

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 4 of this report.

**SoftBank Group Corp.**  
**Consolidated Financial Report**  
**For the Fiscal Year Ended March 31, 2023 (IFRS)**

Tokyo, May 11, 2023

**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>Fiscal year ended March 31, 2023</b>	<b>¥6,570,439</b>	<b>5.6</b>	<b>¥(469,127)</b>	<b>-</b>	<b>¥(789,801)</b>	<b>-</b>	<b>¥(970,144)</b>	<b>-</b>	<b>¥468,140</b>	<b>(32.3)</b>
Fiscal year ended March 31, 2022	¥6,221,534	10.5	¥(869,562)	-	¥(1,462,199)	-	¥(1,708,029)	-	¥691,211	(87.6)

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)
<b>Fiscal year ended March 31, 2023</b>	<b>¥(652.37)</b>	<b>¥(662.41)</b>	<b>(10.2)</b>	<b>(1.0)</b>
Fiscal year ended March 31, 2022	¥(1,018.58)	¥(1,025.67)	(16.9)	(1.9)

Note:

\* Income (loss) on equity method investments

Fiscal year ended March 31, 2023: ¥(96,677) million

Fiscal year ended March 31, 2022: ¥341,385 million

**(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 (%)	Equity per share attributable to owners of the parent (Yen)
<b>As of March 31, 2023</b>	<b>¥43,936,368</b>	<b>¥10,649,215</b>	<b>¥9,029,849</b>	<b>20.6</b>	<b>5,888.94</b>
As of March 31, 2022	¥47,544,670	¥11,707,762	¥9,975,674	21.0	5,755.92

Note:

\* “Equity per share attributable to owners of the parent” is based on “Equity attributable to owners of the parent” excluding the amount not attributable to ordinary shareholders.

### (3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
<b>Fiscal year ended March 31, 2023</b>	<b>¥741,292</b>	<b>¥547,578</b>	<b>¥191,517</b>	<b>¥6,925,153</b>
Fiscal year ended March 31, 2022	¥2,725,450	¥(3,018,654)	¥602,216	¥5,169,001

### 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 ended March 31, 2023	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2024 (Forecasted)	-	22.00	-	22.00	44.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	(Millions of yen)	%	%
Fiscal year ended March 31, 2022	73,929	-	0.8
Fiscal year ended March 31, 2023	66,285	-	0.8
Fiscal year ending March 31, 2024 (Forecasted)		-	

**\* Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes

Newly consolidated: None

Excluded from consolidation: One entity: Skybridge Corporation

Notes:

1. Please refer to page 46 “Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2023” under “3. Notes to Summary Information” for details.

2. 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 March 31, 2023: 1,469,995,230 shares

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

[2] Number of shares of treasury stock:

As of March 31, 2023: 6,947,599 shares

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

[3] Number of average shares outstanding during the twelve-month period (April-March):

As of March 31, 2023: 1,542,473,887 shares

As of March 31, 2022: 1,708,988,647 shares

[For Reference]

Financial Highlights (Non-Consolidated)

(1) Non-Consolidated Results of Operations

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

	Operating revenue		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Fiscal year ended March 31, 2023</b>	<b>¥657,112</b>	<b>(23.2)</b>	<b>¥592,131</b>	<b>(24.8)</b>	<b>¥(1,057,199)</b>	-	<b>¥2,828,995</b>	-
Fiscal year ended March 31, 2022	¥856,003	(47.2)	¥787,261	(49.8)	¥(200,263)	-	¥(352,390)	-

	Net income per share-basic (Yen)	Net income per share-diluted (Yen)
<b>Fiscal year ended March 31, 2023</b>	<b>¥1,834.06</b>	<b>¥1,831.33</b>
Fiscal year ended March 31, 2022	¥(206.20)	¥-

Note:

\* Net income per share-diluted for the fiscal year ended March 31, 2022 is not presented as net income per share-basic is negative.

(2) Non-Consolidated Financial Position

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (Yen)
<b>As of March 31, 2023</b>	<b>¥24,563,884</b>	<b>¥5,734,553</b>	<b>23.3</b>	<b>¥3,913.20</b>
As of March 31, 2022	¥22,412,112	¥2,759,755	12.3	¥1,669.10

Note:

\* Shareholders' equity (Non-consolidated)

As of March 31, 2023: ¥5,725,194 million

As of March 31, 2022: ¥2,748,655 million

(3) Differences in Non-Consolidated Operating Results from the Previous Fiscal Year

The increase in net income for the fiscal year ended March 31, 2023 from the previous fiscal year ended March 31, 2022 was mainly attributable to a ¥5,258,628 million year-on-year increase in gain on sale of investment securities.

Financial Highlights (Non-Consolidated) are prepared in accordance with Accounting Principles Generally Accepted in Japan.

**\* This consolidated financial report is not subject to audit procedures by certified public accountants or an auditing 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 May 11, 2023 (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)

## Contents

1. Results of Operations .....	P.3
(1) Overview of Results of Operations .....	P.3
a. Consolidated Results of Operations .....	P.5
b. Results by Segment .....	P.9
(a) Investment Business of Holding Companies Segment .....	P.10
(b) SoftBank Vision Funds Segment .....	P.15
(c) SoftBank Segment .....	P.23
(d) Arm Segment .....	P.25
(2) Overview of Financial Position .....	P.29
(3) Overview of Cash Flows .....	P.40
(4) Forecasts .....	P.44
2. Basic Approach to the Selection of Accounting Standards.....	P.45
3. Notes to Summary Information .....	P.46
Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2023 .....	P.46
4. Consolidated Financial Statements and Primary Notes .....	P.47
(1) Consolidated Statement of Financial Position .....	P.49
(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income .....	P.51
(3) Consolidated Statement of Changes in Equity .....	P.53
(4) Consolidated Statement of Cash Flows .....	P.57
(5) Significant Doubt about Going Concern Assumption .....	P.59
(6) Notes to Consolidated Financial Statements .....	P.59

### 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.

In addition, this material does not constitute an offer to sell, or a solicitation of an offer to buy, any securities of Arm Limited. Any offers to sell, solicitations of offers to buy, or sales of securities will be made in accordance with the registration requirements of the U.S. Securities Act of 1933, as amended, and other applicable securities laws.

### 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. 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.
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
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 third quarter	Three-month period ended December 31, 2022
The fourth quarter	Three-month period ended March 31, 2023
The fiscal year	Fiscal year ended 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 ended March 31, 2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average rate for the quarter	¥110.00	¥110.47	¥113.60	¥117.10	¥129.04	¥138.68	¥141.16	¥133.26
Rate at the end of the period				¥122.39				¥133.53

## 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 Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

## 1. Results of Operations

### (1) Overview of Results of Operations

#### 1. Alibaba

The Company recorded gains and losses as a result of the physical settlement of prepaid forward contracts corresponding to 296 million American Depositary Receipts (ADRs) of Alibaba shares (c and e in the following table). During the course of the physical settlement, the Company's voting ownership in Alibaba fell below 20% in the second quarter and Alibaba was therefore excluded from the associates of the Company. Remeasurement gain was recorded on the shares that continued to be held upon exclusion (d in the following table).

Gains and losses related to Alibaba shares in the fiscal year

<b>Gains and losses while an associate of the Company</b>	
a. Loss on equity method investments	¥(25.4) billion
b. Dilution gain from changes in equity interest (net)	¥75.7 billion
c. Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	¥841.6 billion
<b>Gains and losses upon exclusion from associates of the Company</b>	
d. Gain from remeasurement of Alibaba shares held upon exclusion from associates	¥3,996.7 billion
<b>Gains and losses after exclusion from associates of the Company</b>	
e. Realized loss on investments (loss on sale from physical settlement) <i>representing the difference between fair value at exclusion from associates and at settlement</i>	¥(210.9) billion
f. Unrealized loss on valuation of investments <i>representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates</i>	¥(254.4) billion
<b>Gains and losses associated with financing activities</b>	
g. Finance cost	¥(107.9) billion
h. Derivative gain (excluding gain (loss) on investments)	¥24.9 billion
<b>Total (contribution to income before income tax)</b>	<b>¥4,340.3 billion</b>

#### 2. SVF

Gross performance since inception was an \$11.4 billion gain in SVF1 and an \$18.3 billion loss in SVF2.\*<sup>1</sup>

#### 3. Results highlights

##### ◆ ¥835.1 billion investment loss (¥526.1 billion gain for the fourth quarter)

- ¥4,560.5 billion investment gain at Investment Business of Holding Companies (including a ¥860.9 billion gain for the fourth quarter), which included
  - Gain of ¥4,838.3 billion relating to settlement of prepaid forward contracts using Alibaba shares (total of c and d in the above table)
  - Realized loss of ¥238.0 billion and unrealized valuation loss of ¥142.4 billion
- ¥5,322.3 billion investment loss at SoftBank Vision Funds (including a ¥315.5 billion loss for the fourth quarter), which included
  - Realized gain (net) of ¥81.7 billion and unrealized valuation loss (net) of ¥1,952.0 billion at SVF1
  - Realized loss (net) of ¥3.5 billion and unrealized valuation loss (net) of ¥2,527.5 billion at SVF2

Share prices of numerous public portfolio companies\*<sup>2</sup> declined for the fiscal year amid the weakness in global stock markets, although share prices of several companies rose in the fourth quarter. The fair value of a wide range of private portfolio companies\*<sup>2</sup> also decreased, reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

##### ◆ Loss before income tax of ¥469.1 billion (improvement of ¥400.4 billion yoy) reflecting the recordings of:

- Finance cost of ¥555.9 billion
- Foreign exchange loss of ¥772.3 billion due to the impact of the weaker yen amid an excess of U.S. dollar-denominated liabilities (net) mainly at SBG over its U.S. dollar-denominated cash and cash equivalents and loans receivable
- Decrease in third-party interests at SVF of ¥1,127.9 billion

##### ◆ Net loss attributable to owners of the parent of ¥970.1 billion (improvement of ¥737.9 billion yoy)

reflecting the recordings of:

- Income tax of ¥320.7 billion
- Net income attributable to non-controlling interests of ¥180.3 billion

**4. Maintained prudent defensive financial management with continued monetization of and contraction in investments, resulting in an improvement in LTV (Loan-to-Value)<sup>\*3</sup> from the previous fiscal year-end.**

◆ **Continued monetization of investments**

- Raised \$35.46 billion through prepaid forward contracts using Alibaba shares during the fiscal year.
- SVF1 and SVF2 sold investments (including those through share exchanges) for a total of \$6.47 billion in the fiscal year, including full exits of ten portfolio companies, such as Uber and KE Holdings, and partial exits of several public portfolio companies.
- Sold 21.2 million T-Mobile shares for \$2.40 billion in the first quarter.
- Raised \$4.10 billion through prepaid forward contracts using Alibaba shares, subsequent to the fiscal year-end.

◆ **Contraction in investments**

SVF1 and SVF2 made new and follow-on investments (including those through share exchanges) totaling \$3.14 billion in the fiscal year, a significant reduction from \$44.26 billion in the previous fiscal year.

**5. Reduced interest-bearing debt of SBG and its subsidiaries engaged in fund procurement, etc. by ¥2,233.8 billion from the previous fiscal year-end as a result of proactive debt repayment and the physical settlement of prepaid forward contracts**

- Reduced financial liabilities relating to the sale of shares through prepaid forward contracts by \$40.45 billion (including \$13.47 billion relating to contracts concluded during the fiscal year) due to the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares in the fiscal year.
- Repaid borrowings of \$4.5 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 early repayment of ¥292.7 billion.
- Repaid in full \$6.0 billion in a margin loan borrowed through Alibaba shares in the second quarter.
- Repaid \$2.06 billion in a margin loan borrowed through T-Mobile shares in the six-month period ended September 30, 2022.
- Repurchased a total of \$2.07 billion worth of foreign currency-denominated senior notes (at face value) and \$0.75 billion worth of USD-denominated Undated Hybrid Notes (at face value) in the fiscal year. The latter is classified as equity instruments in accordance with IFRSs.

**6. On track with replacement of USD-denominated Undated Hybrid Notes**

Subsequent to the fiscal year-end, the Company issued domestic Hybrid Notes of ¥222.0 billion in April 2023. Together with the borrowings made through the Hybrid Loan<sup>\*4</sup> in May 2023, the Company completed the financing for the replacement of the USD-denominated Undated Hybrid Notes (\$2.0 billion) and JPY-denominated Hybrid Notes (¥15.4 billion) with the first voluntary call dates in July 2023 and in September 2023 respectively.

**7. Share repurchase of ¥1.4 trillion completed**

- On October 17, 2022, SBG completed the full repurchase of shares under the ¥1 trillion share repurchase program authorized in November 2021.
- On November 10, 2022, SBG completed the full repurchase of shares under the ¥400 billion share repurchase program authorized in August 2022.
- SBG retired 252,958,500 treasury shares (14.68% of the total number of shares issued prior to the retirement) on March 30, 2023, a number equal to the total number of shares acquired under the above two programs.

**8. Reorganization is planned among Z Holdings and primarily LINE and Yahoo Japan**

Z Holdings plans to reorganize its corporate group as of October 1, 2023, primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, to build an organization structure that puts more emphasis on products, to accelerate the expansion of synergies from the business integration.

**9. Confidential submission of draft registration statement on Form F-1 by Arm**

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depositary shares representing Arm's ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.



## Notes:

1. Gross amounts before deductions such as third-party interests and taxes.
2. 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.
3. 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 and PayPay Corporation), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar.
4. The Hybrid Loan is eligible for 50% equity treatment for the drawn down amount from Japan Credit Rating Agency, Ltd. and S&P Global Ratings Japan Inc.

**a. Consolidated Results of Operations**

(Millions of yen)

	Fiscal year ended March 31		Change	Change %	
	2022	2023			
Net sales	6,221,534	<b>6,570,439</b>	348,905	5.6%	<b>A</b>
Gross profit	3,265,574	<b>3,328,042</b>	62,468	1.9%	
Gain on investments					
Gain on investments at Investment Business of Holding Companies	104,367	<b>4,560,500</b>	4,456,133	-	<b>B</b>
Loss on investments at SoftBank Vision Funds	(3,625,827)	<b>(5,322,265)</b>	(1,696,438)	-	<b>C</b>
Gain (loss) on other investments	86,718	<b>(73,294)</b>	(160,012)	-	
Total gain on investments	(3,434,742)	<b>(835,059)</b>	2,599,683	-	
Selling, general and administrative expenses	(2,551,722)	<b>(2,695,328)</b>	(143,606)	5.6%	
Finance cost	(382,512)	<b>(555,902)</b>	(173,390)	45.3%	<b>D</b>
Foreign exchange loss	(706,111)	<b>(772,270)</b>	(66,159)	-	<b>E</b>
Income (loss) on equity method investments	341,385	<b>(96,677)</b>	(438,062)	-	<b>F</b>
Derivative gain (excluding gain (loss) on investments)	1,234,708	<b>54,256</b>	(1,180,452)	(95.6%)	<b>G</b>
Change in third-party interests in SVF	970,559	<b>1,127,949</b>	157,390	16.2%	
Other gain (loss)	393,299	<b>(24,138)</b>	(417,437)	-	
Income before income tax	(869,562)	<b>(469,127)</b>	400,435	-	
Income taxes	(592,637)	<b>(320,674)</b>	271,963	(45.9%)	<b>H</b>
Net income	(1,462,199)	<b>(789,801)</b>	672,398	-	
Net income attributable to owners of the parent	(1,708,029)	<b>(970,144)</b>	737,885	-	
Total comprehensive income	691,211	<b>468,140</b>	(223,071)	(32.3%)	
Comprehensive income attributable to owners of the parent	449,419	<b>293,116</b>	(156,303)	(34.8%)	

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

**A Net Sales**

Net sales increased in the SoftBank segment and the Arm segment.

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

Investment gain of ¥4,560,500 million was recorded at Investment Business of Holding Companies. This mainly reflected the recording of a gain of ¥4,838,251 million relating to the settlement of prepaid forward contracts using Alibaba shares (including a gain of ¥3,996,668 million from the remeasurement of Alibaba shares held upon Alibaba's exclusion from the Company's associates). For details, see "(a) Investment Business of Holding Companies Segment" under "b. Results by Segment."

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

Investment loss of ¥5,322,265 million was recorded at SoftBank Vision Funds, of which ¥1,127,949 million was attributable to third-party interests. SVF1 recorded a realized gain on investments (net) of ¥81,714 million, mainly due to the full exits of eight portfolio companies,<sup>1</sup> such as Uber Technologies, Inc. ("Uber") and the partial exits of several public portfolio companies. Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥782,582 million for public portfolio companies, reflecting declines in the share prices of a wide range of portfolio companies in the fiscal year. Of the losses, ¥213,825 million were attributable to SenseTime Group, Inc., ¥213,528 million to PT GoTo Gojek Tokopedia Tbk ("GoTo"), and ¥102,091 million to DoorDash, Inc. ("DoorDash"). For private portfolio companies, SVF1 recorded unrealized valuation losses (net) totaling ¥1,169,384 million due to an overall decrease in the fair value of portfolio companies, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies.

