

**Earnings Results
for the Six-month Period
Ended September 30, 2022**

Investor Briefing

November 14, 2022

SoftBank Group Corp.



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Exchange rates per JPY used for translation

Average during quarter	FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	110.00	110.47	113.60	117.10	129.04	138.68		
1 CNY	17.01	17.09	17.75	18.43	19.60	20.19		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				122.39		144.81		
1 CNY				19.26		20.37		

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

Accounting

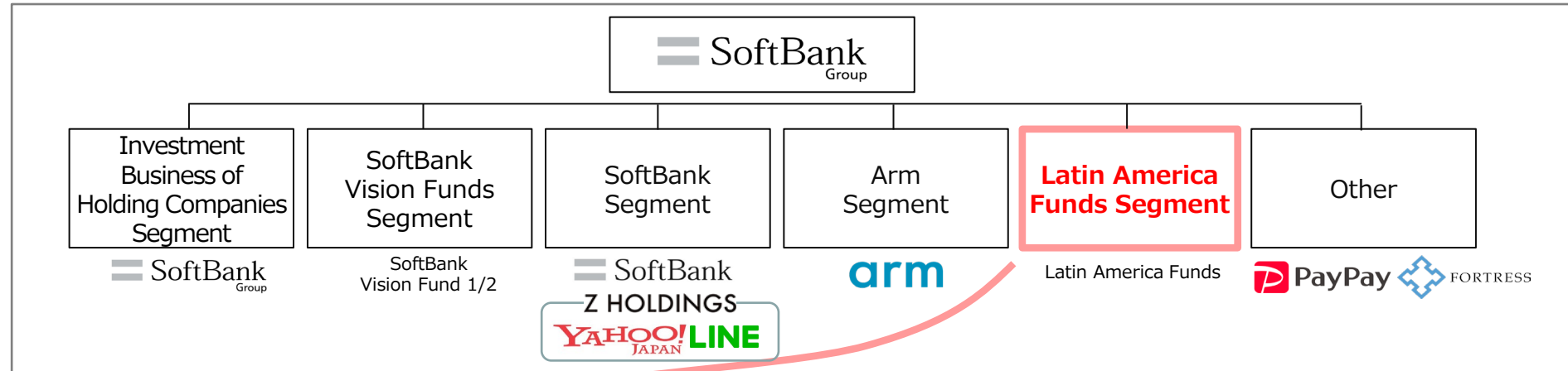
Consolidated Results

(¥ B)	FY21 Q1-Q2	FY22 Q1-Q2	Change	Change %
Net sales	2,983.5	3,182.5	199.0	6.7%
Income before income tax	1,047.0	292.6	-754.3	-72.0%
Net income (attributable to owners of the parent)	363.6	-129.1	-492.7	—
(Reference)				
Loss on investments	-395.2	-849.6	-454.4	—
Investment Business of Holding Companies	279.9	3,524.7	3,244.7	—
SoftBank Vision Funds	-684.8	-4,353.5	-3,668.7	—
Other investments	9.6	-20.7	-30.3	—

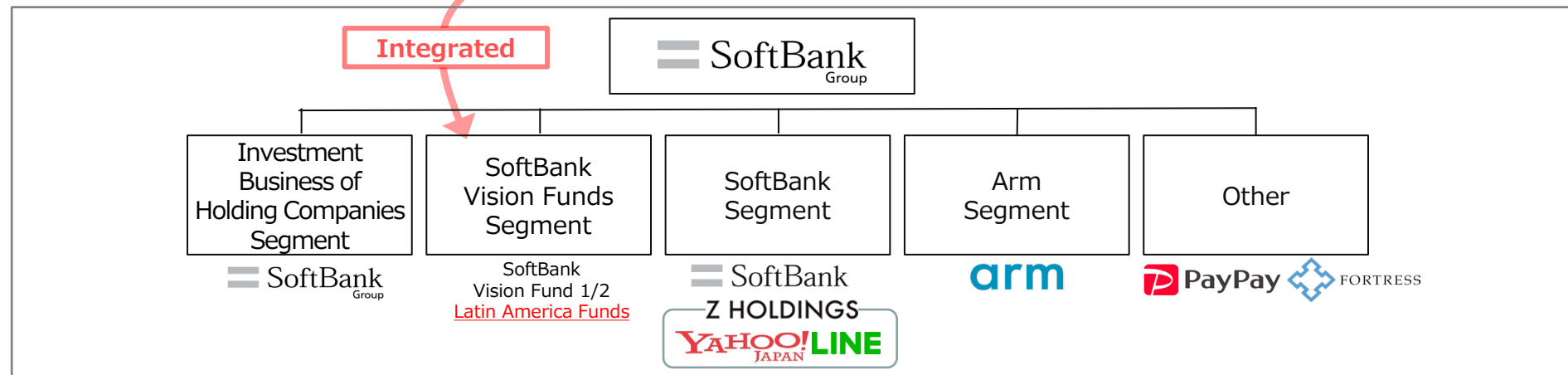
Change in Reportable Segments

From FY22Q1, the Latin America Funds segment has been integrated into the “**SoftBank Vision Funds segment.**”

FY21



**FY22
Q1-Q2**



*Since PayPay became a subsidiary of SBKK and Z Holdings from Oct 2022, its operating results will be included in the SoftBank segment instead of Other from FY22Q3, with the results retroactively adjusted and presented for FY22Q1-Q3 and for the same period of the previous fiscal year.

PayPay became a subsidiary of SBKK and Z Holdings from Oct 2022.

SBKK

- **PayPay's conversion into a subsidiary: Plan to record remeasurement gain** relating to business combination in FY22Q3.
- **Change in accounting policy:**
 - **Plan to change to acquisition method*** from book-value method (pooling of interests method) for transactions made under common control involving non-controlling interests from FY22Q3, in conjunction with PayPay's conversion into a subsidiary.
 - Retroactively apply the accounting policy for transactions such as the consolidation of Yahoo Japan (currently Z Holdings) in Jun 2019 → Recognize identifiable intangible assets → **Expect to record amortization expenses**

SBG

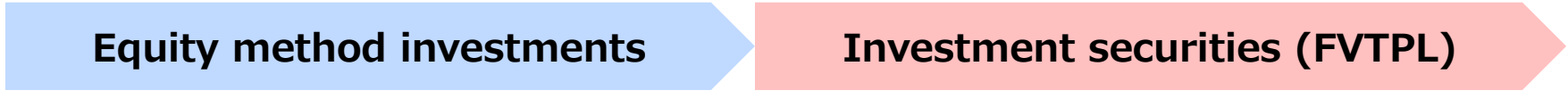
Has **no above impact** and **will not record remeasurement gain or amortization expenses**, as PayPay and Z Holdings have consistently been consolidated subsidiaries.

* SBKK previously accounted for transactions under common control based on the carrying amount of the parent company's assets and liabilities (book-value method or pooling of interests method), and regardless of the actual date of the transaction under common control, retrospectively combined the financial statements of the transferred companies as if such transactions were executed by SBKK on the later of the date when the parent obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SBKK.

