SoftBank Group

ANNUAL REPORT 2019

Disclaimers

- This annual report provides relevant information about the Group and does not constitute or form any solicitation of investment including any offer to buy or subscribe for any securities in any jurisdiction.
- This annual report contains forward-looking statements, beliefs or opinions regarding the Group, such as statements about the Group's future business, future position and results of operations, including estimates, forecasts, targets and plans for the Group. Without limitation, forward-looking statements often include the words such as "targets", "plans", "believes", "hopes", "continues", "expects", "aims", "intends", "will", "may", "should", "would", "could" "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof. Any forward-looking statements in this annual report are based on the current assumptions and beliefs of the Group in light of the information currently available to it as of the date hereof. Such forward-looking statements do not represent any guarantee by any member of the Group or its management of future performance and involve known and unknown risks, uncertainties and other factors, including but not limited to: the economic circumstances surrounding the Group's business, including general economic conditions in Japan, the United States and China; fluctuations in foreign exchange rates; unforeseen situations involving key members of the Group management; the Group's ability to respond to changes in technology and business models; competition and competitive factors; telecommunications network capacity; dependence on management resources of other companies; risks relating to the renewable energy business; information leaks and security; service disruptions or decline in quality due to human error and other factors; natural disasters, accidents and other unpredictable events; factors affecting our fund procurement and leasing; factors affecting our investment activities; factors affecting SoftBank Vision Fund and Delta Fund; requirements to provide support for subsidiaries and others; country risk; changes in law, regulation and legal systems; changes in accounting and taxation systems; national security policy in the U.S. and elsewhere; regulations relating to health risks associated with electromagnetic waves; issues surrounding intellectual property; litigation; administrative sanctions and other orders; issues related to the proposed merger of Sprint and T-Mobile; and other factors, any of which may cause the Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements. For more information on these and other factors which may affect the Group's results, performance, achievements, or financial position, see "Risk Factors" starting on page 75. None of the Group nor our management gives any assurances that the expectations expressed in these forward-looking statements will turn out to be correct, and actual results, performance or achievements could materially differ from expectations. Persons viewing this annual report should not place undue reliance on forward-looking statements. We undertake no obligation to update any of the forward-looking statements contained in this annual report or any other forward-looking statements we may make. Past performance is not an indicator of future results and the results of the Group in this annual report may not be indicative of, and are not an estimate, forecast or projection of our future results.
- We do not guarantee the accuracy of information in this report regarding companies (including, but not limited to, those in which SoftBank Vision Fund has invested) other than the Group which has been quoted from public and other sources. For disclaimers about information regarding SoftBank Vision Fund and its fund manager, SBIA, see "Disclaimers about information regarding SoftBank Vision Fund and its fund manager, SBIA" (https://cdn.group.softbank/en/corp/set/data/irinfo/financials/annual_reports/pdf/svf_disclaimer.pdf) on our website.

Adoption of IFRSs

- The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) 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 IFRS was April 1, 2012. The financial data for the year ended March 31, 2013 has also been presented based on IFRS.

Definition of Terms

- "Fiscal 2018" refers to the fiscal year ended March 31, 2019, and other fiscal years are referred to in a corresponding manner in this annual report. "FYE" denotes the fiscal year-end. For example, "FYE2018" denotes March 31, 2019, the last day of fiscal 2018.

Company Names

- Unless specifically stated otherwise, "SBG" refers to SoftBank Group Corp. and "the Company" refers to SBG and its subsidiaries. See page 91 for the abbreviations of subsidiary and associate company names.

Regarding Trademarks and Logos

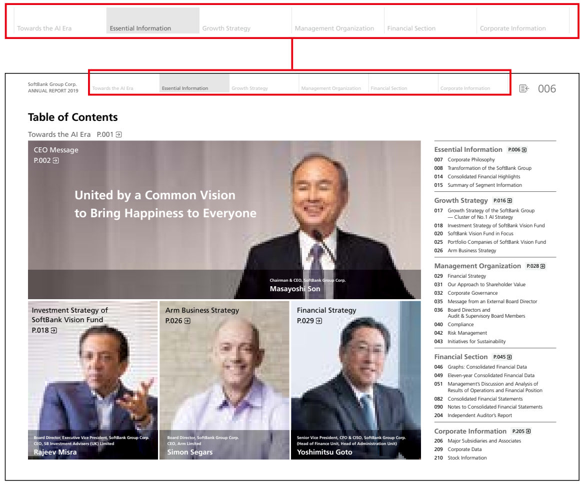
- Names of companies, products and services that appear in this annual report are trademarks or registered trademarks of their respective companies.
- This annual report includes logos of third parties which do not belong to the Group, and the appearances of such logos in this annual report do not indicate any current or future business or other relationships between the Group and such third parties.

User Guide

This PDF has various features to make it easy to use and to search for information. It also contains links to external websites to allow you to refer to external information easily.

Contents

Click to go to the first page of each category.



Guide to Buttons

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"AI will be the largest revolution
in human history."

CEO Message

United by a Common Vision to Bring Happiness to Everyone

Around the time when I first founded the SoftBank Group, I told my only two part-time employees, "Eventually, I want to count our net sales in trillions of yen." I don't know whether they found it all too preposterous, or were just fed up, but both of them soon quit. Later in fiscal 2018, nearly 40 years since our founding, our operating income, not to mention net sales, topped ¥2 trillion and net income*1 exceeded ¥1 trillion for the third year in a row. Our market capitalization is now over ¥10 trillion.*2 Our net sales, profits, and market capitalization can indeed all be measured in trillions of yen.

However, there is something far more important than those numbers. That is to make many people around the world even a little happier through the Information Revolution. Nothing would be more personally gratifying than contributing to people's happiness in some way, and even slightly sharing in it. To that end, via SoftBank Vision Fund we have brought together like-minded partners from around the globe to form and support an entrepreneurial AI group. I also regard you, our shareholders, as like-minded partners who share the same aspirations. Together, we are working to resolve a variety of challenges for the benefit of humanity. Thank you for your support as we continue to move forward, inspired by our belief in the power of technology to build a more connected, efficient, and joyful world, as expressed by our corporate philosophy: "Information Revolution — Happiness for Everyone."

Chairman & CEO
Masayoshi Son

*1 Net income attributable to owners of the parent
*2 As of June 18, 2019

CEO Message

Aiming to Orchestrate the AI Revolution

Pioneering entrepreneurs of the Industrial Revolution

We are often asked, "What is the SoftBank Group?" The answer to that fundamental question starts with a historical look back at the Industrial Revolution, which began in the U.K. in the latter half of the 18th century. Driven by the development of the steam engine, the shift gained further momentum in the U.S. in the 19th century. A number of entrepreneurs put their hearts and souls into the Industrial Revolution in the U.S. and moved it forward. Among the most notable were Thomas Edison, who established the electricity supply system; Henry Ford, who was the first to commoditize automobiles; John D. Rockefeller, who provided stable supplies of oil; and J.P. Morgan, who financially supported these and many other similar activities. The Industrial Revolution that they drove transformed industries, societies, and the lifestyles of people all over the world.

AI entrepreneurs will lead the next chapter of the Information Revolution

We are now in the midst of the Information Revolution, which is even more transformative than the Industrial Revolution. After its emergence, the Internet quickly became an indispensable part of people's lives. Internet traffic has surged roughly a million-fold over the past 25 years. That said, we believe that the Internet has revolutionized two industries only, namely, advertising and retail. As the steam engine, and later oil and electricity, drove the Industrial Revolution, artificial intelligence (AI) will undoubtedly drive the shift to the next chapter of the Information Revolution. We are on the cusp of the AI Revolution, which is poised to redefine all industries — including education, health care, real estate, and finance as well as the advertising and retail sectors. Our current AI-savvy entrepreneurs will follow in the footsteps of their Industrial Revolution forebears, putting their hearts and souls into the AI Revolution and driving it forward.

The role of the conductor

We want to be the conductor of the AI Revolution — a maestro of the orchestra comprising AI entrepreneurs. As a child, I was puzzled by the role of a conductor who stood in the center, directing an entire orchestra with a baton without playing a single instrument. Later in life, I came to understand that conductors do not play any instruments, but it could be said that they play the entire orchestra. Even if the musical composition and the orchestra are the same, the music sounds completely different depending on the conductor. To apply this analogy to the SoftBank Group, each entrepreneur is comparable to the player of an instrument. We aim to take the helm of a group of companies led by top AI entrepreneurs from all different fields, much like a preeminent orchestra made up of virtuosos on scores of instruments, and help them harmonize, while creating additional value along the way. This vision underlies the transformation of SoftBank Group Corp. into a strategic holding company, following the IPO of our domestic telecommunications subsidiary in December 2018.

CEO Message

Creating an ecosystem that will evolve for 300 years

The cutting-edge field in the Information Revolution has shifted from personal computers to the Internet, then to broadband, and later to smartphones, which occurs seemingly every dozen year or so. Since the founding of the SoftBank Group in 1981, we have been at the forefront of those shifts, adapting our business model accordingly. After starting off as a distributor of packaged software for PCs, we launched *Yahoo! JAPAN* during the dawn of the Internet era and were among the first to enter the fixed-line broadband market, driving the widespread adoption of mobile broadband and smartphones in Japan.

More recently, as AI emerged as the next driver of the Information Revolution, we launched SoftBank Vision Fund (the "Vision Fund") to capture related growth opportunities. The Vision Fund is an unconventional venture capitalist in that, instead of targeting start-ups, it focuses on making large-scale investments in actual or likely unicorns that typically lead their respective sectors. On top of those investments, we seek to foster both synergies as appropriate among the Vision Fund's portfolio companies and collaboration with existing group companies as well. Although the Vision Fund has only been in operation for about two years, we are extremely satisfied with its performance.

The Vienna Philharmonic Orchestra, established in 1842, has continued to play beautiful music for more than 150 years, even though its conductors and performers have changed throughout its long history. This tradition is likely be sustained for another century or two. Similarly, we want to create an ecosystem that will continue to grow for 300 years. To come back to our opening question, "What is the SoftBank Group?", the answer is that we are building an ecosystem consisting of a group of entrepreneurial companies with new technologies and business models. In addition, we are the linchpin of the so-called "Cluster of No. 1 Strategy" that enables the Group to continue to grow even if the management, including myself eventually, and companies consisting of the Group change over time.

Dreaming big makes the impossible possible

Following the example of Ryoma Sakamoto (1836–1867), a leader who lived during the end of the tumultuous Edo period in Japan whom I have long admired, I hope to turn my vision into reality. To achieve that, we must at times be bold — setting goals that everyone thinks are unachievable. For example, at the Annual General Meeting of Shareholders held in June 2004, at a time when we reported a huge loss from our fixed-line broadband business, I, at the age of 46, spoke about my vision in these words: "You may think I am just dreaming, but please hear me out. I want the Group to grow to such a scale that we count net sales in trillions of yen by my forties, and profits in trillions by my sixties. My ambitions are that big." We suffered a net loss of over ¥100 billion in fiscal 2003. Guess what happened 15 years later? We posted net income*[1] of over ¥1 trillion over the three consecutive years through fiscal 2018.

Subsequently, we announced "SoftBank's Next 30-Year Vision" in 2010, which marked our 30th anniversary. In that vision—a statement of what the Group aimed to achieve over the next 30 years—we said that we wanted to become a corporate group that provides the most desired technologies and services to people around the world. I was ambitious with that vision as well, asserting that we would probably "rank among the world's top 10 in terms of market capitalization in 2040," assuming "market capitalization of ¥200 trillion to justify this." To lift our market capitalization from ¥2.7 trillion at the time to ¥200 trillion, we would have to increase it by an average of 15% per annum. We succeeded, raising it by an average of 16% annually during the past nine years.

Dreaming big can bear fruit. By voicing such lofty ambitions, I hunkered down with the organization and worked hard, determined that we would "never give up until we achieve our goals." Even though we were told many times that we would go bankrupt, we have made good on our words. That is why I am now talking about raising SoftBank Group Corp.'s shareholder value dramatically from ¥22 trillion (as of June 18 2019) in the next couple of decades.

CEO Message

See page 17 for more details on the “Cluster of No. 1 Strategy” and “Cluster of No. 1 AI Strategy”.
See page 31 for more details on the shareholder value.

Information Revolution — Happiness for Everyone

Of course, our earnings results, market capitalization, and shareholder value mentioned above are important. However, money is not my end goal. The SoftBank Group’s establishment is deeply rooted in our corporate philosophy that technology will bring about a happier and more fulfilling future for all. AI should be able to provide solutions to problems that humanity has been unable to solve to date. Our portfolio companies are developing technologies for this purpose. For example, the proliferation of autonomous cars should eliminate traffic accidents and the early detection and treatment of diseases should enable people to live longer and healthier lives. The SoftBank Group’s corporate philosophy of “Information Revolution — Happiness for Everyone” comes with the wish that people around the world will lead happier, more fulfilling lives through the technology-empowered services and products we provide. That belief has propelled us since our foundation, and it remains the enduring answer to who we are today and tomorrow.

July 2019
Masayoshi Son
Chairman & CEO

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Corporate Philosophy

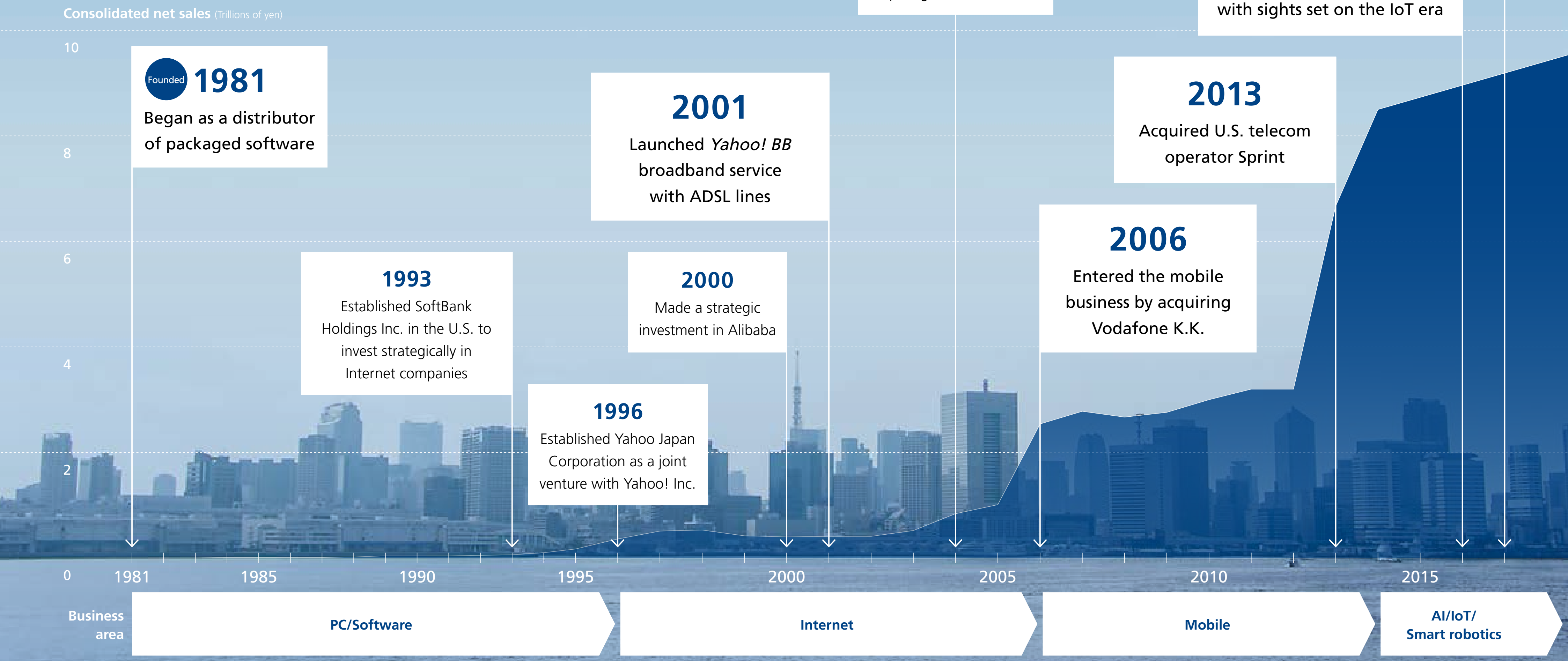
Information Revolution
— Happiness for Everyone





Transformation of the SoftBank Group

Our vision is consistent.
Our business areas continue to evolve, with the Information Revolution.



Note: On April 1, 2015, SoftBank Mobile Corp. (formerly Vodafone K.K.) merged with and absorbed SoftBank BB Corp., SoftBank Telecom Corp. (previously JAPAN TELECOM CO., LTD.), and Ymobile Corporation (name following the merger of eAccess Ltd. and WILLCOM, Inc.).
On July 1, 2015, SoftBank Mobile Corp. changed its name to SoftBank Corp.

“AI will redefine all industries.”

Transformation of the SoftBank Group

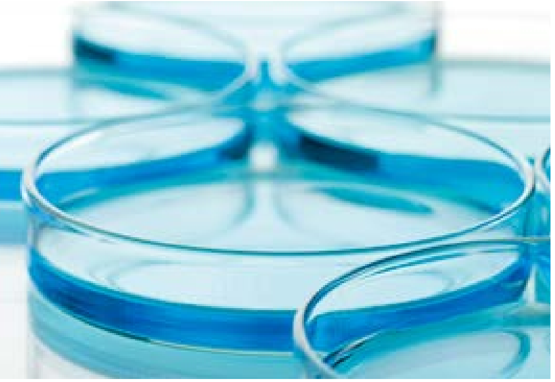
September 2016

Acquired Arm

The technologies of processor designer Arm are used in the main chips of almost all smartphones and tablets. In the Internet of Things (IoT) era, Arm, as a leader in semiconductor technologies, is expected to play a central role in the SoftBank Group's strategy by taking advantage of its differentiated technologies in high security and energy efficiency.

"The evolution of microprocessors is transforming the lives of everyone.
We will accelerate the pace of this transformation."

Transformation of the SoftBank Group

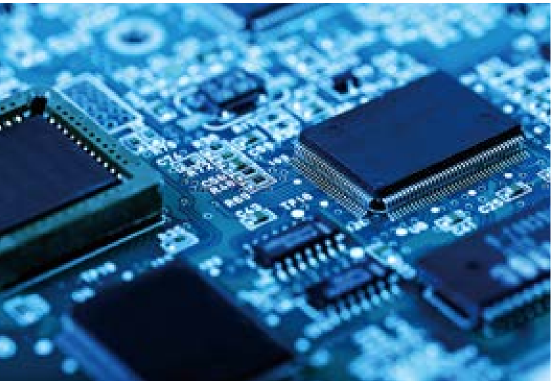


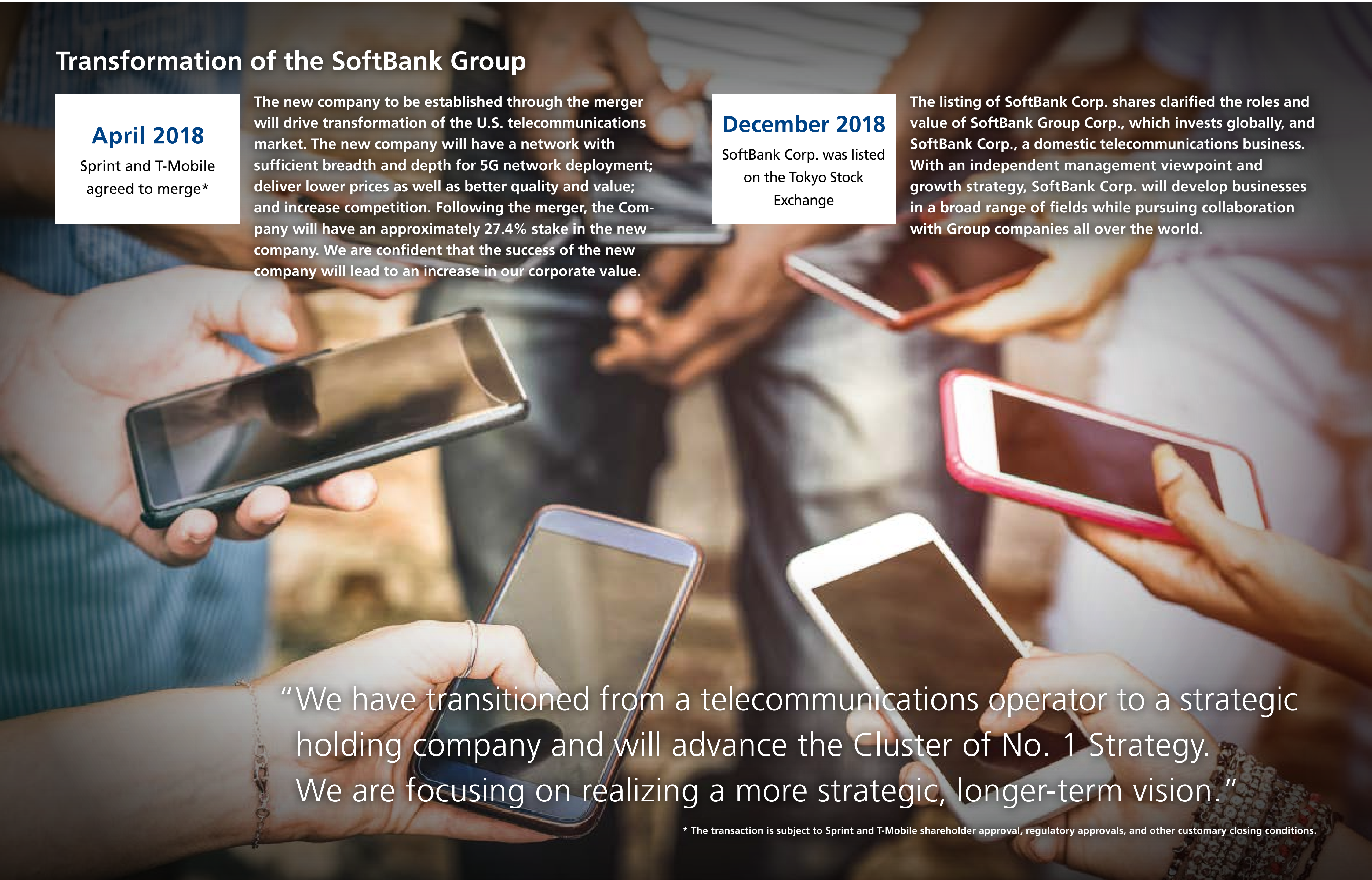

May 2017

SoftBank Vision Fund started operations

SoftBank Vision Fund has been established to invest in companies and platform businesses with the potential to bring about the AI revolution. The fund makes large-scale, global investments in a broad range of technology fields. These include IoT, AI, robotics, mobile applications, biotechnology, cloud technology, and fintech. The fund aims to energetically drive the next stage of the Information Revolution forward by investing in innovative technologies and entrepreneurs that promise to shape the future.

"By investing in companies with the potential to become the leaders in their fields, we aim to create a strategic group that will continuously grow for 300 years."



Transformation of the SoftBank Group

April 2018

Sprint and T-Mobile agreed to merge*

The new company to be established through the merger will drive transformation of the U.S. telecommunications market. The new company will have a network with sufficient breadth and depth for 5G network deployment; deliver lower prices as well as better quality and value; and increase competition. Following the merger, the Company will have an approximately 27.4% stake in the new company. We are confident that the success of the new company will lead to an increase in our corporate value.

December 2018

SoftBank Corp. was listed on the Tokyo Stock Exchange

The listing of SoftBank Corp. shares clarified the roles and value of SoftBank Group Corp., which invests globally, and SoftBank Corp., a domestic telecommunications business. With an independent management viewpoint and growth strategy, SoftBank Corp. will develop businesses in a broad range of fields while pursuing collaboration with Group companies all over the world.

"We have transitioned from a telecommunications operator to a strategic holding company and will advance the Cluster of No. 1 Strategy.
We are focusing on realizing a more strategic, longer-term vision."

* The transaction is subject to Sprint and T-Mobile shareholder approval, regulatory approvals, and other customary closing conditions.

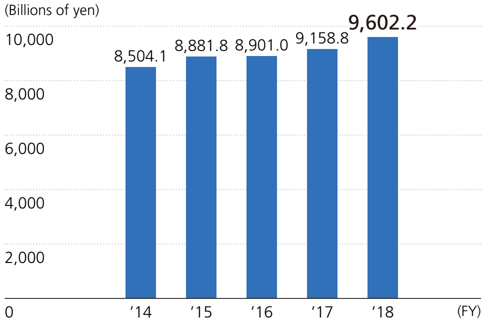
"Technology has the potential to address a variety of issues and risks that humanity currently faces. In an era when AI is redefining all industries, we, as a strategic holding company, will partner with companies that share our vision and build a future in which the Information Revolution brings happiness to everyone."

Consolidated Financial Highlights

Fiscal year beginning April 1 and ending March 31 of the following year

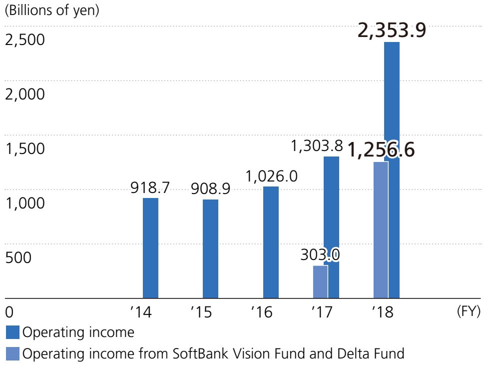
See page 49 for eleven-year consolidated financial data.

Net sales



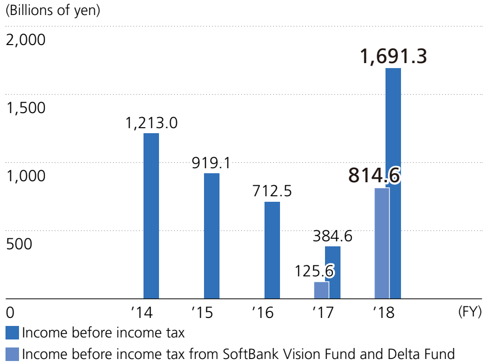
+4.8% YoY

Operating income



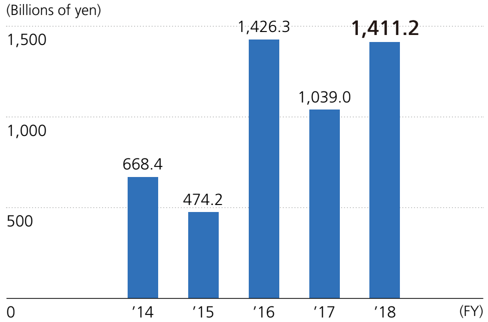
+80.5% YoY

Income before income tax



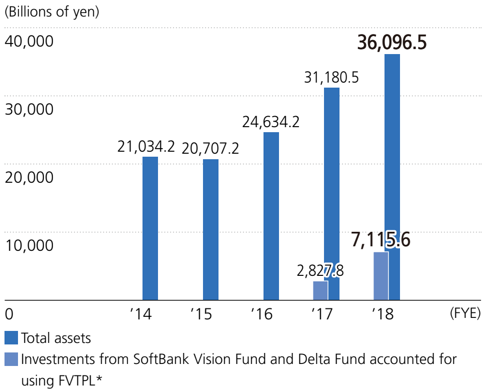
+339.7% YoY

Net income attributable to owners of the parent



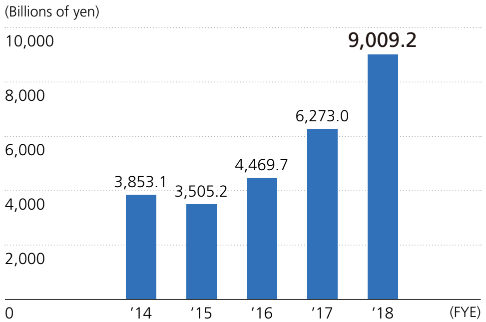
+35.8% YoY

Total assets



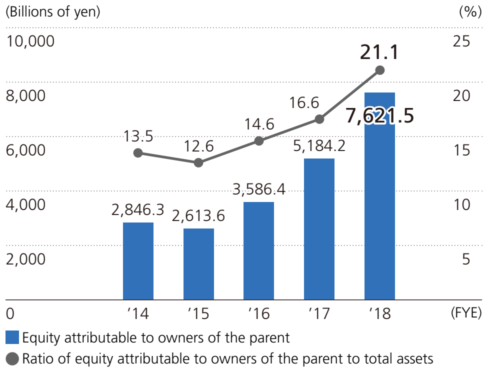
+15.8% YoY

Total equity



+43.6% YoY

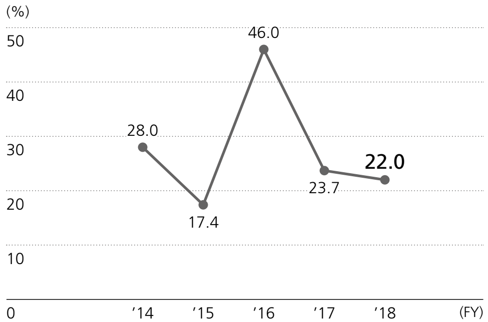
Equity attributable to owners of the parent / Ratio of equity attributable to owners of the parent to total assets



Equity attributable to owners of the parent **+47.0% YoY**

Ratio of equity attributable to owners of the parent to total assets **21.1%**

ROE



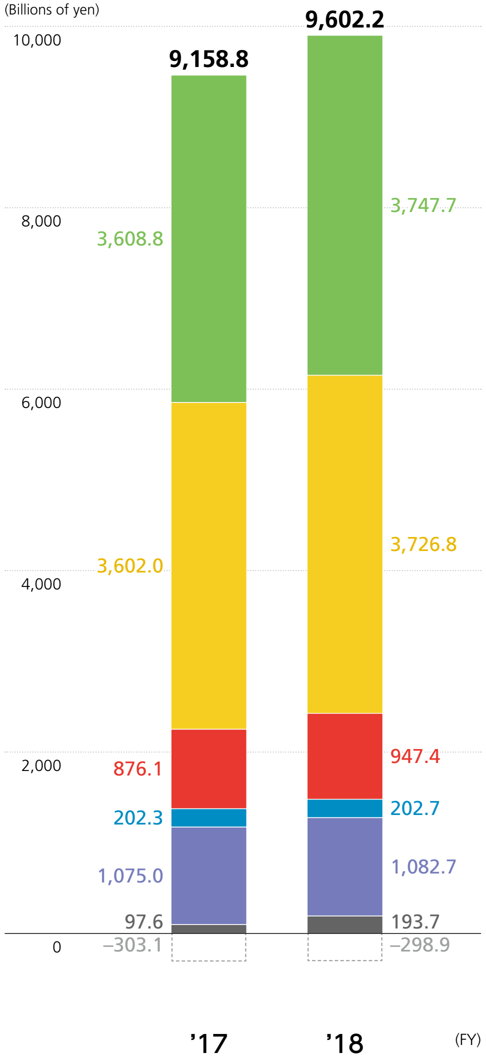
ROE 22.0%

Note: In fiscal 2018, the Company adopted IFRS 9 and IFRS 15.

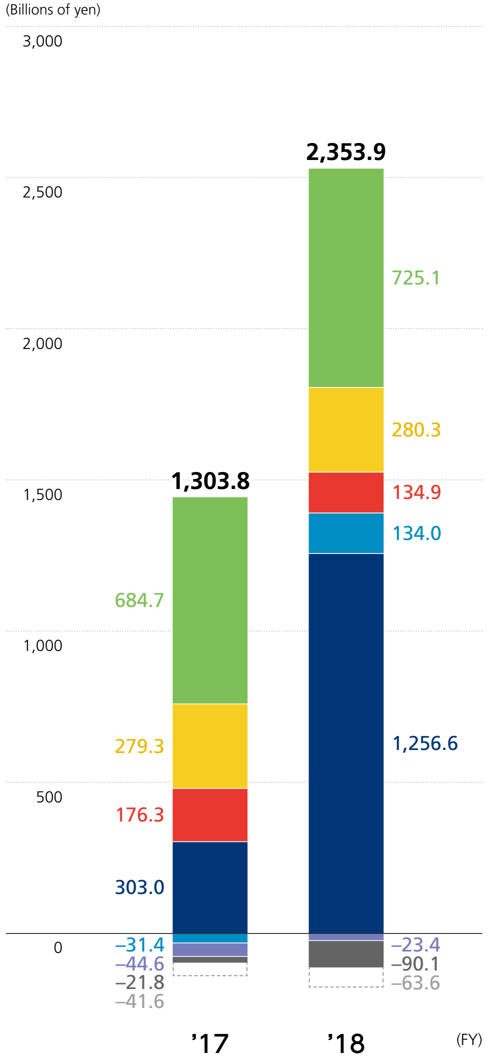
* As of March 31, 2019, SoftBank Vision Fund held 24.99% of Arm shares (equivalent to approximately $8.2 billion). Since Arm is a consolidated subsidiary of the Company, the value of such shareholding is not included in "Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL."

Summary of Segment Information

Net Sales



Segment Income



SoftBank | Sprint | Yahoo Japan | Arm | SoftBank Vision Fund and Delta Fund*1 | Brightstar | Other*2 | Reconciliation

*1 Net sales are not recorded for this segment as it is not engaged in the sale of goods and services.
*2 Other indicates Fortress Investment Group LLC, Fukuoka SoftBank HAWKS Corp, PayPay Corporation, among others.

SoftBank

Main businesses
- Provision of mobile communications services, sale of mobile devices, provision of broadband and other fixed-line communications services in Japan
- Sale of PC software, peripherals, and mobile device accessories in Japan

Core companies
- SoftBank Corp.
- Wireless City Planning Inc.
- SB C&S Corp.

Sprint

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 companies
- Sprint Corporation

Yahoo Japan

Main businesses
- Internet advertising
- e-commerce business
- Membership services

Core companies
- Yahoo Japan Corporation
- ASKUL Corporation

Arm

Main businesses
- Design of microprocessor intellectual property and related technology
- Sale of software tools and provision of software services

Core companies
- Arm Limited

SoftBank Vision Fund and Delta Fund*1

Main businesses
- Investment activities by SoftBank Vision Fund
- Investment activities by Delta Fund

Core companies
- SoftBank Vision Fund L.P.
- SB Delta Fund (Jersey) L.P.

Brightstar

Main businesses
- Distribution of mobile devices overseas

Core companies
- Brightstar Corp.

Growth Strategy

Growth Strategy of the SoftBank Group — Cluster of No. 1 AI Strategy

We are guided by our corporate philosophy of "Information Revolution — Happiness for Everyone." We aim to be a corporate group that maximizes enterprise value while providing essential technologies and services to people around the world. Therefore, we believe it is essential that we continuously evolve to reflect changes in society, rather than fixate on a particular technology or business model.

Cluster of No. 1 Strategy

The goal of the "Cluster of No. 1 Strategy" is to form a diverse group of companies with outstanding technologies and business models in specific fields. Under this strategy, the companies are encouraged to form synergies to evolve and grow together based on capital ties and a shared vision while making decisions independently. While appearing similar to zaibatsu, a type of Japanese conglomerate, and overseas equivalents, we believe this approach is in fact totally different. We believe this unique organizational strategy has the potential to help the Group to grow over the next 300 years through flexible transformation and the expansion of business lines.

The Cluster of No. 1 Strategy has two distinctive features. First, it aims to create a cluster of leading companies in their respective fields, markedly heightening the competitiveness of the whole cluster. Second, the strategy enables SoftBank Group Corp. ("SBG") to maintain an extremely flexible management style, rather than controlling and managing portfolio companies as wholly-owned subsidiaries. As a strategic holding company, SBG will seek to provide guidance on decision-making of companies in the cluster. SBG, however, will largely not seek to acquire majority equity interests or integration of brands, as it attaches greater importance to preserving companies' diversity and autonomy. Further, our decision to generally not hold majority stakes, in our view, means we are able to more easily exit from equity interests in group companies that have matured or not grown as expected, thereby facilitating their smooth replacement over time.

Cluster of No. 1 AI Strategy — Focused on the Potential of AI

At present, the incorporation of AI into a range of business models is reshaping value creation and fundamentally redefining all industries. The expansion of markets and the creation of new industries through the utilization of AI bring huge opportunities. To ensure that we seize these opportunities, we are investing to build a cluster of leading AI companies that are building innovative services and business models based around the emerging capabilities of AI technology. These efforts are based on the "Cluster of No. 1 AI Strategy," which we believe will sustain our growth going forward. In implementing this strategy, SoftBank Vision Fund plays a leading role by enabling large-scale investment activities over the long term.

Investment Strategy of SoftBank Vision Fund

Rajeev Misra
Board Director, Executive Vice President, SoftBank Group Corp.
CEO, SB Investment Advisers (UK) Limited

Investing in the AI Revolution

The AI revolution

At the Group, we believe the AI revolution has arrived. Masayoshi Son's founding vision was to invest in businesses that are enabling this next stage of the Information Revolution. To this end, in 2017 we invited institutions that share our vision to partner with us in the SoftBank Vision Fund (the "Vision Fund"). Over the past two years, as our partnership has grown to include more institutions, we have been making large-scale, long-term investments in companies that are leveraging AI to disrupt inefficient industries and create entirely new ones. Positioned at the center of the SoftBank Group's investment activities, the Vision Fund is driving the SoftBank Group's paradigm shift from a telecom service operator to a strategic holding company.

Portfolio company support

The Vision Fund focuses on investing in growth-stage companies, particularly "unicorns."*[1] We evaluate investment opportunities by examining them from three angles: the market opportunity, the business, and the founders.

We seek to match our financial investment with multifaceted support that enables our portfolio companies to reach their full potential. We provide this support in three ways: through our investment team who represents us on our company boards, through functional experts in areas such as communications, human resources, and government affairs, and through the operating group. The operating group was formed last year and is a dedicated team of 35 professionals with average more than 20 years of management and operating experience across more than 100 global companies. The operating group has already improved portfolio management, expanded the geographic reach of our companies, and identified and developed numerous joint venture opportunities. In our view, the operating group offers a competitive advantage for us and we are very excited about the impact it can have on our portfolio companies in the years ahead.

Beyond capital

Over the past years, we have broken new ground in expanding our portfolio and our team. The Vision Fund has made a series of compelling investments, which has grown our portfolio to more than 70 companies.*[2] We believe these investments form an unparalleled group of leading tech firms, of which the Vision Fund is often the largest outside shareholder. We seek to foster beneficial relationships across this ecosystem to help our portfolio companies accomplish much more than they could alone.

Our team now includes approximately 300 employees around the world. In addition to our hubs in London, Silicon Valley, and Tokyo, we have established a presence in Abu Dhabi, Mumbai, Riyadh, Shanghai, and Singapore. This geographic reach allows us to identify new investment opportunities around the world, help our portfolio companies access new markets, and partner more closely with our limited partners. We have also established a high-performing culture of teamwork, integrity, and impact that we believe will be central to our long-term success.

One of the year's most exciting developments has been the shift in founders' understanding of the value we offer. Two years ago, we were relatively unknown. This meant we were often defined by the size of the checks we wrote, and needed to work hard on many occasions to convince companies to partner with us. Now, many extraordinary entrepreneurs seek

Investment Strategy of SoftBank Vision Fund

us out. Our capital remains compelling since it enables founders to distance themselves from competitors and focus on building an enduring company. But now many entrepreneurs seek us out for our ability to help them amplify their ambition, enter new markets, and access our ecosystem of companies.

Collaboration between the Vision Fund portfolio companies and the SoftBank Group is creating a stream of new businesses. For example, the businesses of WeWork Japan and DiDi Mobility Japan are already producing positive results. Such collaborations led to the establishment of OYO Hotels Japan in April 2019. The resulting businesses are contributing to the growth of both the Vision Fund and the SoftBank Group as a whole.

Looking ahead

On the heels of Uber's IPO, the Vision Fund has entered an exciting stage that expects to see the public listings of a series of portfolio companies and the expansion of synergies across our portfolio. We expect that the Vision Fund's 71 portfolio companies*2 will grow to more than 100 and we believe the fund will be the biggest collection of unicorns in the world.

We believe that our business also generates other economic benefits for our limited partners. Most recently, we collaborated with a limited partner to establish a tech hub in Abu Dhabi. Through the tech hub, our portfolio companies will receive a number of benefits and assistance expanding their businesses locally. We also intend to work with another limited partner to establish a similar support system in Riyadh to provide a bridgehead for our portfolio companies' entry into Saudi Arabia.

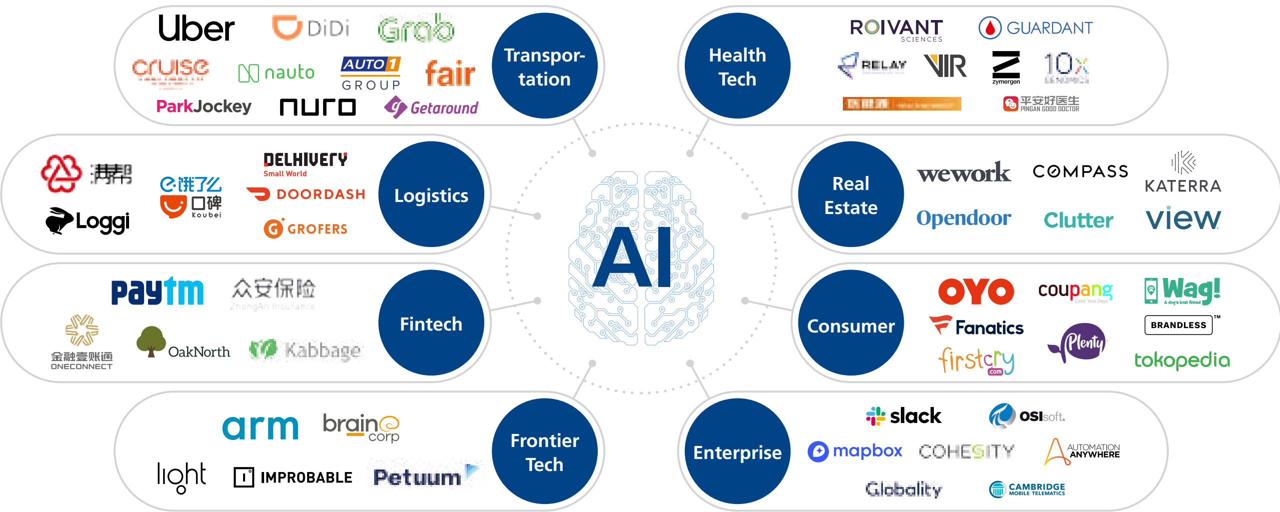
Going forward, we will continue to focus on accelerating our portfolio companies' long-term growth. A top priority is expanding the operating group so it can create additional value and meet future opportunities. We will also begin to help our portfolio companies find new business directions that are complementary to their core businesses. We believe the knowledge and information that we receive from our global portfolio companies and staff make us smarter every day, and we apply this know-how across geographies and our portfolio.

I am very proud of our progress to date. While we are encouraged by the Vision Fund's performance, the synergies across our portfolio, and the growth of our organization, we are even more excited by the opportunities that lie ahead.

*1 Private companies with estimated valuations of more than $1 billion
*2 Includes joint ventures and two exited investments. As of March 31, 2019

Portfolio companies composed of various sectors

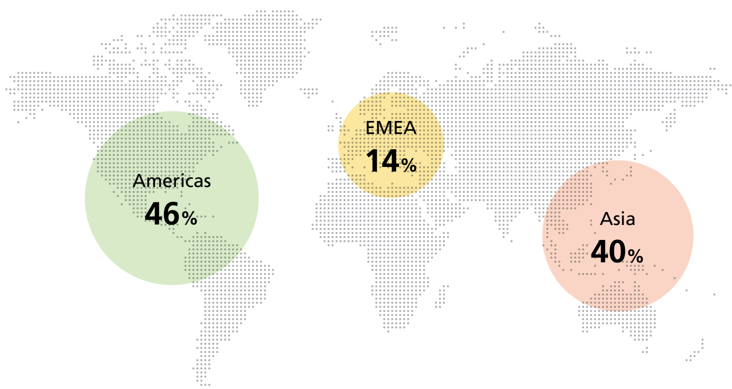
As of March 31, 2019



See page 25 for a complete list of SoftBnak Vision Fund portfolio companies.

Geographical diversity of portfolio companies

Calculated as a percentage of total fair value as of March 31, 2019



SoftBank Vision Fund in Focus

Investment results

In less than two years from its initial close to March 31, 2019, SoftBank Vision Fund (the "Vision Fund") grew to hold 69 investments,*1 including joint ventures, at a cumulative acquisition cost of $60.1 billion and fair value of $72.3 billion.*2

In the consolidated earnings of SoftBank Group Corp. ("SBG") for fiscal 2018, the rise in value of these investments has contributed as operating income from SoftBank Vision Fund and Delta Fund of ¥1,256.6 billion. After adding derivative gain of ¥177.4 billion and deducting ¥586.2 billion of third-party interests, among others, this has contributed ¥814.6 billion to income before income tax.

*1 Excludes two exited investments
*2 The acquisition costs and fair values of the investments at the Vision Fund include the investments made by subsidiaries of SBG through investment holding entities that are subsidiaries of the Vision Fund.

Unprecedented characteristics

The Vision Fund is the world's largest technology investor.*3 We believe several characteristics, when taken together, help the fund remain unique and difficult to replicate by other fund managers. The Vision Fund seeks to take a holistic view of potential investment opportunities focusing on large and growing market opportunity, use of technology to accelerate growth, and the founder's desire to rapidly scale their business.

The Vision Fund's investment process considers opportunities across the spectrum of growth stage companies, as opposed to by geography or sector. We believe this approach creates significant benefits because it allows the Vision Fund to identify companies with the potential to disrupt a market or industry. Unshackled from sector or geographic focus, the Vision Fund is free to create a global ecosystem of portfolio companies and to help these companies exchange insights, share resources, collaborate with one another, and form business partnerships.

This investing approach also helps ensure our portfolio remain diversified across sectors and geographic regions, in our view positioning us to maximize risk-adjusted returns to our limited partners including SBG.

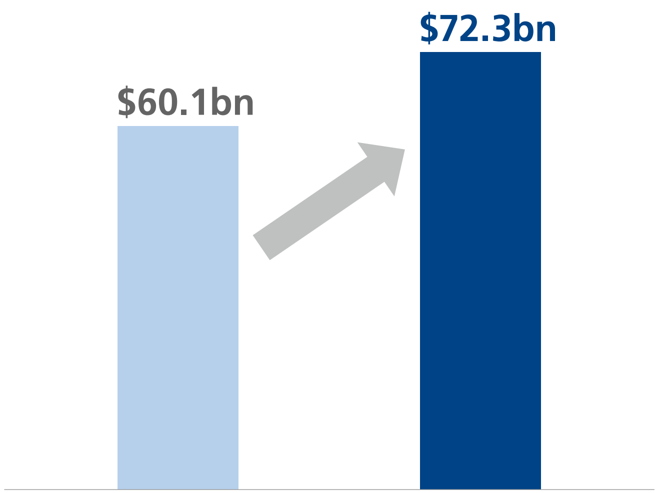
*3 Based on a comparison of committed capital of the Vision Fund as of March 31, 2019 and global venture fund raising in 2018 as in "Venture Pulse Q4 2018" KPMG Enterprise, January 15, 2019.

Investment process

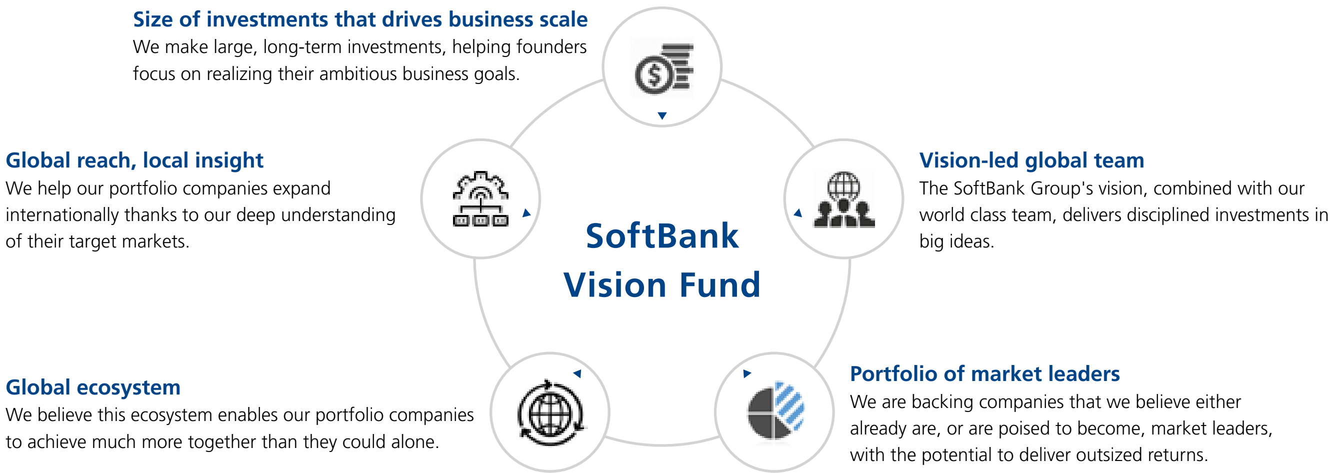
The Vision Fund has a highly selective investment process. Of more than 2,200 deals it has sourced since May 2017, just 71, or 3%, have been approved and funded. The process flows as follows.

Growth in value of investments*2

As of March 31, 2019



The Vision Fund's strategy*



*SB Investment Advisers (UK) Limited beliefs

SoftBank Vision Fund in Focus

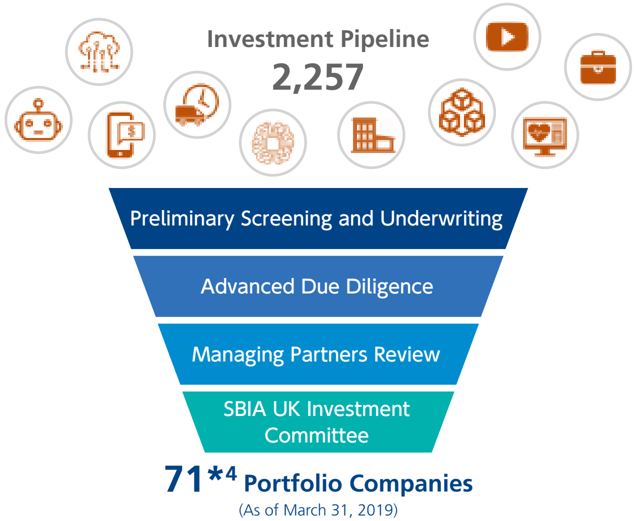
Preliminary screening

Once potential investments enter the funnel, they go through a preliminary screening process. The Vision Fund focuses on the market opportunity, business model, and management team.

Due diligence

The investment case then moves into a rigorous due diligence process, in which the fund's team and its external advisers perform commercial, legal, financial, compliance, and technical due diligence.

Highly selective investment process



*4 Includes two exited investments

Managing partner review

Managing partners who oversee multiple regions and sectors then review and select investments to be recommended to the Investment Committee. As of May 2019, 12 managing partners are involved in our investment activities.

Investment Committee

Shortlisted investments are presented to the Investment Committee. The members of the committee includes Masayoshi Son, SBG's chairman & CEO, and Rajeev Misra, CEO of SB Investment Advisers (UK) Limited ("SBIA"), which is the manager of the Vision Fund.

Valuation process

The Vision Fund's valuation process and governance reflect industry best practice and is supported by market-leading professionals. The valuations are prepared by the valuation team of SBIA in accordance with IFRSs, International Private Equity and Venture Capital Valuation (IPEV) Guidelines and the SBIA Global Valuation Policy on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the invested assets as financial instruments that are subject to fair value measurement. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The Investor Advisory Board (IAB) of the Vision Fund has additionally appointed certain external firms to act as independent valuers for the Vision Fund's assets. The independent valuers are engaged to determine the fair value of all portfolio companies held on the Vision Fund's balance sheet as at the measurement date in accordance with IFRSs and IPEV. The valuations prepared by the valuation team of SBIA, as well as the fair value determinations made by the independent valuers, are then reviewed by the Valuation and Financial Risk Committee (VFRC), established as a committee of SBIA, which reports the result of their review to SBIA's Board of Directors on a quarterly basis. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology.

SoftBank Vision Fund in Focus

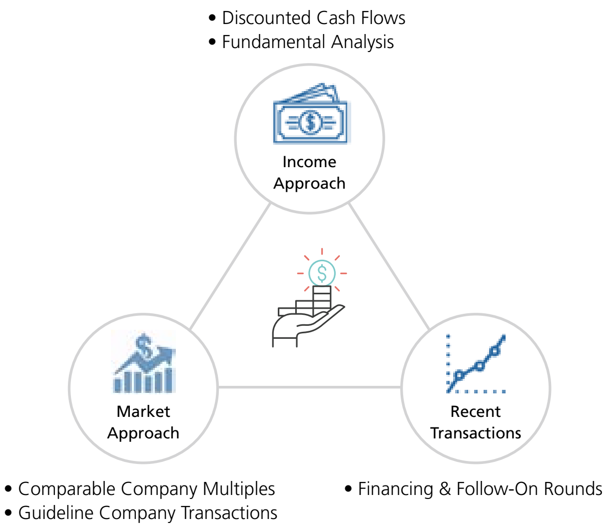
Valuation approach

The applicable reporting framework of the Vision Fund is the IFRSs, which outlines how to measure fair values. The Vision Fund also follows IPEV Guidelines.

For companies that are publicly listed, quoted prices are used to measure fair value.

For companies that are privately held, the market and income approaches are widely used valuation techniques. The market approach uses public company comparables, industry valuation benchmarks, and available market prices to establish a valuation range. The income approach, otherwise known as the discounted cash flow method, derives the value of a business by calculating the present value of expected future cash flows. Then pricing of similar recent transactions is reviewed and who is investing and the size of the investment round are considered. The Vision Fund also recognizes the senior-subordinate structure of the companies in which it invests, which acknowledges that senior shares are worth more than junior ranking shares. Finally, to create a reliable valuation range, the Vision Fund weights each methodology based on the observability and reliability of its data.

Valuation methodologies for private companies



Culture Award winners who contributed to fostering team culture of SBIA, with Masayoshi Son and Rajeev Misra in Tokyo in January 2019

Our people are critical to our success

Talent from across a diverse set of backgrounds—from technology specialists to VC investors, former founders to banking and finance experts—continues to join our team. In fiscal 2018, SBIA, the manager of the Vision Fund, hired 150 permanent employees across eight geographic locations. As of March 31, 2019, SBIA employed approximately 300 permanent employees, of whom over 130 are investment professionals, engaged in evaluating investment opportunities and risks. SBIA intends to keep growing its team and within the first half of next year, its team is expected to reach 500. SBIA has a clear focus on attracting, developing, rewarding, and retaining its diverse, world-class talent, at all levels and across locations.

As SBIA grows, it pays significant attention to putting in place the right building blocks for success. SBIA continues to build a strong, healthy, and high-performing culture that is critical to the success of the SoftBank Group's business model and toward the execution of the SoftBank Group's long-term vision.

SBIA is bringing disruptive thinking to how it leads its own teams, with employee well-being a current focus. It takes a team effort—from front office to back, deal team, and functional—to accomplish what it has done in the last 18 months as a firm. Every team is critical to value creation.

SoftBank Vision Fund in Focus

Economy of SoftBank Vision Fund

The Vision Fund is managed by SBIA, SBG's wholly owned and independent subsidiary. SBG also participates in the Vision Fund as a limited partner.

Out of the around $98.6 billion in total committed capital,*5 SBG has committed $28.1 billion.*6

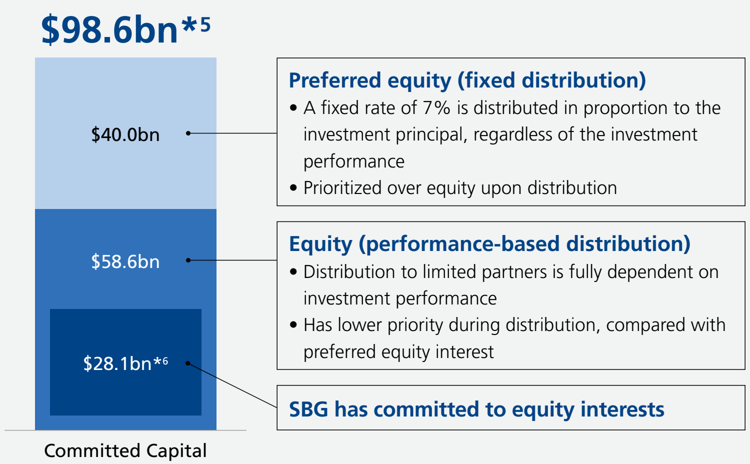
Contributions by the Limited Partners are classified as "Equity (performance-based distribution)" and "Preferred Equity (fixed distribution)" depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution. As a limited partner, SBG contributes to Equity.

SBIA is entitled to receive management fees and performance fees, each of which is measured by reference to the investment activities of the Vision Fund. Management fees to SBIA are calculated by multiplying 1% per annum to equity contributions.

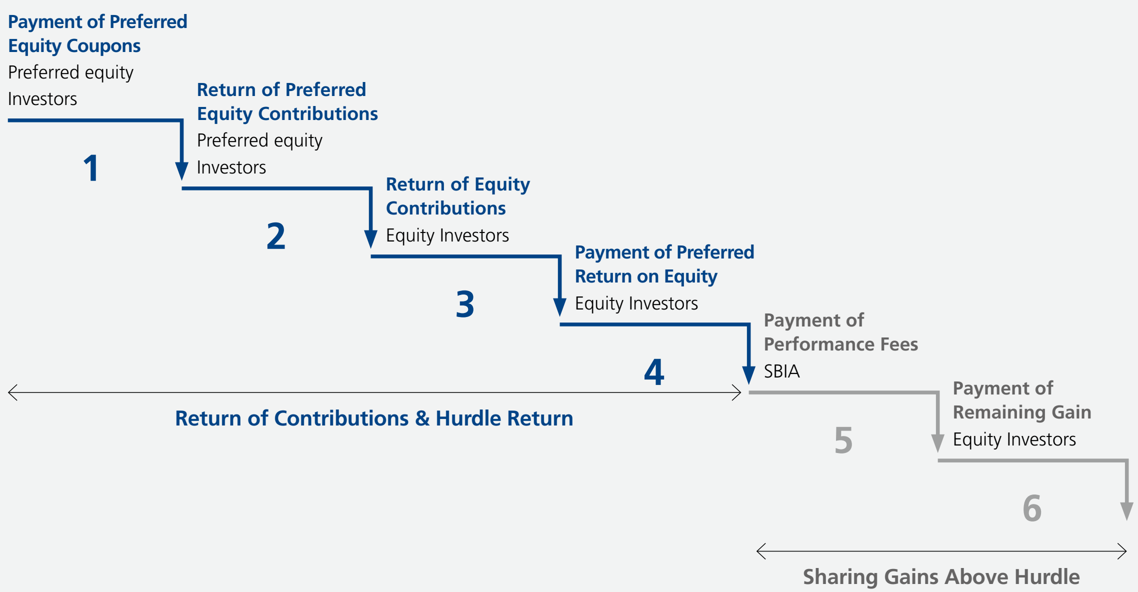
Once the Vision Fund exits or monetizes an investment, a portion of the proceeds in certain circumstances may be retained or re-invested in foreseeable new investments. Any residual proceeds are distributed as illustrated below.

*5 Total of commitment of around $97 billion to the Vision Fund and $1.6 billion of commitment by third-party limited partners to Delta Fund
*6 Excludes $5 billion of commitment earmarked for an employee incentive scheme related to the Vision Fund

Capital structure
As of March 31, 2019



Distribution waterfall



SoftBank Vision Fund in Focus

SoftBank Vision Fund portfolio companies

The largest fair value by sector as of March 31, 2019

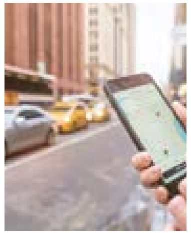
Transportation & Logistics

Xiaoju Kuaizhi Inc. (DiDi)

Transportation platform

CEO: Cheng Wei
Headquarters: Beijing, China

Didiglobal.com



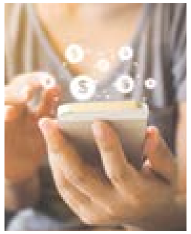
Fintech

One97 Communications Limited (PayTM)

Online payment service

CEO: Vijay Shekhar Sharma
Headquarters: Noida, Uttar Pradesh, India

paytm.com



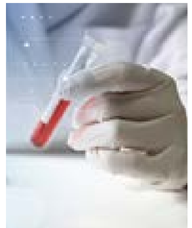
Health Tech

Guardant Health, Inc.

Cancer diagnosis

CEO: Helmy Eltoukhy
Headquarter: Redwood City, CA, U.S.

guardanthealth.com



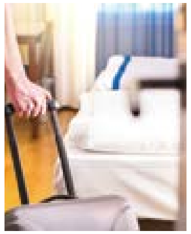
Consumer

Oravel Stays Private Limited (OYO)

Hotels

CEO: Ritesh Agarwal
Headquarter: Gurgaon, India

oyorooms.com



Frontier Tech

Arm Limited

Semiconductor technology designs

CEO: Simon Segars
Headquarters: Cambridge, U.K.

arm.com

Real Estate & Construction

WeWork Companies Inc.

Co-working space

CEO: Adam Neumann
Headquarters: New York, NY, U.S.

wework.com

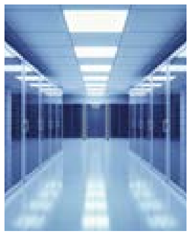
Enterprise

OSIsoft LLC

Industrial IoT solutions

CEO: J. Patrick Kennedy
Headquarters: San Leandro, CA, U.S.

Osisoft.com



* The investments presented herein are solely for illustrative purposes to demonstrate examples of SoftBank Vision Fund investments in different sectors. References to investments included herein should not be construed as a recommendation of any particular investment or security.

See page 25 for a complete list of SoftBank Vision Fund portfolio companies

Portfolio Companies of SoftBank Vision Fund

As of March 31, 2019; excludes exited investments

Cumulative acquisition cost of investments: $60.1 billion *
Total fair value of investments: $72.3 billion *

Sector		Name (in alphabetical order)
Consumer	◎	Brainbees Solutions Private Limited (First Cry)
	◎	Brandless, Inc.
	◎	Bytedance Ltd.
	◎	Coupang LLC
		Fanatics Holdings, Inc.
	◎	Grofers International Pte. Ltd.
		Oravel Stays Private Limited (OYO) (and its two affiliates)
		Plenty United Inc.
	◎	PT Tokopedia
		Wag Labs, Inc.
	◎	Zuoyebang Education Limited
		1 other investment
Enterprise	◎	Automation Anywhere, Inc.
	◎	Cohesity, Inc.
	◎	Globality, Inc.
		MapBox Inc.
		OSIsoft LLC
		Slack Technologies, Inc.
Fintech	◎	Kabbage, Inc.
	◎	OakNorth Holdings Limited
		One97 Communications Limited (PayTM)
	◎	OneConnect Financial Technology Co., Ltd.
		Zhongan Online P&C Insurance Co., Ltd. (and its one affiliate)
Frontier Tech		Arm Limited
		Brain Corporation
		Improbable Worlds Limited
	◎	Light Labs, Inc.
	◎	Petuum Holdings Ltd.
		2 other investments
Health Tech	◎	10x Genomics, Inc.
		Guardant Health, Inc. (and its one affiliate)
		HealthKonnect Medical and Health Technology Management Company Limited (Ping An Medical and Healthcare)
		Ping An Healthcare and Technology Company Limited (Ping An Good Doctor)
	◎	Relay Therapeutics, Inc.
		Roivant Sciences Ltd.
		Vir Biotechnology, Inc.
	◎	Zymergen, Inc.

Sector		Name (in alphabetical order)
Real Estate & Construction	◎	CLUTTER INC.
		Compass, Inc.
		Katerra Inc. (and its one affiliate)
	◎	OpenDoor Labs, Inc.
	◎	View Inc.
		WeWork Companies Inc. (and its three affiliates)
Transportation & Logistics		Auto1 Group GmbH
	◎	Cambridge Mobile Telematics Inc.
	◎	Delhivery Private Limited
	◎	Doordash, Inc.
	◎	Fair Financial Corp.
	◎	Full Truck Alliance Co. Ltd
	◎	Getaround, Inc.
	◎	GM Cruise Holdings LLC
	◎	GRAB HOLDINGS INC. (Grab)
	◎	Local Services Holding Limited (Alibaba Local Services)
	◎	Loggi Technology International
		Nauto, Inc.
	◎	Nuro, Inc.
	◎	ParkJockey Global, Inc.
	◎	Uber Technologies, Inc. (Uber)
	◎	Xiaoju Kuaizhi Inc. (DiDi)
	◎	Zume, Inc.
		Total of 69 investments

◎New investments during fiscal 2018

* SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly owned subsidiaries, of the fund. All investments made through the investment holding entities are calculated as investments made by SoftBank Vision Fund. As of March 31, 2019, a wholly owned subsidiary of the Company is a shareholder of such subsidiaries. Of the acquisition cost of investments made by SoftBank Vision Fund, $1.3 billion belongs to this wholly owned subsidiary; of the fair values, $1.7 billion belongs to this wholly owned subsidiary.

Arm Business Strategy

Simon Segars
Board Director, SoftBank Group Corp.
CEO, Arm Limited

Strategy to Benefit from the Growth of AI and IoT

Leading the world in semiconductor technology

Arm is the world's leading designer of key technologies used in semiconductor computer chips. Arm's processor technology is the world's most widely licensed and deployed semiconductor design of its kind and has a 100% share in markets as diverse as smartphones and disk drives, and a very high share in a host of electronic devices, from digital TVs to drones. As new markets for electronics emerge, they are often based on Arm's advanced processor designs, including IoT, self-driving vehicles, and industrial automation.

Arm business model

Arm licenses processor designs to semiconductor companies that incorporate the technology into their computer chips. Licensees pay an up-front fee to gain access to our technology, and a royalty on every chip that uses one of our technology designs. Typically, the royalty is based on the selling price of the chip.

Each Arm design is suitable for a wide range of end applications and can be reused in a variety of chip families to address multiple markets. Each new chip family generates a new stream of royalties. An Arm design may be used in many different chips and may ship for more than 25 years.

Arm business strategy

At this moment in time, there are many emerging markets that will depend on new technologies being developed. Arm is investing in these new technologies to enable these emerging markets. Over the past two years after being acquired by the SoftBank Group, Arm has significantly increased investment in R&D to ensure that it is to develop technology that is suitable for all of these new opportunities.

Arm's strategy is therefore to:

- Maintain share in markets where Arm already has a very high market share, such as smartphones and other consumer electronics;
- Establish Arm as the leader in emerging technologies and markets such as IoT, machine learning, computer vision, and autonomous vehicles;
- Provide more advanced and valuable technology so that Arm can increase the price per chip;
- Diversify Arm into new business opportunities as the IoT market develops; and
- Continue to develop a financially disciplined organization, fit for the long term.

Market share

	FY2018	FY2028 Target
Mobile application processors*	>90%	>90%
Networking equipment	30%	>65%
Data center/ cloud	4%	>25%
Embedded computing	90%	>90%
In-vehicle infotainment and driver assistance	>75%	>90%

* Includes processors for smartphones, tablets, and laptops

Investing in growth markets

Arm is investing in technologies, markets, and industries that are going to transform the way we all live and work.

Smartphones will become smarter and more capable.

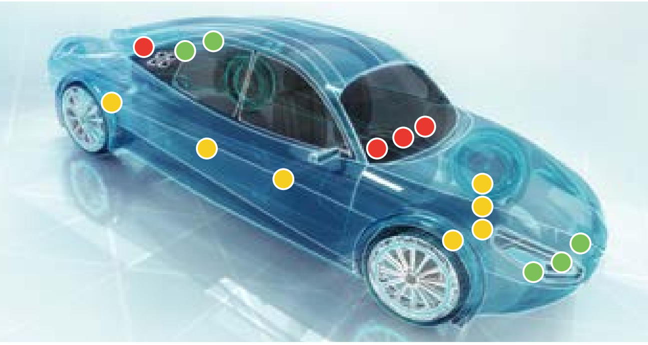
Although the number of smartphones sold each year may not increase, the intelligence of each smartphone is growing with every generation, and this is creating opportunities for Arm to provide both more technology and more intelligent technology to this important market. Future smartphones will have built-in machine learning capability. They will have learned how you

Arm Business Strategy

use the smartphone may change with the time of day or location, they will be able to understand your voice and follow spoken instructions and gestures, and they will be able to anticipate what you will need next based on your past pattern of behaviour and what others are also doing with their devices.

Cars will become semi- or fully autonomous.
A lot of new technology is being built into cars to make them safer for humans to drive in the near term and completely self-driving in years to come. This technology includes multiple cameras and sensors for vehicles to be able to understand their physical environment, more communications between different vehicles and between vehicles and the road infrastructure (signs and signals, for example), and more in-vehicle infotainment to ensure that passengers are kept entertained.

Arm's opportunity increases as cars become smarter



>65% share	**ADAS/Autonomous** • Cruise control • Collision avoidance Arm's opportunity: main processor, real-time controller, and graphics processor
>85% share	**IVI/Cockpit** • Rear seat entertainment • Navigation Arm's opportunity: main processor and graphics processor
>40% share	**Connectivity/Telematics** • Vehicle-to-vehicle • LTE 5G • Vehicle-to-infrastructure Arm's opportunity: main processor and real-time controller

Everything will become connected, creating an Internet of Things.
Already, devices that used to be merely electrical are now becoming smarter and connected with digital electronics: streetlights, elevators, parking meters, thermostats, etc. This is also happening in factories and warehouses where industrial automation is making systems faster and more efficient. Most of these digital connections are based on Arm technology, and over time we expect that there will be billions, and by 2035 one trillion, Internet-connected devices. All of these will need to be securely connected to the Internet and managed. This is creating new opportunities for new products and services, and Arm intends to invest in this area, building on the strength of its very high market share in end devices.

Progress in fiscal 2018

Arm is now in its third year following acquisition, and over this time Arm has steadily increased investment in R&D. This increase in investment is now yielding the new technologies and new business strategies that were announced throughout fiscal 2018.

Q1	Arm announces the *Cortex-M35P* processor, which combines anti-tampering technology and robust software isolation to create a secure base for IoT embedded devices.
Q2	Arm acquires Treasure Data and Stream Technologies and combines with existing IoT services to create the secure IoT platform *Pelion*.
Q3	Arm launches the *Neoverse* processor family for servers and high-performance computing. Amazon announces that it has started to deploy Arm-based servers at Amazon Web Services (AWS).
Q4	Arm announces *Helium* architecture for machine learning in microcontrollers and tiny embedded computers.

Near-term challenges

Although Arm is focusing on investing for long-term growth, we cannot ignore near-term market conditions. In fiscal 2019, Arm is expecting to see a slowdown in the semiconductor industry primarily due to weakness in demand for some consumer electronics products such as smartphones. In 2019, some analysts expect that the number of smartphones sold could decline by as much as 5%, and growth in the industry as a whole is likely to be only 2%. About half of Arm's revenues are driven by smartphone-related technology, so this is going to be a significant headwind to Arm's overall revenues in fiscal 2019.

Collaborating across the SoftBank Group

In fiscal 2018, Arm increased collaboration with companies across the SoftBank Group. This included Sprint announcing a new IoT platform utilizing Arm's IoT managed services technology, and SoftBank Corp. utilizing Arm's data management technology to extend their customer insight capabilities. SoftBank Corp. is extending Arm's commercial reach in Japan as a channel partner for our customer data management services. Arm is working with both Sprint and SoftBank Corp. to enable global coverage for our eSIM-based connectivity offering. In addition, Arm is exploring opportunities with SoftBank Vision Fund's portfolio companies. By being part of the SoftBank Group ecosystem, Arm is provided with a unique opportunity to find new partners and invest in new technology areas.

Management Organization

Financial Strategy

Yoshimitsu Goto
Senior Vice President, CFO & CISO
Head of Finance Unit, Head of Administration Unit
SoftBank Group Corp.