SVF2 recorded realized loss on investments (net) of ¥3,499 million mainly as a result of the full exit of KE Holdings Inc. ("KE Holdings") and the partial exits of several public portfolio companies. Meanwhile, SVF2 recorded unrealized valuation losses (net) totaling ¥2,527,524 million. For public portfolio companies, the losses were mainly due to share price declines of AutoStore Holdings Ltd. ("AutoStore") and WeWork Inc. ("WeWork") in the fiscal year. For private portfolio companies, the fair value decreased in a wide range of investments, mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies. For details, see "(b) SoftBank Vision Funds Segment" under "b. Results by Segment."

**Primarily as a result of B through C, the total loss on investments was ¥835,059 million.**

### **D Finance Cost**

Interest expenses increased by ¥121,433 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 of a portion of prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was accepted in March 2022.

### **E Foreign Exchange Loss**

Foreign exchange loss of ¥772,270 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 the yen-translated value of net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is not Japanese yen (primarily U.S. dollar). 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 ¥1,337,214 million, which is listed under accumulated other comprehensive income in equity on the 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 ¥413,305 million year on year. Alibaba was previously an equity method associate of the Company; however, it was excluded from the associates in the second quarter. This change reflected the Company's loss of significant influence over Alibaba as its voting ownership in the company fell below 20% during the course of the physical settlement of prepaid forward contracts using Alibaba shares.

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

Derivative gain of ¥24,933 million was recorded in relation to prepaid forward contracts using Alibaba shares. In the fourth quarter, derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

**Primarily as a result of A through G, loss before income tax was ¥469,127 million, an improvement of ¥400,435 million year on year.**

#### **H Income Taxes**

Income taxes stood at ¥320,674 million. In addition to current income taxes totaling ¥283,702 million recorded at SoftBank Corp., Yahoo Japan Corporation, Arm, and other operating companies, current income taxes of ¥494,405 million and deferred income taxes of ¥408,508 million (a credit of income taxes) were recorded at SBG, at subsidiaries conducting fund procurement using Alibaba shares, and at related intermediate holding companies (both comprising wholly owned subsidiaries of the Company).

**Primarily as a result of A through H, net loss attributable to owners of the parent was ¥970,144 million, an improvement of ¥737,885 million year on year.**

### Status of Investment and Financial Support for WeWork

The Company recorded losses totaling ¥378,527 million for the fiscal year on WeWork stocks and warrants held by SVF1 and SVF2 (see a in the table below), mainly due to a significant decline in WeWork share price. In addition, losses totaling ¥221,839 million were recorded for the fiscal year as a result of estimating expected credit losses related to financial support under the October 2019 agreement between the Company and WeWork, including WeWork unsecured notes held by the Company (b below), WeWork senior secured notes held by SVF2 (c below), a commitment by SVF2 to acquire WeWork senior secured notes (d below), and credit support by SVF2 for a letter of credit facility provided to WeWork by financial institutions (e below).

In March 2023, WeWork, its principal bondholders, SVF2, and others agreed to support the restructuring of WeWork's debt. Pursuant to this transaction support agreement, the following changes have been made to the financial support provided by the Company and SVF2 to WeWork since April 2023. WeWork remains an associate of the Company after these changes.

	Consolidated Statement of Profit or Loss		Consolidated Statement of Financial Position		Changes since April 2023
	Account (as in the notes to the financial statements)	Amount (Parentheses show loss)	Account	Carrying amount at the fiscal year-end (Parentheses show liabilities)	
WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds	(340,411)	Investments from SVF (FVTPL)	43,081	
a	Loss on equity method investments	(15,307)	Investments accounted for using the equity method		
	Other loss (Impairment loss on equity method investments)	(22,809)		4,824	
WeWork unsecured notes with a face value of \$1.65 billion* <sup>1</sup> held by the Company	Other loss (Provision for allowance for doubtful accounts)	(77,191)	Other financial assets (non-current)	110,735	The unsecured notes were transferred to SVF2 in April 2023 and exchanged for WeWork stock (1,113 million shares) and convertible bonds (face value: \$457.1 million) in May 2023.
b	Loss on investments at SoftBank Vision Funds	18,022	Investments from SVF (FVTPL)	\$0.83 billion	In April 2023, SVF2 purchased additional WeWork senior secured notes with a face value of \$0.05 billion. In May 2023, WeWork redeemed all the senior secured notes held by SVF2, totaling \$0.3 billion in face value; and the undrawn \$0.2 billion loan commitment to acquire WeWork senior secured notes was canceled. In addition, SVF2 entered into a new loan commitment agreement with WeWork for the purchase of up to \$0.3 billion of senior secured notes to be issued by WeWork.
	Other loss (Provision for allowance for loan commitment losses)	(19,436)		32,959	
c	Other loss (Provision for allowance for loan commitment losses)	(1,008)	Other financial liabilities (current)	(16)	
	Other loss (Provision for allowance for loan commitment losses)	(142,226)	Other financial liabilities (current)	(152,365)	
d	Other loss (Provision for allowance for financial guarantee contract losses)	(600,366)	Total	\$(1.14) billion	
	Total				

Notes:

- As of March 31, 2023
- After deducting allowance for doubtful accounts

## 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 fiscal year-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> <li>·Financial business: Provision of payment and financial services</li> </ul>	SoftBank Corp. Z Holdings Corporation Yahoo Japan Corporation LINE Corporation PayPay Corporation <sup>*1</sup>
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>·Alternative investment management business</li> <li>·Fukuoka SoftBank HAWKS-related businesses</li> </ul>	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 are no longer included in "Other," but are presented within the SoftBank segment starting from the third quarter, with the results retrospectively adjusted and presented for the fiscal year and for the previous fiscal year.

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

- 1. As a result of the physical settlement of prepaid forward contracts corresponding to 296 million ADRs of Alibaba shares, gains and losses on sale (¥841.6 billion gain on settlement of prepaid forward contracts using Alibaba shares and ¥210.9 billion realized investment loss) were recorded. Alibaba was excluded from the associates of the Company as the voting ownership fell below 20% in the second quarter during the course of the physical settlement. ¥3,996.7 billion remeasurement gain was recorded on shares that continued to be held upon exclusion.**
- 2. Segment income was ¥3,349.8 billion. This reflected ¥4,560.6 billion investment gain, including the above gains and losses related to Alibaba shares, which was partially offset by finance cost of ¥398.5 billion and foreign exchange loss of ¥772.1 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”), the 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 110 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 physical settlement of prepaid contracts using Alibaba shares.

Upon Alibaba’s exclusion from the Company’s associates, Alibaba shares 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 measured at fair value quarterly and any change in fair value is 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 for the fiscal year was ¥146.2 billion, which brings the cumulative investment loss since inception to ¥892.4 billion.<sup>\*1</sup> 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 ¥79.2 billion as of the fiscal year-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.

Note:

- Both the fiscal year and the cumulative investment loss amounts exclude the impact of SB Northstar's investments in three Special Purpose Acquisition Companies ("SPACs") controlled by SB Investment Advisers (US) Inc. Of these SPACs, one completed a merger with an operating company during the fiscal year and two terminated operations during the fiscal year as they were unable to complete a merger with operating companies.

## FINANCIAL RESULTS

(Millions of yen)

	Fiscal year ended March 31		Change	Change %	
	2022	2023			
Gain on investments at Investment Business of Holding Companies	104,135	<b>4,560,568</b>	4,456,433	-	<b>A</b>
Gain relating to settlement of prepaid forward contracts using Alibaba shares	199,972	<b>4,838,251</b>	4,638,279	-	
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	54,853	<b>(73,950)</b>	(128,803)	-	
Unrealized loss on valuation of investments at asset management subsidiaries	(393,635)	<b>(67,054)</b>	326,581	-	
Derivative gain (loss) on investments at asset management subsidiaries	89,476	<b>(5,102)</b>	(94,578)	-	
Realized loss on investments <sup>*1</sup>	(269,343)	<b>(235,617)</b>	33,726	-	
Unrealized gain (loss) on valuation of investments <sup>*1</sup>	288,734	<b>(144,198)</b>	(432,932)	-	
Change in valuation for the fiscal year	(126,282)	<b>(132,423)</b>	(6,141)	-	
Reclassified to realized gain (loss) recorded in the past fiscal years <sup>*2</sup>	415,016	<b>(11,775)</b>	(426,791)	-	
Derivative gain on investments	101,524	<b>205,506</b>	103,982	102.4%	
Effect of foreign exchange translation <sup>*1*3</sup>	10,022	-	(10,022)	-	
Other <sup>*1</sup>	19,383	<b>17,890</b>	(1,493)	(7.7%)	
Selling, general and administrative expenses	(85,871)	<b>(73,796)</b>	12,075	(14.1%)	
Finance cost	(277,108)	<b>(398,541)</b>	(121,433)	43.8%	<b>B</b>
Foreign exchange loss	(705,108)	<b>(772,053)</b>	(66,945)	-	<b>C</b>
Income (loss) on equity method investments	376,433	<b>(22,836)</b>	(399,269)	-	<b>D</b>
Derivative gain (excluding gain (loss) on investments)					
<i>Mainly due to prepaid forward contracts using Alibaba shares</i>	1,236,686	<b>65,732</b>	(1,170,954)	(94.7%)	<b>E</b>
Other gain (loss)	315,991	<b>(9,228)</b>	(325,219)	-	<b>F</b>
<b>Segment income (income before income tax)</b>	<b>965,158</b>	<b>3,349,846</b>	<b>2,384,688</b>	<b>247.1%</b>	

Notes:

- Figures for the previous fiscal year are restated. There is no change in the total amount of gain (loss) on investments at Investment Business of Holding Companies.
- 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 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 of. "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.

Gains and losses related to Alibaba shares in the fiscal year	(Millions of yen)
<b>Gains and losses while an associate of the Company</b>	
Loss on equity method investments	(25,394)
Dilution gain from changes in equity interest (net)	75,678
Gain on settlement of prepaid forward contracts using Alibaba shares (gain on sale from physical settlement)	841,583
<b>Gains and losses upon exclusion from associates of the Company</b>	
Gain from remeasurement of Alibaba shares held upon exclusion from associates	3,996,668
<b>Gains and losses after exclusion from associates of the Company</b>	
Realized loss on investments (loss on sale from physical settlement) <i>representing the difference between fair value at exclusion from associates and at settlement</i>	(210,919)
Unrealized loss on valuation of investments <i>representing a change in the fair value of Alibaba shares that continued to be held at the fiscal year-end after exclusion from associates</i>	(254,356)
<b>Gains and losses associated with financing activities</b>	
Finance cost	(107,884)
Derivative gain (excluding gain (loss) on investments)	24,933
<b>Total (contribution to segment income)</b>	<b>4,340,309</b>

**A Gain on investments at Investment Business of Holding Companies: ¥4,560,568 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 ¥73,950 million and unrealized valuation loss of ¥67,054 million were recorded on investments at asset management subsidiaries. This was a result of investments in listed stocks and other instruments by SB Northstar.
- Realized loss of ¥235,617 million on investments was recorded. This mainly comprised ¥210,919 million loss realized on Alibaba shares due to the physical settlement of the prepaid forward contracts using such shares, which was carried out after Alibaba's exclusion from the Company's associates.
- Unrealized loss of ¥144,198 million was recorded on valuation of investments. This mainly included a ¥254,356 million unrealized loss on a change in the fair value of Alibaba shares held at the fiscal year-end, which was recorded on the change in fair value from the exclusion from the Company's associates to the fiscal year-end.
- Derivative gain of ¥205,506 million on investments was recorded, mainly due to a gain of ¥189,874 million recorded pertaining to the right to acquire T-Mobile shares for no additional consideration if certain conditions are met.

**B Finance cost: ¥398,541 million (increase of ¥121,433 million year on year)**

Interest expenses increased by ¥129,565 million year on year at SBG<sup>2</sup> to ¥396,240 million. This was mainly due to the full amortization of unamortized costs associated with financial liabilities related to the early physical settlement of a portion of the prepaid forward contracts using Alibaba shares and the occurrence of interest expenses related to asset-backed finance using Arm shares, which was incepted in March 2022.

**C Foreign exchange loss: ¥772,053 million**



Foreign exchange loss of ¥772,053 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: ¥22,836 million (deterioration of ¥399,269 million year on year)**

Loss on equity method investments related to Alibaba was ¥25,394 million,<sup>3</sup> a deterioration of ¥413,305 million year on year. 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 physical settlement of prepaid forward contracts using Alibaba shares.

**E Derivative gain (excluding gain (loss) on investments): ¥65,732 million**

Derivative gain of ¥24,933 million was recorded mainly for the prepaid forward contracts using Alibaba shares. In the fourth quarter, a derivative loss of ¥524,201 million was recorded in relation to the same contracts due to an increase in the Alibaba share price.

**F Other loss: ¥9,228 million**

As stated in "Status of Investment and Financial Support for WeWork," the Company recorded a ¥217,081 million loss related to financial support provided to WeWork. On the other hand, interest income increased by ¥65,962 million year on year to ¥103,462 million mainly due to an increase in interest rates on USD-denominated deposits. Meanwhile, a dilution gain of ¥75,678 million (net) from changes in equity interest was recorded due to a change in the Company's ownership interest in Alibaba prior to its exclusion from associates.

**Reference: Impact of the asset management subsidiaries on the Company's Consolidated Statement of Financial Position**

	(Millions of yen)
	March 31, 2023
Cash and cash equivalents	18,231
Investments from asset management subsidiaries	79,236
Derivative financial assets in asset management subsidiaries	24
Other	501
<b>Total assets</b>	<b>97,992</b>
Trade and other payables	229
<b>Total liabilities</b>	<b>229</b>
Investments from the Delaware subsidiaries <sup>*1</sup>	912,989
Equivalent amount of cash investments by SBG in the Delaware subsidiaries	39,786
Equivalent amount of loans to the Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	853,310
Equivalent amount of cash investments by Masayoshi Son in the Delaware subsidiaries	19,893 <b>A</b>
Retained earnings	(898,420) <b>B</b>
Exchange differences on translating foreign operations	83,194
<b>Equity</b>	<b>97,763 C</b>

Note:

1. 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. (the "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 the Delaware subsidiaries	19,893 <b>A</b>
Cumulative loss attributable to non-controlling interests <sup>*2</sup>	(299,377)
Exchange differences on translating foreign operations	32,541
<b>Non-controlling interests (interests of Masayoshi Son)</b>	<b>(246,943) D</b>

Note:

2. One-third of B in the above table

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

	(Millions of yen)
Interests of SBG	344,706
Non-controlling interests (interests of Masayoshi Son)	(246,943) <b>D</b>
<b>Equity</b>	<b>97,763 C</b>

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

Borrower	Type	Balance as of March 31, 2023 in Consolidated Statement of Financial Position
SBG	Borrowings	¥381.9 billion
	Corporate bonds	¥5,753.0 billion
	Lease liabilities	¥10.7 billion
	Commercial paper	¥161.0 billion
Wholly owned subsidiaries conducting fund procurement <sup>*1</sup>	Borrowings using Arm shares (asset-backed finance)	¥1,126.6 billion
	Prepaid forward contracts using Alibaba shares (floor contracts, collar contracts, and forward contracts)	¥3,823.7 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥497.4 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥376.2 billion
	Collar transactions using Deutsche Telekom shares	¥441.3 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 \$11.4 billion gain in SVF1 and \$18.3 billion loss in SVF2. <sup>\*1</sup>**

**Market environment: The S&P 500 Index rose 7.0%, the NASDAQ-100 Technology Sector Index rose 23.9%, and the Thomson Reuters Venture Capital Index rose 11.6% from December 31, 2022 to March 31, 2023.**

**SVF1: \$101.0 billion in cumulative returns (exit price, etc. + fair value of investments held) on \$89.6 billion investments, with \$11.4 billion gross gain**

- Investment loss was \$17.3 billion (¥2,311.2 billion) for the fiscal year.
- The fair value of investments held at the fourth quarter-end increased by 0.4% from the previous quarter-end. <sup>\*2</sup>
  - Up 8.0% for public portfolio companies, <sup>\*3</sup> mainly due to rise in share prices of DiDi, Coupang, and DoorDash, partially offset by declines in share prices of Grab and other companies
  - Down 3.6% for private portfolio companies, <sup>\*3</sup> mainly reflecting markdowns of weaker-performing companies and share price declines among market comparable companies, consistent with private valuation methodologies adopted

**SVF2: \$31.9 billion in cumulative returns on \$50.2 billion investments, with \$18.3 billion gross loss**

- Investment loss was \$18.4 billion (¥2,445.4 billion) for the fiscal year.
- The fair value of investments held at the fourth quarter-end decreased by 5.4% from the previous quarter-end.
  - Up 10.0% for public portfolio companies, mainly due to rise in share prices of AutoStore and Symbotic, partially offset by decline in share prices of WeWork and other companies
  - Down 7.7% for private portfolio companies, reflecting markdowns of a wide range of portfolio companies due to their weaker performances, consistent with private valuation methodologies adopted

(As of March 31, 2023; in billions of U.S. dollars)

	Since Inception			The Fiscal Year <sup>*4</sup>	
	Investment cost <sup>*5</sup>	Returns <sup>*5</sup>	Gain/loss	Gain/loss Jan - Mar	Gain/loss YTD
<b>SVF1</b>					
Exited investments	24.0	42.7	18.7	0.3	0.6
Investments before exit	65.6	55.9	(9.7)	0.2	(14.7)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year</i>				(0.1)	(3.2)
Derivatives/Interests/Dividends	0.0	2.4	2.4	(0.0)	0.0
<b>Total</b>	<b>89.6</b>	<b>101.0</b>	<b>11.4</b>	<b>0.4</b>	<b>(17.3)</b>
				<b>¥54.2 billion</b>	<b>¥(2,311.2) billion</b>
<b>SVF2</b>					
Exited investments	1.6	2.7	1.1	(0.0)	(0.0)
Investments before exit	48.6	29.5	(19.1)	(1.5)	(18.6)
<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	-	(0.3)	(0.3)	(0.0)	0.1
<b>Total</b>	<b>50.2</b>	<b>31.9</b>	<b>(18.3)</b>	<b>(1.5)</b>	<b>(18.4)</b>
				<b>¥(205.4) billion</b>	<b>¥(2,445.4) 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 \$6.47 billion by SVF1 and SVF2 in the fiscal year (SVF1: \$5.79 billion, SVF2: \$0.68 billion), including full exits of ten portfolio companies <sup>1</sup> such as Uber and KE Holdings, and partial exits of several public portfolio companies.
- Made new and follow-on investments by SVF1 and SVF2 totaling \$3.14 billion (SVF1: \$0.45 billion, SVF2: \$2.69 billion), <sup>1</sup> a significant reduction from \$44.26 billion in the previous fiscal year.

