Definition of Company Names and Abbreviations Used in This Content

- Company names and abbreviations used in this content, unless otherwise stated or interpreted differently in the context, are as follows:

Company names / Abbreviations	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
* Each of the following abbreviations indicates the respective company, and its subsidiaries, if any.	
Sprint	Sprint Corporation
Brightstar	Brightstar Global Group Inc.
Arm	Arm Limited
SoftBank Vision Fund	SoftBank Vision Fund L.P.
	SoftBank Vision Fund (AIV M1) L.P.
	SoftBank Vision Fund (AIV M2) L.P.
	SoftBank Vision Fund (AIV S1) L.P.
Delta Fund	SB Delta Fund (Jersey) L.P.
Fortress	Fortress Investment Group LLC
Alibaba	Alibaba Group Holding Limited
Fiscal 2017 / The fiscal year	Fiscal year ended March 31, 2018
The first quarter	Three-month period ended June 30, 2017
The second quarter	Three-month period ended September 30, 2017
The third quarter	Three-month period ended December 31, 2017
The fourth quarter	Three-month period ended March 31, 2018
The fiscal year-end	March 31, 2018
Fiscal 2016 / The previous fiscal year	Fiscal year ended March 31, 2017
The previous fiscal year-end	March 31, 2017

Management's Discussion and Analysis of Results of Operations and Financial Position for Fiscal 2017

- **Net sales: ¥9.2 trillion (increased 2.9% yoy)**
- **Operating income: ¥1.3 trillion (increased 27.1% yoy)**
  - Boosted by ¥346.0 billion of gain on valuation of shares at SoftBank Vision Fund
- **Progress on investments: $29.7 billion invested to date by SoftBank Vision Fund and Delta Fund*[1]; Aside from the above, the Company invested a total of $12.9 billion in Uber and DiDi*[2]**

*[1] This includes the amount of investments made by holding entities that are jointly held by SoftBank Vision Fund and the Company's subsidiary.
*[2] Investments in Uber Technologies, Inc. ("Uber") and Xiaoju Kuaizhi Inc. ("DiDi") may be offered to SoftBank Vision Fund in the future, subject to applicable consent and regulatory and other approvals.

Analysis of Consolidated Results of Operations

Overall Results for Fiscal 2017

(Millions of yen)

	Fiscal year ended March 31			
	2017	2018	Change	Change %
Continuing operations				
Net sales	8,901,004	**9,158,765**	257,761	2.9 %
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)	1,025,999	**1,000,820**	(25,179)	(2.5)%
Operating income from SoftBank Vision Fund and Delta Fund	–	**302,981**	302,981	–
Operating income	1,025,999	**1,303,801**	277,802	27.1 %
Income before income tax	712,526	**384,630**	(327,896)	(46.0)%
Net income from continuing operations	919,631	**1,237,812**	318,181	34.6 %
Discontinued operations				
Net income from discontinued operations	554,799	**–**	(554,799)	–
Net income	1,474,430	**1,237,812**	(236,618)	(16.0)%
Net income attributable to owners of the parent	1,426,308	**1,038,977**	(387,331)	(27.2)%

Reference: Average exchange rates used for translations

	Fiscal 2016				Fiscal 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥109.07	¥102.91	¥108.72	¥113.76	**¥111.61**	**¥111.38**	**¥112.74**	**¥108.85**

(Continuing Operations)

1. Net Sales

Net sales increased ¥257,761 million (2.9%) year on year, to ¥9,158,765 million. Net sales increased in the following segments: Domestic Telecommunications, Yahoo Japan, Distribution, and the Arm segment (Arm's net sales reflected results of operations of Arm from September 6, 2016, onward). However, net sales decreased in the Sprint segment.

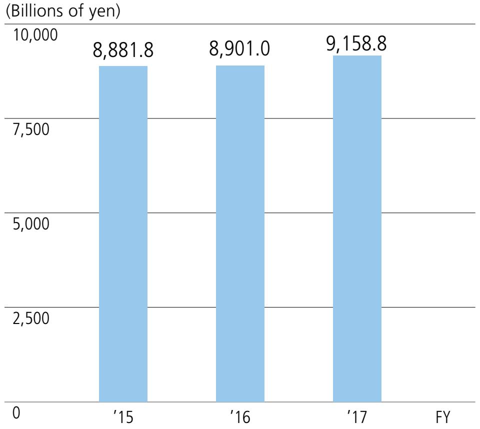
2. Operating Income

Operating income increased ¥277,802 million (27.1%) year on year, to ¥1,303,801 million.

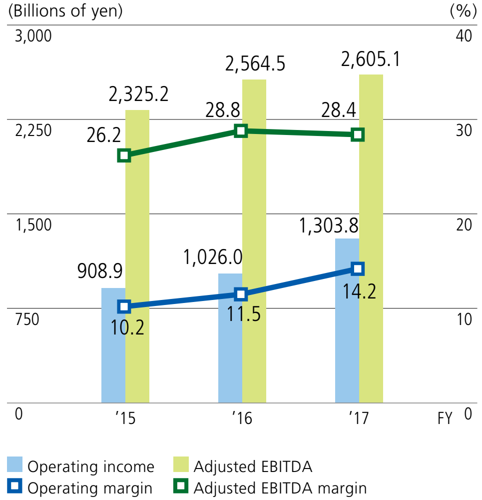
Operating income (excluding income from SoftBank Vision Fund and Delta Fund) decreased ¥25,179 million (2.5%) year on year, to ¥1,000,820 million. Segment income deteriorated ¥36,576 million in the Domestic Telecommunications segment, ¥10,529 million in the Yahoo Japan segment, ¥20,971 million in the Distribution segment, and ¥44,299 million in the Arm segment. Meanwhile, segment income increased ¥92,860 million in the Sprint segment.

Segment loss in the Distribution segment included an impairment loss of ¥50,497 million for Brightstar.

Net sales



Operating income / Operating margin
Adjusted EBITDA / Adjusted EBITDA margin



Operating income from SoftBank Vision Fund and Delta Fund was ¥302,981 million (not recorded in the previous fiscal year). Unrealized gain on valuation of investments of ¥345,975 million mainly contributed to the income for the fiscal year, reflecting an increase in the fair value of NVIDIA Corporation ("NVIDIA") shares held by SoftBank Vision Fund and recorded as financial assets accounted for using FVTPL.

3. Income before Income Tax

Income before income tax decreased ¥327,896 million (46.0%) year on year, to ¥384,630 million.

Finance cost increased ¥48,821 million (10.4%) year on year, to ¥516,132 million, mainly due to increases in interest expense of ¥39,692 million at SoftBank Group Corp.

Interest expense at Sprint declined ¥5,519 million (2.0%) ($106 million (4.2%)) year on year.

Income on equity method investments increased ¥83,034 million (25.8%) year on year, to ¥404,584 million. This was mainly due to a year-on-year increase of ¥94,607 million (28.7%) in income on equity method investments related to Alibaba, to ¥424,771 million.

The difference between Alibaba's net income (IFRS basis) for the fiscal year ended December 31, 2017, ((A) in the table below) and net income (US GAAP basis) ((B) below) is mainly due to the impairment loss of CNY 18,116 million from investment in Alibaba Pictures Group Ltd that was recognized on a US GAAP basis, but not on an IFRS basis. A gain on revaluation of its equity interest in Alibaba Pictures Group was recognized in 2015, when Alibaba Pictures Group became an equity method associate on a US GAAP basis. However, a gain on revaluation was not recognized on an IFRS basis, since Alibaba Pictures Group remained a subsidiary. Consequently, there was a difference between the carrying amount of Alibaba Pictures Group on a US GAAP basis and on an IFRS basis.

Reference: Net Income of Alibaba and the Company's Income on Equity Method Investments

	Twelve months ended December 31*3		
	2016	2017	Change
Alibaba			
	Million CNY	Million CNY (B)	Million CNY
Net income (US GAAP)	38,393	67,071	28,678
	Million CNY	Million CNY (A)	Million CNY
Net income (IFRSs)	62,885	84,893	22,008

*3 The Company applies the equity method to the financial statements of Alibaba on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba due to the contract with Alibaba, among other reasons. However, the Company performs necessary adjustments for material transactions or events that arise during the lag period and which are publicly announced by Alibaba.

	Fiscal year ended March 31		
	2017	2018	Change
Income on equity method investments related to Alibaba			
(Reference) Interest ratio as of December 31	30.24%	29.36%	(0.88) pp
	Million CNY	Million CNY	Million CNY
Income on equity method investments	19,570	25,088	5,518
(Reference) Effective exchange rate CNY/JPY	¥16.87	¥16.93	¥0.06
	Million yen	Million yen	Million yen
Income on equity method investments	330,164	424,771	94,607

Gain on sales of shares of associates was ¥1,804 million (gain of ¥238,103 million in the previous fiscal year). In the previous fiscal year, the Company sold a portion of Alibaba shares to Alibaba, two Singaporean sovereign wealth funds, and Alibaba Partnership.*4

*4 Alibaba Partnership is not an affiliate of Alibaba.

Foreign exchange loss was ¥34,518 million (gain of ¥53,336 million in the previous fiscal year).

Derivative loss was ¥630,190 million (loss of ¥252,815 million in the previous fiscal year). This was mainly attributable to a loss of ¥604,156 million recorded in relation to a collar transaction embedded in a variable prepaid forward contract for Alibaba shares.

Regarding the collar transaction, the fair value (primarily linked to the share price of Alibaba) is measured at the end of each quarter and recognized as derivative liabilities, while changes are recognized as a gain or loss. However, the total amount of derivative liabilities will be reversed on the settlement date of the collar transaction (June 2019), and the same amount will be recognized as a gain. Consequently, the cumulative derivative gain and loss for the three years, from the conclusion of the variable prepaid forward contract in June 2016 until the settlement date, will be a loss of $900 million, equal to the amount of derivative assets initially recognized.

Loss from financial instruments at FVTPL was ¥68 million (loss of ¥160,419 million in the previous fiscal year). In the previous fiscal year, loss was recognized due to the change in the fair value of investments in India.

Changes in third-party interests in SoftBank Vision Fund and Delta Fund increased ¥160,382 million (negative impact on income; not recorded in the previous fiscal year). Of the third-party interests in SoftBank Vision Fund and Delta Fund presented in the consolidated statement of financial position, the fluctuations arising from SoftBank Vision Fund and Delta Fund's results were recorded as the changes.

Other non-operating income was ¥15,731 million, compared with a loss of ¥45,917 million in the previous fiscal year. The primary components were as follows:

(Millions of yen)

	Fiscal year ended March 31		Primary components
	2017	2018	
Dilution gain from changes in equity interest	77,540	**45,186**	• Private placement of new shares by Alibaba
Loss on exchange of corporate bonds	–	**(19,809)**	• Recognition of loss on exchange of the Notes Issued in 2015 for the Exchange Notes
Loss on sales of cryptocurrency	–	**(18,890)**	• Loss arising from sales of all bitcoins held by Fortress. The amount of loss represents the difference between the sales price of bitcoins and their fair value that was recognized in the consolidated statement of financial position at the acquisition date. Excluding the impact of purchase price accounting, Fortress realized a gain on the sale of cryptocurrency of $173 million, which represents the difference between the sales price and its original acquisition cost.
Impairment loss on assets classified as held for sale	(42,540)	–	• Loss due to a difference between the valuation of the 248,300,000 GungHo Online Entertainment, Inc., shares tendered by the Company in the previous fiscal year at the tender offer price of ¥294 per share and their carrying amount
Loss on loss of control	(79,278)	–	• Loss due to loss of control of SOFTBANK GROUP CAPITAL APAC PTE. LTD. (currently Foxconn Ventures Pte. Ltd.), which became an equity method associate in the previous fiscal year as a result of a private placement of new shares

4. Net Income from Continuing Operations

Net income from continuing operations increased ¥318,181 million (34.6%) year on year, to ¥1,237,812 million.