Alibaba (Transactions in FY22Q2)

		Ownership %	Scope of consolidation
As of Jun 30, 2022			
Jul	Procurement through prepaid forward contracts (\$6.8B)	23.7%	Equity method associate
Jul	Physical settlement of prepaid forward contracts		
Aug – Sep	Early physical settlement of prepaid forward contracts (corresponding to 242M ADRs)	<20%	<u>Exclusion from associates</u>
Sep	Procurement through prepaid forward contracts (\$1.1B)	14.6%	Other investments (FVTPL = market share price)
As of Sep 30, 2022			

Alibaba (Amounts Recorded in B/S)



Alibaba share price
\$113.68

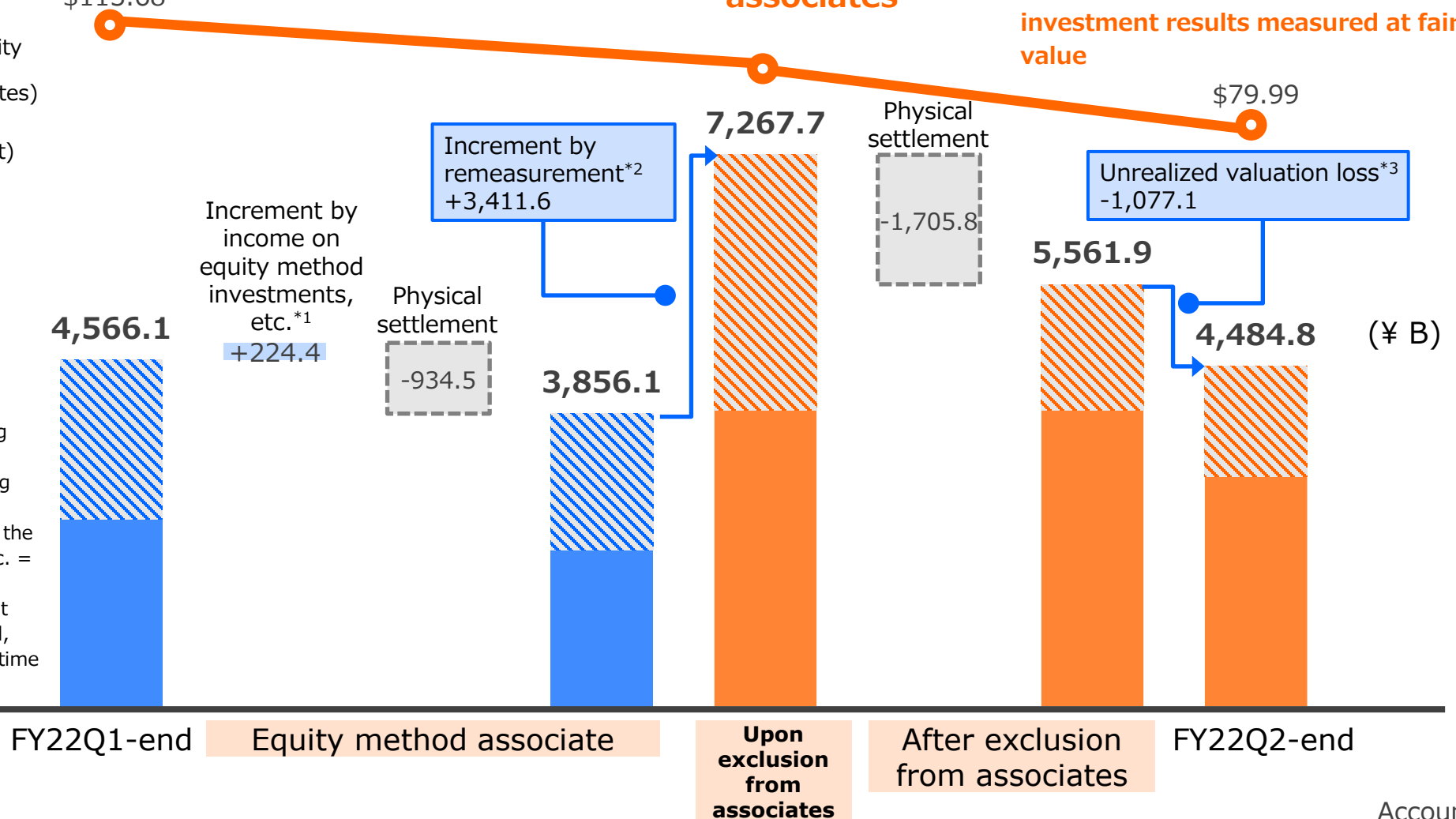
Excluded from associates → Recorded in "investment securities" as financial assets at FVTPL with investment results measured at fair value

- █ Increment by income on equity method investments, etc.*1 (until exclusion from associates)
- Alibaba shares (used for physical settlement)
- Alibaba shares (used for prepaid forward contracts)
- Alibaba shares

*1 ¥110.1B income on equity method investments + ¥78.5B gain from changes in equity interest, etc.

*2 Remeasurement gain in P/L = ¥3,411.6B increment by remeasurement (¥7,267.7B carrying amount remeasured upon exclusion from associates - ¥3,856.1B carrying amount under equity method) + ¥585.1B exchange differences from the translation of foreign operations, etc. = ¥3,996.7B

*3 Valuation loss on Alibaba shares that continued to be held at FY22Q2-end, due to share price decline from the time of exclusion from associates



Early Physical Settlement of Alibaba Prepaid Forward Contracts

Corresponding to 242M ADRs Announced on Aug 10

- P/L: Recorded ¥5,371.6B in income before income tax for FY22Q2
→ Recorded value of Alibaba shares that had not been counted in accounting
- B/S: Reduced financial liabilities relating to prepaid forward contracts by ¥3,821.8B (\$27.57B)

	Amount recorded	Consolidated P/L account
(a) Gain on settlement (Gain on settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement* ¹)	¥584.8B	Gain on investments at Investment Business of Holding Companies
(b) Gain from remeasurement (Gain from remeasurement of Alibaba shares held upon exclusion from associates)	¥3,996.7B	
(c) Derivative gain (Derivative gain on prepaid forward contracts that are the subject of the Early Physical Settlement* ¹)	¥790.1B	Derivative gain (excl. gain (loss) on investments)
Total (contribution to income before income tax)*²	¥5,371.6B	

*1 The early physical settlement of prepaid forward contracts corresponding to 242M ADRs of Alibaba shares from Aug to Sep 2022. Certain contracts that became due for settlement during the implementation period were also settled.

*2 The difference from the estimated ¥4.6T in the Aug 10, 2022 press release is mainly due to (1) the difference between the Alibaba share price used in assumption for the estimate (\$91.19/ADR) and the actual share price at settlement (a and c) or upon exclusion from associates (b), and (2) the difference between the exchange rate used in assumption (¥134.89/\$) and the actual exchange rate.

Expected Cash Tax Related to Alibaba Shares

Expected cash tax of **¥203.7B** at SBG's wholly owned subsidiary mainly due to the realization of derivative gain related to the early physical settlement mentioned on the previous page (recorded in B/S as income taxes payable).



Estimated as of Sep 30, 2022 that the disposal of Alibaba shares related to the early physical settlement from SBG to its subsidiaries conducting fund procurement will result in cash tax of **¥200.0B±α** at SBG.

Note that the amount is undetermined until the fiscal year-end as it depends on other gain/loss, including foreign exchange gain/loss, of SBG through March 31, 2023.

