

**Earnings Results
for the Six-month Period
Ended September 30, 2023**

Investor Briefing

November 9, 2023

SoftBank Group Corp.



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Exchange rates per JPY used for translation

Average during quarter	FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	129.04	138.68	141.16	133.26	138.11	145.44		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				133.53		149.58		

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 or TMo	T-Mobile US, Inc. after merging with Sprint
Deutsche Telekom or DT	Deutsche Telekom AG
Arm	Arm Holdings plc or Arm Limited*
Alibaba	Alibaba Group Holding Limited

* A corporate reorganization was undertaken in August 2023, pursuant to which Arm Holdings Limited, a former subsidiary of Arm Limited, acquired all the issued ordinary shares of Arm Limited, thereby making it a wholly owned subsidiary. Subsequently, Arm Holdings Limited changed its name to Arm Holdings plc and was listed on the Nasdaq Global Select Market through an initial public offering on September 14, 2023.

Other

Some figures in the report are rounded and may not add up to the figures presented as the total.

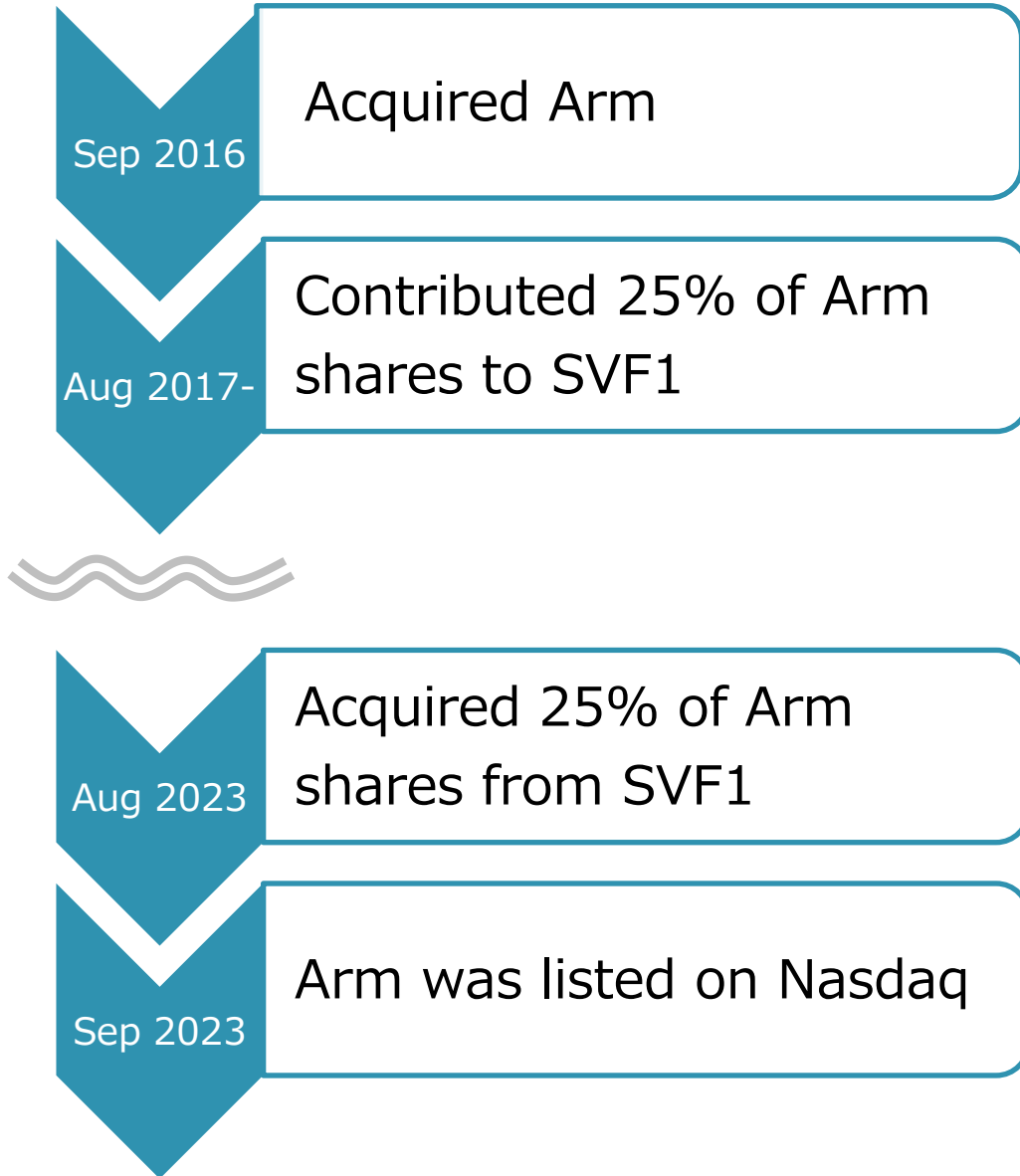
Accounting

Consolidated Results

(¥ B)	FY22 Q1-Q2	FY23 Q1-Q2	Change	Change %
Net sales	3,182.5	3,227.1	+44.6	+1.4%
Income before income tax	292.6	-907.4	-1,200.1	—
Net income (attributable to owners of the parent)	-129.1	-1,408.7	-1,279.6	—
(Reference)				
Loss on investments	-849.6	-963.6	-114.0	—
Investment Business of Holding Companies	3,524.7	-413.5	-3,938.2	—
SoftBank Vision Funds	-4,353.5	(See p4 for difference to segment results) -583.3	+3,770.3	—
Other investments	-20.7	33.3	+54.0	—

Arm (2016-)

Treated as a **subsidiary**
in SBG's consolidated
financial statements



SBG ownership	SVF1 ownership (incl. third-party interests)	Non-controlling interests
100%	—	—
75%	25% (SVF segment: FVTPL)	—
100%	—	—
90%	—	10%

Intra-Group Transaction of Arm Shares and Accounting Considerations

- Prior to Arm's IPO, in August 2023, SBG's wholly owned subsidiary acquired substantially all of Arm shares held by SVF1 (equivalent to 24.99% of Arm's outstanding shares) for \$16.1B. The transaction consideration was established by reference to the terms of a prior contractual arrangement between the parties.
- The transaction consideration is being paid in four installments, with the first installment of \$4.1B paid upon completion of the transaction in August 2023, and the remaining three installments to be paid over the course of two years up to August 2025.

<Difference between segment results and consolidated P/L>

(¥B)

	(Segment information) SVF segment	Reconciliations	Consolidated P/L
(i) Gain/loss on investments at SoftBank Vision Funds	181.1	-764.4	-583.3
Gain/loss on investments in subsidiaries, etc.	764.4	-764.4	—
Incl. gain on investments in Arm	737.6	-737.6	—
Gain/loss on investments in other than subsidiaries, etc.	-583.3	—	-583.3
(ii) Change in third-party interests in SVF	-226.3	—	-226.3

Notes:

- In addition to the transaction, an agreement was also reached to acquire interests in Arm Technology (China) Co., Ltd. and Treasure Data, Inc., both of which were previously spun out from Arm. The total consideration for the intra-group transaction, including the acquisition of interests in these two companies, was \$16.4B.
- Given the discounted present value of the transaction consideration of \$15.1B as of August 2023, SVF1 recorded an investment gain of \$6.9B, derived by subtracting the investment cost of \$8.2B from \$15.1B. Additionally, SVF1 will recognize the difference between \$16.1B and \$15.1B as investment gains over the course of two years up to August 2025. In the SoftBank Vision Funds segment, a realized gain of ¥1,004.3B (\$6.9B), an unrealized loss of ¥189.8B (\$1.8B) (reclassified to realized gain recorded in the past fiscal years), and a loss of ¥76.9B as the effect of foreign exchange translation were recorded under gain on investments at SoftBank Vision Funds for the period.

Arm IPO and Accounting Treatment

- In September 2023, SBG’s wholly owned subsidiary disposed 10%* of Arm shares in the IPO and received proceeds of \$5.12B. The amount equivalent to the gain on the disposal was \$4.65B.
- Arm continues to be SBG’s consolidated subsidiary post-IPO as SBG holds 90%* of Arm shares.

Consolidated P/L	Consolidated B/S	Consolidated C/F
No impact	Assets +\$5.12B	Cash flows from financing activities +\$5.12B
No gain on the disposal was recorded as Arm remains SBG’s subsidiary	Cash and cash equivalents +\$5.12B ✓ Proceeds from the partial disposal of Arm shares	Proceeds from the partial sales of shares of subsidiaries to non-controlling interests +\$5.12B
✓ Fluctuation of Arm’s share price at the end of each quarter does not affect SBG’s consolidated results as Arm is a subsidiary and not a financial asset at FVTPL	Equity +\$5.12B	✓ Proceeds from the partial disposal of Arm shares
✓ 10% of Arm’s net income is attributable to non-controlling interests	Capital surplus +\$4.65B ✓ Amount equivalent to the gain on the disposal was recorded as changes in interests in subsidiaries	
	Non-controlling interests +\$0.47B ✓ All amount of Arm’s goodwill is still attributable to SBG after the 10% disposal. NCI increased by the amount equivalent to 10% of the consolidated carrying amount of Arm excluding goodwill	

* Calculation is based on the 1,025,234,000 company shares issued and outstanding on September 30, 2023.