Income taxes were credited ¥853,182 million (profit), compared with a credit of ¥207,105 million in the previous fiscal year. This was mainly due to a decline in income taxes of ¥815,059 million at Sprint, which resulted from the enactment of the U.S. Tax Cuts and Jobs Act in December 2017.

(Discontinued Operations)

5. Net Income from Discontinued Operations

Net income from discontinued operations was not recorded (income of ¥554,799 million in the previous fiscal year). Income after income tax from Supercell Oy of ¥28,246 million and after-tax gain on sale of Supercell shares of ¥526,553 million were recorded in the previous fiscal year. Supercell Oy was excluded from the scope of consolidation on July 29, 2016.

6. Net Income Attributable to Owners of the Parent

Net income decreased ¥236,618 million (16.0%) year on year, to ¥1,237,812 million. After deducting net income attributable to non-controlling interests such as those of Sprint and Yahoo Japan Corporation from net income, net income attributable to owners of the parent decreased ¥387,331 million (27.2%) year on year, to ¥1,038,977 million.

Of Sprint's decrease in income taxes of ¥815,059 million described above, ¥684,964 million was included in net income attributable to owners of the parent, corresponding to the Company's ownership stake in Sprint.

7. Comprehensive Income

Comprehensive income decreased ¥104,369 million year on year, to ¥1,329,532 million. Of this, comprehensive income attributable to owners of the parent decreased ¥232,830 million, to ¥1,153,128 million.

Outline of Each Segment (as of March 31, 2018)

The main businesses and core companies of each reportable segment are as follows:

Segments		Main businesses	Core companies	Number of employees
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. Wireless City Planning Inc.	18,235
	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 telecommunica-tions services in the U.S.	Sprint Corporation	28,230
	Yahoo Japan	• Internet advertising • e-commerce business • Membership services	Yahoo Japan Corporation ASKUL Corporation	11,463
	Distribution	• Distribution of mobile devices overseas • Sale of PC software, peripherals, and mobile device accessories in Japan	Brightstar Corp. SoftBank Commerce & Service Corp.	7,096
	Arm	• Design of microprocessor intellectual property and related technology • Sale of software tools	Arm Limited	5,767
	SoftBank Vision Fund and Delta Fund	• Investment activities by SoftBank Vision Fund and Delta Fund	SoftBank Vision Fund L.P. SB Delta Fund (Jersey) L.P.	159
Other		• Alternative investment management business • Fukuoka SoftBank HAWKS-related businesses	Fortress Investment Group LLC Fukuoka SoftBank HAWKS Corp.	3,792
		Total*5		74,952

*5 Includes 210 employees who engage in Company-wide common operations, such as in SoftBank Group Corp.

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

			FY2016				FY2017			
(Millions of yen)	FY2016	**FY2017**	Q1	Q2	Q3	Q4	**Q1**	**Q2**	**Q3**	**Q4**
Reportable segments										
Domestic Telecommunications segment										
Net sales	3,193,791	**3,229,845**	761,763	792,803	846,104	793,121	**755,656**	**773,304**	**877,910**	**822,975**
Segment income	719,572	**682,996**	239,013	226,920	185,551	68,088	**218,467**	**215,501**	**178,730**	**70,298**
Segment margin (%)	22.5	**21.1**	31.4	28.6	21.9	8.6	**28.9**	**27.9**	**20.4**	**8.5**
Depreciation and amortization	489,458	**499,188**	112,266	113,139	117,800	146,253	**111,006**	**114,687**	**125,629**	**147,866**
Other adjustments	–	**(4,044)**	–	–	–	–	**–**	**–**	**–**	**(4,044)**
Adjusted EBITDA	1,209,030	**1,178,140**	351,279	340,059	303,351	214,341	**329,473**	**330,188**	**304,359**	**214,120**
Adjusted EBITDA margin (%)	37.9	**36.5**	46.1	42.9	35.9	27.0	**43.6**	**42.7**	**34.7**	**26.0**
Capital expenditure (acceptance basis)	320,579	**370,387**	50,752	55,438	76,366	138,023	**53,102**	**73,278**	**90,619**	**153,388**
Sprint segment										
Net sales	3,623,375	**3,601,961**	873,923	848,614	929,472	971,366	**910,423**	**882,904**	**928,826**	**879,808**
Segment income (loss)	186,423	**279,283**	45,368	59,197	40,621	41,237	**131,987**	**70,189**	**89,665**	**(12,558)**
Segment margin (%)	5.1	**7.8**	5.2	7.0	4.4	4.2	**14.5**	**7.9**	**9.7**	**–**
Depreciation and amortization	885,845	**953,820**	214,049	206,002	225,435	240,359	**230,832**	**233,159**	**244,316**	**245,513**
Other adjustments	7,371	**(5,762)**	12,277	(19,969)	4,743	10,320	**(40,966)**	**3,830**	**(24,187)**	**55,561**
Adjusted EBITDA	1,079,639	**1,227,341**	271,694	245,230	270,799	291,916	**321,853**	**307,178**	**309,794**	**288,516**
Adjusted EBITDA margin (%)	29.8	**34.1**	31.1	28.9	29.1	30.1	**35.4**	**34.8**	**33.4**	**32.8**
Capital expenditure (acceptance basis)	477,694	**642,473**	79,200	78,715	145,185	174,594	**131,812**	**139,397**	**182,473**	**188,791**
Yahoo Japan segment										
Net sales	853,458	**884,402**	204,233	205,264	221,303	222,658	**211,459**	**213,980**	**226,105**	**232,858**
Segment income	189,819	**179,290**	50,308	49,063	51,173	39,275	**51,584**	**41,106**	**49,966**	**36,634**
Segment margin (%)	22.2	**20.3**	24.6	23.9	23.1	17.6	**24.4**	**19.2**	**22.1**	**15.7**
Depreciation and amortization	38,973	**45,193**	9,167	9,987	9,477	10,342	**9,986**	**10,827**	**11,146**	**13,234**
Gain from remeasurement relating to business combination	(19)	**(372)**	–	(19)	–	–	**–**	**–**	**–**	**(372)**
Other adjustments	10,736	**(9,692)**	–	–	–	10,736	**(4,929)**	**–**	**(2,967)**	**(1,796)**
Adjusted EBITDA	239,509	**214,419**	59,475	59,031	60,650	60,353	**56,641**	**51,933**	**58,145**	**47,700**
Adjusted EBITDA margin (%)	28.1	**24.2**	29.1	28.8	27.4	27.1	**26.8**	**24.3**	**25.7**	**20.5**
Capital expenditure (acceptance basis)	64,727	**89,460**	12,078	18,421	18,595	15,633	**20,010**	**24,912**	**20,223**	**24,315**

Note: Income and adjusted EBITDA of reportable segments are calculated as follows. (Segments excluding the SoftBank Vision Fund and Delta Fund segment)
Segment income = net sales – operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss, for each segment
Adjusted EBITDA = segment income (loss) + depreciation and amortization ± gain and loss from remeasurement relating to business combination ± other adjustments

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)	FY2016	FY2017	FY2016 Q1	FY2016 Q2	FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4
Reportable segments										
Distribution segment										
Net sales	1,295,374	1,419,319	315,499	310,857	313,230	355,788	297,755	347,097	379,959	394,508
Segment income (loss)	(10,047)	(31,018)	6,680	7,625	4,803	(29,155)	2,365	4,998	(48,036)	9,655
Segment margin (%)	–	–	2.1	2.5	1.5	–	0.8	1.4	–	2.4
Depreciation and amortization	7,237	6,695	1,789	1,768	1,780	1,900	1,724	1,767	1,684	1,520
Other adjustments	30,260	50,497	–	–	–	30,260	–	–	50,497	–
Adjusted EBITDA	27,450	26,174	8,469	9,393	6,583	3,005	4,089	6,765	4,145	11,175
Adjusted EBITDA margin (%)	2.1	1.8	2.7	3.0	2.1	0.8	1.4	1.9	1.1	2.8
Capital expenditure (acceptance basis)	6,522	8,188	1,148	1,474	1,877	2,023	1,563	1,983	2,098	2,544
Arm segment*1										
Net sales	112,902	202,344	–	14,356	54,499	44,047	47,037	46,639	58,746	49,922
Segment income (loss)	12,919	(31,380)	–	(5,123)	15,045	2,997	(6,935)	(7,859)	(7,071)	(9,515)
Segment margin (%)	11.4	–	–	–	27.6	6.8	–	–	–	–
Depreciation and amortization	32,523	62,324	–	4,476	13,723	14,324	14,883	15,402	15,873	16,166
Gain from remeasurement relating to business combination	(18,168)	–	–	(18,168)	–	–	–	–	–	–
Other adjustments	25,780	–	–	25,466	314	–	–	–	–	–
Adjusted EBITDA	53,054	30,944	–	6,651	29,082	17,321	7,948	7,543	8,802	6,651
Adjusted EBITDA margin (%)	47.0	15.3	–	46.3	53.4	39.3	16.9	16.2	15.0	13.3
Capital expenditure (acceptance basis)	5,042	16,750	–	760	1,828	2,454	3,525	3,709	4,509	5,007
SoftBank Vision Fund and Delta Fund segment*2										
Gain on investments at SoftBank Vision Fund and Delta Fund	–	352,095	–	–	–	–	106,871	87,465	60,516	97,243
Unrealized gain and loss on valuation of investments	–	345,975	–	–	–	–	106,871	87,465	56,772	94,867
Interest and dividend income from investments	–	6,120	–	–	–	–	–	–	3,744	2,376
Operating expenses	–	(49,114)	–	–	–	–	(1,642)	(6,456)	(10,327)	(30,689)
Segment income	–	302,981	–	–	–	–	105,229	81,009	50,189	66,554
Depreciation and amortization	–	1	–	–	–	–	–	–	–	1
Unrealized gain and loss on valuation of investments	–	(345,975)	–	–	–	–	(106,871)	(87,465)	(56,772)	(94,867)
Other adjustments	–	20,502	–	–	–	–	–	–	–	20,502
Adjusted EBITDA	–	(22,491)	–	–	–	–	(1,642)	(6,456)	(6,583)	(7,810)

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

*2 The Company established the SoftBank Vision Fund and Delta Fund segment during the first quarter.

