

**Earnings Results for
the Six-month Period
Ended September 30, 2017
Data Sheet**

Nov 6, 2017

SoftBank Group Corp.



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< Exchange rates used for translation >

(JPY)

Average during quarter	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	109.07	102.91	108.72	113.76	111.61	111.38		
1 GBP*	/	135.46	135.56	141.33	142.92	146.20		
1 EUR	122.47	114.59	117.70	120.81	123.14	130.45		
EOQ	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 USD	/	/	/	112.19	/	112.73	/	/
1 GBP	/	/	/	140.08	/	151.37	/	/
1 EUR	/	/	/	119.79	/	132.85	/	/

*Monthly average rate of September 2016 (1 GBP = JPY 132.95) is used for translation of Arm results in FY16Q2

< Definition of company names and abbreviations used in the Data Sheet >

Company names / Abbreviation	Definition
SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
Each of the following abbreviations indicates the respective company, and its subsidiaries if any.	
Sprint	Sprint Corporation
Arm	Arm Holdings plc
SVF	SoftBank Vision Fund *
Alibaba	Alibaba Group Holding Limited

This data sheet is prepared based on the consolidated IFRS financial results.

*SoftBank Vision Fund

SVF consists of a fund managed by SVF GP (Jersey) Limited ("Vision Fund"), a fund managed by SB Delta Fund GP (Jersey) Limited ("Delta Fund"), and advisory companies (SB Investment Advisers (UK) Limited ("SBIA"), a wholly-owned UK subsidiary of the Company, and US and Japanese advisory companies supporting SBIA) which will provide investment advice to each general partner.

The Company established the SVF segment as a new reportable segment in FY17Q1 following SVF having completed its first major closing on May 20, 2017. For further details of SVF, please refer to "2. SVF" under "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes" on SBG's Consolidated Financial Report For the six-month period ended September 30, 2017.

Consolidated Results Summary

(Unaudited)

(Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Continuing operations												
Net sales	2,126,521	2,145,313	4,271,834	2,309,632	2,319,538	8,901,004	2,186,059	2,225,076	4,411,135			
Adjusted EBITDA	678,350	654,931	1,333,281	658,473	572,713	2,564,467	700,110	690,372	1,390,482			
Adjusted EBITDA margin	31.9%	30.5%	31.2%	28.5%	24.7%	28.8%	32.0%	31.0%	31.5%			
Operating income (excluding SVF)	319,236	328,127	647,363	281,965	96,671	1,025,999	374,044	314,557	688,601			
Operating margin (excluding SVF)	15.0%	15.3%	15.2%	12.2%	4.2%	11.5%	17.1%	14.1%	15.6%			
Operating income from SVF	-	-	-	-	-	-	105,229	81,009	186,238			
Operating income	319,236	328,127	647,363	281,965	96,671	1,025,999	479,273	395,566	874,839			
Operating margin	15.0%	15.3%	15.2%	12.2%	4.2%	11.5%	21.9%	17.8%	19.8%			
Finance cost	-112,107	-109,915	-222,022	-121,341	-123,948	-467,311	-120,870	-122,588	-243,458			
Income on equity method investments	35,466	69,708	105,174	100,814	115,562	321,550	1,634	106,656	108,290			
Gain on sales of equity method associates	204,233	33,868	238,101	-	2	238,103	-	1,510	1,510			
Exchange gain and loss	-42,919	125,990	83,071	-48,849	19,114	53,336	-1,796	12,738	10,942			
Derivative gain (loss)	21,511	-191,569	-170,058	74,183	-156,940	-252,815	-257,059	-247,622	-504,681			
Change in third party interests in SVF	-	-	-	-	-	-	-43,589	-33,568	-77,157			
Other non-operating income (loss)	-69,059	46,474	-22,585	9,109	-192,860	-206,336	19,975	28,761	48,736			
Income (loss) before income tax	356,361	302,683	659,044	295,881	-242,399	712,526	77,568	141,453	219,021			
Net income from continuing operations	212,292	29,338	241,630	97,341	580,660	919,631	30,540	113,202	143,742			
Discontinued operations												
Net income (loss) from discontinued operations	60,059	498,526	558,585	-5,280	1,494	554,799	-	-	-			
Net income attributable to owners of the parent	254,157	511,359	765,516	80,257	580,535	1,426,308	5,521	97,101	102,622			
Net income attributable to owners of the parent ratio	12.0%	23.8%	17.9%	3.5%	25.0%	16.0%	0.3%	4.4%	2.3%			
Total assets						24,634,212			27,973,483			
Equity attributable to owners of the parent						3,586,352			4,566,164			
Equity attributable to owners of the parent ratio						14.6%			16.3%			
Cash flows from operating activities	252,734	762,867	1,015,601	111,832	373,295	1,500,728	195,954	552,329	748,283			
Cash flows from investing activities	-154,840	-3,008,557	-3,163,397	-217,196	-833,004	-4,213,597	-1,068,352	-608,319	-1,676,671			
Cash flows from financing activities	679,598	1,740,438	2,420,036	-209,706	170,416	2,380,746	-26,022	2,217,802	2,191,780			
Depreciation and amortization	-340,009	-338,215	-678,224	-371,275	-416,110	-1,465,609	-371,991	-378,516	-750,507			
Capital expenditure (acceptance basis)	149,029	162,498	311,527	247,168	364,897	923,592	215,694	244,969	460,663			

*Adjusted EBITDA = operating income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments in SVF segment ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

*Operating income from SVF includes gain and loss on investments at SVF (realized gain and loss on sales of investments, unrealized gain and loss on valuation of investments, interest and dividend income from investments, except for gain and loss on investments in subsidiaries) and operating expenses (selling, general and administrative expenses).

Of the third-party interests in SVF, the amount of fluctuations arising from SVF's business activities was recorded as changes in third-party interests in SVF.

*Equity attributable to owners of the parent ratio = equity attributable to owners of the parent / total assets

*The amounts of depreciation and amortization and capital expenditure exclude those of discontinued operations.

Results by Segment

(Unaudited)

FY17Q2 (3 months)										
(Millions of yen)		Domestic Telecommunications	Sprint	Yahoo Japan	Distribution	Arm	SVF	Other	Reconciliations	Consolidated
Net sales		773,304	882,904	213,980	347,097	46,639	-	38,090	-76,938	2,225,076
Segment income (loss) (operating income (loss))		215,501	70,189	41,106	4,998	-7,859	81,009	-1,466	-7,912	395,566
Segment margin (operating margin)		27.9%	7.9%	19.2%	1.4%	-	-	-	-	17.8%
Depreciation and amortization		114,687	233,159	10,827	1,767	15,402	-	2,263	411	378,516
Unrealized gain and loss on valuation of investments at the SVF segment		-	-	-	-	-	-87,465	-	-	-87,465
Other adjustments		-	3,830	-	-	-	-	-	-75	3,755
Adjusted EBITDA		330,188	307,178	51,933	6,765	7,543	-6,456	797	-7,576	690,372
Adjusted EBITDA margin		42.7%	34.8%	24.3%	1.9%	16.2%	-	-	-	31.0%
Capital expenditure (acceptance basis)		73,278	139,397	24,912	1,983	3,709	-	1,690	-	244,969

FY17Q2 (6 months)										
(Millions of yen)		Domestic Telecommunications	Sprint	Yahoo Japan	Distribution	Arm	SVF	Other	Reconciliations	Consolidated
Net sales		1,528,960	1,793,327	425,439	644,852	93,676	-	70,957	-146,076	4,411,135
Segment income (loss) (operating income (loss))		433,968	202,176	92,690	7,363	-14,794	186,238	-8,213	-24,589	874,839
Segment margin (operating margin)		28.4%	11.3%	21.8%	1.1%	-	-	-	-	19.8%
Depreciation and amortization		225,693	463,991	20,813	3,491	30,285	-	5,409	825	750,507
Unrealized gain and loss on valuation of investments at the SVF segment		-	-	-	-	-	-194,336	-	-	-194,336
Other adjustments		-	-37,136	-4,929	-	-	-	-	1,537	-40,528
Adjusted EBITDA		659,661	629,031	108,574	10,854	15,491	-8,098	-2,804	-22,227	1,390,482
Adjusted EBITDA margin		43.1%	35.1%	25.5%	1.7%	16.5%	-	-	-	31.5%
Capital expenditure (acceptance basis)		126,380	271,209	44,922	3,546	7,234	-	7,372	-	460,663

*The Company established the SVF segment as a new reportable segment in FY17Q1 following the completion of SVF's first major closing in May 2017.

