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Financial Report

SoftBank Group

FINANCIAL REPORT 2022

Consolidated Financial Statements

a. Consolidated Statement of Financial Position

ASSETS	Notes	(Millions of yen) As of March 31, 2021	As of March 31, 2022	(Thousands of U.S. dollars) As of March 31, 2022
Current assets				
Cash and cash equivalents	11	¥ 4,662,725	**¥ 5,169,001**	**$ 42,233,851**
Trade and other receivables	12,31	2,216,434	**2,361,149**	**19,292,009**
Investments from asset management subsidiaries	31	658,227	**158,094**	**1,291,723**
Securities pledged as collateral in asset management subsidiaries	31	1,427,286	**1,927**	**15,745**
Derivative financial assets in asset management subsidiaries	31	188,056	**48,466**	**395,996**
Derivative financial assets	31	383,315	**1,050,446**	**8,582,776**
Other financial assets	13,31	671,907	**762,638**	**6,231,212**
Inventories	14	126,830	**142,767**	**1,166,492**
Other current assets	15	446,739	**334,101**	**2,729,807**
Subtotal		10,781,519	**10,028,589**	**81,939,611**
Assets classified as held for sale	16	38,647	**–**	**–**
Total current assets		10,820,166	**10,028,589**	**81,939,611**
Non-current assets				
Property, plant and equipment	17	1,668,578	**1,842,749**	**15,056,369**
Right-of-use assets	18	1,147,020	**914,743**	**7,474,001**
Goodwill	19	4,684,419	**4,897,913**	**40,018,899**
Intangible assets	19	2,308,370	**2,427,580**	**19,834,790**
Costs to obtain contracts		246,996	**330,899**	**2,703,644**
Investments accounted for using the equity method	22	4,349,971	**5,234,519**	**42,769,172**
Investments from SVF1 and SVF2 accounted for using FVTPL	31	13,646,774	**13,766,391**	**112,479,704**
Investment securities	31	3,706,784	**4,208,567**	**34,386,527**
Derivative financial assets	31	908,660	**1,333,787**	**10,897,843**
Other financial assets	13,31	1,919,262	**2,250,640**	**18,389,084**
Deferred tax assets	24	206,069	**163,255**	**1,333,892**
Other non-current assets	15	137,384	**145,038**	**1,185,048**
Total non-current assets		34,930,287	**37,516,081**	**306,528,973**
Total assets		¥ 45,750,453	**¥ 47,544,670**	**$388,468,584**

LIABILITIES AND EQUITY	Notes	(Millions of yen) As of March 31, 2021	As of March 31, 2022	(Thousands of U.S. dollars) As of March 31, 2022
Current liabilities				
Interest-bearing debt	25,31	¥ 7,735,239	**¥ 7,328,862**	**$ 59,881,216**
Lease liabilities	20,31	307,447	**240,241**	**1,962,914**
Deposits for banking business	26,31	1,109,240	**1,331,385**	**10,878,217**
Trade and other payables	27,31	1,970,275	**1,968,864**	**16,086,804**
Derivative financial liabilities	31	322,213	**119,592**	**977,139**
Other financial liabilities	28,31	65,958	**554,814**	**4,533,164**
Income taxes payable		391,930	**183,388**	**1,498,390**
Provisions	30	24,939	**34,056**	**278,258**
Other current liabilities	29	952,443	**620,260**	**5,067,898**
Subtotal		12,879,684	**12,381,462**	**101,164,000**
Liabilities directly relating to assets classified as held for sale	16	11,271	**–**	**–**
Total current liabilities		12,890,955	**12,381,462**	**101,164,000**
Non-current liabilities				
Interest-bearing debt	25,31	10,777,736	**14,128,570**	**115,438,925**
Lease liabilities	20,31	727,554	**625,907**	**5,114,037**
Third-party interests in SVF1 and SVF2	7,31	6,601,791	**5,559,835**	**45,427,200**
Derivative financial liabilities	31	32,692	**174,003**	**1,421,709**
Other financial liabilities	28,31	415,407	**210,512**	**1,720,010**
Provisions	30	110,586	**107,961**	**882,106**
Deferred tax liabilities	24	2,030,651	**2,436,034**	**19,903,865**
Other non-current liabilities	29	207,488	**212,624**	**1,737,266**
Total non-current liabilities		20,903,905	**23,455,446**	**191,645,118**
Total liabilities		¥ 33,794,860	**¥ 35,836,908**	**$292,809,118**

LIABILITIES AND EQUITY	Notes	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
		(Millions of yen)		(Thousands of U.S. dollars)
Equity				
Equity attributable to owners of the parent				
Common stock	36	¥ 238,772	**¥ 238,772**	**$ 1,950,911**
Capital surplus	36	2,618,504	**2,634,574**	**21,526,056**
Other equity instruments	36	496,876	**496,876**	**4,059,776**
Retained earnings	36	8,810,422	**4,515,704**	**36,896,021**
Treasury stock	36	(2,290,077)	**(406,410)**	**(3,320,614)**
Accumulated other comprehensive income	36	338,329	**2,496,158**	**20,395,114**
Subtotal		10,212,826	**9,975,674**	**81,507,264**
Accumulated other comprehensive income directly relating to assets classified as held for sale	16	267	**–**	**–**
Total equity attributable to owners of the parent		10,213,093	**9,975,674**	**81,507,264**
Non-controlling interests	21	1,742,500	**1,732,088**	**14,152,202**
Total equity		11,955,593	**11,707,762**	**95,659,466**
Total liabilities and equity		¥45,750,453	**¥ 47,544,670**	**$388,468,584**

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

Consolidated Statement of Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Continuing operations				
Net sales	39	¥ 5,628,167	**¥ 6,221,534**	**$ 50,833,679**
Cost of sales	40	(2,753,238)	**(2,955,960)**	**(24,151,973)**
Gross profit		2,874,929	**3,265,574**	**26,681,706**
Gain on investments				
Gain on investments at Investment Business of Holding Companies	41	945,944	**104,362**	**852,701**
Gain (loss) on investments at SVF1, SVF2, and others	7	6,292,024	**(3,738,825)**	**(30,548,452)**
Gain on investments at Latin America Funds	41	196,556	**111,070**	**907,509**
Gain on other investments		94,482	**88,651**	**724,332**
Total gain on investments		7,529,006	**(3,434,742)**	**(28,063,910)**
Selling, general and administrative expenses	40	(2,271,497)	**(2,551,722)**	**(20,849,106)**
Finance cost	42	(307,250)	**(382,512)**	**(3,125,353)**
Foreign exchange loss		(137,166)	**(706,111)**	**(5,769,352)**
Income on equity method investments		616,432	**341,385**	**2,789,321**
Derivative gain (loss) (excluding gain (loss) on investments)	43	(480,251)	**1,234,708**	**10,088,308**
Change in third-party interests in SVF1 and SVF2	7	(2,246,417)	**972,674**	**7,947,332**
Other gain	44	92,670	**391,184**	**3,196,209**
Income before income tax		5,670,456	**(869,562)**	**(7,104,845)**
Income taxes	24	(1,303,168)	**(592,637)**	**(4,842,201)**
Net income from continuing operations		¥ 4,367,288	**¥ (1,462,199)**	**$ (11,947,046)**
Discontinued operations				
Net income from discontinued operations	10	710,948	**–**	**–**
Net income		¥ 5,078,236	**¥ (1,462,199)**	**$ (11,947,046)**
Net income attributable to				
Owners of the parent		¥ 4,987,962	**¥ (1,708,029)**	**$ (13,955,625)**
Net income from continuing operations		4,276,729	**(1,708,029)**	**(13,955,625)**
Net income from discontinued operations		711,233	**–**	**–**
Non-controlling interests	21	90,274	**245,830**	**2,008,579**
Net income from continuing operations		90,559	**245,830**	**2,008,579**
Net income from discontinued operations		(285)	**–**	**–**
Net income		¥ 5,078,236	**¥ (1,462,199)**	**$ (11,947,046)**

Consolidated Statement of Income

	Notes	Fiscal year ended March 31, 2021 (Yen)	**Fiscal year ended March 31, 2022** (Yen)	**Fiscal year ended March 31, 2022** (U.S. dollars)
Earnings per share				
Basic earnings per share				
Continuing operations	46	2,243.80	**(1,018.58)**	**(8.32)**
Discontinued operations	46	375.81	**–**	**–**
Total basic earnings per share	46	¥ 2,619.61	**¥ (1,018.58)**	**$ (8.32)**
Diluted earnings per share				
Continuing operations	46	2,062.55	**(1,025.67)**	**(8.38)**
Discontinued operations	46	374.74	**–**	**–**
Total diluted earnings per share	46	¥ 2,437.29	**¥ (1,025.67)**	**$ (8.38)**

Consolidated Statement of Comprehensive Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Net income		¥ 5,078,236	**¥(1,462,199)**	**$(11,947,046)**
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	45	(40)	**(114)**	**(931)**
Equity financial assets at FVTOCI	31,45	29,495	**30,327**	**247,789**
Total items that will not be reclassified to profit or loss		29,455	**30,213**	**246,858**
Items that may be reclassified subsequently to profit or loss				
Debt financial assets at FVTOCI	31,45	554	**(1,378)**	**(11,259)**
Cash flow hedges	31,45	33,775	**(40,962)**	**(334,684)**
Exchange differences on translating foreign operations	35,45	502,085	**2,217,469**	**18,118,057**
Share of other comprehensive income of associates	22,45	(65,861)	**(51,932)**	**(424,316)**
Total items that may be reclassified subsequently to profit or loss		470,553	**2,123,197**	**17,347,798**
Total other comprehensive income, net of tax		500,008	**2,153,410**	**17,594,656**
Total comprehensive income		¥ 5,578,244	**¥ 691,211**	**$ 5,647,610**
Total comprehensive income				
Comprehensive income from continuing operations		5,070,088	**691,211**	**5,647,610**
Comprehensive income from discontinued operations	10	508,156	**–**	**–**
Total comprehensive income attributable to				
Owners of the parent		¥ 5,482,739	**¥ 449,419**	**$ 3,672,024**
Comprehensive income from continuing operations		4,974,298	**449,419**	**3,672,024**
Comprehensive income from discontinued operations		508,441	**–**	**–**
Non-controlling interests		95,505	**241,792**	**1,975,586**
Total comprehensive income		¥ 5,578,244	**¥ 691,211**	**$ 5,647,610**

c. Consolidated Statement of Changes in Equity

(Millions of yen)

For the fiscal year ended March 31, 2021	Notes	Equity attributable to owners of the parent										
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Subtotal	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total	Non-controlling interests	Total equity
As of April 1, 2020		¥238,772	¥1,490,325	¥496,876	¥3,945,820	¥ (101,616)	¥(362,259)	¥5,707,918	¥ 205,695	¥5,913,613	¥1,459,304	¥7,372,917
Comprehensive income												
Net income		–	–	–	4,987,962	–	–	4,987,962	–	4,987,962	90,274	5,078,236
Other comprehensive income		–	–	–	–	–	700,472	700,472	(205,695)	494,777	5,231	500,008
Total comprehensive income		–	–	–	4,987,962	–	700,472	5,688,434	(205,695)	5,482,739	95,505	5,578,244
Transactions with owners and other transactions												
Cash dividends	37	–	–	–	(86,841)	–	–	(86,841)	–	(86,841)	(219,698)	(306,539)
Distribution to owners of other equity instruments	36	–	–	–	(30,139)	–	–	(30,139)	–	(30,139)	–	(30,139)
Transfer of accumulated other comprehensive income to retained earnings		–	–	–	(383)	–	383	–	–	–	–	–
Purchase and disposal of treasury stock	36	–	–	–	(2,452)	(2,188,461)	–	(2,190,913)	–	(2,190,913)	–	(2,190,913)
Changes from business combination	9	–	–	–	–	–	–	–	–	–	265,219	265,219
Changes from loss of control	10	–	–	–	–	–	–	–	–	–	(424,226)	(424,226)
Changes in interests in subsidiaries	36	–	1,126,469	–	–	–	–	1,126,469	–	1,126,469	559,955	1,686,424
Changes in associates' interests in their subsidiaries		–	4,794	–	–	–	–	4,794	–	4,794	–	4,794
Share-based payment transactions		–	(3,278)	–	–	–	–	(3,278)	–	(3,278)	3,777	499
Transfer of accumulated other comprehensive income held for sale	16	–	–	–	–	–	(267)	(267)	267	–	–	–
Other		–	194	–	(3,545)	–	–	(3,351)	–	(3,351)	2,664	(687)
Total transactions with owners and other transactions		–	1,128,179	–	(123,360)	(2,188,461)	116	(1,183,526)	267	(1,183,259)	187,691	(995,568)
As of March 31, 2021		¥238,772	¥2,618,504	¥496,876	¥8,810,422	¥(2,290,077)	¥ 338,329	¥10,212,826	¥ 267	¥10,213,093	¥1,742,500	¥11,955,593

(Millions of yen)

For the fiscal year ended March 31, 2022	Notes	Equity attributable to owners of the parent										
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Subtotal	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total	Non-controlling interests	Total equity
As of April 1, 2021		**¥238,772**	**¥2,618,504**	**¥496,876**	**¥ 8,810,422**	**¥(2,290,077)**	**¥ 338,329**	**¥10,212,826**	**¥ 267**	**¥10,213,093**	**¥1,742,500**	**¥11,955,593**
Comprehensive income												
Net income		**–**	**–**	**–**	**(1,708,029)**	**–**	**–**	**(1,708,029)**	**–**	**(1,708,029)**	**245,830**	**(1,462,199)**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**	**2,157,715**	**2,157,715**	**(267)**	**2,157,448**	**(4,038)**	**2,153,410**
Total comprehensive income		**–**	**–**	**–**	**(1,708,029)**	**–**	**2,157,715**	**449,686**	**(267)**	**449,419**	**241,792**	**691,211**
Transactions with owners and other transactions												
Cash dividends	37	**–**	**–**	**–**	**(75,947)**	**–**	**–**	**(75,947)**	**–**	**(75,947)**	**(303,172)**	**(379,119)**
Distribution to owners of other equity instruments	36	**–**	**–**	**–**	**(32,043)**	**–**	**–**	**(32,043)**	**–**	**(32,043)**	**–**	**(32,043)**
Transfer of accumulated other comprehensive income to retained earnings		**–**	**–**	**–**	**(114)**	**–**	**114**	**–**	**–**	**–**	**–**	**–**
Purchase and disposal of treasury stock	36	**–**	**–**	**–**	**(2,768)**	**(592,150)**	**–**	**(594,918)**	**–**	**(594,918)**	**–**	**(594,918)**
Retirement of treasury stock	36	**–**	**–**	**–**	**(2,475,817)**	**2,475,817**	**–**	**–**	**–**	**–**	**–**	**–**
Changes from loss of control		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(18,156)**	**(18,156)**
Changes in interests in subsidiaries		**–**	**15,897**	**–**	**–**	**–**	**–**	**15,897**	**–**	**15,897**	**38,013**	**53,910**
Changes in associates' interests in their subsidiaries		**–**	**(1,489)**	**–**	**–**	**–**	**–**	**(1,489)**	**–**	**(1,489)**	**–**	**(1,489)**
Share-based payment transactions		**–**	**1,605**	**–**	**–**	**–**	**–**	**1,605**	**–**	**1,605**	**26,221**	**27,826**
Other		**–**	**57**	**–**	**–**	**–**	**–**	**57**	**–**	**57**	**4,890**	**4,947**
Total transactions with owners and other transactions		**–**	**16,070**	**–**	**(2,586,689)**	**1,883,667**	**114**	**(686,838)**	**–**	**(686,838)**	**(252,204)**	**(939,042)**
As of March 31, 2022		**¥238,772**	**¥2,634,574**	**¥496,876**	**¥ 4,515,704**	**¥ (406,410)**	**¥2,496,158**	**¥ 9,975,674**	**¥ –**	**¥ 9,975,674**	**¥1,732,088**	**¥11,707,762**

(Thousands of U.S. dollars)

	Notes	Equity attributable to owners of the parent										
		Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Subtotal	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total	Non-controlling interests	Total equity
As of April 1, 2021		$1,950,911	$21,394,754	$4,059,776	$71,986,453	$(18,711,308)	$ 2,764,352	$83,444,938	$ 2,182	$83,447,120	$14,237,275	$97,684,395
Comprehensive income												
Net income		–	–	–	(13,955,625)	–	–	(13,955,625)	–	(13,955,625)	2,008,579	(11,947,046)
Other comprehensive income		–	–	–	–	–	17,629,831	17,629,831	(2,182)	17,627,649	(32,993)	17,594,656
Total comprehensive income		–	–	–	(13,955,625)	–	17,629,831	3,674,206	(2,182)	3,672,024	1,975,586	5,647,610
Transactions with owners and other transactions												
Cash dividends	37	–	–	–	(620,533)	–	–	(620,533)	–	(620,533)	(2,477,098)	(3,097,631)
Distribution to owners of other equity instruments	36	–	–	–	(261,811)	–	–	(261,811)	–	(261,811)	–	(261,811)
Transfer of accumulated other comprehensive income to retained earnings		–	–	–	(931)	–	931	–	–	–	–	–
Purchase and disposal of treasury stock	36	–	–	–	(22,616)	(4,838,222)	–	(4,860,838)	–	(4,860,838)	–	(4,860,838)
Retirement of treasury stock	36	–	–	–	(20,228,916)	20,228,916	–	–	–	–	–	–
Changes from loss of control		–	–	–	–	–	–	–	–	–	(148,345)	(148,345)
Changes in interests in subsidiaries		–	129,888	–	–	–	–	129,888	–	129,888	310,589	440,477
Changes in associates' interests in their subsidiaries		–	(12,166)	–	–	–	–	(12,166)	–	(12,166)	–	(12,166)
Share-based payment transactions		–	13,114	–	–	–	–	13,114	–	13,114	214,241	227,355
Other		–	466	–	–	–	–	466	–	466	39,954	40,420
Total transactions with owners and other transactions		–	131,302	–	(21,134,807)	15,390,694	931	(5,611,880)	–	(5,611,880)	(2,060,659)	(7,672,539)
As of March 31, 2022		$1,950,911	$21,526,056	$4,059,776	$36,896,021	$(3,320,614)	$20,395,114	$81,507,264	$ –	$81,507,264	$14,152,202	$95,659,466

d. Consolidated Statement of Cash Flows

	Notes	(Millions of yen) Fiscal year ended March 31, 2021	(Millions of yen) **Fiscal year ended March 31, 2022**	(Thousands of U.S. dollars) **Fiscal year ended March 31, 2022**
Cash flows from operating activities				
Net income from continuing operations		¥ 4,367,288	**¥ (1,462,199)**	**$ (11,947,046)**
Net income from discontinued operations		710,948	**–**	**–**
Net income		5,078,236	**(1,462,199)**	**(11,947,046)**
Depreciation and amortization		851,316	**852,424**	**6,964,817**
Gain on investments at Investment Business of Holding Companies		(1,441,509)	**(237,702)**	**(1,942,168)**
(Gain) loss on investments at SVF1, SVF2, and others		(6,292,024)	**3,738,825**	**30,548,452**
Gain on investments at Latin America Funds		(196,556)	**(111,070)**	**(907,509)**
Finance cost		309,294	**382,512**	**3,125,353**
Foreign exchange loss		137,166	**706,111**	**5,769,352**
Income on equity method investments		(616,177)	**(341,385)**	**(2,789,321)**
Derivative loss (gain) (excluding (gain) loss on investments)		480,184	**(1,234,708)**	**(10,088,308)**
Change in third-party interests in SVF1 and SVF2		2,246,417	**(972,674)**	**(7,947,332)**
Gain on other investments and other gain		(171,759)	**(479,835)**	**(3,920,541)**
Income taxes		1,305,251	**592,637**	**4,842,201**
Decrease in investments from asset management subsidiaries		1,631,430	**514,478**	**4,203,595**
Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries		(168,405)	**136,989**	**1,119,283**
(Increase) decrease in securities pledged as collateral in asset management subsidiaries		(1,351,311)	**1,423,990**	**11,634,856**
Increase in borrowed securities in asset management subsidiaries		14,235	**106,512**	**870,267**
Increase in trade and other receivables		(288,416)	**(406,313)**	**(3,319,822)**
Decrease (increase) in inventories		6,276	**(11,623)**	**(94,967)**
Increase in trade and other payables		199,064	**295,202**	**2,411,978**
Gain relating to loss of control over discontinued operations		(722,004)	**–**	**–**
Other		108,467	**167,125**	**1,365,512**
Subtotal		1,119,175	**3,659,296**	**29,898,652**
Interest and dividends received		27,639	**37,260**	**304,437**
Interest paid		(265,104)	**(381,770)**	**(3,119,291)**
Income taxes paid	47	(588,615)	**(873,717)**	**(7,138,794)**
Income taxes refunded	47	264,155	**284,381**	**2,323,564**
Net cash provided by operating activities		557,250	**2,725,450**	**22,268,568**

	Notes	(Millions of yen) Fiscal year ended March 31, 2021	(Millions of yen) **Fiscal year ended March 31, 2022**	(Thousands of U.S. dollars) **Fiscal year ended March 31, 2022**
Cash flows from investing activities				
Payments for acquisition of investments		(4,186,663)	**(993,490)**	**(8,117,412)**
Proceeds from sales/redemption of investments	47	3,845,787	**430,168**	**3,514,732**
Payments for acquisition of investments by SVF1 and SVF2		(856,608)	**(4,077,451)**	**(33,315,230)**
Proceeds from sales of investments by SVF1 and SVF2		856,408	**2,221,771**	**18,153,207**
Payments for acquisition of investments by asset management subsidiaries		(95,616)	**(155,515)**	**(1,270,651)**
Proceeds from acquisition of control over subsidiaries	9,47	312,791	**890**	**7,272**
Proceeds from loss of control over subsidiaries		30,106	**143,079**	**1,169,042**
Payments for acquisition of marketable securities for short-term trading		(107,890)	**(118,600)**	**(969,033)**
Proceeds from sales/redemption of marketable securities for short-term trading		257,255	**118,219**	**965,920**
Purchase of property, plant and equipment, and intangible assets	47	(646,888)	**(835,073)**	**(6,823,049)**
Payments for loan receivables		(293,669)	**(132,247)**	**(1,080,538)**
Collection of loan receivables		42,970	**84,997**	**694,477**
Payments into restricted cash	47	(351,343)	**(131,936)**	**(1,077,997)**
Proceeds from withdrawal of restricted cash	47	11,031	**486,820**	**3,977,613**
Payments into trust accounts in SPACs	47	(350,990)	**(5,500)**	**(44,938)**
Other		64,720	**(54,786)**	**(447,636)**
Net cash used in investing activities		(1,468,599)	**(3,018,654)**	**(24,664,221)**
Cash flows from financing activities				
Proceeds (repayment) in short-term interest-bearing debt, net	25	1,575,327	**(1,173,787)**	**(9,590,547)**
Proceeds from interest-bearing debt	25	7,965,114	**12,880,985**	**105,245,404**
Repayment of interest-bearing debt	25	(5,790,901)	**(8,797,688)**	**(71,882,409)**
Repayment of lease liabilities		(402,257)	**(330,276)**	**(2,698,554)**
Contributions into SVF1 from third-party investors	7	979,266	**277,824**	**2,269,989**
Distribution/repayment from SVF1 to third-party investors	7	(1,362,066)	**(1,228,703)**	**(10,039,243)**
Proceeds from non-controlling interests subject to possible redemption	47	345,466	**5,500**	**44,938**
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	47	1,552,957	**458**	**3,742**
Purchase of shares of subsidiaries from non-controlling interests		(101,222)	**(46,592)**	**(380,685)**
Distribution to owners of other equity instruments		(30,139)	**(32,043)**	**(261,811)**
Purchase of treasury stock		(2,226,229)	**(602,361)**	**(4,921,652)**
Cash dividends paid		(86,760)	**(75,847)**	**(619,716)**
Cash dividends paid to non-controlling interests	21	(220,313)	**(309,649)**	**(2,530,019)**
Other		(4,166)	**34,395**	**281,030**
Net cash provided by financing activities		2,194,077	**602,216**	**4,920,467**
Effect of exchange rate changes on cash and cash equivalents		12,230	**197,264**	**1,611,766**
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale	10	(1,248)	**–**	**–**
Increase in cash and cash equivalents		1,293,710	**506,276**	**4,136,580**
Cash and cash equivalents at the beginning of the year	11	3,369,015	**4,662,725**	**38,097,271**
Cash and cash equivalents at the end of the year	11	¥ 4,662,725	**¥ 5,169,001**	**$ 42,233,851**

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 being in the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, the Arm segment, and the Latin America Funds 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 ¥122.39 to $1, the approximate rate of exchange at March 31, 2022. 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. "Derivative financial assets (current)," which was included in "Other financial assets (current)" in the past fiscal year, is separately presented as of March 31, 2022 since the amount increased and became significant. In order to reflect the change in presentation, ¥383,315 million, which was included in "Other financial assets (current)" as of March 31, 2021, is reclassified as "Derivative financial assets (current)."

b. "Derivative financial liabilities in asset management subsidiaries," which was separately presented in the past fiscal year, is included in "Other financial liabilities (current)" as of March 31, 2022 since the amount decreased and became insignificant. In order to reflect the change in presentation, ¥14,673 million, which was separately presented as "Derivative financial liabilities in asset management subsidiaries" as of March 31, 2021, is included in "Other financial liabilities (current)."

(Consolidated statement of income)

a. "Gain on investments at Latin America Funds," which was included in "Gain on other investments" in the past fiscal year, is separately presented for the fiscal year ended March 31, 2022 since the amount increased and became significant. In order to reflect the change in presentation, ¥196,556 million, which was included in "Gain on other investments" for the fiscal year ended March 31, 2021, is reclassified as "Gain on investments at Latin America Funds." The details of Latin America Funds are described in "Note 6. Segment information."

b. "Foreign exchange loss," which was included in "Other loss" in the past fiscal year, is separately presented for the fiscal year ended March 31, 2022 since the amount increased and became significant. In order to reflect the change in presentation, ¥(137,166) million, which was included in "Other loss" for the fiscal year ended March 31, 2021, is reclassified as "Foreign exchange loss."

(Consolidated statement of cash flows)

a. "Gain on investments at Latin America Funds" and "Foreign exchange loss," which were included in "Gain on other investments and other loss" under cash flows from operating activities in the past fiscal year, are separately presented for the fiscal year ended March 31, 2022 since the amounts increased and became significant. In order to reflect the changes in presentation, ¥(196,556) million and ¥137,166 million, which were included in "Gain on other investments and other loss" for the fiscal year ended March 31, 2021, are reclassified as "Gain on investments at Latin America Funds" and "Foreign exchange loss," respectively. In addition, "Increase in borrowed securities in asset management subsidiaries," which was included in "Other" under cash flows from operating activities in the past fiscal year, is separately presented for the fiscal year ended March 31, 2022 since the amount increased and became significant. In order to reflect the change in presentation, ¥14,235 million, which was included in "Other" for the fiscal year ended March 31, 2021, is reclassified as "Increase in borrowed securities in asset management subsidiaries."

Furthermore, "Increase in restricted cash in asset management subsidiaries," which was separately presented in the past fiscal year, is included in "Other" for the fiscal year ended March 31, 2022 since the amount decreased and became insignificant. In order to reflect the change in presentation, ¥(107,601) million, which was separately presented as "Increase in restricted cash in asset management subsidiaries" for the fiscal year ended March 31, 2021, is included in "Other."

b. "Proceeds from loss of control over subsidiaries" and "Proceeds from withdrawal of restricted cash," which were included in "Other" under cash flows from investing activities in the past fiscal year, are separately presented for the fiscal year ended March 31, 2022 since the amounts increased and became significant. In order to reflect the changes in presentation, ¥30,106 million and ¥11,031 million, which were included in "Other" for the fiscal year ended March 31, 2021, are reclassified as "Proceeds from loss of control over subsidiaries" and "Proceeds from withdrawal of restricted cash," respectively.

In addition, "Payments for acquisition of control over subsidiaries," which was separately presented in the past fiscal year, is included in "Other" for the fiscal year ended March 31, 2022 since the amount decreased and became insignificant. In order to reflect the change in presentation, ¥(13,824) million, which was separately presented as "Payments for acquisition of control over subsidiaries" for the fiscal year ended March 31, 2021, is included in "Other."

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

There is no significant impact to the consolidated financial statements related to new standards and interpretations not yet adopted by the Company.

(6) Definition of company names and abbreviations used in annual report 2022 including this note

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

Company names and 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
* Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.	
SB Northstar	SB Northstar LP
SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2	SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles
SVF2 LLC	SVF II Investment Holdings LLC
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Limited
SoftBank Latin America Funds	SBLA Latin America Fund LLC
Fortress	Fortress Investment Group LLC
Sprint	Sprint Corporation
Alibaba	Alibaba Group Holding Limited
WeWork	WeWork Inc.
MgmtCo	MASA USA LLC

From the three-month period ended June 30, 2021, the account of consolidated statement of cash flows has been changed as follows:

Consolidated Statement of Cash Flows

Previous	Current
Proceeds from sales of investments by SVF1	Proceeds from sales of investments by SVF1 and SVF2

From the three-month period ended September 30, 2021, the names of accounts and a reportable segment have been changed as follows:

Consolidated Statement of Financial Position

Previous	Current
Third-party interests in SVF1	Third-party interests in SVF1 and SVF2

Consolidated Statement of Income

Previous	Current
Change in third-party interests in SVF1	Change in third-party interests in SVF1 and SVF2

Consolidated Statement of Cash Flows

Previous	Current
Change in third-party interests in SVF1	Change in third-party interests in SVF1 and SVF2

Segment information

Previous	Current
SVF1 and Other SBIA-Managed Funds segment	SoftBank Vision Funds segment

3. Significant accounting policies

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

Please refer to "(20) Significant accounting policies for the SoftBank Vision Funds segment" and "(21) Significant accounting policies for the asset management subsidiary" for details of the SoftBank Vision Funds segment and the asset management subsidiary.

(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 SVF1 and SVF2 by the Company" under "(20) Significant accounting policies for the SoftBank Vision Funds segment" for details of SVF1 and SVF2.

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 gains and losses arising from intra-group 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 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 SVF1 and SVF2, investments made by SoftBank Group Corp. or its subsidiaries based on the premise of transferring to SVF1 and SVF2, 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) Investments in associates and joint ventures" in "b. Portfolio company investments made by SVF1 and SVF2" under "(20) Significant accounting policies for the SoftBank Vision Funds segment" for details of SVF1 and SVF2.

(2) Business combinations

Business combinations are accounted for using the acquisition method on 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 currency based on the primary economic environment in which it operates ("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, however, exchange differences arising from equity financial assets at fair value through other comprehensive income ("equity financial assets at FVTOCI") 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 35. 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

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 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 the ordinary course of business are recognized and derecognized on a trade date basis. Purchases and sales made in the ordinary course of business 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 measured 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 "(20) Significant accounting policies for the SoftBank Vision Funds segment" for the details of "Investments from SVF1 and SVF2 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 would 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 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, option contracts, 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 strategies 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 year 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 immediately reclassified 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 devices and accessories in the SoftBank segment. 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 calculated based on 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	20–50 years
Structures	10–50 years
Building fixtures	3–22 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	5–15 years
Towers	10–42 years
Other	5–30 years
Furniture, fixtures and equipment	
Leased mobile devices	2–3 years
Other	2–25 years
Machinery and equipment	
Power plant and related equipment	35 years
Other	3–5 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.

(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, right-of-use assets, 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

The Company uses the cost model for measurement of intangible assets in which the assets are measured at historical cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired individually 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 by the straight-line method.

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

Customer relationships	11–25 years
Software	5–10 years
Technologies	8–20 years
Spectrum migration costs	18 years
Management contracts	5–10 years
Other	2–20 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 costs arising from the migration of existing users to the other frequency spectrum, which is assigned to SoftBank Corp., based on the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

Intangible assets with indefinite useful lives are as follows:

• Trademarks (with indefinite useful lives)

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, right-of-use assets, intangible assets and goodwill."

In addition, the Company does not apply IFRS 16 "Leases" to leases of intangible assets.

(10) Leases

a. Overall

(a) Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company deems a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the following conditions are met, the Company deems that the contract conveys the right to control the use of an identified asset.

i. The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.

ii. Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset.

iii. The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:

- the lessee has the right to operate the asset; or
- the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

(b) Lease term

The lease term is determined as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

b. Lessee

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract by allocating the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) Lease transactions of intangible assets

The Company does not apply IFRS 16 "Leases" to leases of intangible assets.

(c) Right-of-use asset

At the commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date; any initial direct costs; and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset; less any lease incentives received.

After the initial measurement, the right-of-use asset is depreciated on a straight-line basis: (a) over the estimated useful life if the transfer of ownership of the underlying asset is certain; or (b) over the shorter of the lease term or the estimated useful life of the leased asset if the transfer of ownership is not certain. The estimated useful life of the right-of-use asset is determined by the same method applied to property, plant and equipment. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset. The details of lease terms by asset classes for right-of-use assets held for leases are described in "Note 18. Right-of-use assets."

(d) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that will be paid over the lease term after that date. In calculating the present value, the interest rate implicit in the lease is used as a discount rate if that rate can be readily determined. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

The lease payments included in the measurement of the lease liability mainly comprise: fixed payments; lease payments to be made during extension periods, if the lease term reflects the exercise of an option to extend the lease; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the initial measurement, the lease liability is measured at amortized cost using an effective interest method. The lease liability is remeasured if there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the assessment of the possibility of an option to extend or terminate the lease being exercised.

If the lease liability is remeasured, the carrying amount of the right-of-use asset is also adjusted by the amount of the remeasurement of the lease liability. However, if the amount of liability reduced by the remeasurement of the lease liability exceeds the carrying amount of the right-of-use asset, any remaining amount of the remeasurement after reducing the right-of-use asset to zero is recognized in profit or loss.

c. Lessor

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Company allocates the consideration in the contract applying IFRS 15 "Revenue from Contracts with Customers" to lease components and non-lease components of the contract.

(b) Classification of leases

At the commencement of a lease contract, the Company classifies whether the contract is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. The Company assesses that substantially all the risks and rewards incidental to ownership of an underlying asset are transferred in cases where the lease term is for a major part of the economic life of the underlying asset, or the amount of present value of the lease payment is substantially all the amount of fair value of the asset.

(c) Sublease classification

If the Company is a party to a sublease contract, the Company accounts for the head lease (lessee) and the sublease (lessor) separately. When classifying the sublease as a finance lease or an operating lease, the Company considers the risks and rewards incidental to, and the useful life of, the right-of-use asset that is recognized by the Company in the head lease, instead of that of the leased asset.

(d) Recognition and measurement

Lease receivables in finance leases are recorded as the uncollected amount of net lease receivables, as of the date the lease is determined and through its maturity. Lease receivables are apportioned between financing income and the repayments of the lease receivables. Lease receivables are measured at amortized cost using the effective interest method. Interest income based on the effective interest rate is recognized in profit or loss.

Total lease payments received from operating leases received during the lease term are recognized as income on a straight-line basis over the lease term.

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

a. Impairment of property, plant and equipment, right-of-use assets, and intangible assets

At the end of the fiscal year, the Company determines whether there is any indication that property, plant and equipment, right-of-use assets, 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 related to assets other than goodwill recognized in prior years has decreased or been 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) 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 mainly recognizes asset retirement obligations and provisions for loss on contract as provisions.

(13) 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.

(14) 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.

(15) Share-based payments

The Company grants stock options and adopts restricted stock unit plans and restricted stock compensation plans, as equity-settled share-based compensation, and 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 and restricted stocks is calculated using the share price on the grant date.

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.

Restricted stock units are vested on the grant date and accordingly the fair value of restricted stock units on the grant date is expensed in a lump sum.

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

(16) Revenue

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

SoftBank segment

The SoftBank segment provides mobile services, sales of mobile devices, broadband services, and solutions services in Japan, mainly through SoftBank Corp., and internet advertising and e-commerce services through Yahoo Japan Corporation and LINE Corporation.

a. Consumer business

(a) Mobile services and sales of mobile devices

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

In providing mobile services, sales revenue is mainly generated from basic monthly charges, mobile services, and other fees. Revenues from the sales of mobile devices are generated from the sales of mobile devices and accessories to subscribers or dealers.

The business flow of the above transactions consists of "Indirect" sales, where the Company sells mobile devices to dealers and enters into mobile communications service contracts with subscribers through dealers, and "Direct" sales, where the Company sells mobile devices to subscribers and enters into mobile communications service contracts directly with subscribers.

In mobile services, the contractual period is defined as the period in which the parties to the contract have present enforceable rights and obligations based on the terms and conditions of the contract with the subscriber. In addition, if the Company determines that an option to renew the contract is granted to the subscriber and the option provides a "material right" to the subscriber, it identifies the option as a separate performance obligation. As a practical alternative to estimating the stand-alone selling price of an option identified as a separate performance obligation, the Company allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.

Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payments, and accordingly, they have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient.

For mobile services and sales of mobile devices, the Company is obligated to allow returns and provide refunds for a certain period of time after the inception of the contract. Return and refund obligations are estimated and deducted from transaction prices for each type of goods and services based on historical experience.

The Company provides optional additional warranty services for mobile devices. Under the contracts in which these services are provided, the services are identified as separate performance obligations, and are recognized as revenue when they are provided to subscribers.

i. Indirect sales

Revenues from the sales of mobile devices are recognized when mobile devices are delivered to dealers, which is when dealers are deemed to have obtained control over the mobile devices. Dealers involved in indirect sales have the primary responsibility for fulfilling contracts, carry all inventory risk, and may independently establish their own inventory pricing. Accordingly, the Company considers that dealers involved in indirect sales act as principals.

Basic monthly charges and mobile service fees are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period. Discounts on mobile communications charges are deducted from the revenues recognized from monthly mobile services. Commission fees paid to dealers related to the sales of mobile devices are deducted from sales.

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile service revenue based on the ratio of their stand-alone selling prices, as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction price.

In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sales of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

Stand-alone selling prices of mobile devices and mobile services are priced at their observable prices when the mobile devices and mobile services are sold independently to customers at the inception of the contract.

The amount allocated to sales of mobile device is recognized as revenue at the time of delivery to the subscribers, representing the point in time when subscribers are considered to have obtained control of the mobile devices. Amounts allocated to mobile service revenues are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period.

Contract assets are included in "Other current assets" in the consolidated statement of financial position.

(b) Broadband services

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

Revenues from broadband services are recognized when services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of the network. Activation fees are recognized as contract liabilities upon receipt, then reversed when the broadband services are provided, and are recognized as revenue.

(c) Electricity

For electricity services, revenues are generated from the purchase and sale, supply and intermediation of electricity services, including Ouchidenki. Revenues from supply of electricity (retail service) are recognized when the services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of electricity.

b. Enterprise business

(a) Mobile services and mobile device rental services

Revenues from mobile services mainly consist of revenues from mobile services and other fees. Mobile device rental services are provided on the condition that mobile service contracts are entered into. Consideration arising from these transactions is allocated to lease and other based on the fair value of leased mobile devices and mobile communications services. The fair value is the price at which the mobile devices are sold individually and the price at which the mobile communications services are provided individually. Consideration allocated to other is recognized as revenues based on fixed monthly charges and the fees charged for usage of the network when services are provided to subscribers.

(b) Fixed-line communications services

Revenues from fixed-line communications services mainly consist of voice telecommunications service fees and data transmission service fees. Revenues from fixed-line communications services are recognized when services are provided to subscribers, based on fixed monthly charges and the fees charged for usage of the network.

(c) Business solution services and other

Revenues from business solution services and other mainly consist of equipment sales service fees, engineering service fees, management service fees, data center service fees, and cloud service fees.

Revenues from business solution services and other are recognized based upon the consideration receivable from subscribers at the time of delivery or provision of the services to the subscribers representing the point in time when subscribers are considered to have obtained control of the solution services and other.

c. Distribution services

Revenues in the distribution services are mainly generated from the sales of hardware, software, and services in relation to Information and Communication Technology ("ICT"), cloud and Internet of Things ("IoT") solutions for enterprise customers. Revenues are also driven by the sales of PC software, IoT products, and mobile device accessories for individual customers.