Arm Segment in SBG's Consolidated Financial Report Bridge to Arm's Form F-1 (FY22 P/L)

	SBG Consolidated Financial Report Arm segment (IFRSs)		Adjustment (1) Amortization expenses related to intangible assets recognized in the purchase price allocation at the time of acquisition of Arm by SBG	Adjustment (2) Difference in accounting standard (IFRSs vs US GAAP)	Adjustment (3) Reflecting the latest available information at the time of F-1 filing by Arm	Arm Form F-1 (US GAAP)	
	¥M	\$M	\$M	\$M	\$M	\$M	
Net sales	381,746	2,817	-	-	-138 C	2,679	Total revenue
Cost of sales		-105	-	0	-1	-106	Cost of sales
Operating Expenses		-2,399	451	113 A	-67 D	-1,902	Operating expenses
Other Income/loss		50	-	-37 B	-13	0	Other income/loss
Segment income (income before income tax)	48,663	363	451	76	-219	671	Income from continuing operations before income taxes

- A** Main variance factor: Difference in accounting treatment of share-based compensation
- B** Main variance factor: Fair value through other comprehensive income (FVTOCI) is elected for certain investment securities under IFRS, whilst all investment movements are recorded through profit or loss under US GAAP.
- C** Main variance factor: Royalty revenue reflect the latest available information at the time of form F-1 filing
- D** Main variance factor: Certain provision and share-based compensation reflect the latest available information at the time of form F-1 filing

Note:

- The components of segment income, excluding net sales, in the above table are presented solely for the purpose of the reconciliation.

Arm Segment in SBG's Consolidated Financial Report Bridge to Arm's disclosure (FY23H1 P/L)

	SBG Consolidated Financial Report Arm segment (IFRSs)		Adjustment (1) Amortization expenses related to intangible assets recognized in the purchase price allocation at the time of acquisition of Arm by SBG	Adjustment (2) Difference in accounting standard (IFRSs vs US GAAP)	Adjustment (3) Others	Arm disclosure (US GAAP)	
	¥M	\$M	\$M	\$M	\$M	\$M	
Net sales	205,797	1,447	-	-	34 B	1,481	Total revenue
Cost of sales		-65	-	-12	-	-77	Cost of sales
Operating Expenses		-1,496	227	-221 A	41 C	-1,449	Operating expenses
Other Income/loss		53	-	-8	8	53	Other income/loss
Segment income (income before income tax)	-8,439	-61	227	-241	83	8	Income from continuing operations before income taxes

- A** Main variance factor: Difference in accounting treatment of share-based compensation
- B** Main variance factor: Royalty revenue reflect the latest available information at the time of form F-1 filing
- C** Main variance factor: Certain provision and share-based compensation etc. reflect the latest available information at the time of form F-1/6-K filing

Note:

- The components of segment income, excluding net sales, in the above table are presented solely for the purpose of the reconciliation.

Investment Business of Holding Companies Segment

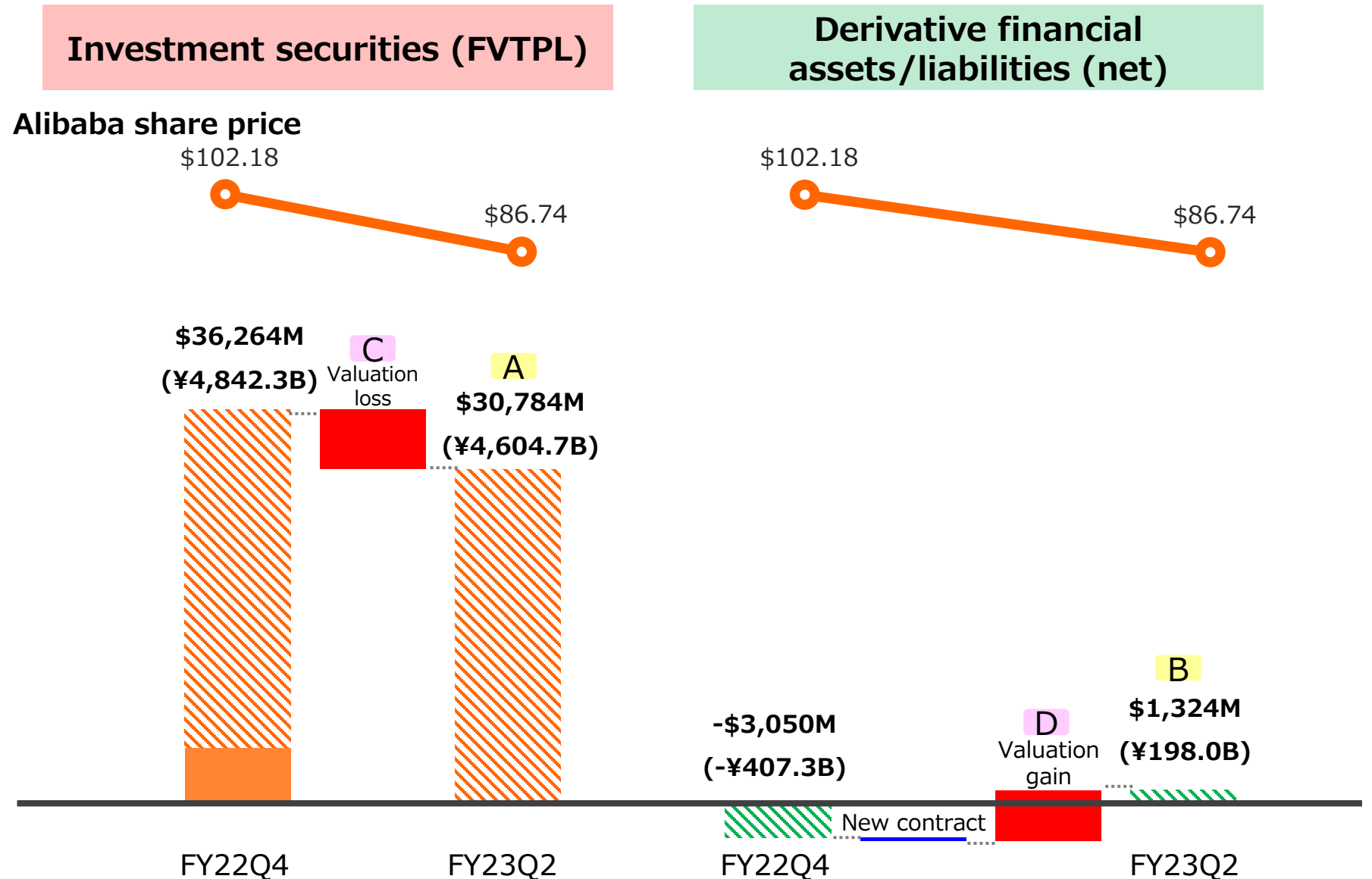
(¥ B)

P/L item	FY22 Q1-Q2	FY23 Q1-Q2	FY23Q1-Q2 Main Items
Gain/loss on investments at Investment Business of Holding Companies	3,524.7	-413.5	
Gain/loss relating to settlement of prepaid forward contracts using Alibaba shares	4,838.3	—	
Gain/loss relating to sales of T-Mobile shares	24.8	—	
Realized gain/loss at asset management subsidiaries	-54.2	-88.3	
Unrealized gain/loss on valuation at asset management subsidiaries	-58.8	30.0	
Derivative gain/loss at asset management subsidiaries	-5.8	-0.8	
Realized gain/loss	-147.7	5.5	
Unrealized gain/loss on valuation	-1,170.5	-313.8	
Change in valuation for the fiscal year	-1,158.2	-340.9	Alibaba: ¥237.6B loss, DT: ¥102.2 loss, TMO: ¥24.6B loss (due to share prices decrease)
Reclassified to realized gain/loss recorded in the past fiscal years	-12.3	27.2	
Derivative gain/loss	86.5	-66.5	¥78.5B loss on the fair value of TMO contingent consideration (see p12)
Effect of foreign exchange translation	—	6.5	
Other	12.1	13.9	
Selling, general and administrative expenses	-30.7	-41.5	
Finance cost	-240.6	-209.6	Decreased ¥36.9B yoy at SBG and 100% subs for fund procurement
Foreign exchange loss	-1,100.1	-650.1	Impact of the weaker yen (see p23-24)
Income/loss on equity method investments	-23.9	-4.1	
Derivative gain/loss (excl. gain/loss on investments)	1,041.5	700.4	¥642.0B gain on Alibaba prepaid forward contracts
Other gain/loss	91.4	75.2	
Segment income (income before income tax)	3,262.3	-543.3	

Alibaba Shares and Derivative Financial Assets/Liabilities (Amount Recorded in B/S)

Value of Alibaba shares recorded in B/S considering prepaid forward contracts: \$32,108M (A + B)

Of valuation loss on shares (C), the loss related to shares used for prepaid forward contracts was almost offset by valuation gain on derivatives (D).