Supporting the Growth of a Strategic Holding Company

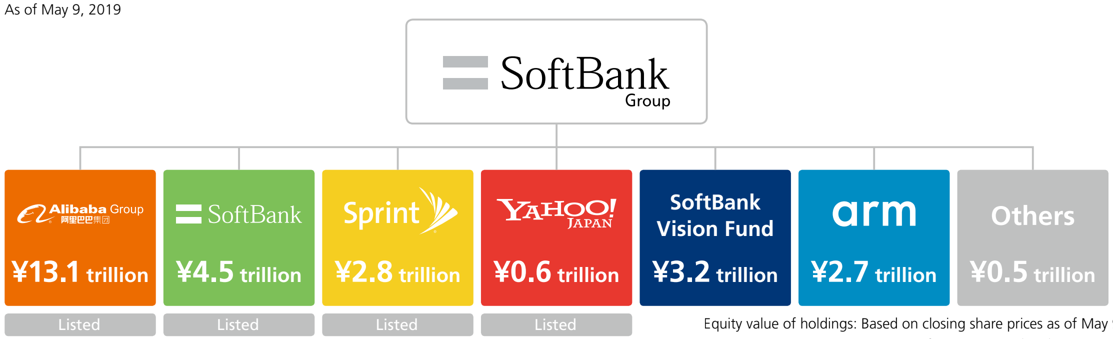
Making a new start as a strategic holding company

The SoftBank Group is undergoing its most significant transition since its foundation. Facing the largest paradigm shift in human history, which is being driven by AI, we decided that the optimal organizational structure for pursuing sustained growth is one that enables the holding company to focus on corporate strategy while allowing each group company to increase its value independently. In keeping with this decision, SoftBank Corp., our domestic telecommunications arm, listed its shares on the Tokyo Stock Exchange in December 2018. The listing of SoftBank Corp., which was previously integrated into the business management of SoftBank Group Corp., enabled the latter to make a new start as a strategic holding company that is primarily tasked with making decisions on strategic investments and managing the financial matters of SoftBank Group Corp.

From the viewpoint of the strategic holding company, all group companies are equity assets. As a consequence of its listing, SoftBank Corp. has emerged as a highly liquid equity asset with market capitalization surpassing ¥6 trillion. In addition, our investment portfolio comprises a diverse array of more than 1,500 companies,*1 such as Alibaba, as of March 31, 2019. We want each of these companies to become the dominant No.1 in their respective business fields. If they are already No.1, we want them to leave the second-place company far behind. With the exception of certain companies that form the core of the SoftBank Group, as an investment company, in principle, we dispose of companies that are unable to become No.1 in their business fields and that are unlikely to produce high returns. We then use the collected funds to acquire new companies promising strong growth. Creating a flexible group of No.1 companies through this constant turnover of portfolio companies is how we aim to manage the group, an approach we call the "Cluster of No.1 Strategy."

*1 Includes the number of portfolio companies of SoftBank Vision Fund

Equity value of holdings
As of May 9, 2019



Equity value of holdings: Based on closing share prices as of May 9, 2019 (Japan), and closing share prices as of May 8, 2019 (U.S.)
Exchange rate: USD/JPY = ¥110.01

See page 31 "Our Approach to Shareholder Value" for details.

Financial Strategy

Discipline for financial safety

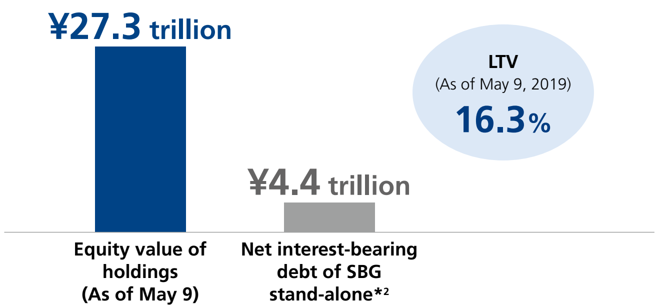
Ideally, an investment company's financial operations should focus on an approach whereby investment assets are disposed of in a timely manner and the collected funds are reinvested when new opportunities arise. Relying solely on such an approach, however, can result in missing a chance to invest at the best time or having to dispose of investments at an unfavorable time. Providing supplementary funds so that such undesirable situations are avoided is the role of debt financing. Continuous and stable debt financing allows us to flexibly execute and monetize investments at the best times. That being said, when using debt financing, we must demonstrate our financial discipline even more clearly than before to earn the further trust of bond markets and financial institutions. This is because, following the listing of SoftBank Corp., we are no longer able to freely use free cash flows generated by the company.

Given this situation and the characteristics of an investment company, we view LTV (Loan to Value: net interest-bearing debt of SBG stand-alone*2 ÷ equity value of holdings), as our most important financial indicator. We have set out a policy of keeping LTV below 25% in normal times and establishing an upper threshold of 35% even in times of emergency (LTV was 16.3% based on share prices on May 9, 2019). We believe that keeping LTV below 25% in normal times is a highly safe standard because even if share prices were to halve due to a financial crisis or for some other reason, LTV would only increase to 50%. In addition, we view our cash position as another important financial indicator. By maintaining a cash position that is sufficient to redeem bonds for the coming two years, we are clearly demonstrating that there should be no concerns about bond redemptions. Moreover, if the bond market temporarily stopped functioning due to a financial crisis, we would be able to redeem bonds until the market recovered.

We will rigorously adhere to the following components of financial discipline: (1) keeping LTV at a safe level, (2) maintaining an adequate cash position, and (3) securing stable dividend income from subsidiaries, in order to firmly maintain our financial safety. At the same time, we will carefully explain our approach and measures to credit investors and credit rating agencies to dispel any concerns they may have.

Our approach to Loan to Value (LTV)

Net interest-bearing debt of SBG stand-alone*2 ÷ Equity value of holdings



See page 31 "Our Approach to Shareholder Value" for the calculation of equity value of holdings and net interest-bearing debt of SBG stand-alone.*2

Financial policy

1. **Keep LTV under 25% with upper threshold of 35%**
2. Maintain a cash position that covers **bond redemptions for at least next 2 years**
3. Secure **sustainable distribution and dividend income** from SoftBank Vision Fund and other subsidiaries

Enhancing shareholder returns while keeping creditors in mind

As mentioned earlier, debt financing is an extremely important method of fund-raising for us. Consequently, not only shareholders (equity investors), service users (customers), local communities, and employees but also such creditors as bond investors and banks are very important stakeholders. Generally, the interests of shareholders and creditors, as well as the interests of equity investors and bond investors, tend to come into conflict. Giving due consideration to their respective positions and viewpoints, however, we are providing shareholder returns through share repurchase, higher dividends, and other measures in a manner that is also acceptable to creditors.

For example, we undertook the balanced allocation of the approximately ¥2 trillion in net proceeds from listing SoftBank Corp., earmarking approximately ¥700 billion for strategic investments going forward, approximately ¥700 billion for improving SoftBank Group Corp.'s financial position through such measures as repayment of borrowings, and ¥600 billion for the share repurchase.*3 Further, aiming for enhanced shareholder returns and a broader investor base, we executed a two-for-one stock split in June 2019, and we have decided to keep the annual dividend at ¥44.00 per share in fiscal 2019, unchanged from that of the previous fiscal year. This will effectively double the annual dividend year on year.

We will continue to pay close attention to feedback from shareholders and other stakeholders. At the same time, we will continue to disclose information about our financial discipline and improve our governance, compliance, and risk management systems and capabilities, in order to ultimately enhance corporate value. We appreciate your continued support.

*2 Excludes self-financing subsidiaries from the consolidated accounts.
Self-financing subsidiaries are SoftBank Corp., Sprint, SoftBank Vision Fund, Yahoo Japan, Arm, etc.
*3 Strengthening of financial position was completed by the end of January 2019, and the share repurchase was completed on May 14, 2019.

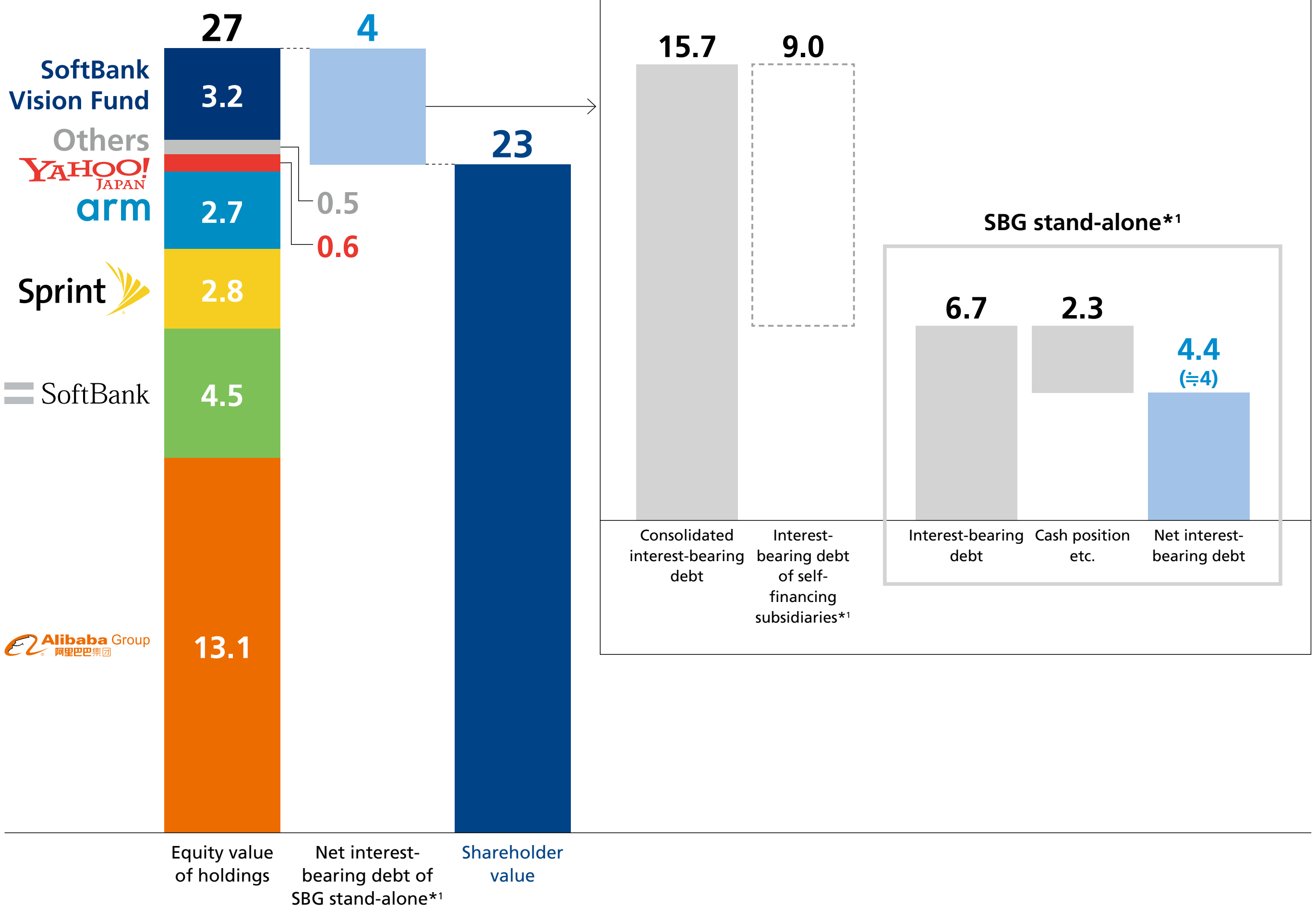
Our Approach to Shareholder Value

We evaluate the shareholder value of SoftBank Group Corp. as a pure holding company as shown below.

Shareholder value = Equity value of holdings – Net interest-bearing debt of SBG stand-alone*1

For the latest information, see "Shareholder Value per Share" on our website.

As of May 9, 2019
(Trillions of yen)



Calculation of equity value of holdings

Sum of the following items
- Value equivalent to SoftBank Group Corp.'s portion of SoftBank Vision Fund ("SVF")'s holding value + accrued performance fee, etc.
- Assets to be transferred to SVF from SoftBank Group Corp.: value of investments, which are currently held by SoftBank Group Corp. and planned to be transferred to SVF after April 2019, is calculated by the estimated value equivalent to SoftBank Group Corp.'s portion of SVF's future holding value at the completion of the respective transfer

Fair value of unlisted shares, etc. mainly held by SoftBank Group Corp.

Calculated by multiplying the number of Yahoo Japan shares held by SoftBank Group Corp. (1.83 billion shares*2) by the share price of Yahoo Japan (¥338)

Calculated by multiplying the equity value ($32.8 billion) based on the acquisition cost by shareholding ratio of SoftBank Group Corp. (75.01%) excluding the number of shares held by SVF

On the premise of a future merger with T-Mobile, calculated by multiplying the number of Sprint shares held by SoftBank Group Corp. (3.45 billion shares) by the assumed share price (the share price of T-Mobile ($72.63) times the exchange ratio of 0.10256)

Calculated by multiplying the number of SoftBank Corp. shares held by SoftBank Group Corp. (3.18 billion shares) by the share price of SoftBank Corp. (¥1,401.5)

Calculated by multiplying the number of Alibaba shares held by SoftBank Group Corp. as of December 31, 2018 (0.66 billion shares, excluding those pledged for Mandatory Exchangeable Trust Securities (0.09 billion shares)) by the share price of Alibaba ($179.59)

Calculation of net interest-bearing debt of SBG stand-alone*1

- Consolidated interest-bearing debt: excludes deposits for banking business of The Japan Net Bank
- Interest-bearing debt of self-financing subsidiaries*1: includes financial liabilities relating to the sale of Alibaba shares by variable prepaid forward contract (¥0.7 trillion)
- Interest-bearing debt of SBG stand-alone*1: adjusted the following items
  - JPY Hybrid Bonds issued in September 2016: 50% of outstanding amount, which is recorded as debt in consolidated B/S, is excluded from debt
  - USD Hybrid Notes issued in July 2017: 50% of outstanding amount, which is recorded as equity in consolidated B/S, is treated as debt
  - JPY Hybrid Loan executed in November 2017: 50% of outstanding amount, which is recorded as debt in consolidated B/S, is excluded from debt
- Cash position, etc. of SBG stand-alone*1: adjusted the estimated impacts of the following items
  - Estimated tax payment related to disposal of the shares of SoftBank Corp.
  - Estimated cash proceeds and contribution to capital calls related to the assets transfer to SVF from SoftBank Group Corp. after April 2019
  - Future proceeds from sale of Supercell
  - Estimated cash proceeds and contribution to capital calls related to the assets transfer of SVF from SoftBank Group Corp. and Delta Fund that are already completed by the end of March 2019

Note: Based on data as of March 31, 2019 unless otherwise stated
Share prices: (Japan) closing price as of May 9, 2019, (U.S.) closing price as of May 8, 2019
Exchange rate: USD/JPY=¥110.01
*1 Excluding self-financing subsidiaries from the consolidated accounts. Self-financing subsidiaries are SoftBank Corp., Sprint, SVF, Yahoo Japan, Arm, etc.
*2 Before issuance of new shares through a third-party allotment to SoftBank Corp. and acquisition of its own shares through a tender offer by Yahoo Japan Corporation. See page 56 "Issuance of New Shares by Yahoo Japan Corporation through Third-Party Allotment to SoftBank Corp. and Acquisition by Yahoo Japan Corporation of Its Own Shares through Tender Offer" for details.

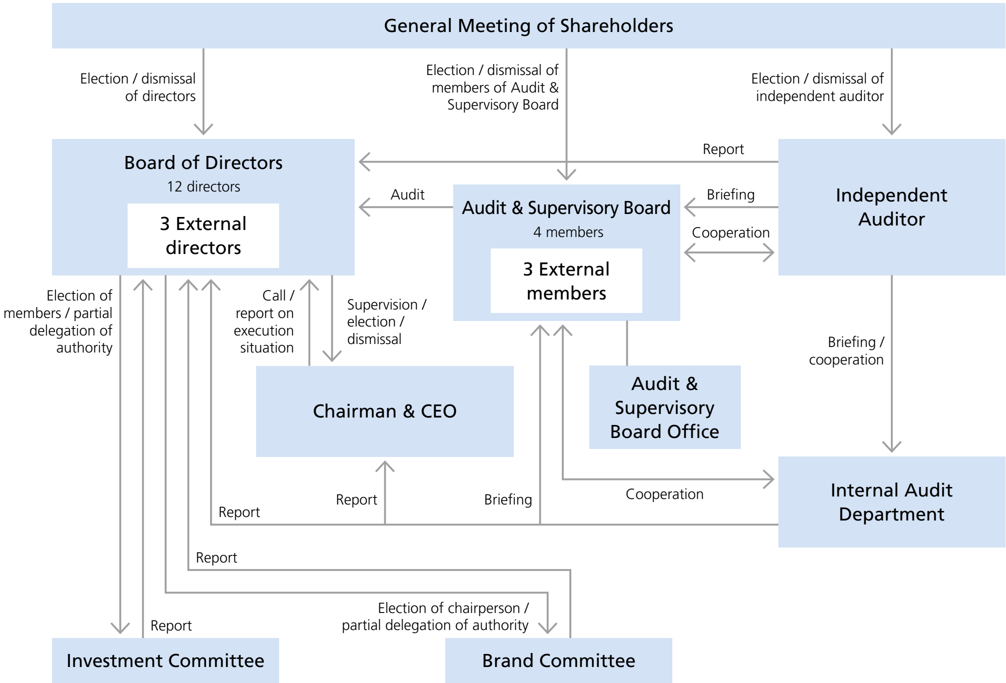
Corporate Governance

Basic views

The Company is guided by a fundamental concept of "free, fair, and innovative," and a corporate philosophy of "Information Revolution – Happiness for Everyone." The Company aims to be a provider of essential technologies and services to people around the world while maximizing its enterprise value.

SoftBank Group Corp. ("SBG") recognizes that it is vital to maintain effective corporate governance in order to realize this vision. Accordingly, SBG continues to strengthen governance by taking measures such as formulating the "SoftBank Group Charter" to share the Company's fundamental concept and corporate philosophy, devising "Group Company Management Regulations of the SoftBank Group" to set out the management policy and management framework for Group companies, and establishing compliance with the "SoftBank Group Code of Conduct," which has been upgraded in June 2019 from "SoftBank Group Officer and Employee Code of Conduct," to prescribe policies to be followed by the Company and its Board directors and employees, among other matters.

Corporate governance system



Governance system

(1) Board of Directors

SBG's Board of Directors consists of 12 Board directors, including three external Board directors. The chairman and CEO serves as the chairman of the Board. The Board's purpose is to make important decisions on the execution of duties and oversee Board directors' execution of duties. SBG ensures adequate independence of the three external Board directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each external Board director participates actively in the discussions at Board meetings and makes management judgments and decisions based on these discussions.

Agenda items for discussion at the Board of Directors meetings are set forth in the "Board of Directors Regulations." The Board discusses the following: (i) Statutory matters; (ii) Critical matters related to business management, such as (a) fundamental management policy, business plans, and (b) matters such as investments and loans and borrowings, etc., exceeding a certain amount; (iii) Certain matters related to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as investments and loans and borrowings, etc., exceeding a certain amount; and (iv) Other matters. Authority to decide matters other than these agenda items discussed by the Board of Directors is delegated to committees, Board directors, and department managers to enable speed and flexibility in corporate activities.

To elect Board directors, the Board of Directors selects candidates in accordance with SBG's Articles of Incorporation and the Board of Directors Regulations, and these candidates are proposed at the Annual General Meeting of Shareholders.

(2) Investment Committee

The Investment Committee has the purpose of making decisions on matters for which it has been delegated authority by the Board of Directors, in order to carry out corporate activities flexibly. The committee comprises five Board directors elected by the Board (Masayoshi Son, Ronald D. Fisher, Marcelo Claure, Katsunori Sago, and Rajeev Misra).

The agenda items for discussion at the Investment Committee are set forth in the "Regulations of the Investment Committee." The committee makes decisions on the following matters: (i) Matters such as investments and loans and borrowings under a certain amount; (ii) Certain matters related to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as (a) investments and loans and borrowings, etc., under a certain amount, (b) issue and gratis issue of new stock or stock acquisition rights, etc. (except matters such as the issue of new stocks that will not alter the shareholding ratio), (c) issue of corporate bonds, (d) overseas business expansion, and (e) entry into new business fields; and (iii) Other matters.

Corporate Governance

The committee makes decisions through the Electronic Investment Committee System, and such decisions are only approved by unanimous agreement from all members. If one or more members is against a proposal, it is brought to the Board of Directors. All final decisions of the committee are reported to the Board of Directors.

(3) Brand Committee

The Brand Committee has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the "SoftBank" brand. The committee comprises five members, the chairperson (Senior Vice President Yoshimitsu Goto), who has been selected by the Board of Directors, and four members appointed by the chairperson (Senior Vice President Kazuko Kimiwada, the head of the Legal Department Natsuko Oga, the head of the Corporate Communications Office Takeaki Nukii, and the head of the General Administration Department Tatsuya Iida).

The agenda items for discussion at the Brand Committee are set forth in the "Regulations of the Brand Committee." The committee discusses the following: (i) Certain matters related to the licensing of the "SoftBank" brand; (ii) Matters related to a consideration for use of the "SoftBank" brand; (iii) Cancellation of licensing of the "SoftBank" brand; (iv) Basic policy and important matters related to the management of the "SoftBank" brand; and (v) Certain matters other than the above related to the "SoftBank" brand.

The Brand Committee makes decisions through an electromagnetic means, in principle, and such decisions are only approved by unanimous agreement from all members. All decisions made by the committee are reported to the Board of Directors.

Audit & Supervisory Board members and the Audit & Supervisory Board

Audit & Supervisory Board members attend the Board of Directors meetings, allowing them to monitor and verify the decision-making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board director. Moreover, Audit & Supervisory Board members receive regular reports from Board directors, employees, and Audit & Supervisory Board members and other personnel of major subsidiaries and conduct hearings, as necessary, to audit the execution of duties by the Board directors of SBG.

The Audit & Supervisory Board has been established to receive reports on, deliberate, and resolve important matters related to audits. The Audit & Supervisory Board consists of four Audit & Supervisory Board members, three of whom are external Audit & Supervisory Board members (two full-time members and two part-time members), and is chaired by a full-time, internal Audit & Supervisory Board member. SBG ensures adequate independence of the three external Audit & Supervisory Board members, who possess a wealth of knowledge and experience in their professional roles as a lawyer, certified public accountant, or certified tax accountant.

The Audit & Supervisory Board meets once a month, in principle. At the meeting, Audit & Supervisory Board members decide on the audit policy, plan, and other matters; receive quarterly briefings and reports related to the earnings results from the independent auditor; and exchange information and opinions with the independent auditor, as necessary. The Audit & Supervisory Board also explains details of the audit plan for each fiscal year, interim audit status, and audit results to the Board of Directors.

The Audit & Supervisory Board Office has been established to support the duties of all Audit & Supervisory Board members and it comprises three dedicated personnel who act under the direction of Audit & Supervisory Board members to gather information; investigate financial statements, requests for approval, treasury stock, and matters related to the General Meeting of Shareholders, among other matters; and give other assistance.

Disclosure of policy on determining remuneration amounts and calculation methods

Overview of the remuneration system for Board directors and Audit & Supervisory Board members

While referring to results of remuneration surveys conducted by a specialized organization, SBG ensures the appropriateness of its remuneration system for Board directors and Audit & Supervisory Board members, so that the system provides remuneration that is competitive enough to attract global talent.

The total remuneration comprises fixed remuneration and performance-linked remuneration. Furthermore, the performance-linked remuneration comprises cash bonuses based on short-term performance and share-based payments based on medium- to long-term performance, and their proportion is determined individually.

The remuneration for Board directors, whose main duty is to serve as officers of subsidiaries and Group companies, is paid by said subsidiaries and Group companies, and such amounts are determined based on the remuneration policy of each company.

The remuneration for external Board directors and Audit & Supervisory Board members consists exclusively of fixed remuneration.

Corporate Governance

Calculation of performance-linked remuneration

The performance-linked remuneration is determined on an individual basis by comprehensively taking into account individual performance based on the demonstration of capabilities and achievements of each officer and SBG's business performance in accordance with consolidated operating income, consolidated net income, stock prices, and other factors.

Body to decide the policy on determining remuneration amounts and determination procedures

The remuneration paid to Board directors shall not exceed ¥5 billion for cash payments and ¥5 billion for share-based payments, pursuant to the resolution of the 38th Annual General Meeting of Shareholders held on June 20, 2018. The remuneration paid to Audit & Supervisory Board members shall not exceed ¥80 million, pursuant to the resolution of the 10th Annual General Meeting of Shareholders held on June 28, 1990.

Entrusted by the Board of Directors, representative director determines the remuneration for Board directors based on the aforementioned results of remuneration surveys, taking into account the social status and relative position of each Board director, his or her level of contribution to SBG, and other factors.

The remuneration for Audit & Supervisory Board members is determined through deliberation by Audit & Supervisory Board members.

Summary of results of the Board of Directors' evaluation

From November 2018 to April 2019, SBG had an independent organization conduct interviews with all of its external Board directors and Audit & Supervisory Board members from the perspective of the composition, operation, and support systems of the Board of Directors, and conducted an evaluation of the effectiveness of the Board based on the results of the interviews.

The results of the evaluation confirmed the overall efficacy of the Board of Directors. Meanwhile, among the matters pointed out as issues in the evaluation in the previous fiscal year, it was noted that the explanations given at the Board of Directors meetings, the substance of Board meeting materials, and the scope of matters reported by the Board of Directors, among other matters, should be further improved. Also highlighted was the necessity for securing more time for deliberation on complicated investment projects at the Board of Directors meetings, and for considering the establishment of a nominating committee and a remuneration committee in order to discuss the election, dismissal, and remuneration of management executives as well as officers and employees of subsidiaries.

The results of the evaluation were reported at the Board of Directors' meeting held in April 2019, and the Board has confirmed that it will make improvements with regard to the indicated issues. SBG will continue to conduct evaluations of the effectiveness of the Board of Directors going forward in an effort to make the Board even more effective.

Policy for constructive dialogue with shareholders

SBG works to promote constructive dialogue with shareholders and other investors by assigning IR duties to the senior vice president and has established the Investor Relations Department as the responsible department. The department conducts IR activities in close coordination with the Accounting, Finance, Legal, General Administration, and other related departments. SBG discloses this structure on its website and in its Corporate Governance Report.

Management and the Investor Relations Department respond to requests for dialogue from shareholders and other investors within reason, paying careful attention to the handling of material facts subject to insider trading regulations. In addition to individual investor discussions, SBG holds earnings results briefings and briefings for retail investors to explain the status of its businesses to shareholders and other investors.

The Investor Relations Department compiles the opinions received from shareholders and other investors through dialogue and periodically reports them to management.

Basic views on the internal control system and the progress of system development

Please refer to Corporate Governance Report for the Company's basic views on the internal control system and the progress of system development.

See Corporate Governance Report on our website.

Message from an External Board Director

An External Board Director's View of the SoftBank Group's Governance Model

Masami Iijima
External Board Director, Independent Officer, SoftBank Group Corp.

SoftBank Group Corp.'s unique governance system

Most of the directors of SoftBank Group Corp.("SBG"), including me, are or were CEOs. Thus, at SBG those tasked with being the ultimate decision maker in their respective companies conduct discussions in earnest and with a sense of responsibility. I should add that the weightiness of these discussions and decisions is considerable. Another significant feature of SBG's governance is that most of the directors are in effect serving as external board directors. For example, directors from the subsidiary Arm and the associate Alibaba are treated as "internal" directors because each company has capital ties with SBG. At the Board of Directors meetings, however, these directors and most other participants examine the business management of SBG from an external board director's perspective. They maintain a high degree of independence, enabling them to "apply the brakes" at various points in discussions. Taking into consideration all of the above, I believe the Board of Directors meetings function soundly.

A further feature of SBG's governance is measures to enliven discussions. At the Board of Directors meetings, after the discussion of important agenda items, time is set aside for free discussion. During these sessions, directors are free to introduce and discuss topics they feel are important. Such free discussions are extremely significant. It would not be an exaggeration to say that they are one of the most important pillars of SBG's governance.

My role as a director of an investment company

SBG has transformed into a strategic holding company. When examining investments, I pay most attention to the significance a proposed investment would have for the SoftBank Group as a whole. What elements would be required to maximize this significance? How could the Group minimize the various risks associated with the investment? In the worst-case scenario, how would the Group respond? I offer my opinions after giving due consideration to such questions and remaining mindful of synergies in the entire Group.

When participating in discussions, I intend to make use of my experience. Unlike Chairman & CEO Masayoshi Son or Board Director Tadashi Yanai, I am not a company founder. I became CEO of MITSUI & CO. after serving in a range of positions in this single company. I am confident that I can help enhance the corporate value of SBG by using the experience and knowledge that I have accumulated while serving in various positions at a company that has had a succession of CEOs during its long history, from a salesman in frontline operations and an on-site leader, to a senior executive. One example of an area in which I can contribute is the "defensive" area of internal control and risk management. No company is perfect. Each has its strengths and weaknesses, and SBG is no exception. While SBG has a progressive business model and is energetically pursuing a growth strategy through proactive business management, I think that companies with long histories have a little more experience with respect to "defensive" systems. I believe that providing support in this regard is one of my roles as a board director. As SBG launches forays into new fields, there are sure to be fields where the insight and expertise developed through my work at a general trading company will prove useful. In such fields, I want to actively offer my opinions with a view to maximizing corporate value.

SoftBank Group Corp.'s tasks going forward

The development of executives is one task going forward. In my view, SBG owes a great deal of its growth and success so far to the business management abilities of Mr. Son and to the strong network of personal contacts that has been built. To continue growing, the entire Group must foster personnel who can support Mr. Son and assume the management in the future.

As a senior executive of a general trading company, I have devoted a lot of attention to developing personnel, particularly the development of executives capable of becoming my successor. I intend to draw on this experience to closely monitor the development of SBG's personnel.

Board Directors and Audit & Supervisory Board Members

As of June 19, 2019

Directors

Chairman & CEO

Masayoshi Son

Sep 1981	Founded SOFTBANK Corp. Japan (currently SoftBank Group Corp.), Chairman & CEO
Jan 1996	President & CEO, Yahoo Japan Corporation
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.)
Jul 2013	Chairman of the Board, Sprint Corporation
Jun 2015	Director, Yahoo Japan Corporation (to present)
Sep 2016	Chairman and Executive Director, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Jun 2017	Chairman & CEO, SoftBank Group Corp. (to present)
Mar 2018	Chairman and Director, Arm Limited (to present)
Apr 2018	Chairman, SoftBank Corp. (to present)
May 2018	Director of the Board, Sprint Corporation (to present)

Board Director, Vice Chairman

Ronald D. Fisher

Jul 1984	President, Interactive Systems Corp.
Jan 1990	CEO, Phoenix Technologies Ltd.
Oct 1995	Director and president, SoftBank Holdings Inc. (to present)
Jun 1997	Board Director, SoftBank Corp. (currently SoftBank Group Corp.)
Jul 2013	Vice Chairman of the Board, Sprint Corporation (to present)
Jan 2014	Director, Brightstar Global Group Inc.
Aug 2014	Chairman, Brightstar Global Group Inc.
Sep 2016	Director, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Dec 2016	Director, SB Investment Advisers (US) Inc.
Jun 2017	Board Director, Vice Chairman, SoftBank Group Corp. (to present)
Dec 2017	Director and Chairman, SB Investment Advisers (US) Inc. (to present)
Mar 2018	Director, Arm Limited (to present)

Board Director, Executive Vice President & COO

Marcelo Claure

Jun 1995	Owner, USA Wireless, Inc
Oct 1996	President, Small World Communications, Inc.
Sep 1997	Founder, Chairman & CEO, Brightstar Corp.
Sep 2008	Owner, Bolivar Administracion, Inversiones Y Servicios Asociados S.R.L. (to present)
Jan 2014	Member of the Board, Sprint Corporation
Feb 2014	Founder and Director, Miami Beckham United (to present)
Aug 2014	President & CEO, Sprint Corporation
Jan 2015	Member of the Board, CTIA
Jan 2017	Chairman of the Board, CTIA
Jun 2017	Board Director, SoftBank Group Corp.
Mar 2018	Director, Arm Limited (to present)
May 2018	Executive Chairman, Sprint Corporation (to present)
Jun 2018	Board Director, Executive Vice President & COO, SoftBank Group Corp. (to present)
Mar 2019	Chairman, Brightstar Global Group Inc. (to present)
May 2019	Chairman of the Board, Fortress Investment Group LLC (to present)

Board Director, Executive Vice President & CSO

Katsunori Sago

Apr 1992	Joined Goldman Sachs Japan
May 1997	Head of Derivatives Trading, Fixed Income Division, Goldman Sachs Japan
Jan 2007	Director, Co-head of Pan-Asia Equities Division and Fixed Income Currency and Commodities Division, Goldman Sachs Japan Co., Ltd.
Jan 2011	Director, Deputy President, Goldman Sachs Japan Co., Ltd.
Jul 2014	Vice Chairman, Goldman Sachs Japan Co., Ltd.
Feb 2015	Special Adviser to the Financial Services Agency
Jun 2015	Executive Vice President, JAPAN POST BANK Co., Ltd.
Jun 2016	Director and Representative Executive Vice President, JAPAN POST BANK Co., Ltd.
Jun 2018	Board Director, Executive Vice President & CSO, SoftBank Group Corp. (to present)

Board Directors and Audit & Supervisory Board Members

As of June 19, 2019

Directors

Board Director, Executive Vice President

Rajeev Misra

Dec 1985	Joined Los Alamos National Laboratory
Jul 1986	Joined Realty Technologies Pty Ltd
Aug 1991	Joined Merrill Lynch (Currently Bank of America Merrill Lynch)
May 1997	Joined Deutsche Bank AG as Managing Director
May 2001	Global Head of Credit, Emerging Markets, Deutsche Bank AG
Apr 2009	Joined UBS Group AG
Jan 2010	Global Co-Head of Fixed Income, Currencies and Commodities, UBS Group AG
May 2014	Joined Fortress Investment Group LLC as Senior Managing Director and Partner
Nov 2014	Joined SoftBank as the Head of Strategic Finance for the Group
May 2017	CEO, SoftBank Investment Advisers, the manager of SoftBank Vision Fund (to present)
Jun 2017	Board Director, SoftBank Group Corp.
Dec 2017	Board Director, Fortress Investment Group LLC (to present)
Jun 2018	Board Director, Executive Vice President, SoftBank Group Corp. (to present)

Board Director

Ken Miyauchi

Feb 1977	Joined Japan Management Association
Oct 1984	Joined SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Feb 1988	Board Director, SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Apr 2006	Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)
Jun 2007	Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Jun 2012	Director, Yahoo Japan Corporation (to present)
Jun 2013	Representative Director, Senior Executive Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Apr 2015	President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Apr 2018	Board Director, SoftBank Group Corp. (to present)
Jun 2018	President & CEO, SoftBank Corp. (to present)

Board Director

Simon Segars

Mar 1991	Joined Advanced RISC Machines Limited (currently Arm Limited)
Feb 2001	Vice President, Engineering, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Jan 2004	Executive Vice President, Worldwide Sales, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Jan 2005	Executive Director, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Sep 2007	EVP and GM, Physical IP Division, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Jan 2013	President, ARM Holdings plc
Jul 2013	CEO, ARM Holdings plc (currently SVF HOLDCO (UK) LIMITED)
Mar 2014	Director, Global Semiconductor Alliance
Feb 2015	Non-Executive Director, Dolby Laboratories, Inc. (to present)
May 2017	Director, TechWorks, Inc. (to present)
Jun 2017	Board Director, SoftBank Group Corp. (to present)
Mar 2018	CEO, Arm Limited (to present)
Oct 2018	Vice Chairman and Director, Global Semiconductor Alliance (to present)

Board Director

Yun Ma

Feb 1995	Founded China Pages, President
Jan 1998	President, MOFTEC EDI Centre
Jul 1999	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Nov 1999	Director, Chairman of the Board and CEO, Alibaba Group Holding Limited
Jun 2007	Board 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 Limited (to present)

Board Directors and Audit & Supervisory Board Members

As of June 19, 2019

Directors

Board Director

Yasir O. Al-Rumayyan

Dec 2010	CEO and Board Member, Saudi Fransi Capital LLC
Feb 2014	Board Member, Saudi Stock Exchange (Tadawul)
Sep 2015	Managing Director and Board Member, Public Investment Fund (PIF) of Saudi Arabia
Jun 2016	Board Member, Uber Technologies, Inc. (to present)
Jun 2016	Board Member, Saudi Aramco (to present)
Aug 2016	Board Member, Saudi Industrial Development Fund (to present)
Dec 2016	Chairman, Saudi Decision Support Center (to present)
Jun 2017	Board Director, SoftBank Group Corp. (to present)
Jul 2017	Chairman, Sanabil Investments (to present)
May 2018	Director, Arm Limited (to present)
May 2019	Governor and Board Member, Public Investment Fund (PIF) of Saudi Arabia (to present)

External Directors

Board Director, Independent Officer

Tadashi Yanai

Aug 1972	Joined Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD.)
Sep 1972	Director, Ogori Shoji Co., Ltd.
Sep 1984	President & CEO, Ogori Shoji Co., Ltd.
Jun 2001	Board Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Sep 2005	Chairman, President & CEO, FAST RETAILING CO., LTD. (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)
Jun 2009	Director, Nippon Venture Capital Co., Ltd. (to present)
Nov 2011	Director, LINK THEORY JAPAN CO., LTD. (to present)

Board Director, Independent Officer

Masami Iijima

Apr 1974	Joined MITSUI & CO., LTD.
Apr 2006	Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit, MITSUI & CO., LTD.
Apr 2007	Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit, MITSUI & CO., LTD.
Apr 2008	Executive Managing Officer, MITSUI & CO., LTD.
Jun 2008	Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
Oct 2008	Representative Director, Senior Executive Managing Officer, MITSUI & CO., LTD.
Apr 2009	Representative Director, President and Chief Executive Officer, MITSUI & CO., LTD.
Apr 2015	Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD. (to present)
Jun 2016	Director, Ricoh Company, Ltd. (to present)
Jun 2018	Board Director, SoftBank Group Corp. (to present)
Jun 2019	Counsellor, Bank of Japan (to present)
Jun 2019	Director, Isetan Mitsukoshi Holdings Ltd. (to present)

Board Director, Independent Officer

Yutaka Matsuo

Apr 2002	Researcher, National Institute of Advanced Industrial Science and Technology
Aug 2005	Visiting Scholar, Stanford University
Oct 2007	Associate Professor, Graduate School of Engineering, the University of Tokyo
Apr 2019	Professor, Graduate School of Engineering, the University of Tokyo (to present)
Jun 2019	Board Director, SoftBank Group Corp. (to present)

Board Directors and Audit & Supervisory Board Members

As of June 19, 2019

Audit & Supervisory Board Member

Full-time Audit & Supervisory Board Member

Masato Suzaki

Apr 1975 Joined Mitsubishi Corporation
Dec 1983 Master of Business Administration (MBA), School of Global Management (U.S.)
Feb 2002 Joined SoftBank Corp. (currently SoftBank Group Corp.) General Manager of Legal Department
Jul 2012 Corporate Officer, General Manager of Legal Department, SoftBank Corp. (currently SoftBank Group Corp.)
Oct 2013 Corporate Officer, General Manager of Legal Department, SoftBank Corp. (currently SoftBank Group Corp.); Group Compliance Officer
Sep 2016 Corporate Officer, Head of Legal Unit; General Manager of Legal Department of SoftBank Group Corp.; Group Compliance Officer
Jun 2017 Full-time Audit & Supervisory Board Member, 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.

Sep 1977 Joined San Francisco office of Price Water-house (currently PricewaterhouseCoopers)
Aug 1981 Certified public accountant, State of California, U.S.
Jun 2006 Partner, PricewaterhouseCoopers Aarata
Jun 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 Law Office (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)
Jun 2004 Audit & Supervisory Board Member, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Jun 2018 Director (Audit & Supervisory Committee Member), Dream Incubator Inc. (to present)

Audit & Supervisory Board Member, Independent Officer

Hidekazu Kubokawa

Certified public accountant, certified tax accountant

Nov 1976 Joined Chuo Accounting Corporation
Aug 1980 Registered as a certified public accountant
Jul 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.
Jun 2005 Corporate Auditor, KYORITSU PRINTING CO., LTD.
Jun 2006 Auditor, Pado Corporation
Aug 2011 Supervisory Director, HEIWA REAL ESTATE REIT, Inc. (to present)
Jun 2016 Director (Audit & Supervisory Committee Member), Digital Arts Inc. (to present)

Compliance

Commitment to complying with the law and integrity

The Company is committed to complying with the law and more. We believe a commitment to integrity must be the foundation for our business. The Company strives to create an organization where every officer and employee demonstrates the highest degree of ethical conduct in every action they take.

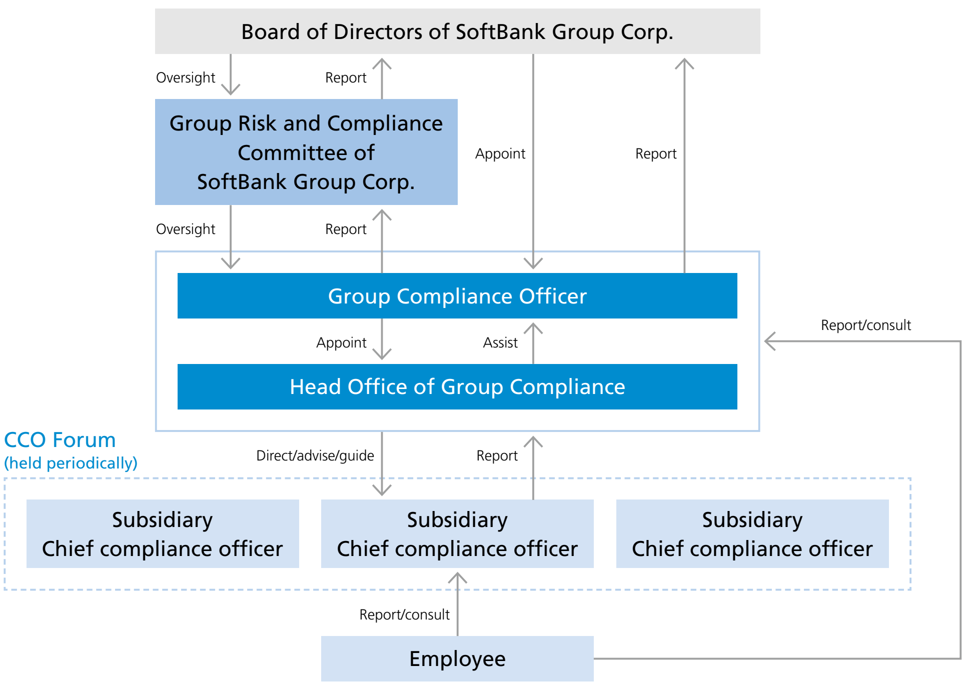
We will also continue to make a positive difference in the world as a leading corporate citizen and as a valued neighbor in the communities where we work and live.

Organizational structure

GCO and CCOs

The Board of Directors of SoftBank Group Corp. ("SBG") has the exclusive authority to appoint a group compliance officer (GCO) as the chief officer responsible for compliance across the Company. In June 2019, Chad Fentress was appointed as the new GCO. Similarly, each subsidiary appoints a chief compliance officer (CCO).

Group Compliance Structure (As of April 2019)



The GCO and CCOs have the responsibility to implement systems designed to ensure compliance with the law and to promote ethical conduct. The GCO and CCOs also have the authority, and responsibility, to stop actions that may violate laws or Company policies. The GCO and CCOs periodically report material incidents and risks together with activities of their ethics and compliance program to their respective boards.

SBG will hold the global CCO forum periodically to mitigate risks, share best practices, and strengthen the relationship with subsidiaries.

Ethics and compliance program

The Company's ethics and compliance program is based on industry best practices and a continuous improvement model. By employing the Plan-Do-Check-Act cycle, we constantly evaluate the effectiveness of our program and make changes based on the results we measure and observe.

Oversight of program

In 2019, SBG established the Group Risk and Compliance Committee to provide oversight to the risk management and ethics and compliance programs of the Company. This committee membership includes senior leaders of SBG. The committee reviews risk assessments, risk mitigation, incidents, and other key performance indicators that measure the effectiveness and activities of the risk management and ethics and compliance programs. The committee reports regularly to SBG's Board of Directors on the effectiveness of those programs.

Standards and controls

SBG first adopted the SoftBank Group Code of Conduct in 2005. As part of our rapid business expansion across the globe, SBG has substantially enhanced the SoftBank Group Code of Conduct and Group Policies. Our revised Code of Conduct is more comprehensive and enriched with specific examples, Q&As, definitions, and red flags to guide the Company's officers and employees to ethical conduct.

SBG has implemented Group Policies that establish Groupwide minimum requirements across key risk areas such as anti-corruption, competition, conflicts of interests, insider trading, economic sanctions, information security, privacy, human rights, and brand management.

Compliance

Training and awareness

The Company conducts training and awareness-raising activities to ensure that officers and employees recognize risk areas and have the information they need to make the right choices. As one example of those activities, SBG holds a Compliance Awareness Month annually for officers and employees of main subsidiaries in Japan and conducts an integrity test to assess their own level of understanding.

SBG also provides training for directors and officers of main subsidiaries in Japan. In this training, participants learn the essence of various risks and how to address them through group discussions based on case studies of actual incidents that have occurred in the Company or potential risks. The Company strives to minimize risks and enhance management efficiency.

SBG is establishing minimum standards across the Company and standardizing training in certain risk areas.

Architecture of ethics and compliance program

Monitor audit and review

The Company has implemented ethics and compliance helplines to assist employees, officers or others such as business partners to ask for advice or to make reports of misconduct. These include a helpline hosted by an external legal counsel. Allegations and consultations may be made anonymously, as permitted by local laws. The Company received several hundred reports and requests for advice in fiscal year 2018. SBG is currently implementing a global ethics and compliance helpline across the Company where users may easily report concerns or seek advice using a web-based tool or by telephone. In addition, CCOs are responsible for maintaining helplines for their respective group companies. Significant substantiated cases must be reported to the GCO.

SBG also conducts a regular employee survey designed to measure our ethical culture. SBG uses the results of the survey to target messaging about our program or take other action as appropriate.

Risk assessment

Each subsidiary undergoes periodic risk assessments, control evaluations, and mitigation planning. SBG is creating a new function in our program that will support each subsidiary in identifying its key ethics and compliance risks, evaluate the effectiveness of its controls, and mitigate those risks.

Risk Management

The Company conducts risk management throughout the Group.
We have built a group-wide system to anticipate potential risks and prevent the materialization of these risks as well as to minimize losses in situations where serious risks may materialize.

Risk management system

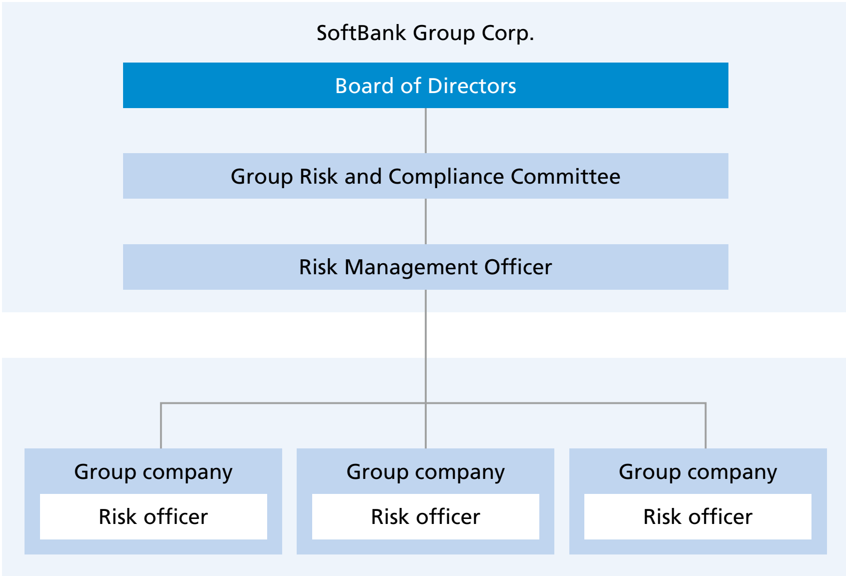
The Group Company Management Regulations of the SoftBank Group set out our fundamental approach to risk management. Based on the regulations, the Company has appointed risk officers and built a system to prevent and mitigate risks in business activities. Further, when an emergency occurs, appropriate responses as a corporate group are determined according to a designated escalation flow from the Group's subsidiaries, associates, and jointly controlled companies to SoftBank Group Corp. ("SBG").

In addition, SBG has been strengthening the risk management capabilities of the Group. For example, we newly established the Group Risk and Compliance Committee (GRCC) in 2019, which oversees risk management of the entire Group.

Risk management initiatives

SBG operates a risk management Plan–Do–Check–Act cycle under the supervision of the GRCC. Doing so enables SBG to understand potential risks and the occurrence of incidents at group companies, as well as to identify significant risks and issues at the Group level. Following the aforementioned cycle, SBG regularly collects such information as the results of risk assessments from Group companies. By analyzing this information, SBG identifies material risks that could give rise to losses in the Group. Such findings as well as the status of risks of the entire Group are reported to the Board of Directors. Through this process, SBG takes steps including deciding on countermeasures for material risks and revising the risk management cycle.

Risk management system



Initiatives for Sustainability

For details, see "CSR" on our website.

The Company seeks to contribute to society by bringing happiness to everyone through its business activities. Under the SoftBank Group CSR Principles, the Company is promoting its sustainability initiatives prioritizing the following three themes.

1 Building a healthy Internet society	2 Cultivating a next generation that has dreams and aspirations	3 Protecting the planet's future through environmental protection

Pepper Social Contribution Program

As part of its social contribution activities, SoftBank Group Corp. loans *Pepper* humanoid robots for educational use.

Using Pepper to support education

In April 2017, we began the *Pepper* Social Contribution Program using *Pepper* robots in programming classes. Our goal is to foster a new generation that can play an active role in an era when people and robots coexist. Given that programming is to be introduced as part of a compulsory elementary school curriculum from 2020, *Pepper* robots were loaned for use in over 25,000 programming classes at approximately 600 schools as of March 2019. Believing that robot programming classes that use *Pepper* robots contribute greatly to the development of children's logical thinking, problem-solving, and creativity, we are actively promoting the program in partnership with government agencies, municipalities, universities, and other educational institutions.

Launching programming education in North America

In collaboration with educational institutions in the United States and Canada, since December 2018 we have been adapting the Pepper robot-enabled programming classes originally started in Japan. We are leveraging the experience and expertise gained from the program in Japan to offer similar educational support in North America, thereby contributing to STEM education.*1 Currently, we provide these programming classes in the San Francisco Unified School District and at Boston Public Schools, and plan to steadily increase the number of robots and expand the coverage area of the programming classes.

*1 An approach to education begun in the United States in the 2000s that emphasizes science, technology, engineering and mathematics (STEM)

Arm initiatives

Arm has established the "2030 Vision" in September 2015 to help achieve the Sustainable Development Goals (SDGs) and build a better future. The vision calls for the use of technology in cooperation with companies, NPOs, educational institutions, governments, and other entities to establish optimal living environments for everyone by 2030. For example, Arm supports Simprints Technology, a British non-profit tech start-up based in Cambridge, which develops low-cost biometric identification systems. The technology developed by the company is currently deployed in 11 countries and reaching over 250,000 beneficiaries. The company aims to scale this up to 4.1 million beneficiaries by 2021.

For details, see Arm's "2030 Vision" website.

Initiatives for Sustainability

For details, see “CSR” on our website.

Generation of renewable energy

In light of the accident at the Fukushima Daiichi Nuclear Power Station caused by the Great East Japan Earthquake, which occurred on March 11, 2011, the SoftBank Group began engaging in power generation projects using renewable energy to maintain the safety, reliability, and sustainability of the power supply.

Every year, we contribute a 2.05 million tonnes of reduction in CO_2 emissions*2 by using renewable energy to supply 2,552 GWh*3 of power, equivalent to 40% of a standard nuclear power station’s output. Put another way, this reduction represents approximately 0.4% of the CO_2 emissions generated by all the power stations in Japan. SB Energy Corp., a group subsidiary, has 36 solar power generation plants and a wind power generation plant (Wind Farm Hamada) in operation throughout Japan, as of the end of March 2019. Overseas, meanwhile, the Group operates Tsetsii Wind Farm, the first wind power project in Mongolia’s Gobi Desert, and solar power generation plants in India.

We contribute significantly to the advancement of renewable energy in Japan and overseas. SB Energy Corp. and SoftBank Group Corp. are founding members of the Japan Climate Initiative, a network of companies and municipal authorities in Japan that are focused on realizing the carbon-free society called for by the Paris Agreement. Also, we have served as secretariat of the Renewable Energy Governors’ Alliance since its foundation in July 2011. Comprising Japan’s prefectural governors, this organization aims to spread renewable energy. In addition, we are a member of and play active roles in international organizations related to renewable energy, including the International Solar Alliance and Global Energy Interconnection Development and Cooperation Organization.

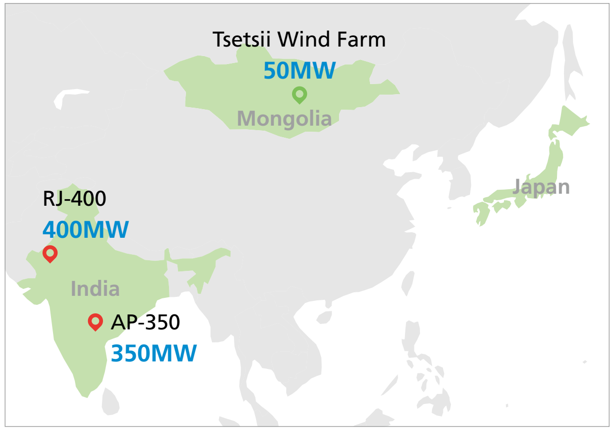
As IoT progresses and big data accumulates, and as electricity-powered mobility becomes more common, power use is expected to rise significantly on a global scale. Accordingly, the Group will promote the creation of an information-oriented society that anticipates energy generation needs.

*2 The calculation of CO_2 emissions reductions is based on the guidelines of the Ministry of Economy, Trade and Industry and Japan Photovoltaic Energy Association.
*3 Based on the expected annual power generation of respective power plants

JAPAN CLIMATE INITIATIVE

Global Energy Interconnection Development and Cooperation Organization
全球能源互联网发展合作组织

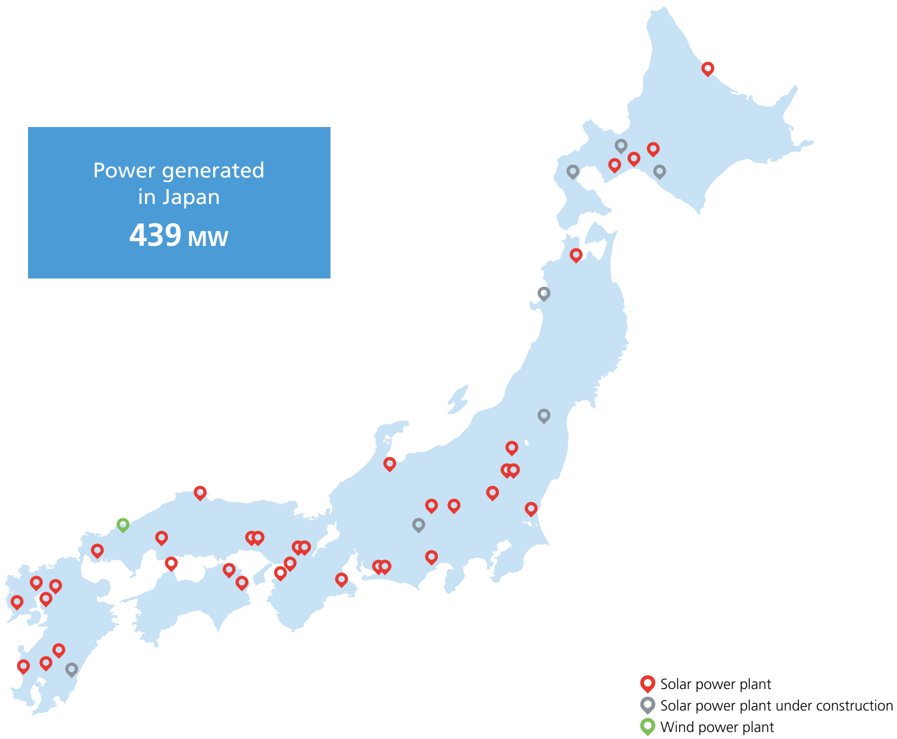
Renewable energy projects of the SoftBank Group (As of March 2019)



Power supplied by using renewable energy
2,552 GWh per year

Emissions reduction
2.05 million ton of CO_2 per year

Power generated in Japan
439 MW

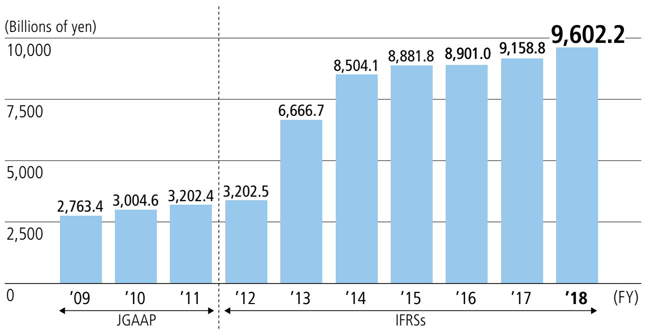


Financial Section

Graphs I: Consolidated Financial Data

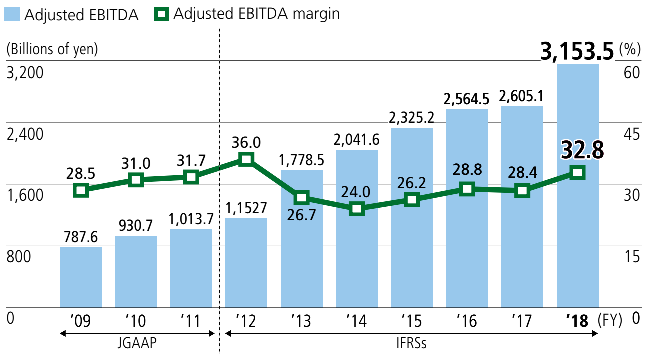
Fiscal year beginning April 1 and ending March 31 of the following year

Net sales



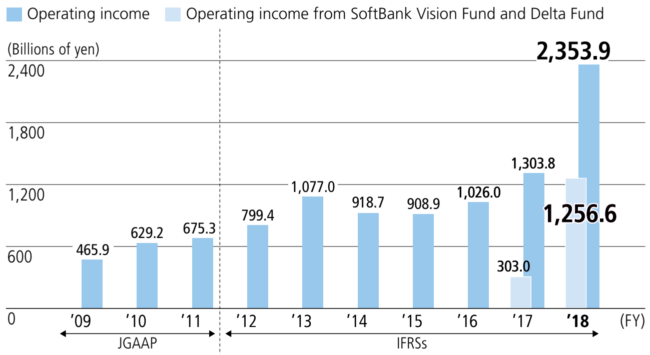
FY2018
Net sales + **4.8**% **YoY**

Adjusted EBITDA / Adjusted EBITDA margin



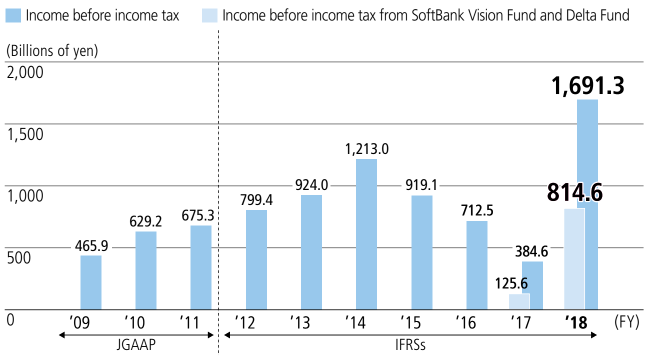
FY2018
Adjusted EBITDA + **21.1**% **YoY**
Adjusted EBITDA margin **32.8**%

Operating income



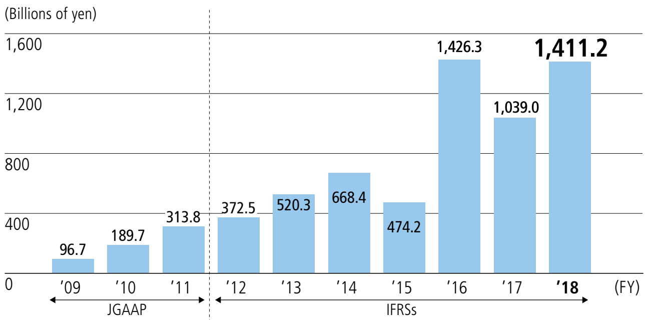
FY2018
Operating income + **80.5**% **YoY**

Income before income tax



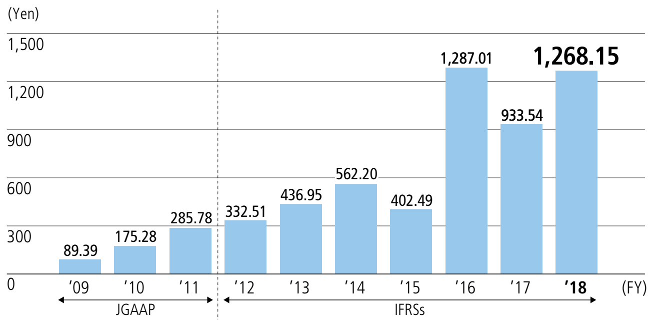
FY2018
Income before income tax + **339.7**% **YoY**

Net income attributable to owners of the parent



FY2018
Net income attributable to owners of the parent + **35.8**% **YoY**

Basic EPS



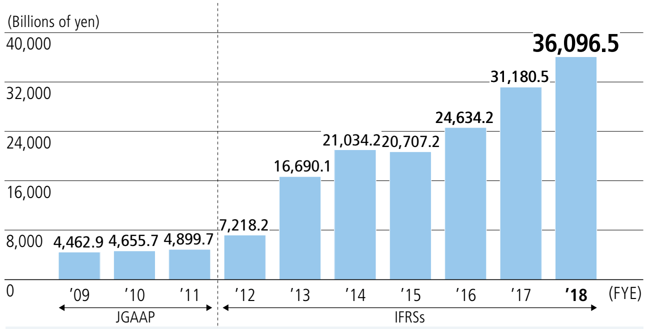
FY2018
Basic EPS **¥1,268.15**
Diluted EPS **¥1,256.53**

Note: In fiscal 2018, the Company adopted IFRS 9 and IFRS 15.
Items where terminology differs between JGAAP and IFRSs are presented as below. (JGAAP / IFRSs)
- Income before income taxes and minority interests / income before income tax
- Net income / net income attributable to owners of the parent
- Net income per share/ basic EPS
- Total shareholders' equity / total equity attributable to owners of the parent
- Ratio of total shareholders' equity / Ratio of total equity attributable to owners of the parent
- Shareholders' equity per share / equity per share attributable to owners of the parent

Graphs II: Consolidated Financial Data

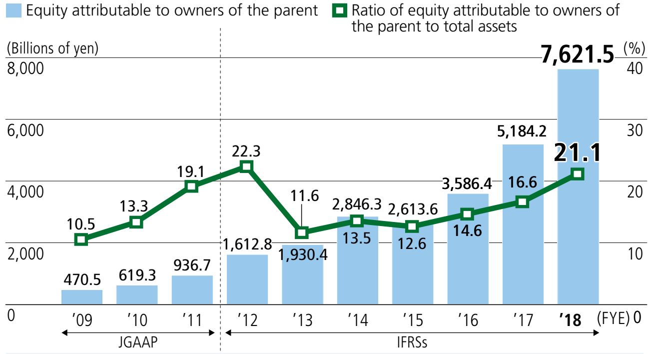
Fiscal year beginning April 1 and ending March 31 of the following year

Total assets



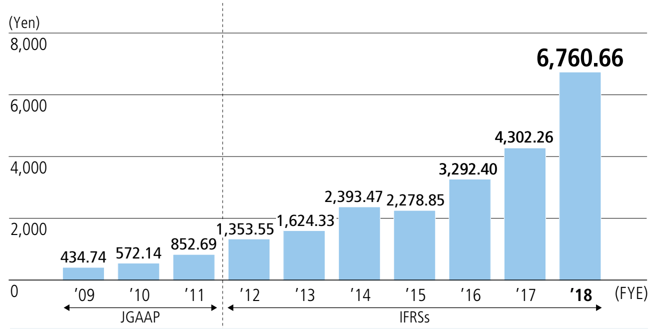
FYE2018
Total assets ¥**36,096.5** billion
+ **15.8**% YoY

Equity attributable to owners of the parent / Ratio of equity attributable to owners of the parent to total assets



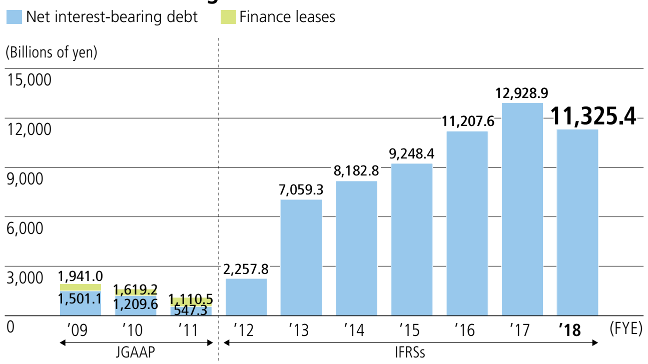
FYE2018
Equity attributable to owners of the parent + **47.0**% YoY
Ratio of equity attributable to owners of the parent to total assets **21.1**%

Equity per share attributable to owners of the parent



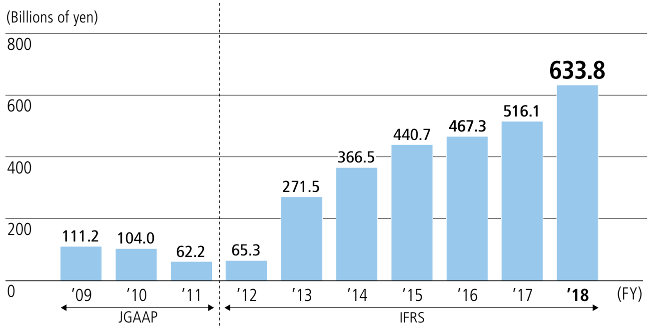
FYE2018
Equity per share attributable to owners of the parent ¥**6,760.66**

Net interest-bearing debt*



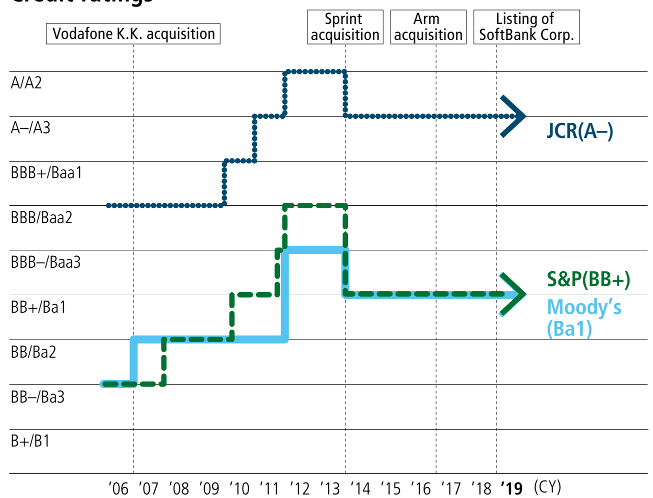
FYE2018
Net interest-bearing debt ¥**11,325.4** billion

Finance cost



FY2018
Finance cost ¥**633.8** billion

Credit ratings



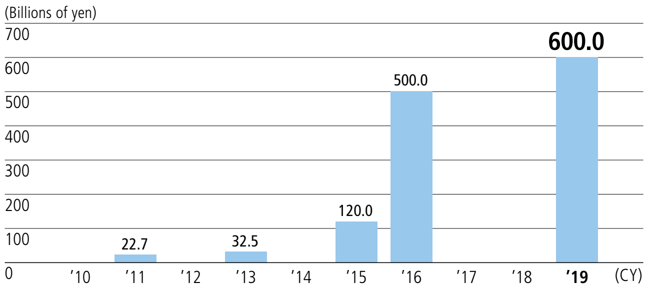
Note: In fiscal 2018, the Company adopted IFRS 9 and IFRS 15.
Items where terminology differs between JGAAP and IFRSs are presented as below. (JGAAP / IFRSs)
- Income before income taxes and minority interests / income before income tax
- Net income / net income attributable to owners of the parent
- Net income per share/ basic EPS
- Total shareholders' equity / total equity attributable to owners of the parent
- Ratio of total shareholders' equity / Ratio of total equity attributable to owners of the parent
- Shareholders' equity per share / equity per share attributable to owners of the parent

* Calculated by subtracting cash position (cash and cash equivalents + short-term investments recorded as current assets (both excluding those of The Japan Net Bank)) from interest-bearing debt (excluding financial liabilities relating to variable prepaid forward contract for sale of Alibaba shares). Deposits for banking business of The Japan Net Bank are not included in interest-bearing debt.