Revenues in the distribution services are recognized as revenue at the time of delivery to customers, representing the point in time when the customers are deemed to have obtained control over the goods and other items.

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

d. Yahoo/LINE business

(a) Media business

The media business mainly comprises planning and sale of internet-based advertising-related services, information listing services, and other corporate services. Revenues in the media business mainly consist of revenues from Yahoo! JAPAN advertising services and LINE advertising services.

i. Yahoo! JAPAN advertising services

Yahoo! JAPAN advertising services consist of paid search advertising, display advertising and other advertising to advertisers.

Revenues from paid search advertising are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement.

Display advertising comprises display advertising (reservation) and display advertising (programmatic).

Revenues from display advertising (reservation) are recognized over the period in which the related advertisement is displayed.

Revenues from display advertising (programmatic) are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content.

ii. LINE advertising services

LINE advertising services consist mainly of display advertising, account advertising and other advertising to advertisers.

Revenues from display advertising are recognized upon the fulfilment of certain actions under contracts with advertisers, such as impressions, views, and clicks.

Account advertising mainly comprises LINE Official Accounts and LINE Sponsored Stickers.

Revenues from LINE Official Accounts are recognized over time during the contract period in which the account is available for the registered user.

Revenues from LINE Sponsored Stickers are recognized over time during the contract period.

(b) Commerce business

The commerce business mainly comprises sales of products and planning and providing of services, which are provided via the internet for small to medium-sized businesses and individual customers. Revenues in the commerce business mainly consist of revenues from the sales of goods by ASKUL Group, e-commerce-related services, such as ZOZOTOWN and YAHUOKU!, and membership services, such as Yahoo! Premium.

i. Sales of goods by ASKUL Group

ASKUL Group engages in the business of selling office-related products and other goods. ASKUL Group's major customers are small-and medium-sized companies, as well as individual users. Revenues from the sale of goods are recognized when a customer obtains control of the goods, that is, at the time the customer has the ability to direct the use of the goods and to obtain substantially all of the remaining economic benefits from the goods.

ii. ZOZOTOWN

ZOZO Inc. operates ZOZOTOWN and mainly sells goods on a consignment basis to individual users as an agent of each brand opening a store as a tenant in ZOZOTOWN. Consignment sales commission based on gross merchandise value multiplied by sales commission rate is recognized as revenue when the customer obtains control of the goods.

iii. YAHUOKU!

Yahoo provides online auction services through YAHUOKU! to individual users and corporations. System usage fees charged to the sellers according to auction proceeds are recognized as revenue when the auction transactions are completed.

iv. Yahoo! Premium

Yahoo sells the Yahoo! Premium service to individual users, which provides the user with a variety of membership privileges. Its revenues are recognized over the period during which the membership is valid.

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 the 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.

(17) 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 service contracts with subscribers.

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

Using a practical expedient, 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.

(18) Income tax

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

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

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

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

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

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

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

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

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

(19) Earnings per share

Basic earnings per share 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.

(20) Significant accounting policies for the SoftBank Vision Funds segment

For SVF1 and SVF2, the Company applies the following accounting policies.

a. Consolidation of SVF1 and SVF2 by the Company

SVF1 and SVF2 are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company (SVF2 owns limited liability companies including SVF2 LLC) as its subsidiaries and by their forms of organization, qualify as structured entities. SVF1 and SVF2 are consolidated by the Company for the following reasons.

As of March 31, 2022, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF2 was previously managed by SBIA and has been managed by SBGA since September 2021. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2. Furthermore, SBIA receives performance fees and SBGA receives performance-linked management fees. The Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2.

Inter-company transactions such as management fees and performance fees to SBIA and management fees and performance-linked management fees to SBGA paid or to be paid, as applicable, from SVF1 or SVF2 are eliminated in consolidation.

b. Portfolio company investments made by SVF1 and SVF2

(a) Investments in subsidiaries

Of the portfolio company investments made by SVF1 and SVF2, the portfolio companies that the Company is deemed to control under IFRS 10 "Consolidated Financial Statements" 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 SVF1 and SVF2 are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1 and SVF2, 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 SVF1 and SVF2 when, as defined under IFRS 11 "Joint Arrangements," SVF1 and SVF2 have 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 SVF1 and SVF2 are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28 "Investments in Associates and Joint Ventures" and presented as "Investments from SVF1 and SVF2 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 SVF1 and SVF2" and the proceeds from sales of these investments are presented as "Proceeds from sales of investments by SVF1 and SVF2" under cash flows from investing activities in the consolidated statement of cash flows.

If the investments in associates and joint ventures that were transferred from SoftBank Group Corp. and its subsidiaries to SVF1 or SVF2 were accounted for using the equity method prior to the transfer, these investments continue to be accounted for using the equity method after the transfer to SVF1 or SVF2 and presented as "Investments accounted for using the equity method" in the consolidated statements of financial position. Gain and loss on the investments which were recognized in SVF1 or SVF2 are eliminated in consolidation and gain and loss on the investments accounted for using the equity method are presented as "Income (loss) on equity method investments" in the consolidated statements of income.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1 and SVF2 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. Contribution from limited partners in SVF1 and SVF2 and investors in SVF2 LLC (collectively "SVF Investors")

The Company introduced a co-investment program with restricted rights to receive distributions to SVF2 in August 2021. Accordingly, SVF Investors other than the Company have invested in SVF2 for the purpose of the program since the three-month period ended September 30, 2021. The details are described in "(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2" under "Note 7. SoftBank Vision Funds business."

(a) Contribution from SVF Investors other than the Company ("Third-Party Investors," and each a "Third-Party Investor")

The interests attributable to Third-Party Investors in SVF1 and SVF2 are classified as financial liabilities, "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position, due to the predetermined finite life and contractual payment provision to each of Third-Party Investors at the end of the finite life within the constitutional agreements relating to SVF1 and SVF2. 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 constitutional agreements in a theoretical liquidation scenario at the end of each quarter.

Third-Party Investor in SVF2 is entitled to make full or partial payment of their investment and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC to the end of company life of SVF2 LLC, and as of March 31, 2022, the Company has recognized receivables from Third-Party Investor. The receivables are included in "Other financial assets (non-current)" in the consolidated statement of financial position.

"Third-party interests in SVF1 and SVF2" fluctuates due to the results of SVF1 and SVF2 in addition to contributions from Third-Party Investors, and distributions and repayments of investments to Third-Party Investors, respectively. The fluctuations due to the results of SVF1 and SVF2 are presented as "Change in third-party interests in SVF1 and SVF2" in the consolidated statement of income.

Contributions from Third-Party Investors to SVF1 are included in "Contributions into SVF1 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 SVF1 to third-party investors" under cash flows from financing activities in the consolidated statement of cash flows. No cash contributions into SVF2 from Third-Party Investor and no cash distribution/repayment from SVF2 to Third-Party Investor were made as of March 31, 2022.

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

Contributions to SVF1 and SVF2 from the Company are eliminated in consolidation.

(21) Significant accounting policies for the asset management subsidiary

SB Northstar, a subsidiary of the Company, is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, credit transactions, and others for diversification of the assets held and management of surplus funds. "The asset management subsidiary" described in the consolidated financial statements and the notes indicates SB Northstar.

For SB Northstar, the Company applies the following accounting policies.

a. Investments from the asset management subsidiary

The investments in securities made by SB Northstar (except for investments in associates accounted for using the equity method) are accounted for as financial assets at FVTPL as the investments meet the definition of financial assets held for sale in accordance with IFRS 9 "Financial Instruments" and presented as "Investments from assets management subsidiaries" under current assets in the consolidated statement of financial position. At initial recognition, the investments are measured at fair value and transaction costs directly arising from the acquisition of financial assets are recognized as net of profit and loss. Subsequent to initial recognition, they are measured at fair value and valuation gains and losses arising from changes in fair value and dividend income are included in "Gain (loss) on investments at Investment Business of Holding Companies" in the consolidated statement of income. In addition, the changes in investment amounts due to acquisition and sale of investments from SB Northstar are presented as net of "(Increase) decrease in investments from asset management subsidiaries (cash flows from operating activities)" in the consolidated statement of cash flows. Of the investments in associates of the Company made by SB Northstar, investments in associates accounted for using the equity method are included in "Investments accounted for using the equity method" in the consolidated statement of financial position.

The investments in convertible bonds and others made by SB Northstar are accounted for as financial assets at FVTPL and are included in "Other financial assets (non-current)" in the consolidated statement of financial position. Valuation gains and losses arising from changes in fair value and dividend income are included in "Gain (loss) on investments at Investment Business of Holding Companies" in the consolidated statement of income. In addition, payments for acquisition of convertible bonds and others made by SB Northstar are presented as "Payments for acquisition of investments by asset management subsidiaries (cash flows from investing activities)" in the consolidated statement of cash flows.

b. Securities pledged as collateral in the asset management subsidiary

Of securities pledged as collateral, securities which the recipient can sell or pledge them as re-collateral are separated from "Investments from asset management subsidiaries" and presented as "Securities pledged as collateral in asset management subsidiaries" in the consolidated statement of financial position. In addition, changes in the securities pledged as collateral in SB Northstar are presented as net of "(Increase) decrease in securities pledged as collateral in asset management subsidiaries (cash flows from operating activities)" in the consolidated statement of cash flows.

c. Restricted cash

Restricted cash in SB Northstar is the deposit pledged as collateral to the brokers for acquisition transactions of investments using borrowings, derivative transactions, and credit transactions and its usage is restricted. The restricted cash is included in "Other financial assets (current)" in the consolidated financial position and changes in restricted cash in SB Northstar are included under cash flows from operating activities in the consolidated statement of cash flows.

d. Margin deposits

Margin deposits in SB Northstar are the deposits pledged as collateral for unsettled balance for acquisition and sale of investments and unsettled derivatives to the brokers and are included in "Other financial assets (current)" in the consolidated statement of financial position. At initial recognition, they are measured at fair value and subsequent to initial recognition, they are measured at amortized cost. In addition, changes in margin deposits in SB Northstar are included under cash flows from operating activities in the consolidated statement of cash flows.

e. Borrowed securities

The securities borrowed for short credit transactions have obligations for delivery of future financial assets and meet the definition of financial liabilities held for sale in accordance with IFRS 9 "Financial Instruments." Therefore, they are accounted for as financial instruments at FVTPL and included in "Other financial liabilities (current)" in the consolidated statement of financial position. At initial recognition and subsequent to initial recognition, they are measured at fair value and valuation gains and losses arising from changes in fair value are included in "Gain on investments at Investment Business of Holding Companies" in the consolidated statement of income. In addition, changes in borrowed securities in SB Northstar are included under cash flows from operating activities in the consolidated statement of cash flows.

4. Changes in accounting policies

The Company has adopted the standards and interpretations for which mandatory adoption is required from the fiscal year ended March 31, 2022. There are no significant impacts on the consolidated financial statements due the adoption.

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 (20) in "Note 3. Significant accounting policies" and "Note 21. Major subsidiaries");
- significant judgments for the determination of the scope and accounting treatment of associates ((1) and (20) in "Note 3. Significant accounting policies" and "Note 22. Investments accounted for using the equity method");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 44. Other gain");
- estimates of fair value of assets acquired and the liabilities assumed in a business combination ((2) in "Note 3. Significant accounting policies" and "Note 9. Business combinations");
- fair value measurement of financial assets at FVTPL, debt financial assets at FVTOCI, and equity financial assets at FVTOCI ((4) and (20) in "Note 3. Significant accounting policies," "Note 7. SoftBank Vision Funds business," (2) in "Note 32. Fair value of financial instruments," and "Note 41. Gain on investments");
- estimates for impairment of financial assets measured at amortize cost ((4) in "Note 3. Significant accounting policies," and "Note 44. Other gain");
- fair value measurement of derivatives (including embedded derivatives) ((4) in "Note 3. Significant accounting policies" and (2) in "Note 32. Fair value of financial instruments");
- estimates for residual value and useful life of property, plant and equipment, right-of-use assets, and intangible assets ((7), (9), and (10) in "Note 3. Significant accounting policies");
- estimates for impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill ((11) in "Note 3. Significant accounting policies," "Note 19. Goodwill and intangible assets," and "Note 44. Other gain");
- judgments and estimates for accounting treatment of contracts including leases ((10) in "Note 3. Significant accounting policies," "Note 18. Right-of-use assets," and "Note 20. Leases");
- judgments and estimates for recognition and measurement on provisions ((12) in "Note 3. Significant accounting policies" and "Note 30. Provisions");
- judgments and estimates for salability relating to classification as held for sale ((14) in "Note 3. Significant accounting policies," "Note 10. Discontinued operations," and "Note 16. Disposal group classified as held for sale");
- judgments for timing of revenue recognition related to indirect sales of mobile devices ((16) in "Note 3. Significant accounting policies" and "Note 39. Net sales");
- judgments for "contractual period" in the mobile communications services and whether or not if "material right" is included in the contracts ((16) in "Note 3. Significant accounting policies" and "Note 39. Net sales");
- estimates for amortization period of costs to obtain contracts ((17) in "Note 3. Significant accounting policies");
- assessment of recoverability of deferred tax assets ((18) in "Note 3. Significant accounting policies" and (1), (2), and (4) in "Note 24. Income taxes");
- estimates for measurement of contribution from Third-party interests to SVF1 and SVF2 ((20) in "Note 3. Significant accounting policies" and (4) in "Note 7. SoftBank Vision Funds business");
- recognition of liabilities and expenses related to contingencies ("Note 49. Contingency"); and
- impact of the novel coronavirus ("COVID-19").

In the evaluation of goodwill, property, plant and equipment, right-of-use assets, and intangible assets for impairment, fair values of investments, and expected credit losses on receivables, loan commitment, and credit guarantee, held by the Company, these were recorded with the amount reasonably estimated, based on the information and the facts available at the timing of preparing the consolidated financial statements, considering the duration of the COVID-19 pandemic and the risks and uncertainties of its effects. However, as the timing for the end of the spread of infection remains difficult to predict, and there is a strong sense of uncertainty about the future of the business environment, the uncertainties in the future may cause differences between the best estimate of the amount and subsequent results.

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, 2021, the Company had four reportable segments, the Investment Business of Holding Companies segment, the SVF1 and Other SBIA-Managed Funds segment, the SoftBank segment, and the Arm segment. The Latin America Funds segment previously included in "Other" has been added to the reportable segments from the three-month period ended June 30, 2021 since the materiality has increased. The SVF1 and Other SBIA-Managed Funds segment was renamed to the SoftBank Vision Funds segment from the three-month period ended September 30, 2021.

The Investment Business of Holding Companies segment conducts, mainly through SoftBank Group Corp. as a strategic investment holding company, investment activities in a wide range of sectors in Japan and overseas directly or through subsidiaries of the Company. The Investment Business of Holding Companies segment consists of SoftBank Group Corp., SoftBank Group Capital Limited ("SBGC"), SoftBank Group Japan Corporation ("SBGJ"), SB Northstar that is an asset management subsidiary, and certain subsidiaries of the Company that conduct investment or funding. SB Northstar is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, credit transactions, and others for diversification of the assets held and management of surplus funds. Gain and loss on investments at Investment Business of Holding Companies consist of gain and loss arising from investments held directly by SoftBank Group Corp. or through subsidiaries of the Company. However, gain and loss on investments relating to investments in subsidiaries including dividend income from subsidiaries and impairment loss on investments in subsidiaries are excluded.

The SoftBank Vision Funds segment conducts, mainly through SVF1 and SVF2, investment activities in a wide range of technology sectors. Primarily, gain and loss on investments at SVF1, SVF2, and others consist of gain and loss arising from investments held by SVF1 and SVF2 including the investment in the Company's subsidiary.

The SoftBank segment provides, mainly through SoftBank Corp., mobile services, sale of mobile devices, broadband services, and solution services in Japan, and through Yahoo Japan Corporation and LINE Corporation, internet advertising and e-commerce services.

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

The Latin America Funds segment conducts, mainly through SoftBank Latin America Funds, investment activities all over the Latin America region. Primarily, gain and loss on investments at the Latin America Funds consist of gain and loss arising from investments held by SoftBank Latin America Funds. In addition, from the three-month period ending June 30, 2022, as a result of the revision for its segment classifications, the Latin America Funds segment will be integrated into the SoftBank Vision Funds segment since SoftBank Latin America Funds will be managed by SBGA, which manages SVF2.

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

"Reconciliations" includes an elimination of intersegment transactions, as well as an elimination of gain and loss on the investment in shares in Arm and PayPay Corporation, subsidiaries of the Company, and WeWork, an equity method associate, and others, which are included in segment income of the SoftBank Vision Funds segment, and an elimination of income and loss on equity method investments recognized relating to PayPay Corporation, which is included in segment income of the SoftBank segment.

Segment information for the fiscal year ended March 31, 2021 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 "Income before income tax." As in the consolidated statement of income, "Gain (loss) on investments" included in segment income includes realized gain and loss from investments in financial assets at FVTPL for which investment performance is measured at fair value, unrealized gain and loss on valuation of investments, dividend income from investments, derivative gain and loss relating to investments in financial assets at FVTPL, and realized gain and loss from investments accounted for using the equity method. The Investment Business of Holding Companies segment calculates its segment income by eliminating gain and loss on investments relating to investments in subsidiaries, including dividend income from subsidiaries and impairment loss on investments in subsidiaries.

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

For the fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments								
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm	Latin America Funds	Total	Other	Reconciliations	Consolidated
Net sales									
Customers	¥ –	¥ –	¥ 5,190,976	¥ 208,917	¥ –	¥5,399,893	¥ 228,274	¥ –	¥5,628,167
Intersegment	–	–	13,374	931	–	14,305	10,500	(24,805)	–
Total	¥ –	¥ –	¥ 5,204,350	¥ 209,848	¥ –	¥5,414,198	¥ 238,774	¥ (24,805)	¥5,628,167
Segment income	760,927	4,026,823	847,933	(33,873)	188,674	5,790,484	(96,049)	(23,979)	5,670,456
Depreciation and amortization	(2,304)	(535)	(729,914)	(71,225)	(111)	(804,089)	(42,843)	–	(846,932)
Gain (loss) on investments	946,107	6,357,462	1,433	364	196,556	7,501,922	92,685	(65,601)	7,529,006
Finance cost	(218,604)	(10,419)	(64,322)	(1,044)	(410)	(294,799)	(16,211)	3,760	(307,250)
Foreign exchange gain (loss)	(140,223)	200	708	–	50	(139,265)	2,099	–	(137,166)
Income (loss) on equity method investments	601,364	–	(45,048)	1,958	–	558,274	21,578	36,580	616,432
Derivative gain (loss) (excluding gain (loss) on investments)	(477,536)	–	410	847	–	(476,279)	(3,972)	–	(480,251)

For the fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments								
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm	Latin America Funds	Total	Other	Reconciliations	Consolidated
Net sales									
Customers	**¥ –**	**¥ –**	**¥ 5,677,748**	**¥ 299,516**	**¥ –**	**¥ 5,977,264**	**¥ 244,270**	**¥ –**	**¥ 6,221,534**
Intersegment	**–**	**–**	**12,932**	**497**	**–**	**13,429**	**16,280**	**(29,709)**	**–**
Total	**¥ –**	**¥ –**	**¥ 5,690,680**	**¥ 300,013**	**¥ –**	**¥ 5,990,693**	**¥ 260,550**	**¥ (29,709)**	**¥ 6,221,534**
Segment income	**965,884**	**(2,639,403)**	**880,104**	**41,200**	**84,451**	**(667,764)**	**(22,347)**	**(179,451)**	**(869,562)**
Depreciation and amortization	**(4,435)**	**(603)**	**(740,280)**	**(75,443)**	**(152)**	**(820,913)**	**(31,511)**	**–**	**(852,424)**
Gain (loss) on investments	**104,131**	**(3,547,354)**	**41,946**	**7,769**	**111,070**	**(3,282,438)**	**46,402**	**(198,706)**	**(3,434,742)**
Finance cost	**(277,116)**	**(31,616)**	**(62,445)**	**(816)**	**(1,661)**	**(373,654)**	**(13,709)**	**4,851**	**(382,512)**
Foreign exchange gain (loss)	**(705,108)**	**(406)**	**555**	**–**	**15**	**(704,944)**	**(1,167)**	**–**	**(706,111)**
Income (loss) on equity method investments	**376,433**	**–**	**(69,626)**	**1,198**	**–**	**308,005**	**19,456**	**13,924**	**341,385**
Derivative gain (loss) (excluding gain (loss) on investments)	**1,236,395**	**2,056**	**750**	**(1,305)**	**291**	**1,238,187**	**(3,479)**	**–**	**1,234,708**

(Thousands of U.S. dollars)

	Reportable segments								
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm	Latin America Funds	Total	Other	Reconciliations	Consolidated
Net sales									
Customers	$ –	$ –	$ 46,390,620	$ 2,447,226	$ –	$ 48,837,846	$ 1,995,833	$ –	$ 50,833,679
Intersegment	–	–	105,662	4,061	–	109,723	133,017	(242,740)	–
Total	$ –	$ –	$ 46,496,282	$ 2,451,287	$ –	$ 48,947,569	$ 2,128,850	$ (242,740)	$ 50,833,679
Segment income	7,891,854	(21,565,512)	7,190,980	336,628	690,016	(5,456,034)	(182,588)	(1,466,223)	(7,104,845)
Depreciation and amortization	(36,237)	(4,927)	(6,048,533)	(616,415)	(1,242)	(6,707,354)	(257,463)	–	(6,964,817)
Gain (loss) on investments	850,813	(28,984,018)	342,724	63,477	907,509	(26,819,495)	379,133	(1,623,548)	(28,063,910)
Finance cost	(2,264,205)	(258,322)	(510,213)	(6,667)	(13,571)	(3,052,978)	(112,011)	39,636	(3,125,353)
Foreign exchange gain (loss)	(5,761,157)	(3,317)	4,534	–	123	(5,759,817)	(9,535)	–	(5,769,352)
Income (loss) on equity method investments	3,075,684	–	(568,886)	9,788	–	2,516,586	158,968	113,767	2,789,321
Derivative gain (loss) (excluding gain (loss) on investments)	10,102,092	16,799	6,128	(10,663)	2,378	10,116,734	(28,426)	–	10,088,308

* The details of the difference between "Gain (loss) on investments" in the SoftBank Vision Funds segment and "Gain (loss) on investments at SVF1, SVF2, and others" in the consolidated statement of income are described in "Note 7. SoftBank Vision Funds business."

(3) Geographical information

a. Net sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Japan	¥ 5,193,795	**¥ 5,610,712**	**$ 45,842,896**
Other	434,372	**610,822**	**4,990,783**
Total	¥ 5,628,167	**¥ 6,221,534**	**$ 50,833,679**

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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Japan	¥ 6,526,025	**¥ 6,723,355**	**$ 54,933,859**
U.K.	3,126,788	**3,443,289**	**28,133,745**
Other	539,954	**392,278**	**3,205,147**
Total	¥10,192,767	**¥10,558,922**	**$ 86,272,751**

7. SoftBank Vision Funds business

(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2

a. Co-investment Program with Restricted Rights to Receive Distributions

The Board of Directors of SoftBank Group Corp. resolved to introduce a co-investment program with restricted rights to receive distributions to SVF2. In July 2021, based on the resolution, the Company established SVF2 LLC, a wholly-owned subsidiary of the Company, beneath SVF2 for the program. SVF2 LLC has entered into a definitive agreement in August 2021 with the Company and MgmtCo, a participant in the program, which resulted in MgmtCo becoming an investor in SVF2 LLC.

MgmtCo is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The details of the related party transactions between the Company and MgmtCo are described in "a. Co-investment program with restricted rights to receive distributions" in "For the fiscal year ended March 31, 2022" in "(1) Related party transactions and balances" under "Note 48. Related party transactions."

(a) Purpose of the program

The program has been introduced for the purpose of enabling Masayoshi Son to make a co-investment in SVF2, sharing risk of losses as well as benefit of profits in the success of SVF2, and leading to enhanced focus on the management of SVF2 investments, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 under the terms of the program, MgmtCo both receives the benefit of profits from SVF2 and assumes the risk of losses from SVF2, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

(b) Overview of the program

Contributions by SVF Investors are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. Overview of the program is as follows:

i. Investment in SVF2 LLC

Based on the definitive agreement entered into in August 2021, SVF2 LLC has issued Equity to the Company and MgmtCo. The Company (through SoftBank Vision Fund II-2 L.P. and its subsidiaries) holds 82.75% of the total Equity interests in SVF2 LLC and MgmtCo holds 17.25% of the total Equity interests in SVF2 LLC. The Equity interests held by the Company and MgmtCo are entitled to performance-based distributions that are allocated to each investor based on the proportion of their respective Equity contributions.

ii. Transfer of portfolio companies

After the definitive agreement signed in August 2021, for the purpose of the program, unlisted portfolio companies that were held or planned to be held by SVF2 as of June 23, 2021 have in principle been transferred to SVF2 LLC. As a result, the transfers of the portfolio companies had been conducted sequentially, and as of March 31, 2022, the transfers have been completed.

iii. Investment from MgmtCo

Upon the completion of the transfers of the relevant portfolio companies from SVF2 to SVF2 LLC, the Equity for each portfolio company is issued from SVF2 LLC to the Company and MgmtCo. As a result, as of March 31, 2022, the total amount of capital contribution made by MgmtCo was $2.6 billion and the total amount after adding the related adjustments to the capital contribution (the "Equity Acquisition Amount") was $2.9 billion, respectively.

iv. Receivables and premiums accrued on Equity Acquisition Amount

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time, at its discretion, from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount. As of March 31, 2022, no cash payment has been made from MgmtCo for the Equity Acquisition Amount and the premium. The details of the receivables related to the Equity Acquisition Amount and the premium as of March 31, 2022 are described in "(b) Third-party interests in SVF2 and receivables" in "b. Changes in interests attributable to Third-Party Investors" under "(4) Third-party interests in SVF1 and SVF2." Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until SVF2 LLC's receivables are paid in full.

v. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

vi. Restrictions on rights to receive distributions to MgmtCo

Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distributions. In the event that, upon the liquidation of SVF2 LLC, the amount of the distribution received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

vii. Nature of the Equity contribution by the Company and MgmtCo

The Equity interests held by the Company and MgmtCo are subordinated to the Preferred Equity of SVF2 LLC described in "b. Preferred Equity Contribution to SVF2 by the Company." If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

viii. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and the performance-linked management fees to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC. The details of the management fee and the performance-linked management fees to be charged to MgmtCo are described in "b. Management fees and performance-linked management fees in SVF2" under "(5) Management fees and performance fees."

b. Preferred Equity Contribution to SVF2 by the Company

SoftBank Group Corp. has resolved at a meeting of its Board of Directors that SVF2 LLC issues to the Company (through SoftBank Vision Fund II-2 L.P. and its subsidiaries) a new class of Preferred Equity interests that is subject to fixed distribution separate from the Equity under the program. The purpose of issuing the Preferred Equity is to enhance the efficiency of recovery of investment funds. The Preferred Equity interests in the amount of $24.1 billion have been issued to the Company from the introduction of Preferred Equity to March 31, 2022. The Preferred Equity interests have a priority right over the Equity interests held by the Company and MgmtCo under the program in terms of its distributions and return of the contributions, and the Company receives a fixed distribution amount calculated at 8% per annum on the amount of Preferred Equity contributions by the Company. The Company's contributions to SVF2 LLC for new investments on and after June 24, 2021 are Preferred Equity contributions.

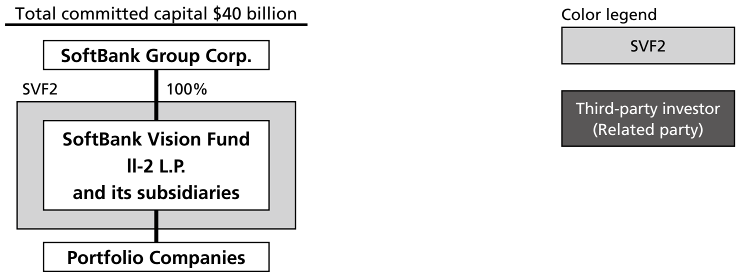
c. Committed capital

After the introduction of the program and Preferred Equity, $2.6 billion was reduced from the Company's committed capital and MgmtCo's committed capital was increased by the same amount. As a result, the total committed capital for SVF2 as a whole amount after the introduction of the program was $40 billion.

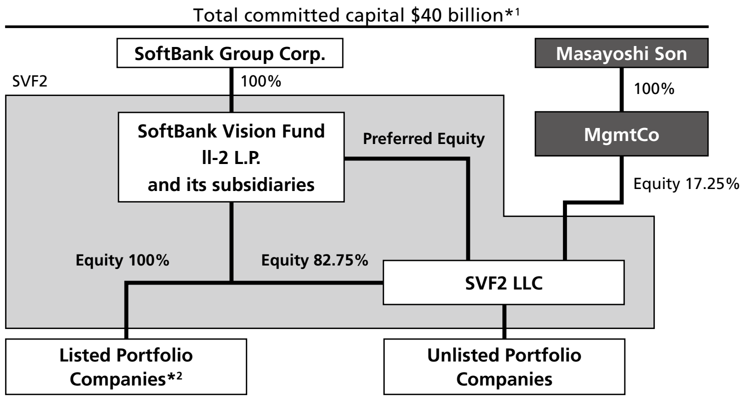
d. Structure

Please refer to the following scheme diagram for "a. Co-investment Program with Restricted Rights to Receive Distributions" and "b. Preferred Equity Contribution to SVF2 by the Company."

(a) Structure prior to the introduction of the program and Preferred Equity



(b) Structure after the introduction of the program and Preferred Equity



*1 From the introduction of the program and Preferred Equity to March 31, 2022, the committed capital for SVF2 was increased by $16.0 billion, which is attributable to the Company as an investor in SVF2. As a result, the total commitment capital for SVF2 as a whole was $56.0 billion as of March 31, 2022.

*2 Includes portfolio companies publicly filing for listing as of June 23, 2021, and portfolio companies that were approved by the Board of Directors to be excluded from the program. The Company continues to hold 100% of Equity for investments in the portfolio companies that are outside of the program's scope.

(2) Change of a manager of SVF2

SVF2 was previously managed by SBIA and has been managed by SBGA, which is a wholly-owned subsidiary of the Company, since September 2021. SBGA outsources most of its operations to SBIA and SBIA continues to support the management of SVF2 as an outsourced service provider.

(3) Income and loss arising from the SoftBank Vision Funds business

a. Overview

Segment income arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA and SBGA receive from SVF1 and SVF2, respectively.

The amount of the net profits attributable to Third-Party Investors that is deducted from the segment income is presented as "Change in third-party interests in SVF1 and SVF2."

b. Segment income arising from the SoftBank Vision Funds business

The components of segment income arising from the SoftBank Vision Funds business are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Gain (loss) on investments at SVF1, SVF2, and others			
Realized gain on investments*1	¥ 419,640	**¥ 1,354,674**	**$ 11,068,502**
Unrealized gain (loss) on valuation of investments			
Change in valuation for the fiscal year*2	6,013,404	**(3,039,858)**	**(24,837,470)**
Reclassified to realized gain recorded in the past fiscal year*3	(116,345)	**(1,777,906)**	**(14,526,563)**
Interest and dividend income from investments*2	29,849	**50,649**	**413,833**
Derivative gain (loss) on investments	1,091	**(49,587)**	**(405,156)**
Effect of foreign exchange translation*4	9,823	**(85,326)**	**(697,164)**
Subtotal	6,357,462	**(3,547,354)**	**(28,984,018)**
Selling, general and administrative expenses	(74,194)	**(69,754)**	**(569,932)**
Finance cost (interest expenses)	(10,419)	**(31,616)**	**(258,322)**
Derivative gain (excluding gain (loss) on investments)	–	**2,056**	**16,799**
Change in third-party interests in SVF1 and SVF2	(2,246,417)	**972,674**	**7,947,332**
Other gain	391	**34,591**	**282,629**
Segment income arising from the SoftBank Vision Funds business (income before income tax)	¥4,026,823	**¥(2,639,403)**	**$(21,565,512)**

*1 In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by share exchange are included.

*2 SVF1 recorded ¥154,525 million ($1,262,562 thousand) of unrealized gain on valuation for the fiscal year ended March 31, 2022 (for the fiscal year ended March 31, 2021: ¥45,435 million of unrealized gain) upon the fair value estimation of Arm held by SVF1.
The unrealized gain on valuation arising from Arm shares held by SVF1 is included in "Gain (loss) on investments at SVF1, SVF2, and others" (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation as Arm is a subsidiary of the Company.
In addition, for the fiscal year ended March 31, 2021, SVF1 received ¥19,912 million of dividends from Arm. For the three-month period ended June 30, 2021, Arm transferred 75.01% of the shares of Treasure Data, Inc. to the Company's wholly-owned foreign subsidiary and 24.99% of the shares to SVF1 as dividends in kind. The 75.01% of Treasure Data, Inc. shares were transferred through sales from the Company's wholly-owned foreign subsidiary to SVF2. As a result, the fair value of Treasure Data, Inc. shares, which was included in the fair value of Arm shares as of March 31, 2021, is not included in the fair value of Arm shares as of March 31, 2022.
¥19,019 million ($155,397 thousand) of shares of Treasure Data, Inc. received as dividends in kind and dividend income which SVF1 received from Arm is included in "Gain (loss) on investments at SVF1, SVF2, and others" (in Interest and dividend income from investments) in the above-mentioned segment income, however, the dividends are eliminated in consolidation.
For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. ¥1,375 million ($11,235 thousand) of the unrealized gain on valuation after the transfer date arising from WeWork common shares held by SVF2 is included in "Gain (loss) on investments at SVF1, SVF2, and others" (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.
The unrealized gain and loss on valuation and the dividends, that are eliminated in consolidation, are not included in "Gain (loss) on investments at SVF1, SVF2, and others" in the consolidated statement of income.

*3 It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at SVF1, SVF2, and others" in the past fiscal years, which are reclassified to "Realized gain (loss) on investments" due to the realization for the fiscal year ended March 31, 2022.

*4 Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

(4) Third-party interests in SVF1and SVF2

a. Terms and conditions of contribution from/ distribution to SVF Investors

Contributions by SVF Investors 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 SVF Investors, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance, as applicable, of SVF1 and SVF2. The net proceeds from SVF1 are also allocated to the performance fees attributed to SBIA using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to SVF Investors are allocated to each of the SVF Investors based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each of the SVF Investors after SVF1 and SVF2, as applicable, receive cash through dividend, or disposition or monetization of investments.

In SVF1, fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contributions. The fixed distributions are made every last business day of the months of June and December. The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 are described in "a. Co-investment Program with Restricted Rights to Receive Distributions" under "(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2." There are no Third-Party Investors who contributed to Preferred Equity in SVF2.

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

(a) Third-party interests in SVF1

Changes in interests attributable to Third-Party Investors in SVF1 (included in "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position) are as follows:

(Millions of yen)

	Third-party interests in SVF1 (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, 2021	¥ 6,601,791			
Contributions from third-party investors	277,824		–	277,824
Changes in third-party interests	(910,582)		910,582	–
Attributable to investors entitled to fixed distribution		153,509		
Attributable to investors entitled to performance-based distribution		(1,064,091)		
Distribution/repayment to third-party investors	(1,228,703)		–	(1,228,703)
Exchange differences on translating third-party interests*1	549,424		–	–
As of March 31, 2022*2	¥ 5,289,754			

(Thousands of U.S. dollars)

	Third-party interests in SVF1 (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, 2021	$53,940,608			
Contributions from third-party investors	2,269,989		–	2,269,989
Changes in third-party interests	(7,440,003)		7,440,003	–
Attributable to investors entitled to fixed distribution		1,254,261		
Attributable to investors entitled to performance-based distribution		(8,694,264)		
Distribution/repayment to third-party investors	(10,039,243)		–	(10,039,243)
Exchange differences on translating third-party interests*1	4,489,125		–	–
As of March 31, 2022*2	$43,220,476			

*1 Exchange differences were included in "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

*2 Of third-party interests as of March 31, 2022, the amount attributable to investors entitled to fixed distribution is ¥2,265,702 million ($18,512,150 thousand) and of this amount, the amount of unpaid fixed distributions is not recorded.

(b) Third-party interests in SVF2 and receivables

Changes in interests attributable to Third-Party Investor in SVF2 (included in "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position) are as follows: Third-party Investor in SVF2 is the investor entitled to performance-based distribution.

(Millions of yen)

	Third-party interests in SVF2 (Total of current liabilities and non-current liabilities)	(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, 2021	¥ –		
Acquisition of interest by third-party investor	**325,292**	–	–
Changes in third-party interests	**(62,092)**	**62,092**	–
Distribution/repayment to the third-party investor (Offsetting against the receivables)	**(19,104)**	–	–
Exchange differences on translating third-party interests*	**25,985**	–	–
As of March 31, 2022	**¥ 270,081**		

(Thousands of U.S. dollars)

	Third-party interests in SVF2 (Total of current liabilities and non-current liabilities)	(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, 2021	**$ –**		
Acquisition of interest by third-party investor	**2,657,832**	–	–
Changes in third-party interests	**(507,329)**	**507,329**	–
Distribution/repayment to the third-party investor (Offsetting against the receivables)	**(156,091)**	–	–
Exchange differences on translating third-party interests*	**212,312**	–	–
As of March 31, 2022	**$2,206,724**		

* Exchange differences were included in "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

The Company has receivables from Third-party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in "Other financial assets (non-current)" in the consolidated statements of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in "a. Co-investment Program with Restricted Rights to Receive Distributions" under "(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2."

(Millions of yen)

	Receivables from third-party investor in SVF2
As of April 1, 2021	**¥ –**
Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor	**332,629**
Reduction of receivables by offsetting distribution/repayment to third-party investor	**(19,104)**
Exchange differences on receivables	**29,138**
As of March 31, 2022	**¥ 342,663**

(Thousands of U.S. dollars)

	Receivables from third-party investor in SVF2
As of April 1, 2021	**$ –**
Increase in receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor	**2,717,779**
Reduction of receivables by offsetting distribution/repayment to third-party investor	**(156,091)**
Exchange differences on receivables	**238,075**
As of March 31, 2022	**$ 2,799,763**

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1's Third-Party Investors as of March 31, 2022 was $8.2 billion.

(5) Management fees and performance fees

Terms and conditions of management fees, performance-linked management fees, and performance fees, included in segment income from the SoftBank Vision Funds business, are as follows.

a. Management fees and performance fees in SVF1

Management fees to SBIA from SVF1 are, in accordance with the limited partnership agreement, calculated by multiplying 1% per annum by Equity contributions used to fund investments and paid to SBIA by SVF1 quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend and monetization of an investment.

From the inception of SVF1 to March 31, 2022, the cumulative amount of performance fees paid to SBIA was $439 million. For the fiscal year ended March 31, 2022, no performance fees were paid to SBIA.

In addition, the performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance.

b. Management fees and performance-linked management fees in SVF2

Management fees to SBGA from SVF2 are, in accordance with the constitutional agreements, calculated by multiplying 0.7% per annum by the acquisition cost of investments and paid to SBGA by SVF2 quarterly.

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of an investment in SVF2.

From the inception of SVF2 to March 31, 2022, no performance-linked management fees were paid to SBGA.

8. Special purpose acquisition companies sponsored by the Company

A special purpose acquisition company ("SPAC") is an investment vehicle formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that have not yet been identified at the time of the offering. Subsequent to its formation, the SPAC executes an initial public offering and raises capital through contributions from public investors. The SPAC then seeks to identify an unlisted company as a target company and completes a business combination with the target company with necessary approvals. Although the SPAC becomes the legal surviving company, substantially the target company, which is an unlisted company, becomes a publicly listed company through the business combination. A SPAC may arrange committed equity financing in private placement with certain investors in order to raise additional funds necessary for the business combination ("Private Investment in Public Equity").

For the fiscal year ended March 31, 2021, Fortress, SB Investment Advisers (US) Inc.*, and SoftBank Latin America Fund have formed, as sponsors, nine SPACs. These SPACs have raised funds through initial public offerings in the United States. For the fiscal year ended March 31, 2021, the total funds raised were $3,304 million (the amounts for Fortress, SB Investment Advisers (US) Inc., and SoftBank Latin America Fund were $1,920 million, $1,154 million, and $230 million, respectively).