**"Other" in the segment information is a category for information of the businesses that are not included in the six reportable segments. The main business of this category is Fukuoka SoftBank HAWKS and its related businesses.

***"Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.

Corporate general expenses include expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc., which manages and supervises investment activities in the Internet, communications, and media fields overseas.

*Segment income (excluding SVF segment) = net sales - operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss, for each segment

*Segment income (SVF segment) = gain and loss from investments at SVF (realized gain and loss on sales of investments + unrealized gain and loss on valuation of investments + interest and dividend income from investments)

- operating expenses (selling, general and administrative expenses)

*Adjusted EBITDA (excluding SVF segment) = segment income (loss) + depreciation and amortization ± other adjustments, for each segment

*Adjusted EBITDA (SVF segment) = segment income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

Domestic Telecommunications Segment - 1

(Unaudited)

(Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	761,763	792,803	1,554,566	846,104	793,121	3,193,791	755,656	773,304	1,528,960			
Segment income	239,013	226,920	465,933	185,551	68,088	719,572	218,467	215,501	433,968			
Segment margin	31.4%	28.6%	30.0%	21.9%	8.6%	22.5%	28.9%	27.9%	28.4%			
Depreciation and amortization	112,266	113,139	225,405	117,800	146,253	489,458	111,006	114,687	225,693			
Other adjustments	-	-	-	-	-	-	-	-	-			
Adjusted EBITDA	351,279	340,059	691,338	303,351	214,341	1,209,030	329,473	330,188	659,661			
Adjusted EBITDA margin	46.1%	42.9%	44.5%	35.9%	27.0%	37.9%	43.6%	42.7%	43.1%			
Capital expenditure	50,752	55,438	106,190	76,366	138,023	320,579	53,102	73,278	126,380			

*Segment income = net sales - operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss

*Adjusted EBITDA = segment income (loss) + depreciation and amortization ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

Domestic Telecommunications Segment - 2

(Unaudited)

Mobile Communications Service		FY2016					FY2017				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Main subscribers											
Cumulative subscribers*	(Thousands)	32,149	32,301	32,230		32,400	32,448	32,784			
Net additions*	(Thousands)	112	151	-70	169	362	48	336			
Total ARPU	(JPY)	4,610	4,570	4,530	4,310	4,500	4,380	4,340			
Telecom ARPU		4,050	4,020	3,980	3,760	3,950	3,830	3,790			
Service ARPU		560	560	560	550	550	550	550			
Monthly Discount	(JPY)	-1,090	-1,130	-1,150	-1,180	-1,130	-1,210	-1,240			
Churn rate		1.13%	1.06%	1.25%	1.53%	1.24%	1.13%	1.01%			
Phone churn rate		0.85%	0.78%	0.89%	1.04%	0.89%	0.79%	0.74%			
Units sold	(Thousands)	2,353	2,551	2,939	3,236	11,079	2,397	2,445			
New subscriptions		1,154	1,123	1,072	1,579	4,928	1,121	1,143			
Device upgrades		1,199	1,428	1,867	1,657	6,151	1,277	1,302			
Cumulative applications for the <i>Home Bundle Discount Hikari Set</i>		(Thousands)									
Mobile communications service		3,702	4,419	5,149		6,030	6,641	7,135			
Broadband service		1,790	2,158	2,527		2,904	3,182	3,434			
Overall mobile communications		(Thousands)									
Cumulative subscribers		43,207	43,056	42,826		42,666	42,045	42,184			
Main subscribers*		32,149	32,301	32,230		32,400	32,448	32,784			
Communication modules		7,215	7,045	7,037		6,910	6,442	6,424			
PHS		3,842	3,710	3,559		3,356	3,156	2,977			
Broadband Service		FY2016					FY2017				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Subscribers		(Thousands)									
Cumulative subscribers		5,345	5,600	5,860		6,145	6,403	6,636			
SoftBank Hikari		2,243	2,699	3,141		3,592	4,012	4,362			
Yahoo! BB hikari with FLET'S		1,797	1,641	1,505		1,385	1,267	1,191			
Yahoo! BB ADSL		1,305	1,261	1,213		1,168	1,124	1,084			
ARPU		(JPY)									
SoftBank Hikari		4,960	4,960	4,910	4,810	4,900	4,640	4,570			
Yahoo! BB hikari with FLET'S		1,810	1,810	1,810	1,800	1,810	1,790	1,790			
Yahoo! BB ADSL		2,560	2,530	2,490	2,450	2,510	2,420	2,410			

*Cumulative subscribers and net additions of main subscribers at FY17Q2 included 105,000 subscribers to *Wireless Home Phone* which was launched in July 2017.

Domestic Telecommunications Segment - 3

Definitions and calculation methods of principal operational data

Mobile Communications Service

Each category serves as cover-all terms for the service contracts described.

Main subscribers: smartphones, feature phones, tablets, mobile data communications devices, *Wireless Home Phone* and others

*Smartphones to which the *Smartphone Family Discount* are applied and mobile data communications devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules.

Communication modules: communication modules, *Mimamori Phone*, prepaid mobile phones and others

*Communication modules that use PHS networks are included under PHS.

PHS: PHS

Principal Operational Data for Main Subscribers

ARPU: Average Revenue Per User per month

Total ARPU = (data-related revenue + basic monthly charge and voice-related revenues + device warrantee services + content-related revenues + advertising revenue, etc.) / number of active subscribers (rounded to the nearest JPY 10)

Telecom ARPU = (data-related revenue (packet communication and flat-rate charges, basic monthly Internet connection charges etc.) + basic monthly charge and voice-related revenues (basic monthly usage charges, voice call charges, revenues from incoming calls, etc.)) / number of active subscribers (rounded to the nearest JPY 10)

Service ARPU = (device warrantee services, content-related revenues, advertising revenue, etc.) / number of active subscribers (rounded to the nearest JPY 10)

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

Revenues from incoming calls: interconnection charges received from other operators for voice calls from their customers on their network to *SoftBank* and *Y!mobile* phones as a charge for the services provided in the SoftBank Corp. service area

Churn rate: average monthly churn rate

Churn rate = number of churn / number of active subscribers for the relevant period (rounded to the nearest 0.01%)

Number of churn excludes the number of subscribers who switch between *SoftBank* and *Y!mobile* using Mobile Number Portability (MNP).

*Phone churn rate: churn rate for smartphones and feature phones within main subscribers, including voice SIM subscriptions

Units sold: the total number of new subscriptions and device upgrades. New subscriptions where customers switch between *SoftBank* and *Y!mobile* using MNP are included in the number of device upgrades.

*ARPU, churn rate and number of units sold are calculated and presented excluding revenues or subscribers to the *Wireless Home Phone*.

Home Bundle Discount Hikari Set: a discount on the communication charges of mobile communications services to customers subscribing to bundled packages combining mobile communications services

*Cumulative applications for the *Home Bundle Discount Hikari Set:* includes subscribers for *Fiber-optic Discount* applied to the *Y!mobile* brand mobile communications services.

Includes that of fiber-optic lines as long as the discount is applied to the associated mobile communications services, even if physical connection of the fiber optic line is not complete at the central office of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT East") and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION ("NTT West").

*Monthly Discount includes the discount amount of the *Home Bundle Discount Hikari Set*.