Graphs III: Consolidated Financial Data

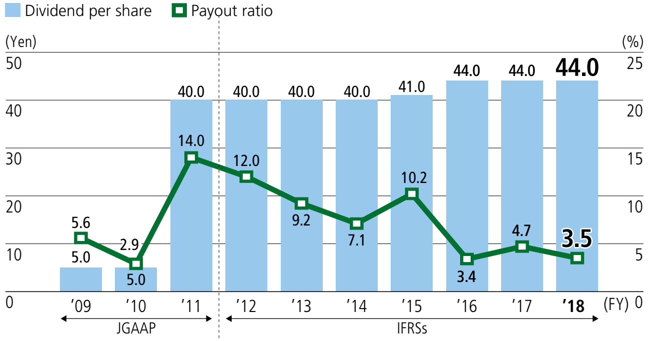
Fiscal year beginning April 1 and ending March 31 of the following year

Amount of share repurchase



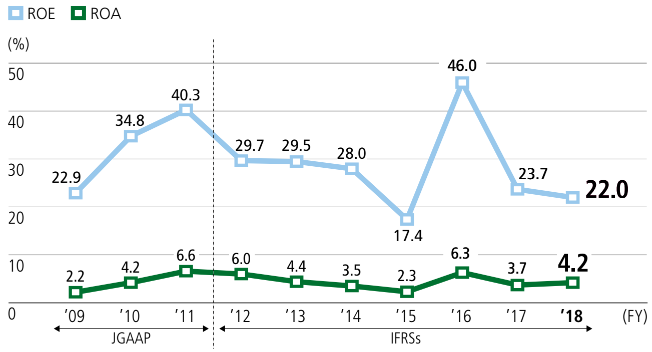
2019
Total amount of repurchase **¥600 billion**

Dividend per share / Payout ratio



FY2018
Dividend per share **Annual dividend: ¥44**

ROE / ROA



FY2018
ROE **22.0%**
ROA **4.2%**

Market capitalization

Note: In fiscal 2018, the Company adopted IFRS 9 and IFRS 15.
Items where terminology differs between JGAAP and IFRSs are presented as below. (JGAAP / IFRSs)

- Income before income taxes and minority interests / income before income tax
- Net income / net income attributable to owners of the parent
- Net income per share/ basic EPS
- Total shareholders' equity / total equity attributable to owners of the parent
- Ratio of total shareholders' equity / Ratio of total equity attributable to owners of the parent
- Shareholders' equity per share / equity per share attributable to owners of the parent

Eleven-year Consolidated Financial Data

Fiscal year beginning April 1 and ending March 31 of the following year

		JGAAP				IFRSs
(Millions of yen)		FY2008	FY2009	FY2010	FY2011	FY2012
Net sales		2,673,035	2,763,406	3,004,640	3,202,436	3,202,536
Adjusted EBITDA		678,636	787,631	930,730	1,013,716	1,152,741
Operating income		359,121	465,871	629,163	675,283	799,399
Income before income tax		107,338	289,250	480,613	632,257	715,504
Net income attributable to owners of the parent		43,172	96,716	189,713	313,753	372,481
Total assets		4,386,672	4,462,875	4,655,725	4,899,705	7,218,172
Total equity attributable to owners of the parent		374,094	470,532	619,253	936,695	1,612,756
Interest-bearing debt*1		2,400,391	2,195,471	2,075,801	1,568,126	3,707,853
Net interest-bearing debt*2		1,939,521	1,501,074	1,209,636	547,299	2,257,806
Net cash provided by operating activities		447,858	668,050	825,837	740,227	813,025
Net cash used in investing activities		(266,295)	(277,162)	(264,448)	(375,656)	(874,144)
Net cash provided by (used in) financing activities		(210,348)	(159,563)	(397,728)	(196,667)	471,477
Net increase (decrease) in cash and cash equivalents		(31,169)	230,719	159,457	168,069	417,944
Cash and cash equivalents at the end of the year		457,644	687,682	847,155	1,014,559	1,439,057
Major indicators	(Units)					
Adjusted EBITDA margin	%	25.4	28.5	31.0	31.7	36.0
ROA	%	1.0	2.2	4.2	6.6	6.0
ROE	%	11.4	22.9	34.8	40.3	29.7
Ratio of equity attributable to owners of the parent to total assets	%	8.5	10.5	13.3	19.1	22.3
Per share data*3	(Units)					
Basic EPS	¥	39.95	89.39	175.28	285.78	332.51
Diluted EPS	¥	38.64	86.39	168.57	278.75	328.08
Equity per share attributable to owners of the parent	¥	346.11	434.74	572.14	852.69	1,353.55
Dividend per share	¥	2.50	5.00	5.00	40.00	40.00
Others	(Units)					
Shares outstanding	’000	1,080,855	1,082,329	1,082,350	1,098,515	1,191,500
Subsidiaries		173	172	178	196	235
Associates		90	83	92	97	108
Number of public companies*4		13	12	13	14	14
Number of employees (consolidated basis)		21,048	21,885	21,799	22,710	25,891

Eleven-year Consolidated Financial Data

Fiscal year beginning April 1 and ending March 31 of the following year

(Millions of yen)		IFRSs FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Net sales		6,666,651	8,504,135	8,881,777	8,901,004	9,158,765	**9,602,236**
Adjusted EBITDA		1,778,492	2,041,633	2,325,153	2,564,467	2,605,117	**3,153,461**
Operating income		1,077,044	918,720	908,907	1,025,999	1,303,801	**2,353,931**
Income before income tax		924,049	1,213,035	919,161	712,526	384,630	**1,691,302**
Net income attributable to owners of the parent		520,250	668,361	474,172	1,426,308	1,038,977	**1,411,199**
Total assets		16,690,127	21,034,169	20,707,192	24,634,212	31,180,466	**36,096,476**
Total equity attributable to owners of the parent		1,930,441	2,846,306	2,613,613	3,586,352	5,184,176	**7,621,481**
Interest-bearing debt*1		9,170,053	11,607,244	11,922,431	14,142,922	16,353,856	**14,954,506**
Net interest-bearing debt*2		7,059,286	8,182,817	9,248,363	11,207,617	12,928,922	**11,325,430**
Net cash provided by operating activities		860,245	1,155,174	940,186	1,500,728	1,088,623	**1,171,864**
Net cash used in investing activities		(2,718,188)	(1,667,271)	(1,651,682)	(4,213,597)	(4,484,822)	**(2,908,016)**
Net cash provided by (used in) financing activities		2,359,375	1,719,923	43,270	2,380,746	4,626,421	**2,202,291**
Net increase (decrease) in cash and cash equivalents		524,433	1,295,163	(689,046)	(386,505)	1,151,548	**523,868**
Cash and cash equivalents at the end of the year		1,963,490	3,258,653	2,569,607	2,183,102	3,334,650	**3,858,518**
Major indicators	(Units)						
Adjusted EBITDA margin	%	26.7	24.0	26.2	28.8	28.4	**32.8**
ROA	%	4.4	3.5	2.3	6.3	3.7	**4.2**
ROE	%	29.5	28.0	17.4	46.0	23.7	**22.0**
Ratio of equity attributable to owners of the parent to total assets	%	11.6	13.5	12.6	14.6	16.6	**21.1**
Per share data*3	(Units)						
Basic EPS	¥	436.95	562.20	402.49	1,287.01	933.54	**1,268.15**
Diluted EPS	¥	434.68	558.75	388.32	1,275.64	908.38	**1,256.53**
Equity per share attributable to owners of the parent	¥	1,624.33	2,393.47	2,278.85	3,292.40	4,302.26	**6,760.66**
Dividend per share	¥	40.00	40.00	41.00	44.00	44.00	**44.00**
Others	(Units)						
Shares outstanding	’000	1,188,456	1,189,197	1,146,900	1,089,282	1,089,498	**1,053,833**
Subsidiaries		756	769	739	763	1,141	**1,302**
Associates		105	120	122	130	385	**423**
Number of public companies*4		13	14	12	12	18	**19**
Number of employees (consolidated basis)		70,336	66,154	63,591	68,402	74,952	**76,866**

Notes: 1. In fiscal 2018, the Company adopted IFRS 9 and IFRS 15.
Items where terminology differs between JGAAP and IFRSs are presented as below. (JGAAP / IFRSs)
- Income before income taxes and minority interests / income before income tax
- Net income / net income attributable to owners of the parent
- Total shareholders’ equity / total equity attributable to owners of the parent
- Ratio of total shareholders’ equity / Ratio of total equity attributable to owners of the parent
- Net income per share/ basic EPS
- Diluted net income per share / diluted EPS
- Shareholders’ equity per share / equity per share attributable to owners of the parent

2. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 “Levies.”
3. As of June 1, 2015, GungHo no longer qualified as a subsidiary and became an equity method associate. Accordingly, GungHo’s net income and loss for the period from April 1, 2015 to June 1, 2015 are presented as discontinued operations. Its net income and loss for fiscal 2014 are revised retrospectively and also presented under discontinued operations.
Furthermore, as of August 16, 2016, GungHo no longer qualified as an equity method associate. This is a result of a transaction where the Company tendered 245,592,400 of its shares in the tender offer by GungHo. The tender offer was executed from June 23, 2016 and completed on July 21, 2016.
4. The Company sold all of its shares in Supercell to an affiliate of Tencent Holdings Limited on July 29, 2016. Accordingly, Supercell’s net income until July 29, 2016 is presented as discontinued operations. Net income of Supercell for fiscal 2015 was revised retrospectively and presented under discontinued operations.

*1 Excludes financial liabilities relating to variable prepaid forward contract for sale of Alibaba shares. Deposits for banking business of The Japan Net Bank are not included in interest-bearing debt.
*2 Calculated by subtracting cash position (cash and cash equivalents + short-term investments recorded as current assets (both excluding those of The Japan Net Bank)) from interest-bearing debt.
*3 Basic EPS and diluted EPS are calculated based on net income attributable to owners of the parent.
*4 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)

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

As of June 19, 2019

Results of Operations

Highlights of Results

1.Operating income: ¥2,353.9 billion (increased 80.5% yoy)

- **Operating income from SoftBank Vision Fund and Delta Fund was ¥1,256.6 billion.**
  - **Unrealized gain of ¥1,378.6 billion from continuing investments:** reflecting the increase in the fair values of Uber, Guardant Health, OYO[1], and other investments.
  - **Completed exits from two investments (Flipkart, NVIDIA) in fiscal 2018.** Gain on investments of ¥146.7 billion was recorded on the sale of Flipkart shares. For NVIDIA, the gain on investments during the entire investment period was ¥138.3 billion; total gain was ¥306.8 billion including derivative gain.

2.Net income attributable to owners of the parent: ¥1,411.2 billion (increased 35.8% yoy)

- **Finance cost of ¥(633.8) billion***
- **Derivative gain of ¥158.2 billion:** gain recorded mainly as a result of collar transactions using NVIDIA shares.
- **Changes in third-party interests in SoftBank Vision Fund and Delta Fund of ¥(586.2) billion*:** increased due to higher gain on investments.
- **Income taxes of ¥(236.7) billion*:** tax benefit of ¥405.6 billion through the use of loss carryforwards of a subsidiary that had not been recognized as deferred tax assets, for the disposal of SoftBank Corp. shares.

*recorded as cost for fiscal 2018

Adoption of IFRS 9 and IFRS 15

In the first quarter, the Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" (collectively, the "new standards"). The cumulative impact of the adoption of the new standards was recognized as an adjustment to the balance of retained earnings on the date of adoption (April 1, 2018), and the Company has not adjusted the presentation of information of the previous fiscal year. In the tables of this appendix, figures for the previous fiscal year are presented under "previous standards," and the impacts of adopting the new standards on the results of the fiscal year are presented under "impact of adopting new standards." Further, in the consolidated statement of financial position, the cumulative impact of the adoption of the new standards was recognized as adjustments to the balances of retained earnings and accumulated other comprehensive income on the date of adoption.

Changes in Segment Classification

In accordance with changes in the Company's organization based on its unique organizational strategy, "Cluster of No.1 Strategy," the Company revised its segment classifications for management purposes in the first quarter, comprising six reportable segments: SoftBank, Sprint, Yahoo Japan, Arm, SoftBank Vision Fund and Delta Fund, and Brightstar.

Note: Abbreviations for Management's Discussion and Analysis of Results of Operations and Financial Position
The fiscal year / Fiscal 2018: Fiscal year ended March 31, 2019
The first quarter: Three-month period ended June 30, 2018
The second quarter: Three-month period ended September 30, 2018
The third quarter: Three-month period ended December 31, 2018
The fourth quarter: Three-month period ended March 31, 2019
The previous fiscal year / Fiscal 2017: Fiscal year ended March 31, 2018
The fiscal year-end: March 31, 2019
The previous fiscal year-end: March 31, 2018

Overall Results for Fiscal 2018

(Millions of yen)

	Fiscal 2017 Previous standards	Fiscal 2018 New standards	Change	Change %	Fiscal 2018 Impact of adopting new standards
Net sales	9,158,765	**9,602,236**	443,471	4.8%	59,310
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)	1,000,820	**1,097,290**	96,470	9.6%	169,066
Operating income from SoftBank Vision Fund and Delta Fund[2]	302,981	**1,256,641**	953,660	314.8%	135,527
Operating income	1,303,801	**2,353,931**	1,050,130	80.5%	304,593
Income before income tax	384,630	**1,691,302**	1,306,672	339.7%	261,243
Net income	1,237,812	**1,454,618**	216,806	17.5%	245,426
Net income attributable to owners of the parent	1,038,977	**1,411,199**	372,222	35.8%	224,510

Reference: Average exchange rates used for translations

	Fiscal 2017				Fiscal 2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥111.61	¥111.38	¥112.74	¥108.85	¥108.71	¥111.55	¥112.83	¥110.46

1. Net Sales

Net sales increased ¥443,471 million (4.8%) year on year, to ¥9,602,236 million. Net sales increased in the following segments: SoftBank, Sprint, and Yahoo Japan. Net sales were almost flat in the Arm and Brightstar segments.

2. Operating Income

Operating income increased ¥1,050,130 million (80.5%) year on year, to ¥2,353,931 million.

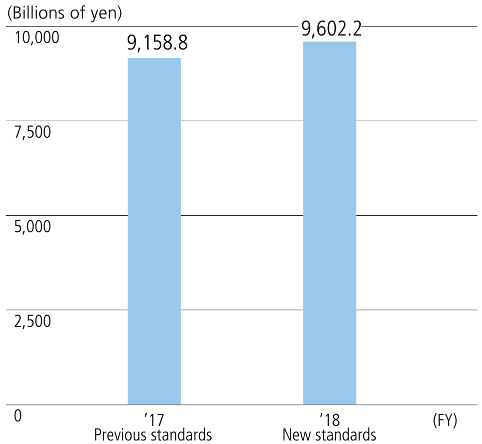
Operating income (excluding income from SoftBank Vision Fund and Delta Fund) increased ¥96,470 million (9.6%) year on year, to ¥1,097,290 million. Segment income improved ¥40,423 million in the SoftBank segment, ¥1,012 million in the Sprint segment, ¥165,346 million in the Arm segment, and ¥21,238 million in the Brightstar segment. However, segment income deteriorated ¥41,376 million in the Yahoo Japan segment and ¥68,218 million in the Other segment.

The segment income of the Arm segment includes gain relating to loss of control over subsidiaries of ¥176,261 million, which was recognized as a result of Arm's Chinese subsidiary becoming an associate accounted for using the equity method, following the establishment of a joint venture.

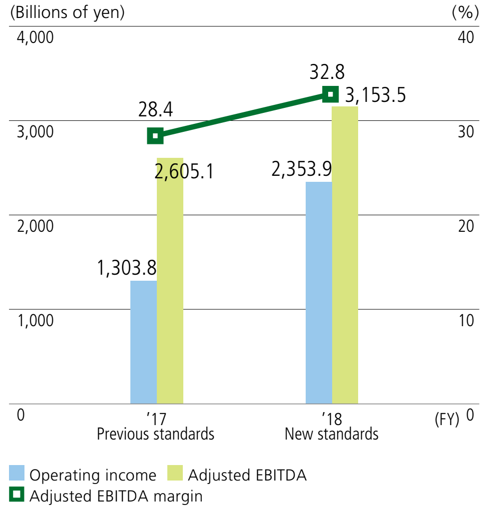
Operating income from SoftBank Vision Fund and Delta Fund was ¥1,256,641 million, compared with income of ¥302,981 million in the previous fiscal year. This was mainly due to an unrealized gain of ¥1,378,553 million, reflecting an increase in the fair values of continuing investments including Uber Technologies, Inc. ("Uber"), Guardant Health, Inc. ("Guardant Health"), and Oravel Stays Private Limited ("OYO"),[1] and a realized gain of ¥146,682 million on the sale of Flipkart Private Limited ("Flipkart") shares. Conversely, a loss of ¥222,628 million was recorded for the investment in NVIDIA Corporation ("NVIDIA").

The total gain on investment in NVIDIA for the entire investment period (December 2016 to January 2019) was ¥306,809 million (before deducting third-party interests). A gain of ¥365,325 million was recorded in the previous fiscal year, consistent with NVIDIA's share price increase, while a loss of ¥222,628 million was recorded in the fiscal year, consistent with its share price drop until the investment was disposed in January 2019. On the other hand, derivative gain of ¥168,471 million, the total amount for the previous fiscal year and the fiscal year, was recorded as non-operating income for the previous fiscal year and the fiscal year, as a result of collar transactions conducted to hedge the share price drop.

Net sales



Operating income / Adjusted EBITDA / Adjusted EBITDA margin



3. Income before Income Tax

Income before income tax increased ¥1,306,672 million (339.7%) year on year, to ¥1,691,302 million.

Finance cost increased ¥117,637 million (22.8%) year on year, to ¥633,769 million. Interest expenses increased ¥45,544 million at SoftBank Group Corp.[3] This was mainly due to an increase in interest-bearing debt associated with the issuance of foreign currency-denominated senior notes in September 2017 and the borrowings made by a wholly owned subsidiary of the Company using Alibaba shares. The Company also recognized ¥24,051 million in conjunction with the partial repayment of a senior loan, as a result of the full amortization of the unamortized balance of an amortized cost. In addition, the interest expenses of SoftBank Vision Fund increased ¥25,339 million due to borrowings made using NVIDIA shares.

(Millions of yen)

	Fiscal 2017	Fiscal 2018	Change
Finance Cost	(516,132)	**(633,769)**	(117,637)
SoftBank Group Corp.[3]	(193,036)	**(238,580)**	(45,544)
SoftBank Vision Fund	(7,801)	**(33,140)**	(25,339)
Sprint	(267,089)	**(291,832)**	(24,743)
Reference: In U.S. dollars	$(2,402) million	**$(2,631) million**	$(229) million

Income on equity method investments decreased ¥87,790 million (21.7%) year on year, to ¥316,794 million. This was mainly due to a decrease of ¥86,088 million (20.3%) in income on equity method investments related to Alibaba, to ¥338,683 million.

(Net Income Attributable to Alibaba and the Company's Income on Equity Method Investments Related to Alibaba)

	Twelve months ended December 31[4]		
	2017	2018	Change
Alibaba			
Net income attributable to Alibaba (US GAAP)	Million CNY 67,071	**Million CNY 69,642**	Million CNY 2,571
Net income attributable to Alibaba (IFRSs)	Million CNY 84,893	**Million CNY 70,714**	Million CNY (14,179)
	Fiscal year ended March 31		
	2018	2019	Change
Income on equity method investments related to Alibaba			
(Reference) Interest ratio as of December 31	29.36%	**29.12%**	(0.24) pp
Income on equity method investments	Million CNY 25,088	**Million CNY 20,644**	Million CNY (4,444)
(Reference) Effective exchange rate CNY/JPY	¥16.93	**¥16.41**	¥(0.52)
Income on equity method investments	Million yen 424,771	**Million yen 338,683**	Million yen (86,088)

Foreign exchange gain was ¥11,145 million, compared with a loss of ¥34,518 million in the previous fiscal year.

Derivative gain was ¥158,230 million, compared with a loss of ¥630,190 million in the previous fiscal year. Derivative gain of ¥2,876 million was recorded in relation to a collar transaction embedded in a variable prepaid forward contract for Alibaba shares, compared with a loss of ¥604,156 million in the previous fiscal year. Derivative gain of ¥177,373 million, which arose until the settlement of collar transactions utilizing NVIDIA shares in January 2019, was also recorded.

Gain from financial instruments at FVTPL was ¥38,443 million, which arose from the change in the fair values of investments held by the Company outside of SoftBank Vision Fund and Delta Fund, compared with a loss of ¥68 million in the previous fiscal year.

Changes in third-party interests in SoftBank Vision Fund and Delta Fund amounted to an increase of ¥586,152 million, compared with an increase of ¥160,382 million in the previous fiscal year. An increase in third-party interest is reflected as a decrease in the Company's income. The breakdown is as below:

(Millions of yen)

	Fiscal 2017	Fiscal 2018
Attributable to investors entitled to fixed distribution	(39,397)	**(102,712)**
Attributable to investors entitled to performance-based distribution	(120,985)	**(483,440)**
Changes in third-party interests in SoftBank Vision Fund and Delta Fund	(160,382)	**(586,152)**

Changes in third-party interests in SoftBank Vision Fund and Delta Fund indicate the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions. The distributions are based on the gain and loss on investments at both funds, net of management and performance fees payable to SBIA, the Company's wholly owned subsidiary and manager of SoftBank Vision Fund, and operating and other expenses of the funds.

Other non-operating income was ¥32,680 million, compared with income of ¥17,535 million in the previous fiscal year.

4. Net Income

Net income increased ¥216,806 million (17.5%) year on year, to ¥1,454,618 million.

Income taxes were ¥236,684 million, compared with a credit of ¥853,182 million (profit) in the previous fiscal year. The effective income tax rate of 14.0% was significantly lower than the statutory income tax rate of 31.46%. This was mainly due to the use of loss carryforwards that had not been recognized as deferred tax assets at SoftBank Group Japan Corporation, a wholly owned subsidiary of the Company, against the gain on disposal of a portion of its SoftBank Corp. shares (33.50% of total shares issued), when SoftBank Corp. was listed in December 2018. Mainly due to this impact, income taxes were reduced by ¥405,577 million.

Current taxes of ¥64,892 million were recorded for the aforementioned realized gain in Flipkart, which mainly operates businesses in India. Capital gains on investments in entities that operate businesses in India are subject to tax in India. As a result of the sale of Flipkart shares occurring within 24 months of making the investment, the sale taxed at 43.68%, the Indian short-term capital gains tax rate.

5. Net Income Attributable to Owners of the Parent

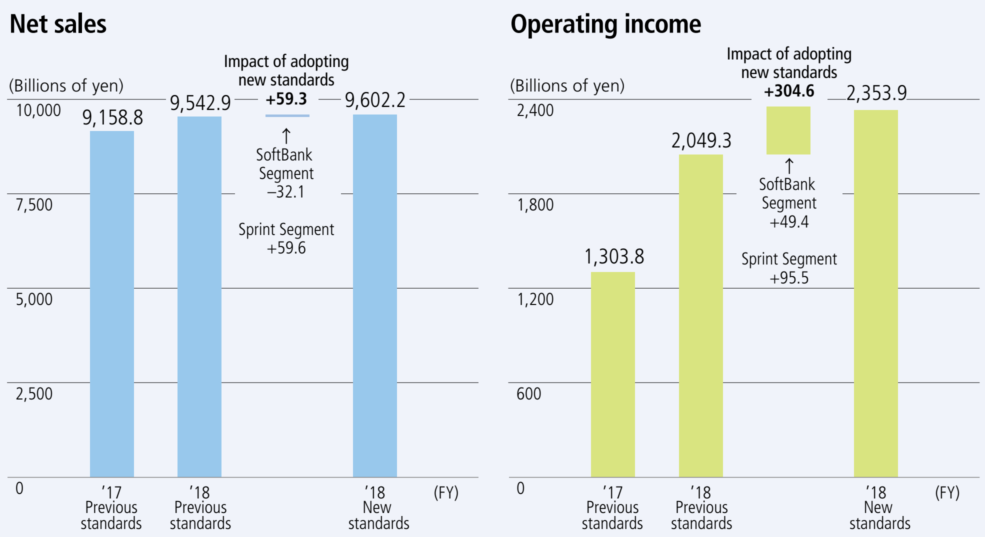
After deducting net income attributable to non-controlling interests such as those of Yahoo Japan Corporation, Sprint, and SoftBank Corp. from net income, net income attributable to owners of the parent increased ¥372,222 million (35.8%) year on year, to ¥1,411,199 million.

The percentage of SoftBank Corp.'s net income attributable to non-controlling interests has increased, due to a decrease in the Company's indirect ownership percentage of SoftBank Corp., from 99.99% to 66.49%, on December 19, 2018.

6. Comprehensive Income

Comprehensive income increased ¥172,763 million (13.0%) year on year, to ¥1,502,295 million. Of this, comprehensive income attributable to owners of the parent increased ¥287,107 million (24.9%), to ¥1,440,235 million.

Impact of adopting new standards (IFRS 9 and IFRS 15) on consolidated statement of income



SoftBank Segment

1. Achieved higher net sales and segment income, driven by an expansion of telecom service customer base.
2. SoftBank Corp. was listed on the Tokyo Stock Exchange First Section on December 19, 2018.

Overview

In order to achieve sustainable growth, SoftBank Corp., under its "Beyond Carrier Strategy," aims to expand its telecom service customer base, while expanding businesses in new areas that are expected to generate synergies with its existing telecommunications business, by cooperating or collaborating with partner companies including SoftBank Vision Fund's portfolio companies. As businesses in new areas, the company is currently working to build up new services, including a shared office service through a joint venture with WeWork Companies, Inc. ("WeWork") of the U.S., and a taxi booking platform service through a joint venture with Didi Chuxing Technology Co., Ltd. of China. Both joint ventures are accounted for using the equity method by SoftBank Corp.

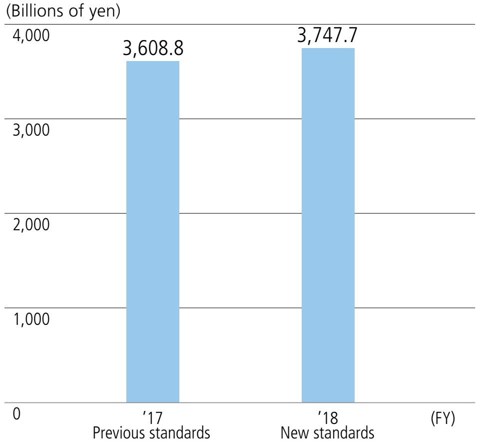
Financial Results

Both net sales and segment income increased year on year, driven by a steady growth in the telecommunications business, especially the service for retail consumers. Net sales growth was attributable to an increase in telecom service revenue from service for retail consumers, which is the largest revenue source, led by the steady expansion in customer base. The cumulative number of smartphone subscribers with the three brands—*SoftBank, Y!mobile, and LINE MOBILE*—increased 1.95 million from the previous fiscal year-end, to 22.08 million, and the cumulative number of subscribers to *SoftBank Hikari*, a fiber-optic service, increased 940,000 from the previous fiscal year-end, to 5.92 million. Segment income and adjusted EBITDA also increased as a result of increased net sales, especially telecom service revenue that contributed to profit.

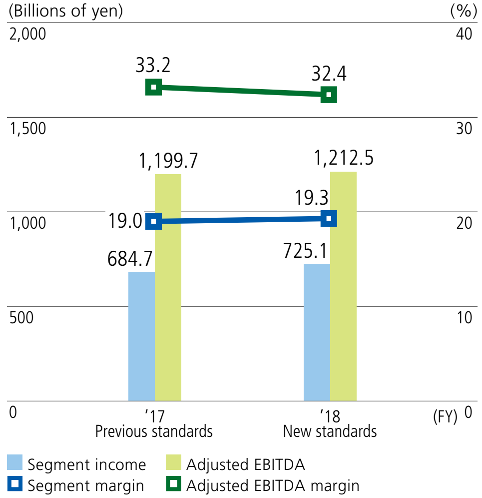
Depreciation and amortization expenses, which had increased in the previous fiscal year due to the temporary impact from the termination of 3G services on 1.7 GHz in January 2018, decreased year on year.

Capital expenditures, on the basis of acceptance, increased year on year, due to initiatives to expand service areas and improve the quality of LTE services.

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin



For more information on SoftBank Corp.'s financial results and business operations, please refer to its website at:

Issuance of New Shares by Yahoo Japan Corporation through Third-Party Allotment to SoftBank Corp. and Acquisition by Yahoo Japan Corporation of Its Own Shares through Tender Offer

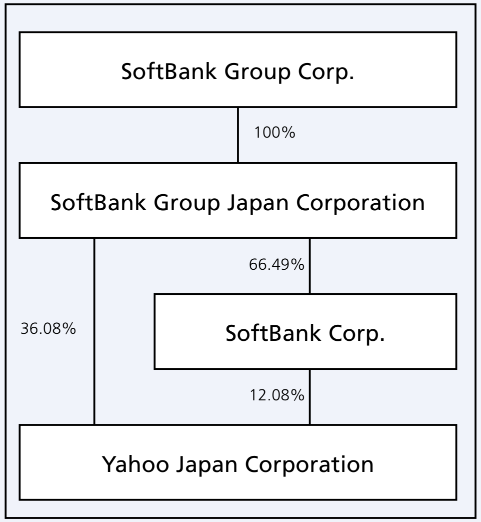
On May 8, 2019, Yahoo Japan Corporation resolved to issue 1,511,478,050 new shares for ¥456.5 billion to SoftBank Corp. through a third-party allotment (the "Third-Party Allotment"), of which SoftBank Corp. resolved to purchase the entire shares. Yahoo Japan Corporation also implemented a tender offer for its own shares from May 9, 2019 to June 5, 2019 (the "Tender Offer"), and SoftBank Group Corp. accepted the Tender Offer and tendered its holding of common shares of Yahoo Japan Corporation, held by its wholly owned subsidiary SoftBank Group Japan Corporation ("SBGJ"). As a result, 1,792,819,200 of these shares (equivalent to ¥514.5 billion) will be sold to Yahoo Japan Corporation.

In the event that SoftBank Corp. purchases the shares of Yahoo Japan Corporation through the Third-Party Allotment, and the Tender Offer is settled (collectively, the "Transactions"), the Company's ownership in common shares of Yahoo Japan Corporation will be 45.52%*1 (all of which are indirect holdings, including SoftBank Corp.'s shareholding of 44.64%), compared with 48.16%*2 (all of which are indirect holdings, including SoftBank Corp.'s shareholding of 12.08%) as of the fiscal year-end. As a result of the Transactions, Yahoo Japan Corporation is expected to become a subsidiary of SoftBank Corp., which will be deemed to effectively control the company, considering its dispatch of officers to Yahoo Japan Corporation as board members. Consequently, Yahoo Japan Corporation will remain a subsidiary of the Company in the Company's consolidated financial results. The Company's economic interests in Yahoo Japan Corporation are expected to drop from 44.11% to 30.56% in accordance with an increase in non-controlling interests.

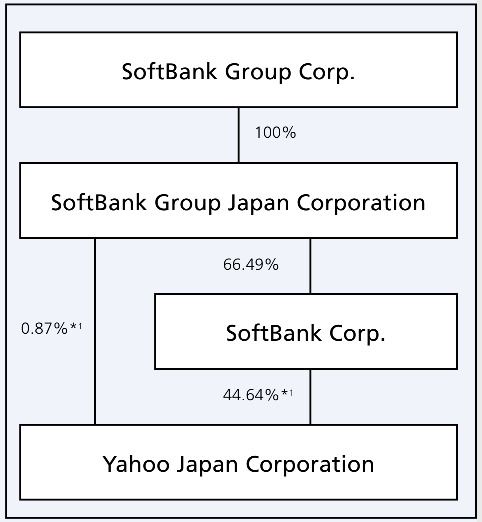
Notes: 1. This indicates a ratio to 4,760,851,065 shares of Yahoo Japan Corporation, an amount derived by subtracting 1,902,256,600 shares, which is the total of the number of treasury stock as of March 31, 2019 (67,879,000 shares) and the number of own shares to be acquired in the Tender Offer (1,834,377,600 shares), from the number of shares issued as of March 31, 2019 (5,151,629,615 shares), and adding the number of new shares to be issued in the Third-Party Allotment (1,511,478,050 shares), rounded to two decimal place.
2. This indicates a ratio to 5,083,750,615 shares of Yahoo Japan Corporation, an amount derived by subtracting the number of treasury stock as of March 31, 2019 (67,879,000 shares) from the number of shares issued as of March 31, 2019 (5,151,629,615 shares), rounded to two decimal place. The same applies to any references to shareholding ratio in this section except the one defined in note 1.

(Reference)

Before the Transactions (as of March 31, 2019)



After the Transactions



Sprint Segment

1. Net sales increased 3.5% yoy to ¥3,726.8 billion. U.S. dollar-based wireless telecom service revenue has been stabilized, excluding the impact of adopting the new standards.
2. Segment income increased 0.4% yoy to ¥280.3 billion, including the positive impact of adopting the new standards.
3. Review by the Federal Communications Commission (FCC) and other regulatory agencies regarding the merger with T-Mobile is still underway.

Overview

Sprint is working to expand its net sales by increasing the number of postpaid and prepaid subscribers and stabilizing its 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, Sprint expects to further increase network cash capital expenditures to improve its network quality. At the same time, Sprint continues its efforts to enhance profitability by further improving operational efficiency.

Merger of Sprint and T-Mobile

On April 29, 2018, Sprint and T-Mobile entered into a definitive agreement to merge in an all-stock transaction (the "Transaction"). Upon completion of the Transaction, the combined company is expected to become an equity method associate of the Company with an approximately 27.4% shareholding, and Sprint will no longer be a subsidiary of the Company. The Transaction is subject to Sprint and T-Mobile stockholder approvals, regulatory approvals, and other customary closing conditions. To obtain regulatory approvals for the merger, Sprint and T-Mobile completed the Hart-Scotto-Rodino filing with the Department of Justice (DOJ). Furthermore, the parties filed merger applications with the Federal Communications Commission (FCC) and the Committee on Foreign Investment in the United States (CFIUS). By the end of the fiscal year, the Transaction received clearance from CFIUS, while review is still underway by DOJ, FCC, and other regulatory agencies. The Transaction is expected to receive federal regulatory approval in the first half of 2019.

Financial Results (in U.S. Dollars)

Net sales increased $1,194 million (3.7%) year on year, to $33,600 million. Of the net sales increase, $535 million comes from adopting the new standards, with a negative impact on telecom service revenue and a positive impact on equipment revenue. Excluding these impacts, net sales increased $659 million year on year. Although telecom service revenue fell mainly due to a decrease in wireline revenue, equipment revenue increased due to an increase in equipment rentals revenue.

Of telecom service revenue, excluding the negative impact of adopting the new standards, quarterly wireless telecom service revenue has been stabilized, with year-on-year growth from the second quarter to the fourth quarter.

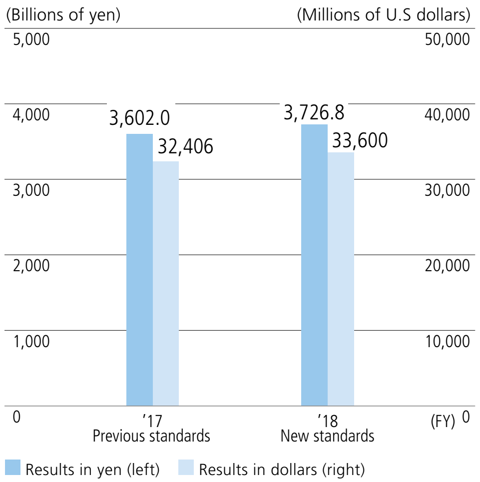
Segment income increased $39 million (1.6%) year on year, to $2,532 million.

Net sales increased $659 million year on year (excluding the impact of adopting the new standards) as mentioned above. Operating expenses (cost of sales and selling, general and administrative expenses) increased $627 million year on year (excluding the impact of adopting the new standards), mainly due to an increase in depreciation expenses following an increase of leased device assets. Other operating income and loss deteriorated $851 million year on year, due to the absence of one-time gains recognized in the previous fiscal year, such as a gain on spectrum license exchange and gain on litigation settlement. On the other hand, the adoption of the new standards had a positive impact of $858 million on segment income ($535 million for the increase in net sales and $323 million for the push-down of operating expenses). As a result, segment income increased $39 million year on year.

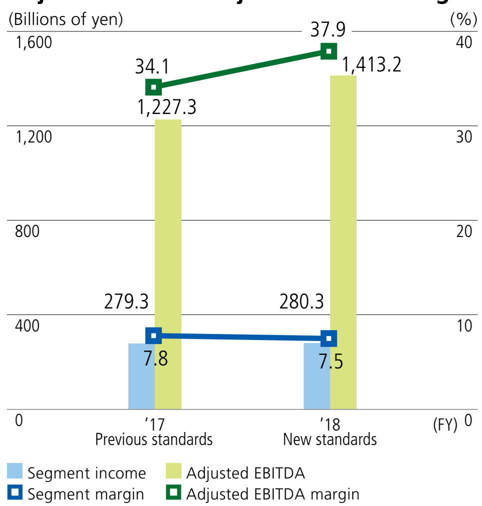
Adjusted EBITDA increased $1,706 million (15.5%) year on year, to $12,746 million, which included the same amount of the positive impact as on segment income from the adoption of the new standards.

Adjusted free cash flow decreased $1,859 million year on year, to negative $914 million (as disclosed by Sprint, US GAAP). An increase in operating cash flows was more than offset by an increase in expenditures for the acquisition of telecom equipment for the 5G network.

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin

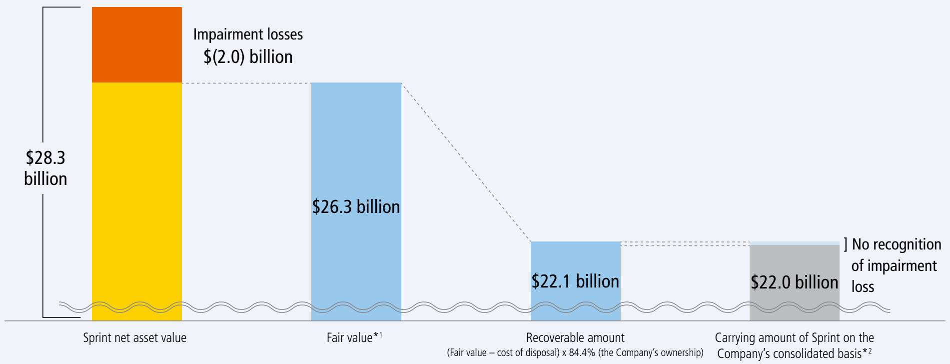


Accounting treatment of Sprint's impairment losses in the Company's consolidated financial statements

On May 7, 2019 (EST), Sprint announced that it recorded impairment losses of $2 billion in the fourth quarter. However, the Company did not recognize the impairment losses in its consolidated financial statements, because recoverable value of Sprint ((fair value – cost of disposal) x the Company's ownership of 84.4%) was higher than its consolidated carrying amount at the fiscal year-end.

Comparison: Sprint's net asset value to its fair value / carrying amount of Sprint on consolidated basis to its recoverable value

As of March 31, 2019

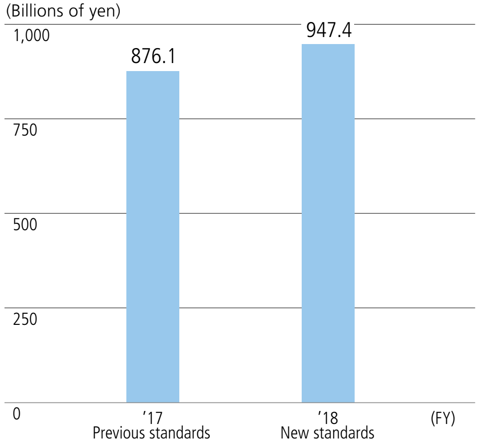


Notes: 1. Calculating the fair value by a blend of DCF based on future business plans, EBITDA multiple, and M&A at other companies.
2. In the Company's consolidated financial statements, the amount of currency hedge effect from forward exchange contracts on acquisition of Sprint, which is approximately $3.1 billion, has been deducted from the carrying amount of Sprint on the Company's consolidated basis.

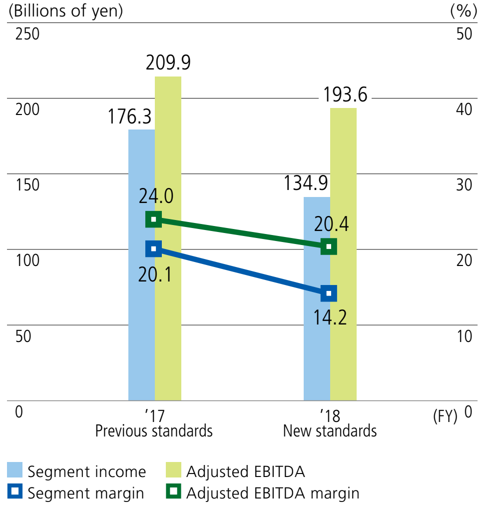
For more information on Sprint's US GAAP-based financial results and business operations, please refer to its website at:

Yahoo Japan Segment

Net sales



Segment income / Segment margin Adjusted EBITDA / Adjusted EBITDA margin



For more information on Yahoo Japan Corporation's financial results and business operations, please refer to its website at:

Arm Segment

1. **For the full year, net sales were almost flat yoy; the fourth quarter net sales were the highest in the year.**
   - Deterioration of global business conditions in the semiconductor industry resulted in a decline of technology licensing revenue of 11.5% yoy and the lower growth rate of technology royalty revenue of 1.0% yoy, on a U.S. dollar basis.
   - Although net sales were almost flat yoy for the full year, they increased 11.3% yoy in the fourth quarter, on a U.S. dollar basis, and were the highest in the year, due to delivery of a new next generation high-performance processor.
   - The delay in signing new contracts following the establishment of a joint venture for the China business was dispelled in the third quarter, and there has been no impact on a full-year basis.
2. **Steadily increasing R&D capability to drive long-term growth**
   - Arm launched further processors developed for specific markets such as automotive and IoT; a direct result of the strategy of accelerated R&D over the past two years.
   - Arm continuously evaluates the mix of R&D projects in which it is investing to ensure that ROI is maximized.

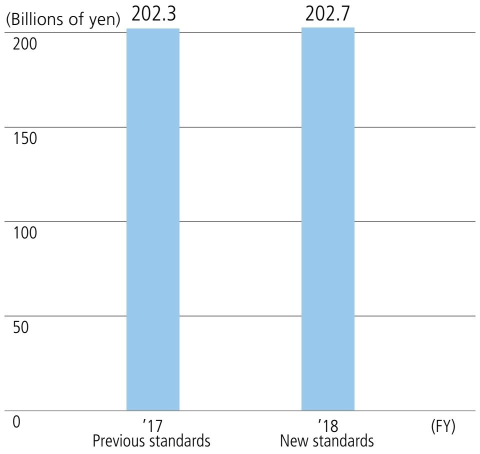
Overview

Arm's operations are primarily the licensing of semiconductor intellectual property (IP), including the designs of energy-efficient microprocessors and associated technologies. Since becoming part of the Company, 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).

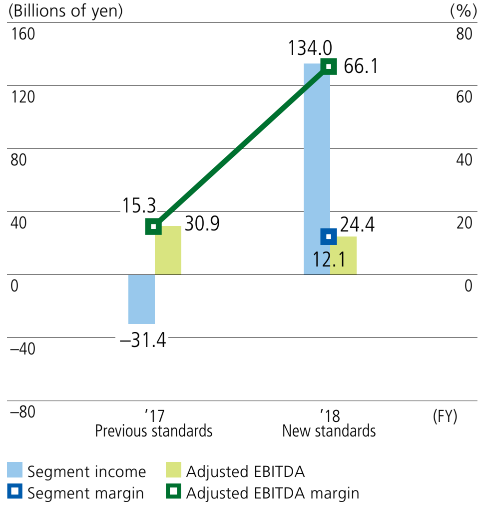
In the fiscal year, Arm announced several new products that are a direct result of the accelerated R&D that Arm has executed over the past two years. This has included:

- *Helium* is the architecture used for *Cortex-M* processors which brings machine learning acceleration to tiny micro-controllers going into applications such as robotics and industrial automation.
- *Pelion* IoT platform that enables enterprises to seamlessly and securely connect and manage IoT devices and data at any scale
- Two new processors developed specifically for the safety-critical applications within automotive applications (*Cortex-A76AE* and *Cortex-A65AE*)
- *Neoverse* family of processors developed for server and networking application.
  – Amazon Web Services Inc. announced that the first generation of *Neovese* technologies will be used in their own-built Graviton server chips, which would replace the previous generation of chips with a significant cost saving for its customers.
  – Introduced the *Neoverse N1* and *Neoverse E1* processors which significantly improve the performance capability of the family. The *Neoverse N1* and *Neoverse E1* processors are expected to appear in end applications in 2020

Net sales



Segment income / Segment margin
Adjusted EBITDA / Adjusted EBITDA margin



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.

Financial Results

Net sales increased ¥355 million (0.2%) year on year, to ¥202,699 million. This was due to the deterioration of global business conditions in the semiconductor industry resulting in a decline of technology licensing revenue by 11.5% year on year and the lower growth rate of technology royalty revenue of 1.0% year on year, on a U.S. dollar basis.

However, net sales increased 11.3% year on year in the fourth quarter, which marks high quarterly net sales for Arm. This was due to delivery of next generation high-performance processor aimed at smartphones, tablets, and laptops, resulting in strong technology licensing revenue.

Technology Licensing

Technology licensing revenue decreased year on year primarily due to a reduction in confidence within the semiconductor industry as a whole, resulting in Arm's customers either delaying chip design starts or reducing R&D budgets. As global business conditions in the semiconductor industry restores, Arm expects that the number of new chip designs will increase, and companies will invest more in R&D.

The delay in signing new contracts following the establishment of a joint venture for the China business (see "Establishment of Joint Venture for the China Business" on the following page), which resulted in a negative revenue impact in the first quarter and second quarter, was dispelled in the third quarter leading to a recovery in revenue. There has been no impact on revenue on a full-year basis.

Technology Royalties

Technology royalty revenue's growth rate has slowed down due to a deceleration in semiconductor demand globally including a weakening in global smartphone demand, especially in China, combined with a general slowdown in global chip sales. Going forwards, royalty revenue growth will continued to be impacted by the slowdown in smartphone demand, but the overall growth of royalty revenue is still expected to increase in the medium- to long-term as Arm gains share in other secular growth markets such as networking, automotive, and IoT.

Software and Services

Software and services revenue, on a U.S. dollar basis, increased 51.6% year on year, due to the acquisition of Treasure Data, Inc. and Stream Technologies Limited during the fiscal year.

Segment income was ¥133,966 million, compared with a loss of ¥31,380 million in the previous fiscal year. This was mainly attributable to the recognition of gain relating to the loss of control over subsidiaries of ¥176,261 million as other operating income, as a result of Arm Technology (China) Co., Ltd. ("Arm China") becoming an associate accounted for using the equity method from a subsidiary, following the establishment of a joint venture of the China business.

In the fiscal year, Arm continued to increase its R&D capacity, which included hiring more R&D engineers and support staff. As a result, operating expenses (cost of sales and selling, general and administrative expenses) increased ¥11,225 million year on year. Arm's head count increased net 101 people (1.7%) from the previous fiscal year-end, despite the exclusion of 341 employees of Arm China from the head count upon June 26, 2018.

(Net sales in U.S. dollars)

(Millions of U.S. dollars)

	Fiscal 2017					Fiscal 2018				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Technology licensing	149	123	190	156	618	85	124	125	213	547
Technology royalties	250	271	297	269	1,087	261	285	305	247	1,098
Software and services	29	28	33	36	126	35	47	56	53	191
Total net sales	428	422	520	461	1,831	381	456	486	513	1,836

Arm will continue to strengthen its R&D capacity to build the technologies needed to meet the opportunities presented by machine learning, IoT, autonomous vehicles, among others. In the meantime, to ensure that ROI is maximized, it will also continuously evaluate the mix of R&D projects in which it is investing, as well as the locations of the engineering teams. From time to time, some engineers and project team members are transferred onto other projects or locations. Since the third quarter, Arm restructured some R&D projects and office locations, and consequently Arm's head count is becoming flattish from the second quarter to the fourth quarter. It is expected that Arm's head count growth will accelerate in the medium term, as Arm will continue to increase its R&D capacity through hiring engineers.

Adjusted EBITDA decreased ¥6,509 million (21.0%) year on year, to ¥24,435 million.

Establishment of Joint Venture for the China Business

On June 26, 2018, Arm sold 51% of its equity interest in its wholly owned Chinese subsidiary, Arm China, for $845 million to entities representing certain institutional investors and certain of Arm's ecosystem partners in order to form a joint venture for Arm's semiconductor technology IP business in China. As a result of this transaction, Arm China is no longer considered as a subsidiary of the Company and has become an associate accounted for using the equity method. Accordingly, the Company recorded gain relating to loss of control over subsidiaries of ¥176,261 million.

Arm will continue to receive a significant proportion of all license, royalty, software, and service revenues arising from Arm China's licensing of Arm semiconductor products, and record them as net sales. Arm China's labor costs are no longer included after it became an associate. However, Arm's business outside of China will continue to utilize services provided by Arm China employees, for which Arm pays as if Arm China was a subcontractor and record the cost in operating expenses. The net impact on segment income in the medium term is expected to be minor.

Operations

Licensing

	Licenses signed January 1 to March 31, 2019	Cumulative number of licenses signed March 31, 2019
Classic (*Arm7, Arm9, Arm11*)	–	499
Cortex-A	10	363
Cortex-R	3	106
Cortex-M	14	539
Mali	5	187
Number of processor licenses signed	32	1,694

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

Arm signed 32 processor licenses during the fourth quarter, including four licenses for new technologies that Arm has not yet announced, reflecting solid demand for Arm's latest technology. Of the 20 customers signing new licenses, five 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 AI applications, consumer electronics, networking equipment, smartphones and virtual reality headsets.

Royalty Units

The following analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for the three-month period ended December 31, 2018, 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.

	2017				2018	2017	2018
	Oct 1 to Dec 31	Jan 1 to Mar 31	Apr 1 to Jun 31	Jul 1 to Sep 30	**Oct 1 to Dec 31**	Full year	**Full year**
Royalty units as reported by Arm's licensees (billion)	5.8	5.5	5.6	6.2	**5.6**	21.3	**22.9**
Growth rate (yoy)	13.7%	17.0%	10.7%	8.8%	**(3.4%)**	20.3%	**7.5%**
Breakdown by processor family							
Classic (*Arm7, Arm9, Arm11*)	16%	14%	10%	9%	**9%**	17%	**10%**
Cortex-A	19%	20%	21%	18%	**19%**	18%	**20%**
Cortex-R	7%	8%	8%	10%	**9%**	8%	**9%**
Cortex-M	58%	58%	61%	63%	**63%**	57%	**61%**

Arm's licensees reported shipments of 5.6 billion Arm-based chips for the three-month period ended December 31, 2018. This is down 3.4% year on year and reflects the slowdown in the growth of smartphones combined with the overall weakness in the semiconductor industry. For the full year, 22.9 billion Arm-based chips were reported as shipped, up 7.5% year on year.

Demand for Arm-based chips are expected to increase in the medium- to long-term as Arm gains share in other secular growth markets such as networking, automotive, and IoT.

For more information about Arm, its business, and its technology, please refer to its website at:

Arm Segment Principal Operational Data

Licensing

			FY2017				FY2018			
	FY2017	FY2018	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Processor licenses signed	141	125	41	26	48	26	16	35	42	32
Breakdown by processor family										
Classic (*Arm7, Arm9, Arm11*)	0	0	0	0	0	0	0	0	0	0
Cortex-A	45	35	7	7	19	12	3	14	8	10
Cortex-R	16	12	5	4	5	2	1	5	3	3
Cortex-M	58	59	20	11	17	10	11	13	21	14
Mali	22	19	9	4	7	2	1	3	10	5
Cumulative number of licenses signed			1,482	1,508	1,552	1,577	1,593	1,627	1,662	1,694
Breakdown by processor family										
Classic (*Arm7, Arm9, Arm11*)			500	500	500	499	499	499	499	499
Cortex-A			297	304	322	334	337	350	353	363
Cortex-R			83	87	92	94	95	100	103	106
Cortex-M			445	456	472	482	493	506	525	539
Mali			157	161	166	168	169	172	182	187
Companies signing licenses	89	85	30	15	33	18	12	26	27	20
Existing	52	66	17	10	23	9	9	21	21	15
New	37	19	13	5	10	9	3	5	6	5

Royalty Units

			CY2017				CY2018			
(Billions)	CY2017	CY2018	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec
Royalty units as reported by licensee	21.3	22.9	4.7	5.1	5.7	5.8	5.5	5.6	6.2	5.6
Breakdown by processor family										
Classic (*Arm7, Arm9, Arm11*)	17%	10%	17%	18%	17%	16%	14%	10%	9%	9%
Cortex-A	18%	20%	22%	20%	17%	19%	20%	21%	18%	19%
Cortex-R	8%	9%	8%	9%	7%	7%	8%	8%	10%	9%
Cortex-M	57%	61%	53%	53%	59%	58%	58%	61%	63%	63%

Employees

			FY2017				FY2018			
	FY2017	FY2018	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total number of employees			5,182	5,538	5,708	5,886	5,707	5,990	5,970	5,987
(incl.) Technical employees			4,269	4,555	4,677	4,812	4,697	4,940	4,887	4,858
Geographical breakdown										
U.K.			2,037	2,198	2,262	2,340	2,418	2,504	2,451	2,547
Rest of Europe			929	1,020	1,060	1,093	1,137	1,150	1,209	1,125
U.S.			1,151	1,184	1,241	1,280	1,312	1,375	1,354	1,318
Asia			454	482	481	486	146	234	238	252
India			611	654	664	687	694	727	718	745

1. Total number of employees: include temporary employees.
2. Technical employees: employees who work on the research, creation, maintenance, deployment and support of technology products and services of Arm.

SoftBank Vision Fund and Delta Fund Segment

1. Segment income of ¥1,256.6 billion
   - Valuation gain of ¥1,378.6 billion from continuing investments: fair values of Uber, Guardant Health, OYO,[1] and other investments increased.
   - Sale of Flipkart shares: gain of ¥146.7 billion
   - Disposal of NVIDIA shares: total gain for the entire investment period (December 2016 to January 2019) was ¥306.8 billion, including gains from shares and collar transactions. A loss of ¥222.6 billion was recorded in fiscal 2018 due to share price fall, however, a gain of ¥177.4 billion was recorded as non-operating income resulting from hedging the share price fall through collar transactions.
2. Progress of investments at SoftBank Vision Fund
   - Holds 69 investments at cost totaling $60.1 billion, with fair value amounting to $72.3 billion (excluding exited investments)[5].
   - During fiscal 2018, two investees, Guardant Health and Ping An Good Doctor, became publicly listed issuers. Three investees, Uber, WeWork, and Slack, have filed documents related to initial public offerings.

Overview

SoftBank Vision Fund began its operation in 2017. This fund aims to conduct large-scale, long-term investment in companies and platform businesses that have the potential to bring about next-generation innovation. SoftBank Vision Fund is managed by SBIA, a wholly owned subsidiary of the Company established in the U.K., which is registered at the Financial Conduct Authority. The segment results include the results of the investment and operational activities of SoftBank Vision Fund and Delta Fund, which is also managed by SBIA.

Outline of Funds in the Segment

As of March 31, 2019

	SoftBank Vision Fund	Delta Fund
Major limited partnership	SoftBank Vision Fund L.P.	SB Delta Fund (Jersey) L.P.
Total committed capital (Billions of U.S. dollars)	97.0 *1 *3	6.0 *3
	SoftBank Group Corp.: 33.1 *2 Third-party investors: 63.9 *3	SoftBank Group Corp.: 4.4 Third-party investors: 1.6 *3
General partner	SVF GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)	SB Delta Fund GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)
Investment period	Until November 20, 2022 (in principle)	Until November 20, 2022 (in principle)
Minimum Fund life	Until November 20, 2029 (in principle)	Until September 27, 2029 (in principle)

Notes: 1. SoftBank Vision Fund completed a total of two closings in the third quarter. As a result, SoftBank Vision Fund accepted the participation of new limited partners and acquired additional committed capital totaling $5.3 billion.
2. The Company's committed capital to SoftBank Vision Fund includes approximately $8.2 billion of an obligation to be satisfied by using Arm Limited shares and $5.0 billion earmarked for use in an incentive scheme related to SoftBank Vision Fund.
3. A portion of the capital committed by third-party investors in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both such funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution made by third-party investors in each such fund.

Financial Results

(Millions of yen)

	Fiscal 2017	Fiscal 2018	Change	Change %
Gain and loss on investments at SoftBank Vision Fund and Delta Fund	352,095	**1,302,838**	950,743	270.0%
Realized gain and loss on sales of investments	–	**296,531**	296,531	–
Unrealized gain and loss on valuation of investments	345,975	**1,013,228**	667,253	192.9%
Interest and dividend income from investments	6,120	**4,522**	(1,598)	(26.1%)
Effect of foreign exchange translation	–	**(11,443)**	(11,443)	–
Operating expenses	(49,114)	**(46,197)**	2,917	(5.9%)
Segment income	302,981	**1,256,641**	953,660	314.8%
Depreciation and amortization	1	**89**	88	–
Adjustments relating to investments				
Unrealized loss (gain) on valuation of investments	(345,975)	**(1,013,228)**	(667,253)	192.9%
Effect of foreign exchange translation*1	–	**11,443**	11,443	–
Other adjustments*2	20,502	**172,154**	151,652	739.7%
Adjusted EBITDA	(22,491)	**427,099**	449,590	–
Segment income	302,981	**1,256,641**	953,660	314.8%
Finance cost (interest expenses)	(7,801)	**(33,141)**	(25,340)	324.8%
Foreign exchange gain and loss	(33)	**68**	101	–
Derivative gain and loss	(8,902)	**177,373**	186,275	–
Change in third-party interests in SoftBank Vision Fund and Delta Fund	(160,382)	**(586,152)**	(425,770)	265.5%
Other non-operating income and loss	(248)	**(232)**	16	(6.4%)
Income before income tax	125,615	**814,557**	688,942	548.5%

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 ± adjustments relating to investments in SoftBank Vision Fund and Delta Fund (unrealized gain and loss on valuation of investments + effect of foreign exchange translation) ± other adjustments

Notes: 1. The amount arose from the different foreign currency exchange rates used for unrealized gain and loss and realized gain and loss.
2. Mainly derivative gain and loss recorded in relation to collar transactions utilizing NVIDIA shares.

Segment income was ¥1,256,641 million, compared with ¥302,981 million in the previous fiscal year. This was mainly due to an unrealized gain of ¥1,378,553 million recorded for continuing investments due to an increase in the fair values of Uber, Guardant Health, OYO,[1] and other investments, and a realized gain of ¥146,682 million recorded on the sale of Flipkart shares. Conversely, a loss of ¥222,628 million was recorded for the investment in NVIDIA.

The total gain on investment in NVIDIA for the entire investment period (December 2016 to January 2019) was ¥306,809 million (before deducting third-party interests). A gain of ¥365,325 million was recorded in the previous fiscal year consistent with NVIDIA's share price increase, while a loss of ¥222,628 million was recorded in the fiscal year consistent with its share price drop until the investment was disposed of in January 2019. On the other hand, derivative gain of ¥168,471 million, the total amount for the previous fiscal year and the fiscal year, was recorded as non-operating income, as a result of collar transactions conducted to hedge the share price drop. For more information, see "Investment in NVIDIA" on the following page.

Adjusted EBITDA was ¥427,099 million, compared with negative ¥22,491 million in the previous fiscal year.

Continuing investments

Unrealized gain on valuation from continuing investments of ¥1,378,553 million was recognized mainly due to an un-realized gain totaling ¥1,485,410 million, which was recorded for investments whose fair value increased during the fiscal year, including Uber, Guardant Health, and OYO.[1] Fair value of the investment in Uber increased ¥418,140 million, resulting from SBIA's revised fair value calculation taking into account market expectations, including with regards to the anticipated initial public offering. Fair value of the investment in Guardant Health increased ¥203,412 million, consistent with its share price increase during the fiscal year. Fair value of the investment in OYO increased ¥154,189 million, resulting from SBIA's revised fair value calculation taking into account concluded fund raising and transactions occurring in the fiscal year. Conversely, unrealized loss totaling ¥106,857 million was recorded for Zhongan Online P&C Insurance Co., Ltd,[1] and other investments.

(Fair value changes in fiscal 2018 of investments held by SoftBank Vision Fund, U.S. dollar-based)

Comparison between fair values at the fiscal year-end with the acquisition values of the investments acquired in fiscal 2018, or with the initial carrying amounts of fiscal 2018 for the investments acquired in the previous fiscal year

Fair value increase	29 investments
Fair value decrease	12 investments
No change in fair value	28 investments

Investment in Flipkart

Realized gain on sale of Flipkart of ¥146,682 million was recognized following the completion of the sale of Flipkart shares to WAL-MART INTERNATIONAL HOLDINGS, INC. in August 2018, based on the sales value of approximately $4.0 billion, net of amount deposited in escrow account[6], etc. Capital gains on investments in entities that operate businesses in India are subject to tax in India. Consequently, outside segment income, current taxes of ¥64,892 million were recorded for the aforementioned realized gain in Flipkart, which mainly operates businesses in India. As a result of the sale of Flipkart shares occurring within 24 months of making the investment, the sale taxed at 43.68%, the Indian short-term capital gains tax rate.

Investment in NVIDIA

Anticipating the start of operations of SoftBank Vision Fund in 2017, the Company acquired NVIDIA shares in December 2016 for $2,834 million. SoftBank Vision Fund acquired NVIDIA shares for the same amount from the Company in September 2017 after the start of its operations. The fund hedged the fall in NVIDIA's share price through collar transactions using the shares, and subsequently monetized the shares (the proceeds from which were recorded as borrowings). In January 2019, the fund executed an early unwind of the collar transactions, and elected to deliver NVIDIA shares for the repayment of borrowings. NVIDIA shares that were not utilized in the collar transactions were sold entirely in January 2019. As a result, gain on this investment was $2,915 million.

Of this $2,915 million, valuation gain and realized gain due to NVIDIA's share price change were $1,450 million, and derivative gain from being able to hedge losses due to its falling share price through collar transactions was $1,465 million. In the consolidated statement of income, the former was recorded in the fiscal 2016, fiscal 2017, and fiscal 2018 ((A) in the table below), and the latter was recorded for fiscal 2017 and fiscal 2018 ((B) below).

Capital Deployment

As of March 31, 2019

(Billions of U.S. dollars)

	Total	The Company*1	Third-party investors
Committed capital (A)			
SoftBank Vision Fund	**97.0**	33.1	63.9
Delta Fund	**6.0**	4.4	1.6
Contributions from limited partners[7] (B)			
SoftBank Vision Fund	**50.9**	17.5	33.4
Delta Fund	**5.1**	3.7[8]	1.4
Non-recallable contribution[9] included in (B)			
SoftBank Vision Fund	**(2.5)**	(0.9)	(1.6)
Remaining committed capital (C) = (A) – (B)			
SoftBank Vision Fund *2	**46.1**	15.6	30.5
Delta Fund[10]	**0.9**	0.7	0.2

Note: Investment in DiDi, which was held by Delta Fund, has been sold to SoftBank Vision Fund in the fourth quarter via promissory note. As the promissory note is expected to be settled in the three-month period ending September 30, 2019, this transaction has not been reflected in the capital deployment presented above as of March 31, 2019.

Notes: 1. The Company's committed capital includes approximately $8.2 billion of obligation to be satisfied by using 24.99% of Arm Limited shares. The obligation was entirely satisfied by the end of the third quarter, resulting in SoftBank Vision Fund holding all of the applicable Arm Limited shares. The Company's committed capital also includes $5.0 billion that is earmarked for use in an incentive scheme related to SoftBank Vision Fund.

2. The amount of distribution to limited partners resulting from disposal of NVIDIA shares is included in remaining committed capital as it is recallable.

(Primary gain and loss related to NVIDIA shares)

	(Millions of U.S. dollars)				(Millions of yen)			
	Fiscal 2016	Fiscal 2017	Fiscal 2018	Total	**Fiscal 2016**	**Fiscal 2017**	**Fiscal 2018**	**Total**
Valuation gain and realized gain due to share price change (A)	93 *1	3,296	(1,939)	1,450	**(4,359)** *1	**365,325**	**(222,628)**	**138,338**
Derivative gain and loss (B)	–	(85)	1,550	1,465	**–**	**(8,902)**	**177,373**	**168,471**
Total gain and loss (before deducting third-party interests)	93	3,211	(389)	2,915	**(4,359)**	**356,423**	**(45,255)**	**306,809**
Impact on segment income	–	3,296	(1,939)	1,357	**–**	**365,325**	**(222,628)**	**142,697**
Impact on adjusted EBITDA	–	–	2,915	2,915	**–**	**–**	**322,003**	**322,003**

Note:
1. For fiscal 2016, which was before the start of operations of SoftBank Vision Fund, a gain of $93 million (a loss of ¥4,359 million in yen terms due to the exchange translation) consistent with changes in NVIDIA's share price was recorded as gains and losses from financial instruments at FVTPL under non-operating income and loss.

Portfolio

As of March 31, 2019; excluding exited investments

(Billions of U.S. dollars)

Sector	Acquisition cost	Fair value	Change
Consumer	8.6	10.8	2.2
Enterprise	1.8	2.4	0.6
Fintech	2.6	3.1	0.5
Frontier Tech	9.8	10.2	0.4
Health Tech	3.1	5.0	1.9
Real Estate & Construction	7.7	9.7	2.0
Transportation & Logistics	26.5	31.1	4.6
Total	60.1	72.3	12.2

Note: SoftBank Vision Fund made some investments through investment holding entities that are subsidiaries, but not wholly owned subsidiaries, of the fund. All investments made through the investment holding entities are calculated as investments made by SoftBank Vision Fund. As of the fiscal year-end, a wholly owned subsidiary of the Company is a shareholder of such subsidiaries. Of the acquisition cost of investments made by SoftBank Vision Fund, $1.3 billion belongs to this wholly owned subsidiary; of the fair values, $1.7 billion belongs to this wholly owned subsidiary.

See page 25 for a complete list of SoftBank Vision Fund portfolio companies.

In the fourth quarter, SoftBank Vision Fund acquired the investment in DiDi for $5.0 billion, which had been acquired and held by Delta Fund since September 2017, from the sale by Delta Fund. SoftBank Vision Fund also acquired the investment in DiDi for $6.8 billion, which had been acquired and held by the Company through several transactions since January 2015, from the sale by the Company. For the investments initially acquired by the Company, see the table in "Investments Acquired from Sale by the Company" below. Both of these transactions were via promissory notes, and the promissory notes are expected to be settled in the three-month period ending September 30, 2019.

Investments Acquired from Sale by the Company

In addition to direct purchase, some investments of SoftBank Vision Fund are acquired from sale by the Company, but only if they are in accordance with the fund's investment eligibility criteria. There are two types of investments that could be sold to SoftBank Vision Fund: (A) Investments that were acquired by the Company on the premise of offering the investment to SoftBank Vision Fund and that were in accordance with the investment eligibility criteria of the fund at the time of acquisition ("Bridge Investments") and (B) other investments. Examples of (B) include investments that were made without the premise of offering the investment to SoftBank Vision Fund at the time of acquisition, or, investments that were made with the premise of offering the investment to the fund but were not in accordance with the investment eligibility criteria of the fund at the time of acquisition and therefore require consent from the limited partners for selling to the fund.

The Company recognizes that the transfer of such investments is agreed, at the timing when consent from the investment committee and other bodies (and certain limited partners if applicable) at SoftBank Vision Fund and approvals from relevant regulatory authorities are obtained. Sales of these investments are made at the fair value at the time the Company made its decision at its applicable authority to offer the transfer, and this value will be the acquisition cost for SoftBank Vision Fund. These investments are presented as investments of SoftBank Vision Fund in the Company's consolidated financial statements, after the Company recognizes that the transfer is agreed.

As for investments transferred during the fiscal year, the differences between the carrying amounts at the beginning of the fiscal year (or the acquisition cost during the fiscal year) and the sale values were recorded in non-operating income of the Company's consolidated statement of income, while the changes in fair values from the sale values (the acquisition value for SoftBank Vision Fund) were recorded in segment income of the SoftBank Vision Fund and Delta Fund segment. The sale transactions for the transfer between the Company and SoftBank Vision Fund have been eliminated as inter-group transactions in the Company's consolidated financial statements.

(Investments Acquired from Sale by the Company in Fiscal 2018)

In fiscal 2018, the Company sold the investments shown below to SoftBank Vision Fund. The sale price is based on the fair value at the time the Company made its decision at its applicable authority to offer the transfer.

(Billions of U.S. dollars)

	Acquisition value by the Company	Sale value by the Company to SVF (Acquisition value by SVF)
Uber Technologies, Inc. (Uber)	7.7	7.7
Xiaoju Kuaizhi Inc. (DiDi)	5.9	6.8
Others	5.2	5.3
Total of 18 investments	18.8	19.8

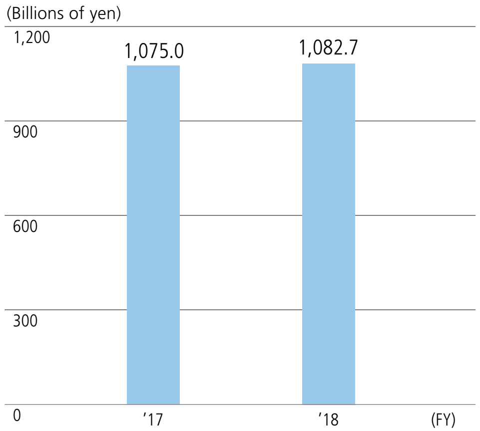
Note: The above table presents investments whose sale value were above $5 billion, in order of the amount of value.

Portfolio of Delta Fund

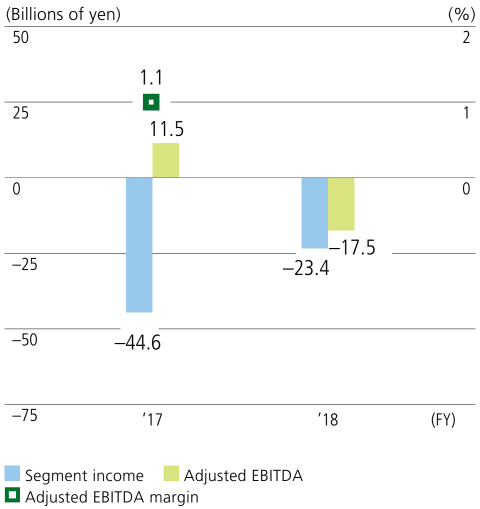
As a result of the sale of investment in DiDi to SoftBank Vision Fund, there is no investments held in Delta Fund as of March 31, 2019.

Brightstar Segment

Net sales



Segment income / Adjusted EBITDA / Adjusted EBITDA margin



Other and Reconciliation

(Millions of yen)

	Fiscal 2017		Fiscal 2018		Change	
	Other	Reconciliation	**Other**	**Reconciliation**	Other	Reconciliation
Net sales	97,626	(303,122)	**193,742**	**(298,900)**	96,116	4,222
Segment income	(21,835)	(41,617)	**(90,053)**	**(63,572)**	(68,218)	(21,955)
Depreciation and amortization	13,655	1,508	**36,776**	**699**	23,121	(809)
Other adjustment	(5,042)	1,577	**16,315**	**–**	21,357	(1,577)
Adjusted EBITDA	(13,222)	(38,532)	**(36,962)**	**(62,873)**	(23,740)	(24,341)

Other segment loss was ¥90,053 million, compared with loss of ¥21,835 million in the previous fiscal year. This was mainly due to operating loss of ¥36,559 million at PayPay Corporation, which is engaged in smartphone payment services in Japan, as a result of its proactive measures to increase the number of users and stores where its services are usable.

Financial Position

1. Disposal of 33.50% of SoftBank Corp. shares
   - Received proceeds of ¥2.3 trillion. Capital surplus increased ¥1.2 trillion.
   - Repurchased own shares for ¥384.1 billion; used approximately ¥700 billion to strengthen financial position through repayment of debt.
2. Status of investments
   - Balance of investments from SoftBank Vision Fund of ¥7.1 trillion, up ¥4.3 trillion from the previous fiscal year-end
     - 54 investments totaling $33.9 billion were acquired in fiscal 2018, including Uber, DiDi, and Grab[1] (including acquisitions from the Company).
     - The fair values of investments increased.
     - Exited investments: NVIDIA, Flipkart
   - Balance of investment securities (investments outside the fund) of ¥924.6 billion, down ¥1.7 trillion from the previous fiscal year-end

(Millions of yen)

	March 31, 2018	**March 31, 2019**	Change	Change %
Total assets	31,180,466	**36,096,476**	4,916,010	15.8%
Total liabilities	24,907,444	**27,087,272**	2,179,828	8.8%
Total equity	6,273,022	**9,009,204**	2,736,182	43.6%

Reference: Exchange rate at the fiscal year-end used for translations

USD / JPY	¥106.24	**¥110.99**	¥ 4.75	4.5%
GBP / JPY	¥148.84	**¥144.98**	¥(3.86)	(2.6)%

Current Assets

(Millions of yen)

	March 31, 2018	March 31, 2019	Change
Cash and cash equivalents	3,334,650	**3,858,518**	523,868
Trade and other receivables	2,314,353	**2,339,977**	25,624
Other financial assets	519,444	**203,476**	(315,968)
Inventories	362,041	**365,260**	3,219
Other current assets	344,374	**766,556**	422,182
Assets classified as held for sale	–	**224,201**	224,201
Total current assets	6,874,862	**7,757,988**	883,126

Primary components of the change

Components	Reasons for changes from the previous fiscal year-end
Cash and cash equivalents	See “Cash Flows” for details.
Other current assets	This mainly reflects the recording of an expected withholding tax refund of ¥422,648 million on dividends from SoftBank Group Japan Corporation to SoftBank Group Corp.
Assets classified as held for sale	As the Company plans to use shares for the settlement of a variable prepaid forward contract for Alibaba shares in June 2019, the Alibaba shares under this contract were transferred from investments accounted for using the equity method.

Non-current Assets

(Millions of yen)

	March 31, 2018	March 31, 2019	Change
Property, plant and equipment	3,856,847	**4,070,704**	213,857
Goodwill	4,302,553	**4,321,467**	18,914
Intangible assets	6,784,550	**6,892,195**	107,645
Costs to obtain contracts	–	**384,076**	384,076
Investments accounted for using the equity method	2,328,617	**2,641,045**	312,428
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	2,827,784	**7,115,629**	4,287,845
Investment securities	2,660,115	**924,614**	(1,735,501)
Other financial assets	676,392	**1,185,856**	509,464
Deferred tax assets	647,514	**586,943**	(60,571)
Other non-current assets	221,232	**215,959**	(5,273)
Total non-current assets	24,305,604	**28,338,488**	4,032,884

Primary components of the change

Components	Reasons for changes from the previous fiscal year-end
Property, plant and equipment	Capital expenditures for the 5G network and leased mobile devices for customers increased at Sprint. Meanwhile, telecommunications equipment was regularly depreciated at SoftBank Corp.
Intangible assets	• FCC licenses increased ¥194,529 million due to a weaker yen against the U.S. dollar. • Mainly due to regular amortization, customer relationships of Sprint and Arm decreased ¥83,416 million and Arm's technologies decreased ¥49,719 million.
Costs to obtain contracts	Costs to obtain contracts at SoftBank Corp. and Sprint were newly recorded due to the adoption of the new standards.
Investments accounted for using the equity method	Alibaba's consolidated carrying amount increased due to the recording of income on equity method investments. A consolidated carrying amount of ¥86,596 million was newly recorded as Arm China became an equity method associate. On the other hand, the Alibaba shares under a variable prepaid forward contract for Alibaba shares were transferred to current assets.
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	• Newly acquired investments totaling $33.9 billion, including Uber, DiDi, Grab, and GM Cruise Holdings LLC ("GM Cruise"). Of these, a total of 18 investments (sale value totaling $19.8 billion) were acquired from sale by the Company. • The fair values of Uber, Guardant Health, OYO,[1] and other investments increased. • The fund disposed of NVIDIA shares and sold Flipkart shares.
Investment securities	Investments including Uber, DiDi, and Grab (total carrying amounts of ¥1,832,387 million at the previous fiscal year-end) that were sold to SoftBank Vision Fund were reclassified as investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL.
Other financial assets	Convertible promissory note issued by WeWork and advances received related to the acquisition of WeWork shares totaling ¥275,477 million were recorded.