There were no SPACs sponsored by the Company newly formed for the fiscal year ended March 31, 2022.

Since the Company has control over the SPACs from inception until its merger with a target company, the SPACs are consolidated as subsidiaries. The Company, as sponsor, acquires shares and, if applicable, warrants of SPACs as consideration for funds invested by the Company in SPACs. Investments in SPACs by the Company as sponsor, as well as investments by other subsidiaries of the Company, are eliminated in consolidation.

The amount of ownership interests held by investors other than the Company as sponsor ("Public Market Investors") includes proceeds received from Public Market Investors at the initial public offering and income including interest earned on such proceeds. Shares issued by a SPAC at the initial public offering are subject to conditions that the SPAC will cease all operations and redeem all of the proceeds received from Public Market Investors in the SPAC to them if the SPAC is unable to complete a merger within 24 months from the date of the initial public offering. In addition, Public Market Investors retain an option to redeem part or all of proceeds received from them upon completion of the initial merger. When the condition is met or the option is exercised, the relevant SPAC will be obligated to redeem them for cash and, therefore, non-controlling interests subject to possible redemption are included in and presented as "Other financial liabilities (current)" or "Other financial liabilities (non-current)" and classified as "financial liabilities measured at amortized cost" in the consolidated statement of financial position.

The carrying amounts of non-controlling interests subject to possible redemption are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Other financial liabilities			
Current			
Non-controlling interests subject to possible redemption	¥ –	**¥ 307,144**	**$ 2,509,551**
Non-current			
Non-controlling interests subject to possible redemption	¥ 298,092	**¥ –**	**$ –**

The proceeds received from Public Market Investors can only be used for the initial merger and redemptions of the proceeds to Public Market Investors. The proceeds received are held in a trust account until the completion of the initial merger or redemption to Public Market Investors and are invested only in certain financial assets that are highly liquid.

The carrying amounts of the assets restricted on its use held in the trust accounts are as follows;

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Other financial assets			
Current			
Trust accounts in SPACs	¥ –	**¥ 326,062**	**$ 2,664,123**
Non-current			
Trust accounts in SPACs	¥ 327,569	**¥ –**	**$ –**

When the Company loses control over a SPAC due to a successful merger with a target company, the SPAC will no longer be subject to consolidation. For the fiscal year ended March 31, 2021, a SPAC sponsored by Fortress completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control. For the fiscal year ended March 31, 2022, a SPAC sponsored by Fortress completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control. Furthermore, an agreement to merge with a target company was completed with another SPAC sponsored by SBIA as of March 31, 2022. Subsequently, the De-SPAC was completed in June 2022.

* SB Investment Advisers (US) Inc. is a wholly-owned subsidiary of the Company and provides investment advices to SBIA.

9. Business combinations

For the fiscal year ended March 31, 2021

Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation

(1) Overview of the business combination

SoftBank Corp., a subsidiary of the Company, consolidated LINE Corporation and implemented the business integration of LINE Corporation and Z Holdings Corporation for the purpose of maximizing synergy in each business field pertaining to Z Holdings Corporation and LINE Group, aggregating management resources and enhancing growth in the new business fields.

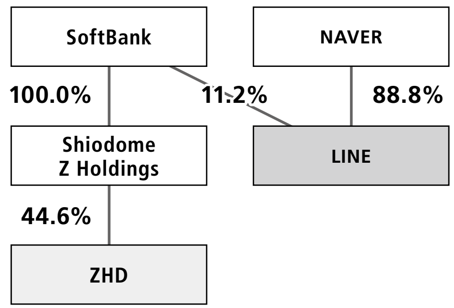
Through this acquisition, SoftBank Corp. first transferred all the Z Holdings Corporation shares held by SoftBank Corp. to Shiodome Z Holdings Co., Ltd (subsequently, its corporate form was changed to Shiodome Z Holdings G.K.), and SoftBank Corp. and NAVER J.Hub Corporation wholly owned by NAVER Corporation, major shareholder of LINE Corporation, conducted a joint tender offer for the common stock of LINE Corporation and implemented squeeze-out procedures of minority shareholders as well as making adjustments of ownership interests toward the LINE Corporation shares held by SoftBank Corp. and NAVER J.Hub Corporation. As a result, SoftBank Corp. acquired 26,220 thousand common stock of LINE Corporation for ¥172,992 million excluding transaction costs and therefore the ratio of voting rights held by SoftBank Corp. in LINE Corporation became 11.2% as of February 25, 2021 (Refer to (a) under Structure Diagram below.)

LINE Corporation conducted a tender offer for the common stock of Z Holdings Corporation and an absorption-type merger with Shiodome Z Holdings G.K. As a result, the ratio of voting rights held by SoftBank Corp. and NAVER Corporation in LINE Corporation became 50.0% respectively as of February 26, 2021. Effective as of February 28, 2021, LINE Corporation transitioned all the business to LINE Split Preparation Corporation through a company split (absorption-type company split) and changed its name to A Holdings Corporation. Under the joint venture agreement entered into with NAVER Corporation, SoftBank Corp. owns the rights to appoint the majority of the Board of Directors of A Holdings Corporation. As a result, A Holdings Corporation and LINE Split Preparation Corporation are considered substantially controlled by the Company, through SoftBank Corp., a subsidiary of the Company, and became subsidiaries of the Company, effective as of February 28, 2021, on which the legally binding joint venture agreement was entered into by conducting the absorption-type merger. Also, through A Holdings Corporation, SoftBank Corp., a subsidiary of the Company, owns the rights to appoint the majority of the Board of Directors of Z Holdings Corporation and accordingly, Z Holdings Corporation is considered continuously controlled by SoftBank Corp. (Refer to (b) under Structure Diagram below.)

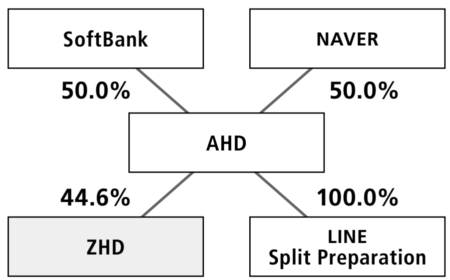
In addition, effective as of March 1, 2021, a share exchange of common stock of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation (the exchange ratio: allotted ratio of Z Holdings Corporation shares to be exchanged for one share of the LINE Split Preparation Corporation is 11.75 and the allotted number of Z Holdings Corporation shares is 2,831,284,030 shares) whereby LINE Split Preparation Corporation became the wholly-owned subsidiary of Z Holdings Corporation. As a result, the ratio of voting rights held by A Holdings Corporation in Z Holdings Corporation became 65.3%. Subsequently, LINE Split Preparation Corporation changed its name to LINE Corporation (Refer to (c) under Structure Diagram below.)

Structure Diagram

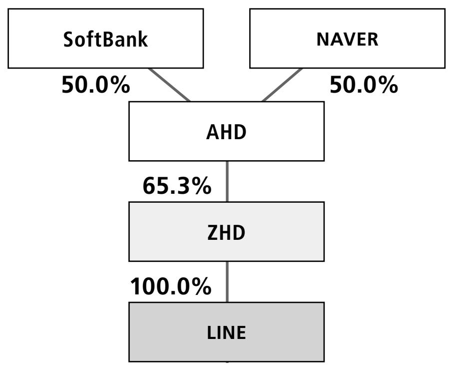
(a) Joint tender offer for LINE Corporation shares and squeeze-out



(b) Tender offer for Z Holdings Corporation shares and absorption-type merger between Shiodome Z Holdings G.K. and LINE Corporation (currently A Holdings Corporation) as well as LINE business demerger



(c) Share exchange between Z Holdings Corporation and A Holdings Corporation



(2) Summary of acquiree

Name	LINE Corporation*
Nature of business	Advertising service based on the mobile messenger application "LINE," core business including the sales of stamp and game services, and strategic business including Fintech, AI, and commerce service

* Refer to LINE Corporation, surviving company through the absorption-type merger conducted by Shiodome Z Holdings G.K. As described in "Structure Diagram (b)" under "(1) Overview of the business combination," LINE Corporation, acquiree, transitioned all the business to LINE Split Preparation Corporation (currently LINE Corporation) and changed its name to A Holdings Corporation, effective as of February 28, 2021.

(3) Acquisition date

February 28, 2021

(4) Consideration transferred and the component

(Millions of yen)

		Acquisition date (February 28, 2021)
Fair value of common shares in LINE Corporation already held at the time of acquisition of control		¥ 172,922
Fair value of common shares in Shiodome Z Holdings G.K. transferred at the time of acquisition of control. .		689,150
Total consideration transferred.	A	¥ 862,072

Acquisition-related costs incurred for the business combination were ¥1,970 million, of which ¥932 million and ¥1,038 million are included in "Selling, general and administrative expenses" in the consolidated statement of income for the fiscal year ended March 31, 2020 and for the fiscal year ended March 31, 2021, respectively. In addition, as a result of remeasuring interests in LINE Corporation held by SoftBank Corp. based on the fair value as of the acquisition date, difference on the step acquisition of ¥(70) million is recognized. The amount is included in "Equity financial assets at FVTOCI" in the consolidated statement of comprehensive income.

(5) Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date*1

(Millions of yen)

		Acquisition date (February 28, 2021)
Cash and cash equivalents		¥ 312,791
Trade and other receivables		67,553
Other (current)		46,687
Property, plant and equipment		21,905
Right-of-use assets		62,940
Intangible assets*2		395,947
Investments accounted for using the equity method		167,873
Other (non-current)		104,809
Total assets		1,180,505
Interest-bearing debt (current and non-current)		181,308
Lease liabilities (current and non-current)		62,940
Trade and other payables		233,671
Other (current)		49,169
Deferred tax liabilities		150,504
Other (non-current)		20,745
Total liabilities		698,337
Net assets	B	482,168
Non-controlling interests*3	C	250,760
Goodwill*4	A – (B – C)	¥ 630,664

*1 Amendment of provisional amounts
The consideration for acquisition is allocated to the acquired assets and the assumed liabilities based on the fair value on the acquisition date. For the three-month period ended September 30, 2021, the allocation of the consideration for acquisition has been completed. The main effects of the adjustments from the provisional amounts comprise of decrease in property, plant and equipment of ¥2,762 million, decrease in intangible assets including identifiable intangible assets of ¥14,092 million, decrease in deferred tax liabilities of ¥5,352 million, decrease in non-controlling interests of ¥5,861 million, and increase in goodwill of ¥5,861 million.

*2 The amount of intangible assets includes ¥394,413 million of identifiable assets and the table below shows the breakdown of the identifiable assets. The estimated useful lives of customer relationships and technology assets are from 12 to 18 years and 8 years, respectively. The trademarks are classified as intangible assets with indefinite useful lives. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

(Millions of yen)

	Acquisition date (February 28, 2021)
Intangible assets with indefinite useful lives	
Trademarks	¥ 160,116
Intangible assets with definite useful lives	
Customer relationships	232,019
Technology assets	2,278
Total	¥ 394,413

*3 Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.

*4 Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

(6) Proceeds from acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (February 28, 2021)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	¥ 312,791
Proceeds in cash from the acquisition of control over the subsidiary	¥ 312,791

(7) 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, 2021, are ¥25,205 million and ¥5,877 million, respectively. In addition, an impairment loss of ¥10,002 million and deferred tax revenue related to the impairment loss of ¥3,147 million are included in the aforementioned net loss.

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

The following is pro forma information (unaudited) of the consolidated performance of the Company for the fiscal year ended March 31, 2021, assuming that the acquisition of LINE Corporation and the business combinations of LINE Corporation and Z Holdings Corporation were completed and control was acquired as of April 1, 2020.

(Millions of yen)

	Fiscal year ended March 31, 2021
Sales (pro forma)	¥5,862,873
Net income (pro forma)	¥5,043,000

10. Discontinued operations

(1) Sprint

On April 1, 2020, the merger of Sprint and T-Mobile US, Inc. was completed under the business combination agreement which the Company entered into with the parties, including Sprint, T-Mobile US, Inc. and Deutsche Telekom AG ("Deutsche Telekom") on April 29, 2018 (EST) ("Business Combination Agreement," which was previously amended by an amendment dated July 26, 2019 and February 20, 2020).

Under the merger transaction, Starburst I, Inc. which held Sprint shares and Galaxy Investment Holdings, Inc. were merged with and into Huron Merger Sub LLC, a U.S. subsidiary of T-Mobile US, Inc. and directly owned by T-Mobile US, Inc.("T-Mobile"), with Huron Merger Sub LLC as the surviving company. In addition, Superior Merger Sub Corp., a U.S. subsidiary of Huron Merger Sub LLC and directly owned by Huron Merger Sub LLC, was merged with and into Sprint, with Sprint as the surviving company. As a result of the transactions, Sprint became a wholly-owned subsidiary of T-Mobile which was a new company after the merger and owned Sprint indirectly.

As a result, Sprint was no longer a subsidiary of the Company and T-Mobile became an equity method associate of the Company from that date. The difference between the total fair value less costs to sell as of April 1, 2020 for acquired T-Mobile shares as consideration of the merger transaction and acquiring shares when certain contingency is satisfied (the "contingent consideration"), and the carrying amount of Sprint (assets, liabilities, accumulated other comprehensive income, and non-controlling interests in Sprint) was recorded as a gain relating to loss of control for the fiscal year ended March 31, 2021. In addition, the carrying amount of non-controlling interests in Sprint at the time of loss of control over Sprint is ¥424,746 million.

The Company surrendered as contingent considerations to T-Mobile an aggregate of 48,751,557 shares of T-Mobile common stock, of the 353,357,606 shares to be received from the transaction, effective immediately following the closing of the transaction. If the trailing 45-day volume-weighted average price per share of T-Mobile common stock on the NASDAQ Global Select Market is equal to or greater than $150 at any time during the period commencing on the second anniversary of the closing date and ending on December 31, 2025, T-Mobile will re-issue to the Company, for no additional consideration, a number of shares of T-Mobile common stock equal to the abovementioned number of shares to be surrendered, subject to the terms and conditions included as part of the Business Combination Agreement.

The Company recognizes the fair value of the contingent consideration as "Derivative financial assets (non-current)" in the consolidated statement of financial position and ¥196,313 million is recorded as of the acquisition date. In addition, changes in the fair value after the acquisition date are recognized as "Gain on investments at Investment Business of Holding Companies" in the consolidated statement of income.

Gain relating to loss of control over Sprint for the fiscal year ended March 31, 2021 is presented as discontinued operations, separately from continuing operations, in the consolidated statement of income.

In addition, the Company transferred 173,564,426 out of 304,606,049 shares of T-Mobile common stock held on June 26, 2020. As a result of the transaction, due to the decrease in voting rights ratio resulted from the share transfer, the Company had no significant influence over T-Mobile and T-Mobile was no longer considered as an equity method associate of the Company. The details are described in "Partial sale of T-Mobile shares for the fiscal year ended March 31, 2021" under "Note 51. Additional information."

a. Results of operations from discontinued operations

	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Net sales	¥ –	¥ –	$ –
Cost of sales	–	–	–
Selling, general and administrative expenses	–	–	–
Finance cost	–	–	–
Other	–	–	–
Income from discontinued operations before income tax	–	–	–
Income taxes	–	–	–
Income from discontinued operations after income tax	–	–	–
Gain relating to loss of control over discontinued operations*1, 2	720,842	–	–
Net income from discontinued operations	¥ 720,842	¥ –	$ –
Net income from discontinued operations	720,842	–	–
Other comprehensive income from discontinued operations	(205,694)	–	–
Comprehensive income from discontinued operations	¥ 515,148	¥ –	$ –

*1 Tax expense is presented as zero in the consolidated statement of income because the taxable income at SoftBank Group Corp. was not generated for the fiscal year despite income generated at SoftBank Group Corp. from the gain recognized related to discontinued operations for the acquired contingent consideration at the time of the merger between Sprint and T-Mobile US, Inc.

*2 The Company may indemnify T-Mobile and its subsidiaries against any losses, including monetary losses resulting from certain specified matters, incurred by Sprint and its subsidiaries due to the cessation of T-Mobile's and its subsidiaries' access to the frequencies of Sprint and its subsidiaries under certain circumstances based on the Business Combination Agreement, which the Company entered into with the parties, including Sprint, T-Mobile US, Inc., and Deutsche Telekom, in principle. Accordingly, ¥26,362 million including ¥870 million which is the reasonably estimated provision as of March 31, 2021, was recorded as the indemnification for the fiscal year ended March 31, 2021. The indemnification and expenses arising from the merger transaction are deducted from the gain relating to loss of control under discontinued operations.

b. Cash flows from discontinued operations

	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Cash flows from operating activities	¥ (45,647)	¥ –	$ –
Cash flows from investing activities	–	–	–
Cash flows from financing activities	–	–	–
	¥ (45,647)	¥ –	$ –

The sale of Sprint shares as of April 1, 2020 was conducted as a share exchange with T-Mobile shares and corresponds to a non-cash transaction.

(2) Brightstar

On September 17, 2020, the Company had entered into a definitive agreement with Brightstar Capital Partners, in order to sell all of its shares in Brightstar to a newly formed subsidiary of Brightstar Capital Partners. On October 22, 2020, the sale of all shares in Brightstar was completed. As a result of the transaction, Brightstar was excluded from the scope of consolidation of the Company. For the fiscal year ended March 31, 2021, operating results related to Brightstar are presented as discontinued operations, separately from continuing operations, in the consolidated statement of income.

a. Results of operations from discontinued operations

	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Net sales	¥ 330,929	¥ –	$ –
Cost of sales	(303,409)	–	–
Selling, general and administrative expenses	(18,992)	–	–
Finance cost	(2,044)	–	–
Other	(15,459)	–	–
Income from discontinued operations before income tax	(8,975)	–	–
Income taxes	(2,082)	–	–
Income from discontinued operations after income tax	(11,057)	–	–
Gain relating to loss of control over discontinued operations	1,163	–	–
Net income from discontinued operations	¥ (9,894)	¥ –	$ –
Net income from discontinued operations	(9,894)	–	–
Other comprehensive income from discontinued operations	2,902	–	–
Comprehensive income from discontinued operations	¥ (6,992)	¥ –	$ –

b. Cash flows from discontinued operations

	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Cash flows from operating activities	¥ 38,733	¥ –	$ –
Cash flows from investing activities	(4,807)	–	–
Cash flows from financing activities	(1,475)	–	–
	¥ 32,451	¥ –	$ –

11. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Cash and demand deposits*1,2	¥ 4,444,917	**¥ 4,934,689**	**$ 40,319,381**
MMF	123,204	**120,212**	**982,204**
Certificates of deposit	300	**67,000**	**547,430**
Time deposits (maturities of less than three months)	94,239	**47,027**	**384,239**
Other	65	**73**	**597**
Total	¥ 4,662,725	**¥ 5,169,001**	**$ 42,233,851**

*1 A subsidiary operating a banking business is obliged to maintain certain amounts of the deposit, which is determined by a fixed ratio against the deposits it receives from its customers ("the legal reserve requirement"), with the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2022, cash and cash equivalents include ¥320,403 million ($2,617,885 thousand) (as of March 31, 2021: ¥294,165 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, 2022 includes money in trust of ¥38,095 million ($311,259 thousand) (as of March 31, 2021: ¥22,742 million) to set up for the purchase of treasury stocks by SoftBank Group Corp.

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 25. Interest-bearing debt."

12. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Trade receivables	¥ 1,449,132	**¥ 1,596,515**	**$ 13,044,489**
Installment receivables*	398,293	**374,374**	**3,058,861**
Deposits for banking business	108,366	**204,652**	**1,672,130**
Deposits	154,867	**180,115**	**1,471,648**
Other	126,289	**33,090**	**270,365**
Allowance for doubtful accounts	(20,513)	**(27,597)**	**(225,484)**
Total	¥ 2,216,434	**¥ 2,361,149**	**$ 19,292,009**

* Installment receivables represent receivables arising from the Company's advance payments to dealers on behalf of its customers who chose to purchase mobile devices by installments in indirect sales. The amounts are charged to customers together with telecommunications 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)."

13. Other financial assets

The components of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current			
Trust accounts in SPACs*1	¥ –	**¥ 326,062**	**$ 2,664,123**
Restricted cash*2,3	480,100	**142,246**	**1,162,235**
Marketable securities	80,797	**107,104**	**875,104**
Time deposits (maturities of more than three months)	36,315	**84,415**	**689,721**
Other	85,630	**118,549**	**968,618**
Allowance for doubtful accounts	(10,935)	**(15,738)**	**(128,589)**
Total	¥ 671,907	**¥ 762,638**	**$ 6,231,212**
Non-current			
Installment receivables*4	481,943	**463,440**	**3,786,584**
Loan receivables	390,073	**445,977**	**3,643,901**
Deposits for banking business	384,394	**441,260**	**3,605,360**
Receivables from MgmtCo*5	–	**423,326**	**3,458,828**
Investments from asset management subsidiaries*6	97,023	**155,888**	**1,273,699**
Trust accounts in SPACs*1	327,569	**–**	**–**
Other	320,859	**392,419**	**3,206,299**
Allowance for doubtful accounts	(82,599)	**(71,670)**	**(585,587)**
Total	¥1,919,262	**¥2,250,640**	**$18,389,084**

*1 The details of trust accounts in SPACs are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

*2 On April 13, 2021, the Company paid $2.9 billion (¥313,411 million) from $3.3 billion (¥361,355 million) of restricted cash which was required to be maintained in a segregated custody account as of March 31, 2021, for the early termination of the prepaid forward contract using Alibaba shares by cash. Accordingly, the Company completed the settlement of the prepaid forward contract using Alibaba shares. Also, ¥47,944 million ($391,731 thousand) of the rest of the restricted cash was released from usage limit and transferred to "Cash and cash equivalents" for the fiscal year ended March 31, 2022. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

*3 ¥131,474 million ($1,074,222 thousand) (as of March 31, 2021: ¥111,787 million) of restricted cash in the asset management subsidiary is included as of March 31, 2022. The details are described in "c. Restricted cash" in "(21) Significant accounting policies for the asset management subsidiary" under "Note 3. Significant accounting policies."

*4 Installment receivables are described in "Note 12. Trade and other receivables."

*5 Receivables from MgmtCo is outstanding balance of the receivables in relation to the Equity Acquisition Amount and accrued premiums from MgmtCo as a Third-Party Investor of SVF2 and SoftBank Latin America Funds. The receivables of SVF2 and SoftBank Latin America Funds are ¥342,663 million ($2,799,763 thousand) and ¥80,663 million ($659,065 thousand), respectively. The details of receivables are described in "(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2" under "Note 7. SoftBank Vision Funds business" and in "a. Co-investment program with restricted rights to receive distributions" in "For the fiscal year ended March 31, 2022" in "(1) Related party transactions and balances" under "Note 48. Related party transactions."

*6 The details are described in "a. Investments from the asset management subsidiary" in "(21) Significant accounting policies for the asset management subsidiary" under "Note 3. Significant accounting policies."

14. Inventories

The components of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Merchandise and finished products	¥ 109,695	**¥ 127,312**	**$ 1,040,216**
Other	17,135	**15,455**	**126,276**
Total	¥ 126,830	**¥ 142,767**	**$ 1,166,492**

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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Write-downs of inventories	¥ 22,738	**¥ 23,376**	**$ 190,996**

15. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current			
Tax receivable*	¥ 282,534	**¥ 179,409**	**$ 1,465,880**
Prepaid expense	86,772	**87,142**	**712,003**
Contract assets	26,672	**32,496**	**265,512**
Other	50,761	**35,054**	**286,412**
Total	¥ 446,739	**¥ 334,101**	**$ 2,729,807**
Non-current			
Long-term prepaid expense	110,167	**104,133**	**850,829**
Other	27,217	**40,905**	**334,219**
Total	¥ 137,384	**¥ 145,038**	**$ 1,185,048**

* Tax receivable as of March 31, 2022 includes the withholding income tax of ¥90,721 million ($741,245 thousand) (as of March 31, 2021:¥245,053 million) related to dividends within the group companies.

16. Disposal group classified as held for sale

As of December 11, 2020, the Company agreed on main terms of a transaction with South Korea-based Hyundai Motor Company and its affiliates (collectively "Hyundai Motor Group") and Euisun Chung, Chairman of Hyundai Motor Group, pursuant to which (i) the Company would sell the majority of its shares held in Boston Dynamics, Inc. ("Boston Dynamics"), to Hyundai Motor Group and Euisun Chung, and (ii) Hyundai Motor Group and Euisun Chung would subscribe for additional shares of Boston Dynamics. Upon this agreement, it was highly probable that Boston Dynamics would no longer be a subsidiary of the Company. Accordingly, assets, liabilities, and accumulated other comprehensive income of Boston Dynamics were reclassified as a disposal group classified as held for sale for the fiscal year ended March 31, 2021. The disposal group classified as held for sale was measured at the carrying amount as the consideration from the sale transaction was higher than the carrying amount of Boston Dynamics. The carrying amounts of assets, liabilities, and accumulated other comprehensive income in Boston Dynamics were ¥38,647 million, ¥11,271 million, and ¥267 million, respectively as of March 31, 2021.

In addition, the transaction was completed following regulatory approval and satisfaction of certain conditions on June 21, 2021. Boston Dynamics is no longer a subsidiary of the Company from the same date and the shares continuously held as a minority shareholder are measured at fair value and accounted for as financial instruments at FVTPL. Accordingly, for the fiscal year ended March 31, 2022, the difference between the consideration from the sale transaction (excluding the cost to sell) and the fair value of shares continuously held, and the carrying amount of Boston Dynamics (assets, liabilities, accumulated other comprehensive income, and non-controlling interests) was recorded as a gain relating to loss of control over subsidiaries for ¥72,936 million ($595,931 thousand) under "Other gain" in the consolidated statement of income.

17. Property, plant and equipment

(1) Changes in 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	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2020	¥ 255,011	¥ 1,682,228	¥ 147,279	¥ 461,495	¥ 70,972	¥ 181,353	¥ 35,446	¥ 2,833,784
Purchases	20,170	32,491	10,937	29,713	3,220	348,247	4,564	449,342
Business combinations	4,193	–	–	19,441	–	514	519	24,667
Loss of control	(647)	–	(3,759)	(7,759)	(65)	(233)	(2,231)	(14,694)
Disposals	(14,761)	(83,282)	(3,981)	(42,201)	(1,734)	(3,790)	(1,128)	(150,877)
Transfer of accounts	42,837	533,354	2,034	70,767	(1)	(203,564)	3,244	448,671
Exchange differences	213	20	5,433	354	139	6,730	825	13,714
Transfer to assets classified as held for sale	–	–	(1,883)	(382)	–	–	(4,267)	(6,532)
Other	(792)	12,008	5,869	1,366	(546)	5,454	465	23,824
As of March 31, 2021	306,224	2,176,819	161,929	532,794	71,985	334,711	37,437	3,621,899
Purchases	**8,151**	**44,468**	**7,059**	**42,890**	**–**	**287,126**	**5,318**	**395,012**
Loss of control	**(2,377)**	**(40)**	**(119,540)**	**(2,431)**	**(26)**	**(45,658)**	**(1,177)**	**(171,249)**
Disposals	**(11,686)**	**(88,857)**	**(4,324)**	**(40,328)**	**(14)**	**(385)**	**(4,578)**	**(150,172)**
Transfer of accounts	**9,781**	**585,091**	**151,854**	**39,473**	**37**	**(363,573)**	**1,511**	**424,174**
Exchange differences	**890**	**37**	**21,517**	**2,477**	**404**	**15,546**	**3,806**	**44,677**
Other	**1,268**	**4,551**	**(576)**	**(2,568)**	**–**	**17,251**	**44**	**19,970**
As of March 31, 2022	**¥ 312,251**	**¥ 2,722,069**	**¥ 217,919**	**¥ 572,307**	**¥ 72,386**	**¥ 245,018**	**¥ 42,361**	**¥ 4,184,311**

(Thousands of U.S. dollars)

Historical cost	Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2021	$2,502,034	$17,785,922	$1,323,057	$4,353,248	$588,160	$ 2,734,790	$305,883	$29,593,094
Purchases	**66,599**	**363,330**	**57,676**	**350,437**	**–**	**2,345,992**	**43,451**	**3,227,485**
Loss of control	**(19,422)**	**(327)**	**(976,714)**	**(19,863)**	**(212)**	**(373,053)**	**(9,617)**	**(1,399,208)**
Disposals	**(95,482)**	**(726,015)**	**(35,330)**	**(329,504)**	**(114)**	**(3,146)**	**(37,405)**	**(1,226,996)**
Transfer of accounts	**79,917**	**4,780,546**	**1,240,739**	**322,518**	**302**	**(2,970,610)**	**12,346**	**3,465,758**
Exchange differences	**7,272**	**302**	**175,807**	**20,239**	**3,301**	**127,020**	**31,097**	**365,038**
Other	**10,361**	**37,185**	**(4,707)**	**(20,982)**	**–**	**140,952**	**360**	**163,169**
As of March 31, 2022	**$2,551,279**	**$22,240,943**	**$1,780,528**	**$4,676,093**	**$591,437**	**$ 2,001,945**	**$346,115**	**$34,188,340**

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	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2020	¥ (120,979)	¥ (1,100,118)	¥ (28,524)	¥ (301,573)	¥ (8)	¥ (5,323)	¥ (12,743)	¥ (1,569,268)
Depreciation	(19,549)	(123,365)	(15,013)	(70,436)	–	–	(5,973)	(234,336)
Impairment loss	(47)	–	(99)	(7,461)	–	–	(127)	(7,734)
Loss of control	596	–	2,788	7,065	1	–	1,866	12,316
Disposals	14,004	77,026	3,674	41,617	–	7	897	137,225
Transfer of accounts	(4,971)	(278,504)	(5)	(14,526)	–	5,213	(2)	(292,795)
Exchange differences	46	(15)	(1,022)	(159)	–	–	61	(1,089)
Transfer to assets classified as held for sale	–	–	749	95	–	–	598	1,442
Other	3,081	(3,007)	(681)	1,408	1	30	86	918
As of March 31, 2021	(127,819)	(1,427,983)	(38,133)	(343,970)	(6)	(73)	(15,337)	(1,953,321)
Depreciation	**(16,100)**	**(159,556)**	**(9,952)**	**(81,053)**	**–**	**–**	**(9,464)**	**(276,125)**
Impairment loss	**(349)**	**–**	**(3,048)**	**(561)**	**–**	**(7,354)**	**–**	**(11,312)**
Loss of control	**730**	**12**	**14,079**	**1,585**	**–**	**–**	**118**	**16,524**
Disposals	**11,441**	**86,853**	**4,194**	**39,383**	**–**	**14**	**4,125**	**146,010**
Transfer of accounts	**(924)**	**(262,773)**	**(37)**	**6,654**	**–**	**51**	**68**	**(256,961)**
Exchange differences	**(107)**	**(28)**	**(3,196)**	**(1,447)**	**–**	**–**	**(1,375)**	**(6,153)**
Other	**(898)**	**(4,228)**	**(961)**	**(997)**	**–**	**6,989**	**(129)**	**(224)**
As of March 31, 2022	**¥ (134,026)**	**¥ (1,767,703)**	**¥ (37,054)**	**¥ (380,406)**	**¥ (6)**	**¥ (373)**	**¥ (21,994)**	**¥ (2,341,562)**

(Thousands of U.S. dollars)

Accumulated depreciation and impairment losses	Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2021	$(1,044,358)	$(11,667,481)	$(311,570)	$(2,810,442)	$ (49)	$ (596)	$(125,313)	$(15,959,809)
Depreciation	**(131,547)**	**(1,303,669)**	**(81,314)**	**(662,252)**	**–**	**–**	**(77,326)**	**(2,256,108)**
Impairment loss	**(2,852)**	**–**	**(24,904)**	**(4,584)**	**–**	**(60,087)**	**–**	**(92,427)**
Loss of control	**5,965**	**98**	**115,034**	**12,950**	**–**	**–**	**964**	**135,011**
Disposals	**93,480**	**709,641**	**34,268**	**321,783**	**–**	**114**	**33,704**	**1,192,990**
Transfer of accounts	**(7,550)**	**(2,147,014)**	**(302)**	**54,367**	**–**	**417**	**556**	**(2,099,526)**
Exchange differences	**(874)**	**(229)**	**(26,113)**	**(11,823)**	**–**	**–**	**(11,235)**	**(50,274)**
Other	**(7,337)**	**(34,544)**	**(7,851)**	**(8,145)**	**–**	**57,104**	**(1,055)**	**(1,828)**
As of March 31, 2022	**$(1,095,073)**	**$(14,443,198)**	**$(302,752)**	**$(3,108,146)**	**$ (49)**	**$ (3,048)**	**$(179,705)**	**$(19,131,971)**

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

(Millions of yen)

Carrying amounts	Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2021	¥178,405	¥748,836	¥123,796	¥188,824	¥71,979	¥334,638	¥22,100	¥1,668,578
As of March 31, 2022	**¥178,225**	**¥954,366**	**¥180,865**	**¥191,901**	**¥72,380**	**¥244,645**	**¥20,367**	**¥1,842,749**

(Thousands of U.S. dollars)

Carrying amounts	Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2022	**$1,456,206**	**$7,797,745**	**$1,477,776**	**$1,567,947**	**$591,388**	**$1,998,897**	**$166,410**	**$15,056,369**

The amount of "Transfer of accounts" includes the amount transferred from "Right-of-use assets" due to termination of lease contracts as lessee and transfer of ownership of these assets to the Company.

Historical cost	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Buildings and structures	¥ 5,906	**¥ 1,003**	**$ 8,195**
Telecommunications equipment	400,192	**394,247**	**3,221,235**
Furniture, fixtures, and equipment	29,275	**1,759**	**14,373**
Total	¥ 435,373	**¥ 397,009**	**$ 3,243,803**

Accumulated depreciation and impairment losses	(Millions of yen) Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	(Thousands of U.S. dollars) Fiscal year ended March 31, 2022
Buildings and structures	¥ (3,913)	**¥ (502)**	**$ (4,102)**
Telecommunications equipment	(281,722)	**(263,221)**	**(2,150,674)**
Furniture, fixtures, and equipment	(19,840)	**(1,748)**	**(14,282)**
Total	¥(305,475)	**¥(265,471)**	**$(2,169,058)**

Impairment loss is included in "Other gain (loss)" in the consolidated statement of income.

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 25. Interest-bearing debt."

Property, plant and equipment with restrictions on rights are described in "(6) Assets with restrictions on rights" under "Note 25. Interest-bearing debt."

(2) Assets subject to operating leases as lessor included in property, plant and equipment

Of property, plant and equipment, assets subject to operating leases as lessor are primarily leased mobile devices. Changes in "Furniture, fixtures, and equipment" including leased mobile devices, which includes the assets subject to operating leases as lessor, are as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Historical cost	Furniture, fixtures, and equipment	
As of April 1, 2020	¥ 169,226	$ –
Purchases	901	–
Business combinations	587	–
Disposals	(10,716)	–
Transfer of accounts	53,791	–
Exchange differences	31	–
Other	131	–
As of March 31, 2021	213,951	1,748,109
Purchases	**93**	**760**
Disposals	**(12,219)**	**(99,837)**
Transfer of accounts	**24,266**	**198,268**
Exchange differences	**55**	**449**
Other	**(3,903)**	**(31,890)**
As of March 31, 2022	**¥ 222,243**	**$1,815,859**

	(Millions of yen)	(Thousands of U.S. dollars)
Accumulated depreciation and impairment losses	Furniture, fixtures, and equipment	
As of April 1, 2020	¥ (125,950)	$ –
Depreciation	(28,193)	–
Impairment loss	(74)	–
Disposals	10,311	–
Transfer of accounts	(11,651)	–
Exchange differences	(23)	–
Other	(1,131)	–
As of March 31, 2021	(156,711)	(1,280,423)
Depreciation	**(32,676)**	**(266,983)**
Impairment loss	**(327)**	**(2,672)**
Disposals	**11,747**	**95,980**
Transfer of accounts	**9,617**	**78,577**
Exchange differences	**(35)**	**(286)**
Other	**3,647**	**29,798**
As of March 31, 2022	**¥ (164,738)**	**$(1,346,009)**

	(Millions of yen)	(Thousands of U.S. dollars)
Carrying amount	Furniture, fixtures, and equipment	
As of March 31, 2021	¥ 57,240	$ –
As of March 31, 2022	**¥ 57,505**	**$ 469,850**

18. Right-of-use assets

The components of the carrying amounts of right-of-use assets are as follows:

Carrying amounts	(Millions of yen) As of March 31, 2021	As of March 31, 2022	(Thousands of U.S. dollars) As of March 31, 2022
Telecommunications equipment	¥ 574,412	**¥ 349,927**	**$ 2,859,114**
Real estate for telecommunications business	235,736	**236,207**	**1,929,953**
Offices, warehouses and other properties	316,446	**310,196**	**2,534,488**
Other	20,426	**18,413**	**150,446**
Total	¥1,147,020	**¥ 914,743**	**$ 7,474,001**

Right-of-use assets increased by ¥192,877 million ($1,575,920 thousand) for the fiscal year ended March 31, 2022 (for the fiscal year ended March 31, 2021: ¥339,381 million, of which the amount includes the increase of ¥62,940 million due to the consolidation of LINE Group).

The components of depreciation of right-of-use assets are as follows:

Depreciation	(Millions of yen) As of March 31, 2021	As of March 31, 2022	(Thousands of U.S. dollars) As of March 31, 2022
Telecommunications equipment	¥ (179,398)	**¥ (137,543)**	**$(1,123,809)**
Real estate for telecommunications business	(48,458)	**(50,210)**	**(410,246)**
Offices, warehouses and other properties	(65,230)	**(65,622)**	**(536,171)**
Other	(7,065)	**(3,284)**	**(26,833)**
Total	¥ (300,151)	**¥ (256,659)**	**$(2,097,059)**

The Company enters into lease transactions for telecommunications equipment, real estate for the telecommunications business and offices, warehouses and other properties mainly to facilitate efficient use of cash.

Many of the lease contracts include an option to terminate or extend the lease in order to enhance operational flexibility. Most of these options can be exercised by the Company without consent from the other party after a certain prior notice period. In determining the lease term, all relevant facts and circumstances that create an economic incentive not to exercise the option to extend or terminate the lease are considered. In addition, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in the facts and circumstances that may affect this assessment.

Telecommunications equipment

The Company’s telecommunications equipment leases consist of telecommunications machinery and equipment and transmission facilities that are used for the telecommunications business. Most of these lease contracts include an option to terminate or extend the lease. The lease term of these lease transactions are mainly 5 years or 10 years. The Company may extend the lease of transmission facilities beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. Right-of-use assets classified as “Telecommunications equipment” are mainly comprised of those classified as “Telecommunications equipment” in property, plant and equipment.

Real estate for the telecommunications business

Leases of real estate for the telecommunications business entered into by the Company consist of land to place towers or pillars for the placement of cell site equipment, spaces for buildings and structures for the placement of cell site equipment, and land, buildings, and partial spaces for the placement of telecommunications equipment. Most of these lease contracts include an option to terminate or extend the lease. The lease terms for the leases of land and spaces of buildings and structures for the placement of cell site equipment are mainly 10 years to 20 years. The lease terms for other leases are mainly 20 years for land and buildings, and 12 years to 28 years for other spaces. The Company may extend the lease beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. The right-of-use assets classified as “Real estate for the telecommunications business” are mainly comprised of those classified as “Buildings and structures” or “Land” in property, plant and equipment.

Offices, warehouses and other properties

Leases of offices, warehouses and other properties entered into by the Company mainly consist of real estate for offices, warehouses and real estate for stores. Most of these leases include an option to extend the lease that can be exercised by the Company without consent from the other party. The lease terms of these leases are mainly 2 years to 25 years for offices, 1 years to 15 years for warehouses, and 3 years for stores. The Company may extend the lease beyond the initial lease term as needed to continue its business. The right-of-use assets classified as “Offices, warehouses and other properties” are mainly comprised of those classified as “Buildings and structures” or “Land” in property, plant and equipment.

