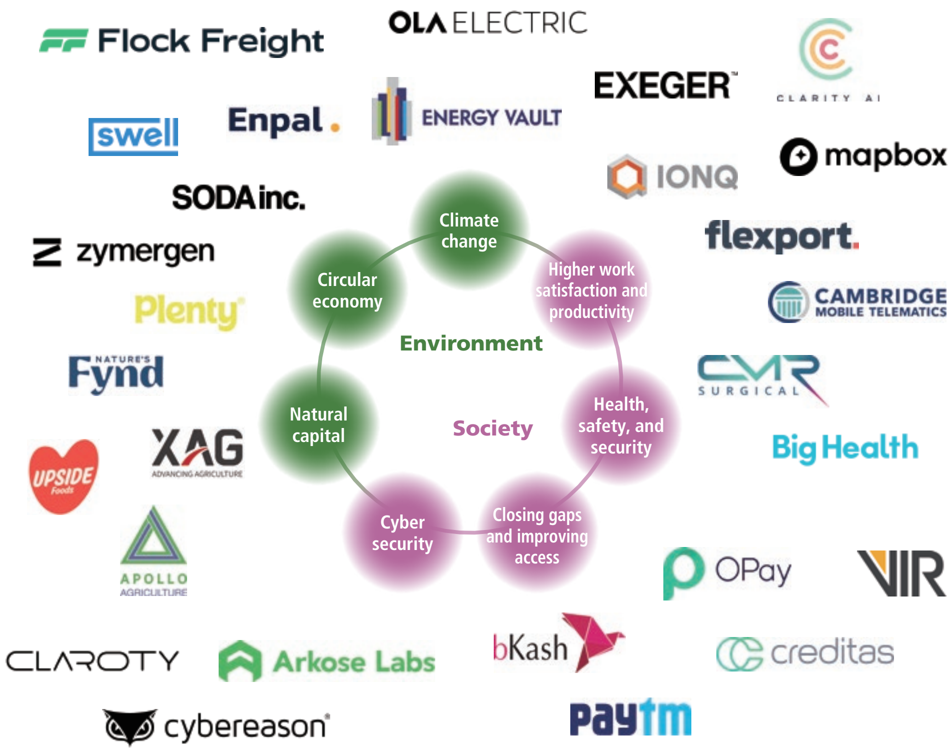
SoftBank Vision Funds recognize the importance of continually monitoring the portfolio companies and engaging with them as necessary to prevent risks from materializing. Accordingly, it is exploring a systematic approach for such monitoring and engagement.

Investing in businesses that help address environmental and social challenges

SBG believes that investing in companies with innovative technology and business models can help address global challenges like climate change and economic inequalities, thereby contributing to a more sustainable world. SoftBank Vision Funds and other investment businesses of the Group have already invested in many businesses that contribute to social and environmental sustainability using AI.

Investments that help address environmental and social challenges

As of May 31, 2023



Note: These are examples of portfolio companies that help address environmental and social challenges.

Initiatives for the Maintenance and Preservation of the Global Environment

Maintenance and preservation of the global environment is our responsibility as global citizens and represents an important foundation supporting the Group's sustainable development and growth.
We are working to reduce the negative impact of our business activities on the environment. We are also leveraging the strengths and advanced technologies of each Group company to address climate change and other environmental issues.

Basic policy on environmental initiatives

Environmental Policy

In May 2021, SBG established the Environmental Policy as a set of principles for conducting corporate activities in consideration of the global environment. The Company's activities are in accordance with the Policy, which stipulates, among other guidance, that we comply with environment-related laws and regulations, respond to climate change, reduce environmental impact, conserve resources, and preserve biodiversity.

For the full text of the Policy, see "Environment Initiatives" under "Sustainability" on our website.

Supplier Code of Conduct

SBG sets out our Supplier Code of Conduct, including compliance with environmental laws and regulations, managing and reducing waste, avoiding wasteful use of resources, and consideration of biodiversity, and requires our suppliers to work in accordance with the Code.

For the full text of the Code, see "Social Initiatives" under "Sustainability" on our website.

Climate change

Climate-related information disclosures in accordance with the TCFD recommendations (Summary)

SBG recognizes the impact of climate change on our businesses and discloses its response to climate change in line with the TCFD recommendations.

For the full text of our TCFD disclosures, see "Environment Initiatives" under "Sustainability" on our website.

Governance

SBG's Board of Directors deliberates and makes decisions on overall climate-related actions, including identifying climate-related risks and opportunities, developing countermeasures, and setting the Group's target for greenhouse gas emission reduction. In addition, the Sustainability Committee, chaired by the CSusO, discusses and examines climate-related actions, reports its findings to the Board of Directors, and is supervised by the Board as required.

For further details on our sustainability governance, see page 33.

Risk management

SBG's Risk Management Office plays a central role in gathering information on various risks from functions within the Company and from major Group companies, identifying material risks, and considering and monitoring countermeasures. Climate-related risks and countermeasures are also integrated into Enterprise Risk Management for continuous monitoring.

For further details on our risk management, see page 60.

Strategies

SBG identifies, analyzes, and develops actions to manage climate-related risks and opportunities for SBG's core business covering the Investment Business of Holding Companies and the SoftBank Vision Funds (the "Company's Investment Businesses").

SoftBank has disclosed its climate-related information in line with the TCFD recommendations, and Arm plans to make disclosures in line with the TCFD recommendations in fiscal 2024.

For the TCFD disclosures by SoftBank, see its corporate website.

Risks and opportunities in the Company's Investment Businesses

Summary of risks and opportunities

The following table shows a summary of the anticipated climate-related risks and opportunities for the Company's Investment Businesses.

	Opportunities	Risks
New investments	Expected returns from new investments in companies that provide climate-related technologies and services (e.g., climate tech)	Reduced investment opportunities due to potential portfolio companies' reluctance to accept the Company's investments if its climate change response is inadequate
Existing investments	Enhanced enterprise value of existing portfolio companies from their adequate response to climate change	Decline in enterprise value of existing portfolio companies due to their inadequate response to climate change
Financing	Expansion of financing opportunities by gaining investors' support for the Company's steady responses to climate change	Decline in financing opportunities due to lower evaluation from investors if the Company's climate change response is inadequate

Our recognized impact of risks and opportunities

Climate risks to the Company, both the transition and physical risks, are limited in our view. Although it is true that the Company could lose investment and financing opportunities if its response to climate change is deemed grossly inadequate, we are confident that it is possible to avoid those risks by maintaining steady efforts to reduce greenhouse gas emissions. Also, the Company's existing investment portfolio has a low carbon footprint as it includes many AI companies for which greenhouse gas emissions are low and that have no large-scale production or complex supply chains.

Meanwhile, under our corporate philosophy "Information Revolution—Happiness for everyone," we aim to contribute to the well-being of people through the superstructure of the ecosystem with entrepreneurs who process new technologies and business models. In a world increasingly beset by natural disasters and other climate risks, we can meet the demand for climate action and fulfill our corporate philosophy by proactively investing in businesses that offer the innovative climate solutions the world needs.

Responses to risks and opportunities

We are addressing the climate-related risks and opportunities through the following measures:

- **Investments in climate tech, etc.** page 38
  Invest in companies that provide climate-related technologies and services
- **Responses in the investment process** page 35
  Incorporate climate-related risk / opportunity assessments into the investment process
- **Portfolio company engagement**
  Engage with portfolio companies on climate change, including holding workshops for those companies
- **Greenhouse gas emission reduction**
  Reduce greenhouse gas emissions from our business activities, including switching to electricity derived from renewable energy sources

Metrics and targets

Seeking to further reduce greenhouse gas emissions from our business activities, SBG set a Group target to "Achieve Carbon Neutrality by FY2030"*1 in June 2022.
To achieve the target, the entire Group is working on switching to electricity derived from renewable energy sources, using energy-efficient measures, and other measures.

For our greenhouse gas emissions, see "ESG Data" under "Sustainability" on our website.

Targets and progress of greenhouse gas emission reduction

Group target*1 **Achieve Carbon Neutrality by FY2030**

SBG and its major subsidiaries' targets and progress

To achieve the target, each of our major subsidiaries has also set aggressive targets for greenhouse gas emission reduction and is working to achieve those.

	Targets	Progress in FY2022
SBG	Achieved Carbon Neutrality in FY2020 (and continues to be carbon neutral today)*2	
SoftBank	› Achieve Carbon Neutrality in its group by FY2030*2 › Achieve Net Zero in its group by FY2050*3	Converted 72.1% of the electricity used at base stations to renewable energy
Z Holdings	› Achieve Carbon Neutrality in its group by FY2030*2	Converted 52.7% of energy used by its group to renewable energy
Yahoo Japan	› Convert 100% of its electricity use to renewable energy by FY2023	Converted 82.9% of its electricity use to renewable energy
Arm	› Convert 100% of electricity used by its group to renewable energy by 2023 › Achieve Net Zero in its group by 2030*3	Expected to confirm 100% of electricity used by its group has been converted to renewable energy*4

*1 Applies to greenhouse gas emissions (Scope 1 and 2) from the business activities of SBG and its major subsidiaries (in principle, "Principal Subsidiaries" in the Annual Securities Report, but there are some exceptions for reasons such as regulations)
*2 Applies to greenhouse gas emissions (Scope 1 and 2)
*3 Applies to greenhouse gas emissions (Scope 1, 2, and 3)
*4 Being audited as of June 30, 2023

Businesses that contribute to climate change mitigation and adaptation

Investments in Climate Tech Companies

We actively invest in Climate Tech Companies—companies providing breakthrough climate-related technologies and services to address climate change. With the growing demand for climate tech, investing in this sector can unlock growth in our investment business while also contributing to climate solutions.

Electricity storage solution for renewable energy — Energy Vault

Energy Vault develops and sells energy storage solutions to address grid resiliency and advance the transition to renewable energy. Its solutions allow utilities, independent power producers, and large energy users to manage their power portfolios and efficiently dispatch power.

Reducing carbon emissions in goods transport — Flock Freight

Flock Freight is a technology company that is creating a smarter, more sustainable supply chain. Its patented technology finds and fills trucks' empty spaces so shippers can save, carriers can earn more money, and goods can move terminal-free with more reliability and fewer emissions.

Producing a flexible solar cell that converts indoor light into electrical energy — Exeger Operations

Exeger Operations is the developer of a solar cell technology that can generate electricity with high efficiency in both natural and indoor artificial light. The material can be integrated into electronic devices such as remote controls and headphones, reducing carbon emissions from everyday consumer products.

The solar cell material and headphones that use the material

Promoting and expanding the use of renewable energy

U.S. Solar Power Project — SB Energy Global Holdings

To promote renewable energy, SB Energy Global Holdings and its subsidiaries operate a power generation business that boasts one of the largest solar power projects in the U.S. The project consists of five solar farms,*5 which collectively generate 1,328 MW.*5 SB Energy Global Holdings is currently constructing four additional solar farms in the U.S., which will collectively generate 2,048 MW.*5

*5 Generation capacity in AC, as of the end of April 2023

Providing electricity services that contribute to CO_2 reduction — SB Power

SB Power is an electricity retailer that runs *Shizen Denki*, a service that discharges net-100% renewable energy*6 to households. In fiscal 2022, the service contributed to reducing carbon emissions by 38,000 tons.*7

Households that subscribe to SB Power's *SoftBank Denki* service get free access to the *Eco Denki* App. They can use the app to monitor their past electricity bills and forecast their electricity bill for the month. They can also easily take advantage of the household energy-saving service where they can earn *PayPay Points* based on the amount of electricity they save at specified times. Through this service, SB Power supports users to reduce their electricity usage. In fiscal 2022, the service reduced household energy consumption by 18.01 million kWh, thereby cutting carbon emissions by 9,400 tons. Currently, more than half of *SoftBank Denki* subscribers use this service.*8

Eco Denki App screenshots

*6 By combining electricity supplied to customers with Non-fossil Fuel Energy Certificates that have a renewable energy designation, the service can supply electricity with a net-100% renewable energy ratio and net-zero CO_2 emissions.
*7 This figure is calculated by multiplying the amount of electricity used by *Shizen Denki* customers by the national average CO_2 emission factor and adding the amount of J-credits retired through support for forest conservation organizations.
*8 Accurate as of the end of April 2023

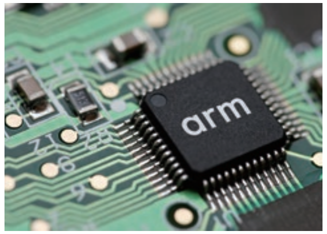
Taking renewable energy promotion to the next stage — SBG

Following the Great East Japan Earthquake of 2011, we founded a renewable energy business called SB Energy (currently Terras Energy). Through this business, we have helped drive the renewable shift in Japan and abroad.

In April 2023, SBG transferred 85% of its shares in SB Energy to Toyota Tsusho Corporation, a company that holds Japan's largest wind-power business as one of its subsidiaries, to take the renewable shift to the next stage. The two corporate groups are now preparing to work together on renewable energy projects and electricity balancing services. Through such collaboration, the two corporate groups aim to maximize synergies in their renewable energy businesses.

Developing energy-efficient technology

Semiconductor architecture that improves energy efficiency — Arm



With accelerated growth in shipments of Arm-based chips, Arm architecture is found in an ever-greater range of applications, from smartphones and home appliances to vehicles and servers. Arm recognizes its responsibility to develop energy-efficient designs and believes that it could be one of the solutions for helping to cut global energy consumption.

Arm has developed numerous technologies that combine exceptional processing with energy efficiency. One example is Arm *Ethos-U55*, which provides up to 90% energy reduction for machine learning workloads on IoT devices compared to its predecessor. Another is Arm *Cortex-A715*, which delivers 20% power efficiency improvements to consumer markets compared to its predecessor.

Establishment and operation of the Renewable Energy Council and the GDC Renewable Energy Council — SBG

Together with local governments, SBG established the Renewable Energy Council and the Government-Designated Cities Renewable Energy Council in 2011. Led by 34 prefectures throughout Japan and the local governments of 20 designated cities, the two Councils share information to promote and expand the use of renewable energy and make policy recommendations to the Japanese government. As their secretariat, SBG is involved in the operation of both Councils from a neutral standpoint.

See the Renewable Energy Council website for further details.

See the Government-Designated Cities Renewable Energy Council website for further details.

Conserving natural capital

Conserving natural capital is an increasingly urgent task. We invest in businesses that offer technological solutions for conserving natural capital. These include FoodTech solutions such as cultivated (lab-grown) meat and meat alternatives, as well as AgriTech solutions such as resource-efficient farming technology.

Building a sustainable food system with cultivated meat — UPSIDE Foods

UPSIDE Foods is a U.S.-based, industry-leading cultivated meat company that grows delicious meat from real animal cells, without the need to raise and slaughter billions of animals. In November 2022, UPSIDE Foods received the world's first green light from the U.S. Food and Drug Administration (FDA), a major step toward the company's vision to build a more delicious, humane, and sustainable food system.

Saving resources with indoor vertical farming — Plenty

Plenty is an AgriTech start-up focused on indoor vertical farming. Its unique farming method uses advanced technology, including AI, to reduce water, land, and pesticide usage. Plenty's space-efficient farms can produce up to 350 times the yield per acre of conventional farms and bring food production to urban and suburban areas, reducing food-mile emissions and waste.

Indoor vertical farming

Promotion of a circular economy

The planet's limited resources should never be used wastefully. As part of our efforts to mitigate our environmental impact, we encourage reducing waste, as well as reusing products and recycling resources through our business activities. We also promote reuse through our e-commerce services. In this way, we are helping the transition toward a circular economy.

E-commerce services that contribute to a circular economy — Yahoo Japan

YAHUOKU!

Since 1999, *YAHUOKU!* has provided one of Japan's largest online auction and flea market services. It contributes to a circular economy in that it provides a way for users to sell the things they no longer need to people who do need them.

PayPay Flea Market

PayPay Flea Market is a dedicated online flea market app, through which users trade goods for a fixed price. We believe that this app, together with *YAHUOKU!*, can lead to further growth of a sustainable second-hand market.

How We Serve People and Society as a Leader of the Information Revolution

We strive to create a diverse, inclusive workforce and a positive, respectful workplace.
As a leader of the Information Revolution, we channel the various strengths of our Group companies into addressing the social challenges of this age of information and globalization.

Initiatives related to human capital

The Group regards human resources as a source of value creation and important stakeholders for supporting its sustainable growth. Accordingly, we believe that creating an internal environment in which employees can challenge themselves and play an active role while making the most of their individuality and abilities will increase corporate value.

Human resource strategy

SBG's human resource strategy is to attract autonomous and professional human resources and support their growth and advancement, and we are making ongoing efforts to achieve these goals. For specific initiatives, see "Diverse human capital management" and thereafter.

The human resource strategies of subsidiaries and Group companies are determined by each company, based on the *Cluster of No. 1 strategy* of growing together in a symbiotic ecosystem where decisions made by each company are respected.

Diverse human capital management

Professional recruitment emphasizing core competencies

SBG hires professionals based on three core competencies: professionalism, smart, and relation. We work to attract excellent and diverse human resources under a basic policy of assigning the most suitable person to each position, regardless of age, gender, nationality, or presence/absence of disability.

Three core competencies we seek in our employees

Professionalism

High level of expertise in a relevant field

×

Smart

Capacity to think logically and tackle unprecedented challenges using numbers and reasoning

×

Relation

Communication skills required to engage in business with leading companies in the world

Diversity and inclusion

SBG is committed to assignments that allow employees, who are the driving force behind corporate growth, to make the most of their individuality and abilities. We promote the hiring of human resources and appointment of managers regardless of age, gender, nationality, or disability, thereby creating a workplace rich in diversity where everyone can play an active role.

We are particularly committed to empowering women. As of March 31, 2023, 44.7% of all employees and 25.0% of managers were women. Each of them is engaged in their profession by making the best use of their advanced expertise. We will continue promoting the advancement of women.

Human resources data by gender

As of March 31, 2023

	Men	Women
Ratio of employees	55.3%	44.7%
Average age (years)	41.7	39.2
Average length of employment (years)	9.3	9.8
Ratio of managers	75.0%	25.0%

For other data related to human capital, see "Social-related data" under "ESG Data" on our website.

As of March 31, 2023, 2.5% of our employees were people with disabilities, compared to the legally mandated ratio of 2.3%. We are continuing our hiring activities with the aim of further improving the ratio of employees with disabilities.

Evaluation and compensation

SBG respects employees who actively take on challenges. To properly reward employees for their achievements, we conduct personnel evaluations and reflect the results of those evaluations in employees' salaries and bonuses under the principle of reward and punishment.

We also encourage employees to work with a sense of ownership. Accordingly, our human resource policy emphasizes contribution to enhancement of corporate value and includes providing stock-based compensation based on personnel evaluations.

In fiscal 2022, the indexed compensation levels for regular employees by gender were 68 for women compared to 100 for men in managerial positions, 85 for women in non-managerial positions, and 52 for women overall. We will continue promoting the appointment of women in the right positions and working to eliminate compensation differences.

Human resource development for autonomous and continuous growth

Career development

SBG emphasizes the importance of self-driven career development. By providing opportunities for individual awareness through ongoing one-on-one meetings with line managers and multifaceted 360-degree feedback from peers, we encourage employees to grow through self-review and self-reflection.

Education and training

SBG provides an environment allowing individual employees to voluntarily acquire the knowledge and skills necessary for their work. For example, we offer training programs, such as English conversation classes, that can be taken freely at any time, and SoftBank University, which operates within the Group. We have also allocated a talent development budget to each department so employees can take external training courses.

We also provide support for the advancement of professional personnel, such as lawyers, patent attorneys, certified public accountants, and certified tax accountants, by covering expenses related to the registration and maintenance of various professional qualifications required for job execution. In fiscal 2022, we provided such support to approximately 10% of our employees.

SoftBank University — 自ら手を挙げた人が学び合う — 実践的プログラム

Group human resource development system

The Group offers a wide variety of opportunities for employees to play an active role within our organization. These include the Free Agent System, which allows employees to voluntarily arrange personnel transfers; SoftBank Academia, designed to discover and develop the next generation of Group management talent; and SoftBank InnoVenture, a program to train internal entrepreneurs to create a strategic assembly of synergistic group companies.

Dual employment

SBG also allows employees to engage in dual employment (side jobs) as an opportunity for personal growth through diverse experiences.

Work-style reform

Improving workplace environments

SBG respects and supports the efforts of employees to find a good work-life balance. Therefore, we introduced a "super-flex hour system" with no core hours and allow remote working to provide environments where employees can work regardless of time and place. This allows employees to choose their optimal work styles and maximize their individual performances.

To ensure proper time and attendance management, meanwhile, we deploy RPA (robotic process automation) technology to collect work hours and attendance information in a timely manner and link it to various data.

Childcare support

It is extremely important to provide working parents with opportunities to be involved in their children's development, and we believe proactive efforts must be made to foster the development of society. Among SBG's male employees whose spouses gave birth, around 88% took childcare leave in fiscal 2022.

Our efforts to support employees' work-life balance have achieved some success, and we aim to make further improvements in childcare support. To this end, we are taking measures to alleviate income-related concerns, such as subsidizing childcare and other expenses through Children and Families Agency (previously Cabinet Office) babysitter coupons and the appropriation of accumulated annual leave for postpartum leave and childcare leave at birth.

Well-being

As a pure holding company, SBG takes various initiatives to manage, maintain, and promote the health of its employees, who represent its greatest asset. In addition to regular medical examinations, in fiscal 2023 we introduced a system that allows employees to undergo optional medical examinations tailored to age group at the company's expense.

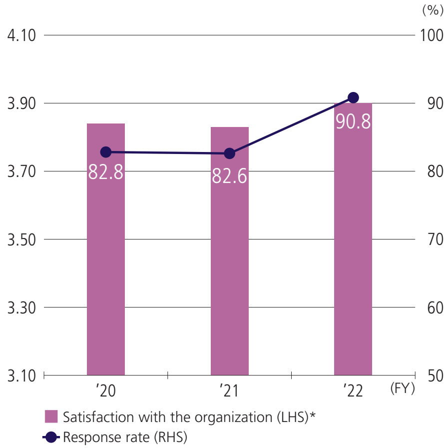
Meanwhile, we continue encouraging employees to take annual leave. In fiscal 2022, the annual leave utilization rate was approximately 61% (14.3 days). We aim to further improve the utilization rate in fiscal 2023.

Employee engagement

The Group conducts an annual satisfaction survey of all employees, and 30 domestic Group companies participated in the survey in fiscal 2022. This survey was developed to reflect the characteristics of the Group. Accordingly, responses regarding satisfaction with the organization (job, workplace, and supervisor) and the company each respondent belongs to are scored by item to identify issues at an early stage. Continuous monitoring of these results helps us build a strong organization and increase employee motivation.

More than 90% of SBG employees responded to the survey in fiscal 2022 and indicated a continued high level of satisfaction. We will continue actively working to improve employee engagement to realize more comfortable work environments.

SBG employee satisfaction



* Scored out of 5 (less than 3.00 = Low, 3.00 to 3.49 = Normal, 3.50 to 3.99 = High, 4.00 or higher = Very high)

Respect for human rights

We believe that respect for human rights should underpin all our business activities. On this belief, SBG has established the Human Rights Policy and have programs in place to instill human rights awareness throughout our organization, from officers to employees. As it requires cross-organizational collaboration to promote human rights initiatives, our HR, compliance, risk management, and sustainability teams, along with other specialized teams, coordinate inter-departmental efforts to manage human rights risks relevant to the Group.

See the full article of the Policy on our website (or via our Social Initiatives webpage).

Human rights due diligence

Identifying human rights risks, providing human rights training

As part of our human rights due diligence, SBG conducted a survey to clarify the human rights risks relevant to our business activities and to gain insights into the corrective and preventive actions that might be necessary. The survey was conducted in February 2022 among directors, officers, and employees with a 77% response rate. The survey revealed human rights issues that had arisen in the past 12 months as well as human rights risks that might need to be addressed in the future. Some respondents noted issues and risks related to overwork, harassment, and gender-based discrimination or other forms of discrimination. Also highlighted were human rights risks associated with AI and other technologies used or developed by our portfolio companies. In October 2022, we organized a workshop on corrective and preventive action for the risks found in the survey. The workshop was attended by 87.4% of officers to employees. We will continue using the survey insights, along with insights gained from regular employee satisfaction surveys, to guide corrective and preventive action, including ongoing training.

Protecting human rights in our supply chain

Our supply chain can only be sustainable if all our suppliers respect human rights.

That is why SBG's Supplier Code of Conduct includes stipulations on human rights, along with those on workplace safety, hygiene, and other matters, to inculcate high ethical standards in our suppliers.

SoftBank has included human rights due diligence in its supply chain management since fiscal 2020. As well as making its own supply chain sustainable, the company aims to promote supply chain sustainability across various industries. To that end, the company participates in a subcommittee of the Global Compact Network Japan.*1 This subcommittee develops tools to help businesses overcome the practical hurdles to addressing human rights issues and other social and environmental challenges to sustainability.

*1 The Global Compact Network Japan is a Japanese network of businesses that participate in the UN Global Compact (the world's largest initiative for sustainability) of which the purpose is to solicit private-sector commitments to building a healthier global community.

See the full article of the Code on our website (or via our Social Initiatives webpage).

Contributing to AI ethics

As an organization that invests in AI, we are committed to promoting various initiatives on AI ethics throughout the Group.

AI ethics in our investment

Experts around the world are discussing best practices for AI, and we too are engaging in an ongoing conversation on this topic because we want to ensure that AI benefits everyone. AI ethics is an important consideration in our investments. When investing in AI businesses, we assess whether they have taken measures to define the purpose of AI and ensure its appropriate usage.

Group companies' initiatives

In July 2022, SoftBank established the SoftBank AI Ethics Policy to ensure that AI is used appropriately to deliver services that are safe for users. SoftBank's group companies also apply the policy. As of April 2023, the policy had been applied in 56 companies. To foster the responsible utilization of AI, SoftBank has implemented internal regulations and guidelines. Furthermore, the company will continue to strengthen its framework through measures such as establishing a committee of external experts in AI.

In July 2022, Z Holdings established the Z Holdings Group Basic Policy on AI Ethics to ensure user privacy rights and safe usage of AI. Z Holdings will develop increasingly detailed rules on AI ethics based on the advice of outside experts sitting on the Expert Panel on AI Ethics (established in June 2021) and other bodies.

AI talent development

For the benefits of AI to be fully enjoyed, it is important to improve AI literacy among developers and users. To that end, we are working to develop AI talent. SoftBank and Z Holdings provide AI training courses to build their AI talent and to share knowledge about AI. Believing that nurturing young AI talent in Japan is an urgent priority, SoftBank runs "AI Challenge," an AI training course for junior high and high schoolers.

Initiatives to resolve social issues through business

As an organization whose mainstay business is investing, we fulfill our social responsibility by investing in businesses that address social issues.

SoftBank Vision Funds' portfolio companies

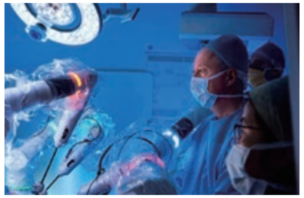
Protecting major brands and consumers against cybercrime and fraud — Arkose Labs

Arkose Labs protects major consumer brands and their customers against cyber-attacks that hijack accounts, logins, and other key points of user interaction with sites and apps. The Arkose Bot*2 Manager solution detects and mitigates high-volume and high-risk attacks, trapping bots while protecting customer trust and business ROI.

*2 A type of remotely operated malware

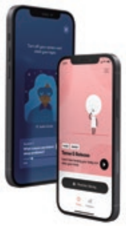
Transforming surgery with next-generation surgical robotics — CMR Surgical

CMR Surgical has developed the Versius, a next-generation surgical robot, aiming to make minimal access surgery available to everyone who needs it. It is a small and portable system that can easily be moved between almost any operating room, thereby allowing more people to undergo minimal access surgery.



Charting the future of digital medicine — Big Health

Big Health is on a mission to help millions back to good mental health by creating clinical-grade, digital treatments for the most common mental health conditions, including insomnia and anxiety. The company's products, Sleepio and Daylight, are built on a proprietary formulation of cognitive behavioral therapy (CBT) that can be accessed anytime, anywhere, with comparable results to talk therapy or medication.



Investing in entrepreneurs

Investing in underrepresented entrepreneurs — SBIA

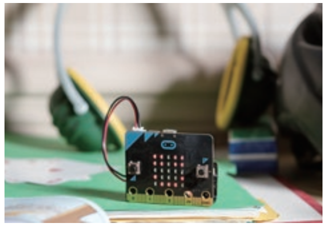
In 2019, SBIA launched the SoftBank Vision Fund Emerge program in the U.S. to promote diversity in tech by supporting and funding business owners who belong to groups historically underrepresented in the technology ecosystem. The program provides participant founders with the capital, tools, and networks needed to scale their business. Following its success, the program was expanded to Europe in 2020, and to date has partnered with 23 exceptional entrepreneurs.

Helping to nurture digital and entrepreneurial talent — SoftBank

SoftBank is a scholarship partner of Kamiyama Marugoto College, a private technical college that opened in April 2023. In this role, the company has donated ¥1 billion toward effectively free tuition at the college. By supporting founders and providing courses in technology, SoftBank is helping to nurture the digital and entrepreneurial talent who will lead Japan in the future.

Positive social impacts through partnerships — Arm

Arm is working to maximize its social impact by advancing business opportunities and closing the digital divide between those who have full access to digital technologies and the billions of people who currently do not. Arm believes responsible technology has the potential to solve complex global challenges and reduce inequalities. It is working together with employees and its ecosystem of social impact partners to build the connected future of computing for everyone, everywhere. For example: Arm has worked with the Micro:bit Educational Foundation*3 to help young people learn to code, and Arm has partnered with Jangala, which has connected 60,000 marginalized people to Wi-Fi through the deployment of their Big Box device through organizations working in humanitarian aid, education, healthcare, and disaster response worldwide.



BBC micro:bit: a pocket-sized computer

*3 The Micro:bit Educational Foundation is a not-for-profit organization that aims to inspire every child to create their best digital future.

Effective Governance—the Key to Realizing Our Vision

See "Corporate Governance" on our website for the latest information.

Based on the Corporate Governance Report filed with the Tokyo Stock Exchange on June 26, 2023.

Basic views

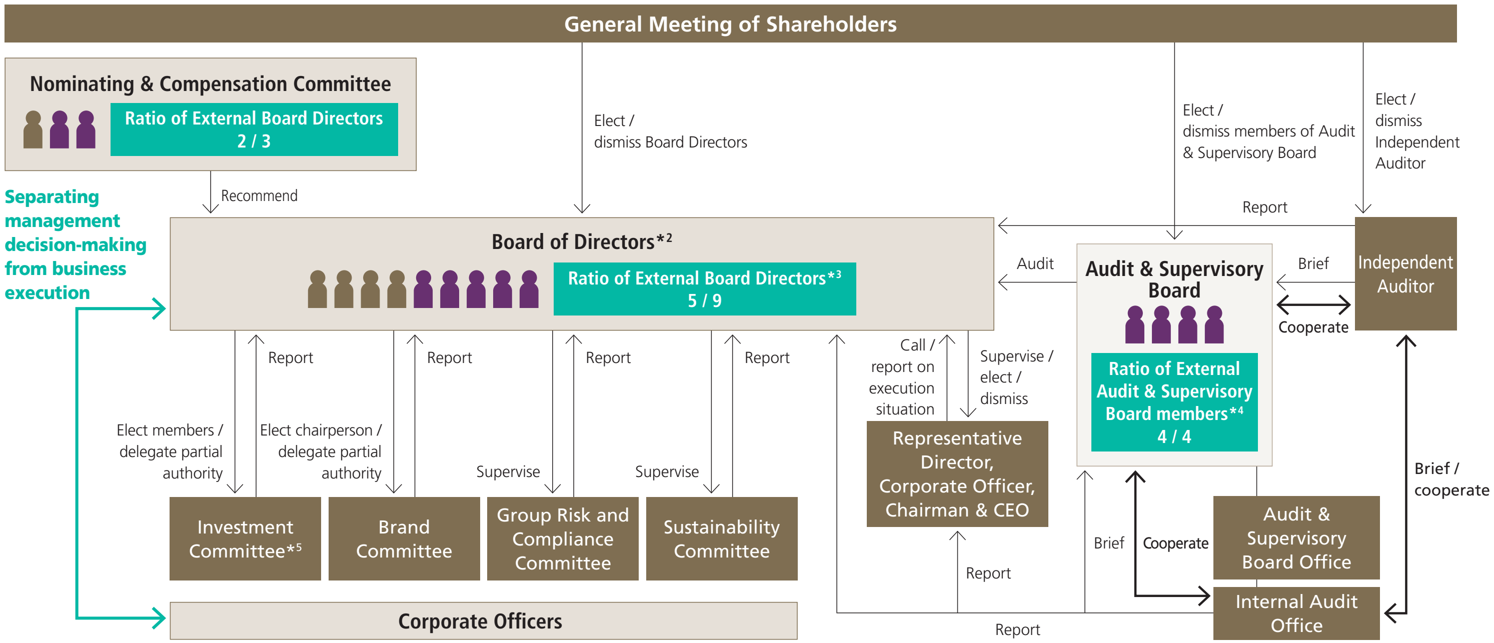
We are guided by a fundamental concept of "free, fair, and innovative" and a corporate philosophy of Information Revolution—Happiness for everyone. We aim to be a provider of essential technologies and services to people around the world while maximizing our corporate value. We recognize that it is vital to maintain effective corporate governance to realize this vision. We continue to strengthen governance by formulating the charter and regulations; the SoftBank Group Charter to share the Group's fundamental concept and corporate philosophy, the Group Company Management Regulations of the SoftBank Group to set out the management policy and framework for the Group companies, and the SoftBank Group Code of Conduct to be complied with by the Company and its Board Directors and employees.

Our path to strengthening governance

1994	Registered as an OTC stock with the Japan Securities Dealers Association
1995	Appointed the first foreign national Board Director
1998	Listed on the First Section of the Tokyo Stock Exchange
1999	Invited a Board Director from outside the company (equivalent to a current External Board Director); transitioned to a pure holding company
2002	External board directors system introduced in the Commercial Code (currently the Companies Act) of Japan
	Started livestreaming of earnings results briefings
2003	Started livestreaming of the Annual General Meeting of Shareholders
2006	Companies Act of Japan enacted
2012	Introduced a Corporate Officer system
2015	Japan's Corporate Governance Code entered into force
2019	Established the Group Risk and Compliance Committee
2020	Formulated the Portfolio Company Governance and Investment Guidelines Policy; increased the number of External Board Directors; appointed the first female Board Director; established the Nominating & Compensation Committee and the Sustainability Committee; appointed a CSusO and CRO*1; revised the Board of Directors structure (separation of the management decision-making function from the business execution function)
2021	Added environmental and social items to the above policy; achieved a 55.6% external ratio of Board Directors and a 100% external ratio of Audit & Supervisory Board members
2022	Transitioned from the First Section of the Tokyo Stock Exchange (TSE) to the Prime Market of the TSE

*1 Chief Risk Officer

Corporate governance system



*2 Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act.
*3 Of the five External Board Directors, four are designated as Independent Officers.
*4 Of the four External Audit & Supervisory Board members, three are designated as Independent Officers.
*5 Supervisory Committee is separately put in place to supervise matters such as investments and loans of certain subsidiaries.

Approach and policies on Group management

Based on its unique organizational strategy, the *Cluster of No. 1 strategy*, SBG is working to build a corporate group with diversified businesses in the information and technology sectors and increase its Net Asset Value (NAV). This is enabled by direct investments (including investments made through its subsidiaries) such as in SoftBank, Arm, and other Group companies, as well as investments in investment funds such as SVF1, SVF2, and LatAm Funds. In this process, each portfolio company will seek self-sustained growth. At the same time, SBG, as a strategic investment holding company, will help each portfolio company improve its corporate value by utilizing the Group's network of companies while promoting collaboration among portfolio companies.

Furthermore, SBG will ensure, or make reasonable efforts to ensure, that each portfolio company is operating under environmental, social, and corporate governance standards that are substantially equivalent to those set forth in the Portfolio Company Governance and Investment Guidelines Policy.

Board of Directors

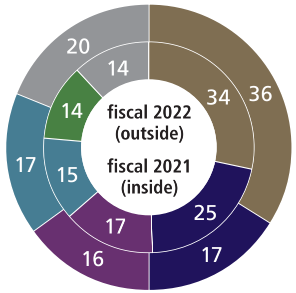
SBG's Board of Directors consists of members with a wealth of knowledge and experience in business management and a global perspective, in consideration of their nationality, ethnicity, gender, or age. The maximum number of Board Directors is set at 11 under the Articles of Incorporation. As of June 21, 2023, the Board of Directors consisted of nine members (five of whom are external) and included two foreign nationals and one female.

Agenda items for discussion at Board meetings are set forth in the Board of Directors Regulations. The Board discusses statutory matters, as well as critical matters related to business management, such as investments, loans, and borrowings that exceed a certain amount. In addition, Special Directors are put in place for the purpose of prompt decision-making in accordance with Paragraph 1, Article 373 of the Companies Act of Japan, and matters related to disposal and acceptance of important assets and borrowing in a significant amount are resolved by the Board of Special Directors meeting.

Status of Board of Directors

SBG's Board of Directors had a total of 14 meetings in fiscal 2021 and nine meetings in fiscal 2022 (both totals exclude meetings conducted by written resolution). During these meetings, the members mainly discussed the following topics. No topic relating to investments was discussed in any of the meetings held in fiscal 2022.

