

**Earnings Results
for the Six-month Period
Ended September 30, 2021**

Investor Briefing

November 10, 2021

SoftBank Group Corp.



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Exchange rates per JPY used for translation

Average during quarter	FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	107.74	105.88	104.45	106.24	110.00	110.47		
1 CNY	15.16	15.27	15.71	16.31	17.01	17.09		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				110.71		111.92		
1 CNY				16.84		17.30		

Abbreviations

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

Abbreviations	Definition (Each of the following abbreviations indicates the respective company and its subsidiaries, if any)
SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
SBKK	SoftBank Corp.
SB Northstar	SB Northstar LP
SVF1 or SoftBank Vision Fund 1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2 or SoftBank Vision Fund 2	SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles
Latin America Funds	Collectively referred of SoftBank Latin America Fund 1 (SBLA Holdings (Cayman) L.P. and SBLA Latin America Fund (Cayman) L.P.) and SoftBank Latin America Fund 2 (SBLA Holdings II DE LLC)
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc. after merging with Sprint
Deutsche Telekom	Deutsche Telekom AG
Arm	Arm Limited
Alibaba	Alibaba Group Holding Limited
WeWork	WeWork Inc.

Accounting

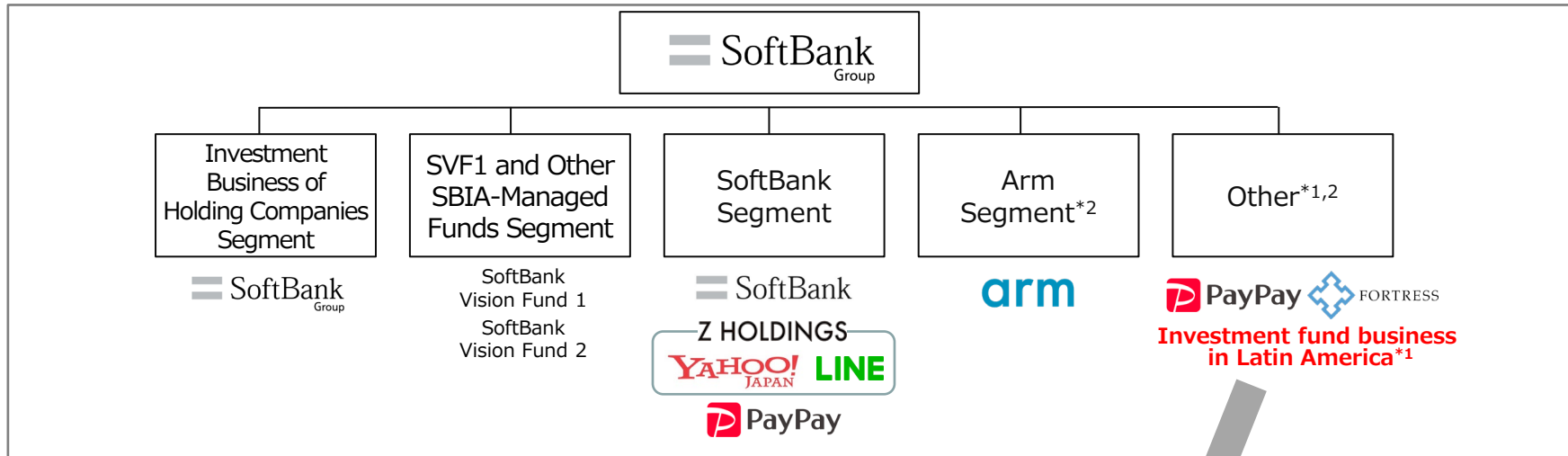
Consolidated Results

(¥ B)	FY20 Q1-Q2	FY21 Q1-Q2	Change	Change %
Net sales	2,630.5	2,983.5	353.0	13.4%
Income before income tax	1,441.5	1,047.0	-394.5	-27.4%
Net income (attributable to owners of the parent)	1,883.2	363.6	-1,519.6	-80.7%
(Reference)				
Gain on investments	2,033.3	-395.2	-2,428.5	—
Investment Business of Holding Companies	579.6	279.9	-299.7	-51.7%
SVF1 and SVF2	1,336.6	-879.2	-2,215.8	—
Latin America Funds	63.5	193.7	130.2	205.2%
Other investments	53.6	10.3	-43.3	-80.7%

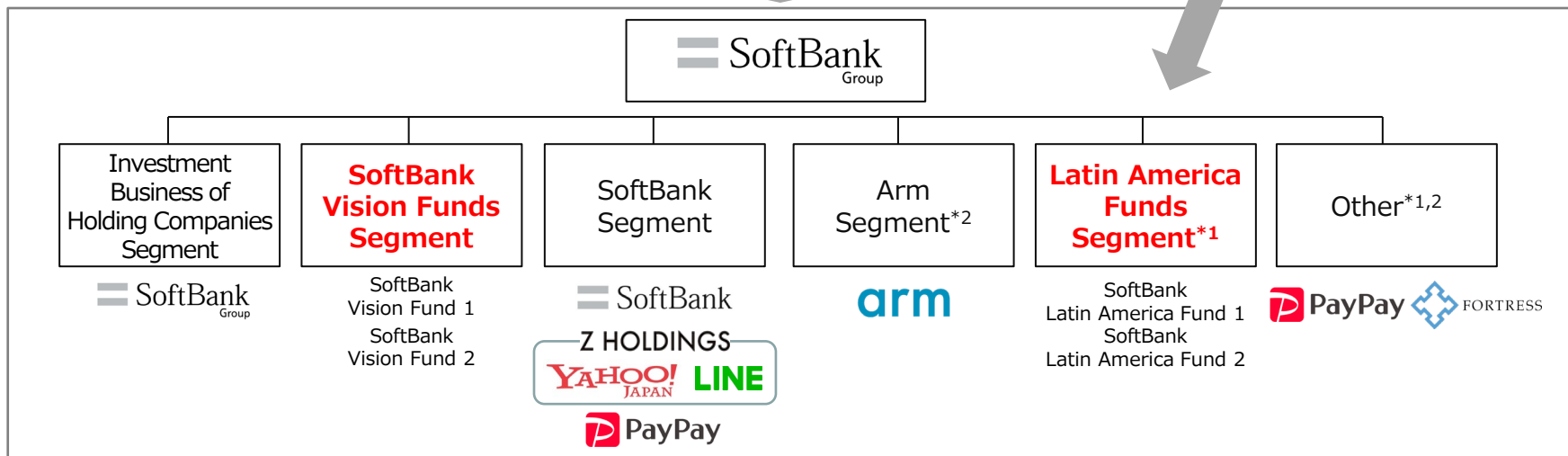
Change in Reportable Segments

- From FY21Q1, **Latin America Funds**, which were previously included within “Other,” are newly presented as independent reportable segments.
- In FY21Q2, “**SoftBank Vision Funds Segment**” was renamed from “SVF1 and Other SBIA-Managed Funds Segment.”

FY20



FY21



*1 From FY21Q1, “Latin America Funds,” which were previously included within “Other,” are newly presented as independent reportable segments. Information for FY20 has been reclassified and presented accordingly.

*2 The operating results of the Arm segment exclude contributions of the Internet-of-Things Services Group (ISG) business for FY20 and FY21, as the business is managed separately from Arm business. Operating results of the ISG business are included in “Other” in the reportable segments.

