SoftBank Group

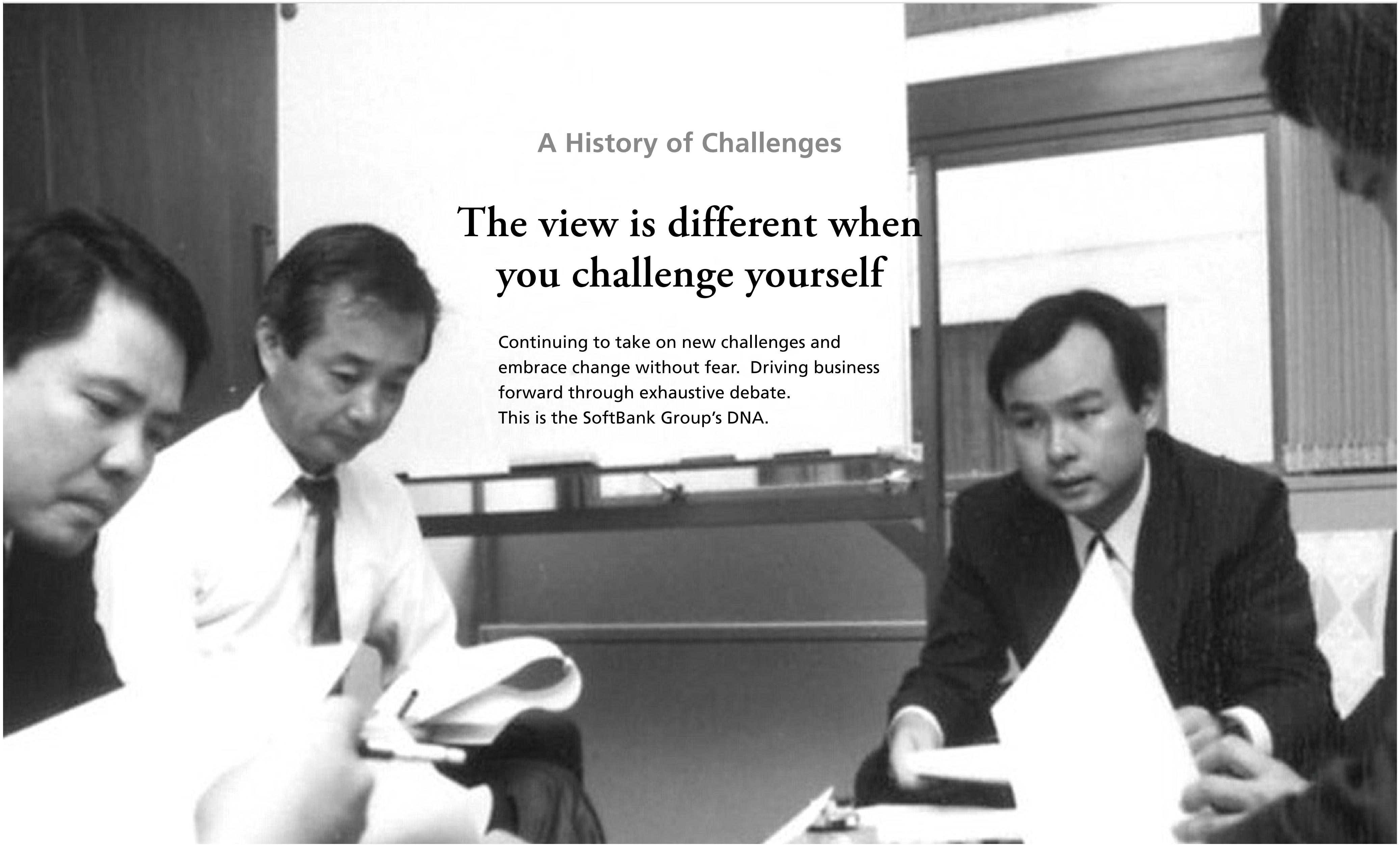
ANNUAL REPORT 2016

Corporate Philosophy

Information Revolution – Happiness for everyone

Vision

The corporate group needed most by people around the world



A History of Challenges

The view is different when you challenge yourself

Continuing to take on new challenges and embrace change without fear. Driving business forward through exhaustive debate.
This is the SoftBank Group's DNA.

1981

Established SoftBank Japan.

Commenced operations as a distributor of packaged software.

1982 Entered the publishing business.

Launched *Oh! PC* and *Oh! MZ*, monthly magazines introducing PCs and software by manufacturer.

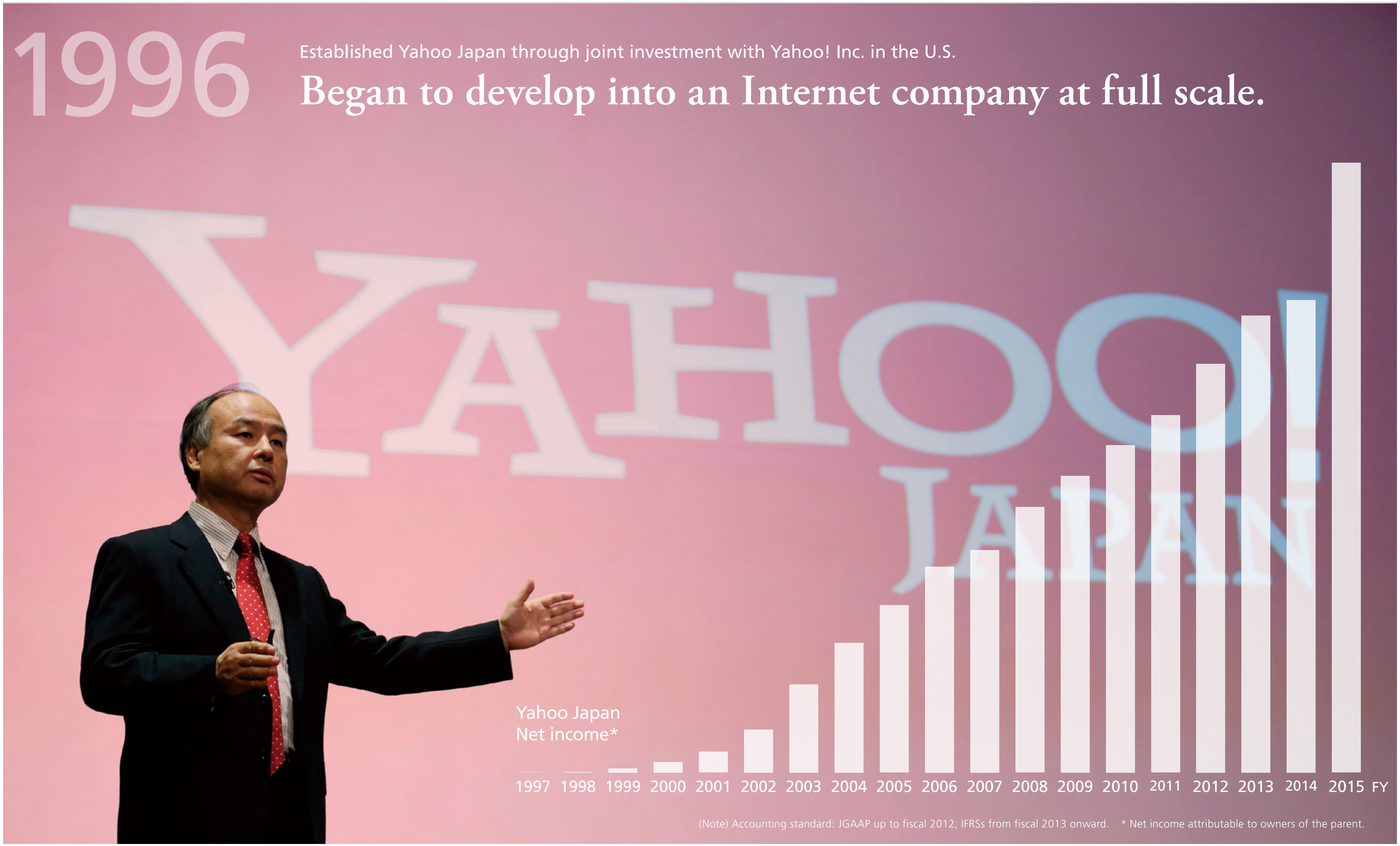
1994 Acquired events division from Ziff Communications Company of the U.S. through SoftBank Holdings Inc.

1996 Acquired Ziff-Davis Publishing Company, U.S. publisher of *PC WEEK* magazine and provider of leading-edge information on the PC industry.

1996

Established Yahoo Japan through joint investment with Yahoo! Inc. in the U.S.

Began to develop into an Internet company at full scale.



(Note) Accounting standard: JGAAP up to fiscal 2012; IFRSs from fiscal 2013 onward. * Net income attributable to owners of the parent.

2000s

Made full-scale entry into the telecommunications business.

Contributed to faster, more affordable telecommunications services in Japan.

2001 Launched *Yahoo! BB* comprehensive broadband service.

2004 Consolidated JAPAN TELECOM (currently SoftBank Corp.).
Entered the fixed-line telecommunications business.

2006 Consolidated Vodafone K.K. (currently SoftBank Corp.).
Entered the mobile communications business.

2013

Consolidated Sprint (U.S.), entered the U.S. telecommunications market.

Entered the telecommunications business in the U.S., which exceeds Japan in both population and GDP, aiming to turn around the Sprint business by leveraging experience and expertise developed in Japan.

Global development

Accelerated strategic Internet-related investment.

1994 Established SoftBank Holdings Inc. in the U.S. to gather information on Internet-related companies with a view to strategic investments.

2000 Invested in Alibaba.com Corporation (currently Alibaba Group Holding Limited, “Alibaba”).

2013 Acquired shares in Supercell Oy (Finland) and consolidated it.

2014 Acquired shares in Brightstar Corp. (U.S.) and consolidated it.

Invested in Indonesia’s PT Tokopedia, India’s ANI Technologies Private Limited (Ola), India’s Jasper Infotech Private Limited (Snapdeal), and Singapore’s GrabTaxi Holdings Pte Ltd (currently Grab Inc.)

2015 Invested in China’s Travice Inc. (currently Xiaoju Kuaizhi Inc.), South Korea’s Forward Ventures, LLC (Coupang), and U.S.-based Social Finance, Inc.

2016 Procured total of US$10 billion by monetizing some of the shares in Alibaba. Sold all shares of Supercell Oy for US$7.3 billion.

Further Challenges

We are confident in the future

Today, SoftBank Group Corp. continues to evolve into a group of innovative entrepreneurs from around the world, leading the way in their respective businesses guided by the corporate philosophy, “Information Revolution – Happiness for everyone.”

Continued collaboration in this entirely new kind of organic corporate group is the true source of our growth.

Contents

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Disclaimers

- This annual report is made based on information available at the time of writing. Plans, forecasts, strategies, and other forward-looking statements in this report are not historical facts, and include elements of risk and uncertainty. Actual results may therefore differ materially from these forward-looking statements due to changes in the business environment and other factors.
- Information in this report regarding companies other than the Company is quoted from public and other sources. We do not guarantee the accuracy of this information.
- The Company expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statements in any presentation material or generally to any extent. Use of or reliance on the information in this annual report is at your own risk.

Transition to IFRSs

- The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) from the three-month period ended June 30, 2013, the first quarter of the fiscal year ended March 31, 2014. The date of transition to IFRSs is April 1, 2012. The financial data for the year ended March 31, 2013 is also presented based on IFRSs.

Definition of Terms

- "Fiscal 2015" refers to the fiscal year ended March 31, 2016, and other fiscal years are referred to in a corresponding manner in this annual report. FYE denotes the fiscal year-end. For example, FYE2015 denotes March 31, 2016, the last day of fiscal 2015.

Company Names

- Unless specifically stated otherwise "the Company" refers to SoftBank Group Corp. and its subsidiaries. Please refer to page 82 for the abbreviation of subsidiaries' and affiliates' company names.

CEO Message

Finding Opportunities in Adversity

In 2016, 35 years after our foundation, I find myself filled with a sense of excitement every day. Although we have been tackling the Herculean task of rebuilding Sprint since we acquired it in July 2013, my optimism is undaunted. My confidence was challenged at times by the sheer difficulty of the undertaking, but we have now reached a point where the view is bright and clear.

So even if the environment is an adverse one, by taking a different perspective we can see things in a completely different light. This has been my experience in the past. When the Internet bubble had burst back in 2000 and virtually everyone had retreated into a defensive position, I thought "now is the moment of greatest opportunity" and made an aggressive advance with the *Yahoo! BB* broadband service. From fiscal 2001 to fiscal 2004 we continued to post heavy losses, but it eventually led to a huge step forward for the Company, as many of you know.

The task of rebuilding Sprint has proved more challenging than we initially anticipated, but I have personally led our effort on this, working with Sprint's engineering team and drawing on all of our combined wisdom. Our efforts have finally begun to show measurable progress on the most challenging and important aspect – network improvement – and I am now certain that we will turn Sprint's performance around and see it contribute to the sustainable growth of the SoftBank Group.

Masayoshi Son
Chairman & CEO

Work Remains to Be Done

Consolidated Results for Fiscal 2015

In consolidated results for fiscal 2015, net sales was ¥9,153.5 billion, up 7.6% year on year, adjusted EBITDA was ¥2,438.9 billion, up 19.5%, operating income was ¥999.5 billion, up 8.8%, and net income attributable to owners of the parent was ¥474.2 billion, down 29.1%.

The decline in net income attributable to owners of the parent is due to a one-time gain recorded in the previous fiscal year in association with the listing of Alibaba. Discounting the impact of that one-time gain reveals steady growth in earnings with net income attributable to owners of the parent increasing by 23%.

Telecommunications Business in Japan and the U.S.

In the domestic telecommunications business, we spent the past few years making large-scale capital investments to improve our network to a level where it could hold its own against those of our competitors. Today, SoftBank Corp.'s network has caught up with and even overtaken rival networks. As a result, we have entered a phase in which we have finished the cycle of capital expenditure and are generating stable free cash flow.

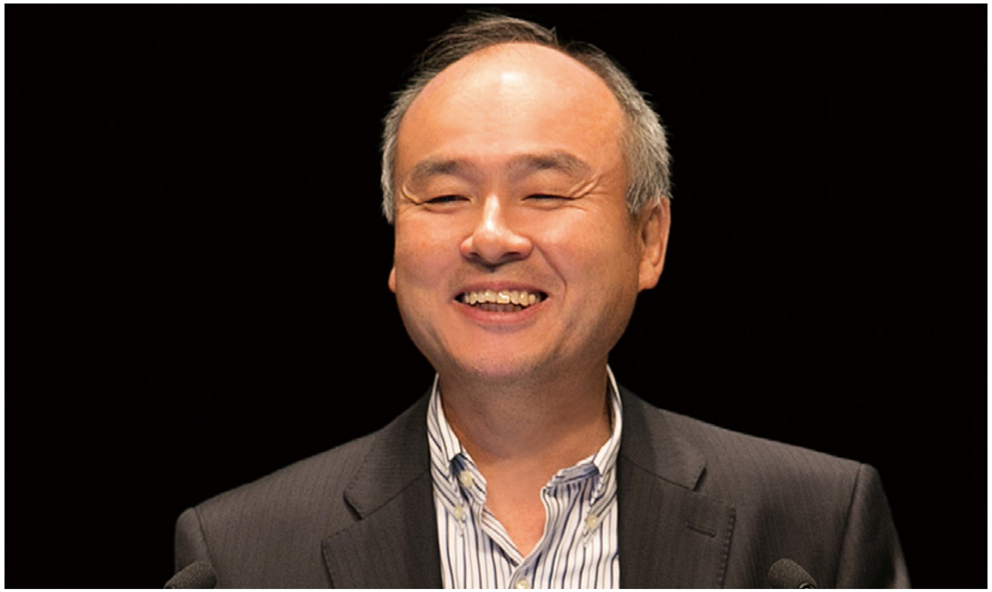
In the Sprint business, I have taken command and we are steadily improving the telecommunications network. We are starting to see the effects in terms of a significant improvement in the churn rate. Our goal now is to continue using the know-how we have developed in Japan to build a telecommunications network that will outperform those of the two leading players while keeping a tight leash on investment.

On the financing front as well, we have dramatically improved liquidity by utilizing mobile handsets and network equipment to procure funds, with backup support from our team in Japan. Through these efforts we are transferring our passion and expertise overseas and propagating them to the people at Sprint. This is helping to drive a steady business turnaround.

It may not appear so to others, but when I compare the position of Vodafone K.K. at the time we acquired it in 2006 with that of Sprint today, I think that it was in a far more difficult situation. When we acquired it, Vodafone K.K. did not have a bandwidth allocation in the "platinum band" of frequencies that are the best for mobile phone services, its sales front line was depleted, and its brand had been severely damaged. Compared to that time, I am much more confident about our ability to turn Sprint around.

Internet-related Company Investment and Investment Monetization

Our Internet investment so far has been focused on investments in fields with a close affinity to the Group's business model, such as e-commerce and content, as well as



investments in the growth field of transportation services and the growth markets of India and Southeast Asia. Examples include the operating companies for Snapdeal, India's largest online marketplace, Ola and Grab, two of the leading taxi-booking platforms in India and Southeast Asia, and the South Korean e-commerce service Coupang. In other areas, in September 2015 we gained a foothold in the new field of FinTech by investing in U.S. company Social Finance (SoFi).

On the other hand, in fiscal 2016, as part of our financial strategy, we decided to sell some of our shares in Alibaba, most of our shares in GungHo, and all of our shares in Supercell.

Leading the Company for the Next Five to Ten Years

Our strength lies in being a group of innovative entrepreneurs leading the way in their respective businesses in countries around the world, guided by the shared corporate philosophy of "Information Revolution – Happiness for everyone."

It is true that I have made a strong personal commitment to turning Sprint around, but the person really driving Sprint is its CEO, Marcelo Claure. Meanwhile, the domestic telecommunications business has a very strong leader in SoftBank Group Corp. representative director, president & COO and SoftBank Corp. president & CEO Ken Miyauchi. Furthermore, in the Internet-related companies where we have been investing intensively over the last few years, talented leaders have been driving the business forward.

In other areas, Nikesh Arora has worked with us and led our globalization since September 2014. He resigned as representative director, president & COO at the end of his appointment in June 2016; however, his extensive knowledge of Internet-related company business models and technology and his expansive network of relationships with the management teams of these companies have been an incredible asset for us.

These days there are a multitude of young, talented entrepreneurs active in countries all over the world. As I meet with them, I am aware that it is so important that I myself do not become a hindrance to the Company's future growth. I have been thinking that I need to hand over the business to the next generation without delay.

Specifically, I was planning to have Nikesh take over the helm on my 60th birthday (August 2017), but today as the information industry stands on the cusp of a full-scale global transformation, I have realized that there are still many things that I myself must achieve. So for the next five to ten years, I will continue to lead the Company personally.

As we move forward, we will continue to contribute to all of society by driving the Information Revolution, working to provide answers to many of the problems yet to be solved by humanity.

July 2016
Chairman & CEO
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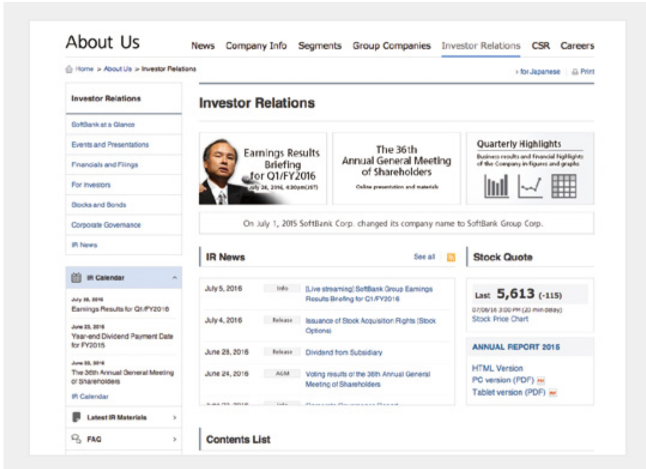
IR Website

http://www.softbank.jp/en/corp/irinfo/

Our IR website offers the latest IR information as well as videos of earnings results briefings, press conferences, and other materials we have distributed.



Domestic Telecommunications Business Strategy

Ken Miyauchi
Representative director, president & COO, SoftBank Group Corp.
President & CEO, SoftBank Corp.

Q1 Looking back over fiscal 2015, how did the year unfold?

A1 Over the year since we merged our four domestic telecommunications subsidiaries in April 2015 we have been following the two main themes of "promote growth strategies" and "maximize integration synergies." In the first half of the fiscal year, we didn't really achieve our envisaged performance on either of these, but we began to recover our momentum in the second half and ultimately achieved our initial operating income target (fiscal 2015 Domestic Telecommunications segment operating income: ¥688.4 billion, up 7.5% year on year). We also increased free cash flow by 3.5 times from the previous fiscal year to ¥402.2 billion.

Regarding our growth strategies, we struggled to achieve net additions in smartphones through to October. This was mainly because as the first operator to launch iPhone SoftBank Corp. constantly has a certain number of iPhone users coming off two-year contracts, while NTT DOCOMO had no such users since they started sales of iPhone in September 2013. Once this difference between us and NTT DOCOMO disappeared, we became able to dominate the competition, with the effects of our aggressive measures also coming into play.

As for integration synergies, we carried out a major reorganization right after the integration of the four companies, switching the areas of responsibility for the main executives and so forth. We spent around half a year in a trial-and-error process since then, but as the new structure has gradually become established we were finally able to realize the effects we planned for.

Q2 What kind of initiatives are you implementing for your growth strategies, specifically?

A2 We are expanding our business through our three brands, *SoftBank* and *Y!mobile* mobile services and the *SoftBank Hikari* fiber-optic service. Since its launch in March 2015, *SoftBank Hikari* has been performing extremely well, and now has over 1.7 million cumulative subscribers (as of March 31, 2016). Other companies are also using the wholesale fiber-optic connection of NTT East and NTT West to provide fiber-optic services like *SoftBank Hikari*, but we have been more successful than our competitors in acquiring customers thanks to the sales and technical expertise we have built up over the years with *Yahoo! BB ADSL* and *Yahoo! BB hikari with FLET'S*.

This situation has also had a beneficial impact on smartphone net additions. We are starting to see success with our strategy of using the *Home Bundle Discount Hikari Set*, a bundled discount for mobile communications and *SoftBank Hikari* subscribers, to acquire smartphone subscriptions of families who have subscribed to *SoftBank Hikari*. Also, amid the increasing focus on mobile virtual network operators (MVNOs) these days, *Y!mobile* is developing a much bigger presence. *Y!mobile* operates in a lower price band than *SoftBank*, on par with MVNOs. The communication quality and customer support, however, are definitely superior to that of MVNOs. Also, in March 2016, *Y!mobile* started sales

Customers Come First – Increase Satisfaction by Improving Service Quality

"Half & Twice" – Halving Our Real Costs by Doubling Productivity

of iPhone 5s. *Y!mobile* is performing tremendously in its two roles of competing directly with MVNOs while drawing price conscious users away from NTT DOCOMO and KDDI.

We encountered tough conditions in the first to third quarters, with net additions of main subscribers each quarter not reaching 100,000. However, as our growth strategy initiatives began to deliver results, we saw a major rebound in the fourth quarter with net additions returning to around the same level of a year earlier at 350,000.

Q3 Where have you seen the effects of the integration emerge?

A3 I would have to say the most noticeable effect is in cost reduction. We have met our Company-wide cost reduction targets perfectly. When we merged the four companies, we said we wanted to achieve "Half & Twice" – halving our real costs by doubling productivity. To achieve this, we undertook a major reorganization when we integrated the companies, rather than simply combining the respective organizations into one. I think it took about six months for the new structure to settle into place and begin to produce synergy effects. However, the reorganization also provided a chance to review our business processes from a new perspective, enabling us to discover previously unnoticed problem areas and "overburden, waste, and unevenness," in our processes. We were then able to make improvements.

If you work in the same job for many years, you will develop skills and expertise, but on the other hand, you cannot avoid becoming completely immersed in the paradigm of that world. The greatest threat to any business is the arrival of a new service that disrupts the existing paradigm. To stay one step ahead of this kind of trend, it is vital to keep changing. Our goal in the integration of the four companies and the ensuing reorganization was to promote this kind of change, and things are proceeding just as we intended.

Q4 What kind of measures will you focus on in fiscal 2016?

A4 We will continue further with our efforts to promote growth strategies and maximize integration synergies. Within these, I think that operation reform and promoting OTT (over-the-top) services will be key themes for us. It has been ten years since we entered the mobile communications business, and recently it is becoming extremely difficult to differentiate our services. As differences in mobile devices and communications networks disappear, I am sure that these two areas will become factors for differentiation going forward.

In operation reform, we plan to push through and achieve Half & Twice in *SoftBank Stores* over the next three years. We will start in the first year, fiscal 2016, by firming up the concept. *SoftBank Stores* are our greatest contact point with customers, so to improve we will review all aspects such as the locations, store layouts, services, systems, and staff from the customers' perspective. We will halve customer waiting times by enlisting the support of *Watson* (IBM's cognitive computing) and *Pepper* (a personal robot by SoftBank Robotics) in storefront customer service. We also plan to grasp customer needs accurately by using big data.

In OTT services, rather than relying on the conventional objectives of customer retention or boosting ARPU, we will aim to provide customers with a better experience by impressing them with the convenience of using *SoftBank* smartphones and with the value they offer by providing attractive services. We aim to offer the best in OTT services by providing new services in areas such as video streaming, e-commerce, and payments. To that end, we will be deepening our relationship with Yahoo Japan even further to take advantage of its unrivaled capabilities in the field of OTT services.

Q5 Finally, please share your expectations for growth going forward.

A5 In fiscal 2016, we will continue to make steady gains in operating income and free cash flow. We have said that our vision for the future is to become the "No. 1 core company in mobile Internet." We will make a serious Company-wide effort to increase the satisfaction of our customers by constantly looking at matters from their perspective and enhancing the quality of all of our services. This is the way for us to become the No. 1 core company in mobile Internet, and I am confident that it will ultimately lead to our sustainable growth.

Sprint Business Strategy

Transformation Progressing and Momentum Accelerating

Operational Improvements

At Sprint, we have successfully managed to change the trajectory of our key top-line metrics. In fiscal 2015, we achieved the highest postpaid net additions in three years. We focus on attracting and retaining more postpaid phone customers by providing a compelling value proposition and through offers like our *Cut Your Bill in Half* and *50% off competitors' rates* plans. Even with these promotions, we at Sprint see our customers routinely choose larger data buckets, which has kept our postpaid phone ABPU stable year on year.

Last year, we highlighted the need to continue reducing churn, and we have successfully recorded major year-on-year improvements in postpaid churn each quarter in fiscal 2015. This is a direct result of an improved customer experience via a better network and the higher quality of customers we are attracting. We will continue to focus on phone churn going forward as it has the greatest impact on our profitability.

As seen in our results for fiscal 2015, these efforts combined have stabilized our revenue and, as we continue to execute, will allow our revenue to grow.

On the other side of operational improvements is a disciplined focus on lowering our overall operating expenses and taking unnecessary or redundant costs out of the business. We reduced our cost of service and selling, general, and administrative expenses in fiscal 2015 by US$1.3 billion from the previous fiscal year. Our plan for fiscal 2016 is to achieve a sustainable reduction of US$2 billion or more of run rate operating expenses exiting the year. To achieve this run rate reduction, we expect around US$1 billion of transformation program costs. Most importantly, we expect these cost reductions to be achieved without compromising network quality or impacting the customer experience.

Combined, these operational improvements will make a significant impact on our adjusted EBITDA, which we anticipate to be between US$9.5 to US$10 billion in fiscal 2016.

Network Enhancement

We remain focused on building a network that delivers the consistent reliability, capacity, and speed that customers demand, and our recent deployment of two-channel (2×20 MHz) carrier aggregation in the 2.5 GHz band is driving network performance that is beating the competition. An analysis of Nielsen Mobile Performance crowd-sourced data from January through March 2016 showed that Sprint's LTE Plus Network continued to outperform Verizon, AT&T, and T-Mobile by delivering the fastest LTE download speeds. The LTE Plus Network has been deployed in more than 200 major markets across the country and is continuing to expand.

We remain focused on maximizing our capital efficiency as we execute our densification and optimization strategy and utilize various cost-efficient coverage and capacity options to further improve network performance and customer experience. Everything we do is focused on putting our spectrum assets to work for our customers at the lowest possible cost. We are leveraging all forms of site structures, including existing public infrastructure, in order to densify our network and provide more capacity than any wireless carrier in the U.S. By working with SoftBank Group Corp. and our vendors, we believe we can maintain a competitively differentiated network with a network cash capital expenditure spend, excluding the effect of indirect channel device leases, of approximately US$3 billion.

Diverse Sources of Financing

Working with SoftBank Group Corp. in fiscal 2015, we were able to successfully execute the first tranches of two separate asset-backed financing vehicles to help improve our liquidity and lower our overall cost of capital.

In November 2015 and April 2016, we announced the first and second sale-leaseback transactions with Mobile Leasing Solutions (MLS), each providing a US$1.1 billion cash infusion. We plan to execute future tranches, generally on a quarterly basis, and expect this structure to provide US$2 to US$4 billion of funding in fiscal 2016, depending on the amount of leasing sales. In April 2016, we signed a US$2.2 billion deal for the sale and lease-back of certain existing network assets. We anticipate additional financing involving a small portion of 2.5 GHz spectrum in fiscal 2016, with the exact amount of spectrum and financing to be determined. We also signed an 18-month senior unsecured bridge financing facility for US$2.0 billion. In addition, we still have US$1.2 billion in undrawn availability under our network vendor financing to be utilized towards the purchase of 2.5 GHz network equipment.

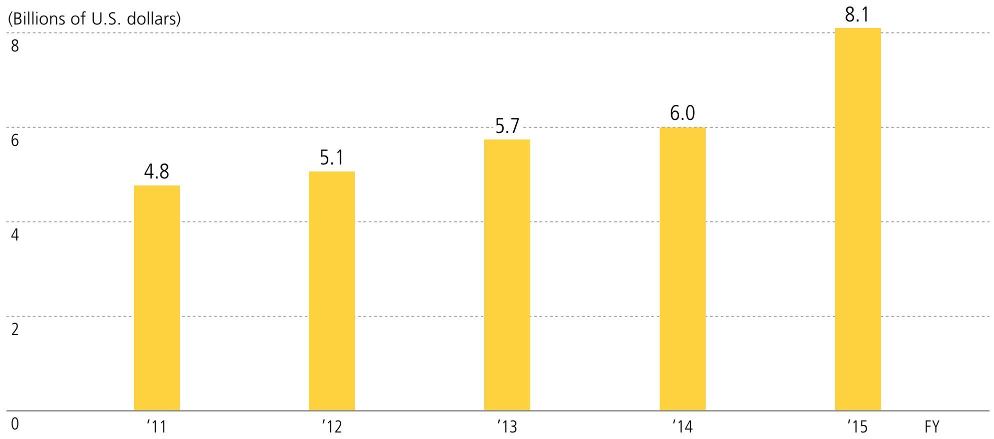
Together with existing facilities, these sources of liquidity are expected to fund the transformation program and repayment of all maturities that come due over the next year.

Execution

Fiscal 2015 was a transformational year in the turnaround of Sprint. We significantly reduced our operating expenses and stabilized operating revenues, leading to positive operating income for the first time in nine years. At the same time, we generated positive postpaid phone net additions for the first time in three years, capped off by surpassing both Verizon and AT&T for the first time on record in the fourth quarter.

These accomplishments provide positive momentum and put the business on a path to adjusted free cash flow around breakeven in fiscal 2016. I am excited to continue our successful turnaround and take the transformation to a new level with my new team and the support of SoftBank Group Corp.

Adjusted EBITDA (U.S. GAAP)



Basic Information

Group Structure

The Company is a corporate group comprising the pure holding company SoftBank Group Corp. and 739 subsidiaries (as of March 31, 2016).

SoftBank Group Corp.
(a pure holding company)

Major Subsidiaries

Domestic Telecommunications Segment

SoftBank Corp.
Voting rights: 99.99% *1

Sprint Segment

Sprint Corporation
Voting rights: 83.4%

Yahoo Japan Segment

Yahoo Japan Corporation
Voting rights: 43.0%

Distribution Segment

Brightstar Global Group Inc.
Voting rights: 95.5%

Others

Supercell Oy
Voting rights: 78.3% *2

Major Associates

Alibaba Group Holding Limited
Voting rights: 32.2% *3

GungHo Online Entertainment, Inc.
Voting rights: 28.4% *4

(Note) The shares of voting rights in the subsidiaries and associates shown on the right are current as of March 31, 2016.

*1 In accordance with the internal reorganization, on July 1, 2016, all shares of SoftBank Corp., held by SoftBank Group Corp., were transferred to SoftBank Group Japan GK.

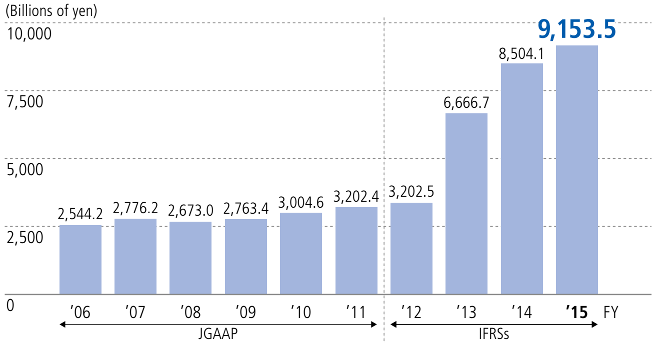
*2 On June 21, 2016, the Company's two subsidiaries, Kahon 3 Oy and SoftBank Group Capital Limited (previously SoftBank Group International Limited), have entered into a definitive agreement to sell all of their stake in Supercell. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

*3 The Company has executed a series of capital raising transactions which involve monetizing a portion of the shares of Alibaba Group Holding Limited held by SoftBank Group Corp.'s subsidiary SB CHINA HOLDINGS PTE LTD. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

*4 On June 3, 2016, SoftBank Group Corp. and GungHo entered into an agreement under which SoftBank Group Corp. has agreed to tender a total of 248,300,000 GungHo shares held by SoftBank Group Corp. and its subsidiary SoftBank Corp. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

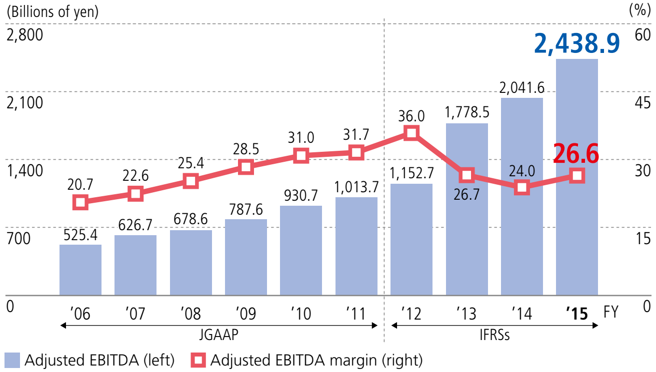
Graphs I

Net Sales



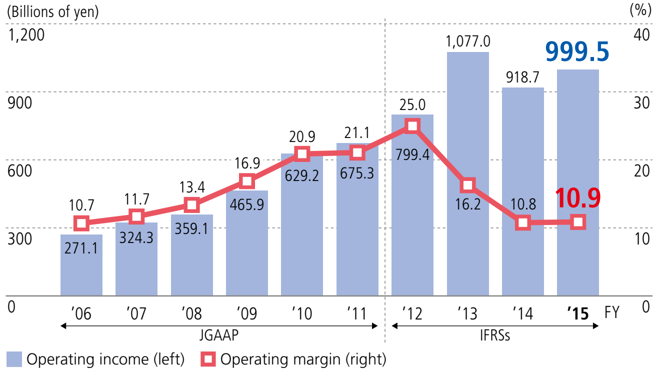
(FY2015)
Net sales **Up 7.6% YoY**

Adjusted EBITDA, Adjusted EBITDA Margin



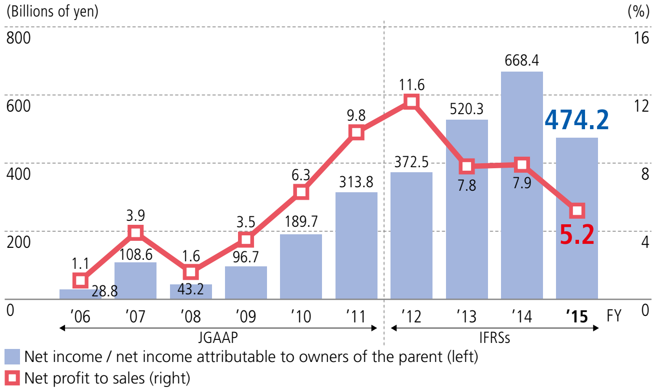
(FY2015)
Adjusted EBITDA **Up 19.5% YoY**
Adjusted EBITDA margin **26.6%**

Operating Income, Operating Margin



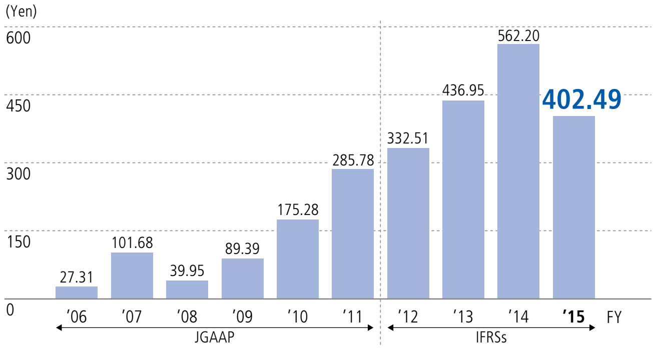
(FY2015)
Operating income **Up 8.8% YoY**
Operating margin **10.9%**

Net Income / Net Income Attributable to Owners of the Parent, Net Profit to Sales



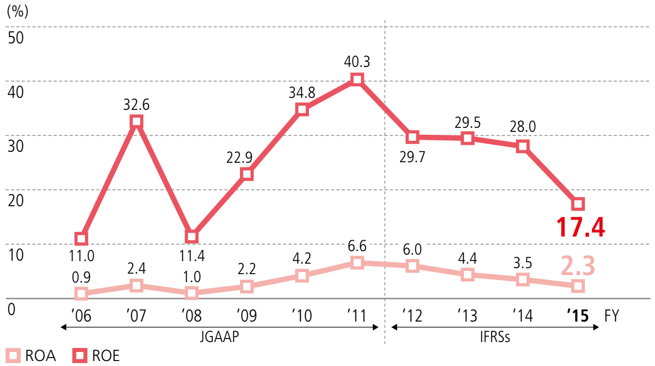
(FY2015)
Net income /
net income attributable to owners of the parent **Down 29.1% YoY**
Net profit to sales **5.2%**

Earnings per Share Attributable to Owners of the Parent – Basic



(FY2015)
Earnings per share attributable to owners of the parent – basic **¥402.49**
Earnings per share attributable to owners of the parent – diluted **¥388.32**

ROA, ROE

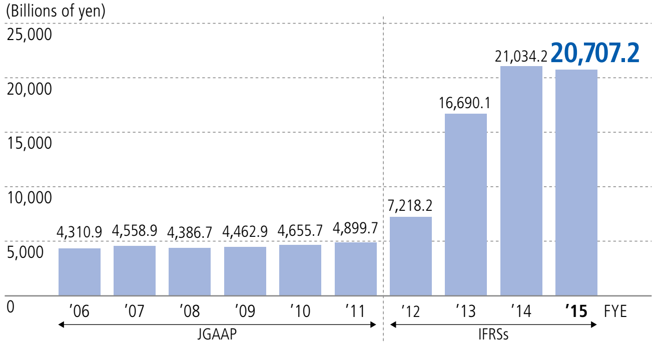


(FY2015)
ROA **2.3%**
ROE **17.4%**

(Notes) 1. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies."
2. In fiscal 2015, GungHo no longer qualified as a subsidiary of SoftBank Group Corp. and newly became an equity method associate.
Accordingly, GungHo's net income and loss up until June 1, 2015, when it became an equity method associate, are presented as discontinued operations. Net income and loss of GungHo for fiscal 2014 are revised retrospectively and presented under discontinued operations.
GungHo's net income and loss from June 1, 2015 onward are recognized as income and loss on equity method investments under continuing operations.

Graphs II

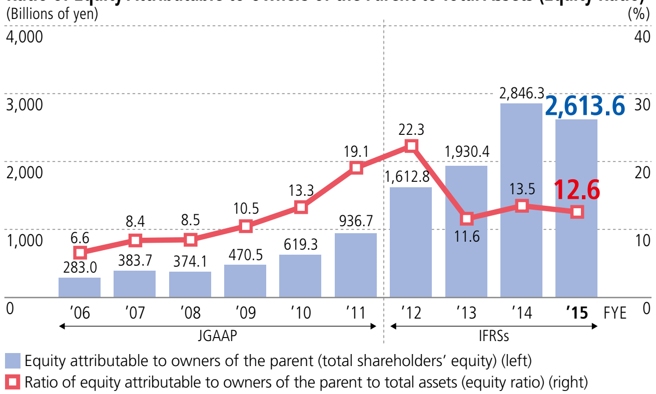
Total Assets



(FYE2015)

Total assets	**¥20,707.2 billion**
	Down 1.6% YoY

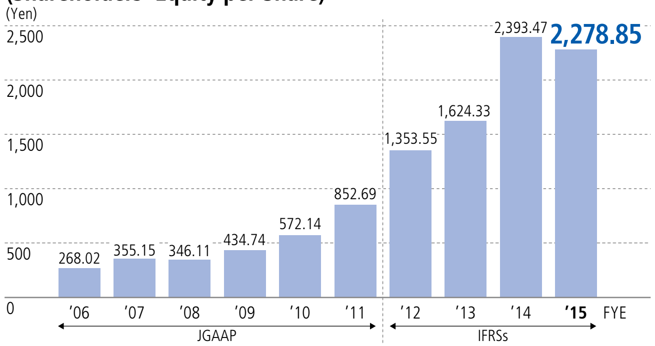
Equity Attributable to Owners of the Parent (Total Shareholders' Equity), Ratio of Equity Attributable to Owners of the Parent to Total Assets (Equity Ratio)



(FYE2015)

Equity attributable to owners of the parent	**Down 8.2% YoY**
Ratio of equity attributable to owners of the parent to total assets	**12.6%**

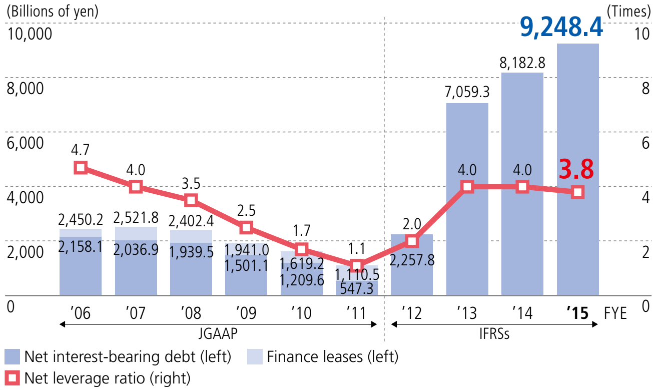
Equity per Share Attributable to Owners of the Parent (Shareholders' Equity per Share)



(FYE2015)

Equity per share attributable to owners of the parent	**¥2,278.85**

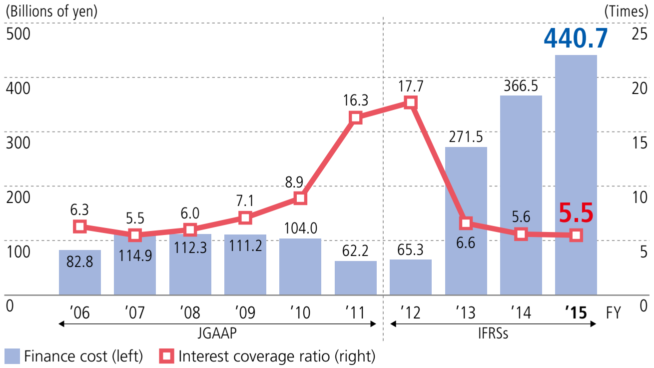
Net Interest-bearing Debt, Net Leverage Ratio



(FYE2015)

Net interest-bearing debt	**¥9,248.4 billion**
Net leverage ratio	**3.8 times**

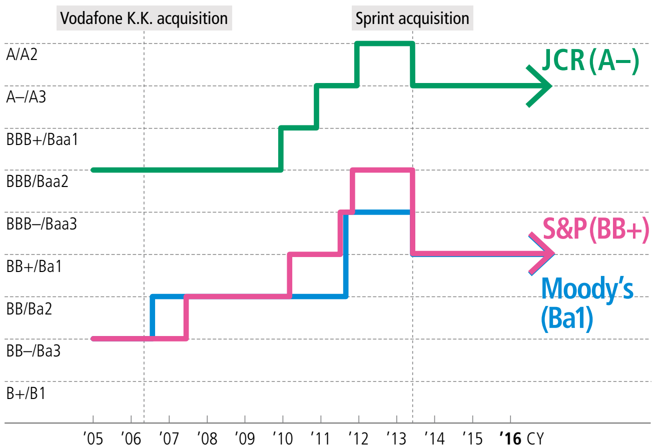
Finance Cost (Interest Expense), Interest Coverage Ratio



(FY2015)

Finance cost (interest expense)	**¥440.7 billion**
Interest coverage ratio	**5.5 times**

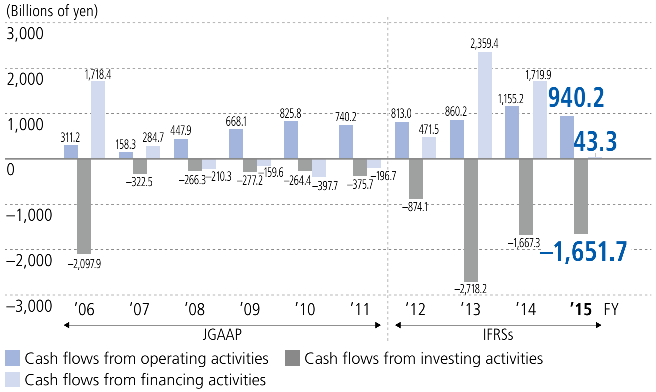
Credit Ratings



(Notes) 1. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies."
2. In fiscal 2015, GungHo no longer qualified as a subsidiary of SoftBank Group Corp. and newly became an equity method associate.
Accordingly, GungHo's net income and loss up until June 1, 2015, when it became an equity method associate, are presented as discontinued operations. Net income and loss of GungHo for fiscal 2014 are revised retrospectively and presented under discontinued operations.
GungHo's net income and loss from June 1, 2015 onward are recognized as income and loss on equity method investments under continuing operations.

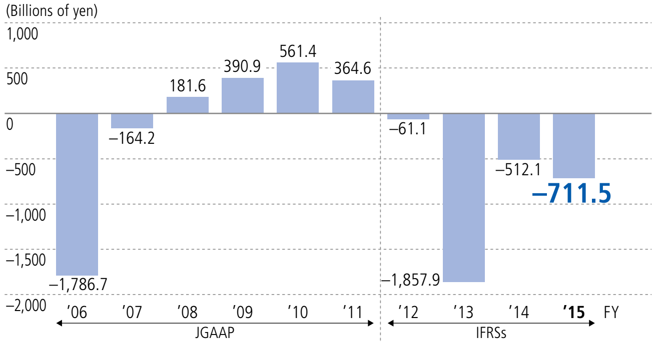
Graphs III

Cash Flow



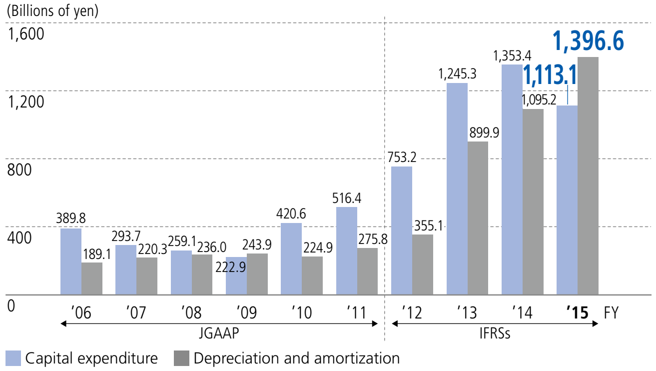
(FY2015)	
Cash flows from operating activities	¥940.2 billion
Cash flows from investing activities	–¥1,651.7 billion
Cash flows from financing activities	¥43.3 billion

Free Cash Flow



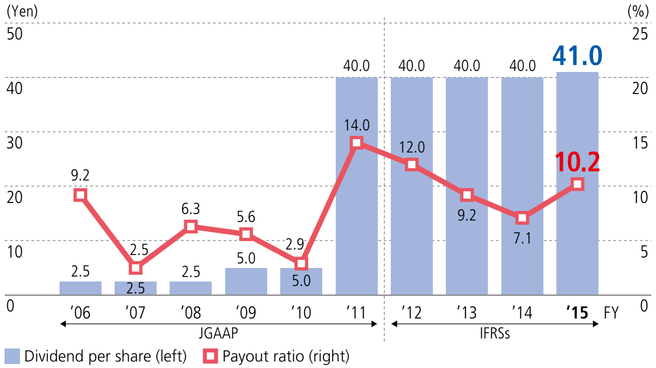
(FY2015)	
Free cash flow	–¥711.5 billion
	–¥199.4 billion YoY

Capital Expenditure, Depreciation and Amortization



(FY2015)	
Capital expenditure	¥1,113.1 billion
Depreciation and amortization	¥1,396.6 billion

Dividend per Share, Payout Ratio



(FY2015)	
Dividend per share	Interim dividend: ¥20
	Year-end dividend: ¥21

Market Capitalization

(Notes) 1. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies."
2. In fiscal 2015, GungHo no longer qualified as a subsidiary of SoftBank Group Corp. and newly became an equity method associate.
Accordingly, GungHo's net income and loss up until June 1, 2015, when it became an equity method associate, are presented as discontinued operations. Net income and loss of GungHo for fiscal 2014 are revised retrospectively and presented under discontinued operations.
GungHo's net income and loss from June 1, 2015 onward are recognized as income and loss on equity method investments under continuing operations.

Eleven-year Summary

SoftBank Group Corp. and its subsidiaries   Fiscal years beginning April 1 and ended March 31 of the following year

(Millions of yen)		JGAAP FY2005	JGAAP FY2006	JGAAP FY2007	JGAAP FY2008	JGAAP FY2009
Net sales		1,108,665	2,544,219	2,776,169	2,673,035	2,763,406
Adjusted EBITDA		149,913	525,428	626,662	678,636	787,631
Operating income		62,299	271,066	324,287	359,121	465,871
Income before income taxes and minority interests / income before income tax		129,484	208,574	225,887	107,338	289,250
Net income / net income attributable to owners of the parent		57,551	28,815	108,625	43,172	96,716
Total assets		1,808,399	4,310,853	4,558,902	4,386,672	4,462,875
Total shareholders' equity / total equity attributable to owners of the parent		242,768	282,950	383,743	374,094	470,532
Interest-bearing debt		1,005,293	2,544,404	2,532,969	2,400,391	2,195,471
Net interest-bearing debt		554,614	2,158,149	2,036,879	1,939,521	1,501,074
Net cash provided by (used in) operating activities		57,806	311,202	158,258	447,858	668,050
Net cash provided by (used in) investing activities		27,852	(2,097,937)	(322,461)	(266,295)	(277,162)
Net cash provided by (used in) financing activities		30,078	1,718,385	284,727	(210,348)	(159,563)
Net increase (decrease) in cash and cash equivalents		126,642	(65,277)	113,517	(31,169)	230,719
Cash and cash equivalents at the end of the year		446,694	377,521	490,267	457,644	687,682
Major Indicators	(Units)					
Adjusted EBITDA margin	%	13.5	20.7	22.6	25.4	28.5
Operating margin	%	5.6	10.7	11.7	13.4	16.9
ROA	%	3.3	0.9	2.4	1.0	2.2
ROE	%	27.4	11.0	32.6	11.4	22.9
Equity ratio / ratio of equity attributable to owners of the parent to total assets	%	13.4	6.6	8.4	8.5	10.5
Debt / equity ratio	Times	4.1	9.0	6.6	6.4	4.7
Net debt / equity ratio	Times	2.3	7.6	5.3	5.2	3.2
Per Share Data*1	(Units)					
Net income / earnings per share attributable to owners of the parent – basic	¥	54.36	27.31	101.68	39.95	89.39
Net income – diluted / earnings per share attributable to owners of the parent – diluted	¥	50.71	26.62	95.90	38.64	86.39
Shareholders' equity / equity attributable to owners of the parent	¥	229.88	268.02	355.15	346.11	434.74
Cash dividends	¥	2.50	2.50	2.50	2.50	5.00
Others						
Shares outstanding (thousands of shares)		1,055,082	1,055,704	1,080,501	1,080,855	1,082,329
Subsidiaries		153	118	109	108	109
Associates		87	66	67	74	64
Number of public companies*2		11	11	14	13	12
Number of employees (consolidated basis)		14,182	17,804	19,040	21,048	21,885

*1 The number of shares is retroactively adjusted to reflect the following stock split: January 5, 2006 3.0:1. Earnings per share attributable to owners of the parent – basic and earnings per share attributable to owners of the parent – diluted are calculated based on net income attributable to owners of the parent.

*2 Number of subsidiaries and associates with publicly offered shares (including SFJ Capital Limited, which issued preferred (restricted voting) securities from fiscal 2011 to fiscal 2014).

(Notes) 1. Items where terminology differs between JGAAP and IFRSs are presented together in the style "JGAAP / IFRSs."
2. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies."
3. In fiscal 2015, GungHo no longer qualified as a subsidiary of SoftBank Group Corp. and newly became an equity method associate.
Accordingly, GungHo's net income and loss up until June 1, 2015, when it became an equity method associate, are presented as discontinued operations. Net income and loss of GungHo for fiscal 2014 are revised retrospectively and presented under discontinued operations. GungHo's net income and loss from June 1, 2015 onward are recognized as income and loss on equity method investments under continuing operations.

Eleven-year Summary

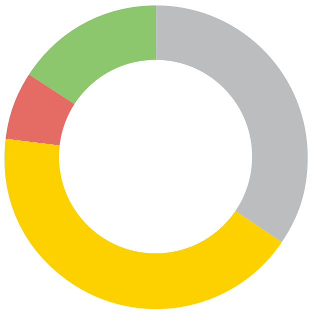
SoftBank Group Corp. and its subsidiaries Fiscal years beginning April 1 and ended March 31 of the following year

		JGAAP		IFRSs			
(Millions of yen)		FY2010	FY2011	FY2012	FY2013	FY2014	**FY2015**
Net sales		3,004,640	3,202,436	3,202,536	6,666,651	8,504,135	**9,153,549**
Adjusted EBITDA		930,730	1,013,716	1,152,741	1,778,492	2,041,633	**2,438,868**
Operating income		629,163	675,283	799,399	1,077,044	918,720	**999,488**
Income before income taxes and minority interests / income before income tax		480,613	632,257	715,504	924,049	1,213,035	**1,005,764**
Net income / net income attributable to owners of the parent		189,713	313,753	372,481	520,250	668,361	**474,172**
Total assets		4,655,725	4,899,705	7,218,172	16,690,127	21,034,169	**20,707,192**
Total shareholders' equity / total equity attributable to owners of the parent		619,253	936,695	1,612,756	1,930,441	2,846,306	**2,613,613**
Interest-bearing debt		2,075,801	1,568,126	3,707,853	9,170,053	11,607,244	**11,922,431**
Net interest-bearing debt		1,209,636	547,299	2,257,806	7,059,286	8,182,817	**9,248,363**
Net cash provided by (used in) operating activities		825,837	740,227	813,025	860,245	1,155,174	**940,186**
Net cash provided by (used in) investing activities		(264,448)	(375,656)	(874,144)	(2,718,188)	(1,667,271)	**(1,651,682)**
Net cash provided by (used in) financing activities		(397,728)	(196,667)	471,477	2,359,375	1,719,923	**43,270**
Net increase (decrease) in cash and cash equivalents		159,457	168,069	417,944	524,433	1,295,163	**(689,046)**
Cash and cash equivalents at the end of the year		847,155	1,014,559	1,439,057	1,963,490	3,258,653	**2,569,607**
Major Indicators	(Units)						
Adjusted EBITDA margin	%	31.0	31.7	36.0	26.7	24.0	**26.6**
Operating margin	%	20.9	21.1	25.0	16.2	10.8	**10.9**
ROA	%	4.2	6.6	6.0	4.4	3.5	**2.3**
ROE	%	34.8	40.3	29.7	29.5	28.0	**17.4**
Equity ratio / ratio of equity attributable to owners of the parent to total assets	%	13.3	19.1	22.3	11.6	13.5	**12.6**
Debt / equity ratio	Times	3.4	1.7	2.3	4.8	4.1	**4.6**
Net debt / equity ratio	Times	2.0	0.6	1.4	3.7	2.9	**3.5**
Per Share Data*1	(Units)						
Net income / earnings per share attributable to owners of the parent – basic	¥	175.28	285.78	332.51	436.95	562.20	**402.49**
Net income – diluted / earnings per share attributable to owners of the parent – diluted	¥	168.57	278.75	328.08	434.68	558.75	**388.32**
Shareholders' equity / equity attributable to owners of the parent	¥	572.14	852.69	1,353.55	1,624.33	2,393.47	**2,278.85**
Cash dividends	¥	5.00	40.00	40.00	40.00	40.00	**41.00**
Others							
Shares outstanding (thousands of shares)		1,082,350	1,098,515	1,191,500	1,188,456	1,189,197	**1,146,900**
Subsidiaries		117	133	230	756	769	**739**
Associates		73	74	100	105	120	**135**
Number of public companies*2		13	14	14	13	14	**12**
Number of employees (consolidated basis)		21,799	22,710	25,891	70,336	66,154	**63,591**

Summary of Segment Information

The Company has four reportable segments: the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment.

Share of Net Sales (Fiscal 2015)*



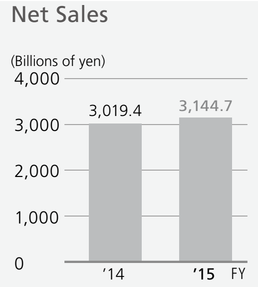
Domestic Telecommunications segment	34.6%
Sprint segment	42.6%
Yahoo Japan segment	7.2%
Distribution segment	15.6%

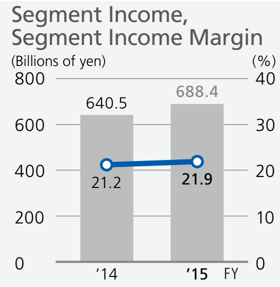
* Share of net sales for each reportable segment is based on the total of all segments (excluding Others).

Domestic Telecommunications Segment

Main Businesses
- Provision of mobile communications services in Japan
- Sale of mobile devices in Japan
- Provision of broadband services to retail customers in Japan
- Provision of telecom services to corporate customers in Japan, such as data communications and fixed-line telephone services

Core Companies
SoftBank Corp., Wireless City Planning

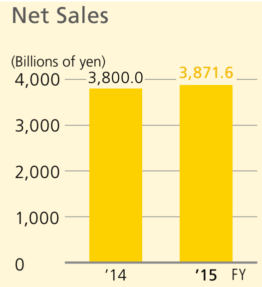


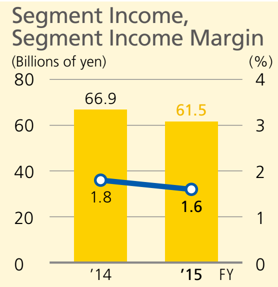


Sprint Segment

Main Businesses
- Provision of mobile communications services in the U.S.
- Sale and lease of mobile devices and sale of accessories in the U.S.
- Provision of fixed-line telecommunications services in the U.S.

