

**Earnings Results
for the Six-month Period
Ended September 30, 2019**

Investor Briefing

November 8, 2019

SoftBank Group Corp.

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Exchange rates used for translation

Average during quarter	FY2018				FY2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 USD	108.71	111.55	112.83	110.46	110.00	107.70		
1 GBP	147.54	145.84	144.48	143.99	140.88	132.73		
1 CNY	16.97	16.40	16.31	16.37	16.13	15.37		
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				110.99		107.92		
1 GBP				144.98		132.69		
1 CNY				16.47		15.13		

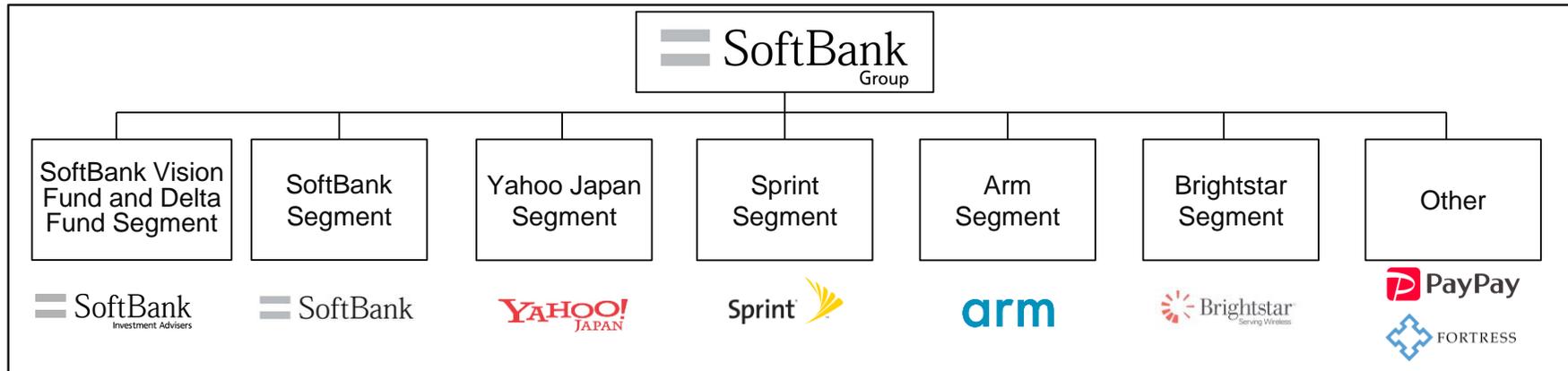
Accounting

(JPY bn)	FY18 Q1-Q2	FY19 Q1-Q2	Change	YoY
Net sales	4,653.9	4,651.7	-2.2	-0.0%
Operating income	1,420.7	-15.6	-1,436.3	-
Net income (attributable to owners of the parent)	840.1	421.6	-418.5	-49.8%

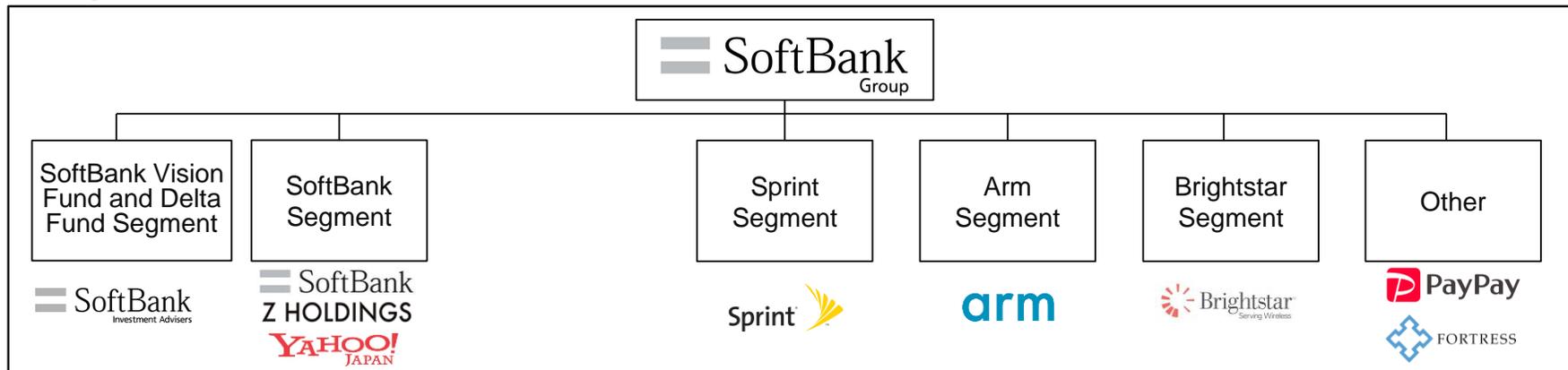
Change in Reportable Segments

- Revised segment classifications after SoftBank Corp. made Yahoo Japan*1 a subsidiary.
- The results of operations for FY18 are restated retroactively according to the new reportable segments.

FY18



FY19~



*1 Yahoo Japan Corporation transitioned to a holding company structure on October 1, 2019 and changed its trade name to “Z Holdings Corporation.”

Loss of Investments in WeWork and Its Affiliates

- Fair value of The We Company (“WeWork”)’s entire equity at end Q2: USD 7.8 bn^{*1}
- The USD 7.8 bn includes revised business plan after postponing public offering and agreement^{*2} under which SBG commits to provide

Cumulative investment, fair value, loss recorded etc.

from SBG’s wholly owned subsidiary and SVF, as of Sep. 30, 2019

(USD bn)

Entity of Investor	Investee	Investment Type	Cumulative Investment Amount	Cumulative Loss/ Gain	Fair Value as of end Q2 FY19	Loss Recorded in FY19 Q1-Q2
SBG’s wholly owned subsidiary	WeWork	Warrants ^{*3}	1.5 (unexecuted as of Sep.30, 2019)	-1.2	0.3	-1.2
		Preferred stock and common stock	4.5	-3.5	1.0	-3.5
SVF (SoftBank Vision Fund)	WeWork	Preferred stock and common stock	3.0	-2.0	1.0	-3.1 ^{*4}
	Three affiliates of WeWork	Preferred stock	1.3	-0.2	1.1	-0.4 ^{*4}

P/L accounts

Derivative gain (loss)

Gain (loss) from financial instruments at FVTPL

Operating income from SoftBank Vision Fund and Delta Fund

*Separately from the above, as of September 30, 2019, SoftBank Corp. has cumulatively invested 22.4 billion yen in WeWork Japan GK. This investment is classified as an investment accounted for using the equity method in SBG’s consolidated B/S.

