SoftBank Group

*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, 2021 (IFRS)

Tokyo, May 12, 2021

## 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 | % |
| **Fiscal year ended March 31, 2021** | **¥5,628,167** | 7.4 | **¥5,670,456** | - | **¥5,078,236** | - | **¥4,987,962** | - | **¥5,578,244** | - |
| Fiscal year ended March 31, 2020 | ¥5,238,938 | - | ¥50,038 | - | ¥(800,760) | - | ¥(961,576) | - | ¥(1,290,339) | - |

| | 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 (%) |
|---|---|---|---|---|
| **Fiscal year ended March 31, 2021** | **¥2,619.61** | **¥2,437.29** | 61.9 | 13.7 |
| Fiscal year ended March 31, 2020 | ¥(478.50) | ¥(485.33) | (14.2) | 0.1 |

Notes:

1. Income on equity method investments
   Fiscal year ended March 31, 2021: ¥616,432 million
   Fiscal year ended March 31, 2020: ¥624,015 million

2. Net sales and income before income tax are presented based on the amounts from continuing operations only. Year-on-year percentage changes in net sales and income before income tax for the fiscal year ended March 31, 2020 are not presented because corresponding amounts for the fiscal year ended March 31, 2020 are revised and presented respectively.
   Please refer to page 87 "Note 3. Discontinued operations" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements and Primary Notes" for details.

3. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

### (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) |
|---|---|---|---|---|---|
| **As of March 31, 2021** | **¥45,750,453** | **¥11,955,593** | **¥10,213,093** | 22.3 | 5,588.80 |
| As of March 31, 2020 | ¥37,257,292 | ¥7,372,917 | ¥5,913,613 | 15.9 | 2,619.32 |

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 |
|---|---|---|---|---|
| **Fiscal year ended March 31, 2021** | **¥557,250** | **¥(1,468,599)** | **¥2,194,077** | **¥4,662,725** |
| Fiscal year ended March 31, 2020 | ¥1,117,879 | ¥(4,286,921) | ¥2,920,863 | ¥3,369,015 |

## 2. Dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter | Second quarter | Third quarter | Fourth quarter | Total |
| | (Yen) | (Yen) | (Yen) | (Yen) | (Yen) |
| Fiscal year ended March 31, 2020 | - | 22.00 | - | 22.00 | 44.00 |
| Fiscal year ended March 31, 2021 | - | 22.00 | - | 22.00 | 44.00 |
| Fiscal year ending March 31, 2022 (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, 2020 | 91,063 | - | 1.5 |
| Fiscal year ended March 31, 2021 | 79,592 | 1.7 | 1.1 |
| Fiscal year ending March 31, 2022 (Forecasted) | | - | |

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes
Newly consolidated: Two entities: LINE Corporation, LINE Financial Asia Corporation Limited
Excluded from consolidation: Three entities: Sprint Corporation, Sprint Communications, Inc., Starburst I, Inc.

Notes:

1. Please refer to page 60 "(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2021" 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: Yes

Please refer to page 60 "(2) Changes in Accounting Estimates" under "3. Notes to Summary Information" for details.

(3) Number of shares issued (common stock)

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

| | | |
|---|---|---|
| As of March 31, 2021: | 2,089,814,330 | shares |
| As of March 31, 2020: | 2,089,814,330 | shares |

[2] Number of shares of treasury stock:

| | | |
|---|---|---|
| As of March 31, 2021: | 351,297,587 | shares |
| As of March 31, 2020: | 21,818,471 | shares |

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

| | | |
|---|---|---|
| As of March 31, 2021: | 1,892,538,088 | shares |
| As of March 31, 2020: | 2,074,225,377 | shares |

Note:

* The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Number of average shares outstanding during twelve-month period" is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

[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 | % |
| Fiscal year ended March 31, 2021 | ¥1,622,615 | - | ¥1,569,569 | - | ¥1,258,459 | - | ¥1,403,478 | - |
| Fiscal year ended March 31, 2020 | ¥101,542 | (95.1) | ¥50,039 | (97.5) | ¥(135,045) | - | ¥(964,714) | - |

| | Net income per share-basic (Yen) | Net income per share-diluted (Yen) |
|---|---|---|
| Fiscal year ended March 31, 2021 | ¥741.58 | ¥739.48 |
| Fiscal year ended March 31, 2020 | ¥(465.10) | ¥- |

Notes:

1. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Net income per share-basic" and "Net income per share-diluted" are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. Net income per share-diluted for the fiscal year ended March 31, 2020 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) |
|---|---|---|---|---|
| As of March 31, 2021 | ¥19,234,339 | ¥3,536,120 | 18.3 | ¥2,027.26 |
| As of March 31, 2020 | ¥15,199,663 | ¥4,153,205 | 27.2 | ¥2,000.51 |

Note:

* Shareholders' equity (Non-consolidated)

As of March 31, 2021: ¥3,524,428 million

As of March 31, 2020: ¥4,137,052 million

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

The increases in operating revenue, operating income, ordinary income, and net income in the fiscal year ended March 31, 2021 from the previous fiscal year ended March 31, 2020 were mainly attributable to a ¥1,521,117 million year-on-year increase in dividends from subsidiaries and associates.

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 12, 2021 (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/presentations. The Data Sheet will also be posted on the website in a few days at the same site.

(Appendix)

**Contents**





**Notice Regarding PFIC Status**
It is possible that 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 advisers with respect to U.S. federal income tax consequences if SBG is classified as a PFIC.

### 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 |
| **Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.* | |
| SB Northstar | SB Northstar LP |
| SoftBank Vision Fund 1 or SVF1[*1] | SoftBank Vision Fund L.P. and its alternative investment vehicles |
| SoftBank Vision Fund 2 or SVF2 | SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles[*2] |
| SBIA | SB Investment Advisers (UK) Limited |
| SoftBank Latin America Fund | SoftBank Latin America Fund L.P. |
| Sprint | Sprint Corporation |
| T-Mobile | T-Mobile US, Inc. after merging with Sprint |
| Arm | Arm Limited |
| Alibaba | Alibaba Group Holding Limited |
| The first quarter | Three-month period ended June 30, 2020 |
| The second quarter | Three-month period ended September 30, 2020 |
| The third quarter | Three-month period ended December 31, 2020 |
| The fourth quarter | Three-month period ended March 31, 2021 |
| The fiscal year | Fiscal year ended March 31, 2021 |
| The previous fiscal year | Fiscal year ended March 31, 2020 |

Notes:

1. Since the second quarter, the Company has changed the presentation of “SoftBank Vision Fund” to “SoftBank Vision Fund 1” or “SVF1” to clearly distinguish it from “SoftBank Vision Fund 2” and changed the name of the reportable segment from “SoftBank Vision Fund and Other SBIA-Managed Funds” to “SVF1 and Other SBIA-Managed Funds.” Names of related accounts have also been changed. For details, see “4. Consolidated Financial Statements and Primary Notes.”
2. The entities defined as “SoftBank Vision Fund 2” were established for the purpose of holding the investments expected to be owned by “SoftBank Vision Fund 2,” a private fund which is expected to admit third-party investors in the future. As of the fiscal year-end, SBG is the sole limited partner investing in SoftBank Vision Fund 2.

### Exchange Rates Used for Translations

Average rate for the quarter

| | Fiscal year ended March 31, 2020 | | | | Fiscal year ended March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| USD / JPY | ¥110.00 | ¥107.70 | ¥108.98 | ¥109.22 | ¥107.74 | ¥105.88 | ¥104.45 | ¥106.24 |

Rate at the end of the period

| | March 31, 2020 | March 31, 2021 |
|---|---|---|
| USD / JPY | ¥108.83 | ¥110.71 |

## CHANGES IN PRESENTATION OF CONSOLIDATED STATEMENT OF INCOME AND REPORTABLE SEGMENTS

In the fiscal year, the presentation of the Consolidated Statement of Income and reportable segments were changed as follows. The Consolidated Statement of Income and reportable segments for the previous fiscal year have been restated and presented in the same manner.

### Changes in presentation of Consolidated Statement of Income

**"Operating income" no longer presented and "gain (loss) on investments" newly presented**

SoftBank Group Corp. is a strategic investment holding company managing a portfolio of investments in a wide range of companies, made either directly (including investments through subsidiaries) or through investment funds (such as SVF1). On April 1, 2020, Sprint ceased to be a subsidiary of the Company following the completion of the merger between Sprint and T-Mobile US, Inc. Given that investment activities have taken on greater importance in the Company's overall consolidated financial results, the Company has revised the presentation of the Consolidated Statement of Income starting from the first quarter.

Specifically, "operating income" will no longer be presented in the Consolidated Statement of Income. Instead, "gain (loss) on investments" will be used to show investment performance in the consolidated financial results. This change in presentation was made because the previously used "operating income" excluded gain and loss on investments, other than gain and loss on investments included in "gain (loss) on investments at SVF1, SVF2, and others." The Company determined that "operating income" was not useful in appropriately presenting the consolidated financial results of a strategic investment holding company. The newly established "gain (loss) on investments" includes (1) realized gain and loss on sales of investment securities (financial assets at FVTPL) and investments accounted for using the equity method; (2) unrealized gain and loss on valuation of financial assets at FVTPL; (3) dividend income from investments; and (4) derivative gain and loss related to financial assets at FVTPL and other investments. Derivative gain and loss not included in the above "gain (loss) on investments" is shown as "derivative gain (loss) (excluding gain (loss) on investments)." Income on equity method investments, which recognizes the Company's equity interest in the net income and loss of applicable portfolio companies, continues to be presented as "income on equity method investments."

In line with no longer presenting "operating income" in the Consolidated Statement of Income, the Company has revised segment income in each reportable segment to "income before income tax."

**Classification of Brightstar as discontinued operations**

On September 17, 2020 (U.S. time), the Company reached an agreement to sell all of its shares in Brightstar Global Group Inc. ("Brightstar")[1] and completed the transaction on October 22, 2020 (U.S. time). Accordingly, Brightstar's net income or loss up until the completion of the transaction has been classified in the Consolidated Statement of Income as "net income from discontinued operations." Brightstar's income or loss for the previous fiscal year has also been restated retrospectively as "net income from discontinued operations."

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1 As part of consideration for the transaction, the Company has received a 25% stake (fully diluted basis) in a subsidiary of Brightstar Capital Partners, which acquired all of the shares of Brightstar. Following the completion of the transaction, Brightstar ceased to be a subsidiary of the Company.

**Changes in reportable segments**

**New establishment of the Investment Business of Holding Companies segment**

In light of the greater importance of investment activities to the Company's overall consolidated financial results, as mentioned above, the Investment Business of Holding Companies segment was newly established in the first quarter. See "OVERVIEW" under "(a) Investment Business of Holding Companies Segment" in "b. Results by Segment" in "(1) Overview of Results of Operations" for the overview of the segment.

**Removal of Brightstar segment**

Following the classification of Brightstar as discontinued operations, Brightstar has been removed from the Company's reportable segments since the second quarter.

As of the fiscal year-end, the Company has four reportable segments: Investment Business of Holding Companies, SVF1 and Other SBIA-Managed Funds, SoftBank, and Arm.

## 1. Results of Operations

### (1) Overview of Results of Operations

**1. Highlights of results**

- **Gain on investments of ¥7,529.0 billion**
  - Gain on investments at SVF1, SVF2, and others of ¥6,292.0 billion
    - SVF1 recorded realized gain on sales of investments (net) of ¥423.7 billion, resulting from the sales of investments in Guardant Health (partial), OSIsoft, Uber (partial), and others. In addition, SVF1 recorded unrealized gain on valuation totaling ¥4,285.1 billion for listed portfolio companies (including gains of ¥2,597.8 billion for Coupang and ¥661.1 billion for DoorDash). Unrealized gain on valuation (net) for unlisted portfolio companies totaled ¥1,193.0 billion.
    - SVF2 recorded unrealized gain on valuation (net) of ¥490.3 billion, mainly due to strong stock performance of listed portfolio companies such as KE Holdings.
  - Gain on investments at Investment Business of Holding Companies of ¥945.9 billion: In connection with the merger of Sprint and T-Mobile US, Inc. and the subsequent partial sale of T-Mobile shares, gain relating to sales of T-Mobile shares of ¥421.8 billion, unrealized gain on valuation of investments of ¥219.6 billion related to T-Mobile shares continued to be held by the Company, and derivative gain of ¥264.4 billion resulting from an increase in the fair value of a contingent consideration were recorded. Conversely, investment loss from investments in listed stocks and other instruments of ¥232.9 billion was recorded.
- **Income before income tax of ¥5,670.5 billion (increased ¥5,620.4 billion yoy)**
  - Finance cost of ¥307.3 billion*
  - Derivative loss (excluding gain (loss) on investments) of ¥480.3 billion*
  - Change in third-party interests in SVF1 of ¥(2,246.4) billion*

  * recorded as a cost for the fiscal year
- **Net income attributable to owners of the parent of ¥4,988.0 billion (increased ¥5,949.5 billion yoy)**
  - Net income from discontinued operations of ¥711.2 billion was recorded, primarily reflecting gain relating to loss of control of Sprint.

**2. Continued strong performance of investment business**

- SVF1: During the fourth quarter, AUTO1, Coupang, and View were listed, bringing the total number of listings for the fiscal year to six. As of the fiscal year-end, 11 out of a total of 81 portfolio companies were listed.
- SVF2: During the fourth quarter, Qualtrics was listed. As of the fiscal year-end, three out of a total of 44 portfolio companies were listed.
- SPACs: During the fourth quarter, seven special purpose acquisition companies (SPACs) controlled by subsidiaries were listed, including three controlled by SBIA, bringing the total number of listed SPACs at the fiscal year-end to nine. One of the SPACs completed a merger with an operating company.

**3. Completion of the ¥4.5 trillion program**

- Sale or monetization of assets: The Company completed sale or monetization of assets totaling ¥5.6 trillion over the six months from April to September 2020, through the partial sale or monetization of shares of T-Mobile, Alibaba, and SoftBank Corp.
- Share repurchase: The size of the share repurchase was set at a total of up to ¥2.0 trillion. Of this, the Company repurchased shares for a cumulative total of ¥1.742.2 billion by March 31, 2021 and a cumulative total of ¥1,950.2 billion by April 30, 2021. The Company will continue repurchasing shares to the upper limit of the program.
- Debt reduction: The Company reduced debt by a total of ¥1 trillion by the fiscal year-end through repurchasing domestic corporate bonds and foreign currency-denominated corporate bonds, as well as repaying senior loans and borrowings made under the commitment line.
- The rest of the proceeds has been invested in highly liquid listed stocks in readiness for future investment opportunities.

**4. Dividend per share for the fiscal year decided to be ¥44 by the Board of Directors**

**5. Business integration of Z Holdings Corporation and LINE Corporation completed on March 1, 2021**

**PROGRAM TO SELL OR MONETIZE ¥4.5 TRILLION OF ASSETS (¥4.5 TRILLION PROGRAM)**

On March 23, 2020, SBG announced a program to sell or monetize ¥4.5 trillion of assets held to fund share repurchases and improve the Company's financial status through initiatives such as debt reduction. The funds obtained from the sale and monetization were to be used to repurchase up to ¥2 trillion of the Company's common stock, with the balance to be used for debt redemptions, bond buybacks, and to increase cash reserves (collectively, the "¥4.5 trillion program"). The Company completed the sale or monetization of the target amount of ¥4.5 trillion of the assets as of the second quarter-end. For the six months from April to September 2020, the amount of sale or monetization of assets totaled ¥5.6 trillion. Regarding the share repurchases of up to ¥2 trillion, from May to July 2020 the Company set the size of the repurchase of up to ¥2 trillion of its shares. Of this, as of April 30, 2021, it had repurchased a cumulative total of ¥1,950.2 billion. The Company will continue repurchasing shares to the upper limit of the program. With regard to debt reduction, the Company reduced debt by a total of ¥1 trillion by the fiscal year-end through the repurchase of domestic corporate bonds and foreign currency-denominated corporate bonds, as well as by repaying senior loans and borrowings made under the commitment line. To further improve the financial status, the rest of the proceeds has been invested in highly liquid listed stocks through the Company's asset management subsidiary SB Northstar in readiness for future investment opportunities. With these, the ¥4.5 trillion program has been completed.

For details on the investments in listed stocks by SB Northstar, see "(a) Investment Business of Holding Companies Segment" under "b. Results by Segment."

**<u>Asset sales or monetization for the six months from April to September 2020</u>**

(Trillions of yen)

| | Amount of sale or monetization | | |
|---|---|---|---|
| | April to June 2020 | July to September 2020 | Total |
| 1. Partial sale of T-Mobile shares and borrowings using T-Mobile shares | 1.9 | 0.5 | 2.4 |
| 2. Partial monetization of Alibaba shares through prepaid forward contracts | 1.5 | 0.2 | 1.7 |
| 3. Partial sale of SoftBank Corp. shares | 0.3 | 1.2 | 1.5 |
| Total | 3.7 | 1.9 | 5.6 |

Note: Transactions completed by June 30, 2020 were converted at ¥107.74 to the U.S. dollar, and transactions completed by September 30, 2020 were converted at ¥105.80 to the U.S. dollar.

**1. Completion of the merger of Sprint and T-Mobile US, Inc. and partial sale of T-Mobile shares, etc.**

**a. Completion of the merger of Sprint and T-Mobile US, Inc.**

On April 1, 2020, the merger of Sprint, which had been a U.S. subsidiary of the Company, and T-Mobile US, Inc. in an all-stock transaction (the "Merger") was completed. As consideration for the Merger, the Company received 304,606,049 T-Mobile shares and the right to acquire 48,751,557 T-Mobile shares for no additional consideration if certain conditions are met (the "Contingent Consideration"). As of the same date, Sprint ceased to be a subsidiary of the Company, and the combined new company, T-Mobile, became an equity method associate of the Company with 24.7% shareholding. For details, see "(1) Sprint" under "3. Discontinued operations" in "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

**b. Partial sale of T-Mobile shares**

Subsequently, the Company, through its subsidiary, sold 173,564,426 shares on June 26, 2020 ((a) and (b) in "Details of the Partial Sale" below), 5,000,000 shares on July 16, 2020 ((c) below), and 19,750,000 shares on August 3, 2020 ((d) below) (the "Partial Sale") of the Company's 304,606,049 shares of common stock of T-Mobile. T-Mobile disposed of the shares purchased from the Company's subsidiary through a public offering in the U.S., a private placement through a trust issuing cash mandatory exchangeable trust securities, a sale to T-Mobile Board Director Marcelo Claure (Corporate Officer, Executive Vice President & COO of SBG), and a rights offering, with the proceeds transferred to the Company's subsidiary.

As a result of the decrease in voting rights following the sale of shares on June 26, 2020, the Company lost its significant influence over T-Mobile and, on the same date, T-Mobile was removed as an equity method associate of the Company.

**Details of the Partial Sale**

| Transaction | Number of shares sold (shares) | Total sale value (Millions of U.S. dollars) |
|---|---|---|
| (a) Public offering in the U.S. by T-Mobile | 154,147,026 | 15,877 |
| (b) Private placement through a trust by T-Mobile | 19,417,400 | 1,667 |
| (c) Sale by T-Mobile to T-Mobile Board Director Marcelo Claure | 5,000,000 | 515 |
| (d) Rights offering by T-Mobile | 19,750,000 | 2,034 |

In addition, Deutsche Telekom AG ("Deutsche Telekom") received call options for 101,491,623 T-Mobile shares continued to be held by the Company after the Partial Sale (the "Deutsche Telekom Call Options").[2]

(i) For a call option over 44,905,479 shares out of the 101,491,623 shares, the strike price is $103.00 per share. Deutsche Telekom can exercise this option at any time after the option grant date.

(ii) For a call option over 56,586,144 shares out of the 101,491,623 shares, the strike price is equal to the average of the daily volume-weighted average prices of the shares of T-Mobile common stock for each of the 20 trading days immediately prior to the date of exercise. Deutsche Telekom can exercise this option after the exercise of option (i) above or after October 2, 2020.

2 The Deutsche Telekom Call Options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

**Number of T-Mobile shares held by the Company before and after the Partial Sale**

| | |
|---|---|
| (a) Number of shares held before the Partial Sale | 304,606,049 |
| (b) Number of shares sold through the Partial Sale | 198,314,426 |
| (c) Number of shares held after the Partial Sale ((a) – (b)) | 106,291,623 |
| (d) Number of shares subject to the Deutsche Telekom Call Options | 101,491,623 |
| (e) Number of shares held after the Deutsche Telekom Call Options are exercised ((c) – (d)) | 4,800,000 |

| | |
|---|---|
| (f) Number of shares that can be acquired through the Contingent Consideration | 48,751,557 |
| (g) Number of shares held if the shares are acquired through the Contingent Consideration ((e) + (f)) | 53,551,557 |

### c. Borrowings using T-Mobile shares

On July 30, 2020, SBG's wholly owned subsidiary borrowed $4.38 billion using its T-Mobile shares pledged as collateral (margin loan). Because SBG has, as an exception, guaranteed a portion of the margin loan, $2.3 billion is considered as the amount of assets monetized under the ¥4.5 trillion program after deducting the maximum amount of the guarantee obligations ($2.08 billion at the time of the monetization). As a precondition for SBG to fulfill its guarantee obligations, the lenders are obligated to first recover the amount to the maximum extent possible from Alibaba shares that have been pledged as collateral for the margin loan.

## 2. Partial monetization of Alibaba shares through prepaid forward contracts

From April to August 2020, SBG's wholly owned subsidiaries, West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited, and Tigress 2020 Holdings Limited entered into several prepaid forward contracts using Alibaba shares with financial institutions. The Company procured an aggregate amount of $15.4 billion. Alibaba remains an equity method associate of the Company following these transactions.

Of the abovementioned prepaid forward contracts concluded from April to August 2020, in October and November 2020 the cap (upper limit) and floor (lower limit) for the price of shares to be settled were revised for the collar contract, and the forward contract was changed to a collar contract with a set cap and floor for the price of the shares to be settled. At the same time, the cap and floor for the price of shares to be settled were also revised for the prepaid forward contract using Alibaba shares (collar contract) concluded in the previous fiscal year. These revisions were made in response to a rise in the price of Alibaba shares at the time, with a view to capturing the upside potential during a phase of further share price increases. Moreover, a portion of the collar contract was terminated early in April 2021 in view of the current level of Alibaba's share price. For details of these, see "12. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

## 3. Partial sale of SoftBank Corp. shares

In May and September 2020, SBG sold a total of 1,268,061,400 shares of common stock of its subsidiary SoftBank Corp. out of the 3,182,919,470 shares held through SoftBank Group Japan Corporation ("SBGJ") and received a total of ¥1.5 trillion, broken down as follows.

a. May 2020: 240,000,000 shares (shareholding ratio: 5.0%) sold for ¥310.2 billion

b. September 2020: 1,028,061,400 shares (shareholding ratio: 21.7%) sold for ¥1.2 trillion

SoftBank Corp. continues to be a subsidiary of the Company following these sales and its strategic importance to the SoftBank Group remains unchanged. Considering its importance, the Company and SBGJ have no intention of selling additional SoftBank Corp. shares and intend to continue to hold the remaining shares held for the medium to long term.

Since SoftBank Corp. continues to be a subsidiary of SBG following these sales, the amounts equivalent to the after-tax gain on the sales were recorded as "capital surplus" in the Consolidated Statement of Financial Position. In addition, a credit of income taxes of ¥256,060 million (profit) was recorded, mainly due to the SBGJ use of loss carryforwards against the taxable income generated from these transactions, to which deferred tax assets had not been recognized.

**Share repurchases based on the ¥4.5 trillion program**

*As of April 30, 2021*

**In progress**

| Date of Board resolution | Total number of shares repurchased | Total amount of repurchase | Repurchase period |
|---|---:|---:|---|
| July 30, 2020 | 101,540,300 | ¥950.2 billion | From December 14, 2020 to April 30, 2021 |
| Resolution details | Maximum of 240,000,000 | Maximum of ¥1 trillion | From July 31, 2020 to July 30, 2021 |

**Completed**

| Date of Board resolution | Total number of shares repurchased | Total amount of repurchase | Repurchase period |
|---|---:|---:|---|
| May 15, 2020 | 81,940,400 | ¥500 billion | From June 17, 2020 to August 3, 2020 |
| June 25, 2020 | 70,579,400 | ¥500 billion | From September 15, 2020 to December 11, 2020 |

(Reference: Share repurchase resolved before the ¥4.5 trillion program)

| | | | |
|---|---:|---:|---|
| March 13, 2020 | 107,679,300 | ¥500 billion | From March 16, 2020 to June 15, 2020 |

**Reduction of debt based on the ¥4.5 trillion program**

SBG reduced debt by ¥1 trillion as follows by the fiscal year-end, completing the debt reduction based on the ¥4.5 trillion program.

a. Repurchase of domestic unsecured corporate bonds with a total face value of ¥167.6 billion (July 2020)
b. Early repayment of senior loans with an aggregate face value of ¥300.0 billion (September 2020)
c. Repurchase of foreign currency-denominated corporate bonds with a total face value of $0.98 billion and €0.90 billion (¥224.9 billion in total) (March 2021)
d. Repayment of borrowings of ¥310.0 billion made under the commitment line (March 2021)

**ENTRY INTO AGREEMENT FOR SALE OF ALL SHARES IN ARM**

On September 13, 2020 (U.S. time), SoftBank Group Capital Limited (“SBGC”), a wholly owned subsidiary of the Company, and SVF1 entered into a Share Purchase Agreement (the “Purchase Agreement”) with NVIDIA Corporation (“NVIDIA”), a U.S.-based semiconductor manufacturer, whereby the Company will sell all of the shares in its wholly owned subsidiary Arm held by SBGC and SVF1 to NVIDIA in a transaction valued up to $40 billion (approximately ¥4.2 trillion) (the “Transaction”). The Transaction is subject to regulatory approvals (including those of the U.K., China, the European Union, and the U.S.) and other closing conditions. The Transaction is expected to take approximately 18 months to close following the execution of the Purchase Agreement. In the fourth quarter, it was decided that the Internet-of-Things Services Group (ISG) businesses, which are outside the scope of the Transaction, would be managed separately from Arm’s remaining business. Arm expects the ISG businesses to be transferred from Arm by December 2021. Accordingly, the segment classification of the Company was revised, and for the fiscal year, the operating results of Arm are presented for the Arm segment excluding the contribution of the ISG businesses, while those of the ISG businesses are now included in “Other” in the reportable segments. The operating results of these businesses for the previous fiscal year have also been retrospectively presented.

Upon the closing of the Transaction, Arm will cease to be a subsidiary of the Company and will no longer be consolidated into the Company’s financial results; however, Arm will continue to be classified under continuing operations in the Company’s consolidated financial statements until the closing of the Transaction is deemed highly probable. Upon closing of the Transaction, SBGC and SVF1 expect to receive in the aggregate approximately 6.7-8.1% of outstanding NVIDIA shares (excluding treasury shares), depending on the final amount of the earn-out, if any (as discussed below). NVIDIA is not expected to become a subsidiary or an associate of the Company following the completion of the Transaction.

A breakdown of the transaction value is presented below.

(Billions of U.S. dollars)

| | | Transaction value | | Time of receipt |
|---|---|---|---|---|
| **Consideration for the Company** | **(1) Cash** | 12.0 | (a) 2.0 | Received on September 2020 ($0.75 billion of which was received by Arm as consideration for a license agreement) |
| | | | (b) 10.0 | Upon closing |
| | **(2) NVIDIA shares** | 21.5 (44.37 million shares) | | Upon closing |
| | **(3) Earn-out (cash or NVIDIA shares)** | Up to 5.0 (or 10.32 million shares) | | Upon closing; subject to satisfaction of specific financial performance targets of Arm |
| | **(4) NVIDIA share compensation for Arm employees** | 1.5 | | Upon closing; to be received by Arm employees |
| | **Total** | **Up to 40.0** | | |

Notes:
1. The consideration described in (1) and (2) and, if any, (3) will be allocated to SBGC and SVF1 in accordance with their respective ownership ratios of Arm shares (75.01% to SBGC and 24.99% to SVF1). The proceeds received by SVF1 will be further allocated to SVF1’s limited partners, including the Company, based on a designated waterfall.
2. Transaction value of (2) and (3) is calculated based on NVIDIA shares with a price of $484.6007 per share (the average of the daily closing prices of NVIDIA common stock for the 30 consecutive trading days ended September 10, 2020, rounded up to four decimal points).

**(1) $12.0 billion in cash**

(a) $2.0 billion

Upon the execution of the Purchase Agreement on September 13, 2020, SBGC and Arm received cash totaling $2.0 billion. Of this amount, $1.25 billion was received as a deposit for part of the consideration in the Transaction (refundable to NVIDIA subject to certain conditions until the closing of the Transaction, after which such amount will become non-refundable) and $0.75 billion was received by Arm as consideration for a license agreement that Arm and NVIDIA entered into concurrently with the execution of the Purchase Agreement.

(b) $10.0 billion

Upon the closing of the Transaction, SBGC and SVF1 will receive cash totaling $10.0 billion.

**(2) $21.5 billion in NVIDIA shares (44.37 million shares)**

Upon the closing of the Transaction, SBGC and SVF1 will receive 44,366,423 shares of NVIDIA common stock, which was determined based on a price of $484.6007 per share (the average of the daily closing prices of NVIDIA common stock for the 30 consecutive trading days ended September 10, 2020, rounded up to four decimal points). Of the NVIDIA common stock to be received, 2,063,554 shares will be subject to escrow to satisfy certain indemnification obligations of SBGC and SVF1 as set out in the Purchase Agreement.

The shares received will be recorded at their fair value at the closing of the Transaction as financial assets at FVTPL, and thereafter changes in their fair value will be recognized as net income or loss at the end of each quarter.

**(3) Earn-out up to $5.0 billion (cash or 10.32 million NVIDIA shares)**

An earn-out of up to $5.0 billion in cash or up to 10,317,772 shares of NVIDIA common stock (based on a price of $484.6007 per share, being the average of the daily closing prices of NVIDIA common stock for the 30 consecutive trading days ended September 10, 2020 (rounded up to four decimal points)) is payable to SBGC and SVF1 subject to the satisfaction of certain financial performance targets for each of revenue and EBITDA of Arm (in each case subject to certain adjustments and excluding any amounts attributable to the ISG businesses) during the fiscal year ending March 31, 2022 as set out in the Purchase Agreement. If Arm's financial performance exceeds the agreed floors but does not meet such targets, the earn-out will be prorated. If Arm's financial performance does not meet such floors, the earn-out will not be payable.

If SBGC and SVF1 elect to receive the earn-out in the form of NVIDIA shares, the fair value of those shares will be recorded as financial assets at FVTPL upon the closing of the Transaction, and thereafter changes in their fair value will be recognized as net income or loss at the end of each quarter.

**(4) NVIDIA stock awards representing $1.5 billion to be granted to Arm employees**

Upon the closing of the Transaction, Arm employees will receive $1.5 billion in NVIDIA stock awards from NVIDIA.

Since Arm is a subsidiary of the Company, unrealized valuation gain and loss associated with the change in valuation on SVF1's holding of Arm shares, as well as dividends income received from Arm, is included in segment income as "gain (loss) on investments at SVF1, SVF2, and others," but is eliminated in consolidation and not included in "gain (loss) on investments at SVF1, SVF2, and others" in the Consolidated Statement of Income.

## MAJOR IMPACT OF THE MERGER BETWEEN SPRINT AND T-MOBILE US, INC. AND THE PARTIAL SALE OF T-MOBILE SHARES ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR

**Impact of the merger of Sprint and T-Mobile US, Inc.**

**a. Impact on the Consolidated Statement of Income**

A gain relating to loss of control of Sprint of ¥720.8 billion was recorded as "net income from discontinued operations."

**b. Impact on the Consolidated Statement of Financial Position**

***Assets***

· The fair value of T-Mobile shares, which were received as consideration for the Merger, of ¥2.7 trillion was recorded as "investments accounted for using the equity method" (as a result of the partial sale of T-Mobile shares mentioned below, the T-Mobile shares continued to be held by the Company were reclassified to "investment securities" at fair value).

· The Contingent Consideration, which was received as consideration for the Merger, of ¥460.7 billion was recorded as "derivative financial assets." An increase in the fair value of ¥264.4 billion was recognized as of the fiscal year-end, after the fair value of ¥196.3 billion was recorded at the time of the Merger (this increase was recorded as derivative gain as "gain on investments at Investment Business of Holding Companies").

**Impact of the partial sale of T-Mobile shares**

**a. Impact on the Consolidated Statement of Income**

***Gain (loss) on investments***

Gain relating to sales of T-Mobile shares of ¥421.8 billion was recorded as "gain (loss) on investments at Investment Business of Holding Companies." This consisted of a gain of ¥280.3 billion on sales of shares of associates, a gain of ¥296.0 billion on the revaluation of T-Mobile shares continued to be held by the Company, a derivative loss relating to the Deutsche Telekom Call Options of ¥154.5 billion, a realized loss of ¥3.1 billion on the sale of T-Mobile shares, and a gain of ¥3.0 billion on the derecognition of derivative liabilities.

