

**Earnings Results  
for the Fiscal Year  
Ended March 31, 2020**

**Investor Briefing**

**May 20, 2020**

**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	108.98	109.22
1 GBP	147.54	145.84	144.48	143.99	140.88	132.73	139.55	140.20
1 CNY	16.97	16.40	16.31	16.37	16.13	15.37	15.46	15.56
EOQ	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
1 USD				110.99				108.83
1 GBP				144.98				133.32
1 CNY				16.47				15.31

Abbreviations

Abbreviations used in Accounting section of this presentation are as follows:

Abbreviations	Definition (Each of the following abbreviations indicates the respective company and its subsidiaries, if any)
SBG	SoftBank Group Corp.
The Company	SoftBank Group Corp. and its subsidiaries
SBKK	SoftBank Corp.
SVF or SoftBank Vision Fund	SoftBank Vision Fund L.P. and its alternative investment vehicles
SBIA	SB Investment Advisers (UK) Limited
WeWork	The We Company

# **Accounting**

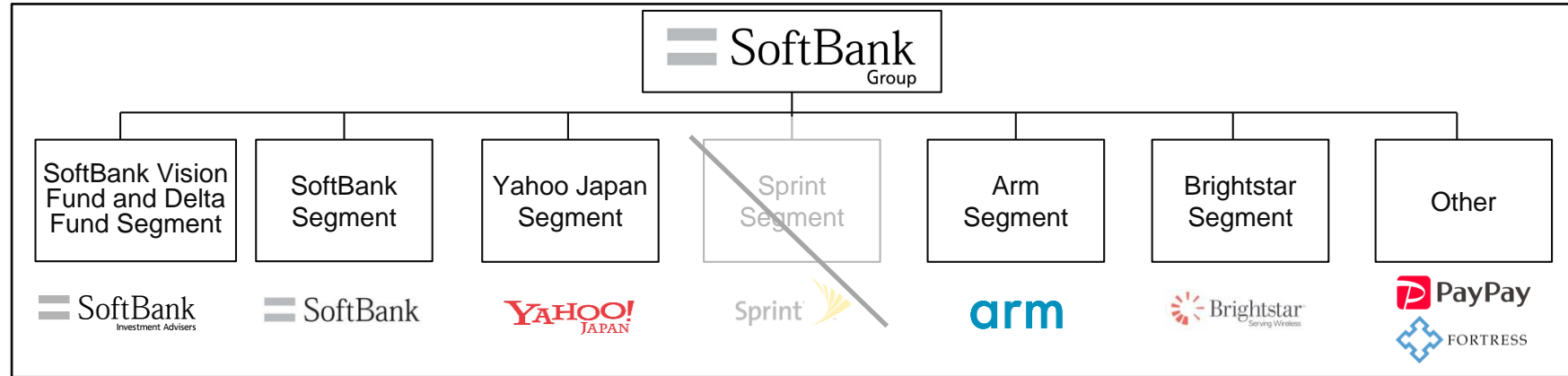
(JPY bn)

	<b>FY18</b>	<b>FY19</b>	<b>Change</b>	<b>YoY</b>
<b>Net sales</b>	<b>6,093.5</b>	<b>6,185.1</b>	<b>91.6</b>	<b>1.5%</b>
<b>Operating income</b>	<b>2,073.6</b>	<b>-1,364.6</b>	<b>-3,438.2</b>	<b>-</b>
<b>Net income</b> (attributable to owners of the parent)	<b>1,411.2</b>	<b>-961.6</b>	<b>-2,372.8</b>	<b>-</b>

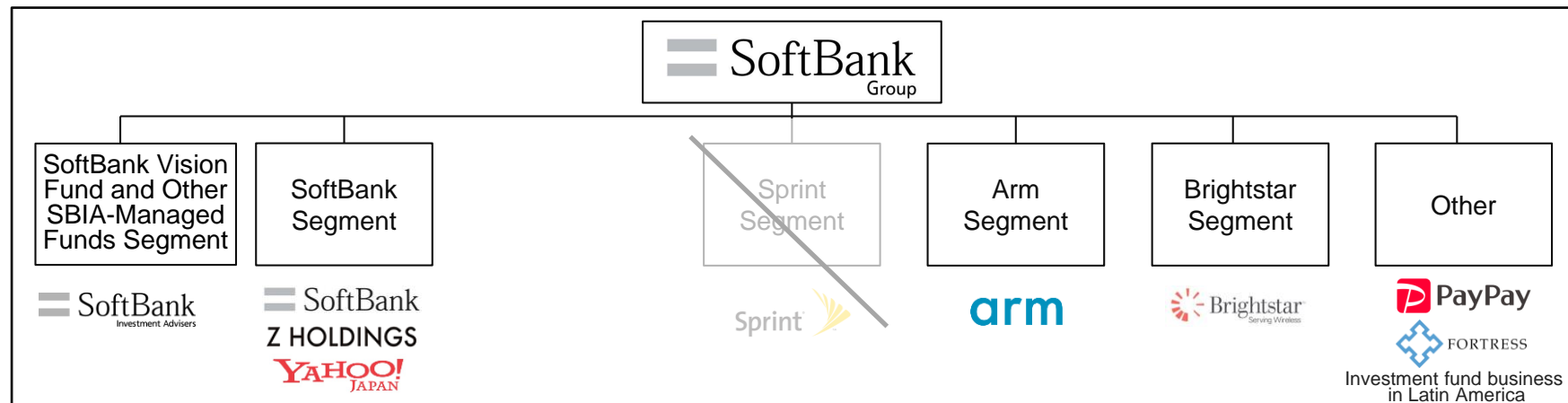
# Change in Reportable Segments

- Revised segment classifications after SBKK made Yahoo Japan (currently Z Holdings) a subsidiary.
- Renamed to the “SoftBank Vision Fund and Other SBIA-Managed Funds segment.”
- Sprint business is classified as discontinued operations and excluded from the reportable segments.

FY 18



FY 19-



## Completion of the Merger

Upon completion of the merger, from Apr 1, 2020

- ✓ Sprint is no longer a subsidiary of the Company
- ✓ New T-Mobile\*<sup>1</sup> instead became an equity method associate
- ✓ The Company has an approximately 24%\*<sup>2</sup> shareholding

## FY19: Classify as Discontinued Operations

- **Net income and loss:** presented as “net income or loss from discontinued operations” separately from continuing operations for FY19. Net income and loss for FY18 also has been retrospectively revised.
- **Assets and liabilities:** presented as “assets and liabilities held for sale” at FY19-end

## FY20: Record a Gain Relating to Loss of Control

- In FY20Q1, the Company expects to record a gain relating to loss of control under “net income or loss from discontinued operations.”
- The gain amount expected to represent the difference between the total fair value\*<sup>3</sup> of New T-Mobile shares and the consolidated carrying amount of Sprint.

\*1 The combined new company, T-Mobile US, Inc.

\*2 Fully-diluted base

\*3 The total fair value as of Apr 1, 2020 of 304,606,050 New T-Mobile shares acquired and 48,751,557 New T-Mobile shares to be acquired when certain conditions are met.

## The fair value of WeWork's entire equity

- A significant decline from USD 7.3 bn (as of Dec 31, 2019) to USD 2.9 bn (as of Mar 31, 2020)
- The fair value is calculated using the income approach (discounted cash flow method).
- The significant decline was due to, in light of the COVID-19 outbreak, 1) a significant reduction in the multiples used in calculating the terminal value to account for the decline in the share price of comparable peer public companies, and 2) an increase in the discount rate to account for price changes in WeWork's publicly traded senior unsecured notes.