Segment Income: SoftBank Vision Funds

(¥ B)

P/L	FY21 Q1-Q2	FY22 Q1-Q2	FY22Q1-Q2 Items
Loss on investments at SoftBank Vision Funds	-549.1	-4,312.3	
Loss on investments at SVF1, SVF2, and LatAm Funds	-549.8	-4,316.2	SVF1 -¥2,008.3B, SVF2 -¥1,934.4B, LatAm Funds -¥373.6B
Realized gain on investments*	853.4	5.4	SVF1 +¥3.3B (mainly monetization of public portfolio companies), SVF2 +¥0.8B (mainly full exit of KE Holdings), LatAm Funds +¥1.3B
Unrealized loss on valuation of investments*	-1,352.0	-4,303.1	
Change in valuation for the fiscal year	-336.1	-4,200.2	Unrealized valuation loss on investments held at FY22Q2-end: SVF1 -¥1,845.5B (-\$13.92B), SVF2 -¥1,980.8B (-\$15.01B), LatAm Funds -¥374.0B (-\$2.87B)
Reclassified to realized gain recorded in the past fiscal years	-1,015.9	-102.8	The amount of unrealized valuation gain (loss) recorded in past fiscal years related to the investments sold in FY22Q1-Q2 and reclassified to "realized gain on investments" SVF1 -¥118.4B (-\$1.27B), SVF2 +¥15.8B (+\$0.06B), LatAm Funds -¥0.2B (-\$2M)
Interest and dividend income from investments	23.2	0.8	
Derivative gain (loss) on investments	-42.5	36.4	
Effect of foreign exchange translation	-31.9	-55.6	The amount arose from the FX differences used to translate unrealized and realized gains and losses
Gain on other investments	0.7	3.9	
Selling, general and administrative expenses	-35.0	-31.0	
Finance cost	-10.2	-35.8	
Derivative gain (excl. gain (loss) on investments)	1.4	0.6	
Change in third-party interests in SVF	194.1	1,018.7	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 each fund.
Other gain (loss)	-2.4	9.1	
Segment income (income before income tax)	-401.2	-3,350.7	

* Net amount

(Reference) Investment Performance of SVF1 and SVF2

(\$ B)

	Since Inception			FY22 ^{*1}	
	Investment cost ^{*2}	Returns ^{*2}	Gain/loss	Gain/loss (Q2)	Gain/loss (Q1-Q2)
SVF1	89.4	102.9	13.5	-5.0 (-¥695.2B)	-15.2 (-¥2,008.3B)
Exited investments	21.8	39.9	18.1	0.2	0.0
Investments before exit	67.6	60.6	-7.0	-5.1	-14.0
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in FY22</i>				-0.1	-1.2
Derivatives/Interests/Dividends	0.0	2.4	2.4	—	—
SVF2	49.8	35.2	-14.6	-4.6 (-¥637.3B)	-14.6 (-¥1,934.4B)
Exited investments	1.5	2.6	1.1	-0.0	0.0
Investments before exit	48.3	32.7	-15.6	-4.6	-15.0
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in FY22</i>				0.0	0.1
Derivatives/Interests/Dividends	—	-0.1	-0.1	-0.0	0.3

*1 The amount of gains and losses for exited investments in FY22 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 FY22Q1 are presented as reversal of valuation gain/loss recorded in prior periods for exited investments in FY22. Therefore, the total amount of gains and losses for FY22Q1 (Apr to Jun) disclosed in FY22Q1 and the gains and losses for FY22Q2 (Jul to Sep) for “investments before exits” may not match the amount of gains and losses for FY22Q1-Q2 (Apr to Sep).

*2 For derivatives, the investment cost represents the cost of the derivative. 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.

Segment Income: Investment Business of Holding Companies

(¥ B)

P/L item	FY21 Q1-Q2	FY22 Q1-Q2	FY22Q1-Q2 Items
Gain on investments at Investment Business of Holding Companies	279.7	3,524.7	
Gain relating to settlement of prepaid forward contracts using Alibaba shares	—	4,838.3	See page 6 and 7 for details
Gain relating to sales of T-Mobile shares	3.1	24.8	See page 12 for details of the sale of T-Mobile shares
Realized gain (loss) on investments at asset management subsidiaries	63.0	-54.2	SB Northstar: Results of investment activities in listed stocks and other instruments
Unrealized loss on valuation of investments at asset management subsidiaries	-80.0	-58.8	
Derivative gain (loss) on investments at asset management subsidiaries	76.2	-5.8	
Realized loss on investments	-336.7	-147.7	
Unrealized gain (loss) on valuation of investments	462.2	-1,170.5	
Change in valuation for the fiscal year	56.6	-1,158.2	FY22Q1-Q2:Alibaba -¥1,077.1B
Reclassified to realized gain (loss) recorded in the past fiscal years	405.5	-12.3	
Derivative gain on investments	68.5	86.5	FY22Q1-Q2: Increase in the fair value of the contingent consideration related to T-Mobile shares* +¥83.0B
Effect of foreign exchange translation	11.2	-	
Other	12.2	12.1	
Selling, general and administrative expenses	-46.2	-30.7	
Finance cost	-138.4	-240.6	Interest expenses of SBG and its wholly owned subsidiaries conducting fund procurement: +¥109.1B yoy (mainly due to the full amortization of unamortized costs associated with financial liabilities related to the early physical settlement of Alibaba prepaid forward contracts)
Foreign exchange loss	-89.8	-1,100.1	FY22Q1-Q2: Impact of the weaker yen (See pages 22 and 23 for details)
Income (loss) on equity method investments	267.0	-23.9	FY22Q1-Q2: Loss on equity method investments related to Alibaba -¥25.4B
Derivative gain (excl. gain (loss) on investments) <i>Mainly due to Alibaba prepaid forward contracts</i>	624.0	1,041.5	FY22Q1-Q2: ¥895.2B derivative gain on Alibaba prepaid forward contracts
Other gain	119.4	91.4	
Segment income (income before income tax)	1,015.6	3,262.3	

* 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 Corporation and T-Mobile. See page 15 for details.

Monetization of T-Mobile Shares

Transaction	Procured amount (\$ B)	Execution timing	Number of shares held (millions)		
			T-Mobile shares	Deutsche Telekom shares	
a	Borrowings made using 106.3M T-Mobile shares pledged as collateral (margin loan)	4.38	Jul 2020		
Number of shares held as of Jun 30, 2021				106.3	—
b	Fund procurement through prepaid forward contracts using 17.9M T-Mobile shares	1.81	Sep 2021		
c	Borrowings made using 43.0M T-Mobile shares pledged as collateral (margin loan)	2.65			
d	Repayment of borrowings in "a" using funds acquired in "b" and "c"	-4.38			
e	60-day loan using 45.4M T-Mobile shares pledged as collateral (bridge loan)	1.25			
f	Sale of 45.4M T-Mobile shares to Deutsche Telekom, receiving 225M Deutsche Telekom shares as consideration, as a result of the partial exercise of call options by Deutsche Telekom	—		-45.4	225.0
Number of shares held as of Sep 30, 2021				60.9	225.0
g	Fund procurement through collar transactions using 225M Deutsche Telekom shares	3.04*	Oct 2021		
h	Repayment of borrowings in "e" using part of the funds acquired in "g"	-1.25			
Number of shares held as of Dec 31, 2021				60.9	225.0
i	Fund procurement through prepaid forward contracts using 6.9M T-Mobile shares	0.68	Mar 2022		
j	Partial repayment of borrowings in "c" using part of the funds acquired in "i"	-0.59			
Number of shares held as of Mar 31, 2022				60.9	225.0
k	Sale of 21.2M T-Mobile shares to Deutsche Telekom, receiving \$2.4B as consideration, as a result of the partial exercise of call options by Deutsche Telekom	2.40	Apr 2022	-21.2	
l	Partial repayment of borrowings in "c" using part of the funds acquired in "k"	-1.20			
Number of shares held as of Jun 30, 2022				39.8	225.0
m	Repayment of entire outstanding amount borrowed in "c"	-0.87	Aug 2022		
Number of shares held as of Sep 30, 2022				39.8	225.0

* The euro equivalent of the amount procured is €2.64B.

T-Mobile Shares: The Company's Holding (incl. Deutsche Telekom's Unexercised Call Options) & Fair Values

- In Apr 2022, the Company sold 21.2M T-Mobile shares, following Deutsche Telekom's partial exercise of its call options.