Notes
1. Income and adjusted EBITDA of reportable segments are calculated as follows. (Segments excluding the SoftBank Vision Fund and Delta Fund segment)
   Segment income = net sales – operating expenses (cost of sales + selling, general and administrative expenses) ± gain and loss from remeasurement relating to business combination ± other operating income and loss, for each segment
   Adjusted EBITDA = segment income (loss) + depreciation and amortization ± gain and loss from remeasurement relating to business combination ± other adjustments
2. Income and adjusted EBITDA of reportable segments are calculated as follows. (SoftBank Vision Fund and Delta Fund segment)
   Segment income = gain and loss on investments by SoftBank Vision Fund and Delta Fund – operating expenses
   Adjusted EBITDA = segment income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments ± other adjustments

Segment Financial Data

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

			FY2016				FY2017			
(Millions of yen)	FY2016	FY2017	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consolidated										
Net sales	8,901,004	9,158,765	2,126,521	2,145,313	2,309,632	2,319,538	2,186,059	2,225,076	2,400,139	2,347,491
Operating income (excluding income form SoftBank Vision Fund and Delta Fund)	1,025,999	1,000,820	–	–	–	–	374,044	314,557	223,801	88,418
Operating margin (excluding income form SoftBank Vision Fund and Delta Fund) (%)	11.5	10.9	–	–	–	–	17.1	14.1	9.3	3.8
Operating income from SoftBank Vision Fund and Delta Fund	–	302,981	–	–	–	–	105,229	81,009	50,189	66,554
Operating income	1,025,999	1,303,801	319,236	328,127	281,965	96,671	479,273	395,566	273,990	154,972
Operating margin (%)	11.5	14.2	15.0	15.3	12.2	4.2	21.9	17.8	11.4	6.6
Depreciation and amortization	1,465,609	1,585,873	340,009	338,215	371,275	416,110	371,991	378,516	401,868	433,498
Gain from remeasurement relating to business combination	(18,187)	(372)	–	(18,187)	–	–	–	–	–	(372)
Unrealized gain (loss) on valuation of investments in SoftBank Vision Fund and Delta Fund	–	(345,975)	–	–	–	–	(106,871)	(87,465)	(56,772)	(94,867)
Other adjustments	91,046	61,790	19,105	6,776	5,233	59,932	(44,283)	3,755	46,729	55,589
Adjusted EBITDA	2,564,467	2,605,117	678,350	654,931	658,473	572,713	700,110	690,372	665,815	548,820
Adjusted EBITDA margin (%)	28.8	28.4	31.9	30.5	28.5	24.7	32.0	31.0	27.7	23.4
Capital expenditure (acceptance basis)	923,592	1,145,128	149,029	162,498	247,168	364,897	215,694	244,969	302,139	382,326

Domestic Telecommunications Segment Principal Operational Data

	Units	FY2016	FY2017	FY2016 Q1	FY2016 Q2	FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4
Mobile communications service											
Main subscribers											
Cumulative subscribers	Thousands	32,400	33,175	32,149	32,301	32,230	32,400	32,448	32,784	32,996	33,175
(incl.) *Wireless Home Phone*	Thousands	–	265	–	–	–	–	–	105	182	265
Net additions	Thousands	362	775	112	151	(70)	169	48	336	212	180
Total ARPU	Yen	4,500	4,350	4,610	4,570	4,530	4,310	4,380	4,340	4,380	4,310
Telecom ARPU	Yen	3,950	3,800	4,050	4,020	3,980	3,760	3,830	3,790	3,820	3,740
Service ARPU	Yen	550	560	560	560	560	550	550	550	560	570
Churn rate	%	1.24	1.22	1.13	1.06	1.25	1.53	1.13	1.01	1.10	1.64
Phone	%	0.89	0.86	0.85	0.78	0.89	1.04	0.79	0.74	0.83	1.09
Units sold	Thousands	11,079	11,056	2,353	2,551	2,939	3,236	2,397	2,445	2,940	3,274
New subscriptions	Thousands	4,928	5,050	1,154	1,123	1,072	1,579	1,121	1,143	1,155	1,631
Device upgrades	Thousands	6,151	6,006	1,199	1,428	1,867	1,657	1,277	1,302	1,785	1,643
Cumulative applications for the *Home Bundle Discount Hikari Set*											
Mobile communications service	Thousands	6,030	8,148	3,702	4,419	5,149	6,030	6,641	7,135	7,617	8,148
Broadband service	Thousands	2,904	3,887	1,790	2,158	2,527	2,904	3,182	3,434	3,671	3,887
Overall mobile communications											
Cumulative subscribers	Thousands	42,666	42,650	43,207	43,056	42,826	42,666	42,045	42,184	42,477	42,650
Main subscribers	Thousands	32,400	33,175	32,149	32,301	32,230	32,400	32,448	32,784	32,996	33,175
Communication modules	Thousands	6,910	6,877	7,215	7,045	7,037	6,910	6,442	6,424	6,692	6,877
PHS	Thousands	3,356	2,598	3,842	3,710	3,559	3,356	3,156	2,977	2,789	2,598
Broadband service											
Subscribers											
Cumulative subscribers	Thousands	6,145	7,039	5,345	5,600	5,860	6,145	6,403	6,636	6,832	7,039
SoftBank Hikari	Thousands	3,592	4,974	2,243	2,699	3,141	3,592	4,012	4,362	4,666	4,974
Yahoo! BB hikari with FLET'S	Thousands	1,385	1,061	1,797	1,641	1,505	1,385	1,267	1,191	1,121	1,061
Yahoo! BB ADSL	Thousands	1,168	1,005	1,305	1,261	1,213	1,168	1,124	1,084	1,045	1,005
ARPU											
SoftBank Hikari	Yen	4,900	4,520	4,960	4,960	4,910	4,810	4,640	4,570	4,490	4,410
Yahoo! BB hikari with FLET'S	Yen	1,810	1,780	1,810	1,810	1,810	1,800	1,790	1,790	1,770	1,760
Yahoo! BB ADSL	Yen	2,510	2,390	2,560	2,530	2,490	2,450	2,420	2,410	2,380	2,330

Notes
1. Main subscribers: smartphones, feature phones, tablets, mobile data communications devices, Wireless Home Phone and others.
2. Phone: Smartphones and feature phones within main subscribers; includes voice SIM subscriptions.
3. Communication modules: communication modules, *Mimamori Phone*, prepaid mobile phones and others (Communication modules that use PHS networks are included under PHS)
4. *Home Bundle Discount Hikari Set*: a discount on the communication charges of mobile communications services to customers subscribing to bundled packages combining mobile communications services
5. ARPU: Average Revenue Per User per month
6. Telecom ARPU is calculated by dividing data-related revenue, basic monthly charges, and voice-related revenues by the number of active subscribers.
7. Service ARPU is calculated by dividing device warranty service revenue, advertising revenue, content-related revenues, etc., by the number of active subscribers.
8. ARPU, churn rate and number of units sold are calculated and presented excluding revenues or subscribers to the Wireless Home Phone.

Sprint Segment Principal Operational Data

	Units	FY2016	FY2017	FY2016 Q1	FY2016 Q2	FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4
Cumulative subscribers											
Total	Thousands	53,639	54,625	53,363	53,962	53,271	53,639	53,698	54,027	54,581	54,625
Postpaid	Thousands	31,576	32,119	30,945	31,289	31,694	31,576	31,518	31,686	31,942	32,119
Phone	Thousands	26,079	26,813	25,322	25,669	26,037	26,079	26,153	26,432	26,616	26,813
Prepaid	Thousands	8,688	8,989	10,636	10,187	8,493	8,688	8,719	8,765	8,997	8,989
Wholesale and affiliate	Thousands	13,375	13,517	11,782	12,486	13,084	13,375	13,461	13,576	13,642	13,517
Net additions (loss)											
Total	Thousands	2,133	868	602	599	564	368	61	378	385	44
Postpaid	Thousands	811	424	180	344	405	(118)	(39)	168	256	39
Phone	Thousands	930	606	173	347	368	42	88	279	184	55
Prepaid	Thousands	(1,020)	363	(306)	(449)	(460)	195	35	95	63	170
Wholesale and affiliate	Thousands	2,342	81	728	704	619	291	65	115	66	(165)
Postpaid phone ABPU	$	–	–	72.17	71.69	71.77	68.66	69.51	68.95	68.54	68.51
ARPU											
Postpaid	$	–	–	51.54	50.54	49.70	47.34	47.30	46.00	45.13	44.40
Prepaid	$	–	–	27.34	27.31	27.61	30.08	38.24	37.83	37.46	37.15
Churn rate											
Postpaid	%	–	–	1.56	1.52	1.67	1.75	1.65	1.72	1.80	1.78
Phone	%	–	–	1.39	1.37	1.57	1.58	1.50	1.59	1.71	1.68
Prepaid	%	–	–	5.55	5.63	5.80	4.99	4.57	4.83	4.63	4.30

Notes
1. Sprint is no longer reporting Lifeline program subscribers due to recent regulatory changes resulting in tighter program restrictions. Sprint has excluded them from the number of prepaid and wholesale and affiliate subscribers from FY2017/Q1.
2. Cumulative subscribers and net additions include the number of communication module service subscribers.
3. Phones: smartphones and feature phones
4. ABPU: Average Billings Per User per month (rounded to the nearest $.01)
5. ARPU: Average Revenue Per User per month (rounded to the nearest $.01)
6. The impact of the following special factors is not included in net additions (losses).
   (1) In May 2016, Sprint's affiliate company acquired another operator. An affiliate company refers to a local wireless operator that sells and provides Sprint-branded services and products with its own self-operated telecom network while paying Sprint for brand and spectrum usage. This resulted in adjustments to cumulative subscriber numbers since FY2016/Q1.
   (2) During FY2017/Q1, 2,000 Wi-Fi connections were excluded from the postpaid subscriber base.
   (3) During FY2017/Q2, one of the prepaid data plans was discontinued. Accordingly, 49,000 prepaid subscribers to the plan were excluded from the prepaid subscriber base.
   (4) During FY2017/Q3, Sprint established a joint venture with PRWireless HoldCo LLC. As a result, 169,000 prepaid subscribers were added.
7. During FY2017, Sprint introduced a non-Sprint branded postpaid plan offering allowing prepaid customers to purchase a device under its installment billing program. As a result of this extension of credit, approximately 167,000 prepaid subscribers were migrated from the prepaid subscriber base into the postpaid subscriber base during FY2017/Q4. Furthermore, net additions of postpaid subscribers and postpaid phone subscribers for FY2017/Q4 included 44,000 such net migrations each. The historical numbers were not retrospectively revised.
8. In FY2017/Q1, Sprint changed the definition of certain gross additions and deactivation for the postpaid subscribers. A newly acquired customer who leaves shortly after activation was previously counted as a deactivation but is now counted as a deduction to gross additions.

Arm Segment Principal Operational Data

Licensing

	FY2016	FY2017	FY2016 Q1	FY2016 Q2	FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4
Processor licenses signed	113	141	25	20	43	25	41	26	48	26
Breakdown by processor family										
Classic (*Arm7*, *Arm9*, *Arm11*)	8	0	2	1	3	2	0	0	0	0
Cortex-A	21	45	6	2	7	6	7	7	19	12
Cortex-R	9	16	2	4	3	0	5	4	5	2
Cortex-M	60	58	13	10	22	15	20	11	17	10
Mali	15	22	2	3	8	2	9	4	7	2
Cumulative number of licenses signed	1,442	1,577	1,379	1,396	1,428	1,442	1,482	1,508	1,552	1,577
Breakdown by processor family										
Classic (*Arm7*, *Arm9*, *Arm11*)	500	499	502	503	498	500	500	500	500	499
Cortex-A	290	334	274	275	282	290	297	304	322	334
Cortex-R	78	94	71	75	78	78	83	87	92	94
Cortex-M	425	482	391	400	419	425	445	456	472	482
Mali	149	168	141	143	151	149	157	161	166	168
Companies signing licenses	94	89	23	18	34	25	30	15	33	18
Existing	49	52	14	12	16	13	17	10	23	9
New	45	37	9	6	18	12	13	5	10	9

Note: Cumulative number of licenses signed includes extant licenses that are expected to generate royalties.