*1 The income approach (discounted cash flow method) is used to measure the fair value of the entire shares of WeWork, and the scenario approach (a blend of common stock equivalent and the option pricing model) is used to allocate the fair value for each investment type.

*2 On October 22, 2019 (ET), SBG and WeWork reached an agreement under which SBG commits to provide significant funding to WeWork.

*3 As of September 30, 2019, SBG’s wholly owned subsidiary owned warrants (the unexecuted commitment of USD 1.5 billion) that would have been automatically converted into preferred stock in April 2020. Changes in the fair value of this investment were recorded as a derivative gain or loss. On October 30, 2019, the said wholly owned subsidiary of SBG paid USD 1.5 billion for the warrants, which were converted into preferred stock at the price of USD 11.60 per share.

*4 Before deducting third-party interests

WeWork to become an associate of SBG

SBG and WeWork reached an agreement on October 22, 2019 (ET): SBG committed to provide significant funding to WeWork

- WeWork will be an associate of SBG
 - ✓ SBG will not hold a majority of voting rights at any general shareholders meeting or board of directors meeting of WeWork
 - ✓ WeWork will not be SBG's subsidiary since SBG cannot control WeWork
- The Company's economic ownership of WeWork will be up to 80 percent*

Accounting of funding and consolidated P/L accounts

Entity of Investor	Investment Type	Accounting	
SBG's wholly owned subsidiary	Common stock* ¹	Using equity method	 <p>P/L accounts Income (loss) on equity method investments</p>
	Preferred stock	Measured at fair value	 <p>Gain (loss) from financial instruments at FVTPL</p>
SVF (SoftBank Vision Fund)	Preferred stock and common stock	Measured at fair value	 <p>Operating income from SoftBank Vision Fund and Delta Fund</p>

*1 Common stock or stocks equivalent to common stock

* fully diluted, up to 60% by SBG's wholly owned subsidiary and 20% by SVF

Sprint/T-Mobile Merger Transaction Status

- Received approvals from DOJ/FCC and 18 of the state PUC
→ **Outstanding: California PUC approval and the resolution of litigation filed by attorneys general of certain states and District of Columbia (“AG Litigation”)**

Impact on Consolidated Financial Results (classification as discontinued operations)

- Classification as discontinued operations → **“highly probable” to the closing of the merger transaction**
 - Previously SBG had deemed the approvals from DOJ/FCC satisfy the condition.
→ **Situation has changed; while approvals from DOJ/FCC were obtained.**
 - ✓ Start of the trial for the AG Litigation was rescheduled to Dec.9, 2019.
 - ✓ Decision by California PUC is now expected after the AG Litigation
(while it had been expected to be made regardless of the AG Litigation)
- **SBG is carefully monitoring events to determine when it becomes highly probable.**

Impact on consolidated financial results after the closing of the merger transaction

- New T-Mobile US will be an equity method associate of SBG (approx. 27.4% of shareholding*).
- On the date when the transaction is completed, revaluation gain/loss will be recorded under net income/loss.
(Revaluation gain/loss will be recorded in relation to change in the scope of consolidation, representing the difference between the fair value of the shares of New T-Mobile US to be acquired and the consolidated carrying amount of Sprint.)

DOJ (Department of Justice)

FCC (Federal Communications Commission)

PUC (Public Utility Commissions)

* Fully diluted basis

Consolidated P/L Summary (IFRSs)

(JPY bn)

P/L item	FY18 Q1-Q2	FY19 Q1-Q2	Change
Net sales	4,653.9	4,651.7	-2.2
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)	788.3	557.1	-231.2
Operating income from SoftBank Vision Fund and Delta Fund	632.4	-572.6	-1,205.0
Operating income	1,420.7	-15.6	-1,436.3
Finance cost	-322.3	-303.5	+18.8
Income on equity method investments	+110.3	+449.8	+339.5
Foreign exchange gain (loss)	+29.9	-5.7	-35.6
Derivative gain (loss)	+42.4	-111.3	-153.7
Gain relating to settlement of variable prepaid forward contract using Alibaba shares	—	+1,218.5	+1,218.5
Gain (loss) from financial instruments at FVTPL	+203.9	-351.8	-555.7
Changes in third-party interests in SoftBank Vision Fund and Delta Fund	-199.8	+180.8	+380.6
Other non-operating income (loss)	+116.9	+55.6	-61.3
Income before income tax	1,402.1	1,116.9	-285.2
Income taxes	-531.4	-584.7	-53.3
Net income	870.7	532.2	-338.5
Net income attributable to non-controlling interests	-30.6	-110.6	-80.0
Net income (attributable to owners of the parent)	840.1	421.6	-418.5

• FY18Q1-Q2: Recognized gain relating to loss of control over subsidiaries of 176.3 bn as a result of Arm's Chinese subsidiary becoming a JV.

Operating income from SoftBank Vision Fund and Delta Fund:

-572.6 bn (decreased 1,205.0 bn yoy) (See page 12 for details.)

• Realized gain on sales of investments: 34.8 bn (Sale of a minority portion of Guardant Health shares)
 • Unrealized loss held at end Q2 FY19 from investments: -537.9 bn
 Valuation gain 589.6 bn--Increase in the fair values of 25 investments including OYO and its affiliate.
 Valuation loss -1,127.6 bn--Decrease in the fair values of 25 investments including Uber and WeWork (including its three affiliates).

Finance cost: 303.5 bn (decreased 18.8 bn yoy)

SBG's interest expense decreased by 43.2bn; due to repayment of borrowings using 1.6 trillion yen repayment from SoftBank Corp. and an accompanying full amortization of borrowing expenses in FY18 Q1-Q2.