**Notes:**

- 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.
- Represents changes in U.S. dollar-based fair values, excluding those from investments or exits made during the fourth quarter. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end. For portfolio companies with a change in the classification of public/private during the fourth quarter, comparisons are made by adjusting their status at the third quarter-end to that of the fourth quarter-end. The same applies to the change in fair value of investments held at the quarter-end in this section.
- 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.
- 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 in or before the third quarter of the fiscal year, are presented as a 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 each quarter disclosed in or before the third quarter of the fiscal year and the gains and losses for the fourth quarter for “investments before exits” may not match the amount of gains and losses for the fiscal year (YTD).
- For derivatives, the investment cost represents the cost of the derivatives. Investment returns represent the exit price for exited investments, the fair value for investments before exits, the settlement amount of settled contracts or the fair value of open contracts for derivatives, and the respective amounts received for interest or dividends.

**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).

**Outline of principal funds in the segment**

*As of March 31, 2023*

**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 <sup>*2</sup>
	The Company: 33.1 <sup>*1</sup> Third-party investors: 65.5	The Company: 53.4 <sup>*2</sup> Third-party investor (MgmtCo): 2.6 <sup>*3</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:**

- 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.
- As of May 11, 2023, the Company’s committed capital to SVF2 has been increased to \$57.4 billion, and the total committed capital for SVF2 is \$60.0 billion.
- 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 “16. Related party transactions regarding a co-

investment program with restricted rights to receive distributions” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

### LatAm Funds

LatAm Funds invests 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 “16. Related party transactions regarding a co-investment program with restricted rights to receive distributions” under “(6) Notes to Consolidated Financial Statements” in “4. 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.

### 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)

	Fiscal year ended March 31		Change	Change %	
	2022	2023			
Loss on investments at SoftBank Vision Funds <sup>*1</sup>	(3,434,469)	<b>(5,279,494)</b>	(1,845,025)	-	<b>A</b>
Loss on investments at SVF1, SVF2, and LatAm Funds	(3,436,420)	<b>(5,298,458)</b>	(1,862,038)	-	
Realized gain on investments <sup>*2</sup>	1,345,560	<b>78,616</b>	(1,266,944)	(94.2%)	
Unrealized loss on valuation of investments	(4,698,612)	<b>(5,267,270)</b>	(568,658)	-	
Change in valuation for the fiscal year	(2,928,740)	<b>(4,978,591)</b>	(2,049,851)	-	
Reclassified to realized gain recorded in the past fiscal years <sup>*2</sup>	(1,769,872)	<b>(288,679)</b>	1,481,193	-	
Interest and dividend income from investments	51,897	<b>1,512</b>	(50,385)	(97.1%)	
Derivative gain (loss) on investments	(50,303)	<b>14,537</b>	64,840	-	
Effect of foreign exchange translation	(84,962)	<b>(125,853)</b>	(40,891)	-	
Gain on other investments	1,951	<b>18,964</b>	17,013	872.0%	
Selling, general and administrative expenses	(94,456)	<b>(65,999)</b>	28,457	(30.1%)	
Finance cost	(33,278)	<b>(81,181)</b>	(47,903)	143.9%	
Derivative gain (excluding gain (loss) on investments)	2,056	<b>907</b>	(1,149)	(55.9%)	
Change in third-party interests in SVF	970,559	<b>1,127,949</b>	157,390	16.2%	<b>B</b>
Other gain (loss)	36,561	<b>(10,473)</b>	(47,034)	-	
<b>Segment income (income before income tax)</b>	<b>(2,553,027)</b>	<b>(4,308,291)</b>	<b>(1,755,264)</b>	-	

## Notes:

- Unrealized gains and losses associated with the change in valuation of SoftBank Vision Funds' investment in shares in the Company's subsidiaries (mainly Arm and PayPay Corporation), 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 fiscal year					Disposals <sup>5</sup> made during the fiscal year				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
SVF1	0.06	0.20	0.16	0.03	0.45	2.10	0.93	1.63	1.13	5.79
SVF2	2.11	0.13	0.09	0.36	2.69	0.51	0.06	0.03	0.08	0.68

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: ¥5,279,494 million**

	(Millions of yen)			
	Fiscal year ended March 31			
	2022	2023	Change	Change %
Loss on investments at SVF1	(3,028,428)	<b>(2,311,213)</b>	717,215	-
Loss on investments at SVF2	(518,943)	<b>(2,445,427)</b>	(1,926,484)	-
Gain (loss) on investments at LatAm Funds	110,951	<b>(541,818)</b>	(652,769)	-
<b>Loss on investments at SVF1, SVF2, and LatAm Funds</b>	<b>(3,436,420)</b>	<b>(5,298,458)</b>	<b>(1,862,038)</b>	-

**B Change in third-party interests in SVF: ¥1,127,949 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 Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

## Investment performance

As of March 31, 2023

### 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>	Investment loss recorded for the fiscal year	
					Jan - Mar	YTD
	100	89.6	101.0	11.4	0.4	(17.3)

(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 Zymergen, Inc. and Ginkgo Bioworks Holdings, Inc. Candy Digital, Inc. and Fanatics Holdings, Inc. (an existing portfolio company)	(4)	(2.0)	(2.0)	-		
Effects of dividends in kind Treasure Data, Inc. Acetone Limited (equity interests in Arm China JV)	(2)	-	-	-		
Net of effects of share exchanges and dividends in kind <sup>*2,3</sup>	94	87.6	99.0	11.4		

#### (1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain <sup>*1</sup>	Realized gain (loss) recorded for the fiscal year	
					Jan - Mar	YTD
Partial exit	-	3.7	12.6	8.9		1.7
Full exit <sup>*4</sup>	24	20.3	30.1	9.8		(1.1)
<b>Total</b>	<b>24</b>	<b>24.0</b>	<b>42.7</b>	<b>18.7</b>	<b>0.3</b>	<b>0.6</b>

#### (2) Investments before exit (investments held at the fiscal year-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	
					Jan - Mar	YTD
Public <sup>*6</sup>	23	30.7	20.6	(10.1)	1.5	(6.0)
Private	53	34.9	35.3	0.4	(1.3)	(8.7)
<b>Total</b>	<b>76</b>	<b>65.6</b>	<b>55.9</b>	<b>(9.7)</b>	<b>0.2</b>	<b>(14.7)</b>

#### (3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain	Derivative gain (loss) recorded for the fiscal year	
				Jan - Mar	YTD
Unsettled	-	0.0	0.0		0.0
Settled	0.0	1.5	1.5		-
<b>Total</b>	<b>0.0</b>	<b>1.5</b>	<b>1.5</b>	<b>(0.0)</b>	<b>0.0</b>

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

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jan - Mar	YTD
<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, the 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. The 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 fiscal year-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>	Investment loss recorded for the fiscal year	
					Jan - Mar	YTD
	274	50.2	31.9	(18.3)	(1.5)	(18.4)

(Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss <sup>*1</sup>
Effects of purchase of WeWork senior secured notes	(1)	—	—	—
Net of effects of purchase of WeWork senior secured notes <sup>*2</sup>	273	50.2	31.9	(18.3)

### (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	
					Jan - Mar	YTD
Partial exit	-	0.2	0.1	(0.1)		(0.0)
Full exit	3	1.4	2.6	1.2		0.0
<b>Total</b>	<b>3</b>	<b>1.6</b>	<b>2.7</b>	<b>1.1</b>	<b>(0.0)</b>	<b>(0.0)</b>

### (2) Investments before exit (investments held at the fiscal year-end)<sup>\*3</sup>

	Number of investments	Investment cost <sup>*5</sup>	Fair value <sup>*5</sup>	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jan - Mar	YTD
Public <sup>*4</sup>	14	8.1	4.3	(3.8)	0.4	(4.5)
Private	257	40.5	25.2	(15.3)	(1.9)	(14.1)
<b>Total</b>	<b>271</b>	<b>48.6</b>	<b>29.5</b>	<b>(19.1)</b>	<b>(1.5)</b>	<b>(18.6)</b>

### (3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative loss	Derivative gain (loss) recorded for the fiscal year	
				Jan - Mar	YTD
Unsettled	-	(0.2)	(0.2)		0.2
Settled	-	(0.1)	(0.1)		(0.1)
<b>Total</b>	<b>-</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>0.1</b>

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

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jan - Mar	YTD
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>-</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 third-party interests, taxes, and expenses
2. WeWork senior secured notes purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019 are deducted from the investment count.
3. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.
4. Includes Zhangmen Education Inc., which is traded in the over-the-counter market
5. 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 March 31, 2023

**SVF1**

(Billions of U.S. dollars)

	<b>Total</b>	The Company	Third-party investors
Committed capital (A)	<b>98.6</b>	33.1	65.5
Drawn capital <sup>6</sup> (B)	<b>87.2</b>	29.9	57.3
Return of capital (non-recallable) (C)	<b>33.3</b>	9.2	24.1
Outstanding capital (D) = (B) – (C)	<b>53.9</b>	20.7	33.2
Remaining committed capital (E) = (A) – (B)	<b>11.4</b>	3.2	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)

	<b>Total</b>
Committed capital <sup>*1</sup> (A)	<b>56.0</b>
Drawn capital (B)	<b>50.9</b>
Remaining committed capital (C) = (A) – (B)	<b>5.1</b>

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of March 31, 2023)

Total committed capital <sup>*1</sup>	<b>56.0</b>
The Company's equity commitment to investments outside the scope of the co-investment program	8.9
The Company's preferred equity commitment to SVF2 LLC <sup>*2</sup>	32.1
The Company's equity commitment to SVF2 LLC	12.4
MgmtCo's equity commitment to SVF2 LLC	2.6

## Notes:

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

1. As of May 11, 2023, the Company's committed capital to SVF2 has been increased to \$57.4 billion, and the total committed capital for SVF2 is \$60.0 billion.
2. 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 fiscal year-end, total committed capital for SoftBank Latin America Funds is \$7.6 billion, with drawn capital totaling \$7.3 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

1. Segment income decreased by 30.2% yoy mainly due to a decrease in income in the consumer business, which was affected by a fall in mobile service charges.
2. Z Holdings plans to reorganize the corporate group primarily among itself and its core wholly owned subsidiaries, LINE and Yahoo Japan, in order to build an organizational structure that puts more emphasis on products and to accelerate the expansion of synergies from the business integration.

(Millions of yen)

	Fiscal year ended March 31		Change	Change %
	2022	2023		
Net sales	5,733,116	<b>5,956,537</b>	223,421	3.9%
Segment income (income before income tax)	849,735	<b>592,782</b>	(256,953)	(30.2%)
Depreciation and amortization	(743,230)	<b>(768,712)</b>	(25,482)	3.4%
Gain (loss) on investments	41,946	<b>(25,381)</b>	(67,327)	-
Finance cost	(62,445)	<b>(64,020)</b>	(1,575)	2.5%
Loss on equity method investments	(38,894)	<b>(46,783)</b>	(7,889)	-
Derivative gain (excluding gain (loss) on investments)	750	<b>692</b>	(58)	(7.7%)
Other gain (loss)	2,424	<b>(42,753)</b>	(45,177)	-

Note:

1. Since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022, its operating results are no longer included in "Other," but are presented within the SoftBank segment from the third quarter, with the results retrospectively adjusted and presented for the fiscal year and for 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 achieve sustainable growth in its core telecommunications business, while expanding its business in domains outside of telecommunications through internet services such as *Yahoo! JAPAN* and *LINE* and the development of businesses that utilize advanced technologies including AI, IoT, and FinTech, such as the cashless payment service *PayPay*.

### FINANCIAL RESULTS

Segment income was ¥592,782 million, a decrease of ¥256,953 million (30.2%) year on year. This was mainly due to a decrease in income in the consumer business and a deterioration in investment loss.

Income in the consumer business decreased mainly due to a fall in mobile service charges. In the enterprise business, income increased, mainly due to higher sales of cloud services and other products as the digitalization of enterprises accelerates. Income in the Yahoo! JAPAN/LINE business was level year on year despite an increase in commerce sales, mainly as a result of increases in cost of sales and personnel expenses associated with an increase in the number of employees. 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.

Impairment loss on equity method investments of ¥31,304 million was recorded in the third quarter in relation to DEMAÉ-CAN CO., LTD., which operates a food delivery service under LINE Corporation. The loss had a negative impact of ¥2,965 million on net income attributable to owners of the parent at the Company.

**GROUP REORGANIZATION PRIMARILY AMONG Z HOLDINGS AND ITS CORE WHOLLY OWNED SUBSIDIARIES, LINE AND YAHOO JAPAN**

In February 2023, Z Holdings resolved on a policy for reorganization, including a merger primarily among the company and its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation (the "Reorganization"), in order to build an organizational structure that puts more emphasis on products, to accelerate the expansion of synergies from the business integration and to obtain funds for investment that will support a sustainable profit growth from the fiscal year ending March 2024 onward and the creation of the future. Furthermore, in April 2023, Z Holdings resolved to change its trade name to "LY Corporation" as of the completion date of the Reorganization, which is expected to be October 1, 2023. The change is subject to approval of a partial amendment to its Articles of Incorporation at its annual general meeting of shareholders to be held in June 2023.

**NO IMPACT FROM THE CONVERSION OF PAYPAY INTO A SUBSIDIARY OF SOFTBANK**

In conjunction with the conversion of PayPay Corporation to a subsidiary, SoftBank Corp. changed the accounting policy for business combinations under common control involving non-controlling interests from the book-value method (pooling of interests method) to the acquisition method, starting from the third quarter. As a result, SoftBank Corp. recorded a gain from remeasurement relating to the business combination of ¥294,843 million and amortization expenses for identifiable intangible assets pertaining to PayPay Corporation for the fiscal year associated with the conversion of PayPay Corporation into a subsidiary. Furthermore, as a result of this change in accounting policy, the acquisition method was retrospectively applied to transactions executed in prior years under common control involving non-controlling interests such as the consolidation of Yahoo Japan Corporation (currently Z Holdings Corporation) in June 2019. With this retroactive application, assets, liabilities, and equity of SoftBank Corp. increased in its consolidated statement of financial position as of March 31, 2022. The company also recorded amortization expenses by recognizing identifiable intangible assets pertaining to Z Holdings Corporation in conjunction with this change in accounting policy, in its consolidated statement of income for the fiscal year and the previous fiscal year.