Broadband Service

SoftBank Hikari: an integrated service of fiber-optic service using the wholesale fiber-optic connection of NTT East and NTT West with ISP (Internet Service Providers) service

Yahoo! BB hikari with FLET'S: an ISP service offered as a package with NTT East and NTT West's *FLET'S Hikari Series* fiber-optic connection

Yahoo! BB ADSL: a service combining an ADSL connection service and an ISP service

Subscribers:

SoftBank Hikari subscribers: number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete. Includes the number of subscribers to *SoftBank Air*.

Yahoo! BB hikari with FLET'S subscribers: number of users of *Yahoo! BB hikari with FLET'S* for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete and who are provided with services

Yahoo! BB ADSL subscribers: number of users of *Yahoo! BB ADSL* for which physical connection of an ADSL line at the central office of NTT East or NTT West is complete

ARPU: Average Revenue Per User per month

ARPU = revenue of each broadband service / the number of active subscribers (rounded to the nearest JPY 10)

SoftBank Hikari ARPU = *SoftBank Hikari* revenue (basic monthly charge + provider charge + *Hikari BB* unit rental charge + *White hikari Phone* and *BB Phone* voice call charge + optional service charges, etc.) / the number of active *SoftBank Hikari* subscribers

*Calculation of *SoftBank Hikari* ARPU includes revenues from and subscribers to *SoftBank Air*.

Yahoo! BB hikari with FLET'S ARPU = *Yahoo! BB hikari with FLET'S* revenue (provider charge + *Hikari BB* unit rental charge + *BB Phone* voice call charge + optional service charges, etc. (excluding usage charges for *FLET'S hikari* and *FLET'S hikari LIGHT*)) / the number of active *Yahoo! BB hikari with FLET'S* subscribers

Yahoo! BB ADSL ARPU = *Yahoo! BB ADSL* revenue (basic monthly charge + provider charge + modem rental charge + *BB Phone* voice call charge + optional service charges, etc.) / the number of active *Yahoo! BB ADSL* subscribers

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period (subscribers at the beginning of the month + subscribers at the end of the month) / 2

Sprint Segment - 1

(Unaudited)

(Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	873,923	848,614	1,722,537	929,472	971,366	3,623,375	910,423	882,904	1,793,327			
Segment income	45,368	59,197	104,565	40,621	41,237	186,423	131,987	70,189	202,176			
Segment margin	5.2%	7.0%	6.1%	4.4%	4.2%	5.1%	14.5%	7.9%	11.3%			
Depreciation and amortization	214,049	206,002	420,051	225,435	240,359	885,845	230,832	233,159	463,991			
Other adjustments	12,277	-19,969	-7,692	4,743	10,320	7,371	-40,966	3,830	-37,136			
Adjusted EBITDA	271,694	245,230	516,924	270,799	291,916	1,079,639	321,853	307,178	629,031			
Adjusted EBITDA margin	31.1%	28.9%	30.0%	29.1%	30.1%	29.8%	35.4%	34.8%	35.1%			
Capital expenditure (acceptance basis)	79,200	78,715	157,915	145,185	174,594	477,694	131,812	139,397	271,209			

*Segment income = net sales - operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss

*Adjusted EBITDA = segment income (loss) + depreciation and amortization ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

Sprint Segment - 2

(Unaudited)

Operation data		FY2016					FY2017				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Cumulative subscribers (Thousands)											
Total		53,363	53,962	53,271		53,639	53,698	54,027			
Postpaid		30,945	31,289	31,694		31,576	31,518	31,686			
Phone		25,322	25,669	26,037		26,079	26,153	26,432			
Prepaid		10,636	10,187	8,493		8,688	8,719	8,765			
Wholesale and affiliate		11,782	12,486	13,084		13,375	13,461	13,576			
Net additions (loss) (Thousands)											
Total		602	599	564	368	2,133	61	378			
Postpaid		180	344	405	-118	811	-39	168			
Phone		173	347	368	42	930	88	279			
Prepaid		-306	-449	-460	195	-1,020	35	95			
Wholesale and affiliate		728	704	619	291	2,342	65	115			
Postpaid phone ABPU (USD)											
Postpaid phone ABPU		72.17	71.69	71.77	68.66		69.51	68.95			
ARPU (USD)											
Postpaid		51.54	50.54	49.70	47.34		47.30	46.00			
Prepaid		33.00	33.15	33.97	38.48		38.24	37.83			
Churn rate											
Postpaid		1.56%	1.52%	1.67%	1.75%		1.65%	1.72%			
Phone		1.39%	1.37%	1.57%	1.58%		1.50%	1.59%			
Prepaid		5.39%	5.59%	5.74%	4.69%		4.57%	4.83%			

*Sprint is no longer reporting *Lifeline* program subscribers due to recent regulatory changes resulting in tighter program restrictions. Sprint has excluded them from the number of prepaid and wholesale and affiliate subscribers from FY17Q1.

Subscriber numbers before FY17Q1 have been adjusted retroactively.

The Lifeline program is a program where carriers in the U.S. receive a subsidy from a government fund to provide discounted services to low-income subscribers.

*Net additions or losses exclude the impact of the below three factors.

In May 2016, Sprint's affiliate company acquired another operator. An affiliate company refers to a local wireless operator that sells and provides Sprint-branded services and products with its own self-operated telecom network while paying Sprint for brand and spectrum usage. This resulted in adjustments to cumulative subscriber numbers during FY16Q1 and FY17Q1. That continued to occur after those periods respectively.

During the FY17Q1, 2,000 Wi-Fi connections were excluded from the postpaid subscriber base.

During the FY17Q2, one of the prepaid data plans was discontinued. Accordingly, 49,000 prepaid subscribers for the plan were excluded from the prepaid subscriber base.

*In FY17Q1, Sprint changed the definition of certain gross additions and deactivation for the postpaid subscribers. A newly acquired customer who leaves shortly after activation was previously counted as a deactivation but is now counted as a deduction to gross additions.

More information on Sprint: investors.sprint.com/

Sprint Segment - 3

Definitions and calculation methods of principal operational data

*Cumulative subscribers and net additions include the number of communication module service subscribers.

*Phone: smartphones and feature phones

*ABPU: Average Billings Per User per month

$ABPU = (\text{telecom revenue} + \text{equipment billings}) / \text{number of active subscribers (rounded to the nearest USD .01)}$

Equipment billings: the sum of lease fees under the leasing program and installment billings under the installment billing program.

*ARPU: Average Revenue Per User per month

$ARPU = \text{telecom revenue} / \text{number of active subscribers (rounded to the nearest USD .01)}$

*ABPU/ARPU for postpaid phones are calculated by dividing the relevant telecom revenue and equipment billings by its number of active subscribers.