Current Liabilities

(Millions of yen)

	March 31, 2018	March 31, 2019	Change
Interest-bearing debt	3,217,405	**3,480,960**	263,555
SoftBank Group Corp.[3]	1,485,851	**1,219,305**	(266,546)
Short-term borrowings	771,275	**398,200**	(373,075)
Current portion of long-term borrowings	214,747	**79,597**	(135,150)
Current portion of corporate bonds	399,829	**699,508**	299,679
Others	100,000	**42,000**	(58,000)
SoftBank Corp.	803,055	**877,583**	74,528
Current portion of long-term borrowings	393,916	**469,337**	75,421
Current portion of lease obligations	393,282	**400,645**	7,363
Others	15,857	**7,601**	(8,256)
Sprint	364,245	**505,716**	141,471
Current portion of long-term borrowings	164,466	**158,658**	(5,808)
Current portion of corporate bonds	190,396	**337,745**	147,349
Others	9,383	**9,313**	(70)
SoftBank Vision Fund	397,095	**36,571**	(360,524)
Short-term borrowings	83,952	**36,571**	(47,381)
Current portion of long-term borrowings	313,143	**–**	(313,143)
Others	167,159	**841,785**	674,626
Current portion of financial liabilities relating to sale of shares by variable prepaid forward contract	–	**730,601**	730,601
Others	167,159	**111,184**	(55,975)
Deposits for banking business	684,091	**745,943**	61,852
Third-party interests in SoftBank Vision Fund and Delta Fund	40,713	**29,677**	(11,036)
Trade and other payables	1,816,010	**1,909,608**	93,598
Derivative financial liabilities	96,241	**767,714**	671,473
Other financial liabilities	1,646	**10,849**	9,203
Income taxes payables	147,979	**534,906**	386,927
Provisions	65,709	**43,685**	(22,024)
Other current liabilities	658,961	**1,158,355**	499,394
Total current liabilities	6,728,755	**8,681,697**	1,952,942

Primary components of the change

Components	Reasons for changes from the previous fiscal year-end
Interest-bearing debt	
SoftBank Group Corp.[3]	• Due to repayments, short-term borrowings decreased ¥373,075 million and current portion of long-term borrowings decreased ¥135,150 million. • Current portion of corporate bonds increased ¥299,679 million as corporate bonds that would mature within a year were transferred from non-current liabilities, while certain domestic straight corporate bonds were redeemed upon maturity.
SoftBank Vision Fund	Borrowings using NVIDIA shares through collar transactions were settled with the shares for repayment.
Others	As the settlement date of a variable prepaid forward contract for Alibaba shares became due within a year, the related financial liabilities were transferred from non-current liabilities.
Derivative financial liabilities	Derivative liabilities relating to the embedded collar transaction in the variable prepaid forward contract for Alibaba shares were transferred from non-current liabilities.
Income taxes payables	This mainly reflects the recording of an amount equivalent to taxes payable for the gain on disposal that arose at seller SoftBank Group Japan Corporation as a result of the disposal of SoftBank Corp. shares.
Other current liabilities	This mainly reflects the recording of an expected withholding income tax payment of ¥422,648 million on dividends from SoftBank Group Japan Corporation to SoftBank Group Corp.

Non-current Liabilities

(Millions of yen)

	March 31, 2018	March 31, 2019	Change
Interest-bearing debt	13,824,783	**12,204,146**	(1,620,637)
SoftBank Group Corp.[3]	7,732,330	**5,495,645**	(2,236,685)
Long-term borrowings	3,215,459	**1,418,764**	(1,796,695)
Corporate bonds	4,516,871	**4,076,881**	(439,990)
SoftBank Corp.	896,435	**2,309,035**	1,412,600
Long-term borrowings	217,514	**1,646,349**	1,428,835
Lease obligations	670,862	**662,686**	(8,176)
Others	8,059	**–**	(8,059)
Sprint	3,979,705	**3,922,662**	(57,043)
Long-term borrowings	1,346,576	**1,571,545**	224,969
Corporate bonds	2,612,178	**2,336,904**	(275,274)
Others	20,951	**14,213**	(6,738)
SoftBank Vision Fund	101,312	**–**	(101,312)
Others	1,115,001	**476,804**	(638,197)
Financial liabilities relating to sale of shares by variable prepaid forward contract	688,332	**–**	(688,332)
Others	426,669	**476,804**	50,135
Third-party interests in SoftBank Vision Fund and Delta Fund	1,803,966	**4,107,288**	2,303,322
Derivative financial liabilities	865,402	**130,545**	(734,857)
Other financial liabilities	62,372	**57,115**	(5,257)
Defined benefit liabilities	100,486	**99,351**	(1,135)
Provisions	132,139	**157,478**	25,339
Deferred tax liabilities	1,085,626	**1,391,072**	305,446
Other non-current liabilities	303,915	**258,580**	(45,335)
Total non-current liabilities	18,178,689	**18,405,575**	226,886

Primary components of the change

Components	Reasons for changes from the previous fiscal year-end
Interest-bearing debt	
SoftBank Group Corp.[3]	• Long-term borrowings decreased ¥1,796,695 million. SoftBank Group Corp. repaid a portion of its senior loan before maturity by using ¥1.6 trillion, which was received from SoftBank Corp. as repayment of its borrowings from the company, as part of the preparations to list SoftBank Corp. shares. Borrowings made through a wholly owned subsidiary Skywalk Finance GK using Alibaba shares[3] decreased ¥285,161 million. (Additional borrowings of ¥161,084 million and repayment of ¥475,797 million were made in the fiscal year. Balance at the fiscal year-end: ¥557,152 million) • Corporate bonds decreased ¥439,990 million. Corporate bonds of ¥700 billion were transferred to current liabilities as they became due within a year. In addition, foreign currency-denominated senior notes totaling ¥357.6 billion were redeemed before maturity and a portion was repurchased for ¥106.2 billion ($410 million and €520 million). On the other hand, corporate bonds totaling ¥722.7 billion were issued.
SoftBank Corp.	SoftBank Corp. made new borrowings of ¥1.6 trillion through a senior loan as part of its preparations for listing and subsequently repaid part of this loan.
Others	Financial liabilities related to the variable prepaid forward contract for Alibaba shares were transferred to current liabilities.
Third-party interests in SoftBank Vision Fund and Delta Fund	See page 113 "b. Changes in interests attributable to Third-Party Investors" for details.
Derivative financial liabilities	Derivative liabilities relating to the embedded collar transaction in the variable prepaid forward contract for Alibaba shares were transferred to current liabilities.

Equity

(Millions of yen)

	March 31, 2018	March 31, 2019	Change
Common stock	238,772	**238,772**	–
Capital surplus	256,768	**1,467,762**	1,210,994
Other equity instruments	496,876	**496,876**	–
Retained earnings	3,940,259	**5,571,285**	1,631,026
Treasury stock	(66,458)	**(443,482)**	(377,024)
Accumulated other comprehensive income	317,959	**290,268**	(27,691)
Available-for-sale financial assets	63,700	**–**	(63,700)
Equity financial assets at FVTOCI	–	**6,661**	6,661
Debt financial assets at FVTOCI	–	**267**	267
Cash flow hedges	(55,286)	**(45,791)**	9,495
Exchange differences on translating foreign operations	309,545	**329,131**	19,586
Total equity attributable to owners of the parent	5,184,176	**7,621,481**	2,437,305
Non-controlling interests	1,088,846	**1,387,723**	298,877
Total equity	6,273,022	**9,009,204**	2,736,182
Ratio of equity attributable to owners of the parent	16.6%	**21.1%**	4.5 pp

Primary components of the change

Components	Reasons for changes from the previous fiscal year-end
Capital surplus	Capital surplus increased due to the disposal of SoftBank Corp. shares by a wholly owned subsidiary of the Company.
Retained earnings	Net income attributable to owners of the parent of ¥1,411,199 million was recorded. The cumulative impact of adopting the new standards of ¥300,615 million was recorded on April 1, 2018.
Treasury stock	The Company repurchased its own shares for ¥384.1 billion.
Accumulated other comprehensive income	• The cumulative impact of adopting the new standards of ¥57,828 million was reclassified as retained earnings on April 1, 2018 • Exchange differences on translating foreign operations increased ¥19,586 million. The yen depreciated against the U.S. dollar while it appreciated against the British pound.

Cash Flows

1. **Proceeds of ¥2.3 trillion from the disposal of SoftBank Corp. shares were utilized for shareholder returns and strengthening of financial position.**
   - Shareholder returns: ¥384.1 billion has been used for share repurchase as of the fiscal year-end, of a maximum allowance of ¥600.0 billion.
   - Strengthening of financial position: reduced debt by approximately ¥700.0 billion, including a ¥106.2 billion repurchase of outstanding foreign currency-denominated senior notes and repayment of borrowings of ¥475.8 billion made using Alibaba shares.
2. **Dissolution of debtor-creditor relationship between SoftBank Group Corp. and SoftBank Corp. prior to listing of SoftBank Corp.**
   - SoftBank Corp. implemented borrowings through a senior loan of ¥1.6 trillion and repaid the same amount borrowed from SoftBank Group Corp.
   - SoftBank Group Corp. used the entire ¥1.6 trillion to partially repay its senior loan before maturity.
3. Cash flow related to SoftBank Vision Fund
   - Contributions from third-party investors of ¥2.1 trillion (cash flows from financing activities); payments for acquisition of investments of ¥1.6 trillion (cash flows from investing activities)
   - Impact in fiscal 2018 from exits from two investments
     – Proceeds from sales of investments of ¥428.9 billion (cash flows from investing activities): proceeds from the sale of Flipkart shares and disposal of NVIDIA shares that were not utilized in the collar transactions
     – Distribution/repayment to third-party investors of ¥486.4 billion (cash flows from financing activities): distributed the proceeds from sales and monetization through borrowings to third-party investors

(Millions of yen)

	Fiscal 2017	Fiscal 2018	Change
Cash flows from operating activities	1,088,623	**1,171,864**	83,241
Cash flows from investing activities	(4,484,822)	**(2,908,016)**	1,576,806
Cash flows from financing activities	4,626,421	**2,202,291**	(2,424,130)

Cash Flows from Operating Activities

Cash flows from operating activities increased ¥83,241 million year on year. While net income increased ¥216,806 million year on year, this included an increase in non-cash income such as unrealized gain on valuation of investments at SoftBank Vision Fund.

Cash Flows from Investing Activities

Primary components for fiscal 2018

Components	Primary details
Outlays for purchase of property, plant and equipment and intangible assets ¥(1,364,954) million	Sprint acquired telecommunications equipment and leased devices. SoftBank Corp. acquired telecommunications equipment.
Payments for acquisition of investments ¥(822,628) million	A wholly owned subsidiary of the Company invested a total of $1.5 billion in WeWork. "Payments for acquisition of investments" includes the total acquisition cost by the Company of ¥187,634 million for six investments that were initially acquired by the Company and sold to SoftBank Vision Fund during the fiscal year, such as GM Cruise and Doordash, Inc.
Payments for acquisitions of investment by SoftBank Vision Fund and Delta Fund ¥(1,576,790) million	SoftBank Vision Fund made new investments. For investments made in the fiscal year, see "Portfolio" under "SoftBank Vision Fund and Delta Fund Segment". Investments that were acquired from sale by the Company are recorded as "Payments for acquisition of investments" at the time of the Company's acquisition.
Proceeds from sale of investments by SoftBank Vision Fund and Delta Fund ¥428,865 million	SoftBank Vision Fund sold Flipkart shares and NVIDIA shares that were not utilized in the collar transactions.

Cash Flows from Financing Activities

Primary components for fiscal 2018

Component	Primary details
Proceeds from interest-bearing debt ¥6,189,112 million	
Proceeds from borrowings*1 ¥4,959,821 million	• In preparation for listing, SoftBank Corp. borrowed ¥1.6 trillion through a senior loan. The proceeds from the senior loan were used to repay its borrowings from SoftBank Group Corp., which was eliminated as an intercompany transaction. • Sprint implemented borrowings through the securitization of receivables and term loans. • SoftBank Group Corp. borrowed ¥161,084 million by using Alibaba shares, through a wholly owned subsidiary.
Proceeds from issuance of bonds ¥747,744 million	SoftBank Group Corp. issued corporate bonds totaling ¥722.7 billion for redemption of bonds.
Repayment of interest-bearing debt ¥(7,128,379) million	
Repayment of borrowings*1 ¥(5,526,771) million	• SoftBank Group Corp. used all of the ¥1.6 trillion repayment received from SoftBank Corp. to partially repay its senior loan before maturity. The company also repaid borrowings of ¥475,797 million made through using Alibaba shares. • Sprint and SoftBank Corp. repaid borrowings that were mainly made by securitizing receivables.
Redemption of corporate bonds ¥(1,061,732) million	• SoftBank Group Corp. redeemed corporate bonds totaling ¥757.6 billion, including early redemption, and repurchased a portion of outstanding foreign currency-denominated senior notes for ¥106.2 billion. • Sprint redeemed corporate bonds of $1.8 billion at maturity.
Contribution to SoftBank Vision Fund and Delta Fund from third-party investors ¥2,133,682 million	SoftBank Vision 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 ¥(486,388) million	SoftBank Vision Fund made distributions and repaid the principal for investments to third-party investors from the sale of Flipkart shares and the disposal of NVIDIA shares.
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests ¥2,350,262 million	Proceeds of ¥2,349,832 million were received from the disposal of a portion of SoftBank Corp. shares.
Purchase of shares of subsidiaries from non-controlling interests ¥(229,818) million	SoftBank Corp. acquired shares of Yahoo Japan Corporation from Altaba Inc. through a tender offer.
Purchase of treasury stock ¥(384,102) million	SoftBank Group Corp. repurchased its own shares.

Note: 1. Proceeds from borrowings and repayments of borrowings include proceeds of ¥945,737 million and outlays of ¥1,397,796 million, respectively, related to borrowings with a contracted term of one year or less.

Notes for "Management's Discussion and Analysis of Results of Operations and Financial Position"

1. The names of the investments of SoftBank Vision Fund are presented in the order of the size of the investments' impact on the Company's financial results, unless otherwise stated.
2. To enable investors to appropriately understand and assess the Company's management performance, the Company has presented operating income arising from SoftBank Vision Fund and Delta Fund separately from that of other segments in a subcategory under operating income as "Operating income from SoftBank Vision Fund and Delta Fund."
3. The presentation of the interest-bearing debt and finance cost of SoftBank Group Corp. includes borrowings made by Skywalk Finance GK, a wholly owned subsidiary of the Company, using Alibaba shares. The borrowings are not guaranteed by SoftBank Group Corp., hence non-recourse to the company.
4. In its consolidated statement of income, 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.
5. The acquisition costs and fair values of the investments at SoftBank Vision Fund include the investments made by subsidiaries of the Company through investment holding entities that are subsidiaries of SoftBank Vision Fund.
6. Amount deposited for future indemnity claims
7. Contributions from limited partners of SoftBank Vision Fund excludes the amount that was repaid to limited partners due to investment plan changes and other reasons after the contribution had been made.
8. The Company's obligation to Delta Fund is offset against the value of the investment securities in DiDi acquired by the Company and then transferred to Delta Fund.
9. Non-recallable contribution of SoftBank Vision Fund represents the applicable principal for the investment in Flipkart, which was returned to limited partners after the sale of its shares.
10. When an investment is made from the remaining committed capital of the third-party investor at Delta Fund, the same amount is deducted from that investor's remaining committed capital at SoftBank Vision Fund.

Risk Factors

With respect to SoftBank Group Corp. ("SBG") and its subsidiaries and associates ("Group companies"; SBG and Group companies are collectively referred to as the "Group"), SBG, the strategic investment holding company, exercises overall control of Group companies and manages them as an investment portfolio. Meanwhile, Group companies operate in a wide range of markets in Japan and overseas. Accordingly, a variety of risks accompany the execution of these corporate activities. The major risks envisaged by the Group as of June 19, 2019, that could significantly affect investors' investment decisions are outlined below. Moreover, these risks do not include all of the risks that the Group could face. Forward-looking statements were determined as of June 19, 2019, unless otherwise stated.

(1) The Group's Business Model

Based on its unique organizational strategy, the *Cluster of No. 1 Strategy* (see page 17 "Growth Strategy of the SoftBank Group—Cluster of No. 1 AI Strategy"), the Group will invest in its subsidiaries and associates (for example, SoftBank Corp. and Arm) and invest through participating in investment funds (for example, SoftBank Vision Fund) to build a group of companies engaged in diverse businesses in the information and technology field and endeavor to maximize corporate value over the medium to long term. In the process, portfolio companies (including Group companies) will seek autonomous growth. Meanwhile, as a strategic investment holding company, SBG will use its various networks to support portfolio companies through such means as promoting business collaborations among them, and thereby help enhance the corporate value of each company. If the business development and results of operations of these portfolio companies differ from the Group's expectations at the time of investment, the returns on these investments may not be in accordance with the Group's expectations, which could adversely affect the Group's business activities and results of operations.

As a pure holding company, SBG raises funds for the investment activities required to build the aforementioned group of companies. With its main sources of income being dividend income from Group companies and distributions from investment funds in which it participates as a limited partner, SBG also raises funds through monetization of its investment assets and debt to meet capital demand for contributions to investment funds and other investment activities. Decreases in dividend income or distributions from investment funds could adversely affect SBG's creditworthiness in relation to fund-raising or adversely affect its results of operations. Also, if in response to capital demand SBG is unable to raise appropriate amounts in a timely manner based on conditions that are favorable to it, its investment activities could be restricted. Either eventuality could hinder the Group's sustained growth.

(2) Global Trends in Political and Economic Situations and Financial Markets

In addition to Japan, the Group conducts investments and businesses in countries and regions overseas, such as the United States, China, India, Europe, and Latin America. Therefore, deterioration in economic situations or financial markets as a result of changes in the political or economic situations in such countries and regions or as a result of changes in international situations due to factors such as trade disputes or conflicts could lead to the Group being unable to conduct investments or businesses in accordance with expectations. For example, the equity value of the Group's shareholdings could fall, conditions for the monetization of investments could deteriorate, or monetization could be delayed, or a decrease in demand for the products or services that the Group or its portfolio companies provide could adversely affect the results of operations of respective companies. Further, a sudden deterioration in the market environment, among other reasons, could result in an inability to dispose of investments in low-liquidity unlisted companies at a time, on a scale, or under conditions desired by the Group. As a result, such factors could adversely affect the Group's results of operations and financial position.

The Group's foreign currency-denominated investments in overseas companies could incur foreign exchange losses due to changes in foreign exchange rates between the time of investment and the time of disposal. Further, in the preparation of the Group's consolidated financial statements, the local currency-based revenues, expenses, assets, and liabilities of Arm and other overseas Group companies are converted into Japanese yen. Consequently, fluctuations in foreign exchange rates could affect the Group's results of operations and financial position.

(3) Management Team

Unforeseen situations concerning key members of management—especially Chairman and CEO of SBG and Group Representative Masayoshi Son—could impede the Group's business activities.

(4) Investment Activities

The Group's investment activities are led by SBG and include corporate acquisitions, establishment of subsidiaries and joint ventures, and acquisitions of interests in operating companies or holding companies (including companies that effectively control other companies through various contracts) and investment funds. These investment activities are associated with risks such as those stated below. The materialization of these risks could adversely affect the Group's results of operations, financial position, and cash flows.

a. Risks associated with the results of operations of portfolio companies

Due to a deterioration in the results of operations of portfolio companies, such as a decrease in their profitability, or due to the inability of portfolio companies to develop businesses in accordance with expectations at the time of investment, impairment losses on or write-downs of assets acquired through investments—including goodwill; property, plant and equipment; intangible assets; or financial assets such as shares—could be recognized, expected profit distributions or other returns from portfolio companies could be unobtainable, or investments could be uncollectible.

In the non-consolidated financial statements of SBG, any decline in the value of assets that were obtained through these investment activities, including equity interests, could cause SBG to recognize a valuation loss, which could have an attendant impact on SBG's results of operations and the distributable amount. Furthermore, a deterioration in the results of operations of portfolio companies could result in an inability to obtain dividends from portfolio companies in accordance with expectations, which could adversely affect cash flows.

In some cases, SBG provides portfolio companies with financial assistance through loans, guarantees, and other means when it deems such assistance to be necessary for enhancement of the Group's corporate value. If portfolio companies are unable to develop businesses as anticipated at the time of investment, or are unable to create sufficient synergies with other subsidiaries and associates, or require more funds than anticipated to develop their businesses, SBG may provide them with financial assistance such as loans, which could increase risk assets in relation to said portfolio companies.

b. Regulatory risks

In some cases, the investment activities that the Group conducts (including corporate acquisitions and mergers) require approvals and permissions from regulatory authorities. An inability to obtain these approvals and permissions could result in the Group being unable to invest in accordance with expectations.

c. Risks related to mergers and acquisitions

With respect to the Group's investments conducted to acquire or merge companies, if the business development plan does not progress as expected at the time of the Group's investment, for such reasons as a loss of key members of management, employees, business partners, or customers at the acquired or merged companies after such investment, the business development and results of operations of these companies could be adversely affected, or sufficient synergies may not be created after the acquisition or merger. As a result, returns in accordance with expectations may be unobtainable from such investments.

d. Risks related to partners in joint ventures and business alliances

In some cases, the Group develops its business in Japan and overseas through the establishment of joint ventures, formation of business alliances, and so forth with other companies. Drastic changes in business strategy by these joint venture partners or business alliance partners or a drastic deterioration in their results of operations or financial position could lead to joint ventures or business alliances being unable to produce results in accordance with expectations or having difficulty continuing. In addition, the execution of a joint venture or business alliance with a particular third party could restrict the execution of joint ventures, business alliances, and so forth with other companies, which could lead to the loss of larger earnings opportunities.

e. Risks related to the governance and compliance of portfolio companies

Portfolio companies may be facing internal control problems or conducting unlawful activities that the Group was unable to discover at the time of investment. An inability to promptly correct such problems or activities, despite the introduction of measures for their monitoring and correction after investment, could impair the credibility and corporate image not only of portfolio companies but also of the Group, which could adversely affect business activities of the Group.

(5) Response to Changes in Technology and Business Models

The Group conducts investments and businesses in information and technology industries (for example, the telecommunications industry and the semiconductor industry), which are subject to rapid changes in technology and business models. If, for some reason, the Group is unable to develop or introduce outstanding technologies or business models in anticipation of market or other trends, the products and services that the Group offers based on its technologies or business models could lose competitiveness in the market, which could make it difficult to acquire and retain customers. This could adversely affect the Group's results of operations.

(6) Competition

In certain instances, the Group's competitors may have a competitive advantage over the Group in terms of capital, technology development capabilities, price competitiveness, customer base, sales capabilities, brands, or public recognition, for example. If these competitors were to develop or 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 adversely affect the Group's results of operations.

Moreover, even though the Group's services and products are introduced ahead of competitors' offerings or have strong competitive advantages relative to them, competitors' introduction of services and products that are equivalent or superior to the offerings of the Group could reduce its competitiveness, result in expenses incurred in development becoming unrecoverable, or impair related business assets (including intangible assets). This could adversely affect the Group's business activities, results of operations, and financial position.

(7) Fund Procurement

In the Group, SBG procures the funds it requires for developing its business and conducting investment activities by borrowing from financial institutions, borrowings through the use of its shareholdings (asset-backed financing), issuing corporate bonds, and other sources. On the other hand, self-financing entities, including the listed subsidiaries and associates SoftBank Corp., Sprint, Yahoo Japan, and Alibaba, as well as Arm, Brightstar, and SoftBank Vision Fund, procure their respective funds independently. A rise in interest rates due to such factors as changes in respective countries' financial policies or in financial markets, or a decline in SBG or its subsidiaries and associates' creditworthiness, which could take the form of a downgrading of their credit ratings, due to a decrease in the value of owned assets or a deterioration in their results of operations, could increase the cost of procuring funds for Group companies and adversely affect the Group's results of operations. Further, an inability to procure funds at a time, on a scale, or under conditions as planned could adversely affect the Group's investment and business activities, results of operations, and financial position.

The Group may undertake new fund procurement or refinancing, sell some of its assets, or take other measures to secure resources for the repayment of procured funds. Such factors as a deterioration in the fund procurement environment could force the Group to dispose of assets under disadvantageous terms or execute unplanned disposals of assets in order to secure resources for repayment, which could adversely affect the Group's results of operations, business activities, and financial position.

In addition, various covenants may be attached to the Group's debt, including 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 the term relating to the obligation concerned, and in conjunction with this forfeit the Group could be requested to repay other borrowings in lump sum payment as well. As a result, the Group's results of operations, business activities, and financial position could be adversely affected.

(8) SoftBank Vision Fund

SoftBank Vision Fund ("SVF") invests in companies across a wide range of technology sectors, focusing on unlisted companies that are rolling out innovative business models or services. SVF is managed by SBG's wholly owned subsidiary in the United Kingdom, SB Investment Advisers (UK) Limited ("SBIA"), which is regulated by the United Kingdom's Financial Conduct Authority. SBG invests in SVF as a limited partner. Also, SBIA is entitled to receive management fees and performance fees, each of which is measured by reference to the investment activities of SVF.

As of March 31, 2019, total committed capital for SVF was USD 97.0 billion*[1] (including USD 33.1 billion from the Group); cumulative contributions from limited partners were USD 50.9 billion (including USD 17.5 billion from SBG), and remaining committed capital was USD 46.1 billion (including USD 15.6 billion by the Group).

SVF and SBIA are subject to the particular risks stated below. If any of these risks were to emerge, they could adversely affect the results of operations of SVF and SBIA, and, subsequently, the results of operations, financial position, and cash flows of the Group. They could also adversely affect SBG's results of operations and the distributable amount.

Note: 1. The committed capital of the Group includes USD 5.0 billion earmarked for use in an incentive scheme related to SVF.

a. Impact on the results of operations

All entities that comprise SVF are consolidated by the Group. Investments held by SVF are measured at fair value at the end of every quarter. Changes in fair value are recognized as gain and loss on investments (except for gain and loss on investments in subsidiaries) in operating income from SoftBank Vision Fund and Delta Fund in the consolidated statements of income. Fair value is measured by combining multiple methods, such as the price of recent transactions, discounted cash flow, and market comparable companies. A decline in the fair value of the investments—due to factors such as a deterioration in the results of operations of portfolio companies or a downturn in financial markets and economic conditions—could lead to a deterioration in the results of operations of SVF, which could have an adverse effect on the Group's results of operations and financial position. Further, in the non-consolidated financial statements of SBG, a deterioration in the results of operations of SVF could give rise to valuation loss on investment made as a limited partner, which could have an adverse effect on the results of operations and the distributable amount.

The portfolio companies in which SVF has invested that, based on IFRSs, the Group is deemed to control are treated as subsidiaries of the Group. The results of operations as well as assets and liabilities of said subsidiaries are reflected in the Group's consolidated financial statements. Therefore, a deterioration in the results of operations of said portfolio companies that are subsidiaries could have an adverse effect on the Group's results of operations and financial position. Gain and loss on investments in said subsidiaries that are recognized at SVF are eliminated in consolidation.

b. Investments acquired from sale by the Group

In addition to direct purchases, SVF acquires some investments from the sale of investments held directly or indirectly by SBG, only if they are in accordance with SVF's investment eligibility criteria. The price of such sales to SVF is based on the fair value when SBG made its decision at its applicable authority to offer the transfer. In some cases, a transfer requires the approval of relevant regulatory authorities or the agreement of certain of SVF's limited partners. As a result, even if SBG has made a decision at its applicable authority, the sale could take time, or it may not be implemented. In such a case, SBG may be unable to receive proceeds from the sale of investments to SVF as planned, which could have an adverse effect on SBG's financial management by requiring measures such as additional financing.

c. Investment performance

Net proceeds from the investment performance of SVF are distributed to limited partners, who comprise SBG and third-party investors. They are also distributed to SBIA as performance fees. If SVF experiences a deterioration in investment profitability and an inability to obtain investment performance as planned, SBG could be unable to receive performance-based distributions as a limited partner in accordance with expectations or could be unable to recover its capital contributions. SBIA may also be unable to receive performance fees in accordance with expectations.

Further, SBIA receives performance fees after the disposition of investments, the receipt of dividends from investments, or the monetization of shares. The performance fees to SBIA from the monetization of investments are not paid to SBIA during the investment period of SVF (in principle, up to November 20, 2022). Instead, an amount equivalent to the performance fees attributable to SBIA is temporarily paid to the limited partners during the investment period, under the Limited Partnership Agreement. After the investment period, the equivalent amount is paid to SBIA as performance fees, which is given priority over the performance-based distributions to limited partners from monetization of investment in post-investment period. After the investment period, however, the performance fees received are subject to a clawback provision (a provision requiring the return of performance fees received in the past), which is triggered under certain conditions based on future investment performance. Therefore, if the investment performance of SVF does not exceed a certain level, SBIA may be unable to receive performance fees in accordance with expectations. Also, if the investment performance at the time of liquidation of SVF does not exceed a certain level, the amount of performance fees that have been received by SBIA up until then could be reduced, or SBIA may not be able to receive performance fees.

d. Securing and retaining human resources

SBIA seeks to maximize the equity value of the investment funds that it manages, including SVF, by carefully selecting investments and promoting growth after investment through the provision of a wide range of support. For the success of these investment activities, it is essential to secure and retain capable personnel who possess broad knowledge of technology and financial markets as well as specialized skills in managing investment businesses. SBIA is expanding and enhancing its investment and management capabilities. However, the inability of SBIA to secure or retain an adequate number of such capable personnel could have an adverse effect on the maintenance or expansion of the investment scale and future investment performance of the investment funds it manages.

e. Limited partners

For each of SVF's investments, SBIA issues capital calls to its limited partners. The inability of limited partners to contribute capital for any reason could restrict the investment amounts of SVF and result in it being unable to invest as planned. Also, because certain limited partners that provide large committed capital amounts have a veto for investments above a certain threshold amount, the exercise of a veto could result in SBIA being unable to conduct investments as planned.

f. Regulation of new technologies or business models

SVF's portfolio includes companies that are advancing the use of or conducting research and development in relation to new technologies such as AI and big data and companies that are rolling out new business models that are different from existing business models. The business fields in which these types of new technologies and business models are offered (for example, autonomous vehicles and ride-sharing services) may be subject to strict regulations in many countries and regions. With the development of related laws, the introduction of or changes in regulations could have an adverse effect on portfolio companies' business development and their results of operations by, for example, requiring portfolio companies to change, suspend, or discontinue the deployment of technologies, business models, or related research and development plans.

g. Concentration of investments in specific business fields

SVF invests in multiple companies in specific business fields, which in some cases leads to a high level of concentration of investments in said business fields. For example, SVF has invested in companies that provide ride-sharing services, including Uber Technologies, Inc., Xiaoju Kuaizhi Inc., and GRAB HOLDINGS INC. In such business fields, a deterioration in the business environment, such as sluggish demand or intensified market competition (including competition among portfolio companies), could result in a deterioration in the results of operations, such as a decrease in the profitability of a portfolio company; an inability to develop a business in accordance with expectations at the time of SVF's investment; or a deterioration in the market's valuation of said business fields. Such developments could adversely affect the results of operations or the fair value of portfolio companies.

(9) Telecommunications Business

There are particular risks associated with the telecommunications business, which in the Group is mainly operated by SoftBank Corp. and Sprint, as listed below.

a. Capacity enhancement of telecommunications networks

To maintain and enhance the quality of its telecommunications services, the Group must continuously increase the capacity of its telecommunications networks (by securing required spectrum, for example) based on predictions regarding the amount of future network traffic. The Group thus intends to systematically increase network capacity. However, if the actual amount of network traffic was to drastically exceed the Group's predictions, or if the Group was unable to carry out network capacity enhancement in accordance with plans, service quality could decline, which could have an adverse effect on the acquisition and retention of customers. In this case, the Group would need to execute additional capital expenditure. These outcomes could adversely affect the Group's results of operations and financial position.

b. Dependence on management resources of other companies

i. 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 activities and results of operations could therefore be adversely affected if it becomes difficult to continue to use those facilities, or if utilization or connection rates for those facilities were to be increased.

ii. Procurement of various equipment

The Group procures telecommunications equipment, network devices, and so forth (mobile devices and radio equipment for mobile phone base stations, for example) 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 to provide 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 adversely affect the Group's results of operations.

iii. 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 activities could therefore be adversely affected if these subcontractors are unable to execute operations in line with the Group's expectations.

As these subcontractors are responsible for the sale of the Group's services and products, damage to the credibility or corporate 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 adversely affect 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 relevant 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. As a result, the Group's results of operations could be adversely affected.

c. 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 amplitude of these electromagnetic waves. The World Health Organization (WHO) has issued an opinion that there is no clear evidence showing that electromagnetic waves have adverse effects on health when their amplitude is within the reference values stated 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's 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 adversely affect the Group's results of operations.

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

(10) Renewable Energy Business

The Group conducts renewable energy businesses engaged in solar power generation and wind power generation in Japan, India, Mongolia, and other countries. In principle, these businesses are conducted based on investment from the Group and project finance formats that entail financing from financial institutions and other third parties. However, weather conditions, the malfunction of power generation or transmission facilities, and other factors that cause the volume of power generated or sold to be dramatically lower than projections could result in the Group being unable to receive returns in accordance with expectations.

(11) Laws, Regulations, and Systems

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 through to various laws, regulations, systems, and so forth pertaining to businesses such as investment, Internet advertising, e-commerce, energy, artificial intelligence, robotics, finance and settlement services, and other corporate business activities (including but not limited to laws, regulations, systems, and so forth related to the environment, product liability, fair competition, consumer protection, protection of personal information and privacy, anti-bribery, labor affairs, intellectual property, prevention of money laundering, taxation, foreign exchange, business and investment permits, and import and export activities).

Revisions to such laws, regulations, systems, and so forth; 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 hinder the Group's investment activities or business activities. For example, the Group may be unable to develop its investment activities or business activities in accordance with expectations, new businesses or investments may be restricted, or the monetization of investments may be delayed or become impossible. In addition, incurring an increased financial burden could adversely affect the Group's results of operations.

Further, in countries and regions in which the Group or the Group's portfolio companies conduct business activities, the introduction of or changes to tax laws or regulations or changes to their interpretations or enforcement or the incurrence of additional tax burdens due to differences of views with tax authorities could adversely affect the Group's results of operations or financial position.

In addition, if the Group (including officers and employees) conducts business activities in breach of those laws, regulations, systems, and so forth, regardless of whether the Group was aware of it or not, the Group may be subject to sanctions or guidance by government agencies (including deregistration, revocation of licenses and fines), or may face cancellation of business agreements by business partners. As a result, the Group's credibility and corporate image may be impaired, or its business activities may be hindered. In addition, the Group may incur a financial burden, which could adversely affect the Group's results of operations.

(12) Country Risk

The Group's entry into a country or region with respect to which the Group has insufficient knowledge or experience to conduct investment activities or business activities could hinder said activities. For example, the Group may be unable to conduct investment activities or business activities in accordance with expectations.

Moreover, the occurrence of political, social, or economic turbulence in countries and regions, due to the outbreak of wars, conflicts, or 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.

(13) Intellectual Property

Infringement of the Group's *SoftBank* brand or Arm's intellectual property by a third party could have a negative impact on the Group's competitiveness, credibility, or corporate image. On the other hand, 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, license fees, and so forth from the third party. Such actions could impact the Group's results of operations. Corporations and persons who have acquired usage rights for Arm's technology (licensees) could become subject to such claims, and Arm could be obliged to provide compensation to licensees based on license agreements.

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

(14) Information Leaks

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 cyberattack 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 adversely affect the Group's results of operations.

(15) 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 were to become unable to continuously provide these services, or suffered a decline in the quality of these services, due to human error, problems with equipment or systems, or other causes. If such disruptions or a decline in quality were to become widespread and/or if 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 adversely affect the Group's results of operations.

(16) 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, floods, tsunamis, tornadoes, heavy rainfall, snowfall, or volcanic activity; other unexpected disruptions such as fires or power outages or shortages; or incidents such as terrorist attacks, cyberattacks, unauthorized access, or infection by computer viruses could interfere with the normal operation of telecommunications networks and information systems and other systems. This could hinder the provision of various services by the Group.

If these impacts were to become widespread and/or if 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 telecommunications networks, information systems, and other systems. This could adversely affect the Group's results of operations.

Moreover, regarding Arm's business, Arm's technology is used in billions of consumer and enterprise products, many of which are used to store, manage, or transmit huge amounts of personal information and confidential information. Further increases in the complexity of Arm's technology could increase the likelihood of a fault or bug. A fault or bug associated with one of Arm's products could result in the deterioration of Arm's credibility or corporate image and damage to Arm's brand value.

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.

(17) Measures to Protect U.S. National Security

In relation to certain investments in the U.S., SBG and the companies receiving these investments (investees) have entered into a National Security Agreement with the relevant departments of the U.S. government. Under the National Security Agreement, SBG and the investees 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 business operations. This could adversely affect the Group's results of operations.

(18) 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, associates, and investees), and employees. Such lawsuits could hinder the Group's business activities or may impair the Group's corporate image, as well as create a financial burden that could adversely affect the Group's results of operations.

(19) Merger of Sprint and T-Mobile

On April 29, 2018, Sprint and T-Mobile entered into a definitive agreement to merge in an all-stock transaction (the "Transaction" herein (19)). The Transaction is subject to Sprint and T-Mobile stockholder approval, regulatory approvals, and other customary closing conditions. As of June 19, 2019, not all required approvals have been obtained from the relevant regulatory authorities, including the U.S. Department of Justice. If, due to various factors including the status of the acquisition of regulatory approvals, the Transaction is unable to close under the conditions and schedule as planned by the Group, Sprint's business development could be adversely affected. This could adversely affect the Group's results of operations and financial position.

Consolidated Financial Statements

a. Consolidated Statement of Financial Position

ASSETS	Notes	(Millions of yen) As of March 31, 2018	As of March 31, 2019	(Thousands of U.S. dollars) As of March 31, 2019
Current assets				
Cash and cash equivalents	9	¥ 3,334,650	¥ 3,858,518	$ 34,764,555
Trade and other receivables	10, 29	2,314,353	2,339,977	21,082,773
Other financial assets	11, 29	519,444	203,476	1,833,282
Inventories	12	362,041	365,260	3,290,927
Other current assets	13	344,374	766,556	6,906,533
Subtotal		6,874,862	7,533,787	67,878,070
Assets classified as held for sale	14	–	224,201	2,020,011
Total current assets		6,874,862	7,757,988	69,898,081
Non-current assets				
Property, plant and equipment	15	3,856,847	4,070,704	36,676,313
Goodwill	16	4,302,553	4,321,467	38,935,643
Intangible assets	16	6,784,550	6,892,195	62,097,441
Costs to obtain contracts		–	384,076	3,460,456
Investments accounted for using the equity method	20	2,328,617	2,641,045	23,795,342
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	7, 19, 29	2,827,784	7,115,629	64,110,541
Investment securities	19, 29	2,660,115	924,614	8,330,606
Other financial assets	11, 29	676,392	1,185,856	10,684,350
Deferred tax assets	22	647,514	586,943	5,288,251
Other non-current assets	13	221,232	215,959	1,945,753
Total non-current assets		24,305,604	28,338,488	255,324,696
Total assets		¥31,180,466	¥36,096,476	$325,222,777

LIABILITIES AND EQUITY	Notes	As of March 31, 2018 (Millions of yen)	As of March 31, 2019 (Millions of yen)	As of March 31, 2019 (Thousands of U.S. dollars)
Current liabilities				
Interest-bearing debt	23, 29	¥ 3,217,405	¥ 3,480,960	$ 31,362,825
Deposits for banking business	24, 29	684,091	745,943	6,720,813
Third-party interests in SoftBank Vision Fund and Delta Fund	7, 29	40,713	29,677	267,384
Trade and other payables	25, 29	1,816,010	1,909,608	17,205,226
Derivative financial liabilities	29	96,241	767,714	6,916,965
Other financial liabilities	29	1,646	10,849	97,748
Income taxes payables		147,979	534,906	4,819,407
Provisions	27	65,709	43,685	393,594
Other current liabilities	26	658,961	1,158,355	10,436,571
Total current liabilities		6,728,755	8,681,697	78,220,533
Non-current liabilities				
Interest-bearing debt	23, 29	13,824,783	12,204,146	109,957,167
Third-party interests in SoftBank Vision Fund and Delta Fund	7, 29	1,803,966	4,107,288	37,005,928
Derivative financial liabilities	29	865,402	130,545	1,176,187
Other financial liabilities	29	62,372	57,115	514,596
Defined benefit liabilities	28	100,486	99,351	895,135
Provisions	27	132,139	157,478	1,418,849
Deferred tax liabilities	22	1,085,626	1,391,072	12,533,310
Other non-current liabilities	26	303,915	258,580	2,329,759
Total non-current liabilities		18,178,689	18,405,575	165,830,931
Total liabilities		24,907,444	27,087,272	244,051,464
Equity				
Equity attributable to owners of the parent				
Common stock	34	238,772	238,772	2,151,293
Capital surplus	34	256,768	1,467,762	13,224,272
Other equity instruments	34	496,876	496,876	4,476,764
Retained earnings	34	3,940,259	5,571,285	50,196,279
Treasury stock	34	(66,458)	(443,482)	(3,995,693)
Accumulated other comprehensive income	34	317,959	290,268	2,615,263
Total equity attributable to owners of the parent		5,184,176	7,621,481	68,668,178
Non-controlling interests	18	1,088,846	1,387,723	12,503,135
Total equity		6,273,022	9,009,204	81,171,313
Total liabilities and equity		¥31,180,466	¥36,096,476	$325,222,777

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

Consolidated Statement of Income

	Notes	Fiscal year ended March 31, 2018 (Millions of yen)	Fiscal year ended March 31, 2019 (Millions of yen)	Fiscal year ended March 31, 2019 (Thousands of U.S. dollars)
Net sales	37	¥ 9,158,765	¥ 9,602,236	$ 86,514,425
Cost of sales	38	(5,527,577)	(5,747,671)	(51,785,485)
Gross profit		3,631,188	3,854,565	34,728,940
Selling, general and administrative expenses	38	(2,552,664)	(2,786,674)	(25,107,434)
Gain relating to loss of control over subsidiaries	39	–	176,261	1,588,080
Other operating loss	40	(77,704)	(146,862)	(1,323,200)
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)		1,000,820	1,097,290	9,886,386
Operating income from SoftBank Vision Fund and Delta Fund	7	302,981	1,256,641	11,322,110
Operating income		1,303,801	2,353,931	21,208,496
Finance cost	41	(516,132)	(633,769)	(5,710,145)
Income on equity method investments	20	404,584	316,794	2,854,257
Foreign exchange gain (loss)		(34,518)	11,145	100,414
Derivative gain (loss)	42	(630,190)	158,230	1,425,624
Gain (loss) from financial instruments at FVTPL	43	(68)	38,443	346,365
Change in third-party interests in SoftBank Vision Fund and Delta Fund	7	(160,382)	(586,152)	(5,281,124)
Other non-operating income	44	17,535	32,680	294,441
Income before income tax		384,630	1,691,302	15,238,328
Income taxes	22	853,182	(236,684)	(2,132,481)
Net income		¥ 1,237,812	¥ 1,454,618	$ 13,105,847
Net income attributable to				
Owners of the parent		¥ 1,038,977	¥ 1,411,199	$ 12,714,650
Non-controlling interests	18	198,835	43,419	391,197
		¥ 1,237,812	¥ 1,454,618	$ 13,105,847

	Notes	Fiscal year ended March 31, 2018 (Yen)	Fiscal year ended March 31, 2019 (Yen)	Fiscal year ended March 31, 2019 (U.S. dollars)
Earnings per share				
Basic earnings per share	46	¥933.54	¥1,268.15	$11.43
Diluted earnings per share	46	908.38	1,256.53	11.32

Consolidated Statement of Comprehensive Income

	Notes	Fiscal year ended March 31, 2018 (Millions of yen)	Fiscal year ended March 31, 2019 (Millions of yen)	Fiscal year ended March 31, 2019 (Thousands of U.S. dollars)
Net income		¥1,237,812	¥1,454,618	$13,105,847
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	28, 45	8,795	(1,204)	(10,848)
Equity financial assets at FVTOCI	29, 45	–	(3,664)	(33,012)
Total items that will not be reclassified to profit or loss		8,795	(4,868)	(43,860)
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets	29, 45	29,640	–	–
Debt financial assets at FVTOCI	29, 45	–	1,145	10,316
Cash flow hedges	29, 45	(9,682)	8,766	78,980
Exchange differences on translating foreign operations	33, 45	42,920	27,228	245,319
Share of other comprehensive income of associates	20, 45	20,047	15,406	138,806
Total items that may be reclassified subsequently to profit or loss		82,925	52,545	473,421
Total other comprehensive income, net of tax		91,720	47,677	429,561
Total comprehensive income		¥1,329,532	¥1,502,295	$13,535,408
Total comprehensive income attributable to				
Owners of the parent		¥1,153,128	¥1,440,235	$12,976,259
Non-controlling interests		176,404	62,060	559,149
		¥1,329,532	¥1,502,295	$13,535,408

c. Consolidated Statement of Changes in Equity

(Millions of yen)

For the fiscal year ended March 31, 2018	Notes	Equity attributable to owners of the parent								
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2017		¥238,772	¥245,706	¥ –	¥2,958,355	¥(67,727)	¥211,246	¥3,586,352	¥ 883,378	¥4,469,730
Comprehensive income										
Net income		–	–	–	1,038,977	–	–	1,038,977	198,835	1,237,812
Other comprehensive income		–	–	–	–	–	114,151	114,151	(22,431)	91,720
Total comprehensive income		–	–	–	1,038,977	–	114,151	1,153,128	176,404	1,329,532
Transactions with owners and other transactions										
Issuance of other equity instruments	34	–	–	496,876	–	–	–	496,876	–	496,876
Cash dividends	35	–	–	–	(47,933)	–	–	(47,933)	(30,889)	(78,822)
Distribution to owners of other equity instruments	34	–	–	–	(15,852)	–	–	(15,852)	–	(15,852)
Transfer of accumulated other comprehensive income to retained earnings		–	–	–	7,438	–	(7,438)	–	–	–
Purchase and disposal of treasury stock	34	–	–	–	(726)	1,269	–	543	–	543
Changes from business combination	8	–	–	–	–	–	–	–	52,673	52,673
Changes in interests in subsidiaries		–	(31,293)	–	–	–	–	(31,293)	(4,410)	(35,703)
Changes in associates' interests in their subsidiaries		–	(5,133)	–	–	–	–	(5,133)	–	(5,133)
Changes in interests in associates' capital surplus		–	40,820	–	–	–	–	40,820	–	40,820
Share-based payment transactions		–	6,668	–	–	–	–	6,668	12,131	18,799
Other		–	–	–	–	–	–	–	(441)	(441)
Total transactions with owners and other transactions		–	11,062	496,876	(57,073)	1,269	(7,438)	444,696	29,064	473,760
As of March 31, 2018		¥238,772	¥256,768	¥496,876	¥3,940,259	¥(66,458)	¥317,959	¥5,184,176	¥1,088,846	¥6,273,022

(Millions of yen)

For the fiscal year ended March 31, 2019	Notes	Equity attributable to owners of the parent								
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2018		¥238,772	¥ 256,768	¥496,876	¥3,940,259	¥ (66,458)	¥317,959	¥5,184,176	¥1,088,846	¥6,273,022
Effect of retrospective adjustments due to adoption of new standards*		–	–	–	300,615	–	(57,828)	242,787	21,300	264,087
As of April 1, 2018 (after adjustments)		238,772	256,768	496,876	4,240,874	(66,458)	260,131	5,426,963	1,110,146	6,537,109
Comprehensive income										
Net income		–	–	–	1,411,199	–	–	1,411,199	43,419	1,454,618
Other comprehensive income		–	–	–	–	–	29,036	29,036	18,641	47,677
Total comprehensive income		–	–	–	1,411,199	–	29,036	1,440,235	62,060	1,502,295
Transactions with owners and other transactions										
Cash dividends	35	–	–	–	(47,951)	–	–	(47,951)	(30,907)	(78,858)
Distribution to owners of other equity instruments	34	–	–	–	(31,736)	–	–	(31,736)	–	(31,736)
Transfer of accumulated other comprehensive income to retained earnings		–	–	–	(1,101)	–	1,101	–	–	–
Purchase and disposal of treasury stock	34	–	739	–	–	(377,024)	–	(376,285)	–	(376,285)
Changes from business combination		–	–	–	–	–	–	–	6,115	6,115
Changes in interests in subsidiaries		–	1,164,459	–	–	–	–	1,164,459	236,191	1,400,650
Changes in associates' interests in their subsidiaries		–	41,579	–	–	–	–	41,579	–	41,579
Changes in interests in associates' capital surplus		–	(1,832)	–	–	–	–	(1,832)	–	(1,832)
Share-based payment transactions		–	6,049	–	–	–	–	6,049	2,414	8,463
Other		–	–	–	–	–	–	–	1,704	1,704
Total transactions with owners and other transactions		–	1,210,994	–	(80,788)	(377,024)	1,101	754,283	215,517	969,800
As of March 31, 2019		¥238,772	¥1,467,762	¥496,876	¥5,571,285	¥(443,482)	¥290,268	¥7,621,481	¥1,387,723	¥9,009,204

(Thousands of U.S. dollars)

For the fiscal year ended March 31, 2019	Notes	Equity attributable to owners of the parent							Non-controlling interests	Total equity
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
As of April 1, 2018		$ 2,151,293	$ 2,313,433	$4,476,764	$35,501,027	$ (598,775)	$2,864,754	$46,708,496	$ 9,810,307	$56,518,803
Effect of retrospective adjustments due to adoption of new standards*		–	–	–	2,708,487	–	(521,020)	2,187,467	191,909	2,379,376
As of April 1, 2018 (after adjustments)		2,151,293	2,313,433	4,476,764	38,209,514	(598,775)	2,343,734	48,895,963	10,002,216	58,898,179
Comprehensive income										
Net income		–	–	–	12,714,650	–	–	12,714,650	391,197	13,105,847
Other comprehensive income		–	–	–	–	–	261,609	261,609	167,952	429,561
Total comprehensive income		–	–	–	12,714,650	–	261,609	12,976,259	559,149	13,535,408
Transactions with owners and other transactions										
Cash dividends	35	–	–	–	(432,029)	–	–	(432,029)	(278,467)	(710,496)
Distribution to owners of other equity instruments	34	–	–	–	(285,936)	–	–	(285,936)	–	(285,936)
Transfer of accumulated other comprehensive income to retained earnings		–	–	–	(9,920)	–	9,920	–	–	–
Purchase and disposal of treasury stock	34	–	6,659	–	–	(3,396,918)	–	(3,390,259)	–	(3,390,259)
Changes from business combination		–	–	–	–	–	–	–	55,095	55,095
Changes in interests in subsidiaries		–	10,491,567	–	–	–	–	10,491,567	2,128,039	12,619,606
Changes in associates' interests in their subsidiaries		–	374,619	–	–	–	–	374,619	–	374,619
Changes in interests in associates' capital surplus		–	(16,506)	–	–	–	–	(16,506)	–	(16,506)
Share-based payment transactions		–	54,500	–	–	–	–	54,500	21,750	76,250
Other		–	–	–	–	–	–	–	15,353	15,353
Total transactions with owners and other transactions		–	10,910,839	–	(727,885)	(3,396,918)	9,920	6,795,956	1,941,770	8,737,726
As of March 31, 2019		$ 2,151,293	$13,224,272	$4,476,764	$50,196,279	$(3,995,693)	$2,615,263	$68,668,178	$12,503,135	$81,171,313

Note:
* In accordance with the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers," cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings and accumulated other comprehensive income. The details are described in "Note 4. Changes in Accounting Policies."

d. Consolidated Statement of Cash Flows

	Notes	(Millions of yen) Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	(Thousands of U.S. dollars) Fiscal year ended March 31, 2019
Cash flows from operating activities				
Net income		¥ 1,237,812	¥ 1,454,618	$ 13,105,847
Depreciation and amortization		1,585,873	1,694,187	15,264,321
Gain relating to loss of control over subsidiaries		–	(176,261)	(1,588,080)
Gain on investments at SoftBank Vision Fund and Delta Fund	7, 47	(352,095)	(1,302,838)	(11,738,337)
Finance cost		516,132	633,769	5,710,145
Income on equity method investments		(404,584)	(316,794)	(2,854,257)
Derivative loss (gain)		630,190	(158,230)	(1,425,624)
Loss (gain) from financial instruments at FVTPL		68	(38,443)	(346,365)
Change in third-party interests in SoftBank Vision Fund and Delta Fund		160,382	586,152	5,281,124
Foreign exchange loss (gain) and other non-operating (income)		16,983	(43,825)	(394,855)
Income taxes		(853,182)	236,684	2,132,481
Increase in trade and other receivables		(170,067)	(189,651)	(1,708,722)
Increase in inventories		(521,000)	(470,686)	(4,240,796)
Increase in trade and other payables		173,038	108,223	975,070
Other		(30,375)	44,660	402,379
Subtotal		1,989,175	2,061,565	18,574,331
Interest and dividends received		31,987	49,966	450,185
Interest paid		(541,011)	(608,146)	(5,479,286)
Income taxes paid	47	(487,428)	(434,360)	(3,913,506)
Income taxes refunded	47	95,900	102,839	926,561
Net cash provided by operating activities		1,088,623	1,171,864	10,558,285

	Notes	Fiscal year ended March 31, 2018 (Millions of yen)	Fiscal year ended March 31, 2019 (Millions of yen)	Fiscal year ended March 31, 2019 (Thousands of U.S. dollars)
Cash flows from investing activities				
Purchase of property, plant and equipment, and intangible assets	47	(1,064,835)	**(1,364,954)**	**(12,297,991)**
Payments for acquisition of investments		(1,735,694)	**(822,628)**	**(7,411,731)**
Proceeds from sales/redemption of investments		53,786	**292,582**	**2,636,111**
Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund		(2,263,260)	**(1,576,790)**	**(14,206,595)**
Proceeds from sales of investments by SoftBank Vision Fund and Delta Fund		–	**428,865**	**3,863,997**
Proceeds (payments) from (for) acquisition of control over subsidiaries	8	61,965	**(65,134)**	**(586,846)**
Proceeds from loss of control over subsidiaries, net		–	**91,016**	**820,038**
Payments for acquisition of marketable securities for short-term trading		(208,244)	**(298,620)**	**(2,690,513)**
Proceeds from sales/redemption of marketable securities for short-term trading		399,963	**344,031**	**3,099,658**
Payments for loan receivables		(138,765)	**(302,531)**	**(2,725,750)**
Collection of loan receivables		93,440	**47,895**	**431,525**
Payments into time deposits		(297,483)	**(454,544)**	**(4,095,360)**
Proceeds from withdrawal of time deposits		467,708	**752,808**	**6,782,665**
Other		146,597	**19,988**	**180,089**
Net cash used in investing activities		(4,484,822)	**(2,908,016)**	**(26,200,703)**
Cash flows from financing activities				
Proceeds in short-term interest-bearing debt, net	23	(40,829)	**(65,411)**	**(589,341)**
Proceeds from interest-bearing debt	23, 47	8,547,346	**6,189,112**	**55,762,789**
Repayment of interest-bearing debt	23	(6,003,188)	**(7,128,379)**	**(64,225,417)**
Contributions into SoftBank Vision Fund and Delta Fund from third-party investors	7	1,967,191	**2,133,682**	**19,224,092**
Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors	7, 47	(187,061)	**(486,388)**	**(4,382,269)**
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	47	–	**2,350,262**	**21,175,439**
Purchase of shares of subsidiaries from non-controlling interests		(52,393)	**(229,818)**	**(2,070,619)**
Proceeds from issuance of other equity instruments	34	496,876	**–**	**–**
Distribution to owners of other equity instruments	34	(15,852)	**(31,736)**	**(285,936)**
Purchase of treasury stock		(41)	**(384,102)**	**(3,460,690)**
Cash dividends paid		(47,918)	**(47,918)**	**(431,733)**
Cash dividends paid to non-controlling interests	18	(30,285)	**(30,901)**	**(278,412)**
Other		(7,425)	**(66,112)**	**(595,656)**
Net cash provided by financing activities		4,626,421	**2,202,291**	**19,842,247**
Effect of exchange rate changes on cash and cash equivalents		(78,674)	**57,729**	**520,128**
Increase in cash and cash equivalents		1,151,548	**523,868**	**4,719,957**
Cash and cash equivalents at the beginning of the year		2,183,102	**3,334,650**	**30,044,598**
Cash and cash equivalents at the end of the year		¥ 3,334,650	**¥ 3,858,518**	**$ 34,764,555**

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 (https://group.softbank/en/). 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 core business lying in the SoftBank segment, the Sprint segment, the Yahoo Japan segment, the Arm segment, the SoftBank Vision Fund and Delta Fund segment, and the Brightstar segment. The details are described in "(1) Description of reportable segments" under "Note 6. Segment information."

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 yen amounts are rounded to the nearest million.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside of Japan and have been made at a rate of ¥110.99 to $1, the approximate rate of exchange at March 31, 2019. 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 financial position)

a. Amounts presented under "Derivative financial liabilities" were previously included in "Other financial liabilities" as current liabilities as of March 31, 2018 are separately presented as of March 31, 2019 since the amount increased and became significant. In order to reflect the change, ¥96,241 million, which was previously included in "Other financial liabilities" as current liabilities in the consolidated statement of financial position as of March 31, 2018 was reclassified as "Derivative financial liabilities."

(Consolidated statement of income)

a. Amounts presented under "Other operating loss" for the fiscal year ended March 31, 2019 include "Gain from remeasurement relating to business combination" which was separately presented for the fiscal year ended March 31, 2018 since the amount decreased and became not significant. In order to reflect the change, ¥372 million, which was previously separately presented as "Gain from remeasurement relating to business combination" in the consolidated statement of income for the fiscal year ended March 31, 2018, is now included in "Other operating loss."

b. Amounts presented under "Other non-operating income" for the fiscal year ended March 31, 2019 include "Gain on sales of shares of associates" which was separately presented for the fiscal year ended March 31, 2018 since the amount decreased and became not significant. In order to reflect the change, ¥1,804 million, which was previously separately presented as "Gain on sales of shares of associates" in the consolidated statement of income for the fiscal year ended March 31, 2018, is now included in "Other non-operating income."

(Consolidated statement of cash flows)

a. Amounts presented under "Other" for the fiscal year ended March 31, 2019 include "Gain from remeasurement relating to business combination" which was separately presented in cash flows from operating activities for the fiscal year ended March 31, 2018 since the amount decreased and became not significant. In order to reflect the change, ¥(372) million, which was previously separately presented as "Gain from remeasurement relating to business combination" in cash flows from operating activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2018, is now included in "Other" in cash flows from operating activities.

b. Amounts presented under "Foreign exchange loss (gain) and other non-operating (income)" for the fiscal year ended March 31, 2019 include "Gain on sales of shares of associates" which was separately presented in cash flows from operating activities for the fiscal year ended March 31, 2018 since the amount decreased and became not significant. In order to reflect the change, ¥(1,804) million, which was previously separately presented as "Gain on sales of shares of associates" in cash flows from operating activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2018, is now included in "Foreign exchange loss (gain) and other non-operating (income)" in cash flows from operating activities.

c. Amounts presented under "Payments for loan receivables" were previously included in "Other" in cash flows from investing activities for the fiscal year ended March 31, 2018 are separately presented for the fiscal year ended March 31, 2019 since the amount increased and became significant. In order to reflect the change, ¥(138,765) million, which was previously included in "Other" in cash flows from investing activities for the fiscal year ended March 31, 2018 was reclassified as "Payments for loan receivables."

d. Amounts presented under “Collection of loan receivables” were previously included in “Other” in cash flows from investing activities for the fiscal year ended March 31, 2018 are separately presented for the fiscal year ended March 31, 2019 since the amount increased and became significant. In order to reflect the change, ¥93,440 million, which was previously included in “Other” in cash flows from investing activities for the fiscal year ended March 31, 2018 was reclassified as “Collection of loan receivables.”

e. Amounts presented under “Purchase of shares of subsidiaries from non-controlling interests” were previously included in “Other” in cash flows from financing activities for the fiscal year ended March 31, 2018 are separately presented for the fiscal year ended March 31, 2019 since the amount increased and became significant. In order to reflect the change, ¥(52,393) million, which was previously included in “Other” in cash flows from financing activities for the fiscal year ended March 31, 2018 was reclassified as “Purchase of shares of subsidiaries from non-controlling interests.”

(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.

Standard / interpretation		Mandatory adoption	To be adopted by the Company	Outline of the new / revised standards
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: • to apply a control model to the identification of leases and distinguishing between leases and service contracts; and • to eliminate lease classification and recognize assets and liabilities for all leases by the lessee.

a. IFRS 16 “Leases”

The Company will adopt IFRS 16, “Leases,” from beginning of the fiscal year ending March 31, 2020. In accordance with the transitional provisions of IFRS 16, the Company will apply this standard retrospectively to leases as of the date of initial application (April 1, 2019) and recognize the cumulative effect of applying the standard as an adjustment to the opening retained earnings at the date of initial application. Accordingly, comparative information for the fiscal year ended March 31, 2019, except for the following leases related to intangible assets, will not be restated.

The Company will not apply IFRS 16 for leases related to intangible assets and, in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” comparative information of leases related to intangible assets for the fiscal year ended March 31, 2019 will be restated.

The main impact on the Company’s results of operations and financial positions due to the adoption of IFRS 16 is as follows:

Existing lease classification of finance leases and operating leases by the lessee will be eliminated and the Company will recognize rights to use assets over the relevant lease terms as the rights-of-use asset and lease payment obligations as lease liabilities in the consolidated statement of financial position. Additionally, interest costs arising from lease liabilities and depreciation arising from the rights-of-use asset will be recognized in the consolidated statement of income.

Contracts previously classified as operating leases will be recognized in the consolidated statement of financial position, and as a result, principal, lease payments excluding interest costs will be presented under cash flows from financing activities, instead of under cash flows from operating activities. In addition, the rights-of use assets related to the contracts previously classified as operating leases will be depreciated and the cost will be included in depreciation and amortization under cash flows from operating activities.

As of the date of initial application (April 1, 2019), asset and liability are expected to increase by the minimum amount of approximately ¥1.2 trillion ($10,811,785 thousand), respectively. In addition, the impact on the opening balance of retained earnings is expected to be immaterial.

(6) Definition of company names and abbreviations used in annual report 2019 including this note

“Co. Ltd.,” “Corporation,” etc., are omitted from the names of companies and organizations in principle.

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

Company names / Abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
The Group	SoftBank Group Corp. and its subsidiaries and associates
* Each of the following abbreviations indicates the respective company and its subsidiaries, if any.	
Sprint	Sprint Corporation
Arm	Arm Limited
SoftBank Vision Fund, Vision Fund or SVF	SoftBank Vision Fund L.P. and its alternative investment vehicles
Delta Fund	SB Delta Fund (Jersey) L.P.
SBIA	SB Investment Advisers (UK) Limited
Brightstar	Brightstar Global Group Inc.
Fortress	Fortress Investment Group LLC
T-Mobile	T-Mobile US, Inc.
Alibaba	Alibaba Group Holding Limited
Supercell	Supercell Oy
GungHo	GungHo Online Entertainment, Inc.

3. Significant accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements. The Company has adopted IFRS 9 and IFRS 15 during the thee-month period ended June 30, 2018. The Company has elected not to restate comparative information in accordance with the transition requirements of IFRS 9 and IFRS 15. Therefore, the comparative information complies with the previous accounting policies.

Please refer to "(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment" for details of SoftBank Vision Fund and Delta Fund.

(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. Please refer to "a. Consolidation of the SoftBank Vision Fund and Delta Fund business by the Company" under "(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment" for details of SoftBank Vision Fund and Delta Fund.

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 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 or accounted for using FVTPL.

(a) Investments accounted for using the equity method

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 in the profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

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 impractical 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.

(b) Investments accounted for using FVTPL

Among the investments in associates, investments directly made by SoftBank Vision Fund and Delta Fund, investments made by SoftBank Group Corp. or its subsidiaries based on the premise of transferring to SoftBank Vision Fund and Delta Fund, and preferred stock investments whose feature is substantively different from common stock, are not accounted for using the equity method. These investments are classified as financial assets measured at fair value through profit or loss ("financial assets at FVTPL"). For the Company's accounting policy for the financial assets at FVTPL, please refer to "(4) Financial instruments." Also, please refer to "b. Portfolio company investments made by SoftBank Vision Fund and Delta Fund – (b) Investments in associates and joint ventures" under "(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment" for details of SoftBank Vision Fund and Delta Fund.

(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 using the same accounting treatment as the Company disposes the interests.

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 group 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 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 33. Foreign currency exchange rates."

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

The Company has adopted IFRS 9 from the three-month period ended June 30, 2018. The Company has elected not to restate comparative information in accordance with the transition requirements of IFRS 9. Therefore, the comparative information complies with IAS 39. Accounting policies applied for the fiscal year ended March 31, 2019 are as follows:

a. Financial instruments

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

Financial assets and financial liabilities are measured at fair value at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets measured at fair value through profit or loss ("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 the time of initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of the financial assets at FVTPL or 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 amortized cost," "debt financial assets at fair value through other comprehensive income ("debt financial assets at FVTOCI")," "equity financial assets at fair value through other comprehensive income ("equity financial assets at FVTOCI")," and "financial assets at FVTPL." The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition.

All purchases and sales of financial assets made in a regular way are recognized and derecognized on a trade date basis. Purchases 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 timeframe established by regulation or convention in the marketplace.

(a) Financial assets measured at amortized cost

Financial assets are classified as "financial assets at amortized cost" if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost 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.

(b) Debt financial assets at FVTOCI

Financial assets are classified as "debt financial assets at FVTOCI" if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on monetary financial assets classified as debt financial assets at FVTOCI and interest income calculated using the effective interest method relating to debt financial assets at FVTOCI are recognized in profit or loss.

(c) Equity financial assets at FVTOCI

At initial recognition, the Company has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as "equity financial assets at FVTOCI." Subsequent to initial recognition, equity financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

When financial assets are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. Dividends received on equity financial assets at FVTOCI are recognized in profit or loss.

(d) Financial assets at FVTPL

Financial assets are classified as "financial assets at FVTPL," if they are classified as neither "financial assets at amortized cost," "debt financial assets at FVTOCI," nor "equity financial assets at FVTOCI." Please refer to "(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment" for the details of "Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL" in the consolidated statement of financial position. Neither financial assets are designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss.

(e) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost, debt financial assets at FVTOCI, and contract assets under IFRS 15 "Revenue from Contracts with Customers." At each fiscal period-end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

Expected credit losses are estimated in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Provision of the loss allowance relating to the measurement is recognized in profit or loss. Reversal of the loss allowance is also recognized in profit or loss when events that reduce the loss allowance occur in subsequent periods.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when, and only 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

Non-derivative financial liabilities are classified into "financial liabilities at FVTPL" or "financial liabilities measured at amortized cost," and the classification is determined at initial recognition.

Non-derivative financial liabilities are classified into "financial liabilities at FVTPL" when the entire hybrid contract, including more than one embedded derivative, is designated and accounted for as a financial liability at FVTPL. Subsequent to initial recognition, liabilities at FVTPL are measured at fair value and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

Financial liabilities measured at amortized cost are measured using the effective interest method, subsequent to initial recognition.

The Company derecognizes financial liabilities when the Company's obligations are met, or debt is discharged or cancelled or expires.

d. Derivatives and hedge accounting

(a) Derivatives

The Company is engaged in derivative transactions, including foreign currency forward contracts, currency swaps, and collar transactions in order to manage its exposure to foreign exchange rate, interest rate, and share price 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 derivatives 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. Specifically, a hedge is determined to be effective when all of the following criteria are met:

(i) there is an economic relationship between the hedged item and the hedging instrument;

(ii) the effect of credit risk does not dominate the value changes that result from that economic relationship; and

(iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item the Company actually hedges and the quantity of the hedging instrument the Company actually uses to hedge the quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains the same, the Company adjusts the hedge ratio so that the hedging relationship becomes effective again.

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 non-financial assets or non-financial liabilities, the Company transfers the accumulated other comprehensive income previously recognized in other comprehensive income and includes them in the measurement of initial cost of the non-financial assets or non-financial liabilities (basis adjustment).

The Company discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria, such as instances when the hedging instrument expires or is sold, terminated, or exercised.

When hedge accounting is discontinued, any related income included 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, any related income included in accumulated other comprehensive income is reclassified immediately to profit or loss.

(c) Embedded derivatives

Derivatives embedded in non-derivative financial assets host contracts (“embedded derivatives”) are not separated from the host contracts and accounted for as hybrid contracts in its entirety.

When the economic characteristics and risks of the derivatives embedded in non-derivative financial liabilities host contracts (“embedded derivatives”) are not closely related to the economic characteristics and risks of the host contracts and the whole financial instruments, including the embedded derivatives, are not classified as financial liabilities at FVTPL, the embedded derivatives are separated from the host contracts and accounted for separately as derivatives. If it is required to separate embedded derivatives from their host contracts, but the Company is unable to measure the embedded derivatives separately either at acquisition or at the end of a subsequent fiscal period, the Company designates and accounts for the entire hybrid contract as financial liabilities 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	30 – 50 years
Other	10 – 15 years
Telecommunications equipment	
Wireless equipment, switching equipment and other network equipment	5 – 30 years
Towers	10 – 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 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" 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."

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

(9) Intangible assets

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

Intangible assets acquired separately are measured at cost upon initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill upon 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 expenditures 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
Technologies	8 – 20 years
Customer relationships	5 – 24 years
Spectrum migration costs	18 years
Management contracts	1.5 – 10 years
Favorable lease contracts	9 – 23 years
Trademarks (with finite useful lives)	2 – 34 years
Other	5 – 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 accounting estimate.

Spectrum migration costs are the amounts that the Company incurred in connection with the migration of existing users 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.

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.

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 has been 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 utilized continuously as long as the business continues and management's current plans are to offer services 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."

(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.

Intangible assets with indefinite useful lives and 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 pre-tax 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 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 remeasurements 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 reclassified 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 pre-tax 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 mainly asset retirement obligations, restructuring provisions, and provisions for loss on interest repayment 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 implementation of 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 27. 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 incremental 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) Assets or disposal groups classified as held for sale

Assets or disposal groups, whose recoveries are expected principally through sale transactions rather than continuing use, are classified as held for sale when it is highly probable that the sale will be completed within one year, are available for immediate sale in their present condition, and management commits to a plan to sell.

The Company, when committed to a sale plan involving loss of control of a subsidiary, classifies assets and liabilities of the subsidiary as held for sale when the above criteria are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of the carrying amounts and fair values less costs to sell and depreciation of property, plant and equipment and amortization of intangible assets are not conducted after the classification.

(16) Share-based payments

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

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

The fair value determined on the grant date is expensed over the vesting period, based on the estimated 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.

(17) Revenue

The Company has adopted IFRS 15 from the three-month period ended June 30, 2018. The Company has elected not to restate comparative information in accordance with the transition requirements of IFRS 15. Therefore, the comparative information complies with IAS 11 and IAS 18. Accounting policies applied for the fiscal year ended March 31, 2019 are as follows.

Also, the Company has changed the reporting segment from the three-month period ended June 30, 2018. Please refer to "Note 6. Segment information" for details.

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

<u>SoftBank segment and Sprint segment</u>

In the SoftBank segment and Sprint segment, the Company mainly provides mobile telecommunications services, sales of mobile handsets, and fixed-line telecommunications services. In the SoftBank segment, the Company also provides broadband services and distribution services.

a. Mobile telecommunications services and sales of mobile handsets

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

In mobile telecommunications services, revenues are mainly generated from basic monthly charges and telecom services and other fees. Also, 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 service contracts with subscribers through dealers, and "Direct sales," where the Company sells mobile handsets to subscribers and enters into telecommunications service contracts directly with subscribers.

Mobile telecommunications services are invoiced to subscribers on a monthly basis, and the invoice is due within a short timeframe. The sale of mobile handsets in "Indirect sales" are invoiced when the mobile handsets are sold to dealers, and most of the invoices are due within a short timeframe.

Revenues from the sale of mobile handsets in "Direct sales" are invoiced either in a lump-sum, where payments are made in full upon sale, or in installments, where the installments are invoiced on a monthly basis over the installment period and the invoice is due within a short timeframe. The Company has determined that these transaction prices do not include a significant financing component arising from the timing of payments, and therefore, no adjustments are made.

The Company has obligations for returns and refunds for mobile telecommunications services and sales of mobile handsets over a certain period of time after contract inception. The estimated amount of obligations for returns and refunds is determined by the type of product and service based on past experiences and is deducted from the transaction prices.

In the SoftBank segment, the Company provides extended warranty for mobile handsets as an optional service and such service is considered as a separate performance obligation in the contract under which such service is provided.

Revenues from the sale of mobile handsets that are subject to lease contracts are recognized over the lease term under operating leases at inception under finance leases.

Under prepaid contracts, prepaid amounts from the customer are recognized as contract liabilities and reversed based on the ratio of usage to the total expected usage amount, then recognized as revenue.

(a) Indirect sales

Revenues from the sale of mobile handsets are recognized when mobile handsets are delivered to dealers, which is when dealers are deemed to have obtained control of the mobile handsets. In the SoftBank segment, commissions paid to dealers related to the sales of mobile handsets are estimated based on experience and deducted from revenues.