**b. Impact on the Consolidated Statement of Financial Position**

***Assets***

T-Mobile shares continued to be held by the Company were recorded as "investment securities" at fair value (fiscal year-end: ¥1,474.4 billion). T-Mobile shares continued to be held by the Company are measured at fair value at each quarter-end, with changes recorded as "gain (loss) on investments at Investment Business of Holding Companies" in the Consolidated Statement of Income. Unrealized gain on valuation of investments of ¥219.6 billion related to T-Mobile shares was recorded for the period from June 26, 2020 to the fiscal year-end.

***Liabilities***

The Deutsche Telekom Call Options were recorded as "derivative financial liabilities" at fair value (the fiscal year-end: ¥204.8 billion). The Deutsche Telekom Call Options are measured at fair value at each quarter-end, with changes recorded as derivative gain and loss under "gain (loss) on investments at Investment Business of Holding Companies" in the Consolidated Statement of Income.

**c. Impact on the Consolidated Statement of Cash Flows**

***Cash flows from investing activities***

Proceeds from the sale of T-Mobile shares of ¥2.1 trillion were recorded as "proceeds from sales/redemption of investments."

**MAJOR IMPACT FROM THE COVID-19 PANDEMIC ON MARKETS AND BUSINESSES OF THE COMPANY**

During the fiscal year, the global economic situation was greatly affected by the spread of the novel coronavirus (COVID-19) and the pandemic that followed, which continues to this day. Governments around the world are implementing fiscal stimulus and monetary easing measures to counter the economic impacts of the pandemic, and expectations that vaccination programs progress in some countries will encourage greater economic activity have led to a sharp overall market recovery in the second half of the fiscal year, with new capital continuing to flow in. In particular, the technology sector, where the Company focuses its investment strategies, has been positively impacted by the accelerated adoption of digital services to address the pandemic. In the fiscal year, the S&P 500 Information Technology Sector was up 73%. These factors resulted in the strong performance of the Company's investments, particularly at SVF1 and SVF2, leading to a consolidated gain on investments of ¥7,529,006 million for the fiscal year. However, there is no guarantee that the current positive impact will be sustained in light of uncertainties associated with the pandemic, and the direction and degree of impact may vary from investment to investment.

In particular, SVF1 recorded unrealized gain on valuation (net) of ¥5,478,148 million for the fiscal year, mainly due to the new listings of investees and the subsequent rise in stock prices supported by favorable stock market conditions, as well as increases in the fair values of unlisted portfolio companies where listings have been decided, that had new funding rounds, or have seen increased customer usage of services during the COVID-19 crisis. Businesses in sectors such as e-commerce, entertainment, healthcare, education, food delivery, and the future of work have benefited from the accelerated adoption of digital services. Many SVF1 companies in these sectors have successfully raised additional funding from new and existing investors at higher valuations than in prior rounds. The Company believes these new funding rounds reflect the strong underlying growth of each company's business. Conversely, companies in sectors such as travel and hospitality are recovering at a slower pace.

### a. Consolidated Results of Operations

(Millions of yen)

| | Fiscal year ended March 31 | | | | |
|---|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % | |
| **Continuing operations** | | | | | |
| Net sales | 5,238,938 | **5,628,167** | 389,229 | 7.4% | **A** |
| Gross profit | 2,654,665 | **2,874,929** | 220,264 | 8.3% | |
| Gain on investments | | | | | |
| Gain on investments at Investment Business of Holding Companies | 484,308 | **945,944** | 461,636 | 95.3% | **B** |
| Gain (loss) on investments at SVF1, SVF2, and others | (1,844,867) | **6,292,024** | 8,136,891 | - | **C** |
| Gain (loss) on other investments | (49,594) | **291,038** | 340,632 | - | |
| Total gain on investments | (1,410,153) | **7,529,006** | 8,939,159 | - | |
| Selling, general and administrative expenses | (2,060,080) | **(2,271,497)** | (211,417) | 10.3% | |
| Finance cost | (293,897) | **(307,250)** | (13,353) | 4.5% | **D** |
| Income on equity method investments | 624,015 | **616,432** | (7,583) | (1.2%) | **E** |
| Derivative gain (loss) (excluding gain (loss) on investments) | 15 | **(480,251)** | (480,266) | - | **F** |
| Change in third-party interests in SVF1 | 540,930 | **(2,246,417)** | (2,787,347) | - | |
| Other loss | (5,457) | **(44,496)** | (39,039) | - | |
| Income before income tax | 50,038 | **5,670,456** | 5,620,418 | - | |
| Income taxes | (792,655) | **(1,303,168)** | (510,513) | 64.4% | **G** |
| Net income from continuing operations | (742,617) | **4,367,288** | 5,109,905 | - | |
| **Discontinued operations** | | | | | |
| Net income from discontinued operations | (58,143) | **710,948** | 769,091 | - | **H** |
| Net income | (800,760) | **5,078,236** | 5,878,996 | - | |
| Net income attributable to owners of the parent | (961,576) | **4,987,962** | 5,949,538 | - | |
| | | | | | |
| Total comprehensive income | (1,290,339) | **5,578,244** | 6,868,583 | - | |
| Comprehensive income attributable to owners of the parent | (1,425,587) | **5,482,739** | 6,908,326 | - | |

Note: For the fiscal year, continuing operations and discontinued operations have been presented separately. To reflect this change in presentation, figures for the previous fiscal year have been restated and presented in the same manner.

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

**A Net Sales**

Net sales increased in the SoftBank and Arm segments.

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

In relation to the merger of Sprint and T-Mobile and subsequent partial sale of T-Mobile shares, the Company recorded gain relating to sales of T-Mobile shares of ¥421,755 million, unrealized gain on valuation of ¥219,608 million related to T-Mobile shares continued to be held by the Company, and derivative gain of ¥264,395 million associated with an increase in the fair value of the Contingent Consideration. Meanwhile, investment loss of ¥232,856 million from investment in listed stocks and other instruments was also recorded. In the previous fiscal year, a gain of ¥1,218,527 million relating to settlement of prepaid forward contracts using Alibaba shares was recorded. For details, see "(a) Investment Business of Holding Companies Segment" under "b. Results by Segment."

**C Gain on Investments at SVF1, SVF2, and others**

Realized gain on sales of investments (net) of ¥423,683 million was recorded as a result of the sale of all shares (including share exchanges with the shares of affiliated portfolio companies) or partial sale of shares by SVF1 in some of its portfolio companies. In addition, SVF1 recorded unrealized gain on valuation (net) totaling ¥4,285,133 million for listed portfolio companies, particularly Coupang, Inc. ("Coupang"), DoorDash, Inc. ("DoorDash"), and Uber Technologies, Inc. ("Uber"), reflecting strong stock price performance, and ¥1,193,015 million for unlisted portfolio companies, as a result of increases in the fair value of investments where listings have been decided or that had new funding rounds. SVF2 recorded unrealized gain on valuation (net) of ¥490,255 million, mainly due to strong stock performance of listed portfolio companies such as KE Holdings Inc. ("KE Holdings"). For details, see "(b) SVF1 and Other SBIA-Managed Funds Segment" under "b. Results by Segment."

**Primarily as a result of B and C, total gain on investments was ¥7,529,006 million.**

**D Finance Cost**

Interest expenses increased ¥20,069 million in the Investment Business of Holding Companies segment and ¥4,167 million in the SoftBank segment. On the other hand, interest expenses decreased ¥13,128 million in the SVF1 and Other SBIA-Managed Funds segment.

**E Income on Equity Method Investments**

Income on equity method investments related to Alibaba was ¥572,516 million,[3] a decrease of ¥87,626 million (13.3%) year on year. Despite continuing strong performance in Alibaba's core operations, the decrease reflects a boost of ¥286,473 million in the previous fiscal year as a result of Alibaba acquiring newly issued shares (33%

3 The Company applies the equity method to Alibaba's consolidated financial statements (the Company's economic interests in Alibaba as of December 31, 2020: 25.02%) for a reporting period staggered by three months in the past because it is impractical to align reporting periods with Alibaba due to contracts with the company, among others. Necessary adjustments are made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

equity stake) of Ant Small and Micro Financial Services Group Co., Ltd. (currently Ant Group Co., Ltd., “Ant Financial”) using consideration from the transfer of certain intellectual property rights and assets held by Alibaba to Ant Financial and its subsidiaries.

In addition, the Company’s income on equity method investments related to Alibaba was lowered by ¥74,270 million as Alibaba recorded an expense in the quarter ended March 2021 for the fine levied by China’s State Administration for Market Regulation pursuant to China’s Anti-Monopoly Law, which the Company recorded for the fiscal year as a significant event in the staggered three-month period.

**F Derivative Loss (Excluding Gain (Loss) on Investments)**

Derivative loss of ¥504,048 million was recorded in connection with prepaid forward contracts using Alibaba shares entered into in November 2019 and from April to August 2020 (including the impact of amendments to some of the contracts made in October and November 2020).

**Primarily as a result of A through F, income before income tax was ¥5,670,456 million, an increase of ¥5,620,418 million year on year.**

**G Income Taxes**

In addition to current income taxes recorded at SoftBank Corp. and Yahoo Japan Corporation, current income taxes associated with the sale of T-Mobile shares were recorded. Meanwhile, deferred tax expenses were recorded due to revisions of the prepaid forward contracts using Alibaba shares. On the other hand, a credit of income taxes of ¥256,060 million (profit) was recorded mainly due to the use of loss carryforwards, to which deferred tax assets had not been recognized, against taxable income generated from the partial sale of SoftBank Corp. shares held through SBGJ (see “3. Partial sale of SoftBank Corp. shares” under “PROGRAM TO SELL OR MONETIZE ¥4.5 TRILLION OF ASSETS (¥4.5 TRILLION PROGRAM)”).

**H Net Income from Discontinued Operations**

The Company recorded a gain of ¥720,842 million relating to loss of control of Sprint in connection with Sprint ceasing to be a subsidiary of the Company, following the completion of the merger between Sprint and T-Mobile US, Inc.

**Primarily as a result of A through H, net income attributable to owners of the parent was ¥4,987,962 million.**

For basic information used to calculate income (loss) on equity method investments related to Alibaba, see the Data Sheets in “Materials” under “Earnings Results Briefing” to be posted in a few days on the Company’s website at https://group.softbank/en/ir/presentations/.

**b. Results by Segment**

The Company’s reportable segments are the components of its business activities for which decisions on resource allocation and assessment of performance are made. As of the fiscal year-end, there are four reportable segments: Investment Business of Holding Companies, SVF1 and Other SBIA-Managed Funds, SoftBank, and Arm. For details of the changes in presentation of the Consolidated Statement of Income and the reportable segments in the fiscal year, see “CHANGES IN PRESENTATION OF CONSOLIDATED STATEMENT OF INCOME AND REPORTABLE SEGMENTS.” Along with no longer presenting “operating income” in the Consolidated Statement of Income, the Company has revised segment income in each reportable segment to “income before income tax.”

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.<br>SoftBank Group Capital Limited<br>SoftBank Group Japan Corporation<br>SB Northstar LP |
| SVF1 and Other SBIA-Managed Funds | · Investment activities by SVF1 and SVF2 | SB Investment Advisers (UK) Limited<br>SoftBank Vision Fund L.P.<br>SoftBank Vision Fund II-2 L.P. |
| SoftBank | · Provision of mobile communications services, sale of mobile devices, and provision of broadband and other fixed-line communications services in Japan<br>· Internet advertising and e-commerce business | SoftBank Corp.<br>Z Holdings Corporation |
| Arm | · Design of microprocessor intellectual property and related technology<br>· Sale of software tools and provision of related services | Arm Limited |
| Other | · Smartphone payment business | PayPay Corporation |
| | · Alternative investment management business | Fortress Investment Group LLC |
| | · Investment activities by SoftBank Latin America Fund | SoftBank Latin America Fund L.P. |
| | · Fukuoka SoftBank HAWKS-related businesses | Fukuoka SoftBank HAWKS Corp. |

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

1. **Recorded gain relating to sales of T-Mobile shares of ¥421.8 billion, unrealized gain on valuation of ¥219.6 billion related to T-Mobile shares continued to be held by the Company, and derivative gain of ¥264.4 billion resulting from an increase in the fair value of the Contingent Consideration**
2. **Completed the ¥4.5 trillion program**[*1]
3. **Recorded investment loss of ¥232.9 billion from investment in listed stocks and other instruments (total investment gain and loss of SBG and SB Northstar)**

Note:
1. For details of the sale and monetization of assets, share repurchases, and improvement of the Company's financial status through initiatives such as debt reduction under the ¥4.5 trillion program, see "PROGRAM TO SELL OR MONETIZE ¥4.5 TRILLION OF ASSETS (¥4.5 TRILLION PROGRAM) under (1) Overview of Results of Operations."

**OVERVIEW**

This segment is led by SBG, which conducts investment activities, either directly or through subsidiaries, as a strategic investment holding company. The segment consists of SBG, SBGC, SBGJ, asset management subsidiary SB Northstar, and certain other subsidiaries engaged in investment and financing activities. Gain and loss on investments at Investment Business of Holding Companies comprises gain and loss on investments held by SBG either directly or through its subsidiaries, but does not include gain and loss on investments pertaining to subsidiaries' shares, such as dividend income from subsidiaries or impairment loss relating to subsidiaries' shares.

The companies comprising this segment hold approximately 110 portfolio companies, including Alibaba, T-Mobile, and WeWork Inc. ("WeWork"),[*1] as well as investees of SB Northstar. They are either equity method associates (such as Alibaba) or investments classified as financial assets at FVTPL. With regard to the financial results of portfolio companies classified as equity method associates, income and loss are recorded as "income (loss) on equity method investments" in proportion to equity interest. 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 Income as "gain (loss) on investments."

Note:
1. Gain and loss on investments in WeWork shares held by SVF1 is included in the SVF1 and Other SBIA-Managed Funds segment.

**Investment in listed stocks and other instruments by the asset management subsidiaries**

The Company has been investing in highly liquid listed stocks from the first quarter, to diversify assets held by the Company and to manage surplus funds. This has been done while being firmly committed to its stated financial policies on its loan-to-value (LTV) ratio and cash position. These investments were made by SBG in the first quarter, but from the second quarter, asset management subsidiary SB Northstar has been acquiring and selling listed stocks and other instruments and engaging in derivative and credit transactions related to listed stocks. The scale of its investments in listed stocks and other instruments fluctuates depending upon SBG's funding needs, cash on hand, and the status of the assets held by SBG.

The interest in SB Northstar is indirectly held 67% by SBG and 33% by SBG's Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son. Masayoshi Son's interest is deducted from gain and loss on investments at SB Northstar as a non-controlling interest; therefore, 67% of the gain and loss on investments impacts net income attributable to owners of the parent. Furthermore, if, at the end of the fund life (12 years + 2-

year extension), SB Northstar has any unfunded repayment obligations to SBG, Masayoshi Son will pay his pro rata share of any such unfunded obligations based upon his relative ownership percentage of SB Northstar.

**FINANCIAL RESULTS**

(Millions of yen)

| | Fiscal year ended March 31 | | | | |
|---|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % | |
| Gain on investments | 484,308 | **946,107** | 461,799 | 95.4% | **A** |
| Gain relating to sales of T-Mobile shares | - | **421,755** | 421,755 | - | |
| Gain relating to settlement of prepaid forward contracts using Alibaba shares | 1,218,527 | - | (1,218,527) | - | |
| Realized loss on sales of investments at asset management subsidiaries | - | **(20,537)** | (20,537) | - | |
| Unrealized gain on valuation of investments at asset management subsidiaries | - | **134,237** | 134,237 | - | |
| Derivative loss on investments at asset management subsidiaries | - | **(610,690)** | (610,690) | - | |
| Realized gain on sales of investments | 17,777 | **222,161** | 204,384 | - | |
| Unrealized gain (loss) on valuation of investments | (690,669) | **608,448** | 1,299,117 | - | |
| Derivative gain (loss) on investments | (66,343) | **185,769** | 252,112 | - | |
| Other | 5,016 | **4,964** | (52) | (1.0%) | |
| Selling, general and administrative expenses | (75,099) | **(102,276)** | (27,177) | 36.2% | |
| Finance cost | (198,535) | **(218,604)** | (20,069) | 10.1% | **B** |
| Income on equity method investments | 657,232 | **601,364** | (55,868) | (8.5%) | **C** |
| Derivative loss (excluding gain (loss) on investments) | (1,886) | **(477,536)** | (475,650) | - | **D** |
| Other gain | 47,720 | **11,872** | (35,848) | (75.1%) | |
| **Segment income (income before income tax)** | 913,740 | **760,927** | (152,813) | (16.7%) | |

A Gain on investments: ¥946,107 million

· Gain relating to sales of T-Mobile shares of ¥421,755 million was recorded. This gain resulted from (1) a gain of ¥280,341 million on sales of shares of associates in connection with the sale of 173,564,426 shares of the 304,606,049 T-Mobile shares held on June 26, 2020; (2) a gain of ¥296,013 million on the revaluation of T-Mobile shares continued to be held by the Company following the exclusion of T-Mobile from the Company's equity method associates; (3) a derivative loss of ¥154,491 million relating to the call options received by Deutsche Telekom for 101,491,623 T-Mobile shares held by the Company; and (4) a realized loss on sales of investments of ¥3,122 million from the sales of 5,000,000 T-Mobile shares held by the Company on July 16, 2020 and a further 19,750,000 shares on August 3, 2020, as well as a derivative gain of ¥3,014 million following the derecognition of derivative liabilities.

· Realized loss on sales of investments at asset management subsidiaries of ¥20,537 million and unrealized gain on valuation of investments at asset management subsidiaries of ¥134,237 million were recorded. This was due to investments in listed stocks and other instruments by SB Northstar.

· Derivative loss on investments at asset management subsidiaries of ¥610,690 million was recorded. This was due to recording losses mainly related to call options on listed stocks and short stock index futures contracts at

SB Northstar.

· Realized gain on sales of investments of ¥222,161 million and unrealized gain on valuation of investments of ¥608,448 million were recorded. The former was mainly due to recording realized gain of ¥222,009 million on investments SBG made in listed stocks. The latter was mainly due to the recording of valuation gain of ¥219,608 million on investment in T-Mobile shares recognized during the period from June 26, 2020 to the fiscal year-end, as well as recording unrealized gain on valuation of investments of ¥124,420 million for Social Finance, Inc., ¥72,994 million for Lemonade, Inc., and ¥49,462 million for Berkshire Grey, Inc.[4] to reflect an increase in their fair values. Unrealized gain of ¥42,288 million on investments SBG made in listed stocks was also recorded.

· Derivative gain on investments of ¥185,769 million was recorded. This was mainly due to the recording of a gain of ¥264,395 million, representing a rise in the fair value of the right to purchase T-Mobile shares for no additional consideration if certain conditions are met, which was received as consideration for the merger between Sprint and T-Mobile US, Inc.

B Finance cost: ¥218,604 million (increased ¥20,069 million year on year)

· Interest expenses at SBG[5] increased ¥12,406 million to ¥210,649 million. This was mainly due to an increase in interest-bearing debt as a result of wholly owned subsidiaries conducting fund procurement entering into several prepaid forward contracts using Alibaba shares from April to August 2020 with financial institutions.

C Income on equity method investments: ¥601,364 million (decreased ¥55,868 million year on year)

· Income on equity method investments related to Alibaba was ¥572,516 million, a decrease of ¥87,626 million (13.3%) year on year. Despite continuing strong performance in Alibaba's core operations, the decrease reflects a boost of ¥277,175 million in the previous fiscal year as a result of Alibaba acquiring newly issued shares (33% equity stake) of Ant Financial using consideration from the transfer of certain intellectual property rights and assets held by Alibaba to Ant Financial and its subsidiaries.

In addition, the Company's income on equity method investments related to Alibaba was lowered by ¥74,270 million as Alibaba recorded an expense in the quarter ended March 2021 for the fine levied by China's State Administration for Market Regulation pursuant to China's Anti-Monopoly Law, which the Company recorded for the fiscal year as a significant event in the staggered three-month period.

· Income on equity method investments of ¥24,736 million related to T-Mobile for the period from April 1 to June 25, 2020 was recorded (such income was not recorded for the previous fiscal year).

D Derivative loss (excluding gain (loss) on investments): ¥477,536 million

· Derivative loss of ¥504,048 million was recorded in connection with the prepaid forward contracts using Alibaba shares entered into in November 2019 and from April to August 2020 (including the impact of amendments to some of the contracts made in October and November 2020).

4 The shares of Berkshire Grey, Inc. were transferred to SVF2 in March 2021.

5 The presentation of interest expenses at SBG includes interest expenses on interest-bearing debts of wholly owned subsidiaries conducting fund procurement, Skywalk Finance GK, West Raptor Holdings, LLC, West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited, Tigress 2020 Holdings Limited, Moonlight Finance GK, and Delaware Project 6 L.L.C.

## INVESTMENT IN LISTED STOCKS AND OTHER INSTRUMENTS BY THE ASSET MANAGEMENT SUBSIDIARIES

### Main impact on the financial position and gain (loss) on investments

(Millions of yen)

| Investor | Investment type | | Consolidated Statement of Financial Position: Account | Consolidated Statement of Financial Position: Fiscal year-end balance (Parentheses show liabilities) | Consolidated Statement of Income: Account | Q1 | Q2 | Q3 | Q4 | Q1 - Q4 |
|---|---|---|---|---|---|---|---|---|---|---|
| SBG | Actual stocks | | Investment securities | 15,535 | Realized gain on sales of investments[*1] | 64,470 | 102,768 | 40,681 | 14,090 | 222,009 |
| | | | | | Unrealized gain (loss) on valuation of investments[*1] | 20,880 | 75,693 | (41,526) | (12,759) | 42,288 |
| SB Northstar | Actual stocks, etc. | | Investments from asset management subsidiaries | 755,250 | Realized gain (loss) on sales of investments at asset management subsidiaries | - | (8,060) | (84,399) | 71,922 | (20,537) |
| | | | Securities pledged as collateral in asset management subsidiaries | 1,427,286 | Unrealized gain (loss) on valuation of investments at asset management subsidiaries[*3] | - | (95,082) | 200,740 | 28,416 | 134,074 |
| | Credit transactions | | Borrowed securities[*2] | (8,713) | | | | | | |
| | Derivatives | Long call options of listed stocks | Derivative financial assets in asset management subsidiaries | 176,627 | Derivative loss on investments at asset management subsidiaries | - | (292,346) | (285,256) | (33,088) | (610,690) |
| | | Short call options of listed stocks | Derivative financial liabilities in asset management subsidiaries | (9,283) | | | | | | |
| | | Short stock index futures contracts | - | - | | | | | | |
| | | Total return swap contracts related to listed stocks | Derivative financial assets in asset management subsidiaries | 7,057 | | | | | | |
| | | | Derivative financial liabilities in asset management subsidiaries | (5,390) | | | | | | |
| | | Forward contracts related to listed stocks | Derivative financial assets in asset management subsidiaries | 4,372 | | | | | | |
| | | | | | **Gain (loss) on investments at Investment Business of Holding Companies** | **85,350** | **(217,027)** | **(169,760)** | **68,581** | **(232,856)** |
| | | | | | Gain (loss) on investments attributable to non-controlling interests[*4] | - | 131,829 | 56,305 | (22,417) | 165,717 |
| | | | | | **Gain (loss) on investments attributable to owners of the parent[*5]** | **85,350** | **(85,198)** | **(113,455)** | **46,164** | **(67,139)** |

Notes:
1. Some of the listed shares acquired by SBG during the first and second quarters were transferred to SB Northstar during the second quarter. The difference between the acquisition value paid by SBG and the value for its transfer to SB Northstar (the "Difference Amount") for a portion of the transferred shares that was sold outside the Group by SB Northstar is included in "realized gain (loss) on sales of investments." The Difference Amount for the portion of shares that continued to be held by SB Northstar at the end of the fiscal year is included in "unrealized gain (loss) on valuation of investments." When SB Northstar sells the listed shares outside the Group, the corresponding Difference Amount is reclassified from "unrealized gain (loss) on valuation of investments" to "realized gain (loss) on sales of investments."
2. The fair value of the securities borrowed for short credit transactions.
3. After elimination of intercompany transactions
4. 33% of the gain (loss) on investments at SB Northstar
5. Excludes impacts such as selling, general and administrative expenses and tax expenses.

**Impact of the asset management subsidiaries on the Company's Consolidated Statement of Financial Position**[*1]

*As of March 31, 2021*

(Millions of yen)

| | March 31, 2021 | |
|---|---|---|
| Cash and cash equivalents | 221,281 | |
| Investments from asset management subsidiaries | 755,250 | |
| Securities pledged as collateral in asset management subsidiaries | 1,427,286 | |
| Derivative financial assets in asset management subsidiaries | 188,056 | |
| Other financial assets | 126,472 | |
| Other | 14,407 | |
| **Total assets** | **2,732,752** | |
| Interest-bearing debt | 1,866,521 | |
| Derivative financial liabilities in asset management subsidiaries | 14,673 | |
| Other | 19,226 | |
| **Total liabilities** | **1,900,420** | |
| Investments from Delaware subsidiaries (defined below)[*2] | 1,348,963 | |
| Equivalent amount of cash investments by SBG in Delaware subsidiaries | 39,786 | |
| Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management) | 1,289,284 | |
| Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries | 19,893 | **A** |
| Retained earnings | (506,265) | **B** |
| Exchange differences on translating foreign operations | (10,366) | |
| **Equity** | **832,332** | **C** |

Notes:
1. SB Northstar's statement of financial position, excluding the impact of Alibaba shares contributed in kind to SB Northstar by SBG via Delaware subsidiaries and investments made by SB Northstar in SPACs controlled by SBIA, is presented for reference to show the impact of SB Northstar on the Consolidated Statement of Financial Position of the Company.
2. Investment from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries"), to the asset management subsidiary, SB Northstar.

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

(Millions of yen)

| | | |
|---|---|---|
| Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries | 19,893 | **A** |
| Gain (loss) attributable to non-controlling interests[*3] | (168,714) | |
| Exchange differences on translating foreign operations | (4,043) | |
| **Non-controlling interests (interests of Masayoshi Son)** | **(152,864)** | **D** |

Note:
3. One-third of B in the table

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

(Millions of yen)

| | | |
|---|---|---|
| Interests of SBG | 985,196 | |
| Non-controlling interests (interests of Masayoshi Son) | (152,864) | **D** |
| **Equity** | **832,332** | **C** |

**Status of Assets**
*As of March 31, 2021*

**a. Actual stocks, etc.**

(Millions of U.S. dollars)

| | Fair value as of March 31, 2021 |
|---|---|
| **Stock** | |
| AbCellera Biologics Inc. | 265 |
| Adobe Inc. | 10 |
| Alphabet Inc. Class C Capital Stock | 575 |
| Amazon.com, Inc. | 6,211 |
| Facebook, Inc. | 3,182 |
| Microsoft Corporation | 1,030 |
| Netflix, Inc. | 382 |
| Pacific Biosciences of California, Inc. | 328 |
| PayPal Holdings, Inc. | 1,180 |
| salesforce.com, inc. | 385 |
| Sana Biotechnology, Inc. | 88 |
| Taiwan Semiconductor Manufacturing Company Limited ADR | 1,320 |
| 4D Molecular Therapeutics, Inc. | 15 |
| 16 SPACs | 441 |
| Including three SPACs controlled by SBIA[*1] | 54 |
| Others | 3,481 |
| NVIDIA Corporation[*2] | 140 |
| **Others** | |
| Convertible bonds | 876 |
| **Total** | **19,907** |

Notes:
1. Investments into the three SPACs that are controlled by SBIA are eliminated as intercompany transactions in the consolidated financial statements.
2. The NVIDIA shares are held by SBG.

**b. Derivatives**

(Millions of U.S. dollars)

| | Fair value as of March 31, 2021[*1] | Notional principal[*2] |
|---|---|---|
| Long call options of listed stocks | 1,595 | 13,386 |
| Short call options of listed stocks | (84) | (2,691) |
| Total return swap contracts related to listed stocks | 15 | 2,534 |
| Forward contracts related to listed stocks | 39 | 75 |
| **Total** | **1,565** | **13,304** |

Notes:
1. Parentheses show liabilities.
2. Parentheses show short positions.

### MAIN INTEREST-BEARING DEBT IN THIS SEGMENT

| Borrower | Type | Fiscal year-end balance in Consolidated Statement of Financial Position |
|---|---|---|
| SBG | Borrowings | ¥1,152.9 billion |
| | Corporate bonds | ¥4,745.5 billion |
| | Lease liabilities | ¥13.4 billion |
| | Commercial paper | ¥246.5 billion |
| (Wholly owned subsidiaries conducting fund procurement[*1]) | | |
| West Raptor Holdings, LLC<br>West Raptor Holdings 2, LLC<br>Skybridge LLC<br>Skylark 2020 Holdings Limited<br>Scout 2020 Holdings Limited<br>Tigress 2020 Holdings Limited | Prepaid forward contracts using Alibaba shares (floor contracts and collar contracts) | ¥3,085.7 billion |
| Skywalk Finance GK | Borrowings using Alibaba shares | ¥894.1 billion |
| Moonlight Finance GK | Borrowings using SoftBank Corp. shares | ¥498.7 billion |
| Delaware Project 6 L.L.C. | Borrowings using T-Mobile shares | ¥481.3 billion |
| SB Northstar | Borrowings | ¥1,866.5 billion |

Note:
1. Borrowings of these wholly owned subsidiaries conducting fund procurement are non-recourse to SBG, except for the borrowing using T-Mobile shares which SBG partially guarantees.

**Investments in WeWork**

A wholly owned subsidiary of the Company other than SVF1 (hereinafter within "Investments in WeWork," the wholly owned subsidiaries of the Company that invest in WeWork or are parties to contracts with WeWork are collectively referred to as the "WeWork Investment Subsidiary") has invested in WeWork, an associate of the Company that operates flexible office spaces. Separately, SVF1 has invested in WeWork and its affiliates. As of the fiscal year-end, the cumulative amount of equity investments by the WeWork Investment Subsidiary and SVF1 in WeWork totaled $10.83 billion (not including a tender offer for a total of $922 million of shares completed in April 2021). The fair value of WeWork's entire equity in the Company's valuation was $3.8 billion as of the fiscal year-end.

On March 25, 2021, WeWork entered into a definitive agreement with BowX Acquisition Corp. ("BowX"), a special purpose acquisition company (SPAC), providing for a business combination with BowX that is expected to result in WeWork becoming publicly listed on the Nasdaq Capital Market or New York Stock Exchange (NYSE) (the "Merger Transaction"). The Merger Transaction is expected to be completed during the three-month period ending September 2021, subject to receipt of BowX stockholder approval and the satisfaction of other customary closing conditions. The transaction implies a pre-money enterprise value of the company resulting from the merger (the "Merged Company") of approximately $9 billion. The transaction is expected to provide the Merged Company with approximately $1.3 billion of cash, including a fully committed $800 million PIPE (private investment in public equity), which will enable the Merged Company to fund its growth plans into the future. For details of the Merger Transaction, refer to the joint press release announced by WeWork and BowX dated March 26, 2021, "WeWork to Become Publicly Traded Via SPAC Merger with BowX Acquisition Corp." After the completion of the Merger Transaction, the Company's economic ownership of the Merged Company (fully diluted, including the stake held by SVF1) is expected to be approximately 56%. Pursuant to the certificate of incorporation of the Merged Company, the Company (together with SVF1) will be restricted from exercising voting rights over more than 49.9% of the voting securities present and voting at any meeting of stockholders, and the Company (including SVF1) will be entitled to designate four out of nine directors on the board of directors of the Merged Company. The Company hence does not have control over the Merged Company. Therefore, the Merged Company will not be a subsidiary of the Company and instead it will be an associate of the Company.

Details and progress of the agreements between the Company and WeWork dated October 22, 2019 (specifically, the master transaction agreement, (the "MTA")) and in the fiscal year are as follows.

(1) Exercise Price Reduction of Existing Commitment and Early Payment
Pursuant to the MTA, on October 30, 2019, the WeWork Investment Subsidiary paid the full amount of $1.5 billion for the existing commitment that was originally expected to be invested in April 2020, by lowering the exercise price from $110.00 per share to $11.60 per share. Of this advance payment for investment, a $200 million portion was converted into preferred stock of WeWork in November 2019 while the remaining $1.3 billion portion was converted into preferred stock of WeWork in April 2020.

(2) Tender Offer
Pursuant to the MTA, the WeWork Investment Subsidiary had agreed to commence a tender offer (the "Tender Offer") worth up to $3.0 billion to purchase common stock and preferred stock of WeWork from certain shareholders of WeWork, other than the Company, at a price of $19.19 per share. The WeWork Investment Subsidiary launched the Tender Offer in November 2019, but the WeWork Investment Subsidiary withdrew and terminated the Tender Offer in April 2020, asserting certain closing conditions were not satisfied. In response, in April and May 2020, lawsuits (the "Lawsuits") were brought against the Company and SVF1 by WeWork, under the direction of the Special Committee of the Board of Directors of WeWork, and by the founder and former CEO of WeWork, Adam Neumann, by himself and through We Holdings LLC (his affiliated holding company), seeking closing of the Tender Offer, or in the alternative, compensation for damages arising from the termination of the Tender Offer.