Core Company
Sprint

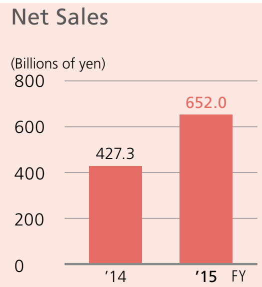


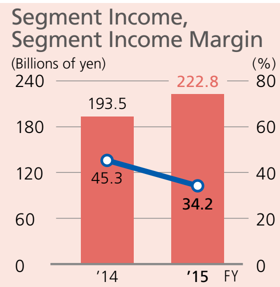


Yahoo Japan Segment

Main Businesses
- Internet advertising
- E-commerce business
- Membership services

Core Companies
Yahoo Japan, ASKUL

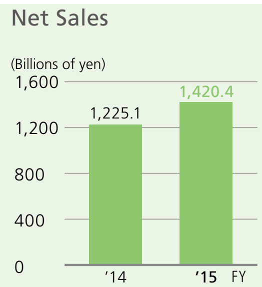


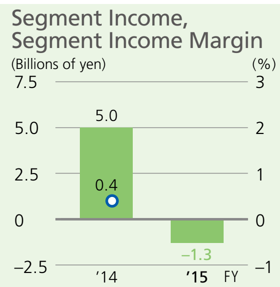


Distribution Segment

Main Businesses
- Distribution of mobile devices overseas
- Sale of PC software, peripherals, and mobile device accessories in Japan

Core Companies
Brightstar, SoftBank Commerce & Service





Segment income (left) Segment income margin (right)

A Group of Innovative Entrepreneurs

To realize sustainable business growth, we will transform our existing businesses by looking beyond the world of today to anticipate the future. At the same time, we will encourage the success of the innovative entrepreneurs in the Group and undertake comprehensive initiatives to grow together.

coupang

tokopedia

OYO

snapdeal

Sprint

BAOZUN

OLA

DiDi

Alibaba Group

阿里巴巴集团

Grab

SoFi

Major Subsidiaries and Associates (As of March 31, 2016)

Subsidiaries

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Domestic Telecommunications Segment					
SoftBank Corp.*1*2		Mar.	177,251	99.99	Provision of mobile communications services, sale of mobile devices, provision of fixed-line telecommunications and ISP services in Japan
Wireless City Planning Inc.		Mar.	18,899	32.2	Planning and provision of mobile broadband services
SoftBank Payment Service Corp.		Mar.	3,450	100	Settlement services, card services and related services
Sprint Segment					
Sprint Corporation*3	NYSE	Mar.	US$39,745K	83.4	Holding company
Sprint Communications, Inc.*3		Mar.	US$1,180,956K	100	Provision of mobile communications services, sale of mobile devices and accessories, provision of fixed-line telecommunications services in the U.S.
Yahoo Japan Segment					
Yahoo Japan Corporation	TSE First Section	Mar.	8,359	43.0	Operation of the *Yahoo! JAPAN* portal, sale of Internet advertising, operation of e-commerce sites, membership services
ValueCommerce Co., Ltd.	TSE First Section	Dec.	1,728	50.5	Ad affiliate marketing service, *StoreMatch* online advertising distribution service
ASKUL Corporation	TSE First Section	May	21,189	44.4	Mail order sales of stationary, office products, services, etc.
Distribution Segment					
Brightstar Global Group Inc.		Dec.	US$3K	95.5	Holding company
Brightstar Corp.		Dec.	US$0K	100	Mobile device distribution, supply chain solutions, handset protection and insurance, buy-back and trade-in, omnichannel solutions and financial services
SoftBank Commerce & Service Corp.		Mar.	500	100	Manufacture, distribution, and sale of IT-related products, IT-related services
Company-wide (in common)					
SoftBank Group International GK*3*4		Mar.	20	100	Global operations management company
SoftBank Group Japan GK*2*4		Mar.	10	100	Domestic operations management company
SB Group US, Inc.		Mar.	US$0K	100	Holding company
SoftBank Group International Limited*5		Mar.	US$1,439K	100	Holding company

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Others					
Supercell Oy*6		Dec.	€3K	78.3	Production and distribution of mobile game applications
SB Energy Corp.		Mar.	746	100	Generation of electricity from renewable energy sources, supply and sale of electricity
Fukuoka SoftBank HAWKS Corp.		Feb.	100	100	Ownership of professional baseball team, operation of baseball games, management and maintenance of baseball stadium and other sports facilities, distribution of video, voice and data content via media
SoftBank Robotics Holdings Corp.		Mar.	28,507	60.0	Planning, development, and sale of robots
SBBM Corporation		Mar.	10	100	Holding company
ITmedia Inc.*2	TSE Mothers	Mar.	1,670	57.9	Operation of comprehensive IT information site *ITmedia*, etc.
SoftBank Technology Corp.*2	TSE First Section	Mar.	664	55.7	Solutions and services for online businesses
Vector Inc.*2	TSE JASDAQ Standard	Mar.	1,017	52.1	Operation, sales, and marketing of online games, software downloads, advertising
SB CHINA HOLDINGS PTE LTD		Mar.	US$46K	100	Holding company
SoftBank Ventures Korea Corp.		Dec.	KRW18,000M	100	Holding company
SoftBank Korea Corp.		Dec.	KRW2,200M	100	Holding company
Starburst I, Inc.*3		Mar.	US$216K	100	Holding company
SoftBank Holdings Inc.		Mar.	US$8K	100	Holding company
SoftBank America Inc.		Mar.	US$0K	100	Holding company
STARFISH I PTE. LTD.		Mar.	95,000	100	Holding company
SB Pan Pacific Corporation		Mar.	48,248	100	Holding company
Hayate Corporation		Mar.	35,966	100	Holding company

*1 On April 1, 2015 SoftBank BB, SoftBank Telecom, and Ymobile, merged into SoftBank Mobile. On July 1, 2015, SoftBank Mobile changed its company name to SoftBank Corp.
*2 In accordance with the internal reorganization, on April 1, 2016, the following shares were transferred to SoftBank Group Japan GK.
- All shares of SoftBank Technology, Vector, Scigineer, held by SoftBank Group Corp.
- All shares of a SB Media Holdings, a wholly-owned subsidiary of SoftBank Group Corp. that owns the shares of ITmedia.

In accordance with the internal reorganization, on July 1, 2016, all shares of SoftBank Corp., held by SoftBank Group Corp., were transferred to SoftBank Group Japan GK.
*3 On March 10, 2016, SoftBank Group Corp. entered into a transfer agreement to sell 70.4% shares of Starburst I, Inc. and all shares of Galaxy Investment Holdings, Inc. to SoftBank Group International GK.
Starburst I, Inc. and Galaxy Investment Holdings, Inc. hold the shares of Sprint Corporation, a subsidiary of SoftBank Group Corp.
This sale is subject to all the necessary procedures including approvals from regulatory authorities, including the Federal Communications Commission (FCC).
Sprint Communications, Inc. is a wholly-owned subsidiary of Sprint Corporation.
*4 The voting rights for these godo kaisha (GK) subsidiaries represent SoftBank Group Corp.'s entire contributions as percentage of capital.
*5 On April 27, 2016, SoftBank Group International Limited changed its company name to SoftBank Group Capital Limited.
*6 On June 21, 2016, the Company's two subsidiaries, Kahon 3 Oy and SoftBank Group Capital Limited (previously SoftBank Group International Limited), have entered into a definitive agreement to sell all of their stake in Supercell. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

Associates

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Yahoo Japan Segment					
The Japan Net Bank, Limited		Mar.	37,250	41.2	Banking business
BOOKOFF CORPORATION LIMITED	TSE First Section	Mar.	3,652	15.1	Auction service and reuse business
Others					
GungHo Online Entertainment, Inc.*7	TSE First Section	Dec.	5,339	28.4	Production and distribution of online games for smartphones and other devices
Scigineer Inc.*2	TSE Mothers	June	771	33.1	Provision of Internet marketing support services using the personalized engine *deqwas* for e-commerce business operators and retailers
HIKE GLOBAL PTE. LTD.*8		Mar.	US$65,682K	29.9	Holding company
Renren Inc.	NYSE	Dec.	US$1,019K	43.0	Investor company of company operating *Renren.com* SNS site in China
Alibaba Group Holding Limited*9	NYSE	Mar.	CNY1,000K	32.2	Investor company of companies operating e-commerce sites *Alibaba.com*, *Taobao.com*, and *Tmall.com*
InMobi Pte. Ltd.		Mar.	US$358K	35.2	Mobile advertising services

*7 On June 3, 2016, SoftBank Group Corp. and GungHo entered into an agreement under which SoftBank Group Corp. has agreed to tender a total of 248,300,000 GungHo shares held by SoftBank Group Corp. and its subsidiary SoftBank Corp. Please refer to Notes to Consolidated Financial Statements page 164 “46. Subsequent events” for details.
*8 On March 28, 2016, Bharti SoftBank Holdings Pte. Ltd. changed its company name to HIKE GLOBAL PTE. LTD.
*9 The Company has executed a series of capital raising transactions which involve monetizing a portion of the shares of Alibaba Group Holding Limited held by SoftBank Group Corp.’s subsidiary SB CHINA HOLDINGS PTE LTD. Please refer to Notes to Consolidated Financial Statements page 164 “46. Subsequent events” for details.

Main Overseas Fund Data

Fund Name	Category*10	Principal Investment Region	Fund Size	Commitment	Ownership*11 (%)
Subsidiaries					
SoftBank Capital Fund ’10 L.P.	A	U.S.	US$122,449K	US$100,000K	81.7
SoftBank Capital Fund ’14 L.P.	A	U.S.	US$46,000K	US$45,540K	99.0
Associates					
SoftBank Capital Technology Fund III L.P.	B	U.S.	US$232,750K	US$131,000K	56.3

*10 A: funds managed by the Company; B: funds other than category A.
*11 Holdings as percentage of fund size.

Management Organization

Corporate Governance Report

Message from an External Audit & Supervisory Board Member

Full-time Audit & Supervisory Board member, independent officer
Maurice Atsushi Toyama
Certified public accountant, State of California, U.S.

Governance That Underpins Sustainable Growth

Focus on Monitoring Overseas Activities as a Full-time Member

There has been a lot of discussion about governance reform in Japan over the past few years, including in the formulation of "Japan's Corporate Governance Code" in 2015. Nevertheless, many Japanese companies do not have a majority of independent external directors on their boards of directors* like their European and U.S. counterparts, and this situation is unlikely to change significantly in the near future. Under these conditions, SoftBank Group Corp.'s governance system with a highly independent Audit & Supervisory Board, completely separate from execution and with a majority of external members (four external members among a total of five), provides an excellent supervisory function for management. I consider this governance system to be well-suited for SoftBank Group Corp. at present.

Since June 2015, I have been working as a full-time external Audit & Supervisory Board member for SoftBank Group Corp. In my previous work, I was involved in accounting audits for 38 years, mainly overseas, as a partner in an independent auditing firm, which enabled me to accumulate a wealth of experience in "looking at companies from the outside." Because of this background, I focus mainly on monitoring business execution of overseas subsidiaries and investees, while business execution inside Japan is monitored mainly by my fellow full-time Audit & Supervisory Board member, former head of the Internal Audit Department Mr. Tatsuhiro Murata.

* SoftBank Group Corp. has maintained the Board with multiple external directors since 1999.

Thorough Discussion in the Board

I believe that governance is functioning effectively at SoftBank Group Corp. At the Board of Directors meetings, which are really the heart of corporate governance, in-depth discussion precedes any major decision-making. The directors always maintain the perception of the Company and its shareholders' perspective in their discussion. Rather than just leaping into things, if we are considering an investment for example, we always put the risks on the table for discussion as well. Extremely in-depth discussions are held during the limited time, and we only make final decisions when everyone is fully convinced, rather than accepting a majority vote. I believe this is the most fitting approach to running the Board meetings when making major decisions on the direction of the Company.

Another point is that the Company has appointed directors with diverse backgrounds. External directors Messrs. Tadashi Yanai and Shigenobu Nagamori both have strong ideas as entrepreneurs and they always provide useful advice. There are also non-Japanese directors, so the discussion is held on international perspectives. Mr. Yanai has served as a director for more than ten years, but there is no question whatsoever about his independence. Rather than evaluating him simply on the length of his tenure, we need to judge based on whether he is beneficial or detrimental to the Company. Mr. Yanai gives meaningful opinions without hesitation, having properly understood the issues at hand, and without relying on the Company. I think it is clear that he benefits the Company.

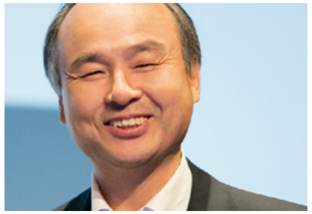
Governance in a Global Company

Recently, I have been visiting institutional investors both in and outside of Japan, and I have had many discussions about governance. I feel that the investors have an extremely good understanding of the Company and its business operations, even though they may not know about aspects such as how the Board of Directors meetings are run, as I have just described. What these investors are most interested to know about is what the Company will do next.

Right now, SoftBank Group Corp. is transforming itself into a global company that will realize sustainable growth from a long-term perspective. Part of this involves conducting aggressive investment activities, and from a corporate governance perspective, we are required to manage our investees properly. The executive team is steadily establishing systems in place to address such activities. As an Audit & Supervisory Board member, I have monitored such initiatives at our overseas investees by interviewing them about their governance systems and holding meetings with their independent auditors. I believe we need to continuously ensure that investee companies' management systems are properly established and functioning going forward.

Directors and Audit & Supervisory Board Members (As of July 1, 2016)

Directors



Chairman & CEO
Masayoshi Son

Sept.	1981	Founded SoftBank Corp. Japan (currently SoftBank Group Corp.), chairman & CEO
Apr.	1983	Chairman, SoftBank Japan
Feb.	1986	Chairman & CEO, SoftBank Japan (to present)
Jan.	1996	President & CEO, Yahoo Japan
July	1996	Chairman of the board, Yahoo Japan
Oct.	2005	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited; to present)
Apr.	2006	Chairman of the board, president & CEO, Vodafone K.K. (currently SoftBank Corp.)
June	2007	Chairman & CEO, SoftBank Mobile (currently SoftBank Corp.)
July	2013	Chairman of the board, Sprint (to present)
Apr.	2015	Chairman, SoftBank Mobile (currently SoftBank Corp.; to present)
June	2015	Director, Yahoo Japan (to present)
Mar.	2016	Representative, SoftBank Group International GK (to present)

Representative director, president & COO
Ken Miyauchi

Feb.	1977	Joined Japan Management Association
Oct.	1984	Joined SoftBank Corp. Japan (currently SoftBank Group Corp.)
Feb.	1988	Director, SoftBank Japan
Apr.	2006	Executive vice president, director & COO, Vodafone K.K. (currently SoftBank Corp.)
June	2007	Representative director & COO, SoftBank Mobile (currently SoftBank Corp.)
June	2012	Director, Yahoo Japan (to present)
Apr.	2013	Representative director, executive vice president, SoftBank Corp. (currently SoftBank Group Corp.)
June	2013	Representative director, senior executive vice president, SoftBank
Jan.	2014	Director, Brightstar Global Group
Apr.	2015	President & CEO, SoftBank Mobile (currently SoftBank Corp.; to present)
June	2015	Director, SoftBank Corp. (currently SoftBank Group Corp.)
Mar.	2016	Representative, SoftBank Group Japan GK (to present)
June	2016	Representative director, president & COO, SoftBank Group Corp. (to present)

Director
Ronald D. Fisher

July	1984	President, Interactive Systems Corp.
Jan.	1990	CEO, Phoenix Technologies Ltd.
Oct.	1995	Director and president, SoftBank Holdings (to present)
June	1997	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
July	2013	Vice chairman of the board, Sprint (to present)
Jan.	2014	Director, Brightstar Global Group
Aug.	2014	Chairman, Brightstar Global Group (to present)

Director
Yun Ma

Feb.	1995	Founded China Pages, president
Jan.	1998	President, MOFTEC EDI Centre
July	1999	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Nov.	1999	Director, chairman of the board and CEO, Alibaba Group Holding
Feb.	2004	Chairman and CEO, Alibaba Group Holding
June	2007	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Oct.	2007	Non-executive director, chairman, Alibaba.com Limited
May	2013	Executive chairman, Alibaba Group Holding (to present)

Director
Manabu Miyasaka

Apr.	1991	Joined UPU Co., Ltd.
June	1997	Joined Yahoo Japan
Jan.	2002	Senior manager, media business group, Yahoo Japan
Apr.	2009	Operating officer, head of consumer business group, Yahoo Japan
Apr.	2012	CEO and operating officer, Yahoo Japan
June	2012	President and representative director, Yahoo Japan (to present)
June	2013	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)

External Directors

Director, independent officer
Tadashi Yanai

Chairman, president & CEO, FAST RETAILING CO., LTD.

Aug.	1972	Joined Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD.)
Sept.	1972	Director, Ogori Shoji
Aug.	1973	Senior managing director, Ogori Shoji
Sept.	1984	President & CEO, Ogori Shoji
June	2001	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Nov.	2002	Chairman & CEO, FAST RETAILING
Sept.	2005	Chairman, president & CEO, FAST RETAILING (to present)
Nov.	2005	Chairman, president & CEO, UNIQLO CO., LTD. (to present)
Sept.	2008	Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.; to present)

Director, independent officer
Shigenobu Nagamori

Chairman of the board, president & CEO, Nidec Corporation

July	1973	Founded Nidec Corporation Representative director and chairman, president and CEO
Mar.	1997	Member of the board of directors and chairman of Read Electronics Corporation (currently Nidec-Read Corporation; to present)
Sept.	2004	Member of the board of directors and chairman, Nidec Copal Electronics Corporation (to present)
June	2009	Member of the board of directors and chairman, Nidec Sankyo Corporation (to present)
June	2013	Member of the board of directors and chairman, Nidec-Shimpo Corporation (to present)
June	2014	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Oct.	2014	Chairman of the board, president & CEO, Nidec (to present)
Oct.	2015	Member of the board and chairman, Nidec Elesys Corporation (to present)
Oct.	2015	Member of the board and chairman, Nidec Tosok Corporation (to present)

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board member

Tatsuhiro Murata

Apr. 1975 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
Apr. 2001 General manager, business development support, commercial finance business div., The Fuji Bank
Jan. 2007 Joined SoftBank Corp. (currently SoftBank Group Corp.)
Apr. 2012 General manager, internal audit, SoftBank
June 2014 Audit & Supervisory Board member, eAccess (currently SoftBank Corp.)
June 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

External Audit & Supervisory Board Members

Full-time Audit & Supervisory Board member, independent officer

Maurice Atsushi Toyama

Certified public accountant, State of California, U.S.

Sept. 1977 Joined San Francisco office of Price Waterhouse (currently PricewaterhouseCoopers)
Aug. 1981 Certified public accountant, State of California, U.S.
June 2006 Partner, PricewaterhouseCoopers Aarata
June 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board member

Soichiro Uno

Lawyer

Apr. 1988 Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
Nov. 1993 Passed the bar examination of the State of New York, U.S.
Jan. 2000 Partner, Nagashima Ohno & Tsunematsu (to present)
June 2004 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

External Audit & Supervisory Board Members

Audit & Supervisory Board member, independent officer

Koichi Shibayama

Certified public accountant, certified tax accountant

Apr. 1960 Joined Yamaichi Securities Co., Ltd.
Oct. 1966 Joined Price Waterhouse (currently PricewaterhouseCoopers)
Mar. 1970 Registered as a certified public accountant
Aug. 1983 Registered as a certified tax accountant
July 1997 Advisor, Price Waterhouse Aoyama Consulting Co., Ltd.
July 2002 Advisor, Zeirishi-Hojin ChuoAoyama (currently PwC Tax Japan; to present)
June 2003 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board member, independent officer

Hidekazu Kubokawa

Certified public accountant, certified tax accountant

Nov. 1976 Joined Chuo Audit Corporation
Aug. 1980 Registered as a certified public accountant
July 1986 Founded Kubokawa CPA Office (currently Yotsuya Partners Accounting Firm), representative partner (to present)
Mar. 1987 Registered as certified tax accountant
Feb. 1989 Audit & Supervisory Board member, SoftBank Corp. Japan (currently SoftBank Group Corp.; to present)
Mar. 2000 Audit & Supervisory Board member, Digital Arts Inc. (to present)
June 2005 Corporate auditor, KYORITSU PRINTING CO., LTD. (to present)
June 2006 Auditor, Pado Corporation (to present)

Compliance

The Company implements compliance to meet the expectations and demands of stakeholders and enhance management efficiency.

1. Basic Policy

Compliance at the Company

The Company considers it crucial to meet the expectations and demands of all stakeholders in the course of its business operations. The stakeholders include shareholders, as well as customers, business partners, and regional communities. To meet their expectations and demands, the Company strives to create an organization and an environment that enables every officer and employee to act with a full awareness of compliance. As the Group's officers and employees work in concert to ensure proper compliance throughout the organization, they will tighten risk management and enhance management efficiency, thereby driving further improvement in the Company's enterprise value.

Compliance Code

The awareness and conduct of every officer and employee is important for ensuring compliance. The Company has compiled the SoftBank Group Officer and Employee Code of Conduct—a set of rules for conduct that must be observed by all officers and employees. To ensure that everyone follows this Code of Conduct, the Company provides all officers and employees with a Compliance Manual, which provides clear and simple explanations of the Code of Conduct using examples and a Q&A format.

2. Compliance Structure

An Organizational Structure Centered on a GCO and CCOs

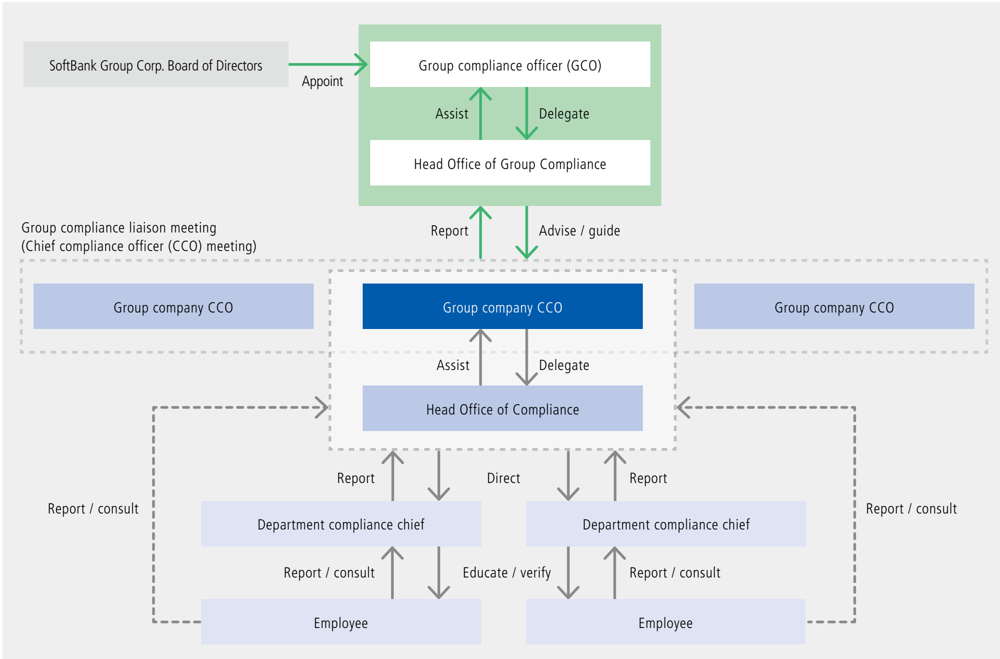
The Company appoints a group compliance officer (GCO) who has responsibility for compliance for the entire Group, and each group company has a chief compliance officer (CCO) who has responsibility for compliance at each company. The GCO establishes and strengthens the compliance system for the entire Group, while providing advice and guidance to the CCOs of various group companies as necessary. The CCOs formulate and implement policies at each group company and regularly report on the status of the compliance structure to the GCO.

The GCO and CCOs have discretionary authority to modify or stop actions that constitute actual or suspected compliance breaches, from compliance, corporate social responsibility (CSR) and other perspectives. Rather than adopt a committee system, the Company has concentrated all compliance authority and responsibility in the GCO and CCOs for a swifter and more flexible organization.

Hotlines (Whistle-blowing System)

The main group companies have a hotline in place to receive reports and provide consultations for officers and employees who discover compliance breaches or actions that may breach compliance. A Group Hotline has also been established as a channel for reports and issues arising from Group officers and employees in cases where the response to a report at an individual group company has been insufficient, or where it is difficult for a group company to respond on its own (for example, cases that have a major impact on the entire Group). All the hotlines have an internal contact point staffed by internal compliance personnel and an external contact point staffed

Group Compliance Structure (As of March 31, 2016)



by external lawyers. By establishing multiple contact points throughout the Group, the Company endeavors to identify risks at an early stage and prevent them from materializing.

Poster advertising the Group Hotline

3. Measures for Enhancing Awareness

There are a variety of compliance risks on the front lines of business. The Company conducts practical training and awareness-raising activities for various officer and employee levels, to ensure that these personnel can make decisions and act properly, as well as carry out their duties efficiently. The goal is to build a strong organization where each and every member embraces a high awareness of compliance while implementing compliance as part of his or her daily duties.

The Company is also working to strengthen the compliance system at its group companies. A compliance checklist was created for CCOs, who use it to conduct self-checks. The list is designed to help each company to examine its own systems, while making it easier for CCOs to strengthen compliance systems at group companies with small organizations that do not have dedicated compliance staff.

Officer Training

Compliance training is held for the more than 100 officers of the group companies. The training includes group discussion sessions focused on case studies of past incidents that have occurred in the Group, along with themes believed to pose a potential risk. By creating opportunities for the officers to learn about risks and countermeasures related to the Financial Instruments and Exchange Act, Labor Standards Act, Companies Act, the Antimonopoly Act, and so forth, the Company aims to minimize risks and increase management efficiency. The training also incorporates a focus on recent topics, such as revisions to laws, as a way of enhancing the content in line with changes in the environment.

Compliance Awareness Month

The Company holds a Compliance Awareness Month annually for all Group officers and employees. Throughout the month, seminars and tests are held. In fiscal 2015, the Company continued to conduct intranet-based seminars by posting training content on the intranet, including case studies and e-learning. The intranet-based seminars explained possible risks and problems that could occur within the Company using specific examples familiar to employees for each theme. Moreover, the Company conducts a Compliance Test for officers and employees to assess their own level of basic compliance knowledge and understanding. The test has been taken and passed by approximately 20,000 officers and employees within the Group. The Company used the intranet for the above initiatives, since it has fewer restrictions in terms of time and place, enabling compliance awareness to penetrate among an even larger number of employees.

Poster advertising
Compliance Awareness Month

The Compliance Slogan Contest is held during Compliance Awareness Month. In this contest, the Company calls for the submission of compliance-related slogans by Group officers and employees, in an effort to encourage their proactive participation in compliance activities. Outstanding slogans are used to create a calendar that is put up within various group companies. In these and other ways, the Company works to put an environment in place that fosters compliance awareness among employees on a day-to-day basis.

4. Key Challenges Ahead

The Company regards continued enhancement of compliance systems at group companies as a key challenge. It will continue to enhance Group-wide compliance awareness, especially with regard to areas perceived as having high risk, including further advancing risk management that it has implemented with respect to overseas laws and regulations as it expands its business into overseas markets.

In particular, to ensure that group companies do not become involved in illegal behavior, the Company will implement efficient checking systems based on the SoftBank Group's Rules on Prevention of Bribery in Foreign Countries, which were formulated in fiscal 2015.

Risk Management

The Company makes daily efforts to manage risk, aiming to prevent the materialization of potential risks, while minimizing the potential human, social, and economic impacts that may ensue in emergency situations that could arise when a substantial risk materializes.

Communications equipment loading drills

Risk Management System

The Company operates in a wide range of markets in Japan and overseas, and therefore faces a variety of risks in its operations. SoftBank Group Corp. defines risk as "all potentials for loss or disadvantage occurring to a company physically, financially, or in terms of credibility." Responsible departments are designated to address various risks, manage risks in each responsible department and work to reduce risks and prevent their materialization, based on the Risk Management Regulations. In addition, when an emergency situation arises, an Emergency Response Department will be established according to the designated escalation flow, and efforts will be made to minimize loss based on the instructions of this Emergency Response Department.

Risk Management Initiatives

SoftBank Group Corp. determines and manages risks, and where major risks are recognized, it oversees progress on risk evaluation and analysis, as well as countermeasures and responses, and periodically reports its findings to the Board of Directors.

Key Challenges Ahead in Risk Management

Under the Act for Partial Revision of the Companies Act, which came into force on May 1, 2015, it is clearly stated that the parent company is to ensure the appropriateness of operations in the corporate group formed by its subsidiaries. SoftBank Group Corp. is therefore required to determine risks within the corporate group, including at its subsidiaries, and to establish mechanisms and systems to prevent these risks from materializing. Furthermore, SoftBank Group Corp. must clarify response measures for the entire Group in cases where risks have materialized.

In response to these issues, SoftBank Group Corp. has established a system in which operational and materialized risks at subsidiaries are escalated back to itself. SoftBank Group Corp. will take supervisory responsibility for the subsidiaries as the parent company and strengthen the risk response system for the entire Group.

Crisis Management

SoftBank Group Corp. has taken the necessary steps to enable it to avoid or mitigate emergency situations, including setting up organizations, contact networks, necessary supplies, and manuals for responding in the event of an emergency.

SoftBank Group Corp. also recognizes that, in the telecommunications-related business, information functions as a lifeline. Accordingly, we are working to ensure that customers can use our services with even greater peace of mind by ensuring daily readiness for disasters and taking steps to prepare systems for rapid restoration of communications equipment in the event of a major disaster.

In the telecommunications-related business, SoftBank Corp. is responsible for the domestic telecommunications business while Sprint is developing the telecommunications business in the U.S. Both companies have business continuity plans (BCPs) in place to ensure the continuity of telecommunications services and the rapid restoration of service if communications happen to be disrupted during emergency situations such as natural disasters. They have also established measures to minimize the impact.

In 2015, with the merger of the four domestic telecommunications companies, SoftBank Corp. revised its BCP and conducted drills for setting up and operating an Emergency Response Department at a disaster recovery site (DR site) in the event of an earthquake striking directly beneath Tokyo. SoftBank Corp. also conducted communication equipment loading drills with the Japan Ground Self-Defense Force and the Japan Coast Guard to prepare for transporting such equipment to areas that may become isolated due to communications being cut off.

SoftBank Corp. has also drawn up a Disaster Operational Plan based on experience from the Great East Japan Earthquake. Under this plan, SoftBank Corp. is making an even greater effort to prepare disaster readiness systems, ensure the viability of key communication lines, improve the reliability of communications and other equipment, and take steps to prepare systems for rapid recovery. Through these efforts, it will continue to build a telecommunications network that is resilient to natural disasters.

Information Security

The Company recognizes that it has a social responsibility to appropriately manage information assets, including customers' personal information. We therefore work constantly to improve our information security.

Information Security Management System

The Company has formulated the SoftBank Group Information Security Policy for appropriate management and handling of information assets. The policy forms a common basis of understanding for all group companies as they work to implement a variety of countermeasures.

To implement information security management, the Company has established a group chief information security officer (GCISO) who is responsible for the entire Group, and chief information security officers (CISOs) who are responsible for each group company.

Through the CISOs, the GCISO works to acquire an accurate grasp of information security at each group company, and vigorously promotes information security countermeasure activities.

Specific Initiatives

Based on the SoftBank Group Information Security Policy, each group company comprehensively conducts organizational, physical, human, and technological countermeasures. The Company takes measures to reduce the various kinds of information security risks, including risks from increasingly advanced and complex cyber attacks and unauthorized internal activity. Specifically, the Company has introduced an artificial intelligence-based attack detection system as well as collects information related to information security risks on a daily basis and disseminates useful information and directions for additional countermeasures to its group companies.

Moreover, envisaging a scenario where an information security incident has occurred at a group company, the Company has prepared a framework for responding through designated channels for communication. After responding to an incident, the Company identifies issues and ensures that the lessons learned from the incident are put to good use.

Furthermore, at major group companies, security operation centers monitor information security threats and unauthorized behavior in real time to enhance countermeasures.

The Company also puts emphasis on improving the information security literacy of officers and employees, and regularly conducts a variety of measures such as e-learning programs and training seminars.

Key Challenges Ahead

Amid a rapidly changing environment in and around its group companies, the Company needs to monitor the information security response status of each group company.

The Company evaluates the results of this monitoring and takes steps to reduce information security risk at each group company, while promoting introduction of effective common countermeasures and ensuring that guidance is carefully followed to increase efficiency through Group-wide cooperation.

Group-wide meeting on information security activities

E-learning

Poster for raising awareness about information security

Corporate Social Responsibility (CSR)

The Company seeks to help realize a rich and happy society through its business activities. Under the SoftBank Group CSR Principles, we have positioned the following as key themes in our CSR activities: building a healthy Internet society, cultivating a next generation that has dreams and aspirations, protecting the planet's future through environmental protection, and supporting the reconstruction of areas affected by the Great East Japan Earthquake. We are promoting CSR activities focused on each of these themes.

Charity Smile

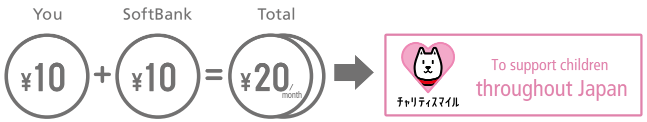
チャリティスマイル

On February 1, 2016, SoftBank Corp. started the *Charity Smile* program to enable customers to make a donation along with their monthly mobile phone service charges. The donations provide ongoing support for children who have lost their parents in accidents or disasters, or who have lost their homes because of abuse or other reasons.

Helping Children with No Family Support to Achieve Independence

Charity Smile is a program for supporting children who have been orphaned by accidents or disasters, or who are unable to live with their families due to abuse or other reasons. Customers who join the program add ¥10 to their monthly mobile phone service charge. SoftBank Corp. contributes the same amount, to make a monthly donation of ¥20 to support programs. Moreover, whenever a major disaster occurs anywhere in the world, part of the donation is allocated to support the affected area.

How *Charity Smile* Works



Recipient Organizations

Central Community Chest of Japan	Ashinaga

* Disaster support recipients: NGO Japan Platform, Central Community Chest of Japan, and Japanese Red Cross Society.

Charity Mobile

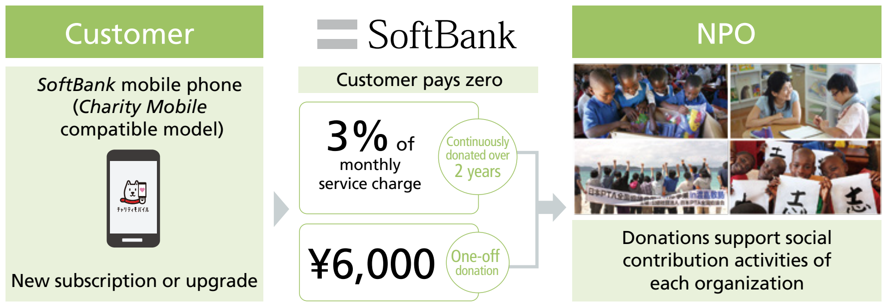
チャリティモバイル

Launched on February 29, 2016, *Charity Mobile* is a new program that allows customers to contribute to society just by using their *SoftBank* mobile phone.

Customers Provide Ongoing Support for NPOs' Activities without Any Additional Payment

Customers purchasing a *SoftBank* mobile phone (new subscription or upgrade) can apply via special websites set up for each individual NPO to have SoftBank Corp. make a one-off donation of ¥6,000 to the NPO upon application, followed by a further 3% of their monthly mobile phone service charge for up to two years, at no additional cost to the customer. Many NPOs cite fundraising as their biggest challenge in continuing their activities. SoftBank Corp. will create opportunities for even more people to participate in social contribution and provide ongoing support for NPOs working to solve social issues.

How *Charity Mobile* Works



Recipient Organizations*

Ashinaga	doubutukikin
Central Community Chest of Japan	Organization for Cool Seniors in Japan
Médecins Sans Frontières Japan	Nippon PTA Zenkoku Kyogikai
Terra Renaissance	Japan Committee for UNICEF
TOYBOX	Peace Boat

* Selected from the above organizations.

For further details about CSR

Financial Section

Financial Strategy

A Sound Financial Base to Support SoftBank Group Corp.'s Growth to a New Stage

Yoshimitsu Goto
Executive corporate officer, general manager, finance, SoftBank Group Corp.

Looking Back on the Past Year

Over the past year, we made investments totaling approximately ¥600.0 billion as strategic investments, which is one of our two core businesses, before monetizing other investments. In deciding on these investments, we expect our clarification of a medium- to long-term investment monetization policy to make a considerable contribution to improving our future asset value. Moreover, we also conducted our largest ever combined amount of share repurchases (total amount ¥620.0 billion), announcing one in August 2015 and another in February 2016. In terms of dividends, we plan to increase the year-end dividend for fiscal 2015 from ¥20 to ¥21, and to increase both the interim and year-end dividends for fiscal 2016 to ¥22. This is in line with our philosophy on returning the total annual dividend to shareholders in accordance with the initial guidance, and also takes into consideration the effect of the above-mentioned share repurchases. We realize that our dividend payout ratio is still somewhat low compared with our competitors in the telecommunications industry, but plan to implement measures at the appropriate time toward maximizing shareholder value, taking into account the need to balance future investments and repayments of debt and so forth.

Initiatives to Fix Interest Rates and Extend Debt

The Group's total debt on a consolidated basis stands at around ¥12 trillion. How we go about reducing this debt is a theme of utmost importance to us. This past year we aimed to build a stable financial base by taking advantage of record-breaking low interest rates to fix our debt at low rates and extend its maturity. Specifically, with regard to our domestic retail bond issuances, which have been based on five-year bonds up until now, when we tried issuing seven-year bonds while conducting hypothesis testing of demand from the investor's perspective, we found huge demand for them from the market. We also succeeded in making use of overseas markets to issue foreign bonds with terms of over ten years. These initiatives have enabled us to extend the overall maturity of our corporate bonds by over one year, and I believe we now have a more stable financial structure that will give us the flexibility to achieve a favorable balance between business and investments.

Support for Sprint

Establishing a sound financial structure for Sprint is a key theme if we look at improving the Group's overall credit situation to prepare for the future.

SoftBank Group Corp.'s Finance Division is providing full support to improve Sprint's finances, which have produced steady results. Over this past year, we have utilized Sprint's abundant assets and achieved significant financing deals using various asset securitization and lease financing. We are applying our rich experience and know-how in structured finance, and moving forward proactively, for example by calling on Japanese banks, mainly mega banks, and lease companies to participate as investors.

In fiscal 2016, we will attempt to securitize Sprint's spectrum assets in addition to the installment sales receivables and handset lease receivables that we have executed so far. These initiatives should make Sprint's financial operations more stable.

Achieving a Sound Net Leverage Ratio

The net leverage ratio (ratio of net interest-bearing debt to adjusted EBITDA) is a key indicator for us in assessing financial soundness. The ratio has been trending upward, partly due to the progress we have made with investments, but is now beginning to return to a more subdued level (see figure to the right), reflecting the turnaround in Sprint's adjusted EBITDA among other factors. Moreover, we are now entering the investment monetization phase, and would like to show our investors that in addition to our domestic telecommunications business, our investments are also beginning to reach the season for reaping returns.*

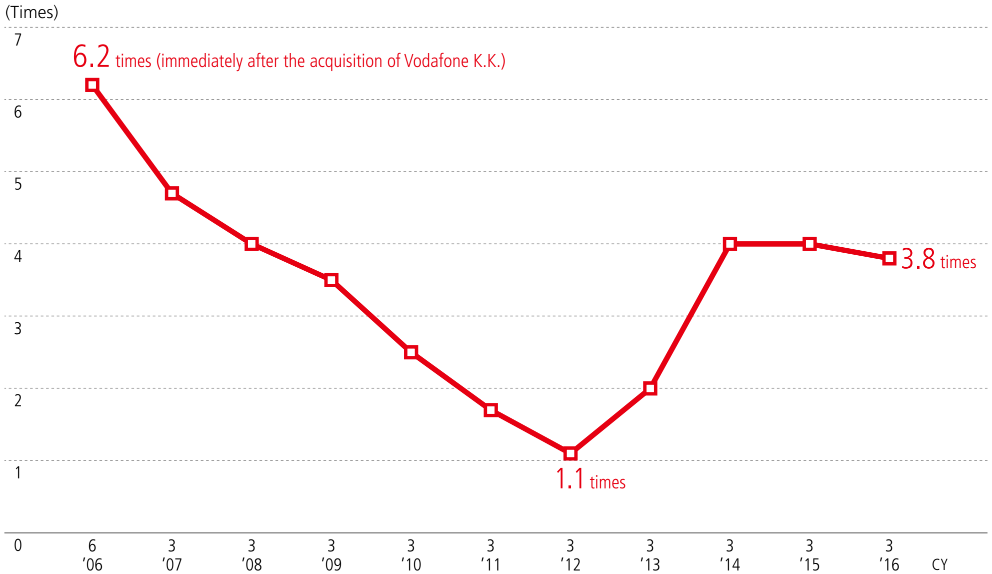
* Announced in the press release dated June 1, 2016, "SoftBank Announces a Minimum $7.9 Billion Monetization of its Alibaba Stake in Coordination with Alibaba Group."
Announced in the press release dated June 6, 2016, "Execution of Agreement to Tender in Tender Offer for Shares of an Associate."
Announced in the press release dated June 21, 2016, "Monetization of Subsidiary (Supercell) Shares."

Message to Investors

The key priorities of SoftBank Group Corp.'s Finance Division are to realize management's decisions to the maximum extent possible and to minimize the loss of business opportunities. Our mission differs considerably from that of a typical operating company finance division. This is an example of SoftBank-style "proactive financing." On the other hand, we are inherently required to provide defensive abilities as the backbone of the administrative division. We will therefore ensure we have strategies to prepare for any risk before undertaking our proactive financing activities.

We will continue striving to meet the expectations of our investors in terms of both growth and stability, while constantly analyzing and predicting environmental changes in our businesses and markets.

Net Leverage Ratio



Consolidated basis

(Notes)
1. Adjusted EBITDA for fiscal 2014 has been revised retrospectively due to GungHo becoming an equity method associate.
2. Up to fiscal 2011: JGAAP, including finance leases and preferred securities.
3. Net leverage ratio = net interest-bearing debt / adjusted EBITDA

Management's Discussion and Analysis of Results of Operations and Financial Position

– Net sales reached ¥9.2 trillion, an increase of 7.6% from fiscal 2014.

– Operating income was ¥999.5 billion, an 8.8% increase from fiscal 2014.

– Net income attributable to owners of the parent was ¥474.2 billion, down 29.1% from fiscal 2014.

Business Description

The Company (SoftBank Group Corp. and its subsidiaries) has four reportable segments: the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment. The segments are components of business activities for which decisions on resource allocation and assessment of performance are made.

Main Businesses and Core Companies in Each Reportable Segment

	Segments	Main Businesses	Core Companies
Reportable Segments	Domestic Telecommunications	• Provision of mobile communications services in Japan • Sale of mobile devices in Japan • Provision of broadband services to retail customers in Japan • Provision of telecom services to corporate customers in Japan, such as data communications and fixed-line telephone services	SoftBank Corp.*[1] Wireless City Planning Inc.
Reportable Segments	Sprint	• Provision of mobile communications services in the U.S. • Sale and lease of mobile devices and sale of accessories in the U.S. • Provision of fixed-line telecommunications services in the U.S.	Sprint Corporation
Reportable Segments	Yahoo Japan	• Internet advertising • E-commerce business • Membership services	Yahoo Japan Corporation ASKUL Corporation (Consolidated in August 2015)
Reportable Segments	Distribution	• Distribution of mobile devices overseas • Sale of PC software, peripherals, and mobile device accessories in Japan	Brightstar Corp. SoftBank Commerce & Service Corp.
Others		• Production and distribution of online games for smartphones and other devices • Fukuoka SoftBank HAWKS related businesses	Supercell Oy*[2] Fukuoka SoftBank HAWKS Corp.

*[1] On April 1, 2015, SoftBank Mobile absorbed SoftBank BB, SoftBank Telecom, and Ymobile and was renamed SoftBank Corp. on July 1, 2015.
*[2] On June 21, 2016, the Company's two subsidiaries, Kahon 3 Oy and SoftBank Group Capital Limited (previously SoftBank Group International Limited), have entered into a definitive agreement to sell all of their stake in Supercell. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

In Detail (1) New Segments and Core Companies (Comparison of fiscal 2014 and fiscal 2015)

Reportable segments in fiscal 2014 (the fiscal year ended March 31, 2015)

Reportable Segments	Core Companies
Mobile Communications	Former SoftBank Mobile
	Former SoftBank Telecom
	Former Ymobile
	Wireless City Planning
	Brightstar
	SoftBank Commerce & Service
	GungHo
	Supercell
Sprint	Sprint
Fixed-line Telecommunications	Former SoftBank Telecom
	Former SoftBank BB
	Former Ymobile
	Yahoo Japan
Internet	Yahoo Japan
Others	Fukuoka SoftBank HAWKS

(Note) The results for fiscal 2014 are presented in accordance with the reportable segments after the change.

Reportable segments adopted in fiscal 2015 (the fiscal year ended March 31, 2016)

Reportable Segments	Core Companies
Domestic Telecommunications	SoftBank Corp. (former SoftBank Mobile, former SoftBank BB, former SoftBank Telecom, former Ymobile)
	Wireless City Planning
Sprint	Sprint
Yahoo Japan	Yahoo Japan
	ASKUL (consolidated in August 2015)
Distribution	Brightstar
	SoftBank Commerce & Service
Others	Supercell
	Fukuoka SoftBank HAWKS

Became an equity method associate from June 2015.
The net income and loss for April to May 2015 are recorded under discontinued operations.
On June 3, 2016, SoftBank Group Corp. and GungHo entered into an agreement under which SoftBank Group Corp. has agreed to tender a total of 248,300,000 GungHo shares held by SoftBank Group Corp. and its subsidiary SoftBank Corp. Please refer to Notes to Consolidated Financial Statements page 164 "46. Subsequent events" for details.

Results Related to GungHo

In fiscal 2015, GungHo no longer qualified as a subsidiary and became an equity method associate. Accordingly, GungHo's net income and loss up until June 1, 2015, when GungHo became an equity method associate, are presented as discontinued operations separately from continuing operations. The Company's equity in the net income and loss of GungHo following its transition to an equity method associate are recognized as income and loss on equity method investments under continuing operations. Net income and loss of GungHo for fiscal 2014 are revised retrospectively and presented under discontinued operations.

	Fiscal 2014 Q1	Fiscal 2014 Q2	Fiscal 2014 Q3	Fiscal 2014 Q4	Fiscal 2015 Q1	Fiscal 2015 Q2	Fiscal 2015 Q3	Fiscal 2015 Q4
Fiscal 2014 results	**Continuing Operations** GungHo's earnings were included as a subsidiary							
					June 1 GungHo changed to an equity method associate from a subsidiary			
Fiscal 2015 results	**Discontinued Operations** Net income and loss from discontinued operations					**Continuing Operations** Income and loss on equity method investments		

Analysis of Consolidated Results of Operations

1. Overall Results for Fiscal 2015 (Fiscal Year Ended March 31, 2016)

(Millions of yen)

	Fiscal Year Ended March 31, 2015 (Fiscal 2014)	Fiscal Year Ended March 31, 2016 (Fiscal 2015)	Change	Change %
Continuing operations				
Net sales	8,504,135	**9,153,549**	649,414	7.6%
Operating income	918,720	**999,488**	80,768	8.8%
(incl.) Gain from remeasurement relating to business combination	–	**59,441**	59,441	–
Income before income tax	1,213,035	**1,005,764**	(207,271)	(17.1)%
(incl.) Dilution gain from changes in equity interest	599,815	**14,903**	(584,912)	–
Net income from continuing operations	742,718	**565,209**	(177,509)	(23.9)%
Discontinued operations				
Net income (loss) from discontinued operations	20,964	**(6,968)**	(27,932)	–
Net income	763,682	**558,241**	(205,441)	(26.9)%
Net income attributable to owners of the parent	668,361	**474,172**	(194,189)	(29.1)%

Reference: Average Exchange Rates Used for Translation

(Yen)

	Fiscal 2014				Fiscal 2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	102.14	104.35	114.39	119.56	**121.34**	**121.91**	**121.07**	**116.95**

(Continuing Operations)

2. Net Sales

Net sales totaled ¥9,153,549 million, an increase of ¥649,414 million (7.6%) compared to the fiscal year ended March 31, 2015 (year on year). This resulted from increases in net sales of all the segments.

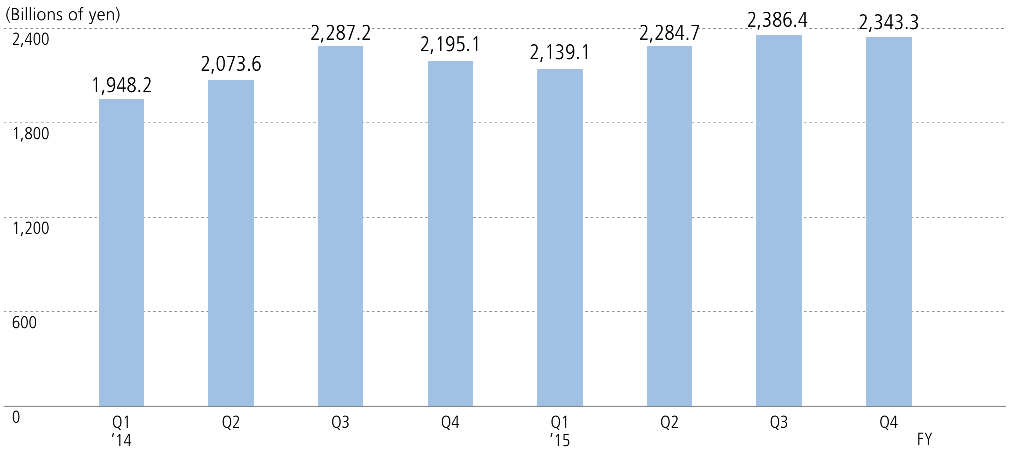
The Domestic Telecommunications segment's net sales (for customers) amounted to ¥3,106,855 million, an increase of ¥121,211 million (4.1%) year on year. The main reason for the increase was increases in both telecom service revenue and product and other sales at SoftBank Corp.

The Sprint segment's net sales (for customers) totaled ¥3,688,498 million, an increase of ¥94,331 million (2.6%) year on year. The increase was due to the yen's year-on-year depreciation against the U.S. dollar, while the U.S. dollar-based net sales decreased year on year.

The Yahoo Japan segment's net sales (for customers) was ¥642,880 million, an increase of ¥222,495 million (52.9%) year on year. The main reason for the increase was the consolidation of ASKUL by Yahoo Japan in August 2015.

The Distribution segment's net sales (for customers) amounted to ¥1,345,856 million, an increase of ¥175,419 million (15.0%) year on year.

Net Sales

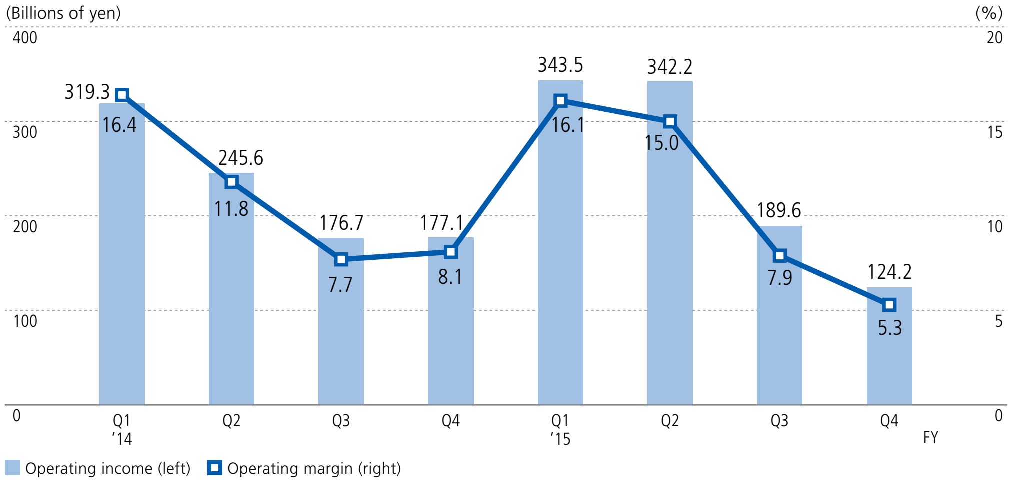


3. Operating Income

Operating income totaled ¥999,488 million, an increase of ¥80,768 million (8.8%) year on year. The main reason for the increase was increases in income of ¥47,891 million in the Domestic Telecommunications segment and ¥29,258 million in the Yahoo Japan segment.

The income in the Yahoo Japan segment includes a gain from remeasurement relating to business combination of ¥59,441 million (not recorded in fiscal 2014). This was recorded by Yahoo Japan due to the remeasurement at fair value of its existing equity interest at the time when it consolidated ASKUL.

Operating Income and Operating Margin



4. Income before Income Tax

Income before income tax was ¥1,005,764 million, a decrease of ¥207,271 million (17.1%) year on year.

Finance cost totaled ¥440,744 million, an increase of ¥74,244 million (20.3%) year on year. The increase was mainly due to increases in the interest expense of Sprint and SoftBank Group Corp.

(Millions of yen)

	Fiscal 2014	Fiscal 2015	Change
Finance cost	(366,500)	**(440,744)**	(74,244)
(incl.) Sprint	(236,776)	**(278,157)**	(41,381)

Income on equity method investments was ¥375,397 million, an increase of ¥298,783 million (390.0%) year on year. This was mainly due to recording income on equity method investments of ¥380,655 million for fiscal 2015, which is presented as (C) under "Reference: Amount of Impact of Alibaba on Consolidated Income before Income Tax" (the "impact amount table"), as the portion attributable to the Company out of Alibaba's net income of ¥1,175,236 million (IFRSs basis). Net income at Alibaba includes gain from remeasurement relating to business combination of ¥369,994 million, which was recorded due to remeasurement at fair value of Alibaba's existing equity interest in its equity method associate Alibaba Health Information Technology Limited at the time of its consolidation in July 2015. Of this, ¥119,121 million was income attributable to the Company, as shown in the impact amount table as (D).

The Company's income on equity method investments was subdued at ¥76,614 million in fiscal 2014 primarily because income on equity method investments related to Alibaba was ¥67,460 million, shown as (E) in the impact amount table. This was because Alibaba's net income of ¥203,126 million (IFRSs basis) reflected a loss of ¥398,716 million recognized in conjunction with an increase in the fair value of Convertible Preference Shares issued by Alibaba. Of this, ¥144,235 million was loss attributable to the Company, presented as (F) in the impact amount table.

(Millions of yen)

	Fiscal 2014	Fiscal 2015	Change	Change %
Income on equity method investments	76,614	**375,397**	298,783	390.0%
(incl.) Alibaba	67,460	**380,655**	313,195	464.3%

Dilution gain from changes in equity interest was ¥14,903 million, a decrease of ¥584,912 million year on year. This is mainly attributable to the Company recording dilution gain from changes in equity interest of ¥599,396 million in fiscal 2014, as shown in the impact amount table as (G), in connection with the listing of Alibaba in September 2014, primarily as a result of the issuance of new shares by Alibaba and the conversion of its Convertible Preference Shares into common stock. ¥11,992 million was recorded in fiscal 2015, which is presented as (H) in the impact amount table.

Reference: Amount of Impact of Alibaba on Consolidated Income before Income Tax

(Millions of yen)

		Fiscal 2014		Fiscal 2015	Change
Income and loss on equity method investments related to Alibaba (A)	(E)	67,460	(C)	**380,655**	313,195
Loss on increase in fair value of Convertible Preference Shares (i)	(F)	(144,235)		–	144,235
Gain from remeasurement relating to business combination (ii)		–	(D)	**119,121**	119,121
Income on equity method investments excluding (i) and (ii)		211,695		**261,534**	49,839
Dilution gain from changes in equity interest related to Alibaba, net (B)	(G)	599,396	(H)	**11,992**	(587,404)
(incl.) Dilution gain from changes in equity interest due to listing		563,111		–	(563,111)
Amount of impact of Alibaba on the Company's consolidated income before income tax (A) + (B)		666,856		**392,647**	(274,209)

Other non-operating income was ¥56,720 million, an improvement of ¥72,334 million compared to a loss of ¥15,614 million in fiscal 2014. The primary components of other non-operating income and loss were as follows:

i. Gain from financial assets at FVTPL (Fair Value Through Profit or Loss) was ¥114,377 million, an increase of ¥103,168 million year on year. This was due to recording the amount of changes in the fair value of the Company's financial assets at FVTPL during the period from March 31, 2015 (the "end of fiscal 2014") to March 31, 2016 (the "end of fiscal 2015") as gain and loss from financial assets at FVTPL. Financial assets at FVTPL includes preferred shares of ANI Technologies, which operates the taxi-booking platform Ola in India, and Jasper Infotech, which operates the e-commerce website *snapdeal.com*, also in India.

   Financial assets at FVTPL is a class of financial instruments under IFRSs. The fair value of financial assets at FVTPL is required to be measured at the end of each quarter, with changes to be recognized as net income or loss.

ii. A total of ¥38,185 million was recorded for impairment loss on securities and provision of allowance for doubtful accounts as a loss due to the writing down of the value of shares and debt interests related to investments in PT Trikomsel Oke Tbk. in Indonesia. Currently, PT Trikomsel Oke is formulating a debt consolidation plan, having temporarily halted debt payments to rebuild the company in accordance with the procedure for suspension of debt payment obligations (PKPU) provided by the bankruptcy law of Indonesia.

Please refer to Notes to Consolidated Financial Statements page 155 "38. Other non-operating income and loss" for details about other non-operating income and loss.

5. Net Income from Continuing Operations

Net income from continuing operations totaled ¥565,209 million, a decrease of ¥177,509 million (23.9%) year on year.

Income taxes were ¥440,555 million, a decrease of ¥29,762 million (6.3%) year on year. The effective income tax rate for fiscal 2015 was 43.8% despite the statutory income tax rate being 33.1%, mainly because deferred tax assets were not recognized for the loss at Sprint. Meanwhile, tax effects were recognized in principle for income on equity method investments such as Alibaba and gain from financial assets at FVTPL.

(Discontinued Operations)

6. Net Income and Loss from Discontinued Operations

Net loss from discontinued operations was ¥6,968 million (net income of ¥20,964 million was recorded in fiscal 2014). This was due to recording ¥12,739 million primarily for loss relating to loss of control in discontinued operations related to GungHo, while also recording its income after income tax of ¥5,632 million for the period from April 1 to June 1, 2015. The amount of loss relating to loss of control in discontinued operations is the difference between the carrying amount of GungHo on a consolidated basis and its fair value, which is the closing share price of GungHo multiplied by the number of its shares held by the Company, at the time of loss of control over GungHo on June 1, 2015.