Revenues from mobile telecommunications services are recognized when services are provided to subscribers. Discounts on the communication charges are deducted from mobile telecommunications service revenues.

Activation fees and upgrade fees are initially recognized as contract liabilities and reclassed to reverse as the Company provides mobile telecommunications services.

(b) Direct sales

As the sales of mobile handsets and mobile telecommunications services, including fees, are considered to be one transaction, the total transaction price is allocated to mobile handsets and mobile telecommunications services based on the relative stand-alone selling price. Discounts for both the sale of mobile handsets and mobile telecommunications charges are deducted from the total transaction price.

As a result of the price allocation above, if the revenue recognized on the sales of mobile handsets exceeds the consideration received from subscribers, the difference will be recognized as contract assets, and transferred to trade receivables when the right to invoice is established as mobile telecommunications services are provided. If the consideration received from subscribers exceeds the revenue recognized on the sales of mobile handset, the difference will be recognized as contract liabilities. Such contract liabilities will be reclassified to reverse as the Company provides mobile telecommunications services and recognized as revenue.

Stand-alone selling prices for the mobile handsets and mobile telecommunications services are based on observable selling prices when the Company sells the mobile handsets and mobile telecommunications service separately to customers at the start of the contract.

The amount allocated to the sale of mobile handsets is recognized when mobile handsets are delivered to subscribers which is when the subscribers obtain control of mobile handsets.

The amount allocated to mobile telecommunications services is recognized when the service is provided to the subscriber.

Contract assets are included in "Other current assets" or "Other non-current assets," and contract liabilities are included in "Other current liabilities" or "Other non-current liabilities" in the consolidated statement of financial position.

b. Fixed-line Telecommunications service

In the fixed-line Telecommunications service, revenues are generated mainly from voice communications and digital data transmission services ("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.

The Company's accounting policy for revenue recognition of broadband services and distribution services in the SoftBank segment is as follows:

c. Broadband services

For broadband services, revenues are mainly generated from basic monthly charges, telecom services ("revenues from broadband services") primarily related to internet connection, and other fees.

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

d. Distribution services

For distribution services, revenues are generated mainly from the sales of PC software, peripherals, and mobile handset accessories in Japan. Revenues from distribution services are recognized when the customer is deemed to have acquired control over the goods, which is the point in time at which the goods are delivered to the customer.

For transactions conducted by the Company on behalf of third parties, revenue is presented on a net basis by excluding payment to third parties from the total consideration received from customers.

Yahoo Japan segment

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

Sponsored search advertising revenue is recognized when a visitor to the website clicks the advertisement.

Display advertising comprises premium advertising, Yahoo! Display Ad Network ("YDN") and other services.

Revenue from premium advertising is recognized over a period in which related advertisement is displayed.

Revenue from YDN is recognized when a visitor to the website clicks the advertisement on the webpage with the related content.

Revenue from product sales is recognized when the customer obtains control of the product, which is the point in time at which the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product.

Revenue from e-commerce related commission fees is mainly generated from Yahoo! Auctions. Yahoo! Auctions provides online auction services to individual and corporate customers. When products are sold, system usage fees for successful bids from sellers are recognized as revenue at the time of closing.

Revenue from membership fees is generated from the sale of "Yahoo! Premium," which provides various benefits to individual customers and is recognized over the membership period.

Arm segment

In the Arm segment, revenue is mainly generated from licenses to Arm's technology and royalties arising from the subsequent sale of licensees' chips that contain Arm's technology.

The license revenue related to right to use intellectual property is recognized when the customer obtains control of the license, which is the point in time at which the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from the license.

Royalty revenues are generated from the sale of the licensees' chips that contain Arm technology and are recognized at the time of licensee chip sales. The Company estimates the royalty revenue that will be generated from the licensee chip sales in the current quarter. These are then trued-up in the subsequent quarter following the receipt of the licensees' royalty report.

Brightstar segment

In the Brightstar segment, revenues are generated mainly from distribution of mobile handsets to telecommunications service providers and retailers overseas.

Revenue in the Brightstar segment is recognized when the customer obtains control of a product, which is the point in time at which the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the product.

For transactions conducted by the Company on behalf of third parties, revenue is presented on a net basis by excluding payment to third parties from the total consideration received from customers.

(18) Costs to obtain contracts

The Company recognizes the costs that would not have been incurred if the telecommunications service contract had not been obtained and that are expected to be recovered, as assets from the costs to obtain contracts. The Company capitalizes mainly the sales commissions that the Company pays to dealers for obtaining and maintaining mobile telecommunications service contracts with subscribers.

The costs to obtain contracts are amortized on a straight-line basis over the period during which goods or services related to such costs are expected to be provided. At each fiscal year-end and quarterly period-end, the Company assesses the capitalized costs to obtain contracts for impairment.

Using a practical expedient in accordance with IFRS 15, the Company accounts for the costs to obtain contracts as expenses when incurred if the amortization period of the costs to obtain contracts is one year or less.

(19) 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 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.

(20) Earnings per share

Basic earnings per share is 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 assumes 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.

(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment

For Softbank Vision Fund and Delta Fund, the Company applies the same accounting policies as follows.

a. Consolidation of the SoftBank Vision Fund and Delta Fund segment by the Company

SoftBank Vision Fund and Delta Fund are Limited Partnerships established by their respective General Partner which are wholly-owned subsidiaries of the Company, and by their form of organization, qualify as structured entities. SoftBank Vision Fund and Delta Fund are consolidated by the Company for the following reasons.

The various entities comprising SoftBank Vision Fund and Delta Fund make investment decisions through their respective Investment Committee, which were established as committees of SBIA. SBIA is an advisory company and is a wholly-owned subsidiary of the Company. As such, the Company has power as defined under IFRS 10 "Consolidated Financial Statements" over SoftBank Vision Fund and Delta Fund. Furthermore, SBIA receives performance fees and the Company receives distributions attributable to Limited Partners based on the investment performance as returns from the Funds. The Company has the ability to affect those returns through its power over the Funds, and therefore, the Company is deemed to have control as stipulated in IFRS 10 over each Fund.

Inter-company transactions such as management fees and performance fees to SBIA paid or to be paid from SoftBank Vision Fund and Delta Fund are eliminated in consolidation.

b. Portfolio company investments made by SoftBank Vision Fund and Delta Fund

(a) Investments in subsidiaries

Of the portfolio company investments made by SoftBank Vision Fund, the portfolio companies that the Company is deemed to control under IFRS 10 are subsidiaries of the Company. Accordingly, their results of operations, assets and liabilities are included in the Company's consolidated financial statements.

Gain and loss on investments in the subsidiaries of the Company which are recognized in SoftBank Vision Fund are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SoftBank Vision Fund, the portfolio companies over which the Company has significant influence under IAS 28 "Investments in Associates and Joint Ventures" are associates of the Company, and the portfolio companies that are joint ventures of SoftBank Vision Fund when, as defined under IFRS 11, "Joint Arrangements," SoftBank Vision Fund has joint control with other investors under contractual arrangements and the investors have rights to the net assets of the arrangement.

The investments in associates and joint ventures of the Company made by SoftBank Vision Fund are accounted for as financial assets at FVTPL in accordance with Paragraph 18 of IAS 28, and presented as "Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL" in the consolidated statement of financial position. The payments for these investments are presented as "Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund" under cash flows from investing activities in the consolidated statement of cash flows.

(c) Other investments

Investments other than those in associates and joint ventures of the Company made by SoftBank Vision Fund and Delta Fund are accounted for as financial assets at FVTPL. The presentation of these investments in the consolidated statement of financial position and the consolidated statement of cash flows are the same as the above "(b) Investments in associates and joint ventures."

c. Presentation of the results from the SoftBank Vision Fund and Delta Fund business

Income and loss arising from the SoftBank Vision Fund and Delta Fund business are separated from operating income and loss arising from other businesses, recognized as a component of operating income, and presented as "Operating income from SoftBank Vision Fund and Delta Fund" in the consolidated statement of income. Gain and loss arising from "b. Portfolio company investments made by SoftBank Vision Fund and Delta Fund" (realized gain and loss on sales of investments, unrealized gain and loss on valuation of investments, interest and dividend income from investments, except for gain and loss on investments in subsidiaries) and operating expenses such as incorporation expenses of entities that comprise SoftBank Vision Fund and Delta Fund, investment research expenses arising from SBIA, and administrative expenses arising from each entity, are included in "Operating income from SoftBank Vision Fund and Delta Fund."

d. Bridge Investments

Investments acquired by SoftBank Group Corp. or its subsidiaries under the premise of offering such investments to SoftBank Vision Fund and Delta Fund that were made in accordance with the investment eligibility criteria of SoftBank Vision Fund at the time of acquisition ("Bridge Investments") are accounted for as financial assets at FVTPL. The Company makes the decision to transfer such investments after the Company obtains consent from the investment committee and other bodies (and certain limited partners, if applicable) at SoftBank Vision Fund and approvals from relevant regulatory authorities. The Company changes the presentation of Bridge Investments in its consolidated financial statements in the annual period in which the Company made the decision to transfer such investments (hereafter phrased as "the transfer was agreed") as further described below.

(a) Investments made in the fiscal year ended March 31, 2019

If the transfer was agreed to in the fiscal year ended March 31, 2019, the Company presents items relevant to those investments as if SoftBank Vision Fund and Delta Fund had made those investments from the date when the Company initially made the investments. Those items would be presented as "Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL" in the consolidated statement of financial position, “Operating income from SoftBank Vision Fund and Delta Fund” in the consolidated statement of income, and “Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund” under cash flows from investing activities in the consolidated statement of cash flows.

On the other hand, if the investments had not yet been agreed to as of March 31, 2019, the Company would present items relevant to those investments as “Investment securities” in the consolidated statement of financial position, “Gain from financial instruments at FVTPL” in the consolidated statement of income, and “Payments for acquisition of investments” under cash flows from investing activities in the consolidated statement of cash flows.

(b) Investments made on or prior to March 31, 2018

i. Investments for which the transfer is agreed in the fiscal year ended March 31, 2019

If the transfer was agreed in the fiscal year ended March 31, 2019, the Company presents the carrying amounts of those investments as if the investments had been agreed to be transferred at April 1, 2018. Those investments would be presented as “Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL” in the consolidated statement of financial position as of March 31, 2019 and with the respective gain and loss on those investments as “Operating income from SoftBank Vision Fund and Delta Fund” in the consolidated statement of income for the fiscal year ended March 31, 2019. For the periods prior to April 1, 2018, the following presentation would be applied. The carrying amounts of those investments are presented as “Investment securities” in the consolidated statement of financial position as of March 31, 2018, gain and loss on investments as “Gain from financial instruments at FVTPL” in the consolidated statement of income for the fiscal year ended March 31, 2018, and payments for acquisition of investments as “Payments for acquisition of investments” under cash flows from investing activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2018.

ii. Investments for which the transfer is agreed on or prior to March 31, 2018

If the transfer was agreed on or prior to March 31, 2018, the Company presents the carrying amounts of those investments as if the investments had been agreed to be transferred at April 1, 2017. Those investments would be presented as “Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL” in the consolidated statement of financial position as of March 31, 2018 and the respective gain and loss on those investments as “Operating income from SoftBank Vision Fund and Delta Fund” in the consolidated statement of income for the fiscal year ended March 31, 2018, and payments for acquisition of investments as “Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund” under cash flows from investing activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2018.

e. Investments that are not Bridge Investments and for which the transfer is agreed

For investments that are not Bridge Investments, when the transfer is agreed, the Company continues to apply the same accounting treatment followed in the periods prior to the agreement. They are accounted for as financial assets at FVTPL for the fiscal year ended March 31, 2019.

If the transfer was agreed in the fiscal year ended March 31, 2019, the Company presents the carrying amounts of those investments as of March 31, 2019 as if the investments had been made by SoftBank Vision Fund on the date the transfer was agreed. Those investments would be presented as “Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL” in the consolidated statement of financial position as of March 31, 2019, the difference between the carrying amount and the transferred amount and the respective gain and loss on those investments arising from the difference between the transferred amount and fair value as of March 31, 2019 as “Gain and loss from financial instruments at FVTPL” and “Operating income from SoftBank Vision Fund and Delta Fund” in the consolidated statement of income for the fiscal year ended March 31, 2019, respectively, and payments for acquisition of such investments as “Payments for acquisition of investments” under cash flows from investing activities in the consolidated statement of cash flows for the fiscal year ended March 31, 2019.

f. Contribution from Limited Partners to SoftBank Vision Fund and Delta Fund

SoftBank Vision Fund and Delta Fund issue capital calls from their respective limited partners (“Capital Call”).

(a) Contribution from Limited Partners other than the Company

The interests attributable to limited partners of SoftBank Vision Fund and Delta Fund other than the Company (“Third-Party Investors”) are classified as financial liabilities, “Third-party interests in SoftBank Vision Fund and Delta Fund” in the consolidated statement of financial position, due to the predetermined finite life (in principle, until November 20, 2029 for SoftBank Vision Fund and until September 27, 2029 for Delta Fund) and contractual payment provision to each of the limited partners at the end of the finite life within SoftBank Vision Fund and Delta Fund’s limited partnership agreements. The liabilities are classified as “financial liabilities measured at amortized cost” upon initial recognition. The carrying amounts attributable to Third-Party Investors represent the amounts that would be distributed in accordance with the limited partnership agreement in a theoretical liquidation scenario at the end of each year.

“Third-party interests in SoftBank Vision Fund and Delta Fund” fluctuate due to the results of SoftBank Vision Fund and Delta Fund in addition to contributions from Third-Party Investors in satisfaction of Capital Calls, and distributions and repayments of investments to Third-Party Investors. The fluctuations due to the results of SoftBank Vision Fund and Delta Fund are presented as “Change in third-party interests in SoftBank Vision Fund and Delta Fund” in the consolidated statement of income.

Contributions from Third-Party Investors to SoftBank Vision Fund and Delta Fund are included in “Contributions into SoftBank Vision Fund and Delta Fund from third-party investors” under cash flows from financing activities in the consolidated statement of cash flows. The distributions and repayments of investments to Third-Party Investors are included in “Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors” under cash flows from financing activities in the consolidated statement of cash flows.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9, “Financial Instruments,” and therefore such amount is not recorded in the consolidated statement of financial position.

(b) Contribution from the Company

Contribution from the Company to SoftBank Vision Fund and Delta Fund as a limited partner is eliminated in consolidation.

4. Changes in Accounting Policies

The following standard was adopted from the three-month period ended June 30, 2018.

Standard/interpretation		Outline of the new/revised standards
IFRS 9	Financial Instruments	IFRS 9 replaces the previous IAS 39. Main revisions are: • to revise classification into measurement categories of financial instruments (amortized cost and fair value) and measurement; • to revise the treatment of changes in fair value of financial liabilities measured at fair value; • 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	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.

There are no significant impacts on the consolidated financial statements due to the adoption of the other new standards or interpretations.

In accordance with the transitional provisions of IFRS 9, the Company applied this standard retrospectively to financial instruments held as of the date of initial application (April 1, 2018) and recognized the cumulative effect of applying the standard as an adjustment to the opening retained earnings and accumulated other comprehensive income at the date of initial application. Accordingly, comparative information for the fiscal year ended March 31, 2018 is not restated.

In accordance with the transitional provisions of IFRS 15, the Company applied this standard retrospectively to contracts that are not completed as of the date of initial application (April 1, 2018) and recognized the cumulative effect of applying the standard as an adjustment to the opening retained earnings at the date of initial application. Accordingly, comparative information for the fiscal year ended March 31, 2018 has not been restated.

The financial impacts of applying "IFRS 9 Financial Instruments" and "IFRS 15 Revenue from Contracts with Customers" on the consolidated statement of financial position as of April 1, 2018 and consolidated financial statements for the fiscal year ended March 31, 2019 are as follows:

(Consolidated Statement of Financial Position)

As of April 1, 2018

(Millions of yen)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
ASSETS				
Trade and other receivables	¥2,314,353	¥ 75	¥ 6,580	¥2,321,008
Inventories	362,041	–	(2,539)	359,502
Other current assets[1]	344,374	(177)	12,416	356,613
Intangible assets	6,784,550	–	(13,271)	6,771,279
Costs to obtain contracts[2]	–	–	304,778	304,778
Deferred tax assets	647,514	31	(54,466)	593,079
Other non-current assets[1]	221,232	–	(21,999)	199,233
LIABILITIES AND EQUITY				
Trade and other payables[1]	1,816,010	–	(62,238)	1,753,772
Other current liabilities[1]	658,961	–	46,900	705,861
Deferred tax liabilities	1,085,626	–	41,387	1,127,013
Other non-current liabilities[1]	303,915	–	(58,029)	245,886
Retained earnings[1,2,5]	3,940,259	52,537	248,078	4,240,874
Accumulated other comprehensive income[5]	317,959	(52,531)	(5,297)	260,131
Non-controlling interests	1,088,846	(22)	21,322	1,110,146

(Consolidated Statement of Financial Position)

As of March 31, 2019

(Millions of yen)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
ASSETS				
Trade and other receivables	¥2,324,372	¥ 55	¥ 15,550	¥2,339,977
Inventories	367,512	–	(2,252)	365,260
Other current assets[1]	712,328	1	54,227	766,556
Intangible assets	6,915,549	–	(23,354)	6,892,195
Costs to obtain contracts[2]	–	–	384,076	384,076
Deferred tax assets	656,928	31	(70,016)	586,943
Other non-current assets[1]	207,746	–	8,213	215,959
LIABILITIES AND EQUITY				
Trade and other payables[1]	1,999,412	–	(89,804)	1,909,608
Other current liabilities[1]	1,099,240	–	59,115	1,158,355
Deferred tax liabilities	1,324,240	–	66,832	1,391,072
Other non-current liabilities[1]	323,317	–	(64,737)	258,580
Retained earnings[1,2,5]	5,045,863	175,084	350,338	5,571,285
Accumulated other comprehensive income[5]	465,228	(174,951)	(9)	290,268
Non-controlling interests	1,342,375	(13)	45,361	1,387,723

As of March 31, 2019

(Thousands of U.S. dollars)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
ASSETS				
Trade and other receivables	$20,942,175	$ 496	$ 140,102	$21,082,773
Inventories	3,311,217	–	(20,290)	3,290,927
Other current assets[1]	6,417,948	9	488,576	6,906,533
Intangible assets	62,307,857	–	(210,416)	62,097,441
Costs to obtain contracts[2]	–	–	3,460,456	3,460,456
Deferred tax assets	5,918,803	279	(630,831)	5,288,251
Other non-current assets[1]	1,871,754	–	73,999	1,945,753
LIABILITIES AND EQUITY				
Trade and other payables[1]	18,014,344	–	(809,118)	17,205,226
Other current liabilities[1]	9,903,955	–	532,616	10,436,571
Deferred tax liabilities	11,931,165	–	602,145	12,533,310
Other non-current liabilities[1]	2,913,028	–	(583,269)	2,329,759
Retained earnings[1,2,5]	45,462,321	1,577,475	3,156,483	50,196,279
Accumulated other comprehensive income[5]	4,191,621	(1,576,277)	(81)	2,615,263
Non-controlling interests	12,094,558	(117)	408,694	12,503,135

(Consolidated Statements of Income)
Fiscal year ended March 31, 2019

(Millions of yen)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
Net sales[1]	¥ 9,542,926	¥ –	¥ 59,310	¥ 9,602,236
Cost of sales	(5,733,204)	–	(14,467)	(5,747,671)
Gross profit	3,809,722	–	44,843	3,854,565
Selling, general and administrative expenses[2]	(2,910,922)	4,334	119,914	(2,786,674)
Operating income from SoftBank Vision Fund and Delta Fund[5]	1,121,114	135,527	–	1,256,641
Operating income	2,049,338	139,861	164,732	2,353,931
Income on equity method investments	365,768	(48,974)	–	316,794
Gain from financial instruments at FVTPL[5]	23,034	15,409	–	38,443
Other non-operating income[3,5]	42,450	(9,770)	–	32,680
Income taxes	(220,867)	23,411	(39,228)	(236,684)
Net income	¥ 1,209,192	¥120,063	¥125,363	¥ 1,454,618
Basic earnings per share (Yen)	¥1,061.72	¥112.41	¥94.02	¥1,268.15
Diluted earnings per share (Yen)	1,050.46	112.21	93.86	1,256.53

(Thousands of U.S. dollars)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
Net sales[1]	$ 85,980,052	$ –	$ 534,373	$ 86,514,425
Cost of sales	(51,655,140)	–	(130,345)	(51,785,485)
Gross profit	34,324,912	–	404,028	34,728,940
Selling, general and administrative expenses[2]	(26,226,885)	39,048	1,080,403	(25,107,434)
Operating income from SoftBank Vision Fund and Delta Fund[5]	10,101,036	1,221,074	–	11,322,110
Operating income	18,464,168	1,260,122	1,484,206	21,208,496
Income on equity method investments	3,295,504	(441,247)	–	2,854,257
Gain from financial instruments at FVTPL[5]	207,532	138,833	–	346,365
Other non-operating income[3,5]	382,467	(88,026)	–	294,441
Income taxes	(1,989,972)	210,928	(353,437)	(2,132,481)
Net income	$ 10,894,603	$1,081,746	$1,129,498	$ 13,105,847
Basic earnings per share (Dollar)	$9.57	$1.01	$0.85	$11.43
Diluted earnings per share (Dollar)	9.46	1.01	0.85	11.32

(Consolidated Statements of Comprehensive Income)
Fiscal year ended March 31, 2019

(Millions of yen)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
Net income	¥ 1,209,192	¥ 120,063	¥125,363	¥ 1,454,618
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Equity financial assets at FVTOCI[3]	–	(3,664)	–	(3,664)
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets[3,4,5]	154,311	(154,311)	–	–
Debt financial assets at FVTOCI[4]	–	1,145	–	1,145
Exchange differences on translating foreign operations	27,550	1	(323)	27,228
Share of other comprehensive income of associates accounted for using the equity method[5]	(19,123)	34,529	–	15,406

(Thousands of U.S. dollars)

	Before adoption	IFRS 9 adjustment amount	IFRS 15 adjustment amount	After adoption
Net income	$10,894,603	$1,081,746	$1,129,498	$13,105,847
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Equity financial assets at FVTOCI[3]	–	(33,012)	–	(33,012)
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets[3,4,5]	1,390,314	(1,390,314)	–	–
Debt financial assets at FVTOCI[4]	–	10,316	–	10,316
Exchange differences on translating foreign operations	248,221	9	(2,911)	245,319
Share of other comprehensive income of associates accounted for using the equity method[5]	(172,295)	311,101	–	138,806

Notes:
1. Mobile telecommunications services and sales of mobile handsets
There are various changes related to the allocation of transaction prices to revenues from the mobile telecommunications services and revenues from the sale of mobile handsets as well as timing of revenue recognition. The main changes result from changes in the accounting treatment for wireless subsidy contracts and changes in the period during which revenue from activation fees and upgrade fees are deferred. The Company previously deferred direct costs related to activation over the same period as the revenue from activation fees and upgrade fees. As a result of adopting IFRS 15, the Company recognizes direct costs related to activation as expenses when incurred, except for costs incurred related to obtaining contracts.

In addition, interest incurred on an installment contract entered into between the Company and a subscriber is not a significant financing component under IFRS 15. Therefore, the Company does not adjust for the financing component of installment receivables at contract inception.

2. Capitalization of costs to obtain contracts
The Company's existing approach is to recognize sales commissions to dealers related to mobile telecommunications service contracts as expenses when incurred. As a result of adopting IFRS 15, the Company capitalizes the sales commissions that would not have been incurred if the mobile telecommunications service contract had not been obtained and that are expected to be recovered, as the costs to obtain contracts. The costs to obtain contracts are amortized on a straight-line basis over the period during which services related to such costs are expected to be provided.

3. Financial assets previously classified as available for sale are classified as equity financial assets at FVTOCI by making an irrevocable election that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

4. Financial assets previously classified as available for sale are classified as debt financial assets at FVTOCI taking into account the business model and cash flow characteristics.

5. Financial assets previously classified as available for sale other than financial assets described in the above Notes 3 and Notes 4 are classified as financial assets at FVTPL.

Major effects on the carrying amount from the change in classification of financial assets due to the adoption of IFRS 9 as of April 1, 2018 are as follows. There are no changes in classification and carrying amounts of financial liabilities.

As of April 1, 2018

(Millions of yen)

Previous standard (IAS 39)		Change in classification			New standard (IFRS 9)	
Classification of financial assets	Carrying amount	Available-for-sale to financial assets at FVTPL	Available-for-sale to financial assets at amortized cost	Loans and receivables to financial assets at FVTPL	Classification of financial assets	Carrying amount
Financial assets at FVTPL	¥4,749,563	¥ 501,941	¥ –	¥ 3,655	Financial assets at FVTPL	¥5,255,159
Derivatives designated as hedging instruments	4,358	–	–	–	Derivatives designated as hedging instruments	4,358
Available-for- sale	860,147	(501,941)	(100)	–	Debt financial assets at FVTOCI	249,427
					Equity financial assets at FVTOCI	108,679
Held-to-maturity	116,172	–	100	(3,655)	Financial assets at amortized cost	3,380,465
Loans and receivables	3,267,848					
Total	¥8,998,088	¥ –	¥ –	¥ –	Total	¥8,998,088

Measurement categories under IAS 39 and IFRS 9 for the Company's major financial assets as of April 1, 2018 are as follows. There are no changes in measurement categories and carrying amounts of financial liabilities.

As of April 1, 2018

(Millions of yen)

	Previous standard (IAS 39)		New standard (IFRS 9)	
Major financial assets	Measurement category	Carrying amount	Measurement category	Carrying amount
Equity securities				
Investments from SoftBank Vision Fund and Delta Fund	FVTPL	¥2,817,160	FVTPL[6]	¥2,817,160
Other equity securities	Available-for-sale	525,951	FVTOCI[7]	102,368
			FVTPL	423,583
	FVTPL	1,802,152	FVTPL[6]	1,802,152
Bonds	Available-for-sale	240,921	Amortized cost	100
			FVTOCI[8]	224,090
			FVTPL	16,731
Trade and other receivables	Amortized cost	2,314,353	Amortized cost	2,314,428

6. Financial assets previously designated as financial assets at FVTPL are classified as financial assets at FVTPL in accordance with the criteria regarding the classification under IFRS 9.

7. Financial assets previously classified as available for sale are classified as equity financial assets at FVTOCI by making an irrevocable election that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

8. Financial assets previously classified as available for sale are classified as debt financial assets at FVTOCI since they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

5. 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 projected 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:

- significant judgments of whether an entity is controlled by the Company in determining the scope of consolidation ((1) and (21) in "Note 3. Significant accounting policies" and "Note 18. Major subsidiaries");
- significant judgments for the determination of the scope and accounting treatment of associates ((1) and (21) in "Note 3. Significant accounting policies");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 44. Other non-operating income");
- estimates of fair value of assets acquired and the liabilities assumed in a business combination ((2) in "Note 3. Significant accounting policies" and "Note 8. Business combinations");
- fair value measurement of financial assets at FVTPL, debt financial assets at FVTOCI, and equity financial assets at FVTOCI ((4) and (21) in "Note 3. Significant accounting policies," "Note 7. SoftBank Vision Fund and Delta Fund business," (1) and (2) in "Note 30. Fair value of financial instruments," "Note 43. Gain (loss) from financial instruments at FVTPL");
- estimates for write-downs of inventories ((6) in "Note 3. Significant accounting policies," and "Note 40. Other operating loss");
- judgments and estimates for accounting treatment of contracts including leases ((10) in "Note 3. Significant accounting policies");
- estimates for impairment of property, plant and equipment, intangible assets and goodwill ((11) in "Note 3. Significant accounting policies," "Note 16. Goodwill and intangible assets" and "Note 40. Other operating loss");
- measurement of defined benefit obligation ((12) in "Note 3. Significant accounting policies" and (2) in "Note 28. Retirement benefits");
- judgments and estimates for recognition and measurement on provisions ((13) in "Note 3. Significant accounting policies" and "Note 27. Provisions");
- estimates for salability of assets regarding reclassification from non-current assets to assets classified as held for sale ((15) in "Note 3. Significant accounting policies" and "Note 14. Assets classified as held for sale");
- judgments and estimates for revenue recognition and measurement ((17) in "Note 3. Significant accounting policies" and "Note 37. Net sales");
- estimates for amortization period of costs to obtain contracts ((18) in "Note 3. Significant accounting policies");
- assessment of recoverability of deferred tax assets ((19) in "Note 3. Significant accounting policies" and (2) and (4) in "Note 22. Income taxes");
- estimates for measurement of contribution from Third-party interests to SoftBank Vision Fund and Delta Fund ((21) in "Note 3. Significant accounting policies" and (2) in "Note 7. SoftBank Vision Fund and Delta Fund business");
- recognition of liabilities and expenses related to contingencies ("Note 40. Other operating loss" and (b) (3) b. in "Note 49. Contingency"); and
- estimates for residual value and useful life of property, plant and equipment and intangible assets ((7) and (9) in "Note 3. Significant accounting policies").

  As a result of reviewing the efficiency of communications equipment in SoftBank Corp., it became highly probable that certain communications equipment will be disposed and removed, and therefore, the useful lives were revised. Due to this change, "Cost of sales" in the consolidated statement of income for the fiscal year ended March 31, 2018 increased by ¥22,712 million.

6. 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 resources and assess its performance.

For the fiscal year ended March 31, 2018, the Company had six reportable segments, the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, the Distribution segment, the Arm segment, and the SoftBank Vision Fund and Delta Fund segment. However, from the three-month period ended June 30, 2018, in accordance with changes in the Company's organization based on its unique organizational strategy, Cluster of No.1 Strategy, the Company has revised its segment classifications to the following six reportable segments: the SoftBank segment, the Sprint segment, the Yahoo Japan segment, the Arm segment, the SoftBank Vision Fund and Delta Fund segment, and the Brightstar segment.

The SoftBank segment provides, mainly through SoftBank Corp., mobile communications services, sale of mobile devices, fixed-line telecommunication services such as broadband services in Japan, and through SoftBank Commerce & Service Corp. (currently SB C&S Corp.), sale of mobile device accessories, PC software, and peripherals 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, an Internet-based advertising business, an e-commerce business, and membership services.

The Arm segment provides, through Arm, designs of microprocessor intellectual property and related technology, and the sale of software tools.

The SoftBank Vision Fund and Delta Fund segment conducts investment activities in a wide range of technology sectors. The segment income of the SoftBank Vision Fund and Delta Fund segment consists of gain and loss arising from investments, including subsidiaries, held by SoftBank Vision Fund and Delta Fund or investments in which transfer is agreed to (gain and loss on investments at SoftBank Vision Fund and Delta Fund), and operating expenses incurred by SoftBank Vision Fund, Delta Fund, and SBIA.

The Brightstar segment provides, through Brightstar, distribution of mobile devices overseas.

Information on business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly Fortress and the Fukuoka SoftBank HAWKS-related operations.

"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 manage and supervise investment activities in the Internet, communication, and media fields overseas, are included in corporate general expenses.

Segment information for the fiscal year ended March 31, 2018 is presented based on the reportable segments after the aforementioned change.

(2) Net sales and income of reportable segments

Income of reportable segments is defined as "Operating income." Intersegment transaction prices are determined under the same general business conditions as applied for external customers.

The Company also discloses EBITDA (i.e., segment income and loss after addition of depreciation and amortization excluding amortization relating to costs to obtain contracts) and adjusted EBITDA (i.e., EBITDA after addition or deduction of gain relating to loss of control over subsidiaries, adjustments relating to investments in SoftBank Vision Fund and Delta Fund (unrealized gain and loss on valuation of investments and effect of foreign exchange translation), and other adjustments (gains are deducted)) by each reportable segment. "Other adjustments" are special items, such as acquisition-related costs and impairment loss mainly included in other operating income and loss.

Adjusted EBITDA in the SoftBank Vision Fund and Delta Fund segment is defined as the total amount of difference between the realized amount by sales of investments and acquisition costs ("realized gain and loss from sales of investments") and interest and dividend income from investments with deduction of operating expenses, excluding depreciation and amortization.

Income and loss, which is not attributable to operating income and loss, such as financial cost and income and loss on equity method investments, is not managed by each reportable segment and therefore these income and losses are excluded from segment performance.

For the fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segments									
	SoftBank	Sprint	Yahoo Japan	Arm	SoftBank Vision Fund and Delta Fund	Brightstar	Total	Other	Reconciliations	Consolidated
Net sales										
Customers	¥3,564,842	¥3,403,820	¥851,756	¥202,338	¥ –	¥1,047,937	¥9,070,693	¥ 88,072	¥ –	¥9,158,765
Intersegment	43,996	198,141	24,342	6	–	27,083	293,568	9,554	(303,122)	–
Total	¥3,608,838	¥3,601,961	¥876,098	¥202,344	¥ –	¥1,075,020	¥9,364,261	¥ 97,626	¥(303,122)	¥9,158,765
Segment income	684,717	279,283	176,286	(31,380)	302,981	(44,634)	1,367,253	(21,835)	(41,617)	1,303,801
Reconciliation of segment income to adjusted EBITDA										
Segment income	684,717	279,283	176,286	(31,380)	302,981	(44,634)	1,367,253	(21,835)	(41,617)	1,303,801
Depreciation and amortization	505,230	953,820	43,722	62,324	1	5,613	1,570,710	13,655	1,508	1,585,873
EBITDA	1,189,947	1,233,103	220,008	30,944	302,982	(39,021)	2,937,963	(8,180)	(40,109)	2,889,674
Adjustments relating to investments in SoftBank Vision Fund and Delta Fund										
Unrealized gain (loss) on valuation of investments	–	–	–	–	(345,975)	–	(345,975)	–	–	(345,975)
Other adjustments	9,710	(5,762)	(10,064)	–	20,502	50,497	64,883	(5,042)	1,577	61,418
Adjusted EBITDA	¥1,199,657	¥1,227,341	¥209,944	¥ 30,944	¥ (22,491)	¥ 11,476	¥2,656,871	¥(13,222)	¥ (38,532)	¥2,605,117

For the fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments									
	SoftBank	Sprint	Yahoo Japan	Arm	SoftBank Vision Fund and Delta Fund	Brightstar	Total	Other	Reconciliations	Consolidated
Net sales										
Customers	¥3,703,014	¥3,533,834	¥923,539	¥ 202,616	¥ –	¥1,057,567	¥ 9,420,570	¥181,666	¥ –	¥ 9,602,236
Intersegment	44,731	193,010	23,898	83	–	25,102	286,824	12,076	(298,900)	–
Total	¥3,747,745	¥3,726,844	¥947,437	¥ 202,699	¥ –	¥1,082,669	¥ 9,707,394	¥193,742	¥(298,900)	¥ 9,602,236
Segment income	725,140	280,295	134,910	133,966	1,256,641	(23,396)	2,507,556	(90,053)	(63,572)	2,353,931
Reconciliation of segment income to adjusted EBITDA										
Segment income	725,140	280,295	134,910	133,966	1,256,641	(23,396)	2,507,556	(90,053)	(63,572)	2,353,931
Depreciation and amortization	487,246	1,040,958	55,760	66,730	89	5,929	1,656,712	36,776	699	1,694,187
EBITDA	1,212,386	1,321,253	190,670	200,696	1,256,730	(17,467)	4,164,268	(53,277)	(62,873)	4,048,118
Gain relating to loss of control over subsidiaries	–	–	–	(176,261)	–	–	(176,261)	–	–	(176,261)
Adjustments relating to investments in SoftBank Vision Fund and Delta Fund										
Unrealized gain (loss) on valuation of investments in SoftBank Vision Fund and Delta Fund	–	–	–	–	(1,013,228)	–	(1,013,228)	–	–	(1,013,228)
Effect of foreign exchange translation	–	–	–	–	11,443	–	11,443	–	–	11,443
Other adjustments*	81	91,921	2,918	–	172,154	–	267,074	16,315	–	283,389
Adjusted EBITDA	¥1,212,467	¥1,413,174	¥193,588	¥ 24,435	¥ 427,099	¥ (17,467)	¥ 3,253,296	¥ (36,962)	¥ (62,873)	¥ 3,153,461

(Thousands of U.S. dollars)

	Reportable segments									
	SoftBank	Sprint	Yahoo Japan	Arm	SoftBank Vision Fund and Delta Fund	Brightstar	Total	Other	Reconciliations	Consolidated
Net sales										
Customers	$33,363,492	$31,839,211	$8,320,921	$ 1,825,534	$ –	$9,528,489	$84,877,647	$1,636,778	$ –	$86,514,425
Intersegment	403,018	1,738,985	215,316	748	–	226,165	2,584,232	108,803	(2,693,035)	–
Total	$33,766,510	$33,578,196	$8,536,237	$ 1,826,282	$ –	$9,754,654	$87,461,879	$1,745,581	$(2,693,035)	$86,514,425
Segment income	6,533,381	2,525,408	1,215,515	1,207,010	11,322,110	(210,794)	22,592,630	(811,362)	(572,772)	21,208,496
Reconciliation of segment income to adjusted EBITDA										
Segment income	6,533,381	2,525,408	1,215,515	1,207,010	11,322,110	(210,794)	22,592,630	(811,362)	(572,772)	21,208,496
Depreciation and amortization	4,389,999	9,378,845	502,388	601,225	802	53,419	14,926,678	331,345	6,298	15,264,321
EBITDA	10,923,380	11,904,253	1,717,903	1,808,235	11,322,912	(157,375)	37,519,308	(480,017)	(566,474)	36,472,817
Gain relating to loss of control over subsidiaries	–	–	–	(1,588,080)	–	–	(1,588,080)	–	–	(1,588,080)
Adjustments relating to investments in SoftBank Vision Fund and Delta Fund										
Unrealized gain (loss) on valuation of investments in SoftBank Vision Fund and Delta Fund	–	–	–	–	(9,129,002)	–	(9,129,002)	–	–	(9,129,002)
Effect of foreign exchange translation	–	–	–	–	103,099	–	103,099	–	–	103,099
Other adjustments*	730	828,191	26,291	–	1,551,077	–	2,406,289	146,996	–	2,553,285
Adjusted EBITDA	$10,924,110	$12,732,444	$1,744,194	$ 220,155	$ 3,848,086	$(157,375)	$29,311,614	$ (333,021)	$ (566,474)	$28,412,119

Note:
* "Other adjustments" in the Softbank Vision Fund and Delta Fund segment mainly consists of derivative gain and loss of ¥168,471 million ($1,517,894 thousand) (¥(8,902) million for the fiscal year ended March 31, 2018 and ¥177,373 million ($1,598,099 thousand) for the fiscal year ended March 31, 2019) in relation to collar transactions utilizing NVIDIA Corporation ("NVIDIA") shares. The details are described in "b. Income and loss arising from the SoftBank Vision Fund and Delta Fund business Notes 1" in "(1) Income and loss arising from the SoftBank Vision Fund and Delta Fund business included in the consolidated statement of income" under "Note 7. SoftBank Vision Fund and Delta Fund business."

(3) Geographical information

a. Net sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Japan	¥4,445,648	¥4,658,924	$41,976,070
U.S.	4,042,923	4,210,267	37,933,751
Other	670,194	733,045	6,604,604
Total	¥9,158,765	¥9,602,236	$86,514,425

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, 2018	As of March 31, 2019	As of March 31, 2019
Japan	¥ 3,981,969	¥ 4,151,534	$ 37,404,577
U.S.	7,578,443	8,220,717	74,067,186
U.K.	3,539,810	3,406,626	30,693,089
Other	64,960	105,524	950,754
Total	¥15,165,182	¥15,884,401	$143,115,606

7. SoftBank Vision Fund and Delta Fund business

(1) Income and loss arising from the SoftBank Vision Fund and Delta Fund business included in the consolidated statement of income

a. Overview

Income and loss arising from the SoftBank Vision Fund and Delta Fund business in the consolidated statement of income consist of income and loss arising from all entities, which are various entities comprising SoftBank Vision Fund and Delta Fund, each General Partner, and SBIA as a manager of each fund. Income and loss arising from SoftBank Vision Fund and Delta Fund attributable to Third-Party Investors are accounted for as a component of non-operating income or loss, and presented as "Change in third-party interests in SoftBank Vision Fund and Delta Fund." As a result, income before income tax from the SoftBank Vision Fund and Delta Fund business includes income and loss attributable to the Company as a limited partner, management fees and performance fees to SBIA.

b. Income and loss arising from the SoftBank Vision Fund and Delta Fund business

The following table shows income and loss arising from the SoftBank Vision Fund and Delta Fund business.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Gain and loss on investments at SoftBank Vision Fund and Delta Fund			
Realized gain and loss on sales of investments[1]	¥ –	¥ 296,531	$ 2,671,691
Unrealized gain and loss on valuation of investments[2]			
Change in valuation for the fiscal year	345,975	1,378,553	12,420,515
Reclassified to realized gain and loss recorded in the past fiscal year[3]	–	(365,325)	(3,291,513)
Interest and dividend income from investments	6,120	4,522	40,742
Effect of foreign exchange translation[4]	–	(11,443)	(103,098)
	352,095	1,302,838	11,738,337
Operating expenses	(49,114)	(46,197)	(416,227)
Operating income from SoftBank Vision Fund and Delta Fund	302,981	1,256,641	11,322,110
Finance cost (interest expenses)[5]	(7,801)	(33,141)	(298,594)
Foreign exchange gain and loss	(33)	68	613
Derivative gain and loss[6]	(8,902)	177,373	1,598,099
Change in third-party interests in SoftBank Vision Fund and Delta Fund	(160,382)	(586,152)	(5,281,124)
Other non-operating income and loss	(248)	(232)	(2,090)
Income before income tax	¥ 125,615	¥ 814,557	$ 7,339,014

Notes:
1. SoftBank Vision Fund sold the shares in Flipkart Private Limited in August 2018 and the gain realized on the sale is ¥146,682 million ($1,321,579 thousand).
In January 2019, SoftBank Vision Fund executed an unwind of the collar transactions that had been entered into in November 2017 and thereafter, and utilized the NVIDIA shares for the repayment of borrowings. The gain of the NVIDIA shares used for the repayment was treated as realized gain. In addition, NVIDIA shares not utilizing the collar transactions were all sold in January 2019. The total amount of unrealized gain and loss is recorded as "Operating income from SoftBank Vision Fund and Delta Fund" in the fiscal year ended March 31, 2018 and the amount of changes in fair value of NVIDIA shares in the fiscal year ended March 31, 2019 is recorded as "Realized gain and loss on sales of an investment." The gains and losses arising from the collar transactions are recorded as "Derivative gain and loss."
2. For investments transferred or agreed to be transferred from the Company to Softbank Vision Fund, gain and loss on those investments arising from difference between transferred amount and fair value as of each accounting period end ("gain and loss from the difference") are presented as "Operating income from SoftBank Vision Fund and Delta Fund." In the three-month period ended March 31, 2019, certain investments were transferred or agreed to be transferred. In the nine-month period ended December 31, 2018, the gain and loss from the difference relating to those investments were presented as "Gain from financial instruments at FVTPL" of ¥65,843 million ($593,234 thousand). In the consolidated statement of income for the fiscal year ended March 31, 2019, the gain and loss from the difference are presented as "Operating income from SoftBank Vision Fund and Delta Fund."

3. This represents the unrealized gains and losses on valuation of NVIDIA shares recorded as "Operating income from SoftBank Vision Fund and Delta Fund" in the fiscal year ended March 31, 2018, which are reclassified to realized gain on sales of investments due to the disposal of the shares.
4. Unrealized gains and losses on investments are translated using the average exchange rate for the quarter in which the gains and losses were recognized, while realized gains and losses on disposal of investments are translated using the average exchange rate for the quarter in which the shares were disposed of. Foreign currency translation effects arise from the different foreign currency exchange rates used for unrealized gains and losses and realized gains and losses.
5. The amount before elimination of inter-company transactions is ¥(33,643) million ($(303,117) thousand) for the fiscal year ended March 31, 2019 (for the fiscal year ended March 31, 2018: ¥(7,895) million).
6. Derivative gain arising from collar transactions whose underlying is NVIDIA shares.

(2) Third-party interests in SoftBank Vision Fund and Delta Fund

a. Terms and conditions of contribution from/ distribution to Limited Partners

Contributions by the Limited Partners are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to Limited Partners, consisting of the Company and Third Party Investors, are calculated using the net proceeds from the investment performance of SoftBank Vision Fund and Delta fund. Those performance-based distributions and Performance fees attributed to SBIA will be allocated using the method specified in the Limited Partnership Agreement. The amount of performance-based distribution attributed to Limited Partners will be allocated to each Limited Partner based on the proportion of their respective Equity contribution. The amount of performance-based distribution is paid to each Limited Partner after Softbank Vision Fund and Delta Fund receives cash through dividend, or disposition or monetization of investments.

Fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contribution. The fixed distributions are made every last business day of the months June and December.

In the following table, Third-party Investors contributing Equity are defined as "Investors entitled to performance-based distribution" and Third-party Investors contributing Preferred Equity are defined as "Investors entitled to fixed distribution."

b. Changes in interests attributable to Third-Party Investors

Changes in interests attributable to Third-Party Investors ("Third-party interests in SoftBank Vision Fund and Delta Fund") are as follows:

(Millions of yen)

			(For reference purposes only) Links with the consolidated financial statements	
	Third-party interests (Total of current liabilities and non-current liabilities)	(Breakdown)	Consolidated statement of income (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2018	¥1,844,679			
Contributions from third-party investors	2,133,682		–	2,133,682
Changes in third-party interests	586,152		(586,152)	–
Attributable to investors entitled to fixed distribution		102,712		
Attributable to investors entitled to performance-based distribution		483,440		
Distribution to third-party investors	(267,400)		–	(267,400)
Fixed distributions		(91,694)		
Performance-based distributions[1]		(175,706)		
Repayment to third-party investors	(218,988)		–	(218,988)
Exchange differences on translating third-party interests[2]	58,840		–	–
As of March 31, 2019[3]	¥4,136,965			

(Thousands of U.S. dollars)

	Third-party interests (Total of current liabilities and non-current liabilities)	(Breakdown)	(For reference purposes only) Links with the consolidated financial statements: Consolidated statement of income (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2018	$16,620,227			
Contributions from third-party investors	19,224,092		–	19,224,092
Changes in third-party interests	5,281,124		(5,281,124)	–
Attributable to investors entitled to fixed distribution		925,417		
Attributable to investors entitled to performance-based distribution		4,355,707		
Distribution to third-party investors	(2,409,226)		–	(2,409,226)
Fixed distributions		(826,146)		
Performance-based distributions[1]		(1,583,080)		
Repayment to third-party investors	(1,973,043)		–	(1,973,043)
Exchange differences on translating third-party interests[2]	530,138		–	–
As of March 31, 2019[3]	$37,273,312			

Notes:
1. SBIA has a right to receive performance fees based on investment performance of SoftBank Vision Fund and Delta Fund. However, performance fees from monetization of investments are not paid to SBIA during the investment period of Softbank Vision Fund (in principle, until November 20, 2022), instead equivalent amounts to the performance fees attributable to SBIA are temporarily paid to the Limited Partners during the period, under the Limited Partnership Agreement. After the investment period, the equivalent amount is distributed to SBIA as a performance fee, which is given priority over performance-based distribution to Limited Partners from monetization of investments in post-investment periods. The equivalent amounts to the performance fees attributable to SBIA, which were temporarily paid to the Limited Partners, is ¥(47,979) million ($(432,282) thousand) for the fiscal year ended March 31, 2019.
2. Exchange differences were included in "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.
3. Of third-party interests as of March 31, 2019, the amount attributable to investors entitled to fixed distribution is ¥2,268,138 million ($20,435,517 thousand) and of this amount, the amount of unpaid fixed distributions is ¥29,677 million ($267,384 thousand).

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from Third-Party Investors as of March 31, 2019 is $30.7 billion.

(3) Management fees and performance fees to SBIA

Terms and conditions of management fees and performance fees to SBIA, included in income before income tax from the SoftBank Vision Fund and Delta Fund business, are as follows.

a. Management fees to SBIA

Management fees to SBIA are, in accordance with Limited Partnership Agreements, calculated by multiplying 1% per annum by Equity contributions and paid to SBIA by each fund quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

b. Performance fees to SBIA

Same as the performance-based distributions, the amount of the performance fees to SBIA is calculated using the allocation method as specified in the Limited Partnership Agreement. SBIA will receive the performance fees when Softbank Vision Fund and Delta Fund receive cash through disposition, dividend and monetization of an investment.

With regard to the performance fee receipt, the performance fees to SBIA from disposition and monetization of investments are not paid to SBIA during the investment period of Softbank Vision Fund (in principle, up to November 20, 2022), instead equivalent amount as the performance fees attributable to SBIA is temporarily paid to the Limited Partners during the period, under the Limited Partnership Agreement. After the investment period, the equivalent amount is paid to SBIA as a performance fee deducting from the performance-based distributions to the Limited Partners in monetization of investment in post-investment period. In addition, the performance fees received, which is triggered under certain conditions based on future investment performance, are subject to a clawback provision.

8. Business combinations

For the fiscal year ended March 31, 2018

(1) Fortress

a. Overview of combination

The Company and Fortress entered into a definitive merger agreement under which the Company acquired Fortress for $3.3 billion in cash in February 2017. The acquisition was completed on December 27, 2017 upon satisfaction of all necessary conditions defined in the terms of the merger agreement including approval of the transaction by Fortress shareholders on July 12, 2017 and receipt of all necessary regulatory approvals. Each outstanding Fortress share was converted into the right to receive $8.08 per share in cash, with merger proceeds to be distributed in accordance with payment procedures outlined in Fortress's Definitive Proxy dated June 7, 2017 and the merger agreement incorporated therein. Actual payment amounted to $3.1 billion as a result of adjusting for the impact of distributions and other factors after the date of the merger agreement.

As a result of the transaction, the Company acquired all equity interests of Fortress and Fortress became a wholly-owned subsidiary of the Company.

b. Purpose of acquisition

The Company expects that the leadership, broad-based expertise and the world-class investment platform of Fortress will foster the Company's expansion of its group capabilities and acceleration of our SoftBank 2.0 transformation strategy of bold, disciplined investment and world class execution to drive sustainable long-term growth.

c. Summary of Fortress

(a) Name	Fortress Investment Group LLC
(b) Address	1345 Avenue of the Americas, New York, NY
(c) Name and title of representative	Peter L. Briger, Jr., Principal and Co-Chief Executive Officer Wesley R. Edens, Co-Founder, Principal and Co-Chief Executive Officer Randal A. Nardone, Co-Founder and Principal
(d) Nature of business	Alternative investment management business
(e) Date of incorporation	1998
(f) Consolidated net sales	$1,163,806 thousand (for the fiscal year ended December 31, 2016 under US GAAP)

d. Acquisition date

December 27, 2017

e. Consideration transferred and the component

(Millions of yen)

		Acquisition date (December 27, 2017)
Payment by cash		¥353,966
Payment not included in consideration transferred*		(58,128)
Total consideration transferred	A	¥295,838

Acquisition-related costs of ¥6,123 million arising from the business combination are recognized in "Other operating loss."

Note:
* Payment not included in consideration transferred is the payment for a transaction, separate from the business combination, that remunerates employees and former owners of Fortress. For the payment, continuing employment is a condition. The Company recognized "Other current assets" amounting to ¥16,954 million and "Other non-current assets" amounting to ¥41,174 million in accordance with the employment period defined in the condition.

f. Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date[1]

(Millions of yen)

		Acquisition date (December 27, 2017)
Cash and cash equivalents		¥ 45,572
Trade and other receivables		46,691
Other current assets		6,472
Investments accounted for using the equity method		104,087
Intangible assets[2]		176,690
Non-current assets		30,621
Total assets		410,133
Current liabilities		62,397
Non-current liabilities		51,324
Total liabilities		113,721
Net assets	B	296,412
Non-controlling interests[3]	C	14,849
Goodwill[4]	A–(B–C)	¥ 14,275

The above amount is translated at the exchange rate (USD = JPY113.41) as of the acquisition date.

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 was completed during the three-month period ended December 31, 2018. Adjustment from the provisional amount is immaterial, and there is no change in the amount of goodwill.
2. Intangible assets
The components of intangible assets are as follows: the estimated useful lives are 3 years for software, from 1.5 to 10 years for management contracts, and 10 years for trademarks. The management contracts reflect excess earnings in the future expected from the agreements which Fortress entered into regarding the management of assets under their funds.

	(Millions of yen) Acquisition date (December 27, 2017)
Software	¥ 1,762
Management contracts	128,323
Trademarks	5,103
Other	41,502
Total	¥176,690

3. Non-controlling interests
Non-controlling interests are from subsidiaries of Fortress, and they are measured based on the proportionate interests after the acquisition in the identifiable net assets of the acquiree at the acquisition date.
4. Goodwill
Goodwill reflects excess earning power expected from future business development and the synergy between the Company and the acquiree.

g. Payment for acquisition of control over subsidiaries

	(Millions of yen) Fiscal year ended March 31, 2018
Payment for the acquisition by cash	¥(295,838)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	45,572
Payment for the acquisition of control over the subsidiary by cash	¥(250,266)

h. Sales and net loss of the acquiree
The amounts of the acquiree's sales and net loss 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, 2018, are ¥20,525 million and ¥15,201 million, respectively. In addition, amortization expenses related to intangible assets recognized on the acquisition date are included in the aforementioned net loss.

i. Collateral
Based on a term loan agreement of $1.4 billion which was entered into to finance this acquisition, the equity interests of Fortress and four wholly-owned subsidiaries within this acquisition structure are pledged as collateral.

(2) The Japan Net Bank, Limited

a. Overview of combination
The Board of Directors meeting of Yahoo Japan Corporation held on August 1, 2017 resolved to modify the shareholders agreement with Sumitomo Mitsui Banking Corporation regarding The Japan Net Bank, Limited. This resulted in Yahoo Japan Corporation entering into a modified agreement with Sumitomo Mitsui Banking Corporation. Along with such modification, the Company consolidated The Japan Net Bank, Limited by appointing the majority of The Japan Net Bank, Limited's directors, through a resolution in an Extraordinary Meeting of the Shareholders of The Japan Net Bank, Limited held on February 1, 2018.

In the Yahoo Japan segment, since its commencement of new strategies in the Commerce Business in October 2013, transaction volume has rapidly increased by means of various measures, such as waiving store tenant fees, point rewards measures, and the commencement of the Credit Card business. It is necessary to further strengthen its financial and payment business in order to revitalize the Commerce Business going forward. The ecosystem of its services in the Yahoo Japan segment is reinforced through the consolidation of The Japan Net Bank, Limited.

In addition, Yahoo Japan Corporation leads the management of The Japan Net Bank, Limited through the consolidation and utilizes the customer base and multi-big data that Yahoo Group has fostered thus far to provide high value-added financial services for The Japan Net Bank, Limited customers.

The voting rights ratio in The Japan Net Bank, Limited held by the Company remains the same as before at 41.2% and the Company did not hold a majority of the voting rights. However, the Company made The Japan Net Bank, Limited its consolidated subsidiary by appointing the majority of The Japan Net Bank, Limited's directors through a resolution in an Extraordinary Meeting of the Shareholders' of The Japan Net Bank, Limited held on February 1, 2018.

b. Summary of acquiree

Name	The Japan Net Bank, Limited
Nature of business	Banking business

c. Acquisition date
February 1, 2018

d. Consideration transferred and the component

	(Millions of yen) Acquisition date (February 1, 2018)
Fair value of equity interest in The Japan Net Bank, Limited already held at the time of the acquisition	¥26,224
Total consideration transferred	¥26,224

As a result of the revaluation of equity interests already held at the time of the acquisition of control by the Company in The Japan Net Bank, Limited at fair value on the acquisition date, the Company recognized a gain on the acquisition of ¥372 million for the fiscal year ended March 31, 2018. This gain is included in “Gain from remeasurement relating to business combination” in the consolidated statement of income.

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

		(Millions of yen) Acquisition date (February 1, 2018)
Cash and cash equivalents		¥337,224
Other current assets[1]		133,782
Investment securities		244,044
Other non-current assets[1]		103,746
Total assets		818,796
Deposits for banking business (current)		711,317
Other current liabilities		17,278
Non-current liabilities		26,277
Total liabilities		754,872
Net assets	A	63,924
Non-controlling interests[2]	B	37,700
Net amount	A–B	¥ 26,224

Notes:
1. The amounts are mainly loans.
2. Non-controlling interests
Non-controlling interests are measured based on the proportionate interests in the fair value of the identifiable net assets of the acquiree.

f. Proceeds from acquisition of control over subsidiaries

	(Millions of yen) Fiscal year ended March 31, 2018
Cash and cash equivalents held by the acquiree at the time of acquisition of control	¥337,224
Proceeds in cash from the acquisition of control over the subsidiary	¥337,224

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 assuming that the business combinations were completed at the beginning of the fiscal year

For the fiscal year ended March 31, 2018
The following is pro forma information (unaudited) of the consolidated performance of the Company for the fiscal year ended March 31, 2018, assuming that the business combinations of Fortress and The Japan Net Bank, Limited were completed and control was acquired as of April 1, 2017.

	(Millions of yen) Fiscal year ended March 31, 2018
Sales (pro forma)	¥9,277,296
Net income (pro forma)	¥1,253,082

9. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Cash and demand deposits[1,2]	¥2,343,116	¥2,387,533	$21,511,244
Time deposits (maturities of less than three months)	493,108	802,797	7,233,057
MMF	268,345	532,509	4,797,811
Other	230,081	135,679	1,222,443
Total	¥3,334,650	¥3,858,518	$34,764,555

Notes:
1. A subsidiary operating a banking business is obliged to deposit certain amounts, which is determined by a fixed ratio against the deposits it receives from its customers ("the legal reserve requirement"), in the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2019, cash and cash equivalents include ¥237,018 million ($2,135,490 thousand) (as of March 31, 2018: ¥284,234 million) of deposits at the Bank of Japan, which is more than the legal reserve requirement.
2. Cash and demand deposits as of March 31, 2019 includes money in trust of ¥15,956 million ($143,761 thousand) to set up for the purchase of treasury stocks by SoftBank Group Corp. (as of March 31, 2018: none).

The amount of cash and cash equivalents pledged as collateral for interest-bearing debt or other is described in "(5) Assets pledged as collateral" under "Note 23. Interest-bearing debt."

10. 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, 2018	As of March 31, 2019	As of March 31, 2019
Trade receivables	¥1,562,657	¥1,702,466	$15,338,913
Installment receivables[1]	520,619	435,059	3,919,804
Deposits for banking business[2]	107,483	53,772	484,476
Other	180,997	209,811	1,890,359
Allowance for doubtful accounts	(57,403)	(61,131)	(550,779)
Total	¥2,314,353	¥2,339,977	$21,082,773

Notes:
1. 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 mainly within 24 – 48 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)."
2. The amount is related to The Japan Net Bank, Limited.

11. Other financial assets

The components of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Current			
Marketable securities	¥137,323	¥ 84,153	$ 758,203
Time deposits (maturities of more than three months)	289,926	614	5,532
Other	92,195	118,709	1,069,547
Total	¥519,444	¥ 203,476	$ 1,833,282
Non-current			
Installment receivables[1]	293,679	414,593	3,735,409
Loan receivables[2]	46,684	211,280	1,903,595
Advance payments[3]	–	166,485	1,500,000
Deposits for banking business[4]	106,880	147,977	1,333,246
Lease and guarantee deposits	45,943	53,332	480,512
Other	215,651	231,106	2,082,223
Allowance for doubtful accounts	(32,445)	(38,917)	(350,635)
Total	¥676,392	¥1,185,856	$10,684,350

Notes:
1. Installment receivables are described in "Note 10. Trade and other receivables."
2. Amount includes ¥108,992 million ($981,998 thousand) of convertible promissory note issued by WeWork Companies Inc. ("WeWork") as of March 31, 2019.
3. Advance payments as of March 31, 2019 are related to the purchase of WeWork shares.
4. The amount is related to The Japan Net Bank, Limited.

12. Inventories

The components of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Merchandise and finished products	¥333,339	¥346,378	$3,120,804
Other	28,702	18,882	170,123
Total	¥362,041	¥365,260	$3,290,927

The amount of inventories pledged as collateral for interest-bearing debt or other is described in "(5) Assets pledged as collateral" under "Note 23. 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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Write-downs of inventories	¥39,821	**¥33,906**	**$305,487**

The amount of write-downs of inventories recorded as "Other operating loss" is included in the consolidated statement of income for the fiscal year ended March 31, 2018. The details are described in "Notes 1." under "Note 40. Other operating loss."

13. 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, 2018	**As of March 31, 2019**	**As of March 31, 2019**
Current			
Tax receivable[1]	¥145,009	**¥498,026**	**$4,487,125**
Prepaid expense	168,051	**123,929**	**1,116,578**
Contract assets[2]	–	**113,209**	**1,019,993**
Other	31,314	**31,392**	**282,837**
Total	¥344,374	**¥766,556**	**$6,906,533**
Non-current			
Long-term prepaid expense	207,845	**174,811**	**1,575,016**
Other	13,387	**41,148**	**370,737**
Total	¥221,232	**¥215,959**	**$1,945,753**

Notes:
1. Tax receivable as of March 31, 2019 includes withholding income tax of ¥422,648 million ($3,807,983 thousand) related to dividends within the group companies. The withholding income tax will be refunded in July 2019.
2. Contract assets are recognized as assets in accordance with the adoption of IFRS 15, "Revenue from Contracts with Customers."

14. Assets classified as held for sale

On June 10, 2016, the Company entered into a variable prepaid forward contract to sell Alibaba shares with Mandatory Exchangeable Trust, and received proceeds of ¥578,436 million ($5.4 billion) as advances on the sale. The Company has the option to settle the variable prepaid forward contract by either delivering cash, a combination of cash and Alibaba shares, or Alibaba shares.

It is probable that the Company settles the variable prepaid forward contract with Alibaba shares, and therefore, Alibaba shares of ¥224,201 million ($2,020,011 thousand) related to the settlement were reclassified from "Investments accounted for using the equity method" to "Assets classified as held for sale" in the consolidated statement of financial position as of March 31, 2019. The number of Alibaba shares sold through the variable prepaid forward contract is determined by the share price trend during the Observation Period, and the number of Alibaba shares classified as "Assets classified as held for sale" is calculated by the share price of Alibaba shares as of March 31, 2019. The assets classified as held for sale are measured by the carrying amount as the fair value after deducting expenses arising from the sale (expected sale price) is greater than the carrying amount.

The variable prepaid forward contract was subsequently settled with Alibaba shares on June 3, 2019. The details are described in "(2) Transaction for sale of Alibaba shares by variable prepaid forward contract" under "Note 23. Interest-bearing debt."

15.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, 2017	¥452,759	¥5,397,410	¥1,202,815	¥ 99,913	¥ 305,304	¥ 49,747	¥7,507,948
Purchases	7,517	9,565	311,989	393	461,677	36,081	827,222
Business combinations	389	4,616	2,213	–	641	2,648	10,507
Disposals	(20,337)	(224,347)	(622,494)	(11,058)	(44,955)	(19,011)	(942,202)
Transfer of accounts	9,593	316,719	612,535	90	(415,525)	38,276	561,688
Exchange differences	(10,384)	(115,178)	(60,989)	(1,030)	(10,596)	(3,129)	(201,306)
Other	(2,004)	7,639	(1,063)	–	(1,665)	(994)	1,913
As of March 31, 2018	437,533	5,396,424	1,445,006	88,308	294,881	103,618	7,765,770
Purchases	26,773	14,748	296,325	–	700,902	44,150	1,082,898
Business combinations	2,749	–	344	114	100	2,491	5,798
Disposals	(12,771)	(214,222)	(632,811)	(992)	(48,940)	(4,144)	(913,880)
Transfer of accounts	19,009	500,669	609,299	55	(563,406)	8,002	573,628
Exchange differences	7,966	92,323	50,837	825	9,587	(409)	161,129
Other	(7,244)	7,189	(1,860)	2	(5,586)	(586)	(8,085)
As of March 31, 2019	¥474,015	¥5,797,131	¥1,767,140	¥ 88,312	¥ 387,538	¥153,122	¥8,667,258

(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, 2018	$3,942,094	$48,620,813	$13,019,245	$795,639	$ 2,656,825	$ 933,579	$69,968,195
Purchases	241,220	132,877	2,669,835	–	6,315,001	397,784	9,756,717
Business combinations	24,768	–	3,100	1,027	901	22,443	52,239
Disposals	(115,064)	(1,930,102)	(5,701,514)	(8,938)	(440,940)	(37,337)	(8,233,895)
Transfer of accounts	171,267	4,510,937	5,489,675	496	(5,076,187)	72,097	5,168,285
Exchange differences	71,772	831,814	458,032	7,433	86,377	(3,685)	1,451,743
Other	(65,267)	64,772	(16,758)	18	(50,329)	(5,280)	(72,844)
As of March 31, 2019	$4,270,790	$52,231,111	$15,921,615	$795,675	$ 3,491,648	$1,379,601	$78,090,440

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, 2017	¥(189,698)	¥(2,743,314)	¥(575,085)	¥(8)	¥(3,127)	¥(19,462)	¥(3,530,694)
Depreciation	(30,738)	(562,340)	(495,815)	–	–	(11,693)	(1,100,586)
Impairment loss	–	–	(441)	–	–	(211)	(652)
Disposals	8,083	193,727	419,050	–	8	4,140	625,008
Transfer of accounts	(102)	198	4,274	–	1,999	(905)	5,464
Exchange differences	4,680	62,986	23,647	–	–	1,352	92,665
Other	2,137	(2,583)	(245)	–	–	563	(128)
As of March 31, 2018	(205,638)	(3,051,326)	(624,615)	(8)	(1,120)	(26,216)	(3,908,923)
Depreciation	(30,740)	(565,809)	(577,338)	–	–	(14,995)	(1,188,882)
Impairment loss	–	–	–	–	–	–	–
Disposals	8,854	162,760	386,962	–	26	3,779	562,381
Transfer of accounts	(7)	27	3,390	–	964	(2,116)	2,258
Exchange differences	(3,778)	(52,406)	(19,832)	–	–	256	(75,760)
Other	9,080	3,011	1,474	–	–	(1,193)	12,372
As of March 31, 2019	¥(222,229)	¥(3,503,743)	¥(829,959)	¥(8)	¥ (130)	¥(40,485)	¥(4,596,554)

(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, 2018	$(1,852,762)	$(27,491,900)	$(5,627,669)	$(72)	$(10,091)	$(236,201)	$(35,218,695)
Depreciation	(276,962)	(5,097,838)	(5,201,712)	–	–	(135,102)	(10,711,614)
Impairment loss	–	–	–	–	–	–	–
Disposals	79,773	1,466,439	3,486,458	–	234	34,048	5,066,952
Transfer of accounts	(63)	243	30,544	–	8,686	(19,066)	20,344
Exchange differences	(34,039)	(472,169)	(178,683)	–	–	2,307	(682,584)
Other	81,810	27,129	13,280	–	–	(10,749)	111,470
As of March 31, 2019	$(2,002,243)	$(31,568,096)	$(7,477,782)	$(72)	$ (1,171)	$(364,763)	$(41,414,127)

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, 2018	¥231,895	¥2,345,098	¥820,391	¥88,300	¥293,761	¥77,402	¥3,856,847
As of March 31, 2019	¥251,786	¥2,293,388	¥937,181	¥88,304	¥387,408	¥112,637	¥4,070,704

(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, 2019	$2,268,547	$20,663,015	$8,443,833	$795,603	$3,490,477	$1,014,838	$36,676,313

The amount of "Transfer of accounts" in "Furniture, fixtures, and equipment" for the fiscal year ended March 31, 2018 and the fiscal year ended March 31, 2019 is mainly due to the transfer of leased devices from "Inventories" under current assets.

Impairment loss is included in "Other operating loss" in the consolidated statement of income. The details are described in "Note 40. Other operating 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, 2018	As of March 31, 2019	As of March 31, 2019
Buildings and structures	¥ 20,822	¥ 33,616	$ 302,874
Telecommunications equipment	1,125,724	1,002,889	9,035,850
Furniture, fixtures, and equipment	42,105	43,537	392,261
Construction in progress	–	3	27
Other	17,725	15,446	139,165
Total	¥1,206,376	¥1,095,491	$9,870,177

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 "(5) Assets pledged as collateral" under "Note 23. Interest-bearing debt."

Assets with limited property rights due to installment purchases are described in "(6) Assets with limited property rights" under "Note 23. Interest-bearing debt."

16. 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	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	Total
As of April 1, 2017	¥4,221,598	¥4,100,651	¥714,257	¥ –	¥1,648,242	¥545,195	¥1,129,621	¥117,233	¥ –	¥163,485	¥64,828	¥209,573	¥8,693,085
Purchases	–	11,788	–	3	34,024	–	–	–	–	–	17	220,486	266,318
Internal development	–	–	–	–	6,574	–	–	–	–	–	–	26,358	32,932
Business combinations	27,848	16,629	–	52,150	7,860	2,815	2,769	–	128,323	–	5,137	5,357	221,040
Disposals	–	–	–	(39,632)	(169,529)	–	(40,320)	–	–	(17,750)	(21)	(2,140)	(269,392)
Transfer of accounts	–	–	–	5	233,794	–	–	28,845	–	(539)	3	(257,276)	4,832
Exchange differences	144,133	(221,558)	(35,994)	(300)	(22,781)	34,281	(30,722)	–	(8,113)	(7,837)	(3,042)	(4,385)	(300,451)
Other	(12,337)	53,087	(5)	–	(37)	5,431	(7)	–	–	–	6	(1,378)	57,097
As of March 31, 2018	4,381,242	3,960,597	678,258	12,226	1,738,147	587,722	1,061,341	146,078	120,210	137,359	66,928	196,595	8,705,461
Purchases	–	17,942	–	–	35,368	–	–	–	–	–	7	231,478	284,795
Internal development	–	–	–	–	4,052	–	–	–	–	–	–	60,100	64,152
Business combinations	75,342	–	197	–	439	9,822	7,415	–	–	–	240	547	18,660
Disposals	–	–	–	–	(144,908)	–	–	–	–	(5,290)	(34)	(14,570)	(164,802)
Transfer of accounts	–	–	–	–	205,747	–	–	43,402	–	–	14	(264,757)	(15,594)
Exchange differences	(54,842)	177,088	29,048	537	17,891	(15,253)	27,642	–	5,375	6,059	2,518	2,220	253,125
Other	1,494	(501)	5	–	177	–	(985)	–	–	–	(50)	490	(864)
As of March 31, 2019	¥4,403,236	¥4,155,126	¥707,508	¥ 12,763	¥1,856,913	¥582,291	¥1,095,413	¥189,480	¥125,585	¥138,128	¥69,623	¥212,103	¥9,144,933

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives			Intangible assets with finite useful lives								
Historical cost	Goodwill	FCC licenses	Trademarks	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	Total
As of March 31, 2018	$39,474,205	$35,684,269	$6,110,983	$110,154	$ 15,660,393	$5,295,270	$9,562,492	$1,316,136	$1,083,071	$1,237,580	$603,009	$1,771,286	$78,434,643
Purchases	–	161,654	–	–	318,658	–	–	–	–	–	63	2,085,575	2,565,950
Internal development	–	–	–	–	36,508	–	–	–	–	–	–	541,490	577,998
Business combinations	678,818	–	1,775	–	3,955	88,494	66,808	–	–	–	2,162	4,928	168,122
Disposals	–	–	–	–	(1,305,595)	–	–	–	–	(47,662)	(306)	(131,273)	(1,484,836)
Transfer of accounts	–	–	–	–	1,853,744	–	–	391,045	–	–	126	(2,385,413)	(140,498)
Exchange differences	(494,117)	1,595,531	261,717	4,838	161,195	(137,427)	249,050	–	48,427	54,591	22,687	20,002	2,280,611
Other	13,461	(4,514)	45	–	1,595	–	(8,875)	–	–	–	(450)	4,415	(7,784)
As of March 31, 2019	$39,672,367	$37,436,940	$6,374,520	$114,992	$ 16,730,453	$5,246,337	$9,869,475	$1,707,181	$1,131,498	$1,244,509	$627,291	$1,911,010	$82,394,206

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

(Millions of yen)

		Intangible assets with indefinite useful lives			Intangible assets with finite useful lives								
Accumulated amortization and impairment losses	Goodwill	FCC licenses	Trademarks	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	Total
As of April 1, 2017	¥(46,134)	¥–	¥(11,226)	¥–	¥ (925,308)	¥ (22,301)	¥(680,815)	¥(13,419)	¥ –	¥(58,731)	¥ (7,296)	¥(27,350)	¥(1,746,446)
Amortization	–	–	–	–	(242,904)	(42,098)	(116,815)	(6,793)	(4,997)	–	(2,693)	(5,321)	(421,621)
Impairment loss	(43,128)	–	(2,501)	–	(510)	–	(3,706)	–	–	–	–	–	(6,717)
Disposals	–	–	–	–	157,312	–	40,320	–	–	17,749	21	448	215,850
Exchange differences	4,487	–	347	–	12,251	(1,720)	31,956	–	120	2,803	392	(140)	46,009
Other	6,086	–	–	–	913	–	163	–	–	(9,902)	5	835	(7,986)
As of March 31, 2018	(78,689)	–	(13,380)	–	(998,246)	(66,119)	(728,897)	(20,212)	(4,877)	(48,081)	(9,571)	(31,528)	(1,920,911)
Amortization	–	–	–	–	(248,999)	(42,175)	(90,814)	(9,746)	(25,759)	–	(3,085)	(4,790)	(425,368)
Impairment loss	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	136,247	–	–	–	–	5,290	29	272	141,838
Exchange differences	(3,080)	–	(267)	–	(9,676)	1,884	(25,418)	–	(226)	(2,154)	(320)	109	(36,068)
Other	–	–	–	–	3,640	(3,997)	(1,256)	–	–	(11,865)	50	1,199	(12,229)
As of March 31, 2019	¥(81,769)	¥–	¥(13,647)	¥–	¥(1,117,034)	¥(110,407)	¥(846,385)	¥(29,958)	¥(30,862)	¥(56,810)	¥(12,897)	¥(34,738)	¥(2,252,738)

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives			Intangible assets with finite useful lives								
Accumulated amortization and impairment losses	Goodwill	FCC licenses	Trademarks	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	Total
As of March 31, 2018	$(708,974)	$–	$(120,551)	$–	$ (8,994,018)	$(595,721)	$(6,567,231)	$(182,106)	$ (43,941)	$(433,201)	$ (86,233)	$(284,062)	$(17,307,064)
Amortization	–	–	–	–	(2,243,436)	(379,989)	(818,218)	(87,810)	(232,084)	–	(27,795)	(43,157)	(3,832,489)
Impairment loss	–	–	–	–	–	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	1,227,561	–	–	–	–	47,662	261	2,451	1,277,935
Exchange differences	(27,750)	–	(2,406)	–	(87,179)	16,975	(229,012)	–	(2,036)	(19,407)	(2,883)	982	(324,966)
Other	–	–	–	–	32,796	(36,012)	(11,316)	–	–	(106,902)	450	10,803	(110,181)
As of March 31, 2019	$(736,724)	$–	$(122,957)	$–	$(10,064,276)	$(994,747)	$(7,625,777)	$(269,916)	$(278,061)	$(511,848)	$(116,200)	$(312,983)	$(20,296,765)

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

(Millions of yen)

Carrying amounts	Goodwill	Intangible assets with indefinite useful lives			Intangible assets with finite useful lives								Total
		FCC licenses	Trademarks	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	
As of March 31, 2018	¥4,302,553	¥3,960,597	¥664,878	¥12,226	¥739,901	¥521,603	¥332,444	¥125,866	¥115,333	¥89,278	¥57,357	¥165,067	¥6,784,550
As of March 31, 2019	¥4,321,467	¥4,155,126	¥693,861	¥12,763	¥739,879	¥471,884	¥249,028	¥159,522	¥94,723	¥81,318	¥56,726	¥177,365	¥6,892,195

(Thousands of U.S. dollars)

Carrying amounts	Goodwill	Intangible assets with indefinite useful lives			Intangible assets with finite useful lives								Total
		FCC licenses	Trademarks	Other	Software	Technologies	Customer relationships	Spectrum migration costs	Management contracts	Favorable lease contracts	Trademarks	Other	
As of March 31, 2019	$38,935,643	$37,436,940	$6,251,563	$114,992	$6,666,177	$4,251,590	$2,243,698	$1,437,265	$853,437	$732,661	$511,091	$1,598,027	$62,097,441

"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 utilized continuously as long as the business continues and management's current plans are to offer services under these trademarks for the foreseeable future.