The Company entered into a settlement agreement (the "Settlement Agreement") regarding the Lawsuits with WeWork, We Holdings LLC, and Adam Neumann in February 2021. Under the Settlement Agreement, the WeWork Investment Subsidiary agreed to purchase common stock and preferred stock of WeWork at a price of $19.19 per share from (i) We Holdings LLC via a private sale in February 2021 and (ii) certain other shareholders of WeWork via a tender offer launched in March 2021 and completed in April 2021. The aggregate amount of these two purchases was $1.5 billion. Each of the Lawsuits has been dismissed with prejudice.

The Company recorded an impairment loss of ¥54,277 million for the purchase of shares from We Holdings LLC, representing the difference between the acquisition cost and the fair value at the time of the acquisition. Subsequently, the Company recorded a gain on reversal of impairment loss of ¥21,634 million, reflecting an increase in the fair value of its holdings of common stock following the conclusion of the Merger Transaction between WeWork and BowX.

The tender offer launched, pursuant to the Settlement Agreement, in March 2021 was considered as a forward contract and accounted for as a derivative. The difference of ¥76,823 million between the fair value of the common stock and preferred stock scheduled for acquisition and the planned acquisition amount was recorded as “derivative financial liabilities (current)” in the Consolidated Statement of Financial Position as of the fiscal year-end. Moreover, for the fiscal year, the difference of ¥17,594 million between the fair value of the common stock scheduled for acquisition and the planned acquisition amount was recorded as “derivative loss (excluding gain (loss) on investments)” and the difference of ¥56,127 million between the fair value of the preferred stock scheduled for acquisition and the planned acquisition amount was recorded as a loss under “gain (loss) on investments at Investment Business of Holding Companies” in the Consolidated Statement of Income.

(3) Credit Support and Notes Purchase

The Company agreed in the MTA to provide to WeWork (a) credit support for a $1.75 billion letter of credit facility provided by financial institutions, and the WeWork Investment Subsidiary agreed to purchase or arrange to purchase (b) up to $2.2 billion in unsecured notes and (c) up to $1.1 billion in senior secured notes to be issued by WeWork.

Regarding (a), in December 2019, the Company entered into an agreement with financial institutions that designates the Company as a co-obligor with WeWork, while the two parties separately agreed that the Company has the right of indemnification against WeWork if and whenever the Company services such obligations. Regarding (b), the WeWork Investment Subsidiary entered into an agreement with WeWork in December 2019. As of the fiscal year-end, the WeWork Investment Subsidiary has purchased $1.8 billion of the unsecured notes. In exchange for entering into such agreements regarding (a) and (b), the Company received warrants that are exercisable for WeWork preferred stock at an exercise price of $0.01 per share as consideration. As of the fiscal year-end, the Company has acquired 130 million shares of preferred stock of the 136 million shares available under the warrants.

Regarding (c), the Company’s obligation pursuant to the MTA to purchase or arrange to purchase such debt ceased to exist upon the termination of the Tender Offer as it was subject to and conditioned upon the completion of the Tender Offer. However, the WeWork Investment Subsidiary and WeWork entered into an agreement regarding (c) in August 2020. As of the fiscal year-end, none of the secured senior notes had been issued.

Moreover, in conjunction with WeWork’s agreement relating to the Merger Transaction with BowX on March 25, 2021, the Company has also agreed with WeWork and BowX regarding the conversion and exchange of WeWork preferred stock held by the WeWork Investment Subsidiary into common stock of the Merged Company, and in addition, regarding (a), a commitment to extend credit support by the Company as co-obligor to the credit facility until February 2024, subject to the acceptance of the extension by the financial institutions as a result of the negotiation between them and the Company together with WeWork, and for (c), an amended senior secured notes facility of up to $550 million to be purchasable by the WeWork Investment Subsidiary until February 12, 2023 or for a period of 18 months from the closure of the Merger Transaction, whichever comes first. As consideration for this conversion of preferred stock into common stock and commitment to extend credit support by the Company as co-obligor to the credit facility as in (a), the Company plans to acquire warrants that are exercisable for common stock of the Merged Company at the price of $0.01 per share, subject to appropriate adjustment, when each is executed upon the conversion and exchange and upon the conclusion of the agreement modification of (a), as applicable.

The (a) credit support for a $1.75 billion letter of credit facility provided by financial institutions to WeWork corresponds to a financial guarantee contract and the (b) purchase of up to $2.2 billion in unsecured notes to be issued by WeWork corresponds to a commitment to provide a loan at a below market interest rate (“loan commitment”). The allowance for expected credit losses for the financial guarantee contract and loan commitment is measured at the higher of either the amount of initially recognized financial liabilities less accumulated amortization or the amount of the expected credit losses. At the previous fiscal year-end, the Company recorded allowance for financial guarantee contract losses of ¥89,202 million and allowance for loan commitment losses of ¥145,133 million as “other financial liabilities (current)” in the Consolidated Statement of Financial Position. At the fiscal year-end, the Company recorded allowance for financial guarantee contract losses of ¥24,381 million and allowance for unused loan commitment losses of ¥10,218 million as “other financial liabilities (current)” in the Consolidated Statement of Financial Position.

(4) Exchange of WeWork China and WeWork Asia Shares for Preferred Stock of WeWork

It was agreed in the MTA that all of SVF1’s interests in WeWork Greater China Holding Company B.V. (“WeWork China”) and WeWork Asia Holding Company B.V. (“WeWork Asia”) were to be exchanged for preferred stock of WeWork. Among these, WeWork Asia shares were exchanged for WeWork’s preferred stock at $11.60 per share in April 2020. Meanwhile, the exchange of WeWork China shares for WeWork’s preferred stock was canceled.

**Investments and loans to WeWork from the WeWork Investment Subsidiary**

(Millions of U.S. dollars)

| Investment type | Cumulative amount of investments and loans | Cumulative gain (loss) | Consolidated Statement of Financial Position: Account | Carrying amount (Parentheses show liabilities): The previous fiscal year-end | Carrying amount (Parentheses show liabilities): The fiscal year-end | Consolidated Statement of Income: Account | Gain (loss): The previous fiscal year | Gain (loss): The fiscal year |
|---|---|---|---|---|---|---|---|---|
| Common stock | Breakdown omitted | Breakdown omitted | Investment securities | - | - | Loss from financial instruments at FVTPL | (417) | - |
| | | | Investments accounted for using the equity method | 14 | 173 | Loss on equity method investments[*1] | (40) | (109) |
| | | | | | | Other loss | (113) | (307) |
| Preferred stock | | | Investment securities | 885 | 1,521 | Gain (loss) from financial instruments at FVTPL | (3,213) | 112 |
| Of $1.5 billion paid in October 2019, $1.3 billion before conversion to preferred stock of WeWork as of the previous fiscal year-end | | | Other financial assets | 406 | - | | (894) | - |
| Warrants exercisable for acquisition of preferred stock of WeWork (before exercise) | | | Derivative financial assets | 165 | 26 | Derivative gain (loss) on investments | (703) | (22) |
| Warrants exercisable for common stock of the Merged Company (before exercise) | | | | - | 126 | | - | 126 |
| Derivatives related to the tender offer that started in March 2021 | | | Derivative financial liabilities | | | Derivative loss (excluding gain (loss) on investments) | - | (166) |
| | | | | - | (694) | Derivative loss on investments | - | (528) |
| Total | 6,580 | (6,292) | | 1,470 | 1,152 | | (5,380) | (894) |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Purchase of unsecured notes[*2] | 1,800 | 44 | Other financial assets | - | 1,173 | Other gain (loss) | - | 44 |
| Liabilities related to loan commitment[*2] | - | (256) | Other financial liabilities | (1,334) | (92) | | (826) | 570 |
| Liabilities related to financial guarantee contract[*2] | - | 140 | | (819) | (220) | | (459) | 599 |
| Total | 1,800 | (72) | | (2,153) | 861 | | (1,285) | 1,213 |

Notes:

1. WeWork became the Company's associate on October 30, 2019. As a result, net loss of WeWork from October 30, 2019 to December 31, 2021 corresponding to the Company's holding of common stock (2.75% as of the previous fiscal year-end and 6.11% as of the fiscal year-end, both of which were before dilution) was recorded.
2. Allowances for losses from the financial guarantee contract and the loan commitment are recorded as "other financial liabilities" in the Consolidated Statement of Financial Position. The Company did not record gains or losses relating to the agreement on these contracts on the Consolidated Statement of Income at the time of execution, since the Company acquired consideration for the agreement (warrants convertible for preferred stock of WeWork at $0.01 per share). Subsequently, at the previous fiscal year-end, the Company recorded provision for allowance for losses following a deterioration in WeWork's credit risk, which was reversed during the fiscal year mainly due to the improvement of WeWork's credit risk. For liabilities related to the loan commitment, when the WeWork Investment Subsidiary purchased the unsecured notes, a corresponding amount was reversed from "other financial liabilities" and deducted from the initial recognition amount of loan receivable recorded as "other financial assets." The unsecured notes are regularly amortized from the time when the loan receivable was recognized. Liabilities related to financial guarantee contract are regularly amortized from the fourth quarter of the previous year, when the guarantee started.

**(b) SVF1 and Other SBIA-Managed Funds Segment**

**1. Gain on investment (net) was ¥6,357.5 billion. Segment income, after deducting change in third-party interests, was ¥4,026.8 billion.**

◆ **SVF1**

- Realized gain on sales of investments (net) of ¥424.2 billion: Sold investments in Guardant Health (partially), OSIsoft, Uber (partially), and others.
- Unrealized gain on valuation of investments (net) of ¥5,523.1 billion from investments held at the fiscal year-end
  - · Recorded ¥4,285.1 billion valuation gain for listed portfolio companies.
    Stock prices of all listed portfolio companies performed well. Valuation gain of ¥2,597.8 billion was recorded for Coupang and ¥661.1 billion for DoorDash.
  - · Recorded ¥1,238.0 billion valuation gain (net) for unlisted portfolio companies.

◆ **SVF2**

- Unrealized gain on valuation of investments (net) of ¥490.3 billion:
  - · Recorded ¥494.1 billion valuation gain for KE Holdings and other listed portfolio companies, reflecting strong stock price performance.

**2. Progress of investments**

◆ **SVF1**

- Investments before exit: Held 81 investments (including 11 listed portfolio companies) as of the fiscal year-end at cost totaling $74.9 billion, with the fair value amounting to $120.7 billion.
- Cumulative gross gain[*1] since SVF1's inception reached $55.0 billion, including cumulative realized gain of $7.2 billion, cumulative derivative gain of $1.5 billion, and cumulative dividend income of $0.5 billion.

◆ **SVF2**

- Held 44 investments (including three listed portfolio companies) as of the fiscal year-end at cost totaling $6.7 billion, with the fair value amounting to $11.2 billion.

◆ **Other**

- In the fourth quarter, three SPACs controlled by SBIA were listed.

Note:
1. Cumulative gross gain is before deducting third-party interests, tax, and expenses.

**OVERVIEW**

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1) and SoftBank Vision Fund 2 (SVF2). The funds are managed by SBIA, a wholly owned subsidiary of the Company established in the U.K., which is authorized and regulated by the Financial Conduct Authority.

SVF1 aims to maximize returns from a medium- to long-term perspective, through large-scale investments in high-growth-potential companies leveraging AI, particularly in private companies valued at over $1 billion at the time of investment, colloquially known as "unicorns." SVF1's investment period ended on September 12, 2019. 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. In principle, the life of SVF1 is until November 20, 2029 (unless extended for two additional one-year periods by SBIA).

SVF2 launched in October 2019 with committed capital from SBG, aiming to facilitate the continued acceleration of the AI revolution through investment in market-leading, tech-enabled growth companies across vintage years. As of the fiscal year-end, SBG is the sole limited partner investing in SVF2, with a total committed capital of $20.0 billion (which has been increased to $30.0 billion as of May 11, 2021).

To bridge the Company's private and public investing strategies by enabling it to potentially pursue a wider range of investment opportunities beyond the investment mandate for the private funds, in the fiscal year, SBIA initiated investment through SPACs. In the fourth quarter, SPACs controlled by SBIA, SVF Investment Corp., SVF Investment Corp. 2, and SVF Investment Corp. 3, listed on the Nasdaq in January, March, and March 2021, respectively. A total of $1.15 billion was raised through these listings. Each SPAC is an investment vehicle incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that the company has not yet identified at the time of the offering, and it aims to complete such business combination within two years from the closing of each offering. The SPACs intend to identify, acquire, and manage businesses in technology-enabled sectors, leveraging the Company's access to a wide range of compelling investment opportunities through its broad international presence and deep local networks. After such business combinations, the combined companies are expected to cease to be controlled by SBIA.

For details of SPACs, see "5. Special purpose acquisition companies sponsored by the Company" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

**Outline of principal funds in the segment**

*As of March 31, 2021*

| | SoftBank Vision Fund 1 | SoftBank Vision Fund 2 |
|---|---|---|
| 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 | 20.0 |
| | The Company: 33.1[*1]<br>Third-party investors: 65.5 | The Company: 20.0[*2] |
| General partner | SVF GP (Jersey) Limited<br>(The Company's wholly owned overseas subsidiary) | SVF II GP (Jersey) Limited<br>(The Company's wholly owned overseas subsidiary) |
| Investment period | Ended on September 12, 2019 | (Investment period and minimum fund life are not presented as they are subject to change following the participation of third-party investors.) |
| Minimum fund life | Until November 20, 2029 (in principle) | |

Notes:

1. The Company's committed capital to SVF1 includes approximately $8.2 billion of an obligation satisfied by using Arm shares (all said shares have been contributed) and $2.5 billion earmarked for purposes of an incentive scheme related to SVF1.
2. As of May 11, 2021, the Company's committed capital to SVF2 has been increased to $30.0 billion.

For a complete list of SVF1 and SVF2's portfolio companies, see the Data Sheets in "Materials" under "Earnings Results Briefing" to be posted in a few days on the Company's website at https://group.softbank/en/ir/presentations/.

**Capital deployment of SVF1**

*As of March 31, 2021*

(Billions of U.S. dollars)

| | Total | The Company | Third-party investors |
|---|---|---|---|
| Committed capital (A) | **98.6** | 33.1 | 65.5 |
| Drawn capital[6] (B) | **85.4** | 29.3 | 56.1 |
| Return of capital (non-recallable) (C) | **13.8** | 0.8 | 13.0 |
| Outstanding capital (D) = (B) – (C) | **71.6** | 28.5 | 43.1 |
| Remaining committed capital (E) = (A) – (B) | **13.2** | 3.8 | 9.4 |

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

As of the fiscal year-end, SBG has contributed $6.8 billion of its committed capital to SVF2.

**FINANCIAL RESULTS**

(Millions of yen)

| | Fiscal year ended March 31 2020 | 2021 | Change | Change % | |
|---|---|---|---|---|---|
| Gain (loss) on investments at SVF1, SVF2, and others | (1,844,867) | **6,357,462** | 8,202,329 | - | **A** |
| Realized gain on sales of investments | 58,340 | **419,640** | 361,300 | 619.3% | |
| Unrealized gain (loss) on valuation of investments | (1,917,694) | **5,897,059** | 7,814,753 | - | |
| Change in valuation for the fiscal year | (1,877,682) | **6,013,404** | 7,891,086 | - | |
| Reclassified to realized gain recorded in the past fiscal year*1 | (40,012) | **(116,345)** | (76,333) | - | |
| Dividend income from investments | 12,848 | **29,849** | 17,001 | 132.3% | |
| Derivative gain on investments | 145 | **1,091** | 946 | 652.4% | |
| Effect of foreign exchange translation | 1,494 | **9,823** | 8,329 | 557.5% | |
| Selling, general and administrative expenses | (86,484) | **(74,194)** | 12,290 | (14.2%) | |
| Finance cost | (23,547) | **(10,419)** | 13,128 | (55.8%) | **B** |
| Change in third-party interests in SVF1 | 540,930 | **(2,246,417)** | (2,787,347) | - | **C** |
| Other gain | 1,394 | **391** | (1,003) | (72.0%) | |
| **Segment income (income before income tax)** | (1,412,574) | **4,026,823** | 5,439,397 | - | |

Note:
1. Unrealized gain on valuation of investments recorded in prior fiscal years related to the investments exited in the fiscal year is reclassified to "realized gain on sales of investments."

During the fiscal year, SVF1 made follow-on investments totaling $4.7 billion in existing portfolio companies and their joint ventures,[7] and sold all of its shares in eight portfolio companies[7] and a portion of its shares in five portfolio companies for a total of $8.8 billion,[8] of which the initial acquisition costs were $4.8 billion. SVF2 made new and follow-on investments totaling $4.7 billion.

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 Includes share exchanges. During the fiscal year, SVF1 exchanged all of its shares in three portfolio companies for shares in their affiliated companies. Such share exchanges are treated as exits from investments and acquisitions of new investments, with the sale price and acquisition cost being recorded in gross, respectively, and with the difference between the acquisition cost of shares initially held and sale price (acquisition cost of the exchanged shares) being recorded as realized gain and loss on the investments.
8 After deducting transaction fees, etc.

**Segment income**

A Gain on investments at SVF1, SVF2, and others: ¥6,357,462 million

· SVF1

- Realized gain on sales of investments of ¥424,215 million was recorded as a result of the sale by SVF1 of all of its shares in eight portfolio companies[7] and a portion of its shares in five portfolio companies.
- Unrealized gain on valuation of investments held by SVF1 at the fiscal year-end was ¥5,523,149 million ($52,186 million, net) (see "Portfolio of SVF1" below for a breakdown). Unrealized valuation gain totaling $40,507 million for listed portfolio companies was recorded due to strong stock price performance, particularly of Coupang and DoorDash, which were listed in the fiscal year, and Uber. In addition, unrealized valuation gain (net) totaling $11,679 million was recorded for unlisted portfolio companies, as a result of increases in the fair values of investments where listings have been decided or that had new funding rounds.

· SVF2

- Unrealized gain on valuation of investments was ¥490,255 million ($4,633 million, net). This was primarily due to the recording of unrealized valuation gain totaling $4,671 million for listed portfolio companies, reflecting the share price increases of KE Holdings and other listed portfolio companies following their listings in the fiscal year. See "Portfolio of SVF2" below for other details.

B Finance cost: ¥10,419 million (decreased ¥13,128 million year on year)

Interest expenses decreased primarily due to a decline in the outstanding balance of borrowings made by SVF1, resulting from the repayments of borrowings made under a line of credit set up mainly to increase capital efficiency to fund investments (the "Fund Level Facility") and those made for the purpose of monetizing a portion of certain investments (the "Portfolio Financing Facility").

C Change in third-party interests in SVF1: ¥(2,246,417) 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 gain and loss on investments at SVF1, net of management and performance fees payable to SBIA, and operating and other expenses of SVF1. For details, see "(2) Third-party interests in SVF1" under "6. SVF1 and other SBIA-managed funds business" in "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

As of the fiscal year-end, SVF2 is only invested in by SBG and therefore has no third-party interests.

## Portfolio of SVF1

*As of March 31, 2021*

(Billions of U.S. dollars)

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

| | Cumulative number of investments | Cumulative investment cost **A1+B1+C1** | Cumulative investment return **A2+B2+C2+D2** | Cumulative gain[*1] **A3+B3+C3+D3** |
|---|---|---|---|---|
| | **92** | **85.7** | **140.7** | **55.0** |

**(1) Investments before exit (investments held at the fiscal year-end)**

| Sector | Number of investments | Investment cost **A1** | Fair value **A2** | Cumulative unrealized valuation gain (loss)[*2] **A3** | Unrealized valuation gain (loss) recorded for the fiscal year |
|---|---|---|---|---|---|
| a Consumer | 12 | 10.6 | 42.6 | 32.0 | 30.6 |
| b Edtech | 1 | 0.7 | 1.1 | 0.4 | 0.4 |
| c Enterprise | 7 | 1.6 | 1.9 | 0.3 | 0.0 |
| d Fintech | 11 | 4.4 | 2.7 | (1.7) | (1.9) |
| e Frontier Tech | 9 | 11.0 | 11.7 | 0.7 | 1.1 |
| f Health Tech | 8 | 2.0 | 4.8 | 2.8 | 1.9 |
| g Logistics | 14 | 8.5 | 18.0 | 9.5 | 9.0 |
| h Proptech | 9 | 10.1 | 6.2 | (3.9) | 1.1 |
| i Transportation | 10 | 26.0 | 31.7 | 5.7 | 10.0 |
| **Total** | **81** | **74.9** | **120.7** | **45.8** | **52.2** |
| (Reference) | | | | | |
| Listed companies[*3] | 11 | 13.0 | 54.0 | 41.0 | 40.5 |
| a Coupang | | 2.7 | 28.0 | 25.3 | 24.5 |
| d OneConnect | | 0.1 | 0.1 | (0.0) | 0.0 |
| d ZhongAn Insurance | | 0.2 | 0.2 | (0.0) | 0.1 |
| f Guardant Health | | 0.1 | 0.9 | 0.8 | 0.5 |
| f Relay Therapeutics | | 0.3 | 1.0 | 0.7 | 0.7 |
| f Vir Biotechnology | | 0.2 | 1.2 | 1.0 | 0.4 |
| g DoorDash | | 0.7 | 8.3 | 7.6 | 6.3 |
| h Opendoor | | 0.4 | 1.5 | 1.1 | 1.2 |
| h View | | 1.2 | 0.5 | (0.7) | 0.1 |
| i AUTO1 | | 0.7 | 2.3 | 1.6 | 1.8 |
| i Uber | | 6.4 | 10.0 | 3.6 | 4.9 |
| Unlisted companies | 70 | 61.9 | 66.7 | 4.8 | 11.7 |
| **Total** | **81** | **74.9** | **120.7** | **45.8** | **52.2** |

**(2) Exited investments**

| | Number of investments | Investment cost **B1** | Sale price **B2** | Cumulative realized gain[*1] **B3** | Realized gain recorded for the fiscal year |
|---|---|---|---|---|---|
| Partial exit | - | 2.4 | 4.7 | 2.3 | 2.0 |
| Full exit[7] | 11 | 8.4 | 13.3 | 4.9 | 2.0 |
| **Total** | **11** | **10.8** | **18.0** | **7.2** | **4.0** |

**(3) Derivative gain and loss relating to investment**

| | | Derivative cost **C1** | Fair value / settlement price **C2** | Cumulative derivative gain **C3** | Derivative gain recorded for the fiscal year |
|---|---|---|---|---|---|
| **Total (settled)** | | **0.0** | **1.5** | **1.5** | **0.0** |

**(4) Dividend income from investments**

| | | | Dividend income **D2** | Cumulative income **D3** | Dividend income recorded for the fiscal year |
|---|---|---|---|---|---|
| **Total** | | | **0.5** | **0.5** | **0.3** |

Notes:
1. Before deducting third-party interests, tax, and expenses
2. For a certain investment that was once decided to be transferred from the Company to SVF1 but later canceled, its unrealized gain and loss incurred for the period leading up to the decision to cancel the transfer is not included in the presentation.
3. The letter attached to the listed companies indicates the sector to which the company belongs. Investments in that sector are not limited to those listed companies.

## Portfolio of SVF2

*As of March 31, 2021*

(Billions of U.S. dollars)

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

| | Cumulative number of investments | Cumulative investment cost **A1+B1** | Cumulative investment return **A2+B2** | Cumulative gain*1 **A3+B3** |
|---|---|---|---|---|
| | **44** | **6.7** | **11.2** | **4.5** |

**(1) Investments before exit (investments held at the fiscal year-end)**

| Company | Number of investments | Investment cost*2 **A1** | Fair value*2 **A2** | Cumulative unrealized valuation gain (loss) **A3** | Unrealized valuation gain (loss) recorded for the fiscal year |
|---|---|---|---|---|---|
| Listed companies | 3 | 1.6 | 6.2 | 4.6 | 4.7 |
| KE Holdings | | 1.4 | 6.0 | 4.6 | 4.6 |
| Seer | | 0.2 | 0.2 | 0.0 | 0.1 |
| Qualtrics | | 0.0 | 0.0 | 0.0 | 0.0 |
| Unlisted companies | 41 | 5.1 | 5.0 | (0.1) | (0.1) |
| **Total** | **44** | **6.7** | **11.2** | **4.5** | **4.6** |

**(2) Exited investments**

| | Number of investments | Investment cost **B1** | Sale price **B2** | Cumulative realized loss*1 **B3** | Realized loss recorded for the fiscal year |
|---|---|---|---|---|---|
| Partial exit | - | 0.0 | 0.0 | (0.0) | (0.0) |
| **Total** | **-** | **0.0** | **0.0** | **(0.0)** | **(0.0)** |

Notes:
1. Before deducting third-party interests, tax, and expenses
2. The investment amount 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.

### Listings and announced listing plans for SVF1 and SVF2 portfolio companies

*As of March 31, 2021; excluding those already listed at the time of investment*

| Fund | Company | Listing date | Listing method |
|---|---|---|---|
| SVF1 | **Investments before exit** | | |
| | ZhongAn Insurance | September 28, 2017 | IPO |
| | Guardant Health | October 4, 2018 | IPO |
| | Uber | May 10, 2019 | IPO |
| | Vir Biotechnology | October 11, 2019 | IPO |
| | OneConnect | December 13, 2019 | IPO |
| | Relay Therapeutics | July 16, 2020 | IPO |
| | DoorDash | December 9, 2020 | IPO |
| | Opendoor | December 21, 2020 | De-SPAC |
| | AUTO1 | February 4, 2021 | IPO |
| | View | March 9, 2021 | De-SPAC |
| | Coupang | March 11, 2021 | IPO |
| | Compass | April 1, 2021 | IPO |
| | WeWork | September quarter, 2021 (expected) | De-SPAC[9,10] |
| | **Exited investments** | | |
| | Ping An Good Doctor | May 4, 2018 | IPO |
| | Slack | June 20, 2019 | Direct listing |
| | 10x Genomics | September 12, 2019 | IPO |
| SVF2 | **Investments before exit** | | |
| | KE Holdings | August 13, 2020 | IPO |
| | Seer | December 4, 2020 | IPO |
| | Qualtrics | January 28, 2021 | IPO |
| | Berkshire Grey | June quarter, 2021 (expected) | De-SPAC[10,11] |
| | eToro | September quarter, 2021 (expected) | De-SPAC[10,12] |

9 The merger between WeWork Inc. and BowX Acquisition Corp., a SPAC, was announced on March 26, 2021 (U.S. time). For details, see “Investments in WeWork” under “(a) Investment Business of Holding Companies Segment.”

10 The mergers are subject to receipt of stockholder approval of respective SPACs and the satisfaction of other customary closing conditions. The mergers have not yet closed as of May 12, 2021.

11 The merger between Berkshire Grey, Inc and Revolution Acceleration Acquisition Corp, a SPAC, was announced on February 24, 2021 (U.S. time).

12 The merger between eToro Group Ltd. and FinTech Acquisition Corp. V, a SPAC, was announced on March 16, 2021 (U.S. time).

### (c) SoftBank Segment

1. **Segment income increased 4.0% yoy: Z Holdings Corporation and the enterprise business performed strongly.**
2. **Business integration of Z Holdings Corporation and LINE Corporation completed on March 1, 2021.**

(Millions of yen)

| | Fiscal year ended March 31 | | | |
|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % |
| Net sales | 4,862,484 | **5,204,350** | 341,866 | 7.0% |
| Segment income (income before income tax) | 815,617 | **847,933** | 32,316 | 4.0% |
| Depreciation and amortization | (701,984) | **(729,914)** | (27,930) | 4.0% |
| Gain on investments | 9,720 | **1,433** | (8,287) | (85.3%) |
| Finance cost | (60,155) | **(64,322)** | (4,167) | 6.9% |
| Loss on equity method investments*1 | (41,839) | **(45,048)** | (3,209) | - |
| Derivative gain (loss) (excluding gain (loss) on investments) | (20) | **410** | 430 | - |

Note:
1. This refers mainly to loss on equity method investments related to PayPay Corporation. At SoftBank Corp., PayPay Corporation is classified as an equity method associate; however, PayPay Corporation has consistently been classified as a subsidiary of SBG since its founding in June 2018 and with its financial results included in "Other." For this reason, loss on equity method investments related to PayPay Corporation recognized in the SoftBank segment is eliminated in the "Reconciliations" in segment information.

**FINANCIAL RESULTS**

Segment income increased ¥32,316 million (4.0%) year on year, to ¥847,933 million, mainly reflecting strong performances by Z Holdings Corporation and the enterprise business. These were partially offset by a negative impact from recording an impairment loss on equity method investments in WeWork Japan GK and a deterioration in gain on investments.

Income increased in Z Holdings Corporation, mainly due to the consolidation of ZOZO, Inc. in November 2019 and an increase in revenue of the existing e-commerce business. Income in the enterprise business increased due to an increase in mobile revenue, along with an increase in net sales of cloud services and security solutions following growth in demand for remote work-related products and services to address the COVID-19 pandemic. For the consumer business, income increased year on year, mainly due to a decline in sales commissions and the reversal of contract liabilities related to *Half Price Support*[13] in revenues.

**Completion of business integration of Z Holdings Corporation and LINE Corporation**

On March 1, 2021, the business integration of Z Holdings Corporation and LINE Corporation was completed. SoftBank Corp. has positioned this integration as an important transaction for accelerating the growth of Z Holdings Corporation, which plays an important role in the *Beyond Carrier* strategy, and for contributing to the increase in corporate value while creating new business opportunities in the 5G era. After the integration, Z Holdings Corporation will strive to resolve social issues while capturing unmet customer needs using data and AI.

13 A program that enables customers to purchase eligible smartphones in 48 monthly installments, with the remaining installment payments waived if the customer trades in their used handset to upgrade to a designated new model after 24 monthly installments

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 introduces major new technology as a basis for future product families**

- During the fourth quarter, Arm introduced the *Armv9* architecture which will be the underlying technology for many future product families that Arm will release. The *Armv9* architecture provides the users of smartphones, consumer electronics and enterprise products with higher performance as well as enhanced security, privacy and confidentiality. The *Armv9* architecture is a significant advancement over prior generations and provides an opportunity to increase pricing, driving license revenue in the near term and royalty revenue as *Armv9*-based products start to ship.

**2. Expanding product portfolio contributes to the financial results**

- Net sales increased 6.5% yoy
  - Technology royalty revenue increased 16.7% yoy (U.S. dollar-based) largely due to the strong ramp in 5G smartphones and networking equipment as well as increasing shipments into servers.
  - Technology non-royalty revenue decreased 1.7% yoy (U.S. dollar-based). Weaker licensing at the beginning of the fiscal year, due to uncertainty caused by the pandemic, being mostly offset by strong demand for Arm's expanding product portfolio since the Company's acquisition.
- Segment loss widened yoy mainly due to charges relating to share-based remuneration following the agreement for sale of all shares in Arm to NVIDIA.

(Millions of yen)

| | Fiscal year ended March 31 | | | |
|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % |
| Net sales | 197,066 | **209,848** | 12,782 | 6.5% |
| Segment income (income before income tax) | (11,105) | **(33,873)** | (22,768) | - |

Notes:
1. In the fourth quarter, it was decided that the ISG businesses, which are outside the scope of the agreement made for sale of Arm shares to NVIDIA, would be managed separately from Arm's remaining business. Accordingly, the operating results of the Arm segment are retroactively presented for the previous fiscal year excluding the contribution of the ISG businesses.
2. Segment income includes amortization expenses of ¥48,108 million for the fiscal year and ¥50,544 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 of semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Arm has accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm can develop new technologies that will help it maintain or increase its share of the existing markets and expand into new markets.

**Industry trends and their impact**

Semiconductor industry trends can have a significant impact on Arm's financial results. The industry is vulnerable to external factors, including trade disputes and sanctions against specific companies, as well as the impact from changes in economic activity caused by COVID-19. If shipments of consumer electronic devices weaken, it may lead to lower technology royalty revenue, and if customers facing reduced revenues choose to delay licensing decisions, it may lead to lower technology licensing revenue. However, it is difficult to anticipate when these events may occur and the impact on the whole semiconductor industry or Arm.

Although those risks still remain, as market conditions improve, Arm expects that its business will continue to grow. In addition, Arm is expecting that, as technology becomes 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 in U.S. dollars.

(Millions of U.S. dollars)

| | Fiscal year ended March 31 | | | |
|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % |
| Technology royalty | 1,095 | **1,278** | 183 | 16.7% |
| Technology non-royalty | 714 | **702** | (12) | (1.7%) |
| Total net sales | 1,809 | **1,980** | 171 | 9.5% |

Net sales increased $171 million (9.5%) year on year due to an increase in technology royalty revenue.

**Technology royalty revenue**

Technology royalty revenue increased $183 million (16.7%) year on year. Royalty revenues were driven by the strong ramp in shipments of Arm-based 5G smartphones and the deployment of networking equipment into 5G base stations as well as increasing shipments into servers.