7. Net Income and Net Income Attributable to Owners of the Parent

As a result of 5 and 6 above net income amounted to ¥558,241 million, a decrease of ¥205,441 million (26.9%) year on year.

After deducting net income attributable to non-controlling interests such as Yahoo Japan, Sprint, and Supercell from net income, net income attributable to owners of the parent amounted to ¥474,172 million, a decrease of ¥194,189 million (29.1%) year on year.

8. Comprehensive Income

Comprehensive income totaled ¥259,592 million, a decrease of ¥868,670 million (77.0%) year on year. Of this, comprehensive income attributable to owners of the parent was ¥195,864 million, a decrease of ¥795,807 million (80.2%) year on year.

In Detail (2) Income Taxes and Loss Carryforwards

Income Taxes on Continuing Operations

	Fiscal 2014		Fiscal 2015	
	Rate (%)	Amount (Millions of yen)	Rate (%)	Amount (Millions of yen)
Income before income tax		1,213,015		1,005,764
Statutory income tax rate	35.6%	432,326	33.1%	332,549
(Main factors of difference)				
• Impact from reassessment of the recoverability of deferred tax assets	3.0%	36,329	15.9%	159,730
• Difference in tax rate applied to subsidiaries	(0.6)%	(7,722)	(3.1)%	(31,490)
• Gain from remeasurement relating to business combination	–	–	(2.0)%	(19,651)
• Impairment loss on equity method associates	1.0%	11,814	–	–
• Others	(0.2)%	(2,430)	(0.1)%	(583)
Effective income tax rate	38.8%	470,317	43.8%	440,555

Loss Carryforwards (As of March 31, 2016)

(Millions of yen)

Company	Deferred Tax Assets	Valuation Allowance	Deferred Tax Assets on B/S
Sprint	907,849	(845,145)	62,704
SoftBank Group Corp.	47,818	(47,818)	–
Others	54,502	(48,623)	5,879
Total	1,010,169	(941,586)	68,583

Reportable Segment Analysis

Segment Financial Data

SoftBank Group Corp. and its subsidiaries Fiscal years beginning April 1 and ended March 31 of the following year

			FY2014				FY2015			
(Millions of yen)	FY2014	**FY2015**	Q1	Q2	Q3	Q4	**Q1**	**Q2**	**Q3**	**Q4**
Reportable Segments										
Domestic Telecommunications Segment										
Net sales	3,019,393	**3,144,650**	673,351	755,248	847,763	743,031	**722,570**	**785,498**	**833,922**	**802,660**
Segment income	640,498	**688,389**	204,999	196,626	154,362	84,511	**215,049**	**210,911**	**172,358**	**90,071**
Segment income margin (%)	21.2	**21.9**	30.4	26.0	18.2	11.4	**29.8**	**26.9**	**20.7**	**11.2**
Depreciation and amortization	453,728	**474,948**	105,375	107,066	110,100	131,187	**107,798**	**110,911**	**113,157**	**143,082**
Other operating income (loss)	21,271	**–**	–	–	18,751	2,520	**–**	**–**	**–**	**–**
Adjusted EBITDA	1,115,497	**1,163,337**	310,374	303,692	283,213	218,218	**322,847**	**321,822**	**285,515**	**233,153**
Adjusted EBITDA margin (%)	36.9	**37.0**	46.1	40.2	33.4	29.4	**44.7**	**41.0**	**34.2**	**29.0**
Capital expenditure (acceptance basis)	583,708	**412,580**	130,504	133,645	141,184	178,375	**72,664**	**88,519**	**89,950**	**161,447**
Sprint Segment										
Net sales	3,800,021	**3,871,647**	897,737	885,699	1,026,421	990,164	**973,994**	**972,184**	**981,564**	**943,905**
Segment income (loss)	66,859	**61,485**	60,493	4,103	(24,781)	27,044	**69,588**	**11,797**	**(21,897)**	**1,997**
Segment income margin (%)	1.8	**1.6**	6.7	0.5	–	2.7	**7.1**	**1.2**	**–**	**0.2**
Depreciation and amortization	579,152	**842,110**	128,621	132,762	145,355	172,414	**190,278**	**207,901**	**223,975**	**219,956**
Other operating income (loss)	7,029	**79,668**	1,212	10,919	2,882	(7,984)	**(694)**	**29,908**	**33,955**	**16,499**
Adjusted EBITDA	653,040	**983,263**	190,326	147,784	123,456	191,474	**259,172**	**249,606**	**236,033**	**238,452**
Adjusted EBITDA margin (%)	17.2	**25.4**	21.2	16.7	12.0	19.3	**26.6**	**25.7**	**24.0**	**25.3**
Capital expenditure (acceptance basis)	699,849	**622,366**	148,793	162,025	213,765	175,266	**160,367**	**165,421**	**194,848**	**101,730**
Yahoo Japan Segment										
Net sales	427,321	**652,031**	98,779	103,234	107,517	117,791	**110,455**	**138,313**	**195,956**	**207,307**
Segment income	193,529	**222,787**	47,218	45,562	48,467	52,282	**48,852**	**102,043**	**42,783**	**29,109**
Segment income margin (%)	45.3	**34.2**	47.8	44.1	45.1	44.4	**44.2**	**73.8**	**21.8**	**14.0**
Depreciation and amortization	18,364	**32,695**	3,653	4,271	4,515	5,925	**5,646**	**7,287**	**9,077**	**10,685**
Gain from remeasurement relating to business combination	–	**(59,441)**	–	–	–	–	**–**	**(59,441)**	**–**	**–**
Adjusted EBITDA	211,893	**196,041**	50,871	49,833	52,982	58,207	**54,498**	**49,889**	**51,860**	**39,794**
Adjusted EBITDA margin (%)	49.6	**30.1**	51.5	48.3	49.3	49.4	**49.3**	**36.1**	**26.5**	**19.2**
Capital expenditure (acceptance basis)	30,054	**52,186**	8,532	5,031	9,418	7,073	**7,196**	**16,921**	**9,904**	**18,165**

(Notes) 1. Segment income = (net sales – cost of sales – selling, general and administrative expenses + gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
2. Adjusted EBITDA in each segment = (segment income (loss) + depreciation and amortization – gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
3. ¥37,032 million of loss on "disposal of property, plant and equipment" recognized as "other operating loss" in the consolidated statements of income for fiscal 2015 is not included in "other operating loss" in the Sprint segment. For details please refer to Notes to Consolidated Financial Statements page 155 "35. Other operating income and loss."

Segment Financial Data

SoftBank Group Corp. and its subsidiaries Fiscal years beginning April 1 and ended March 31 of the following year

(Millions of yen)	FY2014	FY2015	FY2014 Q1	FY2014 Q2	FY2014 Q3	FY2014 Q4	FY2015 Q1	FY2015 Q2	FY2015 Q3	FY2015 Q4
Reportable Segments										
Distribution Segment										
Net sales	1,225,116	1,420,416	225,126	274,341	363,721	361,928	303,743	362,985	383,260	370,428
Segment income (loss)	4,952	(1,284)	2,443	3,757	(5,036)	3,788	411	3,726	(5,449)	28
Segment income margin (%)	0.4	–	1.1	1.4	–	1.0	0.1	1.0	–	0.0
Depreciation and amortization	10,248	10,268	2,446	2,141	2,220	3,441	2,406	3,385	2,590	1,887
Other operating income (loss)	(607)	16,466	(1,787)	(593)	(3,378)	5,151	–	–	13,633	2,833
Adjusted EBITDA	14,593	25,450	3,102	5,305	(6,194)	12,380	2,817	7,111	10,774	4,748
Adjusted EBITDA margin (%)	1.2	1.8	1.4	1.9	–	3.4	0.9	2.0	2.8	1.3
Capital expenditure (acceptance basis)	14,195	9,158	2,559	2,709	2,958	5,969	1,896	2,086	2,354	2,822
Others*[1]										
Net sales	356,081	390,740	76,838	84,885	92,267	102,091	98,300	100,404	93,434	98,602
Segment income	54,341	73,271	10,560	8,107	18,902	16,772	21,492	23,599	14,135	14,045
Segment income margin (%)	15.3	18.8	13.7	9.6	20.5	16.4	21.9	23.5	15.1	14.2
Depreciation and amortization	32,243	34,944	7,711	7,691	8,154	8,687	9,601	8,346	8,161	8,836
Other operating income (loss)	(25)	6,086	–	(25)	–	–	–	6,086	–	–
Adjusted EBITDA	86,559	114,301	18,271	15,773	27,056	25,459	31,093	38,031	22,296	22,881
Adjusted EBITDA margin (%)	24.3	29.3	23.8	18.6	29.3	24.9	31.6	37.9	23.9	23.2
Capital expenditure (acceptance basis)	25,627	16,809	5,351	4,121	9,229	6,926	1,121	2,866	7,564	5,258
Reconciliations*[2]										
Net sales	(323,797)	(325,935)	(23,567)	(29,806)	(150,511)	(119,913)	(70,004)	(74,640)	(101,732)	(79,559)
Segment income	(41,459)	(45,160)	(6,361)	(12,561)	(15,219)	(7,318)	(11,840)	(9,862)	(12,374)	(11,084)
Depreciation and amortization	1,510	1,636	403	329	379	399	469	395	385	387
Adjusted EBITDA	(39,949)	(43,524)	(5,958)	(12,232)	(14,840)	(6,919)	(11,371)	(9,467)	(11,989)	(10,697)
Consolidated										
Net sales	8,504,135	9,153,549	1,948,264	2,073,601	2,287,178	2,195,092	2,139,058	2,284,744	2,386,404	2,343,343
Operating income	918,720	999,488	319,352	245,594	176,695	177,079	343,552	342,214	189,556	124,166
Operating income margin (%)	10.8	10.9	16.4	11.8	7.7	8.1	16.1	15.0	7.9	5.3
Depreciation and amortization	1,095,245	1,396,601	248,209	254,260	270,723	322,053	316,198	338,225	357,345	384,833
Gain from remeasurement relating to business combination	–	(59,441)	–	–	–	–	–	(59,441)	–	–
Other operating income (loss)	27,668	102,220	(575)	10,301	18,255	(313)	(694)	35,994	47,588	19,332
Adjusted EBITDA	2,041,633	2,438,868	566,986	510,155	465,673	498,819	659,056	656,992	594,489	528,331
Adjusted EBITDA margin (%)	24.0	26.6	29.1	24.6	20.4	22.7	30.8	28.8	24.9	22.5
Capital expenditure (acceptance basis)	1,353,433	1,113,099	295,739	307,531	376,554	373,609	243,244	275,813	304,620	289,422

*[1] Information on the business segments (which are not included in the reportable segments) is classified in "Others." "Others" includes mainly online game-related business by Supercell.

*[2] "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.
Expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc., which manages and supervises investment activities in the Internet, communication, and media fields overseas, are included in the corporate general expenses.

(Notes) 1. Segment income = (net sales – cost of sales – selling, general and administrative expenses + gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
2. Adjusted EBITDA in each segment = (segment income (loss) + depreciation and amortization – gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
3. ¥37,032 million of loss on "disposal of property, plant and equipment" recognized as "other operating loss" in the consolidated statements of income for fiscal 2015 is not included in "other operating loss" in the Sprint segment.
For details please refer to Notes to Consolidated Financial Statements page 155 "35. Other operating income and loss."

Domestic Telecommunications Segment Principal Operational Data (SoftBank Corp.)

				FY2014				FY2015			
	Units	FY2014	FY2015	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile Communications Service											
Main subscribers											
Cumulative subscribers	Thousands	31,550	32,038	30,868	31,018	31,174	31,550	31,570	31,611	31,686	32,038
Net additions	Thousands	762	488	80	150	157	375	21	41	74	352
Total ARPU	Yen/month	4,670	4,700	4,700	4,710	4,710	4,580	4,660	4,720	4,720	4,680
Telecom ARPU	Yen/month	4,190	4,150	4,220	4,230	4,230	4,080	4,140	4,190	4,170	4,110
Service ARPU	Yen/month	490	540	480	480	490	500	520	540	560	560
Churn rate	%/month	1.36	1.35	1.19	1.30	1.38	1.57	1.24	1.28	1.41	1.49
Units sold	Thousands	11,686	10,662	1,994	2,864	3,589	3,240	2,198	2,470	3,015	2,979
New subscriptions	Thousands	5,756	5,441	1,182	1,365	1,388	1,821	1,169	1,212	1,356	1,703
Device upgrades	Thousands	5,930	5,222	812	1,499	2,201	1,419	1,029	1,258	1,659	1,276
Cumulative applications for the *Home Bundle Discount Hikari Set*											
Mobile communications service	Thousands	–	2,969	–	–	–	–	639	1,315	2,085	2,969
Broadband service	Thousands	–	1,438	–	–	–	–	326	660	1,038	1,438
Overall mobile communications											
Cumulative subscribers	Thousands	44,886	43,605	44,564	44,900	44,887	44,886	44,417	44,117	43,748	43,605
Main subscribers	Thousands	31,550	32,038	30,868	31,018	31,174	31,550	31,570	31,611	31,686	32,038
Communication modules	Thousands	8,610	7,570	8,426	8,723	8,786	8,610	8,317	8,149	7,891	7,570
PHS	Thousands	4,726	3,998	5,271	5,160	4,927	4,726	4,530	4,356	4,171	3,998
Broadband Service											
Subscribers											
Cumulative subscribers	Thousands	4,357	5,079	4,242	4,243	4,256	4,357	4,452	4,602	4,847	5,079
SoftBank Hikari	Thousands	119	1,717	–	–	–	119	341	715	1,218	1,717
Yahoo! BB hikari with FLET'S	Thousands	2,672	2,008	2,531	2,583	2,638	2,672	2,610	2,435	2,225	2,008
Yahoo! BB ADSL	Thousands	1,566	1,354	1,711	1,660	1,618	1,566	1,501	1,452	1,404	1,354
ARPU											
SoftBank Hikari	Yen/month	–	4,930	–	–	–	3,100	4,270	4,980	5,060	4,940
Yahoo! BB hikari with FLET'S	Yen/month	1,820	1,840	1,770	1,830	1,840	1,830	1,830	1,860	1,830	1,820
Yahoo! BB ADSL	Yen/month	2,810	2,640	2,870	2,830	2,780	2,740	2,680	2,660	2,630	2,590

<Changes in the Presentation Method and Definitions of Principal Operational Data>
SoftBank Mobile (currently SoftBank Corp.) absorbed SoftBank BB, SoftBank Telecom, and Ymobile on April 1, 2015. In line with this, the presentation method and definitions of principal operational data of SoftBank Corp.'s mobile communications services were also changed from the first quarter of fiscal 2015. The number of subscribers are categorized as "main subscribers," which are the main focus in terms of management strategy, with the remaining number of subscribers classified under "communication modules" and "PHS." In addition, some services have been removed from the scope of inclusion for subscriber numbers (for details, please refer to "Changes in the Presentation Method and Definitions of Principal Operational Data" in the Glossary on page 170). ARPU, number of units sold, and churn rate for SoftBank Corp. are presented based on the data for main subscribers (FY2014 data also presented accordingly).
For details on SoftBank Corp.'s definitions and calculation methods of subscribers, churn rate, and ARPU, please refer to the Glossary on page 170.

(Notes) 1. Main subscribers: smartphones, feature phones, tablets, mobile data communication devices, others.
2. Communication modules: communication modules, *Mimamori Phone*, prepaid mobile phones, others (communication modules that use PHS networks are included under PHS).
3. *Home Bundle Discount Hikari Set*: a discount on the communication charges of mobile communications services to customers subscribing to both mobile communications services and broadband services such as *SoftBank Hikari*. The cumulative number of applications of the *Home Bundle Discount Hikari Set* 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").
4. ARPU: Average Revenue Per User per month.
5. Telecom ARPU is calculated by dividing data-related revenue, basic monthly charges, and voice-related revenues by number of active subscribers.
6. Service ARPU is calculated by dividing device warranty service revenue, advertising revenue, and content-related revenues, etc., by number of active subscribers.

Sprint Segment Principal Operational Data

				FY2014				FY2015			
	Units	FY2014	**FY2015**	Q1	Q2	Q3	Q4	**Q1**	**Q2**	**Q3**	**Q4**
Cumulative subscribers											
Sprint total	Thousands	57,141	**58,806**	54,553	55,037	55,929	57,141	**57,668**	**58,578**	**58,359**	**58,806**
Sprint platform	Thousands	56,137	**58,806**	53,331	53,921	54,888	56,137	**56,812**	**57,868**	**58,359**	**58,806**
Postpaid	Thousands	29,706	**30,951**	29,737	29,465	29,495	29,706	**30,016**	**30,394**	**30,895**	**30,951**
Phone	Thousands	24,878	**25,316**	25,785	25,284	25,079	24,878	**24,866**	**24,929**	**25,294**	**25,316**
Prepaid	Thousands	15,706	**14,397**	14,715	14,750	15,160	15,706	**15,340**	**15,152**	**14,661**	**14,397**
Wholesale and affiliate	Thousands	10,725	**13,458**	8,879	9,706	10,233	10,725	**11,456**	**12,322**	**12,803**	**13,458**
Clearwire	Thousands	1,004	**–**	1,222	1,116	1,041	1,004	**856**	**710**	**–**	**–**
Sprint platform											
Net additions	Thousands	2,586	**2,669**	(220)	590	967	1,249	**675**	**1,056**	**491**	**447**
Postpaid	Thousands	(212)	**1,245**	(181)	(272)	30	211	**310**	**378**	**501**	**56**
Phone	Thousands	(1,526)	**438**	(620)	(500)	(205)	(201)	**(12)**	**62**	**366**	**22**
Prepaid	Thousands	449	**(1,309)**	(542)	35	410	546	**(366)**	**(188)**	**(491)**	**(264)**
Wholesale and affiliate	Thousands	2,349	**2,733**	503	827	527	492	**731**	**866**	**481**	**655**
Postpaid phone ABPU	US$/month			69.34	69.02	69.01	69.19	**69.91**	**70.62**	**70.99**	**71.53**
ARPU											
Postpaid	US$/month	–	**–**	62.07	60.58	58.90	56.94	**55.48**	**53.99**	**52.48**	**51.68**
Prepaid	US$/month	–	**–**	27.38	27.19	27.12	27.50	**27.81**	**27.66**	**27.44**	**27.72**
Churn rate											
Postpaid	%/month	–	**–**	2.05	2.18	2.30	1.84	**1.56**	**1.54**	**1.62**	**1.72**
Prepaid	%/month	–	**–**	4.44	3.76	3.94	3.84	**5.08**	**5.06**	**5.82**	**5.65**

(Notes) 1. Cumulative subscribers and net additions include the number of communication module service subscribers.
2. Phones: smartphones and feature phones.
3. ABPU: Average Billings Per User per month (rounded to the nearest $.01).
4. ARPU: Average Revenue Per User per month (rounded to the nearest $.01).
5. For details on definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, please refer to the Glossary on page 171.

Domestic Telecommunications Segment

Overview of the Segment

The Domestic Telecommunications segment comprises the subsidiaries that operate domestic telecommunications businesses, such as SoftBank Corp. and Wireless City Planning. SoftBank Corp. provides (i) mobile communications services under the *SoftBank* and *Y!mobile* brands, (ii) broadband services for retail customers, such as *SoftBank Hikari**1 and *Yahoo! BB*, and (iii) fixed-line telecommunications services for corporate customers, such as data communications and fixed-line telephone services. Wireless City Planning provides broadband wireless access (BWA) services using the 2.5 GHz band.

The segment's net sales are categorized as telecom service revenue and product and other sales. Telecom service revenue includes the communication revenues of each service (i)–(iii) above, as well as device warranty service revenue, advertising revenue, and content-related revenues. Product and other sales include the sales of mobile devices for mobile communications services and the sales of terminals for broadband services on customer premises.

Looking ahead, the market of domestic telecommunications, such as mobile communications services, is expected to grow more slowly than in the past. In this environment, to ensure steady profit growth in the Japanese telecommunications market, SoftBank Corp. has identified users of smartphones, feature phones, tablets, and mobile data communication devices, which are all sources of revenue and profit, as the "main subscribers" of its mobile communications service and concentrates its efforts on acquiring and maintaining such users. Among these, the strongest emphasis is on strengthening the acquisition and the reduction of the churn rate of smartphone subscribers, and SoftBank Corp. is therefore focusing on increasing sales of *Home Bundle Discount Hikari Set*, which offers a discount on the communication charges of mobile communications services to customers subscribing to both mobile communications services and broadband services such as *SoftBank Hikari*.

Moreover, SoftBank Corp. is working to develop new peripheral services such as video streaming, electricity provision, and robotics, and to leverage the effects of merging its four domestic telecommunications subsidiaries in April 2015 to achieve further operational efficiency and cost reductions.

*1 A fiber-optic service using the wholesale fiber-optic connection of NTT East or NTT West.

(Breakdown of Net Sales)

(Millions of yen)

	Fiscal 2014	Fiscal 2015	Change	Change %
Total net sales	3,019,393	**3,144,650**	125,257	4.1 %
Telecom service revenue	2,329,161	**2,405,047**	75,886	3.3 %
Mobile communications	1,922,640	**1,953,363**	30,723	1.6 %
Telecom*2	1,729,423	**1,731,989**	2,566	0.1 %
Service*3	193,217	**221,374**	28,157	14.6 %
Broadband	129,762	**177,009**	47,247	36.4 %
Fixed-line telecommunications	276,759	**274,675**	(2,084)	(0.8)%
Product and other sales	690,232	**739,603**	49,371	7.2 %

*2 Telecom revenues of mobile communications services, etc. under *SoftBank* and *Y!mobile* brands.
*3 Device warranty service revenue, advertising revenue, content-related revenues, etc.

Overall Results

The segment's net sales totaled ¥3,144,650 million, an increase of ¥125,257 million (4.1%) year on year. Of this, telecom service revenue totaled ¥2,405,047 million, an increase of ¥75,886 million (3.3%), while product and other sales was ¥739,603 million, an increase of ¥49,371 million (7.2%).

The increase in telecom service revenue reflected an increase in broadband revenue following the startup of the *SoftBank Hikari* fiber-optic service (launched in March 2015), as well as an increase in mobile communications revenue. The increase in product and other sales mainly reflected an increase in sales of smartphones and terminals for broadband services on customer premises. Smartphone sales increased as the impact of a rise in the unit prices outweighed a decline in the number of mobile devices shipped.*4

Mobile communications revenue increased by ¥30,723 million (1.6%) year on year to ¥1,953,363 million, mainly reflecting an increase in service revenue primarily associated with an expansion in content services, which supplemented a slight increase in telecom revenue.

*4 The number of devices shipped (sold) to dealers. Includes the number of devices sold to customers at stores operated by SoftBank Corp. and the SoftBank ONLINE SHOP.

Operating expenses increased by ¥98,637 million (4.2%) year on year to ¥2,456,261 million. The main factors affecting operating expenses are as follows:

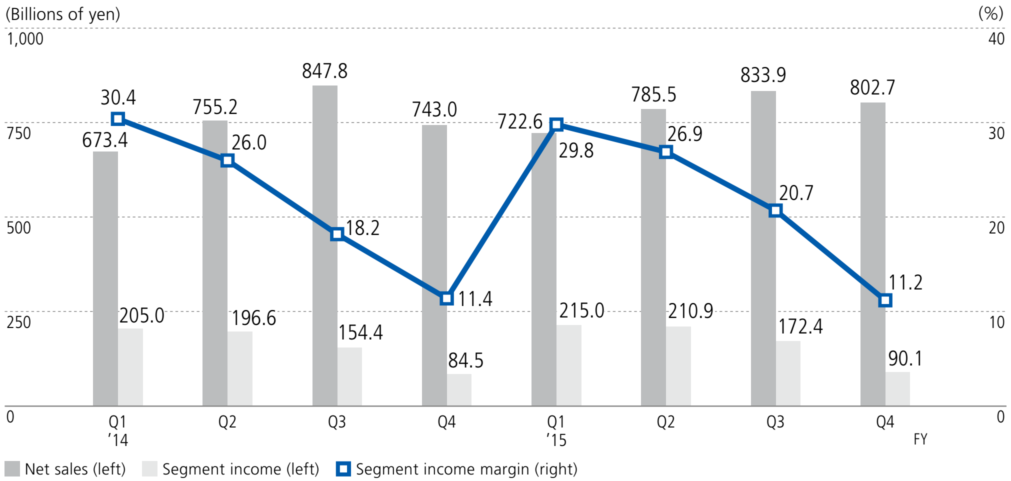
- Cost of products increased by ¥10,488 million (1.8%) year on year. This mainly reflected an increase in the number of devices shipped for smartphones, which have a high procurement cost, despite an improvement in valuation loss on mobile device inventories.
- Sales commission fees increased by ¥39,309 million (10.6%) year on year. This mainly reflected a year-on-year increase in the average cost of sales commission fees for smartphones associated with intensified competition for customer acquisition under the Mobile Number Portability (MNP) system.
- Sales promotion expenses increased by ¥26,640 million (30.6%) year on year. This mainly reflected stronger sales expansion of the *SoftBank Hikari* fiber-optic service.
- Telecommunications network charges increased by ¥28,479 million (15.0%) year on year. This mainly reflected an increase in fiber-optic connection charges for the *SoftBank Hikari* fiber-optic service that was launched in March 2015. Another factor was access charges paid to other operators as a result of an increase in the amount of calls made by SoftBank Corp. mobile communications service subscribers to subscribers of other operators. This was associated with an increase in subscribers to the *Smartphone Flat-rate* mobile communications service price plan, which provides unlimited voice calls at a flat rate.
- Outsourcing expenses decreased by ¥26,623 million (18.1%) year on year. This mainly reflected efficiency gains in outsourced operations related to customer service and network maintenance following the absorption of SoftBank BB, SoftBank Telecom, and Ymobile by SoftBank Corp. (formerly SoftBank Mobile) in April 2015.
- Depreciation and amortization increased by ¥21,220 million (4.7%) year on year to ¥474,948 million.

No other operating income or loss was recognized in the fiscal year. In the previous fiscal year, the Company recognized provision for unprofitable contract of ¥21,271 million in relation to fixed-line telecommunications services.

As a result of the above, segment income increased by ¥47,891 million (7.5%) year on year to ¥688,389 million.

Adjusted EBITDA, which is obtained by adding depreciation and amortization to and excluding other operating loss from segment income, increased by ¥47,840 million (4.3%) year on year to ¥1,163,337 million.

Domestic Telecommunications



Overview of Business Operations

Among the segment's businesses, the following describes an overview of the business operations of the mobile communications and broadband services of SoftBank Corp.

For definitions and calculation methods of subscribers, ARPU, and churn rate at SoftBank Corp., please refer to the Glossary on page 170.

i. Mobile Communications Service

- *Subscribers (Main Subscribers)*

The cumulative number of main subscribers of mobile communications services at the end of the fiscal year stood at 32,038,000, for 488,000 net additions from the end of fiscal 2014. Smartphones and tablets marked net additions in fiscal 2015, which was partially offset by feature phone net losses.

- *Home Bundle Discount Hikari Set Applications*

The *Home Bundle Discount Hikari Set* (previously referred to as "*Smartphone & Internet Bundle Discount*") offers a discount on the communication charges of mobile communications services to customers subscribing to both mobile communications services (applicable for smartphones, feature phones, and tablets among main subscribers) and broadband services such as *SoftBank Hikari*. The cumulative number of applications*[5] of the *Home Bundle Discount Hikari Set* at the end of fiscal 2015 stood at 2,969,000 for mobile communications services, and 1,438,000*[6] for broadband services.

*5 Includes the *Fiber-optic Discount* applied to mobile communication services under the *Y!mobile* brand.
*6 The cumulative number of applications of the *Home Bundle Discount Hikari Set* 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 NTT East or NTT West.

- *ARPU (Main Subscribers)*

Total ARPU for main subscribers of mobile communications services for fiscal 2015 was ¥4,700, an increase of ¥30 year on year.

Of this, telecom ARPU declined by ¥40 to ¥4,150. This mainly reflected a decline in voice-related revenues accompanying the higher penetration of the *Smartphone Flat-rate* mobile communications service price plan, which provides unlimited voice calls at a flat rate. This was partially offset by an increase in the compositional ratio of smartphone subscribers within the cumulative number of main subscribers. An additional factor reducing telecom ARPU was an increase in the cumulative number of applications of *Home Bundle Discount Hikari Set*, which increased the amount of discounts on telecom ARPU. SoftBank Corp. expects the negative impact from the *Smartphone Flat-rate* mobile communications service price plan (the year-on-year difference of the impact amount) in fiscal 2016 (the fiscal year ending March 31, 2017) to be less than in the fiscal year. However, the negative impact from *Home Bundle Discount Hikari Set* is expected to increase in line with growth in the cumulative number of applications.

Service ARPU increased by ¥50 year on year to ¥540. This reflected the steady increase of subscribers to content services such as *Daily Value Pack**[7] and *App Pass*.*[8]

*7 A service enabling subscribers to purchase food and movie tickets, among other items, at discounts.
*8 A service enabling subscribers to use a select range of popular apps.

- *Number of Units Sold (Main Subscribers)*

The number of units sold*[9] for mobile devices of main subscribers for fiscal 2015 decreased by 1,024,000 year on year to 10,662,000. This mainly reflected year-on-year decreases in the number of units sold for both smartphones and feature phones. For smartphones, the number of new subscriptions marked a year-on-year increase, despite an offsetting decrease in the number of device upgrades.

*9 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.

- *Churn Rate (Main Subscribers)*

The churn rate for main subscribers of mobile communications services for fiscal 2015 was 1.35%, an improvement of 0.01 of a percentage point year on year. This mainly reflected an improvement in the churn rate for tablets and feature phones, despite a deterioration in the churn rate for smartphones associated with intensified competition to acquire customers under the MNP system. The churn rate for main subscribers of mobile communications services for the three months ended March 31, 2016 (the "fourth quarter") improved by 0.08 of a percentage point year on year to 1.49%.

To further improve the churn rate for main subscribers of mobile communications services over the medium term, SoftBank Corp. is now executing initiatives to improve the quality of customer service at sales channels such as *SoftBank Stores*, as well as expanding bundle discounts such as the *Home Bundle Discount Hikari Set* and *Home Bundle Discount Denki Set*,*[10] which was launched in April 2016.

*10 A service that offers discounts on mobile communications service or broadband service charges for customers that subscribe to both the electric power service *SoftBank Denki* and a mobile communications service or broadband service such as *SoftBank Hikari*.

ii. Broadband Service

The cumulative number of subscribers for broadband services at the end of the fiscal 2015 stood at 5,079,000, a 722,000 increase from the end of fiscal 2014. This mainly reflected an increase of 1,598,000*11 subscribers to *SoftBank Hikari*, while subscribers for *Yahoo! BB hikari with FLET'S**12 decreased by 664,000 and subscribers for *Yahoo! BB ADSL**13 decreased by 212,000.

Starting with the launch of a fiber-optic service *SoftBank Hikari* in March 2015, SoftBank Corp. shifted its main focus of broadband services from *Yahoo! BB hikari with FLET'S* to *SoftBank Hikari* and is now actively working to acquire *SoftBank Hikari* customers through sales channels nationwide such as electronics retail stores and *SoftBank Stores*. Since *SoftBank Hikari* ARPU*11 is higher than that of *Yahoo! BB hikari with FLET'S* and *Yahoo! BB ADSL*, SoftBank Corp. expects a steady increase in telecom service revenue from broadband services in step with the increase in subscribers to *SoftBank Hikari*. For the fourth quarter, *SoftBank Hikari* ARPU was ¥4,940, *Yahoo! BB hikari with FLET'S* ARPU was ¥1,820, and *Yahoo! BB ADSL* ARPU was ¥2,590.

*11 Includes the number of subscribers and ARPU of *SoftBank Air*, the high-speed wireless Internet service provided through the *Air terminal*.
*12 An Internet service provider (ISP) service offered as a package with NTT East and NTT West's *FLET'S Hikari Series* fiber-optic connection.
*13 A service combining an ADSL connection service and an ISP service.

Sprint Segment

Overall Results

The segment's net sales increased by ¥71,626 million (1.9%) year on year to ¥3,871,647 million. The main factor behind the overall increase was the yen's year-on-year depreciation against the U.S. dollar, although net sales declined in U.S. dollar terms by $2,352 million (6.8%) year on year. The decrease in U.S. dollar net sales mainly reflected a decrease in telecom service revenue due to customer shifts to lower rate plans offered in conjunction with device financing options such as leases and installment sales. Device revenue increased slightly, mainly reflecting an increase in lease revenue associated with an increase in sales under the leasing program. This outweighed a decrease in revenue, which arose from factors such as a decrease in sales volume at Sprint due to increased handset sales handled through a supply chain where Brightstar purchases the mobile devices from vendors and sells them to Sprint dealers, as well as a higher compositional ratio of devices sold under leasing program.

Operating expenses increased by ¥77,000 million (2.1%) year on year to ¥3,810,162 million. This mainly reflected the yen's year-on-year depreciation against the U.S. dollar, despite a decrease in operating expenses in U.S. dollar terms of $2,215 million (6.5%).

Reference: U.S. dollar-based results (IFRSs)

(Millions of U.S. dollars)

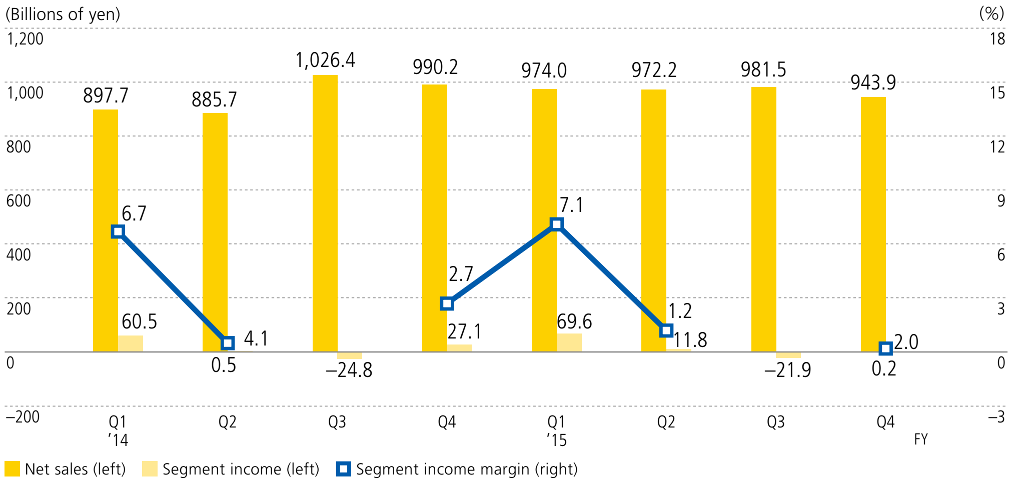
	Fiscal 2014	Fiscal 2015	Change	Change %
Net sales	34,532	**32,180**	(2,352)	(6.8)%
Segment income	643	**506**	(137)	(21.3)%
Adjusted EBITDA	5,960	**8,172**	2,212	37.1 %

The sharp decrease in operating expenses in U.S. dollar terms reflected company-wide cost reduction efforts. These started with setting an operating expense reduction target of $1.5 billion for the fiscal year and implementing various measures. As a result, the cost of services and selling, general and administrative expenses (excluding depreciation and amortization) in fiscal 2015 were lower than fiscal 2014 by approximately $1.3 billion in total. In addition, Sprint also implemented sweeping reforms of business activities and began to transform its cost structure further during fiscal 2015. Sprint expects to achieve a run rate*14 operating expense reduction of $2 billion or more exiting fiscal 2016. Sprint has already realized approximately $1 billion of these annualized savings based on the initiatives achieved in the fourth quarter. For further information about cost reduction initiatives, please refer to page 56 "i. Cost Reduction" under "Sprint's Initiatives."

The main factors affecting operating expenses (excluding depreciation and amortization) in U.S. dollar terms in fiscal 2015 are as follows:

- Cost of products decreased. This was mainly because the compositional ratio of postpaid units leased under the leasing program, which started in September 2014, reached 51% of the number of Sprint platform*15 postpaid units sold (excluding wholesale and affiliate) in fiscal 2015, compared to 17% in fiscal 2014. This factor outweighed a year-on-year decline in the number of Sprint platform postpaid units sold. For the conventional sales of mobile devices, including the installment billing method, sales of devices and the cost of products are recognized at the point of sale. However, under the leasing program, lease revenue is recognized throughout the period of the lease (generally 24 months), along with depreciation expenses for the leased devices recorded as assets.
- Selling, general and administrative expenses (excluding depreciation and amortization) decreased. This mainly reflected a decrease in provision for doubtful accounts accompanying a decrease in payment delinquency due to an increase in the compositional ratio of prime customers. It also reflected further reductions in personnel and advertising expenses associated with cost reduction initiatives.

Sprint



Depreciation and amortization increased by ¥262,958 million (45.4%) year on year to ¥842,110 million. This mainly reflected the increase in leased devices.

Other operating loss was ¥79,668 million, a deterioration of ¥72,639 million from fiscal 2014. Other operating loss incurred in fiscal 2015 was mainly comprised of the following:

Severance costs associated reduction in work force	¥26,079 million
Legal reserves	¥23,437 million
Impairment loss on non-current assets	¥19,881 million

Please refer to Notes to Consolidated Financial Statements page 155 "35. Other operating income and loss" for details.

As a result of the above, segment income decreased by ¥5,374 million (8.0%) year on year to ¥61,485 million.

Adjusted EBITDA, which is obtained by adding depreciation and amortization to and excluding other operating loss from segment income, increased by ¥330,223 million (50.6%) year on year to ¥983,263 million.

*14 Estimated future figures based on the assumption that current trends continue.
*15 Sprint-operated CDMA and LTE networks.

In Detail (3) Sprint: Sale-Leaseback Transaction for Leased Devices (November 2015)

As part of its fund procurement initiatives, Sprint entered into agreements ("MLS Handset Sale-Leaseback") with Mobile Leasing Solutions, LLC ("MLS"), SoftBank Group Corp.'s equity method company, to sell and lease back certain leased devices in November 2015. Certain leased devices were sold to MLS in exchange for the total proceeds of $1.3 billion. MLS leases back each device to Sprint in exchange for monthly rental payments to be made by Sprint to MLS.

MLS Handset Sale-Leaseback causes a negative impact on adjusted EBITDA. In the ordinary course of business, leased devices are recorded as property, plant and equipment on the balance sheet and depreciated as shown as (B) in the following table. By contrast, those leased devices sold under MLS Handset Sale-Leaseback are derecognized (off-balance sheet) and are therefore no longer depreciated by Sprint. Therefore, cost of the devices sold to MLS will no longer be recorded as depreciation expense, but rather recognized as rent expense within cost of products (as shown as (C) in the following table) during the leaseback periods. Because of this, there is a negative impact on adjusted EBITDA. In fiscal 2015, approximately $277 million (¥32.6 billion) in rental payments was recorded for about a four-month period. Please refer to Consolidated Financial Statements page 107 "14. Leases (3) Handset sale-leaseback" for details of MLS Handset Sale-Leaseback.

		Leased Devices	Leased Devices Sold Under MLS Handset Sale-Leaseback
Consolidated statements of financial position		On-balance sheet (property, plant and equipment)	Off-balance sheet
Consolidated statements of income	Net sales	(A) Customer lease revenues	(A) Customer lease revenues
	Cost of products	–	(C) Rental payments to MLS
	Depreciation	(B) Depreciation of leased devices	–
	Segment income	(A) – (B)	(A) – (C)
	Adjusted EBITDA	(A) – (B) + (B)	(A) – (C)

Overview of Business Operations

The following is an overview of the business operations related to the Sprint platform among the segment's businesses.

- *Number of Subscribers (Sprint Platform)*

  The Sprint platform had 58,806,000 subscribers as of the end of fiscal 2015, a net addition of 2,669,000 from the end of fiscal 2014. This represented postpaid net additions of 1,245,000 and wholesale and affiliate net additions of 2,733,000 in fiscal 2015, outweighing prepaid net losses of 1,309,000.

  The postpaid net additions were driven by continued tablet net additions, as well as phone (smartphone and feature phone) net additions of 438,000. The wholesale and affiliate net additions mainly reflected growth in the number of communication modules. On the contrary, prepaid marked net losses due to intensified competition in the prepaid market.

- *ABPU (Sprint Platform Postpaid Phone)*

  Sprint platform postpaid phone ABPU for the fourth quarter increased by $2.34 year on year to $71.53. This reflected the increase in average equipment billings per user offsetting the ARPU decrease.

  Out of this, ARPU declined by $4.31 year on year to $59.45. This mainly reflected an increase in the compositional ratio of customers on lower rate plans offered in conjunction with device financing programs such as leases and installment sales.

  On the other hand, average equipment billings per user per month increased by $6.65 year on year to $12.08. This reflected the increased adoption of device financing programs.

- *Churn Rate (Sprint Platform)*

  The Sprint platform postpaid churn rate for the fourth quarter improved by 0.12 of a percentage point year on year to 1.72%. This mainly reflected network performance improvements, as well as a decrease in forced deactivations due to payment delinquency following focused efforts to acquire prime customers beginning in August 2014. These factors outweighed the impact of intensified competition in the market.

Sprint's Initiatives

Sprint aims to return to a growth trajectory by turning around the ongoing declining trend in net sales while promoting large-scale cost reductions and liquidity improvement. As for net sales, Sprint is focusing on increasing the number of postpaid phone subscribers, which are the largest source of revenue and profit. Signs of a turnaround have begun to appear with net subscriber additions in the second quarter and the third quarter consecutively. Meanwhile, in cost reduction and liquidity improvement, Sprint is making solid progress on multiple initiatives as described below. While this section is prepared based on U.S. GAAP that Sprint adopts, there is no significant difference to be made in IFRSs, except a possible difference in the timing of recognition.

i. Cost Reduction

Sprint implemented a plan to transform the way it does business and significantly lower its cost structure (the "Transformation") during fiscal 2015. Through the Transformation, Sprint expects to achieve a run rate*[16] operating expense reduction of $2 billion or more exiting fiscal 2016, with the cost reduction effect projected to continue in the fiscal year ending March 31, 2018 (fiscal 2017) and onward. The targeted reduction amount of $2 billion is expected to include reduction across all areas of the business, with the majority being realized in selling, general and administrative expenses.*[17]

During the fourth quarter, Sprint has already realized approximately $1 billion of these annualized savings based on the $250 million related to these initiatives achieved in the fourth quarter.

In conjunction with the Transformation, Sprint expects to incur operating costs and capex costs totaling approximately $1 billion (the "Transformation Program Cost"). The Transformation Program Cost, excluding the approximate $200 million of severance costs associated with reduction in work force recorded for fiscal 2015, is expected to be incurred in fiscal 2016 and fiscal 2017. Unlike the operating expense reduction in fiscal 2015, of which a large portion was reinvested, the cost reduction through the Transformation, with the exception of the Transformation Program Cost, is expected to contribute to profit.

*[16] Estimated future figures based on the assumption that current trends continue.
*[17] Sales, marketing, and customer care-related expenses, etc.

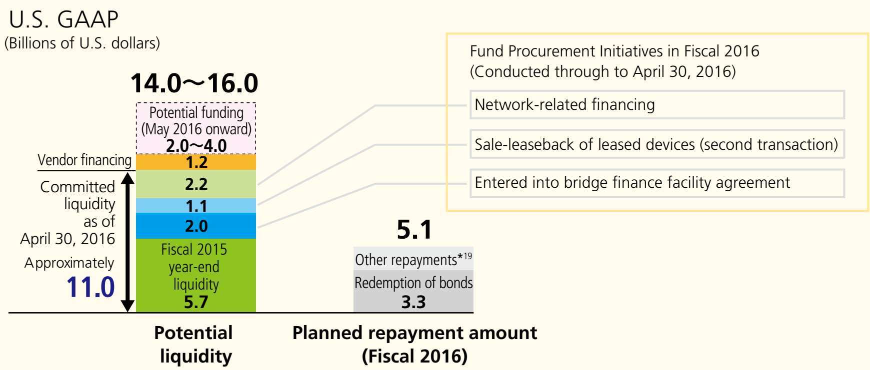
ii. Liquidity Improvement

In addition to cash flow improvement through the aforementioned cost reduction initiatives, Sprint is working to diversify its financing sources to improve its financial flexibility.

During fiscal 2015, Sprint took multiple steps to improve its liquidity, including executing MLS Handset Sale-Leaseback under which Sprint procured $1.1 billion. Please refer to Notes to Consolidated Financial Statements page 107 "14. Leases (3) Handset sale-leaseback" for details.

As a result, Sprint's liquidity, including cash and cash equivalents: short-term investments: and undrawn borrowing capacity under the revolving bank credit facility:*[18] and undrawn availability under the receivables facility, totaled $5.7 billion at the end of fiscal 2015.

Moreover, Sprint's liquidity including potential funding from initiatives in fiscal 2016 is as follows:



Sprint expects to procure $2.0 to $4.0 billion in fiscal 2016 from quarterly device sale-leaseback transactions from May 2016 onward.

In addition to the above, Sprint will consider raising funds utilizing a small portion of its spectrum portfolio.

The amount of the funds Sprint will be able to raise as a result of these actions conducted through to the end of April 2016 and Sprint's $5.7 billion of liquidity at the end of fiscal 2015 comes to a total of approximately $11 billion. Sprint also has an additional $1.2 billion of availability under vendor financing*[20] agreements that can be used toward the purchase of 2.5 GHz network equipment. These sources of liquidity are expected to provide the resources for Sprint to execute its business plan and to fully fund the repayment of the $3.3 billion of note maturities that come due in fiscal 2016.

*[18] A form of loan that allows borrowing within a specified period and maximum amount.
*[19] Including repayment amount related to sale-leaseback transactions for leased devices.
*[20] Secured equipment credit facilities to finance network-related purchases from vendors guaranteed by the export credit agencies.

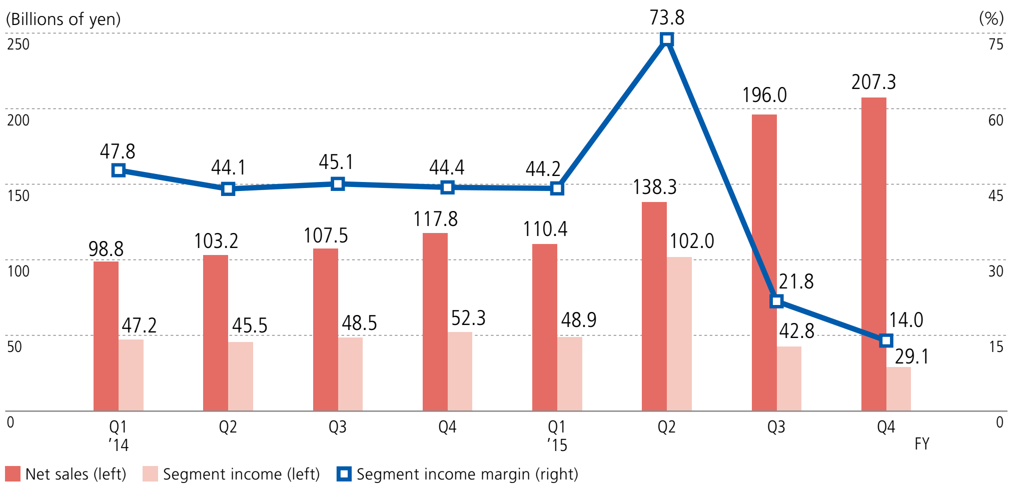
Yahoo Japan Segment

Overall Results

The segment's net sales increased by ¥224,710 million (52.6%) year on year to ¥652,031 million. This mainly reflected the consolidation of ASKUL in August 2015, as well as revenue growth in the advertising business driven by an increase in sales of display advertising.*21

Segment income increased by ¥29,258 million (15.1%) year on year to ¥222,787 million. This mainly reflected gain from remeasurement relating to business combination of ¥59,441 million (not recorded in fiscal 2014) due to the remeasurement at fair value of existing equity interest at the time of the consolidation of ASKUL in August 2015. The increase in income was partially offset by an increase in operating expenses such as sales promotion expenses for *Yahoo! Shopping* and *Yahoo! JAPAN Card*, as well as depreciation and amortization. Depreciation and amortization increased by ¥14,331 million (78.0%) year on year to ¥32,695 million. This mainly reflected continuing capital expenditure related to big data and so forth.

Yahoo Japan



Adjusted EBITDA, which is obtained by adding depreciation and amortization to and excluding gain from remeasurement relating to business combination of ¥59,441 million from segment income decreased by ¥15,852 million (7.5%) year on year to ¥196,041 million. This mainly reflected the aforementioned year-on-year increase in sales promotion, advertisement and other expenses by ¥28.2 billion, which was intended to strengthen the business foundation for the future. Yahoo Japan will be taking such actions to drive expansion in the e-commerce and financial and payment service business, and accelerate revenue and profit growth over the medium- to long-term.

*21 Display advertising is graphical, Flash®, and video advertising that appears on a certain defined area and includes premium advertisements such as *Brand Panel* shown on *Yahoo! JAPAN*'s top page and *Yahoo! Display Ad Network*, which shows advertisements most suitable to the user based on the content the user is viewing and their interests, attributes, and geographical location.

Distribution Segment

Overview of the Segment

The Distribution segment comprises subsidiaries such as Brightstar and SoftBank Commerce & Service. Brightstar's operations include a wholesaling business purchasing mobile devices from manufacturers and distributing them to telecommunications operators and retailers in countries around the world. SoftBank Commerce & Service's operations include the sale of mobile device accessories and IT-related software and hardware in Japan.

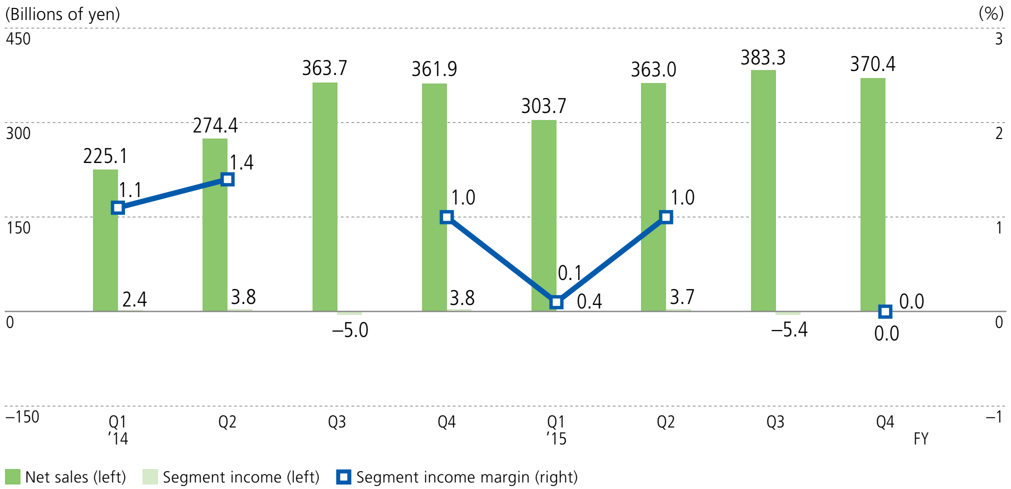
Overall Results

The segment's net sales increased by ¥195,300 million (15.9%) year on year to ¥1,420,416 million. This mainly reflected an increase in sales of mobile devices for Sprint, as well as the contribution of the yen's year-on-year depreciation against the U.S. dollar. These increases outweighed a decrease in sales associated with a contraction in the mobile device OEM business being conducted in Argentina (contracted manufacturing for mobile device manufacturers) and the termination of a mobile device wholesale supply contract with Verizon Communications Inc. Since September 2014, the supply chain of mobile devices at Sprint has gradually been shifted from the conventional way where Sprint directly sells to dealers, to one where Brightstar purchases mobile devices from Sprint and device vendors and sells them to Sprint dealers, to pursue appropriate levels of inventory and higher distribution efficiency.

Segment loss was ¥1,284 million, deteriorating by ¥6,236 million year on year. This mainly reflected the recording of an impairment loss of ¥13,633 million related to property, plant and equipment and intangible assets in Latin America as other operating loss. The loss was partially offset by the profit contribution of an increase in service revenue from Sprint for providing distribution and inventory control services associated with the sale of mobile devices for Sprint. Please refer to Notes to Consolidated Financial Statements page 155 "35. Other operating income and loss" for further details of other operating income and loss.

Adjusted EBITDA, which is obtained by adding depreciation and amortization to and excluding other operating income or loss from segment income or loss, increased by ¥10,857 million (74.4%) year on year to ¥25,450 million.

Distribution



Analysis of Financial Position

Assets, Liabilities, and Equity

(Millions of yen)

	As of March 31, 2015 (FYE2014)	As of March 31, 2016 (FYE2015)	Change	Change %
Total assets	21,034,169	**20,707,192**	(326,977)	(1.6)%
Total liabilities	17,180,992	**17,201,921**	20,929	0.1 %
Total equity	3,853,177	**3,505,271**	(347,906)	(9.0)%
Reference: Exchange rate at the end of the fiscal year used for translation				
USD / JPY	120.17	**112.68**	(7.49)	(6.2)%

Current Assets

(Millions of yen)

Item	FYE2014	FYE2015	Change
Cash and cash equivalents	3,258,653	**2,569,607**	(689,046)
(incl.) Sprint	481,891	**297,552**	(184,339)
Trade and other receivables	1,895,648	**1,914,789**	19,141
(incl.) Sprint	433,013	**363,546**	(69,467)
Other financial assets	197,068	**152,858**	(44,210)
Inventories	351,152	**359,464**	8,312
Other current assets	255,399	**553,551**	298,152
Total current assets	5,957,920	**5,550,269**	(407,651)

Current assets at the end of fiscal 2015 decreased by ¥407,651 million (6.8%) year on year to ¥5,550,269 million. The primary components of the change were as follows:

i. Cash and cash equivalents decreased by ¥689,046 million year on year. For the details on changes in cash and cash equivalents, please refer to page 64 "Analysis of Cash Flows."

ii. Other current assets increased by ¥298,152 million year on year. This mainly reflected the recording of ¥293,489 million in withholding income tax to be paid, related to dividends within the group companies, which is expected to be refunded by the end of July 2016.

Non-current Assets

(Millions of yen)

Item	FYE2014	FYE2015	Change
Property, plant and equipment	4,317,448	**4,183,507**	(133,941)
(incl.) Sprint	2,141,120	**2,055,371**	(85,749)
Goodwill	1,663,363	**1,609,789**	(53,574)
(incl.) Sprint	353,867	**331,811**	(22,056)
Intangible assets	6,903,582	**6,439,145**	(464,437)
(incl.) Sprint	5,993,034	**5,468,665**	(524,369)
FCC licenses*22	4,320,296	**4,060,750**	(259,546)
(incl.) Sprint	4,320,296	**4,060,750**	(259,546)
Trademarks	786,834	**760,703**	(26,131)
(incl.) Sprint	772,433	**722,539**	(49,894)
Customer relationships	582,223	**439,800**	(142,423)
(incl.) Sprint	496,594	**324,269**	(172,325)
Software	757,866	**782,148**	24,282
Game titles	109,211	**59,844**	(49,367)
Others	347,152	**335,900**	(11,252)
Investments accounted for using the equity method	1,102,456	**1,588,270**	485,814
Other financial assets	662,463	**970,874**	308,411
Deferred tax assets	235,488	**172,864**	(62,624)
Other non-current assets	191,449	**192,474**	1,025
Total non-current assets	15,076,249	**15,156,923**	80,674

*22 Licenses issued by the U.S. Federal Communications Commission for use of specified spectrum.

Non-current assets increased by ¥80,674 million (0.5%) year on year to ¥15,156,923 million. The primary components of the change were as follows:

i. Investments accounted for using the equity method increased by ¥485,814 million year on year. This mainly reflected an increase of ¥331,730 million in the carrying amount of Alibaba due to the recording of income on equity method investments related to Alibaba. Other factors include the new recording of GungHo as an investment accounted for using the equity method and an impact from the acquisition of the shares of Social Finance, which provides consumer finance services such as student loan refinancing service in the U.S.

ii. Other financial assets increased by ¥308,411 million year on year. This mainly reflected investments including Forward Ventures and Yamada Denki Co., Ltd. There was also an impact from an increase in the fair value of shares of ANI Technologies and Jasper Infotech.

iii. Intangible assets decreased by ¥464,437 million year on year. This mainly reflected a decrease in FCC licenses (non-amortized assets from an accounting perspective) of ¥259,546 million due to the yen's year-on-year appreciation against the U.S. dollar at the end of fiscal 2015, and a decrease in customer relationships of ¥142,423 million due to regular amortization and the impact of the aforementioned yen's appreciation.

In Detail (4) Breakdown of Main Intangible Assets

(Millions of yen)

B/S item		Item	FYE2014	FYE2015	Change: Newly consolidated	Change: Amortization	Change: Changes in exchange rate	Change: Others	Outline
Main intangible assets		**FCC licenses (non-amortized)**	4,320,296	**4,060,750**	–	–	(269,935)	10,389	
		Sprint	4,320,296	**4,060,750**	–	–	(269,935)	10,389	
		Customer relationships	582,223	**439,800**	56,680	(173,860)	(24,248)	(995)	
	Main breakdown	Sprint	496,594	**324,269**	–	(151,064)	(21,261)	–	Sum-of-the-months' digits method Amortization period: postpaid: 8 years, prepaid: 4 years
	Main breakdown	ASKUL	–	**38,523**	40,680	(2,157)	–	–	Newly consolidated Straight-line method, amortization period: 11 years (monthly)
	Main breakdown	SoftBank Corp.	53,217	**37,411**	–	(15,806)	–	–	Sum-of-the-months' digits method Amortization period: mobile business (excl. PHS): 8 years PHS: 9 years, fixed broadband business: 6 years
	Main breakdown	Brightstar	24,826	**17,332**	–	(3,515)	(2,984)	(995)	Sum-of-the-months' digits method Amortization period: 12–16 years
	Main breakdown	Ikyu	–	**15,803**	16,000	(197)	–	–	Newly consolidated Straight-line method, amortization period: 10–14 years (monthly)
		Trademarks	727,251	**706,637**	30,250	–	(46,632)	(4,233)	Excluding trademarks with finite useful lives
	Main breakdown	Sprint	713,209	**668,756**	–	–	(44,453)	–	
	Main breakdown	ASKUL	–	**20,130**	20,130	–	–	–	Newly consolidated
	Main breakdown	Ikyu	–	**10,120**	10,120	–	–	–	Newly consolidated
	Main breakdown	Brightstar	14,042	**7,631**	–	–	(2,179)	(4,232)	
		Game titles	109,211	**59,844**	–	(26,951)	(806)	(21,610)	
		Supercell	83,279	**59,844**	–	(22,629)	(806)	–	Straight-line method Amortization period: 5 years (monthly)
		GungHo	25,932	**–**	–	(4,322)	–	(21,610)	Impact of GungHo's transition from a subsidiary to an equity method associate on June 1, 2015 (–21,610)

(Note) Sprint and Brightstar (USD): exchange rate: USD 1 = JPY 120.17 as of the end of fiscal 2014, USD 1 = JPY 112.68 as of the end of fiscal 2015
Supercell (Euro): exchange rate: Euro 1 = JPY 130.32 as of the end of fiscal 2014, Euro 1 = JPY 127.70 as of the end of fiscal 2015

iv. Property, plant and equipment decreased by ¥133,941 million year on year. The primary components were as follows:

- Property, plant and equipment at SoftBank Corp. decreased by ¥105,113 million year on year due to continued regular depreciation of network equipment.
- Property, plant and equipment at Sprint decreased by ¥85,749 million year on year. This was due to the negative impact of yen's year-on-year appreciation against the U.S. dollar at the end of fiscal 2015, despite an increase at Sprint in U.S. dollar terms. This increase in property, plant and equipment at Sprint in U.S. dollar terms was due to an increase in leased devices recorded as lease assets following an expansion of leasing program. This effect was partially offset by a decrease in the balance of network equipment due to regular depreciation.

