

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 2 of this report.

**SoftBank Group Corp.**  
**Consolidated Financial Report**  
**For the Six-Month Period Ended September 30, 2022 (IFRS)**

Tokyo, November 11, 2022

**1. Financial Highlights**

(Millions of yen; amounts are rounded to the nearest million yen)

**(1) Results of Operations**

(Percentages are shown as year-on-year changes)

	Net sales		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Six-month period ended September 30, 2022</b>	<b>¥3,182,477</b>	<b>6.7</b>	<b>¥292,636</b>	<b>(72.0)</b>	<b>¥(13,562)</b>	<b>-</b>	<b>¥(129,098)</b>	<b>-</b>	<b>¥2,541,205</b>	<b>184.8</b>
Six-month period ended September 30, 2021	¥2,983,504	13.4	¥1,046,971	(27.4)	¥590,125	(68.6)	¥363,569	(80.7)	¥892,161	(42.9)

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
<b>Six-month period ended September 30, 2022</b>	<b>¥(93.65)</b>	<b>¥(95.14)</b>
Six-month period ended September 30, 2021	¥202.46	¥195.62

**(2) Financial Position**

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
<b>As of September 30, 2022</b>	<b>¥46,200,567</b>	<b>¥13,519,609</b>	<b>¥11,871,807</b>	<b>25.7</b>
As of March 31, 2022	¥47,544,670	¥11,707,762	¥9,975,674	21.0

**2. Dividends**

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2022	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2023	-	22.00			
Fiscal year ending March 31, 2023 (Forecasted)			-	22.00	44.00

Notes:

- On October 28, 2022, the Company announced that the interim dividend for the fiscal year ending March 31, 2023 was determined under the resolution passed at the Board of Directors meeting held on the same date.
- Revision of the latest forecasts on the dividends: No

**\* Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): No

Newly consolidated: None

Excluded from consolidation: None

Note:

\* Foreign subsidiaries prepare stand-alone financial statements only under circumstances where it is necessary under their local laws and practices. Applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) to (iii), is determined by using the financial statements.

On the other hand, for foreign subsidiaries that do not prepare stand-alone financial statements, information on the capital and net assets for those companies is not available. Therefore, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is used to determine whether the companies are the specified subsidiaries.

The applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is determined based on the percentage of total amount of purchase from SoftBank Group Corp. and dividend paid to SoftBank Group Corp. to total amount of operating revenue of SoftBank Group Corp.

For fund-type subsidiaries, the amount of net assets based on financial statements prepared in accordance with the corresponding laws and practices is used to determine the applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (ii).

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRSs: No

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

(3) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):

As of September 30, 2022: 1,722,953,730 shares

As of March 31, 2022: 1,722,953,730 shares

[2] Number of shares of treasury stock:

As of September 30, 2022: 173,065,327 shares

As of March 31, 2022: 76,163,508 shares

[3] Number of average shares outstanding during six-month period (April-September):

As of September 30, 2022: 1,602,801,161 shares

As of September 30, 2021: 1,718,003,004 shares

**\* This condensed interim consolidated financial report is not subject to interim review procedures by certified public accountants or an audit firm.**

**\* Note to forecasts on the consolidated results of operations and other items**

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

On November 11, 2022 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on the Company's website in both Japanese and English at <https://group.softbank/en/ir>. The Data Sheet will also be posted on the website in a few days at the same site.

(Appendix)

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### Disclaimer

This material does not constitute an offer to sell, or a solicitation of an offer to buy, limited partnership interests or comparable limited liability equity interests in any funds (including SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank Latin America Funds) managed by any of the subsidiaries of SoftBank Group Corp. (“SBG”), including SB Global Advisers Limited, SB Investment Advisers (UK) Limited, or their respective affiliates, or any securities in any jurisdiction, nor should it be relied upon as such in any way.

### Notice Regarding PFIC Status

It is possible that SBG and certain subsidiaries of SBG may be a “passive foreign investment company” (“PFIC”) under the U.S. Internal Revenue Code of 1986, as amended, for its current fiscal year due to the composition of its assets and the nature of its income. For the fiscal year ended March 31, 2022, we believe that SBG and certain subsidiaries of SBG were PFICs. We recommend that U.S. holders of SBG’s shares consult their tax advisors with respect to the U.S. federal income tax consequences to them if SBG and its subsidiaries are classified as PFICs. SBG is not responsible for any tax treatments or consequences thereof with respect to U.S. holders of SBG’s shares.

## Definition of Company Names and Abbreviations Used in This Appendix

Company names and abbreviations used in this appendix, unless otherwise stated or interpreted differently in the context, are as follows:

Company names/Abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
<i>*Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.</i>	
SB Northstar or asset management subsidiaries	SB Northstar LP
SoftBank Vision Fund 1 or SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	SoftBank Vision Fund II-2 L.P.
SVF2 LLC	SVF II Investment Holdings LLC
SoftBank Latin America Funds or LatAm Funds	SBLA Latin America Fund LLC
SoftBank Vision Funds or SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBIA US	SB Investment Advisers (US) Inc.
SBGA	SB Global Advisers Limited
Arm	Arm Limited
Alibaba	Alibaba Group Holding Limited
MgmtCo	MASA USA LLC
The first quarter	Three-month period ended June 30, 2022
The second quarter	Three-month period ended September 30, 2022
The period	Six-month period ended September 30, 2022
The second quarter-end	September 30, 2022
The fiscal year	Fiscal year ending March 31, 2023
The previous fiscal year	Fiscal year ended March 31, 2022
The previous fiscal year-end	March 31, 2022

## Exchange Rates Used for Translations

USD/JPY	Fiscal year ended March 31, 2022				Fiscal year ending March 31, 2023	
	Q1	Q2	Q3	Q4	Q1	Q2
Average rate for the quarter	¥110.00	¥110.47	¥113.60	¥117.10	¥129.04	¥138.68
Rate at the end of the period				¥122.39		¥144.81

## CHANGES IN PRESENTATION OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND REPORTABLE SEGMENTS

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

From the first quarter, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment, following a review of the segment management classification after SBGA, the manager of SVF2, began managing LatAm Funds. In line with this, gains and losses on investments at LatAm Funds, which were presented as gains and losses on investments at Latin America Funds in the past fiscal year, are now included in gains and losses on investments at SoftBank Vision Funds. Also, the change in third-party interests in LatAm Funds, which was included in other gains and losses in the past fiscal year, is now included in change in third-party interests in SVF. Information for the same period of the previous fiscal year has been reclassified and presented accordingly. Presentations in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows have also been changed. For details, see “1. Changes in presentation” under “(6) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

## 1. Results of Operations

### (1) Overview of Results of Operations

#### 1. Alibaba

The Company recorded a total profit of ¥5,371.6 billion as a result of the early physical settlement<sup>\*1</sup> (the “Early Physical Settlement”) of prepaid forward contracts corresponding to 242 million American Depository Receipts (ADRs) of Alibaba shares from August to September 2022. During the course of the Early Physical Settlement, the Company’s voting ownership in Alibaba fell below 20%, and Alibaba was therefore excluded from the associates of the Company.

	Amount	Account in the condensed interim consolidated statement of profit or loss
Gain on settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement	¥584.8 billion	Gain on investments at Investment Business of Holding Companies
Gain from remeasurement of Alibaba shares held upon exclusion from associates	¥3,996.7 billion	
Derivative gain on prepaid forward contracts that are the subject of the Early Physical Settlement	¥790.1 billion	Derivative gain (excluding gain (loss) on investments)
<b>Total (contribution to income before income tax)</b>	<b>¥5,371.6 billion</b>	

Apart from the above, the Company recorded an unrealized valuation loss of ¥1,077.1 billion on Alibaba shares that continued to be held, following a decrease in the share price that occurred after Alibaba’s exclusion from the associates of the Company.

#### 2. SVF

Gross performance since inception was a \$13.5 billion gain in SVF1 and a \$14.6 billion loss in SVF2.<sup>\*2</sup>

#### 3. Highlights of results

##### ◆ Loss of ¥849.6 billion on investments

- ¥3,524.7 billion investment gain at Investment Business of Holding Companies; which included
    - Gain of ¥4,581.5 billion relating to settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement
    - Unrealized valuation loss of ¥1,077.1 billion due to a decrease in the Alibaba share price from the time of Alibaba’s exclusion from the Company’s associates up to the second quarter-end
  - ¥4,353.5 billion investment loss at SoftBank Vision Funds; which included
    - Realized gain (net) of ¥3.3 billion and unrealized valuation loss (net) of ¥1,845.8 billion at SVF1
    - Realized gain (net) of ¥0.8 billion and unrealized valuation loss (net) of ¥2,021.6 billion at SVF2
- Share prices of numerous public portfolio companies<sup>\*3</sup> declined amid the weakness in global stock markets, and the fair value of a wide range of private portfolio companies<sup>\*3</sup> also decreased.

##### ◆ Income before income tax of ¥292.6 billion (decrease of ¥754.3 billion yoy)

*reflecting the recordings of:*

- Finance cost of ¥314.2 billion
- Foreign exchange loss of ¥1,095.4 billion due to an increase in U.S. dollar-denominated liabilities (net) of SBG in yen terms caused by the weaker yen
- Derivative gain (excluding gain (loss) on investments) of ¥1,029.8 billion related to prepaid forward contracts using Alibaba shares, due to the decrease in the Alibaba share price
- Decrease in third-party interests at SVF of ¥1,018.7 billion

##### ◆ Net loss attributable to owners of the parent of ¥129.1 billion (deterioration of ¥492.7 billion yoy)

*reflecting the recordings of:*

- Income tax of ¥306.2 billion
- Net income attributable to non-controlling interests of ¥115.5 billion

**4. Maintained prudent defensive financial management - with continued monetization of, and contraction in investments. These resulted in a large improvement in LTV.\*<sup>4</sup>**

◆ **Continued monetization of investments**

- Raised \$18.35 billion through prepaid forward contracts using Alibaba shares in the period.
- Sold 21.2 million T-Mobile shares for \$2.40 billion in the first quarter.
- SVF1 and SVF2 sold investments, including full exits of seven portfolio companies such as Uber and KE Holdings, for a total of \$3.60 billion<sup>1</sup> in the period.

◆ **Contraction in investments**

- SVF1 invested a total of \$0.26 billion in the period<sup>1</sup> (compared to \$2.50 billion invested in the same period of the previous fiscal year).
- SVF2 invested a total of \$2.24 billion in the period (compared to \$27.17 billion invested in the same period of the previous fiscal year), bringing the fund's total cost to \$49.79 billion.
- LatAm Funds invested a total of \$0.25 billion in the period<sup>1</sup> (compared to \$2.33 billion invested in the same period of the previous fiscal year).

◆ **Integration of international investment functions to improve operational efficiency**

In October 2022, the Company decided to integrate the operations of SBIA and SoftBank Group International,<sup>\*5</sup> which are collectively responsible for the Company's global investment activities, to improve the operational efficiency of international investment functions.

**5. Reduced interest-bearing debt by ¥2,849.7 billion at SBG, its subsidiaries engaged in fund procurement, etc., from the previous fiscal year-end (excluding a decrease associated with foreign bond repurchases conducted in October), as a result of proactive debt repayment and the Early Physical Settlement.**

- Reduced financial liabilities relating to the sale of shares by prepaid forward contracts by \$27.57 billion due to the Early Physical Settlement (including \$13.47 billion relating to contracts concluded in the period).
- Repaid borrowings of \$4.50 billion made through commitment lines in the first quarter.
- Repaid the entire ¥325.2 billion of bank loans (senior loans) in the second quarter, including ¥292.7 billion repaid early.
- Repaid \$6.0 billion in a margin loan borrowed through Alibaba shares in full in the second quarter.
- Repaid \$2.06 billion in a margin loan borrowed through T-Mobile shares in the period.
- Repurchased a total of \$2.27 billion worth of USD-denominated hybrid notes and USD- and EUR-denominated senior notes (at face values) in October 2022, subsequent to the second quarter.

**6. Continued share repurchase**

- On October 17, 2022, SBG completed the full acquisition of shares under the ¥1 trillion share repurchase program authorized in November 2021. The repurchase includes shares totaling ¥523.1 billion acquired in the period.
- On November 10, 2022, SBG completed the full acquisition of shares under the ¥400 billion share repurchase program authorized in August 2022. The share repurchase under the program had been started on October 18, 2022.

Notes:

1. Certain contracts that became due for settlement during the implementation period were also settled.
2. Gross amounts before deductions such as third-party interests and taxes.
3. Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
4. The ratio of liabilities to holding assets, which is calculated as adjusted net interest-bearing debt divided by equity value of holdings. Equity value of holdings and adjusted net interest-bearing debt each exclude amounts to be settled at maturity or borrowings that are part of asset-backed finance. The calculation of adjusted net interest-bearing debt excludes interest-bearing debt and cash and cash equivalents, etc., attributable to entities managed on a self-financing basis, such as SoftBank Corp. (including its subsidiaries such as Z Holdings Corporation), SVF1, SVF2, LatAm Funds, Arm, and PayPay Corporation, as well as SB Northstar.
5. Refers collectively to several entities, including SoftBank Group Capital Limited and SB Group US, Inc.

**a. Consolidated Results of Operations**

(Millions of yen)

	Six months ended September 30		Change	Change %	
	2021	2022			
Net sales	2,983,504	<b>3,182,477</b>	198,973	6.7%	<b>A</b>
Gross profit	1,635,033	<b>1,721,329</b>	86,296	5.3%	
Gain on investments					
Gain on investments at Investment Business of Holding Companies	279,930	<b>3,524,655</b>	3,244,725	-	<b>B</b>
Loss on investments at SoftBank Vision Funds	(684,793)	<b>(4,353,542)</b>	(3,668,749)	-	<b>C</b>
Gain (loss) on other investments	9,628	<b>(20,711)</b>	(30,339)	-	
Total gain on investments	(395,235)	<b>(849,598)</b>	(454,363)	-	
Selling, general and administrative expenses	(1,186,672)	<b>(1,254,340)</b>	(67,668)	5.7%	
Finance cost	(185,599)	<b>(314,217)</b>	(128,618)	69.3%	<b>D</b>
Foreign exchange loss	(92,197)	<b>(1,095,426)</b>	(1,003,229)	-	<b>E</b>
Income (loss) on equity method investments	265,331	<b>(54,870)</b>	(320,201)	-	<b>F</b>
Derivative gain (excluding gain (loss) on investments)	620,959	<b>1,029,780</b>	408,821	65.8%	<b>G</b>
Change in third-party interests in SoftBank Vision Funds	194,092	<b>1,018,741</b>	824,649	424.9%	
Other gain	191,259	<b>91,237</b>	(100,022)	(52.3%)	
Income before income tax	1,046,971	<b>292,636</b>	(754,335)	(72.0%)	
Income taxes	(456,846)	<b>(306,198)</b>	150,648	(33.0%)	<b>H</b>
Net income	590,125	<b>(13,562)</b>	(603,687)	-	
Net income attributable to owners of the parent	363,569	<b>(129,098)</b>	(492,667)	-	
Total comprehensive income	892,161	<b>2,541,205</b>	1,649,044	184.8%	
Comprehensive income attributable to owners of the parent	664,724	<b>2,452,050</b>	1,787,326	268.9%	

The following is an overview of the primary and noteworthy components.

**A Net Sales**

Net sales increased in the SoftBank segment. In the Arm segment, sales declined on a U.S.-dollar basis but were higher on a yen basis, reflecting the impact of the yen's depreciation based on the foreign exchange rate for conversion used to prepare the consolidated financial statements. For details, see "(d) Arm Segment" under "b. Results by Segment."

**B Gain on Investments at Investment Business of Holding Companies**

Investment gain of ¥3,524,655 million was recorded at Investment Business of Holding Companies. Of this, the Company recorded a gain of ¥4,838,251 million relating to settlement of prepaid forward contracts using Alibaba shares (including a gain of ¥3,996,668 million from remeasurement of Alibaba shares held upon Alibaba's

exclusion from the Company's associates). On the other hand, the Company recorded an unrealized loss on valuation of investments of ¥1,170,459 million following a fall in the Alibaba share price from the time of Alibaba's exclusion from the Company's associates up to the second quarter-end. See "(a) Investment Business of Holding Companies Segment" under "b. Results by Segment" for details.

### **C Loss on Investments at SoftBank Vision Funds**

Investment loss of ¥4,353,542 million was recorded at SoftBank Vision Funds, of which ¥1,018,741 million was attributable to third-party interests. SVF1 recorded realized gain on investments (net) of ¥3,291 million, mainly due to the monetization of investments in public portfolio companies, including the full exits of five portfolio companies<sup>1</sup> such as Uber Technologies, Inc. ("Uber"). Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥1,193,476 million for public portfolio companies, reflecting declines in the share prices of a wide range of portfolio companies. Of the losses, ¥363,856 million were attributable to SenseTime Group, Inc. ("SenseTime"), ¥224,541 million to DoorDash, Inc. ("DoorDash"), and ¥108,247 million to GoTo, Inc ("GoTo"). For private portfolio companies, SVF1 recorded unrealized valuation losses (net) totaling ¥652,316 million due to an overall decrease in the fair value of a wide range of portfolio companies, mainly reflecting their lower equity values in recent transactions and weaker performances.

SVF2 recorded realized gain on investments of ¥791 million, mainly as a result of the full exit of KE Holdings Inc. ("KE Holdings"). Meanwhile, SVF2 recorded unrealized valuation losses (net) totaling ¥2,021,626 million. For public portfolio companies, the losses were mainly due to share price declines of AutoStore Holdings Ltd. ("AutoStore") and WeWork Inc. ("WeWork"). For private portfolio companies, the fair value decreased in a wide range of investments, reflecting markdowns of those with recent funding rounds and/or weaker performance, as well as share price declines in market comparable companies. See "(b) SoftBank Vision Funds Segment" under "b. Results by Segment" for details.

**Primarily as a result of B through C, total loss on investments was ¥849,598 million.**

### **D Finance Cost**

Interest expenses increased by ¥102,227 million in the Investment Business of Holding Companies segment. This mainly reflected increases in interest expenses at SBG<sup>2</sup> resulting from the full amortization of unamortized cost associated with financial liabilities related to the Early Physical Settlement.

### **E Foreign Exchange Loss**

Foreign exchange loss of ¥1,095,426 million (net) was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

The weaker yen increased net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is not Japanese yen (primarily U.S. dollars). However, this positive impact is not included in foreign exchange gains; instead, it is included in the increase in exchange differences from the translation of foreign operations of ¥2,647,073 million, which is listed under accumulated other comprehensive income in equity on the Condensed Interim Consolidated Statement of Financial Position.



## **F Loss on Equity Method Investments**

Loss on equity method investments related to Alibaba was ¥25,394 million,<sup>3</sup> a deterioration of ¥302,667 million year on year, mainly due to recording investment losses on Alibaba's investments classified as financial assets at FVTPL.

Alibaba was previously an equity method associate of the Company; it was excluded from the associates in the second quarter. This change reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the Early Physical Settlement.

## **G Derivative Gain (Excluding Gain (Loss) on Investments)**

Derivative gain of ¥895,229 million was recorded due to a decrease in the Alibaba share price, mainly for the prepaid forward contracts using Alibaba shares.

Gains and losses arising from derivatives related to investing activities, such as acquisition and sale of shares, are included in "Gain (loss) on investments." For example, this applies to derivative gains and losses arising from long call options of listed stocks held by asset management subsidiaries. Conversely, those related to non-investing activities, particularly gains and losses arising from derivatives used in fund procurement, are included in "Derivative gain (loss) (excluding gain (loss) on investments)." For example, this applies to derivative gains and losses related to prepaid forward contracts using Alibaba shares and T-Mobile US, Inc. ("T-Mobile") shares. However, in cases where the prepaid forward contracts are settled using shares rather than cash, gains and losses arising from the reversal of derivative financial assets or liabilities at settlement are included in "Investment gain (loss)" as part of "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

**Primarily as a result of A through G, income before income tax was ¥292,636 million, a decrease of ¥754,335 million year on year.**

## **H Income Taxes**

Income taxes stood at ¥306,198 million. In addition to income taxes recorded at SoftBank Corp. and Yahoo Japan Corporation, income taxes of ¥164,757 million were recorded at SoftBank Group Corp., and at subsidiaries conducting fund procurement using Alibaba shares, and at related intermediate holding companies (both wholly owned subsidiaries of the Company).