**Technology non-royalty revenue**

Technology non-royalty revenue (technology licensing revenue and software and services revenue) declined $12 million (1.7%) year on year. This decline is primarily due to weaker licensing by customers in the first quarter, when the impact of COVID-19 was uncertain. However, as it became clear that semiconductor sales were going to remain strong, demand for Arm new technology increased from the second quarter. Since being acquired by the Company, Arm has increased investment in R&D, which has now resulted in a product portfolio that has expanded the breadth of Arm technology to include processors optimized for servers, automotive electronics, and AI acceleration. This has led to a wider range of customers licensing Arm technology, as well as existing customers having more Arm technology to choose from, both of which are helping to drive licensing revenues. This included licenses for processors used by customers intending to build Arm-based server chips, smartphones, networking equipment and for autonomous systems such as industrial robotics and self-driving vehicles.

**Segment income**

Segment loss was ¥33,873 million, deteriorating by ¥22,768 million year on year. This was mainly due to the recording of charges relating to the increases in the fair value of share-based remuneration already granted to Arm employees relating to share-based remuneration following the agreement for sale of all shares in Arm to NVIDIA and the expected acceleration of the vesting date that were triggered by the proposed acquisition of Arm by NVIDIA (including one-off charges).

In addition, as Arm continues to enhance its R&D capabilities by hiring more employees, mainly technology-related personnel, the number of Arm employees at the fiscal year-end increased 7.9% from the previous fiscal year-end.

### OPERATIONS

**Royalty units[14]**

(Billion)

| | Year ended December 31 | | | |
|---|---|---|---|---|
| | 2019 | **2020** | Change | Change % |
| **Royalty units as reported by Arm's licensees** | 22.2 | **25.0** | 2.8 | 12.7% |

Arm's licensees reported shipments of 25.0 billion Arm-based chips shipped in the year ended December 31, 2020, representing the highest-ever number of chips shipped in a year. Arm's unit shipments increased 12.7% year on year, while shipments by the Arm-relevant part of the semiconductor industry increased 6.7%[15] during the same period.

### TECHNOLOGY DEVELOPMENT

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

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

**Mobile computing**

| | | |
|---|---|---|
| Opportunity | : | Arm already has over 95% share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip. |
| The first quarter | : | Arm announced the introduction of a new technology family for premium smartphones, including a processor, a machine learning accelerator, and a graphics processor. |
| The second quarter | : | Arm announced two new processors to be delivered in 2022. These processors are optimized for AI algorithms and augmented reality applications, have enhanced security features, and will deliver increased top performance. |
| The third quarter | : | · Qualcomm Technologies, Inc. announced the Snapdragon 888 chip for next-generation 5G smartphones based on the Arm *Cortex-X1* processor.<br>· MediaTek Inc. announced the MT8195 chipset designed for next-generation mobile computers, including Chromebooks, based on the Arm *Cortex-A78* CPU and Arm *Mali G57* GPU. |

14 This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for the year ended December 31, 2020, as reported by licensees in royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears; therefore, the current quarter's royalty unit analysis is based on chips shipped in the prior quarter. In contrast, technology royalty revenues are accrued in the same quarter the chips are shipped, based on estimates.

15 Worldwide Semiconductor Trade Statistics (WSTS) as of April 2021. Excludes memory and analog chips, which do not contain processor technology. This data is compiled on the basis of data submitted by semiconductor companies participating in the survey.

| | | |
|---|---|---|
| The fourth quarter | : | · Arm introduced *Armv9*, its latest architecture for future processors.<br>· MediaTek Inc. announced that it has already adopted *Armv9* and its first chips incorporating the new technology will be available later in 2021 for smartphones to be shipped in 2022. |

**Infrastructure**

| | | |
|---|---|---|
| Opportunity | : | Arm has a growing share in networking infrastructure and a nascent share in data center servers. |
| The first quarter | : | · Supercomputer Fugaku with Arm technology for servers, jointly developed by RIKEN and Fujitsu Limited, ranked number one in the TOP500, a global ranking based on calculation speed of supercomputers.<br>· Amazon Web Services, Inc. launched two new Arm-based Graviton2 services optimized for compute-intensive and memory-intensive applications. |
| The second quarter | : | Arm launched two new processors, *Neoverse V1* targeting high-performance computing and *Neoverse N2* for energy-efficient data center and edge computing applications. |
| The third quarter | : | Amazon Web Services, Inc. launched new services optimized for networking applications, based on its Arm-based Graviton2 chips which deliver 40% better price/performance relative to the prior generation (not Arm-based). |
| The fourth quarter | : | NVIDIA announced a new Arm-based chip Grace which will combine NVIDIA's GPU technology with Arm's CPU technology, and that the Swiss National Supercomputing Centre will build a new supercomputer utilizing this new chip. |

**Automotive**

| | | |
|---|---|---|
| Opportunity | : | As vehicles become smarter, they require more computational capability. Arm is well-positioned to gain share by providing energy efficiency and Arm processor technology has already been licensed by most companies that develop automotive chips. |
| The first quarter | : | Arm announced the development of new software that enables its graphics processors to be shared by different applications within a vehicle such as infotainment and the dashboard. AUDI AG and Samsung Electronics Co., Ltd. are among customers implementing Arm's graphics IP in vehicles to be launched in 2022. |
| The second quarter | : | Arm launched three new processors, *Cortex-A78AE*, *Mali-G78AE*, and *Mali-C71AE*, designed to make autonomous systems, including industrial robotics and autonomous vehicles, safer and more reliable. |
| The third quarter | : | Telechips Inc., a leading automotive technology provider, announced that it has adopted a suite of Arm technology for its next automotive chip including the *Mali-G78AE* graphics processor, *Cortex-A76* processor, and *Ethos-N78* AI processor. |

**IoT**

| | | |
|---|---|---|
| Opportunity | : | For IoT to reach its full potential, it must be secure against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks. |
| The second quarter | : | Arm announced the introduction of the *Cortex-R82* processor, designed specifically for computational storage[16] a new market segment that will help enable IoT gateways, which connect IoT devices and the network, and edge servers. |
| The third quarter | : | NXP Semiconductors N.V. announced that it will expand its Arm-based i.MX products for the Industrial and IoT Edge with the integration of Arm's *Ethos* AI processors. |
| The fourth quarter | : | STMicroelectronics N.V. and Silicon Laboratories Inc. separately announced new highly secure chips for IoT devices helping to achieve the goal of making IoT networks resistant to cyberattacks. |

For more information about Arm, its business, and its technology, please refer to its website at https://www.arm.com.

16 Data storage devices with computational capabilities

**(e) Other**

(Millions of yen)

| | Fiscal year ended March 31 | | | |
|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % |
| Net sales | 205,772 | **238,591** | 32,819 | 15.9% |
| Segment income (income before income tax) | (299,703) | **92,625** | 392,328 | - |
| Depreciation and amortization | (46,587) | **(42,954)** | 3,633 | (7.8%) |
| Gain (loss) on investments | (59,626) | **289,241** | 348,867 | - |
| Finance cost | (17,018) | **(16,621)** | 397 | (2.3%) |
| Income on equity method investments | (30,169) | **21,578** | 51,747 | - |
| Derivative gain (loss) (excluding gain (loss) on investments) | 2,594 | **(3,972)** | (6,566) | - |

Note: Starting in the fiscal year, the operating results of Arm's ISG businesses are included in "Other" in the reportable segments. The results for the previous fiscal year have also been retrospectively revised for presentation.

Segment income for "Other" in the reportable segments totaled ¥92,625 million. The Company recorded income before income tax of ¥188,883 million at SoftBank Latin America Fund and ¥57,107 million at Fortress Investment Group LLC ("Fortress"). Conversely, loss before income tax of ¥72,650 million at PayPay Corporation was recorded.

An overview of these results and operations follows.

· Investment fund business in Latin America

SoftBank Latin America Fund recorded gain on investments of ¥196,556 million following a rise in the fair value of its investments, resulting in income before income tax of ¥188,883 million. As of the fiscal year-end, the fund held 37 investments and had invested a cumulative total of $2,605 million, with a fair value of $4,013 million. During the fourth quarter, one SPAC controlled by a subsidiary as a sponsor in the investment fund business in Latin America was newly listed on the Nasdaq.

· Fortress

Fortress recorded gain on investments of ¥88,411 million due to a rise in the fair value of its investments, resulting in income before income tax of ¥57,107 million. During the fiscal year, five SPACs controlled by Fortress were newly listed, and one of these was merged with an operating company and excluded from the scope of consolidation. Furthermore, another SPAC announced a planned merger with an operating company. For details of SPACs, see "5. Special purpose acquisition companies sponsored by the Company" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

· PayPay Corporation

PayPay Corporation, which is engaged in smartphone payment services in Japan, recorded loss before income tax of ¥72,650 million, mainly reflecting its continued marketing promotions aimed at gaining users and driving service usage, along with proactive measures to increase the number of stores where its services can be used. PayPay Corporation's payment services continued to see strong growth, with the number of payments for the fiscal year reaching 2,039 million, a 2.5-fold increase year on year.

**Results of PayPay Corporation included in "Other" in the reportable segments**

(Millions of yen)

| | Fiscal year ended March 31 | | | |
|---|---|---|---|---|
| | 2020 | **2021** | Change | Change % |
| Net sales | 9,159 | **29,986** | 20,827 | 227.4% |
| Loss before income taxes | (82,217) | **(72,650)** | 9,567 | - |

For a list of portfolio companies of SoftBank Latin America Fund, see the Data Sheets in "Materials" under "Earnings Results Briefing" to be posted in a few days on the Company's website at https://group.softbank/en/ir/presentations/.

## (2) Overview of Financial Position

**1. The ¥4.5 trillion program and main impacts**

- **Sale and monetization of assets**

**i. Partial sale and monetization of T-Mobile shares**[*1]

- Recorded T-Mobile shares totaling ¥1,474.4 billion (as of the fiscal year-end) as investment securities for those shares continued to be held by the Company after the sale.
- Borrowed $4.38 billion using T-Mobile shares (margin loan). Of this, $2.3 billion is included as proceeds from the ¥4.5 trillion program.

**ii. Entry into several prepaid forward contracts using Alibaba shares**

- After concluding several prepaid forward contracts using Alibaba shares from April to August 2020, amendments to some of the contracts were made in October and November 2020. Financial liabilities totaling ¥3,085.7 billion (as of the fiscal year-end) were recorded relating to sale of shares by prepaid forward contracts, including the contract concluded in the previous fiscal year.

**iii. Partial sale of SoftBank Corp. shares**

- Changes in interests in subsidiaries of ¥932.4 billion (increase in capital surplus)

- **Reduction of debt**

SBG repaid senior loans of ¥300.0 billion by an early repayment and borrowings made under the commitment line of ¥310.0 billion, and repurchased domestic unsecured corporate bonds with a total face value of ¥167.6 billion, as well as foreign currency-denominated corporate bonds with a total face value of $0.98 billion and €0.90 billion (¥224.9 billion in total).

- **Share repurchase**

The Company repurchased ¥2,226.2 billion of its own shares during the fiscal year (of this, the amount acquired based on the ¥4.5 trillion program was ¥1,742.2 billion).

**2. Status of main investments and fund procurement related to the asset management subsidiaries**[*2]

- Investments in listed stocks: Investments from asset management subsidiaries of ¥658.2 billion
  Securities pledged as collateral in asset management subsidiaries of ¥1,427.3 billion
- Derivative investments: Derivative financial assets in asset management subsidiaries of ¥188.1 billion
  Derivative financial liabilities in asset management subsidiaries of ¥14.7 billion
- Fund procurement: Borrowings of $6.0 billion using Alibaba shares as collateral (margin loan)

**3. Carrying amount of investments from SVF1 and SVF2 accounted for using FVTPL of ¥13,646.8 billion, an increase of ¥6,754.5 billion from the previous fiscal year-end**[*3]

The carrying amount of investments from SVF1 and SVF2 increased significantly; ¥5,721.6 billion for SVF1 and ¥1,032.9 billion for SVF2 from the previous fiscal year-end, mainly reflecting the increase in the fair values of their portfolio companies.

**4. Business integration of Z Holdings Corporation and LINE Corporation**

Goodwill of ¥617.1 billion and identifiable intangible assets (customer relationships and trademarks) totaling ¥407.0 billion were recorded related to LINE Corporation[17] on the acquisition date.

Notes:
1. For details of the merger of Sprint and T-Mobile US, Inc. and partial sale of T-Mobile shares, see “1. Completion of the merger of Sprint and T-Mobile US, Inc. and partial sale of T-Mobile shares, etc.” under “PROGRAM TO SELL OR MONETIZE ¥4.5 TRILLION OF ASSETS (¥4.5 TRILLION PROGRAM)” in “(1) Overview of Results of Operations.”
2. For details, see “(a) Investment Business of Holding Companies Segment” under “b. Results by Segment” in “(1) Overview of Results of Operations.”
3. Investment in Arm is not included in investments from SVF1 as Arm is a subsidiary of the Company.

17 Includes its subsidiaries.

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change | Change % |
|---|---|---|---|---|
| Total assets | 37,257,292 | **45,750,453** | 8,493,161 | 22.8% |
| Total liabilities | 29,884,375 | **33,794,860** | 3,910,485 | 13.1% |
| Total equity | 7,372,917 | **11,955,593** | 4,582,676 | 62.2% |

**(a) Assets**

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change | |
|---|---|---|---|---|
| Cash and cash equivalents | 3,369,015 | **4,662,725** | 1,293,710 | **A** |
| Trade and other receivables | 2,072,326 | **2,216,434** | 144,108 | **B** |
| Investments from asset management subsidiaries | - | **658,227** | 658,227 | **C** |
| Securities pledged as collateral in asset management subsidiaries | - | **1,427,286** | 1,427,286 | **D** |
| Derivative financial assets in asset management subsidiaries | - | **188,056** | 188,056 | **E** |
| Other financial assets | 313,487 | **1,055,222** | 741,735 | **F** |
| Inventories | 185,097 | **126,830** | (58,267) | |
| Other current assets | 460,970 | **446,739** | (14,231) | |
| Assets classified as held for sale | 9,236,048 | **38,647** | (9,197,401) | **G** |
| Total current assets | 15,636,943 | **10,820,166** | (4,816,777) | |
| Property, plant and equipment | 1,264,516 | **1,668,578** | 404,062 | **H** |
| Right-of-use assets | 1,293,692 | **1,147,020** | (146,672) | |
| Goodwill | 3,998,167 | **4,684,419** | 686,252 | **I** |
| Intangible assets | 1,985,972 | **2,308,370** | 322,398 | **J** |
| Costs to obtain contracts | 212,036 | **246,996** | 34,960 | |
| Investments accounted for using the equity method | 3,240,361 | **4,349,971** | 1,109,610 | **K** |
| Investments from SVF1 and SVF2 accounted for using FVTPL | 6,892,232 | **13,646,774** | 6,754,542 | **L** |
| SVF1 | 6,681,671 | **12,403,286** | 5,721,615 | |
| SVF2 | 210,561 | **1,243,488** | 1,032,927 | |
| Investment securities | 1,211,511 | **3,706,784** | 2,495,273 | **M** |
| Derivative financial assets | 59,278 | **908,660** | 849,382 | **N** |
| Other financial assets | 1,100,694 | **1,919,262** | 818,568 | **O** |
| Deferred tax assets | 221,371 | **206,069** | (15,302) | |
| Other non-current assets | 140,519 | **137,384** | (3,135) | |
| Total non-current assets | 21,620,349 | **34,930,287** | 13,309,938 | |
| Total assets | 37,257,292 | **45,750,453** | 8,493,161 | |

**Reasons for changes by primary component**

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| Current assets | |
| **A** Cash and cash equivalents | Cash and cash equivalents increased mainly due to the sale and monetization of assets under the ¥4.5 trillion program. For details, see “(Reference) Cash and cash equivalents by entity” and “(3) Overview of Cash Flows.” |
| **B** Trade and other receivables | · Receivables (call loans and loans of the banking business) of The Japan Net Bank, Limited (currently PayPay Bank Corporation) and trade receivables of YJ Card Corporation increased.<br>· Brightstar recorded trade receivables of ¥143,000 million at the previous fiscal year-end, but it ceased to be a subsidiary of the Company in the fiscal year. |
| **C** Investments from asset management subsidiaries | The fair values of listed stocks held by SB Northstar at the fiscal year-end were recorded. |
| **D** Securities pledged as collateral in asset management subsidiaries | Securities pledged as collateral by SB Northstar at the fiscal year-end were presented separately. |
| **E** Derivative financial assets in asset management subsidiaries | The fair values of long call options of listed stocks held by SB Northstar at the fiscal year-end were recorded. |
| **F** Other financial assets | · In conjunction with the early termination in April 2021 of a portion of the collar contract out of the prepaid forward contracts using Alibaba shares, ¥361,355 million required for the termination procedure was recorded as restricted cash at the fiscal year-end. For details, see “12. Interest-bearing debt” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.” In addition, derivative assets were reclassified from non-current assets for the contracts with a contracted term of one year or less and ¥359,115 million was recorded.<br>· SB Northstar pledged collateral for transactions of investment acquisition using borrowings, short credit transactions, and total return swap contracts. Margin deposits of ¥14,685 million and restricted cash of ¥111,787 million were recorded at the fiscal year-end. |
| **G** Assets classified as held for sale | · Sprint’s assets were separately presented in this category at the previous fiscal year-end in conjunction with the classification of Sprint in the disposal group classified as held for sale; however, these assets were removed as Sprint ceased to be a subsidiary of the Company at the beginning of the fiscal year.<br>· Boston Dynamics, Inc.’s assets were separately presented in this category in conjunction with the classification of the company in the disposal group classified as held for sale in the fiscal year. |

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| Non-current assets | |
| **H** Property, plant and equipment | · SoftBank Corp. acquired telecommunications equipment including that for 5G.<br>· Subsidiaries operating a renewable energy power generation business overseas proceeded with construction of power stations. |
| **I** Goodwill | · In conjunction with the business integration of Z Holdings Corporation and LINE Corporation, the Company recognized goodwill related to LINE Corporation[17] in the amount of ¥617,077 million on the acquisition date. For details, see “Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation” under “7. Business combinations” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”<br>· Goodwill of Arm increased ¥78,619 million due to a weaker yen against the U.S. dollar. |
| **J** Intangible assets | · In conjunction with the business integration of Z Holdings Corporation and LINE Corporation, the Company recognized the identifiable intangible assets (customer relationships and trademarks) related to LINE corporation[17] in the amount totaling ¥406,964 million on the acquisition date. For details, see “Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation” under “7. Business combinations” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”<br>· Intangible assets of Arm such as technology and customer relationships decreased due to regular amortization. |
| **K** Investments accounted for using the equity method | Income on equity investments related to Alibaba was recorded. |
| **L** Investments from SVF1 and SVF2 accounted for using FVTPL | · SVF1 recorded unrealized gain on valuation of investments (net) of ¥5,478,148 million, reflecting increases in the fair value of investments held at the fiscal year-end.<br>· SVF2 made new and follow-on investments totaling $4.7 billion, as well as recorded unrealized gain on valuation of investments (net) of ¥490,255 million, reflecting increases in the fair value of investments held at the fiscal year-end.<br>For details of the status of investments at SVF1 and SVF2, see “(b) SVF1 and Other SBIA-Managed Funds Segment” under “b. Results by Segment” in “(1) Overview of Results of Operations.” |

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| **M** Investment securities | · The fair value of T-Mobile shares continued to be held by the Company after the partial sale totaled ¥1,474,356 million, rising ¥219,608 million from the time of initial recognition on June 26, 2020 to the fiscal year-end. For details, see “(1) Completion of the merger of Sprint and T-Mobile US, Inc. and partial sale of T-Mobile shares, etc.” under “PROGRAM TO SELL OR MONETIZE ¥4.5 TRILLION OF ASSETS (¥4.5 TRILLION PROGRAM)” in “(1) Overview of Results of Operations.”<br>· The carrying amount of investments from SoftBank Latin America Fund increased ¥327,537 million due to an increase in the fair value of portfolio companies, as well as new and follow-on investments made during the fiscal year (fiscal year-end balance: ¥441,008 million).<br>· Unrealized gains on valuation of investments in Social Finance, Inc. and Lemonade, Inc. were recorded at ¥124,420 million and ¥72,994 million, respectively, reflecting the increase in their fair values. |
| **N** Derivative financial assets | · Derivative financial assets of ¥460,709 million were recorded related to the Company’s right to acquire T-Mobile shares for no additional consideration if certain conditions are met, which was received as consideration for the merger of Sprint and T-Mobile US, Inc. The fair value of these shares rose ¥264,396 million from the time of the merger to the fiscal year-end.<br>· Derivative financial assets related to several prepaid forward contracts using Alibaba shares increased ¥339,550 million. For details, see “12. Interest-bearing debt” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.” |
| **O** Other financial assets | · For the funds that were raised through initial public offerings by SPACs, which were sponsored by the Company’s subsidiaries (listed and not yet merged with operating companies as of the fiscal year-end), the balance managed in the Money Market Fund as of the fiscal year-end was included. For details, see “5. Special purpose acquisition companies sponsored by the Company” under (6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”<br>· Housing loans increased at The Japan Net Bank, Limited (currently PayPay Bank Corporation).<br>· Related to unsecured notes of WeWork purchased by the WeWork Investment Subsidiary, $1.17 billion was recorded as long-term loans. For details, see “Investments and loans to WeWork from the WeWork Investment Subsidiary” under “(a) Investment Business of Holding Companies Segment” in “b. Results by Segment” in “(1) Overview of Results of Operations.” |

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

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change |
|---|---|---|---|
| **SoftBank Group Corp. / Wholly owned subsidiaries conducting fund procurement, etc.[*1] / SB Northstar** | 1,461,291 | **2,202,730** | 741,439 |
| SoftBank Group Corp. | 1,455,385 | **1,948,177** | 492,792 |
| Wholly owned subsidiaries conducting fund procurement[*1] | 5,906 | **33,272** | 27,366 |
| SB Northstar | - | **221,281** | 221,281 |
| **SVF1 and Other SBIA-Managed Funds segment** | | | |
| SVF1 | 186,028 | **67,580** | (118,448) |
| SVF2 | 1,193 | **63,470** | 62,277 |
| SBIA | 38,517 | **25,895** | (12,622) |
| **SoftBank segment** | | | |
| SoftBank Corp. | 148,127 | **302,539** | 154,412 |
| Z Holdings Corporation[*2] | 242,977 | **420,941** | 177,964 |
| Others[*3] | 752,704 | **861,412** | 108,708 |
| **Others** | 538,178 | **718,158** | 179,980 |
| Total | 3,369,015 | **4,662,725** | 1,293,710 |

Notes:
1. Includes wholly owned subsidiaries conducting fund procurement, Skywalk Finance GK, West Raptor Holdings, LLC, West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited, Tigress 2020 Holdings Limited, Moonlight Finance GK, and Delaware Project 6 L.L.C.
2. Includes Yahoo Japan Corporation and LINE Corporation.
3. Includes The Japan Net Bank, Limited (currently PayPay Bank Corporation) and its balance of cash and cash equivalents, which was ¥306,599 million at the fiscal year-end.

**(b) Liabilities**

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change | |
|---|---|---|---|---|
| Interest-bearing debt | 3,845,153 | **7,735,239** | 3,890,086 | |
| Lease liabilities | 378,383 | **307,447** | (70,936) | |
| Deposits for banking business | 873,087 | **1,109,240** | 236,153 | |
| Third-party interests in SVF1 | 24,691 | **-** | (24,691) | |
| Trade and other payables | 1,585,326 | **1,970,275** | 384,949 | |
| Derivative financial liabilities in asset management subsidiaries | - | **14,673** | 14,673 | |
| Derivative financial liabilities | 9,267 | **322,213** | 312,946 | **A** |
| Other financial liabilities | 248,010 | **51,285** | (196,725) | |
| Income taxes payables | 164,298 | **391,930** | 227,632 | **B** |
| Provisions | 11,448 | **24,939** | 13,491 | |
| Other current liabilities | 596,499 | **952,443** | 355,944 | **C** |
| Liabilities directly relating to assets classified as held for sale | 6,454,971 | **11,271** | (6,443,700) | **D** |
| Total current liabilities | 14,191,133 | **12,890,955** | (1,300,178) | |
| Interest-bearing debt | 9,286,729 | **10,777,736** | 1,491,007 | |
| Lease liabilities | 761,943 | **727,554** | (34,389) | |
| Third-party interests in SVF1 | 4,559,728 | **6,601,791** | 2,042,063 | |
| Derivative financial liabilities | 128,075 | **32,692** | (95,383) | |
| Other financial liabilities | 77,207 | **415,407** | 338,200 | **E** |
| Provisions | 88,791 | **110,586** | 21,795 | |
| Deferred tax liabilities | 711,216 | **2,030,651** | 1,319,435 | **F** |
| Other non-current liabilities | 79,553 | **207,488** | 127,935 | |
| Total non-current liabilities | 15,693,242 | **20,903,905** | 5,210,663 | |
| Total liabilities | 29,884,375 | **33,794,860** | 3,910,485 | |

**Reasons for changes by primary component**

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| Current liabilities | |
| **A** Derivative financial liabilities | Derivative financial liabilities of ¥204,821 million were recorded for stock purchase options received by Deutsche Telekom for T-Mobile shares held by the Company. |
| **B** Income taxes payables | The amount equivalent to income taxes payables was recorded primarily for a gain on the partial sale of SoftBank Corp. shares at SBGJ as a selling shareholder. |
| **C** Other current liabilities | · ¥245,053 million was recorded as the expected payment amount of withholding income tax related to dividends paid from SBGJ to SBG.<br>· A deposit of $1.25 billion received for the sale of all shares of Arm was recorded. For details, see “ENTRY INTO AGREEMENT FOR SALE OF ALL SHARES IN ARM” under “(1) Overview of Results of Operations.” |
| **D** Liabilities directly relating to assets classified as held for sale | · Sprint’s liabilities were separately presented in this category at the previous fiscal year-end in conjunction with the classification of Sprint in the disposal group classified as held for sale; however, these liabilities were removed as Sprint ceased to be a subsidiary of the Company at the beginning of the fiscal year.<br>· Boston Dynamics, Inc.’s liabilities were separately presented in this category in conjunction with the classification of the company in the disposal group classified as held for sale in the fiscal year. |
| Non-current liabilities | |
| **E** Other financial liabilities | The equity interests of investors other than sponsors in SPACs (listed and not yet merged with operating companies as of the fiscal year-end), which were sponsored by the Company’s subsidiaries, were included. For details, see “5. Special purpose acquisition companies sponsored by the Company” under (6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.” |
| **F** Deferred tax liabilities | Deferred tax liabilities increased at SBG. |

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

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change |
|---|---|---|---|
| **SoftBank Group Corp. / Wholly owned subsidiaries conducting fund procurement*1 / SB Northstar** | 8,247,063 | **12,984,650** | 4,737,587 |
| **SoftBank Group Corp.** | 6,528,734 | **6,158,350** | (370,384) |
| Borrowings | 1,388,240 | **1,152,934** | (235,306) |
| Corporate bonds | 5,034,494 | **4,745,549** | (288,945) |
| Lease liabilities | - | **13,367** | 13,367 |
| Commercial paper | 106,000 | **246,500** | 140,500 |
| **Wholly owned subsidiaries conducting fund procurement*1** | 1,718,329 | **4,959,779** | 3,241,450 |
| Borrowings | 1,522,228 | **1,874,040** | 351,812 |
| Financial liabilities relating to sale of shares by prepaid forward contracts | 196,101 | **3,085,739** | 2,889,638 |
| **SB Northstar** | - | **1,866,521** | 1,866,521 |
| Borrowings | - | **1,866,521** | 1,866,521 |
| **SVF1 and Other SBIA-Managed Funds segment** | | | |
| **SVF1** | 581,543 | **444,227** | (137,316) |
| Borrowings | 581,543 | **444,227** | (137,316) |
| **SBIA** | 535 | **363** | (172) |
| Lease liabilities | 535 | **363** | (172) |
| **SoftBank segment** | | | |
| **SoftBank Corp.** | 3,828,904 | **4,166,323** | 337,419 |
| Borrowings | 2,856,027 | **3,037,229** | 181,202 |
| Corporate bonds | 40,000 | **260,000** | 220,000 |
| Lease liabilities | 832,877 | **706,393** | (126,484) |
| Commercial paper | 100,000 | **162,701** | 62,701 |
| **Z Holdings Corporation*2** | 839,042 | **1,030,980** | 191,938 |
| Borrowings | 463,598 | **442,406** | (21,192) |
| Corporate bonds | 354,327 | **543,992** | 189,665 |
| Lease liabilities | 21,117 | **44,582** | 23,465 |
| **Other** | 413,127 | **494,747** | 81,620 |
| **Others** | | | |
| Other interest-bearing debt | 259,801 | **334,917** | 75,116 |
| Lease liabilities | 102,193 | **91,769** | (10,424) |
| Total | 14,272,208 | **19,547,976** | 5,275,768 |

Notes:
1. Indicates the interest-bearing debts of Skywalk Finance GK, West Raptor Holdings, LLC, West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited, Tigress 2020 Holdings Limited, Moonlight Finance GK, and Delaware Project 6 L.L.C. All of these are entirely non-recourse to SBG, except for the interest-bearing debt of Delaware Project 6 L.L.C. The interest-bearing debt of Delaware Project 6 L.L.C. of $4.38 billion is exceptionally guaranteed by SBG to a limit of $2.02 billion. As a precondition for SBG to fulfill its guarantee obligations, the lenders are obligated to first recover the amount to the maximum extent possible from Alibaba shares that have been pledged as collateral.
2. Includes Yahoo Japan Corporation and LINE Corporation.

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

**SBG / Wholly owned subsidiaries conducting fund procurement / SB Northstar**

**SBG**

・Borrowings

SBG repaid senior loans of ¥392.4 billion (total face value, including early repayment of ¥300.0 billion*) and borrowings of ¥310.0 billion* made under the commitment line in March 2021. On the other hand, SBG borrowed ¥540.0 billion during the fourth quarter to enhance cash on hand.

・Corporate bonds

SBG repurchased domestic unsecured corporate bonds with a total face value of ¥167.6 billion* and foreign currency-denominated corporate bonds with a total face value of $0.98 billion and €0.90 billion (¥224.9 billion in total)*, as well as redeemed domestic unsecured corporate bonds with a total of ¥150.0 billion at maturity. On the other hand, SBG issued domestic hybrid notes with a total of ¥177.0 billion for the purpose of refinancing.

・Commercial paper

Commercial paper increased ¥140.5 billion.

*Conducted as part of the debt reduction under the ¥4.5 trillion program.

**(Wholly owned subsidiaries conducting fund procurement)**

**Skywalk Finance GK**

・As a borrowing using Alibaba shares (margin loan), Skywalk Finance GK repaid $9.44 billion in July 2020 and borrowed $8.13 billion in March 2021.

**West Raptor Holdings, LLC, West Raptor Holdings 2, LLC, Skybridge LLC, Skylark 2020 Holdings Limited, Scout 2020 Holdings Limited, and Tigress 2020 Holdings Limited**

・Following the conclusion of several prepaid forward contracts using Alibaba shares with financial institutions from April to August 2020, financial liabilities relating to sale of shares by prepaid forward contracts, including those concluded in the previous fiscal year, totaled ¥3,085,739 million at the fiscal year-end. This also includes the impact of amendments made in the third quarter to some of the prepaid forward contracts (including those concluded in the previous fiscal year), which resulted in the derecognition of ¥1,382,751 million of financial liabilities for the amended contracts, and the recognition of ¥2,179,156 million of financial liabilities for newly concluded contracts. For details, see "12. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

**Delaware Project 6 L.L.C.**

・Borrowings of $4.38 billion were made using T-Mobile shares (margin loan).

**SB Northstar**

・Short-term borrowings for the purpose of acquiring listed stocks increased ¥1,203,925 million.
・Borrowings of $6.0 billion were made using Alibaba shares (margin loan).

**SVF1 and Other SBIA-Managed Funds segment**

・Borrowings under the Fund Level Facility in SVF1 decreased $3.08 billion following repayments. No borrowings were outstanding as of the fiscal year-end.
・Borrowings under the Portfolio Financing Facility in SVF1 decreased $1.03 billion following repayments.
・During the fourth quarter, SVF1 borrowed $2.80 billion. The loan is expected to be repaid from the proceeds to be received upon the completion of the sale of Arm shares held by SVF1 to NVIDIA.

**SoftBank segment**

**SoftBank Corp.**

・Borrowings increased mainly due to the financing through the sale and leaseback of telecommunications equipment.
・Domestic straight corporate bonds totaling ¥220.0 billion were issued.

**Z Holdings Corporation**

・Interest-bearing debt of ¥244,248 million was recognized at LINE Corporation[17] on the acquisition date in conjunction with the business integration of Z Holdings Corporation and LINE Corporation. For details, see "Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation" under "7. Business combinations" in "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."
・Z Holdings Corporation repaid short-term borrowings, while issuing domestic straight corporate bonds totaling ¥200.0 billion.