Number of Board resolutions/reports



Category	Key topics
Governance	Board Director candidates and Board Directors compensation, reports from each committee, evaluation of the Board's effectiveness, opinions of Audit & Supervisory Board members
Internal control (including that of subsidiaries)	Compliance (oversight of conflict-of-interest transactions and annual report on compliance), risk management, internal controls/audits, approval of transactions made by subsidiaries
Business reports	Reports on portfolio status and each business segment
Financing	Fundraising, shareholder return
Investments	Consideration of investment projects (e.g., capital commitment to investment funds)
Others	Shareholder meeting, disclosure, sustainability

Summary of results of Board of Directors evaluation

From December 2022 to April 2023, SBG evaluated the overall effectiveness of its Board of Directors in the following manner.

Subjects	Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO), the Board Directors, and the Audit & Supervisory Board members
Evaluation method	Questionnaires and interviews were conducted with the target officers by an independent evaluator about topics that included the composition and operation of the Board and its support systems.
Evaluation results	One of the issues highlighted in the previous evaluation was the need to strengthen the Nominating & Compensation Committee. The officers confirmed that this task had been accomplished, in that the committee's role and its annual activities had been clarified. They further noted that the Board had exercised its oversight role effectively, enabling swift decisions to be taken on risk management in response to the challenges in the external environment that SBG faced in fiscal 2022. According to the officers, such board effectiveness is underpinned by a positive board culture. This culture includes the trust and the checks and balances between Masayoshi Son and the Board of Directors. It also includes robust discussions held by the diverse board. The officers underscored the importance of preserving this board culture.

Skill matrix of Board Directors and Audit & Supervisory Board members

SBG believes it is important for the Board Directors and Audit & Supervisory Board members to have a wide range of viewpoints and experience, as well as a high level of expertise, to ensure diversity and active discussions and decision-making of the Board. As of June 21, 2023, the skill matrix (skill set expected by SBG) of the Board Directors and Audit & Supervisory Board members was as follows.

		Areas of expertise particularly expected by SBG (up to three areas)					
	Name	Corporate management	Banking / M&A	Finance / Accounting	Law / Governance	Technology	Academic background
Board Director	Masayoshi Son	✓	✓			✓	
	Yoshimitsu Goto	✓	✓	✓			
	Ken Miyauchi	✓	✓			✓	
	Rene Haas	✓	✓			✓	
	Masami Iijima	✓	✓		✓		
	Yutaka Matsuo		✓			✓	✓
	Keiko Erikawa	✓	✓			✓	
	Kenneth A. Siegel		✓		✓		✓
	David Chao	✓	✓			✓	
Audit & Supervisory Board member	Maurice Atsushi Toyama		✓	✓			
	Yuji Nakata		✓		✓		
	Soichiro Uno		✓		✓		
	Keiichi Otsuka		✓	✓			

Board Directors
As of June 21, 2023 (numbers of shares held are as of March 31, 2023)

Nominating & Compensation Committee member

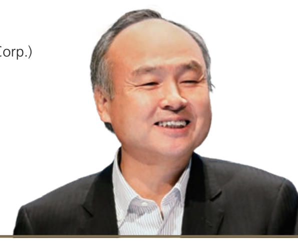
Representative Director, Corporate Officer, Chairman & CEO

Masayoshi Son

Years in office:
41 years 9 months

Number of shares held in SBG:
426,661 thousand shares

Sep 1981	Founded SOFTBANK Corp. Japan (currently SoftBank Group Corp.), Chairman & CEO
Jan 1996	President & CEO, Yahoo Japan Corporation (currently Z Holdings Corporation)
Oct 2005	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Apr 2006	Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)
Jun 2015	Director, Yahoo Japan Corporation (currently Z Holdings Corporation)
Sep 2016	Chairman and Executive Director, ARM Holdings plc
Jun 2017	Chairman & CEO, SoftBank Group Corp.
Mar 2018	Chairman and Director, Arm Limited (to present)
Nov 2020	Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. (to present)
Apr 2021	Board Director, Founder, SoftBank Corp. (to present)



Board Director, Corporate Officer, Senior Vice President, CFO & CISO

Yoshimitsu Goto

Years in office:
3 years*6

Number of shares held in SBG:
279 thousand shares

Apr 1987	Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
Jun 2000	Joined SoftBank Corp. (currently SoftBank Group Corp.)
Oct 2000	Head of Finance Department, SoftBank Corp. (currently SoftBank Group Corp.)
Apr 2006	Director, Vodafone K.K. (currently SoftBank Corp.)
Jul 2012	Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Oct 2013	President & CEO and acting owner, Fukuoka SoftBank HAWKS Corp. (to present)
Jun 2014	Board Director, SoftBank Corp. (currently SoftBank Group Corp.)
Jun 2015	Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Jun 2017	Corporate Officer, Senior Vice President, SoftBank Group Corp.
Apr 2018	Corporate Officer, Senior Vice President & CFO & CISO, SoftBank Group Corp.
Jun 2020	Board Director, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
Nov 2020	Board Director, Corporate Officer, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
Jun 2022	Board Director, Corporate Officer, Senior Vice President, CFO & CISO, SoftBank Group Corp. (to present)

*CISO: Chief Information Security Officer *CSusO: Chief Sustainability Officer

Board Director

Ken Miyauchi

Years in office:
35 years 4 months

Number of shares held in SBG:
2,002 thousand shares

Feb 1977	Joined Japan Management Association
Oct 1984	Joined SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Feb 1988	Board Director, SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Apr 2006	Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)
Jun 2007	Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Jun 2012	Director, Yahoo Japan Corporation (currently Z Holdings Corporation)
Jun 2013	Representative Board Director, Senior Executive Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Apr 2015	President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Apr 2018	Board Director, SoftBank Group Corp. (to present)
Jun 2018	President & CEO, SoftBank Corp.
Apr 2021	Representative Director & Chairman, SoftBank Corp.
Apr 2023	Director & Chairman, SoftBank Corp. (to present)

Board Director

Rene Haas

Years in office:
-

Number of shares held in SBG:
-

Jan 1999	Vice President of Sales, Tensilica
Aug 2004	Vice President of Sales and Marketing, Scintera Networks
Oct 2006	Vice President & General Manager, Computing Products Business Unit, NVIDIA Corporation
Oct 2013	Vice President of Strategic Alliances, ARM Holdings plc
Jan 2015	Executive Vice President & Chief Commercial Officer, ARM Holdings plc
Jan 2017	President of Arm's IP Product Groups (IPG), ARM Holdings plc
Feb 2022	CEO, Arm Limited (to present)
Jun 2023	Board Director, SoftBank Group Corp. (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2023.
*6 Mr. Yoshimitsu Goto has been a Board Director for three years since June 2020 but has served as Board Director for a total of four years, including one year as Board Director from June 2014.

Independence standards and qualifications for External Board Directors

SBG elects Independent External Board Directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The Board elects Independent External Board Director candidates who can contribute to increasing corporate value through their qualifications, ability, and deep knowledge in their fields of expertise. SBG also elects candidates for their ability to actively participate in constructive discussions and frankly express their opinions. SBG ensures adequate independence of each of the External Board Directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of them actively participates in discussions at the Board meetings, and SBG makes management judgments and decisions based on these discussions.

Major activities of External Board Directors

Name	Major activities	Attendance rate and attendance of Board of Directors meetings for fiscal 2022
Masami Iijima	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience in corporate management and governance. Also, as Chairperson of the Nominating & Compensation Committee, leads objective discussions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 9 of 9 meetings
Yutaka Matsuo	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience of AI and other technologies as a leading expert in the field, acquired through his engagement in AI research over many years. Also, as a member of the Nominating & Compensation Committee, expresses objective opinions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 9 of 9 meetings
Keiko Erikawa	Makes remarks to supervise business judgments and decision-making based on her extensive knowledge and experience in corporate management and technology, acquired through her career as corporate manager and finance manager of a global digital entertainment company, to provide oversight and recommendations that contribute to SBG's management and decision-making process.	100% 9 of 9 meetings
Kenneth A. Siegel*7	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and experience in corporate M&As and strategic alliances, acquired through his career as an attorney at an international law firm, to provide oversight and recommendations that contribute to SBG's management and decision-making process.	77.8% 7 of 9 meetings
David Chao	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience in investment, technology, and corporate management, acquired through his long career as a manager of an investment company.	100% 8 of 8 meetings*8

*7 Reasons for non-designation as an Independent Officer: Mr. Siegel concurrently holds positions with Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho and Morrison & Foerster LLP. SBG did not designate him as an Independent Officer as the amount of compensation to be paid to these firms in the future is yet to be determined, regardless of whether there are any transactions between SBG and those firms.
*8 Attendance of meetings held after Mr. Chao assumed office on June 24, 2022.
*9 Mr. Masami Iijima resigned from the position of Director of Ricoh Company, Ltd. on June 23, 2023.

External Board Directors

As of June 21, 2023 (numbers of shares held are as of March 31, 2023)

Independent
Nominating & Compensation Committee member
External Board Director, Independent Officer
Masami Iijima
Years in office:
5 years
Number of shares held in SBG:
1 thousand shares

Apr 1974	Joined MITSUI & CO., LTD.
Apr 2008	Executive Managing Officer, MITSUI & CO., LTD.
Jun 2008	Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
Oct 2008	Representative Director, Senior Executive Managing Officer, MITSUI & CO., LTD.
Apr 2009	Representative Director, President and Chief Executive Officer, MITSUI & CO., LTD.
Apr 2015	Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.
Jun 2016	Director, Ricoh Company, Ltd. (to present)*9
Jun 2018	Board Director, SoftBank Group Corp. (to present)
Jun 2019	Counsellor, Bank of Japan (to present)
Jun 2019	Director, Isetan Mitsukoshi Holdings Ltd.
Apr 2021	Director, MITSUI & CO., LTD.
Jun 2021	Counselor, MITSUI & CO., LTD. (to present)
Jun 2021	Director (Audit & Supervisory Committee member), Takeda Pharmaceutical Company Limited
Jun 2022	Director, Takeda Pharmaceutical Company Limited (to present)

Independent
Nominating & Compensation Committee member
External Board Director, Independent Officer
Yutaka Matsuo
Years in office:
4 years
Number of shares held in SBG:
-

Apr 2002	Researcher, National Institute of Advanced Industrial Science and Technology
Aug 2005	Visiting Scholar, Stanford University
Oct 2007	Associate Professor, Graduate School of Engineering, the University of Tokyo
Apr 2019	Professor, Graduate School of Engineering, the University of Tokyo (to present)
Jun 2019	Board Director, SoftBank Group Corp. (to present)

Independent
External Board Director, Independent Officer
Keiko Erikawa
Years in office:
2 years
Number of shares held in SBG:
213 thousand shares

Jul 1978	Founded KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.), Senior Executive Director
Apr 1994	Director, foundation for the Fusion Of Science and Technology (to present)
Jun 2001	Chairman and CEO, KOEI Corporation (currently KOEI TECMO AMERICA Corporation)
May 2007	Head Director, Association of Media in Digital (to present)
Jun 2013	Chairman, Representative Director, KOEI TECMO GAMES CO., LTD.
Jun 2013	Chairman, Representative Director, KOEI TECMO HOLDINGS CO., LTD. (to present)
Jun 2014	Board Director, TECMO KOEI EUROPE LIMITED (currently KOEI TECMO EUROPE LIMITED) (to present)
Apr 2015	Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (to present)
Jun 2021	Board Director, SoftBank Group Corp. (to present)

External Board Director
Kenneth A. Siegel
Years in office:
2 years
Number of shares held in SBG:
-

Aug 1986	Joined Morrison & Foerster LLP
Jan 1994	Partner, Morrison & Foerster LLP
Aug 1996	Managing Partner, Morrison & Foerster Tokyo Office (Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho) (to present)
Jan 2009	Member of Executive Committee, Morrison & Foerster LLP
Jan 2009	Board Director, Member of Executive Committee, Morrison & Foerster LLP (to present)
Jun 2021	Board Director, SoftBank Group Corp. (to present)

Independent
External Board Director, Independent Officer
David Chao
Years in office:
1 year
Number of shares held in SBG:
-

Jun 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
Jun 1989	Joined Apple Computer, Inc. (currently Apple Japan, Inc.)
Aug 1993	Joined McKinsey & Company, Inc.
May 1996	Co-Founder and CTO, Japan Communications Inc.
Jan 1997	Co-Founder and General Partner, DCM Ventures (to present)
Jun 2022	Board Director, SoftBank Group Corp. (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2023.

Corporate Officer system

SBG adopted a Corporate Officer system in July 2012 to further strengthen its business execution functions. In November 2020, SBG clarified the individuals responsible for business execution by separating the management decision-making function from the business execution function.

Corporate Officers As of June 21, 2023

Representative Director,
Corporate Officer,
Chairman & CEO
Masayoshi Son

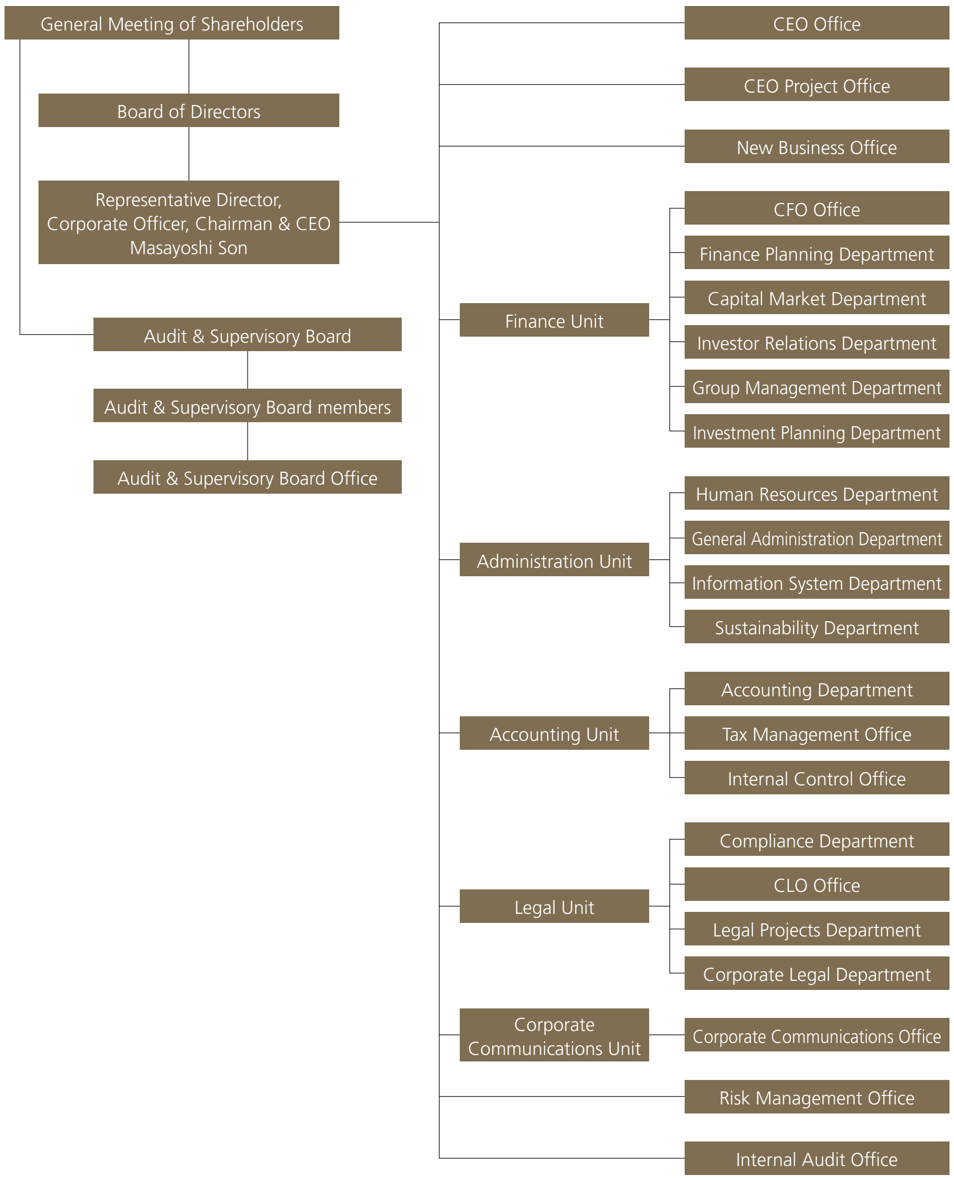
Board Director,
Corporate Officer,
Senior Vice President,
CFO & CISO
Head of Finance Unit
Head of Administration Unit
*CISO: Chief Information Security Officer
Yoshimitsu Goto

Corporate Officer,
Senior Vice President,
Head of Accounting Unit
Kazuko Kimiwada

Corporate Officer,
CLO & GCO,
Head of Legal Unit
*CLO: Chief Legal Officer
*GCO: Group Compliance Officer
Tim Mackey

Corporate Officer,
Head of CFO Office,
Finance Unit
Seiichi Morooka

Organizational chart As of June 21, 2023



Audit & Supervisory Board members and the Audit & Supervisory Board

Audit & Supervisory Board members attend Board of Directors meetings, allowing them to monitor and verify decision-making by the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board Director. Moreover, to audit the execution of duties by the Board Directors of SBG, Audit & Supervisory Board members receive regular reports from and conduct interviews as necessary with Board Directors, employees, auditors of major subsidiaries, and other personnel. The Audit & Supervisory Board consists of four External Audit & Supervisory Board members (two full-time members and two part-time members) and is chaired by Maurice Atsushi Toyama, who has served as a full-time Audit & Supervisory Board member since June 2015. The Audit & Supervisory Board meets once a month, in principle. At these meetings, the audit policy and plan are formulated and details of various internal and external meetings attended only by full-time members are reported to part-time members. In addition, the Audit & Supervisory Board explains details of the audit plan for each fiscal year, interim audit status, and audit results to the Board of Directors. Furthermore, the Audit & Supervisory Board determines the appropriateness of reappointing the Independent Auditor each fiscal year.

Major activities of External Audit & Supervisory Board members

Name	Major activities	Attendance rate and attendance for fiscal 2022	
		Board of Directors meetings	Audit & Supervisory Board meetings
Maurice Atsushi Toyama	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant, State of California, U.S.	100% 9 of 9 meetings	100% 12 of 12 meetings
Yuji Nakata	Makes remarks based on his extensive knowledge and experience, acquired through his career as head of risk management at a financial institution.	100% 9 of 9 meetings	100% 12 of 12 meetings
Soichiro Uno*10	Makes remarks based on his extensive knowledge and experience as a lawyer.	88.9% 8 of 9 meetings	100% 12 of 12 meetings
Keiichi Otsuka	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant.	88.9% 8 of 9 meetings	91.7% 11 of 12 meetings

*10 Reasons for non-designation as an Independent Officer: although SBG judged that there is no potential conflict of interest between Mr. Soichiro Uno and ordinary shareholders, SBG did not designate him as an Independent Officer in accordance with the rules set by the firm (Nagashima Ohno & Tsunematsu), to which he belongs.

Audit & Supervisory Board members

As of June 21, 2023 (numbers of shares held are as of March 31, 2023)

Independent

Full-time External Audit & Supervisory Board member, Independent Officer

Maurice Atsushi Toyama

Certified Public Accountant, State of California, U.S.

Years in office:
8 years

Number of shares held in SBG:
-

Sep 1977 Joined San Francisco office of Price Waterhouse (currently PricewaterhouseCoopers)
Aug 1981 Certified Public Accountant, State of California, U.S.
Jun 2006 Partner, Aarata Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)
Jun 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Independent

Full-time External Audit & Supervisory Board member, Independent Officer

Yuji Nakata

Years in office:
2 years

Number of shares held in SBG:
-

Apr 1983 Joined Nomura Securities Co., Ltd.
Apr 2007 Executive Managing Director, Nomura Securities Co., Ltd.
Apr 2007 COO, Nomura Asia Holding N.V.
Apr 2008 Executive Managing Director, Nomura Holdings, Inc.
Nov 2008 Senior Managing Director, Nomura Securities Co., Ltd.
Apr 2016 Executive Managing Director, Nomura Holdings, Inc.
Apr 2017 Representative Executive Officer and Deputy President, Nomura Securities Co., Ltd.
May 2019 Executive Managing Director and Chief Risk Officer, Nomura Holdings, Inc.
Apr 2020 Senior Adviser, Nomura Institute of Capital Markets Research
Jun 2021 Full-time Audit & Supervisory Board member, SoftBank Group Corp. (to present)

External Audit & Supervisory Board member

Soichiro Uno

Lawyer

Years in office:
19 years

Number of shares held in SBG:
-

Apr 1988 Joined Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
Nov 1993 Passed the bar examination of the State of New York, U.S.
Jan 1997 Partner, Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu; to present)
Jun 2004 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Jun 2018 Director (Audit & Supervisory Committee Member), Dream Incubator Inc. (to present)
Jun 2019 Director (Audit & Supervisory Committee Member), Terumo Corporation (to present)

Independent

External Audit & Supervisory Board member, Independent Officer

Keiichi Otsuka

Certified Public Accountant

Years in office:
2 years

Number of shares held in SBG:
-

Nov 1978 Joined Price Waterhouse Accounting Office
Aug 1982 Registered as a Certified Public Accountant
Jul 1998 Representative Partner, Aoyama Audit Corporation
Sep 2006 Representative Partner, Aarata Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)
Jun 2016 Audit & Supervisory Board Member, TBK Co., Ltd. (to present)
Jul 2016 Representative of Otsuka CPA Office (to present)
Jan 2017 Director, Shizuoka Bank (Europe) S.A. (to present)
Jun 2021 Audit & Supervisory Board member, SoftBank Group Corp. (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2023.

Independent Auditor

Status of audit by the Independent Auditor

SBG concluded an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the Certified Public Accountants who executed audit duties in fiscal 2022, the consecutive auditing period, the number of assistants for the audit duties, the policy for selection of the audit corporation, and evaluation of the audit corporation by the Audit & Supervisory Board for fiscal 2022 are as follows.

Names of Certified Public Accountants who executed audit duties

Designated Engagement Partner, Certified Public Accountant: Nozomu Kunimoto, Ayato Hirano, Yusuke Masuda

Consecutive auditing period

17 years

Composition of the assistants who supported the audit duties

Certified Public Accountants: 33, Others: 51

Policy for selection of the audit corporation and evaluation of the audit corporation by the Audit & Supervisory Board

The Audit & Supervisory Board sets criteria for appropriately selecting an Independent Auditor and appropriately evaluating the Independent Auditor in the Audit & Supervisory Board Members Audit Regulations. In accordance with such criteria, the Audit & Supervisory Board considers the system to ensure the proper execution of duties by the Independent Auditor, the independency required by the Independent Auditor, and its expertise, including the possession of worldwide network resources, and determines whether the reappointment of the Independent Auditor is appropriate each fiscal year. The Audit & Supervisory Board has determined that reappointment was appropriate for fiscal 2022. If the Audit & Supervisory Board determines that reappointment is inappropriate, it considers other candidates for Independent Auditor in accordance with such criteria, upon consideration of factors such as audits at other companies.

The Audit & Supervisory Board has resolved, as its decision-making policy of dismissal of or not reappointing the Independent Auditor, that the Independent Auditor can be dismissed by the Audit & Supervisory Board with unanimity of Audit & Supervisory Board members when the Independent Auditor corresponds to any of Paragraph 1, Article 340 of the Companies Act, and that, other than those cases above, the Audit & Supervisory Board shall submit a proposal on dismissal of or not reappointing the Independent Auditor to the Annual General Meeting of Shareholders when it is acknowledged that the execution of appropriate audit is difficult due to the occurrence of an event that impairs the qualification or independency of the Independent Auditor.

Compensation for audits and other duties (fiscal 2022)

Compensation for auditing Certified Public Accountants and other assistants

	Compensation for audit certification (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	978	9
Consolidated subsidiaries	4,124	125
Total	5,102	134

Note: The non-audit duties for SBG consist of the preparation of comfort letters when issuing corporate bonds. The non-audit duties for consolidated subsidiaries of SBG mainly consist of supporting the formulation of SBG's business strategies.

Compensation to the same network as SBG's auditing Certified Public Accountants and other assistants (Deloitte Touche Tohmatsu Limited) (excluding "Compensation for auditing Certified Public Accountants and other assistants")

	Compensation for audit certification (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	15	0
Consolidated subsidiaries	4,603	380
Total	4,618	380

Note: The non-audit duties for SBG consist of advisory services for taxation. The non-audit duties for the consolidated subsidiaries of SBG mainly consist of support services related to the acquisition of certifications and qualifications.

Other material compensation for audit certification duties

Not applicable.

Reasons for the Audit & Supervisory Board's consent to the Independent Auditor's compensation, etc.

The Audit & Supervisory Board, based on the Practical Guidelines for Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association, reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating compensation estimates, and from the results, has given the consent prescribed in Paragraph 1, Article 399 of the Companies Act for the compensation paid to the Independent Auditor.

Cooperation between the Audit & Supervisory Board members, the Independent Auditor, and the Internal Audit Office

The Audit & Supervisory Board members receive regular briefings from the Independent Auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, quarterly reviews, audit results, and other matters. The two parties also cooperate as necessary by exchanging information and opinions, among other measures. Furthermore, the Audit & Supervisory Board members receive regular briefings from the Internal Audit Office, which is responsible for SBG's internal audits, about the audit plan and the results of internal audits performed on each department of SBG and its major subsidiaries. The two parties also cooperate as necessary by exchanging information and opinions, among other measures.

The Independent Auditor receives explanations from the Internal Audit Office on the audit plan and, when necessary, on the results of internal audits and other matters.

Committees that make decisions on matters delegated by the Board of Directors

Investment Committee

The purpose of the Investment Committee is to make decisions on matters for which it has been delegated authority by the Board of Directors, to carry out agile corporate activities. The Committee consists of four Board Directors or Corporate Officers elected by the Board (Masayoshi Son, Yoshimitsu Goto, Kazuko Kimiwada, and Tim Mackey). The agenda items for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. Such items include investments, loans, and borrowings under a certain amount. Resolutions of the Committee are only approved by majority agreement. If a proposal is rejected, it is brought to the Board of Directors. All resolutions of the Committee are reported to the Board of Directors.

Brand Committee

The Brand Committee has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the SoftBank brand. The Committee has five members, including its chairperson, Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO). The other four members, who are appointed by the chairperson, are Kazuko Kimiwada (Corporate Officer, Senior Vice President), Natsuko Oga (head of CLO Office), Takeaki Nukii (head of Corporate Communications Office), and Tatsuya Iida (head of General Administration Department). The Committee resolves matters set forth in the Regulations of the Brand Committee, including the licensing of the *SoftBank* brand. Resolutions are only approved by unanimous agreement, and all decisions made by the Committee are reported to the Board.

Voluntary committees

Nominating & Compensation Committee

The Nominating & Compensation Committee is a voluntarily established body that advises the Board of Directors and other decision-making bodies on nominations and compensation, thereby supporting effective decision-making. Nominating & Compensation Committee members are elected from among Board Directors, and a majority of its members are Independent External Board Directors to ensure their independence and objectivity. The Committee has three members: Masami Iijima (Committee Chairperson, Independent External Board Director), Yutaka Matsuo (Independent External Board Director), and Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO). During meetings, the members discuss the criteria for appointing and dismissing important officers and employees, candidates for nominating, general compensation policy, compensation in specific cases, and other important matters. They also discuss succession planning on an ongoing basis. The Committee holds regular meetings and irregular ones too when necessary. In fiscal 2022, it held three meetings, each with full attendance.

Group Risk and Compliance Committee (GRCC)

The purpose of the Group Risk and Compliance Committee (GRCC) is to supervise the risk management and compliance program of SBG and its Group companies and discuss important issues, promotion policies, and other matters on an ongoing basis. The Committee has three members, including its chairperson, Tim Mackey (Corporate Officer, Chief Legal Officer (CLO) & Group Compliance Officer (GCO)), who was appointed by the Board of Directors; Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO) and Kazuko Kimiwada (Corporate Officer, Senior Vice President). The GRCC deliberates on matters related to the risk management and compliance activities of SBG and its Group companies as set forth in the GRCC Management Regulations. Its decisions are only approved by majority agreement. The Committee's agenda items and discussion results are reported to the Board on a regular basis (at least once a year) based on the Board of Directors Regulations.

Sustainability Committee

The purpose of the Sustainability Committee is to discuss important sustainability-related issues and promotion policies of SBG and its Group companies on an ongoing basis. The Committee has four members, including its chairperson, Yotaro Agari (Chief Sustainability Officer, head of Investor Relations Department and head of Sustainability Department), who has been appointed by the Board of Directors; Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO); Kazuko Kimiwada (Corporate Officer, Senior Vice President); and Tim Mackey (Corporate Officer, CLO & GCO). The Committee deliberates on matters related to sustainability as set forth in the Sustainability Committee Operation Regulations. The Committee's agenda items and discussion results are reported to the Board as appropriate.

Policy on determining compensation amounts and calculation methods

Overview of the executive compensation system

The executive compensation policy of SBG is decided by resolution of the Board of Directors, accounting for the societal and relative status of each officer and the degree of his/her contribution to SBG, while referring to the results of compensation surveys conducted by professional organizations, to ensure that compensation levels are competitive enough to attract global talent who share the same aspirations. The individual amount of compensation is determined pursuant to the procedure described in "Organization and procedures for deciding executive compensation." For Board Directors whose main duties are as officers of subsidiaries and Group companies, compensation is determined by the compensation policy of each company, based on the *Cluster of No. 1 strategy*, and such compensation is paid by subsidiaries and Group companies. Compensation for External Board Directors and Audit & Supervisory Board members consists exclusively of fixed compensation because they are independent of business execution.

Components of executive compensation

	Component	Details	Overview
Aggregate compensation for Board Directors*11	Fixed compensation	Basic compensation	› An annual amount is set on an individual basis and paid in fixed monthly cash installments. › The amount of compensation is decided on an individual basis, taking into consideration whether officers are full-time or part-time, as well as their positions and the duties they are in charge of.
	Performance-based compensation*12	Cash bonuses	Incentive for short-term performance › Cash bonuses are paid every fiscal year as compensation for the execution of duties while in office.
		Share-based payment	Incentive to improve corporate value over the medium- to long-term › Stock options using stock acquisition rights are provided with the aim to encourage executives to make continuous management effort, while sharing mutual interest with shareholders through increases in share prices. › The content of stock acquisition rights includes normal stock options (with the exercise price calculated based on the market price at the time of allotment) and share-based stock options (with an exercise price of ¥1). The exercisable period will be set within a range of 10 years from the day following their allotment date.

*11 Excludes compensation for External Board Directors

*12 The amount of cash bonuses and the number of stock acquisition rights allotted as stock compensation are decided based on multiple performance indicators for adequately rewarding the results achieved through business activities. Specifically, it is decided on an individual basis and shall take into consideration individual performance based on each officer's ability and achievements, as well as company performance including consolidated financial results, the stock price, and NAV (Net Asset Value).

Organization and procedures for deciding executive compensation

Executive compensation is paid within the range of the aggregate amount of compensation approved by the resolution of the General Meeting of Shareholders, subject to confirmation that it is in line with the aforementioned compensation policy and is found to be both rational and reasonable. The aggregate amount of compensation for Board Directors was capped at ¥5 billion in monetary compensation and ¥5 billion in share-based compensation,*13 while that for Audit & Supervisory Board members was capped at ¥160 million.*14

The compensation of the Board Directors for fiscal 2022 has been decided by Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO), based on the contents of discussions by the Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, within the range of authority entrusted to him by resolution of the Board of Directors. The Nominating & Compensation Committee shall review proposed compensation from multiple viewpoints, including consistency with the SBG compensation policy for ensuring further rationality and reasonableness, and report back to the Board of Directors on its deliberation details. The Board of Directors reconfirms that the deliberations are in line with the SBG compensation policy. To ensure independence, compensation for Audit & Supervisory Board members for fiscal 2022 was decided through consultation among Audit & Supervisory Board members after the conclusion of the Annual General Meeting of Shareholders in June 2022.

*13 Resolved at the 38th Annual General Meeting of Shareholders on June 20, 2018. SBG was served by 12 Board Directors (including three External Directors) at the time of the resolution.

*14 Resolved at the 41st Annual General Meeting of Shareholders on June 23, 2021. SBG was served by four Audit & Supervisory Board members (all four being External Audit & Supervisory Board members) at the time of the resolution.

Total amount of compensation by title (fiscal 2022)

Title	Number of people	Subtotals for each type of compensation (Millions of yen): Fixed compensation (Basic compensation)	Performance-based compensation (Bonus)	Others	Total amount of compensation (Millions of yen)
Board Directors (excluding External Board Directors)	2	96	273	1	370
External Board Directors	6	193	–	–	193
External Audit & Supervisory Board members	4	90	–	–	90
Total	12	379	273	1	653

Total consolidated compensation paid to respective Board Directors whose total consolidated compensation is ¥100 million or more (fiscal 2022)

Name	Amount of consolidated compensation (Millions of yen)	Title	Company name	Subtotals for each type of consolidated compensation (Millions of yen): Basic compensation	Bonus	Share-based payment	Others
Masayoshi Son	100	Board Director	SBG	12	65	–	–
			SoftBank Corp.	–	–	23	–
Yoshimitsu Goto	293	Board Director	SBG	84	208	–	1
Ken Miyauchi	470	Board Director	SoftBank Corp.	96	–	374*15	–
Kentaro Kawabe	388	Board Director	Z Holdings Corporation	97	99	193	–

*15 ¥319 million out of the share-based payment represents the amount to be paid in the form of restricted stock scheduled to be granted in fiscal 2023 and recognized in the consolidated income statement of the same fiscal year.

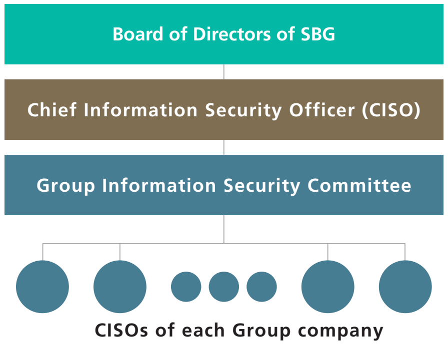
Information security

As a strategic investment holding company, SBG promotes initiatives to strengthen information security in the Group to realize and lead a safe and secure digital society.

Constructing an Information Security Governance System

To promote and strengthen information security in the Group, we have established an information security governance system with the appointment of Yoshimitsu Goto (Board Director of SBG) as Chief Information Security Officer (CISO).

Information Security Governance Structure



In the event of a serious information security incident in the Group, the department in charge shall respond to and restore the situation quickly and appropriately under the control of the CISO. To prevent any recurrence, we analyze the causes of information security incidents to identify possible issues and reflect them in our information security strategy while working to improve security-related education for officers and employees.

Initiatives to strengthen information security

Collaboration with Group companies and portfolio companies

SBG regularly exchanges information on information security threats and countermeasures with Group companies and portfolio companies that do business globally. In addition to keeping abreast of the latest security-related technologies, we act quickly to introduce advanced services and systems offered by each company to ensure secure work environments.

NIST CSF compliance and external organization assessments

SBG implements measures that comply with NIST CSF,*16 a cybersecurity framework adopted by organizations and enterprises around the world, and has received security-related assessments by external organizations with expertise in the U.S. and other countries.

*16 NIST CSF is a cybersecurity framework (CSF) established by the National Institute of Standards and Technology (NIST) that consolidates standards, guidelines, and best practices for cybersecurity risk management.

Top prize at Cyber Index Awards 2022

SBG's Groupwide efforts related to cybersecurity and information disclosure earned the top prize at Cyber Index Awards 2022, sponsored by Nikkei Inc.

For the latest information on SBG's information security, see "Information Security" on our website.

To learn more about the top prize at Cyber Index Awards 2022, see "News" on our website.

Policy for constructive dialogue with shareholders

To encourage constructive engagement with shareholders and investors (investors in stocks and bonds), SBG assigns IR duties to the Investor Relations Department, which has 16 members including the head of the department as of June 1, 2023. Under the supervision of Board Director, Corporate Officer and Senior Vice President, the department conducts IR activities in close coordination with related departments, including Accounting, Finance, Corporate Legal, and General Administration. Engagement with shareholders and investors is the responsibility of the Investor Relations Department and senior management, including Board Director, Corporate Officer and Senior Vice President.

Relaying stakeholders' feedback to the management and Board of Directors

To create a positive cycle of feedback, opinions and concerns from shareholders and investors are conveyed to the management and the departments concerned in a timely fashion, so that the management and departments will make the necessary changes in their initiatives, disclosures, or messaging. Alongside this feedback cycle, the Board of Directors regularly hears reports on stakeholder feedback and shareholders' holding trends.

For the latest information, see "Investor Relations" on our website.

Number of meetings with institutional investors/analysts:

Fiscal 2020	Fiscal 2021	Fiscal 2022
668	624	661

Main themes of dialogue and shareholder concerns

1. SoftBank Vision Funds
2. Arm
3. Capital allocations
4. Sustainability

Stronger communication with international investors

- Video interview with CEO/CFO (short video format)
- Transcription of Q&A sessions at various earnings events

Being conscious of share price

In line with the TSE's request, SBG discloses on its website the status of its share price-conscious management practices.

See "Status of Implementation of Share Price-Conscious Management" on our website.

Initiatives for taxation

Tax Policy (enforced from July 29, 2022)

The Group's Tax Policy sets out the principles concerning taxation affairs to be observed by SBG and its subsidiaries when conducting business activities. The Policy was decided by a resolution of SBG's Board of Directors. It states the Group's system for the execution of operations and risk management related to taxation affairs, compliance with all relevant tax-related laws and ordinances when conducting business activities, endeavor to ensure appropriate payment of taxes and optimization of tax costs, and establishing favorable relationships with tax authorities.
The Group will conduct its business activities in accordance with the laws and ordinances of each country and fulfill its tax obligations appropriately, thereby contributing to the economic and social development of the countries in which we operate.

See the full text of our Tax Policy on our website.