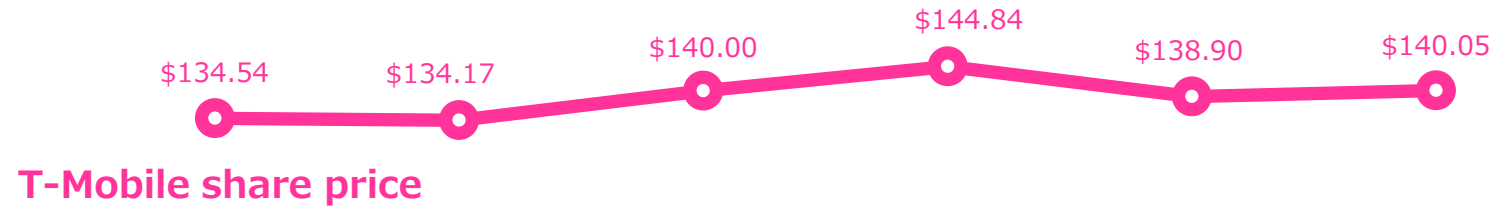


T-Mobile: Shareholding & Fair Values

includes shares subject to unexercised Deutsche Telekom's call options

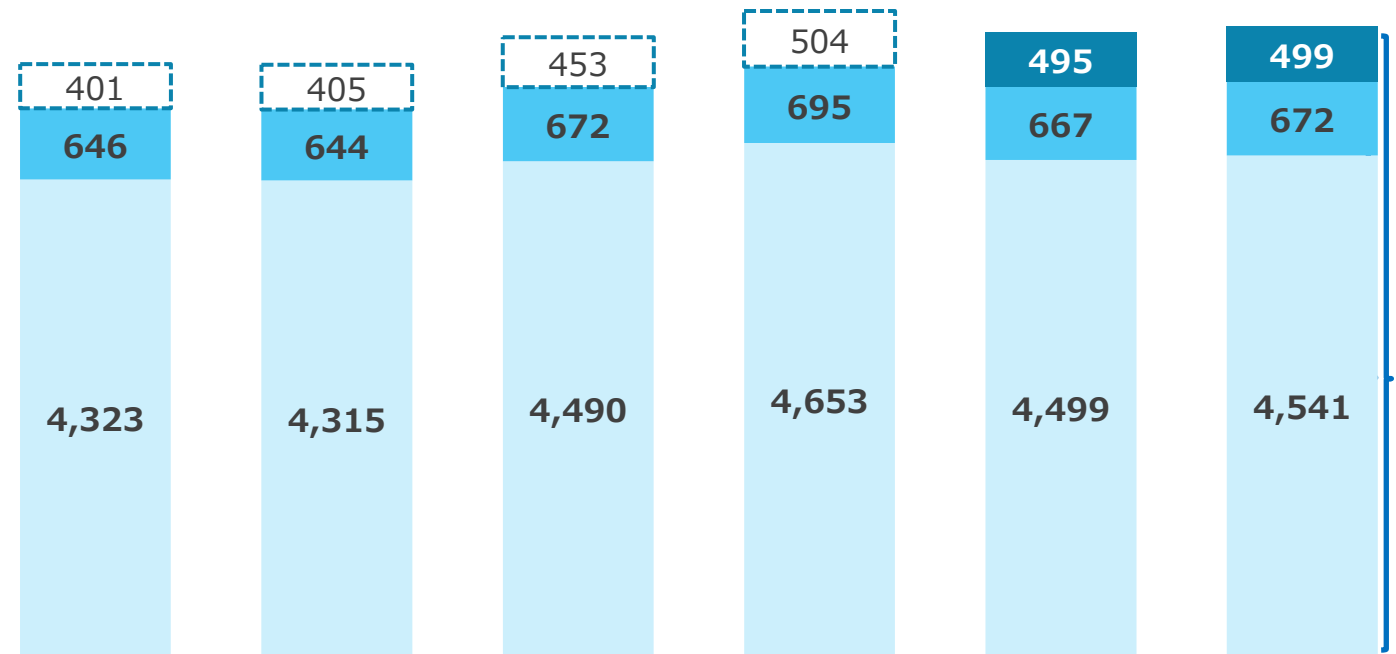
Held 43.3M T-Mobile shares at FY23Q2, up 3.6M shares from FY22Q4

Received 3.6M T-Mobile shares upon vesting contingent value rights (CVR) in Jun 2023, which were received in Jun 2020 related to the disposal of the shares



Fair value of T-Mobile shares (\$ M)

- (i) T-Mobile shares subject to call options (net of the fair value of derivative financial liabilities)
- (ii) T-Mobile shares not subject to call options
- (iii) T-Mobile shares received upon vesting CVR, not subject to call options
- Fair value of CVR



-\$181M (-¥24.6B) valuation loss for FY23Q1-Q2

\$5,712M

(M)

	Jun 30 2022	Sep 30	Dec 31	Mar 31 2023	Jun 30	Sep 30
Number of shares subject to DT call options* ¹	35.0	35.0	35.0	35.0	35.0	35.0 * ²
Number of shares not subject to DT call options	4.8	4.8	4.8	4.8	8.3	8.3
TOTAL number of shares held	39.8	39.8	39.8	39.8	43.3	43.3

*1 The call options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

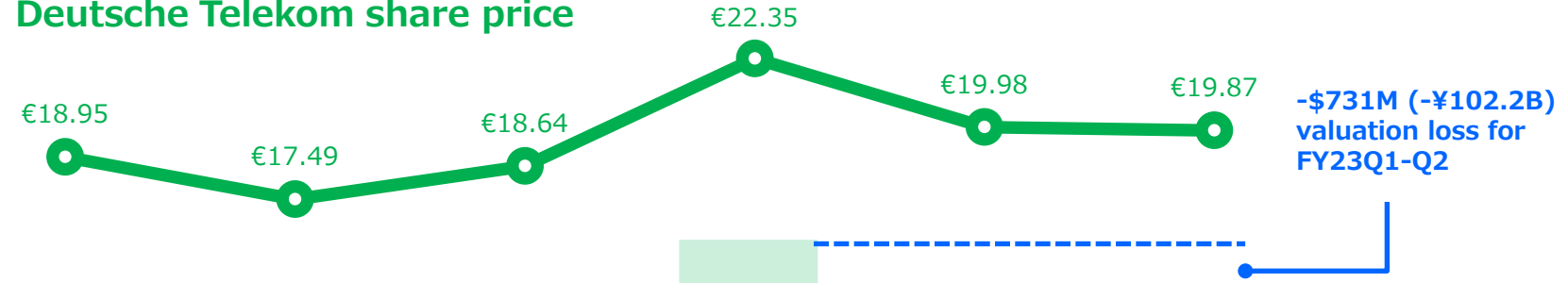
*2 Fixed: 6.7M shares, Floating: 28.2M shares