Other

Other leases entered into by the Company mainly consist of mobile devices for rent and equipment for solar power generation. The right-of-use assets classified as “Other” are mainly comprised of “Furniture, fixtures, and equipment” and “Other” that are classified as property, plant and equipment.

19. Goodwill and intangible assets

(1) Changes in 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	Trademarks	Other	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	Total
As of April 1, 2020	¥4,078,535	¥ 227,280	¥ 7,292	¥ 677,771	¥ 1,591,670	¥ 535,729	¥ 189,480	¥ 123,141	¥196,890	¥ 3,549,253
Purchases	–	–	–	–	59,612	–	–	–	125,858	185,470
Internal development	–	–	–	–	4,255	–	–	–	33,187	37,442
Business combinations	643,702	170,078	–	236,931	1,413	–	–	–	1,617	410,039
Loss of control	(87,625)	(10,357)	–	(23,646)	(23,230)	–	–	–	(569)	(57,802)
Disposals	–	–	–	–	(63,998)	–	–	–	(28,538)	(92,536)
Transfer of accounts	–	–	–	–	118,792	–	3,124	–	(122,388)	(472)
Exchange differences	77,876	(549)	126	3,160	(337)	16,844	–	2,127	1,660	23,031
Transfer to assets classified as held for sale	(9,409)	–	(7,418)	–	(355)	–	–	–	(6,754)	(14,527)
Other	(8,872)	–	–	(198)	(1,017)	–	–	–	1,042	(173)
As of March 31, 2021	4,694,207	386,452	–	894,018	1,686,805	552,573	192,604	125,268	202,005	4,039,725
Purchases	**–**	**169,575**	**1,200**	**–**	**57,921**	**–**	**–**	**–**	**146,215**	**374,911**
Internal development	**–**	**–**	**–**	**–**	**3,882**	**–**	**–**	**–**	**31,322**	**35,204**
Loss of control	**(61,974)**	**–**	**–**	**(6,568)**	**(7,533)**	**(9,039)**	**–**	**–**	**(14,238)**	**(37,378)**
Disposals	**–**	**–**	**–**	**–**	**(33,758)**	**–**	**–**	**–**	**(4,812)**	**(38,570)**
Transfer of accounts	**–**	**–**	**–**	**–**	**165,860**	**–**	**12,248**	**–**	**(178,076)**	**32**
Exchange differences	**280,435**	**–**	**55**	**16,048**	**4,003**	**57,788**	**–**	**13,216**	**3,683**	**94,793**
Other*	**3,649**	**(17,366)**	**–**	**(122,647)**	**(4,267)**	**(340)**	**–**	**–**	**336**	**(144,284)**
As of March 31, 2022	**¥4,916,317**	**¥ 538,661**	**¥ 1,255**	**¥780,851**	**¥1,872,913**	**¥600,982**	**¥204,852**	**¥138,484**	**¥186,435**	**¥4,324,433**

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives						
Historical cost	Goodwill	Trademarks	Other	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	Total
As of March 31, 2021	$38,354,498	$3,157,546	$ –	$ 7,304,665	$13,782,213	$4,514,854	$1,573,691	$1,023,515	$ 1,650,502	$33,006,986
Purchases	**–**	**1,385,530**	**9,805**	**–**	**473,249**	**–**	**–**	**–**	**1,194,665**	**3,063,249**
Internal development	**–**	**–**	**–**	**–**	**31,718**	**–**	**–**	**–**	**255,920**	**287,638**
Loss of control	**(506,365)**	**–**	**–**	**(53,666)**	**(61,549)**	**(73,854)**	**–**	**–**	**(116,332)**	**(305,401)**
Disposals	**–**	**–**	**–**	**–**	**(275,823)**	**–**	**–**	**–**	**(39,317)**	**(315,140)**
Transfer of accounts	**–**	**–**	**–**	**–**	**1,355,176**	**–**	**100,073**	**–**	**(1,454,988)**	**261**
Exchange differences	**2,291,323**	**–**	**449**	**131,122**	**32,707**	**472,163**	**–**	**107,983**	**30,092**	**774,516**
Other*	**29,815**	**(141,891)**	**–**	**(1,002,098)**	**(34,864)**	**(2,778)**	**–**	**–**	**2,744**	**(1,178,887)**
As of March 31, 2022	**$40,169,271**	**$4,401,185**	**$ 10,254**	**$ 6,380,023**	**$15,302,827**	**$4,910,385**	**$1,673,764**	**$1,131,498**	**$ 1,523,286**	**$35,333,222**

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

(Millions of yen)

Accumulated amortization and impairment losses	Goodwill	Intangible assets with indefinite useful lives	Intangible assets with finite useful lives							
		Trademarks	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	Total
As of April 1, 2020	¥(80,368)	¥(13,526)	¥ (203,074)	¥ (1,032,334)	¥ (140,108)	¥ (40,710)	¥ (76,944)	¥ (56,585)	¥(1,563,281)
Amortization	–	–	(33,102)	(191,215)	(38,119)	(10,767)	(13,319)	(5,186)	(291,708)
Impairment loss	(12,423)	–	–	(449)	–	–	–	(1,836)	(2,285)
Loss of control	81,039	5,822	16,903	16,641	–	–	–	9	39,375
Disposals	–	–	–	60,792	–	–	–	20,450	81,242
Exchange differences	1,964	300	(500)	491	(6,259)	–	(1,831)	(798)	(8,597)
Transfer to assets classified as held for sale	–	–	–	41	–	–	–	1,289	1,330
Other	–	–	655	11,493	–	–	–	421	12,569
As of March 31, 2021	(9,788)	(7,404)	(219,118)	(1,134,540)	(184,486)	(51,477)	(92,094)	(42,236)	(1,731,355)
Amortization	**–**	**–**	**(46,641)**	**(188,616)**	**(39,970)**	**(10,984)**	**(7,794)**	**(5,557)**	**(299,562)**
Impairment loss	**(7,777)**	**–**	**–**	**–**	**(1,341)**	**–**	**–**	**–**	**(1,341)**
Loss of control	**–**	**–**	**2,610**	**5,524**	**4,705**	**–**	**–**	**1,909**	**14,748**
Disposals	**–**	**–**	**–**	**33,007**	**–**	**–**	**–**	**1,119**	**34,126**
Exchange differences	**(839)**	**–**	**(6,583)**	**(2,498)**	**(22,607)**	**–**	**(10,393)**	**(1,668)**	**(43,749)**
Other*	**–**	**7,404**	**117,460**	**3,954**	**437**	**(94)**	**–**	**1,119**	**130,280**
As of March 31, 2022	**¥(18,404)**	**¥ –**	**¥ (152,272)**	**¥ (1,283,169)**	**¥ (243,262)**	**¥ (62,555)**	**¥(110,281)**	**¥ (45,314)**	**¥(1,896,853)**

(Thousands of U.S. dollars)

Accumulated amortization and impairment losses	Goodwill	Intangible assets with indefinite useful lives	Intangible assets with finite useful lives							
		Trademarks	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	Total
As of March 31, 2021	$ (79,974)	$(60,496)	$(1,790,326)	$ (9,269,875)	$(1,507,362)	$(420,598)	$(752,463)	$(345,093)	$(14,146,213)
Amortization	**–**	**–**	**(381,085)**	**(1,541,105)**	**(326,579)**	**(89,746)**	**(63,682)**	**(45,405)**	**(2,447,602)**
Impairment loss	**(63,543)**	**–**	**–**	**–**	**(10,957)**	**–**	**–**	**–**	**(10,957)**
Loss of control	**–**	**–**	**21,325**	**45,134**	**38,443**	**–**	**–**	**15,598**	**120,500**
Disposals	**–**	**–**	**–**	**269,687**	**–**	**–**	**–**	**9,143**	**278,830**
Exchange differences	**(6,855)**	**–**	**(53,787)**	**(20,410)**	**(184,713)**	**–**	**(84,917)**	**(13,630)**	**(357,457)**
Other*	**–**	**60,496**	**959,719**	**32,306**	**3,571**	**(768)**	**–**	**9,143**	**1,064,467**
As of March 31, 2022	**$ (150,372)**	**$ –**	**$(1,244,154)**	**$(10,484,263)**	**$(1,987,597)**	**$(511,112)**	**$(901,062)**	**$(370,244)**	**$(15,498,432)**

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
		Trademarks	Other	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	
As of March 31, 2021	¥4,684,419	¥379,048	¥ –	¥674,900	¥552,265	¥368,087	¥141,127	¥33,174	¥159,769	¥2,308,370
As of March 31, 2022	**¥4,897,913**	**¥538,661**	**¥1,255**	**¥628,579**	**¥589,744**	**¥357,720**	**¥142,297**	**¥28,203**	**¥141,121**	**¥2,427,580**

(Thousands of U.S. dollars)

Carrying amounts	Goodwill	Intangible assets with indefinite useful lives		Intangible assets with finite useful lives						Total
		Trademarks	Other	Customer relationships	Software	Technologies	Spectrum migration costs	Management contracts	Other	
As of March 31, 2022	**$40,018,899**	**$4,401,185**	**$10,254**	**$5,135,869**	**$4,818,564**	**$2,922,788**	**$1,162,652**	**$230,436**	**$1,153,042**	**$19,834,790**

* The decrease in assets that have completely been amortized is included in "Other" under "Customer relationships."

The Company determined that trademarks, such as "ZOZO" and "LINE" brands, have indefinite useful lives as they can be legally utilized indefinitely as long as the business continues and management's current plans are to offer services under these trademarks in the foreseeable future.

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

Technologies reflect the 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.

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

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

Impairment losses are included in "Other gain" and "Net income from discontinued operations" for the fiscal year ended March 31, 2021 and in "Other gain" for the fiscal year ended March 31, 2022 in the consolidated statement of income. The details are described in "Note 44. Other gain" and "Note 10. Discontinued operations."

Increases due to "Business combinations" are as follows:

For the fiscal year ended March 31, 2021

The increase was due to the acquisition of LINE Corporation and the business integration of LINE Group and Z Holdings Corporation in February 2021. The details are described in "Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation" under "Note 9. Business combinations."

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Software	¥85,195	**¥89,613**	**$732,192**

The Company has not applied IFRS 16 "Leases" to leases of intangible assets. Therefore, since finance lease assets arising from lease transactions of software are recognized as intangible assets. The intangible assets with restrictions on rights arising from these transactions are described in "b. Assets under lease contracts for intangible assets" in "(6) Assets with restrictions on rights " under "Note 25. 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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Research and development costs	¥178,129	**¥200,682**	**$1,639,693**

(2) Goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups

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 business combinations. 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 units or Cash-generating unit groups	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
SoftBank	SoftBank*1	¥ 922,682	**¥ 928,283**	**$ 7,584,631**
	Yahoo*2	15,382	**15,382**	**125,680**
	Media*3,4,5	39,088	**669,041**	**5,466,468**
	Shopping*5	272,472	**272,472**	**2,226,260**
	Ikyu*6	72,044	**–**	**–**
	Ikyu (Restaurant)*6	–	**6,433**	**52,561**
	Ikyu (Accommodation)*6	–	**65,611**	**536,081**
	LINE*4,7	632,509	**–**	**–**
	Finance	23,504	**21,832**	**178,381**
	Other*4	2,181	**2,641**	**21,579**
	Subtotal	1,979,862	**1,981,695**	**16,191,641**
Arm	Arm*8	2,621,552	**2,898,128**	**23,679,451**
–	Other*8	83,005	**18,090**	**147,807**
Total		¥4,684,419	**¥4,897,913**	**$40,018,899**

Intangible assets with indefinite useful lives

Reportable segments	Cash-generating units or Cash-generating unit groups	(Millions of yen) As of March 31, 2021	As of March 31, 2022	(Thousands of U.S. dollars) As of March 31, 2022
SoftBank	Yahoo*2	¥ –	**¥169,575**	**$1,385,530**
	Media*3,4	–	**160,116**	**1,308,244**
	Shopping	198,850	**198,850**	**1,624,725**
	Ikyu*6	10,120	**–**	**–**
	Ikyu (Accommodation)*6	–	**10,120**	**82,686**
	LINE*4	170,078	**–**	**–**
	Subtotal	379,048	**538,661**	**4,401,185**
Latin America Funds	Latin America Funds	–	**1,255**	**10,254**
Total		¥379,048	**¥539,916**	**$4,411,439**

*1 "SoftBank" comprises SoftBank Corp. and others.
*2 Goodwill is allocated to "Yahoo" because the benefits are expected to be realized from Z Holdings Corporation and its group companies as a whole, and not from individual cash-generating units in the SoftBank segment.
*3 The "Marketing solution" was renamed to "Media" in cash-generating unit groups for the fiscal year ended March 31, 2022.
*4 Cash-generating unit groups have been reevaluated due to the business integration with LINE Group and Z Holdings Corporation, the former "LINE" has been transferred to "Media" and "Other" for the fiscal year ended March 31, 2022.
*5 The cash-generating unit group of "Media" consists of the cash-generating unit of "Marketing solution" under Yahoo Japan Corporation and the one of "Media" under LINE Group. The cash-generating unit group of "Shopping" mainly consists of the cash-generating unit of "Shopping" under Yahoo Japan Corporation, ASKUL Corporation, and ZOZO, Inc. Synergies arising from the business combination affect the entire cash-generating unit groups. As the goodwill cannot be allocated to them reasonably and coherent basis, it is allocated to the cash-generating unit groups of "Media" and "Shopping" respectively.
*6 Cash-generating unit groups have been reevaluated and the former "Ikyu" was divided into "Ikyu (Restaurant)" and "Ikyu (Accommodation)" for the fiscal year ended March 31, 2022.
*7 Goodwill is allocated to "LINE" because the benefits are expected to be realized from LINE Corporation and its group companies as a whole, and not from individual cash-generating units in the SoftBank segment. The recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not completed as of March 31, 2021. The above amounts are provisional based on the best estimates as of March 31, 2021. The details are described in "Note 9. Business combinations."
*8 Following the signing of the definitive agreement with NVIDIA Corporation ("NVIDIA") in order to sell all of its shares in Arm Limited to NVIDIA in September 2020, the organizational structure of Arm has been changed from the three-month period ended March 31, 2021. As a result, the Treasure Data business and the other IoT related business, which were included in the Arm segment, have been excluded from the Arm segment and transferred to "Other." Goodwill allocated to "Arm" has been reallocated to Arm, the Treasure Data business, and the other IoT related business based on the proportion of the fair value. Goodwill related to the Treasure Data business, and the other IoT related business included in "Other" is ¥58,452 million and ¥7,794 million, respectively, for the fiscal year ended March 31, 2021.

(3) Measurement method for recoverable amounts of goodwill and intangible assets

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

The details of changes in each cash-generating unit or cash-generating unit group for the fiscal year ended March 31, 2022 are described in "(2) Goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups."

For the fiscal year ended March 31, 2021
Value in use: Media, Shopping, Ikyu, LINE, and Finance
Fair value less disposal cost: SoftBank, Yahoo, Arm

For the fiscal year ended March 31, 2022
Value in use: Media, Shopping, Ikyu (Restaurant), Ikyu (Accommodation), and Finance
Fair value less disposal cost: SoftBank, Yahoo, Arm

a. Measurement method for recoverable amounts of goodwill in "Arm"

(a) For the fiscal year ended March 31, 2021

For "Arm," on September 13, 2020 (U.S. time), the Company entered into a definitive agreement with NVIDIA to sell all of its shares in Arm. This transaction is subject to regulatory approvals (including those of the U.K., China, the European Union, and the U.S.) and other customary closing conditions, and as of March 31, 2021, there are uncertainties as to whether the closing conditions can be satisfied.

In the impairment test for goodwill of "Arm" as of March 31, 2021, considering the uncertainties, two possible scenarios are taken into consideration. The first scenario is that closing conditions including regulatory approvals are satisfied and all Arm shares are sold. The second scenario is the Company continues to hold Arm shares because closing conditions are not satisfied. The fair value of the cash-generating unit including Arm's goodwill is measured by calculating the fair value for each scenario and weighing them based on the probability of each scenario.

The fair value based on the scenario that all Arm shares are sold is calculated by considering the expected contractual proceeds from the transaction with NVIDIA which is composed of cash and NVIDIA shares. The contractual proceeds include contingent consideration which is received if specific Arm's financial performance thresholds, which are stipulated in the contract, for the fiscal year ending March 31, 2022 are achieved.

The fair value based on the scenario that the Company continues to hold the Arm shares is calculated by discounting the cash flows which are estimated based on the business plans for the next four 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 10.0%. The cash flows from after four years are assumed on the basis of the growth rate of 17.5% on the 5th year to the 8th year, 14.9% on the 9th year, 12.3% on the 10th year, 9.8% on the 11th year, 7.2% on the 12th year, and 4.6% on the 13th year. The cash flows from the 14th year onward are assumed to increase on the basis of the growth rate of 2.0%. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

(b) For the fiscal year ended March 31, 2022

For "Arm," in February 2022, the Company and NVIDIA have agreed to terminate the definitive agreement, which was entered on September 13, 2020, to sell the Arm shares to NVIDIA due to the significant regulatory challenges. Accordingly, the fair value for the impairment test for goodwill of "Arm" as of March 31, 2022 is calculated by discounting the cash flows which are estimated based on the business plans for the next three 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 10.28%. The cash flows from after three years are assumed on the basis of the growth rate of 17.3% on the 4th year, 16.3% on the 5th year, 15.3% on the 6th year, 14.6% on the 7th year, 14.4% on the 8th year, 14.5% on the 9th year, 12.0% on the 10th year, 9.0% on the 11th year, and 5.6% on the 12th year. The cash flows from the 13th year onward are assumed to increase on the basis of the growth rate of 2.0%. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

Assumptions used for the fair value measurement in the impairment test for goodwill of "Arm" include management's significant judgments and estimates, mainly consisting of chip shipment volume for the smartphone market and average royalty rate, which are basis of the business plan used for the fair value calculation. Changes in precondition in business plans, such as a decline in overall market growth rate, an increase in competitive companies' market share, a decrease in Arm's market share, and further spread of the novel coronavirus, could impact the estimated fair value, potentially leading to a future material impairment of goodwill.

b. Measurement method for recoverable amounts of goodwill and intangible assets other than in "Arm"

Value in use is assessed by discounting to the present value of 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 7.5%-20.9% of the cash-generating unit or cash-generating unit group (for the fiscal year ended March 31, 2021: 7.3%-17.7%). The cash flows from after five years are assumed to increase on the basis of the growth rate of 0.9% (for the fiscal year ended March 31, 2021: 0.9%).

For "SoftBank" and "Yahoo," the fair value less disposal cost is measured mainly based on active market prices.

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.

Recoverable amounts may be equal to carrying amounts if the pre-tax discount rate increases by approximately 1% or the perpetual growth rate decreases by approximately 2% in "Shopping" and if the pre-tax discount rate increases by approximately 1% in "Finance," respectively.

Other than the above, 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.

20. Leases

(As lessee)

(1) Right-of-use assets

The details of the components of the carrying amounts of the right-of-use assets by class of underlying asset, the components of depreciation by asset class, and the increase in the right-of-use assets, are described in "Note 18. Right-of-use assets."

(2) Lease liabilities

The details of the outstanding balance by year of maturity of lease liabilities are described in "(b) Analysis of financial liabilities by maturities" in "(2) Financial risk management c. Liquidity risk" under "Note 31. Financial instruments."

The balance of the lease liabilities as of March 31, 2022 is ¥866,148 million ($7,076,951 thousand) (as of March 31, 2021: ¥1,035,001 million). The weighted average interest rate for the lease liabilities as of March 31, 2022 is 1.53 % (as of March 31, 2021: 1.53 %) and their due dates range from April 2022 to March 2051 (as of March 31, 2021: from April 2021 to March 2051).

The details of interest expense on lease liabilities are described in "Note 42. Finance cost."

(3) Total cash outflow

The details of total cash outflow for leases are described in "(12) Cash outflows related to lease" under "Note 47. Supplemental information to the consolidated statement of cash flows."

(As lessor)

The Company provides device rental services to corporate customers in Japan. Since device leases are provided on the condition that subscribers maintain telecommunication services with the Company, the amount of revenue from these transactions is allocated between the amount to be received for leases and other elements based on the fair value of device leases and telecommunication services.

At the end of the lease term, the Company sells leased devices to entities providing trade-in service. To manage residual asset risk associated with devices, the trade-in prices are obtained from multiple entities and monitored on a regular basis.

(1) Finance leases

The components of revenue from finance leases recognized are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Selling profit or loss, net	¥ 622	**¥ 219**	**$ 1,789**
Finance income on the net investment in the lease	126	**114**	**932**
Total	¥ 748	**¥ 333**	**$ 2,721**

Of this amount, revenue from subleases recognized is ¥939 million ($7,672 thousand) for the fiscal year ended March 31, 2022 (for the fiscal year ended March 31, 2021: ¥1,011 million).

The maturity analysis for the undiscounted total lease payments and the uncollected amount of net lease investments at the end of the fiscal year is as follows:

As of March 31, 2021

(Millions of yen)

	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	¥14,270	¥ (104)	¥ –	¥14,166
1 to 2 years	9,031	(58)	–	8,973
2 to 3 years	3,460	(18)	–	3,442
3 to 4 years	518	(2)	–	516
4 to 5 years	125	–	–	125
Over 5 years	–	–	–	–
Total	¥27,404	¥ (182)	¥ –	¥27,222

As of March 31, 2022

(Millions of yen)

	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	**¥ 14,412**	**¥ (122)**	**¥ –**	**¥ 14,290**
1 to 2 years	**8,530**	**(67)**	**–**	**8,463**
2 to 3 years	**3,205**	**(32)**	**–**	**3,173**
3 to 4 years	**461**	**(15)**	**–**	**446**
4 to 5 years	**119**	**(6)**	**–**	**113**
Over 5 years	**7**	**–**	**–**	**7**
Total	**¥ 26,734**	**¥ (242)**	**¥ –**	**¥ 26,492**

(Thousands of U.S. dollars)

	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	**$117,755**	**$ (997)**	**$ –**	**$116,758**
1 to 2 years	**69,695**	**(547)**	**–**	**69,148**
2 to 3 years	**26,187**	**(261)**	**–**	**25,926**
3 to 4 years	**3,767**	**(123)**	**–**	**3,644**
4 to 5 years	**972**	**(49)**	**–**	**923**
Over 5 years	**57**	**–**	**–**	**57**
Total	**$218,433**	**$ (1,977)**	**$ –**	**$216,456**

(2) Operating leases

Analysis of maturities for operating leases is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Within 1 year	¥ 26,287	**¥ 27,696**	**$ 226,293**
1 to 2 years	15,325	**16,667**	**136,179**
2 to 3 years	6,248	**5,596**	**45,723**
3 to 4 years	471	**589**	**4,812**
4 to 5 years	465	**565**	**4,616**
Over 5 years	2,425	**2,401**	**19,619**
Total	¥ 51,221	**¥ 53,514**	**$ 437,242**

Lease income (excluding income relating to variable lease payments that do not depend on an index or a rate) from operating leases for the fiscal year ended March 31, 2022 is ¥58,665 million ($479,328 thousand) (for the fiscal year ended March 31, 2021: ¥59,076 million). Of this amount, income from subleases is ¥9,460 million ($77,294 thousand) (for the fiscal year ended March 31, 2021: ¥19,601 million).

Changes in historical cost, changes in accumulated depreciation and impairment losses, and the carrying amounts of property, plant and equipment underlying operating leases are described in "(2) Assets subject to operating leases as lessor included in property, plant and equipment" under "Note 17. Property, plant and equipment."

21. Major subsidiaries

(1) Organizational structure

The Company's major subsidiaries are as follows:

Major subsidiaries as of March 31, 2022

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%) As of March 31, 2021	Ownership percentage of voting rights (%) As of March 31, 2022
SoftBank Group Capital Limited	Investment Business of Holding Companies	U.K.	100	**100**
SoftBank Group Japan Corporation	Investment Business of Holding Companies	Tokyo	100	**100**
Delaware Project 1 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	**66.7**
Delaware Project 2 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	**66.7**
Delaware Project 3 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	**66.7**
SB Northstar LP*[1]	Investment Business of Holding Companies	Cayman	–	**–**
SB Group US, Inc.	Investment Business of Holding Companies	U.S.	100	**100**
Shiodome Project 9 GK	Investment Business of Holding Companies	Tokyo	100	**100**
Skybridge Corporation	Investment Business of Holding Companies	Tokyo	100	**100**
Skywalk Finance GK	Investment Business of Holding Companies	Tokyo	100	**100**
West Raptor Holdings, LLC	Investment Business of Holding Companies	U.S.	100	**100**
SB Pan Pacific Corporation	Investment Business of Holding Companies	Micronesia	100	**100**
STARFISH I PTE. LTD.	Investment Business of Holding Companies	Singapore	100	**100**
Hayate Corporation	Investment Business of Holding Companies	Micronesia	100	**100**
SB Investment Advisers (UK) Limited	SoftBank Vision Funds	U.K.	100	**100**
SB Global Advisers Limited	SoftBank Vision Funds	U.K.	–	**100**
SoftBank Vision Fund L.P.*[1]	SoftBank Vision Funds	Bailiwick of Jersey	–	**–**
SoftBank Vision Fund II-2 L.P.*[1]	SoftBank Vision Funds	Bailiwick of Jersey	–	**–**
SoftBank Vision Fund (AIV M1) L.P.*[1]	SoftBank Vision Funds	U.S.	–	**–**
SoftBank Vision Fund (AIV M2) L.P.*[1]	SoftBank Vision Funds	U.S.	–	**–**
SoftBank Vision Fund (AIV M3) L.P.*[1]	SoftBank Vision Funds	U.S.	–	**–**
SoftBank Vision Fund (AIV S1) L.P.*[1]	SoftBank Vision Funds	U.S.	–	**–**
SoftBank Corp.*[2]	SoftBank	Tokyo	40.9	**40.7**
A Holdings Corporation*[3]	SoftBank	Tokyo	50.0	**50.0**
Z Holdings Corporation	SoftBank	Tokyo	65.3	**64.8**
Yahoo Japan Corporation	SoftBank	Tokyo	100	**100**
LINE Corporation	SoftBank	Tokyo	100	**100**
LINE SOUTHEAST ASIA CORP.PTE.LTD.	SoftBank	Singapore	100	**100**
ZOZO, Inc.	SoftBank	Chiba	50.1	**51.0**
PayPay Bank Corporation*[4]	SoftBank	Tokyo	46.6	**46.6**

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%) As of March 31, 2021	**As of March 31, 2022**
ASKUL Corporation*5	SoftBank	Tokyo	45.0	**44.5**
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**
SBLA Latin America Fund LLC*6	Latin America Funds	U.S.	–	**100**
SBLA Advisers Corp.	Latin America Funds	U.S.	100	**100**
PayPay Corporation	Other	Tokyo	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**
SoftBank Ventures Asia Corp.	Other	South Korea	100	**100**
SoftBank Robotics Group Corp.	Other	Tokyo	84.9	**87.8**

*1 Limited partnerships are deemed as structured entities and the voting rights are not described.

*2 The Company does not own a majority of SoftBank Corp.'s voting rights. However, the Company has determined that it has substantial control over SoftBank Corp. and included it in the scope of consolidation, considering the fact that the Company holds 40.7% of the voting rights of SoftBank Corp., the dispersion of voting rights in SoftBank Corp. and the voting patterns exercised in SoftBank Corp.'s past shareholders meetings.

*3 The Company does not own a majority of A Holdings Corporation's voting rights. However, the Company has determined that it has substantial control over A Holdings Corporation and included it in the scope of consolidation, considering the fact that the Company holds 50.0% of the voting rights of A Holdings Corporation and appoints the majority of the members of A Holdings Corporation's Board of Directors.

*4 The Company does not own a majority of PayPay Bank Corporation's voting rights. However, the Company has determined that it has substantial control over PayPay Bank Corporation and included it in the scope of consolidation, considering the fact that the Company holds 46.6% of the voting rights of PayPay Bank Corporation and directors from the Company constitute the majority of the members of PayPay Bank Corporation's Board of Directors. In addition, effective as of April 5, 2021, PayPay Bank Corporation changed its name from The Japan Net Bank, Limited.

*5 The Company does not own a majority of ASKUL Corporation's voting rights. However, the Company has determined that it has substantial control over ASKUL Corporation and included it in the scope of consolidation, considering the fact that the Company holds 44.5% 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.

*6 SBLA Latin America Fund LLC changed its name from SoftBank Latin America Fund L.P. to SLA Latin America Fund LLC, effective as of September 22, 2021, and changed its name from SLA Latin America Fund LLC to SBLA Latin America Fund LLC, effective as of October 6, 2021. In addition, as of March 31, 2021, the entity is deemed as a structured entity and the voting rights are not described.

(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, 2021	As of March 31, 2022
Ownership ratio of the non-controlling interests (%)	59.1	**59.3**

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
		(Millions of yen)	(Thousands of U.S. dollars)
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥1,951,896	**¥1,939,862**	**$15,849,841**

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
		(Millions of yen)	(Thousands of U.S. dollars)
Net income allocated to the non-controlling interests of subsidiary group	¥ 300,247	**¥ 373,731**	**$ 3,053,607**

(b) Summarized consolidated financial information

	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
		(Millions of yen)	(Thousands of U.S. dollars)
Current assets	¥ 4,033,845	**¥ 4,131,076**	**$ 33,753,379**
Non-current assets	8,914,010	**9,295,265**	**75,947,912**
Current liabilities	5,293,636	**5,342,753**	**43,653,509**
Non-current liabilities	4,182,324	**4,476,814**	**36,578,267**
Equity	3,471,895	**3,606,774**	**29,469,515**

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
		(Millions of yen)	(Thousands of U.S. dollars)
Net sales	¥ 5,205,537	**¥ 5,690,606**	**$ 46,495,678**
Net income	547,720	**583,952**	**4,771,239**
Comprehensive income	607,485	**611,531**	**4,996,576**

Dividends paid to non-controlling interests by SoftBank Corp. for the fiscal year ended March 31, 2022 are ¥238,931 million ($1,952,210 thousand) (for the fiscal year ended March 31, 2021: ¥187,892 million).

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2022
		(Millions of yen)	(Thousands of U.S. dollars)
Net cash provided by operating activities	¥ 1,338,949	**¥ 1,215,918**	**$ 9,934,783**
Net cash used in investing activities	(511,295)	**(957,693)**	**(7,824,929)**
Net cash used in financing activities	(388,462)	**(305,072)**	**(2,492,622)**
Effect of exchange rate changes on cash and cash equivalents	1,892	**8,747**	**71,468**
Increase (decrease) in cash and cash equivalents	¥ 441,084	**¥ (38,100)**	**$ (311,300)**

b. Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C.

Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries") made investments in SB Northstar, the asset management subsidiary founded by the Company for the fiscal year ended March 31, 2021, and the ownership ratio from Delaware subsidiaries to SB Northstar is 100%. Investment amounts and ownership ratio from non-controlling interests to each Delaware subsidiaries and investment amounts and ownership ratio from each Delaware subsidiaries to SB Northstar are the same. Financial figures of each Delaware subsidiaries are combined and presented as (b) Summarized consolidated financial information. The financial figures are different from the amounts recorded in the consolidated financial statements of the Company and the financial figures of SB Northstar as these figures are affected by borrowing from SoftBank Group Corp., interest expenses, and other items.

In addition, non-controlling interests in Delaware subsidiaries are from Son Asset Management LLC (entity of which Masayoshi Son, Chairman & CEO of SoftBank Group Corp., holds more than one-half of the voting rights).

(a) General information

	As of March 31, 2021	As of March 31, 2022
Ownership ratio of the non-controlling interests (%)	**33.3**	**33.3**

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥ (184,862)	**¥ (316,037)**	**$ (2,582,213)**

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net loss allocated to the non-controlling interests of subsidiary group	¥ (195,386)	**¥ (105,685)**	**$ (863,510)**

(b) Summarized consolidated financial information

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current assets	¥ 354	**¥ 181**	**$ 1,479**
Non-current assets	3,637,296	**336,561**	**2,749,906**
Current liabilities	1,393,149	**1,281,218**	**10,468,323**
Non-current liabilities	2,803,190	**–**	**–**
Equity	(558,689)	**(944,476)**	**(7,716,938)**

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net sales	¥ –	**¥ –**	**$ –**
Net loss	(581,127)	**(309,595)**	**(2,529,578)**
Comprehensive income	(581,127)	**(309,595)**	**(2,529,578)**

No dividends were paid to non-controlling interests by Delaware subsidiaries for the fiscal year ended March 31, 2021 and for the fiscal year ended March 31, 2022.

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net cash used in operating activities	¥ (58,054)	**¥ (96,289)**	**$ (786,739)**
Net cash provided by investing activities	949,057	**298,494**	**2,438,876**
Net cash used in financing activities	(890,671)	**(202,400)**	**(1,653,730)**
Effect of exchange rate changes on cash and cash equivalents	22	**22**	**179**
Increase (decrease) in cash and cash equivalents	¥ 354	**¥ (173)**	**$ (1,414)**

22. Investments accounted for using the equity method

(1) Summarized consolidated financial information and other information on the significant associates

Alibaba Group Holding Limited

a. General information

Alibaba (registered in Cayman) operates online marketplaces such as "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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current assets	¥10,064,409	**¥ 13,001,675**	**$ 106,231,514**
Non-current assets	16,485,249	**19,847,700**	**162,167,660**
Current liabilities	6,336,555	**7,904,882**	**64,587,646**
Non-current liabilities	3,410,656	**4,604,469**	**37,621,284**
Equity			
Total equity attributable to owners of the parent	15,341,307	**18,661,592**	**152,476,444**
Non-controlling interests	1,461,140	**1,678,432**	**13,713,800**

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net sales	¥10,122,635	**¥ 14,736,682**	**$ 120,407,566**
Net income	2,190,823	**1,409,479**	**11,516,292**
Other comprehensive income, net of tax	(308,081)	**(239,859)**	**(1,959,792)**
Total comprehensive income	¥ 1,882,742	**¥ 1,169,620**	**$ 9,556,500**

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net income attributable to owners of the parent	¥ 2,314,329	**¥ 1,551,353**	**$ 12,675,488**
Other comprehensive income attributable to owners of the parent, net of tax	(288,086)	**(208,446)**	**(1,703,129)**
Total comprehensive income attributable to owners of the parent	¥ 2,026,243	**¥ 1,342,907**	**$ 10,972,359**

There were no dividends received from Alibaba for the fiscal year ended March 31, 2021 and for the fiscal year ended March 31, 2022.

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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Total equity attributable to owners of the parent	¥15,341,307	**¥ 18,661,592**	**$152,476,444**
Interest ratio (%)	25.02	**24.28**	**24.28**
Interests of the Company	3,838,395	**4,531,034**	**37,021,276**
Goodwill	160,545	**338,223**	**2,763,486**
Accumulated amortization of goodwill on the IFRSs transition date*1	(5,938)	**(6,590)**	**(53,844)**
Warrants	(188,631)	**(236,325)**	**(1,930,918)**
Other*2	(52,957)	**(54,213)**	**(442,953)**
Carrying amount of the interests in Alibaba	¥ 3,751,414	**¥ 4,572,129**	**$ 37,357,047**

*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 its 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 associated with 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 ¥8,665,799 million ($70,804,796 thousand) as of March 31, 2022 (as of March 31, 2021: ¥16,912,196 million).

(2) Aggregated information on investment in insignificant associates and joint ventures

The aggregated information of insignificant investments accounted for using the equity method (total amount of the Company's interests), other than (1) above, is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Carrying amount of the interests			
Associates	¥541,877	**¥620,188**	**$5,067,309**
Joint ventures	56,680	**42,202**	**344,816**
Total	¥598,557	**¥662,390**	**$5,412,125**

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net income (loss)			
Associates	¥ 44,558	**¥ (32,916)**	**$ (268,943)**
Joint ventures	(642)	**(13,610)**	**(111,202)**
Total	¥ 43,916	**¥ (46,526)**	**$ (380,145)**
Other comprehensive income, net of tax			
Associates	6,675	**161**	**1,315**
Joint ventures	118	**189**	**1,544**
Total	¥ 6,793	**¥ 350**	**$ 2,859**
Total comprehensive income			
Associates	51,233	**(32,755)**	**(267,628)**
Joint ventures	(524)	**(13,421)**	**(109,658)**
Total	¥ 50,709	**¥ (46,176)**	**$ (377,286)**

The information of WeWork, an associate of the Company, which was previously presented in "(1) Summarized consolidated financial information and other information on the significant associates" is included in "(2) Aggregated information on investment in insignificant associates and joint ventures" since the amount decreased and became insignificant. The carrying amount of WeWork as of March 31, 2021 included in the above table is ¥19,184 million. Net income (loss), other comprehensive income, net of tax, and total comprehensive income in WeWork for the fiscal year ended March 31, 2021 included in the above table are ¥(11,521) million, ¥(52) million, and ¥(11,573) million, respectively.

23. Structured entities

(1) Consolidated structured entities

The Company owns investment funds which are structured entities consolidated by the Company. These funds are structured as venture funds in the form of partnerships and limited partnerships for investment, and designed so that the voting rights or similar rights are not determinant in evaluating control. The Company evaluated that it controls the operation of those structured entities.

The details for major consolidated structured entities are described in "*1" in "(1) Organizational structure" under "Note 21. Major subsidiaries."

In addition, please refer to "a. Consolidation of SVF1 and SVF2 by the Company" in "(20) Significant accounting policies for the SoftBank Vision Funds segment" under "Note 3. Significant accounting policies" for the following entities that comprise the SVF1 and SVF2 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.
SoftBank Vision Fund II-2 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 to the Company are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Total assets of the unconsolidated structured entities (aggregate amount)	¥2,302,393	**¥3,622,044**	**$29,594,281**
The maximum loss exposure to the Company			
The carrying amount of the investment recognized by the Company	287,690	**702,381**	**5,738,876**
Commitment contracts related to additional investment	76,909	**112,050**	**915,516**
Total	¥ 364,599	**¥ 814,431**	**$ 6,654,392**

The investments recognized by the Company are included in "Investments accounted for using the equity method," "Investments from SVF1 and SVF2 accounted for using FVTPL," or "Investment securities" in the consolidated statement of financial position. The Company did not recognize any liabilities 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.

24. 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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Current tax expenses	¥ (205,754)	**¥(317,084)**	**$(2,590,767)**
Deferred tax expenses	(1,097,414)	**(275,553)**	**(2,251,434)**
Total	¥(1,303,168)	**¥(592,637)**	**$(4,842,201)**

Current tax expenses include benefit arising from tax loss, tax credit and the certain temporary differences in the previous years that were previously unrecognized. The reduction of current tax expense for the fiscal year ended March 31, 2022 was ¥345,861 million ($2,825,893 thousand) (for the fiscal year ended March 31, 2021: ¥367,486 million).

Current tax expenses for the fiscal year ended March 31, 2021 include amounts arising from the partial sale of SoftBank Corp. shares (ownership percentage 5.0%) held by SBGJ, a wholly-owned subsidiary of the Company, in May 2020, as part of "SoftBank announces ¥4.5 trillion ($41 billion) program to repurchase shares and reduce debt" announced on March 23, 2020 (the "¥4.5 trillion program") and the partial sale of SoftBank Corp. shares (ownership percentage 21.7%), in September 2020, in order to further enhance its cash reserves. ¥1,526,867 million of proceeds was received due to the transfers in May 2020 and in September 2020. SoftBank Corp. remains a subsidiary as of March 31, 2021. Accordingly, ¥460,067 million, the equivalent amount of income taxes for the gain on sales of SoftBank Corp. shares on a consolidation basis, is deducted from capital surplus as "Changes in interests in subsidiaries." As a result of the transaction, a loss carryforward, for which deferred tax asset was not recognized in SBGJ, was utilized and a credit of income taxes (profit) was recorded for ¥159,802 million. Furthermore, a deductible temporary difference, associated with an investment in SoftBank Corp., for which a deferred tax asset was not recognized, was reversed and a credit of income taxes (profit) was recorded for ¥96,258 million.

Current tax expenses for the fiscal year ended March 31, 2022 include adjustments for current tax of prior periods of ¥45,024 million ($367,873 thousand) (decrease of tax expenses) which arose primarily at foreign subsidiaries.