Nevertheless, there is no impact from these on SBG's 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 <https://www.softbank.jp/en/corp/ir/>.

## (d) Arm Segment

### 1. Arm's business remains robust, with record net sales (U.S. dollar-based) for the fiscal year.

- ◆ **Net sales increased by 5.7% yoy (U.S. dollar-based) to record high due to continuing strong royalty revenue growth, offset by a decline in non-royalty revenue due to very strong license revenue in the previous fiscal year. In yen terms, net sales increased by 27.2% 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 16.1% yoy (U.S. dollar-based) due to market share gains in infrastructure, and more chips being deployed into IoT devices and automotive applications.
  - Technology non-royalty revenue decreased by 8.5% yoy (U.S. dollar-based) as revenues recognized for the previous fiscal year included some high-value deals, which were signed with large customers in prior years, resulting in record revenues. For the fiscal year, continued strong demand for Arm technology resulted in the second highest annual revenue. On a quarterly basis, non-royalty revenue for the fourth quarter increased by 18.1% yoy.
- ◆ **Segment income on a U.S. dollar basis stayed flat yoy mainly due to expenses related to stock compensation schemes and professional fees related to preparations for the proposed initial public offering. In yen terms, segment income increased by 18.1% yoy due to the weaker yen exchange rate used for translations in the preparation of the Company's consolidated financial statements.**

### 2. Confidential submission of draft registration statement on Form F-1 by Arm

Subsequent to the fiscal year-end, Arm announced in April 2023 that it has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission relating to the proposed initial public offering of American depositary shares representing Arm's ordinary shares. The Company intends that Arm will continue to be a consolidated subsidiary following the completion of the proposed initial public offering. The Company does not expect that any such offering would have a material effect on its consolidated results or financial position.

(Millions of yen)

	Fiscal year ended March 31		Change	Change %
	2022	2023		
Net sales	300,013	<b>381,746</b>	81,733	27.2%
Segment income (income before income tax) <sup>*1</sup>	41,200	<b>48,663</b>	7,463	18.1%

Note:

1. Segment income included amortization expenses of ¥61,467 million for the fiscal year and ¥51,153 million for 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. Following its acquisition by the Company in 2016, Arm accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm has developed new technologies that have helped it maintain or increase its share of the existing markets and expand into new markets. As Arm prepares for a potential public offering, it is continuing to grow investment in R&D to develop solutions to meet customers' future technology needs whilst focusing on the efficiency of its non-engineering functions.

### 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).

After two years of strong growth, the semiconductor industry declined during the fiscal year, compared to the previous fiscal year, due to a decline in the sales of smartphones and other consumer electronics devices, partially offset by continuous growth in the sales of chips into the automotive market. Industry analysts indicate that inventory levels remain high across the value chain, which may result in industry revenues remaining weak for a short period until inventory levels are lower. Longer term trends remain, such as more products and services requiring increasing amounts of embedded intelligence, and so the semiconductor industry is expected to return to growth.

The industry is vulnerable to other external factors, including trade disputes and their associated sanctions against specific companies, supply-chain disruption, as well as the impact of temporary component shortages. If shipments of electronic devices weaken, it may lead to lower 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 based on U.S. dollars.

	(Millions of U.S. dollars)			
	Fiscal year ended March 31			
	2022	2023	Change	Change %
Technology royalty	1,536	<b>1,783</b>	247	16.1%
Technology non-royalty	1,129	<b>1,034</b>	(95)	(8.5%)
<b>Total net sales</b>	<b>2,665</b>	<b>2,817</b>	152	5.7%

Net sales increased by \$152 million (5.7%) year on year due to strong growth in technology royalty revenue, partially offset by a decrease in technology non-royalty revenue.

### **Technology royalty revenue**

Technology royalty revenue increased by \$247 million (16.1%) year on year. Royalty revenues were driven by the deployment of Arm-based networking equipment into 5G base stations, 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, and Arm's customers gaining share in multiple markets, such as automotive, IoT, and servers. In addition, Arm's customers have benefitted from the high demand for computer chips, which enabled prices to increase. As Arm's royalty revenue is often based on the price of the chips, Arm also benefitted from higher chip prices.

### **Technology non-royalty revenue**

Technology non-royalty revenue decreased by \$95 million (8.5%) year on year. This decrease is primarily due to high technology non-royalty revenue in 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 for its products in the fourth quarter with technology non-royalty revenue increasing by 18.1% year on year.

Following the acquisition by the Company, Arm increased investment in R&D, which expanded Arm's product portfolio to include processors optimized for servers, automotive electronics, and AI acceleration. This 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 helped 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 stayed flat year on year due to an increase in expenses related to stock compensation scheme and professional fees related to preparations for the proposed initial public offering despite higher net sales and the improved operational efficiency. In yen terms, segment income increased by ¥7,463 million (18.1%) year on year to ¥48,663 million, due to the weaker yen exchange rate used for translations in the preparation of the Company's consolidated financial statements.

## **OPERATIONS**

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

	(Billion)			
	Year ended December 31			
	2021	2022	Change	Change %
<b>Royalty units as reported by Arm's licensees</b>	29.2	<b>30.8</b>	1.6	5.6%

Arm's licensees reported that they had shipped 30.8 billion Arm-based chips in the year ended December 31, 2022, an increase of 5.6% 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 more than 95% market share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.   |
| Main developments | <ul style="list-style-type: none"> <li>· 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.</li> <li>· Mediatek Inc. announced the Dimensity 9200 chip for premium smartphones in November 2022. It is the first chip based on the <i>Arm Cortex-X3</i> and <i>Cortex-A715</i> CPUs and <i>Arm Immortalis-G715</i> announced by Arm in June 2022.</li> <li>· Also in November 2022, Vivo Communication Technology Co. Ltd. announced that their x90 Pro flagship smartphone would be the first smartphone to use the Mediatek Dimensity 9200 chip and started shipping in January 2023.</li> </ul> |

#### Infrastructure

- |                   |  |
|-------------------|--|
| Opportunity       | · Arm has a growing share in networking infrastructure and a nascent share in data center servers.   |
| Main developments | <ul style="list-style-type: none"> <li>· 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.</li> <li>· 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.</li> <li>· Amazon Web Services, Inc. announced in November 2022 that the <i>Arm Neoverse</i>-based AWS Graviton3E server chip, which is 35% faster than the previous generation chip, will be deployed early in 2023 in its high-performance server systems.</li> </ul> |

#### 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 | <ul style="list-style-type: none"> <li>· Arm announced in July 2022 that it is working with Cruise LLC to scale out their autonomous driving platform.</li> <li>· NVIDIA Corporation announced that their future chip for safe and secure autonomous vehicles DRIVE Thor will be based on Arm's next generation CPU codenamed Poseidon in September 2022.</li> </ul> |

#### IoT

- |                   |  |
|-------------------|--|
| Opportunity       | · For IoT to reach its full potential, it must be secured against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks.  |
| Main developments | · In June 2022, Arm announced the <i>Arm Mali-C55 Image Signal Processor</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 <https://www.arm.com>.



## (2) Overview of Financial Position

### 1. Status of investment assets

◆ **Carrying amount of investments from SVF (FVTPL) decreased by ¥4,419.9 billion from the previous fiscal year-end<sup>\*1</sup> to ¥10,489.7 billion, which reflected the following:**

- ¥2,254.7 billion decrease at SVF1<sup>\*2</sup>: The balance decreased by \$14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and by \$8.45 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.45 billion due to new and follow-on investments.<sup>1</sup>
- ¥1,754.8 billion decrease at SVF2<sup>\*2</sup>: The balance decreased by \$18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and by \$0.61 billion due to divestments. These were partially offset by an increase of \$2.69 billion due to new and follow-on investments.
- ¥410.3 billion<sup>\*2</sup> decrease at LatAm Funds

◆ **Carrying amount of investment securities increased by ¥4,621.1 billion from the previous fiscal year-end to ¥7,706.5 billion, which included the following:**

- Carrying amount of ¥4,842.3 billion for Alibaba shares held at the fiscal year-end
- Carrying amount of T-Mobile shares of ¥769.2 billion (a ¥187.8 billion decrease from the previous fiscal year-end)
- Carrying amount of Deutsche Telekom shares of ¥729.5 billion (a ¥211.5 billion increase from the previous fiscal year-end)

◆ **Investments accounted for using the equity method decreased by ¥4,504.1 billion from the previous fiscal year-end to ¥730.4 billion, which reflected the following:**

- ¥4,572.1 billion decrease in consolidated carrying amount of Alibaba due to its exclusion from equity method associates. Alibaba shares are now 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 ¥1,135.6 billion from the previous fiscal year-end.**

◆ **Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥1,064.6 billion from the previous fiscal year-end.**

- Financial liabilities of \$40.45 billion relating to the sale of shares by prepaid forward contracts using Alibaba shares were derecognized following the physical settlement of a portion of these contracts, while \$35.46 billion was newly raised through such contracts.

### 3. Changes in equity

◆ **Total equity decreased by ¥1,058.5 billion from the previous fiscal year-end.**

- Retained earnings decreased due to a ¥970.1 billion net loss attributable to owners of the parent.
- ¥1,055.4 billion<sup>\*3</sup> worth of shares were repurchased in the fiscal year.
- Exchange differences from the translation of foreign operations increased by ¥1,337.2 billion due to the weaker yen.

◆ **Ratio of equity attributable to owners of the parent (equity ratio) was 20.6% at the fiscal year-end, compared with 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 such transfer.
2. Includes increases in the carrying amount of investments at SVF1, SVF2, and LatAm Funds due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.
3. The total acquisition amount of 185,700,600 shares purchased during the fiscal year in accordance with board resolutions in November 2021 and August 2022. On March 30, 2023, the Company retired 252,958,500 treasury shares, corresponding to the number of shares repurchased under the two board resolutions.

(Millions of yen)

	March 31, 2022	March 31, 2023	Change	Change %
Total assets	47,544,670	43,936,368	(3,608,302)	(7.6%)
Total liabilities	35,836,908	33,287,153	(2,549,755)	(7.1%)
Total equity	11,707,762	10,649,215	(1,058,547)	(9.0%)

**(a) Assets**

	(Millions of yen)		
	March 31, 2022	March 31, 2023	Change
Cash and cash equivalents	5,169,001	<b>6,925,153</b>	1,756,152
Trade and other receivables	2,361,149	<b>2,594,736</b>	233,587
Derivative financial assets	1,050,446	<b>249,414</b>	(801,032) <b>A</b>
Other financial assets	971,125	<b>371,313</b>	(599,812) <b>B</b>
Inventories	142,767	<b>163,781</b>	21,014
Other current assets	334,101	<b>282,085</b>	(52,016)
<b>Total current assets</b>	<b>10,028,589</b>	<b>10,586,482</b>	557,893
Property, plant and equipment	1,842,749	<b>1,781,142</b>	(61,607) <b>C</b>
Right-of-use assets	914,743	<b>858,577</b>	(56,166)
Goodwill	4,897,913	<b>5,199,480</b>	301,567 <b>D</b>
Intangible assets	2,427,580	<b>2,409,641</b>	(17,939)
Costs to obtain contracts	330,899	<b>332,856</b>	1,957
Investments accounted for using the equity method	5,234,519	<b>730,440</b>	(4,504,079) <b>E</b>
Investments from SVF (FVTPL)	14,909,614	<b>10,489,722</b>	(4,419,892) <b>F</b>
SVF1	8,365,274	<b>6,110,527</b>	(2,254,747)
SVF2	5,401,117	<b>3,646,305</b>	(1,754,812)
LatAm Funds	1,143,223	<b>732,890</b>	(410,333)
Investment securities	3,085,369	<b>7,706,501</b>	4,621,132 <b>G</b>
Derivative financial assets	1,333,787	<b>1,170,845</b>	(162,942) <b>H</b>
Other financial assets	2,230,615	<b>2,303,620</b>	73,005 <b>I</b>
Deferred tax assets	163,255	<b>210,823</b>	47,568
Other non-current assets	145,038	<b>156,239</b>	11,201
<b>Total non-current assets</b>	<b>37,516,081</b>	<b>33,349,886</b>	(4,166,195)
<b>Total assets</b>	<b>47,544,670</b>	<b>43,936,368</b>	(3,608,302)

**Reasons for changes by primary component**

Components	Main reasons for changes from the previous fiscal year-end
<u>Current assets</u>	
A Derivative financial assets	Derivative financial assets decreased due to the physical settlement of the prepaid forward contracts using Alibaba shares in full of the balance of ¥1,033,619 million outstanding at the previous fiscal year-end. In addition, derivative financial assets for which settlement became due within one year were recorded in the amount of ¥159,268 million at the fiscal year-end after being reclassified from non-current assets.

Components	Main reasons for changes from the previous fiscal year-end
<b>B</b> Other financial assets	<ul style="list-style-type: none"> <li>· Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at previous fiscal year-end of \$2.66 billion in proceeds received from third-party investors other than the Company (the "Public Market Investors") and held in a trust account was used in mergers or redeemed to the Public Market Investors so that there was no outstanding balance by the fiscal year-end. For details, see "5. Special purpose acquisition companies sponsored by the Company" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statement and Primary Notes."</li> <li>· At SB Northstar, with the downsizing of its business, investments from asset management subsidiaries decreased by ¥134,460 million, restricted cash decreased by ¥131,474 million, and derivative financial assets in asset management subsidiaries decreased by ¥48,442 million.</li> </ul>
<hr/>	
<u>Non-current assets</u>	
<b>C</b> Property, plant and equipment	<ul style="list-style-type: none"> <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 consolidation.</li> <li>· SoftBank Corp. made a capital investment in telecommunications equipment.</li> </ul>
<b>D</b> Goodwill	Goodwill of Arm increased by ¥263,597 million due to the weaker yen exchange rate used for translation against the U.S. dollar.
<b>E</b> Investments accounted for using the equity method	The carrying amount of Alibaba decreased by ¥4,572,129 million. This reflected 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 fiscal year-end are recorded as "investment securities."
<b>F</b> Investments from SVF (FVTPL)	<ul style="list-style-type: none"> <li>· The carrying amount of investments at SVF1 decreased by ¥2,254.7 billion. This mainly reflected a decrease of \$14.59 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of \$8.45 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.45 billion due to new and follow-on investments.<sup>1</sup></li> <li>· The carrying amount of investments at SVF2 decreased by ¥1,754.8 billion. This mainly reflected a decrease of \$18.96 billion due to a decrease in the fair value of investments held at the fiscal year-end and a decrease of \$0.61 billion due to divestments. These were partially offset by an increase of \$2.69 billion due to new and follow-on investments.</li> <li>· The carrying amount of investments at LatAm Funds decreased by ¥410.3 billion. This mainly reflected a decrease of \$4.10 billion due to a decrease in the fair value of portfolio companies held at the fiscal year-end<sup>*1</sup> and a decrease of \$0.08 billion due to divestments.<sup>1</sup> These were partially offset by an increase of \$0.33 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 fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</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>

Components	Main reasons for changes from the previous fiscal year-end
<b>G Investment securities</b>	<ul style="list-style-type: none"> <li>· The carrying amount of Alibaba shares held at the fiscal year-end was ¥4,842,305 million (\$36,264 million). This reflected an increase in the Alibaba share price, despite the settlement of a portion of prepaid forward contracts using Alibaba shares, after the carrying amount of Alibaba shares was newly recorded at ¥4,484,758 million (\$30,970 million) at the second quarter-end.</li> <li>· The carrying amount of T-Mobile shares decreased by ¥187,849 million (\$2,059 million) (balance at the fiscal year-end: ¥769,206 million (\$5,761 million)). This mainly reflected the sale of 21.2 million T-Mobile shares 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 ¥211,523 million (\$1,231 million<sup>*2</sup>) due to an increase in the company's share price. The balance at the fiscal year-end was ¥729,483 million (\$5,463 million).</li> </ul> <p>The carrying amount of T-Mobile shares and Deutsche Telekom shares as of the fiscal year-end also included the increase caused by a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</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 Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."</p>
<b>H Derivative financial assets</b>	<ul style="list-style-type: none"> <li>· Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥300,368 million, mainly due to the partial physical settlement and the reclassification of those contracts for which settlement became due within one year to current assets.</li> <li>· The fair value of the contingent consideration related to T-Mobile shares increased by ¥242,341 million (balance at the fiscal year-end: ¥833,770 million).</li> </ul>
<b>I Other financial assets</b>	<p>WeWork unsecured notes held by the Company, with a face value of \$1.65 billion, was recorded at ¥110,735 million. The amount was obtained by deducting provision for doubtful accounts of ¥71,091 million from the carrying amount of ¥181,826 million. For details, see "Status of Investment and Financial Support for WeWork" under "a. Consolidated Results of Operations."</p>

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 as the shares are held by a U.S. subsidiary

**Reference: Cash and cash equivalents by entity**

Consolidated cash and cash equivalents increased by ¥1,756.2 billion to ¥6,925.2 billion from the previous fiscal year-end. Of this, cash and cash equivalents of SBG and wholly owned subsidiaries conducting fund procurement, etc. increased by ¥1,446.7 billion to ¥4,016.1 billion. For details, see “(3) Overview of Cash Flows.”