Income on equity method investments: +449.8 bn (increased 339.5 bn yoy)

Income on equity method investments of Alibaba of 452.5 bn (increased 330.9 bn yoy). Due mainly to profit related to purchase of Ant Financial shares by Alibaba.

Derivative loss: -111.3 bn (FY18Q1-Q2: +42.4 bn)

Due to a decrease in the fair value of investments in WeWork (warrants) of -129.3 bn.

Gain relating to settlement of variable prepaid forward contract using Alibaba shares: 1,218.5 bn

Gain (loss) from financial instruments at FVTPL: -351.8 bn (-555.7 bn yoy)

Due to a decrease of -374.7 bn in the fair value of investments in WeWork (preferred stock and common stock).

* The names of the investments of SoftBank Vision Fund are presented in the order of the size of the investments' impact on the Company's financial results, unless otherwise stated.

Consolidated B/S Summary (IFRSs) - 1

(JPY bn)

B/S item	Main items	As of Mar 2019	As of Sep 2019	Change
Current assets		7,758.0	7,447.8	-310.2
	Cash and cash equivalents	3,858.5	4,259.2	+400.7
	Other current assets	766.6	423.9	-342.7
	Assets classified as held for sale	224.2	-	-224.2
		28,338.5	29,400.9	+1,062.4
Non-current assets	Property, plant and equipment	4,070.7	2,960.2	-1,110.5
	Right-of-use assets	-	2,235.7	+2,235.7
	Goodwill	4,321.5	4,083.3	-238.2
	Intangible assets	6,892.2	6,628.1	-264.1
	Cost to obtain contracts	384.1	403.5	+19.4
	Investments accounted for using the equity method	2,641.0	2,847.7	+206.7
	Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	7,115.6	7,484.9	+369.3
	Investment securities	924.6	1,323.8	+399.2
	Other financial assets	1,185.9	1,035.2	-150.7
	Deferred tax assets	586.9	193.8	-393.1
		Total assets	36,096.5	36,848.7

Decrease of 422.6 bn due to withholding tax refund on dividends paid in FY18 from SBGJ to SBG

The variable prepaid forward contract using Alibaba shares was settled with shares in June 2019

Impact of the adoption of IFRS 16 at the beginning of FY19

- 1,157.0 bn of leased assets previously included in property, plant and equipment was reclassified as right-of-use assets.
- 1,368.1 bn of leased assets previously accounted for as operating leases was recorded as right-of-use assets.

Impact of a stronger yen

- FCC licenses (non-amortized): -114.9 bn
- Arm's technology: -38.5 bn

Carrying amount of Alibaba: 2,365.9 bn (as of Sep. 30, 2019)

Investments from SoftBank Vision Fund and Delta Fund: 7,484.9 bn (+369.3 bn)

- New investments*: USD 10.7 bn
- Decreased fair values of investments (Uber, WeWork etc.), a minority portion of Guardant Health was sold.

Increased by other new investments; partially offset by a decrease in WeWork investments due to recognizing fair value decrease in Q2, despite a new investment by SBG's wholly owned subsidiary.

* Includes follow-on investments
 SBGJ: SoftBank Group Japan Corporation
 SBG: SoftBank Group Corp.

Consolidated B/S Summary (IFRSs) - 2

B/S item	Main items	As of Mar 2019	As of Sep 2019	Change
Current liabilities		8,681.7	7,456.4	-1,225.3
	Interest-bearing debt	3,481.0	3,281.9	-199.1
	Lease liabilities	—	612.2	+612.2
	Deposits for banking business	745.9	796.6	+50.7
	Trade and other payables	1,909.6	1,753.8	-155.8
	Derivative financial liabilities	767.7	136.5	-631.2
	Income taxes payables	534.9	136.8	-398.1
	Other current liabilities	1,158.4	688.7	-469.7
Non-current liabilities		18,405.6	20,768.7	+2,363.1
	Interest-bearing debt	12,204.1	12,733.6	+529.5
	Lease liabilities	—	1,460.9	+1,460.9
	Third-party interests in SoftBank Vision Fund and Delta Fund	4,107.3	4,561.2	+453.9
	Derivative financial liabilities	130.5	151.8	+21.3
	Deferred tax liabilities	1,391.1	1,335.7	-55.4
Total liabilities		27,087.3	28,225.1	+1,137.8

(JPY bn)

Impact of the adoption of IFRS 16 at the beginning of FY19

- 892.5 bn of lease obligations previously included in interest-bearing debt was reclassified as lease liabilities.
- Lease liabilities of 1,449.3 bn, for operating leases that were previously accounted for as lease expenses, were newly recorded.

- Derivative financial liabilities relating to Alibaba shares decreased 749.8 bn due to a settlement of VPF contract.
- Derivative financial liabilities of 129.1 bn were recognized relating to investments in WeWork (warrants).

Decrease due to payment of 321.3 bn as income taxes on the gain recorded on disposal of SoftBank Corp. shares at SBGJ in FY18.

Decrease due to payment of withholding income tax of 422.6 bn on dividends paid from SBGJ to SBG in FY18.

SBGJ: SoftBank Group Japan Corporation
SBG: SoftBank Group Corp.

For the breakdown of interest-bearing debt and lease liabilities by company, see SBG's "Consolidated Financial Report for the Six-month Period Ended September 30, 2019."

Consolidated B/S Summary (IFRSs) - 3

(JPY bn)

B/S item	Items	As of Mar 2019	As of Sep 2019	Change
Equity		9,009.2	8,623.6	-385.6
	Common stock	238.8	238.8	-
	Capital surplus	1,467.8	1,529.1	+61.3
	Other equity instruments ^{*2}	496.9	496.9	-
	Retained earnings	5,571.3	5,392.6	-178.7
	Treasury stock	-443.5	-93.0	+350.5
	Accumulated other comprehensive income	290.3	-252.2	-542.5
	Non-controlling interests	1,387.7	1,311.4	-76.3
	Ratio of equity attributable to owners of the parent (equity ratio)	21.1%	19.8%	-1.3pp

Due to a decrease in SBG's economic interests in Yahoo Japan^{*1}

1
 Net income attributable to owners of the parent :+421.6 bn
 Retirement of treasury stock: -558.1 bn
 Cumulative impact of adopting IFRS 16: +14.0 bn

2
 Repurchase: -215.9 bn
 Retirement: +558.1bn
 For details, see SBG's "Consolidated Financial Report for the Six-month Period Ended September 30, 2019."