## Details and progress of the agreement between the Company\*<sup>1</sup> and WeWork in Oct 2019\*<sup>2</sup>

	Details	Progress
(1) Existing Commitment of USD 1.5 bn	Reduction of exercise price from USD110.00/share to USD 11.60/share, and made early payment	<ul style="list-style-type: none"> <li>• SBG paid full amount of USD 1.5 bn in Oct 2019</li> <li>• USD 200 mil. was converted into preferred stock in Nov 2019 while the remaining USD 1.3 bn was converted into preferred stock in April 2020</li> </ul>
(2) Tender Offer	Tender offer up to USD 3.0 bn at USD 19.19/share	<ul style="list-style-type: none"> <li>• Launched tender offer in Nov 2019</li> <li>• Several of the closing conditions were not satisfied by the deadline of Apr 1, 2020, and the Company withdrew and terminated the Tender Offer at that time</li> </ul>
(3) Credit Support/Notes Purchase	a) Credit support for USD 1.75 bn letter of credit facility by financial institutions to WeWork	<ul style="list-style-type: none"> <li>• Agreed on a) and b) in Dec 2019</li> <li>• Received warrants as consideration of a) and b) that are exercisable for preferred stock at USD 0.01/share, but has not exercised any of the warrants*<sup>3</sup></li> <li>• Has not issued any of the b)*<sup>4</sup></li> </ul>
	b) Up to USD 2.2 bn in unsecured notes to be issued by WeWork	
	c) Up to USD 1.1 bn in senior secured notes to be issued by WeWork	<ul style="list-style-type: none"> <li>• The obligation to purchase or arrange for purchase such debt ceased to exist upon the termination of the Tender Offer</li> </ul>
(4) Exchange of SVF's JV Shares	Exchange of WeWork JV shares held by SVF for WeWork preferred stock	<ul style="list-style-type: none"> <li>• The exchange of WeWork Asia shares at USD 11.60/share was completed in Apr 2020</li> <li>• Discussions remain with respect to the exchange of WeWork China shares*<sup>4</sup></li> </ul>

\*1 (1) to (3) are related to SBG's wholly owned subsidiary for WeWork investment and (4) is related to SVF. \*2 Upon completion of transactions of above (1) to (4) (except for the (2)Tender Offer that was terminated), the fully diluted economic ownership held by the Company (including SVF) of WeWork is greater than 50%. \*3 As of May 18, 2020 \*4 As of Mar 31, 2020.



# Investments in WeWork by WeWork Investment Subsidiary - 1

As of Mar 31, 2020

(USD mil)

Investment Type			Cumulative Investment Amount	Cumulative Gain (Loss)	Account in Consolidated B/S	Carrying Amounts in FY19-End	Account in Consolidated P/L	Gain (loss) Recorded in Consolidated P/L					
								Q1	Q2	Q3	Q4	FY19	
Common Stock			4,500	-3,663	Investment securities	-	Loss from financial instruments at FVTPL	Break-down Omitted		-769	-	-	-417
						14	Loss on equity method investments			-	-29 <sup>*1</sup>	-11 <sup>*1</sup>	-40 <sup>*1</sup>
							Other non-operating loss			-	-78 <sup>*2</sup>	-35 <sup>*2</sup>	-113 <sup>*2</sup>
Preferred Stock						823			-2,901	524	-533	-3,075	
USD 1.5 bn Paid Commitment (Exercised on Oct 30, 2019 with the exercise price of USD11.60/share, down from the original USD110.00/share)	After Exercise	After Conversion <sup>*3</sup>	200	-138	Investment securities	62	Gain (loss) from financial instruments at FVTPL		-	-51	-87	-138	
		Before Conversion <sup>*4</sup>	1,300	-894	Other financial assets	406		-	-331	-563	-894		
	Before Exercise	-	-	Derivative financial liabilities	-	Derivative gain (loss)		-1,011 <sup>*5</sup>	1,196 <sup>*5</sup>	-	-		
Warrants with Exercise Price of USD 0.01/share	Before Exercise		-	-703 <sup>*6</sup>	Derivative financial assets	165 <sup>*6</sup>	Derivative gain (loss)		-	-155 <sup>*6</sup>	-548 <sup>*6</sup>	-703 <sup>*6</sup>	
Total			6,000	-5,398		1,470		2	-4,681	1,076	-1,777	-5,380	

1. WeWork became the Company's associate on Oct 30, 2019. As a result, net loss of WeWork from Oct 30, 2019 to Dec 31, 2019 corresponding to the Company's holding of common stock (2.75% as of Mar 31, 2020; before dilution) was recorded.

2. Indicates the impairment loss recorded due to the significant reduction in fair value of common stock.

3. The USD 200 mil. portion of USD 1.5 bn paid commitment was converted into preferred stock in Nov 2019.

4. The USD 1.3 bn portion of USD 1.5 bn paid commitment was paid in advance and later converted into preferred stock in Apr 2020.

5. The Company recognized a cumulative valuation loss of USD 1,196 mil. from FY18-end to FY19Q2-end, on the warrants (an unexecuted commitment of USD 1.5 bn) held by the WeWork Investment Subsidiary and recorded it as derivative financial liabilities in the Condensed B/S. The Company also recorded the corresponding derivative loss in the Consolidated P/L for the six-month period ended Sep 30, 2019. At the FY19Q3-end, the entire amount of the relevant derivative financial liabilities was reversed, following the Company's payment of USD 1.5 bn on Oct 30, 2019 after changing the terms and conditions of that payment obligation.

6. The Company owns warrants that are convertible into preferred stock at an exercise price of USD 0.01 per share that it acquired as consideration for the credit support and unsecured notes purchase commitment and recorded the fair value of USD 868 million of such warrants at the time of the agreements under "derivative financial assets" in the Consolidated B/S. The Company afterwards recognized derivative loss on warrants with exercise price of USD 0.01 per share mainly due to markdown of WeWork's entire equity value from USD 7.8 bn as of Sep 30, 2019 to USD 7.3 bn as of Dec 31, 2019 and to USD 2.9 bn as of Mar 31, 2020.

# Investments in WeWork by WeWork Investment Subsidiary - 2

## Liabilities related to financial guarantee contract and loan commitment

As of Mar 31, 2020

(USD mil)

Investment Type	Cumulative Investment Amount	Cumulative Gain (Loss)	Account in Consolidated B/S	Carrying Amounts in FY19-End	Account in Consolidated P/L	Gain (loss) Recorded in Consolidated P/L				
						Q1	Q2	Q3	Q4	FY19
Liabilities Related to Financial Guarantee Contract	-	-459	Other financial liabilities	819	Other non-operating income (loss)	-	-	-	-459 (*)	-459 (*)
Liabilities Related to Loan Commitment	-	-826	Other financial liabilities	1,334	Other non-operating income (loss)	-	-	-	-826	-826

- ✓ Financial guarantee contract and loan commitment to WeWork were recorded as financial liabilities.
- ✓ Measured by either A) the amount less accumulated amortization or B) expected credit loss, whichever is higher: At FY19-end, the increase in credit risk such as a rise in market yields on WeWork's outstanding notes was reflected in calculating to B) expected credit loss.



- The following losses were recorded upon B) expected credit loss exceeding A) initially recognized amount less accumulated amortization, the Company recognized losses as follows.
- ✓ Provision for loss allowance on valuation for the financial guarantee contract: USD -479 mil.
  - ✓ Provision for loss allowance on valuation for the loan commitment: USD -826 mil.

\* USD (459) mil. includes a gain of USD 20 mil. arising from regular amortization.