(Numbers of shares for exercised options)

- Fixed: 11.8M shares

- Floating: 9.3M shares

(Fair values of the above shares)

- At FY21Q4-end: \$2,715M

- At the sale: \$2,758M

- The number of T-Mobile shares held by the Company as of FY22Q2-end: 39.8M

((i)+(ii) below)

(i) Call options held by Deutsche Telekom

(Unexercised): **35.0M shares**

(Fixed: 6.7M shares, Floating: 28.2M shares)

(ii) Not subject to call options: **4.8M shares**

Fair value

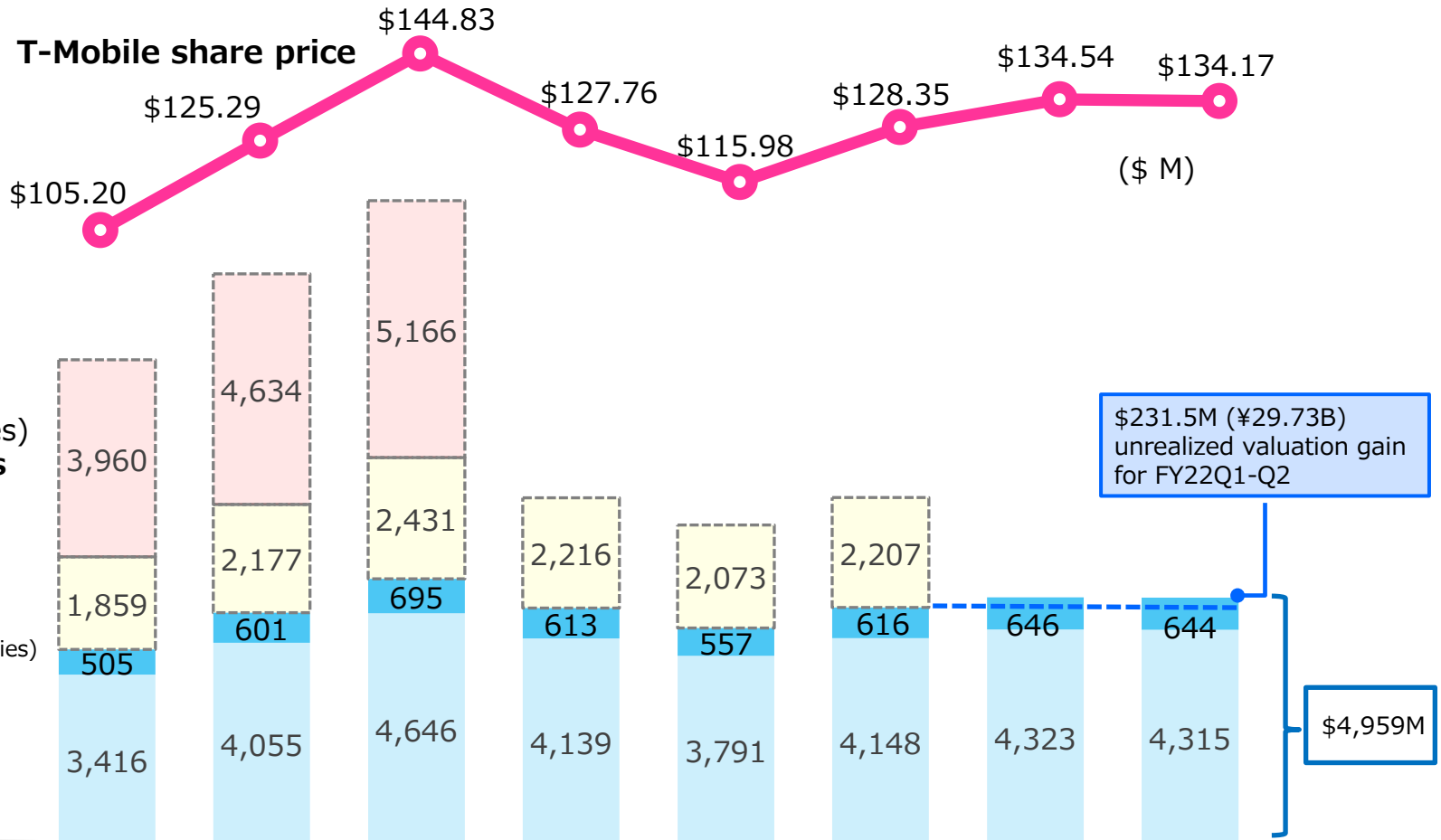
(i) T-Mobile shares (for unexercised options) (net of the fair value of derivative financial liabilities)

(ii) T-Mobile shares (not subject to options)

T-Mobile shares sold in FY21Q2 (incl. derivative financial liabilities)

T-Mobile shares sold in FY22Q1 (incl. derivative financial liabilities)

FY20		FY21				FY22	
6/26	Q4-end	Q1-end	Q2-end	Q3-end	Q4-end	Q1-end	Q2-end



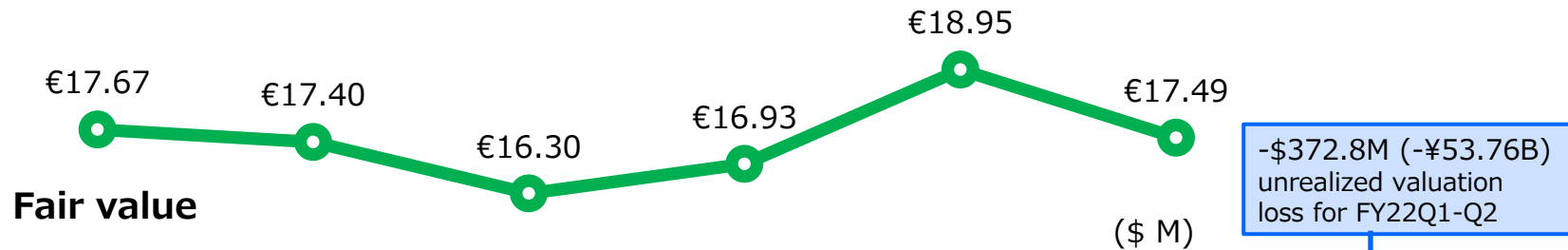
Number of shares subject to call options held by Deutsche Telekom (million)	101.5	101.5	101.5	56.1	56.1	56.1	35.0	35.0
Number of shares not subject to call options (million)	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Total (million)	106.3	106.3	106.3	60.9	60.9	60.9	39.8	39.8

Deutsche Telekom Shares: The Company's Holding & Fair Values

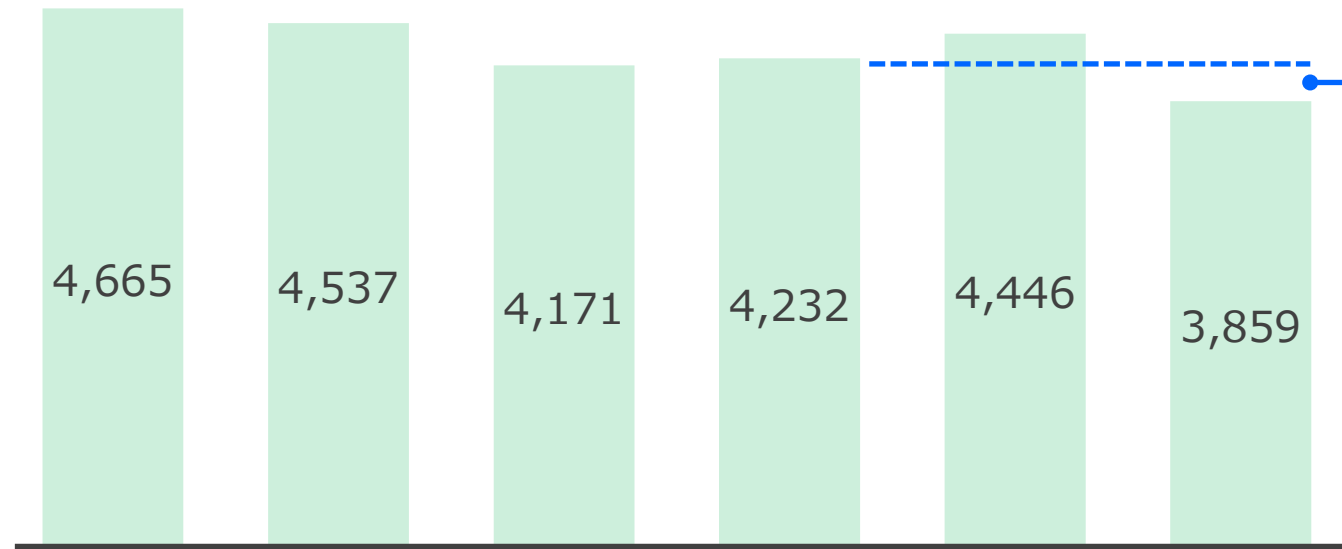
In Sep 2021, the Company acquired **225M Deutsche Telekom shares** in return for the sale of T-Mobile shares.