Segment Income – Investment Business of Holding Companies

(¥ B)

P/L item	FY20 Q1-Q2	FY21 Q1-Q2	Items
Gain on investments at Investment Business of Holding Companies	579.6	279.7	
Gain relating to sales of T-Mobile shares	421.8	3.1	See page 6 for details of the sales of T-Mobile shares.
Realized gain (loss) on investments at asset management subsidiaries	-8.1	63.0	SB Northstar: Results of investment activities in listed stocks and other instruments
Unrealized loss on valuation of investments at asset management subsidiaries	-95.1	-80.0	
Derivative gain (loss) on investments at asset management subsidiaries	-292.3	76.2	SB Northstar: Gain (loss) mainly related to long call options on listed stocks
Realized gain (loss) on investments	163.6	-336.7	FY21: Realized loss on investments of ¥458.7B due to the sale* ¹ of shares of a wholly owned subsidiary that held WeWork shares from SBG to SVF2.
Unrealized gain on valuation of investments	234.6	462.2	
<i>Change in valuation for the fiscal year</i>	235.9	56.6	FY21: T-Mobile +¥16.1B
<i>Reclassified to realized gain (loss) recorded in the past fiscal year</i>	-1.3	405.5	FY21: Valuation losses of ¥478.1B recorded in this segment in prior fiscal years were reclassified as a realized loss, following the sale* ¹ of shares of a wholly owned subsidiary that held WeWork shares from SBG to SVF2.
Derivative gain on investments	151.7	68.5	FY21: Increase in the fair value of the contingent consideration related to T-Mobile shares* ² +¥58.0B
Effect of foreign exchange translation	—	11.2	
Other	3.5	12.2	
Selling, general and administrative expenses	-52.9	-46.2	
Finance cost	-108.2	-138.4	FY21: Interest expense increased mainly due to the following. <ul style="list-style-type: none"> • Increased by ¥21.9B at SBG and wholly owned subsidiaries for fund procurement, mainly from an increase in interest-bearing debt including bonds and borrowings through margin loans. • Increased by ¥8.0B at SB Northstar, from short-term borrowings for acquiring stocks, etc. since its inception in FY20Q2.
Income on equity method investments	194.6	267.0	FY21: Income on equity method investments related to Alibaba +¥277.3B
Derivative gain (loss) (excluding gain (loss) on investments)	-762.4	623.9	FY21: Derivative gain of ¥625.1B in connection with prepaid forward contracts using Alibaba shares
Other gain	174.6	30.1	
Segment income (income before income tax)	25.3	1,016.1	

*1 Gains and losses related to the sale are eliminated in consolidation as an intercompany transaction.

*2 The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the completion of the merger between Sprint and T-Mobile. See page 8 for details.

Partial Sale of T-Mobile Shares in September 2021

Transaction		Procured amount (\$ B)	Execution timing	Number of shares held	
				T-Mobile shares (millions)	Deutsche Telekom shares (millions)
a	Borrowing made using 106.3 million T-Mobile shares pledged as collateral (margin loan)	4.4	Jul 2020		
Number of shares held as of Jun 30, 2021				106.3	—
b	Fund procurement through prepaid forward contracts using 17.9 million T-Mobile shares	1.8	Sep 2021		
c	Borrowing made using 43.0 million T-Mobile shares pledged as collateral (margin loan)	2.6			
d	Repayment of borrowings in "a" using funds acquired in "b" and "c"	-4.4			
e	60-day loan using 45.4 million T-Mobile shares pledged as collateral (bridge loan)	1.3			
f	Sale of 45.4 million T-Mobile shares to Deutsche Telekom, receiving 225 million Deutsche Telekom shares as consideration as a result of the partial exercise of call options by Deutsche Telekom	—			
Number of shares held as of Sep 30, 2021				60.9	225.0
Ratio to outstanding shares				4.9%	4.5%

T-Mobile Shares – Partial Exercise of Call Options by Deutsche Telekom and Cumulative Loss since Partial Sale on June 26, 2020

- In September 2021, Deutsche Telekom partially exercised its call options.

(Breakdown of the exercised call options)

- Fixed option: **26.35 million shares**
- Floating option: **19.02 million shares**

- The Company **sold 45.37 million T-Mobile shares** following the exercise of call options.

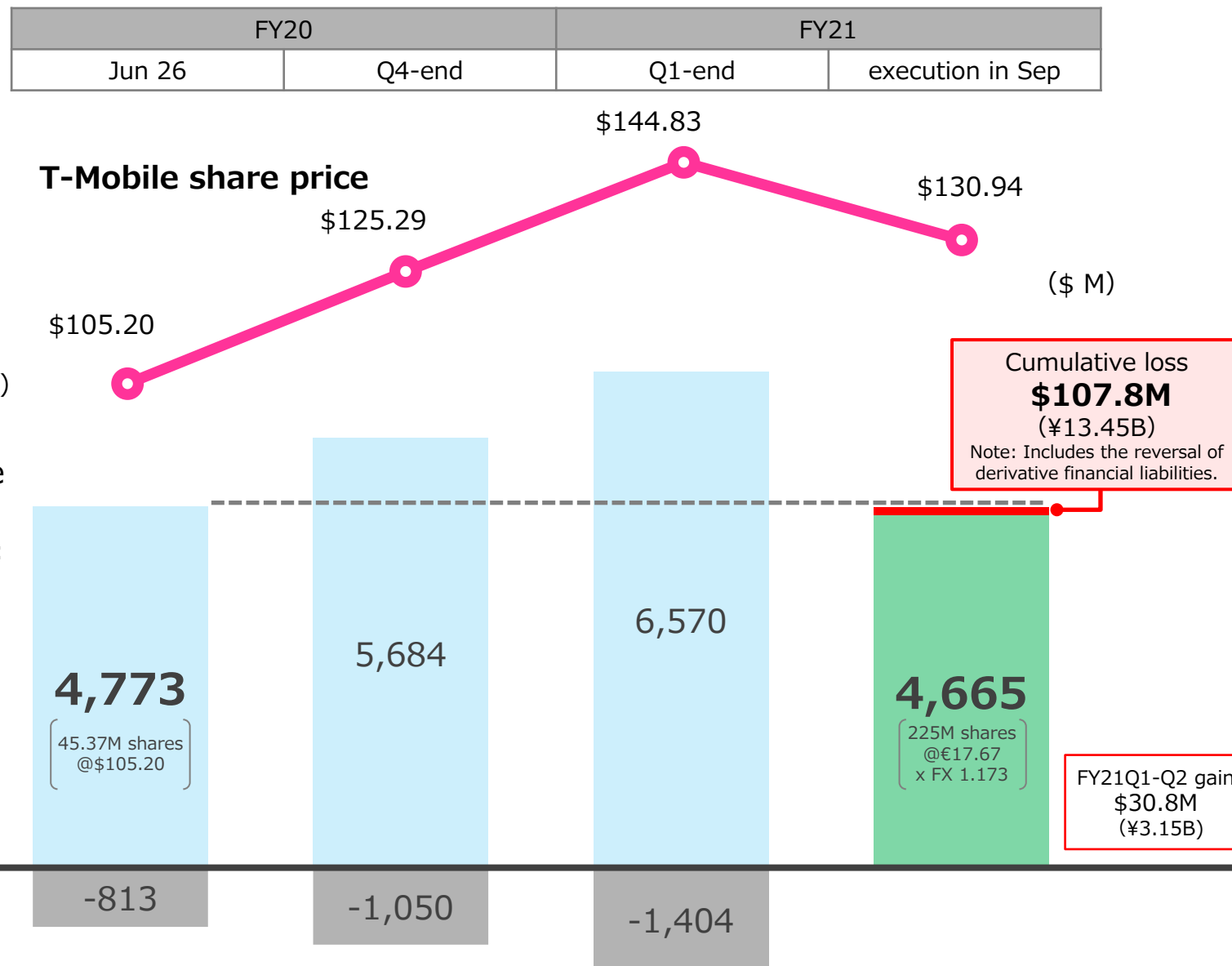
(The fair value as of June 26, 2020: \$4,773 million)

- **Acquired 225 million Deutsche Telekom shares** as consideration for the sale.