# Investments in WeWork by SVF

As of Mar 31, 2020

(USD mil)

Investee	Investment Type	Cumulative Investment Amount	Cumulative Gain (loss)	Account in Consolidated B/S	Carrying Amounts in FY19-End	Account in Consolidated P/L	Gain (loss) Recorded in Consolidated P/L				
							Q1	Q2	Q3	Q4	FY19
WeWork	Common stock Preferred stock	3,000	-2,477	Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL	523	Operating income from SoftBank Vision Fund and other SBIA-managed funds	-32	-3,043	40	-472	-3,507
WeWork and its three affiliates (Total)	Common stock Preferred stock	1,250	-835		415		-23	-395	-64	-593	-1,075
	Total	4,250	-3,312		938		-55	-3,438	-24	-1,065	-4,582

# Consolidated P/L Summary (IFRSs)

P/L item	FY18	FY19	Change
<b>Continuing operations</b>			
<b>Net sales</b>	<b>6,093.5</b>	<b>6,185.1</b>	<b>91.6</b>
Operating income (excluding income from SVF and other SBIA-managed funds)	817.0	566.7	-250.3
Operating income from SVF and other SBIA-managed funds	1,256.6	-1,931.3	-3,187.9
<b>Operating income</b>	<b>2,073.6</b>	<b>-1,364.6</b>	<b>-3,438.2</b>
Finance cost	-341.9	-300.9	+41.0
Income on equity method investments	+320.1	+638.7	+318.6
Dilution gain from changes in equity interest	+44.1	+339.8	+295.7
Foreign exchange gain (loss)	+10.9	-11.1	-22.0
Derivative gain (loss)	+158.4	-71.8	-230.2
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	+36.8	-668.5	-705.3
Changes in third-party interests in SVF and other SBIA-managed funds	-586.2	+540.9	+1,127.1
Other non-operating income (loss)	-33.2	-285.6	-252.4
<b>Income before income tax</b>	<b>1,682.7</b>	<b>35.5</b>	<b>-1,647.2</b>
Income taxes	-237.0	-797.7	-560.7
<b>Net income from continuing operations</b>	<b>1,445.7</b>	<b>-762.2</b>	<b>-2,207.9</b>
<b>Discontinued operations</b>			
<b>Net income from discontinued operations</b>	<b>9.0</b>	<b>-38.6</b>	<b>-47.6</b>
<b>Net income</b>	<b>1,454.6</b>	<b>-800.8</b>	<b>-2,255.4</b>
<b>Net income attributable to owners of the parent</b>	<b>1,411.2</b>	<b>-961.6</b>	<b>-2,372.8</b>

(JPY bn)

FY18: 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 SVF and other SBIA-managed funds: -1,931.3 bn (decreased 3,187.9 bn yoy)**

See page 14 for details.

- Decrease in the fair values of investments in Uber and WeWork and its three affiliates
- Significant decrease in the total fair value of other portfolio companies in FY19Q4 mainly due to COVID-19 outbreak impact

**Finance cost: -300.9 bn (decreased 41.0 bn yoy)**

**Income on equity method investments: +638.7 bn (increased 318.6 bn yoy)**

Alibaba: Income on equity method investments of 660.1 bn (increased 321.5 bn yoy)

Alibaba: Increase by 286.5 bn associated with the receipt of Ant Financial shares

**Dilution gain from changes in equity interest: +339.8 bn (increased 295.7 bn yoy)**

Alibaba: Increased +331.9 bn with a new issuance of shares upon its listing on Stock Exchange of Hong Kong in Nov 2019, etc.

**Derivative loss: -71.8 bn (FY18: +158.4 bn)**

WeWork: Decrease of -76.3 bn of the fair value of warrants that are convertible into preferred stock

See page 7 for details.

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

**Gain (loss) from financial instruments at FVTPL: -668.5 bn (-705.3 bn yoy)**

WeWork: Decrease of -488.5 bn of the fair value of investments. See page 6 for details.

**Other non-operating income (loss): -285.6 bn (-252.4 bn yoy)**

• WeWork: Due to the increase in expected credit loss are higher, provision for loss on valuation for the financial guarantee contract USD of 479 mil. (JPY 52.3 bn) and for the loan commitment of USD 826 mil. (JPY 90.2 bn). See page 7 for details.

• OneWeb: Recorded impairment loss on equity method investments of 49.2 bn and provisions for doubtful accounts of 65.9 bn related to the loans, following One Web, the Company's equity method associate, filed for relief under Chapter 11 of the U.S. Bankruptcy Code.

See page 14 of SBG's Consolidated Financial Report for details.

**Net income from discontinued operations: -38.6 bn**

Net loss of Sprint for FY19 was recorded.

(+: plus to profit -: minus to profit)

# Consolidated B/S Summary (IFRSs) - 1

B/S item	Main items	As of Mar 2019	As of Mar 2020	Change
Current assets		7,758.0	15,636.9	+7,878.9
	Cash and cash equivalents	3,858.5	3,369.0	-489.5
	Other current assets	766.6	461.0	-305.6
	Assets classified as held for sale	224.2	9,236.0	+9,011.8
Non-current assets		28,338.5	21,620.3	-6,718.2
	Property, plant and equipment	4,070.7	1,264.5	-2,806.2
	Right-of-use assets	–	1,293.7	+1,293.7
	Goodwill	4,321.5	3,998.2	-323.3
	Intangible assets	6,892.2	1,986.0	-4,906.2
	Cost to obtain contracts	384.1	212.0	-172.1
	Investments accounted for using the equity method	2,641.0	3,240.4	+599.4
	Investments from SVF and other SBIA-managed funds accounted for using FVTPL	7,115.6	6,892.2	-223.4
	<i>of which SVF and Delta Fund</i>	7,115.6	6,681.7	-433.9
	Investment securities	924.6	1,211.5	+286.9
	Other financial assets	1,185.9	1,160.0	-25.9
	Deferred tax assets	586.9	221.4	-365.5
	Other non-current liabilities	216.0	140.5	-75.5
<b>Total assets</b>		<b>36,096.5</b>	<b>37,257.3</b>	<b>+1,160.8</b>

(JPY bn)

Decrease of 422.6 bn due to a refund of withholding income tax on dividends paid in FY18 from SoftBank Group Japan (SBGJ) to SBG

- FY18-end: Alibaba shares planned to be used to settled VPF contract
- FY19-end: Transfer of the below assets subsequent to the reclassification of Sprint business as a disposal group classified as held for sale

Trade and other receivables and inventories	483.2 bn
Property, plant and equipment	1,890.6 bn
Right-of-use assets	763.5 bn
Goodwill	323.0 bn
Intangible assets	5,083.0 bn

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.

•Increase: Impact of consolidation of ZOZO

•Decrease: Transfer of the Sprint business to “Assets classified as held for sale.” Impact of a stronger yen. See page 18 for details.

Carrying amount of Alibaba shares: 2,860.9 bn (as of Mar 31, 2020)

### Investments from SVF and other SBIA-managed funds : 6,892.2 bn (-223.4 bn)

- Investments from SVF: USD 15.6 bn
- Decrease in the fair values of investments in Uber and WeWork and its three affiliates
- Significant decrease in the total fair value of other portfolio companies in FY19Q4 mainly due to COVID-19 outbreak impact

•Investments in WeWork: See page 7 for details.