*Churn rate: average monthly churn rate

$\text{Churn rate} = \text{number of deactivations} / \text{number of active subscribers (rounded to the nearest 0.01\%)}$

Deactivations: the total number of subscribers that churned during the relevant period. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid. It also excludes newly acquired customers who leaves shortly after activation. (FY17Q1 and onwards)

*Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
(subscribers at the beginning of the month + subscribers at the end of the month) / 2

Yahoo Japan Segment and Distribution Segment

(Unaudited)

Yahoo Japan (Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	204,233	205,264	409,497	221,303	222,658	853,458	211,459	213,980	425,439			
Segment income	50,308	49,063	99,371	51,173	39,275	189,819	51,584	41,106	92,690			
Segment margin	24.6%	23.9%	24.3%	23.1%	17.6%	22.2%	24.4%	19.2%	21.8%			
Depreciation and amortization	9,167	9,987	19,154	9,477	10,342	38,973	9,986	10,827	20,813			
Gain from remeasurement relating to business combination	-	-19	-19	-	-	-19	-	-	-			
Other adjustments	-	-	-	-	10,736	10,736	-4,929	-	-4,929			
Adjusted EBITDA	59,475	59,031	118,506	60,650	60,353	239,509	56,641	51,933	108,574			
Adjusted EBITDA margin	29.1%	28.8%	28.9%	27.4%	27.1%	28.1%	26.8%	24.3%	25.5%			
Capital expenditure	12,078	18,421	30,499	18,595	15,633	64,727	20,010	24,912	44,922			

More information on Yahoo: about.yahoo.co.jp/ir/en/

Distribution (Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	315,499	310,857	626,356	313,230	355,788	1,295,374	297,755	347,097	644,852			
Segment income	6,680	7,625	14,305	4,803	-29,155	-10,047	2,365	4,998	7,363			
Segment margin	2.1%	2.5%	2.3%	1.5%	-	-	0.8%	1.4%	1.1%			
Depreciation and amortization	1,789	1,768	3,557	1,780	1,900	7,237	1,724	1,767	3,491			
Other adjustments	-	-	-	-	30,260	30,260	-	-	-			
Adjusted EBITDA	8,469	9,393	17,862	6,583	3,005	27,450	4,089	6,765	10,854			
Adjusted EBITDA margin	2.7%	3.0%	2.9%	2.1%	0.8%	2.1%	1.4%	1.9%	1.7%			
Capital expenditure	1,148	1,474	2,622	1,877	2,023	6,522	1,563	1,983	3,546			

*Segment income = net sales - operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss

*Adjusted EBITDA = segment income (loss) + depreciation and amortization - gain from remeasurement relating to business combination ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

Arm Segment - 1

(Unaudited)

(Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales		14,356	14,356	54,499	44,047	112,902	47,037	46,639	93,676			
Segment income (loss)		-5,123	-5,123	15,045	2,997	12,919	-6,935	-7,859	-14,794			
Segment margin		-	-	27.6%	6.8%	11.4%	-	-	-			
Depreciation and amortization		4,476	4,476	13,723	14,324	32,523	14,883	15,402	30,285			
Gain from remeasurement relating to business combination		-18,168	-18,168	-	-	-18,168	-	-	-			
Other adjustments		25,466	25,466	314	-	25,780	-	-	-			
Adjusted EBITDA		6,651	6,651	29,082	17,321	53,054	7,948	7,543	15,491			
Adjusted EBITDA margin		46.3%	46.3%	53.4%	39.3%	47.0%	16.9%	16.2%	16.5%			
Capital expenditure (acceptance basis)		760	760	1,828	2,454	5,042	3,525	3,709	7,234			

*In conjunction with the consolidation of Arm, the Company established a new reportable segment "Arm" in FY16Q2. In the Arm segment, the earnings reflect the results of Arm's operations since September 6, 2016.

*Segment income (loss) = net sales - operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss

*Adjusted EBITDA = segment income (loss) + depreciation and amortization - gain from remeasurement relating to business combination ± other adjustments

*Adjusted EBITDA margin = adjusted EBITDA / net sales

(Reference) Revenue (Millions of USD)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Technology Licensing		38	38	229	122	389	149	123	272			
Technology Royalty		82	82	248	258	588	250	271	521			
Software and Services		20	20	31	29	80	29	28	57			
Total		140	140	508	409	1,057	428	422	850			

*In the Arm segment, the earnings reflect the results of Arm's operations since September 6, 2016.

Arm Segment - 2

Licensing	FY2016					FY2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Processor licenses signed	25	20	43	25	113	41	26			
Breakdown by processor family										
Classic (<i>Arm7, Arm9, Arm11</i>)	2	1	3	2	8	0	0			
Cortex-A	6	2	7	6	21	7	7			
Cortex-R	2	4	3	0	9	5	4			
Cortex-M	13	10	22	15	60	20	11			
Mali	2	3	8	2	15	9	4			
Cumulative breakdown by processor family (extant licenses still expected to generate a royalty)	1,379	1,396	1,428	1,442		1,482	1,508			
Breakdown by processor family										
Classic (<i>Arm7, Arm9, Arm11</i>)	502	503	498	500		500	500			
Cortex-A	274	275	282	290		297	304			
Cortex-R	71	75	78	78		83	87			
Cortex-M	391	400	419	425		445	456			
Mali	141	143	151	149		157	161			
Companies signing licenses	23	18	34	25	94	30	15			
Existing	14	12	16	13	49	17	10			
New	9	6	18	12	45	13	5			

Example applications by processor signed in FY17Q2

Cortex-A: Digital TV, medical applications, ADAS and camera

Cortex-R: Medical and automotive applications

Cortex-M: Smartcard, secure IoT, general purpose MCU, electronic shelf label, motor controller and touchscreen

Mali: Graphics processors for gaming and virtual reality applications in high-end smartphones and tablets

Royalty units	CY2016					CY2017				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Full year	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Full year
Royalty units as reported by licensee (bn)	3.6	4.0	4.9	5.1	17.7	4.7	5.1			
Breakdown by processor family										
Classic (<i>Arm7, Arm9, Arm11</i>)	26%	24%	23%	19%	23%	17%	18%			
Cortex-A	19%	19%	16%	22%	19%	22%	20%			
Cortex-R	7%	7%	9%	7%	7%	8%	9%			
Cortex-M	48%	50%	52%	52%	51%	53%	53%			

Employees	FY2016					FY2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Total number of employees	4,227	4,438	4,584	4,852		5,182	5,538			
(incl.) Technical employees	3,409	3,602	3,736	3,960		4,269	4,555			
Geographical breakdown										
UK	1,695	1,770	1,853	1,937		2,037	2,198			
Rest of Europe	684	723	742	829		929	1,020			
U.S.	957	991	1,020	1,080		1,151	1,184			
Asia	354	388	397	422		454	482			
India	537	566	572	584		611	654			

*Data includes the periods before the acquisition of control by the Company on September 5, 2016 and is provided for reference purpose only.

More information on Arm: www.arm.com/company/investors

Arm Segment - 3

Definitions of principal operational data

- * Classic processors: Arm's older products including the *Arm7*, *Arm9* and *Arm11* families of processor designs.
- * *Cortex*: Arm's *Cortex* family comprise Arm's latest processor cores. The family is split into three series:
 - A-series* targeting applications processors running complex operating systems
 - R-series* targeting real-time deeply embedded markets
 - M-series* addressing the needs of the low cost microcontroller markets
- * *Mali*: The *Mali* family of multimedia processors deliver high-quality multimedia images without compromising performance, power consumption or system cost.
 - Arm develops industry-leading IP for 3D graphics, video processor and imaging technology that provides customers with an integrated multimedia platform, which can be embedded in their chip, and is becoming increasingly important in devices such as mobile computers, portable media players and digital TVs.
- * Royalty units: Arm technology-based chip manufactured and/or shipped by licensees.
- * Arm's royalty unit shipments are aligned with the quarters when the chips were shipped.
- * The numbers of employees at Arm include temporary employees.
- * Technical employees: employees who work on the research, creation, maintenance, deployment and support of technology products and services of Arm.
 - The number of "Technical Employees" in periods prior to September 30, 2016 have been restated to be consistent with the Post-Offer Undertakings as agreed with the UK Takeover Panel, full details of which were set out in the letter from the Arm chairman in the scheme document dated August 3, 2016 and which is available on www.arm.com.

SVF Segment

(Unaudited)

(Millions of yen)	FY2016						FY2017					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Gain and loss on investments at SVF							106,871	87,465	194,336			
Unrealized gain and loss on valuation of investments							106,871	87,465	194,336			
Operating expenses							-1,642	-6,456	-8,098			
Segment income							105,229	81,009	186,238			
Unrealized loss (gain) on valuation of investments							-106,871	-87,465	-194,336			
Adjusted EBITDA							-1,642	-6,456	-8,098			

*SVF consists of a fund managed by SVF GP (Jersey) Limited ("Vision Fund"), a fund managed by SB Delta Fund GP (Jersey) Limited ("Delta Fund"), and advisory companies (SB Investment Advisers (UK) Limited ("SBIA"), a wholly-owned UK subsidiary of the Company, and US and Japanese advisory companies supporting SBIA) which will provide investment advice to each general partner.