Policy

Governance

The Head of the Accounting Unit of SBG is the person responsible for the taxation affairs of the Group, and the Accounting Unit of SBG (the "Accounting Unit") shall be the organization responsible for overseeing operations related to the taxation affairs of the Group. Each Group company shall establish a department or appoint personnel specializing in taxation affairs ("Tax-related Department") and work closely with the Accounting Unit to conduct day-to-day management of taxation affairs. The Accounting Unit will regularly report on the status of execution of duties related to the Group's taxation affairs to the Board of Directors and the Audit & Supervisory Board of SBG, and will be supervised to ensure an appropriate system for the execution of operations related to taxation affairs.

Tax risk management

The Accounting Unit and the Tax-related Departments of Group companies will effectively utilize the knowledge of external experts to constantly stay abreast of the latest information on tax-related laws and ordinances in Japan and overseas, and international standards and the like, and endeavor to proactively foresee tax risks. In addition, they will strive to minimize risks by considering countermeasures for any foreseen tax risks. In the event that a significant tax risk of the Group materializes, each Group company shall immediately report to the Accounting Unit, and the Accounting Unit will promptly report to SBG's Board of Directors and Audit & Supervisory Board, and coordinate with Group companies as required, and endeavor to take appropriate action.

Compliance with laws and ordinances

The Group will comply with all relevant tax-related laws and ordinances when conducting business activities, and take measures based on the "Action Plan on Base Erosion and Profit Shifting" (BEPS Action Plan) set forth by the Organisation for Economic Co-operation and Development (OECD) to ensure appropriate payment of taxes. We will also take measures with respect to transfer pricing taxation to ensure compliance with OECD Transfer Pricing Guidelines, including the arm's length principle.

Appropriate payment of taxes and optimization of tax costs

The Group will comply with all tax-related laws and ordinances related to its business, and endeavor to ensure appropriate payment of taxes and optimization of tax costs by taking measures such as utilizing preferential tax treatment allowed under the tax laws of each country in which we operate and eliminating double taxation, thereby improving the Group's corporate value.

Relationship with tax authorities

The Group will establish sound and favorable relationships with tax authorities in Japan and overseas ("Authorities") and will sincerely explain the Group's tax status to the Authorities in a factual manner. In the event that any difference of opinion arises between the Group and the Authorities with respect to any particular matter, we will strive to resolve such differences of opinion through constructive discussions.

Competent Department

The Accounting Unit of SBG is in charge of this Policy.

Revision or Repeal

Any material revision or repeal of this Policy requires a resolution of the Board of Directors of SBG.

Characteristics of the Group's Taxation

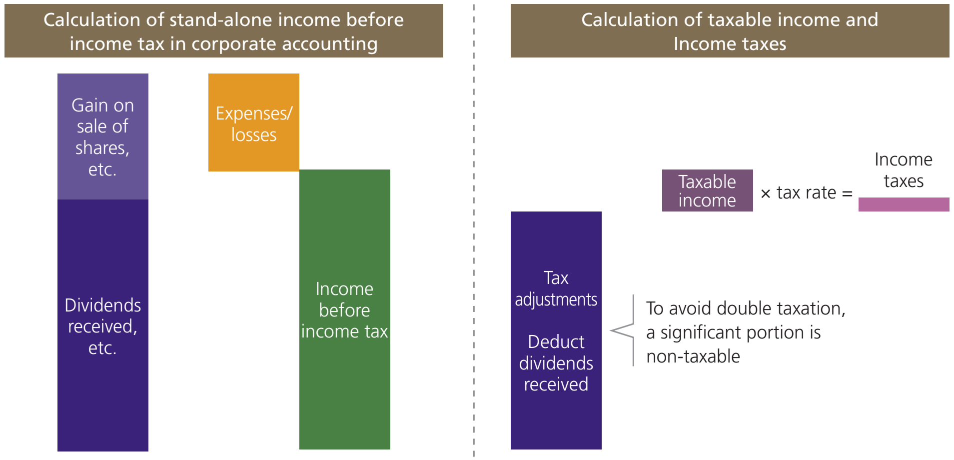
Income on the consolidated statement of profit or loss is not directly connected to SBG's stand-alone tax payment amount.

The consolidated statement of profit or loss of SBG presents the operating results for SBG and its subsidiaries as a group, while the stand-alone statement of profit or loss presents SBG's operating results as a stand-alone company. Moreover, the income on SBG's stand-alone statement of profit or loss is only the income for accounting purposes, which differs from the income used as the basis for calculating income taxes (taxable income). SBG has not introduced the Consolidated Tax Return Filing System (Japanese Group Relief System).

The majority of SBG's stand-alone operating revenue is dividends received from affiliates, a significant portion of which is non-taxable.

As a pure holding company, the majority of SBG's stand-alone operating revenue is dividends received from its subsidiaries and associates. These subsidiaries and associates pay income taxes on their respective income and then pay dividends from the remaining income. Therefore, a substantial portion of the dividends received falls outside the scope of taxation for SBG. On the other hand, one-time gains from the sale of shares held by SBG are taxable.

Illustration for calculation of SBG's stand-alone income before income tax and income taxes



Note: Loss carryforwards, if any, can be used to partially reduce taxable income.

Taxes related to SoftBank Vision Funds investment business are compliant with the tax systems of the relevant jurisdictions, including Japan.

Income taxes paid on a consolidated basis (net)

(Billions of yen)

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Consolidated	636.3	445.5	589.3	525.9
Japan	575.2	310.5	551.2	469.7
SBG and intermediate holding companies (wholly owned subsidiaries)	324.7	35.7	200.0	214.2
Operating companies, mainly SoftBank and Yahoo Japan Corporation	250.5	274.8	351.2	255.5
Overseas	61.1	135.0	38.1	56.2

Notes:
1. The amounts are the net amount of tax payments and tax refunds.
2. Income taxes paid on a consolidated basis match the net amount of "income taxes paid" and "income taxes refunded" in the consolidated statement of cash flows.
3. Cash tax of ¥225.6 billion to be paid by SBG in the first quarter of fiscal 2023 based on fiscal 2022 taxable income is not included in fiscal 2022 income taxes paid in the table above.

Message from External Board Director

SBG's Governance is All About Ensuring the Right Checks and Balances, While Leveraging Mr. Son's Strengths

Masami Iijima
External Board Director, Independent Officer

We encourage investors to take a medium- to long-term view during our period of perseverance

As an external director, I take seriously the fact that our Net Asset Value (NAV), which Mr. Son has long emphasized as the most important performance indicator, has declined significantly over the past two years. I also sincerely listen to the criticisms and concerns of our shareholders who question our current endeavors. However, as someone with leadership experience, I know that running a business has both sunny and rainy days. We are going through a challenging period and I firmly believe that by weathering this storm, we will emerge even stronger. There will come a time when we can make a significant push once again, and I am confident that we are preparing ourselves for that moment. We have been working diligently to build a strong financial base, by monetizing our assets and curbing our investments throughout fiscal 2022. As a result, I can confidently say that our preparations are almost complete.

I would also like to emphasize that I do not see SBG moving in the wrong direction. If you take SoftBank Vision Funds, for example, the investments might appear to be here and there—such as e-commerce, logistics, and fintech—but they are all based on a single strategy with AI at its core. We are currently in a challenging situation due to a complex interplay of various factors, such as the conflict in Ukraine, growing disputes between the U.S. and China, and turmoil in the financial markets. However, I believe in approaching our business with a medium- to long-term perspective. As stated in *SoftBank's Next 30-Year Vision*, SBG aims to be a company that continues to grow for 300 years. I hope that as long as we continue to make progress over the medium- to long-term, through both ups and downs, we can achieve sustained growth.

The crucial balance of harnessing Mr. Son's good qualities

Many might see Mr. Son as a so-called charismatic figure who dogmatically pushes through whatever he decides to do. But this is not the case. What surprised me when I joined the Board was that directors, both external and internal, are very active in expressing their opinions at the Board meetings, and Mr. Son listens to them very carefully. On one occasion, he even graciously accepted the opinions of other directors by saying, "Let's withdraw this proposal for now. Let's continue the discussion." I greatly admire this flexibility and the high regard Mr. Son has for the Board. When we struggle to speak up, he solicits everyone's input, encourages open and constructive discussion, and collectively decides on the best course of action. It is a truly democratic operation.

One of the most important roles of external directors is to ensure that the company's overall strategy is on the right track. SBG is a company founded by Mr. Son that is constantly adapting its business model and achieving consistent growth. Therefore, it is of the utmost importance to effectively harness Mr. Son's ideas, energy, and foresight when considering the company's growth. While it is important to prevent overreach, we must not be so rigid that we risk stifling progress. The remedy should not be worse than the disease. It is our important duty as external directors to strike the right balance between harnessing the strengths of Mr. Son and the executive team, and carefully overseeing management in line with the overall strategy. I personally attach great importance to this task. Mr. Son has an incredible ability to quickly consolidate his thoughts and take action. It is therefore vital for the Board to take due account of his sense of urgency and agility, and at times to provide support, while also occasionally urging a slower pace. I believe this is where we need to exercise sufficient wisdom and care.

As the Chairperson of the Nominating & Compensation Committee, which was established in 2020 as an advisory body to the Board of Directors, I have taken on the responsibility of overseeing Mr. Son's succession plan. While acknowledging the unique position he holds as the owner and founder, it is important to recognize that this is an important issue. However, given that Mr. Son himself is still relatively young (he is 65 years old as of July 31, 2023) and remains highly motivated, especially during these challenging times, I strongly believe that he should continue to steer the company with steadfast leadership.

Evolving risk management and corporate governance

Following the Annual General Meeting of Shareholders in June 2023, I entered my sixth year as an external director. During my tenure, I have observed significant advancements in enterprise risk management (ERM). Reports on ERM are now reported approximately four times a year at the Board meetings, and we receive detailed explanations beforehand, indicating a well-established framework. I am also aware that efforts are being made to identify risks and develop mitigation measures.

Corporate governance has been further strengthened since my appointment. In particular, diversity has improved significantly. In June 2018, seven of the 12 directors were non-Japanese, so there was diversity in terms of ethnicity and nationality. However, at that time there were only three external directors, including myself, and no female directors. At present, five of our nine directors are external members, making up a majority, and we now have one female director, though that is perhaps still not enough. In addition, two of the nine directors are non-Japanese. I am proud to say that overall diversity of the Board, including gender, has increased significantly.

We should deepen discussions on investment and loan projects and sustainability

There is still room for improvement in the operation of the Board of Directors. While the Board reviews investments and loans above a certain threshold, decisions on projects below this threshold are made by the Investment Committee, to prioritize flexibility. However, with a view to improving the effectiveness of the Board, I believe that it would be beneficial to have further discussions at the Board level on individual investment and loan projects.

With regard to sustainability initiatives, these are reported at the Board meetings, but the time allocated for discussion is insufficient. I have suggested that, similar to ERM, we should receive detailed reports in advance to facilitate more in-depth Board discussions. I believe that the objective opinions of external directors would be valuable in further strengthening our commitment to sustainability. As an advisor to Mitsui and an external director for three companies, including SBG, I have learned from the practices of multiple companies across various industries. By sharing the knowledge I have gained, I believe I can contribute even more than before.

Co-investment programs could become a new form of incentive

SoftBank Vision Fund 2 has a co-investment program, where Mr. Son holds a 17% stake in common equity. We discussed this implementation at the Board meeting after Mr. Son excused himself. We then made two points to Mr. Son. The first was that as Mr. Son holds 30% of SBG shares, it would be appropriate for him to benefit from the value appreciation of his shares as an investment return. We also mentioned that receiving incentives as a conventional fund manager would help avoid conflicts of interest and provide clarity. However, Mr. Son expressed a strong desire for shared responsibility and stated that he did not like the fact that fund managers receive performance-based compensation when they succeed but lose nothing when they fail. Instead, he preferred to focus wholeheartedly on investments, whether profitable or not, and to take both gains and losses proportionally.

Taking into account his strong conviction and with the assistance of legal opinions, we discussed this matter thoroughly. Although the current arrangement might be considered unconventional, we as a Board have accepted this structure in recognition of Mr. Son's endeavor to chart a new path that could potentially become a standard for future incentives. At present, the performance of SoftBank Vision Fund 2 has been unfavorable, resulting in significant losses for Mr. Son. However, I do not expect this situation to persist indefinitely. This is a long-term fund with a maximum term of 14 years, including extension options. So I believe it should be looked at and assessed from a longer-term perspective.

Three challenges for growth

As we look ahead to our future growth, I believe there are three key challenges that we need to address. First, it is crucial to ensure the successful initial public offering of Arm and establish it as a solid pillar for our next phase of growth. Second, we need to revitalize SoftBank Vision Funds. With a portfolio of nearly 500 companies, it is essential that we carefully evaluate each investment, enhance their value, and rebuild our ecosystem. In the meantime, SoftBank is actively expanding its business under its *Beyond Carrier* growth strategy, which encompasses prominent businesses such as *PayPay*, *Yahoo! JAPAN*, and *LINE*. Therefore, I believe that the participation of Arm and SoftBank Vision Funds would contribute as new growth avenues in this pursuit. Lastly, the final challenge is the development of human capital. After all, it is people who truly determine the success or failure of an organization. With regard to Mr. Son's successor, I intend that the Board of Directors, acting on the advice of the Nominating & Compensation Committee, will select a successor candidate. This selected candidate, under Mr. Son's guidance, should receive the necessary nurturing and support to facilitate a smooth transition. By actively addressing these three challenges, SBG will be able to return to a path of growth. That is what I believe.

For details of the co-investment program, see page 90.

Commitment to Integrity

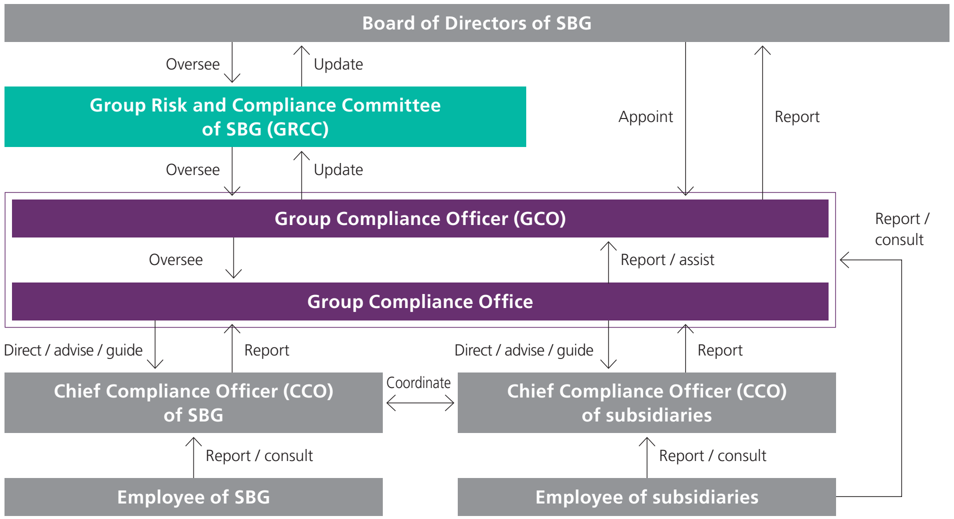
Compliance is our business foundation

We believe in a commitment to integrity that goes beyond legal and regulatory compliance must be the foundation of our business. We aim to create an organization where every officer and employee demonstrates the highest degree of ethical conduct in every action they take.

Organizational structure

The Board of Directors of SBG has appointed a Group Compliance Officer (GCO) as the chief officer responsible for compliance across the Company, and similarly, each subsidiary appoints a Chief Compliance Officer (CCO). The GCO and CCOs have the responsibility to implement systems designed to ensure compliance with applicable laws and regulations and to promote ethical conduct. The GCO and CCOs periodically report material incidents and risks together with activities of their ethics and compliance programs to their respective board of directors.

Group compliance structure



Structure of SBG's ethics and compliance program

Ethics and compliance program and oversight

The Group Risk and Compliance Committee (GRCC) consists of Board Directors and Corporate Officers of SBG and provides oversight of the risk management and ethics and compliance programs of the Company. The GRCC assesses the key performance indicators that measure the effectiveness of the risk management and ethics and compliance programs such as risk assessments, risk mitigation, and incidents of noncompliance. SBG's Board of Directors receives regular separate reports on, and evaluates and supervises the effectiveness of, the ethics and compliance programs.

Code of conduct and Group policies

SBG has established the "SoftBank Group Code of Conduct" as the standard that all the Company's officers and staff should follow. Our Code of Conduct sets out specific examples to guide the Company's officers and staff regarding ethical conduct, including Q&As, definitions, and red flags regarding various areas such as anti-corruption, prohibition on discrimination, confidentiality, conflicts of interest, antitrust laws, money laundering, insider trading, working environment, and whistleblowing. In addition, SBG has established the "Supplier Code of Conduct" to clarify the ethical standard we would like our suppliers to follow.

SBG implemented Group Policies that establish Group-wide minimum requirements for all subsidiaries and their officers and staff across key risk areas such as anti-corruption, competition law, conflicts of interest, insider trading, economic sanctions, information security, privacy, human rights, brand management, corporate governance, the environment, risk management, and tax. In addition, SBG and some of its subsidiaries whose main business is investment activity are subject to further strict policies and rules with respect to investment conflicts and insider information governance. To ensure the effectiveness of these policies and rules, in 2022, SBG and its subsidiaries whose main business is investment activity introduced a system for the centralized management of insider information and investment conflicts to further strengthen the management structure.

SBG conducts annual reviews on all of the Group Policies and made certain revisions as appropriate in fiscal 2022. We will continue to periodically review and revise them.

Top page of the SoftBank Group Code of Conduct website

See the full text of our Supplier Code of Conduct on our website.

See the SoftBank Group Code of Conduct on our website for further details.

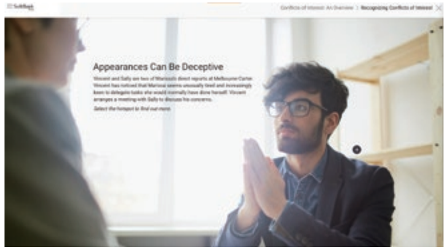
Training and awareness

The Company conducts training and awareness-raising activities to ensure that officers and staff recognize risk areas and have the information they need to make the right choices.

The Company provides training for officers and staff regarding high-risk areas such as insider trading and conflicts of interest. SBG has introduced a global training system, which, in addition to providing the Code of Conduct training, provides Group companies in Japan and abroad with training that addresses different areas of risk for each of them.

As one example of the awareness-raising activities, SBG holds a Compliance Awareness Month annually for officers and staff of SBG and those at its major subsidiaries in Japan and overseas. SBG also periodically delivers animated communications featuring familiar compliance issues to enable its officers and staff to refresh and consolidate their knowledge about ethical behaviors. The use of animation is designed to make it easy to remember and understand.

Top screen of intranet site, Compliance Awareness Month 2022



Compliance e-learning

Monitor, audit, and review

SBG has implemented global ethics and compliance helplines and receives reports and consultations from the Company's officers and staff, as well as third parties such as business partners, regarding compliance violations that involve the Company or its officers and staff. Reports and consultations can be made anonymously to the extent permitted by laws and regulations. We received frequent reports and requests for advice in fiscal 2022 from across the Company. The CCOs are responsible for setting up helplines for their respective companies. Significant substantiated cases must be escalated to the GCO.

SBG conducts an annual employee survey to measure its ethical culture and the effectiveness of its compliance program. SBG uses the results of the survey to improve our ethics and compliance programs for the next year.

Mitigating Impediments to Sustainable Growth

Risk management system

At SBG, the Risk Management Office spearheads Group-wide risk management activities cooperating with each Group company and department. The office is supervised by the Chief Risk Officer (CRO), who is appointed by the Board of Directors with responsibility for Group-wide risk management.

SBG established the Risk Management Policy to ensure a Group-wide understanding of the purpose of risk management and to clarify the basic roles of officers, employees, and risk managers. This policy applies to all officers and employees of SBG and the Group companies to encourage their active involvement in risk management activities. In accordance with SBG's Risk Management Regulations and the Group Company Management Regulations, which are set under the Risk Management Policy, SBG and the Group companies appoint risk managers. The risk managers are responsible for comprehensively identifying financial and non-financial risks that might arise during business activities and monitoring the progress and status of responses to such risks.

The Risk Management Office ensures the effectiveness of Group-wide risk management by receiving reports on important matters from the risk managers and confirming compliance with the regulations. The policy and regulations are periodically reviewed and approved by the Board of Directors of SBG and other bodies. The Risk Management Office quarterly reports identified risks that are material to the Group and their countermeasures to the Board of Directors and the Group Risk and Compliance Committee (GRCC), respectively. Accordingly, both governance bodies supervise the Risk Management Office. The GRCC consists of Board Directors and Corporate Officers of SBG and provides oversight of the risk management and ethics and compliance programs of the Company.

Risk management system

Risk management initiatives

The Risk Management Office works to strengthen risk management activities by identifying and addressing risks, with the aim of mitigating factors that adversely affect the Group's sustainable growth.

Risk identification

The Risk Management Office is pursuing the following initiatives to gain a comprehensive understanding of financial and non-financial risks facing the entire Group.

Prior confirmation of important agenda items

When important matters are to be resolved by SBG's Board of Directors, the Investment Committee, and other bodies, the Risk Management Office confirms the agenda items in advance and consults with the relevant departments, if necessary. It also ensures that risk-related information that needs to be considered is reflected in the agenda.

Portfolio risk analysis

The Risk Management Office performs risk analysis over the entire Group's investment portfolio from various perspectives. For example, the Risk Management Office monitors the impacts on SBG's financial ratios that are caused by changes in the external environment such as economic and monetary policies and other political conditions. The concentration of investments in specific countries, regions, and sectors is also monitored continuously.

Gathering risk-related information from each Group company and department of SBG

The Risk Management Office gathers information on various risks from the major Group companies and each department of SBG. When the risks materialize, the relevant Group companies and departments of SBG escalate the issues to the Risk Management Office in a timely manner.

Responding to risks

Based on the information gathered through the above initiatives, the Risk Management Office identifies material risks at the Group level by analyzing and assessing the impact and likelihood of each risk scenario. Material risks are reported to and discussed by the Board of Directors and the GRCC. Based on the results of those discussions, the Risk Management Office considers countermeasures and monitors the situation to confirm the effectiveness of those countermeasures.

Message from Our Chief Risk Officer (CRO)

Strengthening Risk Management as an Investment Company Under Unstable Market Conditions

Kiyoshi Ichimura
CRO,
Head of Risk Management Office

Q Among the various risks that have materialized over the past year, which ones do you perceive as particularly material? Also, how have you responded to these risks?

As an investment firm focused primarily on AI-related companies, we are highly sensitive to the economic environment and the stock market. For example, the NASDAQ Composite Index, which consists mainly of high-tech companies, fell nearly 15% in the year ended March 31, 2023. Meanwhile, the total amount of investments made in the venture capital market peaked at the end of 2021 and has shrunk significantly since then. Under such market conditions, the value of public portfolio companies has declined, while the value of private portfolio companies has also decreased significantly due in part to weak business performance. In addition, we are greatly affected by exchange rate fluctuations because our investment business is centered on overseas companies. In fiscal 2022, the U.S. dollar-yen exchange rate fluctuated rapidly. If the yen was to appreciate sharply, our equity value of holdings would be adversely affected.

In this environment, the Risk Management Office continues working with the Finance departments to analyze the impact on LTV and cash position by conducting stress tests based on the assumption of major market events, such as the 2008 financial crisis, and reports the results of such analyses to the Board of Directors and the management team on a quarterly basis.

Although we experienced a sharp markdown in our portfolio companies in fiscal 2022, we successfully maintained LTV and cash position, our key financial indicators, at favorable levels. We believe this is the result of our timely shift to a more defensive policy, under which we have made investments and sold assets in light of changing market conditions.

We are also keeping a close watch on the recent tightening of regulations amid escalating tensions between the U.S. and China. In particular, we expect U.S. regulations on investments and exports of semiconductors and other high-tech products to become stricter in the future for the purpose of national security. Given concerns about possible adverse effects on our investment activities and the businesses of our portfolio companies, we are working with specialized functional teams in Japan and overseas to grasp the situation.

Q A lot of attention is being paid to the impact of unstable market conditions on the portfolio companies of SVF. How specifically do you manage the risks of individual investments?

SVF conducts research into economic, market, and industry trends to determine the portfolio companies to be closely monitored. Furthermore, SVF performs other procedures such as participating in board meetings of portfolio companies to understand their management policies and issues and analyzing their earnings forecasts and financial plans. The results are reported to SVF management for discussion on how to respond.

SVF is usually a minority shareholder with no direct control over the day-to-day management of the portfolio companies. However, in addition to voting rights on the board of directors at many portfolio companies, we have certain other rights, such as the right to veto dilutive financing, additional borrowing, or the sale of subsidiaries, and we strive to exercise these rights to the fullest extent possible.

Given the recent deterioration in the financing environment for our portfolio companies, they are encouraged to limit new investments for business expansion and to secure cash reserves to reduce their reliance on future financing. As of March 31, 2023, 94%* of SVF's private portfolio companies had more than 12 months of cash runway, indicating that they are prepared for an immediate crisis.

The risk management of individual investments is the primary responsibility of SVF's investment risk management team. However, information on matters identified as material risks is regularly shared with SBG's Risk Management Office and, if necessary, reported to SBG's Board of Directors.

Though this has been a volatile year, we have strengthened cooperation within SBG and the Group on a daily basis and aim to manage risks flexibly in response to any changes in the environment.

* Based on the fair value of private portfolio companies in the SVF1, SVF2, and LatAm Funds with 12+ months runway compared to total unrealized fair value of private investments. Excludes portfolio companies where cash runway data is unavailable.

Risk Factors

The material risks that the Company (SBG and its subsidiaries) believes could significantly affect investors' investment decisions as of June 21, 2023 are outlined below. The materialization of these risks could have an adverse effect on:

· NAV (Net Asset Value) = equity value of holdings – adjusted net interest-bearing debt*1
· LTV (Loan to Value) = adjusted net interest-bearing debt ÷ equity value of holdings,*1 the ratio of debt to asset holdings
· Financial condition and results of operations
· Distributable amount of SBG

These risks do not include all the risks that the Company could face, nor is there a guarantee that measures to address such risks will be fully effective. Forward-looking statements were determined as of June 21, 2023, unless otherwise stated.

*1 See pages 20-21 for details on the calculation method of NAV and LTV.

(1) Group Overall

Under the Company's management system, the Company is engaged in a wide range of investment activities, with SBG, a strategic investment holding company, exercising overall control over its investment portfolio comprising SBG's subsidiaries, associates, and portfolio companies. The Company's material risks in the execution of its business are stated in subsections a. through c. below.

Additionally, please refer to "(2) SoftBank Vision Funds business," "(3) SoftBank business," and "(4) Arm business" for the material risks in the SoftBank Vision Funds segment, SoftBank segment, and Arm segment, respectively.

a. Investment Activities Overall

(a) Market environment

Based on its unique organizational strategy, the *Cluster of No.1 strategy*, the Company is conducting investments particularly through investment funds (SVF1 and SVF2 as well as LatAm Funds) and strategic investments either directly by SBG or through its subsidiaries. Based on the investment theme of AI, the Company invests in companies expected to contribute to advances in the Information Revolution. Valuation of information and technology companies that leverage AI can vary significantly depending on the outlook for technological progress and market growth. Therefore, the Company's equity value of holdings may be substantially affected by these types of sector-specific factors, in addition to general macroeconomic and monetary policy trends.

In addition, given that most of the Company's portfolio companies are private companies, the portfolio companies' corporate valuations and prospects for monetization are also significantly affected by trends in the venture capital market covering private growth companies and the IPO market.

In other areas, the Company may be affected by foreign exchange rate movements in connection with its ownership of foreign currency-denominated assets and liabilities.

The Company aims to conduct stable financial management to withstand the impacts of market volatility. For details, see " Message from Our CFO" on pages 16-19.

(b) International conditions and regulatory trends

The Company invests in companies and other entities that operate not only in Japan, but also in countries and regions overseas, such as the U.S., China, India, Europe, and Latin America. Therefore, due to changes in political, military, or social circumstances and to the establishment of new laws, regulations, systems and other rules (hereinafter, "laws and regulations") and the strengthening thereof (including changes in interpretation and implementation) in those countries and regions, the investment activities of the Company and the business activities of portfolio companies may not develop as expected. Laws and regulations include, besides those related to investment, laws and regulations related to businesses such as AI, telecommunications services, internet advertising, e-commerce, automated driving, robotics, logistics, financial services and payments, and to other corporate business activities (including, but not limited to, laws and regulations related to business permits and licenses, economic security, import and export, personal information and privacy protection, the environment, product liability, fair competition, consumer protection, prohibition of bribery, labor management, intellectual property rights, prevention of money laundering, taxation, and foreign exchange). The investment activities of the Company and the business activities of portfolio companies are directly or indirectly affected by those laws and regulations. Recently, countries have been taking steps to implement stricter regulations from an economic security perspective, against the backdrop of factors such as the Russia-Ukraine conflict and intensified U.S.-China rivalry. For example, the introduction of laws and regulations to restrict investment in specific countries or companies could constrain the Company's investment activities, as well as cause the realization of investments to be delayed or the terms and conditions for the realization of investments to deteriorate. In addition, if heightened geopolitical risk results in supply chain disruptions, or if stricter trade regulations restrict the import or export of technology-intensive products and other items, the businesses and operating results of portfolio companies may be adversely affected.

Moreover, the investment activities of the Company may require approvals and permissions from the regulatory authorities of relevant countries, or the Company's involvement with portfolio companies may be restricted. If the necessary approvals and permissions cannot be obtained or other restrictions cannot be avoided, the Company may be unable to successfully implement its investment or divestment plans as it expects.

The Company collects information about the changes in the external environment described above and assesses the impact they may have on investment activities, while receiving advice from outside advisers. Concurrently, the Company works to address each of these regulations. In addition, the Company continuously monitors the concentration of investments in specific countries or regions, and business sectors, within its investment portfolio. By doing so, the Company identifies risks and reflects them in its management decisions.

(c) Business development of portfolio companies

The Company aims to maximize returns from a medium- to long-term perspective by making investments in high-growth-potential technology companies that are leveraging AI. However, portfolio companies may be unable to develop businesses as envisioned at the time of the investment decision, due to factors including the technologies and business models being unable to produce results as expected, the obsolescence of portfolio companies' technologies and business models, and intensified competitive environments. This may lead to a significant deterioration in business performance or a drastic revision of their business plans. Moreover, the Company may provide loans, loan guarantees, additional investment or other forms of financial support as deemed necessary to improve their shareholder value, if they are unable to develop businesses as anticipated. Providing such support could increase the Company's exposure to those portfolio companies. Nevertheless, the Company has a general policy of not making investments solely for the purpose of providing relief to the portfolio companies of investment funds.

Even after making investments, the Company has a system in place in which major risk factors of portfolio companies are continuously monitored, including financial and management information, key performance indicators, differences between business plans at the time of the investment decision and actual progress, and the status of corporate governance, and the necessary measures to address those risk factors are taken. For example, the Company implements measures such as providing advice and dispatching officers to improve the management of portfolio companies.

(d) Investment decisions

In the investment decision-making process, the Company may make investment decisions while misjudging the risks concerning such factors as the technology, business model, competitive environment, financial condition, compliance, and governance of an investment target, or the integrity of the founders and managers who have critical influence. In particular, the transparency, accuracy, and completeness of information on which the Company bases its investment decisions are relatively more likely to be inadequate at private companies, which are the Company's major portfolio companies.

In the investment decision-making process, the Company seeks to assess investment-related risks by conducting due diligence on important factors of the target, while obtaining the cooperation of, for example, outside financial, legal and tax advisers as necessary, in addition to referring to research and reviews by the relevant internal departments. Based on the results of such procedures, investment decisions are made by either the Board of Directors of SBG, the Investment Committee to which authority is delegated by the Board of Directors, or the Investment Committee of the fund management subsidiary.

b. Fund procurement

The Company utilizes a diverse range of procurement methods, such as loans from financial institutions and the issuance of bonds, as well as raising funds through asset-backed financing and selling assets.

For loans from financial institutions and bonds, if the procurement environment deteriorates due to factors such as changes in interest rates or credit rating, the Company may be unable to raise funds at the planned timing, scale, or conditions. In addition, various covenants may be attached to the debts. If these covenants are breached, the Company may forfeit the benefit of the term with respect to such obligations. Furthermore, in connection with this forfeiture, the Company may be requested to make lump-sum repayments with respect to other obligations.

For asset-backed financing using public or private equities (excluding prepaid forward contracts), if the value of eligible equity holdings declines, the Company may be required to post additional cash collateral or incur prepayment obligations. The Company may also face difficulties in raising new funds and refinancing.

Regarding fundraising through the sale of asset holdings, the Company may be unable to sell assets at anticipated prices when necessary due to factors such as delays in scheduled IPOs, sluggish market liquidity, and contractual restrictions on asset sales.

To control risks related to fund procurement, the finance departments of SBG raise funds at times that are deemed appropriate based on careful monitoring of market conditions, striving to diversify factors such as procurement method, timing, and duration. Moreover, regarding covenants attached to loans from financial institutions and corporate bonds, as well as asset-backed financing, the finance departments increase the stability of each type of fund procurement by conducting prior reviews and implementing measures based on various anticipated scenarios. Through these measures, the finance departments strive to maintain a sufficient cash position with financial discipline.

c. Management team

The Company's major subsidiaries and investment funds are run autonomously by their respective CEOs and other leaders. However, unforeseen situations with respect to Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son, who plays a pivotal role in the Company's management, could impede the overall activities of the Company.

If such an unforeseen situation were to occur, the decision-making process could be affected. To minimize this impact, the Company has drawn up contingency plans. In addition, the Nominating & Compensation Committee periodically discusses medium- and long-term policies and succession plans.

(2) SoftBank Vision Funds business

SBG makes investments through investment funds such as SVF1, SVF2 and LatAm Funds in technology companies leveraging AI that are deemed to have high growth potential. SBG invests in these investment funds as a limited partner. Additionally, the Company's wholly owned subsidiaries who manage these funds (SBIA, which manages SVF1, as well as SBGA, which manages SVF2 and LatAm Funds, collectively the "Managers") are respectively entitled to receive management fees, performance-linked management fees, and performance fees, each of which is measured by reference to the investment activities of the investment funds.

The material risks at the investment funds and their Managers are stated in subsections a. through e. below. In this section (2), the phrase "portfolio companies" refers to the investees of the investment funds.

a. Business execution risks of portfolio companies

Many portfolio companies are seeking to leverage new technologies such as AI and big data to create new business models. There are various risks involved for these companies to develop their businesses as planned, earn profits, and establish a solid business foundation.

In particular, there is the risk that they are not able to develop technologies or implement business models as expected and provide products and services that meet customer needs and market practices; that unit economics may not be strong enough to fully cover the cost of the platform and continued investment in technological advancement; that they lose out to other new entrants with the latest technologies or to incumbents with strong business foundations; that they are unable to adjust themselves to their expansion into adjacent businesses or different geographies and to changes in the economic or business environment; and that they are not able to secure profits if the customer acquisition costs, such as advertising and sales staffing, significantly exceed their original plans.

In addition, as the strategic importance of advanced technology in national security has been growing in recent years, and with a backdrop of a worsening relationship between the U.S. and China, it is possible that stricter regulations in various countries will be introduced, which may adversely affect the business development of the portfolio companies.

Furthermore, many portfolio companies have funding needs for business development. If the fund-raising environment deteriorates, it may not be possible to raise funds on the expected terms, resulting in the need to cut costs materially, which may impede growth, or to raise funds on terms that dilute the Company's share in the portfolio company.

At the Managers, the Investment Risk Department plays a central role in identifying these risks early and mitigating them through the investment approval process and ongoing post-investment monitoring.

b. Lack of opportunity to exit from investments

Due to the illiquid nature of many of the investments that the investment funds may acquire, as well as economic, legal, political, or other factors, there can be no assurance that the investment funds will be able to monetize such investments as originally planned. Additionally, the investment funds may be prohibited by contract or other limitations from selling certain securities for a period, which may mean that the investment funds are unable to sell investments at favorable market prices.

Approval of an exit strategy is a key part of the Managers' Investment Committees' considerations. Exit strategies are regularly reviewed and updated by the Managers' investment teams. Exit strategies are also stress tested under various market conditions by the investment risk team to allow for forward planning. In setting up a long-term fund structure, it was anticipated that multiple economic downturns could occur and that some investments may take longer to exit than others.

c. Securities issued by public companies

The investment funds' investment portfolios may contain securities issued by public companies. Such asset holdings are subject to risks that include increased obligations to disclose information regarding such companies, limitations on the ability of the investment funds to dispose of such securities at their discretion, increased likelihood of shareholder litigation and insider trading allegations being brought against such companies' executives and board members, including employees of the Managers. In addition, there may be increased costs associated with addressing each of the aforementioned risks.

The primary mechanism employed to mitigate the market risk following a liquidity event is to follow a deliberate plan for selling down the positions to minimize the market impact and to maximize the value of the proceeds. The Managers also examine whether to hedge the foreign-exchange risk should the securities be denominated in a currency whose exchange rate relative to USD is volatile.

Additionally, the operational and compliance risks that arise while managing the investment funds' public securities positions are managed through an appropriate control framework involving the Managers' operation, compliance, and enterprise risk functions, including the investment risk teams. These controls include policies, staff training, whistleblower helplines, pre-trade approval processes, such as the approval of trading counterparties, and post-trade reconciliations and monitoring.

d. Concentration of investments in specific business fields

The investment funds hold investments in multiple companies in specific business fields, which may lead to a high level of concentration of investments in said business fields. In such business fields, a deterioration in the business environment, such as sluggish demand or intensified market competition (including competition among portfolio companies), could result in a deterioration in the results of operations, such as a decrease in the profitability of a portfolio company, an inability to develop a business in accordance with expectations at the time of the investment, or a deterioration in the market's valuation of said business fields. Such developments could adversely affect the results of operations or the fair value of portfolio companies.