Deutsche Telekom: Shareholding & Fair Values

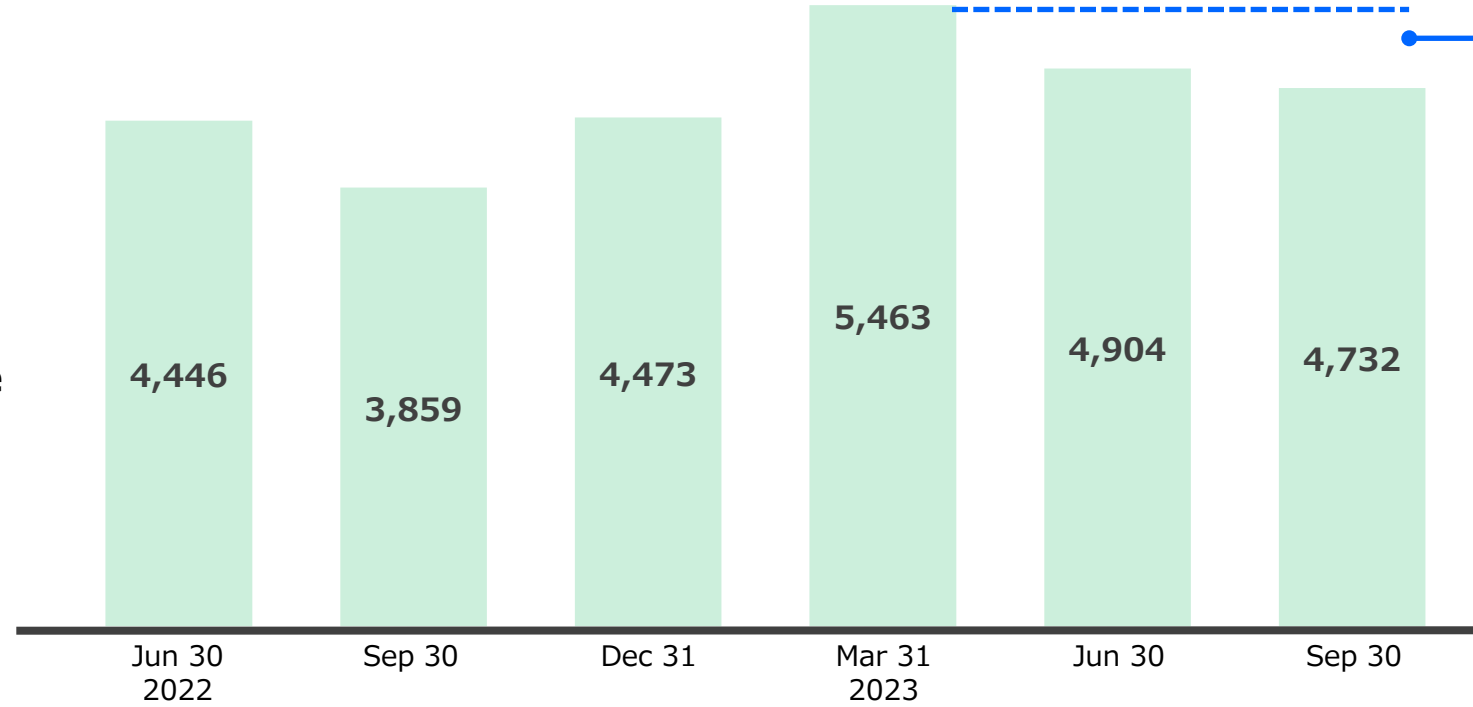
Acquired 225M Deutsche Telekom shares in Sep 2021

in return for the sale of T-Mobile shares.

Deutsche Telekom share price



Fair value of Deutsche Telekom shares (\$ M)



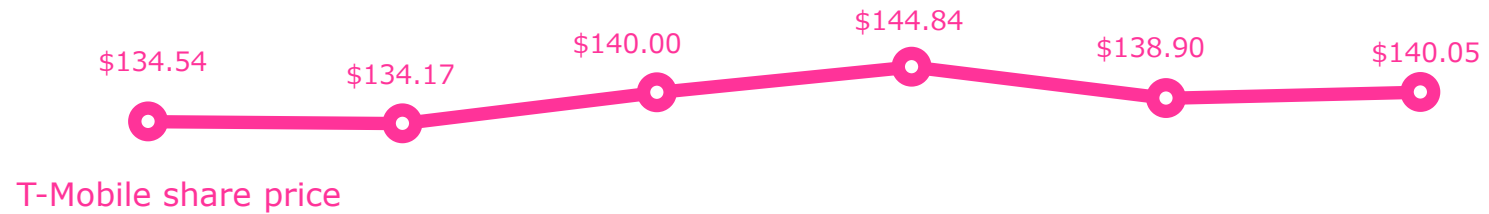
Number of Deutsche Telekom shares held (M)

225.0	225.0	225.0	225.0	225.0	225.0
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T-Mobile Shares: Fair Values of Contingent Consideration

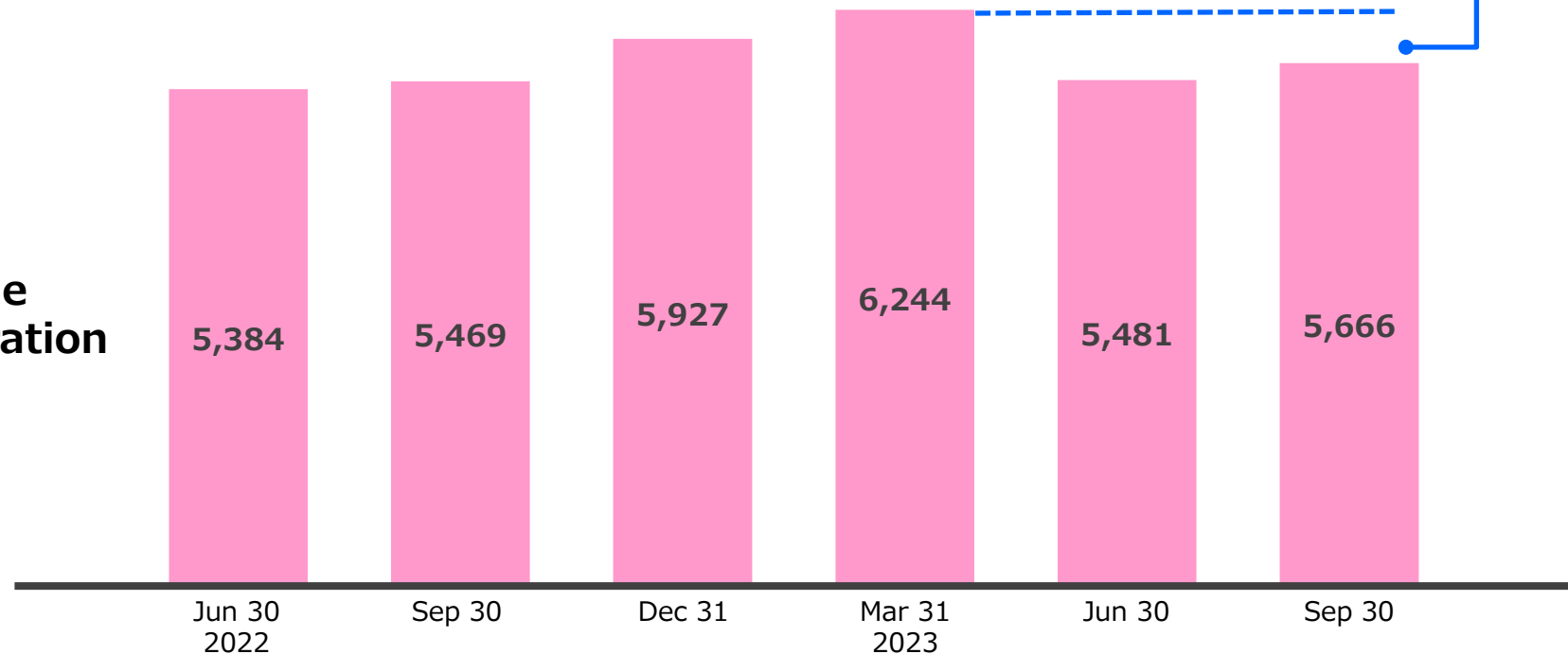
Contingent consideration is [the Company's right to acquire 48.8M T-Mobile shares](#) for no consideration if: **45-day trailing VWAP of T-Mobile share \geq \$149.35*** during Apr 1, 2022 to Dec 31, 2025

Closing price on Nov 7, 2023: \$147.13



-\$578M (-¥78.5B) derivative loss on investments for FY23Q1-Q2

Fair value of T-Mobile Contingent Consideration (\$ M)



* On Sep 25, 2023, T-Mobile declared a cash dividend of \$0.65 per share to its stockholders of record as of Dec 1, 2023. Following the dividend declaration, the threshold price, which is the condition for receiving the contingent consideration, was adjusted to \$149.35 from the previous price of \$150.

SoftBank Vision Funds Segment

(¥ B)

P/L	FY22 Q1-Q2	FY23 Q1-Q2	FY23Q1-Q2 Main Items
Gain/loss on investments at SoftBank Vision Funds	-4,312.3	181.1	In consolidated P/L, loss on investments at SoftBank Vision Funds was ¥583.3B
Gain/loss on investments at SVF1, SVF2, and LatAm Funds	-4,316.2	168.5	¥482.2B gain at SVF1, ¥347.1B loss at SVF2 including an investment gain of ¥737.6B arising from the sale of Arm shares to a wholly owned subsidiary of the Company (see p4)
Realized gain/loss on investments*	5.4	855.8	¥917.8B gain at SVF1, ¥61.0B loss at SVF2
Unrealized gain/loss on valuation of investments*	-4,303.1	-634.2	
Change in valuation for the fiscal year	-4,200.2	-633.5	¥298.1 loss at SVF1, ¥368.1B loss at SVF2
Reclassified to realized gain/loss recorded in the past fiscal years	-102.8	-0.7	¥51.0B loss at SVF1, ¥49.3B gain at SVF2
Interest and dividend income from investments	0.8	20.8	
Derivative gain/loss on investments	36.4	4.4	
Effect of foreign exchange translation	-55.6	-78.4	The amount arose from the FX differences used to translate unrealized and realized gains and losses
Gain/loss on other investments	3.9	12.7	
Selling, general and administrative expenses	-31.0	-44.7	
Finance cost	-35.8	-52.5	
Derivative gain/loss (excl. gain/loss on investments)	0.6	—	
Change in third-party interests in SVF	1,018.7	-226.3	
Other gain/loss	9.1	-55.5	
Segment income (income before income tax)	-3,350.7	-197.8	