Deferred tax expenses include 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. As a result, the decrease in deferred tax expenses for the fiscal year ended March 31, 2022 was ¥5,783 million ($47,251 thousand) (for the fiscal year ended March 31, 2021: ¥10,230 million).

(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, 2021	**Fiscal year ended March 31, 2022**
Statutory effective tax rate*1	31.5	**31.5**
Effect from profit or loss that does not impact taxable gain or loss	(21.1)	**(117.1)**
Effect from evaluating recoverability of deferred tax assets	0.1	**(27.4)**
Distribution from SVF1 and SVF2	3.8	**15.5**
Taxation at foreign locations	(0.1)	**11.1**
Difference of tax rate adopted by subsidiaries	(1.1)	**9.2**
Aggregation of income earned by controlled foreign companies	6.9	**6.0**
Effect from the enactment of the Finance Act 2021 in the UK*2	–	**3.7**
Income and loss on equity method investments	4.3	**(2.3)**
Other	(1.3)	**1.6**
Actual tax rate	23.0	**(68.2)**

*1 The Company is subject to corporate taxes, residence taxes and deductible enterprise taxes. The statutory effective tax rate for the fiscal year ended March 31, 2022 based on these taxes is 31.5% (for the fiscal year ended March 31, 2021: 31.5%), except for foreign subsidiaries which are subject to income taxes at their respective locations.

*2 Due to the enactment of the UK Finance Act of 2021 in June 2021, the corporate tax rate of the UK was increased from 19% to 25% on or after April 1, 2023. As a result, the Company reversed a deferred tax liability of ¥38,029 million (translated at the exchange rate as of March 31, 2021) ($310,720 thousand). In addition, credits of income taxes (profit) and other comprehensive income (profit) were recorded for ¥31,953 million ($261,075 thousand) and ¥5,890 million ($48,125 thousand), respectively. This is primarily due to the fact that certain subsidiaries based in the UK, which were applicable for the calculation of aggregation of income earned by controlled foreign companies in SoftBank Group Corp., will be expected to be exempt from the calculation on or after April 1, 2023.

(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, 2021

(Millions of yen)

	As of April 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Business combination*1	Exchange differences	Other	As of March 31,2021
Deferred tax assets							
Property, plant and equipment	¥ 36,699	¥ (5,072)	¥ –	¥ 13,491	¥ 22	¥ 11	¥ 45,151
Intangible assets	19,000	4,397	–	18	27	552	23,994
Accrued expenses and other liabilities	94,409	14,991	18	12,256	402	1,199	123,275
Net operating loss carryforwards and tax credit carryforwards*2	30,833	45,164	–	595	1,420	4,294	82,306
Temporary difference associated with investment in subsidiaries, associates and joint ventures	21,964	(19,445)	13	4,526	(8)	(1,613)	5,437
Unrealized gain	90,377	(11,160)	–	–	–	20	79,237
Allowance for doubtful accounts	20,179	(1,480)	–	383	(86)	(1,452)	17,544
Other	79,250	(4,290)	(394)	2,532	1,085	(8,513)	69,670
Total	392,711	23,105	(363)	33,801	2,862	(5,502)	446,614
Deferred tax liabilities							
Customer relationships	(126,230)	8,709	–	(74,524)	(389)	1,348	(191,086)
Trademarks	(65,581)	221	–	(53,507)	71	1,578	(117,218)
Technologies	(94,837)	7,519	–	–	(2,294)	(297)	(89,909)
Temporary difference associated with investment in subsidiaries, associates and joint ventures*3	(381,437)	(645,299)	(81,123)	(25,424)	(4,070)	(2,713)	(1,140,066)
Investment securities*4	(32,103)	(423,465)	(18,990)	(1,610)	(1,442)	5,612	(471,998)
Contract assets and costs to obtain contracts	(84,065)	2,685	–	(1,715)	–	(3,380)	(86,475)
Other	(98,303)	(70,889)	(3,359)	(6,279)	(707)	5,093	(174,444)
Total	(882,556)	(1,120,519)	(103,472)	(163,059)	(8,831)	7,241	(2,271,196)
Net	¥ (489,845)	¥(1,097,414)	¥ (103,835)	¥ (129,258)	¥ (5,969)	¥ 1,739	¥(1,824,582)

*1 The increase from "Business combination" is mainly due to the consolidation of LINE Corporation. The details are described in "Note 9. Business combinations."

*2 The Company recognizes deferred tax assets of ¥14,334 million as of March 31, 2021 at entities that recorded a loss in either the fiscal year ended March 31, 2020 or 2021. 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 increases in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" for the fiscal year ended March 31, 2021 are mainly due to the increase of ¥509,508 million in relation to the recognition of deferred tax liabilities on temporary differences on investment in Alibaba shares and the increase of ¥220,352 million in relation to the recognition of deferred tax liabilities following an increase in reserved profits of SVF1 and SVF2.

*4 The increase in deferred tax liabilities from "Investment securities" for the fiscal year ended March 31, 2021 is mainly due to the increase in unrealized valuation gain on investment securities.

For the fiscal year ended March 31, 2022

(Millions of yen)

	As of April 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Other	**As of March 31, 2022**
Deferred tax assets						
Property, plant and equipment	¥ 45,151	¥ (10,291)	¥ –	¥ 134	¥ (22)	¥ 34,972
Intangible assets	23,994	18,491	–	306	(203)	42,588
Accrued expenses and other liabilities	123,275	(2,786)	(18)	699	(868)	120,302
Net operating loss carryforwards and tax credit carryforwards*1	82,306	9,725	–	5,131	(7,472)	89,690
Temporary difference associated with investment in subsidiaries, associates and joint ventures	5,437	2,828	28	462	–	8,755
Unrealized gain	79,237	(11,109)	–	–	–	68,128
Allowance for doubtful accounts	17,544	2,791	–	–	(54)	20,281
Other	69,670	822	166	2,360	894	73,912
Total	446,614	10,471	176	9,092	(7,725)	458,628
Deferred tax liabilities						
Customer relationships	(191,086)	8,557	–	(2,222)	1,531	(183,220)
Trademarks	(117,218)	(2,948)	–	(45)	3,134	(117,077)
Technologies	(89,909)	(13,184)	–	(11,189)	–	(114,282)
Temporary difference associated with investment in subsidiaries, associates and joint ventures*2	(1,140,066)	(354,913)	(165,316)	(9,757)	(1,206)	(1,671,258)
Investment securities	(471,998)	14,998	550	(7,752)	(33)	(464,235)
Contract assets and costs to obtain contracts	(86,475)	(20,169)	–	–	–	(106,644)
Other	(174,444)	81,635	10,794	(2,463)	9,787	(74,691)
Total	(2,271,196)	(286,024)	(153,972)	(33,428)	13,213	(2,731,407)
Net	¥(1,824,582)	¥ (275,553)	¥ (153,796)	¥ (24,336)	¥ 5,488	¥(2,272,779)

(Thousands of U.S. dollars)

	As of April 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Other	**As of March 31, 2022**
Deferred tax assets						
Property, plant and equipment	$ 368,911	$ (84,084)	$ –	$ 1,095	$ (180)	$ 285,742
Intangible assets	196,045	151,083	–	2,500	(1,659)	347,969
Accrued expenses and other liabilities	1,007,231	(22,763)	(147)	5,711	(7,093)	982,939
Net operating loss carryforwards and tax credit carryforwards*1	672,490	79,459	–	41,923	(61,050)	732,822
Temporary difference associated with investment in subsidiaries, associates and joint ventures	44,424	23,106	229	3,775	–	71,534
Unrealized gain	647,414	(90,767)	–	–	–	556,647
Allowance for doubtful accounts	143,345	22,804	–	–	(441)	165,708
Other	569,246	6,716	1,356	19,283	7,305	603,906
Total	3,649,106	85,554	1,438	74,287	(63,118)	3,747,267
Deferred tax liabilities						
Customer relationships	(1,561,288)	69,916	–	(18,155)	12,509	(1,497,018)
Trademarks	(957,742)	(24,087)	–	(368)	25,607	(956,590)
Technologies	(734,611)	(107,721)	–	(91,421)	–	(933,753)
Temporary difference associated with investment in subsidiaries, associates and joint ventures*2	(9,315,026)	(2,899,853)	(1,350,731)	(79,720)	(9,854)	(13,655,184)
Investment securities	(3,856,507)	122,543	4,494	(63,339)	(270)	(3,793,079)
Contract assets and costs to obtain contracts	(706,553)	(164,793)	–	–	–	(871,346)
Other	(1,425,312)	667,007	88,193	(20,124)	79,966	(610,270)
Total	(18,557,039)	(2,336,988)	(1,258,044)	(273,127)	107,958	(22,317,240)
Net	$(14,907,933)	$(2,251,434)	$(1,256,606)	$ (198,840)	$ 44,840	$(18,569,973)

*1 The Company recognizes deferred tax assets of ¥1,557 million ($12,722 thousand) as of March 31, 2022 at entities that recorded a loss in either the fiscal year ended March 31, 2021 or 2022. 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 changes in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" for the fiscal year ended March 31, 2022 are mainly due to the increase of ¥719,338 million ($5,877,425 thousand) in relation to the increase of temporary differences on investment in Alibaba shares and the decrease of ¥181,167 million ($1,480,243 thousand) following the decrease in reserved profits of SVF1 and SVF2.

Deferred tax assets and liabilities recorded in the consolidated statement of financial position are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Deferred tax assets	¥ 206,069	**¥ 163,255**	**$ 1,333,892**
Deferred tax liabilities	(2,030,651)	**(2,436,034)**	**(19,903,865)**
Net	¥(1,824,582)	**¥(2,272,779)**	**$(18,569,973)**

(4) Deductible temporary differences, net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized

Deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards for which no deferred tax assets have been recognized are as follows. The amounts below are on a tax basis.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Deductible temporary differences	¥ 469,323	**¥ 477,829**	**$ 3,904,151**
Net operating loss carryforwards	984,846	**1,098,227**	**8,973,176**
Tax credit carryforwards	155	**7,275**	**59,441**
Total	¥1,454,324	**¥1,583,331**	**$12,936,768**

Expiration schedule of net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized is as follows. For deductible temporary differences as of March 31, 2022, the deductible temporary difference of ¥43,967 million ($359,237 thousand) (on a tax basis) is set to expire in the 7th year (as of March 31, 2021: There was no deductible temporary difference with an expiry date). Other than the above, 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
1st year	¥ 3,354	**¥ 2,619**	**$ 21,399**
2nd year	2,623	**4,280**	**34,970**
3rd year	5,838	**4,562**	**37,274**
4th year	5,146	**2,153**	**17,591**
5th year and thereafter and no expiry date	967,885	**1,084,613**	**8,861,942**
Total	¥ 984,846	**¥1,098,227**	**$8,973,176**

	(Millions of yen)		(Thousands of U.S. dollars)
Tax credit carryforwards (tax basis)	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
1st year	¥ –	**¥ –**	**$ –**
2nd year	–	**–**	**–**
3rd year	–	**–**	**–**
4th year	–	**–**	**–**
5th year and thereafter and no expiry date	155	**7,275**	**59,441**
Total	¥ 155	**¥ 7,275**	**$ 59,441**

In addition to the above, total future deductible temporary differences (before multiplying by the tax rate) for which no deferred tax assets have been recognized that are related to the investment in subsidiaries, associates and joint ventures as of March 31, 2022 are ¥3,331,893 million ($27,223,572 thousand) (as of March 31, 2021: ¥4,010,124 million).

(5) Future taxable temporary differences for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries

Total future taxable temporary differences (before multiplying by the tax rate) for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries as of March 31, 2022 are ¥3,629,798 million ($29,657,635 thousand) (as of March 31, 2021: ¥2,733,417 million).

25. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**	Average interest rate (%)*1	Maturity*2
Current					
Short-term borrowings*3,4	¥ 2,637,401	**¥ 1,551,238**	**$ 12,674,549**	1.37	–
Commercial paper	409,201	**527,201**	**4,307,550**	0.11	–
Current portion of long-term borrowings*4	2,085,348	**2,377,864**	**19,428,581**	2.17	–
Current portion of corporate bonds*6	804,356	**519,870**	**4,247,651**	2.24	–
Current portion of financial liabilities relating to sale of shares by prepaid forward contract*5	1,798,701	**2,352,539**	**19,221,660**	0.29	–
Current portion of installment payables	232	**150**	**1,225**	1.85	–
Total	¥ 7,735,239	**¥ 7,328,862**	**$ 59,881,216**		
Non-current					
Long-term borrowings*3,4	4,745,058	**5,472,605**	**44,714,478**	2.15	Apr. 2023-Apr. 2047
Corporate bonds*6	4,745,184	**6,471,624**	**52,877,065**	2.54	Apr. 2023-Jun. 2056
Financial liabilities relating to sale of shares by prepaid forward contract*5	1,287,038	**2,184,034**	**17,844,873**	0.64	Aug. 2023-Dec. 2024
Installment payables	456	**307**	**2,509**	1.87	Apr. 2023-Jul. 2027
Total	¥10,777,736	**¥14,128,570**	**$115,438,925**		

*1 Average interest rate represents the weighted-average interest rate to the balance as of March 31, 2022.

*2 Maturity represents the maturity of the outstanding balance as of March 31, 2022.

*3 For the fiscal year ended March 31, 2022, Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, entered into a facility agreement with financial institutions and made a borrowing of $8.0 billion in total (combination of term facility loans of $7.1 billion and bridge facility loans of $0.9 billion) providing 75.01% (other than 24.99% held by SVF1) of Arm Limited shares held by SBGC, a wholly-owned subsidiary of the Company, all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement and the equity interests of wholly-owned subsidiaries of the Company which were established for this facility purpose as collateral. As of March 31, 2022, the term facility loans of ¥852,570 million ($6,966,010 thousand) and the bridge facility loans of ¥108,948 million ($890,171 thousand) are included in long-term borrowings and short-term borrowings, respectively.

The term facility loans and the bridge facility loans shall be repaid in full on their maturity, which is the earlier of the date falling three months after the effective date of the listing of Arm and the date falling twenty-four months after the borrowing for the term facility loans, and the earlier of the date falling three months after the effective date of the listing of Arm and the date falling three months after the borrowing for the bridge facility loans, with an up to twelve months extension option for term facility loans which requires lender's consent, and an up to three months extension option for the bridge facility loans. The interest rates of both facility loans shall step-up based on the term of the loans.

The facility agreement includes mandatory prepayment provisions for a part or whole loans, which may be triggered under certain circumstances such as sales of Arm shares upon occurrence of a listing and adjusted EBITDA of Arm being lower than the threshold, and an additional cash collateral provision, which may be triggered if a fair value of Arm shares pledged as collateral decreases significantly at designated test date. In addition, Kronos I (UK) Limited is required to reserve an amount equivalent to interest for a certain period in the designated account. The borrowings of Kronos I (UK) Limited are nonrecourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

*4 The short-term borrowings, current portion of long-term borrowings, and long-term borrowings as of March 31, 2022 include ¥11,500 million ($93,962 thousand), ¥120,447 million ($984,125 thousand), and ¥204,588 million ($1,671,607 thousand) (as of March 31, 2021: ¥444,227 million of long-term borrowings) of borrowings in SVF1, respectively. The current portion of long-term borrowings and long-term borrowings as of March 31, 2022 include ¥13,183 million ($107,713 thousand) and ¥718,357 million ($5,869,409 thousand) of borrowings in SVF2, respectively.

*5 These are primarily financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares. The details of contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

*6 A summary of the issuance conditions of the bonds is as follows:

Company name / Name of bond	Date of issuance	Balance of issue amount*[7]	As of March 31, 2021 (Millions of yen)*[8]	**As of March 31, 2022** (Millions of yen)*[8]	**As of March 31, 2022** (Thousands of U.S. dollars)*[8]	Interest rate (%)	Date of maturity
SoftBank Group Corp.							
48th Unsecured Straight Bond*[9]	Dec. 10, 2015	¥337,024 million	¥ 336,006	**¥ 336,617 (336,617)**	**$ 2,750,364 (2,750,364)**	2.13	Dec. 9, 2022
49th Unsecured Straight Bond*[9]	Apr. 20, 2016	¥ 19,500 million	19,474	**19,487**	**159,221**	1.94	Apr. 20, 2023
50th Unsecured Straight Bond	Apr. 20, 2016	¥ 30,000 million	29,923	**29,939**	**244,620**	2.48	Apr. 20, 2026
51st Unsecured Straight Bond*[9]	Mar. 16, 2017	¥352,612 million	350,749	**351,388**	**2,871,052**	2.03	Mar. 15, 2024
52nd Unsecured Straight Bond*[9]	Mar. 8, 2017	¥ 47,300 million	47,211	**47,241**	**385,987**	2.03	Mar. 8, 2024
53rd Unsecured Straight Bond	Jun. 20, 2018	¥410,000 million	407,284	**408,142**	**3,334,766**	1.57	Jun. 14, 2024
54th Unsecured Straight Bond	Jun. 12, 2018	¥ 40,000 million	39,907	**39,936**	**326,301**	1.57	Jun. 12, 2024
55th Unsecured Straight Bond	Apr. 26, 2019	¥500,000 million	495,827	**496,871**	**4,059,735**	1.64	Apr. 25, 2025
56th Unsecured Straight Bond	Sep. 20, 2019	¥400,000 million	396,122	**396,838**	**3,242,405**	1.38	Sep.17, 2026
57th Unsecured Straight Bond	Sep. 12, 2019	¥100,000 million	99,663	**99,725**	**814,813**	1.38	Sep.11, 2026
USD-denominated Senior Notes due 2022*[10]	Jul. 28, 2015	$ 819 million	56,601	**62,724 (62,724)**	**512,493 (512,492)**	5.38	Jul. 30, 2022
USD-denominated Senior Notes due 2023*[10]	Apr. 20, 2018	$ 300 million	18,080	**20,040**	**163,739**	5.50	Apr. 20, 2023
USD-denominated Senior Notes due 2024*[10]	Sep. 19, 2017	$ 1,350 million	91,813	**101,693**	**830,893**	4.75	Sep. 19, 2024
USD-denominated Senior Notes due 2025*[10]	Jul. 28, 2015	$ 712 million	63,210	**69,997**	**571,918**	6.00	Jul. 30, 2025
USD-denominated Senior Notes due 2025*[10]	Apr. 20, 2018	$ 450 million	40,847	**45,241**	**369,646**	6.13	Apr. 20, 2025
USD-denominated Senior Notes due 2025	Jul. 6, 2021	$ 550 million	–	**66,708**	**545,045**	3.13	Jan. 6, 2025
USD-denominated Senior Notes due 2026	Jul. 6, 2021	$ 800 million	–	**96,957**	**792,197**	4.00	Jul. 6, 2026
USD-denominated Senior Notes due 2027*[10]	Sep. 19, 2017	$ 2,000 million	195,882	**216,833**	**1,771,656**	5.13	Sep. 19, 2027
USD-denominated Senior Notes due 2028*[10]	Apr. 3, 2018	$ 500 million	54,872	**60,737**	**496,258**	6.25	Apr. 15, 2028
USD-denominated Senior Notes due 2028	Jul. 6, 2021	$ 1,000 million	–	**121,137**	**989,762**	4.63	Jul. 6, 2028
USD-denominated Senior Notes due 2031	Jul. 6, 2021	$ 1,500 million	–	**179,215**	**1,464,294**	5.25	Jul. 6, 2031
Euro-denominated Senior Notes due 2022*[10]	Jul. 28, 2015	€ 287 million	24,193	**25,544 (25,544)**	**208,710 (208,710)**	4.00	Jul. 30, 2022
Euro-denominated Senior Notes due 2023*[10]	Apr. 20, 2018	€ 1,000 million	81,994	**86,578**	**707,394**	4.00	Apr. 20, 2023
Euro-denominated Senior Notes due 2025*[10]	Sep. 19, 2017	€ 1,500 million	104,486	**110,222**	**900,580**	3.13	Sep. 19, 2025
Euro-denominated Senior Notes due 2025*[10]	Jul. 28, 2015	€ 689 million	81,562	**86,042**	**703,015**	4.75	Jul. 30, 2025
Euro-denominated Senior Notes due 2025*[10]	Apr. 20, 2018	€ 450 million	38,979	**41,129**	**336,049**	4.50	Apr. 20, 2025
Euro-denominated Senior Notes due 2027*[10]	Jul. 28, 2015	€ 211 million	27,088	**28,570**	**233,434**	5.25	Jul. 30, 2027
Euro-denominated Senior Notes due 2028*[10]	Apr. 3, 2018	€ 1,174 million	151,031	**159,256**	**1,301,217**	5.00	Apr. 15, 2028
Euro-denominated Senior Notes due 2029*[10]	Sep. 19, 2017	€ 750 million	88,699	**93,221**	**761,672**	4.00	Sep. 19, 2029
Euro-denominated Senior Notes due 2024	Jul. 6, 2021	€ 750 million	–	**101,643**	**830,485**	2.13	Jul. 6, 2024
Euro-denominated Senior Notes due 2027	Jul. 6, 2021	€ 793 million	–	**106,643**	**871,338**	2.88	Jan. 6, 2027
Euro-denominated Senior Notes due 2029	Jul. 6, 2021	€ 800 million	–	**107,817**	**880,930**	3.38	Jul. 6, 2029
Euro-denominated Senior Notes due 2032	Jul. 6, 2021	€ 597 million	–	**80,071**	**654,228**	3.88	Jul. 6, 2032

Company name / Name of bond	Date of issuance	Balance of issue amount*7	As of March 31, 2021 (Millions of yen)*8	**As of March 31, 2022** (Millions of yen)*8	**As of March 31, 2022** (Thousands of U.S. dollars)*8	Interest rate (%)	Date of maturity
1st Unsecured Subordinated Corporate Bond*9	Dec. 19, 2014	¥ –	¥ 360,957 (360,957)	**¥ –**	**$ –**	2.50	Dec. 17, 2021
2nd Unsecured Subordinated Corporate Bond*9	Feb. 9, 2015	¥ –	403,428 (403,428)	**–**	**–**	2.50	Feb. 9, 2022
3rd Unsecured Subordinated Corporate Bond	Sep. 30, 2021	¥450,000 million	–	**443,794**	**3,626,064**	2.40	Sep. 29, 2028
4th Unsecured Subordinated Corporate Bond	Sep. 16, 2021	¥ 50,000 million	–	**49,705**	**406,120**	2.40	Sep. 15, 2028
5th Unsecured Subordinated Corporate Bond	Feb. 4, 2022	¥550,000 million	–	**541,927**	**4,427,870**	2.48	Feb. 2, 2029
1st Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*11,12,13	Sep. 16, 2016	¥ –	55,165	**–**	**–**	3.00	Sep. 13, 2041
2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*12,14	Sep. 16, 2016	¥ 15,400 million	15,273	**15,279**	**124,839**	3.50	Sep. 16, 2043
3rd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*11,12,15	Sep. 30, 2016	¥ –	393,710	**–**	**–**	3.00	Sep. 30, 2041
4th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*12,16	Feb. 4, 2021	¥177,000 million	175,512	**175,555**	**1,434,390**	3.00	Feb. 4, 2056
5th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*12,17	Jun. 21, 2021	¥405,000 million	–	**397,803**	**3,250,289**	2.75	Jun. 21, 2056
Subtotal			4,745,548 (764,385)	**5,918,265 (424,885)**	**48,355,789 (3,471,566)**		
Z Holdings Corporation							
10th Unsecured Straight Bond	Jul. 31, 2019	¥ 60,000 million	59,927	**59,985 (59,985)**	**490,114 (490,114)**	0.04	Jul. 29, 2022
11th Unsecured Straight Bond	Jul. 31, 2019	¥ 50,000 million	49,888	**49,922**	**407,893**	0.18	Jul. 31, 2024
12th Unsecured Straight Bond	Jul. 31, 2019	¥ 70,000 million	69,822	**69,856**	**570,766**	0.37	Jul. 31, 2026
13th Unsecured Straight Bond	Jul. 31, 2019	¥ 50,000 million	49,837	**49,857**	**407,362**	0.46	Jul. 31, 2029
15th Unsecured Straight Bond	Jun. 11, 2020	¥ 80,000 million	79,834	**79,911**	**652,921**	0.35	Jun. 9, 2023
16th Unsecured Straight Bond	Jun. 11, 2020	¥ 70,000 million	69,802	**69,850**	**570,717**	0.60	Jun. 11, 2025
19th Unsecured Straight Bond	Jul. 28, 2021	¥ 50,000 million	–	**49,853**	**407,329**	0.35	Jul. 28, 2026
Other Unsecured Straight Bonds	Feb. 28, 2017- Jul. 28, 2021	¥175,000 million	164,882 (39,971)	**174,743 (25,000)**	**1,427,754 (204,265)**	0.20-0.90	Dec. 7, 2022 - Jul. 28, 2031
Subtotal			543,992 (39,971)	**603,977 (84,985)**	**4,934,856 (694,379)**		
SoftBank Corp.							
6th Unsecured Straight Bond	Jul. 29, 2020	¥ 70,000 million	70,000	**70,000**	**571,942**	0.36	Jul. 29, 2025
8th Unsecured Straight Bond	Dec. 3, 2020	¥ 80,000 million	80,000	**80,000**	**653,648**	0.35	Dec. 3, 2025
Other Unsecured Straight Bonds	Mar. 18, 2020 - Jan. 27, 2022	¥320,000 million	110,000	**319,252 (10,000)**	**2,608,481 (81,706)**	0.10-0.62	Mar. 17, 2023 - Jan 27, 2032
Subtotal			260,000	**469,252 (10,000)**	**3,834,071 (81,706)**		
Total			¥5,549,540 (804,356)	**¥6,991,494 (519,870)**	**$57,124,716 (4,247,651)**		

*7 Balance of issue amount is as of March 31, 2022.
*8 Figures in parentheses as of March 31, 2021 and March 31, 2022 represent the current portion.
*9 On June 29, 2020, SoftBank Group Corp. offered the partial purchase for the 1st Unsecured Subordinated Corporate Bond, the 2nd Unsecured Subordinated Corporate Bond, the 48th Unsecured Straight Bond, the 49th Unsecured Straight Bond, the 51st Unsecured Straight Bond, and the 52nd Unsecured Straight Bond. Accordingly, on July 22, 2020, the purchases were completed and these corporate bonds were retired. As a result, these bonds were derecognized as the requirement for the extinguishment was satisfied on the same date.
*10 On February 22, 2021, SoftBank Group Corp. offered the partial purchases for the USD-denominated Senior Notes due 2022, the USD-denominated Senior Notes due 2023, the USD-denominated Senior Notes due 2024, the USD-denominated Senior Notes due 2025, the USD-denominated Senior Notes due 2027, the USD-denominated Senior Notes due 2028, the Euro-denominated Senior Notes due 2022, the Euro-denominated Senior Notes due 2023, the Euro-denominated Senior Notes due 2025, the Euro-denominated Senior Notes due 2027, the Euro-denominated Senior Notes due 2028, and the Euro-denominated Senior Notes due 2029. Accordingly, on March 10, 2021, the purchases were completed. As a result, these notes were derecognized as the requirement for the extinguishment was satisfied on the same date.
*11 SoftBank Group Corp. redeemed the 1st Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) on September 16, 2021 and the 3rd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) on September 30, 2021, exercising the early redeemable option.
*12 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.
*13 The bond has an early redeemable option at the Company's discretion from September 16, 2021 and at each interest date on or after September 16, 2021.
*14 The bond has an early redeemable option at the Company's discretion from September 16, 2023 and at each interest date on or after September 16, 2023.
*15 The bond has an early redeemable option at the Company's discretion from September 30, 2021 and at each interest date on or after September 30, 2021.
*16 The bond has an early redeemable option at the Company's discretion from February 4, 2026 and at each interest date on or after February 4, 2026.
*17 The bond has an early redeemable option at the Company's discretion from June 21, 2026 and at each interest date on or after June 21, 2026.

(2) Transactions for sale of Alibaba shares by prepaid forward contracts

Wholly-owned subsidiaries of the Company entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by the subsidiaries.

In the prepaid forward contracts, the number of Alibaba shares settled by the prepaid forward contracts is fixed regardless of changes in market share price in the future in a forward contract or determined by reference to market price of the shares at the valuation dates prior to the settlement date. The latter type of contracts include Floor contract that a floor is set for the price of shares settled and Collar contract that a cap and a floor are set for the price of shares settled. A part of wholly-owned subsidiaries of the Company entering into prepaid forward contracts with financial institutions to procure funds using Alibaba shares ("Entities for fund procurement by using Alibaba shares"), in addition to the prepaid forward contracts, enter into the call spread (combination of long position of call option and short position of call option with different strike prices) contracts in preparation for Alibaba shares price rise.

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. The Company accounts for the contracts by bifurcating the main contracts and embedded derivatives, and the main contracts are recognized as financial liabilities relating to sale of shares by prepaid forward contracts then measured at amortized cost while the embedded derivatives are measured at fair value. Also, the call spread contracts are measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts, a tax effect is recognized. The ending balance of the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts are described in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 31. Financial Instruments."

Entities for fund procurement by using Alibaba shares have the option to settle all of the prepaid forward contracts by delivering cash, Alibaba shares, or a combination of cash and Alibaba shares. If Entities for fund procurement by using Alibaba shares elect cash settlement, Entities for fund procurement by using Alibaba shares will pay the cash equivalent to the fair value of the number of shares subject to the settlement, as determined by reference to the market price of the shares.

Alibaba shares held by Entities for fund procurement by using Alibaba shares are pledged as collateral in accordance with all of the prepaid forward contracts, and except for a certain contract, the Company granted the right of use to the financial institutions with respect to such shares. However, the collateral can be released by cash settlement at the discretion of Entities for fund procurement by using Alibaba shares. Alibaba continues to be an equity method associate of the Company after the completion of these transactions because the Company still has significant influence over Alibaba via voting rights.

(For the fiscal year ended March 31, 2021)

For the fiscal year ended March 31, 2021, Entities for fund procurement by using Alibaba shares had exercised the option to settle the prepaid forward contract by cash and provided a notice to the counterparty for early termination in April 2021. Under the prepaid forward contract, Entities for fund procurement by using Alibaba shares are required to maintain cash that would exceed expected early termination amounts in a segregated custody account as restricted cash before the expected early termination date. $3.3 billion (¥361,355 million) of the restricted cash is recognized as "Other financial assets (current)" in the consolidated statement of financial position as of March 31, 2021.

On April 13, 2021, Entities for fund procurement by using Alibaba shares paid $2.9 billion (¥313,411 million) from restricted cash and completed the settlement of the transactions. ¥285,780 million ($2,334,995 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥28,096 million ($229,561 thousand) of "Derivative financial liabilities (current)," which were recognized in the consolidated statement of financial position as of March 31, 2021, were derecognized. Accordingly, on the same date, ¥61,633 million ($503,579 thousand) of Alibaba shares recognized in the consolidated statement of financial position as of March 31, 2021 was released from the collateral.

(For the fiscal year ended March 31, 2022)

Entities for fund procurement by using Alibaba shares procured $3.0 billion (¥329,852 million) in total by entering into collar contracts for the three-month period ended June 30, 2021, $7.4 billion

(¥812,502 million) in total by entering into collar contracts and a forward contract for the three-month period ended September 30, 2021, $2.2 billion (¥251,045 million) by entering into a forward contract for the three-month period ended December 31, 2021, and $4.1 billion (¥483,260 million) by entering into forward contracts for the three-month period ended March 31, 2022.

Also, for the three-month period ended September 30, 2021, a part of prepaid forward contracts has been amended in terms of the cap and floor for the price of shares settled and the term of the contracts. The amendments of the contracts are applicable for as exchanges of debt instruments with substantially different terms under IFRS 9 "Financial Instruments," and accounted for as extinguishments of the original financial liabilities relating to sale of shares by prepaid forward contracts and the recognition of new financial liabilities relating to sale of shares by prepaid forward contracts. As a result of the amendments, upon the extinguishment of the original contracts, ¥776,580 million ($6,345,126 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts and ¥235,475 million ($1,923,973 thousand) of derivative financial assets are derecognized. In contrast, ¥514,172 million ($4,201,095 thousand) of new financial liabilities relating to sale of shares by prepaid forward contracts and ¥45,476 million ($371,566 thousand) of derivative financial assets are newly recognized and ¥72,616 million ($593,316 thousand) of cash is paid as a difference in exchange value between the original and new contracts. Further, along with the fluctuation of derivative financial assets, ¥62,674 million ($512,084 thousand) of deferred tax liabilities is decreased and the same amount of income taxes is recognized as a gain, representing the tax effect.

Further, for the three-month period ended December 31, 2021 and the three-month period ended March 31, 2022, the settlement date of a part of prepaid forward contracts arrived and were settled by Alibaba shares. As a result, ¥784,197 million ($6,407,362 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥436,641 million ($3,567,620 thousand) of "Derivative financial assets (current)," and ¥156,971 million ($1,282,548 thousand) of Alibaba shares included in "Investments accounted for using the equity method" were derecognized from the consolidated statement of financial position, and ¥199,972 million ($1,633,892 thousand) of "Gain on investments at Investment Business of Holding Companies" was recorded in the consolidated statement of income. Alibaba continues to be an equity method associate of the Company after the completion of this transaction because the Company still has significant influence over Alibaba via voting rights.

As of March 31, 2022, the Company set ¥1,420,349 million ($11,605,107 thousand) (as of March 31, 2021: ¥583,897 million) of Alibaba shares, which is recognized as "Investments accounted for using the equity method" in the consolidated statement of financial position, as collateral for ¥2,352,539 million ($19,221,660 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,843,601 million ($15,063,330 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts (as of March 31, 2021: ¥1,798,701 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,287,038 million of financial liabilities relating to sale of shares by prepaid forward contracts).

(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 plus dividends from its wholly owned subsidiaries paid by the end of the first quarter of the following 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, income (loss) before income tax or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years.

b. Financial covenants on interest-bearing debts of SoftBank Corp.

SoftBank Corp.'s interest-bearing debt includes financial covenants and the major financial covenants 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 ratios*1 of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

*1 Net leverage ratio:
Net debt*2 / adjusted EBITDA*3

*2 Net debt:
The total amount of interest-bearing debt shown in the consolidated statement of financial position of SoftBank Corp. 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 the financial institutions.

c. Financial covenants on interest-bearing debts of Z Holdings Corporation

Z Holdings Corporation's interest-bearing debt includes financial covenants and the major financial covenants are as follows:

(a) The amount of net assets in Z Holdings Corporation's statement of financial position at the end of the fiscal year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

(b) The amount of net assets in Z Holdings Corporation's consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

(c) The balance sheet of Z Holdings Corporation at the end of the fiscal year from the second quarter ended September 30, 2020, must not show a net capital deficiency.

(d) The consolidated statement of financial position of Z Holdings Corporation at the end of the fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not show a net capital deficiency.

(e) In Z Holdings Corporation's statement of income, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive fiscal years.

(f) In Z Holdings Corporation's consolidated statement of income, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive fiscal year.

(g) Net leverage ratios*1 of Z Holdings Corporation must not exceed certain respective amounts or numbers at the end of the fiscal year and the end of the second quarter of each year from the second quarter ended September 30, 2020.

*1 Net leverage ratio:
Net debt*2 / Adjusted EBITDA*3

*2 Net debt:
The total amount of interest-bearing debt shown in the consolidated statement of financial position of Z Holdings Corporation after deducting cash and cash equivalents. 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. Interest-bearing debt and cash and cash equivalents are adjusted not to include those of PayPay Bank Corporation.

*3 Adjusted EBITDA:
EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

(4) Borrowings related to equity-securities lending contract

The Company entered into a securities lending contract regarding the stocks of a certain subsidiary. As of March 31, 2022, the amount of the cash received as collateral under the contract is recognized as short-term borrowings of ¥71,300 million ($582,564 thousand) and included in "Interest-bearing debt (current)."

(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, 2021	As of March 31, 2022	As of March 31, 2022
Cash and cash equivalents	¥ 4,736	¥ 133	$ 1,087
Trade and other receivables	5,433	14,337	117,142
Other financial assets (current)	15,088	1,241	10,140
Other current assets	4,967	–	–
Property, plant and equipment	137,196	4,912	40,134
Intangible assets	9,176	–	–
Investments accounted for using the equity method*1,2,3	1,462,579	2,600,646	21,248,844
Investments from SVF1 and SVF2 accounted for using FVTPL*4	786,651	1,599,040	13,065,120
Investment securities*3,5	1,483,897	1,525,016	12,460,299
Other financial assets (non-current)	2,503	3,956	32,322
Total	¥ 3,912,226	¥ 5,749,281	$46,975,088

Liabilities related to these assets pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Interest-bearing debt			
Short-term borrowings*4	¥ 8,007	¥ 11,500	$ 93,962
Current portion of long-term borrowings*1,6	502,737	1,230,634	10,055,021
Current portion of financial liabilities relating to sale of shares by prepaid forward contract*2	1,798,701	2,352,539	19,221,660
Long-term borrowings*1,3,4,6	1,636,452	849,244	6,938,835
Financial liabilities relating to sale of shares by prepaid forward contract*2,5	1,287,038	2,184,034	17,844,873
Trade and other payables	27	–	–
Other financial liabilities (current)	576	–	–
Other current liabilities	307	–	–
Total	¥ 5,233,845	¥ 6,627,951	$54,154,351

*1 ¥1,154,179 million ($9,430,337 thousand) (as of March 31, 2021: ¥836,301 million) of Alibaba shares (the carrying amount on a consolidated basis) held by Skywalk Finance GK, a wholly-owned subsidiary of the Company, was pledged as collateral for ¥731,517 million ($5,976,934 thousand) of current portion of long-term borrowings as of March 31, 2022 (as of March 31, 2021: ¥894,102 million of long-term borrowings). The shares are included in "Investments accounted for using the equity method" under the consolidated statement of financial position as of March 31, 2022. The borrowings include an early settlement clause and an early settlement may be elected under certain circumstances such as a significant decrease in the fair value of pledged Alibaba shares. The creditors would be able to dispose of the asset pledged as collateral upon a circumstance where the early settlement is demanded and the subsidiary does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

*2 ¥1,420,349 million ($11,605,107 thousand) (as of March 31, 2021: ¥583,897 million) of Alibaba shares (the carrying amount on a consolidated basis) is pledged as collateral for ¥2,352,539 million ($19,221,660 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,843,601 million ($15,063,330 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts as of March 31, 2022 (as of March 31,2021: ¥1,798,701 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,287,038 million of financial liabilities relating to sale of shares by prepaid forward contracts). The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

*3 For the fiscal year ended March 31, 2022, long-term borrowings decreased by ¥481,260 million ($3,932,184 thousand) as an early repayment was made for all of its borrowings of $4.38 billion using T-Mobile shares held by a wholly-owned subsidiary and Alibaba shares held by the Company pledged as collateral. Accordingly, on the same date, the collaterals for T-Mobile shares and Alibaba shares were released. T-Mobile shares pledged as collateral are recorded for ¥1,474,356 million as "Investment securities" in the consolidated statement of financial position as of March 31, 2021. In addition, Alibaba shares pledged as collateral are recorded for ¥42,381 million as "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2021.

"T-Mobile" indicates T-Mobile US, Inc. after merging with Sprint.

For the fiscal year ended March 31, 2022, the wholly-owned subsidiary of the Company made a borrowing of $2.06 billion by using T-Mobile shares held as collateral. As of March 31, 2022, ¥567,478 million ($4,636,637 thousand) of T-Mobile shares is pledged as collateral for ¥251,587 million ($2,055,617 thousand) of the long-term borrowing. T-Mobile shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position as of March 31, 2022.

In addition, related to the transaction, Alibaba shares held by the Company are pledged as collateral. Alibaba shares pledged as collateral are recorded for ¥25,136 million ($205,376 thousand) as "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2022.

For the fiscal year ended March 31, 2022, the wholly-owned subsidiary of the Company procured €2.64 billion by collar transactions using Deutsche Telekom AG ("Deutsche Telekom") shares held. As of March 31, 2022, ¥517,960 million ($4,232,045 thousand) of Deutsche Telekom shares is pledged as collateral for ¥413,702 million ($3,380,194 thousand) of the long-term borrowings. Deutsche Telekom shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position as of March 31, 2022. The details of the acquisition of Deutsche Telekom shares are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022)" under "Note 51. Additional information."