Technologies reflect excessive earning capacity in the future expected from technologies of the acquiree that had been already developed, or was already well-advanced in development, at the time of the business combinations.

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

Spectrum migration costs are the amounts that the Company incurred in connection with the migration of existing users from the frequency spectrum, which SoftBank Corp. acquired, to the other frequency spectrum in accordance with the termination promotion measures prescribed in the Radio Act.

Management contracts reflect excess earnings in the future expected from the agreements which Fortress entered into regarding the management of assets under their funds.

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.

Amortization is included in "Cost of sales," "Selling, general and administrative expenses," and "Operating income from SoftBank Vision Fund and Delta Fund" in the consolidated statement of income.

Impairment losses are included in "Other operating loss" in the consolidated statement of income. The details are described in "Note 40. Other operating loss."

The amount of "Other" included in "FCC licenses" for the fiscal year ended March 31, 2018 and the fiscal year ended March 31, 2019 is recognized due to exchange of certain spectrum with other carriers. The details are described in "Note 40. Other operating loss."

Increase due to "Business combinations" is as follows:

For the fiscal year ended March 31, 2018

As a result of consolidating Fortress as a subsidiary in December 2017, the Company recognized goodwill of ¥14,275 million, software of ¥1,762 million, management contracts of approximately ¥128,323 million, and trademarks of ¥5,103 million. The details are described in "(2) Fortress" under "Note 8. Business combinations."

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, 2018	As of March 31, 2019	As of March 31, 2019
Software	¥61,667	¥84,347	$759,951

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Software	¥313,955	¥324,232	$2,921,272

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

The intangible assets with limited property rights due to installment purchase are described in "(6) Assets with limited property rights" under "Note 23. 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Research and development costs	¥136,861	¥166,969	$1,504,361

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:

Goodwill

		(Millions of yen)		(Thousands of U.S. dollars)
Reportable segments	Cash-generating unit or Cash-generating unit groups	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
SoftBank	SoftBank[1]	¥ 909,463	¥ 920,479	$ 8,293,351
Sprint	Sprint	313,942	329,389	2,967,736
Yahoo Japan	Yahoo[2]	16,519	16,519	148,833
	Marketing solution	9,821	23,108	208,199
	Shopping	56,847	58,136	523,795
	Ikyu	72,044	72,044	649,104
	Settlement finance	20,891	20,891	188,224
	Other	1,524	1,524	13,731
	Subtotal	177,646	192,222	1,731,886
Brightstar	Brightstar	16,609	18,831	169,664
Arm	Arm	2,860,738	2,833,051	25,525,282
–	Other	24,155	27,495	247,724
Total		¥4,302,553	¥4,321,467	$38,935,643

Notes:
1. SoftBank comprises SoftBank Corp. and Wireless City Planning Inc.
2. Goodwill is allocated to "Yahoo" because the benefits are expected to be realized from Yahoo Japan as a whole, not from individual cash-generating units in Yahoo Japan.

Intangible assets with indefinite useful lives

		(Millions of yen)		(Thousands of U.S. dollars)
Reportable segments	Cash-generating unit	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Sprint	Sprint	¥4,591,131	¥4,813,851	$43,371,934
Yahoo Japan	Shopping	20,130	20,130	181,368
	Ikyu	10,120	10,120	91,179
	Subtotal	30,250	30,250	272,547
Brightstar	Brightstar US and Canada region	2,868	3,191	28,750
	Brightstar Asia and Oceania region	1,225	1,695	15,272
	Subtotal	4,093	4,886	44,022
–	Other	12,227	12,763	114,992
Total		¥4,637,701	¥4,861,750	$43,803,495

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

For the fiscal year ended March 31, 2018

Value in use: SoftBank, Marketing solution, Shopping, Settlement finance, and Ikyu

Fair value less disposal cost: Sprint, Yahoo, Arm, Brightstar, Brightstar US and Canada region, Brightstar Asia and Oceania region, and Brightstar Europe and Africa region

For the fiscal year ended March 31, 2019

Value in use: Marketing solution, Shopping, Settlement finance, and Ikyu

Fair value less disposal cost: SoftBank, Sprint, Yahoo, Arm, Brightstar, Brightstar US and Canada region, and Brightstar Asia and Oceania region

Value in use is assessed by discounting to the present value the estimated cash flows over the next five years based on the financial budget approved by the management, which reflects past experience and external information, using the pre-tax discount rate of 9.1%-12.0% of the cash-generating unit or cash-generating unit group (for the fiscal year ended March 31, 2018: 7%-12.3%). The cash flows from after five years are assumed to increase on the basis of the growth rate of 0.7% (for the fiscal year ended March 31, 2018: 0%-0.6%).

For SoftBank and Yahoo, the fair value less disposal cost is measured mainly based on active market prices.

For Sprint, it is measured using the income approach and the market approach. Under the income approach, fair value is measured by discounting cash flows which are estimated based on business plans for the next 10 years while taking into account future cash flows that market participants would expect to receive in accordance with their assumptions, discounted to the present value using a post-tax discount rate of 7.6%. The cash flows from after 10 years are assumed on the basis of a 1.5% growth rate. Under the market approach, EV/Net sales and EV/EBITDA of similar companies which are comparable to the respective companies and similar acquisition cases are used. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

For Arm, it is measured by discounting the cash flows which are estimated based on the business plans for the next 10 years while taking into account the future cash flows that market participants would expect to receive in accordance with their assumptions discounted to the present value using a post-tax discount rate of 10.6% (for the fiscal year ended March 31, 2018: 10%). The cash flows from after 10 years are assumed on the basis of the growth rate of 19.2% on the 11th year, 9.9% on the 12th year, 3.9% on the 13th year, and 2.3% on the 14th year (for the fiscal year ended March 31, 2018: 20% on the 11th year, 10% on the 12th year, and 4% on the 13th year). The cash flows from the 15th year onward are assumed to increase on the basis of the growth rate of 2% (for the fiscal year ended March 31, 2018: 2% from the 14th year onward). Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

In Brightstar (cash-generating unit group), Brightstar US and Canada region, and Brightstar Asia and Oceania region, fair value less disposal cost is used as the recoverable amount and measured using the income approach and the market approach. Under the income approach, fair value is measured by discounting cash flows which are estimated based on business plans for the next 10 years while taking into account future cash flows that market participants would expect to receive in accordance with their assumptions, discounted to the present value using a post-tax discount rate of 10-13%. The cash flows from after 10 years are assumed on the basis of a 2.5% growth rate. Under the market approach, EV/EBITDA of similar companies which are comparable to the respective companies is used. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

The goodwill of Brightstar is allocated to the entire Brightstar entity, which is made up of four cash-generating units (Brightstar's US & Canada, Latin America, Asia & Oceania, and Europe & Africa units). Intangible assets with indefinite useful lives other than goodwill are allocated to three cash-generating units (Brightstar's US & Canada, Asia & Oceania, and Europe & Africa).

The business plan of Brightstar was revised during the fiscal year ended March 31, 2018, and indicators of impairment were identified at all of the cash-generating units and the cash-generating unit groups. This included impairment indicators where intangible assets with indefinite useful lives were allocated as well as the entire Brightstar entity where goodwill is allocated. Therefore, the impairment test was conducted on these cash-generating units and the entire Brightstar entity. As a result of the impairment test, an impairment loss was recognized because the recoverable amounts of Brightstar (the entire entity) and Brightstar's Europe & Africa cash-generating unit were less than the carrying amounts. Impairment losses on goodwill, intangible assets, and property, plant and equipment were ¥43,128 million, ¥6,717 million, and ¥652 million, respectively. Fair value less disposal cost is used as the recoverable amount and measured using the income approach and the market approach. Under the income approach, fair value is measured by discounting cash flows which are estimated in accordance with the aforementioned assumptions and discounted to the present value using a post-tax discount rate of 10.5-11%.

Other than the above, as a result of an annual impairment test of goodwill and intangible assets with indefinite useful lives for cash-generating units or cash-generating unit groups, no impairment loss was recognized.

The share price of Sprint as of March 31, 2019 is $5.65 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, stock market, and an industry trend. The determination of fair value requires considerable judgment and is highly sensitive to changes in underlying assumptions. Continued, sustained declines in Sprint's operating results, future forecasted cash flows, growth rates and other assumptions, as well as significant, sustained declines in the 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.

For Arm, assumptions used for the fair value measurement of the impairment test on goodwill and intangible assets with indefinite useful lives include management's significant judgments and estimates. Changes in precondition in business plans, such as a decline of the overall IoT market growth, an increase in competitive companies' market share and a decrease in Arm's market share, and an increase in risk of M&A achievement, could impact the estimated fair value, potentially leading to a future material impairment of goodwill or intangible assets with indefinite useful lives.

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, 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.

17. 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, 2018	As of March 31, 2019	As of March 31, 2019
The total minimum lease payments			
Within 1 year	¥ 472,969	¥ 452,800	$ 4,079,647
1 to 5 years	776,703	750,881	6,765,303
Over 5 years	7,455	19,334	174,196
Total	1,257,127	1,223,015	11,019,146
Deduction -future financial expense	(35,253)	(36,366)	(327,651)
Present value of finance lease obligations	¥1,221,874	¥1,186,649	$10,691,495

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, 2018	As of March 31, 2019	As of March 31, 2019
Within 1 year	¥ 455,670	¥ 437,397	$ 3,940,868
1 to 5 years	759,014	734,012	6,613,317
Over 5 years	7,190	15,240	137,310
Total	¥1,221,874	¥1,186,649	$10,691,495

The outstanding balance by year of maturity of financial lease obligations is described in "(2) Financial risk management c. Liquidity risk" under "Note 29. Financial instruments."

Certain lease contracts have financial covenants. Major contents are described in "(3) Financial covenants" under "Note 23. 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, 2018	As of March 31, 2019	As of March 31, 2019
Total	¥35,665	¥33,660	$303,271

(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 options 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, 2018	As of March 31, 2019	As of March 31, 2019
Within 1 year	¥ 380,185	¥ 410,534	$ 3,698,838
1 to 5 years	1,175,368	1,137,573	10,249,329
Over 5 years	1,138,070	1,115,918	10,054,221
Total	¥2,693,623	¥2,664,025	$24,002,388

The Company passed a resolution to relocate its head office at the Board of Directors meeting held in January 2019, and entered into a building lease contract with a 20-year contract period from September 2020, effective January 23, 2019.

In the contract, non-cancelable period is determined during the contract period and an option to cancel the contract after the non-cancelable period is granted. Planned total payment amount (including area maintenance fees) during the contract period is ¥200,955 million ($1,810,569 thousand).

Operating lease payments recognized as expenses for the fiscal year ended March 31, 2019 totaled ¥469,159 million ($4,227,038 thousand) (for the fiscal year ended March 31, 2018: ¥493,471 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 for 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 their 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, 2018	As of March 31, 2019	As of March 31, 2019
Within 1 year	¥401,960	¥409,615	$3,690,558
1 to 5 years	76,564	74,503	671,259
Over 5 years	2,381	2,163	19,488
Total	¥480,905	¥486,281	$4,381,305

18. 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, 2018	Ownership percentage of voting rights (%) As of March 31, 2019
SoftBank Corp.	SoftBank	Tokyo	99.99	**66.5**
SB C&S Corp.	SoftBank	Tokyo	100	**100**
Wireless City Planning Inc.[1]	SoftBank	Tokyo	32.2	**32.2**
SB Payment Service Corp.	SoftBank	Tokyo	100	**100**
SoftBank Technology Corp.	SoftBank	Tokyo	54.3	**54.1**
ITmedia Inc.	SoftBank	Tokyo	57.7	**53.6**
Sprint Corporation	Sprint	U.S.	84.7	**84.4**
Sprint Communications, Inc.	Sprint	U.S.	100	**100**
Yahoo Japan Corporation[2]	Yahoo Japan	Tokyo	43.0	**48.2**
ValueCommerce Co., Ltd.	Yahoo Japan	Tokyo	52.1	**52.0**
The Japan Net Bank, Limited[3]	Yahoo Japan	Tokyo	41.2	**46.6**
ASKUL Corporation[4]	Yahoo Japan	Tokyo	45.2	**45.1**
eBOOK Initiative Japan Co., Ltd.[5]	Yahoo Japan	Tokyo	44.1	**43.6**
Arm Limited	Arm	U.K.	100	**100**
Arm PIPD Holdings One, LLC	Arm	U.S.	100	**100**
Arm PIPD Holdings Two, LLC	Arm	U.S.	100	**100**
SB Investment Advisers (UK) Limited	SoftBank Vision Fund and Delta Fund	U.K.	100	**100**
SoftBank Vision Fund L.P.[6]	SoftBank Vision Fund and Delta Fund	Bailiwick of Jersey	–	**–**
SoftBank Vision Fund (AIV M1) L.P.[6]	SoftBank Vision Fund and Delta Fund	U.S.	–	**–**
SoftBank Vision Fund (AIV M2) L.P.[6]	SoftBank Vision Fund and Delta Fund	U.S.	–	**–**
SoftBank Vision Fund (AIV M3) L.P.[6]	SoftBank Vision Fund and Delta Fund	U.S.	–	**–**
SoftBank Vision Fund (AIV S1) L.P.[6]	SoftBank Vision Fund and Delta Fund	U.S.	–	**–**
SB Delta Fund (Jersey) L.P.[6]	SoftBank Vision Fund and Delta Fund	Bailiwick of Jersey	–	**–**
Brightstar Global Group Inc.	Brightstar	U.S.	87.1	**89.5**
Brightstar Corp.	Brightstar	U.S.	100	**100**
SoftBank Group Japan Corporation	Company-wide	Tokyo	100	**100**
SoftBank Group Capital Limited	Company-wide	U.K.	100	**100**
SB Group US, Inc.	Company-wide	U.S.	100	**100**
Fortress Investment Group LLC	Other	U.S.	100	**100**
Fukuoka SoftBank HAWKS Corp.	Other	Fukuoka	100	**100**
SB Energy Corp.	Other	Tokyo	100	**100**
PayPay Corporation	Other	Tokyo	–	**100**
SoftBank Robotics Group Corp.	Other	Tokyo	69.7	**69.7**
Skywalk Finance GK	Other	Tokyo	100	**100**
Vector Inc.	Other	Tokyo	52.1	**52.1**
SoftBank Ventures Asia Korea Corp.	Other	South Korea	100	**100**
SoftBank Korea Corp.	Other	South Korea	100	**100**
SOFTBANK Holdings Inc.	Other	U.S.	100	**100**
SOFTBANK America Inc.	Other	U.S.	100	**100**
SB Pan Pacific Corporation	Other	Micronesia	100	**100**
SB INVESTMENT HOLDINGS (UK) LIMITED	Other	U.K.	100	**100**
STARFISH I PTE. LTD.	Other	Singapore	100	**100**
Starburst I, Inc.	Other	U.S.	100	**100**
West Raptor Holdings, LLC	Other	U.S.	100	**100**
Hayate Corporation	Other	Micronesia	100	**100**

Notes:
1. The Company does not own the majority of Wireless City Planning Inc.'s voting rights. However, the Company determined that it has control over Wireless City Planning Inc. and included it in 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 Wireless City Planning Inc.'s Board of Directors and that Wireless City Planning Inc.'s business activities significantly depend on the Company.
2. 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 in the scope of consolidation, considering the fact that the Company holds 48.2% 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.
3. The Company does not own the majority of The Japan Net Bank, Limited's voting rights. However, the Company determined that it has control over The Japan Net Bank, Limited and included it in the scope of consolidation, considering the fact that the Company holds 46.6% of the voting rights of The Japan Net Bank, Limited and Yahoo Japan Corporation's directors and its employees constitute the majority of the members of The Japan Net Bank, Limited'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 in the scope of consolidation, considering the fact that the Company holds 45.1% 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. The Company does not own the majority of eBOOK Initiative Japan Co., Ltd.'s voting rights. However, the Company determined that it has control over eBOOK Initiative Japan Co., Ltd. and included it in the scope of consolidation, considering the fact that the Company holds 43.6% of the voting rights of eBOOK Initiative Japan Co., Ltd., and Yahoo Japan Corporation's directors and its employees constitute the majority of the members of eBOOK Initiative Japan Co., Ltd.'s Board of Directors.
6. Limited partnerships are deemed as structured entities and the voting rights are not described. The details are described in "(1) Consolidated structured entities" under "Note 21. Structured entities."

(2) Summarized consolidated financial information and other information on subsidiaries with significant non-controlling interests

a. SoftBank Corp. (SoftBank Corp. and its group companies)

(a) General information

	As of March 31, 2018	As of March 31, 2019
Ownership ratio of the non-controlling interests (%)	0.01	33.51

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥17,953	¥375,168	$3,380,196

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net income allocated to the non-controlling interests of subsidiary group	¥578	¥13,925	$125,462

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Current assets	¥1,569,080	¥1,756,322	$15,824,146
Non-current assets	4,459,879	4,742,159	42,726,002
Current liabilities	3,397,474	2,046,275	18,436,571
Non-current liabilities	1,022,833	2,464,315	22,203,036
Net assets	1,608,652	1,987,891	17,910,541

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net sales	¥3,582,635	¥3,746,305	$33,753,536
Net income	401,405	425,572	3,834,327
Total comprehensive income	407,202	365,266	3,290,981

No dividends were paid to non-controlling interests by SoftBank Corp. for the fiscal year ended March 31, 2019 (for the fiscal year ended March 31, 2018: ¥136 million).

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net cash provided by operating activities	¥ 726,598	¥ 826,582	$ 7,447,356
Net cash used in investing activities	(621,391)	(614,738)	(5,538,679)
Net cash (used in) provided by financing activities	(55,073)	25,084	226,002
Increase in cash and cash equivalents	¥ 50,134	¥ 236,928	$ 2,134,679

b. Sprint (Sprint Corporation and its group companies)

(a) General information

	As of March 31, 2018	As of March 31, 2019
Ownership ratio of the non-controlling interests (%)	15.3	15.6

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥377,179	¥430,518	$3,878,890

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net income allocated to the non-controlling interests of subsidiary group	¥131,145	¥525	$4,730

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Current assets	¥1,514,184	¥1,430,756	$12,890,855
Non-current assets	7,392,667	7,999,031	72,069,835
Current liabilities	1,187,790	1,382,646	12,457,393
Non-current liabilities	5,158,417	5,174,812	46,624,128
Net assets	2,560,644	2,872,329	25,879,169

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net sales	¥3,601,961	¥3,726,844	$33,578,196
Net income	829,338	8,933	80,485
Total comprehensive income	827,083	6,740	60,726

No dividends were paid to non-controlling interests by Sprint for the fiscal year ended March 31, 2018 and the fiscal year ended March 31, 2019.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net cash provided by operating activities	¥ 656,207	¥ 593,203	$ 5,344,653
Net cash used in investing activities	(234,203)	(525,934)	(4,738,571)
Net cash used in financing activities	(11,775)	(18,689)	(168,385)
Effect of exchange rate changes on cash and cash equivalents	(29,946)	25,094	226,093
Increase in cash and cash equivalents	¥ 380,283	¥ 73,674	$ 663,790

c. Yahoo (Yahoo Japan Corporation and its group companies)

(a) General information

	As of March 31, 2018	As of March 31, 2019
Ownership ratio of the non-controlling interests (%)	57.1	51.8

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥669,940	¥564,222	$5,083,539

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net income allocated to the non-controlling interests of subsidiary group	¥75,951	¥46,964	$423,137

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Current assets	¥1,492,508	¥1,224,363	$11,031,291
Non-current assets	1,038,884	1,221,286	11,003,568
Current liabilities	1,170,310	1,277,527	11,510,289
Non-current liabilities	224,436	241,551	2,176,331
Net assets	1,136,646	926,571	8,348,239

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net sales	¥897,185	¥954,714	$8,601,802
Net income	134,412	77,828	701,216
Total comprehensive income	136,045	83,554	752,807

Dividends paid to the non-controlling interests by Yahoo Japan Corporation for the fiscal year ended March 31, 2019 is ¥28,795 million ($259,438 thousand) (for the fiscal year ended March 31, 2018: ¥28,771 million).

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net cash provided by operating activities	¥ 78,203	¥ 151,369	$ 1,363,808
Net cash provided by (used in) investing activities	229,810	(213,605)	(1,924,543)
Net cash provided by (used in) financing activities	21,290	(263,303)	(2,372,313)
Effect of exchange rate changes on cash and cash equivalents	(562)	515	4,640
Increase (decrease) in cash and cash equivalents	¥328,741	¥(325,024)	$(2,928,408)

19. Investment securities

Of the investment securities held by the Company, investment securities transferred or agreed to be transferred from the Company to Softbank Vision Fund were reclassified from “Investment securities” to “Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL” in the consolidated statement of financial position in the fiscal year ended March 31, 2019. The carrying amount of the investment securities is ¥1,832,387 million as of March 31, 2018.

20. 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

IFRSs 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, 2018	As of March 31, 2019	As of March 31, 2019
Current assets	¥4,691,662	¥ 4,415,376	$39,781,746
Non-current assets	7,761,069	10,590,078	95,414,704
Current liabilities	2,336,584	3,470,290	31,266,691
Non-current liabilities	2,612,685	2,523,846	22,739,400
Equity			
Total equity attributable to owners of the parent	6,431,715	7,855,322	70,775,043
Non-controlling interests	1,071,747	1,155,996	10,415,316

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net sales	¥3,863,866	¥5,735,529	$51,676,088
Net income	1,381,218	1,036,961	9,342,833
Other comprehensive income, net of tax	7,905	52,670	474,547
Total comprehensive income	¥1,389,123	¥1,089,631	$9,817,380

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net income attributable to owners of the parent	¥1,432,005	¥1,161,072	$10,461,051
Other comprehensive income attributable to owners of the parent, net of tax	13,625	43,394	390,972
Total comprehensive income attributable to owners of the parent	¥1,445,630	¥1,204,466	$10,852,023

There was no dividend received from Alibaba for the fiscal years ended March 31, 2018 and 2019.

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, 2018	As of March 31, 2019	As of March 31, 2019
Total equity attributable to owners of the parent	¥6,431,715	¥7,855,322	$70,775,043
Interest ratio (%)	29.36	26.26	26.26
Interests of the Company	1,888,352	2,062,807	18,585,521
Goodwill	141,340	161,277	1,453,077
Accumulated amortization of goodwill on the IFRSs transition date[1]	(7,001)	(6,095)	(54,915)
Warrants	(103,345)	(125,695)	(1,132,489)
Other[2]	(34,296)	(29,801)	(268,502)
Carrying amount of the interests in Alibaba	¥1,885,050	¥2,062,493	$18,582,692

Notes:
1. Goodwill recorded by Alibaba from business combinations before the IFRSs 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 ¥13,643,692 million ($122,927,219 thousand) as of March 31, 2019 (as of March 31, 2018: ¥14,565,941 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, 2018	As of March 31, 2019	As of March 31, 2019
Carrying amount of the interests			
Associates	¥440,342	¥575,436	$5,184,575
Joint ventures	3,225	3,116	28,075
Total	¥443,567	¥578,552	$5,212,650

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net income (loss)			
Associates	¥(20,005)	¥(20,385)	$(183,665)
Joint ventures	(182)	(1,505)	(13,560)
Total	¥(20,187)	¥(21,890)	$(197,225)
Other comprehensive income, net of tax			
Associates	16,121	2,640	23,786
Joint ventures	76	(12)	(108)
Total	¥ 16,197	¥ 2,628	$ 23,678
Total comprehensive income			
Associates	(3,884)	(17,745)	(159,879)
Joint ventures	(106)	(1,517)	(13,668)
Total	¥ (3,990)	¥(19,262)	$(173,547)

(3) Assets with restrictions on use

The carrying amount of investments accounted for using the equity method with restrictions on use (sale, transfer, disposal or dividend distributions, and other) based on the guarantee contracts within the group for fund procurements is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Investments accounted for using the equity method	¥55,351	¥53,437	$481,458

21. 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.

Please refer to "a. Consolidation of the SoftBank Vision Fund and Delta Fund segment by the Company" in "(21) Significant accounting policies for the SoftBank Vision Fund and Delta Fund segment" under "Note 3. Significant accounting policies" for evaluation of control over the following entities that comprise the SoftBank Vision Fund and Delta Fund business.

Company Name	Location
SoftBank Vision Fund L.P.	Bailiwick of Jersey
SoftBank Vision Fund (AIV M1) L.P.	U.S.
SoftBank Vision Fund (AIV M2) L.P.	U.S.
SoftBank Vision Fund (AIV M3) L.P.	U.S.
SoftBank Vision Fund (AIV S1) L.P.	U.S.
SB Delta Fund (Jersey) L.P.	Bailiwick of Jersey

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 that are not consolidated 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. Third parties control the operation of these structured entities. The funds are financed by the subscription by its partners.

The scale of the structured entities which are not consolidated, 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, 2018	As of March 31, 2019	As of March 31, 2019
Total assets of the unconsolidated structured entities (aggregate amount)	¥1,082,817	¥1,566,213	$14,111,298
The maximum loss exposure of the Company			
The carrying amount of the investment recognized by the Company	107,293	161,643	1,456,374
Commitment contracts related to additional investment	52,730	82,291	741,428
Total	¥ 160,023	¥ 243,934	$ 2,197,802

The investment recognized by the Company is included in "Investments accounted for using the equity method" or "Investment securities" in the consolidated statement of financial position. There is no liability to recognize 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.

22. 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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Current tax expenses	¥ (267,034)	**¥ (9,103)**	**$ (82,016)**
Deferred tax expenses	1,120,216	**(227,581)**	**(2,050,464)**
Total	¥ 853,182	**¥(236,684)**	**$(2,132,480)**

Current tax expenses include tax loss forward previously unrecognized, tax credit and the benefit arising from certain temporary differences in the previous years. The reduction of current tax expense for the year ended March 31, 2019 was ¥494,161 million ($4,452,302 thousand) (for the fiscal year ended March 31, 2018: ¥5,634 million).

The reduction of current tax expense for the fiscal year ended March 31, 2019 is mainly due to the disposal of a portion of SoftBank Corp. shares (ownership percentage 33.50%) held by SoftBank Group Japan Corporation, a wholly-owned subsidiary of the Company, along with the listing of SoftBank Corp. shares. The details are described in "Notes 2." under "(2) Reconciliation of the statutory effective tax rate and actual tax rate."

The amount of deferred tax expenses arising from write-off of deferred tax assets or reversal of the write-off of deferred tax assets recorded in the previous years is included. As a result, the reduction of deferred tax expenses for the fiscal year ended March 31, 2019 was ¥6,196 million ($55,825 thousand) (for the fiscal year ended March 31, 2018: ¥285,346 million). The reduction for the fiscal year ended March 31, 2018 is mainly due to the enactment of the Tax Cuts and Jobs Act of 2017 (the "Tax Act") in December 2017 in the U.S. The details are described in "Notes 3. b. Abolition of time limit on use of future loss carryforwards" under "(2) Reconciliation of the statutory effective tax rate and actual tax rate."

(2) Reconciliation of the 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, 2018	**Fiscal year ended March 31, 2019**
Statutory effective tax rate[1]	31.7	**31.5**
Effect from evaluating recoverability of deferred tax assets[2]	(32.8)	**(17.6)**
Effect from profit or loss that does not impact taxable gain or loss	(3.5)	**(8.0)**
Distribution from SoftBank Vison Fund and Delta Fund	4.5	**6.0**
Aggregation of income earned by controlled foreign companies	7.3	**2.7**
Temporary difference associated with investment in subsidiaries	0.1	**(2.7)**
Income and loss on equity method investments	(23.5)	**2.0**
Effect from the enactment of the Tax Act in the U.S.[3]	(211.4)	**–**
Impairment loss on goodwill	3.9	**–**
Other	1.9	**(0.1)**
Actual tax rate	(221.8)	**14.0**

Notes:
1. The Company is subject to income taxes, residence taxes and deductible enterprise taxes. The statutory effective tax rate for the fiscal year ended March 31, 2019 based on these taxes is 31.5% (for the fiscal year ended March 31, 2018: 31.7%), except for foreign subsidiaries that are subject to income taxes at their respective locations.
2. On December 19, 2018, SoftBank Corp. shares were listed on the Tokyo Stock Exchange First Section. Along with the listing, a portion of SoftBank Corp. shares (ownership percentage 33.50%) held by SoftBank Group Japan Corporation, a wholly-owned subsidiary of the Company, was disposed and ¥2,349,832 million ($21,171,565 thousand) of proceeds was received. As a result, the ownership percentage in SoftBank Corp. by the Company has changed from 99.99% to 66.49%. As SoftBank Corp. remains a subsidiary, ¥750,804 million ($6,764,609 thousand), the equivalent amount of income taxes for gain on sales of SoftBank Corp. shares on a consolidation basis, is deducted from capital surplus as "Changes in interests in subsidiaries."
   In regard to the transaction, a loss carryforward whose deferred tax asset was not recognized, was used and income taxes decreased by ¥345,228 million ($3,110,442 thousand). Accordingly, a deductible temporary difference, associated with an investment in SoftBank Corp. whose deferred tax asset was not recognized, was reversed and income taxes decreased by ¥60,349 million ($543,734 thousand).
3. Due to the enactment of the Tax Act in December 2017 in the U. S., a deferred tax liability of ¥776,945 million (translated at the exchange rate as of March 31, 2018) mainly at Sprint was reversed. Additionally, income taxes in the consolidated statement of income decreased by ¥815,059 million and other comprehensive income increased by ¥8,244 million. The details are as follows.

   a. Reduction in the federal corporate tax rate
   The federal corporate tax rate was reduced from 35% to 21% effective January 1, 2018. Due to the reduction, ¥550,093 million of a part of deferred tax liabilities related to the FCC license and others, which was calculated based on the tax rate as of the acquisition date of Sprint in 2013, was reversed. Additionally, income taxes decreased by ¥584,026 million.

   b. Abolition of time limit on use of future loss carryforwards
   Net operating losses generated in tax years beginning on or after January 1, 2018 may be carried forward indefinitely. For Sprint, its tax year starts from April; therefore, net operating losses generated on or after April 1, 2018 may be carried forward indefinitely.
   At Sprint, for certain deductible temporary differences where deferred tax assets could not be previously realized, it was likely to be recoverable because the taxable temporary differences from assets with indefinite lives, such as the FCC licenses, may be a source of future taxable income. As a result of this change, ¥226,852 million of deferred tax assets were recognized (offset by deferred tax liabilities). Additionally, income taxes decreased by ¥231,033 million and other comprehensive income increased by ¥8,244 million.

(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, 2018

(Millions of yen)

	As of March 31, 2017	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2018
Deferred tax assets							
Property, plant and equipment[1]	¥ 125,028	¥ 140,018	¥ –	¥ –	¥(10,194)	¥ 201	¥ 255,053
Accrued expenses and other liabilities[1]	153,850	52,228	8,497	142	(6,922)	109	207,904
Net operating loss carryforwards and tax credit carryforwards[2]	19,611	2,966	–	44	(698)	73	21,996
Temporary difference associated with investment in subsidiaries, associates and joint ventures[3]	230,096	150,292	–	6,837	(514)	–	386,711
Other	70,426	141,505	(11)	3,016	(2,571)	4,594	216,959
Total	599,011	487,009	8,486	10,039	(20,899)	4,977	1,088,623
Deferred tax liabilities							
FCC licenses[1]	(1,452,451)	469,035	–	–	49,815	–	(933,601)
Customer relationships[1]	(132,827)	57,873	–	–	189	–	(74,765)
Trademarks[1]	(287,635)	95,448	–	–	9,141	–	(183,046)
Technologies	(91,158)	7,984	–	(958)	(5,758)	–	(89,890)
Temporary difference associated with investment in subsidiaries, associates and joint ventures	(10,405)	(24,564)	103	–	37	(223)	(35,052)
Investment securities[4]	(34,300)	(8,552)	(36,404)	(123)	167	(1,816)	(81,028)
Other	(126,621)	35,983	(4,081)	(31,664)[5]	1,066	(4,036)	(129,353)
Total	(2,135,397)	633,207	(40,382)	(32,745)	54,657	(6,075)	(1,526,735)
Net	¥(1,536,386)	¥1,120,216	¥(31,896)	¥(22,706)	¥ 33,758	¥(1,098)	¥ (438,112)

Notes:
1. The increase in deferred tax assets from "Property, plant and equipment" and "Accrued expenses and other liabilities" and the decrease in deferred tax liabilities from "FCC licenses" and "Trademarks" are due to the effect from the enactment of the Tax Act in the U. S. at Sprint. The details are described in "Notes 3." under "(2) Reconciliation of the statutory effective tax rate and actual tax rate."
2. The Company recognizes deferred tax assets related to the entities that recorded a loss in either the fiscal year ended March 31, 2017 or 2018, in the amount of ¥13,344 million for the fiscal year ended March 31, 2018. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.
3. The increase in deferred tax assets from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" is due to the recognition of deferred tax assets on temporary differences on investment which arose from changes in the carrying amount on a tax basis, due to the sales of Alibaba shares to a subsidiary of the Company. The amount of deferred tax assets recognized as of March 31, 2018 is ¥377,232 million.
4. The increase from "Investment securities" is mainly due to the increase in valuation gain on available for sale financial assets.
5. The increase from "Business combination" is mainly due to the consolidation of Fortress. The details are described in "(1) Fortress" under "Note 8. Business combinations."

For the fiscal year ended March 31, 2019

(Millions of yen)

	As of March 31, 2018	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Effect of retrospective adjustments due to adoption of new standards	Other	As of March 31, 2019
Deferred tax assets								
Property, plant and equipment	¥ 255,053	¥(140,167)	¥ –	¥ 2	¥ 13,182	¥ –	¥ (4,404)	¥ 123,666
Accrued expenses and other liabilities	207,904	(18,508)	893	64	5,186	(20,310)	3,186	178,415
Net operating loss carryforwards and tax credit carryforwards[1]	21,996	212,975	–	547	(421)	–	(692)	234,405
Temporary difference associated with investment in subsidiaries, associates and joint ventures	386,711	(12,334)	(14)	(4,096)	125	(2,507)	3,917	371,802
Other	216,959	4,473	2,223	940	(1,913)	15,239	4,237	242,158
Total	1,088,623	46,439	3,102	(2,543)	16,159	(7,578)	6,244	1,150,446
Deferred tax liabilities								
FCC licenses	(933,601)	(11,808)	–	–	(41,613)	–	–	(987,022)
Customer relationships	(74,765)	24,381	–	–	(632)	–	–	(51,016)
Trademarks	(183,046)	1,421	–	–	(7,712)	–	(948)	(190,285)
Technologies	(89,890)	(14,795)	–	–	2,720	–	–	(101,965)
Temporary difference associated with investment in subsidiaries, associates and joint ventures[2]	(35,052)	(254,683)	(993)	–	(26)	–	(14,458)	(305,212)
Contract assets and costs to obtain contracts	–	(27,589)	–	–	(1,568)	(91,774)	–	(120,931)
Investment securities	(81,028)	26,036	2,724	–	(1,954)	–	727	(53,495)
Other	(129,353)	(16,983)	(262)	(3,046)	(3,289)	3,530	4,754	(144,649)
Total	(1,526,735)	(274,020)	1,469	(3,046)	(54,074)	(88,244)	(9,925)	(1,954,575)
Net	¥ (438,112)	¥(227,581)	¥4,571	¥(5,589)	¥(37,915)	¥(95,822)	¥ (3,681)	¥ (804,129)

(Thousands of U.S. dollars)

	As of March 31, 2018	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Effect of retrospective adjustments due to adoption of new standards	Other	As of March 31, 2019
Deferred tax assets								
Property, plant and equipment	$ 2,297,982	$(1,262,880)	$ –	$ 18	$ 118,767	$ –	$ (39,679)	$ 1,114,208
Accrued expenses and other liabilities	1,873,178	(166,754)	8,045	577	46,725	(182,989)	28,705	1,607,487
Net operating loss carryforwards and tax credit carryforwards[1]	198,180	1,918,867	–	4,928	(3,793)	–	(6,235)	2,111,947
Temporary difference associated with investment in subsidiaries, associates and joint ventures	3,484,196	(111,127)	(126)	(36,904)	1,126	(22,588)	35,292	3,349,869
Other	1,954,762	40,301	20,029	8,469	(17,235)	137,301	38,174	2,181,801
Total	9,808,298	418,407	27,948	(22,912)	145,590	(68,276)	56,257	10,365,312
Deferred tax liabilities								
FCC licenses	(8,411,578)	(106,388)	–	–	(374,925)	–	–	(8,892,891)
Customer relationships	(673,619)	219,668	–	–	(5,694)	–	–	(459,645)
Trademarks	(1,649,212)	12,803	–	–	(69,484)	–	(8,541)	(1,714,434)
Technologies	(809,893)	(133,300)	–	–	24,507	–	–	(918,686)
Temporary difference associated with investment in subsidiaries, associates and joint ventures[2]	(315,812)	(2,294,648)	(8,947)	–	(234)	–	(130,264)	(2,749,905)
Contract assets and costs to obtain contracts	–	(248,572)	–	–	(14,128)	(826,867)	–	(1,089,567)
Investment securities	(730,048)	234,580	24,543	–	(17,605)	–	6,550	(481,980)
Other	(1,165,447)	(153,014)	(2,360)	(27,444)	(29,634)	31,804	42,833	(1,303,262)
Total	(13,755,609)	(2,468,871)	13,236	(27,444)	(487,197)	(795,063)	(89,422)	(17,610,370)
Net	$ (3,947,311)	$(2,050,464)	$41,184	$(50,356)	$(341,607)	$(863,339)	$ (33,165)	$ (7,245,058)

Notes:
1. The Company recognizes deferred tax assets related to the entities that recorded a loss in either the fiscal year ended March 31, 2018 or 2019, in the amount of ¥27,769 million ($250,194 thousand) for the fiscal year ended March 31, 2019. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.
2. The increases in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" as of March 31, 2019 are mainly due to ¥ 119,306 million ($1,074,926 thousand) of the recognition of deferred tax liabilities on temporary differences on reserved profit of SoftBank Vision Fund and Delta Fund and ¥125,579 million ($1,131,444 thousand) of the recognition of deferred tax liabilities on temporary differences on investment in Alibaba shares.

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, 2018	As of March 31, 2019	As of March 31, 2019
Deferred tax assets	¥ 647,514	¥ 586,943	$ 5,288,251
Deferred tax liabilities	(1,085,626)	(1,391,072)	(12,533,309)
Net	¥ (438,112)	¥ (804,129)	$ (7,245,058)

(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, 2018	As of March 31, 2019	As of March 31, 2019
Deductible temporary differences	¥ 262,975	¥ 216,639	$ 1,951,879
Net operating loss carryforwards	1,349,432	1,323,524	11,924,714
Tax credit carryforwards	33,536	31,513	283,926
Total	¥1,645,943	¥1,571,676	$14,160,519

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, 2018	As of March 31, 2019	As of March 31, 2019
1st year	¥ 15,405	¥ 20,616	$ 185,746
2nd year	19,319	14,861	133,895
3rd year	16,396	11,879	107,028
4th year	7,519	8,955	80,683
5th year and thereafter and no expiry date	1,290,793	1,267,213	11,417,362
Total	¥1,349,432	¥1,323,524	$11,924,714

	(Millions of yen)		(Thousands of U.S. dollars)
Tax credit carryforwards (tax basis)	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
1st year	¥ 1,278	¥ 2,419	$ 21,795
2nd year	2,306	2,571	23,164
3rd year	2,461	1,591	14,335
4th year	1,523	830	7,478
5th year and thereafter and no expiry date	25,968	24,102	217,154
Total	¥33,536	¥31,513	$283,926

In addition to the above, total future 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, 2019 are ¥1,128,590 million ($10,168,394 thousand) (as of March 31, 2018: ¥657,491 million).

(5) Future taxable temporary differences unaccompanied by the recognition of deferred tax liabilities related to the investment in subsidiaries

Total future 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, 2019 are ¥1,841,053 million ($16,587,557 thousand) (as of March 31, 2018: ¥1,651,164 million).

23. 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, 2018	As of March 31, 2019	As of March 31, 2019	Average interest rate (%)[1]	Maturity[2]
Current					
Short-term borrowings[3]	¥ 957,573	¥ 499,179	$ 4,497,513	1.21	–
Commercial paper	100,000	42,000	378,412	0.07	–
Current portion of long-term borrowings[3]	1,093,705	718,019	6,469,222	1.34	–
Current portion of corporate bonds[5]	590,277	1,042,253	9,390,513	3.08	–
Current portion of lease obligations	455,670	437,397	3,940,869	1.59	–
Current portion of financial liabilities relating to the sale of shares by variable prepaid forward contract	–	730,601	6,582,584	1.59	–
Current portion of installment payables	20,180	11,511	103,712	2.14	–
Total	¥ 3,217,405	¥ 3,480,960	$ 31,362,825		
Non-current					
Long-term borrowings[3]	5,121,591	4,910,794	44,245,373	2.91	Jun. 2020 – Nov. 2044
Corporate bonds[5]	7,234,049	6,538,785	58,913,280	4.63	Jun. 2020 – Sep. 2043
Lease obligations	766,204	749,252	6,750,626	1.59	Apr. 2020 – Jan. 2040
Financial liabilities relating to the sale of shares by variable prepaid forward contract[4]	688,332	–	–	–	–
Installment payables	14,607	5,315	47,888	4.12	Apr. 2020 – Jul. 2027
Total	¥13,824,783	¥12,204,146	$109,957,167		

Notes:
1. Average interest rate represents the weighted-average interest rate to the balance as of March 31, 2019.
2. Maturity represents the maturity of the outstanding balance as of March 31, 2019.
3. The amounts of SoftBank Vision Fund and Delta Fund interest-bearing debt included in the above components of interest-bearing debt are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Current			
Short-term borrowings	¥ 87,259	¥ 900,406	$ 8,112,497
Current portion of long-term borrowings	313,143	–	–
Total	¥400,402	¥ 900,406	$ 8,112,497
Non-current			
Long-term borrowings	108,749	12,764	115,001
Total	¥108,749	¥ 12,764	$ 115,001
SoftBank Vision Fund and Delta Fund interest-bearing debt (before elimination of inter-company transactions)	509,151	913,170	8,227,498
Eliminated amount of inter-company transactions	(10,744)	(876,599)	(7,898,000)
SoftBank Vision Fund and Delta Fund interest-bearing debt (after elimination of inter-company transactions)	¥498,407	¥ 36,571	$ 329,498

4. The details are described in “(2) Transaction for sale of Alibaba shares by variable prepaid forward contract.”

5. A summary of the issuance condition of bonds is as follows:

Company name / Name of bond	Date of issuance	Balance of issue amount[6]	As of March 31, 2018 (Millions of yen)[7]	As of March 31, 2019 (Millions of yen)[7]	As of March 31, 2019 (Thousands of U.S. dollars)[7]	Interest rate (%)	Date of maturity
SoftBank Group Corp.							
43rd Unsecured Straight Bond	Jun. 20, 2013	¥ –	¥ 399,831 (399,831)	¥ –	$ –	1.74	Jun. 20, 2018
44th Unsecured Straight Bond	Nov. 29, 2013	¥ 50,000 million	49,915	49,950	450,040	1.69	Nov. 27, 2020
45th Unsecured Straight Bond	May 30, 2014	¥300,000 million	299,160	299,935 (299,935)	2,702,361 (2,702,361)	1.45	May 30, 2019
46th Unsecured Straight Bond	Sep. 12, 2014	¥400,000 million	398,548	399,573 (399,573)	3,600,081 (3,600,081)	1.26	Sep. 12, 2019
47th Unsecured Straight Bond	Jun. 18, 2015	¥100,000 million	99,438	99,697	898,251	1.36	Jun. 18, 2020
48th Unsecured Straight Bond	Dec. 10, 2015	¥370,000 million	366,870	367,541	3,311,479	2.13	Dec. 9, 2022
49th Unsecured Straight Bond	Apr. 20, 2016	¥ 20,000 million	19,932	19,946	179,710	1.94	Apr. 20, 2023
50th Unsecured Straight Bond	Apr. 20, 2016	¥ 30,000 million	29,877	29,892	269,322	2.48	Apr. 20, 2026
51st Unsecured Straight Bond	Mar. 16, 2017	¥400,000 million	395,713	396,438	3,571,835	2.03	Mar. 15, 2024
52nd Unsecured Straight Bond	Mar. 8, 2017	¥ 50,000 million	49,809	49,841	449,058	2.03	Mar. 8, 2024
53rd Unsecured Straight Bond	Jun. 20, 2018	¥410,000 million	–	405,569	3,654,104	1.57	Jun. 14, 2024
54th Unsecured Straight Bond	Jun. 12, 2018	¥ 40,000 million	–	39,848	359,023	1.57	Jun. 12, 2024
USD-denominated Senior Notes due 2020[8]	Apr. 23, 2013	–	262,743	–	–	4.50	Apr. 15, 2020
USD-denominated Senior Notes due 2022[9,10]	Jul. 28, 2015	$ 819 million	86,069	81,783	736,850	5.38	Jul. 30, 2022
USD-denominated Senior Notes due 2023	Apr. 20, 2018	$ 300 million	–	32,949	296,865	5.50	Apr. 20, 2023
USD-denominated Senior Notes due 2024[10]	Sep. 19, 2017	$ 1,350 million	141,684	132,694	1,195,549	4.75	Sep. 19, 2024
USD-denominated Senior Notes due 2025[9,10]	Jul. 28, 2015	$ 712 million	74,678	75,475	680,016	6.00	Jul. 30, 2025
USD-denominated Senior Notes due April 2025	Apr. 20, 2018	$ 450 million	–	49,385	444,950	6.13	Apr. 20, 2025
USD-denominated Senior Notes due 2027[10]	Sep. 19, 2017	$ 2,000 million	209,863	201,221	1,812,965	5.13	Sep. 19, 2027
USD-denominated Senior Notes due 2028[9]	Apr. 3, 2018	$ 500 million	52,516	54,874	494,405	6.25	Apr. 15, 2028
Euro-denominated Senior Notes due 2020[8]	Apr. 23, 2013	–	81,135	–	–	4.63	Apr. 15, 2020
Euro-denominated Senior Notes due 2022[9]	Jul. 28, 2015	€ 287 million	36,994	35,395	318,903	4.00	Jul. 30, 2022
Euro-denominated Senior Notes due 2023	Apr. 20, 2018	€ 1,000 million	–	123,269	1,110,632	4.00	Apr. 20, 2023
Euro-denominated Senior Notes due 2025[10]	Sep. 19, 2017	€ 1,500 million	193,399	135,615	1,221,867	3.13	Sep. 19, 2025
Euro-denominated Senior Notes due 2025[9]	Jul. 28, 2015	€ 689 million	88,857	84,943	765,321	4.75	Jul. 30, 2025
Euro-denominated Senior Notes due April 2025[10]	Apr. 20, 2018	€ 450 million	–	48,073	433,129	4.50	Apr. 20, 2025
Euro-denominated Senior Notes due 2027[9]	Jul. 28, 2015	€ 211 million	27,117	25,917	233,508	5.25	Jul. 30, 2027
Euro-denominated Senior Notes due 2028[9]	Apr. 3, 2018	€ 1,174 million	151,513	144,577	1,302,613	5.00	Apr. 15, 2028
Euro-denominated Senior Notes due 2029[10]	Sep. 19, 2017	€ 750 million	96,637	84,925	765,159	4.00	Sep. 19, 2029
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	395,983	397,078	3,577,602	2.50	Dec. 17, 2021
2nd Unsecured Subordinated Corporate Bond	Feb. 9, 2015	¥450,000 million	445,276	446,508	4,022,957	2.50	Feb. 9, 2022
1st Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[11,12]	Sep. 16, 2016	¥ 55,600 million	55,101	55,122	496,639	3.00	Sep. 13, 2041
2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[11,13]	Sep. 16, 2016	¥ 15,400 million	15,257	15,262	137,508	3.50	Sep. 16, 2043
3rd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[11,14]	Sep. 30, 2016	¥400,000 million	392,786	393,094	3,541,706	3.00	Sep. 30, 2041
Subtotal			4,916,701 (399,831)	4,776,389 (699,508)	43,034,408 (6,302,442)		

Company name / Name of bond	Date of issuance	Balance of issue amount[6]	As of March 31, 2018 (Millions of yen)[7]	**As of March 31, 2019 (Millions of yen)[7]**	**As of March 31, 2019 (Thousands of U.S. dollars)[7]**	Interest rate (%)	Date of maturity
Sprint Corporation							
7.25% Senior notes due 2021	Sep. 11, 2013	$ 2,250 million	237,409	**248,095**	**2,235,291**	7.25	Sep. 15, 2021
7.875% Senior notes due 2023	Sep. 11, 2013	$ 4,250 million	447,645	**467,008**	**4,207,658**	7.88	Sep. 15, 2023
7.125% Senior notes due 2024	Dec. 12, 2013	$ 2,500 million	263,145	**274,486**	**2,473,070**	7.13	Jun. 15, 2024
7.625% Senior notes due 2025	Feb. 24, 2015	$ 1,500 million	157,842	**164,619**	**1,483,188**	7.63	Feb. 15, 2025
7.625% Senior notes due 2026	Feb. 22, 2018	$ 1,500 million	156,825	**163,560**	**1,473,646**	7.63	Mar. 1, 2026
Subtotal			1,262,866	**1,317,768**	**11,872,853**		
Sprint Communications, Inc.[15]							
Export Development Canada Facility (Tranche 3)[16,17]	Dec. 17, 2014	$ 300 million	31,799	**33,265 (33,265)**	**299,712 (299,712)**	4.75	Dec. 17, 2019
9% Guaranteed notes due 2018[18]	Nov. 9, 2011	–	190,396 (190,396)	**–**	**–**	9.00	Nov. 15, 2018
7% Guaranteed notes due 2020	Mar. 1, 2012	$ 1,000 million	109,027	**112,422 (112,422)**	**1,012,902 (1,012,902)**	7.00	Mar. 1, 2020
7% Senior notes due 2020	Aug. 14, 2012	$ 1,500 million	161,858	**167,809**	**1,511,929**	7.00	Aug. 15, 2020
11.5% Senior notes due 2021	Nov. 9, 2011	$ 1,000 million	124,292	**124,865**	**1,125,011**	11.50	Nov. 15, 2021
9.25% Secured debentures due 2022[19]	Apr. 15, 1992	–	23,549	**–**	**–**	9.25	Apr. 15, 2022
6% Senior notes due 2022	Nov. 14, 2012	$ 2,280 million	240,247	**250,672**	**2,258,510**	6.00	Nov. 15, 2022
Subtotal			881,168 (190,396)	**689,033 (145,687)**	**6,208,064 (1,312,614)**		
Sprint Capital Corporation[15]							
6.9% Senior notes due 2019	May 6, 1999	$ 1,729 million	185,047	**192,058 (192,058)**	**1,730,408 (1,730,408)**	6.90	May 1, 2019
6.875% Senior notes due 2028	Nov. 16, 1998	$ 2,475 million	247,649	**249,158**	**2,244,869**	6.88	Nov. 15, 2028
8.75% Senior notes due 2032	Mar. 14, 2002	$ 2,000 million	225,845	**226,632**	**2,041,914**	8.75	Mar. 15, 2032
Subtotal			658,541	**667,848 (192,058)**	**6,017,191 (1,730,408)**		
Other companies							
Straight Bond	Oct. 30, 2015 – Dec. 6, 2018	¥130,000 million	105,050 (50)	**130,000 (5,000)**	**1,171,277 (45,049)**	0.04 – 0.50	Oct. 31, 2018 – Dec 6, 2028
Subtotal			105,050 (50)	**130,000 (5,000)**	**1,171,277 (45,049)**		
Total			¥7,824,326 (590,277)	**¥ 7,581,038 (1,042,253)**	**$68,303,793 (9,390,513)**		

Notes:
6. Balance of issue amount is as of March 31, 2019.
7. Figures in parentheses as of March 31, 2018 and March 31, 2019 represent the current portion.
8. The date of maturity is April 15, 2020, however, the entire amount was redeemed early on May 21, 2018.
9. On March 7, 2018, SoftBank Group Corp. announced an exchange offer with respect to newly issued notes (the "Exchange Notes") or a consent solicitation for an amendment of terms and conditions, to the bondholders of foreign-currency-denominated senior notes issued in 2015 (the "Existing Notes"). Issuance of the Exchange Notes to the bondholders who tendered for exchange the Existing Notes to the Exchange Notes was completed on April 3, 2018, however, under requirements of IFRSs, the extinguishment of the Existing Notes and the exchange to the Exchange Notes, was considered to be satisfied on March 22, 2018, the exchange decision date. As a result, SoftBank Group Corp. derecognized the Existing Notes and recognized the Exchange Notes.
10. On January 28, 2019, SoftBank Group Corp. conducted the purchase of a portion of the senior notes. The carrying amounts of these notes, equivalent to these face amounts, were reduced since the extinguishment of these notes as financial liabilities are considered to be satisfied under requirements of IFRSs.
11. The interest rate stated above is at the time of issuance. The bond has a step-up coupon provision and its interest rate may increase in the future.
12. The bond has an early redeemable option at the Company's discretion from September 16, 2021 and each interest date on or after September 16, 2021.
13. The bond has an early redeemable option at the Company's discretion from September 16, 2023 and each interest date on or after September 16, 2023.
14. The bond has an early redeemable option at the Company's discretion from September 30, 2021 and each interest date on or after September 30, 2021.
15. Sprint Communications, Inc. and Sprint Capital Corporation are Sprint Corporation's subsidiaries.
16. The interest rates are floating interest rates, and the above interest rates represent the rates as of March 31, 2019.
17. Collateral is pledged against these bonds. The details are described in "(5) Assets pledged as collateral."
18. The balance of issue amount as of March 31, 2017 is $3,000 million. The date of maturity is November 15, 2018, however, a total amount of $1,247 million was redeemed early on May 23, 2017 and February 23, 2018.
19. On December 31, 2018, Sprint defeased the $200 million of note which included the deposit of U.S.Treasury securities with the trustee to provide for the future interest and principal payments on the note. The defeasance resulted in derecognition of related financial assets and financial liabilities.

(2) Transaction for sale of Alibaba shares by variable prepaid forward contract

On June 10, 2016, West Raptor Holdings, LLC ("WRH LLC"), a wholly-owned subsidiary of the Company, entered into a variable prepaid forward contract to sell Alibaba shares with a newly formed trust, Mandatory Exchangeable Trust (the "Trust"), and received proceeds of ¥578,436 million ($5.4 billion) as advances received on the sale.

The Trust, on the other hand, utilized Alibaba shares scheduled to be transferred from WRH LLC at the time of settlement under the contract and issued $6.6 billion of Mandatory Exchangeable Trust Securities ("Trust Securities") which are mandatorily exchangeable into American Depositary Shares ("ADSs") of Alibaba. The proceeds from the sale received by WRH LLC from the Trust was $5.4 billion, which is after certain amounts from the $6.6 billion total of Trust Securities were deducted in order to purchase U.S. Treasury securities, which would fund distributions on the Trust Securities, and to cover expenses for the issuance of the Trust Securities.

The settlement of the Alibaba shares based on the variable prepaid forward contract is conducted concurrently with the exchange of Trust Securities. At the exchange date, which is expected to be June 3, 2019, Trust Securities are exchanged for a certain number of ADSs, determined by reference to the trading price of the ADSs at that time, and the number of Alibaba shares sold by the variable prepaid forward contract is determined by this number of ADSs. A cap and a floor are set for the number of shares settled, and the variable prepaid forward contract is classified as a hybrid financial instrument with embedded derivatives of a collar transaction.

The Company accounts for the variable prepaid forward contract by bifurcating it into the main contract and embedded derivatives. The Company received ¥578,436 million and initially recognized ¥674,023 million as financial liabilities relating to the sale of shares through the variable prepaid forward contract and ¥95,587 million as derivative assets. Subsequent to initial recognition, financial liabilities relating to the sale of shares through the variable prepaid forward contract are measured at amortized cost and embedded derivatives are measured at fair value; ¥730,601 million ($6,582,584 thousand) is recognized as the current portion of financial liabilities relating to the sale of shares through the variable prepaid forward contract in interest-bearing debt (current liabilities) (¥688,332 million recognized as financial liabilities relating to the sale of shares through the variable prepaid forward contract in interest-bearing debt (non-current liabilities) as of March 31, 2018) and ¥749,846 million ($6,755,978 thousand) is recognized as derivative financial liabilities (current liabilities) in the consolidated statement of financial position as of March 31, 2019 (¥714,126 million recognized as derivative financial liabilities (non-current liabilities) as of March 31, 2018); ¥2,876 million ($25,912 thousand) is recognized as a derivative gain in the consolidated statement of income for the fiscal year ended March 31, 2019 (¥604,156 million of derivative loss for the fiscal year ended March 31, 2018).

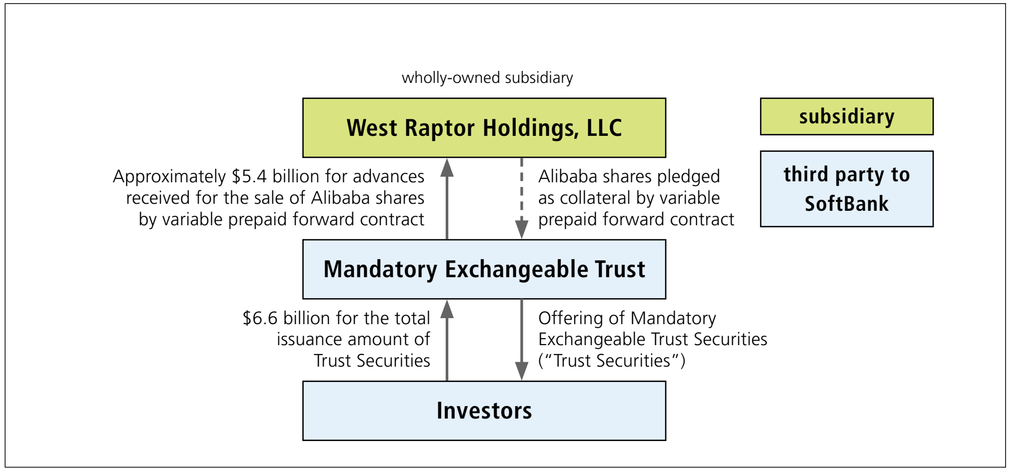
Alibaba shares held by WRH LLC are pledged as collateral. The carrying amount of Alibaba shares pledged as collateral by the Company is as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Assets classified as held for sale*	¥ –	¥224,201	$2,020,011
Investments accounted for using the equity method	217,182	39,256	353,689

Note:
* The Company reclassified Alibaba shares subject to the settlement from "Investments accounted for using the equity method" to "Assets classified as held for sale" in the consolidated statement of financial position as of March 31, 2019. The details are described in "Note 14. Assets classified as held for sale."

The variable prepaid forward contract was settled by 73, 240,200 shares of Alibaba (equivalent to 2.8 percent of voting right of Alibaba as of March 31, 2019) on June 3, 2019. The details of the impact on the financial results are described in "(3) Settlement of the transaction for sale of Alibaba shares by variable prepaid forward contract" under "Note 52. Subsequent events."

Outline of the transaction



(3) 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 statement of income, 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.

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 SoftBank Corp.

Major covenants on the interest-bearing debt issued by SoftBank Corp. are as follows:

(a) The amount of SoftBank Corp.'s equity in the consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s equity at the end of the previous year and the second quarter.

(b) The amount of SoftBank Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s net assets at the same dates during the previous year and the second quarter.

(c) In the SoftBank Corp.'s consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(d) In the SoftBank Corp.'s non-consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(e) Net leverage ratios1 of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

Notes:
1. Net leverage ratio:
Net debt[2] / adjusted EBITDA[3]
2. Net debt:
The amount of interest-bearing debt shown in SoftBank Corp.'s consolidated statement of financial position after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.
3. Adjusted EBITDA:
EBITDA adjusted for certain items as specified in the loan agreement with financial institutions.

c. 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 ($23.9 billion) of interest-bearing debts of Sprint are provided with the right to require Sprint to repurchase the interest-bearing debts if there is a change of control and if there is a decline, to a certain extent, in ratings of the applicable interest-bearing debts by the Rating Services.

(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 3.75 as of March 31, 2019.

Notes:
1. Total indebtedness:
The sum of Sprint's outstanding debt (excluding trade payables) 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.

(4) Borrowings related to equity securities lending contract

The Company entered into a securities lending contract regarding stocks of certain subsidiaries. As of March 31, 2019, the amount of the cash received is recognized as short-term borrowings of ¥199,200 million ($1,794,756 thousand) (as of March 31, 2018: ¥399,200 million) and included in interest-bearing debt.

(5) 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, 2018	As of March 31, 2019	As of March 31, 2019
Cash and cash equivalents	¥ 5,698	¥ 7,461	$ 67,222
Trade and other receivables	13,013	14,202	127,957
Other financial assets (current)	5,323	12,280	110,641
Inventories	4,447	–	–
Other current assets	–	1,640	14,777
Assets classified as held for sale[1]	–	224,201	2,020,011
Property, plant and equipment	603,477	638,388	5,751,761
Intangible assets	5,409	8,147	73,403
Investments accounted for using the equity method[1,2]	580,566	559,656	5,042,400
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL[3]	718,803	–	–
Investment securities	10,004	10,352	93,270
Total	¥1,946,740	¥1,476,327	$13,301,442

Liabilities related to these assets pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Interest-bearing debt			
Short-term borrowings[3]	¥ 83,952	¥ 4,472	$ 40,292
Current portion of long-term borrowings[3]	438,979	140,077	1,262,069
Current portion of financial liabilities relating to sale of shares by variable prepaid forward contract[1]	–	730,601	6,582,584
Installment payables (current)	555	623	5,613
Long-term borrowings[2, 3]	1,126,104	811,865	7,314,758
Financial liabilities relating to sale of shares by variable prepaid forward contract[1]	688,332	–	–
Installment payables (non-current)	2,197	1,672	15,064
Derivative financial liabilities (non-current)	–	278	2,505
Total	¥2,340,119	¥1,689,588	$15,222,885

Notes:

1. ¥263,457 million ($2,373,700 thousand) (as of March 31, 2018: ¥217,182 million) of Alibaba shares (carrying amount on a consolidated basis) is pledged as collateral for ¥730,601 million ($6,582,584 thousand) (as of March 31, 2018: ¥688,332 million) of financial liability for variable prepaid forward contract as of March 31, 2019. The details are described in "(2) Transaction for sale of Alibaba shares by variable prepaid forward contract."
2. ¥520,400 million ($4,688,711 thousand) (as of March 31, 2018: ¥363,384 million) of Alibaba shares (carrying amount on a consolidated basis) held by a wholly-owned subsidiary of the Company, is pledged as collateral for ¥557,152 million ($5,019,840 thousand) (as of March 31, 2018: ¥842,313 million) of long-term borrowings of the subsidiary as of March 31, 2019. The borrowings include an early settlement clause and an early settlement may be elected by the creditors under certain circumstances such as a significant decrease in the fair value of pledged Alibaba shares. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings. The creditors would be able to dispose the asset pledged as collateral upon a circumstance where the early settlement was demanded and the subsidiary did not repay the borrowings, accordingly.
3. Investments from SoftBank Vision Fund and Delta Fund aggregating ¥718,803 million accounted for using FVTPL are pledged as collateral for ¥498,407 million of interest-bearing debt of SoftBank Vision Fund and Delta Fund, which is entire amount of interest-bearing debt of SoftBank Vision Fund and Delta Fund as of March 31, 2018. The details are described in "Notes 3" under "(1) Components of interest-bearing debt."

Other than the above, the following assets are pledged as collateral.

a. Sprint
As of March 31, 2019, approximately $71.0 billion (as of March 31, 2018: approximately $67.0 billion) (before consolidation adjustments) in the assets of Sprint is pledged as collateral for approximately $11.5 billion (as of March 31, 2018: approximately $10.4 billion) borrowing and corporate bonds.

b. Brightstar
As of March 31, 2019, $1.8 billion (as of March 31, 2018: $2.0 billion) (before consolidation adjustments) of the assets of Brightstar were pledged as collateral on the $0.5 billion (as of March 31, 2018: $0.4 billion) borrowing.

c. Fortress
As of March 31, 2019, based on a term loan agreement of $1.2 billion (as of March 31, 2018: $1.4 billion) which was entered into to finance the acquisition of Fortress; the equity interests of Fortress and four wholly-owned subsidiaries within the acquisition structure are pledged as collateral.

d. Other
As of March 31, 2019, ¥61,595 million ($554,960 thousand) (as of March 31, 2018: ¥62,961 million) of investment securities is pledged as collateral for financing and exchange settlement by a subsidiary operating banking business. Also, other financial assets (non-current) include ¥77,655 million ($699,658 thousand) (as of March 31, 2018: ¥40,259 million) of margin deposits with central counterparties.

(6) 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, 2018	As of March 31, 2019	As of March 31, 2019
Property, plant and equipment	¥62,260	¥15,861	$142,905
Intangible assets	19,737	4,666	42,040
Total	¥81,997	¥20,527	$184,945

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, 2018	As of March 31, 2019	As of March 31, 2019
Interest-bearing debt			
Current portion of installment payables	¥15,857	¥7,601	$68,483
Installment payables	8,060	686	6,181
Total	¥23,917	¥8,287	$74,664

Other than the above, the lessor retains the property rights of leased assets in finance lease obligations. The details are described in "Note 15. Property, plant and equipment," "Note 16. Goodwill and intangible assets" and "Note 17. Leases."

(7) Components of proceeds in short-term interest-bearing debt, net

The components of "Proceeds 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Net decrease of short-term borrowings	¥(60,829)	¥ (7,411)	$ (66,771)
Net increase (decrease) of commercial paper	20,000	(58,000)	(522,570)
Total	¥(40,829)	¥(65,411)	$(589,341)

(8) Components of proceeds from interest-bearing debt

The components of "Proceeds from 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Proceeds from borrowings	¥7,176,036	¥4,959,821	$44,687,098
Proceeds from issuance of corporate bonds	899,079	747,744	6,737,039
Proceeds from sale-leaseback of newly acquired equipment	472,231	481,547	4,338,652
Total	¥8,547,346	¥6,189,112	$55,762,789

(9) Components of repayment of interest-bearing debt

The components of “Repayment of 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Repayment of long-term borrowings	¥(4,988,513)	¥(5,526,771)	$(49,795,216)
Redemption of corporate bonds	(474,975)	(1,061,732)	(9,566,015)
Payment of lease obligations	(502,520)	(521,205)	(4,695,964)
Payment of installment payables	(37,180)	(18,671)	(168,222)
Total	¥(6,003,188)	¥(7,128,379)	$(64,225,417)

24. Deposits for banking business

The components of deposits for a banking business are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Ordinary deposits	¥573,749	¥643,249	$5,795,558
Time deposits	110,342	102,694	925,255
Total	¥684,091	¥745,943	$6,720,813

The amounts are related to The Japan Net Bank, Limited.

25. 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, 2018	As of March 31, 2019	As of March 31, 2019
Trade payables	¥1,624,367	¥1,697,556	$15,294,675
Other	191,643	212,052	1,910,551
Total	¥1,816,010	¥1,909,608	$17,205,226

26. 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, 2018	As of March 31, 2019	As of March 31, 2019
Current			
Withholding income tax[1]	¥ 6,738	¥ 428,796	$ 3,863,375
Contract liabilities[2]	–	252,812	2,277,791
Deferred revenue	225,036	35,339	318,398
Short-term accrued employee benefits	173,624	201,979	1,819,795
Consumption tax payable and other	119,525	112,090	1,009,911
Accrued interest expense	74,216	69,977	630,480
Other	59,822	57,362	516,821
Total	¥658,961	¥1,158,355	$10,436,571
Non-current			
Deferred revenue	96,457	26,515	238,895
Unfavorable lease contracts[3]	52,051	38,235	344,490
Other	155,407	193,830	1,746,374
Total	¥303,915	¥ 258,580	$ 2,329,759

Notes:
1. Withholding income tax as of March 31, 2019 includes the amount of ¥422,648 million ($3,807,983 thousand) which is related to dividends within the group companies. The Company paid the withholding income tax in April, 2019.
2. Contract liabilities are recognized as liabilities as a result of applying IFRS 15, “Revenue from contracts with customers.”
3. 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 the 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 recorded as a deduction of operating lease expense.