Decreased in exchange differences on translating foreign operations, arising from translating overseas subsidiaries and associates into yen due to a stronger yen against the major currencies

SBG: SoftBank Group Corp.

*1 Yahoo Japan Corporation transitioned to a holding company structure on October 1, 2019 and changed its trade name to "Z Holdings Corporation."

*2 USD-denominated undated subordinated notes issued in July 2017 by SBG, which were classified as equity instruments in accordance with IFRSs.

Consolidated C/F Summary (IFRSs)

(JPY bn)

C/F item	FY19 Q1-Q2		
C/F from operating activities	373.7	1,242.8	Subtotal of cash flows from operating activities
		-296.9	Interest paid
		-1,040.1	Income taxes paid
		440.6	Income taxes refunded
C/F from investing activities	-2,125.6	-636.0	Purchase of property, plant and equipment, and intangible assets
		-648.4	Payments for acquisition of investments
		128.5	Proceeds from sale/redemption of investments
		-1,063.7	Payments for acquisitions of investments by SoftBank Vision Fund and Delta Fund
		40.6	Proceeds from sales of investments by SoftBank Vision Fund and Delta Fund
C/F from financing activities	2,191.0	553.7	Proceeds in short-term interest-bearing debt, net
		5,196.6	Proceeds from interest-bearing debt
		-3,592.8	Repayment of interest-bearing debt
		-359.1	Repayment of lease liabilities
		1,356.6	Contributions into SoftBank Vision Fund and Delta Fund from third-party investors
		-616.7	Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors
		-215.9	Purchase of treasury stock
Cash and cash equivalents opening balance	3,858.5		
Cash and cash equivalents closing balance	4,259.2		

Investments in WeWork (preferred stock and common stock) and other new investments by wholly owned subsidiaries of SBG

Details by core company
(SBG)

- Proceeds in short-term interest-bearing debt, net : +133.0 bn
- Proceeds from borrowings: +1,660.9 bn
- Repayment of borrowings: -1,156.3 bn
- Issuance of corporate bonds: +1.0 bn
- Redemption of corporate bonds: -700.0 bn

(SoftBank Vision Fund and Delta Fund)

- Proceeds from borrowings: +1,038.3 bn
- Repayment of borrowings: -448.8 bn

SBG repurchased its own shares.

Income and Loss Arising from SoftBank Vision Fund and Delta Fund Included in P/L

(JPY bn)

P/L	FY18 Q1-Q2	FY19 Q1-Q2	Items
Gain and loss on investments at SoftBank Vision Fund and Delta Fund	649.4	-529.3	
Realized gain and loss on sales of investments	146.7	34.8	FY18Q2: Sale of investment in Flipkart shares FY19Q2: Sale of a minority portion of Guardant Health shares
Unrealized gain and loss on valuation of investments	504.4	-573.7	
Change in valuation for the fiscal year	504.4	-537.9	FY19Q1-Q2: <ul style="list-style-type: none"> Unrealized valuation gain of 589.6 bn: 25 investments including Oyo and its affiliate Unrealized valuation loss of -1,127.6 bn: 25 investments including Uber and WeWork and its three affiliates
Reclassified to realized gain and loss recorded in the past fiscal year	-	-35.8	Unrealized gains and losses on valuation of Guardant Health shares recorded in the past fiscal year, which are reclassified to realized gain on sales of investments due to the disposal of the shares.
Interest and dividend income from investments	2.6	8.3	
Effect of foreign exchange translation	-4.3	1.3	
Operating expenses (including expenses not attributable to the funds)	-16.9	-43.3	Investment research expenses and other administrative expenses arising from SBIA and other advisory companies
Operating income from SoftBank Vision Fund and Delta Fund	632.4	-572.6	
Finance cost (interest expense)	-11.7	-8.7	Interest expenses on borrowings
Foreign exchange gain and loss	-0	0	
Derivative gain and loss	-81.0	-	FY18Q1-Q2: Derivative loss arising from collar transactions relating to NVIDIA shares
Change in third-party interests in SoftBank Vision Fund and Delta Fund	-199.8	180.8	Fluctuations arising from the results of SVF and Delta Fund business in third-party interests in SVF and Delta Fund
Other non-operating income and loss	-0.5	1.0	
Income before income tax	339.5	-399.5	

Difference in Tax Rate

Reconciliation between statutory tax rate and effective Tax Rate	FY19Q1-Q2	
	Rate (%)	Amount (JPY bn)
Income before income tax		1,116.9
Statutory income tax rate	31.5%	351.4
(main factors of difference)		
- Impact from reassessment of the recoverability of deferred tax assets	17.4%	193.8
- Permanent difference (mainly from the companies to which 0% local tax rate is applied)	17.3%	193.0
- Rewards and future distribution of SoftBank Vision Fund and Delta Fund	-7.6%	-85.0
- Taxation at the state of companies' location	-4.3%	-48.1
- Tax impact due to exchange rate fluctuations	-1.8%	-20.5
- Others	0.0%	0.1
Effective income tax rate	52.4%	584.7

Bridge of Disclosures between SBG Financial Report and “SoftBank Vision Fund & Delta Fund Update” section

(USD bn)

SBG Financial Report	Committed capital, Total (p. 11) SVF Delta 103.0 (= 98.6 + 4.4)	Committed capital, The Company (p. 11) SVF Delta 37.5 (= 33.1 + 4.4)
Adjustments	-	Earmarked for use in an incentive scheme relating to SVF*1 -5.0
“SVF & Delta Fund Update” section	Total Commitments (p.9, 10) SVF Delta 103.0 (= 98.6 + 4.4)	SBG Commitments (p.9, 10) SVF Delta 32.5 (= 28.1 + 4.4)

SBG Financial Report	Contributions, The Company (p.11) SVF Delta 29.5 (= 25.7 + 3.8)	Acquisition cost, Total (p. 13) 70.7 (SVF only) (Cumulative since Fund inception)
Adjustments	Paid-in capital from the incentive scheme relating to SVF*1 -3.9	Sold investments +5.4 Other +0.2
“SVF & Delta Fund Update” section	SBG Paid-in Capital (p.9, 10) SVF Delta 25.6 (= 21.8 + 3.8)	Acquisition Cost (p.9) 76.3 (Cumulative since Fund inception)

* For notes on SVF disclosure, see “SoftBank Vision Fund & Delta Fund Update” section.