•Made new investments totaling USD 1.3 bn as the investment fund business in Latin America

# Consolidated B/S Summary (IFRSs) - 2

B/S item	Main items	As of Mar 2019	As of Mar 2020	Change
Current liabilities		8,681.7	14,191.1	+5,509.4
	Interest-bearing debt	3,481.0	3,845.2	+364.2
	Lease liabilities	—	378.4	+378.4
	Deposits for banking business	745.9	873.1	+127.2
	Trade and other payables	1,909.6	1,585.3	-324.3
	Derivative financial liabilities	767.7	9.3	-758.4
	Other financial liabilities	10.8	248.0	+237.2
	Income taxes payables	534.9	164.3	-370.6
	Other current liabilities	1,158.4	596.5	-561.9
	Liabilities directly relating to assets classified as held for sale	—	6,455.0	+6,455.0
Non-current liabilities		18,405.6	15,693.2	-2,712.4
	Interest-bearing debt	12,204.1	9,286.7	-2,917.4
	Lease liabilities	—	761.9	+761.9
	Third-party interests in SVF and other SBIA-managed funds	4,107.3	4,559.7	+452.4
	Derivative financial liabilities	130.5	128.1	-2.4
	Deferred tax liabilities	1,391.1	711.2	-679.9
<b>Total liabilities</b>		<b>27,087.3</b>	<b>29,884.4</b>	<b>+2,797.1</b>

(JPY bn)

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

- Lease obligations of 892.5 bn 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.

Decreased 749.8 bn due to a settlement of the VPF contract using Alibaba shares.

WeWork: Increased due to the recording of 234.3 bn of allowance for loss on valuation for expected credit losses for financial guarantee contract and the loan commitment

Decreased due to payment of income taxes of 321.3 bn on the gain recorded for disposal of SBKK shares at SBGJ in FY18

Decreased due to payment of withholding income tax of 422.6 bn on dividends paid by SBGJ to SBG in FY18

Transferred of the below liabilities subsequent to the reclassification of Sprint business as a disposal group classified as held for sale

Interest-bearing debt and lease liabilities	4,709.7 bn
Trade and other payables	395.4 bn
Deferred tax liabilities	746.8 bn
Other non-current liabilities	209.5 bn

- Recorded 148.4 bn of deferred tax liabilities for intangible assets recognized at consolidation of ZOZO
- Transferred of Sprint's deferred tax liabilities of 746.8 bn subsequent to the reclassification of Sprint business as a disposal group classified as held for sale



# Consolidated B/S Summary (IFRSs) - 3

B/S item	Items	As of Mar 2019	As of Mar 2020	Change	(JPY bn)
Equity		9,009.2	7,372.9	-1,636.3	
	Common stock	238.8	238.8	—	
	Capital surplus	1,467.8	1,490.3	22.5	Increased due to a decrease in SBG's economic interests in Yahoo Japan (currently Z Holdings)
	Other equity instruments*	496.9	496.9	—	
	Retained earnings	5,571.3	3,945.8	-1,625.5	1 Net income attributable to owners of the parent: -961.6 bn Retirement of treasury stock in June 2019: -558.1 bn Cumulative impact of adopting IFRS 16: +14.0 bn
	Treasury stock	-443.5	-101.6	341.9	2 Repurchase: -215.9 bn in Q1 and -16.0 bn in Q4 Retirement: +558.1bn
	Accumulated other comprehensive income	290.3	-362.3	-652.6	
	Accumulated other comprehensive income directly relating to assets classified as held for sale	—	205.7	205.7	• Decreased in exchange differences arising from translating overseas subsidiaries and associates into yen due to a stronger yen against the major currencies • Transferred subsequent to the reclassification of Sprint business as a disposal group classified as held for sale
	Total equity attributable to owners of the parent	7,621.5	5,913.6	-1,707.9	
	Non-controlling interests	1,387.7	1,459.3	71.6	Transferred from the "Accumulated other comprehensive income directly relating to assets classified as held for sale" subsequent to the reclassification of Sprint business as a disposal group classified as held for sale
	<b>Ratio of equity attributable to owners of the parent (equity ratio)</b>	<b>21.1%</b>	<b>15.9%</b>	<b>-5.2pp</b>	

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

# Consolidated C/F Summary (IFRSs)

C/F item	FY19		
<b>C/F from operating activities</b>	<b>1,117.9</b>	2,423.3	Subtotal of cash flows from operating activities
		-597.8	Interest paid
		-1,202.0	Income taxes paid
		444.6	Income taxes refunded
<b>C/F from investing activities</b>	<b>-4,286.9</b>	-1,232.6	Purchase of property, plant and equipment, and intangible assets
		-1,098.6	Payments for acquisition of investments
		283.9	Proceeds from sale/redemption of investments
		-1,816.3	Payments for acquisitions of investments by SVF and other SBIA-managed Funds
		129.8	Proceeds from sales of investments by SVF and other SBIA-managed Funds
		-388.3	Payments for acquisition of control over subsidiaries
<b>C/F from financing activities</b>	<b>2,920.9</b>	133.2	Proceeds in short-term interest-bearing debt, net
		8,601.9	Proceeds from interest-bearing debt
		-5,646.7	Repayment of interest-bearing debt
		-695.4	Repayment of lease liabilities
		1,843.7	Contributions into SVF and other SBIA-managed Funds from third-party investors
		-771.3	Distribution/repayment from SVF and other SBIA-managed Funds to third-party investors
		-232.0	Purchase of treasury stock
<b>Cash and cash equivalents opening balance</b>	<b>3,858.5</b>		
<b>Cash and cash equivalents closing balance</b>	<b>3,369.0</b>		

(JPY bn)

- A wholly owned subsidiary of the Company acquired preferred stock and common stock of WeWork totaling USD 2.0 bn in Q1, and paid USD 1.5 bn related to existing commitment of WeWork in Oct 2019.
- A wholly owned subsidiary of the Company made new investments totaling USD 1.3 bn as the investment fund business in Latin America.

- SVF made new investments.
- Newly established investment vehicles, which will hold certain investments that are expected to be treated as the initial investments of "SoftBank Vision Fund 2" (planned), made investments of USD 2.0 bn.

**Details by core company**

SBG

- Proceeds in short-term interest-bearing debt, net : +49.0 bn
- Proceeds from borrowings: +1,925.1 bn
- Repayment of borrowings: -1,864.6 bn
- Issuance of corporate bonds: +1 tn
- Redemption of corporate bonds: -700 bn

SBG's wholly owned subsidiaries conducting fund procurement

- Proceeds from borrowings: +968.9 bn (procured USD 4.37 bn using Alibaba shares and 500 bn using SBKK shares.)
- Proceeds from procurement relating to settlement of shares by variable prepaid forward contract: +179.1 (received funds by concluding a variable prepaid forward contract for Alibaba shares.)

SVF and Delta Fund

- Proceeds from borrowings: +1,132.9 bn (SVF borrowed USD 6.81 bn through the Fund Level Facility and USD 3.65 bn through the Portfolio Financing Facility.)
- Repayment of borrowings: -594.1 bn (SVF repaid USD 4.06 bn of borrowings under the Fund Level Facility and a total of USD 1.41 bn of borrowings under the Portfolio Financing Facility.)