Current Liabilities

(Millions of yen)

Item	FYE2014	FYE2015	Change
Interest-bearing debt	1,817,415	**2,646,609**	829,194
(incl.) Sprint	216,247	**676,948**	460,701
Short-term borrowings	413,846	**515,408**	101,562
(incl.) Sprint	60,085	**148,465**	88,380
Current portion of long-term borrowings	525,898	**743,225**	217,327
Current portion of corporate bonds	183,557	**900,685**	717,128
(incl.) Sprint	113,491	**431,808**	318,317
Current portion of lease obligations	411,453	**396,992**	(14,461)
Current portion of preferred securities	200,000	**–**	(200,000)
Others	82,661	**90,299**	7,638
Trade and other payables	1,863,480	**1,621,195**	(242,285)
(incl.) Sprint	741,549	**441,006**	(300,543)
Other financial liabilities	12,917	**6,531**	(6,386)
Income taxes payables	184,175	**140,351**	(43,824)
Provisions	54,998	**56,120**	1,122
Other current liabilities	739,501	**694,965**	(44,536)
Total current liabilities	4,672,486	**5,165,771**	493,285

Current liabilities increased by ¥493,285 million (10.6%) year on year to ¥5,165,771 million. The primary components of the change were as follows:

i. Interest-bearing debt increased by ¥829,194 million year on year. The primary components were as follows;

- Interest-bearing debt at Sprint increased by ¥460,701 million year on year. The increase was primarily due to an increase of ¥318,317 million in the current portion of corporate bonds following the transfer of corporate bonds from non-current assets as the redemption date came to be within one year. Another factor was an increase of ¥88,380 million in short-term borrowings as Sprint procured funds by securitizing receivables (wireless service and installment receivables related to the mobile communications services).
- Interest-bearing debt at SoftBank Group Corp. increased by ¥542,161 million year on year. The increase was due to increases of ¥398,911 million in the current portion of corporate bonds and ¥154,551 million in the current portion of long-term borrowings. These increases mainly reflected the transfers from non-current liabilities.
- Current portion of preferred securities decreased by ¥200,000 million year on year due to the Company's subsidiary SFJ Capital's redemption in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011.

ii. Trade and other payables decreased by ¥242,285 million year on year. This mainly reflected a decrease in accounts payable-trade related to mobile devices and accounts payable-other related to telecommunications equipment at Sprint and SoftBank Corp. after making payments.

Non-current Liabilities

(Millions of yen)

Item	FYE2014	FYE2015	Change
Interest-bearing debt	9,789,829	9,275,822	(514,007)
(incl.) Sprint	3,886,597	3,297,900	(588,697)
Long-term borrowings	2,116,498	1,785,500	(330,998)
Corporate bonds	6,825,868	6,611,947	(213,921)
(incl.) Sprint	3,813,511	3,188,238	(625,273)
Lease obligations	744,911	815,194	70,283
Others	102,552	63,181	(39,371)
Other financial liabilities	27,142	95,664	68,522
Defined benefit liabilities	128,282	123,759	(4,523)
Provisions	155,705	118,876	(36,829)
Deferred tax liabilities	2,052,615	2,083,164	30,549
(incl.) Sprint	1,748,273	1,652,154	(96,119)
Other non-current liabilities	354,933	338,865	(16,068)
Total non-current liabilities	12,508,506	12,036,150	(472,356)

Non-current liabilities decreased by ¥472,356 million (3.8%) year on year to ¥12,036,150 million, mainly reflecting a decrease of ¥514,007 million in interest-bearing debt. The primary components of the decrease in interest-bearing debt were as follows:

- Interest-bearing debt at Sprint decreased by ¥588,697 million year on year. This mainly reflected the transfer of corporate bonds into current liabilities as the redemption date came to be within one year, in addition to the yen's year-on-year appreciation against the U.S. dollar at the end of fiscal 2015.
- Interest-bearing debt at SoftBank Group Corp. increased by ¥180,717 million year on year. This mainly reflected SoftBank Group Corp. issuing ¥552,990 million in foreign currency denominated senior notes and a total of ¥470,000 million in unsecured straight corporate bonds. This was offset by a transfer of unsecured straight corporate bonds and long-term borrowings into current liabilities as the redemption date came to be within one year.

In Detail (5) Status of Consolidated Interest-bearing Debt (As of March 31, 2016)

(Millions of yen)

	Consolidated			SoftBank Group Corp. and Subsidiaries (Excluding Sprint)			Sprint		
	Total balance at March 31, 2016	Current liabilities	Non-current liabilities	Total balance at March 31, 2016	Current liabilities	Non-current liabilities	Total balance at March 31, 2016	Current liabilities	Non-current liabilities
Bonds	7,512,632	900,685	6,611,947	3,892,586	468,877	3,423,709	3,620,046	431,808	3,188,238
Borrowings	3,044,133	1,258,633	1,785,500	2,733,554	1,028,136	1,705,418	310,579	230,497	80,082
Commercial paper	42,000	42,000	–	42,000	42,000	–	–	–	–
Lease obligations	1,212,186	396,992	815,194	1,176,942	389,110	787,832	35,244	7,882	27,362
Installment payables	111,480	48,299	63,181	102,501	41,538	60,963	8,979	6,761	2,218
Total interest-bearing debt	11,922,431	2,646,609	9,275,822	7,947,583	1,969,661	5,977,922	3,974,848	676,948	3,297,900

(Note) For details on interest-bearing debt, refer to Notes to Consolidated Financial Statements page 117 "19. Interest-bearing debt," and for details on lease obligations refer to Notes to Consolidated Financial Statements page 105 "14. Leases."

Equity

(Millions of yen)

	FYE2014	FYE2015	Change
Total equity attributable to owners of the parent	2,846,306	**2,613,613**	(232,693)
Non-controlling interests	1,006,871	**891,658**	(115,213)
Total equity	3,853,177	**3,505,271**	(347,906)

Total equity decreased by ¥347,906 million (9.0%) year on year to ¥3,505,271 million. Of this, equity attributable to owners of the parent decreased by ¥232,693 million (8.2%), while non-controlling interests decreased by ¥115,213 million (11.4%). The ratio of equity attributable to owners of the parent to total assets decreased by 0.9 of a percentage point year on year to 12.6%.

Equity Attributable to Owners of the Parent

(Millions of yen)

Item	FYE2014	FYE2015	Change
Common stock	238,772	**238,772**	—
Capital surplus	374,845	**261,234**	(113,611)
Retained earnings	1,740,686	**2,166,623**	425,937
Treasury stock	(48,383)	**(314,752)**	(266,369)
Accumulated other comprehensive income	540,386	**261,736**	(278,650)
Available-for-sale financial assets	14,524	**32,594**	18,070
Cash flow hedges	(7,345)	**(40,088)**	(32,743)
Exchange differences on translating foreign operations	533,207	**269,230**	(263,977)
Total equity attributable to owners of the parent	2,846,306	**2,613,613**	(232,693)

Total equity attributable to owners of the parent decreased by ¥232,693 million (8.2%) from the end of fiscal 2014 to ¥2,613,613 million. The primary components of the change were as follows:

i. Capital surplus declined by ¥113,611 million year on year. This mainly reflected the deduction from capital surplus of ¥120,847 million as changes in interests in subsidiaries due to the purchase of an additional 24.1% of the shares of subsidiary Supercell from its existing shareholders (the Company's share of voting rights after the additional purchase: 77.8%).

ii. Retained earnings increased by ¥425,937 million year on year. This mainly reflected recording net income attributable to owners of the parent of ¥474,172 million.

iii. Treasury stock increased by ¥266,369 million year on year. This mainly reflected acquisitions of 15,795,000 shares of treasury stock amounting to ¥120,000 million in August 2015 and 27,071,800 shares of treasury stock amounting to ¥149,173 million from February to March 31, 2016, with the aim of strengthening the return of profits to shareholders.

iv. Accumulated other comprehensive income declined by ¥278,650 million year on year. This mainly reflected a decline of ¥263,977 million in exchange differences on translating foreign operations, primarily due to the yen's year-on-year appreciation against the U.S. dollar at the end of fiscal 2015.

Non-controlling Interests

Non-controlling interests decreased by ¥115,213 million (11.4%) year on year to ¥891,658 million.

Analysis of Cash Flows

Cash Flows

(Millions of yen)

	FY2014	FY2015	Change
Cash flows from operating activities	1,155,174	**940,186**	(214,988)
Cash flows from investing activities	(1,667,271)	**(1,651,682)**	15,589
Cash flows from financing activities	1,719,923	**43,270**	(1,676,653)

Cash and cash equivalents at the end of fiscal 2015 totaled ¥2,569,607 million, a ¥689,046 million decrease year on year.

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥940,186 million (compared with ¥1,155,174 million provided in fiscal 2014). The primary components of cash flows were as follows:

i. Net income totaled ¥558,241 million.

ii. The main items added to net income were depreciation and amortization of ¥1,401,329 million, income taxes of ¥443,984 million, and finance cost of ¥440,745 million.

iii. The main items subtracted from net income were income on equity method investments of ¥375,397 million, gain from remeasurement relating to business combination of ¥59,441 million, and other non-operating income and loss of ¥56,854 million.

iv. Increase in inventories was ¥404,933 million (negative cash flow). This mainly reflected an increase in inventories, which accompanied the increased leased devices at Sprint. While normally a decrease in inventories is recognized as cash inflow, the decrease in inventories following the reclassification of devices leased through Sprint's direct channels to property, plant and equipment at lease inception is not recognized as cash inflow, since it is a non-cash transaction.

v. Interest paid was ¥461,217 million.

vi. Income taxes paid was ¥1,230,087 million. This included a payment of ¥904,688 million for withholding income tax related to dividends within the group companies. Of this, ¥611,199 million was refunded by the end of December 2015 (included in income taxes refund of ¥646,429 million) and ¥293,489 million is expected to be refunded by the end of July 2016.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥1,651,682 million (compared with ¥1,667,271 million used in fiscal 2014). The primary components of cash flows were as follows:

i. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥1,360,960 million. This mainly reflected an acquisition of telecommunications equipment at Sprint and SoftBank Corp.

ii. Proceeds from sales of property, plant and equipment and intangible assets amounted to ¥150,956 million. This was due to Sprint's sale of certain leased mobile devices recorded as property, plant, and equipment to Mobile Leasing Solutions, an equity method affiliate of SoftBank Group Corp.

iii. Payments for acquisition of investments amounted to ¥407,754 million. This mainly reflected investments including Forward Ventures, Social Finance, and Yamada Denki.

iv. Payments for acquisition and proceeds from sales/redemption of marketable securities for short-term trading amounted to ¥94,349 million and ¥189,844 million, respectively. This mainly reflected acquisition and sale of marketable securities for short-term trading, primarily by Sprint and Brightstar.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥43,270 million (compared with ¥1,719,923 million provided in fiscal 2014). The primary components of cash flows were as follows:

Items increasing cash flows:

Proceeds from long-term interest-bearing debt amounted to ¥2,129,683 million. The components were as follows:

- Proceeds from issuance of corporate bonds of ¥1,053,258 million. This consisted of SoftBank Group Corp.'s issuance of foreign currency denominated senior notes and unsecured straight corporate bonds.
- Proceeds from long-term borrowings of ¥557,072 million. This mainly reflected borrowings made through securitization of installment sales receivables at SoftBank Corp., the sale of future lease receivables at Sprint, and borrowings made at Sprint through ECA finance.*[23]

*[23] Funding based on the credit provided by export credit agencies (ECA).

- Proceeds from sale and leaseback of newly acquired equipment of ¥519,353 million. This mainly reflected sale and leaseback conducted when acquiring telecommunications equipment by finance lease at SoftBank Corp.

Items decreasing cash flows:

i. Repayment of long-term interest-bearing debt was ¥1,604,768 million. The primary components were as follows:
  - Repayment of long-term borrowings of ¥684,397 million. This mainly reflected SoftBank Corp.'s repayment of borrowings made through securitization of installment sales receivables and SoftBank Group Corp.'s repayment of borrowings.
  - Repayment of lease obligations of ¥468,061 million. This mainly reflected SoftBank Corp.'s repayment of lease obligations for telecommunications-related equipment. Additionally, in July 2015, Shiodome Estate Corporation, a subsidiary that engages in real estate management, acquired a trust beneficiary interest in the FUKUOKA YAHUOKU! DOME and repaid the remaining lease obligations as stipulated in a purchase contract to acquire the trust beneficiary interest which the Company entered into in March 2012.
  - Redemption of corporate bonds of ¥203,281 million. This mainly reflected Brightstar redeeming senior notes of ¥72,642 million, SoftBank Group Corp. redeeming straight corporate bonds of ¥70,000 million, and Sprint mainly redeeming the funds procured through the Export Development Canada*[24] Facility of ¥60,539 million.

ii Redemption of preferred investment securities of ¥200,000 million. This was due to the Company's subsidiary SFJ Capital's redemption in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011. Payment for purchase of subsidiaries' interests from non-controlling interests was ¥267,276 million. This mainly reflected the additional purchase of shares of Supercell and Sprint.

iii. Payment for purchase of treasury stock was ¥269,214 million.

*[24] A Canadian export credit agency.

Forecasts for Fiscal 2016 (Fiscal Year Ending March 31, 2017)

Currently it is difficult to provide forecasts on the results in figures due to a large number of uncertain factors affecting the earnings. The Company will announce its forecasts on the consolidated results of operations when it becomes possible to make rational projections.

Fundamental Policy for Distribution of Profit and Dividend for Fiscal 2015

SoftBank Group Corp.'s basic policy is to maintain a sound financial status while both investing aggressively to ensure sustained growth and returning profits to shareholders. Returns to shareholders include cash dividends paid twice per year, in principle, as an interim dividend and a year-end dividend.

SoftBank Group Corp. has proactively repurchased its own shares in fiscal 2015 in an effort to enhance returns to shareholders. In addition to the repurchase of 15,795,000 shares pursuant to the Board of Directors' resolution made in August 2015, SoftBank Group Corp. has also repurchased 27,071,800 shares by the end of March 2016, pursuant to the Board of Directors' resolution made in February 2016 (collectively, the "Share Repurchase").

Resulting mainly from the Share Repurchase, the total number of shares issued (excluding treasury stock) at the end of fiscal 2015 decreased by 3.6% year on year. Nevertheless, for the purpose of making the total amount of the annual cash dividend for fiscal 2015 equivalent to that of fiscal 2014, the year-end dividend for fiscal 2015 was raised to ¥21 per share, an increase of ¥1 from ¥20 for fiscal 2014. Together with the interim dividend of ¥20, this brings the annual dividend for fiscal 2015 to ¥41 per share, an increase of ¥1 from fiscal 2014.

SoftBank Group Corp. intends to substantially enhance returns to shareholders through the increase of the dividend, as well as the Share Repurchase.

Risk Factors

SoftBank Group Corp. and its subsidiaries and associates (collectively, the "Group") operate in a wide range of markets in Japan and overseas, and therefore face a variety of risks in its operations. The major risks envisaged by the Group as of July 1, 2016 that could significantly affect investors' investment decisions are outlined below. If any of these risks were to emerge, the securities issued by SoftBank Group Corp., such as shares and corporate bonds, could fall in value or otherwise be impacted. Moreover, these risks do not include all of the risks that the Group could face in the course of carrying out its future business operations. Forward-looking statements were determined as of July 1, 2016, unless otherwise stated.

(1) Economic conditions

Demand for services and products provided by the Group (including but not limited to telecommunications services and Internet advertising) is subject to economic conditions, mainly in Japan, the U.S., and China. Therefore, deterioration of the business climate in each country and changes in the economic structure attendant on demographic changes, such as the aging and decline of the population in Japan, could impact the Group's results of operations.

(2) Foreign exchange rate fluctuations

In the preparation of SoftBank Group Corp.'s consolidated financial statements, the local-currency based revenues and expenses of Sprint and other overseas Group companies are converted into Japanese yen at the average exchange rate for each quarter, and their assets and liabilities are converted at the exchange rate on the last day of the quarter. Consequently, fluctuations in the foreign exchange rate could impact the Group's results of operations and financial position.

The Group invests in overseas companies. If the Group sells its foreign currency-denominated assets when the yen has changed significantly in value from the time of investment, it may incur foreign exchange losses, which could impact the Group's results of operations.

(3) Management team

Unforeseen situations concerning key members of management—especially chairman & CEO of SoftBank Group Corp. and Group representative Masayoshi Son—could impede the Group's business development.

(4) Response to technology and business models

The Group's primary business domain is the information industry, which is subject to rapid changes in technology and business models. If for some reason, the Group is unable to develop or introduce outstanding, up-to-date technologies or business models, its service offerings will lose competitiveness in the markets, making it difficult to acquire and retain customers. This could impact the Group's results of operations.

(5) Competition

In certain instances, the Group's competitors (including but not limited to mobile communications operators and Mobile Virtual Network Operators (MVNOs)) may have a competitive advantage over the Group in terms of capital, technology development capabilities, price competitiveness, customer base, sales capability, brands, or public recognition, for example. If these competitors were to sell services and products that harness these competitive advantages to a greater extent than at present, the Group may be placed at a disadvantage in sales competition, or may be unable to provide services and products, or acquire or retain customers as anticipated. This could impact the Group's results of operations.

Moreover, the Group's competitive edge may be diminished if the Group's competitors deploy equivalent or better services and products to those the Group had introduced ahead of its competitors or those which were highly competitive at the time of introduction by the Group. This could impact the Group's business development and results of operations.

(6) Capacity increases in telecommunications networks

To maintain and enhance the quality of telecommunications services, the Group must continuously increase the capacity of its telecommunications networks based on predictions of the amount of future network traffic. The Group thus plans to systematically increase network capacity. However, if the actual amount of network traffic were to drastically exceed the Group's predictions, or if the Group were not to carry out network capacity enhancement (including but not limited to securing the required spectrum), service quality could be adversely affected, making it difficult to acquire and retain customers. In this case, the Group would also need to execute additional capital expenditure. These outcomes could impact the Group's results of operations and financial position.

(7) Dependence on management resources of other companies

a. Use of facilities, etc., of other companies

The Group makes use of certain telecommunications lines and facilities owned by other operators when constructing the telecommunications networks required for providing telecommunications services. The Group's business development and results of operations could therefore be impacted if for some reason it became difficult to continue to use those facilities, or if utilization or connection rates for those facilities were to be increased.

b. Procurement of various equipment

The Group procures telecommunications equipment, network devices, and so forth (including but not limited to mobile devices and radio equipment for mobile phone base stations) from other companies. The Group may be unable to switch suppliers or equipment in a timely manner should problems occur with the procurement of equipment in a case where the Group relies heavily on a specific supplier. Such problems could include supply interruptions, delivery delays, order volume shortfalls, and defects. Suppliers may also cease providing the maintenance and inspection services required for telecommunications equipment to maintain performance. Either of these situations could impede the Group's provision of services, making it difficult to acquire and retain customers, or cause the Group to incur additional costs for changing a supplier, or cause a decline in sales of telecommunications equipment. This could impact the Group's results of operations.

c. Consignment of operations

The Group consigns sales activities, acquisition and retention of customers mainly for telecommunications services, and the execution of other related operations in whole or part to subcontractors. The Group's business development could therefore be impacted if for some reason these subcontractors are unable to execute operations in line with the Group's expectations.

The Group also has networks of subcontractors responsible for the sale of the Group's services and products. Damage to the credibility or image of these subcontractors would also have a negative impact on the Group's credibility or corporate image. This could hinder business development and the acquisition and retention of customers, which could impact the Group's results of operations. Furthermore, if these subcontractors should fail to comply with laws and regulations, the Group could receive a warning or administrative guidance from the regulatory authorities, or be investigated for non-fulfillment of its supervisory responsibility, and the Group's credibility or corporate image could deteriorate as a result, making it difficult to acquire and retain customers. These could impact the Group's results of operations.

d. Business alliances and joint ventures

The Group develops its business in Japan and overseas through business alliances, joint ventures and so forth with other companies. If an alliance partner or joint venture partner should have a significant change of business strategy or experience a deterioration in its results of operations or financial position, it is possible that adequate results may not be obtained from the business alliance, joint venture, and so forth or that it may become difficult to continue the business alliance or joint venture. In addition, it is also possible that execution of a business alliance or joint venture with a particular third party could preclude the execution of business alliances, joint ventures and so forth with other parties. Such events could impact the Group's business development and results of operations.

e. Use of brands belonging to Yahoo! Inc.

In Japan, the Group makes use of brands belonging to U.S. company Yahoo! Inc. in certain service names such as *Yahoo! JAPAN*, *Y!mobile*, *Yahoo! Keitai*, and *Yahoo! BB*. If the Group were to become unable to use these brands due to a drastic change in its relationship with Yahoo! Inc. or other reasons, the Group may be prevented from developing businesses as anticipated.

(8) Online games provided by the Group

In the Group's online game-related business, the majority of sales are dependent on certain game titles. If the Group is unable to maintain the interest of its existing customers in these titles, or if a competitor launches a title that is more appealing than these titles, or if some other event occurs that reduces the competitiveness of these titles, it may become difficult to acquire and retain customers. This could impact the Group's business development and results of operations.

The Group also makes use of content distribution services operated by other companies (including but not limited to Apple Inc.'s App Store and Google Inc.'s Google Play) to provide content such as online games to its customers, and to charge them. If the companies operating these services were to increase their commission rates, there could be an impact on the Group's business development and results of operations.

(9) Renewable energy business

In renewable energy business, the amount of power generated could be lower than anticipated due to weather conditions such as sunlight and wind force. Moreover, if power generation facilities or facilities for connecting with power company transmission lines become faulty such as being damaged due to a natural disaster or other event, the amount of power generated and the amount of power sold could decline dramatically. These could impact the Group's results of operations.

(10) Information leaks, etc.

In its business operations, the Group handles customer information (including personal information) and other confidential information. This information could be leaked, lost, or involved in a similar incident, either intentionally or accidentally by the Group (including officers and employees of the Group and people related to subcontractors), or through a malicious cyber-attack by a third party or other means. Such an occurrence could damage the Group's competitiveness, and incur significant costs to the Group for payment of damages and modification of security systems, in addition to having an adverse impact on the Group's credibility or corporate image and making it difficult to acquire and retain customers. These outcomes could impact the Group's results of operations.

(11) Service disruptions or decline in quality due to human error and other factors

In its provision of various services, including telecommunications services, there is a possibility that a major problem could occur if the Group became unable to continuously provide the services, or suffered a decline in the quality of the services, due to human error, serious problems with equipment or systems, or other causes. If such disruptions or declines in quality were to become widespread and/or significant time were required to restore services, the Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers. This could impact the Group's results of operations.

(12) Natural disasters, accidents and other unpredictable events

The Group constructs and maintains telecommunications networks, information systems, and other systems necessary for the provision of various services, including Internet and telecommunications services. Natural disasters, such as earthquakes, typhoons, hurricanes, flooding, tsunamis, tornadoes, heavy rainfall, snowfall, or volcanic activity, other unexpected disruptions such as fires, power outages or shortages, or incidents such as terrorist attacks, cyber-attacks, unauthorized access or infection by computer viruses could interfere with the normal operation of telecommunications networks and information systems and others. This could hinder the provision of various services by the Group.

If these impacts were to become widespread and/or significant time were required to restore services, the Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers. Moreover, significant costs may be incurred by the Group for recovery and repair of the telecommunications networks, information systems, and others. This could impact the Group's results of operations.

In Japan, the head offices and business offices of various group companies are concentrated in the Tokyo Metropolitan Area. The possibility therefore exists that a major earthquake or other force majeure event in the area could incapacitate these business locations, impeding the continuity of the Group's business.

(13) Fund procurement and leasing

The Group procures the funds it requires for developing its business by borrowing from financial institutions, issuing corporate bonds, and other sources. The Group also executes capital expenditure utilizing leases. The cost of procuring funds could increase because of rising interest rates or a decline in the Group's creditworthiness stemming mainly from a downgrading of the credit ratings of SoftBank Group Corp. or its group companies. Such an increase in fund procurement costs could impact the Group's results of operations. Furthermore, depending on the financial market conditions and the credit standings of SoftBank Group Corp. or its group companies, the Group may be unable to procure funds or structure leases as planned. This could impact the Group's business development, results of operations, and financial position.

In addition, various covenants are attached to the Group's borrowings from financial institutions, corporate bonds, and other transactions. If the potential arises for any of these covenants to be breached and the Group is unable to take steps to avoid breaching them, the Group could forfeit the benefit of term relating to the obligation concerned, and in conjunction with this loss the Group could be requested to repay other borrowings in one lump sum as well. As a result, the Group's financial position could be impacted.

Moreover, the Group plans to allocate cash flow from its domestic telecommunications business as a source of cash to repay funds procured for the acquisition of Sprint. If the Group is unable to generate cash flow from its domestic telecommunications business as anticipated, it may sell some of its assets or take other measures to secure resources for repaying the acquisition funds. This could impact the Group's results of operations and business development.

(14) Investment activities

The Group conducts investment activities for the purpose of setting up new businesses (including but not limited to a robotics business), and expanding existing businesses. Such activities include corporate acquisitions, establishment of joint ventures and subsidiaries, and acquisitions of interests in operating companies or holding companies (including companies that effectively control other companies through various contracts) and funds. Recent examples include an investment in Social Finance, which provides consumer finance services such as student loan refinancing service in the U.S. If an investee is included in the Group's scope of consolidation in conjunction with these investment activities, this could impact the Group's results of operations and financial position, for example by having a negative impact. In addition, if an investee is unable to conduct business as anticipated at the time of investment, SoftBank Group Corp.'s results of operations and financial position could be impacted, for example, through write-downs on goodwill, property, plant and equipment, intangible assets or financial assets such as shares recognized in conjunction with the investment activities. Furthermore, the Group may also recognize valuation losses and other charges in the event of a decline in the value of equity interests and other assets acquired through such investment activities. This could impact the Group's results of operations and financial position. For example, SoftBank Group Corp. recorded a loss on sale of shares of affiliated companies of ¥345.3 billion as special loss in its non-consolidated financial results for the fiscal year ended March 2016, following the sale of 70.4% of the shares of Starburst I, Inc., and all of the shares of Galaxy Investment Holdings, Inc., which are the holding companies of Sprint, to the global operations management company SoftBank Group International GK.

In addition, an investee may be facing internal control problems or may be conducting unlawful activities. If such issues cannot be corrected at an early stage after the investment, the Group's credibility and corporate image may be impaired, and there could be an impact on the Group's results of operations and financial position.

Moreover, if the Group is unable to secure sufficient human resources and other management resources for the start-up of new businesses and other projects, or to allocate sufficient management resources to the investees and the Group's existing businesses, it could impact the Group's results of operations and business development.

(15) Support for subsidiaries and others

The Group occasionally provides subsidiaries and others with financial assistance through loans, guarantees, and other means, when it deems such assistance to be necessary. For example, if Sprint and Brightstar are unable to conduct business as anticipated at the time of the acquisition, or are unable to create sufficient synergies with other group companies, or require more funds than anticipated to develop their businesses, the Company may provide them with financial assistance such as loans. If the supported subsidiaries and others are unable to conduct business as the Group expects, it could impact the Group's results of operations and financial position.

(16) Country risk

The Group conducts business and investment overseas in the U.S., China, India, Europe and Central and South American countries, and other countries and regions. The enactment of or revisions to the laws or regulations of these countries or regions that differ from Japan, or a change in their enforcement as practiced by prior or existing administrations, could prevent the Group from conducting business activities as anticipated, or delay or prevent the recovery of its investments or have other effects with a consequent impact on the Group's results of operations and financial position. In addition, such enactment of and revision to laws or various regulations, or changes in their implementation by governments, could also restrict the Group from engaging in new businesses or investments, or prevent the Group from carrying out its strategy as anticipated.

Moreover, the occurrence of political, social, or economic turbulence in such countries and regions, due to the outbreak of wars, conflicts, and terror attacks, the enactment of economic sanctions, the outbreak of communicable diseases, and other events, could prevent the Group from carrying out its business activities as anticipated, or delay or prevent the recovery of its investments.

(17) Laws, regulations, systems, and so forth

The Group conducts its business and investments under laws, regulations, systems, and so forth in various fields in each country, and is affected by these both directly and indirectly. Specifically, these range from laws, regulations, systems, and so forth pertaining to the telecommunications business (including but not limited to the Telecommunications Business Act and Radio Act in Japan, and similar corresponding laws in the U.S.) to various laws, regulations, systems, and so forth pertaining to businesses such as Internet advertising, e-commerce, online games, energy, robotics, finance and settlement services, and other general corporate business activities (including but not limited to laws, regulations, systems, and so forth related to the environment, product liability, fair competition, consumer protection, privacy protection, anti-bribery, labor affairs, intellectual property, prevention of money laundering, taxation, foreign exchange, business and investment permits, and import and export activities).

If the Group (including officers and employees) conducts activities in breach of those laws, regulations, systems, and so forth the Group may be subject to sanctions or guidance by government agencies (including but not limited to deregistration, revocation of licenses and fines), or may face cancellation of business agreements by business partners, regardless of whether the violation was deliberate or not. As a result, the Group's credibility and corporate image may be impaired, or its business development may be hindered. In addition, the Group may incur a financial burden and it could impact the Group's results of operations. Furthermore, revisions to such laws, regulations, systems, and so forth or the enforcement of new laws, regulations, systems, and so forth or new interpretations and applications of laws, regulations, systems and so forth (including amendments thereof) could create a hindrance to the Group's business development or incur or increase a financial burden on the Group. This could impact the Group's results of operations.

(18) Measures to protect U.S. national security

SoftBank Group Corp. and Sprint Corporation and Sprint Communications, Inc.; in ((18) "Both Sprints") have entered into a National Security Agreement with the United States Department of Defense (DoD), the United States Department of Homeland Security (DHS), and the United States Department of Justice (DOJ). Under the National Security Agreement, SoftBank Group Corp. and Both Sprints have agreed to implement certain measures to protect U.S. national security. Implementing these measures could increase costs, and limit control over certain U.S. facilities, contracts, personnel, vendor selection, and operations. This could impact the Group's results of operations.

(19) Regulations about health risks associated with electromagnetic waves

There have been some research results that have indicated the possibility that electromagnetic waves emitted from mobile devices and base stations have adverse health effects, such as increasing the risk of cancer. The International Commission on Non-Ionizing Radiation Protection (ICNIRP) has prescribed guidelines relating to the amplitudes of these electromagnetic waves. The World Health Organization (WHO) has issued an opinion that there is no convincing evidence that electromagnetic waves have adverse effects on health when their amplitude is within the reference values in the ICNIRP's guidelines, and recommends that all countries adopt them.

The Group complies with a policy for protection from electromagnetic waves based on the ICNIRP guidelines in Japan, and complies with the requirements of the Federal Communications Commission (FCC) in the U.S. However, the WHO and other organizations continue to conduct research and investigations, the results of which may lead to regulations being revised in the future, or new regulations being introduced. Complying with such revision or introduction of regulations may incur costs, or may restrict the Group's business operations, which could impact the Group's results of operations.

Moreover, regardless of the presence of such regulations, concerns over the adverse effects on health associated with use of mobile devices could make it difficult for the Group to acquire and retain customers, which could impact the Group's results of operations.

(20) Intellectual property

If the Group were to unintentionally infringe on intellectual property rights held by a third party, it may be prevented from using the intellectual property or subjected to claims for compensatory damages or license fees from the third party. Such actions could impact the Group's results of operations.

On the other hand, if intellectual property held by the Group, such as the SoftBank brand or the Sprint brand, were infringed upon by a third party, such an infringement might have a negative impact on the Group's credibility or on its corporate image.

(21) Litigation

The Group faces the possibility of lawsuits by third parties claiming compensatory damages for the alleged infringement of rights or benefits. These third parties may include customers, business partners, shareholders (including shareholders of subsidiaries, affiliates, and investees), and employees. Such lawsuits could hinder the Group's business development or may impair the Group's corporate image, as well as create a financial burden that could impact the Group's results of operations.

(22) Administrative sanctions and other orders

The Group may be subject to administrative sanctions and guidance by government agencies. Such administrative actions may hinder the Group's business development and may create a financial burden that could impact the Group's results of operations.

Consolidated Financial Statements

a. Consolidated Statement of Financial Position

		(Millions of yen)		(Thousands of U.S. dollars)
ASSETS	Notes	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current assets				
Cash and cash equivalents	7	¥ 3,258,653	¥ 2,569,607	$ 22,804,464
Trade and other receivables	8, 25	1,895,648	1,914,789	16,993,158
Other financial assets	9, 25	197,068	152,858	1,356,567
Inventories	10	351,152	359,464	3,190,131
Other current assets	11	255,399	553,551	4,912,593
Total current assets		5,957,920	5,550,269	49,256,913
Non-current assets				
Property, plant and equipment	12	4,317,448	4,183,507	37,127,325
Goodwill	13	1,663,363	1,609,789	14,286,377
Intangible assets	13	6,903,582	6,439,145	57,145,412
Investments accounted for using the equity method	16	1,102,456	1,588,270	14,095,403
Other financial assets	9, 25	662,463	970,874	8,616,205
Deferred tax assets	18	235,488	172,864	1,534,114
Other non-current assets	11	191,449	192,474	1,708,148
Total non-current assets		15,076,249	15,156,923	134,512,984
Total assets		¥21,034,169	¥20,707,192	$183,769,897

LIABILITIES AND EQUITY	Notes	(Millions of yen) As of March 31, 2015	(Millions of yen) As of March 31, 2016	(Thousands of U.S. dollars) As of March 31, 2016
Current liabilities				
Interest-bearing debt	19, 25	¥ 1,817,415	¥ 2,646,609	$ 23,487,833
Trade and other payables	20, 25	1,863,480	1,621,195	14,387,602
Other financial liabilities	21, 25	12,917	6,531	57,960
Income taxes payables		184,175	140,351	1,245,572
Provisions	23	54,998	56,120	498,048
Other current liabilities	22	739,501	694,965	6,167,598
Total current liabilities		4,672,486	5,165,771	45,844,613
Non-current liabilities				
Interest-bearing debt	19, 25	9,789,829	9,275,822	82,320,039
Other financial liabilities	21, 25	27,142	95,664	848,988
Defined benefit liabilities	24	128,282	123,759	1,098,323
Provisions	23	155,705	118,876	1,054,988
Deferred tax liabilities	18	2,052,615	2,083,164	18,487,433
Other non-current liabilities	22	354,933	338,865	3,007,322
Total non-current liabilities		12,508,506	12,036,150	106,817,093
Total liabilities		17,180,992	17,201,921	152,661,706
Equity				
Equity attributable to owners of the parent				
Common stock	30	238,772	238,772	2,119,027
Capital surplus	30	374,845	261,234	2,318,371
Retained earnings	30	1,740,686	2,166,623	19,228,106
Treasury stock	30	(48,383)	(314,752)	(2,793,326)
Accumulated other comprehensive income	30	540,386	261,736	2,322,826
Total equity attributable to owners of the parent		2,846,306	2,613,613	23,195,004
Non-controlling interests		1,006,871	891,658	7,913,187
Total equity		3,853,177	3,505,271	31,108,191
Total liabilities and equity		¥21,034,169	¥20,707,192	$183,769,897

b. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2015	(Millions of yen) Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Continuing operations				
Net sales	33	¥ 8,504,135	¥ 9,153,549	$ 81,234,904
Cost of sales	34	(5,247,977)	(5,626,652)	(49,934,789)
Gross profit		3,256,158	3,526,897	31,300,115
Selling, general and administrative expenses	34	(2,309,770)	(2,447,598)	(21,721,671)
Gain from remeasurement relating to business combination	6	–	59,441	527,520
Other operating loss	35	(27,668)	(139,252)	(1,235,818)
Operating income		918,720	999,488	8,870,146
Finance cost	36	(366,500)	(440,744)	(3,911,466)
Income on equity method investments	16	76,614	375,397	3,331,532
Dilution gain from changes in equity interest	37	599,815	14,903	132,259
Other non-operating income (loss)	26, 38	(15,614)	56,720	503,372
Income before income tax		1,213,035	1,005,764	8,925,843
Income taxes	18	(470,317)	(440,555)	(3,909,789)
Net income from continuing operations		742,718	565,209	5,016,054
Discontinued operations				
Net income (loss) from discontinued operations	40	20,964	(6,968)	(61,839)
Net income		¥ 763,682	¥ 558,241	$ 4,954,215
Net income attributable to				
Owners of the parent		¥ 668,361	¥ 474,172	$ 4,208,129
Non-controlling interests		95,321	84,069	746,086
		¥ 763,682	¥ 558,241	$ 4,954,215

	Notes	(Yen) Fiscal year ended March 31, 2015	(Yen) Fiscal year ended March 31, 2016	(U.S. dollars) Fiscal year ended March 31, 2016
Earnings per share attributable to owners of the parent				
Basic earnings per share				
Continuing operations	41	¥562.68	¥411.22	$ 3.65
Discontinued operations	41	(0.48)	(8.73)	(0.08)
Total basic earnings per share	41	¥562.20	¥402.49	$ 3.57
Diluted earnings per share				
Continuing operations	41	¥559.23	¥397.05	$ 3.52
Discontinued operations	41	(0.48)	(8.73)	(0.07)
Total diluted earnings per share	41	¥558.75	¥388.32	$ 3.45

Consolidated Statement of Comprehensive Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Net income		¥ 763,682	¥ 558,241	$ 4,954,215
Other comprehensive income (loss), net of tax				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	24, 39	(59,377)	342	3,035
Total items that will not be reclassified to profit or loss		(59,377)	342	3,035
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets	25, 39	3,726	(4,906)	(43,539)
Cash flow hedges	25, 39	12,862	(31,992)	(283,919)
Exchange differences on translating foreign operations	29, 39	409,596	(289,735)	(2,571,308)
Share of other comprehensive income of associates	16, 39	(2,227)	27,642	245,314
Total items that may be reclassified subsequently to profit or loss		423,957	(298,991)	(2,653,452)
Total other comprehensive income (loss), net of tax		364,580	(298,649)	(2,650,417)
Total comprehensive income		¥1,128,262	¥ 259,592	$ 2,303,798
Total comprehensive income attributable to				
Owners of the parent		¥ 991,671	¥ 195,864	$ 1,738,232
Non-controlling interests		136,591	63,728	565,566
		¥1,128,262	¥ 259,592	$ 2,303,798

Note:
* Income taxes related to the components of other comprehensive income are described in "Note 39. Other comprehensive income and loss."

c. Consolidated Statement of Changes in Equity

(Millions of yen)

For the fiscal year ended March 31, 2015	Notes	Equity attributable to owners of the parent Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2014		¥238,772	¥405,045	¥1,168,266	¥(51,492)	¥169,850	¥1,930,441	¥ 899,941	¥2,830,382
Comprehensive income									
Net income		–	–	668,361	–	–	668,361	95,321	763,682
Other comprehensive income		–	–	–	–	323,310	323,310	41,270	364,580
Total comprehensive income		–	–	668,361	–	323,310	991,671	136,591	1,128,262
Transactions with owners and other transactions									
Cash dividends	31	–	–	(47,547)	–	–	(47,547)	(37,612)	(85,159)
Transfer of accumulated other comprehensive income to retained earnings		–	–	(47,226)	–	47,226	–	–	–
Purchase and disposal of treasury stock		–	–	(1,168)	3,109	–	1,941	–	1,941
Changes from business combination		–	–	–	–	–	–	4,218	4,218
Changes in interests in subsidiaries	30	–	(33,162)	–	–	–	(33,162)	11,110	(22,052)
Share-based payment transactions		–	2,962	–	–	–	2,962	(7,094)	(4,132)
Other		–	–	–	–	–	–	(283)	(283)
Total transactions with owners and other transactions		–	(30,200)	(95,941)	3,109	47,226	(75,806)	(29,661)	(105,467)
As of March 31, 2015		¥238,772	¥374,845	¥1,740,686	¥(48,383)	¥540,386	¥2,846,306	¥1,006,871	¥3,853,177

(Millions of yen)

For the fiscal year ended March 31, 2016	Notes	Equity attributable to owners of the parent Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2015		¥238,772	¥ 374,845	¥1,740,686	¥ (48,383)	¥ 540,386	¥2,846,306	¥1,006,871	¥3,853,177
Comprehensive income									
Net income		–	–	474,172	–	–	474,172	84,069	558,241
Other comprehensive loss		–	–	–	–	(278,308)	(278,308)	(20,341)	(298,649)
Total comprehensive income		–	–	474,172	–	(278,308)	195,864	63,728	259,592
Transactions with owners and other transactions									
Cash dividends	31	–	–	(47,261)	–	–	(47,261)	(46,719)	(93,980)
Transfer of accumulated other comprehensive income to retained earnings		–	–	342	–	(342)	–	–	–
Purchase and disposal of treasury stock	30	–	–	(1,316)	(266,369)	–	(267,685)	–	(267,685)
Changes from business combination	6	–	–	–	–	–	–	54,409	54,409
Changes from loss of control		–	–	–	–	–	–	(96,060)	(96,060)
Changes in interests in subsidiaries	30	–	(128,912)	–	–	–	(128,912)	(94,567)	(223,479)
Changes in associates' interests in their subsidiaries		–	15,736	–	–	–	15,736	–	15,736
Share-based payment transactions		–	(3,457)	–	–	–	(3,457)	5,943	2,486
Other		–	3,022	–	–	–	3,022	(1,947)	1,075
Total transactions with owners and other transactions		–	(113,611)	(48,235)	(266,369)	(342)	(428,557)	(178,941)	(607,498)
As of March 31, 2016		¥238,772	¥ 261,234	¥2,166,623	¥(314,752)	¥ 261,736	¥2,613,613	¥ 891,658	¥3,505,271

(Thousands of U.S. dollars)

For the fiscal year ended March 31, 2016	Notes	Equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
As of April 1, 2015		$2,119,027	$ 3,326,633	$15,448,048	$ (429,384)	$ 4,795,758	$25,260,082	$ 8,935,667	$34,195,749
Comprehensive income									
Net income		–	–	4,208,129	–	–	4,208,129	746,086	4,954,215
Other comprehensive loss		–	–	–	–	(2,469,897)	(2,469,897)	(180,520)	(2,650,417)
Total comprehensive income		–	–	4,208,129	–	(2,469,897)	1,738,232	565,566	2,303,798
Transactions with owners and other transactions									
Cash dividends	31	–	–	(419,427)	–	–	(419,427)	(414,616)	(834,043)
Transfer of accumulated other comprehensive income to retained earnings		–	–	3,035	–	(3,035)	–	–	–
Purchase and disposal of treasury stock	30	–	–	(11,679)	(2,363,942)	–	(2,375,621)	–	(2,375,621)
Changes from business combination	6	–	–	–	–	–	–	482,863	482,863
Changes from loss of control		–	–	–	–	–	–	(852,503)	(852,503)
Changes in interests in subsidiaries	30	–	(1,144,054)	–	–	–	(1,144,054)	(839,253)	(1,983,307)
Changes in associates' interests in their subsidiaries		–	139,652	–	–	–	139,652	–	139,652
Share-based payment transactions		–	(30,680)	–	–	–	(30,680)	52,742	22,062
Other		–	26,820	–	–	–	26,820	(17,279)	9,541
Total transactions with owners and other transactions		–	(1,008,262)	(428,071)	(2,363,942)	(3,035)	(3,803,310)	(1,588,046)	(5,391,356)
As of March 31, 2016		$2,119,027	$ 2,318,371	$19,228,106	$(2,793,326)	$ 2,322,826	$23,195,004	$ 7,913,187	$31,108,191

d. Consolidated Statement of Cash Flows

	Notes	(Millions of yen) Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Cash flows from operating activities				
Net income		¥ 763,682	¥ 558,241	$ 4,954,215
Depreciation and amortization		1,122,531	1,401,329	12,436,360
Gain from remeasurement relating to business combination		–	(59,441)	(527,520)
Finance cost		366,505	440,745	3,911,475
Income on equity method investments		(76,614)	(375,397)	(3,331,532)
Dilution gain from changes in equity interest		(599,815)	(14,903)	(132,259)
Other non-operating loss (income)		15,582	(56,854)	(504,562)
Income taxes		513,363	443,984	3,940,220
Increase in trade and other receivables		(85,357)	(50,740)	(450,302)
Increase in inventories		(178,353)	(404,933)	(3,593,655)
Increase (decrease) in trade and other payables		27,809	(698)	(6,195)
Other		93,538	91,656	813,420
Subtotal		1,962,871	1,972,989	17,509,665
Interest and dividends received		5,642	12,072	107,135
Interest paid		(407,665)	(461,217)	(4,093,158)
Income taxes paid	42	(489,584)	(1,230,087)	(10,916,640)
Income taxes refund	42	83,910	646,429	5,736,857
Net cash provided by operating activities		1,155,174	940,186	8,343,859
Cash flows from investing activities				
Purchase of property, plant and equipment, and intangible assets	42	(1,397,856)	(1,360,960)	(12,078,097)
Proceeds from sales of property, plant and equipment, and intangible assets	14, 42	41,468	150,956	1,339,688
Payments for acquisition of investments		(287,801)	(407,754)	(3,618,690)
Proceeds from sales/redemption of investments		133,888	58,161	516,161
Decrease from acquisition of control over subsidiaries	6	(47,862)	(61,670)	(547,302)
Decrease from loss of control over subsidiaries	42	–	(63,070)	(559,727)
Payments for acquisition of marketable securities for short-term trading		(281,620)	(94,349)	(837,318)
Proceeds from sales/redemption of marketable securities for short-term trading		280,661	189,844	1,684,807
Other		(108,149)	(62,840)	(557,687)
Net cash used in investing activities		(1,667,271)	(1,651,682)	(14,658,165)

	Notes	(Millions of yen) Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Cash flows from financing activities				
Increase in short-term interest-bearing debt, net	19	¥ 108,541	¥ 128,135	$ 1,137,158
Proceeds from long-term interest-bearing debt	19, 42	2,715,501	2,129,683	18,900,275
Repayment of long-term interest-bearing debt	19	(984,783)	(1,604,768)	(14,241,818)
Payment for purchase of subsidiaries' interests from non-controlling interests	42	(52,883)	(267,276)	(2,371,991)
Purchase of treasury stock		(42)	(269,214)	(2,389,191)
Cash dividends paid		(47,519)	(47,219)	(419,054)
Cash dividends paid to non-controlling interests		(37,834)	(47,497)	(421,521)
Other		18,942	21,426	190,150
Net cash provided by financing activities		1,719,923	43,270	384,008
Effect of exchange rate changes on cash and cash equivalents		87,337	(20,820)	(184,771)
Increase (decrease) in cash and cash equivalents		1,295,163	(689,046)	(6,115,069)
Cash and cash equivalents at the beginning of the year	7	1,963,490	3,258,653	28,919,533
Cash and cash equivalents at the end of the year	7	¥ 3,258,653	¥ 2,569,607	$ 22,804,464

Notes to Consolidated Financial Statements

1. Reporting entity

SoftBank Group Corp. is a corporation domiciled in Japan. The registered address of SoftBank Group Corp.'s head office is disclosed on our website (http://www.softbank.jp/). These consolidated financial statements are composed of SoftBank Group Corp. and its subsidiaries ("the Company"). The Company engages in various businesses in the information industry, with its base in the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment. The details are described in "(1) Description of reportable segments" in "Note 5. Segment information."

SoftBank Corp. changed its company name to SoftBank Group Corp. effective on July 1, 2015.

SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation, which were subsidiaries of the Company, conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015. SoftBank Mobile Corp. changed its company name to SoftBank Corp. on July 1, 2015.

2. Basis of preparation of consolidated financial statements

(1) Compliance with IFRSs

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(2) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain items, such as financial instruments, that are measured at fair value as described in "Note 3. Significant accounting policies."

(3) Presentation currency and unit of currency

These consolidated financial statements have been presented in Japanese yen, which is the currency of the primary economic environment of SoftBank Group Corp. ("functional currency"), and are rounded to the nearest million yen.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥112.68 to $1, the approximate rate of exchange at March 31, 2016. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(4) Changes in presentation

(Consolidated statement of income)

Continuing operations and discontinued operations are presented separately for the fiscal year ended March 31, 2016. In order to reflect the change, the presentation has been reclassified similarly for the fiscal year ended March 31, 2015. The details are described in "Note 40. Discontinued operations."

(Consolidated statement of cash flows)

a. "Increase in inventories" which was included in "Other" in net cash provided by operating activities for the fiscal year ended March 31, 2015 is separately presented for the fiscal year ended March 31, 2016 since the significance of the amount increased. In order to reflect the change, ¥(178,353) million which was included in "Other" in net cash provided by operating activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2015, is reclassified as "Increase in inventories."

b. "Income taxes refund" which were included in "Income taxes paid" in net cash provided by operating activities for the fiscal year ended March 31, 2015 are separately presented for the fiscal year ended March 31, 2016 since the significance of the amount increased. In order to reflect the change, ¥83,910 million which was included in "Income taxes paid" in net cash provided by operating activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2015, is reclassified as "Income taxes refund."

c. "Proceeds from sales of property, plant and equipment, and intangible assets" which were included in "Other" in net cash used in investing activities for the fiscal year ended March 31, 2015 are separately presented for the fiscal year ended March 31, 2016 since the significance of the amount increased. In order to reflect the change, ¥41,468 million which was included in "Other" in net cash used in investing activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2015, is reclassified as "Proceeds from sales of property, plant and equipment, and intangible assets."

d. "Purchase of treasury stock" which was included in "Other" in net cash provided by financing activities for the fiscal year ended March 31, 2015 is separately presented for the fiscal year ended March 31, 2016 since the significance of the amount increased. In order to reflect the change, ¥(42) million which was included in "Other" in net cash provided by financing activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2015, is reclassified as "Purchase of treasury stock."

(5) New standards and interpretations not yet adopted by the Company

New standards and interpretations which are newly established or amended before the approval date of the consolidated financial statements, not yet adopted by the Company and which may have potential impacts are as follows. The Company is currently evaluating the potential impacts.

Standard / interpretation		Mandatory adoption (From the year beginning)	To be adopted by the Group	Outline of the new / revised standards
IFRS 9	Financial Instruments	January 1, 2018	From the fiscal year ending March 31, 2019	IFRS 9 replaces a part of the previous IAS 39. Main revisions are: to revise classification into measurement categories of financial instruments (amortized costs and fair values) and measurement; to revise the treatment of changes in fair values of financial liabilities measured at fair values; to revise the eligibility requirement of hedged items and hedging instruments, and requirements related to the effectiveness of the hedge; and to revise the measurement approach for impairment by introducing an impairment model based on the expected credit loss.
IFRS 15	Revenue from contracts with customers	January 1, 2018	From the fiscal year ending March 31, 2019	IFRS 15 replaces the previous IAS 11 and IAS 18. Main revisions are: to require revenue recognition by the following five steps: a. identify the contract with the customer b. identify the performance obligations in the contract c. determine the transaction price d. allocate the transaction price to each performance obligation in the contract e. recognize revenue when (or as) a performance obligation is satisfied to revise the treatment for contract costs, license and guarantee of products; and to increase the disclosure related to revenue recognition.
IFRS 16	Leases	January 1, 2019	From the fiscal year ending March 31, 2020	IFRS 16 replaces the previous IAS 17 and IFRIC 4. Main revisions are: Revision to apply a control model to the identification of leases and distinguishing between leases and service contracts; and Revision to eliminate lease classification and recognition of assets and liabilities for all leases by the lessee.
IAS 7 (Amendment)	Statement of cash flows	January 1, 2017	From the fiscal year ending March 31, 2018	Requirement for additional disclosure related to changes in liabilities arising from financing activities.

(6) Definition of company name and abbreviation used in the notes

Company names and abbreviations used in the notes, except as otherwise stated or interpreted differently in the context, are as follows:

Company name / Abbreviation	Definition
"SoftBank Group Corp."*	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
"Sprint Communications"	Sprint Communications, Inc.
"Brightstar"	Brightstar Global Group Inc.
"Clearwire"	Clearwire Corporation
"Supercell"	Supercell Oy
"Alibaba"	Alibaba Group Holding Limited
"GungHo"	GungHo Online Entertainment, Inc.
"WCP"	Wireless City Planning Inc.

Note:
* The company name "SoftBank Group Corp." is used consistently in the notes, including the information with regard to the transactions that occurred before the change.

3. Significant accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements.

(1) Basis of consolidation

a. Subsidiaries

A subsidiary is an entity that is controlled by SoftBank Group Corp.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries' financial statements are consolidated from the date when control is acquired ("acquisition date") until the date when the control is lost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Non-controlling interests consist of those interests at the acquisition date and any adjustments for subsequent changes in those interests.

Total comprehensive income of subsidiaries is generally attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup balances and transactions and unrealized gain or loss arising from intragroup transactions are eliminated on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

When SoftBank Group Corp. loses control of a subsidiary, a gain or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the net carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary when a control is lost.

Any amounts previously recognized in accumulated other comprehensive income in relation to the former subsidiaries are reclassified to profit or loss.

b. Associates and joint ventures

An associate is an entity over which SoftBank Group Corp. has significant influence in the financial and operating policy decisions but does not have control or joint control.

A joint venture is an investment which parties including SoftBank Group Corp. have joint control based on the contractual arrangement that requires unanimous consent related to significant decisions of the business activities and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The investment is adjusted thereafter to recognize the Company's interest of the profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

However, regarding preferred stock investment in associates, when the feature of preferred stock is substantively different from common stock, it is not accounted for using the equity method, and it is designated as financial assets at fair value through profit or loss ("financial assets at FVTPL"). Please refer to "(4) Financial instruments" under "Note 3. Significant accounting policies" for details.

When the losses of an associate and a joint venture exceed the Company's interest in the associate and the joint venture, long-term interests that, in substance, form a part of the net investment in the company are decreased to zero, and no additional loss is recognized except when the Company incurs legal or constructive obligations to or makes payments on behalf of the associate and the joint venture.

Unrealized gains or losses on intercompany transactions with associates and joint ventures are added to or deducted from the carrying amount of the investments only to the extent of the Company's interests in the associates and the joint ventures.

Any excess in the cost of acquisition of an associate and a joint venture over the Company's interest of the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of the investments in associates and joint ventures.

Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investments in associates and joint ventures, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates that the investment may be impaired.

The Company applies the equity method to the financial statements of Alibaba, an associate of the Company, on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba due to the contract with Alibaba. Adjustments are made for significant transactions or events that occurred during the intervening period and which were publicly announced by Alibaba.

(2) Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date.

The consideration transferred in a business combination is measured as the sum of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, and the fair value at the acquisition date of the equity interests issued by the Company. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets or disposal groups that are classified as held-for-sale are measured in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations."

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired at the acquisition date is recorded as goodwill. If the consideration transferred and the amount of any non-controlling interest in the acquiree is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognized immediately in profit or loss.

On an acquisition-by-acquisition basis, the Company chooses a measurement basis of non-controlling interests at either fair value or by the proportionate share of the non-controlling interests in the recognized amounts of the acquiree's identifiable net assets. When a business combination is achieved in stages, the Company's previously held interest in the acquiree is remeasured at fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss.

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the fiscal year, the Company reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

Goodwill arising in business combinations that occurred before the date of transition to IFRSs is carried over at the carrying amount under the previous accounting principles (Japanese Generally Accepted Accounting Principles, "JGAAP") as of the date of transition to IFRSs, and recorded by that amount after an impairment test.

(3) Foreign currency translation

a. Transactions denominated in foreign currencies

The financial statements of each company are prepared in their functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into the functional currency at the rates prevailing at the end of the fiscal year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured.

Exchange differences arising from translation are recognized in profit or loss, except for exchange differences arising from non-monetary available-for-sale financial assets measured through other comprehensive income and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including goodwill arising from acquisitions and the adjustments of fair value) are translated into Japanese yen using exchange rates prevailing at the end of the fiscal year.

Income, expenses and cash flows are translated into Japanese yen by using the average exchange rates for each quarter. When the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, the exchange rates at the transaction dates are used for the translation.

The exchange rates used in the translation are described in "Note 29. Foreign exchange rate."

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income and cumulative differences are included in accumulated other comprehensive income.

These cumulative differences are reclassified from equity to profit or loss when the Company loses control or significant influence over the foreign operation.

(4) Financial instruments

a. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract provision of the instrument.

Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets at FVTPL and financial liabilities at fair value through profit or loss ("financial liabilities at FVTPL") are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

Non-derivative financial assets are classified as "financial assets at FVTPL," "held-to-maturity investments," "loans and receivables," or "available-for-sale financial assets." The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

All purchase and sales of financial assets made in a regular way are recognized and derecognized on a trade date basis. The purchase and sales made in a regular way refer to acquiring or disposing financial assets under a contract that requires the delivery of assets within a time frame established by regulation or convention in the marketplace.

(a) Financial assets at FVTPL

Financial assets are classified as "financial assets at FVTPL" when they are held for trading purposes or designated as financial assets at FVTPL.

Financial assets other than derivatives, which are mainly acquired to be sold in the short-term, are classified as held for trading purposes.

The Company designates a financial asset as a financial asset at FVTPL upon initial recognition, if:

- the financial assets are managed in accordance with the Company's documented risk management policy or investment strategy; and
- its performance is reviewed on the fair value basis by the Company's management to make decisions about the investment plan.

Also, if the Company is required to separate an embedded derivative from its host contract, but is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the entire hybrid contract is designated and accounted for as financial assets at FVTPL.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss. Fair value of financial assets at FVTPL is measured in the manner described in "(1) Categorization by level within the fair value hierarchy" in "Note 26. Fair value of financial instruments."

(b) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as "held-to-maturity investments."

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(c) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables."

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(d) Available-for-sale financial assets

Non-derivative financial assets are classified as "available-for-sale financial assets," if:

- they are designated as "available-for-sale financial assets"; or
- they are classified neither as "financial assets at FVTPL," "held-to-maturity investments," nor as "loans and receivables."

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and gains or losses arising from changes in fair value are recognized in other comprehensive income. Fair value of available-for-sale financial assets is measured in the manner described in "(1) Categorization by level within the fair value hierarchy" in "Note 26. Fair value of financial instruments." Exchange differences arising on monetary financial assets classified as available-for-sale financial assets, interest income calculated using the effective interest method relating to available-for-sale financial assets and dividends received are recognized in profit or loss.

(e) Impairment of financial assets

Among financial assets other than those at FVTPL, available-for-sale equity instruments are assessed for any objective evidence of impairment at the end of the fiscal year and at the end of each quarter, and the other assets are assessed for any objective evidence of impairment at the end of the fiscal year. Financial assets are impaired when there is objective evidence that loss events occurred subsequent to initial recognition of the financial assets and when estimated negative future cash flows of the financial assets from those events can be reasonably estimated.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value below the cost is considered to be objective evidence of impairment. In addition, objective evidence of impairment of all financial assets could include:

- significant financial difficulty of the issuer or borrower;
- breach of contract, such as a default or delinquency in interest or principal payments;
- high possibilities of borrowers' bankruptcy or entering financial reorganization; or
- disappearance of an active market for the financial assets.

