

SoftBank Group Corp.: FY22Q4 Investor Briefing Q&A

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Presenters:

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

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

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

Speaker 1

Q1

Regarding page 13 of the finance section on Alibaba monetization, when a settlement is done in cash, you cannot say, "completion." So, what you are trying to say here is that there is a high likelihood of settlement by non-cash. So you are not going to settle by cash?

A1:

(Goto) We follow the agreement, so we can do both.

Q2:

So, as of May 11, monetization was done and proceeds were received. Then we will be tracking it.

A2:

(Goto) Yes.

Speaker 2

Q1:

I have a question to Navneet. Unexpectedly, a financial crisis has occurred and banks went into insolvency and so on. So, for the portfolio companies, what kind of impact do you think is given to the portfolio companies from these banks' systems' corruption? I do not believe, at the end of March, those have been built into those numbers, but for the future, is there anything that you can think of as an impact to the portfolio companies that may impact the IPO pipeline and so on. Do you have ideas on that?

A1:

(Govil) With respect to the bank insolvency, some of our portfolio companies had deposits with Silicon Valley Bank. However, because of the regulatory and the treasury actions and those actions were guaranteed by the Federal Reserve, it had no impact on our portfolio companies. But the advice that we give our portfolio companies is to diversify – to not have all of their cash in one bank, but to diversify it. In addition to that, we do not see any impact of this on the IPO market.

Q2:

To confirm, if there is any hesitancy in lending by banks, then portfolio companies, especially venture companies, may have reduced options for lending and they may need down rounds and so on, how do you see them?

A2:

(Govil) If you look at the portfolio, 94% of our companies have more than 12 months of cash runway. So, these companies are not looking to borrow money from banks. Most of our portfolio companies do not have debt or have very little debt. That is why we mentioned that we have pipeline of companies with 37 billion of fair value that are ready to go public when the markets open.

Speaker 3

Q1:

Regarding page 33 of the finance section about the balance of defense and offense, regardless of external factors, generative AI has been growing exponentially at a rapid speed. I think that new opportunities are about to come to Vision Fund. Are you ready for taking actions whenever an opportunity comes?

A1:

(Goto) Yes, you are right in principle, but considering the market conditions, it is not like two years ago when we just kept investing. So, market climate-wise, it is hard to say that we can restart investments now. In the meantime, generative AI has been, again, rapidly growing. SoftBank Group has to watch the developments seriously. Of course, SoftBank Vision Fund will play a key role when it comes to new investments in generative AI. We want to make sure we have good preparation. Funding-wise, we have plenty of funding capacity or financing capacity, so the question is to what extent we can accept risk from a finance perspective. That is something that we keep focusing on.

Speaker 4

Q1:

Are there any buyback possibilities of global bonds?

A1:

(Goto) Yes, we will continuously address and study a global bond buyback, but when it comes to a buyback, there are some conditions too and also financial policies as well. So, within our rules, we would like to consider it.

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