**Primarily as a result of A through H, net loss attributable to owners of the parent was ¥129,098 million, a deterioration of ¥492,667 million year on year.**

## b. Results by Segment

The Company's reportable segments are the components of its business activities for which decisions on resource allocation and assessments of performance are made. From the first quarter, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment, following a review of the segment management classification after SBGA, the manager of SVF2, began managing LatAm Funds. As of the second quarter-end, there are four reportable segments: Investment Business of Holding Companies, SoftBank Vision Funds, SoftBank, and Arm.

The following is a summary of the reportable segments.

Segments	Main businesses	Core companies
Reportable segments		
Investment Business of Holding Companies	·Investment activities by SBG and its subsidiaries	SoftBank Group Corp. SoftBank Group Capital Limited SoftBank Group Japan Corporation SB Northstar LP
SoftBank Vision Funds	·Investment activities by SVF1, SVF2, and LatAm Funds	SB Investment Advisers (UK) Limited SoftBank Vision Fund L.P. SB Global Advisers Limited SoftBank Vision Fund II-2 L.P. SBLA Latin America Fund LLC
SoftBank	<ul style="list-style-type: none"> <li>·Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan</li> <li>·Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan</li> <li>·Distribution business: Provision of ICT services products to enterprise customers and provision of communication device-related products and IoT equipment to retail customers</li> <li>·Yahoo! JAPAN/LINE business: Provision of Internet advertising and e-commerce services</li> </ul>	SoftBank Corp. Z Holdings Corporation Yahoo Japan Corporation LINE Corporation
Arm	<ul style="list-style-type: none"> <li>·Design of microprocessor intellectual property and related technology</li> <li>·Sale of software tools and provision of related services</li> </ul>	Arm Limited
Other	<ul style="list-style-type: none"> <li>·Smartphone payment business</li> <li>·Alternative investment management business</li> <li>·Fukuoka SoftBank HAWKS-related businesses</li> </ul>	PayPay Corporation* <sup>1</sup> Fortress Investment Group LLC Fukuoka SoftBank HAWKS Corp.

Note:

1. Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results will no longer be included in "Other" and instead will be presented within the SoftBank segment from the three-month period ending December 31, 2022, with the results retrospectively adjusted and presented for the nine-month period ending December 31, 2022 and for the same period of the previous fiscal year.

### (a) Investment Business of Holding Companies Segment

**1. Profits totaling ¥5,371.6 billion were recorded as a result of the Early Physical Settlement. Alibaba was excluded from the associates of the Company as the voting ownership fell below 20% during the course of the settlement.**

Gain on settlement of prepaid forward contracts using Alibaba shares pertaining to the Early Physical Settlement	¥584.8 billion
Gain from remeasurement of Alibaba shares held upon exclusion from associates	¥3,996.7 billion
Derivative gain on prepaid forward contracts that are the subject of the Early Physical Settlement	¥790.1 billion
<b>Total (contribution to segment income)</b>	<b>¥5,371.6 billion</b>

**Apart from the above, unrealized valuation loss of ¥1,077.1 billion was recorded on Alibaba shares following a decrease in its share price that occurred after its exclusion from the associates.**

**2. Segment income was ¥3,262.3 billion, reflecting investment gain of ¥3,524.7 billion and derivative gain of ¥1,041.5 billion including the above gains related to Alibaba shares, which were partially offset by foreign exchange loss of ¥1,100.1 billion.**

### OVERVIEW

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

This segment has approximately 120 portfolio companies, including Alibaba, T-Mobile, and Deutsche Telekom AG (“Deutsche Telekom”), as well as investees of SB Northstar, most of which are investments classified as financial assets at FVTPL. Investments classified as financial assets at FVTPL are measured at fair value every quarter, and any change in fair value is recorded in the Consolidated Statement of Profit or Loss as gains and losses on investments.

### Investment in Alibaba

Alibaba was previously an equity method associate of the Company; but was excluded from the associates during the second quarter. This reflects the Company’s loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the Early Physical Settlement.

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

### Investment in listed stocks and other instruments by asset management subsidiaries

SB Northstar acquires and sells listed stocks and other instruments and engages in derivative and credit transactions

related to listed stocks, using surplus funds of SBG. Investment loss related to asset management subsidiaries in the period was ¥118.9 billion, which brings the cumulative investment loss since inception to ¥865.2 billion. SB Northstar's business scale continues to be downsized, and the balance of its shareholdings and other instruments decreased from ¥315.9 billion as of the previous fiscal year-end to ¥139.3 billion as of the second quarter-end.

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

**FINANCIAL RESULTS**

(Millions of yen)

	Six months ended September 30		Change	Change %	
	2021	2022			
Gain on investments at Investment Business of Holding Companies	279,689	<b>3,524,708</b>	3,245,019	-	<b>A</b>
Gain relating to settlement of prepaid forward contracts using Alibaba shares	-	<b>4,838,251</b>	4,838,251	-	
Gain relating to sales of T-Mobile shares	3,149	<b>24,842</b>	21,693	688.9%	
Realized gain (loss) on investments at asset management subsidiaries	62,951	<b>(54,226)</b>	(117,177)	-	
Unrealized loss on valuation of investments at asset management subsidiaries	(80,019)	<b>(58,803)</b>	21,216	-	
Derivative gain (loss) on investments at asset management subsidiaries	76,185	<b>(5,842)</b>	(82,027)	-	
Realized loss on investments	(336,667)	<b>(147,666)</b>	189,001	-	
Unrealized gain (loss) on valuation of investments	462,152	<b>(1,170,459)</b>	(1,632,611)	-	
Change in valuation for the fiscal year	56,617	<b>(1,158,182)</b>	(1,214,799)	-	
Reclassified to realized gain (loss) recorded in the past fiscal years <sup>*1</sup>	405,535	<b>(12,277)</b>	(417,812)	-	
Derivative gain on investments	68,499	<b>86,533</b>	18,034	26.3%	
Effect of foreign exchange translation <sup>*2</sup>	11,233	-	(11,233)	-	
Other	12,206	<b>12,078</b>	(128)	(1.0%)	
Selling, general and administrative expenses	(46,242)	<b>(30,662)</b>	15,580	(33.7%)	
Finance cost	(138,412)	<b>(240,639)</b>	(102,227)	73.9%	<b>B</b>
Foreign exchange loss	(89,849)	<b>(1,100,143)</b>	(1,010,294)	-	<b>C</b>
Income (loss) on equity method investments	266,989	<b>(23,879)</b>	(290,868)	-	<b>D</b>
Derivative gain (excluding gain (loss) on investments)					
<i>Mainly due to prepaid forward contracts using Alibaba shares</i>	623,989	<b>1,041,501</b>	417,512	66.9%	<b>E</b>
Other gain	119,398	<b>91,403</b>	(27,995)	(23.4%)	
<b>Segment income (income before income tax)</b>	<b>1,015,562</b>	<b>3,262,289</b>	<b>2,246,727</b>	<b>221.2%</b>	

## Notes:

- Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in the period are reclassified as “realized gain (loss) on investments.”
- Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were incurred, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. “Effects of foreign exchange translation” are amounts arising from the different foreign currency exchange rates used for these unrealized gains and losses on valuation and realized gains and losses.

**Main gains and losses related to prepaid forward contracts using Alibaba shares included in the above table**

Gain on investments at Investment Business of Holding Companies	-	<b>3,636,471</b>
Gain relating to settlement of prepaid forward contracts using Alibaba shares	-	<b>4,838,251</b>
of which, gain from remeasurement of Alibaba shares held upon its exclusion from the Company's associates	-	<b>3,996,668</b>
Realized loss on investments (recorded for physical settlements conducted after exclusion from associates)	-	<b>(124,631)</b>
Unrealized loss on valuation of investments (recorded on share price decline of Alibaba shares that continued to be held at the second quarter-end after exclusion from associates)	-	<b>(1,077,149)</b>
Finance cost	(5,836)	<b>(88,203)</b>
Derivative gain (excluding gain (loss) on investments)	625,116	<b>895,229</b>

**A Gain on investments at Investment Business of Holding Companies: ¥3,524,708 million**

- Gain relating to settlement of prepaid forward contracts using Alibaba shares of ¥4,838,251 million was recorded due to the physical settlement of a portion of the contracts. The amount includes a gain of ¥3,996,668 million from remeasurement of Alibaba shares.
- Gain of ¥24,842 million relating to sales of T-Mobile shares was recorded. This was due to the sale of 21.2 million T-Mobile shares held by the Company to Deutsche Telekom as Deutsche Telekom exercised a portion of its call options in April 2022.
- Realized loss of ¥54,226 million and unrealized valuation loss of ¥58,803 million were recorded on investments at asset management subsidiaries. This was a result of investments in listed stocks and other instruments by SB Northstar.
- Unrealized loss of ¥1,170,459 million was recorded on valuation of investments. This mainly comprised ¥1,077,149 million loss on investments in Alibaba, which was excluded from the Company's associates and is now accounted for as a financial asset at FVTPL.
- Derivative gain of ¥86,533 million on investments was recorded, mainly due to a gain of ¥83,022 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

**B Finance cost: ¥240,639 million (increase of ¥102,227 million year on year)**

Interest expenses increased by ¥109,127 million year on year at SBG<sup>2</sup> to ¥238,845 million. This was mainly due to the full amortization of unamortized costs associated with financial liabilities related to the Early Physical Settlement.

**C Foreign exchange loss: ¥1,100,143 million**

Foreign exchange loss of ¥1,100,143 million (net) was recorded due to the weaker yen, mainly because the U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated straight bonds) of SBG and fund procurement subsidiaries in Japan exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

**D Loss on equity method investments: ¥23,879 million (deterioration of ¥290,868 million year on year)**

Loss on equity method investments related to Alibaba was ¥25,394 million,<sup>3</sup> a deterioration of ¥302,667 million year on year. This was mainly due to recording investment losses on Alibaba's investments classified as financial assets at FVTPL.

Alibaba was previously an equity method associate of the Company; but was excluded from the associates in the second quarter. This reflects the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the Early Physical Settlement.

**E Derivative gain (excluding gain (loss) on investments): ¥1,041,501 million**

Derivative gain of ¥895,229 million was recorded due to a decrease in the Alibaba share price, mainly for the prepaid forward contracts using Alibaba shares.

**Impact of the asset management subsidiaries on Condensed Interim Consolidated Statement of Financial Position**<sup>\*1</sup>

	(Millions of yen)
	September 30, 2022
Cash and cash equivalents	11,969
Investments from asset management subsidiaries	139,344
Derivative financial assets in asset management subsidiaries	199
Other	8,838
<b>Total assets</b>	<b>160,350</b>
Derivative financial liabilities in asset management subsidiaries	925
Other	32
<b>Total liabilities</b>	<b>957</b>
Investments from Delaware subsidiaries <sup>*2</sup>	940,856
Equivalent amount of cash investments by SBG in Delaware subsidiaries	39,786
Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	881,177
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893 <b>A</b>
Retained earnings	(871,999) <b>B</b>
Exchange differences on translating foreign operations	90,536
<b>Equity</b>	<b>159,393 C</b>

Notes:

- SB Northstar's statement of financial position (excluding the impact of investments made by SB Northstar in Special Purpose Acquisition Companies ("SPACs") controlled by SBIA US) is presented for reference to show the impact of SB Northstar on the Consolidated Statement of Financial Position of the Company.
- Investments from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries"), to the asset management subsidiary, SB Northstar

**(Calculation of non-controlling interests)**

	(Millions of yen)
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893 <b>A</b>
Cumulative loss attributable to non-controlling interests <sup>*3</sup>	(290,571)
Exchange differences on translating foreign operations	37,076
<b>Non-controlling interests (interests of Masayoshi Son)</b>	<b>(233,602) D</b>

Note:

- One-third of B in the above table

**(Interests in equity (C above))**

	(Millions of yen)
Interests of SBG	392,995
Non-controlling interests (interests of Masayoshi Son)	(233,602) <b>D</b>
<b>Equity</b>	<b>159,393 C</b>



**Main interest-bearing debt and lease liabilities in this segment**

Borrower	Type	Balance as of September 30, 2022 in Condensed Interim Consolidated Statement of Financial Position
SBG	Borrowings	¥412.1 billion
	Corporate bonds	¥5,986.6 billion
	Lease liabilities	¥11.4 billion
	Commercial paper	¥209.0 billion
Wholly owned subsidiaries conducting fund procurement <sup>*1</sup>	Borrowings using Arm shares (asset-backed finance)	¥1,215.6 billion
	Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts)	¥2,784.8 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥499.4 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥405.4 billion
	Collar transactions using Deutsche Telekom shares	¥431.6 billion

Note:

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

**(b) SoftBank Vision Funds Segment**
**1. Gross performance since inception was \$13.5 billion gain in SVF1 and \$14.6 billion loss in SVF2.\*1**

**Market environment: The S&P 500 Index down 5.3%, the NASDAQ-100 Technology Sector Index down 8.4%, and the Thomson Reuters Venture Capital Index down 6.0% from June 30 to September 30, 2022.**

**SVF1: \$102.9 billion in cumulative returns (exit price, etc. + fair value of investments held) on \$89.4 billion investments, with \$13.5 billion gross gain**

- Investment loss was \$15.2 billion (¥2,008.3 billion) for the period.
- The fair value of investments held at the second quarter-end decreased by 7.8% from the previous quarter-end.\*2
  - Down 10.3% for public portfolio companies,\*3 due mainly to decline in share prices of GoTo, SenseTime, and DiDi, despite a recovery in share prices of Coupang and some others
  - Down 6.4% for private portfolio companies,\*3 reflecting markdowns due to their lower equity values in recent transactions and weaker performances in accordance with private valuation methodologies adopted

**SVF2: \$35.2 billion in cumulative returns on \$49.8 billion investments, with \$14.6 billion gross loss**

- Investment loss was \$14.6 billion (¥1,934.4 billion) for the period.
- The fair value of investments held at the second quarter-end decreased by 12.4% from the previous quarter-end.
  - Down 29.2% for public portfolio companies, due mainly to decline in share prices of WeWork and AutoStore
  - Down 9.8% for private portfolio companies, reflecting markdowns of a wide range of portfolio companies due to their weaker performances in accordance with private valuation methodologies adopted

(As of September 30, 2022; in billions of U.S. dollars)

	Since Inception			The Fiscal Year*4	
	Investment cost*5	Returns*5	Gain/loss	Gain/loss Jul - Sep	Gain/loss Apr - Sep
<b>SVF1</b>					
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 the fiscal year</i>				(0.1)	(1.2)
Derivatives/Interests/Dividends	0.0	2.4	2.4	-	-
<b>Total</b>	<b>89.4</b>	<b>102.9</b>	<b>13.5</b>	<b>(5.0)</b>	<b>(15.2)</b>
				<b>¥(695.2) billion</b>	<b>¥(2,008.3) billion</b>
<b>SVF2</b>					
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 the fiscal year</i>				0.0	0.1
Derivatives/Interests/Dividends	-	(0.1)	(0.1)	(0.0)	0.3
<b>Total</b>	<b>49.8</b>	<b>35.2</b>	<b>(14.6)</b>	<b>(4.6)</b>	<b>(14.6)</b>
				<b>¥(637.3) billion</b>	<b>¥(1,934.4) billion</b>

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

- Sold investments for a total of \$3.60 billion by SVF1 and SVF2 in the period (SVF1: \$3.03 billion, SVF2: \$0.57 billion). Seven portfolio companies were fully exited, including Uber and KE Holdings.<sup>1</sup>
- Made new and follow-on investments by SVF1 and SVF2 totaling \$2.50 billion (SVF1: \$0.26 billion, SVF2: \$2.24 billion),<sup>1</sup> a significant reduction from \$29.67 billion in the same period of the previous fiscal year.
- Decided to integrate the operations of SBIA and SoftBank Group International, which are collectively responsible for the Company's global investment activities, to improve operational efficiency.

**Notes:**

1. Cumulative gross gains and proceeds from realized investments are before deducting third-party interests, taxes, and expenses. The same applies to the presentation of cumulative investment performance hereinafter.
2. Represents changes in U.S. dollar-based fair values excluding those from investments or exits made during the second quarter.
3. Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
4. The amount of gains and losses for exited investments in the fiscal year 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 the first quarter are presented as reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year. Therefore, the total amount of gains and losses for the first quarter (April to June) disclosed in the first quarter and the gains and losses for the second quarter (July to September) for “investments before exits” may not match the amount of gains and losses for the period (April to September).
5. For derivatives, the investment cost represents the cost of the derivative. 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.

**OVERVIEW**

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1), SoftBank Vision Fund 2 (SVF2), and SoftBank Latin America Funds (LatAm Funds), as well as SPACs sponsored by SBIA US, and SB Opportunity Fund, which supports underrepresented entrepreneurs located primarily in the U.S.

**Outline of principal funds in the segment**

*As of September 30, 2022*

**SVF1 and SVF2**

SVF1 and SVF2 aim to maximize returns from a medium- to long-term perspective through large-scale investments in high-growth-potential companies leveraging AI, particularly in “unicorns.”<sup>4</sup> SVF1’s investment period has ended and the remaining undrawn capital is reserved for follow-on investments in existing portfolio companies (including investments in joint ventures with them), fixed distributions, and operating expenses.

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

**Notes:**

1. The Company’s committed capital to SVF1 includes approximately \$8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.
2. A co-investment program has been introduced for SVF2 for the Company’s management. MASA USA LLC (“MgmtCo”), an investment entity for the co-investment program, participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company’s consolidated financial statements. For details, see “14. Related party transactions regarding a co-investment program with restricted rights to receive distributions” in “(6) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

### LatAm Funds

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

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

Note:

1. A co-investment program has been introduced for LatAm Funds for the Company's management. MgmtCo participates in this fund. The interest attributable to MgmtCo is treated as a third-party interest in the Company's consolidated financial statements. For details, see "14. Related party transactions regarding a co-investment program with restricted rights to receive distributions" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."

### Financing at SVF

SVF1, SVF2, and LatAm Funds may independently make borrowings that are non-recourse to SBG, for the purpose of leveraging and maintaining liquidity. Types of borrowings include asset-backed finance, which utilizes assets held to enhance returns and distribute to limited partners, and fund-level facilities, which provide bridge funding by way of a revolving loan for the period between capital calls and arrivals of funds, thereby allowing a quick execution of investment after the investment decision is made.

### Fair value measurement of investments

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

**FINANCIAL RESULTS**

(Millions of yen)

	Six months ended September 30		Change	Change %
	2021	2022		
Loss on investments at SoftBank Vision Funds <sup>*1</sup>	(549,100)	<b>(4,312,342)</b>	(3,763,242)	- <b>A</b>
Loss on investments at SVF1, SVF2, and LatAm Funds	(549,799)	<b>(4,316,203)</b>	(3,766,404)	-
Realized gain on investments <sup>*2</sup>	853,408	<b>5,398</b>	(848,010)	(99.4%)
Unrealized loss on valuation of investments	(1,351,996)	<b>(4,303,080)</b>	(2,951,084)	-
Change in valuation for the fiscal year	(336,134)	<b>(4,200,240)</b>	(3,864,106)	-
Reclassified to realized gain recorded in the past fiscal years <sup>*2</sup>	(1,015,862)	<b>(102,840)</b>	913,022	-
Interest and dividend income from investments	23,174	<b>759</b>	(22,415)	(96.7%)
Derivative gain (loss) on investments	(42,535)	<b>36,365</b>	78,900	-
Effect of foreign exchange translation	(31,850)	<b>(55,645)</b>	(23,795)	-
Gain on other investments	699	<b>3,861</b>	3,162	452.4%
Selling, general and administrative expenses	(35,005)	<b>(30,983)</b>	4,022	(11.5%)
Finance cost	(10,157)	<b>(35,795)</b>	(25,638)	252.4%
Derivative gain (excluding gain (loss) on investments)	1,424	<b>620</b>	(804)	(56.5%)
Change in third-party interests in SVF	194,092	<b>1,018,741</b>	824,649	424.9% <b>B</b>
Other gain (loss)	(2,440)	<b>9,105</b>	11,545	-
<b>Segment income (income before income tax)</b>	<b>(401,186)</b>	<b>(3,350,654)</b>	<b>(2,949,468)</b>	-

## Notes:

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

**Investments and disposals by SVF1 and SVF2**

(Billions of U.S. dollars)

	Investments made during the period			Disposals <sup>5</sup> made during the period		
	Q1	Q2	YTD	Q1	Q2	YTD
SVF1	0.06	0.20	0.26	2.10	0.93	3.03
SVF2	2.11	0.13	2.24	0.51	0.06	0.57

Note: Investments and disposals by SVF1 and SVF2 include those through share exchanges. Investments include new and follow-ons.