	(Millions of yen)		
	March 31, 2022	March 31, 2023	Change
<b>SBG and wholly owned subsidiaries</b>			
<b>conducting fund procurement, etc.</b>	2,569,355	<b>4,016,085</b>	1,446,730
SBG	2,502,626	<b>3,454,474</b>	951,848
Wholly owned subsidiaries conducting fund procurement	26,271	<b>543,380</b>	517,109
SB Northstar	40,458	<b>18,231</b>	(22,227)
<b>SoftBank Vision Funds segment</b>			
SVF1	47,754	<b>72,159</b>	24,405
SVF2	150,462	<b>36,930</b>	(113,532)
LatAm Funds	1,890	<b>2,818</b>	928
SBIA, SBGA, SBLA Advisers Corp.	24,340	<b>97,546</b>	73,206
<b>SoftBank segment</b>			
SoftBank Corp.	318,661	<b>280,768</b>	(37,893)
Z Holdings Corporation	130,277	<b>89,821</b>	(40,456)
PayPay Corporation, <sup>*1</sup> PayPay Bank Corporation, <sup>*2</sup> PayPay Card Corporation	824,671	<b>857,430</b>	32,759
Yahoo Japan Corporation	174,346	<b>298,277</b>	123,931
Others	525,934	<b>532,871</b>	6,937
<b>Others<sup>*1</sup></b>	401,311	<b>640,448</b>	239,137
<b>Total</b>	5,169,001	<b>6,925,153</b>	1,756,152

Notes:

- PayPay Corporation was previously included in “Others,” but starting from the third quarter it is included in the “SoftBank segment” as it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.
- Cash and cash equivalents of PayPay Bank Corporation at the fiscal year-end was ¥369,813 million.

**(b) Liabilities**

	(Millions of yen)		
	March 31, 2022	March 31, 2023	Change
Interest-bearing debt	7,328,862	<b>5,129,047</b>	(2,199,815)
Lease liabilities	240,241	<b>184,105</b>	(56,136)
Deposits for banking business	1,331,385	<b>1,472,260</b>	140,875
Trade and other payables	1,968,864	<b>2,416,872</b>	448,008 <b>A</b>
Derivative financial liabilities	119,592	<b>82,612</b>	(36,980)
Other financial liabilities	554,814	<b>180,191</b>	(374,623) <b>B</b>
Income taxes payable	183,388	<b>367,367</b>	183,979 <b>C</b>
Provisions	34,056	<b>72,350</b>	38,294
Other current liabilities	620,260	<b>675,920</b>	55,660
<b>Total current liabilities</b>	<b>12,381,462</b>	<b>10,580,724</b>	(1,800,738)
Interest-bearing debt	14,128,570	<b>14,349,147</b>	220,577
Lease liabilities	625,907	<b>652,892</b>	26,985
Third-party interests in SVF	5,640,498	<b>4,499,369</b>	(1,141,129)
Derivative financial liabilities	174,003	<b>899,351</b>	725,348 <b>D</b>
Other financial liabilities	129,849	<b>58,545</b>	(71,304)
Provisions	107,961	<b>163,627</b>	55,666
Deferred tax liabilities	2,436,034	<b>1,828,557</b>	(607,477) <b>E</b>
Other non-current liabilities	212,624	<b>254,941</b>	42,317
<b>Total non-current liabilities</b>	<b>23,455,446</b>	<b>22,706,429</b>	(749,017)
<b>Total liabilities</b>	<b>35,836,908</b>	<b>33,287,153</b>	(2,549,755)

**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> Trade and other payables	Trade and other payables increased mainly due to increases in accounts payable to merchants and deposits from users (amounts that users can deposit or otherwise use for payments) at PayPay Corporation, as a result of the increase in gross merchandise value.
<b>B</b> Other financial liabilities	<ul style="list-style-type: none"> <li>· Following the completion of mergers with operating companies or the termination of operations without merging by seven Company-sponsored SPACs, the balance at the previous fiscal year-end of \$2.51 billion in total interests of the Public Market Investors recorded under liabilities as non-controlling interests subject to possible redemption was derecognized. For details, see “5. Special purpose acquisition companies sponsored by the Company” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statement and Primary Notes.”</li> <li>· At the fiscal year-end, the Company recorded allowance for financial guarantee contract losses of ¥152,365 million in relation to credit support provided by SVF2 for a letter of credit facility to WeWork from certain financial institutions (up ¥130,085 million from the previous fiscal year-end). For details, see “Status of Investment and Financial Support for WeWork” under “a. Consolidated Results of Operations.”</li> </ul>
<b>C</b> Income taxes payable	Income taxes payable of ¥164,638 million were recorded at SBG based on taxable income. The income included gains on the sale of Alibaba shares to subsidiaries used for fund procurement, which was carried out in relation to the early physical settlement that took place during the fiscal year.
<hr/> <u>Non-current liabilities</u>	
<b>D</b> Derivative financial liabilities	Derivative financial liabilities of ¥805,039 million were recorded for prepaid forward contracts using Alibaba shares that were newly concluded during the fiscal year.
<b>E</b> Deferred tax liabilities	Deferred tax liabilities are presented on a net basis with deferred tax assets in the same tax entity in the Consolidated Statement of Financial Position. Primarily as a result of the intra-group transaction of Alibaba shares during the fiscal year, it became more probable that SBG would generate taxable income against which loss carry-forwards could be utilized, for which no deferred tax assets had been recognized. As a result, ¥506,782 million was recognized as a deferred tax asset, resulting in a net decrease in deferred tax liabilities.

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

	(Millions of yen)		
	March 31, 2022	March 31, 2023	Change
<b>SBG and wholly owned subsidiaries</b>			
<b>conducting fund procurement, etc.</b>	14,869,325	12,635,554	(2,233,771)
<b>SBG</b>	7,442,237	6,306,590	(1,135,647)
Borrowings	1,255,116	381,851	(873,265) A
Corporate bonds	5,918,265	5,753,022	(165,243) B
Lease liabilities	12,056	10,717	(1,339)
Commercial paper	256,800	161,000	(95,800)
<b>Wholly owned subsidiaries conducting</b>			
<b>fund procurement</b>	7,393,573	6,328,964	(1,064,609)
Borrowings <sup>*1</sup>	2,857,000	2,065,361	(791,639) C
Financial liabilities relating to sale of shares by prepaid forward contracts	4,536,573	4,263,603	(272,970) D
<b>SB Northstar</b>	33,515	-	(33,515)
Borrowings	33,515	-	(33,515)
<b>SoftBank Vision Funds segment</b>			
<b>SVF1</b>	336,535	552,681	216,146
Borrowings	336,535	552,681	216,146 E
<b>SVF2</b>	731,540	770,004	38,464
Borrowings	731,540	770,004	38,464 E
<b>LatAm Funds</b>	9,179	-	(9,179)
Borrowings	9,179	-	(9,179)
<b>SBIA, SBLA Advisers Corp.</b>	759	14,873	14,114
Lease liabilities	759	14,873	14,114
<b>SoftBank segment</b>			
<b>SoftBank Corp.</b>	4,236,453	4,149,812	(86,641)
Borrowings	3,085,954	3,080,878	(5,076)
Corporate bonds	469,252	578,684	109,432
Lease liabilities	559,846	490,249	(69,597)
Commercial paper	121,401	1	(121,400)
<b>Z Holdings Corporation</b>	1,022,260	1,064,457	42,197
Borrowings	418,283	485,470	67,187
Corporate bonds	603,977	578,987	(24,990)
<b>PayPay Corporation,<sup>*2</sup> PayPay Bank Corporation,<sup>*3</sup> PayPay Card Corporation</b>	298,921	396,075	97,154
<b>Yahoo Japan Corporation</b>	28,046	111,386	83,340
<b>Other</b>	414,536	412,961	(1,575)
<b>Others<sup>*2</sup></b>			
Other interest-bearing debt	286,988	130,014	(156,974)
Lease liabilities	89,038	77,374	(11,664)
<b>Total</b>	22,323,580	20,315,191	(2,008,389)

Notes:

- The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is non-recourse to SBG.
- PayPay Corporation was previously included in "Others," but starting from the third quarter, it is included in the "SoftBank segment" since it became a subsidiary of SoftBank Corp. and Z Holdings Corporation in October 2022. The change is reflected retrospectively for the previous fiscal year-end.
- Deposits for banking business of PayPay Bank Corporation are not included in interest-bearing debt.



**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 euros were repurchased in the first quarter.</li> <li>· Foreign currency-denominated straight bonds with face values of \$0.51 billion and 0.19 billion euros were redeemed upon maturity in the second quarter.</li> <li>· Foreign currency-denominated straight bonds with face values of \$0.51 billion and 1.02 billion euros were repurchased in the third quarter.</li> <li>· Domestic straight bonds with a face value of ¥385.0 billion were issued in the third quarter.</li> <li>· Domestic straight bonds with a face value of ¥337.0 billion were redeemed upon maturity in the third quarter.</li> <li>· The carrying amount of foreign currency-denominated straight bonds increased due to a 9.1% depreciation of the yen against the U.S. dollar at the fiscal year-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. There were no borrowings outstanding at the fiscal year-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 six months ended September 30, 2022. There were no borrowings outstanding at the fiscal year-end.</li> </ul> |
|---------------------|--|

Components	Details
<b>D</b> Financial liabilities relating to sale of shares by prepaid forward contracts	<p><i>Through Alibaba shares</i></p> <p>\$10.49 billion was raised in the first quarter by concluding prepaid forward contracts (forward contracts).</p> <ul style="list-style-type: none"> <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 six months ended September 30, 2022.</li> <li>· After the above settlement, \$1.09 billion was newly raised in the second quarter by concluding prepaid forward contracts (forward contracts).</li> <li>· \$6.07 billion was raised in the third quarter by concluding prepaid forward contracts (forward contracts).</li> <li>· Financial liabilities relating to the sale of shares by prepaid forward contracts of ¥974,790 million (\$6.94 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts in the third quarter.</li> <li>· \$11.04 billion was raised in the fourth quarter by concluding prepaid forward contracts (forward contracts).</li> </ul>

For details, see “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “6. Interest-bearing debt” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

### **SoftBank Vision Funds segment**

#### **SVF1 and SVF2**

<b>E</b> Borrowings	<ul style="list-style-type: none"> <li>· Borrowings made through asset-backed finance increased by \$1.39 billion at SVF1 and decreased by \$0.21 billion at SVF2.<sup>*4</sup></li> <li>· The balance of the borrowings increased due to a 9.1% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations.</li> </ul>
---------------------	--

Note:

4. For details, 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	March 31, 2023	Change
Common stock	238,772	<b>238,772</b>	-
Capital surplus	2,634,574	<b>2,652,790</b>	18,216
Other equity instruments	496,876	<b>414,055</b>	(82,821) <b>A</b>
Retained earnings	4,515,704	<b>2,006,238</b>	(2,509,466) <b>B</b>
Treasury stock	(406,410)	<b>(38,791)</b>	367,619 <b>C</b>
Accumulated other comprehensive income	2,496,158	<b>3,756,785</b>	1,260,627 <b>D</b>
Total equity attributable to owners of the parent	9,975,674	<b>9,029,849</b>	(945,825)
Non-controlling interests	1,732,088	<b>1,619,366</b>	(112,722)
<b>Total equity</b>	<b>11,707,762</b>	<b>10,649,215</b>	<b>(1,058,547)</b>

**Reasons for changes by primary component**

Components	Main reasons for changes from the previous fiscal year-end
<b>A</b> Other equity instruments	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for \$0.75 billion (face value) in the third quarter.
<b>B</b> Retained earnings	<ul style="list-style-type: none"> <li>· ¥1,412,374 million<sup>*1</sup> was deducted following the retirement of 252,958,500 shares of treasury stock in March 2023.</li> <li>· Net loss attributable to owners of the parent of ¥970,144 million was recorded.</li> </ul>
<b>C</b> Treasury stock	<ul style="list-style-type: none"> <li>· SBG acquired 185,700,600 of its own shares for a total of ¥1,055,426 million during the fiscal year in accordance with board resolutions on November 8, 2021 and August 8, 2022.</li> <li>· In March 2023, SBG retired 252,958,500 shares of treasury stock (14.68% of the total number of shares issued prior to the retirement), a number equal to the total number of shares repurchased in accordance with the above board resolutions.</li> </ul>
<b>D</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 ¥1,337,214 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.

Note:

1. The amount of treasury stock retired is calculated using the moving average method.

### (3) Overview of Cash Flows

#### 1. Cash flows from operating activities

- ◆ **Income taxes paid of ¥638.2 billion**

#### 2. Cash flows from investing activities

- ◆ **New investments at SVF2 were significantly reduced, while divestments progressed mainly at SVF1.**
  - Payments for acquisition of investments by SVF: ¥456.4 billion (¥4,561.3 billion in the previous fiscal year)
  - Proceeds from sales of investments by SVF: ¥833.2 billion (¥2,221.8 billion in the previous fiscal year)
- ◆ **Proceeds from sales/redemption of investments of ¥619.8 billion from the sale of T-Mobile and other shares**
- ◆ **Outlays of ¥633.8 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 ¥547.6 billion from investing activities (compared to net cash outflow of ¥3,018.7 billion in the previous fiscal year).**

#### 3. Cash flows from financing activities

- ◆ **Net cash inflow from financing activities was ¥191.5 billion. Funded through continuous asset-backed finance, the Company remained active in repaying debts, including repayments of margin loans and purchase of foreign currency-denominated notes. Share repurchases and distribution/repayments to third-party investors of SVF also continued, as well as dividend payouts.**
  - Proceeds from interest-bearing debt: ¥9,176.1 billion
    - Main proceeds at SBG: ¥385.0 billion (from issuance of domestic straight corporate bonds)
    - Main proceeds at wholly owned subsidiaries conducting fund procurement: ¥4,952.5 billion (\$35.46 billion through prepaid forward contracts using Alibaba shares and \$1.40 billion through asset-backed finance using Arm shares)
    - Main proceeds at SVF: ¥580.7 billion (\$4.5 billion procured at SVF1 through asset-backed finance)
  - Payments for interest-bearing debt: ¥6,295.0 billion
    - Main outlays at SBG: ¥1,949.2 billion (for repayment of ¥1,049.3 billion in short-term borrowings and full repayment of ¥325.2 billion in senior loans, repurchase of foreign currency-denominated straight bonds with total face values of \$0.79 billion and 1.25 billion euros, and redemption upon maturity of domestic straight bonds with a total face value of ¥337.0 billion)
    - Main outlays 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 \$0.9 billion in borrowings in asset-backed finance made through Arm shares)
    - Main outlays at SVF: ¥432.1 billion (for repayment of borrowings totaling \$3.32 billion made through asset-backed finance at SVF1 and SVF2)
  - Repurchase of treasury stock of ¥1,055.4 billion
  - Distribution and repayments to third-party investors at SVF of ¥544.2 billion
  - Payments of ¥358.7 billion for dividends at SBG and for dividends to non-controlling interests in subsidiaries such as SoftBank Corp.

#### 4. Balance of cash and cash equivalents at the fiscal year-end and its changes

- ◆ **The balance of cash and cash equivalents stood at ¥6,925.2 billion at the fiscal year-end, an increase of ¥1,756.2 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 ¥275.8 billion reflecting the weaker yen.**

## SIGNIFICANT NON-CASH TRANSACTIONS

The Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form during the fiscal year. This was a non-cash transaction and had no impact on the consolidated cash flows. For details, see “(5) Significant non-cash transactions” under “15. Supplemental information to the consolidated statement of cash flows” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

	(Millions of yen)		
	Fiscal year ended March 31		Change
	2022	2023	
Cash flows from operating activities	2,725,450	<b>741,292</b>	(1,984,158)
Cash flows from investing activities	(3,018,654)	<b>547,578</b>	3,566,232
Cash flows from financing activities	602,216	<b>191,517</b>	(410,699)
Effect of exchange rate changes on cash and cash equivalents	197,264	<b>275,765</b>	78,501
Increase in cash and cash equivalents	506,276	<b>1,756,152</b>	1,249,876
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	5,169,001	<b>6,925,153</b>	1,756,152

### (a) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥741,292 million, a ¥1,984,158 million decrease year on year. This was mainly due to a decrease in cash inflows primarily from sale of investments at SB Northstar, from ¥2,044,495 million to ¥126,062 million, accompanying the downsizing of its business.