*1 As a subsidiary of SBG has a capital commitment of USD 5.0 bn, the figure is included in the “Committed capital, The Company” in SBG’s Financial Report. Performance-based distribution for the relevant contribution will be utilized for an incentive scheme for officers and employees.

Bridge from Income before Income Tax of SVF and Delta Fund Business to SVF's Contribution to SBG

			FY18 Q1-Q2	FY19 Q1-Q2
SBG Financial Report (p.12)	Income before income tax of SVF and Delta Fund Business (Contribution to SBG)	JPY bn	339.5	-399.5
		USD bn	3.08	-3.75
Adjustments	Income taxes on investment gains of SVF, paid/Income accrued at SVF		-0.80	-0.23
	Profit/loss incurred at entities other than the funds in the SVF and Delta segment (e.g., SBIA)		+0.12	+0.32
	Others		-0.48	+0.25
“SVF & Delta Fund Update” section (p.18)	Contribution to SBG, Net of 3rd Party Interests (After tax)	USD bn	1.92	-3.41
	SBG LP Income (Loss): Share of Fund Net Profit (Loss)		1.12	-2.41
	SBG Manager Income: Management & Performance Fees		0.80	-1.00

* For notes to SVF disclosure, see page 19 of “SoftBank Vision Fund & Delta Fund Update” section.

Appendix

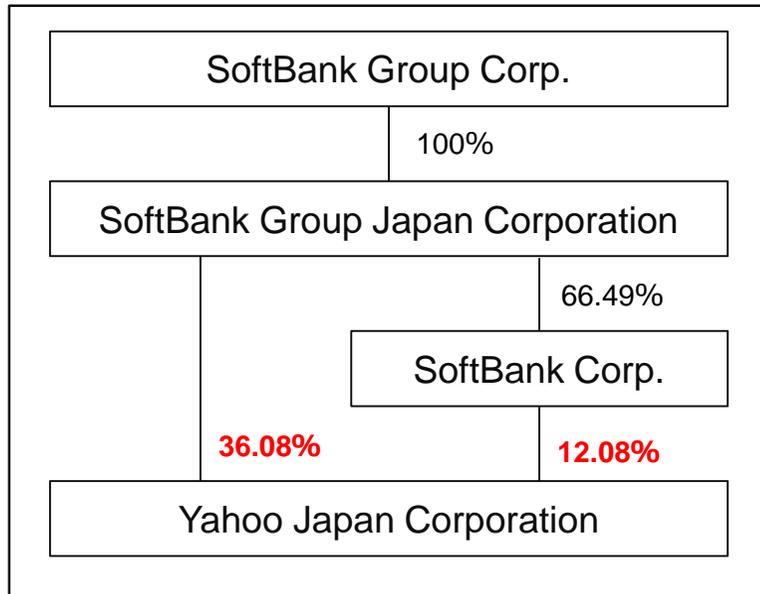
SoftBank Corp. Made Yahoo Japan a Subsidiary

- On June 27, 2019, Yahoo Japan*1 issued 1,511 million new shares to SoftBank Corp. through a third-party allotment.
- SBGJ, a wholly owned subsidiary of SBG, accepted a tender offer of share buyback by Yahoo Japan and sold its holdings of 1,793 million Yahoo Japan shares on June 27, 2019.
- As a result, Yahoo Japan became a subsidiary of SoftBank Corp.

Shareholding Structure in Yahoo Japan

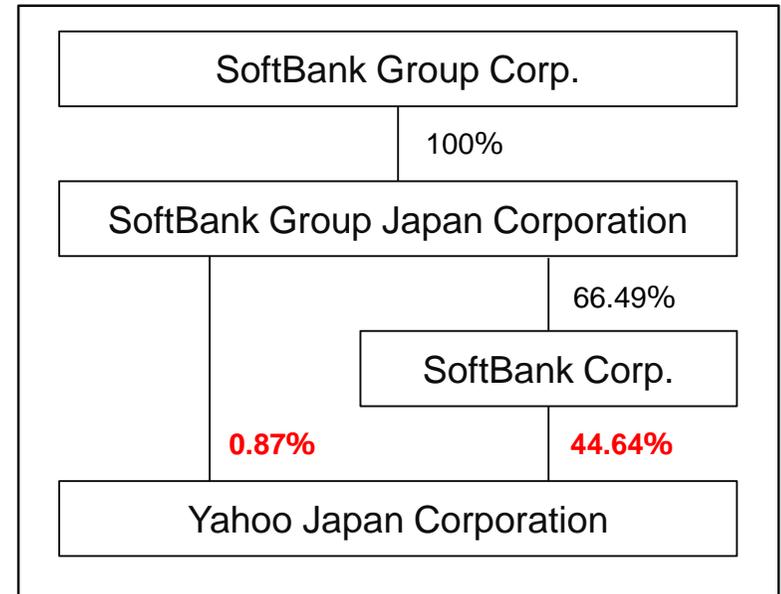
As of March 31, 2019

Voting rights: 48.16%
Economic interests: 44.11%



After the transactions

Voting rights: 45.52%
Economic interests: 30.55%



SBG: SoftBank Group Corp. SBGJ: SoftBank Group Japan Corporation

*1 Yahoo Japan Corporation transitioned to a holding company structure on October 1, 2019 and changed its trade name to "Z Holdings Corporation."