Royalty units

	Units	CY2016	CY2017	CY2016 Jan - Mar	CY2016 Apr - Jun	CY2016 Jul - Sep	CY2016 Oct - Dec	CY2017 Jan - Mar	CY2017 Apr - Jun	CY2017 Jul - Sep	CY2017 Oct - Dec
Royalty units as reported by licensee	Billions	17.7	21.3	3.6	4.0	4.9	5.1	4.7	5.1	5.7	5.8
Breakdown by processor family											
Classic (*Arm7*, *Arm9*, *Arm11*)		23%	17%	26%	24%	23%	19%	17%	18%	17%	16%
Cortex-A		19%	18%	19%	19%	16%	22%	22%	20%	17%	19%
Cortex-R		7%	8%	7%	7%	9%	7%	8%	9%	7%	7%
Cortex-M		51%	57%	48%	50%	52%	52%	53%	53%	59%	58%

Employees

	FY2016	FY2017	FY2016 Q1	FY2016 Q2	FY2016 Q3	FY2016 Q4	FY2017 Q1	FY2017 Q2	FY2017 Q3	FY2017 Q4
Total number of employees	4,852	5,886	4,227	4,438	4,584	4,852	5,182	5,538	5,708	5,886
(incl.) Technical employees	3,960	4,812	3,409	3,602	3,736	3,960	4,269	4,555	4,677	4,812
Geographical breakdown										
U.K.	1,937	2,340	1,695	1,770	1,853	1,937	2,037	2,198	2,262	2,340
Rest of Europe	829	1,093	684	723	742	829	929	1,020	1,060	1,093
U.S.	1,080	1,280	957	991	1,020	1,080	1,151	1,184	1,241	1,280
Asia	422	486	354	388	397	422	454	482	481	486
India	584	687	537	566	572	584	611	654	664	687

Notes 1. Number of employees at Arm includes temporary employees.
2. Technical employees: employees who work on the research, creation, maintenance, deployment and support of technology products and services of Arm

Domestic Telecommunications Segment

1. **Up-front investments resulted in segment income decrease, but steady customer base expansion**
   - **Up-front investments in *Home Bundle Discount Hikari Set*, *Giga Monster*, *Half Price Support*, and collaboration with Yahoo Japan**
   - **Expanded customer base**

     Smartphone subscribers increased 1.69 million, and *SoftBank Hikari* subscribers increased 1.38 million versus the previous fiscal year-end
   - **Segment income declined 5.1% yoy, to ¥683.0 billion**

     The Company expects higher revenues and profit*6 in the fiscal year ending March 2019 by leveraging the expanded customer base
2. **Free cash flow decreased 9.0% yoy, to ¥511.5 billion**
   - **Stable cash flow generation continues**

*6 The Company plans to apply the new revenue recognition standard (IFRS 15) from the fiscal year ending March 2019. Comparisons of results for the fiscal year and the forecast for the fiscal year ending March 2019 are based on the current revenue recognition standard (IAS 18) applied to the fiscal year.

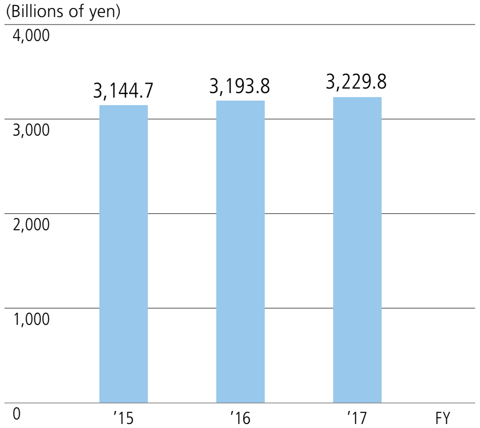
Overview

As Japan's telecommunications market approaches maturity, the Domestic Telecommunications segment is working to strengthen the foundation for medium- to long-term earnings growth. Specifically, it is working to increase the number of smartphone and broadband subscribers, and use the operational assets of telecommunications services to foster and expand new businesses under the *Beyond Carrier Strategy.* At the same time, the segment is seeking to generate stable free cash flow.

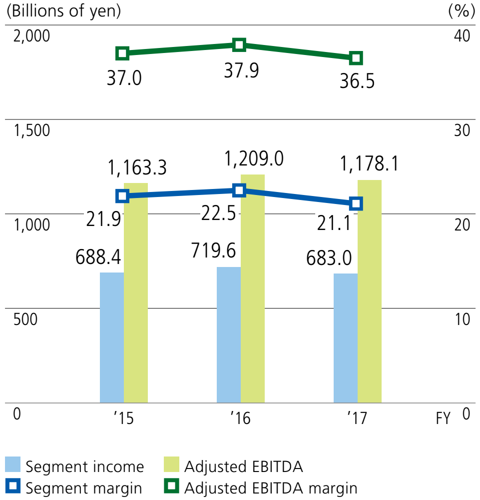
Main Initiatives

- Expand sales of *Home Bundle Discount Hikari Set*
  - Provide a discount on a smartphone and broadband bundle subscription
- Promote *SoftBank* brand differentiation strategy
  - High-volume flat-rate data plans *Giga Monster* (20 GB) and *Ultra Giga Monster* (50 GB)
  - *Half Price Support* that effectively enables the purchase of smartphones at half price
- Expand sales of sister brand *Y!mobile* proactively
- Advance capital and operational tie-up with LINE MOBILE Corporation (became a consolidated subsidiary on April 2, 2018)
- Collaborate with Yahoo Japan Corporation focusing on e-commerce
- Expand business domain: Develop new businesses through the establishment of joint ventures or capital and operational tie-ups with the Company's investees
  - Participate in domestic operations of WeWork Companies Inc. through a joint venture with the company
  - Provide cloud services through a joint venture with Alibaba
  - Expand and improve security services for corporations through establishment of a joint venture with Cybereason Inc.
  - Participate in the FinTech field through the establishment of joint venture with Mizuho Bank, Ltd.
  - Establish an operational tie-up in the RPA (robotic process automation, use of software robots for process automation) field with RPA Holdings, Inc.

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin



Financial Results

Breakdown of net sales

(Millions of yen)

Fiscal year ended March 31	2017	2018	Change	Change %
Telecom service revenue	2,423,105	**2,406,613**	(16,492)	(0.7)%
Mobile communications	1,886,640	**1,811,688**	(74,952)	(4.0)%
Telecom*7	1,657,629	**1,583,022**	(74,607)	(4.5)%
Service*8	229,011	**228,666**	(345)	(0.2)%
Broadband	268,954	**324,913**	55,959	20.8 %
Fixed-line telecommunications	267,511	**270,012**	2,501	0.9 %
Product and other sales	770,686	**823,232**	52,546	6.8 %
Total net sales	3,193,791	**3,229,845**	36,054	1.1 %

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

Net sales increased ¥36,054 million (1.1%) year on year, to ¥3,229,845 million. Of this, telecom service revenue decreased ¥16,492 million (0.7%), to ¥2,406,613 million, and product and other sales increased ¥52,546 million (6.8%), to ¥823,232 million.

The decrease of telecom service revenue is mainly due to a ¥74,952 million (4.0%) year-on-year decrease in revenue from mobile communications. The Domestic Telecommunications segment marked the fiscal year as a period to carry out up-front investments, especially placing a priority on expanding its customer base by increasing the number of smartphone and *SoftBank Hikari* subscribers. As a result, revenue from mobile communications declined mainly due to the impact of discounts offered through the promotions such as *Home Bundle Discount Hikari Set*, high-volume flat-rate data plans, and *Half Price Support*.

On the other hand, the customer base is steadily expanding as planned, driven by continued improvement in churn rate and effective customer acquisition. The number of smartphone and *SoftBank Hikari* subscribers increased 1.69 million and 1.38 million, respectively, compared with the previous fiscal year. The Company expects to increase telecom service revenue in the fiscal year ending March 2019 by leveraging the growing customer base.*9

Segment income decreased ¥36,576 million (5.1%) year on year, to ¥682,996 million. This was primarily due to the decline in revenue from mobile communications, as previously mentioned.

The major breakdown of operating expense (cost of sales and selling, general and administrative expenses) year-on-year increases of ¥76,674 million (3.1%) is as follows.

Primary yoy increase/decrease components	Key reasons for increase/decrease
Increase in telecommunications network charges ¥29,039 million, 11.6%	Increase in the cost of sales of broadband services following the rise in *SoftBank Hikari* subscribers
Increase in cost of products ¥23,217 million, 3.9%	Rise in the average shipping price of smartphones
Increase in usage fees for content and other services ¥11,130 million, 38.2%	Start of provision of *Yahoo! Premium**9 to smartphone customers, and growth in users of optional services for *SoftBank Hikari*
Increase in depreciation and amortization ¥9,730 million, 2.0%	Acceleration of the depreciation of certain equipment ahead of the termination of 3G services on 1.7 GHz in March 2018 due to the expected deployment of LTE in the future
Decrease in sales commission fees ¥(5,132) million, (1.5)%	Decline in average sales commission fees for smartphones

*9 An offering that allows smartphone subscribers an unlimited use of special offers without additional charges under *Yahoo! Premium* membership service, which is usually provided at a monthly charge of ¥462 by Yahoo Japan Corporation.

Adjusted EBITDA decreased ¥30,890 million (2.6%) year on year, to ¥1,178,140 million.

Capital expenditures (acceptance basis) increased ¥49,808 million (15.5%) year on year, to ¥370,387 million, due to the expansion of service areas and improvement in quality for LTE network.

Free cash flow decreased ¥50,286 million (9.0%) year on year, to ¥511,530 million, mainly due to an increase in mobile device inventories, the decrease in adjusted EBITDA, and an increase in the amount of income taxes paid. The amount of income taxes paid increased primarily because loss carryforwards fully utilized in the fiscal year ended March 2016 reduced the amount of income taxes paid in the fiscal year ended March 2017. The loss carryforwards were exhausted in the fiscal year ended March 2016.

Operations

Mobile communications service

FYE 2017

Subscribers (main subscribers)

Cumulative subscribers 33,175 thousand (+ 775 yoy)

Cumulative subscribers increased from the previous fiscal year-end due to smartphone net additions of 1,691,000.*[10] Regarding smartphones, the number of *Y!mobile* subscribers continued to grow steadily, while *SoftBank* subscribers also grew due to a successful promotion encouraging feature phone users to switch to smartphones. In addition, tablets contributed to net additions. However, subscribers to feature phones and mobile data communications devices declined from the previous fiscal year-end. As for mobile data communications devices, a decrease in subscribers reflected the termination of 3G service on 1.7 GHz as well as a decline in demand from customers with both smartphone and data device subscriptions due to the introduction of *Giga Monster* for smartphones.

Cumulative subscribers at the fiscal year-end included 265,000 subscribers to *Wireless Home Phone*, a new home-phone voice calling service using the mobile network, which was launched in July 2017.

FY 2017

Number of units sold (main subscribers)

Number of units sold	11,056 thousand (– 23 yoy)
New subscriptions	5,050 thousand (+ 122 yoy)
Device upgrades	6,006 thousand (– 145 yoy)

The number of units sold for mobile devices of main subscribers decreased year on year, reflecting a decrease in the number of feature phones and mobile data communications devices sold, despite an increase in sales of smartphones, due to the reasons described above.

*[10] Net addition of cumulative smartphone subscribers, including device upgrades.

ARPU (main subscribers)

Total ARPU	¥4,350 (– ¥150 yoy)
Telecom ARPU	¥3,800 (– ¥150 yoy)
Service ARPU	¥560 (¥0 yoy)

Total ARPU declined year on year, mainly due to the dilutive impact of an increased proportion of *Y!mobile* smartphones, which have a lower service charge. The increase of applications for *Home Bundle Discount Hikari Set* within the cumulative subscriber base also lowered total ARPU by increasing the discount amount in telecom ARPU.