Meanwhile, the amount of income taxes paid was ¥638,160 million. In the third quarter, the Company’s wholly owned subsidiary paid income tax of ¥201,792 million for its taxable income arising mainly due to realizing derivative gains related to the early physical settlement of prepaid forward contracts using Alibaba shares. In 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 taxes on dividends from SBGJ to SBG. Such withholding income taxes were refunded within the previous fiscal year.

### (b) Cash Flows from Investing Activities

#### Primary components

Components	Primary details
Proceeds from sales/redemption of investments ¥619,775 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>

Components	Primary details
Payments for acquisition of investments by SVF ¥(456,351) million	<ul style="list-style-type: none"> <li>· SVF2 invested ¥392,979 million (\$3.00 billion) in total.</li> <li>· LatAm Funds invested ¥41,453 million (\$0.31 billion) in total.</li> <li>· SVF1 invested ¥21,919 million (\$0.16 billion) in total.</li> </ul>
Proceeds from sales of investments by SVF ¥833,180 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 ¥733,528 million (\$5.45 billion).</li> <li>· SVF2 sold all of its shares in KE Holdings and others, as well as portions of multiple investments, for ¥97,741 million (\$0.75 billion).</li> </ul>
Purchase of property, plant and equipment, and intangible assets ¥(633,765) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Proceeds from withdrawal of trust accounts in SPACs ¥323,666 million	Following the termination of all operations by six Company sponsored SPACs without merging with operating companies, \$2.38 billion in proceeds received from the Public Market Investors held in a trust account was withdrawn from the account. For details, see “Refund and Redemption of Invested Funds Related to the Company sponsored SPACs” at the end of this section.

### (c) Cash Flows from Financing Activities

#### Primary components

Components	Primary details
Payments in short-term interest-bearing debt, net ¥(73,371) million <sup>*1</sup> (Proceeds and payments for interest-bearing debt (current liabilities) with fast turnover and short maturities)	Short-term interest-bearing debt decreased by ¥90,800 million (net) as SBG redeemed commercial paper.
Proceeds from interest-bearing debt (total of A through C below) ¥9,176,112 million	
<b>A</b> Proceeds from borrowings ¥3,778,352 million <sup>*2</sup>	<ul style="list-style-type: none"> <li>· SBG made short-term borrowings of ¥514,600 million.</li> <li>· Wholly owned subsidiaries conducting fund procurement borrowed the following:               <ul style="list-style-type: none"> <li>- ¥180,656 million (\$1.40 billion) through asset-backed finance using Arm shares.</li> <li>- ¥500,000 million as a margin loan using SoftBank Corp. shares</li> </ul> </li> <li>· SVF1 borrowed ¥580,680 million (\$4.50 billion) through asset-backed finance.</li> <li>· SoftBank Corp. procured ¥990,764 million mainly through the securitization of installment sales receivables and sale-and-leaseback transactions. The company also issued commercial paper for ¥167,000 million.</li> </ul>
<b>B</b> Proceeds from issuance of corporate bonds ¥565,000 million	<ul style="list-style-type: none"> <li>· SBG issued domestic straight bonds totaling ¥385,000 million.</li> <li>· SoftBank Corp. issued domestic straight bonds totaling ¥120,000 million.</li> <li>· Z Holdings Corporation issued domestic straight bonds totaling ¥60,000 million.</li> </ul>

Components	Primary details
C Proceeds from procurement by prepaid forward contracts using shares ¥4,832,760 million	Wholly owned subsidiaries conducting fund procurement raised a total of \$35.46 billion through prepaid forward contracts (forward contracts) using Alibaba shares.
Repayment of interest-bearing debt ¥(6,294,991) million	
Repayment of borrowings ¥(5,534,321) million <sup>*2</sup>	<ul style="list-style-type: none"> <li>· SBG repaid short-term borrowings of ¥1,049,341 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 (\$6.00 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> <li>- Repaid ¥500,000 million margin loan borrowed through SoftBank Corp. shares.</li> </ul> </li> <li>· SVF1 and SVF2 repaid ¥403,231 million (\$3.10 billion) and ¥28,904 million (\$0.22 billion), respectively, in borrowings made through asset-backed finance.</li> <li>· SoftBank Corp. repaid ¥988,233 million in borrowings made mainly through the securitization of installment sales receivables and sale-and-leaseback transactions and redeemed ¥288,400 million in commercial paper.</li> </ul>
Redemption of corporate bonds ¥(755,911) million	<ul style="list-style-type: none"> <li>· SBG repurchased foreign currency-denominated straight bonds with face values totaling \$0.79 billion and 1.25 billion euros, and redeemed foreign currency-denominated straight bonds with face values of \$0.51 billion and 0.19 billion euros and domestic straight corporate bonds with a face value of ¥337,024 million upon maturity.</li> <li>· Z Holdings Corporation redeemed domestic straight bonds of ¥85,000 million upon maturity.</li> </ul>
Distribution/repayment from SVF to third-party investors ¥(544,242) million	SVF1 made distributions to third-party investors.
Redemption of non-controlling interests subject to possible redemption ¥(319,401) million	Following the termination of all operations by the six Company sponsored SPACs without merging with operating companies, \$2.34 billion was redeemed to the Public Market Investors. For details, see “Refund and Redemption of Invested Funds Related to the Company sponsored SPACs” at the end of this section.

Components	Primary details
Redemption of other equity instruments ¥(104,597) million	A portion of the USD-denominated Undated Hybrid Notes, which are classified as equity instruments in accordance with IFRSs, was repurchased for \$0.75 billion (face value).
Purchase of treasury stock ¥(1,055,436) million	SBG repurchased 185,700,600 of its own shares for ¥1,055,426 million in accordance with board resolutions on November 8, 2021 and on August 8, 2022.
Cash dividends paid ¥(70,241) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(288,452) million	SoftBank Corp., Z Holdings Corporation, and others paid dividends to non-controlling interests.

Notes:

1. "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 ¥1,339,025 million and outlays of ¥2,117,252 million related to borrowings with a contracted term of one year or less.

#### Refund and Redemption of Invested Funds Related to the Company sponsored SPACs

The Company sponsored SPACs execute an initial public offering and raise capital through contributions from the Public Market Investors. The proceeds received from the Public Market Investors are held in a trust account until completion of the initial merger or redemption to the Public Market Investors. If those SPACs are unable to complete a merger within 24 months from the date of the initial public offering and cease all operations, the funds in a trust account will be withdrawn and redeemed in full to the Public Market Investors. In such cases, the proceeds withdrawn from a trust account to the SPACs are recorded in the Company's consolidated cash flow statements as "Proceeds from withdrawal of trust accounts in SPACs" under cash flows from investing activities and, when subsequently redeemed to the Public Market Investors, as "Redemption of non-controlling interests subject to possible redemption" under cash flows from financing activities.

#### (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. Results of Operations”

- 1 Includes share exchanges. During the fiscal year, SVF1 sold its stake in Grofers International Pte. Ltd. to Zomato Limited in exchange for shares in Zomato Limited as consideration; its stakes in Zymergen, Inc. to Ginkgo Bioworks Holdings, Inc. in exchange for shares in Ginkgo Bioworks Holdings, Inc. as consideration; and its stakes in Candy Digital, Inc. to Fanatics Holdings, Inc. in exchange for shares in Fanatics Holdings, Inc. as consideration. LatAm Funds exchanged its shares in Yaydoo, Inc. for shares in PayStand Inc. and shares in Inco Limited for shares in Arco Platform Limited. These share exchanges are treated as full exits 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 gains or losses on investments.
- 2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
- 3 The Company applied the equity method to Alibaba’s consolidated financial statements for a reporting period staggered by the previous three months 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 12 months ended December 31, 2022, as reported by licensees in the royalty reports. Arm’s licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis in this report is based on chips shipped for 12 months ended December 31, 2022. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates.

## 2. Basic Approach to the Selection of Accounting Standards

The Company adopts International Financial Reporting Standards (IFRSs).

### 3. Notes to Summary Information

#### Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2023

(Specified subsidiary (one entity) excluded from the scope of consolidation)

On March 1, 2023, Skybridge Corporation was dissolved due to an absorption-type merger with SoftBank Group Corp. as the surviving company and thus excluded from the scope of consolidation.

#### 4. Consolidated Financial Statements and Primary Notes

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

Company names and abbreviations used in the 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

For the fiscal year ended March 31, 2023, the accounts of the consolidated financial statements have been changed as follows:

## 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

## 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

## 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) Consolidated Statement of Financial Position**

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,169,001	6,925,153
Trade and other receivables	2,361,149	2,594,736
Derivative financial assets	1,050,446	249,414
Other financial assets	971,125	371,313
Inventories	142,767	163,781
Other current assets	334,101	282,085
<b>Total current assets</b>	<b>10,028,589</b>	<b>10,586,482</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,842,749	1,781,142
Right-of-use assets	914,743	858,577
Goodwill	4,897,913	5,199,480
Intangible assets	2,427,580	2,409,641
Costs to obtain contracts	330,899	332,856
Investments accounted for using the equity method	5,234,519	730,440
Investments from SVF (FVTPL)	14,909,614	10,489,722
Investment securities	3,085,369	7,706,501
Derivative financial assets	1,333,787	1,170,845
Other financial assets	2,230,615	2,303,620
Deferred tax assets	163,255	210,823
Other non-current assets	145,038	156,239
<b>Total non-current assets</b>	<b>37,516,081</b>	<b>33,349,886</b>
<b>Total assets</b>	<b>47,544,670</b>	<b>43,936,368</b>

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Interest-bearing debt	7,328,862	5,129,047
Lease liabilities	240,241	184,105
Deposits for banking business	1,331,385	1,472,260
Trade and other payables	1,968,864	2,416,872
Derivative financial liabilities	119,592	82,612
Other financial liabilities	554,814	180,191
Income taxes payable	183,388	367,367
Provisions	34,056	72,350
Other current liabilities	620,260	675,920
Total current liabilities	<u>12,381,462</u>	<u>10,580,724</u>
<b>Non-current liabilities</b>		
Interest-bearing debt	14,128,570	14,349,147
Lease liabilities	625,907	652,892
Third-party interests in SVF	5,640,498	4,499,369
Derivative financial liabilities	174,003	899,351
Other financial liabilities	129,849	58,545
Provisions	107,961	163,627
Deferred tax liabilities	2,436,034	1,828,557
Other non-current liabilities	212,624	254,941
Total non-current liabilities	<u>23,455,446</u>	<u>22,706,429</u>
<b>Total liabilities</b>	<u>35,836,908</u>	<u>33,287,153</u>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Common stock	238,772	238,772
Capital surplus	2,634,574	2,652,790
Other equity instruments	496,876	414,055
Retained earnings	4,515,704	2,006,238
Treasury stock	(406,410)	(38,791)
Accumulated other comprehensive income	2,496,158	3,756,785
Total equity attributable to owners of the parent	<u>9,975,674</u>	<u>9,029,849</u>
<b>Non-controlling interests</b>	<u>1,732,088</u>	<u>1,619,366</u>
<b>Total equity</b>	<u>11,707,762</u>	<u>10,649,215</u>
<b>Total liabilities and equity</b>	<u><u>47,544,670</u></u>	<u><u>43,936,368</u></u>

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Net sales</b>	6,221,534	6,570,439
Cost of sales	(2,955,960)	(3,242,397)
<b>Gross profit</b>	3,265,574	3,328,042
<b>Gain on investments</b>		
Gain on investments at Investment Business of Holding Companies	104,367	4,560,500
Loss on investments at SoftBank Vision Funds	(3,625,827)	(5,322,265)
Gain (loss) on other investments	86,718	(73,294)
<b>Total gain on investments</b>	(3,434,742)	(835,059)
Selling, general and administrative expenses	(2,551,722)	(2,695,328)
Finance cost	(382,512)	(555,902)
Foreign exchange loss	(706,111)	(772,270)
Income (loss) on equity method investments	341,385	(96,677)
Derivative gain (excluding gain (loss) on investments)	1,234,708	54,256
Change in third-party interests in SVF	970,559	1,127,949
Other gain (loss)	393,299	(24,138)
<b>Income before income tax</b>	(869,562)	(469,127)
Income taxes	(592,637)	(320,674)
<b>Net income</b>	(1,462,199)	(789,801)
<b>Net income attributable to</b>		
Owners of the parent	(1,708,029)	(970,144)
Non-controlling interests	245,830	180,343
<b>Net income</b>	(1,462,199)	(789,801)
<b>Earnings per share</b>		
Basic earnings per share (Yen)	(1,018.58)	(652.37)
Diluted earnings per share (Yen)	(1,025.67)	(662.41)

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Net income</b>	(1,462,199)	(789,801)
<b>Other comprehensive income, net of tax</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit plan	(114)	3,240
Equity financial assets at FVTOCI	30,327	6,194
Share of other comprehensive income of associates	-	356
Total items that will not be reclassified to profit or loss	30,213	9,790
<b>Items that may be reclassified subsequently to profit or loss</b>		
Debt financial assets at FVTOCI	(1,378)	(598)
Cash flow hedges	(40,962)	(72,791)
Exchange differences on translating foreign operations	2,217,469	1,221,249
Share of other comprehensive income of associates	(51,932)	100,291
Total items that may be reclassified subsequently to profit or loss	2,123,197	1,248,151
<b>Total other comprehensive income, net of tax</b>	2,153,410	1,257,941
<b>Total comprehensive income</b>	691,211	468,140
<b>Total comprehensive income attributable to</b>		
Owners of the parent	449,419	293,116
Non-controlling interests	241,792	175,024
<b>Total comprehensive income</b>	691,211	468,140



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

For the fiscal year ended March 31, 2022

(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	-	-	-	(1,708,029)	-	-	(1,708,029)
Other comprehensive income	-	-	-	-	-	2,157,715	2,157,715
<b>Total comprehensive income</b>	-	-	-	(1,708,029)	-	2,157,715	449,686
<b>Transactions with owners and other transactions</b>							
Cash dividends	-	-	-	(75,947)	-	-	(75,947)
Distribution to owners of other equity instruments	-	-	-	(32,043)	-	-	(32,043)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(114)	-	114	-
Purchase and disposal of treasury stock	-	-	-	(2,768)	(592,150)	-	(594,918)
Retirement of treasury stock	-	-	-	(2,475,817)	2,475,817	-	-
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	15,897	-	-	-	-	15,897
Changes in associates' interests in their subsidiaries	-	(1,489)	-	-	-	-	(1,489)
Share-based payment transactions	-	1,605	-	-	-	-	1,605
Other	-	57	-	-	-	-	57
<b>Total transactions with owners and other transactions</b>	-	16,070	-	(2,586,689)	1,883,667	114	(686,838)
<b>As of March 31, 2022</b>	238,772	2,634,574	496,876	4,515,704	(406,410)	2,496,158	9,975,674

(Millions of yen)

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total		
<b>As of April 1, 2021</b>	267	10,213,093	1,742,500	11,955,593
<b>Comprehensive income</b>				
Net income	-	(1,708,029)	245,830	(1,462,199)
Other comprehensive income	(267)	2,157,448	(4,038)	2,153,410
<b>Total comprehensive income</b>	(267)	449,419	241,792	691,211
<b>Transactions with owners and other transactions</b>				
Cash dividends	-	(75,947)	(303,172)	(379,119)
Distribution to owners of other equity instruments	-	(32,043)	-	(32,043)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	-
Purchase and disposal of treasury stock	-	(594,918)	-	(594,918)
Retirement of treasury stock	-	-	-	-
Changes from loss of control	-	-	(18,156)	(18,156)
Changes in interests in subsidiaries	-	15,897	38,013	53,910
Changes in associates' interests in their subsidiaries	-	(1,489)	-	(1,489)
Share-based payment transactions	-	1,605	26,221	27,826
Other	-	57	4,890	4,947
<b>Total transactions with owners and other transactions</b>	-	(686,838)	(252,204)	(939,042)
<b>As of March 31, 2022</b>	-	9,975,674	1,732,088	11,707,762

For the fiscal year ended March 31, 2023

(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	-	-	-	(970,144)	-	-	(970,144)
Other comprehensive income	-	-	-	-	-	1,263,260	1,263,260
<b>Total comprehensive income</b>	-	-	-	(970,144)	-	1,263,260	293,116
<b>Transactions with owners and other transactions</b>							
Cash dividends	-	-	-	(70,327)	-	-	(70,327)
Distribution to owners of other equity instruments	-	-	-	(36,680)	-	-	(36,680)
Redemption and cancellation of other equity instruments	-	-	(82,821)	(21,776)	-	-	(104,597)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	2,633	-	(2,633)	-
Purchase and disposal of treasury stock	-	-	-	(798)	(1,044,755)	-	(1,045,553)
Retirement of treasury stock	-	-	-	(1,412,374)	1,412,374	-	-
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	4,899	-	-	-	-	4,899
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	-	(463)	-	-	-	-	(463)
Other	-	(1,598)	-	-	-	-	(1,598)
<b>Total transactions with owners and other transactions</b>	-	18,216	(82,821)	(1,539,322)	367,619	(2,633)	(1,238,941)
<b>As of March 31, 2023</b>	238,772	2,652,790	414,055	2,006,238	(38,791)	3,756,785	9,029,849