Breakdown of Goodwill / Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2019	As of Sep 2019	Change			Outline
				Amortization	Changes in exchange rate	Others	
Goodwill		4,321.5	4,083.3				
	Arm	2,777.5	2,542.0	-	-235.5	-	
	SoftBank	907.5	907.5	-	-	-	
	Sprint	326.8	317.8	-	-9.0	-	
Main intangible assets	FCC licenses (non-amortized)	4,155.1	4,041.2				
	<i>Sprint</i>	4,155.1	4,041.2	-	-114.9	1.0	
	Technologies	471.9	413.0				
	Main b/d <i>Arm</i>	461.9	404.4	-19.0	-38.5	-	Amortized at straight-line method for 8-20 years.
	Customer relationships	249.0	202.2				
	Main b/d <i>Sprint</i>	59.3	35.3	-22.6	-1.4	-	Amortized at sum-of-the-months' digits method. Amortized for 8 years for postpaid.
	Main b/d <i>Arm</i>	125.0	108.9	-5.7	-10.4	-	Amortized at straight-line method for 13 years.
	Trademarks	693.9	675.5				Excludes trademarks with finite useful lives.
	Main b/d <i>Sprint</i>	658.7	640.5	-	-18.2	-	
	Management contracts	94.7	83.2				
<i>Fortress</i>	94.7	83.2	-8.9	-2.6	-	Amortized at straight-line method for 1.5-10 years.	

* The above are the amounts of goodwill recognized at the date of acquisition by the Company. They do not include goodwill recognized as a result of M&A executed by the relevant subsidiaries after their acquisition dates.

(Reference) Adoption of new standards: IFRS 16 - Leases

Initial measurement for Right-of-use Assets and Lease Liabilities

Lease Liabilities: Measured at the present value of total lease payments over the lease term

Right-of-use Assets: Amount of the initial measurement of a lease liability plus any lease payments before the commencement, ARO cost and initial direct costs incurred

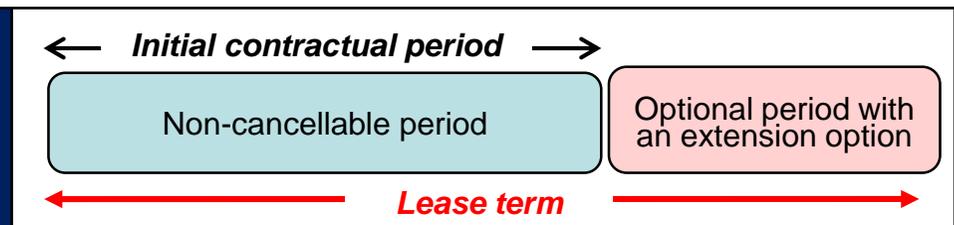
How a lease term is determined

The Company assesses whether it is reasonably certain to exercise an extension option or not to exercise a termination option. After the assessment, a lease term is determined as a non-cancellable period of a lease together with periods covered by these options.

(Example)

Lease term = Initial contractual period + period extended by an extension option

✓ An extension option exists and it is reasonably certain to exercise the option



Lease term for major Right-of-use Assets:

Telecommunications equipment (wireless equipment, switching equipment and other network equipment):

Mainly 5 ~ 10 years

Real estate for telecommunications business (spaces in land and buildings for cell sites):

Mainly 5 ~ 20 years

Adoption of new standards: IFRS 16 - Leases

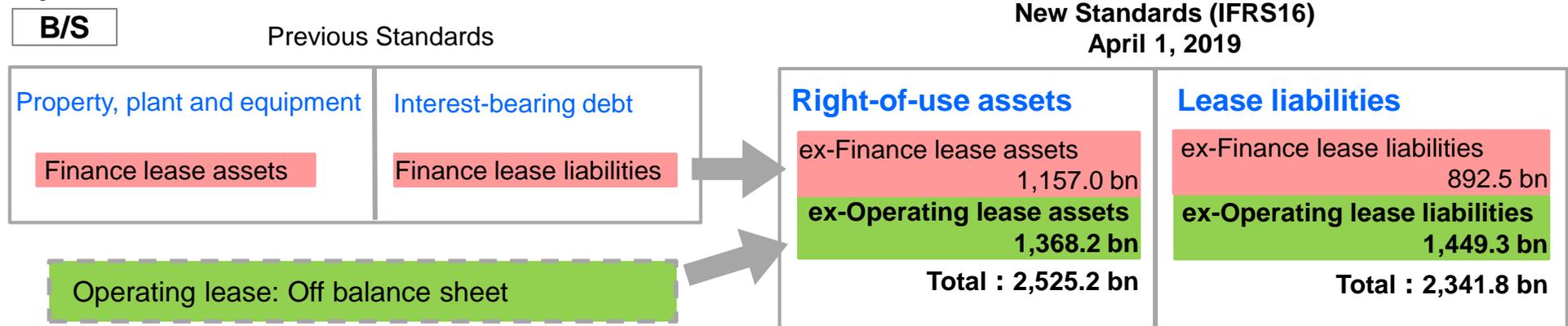
Primary change in accounting treatment:

Classification of finance and operating leases has been eliminated and “right-of-use assets^{*1}” and “lease liabilities” are recognized on a balance sheet for all leases.

- Leases previously classified as operating leases and accounted for as lease expenses are recognized on a balance sheet.
- Leases previously classified as finance leases continue to be recognized on a balance sheet.

^{*1} right-of-use asset : An asset representing a lessee’s right to use a leased asset over a lease term.

Impact to B/S and P/L :



^{*2} Total amount of expenses related to leases that were previously accounted for as finance leases or operating leases