(The fair value at the execution in September 2021: \$4,665 million)

Fair Value

- T-Mobile shares (sold portion)
- Derivative financial liabilities (sold portion)
- Deutsche Telekom shares (acquired)



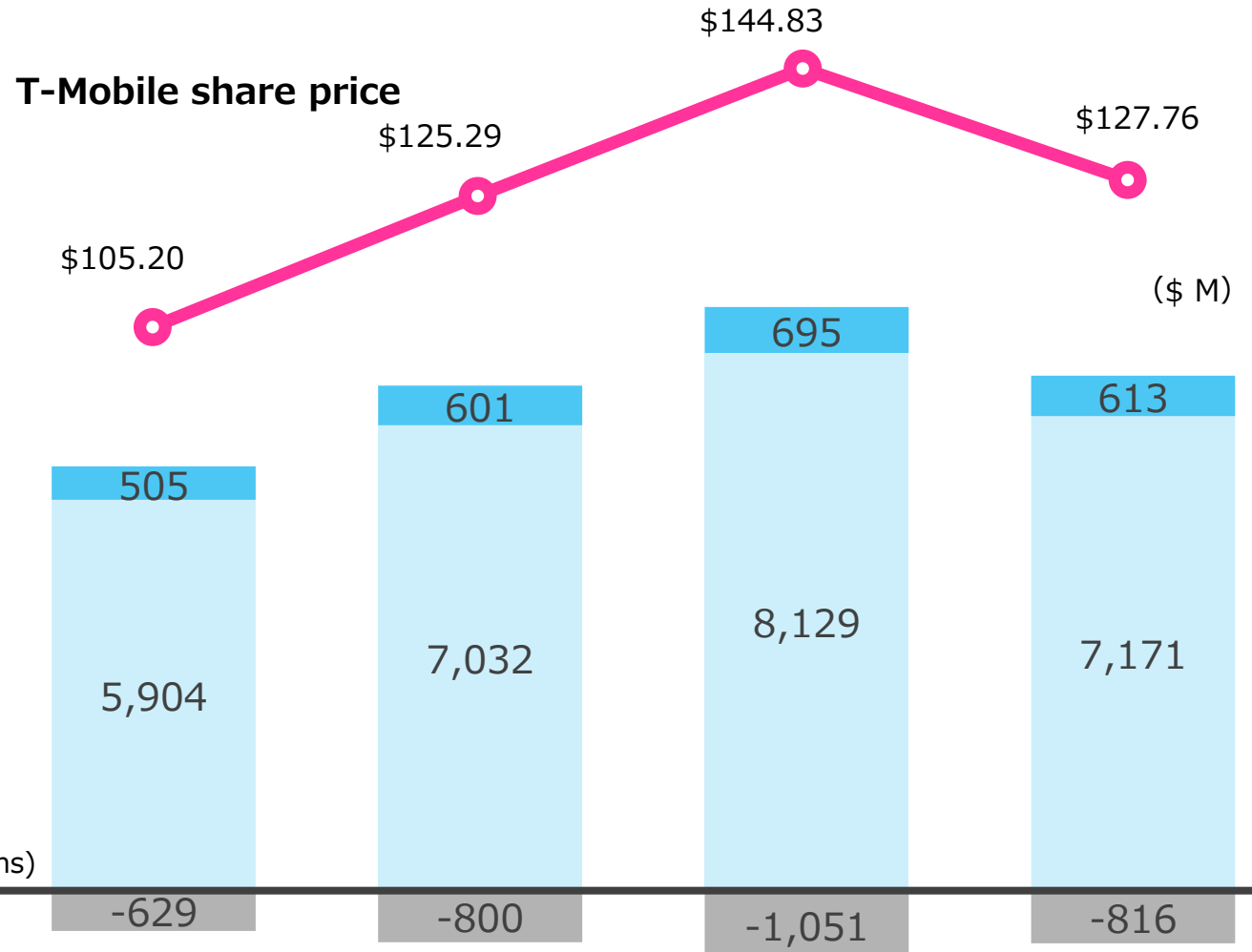
T-Mobile Shares – The Company’s Holding (including Unexercised Call Options Held by Deutsche Telekom) and Fair Values

T-Mobile shares held by the Company as of FY21Q2-end: 60.92 million shares ((i)+(ii) below)

(i) unexercised portion of call option held by Deutsche Telekom: **56.12 million shares**

(ii) Not subject to call options: **4.80 million shares**

FY20		FY21	
Jun 26	Q4-end	Q1-end	Q2-end



Fair Value

- (i) T-Mobile shares (unexercised portion of options)
- (i) Derivative financial liabilities (unexercised portion of options)
- (ii) T-Mobile shares (not subject to options)

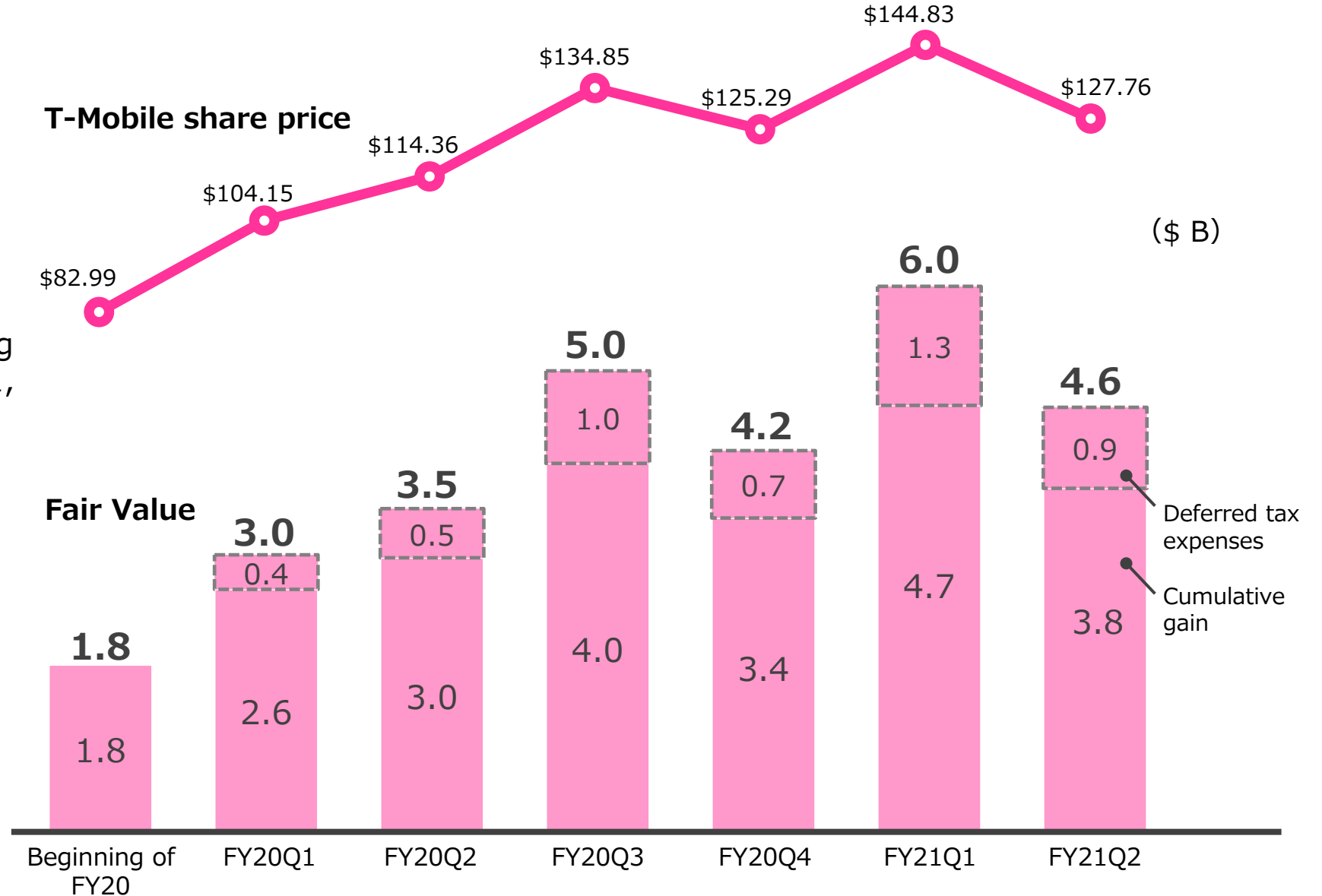
T-Mobile Shares – Fair Value of Contingent Consideration

- Contingent consideration:**

The Company's right to acquire **48.75 million T-Mobile shares** for no consideration if certain conditions are met