In addition, the collar contracts are classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value.

*4 Certain listed shares held by SVF1 are pledged as collateral for short-term borrowings or long-term borrowings. The facility agreement for the borrowings include margin call provisions, which may be triggered under certain circumstances such as a significant decrease in the market value of pledged collateral and mandatory prepayment clauses requiring all or part of the borrowings to be prepaid in certain circumstances. The creditors would be able to enforce security and dispose of the pledged listed shares if the margin call clause or the mandatory prepayment clause were triggered and SVF1 did not pay the relevant amounts to creditors when due. The borrowings are limited-recourse debts.

Certain listed shares held by SVF2 are pledged as collateral for long-term borrowings. The creditors would be able to enforce security and dispose of the pledged listed shares if SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

As a result, ¥1,006,303 million ($8,222,101 thousand) of the listed shares held by SVF1 (the carrying amounts of assets as of March 31, 2022) (as of March 31, 2021: ¥786,651 million of the listed shares) was pledged as collateral for ¥11,500 million ($93,962 thousand) of short-term borrowings as of March 31, 2022 (as of March 31, 2021: ¥136,841 million of long-term borrowings). ¥592,737 million ($4,843,018 thousand) of the listed shares held by SVF2 (the carrying amounts of assets as of March 31, 2022) was pledged as collateral for ¥122,390 million ($1,000,000 thousand) of long-term borrowings as of March 31, 2022. The aforementioned pledged shares are included within "Investments from SVF1 and SVF2 accounted for using FVTPL" in the consolidated statement of financial position as of March 31, 2022.

*5 For the fiscal year ended March 31, 2022, a wholly-owned subsidiary entered into prepaid forward contracts by using T-Mobile shares and procured $2.49 billion. As of March 31, 2022, the Company pledged ¥389,577 million ($3,183,079 thousand) of T-Mobile shares held as collateral for ¥340,433 million ($2,781,543 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts. The shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position as of March 31, 2022.

The number of T-Mobile shares, settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled. In addition, the prepaid forward contracts are collar contracts and classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value.

*6 929,022,669 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥498,676 million ($4,074,483 thousand) of current portion of long-term borrowings (as of March 31, 2021: ¥498,678 million) of Moonlight Finance GK, a wholly-owned subsidiary of the Company, as of March 31, 2022. 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 SoftBank Corp. shares. The creditors would be able to dispose of the asset pledged as collateral in the event where the early settlement is demanded and Moonlight Finance GK does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

Other than the above, the following assets are pledged as collateral.

a. SB Northstar

For acquisition of investments financed through borrowings and credit transactions, ¥1,927 million ($15,745 thousand) of securities pledged as collateral and ¥131,474 million ($1,074,222 thousand) of restricted cash (as of March 31, 2021: ¥1,427,286 million of securities pledged as collateral, ¥111,787 million of restricted cash and ¥14,685 million of margin deposits) are pledged as collateral mainly for ¥32,919 million ($268,968 thousand) of short-term borrowings and ¥125,004 million ($1,021,358 thousand) of borrowed securities as of March 31, 2022 (as of March 31, 2021: ¥1,203,925 million of short-term borrowings, ¥14,673 million of derivative financial liabilities and ¥8,713 million of borrowed securities).

Also, ¥302,048 million of Alibaba shares held by SB Northstar (the carrying amount on a consolidated basis) is pledged as collateral for ¥662,596 million of current portion of long-term borrowings as of March 31, 2021. Alibaba shares pledged as collateral are included in "Investments accounted for using the equity method "in the consolidated statement of financial position as of March 31, 2021.

b. SVF2

Mainly the equity interests of subsidiaries of SVF2 were pledged as collateral for ¥595,967 million ($4,869,409 thousand) of long-term borrowings and ¥13,183 million ($107,713 thousand) of current portion of long-term borrowings as of March 31, 2022. The facility agreement for the long-term borrowings includes a margin call provision and a mandatory prepayment clause, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments SVF2 holds. The creditors would be able to enforce security and dispose of the equity interests of subsidiaries of SVF2 if the margin call clause or the mandatory prepayment clause were triggered and SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

c. Arm

As of March 31, 2022, for long-term borrowings of ¥852,570 million ($6,966,010 thousand) and short-term borrowings of ¥108,948 million ($890,171 thousand) under the facility agreement entered into on March 28, 2022 by Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, 75.01% (other than 24.99% held by SVF1) of shares of Arm Limited which is a subsidiary of the Company, all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement and the equity interests of wholly-owned subsidiaries of the Company which were established for this facility purpose are pledged as collateral. The primary asset held by Kronos I (UK) Limited as of March 31, 2022 is a restricted cash of ¥14,862 million ($121,431 thousand). Please refer to "*3" under "(1) Components of interest-bearing debt" for details of the facility loans.

d. Fortress

As of March 31, 2022, based on a term loan agreement of $0.9 billion (as of March 31, 2021: $0.9 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.

e. Other

As of March 31, 2022, ¥53,433 million ($436,580 thousand) (as of March 31, 2021: ¥86,248 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 ¥125,200 million ($1,022,959 thousand) (as of March 31, 2021: ¥155,210 million) of margin deposits with central counterparties.

(6) Assets with restrictions on rights

a. Assets for sale and leaseback transactions that are not accounted for as sales

Assets for sale and leaseback transactions that continue to be recognized as property, plant and equipment but of which the Company does not have legal title because the transactions are not accounted for as sales, are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Property, plant and equipment	¥ 490,356	**¥ 632,965**	**$ 5,171,705**

The liabilities related to the assets of which the Company does not have legal title are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Interest-bearing debt			
Current portion of long-term borrowings	¥ 122,764	**¥ 163,606**	**$ 1,336,760**
Long-term borrowings	353,466	**423,333**	**3,458,885**
Total	¥ 476,230	**¥ 586,939**	**$ 4,795,645**

b. Assets under lease contracts for intangible assets

Assets that are restricted to be transferred, subleased or pledged as collateral by the Company because they are acquired under lease contracts for the intangible assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Intangible assets	¥ 350,198	**¥ 360,664**	**$ 2,946,842**

The liabilities related to the assets that are restricted to be transferred, subleased or pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Interest-bearing debt			
Current portion of long-term borrowings	¥ 115,058	**¥ 118,236**	**$ 966,059**
Long-term borrowings	228,442	**223,295**	**1,824,455**
Total	¥ 343,500	**¥ 341,531**	**$ 2,790,514**

(7) Components of proceeds (repayment) in short-term interest-bearing debt, net

The components of "Proceeds (repayment) 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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Net increase (decrease) in short-term borrowings	¥ 1,452,826	**¥ (1,280,587)**	**$ (10,463,167)**
Net increase in commercial paper	122,501	**106,800**	**872,620**
Total	¥ 1,575,327	**¥ (1,173,787)**	**$ (9,590,547)**

(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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Proceeds from borrowings	¥ 5,707,162	**¥ 8,144,423**	**$ 66,544,841**
Proceeds from issuance of corporate bonds	597,000	**2,580,245**	**21,082,155**
Proceeds from procurement by prepaid forward contracts using shares*	1,660,952	**2,156,317**	**17,618,408**
Total	¥ 7,965,114	**¥12,880,985**	**$105,245,404**

* The amount was procured under the prepaid forward contracts using Alibaba shares and T-Mobile shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" and "*5" under "(5) Assets pledged as collateral."

(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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Repayment of borrowings	¥(5,223,271)	**¥(7,209,092)**	**$ (58,902,623)**
Redemption of corporate bonds	(567,630)	**(1,267,059)**	**(10,352,635)**
Repayment for settlement of prepaid forward contracts using shares*	–	**(321,537)**	**(2,627,151)**
Total	¥(5,790,901)	**¥(8,797,688)**	**$ (71,882,409)**

* Primarily, the amount was paid due to the early settlement related to the prepaid forward contract using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

26. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Ordinary deposits	¥1,001,173	**¥1,224,237**	**$10,002,753**
Time deposits	108,067	**107,148**	**875,464**
Total	¥1,109,240	**¥1,331,385**	**$10,878,217**

27. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Trade payables	¥1,541,078	**¥1,559,849**	**$12,744,906**
Other	429,197	**409,015**	**3,341,898**
Total	¥1,970,275	**¥1,968,864**	**$16,086,804**

28. Other financial liabilities

The components of other financial liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current			
Non-controlling interests subject to possible redemption*1	¥ –	**¥ 307,144**	**$ 2,509,551**
Borrowed securities in asset management subsidiaries*2	8,713	**125,004**	**1,021,358**
Allowance for financial guarantee contract losses*3	24,381	**22,280**	**182,041**
Derivative financial liabilities in asset management subsidiaries	14,673	**1,880**	**15,361**
Other	18,191	**98,506**	**804,853**
Total	¥ 65,958	**¥ 554,814**	**$ 4,533,164**
Non-current			
Third-party interests in SoftBank Latin America Funds*4	–	**80,663**	**659,065**
Non-controlling interests subject to possible redemption*1	298,092	–	–
Other	117,315	**129,849**	**1,060,945**
Total	¥415,407	**¥ 210,512**	**$ 1,720,010**

*1 The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."
*2 The details are described in "e. Borrowed securities" in "(21) Significant accounting policies for the asset management subsidiary" under "Note 3. Significant accounting policies."
*3 Allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions.
*4 The details are described in "(b) Transactions between SoftBank Latin America Funds and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "For the fiscal year ended March 31, 2022" in "(1) Related party transactions and balances" under "Note 48. Related party transactions."

29. 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Current			
Short-term accrued employee benefits	¥ 223,847	**¥ 276,262**	**$ 2,257,227**
Contract liabilities	145,528	**130,403**	**1,065,471**
Withholding income tax*1	255,128	**73,555**	**600,989**
Consumption tax payable and other	66,980	**43,726**	**357,268**
Advances received*2	142,205	**4,866**	**39,758**
Other	118,755	**91,448**	**747,185**
Total	¥ 952,443	**¥ 620,260**	**$ 5,067,898**
Non-current			
Contract liabilities	105,285	**134,873**	**1,101,994**
Defined benefit liabilities	28,590	**33,647**	**274,916**
Long-term accrued employee benefits	28,534	**23,045**	**188,292**
Other	45,079	**21,059**	**172,064**
Total	¥ 207,488	**¥ 212,624**	**$ 1,737,266**

*1 Withholding income tax as of March 31, 2022 includes the amount of ¥61,279 million ($500,686 thousand) (as of March 31, 2021: ¥245,053 million) which is related to dividends within the group companies. The Company paid the withholding income tax in April, 2022 (as of March 31, 2021: paid in April, 2021.)
*2 Advances received as of March 31, 2021 includes the amount of $1.25 billion which the Company received from NVIDIA in relation to a definitive agreement to sell all of its shares in Arm. The advance received was recorded as profit for the fiscal year ended March 31, 2022 as a result of the termination of the agreement on February 8, 2022. The details are described in "*1" under "Note 44. Other gain."

30. Provisions

The changes in the provisions are as follows:

(Millions of yen)

	Asset retirement obligations	Provision for loss on contracts	Other	Total
As of April 1, 2021	¥ 96,739	¥ 23,130	¥ 15,656	¥ 135,525
Recognition of provisions	6,216	24,214	6,442	36,872
Interest due to passage of time	199	–	–	199
Used	(17,149)	(297)	(6,308)	(23,754)
Reversal of provisions	–	(6,096)	(317)	(6,413)
Change in estimate	202	–	–	202
Exchange differences	546	–	433	979
Other	(845)	–	(748)	(1,593)
As of March 31, 2022	¥ 85,908	¥ 40,951	¥ 15,158	¥ 142,017
Current liabilities	¥ 6,656	¥ 17,034	¥ 10,366	¥ 34,056
Non-current liabilities	79,252	23,917	4,792	107,961
Total	¥ 85,908	¥ 40,951	¥ 15,158	¥ 142,017

(Thousands of U.S. dollars)

	Asset retirement obligations	Provision for loss on contracts	Other	Total
As of April 1, 2021	$ 790,416	$ 188,986	$ 127,919	$ 1,107,321
Recognition of provisions	50,788	197,843	52,635	301,266
Interest due to passage of time	1,626	–	–	1,626
Used	(140,117)	(2,427)	(51,540)	(194,084)
Reversal of provisions	–	(49,808)	(2,590)	(52,398)
Change in estimate	1,650	–	–	1,650
Exchange differences	4,461	–	3,538	7,999
Other	(6,904)	–	(6,112)	(13,016)
As of March 31, 2022	$ 701,920	$ 334,594	$ 123,850	$ 1,160,364
Current liabilities	$ 54,384	$ 139,178	$ 84,696	$ 278,258
Non-current liabilities	647,536	195,416	39,154	882,106
Total	$ 701,920	$ 334,594	$ 123,850	$ 1,160,364

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 of the amount for the removal of equipment and the timing of the payment is based on the current business plans and assumption and is subject to change depending on revised future assumptions.

Provision for loss on contracts

In mobile communication service, provision for loss on contracts is recognized in order to prepare for losses resulting from the difference between the sales price of devices received from customers and residual installment receivables from customers. The sales price of the devices and the amount of the residual installment receivables may fluctuate due to changes in the market environment and other factors.

31. 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

* Equity capital is the amount of "Equity attributable to owners of the parent." Equity capital ratio is calculated by dividing "Equity attributable to owners of the parent" 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Equity capital	¥10,213,093	**¥9,975,674**	**$81,507,264**
Equity capital ratio (%)	22.3	**21.0**	**21.0**

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. The details regarding the financial covenants related to interest-bearing debt are described in "(3) Financial covenants" under "Note 25. Interest-bearing debt."

(2) Financial risk management

(The asset management subsidiary)

As SB Northstar L.P., an asset management subsidiary, conducts various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, and credit transactions, and others for diversification of the assets held and management of surplus funds, the Company faces a variety of financial risks (market 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.

SB MANAGEMENT LIMITED, a wholly-owned subsidiary of the Company, had been responsible for investment decision-making and risk management of the asset management subsidiary up until March 31, 2022. In conjunction with the downsizing of the asset management subsidiary's business, the general partner (GP, a wholly-owned subsidiary of the Company) of the asset management subsidiary is responsible for investment decision-making and risk management of the asset management subsidiary on and after April 1, 2022.

(Other than the asset management subsidiary)

As the Company operates 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, which were entered into by the Company, are conducted and controlled based on the Company's financial management regulations 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. At investment business, the Company holds a large number of investments which includes investments denominated in foreign currencies, mainly through foreign subsidiaries. Also, the Company undertakes transactions denominated in foreign currencies with foreign parties and through lending to and borrowing from foreign subsidiaries. Consequently, there is foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollar, Chinese yuan and Euro currencies.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures. The Company also enters into 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 for SoftBank Group Corp. and its 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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in liability position]	¥(3,050,851)	**¥(4,773,598)**	**$(39,003,170)**
Net exposure affecting other comprehensive income [in asset position]	28,529	**22,690**	**185,391**

Euro currencies (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in asset (liability) position]	¥ 2,154	**¥ (370,527)**	**$ (3,027,429)**
Net exposure affecting other comprehensive income [in asset position]	2,729	**2,705**	**22,101**

Hong Kong Dollar (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in asset position]	¥ 309,639	**¥ 339,859**	**$ 2,776,853**

Other than the table presented above, primary exposures to foreign exchange risk on subsidiaries whose functional currency is not Japanese yen are as follows:

Chinese Yuan (Functional currency: U.S. Dollar)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in asset position]	¥1,116,858	**¥1,481,962**	**$12,108,522**

Norwegian Krone (Functional currency: U.S. Dollar)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in asset position]	¥ 87,273	**¥ 532,258**	**$ 4,348,868**

Euro currencies (Functional currency: U.S. Dollar)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Net exposure affecting income before income tax [in asset position]	¥ 183,311	**¥ 428,567**	**$ 3,501,650**

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 the 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 remain 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 35. Foreign currency exchange rates."

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Increase in income before income tax	¥ 30,509	**¥ 47,736**	**$ 390,032**
Decrease in other comprehensive income before tax effect	(285)	**(227)**	**(1,855)**

Euro currencies

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Increase (decrease) in income before income tax	¥ (22)	**¥ 3,705**	**$ 30,272**
Decrease in other comprehensive income before tax effect	(27)	**(27)**	**(221)**

Hong Kong Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax	¥ (3,096)	**¥ (3,399)**	**$ (27,772)**

The table below presents the effect of a 1% U.S. Dollar appreciation against the Chinese Yuan on "Income before income tax" in the consolidated statement of income:

Chinese Yuan

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax	¥(11,169)	**¥(14,820)**	**$(121,088)**

The table below presents the effect of a 1% U.S. Dollar appreciation against the Norwegian Krone on "Income before income tax" in the consolidated statement of income:

Norwegian Krone

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax	¥ (873)	**¥(5,323)**	**$(43,492)**

The table below presents the effect of a 1% U.S. Dollar appreciation against the Euro currencies on "Income before income tax" in the consolidated statement of income:

Euro currencies

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax	¥(1,833)	**¥(4,286)**	**$(35,019)**

ii. Foreign currency exchange contracts

Foreign currency forward 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

As of March 31, 2021

(Millions of yen)

	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments	Average rate
		Assets	Liabilities		
Currency swap contracts					
Receipt in U.S. dollars / payment in yen	¥ 534,205 (534,205)	¥27,203	¥(10,806)	¥ 5,248	¥113.00 per $1
Receipt in Euro currencies/ payment in yen	615,296 (615,296)	5,952	(5,499)	90,208	¥132.56 per €1
Total . . .	¥1,149,501 (1,149,501)	¥33,155	¥(16,305)	¥95,456	

As of March 31, 2022

	(Millions of yen)					(Thousands of U.S. dollars)			
	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 the ineffective portion of hedging instruments	Average rate	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 the ineffective portion of hedging instruments
Currency swap contracts									
Receipt in U.S. dollars / payment in yen	¥ 534,205 (470,557)	¥ 48,211	¥ (2,651)	¥ 29,163	¥113.00 per $1	$ 4,364,777 (3,844,734)	$393,913	$ (21,660)	$ 238,279
Receipt in Euro currencies / payment in yen	615,006 (589,679)	5,064	(3,057)	1,554	¥132.56 per €1	5,024,969 (4,818,033)	41,376	(24,978)	12,697
Total	¥ 1,149,211 (1,060,236)	¥ 53,275	¥ (5,708)	¥ 30,717		$ 9,389,746 (8,662,767)	$435,289	$ (46,638)	$ 250,976

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as either "Derivative 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 in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments 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 has 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.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Currency swap contracts			
Balance at the beginning of the period	¥ 16,514	**¥ 46,935**	**$ 383,487**
Amount incurred	92,087	**41,510**	**339,162**
Reclassification adjustments*1	(61,666)	**(83,786)**	**(684,582)**
Balance at the end of the period*2	¥ 46,935	**¥ 4,659**	**$ 38,067**

*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 (excluding gain and loss on investments)" in the consolidated statement of income. For the fiscal year ended March 31, 2022, the amount of ¥2,348 million ($19,185 thousand) (for the fiscal year ended March 31, 2021: ¥4,318 million) transferred from cash flow hedges 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 As of March 31, 2022, accumulated other comprehensive income after tax includes ¥5,584 million ($45,625 thousand) (as of March 31, 2021: ¥7,932 million) 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, 2021			**As of March 31, 2022**			**As of March 31, 2022**		
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
Foreign currency forward contracts	¥ 141,107 (3,068)	¥ 3,016	¥ (961)	**¥ 262,707 (–)**	**¥ 1,101**	**¥ (2,163)**	**$ 2,146,474 (–)**	**$ 8,996**	**$ (17,673)**
Currency swap contracts . .	421,877 (355,065)	7,545	(7,076)	**450,719 (295,223)**	**13,387**	**(2,788)**	**3,682,646 (2,412,150)**	**109,380**	**(22,780)**
Foreign exchange margin transactions*. . . .	636,163 (–)	19,696	(3,415)	**215,586 (–)**	**3,608**	**(1,320)**	**1,761,467 (–)**	**29,479**	**(10,785)**
Total	¥1,199,147 (358,133)	¥30,257	¥ (11,452)	**¥ 929,012 (295,223)**	**¥ 18,096**	**¥ (6,271)**	**$ 7,590,587 (2,412,150)**	**$ 147,855**	**$ (51,238)**

* Foreign exchange margin transactions are operated by the subsidiary, YJFX, Inc.'s foreign exchange margin transactions business as of March 31, 2021, and mainly by the subsidiary, LINE Securities Corporation's foreign exchange margin transactions business as of March 31, 2022.

(b) Price risk

(The asset management subsidiary)

As the asset management subsidiary is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, and credit transactions, the asset management subsidiary faces price risk in its operations. To manage the price risk, the overall market prices of the portfolio are monitored on a daily basis.

(Other than the asset management subsidiary)

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 for securities

The tables below present the effect of a 10% decrease in market price regarding the securities traded in active markets (excluding securities subject to insignificant risk of change in value such as MMF) on income before income tax and other comprehensive income before tax effect, assuming that all other factors remain constant.

(i) Securities held for sale

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax.	¥ (208,551)	**¥ (16,002)**	**$ (130,746)**

(ii) Other securities

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax.	¥ (854,092)	**¥ (673,789)**	**$ (5,505,262)**
Decrease in other comprehensive income before tax effect.	¥ (2,102)	**¥ (3,213)**	**$ (26,252)**

ii. Price sensitivity analysis for derivative instruments (excluding contracts classified within level 3 of the fair value hierarchy)

The table below presents the effect of changes in market price of underlying assets regarding the long and short call options of listed stocks, total return swap contracts and forward contracts in asset management subsidiaries on income before income tax, assuming that all other factors remain constant.

As of March 31, 2021

(Millions of yen)

	Carrying amount (liability)	Assumption for market price change	Fair value under the assumption (liability)	Effect on income before income tax	Contract amount
Long call option of listed stocks in asset management subsidiaries	¥176,627	30% increase	¥525,367	¥348,740	¥1,481,995
		10% increase	275,384	98,757	
		10% decrease	104,389	(72,238)	
		30% decrease	27,096	(149,531)	
Short call option of listed stocks in asset management subsidiaries	(9,283)	30% increase	(60,229)	(50,947)	297,940
		10% increase	(20,500)	(11,218)	
		10% decrease	(3,347)	5,935	
		30% decrease	(142)	9,140	
Total return swap contracts related to listed stocks in asset management subsidiaries	1,667	30% increase	86,339	84,672	280,572
		10% increase	29,891	28,224	
		10% decrease	(26,557)	(28,224)	
		30% decrease	(83,005)	(84,672)	
Forward contracts related to listed stocks in asset management subsidiaries	4,372	30% increase	8,175	3,803	8,303
		10% increase	5,640	1,268	
		10% decrease	3,104	(1,268)	
		30% decrease	569	(3,803)	

As of March 31, 2022

(Millions of yen)

	Carrying amount (liability)	Assumption for market price change	Fair value under the assumption (liability)	Effect on income before income tax	Contract amount
Long call option of listed stocks in asset management subsidiaries	**¥48,466**	**30% increase**	**¥94,083**	**¥45,617**	**¥166,845**
		10% increase	**62,937**	**14,471**	
		10% decrease	**35,200**	**(13,266)**	
		30% decrease	**13,951**	**(34,515)**	
Forward contracts related to listed stocks in asset management subsidiaries	**(1,169)**	**30% increase**	**1,568**	**2,737**	**9,179**
		10% increase	**(257)**	**912**	
		10% decrease	**(2,081)**	**(912)**	
		30% decrease	**(3,906)**	**(2,737)**	

(Thousands of U.S. dollars)

	Carrying amount (liability)	Assumption for market price change	Fair value under the assumption (liability)	Effect on income before income tax	Contract amount
Long call option of listed stocks in asset management subsidiaries	$395,996	**30% increase**	**$ 768,715**	**$ 372,718**	**$1,363,224**
		10% increase	**514,233**	**118,237**	
		10% decrease	**287,605**	**(108,391)**	
		30% decrease	**113,988**	**(282,008)**	
Forward contracts related to listed stocks in asset management subsidiaries	(9,551)	**30% increase**	**12,812**	**22,363**	**74,998**
		10% increase	**(2,100)**	**7,452**	
		10% decrease	**(17,003)**	**(7,452)**	
		30% decrease	**(31,914)**	**(22,363)**	

In addition, the Company entered into prepaid forward contracts which are settled by Alibaba shares held by the Company. The contracts include collar transactions where a cap and a floor are set for the number of shares settled, floor transactions where a floor is set for the number of shares settled and forward transactions where the number of shares settled is fixed. Also, the Company entered into call spread contracts associated with the prepaid forward contracts which are settled by Alibaba shares. The collar transactions, the floor transactions, the forward transactions and the call spread contracts are classified as a derivative instrument and their fair values are affected by the price of Alibaba shares. Derivative gain and loss, which occurs depending on fluctuation of the price of Alibaba shares, are recognized through profit or loss.

Fair values of the collar transactions, the floor transactions, the forward transactions and the call spread transactions are composed of intrinsic value and time value. As of March 31, 2022, the effect of a 10% increase and a 10% decrease in the price of Alibaba shares on income before income tax due to fluctuation of intrinsic value are a loss of ¥238,819 million ($1,951,295 thousand) (as of March 31, 2021: ¥138,960 million) and a gain of ¥243,818 million ($1,992,140 thousand) (as of March 31, 2021: ¥156,548 million), respectively, assuming that all other factors remain constant.

The details of the prepaid forward contracts and the call spread contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

iii. 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, 2021		**As of March 31, 2022**		**As of March 31, 2022**	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares*1	¥ 661,615	¥ (28,096)	**¥ 1,379,801**	**¥ –**	**$ 11,273,805**	**$ –**
Call spread contracts relating to prepaid forward contracts using Alibaba shares*1	42,059	–	**2,302**	**–**	**18,809**	**–**
Contingent consideration relating to acquisition of T-Mobile shares*2	460,709	–	**591,429**	**–**	**4,832,331**	**–**
Short call option for T-Mobile shares to Deutsche Telekom*3	–	(204,821)	**–**	**(103,754)**	**–**	**(847,733)**
Contingent value rights relating to sale of T-Mobile shares*4	34,901	–	**44,681**	**–**	**365,071**	**–**
Long call option of listed stocks in asset management subsidiaries	176,627	–	**48,466**	**–**	**395,996**	**–**
Short call option of listed stocks in asset management subsidiaries	–	(9,283)	**–**	**–**	**–**	**–**
Long call option	24,604	–	**42,426**	**–**	**346,646**	**–**
Short call option	–	(43)	**–**	**(73,127)**	**–**	**(597,492)**
Others	2,861	–	**12,235**	**(3,919)**	**99,967**	**(32,020)**
Total	¥1,403,376	¥ (242,243)	**¥ 2,121,340**	**¥ (180,800)**	**$ 17,332,625**	**$ (1,477,245)**

*1 The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest bearing debt."
*2 Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. on April 1, 2020. The details are described in "(1) Sprint" under "Note 10. Discontinued operations."
*3 The decrease was primarily due to the partial exercise of the call options by Deutsche Telekom. The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022)" under "Note 51. Additional information."
*4 Contingent value rights received in relation to the disposal of T-Mobile shares in a private placement through a trust. The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2021)" under "Note 51. Additional information."

iv. Swap contracts

The details of swap contracts are as follows:

Swap contracts to which hedge accounting is not applied

	As of March 31, 2021 (Millions of yen)		As of March 31, 2022 (Millions of yen)		As of March 31, 2022 (Thousands of U.S. dollars)	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Swap contracts related to electricity sales price	¥ –	¥ (7,495)	**¥ –**	**¥ (20,831)**	**$ –**	**$(170,202)**
Total return swap contracts related to listed stocks in asset management subsidiaries	7,057	(5,390)	**–**	**–**	**–**	**–**
Total	¥ 7,057	¥ (12,885)	**¥ –**	**¥ (20,831)**	**$ –**	**$(170,202)**

v. Forward contracts

The details of forward contracts are as follows:

Forward contracts to which hedge accounting is not applied

	As of March 31, 2021 (Millions of yen)		As of March 31, 2022 (Millions of yen)		As of March 31, 2022 (Thousands of U.S. dollars)	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares*1	¥ –	¥ –	**¥190,334**	**¥ (67,672)**	**$1,555,143**	**$(552,921)**
Stock forward contracts	–	–	**–**	**(8,480)**	**–**	**(69,286)**
Forward contracts related to listed stocks and others in asset management subsidiaries	4,372	–	**–**	**(1,880)**	**–**	**(15,361)**
Tender offer for WeWork shares*2	–	(76,823)	**–**	**–**	**–**	**–**
Total	¥ 4,372	¥ (76,823)	**¥190,334**	**¥ (78,032)**	**$1,555,143**	**$(637,568)**

*1 The details of prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

*2 In March 2021, a wholly-owned subsidiary of the Company other than SVF1 commenced a tender offer to purchase WeWork common shares and preferred shares from certain shareholders other than the Company at a price of $19.19 per share for the total amount of $922 million. The tender offer is considered as forward contracts and accounted for as derivatives. The difference between the valuation amount of common shares and preferred shares expected to purchase and the expected acquisition amount was recorded as "Derivative financial liabilities (current)" as of March 31, 2021. The tender offer was completed in April 2021 and the derivative financial liabilities are reversed and reduced from the initially recognized amount of the purchased common shares and preferred shares for the fiscal year ended March 31, 2022.

vi. Collar contracts using shares

The details of collar contracts using shares are as follows:

Collar contracts using shares to which hedge accounting is not applied

	As of March 31, 2021 (Millions of yen)		As of March 31, 2022 (Millions of yen)		As of March 31, 2022 (Thousands of U.S. dollars)	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Collar contracts using Deutsche Telekom shares*	¥ –	¥ –	**¥ 44,568**	**¥ –**	**$ 364,147**	**$ –**

* The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022)" under "Note 51. Additional information."

(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 interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debt. In addition, in order to reduce interest rate fluctuation risk, for certain interest-bearing debt with floating interest rates, the Company also utilizes derivative transactions, such as interest rate swaps and interest rate currency swaps 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, interest rate currency swaps and other derivative transactions.

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Decrease in income before income tax	¥ (74,181)	**¥ (56,166)**	**$ (458,910)**

ii. Interest rate contracts

The details of interest rate contracts are as follows:

Interest rate contracts to which hedge accounting is applied

	(Millions of yen)										(Thousands of U.S. dollars)			
	As of March 31, 2021					**As of March 31, 2022**					**As of March 31, 2022**			
	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 the ineffective portion of hedging instruments	Average rate	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 the ineffective portion of hedging instruments	Average rate	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 the ineffective portion of hedging instruments
Interest rate swap Receipt in floating rate/ Payment in fixed rate	¥500,000 (500,000)	¥ –	¥ (5,247)	¥78	1.96%	**¥700,000 (700,000)**	**¥ –**	**¥(3,331)**	**¥1,916**	**1.81%**	**$5,719,422 (5,719,422)**	**$ –**	**$(27,216)**	**$15,655**

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as "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 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 assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments 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 has 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.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Interest rate swap			
Balance at the beginning of the period	¥(3,386)	**¥(3,973)**	**$(32,462)**
Amount incurred	819	**663**	**5,417**
Reclassification adjustments*	(1,406)	**347**	**2,835**
Balance at the end of the period	¥(3,973)	**¥(2,963)**	**$(24,210)**

* 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 (excluding gain and loss on investments)" in the consolidated statement of income. For the fiscal years ended March 31, 2021 and 2022, 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

	(Millions of yen)						(Thousands of U.S. dollars)		
	As of March 31, 2021			**As of March 31, 2022**			**As of March 31, 2022**		
	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	Contract amounts (of which:maturing in more than one year)	Carrying amount (fair value) Assets	Carrying amount (fair value) Liabilities
Interest rate swap	¥ 77,497 (77,497)	¥ –	¥ (2,835)	**¥85,673 (–)**	**¥ –**	**¥ (473)**	**$ 700,000 (–)**	**$ –**	**$ (3,865)**
Interest rate currency swap	42,329 (41,314)	1,814	(1,687)	**– (–)**	**–**	**–**	**– (–)**	**–**	**–**
Total	¥ 119,826 (118,811)	¥ 1,814	¥ (4,522)	**¥85,673 (–)**	**¥ –**	**¥ (473)**	**$ 700,000 (–)**	**$ –**	**$ (3,865)**

b. Credit risk

(The asset management subsidiary)

The asset management subsidiary has the credit risk of the counterparties regarding deposits, receivables against trading brokers, securities, derivatives, etc., and the counterparties are concentrated in several brokers. To mitigate these credit risks, the asset management subsidiary does business with brokers with high credit ratings.

(Other than the asset management subsidiary)

In the course of the Company's business, trade and other receivables, contract assets 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, which are executed and maintained by the Company, are conducted and controlled based on the Company's financial management regulations, 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, which is presented in the consolidated statement of financial position, the amount of lending commitments and the amount of 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 a 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 credit guarantees are described in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 49. Contingency."

There were no significant 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, 2021 and 2022.

(a) Carrying amounts of financial assets subject to allowance for doubtful accounts

i.Trade receivables

Exposure to credit risk on contract assets is included in trade receivables. In addition, since trade receivables generated by 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. As a result, exposure to credit risk on trade receivables generated by the credit card business is included in the receivables other than trade receivables.

The table below presents the carrying amounts related to an aging analysis of trade receivables and allowance for doubtful accounts.

As of March 31, 2021

(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	¥1,050,688	¥ 65,453	¥ 23,014	¥ 14,970	¥ 5,318	¥ 8,508	¥ 1,167,951
Allowance for doubtful accounts	(3,307)	(803)	(1,184)	(1,365)	(3,040)	(2,309)	(12,008)
Total							¥ 1,155,943

As of March 31, 2022

(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	**¥1,152,460**	**¥ 59,887**	**¥ 19,110**	**¥ 26,749**	**¥ 6,928**	**¥ 15,794**	**¥ 1,280,928**
Allowance for doubtful accounts	**(7,201)**	**(992)**	**(1,668)**	**(2,688)**	**(3,356)**	**(4,131)**	**(20,036)**
Total							**¥ 1,260,892**

(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	**$9,416,293**	**$489,313**	**$156,140**	**$ 218,555**	**$ 56,606**	**$129,046**	**$10,465,953**
Allowance for doubtful accounts	**(58,836)**	**(8,104)**	**(13,629)**	**(21,963)**	**(27,421)**	**(33,753)**	**(163,706)**
Total							**$10,302,247**

ii. Financial assets other than trade receivables

The table below presents an aging analysis of financial assets other than trade receivables. The amounts in the analysis are presented at the carrying amount before netting the allowance for doubtful accounts.

As of March 31, 2021

(Millions of yen)

	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	¥1,060,981	¥ 26,167	¥ 1,635	¥ 12,516	¥ –	¥ 1,101,299
Investment securities	380,832	–	–	–	–	380,832
Other financial assets	2,111,585	11,664	50,055	42,689	21,241	2,237,234
Total	¥3,553,398	¥ 37,831	¥ 51,690	¥ 55,205	¥ 21,241	¥ 3,719,365

Investment securities are mostly debt financial assets at FVTOCI.

As of March 31, 2022

(Millions of yen)

	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	**¥ 1,116,550**	**¥ 29,505**	**¥ 1,732**	**¥ 14,919**	**¥ –**	**¥ 1,162,706**
Investment securities	**298,319**	**–**	**–**	**–**	**–**	**298,319**
Other financial assets	**2,038,967**	**8,619**	**49,612**	**48,354**	**21,241**	**2,166,793**
Total	**¥ 3,453,836**	**¥ 38,124**	**¥ 51,344**	**¥ 63,273**	**¥ 21,241**	**¥ 3,627,818**

(Thousands of U.S. dollars)

	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	**$ 9,122,886**	**$241,074**	**$ 14,151**	**$121,897**	**$ –**	**$ 9,500,008**
Investment securities	**2,437,446**	**–**	**–**	**–**	**–**	**2,437,446**
Other financial assets	**16,659,588**	**70,422**	**405,360**	**395,082**	**173,552**	**17,704,004**
Total	**$28,219,920**	**$311,496**	**$419,511**	**$516,979**	**$173,552**	**$29,641,458**

Investment securities are mostly debt financial assets at FVTOCI.

(b) Changes in allowance for doubtful accounts

Allowance for doubtful accounts related to contract assets is included in trade receivables. In addition, since trade receivables generated by the credit card business includes interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables. As a result, the allowance for doubtful accounts related to the trade receivables generated by the credit card business is included in the financial assets other than trade receivables.

i. Trade receivables

The table below presents changes in the allowance for doubtful accounts for trade receivables.

For the fiscal year ended March 31, 2021

(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	¥ 6,161	¥13,451	¥19,612
Provisions	1,362	4,381	5,743
Utilized	(56)	(4,701)	(4,757)
Loss of control	(1,120)	(6,672)	(7,792)
Other	(1,053)	255	(798)
Balance at the end of the period	¥ 5,294	¥ 6,714	¥12,008

For the fiscal year ended March 31, 2022

(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	**¥ 5,294**	**¥ 6,714**	**¥12,008**
Provisions	**4,786**	**5,367**	**10,153**
Utilized	**(508)**	**(3,421)**	**(3,929)**
Other	**289**	**1,515**	**1,804**
Balance at the end of the period	**¥ 9,861**	**¥10,175**	**¥20,036**

(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	**$ 43,255**	**$54,858**	**$ 98,113**
Provisions	**39,105**	**43,851**	**82,956**
Utilized	**(4,151)**	**(27,951)**	**(32,102)**
Other	**2,360**	**12,379**	**14,739**
Balance at the end of the period	**$ 80,569**	**$83,137**	**$163,706**

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.

For the fiscal year ended March 31, 2021

(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	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	¥5,766	¥33,489	¥45,693	¥65,913	¥150,861
Provisions	1,897	4,876	16,972	8,925*	32,670
Utilized	(86)	(14)	(13,455)	(53,612)	(67,167)
Reversal	(218)	–	(852)	(12,301)	(13,371)
Other	887	669	(2,510)	–	(954)
Balance at the end of the period	¥8,246	¥39,020	¥45,848	¥ 8,925	¥102,039

* For the fiscal year ended March 31, 2021, the Company recorded the total amount of ¥10,325 million as undiscounted expected losses at initial recognition on purchased or originated credit-impaired financial assets.

For the fiscal year ended March 31, 2022

(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	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	¥ 8,246	¥39,020	¥45,848	¥ 8,925	¥102,039
Provisions	4,989	1,343	10,810	1,921	19,063
Utilized	(271)	(2,704)	(10,266)	–	(13,241)
Reversal	(1,963)	(16,029)	(19)	–	(18,011)
Other	(529)	3,129	2,519	–	5,119
Balance at the end of the period	¥10,472	¥24,759	¥48,892	¥10,846	¥ 94,969

(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	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	$67,375	$318,817	$374,606	$72,923	$833,721
Provisions	40,763	10,973	88,324	15,695	155,755
Utilized	(2,214)	(22,093)	(83,879)	–	(108,186)
Reversal	(16,039)	(130,967)	(155)	–	(147,161)
Other	(4,322)	25,566	20,581	–	41,825
Balance at the end of the period	$85,563	$202,296	$399,477	$88,618	$775,954

For the fiscal year ended March 31, 2022, there are no significant changes in gross carrying amounts of financial assets other than trade receivables that affected the allowance for doubtful accounts.

Provisions for and reversal of allowance for doubtful accounts are recorded in “Selling, general and administrative expenses” and “Other gain” in the consolidated statement of income.

c. Liquidity risk

(The asset management subsidiary)

The asset management subsidiary has the liquidity risk of having to secure sufficient cash depending on the settlement of the investments and the status of investment position. To reduce these liquidity risks, the investments are primarily targeted at listed stocks that are actively traded and easily redeemable.

(Other than the asset management subsidiary)

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 MMF.

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. As of March 31, 2022, the undrawn amounts of the Company’s credit facilities are ¥1,394,649 million ($11,395,122 thousand) (as of March 31, 2021: ¥944,293 million).