### (c) Equity

(Millions of yen)

| | March 31, 2020 | **March 31, 2021** | Change | |
|---|---|---|---|---|
| Common stock | 238,772 | **238,772** | - | |
| Capital surplus | 1,490,325 | **2,618,504** | 1,128,179 | **A** |
| Other equity instruments | 496,876 | **496,876** | - | |
| Retained earnings | 3,945,820 | **8,810,422** | 4,864,602 | **B** |
| Treasury stock | (101,616) | **(2,290,077)** | (2,188,461) | **C** |
| Accumulated other comprehensive income | (362,259) | **338,329** | 700,588 | **D** |
| Accumulated other comprehensive income directly relating to assets classified as held for sale | 205,695 | **267** | (205,428) | **E** |
| Total equity attributable to owners of the parent | 5,913,613 | **10,213,093** | 4,299,480 | |
| Non-controlling interests | 1,459,304 | **1,742,500** | 283,196 | **F** |
| Total equity | 7,372,917 | **11,955,593** | 4,582,676 | |

**Reasons for changes by primary component**

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| **A** Capital surplus | · Changes in interests in subsidiaries of ¥932,388 million were recorded in conjunction with the partial sale of SoftBank Corp. shares.<br>· Changes in interests in subsidiaries of ¥245,147 million were recorded due to a decrease in the equity stake in the new company formed by the merger following the business integration of Z Holdings Corporation and LINE Corporation. |

| Components | Main reasons for changes from the previous fiscal year-end |
|---|---|
| **B** Retained earnings | Net income attributable to owners of the parent of ¥4,987,962 million was recorded. |
| **C** Treasury stock | · The Company repurchased 102,960 thousand of its own shares for ¥483,971 million in accordance with the March 13, 2020 Board resolution. In the previous fiscal year, the Company repurchased 4,720 thousand shares for ¥16,028 million in accordance with the resolution.<br>· The Company repurchased 152,520 thousand of its own shares for ¥1,000,000 million in accordance with the May 15, 2020 and June 25, 2020 Board resolutions.<br>· The Company repurchased 80,681 thousand of its own shares for ¥742,223 million in accordance with the July 30, 2020 Board resolution with a maximum total repurchase amount of ¥1 trillion. |
| **D** Accumulated other comprehensive income | Exchange differences from the translation of foreign operations, which arise from translating overseas subsidiaries and associates into yen, increased ¥651,960 million due to a weaker yen against the major currencies. |
| **E** Accumulated other comprehensive income directly relating to assets classified as held for sale | · Sprint's accumulated other comprehensive income was separately presented in this category at the previous fiscal year-end in conjunction with the classification of the company in the disposal group classified as held for sale; however, this was removed as Sprint ceased to be a subsidiary of the Company at the beginning of the fiscal year.<br>· Boston Dynamics, Inc.'s accumulated other comprehensive income was separately presented in this category in conjunction with the classification of the company in the disposal group classified as held for sale in the fiscal year. |
| **F** Non-controlling interests | · Non-controlling interests increased ¥434,371 million due to the recognition of ¥264,257 million of non-controlling interests related to LINE Corporation[17] on the acquisition date and a decrease in the equity stake in the new company formed by the merger following the business integration of Z Holdings Corporation and LINE Corporation.<br>· Non-controlling interests increased ¥134,413 million in conjunction with the partial sale of SoftBank Corp. shares.<br>· Sprint's non-controlling interests of ¥424,746 million (as of the previous fiscal year-end) were removed as Sprint ceased to be a subsidiary of the Company following the completion of the merger of Sprint and T-Mobile US, Inc. at the beginning of the fiscal year.<br>· Non-controlling interests decreased ¥152,864 million primarily due to the recording net loss at SB Northstar. |

### (3) Overview of Cash Flows

**1. Completion of the ¥4.5 trillion program**

- Sold or monetized assets totaling ¥5.6 trillion in the six months from April to September 2020 through the partial sales or monetization of shares of T-Mobile, Alibaba, and SoftBank Corp.
- Repurchased a cumulative total of ¥1,742.2 billion of its own shares as of March 31, 2021 (a cumulative total of ¥2,226.2 billion for the fiscal year, combined with share repurchases resolved before the ¥4.5 trillion program). In reducing debts, the Company reduced debt by ¥1 trillion by the fiscal year-end through the repurchase of domestic corporate bonds and foreign currency-denominated corporate bonds, and repayment of senior loans and borrowings made under the commitment line.

**2. Investment activities by investment funds**

- Payments for acquisition of investments by SVF1 and SVF2 totaled ¥856.6 billion; proceeds from sales of investments by SVF1 totaled ¥856.4 billion.
- Payments for acquisition of investments by SoftBank Latin America Fund totaled ¥98.9 billion.

**3. Initiated investments in listed stocks and other instruments from the fiscal year to diversify asset portfolios and manage surplus funds**

- Investments were initially made by SBG directly and later by the asset management subsidiary SB Northstar starting from the second quarter.
- Investments made by SBG are recorded in cash flows from investing activities: Payments for acquisition of investments of ¥2,705.4 billion and proceeds from sales/redemption of investments of ¥675.7 billion.
- Investments made by SB Northstar are mainly recorded in cash flows from operating activities as the company's primary business is to frequently trade marketable securities.

(Millions of yen)

| | Fiscal year ended March 31 | | |
|---|---|---|---|
| | 2020 | **2021** | Change |
| Cash flows from operating activities | 1,117,879 | **557,250** | (560,629) |
| Cash flows from investing activities | (4,286,921) | **(1,468,599)** | 2,818,322 |
| Cash flows from financing activities | 2,920,863 | **2,194,077** | (726,786) |

Note: Cash flows from discontinued operations are included. For details of cash flows from discontinued operations, see "3. Discontinued operations" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

#### (a) Cash Flows from Operating Activities

Cash flows from operating activities decreased ¥560,629 million year on year. This was mainly due to the exclusion of Sprint from the scope of consolidation at the beginning of the fiscal year, which had generated cash inflows of ¥641,013 million in the previous fiscal year, and asset management subsidiary SB Northstar, which started operations in the fiscal year, recording cash outflows of ¥509,249 million (before elimination of intercompany transactions) mainly associated with realized loss on investments in derivatives. These were partially offset by a year-on-year decrease in income tax payments of ¥613,371 million.

The decrease in income taxes paid was mainly due to income taxes of ¥321,290 million being paid by SBGJ in the previous fiscal year on a gain on the sale of SoftBank Corp. shares and others that arose in the fiscal year ended March 2019, as well as a withholding income tax of ¥422,648 million being paid on dividends from SBGJ to SBG. The latter withholding income tax was refunded in July 2019.

### (b) Cash Flows from Investing Activities

**Primary components**

| Components | Primary details |
|---|---|
| Payments for acquisition of investments<br>¥(4,186,663) million | · SBG acquired highly liquid listed stocks for ¥2,705,425 million with the aim of diversifying its assets and managing surplus funds prior to the asset management subsidiary SB Northstar starting operations in the second quarter.<br>· SoftBank Latin America Fund made new and follow-on investments totaling ¥98,886 million.<br>· As part of the business integration between Z Holdings Corporation and LINE Corporation, SoftBank Corp. paid a net amount of ¥175,313 million for the acquisition of LINE Corporation shares. However, the transactions between SoftBank Corp. and LINE Corporation before making LINE Corporation a subsidiary are presented in gross amounts on the Consolidated Statement of Cash Flows as “payments for acquisition of investments” and “proceeds from sales/redemption of investments.” “payments for acquisition of investments” includes ¥269,134 million paid by SoftBank Corp. for the acquisition of LINE Corporation shares through a joint tender offer and a squeeze-out procedure using a reverse stock split. It also includes ¥739,628 million paid by SoftBank Corp. to subscribe to the corporate bonds issued by LINE Corporation for the purpose of conducting the tender offer for shares of Z Holdings Corporation. (the “LINE Corporate Bonds”). |
| Proceeds from sales/redemption of investments<br>¥3,845,787 million | · SBG received proceeds of ¥675,688 million from the sale of a portion of the abovementioned highly liquid listed stocks.<br>· SBG received proceeds of ¥2,099,746 million from the partial sale of its T-Mobile shares held through a subsidiary.<br>· As part of the abovementioned transactions conducted between SoftBank Corp. and LINE Corporation before making LINE Corporation a subsidiary, “proceeds from sales/redemption of investments” includes proceeds of ¥93,821 million from the sale of LINE Corporation shares by SoftBank Corp. primarily through a squeeze-out procedure using a reverse stock split of LINE Corporation shares. It also includes proceeds of ¥739,628 million from the sale or redemption of LINE Corporate Bonds that SoftBank Corp. subscribed to. |
| Payments for acquisition of investments by SVF1 and SVF2<br>¥(856,608) million | · SVF1 made follow-on investments totaling $4.1 billion in existing portfolio companies and their joint ventures.<br>· SVF2 made new and follow-on investments totaling $4.0 billion. |
| Proceeds from sales of investments by SVF1<br>¥856,408 million | SVF1 sold investments such as OSIsoft, Uber (partially), and Guardant Health (partially). |

| Components | Primary details |
|---|---|
| Purchase of property, plant and equipment, and intangible assets<br>¥(646,888) million | · SoftBank Corp. purchased telecommunications equipment including for 5G.<br>· Subsidiaries operating a renewable energy power generation business overseas proceeded with construction of power stations. |
| Payments into restricted cash<br>¥(351,343) million | Prior to the early termination in April 2021 of a portion of the collar contract out of the prepaid forward contracts using Alibaba shares, $3.3 billion required for the termination procedure was recorded as restricted cash. The applicable contracts were settled with a payment of $2.9 billion and terminated in April 2021. For details, see "12. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." |
| Payments into trust accounts in SPACs<br>¥(350,990) million | A total of $3.3 billion of funds raised through initial public offerings by SPACs, which were sponsored by the Company's subsidiaries, was held in a trust account. In accordance with the terms of investments, the proceeds received are held in a trust account until the completion of the merger and are invested only in certain financial assets that are highly liquid. For details, see "5. Special purpose acquisition companies sponsored by the Company" under (6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." |

Note: Out of $2.0 billion received upon the execution of the Purchase Agreement for sale of all shares in Arm, a deposit of $1.25 billion is included in "other" under cash flows from investing activities.

### (c) Cash Flows from Financing Activities

**Primary components**

| Components | Primary details |
|---|---|
| Proceeds in short-term interest-bearing debt, net ¥1,575,327 million*1 | · Short-term borrowings for the purpose of acquiring listed stocks at SB Northstar increased ¥1,144,502 million (net).<br>· SoftBank Corp.'s short-term borrowings increased ¥255,591 million (net). |
| Proceeds from interest-bearing debt ¥7,965,114 million | |
| Proceeds from borrowings ¥5,707,162 million*2 | · SBG made short-term borrowings of ¥1,040,100 million.<br>· Skywalk Finance GK borrowed $8.13 billion using Alibaba shares (margin loan).<br>· Delaware Project 6 L.L.C. borrowed $4.38 billion using T-Mobile shares (margin loan).<br>· SB Northstar borrowed $6.0 billion using Alibaba shares (margin loan).<br>· SVF1 borrowed $2.80 billion and borrowed $1.90 billion through the Fund Level Facility, which is a form of loan that allows borrowing up to a maximum amount of $1.48 billion. In the fiscal year, SVF1 made several borrowings and repayments under the facility (see "Repayment of borrowings" below).<br>· SoftBank Corp. made short-term borrowings of ¥648,700 million and borrowings of ¥756,661 million. Z Holdings Corporation made short-term borrowings of ¥231,800 million and borrowings of ¥150,000 million. |
| Proceeds from issuance of corporate bonds ¥597,000 million | · SBG newly issued domestic hybrid notes of ¥177.0 billion.<br>· SoftBank Corp. and Z Holdings Corporation issued domestic straight corporate bonds totaling ¥220.0 billion and ¥200.0 billion, respectively. |
| Proceeds from procurement by prepaid forward contracts using shares ¥1,660,952 million | The Company's wholly owned subsidiaries conducting fund procurement entered into several prepaid forward contracts using Alibaba shares with financial institutions and procured an aggregate amount of $15.4 billion. |
| Repayment of interest-bearing debt ¥(5,790,901) million | |
| Repayment of borrowings ¥(5,223,271) million*2 | · SBG repaid short-term borrowings of ¥863,250 million and senior loans of ¥392,380 million (including early repayment of ¥300,000 million).<br>· Skywalk Finance GK repaid $9.44 billion in borrowings made using Alibaba shares (margin loan).<br>· SVF1 repaid $4.98 billion of borrowings under the Fund Level Facility and $1.03 billion of borrowings under the Portfolio Financing Facility.<br>· SoftBank Corp. repaid short-term borrowings of ¥592,000 million and borrowings of ¥832,676 million. Z Holdings Corporation repaid short-term borrowings of ¥605,270 million. |

| Components | Primary details |
|---|---|
| Redemption of corporate bonds ¥(567,630) million | SBG redeemed domestic unsecured corporate bonds with a total face value of ¥150.0 billion at maturity and repurchased domestic unsecured corporate bonds with a total face value of ¥167.6 billion, and foreign currency-denominated corporate bonds with a total face value of $0.98 billion and €0.90 billion (¥224.9 billion in total). |
| Contributions into SVF1 from third-party investors ¥979,266 million | SVF1 received cash contributions from third-party investors based on capital calls. |
| Distribution/repayment from SVF1 to third-party investors ¥(1,362,066) million | SVF1 made distributions and repayments of investments to third-party investors. |
| Proceeds from non-controlling interests subject to possible redemption ¥345,466 million | SPACs controlled by the Company's subsidiaries as sponsor raised a total of $3.25 billion from third-party investors through initial public offerings. For details, see "5. Special purpose acquisition companies sponsored by the Company" under (6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." |
| Proceeds from the partial sales of shares of subsidiaries to non-controlling interests ¥1,552,957 million | SBG sold portions of SoftBank Corp. shares it owns through SBGJ in May and September 2020. |
| Purchase of treasury stock ¥(2,226,229) million | SBG repurchased its own shares in accordance with resolutions of the Board of Directors on March 13, May 15, June 25, and July 30, 2020. |

Notes:
1. "Proceeds in short-term interest-bearing debt, net" presents 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 ¥2,378,859 million and outlays of ¥2,823,336 million, respectively, related to borrowings with a contracted term of one year or less.

### (4) Forecasts

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

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

The Company adopts International Financial Reporting Standards (IFRSs).

## 3. Notes to Summary Information

### (1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2021

(Specified subsidiary (two entities) newly included in the scope of consolidation)

On December 23, 2019, Z Holdings Corporation and A Holdings Corporation (formerly known as LINE Corporation), along with SoftBank Corp. and NAVER Corporation, concluded a four-way definitive agreement regarding a business integration (the “Business Integration”).

Through a series of transactions under the Business Integration, LINE Corporation (formerly known as LINE Split Preparation Corporation) and LINE Financial Asia Corporation Limited became specified subsidiaries of the Company on February 28, 2021. The details are described in “Note 7. Business combinations Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

Note:
* On February 28, 2021, LINE Corporation and LINE Split Preparation Corporation were renamed A Holdings Corporation and LINE Corporation, respectively.

(Specified subsidiary (three entities) excluded from the scope of consolidation)

On April 1, 2020 (EST), the merger of Sprint Corporation (“Sprint”) and T-Mobile US, Inc. in an all-stock transaction (“the Transaction”) was completed. Upon completion of the Transaction, Starburst I, Inc. and Sprint which were specified subsidiaries of the Company, and Sprint Communications, Inc. which was a subsidiary of Sprint, were no longer subsidiaries of the Company. The details are described in “Note 3. Discontinued operations (1) Sprint” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

### (2) Changes in Accounting Estimates

(Impairment of assets)

On September 17, 2020, the Company has entered into a definitive agreement with Brightstar Capital Partners, in order to sell all of its shares in Brightstar to a newly formed subsidiary of Brightstar Capital Partners. An impairment loss on goodwill was recorded as the fair value less costs to sell (expected sale price) of Brightstar is lower than the carrying amount. The details are described in “Note 3. Discontinued operations (2) Brightstar” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

(Use of loss carryforwards)

In May 2020, SoftBank Group Japan Corporation (“SBGJ”), a wholly-owned subsidiary of the Company, transferred a portion of SoftBank Corp. shares held (ownership percentage: 5.0%) and, in September 2020, transferred a portion of SoftBank Corp. shares held (ownership percentage: 21.7%).

As a result of the transactions, SBGJ utilized a loss carry forward whose deferred tax asset was not recognized in SBGJ for a taxable income generated from the sales of SoftBank Corp. shares and a credit of income taxes (profit) was recorded. The details are described in “Note 11. Income taxes” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

(Allowance for loan commitment losses)

As of March 31, 2021, expected credit losses for a loan commitment for WeWork, an equity method associate of the Company, were estimated. As a result, reversal of allowance was recorded. The details are described “Notes 1” in “Note 20. Other loss” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

(Allowance for financial guarantee contract losses)

As of March 31, 2021, expected credit losses for a financial guarantee contract for WeWork, an equity method associate of the Company, were estimated. As a result, reversal of allowance was recorded. The details are described “Notes 2” in “Note 20. Other loss” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

(Impairment loss on equity method investments)

Impairment loss on equity method investments and reversal of impairment losses on equity method investments were recorded for the equity method investment in WeWork, an equity method associate of the Company. The details are described “Notes 5” in “Note 20. Other loss” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes.”

**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 | SB Northstar LP |
| SoftBank Vision Fund or SVF1 | SoftBank Vision Fund L.P. and its alternative investment vehicles |
| SVF2 | SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles |
| SBIA | SB Investment Advisers (UK) Limited |
| Sprint | Sprint Corporation |
| T-Mobile | T-Mobile US, Inc. after merging with Sprint |
| Arm | Arm Limited |
| Brightstar | Brightstar Global Group Inc. |
| Fortress | Fortress Investment Group LLC |
| Alibaba | Alibaba Group Holding Limited |
| WeWork | WeWork Inc. |

From the three-month period ended September 30, 2020, the description of "SoftBank Vision Fund and other SBIA-managed funds" presented in the names of accounts and reportable segment has been changed as follows:

Consolidated Statement of Financial Position

| Previous | Current |
|---|---|
| Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL | Investments from SVF1 and SVF2 accounted for using FVTPL |
| Third-party interests in SoftBank Vision Fund and other SBIA-managed funds | Third-party interests in SVF1 |

Consolidated Statement of Income

| Previous | Current |
|---|---|
| Gain (loss) on investments at SoftBank Vision Fund and other SBIA-managed funds | Gain (loss) on investments at SVF1, SVF2, and others |
| Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds | Change in third-party interests in SVF1 |

Consolidated Statement of Cash Flows

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

Segment information

| Previous | Current |
|---|---|
| SoftBank Vision Fund and Other SBIA-Managed Funds segment | SVF1 and Other SBIA-Managed Funds segment |

## (1) Consolidated Statement of Financial Position

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 3,369,015 | 4,662,725 |
| Trade and other receivables | 2,072,326 | 2,216,434 |
| Investments from asset management subsidiaries | - | 658,227 |
| Securities pledged as collateral in asset management subsidiaries | - | 1,427,286 |
| Derivative financial assets in asset management subsidiaries | - | 188,056 |
| Other financial assets | 313,487 | 1,055,222 |
| Inventories | 185,097 | 126,830 |
| Other current assets | 460,970 | 446,739 |
| Subtotal | 6,400,895 | 10,781,519 |
| Assets classified as held for sale | 9,236,048 | 38,647 |
| Total current assets | 15,636,943 | 10,820,166 |
| **Non-current assets** | | |
| Property, plant and equipment | 1,264,516 | 1,668,578 |
| Right-of-use assets | 1,293,692 | 1,147,020 |
| Goodwill | 3,998,167 | 4,684,419 |
| Intangible assets | 1,985,972 | 2,308,370 |
| Costs to obtain contracts | 212,036 | 246,996 |
| Investments accounted for using the equity method | 3,240,361 | 4,349,971 |
| Investments from SVF1 and SVF2 accounted for using FVTPL | 6,892,232 | 13,646,774 |
| Investment securities | 1,211,511 | 3,706,784 |
| Derivative financial assets | 59,278 | 908,660 |
| Other financial assets | 1,100,694 | 1,919,262 |
| Deferred tax assets | 221,371 | 206,069 |
| Other non-current assets | 140,519 | 137,384 |
| Total non-current assets | 21,620,349 | 34,930,287 |
| **Total assets** | 37,257,292 | 45,750,453 |

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| **Liabilities and equity** | | |
| **Current liabilities** | | |
| Interest-bearing debt | 3,845,153 | 7,735,239 |
| Lease liabilities | 378,383 | 307,447 |
| Deposits for banking business | 873,087 | 1,109,240 |
| Third-party interests in SVF1 | 24,691 | - |
| Trade and other payables | 1,585,326 | 1,970,275 |
| Derivative financial liabilities in asset management subsidiaries | - | 14,673 |
| Derivative financial liabilities | 9,267 | 322,213 |
| Other financial liabilities | 248,010 | 51,285 |
| Income taxes payables | 164,298 | 391,930 |
| Provisions | 11,448 | 24,939 |
| Other current liabilities | 596,499 | 952,443 |
| Subtotal | 7,736,162 | 12,879,684 |
| Liabilities directly relating to assets classified as held for sale | 6,454,971 | 11,271 |
| Total current liabilities | 14,191,133 | 12,890,955 |
| **Non-current liabilities** | | |
| Interest-bearing debt | 9,286,729 | 10,777,736 |
| Lease liabilities | 761,943 | 727,554 |
| Third-party interests in SVF1 | 4,559,728 | 6,601,791 |
| Derivative financial liabilities | 128,075 | 32,692 |
| Other financial liabilities | 77,207 | 415,407 |
| Provisions | 88,791 | 110,586 |
| Deferred tax liabilities | 711,216 | 2,030,651 |
| Other non-current liabilities | 79,553 | 207,488 |
| Total non-current liabilities | 15,693,242 | 20,903,905 |
| **Total liabilities** | 29,884,375 | 33,794,860 |
| **Equity** | | |
| **Equity attributable to owners of the parent** | | |
| Common stock | 238,772 | 238,772 |
| Capital surplus | 1,490,325 | 2,618,504 |
| Other equity instruments | 496,876 | 496,876 |
| Retained earnings | 3,945,820 | 8,810,422 |
| Treasury stock | (101,616) | (2,290,077) |
| Accumulated other comprehensive income | (362,259) | 338,329 |
| Subtotal | 5,707,918 | 10,212,826 |
| Accumulated other comprehensive income directly relating to assets classified as held for sale | 205,695 | 267 |
| Total equity attributable to owners of the parent | 5,913,613 | 10,213,093 |
| **Non-controlling interests** | 1,459,304 | 1,742,500 |
| **Total equity** | 7,372,917 | 11,955,593 |
| **Total liabilities and equity** | 37,257,292 | 45,750,453 |

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| **Continuing operations[1]** | | |
| **Net sales** | 5,238,938 | 5,628,167 |
| Cost of sales | (2,584,273) | (2,753,238) |
| **Gross profit** | 2,654,665 | 2,874,929 |
| **Gain on investments** | | |
| Gain on investments at Investment Business of Holding Companies | 484,308 | 945,944 |
| Gain (loss) on investments at SVF1, SVF2, and others | (1,844,867) | 6,292,024 |
| Gain (loss) on other investments | (49,594) | 291,038 |
| **Total gain on investments** | (1,410,153) | 7,529,006 |
| Selling, general and administrative expenses | (2,060,080) | (2,271,497) |
| Finance cost | (293,897) | (307,250) |
| Income on equity method investments | 624,015 | 616,432 |
| Derivative gain (loss) (excluding gain (loss) on investments) | 15 | (480,251) |
| Change in third-party interests in SVF1 | 540,930 | (2,246,417) |
| Other loss | (5,457) | (44,496) |
| **Income before income tax** | 50,038 | 5,670,456 |
| Income taxes | (792,655) | (1,303,168) |
| **Net income from continuing operations** | (742,617) | 4,367,288 |
| | | |
| **Discontinued operations[1]** | | |
| **Net income from discontinued operations** | (58,143) | 710,948 |
| **Net income** | (800,760) | 5,078,236 |
| | | |
| **Net income attributable to** | | |
| Owners of the parent | (961,576) | 4,987,962 |
| Net income from continuing operations | (912,149) | 4,276,729 |
| Net income from discontinued operations | (49,427) | 711,233 |
| Non-controlling interests | 160,816 | 90,274 |
| Net income from continuing operations | 169,532 | 90,559 |
| Net income from discontinued operations | (8,716) | (285) |
| | (800,760) | 5,078,236 |
| | | |
| **Earnings per share[3]** | | |
| Basic earnings per share (Yen) | | |
| Continuing operations | (454.67) | 2,243.80 |
| Discontinued operations | (23.83) | 375.81 |
| Total basic earnings per share | (478.50) | 2,619.61 |
| Diluted earnings per share (Yen) | | |
| Continuing operations | (461.50) | 2,062.55 |
| Discontinued operations | (23.83) | 374.74 |
| Total diluted earnings per share | (485.33) | 2,437.29 |

Notes:

1. Operating results related to Brightstar are presented as discontinued operations, separately from continuing operations for the fiscal year ended March 31, 2021. In order to reflect these changes in presentation, similar reclassifications have been made for the fiscal year ended March 31, 2020. The details are described in “Note 3. Discontinued operations.”

2. Presentation method for the consolidated statement of income has been changed from the three-month period ended June 30, 2020. The details are described in “Note 1. Changes in presentation.”

3. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2020.

Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| **Net income** | (800,760) | 5,078,236 |
| **Other comprehensive income, net of tax** | | |
| **Items that will not be reclassified to profit or loss** | | |
| Remeasurements of defined benefit plan | (21,281) | (40) |
| Equity financial assets at FVTOCI | (6,245) | 29,495 |
| Total items that will not be reclassified to profit or loss | (27,526) | 29,455 |
| **Items that may be reclassified subsequently to profit or loss** | | |
| Debt financial assets at FVTOCI | (1,502) | 554 |
| Cash flow hedges | 56,157 | 33,775 |
| Exchange differences on translating foreign operations | (521,620) | 502,085 |
| Share of other comprehensive income of associates | 4,912 | (65,861) |
| Total items that may be reclassified subsequently to profit or loss | (462,053) | 470,553 |
| **Total other comprehensive income, net of tax** | (489,579) | 500,008 |
| **Total comprehensive income** | (1,290,339) | 5,578,244 |
| | | |
| **Total comprehensive income*** | | |
| Comprehensive income from continuing operations | (1,149,083) | 5,070,088 |
| Comprehensive income from discontinued operations | (141,256) | 508,156 |
| | | |
| **Total comprehensive income attributable to*** | | |
| Owners of the parent | (1,425,587) | 5,482,739 |
| Comprehensive income from continuing operations | (1,310,448) | 4,974,298 |
| Comprehensive income from discontinued operations | (115,139) | 508,441 |
| Non-controlling interests | 135,248 | 95,505 |
| | (1,290,339) | 5,578,244 |

Note:
* The details of discontinued operations are described in “Note 3. Discontinued operations.”

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

For the fiscal year ended March 31, 2020

(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 |
| **As of April 1, 2019** | 238,772 | 1,467,762 | 496,876 | 5,571,285 | (443,482) | 290,268 | 7,621,481 |
| **Effect of retrospective adjustments due to adoption of new standards*** | - | - | - | 13,997 | - | - | 13,997 |
| **As of April 1, 2019 (after adjustments)** | 238,772 | 1,467,762 | 496,876 | 5,585,282 | (443,482) | 290,268 | 7,635,478 |
| **Comprehensive income** | | | | | | | |
| Net income | - | - | - | (961,576) | - | - | (961,576) |
| Other comprehensive Income | - | - | - | - | - | (464,011) | (464,011) |
| **Total comprehensive income** | - | - | - | (961,576) | - | (464,011) | (1,425,587) |
| **Transactions with owners and other transactions** | | | | | | | |
| Cash dividends | - | - | - | (68,752) | - | - | (68,752) |
| Distribution to owners of other equity instruments | - | - | - | (31,071) | - | - | (31,071) |
| Transfer of accumulated other comprehensive income to retained earnings | - | - | - | (17,179) | - | 17,179 | - |
| Purchase and disposal of treasury stock | - | (739) | - | (2,748) | (216,270) | - | (219,757) |
| Retirement of treasury stock | - | - | - | (558,136) | 558,136 | - | - |
| Changes from business combination | - | - | - | - | - | - | - |
| Changes in interests in subsidiaries | - | 42,358 | - | - | - | - | 42,358 |
| Changes in associates' interests in their subsidiaries | - | (24,843) | - | - | - | - | (24,843) |
| Changes in interests in associates' capital surplus | - | 3,583 | - | - | - | - | 3,583 |
| Share-based payment transactions | - | 2,204 | - | - | - | - | 2,204 |
| Transfer of accumulated other comprehensive income held for sale | - | - | - | - | - | (205,695) | (205,695) |
| Other | - | - | - | - | - | - | - |
| **Total transactions with owners and other transactions** | - | 22,563 | - | (677,886) | 341,866 | (188,516) | (501,973) |
| **As of March 31, 2020** | 238,772 | 1,490,325 | 496,876 | 3,945,820 | (101,616) | (362,259) | 5,707,918 |

(Millions of yen)

| | Equity attributable to owners of the parent | | | |
|---|---|---|---|---|
| | Accumulated other comprehensive income directly relating to assets classified as held for sale | Total | Non-controlling interests | Total equity |
| **As of April 1, 2019** | - | 7,621,481 | 1,387,723 | 9,009,204 |
| **Effect of retrospective adjustments due to adoption of new standards*** | - | 13,997 | (1,357) | 12,640 |
| **As of April 1, 2019 (after adjustments)** | - | 7,635,478 | 1,386,366 | 9,021,844 |
| **Comprehensive income** | | | | |
| Net income | - | (961,576) | 160,816 | (800,760) |
| Other comprehensive income | - | (464,011) | (25,568) | (489,579) |
| **Total comprehensive income** | - | (1,425,587) | 135,248 | (1,290,339) |
| **Transactions with owners and other transactions** | | | | |
| Cash dividends | - | (68,752) | (157,894) | (226,646) |
| Distribution to owners of other equity instruments | - | (31,071) | - | (31,071) |
| Transfer of accumulated other comprehensive income to retained earnings | - | - | - | - |
| Purchase and disposal of treasury stock | - | (219,757) | - | (219,757) |
| Retirement of treasury stock | - | - | - | - |
| Changes from business combination | - | - | 191,325 | 191,325 |
| Changes in interests in subsidiaries | - | 42,358 | (94,359) | (52,001) |
| Changes in associates' interests in their subsidiaries | - | (24,843) | - | (24,843) |
| Changes in interests in associates' capital surplus | - | 3,583 | - | 3,583 |
| Share-based payment transactions | - | 2,204 | (750) | 1,454 |
| Transfer of accumulated other comprehensive income held for sale | 205,695 | - | - | - |
| Other | - | - | (632) | (632) |
| **Total transactions with owners and other transactions** | 205,695 | (296,278) | (62,310) | (358,588) |
| **As of March 31, 2020** | 205,695 | 5,913,613 | 1,459,304 | 7,372,917 |

Note:
* As a result of the adoption of IFRS 16 "Leases," cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings.