Adoption of new standards: IFRS 16 - Leases

Breakdown of right-of-use assets

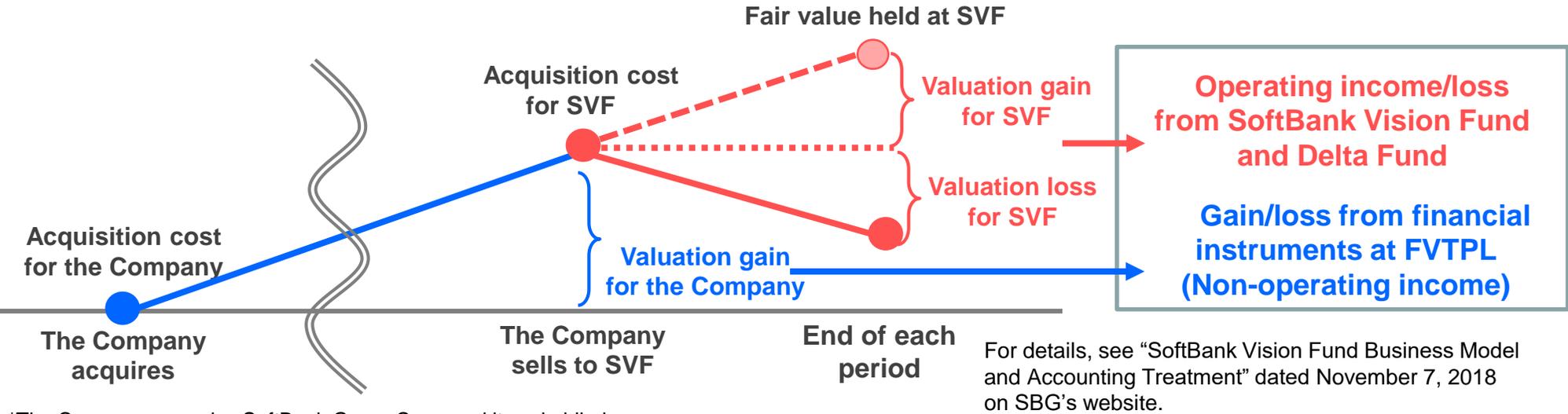
Opening B/S (April 1, 2019)

(JPY bn)

Class of underlying assets	SoftBank Corp.	Sprint	Others	Total
Telecommunications equipment (wireless equipment, switching equipment and other network equipment)	1,079.0	21.9	117.5	1,216.6
Reclassified from finance lease assets	913.3	-	91.3	1,004.6
Operating leases are capitalized as ROU on B/S	165.6	21.9	24.5	212.0
Real estate for telecommunications business (spaces in land and buildings for cell sites)	212.7	787.8	13.1	1,013.6
Reclassified from finance lease assets	33.2	61.9	-	95.1
Operating leases are capitalized as ROU on B/S	179.5	725.9	13.1	918.5
Other real estate	37.6	51.4	144.7	233.7
Reclassified from finance lease assets	-	-	13.8	13.8
Operating leases are capitalized as ROU on B/S	37.6	51.4	130.9	219.9
Others	39.1	3.7	18.5	61.3
Reclassified from finance lease assets	39.1	-	4.4	43.5
Operating leases are capitalized as ROU on B/S	-	3.7	14.1	17.8
Total	1,368.4	864.8	292.0	2,525.2
Reclassified from finance lease assets	985.7	61.9	109.4	1,157.0
Operating leases are capitalized as ROU on B/S	382.7	802.9	182.6	1,368.2

SoftBank Vision Fund - Gain/Loss on Investments Transferred from the Company in P/L

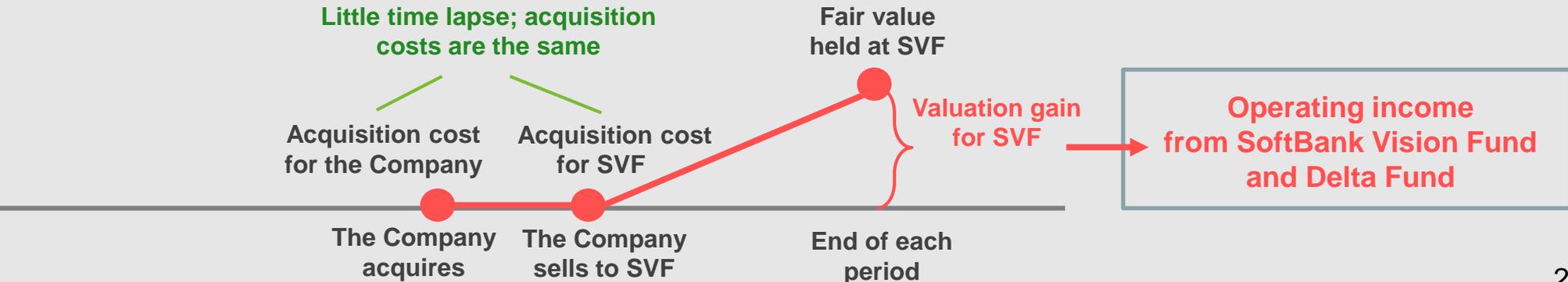
Investments transferred from the Company other than “Bridge investments” shown below. Examples include investments that were made without the premise of offering to the SVF at the time of acquisition, or, investments that were made with the premise of offering to the SVF but were not in accordance with the investment eligibility criteria of the SVF at the time of acquisition and therefore require consent from the limited partners for selling to the SVF. In FY18, Coupang, OYO, Uber and GM Cruise, etc. were sold to SVF. **In FY19Q1-Q2, investments in Ola and an affiliate of WeWork were sold to SVF.**



*The Company comprise SoftBank Group Corp. and its subsidiaries.

(Reference) Bridge Investments

Investments that were acquired by the Company on the premise of offering to SoftBank Vision Fund and were in accordance with the investment eligibility criteria of the fund at the time of acquisition. The transfer from the Company is subject to applicable consent requirements such as Investment Committee of SVF and approval from relevant regulatory agencies; NVIDIA falls into such investments that was sold to the fund in FY18.



Differences in Figures of Financial Results of the Company's SoftBank Segment and SoftBank

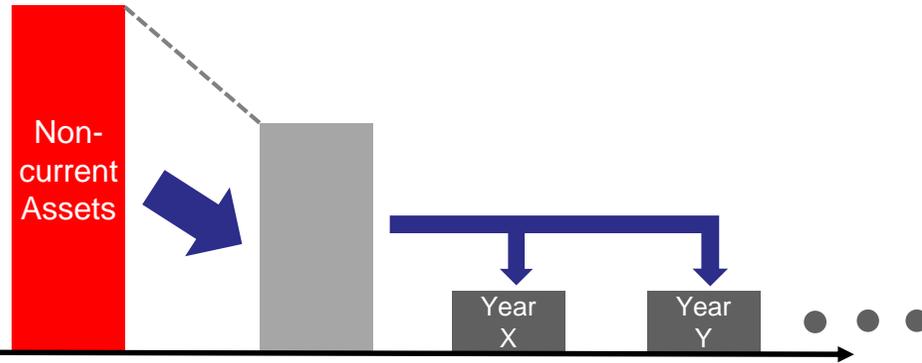
(1) Depreciation and amortization for non-current assets at SoftBank (formerly Vodafone K.K.)