**Segment income**
**A Loss on investments at SoftBank Vision Funds: ¥4,312,342 million**

(Millions of yen)

	Six months ended September 30		Change	Change %
	2021	2022		
Loss on investments at SVF1	(687,267)	<b>(2,008,251)</b>	(1,320,984)	-
Loss on investments at SVF2	(55,901)	<b>(1,934,361)</b>	(1,878,460)	-
Gain (loss) on investments at LatAm Funds	193,369	<b>(373,591)</b>	(566,960)	-
<b>Loss on investments at SVF1, SVF2, and LatAm Funds</b>	<b>(549,799)</b>	<b>(4,316,203)</b>	<b>(3,766,404)</b>	-

**B Change in third-party interests in SVF: ¥1,018,741 million**

This indicates the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions, which are based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1, (ii) management and performance-linked management fees payable to SBGA from SVF2, (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds, and (iv) operating and other expenses of SVF. For details, see “(2) Third-party interests in SVF” under “4. SoftBank Vision Funds business” in “(6) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

**Investment performance**

As of September 30, 2022

**SVF1**

(Billions of U.S. dollars)

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

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain <sup>*1</sup>
	<b>99</b>	<b>89.4</b>	<b>102.9</b>	<b>13.5</b>

**(Reference)**

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain <sup>*1</sup>
Effects of share exchanges Uber Advanced Technologies Group and Aurora Innovation Inc. PT Tokopedia and GoTo Grofers International Pte. Ltd. and Zomato Limited	(3)	(1.9)	(1.9)	-
Effects of dividends in kind Treasure Data, Inc. Acetone Limited (Equity interest in Arm China JV)	(2)	-	-	-
Net of effects of share exchanges and dividends in kind <sup>*2, 3</sup>	94	87.5	101.0	13.5

**(1) Exited investments**

	Number of investments	Investment cost	Exit price	Cumulative realized gain <sup>*1</sup>	Realized gain (loss) recorded for the fiscal year	
					Jul – Sep	Apr – Sep
Partial exit	-	2.0	9.9	7.9		0.6
Full exit <sup>*4</sup>	21	19.8	30.0	10.2		(0.6)
<b>Total</b>	<b>21</b>	<b>21.8</b>	<b>39.9</b>	<b>18.1</b>	<b>0.2</b>	<b>0.0</b>

**(2) Investments before exit (investments held at the second quarter-end) <sup>\*5</sup>**

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss) <sup>*7</sup>	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jul – Sep	Apr – Sep
Public companies <sup>*6</sup>	22	32.3	21.3	(11.0)	(2.4)	(9.1)
Private companies	56	35.3	39.3	4.0	(2.7)	(4.9)
<b>Total</b>	<b>78</b>	<b>67.6</b>	<b>60.6</b>	<b>(7.0)</b>	<b>(5.1)</b>	<b>(14.0)</b>

**(3) Derivatives**

	Derivative cost	Fair value/settlement price	Cumulative derivative gain	Derivative gain (loss) recorded for the fiscal year	
				Jul – Sep	Apr – Sep
Unsettled	-	-	-		-
Settled	0.0	1.5	1.5		-
<b>Total</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>-</b>	<b>-</b>

**(4) Interest and dividend income from investments**

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jul – Sep	Apr – Sep
<b>Total</b>	<b>0.9</b>	<b>0.9</b>	<b>-</b>	<b>-</b>

Notes:

\* The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

1. Before deducting third-party interests, taxes, and expenses

2. For investments in which share exchanges occurred, acquisition costs of new investments and disposal prices (sale prices) of investments initially held are deducted for the purpose of presenting the cumulative net investment performance. Similarly, investments acquired through dividends in kind from existing portfolio companies are deducted from the investment count.

3. In addition to the public share exchanges above, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated

companies, which are also existing portfolio companies. Acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.

4. Includes disposal (sale) through share exchanges.
5. The classification of portfolio companies as public/private is based on their status as of the second quarter-end.
6. Includes DiDi Global Inc., which is traded in the over-the-counter market.
7. For a certain investment that was initially determined to be transferred from the Company to SVF1 but later canceled, any unrealized valuation gains and losses incurred for the period leading up to the decision to cancel the transfer are not included in the presentation.

## SVF2

(Billions of U.S. dollars)

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

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss <sup>*1</sup>
	273	49.8	35.2	(14.6)

### (1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain (loss) <sup>*1</sup>	Realized gain (loss) recorded for the fiscal year	
					Jul – Sep	Apr – Sep
Partial exit	-	0.1	0.0	(0.1)		(0.0)
Full exit	3	1.4	2.6	1.2		0.0
<b>Total</b>	<b>3</b>	<b>1.5</b>	<b>2.6</b>	<b>1.1</b>	<b>(0.0)</b>	<b>0.0</b>

### (2) Investments before exit (investments held at the second quarter-end)<sup>\*2</sup>

	Number of investments	Investment cost <sup>*4</sup>	Fair value <sup>*4</sup>	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jul – Sep	Apr – Sep
Public companies <sup>*3</sup>	14	8.2	3.5	(4.7)	(1.5)	(5.3)
Private companies	256	40.1	29.2	(10.9)	(3.1)	(9.7)
<b>Total</b>	<b>270</b>	<b>48.3</b>	<b>32.7</b>	<b>(15.6)</b>	<b>(4.6)</b>	<b>(15.0)</b>

### (3) Derivatives

	Derivative cost	Fair value/settlement price	Cumulative derivative loss	Derivative gain (loss) recorded for the fiscal year	
				Jul – Sep	Apr – Sep
Unsettled	-	(0.1)	(0.1)		0.3
Settled	-	(0.0)	(0.0)		(0.0)
<b>Total</b>	<b>-</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>0.3</b>

### (4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jul – Sep	Apr – Sep
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Notes:

\* The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

1. Before deducting taxes and expenses
2. The classification of portfolio companies as public/private is based on their status as of the second quarter-end.
3. Includes Zhangmen Education Inc., which is traded in the over-the-counter market.
4. The investment cost and fair value of investments before exit in SVF2 include those related to a minor SVF2 ownership percentage in another portfolio company received as part of the consideration for SVF2's investment in a portfolio company.



## Capital deployment

As of September 30, 2022

### SVF1

(Billions of U.S. dollars)

	Total	The Company	Third-party investors
Committed capital (A)	98.6	33.1	65.5
Drawn capital <sup>6</sup> (B)	87.1	29.8	57.3
Return of capital (non-recallable) (C)	32.3	9.0	23.3
Outstanding capital (D) = (B) – (C)	54.8	20.8	34.0
Remaining committed capital (E) = (A) – (B)	11.5	3.3	8.2

Note: The Company's committed capital to SVF1 includes approximately \$8.2 billion of an obligation that is satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.

### SVF2

(Billions of U.S. dollars)

	Total
Committed capital (A)	56.0
Drawn capital (B)	49.8
Remaining committed capital (C) = (A) – (B)	6.2

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of September 30, 2022)

Total committed capital	56.0
The Company's equity commitment to investments outside the scope of the Program	8.5
The Company's preferred equity commitment to SVF2 LLC <sup>*1</sup>	32.5
The Company's equity commitment to SVF2 LLC	12.4
MgmtCo's equity commitment to SVF2 LLC	2.6

Notes:

\*As of the second quarter-end, no capital has been paid by MgmtCo.

- SVF2 LLC (SVF II Investment Holdings LLC) is a subsidiary of the Company established under SVF2 and indirectly holds investments subject to the co-investment program.

As of the second quarter-end, total committed capital for SoftBank Latin America Funds is \$7.6 billion, with drawn capital totaling \$7.2 billion.

For a complete list of portfolio companies and historical quarterly results of SVF1, SVF2 and LatAm Funds, see the Data Sheets under "Earnings Results Briefing" on the Company's website at <https://group.softbank/en/ir/presentations/>.

### (c) SoftBank Segment

**Segment income decreased by 19.3% yoy, mainly due to decreases in income in the consumer business, which was affected by a fall in mobile service charges, as well as in the Yahoo! JAPAN/LINE and enterprise businesses.**

(Millions of yen)

	Six months ended September 30		Change	Change %
	2021	2022		
Net sales	2,724,357	<b>2,809,899</b>	85,542	3.1%
Segment income (income before income tax)	532,125	<b>429,281</b>	(102,844)	(19.3%)
Depreciation and amortization	(367,752)	<b>(368,107)</b>	(355)	0.1%
Gain (loss) on investments	20,284	<b>(3,450)</b>	(23,734)	-
Finance cost	(31,104)	<b>(31,079)</b>	25	(0.1%)
Loss on equity method investments <sup>*1</sup>	(28,254)	<b>(29,042)</b>	(788)	-
Derivative gain (excluding gain (loss) on investments)	2	<b>1,541</b>	1,539	-

Note:

1. Includes losses on equity method investments related to PayPay Corporation of ¥7,094 million for the period and ¥13,930 million for the same period of the previous fiscal year. At SoftBank Corp., PayPay Corporation is classified as an equity method associate; however, PayPay Corporation has consistently been classified as a subsidiary of SBG since its founding in June 2018 with its financial results included in "Other." For this reason, losses on equity method investments related to PayPay Corporation recognized in the SoftBank segment are eliminated in the "Reconciliations" section of the segment information. Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results will no longer be included in "Other" and instead will be presented within the SoftBank segment from the three-month period ending December 31, 2022, with the results retrospectively adjusted and presented for the nine-month period ending December 31, 2022 and for the same period of the previous fiscal year.

## OVERVIEW

Segment results include the results of business activities of SoftBank Corp. mainly in Japan, such as provision of mobile services and sale of mobile devices, as well as provision of broadband and e-commerce services. Under its *Beyond Carrier* strategy, SoftBank Corp. aims to strengthen its earnings base by going beyond the confines of a conventional telecommunications carrier, while further growing the telecommunications business, and expanding its businesses in three fields: telecommunications business, Yahoo! JAPAN/LINE business, and new businesses.

## FINANCIAL RESULTS

Segment income was ¥429,281 million, a decrease of ¥102,844 million (19.3%) year on year. This was mainly due to decreases in income in the consumer, Yahoo! JAPAN/LINE, and enterprise businesses, as well as investment loss recorded in the period compared with gain in the same period of the fiscal year.

Income in the consumer business decreased mainly due to a fall in mobile service charges. Income in the Yahoo! JAPAN/LINE business decreased mainly due to a gain related to the loss of control of YJFX, Inc. recorded in the same period of the previous fiscal year, following the divestment of the company, as well as an increase in personnel expenses associated with a reinforcement of its workforce for further growth, while sales increased mainly in commerce and advertising-related services. Income in the enterprise business decreased mainly due to the litigation provision, despite an increase in sales for cloud services and the like as a result of the digitization of enterprises accelerated. The deterioration in loss on investments was due to a decrease in the fair value of portfolio companies, primarily those that were invested for the purpose of strengthening solution services.

**NO IMPACT FROM THE CONVERSION OF PAYPAY CORPORATION INTO A SUBSIDIARY OF SOFTBANK CORP. AND Z HOLDINGS CORPORATION**

SoftBank Corp. and Z Holdings Corporation plan to record a gain from remeasurement relating to business combination in the three-month period ending December 31, 2022 following the conversion of PayPay Corporation into their subsidiary. However, since PayPay Corporation has consistently been classified as a consolidated subsidiary of SBG, the Company will not record such gains.

In conjunction with the conversion of PayPay Corporation to a subsidiary, SoftBank Corp. plans to change the accounting policy to apply the acquisition method to business combinations under common control involving non-controlling interests from the three-month period ending December 31, 2022. SoftBank Corp. 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 SoftBank Corp 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 SoftBank Corp. However, SoftBank Corp. will change the accounting policy to apply the acquisition method from the three-month period ending December 31, 2022, and the new accounting policy will be retrospectively applied to transactions under common control involving non-controlling interests. Such transactions include the consolidation of Yahoo Japan Corporation (currently Z Holdings Corporation) in June 2019. With this retroactive application, assets, liabilities, and equity of SoftBank Corp. are expected to be increased in its consolidated statement of financial position as of March 31, 2022. The company also expects to record amortization expenses by recognizing identifiable intangible assets pertaining to PayPay Corporation and Z Holdings Corporation, the latter of which were recognized in conjunction with this change in accounting policy. Nevertheless, the Company expects no impact from these on its consolidated financial statements as PayPay Corporation and Z Holdings Corporation have consistently been classified as subsidiaries of SBG.

For more information on SoftBank Corp.'s financial results and business operations, please refer to its website at <a href="https://www.softbank.jp/en/corp/ir/">https://www.softbank.jp/en/corp/ir/</a> .
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## (d) Arm Segment

### 1. Arm's business remains robust, including a half-year record high royalty revenue and strong demand for technology licenses.

- ◆ Net sales decreased by 6.1% yoy (U.S. dollar-based) mainly due to very strong license revenue in the same period of the previous fiscal year. In yen terms, net sales increased by 13.9% due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.

- Technology royalty revenue increased by 22.2% yoy (U.S. dollar-based) due to higher royalty rates in smartphones and more chips deployed in advanced cars.

- Technology non-royalty revenue decreased by 35.8% yoy (U.S. dollar-based). Despite higher-than-normal non-royalty revenue in the period, revenues were still down compared to the record high revenues recognized one year ago. The revenues recognized in the same period of the previous fiscal year included some high-value deals that were signed with large customers in previous periods. Arm continued to see robust customer demand in the period.

- ◆ Segment income on a U.S. dollar basis decreased due to lower net sales. In yen terms, segment income increased by 4.8% due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.

### 2. Arm makes progress in its infrastructure strategy.

Arm announced its next generation processor, *Arm Neoverse V2*, targeting cloud servers, hyperscale workloads, and high-performance computing applications.

### 3. Arm continued its preparations for a potential public offering.

Arm welcomes two new Board members in September 2022, and one new Board member and a new CFO in November 2022.

(Millions of yen)

	Six months ended September 30		Change	Change %
	2021	2022		
Net sales	161,355	<b>183,705</b>	22,350	13.9%
Segment income (income before income tax) <sup>*1</sup>	33,994	<b>35,631</b>	1,637	4.8%

Note:

1. Segment income included amortization expenses of ¥30,354 million for the period and ¥24,997 million for the same period of the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

## OVERVIEW

Arm's operations primarily consist of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Since its acquisition by the Company in 2016, Arm has accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm is developing new technologies that may help it maintain or increase its share of the existing markets and expand into new markets.

### Strengthening management

As Arm continues to prepare for a potential public offering, Arm appointed new Board members Karen Dykstra, former Chief Financial and Administrative Officer of AOL, Inc., Jeff Sine, Co-Founder and Partner of The Raine Group LLC. in September 2022, and Tony Faddell, Principal at the Build Collective, in November 2022, as well as Jason Child, former CFO of Splunk Inc., as CFO in November 2022. This is expected to further strengthen the company's management.

### Industry trends and their impact

Semiconductor industry trends can have a significant impact on Arm's financial results, both positively and negatively. Industry growth benefits Arm's technology royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm's customers to increase design activity, creating new opportunities for Arm to license its latest technologies and thus driving non-royalty revenue (technology licensing revenue and software and services revenue).

The semiconductor industry has grown strongly in the period, compared to the same period of the previous fiscal year, due to long-term trends such as more products and services depending on increasing amounts of embedded intelligence, such as cars providing more driver information and assistance, and smartphones improving camera technology generation after generation for better photography. Some markets have shown particularly strong growth in the period, including 5G smartphones and networking equipment as well as embedded and automotive applications, where Arm has good exposure. However, in recent quarters Arm has started to see industry growth flatten out sequentially, which may result in slower year-on-year industry growth in the future.

The industry is vulnerable to other external factors, including inventory corrections, trade disputes, and sanctions against specific companies, as well as the impact of temporary component shortages. If shipments of consumer electronic devices weaken, it may lead to lower Arm's technology royalty revenue, and if Arm's customers facing reduced revenues choose to delay licensing decisions, it may lead to lower technology non-royalty revenue. However, it is difficult to anticipate when these events may occur and the impact on the semiconductor industry in general or Arm specifically.

Arm is expecting that, as consumer and enterprise electronics become more advanced, its technology will be further utilized and opportunities will expand over the long term.

## FINANCIAL RESULTS

### Net sales in U.S. dollars

Net sales in this section are presented in U.S. dollars as Arm's revenue is primarily U.S. dollar-based.

	(Millions of U.S. dollars)			
	Six months ended September 30			
	2021	2022	Change	Change %
Technology royalty	749	916	167	22.2%
Technology non-royalty	714	459	(255)	(35.8%)
<b>Total net sales</b>	<b>1,463</b>	<b>1,375</b>	<b>(88)</b>	<b>(6.1%)</b>

Net sales decreased by \$88 million (6.1%) year on year due to a decrease in technology non-royalty revenue partially offset by an increase in technology royalty revenue.

### Technology royalty revenue

Technology royalty revenue increased by \$167 million (22.2%) year on year. Royalty revenues were driven by the strong shipments of Arm-based 5G high-end smartphones, including some based on Arm's latest *Armv9* architecture, which will typically command a higher royalty fee, deployment of networking equipment into 5G base stations, and Arm's customers gaining share in multiple markets such as automotive, IoT, and servers. In addition, Arm's customers are benefiting from the continuing demand for computer chips enabling prices to increase. As Arm's royalty revenue is often based on the price of the chips, Arm is also benefiting from higher chip prices.

### Technology non-royalty revenue

Technology non-royalty revenue decreased by \$255 million (35.8%) year on year. This decrease is primarily due to a half-year record high technology non-royalty revenue in the same period of the previous fiscal year, which was due in part to the timing of revenue related to contracts signed with some large customers who were making major investments in Arm's expanded technology portfolio. Arm continued to see robust customer demand due to the availability of more Arm technology following the accelerations in R&D spending after Arm was acquired by the Company. Over the past few years, Arm has increased investment in R&D, which has now resulted in a product portfolio that has expanded the breadth of Arm technology to include processors optimized for servers, automotive electronics, and AI acceleration. This has led to a wider range of customers licensing Arm technology, as well as existing customers having more Arm technology to choose from, both of which are helping to drive licensing revenues. This included licenses for processors used by customers intending to build Arm-based servers and PC chips, smartphones, networking equipment, autonomous systems such as industrial robotics and self-driving vehicles, and for AI-enabled microcontrollers.

### Segment income

Segment income on a U.S. dollar basis declined. The negative impact of lower revenue and fees related to preparations for a public offering was partially offset by improved operational efficiency and a foreign exchange gain resulting from the weaker British pound against the U.S. dollar. On the other hand, segment income on a yen basis increased by ¥1,637 million (4.8%) year on year to ¥35,631 million, due to the weaker yen exchange rate used for translation in the preparation of the Company's consolidated financial statements.

## OPERATIONS

### Royalty units<sup>7</sup>

	(Billion)			
	Six-month period ended June 30			
	2021	2022	Change	Change %
<b>Royalty units as reported by Arm's licensees</b>	13.9	<b>14.9</b>	1.0	7.2%

Arm's licensees reported shipments of 14.9 billion Arm-based chips in the six-month period ended June 30, 2022, an increase of 7.2% year on year.

## TECHNOLOGY DEVELOPMENT

Arm considers the following as its primary areas for increased investment and is evolving technology in both its mobile business and other businesses with strong growth potential.