For the fiscal year ended March 31, 2021

(Millions of yen)

| | Equity attributable to owners of the parent | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other comprehensive income | Subtotal |
| **As of April 1, 2020** | 238,772 | 1,490,325 | 496,876 | 3,945,820 | (101,616) | (362,259) | 5,707,918 |
| **Comprehensive income** | | | | | | | |
| Net income | - | - | - | 4,987,962 | - | - | 4,987,962 |
| Other comprehensive income | - | - | - | - | - | 700,472 | 700,472 |
| **Total comprehensive income** | - | - | - | 4,987,962 | - | 700,472 | 5,688,434 |
| **Transactions with owners and other transactions** | | | | | | | |
| Cash dividends | - | - | - | (86,841) | - | - | (86,841) |
| Distribution to owners of other equity instruments | - | - | - | (30,139) | - | - | (30,139) |
| Transfer of accumulated other comprehensive income to retained earnings | - | - | - | (383) | - | 383 | - |
| Purchase and disposal of treasury stock | - | - | - | (2,452) | (2,188,461) | - | (2,190,913) |
| Changes from business combination | - | - | - | - | - | - | - |
| Changes from loss of control | - | - | - | - | - | - | - |
| Changes in interests in subsidiaries | - | 1,126,469 | - | - | - | - | 1,126,469 |
| Changes in associates' interests in their subsidiaries | - | 4,794 | - | - | - | - | 4,794 |
| Share-based payment transactions | - | (3,278) | - | - | - | - | (3,278) |
| Transfer of accumulated other comprehensive income held for sale | - | - | - | - | - | (267) | (267) |
| Other | - | 194 | - | (3,545) | - | - | (3,351) |
| **Total transactions with owners and other transactions** | - | 1,128,179 | - | (123,360) | (2,188,461) | 116 | (1,183,526) |
| **As of March 31, 2021** | 238,772 | 2,618,504 | 496,876 | 8,810,422 | (2,290,077) | 338,329 | 10,212,826 |

(Millions of yen)

| | Equity attributable to owners of the parent | | | |
|---|---|---|---|---|
| | Accumulated other comprehensive income directly relating to assets classified as held for sale | Total | Non-controlling interests | Total equity |
| **As of April 1, 2020** | 205,695 | 5,913,613 | 1,459,304 | 7,372,917 |
| **Comprehensive income** | | | | |
| Net income | - | 4,987,962 | 90,274 | 5,078,236 |
| Other comprehensive income | (205,695) | 494,777 | 5,231 | 500,008 |
| **Total comprehensive income** | (205,695) | 5,482,739 | 95,505 | 5,578,244 |
| **Transactions with owners and other transactions** | | | | |
| Cash dividends | - | (86,841) | (219,698) | (306,539) |
| Distribution to owners of other equity instruments | - | (30,139) | - | (30,139) |
| Transfer of accumulated other comprehensive income to retained earnings | - | - | - | - |
| Purchase and disposal of treasury stock | - | (2,190,913) | - | (2,190,913) |
| Changes from business combination | - | - | 265,219 | 265,219 |
| Changes from loss of control | - | - | (424,226) | (424,226) |
| Changes in interests in subsidiaries | - | 1,126,469 | 559,955 | 1,686,424 |
| Changes in associates' interests in their subsidiaries | - | 4,794 | - | 4,794 |
| Share-based payment transactions | - | (3,278) | 3,777 | 499 |
| Transfer of accumulated other comprehensive income held for sale | 267 | - | - | - |
| Other | - | (3,351) | 2,664 | (687) |
| **Total transactions with owners and other transactions** | 267 | (1,183,259) | 187,691 | (995,568) |
| **As of March 31, 2021** | 267 | 10,213,093 | 1,742,500 | 11,955,593 |

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income from continuing operations | (742,617) | 4,367,288 |
| Net income from discontinued operations | (58,143) | 710,948 |
| Net income | (800,760) | 5,078,236 |
| Depreciation and amortization | 2,051,472 | 851,316 |
| Gain on investments at Investment Business of Holding Companies | (484,308) | (1,441,509) |
| Loss (gain) on investments at SVF1, SVF2, and others | 1,844,867 | (6,292,024) |
| Finance cost | 613,483 | 309,294 |
| Income on equity method investments | (622,113) | (616,177) |
| Derivative (gain) loss (excluding (gain) loss on investments) | (4,337) | 480,184 |
| Change in third-party interests in SVF1 | (540,930) | 2,246,417 |
| Loss (gain) on other investments and other loss | 50,650 | (231,152) |
| Income taxes | 688,704 | 1,305,251 |
| Decrease in investments from asset management subsidiaries | - | 1,631,430 |
| Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries | - | (168,405) |
| Increase in restricted cash in asset management subsidiaries | - | (107,601) |
| Increase in securities pledged as collateral in asset management subsidiaries | - | (1,351,311) |
| Increase in trade and other receivables | (242,697) | (288,416) |
| (Increase) decrease in inventories | (374,722) | 6,276 |
| Increase in trade and other payables | 88,728 | 199,064 |
| Gain relating to loss of control over discontinued operations | - | (722,004) |
| Other | 155,280 | 230,306 |
| Subtotal | 2,423,317 | 1,119,175 |
| Interest and dividends received | 49,688 | 27,639 |
| Interest paid | (597,772) | (265,104) |
| Income taxes paid | (1,201,986) | (588,615) |
| Income taxes refunded | 444,632 | 264,155 |
| Net cash provided by operating activities | 1,117,879 | 557,250 |

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| **Cash flows from investing activities** | | |
| Payments for acquisition of investments | (1,098,640) | (4,186,663) |
| Proceeds from sales/redemption of investments | 283,892 | 3,845,787 |
| Payments for acquisition of investments by SVF1 and SVF2 | (1,816,291) | (856,608) |
| Proceeds from sales of investments by SVF1 | 129,832 | 856,408 |
| Payments for acquisition of investments by asset management subsidiaries | - | (95,616) |
| Payments for acquisition of control over subsidiaries | (388,320) | (13,824) |
| Proceeds from acquisition of control over subsidiaries | 61 | 312,791 |
| Payments for acquisition of marketable securities for short-term trading | (245,070) | (107,890) |
| Proceeds from sales/redemption of marketable securities for short-term trading | 86,449 | 257,255 |
| Purchase of property, plant and equipment, and intangible assets | (1,232,551) | (646,888) |
| Payments for loan receivables | (210,379) | (293,669) |
| Collection of loan receivables | 95,134 | 42,970 |
| Payments into restricted cash | (15,777) | (351,343) |
| Payments into trust accounts in SPACs | - | (350,990) |
| Other | 124,739 | 119,681 |
| Net cash used in investing activities | (4,286,921) | (1,468,599) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds in short-term interest-bearing debt, net | 133,173 | 1,575,327 |
| Proceeds from interest-bearing debt | 8,601,926 | 7,965,114 |
| Repayment of interest-bearing debt | (5,646,727) | (5,790,901) |
| Repayment of lease liabilities | (695,370) | (402,257) |
| Contributions into SVF1 from third-party investors | 1,843,660 | 979,266 |
| Distribution/repayment from SVF1 to third-party investors | (771,282) | (1,362,066) |
| Proceeds from non-controlling interests subject to possible redemption | - | 345,466 |
| Proceeds from the partial sales of shares of subsidiaries to non-controlling interests | 435 | 1,552,957 |
| Purchase of shares of subsidiaries from non-controlling interests | (82,932) | (101,222) |
| Distribution to owners of other equity instruments | (31,071) | (30,139) |
| Purchase of treasury stock | (231,980) | (2,226,229) |
| Cash dividends paid | (68,659) | (86,760) |
| Cash dividends paid to non-controlling interests | (156,999) | (220,313) |
| Other | 26,689 | (4,166) |
| Net cash provided by financing activities | 2,920,863 | 2,194,077 |
| **Effect of exchange rate changes on cash and cash equivalents** | (342) | 12,230 |
| **Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale** | (240,982) | (1,248) |
| **(Decrease) increase in cash and cash equivalents** | (489,503) | 1,293,710 |
| **Cash and cash equivalents at the beginning of the year** | 3,858,518 | 3,369,015 |
| **Cash and cash equivalents at the end of the year** | 3,369,015 | 4,662,725 |

Notes:

1. Cash flows from continuing operations and cash flows from discontinued operations are included. The details are described in "Note 3. Discontinued operations."

2. Presentation method for the consolidated statement of cash flows has been changed from the three-month period ended June 30, 2020. The details are described in "Note 1. Changes in presentation."

### (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 income)

a. Operating results related to Brightstar are presented as discontinued operations, separately from continuing operations for the fiscal year ended March 31, 2021. In order to reflect these changes in presentation, similar reclassifications have been made for the fiscal year ended March 31, 2020. The details are described in “Note 3. Discontinued operations.”

b. SoftBank Group Corp. is a strategic investment holding company that conducts investments and manages investment portfolios in a number of companies directly (including investments through subsidiaries) or through investment funds (such as SVF1). The Company has been focusing on the investment activities including those led by SVF1 that began its operation in 2017, thereby transforming business structures.

Following the completion of the merger between Sprint and T-Mobile US, Inc. on April 1, 2020, Sprint has been no longer a subsidiary of the Company from that date. As a result, the materiality of the investment activities has increased even further for the overall consolidated financial results of the Company. Consequently, the Company has revised the presentation of the consolidated statement of income from the three-month period ended June 30, 2020. “Operating income,” as previously presented, did not include gain and loss on investments other than those included in “Operating income from SoftBank Vision Fund and other SBIA-managed funds.” Therefore, the Company determined that it was no longer meaningful to appropriately present the consolidated financial results of the Company as a strategic investment holding company. For these reasons, the Company determined not to present “Operating income” in the consolidated statement of income from the three-month period ended June 30, 2020.

In connection with this change, the Company also determined to present “Gain (loss) on investments” in the consolidated statement of income from the three-month period ended June 30, 2020 in order to clearly present investment performance in the consolidated financial results of the Company. “Gain (loss) on investments” includes realized gain and loss from sales of 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 financial assets at FVTPL, and realized gain and loss from sales of investments accounted for using the equity method.

Furthermore, the Company determined to present, as component of “Gain (loss) on investments,” “Gain (loss) on investments at Investment Business of Holding Companies,” “Gain (loss) on investments at SVF1, SVF2, and others” and “Gain (loss) on other investments.” Investment Business of Holding Companies segment is included in the reportable segments from the three-month period ended June 30, 2020. The details are described in “Note 4. Segment information.” Derivative gain and loss other than those mentioned above are presented as “Derivative gain (loss) (excluding gain (loss) on investments).” In addition, income or loss on equity method investments arising from recognizing the Company’s share in profit or loss of the investees is presented as “Income on equity method investments” as previously presented.

In order to reflect these changes in presentation, similar reclassifications have been made to the consolidated statement of income for the fiscal year ended March 31, 2020. The details of the reclassifications are as follows.

For the fiscal year ended March 31, 2020

(Millions of yen)

| Before changes in presentation (after reclassification of discontinued operations) | | Reclassification amounts | | After changes in presentation |
|---|---|---|---|---|
| Continuing operations | | | | Continuing operations |
| Net sales | 5,238,938 | - | 5,238,938 | Net sales |
| Cost of sales | (2,584,273) | - | (2,584,273) | Cost of sales |
| Gross profit | 2,654,665 | - | 2,654,665 | Gross profit |
| | | | | Gain (loss) on investments |
| | - | 484,308 | 484,308 | Gain (loss) on investments at Investment Business of Holding Companies |
| | - | (1,844,867) | (1,844,867) | Gain (loss) on investments at SVF1, SVF2, and others |
| | - | (49,594) | (49,594) | Gain (loss) on other investments |
| | - | (1,410,153) | (1,410,153) | Total gain (loss) on investments |
| Selling, general and administrative expenses | (1,973,602) | (86,478) | (2,060,080) | Selling, general and administrative expenses |
| Gain relating to loss of control over subsidiaries[1] | 11,879 | (11,879) | - | |
| Other operating income (loss)[2] | (121,051) | 121,051 | - | |
| Operating income (excluding operating income from SoftBank Vision Fund and other SBIA-managed funds) | 571,891 | (571,891) | - | |
| Operating income from SoftBank Vision Fund and other SBIA-managed funds[3] | (1,931,345) | 1,931,345 | - | |
| Operating income | (1,359,454) | 1,359,454 | - | |
| Finance cost | (293,897) | - | (293,897) | Finance cost |
| Income (loss) on equity method investments | 638,457 | (14,442) | 624,015 | Income (loss) on equity method investments |
| Dilution gain from changes in equity interest[4] | 339,842 | (339,842) | - | |
| Foreign exchange gain (loss)[5] | (9,271) | 9,271 | - | |
| Derivative gain (loss)[6] | (70,982) | 70,997 | 15 | Derivative gain (loss) (excluding gain (loss) on investments) |
| Gain relating to settlement of variable prepaid forward contracts using Alibaba shares[7] | 1,218,527 | (1,218,527) | - | |
| Gain (loss) from financial instruments at FVTPL[8] | (668,971) | 668,971 | - | |
| Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds | 540,930 | - | 540,930 | Change in third-party interests in SVF1 |
| Other non-operating income (loss)[9] | (285,143) | 285,143 | - | |
| | - | (5,457) | (5,457) | Other gain (loss) |
| Income before income tax | 50,038 | - | 50,038 | Income before income tax |
| Income taxes | (792,655) | - | (792,655) | Income taxes |
| Net income from continuing operations | (742,617) | - | (742,617) | Net income from continuing operations |
| Discontinued operations | | | | Discontinued operations |
| Net income from discontinued operations | (58,143) | - | (58,143) | Net income from discontinued operations |
| Net income | (800,760) | - | (800,760) | Net income |

Notes:

1. ¥11,879 million previously presented in "Gain relating to loss of control over subsidiaries" was reclassified as "Other gain (loss)."

2. ¥(121,051) million previously presented in "Other operating income (loss)" was reclassified as "Gain (loss) on other investments" for ¥(48,922) million, "Income (loss) on equity method investments" for ¥(14,442) million, and "Other gain (loss)" for ¥(57,687) million.

3. Of ¥(1,931,345) million previously presented in "Operating income from SoftBank Vision Fund and other SBIA-managed funds," gain and loss on investments was reclassified as "Gain (loss) on investments at SVF1, SVF2, and others" for ¥(1,844,867) million and other amounts were reclassified as "Selling, general and administrative expenses" for ¥(86,478) million.

4. "Dilution gain from changes in equity interest," which was separately presented, was reclassified as "Other gain (loss)" since the amount became not significant.

5. ¥(9,271) million previously presented in "Foreign exchange gain (loss)" was reclassified as "Other gain (loss)."

6. Derivative gain and loss relating to gain and loss on investments of ¥(70,997) million, which was previously presented in "Derivative gain (loss)," was reclassified as "Gain (loss) on investments at Investment Business of Holding Companies" for ¥(66,343) million and "Gain (loss) on other investments" for ¥(4,654) million.

7. ¥1,218,527 million previously presented in "Gain relating to settlement of variable prepaid forward contract using Alibaba shares" was reclassified as "Gain (loss) on investments at Investment Business of Holding Companies."

8. ¥(668,971) million previously presented in "Gain (loss) from financial instruments at FVTPL" was reclassified as "Gain (loss) on investments at Investment Business of Holding Companies" for ¥(667,983) million and "Gain (loss) on other investments" for ¥(988) million.

9. ¥(285,143) million previously presented in "Other non-operating income (loss)" was reclassified as "Gain (loss) on investments at Investment Business of Holding Companies" for ¥107 million, "Gain (loss) on other investments" for ¥4,970 million, and "Other gain (loss)" for ¥(290,220) million.

(Consolidated statement of cash flows)

For the fiscal year ended March 31, 2020

(Millions of yen)

| Before changes in presentation | | Reclassification amounts | | After changes in presentation |
|---|---|---|---|---|
| Cash flows from operating activities | | | | Cash flows from operating activities |
| Net income from continuing operations | (742,617) | - | (742,617) | Net income from continuing operations |
| Net income from discontinued operations | (58,143) | - | (58,143) | Net income from discontinued operations |
| Net income | (800,760) | - | (800,760) | Net income |
| Depreciation and amortization | 2,051,472 | - | 2,051,472 | Depreciation and amortization |
| Gain relating to loss of control over subsidiaries[1] | (11,879) | 11,879 | - | |
| | - | (484,308) | (484,308) | (Gain) loss on investments at Investment Business of Holding Companies |
| (Gain) loss on investments at SoftBank Vision Fund and other SBIA-managed funds | 1,844,867 | - | 1,844,867 | (Gain) loss on investments at SVF1 and SVF2, and others |
| Finance cost | 613,483 | - | 613,483 | Finance cost |
| (Income) loss on equity method investments | (636,555) | 14,442 | (622,113) | (Income) loss on equity method investments |
| Dilution gain from changes in equity interest[2] | (339,842) | 339,842 | - | |
| Derivative (gain) loss[3] | 66,660 | (70,997) | (4,337) | Derivative (gain) loss (excluding (gain) loss on investments) |
| Gain relating to settlement of variable prepaid forward contract using Alibaba shares[4] | (1,218,527) | 1,218,527 | - | |
| (Gain) loss from financial instruments at FVTPL[5] | 668,405 | (668,405) | - | |
| Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds | (540,930) | - | (540,930) | Change in third-party interests in SVF1 |
| Foreign exchange (gain) loss and other non-operating (income) loss[6] | 290,578 | (290,578) | - | |
| | - | 50,650 | 50,650 | (Gain) loss on other investments and other (gain) loss |
| Income taxes | 688,704 | - | 688,704 | Income taxes |
| (Increase) decrease in trade and other receivables | (242,697) | - | (242,697) | (Increase) decrease in trade and other receivables |
| (Increase) decrease in inventories | (374,722) | - | (374,722) | (Increase) decrease in inventories |
| Increase (decrease) in trade and other payables | 88,728 | - | 88,728 | Increase (decrease) in trade and other payables |
| Other[7] | 276,332 | (121,052) | 155,280 | Other |
| Subtotal | 2,423,317 | - | 2,423,317 | Subtotal |

Notes:

1. ¥(11,879) million previously presented in “Gain relating to loss of control over subsidiaries” was reclassified as “(Gain) loss on other investments and other (gain) loss.”

2. “Dilution gain from changes in equity interest,” which was separately presented, was reclassified as “(Gain) loss on other investments and other (gain) loss” since the amount became not significant.

3. Derivative gain and loss relating to gain and loss on investments of ¥70,997 million, which was previously included in “Derivative (gain) loss,” was reclassified as “(Gain) loss on investments at Investment Business of Holding Companies” for ¥66,343 million and “(Gain) loss on other investments and other (gain) loss” for ¥4,654 million.

4. ¥(1,218,527) million previously presented in “Gain relating to settlement of variable prepaid forward contract using Alibaba shares” was reclassified as “(Gain) loss on investments at Investment Business of Holding Companies.”

5. ¥668,405 million previously presented in “’(Gain) loss from financial instruments at FVTPL” was reclassified as “(Gain) loss on investments at Investment Business of Holding Companies” for ¥667,983 million and “(Gain) loss on other investments and other (gain) loss” for ¥422 million.

6. ¥290,578 million previously presented in “Foreign exchange (gain) loss and other non-operating (income) loss” was reclassified as “(Gain) loss on other investments and other (gain) loss” for ¥290,685 million and “(Gain) loss on investments at Investment Business of Holding Companies” for ¥(107) million.

7. ¥121,052 million previously included in “Other” was reclassified as “(Gain) loss on other investments and other (gain) loss” for ¥106,610 million and “(Income) loss on equity method investments” for ¥14,442 million.

## 2. Significant accounting policies

(1) Significant accounting policies for the SVF1 and Other SBIA-Managed Funds segment

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

a. Consolidation of SVF1 and SVF2 by the Company

SVF1 and SVF2 are limited partnerships established by its general partner which is a wholly-owned subsidiary of the Company, and by its form of organization, qualifies as a structured entity. SVF1 and SVF2 are consolidated by the Company for the following reasons.

The various entities comprising SVF1 and SVF2 make investment decisions through its investment committee, which was established as a committee of SBIA. SBIA is an advisory company and is a wholly-owned subsidiary of the Company. As such, the Company has power as defined under IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2. Furthermore, SBIA receives performance fees and 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 over SVF1 and SVF2.

Inter-company transactions such as management fees and performance fees to SBIA paid or to be paid from SVF1 and SVF2 are eliminated in consolidation.

b. Portfolio company investments made by SVF1 and SVF2

(a) Investments in subsidiaries

Of the portfolio company investments made by SVF1, the portfolio companies that the Company is deemed to control under IFRS 10 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 are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1 and SVF2, 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 SVF1 and SVF2 when, as defined under IFRS 11 "Joint Arrangements," SVF1 and SVF2 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 and SVF2 are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28, and presented as "Investments from SVF1 and SVF2 accounted for using FVTPL" in the consolidated statement of financial position. The payments for these investments are presented as "Payments for acquisition of investments by SVF1 and SVF2" and the proceeds from sales of these investments are presented as "Proceeds from sales of investments by SVF1" under cash flows from investing activities in the consolidated statement of cash flows.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1 and SVF2 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."

c. Contribution from limited partners to SVF1 and SVF2

SVF1 and SVF2 issue capital calls to its limited partners (“Capital Call”).

No contributions from limited partners other than the Company were made into SVF2 from inception to March 31, 2021.

(a) Contribution from limited partners other than the Company

The interests attributable to limited partners other than the Company (“Third-Party Investors”) are classified as financial liabilities, “Third-party interests in SVF1” in the consolidated statement of financial position, due to the predetermined finite life and contractual payment provision to each of the limited partners at the end of the finite life within the limited partnership agreement. 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 limited partnership agreement in a theoretical liquidation scenario at the end of each quarter.

“Third-party interests in SVF1” fluctuates due to the results of SVF1 in addition to contributions from Third-Party Investors in satisfaction of Capital Call, and distributions and repayments of investments to Third-Party Investors. The fluctuations due to the results of SVF1 are presented as “Change in third-party interests in SVF1” in the consolidated statement of income.

Contributions from Third-Party Investors to SVF1 are included in “Contributions into SVF1 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 SVF1 to third-party investors” under cash flows from financing activities in the consolidated statement of cash flows.

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 and SVF2 from the Company as limited partners are eliminated in consolidation.

(2) Significant accounting policies for the asset management subsidiary

SB Northstar, a subsidiary of the Company, is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, credit transactions, and others for diversification of the assets held and management of surplus funds. “The asset management subsidiary” described in the consolidated financial statements and the notes indicates SB Northstar.

For SB Northstar, the Company applies the following accounting policies.

a. Investments from the asset management subsidiary

The investments in securities made by SB Northstar (except for investments in associates) are accounted for as financial assets at FVTPL as the investments meet the definition of financial assets held for sale in accordance with IFRS 9 and presented as “Investments from assets management subsidiaries” under current assets in the consolidated statement of financial position. At initial recognition, the investments are measured at fair value and transaction costs directly arising from the acquisition of financial assets are recognized as net of profit and loss. Subsequent to initial recognition, they are measured at fair value and valuation gain and loss arising from changes in fair value and dividend income are included in “Gain (loss) on investments at Investment Business of Holding Companies” in the consolidated statement of income. In addition, the changes in investment amounts due to acquisition and sale of investments from SB Northstar are presented as net of “(Increase) decrease in investments from asset management subsidiaries (cash flows from operating activities)” in the consolidated statement of cash flows. The investments in associates of the Company made by SB Northstar are accounted for using the equity method and included in “Investments accounted for using the equity method” in the consolidated statement of financial position.

The investments in convertible bonds made by SB Northstar are accounted for as financial assets at FVTPL and are included in “Other financial assets (non-current)” in the consolidated statement of financial position. Valuation gain and loss arising from changes in fair value and dividend income are included in “Gain (loss) on investments at Investment Business of Holding Companies” in the consolidated statement of income. In addition, payments for acquisition of convertible bonds made by SB Northstar are presented as “Payments for acquisition of investments by asset management subsidiaries (cash flows from investing activities)” in the consolidated statement of cash flows.

b. Securities pledged as collateral in the asset management subsidiary

Of securities pledged as collateral, securities which the recipient can sell or pledge them as re-collateral are separated from “Investments from asset management subsidiaries” and presented as “Securities pledged as collateral in asset management subsidiaries” in the consolidated statement of financial position. In addition, changes in the securities pledged as collateral in SB Northstar are presented as net of “(Increase) decrease in securities pledged as collateral in asset management subsidiaries (cash flows from operating activities)” in the consolidated statement of cash flows.

c. Restricted cash

Restricted cash in SB Northstar is the deposit pledged as collateral to the brokers for acquisition transactions of investments using borrowings, derivative transactions, and credit transactions and its usage is restricted. The restricted cash is included in “Other financial assets (current)” in the consolidated financial position and changes in restricted cash in SB Northstar are presented as net of “(Increase) decrease in restricted cash in asset management subsidiaries (cash flows from operating activities)” in the consolidated statement of cash flows.

d. Margin deposits

Margin deposits in SB Northstar are the deposits pledged as collateral for unsettled balance for acquisition and sale of investments and unsettled derivatives to the brokers and are included in “Other financial assets (current)” in the consolidated statement of financial position. At initial recognition, they are measured at fair value and subsequent to initial recognition, they are measured at amortized cost. In addition, changes in margin deposits in SB Northstar are included under cash flows from operating activities in the consolidated statement of cash flows.

e. Borrowed securities

The securities borrowed for short credit transactions have obligations for delivery of future financial assets and meet the definition of financial liabilities held for sale in accordance with IFRS 9. Therefore, they are accounted for as financial instruments at FVTPL and included in “Other financial liabilities (current)” in the consolidated statement of financial position. At initial recognition and subsequent to initial recognition, they are measured at fair value and valuation gain and loss arising from changes in fair value are included in “Gain (loss) on investments at Investment Business of Holding Companies” in the consolidated statement of income. In addition, changes in borrowed securities in SB Northstar are included under cash flows from operating activities in the consolidated statement of cash flows.

## 3. Discontinued operations

(1) Sprint

As of March 31, 2020, it was highly probable that Sprint would merge with T-Mobile US, Inc. and would no longer be a subsidiary of the Company. Accordingly, assets, liabilities, and accumulated other comprehensive income of Sprint were reclassified as a disposal group classified as held for sale. The disposal group classified as held for sale was measured at the carrying amount as the fair value of T-Mobile US, Inc. shares which the Company acquired from the merger transaction was higher than the carrying amount of Sprint shares.

On April 1, 2020, the merger of Sprint and T-Mobile US, Inc. was completed under the business combination agreement which the Company entered into with the parties, including Sprint, T-Mobile US, Inc. and Deutsche Telekom AG ("Deutsche Telekom") on April 29, 2018 (EST) ("Business Combination Agreement," which was previously amended by an amendment dated July 26, 2019 and February 20, 2020).

Under the merger transaction, Starburst I, Inc. which held Sprint shares and Galaxy Investment Holdings, Inc. were merged with and into Huron Merger Sub LLC, a U.S. subsidiary of T-Mobile US, Inc. and directly owned by T-Mobile US, Inc., with Huron Merger Sub LLC as the surviving company. In addition, Superior Merger Sub Corp., a U.S. subsidiary of Huron Merger Sub LLC and directly owned by Huron Merger Sub LLC, was merged with and into Sprint, with Sprint as the surviving company. As a result of the transactions, Sprint became a wholly-owned subsidiary of T-Mobile which was a new company after the merger and owned Sprint indirectly.

As a result, Sprint was no longer a subsidiary of the Company and T-Mobile became an equity method associate of the Company from that date. The difference between the total fair value less costs to sell as of April 1, 2020 for acquired T-Mobile shares as consideration of the merger transaction and acquiring shares when certain contingency is satisfied (the "contingent consideration"), and the carrying amount of Sprint (assets, liabilities, accumulated other comprehensive income, and non-controlling interests in Sprint) was recorded as gain relating to loss of control for the fiscal year ended March 31, 2021. In addition, the carrying amount of non-controlling interests in Sprint at the time of loss of control over Sprint is ¥424,746 million.

The Company surrendered to T-Mobile an aggregate of 48,751,557 shares of T-Mobile common stock, of the 353,357,606 shares to be received from the Transaction, effective immediately following the closing of the Transaction. If the trailing 45-day volume-weighted average price per share of T-Mobile common stock on the NASDAQ Global Select Market is equal to or greater than $150 at any time during the period commencing on the second anniversary of the closing date and ending on December 31, 2025, T-Mobile will re-issue to the Company, for no additional consideration, a number of shares of T-Mobile common stock equal to the abovementioned number of shares to be surrendered, subject to the terms and conditions included as part of the Business Combination Agreement.

The Company recognizes the fair value of the contingent consideration as “Derivative financial assets (non-current)” in the consolidated statement of financial position and ¥196,313 million is recorded as of the acquisition date. In addition, changes in the fair value after the acquisition date is recognized as “Gain on investments at Investment Business of Holding Companies” in the consolidated statement of income.

Operating results related to Sprint for the fiscal year ended March 31, 2020 and gain relating to loss of control over Sprint for the fiscal year ended March 31, 2021 are presented as discontinued operations, separately from continuing operations, in the consolidated statement of income.

In addition, of 304,606,049 shares of T-Mobile common stock held, 173,564,426 shares were transferred by the Company on June 26, 2020. As a result of the transaction, due to the decrease in voting rights ratio resulted from the share transfer, the Company had no significant influence over T-Mobile and T-Mobile was no longer considered as an equity method associate of the Company. The details are described in “Note 23. Additional information.”

a. Disposal group classified as held for sale

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Assets classified as held for sale | | |
| Cash and cash equivalents | 240,982 | - |
| Trade and other receivables | 385,511 | - |
| Other financial assets | 7,166 | - |
| Inventories | 97,712 | - |
| Other current assets | 131,240 | - |
| Total current assets | 862,611 | - |
| Property, plant and equipment | 1,890,600 | - |
| Right-of-use assets | 763,529 | - |
| Goodwill | 322,978 | - |
| Intangible assets | 5,082,956 | - |
| Costs to obtain contracts | 196,438 | - |
| Investments accounted for using the equity method | 3,049 | - |
| Investment securities | 3,225 | - |
| Other financial assets | 47,140 | - |
| Other non-current assets | 63,522 | - |
| Total non-current assets | 8,373,437 | - |
| Total assets | 9,236,048 | - |
| Liabilities directly relating to assets classified as held for sale | | |
| Interest-bearing debt | 331,881 | - |
| Lease liabilities | 202,743 | - |
| Trade and other payables | 395,415 | - |
| Income taxes payables | 1,949 | - |
| Provisions | 8,720 | - |
| Other current liabilities | 292,041 | - |
| Total current liabilities | 1,232,749 | - |
| Interest-bearing debt | 3,591,777 | - |
| Lease liabilities | 583,348 | - |
| Derivative financial liabilities | 5,189 | - |
| Other financial liabilities | 4,298 | - |
| Provisions | 81,261 | - |
| Deferred tax liabilities | 746,834 | - |
| Other non-current liabilities | 209,515 | - |
| Total non-current liabilities | 5,222,222 | - |
| Total liabilities | 6,454,971 | - |

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Accumulated other comprehensive income directly relating to assets classified as held for sale | | |
| Cash flow hedges | (3,454) | - |
| Exchange differences on translating foreign operations | 209,149 | - |
| Total accumulated other comprehensive income | 205,695 | - |

b. Results of operations from discontinued operations

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Net sales | 3,321,535 | - |
| Cost of sales | (2,131,312) | - |
| Selling, general and administrative expenses | (956,029) | - |
| Finance cost | (312,534) | - |
| Other | (69,208) | - |
| Income from discontinued operations before income tax | (147,548) | - |
| Income taxes | 108,993 | - |
| Income from discontinued operations after income tax | (38,555) | - |
| Gain relating to loss of control over discontinued operations[1,2] | - | 720,842 |
| Net income from discontinued operations | (38,555) | 720,842 |
| | | |
| Net income from discontinued operations | (38,555) | 720,842 |
| Other comprehensive income from discontinued operations | (82,211) | (205,694) |
| Comprehensive income from discontinued operations | (120,766) | 515,148 |

Notes:

1. Tax expense is presented as zero in the consolidated statement of income because the taxable income at SoftBank Group Corp. is not generated for the fiscal year despite income related to discontinued operations for the acquired contingent consideration at the time of the merger between Sprint and T-Mobile US, Inc. was generated at SoftBank Group Corp.

2. The Company may indemnify T-Mobile and its subsidiaries against any losses, including monetary losses resulting from certain specified matters, incurred by Sprint and its subsidiaries due to the cessation of T-Mobile's and its subsidiaries' access to the frequencies of Sprint and its subsidiaries under certain circumstances based on the Business Combination Agreement, which the Company entered into with the parties, including Sprint, T-Mobile US, Inc., and Deutsche Telekom, in principle. It was probable that the Company would indemnify the losses incurred. Accordingly, ¥26,362 million including ¥870 million which is the reasonably estimated provision as of March 31, 2021, was recorded as the indemnification for the fiscal year ended March 31, 2021. The indemnification and expenses arising from the merger transaction are deducted from gain relating to loss of control under discontinued operations.

c. Cash flows from discontinued operations

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Cash flows from operating activities | 641,013 | (45,647) |
| Cash flows from investing activities | (549,794) | - |
| Cash flows from financing activities | (612,373) | - |
| | (521,154) | (45,647) |

The disposal of Sprint shares as of April 1, 2020 was conducted as a share exchange with T-Mobile shares and is correspond to a non-cash transaction.

(2) Brightstar

On September 17, 2020, the Company has entered into a definitive agreement with Brightstar Capital Partners, in order to sell all of its shares in Brightstar to a newly formed subsidiary of Brightstar Capital Partners. Upon this agreement, it was highly probable that Brightstar would no longer be a subsidiary of the Company at the completion of the transaction. Accordingly, assets, liabilities, and accumulated other comprehensive income of Brightstar were reclassified as a disposal group classified as held for sale. Brightstar was measured at the fair value less costs to sell (expected sale price) as the expected sale price is lower than the carrying amount of Brightstar. As a result, the Company recorded an impairment loss on goodwill for ¥12,423 million.

On October 22, 2020, the sale of all shares in Brightstar was completed. As a result of the transaction, Brightstar was excluded from the scope of consolidation of the Company. The difference between the consideration less costs to sell and the carrying amount of Brightstar (assets, liabilities, accumulated other comprehensive income, and non-controlling interests in Brightstar) was recorded as gain relating to loss of control for the fiscal year ended March 31, 2021.

Operating results related to Brightstar are presented as discontinued operations, separately from continuing operations, in the consolidated statement of income. Also, the above impairment loss on goodwill and gain relating to loss of control are presented as discontinued operations.