(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	180,343	(789,801)
Other comprehensive income	(5,319)	1,257,941
<b>Total comprehensive income</b>	175,024	468,140
<b>Transactions with owners and other transactions</b>		
Cash dividends	(288,175)	(358,502)
Distribution to owners of other equity instruments	-	(36,680)
Redemption and cancellation of other equity instruments	-	(104,597)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	(1,045,553)
Retirement of treasury stock	-	-
Changes from loss of control	(5,248)	(5,248)
Changes in interests in subsidiaries	27,728	32,627
Changes in associates' interests in their subsidiaries	-	(5,845)
Changes in interests in associates' capital surplus	-	21,223
Share-based payment transactions	37,116	36,653
Other	(59,167)	(60,765)
<b>Total transactions with owners and other transactions</b>	(287,746)	(1,526,687)
<b>As of March 31, 2023</b>	1,619,366	10,649,215

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

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Net income	(1,462,199)	(789,801)
Depreciation and amortization	852,424	893,488
Gain on investments at Investment Business of Holding Companies	(237,707)	(4,638,430)
Loss on investments at SoftBank Vision Funds	3,625,827	5,322,265
Finance cost	382,512	555,902
Foreign exchange loss	706,111	772,270
(Income) loss on equity method investments	(341,385)	96,677
Derivative gain (excluding (gain) loss on investments)	(1,234,708)	(54,256)
Change in third-party interests in SVF	(970,559)	(1,127,949)
(Gain) loss on other investments and other (gain) loss	(480,017)	97,432
Income taxes	592,637	320,674
Decrease in investments from asset management subsidiaries	514,478	152,514
Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries	136,989	49,067
(Increase) decrease in restricted cash in asset management subsidiaries	(8,234)	138,915
Decrease in securities pledged as collateral in asset management subsidiaries	1,423,990	2,032
Increase (decrease) in borrowed securities in asset management subsidiaries	106,512	(131,796)
Increase in trade and other receivables	(406,313)	(517,155)
Increase in inventories	(11,623)	(18,929)
Increase in trade and other payables	295,202	439,566
Other	175,359	11,120
Subtotal	3,659,296	1,573,606
Interest and dividends received	37,260	111,740
Interest paid	(381,770)	(418,163)
Income taxes paid	(873,717)	(638,160)
Income taxes refunded	284,381	112,269
Net cash provided by operating activities	2,725,450	741,292

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from investing activities</b>		
Payments for acquisition of investments	(522,092)	(313,413)
Proceeds from sales/redemption of investments	430,168	619,775
Payments for acquisition of investments by SVF	(4,561,320)	(456,351)
Proceeds from sales of investments by SVF	2,221,771	833,180
Payments for acquisition of investments by asset management subsidiaries	(155,515)	-
Proceeds from loss of control over subsidiaries	143,079	6,998
Payments for acquisition of marketable securities for short-term trading	(118,600)	(81,143)
Proceeds from sales/redemption of marketable securities for short-term trading	118,219	90,395
Purchase of property, plant and equipment, and intangible assets	(835,073)	(633,765)
Payments for loan receivables	(119,776)	(14,932)
Collection of loan receivables	84,997	94,020
Payments into restricted cash	(131,936)	(159)
Proceeds from withdrawal of restricted cash	486,820	3,233
Proceeds from withdrawal of trust accounts in SPACs	-	323,666
Other	(59,396)	76,074
Net cash (used in) provided by investing activities	(3,018,654)	547,578
<b>Cash flows from financing activities</b>		
Repayment of short-term interest-bearing debt, net	(1,173,787)	(73,371)
Proceeds from interest-bearing debt	12,880,985	9,176,112
Repayment of interest-bearing debt	(8,797,688)	(6,294,991)
Repayment of lease liabilities	(330,276)	(266,423)
Contributions into SVF from third-party investors	278,497	17,857
Distribution/repayment from SVF to third-party investors	(1,228,703)	(544,242)
Redemption of non-controlling interests subject to possible redemption	-	(319,401)
Redemption of other equity instruments	-	(104,597)
Distribution to owners of other equity instruments	(32,043)	(36,680)
Purchase of treasury stock	(602,361)	(1,055,436)
Cash dividends paid	(75,847)	(70,241)
Cash dividends paid to non-controlling interests	(309,649)	(288,452)
Other	(6,912)	51,382
Net cash provided by financing activities	602,216	191,517
<b>Effect of exchange rate changes on cash and cash equivalents</b>	197,264	275,765
<b>Increase in cash and cash equivalents</b>	506,276	1,756,152
<b>Cash and cash equivalents at the beginning of the year</b>	4,662,725	5,169,001
<b>Cash and cash equivalents at the end of the year</b>	5,169,001	6,925,153

## (5) Significant Doubt about Going Concern Assumption

There are no applicable items.

## (6) Notes to Consolidated Financial Statements

### 1. Changes in presentation

(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)” for the fiscal year ended March 31, 2023. 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” for the fiscal year ended March 31, 2023. 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)” for the fiscal year ended March 31, 2023 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).”

(Consolidated statement of profit or loss and 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” for the fiscal year ended March 31, 2023. 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” for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥111,070 million, which was presented as “Gain on investments at Latin America Funds,” is reclassified as “Loss on investments at SoftBank Vision Funds” for the fiscal year ended March 31, 2023. Similarly, ¥(2,115) million, which was included in “Other gain (loss),” is reclassified as “Change in third-party interests in SVF.”

(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” for the fiscal year ended March 31, 2023. 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” for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥(111,070) million, which was presented as “Gain on investments at Latin America Funds,” and ¥2,115 million, which were included in “(Gain) loss on other investments and other (gain) loss” for the fiscal year ended March 31, 2022, 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 for the fiscal year ended March 31, 2023 since the amount increased and became significant. In order to reflect the change in presentation, ¥(8,234) million, which was included in “Other” for the fiscal year ended March 31, 2022, is reclassified as “(Increase) 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” for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥(471,398) million, which was included in “Payments for acquisition of investments,” and ¥(12,471) million, which was included in “Payments for loan receivables” for the fiscal year ended March 31, 2022, are reclassified as “Payments for acquisition of investments by SVF,” respectively.

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” for the fiscal year ended March 31, 2023. In order to reflect the change in presentation, ¥673 million, which was included in “Other” for the fiscal year ended March 31, 2022, is reclassified as “Contributions into SVF from third-party investors.”



## 2. Significant accounting policies

(Significant accounting policies for the SoftBank Vision Funds segment)

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

### (1) 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 March 31, 2023, 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.

## (2) 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 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 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 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 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 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 consolidated statement of financial position and the consolidated statement of cash flows are the same as the above “b. Investments in associates and joint ventures.”

(3) 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 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 March 31, 2023, the Company has recognized receivables from Third-Party Investor. The receivables are included in “Other financial assets (non-current)” in the 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 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 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 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 March 31, 2023.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9 “Financial Instruments,” and, therefore, such amount is not recorded in the 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. In addition, PayPay Corporation, which was previously included in "Other," is classified in the SoftBank segment from the three-month period ended December 31, 2022, since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation.

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, through Yahoo Japan Corporation and LINE Corporation, internet advertising and e-commerce services, and through PayPay Corporation, payment and financial services.

The Arm segment provides, through Arm, designs of microprocessor intellectual property and related technology, 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 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.

Segment information for the fiscal year ended March 31, 2022 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 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 fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	5,730,072	299,516
Intersegment	-	-	3,044	497
Total	-	-	5,733,116	300,013
Segment income	965,158	(2,553,027)	849,735	41,200
Depreciation and amortization	(4,435)	(755)	(743,230)	(75,443)
Gain (loss) on investments	104,135	(3,434,469)	41,946	7,769
Finance cost	(277,108)	(33,278)	(62,445)	(816)
Foreign exchange gain (loss)	(705,108)	(391)	505	-
Income (loss) on equity method investments	376,433	-	(38,894)	1,198
Derivative gain (loss) (excluding gain (loss) on investments)	1,236,686	2,056	750	(1,305)
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	6,029,588	191,946	-	6,221,534
Intersegment	3,541	11,702	(15,243)	-
Total	6,033,129	203,648	(15,243)	6,221,534
Segment income	(696,934)	37,340	(209,968)	(869,562)
Depreciation and amortization	(823,863)	(28,561)	-	(852,424)
Gain (loss) on investments	(3,280,619)	44,470	(198,593)	(3,434,742)
Finance cost	(373,647)	(13,709)	4,844	(382,512)
Foreign exchange gain (loss)	(704,994)	(1,117)	-	(706,111)
Income (loss) on equity method investments	338,737	19,456	(16,808)	341,385
Derivative gain (loss) (excluding gain (loss) on investments)	1,238,187	(3,479)	-	1,234,708

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm
Net sales				
Customers	-	-	5,953,374	381,746
Intersegment	-	-	3,163	-
Total	-	-	5,956,537	381,746
Segment income	3,349,846	(4,308,291)	592,782	48,663
Depreciation and amortization	(4,391)	(1,230)	(768,712)	(87,854)
Gain (loss) on investments	4,560,568	(5,279,494)	(25,381)	370
Finance cost	(398,541)	(81,181)	(64,020)	(1,034)
Foreign exchange gain (loss)	(772,053)	1,367	600	(1,981)
Income (loss) on equity method investments	(22,836)	-	(46,783)	285
Derivative gain (loss) (excluding gain (loss) on investments)	65,732	907	692	1,287
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	6,335,120	235,319	-	6,570,439
Intersegment	3,163	9,527	(12,690)	-
Total	6,338,283	244,846	(12,690)	6,570,439
Segment income	(317,000)	(75,258)	(76,869)	(469,127)
Depreciation and amortization	(862,187)	(31,301)	-	(893,488)
Gain (loss) on investments	(743,937)	(48,283)	(42,839)	(835,059)
Finance cost	(544,776)	(15,666)	4,540	(555,902)
Foreign exchange gain (loss)	(772,067)	(203)	-	(772,270)
Income (loss) on equity method investments	(69,334)	(12,060)	(15,283)	(96,677)
Derivative gain (loss) (excluding gain (loss) on investments)	68,618	(14,362)	-	54,256

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 consolidated statement of profit or loss are described in “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”

#### 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)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss on investments at SoftBank Vision Funds		
Loss on investments at SVF1, SVF2, and LatAm Funds		
Realized gain on investments <sup>*2</sup>	1,345,560	78,616
Unrealized loss on valuation of investments		
Change in valuation for the fiscal year <sup>*3</sup>	(2,928,740)	(4,978,591)
Reclassified to realized gain recorded in the past fiscal years <sup>*4</sup>	(1,769,872)	(288,679)
Interest and dividend income from investments	51,897	1,512
Derivative gain (loss) on investments	(50,303)	14,537
Effect of foreign exchange translation <sup>*5</sup>	(84,962)	(125,853)
Subtotal	(3,436,420)	(5,298,458)
Gain on other investments	1,951	18,964
Total loss on investments at SoftBank Vision Funds	(3,434,469)	(5,279,494)
Selling, general and administrative expenses	(94,456)	(65,999)
Finance cost (interest expenses)	(33,278)	(81,181)
Derivative gain (excluding gain (loss) on investments)	2,056	907
Change in third-party interests in SVF	970,559	1,127,949
Other gain (loss) <sup>*6</sup>	36,561	(10,473)
Segment income arising from the SoftBank Vision Funds business (income before income tax)	(2,553,027)	(4,308,291)



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 fiscal year ended March 31, 2022 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. For the fiscal year ended March 31, 2023, ¥84,962 million of the unrealized gain (net) on valuation arising from shares of the Company's subsidiaries held by SVF1 and SVF2 (mainly Arm and PayPay Corporation) 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.

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 fiscal year ended March 31, 2023, ¥38,116 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 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 SoftBank Vision Funds" in the past fiscal years, which are reclassified to "Realized gain on investments" due to the realization for the fiscal year ended March 31, 2023.
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.
6. SVF2 has provided credit support for \$1.107 billion since December 2022 and additionally \$0.47 billion since February 2023 for the credit facility for WeWork provided by financial institutions. The amount of credit facility outstanding was reduced to \$1.43 billion as of March 31, 2023. For the fiscal year ended March 31, 2023, ¥37,780 million of provision for allowance for financial guarantee contract losses related to the credit support was recorded in the segment income arising from the SoftBank Vision Funds business.

(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 16. 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 consolidated statement of financial position) are as follows:

		(Millions of yen)	
		(For reference purposes only) Links with the 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	17,857	-	17,857
Changes in third-party interests	(777,315)	777,315	-
Attributable to investors entitled to fixed distribution	167,430		
Attributable to investors entitled to performance-based distribution	(944,745)		
Distribution/repayment to third-party investors	(544,242)	-	(544,242)
Exchange differences on translating third-party interests*	484,663	-	-
As of March 31, 2023	<u>4,470,717</u>		

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the 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 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 consolidated financial statements	
	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 March 31, 2023	-	-

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the 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 consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in “(1) Transactions between SVF2 and related parties” under “Note 16. 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 accrued premiums charged to third-party investor	11,185
Exchange differences on receivables	31,022
As of March 31, 2023	384,870

## (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 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 consolidated financial statements	
	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	(59,302)	59,302
Exchange differences on translating third-party interests *	7,291	-
As of March 31, 2023	<u>28,652</u>	-

Note:

\* Exchange differences were included in “Exchange differences on translating foreign operations” in the 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 consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in LatAm Funds are described in “(2) Transactions between LatAm Funds and related parties” under “Note 16. 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 accrued premiums charged to third-party investor	2,641
Exchange differences on receivables	7,302
As of March 31, 2023	<u>90,606</u>

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

Uncalled committed capital from SVF1’s Third-Party Investors as of March 31, 2023 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 March 31, 2023, the cumulative amount of performance fees paid to SBIA was \$439 million. The performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance. In April 2023, in accordance with the clawback provisions, the performance fee (net of tax) was distributed to the limited partners.

#### 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 March 31, 2023, 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 March 31, 2023, neither performance fees nor performance-linked management fees were paid to SBGA.

## 5. Special purpose acquisition companies sponsored by the Company

A special purpose acquisition company (“SPAC”) is an investment vehicle formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that have not yet been identified at the time of the offering. Subsequent to its formation, the SPAC executes an initial public offering and raises capital through contributions from public investors. The SPAC then seeks to identify an unlisted company as a target company and completes a business combination with the target company with necessary approvals. Although the SPAC becomes the legal surviving company, substantially the target company, which is an unlisted company, becomes a publicly listed company through the business combination. A SPAC may arrange committed equity financing in private placement with certain investors in order to raise additional funds necessary for the business combination (“Private Investment in Public Equity”).

In the event that the Company forms SPACs as a sponsor, the Company acquires shares and, if applicable, warrants of SPACs as consideration for funds invested by the Company in SPACs. Since the Company has control over the SPACs from inception until its merger with a target company, the SPACs are consolidated as subsidiaries. Investments in SPACs by the Company as a sponsor are eliminated in consolidation.

The amount of ownership interests held by investors other than the Company as a sponsor (“Public Market Investors”) includes proceeds received from Public Market Investors at the initial public offering and income including interest earned on such proceeds. Shares issued by a SPAC at the initial public offering are subject to conditions that the SPAC will cease all operations and redeem all of the proceeds received from Public Market Investors in the SPAC to them if the SPAC is unable to complete a merger within 24 months from the date of the initial public offering. In addition, Public Market Investors retain an option to redeem part or all of the proceeds received from them upon completion of the initial merger. When the condition is met or the option is exercised, the relevant SPAC will be obligated to redeem them for cash.

The proceeds received from Public Market Investors can only be used for the initial merger and redemptions of the proceeds to Public Market Investors. The proceeds received are held in a trust account until the completion of the initial merger or redemption to Public Market Investors and are invested only in certain financial assets that are highly liquid.

For the fiscal year ended March 31, 2021, the Company has formed, as a sponsor, SPACs. These SPACs have raised funds through initial public offerings in the United States. For the fiscal year ended March 31, 2021, the total funds raised were \$3,304 million.

For the fiscal year ended March 31, 2022, a SPAC sponsored by Fortress completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control.

For the fiscal year ended March 31, 2023, a SPAC sponsored by SB Investment Advisers (US) Inc.\* completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control.