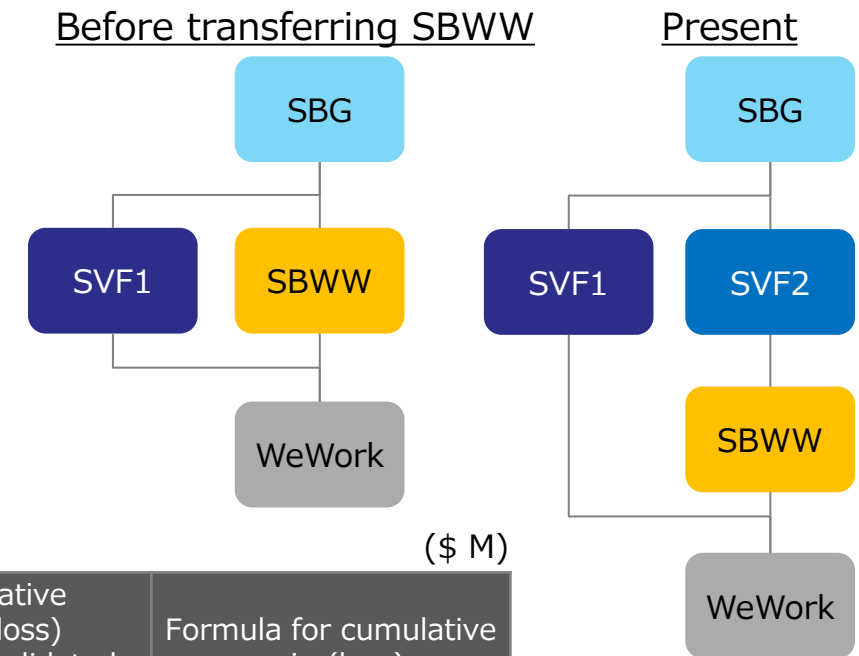
- Conditions:**

45-day trailing VWAP of T-Mobile share \geq **\$150** during April 1, 2022 - December 31, 2025



Investment in WeWork

- In August 2021, SBG transferred SBWW, a wholly owned subsidiary that holds WeWork common stock and preferred stock, to SVF2 in accordance with the policy for handling the investment portfolio.
- On October 21, 2021, WeWork listed on NYSE thorough a merger with a SPAC, BowX Acquisition Corp. (De-SPAC).
- Along with the De-SPAC, the preferred stock was converted to common stock. After the transfer of SBWW to SVF2, FVTPL valuation gain (loss) will be recorded in the SVF segment*¹ for the common stock held from before De-SPAC. On SBG consolidated basis, such amount will be eliminated in adjustments and the equity method will continue to be applied to such shares (8.32% of shares issued as of September 30, 2021).



(\$ M)

Held by	Cumulative acquisition costs (SBG consolidated basis)		Fair Value at the transfer (C)	Fair value as of Sep 30, 2021 (D)	Cumulative gain (loss) (SBG consolidated basis)	Formula for cumulative gain (loss)
	Cash (A)	Penny warrant* ² (B)				
SBG	7,501	867	2,444	—	-5,924	C - (A + B)
SVF2	—	—	2,444	3,550	1,106	D - C
SVF1	3,400* ³	—	—	914	-2,486	D - A
Total	10,901	867	—	4,464	-7,304	D - (A + B)

*1 SoftBank Vision Funds segment

*2 Warrants that are exercisable for WeWork preferred stock at an exercise price of \$0.01 per share as consideration for credit support for a letter of credit facility and the obligation to purchase unsecured notes. \$867 million is the fair value of the warrants at the initial recognition less \$1 million of the consideration of exercise.

*3 The cumulative acquisition cost of SVF1 includes the investment in WeWork Asia Holding Company B.V. (WeWork Asia). The shares of WeWork Asia were exchanged to WeWork preferred stock in Apr 2020 at a price of \$11.60 per share. The transfer of SBWW from SBG to SVF2 has no impact on SVF1's investment in WeWork.

(Note) There is no guarantee that historical trends will continue throughout the investment. It should not be assumed that investments made in the future will be comparable in quality or performance to investments described herein.

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

(¥ B)

Investor	Investment type	Consolidated B/S Account	Consolidated B/S (Minuses show liabilities)	Consolidated P/L Account	Consolidated P/L Amount recorded	Cumulative gain (loss) since inception	
			FY21Q2-end		FY21Q1-Q2		
SBG	Stocks	Investment securities	24.4	Realized gain (loss) on investments*1	37.6	259.6	
				Unrealized gain (loss) on valuation of investments*1	-28.7	13.6	
	Stocks, etc.	Investments from asset management subsidiaries	460.0	Realized gain (loss) on investments at asset management subsidiaries	63.0	42.4	
		Securities pledged as collateral in asset management subsidiaries	67.9	Unrealized gain (loss) on valuation of investments at asset management subsidiaries*3	-79.8	54.3	
SB Northstar	Credit transactions	Borrowed securities*2	—				
	Derivatives	Long call options of listed stocks	Derivative financial assets in asset management subsidiaries	129.1			
		Short call options of listed stocks	Derivative financial liabilities in asset management subsidiaries	—			
	Derivatives	Short stock index futures contracts	—	—	Derivative gain (loss) on investments at asset management subsidiaries		
		Total return swap contracts related to listed stocks	Derivative financial assets in asset management subsidiaries	—	76.2	-534.5	
			Derivative financial liabilities in asset management subsidiaries	-0.04			
		Long forward contracts related to listed stocks	Derivative financial assets in asset management subsidiaries	—			
		Derivative financial liabilities in asset management subsidiaries	-1.7				
Gain (loss) on investments at Investment Business of Holding Companies					68.2	-164.7	
Net income attributable to non-controlling interests*4,5					-19.8	145.9	
Impact on net income attributable to owners of the parent*5					48.4	-18.7	

*1 Some of the listed shares acquired by SBG in FY20Q1 and Q2 were transferred to SB Northstar in FY20Q2. For a portion of such listed shares that was sold to third parties by SB Northstar after the transfer, the difference between the acquisition value paid by SBG and the transfer value to SB Northstar is presented as "realized gain (loss) on investments." When SB Northstar sold such listed shares to third parties, the corresponding difference was reclassified from "unrealized gain (loss) on valuation of investments" to "realized gain (loss) on investments."