	FY21			FY22	
At execution in Sep	Q2-end	Q3-end	Q4-end	Q1-end	Q2-end

Deutsche Telekom share price



Fair value

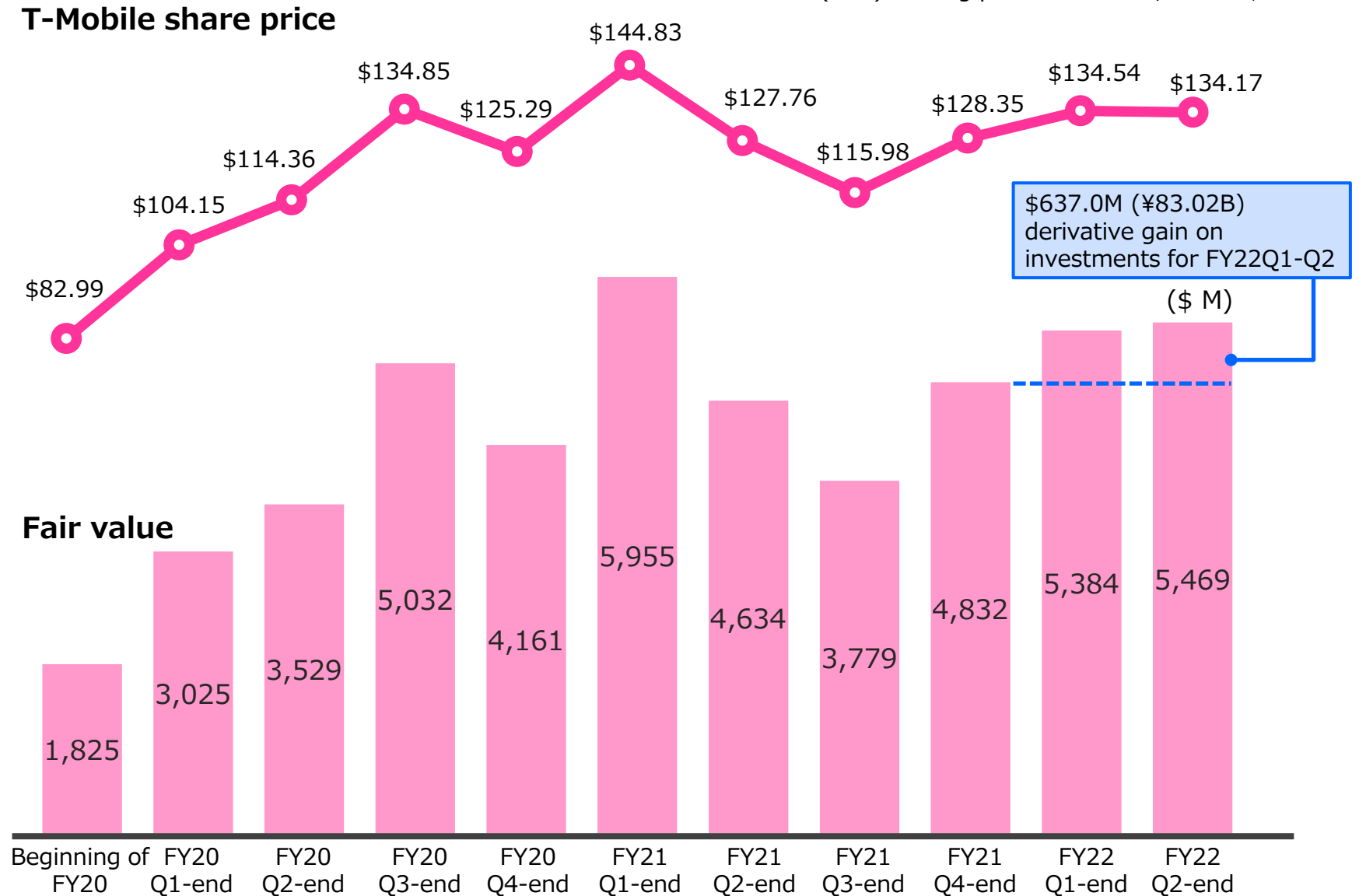


Number of Deutsche Telekom shares (million)	225.0	225.0	225.0	225.0	225.0	225.0
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T-Mobile Shares: Fair Values of Contingent Consideration

- **Contingent consideration:**
The Company's right to acquire **48.8M T-Mobile shares** for no additional consideration if certain conditions are met
- **Conditions:**
45-day trailing VWAP of T-Mobile share \geq **\$150** during Apr 1, 2022 – Dec 31, 2025

(Ref.) Closing price on Nov 11, 2022: \$146.19



Consolidated P/L Summary (IFRSs)

(¥ B)

P/L item	FY21 Q1-Q2	FY22 Q1-Q2	Change
Net sales	+2,983.5	+3,182.5	+199.0
Gross profit	+1,635.0	+1,721.3	+86.3
Gain (loss) on investments			
Gain on investments at Investment Business of Holding Companies	+279.9	+3,524.7	+3,244.7
Loss on investments at SoftBank Vision Funds	-684.8	-4,353.5	-3,668.7
Gain (loss) on other investments	+9.6	-20.7	-30.3
Total gain (loss) on investments	-395.2	-849.6	-454.4
Selling, general and administrative expenses	-1,186.7	-1,254.3	-67.7
Finance cost	-185.6	-314.2	-128.6
Foreign exchange loss	-92.2	-1,095.4	-1,003.2
Income (loss) on equity method investments	+265.3	-54.9	-320.2
Derivative gain (excl. gain (loss) on investments)	+621.0	+1,029.8	+408.8
Change in third-party interests in SoftBank Vision Funds	+194.1	+1,018.7	+824.6
Other gain	+191.3	+91.2	-100.0
Income before income tax	+1,047.0	+292.6	-754.3
Income taxes	-456.8	-306.2	+150.6
Net income	+590.1	-13.6	-603.7
Net income attributable to owners of the parent	+363.6	-129.1	-492.7

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

Gain on investments at Investment Business of Holding Companies (consolidated basis): +¥3,524.7B (See page 11 for details)

- Gain relating to settlement of prepaid forward contracts using Alibaba shares: +¥4,838.3B
- Unrealized loss on valuation of investments mainly due to decline in Alibaba share price: -¥1,170.5B

Loss on investments at SoftBank Vision Funds (consolidated basis) : -¥4,353.5B (See page 9 for details)

- Unrealized loss on valuation (net): -¥1,845.8B (SVF1), -¥2,021.6B (SVF2)
- Realized gain on investments: +¥3.3B (SVF1), +¥0.8B (SVF2)

Finance cost: -¥314.2B

Interest expenses increased in the Investment Business of Holding Companies segment (See page 11 for details)

Foreign exchange loss: -¥1,095.4B

Impact of the weaker yen (See pages 22 and 23 for details)
(Ref.) Increase in exchange differences from the translation in B/S: +¥2,647.1B (See page 21)

Loss on equity method investments: -¥54.9B

Loss on equity method investments related to Alibaba: -¥25.4B

Derivative gain (excl. gain (loss) on investments): +¥1,029.8B

Derivative gain related to Alibaba prepaid forward contracts: +¥895.2B

Income taxes: -¥306.2B

- Recorded income taxes at SBKK and Yahoo Japan
- Income taxes of ¥164.8B were recorded at SBG, and at subsidiaries conducting fund procurement using Alibaba shares and at related intermediate holding companies (both wholly owned subsidiaries of the Company).