* Net amount

(Reference) Investment Performance of SVF1 and SVF2

(\$ B)

	Since Inception			FY23 ^{*1}	
	Cost ^{*2}	Returns ^{*2}	Gain/loss	Gain/loss Q2	Gain/loss Q1-Q2
SVF1	89.6	104.4	14.8	2.4	3.4
Exited investments	34.6	59.7	25.1	6.9	6.3
Investments before exit	55.0	42.3	-12.7	-1.6	-2.0
<i>Reversal of previously-recorded valuation gain/loss for exited investments in FY23</i>				-2.9	-0.9
Derivatives/Interests/Dividends	0.0	2.4	2.4	0.0	0.0
SVF2	52.2	31.5	-20.7	-2.1	-2.4
Exited investments	2.5	3.2	0.7	-0.6	-0.4
Investments before exit	49.7	28.5	-21.2	-2.2	-2.5
<i>Reversal of previously-recorded valuation gain/loss for exited investments in FY23</i>				0.6	0.4
Derivatives/Interests/Dividends	—	-0.2	-0.2	0.1	0.1

*1 The amount of gains and losses for exited investments in FY23 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 FY23Q1 are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in FY23.

*2 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.

Status of Investment and Financial Support for WeWork

(¥ B)

		P/L		B/S	
		Account	Amount in FY23Q1-Q2 (Minus shows loss)	Account	Carrying amount as of Sep 2023 (Minus shows liabilities)
a	WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds	-98.9	Investments from SVF (FVTPL)	17.2 (\$115M)
		Loss on equity method investments/Other loss	-4.6	Investments accounted for using the equity method	0.5 (\$3M)
b	WeWork convertible bonds with a face value of \$0.46B held by SVF2	Loss on investments at SoftBank Vision Funds	-25.9	Investments from SVF (FVTPL)	-
c	WeWork unsecured notes with a face value of \$1.65B, previously held by SBG/SVF2 (exchanged for stocks (a) & convertible bonds (b) in FY23Q1)	Other loss (Loss on unsecured notes derecognized)	-21.6	-	-
d	WeWork senior secured notes with a face value of \$0.30B, previously held by SVF2 (redeemed in FY23Q1)	Gain on investments at SoftBank Vision Funds	0.4	-	-
		Other gain	0.0		
e	WeWork notes with a face value of \$0.30B held by SVF2 (acquired in FY23Q2; a loan commitment for notes purchase at end of FY23Q1)	Loss on investments at SoftBank Vision Funds	-41.8	Investments from SVF (FVTPL)	-
f	Credit support by SVF2 for a letter of credit facility up to \$1.43B provided to WeWork by financial institutions	Other loss (Provision for allowance for financial guarantee contract losses)	-42.1	Other financial liabilities (current)	-209.9 *(\$1.40B)
		Total	-234.4		

* \$0.03B, the difference between the \$1.43B credit facility and the \$1.40B allowance for financial guarantee contract losses, resulted from the guarantee fulfilled by SVF2 as of Sep 30, 2023. This has been recorded as provision for allowance for financial guarantee contract losses in and prior to FY23Q2.

Status of Investment and Financial Support for WeWork (Cumulative)

(\$ M)

	Cumulative acquisition cost as of Sep 2023 (SBG consolidated basis)			Cumulative cash flows as of Sep 2023 (Minus shows cash inflow)	Cumulative loss as of Sep 2023 (SBG consolidated basis)	Carrying amount as of Sep 2023
	Cash	Consideration*	Exchange from notes to stocks			
Stocks and warrants	10,901	969	494	—	-12,246	118
Notes	2,500	—	-494	(Recovery) -475	-1,531	—
Credit support (letter of credit facility up to \$1.43B as of Sep 2023)	—	969	—	(Guarantee fulfillment) 27	-461	③ 1,403
Total	13,401	—	—	-448	-14,238	—

①

②

Total cash outflow

(\$ M)

Total cash outflow as of Sep 2023 (①+②)	12,953
Cash collateral contribution and guarantee fulfillment in Oct 2023 (payment of ③)	1,403
Total	14,356



As of Nov 8, 2023, the letter of credit facility provided to WeWork by financial institutions to which SVF2 provides credit support has been cash collateralized to fulfill the guarantees under the facility, and a portion of guarantees have been fulfilled to the extent of the cash collateral.

* Sum of (a) and (b): (a) Warrants that are exercisable for WeWork common stock at an exercise price of \$0.01 or \$0.02 per share as consideration for credit support for the letter of credit facility and the obligation to purchase unsecured notes. \$867M, the fair value of the warrants at the initial recognition less \$1M of the consideration of exercise, was recorded as acquisition cost. (b) Warrants newly acquired in FY21Q3 as consideration for the extension of the letter of credit facility. \$102M, the fair value of the warrants at the initial recognition, was recorded as acquisition cost.

Consolidated P/L Summary

(¥ B)

P/L item	FY22 Q1-Q2	FY23 Q1-Q2	Change
Net sales	3,182.5	3,227.1	+44.6
Gross profit	1,721.3	1,732.3	+11.0
Gain/loss on investments			
Investment Business of Holding Companies	3,524.7	① -413.5	-3,938.2
SoftBank Vision Funds	-4,353.5	② -583.3	+3,770.3
Other investments	-20.7	33.3	+54.0
Total gain on investments	-849.6	-963.6	-114.0
Selling, general and administrative expenses	-1,254.3	-1,354.1	-99.7
Finance cost	-314.2	③ -295.2	+19.0
Foreign exchange loss	-1,095.4	④ -648.1	+447.3
Income/loss on equity method investments	-54.9	-34.6	+20.3
Derivative gain/loss (excl. gain /loss on investments)	1,029.8	⑤ 701.7	-328.1
Change in third-party interests in SVF	1,018.7	-226.3	-1,245.0
Other gain/loss	91.2	⑥ 180.3	+89.1
Income before income tax	292.6	-907.4	-1,200.1
Income taxes	-306.2	⑦ -197.7	+108.5
Net income	-13.6	-1,105.2	-1,091.6
Net income attributable to owners of the parent	-129.1	-1,408.7	-1,279.6

- ① •¥364.5B valuation loss due to declines in the share prices of Alibaba, DT, and TMO
•Of the above valuation loss, ¥237.6B loss on Alibaba was offset by ¥642.0B derivative gain related to prepaid forward contracts using Alibaba shares (⑤)
- ② SVF1: ¥256.3B loss, SVF2: ¥373.0B loss, LatAm: ¥33.4B gain, Other investments: ¥12.7B gain
- ③ Interest expenses decreased at SBG and wholly owned subsidiaries conducting fund procurement (see p8)
- ④ Impact of the weaker yen (see p23-24)
cf. increase in exchange differences from the translation in B/S: ¥1,784.6B
- ⑤ ¥642.0B gain on Alibaba prepaid forward contracts
- ⑥ •¥117.5B gain relating to loss of control over subsidiaries (mainly SB Energy Corp.)
•Interest income increased due to higher interest rates in USD-dominated deposits
- ⑦ Income taxes recorded at SBKK, Yahoo Japan, etc.

Consolidated B/S Summary – 1

(¥ B)

B/S item	Main items	Mar 2023	Sep 2023	Change
Current assets		10,586.5	10,803.3	+216.8
	Cash and cash equivalents	6,925.2	① 6,707.8	-217.3
	Derivative financial assets	249.4	387.9	② +138.5
	Other financial assets	371.3	447.7	+76.4
	Other current assets	282.1	425.7	+143.6
Non-current assets		33,349.9	35,206.8	+1,856.9
	Property, plant and equipment	1,781.1	1,829.3	+48.2
	Goodwill	5,199.5	5,601.6	③ +402.1
	Intangible assets	2,409.6	2,460.5	+50.8
	Investments accounted for using the equity method	730.4	879.3	+148.9
	Investments from SVF (FVTPL)	10,489.7	11,082.4	④ +592.7
	SVF1	6,110.5	6,327.3	+216.8
	SVF2	3,646.3	3,897.8	+251.5
	LatAm Funds	732.9	857.3	+124.4
	Investment securities	7,706.5	8,139.1	⑤ +432.6
	Derivative financial assets	1,170.8	1,313.7	⑥ +142.8
	Other financial assets	2,303.6	2,336.4	+32.8
Total assets		43,936.4	46,010.0	+2,073.7