The Company assesses the existence of objective evidence of impairment individually for separately significant assets or collectively for assets with no individual significance.

When there is objective evidence of impairment on loans and receivables or held-to-maturity investments, the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognized in profit or loss as an impairment loss. The impairment loss is recognized through the use of an allowance account, and the carrying amount of a loan and receivable is written off against the allowance account when it is considered uncollectible.

The carrying amount of held-to-maturity investments is reduced by the impairment loss directly. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset does not exceed what the amortized cost would have been, had the impairment not been recognized.

When there is objective evidence that an available-for-sale financial asset is impaired, previously recognized accumulated other comprehensive income is transferred to profit or loss. Impairment losses on equity instruments classified as available-for-sale financial assets are not reversed.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

c. Non-derivative financial liabilities

The Company's non-derivative financial liabilities include interest-bearing debt and trade and other payables. These financial liabilities are measured at amortized cost using the effective interest method, subsequent to initial recognition.

The Company derecognizes financial liabilities when the Company's obligations are discharged, canceled or expired.

d. Derivatives and hedge accounting

(a) Derivatives

The Company is engaged in derivative transactions, including foreign currency forward contracts and currency swaps in order to manage its exposure to foreign exchange rate and interest rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair values at the end of fiscal year. Changes in the fair value of derivative are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified into "financial assets at FVTPL" and derivative financial liabilities not designated as hedging instruments are classified into "financial liabilities at FVTPL."

(b) Hedge accounting

The Company designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

At the inception of the hedge, the Company formally designates and documents the hedge relationship qualifying for hedge accounting, along with its risk management objectives and its strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company evaluates whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period.

The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in equity. Accumulated other comprehensive income is transferred to profit or loss through a line item relating to the hedged item in the consolidated statement of income, in the periods when the cash flows from the hedged item affect profit or loss. Any ineffective portion of changes in fair value of derivatives is recognized immediately in profit or loss.

When the hedged forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the Company removes the associated gains or losses previously recognized in accumulated other comprehensive income and includes them in the initial amount of the cost of the non-financial asset or non-financial liability (basis adjustment).

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised or when hedge no longer meets the criteria for hedge accounting.

When hedge accounting is discontinued, any gains or losses recognized in accumulated other comprehensive income remains in equity and is reclassified to profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gains or losses recognized in accumulated other comprehensive income are reclassified immediately to profit or loss.

(c) Embedded derivatives

Derivatives embedded in non-derivative host contracts ("embedded derivatives") are separated from the host contracts and accounted for as separate derivatives when their economic characteristics and risks are not closely related to those of the host contracts and the whole financial instruments, including embedded derivatives, are not measured at FVTPL. If the Company is required to separate an embedded derivative from its host contract, but is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the entire hybrid contract is designated and accounted for as financial assets at FVTPL.

e. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term investments with maturities of three months or less that are readily convertible to cash and subject to insignificant risk of change in value.

(6) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile handsets and accessories. Their costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs are mainly calculated by the moving-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement and site restoration.

Property, plant and equipment are depreciated mainly using the straight-line method over the estimated useful lives of each component. The depreciable amount is calculated as the cost of an asset, less its residual value. Land and construction in progress are not depreciated.

The estimated useful lives of major components of property, plant and equipment are as follows:

Buildings and structures	
Buildings	12 – 50 years
Other	5 – 15 years
Telecommunications equipment	
Wireless equipment, switching equipment and other network equipment	5 – 30 years
Towers	15 – 42 years
Other	5 – 40 years
Furniture, fixtures and equipment	
Leased mobile devices	2 – 3 years
Other	4 – 10 years

The depreciation methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in an accounting estimate.

Assets held under finance leases are depreciated over their estimated useful lives when there is certainty that ownership will be obtained by the end of the lease term. However, when there is no certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term or their estimated useful lives.

(8) Goodwill

Please refer to "(2) Business combinations" in "Note 3. Significant accounting policies" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash-generating units or groups of cash-generating units to which goodwill has been allocated, and annually regardless of any indication of impairment. Impairment is described in "(11) Impairment of property, plant and equipment, intangible assets and goodwill" in "Note 3. Significant accounting policies."

The Company's policy for goodwill arising from the acquisition of an associate is described in "(1) Basis of consolidation" in "Note 3. Significant accounting policies."

(9) Intangible assets

Intangible assets are measured on a historical cost basis at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill at initial recognition and are measured at fair value at the acquisition date. Any internally generated research and development expenditure is recognized as an expense in the period in which it is incurred, except for expenditures on development activities eligible for capitalization (internally generated intangible assets). The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets all of the capitalization criteria to the date the development is completed.

There are intangible assets with finite useful lives and intangible assets with indefinite useful lives.

The intangible assets with finite useful lives are amortized over the estimated useful lives. Amortization of the customer relationships is mainly calculated by the sum-of-the-digits method and intangible assets with finite useful lives other than customer relationships are amortized by the straight-line method.

The estimated useful lives of major categories of intangible assets with finite useful lives are as follows:

Software	
Software related to wireless equipment	5 – 10 years
Other	3 – 5 years
Customer relationships	4 – 24 years
Favorable lease contracts	3 – 23 years
Game titles	5 years
Trademarks (with finite useful lives)	34 years
Spectrum migration costs	18 years
Other	4 – 20 years

Amortization methods, useful lives and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in an accounting estimate.

Favorable lease contracts are recognized as intangible assets based on the estimated fair value of the favorable portion of future cash flows if, at the time of business combinations, the terms of operating lease contracts in which the acquiree is the lessee are favorable compared to market terms.

Spectrum migration costs are the amounts that the Company incurred in connection with the costs arising from the migration of the existing users from the 900 MHz band, which SoftBank Corp. acquired, to the other frequency spectrum based on the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

Intangible assets with indefinite useful lives are as follows:

- Licenses using specific frequency spectrum granted by the U.S. Federal Communications Commission ("FCC licenses")
- Trademarks (with indefinite useful lives)

As long as the Company acts within the requirements of the regulatory authorities, the renewal and extension of FCC licenses are reasonably certain at minimal cost. Therefore, it is determined that FCC licenses have indefinite useful lives.

The Company determined that "Sprint," "Boost Mobile" and other trademarks have indefinite useful lives as they can be legally used continuously as long as the business continues and management's current plans are to offer service under these trademarks for the foreseeable future.

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in "(11) Impairment of property, plant and equipment, intangible assets and goodwill" in "Note 3. Significant accounting policies."

(10) Leases

The assessment of whether an arrangement is a lease or contains a lease is made on a basis of all the facts and circumstances at the inception of the arrangement.

Leases are classified as finance leases whenever all the risks and rewards of ownership of assets are substantially transferred to the lessee. All other leases are classified as operating leases. It is determined that all the risks and rewards of ownership of assets are transferred to the lessee when the lease terms account for most of the economic useful lives of the assets, or the present values of the total minimum lease payments are almost equal to the fair values of the assets. The lease terms are the total of the non-cancelable period and the period which is deemed to be reasonably certain that the renewal option will be exercised at the inception of the leases.

a. Finance leases

(The Company as lessee)

At inception, the Company initially recognizes finance leases as assets and the lease obligation at the amount equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Subsequent to initial recognition, the accounting policy for assets held under finance leases is consistent with that of assets that are owned. Lease payments are apportioned between finance cost and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

b. Operating leases

(The Company as lessee)

Gross operating lease payments are recognized as expenses on a straight-line basis over the relevant lease terms.

(The Company as lessor)

Gross operating lease incomes are recognized as revenues on a straight-line basis over the relevant lease terms.

(11) Impairment of property, plant and equipment, intangible assets and goodwill

a. Impairment of property, plant and equipment and intangible assets

At the end of the fiscal year, the Company determines whether there is any indication that property, plant and equipment and intangible assets may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

At the end of the fiscal year, the Company evaluates whether there is any indication that an impairment loss recognized in prior years for assets other than goodwill has decreased or extinguished. If such indication of a reversal of an impairment loss exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be higher than its carrying amount, a reversal of an impairment loss is recognized, to the extent that the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount (less depreciation and amortization) that would have been recognized, had no impairment loss been recognized.

b. Impairment of goodwill

At the end of the fiscal year and at the end of each quarter, the Company determines whether there is any indication that goodwill may be impaired.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the business combination, and it is tested for impairment annually regardless of any indication of impairment, and when there is an indication that the cash-generating unit or groups of cash-generating units may be impaired. If, at the time of the impairment test, the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or groups of cash-generating units and then to the other assets pro rata based on the carrying amount of each asset in the unit or groups of cash-generating units.

Any impairment loss for goodwill is recognized directly in profit or loss and is not reversed in subsequent periods.

(12) Retirement benefits

Defined contribution plans are post-employment benefit plans under which an employer pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Company primarily adopts defined contribution pension plans.

SoftBank Corp. has frozen its defined benefit lump-sum plans since March 2006 and 2007. Liabilities for the frozen defined benefit lump-sum plans are recognized as defined benefit liabilities until they are paid in the form of a lump sum at the time of future retirement of employees.

Sprint has frozen its defined benefit pension plans since December 2005. Liabilities for the defined benefit pension plans are recognized as defined benefit liabilities until they are paid as pensions after the time of retirement of employees.

a. Defined contribution plans

Contributions paid for defined contribution plans are recognized as expenses in the period in which the employees render the related service. Contributions payable are recognized as liabilities.

b. Defined benefit plans

The liability recognized in respect of the defined benefit plans (the defined benefit liability) is the present value of the defined benefit obligation less the fair value of plan assets at the end of the fiscal year.

The defined benefit obligation is determined by independent actuaries using the projected unit credit method, and its present value is determined by applying a discount rate based on the yield curve of high-quality corporate bonds over the approximate period of the benefit payments.

Defined benefit cost includes service cost, net interest on the net defined benefit liability (asset), and re-measurements of the net defined benefit liability (asset). Service cost and net interest are recognized in net profit or loss. Net interest is determined using the discount rate described above.

The liabilities for the frozen defined benefit plans are calculated on the basis of retirement benefits vested at the time the plans were frozen. Therefore, service cost is not incurred for those defined benefit plans.

The Company's remeasurements, which comprise actuarial gains and losses and the return on plan assets (excluding amounts included in net interest), are recognized in other comprehensive income and transferred to retained earnings immediately from accumulated other comprehensive income.

(13) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured using the estimated future cash flows, discounted using a pretax rate reflecting the time value of money and the specific risks of the liability, after taking into account the risks and uncertainties surrounding the obligation at the end of the fiscal year.

The Company recognizes asset retirement obligations, restructuring provision, provision for loss on interest repayment, and provision for onerous contract as provisions.

Restructuring provisions are recognized when the Company has a detailed formal plan for the restructuring and has raised a valid expectation to those who will be affected that the Company will carry out the restructuring by starting to implement the plan or announcing the main features of the plan.

Restructuring provisions are mainly related to network shutdown and backhaul access contracts. The details of the restructuring provision are described in "Note 23. Provisions."

Provision for loss on interest repayment is recorded based on an amount representing future expected claims in order to prepare for future claims by debtors and other, for repayment of interest paid in excess of the rate permitted under the Interest Rate Restriction Act.

(14) Treasury stock

When the Company acquires its own equity share capital ("treasury stock"), the consideration paid, including any directly attributable increments costs (net of income taxes), is deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the treasury stock. The difference between the carrying amount and the consideration on sale is recognized as capital surplus.

(15) Share-based payments

The Company grants stock options and restricted stock unit awards as equity-settled share-based compensation and cash-settled share-based compensation.

Equity-settled share-based compensation is measured at fair value at the grant date. The fair value of stock options is calculated using the Black-Scholes model and other, and the fair value of restricted stock units is calculated using the share price at the date of grant.

The fair value determined at the grant date is expensed over the vesting period, based on the estimate of stock options or restricted stock units that will eventually vest, with a corresponding increase in equity.

The Company regularly reviews the assumptions made and revises estimates of the number of stock options or restricted stock units that are expected to vest, when necessary.

Cash-settled share-based compensation is accounted for as liabilities and is measured initially at the fair value of the award. The fair value of the liabilities is remeasured on each closing date and the settlement date, and changes in fair values are recognized in profit or loss.

(16) Revenue

The Company's accounting policy for revenue recognition by major categories is as follows:

Domestic Telecommunications segment and Sprint segment

a. Mobile Communications service and sales of mobile handsets

The Company provides mobile telecommunications services, which consist of voice communications and data transmission to subscribers, and also sells mobile handsets and accessories to customers.

In the Mobile Communications service, revenues are mainly generated from basic monthly charges, telecom service ("revenues from the mobile telecommunications service") and other fees. Also, revenues from the sale of mobile handsets ("revenues from the sale of mobile handsets") are generated from the sale of mobile handsets and accessories to subscribers or dealers.

The business flow of the above transactions consists of "Indirect sales", where the Company sells mobile handsets to dealers and enters into telecommunications services contracts with subscribers through dealers, and "Direct sales", where the Company sells mobile handsets to subscribers and enters into telecommunications services contracts directly with subscribers. The revenues are recognized respectively as follows:

(a) Indirect sales

Revenues from the sale of mobile handsets are recognized when mobile handsets are delivered to dealers, which is when risk and economic value are deemed to be transferred. Commission fees paid to dealers related to the sales of mobile handsets are deducted from revenues.

The mobile telecommunications services are recognized as revenue when services are provided to subscribers. Discounts are deducted from revenues from monthly mobile telecommunications services as a discount of mobile telecommunications charges.

Activation fees are deferred upon entering into the contract and recognized as revenues over the estimated average contract period. Upgrade fees are recognized as revenues over the estimated average usage period of handsets with the subscribers. Direct costs related to activation are deferred to the extent of the activation fees and upgrade fees and are amortized over the respective same period.

(b) Direct sales

In direct transactions, as the revenue from the sales of mobile handsets and the mobile telecommunications services, including the fees, are considered to be one transaction, the total amount of revenues is allocated to mobile handsets and telecommunications service on the basis of fair value ratio.

When handsets are sold in installments, revenue from the sales of mobile handsets is recognized based on the fair value ratio when handsets are delivered to the subscribers. When handsets are sold in lump-sum payment, the maximum amount of revenues to be recognized by the sale of mobile handsets is set by the amounts to be received from subscribers at the sales of mobile handsets. The amount of revenue allocated to the mobile telecommunication services is recognized when the service is provided to the subscribers.

b. Fixed-line Telecommunications service

In the Fixed-line Telecommunications service, revenues are generated mainly from voice communications and digital data transmission services, Internet provider charges, ADSL service fees, IP telephony service fees, and the usage of the network ("revenues from fixed-line telecommunications service").

Revenues from fixed-line telecommunications services are recognized as revenues when services are provided to subscribers, based upon fixed monthly charges plus the usage of the network.

Yahoo Japan segment

In the Yahoo Japan segment, revenues are generated mainly from sponsored search advertising, display advertising, e-commerce related commission fees, revenue from membership and product sales.

Sponsored search advertising revenue is recognized when a visitor of the website clicks the advertisement. Display advertising comprises premium advertising, Yahoo! Display Ad Network ("YDN") and other. Revenue from premium advertising is recognized over a period in which related advertisement is displayed. Revenue from YDN is recognized when a visitor of the website clicks the advertisement on the page with the related content. Revenue from e-commerce related commission fees is recognized when the transaction occurs. Revenue from membership fees is recognized over an effective period of the membership. Revenue from product sales is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, the Company retains neither continuing managerial involvement nor effective control over the products sold, it is probable that the economic benefits associated with the transaction will flow into the Company, and the costs incurred and the amount of revenue related to the transaction can be measured reliably.

Distribution segment

In the Distribution segment, revenues are generated mainly from distribution of mobile handsets to telecommunication service providers and retailers overseas, and sales of PC software, peripherals, and mobile handsets accessories in Japan. Revenue in the Distribution segment is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, the Company retains neither continuing managerial involvement nor effective control over the products sold, it is probable that the economic benefits associated with the transaction will flow into the Company, and the costs incurred and the amount of revenue related to the transaction can be measured reliably. For transactions conducted by the Company on behalf of third parties, revenue is presented on net basis by excluding payment to third parties from the total consideration received from customers.

(17) Sales commission fees

The Company pays sales commission fees when dealers sell the Company's mobile handsets to subscribers or acquire and retain engagement of telecommunications service between the Company and subscribers. Commission fees related to the sales of mobile handsets are deducted from the revenues from the sales of mobile handsets. Commission fees related to the acquisition and retention of engagement of telecommunications service are recognized as selling, general and administrative expenses.

(18) Income tax

Income tax expense is composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of the fiscal year.

Deferred tax assets are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income.

Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

Deferred tax liabilities are basically recognized for taxable temporary differences, except for:

- temporary differences arising from the initial recognition of assets and liabilities, and related transactions other than business combinations, that affect neither the accounting profit nor the taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.

(19) Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

Diluted earnings per share assume full conversion of the issued potential stocks having a dilutive effect, with an adjustment for net income attributable to owners of the parent and the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

4. Significant judgments and estimates

In preparing consolidated financial statements under IFRSs, management makes judgments, estimates, and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are based on management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of its estimates or assumptions, however, actual results in the future may differ from those estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in the future periods. Significant judgments, estimates and assumptions that affect the amounts recognized in the Company's consolidated financial statements are as follows:

- judgments of whether an entity is controlled by the Company in the decision making on the scope of consolidation ((1) in "Note 3. Significant accounting policies" and "Note 15. Major subsidiaries");
- significant judgments for the determination of joint ventures ((1) in "Note 3. Significant accounting policies" and (3) in "Note 14. Leases");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 38. Other non-operating income and loss");
- estimates of fair value of assets acquired and the liabilities assumed in a business combination ((2) in "Note 3. Significant accounting policies" and "Note 6. Business combinations");
- fair value measurement of financial assets at FVTPL and available-for-sale financial assets ((4) in "Note 3. Significant accounting policies," (1) (2) in "Note 26. Fair value of financial instruments" and "Note 38. Other non-operating income and loss");
- estimates for impairment of financial assets measured at amortized cost ((4) in "Note 3. Significant accounting policies" and "Note 38. Other non-operating income and loss");
- estimates of residual value and useful life of property, plant and equipment and intangible assets ((7) and (9) in "Note 3. Significant accounting policies");
- judgments and estimates for accounting treatment of contracts including leases ((10) in "Note 3. Significant accounting policies" and "Note 14. Leases");
- estimates for impairment of property, plant and equipment, intangible assets and goodwill ((11) in "Note 3. Significant accounting policies," "Note 13. Goodwill and intangible assets" and "Note 35. Other operating income and loss");
- measurement of defined benefit obligation ((12) in "Note 3. Significant accounting policies" and (2) in "Note 24. Retirement benefits");
- judgments and estimates for recognition and measurement on provisions ((13) in "Note 3. Significant accounting policies" and "Note 23. Provisions");
- assessment of recoverability of deferred tax assets ((18) in "Note 3. Significant accounting policies" and (4) in "Note 18. Income taxes"); and
- recognition of liabilities and expenses related to contingencies ("Note 35. Other operating income and loss" and (b) (3) b. in "Note 44. Contingency").

5. Segment information

(1) Description of reportable segments

The Company's reportable segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by the Company's board of directors in order to make decisions about the allocation of the resources and assess its performance.

For the fiscal year ended March 31, 2015, the Company had four segments, the Mobile Communications segment, the Sprint segment, the Fixed-line Telecommunications segment, and the Internet segment. However, from the fiscal year ended March 31, 2016 in line with the transformation from a strong Japanese business with global assets to a global business that will strive to create sustainable growth over the long term, the Company changed its segments to four reportable segments, such as the Domestic telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment.

The Domestic Telecommunications segment provides, mainly through SoftBank Corp. (formerly SoftBank Mobile Corp.), mobile communications services, sale of mobile devices, telecommunication services such as fixed-line telephone and data communications services for corporate customers, and broadband services for retail customers in Japan.

The Sprint segment provides, through Sprint, mobile communications services, sale and lease of mobile devices, sale of mobile device accessories, and fixed-line telecommunications services in the U.S.

The Yahoo Japan segment provides, mainly through Yahoo Japan Corporation, Internet-based advertising business, e-commerce business, and membership services.

The Distribution segment provides, mainly through Brightstar, distribution of mobile devices overseas, and through SoftBank Commerce & Service Corp., sale of mobile device accessories, PC software and peripherals in Japan.

The reportable segments for the fiscal year ended March 31, 2015 are presented based on the revised reportable segments.

(2) Net sales and income of reportable segments

Accounting policies for reportable segments are the same as the policies described in "Note 3. Significant accounting policies."

Income of reportable segments is defined as "Operating income."

The Company had defined the income of reportable segments as the amount after deducting "Cost of sales" and "Selling, general and administrative expenses" from "Net sales" until the fiscal year ended March 31, 2015. In connection with the revision of the segments, the Company defined its income of reportable segments as "Operating income" from the fiscal year ended March 31, 2016.

Income of reportable segments for the fiscal year ended March 31, 2015 is also defined as "Operating income."

Intersegment transaction prices are determined under the same general business conditions as applied for external customers.

The following is the information about the Company's net sales and income by reportable segment.

The Company also discloses EBITDA (i.e., segment income and loss after addition of depreciation and amortization) and Adjusted EBITDA (i.e., EBITDA after deduction of gain from remeasurement relating to business combination and other operating income and loss) by each reportable segment.

Financial cost, income and loss on equity method investments, dilution gain from changes in equity interest, and other non-operating income and loss are not managed by each reportable segment and therefore these income and losses are excluded from the segment performance.

For the fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segments							
	Domestic Telecommunications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconciliations[2]	Consolidated
Net sales								
Customers	¥2,985,644	¥3,594,167	¥420,385	¥1,170,437	¥8,170,633	¥333,502	¥ –	¥8,504,135
Intersegment	33,749	205,854	6,936	54,679	301,218	22,579	(323,797)	–
Total	¥3,019,393	¥3,800,021	¥427,321	¥1,225,116	¥8,471,851	¥356,081	¥(323,797)	¥8,504,135
Segment income (Operating income)	640,498	66,859	193,529	4,952	905,838	54,341	(41,459)	918,720
Reconciliation from segment income to adjusted EBITDA								
Segment income	640,498	66,859	193,529	4,952	905,838	54,341	(41,459)	918,720
Depreciation and amortization	453,728	579,152	18,364	10,248	1,061,492	32,243	1,510	1,095,245
EBITDA	1,094,226	646,011	211,893	15,200	1,967,330	86,584	(39,949)	2,013,965
Other operating (income) loss	21,271	7,029	–	(607)	27,693	(25)	–	27,668
Adjusted EBITDA	¥1,115,497	¥ 653,040	¥211,893	¥ 14,593	¥1,995,023	¥ 86,559	¥ (39,949)	¥2,041,633

For the fiscal year ended March 31, 2016

(Millions of yen)

	Reportable segments							
	Domestic Telecommunications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconciliations[2]	Consolidated
Net sales								
Customers	¥3,106,855	¥3,688,498	¥642,880	¥1,345,856	¥8,784,089	¥369,460	¥ –	¥9,153,549
Intersegment	37,795	183,149	9,151	74,560	304,655	21,280	(325,935)	–
Total	¥3,144,650	¥3,871,647	¥652,031	¥1,420,416	¥9,088,744	¥390,740	¥(325,935)	¥9,153,549
Segment income (loss) (Operating income (loss))	688,389	61,485	222,787	(1,284)	971,377	73,271	(45,160)	999,488
Reconciliation from segment income to adjusted EBITDA								
Segment income (loss)	688,389	61,485	222,787	(1,284)	971,377	73,271	(45,160)	999,488
Depreciation and amortization	474,948	842,110	32,695	10,268	1,360,021	34,944	1,636	1,396,601
EBITDA	1,163,337	903,595	255,482	8,984	2,331,398	108,215	(43,524)	2,396,089
Gain from remeasurement relating to business combination	–	–	(59,441)	–	(59,441)	–	–	(59,441)
Other operating loss[3]	–	79,668	–	16,466	96,134	6,086	–	102,220
Adjusted EBITDA	¥1,163,337	¥ 983,263	¥196,041	¥ 25,450	¥2,368,091	¥114,301	¥ (43,524)	¥2,438,868

(Thousands of U.S. dollars)

	Reportable segments							
	Domestic Telecommunications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconciliations[2]	Consolidated
Net sales								
Customers	$27,572,373	$32,734,274	$5,705,360	$11,944,054	$77,956,061	$3,278,843	$ –	$81,234,904
Intersegment	335,419	1,625,390	81,212	661,697	2,703,718	188,853	(2,892,571)	–
Total	$27,907,792	$34,359,664	$5,786,572	$12,605,751	$80,659,779	$3,467,696	$(2,892,571)	$81,234,904
Segment income (loss) (Operating income (loss))	6,109,239	545,660	1,977,165	(11,395)	8,620,669	650,258	(400,781)	8,870,146
Reconciliation from segment income to adjusted EBITDA								
Segment income (loss)	6,109,239	545,660	1,977,165	(11,395)	8,620,669	650,258	(400,781)	8,870,146
Depreciation and amortization	4,215,016	7,473,465	290,158	91,125	12,069,764	310,117	14,519	12,394,400
EBITDA	10,324,255	8,019,125	2,267,323	79,730	20,690,433	960,375	(386,262)	21,264,546
Gain from remeasurement relating to business combination	–	–	(527,520)	–	(527,520)	–	–	(527,520)
Other operating loss[3]	–	707,029	–	146,131	853,160	54,011	–	907,171
Adjusted EBITDA	$10,324,255	$ 8,726,154	$1,739,803	$ 225,861	$21,016,073	$1,014,386	$ (386,262)	$21,644,197

Notes:
1. Information on the business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly online game-related business by Supercell.
2. "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment. Expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc., which manages and supervises investment activities in the Internet, communication, and media fields overseas, are included in the corporate general expenses.
3. "Other operating loss" in the Sprint segment does not include ¥37,032 million ($328,647 thousand) of "Loss on disposal of property, plant and equipment" recognized as "Other operating loss" in the consolidated statement of income for the fiscal year ended March 31, 2016. The details are described in "Note 35. Other operating income and loss."
4. Discontinued operations are not included. The details are described in "Note 40. Discontinued operations."

(3) Geographical information

a. Net sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Japan	¥3,695,641	¥4,104,379	$36,425,089
U.S.	4,047,308	4,273,112	37,922,542
Other	761,186	776,058	6,887,273
Total	¥8,504,135	¥9,153,549	$81,234,904

Sales are categorized based on the location of external customers.

b. Non-current assets (excluding financial assets and deferred tax assets)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Japan	¥ 4,174,037	¥ 4,212,343	$ 37,383,236
U.S.	8,661,261	8,019,523	71,170,776
Other	240,544	193,049	1,713,250
Total	¥13,075,842	¥12,424,915	$110,267,262

6. Business combinations

For the fiscal year ended March 31, 2016

(1) ASKUL Corporation

a. Overview of consolidation

ASKUL Corporation, the Company's associate which primarily conducts mail order services for office supplies, became the Company's subsidiary on August 27, 2015 as a result of ASKUL Corporation's acquisition of its own treasury stock as resolved by its Board of Directors on May 19, 2015. As a result of ASKUL Corporation's acquisition of its own treasury stock, the ownership ratio of ASKUL Corporation's voting rights held by the Company rose from 41.7% (as of May 20, 2015) to 44.4% (as of August 27, 2015). The Company did not yet hold the majority of the voting rights of ASKUL Corporation, however, considering relevant facts such as the dispersion of voting rights in ASKUL Corporation and the voting patterns exercised in ASKUL Corporation's past shareholders meetings, the Company determined that it substantially has control of ASKUL Corporation as a consolidated subsidiary.

b. Summary of the acquiree

Name	ASKUL Corporation
Business description	Mail-order business for office supplies, such as stationery, other products and services

c. Acquisition date

August 27, 2015

d. Consideration transferred and its components

		(Millions of yen)	(Thousands of U.S. dollars)
		Acquisition date (August 27, 2015)	Acquisition date (August 27, 2015)
Fair value of equity interest in ASKUL Corporation already held at the time of the acquisition		¥93,611	$830,769
Total consideration transferred	A	¥93,611	$830,769

As a result of the remeasurement of equity interest previously held at the time of the acquisition of control by the Company in ASKUL Corporation at fair value on the acquisition date, the Company recognized a gain on the acquisition of ¥59,441 million ($527,520 thousand) for the fiscal year ended March 31, 2016. This gain is presented as "Gain from remeasurement relating to business combination" in the consolidated statement of income.

e. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date

		(Millions of yen)	(Thousands of U.S. dollars)
		Acquisition date (August 27, 2015)	Acquisition date (August 27, 2015)
Trade and other receivables		¥ 45,365	$ 402,600
Other current assets		44,751	397,151
Property, plant and equipment		32,315	286,786
Intangible assets		69,124	613,454
Other non-current assets		8,394	74,494
Total assets		199,949	1,774,485
Current liabilities		71,495	634,496
Non-current liabilities		34,586	306,940
Total liabilities		106,081	941,436
Net assets	B	93,868	833,049
Non-controlling interests[2]	C	54,036	479,552
Goodwill[3]	A – (B – C)	¥ 53,779	$ 477,272

Notes:
1. Adjustment of the provisional amount
Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration transferred was completed during the three-month period ended December 31, 2015. The details of the adjustments from the initial provisional amounts are, due to the additional analysis on the fair value of ASKUL Corporation, intangible assets decreased by ¥2,820 million ($25,027 thousand) and non-controlling interests decreased by ¥1,097 million ($9,736 thousand). As a result, goodwill increased by ¥877 million ($7,783 thousand).
2. Non-controlling interests
Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured based on the proportionate interests at the acquisition date in the identifiable net assets of the acquiree at the acquisition date.
3. Goodwill
Goodwill reflects an excess earning power expected from the future business development and the synergy between the Company and the acquiree.

f. Proceeds from acquisition of control over subsidiaries

	(Millions of yen)	(Thousands of U.S. dollars)
	Acquisition date (August 27, 2015)	Acquisition date (August 27, 2015)
Cash and cash equivalents held by the acquiree at the acquisition of control	¥31,291	$277,698
Proceeds in cash from the acquisition of control over the subsidiary	¥31,291	$277,698

g. Sales and net income of the acquiree

The amounts of the acquiree's sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statement of income for the fiscal year ended March 31, 2016, are ¥189,013 million ($1,677,432 thousand) and ¥2,970 million ($26,358 thousand), respectively.

In addition, the above net income includes amortization expenses, which are related to intangible assets recognized at the acquisition date, and other.

(2) Ikyu Corporation

a. Overview of consolidation

The Company, for the purpose of ensuring the effectiveness of the growth through the e-Commerce Revolution which is strategically important for Yahoo Japan Corporation, has been performing a tender offer for Ikyu Corporation's shares, which was resolved at Yahoo Japan Corporation's board of directors' meeting held on December 15, 2015. The tender offer ended on February 3, 2016 and then Yahoo Japan Corporation acquired 27,480,682 shares of Ikyu Corporation's common shares at ¥94,341 million ($837,247 thousand) in cash. Consequently, the Company's voting rights ratio for Ikyu Corporation has become 94.3% and Ikyu Corporation has been converted to a consolidated subsidiary.

b. Summary of the acquiree

Name	Ikyu Corporation
Business description	Operation of various Internet sites that provide reservation services for hotels, restaurants, and other.

c. Acquisition date

February 3, 2016

d. Consideration transferred and its components

		(Millions of yen)	(Thousands of U.S. dollars)
		Acquisition date (February 3, 2016)	Acquisition date (February 3, 2016)
Payment by cash		¥94,341	$837,247
Total consideration transferred	A	¥94,341	$837,247

e. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date

		(Millions of yen) Acquisition date (February 3, 2016)	(Thousands of U.S. dollars) Acquisition date (February 3, 2016)
Current assets		¥ 8,934	$ 79,286
Intangible assets		26,183	232,366
Other non-current assets		1,130	10,029
Total assets		36,247	321,681
Current liabilities		4,270	37,895
Non-current liabilities		8,177	72,568
Total liabilities		12,447	110,463
Net assets	B	23,800	211,218
Non-controlling interests[1]	C	1,503	13,339
Goodwill[2]	A – (B – C)	¥72,044	$639,368

Notes:
1. Non-controlling interests
Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured based on the proportionate interests at the acquisition date in the identifiable net assets of the acquiree at the acquisition date.
2. Goodwill
Goodwill reflects an excess earning power expected from the future business development and the synergy between the Company and the acquiree.

f. Payment for acquisition of control over subsidiaries

	(Millions of yen) Acquisition date (February 3, 2016)	(Thousands of U.S. dollars) Acquisition date (February 3, 2016)
Payment for the acquisition by cash	¥(94,341)	$(837,247)
Cash and cash equivalents held by the acquiree at the acquisition of control	4,016	35,641
Payment for the acquisition of control over the subsidiary by cash	¥(90,325)	$(801,606)

g. Sales and net income of the acquiree
The amounts of the acquiree's sales and net income after the acquisition date are immaterial.

(3) Consolidated net sales and consolidated net income and loss assuming that the business combinations were completed at the beginning of the fiscal year

The following is pro forma information (unaudited) of consolidated performance of the Company for the fiscal year ended March 31, 2016, assuming that the business combinations of ASKUL Corporation and Ikyu Corporation were completed and controls were acquired as of April 1, 2015.

	(Millions of yen) Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Sales (pro forma)	¥9,278,092	$82,340,185
Net income (pro forma)	¥ 559,178	$ 4,962,531

7. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	(Millions of yen) As of March 31, 2015	As of March 31, 2016	(Thousands of U.S. dollars) As of March 31, 2016
Cash and demand deposits	¥2,214,440	¥1,979,642	$17,568,708
Time deposits (maturities of three-month or less)	850,899	404,434	3,589,226
MMF	130,054	137,390	1,219,294
Other	63,260	48,141	427,236
Total	¥3,258,653	¥2,569,607	$22,804,464

Cash and demand deposits as of March 31, 2016 include ¥120,998 million ($1,073,820 thousand) of cash in trust established for SoftBank Group Corp.'s acquisition of its own treasury stock (As of March 31, 2015: ¥ zero).

The amount of cash and cash equivalents pledged as collateral for interest-bearing debt or other is described in "(4) Assets pledged as collateral" in "Note 19. Interest-bearing debt."

8. Trade and other receivables

The components of trade and other receivables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Trade receivables	¥1,355,325	¥1,320,862	$11,722,240
Installment receivables	473,945	511,980	4,543,663
Other	128,996	127,253	1,129,332
Allowance for doubtful accounts	(62,618)	(45,306)	(402,077)
Total	¥1,895,648	¥1,914,789	$16,993,158

Installment receivables represent receivables arising from the Company's advance payments to dealers on behalf of its customers who chose to purchase mobile handsets by installments in indirect sales. The amounts are charged to customers together with telecommunication service fees over the periods of installment payments.

The period of installment payments for the receivables above is within 24 months. As such, the amounts due within a year after the period end date are included in "Trade and other receivables," and those after one year are included in "Other financial assets (non-current)."

9. Other financial assets

The components of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current			
Marketable securities	¥124,520	¥ 29,596	$ 262,655
Time deposits (maturities of three-month over)	32,106	32,313	286,768
Derivative deposits	9,148	42,553	377,645
Derivative financial assets	17,341	31,127	276,242
Other	13,953	17,269	153,257
Total	¥197,068	¥152,858	$1,356,567
Non-current			
Installment receivables	169,408	175,061	1,553,612
Investment securities	319,758	650,169	5,770,048
Derivative financial assets	56,892	33,721	299,263
Other	135,972	146,761	1,302,458
Allowance for doubtful accounts	(19,567)	(34,838)	(309,176)
Total	¥662,463	¥970,874	$8,616,205

Installment receivables are described in "Note 8. Trade and other receivables."

10. Inventories

The components of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Merchandise and finished products	¥329,688	¥333,085	$2,956,026
Other	21,464	26,379	234,105
Total	¥351,152	¥359,464	$3,190,131

The amount of inventories pledged as collateral for interest-bearing debt or other is described in "(4) Assets pledged as collateral" in "Note 19. Interest-bearing debt."

Write-downs of inventories recognized as an expense during the fiscal year are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Write-downs of inventories	¥14,579	¥29,504	$261,839

11. Other current assets and other non-current assets

The components of other current assets and other non-current assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current			
Tax receivable*	¥ 44,660	¥332,339	$2,949,405
Prepaid expense	173,463	171,991	1,526,367
Other	37,276	49,221	436,821
Total	¥255,399	¥553,551	$4,912,593
Non-current			
Long-term prepaid expense	177,192	178,162	1,581,132
Other	14,257	14,312	127,016
Total	¥191,449	¥192,474	$1,708,148

Note:
* Tax receivable includes withholding income tax of ¥293,489 million ($2,604,624 thousand) related to dividend within the group companies as of March 31, 2016.

12. Property, plant and equipment

Changes in property, plant and equipment at historical cost, are as follows:

(Millions of yen)

Historical cost	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2014	¥371,096	¥4,347,266	¥262,923	¥ 92,551	¥ 266,523	¥16,726	¥5,357,085
Purchase	5,864	20,572	91,123	–	885,005	9,663	1,012,227
Disposals	(2,436)	(145,492)	(33,061)	(300)	(5,593)	(6,077)	(192,959)
Transfer of accounts	19,161	759,610	207,622	162	(868,725)	3,887	121,717
Exchange differences	25,728	249,613	17,023	3,118	40,848	1,860	338,190
Other	(6,870)	377	1,192	1,817	674	(1,056)	(3,866)
As of March 31, 2015	412,543	5,231,946	546,822	97,348	318,732	25,003	6,632,394
Purchase	9,727	17,390	304,128	297	453,104	5,072	789,718
Business combinations	13,816	13	1,566	9,436	2,256	5,959	33,046
Disposals	(4,583)	(225,109)	(256,500)	(677)	(25,013)	(6,116)	(517,998)
Transfer of accounts	22,840	486,911	350,812	–	(542,613)	3,458	321,408
Exchange differences	(12,253)	(141,152)	(44,233)	(1,348)	(7,195)	(2,784)	(208,965)
Other	(13,344)	(2,833)	(1,196)	13	(3,302)	658	(20,004)
As of March 31, 2016	¥428,746	¥5,367,166	¥901,399	¥105,069	¥ 195,969	¥31,250	¥7,029,599

(Thousands of U.S. dollars)

Historical cost	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2015	$3,661,191	$46,431,896	$ 4,852,875	$863,933	$ 2,828,647	$221,895	$58,860,437
Purchase	86,324	154,331	2,699,042	2,636	4,021,157	45,012	7,008,502
Business combinations	122,613	115	13,898	83,742	20,021	52,884	293,273
Disposals	(40,672)	(1,997,772)	(2,276,358)	(6,008)	(221,983)	(54,278)	(4,597,071)
Transfer of accounts	202,698	4,321,183	3,113,348	–	(4,815,522)	30,689	2,852,396
Exchange differences	(108,742)	(1,252,680)	(392,555)	(11,963)	(63,852)	(24,708)	(1,854,500)
Other	(118,424)	(25,142)	(10,614)	115	(29,304)	5,839	(177,530)
As of March 31, 2016	$3,804,988	$47,631,931	$ 7,999,636	$932,455	$ 1,739,164	$277,333	$62,385,507

Changes in the accumulated depreciation and impairment losses of property, plant and equipment are as follows:

(Millions of yen)

Accumulated depreciation and impairment losses	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2014	¥(112,459)	¥(1,520,202)	¥(133,585)	¥(6)	¥ (387)	¥ (4,119)	¥(1,770,758)
Depreciation	(30,067)	(538,826)	(84,510)	–	–	(4,822)	(658,225)
Disposals	2,202	133,599	32,542	–	8	1,176	169,527
Exchange differences	(4,713)	(51,989)	(3,872)	–	–	(414)	(60,988)
Other	127	(2,855)	7,908	–	(8)	326	5,498
As of March 31, 2015	(144,910)	(1,980,273)	(181,517)	(6)	(387)	(7,853)	(2,314,946)
Depreciation	(33,650)	(618,930)	(281,695)	–	–	(5,831)	(940,106)
Impairment loss	(639)	–	(1,151)	(1)	(24,977)	(946)	(27,714)
Disposals	4,105	212,607	92,354	–	23,751	2,665	335,482
Transfer of accounts	(16)	1,802	34,828	–	–	3	36,617
Exchange differences	4,116	48,826	12,471	–	100	1,960	67,473
Other	(3,183)	355	590	–	–	(660)	(2,898)
As of March 31, 2016	¥(174,177)	¥(2,335,613)	¥(324,120)	¥(7)	¥ (1,513)	¥(10,662)	¥(2,846,092)

(Thousands of U.S. dollars)

Accumulated depreciation and impairment losses	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2015	$(1,286,031)	$(17,574,308)	$(1,610,907)	$(53)	$ (3,435)	$(69,693)	$(20,544,427)
Depreciation	(298,633)	(5,492,812)	(2,499,956)	–	–	(51,748)	(8,343,149)
Impairment loss	(5,671)	–	(10,215)	(9)	(221,663)	(8,395)	(245,953)
Disposals	36,431	1,886,821	819,613	–	210,783	23,651	2,977,299
Transfer of accounts	(142)	15,992	309,088	–	–	27	324,965
Exchange differences	36,527	433,316	110,677	–	888	17,394	598,802
Other	(28,248)	3,151	5,236	–	–	(5,858)	(25,719)
As of March 31, 2016	$(1,545,767)	$(20,727,840)	$(2,876,464)	$(62)	$ (13,427)	$(94,622)	$(25,258,182)

The components of the carrying amounts of property, plant and equipment are as follows:

(Millions of yen)

Carrying amounts	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2015	¥267,633	¥3,251,673	¥365,305	¥ 97,342	¥318,345	¥17,150	¥4,317,448
As of March 31, 2016	¥254,569	¥3,031,553	¥577,279	¥105,062	¥194,456	¥20,588	¥4,183,507

(Thousands of U.S. dollars)

Carrying amounts	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2016	$2,259,221	$26,904,091	$5,123,172	$932,393	$1,725,737	$182,711	$37,127,325

The amount of "Other" included in "Buildings and structures" for the fiscal year ended March 31, 2016 is recorded mainly due to the change in accounting estimate of asset retirement obligations in Sprint. The details are described in "Note 23. Provisions."

The decrease resulting from "Disposals" in "Furniture, fixtures, and equipment" includes ¥222,750 million ($1,976,837 thousand), which is a historical cost of certain leased devices sold from Sprint to Mobile Leasing Solutions, LLC, and ¥(59,730) million ($(530,085) thousand) of accumulated depreciation and impairment losses for the fiscal year ended March 31, 2016. The details are described in "(3) Handset sale-leaseback" in "Note 14. Leases."

The amount of "Transfer of accounts" in "Furniture, fixtures, and equipment" is mainly due to the transfer of leased devices from "Inventories" in current assets.

Impairment loss is included in "Other operating loss" in the consolidated statement of income. The details are described in "Note 35. Other operating income and loss."

The carrying amounts of finance lease assets included in property, plant and equipment are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Buildings and structures	¥ 43,401	¥ 11,781	$ 104,553
Telecommunications equipment	909,126	1,069,694	9,493,202
Furniture, fixtures, and equipment	57,991	49,415	438,543
Land	49,360	–	–
Construction in progress	862	73	648
Other	89	4,050	35,942
Total	¥1,060,829	¥1,135,013	$10,072,888

Finance lease obligations of the Company are pledged through the lessor's retaining the property right of lease assets.

The amount of property, plant and equipment pledged as collateral for interest-bearing debt or other is described in "(4) Assets pledged as collateral" in "Note 19. Interest-bearing debt."

Assets with limited property rights due to installment purchases are described in "(5) Assets with limited property rights" in "Note 19. Interest-bearing debt."

13. Goodwill and intangible assets

Changes in goodwill and intangible assets at historical cost are as follows:

(Millions of yen)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Historical cost	Goodwill	FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	Total
As of April 1, 2014	¥1,549,395	¥3,709,526	¥630,379	¥1,111,097	¥849,453	¥151,535	¥202,512	¥54,101	¥ –	¥ 176,853	¥6,885,456
Purchase	–	17,923	–	77,893	4,650	–	–	42	–	223,384	323,892
Internal development	–	–	–	3,820	–	–	–	–	–	16,059	19,879
Business combinations	30,090	–	–	–	–	–	–	–	–	–	–
Disposals	–	(30,641)	–	(69,967)	–	–	–	(123)	–	(1,515)	(102,246)
Transfer of accounts	–	–	–	195,210	–	–	–	1	54,569	(252,596)	(2,816)
Exchange differences	56,539	618,769	104,217	42,703	122,650	25,398	(9,976)	8,986	–	7,606	920,353
Other	37,127	4,719	59	3,184	3,107	–	–	203	–	(1,406)	9,866
As of March 31, 2015	1,673,151	4,320,296	734,655	1,363,940	979,860	176,933	192,536	63,210	54,569	168,385	8,054,384
Purchase	–	10,389	–	85,036	–	–	–	29	–	186,534	281,988
Internal development	–	–	–	4,353	–	–	–	–	–	14,446	18,799
Business combinations	128,774	–	30,250	8,797	56,680	–	–	–	–	827	96,554
Loss of control	(146,032)	–	–	(3,831)	–		(77,796)	(47)	–	(1,766)	(83,440)
Disposals	–	–	–	(62,928)	–	(307)	–	(48)	–	(1,275)	(64,558)
Transfer of accounts	–	–	(114)	177,792	–	–	–	7	62,664	(233,501)	6,848
Exchange differences	(30,072)	(269,935)	(46,911)	(25,021)	(55,663)	(11,016)	(2,306)	(3,909)	–	(4,024)	(418,785)
Other	(158)	–	–	875	228	–	–	3	–	1,404	2,510
As of March 31, 2016	¥1,625,663	¥4,060,750	¥717,880	¥1,549,013	¥981,105	¥165,610	¥112,434	¥59,245	¥117,233	¥ 131,030	¥7,894,300

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Historical cost	Goodwill	FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2015	$14,848,695	$38,341,285	$6,519,835	$12,104,544	$8,695,953	$1,570,225	$1,708,697	$560,969	$ 484,283	$ 1,494,365	$71,480,156
Purchase	–	92,199	–	754,668	–	–	–	257	–	1,655,431	2,502,555
Internal development	–	–	–	38,632	–	–	–	–	–	128,203	166,835
Business combinations	1,142,829	–	268,459	78,071	503,017	–	–	–	–	7,340	856,887
Loss of control	(1,295,989)	–	–	(33,999)	–	–	(690,415)	(417)	–	(15,673)	(740,504)
Disposals	–	–	–	(558,466)	–	(2,725)	–	(426)	–	(11,315)	(572,932)
Transfer of accounts	–	–	(1,011)	1,577,849	–	–	–	62	556,123	(2,072,249)	60,774
Exchange differences	(266,880)	(2,395,589)	(416,321)	(222,054)	(493,992)	(97,763)	(20,465)	(34,691)	–	(35,712)	(3,716,587)
Other	(1,402)	–	–	7,764	2,024	–	–	27	–	12,461	22,276
As of March 31, 2016	$14,427,253	$36,037,895	$6,370,962	$13,747,009	$8,707,002	$1,469,737	$ 997,817	$525,781	$1,040,406	$ 1,162,851	$70,059,460

Changes in the accumulated amortization and impairment losses of goodwill and intangible assets are as follows:

(Millions of yen)

Accumulated amortization and impairment losses	Goodwill	Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							Total
		FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	
As of April 1, 2014	¥ (9,788)	¥–	¥ (7,404)	¥(463,711)	¥(171,959)	¥(11,318)	¥(35,990)	¥(1,626)	¥ –	¥(15,747)	¥ (707,755)
Amortization	–	–	–	(196,838)	(187,557)	–	(49,647)	(1,767)	(1,019)	(3,833)	(440,661)
Disposals	–	–	–	67,706	–	–	–	122	–	105	67,933
Exchange differences	–	–	–	(12,197)	(38,121)	(3,406)	2,312	(357)	–	(322)	(52,091)
Other	–	–	–	(1,034)	–	(17,018)	–	1	–	(177)	(18,228)
As of March 31, 2015	(9,788)	–	(7,404)	(606,074)	(397,637)	(31,742)	(83,325)	(3,627)	(1,019)	(19,974)	(1,150,802)
Amortization	–	–	–	(228,753)	(173,860)	–	(26,951)	(1,932)	(5,742)	(5,175)	(442,413)
Impairment loss	(6,086)	–	(4,125)	(589)	(1,342)	–	–	–	–	(51)	(6,107)
Loss of control	–	–	–	2,521	–	–	56,186	7	–	446	59,160
Disposals	–	–	–	59,984	–	–	–	48	–	54	60,086
Exchange differences	–	–	286	11,573	31,383	3,110	1,500	325	–	746	48,923
Other	–	–	–	(5,527)	151	(17,736)	–	–	–	(890)	(24,002)
As of March 31, 2016	¥(15,874)	¥–	¥(11,243)	¥(766,865)	¥(541,305)	¥(46,368)	¥(52,590)	¥(5,179)	¥(6,761)	¥(24,844)	¥(1,455,155)

(Thousands of U.S. dollars)

Accumulated amortization and impairment losses	Goodwill	Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							Total
		FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	
As of March 31, 2015	$ (86,865)	$–	$(65,708)	$(5,378,718)	$(3,528,905)	$(281,700)	$(739,483)	$(32,188)	$ (9,043)	$(177,265)	$(10,213,010)
Amortization	–	–	–	(2,030,112)	(1,542,953)	–	(239,182)	(17,146)	(50,958)	(45,927)	(3,926,278)
Impairment loss	(54,011)	–	(36,608)	(5,227)	(11,910)	–	–	–	–	(453)	(54,198)
Loss of control	–	–	–	22,373	–	–	498,633	62	–	3,959	525,027
Disposals	–	–	–	532,339	–	–	–	426	–	480	533,245
Exchange differences	–	–	2,538	102,707	278,514	27,600	13,312	2,884	–	6,621	434,176
Other	–	–	–	(49,050)	1,340	(157,401)	–	–	–	(7,899)	(213,010)
As of March 31, 2016	$(140,876)	$–	$(99,778)	$(6,805,688)	$(4,803,914)	$(411,501)	$(466,720)	$(45,962)	$(60,001)	$(220,484)	$(12,914,048)

The carrying amounts of goodwill and intangible assets are as follows:

(Millions of yen)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Carrying amounts	Goodwill	FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2015	¥1,663,363	¥4,320,296	¥727,251	¥757,866	¥582,223	¥145,191	¥109,211	¥59,583	¥ 53,550	¥148,411	¥6,903,582
As of March 31, 2016	¥1,609,789	¥4,060,750	¥706,637	¥782,148	¥439,800	¥119,242	¥ 59,844	¥54,066	¥110,472	¥106,186	¥6,439,145

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Carrying amounts	Goodwill	FCC Licenses	Trademarks	Software	Customer relationships	Favorable lease contracts	Game titles	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2016	$14,286,377	$36,037,895	$6,271,184	$6,941,321	$3,903,088	$1,058,236	$531,097	$479,819	$980,405	$942,367	$57,145,412

Increase due to "Business combinations" for the fiscal year ended March 31, 2016 is as follows:

As a result of consolidating ASKUL Corporation as a subsidiary in August 2015, the Company recognized customer relationships of ¥40,680 million ($361,022 thousand) and trademarks of ¥20,130 million ($178,647 thousand). The details are described in "(1) ASKUL Corporation" in "Note 6. Business combinations."

As a result of consolidating Ikyu Corporation as a subsidiary in February 2016, the Company recognized customer relationships of ¥16,000 million ($141,995 thousand) and trademarks of ¥10,120 million ($89,812 thousand). The details are described in "(2) Ikyu Corporation" in "Note 6. Business combinations."

Impairment losses are included in "Other operating loss" in the consolidated statement of income. The details are described in "Note 35. Other operating income and loss."

Decrease due to "Loss of control" for the fiscal year ended March 31, 2016 is as follows:

As a result of losing control of GungHo as a subsidiary in June 2015, game titles decreased by ¥21,610 million ($191,782 thousand). The details are described in "Note 40. Discontinued operations."

"FCC licenses" are licenses to use a specific frequency spectrum granted by the U.S. Federal Communications Commission ("FCC"). As long as the Company acts within the requirements of regulatory authorities, the renewal and extension of FCC licenses are reasonably certain at minimal cost. Therefore, it is determined that FCC licenses have indefinite useful lives.

The Company determined that the "Sprint" and "Boost Mobile" trademarks have indefinite useful lives as they can be legally used continuously as long as the business continues and management's current plans are to offer service under these trademarks for the foreseeable future.

Customer relationships reflect excessive earning capacity in the future expected from the existing customers of the acquiree at the time of business combinations.

Favorable lease contracts are recognized as intangible assets based on the estimated fair value of the favorable portion of future cash flows if, at the time of business combinations, the terms of operating lease contracts in which the acquiree is the lessee are favorable compared to market terms at acquisition date. Reversal of favorable lease contracts is recognized as operating lease payments.

Game titles reflect excessive earning capacity in the future expected from the existing game titles of the acquiree at the time of the business combinations.

Spectrum migration costs are the amounts that the Company incurred in connection with the costs arising from the migration of the existing users from the 900 MHz band, which SoftBank Corp. acquired, to the other frequency spectrum based on the termination campaign.

Amortization is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of income.

The carrying amount of internally generated intangible assets included in the intangible assets is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Software	¥57,488	¥47,200	$418,885

The carrying amounts of finance lease assets included in the intangible assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Software	¥226,407	¥290,460	$2,577,742

Finance lease obligations of the Company are pledged through the lessor's retaining the property right of the lease assets.

The intangible assets with limited property rights due to installment purchase are described in "(5) Assets with limited property rights" in "Note 19. Interest-bearing debt."

Research and development costs included in "Cost of sales" and "Selling, general and administrative expenses" are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Research and development costs	¥9,904	**¥8,870**	**$78,718**

Goodwill acquired as a part of business combinations is allocated to cash-generating units or cash-generating unit groups that are expected to benefit from the synergies arising from the combination.

Amounts of goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups are as follows:

Cash-generating units or groups of cash-generating units have been changed for the fiscal year ended March 31, 2016 due to the reclassification in the Yahoo Japan segment and the Distribution segment.

As of March 31, 2015

Goodwill

Reportable segments	Cash-generating unit or Cash-generating unit groups	(Millions of yen) As of March 31, 2015
Domestic Telecommunications	SoftBank*	¥ 908,720
Sprint	Sprint	353,867
Yahoo Japan	Yahoo	47,245
Distribution	Brightstar	96,537
–	Other	256,994
Total		¥1,663,363

Note:
* SoftBank comprises of SoftBank Corp. and WCP.

Intangible assets with indefinite useful lives

Reportable segments	Cash-generating unit	(Millions of yen) As of March 31, 2015
Sprint	Sprint	¥5,033,505
Distribution	Brightstar US and Canada	3,245
	Brightstar Latin America	5,230
	Brightstar Asia, Africa, and Oceania	4,989
	Brightstar Europe	578
	Subtotal	14,042
Total		¥5,047,547

As of March 31, 2016

Goodwill

Reportable segments	Cash-generating unit or Cash-generating unit groups	(Millions of yen) **As of March 31, 2016**	(Thousands of U.S. dollars) **As of March 31, 2016**
Domestic Telecommunications	SoftBank[1]	**¥ 908,720**	**$ 8,064,608**
Sprint	Sprint	**331,811**	**2,944,720**
Yahoo Japan	Yahoo[2]	**16,519**	**146,601**
	Marketing solution	**9,821**	**87,158**
	Shopping	**56,600**	**502,308**
	Ikyu	**72,044**	**639,368**
	Settlement finance	**20,891**	**185,401**
	Subtotal	**175,875**	**1,560,836**
Distribution	Brightstar	**90,657**	**804,553**
–	Other	**102,726**	**911,660**
Total		**¥1,609,789**	**$14,286,377**

Notes:
1. SoftBank comprises of SoftBank Corp. and WCP.
2. Goodwill is allocated to "Yahoo Japan" because the benefit is expected from entire Yahoo Japan, not from individual cash-generating unit in Yahoo.

Intangible assets with indefinite useful lives

		(Millions of yen)	(Thousands of U.S. dollars)
Reportable segments	Cash-generating unit	As of March 31, 2016	As of March 31, 2016
Sprint	Sprint	¥4,729,506	$41,972,897
Yahoo Japan	Shopping	20,130	178,647
	Ikyu	10,120	89,812
	Subtotal	30,250	268,459
Distribution	Brightstar US and Canada region	3,042	26,997
	Brightstar Latin America region	1	9
	Brightstar Asia and Oceania region	1,753	15,557
	Brightstar Europe and Africa region	2,835	25,160
	Subtotal	7,631	67,723
Total		¥4,767,387	$42,309,079

The recoverable amount of each cash-generating unit or cash-generating unit group is measured as follows:

Value in use: SoftBank, Yahoo, Marketing solution, Shopping, Settlement finance, Ikyu, Brightstar, Brightstar US and Canada region, Brightstar Latin America region, Brightstar Asia and Oceania region, Brightstar Europe and Africa region, and SoftBank Commerce & Service Corp.

Fair value less disposal cost: Sprint

Value in use is mainly assessed by discounting to the present value the estimated cash flows in the next five years based on the financial budget approved by the management, which reflects past experience and external information, using the pretax weighted average cost of capital of 5.12%–22.11% of the cash-generating unit or cash-generating unit groups (5.03%–21.08% for the fiscal year ended March 31, 2015). The cash flows from after five years are assumed on the basis of the growth rate of 0%–3.81%.

The fair value less disposal cost is measured based on active market prices.

As a result of reviewing the business plan of Brightstar's Latin America region, goodwill and intangible assets with indefinite useful lives were tested for impairment because there was an indication of impairment for the fiscal year ended March 31, 2016. As a result, the recoverable amount became negative and therefore the carrying amount of assets related to the cash-generating unit was reduced to zero. Impairment loss on property, plant and equipment was ¥8,070 million ($71,619 thousand) and impairment loss on intangible assets was ¥5,563 million ($49,370 thousand). Value in use was used as the recoverable amount and calculated by discounting management approved estimated future cash flow plan by 22.11%, weighted average capital cost before tax.

Impairment loss of ¥6,086 million ($54,011 thousand) for goodwill allocated to cash-generating unit groups of Other is recognized for the fiscal year ended March 31, 2016.

Other than the above, as a result of an impairment test of goodwill and intangible assets with indefinite useful lives, no impairment loss is recognized for the fiscal year ended March 31, 2016 (For the fiscal year ended March 31, 2015: no impairment loss is recognized for goodwill and intangible assets with indefinite useful lives allocated to any cash-generating units or cash-generating unit groups).

The share price of Sprint as of March 31, 2016 is $3.48 and it is below the carrying amount per share price on a consolidated basis. The fair value is measured by not only the quoted market price of the share, but also other considerations such as a future business plan and an estimated control premium.