Consolidated B/S Summary (IFRSs) – 1

(¥ B)

B/S item	Main items	Mar 2022	Sep 2022	Change
Current assets		10,028.6	10,187.8	+159.2
	Cash and cash equivalents	5,169.0	5,886.2	+717.2
	Derivative financial assets	1,050.4	654.3	-396.2
	Other financial assets	971.1	707.9	-263.3
	Other current assets	334.1	247.4	-86.7
Non-current assets		37,516.1	36,012.7	-1,503.3
	Property, plant and equipment	1,842.7	1,693.8	-149.0
	Goodwill	4,897.9	5,459.2	+561.2
	Intangible assets	2,427.6	2,480.7	+53.1
	Investments accounted for using the equity method	5,234.5	847.9	-4,386.6
	Investments from SVF (FVTPL)	14,909.6	12,690.5	-2,219.1
	SVF1	8,365.3	7,297.0	-1,068.3
	SVF2	5,401.1	4,427.5	-973.6
	LatAm Funds	1,143.2	966.0	-177.2
	Investment securities	3,085.4	7,362.6	+4,277.2
	Derivative financial assets	1,333.8	1,659.4	+325.6
	Other financial assets	2,230.6	2,257.9	+27.3
Total assets		47,544.7	46,200.6	-1,344.1

1 Cash and cash equivalents: ¥5,886.2B (+¥717.2B)
 SBG ¥3,259.2B (+¥756.6B)

-¥407.5B decrease in derivative financial assets related to Alibaba prepaid forward contracts (mainly due to the physical settlement of a portion of the contracts, despite an increase in the derivative financial assets due to a fall in the Alibaba share price)

Downsizing of SB Northstar's business: Restricted cash -¥131.5B, investments from asset management subsidiaries -¥93.4B, derivative financial assets in asset management subsidiaries -¥48.3B

Arm +¥530.9B (due to the weaker yen against USD)

2 Decrease in carrying amount of Alibaba shares: -¥4,572.1B (exclusion from equity method associates)

3 Investments from SVF (FVTPL): ¥12,690.5B (-¥2,219.1B)

- SVF1 -¥1,068.3B (fair value decrease: -\$13.92B, sold: -\$4.29B, acquired: +\$0.26B)
- SVF2 -¥973.6B (fair value decrease: -\$15.29B, sold: -\$0.51B, acquired: +\$2.24B)
- LatAm Funds -¥177.2B (fair value decrease: -\$2.87B, sold: -\$0.05B, acquired: +\$0.25B)

Includes the increase in carrying amount of investments due to an 18.3% depreciation of the yen against USD in FX rate used for translations at FY22Q2-end

4 Investment securities: ¥7,362.6B (+¥4,277.2B)
 (See page 18 for details)

¥200.6B increase in the fair value of the contingent consideration* related to T-Mobile shares

* The right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as consideration for the completion of the merger between Sprint Corporation and T-Mobile. See page 15 for details.

Investment Securities on Consolidated B/S (Main Investments)

(¥ B)

	Mar 2022	Sep 2022	Change	Outline
Investment securities	3,085.4	7,362.6	+4,277.2	
FVTPL	2,587.6	6,905.8	+4,318.2	
Alibaba	—	4,484.8 (\$30,970M)	+4,484.8 (+ \$30,970M)	The carrying amount of Alibaba shares that continued to be held at FY22Q2-end was newly recorded.
T-Mobile	957.1 (\$7,820M)	772.7 (\$5,336M)	-184.3 (- \$2,484M)	Mainly due to the sale of 21.2M T-Mobile shares to Deutsche Telekom due to Deutsche Telekom's partial exercise of call options for T-Mobile shares
Deutsche Telekom	518.0 (\$4,232M)	558.9 (\$3,859M)	+40.9 (- \$373M)	Increased due to the weaker yen
SoFi Technologies	110.2	—	-110.2	Fully exited in FY22Q2
Lemonade	38.7	36.8	-1.9	Fair value decrease
NVIDIA	35.1	18.5	-16.6	Fair value decrease
Others	928.6	1,034.2	+105.6	
FVTOCI and others	497.7	456.8	-40.9	Includes public and corporate bonds held by PayPay Bank

Notes:

- Following the integration of the Latin America Funds segment into the SoftBank Vision Funds segment in FY22Q1, investments from the LatAm Funds, which were previously recorded as investment securities, have been retroactively adjusted as "Investments from SVF (FVTPL)."
- Includes the increase in carrying amount of investments due to an 18.3% depreciation of the yen against USD in the foreign currency exchange rate used for translations at FY22Q2-end.

Breakdown of Goodwill/Intangible Assets

(¥ B)

B/S Item	Main items	Mar 2022	Sep 2022	Change			Outline	
				Amortization	Changes in FX rate	Others		
Goodwill*		4,897.9	5,459.2					
	Arm	2,898.1	3,429.0	—	+530.9	—		
	SBKK	907.5	907.5	—	—	—		
	LINE	630.6	630.6	—	—	—		
	ZOZO	212.9	212.9	—	—	—		
Main intangible assets	Technologies	357.7	398.3					
	Main b/d	Arm	357.7	398.3	-22.9	+63.5	—	Amortized at straight-line method for 8-20 years
	Customer relationships	628.6	629.8					
	Main b/d	ZOZO	290.6	284.1	-6.5	—	—	Amortized at straight-line method for 18-25 years
	Main b/d	LINE	217.5	210.8	-6.7	—	—	Amortized at straight-line method for 12-18 years
	Main b/d	Arm	93.3	102.9	-6.8	+16.5	—	Amortized at straight-line method for 13 years
	Trademarks	543.9	544.1					
	Management contracts	28.2	22.2					
	Fortress	28.2	22.2	-10.1	+4.0	—	Amortized at straight-line method for 5-10 years	

* Other than Arm, 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. The goodwill of Arm represents the amount reallocated to Arm segment, as a result of the organizational change in FY20.

Consolidated B/S Summary (IFRSs) – 2

(¥ B)

B/S item	Main items	Mar 2022	Sep 2022	Change
Current liabilities		12,381.5	9,467.8	-2,913.6
	Interest-bearing debt	7,328.9	4,394.4	-2,934.4
	Lease liabilities	240.2	215.5	-24.7
	Deposits for banking business	1,331.4	1,387.3	+55.9
	Trade and other payables	1,968.9	1,900.7	-68.2
	Derivative financial liabilities	119.6	81.0	-38.6
	Other financial liabilities	554.8	509.8	-45.0
	Income taxes payable	183.4	365.3	+181.9
	Other current liabilities	620.3	554.9	-65.3
Non-current liabilities		23,455.4	23,213.1	-242.3
	Interest-bearing debt	14,128.6	14,622.7	+494.2
	Lease liabilities	625.9	627.3	+1.4
	Third-party interests in SVF	5,640.5	5,186.4	-454.1
	Derivative financial liabilities	174.0	58.0	-116.0
	Other financial liabilities	129.8	59.3	-70.5
	Deferred tax liabilities	2,436.0	2,218.8	-217.3
Other non-current liabilities	212.6	263.4	+50.8	
Total liabilities		35,836.9	32,681.0	-3,156.0

1 **SBG Borrowings (current and non-current) -¥843.0B**

- Repaid borrowings under commitment lines: -\$4.5B
- Repaid entire senior loans: -¥325.2B (including ¥292.7B repaid before maturity)

Corporate bonds (current and non-current) +¥68.3B

- Repurchased: foreign currency-denominated straight bonds with face values of \$0.27B and €0.22B
- Redeemed upon maturity: foreign currency-denominated straight bonds with face values of \$0.51B and €0.19B

Wholly owned subsidiaries conducting fund procurement Borrowings (current and non-current) -¥710.4B

- Fully repaid Alibaba margin loan: -\$6.0B
- Repaid T-Mobile margin loan (borrowed in FY21): -\$2.06B
- Increase by asset-backed finance using Arm shares: +\$0.5B (net)

Financial liabilities relating to sale of shares by prepaid forward contracts (current and non-current) -¥1,282.7B

Decreased due to the physical settlement of a portion of the prepaid forward contracts

SoftBank Vision Funds segment Borrowings (current and non-current) +¥404.3B

- SVF1: Borrowings made through asset-backed finance: +\$1.71B
- Impact of the weaker yen: The carrying amount of borrowings increased due to an 18.3% depreciation of the yen against USD in FX rate used for translation at FY22Q2-end.