In addition, the asset management subsidiary is engaged in transactions for acquisition of investments using borrowings and has entered into agreement with various financial institutions in order to borrow funds in response to the net position of investments and indebtedness of the asset management subsidiary. As of March 31, 2022, the amounts that could be additionally borrowed were ¥69,327 million ($566,443 thousand) (as of March 31, 2021: ¥461,869 million).

* Certain commitments above contain financial covenants. The details are described in “(3) Financial covenants” under “Note 25. Interest-bearing debt.”

(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, 2021

(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	¥ 2,637,401	¥ 2,637,560	¥ 2,637,560	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	409,201	409,201	409,201	–	–	–	–	–
Long-term borrowings (including current portion)	6,830,406	6,863,649	2,090,606	2,181,410	809,343	1,442,276	189,794	150,220
Corporate bonds (including current portion)	5,549,540	5,583,044	805,969	513,066	640,008	627,409	1,051,485	1,945,107
Financial liabilities relating to sale of shares by prepaid forward contract	3,085,739	3,104,068	1,801,124	910,373	279,923	112,648	–	–
Installment payables	688	688	232	149	142	112	45	8
Lease liabilities	1,035,001	1,035,001	307,447	209,749	122,099	69,721	58,133	267,852
Deposits for banking business*1	1,128,439	1,128,524	1,109,254	7,114	5,449	2,205	1,583	2,919
Third-party interests in SVF1 and SVF2	6,601,791	6,601,791*2	–	–	–	–	–	6,601,791*3
Trade and other payables	1,970,275	1,970,275	1,946,876	8,957	1,473	34	11	12,924
Other financial liabilities	447,493	447,493	51,285	363,028	3,194	2,764	1,034	26,188
Total	¥29,695,974	¥29,781,294	¥11,159,554	¥4,193,846	¥1,861,631	¥2,257,169	¥1,302,085	¥9,007,009
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	¥ 27,757	¥ 27,757	¥ 431	¥ 10,155	¥ (693)	¥ (2,273)	¥ 20,326	¥ (189)
Option contracts	242,243	242,243	242,243	–	–	–	–	–
Interest rate contracts	9,769	10,288	3,650	3,203	1,584	455	1,396	–
Swap contracts	12,885	12,885	12,885	–	–	–	–	–
Forward contracts	76,823	76,823	76,823	–	–	–	–	–
Other	101	101	101	–	–	–	–	–
Total	¥ 369,578	¥ 370,097	¥ 336,133	¥ 13,358	¥ 891	¥ (1,818)	¥ 21,722	¥ (189)

*1 Deposits for the banking business payable on demand are included in "Within 1 year."
*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1 had been liquidated as of March 31, 2021.
*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1 which is available for distributions and repayments will be broken down by corresponding maturity dates.
*4 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.
*5 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, 2022

(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	¥ 1,551,238	¥ 1,554,211	¥ 1,554,211	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	527,201	527,201	527,201	–	–	–	–	–
Long-term borrowings (including current portion)	7,850,469	7,899,857	2,384,300	2,631,013	1,582,798	756,266	215,789	329,691
Corporate bonds (including current portion)	6,991,494	7,042,490	520,346	646,307	806,998	1,074,593	935,632	3,058,614
Financial liabilities relating to sale of shares by prepaid forward contract	4,536,573	4,571,057	2,355,835	1,259,068	956,154	–	–	–
Installment payables	457	457	150	142	112	45	6	2
Lease liabilities	866,148	866,148	240,241	145,219	84,162	69,576	60,315	266,635
Deposits for banking business*1	1,348,399	1,348,455	1,331,397	6,233	4,573	1,445	1,063	3,744
Third-party interests in SVF1 and SVF2	5,559,835	5,559,835*2	–	–	–	–	–	5,559,835*3
Trade and other payables	1,968,864	1,968,864	1,958,592	7,552	873	56	832	959
Other financial liabilities	746,432	746,432	544,715	48,756	10,879	6,263	3,312	132,507
Total	¥31,947,110	¥32,085,007	¥11,416,988	¥4,744,290	¥3,446,549	¥1,908,244	¥1,216,949	¥9,351,987
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	¥ 11,979	¥ 11,979	¥ 3,233	¥ (1,343)	¥ (1,794)	¥ 7,315	¥ (454)	¥ 5,022
Option contracts	180,800	180,800	105,801	73,292	1,707	–	–	–
Interest rate contracts	3,804	3,765	2,176	943	451	166	50	(21)
Swap contracts	20,831	22,910	–	4,542	3,636	3,107	3,048	8,577
Forward contracts*6	78,032	115,203	47,276	67,927	–	–	–	–
Other	29	29	29	–	–	–	–	–
Total	¥ 295,475	¥ 334,686	¥ 158,515	¥ 145,361	¥ 4,000	¥ 10,588	¥ 2,644	¥ 13,578

(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	$ 12,674,549	$ 12,698,840	$12,698,840	$ –	$ –	$ –	$ –	$ –
Commercial paper	4,307,550	4,307,550	4,307,550	–	–	–	–	–
Long-term borrowings (including current portion)	64,143,059	64,546,590	19,481,167	21,496,961	12,932,413	6,179,149	1,763,126	2,693,774
Corporate bonds (including current portion)	57,124,716	57,541,384	4,251,540	5,280,717	6,593,660	8,780,072	7,644,677	24,990,718
Financial liabilities relating to sale of shares by prepaid forward contract	37,066,533	37,348,289	19,248,591	10,287,344	7,812,354	–	–	–
Installment payables	3,734	3,734	1,226	1,160	915	368	49	16
Lease liabilities	7,076,951	7,076,951	1,962,914	1,186,527	687,654	568,478	492,810	2,178,568
Deposits for banking business*1	11,017,232	11,017,689	10,878,315	50,927	37,364	11,807	8,685	30,591
Third-party interests in SVF1 and SVF2	45,427,200	45,427,200*2	–	–	–	–	–	45,427,200*3
Trade and other payables	16,086,804	16,086,804	16,002,875	61,704	7,133	458	6,798	7,836
Other financial liabilities	6,098,798	6,098,798	4,450,649	398,366	88,888	51,172	27,061	1,082,662
Total	$261,027,126	$262,153,829	$93,283,667	$38,763,706	$28,160,381	$15,591,504	$9,943,206	$76,411,365
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	$ 97,876	$ 97,876	$ 26,416	$ (10,973)	$ (14,658)	$ 59,768	$ (3,710)	$ 41,033
Option contracts	1,477,245	1,477,245	864,458	598,840	13,947	–	–	–
Interest rate contracts	31,081	30,762	17,779	7,705	3,685	1,356	409	(172)
Swap contracts	170,202	187,188	–	37,111	29,708	25,386	24,904	70,079
Forward contracts*6	637,568	941,277	386,273	555,004	–	–	–	–
Other	237	237	237	–	–	–	–	–
Total	$ 2,414,209	$ 2,734,585	$ 1,295,163	$ 1,187,687	$ 32,682	$ 86,510	$ 21,603	$ 110,940

*1 Deposits for the banking business payable on demand are included in "Within 1 year."
*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1 and SVF2 had been liquidated as of March 31, 2022.
*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1 and SVF2 which is available for distributions and repayments will be broken down by corresponding maturity dates.
*4 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.
*5 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.
*6 For forward contracts to purchase equity investments included in the forward contracts, the amounts in aggregation of redemption schedule and the breakdown by maturity are contractual amounts to be paid to purchase equity investments.

In addition to the amounts presented above, the Company has lending commitments and credit guarantees, which are detailed in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 49. Contingency."

Average interest rates of the interest-bearing debts and lease liabilities are described in "(1) Component of interest-bearing debt" under "Note 25. Interest-bearing debt" and "Note 20. Leases."

(3) Categories of financial instruments

Components of financial instruments (excluding cash and cash equivalents) by category are as follows:

As of March 31, 2021

(Millions of yen)

	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥ 2,216,434	¥ 2,216,434
Investments from asset management subsidiaries	658,227	–	–	–	–	658,227
Securities pledged as collateral in asset management subsidiaries	1,427,286	–	–	–	–	1,427,286
Derivative financial assets in asset management subsidiaries	188,056	–	–	–	–	188,056
Derivative financial assets	383,315	–	–	–	–	383,315
Other financial assets	1,597	–	48,640	300	621,370	671,907
Non-current assets						
Investments from SVF1 and SVF2 accounted for using FVTPL	13,646,774	–	–	–	–	13,646,774
Investment securities	3,187,570	–	358,090	137,232	23,892	3,706,784
Derivative financial assets	875,505	33,155	–	–	–	908,660
Other financial assets	430,885	–	–	168	1,488,209	1,919,262
Total	¥20,799,215	¥ 33,155	¥ 406,730	¥ 137,700	¥ 4,349,905	¥25,726,705

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Lending commitments and financial guarantee contracts	Total
Financial liabilities					
Current liabilities					
Interest-bearing debt	¥ –	¥ –	¥ 7,735,239	¥ –	¥ 7,735,239
Lease liabilities	–	–	307,447	–	307,447
Deposits for banking business	–	–	1,109,240	–	1,109,240
Trade and other payables	–	–	1,970,275	–	1,970,275
Derivative financial liabilities	322,213	–	–	–	322,213
Other financial liabilities	23,387	–	7,972	34,599	65,958
Non-current liabilities					
Interest-bearing debt	–	–	10,777,736	–	10,777,736
Lease liabilities	–	–	727,554	–	727,554
Third-party interests in SVF1 and SVF2	–	–	6,601,791	–	6,601,791
Derivative financial liabilities	11,140	21,552	–	–	32,692
Other financial liabilities	43,350	–	369,126	2,931	415,407
Total	¥ 400,090	¥ 21,552	¥29,606,380	¥ 37,530	¥30,065,552

As of March 31, 2022

(Millions of yen)

	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥ 2,361,149	¥ 2,361,149
Investments from asset management subsidiaries	158,094	–	–	–	–	158,094
Securities pledged as collateral in asset management subsidiaries	1,927	–	–	–	–	1,927
Derivative financial assets in asset management subsidiaries	48,466	–	–	–	–	48,466
Derivative financial assets	1,050,249	197	–	–	–	1,050,446
Other financial assets	330,277	–	75,460	300	356,601	762,638
Non-current assets						
Investments from SVF1 and SVF2 accounted for using FVTPL	13,766,391	–	–	–	–	13,766,391
Investment securities	3,730,833	–	276,634	177,783	23,317	4,208,567
Derivative financial assets	1,280,709	53,078	–	–	–	1,333,787
Other financial assets	179,990	–	–	171	2,070,479	2,250,640
Total	¥20,546,936	¥ 53,275	¥ 352,094	¥ 178,254	¥ 4,811,546	¥25,942,105

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Financial guarantee contracts	Total
Financial liabilities					
Current liabilities					
Interest-bearing debt	¥ –	¥ –	¥ 7,328,862	¥ –	¥ 7,328,862
Lease liabilities	–	–	240,241	–	240,241
Deposits for banking business	–	–	1,331,385	–	1,331,385
Trade and other payables	–	–	1,968,864	–	1,968,864
Derivative financial liabilities	118,962	630	–	–	119,592
Other financial liabilities	172,199	–	360,335	22,280	554,814
Non-current liabilities					
Interest-bearing debt	–	–	14,128,570	–	14,128,570
Lease liabilities	–	–	625,907	–	625,907
Third-party interests in SVF1 and SVF2	–	–	5,559,835	–	5,559,835
Derivative financial liabilities	165,594	8,409	–	–	174,003
Other financial liabilities	53,117	–	154,793	2,602	210,512
Total	¥ 509,872	¥ 9,039	¥31,698,792	¥ 24,882	¥32,242,585

(Thousands of U.S. dollars)

	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets						
Current assets						
Trade and other receivables	$ –	$ –	$ –	$ –	$ 19,292,009	$ 19,292,009
Investments from asset management subsidiaries	1,291,723	–	–	–	–	1,291,723
Securities pledged as collateral in asset management subsidiaries	15,745	–	–	–	–	15,745
Derivative financial assets in asset management subsidiaries	395,996	–	–	–	–	395,996
Derivative financial assets	8,581,167	1,609	–	–	–	8,582,776
Other financial assets	2,698,562	–	616,554	2,451	2,913,645	6,231,212
Non-current assets						
Investments from SVF1 and SVF2 accounted for using FVTPL	112,479,704	–	–	–	–	112,479,704
Investment securities	30,483,153	–	2,260,266	1,452,594	190,514	34,386,527
Derivative financial assets	10,464,164	433,679	–	–	–	10,897,843
Other financial assets	1,470,626	–	–	1,398	16,917,060	18,389,084
Total	$167,880,840	$ 435,288	$ 2,876,820	$ 1,456,443	$ 39,313,228	$211,962,619

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Financial guarantee contracts	Total
Financial liabilities					
Current liabilities					
Interest-bearing debt	$ –	$ –	$ 59,881,216	$ –	$ 59,881,216
Lease liabilities	–	–	1,962,914	–	1,962,914
Deposits for banking business	–	–	10,878,217	–	10,878,217
Trade and other payables	–	–	16,086,804	–	16,086,804
Derivative financial liabilities	971,992	5,147	–	–	977,139
Other financial liabilities	1,406,969	–	2,944,154	182,041	4,533,164
Non-current liabilities					
Interest-bearing debt	–	–	115,438,925	–	115,438,925
Lease liabilities	–	–	5,114,037	–	5,114,037
Third-party interests in SVF1 and SVF2	–	–	45,427,200	–	45,427,200
Derivative financial liabilities	1,353,002	68,707	–	–	1,421,709
Other financial liabilities	433,998	–	1,264,752	21,260	1,720,010
Total	$ 4,165,961	$ 73,854	$258,998,219	$ 203,301	$263,441,335

The Company generally classifies equity 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, 2021

Names	Fair value (Millions of yen)
Ampere Computing Holdings LLC	¥ 46,073
SNOW Corporation	7,399
WORKS MOBILE Corporation	5,421
HOPU-ARM Innovation Fund, L.P.	3,821
Retty Inc.	3,131
Other	71,855
Total	¥137,700

As of March 31, 2022

Names	Fair value (Millions of yen)	Fair value (Thousands of U.S. dollars)
Ampere Computing Holdings LLC	**¥ 50,933**	**$ 416,153**
SNOW Corporation	**19,573**	**159,923**
Visional, Inc.	**14,526**	**118,686**
WORKS MOBILE Corporation	**7,316**	**59,776**
HOPU-ARM Innovation Fund, L.P.	**6,734**	**55,021**
Other	**79,172**	**646,884**
Total	**¥178,254**	**$1,456,443**

The Company sells (or derecognizes) 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.

	(Millions of yen) Fiscal year ended March 31, 2021	(Millions of yen) **Fiscal year ended March 31, 2022**	(Thousands of U.S. dollars) **Fiscal year ended March 31, 2022**
Fair value on the date of sale	¥8,922	**¥4,695**	**$38,361**
Accumulated gains related to the sales	824	**185**	**1,512**

When financial assets at FVTOCI 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 fiscal year ended March 31, 2022, ¥ (123) million ($ (1,005) thousand) (For the fiscal year ended March 31, 2021: ¥ (343) million) was transferred from "Accumulated other comprehensive income" to "Retained earnings."

32. 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 levels:

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 at the point of which the event or change in circumstances that caused the transfer is observed.

There was no transfer between Level 1 and Level 2 during the fiscal year ended March 31, 2022. During the fiscal year ended March 31, 2021, there was a hierarchy level transfer of the equity investment in LINE Corporation from Level 1 to Level 2 due to the delisting of LINE Corporation. As a result of a business combination on February 28, 2021, LINE Corporation was accounted as a consolidated subsidiary as of March 31, 2021. The details regarding the business combination of LINE Corporation are described in "Note 9. Business Combinations."

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, 2021

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF1 and SVF2 accounted for using FVTPL	¥ 6,667,004	¥ –	¥6,979,770	¥13,646,774
Equity securities (excluding investments from SVF1 and SVF2) *	3,973,727	2,214	1,143,043	5,118,984
Bonds and loans (excluding investments from SVF1 and SVF2)	10,785	246,510	135,468	392,763
Derivative financial assets				
Foreign currency exchange contracts	42	63,370	–	63,412
Option contracts	19,507	906,390	477,479	1,403,376
Interest rate contracts	–	1,814	–	1,814
Swap contracts	–	7,057	–	7,057
Forward contracts	–	4,372	–	4,372
Other	334,286	2,969	400,993	738,248
Total	¥11,005,351	¥1,234,696	¥9,136,753	¥21,376,800
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	¥ 266	¥ 27,491	¥ –	¥ 27,757
Option contracts	4,979	237,264	–	242,243
Interest rate contracts	–	9,769	–	9,769
Swap contracts	–	5,390	7,495	12,885
Forward contracts	–	–	76,823	76,823
Other	101	–	–	101
Borrowed securities	8,714	–	–	8,714
Other	6,041	–	37,309	43,350
Total	¥ 20,101	¥ 279,914	¥ 121,627	¥ 421,642

As of March 31, 2022

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF1 and SVF2 accounted for using FVTPL	**¥4,811,878**	**¥ –**	**¥ 8,954,513**	**¥13,766,391**
Equity securities (excluding investments from SVF1 and SVF2) *	**2,113,504**	**–**	**1,456,818**	**3,570,322**
Bonds and loans (excluding investments from SVF1 and SVF2)	**8,330**	**229,112**	**206,323**	**443,765**
Derivative financial assets				
Foreign currency exchange contracts	**855**	**70,516**	**–**	**71,371**
Option contracts	**456**	**1,487,331**	**633,553**	**2,121,340**
Forward contracts	**–**	**190,334**	**–**	**190,334**
Collar contracts using shares	**–**	**44,568**	**–**	**44,568**
Other	**5,086**	**–**	**–**	**5,086**
Other	**330,725**	**6,565**	**580,092**	**917,382**
Total	**¥7,270,834**	**¥ 2,028,426**	**¥11,831,299**	**¥21,130,559**
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	**¥ 1,618**	**¥ 10,361**	**¥ –**	**¥ 11,979**
Option contracts	**2,212**	**178,539**	**49**	**180,800**
Interest rate contracts	**–**	**3,804**	**–**	**3,804**
Swap contracts	**–**	**–**	**20,831**	**20,831**
Forward contracts	**–**	**69,096**	**8,936**	**78,032**
Other	**29**	**–**	**–**	**29**
Borrowed securities	**125,004**	**–**	**–**	**125,004**
Other	**–**	**–**	**98,432**	**98,432**
Total	**¥ 128,863**	**¥ 261,800**	**¥ 128,248**	**¥ 518,911**

	Level 1	Level 2	Level 3	Total
				(Thousands of U.S. dollars)
Financial assets				
Investments from SVF1 and SVF2 accounted for using FVTPL	**$39,315,941**	**$ –**	**$73,163,763**	**$112,479,704**
Equity securities (excluding investments from SVF1 and SVF2) *	**17,268,600**	**–**	**11,903,081**	**29,171,681**
Bonds and loans (excluding investments from SVF1 and SVF2)	**68,061**	**1,871,983**	**1,685,783**	**3,625,827**
Derivative financial assets				
Foreign currency exchange contracts	**6,986**	**576,158**	**–**	**583,144**
Option contracts	**3,726**	**12,152,390**	**5,176,509**	**17,332,625**
Forward contracts	**–**	**1,555,143**	**–**	**1,555,143**
Collar contracts using shares	**–**	**364,147**	**–**	**364,147**
Other	**41,556**	**–**	**–**	**41,556**
Other	**2,702,222**	**53,641**	**4,739,701**	**7,495,564**
Total	**$59,407,092**	**$16,573,462**	**$96,668,837**	**$172,649,391**
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	**$ 13,220**	**$ 84,656**	**$ –**	**$ 97,876**
Option contracts	**18,073**	**1,458,771**	**401**	**1,477,245**
Interest rate contracts	**–**	**31,081**	**–**	**31,081**
Swap contracts	**–**	**–**	**170,202**	**170,202**
Forward contracts	**–**	**564,556**	**73,012**	**637,568**
Other	**237**	**–**	**–**	**237**
Borrowed securities	**1,021,358**	**–**	**–**	**1,021,358**
Other	**–**	**–**	**804,248**	**804,248**
Total	**$ 1,052,888**	**$ 2,139,064**	**$ 1,047,863**	**$ 4,239,815**

* As of March 31, 2022, equity securities classified as Level 1 includes securities pledged as collateral in asset management subsidiaries of ¥1,927 million ($15,745 thousand) (as of March 31, 2021: ¥1,427,286 million).

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, and bonds and loans

Investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, and bonds and loans 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, income approach, or net asset 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 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 net asset approach is a valuation method using net assets on balance sheet of subject companies for calculation of stock value. 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 method which allocates value assuming the conversion of preferred shares into common shares due to a possible initial public offering and such, 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 quoted prices in active markets if they are available and classified as Level 1.

If quoted prices in active markets are not available, the fair value of derivative financial instruments is measured using valuation techniques including a discounted cash flows model and Black-Scholes model, or using quoted prices in inactive markets. The fair value measurement of derivative financial instruments is 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.

(a) Investments from SVF1 and SVF2 accounted for using FVTPL

For Level 3 fair value measurements of investments from SVF1 and SVF2 accounted for using FVTPL, the Company mainly uses price of the recent transactions method, the discounted cash flow method, the market comparable company multiple method and the announced transactions method. The following table shows the fair value of the investments measured by each valuation technique. When a 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)
			Fair value
Valuation techniques	As of March 31, 2021	As of March 31, 2022	As of March 31, 2022
Recent Transactions	¥2,526,447	**¥3,777,444**	**$30,863,992**
Discounted cash flow / Market comparable companies	6,322	**2,166,913**	**17,704,984**
Discounted cash flow	859,439	**1,418,010**	**11,585,996**
Market comparable companies	1,481	**909,973**	**7,435,027**
Recent Transactions / Discounted cash flow	1,213,705	**144,426**	**1,180,047**
Recent Transactions / Announced Transactions*1	624,568	**111,424**	**910,401**
Recent Transactions / Market comparable companies	1,004,366	**–**	**–**
Other	743,442	**426,323**	**3,483,316**
Total	¥6,979,770	**¥8,954,513**	**$73,163,763**

*1 IPO scenario including a merger with a SPAC was considered in the Announced Transactions.

The valuation techniques and the inputs are as follows.

		Ranges of unobservable inputs	
Valuation techniques	Unobservable inputs	As of March 31, 2021	As of March 31, 2022
Discounted cash flow	Cost of capital	11.0% – 84.0%	**17.0% – 161.0%**
	EBITDA Multiple*2	X8.0 – X27.2	**X8.0 – X30.0**
	Revenue multiple*2	X3.0 – X12.6	**X1.0 – X16.0**
	Gross merchandise value multiple*2	X1.2 – X1.5	**X1.2**
	Gross profit multiple*2	–	**X5.0 – X8.0**
	Price to earnings ratio*2	–	**X11.0**
	EBIT multiple *2	X25.0	**–**
	Long term growth rate	0.0% – 4.1%	**–**
Market comparable companies	Revenue multiple	X0.4 – X8.0	**X1.5 – X10.0**
	EBITDA Multiple	–	**X12.6**
	Price to sales ratio	–	**X7.6 – X10.3**

*2 Various multiples of market comparable companies are used for the measurement of the terminal value.

(b) Financial instruments including "Investment securities"

For Level 3 fair value measurements of financial instruments, the market comparable company multiple method, the discounted cash flow method, price of the recent transactions method, Monte Carlo method and binomial lattice model are mainly adopted considering the rights and preferential rights of shares. The following table shows information about the major valuation techniques with unobservable inputs and the significant unobservable inputs used in the fair value measurement.

		Ranges of unobservable inputs	
Valuation techniques	Unobservable inputs	As of March 31, 2021	As of March 31, 2022
Equity securities			
Market comparable companies	Revenue multiple	X1.2 – X13.2	**x1.0 – x18.0**
	Gross profit multiple	X17.0 – X24.0	**–**
	EBITDA multiple	X27.5	**–**
	Tangible book value multiple	X2.4	**–**
Discounted cash flow	Cost of capital	11.1% – 44.4%	**11.4% – 55.5%**
	Capitalization rate*3	5.5% – 10.2%	**5.1% – 10.2%**
	Revenue multiple*3	–	**x1.3 – x10.0**
	EBITDA multiple*3	X8.0 – X20.0	**x14.0**
	Net income multiple*3	X6.8	**–**
Derivative financial assets			
Monte Carlo simulation	Volatility	20.0%	**25.0%**
Discounted cash flow	Cost of capital	25.0%	**–**
	EBITDA multiple*3	X8.0	**–**
Derivative financial liabilities			
Discounted cash flow	Cost of capital	25.0%	**–**
	EBITDA multiple*3	X8.0	**–**
Other			
Binomial lattice model	Volatility	60.0%	**60.0%**
	Credit spread	10.8%	**15.1% – 16.6%**

*3 Revenue multiple of market comparable companies, EBITDA multiple of market comparable companies, net income multiple of market comparable companies and capitalization rate considering the most recent performance are used for the measurement of the terminal value.

b. Sensitivity Analysis

Of the above unobservable inputs, the EBITDA multiple, the revenue multiple, the gross merchandise value multiple, the gross profit multiple, the price to earnings ratio, the EBIT multiple, the long term growth rate, the price to revenue multiple, the tangible book value multiple and the net income multiple have a positive correlation with the fair value of investments from SVF1 and SVF2 accounted for using FVTPL, equity securities and derivative financial assets. Also, the volatility used for the Monte Carlo simulation and the binomial lattice model have a positive correlation with the fair value of derivative financial assets and other financial assets.

In contrast, the cost of capital, the capitalization rate and the credit spread have a negative correlation with the fair value of investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, derivative financial assets and other financial assets.

c. Valuation processes

(a) Valuation processes at SVF1 and SVF2

The valuations are prepared by the valuation team of SBIA under IFRS 13 "Fair Value Measurement", 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 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 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, who in turn approve issuance of the valuations to SBGA. 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. The valuations of the portfolio companies held by SVF2 performed by the aforementioned procedures are then reviewed and approved by SBGA's Board of Directors as manager of SVF2 with overall responsibility for valuations.

(b) Valuation processes at entities other than SVF1 and SVF2

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 where amounts are material, 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, 2021

(Millions of yen)

Financial assets	Investments from SVF1 and SVF2 accounted for using FVTPL	Equity securities (excluding investments from SVF1 and SVF2)	Bonds and loans (excluding investments from SVF1 and SVF2)	Derivative financial assets	Other
As of April 1, 2020	¥5,787,893	¥ 634,157	¥ 56,824	¥ 17,937	¥280,610
Gains or (losses)					
Net income	3,991,632	256,028	2,500	274,666	59,441
Other comprehensive income	133,919	68,270	4,723	562	6,819
Purchases	897,400	145,270	100,399	–	124,871
Sales	(329,017)	(14,077)	(686)	–	(40,526)
Transfers to Level 1 due to listing	(3,558,039)	(53,995)	–	–	–
Conversions into equity securities	–	80,787	(25,068)	(12,000)	(43,719)
Other*	55,982	26,603	(3,224)	196,314	13,497
As of March 31, 2021	¥6,979,770	¥1,143,043	¥135,468	¥477,479	¥400,993
Gains or (losses) recognized in net income on financial instruments held at March 31, 2021	¥1,188,690	¥ 279,220	¥ 3,146	¥274,666	¥ 55,568

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2020	¥ 221	¥ 16,434
(Gains) or losses		
Net income	76,414	20,875
Other comprehensive income	3,402	–
Other	4,281	–
As of March 31, 2021	¥ 84,318	¥ 37,309
(Gains) or losses recognized in net income on financial instruments held at March 31, 2021	¥ 76,633	¥ 20,876

* The increase in derivative financial assets was due to the acquisition of contingent consideration in the merger transaction with Sprint and T-Mobile US, Inc. The details are described in "(1) Sprint" under "Note 10. Discontinued operations."

For the fiscal year ended March 31, 2022

(Millions of yen)

Financial assets	Investments from SVF1 and SVF2 accounted for using FVTPL	Equity securities (excluding investments from SVF1 and SVF2)	Bonds and loans (excluding investments from SVF1 and SVF2)	Derivative financial assets	Other
As of April 1, 2021	¥6,979,770	¥1,143,043	¥ 135,468	¥477,479	¥400,993
Gains or (losses)					
Net income	2,373,963	474,331	(109,375)	120,778	134,006
Other comprehensive income	916,890	146,464	21,440	40,117	41,874
Purchases	4,104,551	565,301	169,875	–	80,239
Sales	(443,497)	(47,312)	(9,705)	–	(71,502)
Investments transferred from the Company to SVF2	419,624	(398,861)	–	(20,763)	–
Transfers to Level 1 due to listing	(5,473,421)	(441,957)	–	–	–
Other	76,633	15,809	(1,380)	15,942	(5,518)
As of March 31, 2022	¥8,954,513	¥1,456,818	¥ 206,323	¥633,553	¥580,092
Gains or (losses) recognized in net income on financial instruments held at March 31, 2022	¥ 574,550	¥ 188,371	¥ (109,325)	¥119,571	¥128,957

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2021	¥ 84,318	¥ 37,309
(Gains) or losses		
Net income	56,605	(15,636)
Other comprehensive income	2,754	5,583
Other*	(113,861)	71,176
As of March 31, 2022	¥ 29,816	¥ 98,432
(Gains) or losses recognized in net income on financial instruments held at March 31, 2022	¥ 9,472	¥ (15,636)

(Thousands of U.S. dollars)

Financial assets	Investments from SVF1 and SVF2 accounted for using FVTPL	Equity securities (excluding investments from SVF1 and SVF2)	Bonds and loans (excluding investments from SVF1 and SVF2)	Derivative financial assets	Other
As of April 1, 2021	$57,028,924	$ 9,339,350	$1,106,855	$3,901,291	$3,276,354
Gains or (losses)					
Net income	19,396,707	3,875,570	(893,660)	986,829	1,094,910
Other comprehensive income	7,491,543	1,196,699	175,178	327,780	342,136
Purchases	33,536,653	4,618,850	1,387,981	–	655,601
Sales	(3,623,638)	(386,568)	(79,296)	–	(584,214)
Investments transferred from the Company to SVF2	3,428,581	(3,258,935)	–	(169,646)	–
Transfers to Level 1 due to listing	(44,721,146)	(3,611,055)	–	–	–
Other	626,139	129,170	(11,275)	130,255	(45,086)
As of March 31, 2022	$73,163,763	$11,903,081	$1,685,783	$5,176,509	$4,739,701
Gains or (losses) recognized in net income on financial instruments held at March 31, 2022	$ 4,694,419	$ 1,539,105	$ (893,251)	$ 976,967	$1,053,656

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2021	$ 688,929	$ 304,837
(Gains) or losses		
Net income	462,497	(127,756)
Other comprehensive income	22,502	45,616
Other*	(930,313)	581,551
As of March 31, 2022	$ 243,615	$ 804,248
(Gains) or losses recognized in net income on financial instruments held at March 31, 2022	$ 77,392	$ (127,756)

* The decrease in derivative financial liabilities was mainly due to the reversal of liabilities as a result of the completion of a tender offer to purchase WeWork common shares and preferred shares. The details are described in "*2" in "v. Forward contracts" in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 31. Financial instruments."

Gains or losses recognized in net income are included in "Gain on investments at Investment Business of Holding Companies," "Gain (loss) on investments at SVF1, SVF2, and others," "Gain on investments at Latin America Funds," "Gain on other investments," "Derivative gain (loss) (excluding gain (loss) on investments)," and "Other gain" 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, 2021

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt (Non-current)					
Long-term borrowings	¥4,745,058	¥ –	¥3,933,668	¥864,442	¥4,798,110
Corporate bonds	4,745,184	–	4,894,113	–	4,894,113
Other financial liabilities (Non-current)					
Non-controlling interests subject to possible redemption	298,092	322,114	–	–	322,114

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 carrying amounts approximates their fair values.

As of March 31, 2022

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Other financial liabilities (Current)					
Non-controlling interests subject to possible redemption	**¥ 307,144**	**¥ 314,275**	**¥ –**	**¥ –**	**¥ 314,275**
Interest-bearing debt (Non-current)					
Long-term borrowings	**5,472,605**	**–**	**2,912,585**	**2,610,814**	**5,523,399**
Corporate bonds	**6,471,624**	**–**	**6,343,253**	**–**	**6,343,253**

(Thousands of U.S. dollars)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Other financial liabilities (Current)					
Non-controlling interests subject to possible redemption	**$ 2,509,551**	**$2,567,816**	**$ –**	**$ –**	**$ 2,567,816**
Interest-bearing debt (Non-current)					
Long-term borrowings	**44,714,478**	**–**	**23,797,573**	**21,331,923**	**45,129,496**
Corporate bonds	**52,877,065**	**–**	**51,828,197**	**–**	**51,828,197**

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 carrying amounts approximates their fair values.

The major valuation techniques for fair value measurements of the above financial liabilities are as follows:

a. Non-controlling interests subject to possible redemption
The fair value of the non-controlling interests subject to possible redemption is measured using quoted prices in active markets. The details of the non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

b. 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. The measurement of non-current portion of long-term borrowings that the fair values are measured based on the discounted cash flow method using an unobservable inputs such as an interest rate including the credit spread that would be used for a borrowing with the same terms and maturity are categorized as Level 3.

c. Corporate bonds (non-current portion)
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.

33. 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 installment receivables recognized from the mobile devices sales business.

For the transactions, the Company transfers receivables to financial institutions and acquires 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 as borrowings.

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, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Carrying amount of transferred assets . . .	¥788,847	**¥843,146**	**$6,889,011**
Carrying amount of related liabilities	(719,099)	**(796,115)**	**(6,504,739)**
(Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets)			
Fair value of transferred assets	¥788,847	**¥843,146**	**$6,889,011**
Fair value of related liabilities	(719,397)	**(796,385)**	**(6,506,945)**
Net position	¥ 69,450	**¥ 46,761**	**$ 382,066**

The difference between transferred assets and related liabilities is mainly the subordinate interest which the Company retains on securitization.

In addition, the Company enters into securitization transactions involving a portion of the monthly lump sum payment receivables included in loans in the card business. However, there are securitization receivables for which the Company bears a credit risk until collection and is obligated to pay retrospectively if a debtor does not pay. Those securitization receivables are not derecognized because they do not meet the derecognition criteria. Cash received from transferring the receivables are included in "Interest-bearing debt" under current liabilities as borrowings.

The carrying amount of the receivables transferred and related liability in financial assets transferred by the method not meeting the derecognition criteria as of March 31, 2022 is ¥2,663 million ($21,758 thousand) and ¥85,000 million ($694,501 thousand,) respectively (as of March 31, 2021, ¥775 million and ¥85,000 million respectively). The liability is settled without significant delay when a debtor pays for receivables transferred, but the Company cannot utilize the receivables transferred until the settlement of the liability or payment from the debtor is completed. The discrepancy between receivables transferred and related liabilities are mainly due to the amount of loan collection in card business.

34. 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 presented gross, because 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, 2021

(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*1,2	Net amount
Cash and cash equivalents	¥ 220,174	¥ –	¥ 220,174	¥(207,875)	¥ 12,299
Trade and other receivables	179,874	(93,080)	86,794	(19,898)	66,896
Derivative financial assets in asset management subsidiaries	188,056	–	188,056	(7,452)	180,604
Derivative financial assets	39,772	–	39,772	(20,501)	19,271
Other financial assets	487,817	–	487,817	(332,577)	155,240
Total	¥1,115,693	¥ (93,080)	¥ 1,022,613	¥(588,303)	¥ 434,310

(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*1,2	Net amount
Interest-bearing debt	¥1,489,704	¥ –	¥ 1,489,704	¥(493,655)	¥ 996,049
Trade and other payables	291,642	(93,080)	198,562	(22,129)	176,433
Derivative financial liabilities	67,514	–	67,514	(63,290)	4,224
Other financial liabilities	9,432	–	9,432	(9,229)	203
Total	¥1,858,292	¥ (93,080)	¥ 1,765,212	¥(588,303)	¥1,176,909

*1 For the fiscal year ended March 31, 2021, the Company exercised the cash settlement option for a part of the prepaid forward contracts using Alibaba shares and provided a notice to the counterparty for early termination in April 2021. In relation to this early termination, ¥ (316,643) million, ¥ (285,780) million, ¥ (2,767) million , and ¥ (28,096) million are included in other financial assets, interest-bearing debt, trade and other payables, and derivative financial liabilities, respectively. The details are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 25. Interest-bearing debt.”

*2 SB Northstar entered into a prime brokerage agreement with brokers. Based on the agreement, in the event of a default by one party, the other party has a right to offset its claims and obligations against the defaulting party. In relation to this prime brokerage agreement, ¥ (207,875) million , ¥ (7,452) million , ¥ (15,934) million , ¥ (207,875) million , ¥ (14,673) million, and ¥ (8,713) million are included in cash and cash equivalents, derivative financial assets in asset management subsidiaries, other financial assets, interest-bearing debt, derivative financial liabilities, and other financial liabilities, respectively.

As of March 31, 2022

(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
Cash and cash equivalents	¥ 40,458	¥ –	¥ 40,458	¥ (13,783)	¥ 26,675
Trade and other receivables	178,793	(92,185)	86,608	(21,993)	64,615
Derivative financial assets	66,898	–	66,898	(6,842)	60,056
Other financial assets	131,474	–	131,474	(125,004)	6,470
Total	¥ 417,623	¥ (92,185)	¥ 325,438	¥ (167,622)	¥ 157,816

(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
Interest-bearing debt	¥ 33,515	¥ –	¥ 33,515	¥ (13,783)	¥ 19,732
Trade and other payables	301,085	(92,185)	208,900	(20,841)	188,059
Derivative financial liabilities	7,813	–	7,813	(7,492)	321
Other financial liabilities	125,709	–	125,709	(125,506)	203
Total	¥ 468,122	¥ (92,185)	¥ 375,937	¥ (167,622)	¥ 208,315

(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
Cash and cash equivalents	$ 330,566	$ –	$ 330,566	$ (112,615)	$ 217,951
Trade and other receivables	1,460,847	(753,207)	707,640	(179,696)	527,944
Derivative financial assets	546,597	–	546,597	(55,903)	490,694
Other financial assets	1,074,222	–	1,074,222	(1,021,358)	52,864
Total	$ 3,412,232	$ (753,207)	$ 2,659,025	$ (1,369,572)	$ 1,289,453

(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
Interest-bearing debt	$ 273,838	$ –	$ 273,838	$ (112,615)	$ 161,223
Trade and other payables	2,460,046	(753,207)	1,706,839	(170,284)	1,536,555
Derivative financial liabilities	63,837	–	63,837	(61,214)	2,623
Other financial liabilities	1,027,118	–	1,027,118	(1,025,459)	1,659
Total	$ 3,824,839	$ (753,207)	$ 3,071,632	$ (1,369,572)	$ 1,702,060

* SB Northstar entered into a prime brokerage agreement with brokers. Based on the agreement, in the event of a default by one party, the other party has a right to offset its claims and obligations against the defaulting party. In relation to this prime brokerage agreement, ¥ (13,783) million ($ (112,615) thousand), ¥ (125,004) million ($ (1,021,358) thousand), ¥ (13,783) million ($ (112,615) thousand), ¥ (125,004) million ($ (1,021,358) thousand) are included in cash and cash equivalents, other financial assets, interest-bearing debt, and other financial liabilities, respectively.