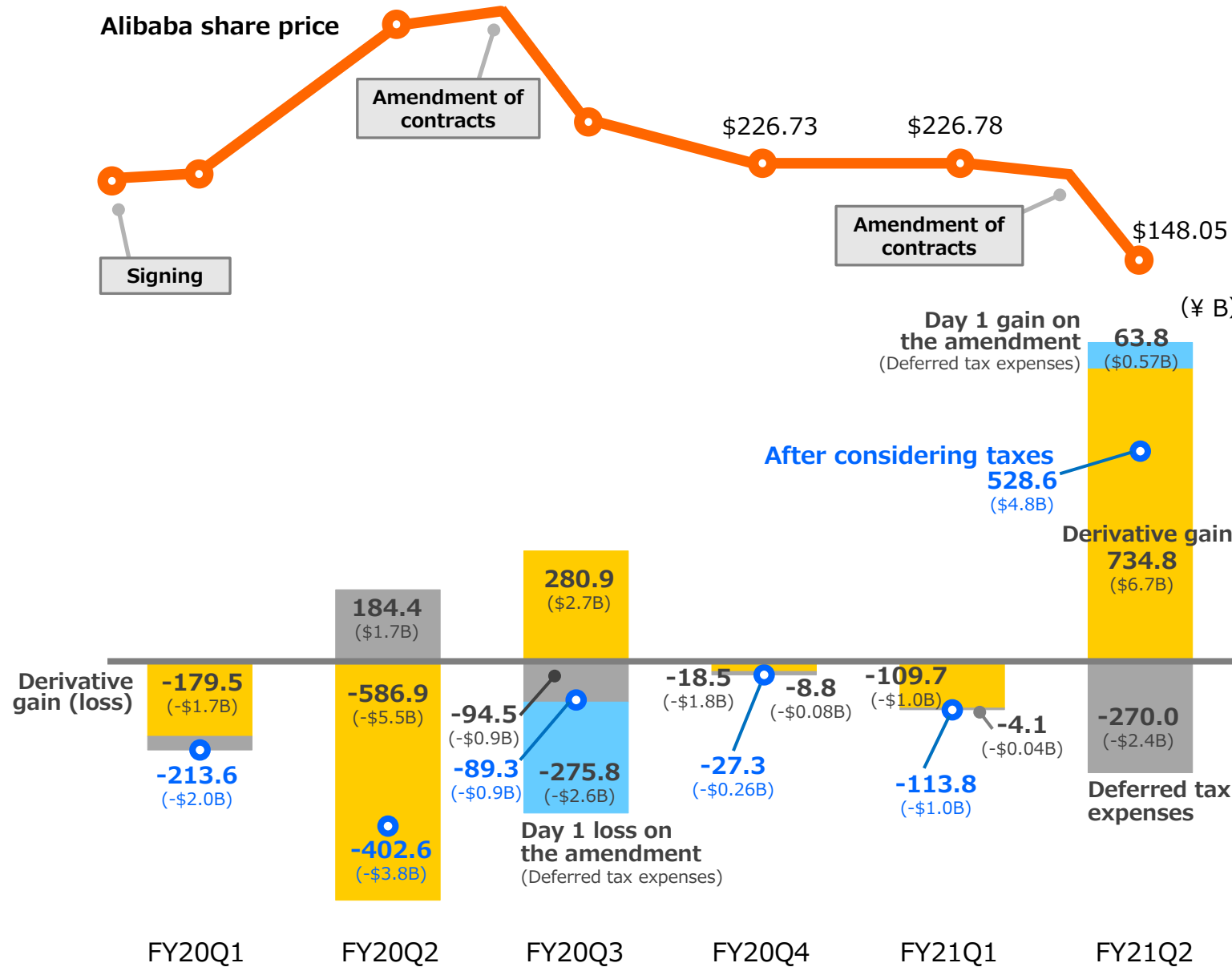
*2 The fair value of the securities borrowed for short credit transactions

*3 After elimination of intercompany transactions

*4 33% of the gain (loss) on investments at SB Northstar

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

Derivative Gain (Loss) on Alibaba Prepaid Forward Contracts (Quarterly Trend)



(Impact on P/L)

(¥ B)	FY21 Q1-Q2
Income before income tax	625.1 (\$5.7B)
Net income	414.8 (\$3.8B)

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

(¥ B)	FY20 Q4-end	FY21 Q2-end
Derivative financial assets	703.7	1,281.6
Derivative financial liabilities	-28.1	—
Net	675.6	1,281.6
Financial liabilities relating to sale of shares by prepaid forward contracts	3,085.7	3,852.7

Entry into Agreement for Sale of All Shares in Arm: Overview

- In September 2020, the Company agreed to sell all of Arm shares to NVIDIA.
- The Company expects to hold approx. 6.7-8.1% of NVIDIA shares. Further upside can be enjoyed as the largest shareholder when the share price goes higher.

(\$ B)

Transaction value		Details	Time of receipt
12.0	2.0	Cash of 1.25: SBGC received as a deposit for part of the consideration in the transaction.	FY20Q2 (received in Sep 2020)
		Cash of 0.75: Arm received as consideration for a license agreement.	
	10.0	Cash: SBGC and SVF1 to receive	On closing
21.5 ±α	44.37 million of NVIDIA shares: SBGC and SVF1 to receive		
Up to 5.0 ±α ^{*1}	Up to 10.32 million of NVIDIA shares or cash: SBGC and SVF1 to receive Earn-out subject to satisfaction of certain financial performance targets for each of revenue and EBITDA ^{*2} of Arm in FY21.		On closing (subject to satisfaction of specific financial performance targets by Arm)
Total, up to 38.5 ±α		Consideration for the Company (Up to \$57.3B ^{*1} if calculated using NVIDIA's closing share price of \$828.64 as of Sep 30, 2021)	
1.5	NVIDIA share compensation for Arm employees		On closing
Total, up to 40.0 ±α			

Number of shares to be received by the Company were determined based on the share price of NVIDIA:
\$484.60/share

(Ref.) Closing price as of Nov 5, 2021
\$297.52/share (after split)
\$1,190.08/share (pre-split equivalent)

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

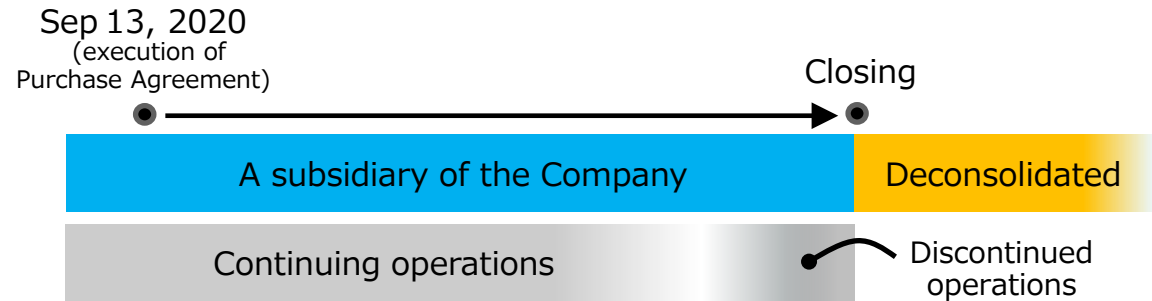
*1 If elected to receive it in shares.

*2 Subject to certain adjustments and excludes results attributable to the ISG business.

*3 The number of shares and the share price of NVIDIA in the table are before the stock split on Jul 20, 2021, unless otherwise stated.

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

- **Arm will continue to be classified under continuing operations** (until the closing of the transaction is deemed highly probable, such as after obtaining regulatory approvals).
- **On closing, Arm will cease to be a subsidiary of the Company.**



	The Company's consolidated financials		SVF Segment*
Continuing operations (until the closing of the transaction is deemed highly probable)	Recording 100% of Arm's financial results	Impairment tests on goodwill	Recording changes in valuation of Arm shares of 24.99% held by SVF1 under "gain (loss) on investments": the amount is eliminated in the consolidated P/L as Arm is a subsidiary of the Company. (Reference) The above changes in valuation is recorded under "Change in third-party interests in SVF1 and SVF2" in the consolidated P/L based on a designated waterfall.
Discontinued operations		To be measured at the lower of fair value or carrying amount when assets and liabilities are classified as disposal group held for sale.	
On closing	The difference between the consideration and carrying amount will be recorded as gain relating to loss of control under "net income from discontinued operations."		
After deconsolidation	NVIDIA shares to be received will be recorded as financial assets at FVTPL, with its changes in fair value will be recognized as net income or loss.		

*SoftBank Vision Funds segment

Consolidated P/L Summary (IFRSs)

(¥ B)

P/L item	FY20 Q1-Q2	FY21 Q1-Q2	Change
Continuing operations			
Net sales	+2,630.5	+2,983.5	+353.0
Gross profit	+1,419.8	+1,635.0	+215.2
Gain on investments			
<i>Gain on investments at Investment Business of Holding Companies</i>	+579.6	+279.9	-299.7
<i>Gain (loss) on investments at SVF1 and SVF2, and others</i>	+1,336.6	-879.2	-2,215.8
<i>Gain on investments at Latin America Funds</i>	+63.5	+193.7	+130.2
<i>Gain on other investments</i>	+53.6	+10.3	-43.3
Total gain (loss) on investments	+2,033.3	-395.2	-2,428.5
Selling, general and administrative expenses	-1,011.3	-1,186.7	-175.4
Finance cost	-153.8	-185.6	-31.8
Income on equity method investments	+200.8	+265.3	+64.5
Derivative gain (loss) (excluding gain (loss) on investments)	-761.6	+621.0	+1,382.6
Change in Third-party interests in SVF1 and SVF2	-457.5	+195.2	+652.7
Other gain	+171.7	+98.0	-73.7
Income before income tax	+1,441.5	+1,047.0	-394.5
Income taxes	-272.3	-456.8	-184.5
Net income from continuing operations	+1,169.2	+590.1	-579.1
Discontinued operations			
Net income from discontinued operations	+710.2	—	-710.2
Net income	+1,879.4	+590.1	-1,289.3
Net income attributable to owners of the parent	+1,883.2	+363.6	-1,519.6

Gain on investments at Investment Business of Holding Companies: +¥279.9B (See page 4 for details.)