Concentration risk is measured and reported by the respective Manager's investment risk team to senior management and considered by the relevant members of the Managers' Investment Committees and boards. Diversification is implemented or the risk is accepted through the investment process, including review by the Managers' respective Investment Committees.

e. Securing and retaining human resources

The Managers seek to maximize the equity value of the investment funds that they respectively manage, by carefully selecting investments and promoting growth after investment through the provision of a wide range of support. For the success of these investment activities, it is essential to secure and retain capable personnel who possess broad knowledge of technology and financial markets as well as specialized skills in managing investment businesses. The potential inability of the Managers to secure or retain an adequate number of capable personnel could have an adverse effect on the maintenance or expansion of the investment scale and future investment performance of the investment funds they manage.

In order to maintain their broad investment and management capabilities, the Managers provide various HR support programs and ensure the human capital in the firm has the requisite skill sets to meet business objectives. Efforts include regularly reviewing performance/organization design and training & development, to moving staff across the organization to ensure they fulfil their potential.

(3) SoftBank business

SoftBank Corp. and its subsidiaries (collectively herein (3), "SoftBank Corp.") mainly conduct telecommunications business, internet-related business, and financial business including cashless payments. The material risks at SoftBank Corp. are stated in subsections a. through e. below.

a. Changes in market environment and competition

The mobile communications market is undergoing major changes mainly driven by factors such as the strengthening of pro-competitive policies and new entrants from different industries, and users are also increasingly seeking more inexpensive and varied services. In order to address the market environment described above, SoftBank Corp. deploys services, products and sales methods that fit consumer preferences.

However, if SoftBank Corp. is unable to meet the expectations of consumers for price plans, voice and data communications quality and so forth, or if the service and products provided by SoftBank Corp. have significant defects, there are no assurances that SoftBank Corp. will be able to maintain its current number of subscribers. Moreover, the introduction, amendment, or change in interpretation or application of laws, regulations, systems, and so forth, could result in the effective restriction of services and products that SoftBank Corp. can deliver to its customers, or of sales methods and price plans, etc., causing SoftBank Corp. to experience a decline in revenue and to incur a larger financial burden.

In certain instances, SoftBank Corp.'s competitors may have a competitive advantage over SoftBank Corp. in terms of capital, services and products, technology development capabilities, price competitiveness, customer base, sales capability, brands, public recognition, or overall capability in all of these, for example. If these competitors were to sell services and products that harness these competitive advantages to a greater extent than at present, SoftBank Corp. may be placed at a disadvantage in sales competition, including price competition, may be unable to provide services and products, or acquire or retain customers, as anticipated, or may experience a decrease in ARPU.

Furthermore, in the telecommunications, internet and cashless payment related markets, newly emergent services and products offered by recently founded startup companies and new entrants can occasionally achieve widespread adoption by garnering the support of users. While SoftBank Corp. will strive to provide services and products that can garner user support by grasping the opinions and trends of users, the services and products of startup companies and new entrants could raise competition with SoftBank Corp.'s services and products. Moreover, it may be costly for SoftBank Corp. to develop the newly emergent services and products needed to demonstrate competitiveness.

SoftBank Corp. may conduct internal realignment for purposes such as streamlining overlapping business resources, speeding up decision-making, and generating greater synergies among businesses. However, if SoftBank Corp. is unable to sufficiently capture the expected benefits of realignment, SoftBank Corp. could face problems such as trouble with and delays in the integration of services to be rolled out, adverse effects on strategies and synergies, and disruptions associated with realignment.

b. Response to technology and business models

SoftBank Corp.'s primary business domain is the information technology industry, which is subject to rapid changes in technology and business models. For example, the field of generative AI, as exemplified by ChatGPT, has been evolving rapidly and is expected to have a significant impact on existing business models. SoftBank Corp. is constantly undertaking measures such as surveying the latest technology and market trends, conducting verification trials to introduce services with highly competitive technologies, and considering alliances with other companies. However, there are no assurances that the development of new technologies will proceed on time or results will be delivered as planned, or that common standards or specifications will be established, and commercial viability will be achieved. Even if the aforementioned measures are undertaken, SoftBank Corp. may be unable to develop or introduce outstanding services, technologies and business models in keeping with market trends due to the inability to appropriately adapt to changes in the market environment in a timely manner, such as the emergence of new technologies and business models, or due to the inability to deploy equipment and facilities rapidly and efficiently. In this case, SoftBank Corp.'s service offerings could lose competitiveness in the market, possibly curtailing the number of subscribers that SoftBank Corp. is able to acquire or retain, or reducing ARPU.

c. Leakage or inappropriate use of information and inappropriate use of products and services supplied by SoftBank Corp.

In its business operations, SoftBank Corp. handles customer information (including personal information) and other confidential information. SoftBank Corp. strives to build a framework to protect and manage information assets appropriately, including the appointment of a Chief Information Security Officer and education and training sessions on information security for officers and employees. However, this information could be leaked, lost, or involved in a similar incident, either intentionally or accidentally by SoftBank Corp. (including officers and employees of SoftBank Corp. and people related to subcontractors), or through malicious cyber-attacks, hacking, computer virus infections, or other form of unauthorized access or other means by a third party.

Moreover, if the products and services supplied by SoftBank Corp. are used inappropriately for crimes and so forth such as fraud and the like, it could impair public trust in SoftBank Corp. and SoftBank Corp.'s credibility.

Such an occurrence could reduce SoftBank Corp.'s competitiveness, and give rise to significant costs to SoftBank Corp. for payment of damages and modification of security systems, in addition to having an adverse impact on SoftBank Corp.'s credibility or corporate image and making it difficult to acquire or retain customers.

Moreover, in conjunction with the business integration of Z Holdings Corporation and LINE Corporation in March 2021, the volume of data such as personal information handled by SoftBank Corp. has increased dramatically. SoftBank Corp. is taking steps to strengthen its overall governance with regard to appropriate handling of personal information. Additionally, in SoftBank Corp.'s data integration with Yahoo Japan Corporation and LINE Corporation, SoftBank Corp. will strive to provide clear explanations premised on obtaining consent, and to ensure an appropriate integration process through measures premised on compliance with various international standards. Despite these measures, if the countermeasures and measures to strengthen governance fail to function effectively, there is a possibility of administrative sanctions on SoftBank Corp. from the authorities, impairment of public trust in SoftBank Corp., a decrease in demand for SoftBank Corp.'s services, the formulation and implementation of additional countermeasures, or the occurrence of data leaks.

d. Consignment of operations

SoftBank Corp. consigns in whole or part, to subcontractors, their customer sales activities, acquisition and retention of customers, and telecommunications network construction and maintenance for various services and products, along with the execution of other related operations. In addition, SoftBank Corp.'s information search services make use of other companies' search engines and paid search advertising distribution systems. While SoftBank Corp. strives to reduce risks in the supply chain, if these subcontractors (including their officers and employees, or related parties) are unable to execute operations in line with SoftBank Corp.'s expectations, or if a human rights infringement-related issue occurs, such as a case where the information of SoftBank Corp. or its customers is obtained without authorization or used outside of its purpose and so forth, it would also have a negative impact on SoftBank Corp.'s credibility or corporate image. This could hinder business development and the acquisition and retention of customers.

Furthermore, if these subcontractors should fail to comply with laws and regulations, SoftBank Corp. could be held accountable for non-fulfillment of its supervisory responsibility by, for example, receiving a warning or administrative guidance from the regulatory authorities, and SoftBank Corp.'s credibility or corporate image could deteriorate, making it difficult to acquire and retain customers.

e. Service disruptions or decline in quality due to faults in related systems and other factors

In the provision of various services by SoftBank Corp., including telecommunications networks, systems for customers, and the cashless payment service PayPay, there is a possibility that a major problem could occur if SoftBank Corp. were to become unable to continuously provide the services, or were to suffer a decline in the quality of the services, due to human error or problems with equipment or systems (including factors due to natural disasters and other unpredictable events), or cyber-attacks, hacking or other form of unauthorized access or other means by a third party. SoftBank Corp. has built redundancy into its networks, along with clearly defining restoration procedures in preparation for systems faults and other incidents. In the event of a system fault or other incident, SoftBank Corp. conducts restoration activities with appropriate capabilities in place, such as setting up an Incident Response Headquarters according to the scale of the incident. Even with these measures in place, SoftBank Corp. may be unable to avoid disruptions of services or declines in quality. If such disruptions of services or declines in quality were to become widespread or significant time were required to restore services, SoftBank Corp.'s credibility or corporate image could deteriorate, making it difficult to acquire and retain customers.

(4) Arm business

Arm's operations primarily consist of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Arm licenses its CPU and related technologies to semiconductor companies to design into computer chips. These chips are built into end products such as smartphones, digital TVs and electronics for cars, by systems companies. Arm's revenue includes licensing fees for Arm's technology, and royalty received on chips with Arm's products that the licensees have shipped. The material risks at Arm are stated in subsections a. through j. below.

a. Change in the industry business dynamic

Demand for Arm's technology and services is dependent on the semiconductor and electronics industries, which are volatile and competitive. The revenue Arm generates from licensing activities is largely dependent on the rate at which semiconductor and systems companies develop and adopt new generations of Arm's products, which is affected by the demand for these companies' chips and other products. Decreasing demand from systems companies for chips based on Arm's products would directly and adversely affect the amount of royalties Arm receives.

Arm's success depends substantially on the acceptance of its products and services by semiconductor and systems companies. There are competing architectures in the market and there is no certainty that the market will continue to accept Arm's products.

The semiconductor and electronics industries have also become increasingly complex and subject to increasing design and manufacturing costs. Many of Arm's customers utilize third-party vendors for electronic design automation tools and the manufacture of their semiconductor designs. Arm works closely with those third parties to ensure that its technology is compatible with their design tools and manufacturing processes. However, if Arm fails to optimize its products appropriately or if Arm's access to such tools and processes is hampered, then Arm's products may become less desirable.

In order to mitigate against these risks, Arm's management team regularly reviews its strategy and long-term product development plans to test that Arm is developing products to meet future needs. Arm works with many partners and companies in the semiconductor and electronics industries and is well positioned to detect any change and act accordingly.

b. Competition

The market for Arm's products is intensely competitive and characterized by rapid changes in design and manufacture technologies, end user requirements, industry standards, and new products. Arm anticipates continued challenges from current and new competitors, including established technologies such as the x86 architecture, and by free, open-source technologies, including the RISC-V architecture.

Arm's competitors may devote greater resources to the development, promotion and sale of products, they may offer lower pricing and different customer engagement models and their performance, features and product quality may be more desirable than that of Arm. Arm may therefore have to invest substantial resources to further develop its ecosystem that allows it to compete with alternative architectures. If Arm is unable to anticipate or react to these competitive challenges, its competitive position could weaken.

Arm mitigates against these risks by working closely with leading semiconductor companies. Arm's established ecosystem includes many software and chip design engineers who understand how to build Arm-based chips and write software optimized for Arm processors. Arm invests in this ecosystem to help further reduce the total cost of developing and maintaining a portfolio of Arm-based chips.

c. Customer concentration

A significant portion of Arm's total revenue is generated from a limited number of key customers. As a result of this customer concentration, Arm is particularly susceptible to adverse developments affecting its key customers and their respective businesses.

In order to mitigate against this risk, Arm typically develops multiple processors each year, reducing the impact of a customer deciding not to move forward with Arm.

d. Fragmentation of the global market

The global market for Arm's products may be impacted by geopolitical factors. A shift towards geopolitical rivalry could lead to the fragmentation of the global semiconductor market, as certain countries want more end-to-end control of architecture, leading to increased architectural fragmentation and a reduced role for a global architecture. For Arm, this could lead to increased costs to support region specific products, reduced revenue as a result of lost investment in territories that no longer use Arm products and potential market loss and future licensing opportunities.

Arm mitigates against this risk by working with trade authorities to reduce the risk of any impact of new trade barriers and reviewing its strategy to ensure that it is developing products in line with the future needs of the industry.

e. Concentration on China

A significant portion of Arm's revenues are derived from Chinese semiconductor companies and original equipment manufacturers, or OEMs, and from non-Chinese semiconductor companies and OEMs that utilize Arm's products in chips and end products sold into China. Arm's failure to maintain China-sourced revenues, access new and existing markets in China or gain traction for new business areas in China, or Arm's loss of market share in China, could materially and adversely affect Arm's results of operations and competitive position.

In the past decade, China has been a significant source of semiconductor industry revenues and growth. However, the near-term growth prospects of the Chinese semiconductor industry are unclear due to the uncertain effects of ongoing economic stress caused by the COVID-19 pandemic, trade and national security policies, and elevated levels of indebtedness. A prolonged downturn in the Chinese semiconductor industry or economy generally could materially and adversely affect Arm.

In addition, political actions including trade protection and national security policies currently do and could in the future limit or prevent Arm from transacting business in China.

Arm mitigates against these risks by ensuring that any U.S/China policy changes are kept under close review. In addition, Arm regularly reviews Arm China's*2 sales pipeline and licensing contracts in order to monitor and manage developments in the Chinese market.

*2 Arm China is a joint venture between SBG's subsidiary and Chinese investors, through which Arm accesses the Chinese market.

f. Changes in business model

Arm has in the past made and may in the future make changes to its business model. Arm can provide no assurance that customers will accept these changes. In such case, Arm may not realize the anticipated financial benefits of such changes as anticipated, on the expected timeline or at all.

In addition, increases in the number or value of licenses signed in the future may not materialize in the same way or at all under a new business model and, therefore, licensing revenue may be lower than expected. Further, the use of a new business model may have unexpected consequences for Arm, including making Arm's products less attractive to customers.

In order to mitigate against these risks, Arm undertakes extensive reviews in relation to its new business models, including undertaking discussions with its customers in advance of implementing key changes, in order to ensure that any risks are identified and managed appropriately.

g. Protection of IP rights

Arm's success and ability to compete depends significantly on protecting its intellectual property rights. Arm primarily relies on patent, copyright, trade secret and trademark laws, trade secret protection and contractual protections, such as confidentiality, invention assignment and license agreements with its employees, customers, partners and others to protect its intellectual property rights. The steps Arm takes to protect its intellectual property rights may be inadequate. Arm also may not be able to obtain desired patents. Arm's exposure to different legal jurisdictions may also impact its ability to exercise its contractual and other rights around intellectual property in such jurisdictions. If Arm is unable to successfully navigate the relevant legal and regulatory environment and/or enforce its intellectual property and/or contractual rights in relevant jurisdictions, its business, results of operations, financial condition and prospects could be materially and adversely impacted.

Litigation may be necessary to enforce Arm's patents and other intellectual property rights. Any such litigation could be costly and would divert the attention of management and technical personnel from normal business operations.

Arm is involved in pending litigation, including but not limited to a lawsuit with Qualcomm, Inc. and Qualcomm Technologies, Inc. (together "Qualcomm") and Nuvia, Inc. Arm can provide no assurances regarding the outcome of the litigation or how the litigation will affect Arm's relationship with Qualcomm, which is currently a major customer of Arm. Arm's involvement in such litigation could cause significant reputational damage in the industry, in its relationship with Qualcomm and/or other third-party partners.

Arm mitigates against these risks by closely monitoring developments in relevant jurisdictions in relation to patents, litigation trends and incidence of claims.

h. Infringement of proprietary rights

Arm has in the past been and it may in the future be subject to claims by third parties alleging infringement, misappropriation or other violation of third-party intellectual property rights. Under Arm's customer agreements, it agrees in some cases to indemnify customers if a third party files a claim asserting that its products infringe such third party's intellectual property rights. Such claims can result in costly and time-consuming litigation, require Arm to enter into royalty or licensing arrangements, subject Arm to damages or injunctions restricting the sale of its products, invalidate a patent, require Arm to refund license fees to its customers or to forgo future payments or require Arm to redesign certain of its products.

Arm mitigates against these risks by designing and implementing its products without the use of intellectual property belonging to third parties, except under strictly maintained procedures and with the benefit of appropriate license rights.

i. Brand and reputation

Arm's brand and reputation are critical factors in its relationships with customers, employees, governments, suppliers, and other stakeholders. Arm's reputation can be impacted by catastrophic events, incidents involving unethical behavior or misconduct, product quality, security, or safety issues, allegations of legal noncompliance, internal control failures, corporate governance issues, data breaches, workplace safety incidents, environmental issues, the use of its technology for illegal or objectionable applications, marketing practices, the conduct of suppliers or representatives, and other issues that result in adverse publicity. If Arm fails to respond quickly and effectively to these corporate crises and other threats, the ensuing negative public reaction could significantly harm its brand and reputation. Arm's brand and reputation may also be damaged by the actions of third parties that are imputed to Arm, for example, through Arm China.

Arm mitigates against these risks by investing in the verification and validation of its products. Arm has rigorous quality assurance and verification and validation processes to reduce the risk of faults or bugs. Arm regularly gathers feedback from its customers and partners to determine whether the perception of Arm is changing, and ensure that corrective action can be taken early if customers are becoming less satisfied with its products or behavior.

j. Export restrictions and trade barriers

Arm's headquarters are in the U.K., and it currently operates in jurisdictions around the world, including the U.S., China, India, Canada, South Africa and Europe. Risks associated with these international operations include exposure to political, economic and financial conditions and expected and unexpected changes in legal and regulatory environments.

Arm is subject to governmental export and import requirements that could subject Arm to liability or restrict its ability to license its products. If the U.S. Department of Commerce were to broaden U.S. export restrictions on foreign-origin items, this could subject more of Arm's products to U.S. export controls and restrictions. Furthermore, if the U.S. Government implemented expanded economic sanctions on certain customers and trading partners, that could impact Arm's freedom to license its products to designated countries or entities.

Trade relations between countries where Arm does business have recently been volatile and the U.S. government has imposed export sanctions on certain of Arm's trading partners and entities. These measures may increase costs and/or reduce distribution in key markets.

Arm mitigates against these risks by maintaining strong relationships with the U.S., U.K. and EU export control authorities in order to effectively monitor any policy and regulatory developments.

(5) Others

a. Compliance

The Company conducts investment activities pursuant to laws and regulations in each country. If the Company and its portfolio companies (including officers and employees) conduct activities in breach of those laws and regulations, regardless of whether they were aware of the breach or not, the Company and its portfolio companies may be subject to administrative sanctions or legal measures. As a result, the credibility and corporate image of the Company and its portfolio companies may be impaired, their contracts may be canceled by business partners, or a financial burden may be incurred. Furthermore, in countries and regions in which the Company and its portfolio companies conduct business activities, tax laws and regulations may be newly introduced or amended, or their interpretation or enforcement may be revised, leading to additional tax burdens. Views differing with that of tax authorities may also give rise to additional tax burdens.

The Company has established the SoftBank Group Code of Conduct, which applies to all officers and employees, in order to go beyond compliance with laws and regulations and conduct corporate activities based on high ethics. The Company also works to strengthen the Group compliance structure and carries out activities to increase the knowledge and awareness of officers and employees, such as training. In addition, the legal departments collect information on new or revised laws and regulations, while receiving advice from outside advisers.

b. Intellectual Property

Infringement of SBG's SoftBank brand by a third party could impair the corporate image or credibility of SBG and subsidiaries that employ the SoftBank brand. Additionally, infringement of the intellectual property of subsidiaries and portfolio companies by a third party could have a negative impact on these companies' business development and results of operations. On the other hand, if the Company and its portfolio companies were to unintentionally infringe on intellectual property rights held by a third party, the Company and such portfolio companies may be prevented from using the intellectual property or subjected to claims for compensatory damages, license fees, and so forth from the third party.

In light of the importance of SBG's brands in supporting sustained business growth, SBG strives to strategically obtain trademarks worldwide, while evaluating the intellectual property activities and strategies of subsidiaries and forming intellectual property partnerships with subsidiaries. Through these and other efforts, SBG aims to protect and utilize intellectual property throughout the Group as a holding company.

c. Litigation

The Company faces the possibility of lawsuits by third parties claiming compensatory damages for the alleged infringement of rights or benefits. These third parties may comprise shareholders, portfolio companies, business partners, and employees (including current and past shareholders and employees of portfolio companies). Such lawsuits could hinder the Company's investment activities or may impair the Company's corporate image, as well as create a financial burden.

d. Sustainability

The Company believes that it is crucial to take the lead and implement essential activities to address Environmental, Social and Governance ("ESG") factors. However, the Company's ESG activities may diverge significantly from the expectations of internal and external stakeholders, including investors (for example, investors may judge that ESG factors are not sufficiently integrated into the Company's governance structure and management strategy, or that measures to address climate change or human capital, including diversity, are inadequate). In these cases, the Company's evaluation by stakeholders may deteriorate and adversely affect its investment and financing activities. In addition, the Company may be unable to adequately assess the opportunities and risks associated with the ESG aspects of portfolio companies. In these cases, portfolio companies may be unable to develop their businesses as expected by the Company. Additionally, if ESG-related regulations over investment companies are tightened, the pace of investment may slow down or the cost to address such regulations may increase.

SBG has a Sustainability Committee, which is chaired by the Chief Sustainability Officer ("CSusO") appointed by the Board of Directors. The Sustainability Committee regularly discusses ESG-related material issues and countermeasures, along with strengthening ESG-related response measures and disclosures. In investment activities, each investment entity analyzes the opportunities and risks associated with the ESG aspects of portfolio companies and carries out comprehensive investment evaluations.

e. Information security

Amid the rising threat of cyber-attacks around the world in response to recent international conditions, the Company and its portfolio companies may be unable to completely prevent cyber-attacks, hacking, computer virus infections, or other forms of unauthorized access or internal misconduct. The inability to prevent such events could lead to the leakage, alteration, or loss of information, or cause other such security incidents. Such occurrences may impair the credibility and corporate image of the Company and its portfolio companies and may hinder their business activities. The Company and its portfolio companies may also incur financial losses or additional cost outlays or other responses may be needed to address such occurrences.

The Chief Information Security Officer (CISO), who is appointed by the Board of Directors, is responsible for the information security of the Company. Under the leadership of the CISO of SBG, the Company endeavors to protect information assets by identifying vulnerabilities and risk factors that could threaten information security and by implementing information security measures focused on organizational, physical, technical, and human dimensions according to risk.

Calculation of Equity Value of Holdings and Net Debt

As of March 31, 2023

Equity value of holdings

Alibaba: Calculated by multiplying the number of Alibaba ADSs equivalent to the number of shares held by SBG by the ADS price, less the sum of the outstanding maturity settlement amounts (calculated by using the company's share price) of the prepaid forward contracts (floor contracts, collar contracts, forward contracts, and call spread) using Alibaba shares

SoftBank: Calculated by multiplying the number of shares held by SBG by the share price of SoftBank, less the equivalent amount of outstanding liabilities for margin loans, etc., using SoftBank shares

SVF1: SBG's share of the equivalent value of assets held by SVF1 + accrued performance fees, etc.

SVF2: SBG's share of the equivalent value of assets held by SVF2, etc.

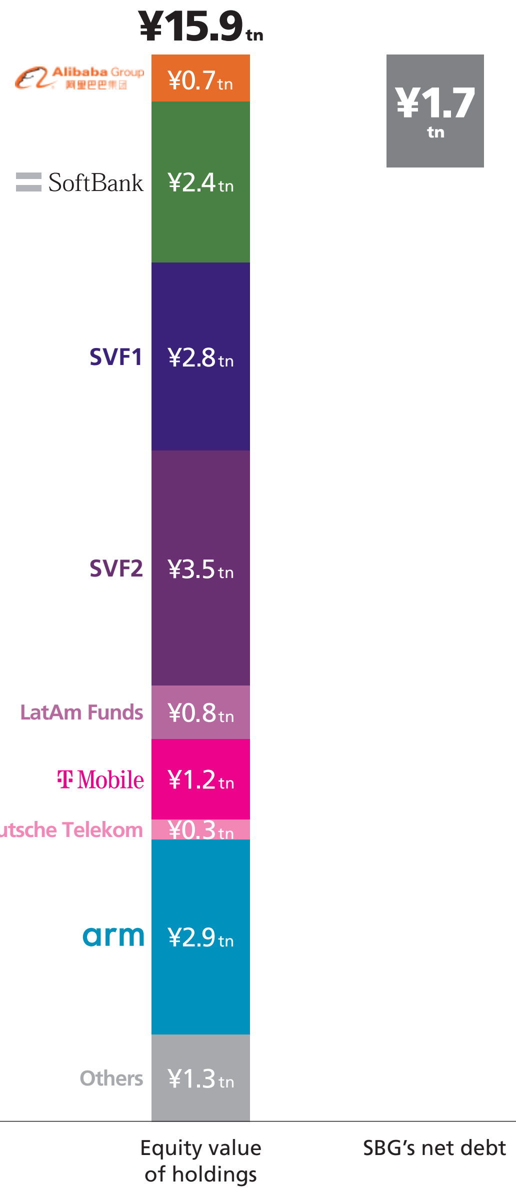
LatAm Funds: SBG's share of the equivalent value of assets held by LatAm Funds + accrued performance fees

T-Mobile: The sum of (a) to (c), less (d) and (e)
(a) Value of SBG's shareholding, including the number of shares subject to call options held by Deutsche Telekom (34,971,809 shares as of March 31, 2023), multiplied by the company's share price
(b) Fair value of SBG's right to acquire T-Mobile's shares (48,751,557 shares) for no consideration under certain conditions (contingent consideration)
(c) Fair value of the rights received in June 2020 in connection with the transaction whereby T-Mobile sold the company's shares to a trust that offered its Cash Mandatory Exchangeable Trust Securities, which allows a subsidiary of SBG to acquire T-Mobile shares under certain conditions
(d) The amount of derivative financial liabilities related to unexercised call options held by Deutsche Telekom
(e) Maturity settlement amount of the prepaid forward contracts (collar contracts) using T-Mobile shares (calculated by using the company's share price)

Deutsche Telekom: Calculated by multiplying the number of Deutsche Telekom shares held by SBG by the company's share price, less the maturity settlement amount of a collar transaction using Deutsche Telekom shares

Arm: The fair value of Arm shares held by SBG, calculated based on the fair value of all Arm shares calculated at SVF1, less the amount equivalent to the outstanding balance of the borrowings made through asset-backed finance using Arm shares (SBG's interest in outstanding shares: approximately 75%)

Others: the sum of (f) to (h)
(f) Listed shares: calculated by multiplying the number of shares held by SBG by the share price of each listed share
(g) Unlisted shares: calculated based on the fair value (or the carrying amount in SBG's balance sheet for those not measured at fair value) of unlisted shares, etc., held by SBG
(h) SB Northstar: SBG's stake in SB Northstar's NAV plus the value of NVIDIA Corporation shares held by SBG multiplied by its share price



Net debt

- Net debt = SBG net interest-bearing debt
- SBG net interest-bearing debt = Consolidated net interest-bearing debt – Net interest-bearing debt at self-financing entities, etc. – Other adjustments
  Consolidated net interest-bearing debt: Excludes bank deposits and cash position at PayPay Bank Corporation
- Net interest-bearing debt at self-financing entities, etc.: The sum of gross interest-bearing debt, less the sum of cash positions, of self-financing entities, such as SoftBank (including its subsidiaries such as Z Holdings Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar
- Other adjustments: The sum of adjustments of (i) to (q)
  (i) JPY Hybrid Bonds issued in September 2016: 50% deducted from interest-bearing debt (to be treated as equity), as the entire amount is recorded as a liability in the consolidated financial statements
  (j) USD Hybrid Notes issued in July 2017: 50% added to interest-bearing debt (to be treated as a liability), as the entire amount is recorded as equity in the consolidated financial statements
  (k) JPY Hybrid Loan borrowed in November 2017: 50% deducted from interest-bearing debt (to be treated as equity), as the entire amount is recorded as a liability in the consolidated financial statements
  (l) JPY Hybrid Bonds issued in February and June 2021: 50% deducted from interest-bearing debt (to be treated as equity), as the entire amount is recorded as a liability in the consolidated financial statements
  (m) Deduction of financial liabilities related to prepaid forward contracts (floor contracts, collar contracts, and forward contracts) using Alibaba shares
  (n) Deduction of the equivalent amount of outstanding liabilities for margin loans, etc., using SoftBank shares
  (o) Deduction of financial liabilities related to prepaid forward contracts (collar contracts) using T-Mobile shares
  (p) Deduction of financial liabilities recorded as borrowings related to collar transactions using Deutsche Telekom shares
  (q) Deduction of the amount equivalent to the outstanding balance of the borrowings made through asset-backed finance using Arm shares

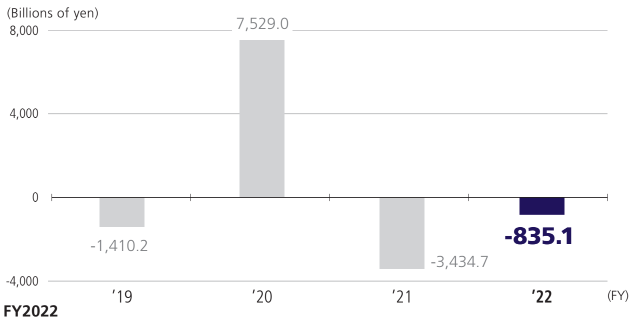
Financial Section

For consolidated financial statements and notes, see "Financial Report 2023" on our website.

Graphs: Key Consolidated Financial Data

Fiscal years beginning April 1 and ending March 31 of the following year

Gain (loss) on investments

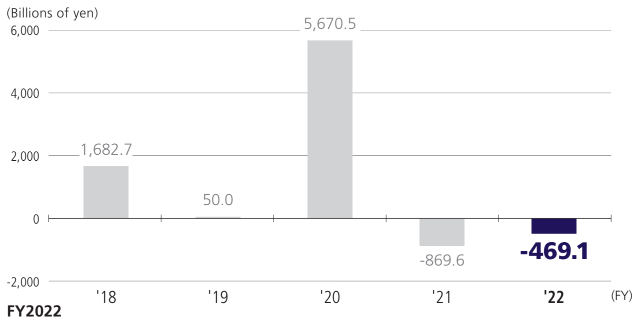


FY2022

Gain (loss) on investments

+¥2.6 tn YoY

Income before income tax

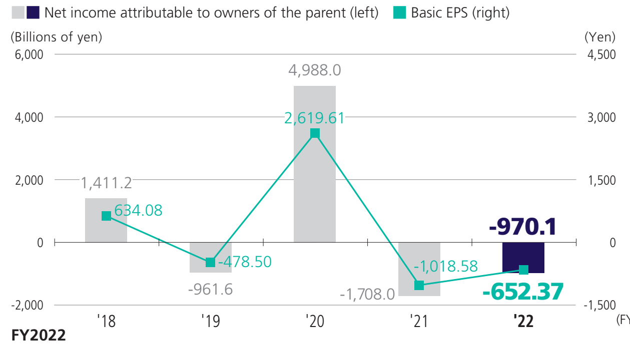


FY2022

Income before income tax

+¥0.4 tn YoY

Net income attributable to owners of the parent / Basic EPS

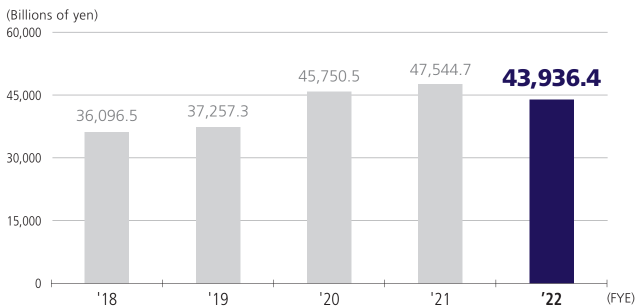


FY2022

Net income attributable to owners of the parent

+¥0.7 tn YoY

Total assets

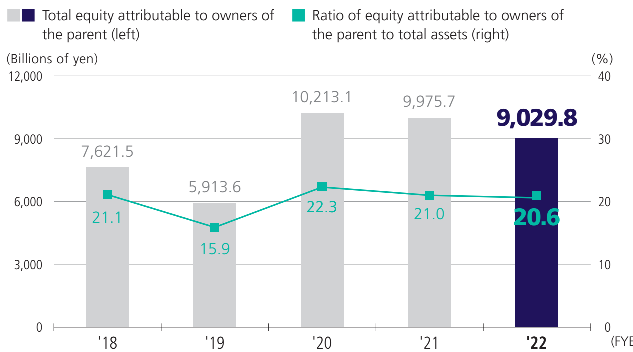


FYE2022

Total assets

–7.6% YoY

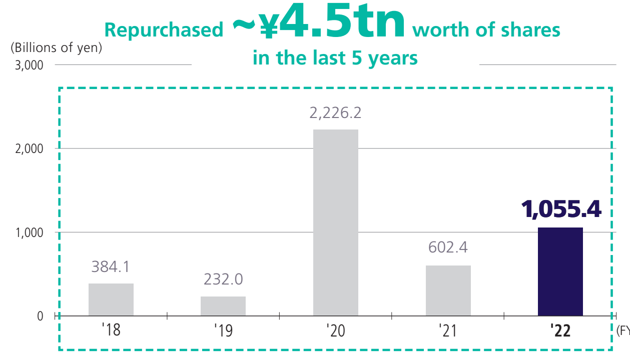
Total equity attributable to owners of the parent / Ratio of equity attributable to owners of the parent to total assets



FYE2022

Total equity attributable to owners of the parent	**Ratio of equity attributable to owners of the parent to total assets**
–9.5% YoY	**20.6%**

Share repurchase



Share repurchase in FY2022

¥1,055.4 bn

Notes: 1. Prior to FY2018, gain (loss) on investments are not presented.
2. Sprint and Brightstar Global Group Inc. ("Brightstar") ceased to be a subsidiary of the Company in FY2020. Operating results of Sprint and Brightstar are excluded from FY2018 and FY2019, respectively.
3. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. Basic EPS has been retroactively adjusted to reflect the impact of the share split.
4. The Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" in FY2018, and IFRS 16 "Leases" in FY2019. The information for each previous fiscal year is not restated.

Eleven-Year Key Consolidated Financial Data

Fiscal years beginning April 1 and ending March 31 of the following year

(Millions of yen)		FY2012	FY2013	FY2014	FY2015	FY2016
Net sales		3,202,536	6,666,651	8,504,135	8,881,777	8,901,004
Operating income*1		799,399	1,077,044	918,720	908,907	1,025,999
Income before income tax		715,504	924,049	1,213,035	919,161	712,526
Gain (loss) on investments*1		–	–	–	–	–
Net income attributable to owners of the parent		372,481	520,250	668,361	474,172	1,426,308
Total assets		7,218,172	16,690,127	21,034,169	20,707,192	24,634,212
Total equity attributable to owners of the parent		1,612,756	1,930,441	2,846,306	2,613,613	3,586,352
Interest-bearing debt*2		3,707,853	9,170,053	11,607,244	11,922,431	14,858,370
Net interest-bearing debt*3		2,257,806	7,059,286	8,182,817	9,248,363	11,923,065
Net cash provided by operating activities		813,025	860,245	1,155,174	940,186	1,500,728
Net cash provided by (used in) investing activities		(874,144)	(2,718,188)	(1,667,271)	(1,651,682)	(4,213,597)
Net cash provided by financing activities		471,477	2,359,375	1,719,923	43,270	2,380,746
Net increase (decrease) in cash and cash equivalents		417,944	524,433	1,295,163	(689,046)	(386,505)
Cash and cash equivalents at the fiscal year-end		1,439,057	1,963,490	3,258,653	2,569,607	2,183,102
Major Indicators	(Units)					
ROA	%	6.0	4.4	3.5	2.3	6.3
ROE	%	29.7	29.5	28.0	17.4	46.0
Ratio of equity attributable to owners of the parent to total assets	%	22.3	11.6	13.5	12.6	14.6
Per share data*4	(Units)					
Basic EPS	¥	166.26	218.48	281.10	201.25	643.50
Diluted EPS	¥	164.04	217.34	279.38	194.16	637.82
Equity per share attributable to owners of the parent	¥	676.78	812.17	1,196.74	1,139.42	1,646.20
Dividend per share	¥	20.00	20.00	20.00	20.50	22.00
Others	(Units)					
Number of shares outstanding (excluding treasury stock)	’000	1,191,500	1,188,456	1,189,197	1,146,900	1,089,282
Number of subsidiaries		235	756	769	739	763
Number of associates		108	105	120	122	130
Number of employees (consolidated basis)		25,891	70,336	66,154	63,591	68,402

(Millions of yen)		FY2017	FY2018	FY2019	FY2020	FY2021	**FY2022**
Net sales		9,158,765	6,093,548	5,238,938	5,628,167	6,221,534	**6,570,439**
Operating income*1		1,303,801	2,073,636	–	–	–	**–**
Income before income tax		384,630	1,682,673	50,038	5,670,456	(869,562)	**(469,127)**
Gain (loss) on investments*1		–	–	(1,410,153)	7,529,006	(3,434,742)	**(835,059)**
Net income attributable to owners of the parent		1,038,977	1,411,199	(961,576)	4,987,962	(1,708,029)	**(970,144)**
Total assets		31,180,466	36,096,476	37,257,292	45,750,453	47,544,670	**43,936,368**
Total equity attributable to owners of the parent		5,184,176	7,621,481	5,913,613	10,213,093	9,975,674	**9,029,849**
Interest-bearing debt*2		17,042,188	15,685,106	14,272,208	19,547,976	22,323,580	**20,315,191**
Net interest-bearing debt*3		13,617,255	12,056,031	11,027,565	14,016,812	17,100,637	**13,589,693**
Net cash provided by operating activities		1,088,623	1,171,864	1,117,879	557,250	2,725,450	**741,292**
Net cash provided by (used in) investing activities		(4,484,822)	(2,908,016)	(4,286,921)	(1,468,599)	(3,018,654)	**547,578**
Net cash provided by financing activities		4,626,421	2,202,291	2,920,863	2,194,077	602,216	**191,517**
Net increase (decrease) in cash and cash equivalents		1,151,548	523,868	(489,503)	1,293,710	506,276	**1,756,152**
Cash and cash equivalents at the fiscal year-end		3,334,650	3,858,518	3,369,015	4,662,725	5,169,001	**6,925,153**
Major Indicators	(Units)						
ROA	%	3.7	4.2	(2.6)	12.0	(3.7)	**(2.1)**
ROE	%	23.7	22.0	(14.2)	61.9	(16.9)	**(10.2)**
Ratio of equity attributable to owners of the parent to total assets	%	16.6	21.1	15.9	22.3	21.0	**20.6**
Per share data*4	(Units)						
Basic EPS	¥	466.77	634.08	(478.50)	2,619.61	(1,018.58)	**(652.37)**
Diluted EPS	¥	454.19	628.27	(485.33)	2,437.29	(1,025.67)	**(662.41)**
Equity per share attributable to owners of the parent	¥	2,151.13	3,380.33	2,619.32	5,588.80	5,755.92	**5,888.94**
Dividend per share	¥	22.00	22.00	44.00	44.00	44.00	**44.00**
Others	(Units)						
Number of shares outstanding (excluding treasury stock)	'000	1,089,498	1,053,833	2,067,996	1,738,517	1,646,790	**1,463,048**
Number of subsidiaries		1,141	1,302	1,475	1,408	1,316	**1,280**
Number of associates		385	423	455	535	565	**573**
Number of employees (consolidated basis)		74,952	76,866	80,909	58,786	59,721	**63,339**

Notes: 1. The Company adopted IFRIC 21 "Levies" in FY2014. The figures for FY2013 have been retrospectively adjusted.
2. As of June 1, 2015, GungHo Online Entertainment, Inc. ("GungHo") no longer qualified as a subsidiary and became an equity method associate. Accordingly, GungHo's net income and loss for the period from April 1, 2015 to June 1, 2015 are presented as discontinued operations. Its net income and loss for FY2014 were revised retrospectively and presented under discontinued operations. Furthermore, as of August 16, 2016, GungHo no longer qualified as an equity method associate.
3. The Company sold all of its shares in Supercell Oy ("Supercell") to an affiliate of Tencent Holdings Limited on July 29, 2016. Accordingly, Supercell's net income until July 29, 2016 is presented as discontinued operations. Net income of Supercell for FY2015 was revised retrospectively and presented under discontinued operations.