However, on a sequential basis, the discount amount in telecom ARPU for the *Home Bundle Discount Hikari Set* has started to decrease since the third quarter.

Churn rate (main subscribers)

Churn rate	1.22% (–0.02 pp yoy)
Phone churn rate	0.86% (–0.03 pp yoy)

The phone churn rate improved year on year, reflecting improved churn rates for both feature phones and smartphones. The improvement in the feature phone churn rate re-flected a decline in deactivations resulting from a successful promotion encouraging feature phone users to switch to smartphones. The improvement in the smartphone churn rate is due to the expansion of *Home Bundle Discount Hikari Set*.

Broadband Service

FYE 2017

Subscribers

Cumulative subscribers	7,039 thousand (+894)
SoftBank Hikari	4,974 thousand (+1,382)

The number of broadband service subscribers increased during the fiscal year, led by *SoftBank Hikari*. The proactive marketing of the *Home Bundle Discount Hikari Set* to smartphone customers was the main contributing factor to this increase.

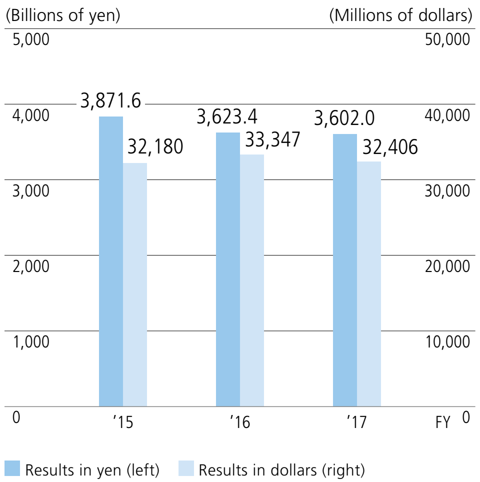
Sprint Segment

1. Record-high segment income with progress in cost reductions
2. Postpaid phone net additions for the 11th consecutive quarter
3. Planning to increase network cash capex for further network improvement

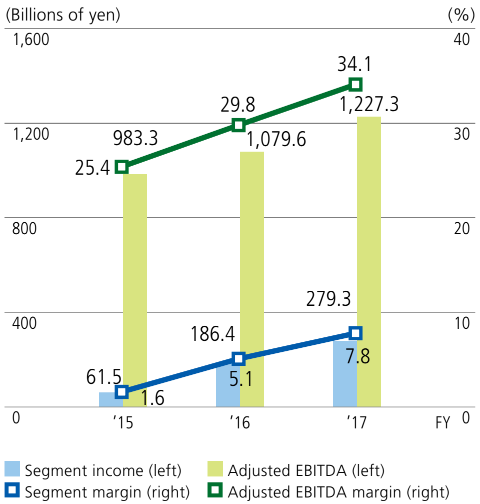
Overview

Sprint continues to aim to expand its net sales by increasing the number of postpaid and prepaid phone subscribers and stabilize their ARPU. To achieve this goal, Sprint has continued its effort to further improve network quality and increase customer value by leveraging its ample spectrum holdings. In the fiscal year ending March 2019, Sprint expects to further increase network cash capital expenditure for improving its network quality. At the same time, Sprint continues to reduce costs by increasing the operational efficiency.

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin



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

(Millions of dollars)

	FY2015	FY2016	FY2017
Segment income	506	1,728	2,493
Adjusted EBITDA	8,172	9,931	11,040

Financial Results

Results in U.S. dollars

Net sales decreased by $941 million (2.8%) year on year, to $32,406 million. A decline in telecom service revenue resulted from the introduction of sales promotions to acquire new customers and a change in the device insurance service. This was partially offset by an increase in equipment rental revenue.

Segment income increased $765 million (44.3%) year on year, to $2,493 million. Operating expenses (cost of sales and selling, general and administrative expenses) decreased $1,466 million (4.7%) year on year due to a decline in expenses, mainly relating to the network and the change in the device insurance service, more than offsetting the decrease in net sales. In addition, other operating loss improved $240 million year on year.

Within other operating loss, loss on contract termination totaling $229 million was recorded in the fourth quarter, when the contract cancellation was determined. Furthermore, under US GAAP, expenses are recorded in accordance with the actual decommissioning of equipment. As a result, under IFRSs, operating loss of $115 million was recorded, while under US GAAP, operating income of $236 million was recorded.

Adjusted EBITDA increased $1,109 million (11.2%) year on year, to $11,040 million.

Adjusted free cash flow increased $338 million (55.7%) year on year, to $945 million (disclosed by Sprint, US GAAP). The increase reflected an increase in net cash provided by operating activities, despite an increase in expenditures for the acquisition of rental devices and telecommunications network equipment. Going forward, in order to differentiate itself from other operators, Sprint will invest more aggressively in its network and leverage its ample spectrum holdings while building new cell sites to expand its coverage footprint.

Results in yen

In yen terms, net sales decreased ¥21,414 million (0.6%) year on year, to ¥3,601,961 million, and segment income increased ¥92,860 million (49.8%) year on year, to ¥279,283 million. Adjusted EBITDA also increased ¥147,702 million (13.7%) year on year, to ¥1,227,341 million.

Operations

FYE 2017

Cumulative subscribers*11,*13	54,625 (+ 986 yoy)
Postpaid	32,119 thousand (+ 543 yoy)
(incl.) Phone	26,813 thousand (+ 734 yoy)
Prepaid	8,989 thousand (+ 301 yoy)
Wholesale and affiliate	13,517 (+ 142 yoy)

(Special factors*12 are excluded from year-on-year comparison)

FY2017 / Q4

Net Additions*13	44 thousand (– 324 yoy)
Postpaid	39 thousand (+ 157 yoy)
(incl.) Phone	55 thousand (+ 13 yoy)
Prepaid	170 thousand (– 25 yoy)
Wholesale and affiliate	(165) thousand (– 456 yoy)

(Special factors*12 are excluded from figures above)

Postpaid phone subscriber net additions were subdued at 55,000. New acquisitions increased, driven by various sales promotion measures, but were partially offset by an increase in deactivations.

Churn rate*14 (postpaid)

Postpaid phone churn rate	1.68% (+0.10 pp yoy)
Postpaid churn rate	1.78% (+0.03 pp yoy)

The postpaid phone churn rate deteriorated due to the company's decision to shift its focus to selectively manage both higher ARPU customers and increasing customers rolling off device commitments, in order to maximize the net present value of the base. The introduction of unlimited data plans by other carriers in February 2017, which has followed Sprint, also had an adverse impact.

ABPU (postpaid phone)

ARPU	$50.44 (– $3.66 yoy)
Average equipment billings per user	$18.07 (+ $3.51 yoy)
Postpaid phone ABPU	$68.51 (– $0.15 yoy)

Postpaid phone ABPU was relatively flat and ARPU declined due to the increased utilization of low-rate plans.

*11 Sprint is no longer reporting Lifeline program subscribers due to recent regulatory changes resulting in tighter program restrictions. Sprint has excluded them from its disclosure of the number of prepaid and wholesale and affiliate subscribers from the first quarter. Past figures have been retrospectively revised. The Lifeline program is a program whereby carriers in the U.S. receive a subsidy from a government fund to provide dis-counted services to low-income subscribers.

*12 Cumulative subscribers are impacted by the following special factors; however, these are not included in net additions (losses).
Factor 1: In May 2016, Sprint's affiliate company acquired another operator. An affiliate company refers to a local wireless operator that sells and provides Sprint-branded services and products with its own self-operated telecom network while paying Sprint for brand and spectrum usage. This resulted in adjustments to subscriber numbers that continued to occur during the fiscal year.
Factor 2: During the first quarter, 2,000 Wi-Fi connections were excluded from the postpaid subscriber base.
Factor 3: During the three-month period ended September 30, 2017, one of the prepaid data plans was discontinued. Accordingly, 49,000 prepaid subscribers to the plan were excluded from the prepaid subscriber base
Factor 4: During the third quarter, Sprint established a joint venture with PRWireless HoldCo, LLC. As a result, 169,000 prepaid subscribers were added.

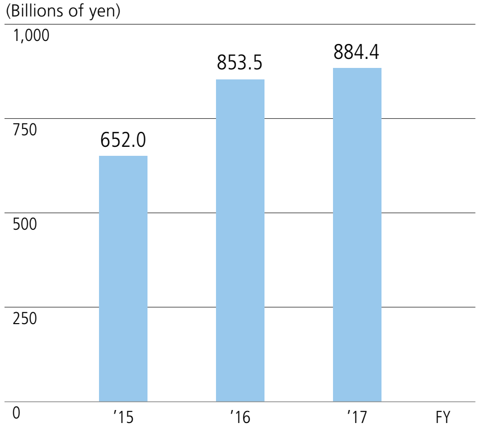
*13 During the fiscal year, Sprint introduced a non-Sprint branded postpaid plan allowing prepaid customers to purchase a device under its installment billing program. As a result of this extension of credit, approximately 167,000 prepaid subscribers were migrated from the prepaid subscriber base into the postpaid subscriber base during the fourth quarter. Furthermore, net additions of postpaid subscribers and postpaid phone subscribers for the quarter included 44,000 such net migrations each. The historical numbers were not restated.

*14 In the first quarter, Sprint changed the definition of certain gross additions and deactivation for postpaid subscribers. A newly acquired customer who leaves shortly after activation was previously counted as a deactivation but is now counted as a deduction to gross additions. This change had no impact on net additions but resulted in lower gross additions and lower deactivations by an equal amount in the quarter.

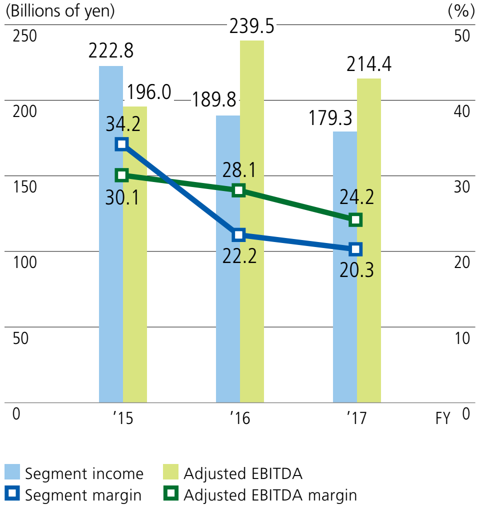
More information about Sprint's US GAAP-based financial results and business operations is available on the investor relations section of its website at investors.sprint.com/.