SBG repurchased its own shares: 215.9 bn in Q1 and 16.0 bn in Q4



# Income and Loss Arising from SVF and Other SBIA-Managed Funds

(JPY bn)

P/L	FY18	FY19	Items
<b>Gain and loss on investments at SVF and other SBIA-Managed Funds</b>	<b>1,302.8</b>	<b>-1,844.9</b>	
Realized gain and loss on sales of investments	296.5	58.3	FY18: Gain on sale of Flipkart shares and NVIDIA shares FY19: Sale of a portion of four portfolio companies' shares and all shares of a portfolio company
Unrealized gain and loss on valuation of investments	1,013.2	-1,917.7	
<i>Change in valuation for the fiscal year</i>	1,378.6	-1,877.7	FY19-end: Unrealized loss (net) on valuation of investments by SVF was 1,869.3 bn (USD 17,263 mil.). •Valuation gain of USD 3,473 mil. : 19 investments •Valuation loss of USD 20,736 mil. : 50 investments See page 19-21 of SBG's Consolidated Financial Report for details.
<i>Reclassified to realized gain and loss recorded in the past fiscal year</i>	-365.3	-40.0	Reclassification of unrealized valuation gain (loss) recorded in FY18 for the shares that were sold in FY19 (a portion of four portfolio companies' shares and all shares of a portfolio company)
Interest and dividend income from investments	4.5	12.8	
Derivative gain and loss	-	0.1	
Effect of foreign exchange translation	-11.4	1.5	
Operating expenses (including expenses not attributable to the funds)	-46.2	-86.5	Administrative expenses arising from SBIA and SVF
<b>Segment income</b>	<b>1,256.6</b>	<b>-1,931.3</b>	
Finance cost (interest expense)	-33.1	-22.5	Interest expenses on borrowings
Foreign exchange gain and loss	0.1	0.3	
Derivative gain and loss	177.4	-	FY18: Derivative loss arising from collar transactions relating to NVIDIA shares
Change in third-party interests	-586.2	540.9	Fluctuations arising from the results of SVF and other SBIA-managed funds business in third-party interests in SVF and other SBIA-managed funds
Other non-operating income and loss	-0.2	1.1	
<b>Income before income tax</b>	<b>814.6</b>	<b>-1,411.5</b>	

# Difference in Tax Rate

Reconciliation between statutory tax rate and effective tax rate	FY18		FY19	
	Rate (%)	Amount (JPY bn)	Rate (%)	Amount (JPY bn)
Income before income tax		1,682.7		35.5
Statutory income tax rate	31.5%	529.4	31.5%	11.2
(main factors of difference)				
- Permanent difference (mainly from difference in tax rate)	-9.0%	-151.0	1332.3%	472.8
- Impact from reassessment of the recoverability of deferred tax assets	-17.4%	-293.0	1071.9%	380.4
- Taxation related to intra-group transaction eliminated in SBG's consolidated FS, etc	6.1%	102.0	-334.3%	-118.7
- Taxation at the state of companies' location	0.6%	10.1	84.0%	29.8
- Others	2.3%	39.5	62.1%	22.2
Effective income tax rate	14.1%	237.0	2247.5%	797.7

# Loss Carryforwards (as of Mar 31, 2020)

(JPY Bn)

	Income base	Tax base	Valuation allowance	Carrying amounts in B/S
Total of companies based in Japan	3,116.3	1,007.1	-998.9	8.2
Total of companies based outside of Japan	292.1	67.2	-46.6	20.6
Consolidated total	3,408.4	1,074.3	-1,045.5	28.8

# Appendix

# Breakdown of Goodwill / Intangible Assets

(JPY bn)

B/S item	Main items	As of Mar 2019	As of Mar 2020	Change			Outline	
				Amortization	Changes in exchange rate	Others		
Goodwill		4,321.5	3,998.2					
	Arm	2,777.5	2,554.1	-	-223.4	-		
	SBKK	907.5	907.5	-	-	-		
	Sprint	326.8	-	-	-6.4	-320.4	Transferred to “Assets classified as held for sale” subsequent to the reclassification as a disposal group classified as held for sale	
	ZOZO	-	212.9	-	-	212.9*1		
Main intangible assets	<b>FCC licenses (non-amortized)</b>	<b>4,155.1</b>	<b>-</b>					
		<i>Sprint</i>	4,155.1	-	-	-80.9	-4,074.2	Transferred to “Assets classified as held for sale” subsequent to the reclassification as a disposal group classified as held for sale
	<b>Technologies</b>	<b>471.9</b>	<b>395.6</b>					
	Main b/d	<i>Arm</i>	461.9	387.8	-38.3	-35.8	-	Amortized at straight-line method for 8-20 years
	<b>Customer relationships</b>	<b>249.0</b>	<b>474.7</b>					
		<i>ZOZO</i>	-	316.7	-5.4	-	322.1*1	Amortized at straight-line method for 18-25 years
	Main b/d	<i>Arm</i>	125.0	103.9	-11.5	-9.6	-	Amortized at straight-line method for 13 years
		<i>Sprint</i>	59.3	-	-39.7	-1.1	-18.5	Transferred to “Assets classified as held for sale” subsequent to the reclassification as a disposal group classified as held for sale
	<b>Trademarks</b>	<b>693.9</b>	<b>213.8</b>					Excludes trademarks with finite useful lives
	Main b/d	<i>Sprint</i>	658.7	-	-	-12.8	-645.9	Transferred to “Assets classified as held for sale” subsequent to the reclassification as a disposal group classified as held for sale
		<i>ZOZO</i>	-	178.7	-	-	178.7*1	
	<b>Management contracts</b>	<b>94.7</b>	<b>46.2</b>					
	<i>Fortress</i>	94.7	46.2	-21.1	-1.7	-25.7	Amortized at straight-line method for 3-10 years	