*1 From FY2020, "operating income" is no longer presented and "gain (loss) on investments" is newly presented. Information for FY2019 is restated in the same manner.
*2 Includes lease liabilities from FY2019. Deposits for the banking business of PayPay Bank Corporation are not included in interest-bearing debt.
*3 Calculated by subtracting cash position (cash and cash equivalents + short-term investments recorded as current assets (both excluding those of PayPay Bank Corporation)) from the presented interest-bearing debt.
*4 Basic EPS and diluted EPS are calculated based on net income attributable to owners of the parent.
The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. Per share information has been retroactively adjusted to reflect the impact of the share split.

NAV & LTV

	FY2021				FY2022			
(Trillions of yen)	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31
Equity value of holdings (asset-backed finance adjusted)	**32.1**	**25.7**	**24.7**	**23.2**	**21.7**	**19.7**	**16.9**	**15.9**
Alibaba	12.4	7.3	6.0	5.2	4.5	3.0	2.0	0.7
SoftBank Corp.	2.3	2.4	2.3	2.2	2.4	2.2	2.3	2.4
SVF1	6.2	5.1	5.2	4.0	3.4	3.3	2.8	2.8
SVF2	2.9	4.0	4.8	5.0	4.5	4.2	3.7	3.5
LatAm Funds	0.8	0.9	0.9	1.1	1.0	1.0	0.9	0.8
T-Mobile	1.9	0.8	0.7	1.0	1.0	1.2	1.2	1.2
Deutsche Telekom	–	0.5	0.1	0.1	0.2	0.1	0.2	0.3
Arm	2.7	2.8	2.8	2.7	3.0	3.1	2.6	2.9
SB Northstar*	1.5	0.7	0.8	0.6	0.5	*	*	*
Others	1.6	1.3	1.0	1.3	1.3	1.6	1.3	1.3
Net interest-bearing debt (asset-backed finance adjusted)	**5.1**	**4.8**	**5.3**	**4.7**	**3.2**	**3.0**	**3.1**	**1.7**
Consolidated net interest-bearing debt	15.9	16.1	16.8	17.1	17.9	14.1	13.5	13.6
Net interest-bearing debt at self-financing entities, etc.	5.4	5.2	5.3	5.0	5.9	5.6	5.4	5.4
Other adjustments	5.4	6.1	6.2	7.4	8.9	5.5	5.0	6.5
NAV	**27.0**	**20.9**	**19.3**	**18.5**	**18.5**	**16.7**	**13.9**	**14.1**
(Yen)								
NAV per share	**15,756**	**12,193**	**11,364**	**11,206**	**11,640**	**10,791**	**9,472**	**9,656**
(%)								
LTV	**15.9**	**18.7**	**21.6**	**20.4**	**14.5**	**15.0**	**18.2**	**11.0**
(Reference)								
Share price (yen)	7,775	6,480	5,434	5,559	5,235	4,900	5,644	5,182
Total number of shares issued (excluding treasury stock) (thousands)	1,713,113	1,713,616	1,701,921	1,646,790	1,590,724	1,549,888	1,462,458	1,463,048
USD / JPY	110.58	111.92	115.02	122.39	136.68	144.81	132.70	133.53

Notes: 1. For the definitions of NAV and LTV, see pages 20-21.
2. Figures for NAV per share for FY2021 have been retroactively revised.
* Figures for SB Northstar after FY2022 September 30 are included in Others.

Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows

As of June 21, 2023

Results of operations

1. Alibaba

The Company recorded gains and losses as a result of the physical settlement of prepaid forward contracts corresponding to 296 million American Depositary Receipts (ADRs) of Alibaba shares (c and e in the following table). During the course of the physical settlement, the Company's voting ownership in Alibaba fell below 20% in the second quarter and Alibaba was therefore excluded from the associates of the Company. Remeasurement gain was recorded on the shares that continued to be held upon exclusion (d in the following table).

Gains and losses related to Alibaba shares in fiscal 2022

Gains and losses while an associate of the Company	
a. Loss on equity method investments	¥(25.4) billion
b. Dilution gain from changes in equity interest (net)	¥75.7 billion
c. Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	¥841.6 billion
Gains and losses upon exclusion from associates of the Company	
d. Gain from remeasurement of Alibaba shares held upon exclusion from associates	¥3,996.7 billion
Gains and losses after exclusion from associates of the Company	
e. Realized loss on investments (loss on sale from physical settlement) *representing the difference between fair value at exclusion from associates and at settlement*	¥(210.9) billion
f. Unrealized loss on valuation of investments *representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates*	¥(254.4) billion
Gains and losses associated with financing activities	
g. Finance cost	¥(107.9) billion
h. Derivative gain (excluding gain (loss) on investments)	¥24.9 billion
Total (contribution to income before income tax)	¥4,340.3 billion

2. SVF

Gross performance since inception was an $11.4 billion gain in SVF1 and an $18.3 billion loss in SVF2.*1

3. Results highlights

¥835.1 billion investment loss (¥526.1 billion gain for the fourth quarter)

– ¥4,560.5 billion investment gain at Investment Business of Holding Companies (including a ¥860.9 billion gain for the fourth quarter), which included
  - Gain of ¥4,838.3 billion relating to settlement of prepaid forward contracts using Alibaba shares (total of c and d in the above table)
  - Realized loss of ¥238.0 billion and unrealized valuation loss of ¥142.4 billion

– ¥5,322.3 billion investment loss at SoftBank Vision Funds (including a ¥315.5 billion loss for the fourth quarter), which included
  - Realized gain (net) of ¥81.7 billion and unrealized valuation loss (net) of ¥1,952.0 billion at SVF1
  - Realized loss (net) of ¥3.5 billion and unrealized valuation loss (net) of ¥2,527.5 billion at SVF2

  Share prices of numerous public portfolio companies*2 declined for fiscal 2022 amid the weakness in global stock markets, although share prices of several companies rose in the fourth quarter. The fair value of a wide range of private portfolio companies*2 also decreased, reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

Loss before income tax of ¥469.1 billion (improvement of ¥400.4 billion yoy) *reflecting the recordings of:*

– Finance cost of ¥555.9 billion
– Foreign exchange loss of ¥772.3 billion due to the impact of the weaker yen amid an excess of U.S. dollar-denominated liabilities (net) mainly at SBG over its U.S. dollar-denominated cash and cash equivalents and loans receivable
– Decrease in third-party interests at SVF of ¥1,127.9 billion

Net loss attributable to owners of the parent of ¥970.1 billion (improvement of ¥737.9 billion yoy) *reflecting the recordings of:*

– Income tax of ¥320.7 billion
– Net income attributable to non-controlling interests of ¥180.3 billion

4. Maintained prudent defensive financial management with continued monetization of and contraction in investments, resulting in an improvement in LTV*3 from the previous fiscal year-end.

Continued monetization of investments

– Raised $35.46 billion through prepaid forward contracts using Alibaba shares during fiscal 2022.
– SVF1 and SVF2 sold investments (including those through share exchanges) for a total of $6.47 billion in fiscal 2022, including full exits of ten portfolio companies, such as Uber and KE Holdings, and partial exits of several public portfolio companies.
– Sold 21.2 million T-Mobile shares for $2.40 billion in the first quarter.
– Raised $4.39 billion through prepaid forward contracts using Alibaba shares, subsequent to the fiscal year-end.

Contraction in investments

SVF1 and SVF2 made new and follow-on investments (including those through share exchanges) totaling $3.14 billion in fiscal 2022, a significant reduction from $44.26 billion in the previous fiscal year.

5. Reduced interest-bearing debt of SBG and its subsidiaries engaged in fund procurement, etc. by ¥2,233.8 billion from the previous fiscal year-end as a result of proactive debt repayment and the physical settlement of prepaid forward contracts

- Reduced financial liabilities relating to the sale of shares through prepaid forward contracts by $40.45 billion (including $13.47 billion relating to contracts concluded during fiscal 2022) due to the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares in fiscal 2022.
- Repaid borrowings of $4.50 billion made through commitment lines in the first quarter.
- Repaid the entire ¥325.2 billion of bank loans (senior loans) in the second quarter, including early repayment of ¥292.7 billion.
- Repaid in full $6.0 billion in a margin loan borrowed through Alibaba shares in the second quarter.
- Repaid $2.06 billion in a margin loan borrowed through T-Mobile shares in the six-month period ended September 30, 2022.
- Repurchased a total of $2.07 billion worth of foreign currency-denominated senior notes (at face value) and $0.75 billion worth of USD-denominated Undated Hybrid Notes (at face value) in fiscal 2022. The latter is classified as equity instruments in accordance with IFRSs.

6. On track with replacement of USD-denominated Undated Hybrid Notes

Subsequent to the fiscal year-end, the Company issued domestic Hybrid Notes of ¥222.0 billion in April 2023. Together with the borrowings made through the Hybrid Loan*4 in May 2023, the Company completed the financing for the replacement of the USD-denominated Undated Hybrid Notes ($2.0 billion) and JPY-denominated Hybrid Notes (¥15.4 billion) with the first voluntary call dates in July 2023 and in September 2023 respectively.

7. Share repurchase of ¥1.4 trillion completed

- On October 17, 2022, SBG completed the full repurchase of shares under the ¥1 trillion share repurchase program authorized in November 2021.
- On November 10, 2022, SBG completed the full repurchase of shares under the ¥400 billion share repurchase program authorized in August 2022.
- SBG retired 252,958,500 treasury shares (14.68% of the total number of shares issued prior to the retirement) on March 30, 2023, a number equal to the total number of shares acquired under the above two programs.

8. Reorganization is planned among Z Holdings and primarily LINE and Yahoo Japan

Z Holdings plans to reorganize its corporate group as of October 1, 2023, primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, to build an organization structure that puts more emphasis on products, to accelerate the expansion of synergies from the business integration.

9. Confidential submission of draft registration statement on Form F-1 by Arm

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depositary shares representing Arm's ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.

Notes: Abbreviations for Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows
The fiscal year / Fiscal 2022: Twelve-month period ended March 31, 2023
The first quarter: Three-month period ended June 30, 2022
The second quarter: Three-month period ended September 30, 2022
The third quarter: Three-month period ended December 31, 2022
The fourth quarter: Three-month period ended March 31, 2023
The previous fiscal year / Fiscal 2021: Twelve-month period ended March 31, 2022
The fiscal year-end: March 31, 2023
The previous fiscal year-end: March 31, 2022

*1 Gross amounts before deductions such as third-party interests and taxes.
*2 Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
*3 See page 21 for the definition of LTV.
*4 The Hybrid Loan is eligible for 50% equity treatment for the drawn down amount from Japan Credit Rating Agency, Ltd. and S&P Global Ratings Japan Inc.

Overall results for fiscal 2022

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Change	Change %
Net sales	6,221,534	**6,570,439**	348,905	5.6%
Gross profit	3,265,574	**3,328,042**	62,468	1.9%
Gain on investments				
Gain on investments at Investment Business of Holding Companies	104,367	**4,560,500**	4,456,133	–
Loss on investments at SoftBank Vision Funds	(3,625,827)	**(5,322,265)**	(1,696,438)	–
Gain (loss) on other investments	86,718	**(73,294)**	(160,012)	–
Total gain on investments	(3,434,742)	**(835,059)**	2,599,683	–
Selling, general and administrative expenses	(2,551,722)	**(2,695,328)**	(143,606)	5.6%
Finance cost	(382,512)	**(555,902)**	(173,390)	45.3%
Foreign exchange loss	(706,111)	**(772,270)**	(66,159)	–
Income (loss) on equity method investments	341,385	**(96,677)**	(438,062)	–
Derivative gain (excluding gain (loss) on investments)	1,234,708	**54,256**	(1,180,452)	(95.6%)
Change in third-party interests in SVF	970,559	**1,127,949**	157,390	16.2%
Other gain (loss)	393,299	**(24,138)**	(417,437)	–
Income before income tax	(869,562)	**(469,127)**	400,435	–
Income taxes	(592,637)	**(320,674)**	271,963	(45.9%)
Net income	(1,462,199)	**(789,801)**	672,398	–
Net income attributable to owners of the parent	(1,708,029)	**(970,144)**	737,885	–
Total comprehensive income	691,211	**468,140**	(223,071)	(32.3%)
Comprehensive income attributable to owners of the parent	449,419	**293,116**	(156,303)	(34.8%)

1. Net sales

Net sales increased ¥348,905 million (5.6%) year on year, to ¥6,570,439 million. Net sales increased in the SoftBank segment and the Arm segment.

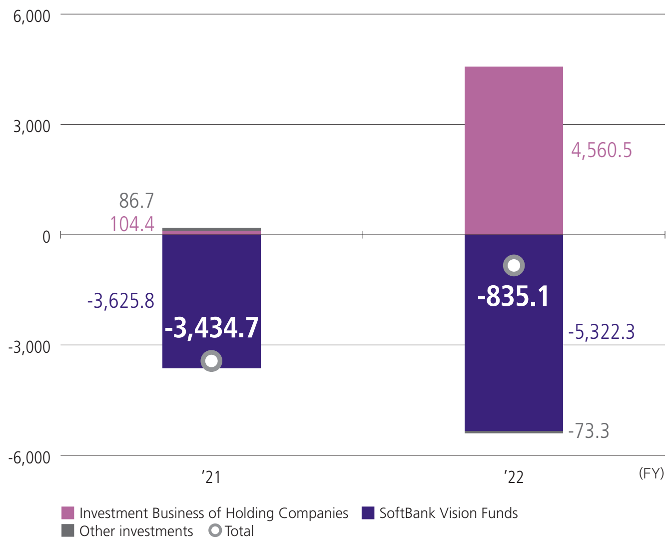
2. Loss on investments

Total loss on investments was ¥835,059 million.

Investment gain of ¥4,560,500 million was recorded at Investment Business of Holding Companies. This mainly reflected the recording of a gain of ¥4,838,251 million relating to the settlement of prepaid forward contracts using Alibaba shares (including a gain of ¥3,996,668 million from the remeasurement of Alibaba shares held upon Alibaba's exclusion from the Company's associates). For details, see "Investment Business of Holding Companies Segment" on page 81.

Investment loss of ¥5,322,265 million was recorded at SoftBank Vision Funds, of which ¥1,127,949 million was attributable to third-party interests. SVF1 recorded a realized gain on investments (net) of ¥81,714 million, mainly due to the full exits of eight portfolio companies,*[1] such as Uber Technologies, Inc. ("Uber") and the partial exits of several public portfolio companies. Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥782,582 million for public portfolio companies, reflecting declines in the share prices of a wide range of portfolio companies in fiscal 2022. Of the losses, ¥213,825 million were attributable to SenseTime Group, Inc., ¥213,528 million to PT GoTo Gojek Tokopedia Tbk ("GoTo"), and ¥102,091 million to DoorDash, Inc. ("DoorDash"). For private portfolio companies, SVF1 recorded unrealized

Gain (loss) on investments



valuation losses (net) totaling ¥1,169,384 million due to an overall decrease in the fair value of portfolio companies, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

SVF2 recorded realized loss on investments (net) of ¥3,499 million mainly as a result of the full exit of KE Holdings Inc. (“KE Holdings”) and the partial exits of several public portfolio companies. Meanwhile, SVF2 recorded unrealized valuation losses (net) totaling ¥2,527,524 million. For public portfolio companies, the losses were mainly due to share price declines of AutoStore Holdings Ltd. (“AutoStore”) and WeWork Inc. (“WeWork”) in fiscal 2022. For private portfolio companies, the fair value decreased in a wide range of investments, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies. For details, see “SoftBank Vision Funds Segment” on page 86.

3. Loss before income tax

Loss before income tax was ¥469,127 million, an improvement of ¥400,435 million year on year. Major changes other than gain (loss) on investments are as follows.

Finance cost increased by ¥173,390 million year on year, to ¥555,902 million. Interest expenses increased by ¥121,433 million in the Investment Business of Holding Companies segment. This mainly reflected increases in interest expenses at SBG*2 resulting from the full amortization of unamortized cost associated with financial liabilities related to the early physical settlement of a portion of prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was incepted in March 2022.

Foreign exchange loss of ¥772,270 million (net), a deterioration of ¥66,159 million year on year, was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

The weaker yen increased the yen-translated value of net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is not Japanese yen (primarily U.S. dollars). However, this positive impact is not included in foreign exchange gains; instead, it is included in the increase in exchange differences from the translation of foreign operations of ¥1,337,214 million, which is listed under accumulated other comprehensive income in equity on the Consolidated Statement of Financial Position.

Loss on equity method investments decreased by ¥438,062 million year on year, to ¥96,677 million. Loss on equity method investments related to Alibaba was ¥25,394 million,*3 a deterioration of ¥413,305 million year on year. Alibaba was previously an equity method associate of the Company; however, it was excluded from the associates in the second quarter. This change reflected the Company’s loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

Derivative gain (excluding gain (loss) on investments) decreased by ¥1,180,452 million year on year, to ¥54,256 million. Derivative gain of ¥24,933 million was recorded in relation to prepaid forward contracts using Alibaba shares. In the fourth quarter, derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

4. Net loss attributable to owners of the parent

Net loss attributable to owners of the parent was ¥970,144 million, an improvement of ¥737,885 million year on year.

Income taxes decreased by ¥271,963 million year on year, to ¥320,674 million. In addition to current income taxes totaling ¥283,702 million recorded at SoftBank Corp., Yahoo Japan Corporation, Arm, and other operating companies, current income taxes of ¥494,405 million and deferred income taxes of ¥408,508 million (a credit of income taxes) were recorded at SBG, at subsidiaries conducting fund procurement using Alibaba shares, and at related intermediate holding companies (both comprising wholly owned subsidiaries of the Company).

*1 Includes share exchanges. During fiscal 2022, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration; its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and its stakes in Candy Digital, Inc. to Fanatics Holdings, Inc. in exchange for shares in Fanatics Holdings, Inc. as consideration. LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. and shares in Inco Limited for shares in Arco Platform Limited. These share exchanges are treated as full exits from investments and acquisition of new investments, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gains or losses on investments.

*2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

*3 The Company applied the equity method to Alibaba’s consolidated financial statements for a reporting period staggered by the previous three months because it is impractical to align reporting periods with Alibaba due to factors, such as contracts with the company. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

Status of Investment and Financial Support for WeWork

The Company recorded losses totaling ¥378,527 million for fiscal 2022 on WeWork stocks and warrants held by SVF1 and SVF2 (see a in the table below), mainly due to a significant decline in WeWork share price. In addition, losses totaling ¥221,839 million were recorded for fiscal 2022 as a result of estimating expected credit losses related to financial support under the October 2019 agreement between the Company and WeWork, including WeWork unsecured notes held by the Company (b below), WeWork senior secured notes held by SVF2 (c below), a commitment by SVF2 to acquire WeWork senior secured notes (d below), and credit support by SVF2 for a letter of credit facility provided to WeWork by financial institutions (e below).

In March 2023, WeWork, its principal bondholders, SVF2, and others agreed to support the restructuring of WeWork's debt. Pursuant to this transaction support agreement, the following changes have been made to the financial support provided by the Company and SVF2 to WeWork since April 2023. WeWork remains an associate of the Company after these changes.

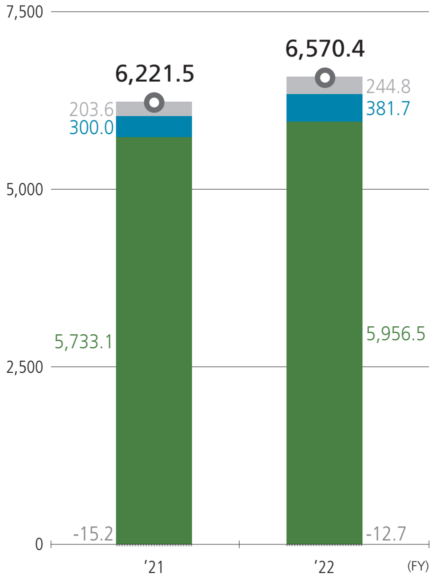
(Millions of yen)

	Consolidated Statement of Profit or Loss		Consolidated Statement of Financial Position		
	Account (as in the notes to the financial statements)	Fiscal 2022 Amount (Parentheses show loss)	Account	Carrying amount as of Mar 31, 2023 (Parentheses show liabilities)	Changes since April 2023
a WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds	(340,411)	Investments from SVF (FVTPL)	43,081	
	Loss on equity method investments	(15,307)	Investments accounted for using the equity method	4,824	
	Other loss (Impairment loss on equity method investments)	(22,809)			
b WeWork unsecured notes with a face value of $1.65 billion*1 held by the Company	Other loss (Provision for allowance for doubtful accounts)	(77,191)	Other financial assets (non-current)	*2 110,735 *$0.83 billion*	The unsecured notes were transferred to SVF2 in April 2023 and exchanged for WeWork stock (1,113 million shares) and convertible bonds (face value: $457.1 million) in May 2023.
c WeWork senior secured notes with a face value of $0.25 billion*1 held by SVF2	Loss on investments at SoftBank Vision Funds	18,022	Investments from SVF (FVTPL)	32,959 *$0.25 billion*	In April 2023, SVF2 purchased additional WeWork senior secured notes with a face value of $0.05 billion. In May 2023, WeWork redeemed all the senior secured notes held by SVF2, totaling $0.3 billion in face value, and the undrawn $0.2 billion loan commitment to acquire WeWork senior secured notes was canceled. In addition, SVF2 entered into a new loan commitment agreement with WeWork for the purchase of up to $0.3 billion of senior secured notes to be issued by WeWork.
	Other loss (Provision for allowance for loan commitment losses)	(19,436)			
d Commitment by SVF2 to acquire WeWork senior secured notes up to $0.25 billion*1	Other loss (Provision for allowance for loan commitment losses)	(1,008)	Other financial liabilities (current)	(16)	
e Credit support by SVF2 for a letter of credit facility up to $1.43 billion*1 provided to WeWork by financial institutions	Other loss (Provision for allowance for financial guarantee contract losses)	(142,226)	Other financial liabilities (current)	(152,365) *$(1.14) billion*	
	Total	(600,366)			

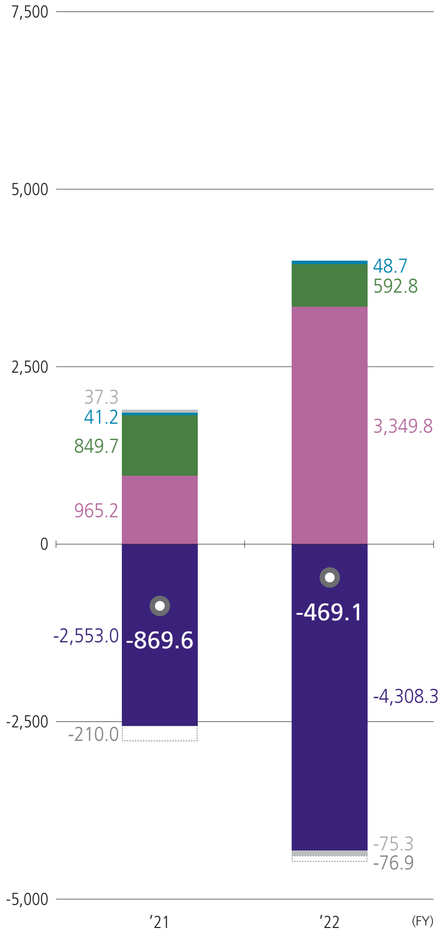
*1 As of March 31, 2023
*2 After deducting allowance for doubtful accounts

Summary of Segment Information

Net sales



Segment income (income before income tax)



■ Investment Business of Holding Companies*1 ■ SoftBank Vision Funds*1 ■ SoftBank ■ Arm
■ Other*2 ⬚ Reconciliations ◉ Consolidated

*1 Net sales are not recorded for this segment as it is not engaged in the sale of goods and services.
*2 Includes the business results of Fortress Investment Group LLC and Fukuoka SoftBank HAWKS Corp., among others.

Overview of Reportable Segments

Segments	Main businesses	Core companies
Investment Business of Holding Companies	• Investment activities by SBG and its subsidiaries	• SoftBank Group Corp. • SoftBank Group Capital Limited • SoftBank Group Japan Corporation • SB Northstar LP
SoftBank Vision Funds	• Investment activities by SVF1, SVF2, and LatAm Funds	• SB Investment Advisers (UK) Limited • SoftBank Vision Fund L.P. • SB Global Advisers Limited • SoftBank Vision Fund II-2 L.P. • SBLA Latin America Fund LLC
SoftBank	• Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan • Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan • Distribution business: Provision of ICT services products to enterprise customers and provision of communication device-related products and IoT equipment to retail customers • Yahoo! JAPAN/LINE business: Provision of internet advertising and e-commerce services • Financial business: Provision of payment and financial services	• SoftBank Corp. • Z Holdings Corporation • Yahoo Japan Corporation • LINE Corporation • PayPay Corporation*
Arm	• Design of microprocessor intellectual property and related technology • Sale of software tools and provision of related services	• Arm Limited

* Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results are no longer included in "Other," but are presented within the SoftBank segment starting from the third quarter, with the results retrospectively adjusted and presented for fiscal 2022 and for the previous fiscal year.

Integration of reportable segments

Integration of the Latin America Funds Segment into the SoftBank Vision Funds Segment

From the first quarter, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment following a review of the segment management classification after SBGA, the manager of SVF2, began managing LatAm Funds. In line with this, gains and losses on investments at LatAm Funds, which were presented as gains and losses on investments at Latin America Funds in the past fiscal year, are now included in gains and losses on investments at SoftBank Vision Funds. Also, the change in third-party interests in LatAm Funds, which was included in other gains and losses in the past fiscal year, is now included in change in third-party interests in SVF. Information for the same period of the previous fiscal year has been reclassified and presented accordingly. Presentations in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows have also been changed. For details, see "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

Investment Business of Holding Companies Segment

1. **As a result of the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares, gains and losses on sale (¥841.6 billion gain on settlement of prepaid forward contracts using Alibaba shares and ¥210.9 billion realized investment loss) were recorded. Alibaba was excluded from the associates of the Company as the voting ownership fell below 20% in the second quarter during the course of the physical settlement. ¥3,996.7 billion remeasurement gain was recorded on shares that continued to be held upon exclusion.**
2. **Segment income was ¥3,349.8 billion. This reflected ¥4,560.6 billion investment gain, including the above gains and losses related to Alibaba shares, which was partially offset by finance cost of ¥398.5 billion and foreign exchange loss of ¥772.1 billion.**

Overview

This segment is led by SBG, which conducts investment activities, either directly or through its subsidiaries, as a strategic investment holding company. The segment consists of SBG, SoftBank Group Capital Limited, SoftBank Group Japan Corporation ("SBGJ"), the asset management subsidiary SB Northstar, and certain other subsidiaries engaged in investment and financing activities. Gains and losses on investments at Investment Business of Holding Companies comprise gains and losses on investments held by SBG either directly or through its subsidiaries but do not include gains and losses on investments pertaining to subsidiaries' shares, such as dividend income from subsidiaries or impairment losses related to the subsidiaries' shares.

This segment has approximately 110 portfolio companies, including Alibaba, T-Mobile, and Deutsche Telekom AG ("Deutsche Telekom"), as well as investees of SB Northstar, most of which are investments classified as financial assets at FVTPL. Investments classified as financial assets at FVTPL are measured at fair value every quarter, and any change in fair value is recorded in the Consolidated Statement of Profit or Loss as gains and losses on investments.

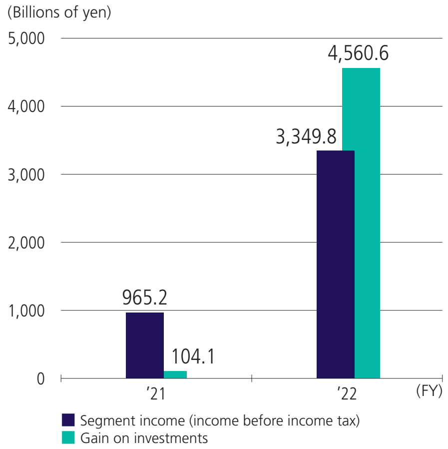
Investment in listed stocks and other instruments by asset management subsidiaries

SB Northstar acquires and sells listed stocks and other instruments and engages in derivative and credit transactions related to listed stocks, using surplus funds of SBG. Investment loss related to asset management subsidiaries for fiscal 2022 was ¥146.2 billion, which brings the cumulative investment loss since inception to ¥892.4 billion.* SB Northstar's business scale continues to be downsized and the balance of its shareholdings and other instruments decreased from ¥315.9 billion as of the previous fiscal year-end to ¥79.2 billion as of the fiscal year-end.

SBG indirectly holds 67% and SBG's Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son indirectly holds 33% of interests in SB Northstar. Masayoshi Son's interest is deducted from the gains and losses on investments at SB Northstar as a non-controlling interest; therefore, 67% of the gains and losses on investments impact net income attributable to owners of the parent. If, at the end of the fund life (12 years + 2-year extension), SB Northstar has any unfunded repayment obligations to SBG, Masayoshi Son will pay his pro rata share of any such unfunded obligations based upon his relative ownership percentage of SB Northstar.

* Both fiscal 2022 and the cumulative investment loss amounts exclude the impact of SB Northstar's investments in three Special Purpose Acquisition Companies ("SPACs") controlled by SB Investment Advisers (US) Inc. Of these SPACs, one completed a merger with an operating company during fiscal 2022 and two terminated operations during fiscal 2022 as they were unable to complete a merger with operating companies.

Segment income (income before income tax) / gain on investments



Financial results

(Millions of yen)

	Fiscal 2021	Fiscal 2022	Change	Change %	
Gain on investments at Investment Business of Holding Companies	104,135	**4,560,568**	4,456,433	–	A
Gain relating to settlement of prepaid forward contracts using Alibaba shares	199,972	**4,838,251**	4,638,279	–	
Gain relating to sales of T-Mobile shares	3,149	**24,842**	21,693	688.9%	
Realized gain (loss) on investments at asset management subsidiaries	54,853	**(73,950)**	(128,803)	–	
Unrealized loss on valuation of investments at asset management subsidiaries	(393,635)	**(67,054)**	326,581	–	
Derivative gain (loss) on investments at asset management subsidiaries	89,476	**(5,102)**	(94,578)	–	
Realized loss on investments*1	(269,343)	**(235,617)**	33,726	–	
Unrealized gain (loss) on valuation of investments*1	288,734	**(144,198)**	(432,932)	–	
Change in valuation for the fiscal year	(126,282)	**(132,423)**	(6,141)	–	
Reclassified to realized gain (loss) recorded in the past fiscal years*2	415,016	**(11,775)**	(426,791)	–	
Derivative gain on investments	101,524	**205,506**	103,982	102.4%	
Effect of foreign exchange translation*1*3	10,022	**–**	(10,022)	–	
Other*1	19,383	**17,890**	(1,493)	(7.7%)	
Selling, general and administrative expenses	(85,871)	**(73,796)**	12,075	(14.1%)	
Finance cost	(277,108)	**(398,541)**	(121,433)	43.8%	B
Foreign exchange loss	(705,108)	**(772,053)**	(66,945)	–	C
Income (loss) on equity method investments	376,433	**(22,836)**	(399,269)	–	D
Derivative gain (excluding gain (loss) on investments) *Mainly due to prepaid forward contracts using Alibaba shares*	1,236,686	**65,732**	(1,170,954)	(94.7%)	E
Other gain (loss)	315,991	**(9,228)**	(325,219)	–	F
Segment income (income before income tax)	965,158	**3,349,846**	2,384,688	247.1%	

*1 Figures for the previous fiscal year are restated. There is no change in the total amount of gain (loss) on investments at Investment Business of Holding Companies.
*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2022 are reclassified as "realized gain (loss) on investments."
*3 Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were incurred, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed of. "Effects of foreign exchange translation" are amounts arising from the different foreign currency exchange rates used for these unrealized gains and losses on valuation and realized gains and losses.

Gains and losses related to Alibaba shares in fiscal 2022

(Millions of yen)

Gains and losses while an associate of the Company	
Loss on equity method investments	(25,394)
Dilution gain from changes in equity interest (net)	75,678
Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	841,583
Gains and losses upon exclusion from associates of the Company	
Gain from remeasurement of Alibaba shares held upon exclusion from associates	3,996,668
Gains and losses after exclusion from associates of the Company	
Realized loss on investments (loss on sale from physical settlement) *representing the difference between fair value at exclusion from associates and at settlement*	(210,919)
Unrealized loss on valuation of investments *representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates*	(254,356)
Gains and losses associated with financing activities	
Finance cost	(107,884)
Derivative gain (excluding gain (loss) on investments)	24,933
Total (contribution to segment income)	4,340,309

A Gain on investments at Investment Business of Holding Companies: ¥4,560,568 million

- Gain relating to settlement of prepaid forward contracts using Alibaba shares of ¥4,838,251 million was recorded due to the physical settlement of a portion of the contracts. The amount includes a gain of ¥3,996,668 million from remeasurement of Alibaba shares.
- Gain of ¥24,842 million relating to sales of T-Mobile shares was recorded. This was due to the sale of 21.2 million T-Mobile shares held by the Company to Deutsche Telekom as Deutsche Telekom exercised a portion of its call options in April 2022.
- Realized loss of ¥73,950 million and unrealized valuation loss of ¥67,054 million were recorded on investments at asset management subsidiaries. This was a result of investments in listed stocks and other instruments by SB Northstar.
- Realized loss of ¥235,617 million on investments was recorded. This mainly comprised ¥210,919 million loss realized on Alibaba shares due to the physical settlement of the prepaid forward contracts using such shares, which was carried out after Alibaba's exclusion from the Company's associates.
- Unrealized loss of ¥144,198 million was recorded on valuation of investments. This mainly included a ¥254,356 million unrealized loss on a change in the fair value of Alibaba shares held at the fiscal year-end, which was recorded on the change in fair value from the exclusion from the Company's associates to the fiscal year-end.

- Derivative gain of ¥205,506 million on investments was recorded, mainly due to a gain of ¥189,874 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

B Finance cost: ¥398,541 million (increase of ¥121,433 million year on year)

Interest expenses increased by ¥129,565 million year on year at SBG*1 to ¥396,240 million. This was mainly due to the full amortization of unamortized costs associated with financial liabilities related to the early physical settlement of a portion of the prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was incepted in March 2022.

C Foreign exchange loss: ¥772,053 million

Foreign exchange loss of ¥772,053 million (net) was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

D Loss on equity method investments: ¥22,836 million (deterioration of ¥399,269 million year on year)

Loss on equity method investments related to Alibaba was ¥25,394 million,*2 a deterioration of ¥413,305 million year on year. Alibaba was previously an equity method associate of the Company but was excluded from the associates in the second quarter. This reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

E Derivative gain (excluding gain (loss) on investments): ¥65,732 million

Derivative gain of ¥24,933 million was recorded mainly for the prepaid forward contracts using Alibaba shares. In the fourth quarter, a derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

F Other loss: ¥9,228 million

As stated in "Status of Investment and Financial Support for WeWork," the Company recorded a ¥217,081 million loss related to financial support provided to WeWork. On the other hand, interest income increased by ¥65,962 million year on year to ¥103,462 million mainly due to an increase in interest rates on USD-denominated deposits. Meanwhile, a dilution gain of ¥75,678 million (net) from changes in equity interest was recorded due to a change in the Company's ownership interest in Alibaba prior to its exclusion from associates.