Furthermore, for the fiscal year ended March 31, 2023, six SPACs sponsored by the Company ceased all operations as those SPACs were unable to complete a merger. As a result, the proceeds received from Public Market Investors held in trust accounts were fully withdrawn for redemption to the Public Market Investors.

Non-controlling interests subject to possible redemption are included in and presented as “Other financial liabilities (current)” and classified as “financial liabilities measured at amortized cost” in the consolidated statement of financial position.

The carrying amounts of non-controlling interests subject to possible redemption are as follows:

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
Other financial liabilities (current)		
Non-controlling interests subject to possible redemption	307,144	-

The carrying amounts of the assets restricted on its use held in the trust accounts are as follows:

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
Other financial assets (current)		
Trust accounts in SPACs	326,062	-

Note:

\* SB Investment Advisers (US) Inc. is a wholly-owned subsidiary of the Company and provides investment advice to SBIA.



## 6. 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 March 31, 2023
<b>Current</b>		
Short-term borrowings	1,551,238	900,502
Commercial paper	527,201	283,001
Current portion of long-term borrowings <sup>*1,2</sup>	2,377,864	2,955,480
Current portion of corporate bonds	519,870	653,237
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts <sup>*3</sup>	2,352,539	336,730
Current portion of installment payables	150	97
Total	7,328,862	5,129,047
<b>Non-current</b>		
Long-term borrowings <sup>*2</sup>	5,472,605	4,164,682
Corporate bonds	6,471,624	6,257,455
Financial liabilities relating to sale of shares by prepaid forward contracts <sup>*3</sup>	2,184,034	3,926,873
Installment payables	307	137
Total	14,128,570	14,349,147

Notes:

1. A wholly-owned subsidiary of the Company had made a borrowing by using Alibaba shares pledged as collateral. For the fiscal year ended March 31, 2023, the wholly-owned subsidiary of the Company repaid all of its borrowing of \$6.0 billion before the maturity date and the collateral for Alibaba shares was released. The borrowings are recorded for ¥731,517 million as “Current portion of long-term borrowings” and Alibaba shares pledged as collateral are recorded for ¥1,154,179 million as “Investments accounted for using the equity method” in the consolidated statement of financial position as of March 31, 2022.
2. The current portion of long-term borrowings and long-term borrowings as of March 31, 2023 include ¥5,526 million and ¥547,156 million (as of March 31, 2022: ¥11,500 million of short-term borrowings, ¥120,447 million of current portion of long-term borrowings, and ¥204,588 million of long-term borrowings) of borrowings in SVF1, respectively. The current portion of long-term borrowings as of March 31, 2023 include ¥770,004 million (as of March 31, 2022: ¥13,183 million of current portion of long-term borrowings and ¥718,357 million of long-term borrowings) of borrowings in SVF2.
3. These are primarily financial liabilities relating to sale of shares by 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 7. 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, ¥1,089,793 million (\$7.9 billion) in total by entering into forward contracts for the three-month period ended September 30, 2022, ¥857,246 million (\$6.1 billion) in total by entering into forward contracts for the three-month period ended December 31, 2022, and ¥1,471,152 million (\$11.0 billion) in total by entering into forward contracts for the three-month period ended March 31, 2023.

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 10. 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 consolidated statement of financial position as of the settlement date.

Also, before the 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 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 consolidated statement of profit or loss.

Furthermore, for the three-month period ended December 31, 2022, the settlement date of certain prepaid forward contracts arrived and they were settled by Alibaba shares. As a result, ¥974,790 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥610,321 million of “Derivative financial assets (current),” and ¥364,469 million of Alibaba shares included in “Investment securities” were derecognized from the consolidated statement of financial position as of the settlement date.

In addition to the above, entities for fund procurement by using Alibaba shares procured \$4.1 billion in total by entering into forward contracts for the period after April 1, 2023.

As of March 31, 2023, the Company set ¥4,141,336 million of Alibaba shares, which is recognized as “Investment securities” in the consolidated statement of financial position, as collateral for ¥336,730 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥3,486,934 million of financial liabilities relating to sale of shares by prepaid forward contracts.

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

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

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net (decrease) increase in short-term borrowings	(1,280,587)	58,429
Net increase (decrease) in commercial paper	106,800	(131,800)
Total	<u>(1,173,787)</u>	<u>(73,371)</u>

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

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

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Proceeds from borrowings	8,144,423	3,778,352
Proceeds from issuance of corporate bonds	2,580,245	565,000
Proceeds from procurement by prepaid forward contracts using shares *	2,156,317	4,832,760
Total	<u>12,880,985</u>	<u>9,176,112</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 consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Repayment of borrowings	(7,209,092)	(5,534,321)
Redemption of corporate bonds	(1,267,059)	(755,911)
Repayment of settlement of prepaid forward contracts using shares	(321,537)	(4,759)
Total	<u>(8,797,688)</u>	<u>(6,294,991)</u>

## 7. Financial instruments

The details of derivative contracts are mainly as follows:

	(Millions of yen)			
	As of March 31, 2022		As of March 31, 2023	
	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	-	397,127	-
Call spread contracts relating to prepaid forward contracts using Alibaba shares <sup>*1</sup>	2,302	-	590	-
Prepaid forward contracts using Alibaba shares (Forward contracts) <sup>*1</sup>	190,334	(67,672)	-	(805,039)
Contingent consideration relating to acquisition of T-Mobile shares <sup>*2</sup>	591,429	-	833,770	-
Short call option for T-Mobile shares to Deutsche Telekom <sup>*3</sup>	-	(103,754)	-	(55,056)
Contingent value rights relating to sale of T-Mobile shares <sup>*4</sup>	44,681	-	67,308	-

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 6. 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 10. Gain on investments.”
- Contingent value rights were received in relation to the disposal of T-Mobile shares in a private placement through a trust.

## 8. 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 year

	(Yen)	
	As of March 31, 2022	As of March 31, 2023
USD	122.39	133.53
CNY*	19.26	-

### (2) Average rate for the quarter

For the fiscal year ended March 31, 2022

	(Yen)			
	Three-month period ended June 30, 2021	Three-month period ended September 30, 2021	Three-month period ended December 31, 2021	Three-month period ended March 31, 2022
USD	110.00	110.47	113.60	117.10
CNY	17.01	17.09	17.75	18.43

For the fiscal year ended March 31, 2023

	(Yen)			
	Three-month period ended June 30, 2022	Three-month period ended September 30, 2022	Three-month period ended December 31, 2022	Three-month period ended March 31, 2023
USD	129.04	138.68	141.16	133.26
CNY*	19.60	20.19	-	-

Note:

\* For the three-month period ended September 30, 2022, Alibaba ceased to be an equity method associate of the Company. As a result, exchange rates of Chinese yuan are not presented from the three-month period ended December 31, 2022 since it is no longer considered as a major currency used for translating financial statements of foreign operations.

## 9. Equity

### (1) Other equity instruments

On July 19, 2017, the Company issued \$2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes and \$1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resetable 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.

In addition, on October 12, 2022, the Company purchased a portion of the above USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes (the face value of \$0.75 billion) and retired them on the same date. The amount of ¥21,776 million reduced from “Retained earnings” as “Redemption and cancellation of other equity instruments” in the consolidated statement of changes in equity is the difference between the issue amount and the purchase amount, including foreign exchange effects.

### (2) Treasury stock

Changes in treasury stock are as follows:

	(Thousands of shares)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Balance at the beginning of the year	351,298	76,164
Increase during the year <sup>*1</sup>	93,240	185,702
Decrease during the year <sup>*2</sup>	(368,374)	(254,918)
Balance at the end of the year	76,164	6,948

Notes:

- For the fiscal year ended March 31, 2023, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021 and August 8, 2022, the number of treasury stock increased by 185,701 thousand shares (the amount purchased is ¥1,055,426 million).
- For the fiscal year ended March 31, 2023, the decrease was made mainly under the resolutions passed at the Board of Directors meeting held on January 27, 2023. The Company retired its treasury stock of 252,959 thousand shares on March 30, 2023. As a result of the transaction, retaining earnings and treasury stock decreased by ¥1,412,374 million, respectively.

## (3) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	As of March 31, 2022	(Millions of yen) As of March 31, 2023
Equity financial assets at FVTOCI	46,338	43,201
Debt financial assets at FVTOCI	298	142
Cash flow hedges	1,696	(71,598)
Exchange differences on translating foreign operations *	2,447,826	3,785,040
Total	2,496,158	3,756,785

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.



## 10. 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)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Gain relating to settlement of prepaid forward contracts using Alibaba shares <sup>*1,2</sup>	199,972	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	54,853	(73,950)
Unrealized loss on valuation of investments at asset management subsidiaries	(393,404)	(67,122)
Derivative gain (loss) on investments at asset management subsidiaries	89,476	(5,102)
Realized gain (loss) on investments <sup>*1,2</sup>	79,336	(237,980)
Unrealized loss on valuation of investments <sup>*2</sup>	(50,179)	(142,380)
Derivative gain on investments <sup>*4</sup>	101,524	205,506
Other	19,640	18,435
Total	104,367	4,560,500

Notes:

- 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 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.”

- “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.” For the fiscal year ended March 31, 2023, ¥210,919 million of realized loss on investments and ¥254,356 million of unrealized loss on valuation of investments were recognized related to the remaining 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 fiscal year ended March 31, 2023.

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 fiscal year ended March 31, 2023, ¥189,874 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 7. 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 “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”

## 11. Finance cost

The components of finance cost are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Interest expenses *	<u>(382,512)</u>	<u>(555,902)</u>

Note:

- \* For the fiscal year ended March 31, 2023, 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 6. Interest-bearing debt.”

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

For the fiscal year ended March 31, 2023, derivative gain of ¥24,933 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 6. 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 10. Gain on investments.”

## 13. Other gain (loss)

The components of other gain and loss are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Interest income	35,047	114,368
Dilution gain from changes in equity interest <sup>*1</sup>	71,741	84,799
Gain on redemption of corporate bonds <sup>*2</sup>	818	44,063
Gain (loss) on liabilities for short put options over non-controlling interests <sup>*3</sup>	(15,808)	40,310
Gain relating to loss of control over subsidiaries	121,690	22,872
Provision for allowance for financial guarantee contract losses <sup>*4</sup>	-	(142,226)
Provision for allowance for doubtful accounts <sup>*5</sup>	(2,834)	(110,409)
Impairment loss on equity method investments <sup>*6,7</sup>	(26,436)	(67,162)
Provision for allowance for loan commitment losses <sup>*8</sup>	-	(20,444)
Provision for loss relating to litigation <sup>*9</sup>	-	(19,176)
Gain relating to the agreement for sale of Arm shares	146,375	-
Reversal of impairment loss on equity method investments	35,706	-
Other	27,000	28,867
<b>Total</b>	<b>393,299</b>	<b>(24,138)</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.
- The amount is related to foreign-currency-denominated notes purchased by SoftBank Group Corp.
- The Company recognizes short put options granted to owners of non-controlling interests in subsidiaries of the Company as financial liabilities at fair value through profit or loss. The amount primarily represents the valuation gain or loss due to the fluctuation of fair value in the financial liabilities related to Fortress.
- ¥142,226 million of provision for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded mainly due to an increase in the credit spread for WeWork’s unsecured notes

distributed in the market from March 31, 2022. Previously, SoftBank Group Corp. provided the credit support for the credit facility for WeWork provided by financial institutions. SVF2 has provided credit support for \$1.107 billion since December 2022 and additionally \$0.47 billion since February 2023 for the credit facility for WeWork provided by financial institutions. The amount of credit facility outstanding was reduced to \$1.43 billion as of March 31, 2023.

5. For the fiscal year ended March 31, 2023, ¥77,191 million of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork (as of March 31, 2023: the face value of \$1.65 billion) was recorded as the expected credit losses were higher than the amount recorded as of March 31, 2022 due to an increase in the credit spread for WeWork's unsecured notes distributed in the market.

In April 2023, the unsecured notes were transferred to SVF2 at fair market value and, in May, were exchanged into shares and convertible bonds newly issued by WeWork.

6. For the fiscal year ended March 31, 2023, ¥31,304 million of impairment loss was recorded as the carrying amount of equity method investments in DEMAECAN CO., LTD. was reduced to the recoverable amount.
7. For the fiscal year ended March 31, 2023, ¥22,809 million of impairment loss was recorded as the fair value of WeWork common shares accounted for using the equity method decreased.
8. ¥20,444 million of provision for allowance for loan commitment losses related to acquiring senior secured notes up to \$0.5 billion to be issued by WeWork was recorded. SVF2 became a party to the loan commitment contract related to acquiring the notes instead of the Company's wholly-owned subsidiary other than SVF, effective from December 2022. In January 2023, SVF2 purchased \$0.25 billion of senior secured notes.

In April 2023, SVF2 purchased additional \$0.05 billion of senior secured notes. In May, the purchased \$0.3 billion of senior secured notes were redeemed by WeWork and the remaining \$0.2 billion of unfunded loan commitment for the senior secured notes was canceled. In addition, SVF2 newly entered into the loan commitment contract with WeWork whereby SVF2 is obliged to purchase up to \$0.3 billion in the notes to be issued by WeWork.

9. 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.

## 14. Earnings per share

Basic earnings per share and diluted earnings per share are as follows:

### (1) Basic earnings per share

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income attributable to owners of the parent	(1,708,029)	(970,144)
Net income not-attributable to ordinary shareholders of the parent <sup>*1</sup>	(32,709)	(36,113)
Net income used in the calculation of basic earnings per share	<u>(1,740,738)</u>	<u>(1,006,257)</u>
Weighted-average number of ordinary shares (Thousands of shares)	1,708,989	1,542,474
Basic earnings per share (Yen)	<u>(1,018.58)</u>	<u>(652.37)</u>

### (2) Diluted earnings per share

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Diluted net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income used in the calculation of basic earnings per share	(1,740,738)	(1,006,257)
Effect of dilutive securities issued by subsidiaries and associates	(12,127)	(15,500)
Total	<u>(1,752,865)</u>	<u>(1,021,757)</u>
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of ordinary shares	1,708,989	1,542,474
Adjustments:		
Stock acquisition rights <sup>*2</sup>	-	-
Total	<u>1,708,989</u>	<u>1,542,474</u>
Diluted earnings per share (Yen)	<u>(1,025.67)</u>	<u>(662.41)</u>

Notes:

- Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.
- For the fiscal year ended March 31, 2023 and for the fiscal year ended March 31, 2022, stock acquisition rights are not included in the calculation for "Diluted earnings per share" as it has an antidilutive effect for the calculation.

## 15. Supplemental information to the consolidated statement of cash flows

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

For the fiscal year ended March 31, 2023

Payment of withholding income tax related to dividends within the group companies of ¥109,330 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 fiscal year ended March 31, 2023

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

### (3) Proceeds from withdrawal of trust accounts in SPACs

For the fiscal year ended March 31, 2023

“Proceeds from withdrawal of trust accounts in SPACs” is proceeds from withdrawal of proceeds, received from investors other than the Company as a sponsor (“Public Market Investors”) and held in trust accounts, in a SPAC sponsored by the Company. The proceeds were withdrawn for redemption to the Public Market Investors when the SPACs ceased all operations. The details are described in “Note 5. Special purpose acquisition companies sponsored by the Company.”

### (4) Redemption of non-controlling interests subject to possible redemption

For the fiscal year ended March 31, 2023

“Redemption of non-controlling interests subject to possible redemption” is repayment of all the proceeds to the Public Market Investors of the SPACs. The repayment was required because the SPACs sponsored by the Company were unable to complete a merger within 24 months from the date of the initial public offering and ceased all operations. The details are described in “Note 5. Special purpose acquisition companies sponsored by the Company.”

### (5) Significant non-cash transactions

For the fiscal year ended March 31, 2023

Based on the board resolution in August 2022 or the settlement date of a part of prepaid forward contracts arrived, ¥5,538,147 million of financial liabilities relating to sale of shares by prepaid forward contracts, ¥1,874,305 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 6. Interest-bearing debt.”

## **16. 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	Fiscal year ended	(Millions of yen)
			March 31, 2023	As of
			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>	-	384,870 <sup>*3,4</sup> (\$2,882 million)
		The premium received on SVF2 LLC's receivables	11,185 <sup>*3</sup> (\$83 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>		384,870 (\$2,882 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 March 31, 2023, 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 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	Fiscal year ended	(Millions of yen)
			March 31, 2023	As of March 31, 2023
			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>	-	90,606 <sup>*3, 4</sup> (\$678 million)
		The premium received on SLA LLC's receivables	2,641 <sup>*3</sup> (\$19 million)	
		MgmtCo's Equity interests in SLA LLC <sup>*5, 6</sup>	-	28,652 (\$215 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC) <sup>*7</sup>		61,954 (\$463 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 March 31, 2023, 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 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.