The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions. Consequently, there can be no assurance that the estimates and assumptions made for the purposes of the impairment tests for goodwill and intangible assets with indefinite useful lives will prove to be an accurate prediction of the future. Continued, sustained declines in Sprint's operating results, future forecasted cash flows, growth rates and other assumptions, as well as significant, sustained declines in Sprint share price and related market capitalization could impact the underlying key assumptions and our estimated fair values, potentially leading to a future material impairment of goodwill or intangible assets with indefinite useful lives.

As for goodwill allocated to Brightstar, the value in use of the cash-generating units to which the goodwill is allocated is higher than the carrying amount. However, there is a possibility that the impairment loss will be recognized if the pretax weighted average cost of capital used in the calculation of the value in use increases by approximately 0.26% or the growth rate in the calculation of the value in use decreases by approximately 2.68%.

The Company determined that for cash-generating units or cash-generating unit groups to which the goodwill and intangible assets with indefinite useful lives are allocated, other than the above, the recoverable amount is unlikely to fall below the carrying amount, even if major assumptions used in the impairment test change to a reasonably foreseeable extent.

14. Leases

(1) Finance leases

(As lessee)

The Company has leased assets, including wireless equipment, switching equipment, power supply systems and transmission facilities.

The components of finance lease obligations are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
The total minimum lease payments			
Within 1 year	¥ 431,271	¥ 417,891	$ 3,708,652
1 to 5 years	761,440	836,142	7,420,501
Over 5 years	11,572	5,542	49,184
Total	1,204,283	1,259,575	11,178,337
Deduction—future financial expense	(47,919)	(47,389)	(420,563)
Present value of finance lease obligations	¥1,156,364	¥1,212,186	$10,757,774

The components of the present value of finance lease obligations are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Within 1 year	¥ 411,453	¥ 396,992	$ 3,523,180
1 to 5 years	734,085	809,799	7,186,715
Over 5 years	10,826	5,395	47,879
Total	¥1,156,364	¥1,212,186	$10,757,774

The outstanding balance by maturity year of financial lease obligations is described in "(2) Financial risk management c. Liquidity risk" in "Note 25. Financial instrument."

Certain lease contracts have financial covenants. Major contents are described in "(2) Financial covenants" in "Note 19. Interest-bearing debt."

The components of the future minimum lease payments receivable under non-cancelable subleases are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Total	¥20,763	¥27,964	$248,172

(2) Operating leases

(As lessee)

The Company leases towers, land and buildings for the placement of telecommunications equipment, frequency spectrum, and telecommunication lines under operating leases. Certain operating lease contracts have automatic renewal option and escalation clauses.

In addition to the non-cancelable period, an automatic renewal option is included in the lease term to the extent that, at the inception of the lease, it is reasonably certain that the option will be exercised. For operating leases with escalation clauses or a portion of which is free of charge, the total lease payment amount is amortized over the lease term by the straight line method.

Cell site leases

Cell site leases in the U.S. are generally provided by the cell phone tower operators who provide tower and ground space to place Sprint-owned antennae, radio, and related equipment. The contract terms generally provide for an initial non-cancelable term of 5 to 12 years with up to five renewal options for five years each. At the establishment of the cell sites leases, it is assumed that at least one renewal option is exercised for contracts less than 10 years.

Cell site leases in Japan contain only land or buildings for the placement of cell sites. Most of the contract terms are 10 years or 20 years. At the establishment of the cell site leases, it is reasonably certain that they will be used until the contract term expires.

Spectrum leases (U.S.)

U.S. leased spectrum agreements have renewal options. For those contracts, it is reasonably certain that, at the inception of the transaction, all the renewal options will be used and terms including renewal terms are up to 30 years.

The components of the future minimum lease payments related to non-cancelable operating leases are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Within 1 year	¥ 376,134	¥ 434,831	$ 3,858,990
1 to 5 years	1,259,983	1,246,531	11,062,575
Over 5 years	1,435,562	1,207,512	10,716,294
Total	¥3,071,679	¥2,888,874	$25,637,859

Operating lease payments recognized as expenses for the fiscal year ended March 31, 2016 totaled ¥471,560 million ($4,184,949 thousand) (For the fiscal year ended March 31, 2015: ¥430,977 million).

(As lessor)

Sprint provides a device leasing program to its qualifying subscribers in the U.S. and SoftBank Corp. provides device rental service to corporate customers in Japan. The Company classifies substantially all transactions as operating leases along with the device leasing program and device rental service. At the end of the lease term of the device leasing program at Sprint, the subscriber has the option to turn in their device, continue leasing their device, or purchase the device. Since device leases are provided on the condition that subscribers maintain telecommunication services with the Company, the amount of revenue from these transactions is separated into the amount of payments to be received for device leases and other elements based on the fair value of telecommunication service and lease.

The components of the future minimum lease payments receivable under non-cancelable operating leases are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Within 1 year	¥104,551	¥292,923	$2,599,600
1 to 5 years	74,074	99,141	879,846
Over 5 years	2,470	1,701	15,096
Total	¥181,095	¥393,765	$3,494,542

(3) Handset sale-leaseback

In November 2015, Sprint conducted a transaction to sell and leaseback certain leased devices, which is mentioned above "(2) Operating leases (As lessor)," with Mobile Leasing Solutions, LLC (MLS).

MLS was established for leasing business by SBLS HD US, Inc. (SBLS), a wholly-owned subsidiary of SoftBank Group Corp. and JPLS HD US, Inc. (JPLS), a company formed by Japanese leasing companies. It is contractually agreed that significant management policy and operating decision of MLS require the unanimous consent of its board of directors designated by SBLS and JPLS. Accordingly, the Company accounts for MLS under the equity method as a joint venture.

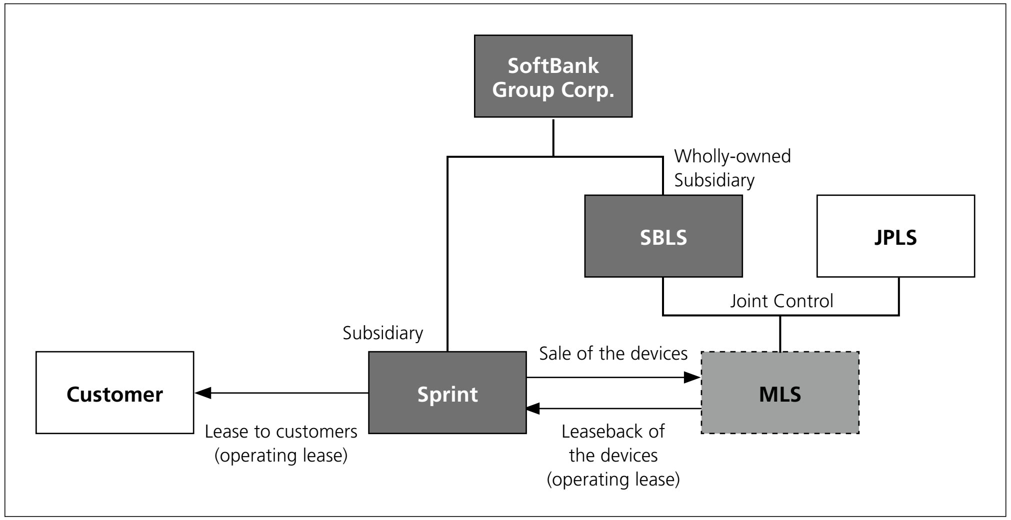
Under this transaction, Sprint sold the devices and transferred the associated certain specified customer lease end rights and obligations to MLS in exchange for a total amount of $1.3 billion, consisting of proceeds totaling $1.1 billion cash which was received in December 2015 and a deferred purchase price receivable of $0.1 billion, the remaining amount of the total proceeds, which will be settled at the end of the agreement. Simultaneously with the sale of the devices and transfer of certain specified customer lease end rights and obligations, MLS leased back each device to Sprint pursuant to the Master Lease Agreement in exchange for monthly rental payments to be made by Sprint to MLS. In addition, Brightstar has a contractual agreement with MLS to provide reverse logistics and remarketing services to MLS with respect to the devices that are returned to MLS. The terms and conditions of the transaction are negotiated and determined based on the market price and the content of transaction.

Sprint derecognized devices from property, plant and equipment when they were sold to MLS. The $65 million (¥7,801 million) difference between the fair value and the carrying amount of the devices sold was recognized as "Other operating loss" in the consolidated statement of income.

The proceeds received in December 2015 totaling $1.1 billion (¥137,593 million) were recognized as "Proceeds from sales of property, plant and equipment, and intangible assets" in the consolidated statement of cash flows.

Total amount of the future minimum lease payments receivable recognized under the transaction is ¥73,410 million ($651,491 thousand) and the future minimum lease payments receivable during the period is ¥28,385 million ($251,908 thousand).

Outline of the transaction*



Note:
* This chart only refers to major transactions and the relationship between the Company and major parties to provide an outline of the transaction.

15. Major subsidiaries

(1) Organizational structure

The Company's major subsidiaries are as follows:

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%)	
			As of March 31, 2015	As of March 31, 2016
SoftBank Corp.[1]	Domestic Telecommunications	Tokyo	100	99.99
Wireless City Planning Inc.[2]	Domestic Telecommunications	Tokyo	33.3	32.2
SoftBank Payment Service Corp.	Domestic Telecommunications	Tokyo	100	100
Sprint Corporation	Sprint	U.S.A.	79.5	83.4
Sprint Communications, Inc.	Sprint	U.S.A.	100	100
Yahoo Japan Corporation[3]	Yahoo Japan	Tokyo	43.0	43.0
ValueCommerce Co., Ltd.	Yahoo Japan	Tokyo	50.6	50.5
ASKUL Corporation[4]	Yahoo Japan	Tokyo	41.9	44.4
Brightstar Global Group Inc.	Distribution	U.S.A.	100	95.5
Brightstar Corp.	Distribution	U.S.A.	100	100
SoftBank Commerce & Service Corp.	Distribution	Tokyo	100	100
SoftBank Group International GK	Company-wide	Tokyo	100	100
SoftBank Group Japan GK	Company-wide	Tokyo	100	100
SB Group, US Inc.	Company-wide	U.S.A.	100	100
SoftBank Group International Limited[5]	Company-wide	U.K.	–	100
Supercell Oy	Other	Finland	53.7	78.3
SB Energy Corp.	Other	Tokyo	100	100
Fukuoka SoftBank HAWKS Corp.	Other	Fukuoka	100	100
SoftBank Robotics Holdings Corp.	Other	Tokyo	100	60
SBBM Corporation	Other	Tokyo	100	100
ITmedia Inc.	Other	Tokyo	57.9	57.9
SoftBank Technology Corp.	Other	Tokyo	55.4	55.7
Vector Inc.	Other	Tokyo	52.4	52.1
SB CHINA HOLDINGS PTE LTD	Other	Singapore	100	100
SoftBank Ventures Korea Corp.	Other	South Korea	100	100
SoftBank Korea Corp.	Other	South Korea	100	100
Starburst I, Inc.	Other	U.S.A.	100	100
SoftBank Holdings Inc.	Other	U.S.A.	100	100
SoftBank America Inc.	Other	U.S.A.	100	100
SoftBank Capital Fund' 10 L.P.	Other	U.S.A.	98.0	81.7
SoftBank Capital Fund' 14 L.P.	Other	U.S.A.	99.0	99.0
STARFISH I PTE. LTD.	Other	Singapore	100	100
SB Pan Pacific Corporation	Other	Micronesia	100	100
Hayate Corporation	Other	Micronesia	100	100

Notes:
1. SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015 and SoftBank Mobile Corp. changed its company name to SoftBank Corp. on July 1, 2015.
2. The Company does not own the majority of WCP's voting rights. However, the Company determined that it has control over WCP and included it into the scope of consolidation, considering the fact that SoftBank Group Corp.'s directors, SoftBank Corp.'s directors and corporate officers constitute the majority of members of WCP's board of directors and that WCP's business activities significantly depend on the Company.
3. The Company does not own the majority of Yahoo Japan Corporation's voting rights. However, the Company determined that it has control over Yahoo Japan Corporation and included it into the scope of consolidation, considering the fact that the Company holds 43.0% of the voting rights of Yahoo Japan Corporation and SoftBank Group Corp.'s directors and SoftBank Corp.'s directors constitute the majority of the members of Yahoo Japan Corporation's board of directors.
4. The Company does not own the majority of ASKUL Corporation's voting rights. However, the Company determined that it has control over ASKUL Corporation and included it into the scope of consolidation, considering the fact that the Company holds 44.4% of the voting rights of ASKUL Corporation, the dispersion of voting rights in ASKUL Corporation and the voting patterns exercised in ASKUL Corporation's past shareholders meetings.
5. SoftBank Group International Limited changed its company name to SoftBank Group Capital Limited on April 27, 2016.

(2) Summarized consolidated financial information and other information on subsidiaries with significant non-controlling interests

a. Sprint (Sprint Corporation and its group companies)

(a) General information

	As of March 31, 2015	As of March 31, 2016
Ownership ratio of the non-controlling interests (%)	20.5	16.6

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥415,887	¥286,199	$2,539,927

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net loss allocated to the non-controlling interests of subsidiary group	¥(37,285)	¥(39,387)	$(349,547)

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current assets	¥1,229,754	¥ 899,704	$ 7,984,594
Non-current assets	8,592,854	7,958,438	70,628,665
Current liabilities	1,406,378	1,527,507	13,556,150
Non-current liabilities	6,098,000	5,362,584	47,591,267
Net assets	2,318,230	1,968,051	17,465,842

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net sales	¥3,800,021	¥3,871,647	$34,359,665
Net loss	(183,237)	(230,380)	(2,044,551)
Total comprehensive loss	(127,653)	(232,734)	(2,065,442)

No dividends were paid to the non-controlling interests by Sprint for the fiscal year ended March 31, 2015 and the fiscal year ended March 31, 2016.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net cash provided by operating activities	¥ 191,167	¥ 361,001	$ 3,203,772
Net cash used in investing activities	(517,815)	(685,226)	(6,081,168)
Net cash provided by financing activities	229,807	155,915	1,383,697
Effect of exchange rate changes on cash and cash equivalents	67,170	(16,029)	(142,252)
Decrease in cash and cash equivalents	¥ (29,671)	¥(184,339)	$(1,635,951)

b. Yahoo (Yahoo Japan Corporation and its group companies)

(a) General information

	As of March 31, 2015	As of March 31, 2016
Ownership ratio of the non-controlling interests (%)	57.0	57.0

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥416,402	¥539,584	$4,788,640

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net income allocated to the non-controlling interests of subsidiary group	¥76,768	¥97,909	$868,912

(b) Summarized consolidated financial information

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current assets	¥741,828	¥806,380	$7,156,372
Non-current assets	284,355	555,000	4,925,453
Current liabilities	239,772	366,023	3,248,340
Non-current liabilities	27,276	64,012	568,087
Net assets	759,135	931,345	8,265,398

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net sales	¥428,487	¥652,327	$5,789,200
Net income	133,933	172,492	1,530,813
Total comprehensive income	135,877	173,504	1,539,794

Dividends paid to the non-controlling interests by Yahoo Japan Corporation for the fiscal year ended March 31, 2016 is ¥28,733 million ($254,996 thousand) (For the fiscal year ended March 31, 2015: ¥14,371 million).

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net cash provided by operating activities	¥127,627	¥ 107,519	$ 954,198
Net cash used in investing activities	(69,252)	(112,647)	(999,707)
Net cash used in financing activities	(37,166)	(49,358)	(438,037)
Effect of exchange rate changes on cash and cash equivalents	391	(286)	(2,538)
Increase (decrease) in cash and cash equivalents	¥ 21,600	¥ (54,772)	$(486,084)

16. Investments accounted for using the equity method

(1) Summarized consolidated financial information and other of the significant associates

Alibaba Group Holding Limited

a. General information

Alibaba (registered in Cayman) operates online marketplaces "Taobao Marketplace," "Tmall," "Alibaba.com" and other through its group company.

b. Summarized consolidated financial information

IFRS summarized consolidated financial information for Alibaba is as follows.

The Company applies the equity method to the consolidated financial statements of Alibaba on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba to that of the Company due to the contract with Alibaba. Also, this note discloses the summarized consolidated financial information of Alibaba on a three-month time lag. Adjustments are made for significant transactions or events which occurred during the intervening period and which were publicly announced by Alibaba.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current assets	¥3,294,995	¥2,637,889	$23,410,446
Non-current assets	1,840,071	3,755,127	33,325,586
Current liabilities	1,221,616	989,195	8,778,798
Non-current liabilities	1,112,290	1,094,527	9,713,587
Equity			
Total equity attributable to owners of the parent	2,720,661	3,580,184	31,773,021
Non-controlling interests	80,499	729,110	6,470,626

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net sales	¥1,281,836	¥1,771,778	$15,723,979
Net income	191,607	1,177,794	10,452,556
Other comprehensive income, net of tax	820	122,648	1,088,463
Total comprehensive income	¥ 192,427	¥1,300,442	$11,541,019

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net income attributable to owners of the parent	¥188,906	¥1,175,236	$10,429,854
Other comprehensive income attributable to owners of the parent, net of tax	708	122,254	1,084,966
Total comprehensive income attributable to owners of the parent	¥189,614	¥1,297,490	$11,514,820

There was no dividend received from Alibaba for the fiscal years ended March 31, 2015 and 2016.

The reconciliation between total equity attributable to owners of the parent based on the summarized consolidated financial information above and the carrying amount of the interests in Alibaba is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Total equity attributable to owners of the parent	¥2,720,661	¥3,580,184	$31,773,021
Interest ratio (%)	32.54	32.60	32.60
Interests of the Company	885,303	1,167,140	10,358,005
Goodwill	63,533	137,705	1,222,089
Accumulated amortization of goodwill on the IFRS transition date[1]	(8,878)	(7,989)	(70,900)
Stock acquisition rights	(31,692)	(62,980)	(558,928)
Other[2]	(38,449)	(32,329)	(286,910)
Carrying amount of the interests in Alibaba	¥ 869,817	¥1,201,547	$10,663,356

Notes:
1. Goodwill recorded by Alibaba from business combinations before the IFRS transition date was amortized over the periods in which economic benefits were reasonably expected to be realized, when the Company applied the equity method to the investment in Alibaba under previous accounting principles (JGAAP). The adjustment amount above reflects the accumulated amortization of goodwill at the date of transition to IFRSs.
2. Other relates to adjustments mainly related to organization restructurings such as the transfer of Taobao shares in 2005 and the purchase of treasury stocks by Alibaba from Yahoo! Inc. in the U.S. in 2012.

c. Fair value of investment in Alibaba

The fair value of the investment in Alibaba based on market price is ¥7,103,981 million ($63,045,625 thousand) as of March 31, 2016 (As of March 31, 2015: ¥7,979,784 million).

(2) Aggregated information on investment in insignificant associates and joint ventures

The aggregated information of insignificant investments accounted for using the equity method, other than (1) above (total amount of the Company's interests), is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Carrying amount of the interests			
Associates	¥230,634	¥380,511	$3,376,917
Joint ventures	2,005	6,212	55,130
Total	¥232,639	¥386,723	$3,432,047

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net income (loss)			
Associates	¥ 9,770	¥(3,775)	$(33,502)
Joint ventures	(616)	(1,483)	(13,161)
Total	¥ 9,154	¥(5,258)	$(46,663)
Other comprehensive loss, net of tax			
Associates	(4,841)	(417)	(3,701)
Joint ventures	–	(779)	(6,913)
Total	¥(4,841)	¥(1,196)	$(10,614)
Total comprehensive income (loss)			
Associates	4,929	(4,192)	(37,202)
Joint ventures	(616)	(2,262)	(20,075)
Total	¥ 4,313	¥(6,454)	$(57,277)

17. Structured entities

(1) Consolidated structured entities

The Company owns investment funds which are structured entities consolidated by the Company. These funds are structured as venture funds in the form of partnerships and limited partnerships for investment, and designed so that the voting rights or similar rights are not determinant in evaluating control. The Company evaluated that it controls the operation of those structured entities.

The Company is engaged in investment commitment contracts with certain consolidated structured entities.

The Company has not provided, nor intends to provide, any significant financial support or other significant support to the consolidated structured entities without contractual obligation.

(2) Unconsolidated structured entities

The Company owns investment funds, which are structured entities unconsolidated by the Company. These funds are structured as venture funds in the form of partnerships, limited partnerships for investment and investment trusts, and designed so that the voting rights or similar rights are not determinant in evaluating control. The third party controls the operation of these structured entities. The funds are financed by the subscription by its partners.

The scale of the unconsolidated structured entities, the carrying amount of the investment in the entities by the Company, and the potential maximum loss exposure of the Company are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Total assets of the unconsolidated structured entities (aggregate amount)	¥452,567	¥629,519	$5,586,786
The maximum loss exposure of the Company			
The carrying amount of the investment recognized by the Company	71,707	75,733	672,107
Commitment contracts related to additional investment	16,502	16,437	145,873
Total	¥ 88,209	¥ 92,170	$ 817,980

The investment recognized by the Company is included in "Investments accounted for using the equity method" or "Other financial assets (non-current)" in the consolidated statement of financial position. There is no liability to recognize for the Company related to unconsolidated structured entities.

The potential maximum loss exposure incurred from the involvement with the structured entities is limited to the total of the carrying amount of the Company's investment and commitment regarding additional investment.

The Company's maximum loss exposure represents the potential maximum loss amount, and does not indicate any estimated loss amount by being involved with structured entities.

The Company has not provided, nor intends to provide, any financial support or other significant support to the unconsolidated structured entities above without contractual obligation.

18. Income taxes

(1) Tax expenses

The components of income tax expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Current tax expenses	¥(315,032)	**¥(242,174)**	**$(2,149,219)**
Deferred tax expenses	(155,285)	**(198,381)**	**(1,760,570)**
Total	¥(470,317)	**¥(440,555)**	**$(3,909,789)**

Current tax expenses include reduction of current tax expense by the benefit from net operating loss carryforwards, tax credit carryforwards and temporary differences that occurred in previous periods and that were unaccompanied by the recognition of deferred tax assets. The reduction of current tax expense for the year ended March 31, 2016 was ¥30,023 million ($266,445 thousand) (For the fiscal year ended March 31, 2015: ¥8,954 million).

Deferred tax expenses include expense arising from the write-down of a deferred tax asset or reversal of a previously written-down deferred tax asset. The amount of tax expenses related to these changes was decreased by ¥10,494 million ($93,131 thousand) for the year ended March 31, 2016 (For the fiscal year ended March 31, 2015: decreased by ¥62,426 million).

In Japan, as the Act on the Partial Revision of the Income Tax Act (Article 15, 2016) and the Local Tax Law (Article 13, 2016) were enacted in the Diet on March 29, 2016, the Company's statutory effective tax rate, used to measure the deferred tax assets and liabilities for the fiscal year ended March 31, 2016, was changed. The effective tax rate for the temporary differences whose timing of the recovery or settlement of the related temporary difference is expected from April 1, 2016 to March 31, 2018 is changed from 32.3% to 30.9%, and to 30.6% for those whose timing expected is on April 1, 2018 and thereafter. This change of deferred tax assets and liabilities that impact profit or loss is ¥11,309 million ($100,364 thousand) and reduces deferred tax expenses.

(2) Reconciliation of statutory effective tax rate and actual tax rate

The reconciliation of the statutory effective tax rate and actual tax rate is as follows. The actual tax rate represents the ratio of income tax expenses to income before income tax.

(Unit: %)

	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**
Statutory effective tax rate	35.6	**33.1**
Effect from evaluating recoverability of deferred tax assets	3.0	**15.9**
Effect from profit or loss that does not impact taxable gain or loss	0.7	**2.0**
Impairment loss on equity method associates	1.0	**–**
Change of deferred tax assets and liabilities by the change of effective tax rate	(0.0)	**(1.5)**
Gain from remeasurement relating to business combination	–	**(2.0)**
Difference in tax rate applied to subsidiaries	(0.6)	**(3.1)**
Other	(0.9)	**(0.6)**
Actual tax rate	38.8	**43.8**

The Company is subject to income taxes, residence taxes and deductible enterprise tax. The statutory effective tax rate for the fiscal year ended March 31, 2016 based on these taxes is 33.1% (For the fiscal year ended March 31, 2015: 35.6%), except for foreign subsidiaries that are subject to income taxes at their respective locations.

In Japan, as the Act on the Partial Revision of the Income Tax Act (Article 9, 2015) and the Local Tax Law (Article 2, 2015) were enacted in the Diet on March 31, 2015, the statutory effective tax rate was changed from the fiscal year on and after April 1, 2015.

(3) Movement of deferred tax assets and deferred tax liabilities

The movement of deferred tax assets and deferred tax liabilities is as follows:

For the fiscal year ended March 31, 2015

(Millions of yen)

	As of March 31, 2014	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2015
Deferred tax assets							
Property, plant and equipment	¥ 94,278	¥ (20,632)	¥ –	¥ 176	¥ 710	¥ (1,908)	¥ 72,624
Accrued expenses and other liabilities	266,422	(36,549)	83	10,156	29,242	(2,125)	267,229
Net operating loss carryforwards and tax credit carryforwards[1]	74,780	41,447	–	14	12,106	(799)	127,548
Other	96,712	(5,684)	(64)	1,088	8,862	4,042	104,956
Total	532,192	(21,418)	19	11,434	50,920	(790)	572,357
Deferred tax liabilities							
FCC licenses	(1,251,761)	(3,174)	–	–	(218,321)	(35,630)	(1,508,886)
Customer relationships	(257,947)	71,746	–	(1,678)	(31,748)	3,389	(216,238)
Trademarks	(259,258)	2,599	–	–	(43,232)	1,097	(298,794)
Temporary difference associated with investment in subsidiaries, associates and joint ventures[2]	(5,875)	(206,518)	(28,649)	–	(58)	(15,330)	(256,430)
Other	(108,126)	1,480	29	(3,763)	(8,739)	9,983	(109,136)
Total	(1,882,967)	(133,867)	(28,620)	(5,441)	(302,098)	(36,491)	(2,389,484)
Net	¥(1,350,775)	¥(155,285)	¥(28,601)	¥ 5,993	¥(251,178)	¥(37,281)	¥(1,817,127)

Notes:

1. The Company recognizes deferred tax assets related to the entities that recorded a loss in either the fiscal year ended March 31, 2014 or 2015, in the amount of ¥53,046 million for the fiscal year ended March 31, 2015. This is mainly from the recognition of deferred tax assets as of March 31, 2015 related to net operating loss carryforwards of Ymobile Corporation, considering the fact that SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015.
2. The increase in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" is mainly due to the recognition of deferred tax liabilities on temporary differences on investment which mainly arose from dilution gain from changes in equity interest and income on equity method investments related to Alibaba. The amount of deferred tax liability recognized as of March 31, 2015 is ¥238,448 million.

For the fiscal year ended March 31, 2016

(Millions of yen)

	As of March 31, 2015	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2016
Deferred tax assets							
Property, plant and equipment	¥ 72,624	¥ 49,136	¥ –	¥ 1,089	¥ (4,047)	¥ 433	¥ 119,235
Accrued expenses and other liabilities	267,229	(51,870)	202	1,765	(7,760)	(1,036)	208,530
Net operating loss carryforwards and tax credit carryforwards[1]	127,548	(43,307)	–	1,230	(5,054)	3	80,420
Other	104,956	(18,291)	8	5	(2,102)	96	84,672
Total	572,357	(64,332)	210	4,089	(18,963)	(504)	492,857
Deferred tax liabilities							
FCC licenses	(1,508,886)	(23,510)	–	–	95,552	–	(1,436,844)
Customer relationships	(216,238)	68,289	–	(18,285)	8,194	–	(158,040)
Trademarks	(298,794)	510	–	(9,759)	18,558	670	(288,815)
Temporary difference associated with investment in subsidiaries, associates and joint ventures[2]	(256,430)	(114,516)	28,478	–	191	(8,154)	(350,431)
Other	(109,136)	(64,822)	(5,048)	(3,596)	6,891	6,684	(169,027)
Total	(2,389,484)	(134,049)	23,430	(31,640)	129,386	(800)	(2,403,157)
Net	¥(1,817,127)	¥(198,381)	¥23,640	¥(27,551)	¥110,423	¥(1,304)	¥(1,910,300)

(Thousands of U.S. dollars)

	As of March 31, 2015	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2016
Deferred tax assets							
Property, plant and equipment	$ 644,515	$ 436,067	$ –	$ 9,665	$ (35,916)	$ 3,843	$ 1,058,174
Accrued expenses and other liabilities	2,371,574	(460,330)	1,793	15,664	(68,868)	(9,194)	1,850,639
Net operating loss carryforwards and tax credit carryforwards[1]	1,131,949	(384,336)	–	10,916	(44,853)	27	713,703
Other	931,452	(162,328)	71	44	(18,654)	852	751,437
Total	5,079,490	(570,927)	1,864	36,289	(168,291)	(4,472)	4,373,953
Deferred tax liabilities							
FCC licenses	(13,390,895)	(208,643)	–	–	847,994	–	(12,751,544)
Customer relationships	(1,919,045)	606,044	–	(162,274)	72,719	–	(1,402,556)
Trademarks	(2,651,704)	4,526	–	(86,608)	164,696	5,946	(2,563,144)
Temporary difference associated with investment in subsidiaries, associates and joint ventures[2]	(2,275,737)	(1,016,294)	252,733	–	1,696	(72,364)	(3,109,966)
Other	(968,548)	(575,276)	(44,799)	(31,913)	61,156	59,318	(1,500,062)
Total	(21,205,929)	(1,189,643)	207,934	(280,795)	1,148,261	(7,100)	(21,327,272)
Net	$(16,126,439)	$(1,760,570)	$209,798	$(244,506)	$ 979,970	$(11,572)	$(16,953,319)

Notes:

1. The Company recognizes deferred tax assets related to the entities that recorded a loss in either the fiscal year ended March 31, 2015 or 2016, in the amount of ¥10,306 million ($91,463 thousand) for the fiscal year ended March 31, 2016. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.
2. The increase in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" is mainly due to the recognition of deferred tax liabilities on temporary differences on investment which mainly arose from dilution gain from changes in equity interest and income on equity method investments related to Alibaba. The amount of deferred tax liability recognized as of March 31, 2016 is ¥327,343 million ($2,905,067 thousands).

Deferred tax assets and liabilities in the consolidated statement of financial position are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Deferred tax assets	¥ 235,488	¥ 172,864	$ 1,534,114
Deferred tax liabilities	(2,052,615)	(2,083,164)	(18,487,433)
Net	¥(1,817,127)	¥(1,910,300)	$(16,953,319)

(4) Deductible temporary differences, net operating loss carryforwards and tax credit carryforwards, unaccompanied by the recognition of deferred tax assets

Deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards unaccompanied by the recognition of deferred tax assets are as follows. The amounts below are on a tax basis.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Deductible temporary differences	¥ 180,647	¥ 404,965	$ 3,593,939
Net operating loss carryforwards	1,001,667	954,868	8,474,157
Tax credit carryforwards	34,850	37,711	334,673
Total	¥1,217,164	¥1,397,544	$12,402,769

Expiration of net operating loss carryforwards, and tax credit carryforwards unaccompanied by recognition of deferred tax assets is as follows. There is no deductible temporary difference with an expiry date.

	(Millions of yen)		(Thousands of U.S. dollars)
Net operating loss carryforwards (tax basis)	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
1st year	¥ 10,097	¥ 25,096	$ 222,719
2nd year	19,902	10,421	92,483
3rd year	15,835	6,198	55,005
4th year	9,542	10,679	94,773
5th year and thereafter and no expiry date	946,291	902,474	8,009,177
Total	¥1,001,667	¥954,868	$8,474,157

	(Millions of yen)		(Thousands of U.S. dollars)
Tax credit carryforwards (tax basis)	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
1st year	¥ 2,284	¥ 297	$ 2,636
2nd year	255	8,097	71,858
3rd year	8,635	1,189	10,552
4th year	1,268	2,449	21,734
5th year and thereafter and no expiry date	22,408	25,679	227,893
Total	¥34,850	¥37,711	$334,673

In addition to the above, total deductible temporary differences (before multiplying by the tax rate) unaccompanied by the recognition of deferred tax assets related to the investment in subsidiaries, associates and joint ventures as of March 31, 2016 are ¥2,154,301 million ($19,118,752 thousand) (As of March 31, 2015: ¥600,209 million).

(5) Taxable temporary differences unaccompanied by the recognition of deferred tax liabilities related to the investment in subsidiaries

Total taxable temporary differences (before multiplying by the tax rate) unaccompanied by the recognition of deferred tax liabilities related to the investment in subsidiaries as of March 31, 2016 are ¥1,128,346 million ($10,013,720 thousand) (As of March 31, 2015: ¥1,303,644 million).

19. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)		
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016	Average interest rate (%)[1]	Maturity[2]
Current					
Short-term borrowings	¥ 413,846	¥ 515,408	$ 4,574,086	1.76	–
Commercial paper	32,000	42,000	372,737	0.07	–
Current portion of long-term borrowings	525,898	743,225	6,595,891	0.93	–
Current portion of corporate bonds[3]	183,557	900,685	7,993,300	4.41	–
Current portion of lease obligations	411,453	396,992	3,523,181	1.96	–
Current portion of preferred securities	200,000	–	–	–	–
Current portion of installment payables	50,661	48,299	428,638	1.84	–
Total	¥1,817,415	¥2,646,609	$23,487,833		
Non-current					
Long-term borrowings	2,116,498	1,785,500	15,845,758	1.30	Apr. 2017 – Feb. 2026
Corporate bonds[3]	6,825,868	6,611,947	58,678,976	5.02	May 2017 – Dec. 2040
Lease obligations	744,911	815,194	7,234,594	2.06	Apr. 2017 – Mar. 2026
Installment payables	102,552	63,181	560,711	1.83	Apr. 2017 – Mar. 2020
Total	¥9,789,829	¥9,275,822	$82,320,039		

Notes:
1. Average interest rate represents the weighted average interest rate to the balance as of March 31, 2016.
2. Maturity represents the maturity of the outstanding balance as of March 31, 2016.

3. A summary of the issuance condition of bonds is as follows:

Company name / Name of bond	Date of issuance	Balance of issue amount[4]	As of March 31, 2015 (Millions of yen)[5]	As of March 31, 2016 (Millions of yen)[5]	As of March 31, 2016 (Thousands of U.S. dollars)[5]	Interest rate (%)	Date of maturity
SoftBank Group Corp.							
36th Unsecured Straight Bond	Jun. 17, 2011	¥100,000 million	¥ 99,877	¥ 99,982 (99,982)	$ 887,309 (887,309)	1.00	Jun. 17, 2016
39th Unsecured Straight Bond	Sep. 24, 2012	¥100,000 million	99,748	99,852	886,155	0.74	Sep. 22, 2017
41st Unsecured Straight Bond	Mar. 12, 2013	¥300,000 million	297,818	298,957 (298,957)	2,653,151 (2,653,151)	1.47	Mar. 10, 2017
42nd Unsecured Straight Bond	Mar. 1, 2013	¥70,000 million	69,870	69,938 (69,938)	620,678 (620,678)	1.47	Mar. 1, 2017
43rd Unsecured Straight Bond	Jun. 20, 2013	¥400,000 million	396,777	397,795	3,530,307	1.74	Jun. 20, 2018
45th Unsecured Straight Bond	May 30, 2014	¥300,000 million	296,833	297,608	2,641,179	1.45	May 30, 2019
46th Unsecured Straight Bond	Sep. 12, 2014	¥400,000 million	395,472	396,497	3,518,788	1.26	Sep. 12, 2019
47th Unsecured Straight Bond	Jun. 18, 2015	¥100,000 million	–	98,919	877,875	1.36	Jun. 18, 2020
48th Unsecured Straight Bond	Dec. 10, 2015	¥370,000 million	–	365,529	3,243,956	2.13	Dec. 9, 2022
USD-denominated Senior Notes due 2020	Apr. 23, 2013	$2,485 million	295,050	277,330	2,461,218	4.50	Apr. 15, 2020
USD-denominated Senior Notes due 2022	Jul. 28, 2015	$1,000 million	–	110,982	984,931	5.38	Jul. 30, 2022
USD-denominated Senior Notes due 2025	Jul. 28, 2015	$1,000 million	–	110,921	984,389	6.00	Jul. 30, 2025
Euro-denominated Senior Notes due 2020	Apr. 23, 2013	€625 million	80,351	78,951	700,666	4.63	Apr. 15, 2020
Euro-denominated Senior Notes due 2022	Jul. 28, 2015	€500 million	–	62,834	557,632	4.00	Jul. 30, 2022
Euro-denominated Senior Notes due 2025	Jul. 28, 2015	€1,250 million	–	157,167	1,394,808	4.75	Jul. 30, 2025
Euro-denominated Senior Notes due 2027	Jul. 28, 2015	€500 million	–	62,797	557,304	5.25	Jul. 30, 2027
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	392,696	393,792	3,494,782	2.50	Dec. 17, 2021
2nd Unsecured Subordinated Corporate Bond	Feb. 9, 2015	¥450,000 million	441,578	442,811	3,929,810	2.50	Feb. 9, 2022
Other	Jun. 2, 2010 – Nov. 29, 2013	¥70,000 million	139,743 (69,967)	69,824	619,667	0.73 – 1.69	Jun. 2, 2015 – Nov. 27, 2020
Subtotal			3,005,813 (69,967)	3,892,486 (468,877)	34,544,605 (4,161,138)		

Company name / Name of bond	Date of issuance	Balance of issue amount[4]	As of March 31, 2015 (Millions of yen)[5]	**As of March 31, 2016 (Millions of yen)[5]**	**As of March 31, 2016 (Thousands of U.S. dollars)[5]**	Interest rate (%)	Date of maturity
Sprint Corporation							
7.25% Notes due 2021	Sep. 11, 2013	$2,250 million	266,940	**250,800**	**2,225,772**	7.25	Sep. 15, 2021
7.875% Notes due 2023	Sep. 11, 2013	$4,250 million	503,926	**473,274**	**4,200,160**	7.88	Sep. 15, 2023
7.125% Notes due 2024	Dec. 12, 2013	$2,500 million	296,307	**278,258**	**2,469,453**	7.13	Jun. 15, 2024
7.625% Notes due 2025	Feb. 24, 2015	$1,500 million	177,896	**166,942**	**1,481,559**	7.63	Feb. 15, 2025
Subtotal			1,245,069	**1,169,274**	**10,376,944**		
Sprint Communications, Inc[6]							
Export Development Canada Facility (Tranche 2)[7]	Jan. 20, 2011	–	60,085 (60,085)	**–**	**–**	4.08	Dec. 15, 2015
Export Development Canada Facility (Tranche 3)[8]	Dec. 17, 2014	$300 million	35,879	**33,677**	**298,873**	4.16	Dec. 17, 2019
Export Development Canada Facility (Tranche 4)[8]	Dec. 15, 2015	$250 million	–	**28,120**	**249,555**	5.91	Dec. 15, 2017
6% Senior Notes due 2016	Nov. 20, 2006	$2,000 million	247,714	**228,186 (228,186)**	**2,025,080 (2,025,080)**	6.00	Dec. 1, 2016
9.125% Senior Notes due 2017	Mar. 1, 2012	$1,000 million	129,958	**117,175 (117,175)**	**1,039,892 (1,039,892)**	9.13	Mar. 1, 2017
8.375% Senior Notes due 2017	Aug. 13, 2009	$1,300 million	167,589	**152,808**	**1,356,124**	8.38	Aug. 15, 2017
9% Guaranteed Notes due 2018	Nov. 9, 2011	$3,000 million	403,390	**367,908**	**3,265,069**	9.00	Nov. 15, 2018
7% Guaranteed Notes due 2020	Mar. 1, 2012	$1,000 million	127,634	**118,404**	**1,050,799**	7.00	Mar. 1, 2020
7% Senior Notes due 2020	Aug. 14, 2012	$1,500 million	186,106	**173,618**	**1,540,806**	7.00	Aug. 15, 2020
11.5% Senior Notes due 2021	Nov. 9, 2011	$1,000 million	154,394	**140,716**	**1,248,811**	11.50	Nov. 15, 2021
9.25% Debentures due 2022	Apr. 15, 1992	$200 million	28,194	**25,979**	**230,556**	9.25	Apr. 15, 2022
6% Senior Notes due 2022	Nov. 14, 2012	$2,280 million	270,600	**254,072**	**2,254,810**	6.00	Nov. 15, 2022
Subtotal			1,811,543 (60,085)	**1,640,663 (345,361)**	**14,560,375 (3,064,972)**		

Company name / Name of bond	Date of issuance	Balance of issue amount[4]	As of March 31, 2015 (Millions of yen)[5]	As of March 31, 2016 (Millions of yen)[5]	As of March 31, 2016 (Thousands of U.S. dollars)[5]	Interest rate (%)	Date of maturity
Sprint Capital Corporation[6]							
6.9% Senior Notes due 2019	May 6, 1999	$1,729 million	212,943	198,603	1,762,540	6.90	May 1, 2019
6.875% Senior Notes due 2028	Nov. 16, 1998	$2,475 million	277,268	260,812	2,314,625	6.88	Nov. 15, 2028
8.75% Senior Notes due 2032	Mar. 14, 2002	$2,000 million	257,052	240,571	2,134,993	8.75	Mar. 15, 2032
Subtotal			747,263	699,986	6,212,158		
Clearwire Communications LLC[6]							
14.75% First-Priority Senior Secured Notes due 2016[9]	Jan. 27, 2012	$300 million	42,785	36,374 (36,374)	322,808 (322,808)	14.75	Dec. 1, 2016
8.25% Exchangeable Notes due 2040	Dec. 8, 2010	$629 million	80,338 (53,402)	73,749 (50,073)	654,499 (444,382)	8.25	Dec. 1, 2040
Subtotal			123,123 (53,402)	110,123 (86,447)	977,307 (767,190)		
Brightstar Corp.							
9.50% senior notes due 2016[10]	Nov. 30, 2010	–	44,828	–	–	9.50	Dec. 1, 2016
7.25% senior notes due 2018[10]	Jul. 26, 2013	–	31,583	–	–	7.25	Aug. 1, 2018
Subtotal			76,411	–	–		
Other companies							
Straight Bond	May 25, 2012	¥100 million	200 (100)	100	887	0.60 – 0.70	May 25, 2015 – May 25, 2017
USD-denominated straight Bond[9]	May 31, 1999	–	3 (3)	–	–	6.99	Apr. 1, 2015
Subtotal			203 (103)	100	887		
Total			¥7,009,425 (183,557)	¥7,512,632 (900,685)	$66,672,276 (7,993,300)		

Notes:
4. Balance of issue amount is as of March 31, 2016.
5. Figures in parentheses as of March 31, 2015 and March 31, 2016 represent the current portion.
6. Sprint Communications, Inc., Sprint Capital Corporation and Clearwire Communications LLC are Sprint Corporation's subsidiaries.
7. The interest rates are variable interest rates, and the above interest rates represent the rates at the time of redemption.
8. The interest rates are variable interest rates, and the above interest rates represent the rates as of March 31, 2016.
9. Collateral is pledged against these bonds. The details are described in "(4) Assets pledged as collateral."
10. The notes were redeemed early on December 11, 2015.

(2) Financial covenants

a. Financial covenants on interest-bearing debts of SoftBank Group Corp.

SoftBank Group Corp.'s interest-bearing debt includes financial covenants and the major financial covenants are as follows:

(a) The amount of SoftBank Group Corp.'s net assets at the end of the fiscal year must not fall below 75% of SoftBank Group Corp.'s net assets at the end of the previous year.

(b) The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency. The statement of financial position of SoftBank Corp. at the end of the fiscal year must not show a net capital deficiency.

(c) In the Company's consolidated financial statement, operating income (loss) or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years.

(d) Adjusted net interest-bearing debts[1] or leverage ratios[2] designated in the loan agreement must not exceed certain respective amounts or numbers at the end of each annual reporting period and at the end of the second quarter. The threshold amounts of adjusted net interest-bearing debts and leverage ratios shall be softened when the balance of cash and cash equivalents and the fair value of particular listed shares held by SoftBank Group Corp. exceed certain amounts, respectively.

Notes:
1. Adjusted net interest-bearing debts:
Amounts deducting cash and cash equivalents from interest-bearing debts in the consolidated statement of financial position. Certain adjustments are made such as excluding certain listed subsidiaries such as Sprint from the subject.
2. Leverage ratio:
Adjusted net interest-bearing debt / adjusted EBITDA[3]
3. Adjusted EBITDA:
Certain adjustments are made to EBITDA such as excluding listed subsidiaries such as Sprint.

b. Financial covenants on interest-bearing debts of Sprint
Major covenants on the interest-bearing debt issued by Sprint are as follows:
(a) Holders of a portion ($21.6 billion) of notes issued by Sprint are provided with the right to require Sprint to repurchase the notes if there is a change of control and if there is a decline, to a certain extent, in ratings of the applicable notes by the Rating Services. Also, holders of certain bonds issued by Clearwire ($300 million) are provided with the right to require the repurchase of the notes if a change of control triggering event occurs.
(b) It is required that as of the last day of each quarter, Sprint's ratio of total indebtedness[1] to adjusted EBITDA[2] should not exceed a certain threshold level. Exceeding the ratio could result in the maturities being accelerated. The limit for the ratio was 6.25 as of March 31, 2016.

Notes:
1. Total indebtedness: the sum of Sprint's outstanding debt (excluding trade payable) and guarantee of indebtedness, with certain adjustments defined in contracts with lenders.
2. Adjusted EBITDA: Trailing four quarters EBITDA including adjustments defined in contract with lenders.

(3) Borrowings related to equity securities lending contract

The Company entered into securities lending contract regarding its certain subsidiary stocks. As of March 31, 2016, the amount of the received cash is recognized as short-term borrowings of ¥149,050 million ($1,322,772 thousand) (As of March 31, 2015: ¥198,450 million) and included in interest-bearing debt.

(4) Assets pledged as collateral

Assets pledged as collateral for liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Cash and cash equivalents	¥ 327	¥ 496	$ 4,402
Trade and other receivables	13,765	9,248	82,073
Other financial assets (current)*	221	31,131	276,278
Inventories	5,214	2,704	23,997
Property, plant and equipment	65,738	238,127	2,113,303
Total	¥85,265	¥281,706	$2,500,053

Liabilities related to these assets pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Trade and other payables*	¥ –	¥ 21,623	$ 191,897
Interest-bearing debt			
Short-term borrowings	7,454	6,695	59,416
Current portion of long-term borrowings	31,738	82,031	728,000
Current portion of corporate bonds	4	–	–
Long-term borrowings	41,585	80,082	710,703
Total	¥80,781	¥190,431	$1,690,016

Note:
* These are trade payables for Brightstar; "Derivative deposits" included in "Other financial assets (current)" is pledged as collateral.
Other than the above, as of March 31, 2016 approximately $13.6 billion (before consolidation adjustments) (As of March 31, 2015: $14.0 billion) of the assets of our subsidiary, Clearwire Communications LLC, is pledged as collateral for the $0.3 billion (For the fiscal year ended March 31, 2015: $0.3 billion) corporate bond issued by Clearwire Communications LLC.
Also, as of March 31, 2016 approximately $2.8 billion (before consolidation adjustments) (For the fiscal year ended March 31, 2015: $2.9 billion) of the assets of Brightstar is pledged as collateral for the $0.7 billion (As of March 31, 2015: $0.3 billion) borrowing.

(5) Assets with limited property rights

Assets with limited property rights due to the installment purchase are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Property, plant and equipment	¥131,452	¥109,602	$ 972,684
Intangible assets	43,761	35,286	313,152
Other non-current assets	124	69	612
Total	¥175,337	¥144,957	$1,286,448

Liabilities related to the assets with limited property rights above are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Interest-bearing debt			
Current portion of installment payables	¥ 50,320	¥ 41,538	$368,637
Installment payables	102,552	60,963	541,028
Total	¥152,872	¥102,501	$909,665

Other than above, the lessor retains the property rights of leased assets in finance lease obligations. The details are described in "Note 12. Property, plant and equipment" "Note 13. Goodwill and intangible assets" and "Note 14. Leases."

(6) Components of increase in short-term interest-bearing debt, net

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net increase of short-term borrowings	¥108,541	¥118,135	$1,048,411
Net increase of commercial paper	–	10,000	88,747
Total	¥108,541	¥128,135	$1,137,158

(7) Components of proceeds from long-term interest-bearing debt

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Proceeds from long-term borrowings	¥ 443,726	¥ 557,072	$ 4,943,841
Proceeds from issuance of corporate bonds	1,763,657	1,053,258	9,347,338
Proceeds from sale–leaseback of newly acquired equipment	508,118	519,353	4,609,096
Total	¥2,715,501	¥2,129,683	$18,900,275

(8) Components of repayment of long-term interest-bearing debt

The components of "Repayment of long-term interest-bearing debt" in the consolidated statement of cash flows are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Repayment of long-term borrowings	¥(459,852)	¥ (684,397)	$ (6,073,811)
Redemption of corporate bonds	(170,181)	(203,281)	(1,804,056)
Payment of lease obligations	(306,156)	(468,061)	(4,153,896)
Redemption of preferred securities	–	(200,000)	(1,774,938)
Payment of installment payables	(48,594)	(49,029)	(435,117)
Total	¥(984,783)	¥(1,604,768)	$(14,241,818)

20. Trade and other payables

The components of trade and other payables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Operating payables	¥1,740,403	¥1,492,481	$13,245,305
Other	123,077	128,714	1,142,297
Total	¥1,863,480	¥1,621,195	$14,387,602

21. Other financial liabilities

The components of other financial liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current			
Derivative financial liabilities	¥12,917	¥ 4,449	$ 39,483
Other	–	2,082	18,477
Total	¥12,917	¥ 6,531	$ 57,960
Non-current			
Long-term payables	15,238	4,418	39,208
Derivative financial liabilities	–	71,677	636,111
Other	11,904	19,569	173,669
Total	¥27,142	¥95,664	$848,988

22. Other current liabilities and other non-current liabilities

The components of other current liabilities and other non-current liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Current			
Unearned income	¥158,509	¥160,433	$1,423,793
Short-term accrued employee benefits	141,580	129,006	1,144,888
Accrued interest expense	83,461	84,761	752,228
Consumption tax payable and other	143,405	118,070	1,047,835
Deferred revenue	128,354	134,696	1,195,385
Withholding tax payable	16,569	1,264	11,218
Other	67,623	66,735	592,251
Total	¥739,501	¥694,965	$6,167,598
Non-current			
Unfavorable lease contracts	124,551	93,618	830,831
Deferred revenue	132,331	125,778	1,116,241
Other	98,051	119,469	1,060,250
Total	¥354,933	¥338,865	$3,007,322

Unfavorable lease contracts were recognized as liabilities based on the estimated fair value of the unfavorable portion of future cash flows if, at the time of business combination of Sprint, the terms of operating lease contracts in which the acquiree is the lessee are unfavorable compared to market terms. Reversal of unfavorable lease contracts is deducted from operating lease expense.

23. Provisions

The changes in the provisions are as follows:

(Millions of yen)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Provision for onerous contract	Other	Total
As of April 1, 2015	¥103,019	¥ 43,683	¥23,357	¥19,275	¥21,369	¥210,703
Recognition of provisions	5,687	18,330	–	2,340	5,999	32,356
Interest due to passage of time	9,210	2,563	–	–	666	12,439
Used	(15,684)	(15,465)	(3,076)	(4,932)	(6,478)	(45,635)
Reversal of provisions	–	(6,811)	–	–	(52)	(6,863)
Change in estimate on discount rates[1]	(21,979)	(2,941)	–	–	(1,053)	(25,973)
Exchange differences	(2,989)	(2,359)	–	–	(1,294)	(6,642)
Other	4,611	0	–	–	–	4,611
As of March 31, 2016	¥ 81,875	¥ 37,000	¥20,281	¥16,683	¥19,157	¥174,996
Current liabilities	¥ 15,166	¥ 19,019	¥ 3,067	¥ 4,920	¥13,948	¥ 56,120
Non-current liabilities	66,709	17,981	17,214	11,763	5,209	118,876
Total	¥ 81,875	¥ 37,000	¥20,281	¥16,683	¥19,157	¥174,996

(Thousands of U.S. dollars)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Provision for onerous contract	Other	Total
As of April 1, 2015	$ 914,262	$ 387,673	$207,286	$171,060	$189,643	$1,869,924
Recognition of provisions	50,470	162,673	–	20,767	53,239	287,149
Interest due to passage of time	81,736	22,746	–	–	5,911	110,393
Used	(139,191)	(137,247)	(27,298)	(43,771)	(57,490)	(404,997)
Reversal of provisions	–	(60,446)	–	–	(461)	(60,907)
Change in estimate on discount rates[1]	(195,057)	(26,100)	–	–	(9,345)	(230,502)
Exchange differences	(26,525)	(20,935)	–	–	(11,485)	(58,945)
Other	40,921	0	–	–	–	40,921
As of March 31, 2016	$ 726,616	$ 328,364	$179,988	$148,056	$170,012	$1,553,036
Current liabilities	$ 134,594	$ 168,788	$ 27,219	$ 43,663	$123,784	$ 498,048
Non-current liabilities	592,022	159,576	152,769	104,393	46,228	1,054,988
Total	$ 726,616	$ 328,364	$179,988	$148,056	$170,012	$1,553,036

Note:
1. Sprint reflected current market assessment of specific risk in the estimate of discount rate. As a result, the discount rate in Sprint increased for the year ended March 31, 2016. With this change, the amount of "Provisions" and "Property, plant and equipment" in the consolidated statement of financial position as of March 31, 2016 decreased by ¥25,973 million (approximately $214 million) and ¥16,260 million (approximately $134 million) respectively. Also, the amount of "Cost of sales" in the consolidated statement of income for the year ended March 31, 2016 decreased by ¥5,719 million (approximately $47 million) and "Other operating loss" increased by ¥3,944 million (approximately $33 million).

Asset retirement obligations

Asset retirement obligations are recognized by the reasonably estimated amount required for the removal of equipment, such as part of base stations, certain offices (including the head office), data centers and network centers. The estimate is based on the assumption at present and subject to changes depending on revised future assumptions.

Restructuring provision

The restructuring provision consists mainly of a network shutdown provision and backhaul*[2] access provision.

(Network shutdown provision)

The network shutdown provision resulted from Sprint recognizing lease exit costs mainly related to the shutdown of the Nextel and Clearwire platform. The majority of the remaining network shutdown provision is expected to be utilized within 5–7 years. The amount and timing of these costs are estimated based upon current network plans which are subject to modification.

(Backhaul access provision)

The backhaul access provision reflects exit costs related to payments that will continue to be made under Sprint's backhaul access contracts for which it will no longer be receiving any economic benefit. The majority of the backhaul access provision relates to Sprint's network modernization activities and is expected to be utilized by December 31, 2017. The amount and timing of these costs are estimates based upon current network plans which are subject to modifications.

Note:
*[2] Backhaul is an intermediary network which connects the cell towers to the local switching center.

Provision for loss on interest repayment

Provision for loss on interest repayment is recorded based on an amount representing future expected claims in order to prepare for future claims by debtors and other, for repayment of interest paid in excess of the rate permitted under the Interest Rate Restriction Act. The amount of claims for the interest repayment might fluctuate from changes in market environment and other.

Provision for onerous contract

SoftBank Corp. recognized provision for the excess of expected future cost of delivery for a contracted communication service over its contracted amount.

Most of the provision is expected to be used by March 31, 2019. The amount and the expected timing of payment are based on the current network plan and are subject to change.

24. Retirement benefits

The Company primarily has defined contribution pension plans for its employees.

(1) Defined contribution plans

Retirement benefit cost of defined contribution plans is as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Retirement benefit cost of defined contribution plans	¥10,878	**¥10,678**	**$94,764**

(2) Defined benefit plans

(Japan)

SoftBank Corp. has frozen its defined benefit lump-sum plans since March 2007 and 2006.

All the employees who worked at SoftBank Corp. at the time when the defined benefit lump-sum plans were frozen are eligible for the frozen defined benefit lump-sum plans.

SoftBank Corp. is responsible for providing the defined benefit lump-sum plans to recipients directly. Obligations for the frozen defined benefit lump-sum plans are recognized as defined benefit liabilities until the benefits are paid in the form of lump sum payment at the time of future retirement of employees.

(U.S.)

Sprint has a defined benefit pension plan for certain of its employees. Sprint has frozen its defined benefit pension plan since December 2005. Obligations for the frozen defined benefit pension plan are recognized as defined benefit liabilities until the benefits are paid as pension after the retirement of employees.

a. Changes in the present value of defined benefit obligations and the fair value of plan assets

Changes in the present value of defined benefit obligations and the fair value of plan assets are as follows.

For the fiscal year ended March 31, 2015

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2014	¥14,096	¥ 62,945	¥ 77,041
Changes in the present value of defined benefit obligations:			
As of April 1, 2014	14,096	253,585	267,681
Service cost	80	35	115
Interest cost	111	12,020	12,131
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions[1]	–	25,740	25,740
Actuarial losses arising from changes in financial assumptions	333	33,161	33,494
Experience adjustments	(1)	1,044	1,043
Benefits paid	(874)	(8,419)	(9,293)
Partial pension settlement[2]	–	(82,777)	(82,777)
Exchange differences	–	41,456	41,456
Other	(78)	(384)	(462)
As of March 31, 2015	13,667	275,461	289,128
Changes in the fair value of plan assets:			
As of April 1, 2014	–	(190,640)	(190,640)
Interest income	–	(8,710)	(8,710)
Remeasurements:			
Return on plan assets	–	(817)	(817)
Benefits paid	–	7,365	7,365
Employer contributions	–	(2,290)	(2,290)
Partial pension settlement[2]	–	64,051	64,051
Exchange differences	–	(29,805)	(29,805)
As of March 31, 2015	–	(160,846)	(160,846)
Defined benefit liabilities, net			
As of March 31, 2015	¥13,667	¥ 114,615	¥ 128,282

Notes:
1. Sprint changed its demographic assumptions for the year ended March 31, 2015 based on RP-2014 Mortality Tables released in U.S.
2. Sprint amended its defined benefit retirement pension plan to offer certain terminated participants, who had not begun to receive plan benefits, the opportunity to receive their benefits as an immediate a lump sum distribution. Settlement gain of ¥18,726 million is recognized within "Other operating loss" in the consolidated statement of income.

For the fiscal year ended March 31, 2016

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2015	¥13,667	¥ 114,615	¥ 128,282
Changes in the present value of defined benefit obligations:			
As of April 1, 2015	13,667	275,461	289,128
Business combination	2,024	–	2,024
Service cost	351	33	384
Interest cost	112	11,269	11,381
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	2	(7,405)	(7,403)
Actuarial losses arising from changes in financial assumptions	698	(3,872)	(3,174)
Experience adjustments	3	1,238	1,241
Benefits paid	(1,071)	(9,647)	(10,718)
Exchange differences	–	(17,098)	(17,098)
Other	(185)	(1,070)	(1,255)
As of March 31, 2016	15,601	248,909	264,510
Changes in the fair value of plan assets:			
As of April 1, 2015	–	(160,846)	(160,846)
Interest income	–	(6,597)	(6,597)
Remeasurements:			
Return on plan assets	–	9,196	9,196
Benefits paid	–	8,411	8,411
Employer contributions	–	(743)	(743)
Exchange differences	–	9,828	9,828
As of March 31, 2016	–	(140,751)	(140,751)
Defined benefit liabilities, net			
As of March 31, 2016	¥15,601	¥ 108,158	¥ 123,759

(Thousands of U.S. dollars)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2015	$121,290	$ 1,017,173	$ 1,138,463
Changes in the present value of defined benefit obligations:			
As of April 1, 2015	121,290	2,444,631	2,565,921
Business combination	17,962	–	17,962
Service cost	3,115	293	3,408
Interest cost	994	100,009	101,003
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	18	(65,717)	(65,699)
Actuarial losses arising from changes in financial assumptions	6,195	(34,363)	(28,168)
Experience adjustments	27	10,986	11,013
Benefits paid	(9,505)	(85,614)	(95,119)
Exchange differences	–	(151,739)	(151,739)
Other	(1,642)	(9,496)	(11,138)
As of March 31, 2016	138,454	2,208,990	2,347,444
Changes in the fair value of plan assets:			
As of April 1, 2015	–	(1,427,458)	(1,427,458)
Interest income	–	(58,546)	(58,546)
Remeasurements:			
Return on plan assets	–	81,612	81,612
Benefits paid	–	74,645	74,645
Employer contributions	–	(6,594)	(6,594)
Exchange differences	–	87,220	87,220
As of March 31, 2016	–	(1,249,121)	(1,249,121)
Defined benefit liabilities, net			
As of March 31, 2016	$138,454	$ 959,869	$ 1,098,323

b. Fair value of plan assets

Fair value of plan assets is as follows.