2 **Income taxes payable +¥181.9B**

Income taxes payable of ¥203.7B were recorded at a wholly owned subsidiary mainly due to the realization of derivative gain related to the early physical settlement of Alibaba prepaid forward contracts.

Deferred tax liabilities related to prepaid forward contracts using Alibaba shares decreased due to a decrease of derivative financial assets and derivative financial liabilities.

Consolidated B/S Summary (IFRSs) – 3

(¥ B)

B/S item	Items	Mar 2022	Sep 2022	Change
Equity		11,707.8	13,519.6	+1,811.8
	Common stock	238.8	238.8	—
	Capital surplus	2,634.6	2,653.8	+19.3
	Other equity instruments*	496.9	496.9	—
	Retained earnings	4,515.7	4,331.6	-184.1
	Treasury stock	-406.4	-924.7	-518.3
	Accumulated other comprehensive income	2,496.2	5,075.4	+2,579.2
	Total equity attributable to owners of the parent	9,975.7	11,871.8	+1,896.1
	Non-controlling interests	1,732.1	1,647.8	-84.3
Ratio of equity attributable to owners of the parent (equity ratio)		21.0%	25.7%	+4.7%

1 Net loss attributable to owners of the parent: -¥129.1B

2 Shares repurchased under the total of up to ¥1 trillion authorized repurchase approved by the Board in Nov 2021: ¥523.1B (97,806,700 shares)


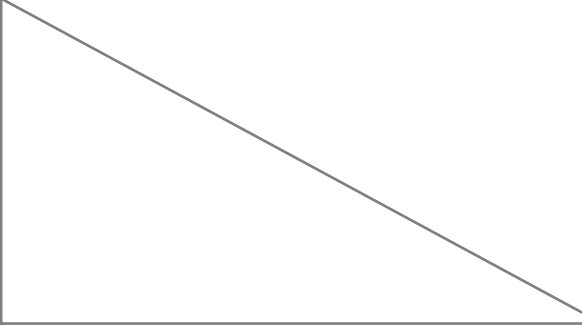

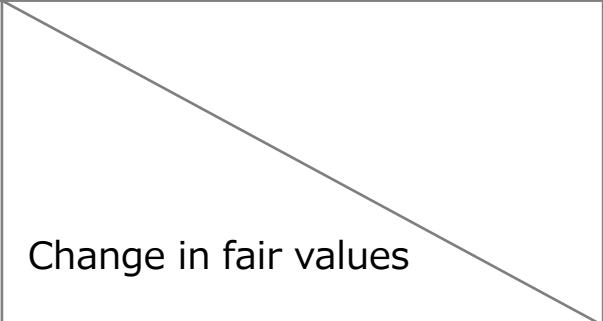

3

- Decrease due to the exclusion of Alibaba from equity method associates : -¥314.4B
- ¥2,647.1B increase in exchange differences from the translation of foreign operations due to the weaker yen (increase in exchange differences arising from translating foreign subsidiaries and associates into JPY mainly due to the weaker JPY against USD. See pages 22 and 23 for details)

(Ref.) Foreign exchange loss recorded in consolidated P/L for FY22Q1-Q2: -¥1,095.4B (See page 16)

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

Impact of the Weaker Yen on P/L & B/S (Illustration)

Entities	Components	P/L Foreign exchange gain (loss)	B/S Exchange differences from translation
SBG stand-alone + Subsidiaries conducting fund procurement in Japan	Foreign currency- denominated cash and cash equivalents/ Loans receivable (excl. investments)	 Foreign exchange gain (See page 23)	
	Foreign currency- denominated liabilities (borrowings/bonds)	 Foreign exchange loss (See page 23)	
Foreign subsidiaries and associates whose functional currency is not JPY (e.g., SVF1/2, LatAm Funds)	Net assets (positive)	 Change in fair values	 Exchange differences from translation (See page 21)

Impact of the Weaker Yen in FY22Q1-Q2

Foreign exchange loss in consolidated P/L for FY22Q1-Q2: ¥1,095.4B

SBG stand-alone: Foreign exchange loss of ¥1,605.1B related to foreign currency-denominated borrowings from Group companies, ¥197.2B related to foreign currency-denominated bonds (incl. hybrid bonds)

(Ref.) Balance in SBG stand-alone	FY21-end Rate at FY21-end: ¥122.39/\$	FY22Q2-end Rate at FY22Q2-end: ¥144.81/\$
Foreign currency-denominated liabilities (borrowings/bonds) (incl. borrowings from Group companies)	\$89.7B	\$70.3B
Foreign currency-denominated cash and cash equivalents/ Loans receivable (excl. investments)	\$32.6B (\$18.2B cash and cash equivalents/ \$14.4B loans receivable)	\$30.9B (\$17.8B cash and cash equivalents/ \$13.1B loans receivable)
Net (liabilities)	\$57.1B	\$39.4B

Exchange differences from translation in consolidated B/S at FY22Q2-end: ¥5,094.9B (+¥2,647.1B from FY21-end)

mainly related to investments in subsidiaries' shares and associates

(Ref.) Net assets of subsidiaries	FY21-end Rate at FY21-end: ¥122.39/\$	FY22Q2-end Rate at FY22Q2-end: ¥144.81/\$	Change	Exchange differences from translation in consolidated B/S ((B) – (A) x average rate for FY22Q1-Q2 ¥133.46/\$) ^{*1}
SVF1/2 and LatAm Funds (after deducting third-party interests & carrying amount of Arm shares)	\$71.2B ¥8,720.1B	\$48.9B ¥7,075.6B	-\$22.3B ^(A) -¥1,644.5B ^(B)	+¥1,299.8B
SBGC ^{*2} (after deducting carrying amount of Arm shares)	\$35.0B ¥4,286.2B	\$32.5B ¥4,703.6B	-\$2.5B ^(A) +¥417.4B ^(B)	+¥732.1B
Arm	\$28.3B ¥3,466.5B	\$28.6B ¥4,145.3B	+\$0.3B ^(A) +¥678.8B ^(B)	+¥622.9B

*1 Considering intercompany transactions on consolidation

*2 SoftBank Group Capital Limited

Consolidated C/F Summary (IFRSs)

(¥ B)

C/F item	FY21 Q1-Q2	FY22 Q1-Q2	Change	Primary details for FY22Q1-Q2	
C/F from operating activities	+2,078.2	+555.5	-1,522.7	+875.8	Subtotal of cash flows from operating activities
				-254.8	Income taxes paid
				+108.9	Income taxes refunded
C/F from investing activities	-1,956.7	+271.3	+2,228.0	-173.8	Payments for acquisition of investments
				+521.0	Proceeds from sales/redemption of investments
				-336.7	Payments for acquisition of investments by SVF
				+454.4	Proceeds from sales of investments by SVF
				-342.7	Purchase of property, plant and equipment, and intangible assets
C/F from financing activities	+254.4	-578.3	-832.8	+10.2	Proceeds in short-term interest-bearing debt, net
				+4,597.5	Proceeds from interest-bearing debt
				-3,955.9	Repayment of interest-bearing debt
				-347.7	Distribution/repayment from SVF to third-party investors
				-523.1	Purchase of treasury stock
				-36.2	Cash dividends paid
				-162.3	Cash dividends paid to non-controlling interests
Effect of FX rate changes	+54.7	+468.7			
Increase in cash and cash equivalents	+430.6	+717.2			
Opening balance	4,662.7	5,169.0			
Closing balance	5,093.4	5,886.2			

Reference
The physical settlements of prepaid forward contracts of Alibaba shares are **non-cash transactions**. There is **no impact on consolidated cash flows**.