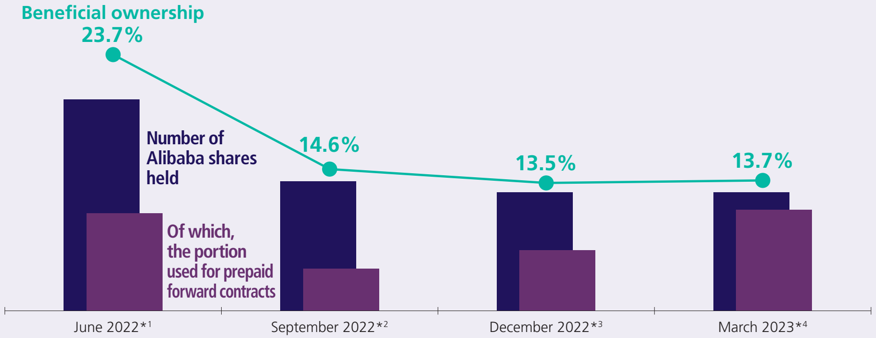
*1 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
*2 The Company applied the equity method to Alibaba's consolidated financial statements for a reporting period staggered by the previous three months because it is impractical to align reporting periods with Alibaba due to factors, such as contracts with the company. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

Investment in Alibaba

Alibaba was previously an equity method associate of the Company but was excluded from the associates during the second quarter. This reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

Upon Alibaba's exclusion from the Company's associates, Alibaba shares held by the Company were classified as financial assets at FVTPL and were remeasured at fair value based on the share price at that time. The shares are measured at fair value quarterly and any change in fair value is recorded in the Consolidated Statement of Profit or Loss as gain and loss on investments.

Alibaba shares held by the Company



*1 Calculated based on 21,357,323,112 ordinary shares outstanding as of March 31, 2022, as disclosed in Alibaba's Form 20-F.
*2 Calculated based on 21,185,107,544 ordinary shares outstanding as of July 15, 2022, as disclosed in Alibaba's Form 20-F.
*3 Calculated based on the number of ordinary shares outstanding as of September 30, 2022.
*4 Calculated based on 20,680,409,344 ordinary shares outstanding as of December 31, 2022.

Impact of the asset management subsidiaries on the Company's Consolidated Statement of Financial Position

(Millions of yen)

	March 31, 2023	
Cash and cash equivalents	18,231	
Investments from asset management subsidiaries	79,236	
Derivative financial assets in asset management subsidiaries	24	
Other	501	
Total assets	**97,992**	
Trade and other payables	229	
Total liabilities	**229**	
Investments from the Delaware subsidiaries*1	912,989	
Equivalent amount of cash investments by SBG in the Delaware subsidiaries	39,786	
Equivalent amount of loans to the Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	853,310	
Equivalent amount of cash investments by Masayoshi Son in the Delaware subsidiaries	19,893	A
Retained earnings	(898,420)	B
Exchange differences on translating foreign operations	83,194	
Equity	**97,763**	C

*1 Investments from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. (the "Delaware subsidiaries"), to the asset management subsidiary, SB Northstar

Calculation of non-controlling interests

(Millions of yen)

Equivalent amount of cash investments by Masayoshi Son in the Delaware subsidiaries	19,893	A
Cumulative loss attributable to non-controlling interests*2	(299,377)	
Exchange differences on translating foreign operations	32,541	
Non-controlling interests (interests of Masayoshi Son)	**(246,943)**	D

*2 One-third of B in the above table

Interests in equity (C above)

(Millions of yen)

Interests of SBG	344,706	
Non-controlling interests (interests of Masayoshi Son)	(246,943)	D
Equity	**97,763**	C

Main interest-bearing debt and lease liabilities in this segment

Borrower	Type	Balance as of March 31, 2023 in Consolidated Statement of Financial Position
SBG	Borrowings	¥381.9 billion
	Corporate bonds	¥5,753.0 billion
	Lease liabilities	¥10.7 billion
	Commercial paper	¥161.0 billion
Wholly owned subsidiaries conducting fund procurement*	Borrowings using Arm shares (asset-backed finance)	¥1,126.6 billion
	Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts)	¥3,823.7 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥497.4 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥376.2 billion
	Collar transactions using Deutsche Telekom shares	¥441.3 billion

* Borrowings of wholly owned subsidiaries conducting fund procurement are non-recourse to SBG.

SoftBank Vision Funds Segment

1. Gross performance since inception was $11.4 billion gain in SVF1 and $18.3 billion loss in SVF2.*1
Market environment: The S&P 500 Index rose 7.0%, the NASDAQ-100 Technology Sector Index rose 23.9%, and the Thomson Reuters Venture Capital Index rose 11.6% from December 31, 2022 to March 31, 2023.

SVF1: $101.0 billion in cumulative returns (exit price, etc. + fair value of investments held) on $89.6 billion investments, with $11.4 billion gross gain

- Investment loss was $17.3 billion (¥2,311.2 billion) for fiscal 2022.
- The fair value of investments held at the fourth quarter-end increased by 0.4% from the previous quarter-end.*2
  - Up 8.0% for public portfolio companies,*3 mainly due to rise in share prices of DiDi, Coupang, and DoorDash, partially offset by declines in share prices of Grab and other companies
  - Down 3.6% for private portfolio companies,*3 mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies, consistent with private valuation methodologies adopted

SVF2: $31.9 billion in cumulative returns on $50.2 billion investments, with $18.3 billion gross loss

- Investment loss was $18.4 billion (¥2,445.4 billion) for fiscal 2022.
- The fair value of investments held at the fourth quarter-end decreased by 5.4% from the previous quarter-end.
  - Up 10.0% for public portfolio companies, mainly due to rise in share prices of AutoStore and Symbotic, partially offset by decline in share prices of WeWork and other companies
  - Down 7.7% for private portfolio companies, reflecting markdowns of a wide range of portfolio companies due to their weaker performances, consistent with private valuation methodologies adopted

(As of March 31, 2023; in billions of U.S. dollars)

	Since Inception			Fiscal 2022*4	
	Investment cost*5	Returns*5	Gain/loss	Gain/loss Jan - Mar	Gain/loss YTD
SVF1					
Exited investments	24.0	42.7	18.7	0.3	0.6
Investments before exit	65.6	55.9	(9.7)	0.2	(14.7)
Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022				*(0.1)*	*(3.2)*
Derivatives/Interests/ Dividends	0.0	2.4	2.4	(0.0)	0.0
Total	**89.6**	**101.0**	**11.4**	**0.4**	**(17.3)**
				¥54.2 billion	**¥(2,311.2) billion**
SVF2					
Exited investments	1.6	2.7	1.1	(0.0)	(0.0)
Investments before exit	48.6	29.5	(19.1)	(1.5)	(18.6)
Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022				*0.0*	*0.1*
Derivatives/Interests/ Dividends	–	(0.3)	(0.3)	(0.0)	0.1
Total	**50.2**	**31.9**	**(18.3)**	**(1.5)**	**(18.4)**
				¥(205.4) billion	**¥(2,445.4) billion**

2. Continued prudent defensive financial management – significantly curtailed investments and continued to monetize investments under a disciplined approach amid the challenging market environment

- Sold investments for a total of $6.47 billion by SVF1 and SVF2 in fiscal 2022 (SVF1: $5.79 billion, SVF2: $0.68 billion), including full exits of ten portfolio companies*6 such as Uber and KE Holdings, and partial exits of several public portfolio companies.
- Made new and follow-on investments by SVF1 and SVF2 totaling $3.14 billion (SVF1: $0.45 billion, SVF2: $2.69 billion), *6 a significant reduction from $44.26 billion in the previous fiscal year.

*1 Cumulative gross gains and proceeds from realized investments are before deducting third-party interests, taxes, and expenses. The same applies to the presentation of cumulative investment performance hereinafter.
*2 Represents changes in U.S. dollar-based fair values, excluding those from investments or exits made during the fourth quarter. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end. For portfolio companies with a change in the classification of public/private during the fourth quarter, comparisons are made by adjusting their status at the third quarter-end to that of the fourth quarter-end. The same applies to the change in fair value of investments held at the quarter-end in this section.
*3 Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
*4 The amount of gains and losses for exited investments in fiscal 2022 represents the exit price, net of the investment cost of such investments. Unrealized valuation gains and losses of such investments recorded in prior years, or in or before the third quarter of fiscal 2022, are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2022. Therefore, the total amount of gains and losses for each quarter disclosed in or before the third quarter of fiscal 2022 and the gains and losses for the fourth quarter for "investments before exits" may not match the amount of gains and losses for fiscal 2022 (YTD).
*5 For derivatives, the investment cost represents the cost of the derivatives. Investment returns represent the exit price for exited investments, the fair value for investments before exits, the settlement amount of settled contracts or the fair value of open contracts for derivatives, and the respective amounts received for interest or dividends.
*6 Includes share exchanges. During fiscal 2022, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration; its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and its stakes in Candy Digital, Inc. to Fanatics Holdings, Inc. in exchange for shares in Fanatics Holdings, Inc. as consideration. LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. and shares in Inco Limited for shares in Arco Platform Limited. These share exchanges are treated as full exits from investments and acquisition of new investments, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gains or losses on investments.

Overview

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1), SoftBank Vision Fund 2 (SVF2), and SoftBank Latin America Funds (LatAm Funds).

Financial results

(Millions of yen)

	Fiscal 2021	**Fiscal 2022**	Change	Change %	
Loss on investments at SoftBank Vision Funds*1	(3,434,469)	**(5,279,494)**	(1,845,025)	–	A
Loss on investments at SVF1, SVF2, and LatAm Funds	(3,436,420)	**(5,298,458)**	(1,862,038)	–	
Realized gain on investments*2	1,345,560	**78,616**	(1,266,944)	(94.2%)	
Unrealized loss on valuation of investments	(4,698,612)	**(5,267,270)**	(568,658)	–	
Change in valuation for the fiscal year	(2,928,740)	**(4,978,591)**	(2,049,851)	–	
Reclassified to realized gain recorded in the past fiscal years*2	(1,769,872)	**(288,679)**	1,481,193	–	
Interest and dividend income from investments	51,897	**1,512**	(50,385)	(97.1%)	
Derivative gain (loss) on investments	(50,303)	**14,537**	64,840	–	
Effect of foreign exchange translation	(84,962)	**(125,853)**	(40,891)	–	
Gain on other investments	1,951	**18,964**	17,013	872.0%	
Selling, general and administrative expenses	(94,456)	**(65,999)**	28,457	(30.1%)	
Finance cost	(33,278)	**(81,181)**	(47,903)	143.9%	
Derivative gain (excluding gain (loss) on investments)	2,056	**907**	(1,149)	(55.9%)	
Change in third-party interests in SVF	970,559	**1,127,949**	157,390	16.2%	B
Other gain (loss)	36,561	**(10,473)**	(47,034)	–	
Segment income (income before income tax)	(2,553,027)	**(4,308,291)**	(1,755,264)	–	

*1 Unrealized gains and losses associated with the change in valuation of SoftBank Vision Funds' investment in shares in the Company's subsidiaries (mainly Arm and PayPay Corporation), and dividend income received from such investments are included in segment income of the SoftBank Vision Funds segment as gains and losses on investments at SoftBank Vision Funds, but are eliminated in consolidation and not included in gains and losses on investments at SoftBank Vision Funds in the Consolidated Statement of Profit or Loss.
*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2022 are reclassified as realized gains and losses on investments.

Investments and disposals by SVF1 and SVF2 in fiscal 2022

(Billions of U.S. dollars)

	Investments					Disposals*				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
SVF1	0.06	0.20	0.16	0.03	0.45	2.10	0.93	1.63	1.13	5.79
SVF2	2.11	0.13	0.09	0.36	2.69	0.51	0.06	0.03	0.08	0.68

Note: Investments and disposals by SVF1 and SVF2 include those through share exchanges. Investments include new and follow-ons.
* After deducting transaction fees, etc.

Segment income

A Loss on investments at SoftBank Vision Funds: ¥5,279,494 million

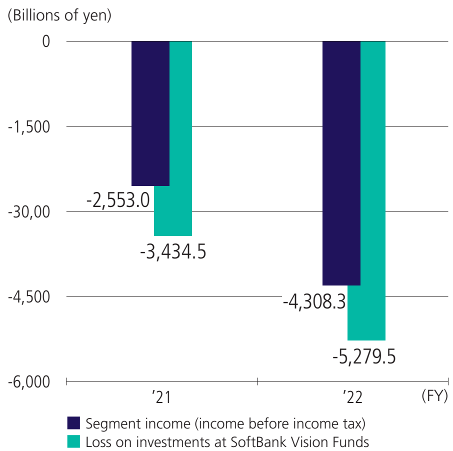
(Millions of yen)

	Fiscal 2021	**Fiscal 2022**	Change	Change %
Loss on investments at SVF1	(3,028,428)	**(2,311,213)**	717,215	–
Loss on investments at SVF2	(518,943)	**(2,445,427)**	(1,926,484)	–
Gain (loss) on investments at LatAm Funds	110,951	**(541,818)**	(652,769)	–
Loss on investments at SVF1, SVF2, and LatAm Funds	(3,436,420)	**(5,298,458)**	(1,862,038)	–

B Change in third-party interests in SVF: ¥1,127,949 million

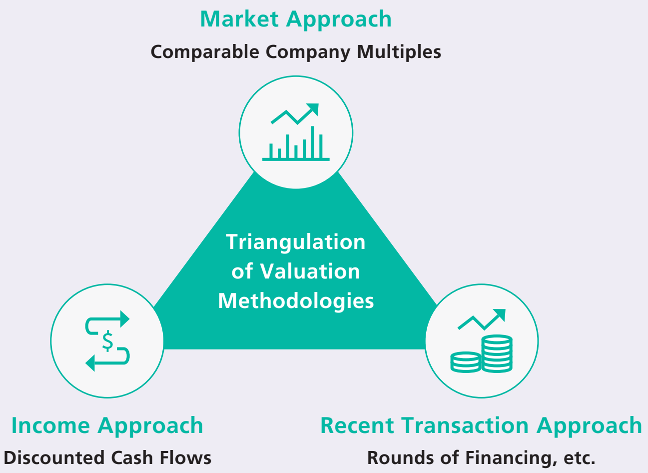
This indicates the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions, which are based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1; (ii) management and performance-linked management fees payable to SBGA from SVF2; (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds; and (iv) operating and other expenses of SVF. For details, see "(2) Third-party interests in SVF" under "Note 7. SoftBank Vision Funds business" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

Segment income (income before income tax) / loss on investments at SoftBank Vision Funds



Fair value measurement of investments

SVF1, SVF2, and LatAm Funds calculate the fair value of their investments at each quarter-end in accordance with IFRS 13 Fair Value Measurement and based on the SBIA Global Valuation Policy and the International Private Equity and Venture Capital Valuation Guidelines (IPEV Guidelines). For public portfolio companies, fair values of portfolio companies that are traded on stock exchanges are determined using quoted prices, while fair values of those traded on over-the-counter markets are determined using single or multiple factors, such as quoted prices and other observable inputs. For private portfolio companies, one or more valuation methods are used, including the market approach using figures of market comparable companies, the income approach using estimated future cash flows, and the recent transactions method using prices of recent funding rounds and similar transactions.



Financing at SVF

SVF1, SVF2, and LatAm Funds may independently make borrowings that are non-recourse to SBG for the purpose of leveraging and maintaining liquidity. Types of borrowings include asset-backed finance, which utilizes assets held to enhance returns and distribute to limited partners.

Outline of principal funds in the segment

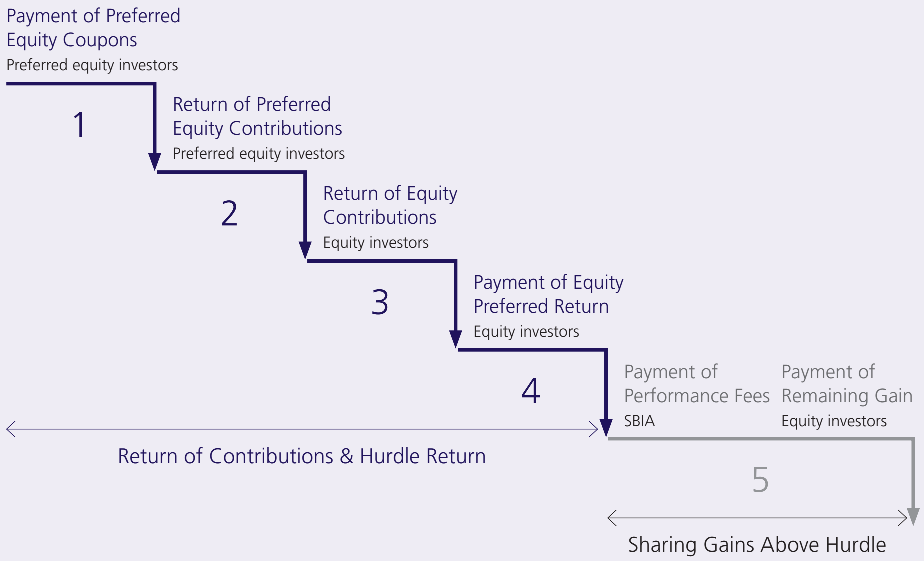
As of March 31, 2023

SVF1 and SVF2

SVF1 and SVF2 aim to maximize returns from a medium- to long-term perspective through large-scale investments in high-growth-potential companies leveraging AI, particularly in "unicorns."*1 SVF1's investment period has ended and the remaining undrawn capital is reserved for follow-on investments in existing portfolio companies (including investments in joint ventures with them), fixed distributions, and operating expenses.

	SVF1	SVF2
Major limited partnership	SoftBank Vision Fund L.P.	SoftBank Vision Fund II-2 L.P.
Total committed capital (Billions of U.S. dollars)	98.6	56.0*3
	The Company: 33.1*2 Third-party investors: 65.5	The Company: 53.4*3 Third-party investor (MgmtCo): 2.6*4
Manager	SBIA (The Company's wholly owned U.K. subsidiary)	SBGA (The Company's wholly owned U.K. subsidiary)
Investment period	Ended on September 12, 2019	To be determined by the manager
Fund life	Until November 20, 2029 + Up to two 1-year extensions option by SBIA	Until October 4, 2032 + Up to two 1-year extensions option by SBGA

SVF1 distribution waterfall



*1 Private companies valued at over $1 billion at the time of investment
*2 The Company's committed capital to SVF1 includes approximately $8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and $2.5 billion to be used for an incentive scheme related to SVF1.
*3 As of June 21, 2023, the Company's committed capital to SVF2 has been increased to $57.4 billion, and the total committed capital for SVF2 is $60.0 billion.
*4 A co-investment program has been introduced for SVF2 for the Company's management. MASA USA LLC ("MgmtCo"), an investment entity for the co-investment program, participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company's consolidated financial statements. For details, see "(a) Transactions between SVF2 and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."
*5 A co-investment program has been introduced for LatAm Funds for the Company's management. MgmtCo participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company's consolidated financial statements. For details, see "(b) Transactions between LatAm Funds and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

LatAm Funds

LatAm Funds invests in companies harnessing the power of data and technology to redefine industries within rapidly developing Latin America.

	LatAm Funds
Major limited liability company	SBLA Latin America Fund LLC
Total committed capital (Billions of U.S. dollars)	7.6*5
Manager	SBGA (The Company's wholly owned U.K. subsidiary)
Investment period	To be determined by the manager
Fund life	Until October 4, 2032 + Up to two 1-year extensions option by SBGA

As of March 31, 2023, total committed capital for LatAm Funds is $7.6 billion, with drawn capital totaling $7.3 billion.

Co-investment program of SVF2

In the second quarter of fiscal 2021, SVF2 introduced a co-investment program with restricted rights to receive distributions (the "Program"). Under the Program, the Company's management makes joint investments with the Company and shares both the profits and risks associated with the investments. The Program aims for the Company's management to further focus on SVF2 and contribute to the Company's earnings growth.

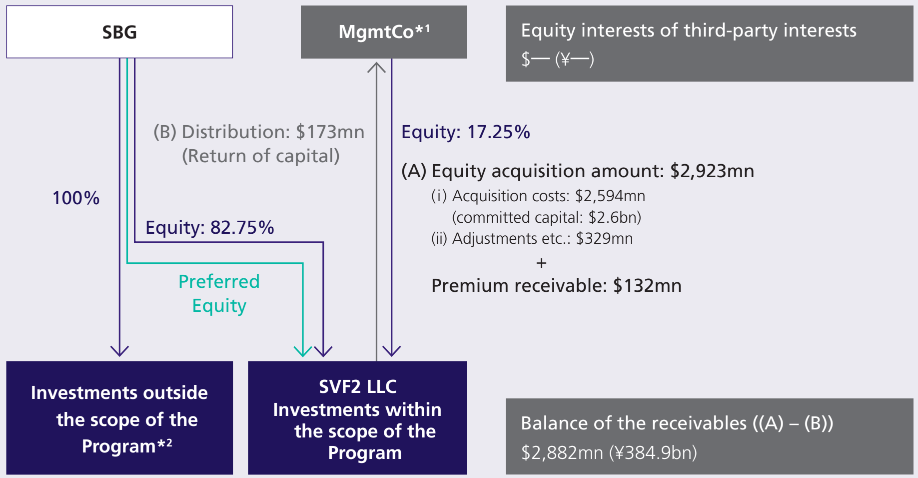
The Program targets an approved selection of SVF2's investments, including investments in private portfolio companies held or intended to be held by SVF2 as of June 23, 2021, and any new investments executed on or after June 24, 2021 (excluding any follow-on investments in the portfolio companies outside of the Program's scope). Target investments are indirectly held by SVF II Investment Holdings LLC ("SVF2 LLC"), a subsidiary of the Company established beneath SVF2. SVF2 LLC issued equity to the Company and MgmtCo.*1 Accordingly, the Company holds 82.75% and MgmtCo holds 17.25% of the total equity interests. These equity interests are entitled to performance-based distributions that are allocated based on the proportion of respective equity contributions.

Distributions from SVF2 LLC to MgmtCo are subject to certain restrictions. Specifically, distribution will not be made to MgmtCo until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair market value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo will be released proportionately in increments of 10%. When the ratio reaches 200%, all restrictions will be released and MgmtCo will be entitled to receive the full amount of the distribution.

MgmtCo is entitled to make full or partial payment of its capital contribution in SVF2 LLC at any point in time and is required to pay a premium calculated at 3% per annum on the outstanding receivables of SVF2 LLC. Any distributable amount from SVF2 LLC to MgmtCo is offset against receivables at the time of the distribution notice and no distribution payment will be made to MgmtCo until SVF2 LLC's receivables are paid in full. Furthermore, in the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

In parallel with the introduction of the Program, the Company has decided to invest in SVF2 LLC in the form of preferred equity, which generates a fixed distribution of 8% per annum, to enhance the efficiency of recovery of investment funds. The preferred equity interests have a priority right over the equity interests held by the Company and MgmtCo under the Program in terms of distributions and return of contributions. SBG continues to hold 100% of the equity for the investments in portfolio companies outside of the Program's scope.*2

As of March 31, 2023



*1 As of the fiscal year-end, only Masayoshi Son, SBG's Representative Director, Corporate Officer, Chairman & CEO, invests in MgmtCo. Participation by management other than Masayoshi Son has not been determined as of the date hereof, but is expected in the future.
*2 For investments outside the scope of the co-investment program, see "SVF2: Portfolio" on pages 94-95.

For further details of the program, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

Status of SVF1 investments

As of March 31, 2023

Total ((1) + (2) + (3) + (4) below)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1	Investment gain (loss) recorded for fiscal 2022 Jan - Mar	YTD
	100	**89.6**	**101.0**	**11.4**	**0.4**	**(17.3)**

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain*1	Realized gain (loss) recorded for fiscal 2022 Jan - Mar	YTD
Partial exit	–	3.7	12.6	8.9		1.7
Full exit*2	24	20.3	30.1	9.8		(1.1)
Total	**24**	**24.0**	**42.7**	**18.7**	**0.3**	**0.6**

(2) Investments before exit (investments held at the fiscal year-end)*3

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)*5	Unrealized valuation gain (loss) recorded for fiscal 2022 Jan - Mar	YTD
Public*4	23	30.7	20.6	(10.1)	1.5	(6.0)
Private	53	34.9	35.3	0.4	(1.3)	(8.7)
Total	**76**	**65.6**	**55.9**	**(9.7)**	**0.2**	**(14.7)**

(3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain	Derivative gain (loss) recorded for fiscal 2022 Jan - Mar	YTD
Unsettled	–	0.0	0.0		0.0
Settled	0.0	1.5	1.5		–
Total	**0.0**	**1.5**	**1.5**	**(0.0)**	**0.0**

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2022 Jan - Mar	YTD
Total	**0.9**	**0.9**	**–**	**–**

(Reference)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
Effects of share exchanges	(4)	(2.0)	(2.0)	–
Uber Advanced Technologies Group and Aurora Innovation Inc.				
PT Tokopedia and GoTo				
Grofers International Pte. Ltd. and Zomato Limited				
Zymergen, Inc. and Ginkgo Bioworks Holdings, Inc.				
Candy Digital, Inc. and Fanatics Holdings, Inc. (an existing portfolio company)				
Effects of dividends in kind	(2)	–	–	–
Treasure Data, Inc.				
Acetone Limited (equity interests in Arm China JV)				
Net of effects of share exchanges and dividends in kind*6,7	94	87.6	99.0	11.4

Note: The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.
*1 Before deducting third-party interests, taxes, and expenses
*2 Includes disposal (sale) through share exchanges
*3 The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.
*4 Includes DiDi Global Inc., which is traded in the over-the-counter market
*5 For a certain investment that was initially determined to be transferred from the Company to SVF1 but later canceled, any unrealized valuation gains and losses incurred for the period leading up to the decision to cancel the transfer are not included in the presentation.
*6 For investments in which share exchanges occurred, the acquisition costs of new investments and disposal prices (sale prices) of investments initially held are deducted for the purpose of presenting the cumulative net investment performance. Similarly, investments acquired through dividends in kind from existing portfolio companies are deducted from the investment count.
*7 In addition to the public share exchanges above, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated companies, which are also existing portfolio companies. The acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.

Capital deployment of SVF1

As of March 31, 2023

(Billions of U.S. dollars)

	Total	The Company	Third-party investors
Committed capital (A)	**98.6**	33.1	65.5
Drawn capital* (B)	**87.2**	29.9	57.3
Return of capital (non-recallable) (C)	**33.3**	9.2	24.1
Outstanding capital (D) = (B) – (C)	**53.9**	20.7	33.2
Remaining committed capital (E) = (A) – (B)	**11.4**	3.2	8.2

Note: The Company's committed capital to SVF1 includes approximately $8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and $2.5 billion to be used for an incentive scheme related to SVF1.
* Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.

Status of SVF2 investments

As of March 31, 2023

Total ((1) + (2) + (3) + (4) below)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1	Investment loss recorded for fiscal 2022	
					Jan - Mar	YTD
	274	**50.2**	**31.9**	**(18.3)**	**(1.5)**	**(18.4)**

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain (loss)*1	Realized gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Partial exit	–	0.2	0.1	(0.1)		(0.0)
Full exit	3	1.4	2.6	1.2		0.0
Total	**3**	**1.6**	**2.7**	**1.1**	**(0.0)**	**(0.0)**

(2) Investments before exit (investments held at the fiscal year-end)*2

	Number of investments	Investment cost*4	Fair value*4	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for fiscal 2022	
					Jan - Mar	YTD
Public*3	14	8.1	4.3	(3.8)	0.4	(4.5)
Private	257	40.5	25.2	(15.3)	(1.9)	(14.1)
Total	**271**	**48.6**	**29.5**	**(19.1)**	**(1.5)**	**(18.6)**

(3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative loss	Derivative gain (loss) recorded for fiscal 2022	
				Jan - Mar	YTD
Unsettled	–	(0.2)	(0.2)		0.2
Settled	–	(0.1)	(0.1)		(0.1)
Total	**–**	**(0.3)**	**(0.3)**	**(0.0)**	**0.1**

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2022	
			Jan - Mar	YTD
Total	**0.0**	**0.0**	**–**	**0.0**

(Reference)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1
Effects of purchase of WeWork senior secured notes	(1)	–	–	–
Net of effects of purchase of WeWork senior secured notes*5	273	50.2	31.9	(18.3)

Note: The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.
*1 Before deducting third-party interests, taxes, and expenses
*2 The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.
*3 Includes Zhangmen Education Inc., which is traded in the over-the-counter market
*4 The investment cost and fair value of investments before exit in SVF2 include those related to a minor SVF2 ownership percentage in another portfolio company received as part of the consideration for SVF2's investment in a portfolio company.
*5 WeWork senior secured notes purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019 are deducted from the investment count.

Capital deployment of SVF2

As of March 31, 2023

(Billions of U.S. dollars)

	Total
Committed capital* (A)	**56.0**
Drawn capital (B)	**50.9**
Remaining committed capital (C) = (A) – (B)	**5.1**

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of March 31, 2023)

Total committed capital*	**56.0**
The Company's equity commitment to investments outside the scope of the co-investment program	8.9
The Company's preferred equity commitment to SVF2 LLC	32.1
The Company's equity commitment to SVF2 LLC	12.4
MgmtCo's equity commitment to SVF2 LLC	2.6

Note: As of the fiscal year-end, no capital has been paid by MgmtCo.
* As of June 21, 2023, the Company's committed capital to SVF2 has been increased to $57.4 billion, and the total committed capital for SVF2 is $60.0 billion.

SVF1: Portfolio

As of March 31, 2023. Excludes exited investments

Public companies | Stock offering plan announced

Investment cost: $65.6 billion*
Fair value: $55.9 billion*
Total of 76 investments

Consumer

- Brainbees Solutions Private Limited (FirstCry)
- Bytedance Ltd.
- Coupang, Inc.
- Esquared Capital Limited (Klook)
- Fanatics Holdings, Inc.
- GetYourGuide AG
- Globalbees Brands Private Limited
- Oravel Stays Limited (OYO)
- OYO Technology & Hospitality (China) Pte. Ltd.
- Plenty United Inc.
- PT GoTo Gojek Tokopedia Tbk
- Tabist Co., Ltd. (OYO Japan)
- Zomato Limited

Edtech

- Zuoyebang Education Limited

Enterprise

- Automation Anywhere, Inc.
- Cambridge Mobile Telematics Inc.
- Cohesity APJ Pte. Ltd.
- Cohesity, Inc.
- Globality, Inc.
- GPCY Holding (Gympass)
- MapBox Inc.

Fintech

- Creditas Financial Solutions, Ltd.
- Greensill Capital Pty Ltd.
- Kabbage, Inc.
- OakNorth Holdings Limited
- One 97 Communications Limited (Paytm)
- OneConnect Financial Technology Co., Ltd.
- PB Fintech Limited (Policybazaar)
- Pollen, Inc. (C2FO)
- VNLife Corporation Joint Stock Company
- ZA Tech Global Limited (ZhongAn's affiliate)

Frontier Tech

- Arm Limited
- ARM Technology (China) Co., Ltd
- Brain Corporation
- CloudMinds Inc.
- Energy Vault, Inc.
- Ginkgo Bioworks Holdings, Inc.
- Improbable Worlds Limited
- Light Labs, Inc.
- SenseTime Group Inc.
- Treasure Data, Inc.

Health Tech

- CollectiveHealth, Inc.
- Good Doctor Technology Limited
- HealthKonnect Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)
- Relay Therapeutics, Inc.
- Roivant Sciences Ltd.
- Vir Biotechnology, Inc.

Logistics

- Delhivery Limited
- DoorDash, Inc.
- Flexport, Inc.
- Full Truck Alliance Co. Ltd
- GoBrands, Inc. (goPuff)
- Local Services Holding Limited (Alibaba Local Services)
- Loggi Technology International
- Nauto, Inc.
- Nuro, Inc.
- Rappi Inc.
- Reef Global Inc.
- Truck Champion Limited (Full Truck Alliance's affiliate)
- Zume, Inc.

Proptech

- CLUTTER INC.
- Compass, Inc.
- Katerra Inc.
- View Inc.
- WeWork Greater China Holding Company B.V.
- WeWork Inc.
- WeWork Japan GK
- Ziroom Inc.

Transportation

- ANI Technologies Private Limited (Ola)
- Aurora Innovation Inc.
- Auto1 Group GmbH
- DiDi Global Inc.
- Fair Financial Corp.
- Getaround, Inc.
- Grab Holdings Inc.
- Guazi.com Inc.

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.
*SBG consolidated basis

SVF2: Portfolio

As of March 31, 2023. Excludes exited investments

Public companies | Stock offering plan announced | ☆ Investment outside of the co-investment program

Investment cost: $48.6 billion*1
Fair value: $29.5 billion*1
Total of 271 investments

Consumer

- AccelByte Inc
- Bacasable Global Limited (SandBox)
- Baron App, Inc. (Cameo)
- Bundl Technology Private Limited (Swiggy) ☆
- Cerebral Inc.
- Cityblock Health, Inc.
- Dice FM Ltd.
- Digital Arbitrage, Inc. (Cloudbeds)
- Dingdong (Cayman) Limited (Public company) ☆
- DSM Grup Danismanlik I.V.S.T.A.S (Trendyol)
- eFishery Pte. Ltd.
- Embark Veterinary, Inc.
- Eobuwie. PL S.A.
- Extend, Inc.
- Fetch Rewards, Inc.
- Flipkart Private Limited
- Get Together Inc. (IRL)
- Global Car Group Pte. Ltd. (Cars24)
- InterFocus Cayman Ltd. (Patpat)
- Keep Inc. (Stock offering plan announced)
- Keli Network Inc. (Jellysmack)
- Kolonial.no AS (Oda)
- Lenskart Solutions Private Limited
- Live Momentum Ltd (StreamElements)
- Loop Now Technologies, Inc (Firework)
- Manticore Games, Inc
- Meesho Inc. ☆
- Misfits Market, Inc.
- Mmhmm Inc.
- Modern Clinics Inc. (Sprout Therapy)
- Naver Z Corporation
- NTEX Transportation Services Private Limited (Elastic Run)
- OnboardIQ, Inc. (Fountain)
- OP Invest AS (Gelato)
- OrderMark, Inc.
- Papa Inc.
- PerchHQ LLC
- PicsArt, Inc.
- RewardStyle, Inc.
- Ripples Capital Limited (Kitopi)
- SCA Investments Limited (Gousto)
- Sender Inc. (Sendoso)
- Shoplazza Corporation Limited
- Soda, Inc.
- Sorare SAS
- Spotter, Inc.
- Tempo Interactive Inc.
- The Fynder Group, Inc. (Nature's Fynd)
- UPSIDE Foods, Inc.
- Vestiaire Collective S.A.
- Vuori, Inc.
- Weee! Inc.
- Whoop, Inc.
- XPX Holdings Limited
- ZenBusiness Inc.
- 2 other investments

Edtech

- 360Learning S.A.
- Apiom, Inc. (Go1)
- Atom Learning Ltd.
- Eruditus Learning Solutions Pte. Ltd.
- GoStudent GmbH
- Happy_seed (Cayman) Limited (VIPThink)
- Paper Education Company Inc.
- Riiid Inc.
- Sorting Hat Technologies Pvt. Ltd (Unacademy)
- Zhangmen Education Inc. (Public company) ☆

Enterprise

- 6Sense Insights, Inc.
- 7shifts Inc.
- Adverity GmbH
- Aiquire LLC d.b.a. Pyxis One
- Andela Inc.
- Anyvision Interactive Technologies Ltd.
- Arkose Labs Holdings, Inc.
- Attentive Mobile, Inc.
- Behavox Ltd.
- Beisen Holding Limited*2 (Stock offering plan announced)
- Boomerang Commerce Inc. (CommerceIQ)
- Clarify Health Solutions, Inc.
- Clarity AI, Inc.
- Claroty Ltd.
- Class Technologies Inc.
- CoachHub GmbH
- Commerce Fabric, Inc.
- Content Square S.A.S.
- ContractPod Technologies Limited
- Copado Holdings, Inc.
- Cybereason Inc. ☆
- Eightfold AI Inc
- Esusu Financial, Inc.
- Guangzhou Tungee Technology Co., Ltd.
- Huice Group Holding Limited (Wangdiantong)
- Icertis, Inc.
- InMobi Pte. Ltd.
- Iyuno Sweden Holding I AB
- JOB AND TALENT HOLDING LIMITED
- Labelbox, Inc.
- LegalForce, Inc.
- MindTickle Inc.
- Minio, Inc.
- Movai Inc. (XMOV)
- OneTrust LLC
- Pantheon Systems, Inc.
- Pax8, Inc.
- Peak AI Limited
- Permutive, Inc.
- Plume Design, Inc.
- Qingdao AInnovation Technology Group Co., Ltd. (Public company)
- Quicko Technosoft Labs Private Limited (Whatfix)
- R Software Inc. (RapidAPI)
- Redis Labs Ltd.
- Remote Technology, Inc.
- SendBird, Inc.
- Sense Talent Labs, Inc.
- Shanghai Gaussian Automation Technology Development Co., Ltd.
- Shenzhen Dianxiaomi Network Technology Co, Ltd. (DXM)
- Skedulo Holdings, Inc.
- Smooth and Steady Inc. (Ekuaibao)
- Sobot Technologies Inc.
- Standard Cognition, Corp.
- TigerGraph, Inc.
- Trax Ltd
- Treasure Data, Inc.
- Unifonic Inc.
- Vendr, Inc.
- Workboard, Inc.
- Z21 Labs Inc. (Observe AI)
- Zaihui Inc.
- 2 other investments

Fintech

- Advance Intelligence Group Limited (Advance.AI)
- Aleo Systems Inc.
- Apollo Agriculture, Inc.
- Better Holdco, Inc. (Stock offering plan announced) ☆
- bKash Limited
- Blockdaemon, Inc.
- Brex Inc.
- CFT Clear Finance Technology Corp. (Clearco)
- Chime Financial, Inc.
- ConsenSys Software Inc.
- Digital Currency Group, Inc.
- Digits Financial, Inc.
- Drivewealth Holdings, Inc.

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.
*1 SBG consolidated basis
*2 Listed on April 13, 2023.