Yahoo Japan Segment

Net sales

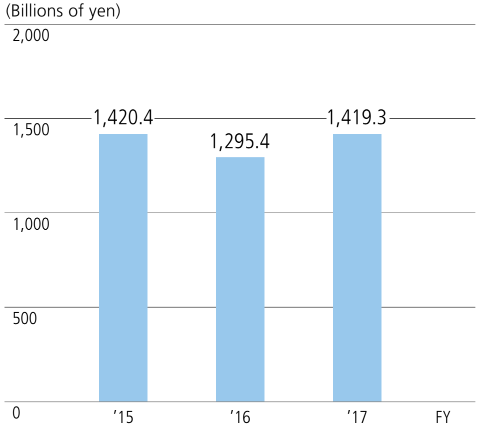


Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin

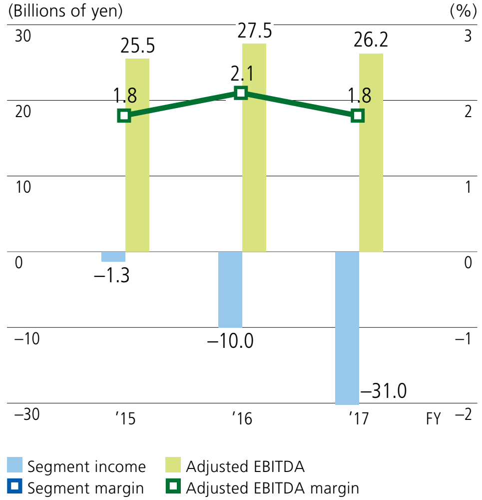


Distribution Segment

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin



Impairment losses totaling ¥50,497 million were recorded on Brightstar's goodwill, intangible assets, and property, plant and equipment as their recoverable amounts fell below their carrying amounts as a result of a revision to Brightstar's business plan during the fiscal year (impairment loss on goodwill of ¥30,260 million was recognized in the previous fiscal year). This further deteriorated segment loss ¥20,971 million year on year, resulting in a loss of ¥31,018 million for the fiscal year. Meanwhile, results of operations of SoftBank Commerce & Service Corp. have been solid, mainly due to a contribution from sales of PCs and servers to corporate customers.

Arm Segment

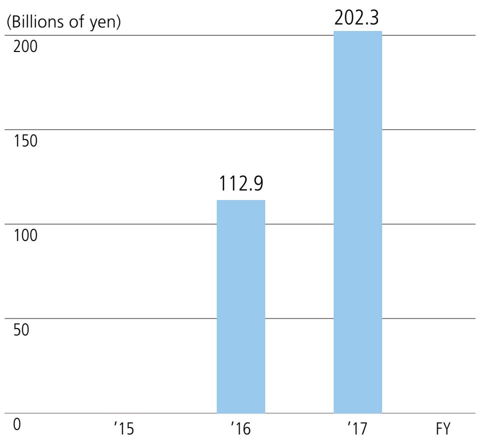
1. U.S. dollar-based revenue increased 13% yoy in the fourth quarter
   – Solid adoption of Arm technology continued in target markets of mobile, networking, servers, and IoT
2. Continued reinforcement of R&D capability
   – Head count increased 1,034 (21%) from the previous fiscal year-end

Overview

Arm's operations are primarily the licensing of semiconductor intellectual property (IP), including the designs of energy-efficient microprocessors and associated technologies. Since the acquisition, Arm has been accelerating investment in research and development by hiring more engineers. With the expansion of its engineering capability, Arm intends to develop new technologies faster, with a focus on artificial intelligence (AI), computer vision, and augmented reality. Arm is also investing in creating new revenue streams from adjacent markets, especially in the Internet of Things (IoT). In February 2018, Arm announced a new suite of technology for AI including new highly scalable processors that will deliver enhanced machine learning and neural network functionality. The new Arm AI technology will be available in mid-2018.

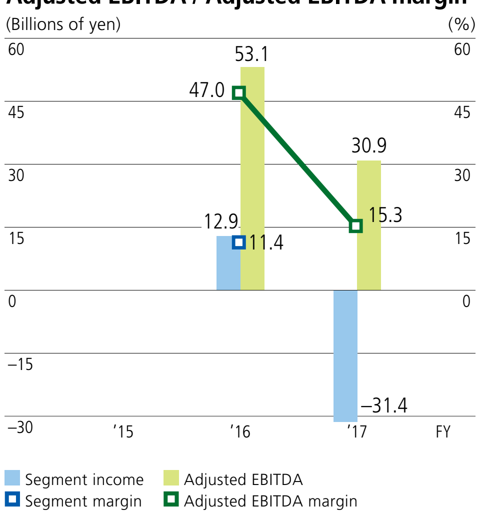
Net sales of the segment comprise (i) licenses to Arm technology, (ii) royalties arising from the resulting sale of licensees' products based on Arm technology, and (iii) revenues from the sale of software tools.

Net sales



Note: The Arm segment reflects Arm's results of operations since September 6, 2016.

Segment income / Segment margin Adjusted EBITDA / Adjusted EBITDA margin



Financial Results

Net sales increased ¥89,442 million (79.2%) year on year, to ¥202,344 million. The main factor behind the increase was that Arm's results were reflected only since September 6, 2016 to March 31, 2017 in the previous fiscal year, while its results were reflected for the full twelve months in the fiscal year.

Segment loss was ¥31,380 million, a deterioration of ¥44,299 million from the same period of the previous fiscal year. During the fiscal year, Arm increased the number of its employees, mainly engineers, by a net 1,034 people, up 21% overall from the previous fiscal year-end, as it continues to strengthen its R&D capability. Arm has also been enhancing its employee compensation system, including the start of a new performance-linked incentive program. Operating expenses in the fiscal year also included ¥54,569 million in amortization expenses recorded for intangible assets recognized in the purchase price allocation for the Arm acquisition.

Adjusted EBITDA was ¥30,944 million, a decrease of ¥22,110 million (41.7%) year on year.

Reference: Net sales in U.S. dollars

Net sales in this section are presented in U.S.-dollar terms as Arm's revenue is primarily U.S. dollar-based.

(Millions of U.S. dollars)

	Fiscal 2016					Fiscal 2017				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
	Pro forma				Pro forma					
Technology licensing	161	89	229	122	601	**149**	**123**	**190**	**156**	**618**
Technology royalties	228	240	248	258	974	**250**	**271**	**297**	**269**	**1,087**
Software and services	30	24	31	29	114	**29**	**28**	**33**	**36**	**126**
Total net sales	419	353	508	409	1,689	**428**	**422**	**520**	**461**	**1,831**

Note: Pro forma includes the periods prior to the acquisition of Arm by the Company on September 5, 2016.

Net sales for the fourth quarter increased 13% year on year, to $461 million. Technology licensing revenue in the fourth quarter was up 28% year on year, to $156 million, although down 18% from the prior quarter. As Arm signs a small number of high-value deals in most quarters along with a larger number of smaller deals, technology licensing revenue fluctuates from quarter to quarter in accordance with the number of high-value deals concluded. For the full year, technology licensing revenue was $618 million, up 3% year on year from the previous fiscal year (April 1, 2016 to March 31, 2017 on a pro forma basis including the periods prior to the acquisition of Arm by the Company).

Operations

Licensing

Licenses signed (FY2017/Q4): 26

Cumulative number of licenses signed (FYE 2017): 1,577

Note: Cumulative number of licenses signed includes extant licenses that are expected to generate royalties.

During the fourth quarter, Arm signed 26 processor licenses, reflecting the ongoing demand for Arm's latest technology. Of the customers signing licenses, nine were new customers purchasing their very first Arm processor license. The customers who signed licenses with Arm in the fourth quarter intend to use Arm technology in a very broad range of end markets, including smartphones and laptops, AI chips for cloud applications, autonomous drones, servers, and networking equipment.

Royalty Units

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

	2016				2017
	Oct – Dec	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec
Royalty units as reported by Arm's licensees	5.1 billion	4.7 billion	5.1 billion	5.7 billion	**5.8 billion**
Growth rate (yoy)	24%	28%	25%	17%	**14%**
Breakdown by processor family					
Classic (*Arm7, Arm9, Arm11*)	19%	17%	18%	17%	**16%**
Cortex-A	22%	22%	20%	17%	**19%**
Cortex-R	7%	8%	9%	7%	**7%**
Cortex-M	52%	53%	53%	59%	**58%**

The semiconductor industry experiences some seasonality due to OEMs buying an increased number of chips particularly from July to December for consumer products sold over the Christmas and Chinese New Year shopping seasons. Arm is gaining share and thus grows faster than the overall industry; however, being particularly exposed to consumer electronics markets, Arm can also be impacted by the industry's seasonality. As a result, unit shipments usually grow throughout the year, although unit shipments in the three months ending March 31 can be lower than the prior quarter.

Arm's licensees reported shipments of 5.8 billion Arm-based chips for the third quarter. This reflects normal seasonality in terms of growth versus the previous quarter, up 2%, and strong growth of 14% over the same period of the previous fiscal year reflecting strong demand for Arm-based chips.

More information about Arm, its business, and its technology can be found on the investor relations section of Arm's website at www.arm.com/company/investors.

SoftBank Vision Fund and Delta Fund Segment

1. Segment income of ¥303.0 billion, driven by a valuation gain from a rise in NVIDIA share price
2. $29.7 billion*15 invested to date in technology companies, including NVIDIA, Arm, and WeWork
3. Total committed capital of $97.7 billion

*15 This includes the amount of investments made by holding entities that are jointly held by SoftBank Vision Fund and the Company's subsidiary.

Overview

The Company established the SoftBank Vision Fund and Delta Fund segment as a new reportable segment during the first quarter upon the first major closing of SoftBank Vision Fund on May 20, 2017. SoftBank Vision Fund aims to invest in companies across a wide range of technology sectors.

Outline of Funds in the Segment

As of March 31, 2018

	SoftBank Vision Fund	Delta Fund
Major limited partnership	SoftBank Vision Fund L.P.	SB Delta Fund (Jersey) L.P.
Total committed capital	$91.7 billion *1	$6.0 billion *1
	SoftBank Group Corp.: $28.1 billion *2 Third-party investors: $63.6 billion *1	SoftBank Group Corp.: $4.4 billion Third-party investors: $1.6 billion *1
Limited partners	SoftBank Group Corp. Public Investment Fund Mubadala Investment Company Apple Foxconn Technology Group Qualcomm Incorporated Sharp Corporation	SoftBank Group Corp. Mubadala Investment Company
General partners	SVF GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)	SB Delta Fund GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)
Advisory company	The Company's wholly owned subsidiaries (in Japan and the U.S.)	
Management company	The Company's wholly owned subsidiary (in the U.K.)	
Investment period	Five years from the final closing*3 (in principle)	Five years from the final closing (in principle)
Minimum fund life	Twelve years from the final closing*3 (in principle)	Twelve years from the final closing (in principle)

Notes:
1. A portion of the capital committed by Mubadala Investment Company in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both separate funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution by Mubadala Investment Company in each fund.
2. The amount includes approximately $8.2 billion of an obligation to be satisfied by using Arm Limited shares.
3. The final closing of SoftBank Vision Fund has not been completed as of August 6, 2018.

Financial Results

(Millions of yen)

Fiscal year ended March 31	2017	2018
Gain and loss on investments at SoftBank Vision Fund and Delta Fund		
Unrealized gain and loss on valuation of investments	–	345,975
Interest and dividend income from investments	–	6,120
Operating expenses	–	(49,114)
Segment income	–	302,981
Depreciation and amortization	–	1
Unrealized loss (gain) on valuation of investments	–	(345,975)
Other adjustments	–	20,502
Adjusted EBITDA	–	(22,491)

Note: The segment's results are calculated as follows:
Segment income = gain and loss on investments at SoftBank Vision Fund and Delta Fund – operating expenses
Adjusted EBITDA = segment income (loss) + depreciation and amortization ± unrealized gain and loss on valuation of investments ± other adjustments

Segment income was ¥302,981 million due to the recording of unrealized gain on valuation of investments of ¥345,975 million, mainly reflecting an increase in the fair value of NVIDIA shares as a result of a rise in its market price.

Adjusted EBITDA, which is calculated by deducting unrealized gain and loss on valuation of investments and other adjustments from segment income, was negative ¥22,491 million. Other adjustments represents expenses related to the establishment of SoftBank Vision Fund and Delta Fund, which was included in operating expenses.