### Arm's primary investment areas and main developments

#### Mobile computing

- |                   |   |
|-------------------|---|
| Opportunity       | · Arm already has over 95% market share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.  |
| Main developments | · Arm announced its annual update of technology for smartphones in June 2022, including the <i>Arm Cortex-X3</i> and <i>Cortex-A715</i> CPUs, both based on <i>Armv9</i> technology, and <i>Arm Immortalis-G715</i> GPU, which brings hardware-based ray tracing support to mobile devices, delivering more realistic and immersive gaming experiences. |

#### Infrastructure

- |                   |   |
|-------------------|---|
| Opportunity       | · Arm has a growing share in networking infrastructure and a nascent share in data center servers.  |
| Main developments | · Arm announced adoption of <i>Arm Neoverse</i> -based chips by Google Cloud servers in July 2022. Google Cloud customers can now run workloads on the Ampere Altra chip, based on <i>Arm Neoverse N1</i> CPU. Google joins Alibaba, Amazon, and Microsoft in deploying server chips based on Arm technology.<br>· <b>Arm announced in September 2022 <i>Neoverse V2</i>, the latest Arm core targeted at providing world-leading performance for cloud servers, hyperscale workloads, and high-performance computing applications.</b> |

#### Automotive

- |                   |  |
|-------------------|--|
| Opportunity       | · As vehicles become smarter, they require more computational capability. Arm is well-positioned to gain market share by providing energy efficiency and Arm processor technology has already been licensed by most companies that develop automotive chips. |
| Main developments | · Arm announced in July 2022 that it is working with Cruise LLC to scale out their autonomous driving platform.  |

#### IoT

- |                   |   |
|-------------------|---|
| Opportunity       | · For IoT to reach its full potential, it must be secure against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks.  |
| Main developments | · Arm announced in June 2022 the <i>Arm Mali-C55 Image Signal Processor (ISP)</i> , its smallest and most configurable image signal processor designed for IoT devices such as home security cameras and drones, which is already seeing success with licensees such as Renesas Electronics Corp. |

For more information about Arm, its business, and its technology, please refer to its website at <a href="https://www.arm.com">https://www.arm.com</a> .
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**(e) Other**

(Millions of yen)				
	Six months ended September 30		Change	Change %
	2021	2022		
Net sales	111,613	<b>206,052</b>	94,439	84.6%
Segment income (income before income tax)	(16,908)	<b>(23,005)</b>	(6,097)	-
Depreciation and amortization	(16,118)	<b>(22,146)</b>	(6,028)	37.4%
Loss on investments	(10,667)	<b>(17,463)</b>	(6,796)	-
Finance cost	(7,568)	<b>(8,357)</b>	(789)	10.4%
Income on equity method investments	19,486	<b>307</b>	(19,179)	(98.4%)
Derivative loss (excluding gain (loss) on investments)	(3,479)	<b>(14,362)</b>	(10,883)	-

Segment loss was ¥23,005 million. A U.K. subsidiary engaged in the renewable energy business recorded a loss before income tax of ¥13,016 million, mainly due to a decrease in the fair value of one of its investees, and PayPay Corporation recorded a loss before income tax of ¥11,220 million.

An overview and business results of PayPay Corporation are as follows:

PayPay Corporation, which is engaged in smartphone payment services in Japan, recorded a loss before income tax of ¥11,220 million. This was mainly due to recording expenses associated with marketing campaigns aimed at acquiring users and promoting usage, as well as the retention and expansion of stores where the service is available. Nonetheless, loss before income tax narrowed year on year as revenues increased, mainly due to an increase in payment fees following the introduction of payment fees to small and medium-sized merchants in October 2021 and growth in the gross merchandise value of payments. PayPay Corporation's payment services continued to see strong growth, with the number of payments for the period reaching 2.38 billion, a 1.4-fold increase year on year, and the gross merchandise value of payments reaching ¥3.5 trillion, a 1.4-fold increase year on year.

**Results of PayPay Corporation included in “Other”**

(Millions of yen)				
	Six months ended September 30		Change	Change %
	2021	2022		
Net sales	24,042	<b>53,163</b>	29,121	121.1%
Loss before income tax	(27,824)	<b>(11,220)</b>	16,604	-

Note: In the fourth quarter of the previous fiscal year, a lump-sum deduction of ¥6,399 million was made from net sales, including a portion of marketing costs for stores, which had been recorded as expenses in the first three quarters of the previous fiscal year. Since no retrospective adjustments have been made to the net sales for the first three quarters of the previous fiscal year, ¥793 million of the abovementioned expenses are included in net sales for the same period of the previous fiscal year.

Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results will no longer be included in “Other” and instead will be presented within the SoftBank segment from the three-month period ending December 31, 2022, with the results retrospectively adjusted and presented for the nine-month period ending December 31, 2022, and for the same period of the previous fiscal year. PayPay Corporation has been consolidated by SBG as a subsidiary since its founding in June 2018 and will continue as such.



## (2) Overview of Financial Position

### 1. Status of investment assets

#### ◆ Carrying amount of investments from SVF (FVTPL) of ¥12,690.5 billion, a decrease of ¥2,219.1 billion from the previous fiscal year-end<sup>\*1</sup>

- Decrease at SVF1 of ¥1,068.3 billion<sup>\*2</sup>: The balance decreased by \$13.92 billion due to a decrease in the fair value of investments held at the second quarter-end and by \$4.29 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.26 billion due to new and follow-on investments.<sup>1</sup>
- Decrease at SVF2 of ¥973.6 billion<sup>\*2</sup>: The balance decreased by \$15.29 billion due to a decrease in the fair value of investments held at the second quarter-end and by \$0.51 billion due to divestments. These were partially offset by an increase of \$2.24 billion due to new and follow-on investments.
- Decrease at LatAm Funds of ¥177.2 billion<sup>\*2</sup>

#### ◆ Carrying amount of investment securities of ¥7,362.6 billion, an increase of ¥4,277.2 billion from the previous fiscal year-end

- Carrying amount of ¥4,484.8 billion was newly recorded for Alibaba shares that continued to be held at the second quarter-end.

#### ◆ Investments accounted for using the equity method of ¥847.9 billion, a decrease of ¥4,386.6 billion from the previous fiscal year-end

- Consolidated carrying amount of Alibaba of ¥4,572.1 billion decreased due to its exclusion from equity method associates. Alibaba shares are recorded as “investment securities” under financial assets at FVTPL, for which investment performances are measured at fair value.

### 2. Changes in liabilities associated with financing activities

#### ◆ Interest-bearing debt of SBG decreased by ¥823.1 billion from the previous fiscal year-end.

#### ◆ Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥1,993.0 billion from the previous fiscal year-end.

- Financial liabilities relating to sale of shares by prepaid forward contracts decreased by ¥1,282.7 billion due to the physical settlement of certain forward contracts using Alibaba shares, despite an increase due to the procurement of \$18.35 billion by concluding prepaid forward contracts during the period.

### 3. Changes in equity

#### ◆ Total equity increased by ¥1,811.8 billion from the previous fiscal year-end.

- ¥129.1 billion net loss attributable to owners of the parent reduced retained earnings.
- ¥523.1 billion worth of shares were repurchased in the period as share repurchasing continued.
- ¥2,647.1 billion increase in exchange differences from the translation of foreign operations due to the weaker yen

#### ◆ Ratio of equity attributable to owners of the parent (equity ratio) was 25.7% at the second quarter-end, up from 21.0% at the previous fiscal year-end.

Notes:

1. Investments from SVF (FVTPL) do not include their investments in the Company’s subsidiaries or investments that were transferred from the Company to the funds and continue to be accounted for using the equity method (and are included in “investments accounted for using the equity method”) prior to and after the transfer.
2. Includes increases in the carrying amount of investments at SVF1, SVF2, and LatAm Funds due to an 18.3% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the second quarter-end.

(Millions of yen)

	March 31, 2022	September 30, 2022	Change	Change %
Total assets	47,544,670	46,200,567	(1,344,103)	(2.8%)
Total liabilities	35,836,908	32,680,958	(3,155,950)	(8.8%)
Total equity	11,707,762	13,519,609	1,811,847	15.5%

**(a) Assets**

	March 31, 2022	September 30, 2022	(Millions of yen) Change
Cash and cash equivalents	5,169,001	<b>5,886,162</b>	717,161
Trade and other receivables	2,361,149	<b>2,515,284</b>	154,135
Derivative financial assets	1,050,446	<b>654,252</b>	(396,194) <b>A</b>
Other financial assets	971,125	<b>707,866</b>	(263,259) <b>B</b>
Inventories	142,767	<b>176,859</b>	34,092
Other current assets	334,101	<b>247,409</b>	(86,692)
<b>Total current assets</b>	<b>10,028,589</b>	<b>10,187,832</b>	159,243
Property, plant and equipment	1,842,749	<b>1,693,795</b>	(148,954) <b>C</b>
Right-of-use assets	914,743	<b>878,420</b>	(36,323)
Goodwill	4,897,913	<b>5,459,155</b>	561,242 <b>D</b>
Intangible assets	2,427,580	<b>2,480,663</b>	53,083
Costs to obtain contracts	330,899	<b>357,868</b>	26,969
Investments accounted for using the equity method	5,234,519	<b>847,881</b>	(4,386,638) <b>E</b>
Investments from SVF (FVTPL)	14,909,614	<b>12,690,516</b>	(2,219,098) <b>F</b>
SVF1	8,365,274	<b>7,296,976</b>	(1,068,298)
SVF2	5,401,117	<b>4,427,542</b>	(973,575)
LatAm Funds	1,143,223	<b>965,999</b>	(177,224)
Investment securities	3,085,369	<b>7,362,574</b>	4,277,205 <b>G</b>
Derivative financial assets	1,333,787	<b>1,659,361</b>	325,574 <b>H</b>
Other financial assets	2,230,615	<b>2,257,882</b>	27,267
Deferred tax assets	163,255	<b>163,791</b>	536
Other non-current assets	145,038	<b>160,829</b>	15,791
<b>Total non-current assets</b>	<b>37,516,081</b>	<b>36,012,735</b>	(1,503,346)
<b>Total assets</b>	<b>47,544,670</b>	<b>46,200,567</b>	(1,344,103)

**Reasons for changes by primary component**

Components	Main reasons for changes from the previous fiscal year-end
<u>Current assets</u>	
<b>A</b> Derivative financial assets	Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥407,543 million, 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.
<b>B</b> Other financial assets	At SB Northstar, with the downsizing of the business, restricted cash decreased by ¥131,474 million, investments from asset management subsidiaries decreased by ¥93,440 million, and derivative financial assets in asset management subsidiaries decreased by ¥48,267 million.
<u>Non-current assets</u>	
<b>C</b> Property, plant and equipment	<ul style="list-style-type: none"> <li>· SoftBank Corp. made a capital investment in telecommunications equipment.</li> <li>· The property, plant and equipment of ¥240,322 million of a U.S. subsidiary engaged in the renewable energy business was excluded following the company's exclusion from the scope of consolidation.</li> </ul>
<b>D</b> Goodwill	Goodwill of Arm increased by ¥530,893 million due to the weaker yen against the U.S. dollar.
<b>E</b> Investments accounted for using the equity method	The consolidated carrying amount of Alibaba decreased by ¥4,572,129 million. The decrease reflects the derecognition of investments in Alibaba accounted for using the equity method following its exclusion from equity method associates as the Company's voting ownership in the company fell below 20% during the course of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares from August to September 2022. Alibaba shares held by the Company at the second quarter-end are recorded as "investment securities."

Components	Main reasons for changes from the previous fiscal year-end
<b>F Investments from SVF (FVTPL)</b>	<ul style="list-style-type: none"> <li>· The carrying amount of investments at SVF1 decreased by ¥1,068.3 billion. This mainly reflected a decrease of \$13.92 billion due to a decrease in the fair value of investments held at the second quarter-end and a decrease of \$4.29 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.26 billion due to new and follow-on investments.<sup>1</sup></li> <li>· The carrying amount of investments at SVF2 decreased by ¥973.6 billion. This mainly reflected a decrease of \$15.29 billion due to a decrease in the fair value of investments held at the second quarter-end and a decrease of \$0.51 billion due to divestments. These were partially offset by an increase of \$2.24 billion due to new and follow-on investments.</li> <li>· The carrying amount of investments at LatAm Funds decreased by ¥177.2 billion. This mainly reflected a decrease of \$2.87 billion due to a decrease in the fair value of portfolio companies held at the second quarter-end*<sup>1</sup> and a decrease of \$0.05 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.25 billion due to new and follow-on investments.<sup>1</sup></li> </ul> <p>The carrying amount of investments at each fund as of the second quarter-end also included the increase caused by the foreign exchange rate used for translation of 18.3% depreciation of the yen against the U.S. dollar.</p> <p>For details on the status of investments at SVF1, SVF2, and LatAm Funds, see “(b) SoftBank Vision Funds Segment” under “b. Results by Segment” in “(1) Overview of Results of Operations.”</p>
<b>G Investment securities</b>	<ul style="list-style-type: none"> <li>· The carrying amount of Alibaba shares that continued to be held at the second quarter-end of ¥4,484,758 million (\$30,970 million) was newly recorded.</li> <li>· The carrying amount of T-Mobile shares decreased by ¥184,323 million (\$2,484 million) (balance at the second quarter-end: ¥772,733 million (\$5,336 million)). This mainly reflected the sale of 21.2 million T-Mobile shares held by the Company to Deutsche Telekom following its partial exercise of call options for the shares.</li> <li>· The carrying amount of Deutsche Telekom shares increased by ¥40,901 million (decreased in U.S. dollar terms by \$373 million*<sup>2</sup>) (balance at the second quarter-end: ¥558,861 million (\$3,859 million)).</li> </ul> <p>The carrying amount of T-Mobile shares and Deutsche Telekom shares as of the second quarter-end also included the increase caused by the foreign exchange rate used for translation of 18.3% depreciation of the yen against the U.S. dollar.</p> <p>The carrying amount of investments from LatAm Funds is now included in investments from SVF (FVTPL), following the integration of the Latin America Funds segment into the SoftBank Vision Funds segment in the first quarter. For details, see “1. Changes in presentation” under “(6) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”</p>

Components	Main reasons for changes from the previous fiscal year-end
<b>H Derivative financial assets</b>	<ul style="list-style-type: none"> <li>· The fair value of the contingent consideration related to T-Mobile shares increased by ¥200,587 million (balance at the second quarter-end: ¥792,015 million).</li> <li>· Derivative financial assets increased by ¥82,686 million, mainly due to the new prepaid forward contracts using Alibaba shares and a fall in the Alibaba share price, despite the physical settlement of a portion of the prepaid forward contracts.</li> </ul>

## Notes:

1. Includes the impact from the weaker local currencies against the U.S. dollar.
2. Includes the impact from the weaker euro against the U.S. dollar.

**(Reference) Cash and cash equivalents by entity**

Consolidated cash and cash equivalents increased by ¥717.2 billion to ¥5,886.2 billion from the previous fiscal year-end. Of this, cash and cash equivalents of SBG increased by ¥756.6 billion to ¥3,259.2 billion. For details, see “(3) Overview of Cash Flows.”

	(Millions of yen)		
	March 31, 2022	September 30, 2022	Change
<b>SBG and wholly owned subsidiaries</b>			
<b>conducting fund procurement, etc.</b>	2,569,355	<b>3,283,773</b>	714,418
SBG	2,502,626	<b>3,259,238</b>	756,612
Wholly owned subsidiaries conducting fund procurement	26,271	<b>12,566</b>	(13,705)
SB Northstar	40,458	<b>11,969</b>	(28,489)
<b>SoftBank Vision Funds segment</b>			
SVF1	47,754	<b>28,570</b>	(19,184)
SVF2	150,462	<b>19,468</b>	(130,994)
LatAm Funds	1,890	<b>1,955</b>	65
SBIA, SBGA, SBLA Advisers Corp.	24,340	<b>31,716</b>	7,376
<b>SoftBank segment</b>			
SoftBank Corp.	318,661	<b>254,345</b>	(64,316)
Z Holdings Corporation <sup>*1</sup>	383,093	<b>628,137</b>	245,044
Others <sup>*2</sup>	845,038	<b>833,869</b>	(11,169)
<b>Others</b>	828,408	<b>804,329</b>	(24,079)
<b>Total</b>	5,169,001	<b>5,886,162</b>	717,161

## Notes:

1. Includes Yahoo Japan Corporation and LINE Corporation.
2. Includes cash and cash equivalents of ¥332,382 million from PayPay Bank Corporation at the second quarter-end.

**(b) Liabilities**

	(Millions of yen)		
	March 31, 2022	September 30, 2022	Change
Interest-bearing debt	7,328,862	4,394,449	(2,934,413)
Lease liabilities	240,241	215,500	(24,741)
Deposits for banking business	1,331,385	1,387,274	55,889
Trade and other payables	1,968,864	1,900,666	(68,198)
Derivative financial liabilities	119,592	80,979	(38,613)
Other financial liabilities	554,814	509,817	(44,997)
Income taxes payable	183,388	365,274	181,886 <b>A</b>
Provisions	34,056	58,967	24,911
Other current liabilities	620,260	554,918	(65,342)
<b>Total current liabilities</b>	<b>12,381,462</b>	<b>9,467,844</b>	<b>(2,913,618)</b>
Interest-bearing debt	14,128,570	14,622,723	494,153
Lease liabilities	625,907	627,319	1,412
Third-party interests in SVF	5,640,498	5,186,353	(454,145)
Derivative financial liabilities	174,003	58,003	(116,000)
Other financial liabilities	129,849	59,334	(70,515)
Provisions	107,961	177,163	69,202
Deferred tax liabilities	2,436,034	2,218,778	(217,256) <b>B</b>
Other non-current liabilities	212,624	263,441	50,817
<b>Total non-current liabilities</b>	<b>23,455,446</b>	<b>23,213,114</b>	<b>(242,332)</b>
<b>Total liabilities</b>	<b>35,836,908</b>	<b>32,680,958</b>	<b>(3,155,950)</b>

**Reasons for changes by primary component**

Components	Main reasons for changes from the previous fiscal year-end
*See “(Reference)” on the following page for a breakdown of interest-bearing debt.	
<u>Current liabilities</u>	
<b>A</b> Income taxes payable	Income taxes payable of ¥203,744 million were recorded at a wholly owned subsidiary mainly due to the realization of derivative gain relating to the Early Physical Settlement.
<u>Non-current liabilities</u>	
<b>B</b> Deferred tax liabilities	Deferred tax liabilities related to prepaid forward contracts using Alibaba shares decreased due to a decrease of derivative financial assets and derivative financial liabilities, respectively.

**(Reference) Interest-bearing debt and lease liabilities (total of current liabilities and non-current liabilities)**

(Millions of yen)

	March 31, 2022	September 30, 2022	Change
<b>SBG and wholly owned subsidiaries</b>			
<b>conducting fund procurement, etc.</b>	14,869,325	<b>12,019,649</b>	(2,849,676)
<b>SBG</b>	7,442,237	<b>6,619,122</b>	(823,115)
Borrowings	1,255,116	<b>412,131</b>	(842,985) <b>A</b>
Corporate bonds	5,918,265	<b>5,986,601</b>	68,336 <b>B</b>
Lease liabilities	12,056	<b>11,390</b>	(666)
Commercial paper	256,800	<b>209,000</b>	(47,800)
<b>Wholly owned subsidiaries conducting fund procurement</b>	7,393,573	<b>5,400,527</b>	(1,993,046)
Borrowings <sup>*1</sup>	2,857,000	<b>2,146,633</b>	(710,367) <b>C</b>
Financial liabilities relating to sale of shares by prepaid forward contracts	4,536,573	<b>3,253,894</b>	(1,282,679) <b>D</b>
<b>SB Northstar</b>	33,515	-	(33,515)
Borrowings	33,515	-	(33,515)
<b>SoftBank Vision Funds segment</b>			
<b>SVF1</b>	336,535	<b>645,621</b>	309,086
Borrowings	336,535	<b>645,621</b>	309,086 <b>E</b>
<b>SVF2</b>	731,540	<b>835,528</b>	103,988
Borrowings	731,540	<b>835,528</b>	103,988 <b>E</b>
<b>LatAm Funds</b>	9,179	-	(9,179)
Borrowings	9,179	-	(9,179)
<b>SBIA, SBLA Advisers Corp.</b>	759	<b>1,145</b>	386
Lease liabilities	759	<b>1,145</b>	386
<b>SoftBank segment</b>			
<b>SoftBank Corp.</b>	4,236,453	<b>4,183,524</b>	(52,929)
Borrowings	3,085,954	<b>3,183,804</b>	97,850
Corporate bonds	469,252	<b>469,312</b>	60
Lease liabilities	559,846	<b>529,407</b>	(30,439)
Commercial paper	121,401	<b>1,001</b>	(120,400)
<b>Z Holdings Corporation<sup>*2</sup></b>	1,170,856	<b>1,311,445</b>	140,589
Borrowings	481,678	<b>593,623</b>	111,945
Corporate bonds	603,977	<b>603,813</b>	(164)
Lease liabilities	35,201	<b>64,009</b>	28,808
Commercial paper	50,000	<b>50,000</b>	-
<b>Other</b>	592,116	<b>640,029</b>	47,913
<b>Others</b>			
Other interest-bearing debt	286,988	<b>138,086</b>	(148,902)
Lease liabilities	89,829	<b>84,964</b>	(4,865)
<b>Total</b>	22,323,580	<b>19,859,991</b>	(2,463,589)

Notes:

1. The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is non-recourse to SBG.
2. Includes Yahoo Japan Corporation and LINE Corporation.