As of March 31, 2015

(U.S.)

(Millions of yen)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	¥40,376	¥ 46	¥ 40,422
International equities (other than U.S.)	24,205	98	24,303
Fixed income investments	–	52,504	52,504
Real estate investments	–	14,425	14,425
Other	11,719	17,473	29,192
Total	¥76,300	¥84,546	¥160,846

As of March 31, 2016

(U.S.)

(Millions of yen)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	¥24,020	¥12,287	¥ 36,307
International equities (other than U.S.)	10,598	10,897	21,495
Fixed income investments	–	45,224	45,224
Real estate investments	–	15,737	15,737
Other	8,287	13,701	21,988
Total	¥42,905	¥97,846	¥140,751

(Thousands of U.S. dollars)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	$213,170	$109,043	$ 322,213
International equities (other than U.S.)	94,054	96,707	190,761
Fixed income investments	–	401,349	401,349
Real estate investments	–	139,661	139,661
Other	73,545	121,592	195,137
Total	$380,769	$868,352	$1,249,121

The targeted investment allocation ratio is set based on an asset allocation policy for the investment portfolio of the pension plan to achieve a long-term nominal rate of return, net of fees, which exceeds the plan's long-term expected rate of return on investments for funding purpose.

The plan's long-term expected rate of return on investments for funding purposes is 7.75% as of March 31, 2016 (7.75% as of March 31, 2015). The current targeted investment allocation ratio is as noted below. Actual allocations are allowed to deviate from target allocation percentages within a range for each asset class as defined in the investment policy.

Targeted investment allocation ratio (%)

	As of March 31, 2015	As of March 31, 2016
U.S. equities	38	**38**
International equities (other than U.S.)	16	**16**
Fixed income investments	28	**28**
Real estate investments	9	**9**
Other	9	**9**

c. Actuarial assumptions

Main actuarial assumptions used to determine the present value of defined benefit obligations are as follows:

	As of March 31, 2015		As of March 31, 2016	
	Japan	U.S.	Japan	U.S.
Discount rate (%)	0.8	4.2	**0.2**	**4.3**

d. Sensitivity analysis

Sensitivity is analyzed at the end of the period based on the movement of reasonably estimable assumptions. Sensitivity analysis assumes that actuarial assumptions other than those subject to the analysis are constant, but in reality, the movement of other actuarial assumptions may change.

The effect of the movements in main actuarial assumptions on defined benefit obligations is as follows:

As of March 31, 2015

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of ¥632 million	Decrease of ¥19,948 million	Decrease of ¥20,580 million
	0.5% decrease	Increase of ¥669 million	Increase of ¥22,712 million	Increase of ¥23,381 million

As of March 31, 2016

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	**0.5% increase**	**Decrease of ¥604 million**	**Decrease of ¥16,902 million**	**Decrease of ¥17,506 million**
	0.5% decrease	**Increase of ¥648 million**	**Increase of ¥19,944 million**	**Increase of ¥20,592 million**

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	**0.5% increase**	**Decrease of $5,360 thousand**	**Decrease of $150,000 thousand**	**Decrease of $155,360 thousand**
	0.5% decrease	**Increase of $5,751 thousand**	**Increase of $176,997 thousand**	**Increase of $182,748 thousand**

e. Effects on future cash flows

(a) Funding for the plan and expected contributions to the plan for the next fiscal year

(U.S.)

The policy is to contribute the necessary amount to the plan in order to meet the minimum funding requirement, based on related regulations. The amount to be contributed to the plan for the year ending March 31, 2017 is expected to be ¥5,668 million ($50,302 thousand).

(b) Maturity analysis of the defined benefit obligation

(Japan)

As of March 31, 2016, the weighted average duration of the defined benefit obligation is 9.5 years.

(U.S.)

As of March 31, 2016, the weighted average duration of the defined benefit obligation is 15.7 years.

25. Financial instruments

(1) Capital management

Our policy is to realize and maintain optimum capital composition to maintain mid- and long-term sustainable growth and maximize our corporate value.

Major indicators used for our capital management are as follows:

- Equity capital
- Equity capital ratio

Note:
Equity capital is the amount of "Equity attributable to owners of the parent." Equity capital ratio represents "Equity attributable to owners of the parent" divided by "Total liabilities and equity."

Equity capital and the equity capital ratio are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Equity capital	¥2,846,306	¥2,613,613	$23,195,004
Equity capital ratio (%)	13.5	12.6	

The Company is not subject to regulatory capital requirement imposed by outside institutions other than general capital requirements under the Companies Act of Japan and other.

(2) Financial risk management

As we operate in a wide range of markets, the Company faces a variety of financial risks (currency risk, price risk, interest rate risk, credit risk, and liquidity risk) in its operations. The Company manages its risks based on established policies to prevent and reduce these financial risks.

Derivative transactions entered into by the Company are conducted and controlled based on the Company's internal rules and procedures for derivative transactions and are limited to the extent of actual demands.

a. Market risk

(a) Currency risk

The Company is engaged in international businesses through investments, financial contributions and establishment of joint ventures. The Company undertakes transactions denominated in foreign currencies with foreign parties and, through lending to and borrowings from foreign subsidiaries. Consequently, there is currency risk from changes in currency rates mainly in U.S. dollar, Indian Rupee, and Euro.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures of the Company. The Company also uses foreign currency forward contracts to hedge the risk.

i. Foreign exchange sensitivity analysis

Exposure to foreign exchange risk on financial instruments related to U.S. dollars and Indian Rupees, our major foreign currencies, is as follows:

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Net exposure affecting income before income tax [in asset (liability) position]	¥81,604	¥86,102	$764,129
Net exposure affecting other comprehensive income [in asset (liability) position]	26,083	83,466	740,735

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Net exposure affecting income before income tax [in asset (liability) position]	¥89,918	¥214,290	$1,901,757

Other than the tables presented above, major exposure to foreign exchange risk on subsidiaries whose functional currency are other than Japanese yen is as follows:

U.S. Dollar (Functional currency: Euro)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Net exposure affecting income before income tax [in asset (liability) position]	¥21,896	¥37,451	$332,366
Net exposure affecting other comprehensive income [in asset (liability) position].	23,106	19,859	176,242

Net exposure affecting income before income tax comprises the foreign exchange risk exposures from monetary financial instruments denominated in foreign currency (including those used in internal transactions) whose exchange differences are recognized in profit or loss and the foreign exchange risk exposures from derivatives related to forecast transactions.

Net exposure affecting other comprehensive income comprises the foreign exchange risk exposures from available-for-sale financial assets whose exchange differences are recognized in other comprehensive income and foreign exchange risk exposures from derivatives (cash flow hedge) related to forecast transactions.

The table below presents the effect of a 1% appreciation of the Japanese yen on income before income tax and other comprehensive income (before tax effect) regarding the financial instruments with the above foreign exchange risk exposure, assuming that all other factors are constant. The analysis does not include the effect of translating assets and liabilities of foreign operations into the presentation currency, which is detailed in "Note 29. Foreign exchange rates."

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Decrease in income before income tax	¥(816)	**¥(861)**	**$(7,641)**
Decrease in other comprehensive income before tax effect	(261)	**(835)**	**(7,410)**

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Decrease in income before income tax	¥(899)	**¥(2,143)**	**$(19,018)**

The table below presents the effect of a 1% appreciation of the Euro against the U.S. dollar on income before income tax and other comprehensive income (before tax effect).

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Decrease in income before income tax	¥(219)	**¥(375)**	**$(3,328)**
Decrease in other comprehensive income before tax effect	(231)	**(199)**	**(1,766)**

ii. Foreign exchange contracts

Foreign exchange contracts are entered into, to reduce exposure to foreign exchange risk on the amount to be paid or received in certain transactions denominated in foreign currencies.

The details of foreign exchange contracts are as follows:

Foreign exchange contracts to which hedge accounting is applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2015		**As of March 31, 2016**		**As of March 31, 2016**	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Foreign currency forward contracts	¥ – (–)	¥ –	**¥ 571 (–)**	**¥ (38)**	**$ 5,067 (–)**	**$ (337)**
Currency swap contracts	324,382 (324,382)	55,748	**877,373 (877,373)**	**(40,306)**	**7,786,413 (7,786,413)**	**(357,703)**
Total	¥ 324,382 (324,382)	¥55,748	**¥ 877,944 (877,373)**	**¥(40,344)**	**$ 7,791,480 (7,786,413)**	**$(358,040)**

The above foreign exchange contracts are designated as cash flow hedges.

Foreign exchange contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2015		As of March 31, 2016		As of March 31, 2016	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Foreign currency forward contracts	¥ 130,618 (–)	¥(2,395)	¥273,476 (–)	¥ 9,445	$2,427,015 (–)	$ 83,821
Currency swap contracts	20,150 (–)	69	15,430 (–)	159	136,936 (–)	1,411
Foreign exchange margin transactions*	962,604 (–)	6,817	581,379 (–)	17,113	5,159,558 (–)	151,873
Total	¥1,113,372 (–)	¥ 4,491	¥870,285 (–)	¥26,717	$7,723,509 (–)	$237,105

Note:
* Foreign exchange margin transactions are operated by the subsidiary, YJFX, Inc.'s foreign exchange margin transactions business.

(b) Price risk

For the purpose of business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk.

To manage this risk, the Company continuously monitors the financial condition of security issuers and stock market fluctuation.

i. Price sensitivity analysis

The table below presents the effect of a 10% decrease in market price regarding the securities traded in active markets on other comprehensive income before tax effect in the consolidated statement of comprehensive income, assuming that all other factors are constant.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Decrease in other comprehensive income before tax effect	¥(4,673)	¥(7,381)	$(65,504)

ii. Option contracts

The details of option contracts are as follows:

Option contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2015		As of March 31, 2016		As of March 31, 2016	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Stock acquisition rights	¥ 99,933 (99,933)	¥1,144	¥ 40,512 (11,082)	¥2,424	$359,531 (98,349)	$21,512

(c) Interest rate risk

The Company raises funds through issuing interest-bearing debts. Certain interest-bearing debts are issued with floating interest rates and are exposed to interest rate risk.

In order to prevent and reduce interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debts. For certain borrowings and bonds with floating interest rates, the Company also utilizes derivative transactions such as interest rate swaps in order to hedge interest rate fluctuation risk, converting floating interests into fixed interests. For floating interest rate debts, the Company continuously monitors interest rate fluctuation.

i. Interest rate sensitivity analysis

The table below presents the effect of a 1% increase in interest rates regarding the floating interest rate debts on income before income tax in the consolidated statement of income, assuming that all other factors are constant. The analysis does not include floating interest rate debt whose interests are fixed by interest rate swaps and other derivative transactions.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Increase (decrease) in income before income tax	¥(26,018)	**¥(25,788)**	**$(228,860)**

ii. Interest rate contracts

The details of interest rate contracts are as follows:

Interest rate contracts to which hedge accounting is applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2015		**As of March 31, 2016**		**As of March 31, 2016**	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Interest rate swap	¥ 10,000 (10,000)	¥(67)	**¥ 10,500 (10,500)**	**¥(75)**	**$ 93,184 (93,184)**	**$(666)**

The above interest rate swap contract is designated as a cash flow hedge.

b. Credit risk

In the course of the Company's business, trade and other receivables, and other financial assets (including deposits, equity securities, receivables and derivatives) are exposed to credit risk of its counterparties.

In order to prevent and reduce the risk, the Company does not expose itself to significant concentrations of credit risk for such receivables and financial assets. To manage the credit risk, the Company performs due date controls and balance controls for each customer in accordance with internal customer credit management rules and regularly screens major customers' credit status.

The carrying amount of financial instruments, net of impairment, which is presented in the consolidated statement of financial position, as well as the amount of lending commitments and guaranteed obligations, represents the Company's maximum exposure to credit risk on financial assets. The value of collateral held and other credit enhancements are not included. The details of lending commitments and guaranteed obligations are described in "Note 44. Contingency (1) Lending commitments and (2) Credit guarantee."

There were no financial or non-financial assets acquired as a result of foreclosure of collateral or enforcement of other credit enhancements during the years ended March 31, 2015 and 2016.

(a) Financial assets not impaired individually

The table below presents aging analysis of financial assets not impaired individually. The amounts in the analysis are presented at carrying amount before netting allowance for doubtful accounts.

As of March 31, 2015

(Millions of yen)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	¥1,717,328	¥132,999	¥63,971	¥16,369	¥10,165	¥ 8,057	¥1,948,889
Other financial assets	297,289	1,818	280	274	472	2,728	302,861
Total	¥2,014,617	¥134,817	¥64,251	¥16,643	¥10,637	¥10,785	2,251,750
Allowance for doubtful accounts							(58,873)
Total							¥2,192,877

As of March 31, 2016

(Millions of yen)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	¥1,780,714	¥116,450	¥21,484	¥14,427	¥10,180	¥13,666	¥1,956,921
Other financial assets	298,838	2,288	823	1,562	1,973	660	306,144
Total	¥2,079,552	¥118,738	¥22,307	¥15,989	¥12,153	¥14,326	2,263,065
Allowance for doubtful accounts							(45,262)
Total							¥2,217,803

(Thousands of U.S. dollars)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	$15,803,284	$1,033,458	$190,664	$128,035	$ 90,344	$121,282	$17,367,067
Other financial assets	2,652,094	20,305	7,304	13,862	17,510	5,857	2,716,932
Total	$18,455,378	$1,053,763	$197,968	$141,897	$107,854	$127,139	20,083,999
Allowance for doubtful accounts							(401,686)
Total							$19,682,313

(b) Individually impaired financial assets

Individually impaired financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Trade and other receivables	¥ 9,377	¥ 3,174	$ 28,168
Other financial assets	16,093	32,588	289,208
Allowance for doubtful accounts	(23,312)	(34,882)	(309,567)
Total	¥ 2,158	¥ 880	$ 7,809

(c) Allowance for doubtful accounts

The table below presents changes in the allowance for doubtful accounts. The allowance for doubtful accounts is mainly for trade receivables to the customers and loans.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Balance at the beginning of the period	¥ 50,486	¥ 82,185	$ 729,366
Provisions	115,120	86,056	763,720
Utilized	(91,037)	(85,771)	(761,191)
Other	7,616	(2,326)	(20,642)
Balance at the end of the period	¥ 82,185	¥ 80,144	$ 711,253

Provisions for and reversal of doubtful accounts are recorded in "Selling, general and administrative expenses" and "Other non-operating income (loss)" in the consolidated statement of income.

c. Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fund raising sources including both indirect financing, such as bank loans and leases, and direct financing, such as issuance of bonds and commercial paper and securitization, taking market conditions and current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits and MMF.

The Company also continuously monitors its forecast and actual movement of cash flows and liquid funds.

(a) Commitment lines of credit and other credit facilities

The Company has entered into commitment lines of credit and other credit facilities with various financial institutions to reduce liquidity risk. The Company's credit facilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Credit facilities	¥3,218,963	¥3,035,457	$26,938,738
Drawn	2,373,383	2,255,182	20,014,040
Undrawn	¥ 845,580	¥ 780,275	$ 6,924,698

Note:

Certain commitments above contain financial covenants. Please see "(2) Financial covenants" in "Note 19. Interest-bearing debt" for details.

(b) Analysis of financial liabilities by maturities

The table below presents the analysis of financial liabilities (including derivatives) by maturities. The receivables and payables arising from derivative transactions are shown on a net basis.

As of March 31, 2015

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 413,846	¥ 415,397	¥ 415,397	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	32,000	32,000	32,000	–	–	–	–	–
Long-term borrowings (including current portion)	2,642,396	2,673,276	526,021	481,340	506,064	444,285	459,183	256,383
Corporate bonds (including current portion)	7,009,425	6,867,718	183,591	908,621	276,321	790,553	1,064,044	3,644,588
Lease obligations	1,156,364	1,156,364	411,453	285,712	227,885	159,709	60,779	10,826
Preferred securities	200,000	200,000	200,000	–	–	–	–	–
Installment payables	153,213	153,346	50,748	41,593	36,641	16,130	8,234	–
Trade and other payables	1,863,480	1,863,480	1,855,455	2,534	2,793	808	759	1,131
Other financial liabilities	27,142	27,142	–	13,873	1,264	868	112	11,025
Total	13,497,866	13,388,723	3,674,665	1,733,673	1,050,968	1,412,353	1,593,111	3,923,953
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	12,850	12,850	12,850	–	–	–	–	–
Interest rate swaps contracts	67	67	67	–	–	–	–	–
Total	¥ 12,917	¥ 12,917	¥ 12,917	¥ –	¥ –	¥ –	¥ –	¥ –

Note:
* Contractual cash flow and breakdown by maturities are presented on a discounted cash flow basis for currency swap contracts included in the foreign exchange contracts.

As of March 31, 2016

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 515,408	¥ 517,573	¥ 517,573	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	42,000	42,000	42,000	–	–	–	–	–
Long-term borrowings (including current portion)	2,528,725	2,553,233	744,977	608,689	461,394	470,216	264,730	3,227
Corporate bonds (including current portion)	7,512,632	7,482,796	891,917	294,754	738,040	1,041,354	643,402	3,873,329
Lease obligations	1,212,186	1,212,186	396,992	331,509	254,849	157,628	65,813	5,395
Installment payables	111,480	112,110	48,925	38,845	16,116	8,224	–	–
Trade and other payables	1,621,195	1,621,195	1,612,100	3,230	1,936	1,973	168	1,788
Other financial liabilities	26,069	26,069	2,083	2,840	3,533	1,459	1,264	14,890
Total	13,569,695	13,567,162	4,256,567	1,279,867	1,475,868	1,680,854	975,377	3,898,629
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	76,051	76,051	(1,286)	(5,475)	(5,118)	(4,706)	(2,468)	95,104
Interest rate swaps contracts	75	75	–	69	–	–	6	–
Total	¥ 76,126	¥ 76,126	¥ (1,286)	¥ (5,406)	¥ (5,118)	¥ (4,706)	¥ (2,462)	¥ 95,104

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	$ 4,574,086	$ 4,593,300	$ 4,593,300	$ –	$ –	$ –	$ –	$ –
Commercial paper	372,737	372,737	372,737	–	–	–	–	–
Long-term borrowings (including current portion)	22,441,649	22,659,150	6,611,439	5,401,926	4,094,728	4,173,021	2,349,397	28,639
Corporate bonds (including current portion)	66,672,276	66,407,490	7,915,486	2,615,850	6,549,876	9,241,693	5,709,993	34,374,592
Lease obligations	10,757,775	10,757,774	3,523,181	2,942,039	2,261,706	1,398,900	584,069	47,879
Installment payables	989,349	994,941	434,194	344,738	143,024	72,985	–	–
Trade and other payables	14,387,602	14,387,602	14,306,887	28,665	17,181	17,510	1,491	15,868
Other financial liabilities	231,354	231,354	18,486	25,204	31,355	12,948	11,218	132,143
Total	120,426,828	120,404,348	37,775,710	11,358,422	13,097,870	14,917,057	8,656,168	34,599,121
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	674,928	674,928	(11,413)	(48,589)	(45,421)	(41,764)	(21,903)	844,018
Interest rate swaps contracts	666	666	–	612	–	–	54	–
Total	$ 675,594	$ 675,594	$ (11,413)	$ (47,977)	$ (45,421)	$ (41,764)	$ (21,849)	$ 844,018

Note:
* Contractual cash flow and breakdown by maturities are presented on a discounted cash flow basis for currency swap contracts included in the foreign exchange contracts.

In addition to the amounts presented above, the Company has lending commitments, which are detailed in "Note 44. Contingency (1) Lending commitments."
Average interest rates of the interest-bearing debts are described in "(1) Component of interest-bearing debt" in "Note 19. Interest-bearing debt."

(3) Categories of financial instruments

Components of financial instruments (excluding cash and cash equivalents) by category are as follows:

As of March 31, 2015

(Millions of yen)

	Financial assets at FVTPL*	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥1,895,648	¥1,895,648
Other financial assets	75,091	–	46,868	19,903	55,206	197,068
Non-current assets						
Other financial assets	148,817	55,748	172,186	100	285,612	662,463
Total	¥223,908	¥55,748	¥219,054	¥20,003	¥2,236,466	¥2,755,179

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 1,817,415	¥ 1,817,415
Trade and other payables	–	–	1,863,480	1,863,480
Other financial liabilities	12,850	67	–	12,917
Non-current liabilities				
Interest-bearing debt	–	–	9,789,829	9,789,829
Other financial liabilities	–	–	27,142	27,142
Total	¥12,850	¥67	¥13,497,866	¥13,510,783

Note:
* Among the financial assets at FVTPL, the amount of financial assets designated as financial assets at fair value through profit or loss is ¥147,673 million.

As of March 31, 2016

(Millions of yen)

	Financial assets at FVTPL*	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥1,914,789	¥1,914,789
Other financial assets	37,136	–	23,487	100	92,135	152,858
Non-current assets						
Other financial assets	308,493	31,297	344,299	–	286,785	970,874
Total	¥345,629	¥31,297	¥367,786	¥100	¥2,293,709	¥3,038,521

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 2,646,609	¥ 2,646,609
Trade and other payables	–	–	1,621,195	1,621,195
Other financial liabilities	4,410	39	2,082	6,531
Non-current liabilities				
Interest-bearing debt	–	–	9,275,822	9,275,822
Other financial liabilities	–	71,677	23,987	95,664
Total	¥4,410	¥71,716	¥13,569,695	¥13,645,821

(Thousands of U.S. dollars)

	Financial assets at FVTPL*	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	$ –	$ –	$ –	$ –	$16,993,158	$16,993,158
Other financial assets	329,570	–	208,440	887	817,670	1,356,567
Non-current assets						
Other financial assets	2,737,780	277,751	3,055,547	–	2,545,127	8,616,205
Total	$3,067,350	$277,751	$3,263,987	$887	$20,355,955	$26,965,930

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	$ –	$ –	$ 23,487,833	$ 23,487,833
Trade and other payables	–	–	14,387,602	14,387,602
Other financial liabilities	39,137	346	18,477	57,960
Non-current liabilities				
Interest-bearing debt	–	–	82,320,039	82,320,039
Other financial liabilities	–	636,111	212,877	848,988
Total	$39,137	$636,457	$120,426,828	$121,102,422

Note:
* Among the financial assets at FVTPL, the amount of financial assets designated as financial assets at fair value through profit or loss is ¥306,070 million ($2,716,276 thousand).

26. Fair value of financial instruments

(1) Categorization by level within the fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for the measurement.

The fair value hierarchy is defined as follows in descending order of level:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.

Transfers between levels of the fair value hierarchy are recognized as if they have occurred at the beginning of each quarter.

There were no transfers between level 1 and 2 during the fiscal years ended March 31, 2015 and 2016.

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy.

As of March 31, 2015

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	¥46,729	¥ –	¥242,754*	¥289,483
Bonds	–	14,542	3,258	17,800
Derivative financial assets				
Foreign exchange contracts	–	73,089	–	73,089
Stock acquisition rights	–	–	1,144	1,144
Other	–	104,666	12,528	117,194
Total	46,729	192,297	259,684	498,710
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	12,850	–	12,850
Interest rate swap contracts	–	67	–	67
Total	¥ –	¥ 12,917	¥ –	¥ 12,917

As of March 31, 2016

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	¥73,807	¥ –	¥549,480*	¥623,287
Bonds	–	8,273	1,548	9,821
Derivative financial assets				
Foreign exchange contracts	–	62,424	–	62,424
Stock acquisition rights	–	–	2,424	2,424
Other	–	27,736	19,020	46,756
Total	73,807	98,433	572,472	744,712
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	76,051	–	76,051
Interest rate swap contracts	–	75	–	75
Total	¥ –	¥76,126	¥ –	¥ 76,126

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	$655,014	$ –	$4,876,464*	$5,531,479
Bonds	–	73,420	13,738	87,158
Derivative financial assets				
Foreign exchange contracts	–	553,994	–	553,994
Stock acquisition rights	–	–	21,512	21,512
Other	–	246,148	168,797	414,945
Total	655,014	873,562	5,080,511	6,609,088
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	674,928	–	674,928
Interest rate swap contracts	–	666	–	666
Total	$ –	$675,594	$ –	$ 675,594

Note:
* Preferred stock investments in associates not applying the equity method totaling ¥146,926 million and ¥290,340 million ($2,576,677 thousand) are included as of March 31, 2015 and 2016, respectively, as the feature is substantively different from common stock. These preferred stocks are designated as financial assets at FVTPL.

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Equity securities and bonds
Equity securities and bonds are measured using quoted prices in active markets for identical assets or liabilities if such prices are available, and are classified as level 1. Where such quoted prices in active markets for identical assets or liabilities are not available, they are measured using quoted prices for identical assets or liabilities in markets that are not active, quoted prices of comparable companies and valuation techniques such as the discounted cash flow model. They are classified as level 2 if all significant inputs such as quoted prices and discount rates that are used for the measurement are observable, whereas if inputs include significant unobservable inputs, they are classified as level 3.

b. Derivative financial assets and derivative financial liabilities
The fair value of derivative financial instruments is measured using valuation techniques such as discounted cash flow models. Derivative financial instruments are classified as level 2 if all significant inputs such as foreign exchange rates and discount rates that are used for the measurement are observable, whereas if inputs include significant unobservable inputs, they are classified as level 3.

(2) Fair value measurements of financial instruments that are categorized as level 3

a. Valuation techniques and inputs

The following table shows information about valuation techniques and significant unobservable inputs used in the level 3 fair value measurements where unobservable inputs are used.

Equity securities

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs As of March 31, 2015	As of March 31, 2016
Price of recent investment	Discount for lack of marketability	–	10.0%–45.0%
	Control premium	–	5.0%–10.0%
Discounted cash flow	Cost of capital	15.0%	16.9%
	Perpetual growth rate	3.5%	5.2%
	Discount for lack of marketability	–	15.0%
	Discount for non-control interest	–	17.0%

b. Sensitivity Analysis

Of the above unobservable inputs, perpetual growth rate and control premium have a positive correlation with the fair value of equity securities, whereas cost of capital, discount for non-control interest, and discount for lack of marketability have a negative correlation with the fair value of equity securities.

c. Valuation processes

Fair value is measured by our personnel in treasury and accounting departments based on internal regulations, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair valuation. Fair value of financial instruments that require a high level of knowledge and experience for the valuation is measured by external specialists if the amount of such financial instruments is material. The result of the measurement conducted at the end of each quarter, including the valuation by the external specialists, is reported to the Company's board of directors after the analysis of fair value changes and other contents are reviewed and approved by the head of the department.

d. Reconciliation of financial instruments categorized as Level 3

Reconciliation of financial instruments categorized as Level 3 is as follows:

For the fiscal year ended March 31, 2015

(Millions of yen)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2014	¥ 62,572	¥1,476	¥ 719	¥11,078
Gains or losses				
Net income	1,439	75	119	(159)
Other comprehensive income	(1,794)	254	–	1,126
Transfers due to application of equity method	(29,266)	–	–	–
Purchases	215,597	1,453	306	2,093
Sales	(1,845)	–	–	(1,610)
Transfers to level 1 due to listing	(905)	–	–	–
Other	(3,044)	–	–	–
As of March 31, 2015	¥242,754	¥3,258	¥1,144	¥12,528
Gains or losses recognized in net income on financial instruments held at March 31, 2015	¥ (2,607)	¥ –	¥ 119	¥ (14)

For the fiscal year ended March 31, 2016

(Millions of yen)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2015	¥242,754	¥ 3,258	¥1,144	¥12,528
Gains or losses				
Net income	89,308	(7,528)	1,704	–
Other comprehensive income	(18,629)	(314)	–	859
Purchases	247,508	1,292	363	6,271
Sales	(11,361)	(500)	–	(1,739)
Transfers to level1 due to listing	(8,206)	–	–	–
Transfers to Level 3*	17,067	6,812	–	–
Other	(8,961)	(1,472)	(787)	1,101
As of March 31, 2016	¥549,480	¥ 1,548	¥2,424	¥19,020
Gains or losses recognized in net income on financial instruments held at March 31, 2016	¥ 85,536	¥(7,786)	¥1,704	¥ –

(Thousands of U.S. dollars)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2015	$2,154,366	$ 28,914	$10,153	$111,182
Gains or losses				
Net income	792,581	(66,809)	15,122	–
Other comprehensive income	(165,327)	(2,787)	–	7,623
Purchases	2,196,557	11,466	3,222	55,653
Sales	(100,825)	(4,437)	–	(15,433)
Transfers to level 1 due to listing	(72,826)	–	–	–
Transfers to Level 3*	151,464	60,454	–	–
Other	(79,526)	(13,063)	(6,985)	9,772
As of March 31, 2016	$4,876,464	$ 13,738	$21,512	$168,797
Gains or losses recognized in net income on financial instruments held at March 31, 2016	$ 759,105	$(69,098)	$15,122	$ –

Note
* Equity securities are transferred from level 1 to level 3 and bonds are transferred from level 2 to level 3 since it became difficult to obtain their observable inputs. Also, impairment losses for these equity securities and bonds are recognized after transferred to level 3. The details are described in Note 2 in "Note 38. Other non-operating income and loss."

Gains or losses recognized in profit or loss are included in "Non-operating income (loss)" in the consolidated statement of income. Gains or losses recognized in other comprehensive income, net of tax, are included in "Available-for-sale financial assets" and "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

(3) Carrying amounts and fair values of financial instruments

The table below presents carrying amounts and fair values of financial instruments.

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2015		As of March 31, 2016		As of March 31, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current						
Interest-bearing debt						
Long-term borrowings	¥2,116,498	¥2,160,920	¥1,785,500	¥1,797,632	$15,845,758	$15,953,426
Corporate bonds	6,825,868	6,862,785	6,611,947	6,099,330	58,678,976	54,129,659
Lease obligations	744,911	748,068	815,194	817,057	7,234,594	7,251,127
Installment payables	102,552	102,673	63,181	64,280	560,711	570,465
Total	¥9,789,829	¥9,874,446	¥9,275,822	¥8,778,299	$82,320,039	$77,904,677

Financial instruments whose carrying amounts are reasonably similar to fair values are not included in the table above. Financial instruments that are measured at fair value on a recurring basis are also excluded because their fair values are the same as the carrying amounts.

The major valuation techniques for fair value measurements of the above financial liabilities are as follows:

a. Long-term borrowings

Fair values of the non-current portion of long-term borrowings with variable rates are measured based on the discounted cash flow method using observable inputs such as market interests, and the measurement is categorized as level 2. Fair values of the non-current portion of long-term borrowings with fixed rate are measured based on discounted cash flow using an interest rate including the credit spread that would be used for a borrowing with the same terms and maturities. Those borrowings are categorized as Level 3.

b. Corporate bonds

Fair values of the non-current portion of corporate bonds are mainly categorized as Level 1 or Level 2. When fair value is measured using quoted prices in active markets for identical bonds, it is categorized as Level 1. When fair value is measured using quoted prices that are observable in markets that are not active for identical bonds, it is categorized as Level 2. The fair value categorized as Level 3 is immaterial.

c. Lease obligations

Fair values of the non-current portion of lease obligations are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and categorized as Level 2.

d. Installment payables

Fair values of the non-current portion of installment payables are measured based on the discounted cash flow method using an interest rate adjusted for the remaining repayment period and credit risks, and the measurement is categorized as Level 2.

27. Transfers of financial assets

The Company enters into securitization transactions involving trade and installment receivables.

The major securitization transactions involve the securitization of receivables related to wireless service charges due from subscribers and installment receivables recognized from mobile handsets sales business. For each transaction, the Company transferred receivables to financial institutions and acquired cash and subordinate interest in the transferred receivables for financing purpose. The Receivables sold are not derecognized because in each transaction, the Company retains subordinate interest and therefore substantially retains all risks and rewards of ownership of the transferred assets. Cash received from transferring the receivables are included in "Interest-bearing debt" under current liabilities and non-current liabilities.

The following table presents the carrying amount of financial assets and related liabilities that are transferred but do not meet the derecognition criteria, as well as the fair value where related liabilities have recourse only to the transferred assets:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2015	As of March 31, 2016	As of March 31, 2016
Carrying amount of transferred assets	¥ 751,468	¥ 857,186	$ 7,607,259
Carrying amount of related liabilities	(515,839)	(624,563)	(5,542,803)
(Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets)			
Fair value of transferred assets	¥ 751,468	¥ 857,186	$ 7,607,259
Fair value of related liabilities	(515,270)	(624,096)	(5,538,658)
Net position	¥ 236,198	¥ 233,090	$ 2,068,601

The amount of difference between transferred assets and related liabilities is the subordinate interest which the Company retains on securitization.

28. Offsetting financial assets and liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position, as well as the amount of financial assets and liabilities that are under enforceable master netting agreements or similar contracts but are not offset as they do not meet certain or all criteria of offsetting.

Rights to offset based on enforceable master netting agreements or similar contracts are enforceable only in certain events such as bankruptcy or obligation default of the counterparty.

As of March 31, 2015

(Millions of yen)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	¥114,892	¥(72,251)	¥42,641	¥(12,518)	¥30,123
Other financial assets	55,998	–	55,998	(1,296)	54,702
Total	¥170,890	¥(72,251)	¥98,639	¥(13,814)	¥84,825

(Millions of yen)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	¥166,246	¥(72,251)	¥93,995	¥(12,367)	¥81,628
Other financial liabilities	2,671	–	2,671	(1,447)	1,224
Total	¥168,917	¥(72,251)	¥96,666	¥(13,814)	¥82,852

As of March 31, 2016

(Millions of yen)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	¥114,777	¥(77,751)	¥37,026	¥(22,550)	¥14,476
Other financial assets	39,089	–	39,089	(36,094)	2,995
Total	¥153,866	¥(77,751)	¥76,115	¥(58,644)	¥17,471

(Millions of yen)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	¥173,966	¥(77,751)	¥ 96,215	¥(22,418)	¥ 73,797
Other financial liabilities	71,243	–	71,243	(36,227)	35,016
Total	¥245,209	¥(77,751)	¥167,458	¥(58,645)	¥108,813

(Thousands of U.S. dollars)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	$1,018,610	$(690,016)	$328,594	$(200,124)	$128,470
Other financial assets	346,903	–	346,903	(320,323)	26,580
Total	$1,365,513	$(690,016)	$675,497	$(520,447)	$155,050

(Thousands of U.S. dollars)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	$1,543,894	$(690,016)	$ 853,878	$(198,953)	$654,925
Other financial liabilities	632,259	–	632,259	(321,503)	310,756
Total	$2,176,153	$(690,016)	$1,486,137	$(520,456)	$965,681

29. Foreign exchange rates

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

(1) Rate at the end of the period

(Yen)

	As of March 31, 2015	As of March 31, 2016
U.S. dollars	¥120.17	¥112.68

(2) Average rate for the quarter

For the fiscal year ended March 31, 2015

(Yen)

	Three months ended June 30, 2014	Three months ended September 30, 2014	Three months ended December 31, 2014	Three months ended March 31, 2015
U.S. dollars	¥102.14	¥104.35	¥114.39	¥119.56

For the fiscal year ended March 31, 2016

(Yen)

	Three months ended June 30, 2015	Three months ended September 30, 2015	Three months ended December 31, 2015	Three months ended March 31, 2016
U.S. dollars	¥121.34	¥121.91	¥121.07	¥116.95

(3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations

The table below presents the effect of a 1% appreciation of the Japanese yen against the U.S. dollar and against the Chinese yuan, which are the main foreign currency of the Company, regarding the translation of assets, liabilities, and interests in net assets in foreign operations into presentation currency, assuming that all other factors are constant.

Impact of exchange differences on translating foreign operations (decrease in equity)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
U.S. dollar	¥(27,108)	¥(28,673)	$(254,464)
Chinese yuan	(8,698)	(12,016)	(106,638)

30. Equity

(1) Common stock

a. Shares authorized

The number of shares authorized to be issued is as follows:

(Thousands of shares)

	March 31, 2015	March 31, 2016
Ordinary shares	3,600,000	3,600,000

b. Shares issued

Changes in the number of shares issued are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Balance at the beginning of the year	1,200,660	1,200,660
Increase during the year	–	–
Balance at the end of the year	1,200,660	1,200,660

Notes:
1. Shares issued by the Company are common stocks with no par value.
2. Shares issued have been fully paid.

(2) Capital surplus

Capital surplus of the Company includes additional paid-in capital, which is legal capital surplus. Under the Companies Act of Japan ("the Companies Act"), at least 50% of the proceeds upon issuance of equity instruments shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Companies Act permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

For the fiscal year ended March 31, 2015

The Company acquired all remaining shares of Brightstar Global Group Inc. indirectly held by Marcelo Claure, the former Chairman and CEO of Brightstar Corp., and came to own 100% of the equity interest of Brightstar Global Group Inc. In connection with this transaction, ¥30,509 million is deducted from capital surplus as "Changes in interests in subsidiaries."

For the fiscal year ended March 31, 2016

The Company acquired an additional 24.1% shares of Supercell, a subsidiary of the Company, from existing shareholders and the Company's ownership in Supercell became 77.8%. In connection with this transaction, ¥120,847 million ($1,072,480 thousand) is deducted from capital surplus as "Changes in interests in subsidiaries."

(3) Retained earnings

Retained earnings of the Company include the reserve legally required as legal retained earnings. The Companies Act provides that 10% of the dividend of retained earnings shall be appropriated as legal capital surplus or as legal retained earnings until their aggregate amount equals 25% of common stock. The legal retained earnings may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

(4) Treasury stock

The Companies Act provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Changes in treasury stock are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Balance at the beginning of the year	12,205	11,463
Increase during the year	6	42,873
Decrease during the year	(748)	(576)
Balance at the end of the year	11,463	53,760

Note:
The number of treasury stock acquired based on the approval of board of directors' meeting for the fiscal year ended March 31, 2016 was 42,867 thousand shares and total acquisition cost was ¥269,173 million ($2,388,827 thousand).

(5) Accumulated other comprehensive income

The changes in the accumulated other comprehensive income are as follows:

(Millions of yen)

	Remeasurements of defined benefit plan	Available-for-sale financial assets	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2014	¥ –	¥14,122	¥(19,942)	¥ 175,670	¥ 169,850
Other comprehensive income (Attributable to owners of the parent)	(47,226)	402	12,597	357,537	323,310
Transfer to retained earnings	47,226	–	–	–	47,226
As of March 31, 2015	–	14,524	(7,345)	533,207	540,386
Other comprehensive income (Attributable to owners of the parent)	**342**	**18,070**	**(32,743)**	**(263,977)**	**(278,308)**
Transfer to retained earnings	**(342)**	**–**	**–**	**–**	**(342)**
As of March 31, 2016	**¥ –**	**¥32,594**	**¥(40,088)**	**¥ 269,230**	**¥ 261,736**

(Thousands of U.S. dollars)

	Remeasurements of defined benefit plan	Available-for-sale financial assets	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of March 31, 2015	$ –	$128,896	$ (65,185)	$ 4,732,047	$ 4,795,758
Other comprehensive income (Attributable to owners of the parent)	**3,035**	**160,366**	**(290,584)**	**(2,342,714)**	**(2,469,897)**
Transfer to retained earnings	**(3,035)**	**–**	**–**	**–**	**(3,035)**
As of March 31, 2016	**$ –**	**$289,262**	**$(355,769)**	**$ 2,389,333**	**$ 2,322,826**

Note:
The above amount is presented net of tax effect. The amount of income taxes on each item in other comprehensive income is described in "Note 39. Other comprehensive income and loss."

31. Dividends

In accordance with the Companies Act, SoftBank Group Corp. has prescribed in its articles of incorporation that semiannual interim dividends may be paid once a year upon resolution by the Board of Directors.

Dividends paid are as follows:

For the fiscal year ended March 31, 2015

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Shareholders' meeting held on June 20, 2014	Common stock	¥20	¥23,769	March 31, 2014	June 23, 2014
Board of directors' meeting held on October 23, 2014	Common stock	20	23,778	September 30, 2014	December 15, 2014

For the fiscal year ended March 31, 2016

Resolution	Class of shares	Dividends per share (Yen)	Dividends per share (USD)	Total dividends (Millions of yen)	Total dividends (Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 19, 2015	Common stock	¥20	$0.18	¥23,784	$211,076	March 31, 2015	June 22, 2015
Board of directors' meeting held on October 22, 2015	Common stock	20	0.18	23,477	208,351	September 30, 2015	December 14, 2015

Dividends which will become effective during the fiscal year ending March 31, 2017 are as follows:

Resolution	Class of shares	Dividends per share (Yen)	Dividends per share (USD)	Total dividends (Millions of yen)	Total dividends (Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 22, 2016	Common stock	¥21	$0.19	¥24,085	$213,747	March 31, 2016	June 23, 2016

32. Share-based payment transactions

The Company grants stock options, restricted stock units and phantom stock as share based payment awards.

Share-based payment awards are granted to the Company's directors, employees and other service providers, based on the terms approved by the Company's shareholders' meeting or board of directors' meeting.

Share-based payment awards are accounted for as equity-settled share-based payment and cash-settled share-based payment. Expense and liability recognized from share-based payment awards are as follows:

Expense arising from share-based payment

	(Millions of yen) Fiscal year ended March 31, 2015	(Millions of yen) Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Equity-settled	¥13,073	¥15,979	$141,809
Cash-settled	2,861	6,900	61,235
Total	¥15,934	¥22,879	$203,044

Liability arising from share-based payment

	(Millions of yen) As of March 31, 2015	(Millions of yen) As of March 31, 2016	(Thousands of U.S. dollars) As of March 31, 2016
Liability arising from share-based payment	¥2,861	¥9,151	$81,212
Liability vested in the above	–	–	–

(1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share-based payment and cash-settled share-based payment. The details of the Company's stock option plan for the years ended March 31, 2015 and 2016 are as follows:

(a) SoftBank Group Corp.

SoftBank Group Corp. grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by SoftBank Group Corp.

Year issued / Name	Grant date	Due date for exercise
2010 – 6th Acquisition rights[1]	August 27, 2010	June 30, 2017
2013 – 7th Acquisition rights[2]	July 31, 2013	June 30, 2021

Notes:
1. Vesting condition
A person entitled to the vested stock acquisition rights ("entitled person") is able to exercise these rights only when all the following conditions are satisfied:
a. total free cash flows in the consolidated statement of cash flows for the years ended March 2010, 2011 and 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on Financial Instruments and Exchange Act exceed 1 trillion Yen;
b. net interest-bearing debt in the consolidated balance sheet for the year ended March 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on Financial Instruments and Exchange Act is less than ¥0.97 trillion; and,
c. total operating income in the consolidated statement of income for the years ended March 2011 and 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on Financial Instruments and Exchange Act exceeds ¥1.1 trillion.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "a" through "d" below. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. from July 1, 2012 to June 30, 2013: 25% of the allocated amount of stock acquisition rights
b. from July 1, 2013 to June 30, 2014: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" above
c. from July 1, 2014 to June 30, 2015: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" and "b" above
d. from July 1, 2015 to June 30, 2017: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" through "c" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

2. Vesting condition
A person entitled to the vested stock acquisition rights ("entitled person") is able to exercise these rights only when operating income in the consolidated statement of income for the year ended March 2016 in the Annual Securities Report to be filed by SoftBank Group Corp. based on Financial Instruments and Exchange Act in June 2016 ("target index") exceeds 1.2 trillion Yen ("target amount"). SoftBank Group Corp. may change the target index or target amount within a reasonable range due to changes in accounting policies or other factors if necessary.
The amount of the stock acquisition rights exercisable in the period "a" through "c" below by an entitled person who was granted and allocated stock acquisition rights of 10,000 or more in total, is limited as below. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. from July 1, 2016 to June 30, 2017: 25% of the allocated amount of stock acquisition rights
b. from July 1, 2017 to June 30, 2018: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" above
c. from July 1, 2018 to June 30, 2021: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" and "b" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

(b) Sprint

Sprint Corporation grants stock options to its directors, employees and other service providers. Shares granted by the exercise of stock options are those issued by Sprint Corporation.

Year issued / Name	Grant date	Due date for exercise
Nextel Incentive Equity Plan	From May 24, 2004 to May 26, 2005	From May 24, 2014 to May 26, 2015
1997 Long-Term Incentive Program	From February 8, 2005 to February 27, 2007	From February 8, 2015 to February 27, 2017
2007 Omnibus Incentive Plan	From July 9, 2007 to May 31, 2015	From July 9, 2017 to May 31, 2025
2015 Omnibus Incentive Plan	From August 25, 2015 to February 3, 2016	From August 25, 2025 to February 3, 2026

Note:
Vesting condition
Generally, stock options vest when service period requirements are met. The vesting period is generally 3 years and vests each period equally.

(c) Supercell

Supercell grants stock option to its employees. Shares granted by the exercise of stock options are those issued by Supercell Oy.

Year issued / Name	Grant date	Due date for exercise
Supercell Oy Share option program	From March 31, 2011 to April 1, 2014	From September 17, 2014 to March 31, 2021

Note:
Vesting condition
Stock options vest when service period requirements are met. The vesting period is within 4 years. 25% of options vest after 1 year from the conclusion of the share payment contract or the beginning of service. The residual options vest each month equally over the next 3 years.

(d) Brightstar Corp

Brightstar Corp. grants stock options as equity-settled share-based payment and cash-settled share-based payment to its directors, employees and other service providers.

Year issued / Name	Grant date	Due date for exercise
Brightstar Global Group Inc. 2006 Stock Incentive Plan[1]	From July 12, 2006 to January 21, 2014	From July 12, 2016 to January 21, 2024
Brightstar Global Group Inc. 2016 Stock Incentive Plan[2]	March 15, 2016	From January 1, 2017 to February 28, 2017

Notes:
1. Vesting condition
Generally, stock options vest when service period requirements are met. Rights vest in stages during 4 years equally over this period. Brightstar Corp. has the option to settle either by Brightstar Global Group Inc. shares or cash when options are exercised and those are accounted for as equity-settled share based payment. Shares granted by the exercise of stock options are those issued by Brightstar Global Group Inc.

2. Vesting condition
Stock options vest when service period requirements are met. The vesting period is within 1 year. Brightstar Corp. has the option to settle either by Brightstar Global Group Inc. shares or cash when options are exercised and those are accounted for as cash-settled share-based payment.

(e) Yahoo Japan Corporation

Yahoo Japan Corporation grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by Yahoo Japan Corporation.

Yahoo Japan Corporation split shares of its stocks by the ratio of 100 for 1, with a basis date of September 30, 2013 and an effective date of October 1, 2013. For stock options granted before the share split, the effect of the share split is adjusted.

Year issued / Name	Grant date	Due date for exercise
2005[1]	May 2, 2006	June 17, 2015
2006[1]	From September 6, 2006 to February 7, 2007	From August 23, 2016 to January 24, 2017
2007[1]	From May 8, 2007 to February 13, 2008	From April 24, 2017 to January 30, 2018
2008[1]	From May 9, 2008 to February 10, 2009	From April 25, 2018 to January 27, 2019
2009[1]	From May 12, 2009 to February 10, 2010	From April 28, 2019 to January 27, 2020
2010[1]	From May 11, 2010 to February 8, 2011	From April 27, 2020 to January 25,2021
2011[1]	From June 3, 2011 to February 17, 2012	From May 20, 2021 to February 3, 2022
2012 1st[1] 2nd[2]	From May 16, 2012 to March 1, 2013	From May 2, 2022 to February 28, 2023
2013 1st[3] 2nd[4]	From May 17, 2013 to November 19, 2013	From May 16, 2023 to November 18, 2023
2014 1st[4]	May 26, 2014	May 25, 2024

Notes:

1. Vesting condition
Rights mainly vest in stages after 2 years from the grant date. One half of the total granted vests after 2 years from the grant date, and one fourth vests per year for subsequent 2 years. Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

2. Vesting condition
Rights vest according to the amount of operating income achieved as specified in either (i) or (ii) below in the period from the fiscal year ended March 2014 to the fiscal year ending March 2019.
(i) If the operating income exceeds ¥250 billion
Period of achievement: By fiscal year March 2016 Exercisable ratio: 20%
Period of achievement: By fiscal year March 2017 Exercisable ratio: 14%
Period of achievement: By fiscal year March 2018 Exercisable ratio: 8%
Period of achievement: By fiscal year March 2019 Exercisable ratio: 2%

(ii) If the operating income exceeds ¥330 billion
Period of achievement: By fiscal year March 2016 Exercisable ratio: 80%
Period of achievement: By fiscal year March 2017 Exercisable ratio: 56%
Period of achievement: By fiscal year March 2018 Exercisable ratio: 32%
Period of achievement: By fiscal year March 2019 Exercisable ratio: 8%

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

3. Vesting condition
Rights vest according to the amount of operating income achieved as specified in either (i) or (ii) below in the period from the fiscal year ended March 2014 to the fiscal year ending March 2019.
(i) If the operating income exceeds ¥250 billion Exercisable ratio: 20%
(ii) If the operating income exceeds ¥330 billion Exercisable ratio: 80%

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

4. Vesting condition
Rights vest once the operating income for the fiscal year exceeds ¥330 billion in either of the period from the fiscal year ended March 2015 to the fiscal year ending March 2019. Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

b. Fair value of stock options granted during the period

Weighted-average fair value and how fair value is measured, at the measurement date of the stock options granted during the period are as follows:

Sprint

The Weighted-average fair value at the measurement date of the stock options granted during the period is $2.03.

Fair value is measured as follows:

	Fiscal year ended March 31, 2016	
Year issued / Name	2007 Omnibus Incentive Plan	2015 Omnibus Incentive Plan
Valuation method used	Black-Scholes model	Black-Scholes model
Key inputs and assumptions:		
Weighted-average stock price	$4.70	$4.24
Weighted-average exercise price	$4.70	$4.24
Volatility of stock price*	42.05%	58.93%
Estimated residual period	6 years	6 years
Estimated dividend	–	–
Risk-free interest rate	1.84%	1.72%

Note:
* Volatility of stock price is calculated based on an implied volatility, measured by the stock price and option price of Sprint at the calculation date.

c. Changes in stock options during the period and the condition of stock options at the period end

Changes in stock options during the period and the condition of stock options at the period end are as follows:

(a) SoftBank Group Corp

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance – Unexercised	12,371,100	¥4,402	11,495,500	¥4,516	$40.08
Granted	–	–	–	–	–
Forfeited	(128,700)	4,552	(10,229,800)	4,750	42.15
Exercised	(746,900)	2,625	(576,000)	2,625	23.30
Ending balance – Unexercised	11,495,500	4,516	689,700	2,625	23.30
Ending balance – Exercisable	432,900	¥2,625	689,700	¥2,625	$23.30

(b) Sprint

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Number of shares	Weighted-average exercise price (USD)	Number of shares	Weighted-average exercise price (USD)
Beginning balance – Unexercised	42,525,692	$ 6.68	39,861,827	$ 5.34
Granted	22,949,074	6.04	12,290,437	4.66
Forfeited	(2,634,619)	6.18	(6,735,629)	5.42
Exercised	(13,837,721)	3.40	(1,439,758)	2.43
Matured	(9,140,599)	16.02	(3,234,331)	12.06
Ending balance – Unexercised	39,861,827	5.34	40,742,546	4.69
Ending balance – Exercisable	19,257,431	$ 4.68	20,866,540	$ 4.10

The unexercised options as of March 31, 2016 are as follows:

Range of exercise price (USD)	Number of shares	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
$ 0.00 – 3.00	4,825,503	$ 2.05	6.14
3.01 – 4.00	6,157,533	3.36	3.78
4.01 – 5.00	21,369,956	4.64	8.21
5.01 – 6.00	4,366,015	5.64	6.84
7.01 – 10.00	3,930,249	8.99	8.13
15.01 – 20.00	93,290	16.81	0.90
Total	40,742,546	$ 4.69	7.12

(c) Supercell

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Number of shares	Weighted-average exercise price (EUR)	Number of shares	Weighted-average exercise price (EUR)
Beginning balance – Unexercised	2,328,431	€ 2.16	1,854,701	€5.24
Granted	210,250	29.39	–	–
Forfeited	(102,352)	5.44	(462,279)	5.47
Exercised	(581,628)	1.62	(329,927)	3.17
Ending balance – Unexercised	1,854,701	5.24	1,062,495	5.78
Ending balance – Exercisable	344,371	€ 3.13	318,972	€4.34

The unexercised options as of March 31, 2016 are as follows:

Range of exercise price (EUR)	Number of shares	Weighted-average exercise price (EUR)	Weighted-average remaining contract period (Year)
€ 0.01 – 1.64	320,613	€ 0.78	5.00
3.59	616,556	3.59	5.00
29.39	125,326	29.39	5.00
Total	1,062,495	€ 5.78	5.00

(d) Brightstar Corp

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016	
	Number of shares	Weighted-average exercise price (USD)	Number of shares	Weighted-average exercise price (USD)
Beginning balance – Unexercised	2,365,388	$27.53	1,464,993	$27.51
Granted	–	–	366,772	5.45
Repurchased*	–	–	(621,367)	28.85
Forfeited	(900,395)	27.57	(600,478)	26.37
Exercised	–	–	–	–
Ending balance – Unexercised	1,464,993	27.51	609,920	14.00
Ending balance – Exercisable	711,666	$24.29	206,898	$26.33

Note:
* Brightstar Corp. repurchased outstanding stock options held by existing employees for cash consideration of $1.00 per stock option in December 2015

The unexercised options as of March 31, 2016, are as follows:

Range of exercise price (USD)	Number of shares	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
$ 5.45	366,772	$ 5.45	1.00
10.00 – 15.00	34,000	15.00	3.06
15.01 – 20.00	8,500	20.00	1.32
25.01 – 30.00	190,648	29.00	6.42
30.01 – 35.00	10,000	33.25	7.81
Total	609,920	$14.00	2.93

(e) Yahoo Japan Corporation

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance – Unexercised	64,012,500	¥427	65,586,700	¥429	$3.81
Granted	1,950,000	492	–	–	–
Forfeited	(331,400)	475	(1,260,700)	450	3.99
Exercised	(44,400)	325	(346,400)	331	2.94
Matured	–	–	(6,100)	680	6.03
Ending balance – Unexercised	65,586,700	429	63,973,500	429	3.81
Ending balance – Exercisable	3,583,700	¥366	3,522,500	¥360	$3.19

The unexercised options as of March 31, 2016 are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
¥201 – 300	$1.78 – 2.66	943,400	¥270	$2.40	5.4
301 – 400	2.67 – 3.55	25,537,700	324	2.88	6.8
401 – 500	3.56 – 4.44	12,256,300	486	4.31	6.7
501 – 600	4.45 – 5.32	25,236,100	514	4.56	7.6
Total		63,973,500	¥429	$3.81	7.1

d. Stock options exercised during the period

Weighted-average stock prices at exercise for stock options exercised during the period are as follows:

(a) SoftBank Group Corp.

Fiscal year ended March 31, 2015			Fiscal year ended March 31, 2016			
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Weighted-average stock price at exercise (USD)
2010 – 6th Acquisition rights	746,900	¥7,487	2010 – 6th Acquisition rights	576,000	¥7,021	$62.31

(b) Sprint

Fiscal year ended March 31, 2015			Fiscal year ended March 31, 2016		
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (USD)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (USD)
2007 Omnibus Incentive Plan . . .	13,837,721	$6.46	2007 Omnibus Incentive Plan . . .	1,439,758	$4.41

(c) Yahoo Japan Corporation

Fiscal year ended March 31, 2015			Fiscal year ended March 31, 2016			
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Weighted-average stock price at exercise (USD)
2006	200	¥436	2006	9,900	¥550	$4.87
2007	7,600	465	2007	34,400	530	4.70
2008	3,000	458	2008	49,900	523	4.64
2009	15,500	455	2009	46,000	505	4.48
2010	8,200	441	2010	80,500	508	4.51
2011	9,400	448	2011	116,500	504	4.47
2012	500	446	2012	9,200	500	4.44

Note:
Weighted-average stock price at exercise is not calculated for the Supercell Oy Stock option plan since Supercell Oy shares are not publicly traded.

(2) Restricted stock unit plan

The Company adopts restricted stock unit ("RSU") plans where the Company grants stocks, the transfer of which is restricted for a certain period until vested, and it is accounted for as equity-settled share-based payment.

The details of the Company's RSU plans for the years ended March 31, 2015 and 2016 are as follows:

a. Sprint

Sprint grants shares of Sprint Corporation as RSU to its directors, employees and other service providers.

The fair value of the RSU is generally measured based on the closing price of stock on the date of grant.

RSU generally has performance and service requirements or service requirements only, with vesting periods ranging from one to three years.

During the year ended March 31, 2016, Sprint granted performance-based restricted stock units that will be earned upon the achievement of certain market conditions, which are based on Sprint share price. The fair value of these market-based restricted stock units is estimated at the date of grant using Monte Carlo valuation methodology, which incorporates into the valuation the possibility that the market condition may not be satisfied. These market-based restricted stock units will vest 50% over four years from the grant date and 50% over five years from the grant date.

The number of RSU granted for the fiscal year ended March 31, 2016 was 27,602,692 units. The weighted-average fair value of RSU granted for the fiscal year ended March 31, 2016 was $3.06 per unit.

b. Galaxy Investment Holdings, Inc.

Galaxy Investment Holdings, Inc. grants RSU to its director with the option to settle either by Sprint Corporation shares held by Galaxy Investment Holdings, Inc. or cash. As Galaxy Investment Holdings. Inc. has the option to settle by cash instead of Sprint Corporation shares, this RSU grant has been accounted for as equity-settled share-based payment. The fair value of the RSU is measured based on the stock price as of the date of grant.

RSU vests equally each year over four years, with continuous service required through each vesting date.

c. Supercell

Supercell grants shares of Supercell Oy as RSU to its employees. The RSU plan is accounted for as equity-settled share-based payment even though Supercell has the option to settle the some of the RSU in cash when options are exercised instead of Supercell Oy shares. RSU granted for the fiscal year ended March 31, 2016 were 907,050 units. The fair value of the RSU is intrinsic value measured using the discount cash flow method or guideline public companies method. The weighted-average fair value of the RSU granted for the fiscal year ended March 31, 2016 was €89.84 per unit.

RSU vests equally each year over four years, with continuous service required through each vesting date.

(3) Phantom stock

The Company adopts phantom stock awards where the Company pays in cash based on the stock price at the vesting date, and they are accounted for as cash-settled share-based payments.