Capital Deployment

(Billions of U.S. dollars)

As of March 31, 2018	Total	The Company	Third-party investors
Committed capital			
SoftBank Vision Fund	91.7*1	28.1*2	63.6*1
Delta Fund	6.0*1	4.4	1.6*1
Contributions from limited partners*3			
SoftBank Vision Fund	21.2	6.4	14.8
Delta Fund	5.1	3.7*4	1.4
Remaining committed capital			
SoftBank Vision Fund	70.5	21.7	48.8
Delta Fund	0.9*5	0.7	0.2*5

Notes:
1. A portion of the capital committed by Mubadala Investment Company in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both separate funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution by Mubadala Investment Company in each fund.
2. The amount includes approximately $8.2 billion of an obligation to be satisfied by using Arm Limited shares.
3. The amount excludes the amount that was repaid to limited partners due to investment plan changes and other reasons after the contribution had been made.
4. The amount includes the value of the investment securities in DiDi acquired by the Company and then transferred to Delta Fund. The value of this transfer was offset against the amount of the Company's capital obligation to Delta Fund.
5. The remaining committed capital of third-party investors at Delta Fund may be used for SoftBank Vision Fund.

Investment Status

As of the fiscal year-end, the total acquisition cost and fair value of investments of SoftBank Vision Fund and Delta Fund were $29.7 billion and $33.0 billion, respectively (see note on page 19). The following are the investees of the respective funds, as of the fiscal year-end.

Fund Name	Name (in alphabetical order)	Business
SoftBank Vision Fund	Arm Limited	Semiconductor technology designer
	Auto1 Group GmbH	Used car wholesaler in Europe
	Brain Corporation	AI-based autonomous driving system developer
	Fanatics Holdings, Inc.	Online retailer of licensed sports merchandise
	Flipkart Limited (Flipkart)	e-commerce
	Guardant Health, Inc.	Cancer diagnosis through genomic analysis
	HealthKonnect Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)	Managed care platform
	Improbable Worlds Limited	VR/AR development tools
	Katerra Inc.	End-to-end design & architecture technology platform
	MapBox Inc.	Geographical information platform
	Nauto, Inc.	AI-based safe-driving support services
	NVIDIA Corporation	GPU developer
	One97 Communications Limited (PayTM)	Online payment services
	Oravel Stays Private Limited (OYO Rooms)	Hotel booking site
	OSIsoft LLC	Industrial IoT solutions
	Ping An Healthcare and Technology Company Limited	Online healthcare portal
	Plenty United Inc.	Indoor farm plant
	Roivant Sciences Ltd.	Biopharmaceutical drug developer
	Slack Technologies, Inc.	Business chat tool
	Urban Compass, Inc. (Compass)	Real estate big data platform
	Vir Biotechnology, Inc.	Pharmaceutical drug development for infectious diseases using AI
	Wag Labs, Inc	On-demand dog walking & dog care app
	WeWork Companies Inc. (and its 3 affiliates)	Co-working space services
	Zhongan Online P&C Insurance Co., Ltd	Online insurance
Delta Fund	Xiaoju Kuaizhi Inc. (DiDi)	Ridesharing services

Note: SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly owned subsidiaries, of SoftBank Vision Fund. Regardless of the ownership percentage of SoftBank Vision Fund, all investments made through the investment holding entities are calculated as investments made by SoftBank Vision Fund. Of the fair values of investments by SoftBank Vision Fund and Delta Fund at the fiscal year-end, the values attributable to shareholders other than SoftBank Vision Fund was $1.2 billion.

Investments Transferred from the Company to SoftBank Vision Fund or Delta Fund

There are certain cases in which investments of SoftBank Vision Fund or Delta Fund are made through the Company transferring its investment (the "Bridge Investments") to respective funds. The Bridge Investments are transferred to SoftBank Vision Fund or Delta Fund only if all the necessary approvals by the investment committee of respective funds, among others, are obtained. The price of the Bridge Investments used for the transfer from the Company to SoftBank Vision Fund or Delta Fund is based on fair values at the time the Company and respective funds agreed on the transfer.

As of the fiscal year-end, the total acquisition cost and fair value of the investments of SoftBank Vision Fund or Delta Fund segment, including those agreed to be transferred from the Company out of the Bridge Investments, were $29.8 billion and $33.1 billion, respectively.

Analysis of Financial Position

1. Progress on investments
   - $29.7 billion invested to date by SoftBank Vision Fund and Delta Fund*[16]
   - Aside from the above, the Company invested a total of $12.9 billion (¥1,378.8 billion) in Uber and DiDi*[17]
2. **Refinancing and diversified financing executed to secure funds for investments with extended periods**
   - Borrowed ¥2,734.0 billion mainly for refinancing of the acquisition funds for Sprint and Arm
   - Raised $8 billion by using Alibaba shares, $3.35 billion and €2.25 billion through issuance of foreign currency-denominated bonds, and $4.5 billion through issuance of the Hybrid Notes
3. **Consolidation of The Japan Net Bank brought ¥818.8 billion in assets and ¥754.9 billion in liabilities on February 1, 2018**

(Millions of yen)

	March 31, 2017	March 31, 2018	Change	Change (%)
Total assets	24,634,212	**31,180,466**	6,546,254	26.6
Total liabilities	20,164,482	**24,907,444**	4,742,962	23.5
Total equity	4,469,730	**6,273,022**	1,803,292	40.3
Reference: Exchange rate at the fiscal year-end used for translations				
USD / JPY	¥112.19	**¥106.24**	¥(5.95)	(5.3)
GBP / JPY	¥140.08	**¥148.84**	¥8.76	6.3

Current Assets

(Millions of yen)

	March 31, 2017	March 31, 2018	Change
Cash and cash equivalents	2,183,102	**3,334,650**	1,151,548
Trade and other receivables	2,121,619	**2,314,353**	192,734
Other financial assets	794,689	**519,444**	(275,245)
Inventories	341,344	**362,041**	20,697
Other current assets	283,221	**344,374**	61,153
Total current assets	5,723,975	**6,874,862**	1,150,887

*[16] This includes the amount of investments made by holding entities that are jointly held by SoftBank Vision Fund and the Company's subsidiary.
*[17] The investments may be offered to SoftBank Vision Fund in the future, subject to applicable consent and regulatory and other approvals.

Primary components of the change

Components	Primary changes from the previous fiscal year-end
Cash and cash equivalents	See page 26 "Analysis of Cash Flows" for details.
Other financial assets	Commercial paper held for short-term investment and time deposits decreased at Sprint.

Non-current Assets

(Millions of yen)

	March 31, 2017	March 31, 2018	Change
Property, plant and equipment	3,977,254	**3,856,847**	(120,407)
Goodwill	4,175,464	**4,302,553**	127,089
(incl.) Arm	2,691,818	**2,860,738**	168,920
Intangible assets	6,946,639	**6,784,550**	(162,089)
Investments accounted for using the equity method	1,670,799	**2,328,617**	657,818
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	–	**2,827,784**	2,827,784
Investment securities	1,106,409	**2,660,115**	1,553,706
Other financial assets	445,858	**676,392**	230,534
Deferred tax assets	404,994	**647,514**	242,520
Other non-current assets	182,820	**221,232**	38,412
Total non-current assets	18,910,237	**24,305,604**	5,395,367

Primary components of the change

Components	Primary changes from the previous fiscal year-end
Property, plant and equipment	Telecommunications network equipment at SoftBank Corp. decreased due to depreciation exceeding the amount of newly acquired assets.
Goodwill	Goodwill for Arm increased due to the weaker yen against the pound. On the other hand, goodwill for Brightstar was impaired.
Intangible assets	FCC licenses and others decreased due to a stronger yen against the U.S. dollar. Meanwhile, the Company newly recognized management contracts of ¥115,333 million with the consolidation of Fortress.
Investments accounted for using the equity method	In addition to recording gain on equity method investments, the consolidated carrying amount for Alibaba increased due to a weaker yen against the Chinese yuan.
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	SoftBank Vision Fund made investments in WeWork Companies Inc. and Flipkart Limited, among others, and Delta Fund made investments in DiDi. NVIDIA shares were reclassified from "Investment securities" upon transfer from the Company.
Investment securities	NVIDIA shares were reclassified as "Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL" upon transfer to SoftBank Vision Fund. On the other hand, the Company invested a total of $12.9 billion (¥1,378,831 million) in Uber and DiDi, which may be offered to SoftBank Vision Fund in the future.*[18]
Deferred tax assets	Deferred tax assets increased due to the recording of a derivative loss in relation to a collar transaction included in a variable prepaid forward contract for Alibaba shares.

*[18] Subject to applicable consent and regulatory and other approvals

Current Liabilities

(Millions of yen)

Item	March 31, 2017	March 31, 2018	Change
Interest-bearing debt	2,694,093	**3,217,405**	523,312
SoftBank Group Corp.	1,139,734	**1,485,852**	346,118
Short-term borrowings	505,802	**771,275**	265,473
Current portion of long-term borrowings	433,983	**214,747**	(219,236)
Current portion of corporate bonds	119,947	**399,830**	279,883
Others	80,002	**100,000**	19,998
Sprint	536,897	**364,245**	(172,652)
Current portion of long-term borrowings	307,178	**164,466**	(142,712)
Current portion of corporate bonds	219,365	**190,396**	(28,969)
Others	10,354	**9,383**	(971)
SoftBank Vision Fund and Delta Fund	–	**397,095**	397,095
Short-term borrowings	–	**83,952**	83,952
Current portion of long-term borrowings	–	**313,143**	313,143
Others	1,017,462	**970,213**	(47,249)
Short-term borrowings	161,862	**102,346**	(59,516)
Current portion of long-term borrowings	387,349	**401,349**	14,000
Lease obligations	431,522	**450,611**	19,089
Others	36,729	**15,907**	(20,822)
Deposits for banking business	–	**684,091**	684,091
Third-party interests in SoftBank Vision Fund and Delta Fund	–	**40,713**	40,713
Trade and other payables	1,607,453	**1,816,010**	208,557
Other financial liabilities	13,701	**97,887**	84,186
Income taxes payables	256,218	**147,979**	(108,239)
Provisions	56,362	**65,709**	9,347
Other current liabilities	599,096	**658,961**	59,865
Total current liabilities	5,226,923	**6,728,755**	1,501,832

Primary components of the change

Components	Primary changes from the previous fiscal year-end
Interest-bearing debt	SoftBank Group Corp.: Short-term borrowings increased mainly through the use of a commitment line, and the current portion of corporate bonds increased due to transfers from non-current liabilities. Meanwhile, current portion of long-term borrowings decreased due to borrowing mainly for refinancing of the acquisition funds for Sprint and Arm. SoftBank Vision Fund and Delta Fund: Borrowings were made mainly to increase the capital efficiency of investments. Sprint: Current portion of long-term borrowings decreased, mainly due to repayment of borrowings utilizing certain network equipment.
Deposits for banking business	This was newly recognized in conjunction with The Japan Net Bank, which was formerly an equity method associate, becoming a subsidiary of Yahoo Japan Corporation.
Income taxes payables	The Company paid income taxes, such as those on gains from the sale of Supercell Oy shares and others, which were recognized and accrued at the previous fiscal year-end.