The consideration consists of cash proceeds of $685 million and a 25% stake (equivalent to $90 million) in a newly formed subsidiary of Brightstar Capital Partners, which holds all shares in Brightstar. The acquired shares are preferred stock investments whose feature is substantially different from common stock, therefore the preferred stock is measured at fair value and accounted for as financial instruments at FVTPL.

a. Results of operations from discontinued operations

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Net sales | 946,155 | 330,929 |
| Cost of sales | (900,769) | (303,409) |
| Selling, general and administrative expenses | (50,565) | (18,992) |
| Finance cost | (7,051) | (2,044) |
| Other | (2,316) | (15,459) |
| Income from discontinued operations before income tax | (14,546) | (8,975) |
| Income taxes | (5,042) | (2,082) |
| Income from discontinued operations after income tax | (19,588) | (11,057) |
| Gain relating to loss of control over discontinued operations | - | 1,163 |
| Net income from discontinued operations | (19,588) | (9,894) |
| | | |
| Net income from discontinued operations | (19,588) | (9,894) |
| Other comprehensive income from discontinued operations | (902) | 2,902 |
| Comprehensive income from discontinued operations | (20,490) | (6,992) |

b. Cash flows from discontinued operations

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Cash flows from operating activities | 38,340 | 38,733 |
| Cash flows from investing activities | (5,759) | (4,807) |
| Cash flows from financing activities | (34,642) | (1,475) |
| | (2,061) | 32,451 |

## 4. 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, 2020, the Company had four reportable segments: the SoftBank Vision Fund and Other SBIA-Managed Funds segment, the SoftBank segment, the Arm segment, and the Brightstar segment. Following the completion of the merger between Sprint and T-Mobile US, Inc. on April 1, 2020, Sprint has been no longer a subsidiary of the Company from that date. As a result, the materiality of the investment activities has increased even further for the overall consolidated financial results of the Company. Consequently, business segments that are regularly reviewed by the Company's Board of Directors have been changed. As a result of the change, from the three-month period ended June 30, 2020, the Company has revised its segment classifications and the Investment Business of Holding Companies segment has been added to the reportable segments. In addition, from the three-month period ended September 30, 2020, the Company has entered into a definitive agreement with Brightstar Capital Partners, in order to sell all of its shares in Brightstar held by the Company to a newly formed subsidiary of Brightstar Capital Partners. It is highly probable that Brightstar will no longer be a subsidiary of the Company. As a result, Brightstar has been classified as discontinued operations and the Brightstar segment is excluded from the reportable segments.

Accordingly, from the three-month period ended September 30, 2020, the Company has four reportable segments: the Investment Business of Holding Companies segment, the SoftBank Vision Fund and Other SBIA-Managed Funds segment, the SoftBank segment, and the Arm segment. The SoftBank Vision Fund and Other SBIA-Managed Funds segment was renamed to the SVF1 and Other SBIA-Managed Funds segment from the three-month period ended September 30, 2020. In addition, following the signing of the definitive agreement with NVIDIA Corporation in order to sell all of its shares in Arm Limited to NVIDIA Corporation, the organizational structure of Arm has been changed from the three-month period ended March 31, 2021. As a result, the Treasure Data business and the other IoT related business, which were included in the Arm segment, have been excluded from the Arm segment and transferred to "Other."

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 ("SBGJ"), SB Northstar that is an asset management subsidiary, and certain subsidiaries of the Company that conduct investment or funding. SB Northstar is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, credit transactions, and others for diversification of the assets held and management of surplus funds. Gain and loss on investments at Investment Business of Holding Companies consists 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 SVF1 and Other SBIA-Managed Funds segment conducts, mainly through SVF1 and SVF2, investment activities in a wide range of technology sectors. Primarily, gain and loss on investments at SVF1, SVF2, and others consist of gain and loss arising from investments held by SVF1 and SVF2 including the investment in the Company's subsidiary.

The SoftBank segment provides, mainly through SoftBank Corp., mobile communications services, sale of mobile devices, fixed-line telecommunication services such as broadband services in Japan, and through Z Holdings Corporation, internet advertising and e-commerce business. Services related to LINE are included in the SoftBank segment following the business integration of Z Holdings Corporation and LINE Group.

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

Information on business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly PayPay Corporation, Fortress, the investment activities by SoftBank Latin America Fund L.P., 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, a subsidiary of the Company, which are included in segment income of the SVF1 and other SBIA-Managed Funds and an elimination of income on equity method investments recognized relating to PayPay Corporation, which is included in segment income of the Softbank segment. Such income on equity method investments is eliminated because the Company consolidates PayPay Corporation as its subsidiary and related amounts are also included in "Other."

Segment information for the fiscal year ended March 31, 2020 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." In accordance with the change in presentation of the consolidated statement of income where "Operating income" is no longer presented, which has been implemented from the three-month period ended June 30, 2020, income of reportable segments to be reported to the Company's Board of Directors in order to make decisions about the allocation of resources and assess its performance has been changed from "Operating income" to "Income before income tax." The details are described in "Note 1. Changes in presentation." As in the consolidated statement of income, "Gain (loss) on investments" included in segment income includes realized gain and loss from sales of 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 sales of 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, 2020

(Millions of yen)

| | Reportable segments | | | |
|---|---|---|---|---|
| | Investment Business of Holding Companies | SVF1 and Other SBIA-Managed Funds | SoftBank | Arm |
| Net sales | | | | |
| Customers | - | - | 4,852,917 | 196,691 |
| Intersegment | - | - | 9,567 | 375 |
| Total | - | - | 4,862,484 | 197,066 |
| Segment income | 913,740 | (1,412,574) | 815,617 | (11,105) |
| Depreciation and amortization | (3,862) | (402) | (701,984) | (71,740) |
| Gain (loss) on investments | 484,308 | (1,844,867) | 9,720 | 312 |
| Finance cost | (198,535) | (23,547) | (60,155) | (956) |
| Income (loss) on equity method investments | 657,232 | - | (41,839) | 923 |
| Derivative gain (loss) (excluding gain (loss) on investments) | (1,886) | - | (20) | (673) |

| | Total | Other | Reconciliations | Consolidated |
|---|---|---|---|---|
| Net sales | | | | |
| Customers | 5,049,608 | 189,330 | - | 5,238,938 |
| Intersegment | 9,942 | 16,442 | (26,384) | - |
| Total | 5,059,550 | 205,772 | (26,384) | 5,238,938 |
| Segment income | 305,678 | (299,703) | 44,063 | 50,038 |
| Depreciation and amortization | (777,988) | (46,587) | - | (824,575) |
| Gain (loss) on investments | (1,350,527) | (59,626) | - | (1,410,153) |
| Finance cost | (283,193) | (17,018) | 6,314 | (293,897) |
| Income (loss) on equity method investments | 616,316 | (30,169) | 37,868 | 624,015 |
| Derivative gain (loss) (excluding gain (loss) on investments) | (2,579) | 2,594 | - | 15 |

For the fiscal year ended March 31, 2021

(Millions of yen)

| | Reportable segments | | | |
|---|---|---|---|---|
| | Investment Business of Holding Companies | SVF1 and Other SBIA-Managed Funds* | SoftBank | Arm |
| Net sales | | | | |
| Customers | - | - | 5,190,976 | 208,917 |
| Intersegment | - | - | 13,374 | 931 |
| Total | - | - | 5,204,350 | 209,848 |
| Segment income | 760,927 | 4,026,823 | 847,933 | (33,873) |
| Depreciation and amortization | (2,304) | (535) | (729,914) | (71,225) |
| Gain (loss) on investments | 946,107 | 6,357,462 | 1,433 | 364 |
| Finance cost | (218,604) | (10,419) | (64,322) | (1,044) |
| Income (loss) on equity method investments | 601,364 | - | (45,048) | 1,958 |
| Derivative gain (loss) (excluding gain (loss) on investments) | (477,536) | - | 410 | 847 |

| | Total | Other | Reconciliations | Consolidated |
|---|---|---|---|---|
| Net sales | | | | |
| Customers | 5,399,893 | 228,274 | - | 5,628,167 |
| Intersegment | 14,305 | 10,317 | (24,622) | - |
| Total | 5,414,198 | 238,591 | (24,622) | 5,628,167 |
| Segment income | 5,601,810 | 92,625 | (23,979) | 5,670,456 |
| Depreciation and amortization | (803,978) | (42,954) | - | (846,932) |
| Gain (loss) on investments | 7,305,366 | 289,241 | (65,601) | 7,529,006 |
| Finance cost | (294,389) | (16,621) | 3,760 | (307,250) |
| Income (loss) on equity method investments | 558,274 | 21,578 | 36,580 | 616,432 |
| Derivative gain (loss) (excluding gain (loss) on investments) | (476,279) | (3,972) | - | (480,251) |

Note:

* The details of the difference between “Gain (loss) on investments” in the SVF1 and Other SBIA-Managed Funds segment and “Gain (loss) on investments at SVF1, SVF2, and others” in the consolidated statement of income are described in “Note 6. SVF1 and other SBIA-managed funds business.”

**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. The SPAC becomes the legal surviving company, and 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").

For the fiscal year ended March 31, 2021, Fortress, SBIA, and the subsidiary in the investment fund business in Latin America (subsidiaries of the Company) have formed, as sponsors, nine 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 (the amounts for Fortress, SBIA, and the subsidiary in the investment fund business in Latin America were $1,920 million, $1,154 million and $230 million, respectively).

Since the Company is deemed to have control over the SPACs from inception until its merger with a target company, the SPACs are consolidated as subsidiaries. The Company, as sponsor, acquires shares and, if applicable, warrants of SPACs as consideration for funds invested by the Company in SPACs. Investments in SPACs by the Company as sponsor, as well as investments by other subsidiaries of the Company, are eliminated in consolidation.

The proceeds received from investors other than the Company as sponsor ("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 completion of the initial merger or redemption to Public Market Investors and are invested only in certain financial assets that are highly liquid.

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

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Other financial assets (non-current) | | |
| Trust accounts in SPACs | - | 327,569 |

The amount of ownership interests held by Public Market Investors include 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 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 and, therefore, non-controlling interests subject to possible redemption are included in and presented as "Other financial liabilities (non-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:

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Other financial liabilities (non-current) | | |
| Non-controlling interests subject to possible redemption | - | 298,092 |

When the Company loses control over a SPAC due to a successful merger with a target company, the SPAC will no longer be subject to consolidation. For the fiscal year ended March 31, 2021, 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. Furthermore, an agreement to merge with a target company was completed between another SPAC sponsored by Fortress as of March 31, 2021.

## 6. SVF1 and other SBIA-managed funds business

(1) Income and loss arising from the SVF1 and other SBIA-managed funds business

a. Overview

Segment income arising from the SVF1 and other SBIA-managed funds business (income before income tax) represents the net profits of the SVF1 and other SBIA-managed 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 and performance fees that SBIA receives from SVF1.

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."

b. Segment income arising from the SVF1 and other SBIA-managed funds business

The components of segment income arising from the SVF1 and other SBIA-managed funds business are as follows:

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Gain (loss) on investments at SVF1, SVF2, and others | | |
| Realized gain on sales of investments | 58,340 | 419,640 |
| Unrealized gain (loss) on valuation of investments | | |
| Change in valuation for the fiscal year[1] | (1,877,682) | 6,013,404 |
| Reclassified to realized loss recorded in the past fiscal year[2] | (40,012) | (116,345) |
| Dividend income from investments | 12,848 | 29,849 |
| Derivative gain on investments | 145 | 1,091 |
| Effect of foreign exchange translation[3] | 1,494 | 9,823 |
| | (1,844,867) | 6,357,462 |
| Selling, general and administrative expenses | (86,484) | (74,194) |
| Finance cost (interest expenses) | (23,547) | (10,419) |
| Change in third-party interests in SVF1 | 540,930 | (2,246,417) |
| Other gain | 1,394 | 391 |
| Segment income arising from the SVF1 and other SBIA-managed funds business (income before income tax) | (1,412,574) | 4,026,823 |

Notes:

1. In September 2020, the Company entered into a definitive agreement with NVIDIA Corporation in order to sell all of its shares in Arm, a subsidiary of the Company, held by the Company (including shares held by SVF1). Given entry into the definitive agreement, SVF1 recorded ¥45,435 million of unrealized gain for the fiscal year ended March 31, 2021 upon the fair value estimation of Arm held by SVF1.

   The unrealized gain arising from Arm shares held by SVF1 is included in "Gain (loss) on investments at SVF1, SVF2, and others" (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned segment income. However, the unrealized gain is eliminated in consolidation as Arm is a subsidiary of the Company.

   In addition, SVF1 received ¥19,912 million of dividends from Arm for the fiscal year ended March 31, 2021. The dividends received from Arm are included in "Gain (loss) on investments at SVF1, SVF2, and others" (in Dividend income from investments) in the above-mentioned segment income, however, the dividends are eliminated in consolidation. The unrealized gain and the dividends, that are eliminated in consolidation, are not included in "Gain (loss) on investments at SVF1, SVF2, and others" in the consolidated statement of income.

2. It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at SVF1, SVF2, and others" in the past fiscal years, which are reclassified to realized gain and loss on sales of investments due to the sales of the shares.

3. Unrealized gain and loss on 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 disposal of investments are translated using the average exchange rate for the quarter in which the shares were disposed. Foreign currency translation effects are arising from the different foreign currency exchange rates used for unrealized gain and loss and realized gain and loss.

(2) Third-party interests in SVF1

a. Terms and conditions of contribution from/ distribution to limited partners

Contributions by the limited partners 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 limited partners, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance of SVF1. Those performance-based distributions and performance fees attributed to SBIA will be allocated using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to limited partners will be allocated to each limited partner based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each limited partner after SVF1 receives cash through dividend, or disposition or monetization of investments.

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 June and December.

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

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

(Millions of yen)

| | Third-party interests (Total of current liabilities and non-current liabilities) | | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|---|
| | | | Consolidated statement of income (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| | | (Breakdown) | | |
| As of April 1, 2020 | 4,584,419 | | | |
| Contributions from third-party investors | 979,266 | | - | 979,266 |
| Changes in third-party interests | 2,246,417 | | (2,246,417) | - |
| Attributable to investors entitled to fixed distribution | | 197,796 | | |
| Attributable to investors entitled to performance-based distribution | | 2,048,621 | | |
| Distribution/repayment to third-party investors | (1,362,066) | | - | (1,362,066) |
| Exchange differences on translating third-party interests* | 153,755 | | - | - |
| As of March 31, 2021 | 6,601,791 | | | |

Note:
* Exchange differences were included in “Exchange differences on translating foreign operations” in the consolidated statement of comprehensive income.

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of March 31, 2021 was $9.4 billion.

No contributions from Third-Party Investors were made into SVF2 from the inception to March 31, 2021, and there were no third-party interests in SVF2 as of March 31, 2021.

(3) Management fees and performance fees to SBIA

Terms and conditions of management fees and performance fees to SBIA from SVF1, included in segment income from the SVF1 and other SBIA-managed funds business, are as follows.

a. Management fees to SBIA

Management fees to SBIA 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.

b. Performance fees to SBIA

Same as the performance-based distributions, the amount of the performance fees to SBIA 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, 2021, the cumulative amount of performance fees paid to SBIA was $439 million. For the fiscal year ended March 31, 2021, no performance fees were paid to SBIA.

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

## 7. Business combinations

For the fiscal year ended March 31, 2020

ZOZO, Inc.

(1) Overview of the business combination

With the aim of strengthening its clothing/fashion e-commerce activities in an effort to further expand its e-commerce business, Z Holdings Corporation implemented a tender offer for the common shares of ZOZO, Inc., as resolved at its Board of Directors meeting held on September 12, 2019. This tender offer was completed on November 13, 2019, and the Company acquired ZOZO, Inc.'s 152,952,900 common shares in cash for ¥400,737 million. As a result, the Company holds 50.1% of voting rights ratio in ZOZO, Inc., and ZOZO, Inc. became a consolidated subsidiary of the Company. In addition, in order to procure part of the fund necessary to acquire the target shares for this business combination, the Company entered into a borrowing arrangement for ¥400,000 million.

(2) Summary of acquiree

| | |
|---|---|
| Name | ZOZO, Inc. |
| Nature of business | Planning/operation of fashion online shopping website "ZOZOTOWN"<br>Planning/development of private brand "ZOZO"<br>Customer support, operation of logistics center "ZOZOBASE" |

(3) Acquisition date

November 13, 2019

(4) Consideration transferred and the component

(Millions of yen)

| | | Acquisition date (November 13, 2019) |
|---|---|---|
| Payment by cash | | 400,737 |
| Total consideration transferred | A | 400,737 |

(5) Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date

(Millions of yen)

| | | Acquisition date (November 13, 2019) |
|---|---|---|
| Cash and cash equivalents | | 22,876 |
| Trade and other receivables | | 30,443 |
| Other current assets | | 7,770 |
| Property, plant and equipment | | 8,610 |
| Right-of-use assets | | 20,964 |
| Intangible assets[1] | | 503,017 |
| Other non-current assets | | 13,799 |
| Total assets | | 607,479 |
| | | |
| Interest-bearing debt (current) | | 22,000 |
| Lease liabilities (current) | | 3,854 |
| Trade and other payables | | 28,362 |
| Other current liabilities | | 9,263 |
| Lease liabilities (non-current) | | 16,735 |
| Deferred tax liabilities | | 150,269 |
| Other non-current liabilities | | 3,420 |
| Total liabilities | | 233,903 |
| | | |
| Net assets | B | 373,576 |
| | | |
| Non-controlling interests[2] | C | 185,750 |
| Goodwill[3] | A-(B-C) | 212,911 |

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration was completed during the three-month period ended March 31, 2020. There is no change from the initial provisional amount to the final amount.

Notes:

1. Intangible assets

Identifiable assets of ¥503,017 million are included and the components of intangible assets are as follows; the estimated useful lives are from 18 to 25 years for customer relationships. Trademarks are classified as intangible assets with indefinite useful lives. In addition, intangible assets recognized by business combinations are measured based on assumptions such as estimated future cash flow, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

(Millions of yen)

| | Acquisition date (November 13, 2019) |
|---|---|
| Intangible assets with indefinite useful lives | |
| Trademarks | 178,720 |
| Intangible assets with finite useful lives | |
| Customer relationships | 322,070 |
| Other | 2,227 |
| Total | 503,017 |

2. Non-controlling interests

Non-controlling interests are measured based on the proportionate interests in the fair value of the identifiable net assets of the acquiree.

3. Goodwill

Goodwill reflects excess earning power expected from future business development and the synergy between the Company and the acquiree.

(6) Payment for acquisition of control over subsidiaries

(Millions of yen)

| | Acquisition date (November 13, 2019) |
|---|---|
| Payment for the acquisition by cash | (400,737) |
| Cash and cash equivalents held by the acquiree at the time of acquisition of control | 22,876 |
| Payment for the acquisition of control over the subsidiary by cash | (377,861) |

(7) Sales and net income of the acquiree

The amounts of the acquiree’s sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statement of income for the fiscal year ended March 31, 2020, are ¥57,462 million and ¥5,773 million, respectively. In addition, amortization expenses related to intangible assets recognized on the acquisition date are included in the aforementioned net income.

For the fiscal year ended March 31, 2021

Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation

(1) Overview of the business combination

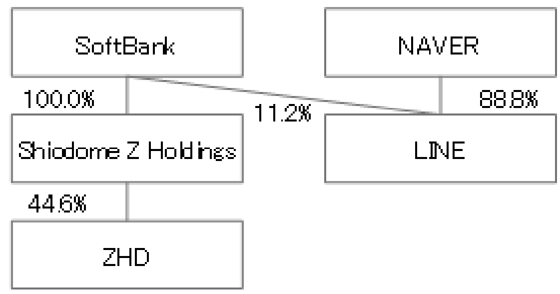
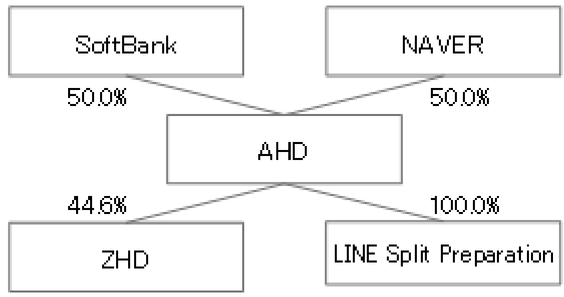
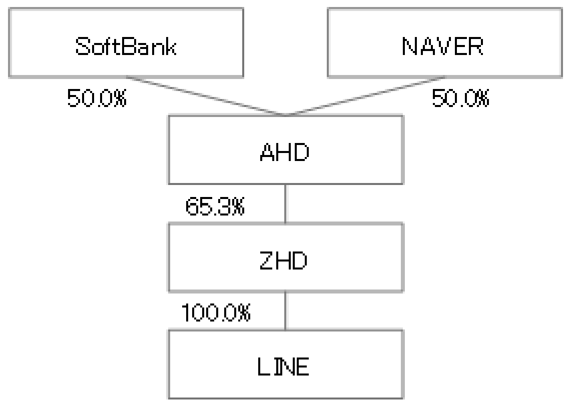
SoftBank Corp., a subsidiary of the Company, consolidated LINE Corporation and implemented the business integration of LINE Corporation and Z Holdings Corporation for the purpose of maximizing synergy in each business field pertaining to Z Holdings Corporation and LINE Group, aggregating management resources and enhancing growth in the new business fields.

Through this acquisition, SoftBank Corp. first transferred all the Z Holdings Corporation shares held by SoftBank Corp. to Shiodome Z Holdings Co., Ltd (subsequently, its corporate form was changed to Shiodome Z Holdings G.K.), and SoftBank Corp. and NAVER J.Hub Corporation wholly owned by NAVER Corporation, major shareholder of LINE Corporation, conducted a joint tender offer for the common stock of LINE Corporation and implemented squeeze-out procedures of minority shareholders as well as making adjustments of ownership interests toward the LINE Corporation shares held by SoftBank Corp. and NAVER J.Hub Corporation. As a result, SoftBank Corp. acquired 26,220 thousand common stock of LINE Corporation for ¥172,992 million excluding transaction costs and therefore the ratio of voting rights held by SoftBank Corp. in LINE Corporation became 11.2% as of February 25, 2021 (Refer to (a) under Structure Diagram below.)

LINE Corporation conducted a tender offer for the common stock of Z Holdings Corporation and an absorption-type merger with Shiodome Z Holdings G.K. As a result, the ratio of voting rights held by SoftBank Corp. and NAVER Corporation in LINE Corporation became 50.0% respectively as of February 26, 2021. Effective February 28, 2021, LINE Corporation transitioned all the business to LINE Split Preparation Corporation through a company split (absorption-type company split) and changed its name to A Holdings Corporation. Under the joint venture agreement entered into with NAVER Corporation, SoftBank Corp. owns the rights to appoint the majority of the Board of Directors of A Holdings Corporation. As a result, A Holdings Corporation and LINE Split Preparation Corporation are considered substantially controlled by the Company, through SoftBank Corp., a subsidiary of the Company, and became subsidiaries of the Company, effective February 28, 2021, on which the legally binding joint venture agreement was entered into by conducting the absorption-type merger. Also, through A Holdings Corporation, SoftBank Corp., a subsidiary of the Company, owns the rights to appoint the majority of the Board of Directors of Z Holdings Corporation and accordingly, Z Holdings Corporation is considered continuously controlled by SoftBank Corp. (Refer to (b) under Structure Diagram below.)

In addition, effective March 1, 2021, a share exchange of common stock of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation (the exchange ratio: allotted ratio of Z Holdings Corporation shares to be exchanged for one share of the LINE Split Preparation Corporation is 11.75 and the allotted number of Z Holdings Corporation shares is 2,831,284,030 shares) whereby LINE Split Preparation Corporation became the wholly-owned subsidiary of Z Holdings Corporation. As a result, the ratio of voting rights held by A Holdings Corporation in Z Holdings Corporation became 65.3%. Subsequently, LINE Split Preparation Corporation changed its name to LINE Corporation (Refer to (c) under Structure Diagram below.)

Structure Diagram

| | |
|---|---|
| (a) Joint tender offer for LINE Corporation shares and squeeze-out |  |
| (b) Tender offer for Z Holdings Corporation shares and absorption-type merger between Shiodome Z Holdings G.K. and LINE Corporation (currently A Holdings Corporation) as well as LINE business demerger |  |
| (c) Share exchange between Z Holdings Corporation and A Holdings Corporation |  |

(2) Summary of acquiree

| | |
|---|---|
| Name | LINE Corporation* |
| Nature of business | Advertising service based on the mobile messenger application "LINE," core business including the sales of stamp and game services, and strategic business including Fintech, AI, and commerce service |

Note:
* Refer to LINE Corporation, surviving company through the absorption-type merger conducted by Shiodome Z Holdings G.K. As described in "Structure Diagram (b)" under "(1) Overview of the business combination," LINE Corporation, acquiree, transitioned all the business to LINE Split Preparation Corporation (currently LINE Corporation) and changed its name to A Holdings Corporation, effective February 28, 2021.

(3) Acquisition date

February 28, 2021

(4) Consideration transferred and the component

| | | (Millions of yen)<br>Acquisition date<br>(February 28, 2021) |
|---|---|---|
| Fair value of common shares in LINE Corporation already held at the time of acquisition of control | | 172,922 |
| Fair value of common shares in Shiodome Z Holdings G.K. transferred at the time of acquisition of control | | 689,150 |
| Total consideration transferred | A | 862,072 |

Acquisition-related costs incurred for the business combination were ¥1,970 million, of which ¥932 million and ¥1,038 million are included in “Selling, general and administrative expenses” in the consolidated statement of income for the fiscal year ended March 31, 2020 and for the fiscal year ended March 31, 2021, respectively. In addition, as a result of remeasuring interests in LINE Corporation held by SoftBank Corp. based on the fair value as of the acquisition date, difference on the step acquisition of ¥(70) million is recognized. The amount is included in “Equity financial assets at FVTOCI” in the consolidated statement of comprehensive income.

(5) Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date

| | | (Millions of yen)<br>Acquisition date<br>(February 28, 2021) |
|---|---|---|
| Cash and cash equivalents | | 312,791 |
| Trade and other receivables | | 67,553 |
| Other (current) | | 46,687 |
| Property, plant and equipment | | 24,667 |
| Right-of-use assets | | 62,940 |
| Intangible assets[1] | | 425,401 |
| Investments accounted for using the equity method | | 168,093 |
| Other (non-current) | | 104,809 |
| Total assets | | 1,212,941 |
| | | |
| Interest-bearing debt (current and non-current) | | 244,248 |
| Trade and other payables | | 233,671 |
| Other (current) | | 49,169 |
| Deferred tax liabilities | | 155,856 |
| Other (non-current) | | 20,745 |
| Total liabilities | | 703,689 |
| | | |
| Net assets | B | 509,252 |
| | | |
| Non-controlling interests[2] | C | 264,257 |
| Goodwill[3] | A-(B-C) | 617,077 |

As the recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not complete as of March 31, 2021, the above amounts are provisional based on the best estimate at present. Accordingly, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill may change in a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date are obtained and evaluated.

Notes:

1. Intangible assets

Identifiable assets of ¥406,964 million are included and the components of intangible assets are as follows; the estimated useful lives are from 12 to 18 years for customer relationships. Trademarks are classified as intangible assets with indefinite useful lives. In addition, intangible assets recognized by business combinations are measured based on assumptions such as estimated future cash flow, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

(Millions of yen)

| | Acquisition date (February 28, 2021) |
|---|---|
| Intangible assets with indefinite useful lives | |
| Trademarks | 170,078 |
| Intangible assets with finite useful lives | |
| Customer relationships | 236,886 |
| Total | 406,964 |

2. Non-controlling interests

Non-controlling interests that give the holder a pro-rata share of the net assets of the acquiree at the time of liquidation are measured at the recognized amounts of the acquiree’s identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests as of the acquisition date after the business combination.

3. Goodwill

Goodwill reflects excess earning power expected from future business development and the synergy between the Company and the acquiree.

(6) Proceeds from acquisition of control over subsidiaries

(Millions of yen)

| | Acquisition date (February 28, 2021) |
|---|---|
| Cash and cash equivalents held by the acquiree at the time of acquisition of control | 312,791 |
| Proceeds in cash from the acquisition of control over the subsidiary | 312,791 |

**8. Disposal group classified as held for sale**

As of December 11, 2020, the Company agreed on main terms of a transaction with South Korea-based Hyundai Motor Company and its affiliates (collectively “Hyundai Motor Group”) and Euisun Chung, Chairman of Hyundai Motor Group, pursuant to which (i) the Company will sell the majority of its shares held in Boston Dynamics, Inc. (“Boston Dynamics”), to Hyundai Motor Group and Euisun Chung, and (ii) Hyundai Motor Group and Euisun Chung will subscribe for additional shares of Boston Dynamics. Upon this agreement, it is highly probable that Boston Dynamics will no longer be a subsidiary of the Company. Accordingly, assets, liabilities, and accumulated other comprehensive income of Boston Dynamics were reclassified as a disposal group classified as held for sale. The disposal group classified as held for sale was measured at the carrying amount as the consideration from the sale transaction was higher than the carrying amount of Boston Dynamics. The carrying amounts of assets, liabilities, and accumulated other comprehensive income in Boston Dynamics are ¥38,647 million, ¥11,271 million, and ¥267 million, respectively as of March 31, 2021. The transaction requires regulatory approval and satisfaction of certain closing conditions and is expected to be completed by June 2021.

## 9. Other financial assets

The components of other financial assets are as follows:

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Current | | |
| Restricted cash[1, 2] | 23,907 | 480,100 |
| Derivative financial assets[3] | 30,087 | 383,315 |
| Marketable securities | 230,234 | 80,797 |
| Time deposits (maturities of more than three months) | 9,925 | 36,315 |
| Other | 19,334 | 85,630 |
| Allowance for doubtful accounts | - | (10,935) |
| Total | 313,487 | 1,055,222 |
| Non-current | | |
| Installment receivables | 493,526 | 481,943 |
| Loan receivables | 233,521 | 390,073 |
| Deposits for banking business | 201,770 | 384,394 |
| Trust accounts in SPACs[4] | - | 327,569 |
| Investments from asset management subsidiaries[5] | - | 97,023 |
| Lease and guarantee deposits | 61,327 | 73,355 |
| Advance payments[6] | 44,161 | - |
| Other | 208,929 | 247,504 |
| Allowance for doubtful accounts | (142,540) | (82,599) |
| Total | 1,100,694 | 1,919,262 |

Notes:

1. ¥361,355 million ($3.3 billion) of restricted cash which is required to maintain in a segregated custody account before the expected early termination date due to exercise of the option to settle the prepaid forward contract using Alibaba shares by cash is included as of March 31, 2021. The details are described in “Notes 3” in “(1) Components of interest-bearing debt” under “Note 12. Interest-bearing debt.”

2. ¥111,787 million of restricted cash in the asset management subsidiary is included as of March 31, 2021. The details are described in “c. Restricted cash” in “(2) Significant accounting policies for the asset management subsidiary” under “Note 2. Significant accounting policies.”

3. The increase was primarily due to prepaid forward contracts using Alibaba shares. The details are described in “Notes 3” in “(1) Components of interest-bearing debt” under “Note 12. Interest-bearing debt.”

4. The details are described in “Note 5. Special purpose acquisition companies sponsored by the Company.”

5. The details are described in “a. Investments from the asset management subsidiary” in “(2) Significant accounting policies for the asset management subsidiary” under “Note 2. Significant accounting policies.”

6. The amount as of March 31, 2020 represents the advance payment related to purchase of WeWork shares.

**10. Derivative financial assets (non-current)**

The increase was primarily due to the prepaid forward contracts using Alibaba shares and the contingent consideration related to the acquisition of T-Mobile shares. The details are described in “Notes 3” in “(1) Components of interest-bearing debt” under “Note 12. Interest-bearing debt” for the prepaid forward contracts using Alibaba shares and in “(1) Sprint” under “Note 3. Discontinued operations” for the contingent consideration related to the acquisition of T-Mobile shares.

**11. Income taxes**

For the fiscal year ended March 31, 2021

In May 2020, as part of “SoftBank announces ¥4.5 trillion ($41 billion) program to repurchase shares and reduce debt” announced on March 23, 2020 (the “¥4.5 trillion program”), SBGJ, a wholly-owned subsidiary of the Company, transferred a portion of SoftBank Corp. shares held (ownership percentage 5.0%). Additionally, in September 2020, in order to further enhance its cash reserves, a portion of SoftBank Corp. shares held (ownership percentage 21.7%) was transferred.

¥1,526,867 million of proceeds was received due to the transfers in May 2020 and in September 2020. SoftBank Corp. remains a subsidiary as of March 31, 2021. Accordingly, ¥460,067 million, the equivalent amount of income taxes for gain on sales of SoftBank Corp. shares on a consolidation basis, is deducted from capital surplus as “Changes in interests in subsidiaries.”

As a result of the transaction, a loss carry forward whose deferred tax asset was not recognized in SBGJ was utilized and a credit of income taxes (profit) was recorded for ¥159,802 million.