- ① SBG and wholly owned subsidiaries conducting fund procurement, etc.: ¥3,908.4B (¥107.7B decrease)
- ② • ¥196.4B increase for Alibaba prepaid forward contracts mainly due to a fall in Alibaba share price, impact of the weaker yen, and the reclassification of those contracts, for which settlement became due within one year, to current assets
• Contingent value rights received in relation to the disposal of TMO shares (recorded amount in FY22: ¥67.3B) were vested
- ③ ¥380.0B increase at Arm due to the weaker yen against USD
- ④ • SVF1 \$2.07B fair value decrease, \$1.39B sold
• SVF2 \$2.72B fair value decrease, \$1.92B acquired, \$0.41B sold
• LatAm Funds \$0.24B fair value increase, \$0.03B acquired, \$0.03B sold
*includes 12.0% yen depreciation in FX rate used for translations in FY23Q2
- ⑤ See p19
- ⑥ • ¥80.5B increase for currency swap transactions used to hedge foreign-exchange risk of foreign currency-denominated notes issued by SBG
• ¥25.4B increase for Alibaba prepaid forward contracts
• ¥13.7B increase in the fair value of the contingent consideration for TMO shares mainly due to the weaker yen (see p12 for details in USD terms)

Investment Securities in Consolidated B/S (Main Investments)

(¥ B)

	Mar 2023	Sep 2023	Change	Outline
Investment securities	7,706.5	8,139.1	+432.6	
FVTPL	7,244.3	7,477.5	+233.2	
Alibaba	4,842.3 \$36,264M	4,604.7 \$30,784M	-237.6 -\$5,480M	Decreased due to lower share price
T-Mobile	769.2 \$5,761M	907.9 \$6,070M	+138.7 +\$309M	Increased due to the receipt of 3.6 million TMo shares (balance in FY23Q2: ¥74.7B) upon vesting contingent value rights received in Jun 2020 in relation to the disposal of TMo shares, despite a fall in TMo share price
Deutsche Telekom	729.5 \$5,463M	707.8 \$4,732M	-21.7 -\$731M	Decreased due to lower share price
Symbotic*	27.7	134.6	+106.9	Increased due to \$500M follow-on investment and higher share price
NVIDIA	39.0	68.4	+29.4	Increased due to higher share price
Holdings by SBKK group	148.5	190.3	+41.8	
Others	688.1	863.9	+175.8	
Public (17 investments)	119.1	194.8	+75.7	New Fortress Energy, Eutelsat, Lemonade, etc.
Private (~220 investments)	569.0	669.1	+100.1	MapBox, Boston Dynamics, Telexistence, etc.
FVTOCI and others	462.2	661.6	+199.3	<ul style="list-style-type: none"> • Carrying amount of bonds and other asset management products held by PayPay Bank increased ¥143.7B (balance in FY23Q2: ¥432.4B) • SBG purchased U.S. Treasury Bonds with face value totaling \$0.40B (balance in FY23Q2: ¥59.0B)

Notes:

• Includes the increase in carrying amount of investments due to an 12.0% depreciation of the yen against USD in the foreign currency exchange rate used for translations in FY23Q2

* Excludes Symbotic shares held by SVF2 and SB Northstar

Breakdown of Goodwill/Intangible Assets

(¥ B)

B/S Item	Main items	Mar 2023	Sep 2023	Change			Outline
				Amortization	Changes in FX rate	Others	
Goodwill*		5,199.5	5,601.6				
	Arm	3,161.7	3,541.7	—	+380.0	—	
	SBKK	913.9	913.9	—	—	—	
	LINE	628.9	628.9	—	—	—	
	ZOZO	214.1	214.1	—	—	—	
Main intangible assets	Technologies	344.3	378.4				
	Main b/d Arm	344.3	360.0	-24.3	+40.0	—	Amortized at straight-line method for 8-20 years
	Customer relationships	599.3	598.4				
	Main b/d ZOZO	277.6	271.1	-6.5	—	—	Amortized at straight-line method for 18-25 years
	Main b/d LINE	204.1	197.5	-6.7	—	—	Amortized at straight-line method for 12-18 years
	Main b/d Arm	88.0	90.9	-7.3	+10.2	—	Amortized at straight-line method for 13 years
	Trademarks	542.9	553.6				
	Management contracts	18.0	26.3				
	Fortress	18.0	26.3	-2.7	+2.2	+8.8	Amortized at straight-line method for 5-10 years

* Other than Arm, these are 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 the Arm segment, as a result of the organizational change in FY20.

Consolidated B/S Summary – 2

(¥ B)

B/S item	Main items	Mar 2023	Sep 2023	Change
Current liabilities		10,580.7	11,039.6	+458.8
	Interest-bearing debt	5,129.0	① 5,751.4	+622.3
	Lease liabilities	184.1	161.2	-23.0
	Deposits for banking business	1,472.3	1,552.1	+79.8
	Trade and other payables	2,416.9	2,343.5	-73.4
	Derivative financial liabilities	82.6	90.8	+8.2
	Other financial liabilities	180.2	271.0	② +90.8
	Income taxes payable	367.4	192.7	③ -174.7
Other current liabilities	675.9	614.8	-61.1	
Non-current liabilities		22,706.4	23,299.2	+592.8
	Interest-bearing debt	14,349.1	① 14,817.8	+468.6
	Lease liabilities	652.9	663.4	+10.6
	Third-party interests in SVF	4,499.4	5,022.8	④ +523.4
	Derivative financial liabilities	899.4	426.5	⑤ -472.9
	Other financial liabilities	58.5	44.1	-14.4
	Deferred tax liabilities	1,828.6	1,849.5	+20.9
Other non-current liabilities	254.9	305.7	+50.8	
Total liabilities		33,287.2	34,338.8	+1,051.6

① SBG

Borrowings*: ¥459.9B (¥78.1B increase)
Corporate bonds*: ¥5,958.4B (¥205.4B increase)

Wholly owned subsidiaries conducting fund procurement

Borrowings*: ¥2,239.5B (¥174.1B increase)
Financial liabilities relating to sale of shares by prepaid forward contracts*: ¥5,428.3B (¥1,164.7B increase)

SVF

Borrowings*: ¥542.2B (¥780.5B decrease)

*Total of current and non-current. See p35-36 of FY23Q2 SBG Consolidated Financial Report for details.

- ② ¥57.5B increase in allowance related to credit support provided by SVF2 for a letter of credit facility to WeWork from certain financial institutions
- ③ Income tax payment by SBG
- ④ Increase in book value due to impact of the weaker yen
- ⑤ ¥409.0B decrease related to prepaid forward contracts using Alibaba shares

Consolidated B/S Summary – 3

(¥ B)

	Items	Mar 2023	Sep 2023	Change
Equity		10,649.2	11,671.3	+1,022.1
	Common stock	238.8	238.8	—
	Capital surplus	2,652.8	3,319.5	① +666.7
	Other equity instruments	414.1	193.2	② -220.9
	Retained earnings	2,006.2	491.6	③ -1,514.6
	Treasury stock	-38.8	-23.9	+14.9
	Accumulated other comprehensive income	3,756.8	5,543.6	④ +1,786.8
	Total equity attributable to owners of the parent	9,029.8	9,762.8	+732.9
	Non-controlling interests	1,619.4	⑤ 1,908.5	+289.1
	Ratio of equity attributable to owners of the parent (equity ratio)	20.6%	21.2%	+0.7%

① Amount equivalent to the gain on the sale of Arm shares upon IPO :¥674.4B


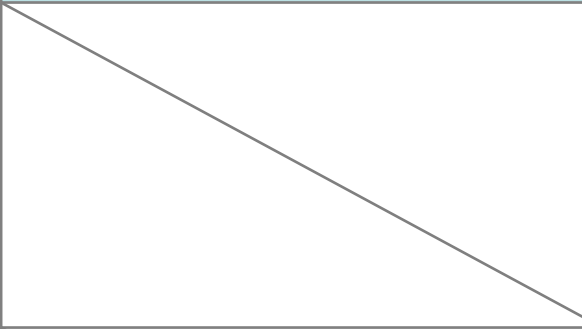

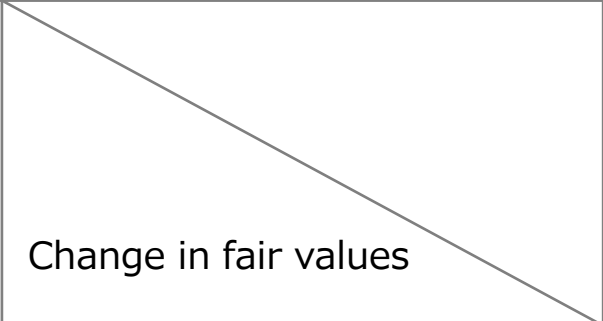

② Redeemed \$2.00B USD-denominated NC6 undated hybrid notes

③ ¥1,408.7B net loss attributable to owners of the parent

④ ¥1,784.6B 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 yen mainly due to the weaker yen against USD. See also p23-24)
Cf. ¥648.1B foreign exchange loss was recorded in consolidated P/L for FY23Q1-Q2 (see p17)