27. Provisions

The changes in the provisions are as follows:

(Millions of yen)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Other	Total
As of April 1, 2018	¥120,596	¥ 40,818	¥14,055	¥ 22,379	¥197,848
Recognition of provisions	10,344	4,971	–	5,823	21,138
Interest due to passage of time	5,096	1,940	–	329	7,365
Used	(4,123)	(6,738)	(2,037)	(12,023)	(24,921)
Reversal of provisions	–	(12,791)	(1)	(3,304)	(16,096)
Change in estimate[1]	10,817	(246)	–	82	10,653
Exchange differences	2,928	1,816	–	354	5,098
Other	32	–	–	46	78
As of March 31, 2019	¥145,690	¥ 29,770	¥12,017	¥ 13,686	¥201,163
Current liabilities	¥ 12,811	¥ 17,722	¥ 2,054	¥ 11,098	¥43,685
Non-current liabilities	132,879	12,048	9,963	2,588	157,478
Total	¥145,690	¥ 29,770	¥12,017	¥ 13,686	¥201,163

(Thousands of U.S. dollars)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Other	Total
As of April 1, 2018	$ 1,086,548	$ 367,763	$126,633	$ 201,631	$1,782,575
Recognition of provisions	93,198	44,788	–	52,464	190,450
Interest due to passage of time	45,914	17,479	–	2,964	66,357
Used	(37,147)	(60,709)	(18,353)	(108,325)	(224,534)
Reversal of provisions	–	(115,245)	(9)	(29,768)	(145,022)
Change in estimate[1]	97,459	(2,216)	–	739	95,982
Exchange differences	26,381	16,362	–	3,189	45,932
Other	288	–	–	415	703
As of March 31, 2019	$ 1,312,641	$ 268,222	$108,271	$ 123,309	$1,812,443
Current liabilities	$ 115,425	$ 159,672	$ 18,506	$ 99,991	$ 393,594
Non-current liabilities	1,197,216	108,550	89,765	23,318	1,418,849
Total	$ 1,312,641	$ 268,222	$108,271	$ 123,309	$1,812,443

Notes:
1. SoftBank Corp. assessed the demand of communication traffic, efficient operation of communication equipment, and equipment replacement, etc. in its evaluation of provisions. As a result, it believes that it has become highly probable that certain communications equipment will be disposed of, and SoftBank Corp. recognized asset retirement obligations of ¥13,463 million ($121,299 thousand).

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 is 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 4 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, 2020. The amount and timing of these costs are estimated based upon current network plans which are subject to modifications.

Notes:
2. Backhaul is an intermediary network that 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 others, 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 factors.

28. 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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Retirement benefit cost of defined contribution plans	¥13,888	**¥16,132**	**$145,346**

(2) Defined benefit plans

(Japan)

SoftBank Corp. has frozen its defined benefit lump-sum plans since March 2006 and 2007. All of the employees who worked at SoftBank Corp. at the time when the defined benefit lump-sum plans were frozen are still maintained within 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 to employees in the form of a lump sum payment at the time of retirement.

(U.S.)

Sprint has a defined benefit pension plan for certain 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 to employees at the time of retirement.

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, 2018

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2017	¥15,133	¥ 93,039	¥ 108,172
Changes in the present value of defined benefit obligations:			
As of April 1, 2017	15,133	244,404	259,537
Business combination	254	–	254
Service cost	745	1	746
Interest cost	46	10,157	10,203
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	–	(2,031)	(2,031)
Actuarial losses arising from changes in financial assumptions	100	6,897	6,997
Experience adjustments	(7)	1,192	1,185
Benefits paid	(925)	(9,601)	(10,526)
Exchange differences	–	(13,283)	(13,283)
Other	6	(272)	(266)
As of March 31, 2018	15,352	237,464	252,816
Changes in the fair value of plan assets:			
As of April 1, 2017	–	(151,365)	(151,365)
Interest income	–	(6,359)	(6,359)
Remeasurements:			
Return on plan assets	–	(6,446)	(6,446)
Benefits paid	–	8,389	8,389
Employer contributions	–	(5,023)	(5,023)
Exchange differences	–	8,474	8,474
As of March 31, 2018	–	(152,330)	(152,330)
Defined benefit liabilities, net			
As of March 31, 2018	¥15,352	¥ 85,134	¥ 100,486

For the fiscal year ended March 31, 2019

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2018	¥15,352	¥ 85,134	¥ 100,486
Changes in the present value of defined benefit obligations:			
As of April 1, 2018	15,352	237,464	252,816
Service cost	758	–	758
Interest cost	35	9,938	9,973
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	–	(1,628)	(1,628)
Actuarial losses arising from changes in financial assumptions	–	21	21
Experience adjustments	(1)	1,406	1,405
Benefits paid	(1,105)	(10,032)	(11,137)
Exchange differences	–	10,571	10,571
Other	(238)	(320)	(558)
As of March 31, 2019	14,801	247,420	262,221
Changes in the fair value of plan assets:			
As of April 1, 2018	–	(152,330)	(152,330)
Interest income	–	(6,499)	(6,499)
Remeasurements:			
Return on plan assets	–	2,296	2,296
Benefits paid	–	8,847	8,847
Employer contributions	–	(8,426)	(8,426)
Exchange differences	–	(6,758)	(6,758)
As of March 31, 2019	–	(162,870)	(162,870)
Defined benefit liabilities, net			
As of March 31, 2019	¥14,801	¥ 84,550	¥ 99,351

(Thousands of U.S. dollars)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2018	$138,319	$ 767,042	$ 905,361
Changes in the present value of defined benefit obligations:			
As of April 1, 2018	138,319	2,139,508	2,277,827
Service cost	6,829	–	6,829
Interest cost	315	89,540	89,855
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	–	(14,668)	(14,668)
Actuarial losses arising from changes in financial assumptions	–	189	189
Experience adjustments	(9)	12,668	12,659
Benefits paid	(9,956)	(90,387)	(100,343)
Exchange differences	–	95,243	95,243
Other	(2,144)	(2,882)	(5,026)
As of March 31, 2019	133,354	2,229,211	2,362,565
Changes in the fair value of plan assets:			
As of April 1, 2018	–	(1,372,466)	(1,372,466)
Interest income	–	(58,555)	(58,555)
Remeasurements:			
Return on plan assets	–	20,687	20,687
Benefits paid	–	79,710	79,710
Employer contributions	–	(75,917)	(75,917)
Exchange differences	–	(60,889)	(60,889)
As of March 31, 2019	–	(1,467,430)	(1,467,430)
Defined benefit liabilities, net			
As of March 31, 2019	$133,354	$ 761,781	$ 895,135

b. Fair value of plan assets

Fair value of plan assets is as follows:

As of March 31, 2018

(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	¥23,797	¥ 26,088	¥ 49,885
International equities (other than U.S.)	11,545	20	11,565
Fixed-income investments	–	65,361	65,361
Real estate investments	–	14,859	14,859
Other	1,772	8,888	10,660
Total	¥37,114	¥115,216	¥152,330

As of March 31, 2019

(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	¥26,067	¥ 16,479	¥ 42,546
International equities (other than U.S.)	11,207	13,415	24,622
Fixed-income investments	–	70,145	70,145
Real estate investments	–	15,322	15,322
Other	4,857	5,378	10,235
Total	¥42,131	¥120,739	¥162,870

(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	$234,859	$ 148,473	$ 383,332
International equities (other than U.S.)	100,973	120,867	221,840
Fixed-income investments	–	631,994	631,994
Real estate investments	–	138,048	138,048
Other	43,761	48,455	92,216
Total	$379,593	$1,087,837	$1,467,430

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 purposes.

The plan's long-term expected rate of return on investments for funding purposes is 7.25% as of March 31, 2019 (7.50% as of March 31, 2018). The current targeted investment allocation ratio is disclosed 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, 2018	As of March 31, 2019
U.S. equities	38	38
International equities (other than U.S.)	16	16
Fixed-income investments	37	37
Real estate investments	9	9

c. Actuarial assumptions

The significant actuarial assumptions used to determine the present value of defined benefit obligations are as follows:

	As of March 31, 2018		As of March 31, 2019	
	Japan	U.S.	Japan	U.S.
Discount rate (%)	0.2	4.1	0.2	4.1

d. Sensitivity analysis

Sensitivity is analyzed at the end of the period based on the movement of reasonably estimable assumptions. The 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 significant actuarial assumptions used to determine the defined benefit obligations is as follows:

As of March 31, 2018

	Changes in rate	Effect on defined benefit obligations		
		Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of ¥490 million	Decrease of ¥15,830 million	Decrease of ¥16,320 million
	0.5% decrease	Increase of ¥522 million	Increase of ¥17,636 million	Increase of ¥18,158 million

As of March 31, 2019

	Changes in rate	Effect on defined benefit obligations		
		Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of ¥432 million	Decrease of ¥16,205 million	Decrease of ¥16,637 million
	0.5% decrease	Increase of ¥459 million	Increase of ¥18,202 million	Increase of ¥18,661 million

	Changes in rate	Effect on defined benefit obligations		
		Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of $3,892 thousand	Decrease of $146,004 thousand	Decrease of $149,896 thousand
	0.5% decrease	Increase of $4,136 thousand	Increase of $163,996 thousand	Increase of $168,132 thousand

e. Effects on future cash flows

(a) Funding policy 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, 2020 is expected to be ¥7,841 million ($70,646 thousand).

(b) Maturity analysis of the defined benefit obligation

(Japan)

As of March 31, 2019, the weighted-average duration of the defined benefit obligation is 8.0 years.

(U.S.)

As of March 31, 2019, the weighted-average duration of the defined benefit obligation is 14.5 years.

29. 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, 2018	**As of March 31, 2019**	**As of March 31, 2019**
Equity capital	¥5,184,176	**¥7,621,481**	**$68,668,177**
Equity capital ratio (%)	16.6	**21.1**	

The Company is not subject to regulatory capital requirements imposed by outside institutions other than general capital requirements under the Companies Act of Japan and other laws. Also, for details regarding our financial covenants related to interest-bearing debt, please see "(3) Financial covenants" in "Note 23. Interest-bearing debt".

(2) Financial risk management

As we operate in a wide range of markets, the Company faces a variety of financial risks (foreign exchange 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) Foreign exchange risk

The Company is engaged in international businesses through investments, financial contributions and the 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 foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollar, Indian Rupee, and British pound.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures. The Company also uses foreign currency forward contracts, foreign currency swap contracts, and interest rate currency swap 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, for subsidiaries whose functional currency is Japanese yen is as follows:

U.S. Dollar (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	**As of March 31, 2019**	**As of March 31, 2019**
Net exposure affecting income before income tax [in asset (liability) position]	¥(341,860)	**¥198,110**	**$1,784,936**
Net exposure affecting other comprehensive income [in asset position]	227,303	**6,906**	**62,222**

Indian Rupee (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	**As of March 31, 2019**	**As of March 31, 2019**
Net exposure affecting income before income tax [in asset position]	¥136,000	**¥128,219**	**$1,155,230**

Other than the tables presented above, major exposure to foreign exchange risk on subsidiaries whose functional currency is not Japanese yen is as follows:

U.S. Dollar (Functional currency: British pound)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	**As of March 31, 2019**	**As of March 31, 2019**
Net exposure affecting income before income tax [in asset position]	¥58,785	**¥56,634**	**$510,262**

Net exposure affecting income before income tax comprises the foreign exchange risk exposures from monetary financial instruments denominated in a 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 forecasted 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 "(3) Foreign exchange sensitivity analysis for exchange difference on translating foreign operations" under "Note 33. Foreign currency exchange rates."

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Increase (decrease) in income before income tax	¥ 3,419	**¥(1,981)**	**$(17,848)**
Decrease in other comprehensive income before tax effect	(2,273)	**(69)**	**(622)**

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Decrease in income before income tax	¥(1,360)	**¥(1,282)**	**$(11,551)**

The table below presents the effect of a 1% appreciation of the British pound against the U.S. Dollar on income before income tax:

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Decrease in income before income tax	¥(588)	**¥(566)**	**$(5,100)**

ii. Foreign currency exchange contracts

Foreign currency exchange contracts, foreign currency swap contracts, and interest rate currency swap 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 currency exchange contracts are as follows. Interest rate currency swap contracts are described in "(c) Interest rate risk."

Foreign currency exchange contracts to which hedge accounting is applied

	(Millions of yen) As of March 31, 2018	
	Contract amounts (of which: maturing in more than one year)	Fair value
Currency swap contracts	¥665,804 (665,804)	¥(65,060)

	(Millions of yen) As of March 31, 2019					(Thousands of U.S. dollars) As of March 31, 2019			
	Contract amounts (of which: maturing in more than one year)	Assets	Carrying amount (fair value) Liabilities	Changes in the fair value of hedging instruments used for recognition of ineffective portion of hedging instrument	Average rate	Contract amounts (of which: maturing in more than one year)	Assets	Carrying amount (fair value) Liabilities	Changes in the fair value of hedging instruments used for recognition of ineffective portion of hedging instrument
Currency swap contracts									
Receipt in U.S. dollars / payment in yen	¥ 646,210 (646,210)	¥6,597	¥ (42,769)	¥ 10,478	¥113.34 per $1	$ 5,822,237 $ (5,822,237)	$59,438	$ (385,341)	$ 94,405
Receipt in Euro / payment in yen	734,603 (734,603)	–	(69,441)	(51,031)	¥132.61 per €1	6,618,641 (6,618,641)	–	(625,651)	(459,780)
Total	¥ 1,380,813 (1,380,813)	¥6,597	¥(112,210)	¥(40,553)		$ 12,440,878 $(12,440,878)	$59,438	$(1,010,992)	$(365,375)

The carrying amounts of the derivative financial assets designated as hedging instruments are recorded as either "Other financial assets" or "Derivative financial liabilities" in the consolidated statement of financial position. The outstanding balance of those maturing in more than one year are classified as non-current assets or non-current-liabilities.

The above foreign currency exchange contracts are designated as cash flow hedges. At the inception of the hedging relationship, the hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically at a ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts qualitative assessments the significant conditions of hedged items and hedging instruments are met or closely matched, or the changes in values of the hedged items and hedging instruments offset each other against the same risk. The Company confirms whether there is an economic relationship between the hedged items and hedging instruments through such assessments.

The ineffective portion of the hedge are not material. The change in values of hedged items used to recognize the ineffective portion as a basis are similar to the changes in fair value of hedging instruments.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

Fiscal year ended March 31, 2019	(Millions of yen)	(Thousands of U.S. dollars)
As of April 1, 2018	¥(59,744)	$(538,283)
Amount incurred	473	4,262
Reclassification adjustments[1]	15,519	139,823
As of March 31, 2019[2]	¥(43,752)	$(394,198)

Notes:
1. Reclassification adjustments are the amounts of accumulated other comprehensive income transferred to profit or loss relating to the hedged item when the hedged item affects profit or loss, and are recorded as "Derivative gain and loss" in the consolidated statement of income. For the year ended March 31, 2019, the amount of ¥(4,888) million ($(44,040) thousand) transferred from cash flow hedge to profit or loss is included in reclassification adjustments. The transfer arises from discontinued hedging relationships when a forecasted transaction is no longer expected to occur, although hedge accounting has been applied.
2. For the year ended March 31, 2019, accumulated other comprehensive income after tax includes ¥15,315 million ($137,985 thousand) related to discontinued hedging accounting.

Foreign currency exchange contracts to which hedge accounting is not applied

	(Millions of yen)					(Thousands of U.S. dollars)		
	As of March 31, 2018		As of March 31, 2019			As of March 31, 2019		
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities
Foreign currency forward contracts	¥ 919,297 (25,886)	¥ (4,324)	¥ 317,802 (1,301)	¥ 5,273	¥ (1,462)	$ 2,863,339 (11,722)	$ 47,509	$ (13,172)
Currency swap contracts	562,913 (552,990)	(74,089)	126,200 (115,050)	3	(9,941)	1,137,039 (1,036,580)	27	(89,567)
Foreign exchange margin transactions*	737,846 (–)	19,492	587,224 (–)	17,054	(2,014)	5,290,783 (–)	153,653	(18,146)
Total	¥2,220,056 (578,876)	¥ (58,921)	¥1,031,226 (116,351)	¥22,330	¥(13,417)	$ 9,291,161 (1,048,302)	$201,189	$ (120,885)

Note:
* Foreign exchange margin transactions are operated by the subsidiary, YJFX, Inc.'s foreign exchange margin transactions business.

(b) Price risk

As part of the business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk.

The Company manages this risk by continuously monitoring the financial condition of security issuers and stock market fluctuations.

i. Price sensitivity analysis

The table below presents the effect of a 10% decrease in market price regarding the securities and related derivative instruments traded in active markets on income before income tax and other comprehensive income before tax effect, assuming that all other factors are constant.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Decrease in income before income tax	¥(68,722)	¥(61,231)	$(551,680)
Decrease in other comprehensive income before tax effect	¥(13,233)	¥ (3,399)	$ (30,624)

Also, the Company entered into a variable prepaid forward contract which is settled by Alibaba shares held by the Company. The contract includes a collar transaction that a cap and floor are set for the number of shares settled. The collar transaction is classified as a derivative instrument and its fair value is affected by the price of Alibaba shares. Derivative gain and loss, which occurred depending on fluctuation of the price of Alibaba shares, are recognized through profit or loss.

Fair value of the collar transaction is composed of intrinsic value and time value. The effect of a 10% increase in the price of Alibaba shares on income before income tax due to fluctuation of intrinsic value is a loss of $1,300,000 thousand, assuming that all other factors are constant. In case of consideration of time value, the impact of the loss is decreased.

Further, a derivative gain and loss resulting from this collar transaction is fixed to a loss of $900,000 thousand during a three-year period from the initial recognition date of the derivative instruments, in June 2016, until the settlement date of the Alibaba shares.

The Company used Alibaba shares for the settlement of the above variable prepaid forward contract in June, 2019. The details are described in "(2) Transaction for sale of Alibaba shares by variable prepaid forward contract" under "Note 23. Interest-bearing debt."

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, 2018		**As of March 31, 2019**			**As of March 31, 2019**		
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities
Collar transaction	¥1,113,481 (791,108)	¥(717,047)	**¥ 732,534 (–)**	**¥ –**	**¥(749,846)**	**$ 6,600,000 (–)**	**$ –**	**$(6,755,978)**
Forward contracts	372,447 (–)	(46,932)	**379,984 (–)**	**–**	**(14,390)**	**3,423,588 (–)**	**–**	**(129,651)**
Put option	53,120 (–)	(382)	**–**	**–**	**–**	**– (–)**	**–**	**–**
Stock acquisition rights	53,001 (53,001)	13,824	**319,261 (208,271)**	**4,038**	**–**	**2,876,484 (1,876,484)**	**36,382**	**–**
Total	¥1,592,049 (844,109)	¥(750,537)	**¥1,431,779 (208,271)**	**¥4,038**	**¥(764,236)**	**$12,900,072 (1,876,484)**	**$36,382**	**$(6,885,629)**

(c) Interest rate risk

The Company raises funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates, and is exposed to interest rate risk.

Interest-bearing debt with floating interest rates has the risk of increased interest expenses due to rising interest rates. In order to prevent and reduce interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debt. 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 debt, the Company continuously monitors interest rate fluctuations.

i. Interest rate sensitivity analysis

The table below presents the effect of a 1% increase in interest rates regarding the floating interest rate debt 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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Decrease in income before income tax	¥(48,991)	**¥(46,421)**	**$(418,245)**

ii. Interest rate contracts

The details of interest rate contracts are as follows:

Interest rate contracts to which hedge accounting is applied

	As of March 31, 2018 (Millions of yen)		As of March 31, 2019 (Millions of yen)				As of March 31, 2019 (Thousands of U.S. dollars)				
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities	Changes in the fair value of hedging instruments used for recognition of non-effective portion of hedging instrument	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities	Changes in the fair value of hedging instruments used for recognition of non-effective portion of hedging instrument	Average rate
Interest rate swap	¥212,980 (212,980)	¥4,355	¥722,480 (722,480)	¥1,419	¥(6,824)	¥(9,760)	$6,509,415 (6,509,415)	$12,785	$(61,483)	$(87,936)	1.97%

The carrying amounts of the derivative financial assets designated as hedging instruments are recorded as either "Other financial assets" or "Derivative financial liabilities" in the consolidated statement of financial position. The outstanding balance of which maturing in more than one year are classified as non-current assets or non-current liabilities.

The above interest rate contracts are designated as cash flow hedges. At the inception of the hedging relationship, the hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessment whether the significant conditions of hedged items and hedging instruments are met or closely matched, or whether the changes in values of the hedged items and hedging instruments are in the relationship to offset each other against the same risk. The Company confirms if there is an economic relationship between the hedged items and hedging instruments through them.

Any ineffective portion of the hedge have no significance in amounts. The change in values of hedged items used to recognize the ineffective portion as a basis are similar to the changes in fair value of hedging instruments.

	(Millions of yen) Interest rate swap	(Thousands of U.S. dollars) Interest rate swap
As of April 1, 2018	¥ 4,458	$ 40,166
Amount incurred	(7,035)	(63,384)
Reclassification adjustments*	538	4,847
As of March 31, 2019	¥ 2,039	$ 18,371

Note:
* Reclassification adjustments represent amounts of accumulated other comprehensive income transferred to profit or loss when the hedged item affects profit or loss, and are recorded as "Derivative gain and loss" in the consolidated statement of income. For the year ended March 31, 2019, there were no transactions for which hedge accounting was discontinued because the hedged transactions had not been expected to occur.

Interest rate contracts to which hedge accounting is not applied

	As of March 31, 2018 (Millions of yen)		As of March 31, 2019 (Millions of yen)			As of March 31, 2019 (Thousands of U.S. dollars)		
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities
Interest rate cap	¥ 194,100 (161,697)	¥ 732	¥ 332,970 (–)	¥ 6	¥ –	$ 3,000,000 (–)	$ 55	$ –
Interest rate swap	111,200 (109,170)	656	131,111 (129,151)	–	(1,011)	1,181,287 (1,163,627)	–	(9,109)
Interest rate currency swap	–	–	29,564 (29,007)	151	(561)	266,366 (261,348)	1,360	(5,055)
Total	¥ 305,300 (270,867)	¥1,388	¥ 493,645 (158,158)	¥157	¥(1,572)	$ 4,447.653 (1,424,975)	$ 1,415	$(14,164)

b. Credit risk

In the course of the Company's business, trade and other receivables, and other financial assets (including deposits, equity securities, bonds, and derivatives) are exposed to the 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 its credit risk, the Company performs controls around the due date and balance for each customer in accordance with its internal customer credit management rules and regularly monitors major customers' credit status.

Derivative transactions executed and maintained by the Company are conducted and controlled based on the Company's internal rules and procedures for derivative transactions, and those transactions engaged in are limited to those with financial institutions with high credit ratings in order to reduce the risk.

The carrying amount of financial instruments, net of impairment, is presented in the consolidated statement of financial position, and the amount of lending commitments and guaranteed obligations, represent the Company's maximum exposure to credit risk on financial assets. The values of collateral held and other credit enhancements are not included.

For trade receivables, contract assets, and lending commitments, the Company measures the lifetime expected credit risk. For receivables other than trade receivables, contract assets, and lending commitments, the Company measures future expected credit losses in consideration of the assessment of significant increase of credit risk. The Company determines whether a significant increase of credit risk has been achieved or not based on the movement of occurrence of default. In the determination process, past due information, deterioration of operating results, and external credit ratings are considered. For receivables other than trade receivables and contract assets, the Company measures the expected credit losses at the amount of the 12-month expected credit losses. However, when there is a significant increase of credit risk after initial recognition, the expected credit losses are measured at the amount of lifetime expected credit losses.

The Company groups financial assets with no individual significance based on the characteristics of credit risk and the type of transactions. The Company then assesses the existence of objective evidence of impairment for each group considering the past default rate.

The Company measures expected credit losses individually for each receivable as financial assets that have been impaired when the events of default as detailed below have occurred, resulting in estimated negative future cash flows of the financial assets.

- Significant financial difficulty of the issuer or borrower
- Breach of contract, such as a default or delinquency in interest or principal payments
- High possibility of bankruptcy or entering financial reorganization

For credit-impaired financial assets, when it is probable that the Company will not collect the entire amount of or a part of the financial assets, the impairment losses are directly deducted from the carrying amount.

Details of lending commitments and guaranteed obligations are described in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 49. Contingency."

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, 2018 and 2019.

(a) Financial assets not impaired individually

i. Trade receivables

As of March 31, 2018

The table below presents an aging analysis of financial assets not impaired individually. The amounts in the analysis are presented at the carrying amount before netting the allowance for doubtful accounts.

(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	More than 1 year	Total
Trade receivables	¥1,401,059	¥100,521	¥23,328	¥14,190	¥12,043	¥11,516	¥1,562,657
Allowance for doubtful accounts							¥ (59,093)
Total							¥1,503,564

Of the trade receivables, the carrying amounts of individually impaired trade receivables and allowance for doubtful accounts are ¥8,184 million and ¥(8,132) million respectively.

As of March 31, 2019

The table below represents the carrying amounts related to an aging analysis of trade receivables and allowance for doubtful accounts

(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	More than 1 year	Total
Trade receivables*	¥1,472,660	¥115,705	¥27,267	¥17,837	¥12,112	¥11,267	¥1,656,848
Allowance for doubtful accounts	(27,054)	(3,996))	(6,882)	(4,568)	(4,947)	(6,532)	(53,979)
Total							¥1,602,869

(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	More than 1 year	Total
Trade receivables*	$13,268,403	$1,042,481	$245,671	$160,708	$109,127	$101,513	$14,927,903
Allowance for doubtful accounts	(243,752)	(36,003)	(62,006)	(41,157)	(44,572)	(58,851)	$ (486,341)
Total							$14,441,562

Note:
* Exposure to credit risk on contractual assets is included in trade receivables. Since trade receivables attributable to the credit card business include interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables.
Exposure to credit risk on trade receivables attributable to the credit card business is included in the receivables other than trade receivables.

ii. Financial assets other than trade receivables

As of March 31, 2018

(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	More than 1 year	Total
Other receivables	¥ 805,250	¥2,707	¥ 338	¥ 309	¥ 277	¥ 218	¥ 809,099
Other financial assets	656,139	1,975	2,346	4,207	8,106	8,717	681,490
Total	¥1,461,389	¥4,682	¥2,684	¥4,516	¥8,383	¥8,935	¥1,490,589
Allowance for doubtful accounts							(30,755)
Total							¥1,459,834

Of the amount of financial assets other than trade receivables, the carrying amount and the allowance for doubtful accounts of the financial assets other than trade receivables impaired individually were ¥30,125 million and ¥ (30,050) million respectively.

As of March 31, 2019

	(Millions of yen) Carrying amounts					(Thousands of U.S. dollars) Carrying amounts				
	12 month expected credit losses		Lifetime expected credit losses			12 month expected credit losses		Lifetime expected credit losses		
			Other than credit-impaired financial assets	Credit-impaired financial assets				Other than credit-impaired financial assets	Credit-impaired financial assets	
	Before due	Past due	Past due	Past due	Total	Before due	Past due	Past due	Past due	Total
Other receivables	¥ 850,533	¥16,675	¥2,433	¥ 7,732	¥ 877,373	$ 7,663,150	$150,238	$21,921	$ 69,664	$ 7,904,973
Investment securities	327,069	–	–	–	327,069	2,946,833	–	–	–	2,946,833
Other financial assets	1,035,740	7,801	1,824	36,594	1,081,959	9,331,832	70,286	16,434	329,705	9,748,257
Total	¥2,213,342	¥24,476	¥4,257	¥44,326	¥2,286,401	$19,941,815	$220,524	$38,355	$399,369	$20,600,063

Investment securities are mostly debt financial assets at FVTOCI.

(b) 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 from customers and loans.

	(Millions of yen) Fiscal year ended March 31, 2018
Balance at the beginning of the period	¥ 95,351
Provisions	52,015
Utilized	(58,189)
Other	671
Balance at the end of the period	¥ 89,848

i. Trade receivables

The table below presents changes in the allowance for doubtful accounts for trade receivables*.

	(Millions of yen) Allowance for doubtful accounts		
	Lifetime expected credit losses		
	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	¥ 37,640	¥ 15,958	¥ 53,598
Effect of retrospective adjustments due to adoption of new standards	38	–	38
Balance at the beginning of the period (after adjustments)	37,678	15,958	53,636
Provisions	42,409	7,220	49,629
Utilized	(34,979)	(10,951)	(45,930)
Other	(7,176)	3,820	(3,356)
Balance at the end of the period	¥ 37,932	¥ 16,047	¥ 53,979

	(Thousands of U.S. dollars) Allowance for doubtful accounts		
	Lifetime expected credit losses		
	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	$ 339,130	$ 143,779	$ 482,909
Effect of retrospective adjustments due to adoption of new standards	342	–	342
Balance at the beginning of the period (after adjustments)	339,472	143,779	483,251
Provisions	382,097	65,051	447,148
Utilized	(315,154)	(98,667)	(413,821)
Other	(64,654)	34,417	(30,237)
Balance at the end of the period	$ 341,761	$ 144,580	$ 486,341

Note:
Allowance for doubtful accounts related to contract assets are included in trade receivables.

Trade receivables arising in the credit card business includes interest income. The Company measures expected credit losses for receivables arising in the credit card business by using the same method for the receivables other than trade receivables. As a result, the allowance for doubtful accounts are included in the financial assets other than trade receivables.

For the year ended March 31, 2019, there were no changes in gross carrying amounts that affected the allowance for doubtful accounts. Of the financial assets that were impaired directly during the year, there were no assets for which the Company continued collection activity.

ii. Financial assets other than trade receivables

The table below presents changes in the allowance for doubtful accounts for financial assets other than trade receivables. The allowance for doubtful accounts is mainly for loans.

(Millions of yen)

	Allowance for doubtful accounts			
		Lifetime expected credit losses		
	12 month expected credit losses	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	¥3,031	¥1,330	¥31,889	¥36,250
Provisions	2,275	717	16,093	19,085
Utilized	(799)	(4)	(9,029)	(9,832)
Other	554	11	1	566
Balance at the end of the period	¥5,061	¥2,054	¥38,954	¥46,069

(Thousands of U.S. dollars)

	Allowance for doubtful accounts			
		Lifetime expected credit losses		
	12 month expected credit losses	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	$27,309	$11,983	$287,314	$326,606
Provisions	20,497	6,460	144,995	171,952
Utilized	(7,199)	(36)	(81,350)	(88,585)
Other	4,991	99	10	5,100
Balance at the end of the period	$45,598	$18,506	$350,969	$415,073

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. For the year ended March 31, 2019, there were no changes in gross carrying amounts that affected the allowance for doubtful accounts. Of the financial assets that were impaired directly during the year, there were no assets for which the Company continued collection activity.

c. Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fundraising sources including both indirect financing, such as bank loans and leases, and direct financing, such as the issuance of bonds and commercial paper and securitization, taking market conditions and its current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits and a money management fund.

The Company also continuously monitors its forecasted and actual 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, 2018	As of March 31, 2019	As of March 31, 2019
Credit facilities	¥2,247,842	¥3,404,119	$30,670,502
Drawn	1,798,537	1,828,968	16,478,674
Undrawn	¥ 449,305	¥1,575,151	$14,191,828

Note:
Certain commitments above contain financial covenants. The details are described in "(3) Financial covenants" in "Note 23. 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, 2018

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 957,573	¥ 958,698	¥ 958,698	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	100,000	100,000	100,000	–	–	–	–	–
Long-term borrowings (including current portion)[1]	6,215,296	6,298,437	1,094,668	814,854	1,390,677	453,364	524,521	2,020,353
Corporate bonds (including current portion)	7,824,326	7,852,402	586,334	1,026,844	664,941	1,210,280	782,833	3,581,170
Lease obligations	1,221,874	1,221,874	455,670	334,518	232,173	139,654	52,669	7,190
Financial liability for variable prepaid forward contract	688,332	701,184	–	701,184	–	–	–	–
Installment payables	34,787	35,408	20,185	10,463	2,427	2,001	332	–
Deposits for banking business[2]	708,311	708,547	684,103	6,327	5,446	3,254	3,332	6,085
Third-party interests in SoftBank Vision Fund and Delta Fund	1,844,679	1,844,679[3]	40,713[4]	–	–	–	–	1,803,966[5]
Trade and other payables	1,816,010	1,816,010	1,748,963	43,230	4,858	2,702	2,030	14,227
Other financial liabilities	39,799	39,799	812	10,240	6,620	2,360	2,775	16,992
Total	21,450,987	21,577,038	5,690,146	2,947,660	2,307,142	1,813,615	1,368,492	7,449,983
Derivative financial liabilities								
Derivative financial liabilities[6]								
Foreign currency exchange contracts[7]	151,140	151,140	(1,182)	(11,928)	(11,065)	(10,015)	28,514	156,816
Option contracts	761,441	774,262	47,314	726,948	–	–	–	–
Interest rate contracts	265	265	–	–	3	–	–	262
Total	¥ 912,846	¥ 925,667	¥ 46,132	¥ 715,020	¥ (11,062)	¥ (10,015)	¥ 28,514	¥ 157,078

Notes:
1. Regarding USD-denominated Senior Notes due 2020 and EUR-denominated Senior Notes due 2020 which were issued on April 23, 2013, the original due date was April 15, 2020; however, the outstanding amount of ¥345,581 million ($3,113,623 thousand) was redeemed on May 21, 2018.
2. Deposits for the banking business payable on demand are included in "Within 1 year."
3. The amount represents the amounts that would have been distributed to Third-party Investors in accordance with the limited partnership agreement if SoftBank Vision Fund and Delta Fund had been liquidated as of March 31, 2018.
4. The amount represents the contractual distributions or repayments to be made within a year that have been announced from SoftBank Vision Fund and Delta Fund to Third-party Investors as of March 31, 2018.
5. When disposal of investments becomes relatively certain, the portion of third-party interests in SoftBank Vision Fund and Delta Fund which is available for distributions and repayments will be broken down by corresponding maturity dates.
6. Only if the contractual maturities are essential for an understanding of the timing of the cash flow, derivative financial liabilities are included in the above chart and disclosed.
7. Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.

As of March 31, 2019

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 499,179	¥ 499,979	¥ 499,979	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	42,000	42,000	42,000	–	–	–	–	–
Long-term borrowings (including current portion)	5,628,813	5,694,286	719,494	1,568,924	577,663	534,694	1,090,046	1,203,465
Corporate bonds (including current portion)[1]	7,581,038	7,641,406	1,041,234	326,485	1,225,718	766,176	1,129,565	3,152,228
Lease obligations	1,186,649	1,186,649	437,397	322,813	221,787	137,171	52,241	15,240
Financial liability for variable prepaid forward contract	730,601	732,534	732,534	–	–	–	–	–
Installment payables	16,826	17,173	11,734	2,723	2,238	404	46	28
Deposits for banking business[2]	768,048	768,224	745,953	6,038	5,951	3,160	2,773	4,349
Third-party interests in SoftBank Vision Fund and Delta Fund	4,136,965	4,136,965[3]	29,677[4]	–	–	–	–	4,107,288[5]
Trade and other payables	1,909,608	1,909,608	1,871,807	9,002	3,589	2,107	127	22,976
Other financial liabilities	45,859	45,859	10,789	9,090	3,862	3,791	2,202	16,125
Total	22,545,586	22,674,683	6,142,598	2,245,075	2,040,808	1,447,503	2,277,000	8,521,699
Derivative financial liabilities								
Derivative financial liabilities[6]								
Foreign currency exchange contracts[7]	¥ 125,627	¥ 125,627	¥ (8,523)	¥ (11,331)	¥ (10,513)	¥ 15,016	¥ 2,582	¥ 138,396
Option contracts	764,236	764,979	764,979	–	–	–	–	–
Interest rate contracts	8,396	7,816	1,799	1,242	1,732	1,501	868	674
Total	¥ 898,259	¥ 898,422	¥ 758,255	¥ (10,089)	¥ (8,781)	¥ 16,517	¥ 3,450	¥ 139,070

(Thousands of U.S. dollars)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	$ 4,497,513	$ 4,504,721	$ 4,504,721	$ –	$ –	$ –	$ –	$ –
Commercial paper	378,412	378,412	378,412	–	–	–	–	–
Long-term borrowings (including current portion)	50,714,595	51,304,496	6,482,512	14,135,724	5,204,640	4,817,497	9,821,119	10,843,004
Corporate bonds (including current portion)[1]	68,303,793	68,847,698	9,381,332	2,941,572	11,043,499	6,903,108	10,177,178	28,401,009
Lease obligations	10,691,495	10,691,495	3,940,869	2,908,487	1,998,261	1,235,886	470,682	137,310
Financial liability for variable prepaid forward contract	6,582,584	6,600,000	6,600,000	–	–	–	–	–
Installment payables	151,600	154,726	105,721	24,534	20,165	3,640	414	252
Deposits for banking business[2]	6,919,975	6,921,561	6,720,903	54,401	53,617	28,471	24,985	39,184
Third-party interests in SoftBank Vision Fund and Delta Fund	37,273,313	37,273,313[3]	267,384[4]	–	–	–	–	37,005,929[5]
Trade and other payables	17,205,226	17,205,226	16,864,645	81,106	32,336	18,985	1,144	207,010
Other financial liabilities	413,181	413,181	97,207	81,899	34,796	34,156	19,840	145,283
Total	203,131,687	204,294,829	55,343,706	20,227,723	18,387,314	13,041,743	20,515,362	76,778,981
Derivative financial liabilities[6]								
Derivative financial liabilities								
Foreign currency exchange contracts[7]	1,131,877	1,131,877	(76,790)	(102,090)	(94,720)	135,291	23,263	1,246,923
Option contracts	6,885,629	6,892,324	6,892,324	–	–	–	–	–
Interest rate contracts	75,646	70,421	16,208	11,190	15,605	13,524	7,821	6,073
Total	$ 8,093,152	$ 8,094,622	$ 6,831,742	$ (90,900)	$ (79,115)	$ 148,815	$ 31,084	$ 1,252,996

Notes:
1. Regarding USD-denominated Senior Notes due 2020 and EUR-denominated Senior Notes due 2020 which were issued on April 23, 2013, the original due date was April 15, 2020; however, the outstanding amount of ¥345,581 million ($3,113,623 thousand) was redeemed on May 21, 2018.
2. Deposits for the banking business payable on demand are included in "Within 1 year."
3. The amount represents the amounts that would have been distributed to Third-party Investors in accordance with the limited partnership agreement if SoftBank Vision Fund and Delta Fund had been liquidated as of March 31, 2019.
4. The amount represents the contractual distributions or repayments to be made within a year that have been announced from SoftBank Vision Fund and Delta Fund to Third-party Investors as of March 31, 2019.
5. When disposal of investments becomes relatively certain, the portion of third-party interests in SoftBank Vision Fund and Delta Fund which is available for distributions and repayments will be broken down by corresponding maturity dates.
6. Only if the contractual maturities are essential for an understanding of the timing of the cash flow, derivative financial liabilities are included in the above chart and disclosed.
7. Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.

In addition to the amounts presented above, the Company has lending commitments and guaranteed obligations, which are detailed in "(1) Lending commitments" and "(2) Credit guarantees" in "Note 49. Contingency." Average interest rates of the interest-bearing debts are described in "(1) Component of interest-bearing debt" in "Note 23. 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, 2018

(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	¥ –	¥ –	¥ –	¥ –	¥2,314,353	¥2,314,353
Other financial assets	61,538	–	44,442	91,456	322,008	519,444
Non-current assets						
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	2,827,784	–	–	–	–	2,827,784
Investment securities	1,820,157	–	815,295	24,663	–	2,660,115
Other financial assets	40,084	4,358	410	53	631,487	676,392
Total	¥4,749,563	¥4,358	¥860,147	¥116,172	¥3,267,848	¥8,998,088

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 3,217,405	¥ 3,217,405
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	–	–	1,816,010	1,816,010
Derivative financial liabilities	96,241	–	–	96,241
Other financial liabilities	–	–	1,646	1,646
Non-current liabilities				
Interest-bearing debt	–	–	13,824,783	13,824,783
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	–	–	1,803,966	1,803,966
Derivative financial liabilities	800,339	65,063	–	865,402
Other financial liabilities	–	–	62,372	62,372
Total	¥896,580	¥65,063	¥21,450,986	¥22,412,629

Note:
* The amount of financial assets designated as financial assets at FVTPL is ¥4,659,787 million.

As of March 31, 2019

(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	¥ –	¥ –	¥ –	¥ –	¥2,339,977	¥ 2,339,977
Other financial assets	39,044	–	45,914	1,300	117,218	203,476
Non-current assets						
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	7,115,629	–	–	–	–	7,115,629
Investment securities	495,901	–	302,938	101,574	24,201	924,614
Other financial assets	295,873	8,016	–	411	881,556	1,185,856
Total	¥7,946,447	¥8,016	¥348,852	¥103,285	¥3,362,952	¥11,769,552

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 3,480,960	¥ 3,480,960
Deposits for banking business	–	–	745,943	745,943
Third-party interests in SoftBank Vision Fund and Delta Fund			29,677	29,677
Trade and other payables	–	–	1,909,608	1,909,608
Derivative financial liabilities	767,714	–	–	767,714
Other financial liabilities	–	–	10,849	10,849
Non-current liabilities				
Interest-bearing debt	–	–	12,204,146	12,204,146
Third-party interests in SoftBank Vision Fund and Delta Fund	–	–	4,107,288	4,107,288
Derivative financial liabilities	11,511	119,034	–	130,545
Other financial liabilities	–	–	57,115	57,115
Total	¥779,225	¥119,034	¥22,545,586	¥23,443,845

(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	$ –	$ –	$ –	$ –	$21,082,773	$ 21,082,773
Other financial assets	351,779	–	413,677	11,713	1,056,113	1,833,282
Non-current assets						
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	64,110,541	–	–	–	–	64,110,541
Investment securities	4,467,979	–	2,729,417	915,164	218,046	8,330,606
Other financial assets	2,665,763	72,223	–	3,703	7,942,661	10,684,350
Total	$71,596,062	$72,223	$3,143,094	$930,580	$30,299,593	$106,041,552

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	$ –	$ –	$ 31,362,825	$ 31,362,825
Deposits for banking business	–	–	6,720,813	6,720,813
Third-party interests in SoftBank Vision Fund and Delta Fund	–	–	267,384	267,384
Trade and other payables	–	–	17,205,226	17,205,226
Derivative financial liabilities	6,916,965	–	–	6,916,965
Other financial liabilities	–	–	97,748	97,748
Non-current liabilities				
Interest-bearing debt	–	–	109,957,167	109,957,167
Third-party interests in SoftBank Vision Fund and Delta Fund	–	–	37,005,928	37,005,928
Derivative financial liabilities	103,713	1,072,474	–	1,176,187
Other financial liabilities	–	–	514,596	514,596
Total	$7,020,678	$1,072,474	$203,131,687	$211,224,839

The Company generally classifies financial instruments as "financial assets at FVTPL." Certain equity instruments are used as business investments to generate business synergies. As a result, for such investments, the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income, not in profit or loss, and classified them as "equity financial assets at FVTOCI."

Major components and fair values of the equity financial assets at FVTOCI are as follows.

As of March 31, 2019

	(Millions of yen)	(Thousands of U.S. dollars)
Names	Fair value	Fair value
GungHo Online Entertainment, Inc.	¥ 10,011	$ 90,197
RPA Holdings, Inc.	4,308	38,814
Guidewire Software Inc.	2,600	23,426
GameWith, Inc.	2,173	19,578
istyle Inc.	1,695	15,272
Other	82,498	743,292
Total	¥103,285	$930,579

The Company sells (or derecognize) equity financial assets at FVTOCI when those assets no longer match the Company's investment strategies. The table below presents fair value on the date of sale and accumulated gains or losses related to the sales of equity financial assets at FVTOCI that were sold during the year.

For the year ended March 31, 2019

	(Millions of yen)	(Thousands of U.S. dollars)
Fair value on the date of sale	¥19,031	$171,466
Accumulated gains related to the sales	3,005	27,075

When financial assets are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. For the year ended in March 31, 2019, ¥275 million ($2,478 thousand) was transferred from other comprehensive income to retained earnings.

30. 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 Level 2 during the fiscal years ended March 31, 2018 and 2019.

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, 2018

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities				
Investments from SoftBank Vision Fund and Delta Fund	¥718,803	¥ –	¥2,098,357	¥2,817,160
Other equity securities	121,969	–	2,206,134	2,328,103
Bonds	6,705	230,274	3,942	240,921
Derivative financial assets				
Foreign currency exchange contracts	–	27,159	–	27,159
Option contracts	–	54,227	5,474	59,701
Interest rate contracts	–	6,008	–	6,008
Other	10,359	19,731	104,926	135,016
Total	857,836	337,399	4,418,833	5,614,068
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	–	151,140	–	151,140
Option contracts	–	810,238	–	810,238
Interest rate contracts	–	265	–	265
Total	¥ –	¥961,643	¥ –	¥ 961,643

As of March 31, 2019

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities				
Investments from SoftBank Vision Fund and Delta Fund	¥307,851	¥ –	¥6,779,697	¥7,087,548
Other equity securities	100,684	–	321,310	421,994
Bonds	2,703	288,015	133,144	423,862
Derivative financial assets				
Foreign currency exchange contracts	–	28,927	–	28,927
Option contracts	–	3,836	202	4,038
Interest rate contracts	–	1,576	–	1,576
Other	6,882	10,538	421,235	438,655
Total	418,120	332,892	7,655,588	8,406,600
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	–	125,627	–	125,627
Option contracts	–	764,236	–	764,236
Interest rate contracts	–	8,396	–	8,396
Total	¥ –	¥ 898,259	¥ –	¥ 898,259

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities				
Investments from SoftBank Vision Fund and Delta Fund	$2,773,682	$ –	$61,083,854	$63,857,536
Other equity securities	907,145	–	2,894,945	3,802,090
Bonds	24,354	2,594,964	1,199,604	3,818,922
Derivative financial assets				
Foreign currency exchange contracts	–	260,627	–	260,627
Option contracts	–	34,562	1,820	36,382
Interest rate contracts	–	14,199	–	14,199
Other	62,006	94,945	3,795,252	3,952,203
Total	3,767,187	2,999,297	68,975,475	75,741,959
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	–	1,131,877	–	1,131,877
Option contracts	–	6,885,629	–	6,885,629
Interest rate contracts	–	75,646	–	75,646
Total	$ –	$8,093,152	$ –	$ 8,093,152

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Equity securities, bonds, and loans

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.

If such prices are unavailable, and if prices of recent arm's-length transactions or equity financing are available, they are measured using recent transaction prices adjusting for performance of the market and company performance.

In the absence of a recent transaction, market approach, cost approach, or income approach is applied for the enterprise valuation. The market approach is used to the extent comparable guidelines for public companies are available. The market approach is a valuation method using figures from the financial statements of the subject companies and valuation multiple of comparable companies, such as Enterprise Value (EV)/Revenue and EV/EBITDA. The cost approach is a valuation method using net assets on balance sheet of subject companies for calculation of stock value. The income approach is used when reliable cash flow projections are available. Under this approach, the present value is calculated by discounting estimated future cash flows at the discount rate and the future cash flows are estimated by taking into consideration several assumptions, including the revenue growth rate.

The enterprise value which is calculated by the above method is allocated to shareholder's value of each class of shares depending on the capital structures of the investments. For the allocation, an option pricing model, which values each individual security in the capital structure based on its unique rights and preferences, and a waterfall approach, which allocates value based on the seniority of each security in the event of a liquidation are mainly used.

The financial instruments are classified as Level 2 if all significant inputs, such as quoted prices and discount rates used for the measurement are observable, and they are classified as Level 3 when they are measured using significant unobservable inputs.

b. Derivative financial assets and derivative financial liabilities

The fair value of derivative financial instruments is measured using valuation techniques including a discounted cash flows model, or using quoted prices in inactive markets. Derivative financial instruments are classified as Level 2 if all significant inputs, such as foreign currency exchange rates and discount rates used for the measurement, are observable; and they are classified as Level 3 when they are measured using significant unobservable inputs.

(2) Fair value measurements of financial instruments that are categorized as Level 3

a. Valuation techniques and inputs

The following table shows information about the valuation techniques used and the significant unobservable inputs used in the Level 3 fair value measurements.

As of March 31, 2018

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs
Equity securities		
Price of recent investment	Discount for lack of marketability	10.0%–35.0%
	Control premium	5.0%–10.0%

As of March 31, 2019

For Level 3 fair value measurements as of March 31, 2019, the price of recent investments is mainly adopted considering the rights and preferential rights of shares. The following table shows information about the other valuation techniques used and the significant unobservable inputs used in the fair value measurement.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs
Equity securities		
Market comparable companies	Discount for lack of marketability	15.0%
	Revenue multiple	X0.8

As of March 31, 2019

For Level 3 fair value measurements of investments from SoftBank Vision Fund and Delta Fund, the Company mainly uses price of recent investment method and discounted cash flow method.

The following table shows the fair value of the investments from SoftBank Vision Fund and Delta Fund measured by each valuation techniques. When the combination of multiple valuation techniques is applied, aggregated amounts of fair value are presented for each combination of valuation techniques.

	(Millions of yen)	(Thousands of U.S. dollars)
Valuation techniques	Fair value	Fair value
Equity securities		
Recent transactions	¥3,514,046	$31,660,924
Recent transactions / Discounted cash flow	1,644,479	14,816,461
Recent transactions / Discounted cash flow / Other*	1,263,422	11,383,206
Discounted cash flow	260,634	2,348,265
Discounted cash flow / Market comparable companies	97,116	874,998
Total	¥6,779,697	$61,083,854

Note:
* IPO scenario was considered.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs
Discounted cash flow	Cost of capital	11.0%–50.0%
	EBITDA ratio*	X3.7–X22.0
	Revenue multiple*	X2.0–X15.0
	Permanent growth rate	1.8%–3.1%
Market comparable companies	Revenue multiple	X1.5

Note:
* EBITDA ratio of market comparable companies or revenue multiple are used for recurring measurement of fair value.

For Level 3 fair value measurements of investments made by other than SoftBank Vision Fund and Delta Fund, the price of recent investments is mainly adopted considering the rights and preferential rights of shares. The following table shows information about the other valuation techniques used and the significant unobservable inputs used in the fair value measurement.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs
Equity securities		
Market comparable companies	Revenue multiple	X1.8–X5.0
Discounted cash flow	Cost of capital	16.0%
	Permanent growth rate	4.4%
Receivables and loans		
Discounted cash flow	Cost of debt	2.4%

b. Sensitivity Analysis

Of the above unobservable inputs, revenue multiples, EBITDA ratio, and growth rate have a positive correlation with the fair value of equity securities, whereas the cost of capital and the cost of debt have a negative correlation with the fair value of equity securities.

c. Valuation processes

(a) Valuation processes at SoftBank Vision Fund and Delta Fund

The valuations are prepared by the valuation team of SBIA in accordance with the SBIA Global Valuation Policy and International Private Equity and Venture Capital Valuation Guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair value. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The valuations are then reviewed by the Valuation and Financial Risk Committee ("VFRC"), established as a committee of SBIA, which reports the result of their review to SBIA's Board of Directors on a quarterly basis. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology.

(b) Valuation processes at entities other than SoftBank Vision Fund and Delta Fund

Fair value is measured by the Company's personnel in the finance, treasury and accounting departments based on internal guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair value. For the fair value measurements of the financial instruments that require both high level of knowledge and experiences, and that has a significance in amount, the Company may engage external specialists. Thereafter, management responsible for the valuation processes approves the results of fair value measurements by the Company's personnel and the valuation by the external specialists performed at the end of each quarter after reviewing the analysis of fair value changes and other content.

d. Roll forward of financial instruments categorized as Level 3

Roll forward of financial instruments categorized as Level 3 is as follows:

For the fiscal year ended March 31, 2018

(Millions of yen)

Financial assets	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2017	¥ 668,334	¥1,132	¥6,208	¥ 22,284
Gains or losses				
Net income	(20,339)	–	(429)	11
Other comprehensive income	(120,141)	(6)	(305)	1,626
Purchases	3,797,739	3,611	–	53,836
Sales	(11,115)	(604)	–	(3,461)
Transfers to Level 1 due to listing	(3,684)	–	–	–
Other	(6,303)	(191)	–	30,630
As of March 31, 2018	¥4,304,491	¥3,942	¥5,474	¥104,926
Gains or losses recognized in net income on financial instruments held at March 31, 2018	¥ (23,980)	¥ –	¥ (429)	¥ 59

(Millions of yen)

Financial liabilities	Interest-bearing debt
As of April 1, 2017	¥ 43,164
Gains or losses	
Net income	(4,582)
Other comprehensive income	(5,642)
Payments and redemptions	(32,940)
As of March 31, 2018	¥ –
Gains or losses recognized in net income on financial instruments held at March 31, 2018	¥ –

Gains and losses recognized in profits or losses are included in “Operating income from SoftBank Vision Fund and Delta Fund,” “Derivative gain (loss),” and “Gain (loss) from financial instruments at FVTPL” 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.

For the fiscal year ended March 31, 2019

(Millions of yen)

Financial assets	Equity securities	Bonds and loans	Derivative financial assets	Other
As of April 1, 2018	¥4,304,491	¥ 3,942	¥ 5,474	¥104,926
Gains or losses				
Net income	1,330,230	(6,703)	115	5,864
Other comprehensive income	159,956	1,665	(54)	2,552
Purchases	1,814,047	21,742	–	295,579
Sales	(467,300)	(940)	–	(11,432)
Loans	–	186,579	–	–
Transfer relating to applying the use of the equity method	(123,455)	–	–	–
Transfer relating to discontinuing the use of the equity method	135,477	–	–	–
Transfers to Level 1 due to listing	(94,529)	–	–	–
Other	42,090	(73,141)	(5,333)	23,746
As of March 31, 2019	¥7,101,007	¥133,144	¥ 202	¥421,235
Gains or losses recognized in net income on financial instruments held at March 31, 2019	¥1,228,466	¥ (7,490)	¥ 115	¥ 6,638

(Thousands of U.S. dollars)

Financial assets	Equity securities	Bonds and loans	Derivative financial assets	Other
As of April 1, 2018	$38,782,692	$ 35,517	$ 49,320	$ 945,364
Gains or losses				
Net income	11,985,134	(60,393)	1,036	52,834
Other comprehensive income	1,441,175	15,001	(487)	22,993
Purchases	16,344,238	195,892	–	2,663,114
Sales	(4,210,289)	(8,469)	–	(103,000)
Loans	–	1,681,043	–	–
Transfer relating to applying the use of the equity method	(1,112,307)	–	–	–
Transfer relating to discontinuing the use of the equity method	1,220,623	–	–	–
Transfers to Level 1 due to listing	(851,689)	–	–	–
Other	379,222	(658,987)	(48,049)	213,947
As of March 31, 2019	$63,978,799	$1,199,604	$ 1,820	$3,795,252
Gains or losses recognized in net income on financial instruments held at March 31, 2019	$11,068,258	$ (67,484)	$ 1,036	$ 59,807

Gains or losses recognized in net income are included in "Operating income from SoftBank Vision Fund and Delta Fund," "Derivative gain (loss)," and "Gain (loss) from financial instruments at FVTPL" in the consolidated statement of income. Gains or losses recognized in other comprehensive income, net of tax, are included in "Equity financial assets at FVTOCI," "Debt financial assets at FVTOCI" 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.

As of March 31, 2018

(Millions of yen)

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Interest bearing debt (Non-current)					
Long-term borrowings	¥ 5,121,591	¥1,085,883	¥3,662,081	¥ 469,058	¥ 5,217,022
Corporate bonds	7,234,049	2,612,392	4,718,521	31,799	7,362,712
Lease obligations	766,204	–	15	777,652	777,667
Installment payables	14,607	–	–	14,751	14,751
Total	¥13,136,451	¥3,698,275	¥8,380,617	¥1,293,260	¥13,372,152

As of March 31, 2019

(Millions of yen)

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Interest bearing debt (Non-current)					
Long-term borrowings	¥ 4,910,794	¥1,225,008	¥3,137,252	¥ 587,028	¥4,949,288
Corporate bonds	6,538,785	2,431,566	4,334,799	–	6,766,365
Lease obligations	749,252	–	164	757,751	757,915
Installment payables	5,315	–	–	5,513	5,513
Total	¥12,204,146	¥3,656,574	¥7,472,215	¥1,350,292	¥12,479,081

(Thousands of U.S. dollars)

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Interest bearing debt (Non-current)					
Long-term borrowings	$ 44,245,373	$11,037,102	$28,266,078	$ 5,289,017	$ 44,592,197
Corporate bonds	58,913,280	21,907,974	39,055,762	–	60,963,736
Lease obligations	6,750,626	–	1,478	6,827,201	6,828,679
Installment payables	47,888	–	–	49,671	49,671
Total	$109,957,167	$32,945,076	$67,323,318	$12,165,889	$112,434,283

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 their 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 are measured using quoted prices in active markets if such prices are available, and the measurement is categorized as Level 1. Where such prices in active markets are not available, fair values of the non-current portion of long-term borrowings are measured based on the discounted cash flow method using observable inputs such as market interest rates, and the measurement is categorized as Level 2. Fair values of the non-current portion of long-term borrowings are measured based on the discounted cash flow method using an interest rate including the credit spread that would be used for a borrowing with the same terms and maturity. 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 the fair value is measured using quoted prices in active markets for identical bonds, it is categorized as Level 1. When the 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.

c. Lease obligations

Fair values of the non-current portion of lease obligations are mainly measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and are categorized as Level 3. Also, the fair value amount of the non-current portion of lease obligations which are categorized as Level 2 is insignificant.

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 are categorized as Level 3.

31. 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, future lease receivables occurring from lease transactions of devices to customers, and installment receivables recognized from the mobile handset sales business.

For each transaction, the Company transferred receivables to financial institutions and acquired cash and a subordinate interest in the transferred receivables for financing purposes. The receivables sold are not derecognized because in each transaction, the Company retains a subordinate interest and, therefore, substantially retains all the 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, 2018	As of March 31, 2019	As of March 31, 2019
Carrying amount of transferred assets	¥ 993,246	¥1,070,696	$ 9,646,779
Carrying amount of related liabilities	(876,062)	(949,374)	(8,553,690)
(Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets)			
Fair value of transferred assets	¥ 993,246	¥1,070,696	$ 9,646,779
Fair value of related liabilities	(875,490)	(948,688)	(8,547,509)
Net position	¥ 117,756	¥ 122,008	$ 1,099,270

The difference between transferred assets and related liabilities is the subordinate interest which the Company retains on securitization.

32. 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 the 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, 2018

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other receivables	¥139,094	¥(87,629)	¥ 51,465	¥(33,583)	¥17,882
Other financial assets	57,032	(194)	56,838	(43,365)	13,473
Total	¥196,126	¥(87,823)	¥108,303	¥(76,948)	¥31,355

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other payables	¥254,163	¥(87,629)	¥166,534	¥(33,442)	¥133,092
Derivative financial liabilities	151,024	(14)	151,010	(11,285)	139,725
Other financial liabilities	64,487	(180)	64,307	(32,221)	32,086
Total	¥469,674	¥(87,823)	¥381,851	¥(76,948)	¥304,903

As of March 31, 2019

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other receivables	¥169,649	¥(91,150)	¥78,499	¥(33,156)	¥45,343
Other financial assets	8,338	(462)	7,876	(7,227)	649
Total	¥177,987	¥(91,612)	¥86,375	¥(40,383)	¥45,992

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other payables	¥297,005	¥(91,150)	¥205,855	¥(32,986)	¥172,869
Derivative financial liabilities	137,000	(462)	136,538	(7,272)	129,266
Other financial liabilities	294	–	294	(125)	169
Total	¥434,299	¥(91,612)	¥342,687	¥(40,383)	¥302,304

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other receivables	$1,528,507	$(821,244)	$707,263	$(298,730)	$408,533
Other financial assets	75,124	(4,163)	70,961	(65,114)	5,847
Total	$1,603,631	$(825,407)	$778,224	$(363,844)	$414,380

(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 consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
Trade and other payables	$2,675,962	$(821,245)	$1,854,717	$(297,198)	$1,557,519
Derivative financial liabilities	1,234,345	(4,162)	1,230,183	(65,520)	1,164,663
Other financial liabilities	2,649	–	2,649	(1,126)	1,523
Total	$3,912,956	$(825,407)	$3,087,549	$(363,844)	$2,723,705

33. Foreign currency exchange rates

Exchange rates of the major currencies used for translating the financial statements of foreign operations are as follows:

(1) Rate at the end of the period

(Yen)

	As of March 31, 2018	As of March 31, 2019
U.S. dollars	¥106.24	¥110.99
British pound	¥148.84	¥144.98

(2) Average rate for the quarter

For the fiscal year ended March 31, 2018

(Yen)

	Three-month period ended June 30, 2017	Three-month period ended September 30, 2017	Three-month period ended December 31, 2017	Three-month period ended March 31, 2018
U.S. dollars	¥111.61	¥111.38	¥112.74	¥108.85
British pound	¥142.92	¥146.20	¥150.77	¥151.01

For the fiscal year ended March 31, 2019

(Yen)

	Three-month period ended June 30, 2018	Three-month period ended September 30, 2018	Three-month period ended December 31, 2018	Three-month period ended March 31, 2019
U.S. dollars	¥108.71	¥111.55	¥112.83	¥110.46
British pound	¥147.54	¥145.84	¥144.48	¥143.99

(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, British pound and Chinese yuan, which are the main foreign currencies of the Company, regarding the translation of assets, liabilities, and interests in net assets of foreign operations into the 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
U.S. dollar	¥(29,152)	¥(38,583)	$(347,626)
British pound	(36,114)	(36,275)	(326,831)
Chinese yuan	(18,850)	(20,625)	(185,828)

34. Equity

(1) Common stock

a. Shares authorized

The number of shares authorized to be issued is as follows:

(Thousands of shares)

	March 31, 2018	March 31, 2019
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, 2018	Fiscal year ended March 31, 2019
Balance at the beginning of the year	1,100,660	1,100,660
Increase during the year	–	–
Decrease during the year	–	–
Balance at the end of the year	1,100,660	1,100,660

Notes:
1. Shares issued by the Company is common stock 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, 2019

a. In August, 2018, SoftBank Corp. acquired Yahoo Japan Corporation shares mainly from Altaba Inc. for ¥221.0 billion (ownership percentage 10.78%). In addition, Yahoo Japan Corporation acquired its own shares from SoftBank Group Japan Corporation, a wholly-owned subsidiary of the Company, for ¥220.0 billion (ownership percentage 10.73%). As a result of the transaction, the ownership percentage in Yahoo Japan Corporation by the Company changed from 42.95% to 48.17%. Along with the transaction, ¥56,632 million ($510,244 thousand) was deducted from capital surplus as "Changes in interests in subsidiaries."

b. On December 19, 2018, a portion of SoftBank Corp. shares (ownership percentage 33.50%) held by SoftBank Group Japan Corporation, a wholly-owned subsidiary of the Company, was disposed of. As a result, the ownership percentage in SoftBank Corp. by the Company has changed from 99.99% to 66.49%.

Associated with this transaction, ¥1,221,363 million ($11,004,262 thousand), the amount equivalent to the gain on the disposal of interests in subsidiaries, was recorded in "Changes in interests in subsidiaries" under capital surplus.

(3) Other equity instruments

On July 19, 2017, the Company issued USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and USD-denominated Undated Subordinated Non-Call 10 years Resettable Notes (collectively, the "Hybrid Notes").

The Hybrid Notes are classified as equity instruments in accordance with IFRSs because the Company has the option to defer interest payments, the notes have no maturity date, and the Company has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

Payments of interest were completed on the interest payment dates, July 19, 2018 and January 22, 2019, and "Retained earnings" decreased by ¥16,087 million ($144,941 thousand) and ¥15,649 million ($140,995 thousand) (for the fiscal year ended March 31, 2018: decreased by ¥15,852 million on January 19, 2018), respectively, as "Distribution to owners of other equity instruments" in the consolidated statement of changes in equity.

In addition, accrued interest, which is not recognized as a distribution to owners of other equity instruments because the payment has not yet been determined, is ¥6,333 million ($57,059 thousand) as of March 31, 2019 (¥6,062 million as of March 31, 2018).

(4) 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.

(5) 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, 2018	Fiscal year ended March 31, 2019
Balance at the beginning of the year	11,378	11,162
Increase during the year*	4	36,713
Decrease during the year	(220)	(1,048)
Balance at the end of the year	11,162	46,827

Note:
* The number of shares of treasury stock acquired based on the resolution passed at the Board of Directors' meeting for the fiscal year ended March 31, 2019 was 36,709 thousand and total acquisition cost was ¥384,068 million ($3,460,384 thousand).

(6) 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	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2017	¥ –	¥ 11,983	¥ –	¥ –	¥(44,877)	¥244,140	¥211,246
Other comprehensive income (attributable to owners of the parent)	7,438	51,717	–	–	(10,409)	65,405	114,151
Transfer to retained earnings	(7,438)	–	–	–	–	–	(7,438)
As of March 31, 2018	¥ –	¥ 63,700	¥ –	¥ –	¥(55,286)	¥309,545	¥317,959
Effect of retrospective adjustments due to adoption of new standards*	–	(63,700)	11,127	41	–	(5,296)	(57,828)
As of April 1, 2018 (after adjustments)	¥ –	¥ –	¥11,127	¥ 41	¥(55,286)	¥304,249	¥260,131
Other comprehensive income (attributable to owners of the parent)	(1,376)	–	(4,191)	226	9,495	24,882	29,036
Transfer to retained earnings	1,376	–	(275)	–	–	–	1,101
As of March 31, 2019	¥ –	¥ –	¥ 6,661	¥267	¥(45,791)	¥329,131	¥290,268

(Thousands of U.S. dollars)

	Remeasurements of defined benefit plan	Available-for-sale financial assets	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of March 31, 2018	$ –	$ 573,926	$ –	$ –	$(498,117)	$2,788,945	$2,864,754
Effect of retrospective adjustments due to adoption of new standards*	–	(573,926)	100,252	370	–	(47,716)	(521,020)
As of April 1, 2018 (after adjustments)	$ –	$ –	$100,252	$ 370	$(498,117)	$2,741,229	$2,343,734
Other comprehensive income (attributable to owners of the parent)	(12,398)	–	(37,760)	2,036	85,548	224,183	261,609
Transfer to retained earnings	12,398	–	(2,478)	–		–	9,920
As of March 31, 2019	$ –	$ –	$ 60,014	$2,406	$(412,569)	$2,965,412	$2,615,263

The above amount is presented net of the tax effect. The amount of income taxes on each item in other comprehensive income is described in “Note 45. Other comprehensive income.”

Note:
* In accordance with the adoption of IFRS 9, “Financial Instruments,” and IFRS 15, “Revenue from Contracts with Customers,” cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings and accumulated other comprehensive income. The details are described in “Note 4. Changes in Accounting Policies.”

35. 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, 2018

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Shareholders' meeting held on June 21, 2017	Common stock	¥22	¥23,964	March 31, 2017	June 22, 2017
Board of directors' meeting held on October 27, 2017	Common stock	22	23,969	September 30, 2017	December 11, 2017

For the fiscal year ended March 31, 2019

		Dividends per share		Total dividends			
Resolution	Class of shares	(Yen)	(USD)	(Millions of yen)	(Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 20, 2018	Common stock	¥22	$0.20	¥23,969	$215,956	March 31, 2018	June 21, 2018
Board of directors' meeting held on October 31, 2018	Common stock	22	0.20	23,982	216,074	September 30, 2018	December 10, 2018

Dividends which will become effective during the fiscal year ending March 31, 2020 are as follows:

		Dividends per share		Total dividends			
Resolution	Class of shares	(Yen)	(USD)	(Millions of yen)	(Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 19, 2019	Common stock	¥22	$0.20	¥23,184	$208,884	March 31, 2019	June 20, 2019

36. 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 resolved at the Company's shareholders' meeting or Board of Directors' meeting. Share-based payment awards are accounted for as equity-settled share-based payments and cash-settled share-based payments. Expense and liability amounts recognized from share-based payment awards are as follows:

Expense arising from share-based payment

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Equity-settled	¥27,844	¥27,593	$248,608
Cash-settled	4,979	5,798	52,239
Total	¥32,823	¥33,391	$300,847

Liability arising from share-based payment

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Liability arising from share-based payment	¥10,536	¥12,246	$110,334
Liability vested in the above	76	91	820

(1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share-based payments and cash-settled share-based payments. The details of the Company's stock option plan for the years ended March 31, 2018 and 2019 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 Stock Acquisition Rights[1]	August 27, 2010	June 30, 2017
2016 July Stock Acquisition Rights[2]	July 28, 2016	July 31, 2022
2017 February Stock Acquisition Rights[2]	February 27, 2017	February 28, 2023
2017 July Stock Acquisition Rights[2]	July 28, 2017	July 31, 2023
2018 August Stock Acquisition Rights[3]	August 31, 2018	August 31, 2025

Notes:

1.Vesting condition

A person entitled to the vested stock acquisition rights ("entitled person") is able to exercise these rights only when all of the following conditions are satisfied:

i. total free cash flows in the consolidated statement of cash flows for the years ended in March 2010, 2011 and 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on the Financial Instruments and Exchange Act exceed ¥1.0 trillion;
ii. net interest-bearing debt in the consolidated balance sheet for the year ended in March 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on the Financial Instruments and Exchange Act is less than ¥0.97 trillion; and,
iii. total operating income in the consolidated statement of income for the years ended in March 2011 and 2012 in the Annual Securities Report filed by SoftBank Group Corp. based on the 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 through June 30, 2013: 25% of the allocated amount of stock acquisition rights
b. from July 1, 2013 through 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 through 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 through 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

Stock options vest when the service period requirements are met, and the vesting period is 2 years.
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

Stock options vest when the service period requirements are met, and the vesting period is 3 years.
If the Number of exercisable stock acquisition rights

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "a" through "d" below when the number of shares granted by the stock acquisition rights initially allotted is over 400. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

a. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights
b. from September 1, 2022 through August 31, 2023: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" above
c. from September 1, 2023 through August 31, 2024: 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 September 1, 2024 through August 31, 2025: 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.

(b) Sprint

Sprint 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
2007 Omnibus Incentive Plan	From March 26, 2008 through May 31, 2015	From March 26, 2018 through May 31, 2025
2015 Omnibus Incentive Plan	From August 25, 2015 through January 30, 2018	From August 25, 2025 through January 30, 2028

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) SoftBank Corp.

SoftBank Corp. grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by SoftBank Corp.

Year issued / Name	Grant date	Due date for exercise
2018 March Stock Acquisition Rights*	March 30, 2018	March 31, 2025

Note:
* Vesting condition
In case the common stock of SoftBank Corp. are newly listed on the financial instruments market established by the financial instruments exchange by March 31, 2020, an entitled person is able to exercise these rights.
Also, the number of these rights which an entitled person is able to exercise is as follows:

i. where the total number of shares granted by the stock acquisition rights initially allotted is from 3,000 to less than 12,000 shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
   a. up to 30% of the total allotted rights is exercisable from April 1, 2020 to March 31, 2021.
   b. up to 60% of the total allotted rights including the rights exercised during the period of (a) is exercisable from April 1, 2021 to March 31, 2022.
   c. up to 100% of the total allotted rights including the rights exercised during the period of (a) and (b) is exercisable from April 1, 2022 to March 31, 2025.
ii. where the total number of shares granted by the stock acquisition rights initially allotted is 12,000 or more shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
   a. up to 20% of the total allotted rights is exercisable from April 1, 2020 to March 31, 2021.
   b. up to 40% of the total allotted rights including the rights exercised during the period of (a) is exercisable from April 1, 2021 to March 31, 2022.
   c. up to 60% of the total allotted rights including the rights exercised during the period of (a) and (b) is exercisable from April 1, 2022 to March 31, 2023.
   d. up to 80% of the total allotted rights including the rights exercised during the period of (a), (b), and (c) is exercisable from April 1, 2023 to March 31, 2024.
   e. up to 100% of the total allotted rights including the rights exercised during the period of (a), (b), (c), and (d) is exercisable from April 1, 2024 to March 31, 2025.

When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

(d) 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.

Year issued / Name	Grant date	Due date for exercise
2007 [1]	From May 8, 2007 through February 13, 2008	From April 24, 2017 through January 30, 2018
2008 [1]	From May 9, 2008 through February 10, 2009	From April 25, 2018 through January 27, 2019
2009 [1]	From May 12, 2009 through February 10, 2010	From April 28, 2019 through January 27, 2020
2010 [1]	From May 11, 2010 through February 8, 2011	From April 27, 2020 through January 25,2021
2011 [1]	From June 3, 2011 through February 17, 2012	From May 20, 2021 through February 3, 2022
2012		
1st [1]	May 16, 2012	May 2, 2022
2nd [2]	March 1, 2013	February 28, 2023
2013		
1st [3]	May 17, 2013	May 16, 2023
2nd [4]	November 19, 2013	November 18, 2023
2014		
1st [4]	May 26, 2014	May 25, 2024

Notes:
1. Vesting condition
Rights are mainly starting to vest in stages after 2 years from the grant date. One-half of the total grant vests after 2 years from the grant date, and one fourth grant vests per year for the 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 in March 2014 through the fiscal year ending in 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 in March 2014 through the fiscal year ending in 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 in March 2015 through the fiscal year ending in 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 fair value measurement at the measurement date of the stock options granted during the period are as follows:

(a) SoftBank Group Corp.

The weighted-average fair value at the measurement date of the stock options granted during the period is ¥10,103 ($91.03) (for the fiscal year ended March 31, 2018: ¥2,281).