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

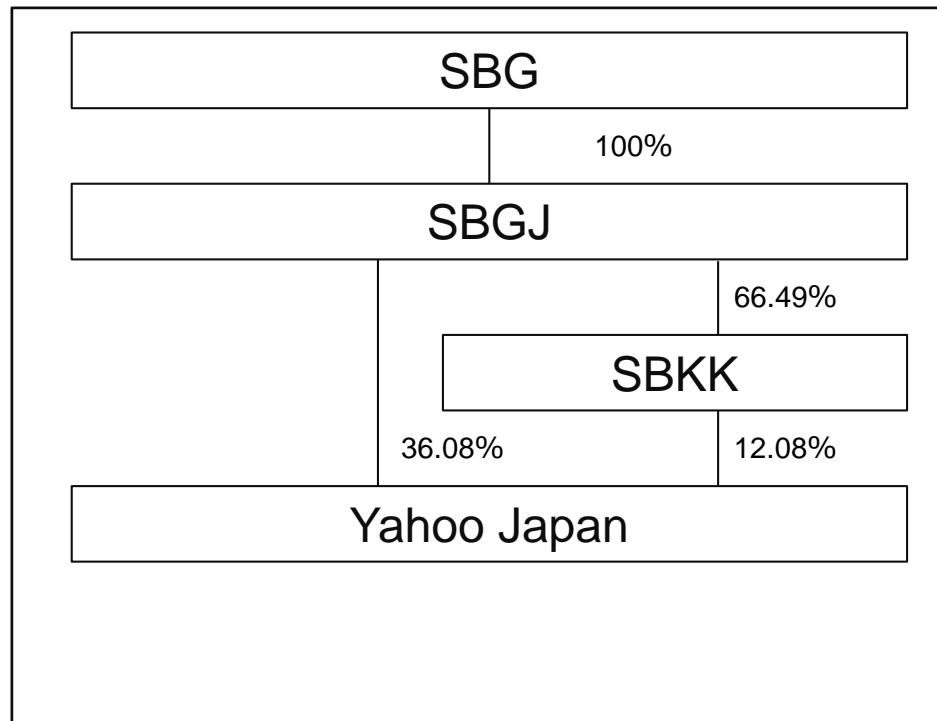
\*1 Increased by consolidation of ZOZO

# Consolidation of Yahoo Japan by SBKK, ZOZO by Z Holdings

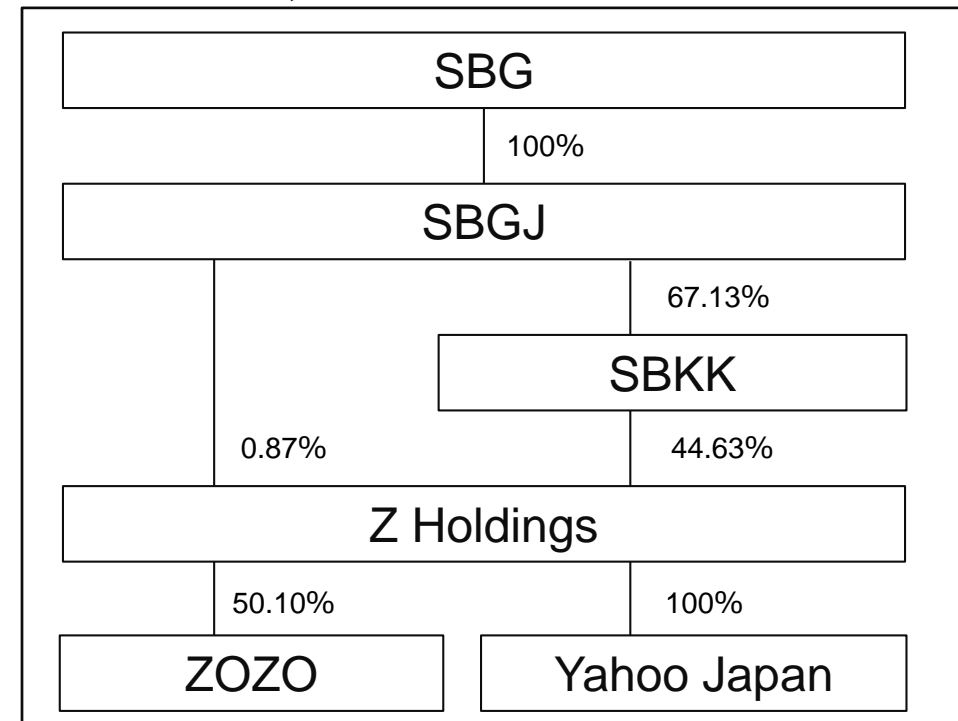
- On June 27, 2019, Yahoo Japan (currently Z Holdings) issued 1,511 mil. new shares to SBKK through a third-party allotment.
- SoftBank Group Japan (SBGJ), a wholly owned subsidiary of SBG, accepted a tender offer of share buyback by Yahoo Japan and sold its holdings of 1,793 mil. Yahoo Japan shares on June 27, 2019. As a result, Yahoo Japan became a subsidiary of SBKK.
- Z Holdings implemented a tender offer of ZOZO.
- Z Holdings completed the tender on Nov 13, 2019 and acquired 50.1% of voting rights; ZOZO became a subsidiary of Z Holdings.

## Shareholding Structure

As of Mar 31, 2019



As of Mar 31, 2020



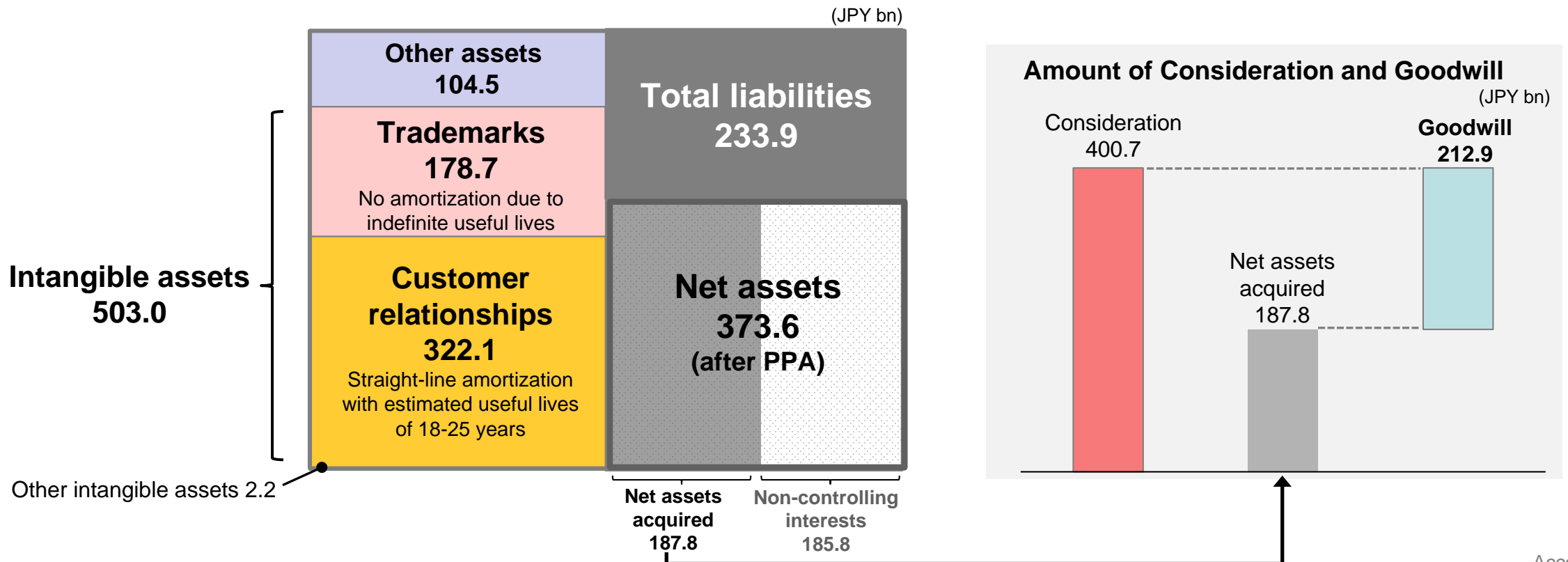
# Consolidation of ZOZO by Z Holdings

- Z Holdings implemented a tender offer of ZOZO with the aim of strengthening its e-commerce business.
- Completed the tender on Nov 13, 2019 and acquired 50.1% of voting rights; ZOZO became a subsidiary of Z Holdings.

**Increase of assets of SBG B/S  
by ZOZO consolidation**

(On the date when control was acquired)

**JPY 820.4 bn (=Total assets JPY 607.5 bn + Goodwill JPY 212.9 bn)**



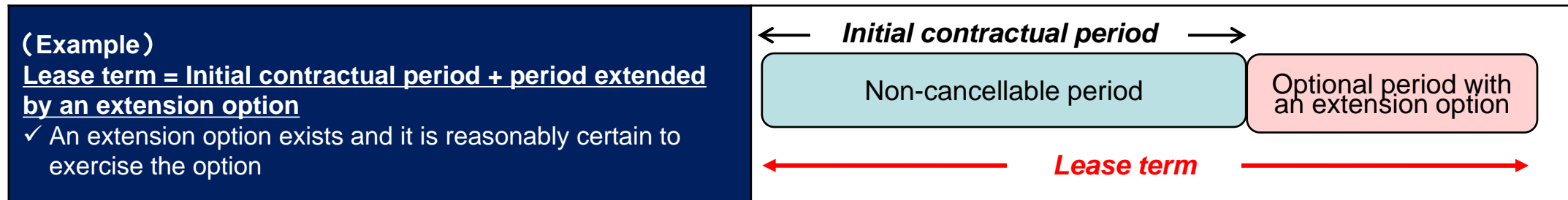
## Initial measurement for Right-of-use Assets (ROU) and Lease Liabilities

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, Asset Retirement Obligation cost and initial direct costs incurred

## How a lease term is determined

SBG 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.