C/F from operating activities: -¥1,522.7B yoy

- Decrease in SB Northstar's cash inflows: -¥1,674.5B
- Decrease in income taxes paid (cash outflows): +¥438.5B

FY21Q1-Q2: Payment of corporate taxes on taxable income at SoftBank Group Japan Corporation in FY20, which included gains on sale of SBKK shares

Proceeds from sales/redemption of investments: +¥521.0B

- Sold T-Mobile shares to Deutsche Telekom due to Deutsche Telekom's partial exercise of call options: +¥309.7B (+\$2.4B)
- Sold SoFi Technologies shares : +¥90.8B (+\$0.65B)

Payments for acquisition of investments by SVF: -¥336.7B

- SVF2 -¥298.2B (-\$2.30B)
- LatAm Funds -¥31.4B (-\$0.24B)
- SVF1 -¥7.1B (-\$0.06B)

Proceeds from sales of investments by SVF: +¥454.4B

- SVF1 sold all of its shares in Uber and others, and portions of multiple investments for ¥371.2B (\$2.82B)
- SVF2 sold all of its shares in KE Holdings and others, and portions of multiple investments for ¥82.8B (\$0.64B)

Proceeds from interest-bearing debt: +¥4,597.5B
(SBG) Short-term borrowings: +¥256.9B
(Wholly owned subsidiaries conducting fund procurement)

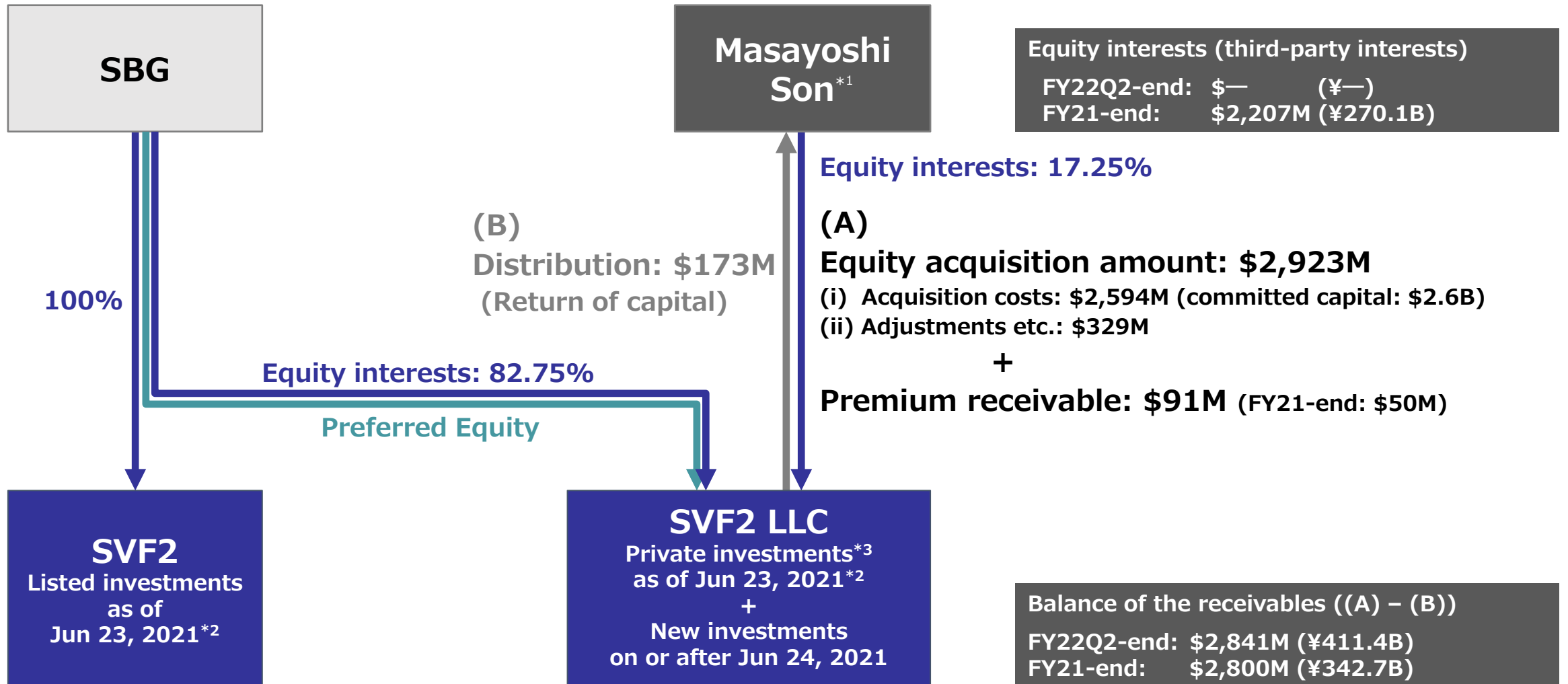
- Borrowing made through asset-backed finance using Arm shares: +¥180.7B (+\$1.4B)
- Procurement through Alibaba prepaid forward contracts: +¥2,443.5B (+\$18.35B)

(SVF) SVF1 borrowed through asset-backed finance: +¥580.7B (+\$4.5B).

Repayment of interest-bearing debt: -¥3,955.9B
(SBG)

- Repaid short-term borrowings: -¥793.9, entire senior loans : -¥325.2B (Wholly owned subsidiaries conducting fund procurement)
- Fully repaid Alibaba margin loan : -¥797.8B (-\$6.0B)
- Repaid T-Mobile margin loan (made in FY21): -¥274.5B (-\$2.06B)
- Repaid asset-backed finance using Arm shares: -¥116.1B (-\$0.9B) (SVF)
- Repaid borrowings made through asset-backed finance: SVF1 -¥357.5B (-\$2.77B), SVF2 -¥28.9B (-\$0.22B)

Co-investment Program to SVF2: Related Party Transactions



Notes:

For details of the related party transaction, see pages 89-91 of FY22Q2 SBG Consolidated Financial Report.

*1 Participation by management other than Masayoshi Son has not been determined as of Oct 31, 2022, 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.

Income Taxes Paid on a Consolidated Basis (Net)

(¥ B)

	FY19	FY20	FY21
Consolidated	636.3	445.5	589.3
Japan	575.2	310.5	551.2
SBG and holding companies	324.7	35.7	200.0
Operating companies, mainly SBKK and Yahoo Japan	250.5	274.8	351.2
Overseas	61.1	135.0	38.1

Notes:

- The amounts are the net amount of tax payments and tax refunds.
- Income taxes paid on a consolidated basis matches the net amount of “income taxes paid” and “income taxes refunded” on the consolidated statement of cash flows.

Characteristics of SoftBank Group's Taxation

- Income on the consolidated P/L is not directly connected to SBG's non-consolidated tax payment amount.
- The majority of SBG's non-consolidated operating revenue is dividends received from affiliates, a significant portion of which is non-taxable.
- Taxes related to SVF investment business are compliant with the tax systems of the relevant jurisdictions, including Japan.

See [Initiatives for Taxation](#) on SBG's website for details.

Illustration for calculation of SBG's non-consolidated income before income tax and income taxes