⑤ Non-controlling interest in Arm :¥170.8B

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 24)	
	Foreign currency-denominated liabilities (borrowings/bonds)	 Foreign exchange loss (See page 24)	
Foreign subsidiaries and associates whose functional currency is not yen (e.g., SVF1/2, LatAm Funds)	Net assets (positive)	 Change in fair values	 Exchange differences from translation (See page 22)

Impact of the Weaker Yen in FY23Q1-Q2

Foreign exchange loss in consolidated P/L for FY23Q1-Q2: ¥648.1B

At SBG stand-alone: Foreign exchange losses of ¥954.7B related to foreign currency-denominated borrowings from Group companies, ¥65.0B related to foreign currency-denominated bonds excl. USD-denominated perpetual hybrid bonds

SBG stand-alone balance	Mar 31, 2023 \$=¥133.53	Sep 30, 2023 \$=¥149.58
Foreign currency-denominated debts (borrowings/bonds) <i>incl. intra-Group borrowings</i>	\$71.8B	\$66.6B
Foreign currency-denominated cash and cash equivalents/ Loans receivable <i>excl. investments</i>	\$23.8B <i>\$20.0B cash and cash equivalents/ \$3.7B loans receivable</i>	\$18.6B <i>\$14.9B cash and cash equivalents/ \$3.7B loans receivable</i>
Net (liabilities)	\$48.0B	\$48.0B

Exchange differences from translation in consolidated B/S on Sep 30, 2023: ¥5,569.7B, up ¥1,784.6B from Mar 31, 2023 mainly related to investments in subsidiaries' shares and associates

Net assets of subsidiaries	Mar 31, 2023 \$=¥133.53	Sep 30, 2023 \$=¥149.58	Change	Exchange differences from translation in consolidated B/S ($((B) - (A) \times \text{average rate for FY23 } ¥141.31/\$)$) ^{*1}
SVF1/2 and LatAm Funds <i>net of third-party interests & carrying amount of Arm shares</i>	\$42.1B ¥5,624.6B	\$54.3B ¥8,121.2B	+\$12.2B ^(A) +¥2,496.6B ^(B)	+¥643.7B
SBGC ^{*2} <i>net of carrying amount of Arm shares</i>	\$33.6B ¥4,488.5B	\$23.9B ¥3,578.3B	-\$9.7B ^(A) -¥910.2B ^(B)	+¥509.9B
Arm	\$28.7B ¥3,837.8B	\$29.0B ¥4,341.5B	+\$0.2B ^(A) +¥503.7B ^(B)	+¥448.9B

*1 Considering intercompany transactions on consolidation

*2 SoftBank Group Capital Limited

Consolidated C/F Summary

(¥ B)

C/F item	FY22 Q1-Q2	FY23 Q1-Q2	Primary details for FY23Q1-Q2	
① C/F from operating activities	+555.5	+88.8	+614.2	Subtotal of cash flows from operating activities
			-506.2	Income taxes paid
			+67.4	Income taxes refunded
C/F from investing activities	+271.3	-767.4	② -547.8	Payments for acquisition of investments
			+96.3	Proceeds from loss of control over subsidiaries
			-187.3	Payments for acquisition of investments by SVF
			+279.3	Proceeds from sales of investments by SVF
C/F from financing activities	-578.3	-12.7	-361.0	Purchase of PP&E and intangible assets
			③ +3,783.7	Proceeds from interest-bearing debt
			④ -4,023.3	Repayment of interest-bearing debt
			-240.0	Distribution/repayment from SVF to third-party investors
			⑤ +745.1	Proceeds from the partial sales of shares of subsidiaries to non-controlling interests
			⑥ -277.8	Redemption of other equity instruments
-144.1	Cash dividends paid to non-controlling interests			

	FY22 Q1-Q2	FY23 Q1-Q2
Effect of FX rate changes	+468.7	+473.9
Increase/decrease in cash and cash equivalents	+717.2	-217.3
Opening balance	+5,169.0	+6,925.2
Closing balance	+5,886.2	+6,707.8

- ① ¥466.8B decrease yoy
 • ¥251.4B increase in outlay for income taxes
SBG has paid ¥238.2B income taxes mainly due to gains from the sale of Alibaba shares in FY22
- ② • Outlays of ¥248.0B at SBG and wholly owned subsidiaries (mainly strategic investments)
 • SBG acquired U.S. Treasury Bonds with a face value totaling \$0.4B
- ③ **SBG**
 • Made ¥262.6B short-term borrowings, procured ¥53.1B through a hybrid loan
 • Issued domestic hybrid bonds totaling ¥222.0B
Wholly owned subsidiaries conducting fund procurement
 • Raised \$8.50B through a margin loan using listed Arm shares
 • Procured \$4.39B through Alibaba prepaid forward contracts
SBKK
 • Procured ¥418.9B mainly through the securitization of installment sales receivable and sale-and-leaseback transactions
- ④ **SBG**
 • Repaid ¥235.8B short-term borrowings
 • Repurchased and redeemed bonds totaling ¥180.7B
SVF
 • Repaid asset-backed finance, \$4.16B at SVF1 and \$2.16B at SVF2
Wholly owned subsidiaries conducting fund procurement
 • Repaid \$8.50B borrowings made through asset-backed financing using Arm shares
SBKK
 • Repaid ¥702.5B borrowings made mainly through the securitization of installment sales receivable and sale-and-leaseback transactions
- ⑤ Received \$5.12B in proceeds from the disposal of Arm shares at its IPO
- ⑥ Redeemed \$2.0B USD-denominated NC6 undated hybrid notes

Income Taxes Paid on a Consolidated Basis (Net)

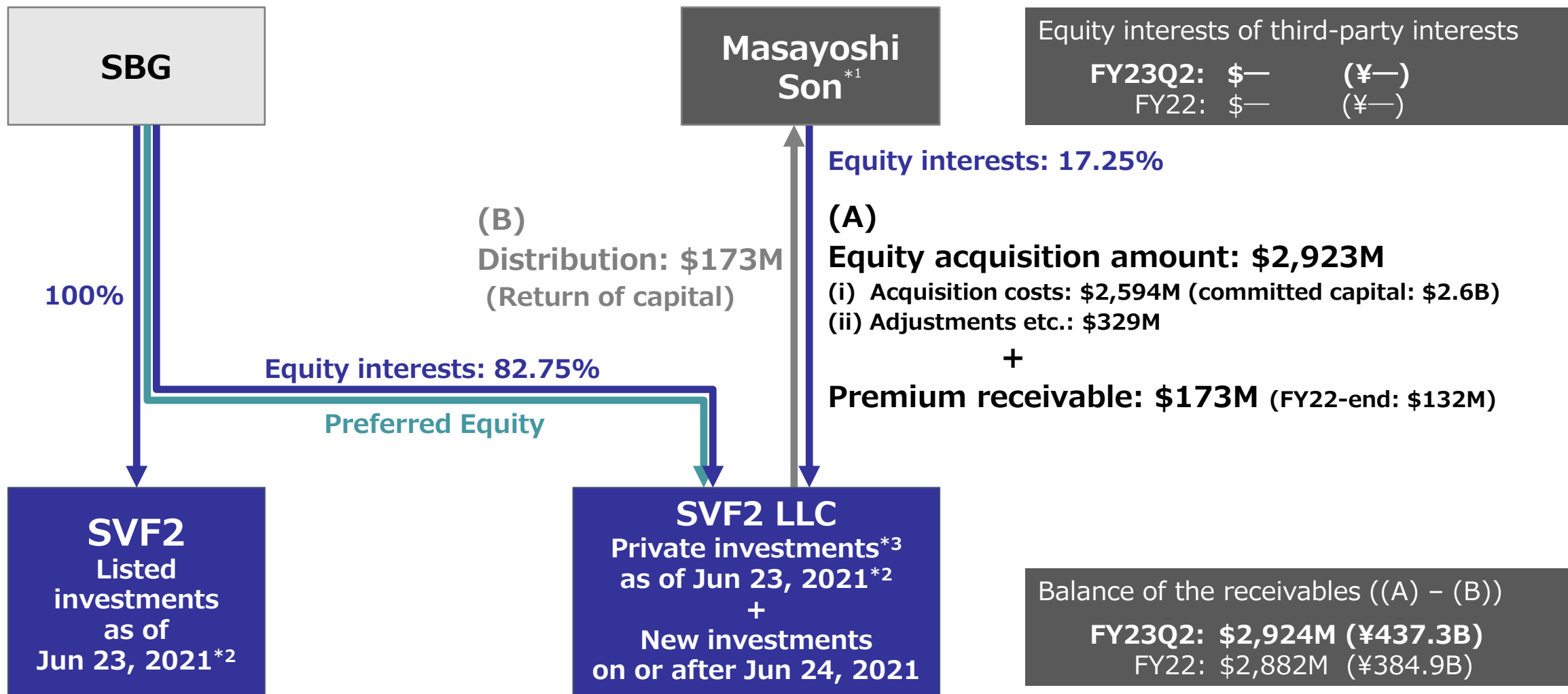
(¥ B)

	FY18	FY19	FY20	FY21	FY22	Total	FY23 Q1-Q2
Consolidated	415.4	636.3	445.5	589.3	525.9	2,612.4	438.7
Japan	284.3	575.2	310.5	551.2	469.7	2,190.9	397.7
SBG and holding companies (wholly owned subsidiaries)	36.8	324.7	35.7	200.0	214.2	811.4	283.1
Operating companies (mainly SBKK and Yahoo Japan)	247.5	250.5	274.8	351.2	255.5	1,379.5	114.6
Overseas	131.1	61.1	135.0	38.1	56.2	421.5	41.0

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" in the consolidated statement of cash flows.
- ¥83.9B of income taxes refunded for FY18, and ¥121.1B of income taxes refunded for FY20 were netted out with income taxes paid for the previous fiscal years as these income taxes refunded were returned from the income taxes paid for the previous fiscal years.