*Segment income = gain and loss from investments at SVF (realized gain and loss on sales of investments + unrealized gain and loss on valuation of investments + interest and dividend income from investments) - operating expenses (selling, general and administrative expenses)

*Adjusted EBITDA = segment income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments ± other adjustments

*Operating expenses include incorporation expenses of entities that comprise SVF, investment research expenses arising from the GPs and advisory companies, and administrative expenses arising from each entity.

Finance Cost and Other Non-operating Income (Loss)

(Unaudited)

Finance cost (Millions of yen)		FY2016					FY2017						
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Finance cost		-112,107	-109,915	-222,022	-121,341	-123,948	-467,311	-120,870	-122,588	-243,458			
Interest expense		-112,107	-109,915	-222,022	-121,341	-123,948	-467,311	-120,870	-122,588	-243,458			

Other non-operating income (loss) (Millions of yen)		FY2016					FY2017						
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Other non-operating income (loss)		-69,059	46,474	-22,585	9,109	-192,860	-206,336	19,975	28,761	48,736			
Impairment loss on equity method investments		-1,434	-7,523	-8,956	48	-1,297	-10,206	-274	-29	-303			
Dilution gain from changes in equity interest		2,175	72,566	74,741	319	2,480	77,540	213	37,275	37,488			
Gain (loss) from financial instruments at FVTPL		-30,283	-27,857	-58,140	18,859	-121,138	-160,419	24,613	-14,406	10,207			
Loss relating to loss of control		-	-	-	-	-79,278	-79,278	-	-	-			
Impairment loss on assets classified as held for sale		-42,540	-	-42,540	-	-	-42,540	-	-	-			
Other		3,023	9,288	12,310	-10,117	6,373	8,567	-4,577	5,921	1,344			

Consolidated B/S Assets

(Millions of yen)	Mar. 31, 2017	Sept. 30, 2017	Change	Outline
Current assets	5,723,975	6,762,828	1,038,853	
Cash and cash equivalents	2,183,102	3,462,738	1,279,636	SBG: Mar. 2017 (1,121,740) > Sept. 2017 (1,634,159) Sprint: Mar. 2017 (321,991) > Sept. 2017 (541,372) Yahoo Japan: Mar. 2017 (393,299) > Sept. 2017 (362,210) Arm: Mar. 2017 (20,876) > Sept. 2017 (41,025) SB: Mar. 2017 (23,283) > Sept. 2017 (29,800)
Trade and other receivables	2,121,619	2,138,920	17,301	
Other financial assets	794,689	539,860	-254,829	Decreased due to a partial sale of commercial papers held for short-term investment and cancellation of time deposits by Sprint
Inventories	341,344	339,648	-1,696	
Other current assets	283,221	281,662	-1,559	
Non-current assets	18,910,237	21,210,655	2,300,418	
Property, plant and equipment	3,977,254	3,906,498	-70,756	
Sprint	1,926,072	1,912,697	-13,375	
Buildings and structures	263,061	258,280	-4,781	
Telecommunications equipment	2,654,096	2,489,687	-164,409	Decreased due to depreciation at Sprint and SoftBank.
Equipment and fixtures	627,730	699,720	71,990	
Land	99,905	100,191	286	
Construction in progress	302,177	290,605	-11,572	
Other	30,285	68,015	37,730	
Goodwill	4,175,464	4,392,939	217,475	
Arm	2,687,945	2,899,883	211,938	Increased due to the weaker yen against the pound.
Intangible assets	6,946,639	6,992,269	45,630	
Sprint	5,386,224	5,403,355	17,131	
FCC licenses	4,100,651	4,175,222	74,571	
Sprint	4,100,651	4,175,222	74,571	
Technology	522,894	550,431	27,537	
Arm	522,499	548,973	26,474	
Customer relationships	448,806	399,190	-49,616	
Sprint	209,838	164,413	-45,425	
Arm	143,963	149,301	5,338	
Trademarks	760,563	763,289	2,726	
Software	722,934	718,856	-4,078	
Favorable lease contracts	104,754	99,350	-5,404	
Spectrum migration costs	103,814	100,485	-3,329	
Other	182,223	185,446	3,223	
Investments accounted for using the equity method	1,670,799	1,962,664	291,865	Increased mostly for Alibaba due to; recording income on equity-method investments and weaker yen against the Chinese yuan.
Investments from SVF accounted for using FVTPL	-	1,853,055	1,853,055	Investments made in Xiaoju Kuaizhi Inc. (DiDi) (DiDi is an investment from Delta Fund), Roivant Sciences Ltd., and Fanatics Holdings, Inc., and agreements made to acquire shares of WeWork Companies Inc. and OSIssoft LLC from the Company, at SVF . Reclassification of NVIDIA Corporation shares from "Investment securities" upon transfer to SVF from the Company.
Investment securities	1,106,409	936,130	-170,279	Decreased due to reclassification of NVIDIA Corporation shares to "Investments from SVF accounted for using FVTPL." Increased due to new acquisitions of investment securities (+197,352) with a plan to transfer around half of them to SVF.
Other financial assets	445,858	444,611	-1,247	
Deferred tax assets	404,994	533,720	128,726	Increased due to recording of a derivative loss in relation to a collar transaction included in a variable prepaid forward contract for sale of Alibaba shares.
Other non-current assets	182,820	188,769	5,949	
Total assets	24,634,212	27,973,483	3,339,271	

SBG: SoftBank Group, SB: SoftBank

*Exchange rates: USD 1 = JPY 112.19 for the balance as of March 31, 2017; USD 1 = JPY 112.73 for the balance as of September 30, 2017 / GBP 1 = JPY 140.08 for the balance as of March 31, 2017; GBP 1 = JPY 151.37 for the balance as of September 30, 2017
CNY 1 = JPY 16.29 for the balance as of March 31, 2017; CNY 1 = JPY 16.96 for the balance as of September 30, 2017 / EUR 1 = JPY 119.79 for the balance as of March 31, 2017; EUR 1 = JPY 132.85 for the balance as of September 30, 2017