- Gain related to a partial sales of T-Mobile shares in Sep 2021: +¥3.1B
- Unrealized gain on valuation related to T-Mobile shares: +¥16.1B
- Derivative gain associated with an increase in the fair value of a contingent consideration related to T-Mobile shares*: +¥58.0B
- Gain on investments from investments in listed stocks and other instruments: +¥68.2B

Loss on investments at SVF1, SVF2, and others: -¥879.2B

(See page 20 for details.)

- Realized gain on investments (net): +¥757.2B (SVF1), +¥105.3B (SVF2)
- Unrealized gain on valuation (net): -¥636.9B (SVF1), -¥10.0B (SVF2)

Gain on investments at Latin America Funds: +¥193.7B

- Unrealized gain on valuation (net): +¥202.0B

Income on equity method investments: +¥265.3B (+¥64.5B yoy)

Income on equity method investments in Alibaba: +¥277.3B

Derivative gain (excluding gain (loss) on investments): +¥621.0B

Derivative gain in connection with prepaid forward contracts using Alibaba shares: +¥625.1B

Income taxes

- Income taxes recorded at SBKK and Yahoo Japan
- Recorded deferred tax expenses due to recording the above-mentioned gain.

FY20Q1-Q2: Recorded gain relating to loss of control of Sprint. +¥721.4B

*The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the completion of the merger between Sprint and T-Mobile. See page 8 for details.

(+: plus to profit -: minus to profit)

Consolidated B/S Summary (IFRSs) – 1

(¥ B)

B/S item	Main items	As of Mar 2021	As of Sep 2021	Change
Current assets		10,820.2	8,979.6	-1,840.6
	Cash and cash equivalents	4,662.7	5,093.4	+430.7
	Investments from asset management subsidiaries	658.2	319.5	-338.7
	Securities pledged as collateral in asset management subsidiaries	1,427.3	67.9	-1,359.4
	Derivative financial assets in asset management subsidiaries	188.1	129.1	-59.0
	Derivative financial assets	383.3	721.0	+337.7
	Other financial assets	671.9	294.1	-377.8
	Other current assets	446.7	216.7	-230.0
	Assets classified as held for sale	38.6	—	-38.6
		34,930.3	37,241.2	+2,310.9
Non-current assets	Property, plant and equipment	1,668.6	1,705.4	+36.8
	Goodwill	4,684.4	4,706.2	+21.8
	Intangible assets	2,308.4	2,412.0	+103.6
	Investments accounted for using the equity method	4,350.0	4,825.5	+475.5
	Investments from SVF1 and SVF2 accounted for using FVTPL	13,646.8	14,639.0	+992.2
	SVF1	12,403.3	10,625.3	-1,778.0
	SVF2	1,243.5	4,013.7	+2,770.2
	Investment securities	3,706.8	3,898.4	+191.6
	Derivative financial assets	908.7	1,201.1	+292.4
Other financial assets	1,919.3	2,257.3	+338.0	
	Total assets	45,750.5	46,220.8	+470.3

1 Current assets related to investments from SB Northstar
 A: Decrease mainly due to sales of listed stocks
 B: Decrease due to sales of investments and repayment of collateralized debt obligations
 C: Decrease in fair values of long call options of listed stocks

Increase in derivative financial assets related to prepaid forward contracts using Alibaba shares: +¥357.2B (Increased due to recording derivative gains, reclassifying those with a remaining term of one year or less from non-current assets, and new prepaid forward contracts entered into.)

Refund of withholding tax on dividends paid in FY20 from SBGJ to SBG: -¥246.7B

2 Investments from SVF1 and SVF2: ¥14,639.0B (+¥992.2B yoy)
 • SVF1: -¥1,778.0B (Sold: -\$13.7B, decreases in fair values: -\$5.8B, acquired: +\$2.3B)
 • SVF2: +¥2,770.2B (Acquired: +\$26.3B, sold: -\$1.6B)

3 Investment securities: ¥3,898.4B (+¥191.6B yoy)
 (See page 16 for details.)

Yahoo Japan acquired trademarks related to *Yahoo!* and *Yahoo! JAPAN*, etc. in Japan for ¥178.5B.

(Reference) Carrying amount of Alibaba shares at FY21Q2-end: ¥4,141.8B

• Increase in derivative financial assets related to prepaid forward contracts using Alibaba shares: +¥220.7B
 • Increase in the fair value of the contingent consideration related to T-Mobile shares*: +¥58.0B

*The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as part of consideration for the completion of the merger between Sprint and T-Mobile. See page 8 for details.

Investment Securities on Consolidated B/S (Main Investments)

(¥ B)

	As of Mar 2021	As of Sep 2021	Change	Outline
Investment securities	3,706.8	3,898.4	+191.6	
FVTPL	3,187.6	3,413.0	+225.4	
Latin America Funds	441.0	889.1	+448.1	<ul style="list-style-type: none"> •New and follow-on investments and increase in fair values of investments •61 investments^{*1} at FY21Q2-end
T-Mobile	1,474.4	871.2	-603.2	Decreased mainly due to the sale to Deutsche Telekom of 45.4M T-Mobile shares out of the Company's holding following the partial exercise of call options by Deutsche Telekom.
Deutsche Telekom	—	507.7	+507.7	Receipt of 225M Deutsche Telekom shares as consideration for the sale of T-Mobile shares
SoFi Technologies	204.1	209.4	+5.3	
Lemonade	123.6	89.9	-33.7	
WeWork ^{*2}	168.4	—	-168.4	Transferred to SVF2 in FY21Q2
InMobi	60.9	—	-60.9	Transferred to SVF2 in FY21Q1
Cybereason	40.0	—	-40.0	Transferred to SVF2 in FY21Q1
Others	675.2	845.7	+170.5	
FVTOCI and others	519.2	485.4	-33.8	Decreased mainly due to the sale of investments by PayPay Bank.

*1 Includes one investment accounted for as a subsidiary of the Company.

*2 Investments in WeWork shares held by SVF1 are included in "Investments from SVF1 and SVF2 accounted for using FVTPL."

Consolidated B/S Summary (IFRSs) – 2

(¥ B)

B/S item	Main items	As of Mar 2021	As of Sep 2021	Change
Current liabilities		12,891.0	11,201.4	-1,689.6
	Interest-bearing debt	7,735.2	7,123.0	-612.2
	Lease liabilities	307.4	273.3	-34.1
	Deposits for banking business	1,109.2	1,194.6	+85.4
	Trade and other payables	1,970.3	1,542.5	-427.8
	Derivative financial liabilities in asset management subsidiaries	14.7	1.8	-12.9
	Derivative financial liabilities	322.2	108.9	-213.3
	Income taxes payables	391.9	161.4	-230.5
	Other current liabilities	952.4	685.5	-266.9
	Liabilities directly relating to assets classified as held for sale	11.3	—	-11.3
Non-current liabilities		20,903.9	22,679.9	+1,776.0
	Interest-bearing debt	10,777.7	13,024.2	+2,246.5
	Lease liabilities	727.6	678.9	-48.7
	Third-party interests in SVF1 and SVF2	6,601.8	5,853.7	-748.1
	Other financial liabilities	415.4	464.8	+49.4
	Deferred tax liabilities	2,030.7	2,287.1	+256.4
	Other non-current liabilities	207.5	175.7	-31.8
Total liabilities		33,794.9	33,881.3	+86.4

1 SB Northstar: borrowings (current) -¥1,580.3B yoy
 Repayment of a margin loan of \$6.0B using Alibaba shares and short-term borrowings

- Decreased in derivative financial liabilities due to the partial exercise of call options for T-Mobile shares by Deutsche Telekom: -¥113.5B
- Reversed a derivative financial liability on the completion of the tender offer for WeWork shares in Apr 2021: -¥76.8B (The liability was recorded at FY20-end as the difference between the valuation amount of common stock and preferred stock expected to be acquired and the planned acquisition amount.)