**Reasons for changes from the previous fiscal year-end at core companies**

Components	Details
------------	---------

**SBG and wholly owned subsidiaries conducting fund procurement, etc.**
**SBG**

- |                          |   |
|--------------------------|---|
| <b>A Borrowings</b>      | <ul style="list-style-type: none"> <li>· Borrowings of \$4.50 billion made using commitment lines were repaid in the first quarter.</li> <li>· The entire ¥325.2 billion of senior loans were repaid in the second quarter. This included ¥292.7 billion repaid before maturity.</li> </ul>   |
| <b>B Corporate bonds</b> | <ul style="list-style-type: none"> <li>· Foreign currency-denominated straight bonds with face values of \$0.27 billion and €0.22 billion were repurchased in the first quarter.</li> <li>· Foreign currency-denominated straight bonds with face values of \$0.51 billion and €0.19 billion were redeemed upon maturity in the second quarter.</li> <li>· The carrying amount of foreign currency-denominated straight bonds increased due to an 18.3% depreciation of the yen against the U.S. dollar at the second quarter-end in the foreign currency exchange rate used for translations.</li> </ul> |

**Wholly owned subsidiaries conducting fund procurement**

- |  |   |
|--|---|
| <b>C Borrowings</b>  | <p><i>Through Alibaba shares</i></p> <ul style="list-style-type: none"> <li>· Borrowings of \$6.0 billion made through a margin loan were repaid in full in the second quarter. This resulted in no borrowings outstanding at the second quarter-end.</li> </ul> <p><i>Through Arm shares</i></p> <ul style="list-style-type: none"> <li>· \$0.50 billion (net) was borrowed through asset-backed finance in the first quarter.</li> </ul> <p><i>Through T-Mobile shares</i></p> <ul style="list-style-type: none"> <li>· Borrowings of \$2.06 billion made through a margin loan in the previous fiscal year were repaid during the period. This resulted in no borrowings outstanding at the second quarter-end.</li> </ul>   |
| <b>D Financial liabilities relating to sale of shares by prepaid forward contracts</b> | <p><i>Through Alibaba shares</i></p> <ul style="list-style-type: none"> <li>· \$10.49 billion was raised in the first quarter by concluding prepaid forward contracts (forward contracts).</li> <li>· Financial liabilities relating to sale of shares by prepaid forward contracts of ¥604,888 million (\$4.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the first quarter.</li> <li>· Financial liabilities relating to sale of shares by prepaid forward contracts of ¥3,958,469 million (\$28.57 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the second quarter. This included liabilities of ¥1,862,409 million (\$13.47 billion) that had been recorded upon the conclusion of the contracts during the period.</li> <li>· After the above settlement, \$1.09 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts).</li> </ul> <p>For details, see “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “5. Interest-bearing debt” in “(6) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”</p> |

**SoftBank Vision Funds segment<sup>\*3</sup>**
**SVF1 and SVF2**

- |                     |  |
|---------------------|--|
| <b>E Borrowings</b> | <ul style="list-style-type: none"> <li>· Borrowings made through asset-backed finance increased by \$1.71 billion at SVF1 and decreased by \$0.21 billion at SVF2.</li> <li>· The balance of the borrowings increased due to the foreign exchange rate used for translations at the second quarter-end having an 18.3% depreciation of the yen against the U.S. dollar.</li> </ul> |
|---------------------|--|

**Note:**

3. For details of borrowings at SVF1, SVF2, and LatAm Funds, see “Financing at SVF” under “OVERVIEW” in “(b) SoftBank Vision Funds Segment” in “b. Results by Segment” in “(1) Overview of Results of Operations” in “1. Results of Operations.”



**(c) Equity**

	(Millions of yen)		
	March 31, 2022	September 30, 2022	Change
Common stock	238,772	<b>238,772</b>	-
Capital surplus	2,634,574	<b>2,653,838</b>	19,264
Other equity instruments	496,876	<b>496,876</b>	-
Retained earnings	4,515,704	<b>4,331,635</b>	(184,069) <b>A</b>
Treasury stock	(406,410)	<b>(924,686)</b>	(518,276) <b>B</b>
Accumulated other comprehensive income	2,496,158	<b>5,075,372</b>	2,579,214 <b>C</b>
Total equity attributable to owners of the parent	9,975,674	<b>11,871,807</b>	1,896,133
Non-controlling interests	1,732,088	<b>1,647,802</b>	(84,286)
<b>Total equity</b>	<b>11,707,762</b>	<b>13,519,609</b>	1,811,847

**Reasons for changes by primary component**

Components	Main reasons for changes from the previous fiscal year-end
<b>A</b> Retained earnings	Net loss attributable to owners of the parent of ¥129,098 million was recorded.
<b>B</b> Treasury stock	SBG acquired 97,806,700 of its own shares for ¥523,078 million in the six-month period ended September 30, 2022 in accordance with a Board resolution on November 8, 2021 to repurchase up to ¥1 trillion of its own shares.
<b>C</b> Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, increased by ¥2,647,073 million mainly due to the weaker yen against the U.S. dollar, despite a decrease of ¥314,356 million due to the exclusion of Alibaba from equity method associates.

### (3) Overview of Cash Flows

#### 1. Cash flows from investing activities

◆ **New investments at SVF2 were significantly curtailed, while divestments progressed mainly at SVF1 and in T-Mobile shares.**

- Payments for acquisition of investments by SVF: ¥336.7 billion
- Proceeds from sales of investments by SVF: ¥454.4 billion
- Proceeds from sales/redemption of investments: ¥521.0 billion, of which ¥309.7 billion was from sale of T-Mobile shares

◆ **Outlays of ¥342.7 billion for purchase of property, plant and equipment and intangible assets due to capital expenditure mainly at SoftBank Corp.**

◆ **The above resulted in net cash inflow of ¥271.3 billion from investing activities (compared to net cash outflow of ¥1,956.7 billion in the same period of the previous fiscal year).**

#### 2. Cash flows from financing activities

◆ **Net cash outflow of ¥578.3 billion from financing activities. Funded through continued asset-backed finance, the Company made multiple debt repayments in the period, including repayments of margin loans. Share repurchases and distribution/repayments to third-party investors of SVF also continued, as well as dividend payouts.**

- Proceeds from interest-bearing debt: ¥4,597.5 billion
  - Proceeds at wholly owned subsidiaries conducting fund procurement: ¥2,624.1 billion (Procured \$18.35 billion through prepaid forward contracts using Alibaba shares, \$1.40 billion through asset-backed finance using Arm shares)
  - Main proceeds at SVF: ¥580.7 billion (SVF1 procured \$4.50 billion through asset-backed finance)
- Payments for interest-bearing debt: ¥3,955.9 billion
  - Main outlays for repayments at SBG: ¥1,119.1 billion (for repayment of ¥793.9 billion in short-term borrowings and full repayment of ¥325.2 billion in senior loans)
  - Outlays for repayments at wholly owned subsidiaries conducting fund procurement: ¥1,188.5 billion (for full repayment of \$6.0 billion in a margin loan borrowed through Alibaba shares, repayment of \$2.06 billion in a margin loan borrowed through T-Mobile shares in the previous fiscal year, and repayment of \$0.90 billion in borrowings in asset-backed finance made through Arm shares)
  - Main outlays for repayments at SVF: ¥386.4 billion (for repayment of borrowings totaling \$2.99 billion at SVF1 and SVF2 made through asset-backed finance)
- Repurchase of treasury stock of ¥523.1 billion
- Distribution and repayments to third-party investors at SVF of ¥347.7 billion
- Payments of ¥198.5 billion for dividends at SBG and for dividends to non-controlling interests in subsidiaries such as SoftBank Corp.

#### 3. Balance of cash and cash equivalents at the second quarter-end and its changes during the period

◆ **The balance of cash and cash equivalents stood at ¥5,886.2 billion at the second quarter-end, an increase of ¥717.2 billion from the previous fiscal year-end, due to cash flows from operating, investing, and financing activities, as well as the effect of exchange rate changes on cash and cash equivalents of ¥468.7 billion.**

### SIGNIFICANT NON-CASH TRANSACTIONS

The Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form in the period. This was a non-cash transaction and had no impact on the consolidated cash flows. For details, see “(3) Significant non-cash transactions” under “13. Supplemental information to the condensed interim consolidated statement of cash flows” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

(Millions of yen)

	Six months ended September 30		Change
	2021	2022	
Cash flows from operating activities	2,078,239	<b>555,520</b>	(1,522,719)
Cash flows from investing activities	(1,956,685)	<b>271,294</b>	2,227,979
Cash flows from financing activities	254,432	<b>(578,328)</b>	(832,760)
Effect of exchange rate changes on cash and cash equivalents	54,659	<b>468,675</b>	414,016
Increase in cash and cash equivalents	430,645	<b>717,161</b>	286,516
Cash and cash equivalents at the beginning of the period	4,662,725	<b>5,169,001</b>	506,276
Cash and cash equivalents at the end of the period	5,093,370	<b>5,886,162</b>	792,792

### (a) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥555,520 million, a ¥1,522,719 million decrease year on year. This was mainly due to a decrease in cash inflows from sales of investments in conjunction with the downsizing of the business of SB Northstar, among others, from ¥1,768,429 million to ¥93,922 million, while the amount of income taxes paid decreased from ¥693,260 million to ¥254,761 million. In the same period of the previous fiscal year, the Company recorded payment of corporate taxes on taxable income at SBGJ, which included gains on the sale of SoftBank Corp. shares in the fiscal year ended March 31, 2021, as well as payment of withholding income tax on dividends from SBGJ to SBG. Such withholding income taxes were refunded within the same period of the previous fiscal year.

### (b) Cash Flows from Investing Activities

#### Primary components

Components	Primary details
Proceeds from sales/redemption of investments ¥521,036 million	<ul style="list-style-type: none"> <li>· In the first quarter, the Company sold 21.2 million T-Mobile shares for ¥309,696 million (\$2.40 billion) to Deutsche Telekom due to Deutsche Telekom's partial exercise of its call options for the shares.</li> <li>· In the second quarter, the Company sold its SoFi Technologies, Inc. shares for ¥90,823 million (\$0.65 billion).</li> </ul>
Payments for acquisition of investments by SVF ¥(336,731) million	<ul style="list-style-type: none"> <li>· SVF2 invested ¥298,243 million (\$2.30 billion) in total.</li> <li>· LatAm Funds invested ¥31,391 million (\$0.24 billion) in total.</li> <li>· SVF1 invested ¥7,097 million (\$0.06 billion) in total.</li> </ul>
Proceeds from sales of investments by SVF ¥454,386 million	<ul style="list-style-type: none"> <li>· SVF1 sold all of its shares in Uber and others, as well as portions of multiple investments, for ¥371,165 million (\$2.82 billion).</li> <li>· SVF2 sold all of its shares in KE Holdings and others, as well as portions of multiple investments, for ¥82,766 million (\$0.64 billion).</li> </ul>
Purchase of property, plant and equipment, and intangible assets ¥(342,658) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets such as software.

### (c) Cash Flows from Financing Activities

#### Primary components

Components	Primary details
Proceeds in short-term interest-bearing debt, net ¥10,207 million <sup>*1</sup> (Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities)	<ul style="list-style-type: none"> <li>· Short-term borrowings increased by ¥99,194 million (net) at Z Holdings Corporation and its subsidiaries.</li> <li>· SBG redeemed commercial paper worth ¥64,300 million (net).</li> <li>· Short-term borrowings at SB Northstar decreased by ¥35,634 million (net).</li> </ul>
Proceeds from interest-bearing debt (total of A through C below) ¥4,597,463 million	
<b>A</b> Proceeds from borrowings ¥2,093,970 million <sup>*2</sup>	<ul style="list-style-type: none"> <li>· SBG made short-term borrowings of ¥256,940 million.</li> <li>· Wholly owned subsidiaries conducting fund procurement borrowed ¥180,656 million (\$1.40 billion) through asset-backed finance using Arm shares.</li> <li>· SVF1 borrowed ¥580,680 million (\$4.50 billion) through asset-backed finance.</li> <li>· SoftBank Corp. procured ¥570,755 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions. The company also issued commercial paper for ¥157,000 million.</li> </ul>
<b>B</b> Proceeds from issuance of corporate bonds ¥60,000 million	Z Holdings Corporation issued domestic straight bonds totaling ¥60,000 million.
<b>C</b> Proceeds from procurement by prepaid forward contracts using shares ¥2,443,493 million	Wholly owned subsidiaries conducting fund procurement raised a total of \$18.35 billion through prepaid forward contracts (forward contracts) using Alibaba shares.

Components	Primary details
Repayment of interest-bearing debt ¥(3,955,916) million	
Repayment of borrowings ¥(3,751,029) million <sup>*2</sup>	<ul style="list-style-type: none"> <li>· SBG repaid short-term borrowings of ¥793,891 million and repaid entire senior loans of ¥325,204 million, which included ¥292,683 million repaid before maturity.</li> <li>· Wholly owned subsidiaries conducting fund procurement repaid borrowings as follows:                             <ul style="list-style-type: none"> <li>- Repaid in full ¥797,820 million (\$6.0 billion) in a margin loan borrowed through Alibaba shares</li> <li>- Repaid ¥274,538 million (\$2.06 billion) in a margin loan borrowed through T-Mobile shares in the previous fiscal year</li> <li>- Repaid ¥116,136 million (\$0.90 billion) in borrowings made through asset-backed finance using Arm shares</li> </ul> </li> <li>· SVF1 and SVF2 repaid ¥357,469 million (\$2.77 billion) and ¥28,904 million (\$0.22 billion), respectively, in borrowings made through asset-backed finance.</li> <li>· SoftBank Corp. repaid ¥477,722 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions, and redeemed ¥277,400 million in commercial paper.</li> </ul>
Redemption of corporate bonds ¥(202,461) million	<ul style="list-style-type: none"> <li>· SBG repurchased foreign currency-denominated straight bonds with face values totaling \$0.27 billion and €0.22 billion in the first quarter. SBG also redeemed foreign currency-denominated straight bonds with face values of \$0.51 billion and €0.19 billion upon maturity in the second quarter.</li> <li>· Z Holdings Corporation redeemed domestic straight bonds of ¥60,000 million upon maturity.</li> </ul>
Distribution/repayment from SVF to third-party investors ¥(347,747) million	SVF1 made distributions to third-party investors.
Purchase of treasury stock ¥(523,083) million	SBG repurchased 97,806,700 of its own shares for ¥523,078 million in the period in accordance with a Board resolution on November 8, 2021 to repurchase up to ¥1 trillion of its own shares.
Cash dividends paid ¥(36,178) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(162,307) million	SoftBank Corp., Z Holdings Corporation, and others paid dividends to non-controlling interests.

Notes:

1. “(Repayment) proceeds in short-term interest-bearing debt, net” represents cash flows from financing activities that meet the requirement of “Reporting cash flows on a net basis” under IFRSs.
2. “Proceeds from borrowings” and “repayment of borrowings” include proceeds of ¥693,578 million and outlays of ¥1,430,174 million related to borrowings with a contracted term of one year or less.

#### (4) Forecasts

The Company does not provide forecasts of consolidated results of operations as they are difficult to project due to numerous uncertainties affecting earnings.

### Notes to “1. Overview of Results of Operations”

- 1 Includes share exchanges. During the second quarter, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration, and LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. These share exchanges are treated as full exits (entire sale) from investments and acquisition of new investments, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gain and loss on investments.
- 2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
- 3 The Company applies the equity method to Alibaba’s consolidated financial statements for a reporting period staggered by three months in the past because it is impractical to align reporting periods with Alibaba due to factors such as contracts with the company. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.
- 4 Private companies valued at over \$1 billion at the time of investment
- 5 After deducting transaction fees, etc.
- 6 Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.
- 7 This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for six months ended June 30, 2022, as reported by licensees in royalty reports. Arm’s licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis for the fiscal year is based on chips shipped for six months ended June 30, 2022. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates. In the fourth quarter of the previous fiscal year, previously announced royalty unit data for nine months ended September 30, 2021, has been restated based on information received by Arm from its licensees.

## 2. Condensed Interim Consolidated Financial Statements and Primary Notes

(Definitions of company names and abbreviations used in the condensed interim consolidated financial statements and primary notes)

Company names and abbreviations used in the condensed interim consolidated financial statements and primary notes, unless otherwise stated or interpreted differently in the context, are as follows:

Company names / Abbreviations	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
* Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.	
SB Northstar or the asset management subsidiary	SB Northstar LP
SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2	SoftBank Vision Fund II-2 L.P.
SVF2 LLC	SVF II Investment Holdings LLC
LatAm Funds	SBLA Latin America Fund LLC
SLA LLC	SLA Holdco II LLC
SVF	SVF1, SVF2 and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
SBLA	SBLA Advisers Corp.
Arm	Arm Limited
Fortress	Fortress Investment Group LLC
Sprint	Sprint Corporation
Alibaba	Alibaba Group Holding Limited
WeWork	WeWork Inc.
MgmtCo	MASA USA LLC

From the three-month period ended June 30, 2022, the accounts of the condensed interim consolidated financial statements have been changed as follows:

#### Condensed Interim Consolidated Statement of Financial Position

Previous	Current
Investments from SVF1 and SVF2 accounted for using FVTPL	Investments from SVF (FVTPL)
Third-party interests in SVF1 and SVF2	Third-party interests in SVF

#### Condensed Interim Consolidated Statement of Profit or Loss

Previous	Current
Gain (loss) on investments at SVF1, SVF2, and others	Gain (loss) on investments at SoftBank Vision Funds
Change in third-party interests in SVF1 and SVF2	Change in third-party interests in SVF

#### Condensed Interim Consolidated Statement of Cash Flows

Previous	Current
(Gain) loss on investments at SVF1, SVF2, and others	(Gain) loss on investments at SoftBank Vision Funds
Change in third-party interests in SVF1 and SVF2	Change in third-party interests in SVF
Payments for acquisition of investments by SVF1 and SVF2	Payments for acquisition of investments by SVF
Proceeds from sales of investments by SVF1 and SVF2	Proceeds from sales of investments by SVF
Contributions into SVF1 from third-party investors	Contributions into SVF from third-party investors
Distribution/repayment from SVF1 to third-party investors	Distribution/repayment from SVF to third-party investors



**(1) Condensed Interim Consolidated Statement of Financial Position**

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,169,001	5,886,162
Trade and other receivables	2,361,149	2,515,284
Derivative financial assets	1,050,446	654,252
Other financial assets	971,125	707,866
Inventories	142,767	176,859
Other current assets	334,101	247,409
Total current assets	<u>10,028,589</u>	<u>10,187,832</u>
<b>Non-current assets</b>		
Property, plant and equipment	1,842,749	1,693,795
Right-of-use assets	914,743	878,420
Goodwill	4,897,913	5,459,155
Intangible assets	2,427,580	2,480,663
Costs to obtain contracts	330,899	357,868
Investments accounted for using the equity method	5,234,519	847,881
Investments from SVF (FVTPL)	14,909,614	12,690,516
Investment securities	3,085,369	7,362,574
Derivative financial assets	1,333,787	1,659,361
Other financial assets	2,230,615	2,257,882
Deferred tax assets	163,255	163,791
Other non-current assets	145,038	160,829
Total non-current assets	<u>37,516,081</u>	<u>36,012,735</u>
<b>Total assets</b>	<u><u>47,544,670</u></u>	<u><u>46,200,567</u></u>

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Interest-bearing debt	7,328,862	4,394,449
Lease liabilities	240,241	215,500
Deposits for banking business	1,331,385	1,387,274
Trade and other payables	1,968,864	1,900,666
Derivative financial liabilities	119,592	80,979
Other financial liabilities	554,814	509,817
Income taxes payable	183,388	365,274
Provisions	34,056	58,967
Other current liabilities	620,260	554,918
<b>Total current liabilities</b>	<u>12,381,462</u>	<u>9,467,844</u>
<b>Non-current liabilities</b>		
Interest-bearing debt	14,128,570	14,622,723
Lease liabilities	625,907	627,319
Third-party interests in SVF	5,640,498	5,186,353
Derivative financial liabilities	174,003	58,003
Other financial liabilities	129,849	59,334
Provisions	107,961	177,163
Deferred tax liabilities	2,436,034	2,218,778
Other non-current liabilities	212,624	263,441
<b>Total non-current liabilities</b>	<u>23,455,446</u>	<u>23,213,114</u>
<b>Total liabilities</b>	<u>35,836,908</u>	<u>32,680,958</u>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Common stock	238,772	238,772
Capital surplus	2,634,574	2,653,838
Other equity instruments	496,876	496,876
Retained earnings	4,515,704	4,331,635
Treasury stock	(406,410)	(924,686)
Accumulated other comprehensive income	2,496,158	5,075,372
<b>Total equity attributable to owners of the parent</b>	<u>9,975,674</u>	<u>11,871,807</u>
<b>Non-controlling interests</b>	<u>1,732,088</u>	<u>1,647,802</u>
<b>Total equity</b>	<u>11,707,762</u>	<u>13,519,609</u>
<b>Total liabilities and equity</b>	<u><u>47,544,670</u></u>	<u><u>46,200,567</u></u>