Fair value is measured as follows:

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	
Year issued / Name	2017 July stock acquisition rights	2018 August stock acquisition rights	
Valuation method used	Black-Scholes model	Black-Scholes model	
	(Yen)	(Yen)	(USD)
Key inputs and assumptions:			
Weighted-average stock price. . .	¥9,168	¥10,300	$92.80
Weighted-average exercise price. . .	¥9,582	¥1	$0.01
Volatility of stock price*	35.40%	33.89 – 36.54%	
Estimated residual period	4 years	3 – 6 years	
Estimated dividend	¥44/per share	¥44/ per share	$0.40/ per share
Risk-free interest rate.	(0.07)%	(0.09) – (0.03)%	

Note:
* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(b) Sprint

For the fiscal year ended March 31, 2018

The weighted-average fair value at the measurement date of the stock options granted during the period is $3.98.

Fair value is measured as follows:

	Fiscal year ended March 31, 2018
Year issued / Name	2015 Omnibus Incentive Plan
Valuation method used	Black-Scholes model
	(USD)
Key inputs and assumptions:	
Weighted-average stock price	$7.96
Weighted-average exercise price. . . .	$7.96
Volatility of stock price*	50.85%
Estimated residual period	6 years
Estimated dividend	–
Risk-free interest rate	2.02%

Note:
* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(c) SoftBank Corp.

For the fiscal year ended March 31, 2018

The weighted-average fair value at the measurement date of the stock options granted during the period is ¥79.

Fair value is measured as follows:

	Fiscal year ended March 31, 2018
Year issued / Name	2018 August stock acquisition rights
Valuation method used	Black-Scholes model
	(Yen)
Key inputs and assumptions:	
Weighted-average stock price . . .	¥623
Weighted-average exercise price. .	¥623
Volatility of stock price*	24.32%
Estimated residual period	5 years
Estimated dividend	¥22/ per share
Risk-free interest rate.	(0.10)%

Notes:
1. Volatility of the stock price is calculated based on the performance of the stock price of comparable peer companies for the most recent period depending on the period to maturity.
2. Estimated dividend is calculated based on average value of most recent estimated dividend rate of comparable peer companies.

c. Changes in stock options during the period and the condition of stock options at the period end

Such changes during the period and at the period end are as follows:

(a) SoftBank Group Corp.

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	(USD)
Beginning balance – Unexercised	4,586,400	¥6,040	9,192,000	¥8,031	$72.36
Granted	5,002,000	9,582	719,700	1	0.01
Forfeited	(169,000)	7,212	(82,700)	7,146	64.38
Exercised	(220,100)	2,625	(1,048,400)	6,159	55.49
Matured	(7,300)	2,625	–	–	–
Ending balance – Unexercised	9,192,000	8,031	8,780,600	7,604	68.51
Ending balance – Exercisable	–	¥ –	3,184,000	¥6,241	$56.23

The unexercised options as of March 31, 2019 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)
¥ 1	$ 0.01	702,100	¥ 1	$ 0.01	6.4
6,159	55.49	3,089,000	6,159	55.49	3.3
8,891	80.11	95,000	8,891	80.11	3.9
9,582	86.33	4,894,500	9,582	86.33	4.3
Total		8,780,600	¥7,604	$68.51	4.1

(b) Sprint

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Number of shares	Weighted-average exercise price (USD)	Number of shares	Weighted-average exercise price (USD)
Beginning balance – Unexercised	37,179,286	$4.57	29,303,089	$5.09
Granted	3,438,907	7.96	–	–
Forfeited	(2,370,908)	4.92	(1,347,641)	5.23
Exercised	(8,236,014)	3.90	(5,584,169)	3.87
Matured	(708,182)	5.92	(367,820)	7.14
Ending balance – Unexercised	29,303,089	5.09	22,003,459	5.36
Ending balance – Exercisable	18,206,235	$5.14	18,009,705	$5.35

The unexercised options as of March 31, 2019 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	1,175,758	$2.06	3.16
3.01 – 4.00	5,630,173	3.45	6.15
4.01 – 5.00	6,171,562	4.73	5.91
5.01 – 6.00	3,195,287	5.59	5.64
6.01 – 7.00	535,168	6.20	7.51
7.01 – 10.00	5,295,511	8.64	6.47
Total	22,003,459	$5.36	5.96

(c) SoftBank Corp.

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance – Unexercised	–	¥ –	120,002,300	¥623	$5.61
Granted	120,002,300	623		–	–
Forfeited	–	–	(2,226,200)	623	5.61
Exercised	–	–	–	–	–
Ending balance – Unexercised	120,002,300	623	117,776,100	623	5.61
Ending balance – Exercisable	–	¥ –	–	¥ –	$ –

Of the ending balance exercisable, the weighted-average exercise price as of March 31, 2019 was ¥623 ($5.61) and the weighted average remaining contract period was 6 years.

(d) Yahoo Japan Corporation

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance – Unexercised	61,255,300	¥429	55,987,100	¥430	$3.87
Granted	–	–	–	–	–
Forfeited	(4,500,400)	430	(8,171,800)	420	3.78
Exercised	(483,700)	341	(86,100)	306	2.76
Matured	(284,100)	438	(483,000)	424	3.82
Ending balance – Unexercised	55,987,100	430	47,246,200	431	3.88
Ending balance – Exercisable	1,997,100	¥334	1,393,200	¥305	$2.75

The unexercised options as of March 31, 2019 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	$1.81 – $2.70	580,600	¥272	$2.45	2.3
301 – 400	2.71 – 3.60	18,802,600	324	2.92	3.8
401 – 500	3.61 – 4.50	9,023,000	493	4.44	4.4
501 – 600	4.51 – 5.41	18,840,000	514	4.63	4.6
Total		47,246,200	¥431	$3.88	4.2

d. Stock options exercised during the period

Weighted-average stock prices at the date exercised, for those stock options that were exercised during the period are as follows:

(a) SoftBank Group Corp

Fiscal year ended March 31, 2018			Fiscal year ended March 31, 2019			
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 Stock Acquisition Rights	220,100	¥8,711	2016 – July Stock Acquisition Rights	1,048,400	¥9,562	$86.15

(b) Sprint

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019		
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	6,291,429	$7.20	2007 Omnibus Incentive Plan	3,730,482	$6.12
2015 Omnibus Incentive Plan	1,944,585	$7.21	2015 Omnibus Incentive Plan	1,853,687	$5.98

(c) Yahoo Japan Corporation

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019			
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)
2007	139,500	¥499	2008	17,700	¥444	$4.00
2008	58,700	515	2009	18,100	429	3.87
2009	50,500	505	2010	5,300	481	4.33
2010	70,700	504	2011	30,000	364	3.28
2011	94,800	508	2012	15,000	387	3.49
2012	69,500	521				

(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 is accounted for as equity-settled share-based payment.

The details of the Company's RSU plans for the years ended March 31, 2018 and 2019 are as follows:

a. Sprint

Sprint grants shares of Sprint Corporation as RSUs to its directors, employees and other service providers.

The fair value of the RSU is generally measured based on the closing price of the stock on the date of grant.

An RSU generally has performance and service requirements or service requirements only, with vesting periods ranging from one to three years.

During the fiscal year ended March 31, 2018, Sprint granted performance-based RSUs that will be earned upon the achievement of certain market conditions, which are based on the Sprint share price. The fair value of these market-based RSUs is estimated at the date of grant using the Monte Carlo valuation methodology, which incorporates into the valuation the possibility that the market condition may not be satisfied. Former market-based RSUs vested 50% over four years from the grant date and 50% over five years from the grant date, however the vesting schedule was modified during the fiscal year ended March 31, 2018. The market-based RSUs will vest one-third over two years from the grant date, one-third over three years from the grant date, and one-third over four years from the grant date.

The number of RSUs granted for the fiscal year ended March 31, 2019 was 17,016,199 units. The weighted-average fair value of RSUs granted for the fiscal year ended March 31, 2019 was $5.35 per unit.

b. Galaxy Investment Holdings, Inc.

Galaxy Investment Holdings, Inc. grants shares of Sprint Corporation as RSUs with cash option to its directors. For the RSUs settlement, Galaxy Investment Holdings, Inc. holds the option to settle cash in lieu of Sprint Corporation, and the RSU system is accounted for as an equity-settled share-based compensation. The fair value of RSUs is measured at the grant date.

The RSUs will be entitled to 1/4 of the total number of grants over a 4 year period. It requires one to have continued employment from the grant date through the vesting date.

(3) Phantom stock

The Company adopts phantom stock awards where the Company pays 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, 2018 and 2019 are as follows:

SoftBank Group Corp., SB Group US, Inc., SoftBank Holdings, Inc., and SB Investment Advisers (UK) Limited granted phantom stock, which is based on the shares of SoftBank Group Corp., to their directors, employees, and other service providers. The plan requires one to have continued employment from the grant date through the vesting date. The amount of settlement at the vesting date is determined based on the share per unit. The details of vesting conditions are as follows:

The number of units and vesting conditions as of March 31, 2019

unit	Vesting condition
740,691	It vests fully when five years pass from the first date of the service period.
1,553,026	Vesting periods are mainly four or six years from the first date of service, or service provided, and vests over those periods.

37. Net sales

(1) Breakdown of net sales

The components of net sales are as follows.

In accordance with the adoption of IFRS 15, "Revenue from Contracts with Customers," cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings at the date of initial application. Accordingly, comparative information for the fiscal year ended March 31, 2018 has not been restated.

	(Millions of yen) Fiscal year ended March 31, 2019	(Thousands of U.S. dollars) Fiscal year ended March 31, 2019
SoftBank segment		
Telecommunications		
Retail consumer		
Telecom service revenue		
Wireless telecom services	¥1,591,009	$14,334,706
Broadband services	361,076	3,253,230
Products and other sales	690,759	6,223,615
Business	615,452	5,545,112
Distribution	377,051	3,397,162
Other	67,667	609,667
Total	3,703,014	33,363,492
Sprint segment		
Telecom service revenue		
Wireless	2,299,721	20,720,074
Wireline	113,230	1,020,182
Other	109,110	983,062
Products and other sales	442,098	3,983,224
Other	569,675	5,132,669
Total	3,533,834	31,839,211
Yahoo Japan segment		
Advertising	323,272	2,912,623
Business	396,827	3,575,340
Personal	201,792	1,818,110
Other	1,648	14,848
Total	923,539	8,320,921
Arm segment		
License revenue	60,823	548,004
Royalty revenue	122,725	1,105,730
Other	19,068	171,800
Total	202,616	1,825,534
Brightstar segment		
Products and other sales	371,580	3,347,869
Service revenue	685,987	6,180,620
Total	1,057,567	9,528,489
Other	181,666	1,636,778
Total	¥9,602,236	$86,514,425

The above amount of net sales includes ¥697,319 million ($6,282,719 thousand) of revenue from other withholdings, excluding those arising from IFRS 15 (mainly from lease transactions in the Sprint business.)

(2) Contract balance

The components of contract balances are as follows:

	(Millions of yen) As of April 1, 2018	(Millions of yen) As of March 31, 2019	(Thousands of U.S. dollars) As of March 31, 2019
Receivables arising from contracts with customers	¥1,312,989	¥1,336,584	$12,042,382
Contract assets	72,484	140,586	1,266,655
Contract liabilities	253,101	274,252	2,470,961

Contractual assets generally increase when the Company transfers goods or services to a customer (excluding claims for which the right to remuneration is unconditional) before the customer pays the consideration or before the payment becomes due and decrease when the Company bills the customer.

Contractual liabilities generally increase when the Company receives consideration from a customer prior to the transfer of goods or services to the customer and decrease when the Company meets its performance obligations.

For the year ended March 31, 2019, impairment loss on receivables related to revenue from contracts with customers was ¥58,964 million ($531,255 thousand).

Of the amount of net sales recognized for the year ended March 31, 2019, ¥203,478 million ($1,833,300 thousand) was included in the beginning balance of contract liabilities as of that date.

(3) Transaction price allocated to residual performance obligation in the contract

The total amounts of the transaction price allocated to residual performance obligation in the contract and the period during which the transaction prices are expected to be recognized as revenue are as follow:

	(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2019	As of March 31, 2019
Within 1 year	¥629,155	$5,668,574
1 to 2 years	126,191	1,136,958
Over 2 years	43,182	389,062
Total	¥798,528	$7,194,594

The Company applies practical expedients and the above amount does not include the transaction prices allocated to residual performance obligation of which the consideration received from customers is at an amount that directly corresponds to the transaction values and service delivery contracts with an original expected duration of one year or less.

38. 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, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Cost of goods sold	¥(2,507,904)	¥(2,640,619)	$(23,791,504)
Depreciation and amortization	(1,585,873)	(1,694,187)	(15,264,321)
Employees and directors benefit cost	(686,909)	(827,543)	(7,456,014)
Sales commissions and sales promotion expenses	(1,012,653)	(692,489)	(6,239,202)
Operating lease expenses	(493,471)	(469,159)	(4,227,038)
Telecommunications equipment usage fees	(437,421)	(423,015)	(3,811,289)
Service outsourcing expenses	(308,036)	(326,477)	(2,941,499)
Amortization of contract acquisition cost and contract performance cost	–	(264,720)	(2,385,080)
Other	(1,097,088)	(1,242,333)	(11,193,199)
Total	¥(8,129,355)	¥(8,580,542)	$(77,309,146)

"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.

The operating costs, which are included in "Operating income from SoftBank Vision Fund and Delta Fund" in the consolidated statement of income, are included in the amounts above. Details are described in "Note 7. SoftBank Vision Fund and Delta Fund business."

39. Gain relating to loss of control over subsidiaries

On June 26, 2018, Arm Limited, a British subsidiary of the Company, sold a 51% equity interest in its Chinese subsidiary, Arm Technology (China) Co., Ltd. ("Arm China"), for $845 million to entities representing certain institutional investors and certain of Arm's ecosystem partners in order to form a joint venture for Arm's semiconductor technology IP business in China.

As a result of the transaction, Arm China is no longer considered a subsidiary of the Company and has become an associate accounted for using the equity method. Gain relating to loss of control over subsidiaries arising from the transaction is ¥176,261 million ($1,588,080 thousand).

40. Other operating loss

The components of other operating income and loss are as follows:

	(Millions of yen)		(Thousands of U.S. dollar)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
SoftBank segment			
Write-down of inventories[1]	¥(13,754)	¥ –	$ –
Gain on remeasurement of spectrum migration costs	4,044	–	–
Other	–	(81)	(730)
Sprint segment			
Loss on disposal of property, plant and equipment[2]	(95,213)	(126,169)	(1,136,760)
Legal reserves[3]	40,159	(8,309)	(74,863)
Reversal of favorable lease	–	(3,810)	(34,327)
Gain and loss on contract termination[4]	(24,411)	10,800	97,306
Gain on spectrum license exchange[5]	53,435	–	–
Other	(4,996)	(60)	(541)
Yahoo Japan segment			
Gain from remeasurement relating to business combination	372	3,751	33,796
Insurance income[6]	4,973	–	–
Other	4,719	(6,669)	(60,086)
Brightstar segment			
Impairment loss on goodwill[7]	(43,128)	–	–
Impairment loss on non-current assets[7]	(7,369)	–	–
Company-wide			
Expenses resulting from resignation of director	(1,577)	–	–

	(Millions of yen)		(Thousands of U.S. dollar)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Other			
Loss on liquidation of a subsidiary[8]	–	**(14,842)**	**(133,724)**
Income and loss on equity method investments at Fortress	14,953	**(1,473)**	**(13,271)**
Acquisition-related costs[9]	(6,123)	**–**	**–**
Other	(3,788)	**–**	**–**
Total	¥(77,704)	**¥(146,862)**	**$(1,323,200)**

Notes:

1. As a result of revising the business plan in the sports content distribution services, the net realizable value of inventories was less than its carrying amount and, therefore, a write-down of inventories was recognized.
2. For the fiscal year ended March 31, 2018, ¥40,805 million of loss related to cell site construction costs that are no longer expected to be used as a result of changes in Sprint's network plans, and ¥55,108 million of loss resulting from the write-off of leased devices related to lease cancellations prior to the end of the scheduled customer lease terms where customers did not return the devices to Sprint were recognized.
   For the fiscal year ended March 31, 2019, ¥54,744 million ($493,234 thousand) of loss related to cell site construction costs that are no longer expected to be used as a result of changes in Sprint's network plans, and ¥71,425 million ($643,526 thousand) of loss resulting from the write-off of leased devices related to lease cancellations prior to the end of the scheduled customer lease terms where customers did not return the devices to Sprint were recognized.
3. Primarily, net benefits in litigation associated with legal settlements for patent infringement lawsuits for the fiscal year ended March 31, 2018.
4. For the fiscal year ended March 31, 2018, a loss primarily resulting from termination of network contracts was recognized.
5. Gain on spectrum license exchange recognized due to exchange of certain spectrum recorded as FCC license in intangible assets.with other carriers (non-monetary transaction)
6. Insurance proceeds related to a fire incident that occurred at a logistics center of ASKUL Corporation (ASKUL Logi PARK Tokyo Metropolitan) in February 2017.
7. The goodwill of Brightstar is allocated to the entire Brightstar entity, which is made up of four cash-generating units (Brightstar's US & Canada, Latin America, Asia & Oceania, and Europe & Africa units). Intangible assets with indefinite useful lives other than goodwill are allocated to these cash-generating units (Brightstar's US & Canada, Asia & Oceania, and Europe & Africa).
   The business plan of Brightstar was revised during the fiscal year ended March 31, 2018, and indicators of impairment were identified at all of the cash-generating units and the cash-generating unit groups. This included impairment indicators where intangible assets with indefinite useful lives were allocated as well as the entire Brightstar entity where goodwill is allocated. Therefore, an impairment test was conducted on these cash-generating units and the entire Brightstar entity. As a result of the impairment test, an impairment loss was recognized because the recoverable amounts of Brightstar (the entire entity) and Brightstar's Europe & Africa cash-generating unit were less than the carrying amounts. Impairment losses on goodwill, intangible assets, and property, plant and equipment were ¥43,128 million, ¥6,717 million, and ¥652 million, respectively.
   Fair value less disposal cost is used as the recoverable amount and measured using the income approach and the market approach. Under the income approach, fair value is measured by discounting cash flows which are estimated based on business plans for the next 10 years while taking into account future cash flows that market participants would expect to receive in accordance with their assumptions, discounted to the present value using a post-tax discount rate of 10.5-11%. The cash flows from after 10 years are assumed on the basis of a 3% growth rate. Under the market approach, EV/EBITDA of similar companies which are comparable to Brightstar Global Group Inc. are used. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.
8. This is due to the realization of a foreign currency translation adjustment resulting from the liquidation of Kahon 2 Oy for the year ended March 31, 2019.
9. Amounts represent expenses arising from the business combination of Fortress. Details of the business combination are described in "(1) Fortress" in "Note 8. Business combinations."

41. Finance cost

The components of finance cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Interest expense*	¥(516,132)	**¥(633,769)**	**$(5,710,145)**

Note:
* Interest expense was mainly from financial liabilities measured at amortized cost.

42. Derivative gain (loss)

For the fiscal year ended March 31, 2018

A derivative loss of ¥604,156 million was recorded related to a collar transaction included in a variable prepaid forward contract.

For the fiscal year ended March 31, 2019

Derivative gain of ¥2,876 million ($25,912 thousand) was recorded in relation to a collar transaction embedded in a variable prepaid forward contract for Alibaba shares. The details of the variable prepaid forward contract are described in "(2) Transaction for sale of Alibaba shares by variable prepaid forward contract" under "Note 23. Interest-bearing debt."

In addition, derivative gain of ¥177,373 million ($1,598,099 thousand) was recorded in SoftBank Vision Fund. The details are described in "b. Income and loss arising from the SoftBank Vision Fund and Delta Fund business" in "(1) Income and loss arising from the SoftBank Vision Fund and Delta Fund business included in the consolidated statement of income" under "Note 7. SoftBank Vision Fund and Delta Fund business."

43. Gain (loss) from financial instruments at FVTPL

For the fiscal year ended March 31, 2018

Gain and loss from financial instruments at FVTPL mainly consists of changes in fair value of preferred stock investments, including embedded derivatives.

For the fiscal year ended March 31, 2019

Gain and loss from financial instruments at FVTPL mainly consists of dividend income, interest income, and changes in fair value of financial assets.

44. Other non-operating income

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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Dilution gain from changes in equity interest[1]	¥ 45,186	**¥ 44,068**	**$ 397,045**
Interst income	19,341	**32,404**	**291,954**
Gain from remeasurement relating to discontinuing the use of the equity method[2]	–	**24,842**	**223,822**
Impairment loss on equity method investments[3]	(5,982)	**(55,292)**	**(498,171)**
Loss on redemption of corporate bonds	(7,293)	**(14,538)**	**(130,985)**
Loss on exchange of corporate bonds[4]	(19,809)	**–**	**–**
Loss on sales of cryptcurrency[5]	(18,890)	**–**	**–**
Other	4,982	**1,196**	**10,776**
Total	¥ 17,535	**¥ 32,680**	**$ 294,441**

Notes:

1. Mainly, dilution gain arising from changes in Alibaba's equity interest held by the Company due to the exercise of stock options and the allocation of new shares to a third party in Alibaba.
2. Gain from remeasurement relating to discontinuing the use of the equity method was recorded for ¥21,903 million related to PT Tokopedia in Indonesia, previously accounted for by the equity method. In September 2018, a voting proxy deed was entered into between the Company and a shareholder of PT Tokopedia. As a result, the number of voting rights in PT Tokopedia exercisable by the Company decreased and the Company had no significant influence over PT Tokopedia. Consequently, PT Tokopedia was no longer qualified as an equity method associate and equity interests in PT Tokopedia, continuously held by the Company on the date the use of the equity method was discontinued, was remeasured. All investments in PT Tokopedia were subsequently transferred from the Company to SoftBank Vision Fund in the three-month period ended December 31, 2018.
   As a result of the discontinuing the use of the equity method for PT Tokopedia, and subsequent to the transfer of PT Tokopedia shares to SoftBank Vision Fund, ¥21,903 million ($197,342 thousand) arising from the difference between the carrying amount before discontinuing the use of the equity method and the transferred amount was recorded as "Gain from remeasurement relating to discontinuing the use of the equity method," and ¥67,306 million ($606,415 thousand) arising from the difference between the transferred amount and the fair value on the date of discontinuing the use of the equity method was recorded as "Operating income from SoftBank Vision Fund and Delta Fund" in the consolidated statement of income for the fiscal year ended March 31, 2019.
3. In regard to the investment in OneWeb Global Limited, its business results and recent business plan resulted less than at the initial investment by the Company, and therefore, an impairment test was conducted, and ¥49,549 million ($446,428 thousand) of impairment loss was recognized for the fiscal year ended March 31, 2019. Fair value less disposal cost measured using the income approach was used as the recoverable amount of investment in OneWeb Global Limited.
   Under the income approach, fair value is measured by discounting cash flows which are estimated based on business plans for the next 10 years while taking into account future cash flows that market participants would expect to receive in accordance with their assumptions, discounted to the present value using a post-tax discount rate of 21.0%.
   The cash flows from after 10 years are assumed on the basis of the growth rate of 18.5% on the 11th year, then to decrease by about 1.3% per year from 12th to 19th year, and the growth rate of 6.5% on the 20th year. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.
4. On March 7, 2018, SoftBank Group Corp. announced an exchange offer with respect to newly-issued notes (the "Exchange Notes") or a consent solicitation for an amendment of terms and conditions to the bondholders of foreign-currency-denominated senior notes issued in 2015 (the "Existing Notes"). Issuance of the Exchange Notes to the bondholders who tendered for exchange of the Existing Notes to the Exchange Notes was completed on April 3, 2018; however, under requirements of IFRSs, the extinguishment of the Existing Notes and the exchange to the Exchange Notes was considered to be satisfied on March 22, 2018, the exchange decision date. As a result, SoftBank Group Corp. derecognized the Existing Notes and recognized the Exchange Notes. Also, the difference between the carrying amount of the Existing Notes and face value of the Exchange Notes was recognized as a loss.
5. Loss arising from sales of all bitcoin held by Fortress. The amount of loss represents the difference between the sales price and the fair value of bitcoin which was recognized in the consolidated statement of financial position at the acquisition date.

45. Other comprehensive income

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, 2018

(Millions of yen)

	Amount arising 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	¥ 295	¥ –	¥ 295	¥ 8,500	¥ 8,795
Total	295	–	295	8,500	8,795
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	73,620	(6,752)	66,868	(37,228)	29,640
Cash flow hedges	(49,062)	42,512	(6,550)	(3,132)	(9,682)
Exchange differences on translating foreign operations	43,148	(177)	42,971	(51)	42,920
Share of other comprehensive income of associates	19,815	217	20,032	15	20,047
Total	87,521	35,800	123,321	(40,396)	82,925
Total other comprehensive income	¥87,816	¥35,800	¥123,616	¥(31,896)	¥91,720

For the fiscal year ended March 31, 2019

(Millions of yen)

	Amount arising 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	¥ (2,094)	¥ –	¥ (2,094)	¥ 890	¥ (1,204)
Equity financial assets at FVTOCI	(5,934)	–	(5,934)	2,270	(3,664)
Total	(8,028)	–	(8,028)	3,160	(4,868)
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	1,775	(124)	1,651	(506)	1,145
Cash flow hedges	(10,312)	16,298	5,986	2,780	8,766
Exchange differences on translating foreign operations	11,491	16,470	27,961	(733)	27,228
Share of other comprehensive income of associates	15,536	–	15,536	(130)	15,406
Total	18,490	32,644	51,134	1,411	52,545
Total other comprehensive income	¥10,462	¥32,644	¥43,106	¥4,571	¥47,677

(Thousands of U.S. dollars)

	Amount arising 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	$ (18,867)	$ –	$ (18,867)	$ 8,019	$ (10,848)
Equity financial assets at FVTOCI	(53,464)	–	(53,464)	20,452	(33,012)
Total	(72,331)	–	(72,331)	28,471	(43,860)
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	15,992	(1,117)	14,875	(4,559)	10,316
Cash flow hedges	(92,909)	146,842	53,933	25,047	78,980
Exchange differences on translating foreign operations	103,532	148,391	251,923	(6,604)	245,319
Share of other comprehensive income of associates	139,977	–	139,977	(1,171)	138,806
Total	166,592	294,116	460,708	12,713	473,421
Total other comprehensive income	$ 94,261	$294,116	$388,377	$41,184	$429,561

46. 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, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Net income attributable to ordinary shareholders of the parent			
Net income attributable to owners of the parent	¥1,038,977	**¥1,411,199**	**$12,714,650**
Net income not-attributable to ordinary shareholders of the parent*	(21,914)	**(32,007)**	**(288,377)**
Net income used in the calculation of basic earnings per share	¥1,017,063	**¥1,379,192**	**$12,426,273**

	(Thousands of shares)	
Weighted-average number of ordinary shares	1,089,465	**1,087,561**

	(Yen)		(USD)
Basic earnings per share	¥933.54	**¥1,268.15**	**$11.43**

Note:
* Net income that is not attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.

(2) Diluted earnings per share

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Diluted net income attributable to ordinary shareholders of the parent			
Continuing operations			
Net income from continuing operations used in the calculation of basic earnings per share	¥1,017,063	**¥1,379,192**	**$12,426,273**
Effect of dilutive securities issued by subsidiaries and associates	(26,190)	**(10,221)**	**(92,090)**
Total	¥990,873	**¥1,368,971**	**$12,334,183**

	(Thousands of shares)	
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share		
Weighted-average number of ordinary shares	1,089,465	**1,087,561**
Adjustments:		
Stock acquisition rights	1,343	**1,923**
Total	1,090,808	**1,089,484**

	(Yen)		(USD)
Diluted earnings per share	¥908.38	**¥1,256.53**	**$11.32**

47. 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 flows regarding financing leases

For the purchase of telecommunication equipment through financing leases, the Company purchases, assembles, installs and inspects the equipment due to the nature of the equipment. Thereafter the Company sells the equipment to lease companies under a sale-leaseback arrangement and recognizes it as a leased 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 interest-bearing debt" under cash flows from financing activities.

(3) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2018

Payment of withholding income tax related to dividends within the group companies of ¥80,811 million is included in "Income taxes paid," and refund of the withholding income tax of ¥85,048 million is included in "Income taxes refunded."

For the fiscal year ended March 31, 2019

Refund of the withholding income tax of ¥87,094 million ($784,701 thousand) is included in "Income taxes refunded."

(4) Gain on investments at SoftBank Vision Fund and Delta Fund

Details of gain and loss on investments at SoftBank Vision Fund and Delta Fund are described in "(1) Income and loss arising from the SoftBank Vision Fund and Delta Fund business included in the consolidated statement of income" under "Note 7. SoftBank Vision Fund and Delta Fund business."

(5) Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors

For the fiscal year ended March 31, 2018

The distributions and repayments from SoftBank Vision Fund and Delta Fund to third-party investors are ¥20,918 million and ¥166,143 million respectively.

For the fiscal year ended March 31, 2019

The distributions and repayments from SoftBank Vision Fund and Delta Fund to third-party investors are ¥(267,400) million ($(2,409,226) thousand) and ¥(218,988) million ($(1,973,043) thousand) respectively. The details are described in "(2) Third-party interests in SoftBank Vision Fund and Delta Fund" under "Note 7. SoftBank Vision Fund and Delta Fund business."

(6) Proceeds from the partial sales of shares of subsidiaries to non-controlling interests

For the fiscal year ended March 31, 2019

¥2,349,832 million ($21,171,565 thousand) of proceeds received from sales of SoftBank Corp. shares is included in "Proceeds from the partial sales of shares of subsidiaries to non-controlling interests."

(7) Changes in liabilities arising from financing activities

Changes in liabilitieis arising from financing activities are as follows:

For the fiscal year ended March 31, 2018

(Millions of yen)

	Interest-bearing debt	Derivatives related to corporate bond	Third-party interests in SoftBank Vision Fund and Delta Fund
As of April 1, 2017	¥14,858,370	¥ 72,659	¥ –
(a) Changes arising from financing cash flows			
Decrease in short-term interest-bearing debt, net	(40,829)	–	–
Proceeds from interest-bearing debt	8,547,346	–	–
Repayment of interest-bearing debt	(6,003,188)	–	–
Contributions into SoftBank Vision Fund and Delta Fund from third-party investors	–	–	1,967,191
Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors	–	–	(187,061)
Other (Proceeds from cancellation)	–	14,591	–
(b) Changes arising from obtaining or losing control of subsidiaries or other business	19,351	–	–
(c) The effect of changes in foreign exchange rates	(323,386)	–	(95,833)
(d) Changes in fair values	(2,497)	51,941	–
(e) Changes in third-party interests in SoftBank Vision Fund and Delta Fund	–	–	160,382
(f) Other changes	(12,979)	–	–
As of March 31, 2018	¥17,042,188	¥139,191	¥1,844,679

For the fiscal year ended March 31, 2019

(Millions of yen)

	Interest-bearing debt	Derivatives related to corporate bond	Third-party interests in SoftBank Vision Fund and Delta Fund
As of April 1, 2018	¥17,042,188	¥139,191	¥1,844,679
(a) Changes arising from financing cash flows			
Decrease in short-term interest-bearing debt, net	(65,411)	–	–
Proceeds from interest-bearing debt	6,189,112	–	–
Repayment of interest-bearing debt	(7,128,379)	–	–
Contributions into SoftBank Vision Fund and Delta Fund from third-party investors	–	–	2,133,682
Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors	–	–	(486,388)
Other (Payments for cancellation)	–	(24,098)	–
(b) The effect of changes in foreign exchange rates	277,581	–	58,840
(c) Changes in fair values	–	377	–
(d) Changes in third-party interests in SoftBank Vision Fund and Delta Fund	–	–	586,152
(e) Non-cash transactions*	(621,938)	–	–
(f) Other changes	(8,047)	–	–
As of March 31, 2019	¥15,685,106	¥115,470	¥4,136,965

(Thousands of U.S. dollars)

	Interest-bearing debt	Derivatives related to corporate bond	Third-party interests in SoftBank Vision Fund and Delta Fund
As of April 1, 2018	$153,547,058	$1,254,086	$16,620,227
(a) Changes arising from financing cash flows			
Decrease in short-term interest-bearing debt, net	(589,350)	–	–
Proceeds from interest-bearing debt	55,762,789	–	–
Repayment of interest-bearing debt	(64,225,408)	–	–
Contributions into SoftBank Vision Fund and Delta Fund from third-party investors	–	–	19,224,092
Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors	–	–	(4,382,269)
Other (Payments for cancellation)	–	(217,119)	–
(b) The effect of changes in foreign exchange rates	2,500,955	–	530,139
(c) Changes in fair values	–	(3,397)	–
(d) Changes in third-party interests in SoftBank Vision Fund and Delta Fund	–	–	5,281,124
(e) Non-cash transactions*	(5,603,550)	–	–
(f) Other changes	(72,501)	–	–
As of March 31, 2019	$141,319,993	$1,040,364	$37,273,313

Note:
* Non-cash transactions are incurred by utilizing the NVIDIA shares for the repayment of borrowings. The details are described in "(8) Significant non-cash transactions."

(8) Significant non-cash transactions

Significant non-cash transactions and financing activities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Transfer of leased devices from inventories to property, plant and equipment	¥543,498	¥547,491	$4,932,796

Other than above, the Japan Net Bank, Limited has become a subsidiary of the Company for the fiscal year ended March 31, 2018 by appointing the majority of The Japan Net Bank, Limited's directors from Yahoo Japan Corporation, which is a subsidiary of the Company, and the transaction related to this business combination is classified as a non-cash transaction because the business combination is conducted without any cash outlay. The details are described in "(2) The Japan Net Bank, Limited" under "Note 8. Business combinations."

Also, in January 2019, SoftBank Vision Fund executed an early unwind of the collar transactions and elected to deliver the NVIDIA shares for the repayment of current portion of long-term borrowings. This transaction includes a non-cash transaction since long-term borrowings was settled with the NVIDIA shares and the remaining portion involved cash settlement. In the consolidated statements of cash flows for the fiscal year ended March 31, 2019, ¥2,634 million ($23,732 thousand) was recorded as “Other” in cash flows from financing activities, which is the net amount of the proceeds from disposal of shares of ¥466,270 million ($4,201,009 thousand), the proceeds from collar options settlement amount of ¥171,449 million ($1,544,725 thousand), loan repayment amount of ¥(621,938) million ($(5,603,550) thousand), and interest paid amount of ¥(13,147) million ($(118,452) thousand).

48. 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, 2018

(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 4 other companies)	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	¥11,487	¥ –
		Advance payment for temporary expense	236	23
		Payment for equipment usage*	46	–
		Guarantee deposits refunded	1	174

Note:
* Equipment usage fees are determined based on the ratio of usage.

For the fiscal year ended March 31, 2019

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
WeWork[1]	Associate	Lending of loans by convertible notes	¥111,550	¥108,992
		Advance payment for investment	165,690	166,485
Masayoshi Son (Son Asset Management LLC and 4 other companies)	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	11,487	–
		Advance payment for temporary expense	296	24
		Payment for equipment usage[2]	42	–
		Guarantee deposits refunded	–	174
Mistletoe Venture Partners, Inc. (“Mistletoe”)[3]	Related entity of which a close family member of Chairman & CEO of SoftBank Group Corp. holds more than one-half of the voting rights	Receipt of capital contribution from Mistletoe to a subsidiary[4]	75	75

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
WeWork[1]	Associate	Lending of loans by convertible notes	$1,000,000[2]	$1,000,000[2]
		Advance payment for investment	1,500,000[2]	1,500,000[2]
Masayoshi Son (Son Asset Management LLC and 4 other companies)	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	103,496	–
		Advance payment for temporary expense	2,667	216
		Payment for equipment usage[3]	378	–
		Guarantee deposits refunded	–	1,568
Mistletoe Venture Partners, Inc.[4]	Related entity of which a close family member of Chairman & CEO of SoftBank Group Corp. holds more than one-half of the voting rights	Receipt of capital contribution from the Company to its subsidiary[5]	676	676

Notes:
1. The Company and WeWork, an associate of the Company that develops office sharing services, entered into an agreement for the Company to acquire issued and to-be-issued share capital of WeWork in the fiscal year ended March 31, 2019. The total acquisition price is $6.0 billion. Of this amount, the Company invested $2.5 billion by March 31, 2019 and made a payment of $2.0 billion in April, 2019. Transaction price was determined based on negotiation with reference to the corporate valuation by a third-party valuation agency.
The impact of this agreement on the operating results as of March 31, 2020, has not been determined at present.
2. The amounts represent the original contract amounts recorded in U. S. Dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.
3. Equipment usage fees are determined based on the ratio of usage.
4. Taizo Son, relative of Chairman & CEO Masayoshi Son, holds over half of the voting rights of this company.
5. This represents the received amount of contribution to DEEPCORE TOKYO 1, and the terms and conditions of the transaction are determined as same as other limited liability union members.

In addition, the Company loaned a total of ¥22,220 million ($200,198 thousand), which was designated for use for the purchase of SoftBank Group Corp. shares in August 2018 to certain executives of the Company as a part of the incentive plan. The transactions between the Company and the related parties regarding this transaction were as follows.

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction (Millions of yen)	Balance at period-end (Millions of yen)
Marcelo Claure	Director	Lending of loans receivable (net of receipt)[6, 8, 9, 10]	¥11,109	¥11,109
		Interest receipt[6, 8, 9, 10]	213	213
Katsunori Sago	Director	Lending of loans receivable (net of receipt)[7, 8, 10]	5,554	5,554
		Interest receipt[7, 8, 10]	52	52
		Borrowing of loans payable[7]	3,000	3,000
		Interest payment[7]	27	27
Ken Miyauchi	Director	Lending of loans receivable (net of receipt)[7, 8, 10]	5,555	5,555
		Interest receipt[7, 8, 10]	52	52

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction (Thousands of U.S. dollars)	Balance at period-end (Thousands of U.S. dollars)
Marcelo Claure	Director	Lending of loans receivable (net of receipt)[6, 8, 9, 10]	$100,090	$100,090
		Interest receipt[6, 8, 9, 10]	1,919	1,919
Katsunori Sago	Director	Lending of loans receivable (net of receipt)[7, 8, 10]	50,041	50,041
		Interest receipt[7, 8, 10]	469	469
		Borrowing of loans payable[7]	27,029	27,029
		Interest payment[7]	243	243
Ken Miyauchi	Director	Lending of loans receivable (net of receipt)[7, 8, 10]	50,050	50,050
		Interest receipt[7, 8, 10]	469	469

6. The interest rate for the loan is 2.94% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2028, and the borrower is required to make a single payment at maturity. However, SoftBank Group Corp. and the borrower may agree to extend the term of the loan for an additional five-year period to May 31, 2033, and the borrower may prepay all or any portion of the loan at any time voluntarily. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then- outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.
7. The interest rates for the loans are the 1.45% of fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2023, and the borrowers are required to make a single payment at maturity. However, SoftBank Group Corp. and the borrowers may agree to extend the term of the loan for two additional five-year periods to May 31, 2033, and the borrowers may prepay all or any portion of the loans at any time voluntarily. Additionally, the borrowers may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then- outstanding principal amount of the loans, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rates for the deposits are the same as the rates for the loans.
8. The following assets of the borrower were pledged as collateral in the transactions.
• Shares of SoftBank Group Corp. purchased with the funds of loans, and all proceeds of the shares.
Also, when default occurs, SoftBank Group Corp. is entitled to receive future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan (such rights to receive the asset, “Additional Rights”).
9. When the fair value of the collateral assets is less than 70% of the then-outstanding principal amount before the maturity date, SoftBank Group Corp. may require the borrowers to create and procure a pledged and security interest over additional property.
10. Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and Additional Rights, from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Chairman & CEO of SoftBank Group Corp.

Other than the preceding, the Company loaned ¥5,555 million ($50,050 thousand) to a non-Director executive of the Company. The executive is not a related party who needs to be disclosed herein according to IAS 24.

The amount of the transactions between the Company and the executive recognized for the fiscal year ended March 31, 2019 and the outstanding balance were as follows.

For the fiscal year ended March 31, 2019

	(Millions of yen)		(Thousands of U.S. dollars)	
Nature of transaction	Amount of transaction	Balance at period-end	Amount of transaction	Balance at period-end
Lending of loans receivable (net of receipt) [7, 8, 10]	¥5,554	¥5,554	$50,041	$50,041
Interest receipt [7, 8, 10]	52	52	469	469

(2) Remuneration for executives

Remuneration for executives is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2019
Short-term benefits	¥2,411	¥5,455	$49,149
Share-based payments	3,755	3,979	35,850
Retirement benefits	16	34	306
Total	¥6,182	¥9,468	$85,305

Note:
Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors).

49. Contingency

(1) Lending commitments

The components of lending commitments are as follows.

The lending commitments that the Company is engaged in are mainly shopping and cashing credit limits provided to the credit card members in the Yahoo Japan segment, and the shopping limits in the card business have been included in the lending commitments since the three-month period ended June 30, 2018.

The amount of lending commitments which included the shopping limits in the card business as of March 31, 2018 was ¥3,254,111 million. Of that amount, funded and unfunded amounts were ¥252,624 million and ¥3,001,487 million, respectively.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Lending commitments	¥525,018	¥4,184,284	$37,699,649
Funded	91,650	327,376	2,949,599
Unfunded	¥433,368	¥3,856,908	$34,750,050

Due to the nature of the credit limits, that they are the maximum amounts which the credit card members are allowed to spend any time within the range but are not necessarily fully spent, and that the Company can arbitrarily increase or decrease the limits, the amounts included in outstanding unfunded balance are not expected to be funded in full amounts. Also, maturities of unfunded lending commitments are within 1 year because they are payable on demand.

Expected credit loss that could arise resulting from the execution of the above loan commitments are described in "b. Credit risk" in "(2) Financial risk management" under "Note 29. Financial instruments."

(2) Credit guarantees

Guarantees that the Company provides when loans are taken from affiliate financial institutions to individuals regarding the credit guarantee business are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2018	As of March 31, 2019	As of March 31, 2019
Total amount of financial guarantee contract	¥17,278	¥15,030	$135,418
Guarantee balance	10,039	7,810	70,367

Also, maturities of guarantee balance for credit guarantee are within 1 year because they are payable on demand.

Expected credit loss that could occur resulting from the performance of the above guarantee contract is not recorded since the significance of the amount is not expected.

(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. (herein after referred to as "JPiT"), claiming for payment of remuneration, for additional services provided in connection with the installation of telecommunication lines, 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, (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, for such additional services.

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. (herein after referred to as "NRI") as co-defendants.

In such lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance, 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 lawsuit (b) above with lawsuit (a) above was made on July 29, 2015. As a result of further assessments of the remuneration with respect to additional services provided in relation to lawsuit (a) above, SoftBank Corp. modified the amount of the claim from approximately ¥14.9 billion to approximately ¥20.4 billion on November 13, 2015. SoftBank Corp. further modified the amount of claim from approximately ¥20.4 billion to approximately ¥22.3 billion on October 12, 2016 and from approximately ¥22.3 billion to approximately ¥24.0 billion on September 7, 2017, due to the change of a purchase price of telecommunication line provided to JPiT.

b. Legal and administrative proceedings to which Sprint and its subsidiaries are party

(a) On April 22, 2019, a complaint was filed in federal court in New York against Sprint and two of Sprint's executive officers in their capacities as such. The lawsuit, entitled Meneses, et al. v. Sprint Corporation, et al., and purportedly brought on behalf of a class of Sprint shareholders, alleges that, between January 2019 and April 2019, the defendants violated federal securities laws and rules by failing to properly disclose that certain postpaid net subscriber additions were driven by free lines and included less valuable tablet and other non-phone devices, as well as prepaid to postpaid migrations. The plaintiff seeks damages and reasonable costs and attorneys' fees. Sprint believes the lawsuit is without merit.

(b) On April 19, 2012, the New York Attorney General filed a complaint alleging that Sprint Communications had 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 sought 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 required us to collect and remit the disputed taxes. Our petition for certiorari to the U.S. Supreme Court on grounds of federal preemption was denied. We previously paid the principal amount of tax at issue, under protest, while the suit was pending. On December 21, 2018, Sprint Communications and the State of New York settled the dispute, as well as an unrelated tax matter. As a result, Sprint recognized an additional $50 million of litigation expense during the year ended March 31, 2019. 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 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 us to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, we would be indemnified for monetary losses that we incur with respect to the actions of our suppliers or service providers.

(d) 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. During the three-month period ended September 30, 2018, we settled a state tax matter for which we had previously accrued $114 million, with no material impact on our financial position or results of operations upon final settlement.

c. Legal and administrative proceedings to which Brightstar Corp. 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. These mainly consist of administrative proceedings and lawsuits between tax authorities in Brazil and 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 $170 million.

50. Purchase commitments

The Company had commitments to purchase services and goods of ¥3,044,846 million ($27,433,517 thousand) as of March 31, 2019 (¥1,859,973 million as of March 31, 2018).

Purchase commitments are mainly outstanding contracts related to purchases of telecommunications equipment, connection with other telecommunications operators, investments, and purchases of mobile handsets.

The amount of this commitment includes $3.5 billion of outstanding commitments to WeWork, of which $2.0 billion was invested in April 2019. The details of the transactions with WeWork are described in "(1) Related party transactions and balances" under "Note 48. Related party transactions."

51. Additional information

Sprint's merger with T-Mobile US, Inc.

On April 29, 2018 (EST), Sprint and T-Mobile have entered into a definitive agreement to merge in an all-stock transaction at a fixed exchange ratio of 0.10256 T-Mobile shares for each Sprint share (or the equivalent of 9.75 Sprint shares for each T-Mobile share).

The transaction is subject to Sprint and T-Mobile shareholders approval, regulatory approvals and other customary closing conditions.

Upon completion of the transaction, the combined company is expected to become an equity method associate of the Company, and Sprint will no longer be a subsidiary of the Company.

Sprint and T-Mobile completed the Hart-Scott-Rodino filing with the DOJ on May 24, 2018. On June 18, 2018, the parties filed the merger applications with the FCC the merger applications, and on July 18, 2018, the FCC accepted the applications for filing. The Merger Transactions received clearance from the Committee on Foreign Investment in the United States on December 17, 2018.

(1) Purpose of Merger

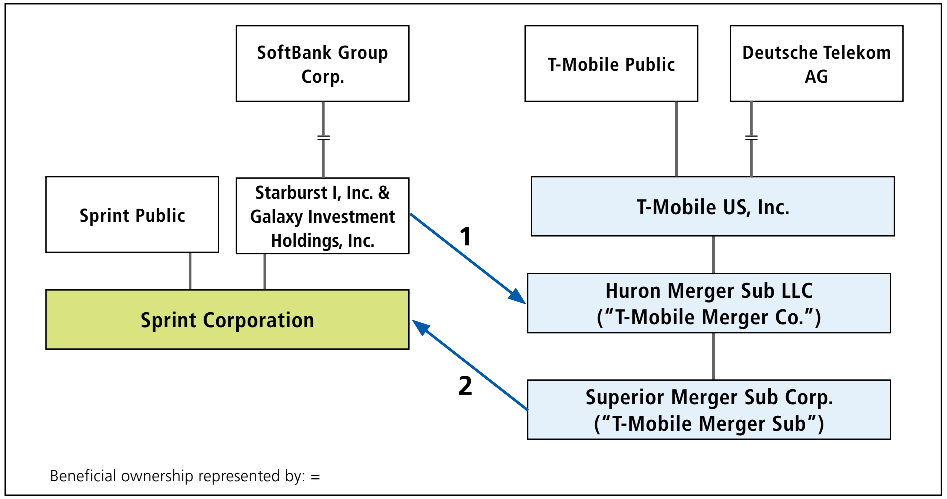
The Company assumes that the transaction will benefit the Company's shareholders by giving the Company an equity interest in a stronger and more competitive combined company that itself will benefit from significant expected synergies.

The Company assumes that the combined company ("New T-Mobile") will be a force for positive change in the U.S. wireless, video, and broadband industries, and will have lower costs, greater economies of scale, and the resources to provide U.S. consumers and businesses with lower prices, better quality, unmatched value, and greater competition.

(2) Transaction Details

The transaction is structured as an all-stock transaction involving two consecutive and related mergers.

a. Mergers



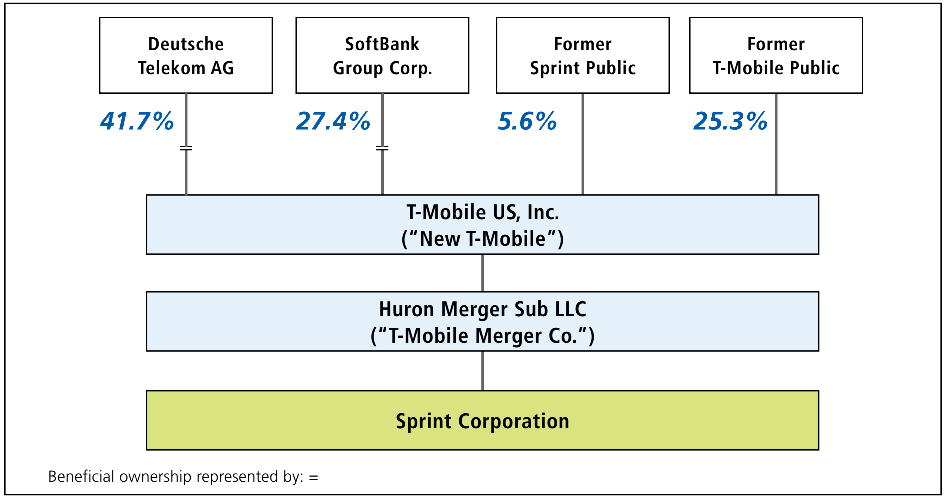
Following receipt of Sprint and T-Mobile shareholders and regulatory approvals and the satisfaction or waiver of the other closing conditions to the transaction, each of Starburst I, Inc. and Galaxy Investment Holdings, Inc. will merge with and into Huron Merger Sub LLC, a U.S. subsidiary owned directly by T-Mobile ("T-Mobile Merger Co."), with T-Mobile Merger Co. as the surviving company (the "HoldCo Mergers").

Immediately following the HoldCo Mergers, Superior Merger Sub Corp. ("T-Mobile Merger Sub"), a U.S. subsidiary owned directly by T-Mobile Merger Co., will merge with and into Sprint, with Sprint as the surviving company (such merger together with the HoldCo Mergers, the "Merger Transactions").

As a result of the Merger Transactions:

- Sprint will become an indirect wholly-owned subsidiary of New T-Mobile;
- The Company will beneficially own approximately 27.4% of the fully-diluted common stock of New T-Mobile;
- Each option to purchase Sprint common shares (other than under Sprint's employee stock purchase plan) will be converted into an option to purchase common stock of New T-Mobile.

b. Post-transaction



Post-closing, Deutsche Telekom AG ("Deutsche Telekom") and the Company are expected to hold approximately 41.7% and 27.4% of diluted economic ownership of the combined company, respectively, with the remaining approximately 30.9% held by the public.

The Board will consist of 14 directors: 9 nominated by Deutsche Telekom and 4 nominated by the Company.

Subject to certain exceptions, (i) New T-Mobile shares beneficially owned by the Company and its controlled affiliates will be subject to a proxy granted to Deutsche Telekom (pursuant to which the Company will exercise the voting rights in respect of the shares of T-Mobile held directly or indirectly by the Company as directed by Deutsche Telekom), in order to enable Deutsche Telekom to consolidate New T-Mobile into Deutsche Telekom's consolidated financial statements following the consummation of the Merger Transactions, certain transfer restrictions, and a right of first refusal in favor of Deutsche Telekom; and (ii) New T-Mobile shares beneficially owned by Deutsche Telekom and its controlled affiliates will be subject to a right of first refusal in favor of the Company and certain transfer restrictions. Furthermore, the Company and Deutsche Telekom (in each case, including certain of their respective affiliates) will be subject to certain non-compete restrictions until such time as their respective ownership in New T-Mobile has been reduced below an agreed threshold.

(3) About New T-Mobile

(a) Name	T-Mobile US, Inc.
(b) Headquarters	Bellevue, Washington Overland Park, Kansas (second headquarters)
(c) Name and title of representative	Chief Executive Officer John Legere
(d) Nature of business	Telecommunications
(e) Major shareholders and their approximate holdings*	Deutsche Telekom 41.7% The Company 27.4%

Note:
* This is an estimate based on fully diluted shares inclusive of the exercise of the Company's existing warrants to acquire shares of Sprint. Figures represent shares beneficially owned.

(4) Number of Shares Held by the Company Before and After the Merger Transactions[1]

(a) Number of shares of Sprint held before the Merger Transactions (as of April 25, 2018)	3,445,374,483 shares (number of voting rights: 3,445,374,483) (voting ratio: 83.0%)
(b) Number of shares of New T-Mobile held after the Merger Transactions[2]	353,357,607 shares (number of voting rights: 353,357,607)[3] (voting ratio: 27.4%)

Notes:
1. Figures represent shares beneficially owned and include warrants.
2. This is an estimate based on fully diluted shares assuming cash exercise of the Company's existing warrants to acquire shares of Sprint.
3. The Company's voting rights will be subject to proxy arrangements granted in favor of Deutsche Telekom.

52. Subsequent events

(1) Share split

The Company passed a resolution to conduct a share split and make a partial amendment of the articles of incorporation at the Board of Directors meeting held on May 9, 2019.

a. Purpose of the share split

The Company will conduct the share split to reduce the investment unit of its ordinary shares and further facilitate an environment where investors can find it easier to make investments.

b. Method of the share spilt

(a) Number of shares to be increased upon the share split

The aggregate number of issued ordinary shares of the Company as of June 27, 2019 multiplied by one.

Number of shares increased by the share split:	1,100,660,365 shares
Number of issued and outstanding shares before the share split:	1,100,660,365 shares
Number of issued and outstanding shares after the share split:	2,201,320,730 shares

(b) Method of the split

With the record date of June 27, 2019, ordinary shares of the Company held by shareholders listed or recorded in the shareholder registry by the end of the date will be split at a ratio of two-for-one.

(c) Record date

June 27, 2019

(d) Effective date

June 28, 2019

c. Partial amendment of the articles of incorporation regarding the share split

Regarding the share split, in accordance with the Article 184, Paragraph 2 of the Companies Act of Japan, the amendment of the articles of incorporation is made to increase the aggregate number of authorized shares of the Company from 3,600,000,000 shares to 7,200,000,000 shares effective June 28, 2019.

d. Impacts on the earnings per share information

Earnings per share information assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2018 is as follows.

	(Yen)		(U.S. dollars)
	Fiscal year ended March 31, 2018	**Fiscal year ended March 31, 2019**	**Fiscal year ended March 31, 2019**
Equity per share attributable to owners of the parent	¥2,151.13	**¥3,380.33**	**$30.46**
Basic earnings per share	466.77	**634.08**	**5.71**
Diluted earnings per share	454.19	**628.27**	**5.66**

(2) Retirement of treasury stocks

SoftBank Group Corp. passed a resolution to retire treasury stocks under the provisions of Article 178 of the Companies Act at the Board of Directors' meeting held on May 30, 2019, and conducted the retirement as follows:

a. Reason of the retirement of treasury stock

To increase shareholder profit by decreasing the number of issued and outstanding shares

b. Method of the retirement of treasury stock

To reduce the balance of retained earnings

c. Class of the shares retired

Ordinary shares of SoftBank Group Corp.

d. Number of shares retired

55,753,200 shares

(The ratio of the shares retired to the issued and outstanding shares before the retirement: 5.07%)

e. Retirement date

June 10, 2019

f. Number of issued and outstanding shares after the retirement

1,044,907,165 shares

(3) Settlement of the variable prepaid forward contract using Alibaba shares

The Company conducted the settlement of the variable prepaid forward contract using Alibaba shares on June 3, 2019.

As a result of the transaction, ¥224,201 million ($2,020,011 thousand) recognized as "Assets classified as held for sale" ¥730,601 million ($6,582,584 thousand) recognized as the current portion of financial liabilities relating to the sale of shares through the variable prepaid forward contract in interest-bearing debt (current liabilities), and ¥749,846 million ($6,755,978 thousand) recognized as derivative financial liabilities (current liabilities) in the consolidated statement of financial position as of March 31, 2019 were all extinguished.

The Company will record approximately ¥1.2 trillion ($10,811,785 thousand), consisting of derivative gain and gain on sales of shares of associates, in the condensed interim consolidated financial statements for the three-month period ended June 30, 2019.

In addition, Alibaba is continuously qualified as an associate of the Company. Details are described in "(2) Transaction for sale of Alibaba shares by variable prepaid forward contract" under "Note 23. Interest-bearing debt."

53. Approval of consolidated financial statements

The consolidated financial statements have been approved by the Company's CEO, Masayoshi Son, as of June 19, 2019.

Independent Auditor's Report

SoftBank Group Corp. and its Consolidated Subsidiaries

Deloitte Touche Tohmatsu LLC
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3-2-3 Marunouchi
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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. and its subsidiaries (the "Company") as of March 31, 2019, 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. and its subsidiaries as of March 31, 2019, 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 Matter
As discussed in Note 52 (3) to the consolidated financial statements, the Company conducted the settlement of the variable prepaid forward contract using Alibaba shares on June 3, 2019.
Our opinion is not modified in respect of this matter.

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 19, 2019

Member of
Deloitte Touche Tohmatsu Limited

Corporate Information

Major Subsidiaries and Associates

As of March 31, 2019

Subsidiaries

Company name	Capital (Millions of yen)	Voting rights (%)	Main businesses
SoftBank Segment			
SoftBank Corp. *1	204,309	66.5	Provision of mobile communications services; sale of mobile devices; provision of broadband; other fixed-line communications services in Japan
SB C&S Corp. *2	500	100	Manufacture, distribution, and sale of ICT-related products and ICT-related services
Wireless City Planning Inc.	18,899	32.2	Planning and provision of mobile broadband services
SB Payment Service Corp. *3	6,075	100	Settlement services; card services and related services
SoftBank Technology Corp. *4*5	995	54.1	Solutions and services for online businesses
ITmedia Inc.	1,709	53.6	Operation of comprehensive IT information site ITmedia, etc.
Sprint Segment			
Sprint Corporation *6*7	$40,810K	84.4	Holding company
Sprint Communications, Inc. *6*7	$1,180,954K	100	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.
Yahoo Japan Segment			
Yahoo Japan Corporation *8*9	8,939	48.2	Internet advertising; e-commerce business; membership services
ValueCommerce Co., Ltd.	1,728	52.0	Affiliate advertising marketing service; StoreMatch online advertising distribution service
The Japan Net Bank, Limited	37,250	46.6	Banking
ASKUL Corporation	21,189	45.2	Mail-order sale of stationery and services
eBOOK Initiative Japan Co., Ltd.	872	43.5	E-book distribution
Arm Segment			
Arm Limited	GBP1,025K	100	Design of microprocessor intellectual property and related technology; sale of software tools and provision of software services
Arm PIPD Holdings One, LLC *10*11	GBP500,166K	100	Holding company
Arm PIPD Holdings Two, LLC *10*11	GBP343,203K	100	Holding company
SoftBank Vision Fund and Delta Fund Segment			
SB Investment Advisers (UK) Limited	$390K	100	Management of SoftBank Vision Fund and Delta Fund
Brightstar Segment			
Brightstar Global Group Inc.	$3K	89.5	Holding company
Brightstar Corp.	$0K	100	Distribution of mobile devices outside Japan
Company-wide (in common)			
SoftBank Group Japan Corporation *12	24	100	Holding company
SoftBank Group Capital Limited	$5,508K	100	Holding company
SB Group US, Inc.	$0K	100	Holding company

Major Subsidiaries and Associates

As of March 31, 2019

Company name	Capital (Millions of yen)	Voting rights (%)	Main businesses
Others			
Fortress Investment Group LLC *11*13	-	100	Alternative investment management business
Fukuoka SoftBank HAWKS Corp.	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
SB Energy Corp.	3,154	100	Generation of electricity from renewable energy sources; supply and sale of electricity
PayPay Corporation	23,000	100	Smartphone payment business
SoftBank Robotics Group Corp.	11,600	69.7	Holding company
Skywalk Finance GK *11*14	0	100	Holding company
Vector Inc. *4	1,018	52.1	Operation, sale, and marketing of online games; software downloads; advertising
SoftBank Ventures Asia Corp. *15	KRW18,000M	100	Holding company
SoftBank Korea Corp.	KRW2,200M	100	Holding company
SOFTBANK Holdings Inc.	$7K	100	Holding company
SOFTBANK America Inc.	$0K	100	Holding company
SB Pan Pacific Corporation	48,248	100	Holding company
SB INVESTMENT HOLDINGS (UK) LIMITED	$0K	100	Holding company
STARFISH I PTE LTD.	101,298	100	Holding company
Starburst I, Inc. *6*7	$216K	100	Holding company
West Raptor Holdings, LLC *10*11*17	$1,251,768K	100	Holding company
Hayate Corporation	77,842	100	Holding company

*1 SoftBank Corp. ("SB") was listed on the First Section of the Tokyo Stock Exchange on December 19, 2018. SoftBank Group Japan Corporation ("SBGJ") sold a portion of its holdings of SB.
*2 On January 1, 2019, SoftBank Commerce & Service Corp. changed its name to SB C&S Corp.
*3 On January 1, 2019, SoftBank Payment Service Corp. changed its name to SB Payment Service Corp.
*4 On April 1, 2018, all shares of SoftBank Technology Corp., Vector Inc., Scigineer Inc., Geniee, Inc., and another seven companies held by SoftBank Group International GK ("SBGI") were transferred to SB.
*5 At the general shareholders meeting of SoftBank Technology Corp. held on June 17, 2019, it was approved to change its company name to SB Technology Corp. on October 1, 2019.
*6 On April 6, 2018, all shares of Starburst I, Inc. ("Starburst") and Galaxy Investment Holdings, Inc. ("Galaxy") held by SBGI were transferred to SBG. On April 26, 2018, all shares of Starburst and Galaxy held by SBG were transferred to SoftBank Group Capital Limited ("SBGC"). Starburst and Galaxy hold the shares of Sprint, which holds all shares of Sprint Communications, Inc.
*7 On April 29, 2018, Sprint and T-Mobile entered into a definitive agreement to merge in an all-stock transaction (the "Transaction"). Upon completion of the Transaction, the combined company is expected to become an equity method associate of the Company, and Sprint will no longer be a subsidiary of the Company. Starburst and Galaxy will merge with Huron Merger Sub LLC, a U.S. subsidiary owned directly by T-Mobile, with Huron Merger Sub LLC being a surviving company and Starburst and Galaxy being dissolved. The Transaction is subject to Sprint and T-Mobile stockholder approvals, regulatory approvals, and other customary closing conditions. The Transaction is expected to receive federal regulatory approval in the first half of 2019.
*8 At the general shareholders meeting of Yahoo Japan Corporation ("Yahoo Japan") held on June 18, 2019, the proposals of company split and change of its trade name to Z Holdings Corporation were approved.
The company split is subject to approvals as may be required by supervisory authorities. The change of trade name is subject to the effectuation of the compay split. The company split and change of trade name will be effective as of October 1, 2019 (tentative).
*9 On August 9, 2018, a tender offer by Yahoo Japan for its own shares was completed and SBGJ sold a portion of shares in Yahoo Japan. On August 9, 2018, SB acquired Yahoo Japan shares by way of tender offer implemented by SB. On June 5, 2019, a tender offer by Yahoo Japan for its own shares was completed and SBGJ sold a portion of shares in Yahoo Japan. On June 27, 2019, SB additionally acquired new shares issued by Yahoo Japan through a third-party allotment, with the intention of making Yahoo Japan its consolidated subsidiary.
*10 Capital represents the amount of capital contribution.
*11 The voting rights represent the Company's entire contributions as percentage of capital.
*12 On June 15, 2018, SBGI transitioned from a limited liability company to a stock company and changed its name to SoftBank Group Japan Corporation.
*13 Fortress Investment Group LLC has not prepared stand-alone financial statements, thus a capital amount is not listed.
*14 Skywalk Finance GK made borrowings using Alibaba shares it held as collateral.
*15 On December 21, 2018, SoftBank Ventures Korea Corp. changed its name to SoftBank Ventures Asia Corp.
*16 On September 21, 2018, all shares of Renren Inc. held by SB Pan Pacific Corporation were transferred to SBGC.
*17 On June 3, 2019, West Raptor Holdings, LLC sold a portion of its holding of Alibaba.

Major Subsidiaries and Associates

As of March 31, 2019

Associates

Company name	Capital (Millions of yen)	Voting rights (%)	Main businesses
SoftBank Segment			
Scigineer Inc. *4	800	32.1	Provision of Internet marketing support services using the personalized engine *deqwas* for e-commerce business operators and retailers
Geniee, Inc. *4	1,539	31.5	Advertising technology business
Others			
Foxconn Ventures Pte. Ltd.	$46K	36.4	Holding company
HIKE GLOBAL PTE. LTD.	$267,184K	25.8	Holding company
Renren Inc. *16	$1,042K	42.8	Investor company of a company operating Renren.com SNS website in China
Alibaba Group Holding Limited *14*17	CNY1,000K	28.9	Investor company of companies operating e-commerce business; cloud computing; digital media and entertainment
InMobi Pte. Ltd.	$359K	45.0	Mobile advertising services

Main Overseas Fund Data

Fund Name	Capital accepted	Investment ratio (%)	Main businesses
SoftBank Vision Fund and Delta Fund Segment			
SoftBank Vision Fund L.P.*18	$48B	33.6	Investment activities by SoftBank Vision Fund
SB Delta Fund (Jersey) L.P.	$5B	73.7	Investment activities by Delta Fund

*18 The capital accepted of SoftBank Vision Fund L.P. includes the capital accepted of alternative investment vehicles.
Investment ratio of SoftBank Vision Fund L.P. includes incentive scheme related to SoftBank Vision Fund.

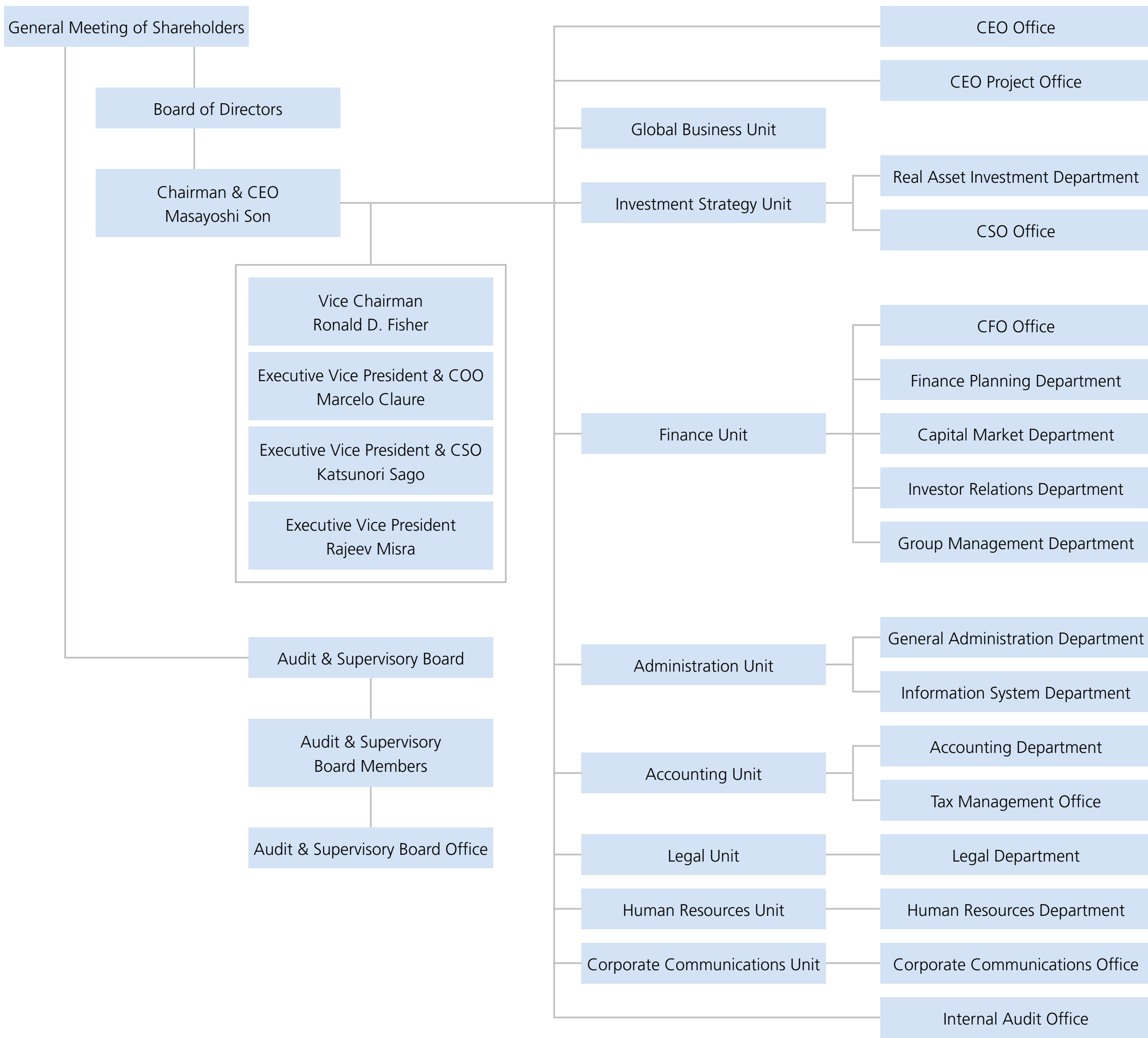
Corporate Data

As of March 31, 2019

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
Representatives	Masayoshi Son, Chairman & CEO
Share capital	¥238.8 billion
Number of subsidiaries	1,302
Number of associates	423
Number of joint ventures	26
Number of employees	192 (consolidated basis: 76,866)
Main business	Pure holding company
Independent auditor	Deloitte Touche Tohmatsu LLC

Organizational structure

As of May 1, 2019



Stock Information

As of March 31, 2019

Shareholder registrar Mitsubishi UFJ Trust and Banking Corporation

Stock exchange registration TSE First Section

Stock code 9984

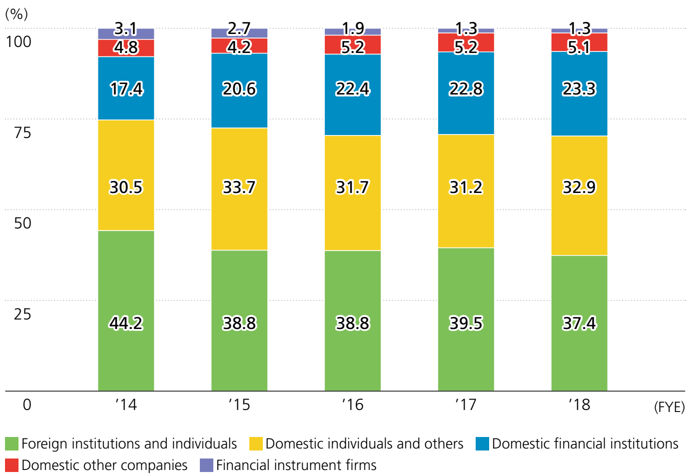
Number of shares*

Shares authorized 3,600,000,000

Shares issued 1,100,660,365
(including 46,826,924 of treasury stock)

Number of shareholders 174,956

Shareholding structure



* Effective as of June 28, 2019, SoftBank Group Corp. has split its ordinary shares at a ratio of two-for-one. Subsequent to the share split, the number of authorized shares described in the Articles of Incorporation was amended on the same day. SoftBank Group Corp. has also repurchased its own shares amounting to ¥600.0 billion (55,753,200 shares) from February to May 2019 and retired all of the repurchased shares on June 10, 2019.
These brought the number of authorized shares and the number of issued and outstanding shares as follows.
The number of authorized shares: 7,200,000,000
The number of issued and outstanding shares: 2,089,814,330

Major shareholders

Name of shareholders	Number of shares held (thousands)	Percentage of total shares issued (%)
Masayoshi Son	231,205	21.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	103,300	9.80
Japan Trustee Services Bank, Ltd. (Trust Account)	63,740	6.05
JP MORGAN CHASE BANK 380055	28,538	2.71
Japan Trustee Services Bank, Ltd. (Trust Account 5)	16,096	1.53
JP MORGAN CHASE BANK 380763	14,533	1.38
SSBTC CLIENT OMNIBUS ACCOUNT	14,394	1.37
CITIBANK, N.A. -NY, AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	13,795	1.31
JP MORGAN CHASE BANK 385151	13,233	1.25
STATE STREET BANK WEST CLIENT – TREATY 505234	12,368	1.17
Top 10 shareholders	511,202	48.51

Notes: 1. Percentage of total shares issued is calculated by deducting treasury stock (46,826,924 shares).
2. Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd. and Japan Trustee Services Bank, Ltd. are all related to trust operations.
3. As for principal shareholders, the number of shares held effectively by Masayoshi Son, verified by SoftBank Group Corp., is presented as has been hitherto on a combined basis (by means of name-based aggregation), while those held by other principal shareholders are presented precisely as reported in the register of shareholders.

Stock price and trading volume

Note: Stock prices and trading volumes are averages for each month.

SoftBank Group Corp.

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Published on July 31, 2019