SVF2: Portfolio

As of March 31, 2023. Excludes exited investments

Public companies | Stock offering plan announced | ☆ Investment outside of the co-investment program

- Elliptic Enterprises Limited
- Envelop Risk Analytics Ltd.
- Ethos Technologies Inc.
- eToro Group Ltd. ☆
- FTX Trading Ltd.
- Funding Asia Group PTE. LTD. (Funding Societies)
- Human Interest Inc.
- Infinity Stones Inc.
- Juspay Technologies Private Limited
- Klarna Holding AB
- M1 Holdings Inc.
- OFB Tech Private Limited (OfBusiness) ☆
- Opay Limited
- PayPay Corporation
- PrimaryBid Limited
- Revolut Ltd.
- TabaPay, Inc.
- Vivid Money Holdco Limited
- West Realm Shires Inc. (FTX US)
- Zeta Investments Holdings Pte. Ltd.
- Zopa Group Limited

1 other investment

Frontier Tech

- Agile Robots AG
- CertiK Global Ltd.
- Cornami, Inc.
- Enpal GmbH
- FormLabs, Inc.
- Guangzhou Xaircraft Technology Co., Ltd. (XAG)
- Improbable MV Limited
- IonQ, Inc. ☆
- Keenon Robotics Co., Ltd.
- Kigen (UK) Limited
- Opentrons Labworks, Inc.
- Patsnap Limited
- Qualtrics International Inc. ☆
- SambaNova Systems Inc.
- Shanghai Eigencomm Technologies Co., Ltd.
- Shanghai JAKA Robotics Ltd.
- Soul Machines Limited
- Swell Energy Inc.
- Vianai Systems, Inc.
- Wiliot Ltd.

1 other investment

Health Tech

- Abogen Therapeutics Limited
- Aculys Pharma, Inc.
- AI Medical Service Inc.
- Arsenal Biosciences, Inc.
- Big Health Ltd.
- Biofourmis Holdings Pte. Ltd.
- bloXroute Labs, Inc.
- CMR Surgical Limited
- Deep Genomics Incorporated
- Devoted Health, Inc.
- Dewpoint Therapeutics, Inc.
- EDDA Healthcare and Technology Holding Limited ☆
- ElevateBio LLC
- Encoded Therapeutics, Inc.
- Exscientia plc.
- GoForward, Inc.
- Hexagon Bio, Inc.
- Insitro, Inc.
- Karius, Inc.
- Leyden Laboratories B.V.
- Lumicks Technologies B.V.
- Neuron23, Inc.
- Noah Medical Corporation
- Pear Therapeutics, Inc.*1 ☆
- Plexium, Inc.
- Proximie Limited
- QuantumPharm Inc. (XtalPi)
- Quris Technologies Ltd.
- RBNC Therapeutics, Inc.
- Repertoire Immune Medicines
- ScriptDash Inc. (Alto Pharmacy)
- Seer, Inc. ☆
- Shanghai Fourier Intelligence Co., Ltd.
- Shenzhen XinJuTe Intelligent Medical Devices Co., Ltd. (Futurtec)
- Synthego Corporation
- Tessera Therapeutics, Inc
- Umoja Biopharma, Inc.
- Variant Bio, Inc.
- Venn Biosciences Corporation (InterVenn)
- Ventus Therapeutics U.S.

3 other investments

Logistics

- AutoStore Holdings Ltd.
- Berkshire Grey, Inc. ☆
- Cargomatic, Inc.
- ezCater, Inc.
- Flock Freight, Inc.
- Forto GmbH
- Full Truck Alliance Co. Ltd. ☆
- JD Logistics, Inc ☆
- Material Technologies Corporation (Material Bank)
- Paack SPV Investments, S.L.
- Reibus International, Inc.
- RightHand Robotics, Inc.
- SendCloud Global BV
- Shipbob, Inc.
- Symbotic Inc.
- Veho Tech, Inc.

Proptech

- Clicpiso Holdco Global S.à r.l. (Clikalia)
- Lyra Technologies, Inc. (Block Renovation)
- Pacaso Inc.
- Roofstock, Inc.
- WeWork Inc. ☆
- Yanolja Co., Ltd.

3 other investments*2

Transportation

- NetraDyne, Inc.
- Ola Electric Mobility Private Limited
- Platform Science, Inc.
- Rimac Group D.O.O.
- Robotic Research OpCo, LLC
- Tier Mobility GmbH
- TRUSTY CARS PTE. LTD. (Carro)
- Voyager Group Inc. (DiDi AV JV)
- Zum Services, Inc.

1 other investment

Other

- 7wire Ventures Fund II, L.P.
- Brex Venture Debt Fund
- Liberty 77 Capital LP
- MX Fund II GmbH & Co KG (Merantix)
- NorthStar Equity Partners V Limited
- OurCrowd International General Partner, L.P.
- Paradigm One (Cayman) Feeder LP

*1 Delisted on April 19, 2023.
*2 Includes WeWork senior secured notes purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019.

LatAm Funds: Portfolio

As of March 31, 2023. Excludes exited investments

Public companies (marked *(public)*)

Investment cost: $7.1 billion*1
Fair value: $5.5 billion*1
Total of 92 investments*2

Consumer
- Goody Technologies, Inc.
- JusBrasil, Ltd.
- Laika Universe Inc.
- MadeiraMadeira Ltd.
- Petlove Cayman, Ltd.
- PopUP Design, Inc. (GAIA)
- Sorare SAS
- Televisa-Univision
- Tul Inc.
- Tupoe Ltd. (Glorify)
- Zapt Holdings Limited

Edtech
- Afya Limited *(public)*
- Arco Platform Limited *(public)*
- Camino Education Ltd.
- Descomplica, Ltd.
- UOL EdTech Cayman Ltd
- 1 other investment

Enterprise
- Cortex Intelligence Ltd.
- CRMBONUS HOLDING
- DOTZ S.A. *(public)*
- GPCY Holding (Gympass)
- Grupo Bursatil Mexicano
- Gupy Ltd.
- Incode Technologies, Inc.
- Omie Ltd.
- Pipefy, Inc.
- Rankmi Holdings Limited
- Serpahim Holdings Ltd. (Gabriel)
- Solidarium (Olist)
- Unico Technologies Ltd (acesso digital)
- VTEX *(public)*
- 1 other investment

Fintech
- 2TM Holdings Company Ltd
- Adelante Financial Holdings Limited (Addi)
- Atom Finance, Inc.
- Avenue Holding Cayman Ltd.
- Bancar Technologies Limited (Uala)
- Betterfly PBC
- Buk Holdings Limited
- Contabilizei Company
- Creditas Financial Solutions, Ltd.
- Digital Currency Group, Inc. (DCG)
- Hashdex, Ltd.
- Inter & Co, Inc. *(public)*
- Justo Seguros Holdings Limited
- Konfio Limited
- Kushki Group Holdings, Ltd.
- Merama, Inc.
- Nu Holdings Ltd. *(public)*
- OpenCo Holding Limited
- PayClip, Inc.
- PayStand Inc.
- Pismo Holdings
- Solfacil International Ltd.
- Swile SAS
- Terramagna Ltd.
- The Badger Technology Company Holdings Ltd. (Bitso)
- TRBL LTD. (Tribal)
- 3 other investments

Frontier Tech
- SATELLOGIC INC. *(public)*

Health Tech
- Alice Holding

Logistics
- FHF Ventures Ltd. (Cobli)
- Frubana Inc.
- Jokr S.a.r.l.
- Loadsmart, Inc.
- Loggi Technology International
- Rappi, Inc.

Proptech
- Loft Holdings Ltd
- McN Investment Ltd. (Habi)
- QUINTOANDAR, LTD.
- 2 other investments

Transportation
- Buser, Ltd.
- International Logistics Holding LLC (CargoX)
- Kavak Holdings Limited
- Nowports Inc.

Other
- 14 investments (including LP interests)

Note: SoftBank Vision Funds investments presented herein are solely for illustrative purposes. References to individual investments should not be construed as a recommendation of any specific investment or security.
*1 SBG consolidated basis
*2 For two portfolio companies invested in common and preferred shares, each holding is counted as one investment.

SoftBank Segment

1. Segment income decreased by 30.2% yoy mainly due to a decrease in income in the consumer business, which was affected by a fall in mobile service charges.

2. Z Holdings plans to reorganize the corporate group primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, in order to build an organizational structure that puts more emphasis on products and to accelerate the expansion of synergies from the business integration.

Overview

Segment results include the results of business activities of SoftBank Corp. mainly in Japan, such as provision of mobile services and sale of mobile devices, as well as provision of broadband and e-commerce services. Under its *Beyond Carrier* strategy, SoftBank Corp. aims to achieve sustainable growth in its core telecommunications business, while expanding its business in domains outside of telecommunications through internet services such as *Yahoo! JAPAN* and *LINE* and the development of businesses that utilize advanced technologies including AI, IoT, and FinTech, such as the cashless payment service *PayPay*.

Financial results

Segment income was ¥592,782 million, a decrease of ¥256,953 million (30.2%) year on year. This was mainly due to a decrease in income in the consumer business and a deterioration in investment loss.

Income in the consumer business decreased mainly due to a fall in mobile service charges. In the enterprise business, income increased, mainly due to higher sales of cloud services and other products as the digitalization of enterprises accelerates. Income in the Yahoo! JAPAN/LINE business was level year on year despite an increase in commerce sales, mainly as a result of increases in cost of sales and personnel expenses associated with an increase in the number of employees. The deterioration in loss on investments was due to a decrease in the fair value of portfolio companies, primarily those that were invested for the purpose of strengthening solution services.

Impairment loss on equity method investments of ¥31,304 million was recorded in the third quarter in relation to DEMAE-CAN CO., LTD., which operates a food delivery service under LINE Corporation. The loss had a negative impact of ¥2,965 million on net income attributable to owners of the parent at the Company.

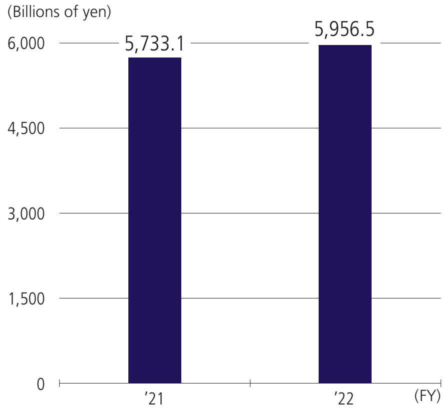
No impact from the conversion of PayPay Corporation into a subsidiary of SoftBank Corp.

In conjunction with the conversion of PayPay Corporation to a subsidiary, SoftBank Corp. changed the accounting policy for business combinations under common control involving non-controlling interests from the book-value method (pooling of interests method) to the acquisition method, starting from the third quarter. As a result, SoftBank Corp. recorded a gain from remeasurement relating to the business combination of ¥294,843 million and amortization expenses for identifiable intangible assets pertaining to PayPay Corporation for fiscal 2022 associated with the conversion of PayPay Corporation into a subsidiary. Furthermore, as a result of this change in accounting policy, the acquisition method was retrospectively applied to transactions executed in prior years under common control involving non-controlling interests such as the consolidation of Yahoo Japan Corporation (currently Z Holdings Corporation) in June 2019. With this retroactive application, assets, liabilities, and equity of SoftBank Corp. increased in its consolidated statement of financial position as of March 31, 2022. The company also recorded amortization expenses by recognizing identifiable intangible assets pertaining to Z Holdings Corporation in conjunction with this change in accounting policy, in its consolidated statement of income for fiscal 2022 and the previous fiscal year.

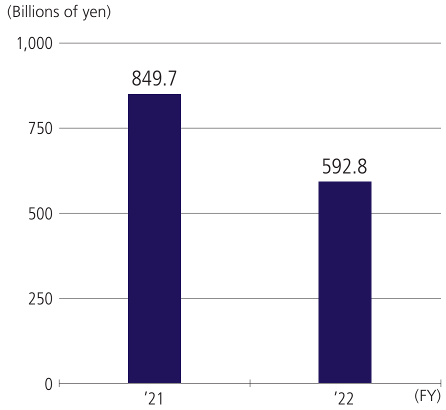
Nevertheless, there is no impact from these on SBG's consolidated financial statements as PayPay Corporation and Z Holdings Corporation have consistently been classified as subsidiaries of SBG.

For more information on SoftBank Corp.'s financial results and business operations, see its website.

Net sales



Segment income (income before income tax)



Note: Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results are no longer included in "Other," but are presented within the SoftBank segment from the third quarter, with the results retrospectively adjusted and presented for fiscal 2022 and for the previous fiscal year.

Arm Segment

1. Arm's business remains robust, with record net sales (U.S. dollar-based) for fiscal 2022.

- **Net sales increased by 5.7% yoy (U.S. dollar-based) to record high due to continuing strong royalty revenue growth, offset by a decline in non-royalty revenue due to very strong license revenue in the previous fiscal year. In yen terms, net sales increased by 27.2% due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.**
  – Technology royalty revenue increased by 16.1% yoy (U.S. dollar-based) due to market share gains in infrastructure, and more chips being deployed into IoT devices and automotive applications.
  – Technology non-royalty revenue decreased by 8.5% yoy (U.S. dollar-based) as revenues recognized for the previous fiscal year included some high-value deals, which were signed with large customers in prior years, resulting in record revenues. For fiscal 2022, continued strong demand for Arm technology resulted in the second highest annual revenue. On a quarterly basis, non-royalty revenue for the fourth quarter increased by 18.1% yoy.
- **Segment income on a U.S. dollar basis stayed flat yoy mainly due to expenses related to stock compensation schemes and professional fees related to preparations for the proposed initial public offering. In yen terms, segment income increased by 18.1% yoy due to the weaker yen exchange rate used for translations in the preparation of the Company's consolidated financial statements.**

2. Confidential submission of draft registration statement on Form F-1 by Arm

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depositary shares representing Arm's ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.

Overview

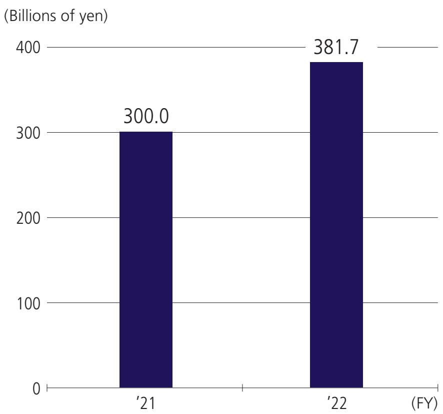
Arm's operations primarily consist of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Following its acquisition by the Company in 2016, Arm accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm has developed new technologies that have helped it maintain or increase its share of the existing markets and expand into new markets. As Arm prepares for a potential public offering, it is continuing to grow investment in R&D to develop solutions to meet customers' future technology needs whilst focusing on the efficiency of its non-engineering functions.

Industry trends and their impact

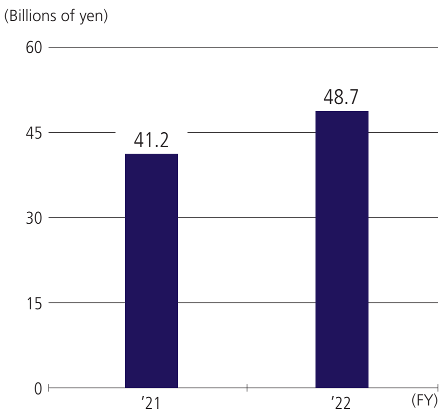
Semiconductor industry trends can have a significant impact on Arm's financial results, both positively and negatively. Industry growth benefits Arm's technology royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm's customers to increase design activity, creating new opportunities for Arm to license its latest technologies and thus driving non-royalty revenue (technology licensing revenue and software and services revenue).

After two years of strong growth, the semiconductor industry declined during fiscal 2022, compared to the previous fiscal year, due to a decline in the sales of smartphones and other consumer electronics devices, partially offset by continuous growth in the sales of chips into the

Net sales



Segment income (income before income tax)



Note: Segment income included amortization expenses of ¥61,467 million for fiscal 2022 and ¥51,153 million for the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

automotive market. Industry analysts indicate that inventory levels remain high across the value chain, which may result in industry revenues remaining weak for a short period until inventory levels are lower. Longer term trends remain, such as more products and services requiring increasing amounts of embedded intelligence, and so the semiconductor industry is expected to return to growth.

The industry is vulnerable to other external factors, including trade disputes and their associated sanctions against specific companies, supply-chain disruption, as well as the impact of temporary component shortages. If shipments of electronic devices weaken, it may lead to lower technology royalty revenue, and if Arm's customers facing reduced revenues choose to delay licensing decisions, it may lead to lower technology non-royalty revenue. However, it is difficult to anticipate when these events may occur and the impact on the semiconductor industry in general or Arm specifically.

Arm is expecting that, as consumer and enterprise electronics become more advanced, its technology will be further utilized and opportunities will expand over the long term.

Financial results

Net sales in U.S. dollars

Net sales in this section are presented in U.S. dollars as Arm's revenue is primarily based on U.S. dollars.

(Millions of U.S. dollars)

	Fiscal 2021	**Fiscal 2022**	Change	Change %
Technology royalty	1,536	**1,783**	247	16.1%
Technology non-royalty	1,129	**1,034**	(95)	(8.5%)
Total net sales	2,665	**2,817**	152	5.7%

Net sales increased by $152 million (5.7%) year on year due to strong growth in technology royalty revenue, partially offset by a decrease in technology non-royalty revenue.

Technology royalty revenue

Technology royalty revenue increased by $247 million (16.1%) year on year. Royalty revenues were driven by the deployment of Arm-based networking equipment into 5G base stations, strong shipments of Arm-based 5G high-end smartphones, including some based on Arm's latest *Armv9* architecture, which will typically command a higher royalty fee, and Arm's customers gaining share in multiple markets, such as automotive, IoT, and servers. In addition, Arm's customers have benefitted from the high demand for computer chips, which enabled prices to increase. As Arm's royalty revenue is often based on the price of the chips, Arm also benefitted from higher chip prices.

Technology non-royalty revenue

Technology non-royalty revenue decreased by $95 million (8.5%) year on year. This decrease is primarily due to high technology non-royalty revenue in the previous fiscal year, which was due in part to the timing of revenue related to contracts signed with some large customers who were making major investments in Arm's expanded technology portfolio. Arm continued to see robust customer demand for its products in the fourth quarter with technology non-royalty revenue increasing by 18.1% year on year.

Following the acquisition by the Company, Arm increased investment in R&D, which expanded Arm's product portfolio to include processors optimized for servers, automotive electronics, and AI acceleration. This led to a wider range of customers licensing Arm technology, as well as existing customers having more Arm technology to choose from, both of which helped to drive licensing revenues. This included licenses for processors used by customers intending to build Arm-based servers and PC chips, smartphones, networking equipment, autonomous systems, such as industrial robotics and self-driving vehicles, and for AI-enabled microcontrollers.

Segment income

Segment income on a U.S. dollar basis stayed flat year on year due to an increase in expenses related to a stock compensation scheme and professional fees related to preparations for the proposed initial public offering despite higher net sales and the improved operational efficiency. In yen terms, segment income increased by ¥7,463 million (18.1%) year on year to ¥48,663 million, due to the weaker yen exchange rate used for translations in the preparation of the Company's consolidated financial statements.

Operations

Royalty units*

(Billions)

	Year ended December 31			
	2021	**2022**	Change	Change %
Royalty units as reported by Arm's licensees	29.2	**30.6**	1.4	4.7%

* This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for 12 months ended December 31, 2022, as reported by licensees in the royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis in this report is based on chips shipped for 12 months ended December 31, 2022. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates.

Arm's licensees reported that they had shipped 30.6 billion Arm-based chips in the year ended December 31, 2022, an increase of 4.7% year on year.

Technology development

Arm considers the following as its primary areas for increased investment and is evolving technology in both its mobile business and other businesses with strong growth potential.

Arm's primary investment areas and main developments

Mobile computing

Opportunity	• Arm already has more than 95% market share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.
Main developments	• Arm announced its annual update of technology for smartphones in June 2022, including the *Arm Cortex-X3* and *Cortex-A715* CPUs, both based on *Armv9* technology, and *Arm Immortalis-G715* GPU, which brings hardware-based ray tracing support to mobile devices, delivering more realistic and immersive gaming experiences. • Mediatek Inc. announced the Dimensity 9200 chip for premium smartphones in November 2022. It is the first chip based on the *Arm Cortex-X3* and *Cortex-A715* CPUs and *Arm Immortalis-G715* GPU announced by Arm in June 2022. • Also in November 2022, Vivo Communication Technology Co. Ltd. announced that their x90 Pro flagship smartphone would be the first smartphone to use the Mediatek Dimensity 9200 chip and started shipping in January 2023.

Infrastructure

Opportunity	• Arm has a growing share in networking infrastructure and a nascent share in data center servers.
Main developments	• Arm announced adoption of *Arm Neoverse*-based chips by Google Cloud servers in July 2022. Google Cloud customers can now run workloads on the Ampere Altra chip, based on *Arm Neoverse N1* CPU. Google joins Alibaba, Amazon, and Microsoft in deploying server chips based on Arm technology. • Arm announced in September 2022 *Neoverse V2*, the latest Arm core targeted at providing world-leading performance for cloud servers, hyperscale workloads, and high-performance computing applications. • Amazon Web Services, Inc. announced in November 2022 that the *Arm Neoverse*-based AWS Graviton3E server chip, which is 35% faster than the previous generation chip, will be deployed early in 2023 in its high-performance server systems.

Automotive

Opportunity	• As vehicles become smarter, they require more computational capability. Arm is well-positioned to gain market share by providing energy efficiency and Arm processor technology has already been licensed by most companies that develop automotive chips.
Main developments	• Arm announced in July 2022 that it is working with Cruise LLC to scale out their autonomous driving platform. • NVIDIA Corporation announced that their future chip for safe and secure autonomous vehicles DRIVE Thor will be based on Arm's next generation CPU codenamed Poseidon in September 2022.

IoT

Opportunity	• For IoT to reach its full potential, it must be secured against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks.
Main developments	• In June 2022, Arm announced the *Arm Mali-C55 Image Signal Processor,* its smallest and most configurable image signal processor designed for IoT devices, such as home security cameras and drones, which is already seeing success with licensees, such as Renesas Electronics Corp.

For more information about Arm, its business, and its technology, see its website.

Financial Position

1. Status of investment assets

- **Carrying amount of investments from SVF (FVTPL) decreased by ¥4,419.9 billion from the previous fiscal year-end*[1] to ¥10,489.7 billion, which reflected the following:**
  - ¥2,254.7 billion decrease at SVF1*[2]: The balance decreased by $14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and by $8.45 billion due to divestments.*[3] These were partially offset by an increase of $0.45 billion due to new and follow-on investments.*[3]
  - ¥1,754.8 billion decrease at SVF2*[2]: The balance decreased by $18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and by $0.61 billion due to divestments. These were partially offset by an increase of $2.69 billion due to new and follow-on investments.
  - ¥410.3 billion*[2] decrease at LatAm Funds
- **Carrying amount of investment securities increased by ¥4,621.1 billion from the previous fiscal year-end to ¥7,706.5 billion, which included the following:**
  - Carrying amount of ¥4,842.3 billion for Alibaba shares held at the fiscal year-end
  - Carrying amount of T-Mobile shares of ¥769.2 billion (a ¥187.8 billion decrease from the previous fiscal year-end)
  - Carrying amount of Deutsche Telekom shares of ¥729.5 billion (a ¥211.5 billion increase from the previous fiscal year-end)
- **Investments accounted for using the equity method decreased by ¥4,504.1 billion from the previous fiscal year-end to ¥730.4 billion, which reflected the following:**
  - ¥4,572.1 billion decrease in consolidated carrying amount of Alibaba due to its exclusion from equity method associates. Alibaba shares are now recorded as "investment securities" under financial assets at FVTPL, for which investment performances are measured at fair value.

2. Changes in liabilities associated with financing activities

- **Interest-bearing debt of SBG decreased by ¥1,135.6 billion from the previous fiscal year-end.**
- **Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥1,064.6 billion from the previous fiscal year-end.**
  - Financial liabilities of $40.45 billion relating to the sale of shares by prepaid forward contracts using Alibaba shares were derecognized following the physical settlement of a portion of these contracts, while $35.46 billion was newly raised through such contracts.

3. Changes in equity

- **Total equity decreased by ¥1,058.5 billion from the previous fiscal year-end.**
  - Retained earnings decreased due to a ¥970.1 billion net loss attributable to owners of the parent.
  - ¥1,055.4 billion*[4] worth of shares were repurchased in fiscal 2022.
  - Exchange differences from the translation of foreign operations increased by ¥1,337.2 billion due to the weaker yen.
- **Ratio of equity attributable to owners of the parent (equity ratio) was 20.6% at the fiscal year-end, compared with 21.0% at the previous fiscal year-end.**

*1 Investments from SVF (FVTPL) do not include their investments in the Company's subsidiaries or investments that were transferred from the Company to the funds and continue to be accounted for using the equity method (and are included in "investments accounted for using the equity method") prior to and after such transfer.
*2 Includes increases in the carrying amount of investments at SVF1, SVF2, and LatAm Funds due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.
*3 Includes share exchanges.
*4 The total acquisition amount of 185,700,600 shares purchased during fiscal 2022 in accordance with board resolutions in November 2021 and August 2022. On March 30, 2023, the Company retired 252,958,500 treasury shares, corresponding to the number of shares repurchased under the two board resolutions.

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change	Change %
Total assets	47,544,670	**43,936,368**	(3,608,302)	(7.6%)
Total liabilities	35,836,908	**33,287,153**	(2,549,755)	(7.1%)
Total equity	11,707,762	**10,649,215**	(1,058,547)	(9.0%)

Assets

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change	
Cash and cash equivalents	5,169,001	**6,925,153**	1,756,152	
Trade and other receivables	2,361,149	**2,594,736**	233,587	
Derivative financial assets	1,050,446	**249,414**	(801,032)	A
Other financial assets	971,125	**371,313**	(599,812)	B
Inventories	142,767	**163,781**	21,014	
Other current assets	334,101	**282,085**	(52,016)	
Total current assets	10,028,589	**10,586,482**	557,893	
Property, plant and equipment	1,842,749	**1,781,142**	(61,607)	C
Right-of-use assets	914,743	**858,577**	(56,166)	
Goodwill	4,897,913	**5,199,480**	301,567	D
Intangible assets	2,427,580	**2,409,641**	(17,939)	
Costs to obtain contracts	330,899	**332,856**	1,957	
Investments accounted for using the equity method	5,234,519	**730,440**	(4,504,079)	E
Investments from SVF (FVTPL)	14,909,614	**10,489,722**	(4,419,892)	F
SVF1	8,365,274	**6,110,527**	(2,254,747)	
SVF2	5,401,117	**3,646,305**	(1,754,812)	
LatAm Funds	1,143,223	**732,890**	(410,333)	
Investment securities	3,085,369	**7,706,501**	4,621,132	G
Derivative financial assets	1,333,787	**1,170,845**	(162,942)	H
Other financial assets	2,230,615	**2,303,620**	73,005	I
Deferred tax assets	163,255	**210,823**	47,568	
Other non-current assets	145,038	**156,239**	11,201	
Total non-current assets	37,516,081	**33,349,886**	(4,166,195)	
Total assets	47,544,670	**43,936,368**	(3,608,302)	

Components	Main reasons for changes from the previous fiscal year-end
Current assets	
A Derivative financial assets	Derivative financial assets decreased due to the physical settlement of the prepaid forward contracts using Alibaba shares in full of the balance of ¥1,033,619 million outstanding at the previous fiscal year-end. In addition, derivative financial assets for which settlement became due within one year were recorded in the amount of ¥159,268 million at the fiscal year-end after being reclassified from non-current assets.
B Other financial assets	• Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at the previous fiscal year-end of $2.66 billion in proceeds received from third-party investors other than the Company (the "Public Market Investors") and held in a trust account was used in mergers or redeemed to the Public Market Investors so that there was no outstanding balance by the fiscal year-end. For details, see "Note 8. Special purpose acquisition companies sponsored by the Company" in "Notes to Consolidated Financial Statements" in "Financial Report 2023." • At SB Northstar, with the downsizing of its business, investments from asset management subsidiaries decreased by ¥134,460 million, restricted cash decreased by ¥131,474 million, and derivative financial assets in asset management subsidiaries decreased by ¥48,442 million.
Non-current assets	
C Property, plant and equipment	• The property, plant and equipment of ¥240,322 million of a U.S. subsidiary engaged in the renewable energy business was excluded following the company's exclusion from consolidation. • SoftBank Corp. made a capital investment in telecommunications equipment.
D Goodwill	Goodwill of Arm increased by ¥263,597 million due to the weaker yen exchange rate used for translation against the U.S. dollar.
E Investments accounted for using the equity method	The carrying amount of Alibaba decreased by ¥4,572,129 million. This reflected derecognition of investments in Alibaba accounted for using the equity method following its exclusion from equity method associates as the Company's voting ownership in the company fell below 20% during the course of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares from August to September 2022. Alibaba shares held by the Company at the fiscal year-end are recorded as "investment securities."
F Investments from SVF (FVTPL)	• The carrying amount of investments at SVF1 decreased by ¥2,254.7 billion. This mainly reflected a decrease of $14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of $8.45 billion due to divestments.*[1] These were partially offset by an increase of $0.45 billion due to new and follow-on investments.*[1] • The carrying amount of investments at SVF2 decreased by ¥1,754.8 billion. This mainly reflected a decrease of $18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of $0.61 billion due to divestments. These were partially offset by an increase of $2.69 billion due to new and follow-on investments.

Components	Main reasons for changes from the previous fiscal year-end
F Investments from SVF (FVTPL)	• The carrying amount of investments at LatAm Funds decreased by ¥410.3 billion. This mainly reflected a decrease of $4.10 billion due to a decrease in the fair value of portfolio companies held at the fiscal year-end*2 and a decrease of $0.08 billion due to divestments.*1 These were partially offset by an increase of $0.33 billion due to new and follow-on investments.*1 The carrying amount of investments at each fund as of the fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations. For details on the status of investments at SVF1, SVF2, and LatAm Funds, see "SoftBank Vision Funds Segment" on page 86.
G Investment securities	• The carrying amount of Alibaba shares held at the fiscal year-end was ¥4,842,305 million ($36,264 million). This reflected an increase in the Alibaba share price, despite the settlement of a portion of prepaid forward contracts using Alibaba shares, after the carrying amount of Alibaba shares was newly recorded at ¥4,484,758 million ($30,970 million) at the second quarter-end. • The carrying amount of T-Mobile shares decreased by ¥187,849 million ($2,059 million) (balance at the fiscal year-end: ¥769,206 million ($5,761 million)). This mainly reflected the sale of 21.2 million T-Mobile shares by the Company to Deutsche Telekom following its partial exercise of call options for the shares. • The carrying amount of Deutsche Telekom shares increased by ¥211,523 million ($1,231 million*3) due to an increase in the company's share price. The balance at the fiscal year-end was ¥729,483 million ($5,463 million). The carrying amount of T-Mobile shares and Deutsche Telekom shares as of the fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations. The carrying amount of investments from LatAm Funds is now included in investments from SVF (FVTPL) following the integration of the Latin America Funds segment into the SoftBank Vision Funds segment in the first quarter. For details, see "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."
H Derivative financial assets	• Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥300,368 million, mainly due to the partial physical settlement and the reclassification of those contracts for which settlement became due within one year to current assets. • The fair value of the contingent consideration related to T-Mobile shares increased by ¥242,341 million (balance at the fiscal year-end: ¥833,770 million).
I Other financial assets	WeWork unsecured notes held by the Company, with a face value of $1.65 billion, was recorded at ¥110,735 million. The amount was obtained by deducting provision for doubtful accounts of ¥71,091 million from the carrying amount of ¥181,826 million. For details, see "Status of Investment and Financial Support for WeWork" on page 79.

*1 Includes share exchanges.
*2 Includes the impact from the weaker local currencies against the U.S. dollar.
*3 Includes the impact from the weaker euro against the U.S. dollar as the shares are held by a U.S. subsidiary.

(Reference) Cash and cash equivalents by entity

Consolidated cash and cash equivalents increased by ¥1,756.2 billion to ¥6,925.2 billion from the previous fiscal year-end. Of this, cash and cash equivalents of SBG and wholly owned subsidiaries conducting fund procurement, etc. increased by ¥1,446.7 billion to ¥4,016.1 billion. For details, see "Cash Flows" on page 107.

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change
SBG and wholly owned subsidiaries conducting fund procurement, etc.	2,569,355	**4,016,085**	1,446,730
SBG	2,502,626	**3,454,474**	951,848
Wholly owned subsidiaries conducting fund procurement	26,271	**543,380**	517,109
SB Northstar	40,458	**18,231**	(22,227)
SoftBank Vision Funds segment			
SVF1	47,754	**72,159**	24,405
SVF2	150,462	**36,930**	(113,532)
LatAm Funds	1,890	**2,818**	928
SBIA, SBGA, SBLA Advisers Corp.	24,340	**97,546**	73,206
SoftBank segment			
SoftBank Corp.	318,661	**280,768**	(37,893)
Z Holdings Corporation	130,277	**89,821**	(40,456)
PayPay Corporation,*1 PayPay Bank Corporation,*2 PayPay Card Corporation	824,671	**857,430**	32,759
Yahoo Japan Corporation	174,346	**298,277**	123,931
Others	525,934	**532,871**	6,937
Others*1	401,311	**640,448**	239,137
Total	5,169,001	**6,925,153**	1,756,152

*1 PayPay Corporation was previously included in "Others," but starting from the third quarter it is included in the "SoftBank segment" as it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.
*2 Cash and cash equivalents of PayPay Bank Corporation at the fiscal year-end were ¥369,813 million.

Liabilities

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change	
Interest-bearing debt	7,328,862	**5,129,047**	(2,199,815)	
Lease liabilities	240,241	**184,105**	(56,136)	
Deposits for banking business	1,331,385	**1,472,260**	140,875	
Trade and other payables	1,968,864	**2,416,872**	448,008	A
Derivative financial liabilities	119,592	**82,612**	(36,980)	
Other financial liabilities	554,814	**180,191**	(374,623)	B
Income taxes payable	183,388	**367,367**	183,979	C
Provisions	34,056	**72,350**	38,294	
Other current liabilities	620,260	**675,920**	55,660	
Total current liabilities	12,381,462	**10,580,724**	(1,800,738)	
Interest-bearing debt	14,128,570	**14,349,147**	220,577	
Lease liabilities	625,907	**652,892**	26,985	
Third-party interests in SVF	5,640,498	**4,499,369**	(1,141,129)	
Derivative financial liabilities	174,003	**899,351**	725,348	D
Other financial liabilities	129,849	**58,545**	(71,304)	
Provisions	107,961	**163,627**	55,666	
Deferred tax liabilities	2,436,034	**1,828,557**	(607,477)	E
Other non-current liabilities	212,624	**254,941**	42,317	
Total non-current liabilities	23,455,446	**22,706,429**	(749,017)	
Total liabilities	35,836,908	**33,287,153**	(2,549,755)	

Components	Main reasons for changes from the previous fiscal year-end
*See page 105 for a breakdown of interest-bearing debt.	
Current liabilities	
A Trade and other payables	Trade and other payables increased mainly due to increases in accounts payable to merchants and deposits from users (amounts that users can deposit or otherwise use for payments) at PayPay Corporation, as a result of the increase in gross merchandise value.
B Other financial liabilities	• Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at the previous fiscal year-end of $2.51 billion in total interests of the Public Market Investors recorded under liabilities as non-controlling interests subject to possible redemption was derecognized. For details, see "Note 8. Special purpose acquisition companies sponsored by the Company" in "Notes to Consolidated Financial Statements" in "Financial Report 2023." • At the fiscal year-end, the Company recorded allowance for financial guarantee contract losses of ¥152,365 million in relation to credit support provided by SVF2 for a letter of credit facility to WeWork from certain financial institutions (up ¥130,085 million from the previous fiscal year-end). For details, see "Status of Investment and Financial Support for WeWork" on page 79.
C Income taxes payable	Income taxes payable of ¥164,638 million were recorded at SBG based on taxable income. The income included gains on the sale of Alibaba shares to subsidiaries used for fund procurement, which was carried out in relation to the early physical settlement that took place during fiscal 2022.
Non-current liabilities	
D Derivative financial liabilities	Derivative financial liabilities of ¥805,039 million were recorded for prepaid forward contracts using Alibaba shares that were newly concluded during fiscal 2022.
E Deferred tax liabilities	Deferred tax liabilities are presented on a net basis with deferred tax assets in the same tax entity in the Consolidated Statement of Financial Position. Primarily as a result of the intra-group transaction of Alibaba shares during fiscal 2022, it became more probable that SBG would generate taxable income against which loss carry-forwards could be utilized, for which no deferred tax assets had been recognized. As a result, ¥506,782 million was recognized as a deferred tax asset, resulting in a net decrease in deferred tax liabilities.