**(2) Condensed Interim Consolidated Statement of Profit or Loss and Condensed Interim Consolidated Statement of Comprehensive Income**

For the six-month period ended September 30

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of yen)

	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
<b>Net sales</b>	2,983,504	3,182,477
Cost of sales	(1,348,471)	(1,461,148)
<b>Gross profit</b>	1,635,033	1,721,329
<b>Gain on investments</b>		
Gain on investments at Investment Business of Holding Companies	279,930	3,524,655
Loss on investments at SoftBank Vision Funds	(684,793)	(4,353,542)
Gain (loss) on other investments	9,628	(20,711)
<b>Total gain on investments</b>	(395,235)	(849,598)
Selling, general and administrative expenses	(1,186,672)	(1,254,340)
Finance cost	(185,599)	(314,217)
Foreign exchange loss	(92,197)	(1,095,426)
Income (loss) on equity method investments	265,331	(54,870)
Derivative gain (excluding gain (loss) on investments)	620,959	1,029,780
Change in third-party interests in SVF	194,092	1,018,741
Other gain	191,259	91,237
<b>Income before income tax</b>	1,046,971	292,636
Income taxes	(456,846)	(306,198)
<b>Net income</b>	590,125	(13,562)
<b>Net income attributable to</b>		
Owners of the parent	363,569	(129,098)
Non-controlling interests	226,556	115,536
<b>Net income</b>	590,125	(13,562)
<b>Earnings per share</b>		
Basic earnings per share (Yen)	202.46	(93.65)
Diluted earnings per share (Yen)	195.62	(95.14)

Condensed Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
<b>Net income</b>	590,125	(13,562)
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Equity financial assets at FVTOCI	12,765	16,033
Total items that will not be reclassified to profit or loss	12,765	16,033
<b>Items that may be reclassified subsequently to profit or loss</b>		
Debt financial assets at FVTOCI	200	(936)
Cash flow hedges	3,501	(72,777)
Exchange differences on translating foreign operations	303,164	2,511,285
Share of other comprehensive income of associates	(17,594)	101,162
Total items that may be reclassified subsequently to profit or loss	289,271	2,538,734
<b>Total other comprehensive income, net of tax</b>	302,036	2,554,767
<b>Total comprehensive income</b>	892,161	2,541,205
<b>Total comprehensive income attributable to</b>		
Owners of the parent	664,724	2,452,050
Non-controlling interests	227,437	89,155
<b>Total comprehensive income</b>	892,161	2,541,205

For the three-month period ended September 30

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of yen)

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2022
<b>Net sales</b>	1,504,370	1,610,447
Cost of sales	(681,308)	(772,909)
<b>Gross profit</b>	823,062	837,538
<b>Gain on investments</b>		
Gain (loss) on investments at Investment Business of Holding Companies	(461,597)	3,413,432
Loss on investments at SoftBank Vision Funds	(1,192,096)	(1,434,412)
Gain (loss) on other investments	(4,610)	5,822
<b>Total gain on investments</b>	(1,658,303)	1,984,842
Selling, general and administrative expenses	(593,242)	(627,827)
Finance cost	(102,800)	(200,078)
Foreign exchange loss	(77,323)	(275,457)
Income on equity method investments	214,951	103,500
Derivative gain (excluding gain (loss) on investments)	732,495	1,289,030
Change in third-party interests in SVF	328,643	387,374
Other gain	87,010	86,169
<b>Income before income tax</b>	(245,507)	3,585,091
Income taxes	(96,857)	(502,332)
<b>Net income</b>	(342,364)	3,082,759
<b>Net income attributable to</b>		
Owners of the parent	(397,940)	3,033,602
Non-controlling interests	55,576	49,157
<b>Net income</b>	(342,364)	3,082,759
<b>Earnings per share</b>		
Basic earnings per share (Yen)	(236.86)	1,915.60
Diluted earnings per share (Yen)	(241.19)	1,912.05

Condensed Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three-month period ended September 30, 2021	Three-month period ended September 30, 2022
<b>Net income</b>	(342,364)	3,082,759
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Equity financial assets at FVTOCI	493	6,540
Total items that will not be reclassified to profit or loss	493	6,540
<b>Items that may be reclassified subsequently to profit or loss</b>		
Debt financial assets at FVTOCI	(137)	(432)
Cash flow hedges	303	(38,728)
Exchange differences on translating foreign operations	256,317	418,301
Share of other comprehensive income of associates	(18,851)	115,917
Total items that may be reclassified subsequently to profit or loss	237,632	495,058
<b>Total other comprehensive income, net of tax</b>	238,125	501,598
<b>Total comprehensive income</b>	(104,239)	3,584,357
<b>Total comprehensive income attributable to</b>		
Owners of the parent	(158,371)	3,546,846
Non-controlling interests	54,132	37,511
<b>Total comprehensive income</b>	(104,239)	3,584,357

### (3) Condensed Interim Consolidated Statement of Changes in Equity

For the six-month period ended September 30, 2021

(Millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Subtotal
<b>As of April 1, 2021</b>	238,772	2,618,504	496,876	8,810,422	(2,290,077)	338,329	10,212,826
<b>Comprehensive income</b>							
Net income	-	-	-	363,569	-	-	363,569
Other comprehensive income	-	-	-	-	-	301,422	301,422
<b>Total comprehensive income</b>	-	-	-	363,569	-	301,422	664,991
<b>Transactions with owners and other transactions</b>							
Cash dividends	-	-	-	(38,247)	-	-	(38,247)
Distribution to owners of other equity instruments	-	-	-	(15,676)	-	-	(15,676)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	166	-	(166)	-
Purchase and disposal of treasury stock	-	-	-	(2,119)	(250,358)	-	(252,477)
Retirement of treasury stock	-	-	-	(2,475,817)	2,475,817	-	-
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	(2,358)	-	-	-	-	(2,358)
Changes in associates' interests in their subsidiaries	-	(20,033)	-	-	-	-	(20,033)
Changes in interests in associates' capital surplus	-	(11)	-	-	-	-	(11)
Share-based payment transactions	-	(453)	-	-	-	-	(453)
Other	-	-	-	-	-	-	-
<b>Total transactions with owners and other transactions</b>	-	(22,855)	-	(2,531,693)	2,225,459	(166)	(329,255)
<b>As of September 30, 2021</b>	238,772	2,595,649	496,876	6,642,298	(64,618)	639,585	10,548,562

(Millions of yen)

	Equity attributable to owners of the parent			
	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total	Non-controlling interests	Total equity
<b>As of April 1, 2021</b>	267	10,213,093	1,742,500	11,955,593
<b>Comprehensive income</b>				
Net income	-	363,569	226,556	590,125
Other comprehensive income	(267)	301,155	881	302,036
<b>Total comprehensive income</b>	(267)	664,724	227,437	892,161
<b>Transactions with owners and other transactions</b>				
Cash dividends	-	(38,247)	(149,098)	(187,345)
Distribution to owners of other equity instruments	-	(15,676)	-	(15,676)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	-
Purchase and disposal of treasury stock	-	(252,477)	-	(252,477)
Retirement of treasury stock	-	-	-	-
Changes from loss of control	-	-	(15,864)	(15,864)
Changes in interests in subsidiaries	-	(2,358)	(19,945)	(22,303)
Changes in associates' interests in their subsidiaries	-	(20,033)	-	(20,033)
Changes in interests in associates' capital surplus	-	(11)	-	(11)
Share-based payment transactions	-	(453)	6,720	6,267
Other	-	-	(842)	(842)
<b>Total transactions with owners and other transactions</b>	-	(329,255)	(179,029)	(508,284)
<b>As of September 30, 2021</b>	-	10,548,562	1,790,908	12,339,470



For the six-month period ended September 30, 2022

(Millions of yen)

	Equity attributable to owners of the parent						Total
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	
<b>As of April 1, 2022</b>	238,772	2,634,574	496,876	4,515,704	(406,410)	2,496,158	9,975,674
<b>Comprehensive income</b>							
Net income	-	-	-	(129,098)	-	-	(129,098)
Other comprehensive income	-	-	-	-	-	2,581,148	2,581,148
<b>Total comprehensive income</b>	-	-	-	(129,098)	-	2,581,148	2,452,050
<b>Transactions with owners and other transactions</b>							
Cash dividends	-	-	-	(36,229)	-	-	(36,229)
Distribution to owners of other equity instruments	-	-	-	(19,723)	-	-	(19,723)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	1,934	-	(1,934)	-
Purchase and disposal of treasury stock	-	-	-	(953)	(518,276)	-	(519,229)
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	3,461	-	-	-	-	3,461
Changes in associates' interests in their subsidiaries	-	(5,845)	-	-	-	-	(5,845)
Changes in interests in associates' capital surplus	-	21,223	-	-	-	-	21,223
Share-based payment transactions	-	425	-	-	-	-	425
Other	-	-	-	-	-	-	-
<b>Total transactions with owners and other transactions</b>	-	19,264	-	(54,971)	(518,276)	(1,934)	(555,917)
<b>As of September 30, 2022</b>	238,772	2,653,838	496,876	4,331,635	(924,686)	5,075,372	11,871,807

(Millions of yen)

	Non- controlling interests	Total equity
<b>As of April 1, 2022</b>	1,732,088	11,707,762
<b>Comprehensive income</b>		
Net income	115,536	(13,562)
Other comprehensive income	(26,381)	2,554,767
<b>Total comprehensive income</b>	89,155	2,541,205
<b>Transactions with owners and other transactions</b>		
Cash dividends	(162,040)	(198,269)
Distribution to owners of other equity instruments	-	(19,723)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	(519,229)
Changes from loss of control	(5,429)	(5,429)
Changes in interests in subsidiaries	17,125	20,586
Changes in associates' interests in their subsidiaries	-	(5,845)
Changes in interests in associates' capital surplus	-	21,223
Share-based payment transactions	23,166	23,591
Other	(46,263)	(46,263)
<b>Total transactions with owners and other transactions</b>	(173,441)	(729,358)
<b>As of September 30, 2022</b>	1,647,802	13,519,609

**(4) Condensed Interim Consolidated Statement of Cash Flows**

(Millions of yen)

	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
<b>Cash flows from operating activities</b>		
Net income	590,125	(13,562)
Depreciation and amortization	422,753	436,688
Gain on investments at Investment Business of Holding Companies	(219,462)	(3,589,869)
Loss on investments at SoftBank Vision Funds	684,793	4,353,542
Finance cost	185,599	314,217
Foreign exchange loss	92,197	1,095,426
(Income) loss on equity method investments	(265,331)	54,870
Derivative gain (excluding (gain) loss on investments)	(620,959)	(1,029,780)
Change in third-party interests in SVF	(194,092)	(1,018,741)
(Gain) loss on other investments and other gain	(200,887)	(70,526)
Income taxes	456,846	306,198
Decrease in investments from asset management subsidiaries	341,246	114,993
Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries	47,638	49,806
Decrease in restricted cash in asset management subsidiaries	72,811	138,915
Decrease in securities pledged as collateral in asset management subsidiaries	1,354,014	2,032
Decrease in borrowed securities in asset management subsidiaries	(8,657)	(131,796)
Increase in trade and other receivables	(430)	(119,346)
Increase in inventories	(1,946)	(31,535)
Decrease in trade and other payables	(130,525)	(19,626)
Other	71,281	33,895
Subtotal	2,677,014	875,801
Interest and dividends received	18,879	35,482
Interest paid	(182,272)	(209,947)
Income taxes paid	(693,260)	(254,761)
Income taxes refunded	257,878	108,945
Net cash provided by operating activities	2,078,239	555,520

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
<b>Cash flows from investing activities</b>		
Payments for acquisition of investments	(419,014)	(173,800)
Proceeds from sales/redemption of investments	235,833	521,036
Payments for acquisition of investments by SVF	(2,940,880)	(336,731)
Proceeds from sales of investments by SVF	1,365,766	454,386
Payments for acquisition of investments by asset management subsidiaries	(81,675)	-
Proceeds from loss of control over subsidiaries	130,954	-
Payments for acquisition of marketable securities for short-term trading	(59,200)	(41,541)
Proceeds from sales/redemption of marketable securities for short-term trading	59,200	47,513
Purchase of property, plant and equipment, and intangible assets	(535,121)	(342,658)
Payments for loan receivables	(86,570)	(12,964)
Collection of loan receivables	43,334	68,992
Proceeds from withdrawal of restricted cash	359,058	21
Other	(28,370)	87,040
Net cash (used in) provided by investing activities	(1,956,685)	271,294
<b>Cash flows from financing activities</b>		
(Repayment) proceeds in short-term interest-bearing debt, net	(908,254)	10,207
Proceeds from interest-bearing debt	6,955,021	4,597,463
Repayment of interest-bearing debt	(4,295,720)	(3,955,916)
Repayment of lease liabilities	(179,201)	(140,144)
Contributions into SVF from third-party investors	83,481	7,712
Distribution/repayment from SVF to third-party investors	(857,907)	(347,747)
Distribution to owners of other equity instruments	(15,676)	(19,742)
Purchase of treasury stock	(257,784)	(523,083)
Cash dividends paid	(38,196)	(36,178)
Cash dividends paid to non-controlling interests	(148,911)	(162,307)
Other	(82,421)	(8,593)
Net cash provided by (used in) financing activities	254,432	(578,328)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	54,659	468,675
<b>Increase in cash and cash equivalents</b>	430,645	717,161
<b>Cash and cash equivalents at the beginning of the period</b>	4,662,725	5,169,001
<b>Cash and cash equivalents at the end of the period</b>	5,093,370	5,886,162

## (5) Significant Doubt about Going Concern Assumption

There are no applicable items.

## (6) Notes to Condensed Interim Consolidated Financial Statements

### 1. Changes in presentation

(Condensed interim consolidated statement of financial position)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the investments from LatAm Funds, which were included in “Investment securities” and “Other financial assets (non-current)” in the past fiscal year, are included in “Investments from SVF (FVTPL)” from the three-month period ended June 30, 2022. In addition, the third-party interests in LatAm Funds, which were included in “Other financial liabilities (non-current)” in the past fiscal year, are included in “Third-party interests in SVF” from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥1,123,198 million, which was included in “Investment securities,” and ¥20,025 million, which was included in “Other financial assets (non-current)” as of March 31, 2022, are reclassified as “Investments from SVF (FVTPL).” Furthermore, ¥80,663 million, which was included in “Other financial liabilities (non-current)” as of March 31, 2022, is reclassified as “Third-party interests in SVF.”

“Investments from asset management subsidiaries,” “Securities pledged as collateral in asset management subsidiaries,” and “Derivative financial assets in asset management subsidiaries,” which were separately presented in the past fiscal year, are included in “Other financial assets (current)” from the three-month period ended June 30, 2022 since the amounts decreased and became insignificant. In order to reflect the changes in presentation, ¥158,094 million, ¥1,927 million, and ¥48,466 million, which were separately presented as “Investments from asset management subsidiaries,” “Securities pledged as collateral in asset management subsidiaries,” and “Derivative financial assets in asset management subsidiaries” as of March 31, 2022, respectively, are included in “Other financial assets (current).”

(Condensed interim consolidated statement of profit or loss and condensed interim consolidated statement of comprehensive income)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as “Gain (loss) on investments at Latin America Funds” in the past fiscal year, are included in “Gain (loss) on investments at SoftBank Vision Funds” from the three-month period ended June 30, 2022. In addition, the change in third-party interests in LatAm Funds, which was included in “Other gain (loss)” in the past fiscal year, is included in “Change in third-party interests in SVF” from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥193,698 million and ¥(25,670) million, which were presented as “Gain (loss) on investments at Latin America Funds,” are reclassified as “Loss on investments at SoftBank Vision Funds” for the six-month period ended September 30, 2021 and the three-month period ended September 30, 2021, respectively. Similarly, ¥(1,087) million and ¥(629) million, which were included in “Other gain,” are reclassified as “Change in third-party interests in SVF,” respectively.

(Condensed interim consolidated statement of cash flows)

a. Cash flows from operating activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as “(Gain) loss on investments at Latin America Funds” in the past fiscal year, are included in “(Gain) loss on investments at SoftBank Vision Funds” from the three-month period ended June 30, 2022. In addition, the change in third-party interests in LatAm Funds, which was included in “(Gain) loss on other investments and other (gain) loss” in the past fiscal year, is included in “Change in third-party interests in SVF” from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥(193,698) million, which was presented as “Gain on investments at Latin America Funds,” and ¥1,087 million, which were included in “(Gain) loss on other investments and other gain” for the six-month period ended September 30, 2021, are reclassified as “Loss on investments at SoftBank Vision Funds” and “Change in third-party interests in SVF,” respectively.

“(Increase) decrease in restricted cash in asset management subsidiaries,” which was included in “Other” in the past fiscal year, is separately presented from the three-month period ended June 30, 2022 since the amount increased and became significant. In order to reflect the change in presentation, ¥72,811 million, which was included in “Other” for the six-month period ended September 30, 2021, is reclassified as “Decrease in restricted cash in asset management subsidiaries.”

b. Cash flows from investing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the payments for the investing activities by LatAm Funds, which were included in “Payments for acquisition of investments” and “Payments for loan receivables” in the past fiscal year, are included in “Payments for acquisition of investments by SVF” from the three-month period ended June 30, 2022. In order to reflect the changes in presentation, ¥(246,989) million, which was included in “Payments for acquisition of investments,” and ¥(12,452) million, which was included in “Payments for loan receivables” for the six-month period ended September 30, 2021, are reclassified as “Payments for acquisition of investments by SVF.”

c. Cash flows from financing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the contributions into LatAm Funds, which were included in “Other” in the past fiscal year, are included in “Contributions into SVF from third-party investors” from the three-month period ended June 30, 2022. In order to reflect the change in presentation, ¥673 million, which was included in “Other” for the six-month period ended September 30, 2021, is reclassified as “Contributions into SVF from third-party investors.”

## 2. Significant accounting policies

Significant accounting policies applied to the condensed interim consolidated financial statements are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2022. In addition, income taxes for the six-month period ended September 30, 2022 are calculated based on the estimated effective tax rate for the fiscal year.

Significant accounting policies for the SoftBank Vision Funds segment are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2022. The details are described as follows.

(Significant accounting policies for the SoftBank Vision Funds segment)

For SVF1, SVF2 and LatAm Funds, the Company applies the following accounting policies.

### a. Consolidation of SVF1, SVF2 and LatAm Funds by the Company

SVF1 and SVF2 are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company (SVF2 owns limited liability companies including SVF2 LLC) as its subsidiaries and by their forms of organization, qualify as structured entities. SVF1 and SVF2 are consolidated by the Company for the following reasons.

As of September 30, 2022, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2. Furthermore, SBIA receives performance fees and SBGA receives performance-linked management fees. The Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2.

LatAm Funds is a limited liability company in which a wholly-owned subsidiary of the Company invests (LatAm Funds owns limited partnerships and the other forms of entities). LatAm Funds is consolidated by the Company as it holds more than one-half of the voting rights of LatAm Funds.

Inter-company transactions such as management fees and performance fees to SBIA paid or to be paid, as applicable, from SVF1, and management fees, performance-linked management fees and performance fees to SBGA paid or to be paid, as applicable, from SVF2 or LatAm Funds are eliminated in consolidation.

### b. Portfolio company investments made by SVF1, SVF2 and LatAm Funds

#### (a) Investments in subsidiaries

Of the portfolio company investments made by SVF1, SVF2 and LatAm Funds, the portfolio companies that the Company is deemed to control under IFRS 10 “Consolidated Financial Statements” are

subsidiaries of the Company. Accordingly, their results of operations, assets and liabilities are included in the Company's condensed interim consolidated financial statements.

Gain and loss on investments in the subsidiaries of the Company which are recognized in SVF1, SVF2 and LatAm Funds are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1, SVF2 and LatAm Funds, the portfolio companies over which the Company has significant influence under IAS 28 "Investments in Associates and Joint Ventures" are associates of the Company, and the portfolio companies that are joint ventures of the Company when, as defined under IFRS 11 "Joint Arrangements," SVF1, SVF2 and LatAm Funds have joint control with other investors under contractual arrangements and the investors have rights to the net assets of the arrangement.

The investments in associates and joint ventures of the Company made by SVF1, SVF2 and LatAm Funds are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28 "Investments in Associates and Joint Ventures" and presented as "Investments from SVF (FVTPL)" in the condensed interim consolidated statement of financial position. The payments for these investments are presented as "Payments for acquisition of investments by SVF" and the proceeds from sales of these investments are presented as "Proceeds from sales of investments by SVF" under cash flows from investing activities in the condensed interim consolidated statement of cash flows.