Consolidated B/S Liabilities and Equity

(Millions of yen)	Mar. 31, 2017	Sept. 30, 2017	Change	Outline
Current liabilities	5,226,923	6,760,431	1,533,508	
Interest-bearing debt	2,694,093	4,355,422	1,661,329	
SoftBank Group	1,139,734	2,674,717	1,534,983	Increased in current portion of long-term borrowings (+993,841) due to a transfer from non-current liabilities of a bridge loan of 1 trillion yen related to the acquisition of Arm. Increased in current portion of corporate bonds (+289,373) due to transfers from non-current liabilities. Increased in short-term borrowings (+231,771) through use of a commitment line.
Sprint	536,897	438,622	-98,275	Decreased in current portion of corporate bonds (-148,133) due to redemption. Increased in current portion of long-term borrowings (+50,675) mainly due to transfers from non-current liabilities.
SVF	-	244,522	244,522	Increased in short-term borrowings (+244,522) mainly to increase capital efficiency investments.
Others	1,017,462	997,561	-19,901	
Trade and other payables	1,607,453	1,610,697	3,244	
Other financial liabilities	13,701	15,987	2,286	
Income taxes payables	256,218	153,390	-102,828	Decreased mainly due to payment of income taxes on gains from the sale of Supercell Oy shares. SB: Mar 2017 (100,926) > Sep 2017 (98,035) Yahoo Japan: Mar 2017 (32,327) > Sep 2017 (30,015)
Provisions	56,362	50,844	-5,518	
Other current liabilities	599,096	574,091	-25,005	
Non-current liabilities	14,937,559	15,744,679	807,120	
Interest-bearing debt	12,164,277	11,267,395	-896,882	
SoftBank Group	6,378,194	5,491,171	-887,023	Decreased in long-term borrowings (-1,199,960) due to the transfer to current liabilities of the bridge loan for the Arm acquisition. Increased in corporate bonds (+312,938) due to the issuance of foreign currency-denominated straight corporate bonds (676,558).
Sprint	4,024,390	3,858,981	-165,409	Decreased in corporate bonds (-134,983) due to early redemptions of certain corporate bonds.
Others	1,761,693	1,917,243	155,550	
Third-party interests in SVF	-	1,158,643	1,158,643	Recorded an amount of equity attributable to the third-party investors in SVF.
Derivative financial liabilities	254,146	731,320	477,174	Increased due to changes in fair value of the derivative liabilities relating to a collar transaction included in a variable prepaid forward contract for sale of Alibaba shares (+514,735).
Other financial liabilities	33,083	23,817	-9,266	
Defined benefit liabilities	108,172	107,394	-778	
Provisions	138,730	136,612	-2,118	
Deferred tax liabilities	1,941,380	2,029,906	88,526	
Other non-current liabilities	297,771	289,592	-8,179	
Total liabilities	20,164,482	22,505,110	2,340,628	
Equity	4,469,730	5,468,373	998,643	
Equity attributable to owners of the parent	3,586,352	4,566,164	979,812	
Common stock	238,772	238,772	-	
Capital surplus	245,706	279,027	33,321	
Other equity instruments	-	496,876	496,876	Newly recorded for USD-denominated Undated Subordinated Notes (the "Hybrid Notes") issued in July 2017 by SBG (Hybrid Notes are classified as equity instruments with IFRSs).
Retained earnings	2,958,355	3,036,287	77,932	Net income attributable to owners of the parent (+102,622) Decreased due to payments of the year-end dividend for the fiscal year ended March 31, 2017 (-23,964).
Treasury stock	-67,727	-66,433	1,294	
Accumulated other comprehensive income	211,246	581,635	370,389	
Available-for-sale financial assets	11,983	60,614	48,631	
Cash flow hedges	-44,877	-57,011	-12,134	
Exchange differences on translating foreign operations	244,140	578,032	333,892	Increased exchange differences on translating foreign operations related to Arm due to the weaker yen against the pound.
Non-controlling interests	883,378	902,209	18,831	
Total liabilities and equity	24,634,212	27,973,483	3,339,271	

SBG: SoftBank Group, SB: SoftBank

*Exchange rates: USD 1 = JPY 112.19 for the balance as of March 31, 2017; USD 1 = JPY 112.73 for the balance as of September 30, 2017 / GBP 1 = JPY 140.08 for the balance as of March 31, 2017; GBP 1 = JPY 151.37 for the balance as of September 30, 2017

CNY 1 = JPY 16.29 for the balance as of March 31, 2017; CNY 1 = JPY 16.96 for the balance as of September 30, 2017 / EUR 1 = JPY 119.79 for the balance as of March 31, 2017; EUR 1 = JPY 132.85 for the balance as of September 30, 2017

Sprint U.S. GAAP Bridge to SoftBank Group IFRSs - 1

Income Statement (Apr. 1, 2017 - Sept. 30, 2017)

(Millions of USD)

Sprint	U.S. GAAP	Re-classification	Difference of recognition and measurement					IFRSs		SoftBank Group	
		(1)	(2)	(3)	(4)	(5)			(Millions of USD)		(Millions of JPY)
			Network restructuring cost	ARO discount rate	Liability to pay levies	Depreciation on impaired assets	Other				
Net operating revenues	16,084								16,084	1,793,327	Net sales
Net operating expenses											
Cost of services and products	-6,356	-3,881	3		69	-16			-10,181	-1,135,141	Cost of sales
Selling, general and administrative	-3,951	-265			3		-21		-4,234	-472,044	Selling, general, and administrative expenses
Depreciation and amortization	-4,148	4,148									Other operating income
Other, net	135	6	5				-2	144	16,034		
Operating income	1,764	8	8		72	-16	-23	1,813	202,176		Operating income
Interest expense	-1,208	-9	-1	-15			-1	-1,234	-137,626		Finance cost
Other expense, net	-8	1					-1	-8	-863		Other non-operating loss
Income before income taxes	548		7	-15	72	-16	-25	571	63,687		Income before income taxes
Income tax expense	-390						4	-386	-43,041		Income taxes
Net Income	158		7	-15	72	-16	-21	185	20,646		Net Income
Operating income	1,764	8	8		72	-16	-23	1,813	202,176		Operating income
Depreciation and amortization	4,148	-2				16		4,162	463,991		Depreciation and amortization
EBITDA	5,912	6	8		72		-23	5,975	666,167		EBITDA
Other adjustments	-330		-5				2	-333	-37,136		Other adjustments
Adjusted EBITDA	5,582	6	3		72		-21	5,642	629,031		Adjusted EBITDA

*Average rate for the quarter is used for conversion of the U.S. dollars into yen (Apr. to June 2017, USD 1 = JPY 111.61, July to Sept., USD 1 = JPY 111.38).

(1) Mainly reclassification of depreciation and amortization to "cost of services and products" and "SGA."

Interest from asset retirement obligations (USD 16 million) is recorded as operating cost under U.S. GAAP and finance cost under IFRSs.

(2) Under U.S. GAAP, provision for network infrastructure restructuring (iDEN, Clearwire, etc.) is recognized when the payment obligation is probable.

Under IFRSs, the provision is recorded when detailed formal plan is publicly announced (provision was booked at the timing of acquisition).

(3) Under U.S. GAAP, the discount rate used to measure the asset retirement obligation (ARO) is only updated if the forecast cash outflows increases. Under IFRSs, the discount rate is updated as of the balance sheet date.

(4) Difference in recognition timing of liabilities / expenses related to levies (mainly property tax). Under IFRSs, liabilities / expenses are recognized when the payment obligation to the government occurs.

(5) Sprint (U.S. GAAP) does not recognize depreciation on wireline property, plant, and equipment which impairment loss was recognized during the fiscal year ended March 2015. Under U.S. GAAP, wireless segment and wireline segment are treated as separate reporting units and impairment test was performed at the individual asset level or asset groups. SBG (IFRSs) continuously recognized depreciation since impairment loss was not recognized, as Sprint is treated as a single cash-generating unit and all assets were tested together for impairment.

Sprint U.S. GAAP Bridge to SoftBank Group IFRSs - 2

Balance Sheets (As of Sept. 30, 2017)

(Millions of USD)

Sprint	U.S. GAAP	Re-classification	Difference of recognition and measurement						(6) Adjustment on goodwill	IFRSs		SoftBank Group
		(1)	(2)	(3)	(4)	(5)				(Millions of USD)	(Millions of JPY)	
			Impaired assets	Network restructuring cost	ARO discount rate	Liability to pay levies	Tax effect on adjustments	Other				
Assets												Assets
Current assets	11,935									11,935	1,345,461	Current assets
Goodwill	6,578			339		77		2	-4,048	2,948	332,290	Goodwill
Other non-current assets	63,953		2,046		32					66,031	7,443,644	Other non-current assets
Total assets	82,466		2,046	339	32	77		2	-4,048	80,914	9,121,395	Total assets
Liabilities and stockholders' equity												Liabilities and equity
Current liabilities	10,897	121		37		35		11		11,101	1,251,406	Current liabilities
Non-current liabilities	52,549	-121		13	23		690	10		53,164	5,992,254	Non-current liabilities
Total liabilities	63,446			50	23	35	690	21		64,265	7,243,660	Total liabilities
Stockholders' equity	19,020		2,046	289	9	42	-690	-19	-4,048	16,649	1,877,735	Total equity
Total liabilities and stockholders' equity	82,466		2,046	339	32	77		2	-4,048	80,914	9,121,395	Total liabilities and equity

*September month-end rate is used for conversion of the U.S. dollars into yen (USD 1 = JPY 112.73).