SBG's consolidated financial statements

When Vodafone K.K.'s controlling interests were acquired Depreciation & amortization

Assets/liabilities were evaluated at market value

Depreciation & amortization based on reevaluated value

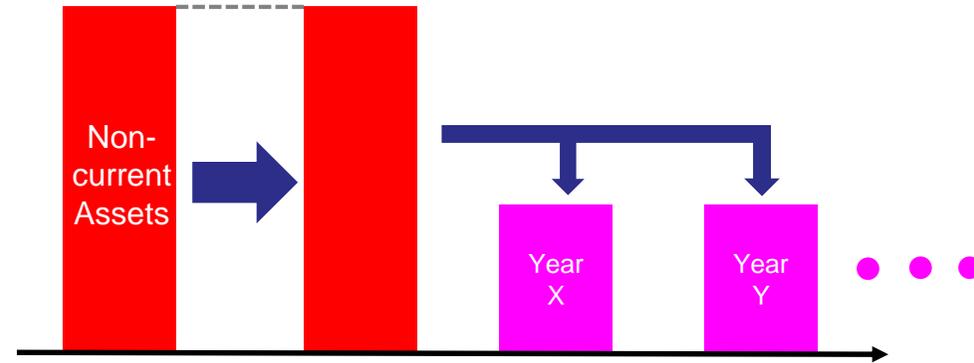


SoftBank's consolidated financial statements

Depreciation & amortization

No reevaluation as an acquired company

Depreciation & amortization based on acquisition cost



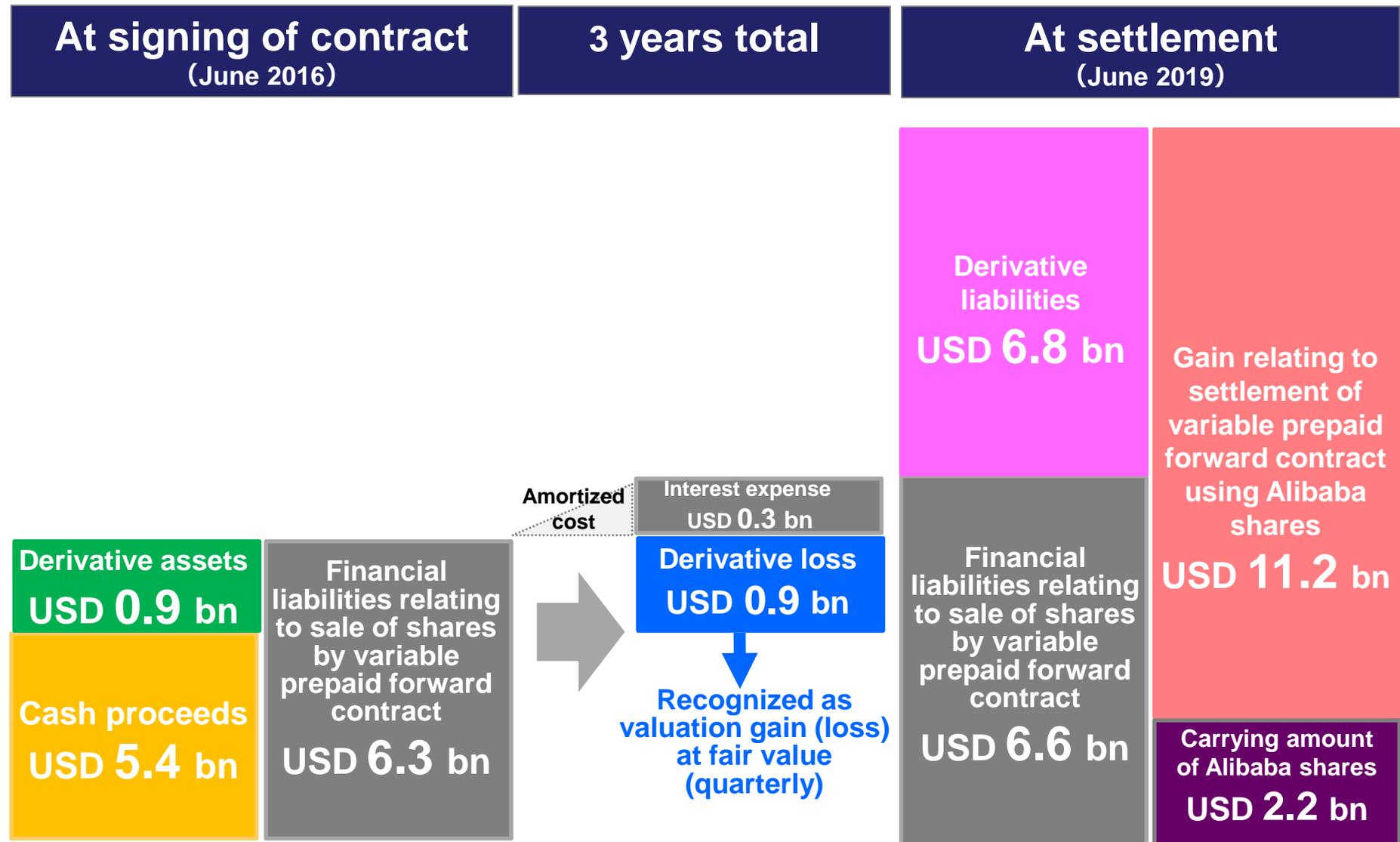
(2) Consolidation of the results of PayPay

		FY18		FY19		
	Shareholding ratio	SoftBank : 50% Yahoo Japan : 50%		SBG : 50% SoftBank : 25% Yahoo Japan : 25%		
	Reporting entity	SBG	Subsidiary (Other segment)		Subsidiary (Other segment)	
		SoftBank*	Subsidiary		Associate	

SBG: SoftBank Group Corp.

* The results of PayPay for FY18 were previously treated as that of an associate. After making Yahoo Japan a subsidiary, SoftBank retroactively treated PayPay as its subsidiary.

Settlement of Prepaid Forward Contract using Alibaba Shares



* The number of Alibaba shares used for the settlement was 73 million since the closing price of Alibaba's ADS on the settlement date (June 3, 2019) was USD150.07.