If the investments in associates and joint ventures that were transferred from SoftBank Group Corp. and its subsidiaries to SVF1, SVF2 or LatAm Funds were accounted for using the equity method prior to the transfer, these investments continue to be accounted for using the equity method after the transfer to SVF1, SVF2 or LatAm Funds and presented as "Investments accounted for using the equity method" in the condensed interim consolidated statement of financial position. Gain and loss on the investments which were recognized in SVF1, SVF2 or LatAm Funds are eliminated in consolidation and gain and loss on the investments accounted for using the equity method are presented as "Income (loss) on equity method investments" in the condensed interim consolidated statement of profit or loss.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1, SVF2 and LatAm Funds are accounted for as financial assets at FVTPL. The presentation of these investments in the condensed interim consolidated statement of financial position and the condensed interim consolidated statement of cash flows are the same as the above "(b) Investments in associates and joint ventures."

c. Contribution from limited partners in SVF1 and SVF2, and investors in LatAm Funds, SVF2 LLC and SLA LLC (collectively "SVF Investors")

(a) Contribution from SVF Investors other than the Company ("Third-Party Investors," and each a "Third-Party Investor")

The interests attributable to Third-Party Investors in SVF1, SVF2 and LatAm Funds are classified as financial liabilities, "Third-party interests in SVF" in the condensed interim consolidated statement of



financial position, due to the predetermined finite life and contractual payment provision to each of Third-Party Investors at the end of the finite life within the constitutional agreements relating to SVF1, SVF2 and LatAm Funds. The liabilities are classified as “financial liabilities measured at amortized cost” upon initial recognition. The carrying amounts attributable to Third-Party Investors represent the amounts that would be distributed in accordance with the constitutional agreements in a theoretical liquidation scenario at the end of each quarter.

Third-Party Investor in SVF2 and LatAm Funds is entitled to make full or partial payments of its investments and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC or SLA LLC to the end of company life of SVF2 LLC or SLA LLC, and as of September 30, 2022, the Company has recognized receivables from Third-Party Investor. The receivables are included in “Other financial assets (non-current)” in the condensed interim consolidated statement of financial position.

“Third-party interests in SVF” fluctuates due to the results of SVF1, SVF2 and LatAm Funds in addition to contributions from Third-Party Investors, and distributions and repayments of investments to Third-Party Investors, respectively. The fluctuations due to the results of SVF1, SVF2 and LatAm Funds are presented as “Change in third-party interests in SVF” in the condensed interim consolidated statement of profit or loss.

Contributions from Third-Party Investors are included in “Contributions into SVF from third-party investors” under cash flows from financing activities in the condensed interim consolidated statement of cash flows. The distributions and repayments of investments to Third-Party Investors are included in “Distribution/repayment from SVF to third-party investors” under cash flows from financing activities in the condensed interim consolidated statement of cash flows. No cash contributions into SVF2 and LatAm Funds from Third-Party Investors and no cash distributions/repayments from SVF2 and LatAm Funds to Third-Party Investors were made as of September 30, 2022.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9 “Financial Instruments,” and, therefore, such amount is not recorded in the condensed interim consolidated statement of financial position.

(b) Contribution from the Company

Contributions to SVF1, SVF2 and LatAm Funds from the Company are eliminated in consolidation.

### 3. Segment information

#### (1) Description of reportable segments

The Company's reportable segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by the Company's Board of Directors in order to make decisions about the allocation of resources and assess its performance.

For the fiscal year ended March 31, 2022, the Company had five reportable segments, the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, the Arm segment, and the Latin America Funds segment. As a result of the revision for its segment classifications, the Latin America Funds segment has been integrated into the SoftBank Vision Funds Segment from the three-month period ended June 30, 2022 since LatAm Funds has been managed by SBGA, which manages SVF2.

The Investment Business of Holding Companies segment conducts, mainly through SoftBank Group Corp. as a strategic investment holding company, investment activities in a wide range of sectors in Japan and overseas directly or through subsidiaries of the Company. The Investment Business of Holding Companies segment consists of SoftBank Group Corp., SoftBank Group Capital Limited, SoftBank Group Japan Corporation, SB Northstar that is an asset management subsidiary, and certain subsidiaries of the Company that conduct investment or funding. Gain and loss on investments at Investment Business of Holding Companies consist of gain and loss arising from investments held directly by SoftBank Group Corp. or through subsidiaries of the Company. However, gain and loss on investments relating to investments in subsidiaries including dividend income from subsidiaries and impairment loss on investments in subsidiaries are excluded.

The SoftBank Vision Funds segment conducts, mainly through SVF1, SVF2, and LatAm Funds, investment activities in a wide range of technology sectors. Primarily, gain and loss on investments at SVF1, SVF2, LatAm Funds, and others consist of gain and loss arising from investments held by SVF1, SVF2, and LatAm Funds including the investment in the Company's subsidiary.

The SoftBank segment provides, mainly through SoftBank Corp., mobile services, sale of mobile devices, broadband services, and solution services in Japan, and through Yahoo Japan Corporation and LINE Corporation, internet advertising and e-commerce services.

The Arm segment provides, through Arm, designs of microprocessor intellectual property and related technology, the sale of software tools, and related services.

Information on business segments, which is not included in the reportable segments, is classified in “Other.” “Other” includes mainly PayPay Corporation, Fortress, and the Fukuoka SoftBank HAWKS-related operations.

“Reconciliations” includes an elimination of intersegment transactions, as well as an elimination of gain and loss on the investment in shares in Arm and PayPay Corporation, subsidiaries of the Company, and WeWork, an equity method associate, and others, which are included in segment income of the SoftBank Vision Funds segment, and an elimination of income and loss on equity method investments recognized relating to PayPay Corporation, which is included in segment income of the SoftBank segment.

Segment information for the six-month period ended September 30, 2021 and the three-month period ended September 30, 2021 is presented based on the reportable segments after the aforementioned change.

## (2) Net sales and income of reportable segments

Income of reportable segments is defined as “Income before income tax.” As in the condensed interim consolidated statement of profit or loss, “Gain (loss) on investments” included in segment income includes realized gain and loss from investments in financial assets at FVTPL for which investment performance is measured at fair value, unrealized gain and loss on valuation of investments, dividend income from investments, derivative gain and loss relating to investments in financial assets at FVTPL, and realized gain and loss from investments accounted for using the equity method. The Investment Business of Holding Companies segment calculates its segment income by eliminating gain and loss on investments relating to investments in subsidiaries, including dividend income from subsidiaries and impairment loss on investments in subsidiaries.

Intersegment transaction prices are determined under the same general business conditions as applied for external customers.

For the six-month period ended September 30, 2021

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	2,718,057	161,093
Intersegment	-	-	6,300	262
Total	-	-	2,724,357	161,355
Segment income	1,015,562	(401,186)	532,125	33,994
Depreciation and amortization	(1,935)	(353)	(367,752)	(36,595)
Gain (loss) on investments	279,689	(549,100)	20,284	12
Finance cost	(138,412)	(10,157)	(31,104)	(489)
Foreign exchange loss	(89,849)	(51)	(128)	-
Income (loss) on equity method investments	266,989	-	(28,254)	(878)
Derivative gain (loss) (excluding gain (loss) on investments)	623,989	1,424	2	(977)
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	2,879,150	104,354	-	2,983,504
Intersegment	6,562	7,259	(13,821)	-
Total	2,885,712	111,613	(13,821)	2,983,504
Segment income	1,180,495	(16,908)	(116,616)	1,046,971
Depreciation and amortization	(406,635)	(16,118)	-	(422,753)
Gain (loss) on investments	(249,115)	(10,667)	(135,453)	(395,235)
Finance cost	(180,162)	(7,568)	2,131	(185,599)
Foreign exchange loss	(90,028)	(2,169)	-	(92,197)
Income (loss) on equity method investments	237,857	19,486	7,988	265,331
Derivative gain (loss) (excluding gain (loss) on investments)	624,438	(3,479)	-	620,959

For the six-month period ended September 30, 2022

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm
Net sales				
Customers	-	-	2,799,758	183,705
Intersegment	-	-	10,141	-
Total	-	-	2,809,899	183,705
Segment income	3,262,289	(3,350,654)	429,281	35,631
Depreciation and amortization	(2,176)	(349)	(368,107)	(43,910)
Gain (loss) on investments	3,524,708	(4,312,342)	(3,450)	202
Finance cost	(240,639)	(35,795)	(31,079)	(534)
Foreign exchange gain (loss)	(1,100,143)	503	1,633	3,008
Income (loss) on equity method investments	(23,879)	-	(29,042)	423
Derivative gain (loss) (excluding gain (loss) on investments)	1,041,501	620	1,541	480
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	2,983,463	199,014	-	3,182,477
Intersegment	10,141	7,038	(17,179)	-
Total	2,993,604	206,052	(17,179)	3,182,477
Segment income	376,547	(23,005)	(60,906)	292,636
Depreciation and amortization	(414,542)	(22,146)	-	(436,688)
Gain (loss) on investments	(790,882)	(17,463)	(41,253)	(849,598)
Finance cost	(308,047)	(8,357)	2,187	(314,217)
Foreign exchange gain (loss)	(1,094,999)	(427)	-	(1,095,426)
Income (loss) on equity method investments	(52,498)	307	(2,679)	(54,870)
Derivative gain (loss) (excluding gain (loss) on investments)	1,044,142	(14,362)	-	1,029,780

Note:

\* The details of the difference between “Gain (loss) on investments” in the SoftBank Vision Funds segment and “Gain (loss) on investments at SoftBank Vision Funds” in the condensed interim consolidated statement of profit or loss are described in “Note 4. SoftBank Vision Funds business.”

For the three-month period ended September 30, 2021

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	1,364,049	87,076
Intersegment	-	-	3,738	1
Total	-	-	1,367,787	87,077
Segment income	390,235	(853,116)	261,171	25,213
Depreciation and amortization	(940)	(177)	(183,412)	(18,122)
Gain (loss) on investments	(461,692)	(1,160,038)	5,022	6
Finance cost	(78,818)	(5,853)	(15,551)	(231)
Foreign exchange gain (loss)	(77,188)	(56)	116	-
Income (loss) on equity method investments	212,319	-	(15,915)	(1,087)
Derivative gain (loss) (excluding gain (loss) on investments)	732,200	720	101	(526)
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	1,451,125	53,245	-	1,504,370
Intersegment	3,739	4,151	(7,890)	-
Total	1,454,864	57,396	(7,890)	1,504,370
Segment income	(176,497)	(50,066)	(18,944)	(245,507)
Depreciation and amortization	(202,651)	(7,188)	-	(209,839)
Gain (loss) on investments	(1,616,702)	(9,637)	(31,964)	(1,658,303)
Finance cost	(100,453)	(3,463)	1,116	(102,800)
Foreign exchange gain (loss)	(77,128)	(195)	-	(77,323)
Income (loss) on equity method investments	195,317	17,446	2,188	214,951
Derivative gain (loss) (excluding gain (loss) on investments)	732,495	-	-	732,495

For the three-month period ended September 30, 2022

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	1,442,764	90,954
Intersegment	-	-	5,014	-
Total	-	-	1,447,778	90,954
Segment income	4,460,342	(1,019,904)	203,892	5,785
Depreciation and amortization	(1,101)	(181)	(184,796)	(22,569)
Gain (loss) on investments	3,413,475	(1,378,497)	(4,583)	163
Finance cost	(160,610)	(20,394)	(15,738)	(262)
Foreign exchange gain (loss)	(278,108)	427	1,370	1,350
Income (loss) on equity method investments	115,903	-	(15,506)	508
Derivative gain (excluding gain (loss) on investments)	1,286,487	121	640	1,782
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	1,533,718	76,729	-	1,610,447
Intersegment	5,014	3,904	(8,918)	-
Total	1,538,732	80,633	(8,918)	1,610,447
Segment income	3,650,115	2,630	(67,654)	3,585,091
Depreciation and amortization	(208,647)	(7,189)	-	(215,836)
Gain (loss) on investments	2,030,558	10,242	(55,958)	1,984,842
Finance cost	(197,004)	(4,191)	1,117	(200,078)
Foreign exchange gain (loss)	(274,961)	(496)	-	(275,457)
Income (loss) on equity method investments	100,905	4,014	(1,419)	103,500
Derivative gain (excluding gain (loss) on investments)	1,289,030	-	-	1,289,030

#### 4. SoftBank Vision Funds business

##### (1) Income and loss arising from the SoftBank Vision Funds business

###### a. Overview

Segment income arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA receives from SVF1, and that SBGA receives from SVF2 and LatAm Funds.

The amount of the net profits attributable to Third-Party Investors that is deducted from the segment income is presented as “Change in third-party interests in SVF1 and SVF2.”

###### b. Segment income arising from the SoftBank Vision Funds business

The components of segment income arising from the SoftBank Vision Funds business are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Loss on investments at SoftBank Vision Funds		
Loss on investments at SVF1, SVF2, and LatAm Funds		
Realized gain on investments <sup>2</sup>	853,408	5,398
Unrealized loss on valuation of investments		
Change in valuation for the fiscal year <sup>3</sup>	(336,134)	(4,200,240)
Reclassified to realized gain recorded in the past fiscal years <sup>4</sup>	(1,015,862)	(102,840)
Interest and dividend income from investments	23,174	759
Derivative gain (loss) on investments	(42,535)	36,365
Effect of foreign exchange translation <sup>5</sup>	(31,850)	(55,645)
Subtotal	(549,799)	(4,316,203)
Gain on other investments	699	3,861
Total loss on investments at SoftBank Vision Funds	(549,100)	(4,312,342)
Selling, general and administrative expenses	(35,005)	(30,983)
Finance cost (interest expenses)	(10,157)	(35,795)
Derivative gain (excluding gain (loss) on investments)	1,424	620
Change in third-party interests in SVF	194,092	1,018,741
Other gain (loss)	(2,440)	9,105
Segment income arising from the SoftBank Vision Funds business (income before income tax)	(401,186)	(3,350,654)



## Notes:

1. The Latin America Funds segment has been integrated into the SoftBank Vision Funds Segment from the three-month period ended June 30, 2022 since LatAm Funds has been managed by SBGA, which manages SVF2. Segment income arising from the SoftBank Vision Funds business for the six-month period ended September 30, 2021 is presented based on the reportable segments after the aforementioned change.
2. The amount of realized gain and loss on investments is the exit price net of the investment cost. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by share exchange are included.
3. The unrealized gain and loss on valuation arising from Arm shares held by SVF1 is included in “Loss on investments at SoftBank Vision Funds” (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain and loss on valuation is eliminated in consolidation as Arm is a subsidiary of the Company. SVF1 does not record unrealized gain and loss on investments for the six-month period ended September 30, 2022.

For the six-month period ended September 30, 2022, ¥69,768 million of the unrealized gain on valuation arising from PayPay Corporation shares held by SVF2 is included in “Loss on investments at SoftBank Vision Funds” (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation as PayPay Corporation is a subsidiary of the Company.

For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. For the six-month period ended September 30, 2022, ¥26,070 million of the unrealized loss on valuation arising from WeWork common shares held by SVF2 is included in “Loss on investments at SoftBank Vision Funds” (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized loss on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.

The unrealized gain and loss on valuation, that are eliminated in consolidation, are not included in “Gain (loss) on investments at SoftBank Vision Funds” in the condensed interim consolidated statement of profit or loss.

4. It represents the unrealized gain and loss on valuation of investments recorded as “Gain (loss) on investments at SVF1, SVF2, and others” in the past fiscal years, which are reclassified to “Realized gain on investments” due to the realization for the six-month period ended September 30, 2022.
5. Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. “Effect of foreign exchange translation” is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

## (2) Third-party interests in SVF

### a. Terms and conditions of contribution from/ distribution to SVF Investors

Contributions by SVF Investors are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to SVF Investors, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance, as applicable, of SVF1, SVF2 and LatAm Funds. The net proceeds from SVF1 and LatAm Funds are also allocated to the performance fees attributed to SBIA and SBGA, respectively, using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to SVF Investors is allocated to each of the SVF Investors based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each of the SVF Investors after each of SVF1, SVF2 and LatAm Funds, as applicable, receive cash through dividend, or disposition or monetization of investments.

In SVF1, fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contributions. The fixed distributions are made every last business day of the months of June and December. The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 and LatAm Funds are described in “Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions.” There are no Third-Party Investors who contributed to Preferred Equity in SVF2 and LatAm Funds.

In the following table, Third-Party Investors contributing Equity are defined as “Investors entitled to performance-based distribution” and Third-Party Investors contributing Preferred Equity are defined as “Investors entitled to fixed distribution.”

## b. Changes in interests attributable to Third-Party Investors

## (a) Third-party interests in SVF1

Changes in interests attributable to Third-Party Investors in SVF1 (included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position) are as follows:

		(Millions of yen)	
		(For reference purposes only) Links with the condensed interim consolidated financial statements	
	Third-party interests in SVF1 (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
	(Breakdown)		
As of April 1, 2022	5,289,754		
Contributions from third-party investors	7,712	-	7,712
Changes in third-party interests	(695,794)	695,794	-
Attributable to investors entitled to fixed distribution	84,306		
Attributable to investors entitled to performance-based distribution	(780,100)		
Distribution/repayment to third-party investors	(347,747)	-	(347,747)
Exchange differences on translating third-party interests*	872,015	-	-
As of September 30, 2022	<u>5,125,940</u>		

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the condensed interim consolidated statement of comprehensive income.

## (b) Third-party interests in SVF2 and receivables

Changes in interests attributable to Third-Party Investor in SVF2 (included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position) are as follows: Third-party Investor in SVF2 is the investor entitled to performance-based distribution.

		(Millions of yen)	
		(For reference purposes only) Links with the condensed interim consolidated financial statements	
	Third-party interests in SVF2 (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2022	270,081		
Changes in third-party interests	(291,332)	291,332	-
Exchange differences on translating third-party interests*	21,251	-	-
As of September 30, 2022	-		

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the condensed interim consolidated statement of comprehensive income.

The Company has receivables from Third-party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in “Other financial assets (non-current)” in the condensed interim consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in “Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions.”

	(Millions of yen)
	Receivables from third-party investor in SVF2
As of April 1, 2022	342,663
Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor	5,538
Exchange differences on receivables	63,223
As of September 30, 2022	411,424

## (c) Third-party interests in LatAm Funds and receivables

Changes in interests attributable to Third-Party Investor in LatAm Funds (included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position) are as follows: Third-party Investor in LatAm Funds is the investor entitled to performance-based distribution.

		(Millions of yen)	
		(For reference purposes only) Links with the condensed interim consolidated financial statements	
	Third-party interests in LatAm Funds (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2022	80,663		
Changes in third-party interests	(31,615)	31,615	-
Exchange differences on translating third-party interests*	11,365	-	-
As of September 30, 2022	<u>60,413</u>		

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the condensed interim consolidated statement of comprehensive income.

The Company has receivables from Third-party Investor in LatAm Funds. The changes in the receivables from Third-Party Investor in LatAm Funds (included in “Other financial assets (non-current)” in the condensed interim consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in LatAm Funds are described in “Note 14. Related party transactions regarding a co-investment program with restricted rights to receive distributions.”

	(Millions of yen)
	Receivables from third-party investor in LatAm Funds
As of April 1, 2022	80,663
Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor	1,308
Exchange differences on receivables	14,883
As of September 30, 2022	<u>96,854</u>

## c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of September 30, 2022 was \$8.2 billion.

### (3) Management fees and performance fees

Terms and conditions of management fees, performance-linked management fees, and performance fees, included in segment income from the SoftBank Vision Funds business, are as follows.

#### a. Management fees and performance fees in SVF1

Management fees to SBIA from SVF1 are, in accordance with the limited partnership agreement, calculated by multiplying 1% per annum by Equity contributions used to fund investments and paid to SBIA by SVF1 quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend and monetization of an investment.

From the inception of SVF1 to September 30, 2022, the cumulative amount of performance fees paid to SBIA was \$439 million. For the six-month period ended September 30, 2022, no performance fees were paid to SBIA.

In addition, the performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance.

#### b. Management fees and performance-linked management fees in SVF2

Management fees to SBGA from SVF2 are, in accordance with the constitutional agreements, calculated by multiplying 0.7% per annum by the acquisition cost of investments and paid to SBGA by SVF2 quarterly.

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of an investment in SVF2.

From the inception of SVF2 to September 30, 2022, no performance-linked management fees were paid to SBGA.