- (1) Uncertain tax position presented as non-current liabilities under U.S. GAAP is presented as current liabilities under IFRSs.
- (2) Sprint (U.S. GAAP) recognized impairment loss on Sprint trade name in the wireless segment and wireline property, plant, and equipment during the fiscal year ended March 2015. Under U.S. GAAP, wireless segment and wireline segment are treated as separate cash-generating units and impairment test was performed at the individual asset level or asset groups. SBG (IFRSs) recognized no impairment loss as Sprint is treated as a single cash-generating unit and all assets were tested together for impairment.
- (3) Under U.S. GAAP, provision for network infrastructure restructuring (iDEN, Clearwire, etc.) is recognized when the payment obligation is probable. Under IFRSs, the provision is recorded when detailed formal plan is publicly announced (provision was booked at the timing of acquisition).
- (4) Under U.S. GAAP, the discount rate used to measure the asset retirement obligation (ARO) is only updated if the forecast cash outflow increase. Under IFRSs, the discount rate is updated as of the balance sheet date.
- (5) Difference in recognition timing of liabilities / expenses related to levies (mainly property tax). Under IFRSs, liabilities / expenses are recognized when the payment obligation to the government occurs.
- (6) Goodwill adjustments are as follows.
 - i. In relation to the acquisition of Sprint, SBG entered into foreign currency forward contract, out of which USD 17.0 billion was accounted for under hedge accounting. The fair value on the acquisition date of this hedging instrument (USD 3,081 million) is deducted from goodwill (basis adjustment).
 - ii. Elimination of goodwill relating to non-controlling interest of Sprint.

Financial Indicators

(Unaudited)

(Millions of yen)	FY2016					FY2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Interest-bearing debt										
Interest-bearing debt	11,723,504	13,660,106	14,175,834		14,142,922	14,183,326	14,653,682			
Corporate bonds and commercial papers	7,090,963	7,534,747	7,859,651		7,653,300	7,495,201	7,992,371			
Long-term borrowings	1,984,239	2,729,964	2,986,659		3,377,625	3,365,048	2,307,348			
Short-term borrowings and current portion of long-term borrowings	1,319,197	2,025,104	2,010,993		1,796,173	2,025,801	3,047,091			
Lease obligations	1,238,942	1,284,946	1,250,180		1,245,890	1,244,569	1,256,723			
Installment payables	90,163	85,345	68,351		69,933	52,707	50,149			
Cash position										
Cash position	3,407,866	2,957,943	2,906,486		2,935,305	1,903,151	3,414,299			
Unused portion of credit line facility	174,200	178,500	178,500		178,500	-	-			
Cash position + unused portion of credit line facility	3,582,066	3,136,443	3,084,986		3,113,805	1,903,151	3,414,299			
Net interest-bearing debt										
Interest-bearing debt	11,723,504	13,660,106	14,175,834		14,142,922	14,183,326	14,653,682			
Cash position	3,407,866	2,957,943	2,906,486		2,935,305	1,903,151	3,414,299			
Net interest-bearing debt	8,315,638	10,702,163	11,269,348		11,207,617	12,280,176	11,239,383			
Financial indicators (Times)										
Interest coverage ratio	6.1	6.0	5.8	4.6	5.5	5.8	5.7			
Debt / equity ratio	4.9	5.3	4.2		3.6	3.5	3.2			
Net debt / equity ratio	3.4	4.0	3.3		2.9	2.9	2.4			
Interest-bearing debt / EBITDA ratio	4.9	5.4	5.4		5.3	5.4	5.6			
Net interest-bearing debt / EBITDA ratio	3.5	4.0	4.3		4.2	4.5	4.2			
Adjusted EBITDA (cumulative amount of LTM) (Millions of yen)	2,375,247	2,494,670	2,569,292		2,604,512	2,599,693	2,629,768			

*Interest-bearing debt above excludes financial liabilities relating to variable prepaid forward contract for sale of Alibaba shares and interest-bearing debt of SVF.

*Cash position = cash and cash equivalents (excluding SVF) + short-term investments recorded as current assets

*Cash position used for the calculations of all indicators above includes cash to be received from the sale of Supercell shares and cash to be recovered for investments that had been agreed to be transferred to SVF.

*Net interest-bearing debt = interest-bearing debt - cash position

*Unused portion of credit line facility = credit line facility size - credit line borrowings

*Interest coverage ratio = adjusted EBITDA / interest expense

*Adjusted EBITDA = operating income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments in SVF segment ± other adjustments

*Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (including adjustments related to the issuance of hybrid bonds)

*Interest-bearing debt / EBITDA ratio: interest-bearing debt / adjusted EBITDA (LTM) (including adjustments related to the issuance of hybrid bonds (September 2016, July 2017) and drawdown of hybrid loan (planned to be executed in November 2017))

*Net interest-bearing debt / EBITDA ratio: net interest-bearing debt / adjusted EBITDA (LTM) (including adjustments related to the issuance of hybrid bonds (September 2016, July 2017) and drawdown of hybrid loan (planned to be executed in November 2017))

Reference - 1 Corporate Bonds and Commercial Paper Details (consolidated)

(Millions of yen; unless otherwise stated)

Commercial paper, Bonds	Maturity date	Interest rate (%, year)	Mar. 31, 2017 Amount of issue	Sept. 30, 2017 Amount of issue	Sept. 30, 2017 Balance
SBG ¹					
Commercial paper	—	-	80,000	100,000	100,000
40th series Unsecured Straight Bond	Sept. 14, 2017	0.732	10,000	-	-
39th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Sept. 22, 2017	0.740	100,000	-	-
35th series Unsecured Straight Bond	Jan. 25, 2018	1.660	10,000	10,000	9,998
43rd series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	June 20, 2018	1.740	400,000	400,000	399,321
45th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	May 30, 2019	1.450	300,000	300,000	298,772
46th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Sept. 12, 2019	1.260	400,000	400,000	398,035
USD-denominated Senior Notes due year 2020	Apr. 15, 2020	4.500	\$2,485mn	\$2,485mn	278,458
EUR-denominated Senior Notes due year 2020	Apr. 15, 2020	4.625	€625mn	€625mn	82,471
47th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	June 18, 2020	1.360	100,000	100,000	99,308
44th series Unsecured Straight Bond	Nov. 27, 2020	1.689	50,000	50,000	49,899
USD-denominated Senior Notes due year 2022	July 30, 2022	5.375	\$1,000mn	\$1,000mn	111,439
EUR-denominated Senior Notes due year 2022	July 30, 2022	4.000	€500mn	€500mn	65,622
48th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Dec. 9, 2022	2.130	370,000	370,000	366,535
49th series Unsecured Straight Bond	Apr. 20, 2023	1.940	20,000	20,000	19,926
52nd series Unsecured Straight Bond	Mar. 8, 2024	2.030	50,000	50,000	49,793
51st series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Mar. 15, 2024	2.030	400,000	400,000	395,351
USD-denominated Senior Notes due year 2024	Sept. 19, 2024	4.750	-	\$1,350mn	150,316
USD-denominated Senior Notes due year 2025	July 30, 2025	6.000	\$1,000mn	\$1,000mn	111,256
EUR-denominated Senior Notes due year 2025	July 30, 2025	4.750	€1,250mn	€1,250mn	163,920
EUR-denominated Senior Notes due year 2025	Sept. 19, 2025	3.125	-	€1,500mn	196,824
50th series Unsecured Straight Bond	Apr. 20, 2026	2.480	30,000	30,000	29,869
EUR-denominated Senior Notes due year 2027	July 30, 2027	5.250	€500mn	€500mn	65,475
USD-denominated Senior Notes due year 2027	Sept. 19, 2027	5.125	-	\$2,000mn	222,681
1st series Unsecured Subordinated Corporate Bond	Dec. 17, 2021	2.500	400,000	400,000	395,435
2nd series Unsecured Subordinated Corporate Bond	Feb. 9, 2022	2.500	450,000	450,000	444,660
EUR-denominated Senior Notes due year 2029	Sept. 19, 2029	4.000	-	€750mn	98,407
1st Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	Sept. 13, 2041	3.000	55,600	55,600	55,090
3rd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	Sept. 30, 2041	3.000	400,000	400,000	392,632
2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	Sept. 16, 2043	3.500	15,400	15,400	15,254
Sub Total					5,066,747
(Reference) *Recorded as equity (other equity instruments) in financial statements					
Undated Subordinated NC6 Resettable Notes ²	-	6.000	-	\$2,750mn	303,677
Undated Subordinated NC10 Resettable Notes ²	-	6.875	-	\$1,750mn	193,199