## 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**



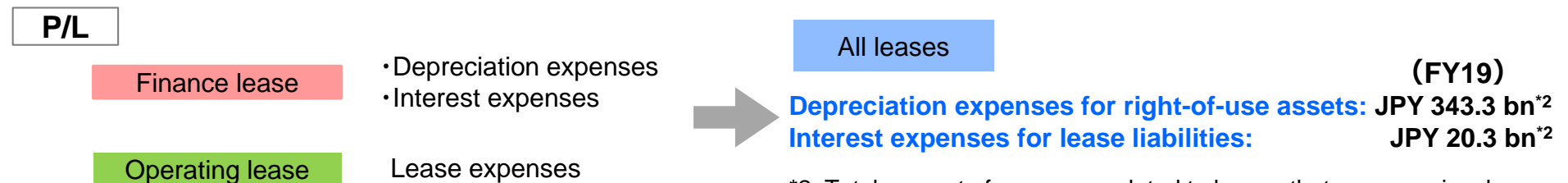
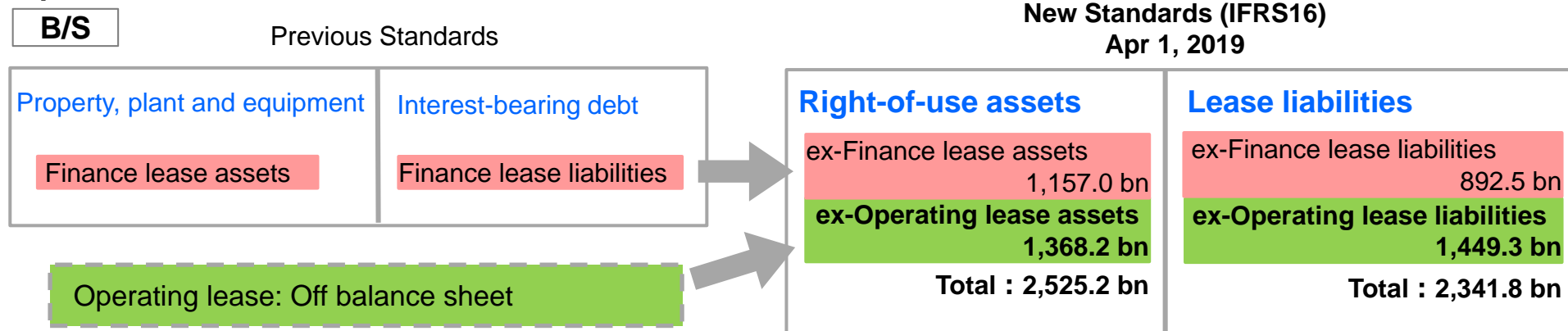
**Primary change in accounting treatment:**

**Classification of finance and operating leases has been eliminated and “right-of-use assets<sup>\*1</sup>” 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.

<sup>\*1</sup> 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 :**



<sup>\*2</sup> 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

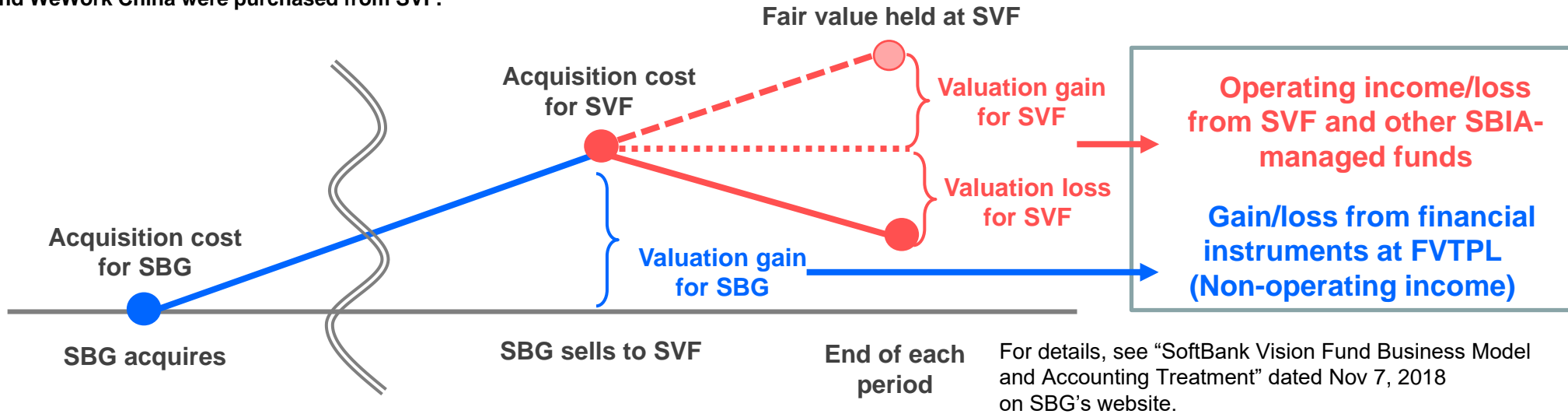
Opening B/S (Apr 1, 2019)

(JPY bn)

Class of underlying assets	SBKK	Sprint	Others	Total
<b>Telecommunications equipment (wireless equipment, switching equipment and other network equipment)</b>	<b>1,079.0</b>	<b>21.9</b>	<b>117.5</b>	<b>1,216.6</b>
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
<b>Real estate for telecommunications business (spaces in land and buildings for cell sites)</b>	<b>212.7</b>	<b>787.8</b>	<b>13.1</b>	<b>1,013.6</b>
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
<b>Other real estate</b>	<b>37.6</b>	<b>51.4</b>	<b>144.7</b>	<b>233.7</b>
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
<b>Others</b>	<b>39.1</b>	<b>3.7</b>	<b>18.5</b>	<b>61.3</b>
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
<b>Total</b>	<b>1,368.4</b>	<b>864.8</b>	<b>292.0</b>	<b>2,525.2</b>
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

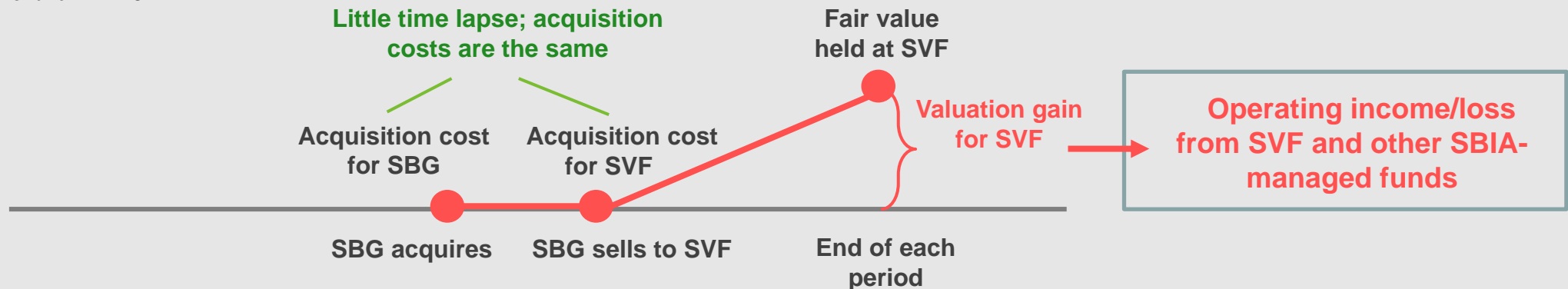
# SVF - Gain/Loss on Investments Purchased from SBG in P/L