Co-investment Program to SVF2: Related Party Transactions



Notes:

For details of the related party transaction, see p81-83 of FY23Q2 SBG Consolidated Financial Report.

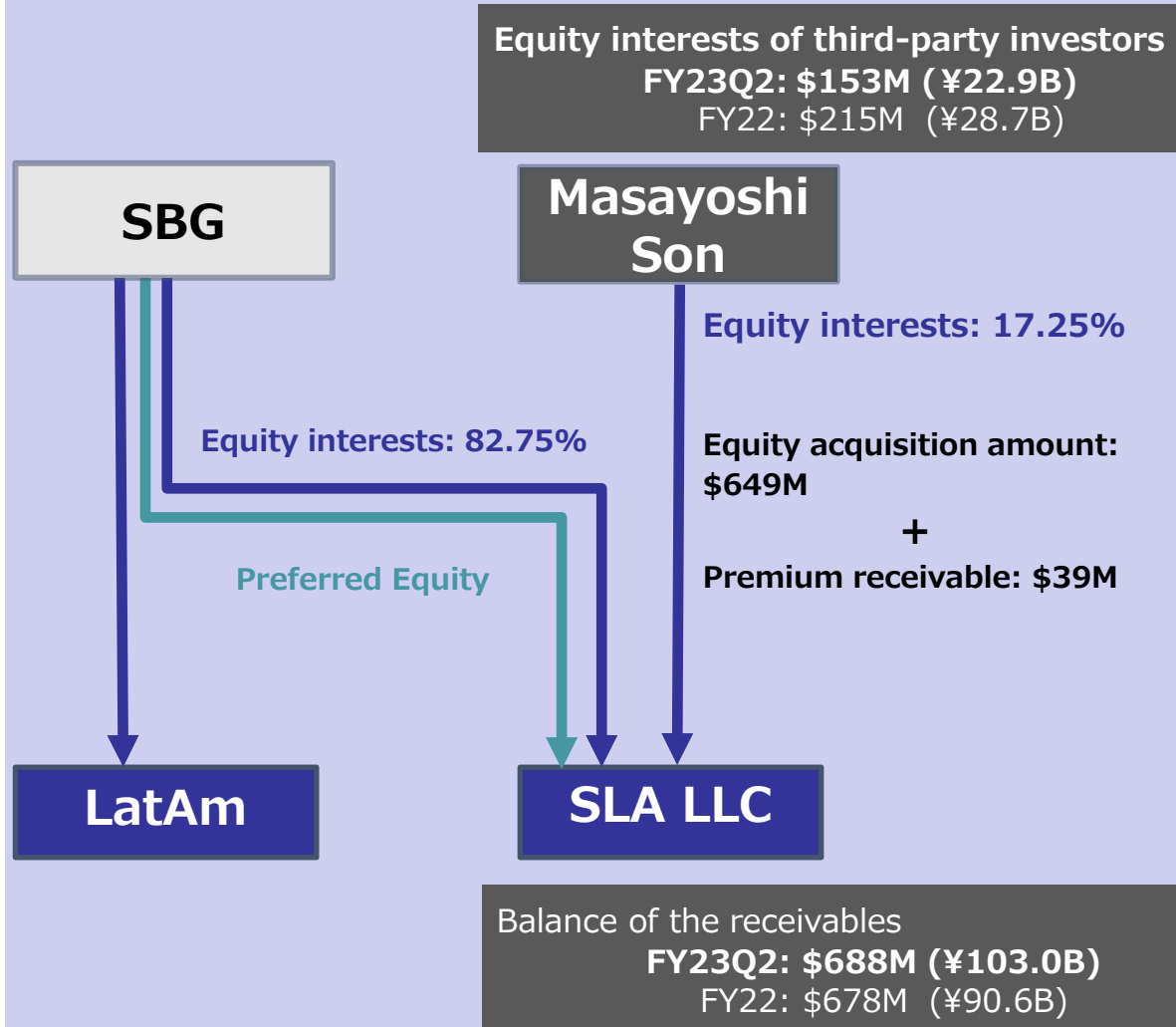
*1 Participation by management other than Masayoshi Son has not been determined as of the date of this presentation, but is expected in the future.

*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.

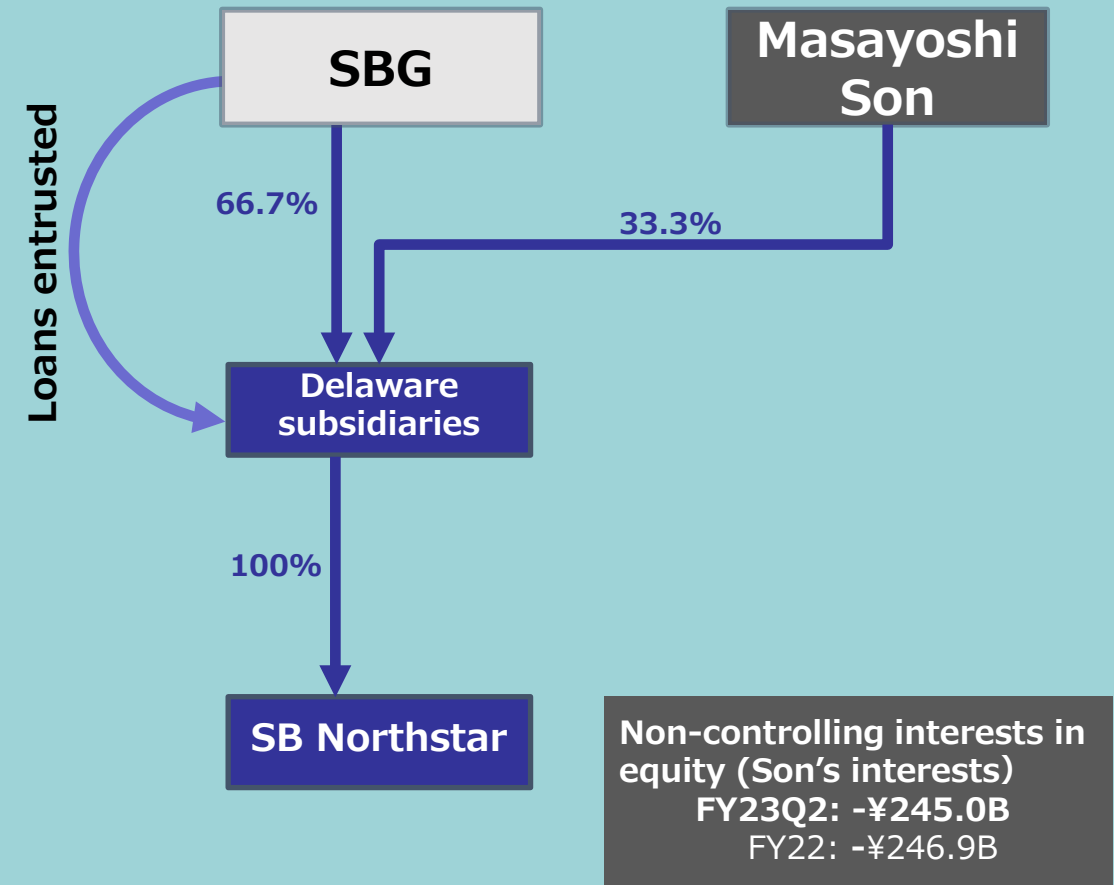
Co-investment Program to LatAm Funds & Management's Investment in Asset Management Subsidiary

Co-investment program to LatAm Funds



*For details, see p84-85 of FY23Q2 SBG Consolidated Financial Report.

Management's investment in asset management subsidiary



*For details, see p14 of FY23Q2 SBG Consolidated Financial Report. Non-controlling interests (Son's interests), including interest and others on loans, amounted to -¥402.2B as of Sep 30, 2023.