Furthermore, a deductible temporary difference, associated with an investment in SoftBank Corp. whose deferred tax asset was not recognized, was reversed and a credit of income taxes (profit) was recorded for ¥96,258 million.

## 12. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Current | | |
| Short-term borrowings[1] | 1,529,458 | 2,637,401 |
| Commercial paper | 206,000 | 409,201 |
| Current portion of long-term borrowings[1, 2] | 1,949,571 | 2,085,348 |
| Current portion of corporate bonds | 159,938 | 804,356 |
| Current portion of financial liabilities relating to sale of shares by prepaid forward contracts[3] | - | 1,798,701 |
| Current portion of installment payables | 186 | 232 |
| Total | 3,845,153 | 7,735,239 |
| Non-current | | |
| Long-term borrowings[1, 2] | 3,821,473 | 4,745,058 |
| Corporate bonds[4] | 5,268,883 | 4,745,184 |
| Financial liabilities relating to sale of shares by prepaid forward contracts[3] | 196,101 | 1,287,038 |
| Installment payables | 272 | 456 |
| Total | 9,286,729 | 10,777,736 |

Notes:

1. Long-term borrowings as of March 31, 2021 include ¥444,227 million (¥408,465 million of short-term borrowings, ¥10,883 million of current portion of long-term borrowings, and ¥162,195 million of long-term borrowings as of March 31, 2020) in SVF1.

2. On July 8, 2020, Skywalk Finance GK, a wholly-owned subsidiary of the Company, made an early repayment for the total amount of borrowings ($9.44 billion) using Alibaba shares pledged as collateral. As a result, current portion of long-term borrowings decreased by ¥1,024,872 million. Accordingly, the collateral was released. In addition, on March 30, 2021, Skywalk Finance GK made borrowings using Alibaba shares pledged as collateral. As a result, long-term borrowings increased by ¥887,208 million. The shares are recorded as "Investments accounted for using the equity method" for ¥833,317 million in the consolidated statement of financial position as of March 31, 2021.

3. For the fiscal year ended March 31, 2020, West Raptor Holdings, LLC ("WRH LLC"), a wholly-owned subsidiary of the Company, entered into a prepaid forward contract using Alibaba shares with a financial institution. As part of the "¥4.5 trillion program," for the fiscal year ended March 31, 2021, West Raptor Holdings 2, LLC ("WRH2 LLC"), Skybridge LLC, and Skylark 2020 Holdings Limited ("Skylark Limited"), Scout 2020 Holdings Limited ("Scout Limited") and Tigress 2020 Holdings Limited ("Tigress Limited"), wholly-owned subsidiaries of the Company, entered into several prepaid forward contracts using Alibaba shares with financial institutions.

a. Contract for the fiscal year ended March 31, 2020: Procured amount ¥179,145 million ($1.65 billion)

The settlement is expected in October 2021 and November 2021. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled.

b. Contract for the fiscal year ended March 31, 2021: Procured total amount ¥1,660,952 million ($15.4 billion)

(a) Forward contract: Procured amount ¥161,610 million ($1.5 billion)

The settlement is expected in April 2024. The share price and the number of Alibaba shares settled by the prepaid forward contracts are fixed regardless of changes in market share price in the future.

(b) Floor contract: Procured amount ¥161,853 million ($1.5 billion)

The settlement is expected in December 2023 and January 2024. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A floor is set for the price of shares settled.

(c) Collar contract: Procured amount ¥918,531 million ($8.5 billion)

The settlement is expected from January 2022 to September 2022. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled.

(d) Collar contract and call spread: Procured amount ¥239,722 million ($2.2 billion)

The settlement is expected from May 2024 to June 2024. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled. In addition to the prepaid forward contracts, the call spread (combination of long position of call option and short position of call option with different strike prices) contract is entered into in preparation for Alibaba shares price rise. A portion of the procured amount is used for the payment of option premium.

(e) Collar contract: Procured amount ¥97,897 million ($0.9 billion)

The settlement is expected in July 2022. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled.

(f) Collar contract and call spread: Procured amount ¥81,339 million ($0.8 billion)

The settlement is expected in August 2024. The number of Alibaba shares settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled. In addition to the prepaid forward contracts, the call spread contract is entered into in preparation for Alibaba shares price rise.

For the fiscal year ended March 31, 2021, of the aforementioned prepaid forward contracts regarding the contracts a. and b. (c), amendment of the contract to revise the cap and floor for the price of shares settled has executed and regarding the contract b. (a) amendment of the contract to change to collar contract which a cap and a floor are set for the price of shares settles has executed. Due to the amendments, the settlement is expected: October 2021 and November 2021 for contract a.; October 2022 and November 2022 for contract b. (a); and from October 2021 to June 2022 for contract b. (c).

The amendments of the contracts are applicable for as exchanges of debt instruments with substantially different terms under IFRS, and accounted for as extinguishments of the original financial liabilities relating to the sale of shares by prepaid forward contracts and the recognition of new financial liabilities relating to the sale of shares by variable prepaid forward contracts. Including the new variable prepaid forward contracts, the aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value and the call spread is measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the variable prepaid forward contracts, a tax effect is recognized.

As a result of the amendments, upon the extinguishment of the original contracts, ¥1,382,751 million of financial liabilities related to the sale of shares by prepaid forward contracts and ¥476,301 million of derivative financial liabilities (non-current) are derecognized. On the other hand, ¥2,179,156 million of new financial liabilities related to the sale of shares by variable prepaid forward contracts and ¥333,193 million of derivative financial assets are newly recognized and ¥16,211 million of cash is paid as a difference in exchange value between the original and new contracts. Further, along with the fluctuation of derivative financial assets and derivative financial liabilities, ¥275,756 million of deferred tax liabilities is increased and the same amount of income taxes is increased, representing the tax effect.

Embedded derivatives are recognized for ¥359,115 million as "Derivative financial assets (current)," for ¥302,500 million as "Derivative financial assets (non-current)," and for ¥28,096 million as "Derivative financial liabilities (current)" and the call spread is recognized for ¥42,059 million as "Derivative financial assets (non-current)" in the consolidated statement of financial position as of March 31, 2021.

WRH LLC, WRH2 LLC, Skybridge LLC, Skylark Limited, Scout Limited, and Tigress Limited 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 WRH LLC, WRH2 LLC, Skybridge LLC, Skylark Limited, Scout Limited, and Tigress Limited elect cash settlement, WRH LLC, WRH2 LLC, Skybridge LLC, Skylark Limited, Scout Limited, and Tigress Limited 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 WRH LLC, WRH2 LLC, Skybridge LLC, Skylark Limited, Scout Limited, and Tigress Limited are pledged as collateral in accordance with all of the prepaid forward contracts, and except for the contract by Tigress Limited, the Company granted 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 WRH LLC, WRH2 LLC, Skybridge LLC, Skylark Limited, Scout Limited, and Tigress Limited. Alibaba continues to be an equity method associate of the Company after the completion of these transactions because the Company still has significant influence over Alibaba via voting rights. Alibaba shares, pledged as collateral by the Company in accordance with the prepaid forward contracts, are recognized as "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2021 and the carrying amount is ¥583,897 million.

Also, for the fiscal year ended March 31, 2021, of the aforementioned prepaid forward contract regarding contract b. (d), Skylark Limited has exercised the option to settle the prepaid forward contract by cash and noticed to counterparty for early termination in April 2021. Under the prepaid forward contract, Skylark Limited is required to maintain cash that would exceed expected early termination amounts in a segregated custody account as restricted cash before the expected early termination date. ¥361,355 million ($3.3 billion) of the restricted cash is recognized as "Other financial assets (current)" in the consolidated statement of financial position as of March 31, 2021.

On April 13, 2021, Skylark Limited paid ¥313,411 million ($2.9 billion) from restricted cash, completing the settlement of the transactions. ¥285,780 million of current portion of financial liabilities relating to sale of shares by prepaid forward and ¥28,096 million of "derivative financial liabilities (current)" which are recognized in the consolidated statement of financial position as of March 31, 2021, are derecognized. Accordingly, on the same date, ¥61,633 million of Alibaba shares recognized in the consolidated statement of financial position as of March 31, 2021 is released from the collateral.

4. On July 22, 2020, SoftBank Group Corp. purchased a portion of domestic unsecured corporate bonds and retired these bonds. These bonds were derecognized as the requirement for the extinguishment was satisfied on the same date. As a result, corporate bonds decreased by ¥167,595 million.

In addition, on March 10, 2021, SoftBank Group Corp. purchased a portion of foreign-currency-denominated senior notes. These notes were derecognized as the requirement for the extinguishment was satisfied on the same date. As a result, corporate bonds decreased by ¥222,183 million.

(2) Components of proceeds in short-term interest-bearing debt, net

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

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Net increase of short-term borrowings | 36,173 | 1,452,826 |
| Net increase of commercial paper | 97,000 | 122,501 |
| Total | 133,173 | 1,575,327 |

(3) 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, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Proceeds from borrowings | 7,043,561 | 5,707,162 |
| Proceeds from issuance of corporate bonds | 1,379,220 | 597,000 |
| Proceeds from procurement by prepaid forward contracts using shares* | 179,145 | 1,660,952 |
| Total | 8,601,926 | 7,965,114 |

Note:
*The amount is procured under the prepaid forward contracts using Alibaba shares. The details are described in "Notes 3" under "(1) Components of interest-bearing debt."

(4) 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, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Repayment of borrowings | (4,599,878) | (5,223,271) |
| Redemption of corporate bonds | (1,036,765) | (567,630) |
| Payment of installment payables | (10,084) | - |
| Total | (5,646,727) | (5,790,901) |

## 13. Other financial liabilities

The components of other financial liabilities are as follows:

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Current | | |
| Allowance for loan commitment losses[1] | 96,756 | 24,381 |
| Allowance for financial guarantee contract losses[2] | 145,133 | 10,218 |
| Other | 6,121 | 16,686 |
| Total | 248,010 | 51,285 |
| Non-current | | |
| Non-controlling interests subject to possible redemption[3] | - | 298,092 |
| Other | 77,207 | 117,315 |
| Total | 77,207 | 415,407 |

Notes:

1. The balance as of March 31, 2021 is an allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions and decreased as expected credit losses were lower than the balance as of March 31, 2020 due to the improvement of credit spread for WeWork's unsecured notes distributed in the market.

2. Allowance for unutilized loan commitment losses related to purchase unsecured notes issued by WeWork. Regarding liabilities related to the loan commitment, when a wholly-owned subsidiary of the Company other than SVF1 (hereinafter within "Investments in WeWork", and the wholly-owned subsidiaries of the Company that invest in WeWork or are parties to contracts with WeWork are collectively referred to as the "WeWork Investment Subsidiary") purchased the unsecured notes, the corresponding amounts were reversed from the liabilities related to the loan commitment and deducted from the initial recognition amounts of the loan receivables. Also, credit spread for WeWork's unsecured notes distributed in the market was improved. The balance decreased as expected credit losses were lower than the balance as of March 31, 2020 mainly due to the abovementioned reasons.

3. The details are described in "Note 5. Special purpose acquisition companies sponsored by the Company."

## 14. Financial instruments

(1) Option contracts

The details of option contracts are as follows:

Option contracts to which hedge accounting is not applied

(Millions of yen)

| | As of March 31, 2020 | | As of March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities |
| Long call option of listed stocks in asset management subsidiaries | - | - | 176,627 | - |
| Short call option of listed stocks in asset management subsidiaries | - | - | - | (9,283) |
| Contingent consideration relating to acquisition of T-Mobile shares[1] | - | - | 460,709 | - |
| Prepaid forward contracts using Alibaba shares[2] | 5,009 | - | 661,615 | (28,096) |
| Call spread contracts relating to prepaid forward contracts using Alibaba shares[2] | - | - | 42,059 | - |
| Short call option for T-Mobile shares to Deutsche Telekom AG[3] | - | - | - | (204,821) |

Notes:

1. Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. The details are described in “(1) Sprint” under “Note 3. Discontinued operations.”

2. Increase was due to prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares. The details are described in “Notes 3” in “(1) Components of interest-bearing debt” under “Note 12. Interest-bearing debt.”

3. Call options for T-Mobile shares which the Company granted to Deutsche Telekom in relation to the transfer of T-Mobile share. The details are described in “Note 23. Additional information.”

(2) Swap contracts

The details of swap contracts are as follows:

Swap contracts to which hedge accounting is not applied

(Millions of yen)

| | As of March 31, 2020 | | As of March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities |
| Total return swap contracts of listed stocks in asset management subsidiaries | - | - | 7,057 | (5,390) |

(3) Forward contracts

The details of forward contracts are as follows:

Forward contracts to which hedge accounting is not applied

(Millions of yen)

| | As of March 31, 2020 | | As of March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities |
| Tender offer for WeWork shares* | - | - | - | (76,823) |
| Forward contracts of listed stocks in asset management subsidiaries | - | - | 4,372 | - |

Note:

* In March 2021, the WeWork Investment Subsidiary commenced a tender offer to purchase WeWork common shares and preferred shares from certain shareholders other than the Company at a price of $19.19 per shares for the total amount of $922 million. The tender offer is considered as forward contracts and accounted for as derivatives. The difference between the valuation amount of common shares and preferred shares expected to purchase and the expected acquisition amount was recorded as “Derivative financial liabilities (current).” The tender offer was completed in April 2021.

## 15. 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, 2020 | As of March 31, 2021 |
|---|---|---|
| USD | 108.83 | 110.71 |
| CNY | 15.31 | 16.84 |
| GBP* | 133.32 | - |

(2) Average rate for the quarter

For the fiscal year ended March 31, 2020

(Yen)

| | Three-month period ended June 30, 2019 | Three-month period ended September 30, 2019 | Three-month period ended December 31, 2019 | Three-month period ended March 31, 2020 |
|---|---|---|---|---|
| USD | 110.00 | 107.70 | 108.98 | 109.22 |
| CNY | 16.13 | 15.37 | 15.46 | 15.56 |
| GBP* | 140.88 | 132.73 | 139.55 | 140.20 |

For the fiscal year ended March 31, 2021

(Yen)

| | Three-month period ended June 30, 2020 | Three-month period ended September 30, 2020 | Three-month period ended December 31, 2020 | Three-month period ended March 31, 2021 |
|---|---|---|---|---|
| USD | 107.74 | 105.88 | 104.45 | 106.24 |
| CNY | 15.16 | 15.27 | 15.71 | 16.31 |

Note:

* From the three-month period ended June 30, 2020, Arm Limited, a subsidiary of the Company, changed its functional currency from British pound to U.S. dollar.

This change was made based on the judgement that the primary economic environment in which Arm Limited operates had changed mainly due to the increase in proportion of the U.S. dollar denominated costs to the total costs in Arm Limited.

As a result of this change, exchange rates of British pound are not presented from the three-month period ended June 30, 2020 as it is no longer considered as a major currency used for translating financial statements of foreign operations.

## 16. Equity

(1) Capital surplus

(Partial sales of SoftBank Corp. shares)

In May 2020, SBGJ, a wholly-owned subsidiary of the Company, transferred a portion of SoftBank Corp. shares held (ownership percentage 5.0%) as part of “the ¥4.5 trillion program.” Additionally, in September 2020, in order to further enhance its cash reserves, a portion of SoftBank Corp. shares held (ownership percentage 21.7%) was transferred. As a result of the transactions, ¥932,388 million of the equivalent amount for gain on sales of SoftBank Corp. shares after considering income taxes on a consolidation basis is recorded as “Changes in interests in subsidiaries” in capital surplus.

(Business integration of LINE Corporation and Z Holdings Corporation)

On February 26, 2021, Shiodome Z Holdings G.K., wholly owned by SoftBank Corp., was merged into LINE Corporation, the surviving company. Subsequently, on March 1, 2021, a share exchange of common shares of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation. As a result of the transactions, capital surplus increased by ¥245,147 million in “Changes in interests in subsidiaries.” The details are described in “Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation” under “Note 7. Business combinations.”

(2) Other equity instruments

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

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

(3) Treasury stock

Changes in treasury stock are as follows:

(Thousands of shares)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 46,827 | 21,818 |
| Increase during the year* | 33,340 | 336,166 |
| Decrease during the year | (58,349) | (6,686) |
| Balance at the end of the year | 21,818 | 351,298 |

Note:
* For the fiscal year ended March 31, 2021, due to purchases of treasury stock under the resolution passed at the Board of Directors meeting held on March 13, 2020, the number of treasury stock increased by 102,960 thousand shares (amount purchased ¥483,971 million). In addition, under the resolutions passed at the Board of Directors meetings held on May 15, 2020, June 25, 2020, and July 30, 2020, the number of treasury stock increased by 233,201 thousand shares (amount purchased ¥1,742,222 million) as part of "the ¥4.5 trillion program."

(4) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen)

| | As of March 31, 2020 | As of March 31, 2021 |
|---|---|---|
| Equity financial assets at FVTOCI | 5,115 | 24,099 |
| Debt financial assets at FVTOCI | 580 | 390 |
| Cash flow hedges | 13,128 | 42,962 |
| Exchange differences on translating foreign operations | (381,082) | 270,878 |
| Total | (362,259) | 338,329 |

## 17. 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, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Gain relating to sales of T-Mobile shares[1] | - | 421,755 |
| Gain relating to settlement of prepaid forward contracts using Alibaba shares | 1,218,527 | - |
| Realized loss on sales of investments at asset management subsidiaries | - | (20,537) |
| Unrealized gain on valuation of investments at asset management subsidiaries | - | 134,074 |
| Derivative loss on investments at asset management subsidiaries | - | (610,690) |
| Realized gain (loss) on sales of investments | (413) | 220,875 |
| Unrealized gain (loss) on valuation of investments | (672,479) | 609,734 |
| Derivative gain (loss) on investments[2, 3] | (66,343) | 185,769 |
| Other | 5,016 | 4,964 |
| Total | 484,308 | 945,944 |

Notes:

1. On June 26, 2020, the Company transferred 173,564,426 shares out of 304,606,049 shares of T-Mobile common stock held and ¥280,341 million of gain on sales of shares of associates was recorded for the fiscal year ended March 31, 2021. Additionally, the Company transferred 5,000,000 shares on July 16, 2020 and 19,750,000 shares on August 3, 2020 at $103.00 per a share. As a result of the transactions, ¥3,122 million of realized loss on sales of investments and ¥3,014 million of gain related to derecognition of derivative financial liabilities were recorded for the fiscal year ended March 31, 2021. The derivative financial liabilities were recorded as the difference between the transaction price and the fair value of T -Mobile shares as of June 30, 2020 in the condensed interim consolidated financial statements as of June 30, 2020 because the transaction price was fixed at $103.00 per a share under the agreement on June 26, 2020.

   In addition, due to the decrease in voting rights ratio resulted from the share transfer, the Company had no significant influence over T-Mobile and T-Mobile was no longer considered as an equity method associate of the Company on June 26, 2020. Accordingly, ¥296,013 million of gain from remeasurement relating to discontinuing the use of the equity method for the shares, which were continuously held at the time of discontinuing the use of the equity method, was recorded for the fiscal year ended March 31, 2021.

   Furthermore, ¥154,491 million of derivative loss in relation to call options over T-Mobile shares granted to Deutsche Telekom was recorded at the time of execution of the agreement for the fiscal year ended March 31, 2021.

   As a result of the transactions, ¥421,755 million of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2021. The details are described in “Note 23. Additional information.”

2. ¥264,395 million of derivative gain on investments was recorded due to changes in the fair value of contingent consideration acquired from the merger transaction with Sprint and T-Mobile US, Inc. for the fiscal year ended March 31, 2021. The details are described in "(1) Sprint" under "Note 3. Discontinued operations."

3. The WeWork Investment Subsidiary commenced a tender offer to purchase WeWork shares in March 2021. The difference between the valuation amount of preferred shares expected to purchase and the expected acquisition amount was recorded as derivative loss for ¥56,127 million for the fiscal year ended March 31, 2021.

(2) Gain and loss on investments at SVF1, SVF2, and others

The details are described in "Note 6. SVF1 and other SBIA-managed funds business."

(3) Gain and loss on other investments

The components of gain and loss on other investments are as follows:

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Realized gain on sales of investments | 3,188 | 11,185 |
| Unrealized gain (loss) on valuation of investments | (55,741) | 259,375 |
| Derivative gain (loss) on investments | (4,876) | 9,158 |
| Other | 7,835 | 11,320 |
| Total | (49,594) | 291,038 |

## 18. Finance cost

The components of finance cost are as follows:

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Interest expenses | (293,897) | (307,250) |

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

For the fiscal year ended March 31, 2021

Derivative loss of ¥504,048 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts related to the prepaid forward contracts using Alibaba shares. The details of the contracts are described in "Notes 3" in "(1) Components of interest-bearing debt" under "Note 12. Interest-bearing debt."

## 20. Other loss

The components of other gain and loss are as follows:

(Millions of yen)

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Interest income | 33,911 | 18,352 |
| Foreign exchange loss | (9,271) | (137,166) |
| Reversal of allowance for loan commitment losses[1] | - | 61,312 |
| Reversal of allowance for financial guarantee contract losses[2] | - | 58,208 |
| Dilution gain from changes in equity interest[3] | 339,842 | 54,941 |
| Gain on liquidation of subsidiaries[4] | - | 45,257 |
| Reversal of impairment losses on equity method investments[5] | - | 21,634 |
| Impairment loss on equity method investments[5] | (72,626) | (68,215) |
| Impairment loss | (3,404) | (21,160) |
| Loss on redemption of corporate bonds[6] | - | (17,853) |
| Provision for allowance for doubtful accounts | (102,947) | (7,533) |
| Provision for allowance for loan commitment losses | (90,210) | - |
| Provision for allowance for financial guarantee contract losses | (59,902) | - |
| Other | (40,850) | (52,273) |
| Total | (5,457) | (44,496) |

Notes:

1. For the fiscal year ended March 31, 2021, ¥61,312 million of reversal of allowance for unutilized loan commitment losses related to acquire unsecured notes issued by WeWork was recorded as expected credit losses were lower than the amount recorded as of March 31, 2020 due to the improvement of credit spread for WeWork's unsecured notes distributed in the market.

2. For the fiscal year ended March 31, 2021, ¥50,887 million of reversal of allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded as expected credit losses were lower than the amount recorded as of March 31, 2020 due to the improvement of credit spread for WeWork's unsecured notes distributed in the market.

3. For the fiscal year end March 31, 2021, primarily represents the dilution gain arising from changes in Alibaba's equity interest held by the Company due to the exercise of stock options in Alibaba .

4. For the fiscal year ended March 31, 2021, primarily, due to the realization of exchange differences resulted from the liquidation of Kahon 3 Oy, a wholly-owned subsidiary of the Company.

5. For the fiscal year ended March 31, 2021, the WeWork Investment Subsidiary purchased WeWork common shares from We Holdings LLC, served as the managing member by the founder and former CEO of WeWork, Adam Neumann, at $19.19 per share for the total amount of $578 million. The difference between acquisition amount and fair value at the time of acquisition was recorded as an impairment loss for ¥54,277 million. Subsequently, ¥21,634 million of reversal of impairment losses was recorded as the fair value of WeWork common shares held increased following the conclusion of the merger agreement between WeWork  and BowX Acquisition Corp., which is a SPAC, providing for a business combination

with BowX Acquisition Corp. that is expected to result in WeWork becoming publicly listed on Nasdaq Capital Market or the New York Stock Exchange.

6. For the fiscal year end March 31, 2021, primarily represents the loss related to foreign-currency-denominated senior notes purchased by SoftBank Group Corp.

## 21. Earnings per share

(1) Basic earnings per share

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Net income attributable to ordinary shareholders of the parent (Millions of yen) | | |
| Net income attributable to owners of the parent | (961,576) | 4,987,962 |
| Net income not-attributable to ordinary shareholders of the parent[2] | (30,948) | (30,246) |
| Net income used in the calculation of basic earnings per share | (992,524) | 4,957,716 |
| Net income used in the calculation of basic earnings per share | | |
| Net income from continuing operations attributable to ordinary shareholders of the parent | (943,097) | 4,246,483 |
| Net income from discontinued operations attributable to ordinary shareholders of the parent | (49,427) | 711,233 |
| Total | (992,524) | 4,957,716 |
| Weighted-average number of ordinary shares (Thousands of shares) | 2,074,225 | 1,892,538 |
| Basic earnings per share (Yen) | | |
| Continuing operations | (454.67) | 2,243.80 |
| Discontinued operations | (23.83) | 375.81 |
| Total | (478.50) | 2,619.61 |

(2) Diluted earnings per share

| | Fiscal year ended March 31, 2020 | Fiscal year ended March 31, 2021 |
|---|---|---|
| Diluted net income attributable to ordinary shareholders of the parent (Millions of yen) | | |
| Continuing operations | | |
| Net income from continuing operations used in the calculation of basic earnings per share | (943,097) | 4,246,483 |
| Effect of dilutive securities issued by subsidiaries and associates | (14,151) | (331,927) |
| Subtotal | (957,248) | 3,914,556 |
| Discontinued operations | | |
| Net income from discontinued operations used in the calculation of basic earnings per share | (49,427) | 711,233 |
| Subtotal | (49,427) | 711,233 |
| Total | (1,006,675) | 4,625,789 |
| Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares) | | |
| Weighted-average number of ordinary shares | 2,074,225 | 1,892,538 |
| Adjustments: | | |
| Stock acquisition rights[3] | - | 5,385 |
| Total | 2,074,225 | 1,897,923 |
| Diluted earnings per share (Yen) | | |
| Continuing operations | (461.50) | 2,062.55 |
| Discontinued operations | (23.83) | 374.74 |
| Total | (485.33) | 2,437.29 |

Notes:

1. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2020.

2. Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.

3. Stock acquisition rights are not included in the calculation for diluted earnings per share as it has an antidilutive effect for the calculation for the fiscal year ended March 31, 2020.

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

(1) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2021

Payment of withholding income tax related to dividends within the group companies of ¥170,264 million is included in “Income taxes paid.”

In addition, refunded withholding income tax related to dividends within the group companies and deemed dividends of ¥243,602 million is included in “Income taxes refunded.”

(2) Proceeds from sales/redemption of investments

For the fiscal year ended March 31, 2021

¥2,099,746 million of proceeds received from sales of T-Mobile shares is included in “Proceeds from sales/redemption of investments.”

(3) Proceeds from acquisition of control over subsidiaries

For the fiscal year ended March 31, 2021

“Proceeds from acquisition of control over subsidiaries” is cash and cash equivalents held by LINE Group at the time of acquisition of control.

(4) Payments into restricted cash

For the fiscal year ended March 31, 2021

¥346,765 million of payments, which is the amount in a segregated custody account before the expected early termination date for financial liabilities related to the settlement of prepaid forward contracts using Alibaba shares, is included in “Payments into restricted cash.” The details are described in “Notes 3” in “(1) Components of interest-bearing debt” under “Note 12. Interest-bearing debt.”

(5) Payments into trust accounts in SPACs

For the fiscal year ended March 31, 2021

“Payments into trust accounts in SPACs” is the amount held in trust accounts for proceeds from initial public offerings of SPACs sponsored by the Company. The details are described in “Note 5. Special purpose acquisition companies sponsored by the Company.”

(6) Proceeds from non-controlling interests subject to possible redemption

For the fiscal year ended March 31, 2021

"Proceeds from non-controlling interests subject to possible redemption" is proceeds from initial public offerings of SPACs sponsored by the Company. The details are described in "Note 5. Special purpose acquisition companies sponsored by the Company."

(7) Proceeds from the partial sales of shares of subsidiaries to non-controlling interests

For the fiscal year ended March 31, 2021

"Proceeds from the partial sales of shares of subsidiaries to non-controlling interests" is proceeds received primarily from sales of SoftBank Corp. shares.

(8) Significant non-cash transactions

For the fiscal year ended March 31, 2021

a. Offset proceeds from sales of listed shares and payments for acquisition of listed shares

Account payables for acquisition of listed shares and account receivables from sales of listed shares were offset because the counterparty was the same entity and the settlement date was the same date.

In case that account payables for acquisition of shares are larger than account receivables from sales of shares, the net amount is recognized as "Payments for acquisition of investments," and in case that account receivables from sales of shares are larger than account payables, the net amount is recognized as "Proceeds from sales/redemption of investments."

For the fiscal year ended March 31, 2021, ¥1,096,868 million of account payables for acquisition of shares and ¥294,780 million of account receivables from sales of shares were offset, and the net amount of ¥802,088 million was recognized as "Payments for acquisition of investments." Also, ¥961,358 million of account receivable from sales of shares and ¥292,573 million of account payables for acquisition of shares were offset, and the net amount of ¥668,785 million was recognized as "Proceeds from sales/redemption of investments."

b. Sprint Merger

The merger between Sprint and T-Mobile US, Inc. and the acquisition of contingent consideration with the merger are correspond to significant non-cash transactions. The details are described in "(1) Sprint" under "Note 3. Discontinued operations."

c. Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation

An absorption-type merger and absorption-type company split, which were conducted in order to consolidate LINE Corporation by SoftBank Corp., are correspond to significant non-cash transactions as these transactions are conducted through in-kind contribution by issuing new shares. The details are described in “Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation” under “Note 7. Business combinations.”

## 23. Additional information

(The transfer of T-Mobile shares)

(1) Outline of the Transfer

The Company, as part of "the ¥4.5 trillion program," of 304,606,049 shares of T-Mobile common stock held, transferred 173,564,426 shares on June 26, 2020 (a. and b. described in (2)), 5,000,000 shares on July 16, 2020 (c. described in (2)), and 19,750,000 shares on August 3, 2020 (d. described in (2)), to T-Mobile through its subsidiary (the "Transfer").

T-Mobile disposed of the shares transferred from its subsidiary through a public offering in the United States, a private placement through a trust issuing cash mandatory exchangeable trust securities, a rights offering* and a sale to Marcelo Claure, one of its directors, with the proceeds being transferred to the Company's subsidiary (collectively, the "Related Transactions").

In connection with the consummation of the Transfer and Related Transactions, the Company paid $300 million to T-Mobile.

The aggregate transaction price for the Transfer is equal to the proceeds received by T-Mobile in the Related Transactions.

Note:
* The Company, Deutsche Telekom, Marcelo Claure and certain of their respective affiliates have agreed to waive their rights to participate in the rights offering.

(2) Number of shares to be transferred and transaction price

| | |
|---|---|
| a. Shares to be transferred in the U.S. public offering by T-Mobile and transaction price thereof | 154,147,026 shares<br>Transaction price per share $103.00<br>Aggregate transaction price $15,877 million |
| b. Shares to be transferred to the Trust from T-Mobile in a private offering through the Trust and transaction price thereof | 19,417,400 shares<br>Aggregate transaction price $1,667 million |
| c. Shares to be transferred to Marcelo Claure, a director of T-Mobile and transaction price thereof | 5,000,000 shares<br>Transaction price per share $103.00<br>Aggregate transaction price $515 million |
| d. Shares to be transferred to the shareholders in the rights offering by T-Mobile and transaction price thereof | 19,750,000 shares<br>Transaction price per share $103.00<br>Aggregate transaction price $2,034 million |

(3) Grant of call options to Deutsche Telekom

The Company granted to Deutsche Telekom call options (the “Call Options”) over 101,491,623 shares of T-Mobile which the Company holds through its subsidiary.

a. For the Call Options over 44,905,479 shares out of the 101,491,623 shares, a strike price of the call option is $103.00 per a share. Deutsche Telekom can exercise the Call Options any time after the grant date.

b. For the Call options over 56,586,144 shares out of the 101,491,623 shares, a strike price of the call option is equal to the average of the daily volume-weighted average price of the shares of T-Mobile for each of the 20 trading days immediately prior to exercise. Deutsche Telekom can exercise the Call Options after the exercise of rights described in the above a. or October 2, 2020.

Note:
* The Call Options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

(4) Number of shares to be transferred, number of shares subject to the Call Options and number of shares held by the Company before/after the transactions

| | |
|---|---|
| a. Number of shares held before the Transfer | 304,606,049 shares |
| b. Number of the released shares | 198,314,426 shares |
| c. Number of shares held after the Transfer | 106,291,623 shares |
| d. Number of shares subject to the Call Options | 101,491,623 shares |
| e. Number of shares held after the Call Options are exercised* | 4,800,000 shares |

Note:
* Calculated on the assumption that the Call Options are fully exercised.

## 24. Significant subsequent events

(Retirement of treasury stock)

SoftBank Group Corp., at the Board of Directors meeting held on April 28, 2021, resolved the retirement of treasury stock pursuant to Article 178 of the Companies Act of Japan and subsequently the retirement was conducted as follows.

| | |
|---|---|
| (1) Reason of the retirement | To increase shareholder profit by decreasing the number of issued and outstanding shares |
| (2) Method of the retirement | Reduction from retained earnings |
| (3) Class of shares retired | Common stock of SoftBank Group Corp. |
| (4) Number of shares retired | 340,880,200 shares (16.31% of number of issued and outstanding shares prior to the retirement) |
| (5) Retirement date | May 11, 2021 |
| (6) Number of issued and outstanding shares after the retirement | 1,748,934,130 shares |