#### c. Management fees, performance-linked management fees and performance fees in LatAm Funds

Management fees to SBGA from LatAm Funds are, in accordance with the constitutional agreements, calculated based on the acquisition cost of investments and paid to SBGA by LatAm Funds quarterly.

LatAm Funds introduced the performance-linked management fees in July 2022. The amount of the performance-linked management fees to SBGA from LatAm Funds is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment

performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of investments in LatAm Funds.

Same as the performance-based distributions, the amount of the performance fees to SBGA from LatAm Funds is calculated using the allocation method as specified in the constitutional agreements. SBGA is entitled to receive the performance fees when LatAm Funds receives cash through disposition, dividend and monetization of an investment.

From the inception of LatAm Funds to September 30, 2022, neither performance fees nor performance-linked management fees were paid to SBGA.

## 5. Interest-bearing debt

### (1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2022	(Millions of yen) As of September 30, 2022
<b>Current</b>		
Short-term borrowings	1,551,238	935,709
Commercial paper	527,201	379,001
Current portion of long-term borrowings <sup>1</sup>	2,377,864	1,474,991
Current portion of corporate bonds	519,870	595,361
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts <sup>2</sup>	2,352,539	1,009,246
Current portion of installment payables	150	141
<b>Total</b>	<b>7,328,862</b>	<b>4,394,449</b>
<b>Non-current</b>		
Long-term borrowings	5,472,605	5,913,474
Corporate bonds	6,471,624	6,464,365
Financial liabilities relating to sale of shares by prepaid forward contracts <sup>2</sup>	2,184,034	2,244,648
Installment payables	307	236
<b>Total</b>	<b>14,128,570</b>	<b>14,622,723</b>

Notes:

1. Skywalk Finance GK had made a borrowing by using Alibaba shares pledged as collateral. For the six-month period ended September 30, 2022, Skywalk Finance GK repaid all of its borrowing of \$6.0 billion before the maturity date and the collateral for Alibaba shares was released. The carrying amount of current portion of long-term borrowings is ¥731,517 million and the carrying amount of Alibaba shares pledged as collateral, on a consolidation basis, which are included in "Investments accounted for using the equity method" is ¥1,154,179 million in the condensed interim consolidated financial position as of March 31, 2022.
2. These are primarily financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares. For the six-month period ended September 30, 2022, the balance of liabilities decreased significantly due to the early settlement of a part of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

### (2) Transactions for sale of Alibaba shares by prepaid forward contracts

Wholly-owned subsidiaries of the Company entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by the subsidiaries.

In the prepaid forward contracts, the number of Alibaba shares settled by the prepaid forward contracts is fixed regardless of changes in market share price in the future in a forward contract or determined by reference to market price of the shares at the valuation dates prior to the settlement date. The latter type of contracts include Floor contract that a floor is set for the price of shares settled and Collar contract that a cap



and a floor are set for the price of shares settled. A part of wholly-owned subsidiaries of the Company entering into prepaid forward contracts with financial institutions to procure funds using Alibaba shares (“Entities for fund procurement by using Alibaba shares”), in addition to the prepaid forward contracts, enter into the call spread (combination of long position of call option and short position of call option with different strike prices) contracts in preparation for Alibaba shares price rise.

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. The Company accounts for the contracts by bifurcating the main contracts and embedded derivatives, and the main contracts are recognized as financial liabilities relating to sale of shares by prepaid forward contracts then measured at amortized cost while the embedded derivatives are measured at fair value. Also, the call spread contracts are measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts, a tax effect is recognized. The ending balance of the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts are described in “Note 6. Financial instruments.”

Entities for fund procurement by using Alibaba shares have the option to settle all of the prepaid forward contracts by delivering cash, Alibaba shares, or a combination of cash and Alibaba shares. If Entities for fund procurement by using Alibaba shares elect cash settlement, Entities for fund procurement by using Alibaba shares will pay the cash equivalent to the fair value of the number of shares subject to the settlement, as determined by reference to the market price of the shares.

Alibaba shares held by Entities for fund procurement by using Alibaba shares are pledged as collateral in accordance with all of the prepaid forward contracts, and except for a certain contract, the Company granted the right of use to the financial institutions with respect to such shares. However, the collateral can be released by cash settlement at the discretion of Entities for fund procurement by using Alibaba shares.

Entities for fund procurement by using Alibaba shares procured ¥1,353,700 million (\$10.5 billion) in total by entering into forward contracts for the three-month period ended June 30, 2022, and ¥1,089,793 million (\$7.9 billion) in total by entering into forward contracts for the three-month period ended September 30, 2022.

In contrast, for the three-month period ended September 30, 2022, a part of prepaid forward contracts was settled by Alibaba shares from August to September 2022 based on the board resolution in August 2022 (“Physical settlement under the board resolution in August 2022”), and most of them were early termination. As a result of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba via voting rights and Alibaba ceased to be an equity method associate of the Company. The details are described in “Notes 1” in “(1) Gain and loss on investments at Investment Business of Holding Companies” under “Note 9. Gain on investments.” Consequently, ¥891,249 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥2,930,540 million of financial liabilities relating to sale of shares by prepaid forward contracts, ¥304,895 million of “Derivative financial assets (current),” ¥478,934 million of “Derivative financial assets (non-current),” ¥13,376 million of “Derivative financial liabilities (non-current),” and ¥2,609,895 million of Alibaba shares included in “Investments accounted for using the equity method” or “Investment securities,” which was recognized as a result of the remeasurement, were derecognized from the condensed interim consolidated statement of financial position as of the settlement date.

Also, before aforementioned settlement based on the board resolution in August 2022, for the three-month

period ended June 30, 2022 and the three-month period ended September 30, 2022, the settlement date of certain prepaid forward contracts arrived and they were settled by Alibaba shares. As a result, ¥741,568 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥480,155 million of “Derivative financial assets (current),” and ¥152,653 million of Alibaba shares included in “Investments accounted for using the equity method” were derecognized from the condensed interim consolidated statement of financial position as of the settlement date, and ¥132,157 million of “Gain on investments at Investment Business of Holding Companies” was recorded in the condensed interim consolidated statement of profit or loss.

As of September 30, 2022, the Company set ¥1,462,948 million of Alibaba shares, which is recognized as “Investment securities” in the condensed interim consolidated statement of financial position, as collateral for ¥1,009,246 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,775,536 million of financial liabilities relating to sale of shares by prepaid forward contracts.

### (3) Components of proceeds and repayment in short-term interest-bearing debt, net

The components of “(Repayment) proceeds in short-term interest-bearing debt, net” in the condensed interim consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Net (decrease) increase in short-term borrowings	(1,001,154)	68,507
Net increase (decrease) in commercial paper	92,900	(58,300)
Total	<u>(908,254)</u>	<u>10,207</u>

### (4) Components of proceeds from interest-bearing debt

The components of “Proceeds from interest-bearing debt” in the condensed interim consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Proceeds from borrowings	3,692,760	2,093,970
Proceeds from issuance of corporate bonds	1,920,055	60,000
Proceeds from procurement by prepaid forward contracts using shares*	1,342,206	2,443,493
Total	<u>6,955,021</u>	<u>4,597,463</u>

Note:

\* The amount was primarily procured under the prepaid forward contracts using Alibaba shares. The details of prepaid forward contracts using Alibaba shares are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts.”

### (5) Components of repayment of interest-bearing debt

The components of “Repayment of interest-bearing debt” in the condensed interim consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Repayment of borrowings	(3,520,633)	(3,751,029)
Redemption of corporate bonds	(455,600)	(202,461)
Repayment for settlement of prepaid forward contracts using shares	(319,487)	(2,426)
Total	<u>(4,295,720)</u>	<u>(3,955,916)</u>

## 6. Financial instruments

The details of derivative contracts are mainly as follows:

	(Millions of yen)			
	As of March 31, 2022		As of September 30, 2022	
	Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares (Option contracts) <sup>1</sup>	1,379,801	-	1,161,676	-
Call spread contracts relating to prepaid forward contracts using Alibaba shares <sup>1</sup>	2,302	-	616	-
Prepaid forward contracts using Alibaba shares (Forward contracts) <sup>1</sup>	190,334	(67,672)	85,287	(10,133)
Contingent consideration relating to acquisition of T-Mobile shares <sup>2</sup>	591,429	-	792,015	-
Short call option for T-Mobile shares to Deutsche Telekom <sup>3</sup>	-	(103,754)	-	(54,653)

Notes:

- The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 5. Interest-bearing debt.”
- Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. on April 1, 2020 and the Company has the right to acquire 48,751,557 shares of T-Mobile for no additional consideration if certain conditions are met. In addition, “T-Mobile” indicates T-Mobile US, Inc. after merging with Sprint.
- The decrease was primarily due to the partial exercise of the call options by Deutsche Telekom AG (“Deutsche Telekom”). The details are described in “Notes 3” in “(1) Gain and loss on investments at Investment Business of Holding Companies” under “Note 9. Gain on investments.”

## 7. Foreign currency exchange rates

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

### (1) Rate at the end of the period

	As of March 31, 2022	As of September 30, 2022
USD	122.39	144.81
CNY	19.26	20.37

(Yen)

### (2) Average rate for the quarter

For the six-month period ended September 30, 2021

	Three-month period ended June 30, 2021	Three-month period ended September 30, 2021
USD	110.00	110.47
CNY	17.01	17.09

(Yen)

For the six-month period ended September 30, 2022

	Three-month period ended June 30, 2022	Three-month period ended September 30, 2022
USD	129.04	138.68
CNY	19.60	20.19

(Yen)

## 8. Equity

### (1) Other equity instruments

On July 19, 2017, the Company issued USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and USD-denominated Undated Subordinated Non-Call 10 years Resettable Notes (collectively, the “Hybrid Notes”).

The Hybrid Notes are classified as equity instruments in accordance with IFRSs because the Company has the option to defer interest payments, the notes have no maturity date, and the Company has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

### (2) Treasury stock

Changes in treasury stock are as follows:

	(Thousands of shares)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Balance at the beginning of the period	351,298	76,164
Increase during the period*	25,980	97,807
Decrease during the period	(367,941)	(906)
Balance at the end of the period	9,337	173,065

Note:

\* For the six-month period ended September 30, 2022, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021, the number of treasury stock increased by 97,807 thousand shares (the amount purchased is ¥523,078 million).

### (3) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	(Millions of yen)	
	As of March 31, 2022	As of September 30, 2022
Equity financial assets at FVTOCI	46,338	51,189
Debt financial assets at FVTOCI	298	358
Cash flow hedges	1,696	(71,074)
Exchange differences on translating foreign operations*	2,447,826	5,094,899
Total	2,496,158	5,075,372

Note:

\* The increase was primarily due to a weaker yen against the U.S. dollar compared with the exchange rate as of March 31, 2022.

## 9. Gain on investments

### (1) Gain and loss on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Gain relating to settlement of prepaid forward contracts using Alibaba shares <sup>1,2</sup>	-	4,838,251
Gain relating to sales of T-Mobile shares <sup>3</sup>	3,149	24,842
Realized gain (loss) on investments at asset management subsidiaries	62,951	(54,226)
Unrealized loss on valuation of investments at asset management subsidiaries	(79,778)	(58,856)
Derivative gain (loss) on investments at asset management subsidiaries	76,185	(5,842)
Realized gain (loss) on investments <sup>1,2</sup>	49,524	(147,666)
Unrealized gain (loss) on valuation of investments <sup>2</sup>	87,193	(1,170,459)
Derivative gain on investments <sup>4</sup>	68,499	86,533
Other	12,207	12,078
Total	279,930	3,524,655

Notes:

1. During the course of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba because the voting power against Alibaba held by the Company decreased to below 20%, and Alibaba ceased to be an equity method associate of the Company. At the same time, Alibaba shares held by the Company as of the date the Company lost significant influence over Alibaba (“remaining Alibaba shares”) were remeasured based on the stock price of that day and were included in “Investment securities” in the condensed interim consolidated statement of financial position.

As a result of the Physical settlement under the board resolution in August 2022 and the remeasurement of remaining Alibaba shares, for the three-month period ended September 30, 2022, ¥584,796 million of gain on settlement of prepaid forward contracts using Alibaba shares and ¥3,996,668 million of gain from remeasurement of Alibaba shares were recognized.

In the schedule above, gain on settlement of prepaid forward contracts using Alibaba shares is divided into “Gain relating to settlement of prepaid forward contracts using Alibaba shares” and “Realized gain (loss) on investments,” depending on whether a physical settlement is completed before Alibaba ceases to be an equity method associate of the Company or not, and the gain from remeasurement of Alibaba shares is included in “Gain relating to settlement of prepaid forward contracts using Alibaba shares.”

Also, before the Physical settlement under the board resolution in August 2022, for the six-month period ended September 30, 2022, certain prepaid forward contracts using Alibaba shares were settled by Alibaba shares and ¥132,157 million of gain on settlement of prepaid forward contracts using Alibaba shares was recognized. The gain is included in “Gain relating to settlement of prepaid forward contracts using Alibaba shares.”

2. “Gain relating to settlement of prepaid forward contracts using Alibaba shares” is composed of (1) gain on settlement of prepaid forward contracts using Alibaba shares which a settlement is completed before Alibaba ceases to be an equity method associate of the Company and (2) the effect of the remeasurement of remaining Alibaba shares recorded as of the date when Alibaba ceases to be an equity method associate of the Company. Effects of stock price changes after Alibaba ceases to be an

equity method associate of the Company are included in “Realized gain (loss) on investments” or “Unrealized gain (loss) on valuation of investments” rather than “Gain relating to settlement of prepaid forward contracts using Alibaba shares.”

3. On April 12, 2022, Deutsche Telekom exercised options to purchase T-Mobile shares granted by the Company to Deutsche Telekom and the Company sold 21,153,145 of T-Mobile shares held by a wholly-owned subsidiary of the Company to Deutsche Telekom. In connection with the exercise, the wholly-owned subsidiary of the Company received \$2.40 billion as consideration for the sale of T-Mobile shares. As a result, ¥24,842 million of gain relating to sales of T-Mobile shares was recorded for the six-month period ended September 30, 2022.

Cumulative gains on T-Mobile shares and the options associated with the transaction are ¥22,528 million. Of this, ¥6,012 million of loss was recorded for the fiscal year ended March 31, 2021, and ¥3,698 million of gain was recorded for the fiscal year ended March 31, 2022.

4. For the six-month period ended September 30, 2022, ¥83,022 million of derivative gain on investments was recorded due to changes in the fair value of contingent consideration related to the acquisition of T-Mobile shares through the merger transaction with Sprint and T-Mobile US, Inc. The details of contingent consideration are described in “Notes 2” under “Note 6. Financial instruments.”

## (2) Gain and loss on investments at SoftBank Vision Funds

The details of gain and loss on investments at SoftBank Vision Funds are described in “Note 4. SoftBank Vision Funds business.”

## 10. Finance cost

The components of finance cost are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Interest expenses*	(185,599)	(314,217)

Note:

- \* For the six-month period ended September 30, 2022, the increase was mainly due to the full amortization of the unamortized cost associated with the financial liabilities related to the early settlement of prepaid forward contracts using Alibaba shares. The details are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 5. Interest-bearing debt.”



## 11. Derivative gain (excluding gain (loss) on investments)

For the six-month period ended September 30, 2022, derivative gain of ¥895,229 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 5. Interest-bearing debt.” The above gain includes ¥790,145 million of derivative gain recorded for the three-month period ended September 30, 2022 regarding the prepaid forward contracts using Alibaba shares subject to the Physical settlement under the board resolution in August 2022. The details of the physical settlement are described in “Notes 1” in “(1) Gain and loss on investments at Investment Business of Holding Companies” under “Note 9. Gain on investments.”

## 12. Other gain

The components of other gain and loss are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2021	Six-month period ended September 30, 2022
Interest income	18,294	29,418
Dilution gain from changes in equity interest <sup>1</sup>	53,658	84,574
Gain relating to loss of control over subsidiaries	92,447	16,438
Gain from remeasurement relating to business combination	-	15,158
Impairment loss on equity method investments <sup>2</sup>	(1,177)	(23,611)
Provision for loss relating to litigation <sup>3</sup>	-	(18,522)
Reversal of impairment loss on equity method investments	42,189	-
Other	(14,152)	(12,218)
<b>Total</b>	<b>191,259</b>	<b>91,237</b>

Notes:

- Primarily, the amount is related to the dilution gain arising from changes in Alibaba’s equity interest held by the Company, due to the exercise of stock options in Alibaba, before Alibaba ceased to be an equity method associate.
- Primarily, ¥16,583 million of impairment loss was recorded as the fair value of WeWork shares accounted for using the equity method decreased for the six-month period ended September 30, 2022.
- The amount was recorded based on the ruling of the Tokyo District Court delivered on September 9, 2022, related to litigation in which SoftBank Corp. was involved as a party, associated with a project to migrate the communications network connecting 27,000 sites (postal offices, etc.) countrywide to a new network, the 5th PNET. In addition, the case was appealed to the Tokyo High Court on September 22, 2022.

### 13. Supplemental information to the condensed interim consolidated statement of cash flows

#### (1) Income taxes paid and income taxes refunded

For the six-month period ended September 30, 2022

Payment of withholding income tax related to dividends within the group companies of ¥78,208 million is included in “Income taxes paid.” In addition, refunded withholding income tax related to dividends within the group companies of ¥92,895 million is included in “Income taxes refunded.”

#### (2) Proceeds from sales/redemption of investments

For the six-month period ended September 30, 2022

¥309,696 million of proceeds received from sales of T-Mobile shares is included in “Proceeds from sales/redemption of investments.”

#### (3) Significant non-cash transactions

For the six-month period ended September 30, 2022

Based on the board resolution in August 2022 or the settlement date of a part of prepaid forward contracts arrived, ¥4,563,357 million of financial liabilities relating to sale of shares by prepaid forward contracts, ¥1,263,984 million of derivative financial assets, and ¥13,376 million of derivative financial liabilities, were settled by Alibaba shares. The details are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 5. Interest-bearing debt.”

#### **14. Related party transactions regarding a co-investment program with restricted rights to receive distributions**

MgmtCo, which is the investor in SVF2 LLC (a subsidiary of the Company under SVF2) and the investor in SLA LLC (a subsidiary of the Company under the LatAm Funds), is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds has been introduced from the three-month period ended September 30, 2021 for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and LatAm Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and LatAm Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 and LatAm Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and LatAm Funds, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company's Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo's Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company's investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.

Related party transactions of the Company are as follows:

(1) Transactions between SVF2 and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	
			For the six-month period ended September 30, 2022	As of September 30, 2022
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SVF2 LLC and related adjustments <sup>1,2</sup>	-	411,424 <sup>3,4</sup> (\$2,841 million)
		The premium received on SVF2 LLC's receivables	5,538 <sup>3</sup> (\$41 million)	
		MgmtCo's Equity interests in SVF2 LLC <sup>5,6</sup>	-	-
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC) <sup>7</sup>		411,424 (\$2,841 million)

Notes:

1. Restrictions on rights to receive distributions to MgmtCo

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

### 3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SVF2 LLC's receivables consist of the balance related to receipt of capital contribution, related adjustments and premiums received from MgmtCo, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo.

The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in SVF2 LLC at the inception of the program, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

### 4. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of September 30, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

### 5. MgmtCo's Equity interest in SVF2 LLC

The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position.

### 6. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

### 7. Net balance at period end

Net balance at period end is the balance of receivables held by SVF2 LLC less MgmtCo's Equity interest in SVF2 LLC.

## (2) Transactions between LatAm Funds and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	
			For the six-month period ended September 30, 2022	As of September 30, 2022
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments <sup>1,2</sup>	-	96,854 <sup>3,4</sup> (\$669 million)
		The premium received on SLA LLC's receivables	1,308 <sup>3</sup> (\$10 million)	
		MgmtCo's Equity interests in SLA LLC <sup>5,6</sup>	-	60,413 (\$417 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC) <sup>7</sup>		36,441 (\$252 million)

## Notes:

## 1. Restrictions on rights to receive distributions to MgmtCo

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

## 2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

## 3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received.

The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in SLA LLC at the inception of the program, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's

contribution to LatAm Funds until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. “The premium received on SLA LLC’s receivables” refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amounts from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC’s receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of September 30, 2022, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

5. MgmtCo’s Equity interest in SLA LLC

The amount represents SLA LLC’s net assets attributable to MgmtCo (before deduction of receivables), which is included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position.

6. Management fee, performance-linked management fees and performance fees to be charged to MgmtCo

The terms of the management fee, performance-linked management fees and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SLA LLC less MgmtCo’s Equity interest in SLA LLC.