(Millions of yen; unless otherwise stated)

Commercial paper, Bonds	Maturity date	Interest rate (%, year)	Mar. 31, 2017 Amount of issue	Sept. 30, 2017 Amount of issue	Sept. 30, 2017 Balance
Yahoo Japan					
1st series Unsecured Straight Bond	Feb. 28, 2020	0.040	5,000	5,000	5,000
2nd series Unsecured Straight Bond	Feb. 28, 2022	0.170	15,000	15,000	15,000
3rd series Unsecured Straight Bond	Feb. 28, 2024	0.370	15,000	15,000	15,000
Sub Total					35,000
Sprint					
Sprint Corporation					
7.25% Notes due 2021	Sept. 15, 2021	7.250	\$2,250mn	\$2,250mn	251,662
7.875% Notes due 2023	Sept. 15, 2023	7.875	\$4,250mn	\$4,250mn	474,614
7.125% Notes due 2024	June 15, 2024	7.125	\$2,500mn	\$2,500mn	279,011
7.625% Notes due 2025	Feb. 15, 2025	7.625	\$1,500mn	\$1,500mn	167,367
Sprint Communications, Inc.					
8.375% Senior Notes due 2017	Aug. 15, 2017	8.375	\$1,300mn	\$0mn	-
9% Guaranteed Notes due 2018	Nov. 15, 2018	9.000	\$3,000mn	\$1,800mn	210,899
Export Development Canada Facility (Tranche 3)	Dec. 17, 2019	3.740 ^{*3}	\$300mn	\$300mn	33,741
7% Guaranteed Notes due 2020	Mar. 1, 2020	7.000	\$1,000mn	\$1,000mn	116,408
7% Senior Notes due 2020	Aug. 15, 2020	7.000	\$1,500mn	\$1,500mn	172,255
11.5% Senior Notes due 2021	Nov. 15, 2021	11.500	\$1,000mn	\$1,000mn	134,211
9.25% Debentures due 2022	Apr. 15, 2022	9.250	\$200mn	\$200mn	25,250
6% Senior Notes due 2022	Nov. 15, 2022	6.000	\$2,280mn	\$2,280mn	254,731
Sprint Capital Corporation					
6.9% Senior Notes due 2019	May 1, 2019	6.900	\$1,729mn	\$1,729mn	196,963
6.875% Senior Notes due 2028	Nov. 15, 2028	6.875	\$2,475mn	\$2,475mn	262,288
8.75% Senior Notes due 2032	Mar. 15, 2032	8.750	\$2,000mn	\$2,000mn	239,916
Clearwire Communications LLC					
8.25% Exchangeable Notes due 2040 ^{*4}	Dec. 1, 2017 ^{*4}	8.250	\$629mn	\$629mn	71,233
Sub Total					2,890,549
Other					
			200	75	75
Total Balance					7,992,371

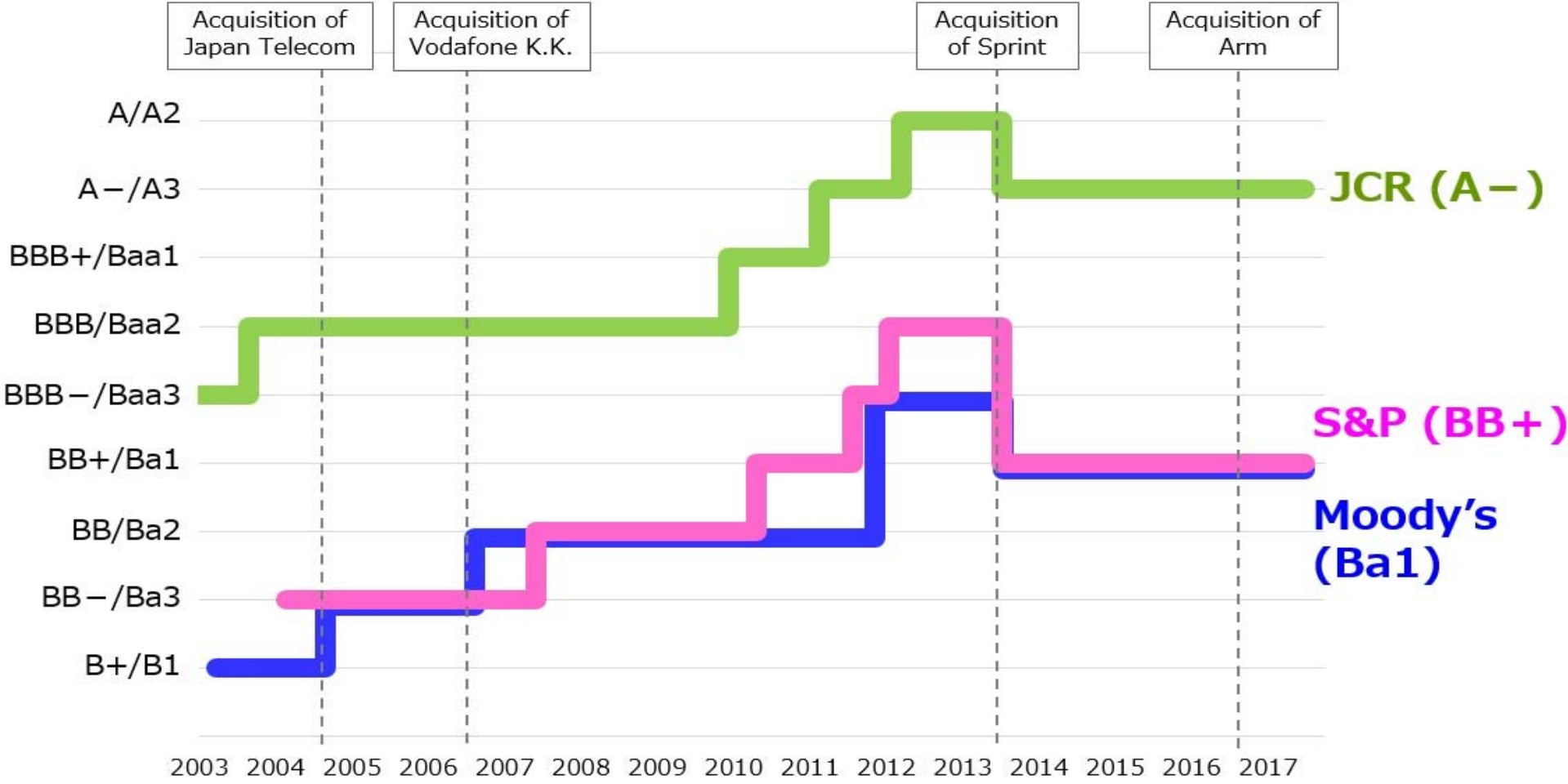
*1 Unsecured straight corporate bonds issued by SBG (including foreign currency denominated bonds) are guaranteed by SoftBank.

*2 Undated subordinated resettable notes will be redeemed before maturity; NC6 in July 2023 and NC10 in July 2027.

*3 Floating interest rate. The interest rate stated is as of Sept. 30, 2017.

*4 USD 629 million Clearwire 8.25% Exchangeable Notes due 2040 will be redeemed in December 2017 before maturity on December 2040.

Reference - 2 Trend of Credit Rating



* Calendar year