The details of phantom stock for the fiscal years ended March 31, 2015 and 2016 are as follows:

SoftBank Group Corp., SB Group US, Inc., and SoftBank Holdings, Inc.

SoftBank Group Corp., SB Group US, Inc., and SoftBank Holdings, Inc. granted phantom stock, which is based on the shares of SoftBank Group Corp., to their directors, employees, and other service providers.

It requires to continued employment from the grant date through vesting date. The amount of settlement at the vesting date is determined based on share per unit. The details of vesting conditions are as follows:

The number of units and vesting conditions as of March 31, 2016
As of March 31, 2016

Unit	Vesting condition
3,278,641	The initial vesting date is four years from the first date of service. A quarter of the total vests on the initial vesting date and quarter of the total vests every two year thereafter.
740,691	It vests fully when five years pass from the first date of the service period.
2,038,489	Vesting periods are mainly four years or five years from the first date of service or service provided and vests over those periods.

33. Net sales

The components of net sales are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Domestic Telecommunications segment			
Telecom service revenue	¥2,323,509	¥2,395,925	$21,263,090
Product and other sales	662,135	710,930	6,309,283
Total	2,985,644	3,106,855	27,572,373
Sprint segment			
Telecom service revenue	3,041,402	3,501,532	31,075,009
Product and other sales	552,765	186,966	1,659,265
Total	3,594,167	3,688,498	32,734,274
Yahoo Japan segment			
Net sales from rendering of services	420,385	461,420	4,094,959
Net sales from sale of goods	–	181,460	1,610,401
Total	420,385	642,880	5,705,360
Distribution segment	1,170,437	1,345,856	11,944,054
Other	333,502	369,460	3,278,843
Total	¥8,504,135	¥9,153,549	$81,234,904

34. Cost of sales and selling, general and administrative expenses

The components of cost of sales and selling, general and administrative expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Cost of goods sold	¥(2,510,996)	¥(2,370,094)	$(21,033,848)
Depreciation and amortization	(1,095,245)	(1,396,601)	(12,394,400)
Sales commissions and sales promotion expenses	(1,066,174)	(1,125,879)	(9,991,826)
Employees and directors benefit cost	(667,644)	(569,415)	(5,053,381)
Telecommunications equipment usage fee	(509,938)	(513,411)	(4,556,363)
Operating lease expenses	(430,977)	(471,560)	(4,184,949)
Service outsourcing expenses	(278,156)	(285,990)	(2,538,072)
Other	(998,617)	(1,341,300)	(11,903,621)
Total	¥(7,557,747)	¥(8,074,250)	$(71,656,460)

"Depreciation and amortization" includes disposal of "Property, plant and equipment" and "Intangible assets" as well as amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the consolidated statement of financial position.

35. Other operating income and loss

The components of other operating income and loss are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Domestic Telecommunications segment			
Provision for onerous contract[1]	¥(21,271)	¥ –	$ –
Sprint segment			
Loss on disposal of property, plant and equipment[2]	–	(37,032)	(328,647)
Severance costs associated with reduction in work force	(27,129)	(26,079)	(231,443)
Legal reserves[3]	(10,492)	(23,437)	(207,996)
Impairment loss on non-current assets[4]	–	(19,881)	(176,438)
Gain on partial pension settlement[5]	18,726	–	–
Other	11,866	(10,271)	(91,152)
Distribution segment			
Impairment loss on non-current assets[6]	–	(13,633)	(120,989)
Other	607	(2,833)	(25,142)
Other	25	(6,086)	(54,011)
Total	¥(27,668)	¥(139,252)	$(1,235,818)

Notes:
1. Loss was recognized due to the provision made by SoftBank Corp. for the excess of expected future cost of delivery for a contracted communication service over its contracted amount.
2. Loss on disposal of property, plant and equipment consists of ¥30,348 million ($269,329 thousand) of loss on disposal that resulted from the write-off of leased devices associated with lease cancellations prior to the scheduled customer lease terms where customers did not return the devices to Sprint, and ¥6,684 million ($59,318 thousand) of loss recognized upon the sale of devices to Mobile Leasing Solutions, LLC under the Handset Sale-Leaseback transaction. Regarding the Handset Sale-Leaseback transaction, the details are described in "Note 14. Leases."
3. The details of legal reserves are described in (b) under "b. Legal and administrative proceedings to which Sprint and its subsidiaries are party" under "(3) Litigation" under "Note 44. Contingency."
4. Impairments are primarily related to cell site construction costs that are no longer expected to be used as a result of changes in Sprint's network plans.
5. Sprint made an amendment associated with the defined benefit pension plan to offer certain terminated participants, who had not begun to receive plan benefits, the opportunity to receive their benefits as an immediate lump sum distribution. This is the gain arising from the settlement.
6. Cash-generating units of the Distribution segment are composed of five regions, Brightstar Global Group Inc.'s US & Canada, Latin America, Asia & Oceania, SoftBank Commerce & Service Corp., and Europe & Africa from the fiscal year ended March 31, 2016. Of these cash-generating units, as a result of reviewing the business plan of Brightstar Global Group Inc.'s Latin America region, the recoverable amount became negative and therefore the carrying amount related to the cash-generating unit was reduced to zero. Impairment loss on property, plant and equipment was ¥8,070 million ($71,619 thousand) and impairment loss on intangible assets was ¥5,563 million ($49,370 thousand). Value in use was used as the recoverable amount and calculated by discounting management approved estimated future cash flow plan by 22.11%, weighted average capital cost before tax.
   Goodwill of Brightstar Global Group Inc. is allocated to the entire Brightstar Global Group Inc. (a group of cash-generating units) which bundles five cash-generating units. As a result of the impairment test on entire Brightstar Global Group Inc., the recoverable amount exceeded the carrying amount, and therefore the impairment loss on the goodwill allocated to entire Brightstar Global Group Inc. is not recognized.

36. Finance cost

The components of finance cost are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Interest expense*	¥(366,500)	¥(440,744)	$(3,911,466)

Note:
* Interest expense was mainly from financial liabilities measured at amortized cost.

37. Dilution gain from changes in equity interest

For the fiscal year ended March 31, 2015

The Company recorded dilution gain from changes in equity interest of ¥599,668 million related to Alibaba, which is an associate of the Company. This is mainly due to the issuance of new shares by Alibaba and the conversion of convertible preference shares issued by Alibaba into common stock in connection with its listing on the New York Stock Exchange on September 19, 2014.

38. Other non-operating income and loss

The components of other non-operating income and loss are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Interest income	¥ 4,052	¥ 11,413	$ 101,287
Foreign exchange gain and loss[1]	11,050	(45,610)	(404,775)
Derivative gain and loss	(8,257)	12,788	113,490
Impairment loss on securities[2]	(14,996)	(32,759)	(290,726)
Gain on sales of equity method associates	1,882	12,428	110,295
Impairment loss on equity method associates[3]	(35,261)	(2,023)	(17,953)
Gain from remeasurement relating to applying equity method[4]	11,177	–	–
Gain from financial assets at FVTPL[5]	11,209	114,377	1,015,060
Provision of allowance for doubtful accounts[2]	(255)	(21,253)	(188,614)
Other	3,785	7,359	65,308
Total	¥(15,614)	¥ 56,720	$ 503,372

Notes:
1. The value of the Argentine peso decreased against the U.S. dollar in December 2015 due to change in foreign exchange policy by the Argentine Government. As a result, foreign exchange loss of ¥18,614 million ($165,193 thousand) associated with dollar-denominated monetary items, such as cash and cash equivalents, account receivables, and account payables, held by Argentine subsidiaries was recorded.
2. Shares and debt interests related to investments of PT Trikomsel Oke Tbk. in Indonesia were impaired as the investment amount and the debt interests amount were not expected to be collected. As a result, impairment loss on securities and provision of allowance for doubtful accounts totaling ¥38,185 million ($338,880 thousand) were recorded for the fiscal year ended March 31, 2016.

3. The Company recorded impairment loss of ¥35,261 million with regard to the equity method associate for the fiscal year ended March 31, 2015 as the fair value had been declining for a prolonged period and the carrying amount was reduced to the recoverable amount.
4. Due to the increase in the percentage of voting rights, the equity method was newly applied to the investment in associates and the gain arose from remeasurement of the interest already held by the Company at the time the equity method was applied, based on the fair value on the date of the equity method application.
5. Gain or loss arising from financial assets at FVTPL comprises mainly changes in fair value of preferred stock investment including embedded derivatives, such as ANI Technologies Pvt. Ltd and Jasper Infotech Private Limited in India, designated as financial assets at FVTPL. Of the gain from financial assets at FVTPL, gain of ¥108,578 million ($963,596 thousand) arose from financial assets that were designated as the financial assets at fair value through profit or loss at initial recognition for the fiscal year ended March 31, 2016 (¥5,814 million for the fiscal year ended March 2015).

39. Other comprehensive income and loss

The table below presents the amount arising during the year, reclassification adjustments to profit or loss and the income tax effect of each item in other comprehensive income.

For the fiscal year ended March 31, 2015

(Millions of yen)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ (59,460)	¥ –	¥ (59,460)	¥ 83	¥ (59,377)
Total	(59,460)	–	(59,460)	83	(59,377)
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	6,093	(2,606)	3,487	239	3,726
Cash flow hedges	49,197	(36,125)	13,072	(210)	12,862
Exchange differences on translating foreign operations	438,309	–	438,309	(28,713)	409,596
Share of other comprehensive income of associates	(877)	(1,350)	(2,227)	–	(2,227)
Total	492,722	(40,081)	452,641	(28,684)	423,957
Total other comprehensive income (loss)	¥433,262	¥(40,081)	¥393,181	¥(28,601)	¥364,580

For the fiscal year ended March 31, 2016

(Millions of yen)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ 140	¥ –	¥ 140	¥ 202	¥ 342
Total	140	–	140	202	342
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	(32,338)	32,685	347	(5,253)	(4,906)
Cash flow hedges	(91,449)	59,223	(32,226)	234	(31,992)
Exchange differences on translating foreign operations	(328,860)	–	(328,860)	39,125	(289,735)
Share of other comprehensive income of associates	38,760	(450)	38,310	(10,668)	27,642
Total	(413,887)	91,458	(322,429)	23,438	(298,991)
Total other comprehensive income (loss)	¥(413,747)	¥91,458	¥(322,289)	¥ 23,640	¥(298,649)

(Thousands of U.S. dollars)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	$ 1,242	$ –	$ 1,242	$ 1,793	$ 3,035
Total	1,242	–	1,242	1,793	3,035
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	(286,989)	290,069	3,080	(46,619)	(43,539)
Cash flow hedges	(811,582)	525,586	(285,996)	2,077	(283,919)
Exchange differences on translating foreign operations	(2,918,530)	–	(2,918,530)	347,222	(2,571,308)
Share of other comprehensive income of associates	343,983	(3,994)	339,989	(94,675)	245,314
Total	(3,673,118)	811,661	(2,861,457)	208,005	(2,653,452)
Total other comprehensive income (loss)	$(3,671,876)	$811,661	$(2,860,215)	$209,798	$(2,650,417)

40. Discontinued operations

GungHo Online Entertainment, Inc.

SoftBank Group Corp. entered into an agreement to tender in the Tender Offer for 188,235,200 shares, a portion of the common shares of GungHo held by SoftBank Group Corp, on April 28, 2015. The Tender Offer was completed on June 1, 2015 and 188,235,200 common shares of GungHo held by Softbank Group Corp. were transferred to GungHo for ¥80,000 million ($709,975 thousand).

An agreement between Heartis G.K. ("Heartis") and Son Holdings Inc. to extinguish the pledge on 100,000,000 shares, out of the common shares of GungHo held by Heartis, was executed and the Agreement on Exercise of Voting Rights* for the 100,000,000 shares was terminated effective on June 1, 2015.

As a result of the transactions, GungHo was no longer qualified as a subsidiary and became an equity method associate on June 1, 2015.

Operating results related to GungHo from April 1, 2015 to June 1, 2015 are presented as discontinued operations separately from continuing operations in the consolidated statement of income.

Note:
* Heartis (Taizo Son's asset management company, the second largest shareholder of GungHo, and Taizo Son, chairman of GungHo is the representative director), and Masayoshi Son, chairman and CEO of SoftBank Group Corp., entered into a Memorandum of Understanding on Exercise of Voting Rights for Deferment of Execution of Pledges (the "MOU"), on April 1, 2013. Under the MOU, all of GungHo common shares held by Heartis were pledged to Son Holdings, Masayoshi Son's asset management company and in order to defer the execution of pledges, Heartis agreed to act on behalf of Masayoshi Son at the shareholders' meeting of GungHo, for the voting rights related to 213,080,000 shares (ownership ratio: 18.50%) out of the common shares of GungHo held by Heartis. In addition, the title of Taizo Son was changed from chairman of GungHo to director of GungHo, effective on March 22, 2016.

The operating results and cash flows from discontinued operations are as follows:

(1) Operating results from discontinued operations

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Revenue	¥ 166,086	¥ 26,604	$ 236,102
Expense	(102,076)	(17,404)	(154,455)
Income before income tax from discontinued operations	64,010	9,200	81,647
Income taxes	(27,453)	(3,568)	(31,665)
Income after income tax from discontinued operations	36,557	5,632	49,982
Loss relating to loss of control in discontinued operations	–	(12,739)	(113,055)
Deferred tax expenses for investment temporary differences	(15,593)	139	1,234
Net income (loss) from discontinued operations	¥ 20,964	¥ (6,968)	$ (61,839)

(2) Cash flows from discontinued operations

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net cash provided by operating activities	¥53,294	¥16,051	$142,448
Net cash provided by (cash used) in investing activities	5,347	(735)	(6,523)
Net cash used in financing activities	(1,702)	(86)	(763)
Total	¥56,939	¥15,230	$135,162

41. Earnings per share

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

(1) Basic earnings per share

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net income used in the calculation of basic earnings per share			
Net income attributable to owners of the parent			
Continuing operations	¥668,936	¥484,458	$4,299,414
Net loss attributable to owners of the parent			
Discontinued operations	(575)	(10,286)	(91,285)
Total	¥668,361	¥474,172	$4,208,129

	(Thousands of shares)	
Weighted-average number of ordinary shares	1,188,830	1,178,098

	(Yen)		(USD)
Basic earnings per share			
Continuing operations	¥562.68	¥411.22	$ 3.65
Discontinued operations	(0.48)	(8.73)	(0.08)
Total	¥562.20	¥402.49	$ 3.57

(2) Diluted earnings per share

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net income used in the calculation of diluted earnings per share			
Continuing operations			
Net income from continuing operations used in the calculation of basic earnings per share	¥668,936	¥484,458	$4,299,414
Effect of dilutive securities issued by subsidiaries and associates	(3,509)	(16,475)	(146,210)
Sub total	665,427	467,983	4,153,204
Discontinued operations			
Net loss from discontinued operations used in the calculation of basic earnings per share	(575)	(10,286)	(91,285)
Sub total	(575)	(10,286)	(91,285)
Total	¥664,852	¥457,697	$4,061,919

	(Thousands of shares)	
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share		
Weighted-average number of ordinary shares	1,188,830	1,178,098
Adjustments:		
Warrants and corporate bonds with stock acquisition rights	1,061	556
Total	1,189,891	1,178,654

	(Yen)		(USD)
Diluted earnings per share			
Continuing operations	¥559.23	¥397.05	$3.52
Discontinued operations	(0.48)	(8.73)	(0.07)
Total	¥558.75	¥388.32	$3.45

42. Supplemental information to the consolidated statement of cash flows

(1) Scope of purchase of property, plant and equipment and intangible assets

"Purchase of property, plant and equipment, and intangible assets" includes cash outflows from long-term prepaid expenses that are included in "Other non-current assets" in the consolidated statement of financial position.

(2) Presentation of cash flow regarding finance lease

For the purchase of telecommunication equipment through finance lease, the Company purchases, assembles, installs and inspects the equipment due to the nature of the equipment. Then the Company sells the equipment to lease companies for sale-leaseback purposes and recognizes it as a lease asset.

The cash outflows from the purchase of the equipment from vendors are included in "Purchase of property, plant and equipment, and intangible assets" under cash flows from investing activities, and the cash inflows from the sale of the equipment to lease companies are included in "Proceeds from long-term interest-bearing debt" under cash flows from financing activities.

(3) Income taxes paid and income taxes refund

For the fiscal year ended March 31, 2016

Payment of withholding income tax related to dividends within the group companies of ¥904,688 million ($8,028,825 thousand) is included in "Income taxes paid," and refund of the withholding income tax of ¥611,199 million ($5,424,201 thousand) is included in "Income taxes refund." The withholding income tax of ¥293,489 million ($2,604,624 thousand) included in "Income taxes paid" is expected to be refunded by the end of July 2016.

(4) Proceeds from sales of property, plant and equipment, and intangible assets

For the fiscal year ended March 31, 2016

Proceeds of ¥137,593 million ($1,221,095 thousand) which Sprint received from Mobile Leasing Solutions, LLC through a handset sale-leaseback transaction in December 2015 are included in "Proceeds from sales of property, plant and equipment, and intangible assets." The details are described in "Note 14. Leases."

(5) Decrease from loss of control over subsidiaries

For the fiscal year ended March 31, 2016

"Decrease from loss of control over subsidiaries" is the amount of cash and cash equivalents held by GungHo at the time of loss of control.

(6) Payments for purchase of subsidiaries' interests from non-controlling interests

For the fiscal year ended March 31, 2016

"Payments for purchase of subsidiaries' interests from non-controlling interests" is mainly due to the additional purchase of shares of Supercell and Sprint from existing shareholders.

(7) Significant non-cash transactions

Significant non-cash investing and financing activities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2015	**Fiscal year ended March 31, 2016**	**Fiscal year ended March 31, 2016**
Acquisition of fixed assets by installments	¥ 46,397	**¥ 15,795**	**$ 140,176**
Transfer of leased devices from inventories to property, plant and equipment	144,030	**389,480**	**3,456,514**

In addition to the above, ASKUL Corporation has become a subsidiary of the Company for the fiscal year ended March 31, 2016 and the transaction related to this business combination is classified as a non-cash transaction because it was conducted by ASKUL Corporation's acquisition of its own treasury stock. The details are described in "Note 6. Business combinations."

43. Related party transactions

(1) Related party transactions and balances

Related party transactions of the Company were as follows:

For the fiscal year ended March 31, 2015

The Company acquired all remaining shares of Brightstar Global Group Inc. indirectly held by Marcelo Claure, totaling 37.7% of total outstanding shares, and came to own 100% of the equity interest of Brightstar Global Group Inc.

Brightstar Global Group is the wholly-owning parent company of Brightstar Corp., which is a mobile device distributor in the United States and Marcelo Claure served as the former President and CEO of Brightstar Corp., as well as in various roles at certain of their subsidiaries and joint ventures. Marcelo Claure was appointed as the new president and CEO of Sprint, effective as of August 11, 2014 and resigned from his positions as president and CEO of both Brightstar Global Group and Brightstar Corp., as well as his positions at their various subsidiaries and joint ventures, immediately prior to becoming the president and CEO of Sprint.

The above transaction is summarized as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Marcelo Claure[1]	Director of subsidiary	Acquisition of Brightstar Global Group Inc. shares[2]	¥30,509	¥–

Notes:
1. Shares were acquired from an entity that was 100% owned by Marcelo Claure.
2. The acquisition cost of acquired shares was negotiated and determined, considering independent third-party appraisals.

Transactions other than those described above are as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 3 other companies)	Chairman & CEO of SoftBank Group Corp. holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	¥10,061	¥ –
		Advance payment for temporary expense	264	22
		Payment of equipment usage[1]	42	
		Guarantee deposits received[1]	0	178
		Purchase of property, plant and equipment[2]	4,506	4,506
Taizo Son (Heartis GK and 8 other companies)[3]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	268	–
		Dividend paid from subsidiary[4]	901	–
		Payment of outsourcing fee[5]	91	13
Yoshimitsu Goto[6]	Director	Exercise of stock acquisition rights	197	–

Notes:
1. Equipment usage fee and guarantee deposit received are determined based on the ratio of usage.
2. The acquisition costs of purchase of property, plant and equipment were negotiated and determined considering independent third-party appraisals.
3. Relative of Chairman & CEO Masayoshi Son, Taizo Son holds over half of the voting rights.
4. Dividends are paid from our listed subsidiary, GungHo.
5. The terms and conditions of transactions are negotiated and determined considering the market price and the contents of the transaction.
6. Retired from the position of director as of June 19, 2015.

For the fiscal year ended March 31, 2016

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 3 other companies)	Chairman & CEO of SoftBank Group Corp. holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	¥10,061	¥ –
		Advance payment for temporary expense	253	22
		Payment of equipment usage[1]	42	–
		Guarantee deposits received[1]	–	178
Taizo Son (Heartis GK and 6 other companies)[2]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	225	–
		Payment of outsourcing fee[3]	95	12
		Provision of ordinary services[3]	19	2
Yun Ma (Alipay Singapore E-Commerce Pte Ltd[4])	Director of SoftBank Group Corp. holding over half of the voting rights	Payment of outsourcing fee[3]	727	727
Kazuhiko Fujihara[5]	Director	Exercise of stock acquisition rights	98	–

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars) Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 3 other companies)	Chairman & CEO of SoftBank Group Corp. holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	$89,288	$ –
		Advance payment for temporary expense	2,245	195
		Payment of equipment usage[1]	373	–
		Guarantee deposits received[1]	–	1,580
Taizo Son (Heartis GK and 6 other companies)[2]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Group Corp.	1,997	–
		Payment of outsourcing fee[3]	843	106
		Provision of ordinary services[3]	169	18
Yun Ma (Alipay Singapore E-Commerce Pte Ltd[4])	Director of SoftBank Group Corp. holding over half of the voting rights	Payment of outsourcing fee[3]	6,450	6,450
Kazuhiko Fujihara[5]	Director	Exercise of stock acquisition rights	870	–

Notes:
1. Equipment usage fee and guarantee deposit received are determined based on the ratio of usage.
2. Relative of Chairman & CEO Masayoshi Son, Taizo Son holds over half of the voting rights.
3. The terms and conditions of transactions are negotiated and determined considering the market price and the contents of the transaction.
4. Yun Ma, director of SoftBank Group Corp, holds over half of its voting rights.
5. Retired from the position of director as of June 19, 2015.

(2) Remuneration for major executives

Remuneration for major executives is as follows:

	(Millions of yen) Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	(Thousands of U.S. dollars) Fiscal year ended March 31, 2016
Short-term benefits	¥15,804	¥ 7,038	$ 62,460
Share-based payments	4,137	5,821	51,660
Retirement benefits	8	4	35
Total	¥19,949	¥12,863	$114,155

Notes:
1. Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors) and main subsidiaries' director. Marcelo Claure, CEO of Sprint is the main subsidiaries' director.
2. The amount of remuneration to Nikesh Arora, which is included in the table above is as follows:
For the fiscal year ended March 31, 2015: ¥16,556 million
(Short-term benefits of ¥14,561 million and share based compensation of ¥1,995 million)
For the fiscal year ended March 31, 2016: ¥8,042 million ($71,370 thousand)
(Short-term benefits of ¥5,375 million ($47,701 thousand) and share based compensation of ¥2,667 million ($23,669 thousand).
Nikesh Arora retired from the position of director of SoftBank Group Corp. at the closing of the Annual General Meeting of shareholders held on June 22, 2016.

44. Contingency

(1) Lending commitments

The details of lending commitments, which are mainly related to cashing service incidental to credit card business are as follows:

	(Millions of yen) As of March 31, 2015	As of March 31,2016	(Thousands of U.S. dollars) As of March 31,2016
Lending commitments	¥ 262,315	¥196,937	$1,747,755
Funded	9,922	9,355	83,023
Unfunded	¥ 252,393	¥187,582	$1,664,732

(2) Credit guarantee

The details of a credit guarantee, which is mainly related to implementing the debt guarantees against customers' loans from partnered financial institutions in credit guarantee business, is as follows:

	(Millions of yen) As of March 31, 2015	As of March 31,2016	(Thousands of U.S. dollars) As of March 31,2016
Total amount of guarantee contract	¥13,446	¥13,822	$122,666
Guarantee balance	10,427	10,418	92,457

(3) Litigation

SoftBank Group Corp. and certain of its subsidiaries are party to a number of currently-pending legal and administrative proceedings. As it is difficult to reasonably estimate the final results of such matters, reserves have not been recorded. Based on the information currently available, we do not expect that the results of these proceedings will have a material adverse effect on our financial position or results of operations.

a. Litigation in which SoftBank Corp. is involved as a party

(a) On April 30, 2015, SoftBank Corp. filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. (hereinafter referred to as "JPiT"), claiming for payment of remuneration, etc., for additional services provided in connection with the installation of telecommunication lines, etc., that were ordered by JPiT in relation to a project to migrate the communication network connecting approximately 27,000 sites (postal offices, etc.) existing countrywide to a new network, the 5th PNET.

Pursuant to a contract dated February 7, 2013, SoftBank Corp. was requested by JPiT to carry out, among other services, installation services for telecommunication lines for Japan Post Group's business sites existing countrywide. SoftBank Corp. performed such services and upon JPiT's request, SoftBank Corp. also performed services that exceeded the scope of services stipulated in the contract.

Although SoftBank Corp. negotiated with JPiT over an extended period regarding the remuneration etc. (approximately ¥14.9 billion) for these additional services, SoftBank Corp. and JPiT were unable to arrive at a settlement. Accordingly, SoftBank Corp. duly filed the lawsuit, claiming for payment of remuneration, etc., for such additional services.

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. (hereinafter referred to as "NRI") as co-defendants.

In such lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance, etc., of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above, and alleges that such delay caused damages to JPiT (¥16.15 billion). JPiT made joint and several claims against both SoftBank Corp. and NRI for such alleged damages.

SoftBank Corp. intends to fully contest JPiT's claims in this lawsuit.

The order to consolidate the lawsuit (b) above to the lawsuit (a) above was made on July 29, 2015. On November 13, 2015, SoftBank Corp. modified the amount of claim from approximately ¥14.9 billion to approximately ¥20.4 billion as a result of a review of the remuneration etc. with respect to additional services regarding the lawsuit (a) above.

b. Legal and administrative proceedings to which Sprint and its subsidiaries are party

(a) In March 2009, a stockholder brought suit, Bennett v. Sprint Nextel Corp., in the U.S. District Court for the District of Kansas (hereinafter referred to as "the Bennett case"), alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing to adequately disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The district court granted final approval of a settlement in August 2015, which did not have a material impact to our financial statements. Five stockholder derivative suits related to the Bennett case were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, Murphy v. Forsee, was filed in state court in Kansas on April 8, 2009, was removed to federal court, and was stayed by the court pending resolution of the motion to dismiss the Bennett case; the second, Randolph v. Forsee, was filed on July 15, 2010 in state court in Kansas, was removed to federal court, and was remanded back to state court; the third, Ross-Williams v. Bennett, et al., was filed in state court in Kansas on February 1, 2011; the fourth, Price v. Forsee, et al., was filed in state court in Kansas on April 15, 2011; and the fifth, Hartleib v. Forsee, et. al., was filed in federal court in Kansas on July 14, 2011. These cases were essentially stayed while the Bennett case was pending, and Sprint has reached an agreement in principle to settle the matters, by agreeing to some governance provisions and by paying plaintiffs' attorneys fees in an immaterial amount.

(b) On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications has fraudulently failed to collect and pay more than $100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint also seeks recovery of triple damages under the state False Claims Act as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications appealed that order and the intermediate appellate court affirmed the order of the trial court. On October 20, 2015, the Court of Appeals of New York affirmed the decision of the appellate court that the tax statute requires Sprint Communications to collect and remit the disputed taxes. Sprint Communications' petition for certiorari to the United States Supreme Court was denied on May 31, 2016. The case will now proceed in the trial court with discovery and other pretrial proceedings. Sprint Communications has accrued $180 million during the year ended March 31, 2016 associated with this matter. Sprint Communications will continue to defend this matter vigorously.

Eight related stockholder derivative suits have been filed against Sprint Communications and certain of its current and former officers and directors. Each suit alleges generally that the individual defendants breached their fiduciary duties to Sprint Communications and its stockholders by allegedly permitting, and failing to disclose, the actions alleged in the suit filed by the New York Attorney General. One suit, filed by the Louisiana Municipal Police Employees Retirement System, was dismissed by a federal court. Two suits were filed in state court in Johnson County, Kansas and one of those suits was dismissed as premature; and five suits are pending in federal court in Kansas. The remaining Kansas suits have been stayed pending resolution of the Attorney General's suit.

(c) Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. ACP Master, LTD, et al. v. Sprint Nextel Corp., et al., was filed on April 26, 2013, in Chancery Court in Delaware. Sprint Communications' motion to dismiss the suit was denied, discovery is substantially complete, and Sprint Communications' motion for summary judgment is pending. Plaintiffs in the ACP Master, LTD suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock. Discovery in that case was consolidated with the breach of fiduciary duty case and is substantially complete. Trial is scheduled to begin in October 2016. Sprint Communications intends to defend the ACP Master, LTD cases vigorously.

(d) Sprint is currently involved in numerous court actions alleging that Sprint is infringing various patents. Most of these cases effectively seek only monetary damages. A small number of these cases are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial if they are not otherwise resolved. Adverse resolution of these cases could require Sprint to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, Sprint would be indemnified for monetary losses that Sprint incurs with respect to the actions of Sprint's suppliers or service providers.

(e) In October 2013, the FCC Enforcement Bureau began to issue notices of apparent liability ("NALs") to other Lifeline providers, imposing fines for intracarrier duplicate accounts identified by the government during its audit function. Those audits also identified a small percentage of potentially duplicative intracarrier accounts related to Sprint's Assurance Wireless business. No NAL has yet been issued with respect to Sprint and Sprint does not know if one will be issued. Further, Sprint is not able to reasonably estimate the amount of any claim for penalties that might be asserted.

(f) Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against Sprint or Sprint's subsidiaries. If Sprint's interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by Sprint.

c. Legal and administrative proceedings to which Brightstar and its subsidiaries are party

Brightstar Corp. and its subsidiaries are party to various legal and administrative proceedings globally and particularly in Latin American countries, including disputes relating to tax, labor, contract and other matters currently pending. This litigation mainly consist of four administrative proceedings initiated by tax authorities in Brazil against the subsidiary of Brightstar Corp., involving failure by such entity to pay a portion of taxes owed due to, e.g., differences in understanding between such entity and the tax authorities, for which such authorities have claimed an aggregate of approximately $70 million. One case of these four administrative proceedings has been sent to suit, a subsidiary of Brightstar Corp. has filed an Annulment Action requesting that the case be returned to the administrative level.

45. Purchase commitments

The Company had commitments to purchase services and goods of ¥1,496,500 million ($13,280,973 thousand) as of March 31, 2016 (March 31, 2015: ¥2,190,404 million).

Purchase commitments are mainly related to purchase of telecommunications equipment, mobile handsets and outstanding connection contracts entered into with other telecommunications operators.

46. Subsequent events

(1) Monetization of a portion of the ordinary shares of Alibaba Group Holding Limited

The Company executed a series of capital raising transactions (the "Transactions") which involves monetizing a portion of Alibaba ordinary shares held by a wholly owned subsidiary, SB China Holdings Pte Ltd ("SB China"). After the completion of the Transactions, Alibaba is still an affiliate of the Company and the Company continues to apply the equity method.

a. Overview of the Transactions

The Transactions consist of the following three transactions, (i) the sale of $2.0 billion of Alibaba ordinary shares to Alibaba, (ii) the sale of $400 million of Alibaba ordinary shares to members of the Alibaba Partnership, acting collectively, and the respective sale of $500 million of Alibaba ordinary shares to Gamlight Pte. Ltd., a wholly owned subsidiary of GIC Private Limited ("GIC") and Aranda Investments Pte. Ltd., a wholly owned subsidiary of Temasek Holdings Private Limited ("Temasek") ((i) and (ii) as "Sale of Alibaba ordinary shares") and (iii) $6.6 billion capital raised through an offering of Mandatory Exchangeable Trust Securities ("Trust Securities") by a newly formed trust, Mandatory Exchangeable Trust (the "Trust"). Trust Securities are mandatorily exchangeable into American depositary shares ("ADSs") of Alibaba.

(a) Sale of Alibaba ordinary shares

SB China, a wholly owned subsidiary of the Company, entered into separate share purchase and sales transactions on May 31, 2016 and on June 1, 2016 (US time) with each of Alibaba, members of the Alibaba Partnership, acting collectively, and GIC and Temasek, and settled the transactions on June 13, 2016 (US time), except for the sale to members of the Alibaba Partnership, acting collectively, which is expected to close in middle of July 2016. The total sales price is approximately $3.4 billion, approximately $2.0 billion of which was sold to Alibaba.

Following the sales of Alibaba ordinary shares that are expected to close by the middle of July 2016, the Company's voting rights of Alibaba will decrease to 30.7% from 32.2%.

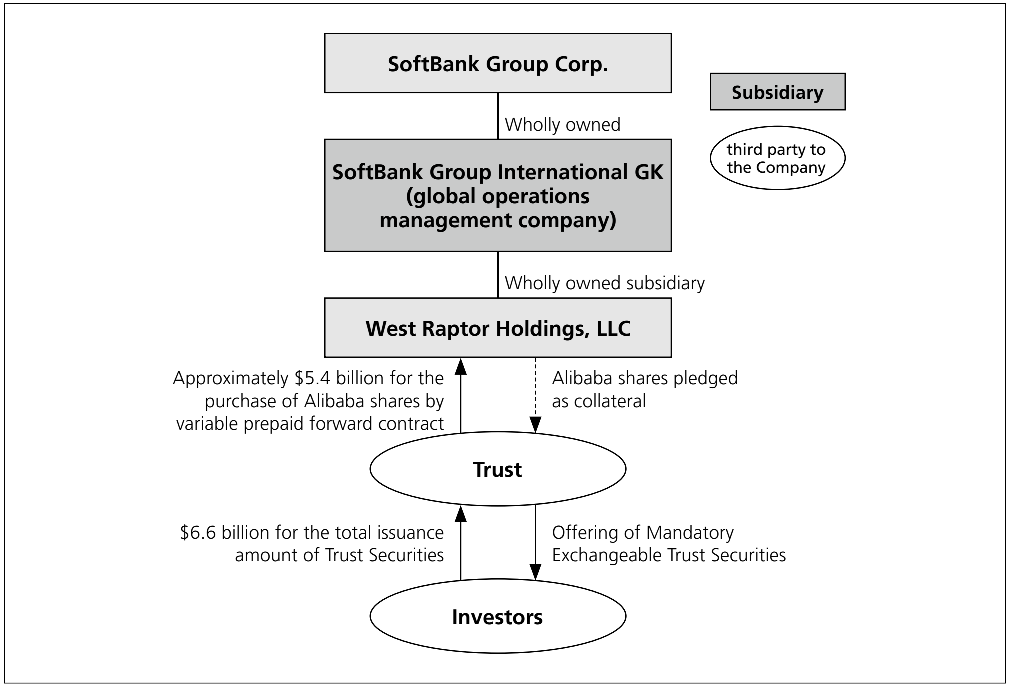
(b) Agreement of the variable prepaid forward contract regarding Alibaba ordinary shares

On June 10, 2016 (US Time), West Raptor Holdings, LLC ("WRH LLC"), a wholly owned subsidiary of SoftBank Group International GK ("SBIGK"), which in turn is wholly owned by the Company, entered into a variable prepaid forward contract to sell Alibaba ordinary shares to the Trust. Alibaba ordinary shares held by WRH LLC are pledged as collateral by this contract. At the closing of the offering of the Trust Securities, June 10, 2016 (US Time), WRH LLC received the proceeds of approximately $5.4 billion from the Trust, which was generated from the issuance of the Trust Securities, excluding amounts in respect of the Trust's expenses and amounts used to purchase U.S.Treasury securities, which will fund quarterly distributions on the Trust Securities.

The variable prepaid forward contract will be settled concurrently with the exchange of Trust Securities. At the exchange date, which is expected to be the first scheduled trading day after June 1, 2019, the Trust will exchange each Trust Security for a certain number of ADSs, determined by reference to the trading price of the ADSs at that time, or subject to WRH LLC's election, cash or a combination of cash and ADSs. Under certain circumstances, including by WRH LLC's election, the Trust Securities may be exchanged prior to the scheduled exchange date.

Alibaba ordinary shares pledged as collateral are equivalent to 3.5% of voting rights of Alibaba.

Structure of the variable prepaid forward contract regarding Alibaba ordinary shares and issuance of Trust Securities



b. Impact on the Consolidated Financial Results

The impact from the Transactions on the consolidated financial results for the fiscal year ending March 31, 2017 has not yet been determined.

(2) Tender offer for shares of GungHo Online Entertainment, Inc.

GungHo, an affiliate of the Company, resolved the acquisition of its own shares and execution of a tender offer (the "Tender Offer") as a practical method to acquire its own shares at its board of director's meeting held on June 21, 2016.

SoftBank Group Corp. and GungHo have entered into an agreement dated June 3, 2016, under which SoftBank Group Corp. agreed to tender 248,300,000 shares of GungHo common shares held by SoftBank Group Corp. and its subsidiary, SoftBank Corp., to monetize the shares in the Tender Offer to be executed by GungHo. SoftBank Group Corp. tenders shares in the Tender Offer based on the agreement. As a result, GungHo will no longer be an affiliate of the Company after the completion of Tender Offer.

a. Summary of the tender of shares in the Tender Offer

(a) Shares to be tendered	Ordinary shares of GungHo: 248,300,000 shares 23.47% of GungHo outstanding shares* held by: SoftBank Group Corp. 199,204,800 shares SoftBank Corp. 49,095,200 shares
(b) Tender offer price	¥294 per ordinary share
(c) Tender offer period	From June 23, 2016 to July 21, 2016
(d) Start date of settlement	August 16, 2016

Note:
* The portion of shares is calculated based on the total number of shares issued as of March 31, 2016, 1,057,892,400 shares, disclosed in the GungHo quarterly securities report filed on May 9, 2016. The same formula applies to the calculation of the portion set forth below.

b. Number of shares held before and after the tender in the Tender Offer

(a) Number of shares held before the Tender Offer	272,604,800 shares (including indirect ownership) (Shareholding ratio: 25.77%)
(b) Number of shares to be tendered in the Tender Offer	248,300,000 shares (including indirect ownership)
(c) Number of shares held after the Tender Offer*	24,304,800 shares (indirect ownership) (Shareholding ratio: 2.30%)

Note:
* Number of shares held after the Tender Offer indicates the number of shares which the Company holds after the Tender Offer is completed when all 248,300,000 shares are purchased by GungHo. However, less than 248,300,000 shares may be purchased by GungHo if GungHo's other shareholders participate in the tender.

c. Impact on the Consolidated Financial Results

The impact from the transactions on the consolidated financial results for the fiscal year ending March 31, 2017 has not yet been determined.

(3) Sale of shares of Supercell Oy

The Company entered into a definitive agreement with Tencent Holdings Limited ("Tencent") and its affiliate ("Tencent affiliate"), Supercell and other parties on June 21, 2016 to sell all of its shares of Supercell Oy (representing 72.2%[2] of Supercell shares on a diluted basis[1]), held by its subsidiaries, Kahon 3 Oy and SoftBank Group Capital Limited, to Tencent affiliate. On or after the date of transfer of the shares, Supercell will no longer be a subsidiary of the Company.

Notes:
1. The portion of diluted shares is calculated based on the aggregate number of (i) outstanding shares, (ii) vested and unvested stock options, (iii) vested and unvested restricted stock unit ("RSU") and (iv) RSU available for grant pursuant to Supercell's current equity incentive plans, excluding conversion options held by the Company. The same formula applies to the calculation of the portion of shares as set forth below.
2. The portion of shares is calculated based on the data as of May 15, 2016

a. Summary of the transaction

(a) Expected sales date	August 5, 2016	
(b) Expected sales price[3]	Approximately $7.3 billion	
(c) Expected receipt of payment[4]	First payment (August 5, 2016):	estimated 48% of sales price
	Second payment (November 3, 2016):	estimated 50% of sales price
	Third payment (August 5, 2019):	estimated 2% of sales price

Notes:
3. The actual sales price will be determined based on Supercell's equity value multiplied by the percentage of interest held by Kahon 3 Oy and SoftBank Group Capital Limited as of the sales date. The equity value is calculated based on Supercell's enterprise value, approximately $9.5 billion, the cash and cash equivalents of Supercell and other necessary adjustments.
4. Half of the shares to be sold by Kahon 3 Oy and SoftBank Group Capital Limited will be retained in an escrow account until the date when Kahon 3 Oy and SoftBank Group Capital Limited will receive the above-mentioned second payment of the sales price from Tencent affiliate.

b. Ownership before and after the transaction

(a) Ownership before the transaction 72.2%[2]

(b) Ownership after the transaction 0%

c. Impact on the Consolidated Financial Results

The impact from the transactions on consolidated financial results for the fiscal year ending March 31, 2017 has not yet been determined.

47. Approval of consolidated financial statements

The consolidated financial statements have been approved by the Company's CEO Masayoshi Son, as of June 22, 2016.

Independent Auditor's Report

SoftBank Group Corp. and its Consolidated Subsidiaries

Deloitte.

Deloitte Touche Tohmatsu LLC
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Japan

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To the Board of Directors of SoftBank Group Corp.:

We have audited the accompanying consolidated statement of financial position of SoftBank Group Corp. (formerly, SoftBank Corp.) and its subsidiaries (the "Company") as of March 31, 2016, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to consolidated financial statements, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SoftBank Group Corp. (formerly, SoftBank Corp.) and its subsidiaries as of March 31, 2016, and the consolidated results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

As discussed in Note 46 (1) to the consolidated financial statements, the Company executed a series of capital raising transactions which involve monetizing a portion of the ordinary shares of Alibaba Group Holding Limited held by its wholly owned subsidiary, SB China Holdings Pte Ltd.

As discussed in Note 46 (3) to the consolidated financial statements, the Company entered into a definitive agreement to sell all of its shares of Supercell Oy held by its subsidiaries, Kahon 3 Oy and SoftBank Group Capital Limited.

Our opinion is not modified in respect of these matters.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 (3) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 22, 2016

Member of
Deloitte Touche Tohmatsu Limited

Corporate Information

Corporate Data

As of March 31, 2016

Corporate name SoftBank Group Corp.

Founded September 3, 1981

Corporate headquarters 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303

Telephone number +81-3-6889-2000

Representative Masayoshi Son, Chairman & CEO

Common stock ¥238.8 billion

Subsidiaries 739

Associates 135

Number of employees 199 (consolidated basis: 63,591)

Main business Pure holding company

Independent auditor Deloitte Touche Tohmatsu LLC

Our official social media accounts (Japanese only)

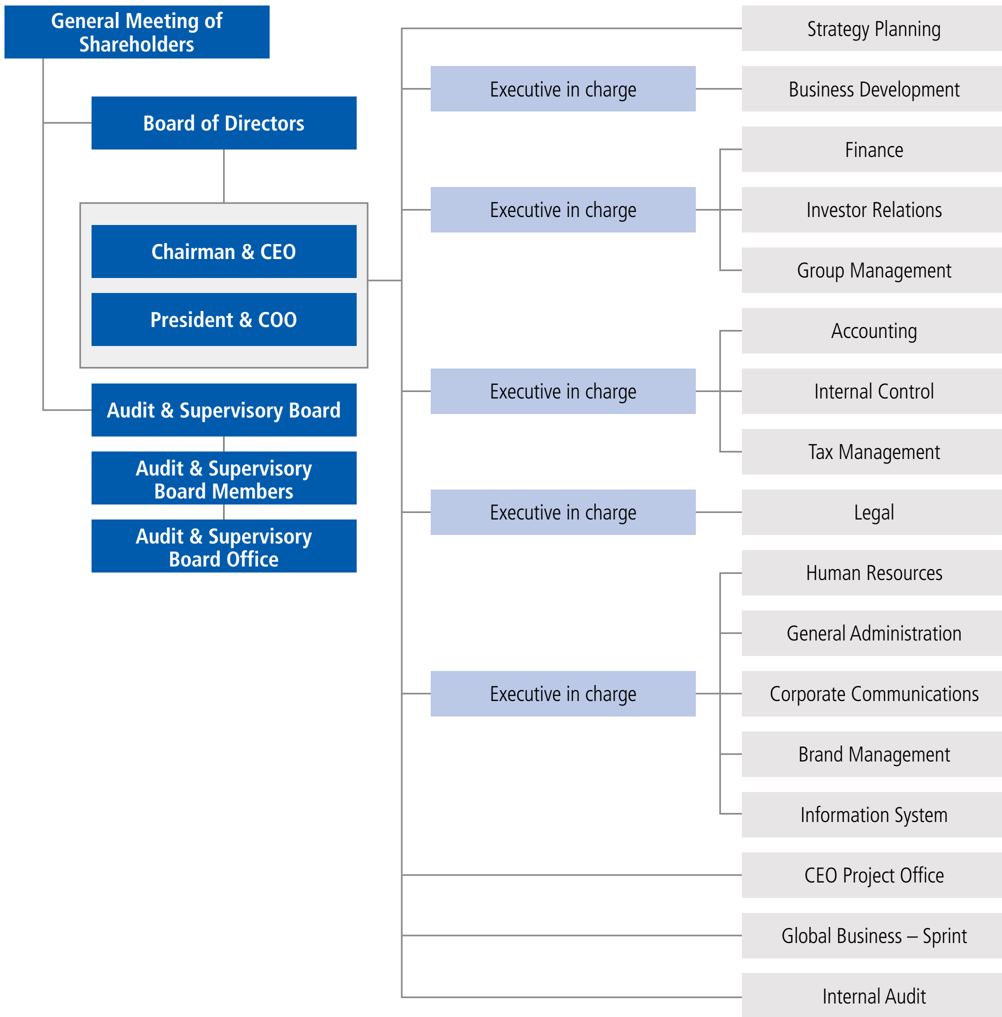
Facebook
Our official page

Twitter
@SoftBank_Group

Other official accounts

Organizational Structure

As of April 1, 2016



Stock Information

As of March 31, 2016

Shareholder registrar Mitsubishi UFJ Trust and Banking Corporation

Stock exchange registration Tokyo Stock Exchange, First Section

Stock code 9984

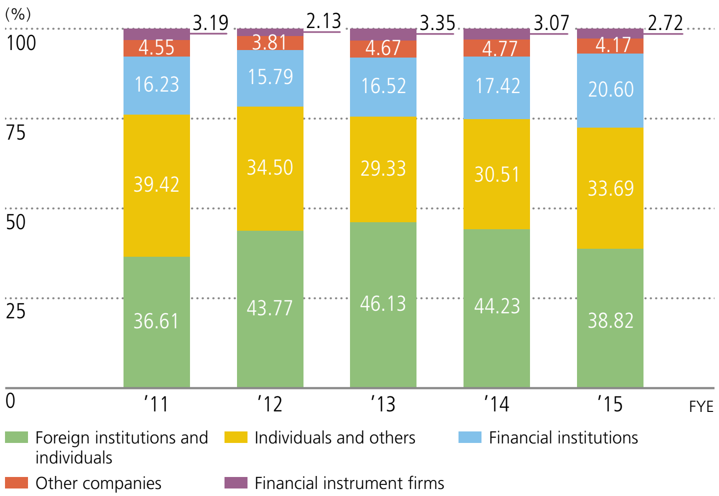
Number of shares

Shares authorized 3,600,000,000 shares

Shares issued 1,200,660,365 shares
(including 53,760,198 of treasury stock)

Number of shareholders 235,863

Distribution of Ownership Among Shareholders

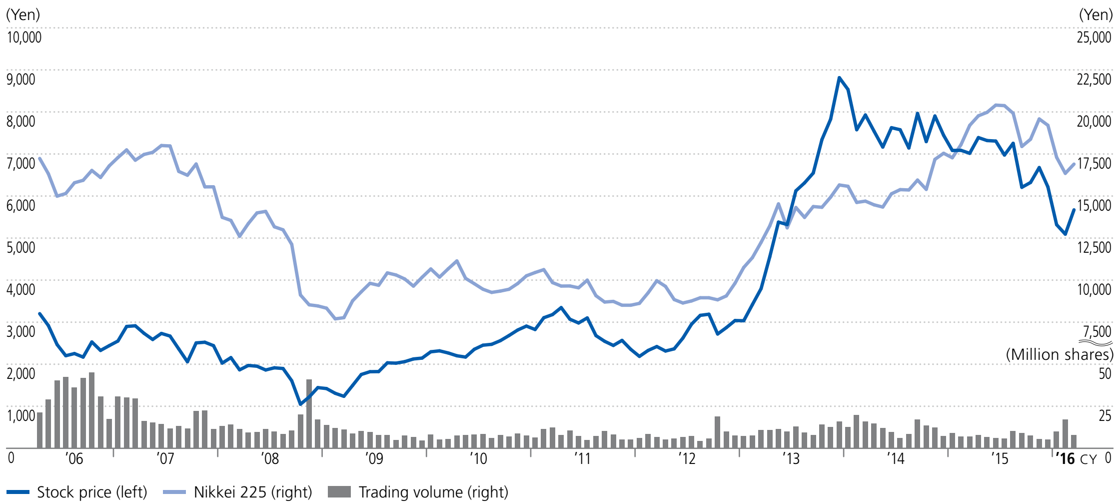


Principal Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Masayoshi Son	231,205	20.16
The Master Trust Bank of Japan, Ltd. (Trust Account)	75,224	6.56
Japan Trustee Services Bank, Ltd. (Trust Account)	58,610	5.11
JP MORGAN CHASE BANK 380055	46,768	4.08
THE BANK OF NEW YORK MELLON SA/NV 10	16,235	1.42
STATE STREET BANK WEST CLIENT – TREATY 505234	14,318	1.25
STATE STREET BANK AND TRUST COMPANY	13,650	1.19
Japan Trustee Services Bank, Ltd. (Trust Account 7)	11,927	1.04
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	11,572	1.01
Japan Trustee Services Bank, Ltd. (Trust Account 9)	11,464	1.00
Top 10 shareholders	490,973	42.82

(Notes) 1. Percentage of total shares issued is calculated by deducting treasury stock (53,760,198 shares).
2. Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd., Japan Trustee Services Bank, Ltd. and Trust & Custody Services Bank, Ltd. are all related to trust operations.

Stock Price and Trading Volume



(Note) Stock prices are average prices for each month and trading volumes are average volumes for each month.

Glossary

This glossary offers definitions for terms used in this report. The glossary terms are divided into business-related, technical-related, and financial-related sections, and are listed alphabetically.

Business-related Terms

Domestic Telecommunications Segment

Mobile Communications Service

ARPU (Average Revenue Per User)

Average Revenue Per User per month (rounded to the nearest ¥10).

Total ARPU = (data-related revenue + basic monthly charge and voice-related revenues + device warranty services + advertising revenue + content-related revenues, etc.) / number of active subscribers

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

Service ARPU = (device warranty services, advertising revenue, content-related revenues, etc.) / number of active 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).

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.

Calculation of ARPU excludes revenue and number of subscribers related to communication modules and PHS.

ARPU in the fourth quarter of every fiscal year includes the impact of revision of interconnection charges.

Churn rate

Churn rate (average monthly churn rate) = number of churn / number of active subscribers (rounded to the nearest 0.01%)

Number of churn: the total number of subscribers that churned during the relevant period.
The number of churn excludes the number of subscribers who switch between *SoftBank* and *Y!mobile* using MNP.

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).

Number of 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.

OTT (Over The Top)

OTT can refer to an operator that provides content and services such as video and audio without owning the telecommunications infrastructure required for distribution by using lines provided by a telecommunications operator; or it can refer to the content and services themselves. Recently, telecommunications operators are beginning to provide multi-platform OTT-type content and services.

Subscribers

The following categories serve as cover-all terms for the service contracts described.

Main subscribers: smartphones,*1 feature phones, tablets, mobile data communications devices,*2 others.
Communication modules: communication modules,*3 *Mimamori Phone*, prepaid mobile phones, others.
PHS: PHS

*1 Smartphones to which the *Smartphone Family Discount* is applied are included under communication modules.
*2 Mobile data communication devices to which the *Data Card 2-Year Special Discount* is applied are included under communication modules.
*3 Communication modules that use PHS networks are included under PHS.

Changes in the Presentation Method and Definitions of Principal Operational Data

SoftBank Mobile, the company that operated domestic telecommunications businesses, absorbed SoftBank BB, SoftBank Telecom, and Ymobile on April 1, 2015 and was renamed SoftBank Corp. on July 1, 2015. In line with this, the presentation method and definitions of the principal operational data of SoftBank Corp.'s mobile communications services were also changed from the first quarter of fiscal 2015.

The main changes are as follows. The number of subscribers are categorized as "main subscribers," which are the main focus in terms of management strategy, with the remaining number of subscribers classified under "communication modules" and "PHS." In addition, some services have been removed from the scope of inclusion for subscriber numbers.

i. Presentation Method

Number of subscribers

Before the change: respective numbers of subscribers for the former SoftBank Mobile and former Ymobile were presented.

After the change: the number of subscribers at SoftBank Corp. is presented in the following categories.

Category	Details
Main subscribers	Smartphones,*4 feature phones, tablets, mobile data communication devices,*5 others*6
Communication modules	Communication modules,*7 *Mimamori Phone*, prepaid mobile phones, others
PHS	PHS

*4 Smartphones to which the *Smartphone Family Discount* is applied are included under communication modules. The *Smartphone Family Discount* is a promotion offering discounts to the family members of upgrading existing customers when they use the old handset and make a new subscription.
*5 Mobile data communication devices to which the *Data Card 2-Year Special Discount* is applied are included under communication modules. The *Data Card 2-Year Special Discount* is a price plan based on usage of traffic with a free basic flat rate. It is provided to customers using a data card with a contract period of two years or more.
*6 From the third quarter, the category for SIM cards (IC cards that have telephone number and other subscriber information recorded on them) sold with tablets and other devices has been changed from "communication modules" to "main subscribers" (the cumulative number of reclassified subscribers was 16,000 as of December 31, 2015). Data for fiscal 2014 and for the first and second quarters of fiscal 2015 has been revised in line with this change.
*7 Communication modules that use PHS networks are included under PHS.

ARPU, number of units sold, and churn rate

Before the change: ARPU was calculated based on all the subscribers and revenues of the former SoftBank Mobile excluding those of communication modules. The number of units sold and churn rates were calculated based on all the subscribers of the former SoftBank Mobile.

After the change: all data is calculated based on the data for main subscribers at SoftBank Corp.

ii. Definitions

Scope of inclusion for number of subscribers

Before the change: including the contracts described below.

After the change: excluding the contracts described below.

The overlapping portion of mobile data communications devices*8 compliant with the spectrums of former SoftBank Mobile and former Ymobile, etc. (number of subscribers as of March 31, 2015: 2,897,000).

*8 Mobile data communication devices provided by the former SoftBank Mobile and former Ymobile that are compatible with both companies' spectrums. The devices were provided from February 2009 through a business alliance, prior to the acquisition of the former eAccess Ltd. by SoftBank Corp. (currently SoftBank Group Corp.). Previously, the numbers of subscribers for these devices were included in the respective numbers of subscribers of both companies.

Broadband Service

ARPU (Average Revenue Per User)

Average Revenue Per User per month (rounded to the nearest ¥10).

ARPU = revenue of each broadband service / number of active subscribers

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 and subscribers of *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.) / 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).

Subscribers

SoftBank Hikari subscribers

Number of users for which the 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 the 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 the physical connection of an ADSL line at the central office of NTT East or NTT West is complete.

Sprint Segment

ABPU (Average Billings Per User, Sprint platform)

Average Billings Per User per month (rounded to the nearest $.01).

ABPU = (service revenue + equipment billings) / number of active subscribers

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

ARPU (Average Revenue Per User, Sprint platform)

Average Revenue Per User per month (rounded to the nearest $.01).

ARPU = service revenue / number of active 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).

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

Churn rate (Sprint platform)

Average monthly churn rate (rounded to the nearest 0.01%).

Churn rate = number of deactivations / number of active subscribers

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.

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).

Technical-related Terms

AXGP (Advanced eXtended Global Platform)

A wireless communication standard that further accelerates the PHS-based mobile broadband standard XGP. WCP has built a network using AXGP, which is highly compatible with TD-LTE. SoftBank Corp. is borrowing this network as an MVNO and uses it to provide services under the name *SoftBank 4G*.

Carrier aggregation

A wireless communication technology for aggregating multiple carriers (radio transmission waves) together to achieve faster communication speeds.

LTE (Long Term Evolution)

A wireless communication standard that builds on the third-generation (3G) mobile phone standard. LTE achieves higher communication speeds than 3G, and makes highly efficient use of spectrum. There are two LTE systems: FDD (Frequency Division Duplex) and TDD (Time Division Duplex). The FDD system assigns uplink and downlink communications to a pair of different bandwidths, and is referred to as FDD-LTE. The TDD system uses the same bandwidth for both uplink and downlink, switching the communication time between uplink and downlink, and is referred to as TD-LTE. A faster and more advanced successor of LTE, LTE-Advanced is a fourth generation (4G) high-speed wireless communication standard, capable of downlink speeds of more than 1 Gbps under certain system configurations.

MVNO (Mobile Virtual Network Operator)

A mobile communications service provider that borrows its mobile network from a mobile network operator.

PHS (Personal Handy-phone System)

A wireless communication standard that uses the 1.9 GHz band. The standard is noted for high-quality sound, low-level electromagnetic radiation, and low-power consumption.

Financial-related Terms

Adjusted EBITDA

Adjusted EBITDA = operating income (loss) + depreciation and amortization – gain from remeasurement relating to business combination ± other operating income (loss)

Adjusted EBITDA margin

Adjusted EBITDA margin = adjusted EBITDA / net sales

Adjusted free cash flow

Adjusted free cash flow = cash flows from operating activities + cash flows from investing activities (excluding short-term investments) + the proceeds from sales of future lease receivables, net of repayments

Debt / equity ratio

Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (total shareholders' equity)

Free cash flow

Free cash flow = cash flows from operating activities + cash flows from investing activities

Interest coverage ratio

Interest coverage ratio = adjusted EBITDA / finance cost (interest expense)

Net debt / equity ratio

Net debt / equity ratio = net interest-bearing debt / equity attributable to owners of the parent (total shareholders' equity)

Net interest-bearing debt

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

Interest-bearing debt (JGAAP): short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term debt. Lease obligations are excluded. For fiscal 2009 and fiscal 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27.0 billion acquired by the Company during fiscal 2009 that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

Cash position: cash and cash equivalents + short-term investments recorded as current assets. For fiscal 2010 this excludes Yahoo! Inc. shares that were held by a subsidiary in the U.S.

Net leverage ratio

Net leverage ratio = net interest-bearing debt / adjusted EBITDA

Net interest-bearing debt: until fiscal 2011, net interest-bearing debt is calculated as the sum of interest-bearing debt and finance leases under JGAAP.

Ratio of equity attributable to owners of the parent to total assets (equity ratio)

Ratio of equity attributable to owners of the parent to total assets (equity ratio) = equity attributable to owners of the parent / total assets

ROA

ROA = net income attributable to owners of the parent (net income) / average total assets for the period

ROE

ROE = net income attributable to owners of the parent (net income) / average equity attributable to owners of the parent (total shareholders' equity) for the period

(Note) Items where terminology differs between JGAAP and IFRSs are presented together, with JGAAP shown within brackets.

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