Non-current Liabilities

(Millions of yen)

	March 31, 2017	March 31, 2018	Change
Interest-bearing debt	12,164,277	**13,824,783**	1,660,506
SoftBank Group Corp.*[19]	6,378,194	**7,732,330**	1,354,136
Long-term borrowings*[19]	2,133,705	**3,215,459**	1,081,754
Corporate bonds	4,244,488	**4,516,871**	272,383
Others	1	**–**	(1)
Sprint	4,024,390	**3,979,705**	(44,685)
Long-term borrowings	1,044,116	**1,346,576**	302,460
Corporate bonds	2,954,300	**2,612,178**	(342,122)
Others	25,974	**20,951**	(5,023)
SoftBank Vision Fund and Delta Fund	–	**101,312**	101,312
Long-term borrowings	–	**101,312**	101,312
Others	1,761,693	**2,011,436**	249,743
Long-term borrowings	199,804	**458,244**	258,440
Financial liabilities relating to sale of shares by variable prepaid forward contract	715,448	**688,332**	(27,116)
Lease obligations	787,124	**751,801**	(35,323)
Others	59,317	**113,059**	53,742
Third-party interests in SoftBank Vision Fund and Delta Fund	–	**1,803,966**	1,803,966
Derivative financial liabilities	254,146	**865,402**	611,256
Other financial liabilities	33,083	**62,372**	29,289
Defined benefit liabilities	108,172	**100,486**	(7,686)
Provisions	138,730	**132,139**	(6,591)
Deferred tax liabilities	1,941,380	**1,085,626**	(855,754)
Other non-current liabilities	297,771	**303,915**	6,144
Total non-current liabilities	14,937,559	**18,178,689**	3,241,130

*[19] Includes borrowings using Alibaba shares made by a wholly owned subsidiary of the Company

Primary components of the change

Components	Primary changes from the previous fiscal year-end
Interest-bearing debt	SoftBank Group Corp.: · Long-term borrowings increased due to borrowing mainly for refinancing of the acquisition funds for Sprint and Arm, and borrowing of $8 billion (¥842.3 billion) using Alibaba shares*[20] made by a wholly owned subsidiary of the Company. · Corporate bonds increased due to the issuance of foreign currency-denominated straight corporate bonds of $3.35 billion and €2.25 billion (totaling ¥665.8 billion) in September 2017. This was partially offset by transferring certain straight corporate bonds to current liabilities as they becoming due within a year. · On April 3, 2018, SoftBank Group Corp. exchanged the Notes Issued in 2015 for the Exchange Notes, with bondholders who were willing to make such an exchange. However, the accounting basis of the exchange was considered to be March 22, 2018, the exchange decision date. As a result, the company derecognized the Notes Issued in 2015 and recognized the Exchange Notes. SoftBank Vision Fund and Delta Fund: Borrowings were made mainly to increase the capital efficiency of investments. Sprint: Long-term borrowings increased due to spectrum financing. Corporate bonds decreased due to early redemptions of certain corporate bonds and the transfer of certain straight corporate bonds to current liabilities as they becoming due within a year.
Third-party interests in SoftBank Vision Fund and Delta Fund	An amount of equity attributable to the third-party investors in SoftBank Vision Fund and Delta Fund was recorded.
Derivative financial liabilities	Derivative liabilities increased ¥570,191 million due to recording derivative loss in relation to a collar transaction included in a variable prepaid forward contract for Alibaba shares.
Deferred tax liabilities	Sprint reversed deferred tax liabilities of ¥776,945 million following the enactment of the U.S. Tax Cuts and Jobs Act in December 2017.

*[20] The borrowings are not guaranteed by SoftBank Group Corp., hence non-recourse to the company.

Equity

(Millions of yen)

	March 31, 2017	March 31, 2018	Change
Total equity attributable to owners of the parent	3,586,352	**5,184,176**	1,597,824
Non-controlling interests	883,378	**1,088,846**	205,468
Total equity	4,469,730	**6,273,022**	1,803,292
Ratio of equity attributable to owners of the parent	14.6%	**16.6%**	2.0 pp

Equity attributable to owners of the parent

(Millions of yen)

	March 31, 2017	March 31, 2018	Change
Common stock	238,772	**238,772**	–
Capital surplus	245,706	**256,768**	11,062
Other equity instruments	–	**496,876**	496,876
Retained earnings	2,958,355	**3,940,259**	981,904
Treasury stock	(67,727)	**(66,458)**	1,269
Accumulated other comprehensive income	211,246	**317,959**	106,713
Available-for-sale financial assets	11,983	**63,700**	51,717
Cash flow hedges	(44,877)	**(55,286)**	(10,409)
Exchange differences on translating foreign operations	244,140	**309,545**	65,405
Total equity attributable to owners of the parent	3,586,352	**5,184,176**	1,597,824

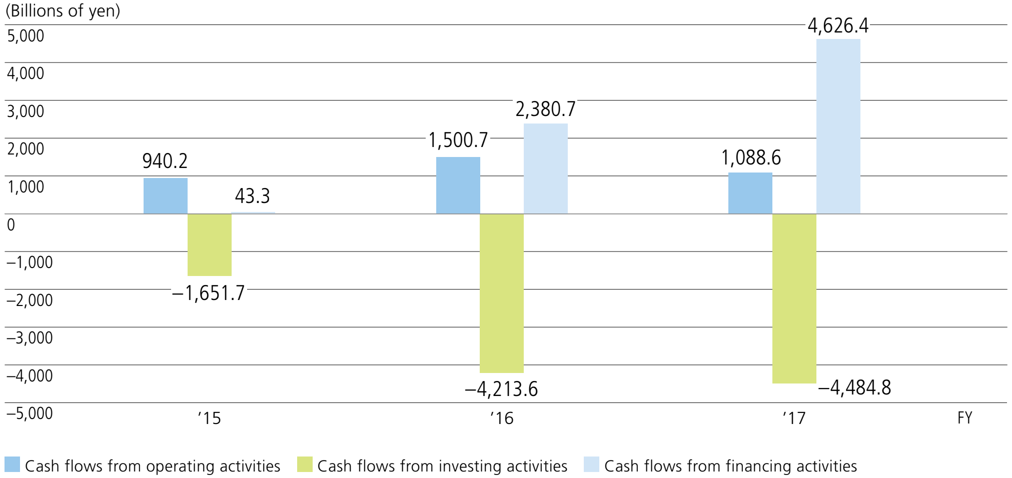
Primary components of the change

Components	Primary changes from the previous fiscal year-end
Other equity instruments	Newly recorded for USD-denominated Undated Subordinated Notes (the "Hybrid Notes") issued in July 2017 by SoftBank Group Corp. The Hybrid Notes are classified as equity instruments in accordance with IFRSs.
Retained earnings	Retained earnings increased as the Company recorded net income attributable to owners of the parent of ¥1,038,977 million.
Accumulated other comprehensive income	Although a stronger yen against the U.S. dollar caused a decrease in exchange differences on translating foreign operations related to Sprint and other entities, a weaker yen against the pound caused an increase in exchange differences on translating foreign operations related to Arm.

Analysis of Cash Flows

1. Progress on investments
   – Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund of ¥2,263.3 billion
   – Aside from the above, the Company invested a total of $12.9 billion (¥1,378.8 billion) in Uber and DiDi
2. Prolonged funds through refinancing of the acquisition funds for Sprint and Arm
   – Borrowed ¥2,734.0 billion and repaid ¥2,691.3 billion
3. Diversified financing to secure funds for investment and other purposes
   – Financed $8 billion by using Alibaba shares
   – Raised $3.35 billion and €2.25 billion through the issuance of foreign currency-denominated bonds
   – Raised $4.5 billion through the issuance of the Hybrid Notes

Cash flows



Cash Flows from Operating Activities

Net cash provided by operating activities decreased ¥412,105 million year on year, mainly due to the Company's receipt of a refund of ¥293,489 million in the previous fiscal year for withholding income tax related to dividends among Group companies. Additionally, income taxes paid increased ¥128,219 million year on year due to the payment of income taxes for the sale of Supercell Oy shares, which was executed in the previous fiscal year.

Cash Flows from Investing Activities

Primary components for the fiscal year

Components	Primary details
Outlays for purchase of property, plant and equipment and intangible assets ¥(1,064,835) million	Sprint acquired telecommunications network equipment and leased devices. SoftBank Corp. acquired telecommunications network equipment.
Payments for acquisition of investments ¥(1,735,694) million	The Company acquired investment securities. Of these, the investments in Uber and DiDi totaled $12.9 billion (¥1,378,831 million), which may be offered to SoftBank Vision Fund in the future.*21
Payments for acquisition of investment by SoftBank Vision Fund and Delta Fund ¥(2,263,260) million	This represents the payments for investments acquired by SoftBank Vision Fund and Delta Fund or agreed to be transferred from the Company. These mainly included investments in WeWork Companies Inc. and Flipkart Limited by SoftBank Vision Fund and investments in DiDi by Delta Fund.
Increase from acquisition of control over subsidiaries ¥61,965 million	Consolidation of The Japan Net Bank resulted in proceeds of ¥337,224 million, due to recognizing the same amount of cash and cash equivalents that was held by the company on the acquisition date, while the consolidation was a non-cash transaction. This was partially offset by a payment of ¥275,259 million for the acquisition of Fortress.

*21 Subject to applicable consent and regulatory and other approvals

Cash Flows from Financing Activities

Primary components for the fiscal year

Components	Primary details
Proceeds from interest-bearing debt ¥8,547,346 million	
Proceeds from borrowings ¥7,176,036 million	
SoftBank Group Corp. ¥4,761,200 million	SoftBank Group Corp. borrowed ¥2,734.0 billion mainly for refinancing of the acquisition funds for Sprint and Arm. Additionally, the Company's wholly owned subsidiary borrowed $8 billion (¥853.6 billion)*[22] by using Alibaba shares.
Others	· Sprint borrowed ¥774,713 million through spectrum financing. · SoftBank Corp. borrowed ¥524,346 million through securitization of receivables.
Proceeds from issuance of bonds ¥899,079 million	
SoftBank Group Corp. ¥665,804 million	SoftBank Group Corp. issued foreign currency-denominated straight corporate bonds of $3.35 billion and €2.25 billion.
Others	Sprint issued straight corporate bonds of $1.5 billion (¥163,275 billion).
Repayment of interest-bearing debt ¥(6,003,188) million	
Repayment of borrowings ¥(4,988,513) million	
SoftBank Group Corp. ¥(3,598,900) million	SoftBank Group Corp. repaid the existing borrowings by conducting borrowings mainly for refinancing the acquisition funds for Sprint and Arm.
Others	· Sprint repaid borrowings of ¥559,992 million. · SoftBank Corp. repaid borrowings of ¥462,996 million made through securitization of receivables.
Redemption of corporate bonds ¥(474,975) million	
SoftBank Group Corp. ¥(120,000) million	SoftBank Group Corp. redeemed corporate bonds upon maturity.
Others	Sprint redeemed corporate bonds of ¥354,825 million (including early redemptions).

Components	Primary details
Contribution into SoftBank Vision Fund and Delta Fund from third-party investors ¥1,967,191 million	SoftBank Vision Fund and Delta Fund received cash contributions from third-party investors based on capital calls.
Distribution/repayment from Softbank Vision Fund and Delta Fund to third-party investors ¥(187,061) million	SoftBank Vision Fund repaid a part of capital to third-party investors due to investment plan changes and other reasons after the contribution had been made. The fund also made fixed distributions.
Proceeds from issuances of other equity instruments ¥496,876 million	SoftBank Group Corp. issued the Hybrid Notes of $4.5 billion. The Hybrid Notes are classified as equity instruments in accordance with IFRSs.

*22 The borrowings are not guaranteed by SoftBank Group Corp., hence non-recourse to the company.