Investments purchased from SBG 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 purchased from SVF. **In FY19Q1-Q2, investments in Ola and WeWork China were purchased from SVF.**



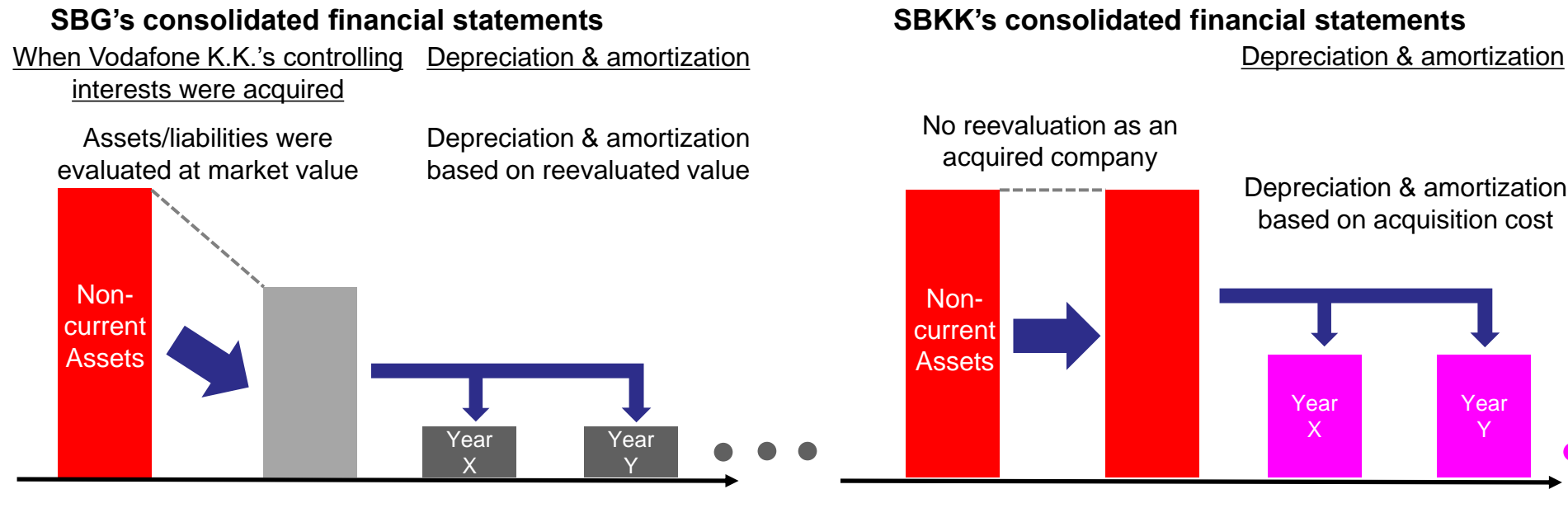
## (Reference) Bridge Investments

Investments that were acquired by SBG on the premise of offering to SVF and were in accordance with the investment eligibility criteria of the fund at the time of acquisition. The transfer from SBG 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 SoftBank Segment and SBKK

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

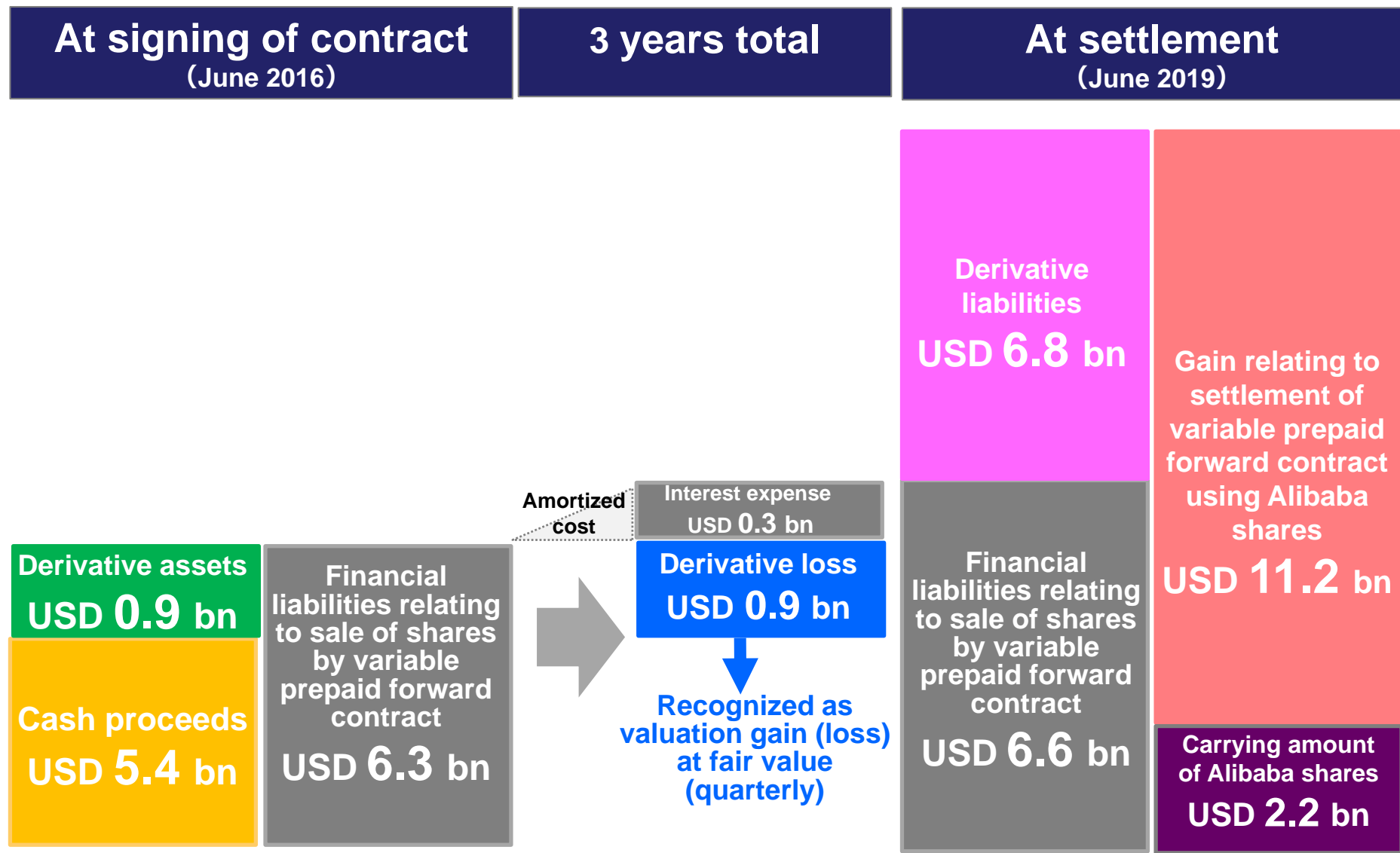


## (2) Consolidation of the results of PayPay

		FY18		FY19		
	Shareholding ratio	SBKK: 50% Yahoo Japan (currently Z Holdings): 50%		2019/5/15 SBG: 50% SBKK: 25% Yahoo Japan (currently Z Holdings): 25%		
	Reporting entity	SBG	Subsidiary (Other segment)		Subsidiary (Other segment)	
		SBKK*	Subsidiary		Equity Method	

\* The results of PayPay for FY18 were previously treated as that of an associate. After making Yahoo Japan a subsidiary, SBKK 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 mil. since the closing price of Alibaba's ADS on the settlement date (June 3, 2019) was USD150.07.