(Reference) Interest-bearing debt and lease liabilities (total of current and non-current)

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change	
SBG and wholly owned subsidiaries conducting fund procurement, etc.	14,869,325	**12,635,554**	(2,233,771)	
SBG	7,442,237	**6,306,590**	(1,135,647)	
Borrowings	1,255,116	**381,851**	(873,265)	A
Corporate bonds	5,918,265	**5,753,022**	(165,243)	B
Lease liabilities	12,056	**10,717**	(1,339)	
Commercial paper	256,800	**161,000**	(95,800)	
Wholly owned subsidiaries conducting fund procurement	7,393,573	**6,328,964**	(1,064,609)	
Borrowings*1	2,857,000	**2,065,361**	(791,639)	C
Financial liabilities relating to sale of shares by prepaid forward contracts	4,536,573	**4,263,603**	(272,970)	D
SB Northstar	33,515	**–**	(33,515)	
Borrowings	33,515	**–**	(33,515)	
SoftBank Vision Funds segment				
SVF1	336,535	**552,681**	216,146	
Borrowings	336,535	**552,681**	216,146	E
SVF2	731,540	**770,004**	38,464	
Borrowings	731,540	**770,004**	38,464	E
LatAm Funds	9,179	**–**	(9,179)	
Borrowings	9,179	**–**	(9,179)	
SBIA, SBLA Advisers Corp.	759	**14,873**	14,114	
Lease liabilities	759	**14,873**	14,114	
SoftBank segment				
SoftBank Corp.	4,236,453	**4,149,812**	(86,641)	
Borrowings	3,085,954	**3,080,878**	(5,076)	
Corporate bonds	469,252	**578,684**	109,432	
Lease liabilities	559,846	**490,249**	(69,597)	
Commercial paper	121,401	**1**	(121,400)	
Z Holdings Corporation	1,022,260	**1,064,457**	42,197	
Borrowings	418,283	**485,470**	67,187	
Corporate bonds	603,977	**578,987**	(24,990)	
PayPay Corporation,*2 PayPay Bank Corporation,*3 PayPay Card Corporation	298,921	**396,075**	97,154	
Yahoo Japan Corporation	28,046	**111,386**	83,340	
Other	414,536	**412,961**	(1,575)	
Others*2				
Other interest-bearing debt	286,988	**130,014**	(156,974)	
Lease liabilities	89,038	**77,374**	(11,664)	
Total	22,323,580	**20,315,191**	(2,008,389)	

*1 The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is non-recourse to SBG.
*2 PayPay Corporation was previously included in "Others," but starting from the third quarter, it is included in the "SoftBank segment" since it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.
*3 Deposits for banking business of PayPay Bank Corporation are not included in interest-bearing debt.

Components	Main reasons for changes from the previous fiscal year-end
SBG and wholly owned subsidiaries conducting fund procurement, etc.	
SBG	
A Borrowings	• Borrowings of $4.50 billion made using commitment lines were repaid in the first quarter. • The entire ¥325.2 billion of senior loans were repaid in the second quarter. This included ¥292.7 billion repaid before maturity.
B Corporate bonds	• Foreign currency-denominated straight bonds with face values of $0.27 billion and 0.22 billion euros were repurchased in the first quarter. • Foreign currency-denominated straight bonds with face values of $0.51 billion and 0.19 billion euros were redeemed upon maturity in the second quarter. • Foreign currency-denominated straight bonds with face values of $0.51 billion and 1.02 billion euros were repurchased in the third quarter. • Domestic straight bonds with a face value of ¥385.0 billion were issued in the third quarter. • Domestic straight bonds with a face value of ¥337.0 billion were redeemed upon maturity in the third quarter. • The carrying amount of foreign currency-denominated straight bonds increased due to a 9.1% depreciation of the yen against the U.S. dollar at the fiscal year-end in the foreign currency exchange rate used for translations.
Wholly owned subsidiaries conducting fund procurement	
C Borrowings	*Through Alibaba shares* • Borrowings of $6.0 billion made through a margin loan were repaid in full in the second quarter. There were no borrowings outstanding at the fiscal year-end. *Through Arm shares* • $0.50 billion (net) was borrowed through asset-backed finance in the first quarter. *Through T-Mobile shares* • Borrowings of $2.06 billion made through a margin loan in the previous fiscal year were repaid during the six months ended September 30, 2022. There were no borrowings outstanding at the fiscal year-end.
D Financial liabilities relating to sale of shares by prepaid forward contracts	*Through Alibaba shares* • $10.49 billion was raised in the first quarter by concluding prepaid forward contracts (forward contracts). • Financial liabilities relating to sale of shares by prepaid forward contracts of ¥604,888 million ($4.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the first quarter. • Financial liabilities relating to sale of shares by prepaid forward contracts of ¥3,958,469 million ($28.57 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the second quarter. This included liabilities of ¥1,862,409 million ($13.47 billion) that had been recorded upon the conclusion of the contracts during the six months ended September 30, 2022. • After the above settlement, $1.09 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts). • $6.07 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts). • Financial liabilities relating to the sale of shares by prepaid forward contracts of ¥974,790 million ($6.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the third quarter. • $11.04 billion was raised in the fourth quarter by concluding prepaid forward contracts (forward contracts). For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."
SoftBank Vision Funds segment	
SVF1 and SVF2	
E Borrowings	• Borrowings made through asset-backed finance increased by $1.39 billion at SVF1 and decreased by $0.21 billion at SVF2.*4 • The balance of the borrowings increased due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.

*4. For details, see "Financing at SVF" in "SoftBank Vision Funds Segment" on page 88.

Equity

(Millions of yen)

	March 31, 2022	**March 31, 2023**	Change	
Common stock	238,772	**238,772**	–	
Capital surplus	2,634,574	**2,652,790**	18,216	
Other equity instruments	496,876	**414,055**	(82,821)	A
Retained earnings	4,515,704	**2,006,238**	(2,509,466)	B
Treasury stock	(406,410)	**(38,791)**	367,619	C
Accumulated other comprehensive income	2,496,158	**3,756,785**	1,260,627	D
Total equity attributable to owners of the parent	9,975,674	**9,029,849**	(945,825)	
Non-controlling interests	1,732,088	**1,619,366**	(112,722)	
Total equity	11,707,762	**10,649,215**	(1,058,547)	

Components	Main reasons for changes from the previous fiscal year-end
A Other equity instruments	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for $0.75 billion (face value) in the third quarter.
B Retained earnings	• ¥1,412,374 million* was deducted following the retirement of 252,958,500 shares of treasury stock in March 2023. • Net loss attributable to owners of the parent of ¥970,144 million was recorded.
C Treasury stock	• SBG acquired 185,700,600 of its own shares for a total of ¥1,055,426 million during fiscal 2022 in accordance with board resolutions on November 8, 2021 and August 8, 2022. • In March 2023, SBG retired 252,958,500 shares of treasury stock (14.68% of the total number of shares issued prior to the retirement), a number equal to the total number of shares repurchased in accordance with the above board resolutions.
D Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, increased by ¥1,337,214 million mainly due to the weaker yen against the U.S. dollar, despite a decrease of ¥314,356 million due to the exclusion of Alibaba from equity method associates.

* The amount of treasury stock retired is calculated using the moving average method.

Cash Flows

1. Cash flows from operating activities

- **Income taxes paid of ¥638.2 billion**

2. Cash flows from investing activities

- **New investments at SVF2 were significantly reduced, while divestments progressed mainly at SVF1.**
  - Payments for acquisition of investments by SVF: ¥456.4 billion (¥4,561.3 billion in the previous fiscal year)
  - Proceeds from sales of investments by SVF: ¥833.2 billion (¥2,221.8 billion in the previous fiscal year)
- **Proceeds from sales/redemption of investments of ¥619.8 billion from the sale of T-Mobile and other shares**
- **Outlays of ¥633.8 billion for purchase of property, plant and equipment and intangible assets due to capital expenditure mainly at SoftBank Corp.**
- **The above resulted in net cash inflow of ¥547.6 billion from investing activities (compared to net cash outflow of ¥3,018.7 billion in the previous fiscal year).**

3. Cash flows from financing activities

- **Net cash inflow from financing activities was ¥191.5 billion. Funded through continuous asset-backed finance, the Company remained active in repaying debts, including repayments of margin loans and purchase of foreign currency-denominated notes. Share repurchases and distribution/repayments to third-party investors of SVF also continued, as well as dividend payouts.**
  - Proceeds from interest-bearing debt: ¥9,176.1 billion
    - Main proceeds at SBG: ¥385.0 billion
      (from issuance of domestic straight corporate bonds)
    - Main proceeds at wholly owned subsidiaries conducting fund procurement: ¥4,952.5 billion
      ($35.46 billion through prepaid forward contracts using Alibaba shares and $1.40 billion through asset-backed finance using Arm shares)
    - Main proceeds at SVF: ¥580.7 billion
      ($4.5 billion procured at SVF1 through asset-backed finance)
  - Payments for interest-bearing debt: ¥6,295.0 billion
    - Main outlays at SBG: ¥1,949.2 billion
      (for repayment of ¥1,049.3 billion in short-term borrowings and full repayment of ¥325.2 billion in senior loans, repurchase of foreign currency-denominated straight bonds with total face values of $0.79 billion and 1.25 billion euros, and redemption upon maturity of domestic straight bonds with a total face value of ¥337.0 billion)
    - Main outlays at wholly owned subsidiaries conducting fund procurement: ¥1,188.5 billion
      (for full repayment of $6.0 billion in a margin loan borrowed through Alibaba shares, repayment of $2.06 billion in a margin loan borrowed through T-Mobile shares in the previous fiscal year, and repayment of $0.9 billion in borrowings in asset-backed finance made through Arm shares)
    - Main outlays at SVF: ¥432.1 billion
      (for repayment of borrowings totaling $3.32 billion made through asset-backed finance at SVF1 and SVF2)
  - Repurchase of treasury stock of ¥1,055.4 billion
  - Distribution and repayments to third-party investors at SVF of ¥544.2 billion
  - Payments of ¥358.7 billion for dividends at SBG and for dividends to non-controlling interests in subsidiaries such as SoftBank Corp.

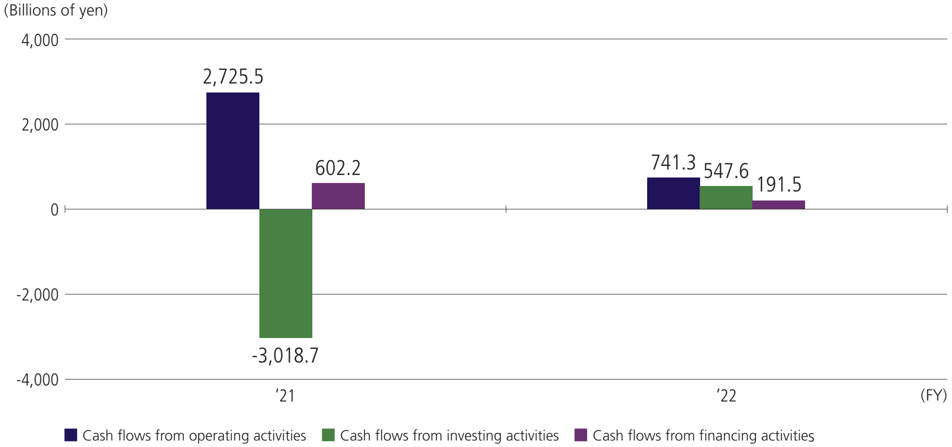
4. Balance of cash and cash equivalents at the fiscal year-end and its changes

- **The balance of cash and cash equivalents stood at ¥6,925.2 billion at the fiscal year-end, an increase of ¥1,756.2 billion from the previous fiscal year-end, due to cash flows from operating, investing, and financing activities, as well as the effect of exchange rate changes on cash and cash equivalents of ¥275.8 billion reflecting the weaker yen.**

(Millions of yen)

	Fiscal 2021	**Fiscal 2022**	Change
Cash flows from operating activities	2,725,450	**741,292**	(1,984,158)
Cash flows from investing activities	(3,018,654)	**547,578**	3,566,232
Cash flows from financing activities	602,216	**191,517**	(410,699)
Effect of exchange rate changes on cash and cash equivalents	197,264	**275,765**	78,501
Increase in cash and cash equivalents	506,276	**1,756,152**	1,249,876
Cash and cash equivalents at the beginning of the period	4,662,725	**5,169,001**	506,276
Cash and cash equivalents at the end of the period	5,169,001	**6,925,153**	1,756,152

Cash flows from operating activities / Cash flows from investing activities / Cash flows from financing activities



Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥741,292 million, a ¥1,984,158 million decrease year on year. This was mainly due to a decrease in cash inflows primarily from sale of investments at SB Northstar, from ¥2,044,495 million to ¥126,062 million, accompanying the downsizing of its business.

Meanwhile, the amount of income taxes paid was ¥638,160 million. In the third quarter, the Company's wholly owned subsidiary paid income tax of ¥201,792 million for its taxable income arising mainly due to realizing derivative gains related to the early physical settlement of prepaid forward contracts using Alibaba shares. In the previous fiscal year, the Company recorded payment of corporate taxes on taxable income at SBGJ, which included gains on the sale of SoftBank Corp. shares in the fiscal year ended March 31, 2021, as well as payment of withholding income taxes on dividends from SBGJ to SBG. Such withholding income taxes were refunded within the previous fiscal year.

Cash Flows from Investing Activities

Components	Primary details
Proceeds from sales/ redemption of investments ¥619,775 million	• In the first quarter, the Company sold 21.2 million T-Mobile shares for ¥309,696 million ($2.40 billion) to Deutsche Telekom due to Deutsche Telekom's partial exercise of its call options for the shares. • In the second quarter, the Company sold its SoFi Technologies, Inc. shares for ¥90,823 million ($0.65 billion).
Payments for acquisition of investments by SVF ¥(456,351) million	• SVF2 invested ¥392,979 million ($3.00 billion) in total. • LatAm Funds invested ¥41,453 million ($0.31 billion) in total. • SVF1 invested ¥21,919 million ($0.16 billion) in total.
Proceeds from sales of investments by SVF ¥833,180 million	• SVF1 sold all of its shares in Uber and others, as well as portions of multiple investments, for ¥733,528 million ($5.45 billion). • SVF2 sold all of its shares in KE Holdings and others, as well as portions of multiple investments, for ¥97,741 million ($0.75 billion).
Purchase of property, plant and equipment, and intangible assets ¥(633,765) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Proceeds from withdrawal of trust accounts in SPACs ¥323,666 million	Following the termination of all operations by six Company sponsored SPACs without merging with operating companies, $2.38 billion in proceeds received from the Public Market Investors held in a trust account was withdrawn from the account. For details, see "Refund and Redemption of Invested Funds Related to the Company sponsored SPACs" on page 110.

Cash Flows from Financing Activities

Components	Primary details
Payments in short-term interest-bearing debt, net ¥(73,371) million*1 (Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities)	Short-term interest-bearing debt decreased by ¥90,800 million (net) as SBG redeemed commercial paper.
Proceeds from interest-bearing debt (total of A through C below) ¥9,176,112 million	
A Proceeds from borrowings ¥3,778,352 million*2	• SBG made short-term borrowings of ¥514,600 million. • Wholly owned subsidiaries conducting fund procurement borrowed the following: – ¥180,656 million ($1.40 billion) through asset-backed finance using Arm shares. – ¥500,000 million as a margin loan using SoftBank Corp. shares • SVF1 borrowed ¥580,680 million ($4.50 billion) through asset-backed finance. • SoftBank Corp. procured ¥990,764 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions. The company also issued commercial paper for ¥167,000 million.
B Proceeds from issuance of corporate bonds ¥565,000 million	• SBG issued domestic straight bonds totaling ¥385,000 million. • SoftBank Corp. issued domestic straight bonds totaling ¥120,000 million. • Z Holdings Corporation issued domestic straight bonds totaling ¥60,000 million.
C Proceeds from procurement by prepaid forward contracts using shares ¥4,832,760 million	Wholly owned subsidiaries conducting fund procurement raised a total of $35.46 billion through prepaid forward contracts (forward contracts) using Alibaba shares.
Repayment of interest-bearing debt ¥(6,294,991) million	
Repayment of borrowings ¥(5,534,321) million*2	• SBG repaid short-term borrowings of ¥1,049,341 million and repaid entire senior loans of ¥325,204 million, which included ¥292,683 million repaid before maturity. • Wholly owned subsidiaries conducting fund procurement repaid borrowings as follows: – Repaid in full ¥797,820 million ($6.00 billion) in a margin loan borrowed through Alibaba shares. – Repaid ¥274,538 million ($2.06 billion) in a margin loan borrowed through T-Mobile shares in the previous fiscal year. – Repaid ¥116,136 million ($0.90 billion) in borrowings made through asset-backed finance using Arm shares. – Repaid ¥500,000 million margin loan borrowed through SoftBank Corp. shares. • SVF1 and SVF2 repaid ¥403,231 million ($3.10 billion) and ¥28,904 million ($0.22 billion), respectively, in borrowings made through asset-backed finance. • SoftBank Corp. repaid ¥988,233 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions and redeemed ¥288,400 million in commercial paper.
Redemption of corporate bonds ¥(755,911) million	• SBG repurchased foreign currency-denominated straight bonds with face values totaling $0.79 billion and 1.25 billion euros, and redeemed foreign currency-denominated straight bonds with face values of $0.51 billion and 0.19 billion euros and domestic straight corporate bonds with a face value of ¥337,024 million upon maturity. • Z Holdings Corporation redeemed domestic straight bonds of ¥85,000 million upon maturity.
Distribution/repayment from SVF to third-party investors ¥(544,242) million	SVF1 made distributions to third-party investors.
Redemption of non-controlling interests subject to possible redemption ¥(319,401) million	Following the termination of all operations by the six Company sponsored SPACs without merging with operating companies, $2.34 billion was redeemed to the Public Market Investors. For details, see "Refund and Redemption of Invested Funds Related to the Company sponsored SPACs" on page 110.
Redemption of other equity instruments ¥(104,597) million	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for $0.75 billion (face value).
Purchase of treasury stock ¥(1,055,436) million	SBG repurchased 185,700,600 of its own shares for ¥1,055,426 million in accordance with board resolutions on November 8, 2021 and on August 8, 2022.
Cash dividends paid ¥(70,241) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(288,452) million	SoftBank Corp., Z Holdings Corporation, and others paid dividends to non-controlling interests.

*1 "Proceeds in short-term interest-bearing debt, net" represents cash flows from financing activities that meet the requirement of "Reporting cash flows on a net basis" under IFRSs.
*2 "Proceeds from borrowings" and "Repayment of borrowings" include proceeds of ¥1,339,025 million and outlays of ¥2,117,252 million related to borrowings with a contracted term of one year or less.

Significant Non-cash Transactions

The Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form during fiscal 2022. This was a non-cash transaction and had no impact on the consolidated cash flows. For details, see "(9) Significant non-cash transactions" under "Note 44. Supplemental information to the consolidated statement of cash flows" in "Notes to Consolidated Financial Statements" in "Financial Report 2023."

Refund and Redemption of Invested Funds Related to the Company sponsored SPACs

The Company sponsored SPACs execute an initial public offering and raise capital through contributions from the Public Market Investors. The proceeds received from the Public Market Investors are held in a trust account until completion of the initial merger or redemption to the Public Market Investors. If those SPACs are unable to complete a merger within 24 months from the date of the initial public offering and cease all operations, the funds in a trust account will be withdrawn and redeemed in full to the Public Market Investors. In such cases, the proceeds withdrawn from a trust account to the SPACs are recorded in the Company's consolidated cash flow statements as "Proceeds from withdrawal of trust accounts in SPACs" under cash flows from investing activities and, when subsequently redeemed to the Public Market Investors, as "Redemption of non-controlling interests subject to possible redemption" under cash flows from financing activities.

Sources of Capital and Liquidity

SBG's sources of capital

As a strategic investment holding company, SBG invests in numerous companies through direct investments including subsidiaries and associates (including investments made through its subsidiaries), as well as through investment funds (e.g., SVF1, SVF2, and LatAm Funds). SBG collects funds through the monetization of these holdings whenever deemed appropriate and via dividends from portfolio companies and distributions from investment funds. SBG allocates these proceeds to new investments based on its growth strategies, as well as redirecting them to shareholder returns and financial improvements at appropriate times. Additionally, SBG issues corporate bonds and borrows from financial institutions with the purpose of utilizing the proceeds for debt repayment and other purposes.

In terms of monetizing holdings, SBG employs diverse asset-backed finance, such as prepaid forward contracts and margin loans, in addition to outright sale of assets, enabling agile monetization of its assets. There is also an expectation of expanded opportunities for sale and monetisation as private equity investments become more liquid through listing, particularly those extensively pursued by SVF1, SVF2, and LatAm Funds.

In issuing corporate bonds, SBG issues not only yen-denominated senior notes but also bonds with different product characteristics, such as U.S. dollar- or euro-denominated senior notes, and hybrid bonds. This approach allows SBG to secure funding opportunities from various domestic and international markets and ensure stable financing.

Sources of capital and liquidity in fiscal 2022

In fiscal 2022, SBG significantly curbed its investment activities in light of challenging market conditions. As a result, the total capital contributed by SBG to SVF1, SVF2, and LatAm Funds amounted to ¥415.3 billion ($3.10 billion), while the distributions received from these funds totaled ¥305.2 billion ($2.34 billion). As for financing activities, SBG raised ¥5,236.9 billion ($39.02 billion, net) through ongoing monetization of assets, mainly shares in Alibaba. At the same time, as part of its shareholder return policy, SBG repurchased shares totaling ¥1,055.4 billion. It also repaid margin loans and senior loans, resulting in a significant net debt reduction of ¥2,368.8 billion.

Due mainly to its continued defensive financial management as reflected in the above investing and financing activities, SBG's cash position at the end of fiscal 2022 stood at ¥4,486.5 billion.* This figure, together with the ¥649.8 billion ($4.87 billion) available under commitment line, far exceeds the ¥1,493.3 billion of bond redemptions over the next two years.

* Cash and cash equivalents + short-term investments recorded current assets. SBG stand-alone basis. Excludes SB Northstar.

Exchange rates used for translations

Average rate for the quarter

	Fiscal 2021				**Fiscal 2022**			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥110.00	¥110.47	¥113.60	¥117.10	**¥129.04**	**¥138.68**	**¥141.16**	**¥133.26**

Rates at the end of the period

	March 31, 2022	**March 31, 2023**
USD / JPY	¥122.39	**¥133.53**

Major Subsidiaries and Associates
As of March 31, 2023

Corporation

Subsidiaries

Company name	Capital	Voting rights (%)	Main businesses
Investment Business of Holding Companies Segment			
SoftBank Group Capital Limited*1	$5,508 K	100.0	Holding company
SoftBank Group Japan Corporation	¥188,798 mn	100.0	Holding company
SB Group US, Inc.	$0 K	100.0	Management of overseas investment
Shiodome Project 17 GK*2	¥101 mn	100.0	Holding company
Shiodome Project 9 GK*2	¥2 mn	100.0	Holding company
SB Pan Pacific Corporation	¥48,249 mn	100.0	Holding company
STARFISH I PTE. LTD.	¥101,540 mn	100.0	Holding company
Hayate Corporation	¥77,843 mn	100.0	Holding company
SoftBank Vision Funds Segment			
SB Investment Advisers (UK) Limited	$1,139 K	100.0	Management of SVF1
SB Global Advisers Limited*3	$310 K	100.0	Management of SVF2 and LatAm Funds
SoftBank Segment			
SoftBank Corp.*4	¥204,309 mn	40.5	Provision of mobile communications services; sale of mobile devices; provision of broadband communications services and solution services in Japan
A Holdings Corporation	¥100 mn	50.0	Holding company of shares of Z Holdings Corporation
Z Holdings Corporation*4,5	¥247,095 mn	64.5	Management of group companies of Z Holdings Corporation
Cybertrust Japan Co., Ltd.	¥806 mn	58.0	IoT business, certification service business, security solution business, and Linux / OSS business
SB Technology Corp.	¥1,271 mn	54.1	Solutions and services for online businesses
ITmedia Inc.	¥1,834 mn	52.6	Operation of comprehensive IT information site *ITmedia*
eMnet Japan.co.ltd.	¥317 mn	41.3	Internet advertising agency business
Subsidiaries of Z Holdings Corporation			
Z Intermediate Holdings Corporation	¥1 mn	100.0	Holding company
Yahoo Japan Corporation*5	¥300 mn	100.0	Internet advertising and e-commerce business
LINE Corporation*5	¥34,201 mn	100.0	Provision of services of communication, content, and advertisements based on the mobile messenger application *LINE*
PayPay Corporation*4	¥116,452 mn	100.0	Development and provision of mobile payments and other electronic payment services
Z Financial Corporation	¥36,217 mn	100.0	Management of group companies of Z Financial Corporation
LINE SOUTHEAST ASIA CORP.PTE.LTD.	$220,500 K	100.0	Holding company
Alpha Purchase Co., Ltd.	¥523 mn	64.0	Sales of indirect materials such as consumable supplies; facility management
ValueCommerce Co., Ltd.	¥1,728 mn	51.9	Affiliate advertising marketing service; StoreMatch online advertising distribution service
ZOZO, Inc.	¥1,360 mn	51.0	Planning and operation of fashion e-commerce website; operational support of brands' own e-commerce website; operation of fashion coordination app
PayPay Bank Corporation	¥72,217 mn	46.6	Banking
ASKUL Corporation	¥21,190 mn	45.0	Mail-order sale of stationery and services

Company name	Capital	Voting rights (%)	Main businesses
Arm Segment			
Arm Limited	$1,273 K	100.0	Design of microprocessor intellectual property and related technology; sale of software tools and provision of related services
Arm PIPD Holdings One, LLC*[2,6]	$620,855 K	100.0	Holding company
Arm PIPD Holdings Two, LLC*[2,6]	$426,016 K	100.0	Holding company
Other			
Fortress Investment Group LLC*[2,7]	–	100.0	Alternative investment management business
Fukuoka SoftBank HAWKS Corp.	¥100 mn	100.0	Ownership of professional baseball team; operation of baseball games; management and maintenance of baseball stadium and other sports facilities; distribution of video, voice, and data content via media
SB Energy Corp.*[8]	¥4,770 mn	100.0	Generation of electricity from renewable energy sources; supply and sale of electricity
SoftBank Ventures Asia Corp.*[9]	KRW18,000 mn	100.0	Management of fund in Asia
SoftBank Robotics Group Corp.	¥54,601 mn	87.8	Holding company

Associates

Company name	Capital	Voting rights (%)	Main businesses
SoftBank Vision Funds Segment			
WeWork Inc.	–	49.9	Provision of flexible workspace
SoftBank Segment			
Geniee, Inc.	¥1,550 mn	31.7	Advertising technology business
C Channel Corporation	¥10 mn	29.0	E-commerce business; internet advertising and marketing
Associates of Z Holdings Corporation			
DEMAE-CAN CO., LTD	¥100 mn	36.9	Operation of food delivery service Demae-can

Fund

Subsidiaries

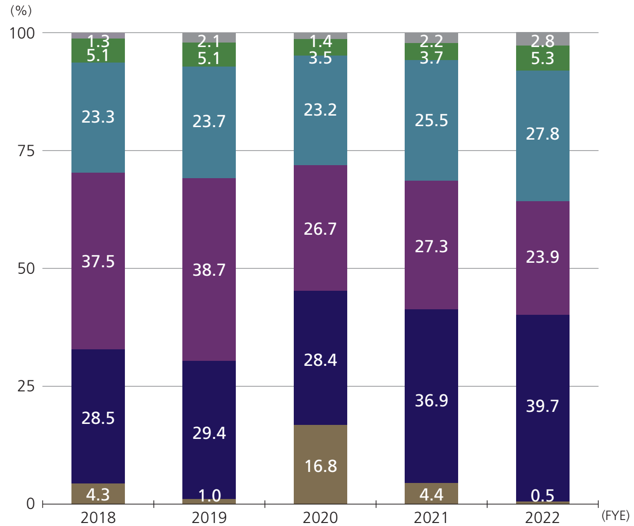
Fund name	Capital accepted	Investment ratio (%)	Main businesses
Investment Business of Holding Companies Segment			
SB Northstar LP*10	$27 bn	100.0 (66.7)	Investment in listed stocks and other financial instruments
SoftBank Vision Funds Segment			
SoftBank Vision Fund L.P.*11	$87 bn	33.6	Investment fund in the technology sector
SoftBank Vision Fund II-2 L.P.*1,12	$51 bn	100.0 (82.8)	Investment fund in the technology sector
SBLA Latin America Fund LLC*1,3,12	$7 bn	100.0 (82.8)	Investment fund in the technology sector

*1 At the 43rd Annual General Meeting of Shareholders of SBG held on June 21, 2023, shareholders approved a proposal to transfer the entire equity interest of SoftBank Vision Fund II-2 L.P. (held by SBG) to SoftBank Group Overseas GK (wholly owned subsidiary of SBG) by contribution in kind. The following interests and shares held by SBG also will be transferred to SoftBank Group Overseas GK by contribution in kind.
Entire tracking shares of SoftBank Group Capital Limited which links with the values of the overseas investment portfolio
Entire share of alternative investment vehicle of SoftBank Vision Fund II-2 L.P.
Related entire interest of SBLA Latin America Fund LLC
*2 The voting rights represent the Company's entire contributions as a percentage of capital.
*3 LatAm Funds has been managed by SBGA since the first quarter of fiscal 2022.
*4 SoftBank and its subsidiary, Z Holdings Corporation, executed a series of transactions to make PayPay Corporation a consolidated subsidiary of both companies. As a result, PayPay Corporation became a consolidated subsidiary of both companies on October 1, 2022.
*5 On February 2, 2023, Z Holdings Corporation decided on a basic policy to implement an intra-group reorganization, including a merger mainly around three companies: Z Holdings Corporation and its two core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. At the 28th Annual General Meeting of Shareholders of Z Holdings Corporation, held on June 16, 2023, a resolution was approved to partially amend that company's Articles of Incorporation and change its name to LY Corporation, effective as of October 1, 2023 (the scheduled completion date of the aforementioned reorganization).
*6 Capital represents the amount of capital contribution.
*7 Fortress Investment Group LLC has not prepared stand-alone financial statements, thus a capital amount is not listed.
On May 19, 2023, SBG agreed with Mubadala Investment Company PJSC to sell SBG's entire interest in Fortress Investment Group LLC, held through a subsidiary of SBG, to a subsidiary of Mubadala Investment Company PJSC (see note). Upon completion of the transaction, Fortress Investment Group LLC is expected to cease to be a consolidated subsidiary of SBG.
Note: This transaction, which is subject to regulatory approval, is expected to be completed during fiscal 2023.
*8 On February 9, 2023, SBG reached an agreement with Toyota Tsusho Corporation to sell 85% of SBG's holdings in SB Energy Corp. to Toyota Tsusho Corporation. Upon completion of that transaction, on April 28, 2023, SB Energy Corp. ceased to be a consolidated subsidiary of SBG and became an equity-method affiliate. Effective on the same day, SB Energy Corp. changed its name to Terrace Energy Corporation.
*9 On April 12, 2023, SoftBank Group Corp. announced that it had reached an agreement with THE EDGEOF, PTE. LTD. ("The Edgeof") to sell all the shares of SoftBank Ventures Asia Corp., held through a wholly owned subsidiary of SoftBank Group Corp., to The EDGEof Korea Co., Ltd., a subsidiary of The Edgeof. Upon completion of the sale, SoftBank Ventures Asia Corp. ceased to be a consolidated subsidiary of SoftBank Group Corp. on June 14, 2023.
*10 A figure in parentheses in the investment ratio represents the Company's indirect investment ratio.
*11 The capital accepted of SoftBank Vision Fund L.P. includes the capital accepted by alternative investment vehicles. The investment ratio of SoftBank Vision Fund L.P. includes an incentive scheme related to SVF1.
*12 The capital accepted and investment ratio include equity and preferred equity contributions under a co-investment program with MASA USA LLC, a company controlled by Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO of SBG) with restricted rights to receive distributions. Figures in parentheses in the investment ratio represent the ratio of the Company's equity interest in the co-investment program. The ratio of MASA USA's equity stake in the co-investment program is 17.25%.

Stock Information

Shareholder registrar	Mitsubishi UFJ Trust and Banking Corporation
Stock exchange registration	Tokyo Stock Exchange, Prime Market
Securities code	9984
Number of shares As of March 31, 2023	
Shares authorized	7,200,000,000
Shares issued	1,469,995,230 (including 6,947,599 of treasury stock)
Number of shareholders As of March 31, 2023	250,676

Distribution by shareholder type

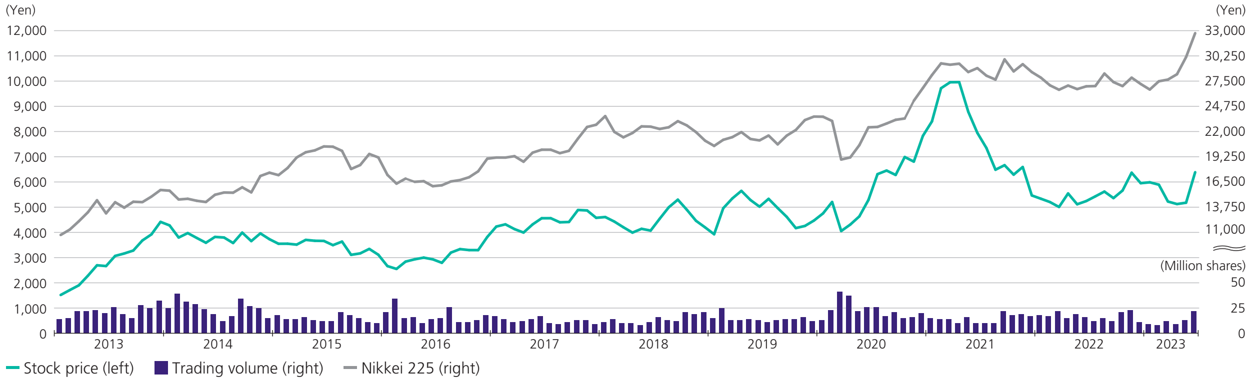


Major shareholders As of March 31, 2023

Name	Number of shares held (thousands)	Percentage of total shares issued (%)
Masayoshi Son	426,661	29.16
The Master Trust Bank of Japan, Ltd. (Trust Account)	268,187	18.33
Custody Bank of Japan, Ltd. (Trust Account)	108,670	7.43
JP MORGAN CHASE BANK 380763	29,066	1.99
STATE STREET BANK WEST CLIENT-TREATY 505234	20,982	1.43
SON CORPORATION LLC	19,060	1.30
SON ASSETS MANAGEMENT LLC	18,504	1.26
JP MORGAN CHASE BANK 385781	12,925	0.88
SSBTC CLIENT OMNIBUS ACCOUNT	11,869	0.81
CITIBANK, N.A.-NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	11,549	0.79
Top 10 Shareholders	927,473	63.38

Notes:
1. Percentage of total shares issued is calculated by deducting treasury stock (6,947,599 shares).
2. Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd., and Custody Bank of Japan, Ltd., are all related to trust operations.
3. As for major shareholders, the number of shares held effectively by Masayoshi Son, verified by SBG, is presented as has been hitherto on a combined basis (by means of name-based aggregation), while those held by other major shareholders are presented precisely as reported in the register of shareholders.

Stock price and trading volume



Note: Stock prices are average prices for each month, and trading volumes are average daily trading volumes for each month. The stock prices and trading volumes have been adjusted to reflect the share split on June 28, 2019.

Market capitalization

(FYE)

	2018	2019	2020	2021	2022
Market capitalization (Trillions of yen)	11.3	7.8	16.2	9.2	7.6

Note: Market capitalization is calculated by multiplying the stock price by the total number of shares issued (excluding treasury stock after adjusting for the aforementioned share split) as of the end of each fiscal year.

Corporate Data

As of March 31, 2023

Corporate name	SoftBank Group Corp.
Founded	September 3, 1981
Corporate headquarters	1-7-1, Kaigan, Minato-ku, Tokyo 105-7537, Japan
Telephone number	+81-3-6889-2000
Representative	Masayoshi Son Representative Director, Corporate Officer, Chairman & CEO
Share capital	¥238.8 billion
Number of subsidiaries	1,280
Number of associates	573
Number of joint ventures	38
Number of employees	247 (consolidated basis: 63,339)
Main business	Pure holding company
Independent auditor	Deloitte Touche Tohmatsu LLC

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp. has been independently assessed according to the FTSE4Good Index Series, FTSE Blossom Japan Index series criteria, and has satisfied the requirements to become a constituent of those index series.

*2 THE INCLUSION OF SoftBank Group Corp. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

*3 As of May 23, 2023

Selection for major indices

- Nikkei Stock Average
- JPX-Nikkei Index 400
- TOPIX Core 30 / TOPIX 100 / TOPIX 500 / TOPIX 1000
- Nikkei 500 Stock Average
- Nikkei Stock Index 300
- FTSE4Good Index Series*1
- FTSE Blossom Japan Index*1
- FTSE Blossom Japan Sector Relative Index*1
- MSCI Japan Empowering Women Index (WIN)*2
- S&P/JPX Carbon Efficient Index

FTSE4Good | FTSE Blossom Japan | FTSE Blossom Japan Sector Relative Index | 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) | S&P/JPX Carbon Efficient Index

Credit rating indices

Rating agency	Long-term bond	Short-term bond
Standard & Poor's	BB*3	—
Japan Credit Rating Agency	A-	J-1

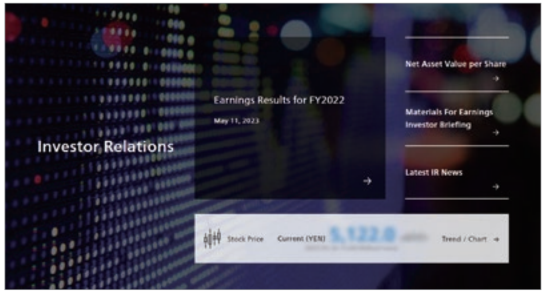
External evaluations on sustainability

- Selected as "The Sustainability Yearbook Member" as a company in the top 15% of each industry in "The Sustainability Yearbook 2023," a listing of companies with outstanding sustainability performance. (2023, S&P Global)
- Received an A- score in the overall rating in the field of climate change and an A (Supplier Engagement Rating Leader), the highest rating, in the Supplier Engagement Rating. (2022, CDP)
- Granted "Kurumin" certification under the Act on Advancement of Measures to Support Raising Next-Generation Children. (2015, Ministry of Health, Labor and Welfare)
- Received the Grand Prix of the "Cyber Index Awards 2022," which recognizes companies and initiatives that have achieved outstanding results in cybersecurity. (2022, Nikkei Inc.)

Sustainability Yearbook Member S&P Global ESG Score 2022 78/100 | CDP DISCLOSURE INSIGHT ACTION | Kurumin certification | CYBER INDEX AWARDS | 2022

Investor Relations

We provide videos and related materials of the latest earnings results briefing and IR-related news, among others.



Sustainability

We feature our various environmental, social, and governance (ESG) efforts, as well as our ESG Data collection.

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