SBGJ paid income tax based on taxable income for FY20 including a gain on sale of SBKK shares: -¥197.4B

Paid withholding income tax in relation to dividends paid from SBGJ to SBG in FY20: -¥245.1B

2 SBG: corporate bonds (current and non-current) +¥1,256.8B yoy

- Domestic hybrid bonds: Issuance of +¥405.0B, early redemption of -¥455.6B
- Foreign currency-denominated straight corporate bonds: Issuance of +\$3.85B and +€2.95B
- Domestic subordinated bonds: Issuance of +¥500.0B

Wholly owned subsidiaries for fund procurement: financial liabilities relating to sale of shares by prepaid forward contracts (current and non-current) +¥996.4B yoy
 Mainly due to new prepaid forward contracts using Alibaba shares

SVF1 and SVF2: borrowings (current and non-current) +¥383.0B yoy
 Borrowings made for the purpose of monetizing investments (Portfolio Financing Facility): SVF1 +\$2.37B, SVF2 +\$1.00B

Increase in deferred tax liabilities due to an increase in the fair value of derivative financial assets related to prepaid forward contracts using Alibaba shares

*For the breakdown of interest-bearing debt and lease liabilities by core companies, see page 47 of FY21Q2 SBG Consolidated Financial Report.

Consolidated B/S Summary (IFRSs) – 3

(¥ B)

B/S item	Items	As of Mar 2021	As of Sep 2021	Change
Equity		11,955.6	12,339.5	+383.9
	Common stock	238.8	238.8	—
	Capital surplus	2,618.5	2,595.6	-22.9
	Other equity instruments*	496.9	496.9	—
	Retained earnings	8,810.4	6,642.3	-2,168.1
	Treasury stock	-2,290.1	-64.6	+2,225.5
	Accumulated other comprehensive income	338.3	639.6	+301.3
	Total equity attributable to owners of the parent	10,213.1	10,548.6	+335.5
	Non-controlling interests	1,742.5	1,790.9	+48.4
	Ratio of equity attributable to owners of the parent (equity ratio)	22.3%	22.8%	+0.5%

1

- Net income attributable to owners of the parent: +¥363.6B
- Decreased following the retirement of treasury stock: -¥2,475.8B
366,860,600 shares were retired in May 2021 (equivalent to 17.6% of the total number of issued shares as of Apr 30, 2021)

2

- Share repurchase made in FY21 under the Board resolution on Jul 30, 2020: ¥257.8B (25,980,400 shares)
- Retired treasury stock in May 2021.

Increase in exchange differences arising from translating overseas subsidiaries and associates into JPY due to a weaker JPY against USD and CNY: +¥285.8B

*USD-denominated undated subordinated notes issued by SBG in Jul 2017, which were classified as equity instruments in accordance with IFRSs.

Consolidated C/F Summary (IFRSs)

(¥ B)

C/F item	FY20 Q1-Q2	FY21 Q1-Q2	Change	Primary details for FY21Q1-Q2	
C/F from operating activities	531.9	2,078.2	+1,546.3	2,677.0	Subtotal of cash flows from operating activities
				-693.3	Income taxes paid
				257.9	Income taxes refunded
C/F from investing activities	-322.2	-1,956.7	-1,634.5	-666.0	Payments for acquisition of investments
				235.8	Proceeds from sales/redemption of investments
				-2,681.4	Payments for acquisitions of investments by SVF1 and SVF2
				1,365.8	Proceeds from sales of investments by SVF1 and SVF2
				-535.1	Purchase of property, plant and equipment, and intangible assets
				359.1	Proceeds from withdrawal of restricted cash
C/F from financing activities	1,591.1	254.4	-1,336.7	-908.3	Proceeds in short-term interest-bearing debt, net
				6,955.0	Proceeds from interest-bearing debt
				-4,295.7	Repayment of interest-bearing debt
				-857.9	Distribution/repayment from SVF1 to third-party investors
				-257.8	Purchase of treasury stock
				-38.2	Cash dividends paid
				-148.9	Cash dividends paid to non-controlling interests
Cash and cash equivalents opening balance	3,369.0	4,662.7			
Cash and cash equivalents closing balance	5,105.2	5,093.4			

C/F from operating activities: +¥1,546.3B yoy
 (Major reasons)
 • Sale of investments, etc. by SB Northstar: +¥1,768.4B (positive impact on cash inflows)
 • Increase in income taxes paid: -¥298.5B (cash outflow)

- New and follow-on investments by Latin America Funds: -\$2.3B
- Acquired WeWork preferred stocks and common stocks through tender offer completed in April 2021: -¥101.4B
- Paid the unpaid acquisition price for shares of a new company established through the business integration of Z Holdings and LINE in FY21Q1 after the shares were acquired from non-controlling interests in FY20: -¥115.2B

Payments for acquisition of investments by SVF1 and SVF2: -¥2,681.4B
 • SVF1: Follow-on investments of \$1.2B
 • SVF2: New and follow-on investments of \$23.2B

Proceeds from sales of investments by SVF1 and SVF2: +¥1,365.8B
 • SVF1: Partial sale of shares in 9 portfolio companies including DoorDash, Coupang, and Uber
 • SVF2: Entire sale of shares in 1 portfolio company and partial sale of shares in KE Holdings

Proceeds in short-term interest-bearing debt, net: -¥908.3B
 (SB Northstar) Decrease in short-term borrowings: -¥930.8B (net)
 (SBKK) Decrease in short-term borrowings: -¥89.4B (net)

Proceeds from interest-bearing debt: +¥6,955.0B
 (SBG) Proceeds from issuance of corporate bonds: +¥1,719.7B
 (Wholly owned subsidiaries for fund procurement)
 • Borrowings using Alibaba shares (margin loan): +\$1.88B
 • Borrowings using T-Mobile shares (margin loan): +\$2.65B, bridge loan: +\$1.25B
 • Procurement through prepaid forward contracts using Alibaba shares: +\$10.35B
 • Procurement through prepaid forward contracts using T-Mobile shares: +\$1.81B
 (SVF1&SVF2) Borrowings and repayment through the Portfolio Financing Facility
 • SVF1: Borrowed +\$2.80B, repaid -\$0.43B
 • SVF2: Borrowed +\$1.90B, repaid -\$0.90B

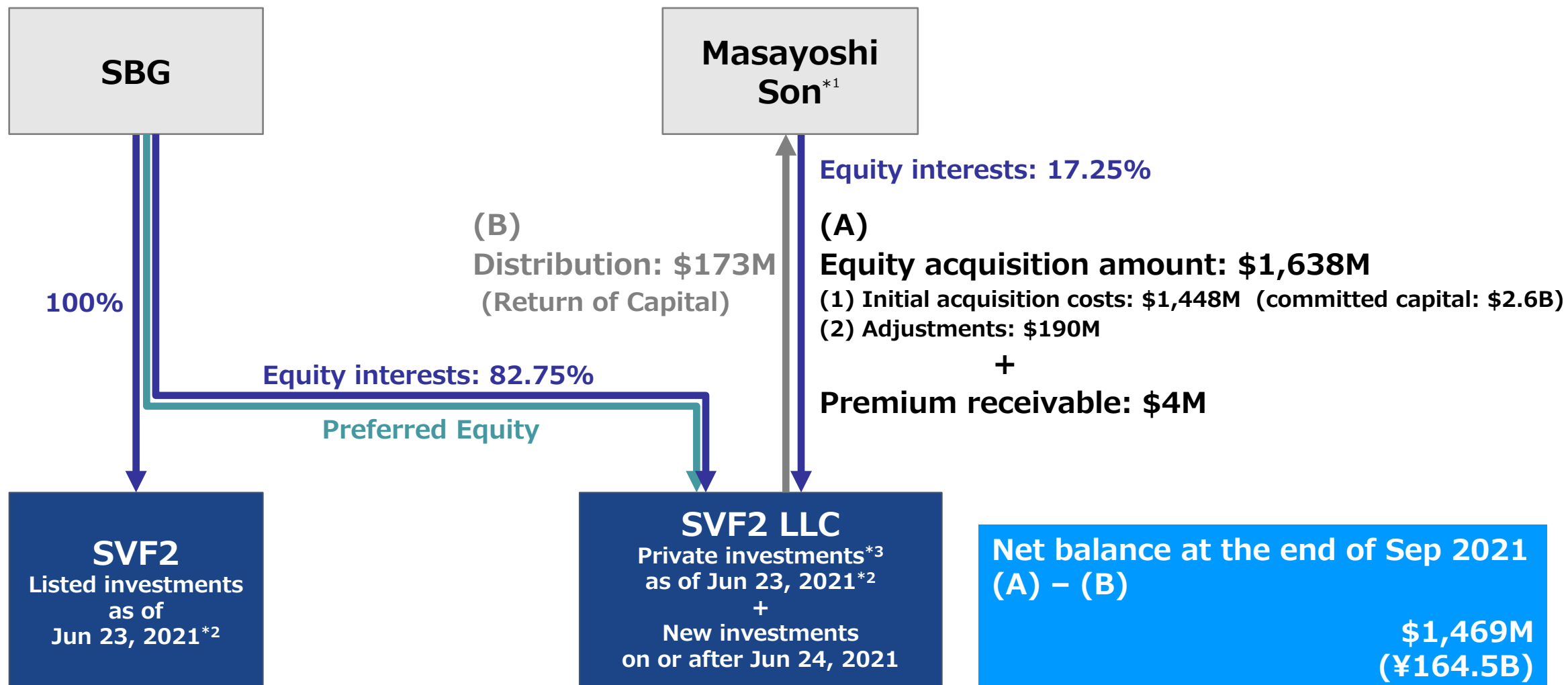
Repayment of interest-bearing debt: -¥4,295.7B
 • (SB Northstar) Repaid a margin loan using Alibaba shares: -\$6.00B
 • (Wholly owned subsidiaries for fund procurement) Repaid a margin loan using T-Mobile shares, which was borrowed in FY20: -\$4.38B

Segment Income – SoftBank Vision Funds

(¥ B)

P/L	FY20 Q1-Q2	FY21 Q1-Q2	FY21 Items
Gain (loss) on investments at SVF1, SVF2, and others	1,411.6	-743.2	
Realized gain on investments	141.4	862.5	SVF1: +¥757.2B (net) Entire sale of shares in 1 portfolio company and a partial sale of shares in 9 portfolio companies including DoorDash, Coupang, and Uber SVF2: +¥105.3B (net) Entire sale of shares in 1 portfolio company and partial sales of shares in KE Holdings
Unrealized gain (loss) on valuation of investments	1,260.6	-1,553.7	
<i>Change in valuation for the fiscal year</i>	1,342.0	-529.8	Unrealized gain (net) on valuation of investments held at FY21Q2-end: SVF1: -¥542.4B (-\$4,894M) SVF2: +¥12.6B (+\$116M) •Listed companies: -\$12,861M in total •Listed companies: -\$3,306M in total •Unlisted companies: +\$7,967M in total •Unlisted companies: +\$3,421M in total See pages 26-27 of FY21Q2 SBG Consolidated Financial Report for details.
<i>Reclassified to realized gain recorded in the past fiscal year</i>	-81.4	-1,023.9	Unrealized gain on valuation of investments recorded in prior fiscal years related to the investments sold in FY21 are reclassified to “realized gain on investments.”
Dividend income from investments	4.6	22.6	
Derivative gain (loss) on investments	1.1	-42.4	
Effect of foreign exchange translation	3.9	-32.2	
Selling, general and administrative expenses	-34.4	-30.1	Administrative expenses at SBIA, SVF1 and SVF2
Finance cost	-6.2	-9.7	
Derivative gain (excluding gain (loss) on investments)	—	1.4	
Change in third-party interests in SVF1 and SVF2	-457.5	195.2	The sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions, which are based on the gain and loss on investments at SVF1 and SVF2, net of management and performance fees payable to each manager, and operating and other expenses of SVF1 and SVF2.
Other gain (loss)	0.6	-3.2	
Segment income (income before income tax)	914.0	-589.5	

Co-investment Program to SVF2: Related Party Transaction



Notes:

For details of the related party transaction, see pages 110 to 111 of FY21Q2 SBG Consolidated Financial Report.

*1 Participation by management other than Masayoshi Son has not been determined as of Oct 31, 2021, but is expected in the future.

*2 Jun 23, 2021 is the date on which the Co-investment Program was conditionally approved by the Board of Directors of SBG.

*3 Excludes portfolios that were listed or announced to be listed as of Jun 23, 2021, and portfolios that were approved by the Board of Directors of SBG to be excluded from the Co-investment Program.

Appendix

Breakdown of Goodwill / Intangible Assets

(¥ B)

B/S Item	Main items	As of Mar 2021	As of Sep 2021	Change			Outline
				Amortization	Changes in exchange rate	Others	
Goodwill*		4,684.4	4,706.2				
	Arm	2,621.6	2,650.2	—	+28.6	—	
	SBKK	907.5	907.5	—	—	—	
	LINE	627.9	630.6	—	—	+2.7	Increased due to the revision of the provisional amount recognized at business combination.
	ZOZO	212.9	212.9	—	—	—	
Main intangible assets	Technologies	368.1	351.2				
	Main b/d Arm	361.7	346.4	-19.0	+3.7	—	Amortized at straight-line method for 8-20 years.
	Customer relationships	674.9	647.3				
	ZOZO	303.6	297.1	-6.5	—	—	Amortized at straight-line method for 18-25 years.
	Main b/d LINE	236.9	225.4	-6.6	—	-4.9	Amortized at straight-line method for 12-18 years. Other: decreased due to the revision of the provisional amount recognized at business combination.
	Arm	95.7	91.0	-5.7	+1.0	—	Amortized at straight-line method for 13 years.
	Trademarks	385.2	544.2				Includes an increase in conjunction with acquisition by Yahoo Japan of trademarks related to <i>Yahoo!</i> and <i>Yahoo! JAPAN</i> , etc. in Japan: +¥178.5B
	Management contracts	33.2	29.5				
Fortress	33.2	29.5	-4.0	+0.3	—	Amortized at straight-line method for 3-10 years.	

*The amounts of goodwill recognized at the date of acquisition by SBG. They do not include goodwill recognized as a result of M&A executed by the relevant subsidiaries after their acquisition dates.

Price Sensitivity of Derivatives at SB Northstar (FY21Q2-end)

The below table shows the impact on income before income tax of changes in the market prices of the underlying assets from September 30, 2021 of long call options, total return swap contracts, and forward contracts related to listed stocks at SB Northstar, assuming all other variables remain unchanged.

(¥ B)

	Fair value at the end of the period (minuses indicate liabilities)	Assumption of change in market price	Estimated fair value after factoring in assumptions (minuses indicate liabilities)	Impact on income before income tax	Notional principal
Long call option of listed stocks in asset management subsidiaries	129.1	30% increase	269.8	140.7	545.3
		10% increase	173.0	43.9	
		10% decrease	89.7	-39.4	
		30% decrease	30.5	-98.5	
Total return swap contracts related to listed stocks in asset management subsidiaries	-0.04	30% increase	0.04	0.08	0.31
		10% increase	-0.01	0.03	
		10% decrease	-0.07	-0.03	
		30% decrease	-0.12	-0.08	
Long forward contracts related to listed stocks in asset management subsidiaries	-1.7	30% increase	63.3	65.0	218.5
		10% increase	19.9	21.7	
		10% decrease	-23.4	-21.7	
		30% decrease	-66.8	-65.0	