35. 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, 2021	**As of March 31, 2022**
U.S. dollars	¥ 110.71	**¥ 122.39**
Chinese yuan	¥ 16.84	**¥ 19.26**

(2) Average rate for the quarter

For the fiscal year ended March 31, 2021

(Yen)

	Three-month period ended June 30, 2020	Three-month period ended September 30, 2020	Three-month period ended December 31, 2020	Three-month period ended March 31, 2021
U.S. dollars	¥107.74	¥ 105.88	¥ 104.45	¥ 106.24
Chinese yuan	¥ 15.16	¥ 15.27	¥ 15.71	¥ 16.31

For the fiscal year ended March 31, 2022

(Yen)

	Three-month period ended June 30, 2021	**Three-month period ended September 30, 2021**	**Three-month period ended December 31, 2021**	**Three-month period ended March 31, 2022**
U.S. dollars	**¥110.00**	**¥ 110.47**	**¥ 113.60**	**¥ 117.10**
Chinese yuan	**¥ 17.01**	**¥ 17.09**	**¥ 17.75**	**¥ 18.43**

(3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations

The table below presents the effect of a 1% appreciation of the Japanese yen against the U.S. dollar and 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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
U.S. dollar	¥(153,945)	**¥(170,059)**	**$(1,389,484)**
Chinese yuan	(37,514)	**(45,721)**	**(373,568)**

36. Equity

(1) Common stock

a. Shares authorized

The number of shares authorized to be issued is as follows:

(Thousands of shares)

	As of March 31, 2021	**As of March 31, 2022**
Ordinary shares	7,200,000	**7,200,000**

b. Shares issued

Changes in the number of shares issued are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**
Balance at the beginning of the year	2,089,814	**2,089,814**
Increase during the year	–	**–**
Decrease during the year*3	–	**(366,860)**
Balance at the end of the year	2,089,814	**1,722,954**

*1 Shares issued by the Company are common stock with no par value.
*2 Shares issued have been fully paid.
*3 For the fiscal year ended March 31, 2022, the decrease was made under the resolutions passed at the Board of Directors meeting held on April 28, 2021 and May 12, 2021. The Company retired its treasury stock of 366,860 thousand shares in total on May 11, 2021 and May 20, 2021.

(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, 2021

(Partial sales of SoftBank Corp. shares)

In May 2020, SBGJ, a wholly-owned subsidiary of the Company, transferred a portion of SoftBank Corp. shares held (ownership percentage 5.0%) as part of the "¥4.5 trillion program." Additionally, in September 2020, in order to further enhance its cash reserves, a portion of SoftBank Corp. shares held (ownership percentage 21.7%) was transferred. As a result of the transactions, ¥932,388 million of the equivalent amount for gain on sales of SoftBank Corp. shares after considering income taxes on a consolidation basis is recorded as "Changes in interests in subsidiaries" in capital surplus.

(Business integration of LINE Corporation and Z Holdings Corporation)
On February 26, 2021, Shiodome Z Holdings G.K., wholly owned by SoftBank Corp., was merged into LINE Corporation, the surviving company. Subsequently, on March 1, 2021, a share exchange of common shares of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation. As a result of the transactions, capital surplus increased by ¥245,147 million in "Changes in interests in subsidiaries." The details are described in "Note 9. Business combinations."

(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 the distribution of residual assets on liquidation.

Payments of interest were completed on the interest payment dates, July 19, 2021 and January 19, 2022, and "Retained earnings" decreased by ¥15,676 million ($128,082 thousand) and ¥16,367 million ($133,728 thousand) (for the fiscal year ended March 31, 2021: decreased by ¥15,339 million and ¥14,800 million on July 20, 2020 and January 19, 2021), respectively, as "Distribution to owners of other equity instruments" in the consolidated statement of changes in equity.

In addition, accrued interest, which was not recognized as a distribution to owners of other equity instruments because the payment had not yet been determined, was ¥6,984 million ($57,063 thousand) as of March 31, 2022 (¥6,317 million as of March 31, 2021.)

(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 from 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, 2021	**Fiscal year ended March 31, 2022**
Balance at the beginning of the year	21,818	**351,298**
Increase during the year*1, 2	336,166	**93,240**
Decrease during the year*3	(6,686)	**(368,374)**
Balance at the end of the year	351,298	**76,164**

*1 For the fiscal year ended March 31, 2021, due to purchases of treasury stock under the resolution passed at the Board of Directors meeting held on March 13, 2020, the number of treasury stock increased by 102,960 thousand shares (amount purchased ¥483,971 million). In addition, under the resolutions passed at the Board of Directors meetings held on May 15, 2020, June 25, 2020, and July 30, 2020, the number of treasury stock increased by 233,201 thousand shares (amount purchased ¥1,742,222 million) as part of the "¥4.5 trillion program."

*2 For the fiscal year ended March 31, 2022, due to purchases of treasury stock under the resolutions passed at the Board of Directors meetings held on July 30, 2020, the number of treasury stock increased by 25,980 thousand shares (amount purchased ¥257,777 million ($2,106,193 thousand)) as part of"¥4.5 trillion program". In addition, the purchases of treasury stock up to ¥2 trillion have been completed based on the ¥4.5 trillion program with the completion of purchases of treasury stock under the resolution. Moreover, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021, the number of treasury stock increased by 67,258 thousand shares (amount purchased ¥344,573 million ($2,815,369 thousand)).

*3 For the fiscal year ended March 31, 2022, the decrease was made mainly under the resolutions passed at the Board of Directors meeting held on April 28, 2021 and May 12, 2021. The Company retired its treasury stock of 366,860 thousand shares in total on May 11, 2021 and May 20, 2021. As a result of the transaction, retaining earnings and treasury stock decreased by ¥2,475,817 million($20,228,916 thousand), respectively.

(6) Accumulated other comprehensive income

The changes in the accumulated other comprehensive income are as follows.

(Millions of yen)

	Remeasurements of defined benefit plan	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2020	¥ –	¥ 5,115	¥ 580	¥ 13,128	¥ (381,082)	¥ (362,259)
Other comprehensive income (attributable to owners of the parent)	(40)	18,641	(190)	29,834	652,227	700,472
Transfer to retained earnings	40	343	–	–	–	383
Transfer to accumulated other comprehensive income directly relating to assets classified as held for sale	–	–	–	–	(267)	(267)
As of March 31, 2021	¥ –	¥ 24,099	¥ 390	¥ 42,962	¥ 270,878	¥ 338,329
Other comprehensive income (attributable to owners of the parent)	**9**	**22,116**	**(92)**	**(41,266)**	**2,176,948**	**2,157,715**
Transfer to retained earnings	**(9)**	**123**	**–**	**–**	**–**	**114**
As of March 31, 2022	**¥ –**	**¥ 46,338**	**¥ 298**	**¥ 1,696**	**¥ 2,447,826**	**¥ 2,496,158**

(Thousands of U.S. dollars)

	Remeasurements of defined benefit plan	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2021	$ –	$ 196,903	$ 3,187	$ 351,025	$ 2,213,237	$ 2,764,352
Other comprehensive income (attributable to owners of the parent)	**74**	**180,701**	**(752)**	**(337,168)**	**17,786,976**	**17,629,831**
Transfer to retained earnings	**(74)**	**1,005**	**–**	**–**	**–**	**931**
As of March 31, 2022	**$ –**	**$ 378,609**	**$ 2,435**	**$ 13,857**	**$ 20,000,213**	**$ 20,395,114**

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.”

37. 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, 2021

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Shareholders' meeting held on June 25, 2020	Common stock	¥ 22	¥ 45,496	March 31, 2020	June 26, 2020
Board of directors' meeting held on October 22, 2020	Common stock	22	41,345	September 30, 2020	December 14, 2020

For the fiscal year ended March 31, 2022

		Dividends per share		Total dividends			
Resolution	Class of shares	(Yen)	(U.S. dollars)	(Millions of yen)	(Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 23, 2021	Common stocks	**¥ 22**	**$ 0.18**	**¥ 38,247**	**$ 312,501**	March 31, 2021	June 24, 2021
Board of directors' meeting held on October 21, 2021	Common stocks	**22**	**0.18**	**37,700**	**308,032**	September 30, 2021	December 8, 2021

Dividends which will become effective during the fiscal year ending March 31, 2023 are as follows:

		Dividends per share		Total dividends			
Resolution	Class of shares	(Yen)	(U.S. dollars)	(Millions of yen)	(Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 24, 2022	Common stocks	**¥ 22**	**$ 0.18**	**¥ 36,229**	**$ 296,013**	March 31, 2022	June 27, 2022

38. Share-based payment transactions

The Company grants stock options, restricted stock unit plans and restricted stock compensation plans as share-based payment awards.

Share-based payment awards are granted to the Company's directors and employees 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 payments

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Equity-settled	¥ 8,834	**¥ 16,347**	**$ 133,565**
Cash-settled	16,883	**(2,643)**	**(21,595)**
Total	¥ 25,717	**¥ 13,704**	**$ 111,970**

Liability arising from share-based payments

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Liability arising from share-based payment	¥ 24,858	**¥ 3,598**	**$ 29,398**
Liability vested in the above	157	**–**	**–**

(1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share-based payments. The details of the Company's stock option plan for the years ended March 31, 2021 and 2022 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.

The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. The amounts of "Stock options" for each fiscal year are recorded after adjustments of the share split.

Year issued / Name	Grant date	Due date for exercise
2016 July Stock Acquisition Rights*1	July 28, 2016	July 31, 2022
2017 February Stock Acquisition Rights*1	February 27, 2017	February 28, 2023
2017 July Stock Acquisition Rights*1	July 28, 2017	July 31, 2023
2018 August Stock Acquisition Rights*2	August 31, 2018	August 31, 2025
2019 July Stock Acquisition Rights*3	August 13, 2019	August 31, 2025
2019 November Stock Acquisition Rights*4	December 23, 2019	December 31, 2026
2020 August Stock Acquisition Rights*4	August 28, 2020	August 31, 2027
2021 August Stock Acquisition Rights*4	August 27, 2021	August 31, 2028

*1 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 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

Stock options vest when the service period requirements are met, and the vesting period is 3 years.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 800. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights

ii. 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 "i" above

iii. 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 "i" and "ii" above

iv. 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 "i" through "iii" above

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 approximately 2 years.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 800. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights

ii. 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 "i" above

iii. 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 "i" and "ii" above

iv. 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 "i" through "iii" above

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

Stock options vest when the service period requirements are met, and the vesting period is approximately 3 years.

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

(b) 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*1	March 30, 2018	March 31, 2025
2020 July Stock Acquisition Rights*2	July 31, 2020	July 31, 2027
2021 January Stock Acquisition Rights*3	January 22, 2021	March 31, 2028
2021 July Stock Acquisition Rights Item (i) *4	July 20, 2021	March 31, 2028
2021 July Stock Acquisition Rights Item (ii) *5	July 20, 2021	July 31, 2028

*1 Vesting condition

In case the common stock of SoftBank Corp. is newly listed by March 31, 2020 on the financial instruments market established by the financial instruments exchange, 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 are 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” are 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” are 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 are 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” are 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” are 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” are 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” are 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.

*2 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 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

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 are exercisable from April 1, 2023 to March 31, 2024.
  b. up to 60% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2024 to March 31, 2025.
  c. up to 100% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2025 to March 31, 2028.

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. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
  a. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
  b. up to 40% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2024 to March 31, 2025.
  c. up to 60% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2025 to March 31, 2026.
  d. up to 80% of the total allotted rights including the rights exercised during the period of “a”, “b”, and “c” are exercisable from April 1, 2026 to March 31, 2027.
  e. up to 100% of the total allotted rights including the rights exercised during the period of “a”, “b”, “c”, and “d” are exercisable from April 1, 2027 to March 31, 2028.

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.

*4 Vesting condition

The number of these rights which an entitled person is able to exercise during the following periods “i” through “v” is as follows:
  i. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
  ii. up to 40% of the total allotted rights including the rights exercised during the period of “i” are exercisable from April 1, 2024 to March 31, 2025.
  iii. up to 60% of the total allotted rights including the rights exercised during the period of “i” and “ii” are exercisable from April 1, 2025 to March 31, 2026.
  iv. up to 80% of the total allotted rights including the rights exercised during the period of “i”, “ii”, and “iii” are exercisable from April 1, 2026 to March 31, 2027.
  v. up to 100% of the total allotted rights including the rights exercised during the period of “i”, “ii”, “iii”, and “iv” are exercisable from April 1, 2027 to March 31, 2028.

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.

*5 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2023.
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.

(c) Z Holdings Corporation

Z Holdings Corporation grants stock options to directors and employees of Z Holdings Corporation and its subsidiaries. Shares granted by the exercise of stock options are those issued by Z Holdings Corporation.

Year issued / Name	Grant date	Due date for exercise
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
2020 LINE 22nd*2,3	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 24th*2,4	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 25th*2,4	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 26th*2,5	March 1, 2021	From November 5, 2023 through November 5, 2030
2020 LINE 28th*6	March 30, 2021	From November 5, 2023 through November 5, 2030
2021 LINE 29th *7	November 10, 2021	From November 11, 2024 through October 24, 2031

*1 Vesting condition

Share options mainly vest in stages beginning after two years from the grant date.

One-half of the total granted shares vests after two years from the grant date, and one-fourth vests per year for the subsequent two years.

Vesting requires continuous service from the grant date to the vesting date. When the holder of vested shares options retires, those vested share options are forfeited.

*2 Stock acquisition rights to be provided for Z Holdings Corporation's participants

Based on the capital alliance contract stipulated under the Z Holdings Corp. group's governance control after business integration entered into on December 23, 2019, with the effective date of the share exchange of Z Holdings Corporation and LINE Corporation as the grant date, Z Holdings Corporation granted alternative stock options to directors and employees of Z Holdings Corporation and its group companies substituted for the stock options which A Holdings Corporation was granting to directors and employees of A Holdings Corporation and its group companies.

*3 Vesting condition

If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.

i. At any of July 29, 2022 through July 29, 2025, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable

ii. At any of July 29, 2023 through July 29, 2026, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 30% of the total allotted rights is exercisable

iii. At any of July 29, 2024 through July 29, 2027, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

a. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029

b. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029

c. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*4 Vesting condition

Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "i", "ii" and "iii" (including the first day and the last day), to the extent the number specified in "i", "ii" and "iii", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

i. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029

ii. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029

iii. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*5 Vesting condition

If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.

i. At any of November 5, 2023 through November 5, 2026, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable

ii. At any of November 5, 2024 through November 5, 2027, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 30% of the total allotted rights is exercisable

iii. At any of November 5, 2025 through November 5, 2028, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

a. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030

b. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030

c. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*6 Vesting condition

Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "i", "ii" and "iii" (including the first day and the last day), to the extent the number specified in "i", "ii" and "iii", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

i. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030

ii. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030

iii. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*7 Vesting condition

If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.

i. At any of November 11, 2024 through November 11, 2027, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable
ii. At any of November 11, 2025 through November 11, 2028, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 30% of the total allotted rights is exercisable
iii. At any of November 11, 2026 through November 11, 2029, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds basic stock price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 11, 2024 to October 24, 2031. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.
a. up to 20% of the total allotted rights, exercisable from November 11, 2024 to October 24, 2031
b. up to 50% of the total allotted rights, exercisable from November 11, 2025 to October 24, 2031
c. up to 100% of the total allotted rights, exercisable from November 11, 2026 to October 24, 2031

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.

For the fiscal year ended March 31, 2022, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥6,049 ($49.42) (for the fiscal year ended March 31, 2021: ¥6,265)

Fair value is measured as follows:

	Fiscal year ended March 31, 2021
Year issued / Name	2020 August stock acquisition rights
Valuation method used	Black-Scholes model
Key inputs and assumptions:	(Yen)
Weighted-average stock price. .	¥6,397
Weighted-average exercise price . .	¥ 1
Volatility of stock price* . .	47.67%
Estimated residual period	3 years
Estimated dividend	¥44/per share
Risk-free interest rate. . . .	(0.11%)

	Fiscal year ended March 31, 2022	
Year issued / Name	**2021 August stock acquisition rights**	
Valuation method used	**Black-Scholes model**	
Key inputs and assumptions:	**(Yen)**	**(USD)**
Weighted-average stock price . .	**¥6,181**	**$50.50**
Weighted-average exercise price	**¥ 1**	**$ 0.01**
Volatility of stock price* . .	**50.02%**	
Estimated residual period	**3 years**	
Estimated dividend	**¥44/per share**	**$0.36/per share**
Risk-free interest rate. . . .	**(0.13%)**	

* 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) SoftBank Corp.

For the fiscal year ended March 31, 2022, the weighted-average fair value at the measurement date of the stock options granted during the period are ¥71 ($0.58) and ¥1,295 ($10.58) for 2021 July stock acquisition rights Item (i) and 2021 July stock acquisition rights Item (ii), respectively (for the fiscal year ended March 31, 2021: ¥1,254 and ¥76 for 2020 July stock acquisition rights and 2021 January stock acquisition rights, respectively).

Fair value is measured as follows:

	Fiscal year ended March 31, 2021	
Year issued / Name	2020 July stock acquisition rights	2021 January stock acquisition rights
Valuation method used	Black-Scholes model	Black-Scholes model
Key inputs and assumptions:	(Yen)	(Yen)
Weighted-average stock price . .	¥1,415	¥1,347
Weighted-average exercise price	¥ 1	¥1,366
Volatility of stock price*1 . .	20.47%	20.70%
Estimated residual period	2 years	2 – 6 years
Estimated dividend	¥85/per share	¥86/per share
Risk-free interest rate. . . .	0.07%	0.10%

	Fiscal year ended March 31, 2022			
Year issued / Name	**2021 July stock acquisition rights item (i)**		**2021 July stock acquisition rights item (ii)**	
Valuation method used	**Black-Scholes model**		**Black-Scholes model**	
Key inputs and assumptions:	**(Yen)**	**(USD)**	**(Yen)**	**(USD)**
Weighted-average stock price . .	**¥1,459**	**$11.92**	**¥1,459**	**$11.92**
Weighted-average exercise price	**¥1,497**	**$12.23**	**¥ 1**	**$ 0.01**
Volatility of stock price*2 . .	**19.24%**		**15.96%**	
Estimated residual period	**2 – 6 years**		**2 years**	
Estimated dividend	**¥86/per share**	**$0.70/per share**	**¥86/per share**	**$0.70/per share**
Risk-free interest rate. . . .	**(0.14%)**		**(0.13%)**	

*1 SoftBank Corp. was listed on December 19, 2018 and its listing period does not meet the estimated residual period. Accordingly, volatility of the stock price is calculated based on the stock information of all the periods after the listing.

*2 SoftBank Corp. was listed on December 19, 2018 and its listing period does not meet the estimated residual period for 2021 July stock acquisition rights item (i). Accordingly, volatility of the stock price is calculated based on the stock information of all the periods after the listing.

(c) Z Holdings Corporation

For the fiscal year ended March 31, 2022, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥301 ($2.46) (for the fiscal year ended March 31, 2021: ¥312).

Fair value is measured as follows:

	Fiscal year ended March 31, 2021		
Year issued / Name	2020 LINE 22nd	2020 LINE 24th	2020 LINE 25th
Valuation method used	Binomial model	Binomial model	Binomial model
Key inputs and assumptions:	(Yen)	(Yen)	(Yen)
Stock price.	¥648.5	¥648.5	¥648.5
Exercise price*1	¥ 298	¥ 298	¥ 298
Volatility of stock price*2	36.33%	36.33%	36.33%
Duration to maturity	8.28 years	8.28 years	8.28 years
Estimated dividend yield*3	0.86%	0.86%	0.86%
Risk-free interest rate. . . .	0.070%	0.070%	0.070%

	Fiscal year ended March 31, 2021	
Year issued / Name	2020 LINE 26th	2020 LINE 28th
Valuation method used	Binomial model	Binomial model
Key inputs and assumptions:	(Yen)	(Yen)
Stock price.	¥648.5	¥550.6
Exercise price*1	¥ 481	¥ 481
Volatility of stock price*2	35.29%	35.33%
Duration to maturity	9.62 years	9.62 years
Estimated dividend yield*3	0.86%	1.01%
Risk-free interest rate. . . .	0.130%	0.075%

	Fiscal year ended March 31, 2022	
Year issued / Name	**2021 LINE 29th**	
Valuation method used	**Binomial model**	
Key inputs and assumptions:	**(Yen)**	**(USD)**
Stock price	**¥ 783**	**$6.40**
Exercise price*1	**¥ 783**	**$6.40**
Volatility of stock price*2	**35.47%**	
Duration to maturity	**9.96 years**	
Estimated dividend yield*3	**0.71%**	
Risk-free interest rate. . . .	**0.066%**	

*1 The achievement probability of stock price conditions is reflected for 2020 LINE 22nd, 26th, and 2021 LINE 29th.

*2 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.

*3 Estimated dividend yield is calculated based on the most recent dividend results.

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, 2021		**Fiscal year ended March 31, 2022**		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	(USD)
Beginning balance – Unexercised	14,517,700	¥3,871	**7,964,700**	**¥3,446**	**$28.16**
Granted	188,900	1	**152,400**	**1**	**0.01**
Forfeited	(55,300)	1,733	**(44,100)**	**1,587**	**12.97**
Exercised	(6,686,600)	4,285	**(1,513,400)**	**3,229**	**26.38**
Matured	–	–	**–**	**–**	**–**
Ending balance – Unexercised	7,964,700	¥3,446	**6,559,600**	**¥3,428**	**$28.01**
Ending balance – Exercisable	6,195,400	¥4,429	**5,167,000**	**¥4,352**	**$35.56**

The unexercised options as of March 31, 2022 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**	**1,607,000**	**¥ 1**	**$ 0.01**	**4.0**
3,080	**25.17**	**716,800**	**3,080**	**25.17**	**0.3**
4,446	**36.33**	**44,800**	**4,446**	**36.33**	**0.9**
4,791	**39.15**	**4,191,000**	**4,791**	**39.15**	**1.3**
Total		**6,559,600**	**¥3,428**	**$28.01**	**1.9**

(b) SoftBank Corp.

	Fiscal year ended March 31, 2021		**Fiscal year ended March 31, 2022**		
	Number of shares	Weighted-average exercise price (Yen)	Number of Shares	Weighted-average exercise price (Yen)	(USD)
Beginning balance – Unexercised	115,093,500	¥ 623	**194,941,200**	**¥1,016**	**$ 8.30**
Granted	103,930,500	1,361	**12,078,800**	**1,425**	**11.64**
Forfeited	(846,700)	775	**(3,186,200)**	**1,195**	**9.76**
Exercised	(23,236,100)	623	**(20,090,400)**	**623**	**5.09**
Ending balance – Unexercised	194,941,200	1,016	**183,743,400**	**1,082**	**8.84**
Ending balance – Exercisable	20,029,600	¥ 623	**22,083,700**	**¥ 623**	**$ 5.09**

The unexercised options as of March 31, 2022 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**	**988,600**	**¥ 1**	**$ 0.01**	**5.9**
623	**5.09**	**70,361,700**	**623**	**5.09**	**3.0**
1,366	**11.16**	**100,893,100**	**1,366**	**11.16**	**6.0**
¥1,497	**$12.23**	**11,500,000**	**1,497**	**12.23**	**6.0**
Total		**183,743,400**	**¥1,082**	**$ 8.84**	**4.9**

(c) Z Holdings Corporation

	Fiscal year ended March 31, 2021		**Fiscal year ended March 31, 2022**		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	(USD)
Beginning balance – Unexercised	817,400	¥303	**197,698,050**	**¥383**	**$3.13**
Granted	197,416,450	384	**35,532,000**	**783**	**6.40**
Forfeited	(60,300)	302	**(12,965,750)**	**379**	**3.10**
Exercised	(287,400)	308	**(172,700)**	**269**	**2.20**
Matured	(188,100)	345	**(88,500)**	**271**	**2.21**
Ending balance – Unexercised	197,698,050	383	**220,003,100**	**448**	**3.66**
Ending balance – Exercisable	281,600	¥269	**19,600**	**¥254**	**$2.08**

The unexercised options as of March 31, 2022 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	**$1.64 - $2.45**	**97,830,125**	**¥298**	**$2.43**	**7.3**
401 - 500	**3.28 - 4.09**	**86,640,975**	**481**	**3.93**	**8.6**
701 - 800	**5.73 - 6.54**	**35,532,000**	**783**	**6.40**	**9.7**
Total		**220,003,100**	**¥448**	**$3.66**	**8.2**

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, 2021			**Fiscal year ended March 31, 2022**			
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)
2016 – July Stock Acquisition Rights	1,955,000	¥7,564	2016 - July Stock Acquisition Rights	**583,200**	**¥7,422**	**$60.64**
2017 – February Stock Acquisition Rights	103,200	7,589	2017 - February Stock Acquisition Rights	**2,000**	**7,613**	**62.20**
2017 – July Stock Acquisition Rights	4,628,400	7,986	2017 - July Stock Acquisition Rights	**643,000**	**7,606**	**62.15**
			2018 - August Stock Acquisition Rights	**256,200**	**6,254**	**51.10**
			2019 - July Stock Acquisition Rights	**29,000**	**6,293**	**51.42**

(b) SoftBank Corp.

Fiscal year ended March 31, 2021			**Fiscal year ended March 31, 2022**			
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)
2018 March Stock Acquisition Rights	23,236,100	¥1,385	2018 March Stock Acquisition Rights	**20,090,400**	**¥1,468**	**$11.99**

(c) Z Holdings Corporation

Fiscal year ended March 31, 2021			**Fiscal year ended March 31, 2022**			
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	150,400	¥ 520	2010	**–**	**¥ –**	**$ –**
2011	129,000	593	2011	**138,200**	**545**	**4.45**
2012	8,000	534	2012	**34,500**	**541**	**4.42**

(2) Restricted stock unit plan

The Company adopts restricted stock unit (“RSU”) plans where the Company grants shares as compensation on the vesting date if certain conditions are met, and they are accounted for as equity-settled share-based payment.

The details of the Company’s RSU plans for the fiscal year ended March 31, 2022 are primarily as follows:

Arm

In December 2019, Arm introduced a share-based compensation plan for all employees of Arm and its group companies. Under this plan, it is determined whether to be settled by stock of Arm Limited or cash dependent on future conditions based on the terms of the plan.

For the fiscal year ended March 31, 2020, the Company considered it to be settled by stock of Arm Limited on the premise of a future IPO and accounted for the RSU plan where Arm grants shares as compensation on the vesting date as an equity-settled share-based payment transaction. Then in September 2020, the Company entered into a definitive agreement with NVIDIA to sell all of its shares in Arm. As a result of the agreement, the likelihood of the plan being settled by cash increased. Therefore, for the fiscal year ended March 31, 2021, the plan was treated as Phantom stock and the Company changed its accounting treatment and accounted for it as cash-settled share-based payment transaction.

Furthermore, since the agreement with NVIDIA to sell all of its shares in Arm was terminated in February 2022, for the fiscal year ended March 31, 2022, the Company considered it to be settled by stock of Arm Limited on the premise of a future IPO and accounted for the compensation plan as an equity-settled share-based payment transaction again.

RSUs vest upon the achievement of certain performance thresholds of the enterprise value. The fair value of the RSUs is measured using the Monte Carlo option pricing model at the time of grant. The RSUs are forfeited if the employee leaves the Arm Group before the RSUs vest. As of March 31, 2022, the Company expects the vesting period to be 1.5 years.

The number of RSUs granted for the fiscal year ended March 31, 2022 was 566,482. The weighted-average fair value of RSUs granted for the fiscal year ended March 31, 2022 was $13.68 per unit. The number of RSUs granted under the plan as of March 31, 2022 was 13,326,100.

(3) Restricted stock compensation plan

The Company adopts restricted stock compensation plans where the Company grants stocks, the transfer of which is restricted, and they are accounted for as equity-settled share-based payment.

The details of the Company's restricted stock compensation plans for the fiscal year ended March 31, 2021 and 2022 are primarily as follows:

SoftBank Corp.

SoftBank Corp. adopts a restricted stock compensation plan where SoftBank Corp. grants stocks, the transfer of which is restricted. The fair value of restricted stocks granted is calculated based on the common stock price of SoftBank Corp. on the grant date. The plan is accounted for as equity-settled share-based payment.

The plan is vested on the day when shares of restricted stocks are granted, and the granted shares of restricted stocks shall not be transferred, pledged as collateral or disposed of from the grant day to the day of resignation from the eligible directors of SoftBank Corp.

The details of the plan for the fiscal year ended March 31, 2021 and 2022 are as follows:

	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**
Eligible director(s)	Five directors Three corporate executive officers	**Five directors Four corporate executive officers**
Number of shares granted	565,800	**725,700**
Weighted-average fair value of shares granted	¥1,431.5	**¥1,471 ($12.02)**

39. Net sales

(1) Breakdown of net sales

The components of net sales are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
SoftBank segment			
Consumer business			
Service revenues			
Mobile communications*1	¥1,659,848	**¥1,599,137**	**$13,065,912**
Broadband	399,559	**404,609**	**3,305,899**
Electricity	130,941	**239,106**	**1,953,640**
Revenues from sales of goods and others	562,457	**630,872**	**5,154,604**
Enterprise business	681,137	**693,144**	**5,663,404**
Distribution business	478,402	**447,740**	**3,658,305**
Yahoo! JAPAN/LINE business*2			
Media*3	363,279	**626,963**	**5,122,665**
Commerce*3	729,293	**793,174**	**6,480,709**
Strategy*3	79,974	**106,546**	**870,545**
Other*3	9,558	**13,431**	**109,739**
Other	96,528	**123,026**	**1,005,198**
Subtotal	5,190,976	**5,677,748**	**46,390,620**
Arm segment			
License revenue	61,684	**112,053**	**915,540**
Royalty revenue	135,460	**173,294**	**1,415,916**
Other	11,773	**14,169**	**115,770**
Subtotal	208,917	**299,516**	**2,447,226**
Other	228,274	**244,270**	**1,995,833**
Total	¥5,628,167	**¥6,221,534**	**$50,833,679**

The above amount of net sales for the fiscal year ended March 31, 2022 includes ¥125,795 million ($1,027,821 thousand) (for the fiscal year ended March 31, 2021: ¥114,195 million) of revenue arising from other sources than those arising from IFRS 15 "Revenue from Contracts with Customers", such as lease contracts at the SoftBank segment.

*1 "Wireless telecom services" of the SoftBank segment is renamed to "Mobile communications."

*2 Along with the consolidation of LINE Corporation in connection with the completion of the business integration of Z Holdings and LINE Corporation in March 2021, the "Yahoo business" was renamed to "Yahoo! JAPAN/LINE business."

*3 The business categories have been reevaluated due to the business integration with LINE Corporation for the fiscal year ended March 31, 2022 and the former business categories of "Advertising" "Business" and "Personal" changed to the categories entitled "Media" "Commerce" and "Strategy" As a result, the components of revenue have been restated for the fiscal year ended March 31, 2021.

(2) Contract balance

The components of contract balances are as follows.

	(Millions of yen)			(Thousands of U.S. dollars)
	As of April 1, 2020	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Receivables arising from contracts with customers	¥999,951	¥959,189	**¥1,015,459**	**$8,296,912**
Contract assets	66,538	32,298	**51,883**	**423,915**
Contract liabilities*	167,615	250,813	**265,276**	**2,167,465**

* The increase of contract liabilities for the fiscal year ended March 31, 2021 is mainly due to a license agreement entered into by and between Arm and NVIDIA concurrently with the definitive agreement entered into by and between the Company and NVIDIA to sell all of shares in Arm in September 2020. However, NVIDIA and the Company have agreed to terminate the Agreement on February 8, 2022, because of significant regulatory challenges preventing the consummation of the Transaction.

Contract 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.

Contract 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 fiscal year ended March 31, 2022, impairment loss on receivables related to revenue from contracts with customers was ¥12,808 million ($104,649 thousand) (for the fiscal year ended March 31, 2021: ¥8,713 million.)

Of the amount of net sales recognized for the fiscal year ended March 31, 2022, ¥105,972 million ($865,855 thousand) was included in the beginning balance of contract liabilities as of that date (for the fiscal year ended March 31, 2021: ¥102,107 million.)

(3) Transaction price allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2022 is ¥350,936 million ($2,867,358 thousand) (as of March 31, 2021: ¥328,046 million.)

The unsatisfied performance obligations of ¥207,230 million ($1,693,194 thousand) as of March 31, 2022 (as of March 31, 2021: ¥193,889 million) arise primarily from license contracts related to Arm's technology in the Arm segment and of ¥143,328 million ($1,171,076 thousand) as of March 31, 2022 (as of March 31, 2021: ¥120,155 million) arise primarily from mobile services and mobile device rental services in the SoftBank segment.

The unsatisfied performance obligations in the Arm segment include performance obligations under a license agreement entered into by and between Arm and NVIDIA in September 2020 which will be recognized as revenue over a twenty-year period from the execution date. Other than the license agreement of NVIDIA, majority of the unsatisfied performance obligations in the Arm segment are expected to be recognized as revenue within two years.

The unsatisfied performance obligations in the SoftBank segment are expected to be recognized as revenue primarily within three years.

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.

40. 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, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Cost of goods sold	¥(1,277,754)	**¥(1,507,006)**	**$(12,313,146)**
Depreciation and amortization	(846,932)	**(852,424)**	**(6,964,817)**
Employees benefit cost	(738,107)	**(829,848)**	**(6,780,358)**
Sales commissions and sales promotion expenses	(492,297)	**(544,571)**	**(4,449,473)**
Service outsourcing expenses	(271,173)	**(317,712)**	**(2,595,898)**
Telecommunications equipment usage fees	(221,995)	**(231,937)**	**(1,895,065)**
Amortization of contract acquisition cost and contract performance cost	(172,184)	**(217,500)**	**(1,777,106)**
Other	(1,004,293)	**(1,006,684)**	**(8,225,216)**
Total	¥(5,024,735)	**¥(5,507,682)**	**$(45,001,079)**

"Depreciation and amortization" includes disposal of "Property, plant and equipment," "Right-of-use assets," 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.

41. Gain on investments

(1) Gain and loss on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Gain relating to settlement of prepaid forward contracts using Alibaba shares*1	¥ –	**¥ 199,972**	**$ 1,633,892**
Gain relating to sales of T-Mobile shares*2	421,755	**3,149**	**25,729**
Realized gain (loss) on investments at asset management subsidiaries	(20,537)	**54,853**	**448,182**
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	134,074	**(393,404)**	**(3,214,348)**
Derivative gain (loss) on investments at asset management subsidiaries	(610,690)	**89,476**	**731,073**
Realized gain on investments	220,875	**79,336**	**648,223**
Unrealized gain (loss) on valuation of investments	609,734	**(50,179)**	**(409,993)**
Derivative gain on investments*3	185,769	**101,524**	**829,512**
Other	4,964	**19,635**	**160,431**
Total	¥ 945,944	**¥ 104,362**	**$ 852,701**

*1 A part of prepaid forward contracts using Alibaba shares was settled by Alibaba shares. The details of contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

*2 On June 26, 2020, the Company transferred 173,564,426 shares out of 304,606,049 shares of T-Mobile common stock held and ¥280,341 million of gain on the sales of shares of associates was recorded for the fiscal year ended March 31, 2021. Additionally, the Company transferred 5,000,000 shares on July 16, 2020 and 19,750,000 shares on August 3, 2020 at $103.00 per share. As a result of the transactions, ¥3,122 million of realized loss on sales of investments and ¥3,014 million of gain related to derecognition of derivative financial liabilities were recorded for the fiscal year ended March 31, 2021. The derivative financial liabilities were recorded as the difference between the transaction price and the fair value of T-Mobile shares as of June 30, 2020 in the condensed interim consolidated financial statements as of June 30, 2020 because the transaction price was fixed at $103.00 per share under the agreement dated June 26, 2020.

In addition, due to the decrease in voting rights ratio that resulted from the share transfer, the Company had no significant influence over T-Mobile and T-Mobile was no longer considered as an equity method associate of the Company on June 26, 2020. Accordingly, ¥296,013 million of gain from remeasurement relating to discontinuing the use of the equity method for the shares, which were continuously held at the time of discontinuing the use of the equity method, was recorded for the fiscal year ended March 31, 2021. Furthermore, ¥154,491 million of derivative loss in relation to call options over T-Mobile shares granted to Deutsche Telekom was recorded at the time of the execution of the agreement for the fiscal year ended March 31, 2021.

As a result of the transactions, ¥421,755 million of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2021. The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2021)" under "Note 51. Additional information."

On September 23, 2021, Deutsche Telekom partially exercised the call options over 45,366,669 shares out of 101,491,623 shares of T-Mobile held through a wholly-owned subsidiary of the Company and the wholly-owned subsidiary acquired newly issued 225,000,000 shares of Deutsche Telekom as its consideration. As a result, ¥3,149 million ($25,729 thousand) of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2022. Cumulative losses on T-Mobile shares and the call options associated with the transaction are ¥13,447 million ($109,870 thousand). Of this, ¥16,596 million of loss was recorded for the fiscal year ended March 31, 2021. The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022)" under "Note 51. Additional information."

*3 For the fiscal year ended March 31, 2022, ¥93,039 million ($760,185 thousand) (for the fiscal year ended March 31, 2021: ¥264,395 million.) of derivative gain on investments was recorded due to changes in the fair value of contingent consideration related to the acquisition of T-Mobile shares through the merger transaction with Sprint and T-Mobile US, Inc. The details are described in "(1) Sprint" under "Note 10. Discontinued operations."

(2) Gain and loss on investments at SVF1, SVF2, and others

The details are described in "Note 7. SoftBank Vision Funds business."

(3) Gain and loss on investments at Latin America Funds

The components of gain and loss on investments at Latin America Funds are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Realized loss on investments	¥ –	**¥ (9,114)**	**$ (74,467)**
Unrealized gain on valuation of investments			
Change in valuation for the fiscal year	196,186	**110,888**	**906,022**
Reclassified to realized loss recorded in the past fiscal year*1	–	**8,034**	**65,643**
Derivative gain (loss) on investments	219	**(372)**	**(3,039)**
Effect of foreign exchange translation*2	–	**364**	**2,974**
Other	151	**1,270**	**10,376**
Total	¥ 196,556	**¥ 111,070**	**$ 907,509**

*1 It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at Latin America Funds" in the past fiscal years, which are reclassified to "Realized gain (loss) on investments" due to the realization for the fiscal year ended March 31, 2022.

*2 Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

Also, in SoftBank Latin America Funds, SoftBank Group Corp. introduced a co-investment program with restricted rights to receive distributions in September 2021. The details are described in "a. Co-investment program with restricted rights to receive distributions" in "For the fiscal year ended March 31,2022" in "(1) Related party transactions and balances" under "Note 48. Related party transactions."

42. Finance cost

The components of finance cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Interest expenses*	¥ (307,250)	**¥ (382,512)**	**$ (3,125,353)**

* "Interest expenses" are incurred mainly by financial liabilities measured at amortized cost. For the fiscal year ended March 31, 2022, the amount of lease expenses incurred from lease liabilities which was recorded in "Interest expenses" was ¥ (14,566) million ($ (119,013) thousand) (for the fiscal year ended March 31, 2021: ¥ (15,815) million.)

43. Derivative gain (loss) (excluding gain (loss) on investments)

For the fiscal year ended March 31, 2022, derivative gain of ¥1,132,994 million ($9,257,243 thousand) (for the fiscal year ended March 31, 2021: derivative loss of ¥504,048 million.) was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

44. Other gain

The components of other gain and loss are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Interest income	¥ 18,352	**¥ 35,047**	**$ 286,355**
Gain relating to the agreement for sale of Arm shares*1	–	**146,375**	**1,195,972**
Gain relating to loss of control over subsidiaries*2	1,376	**121,690**	**994,281**
Dilution gain from changes in equity interest*3	54,941	**71,741**	**586,167**
Reversal of impairment losses on equity method investments*4	21,634	**35,706**	**291,740**
Gain on liquidation of subsidiaries*5	45,257	**7,838**	**64,041**
Impairment loss on equity method investments*4	(68,215)	**(26,436)**	**(215,998)**
Impairment loss	(21,160)	**(17,806)**	**(145,486)**
Reversal of allowance for loan commitment losses*6	61,312	**–**	**–**
Reversal of allowance for financial guarantee contract losses*7	58,208	**–**	**–**
Loss on redemption of corporate bonds*8	(17,853)	**–**	**–**
Other	(61,182)	**17,029**	**139,137**
Total	¥ 92,670	**¥ 391,184**	**$ 3,196,209**

*1 On September 13, 2020 (U.S. time), SBGC, a wholly-owned subsidiary, and SVF1 entered into a definitive agreement (the"Agreement") with NVIDIA, a U.S.-based semiconductor manufacturer, whereby the Company would sell all of its shares in Arm, a wholly-owned subsidiary, held by SBGC and SVF1 to NVIDIA (the "Transaction"). However, NVIDIA and the Company have agreed to terminate the Agreement on February 8, 2022, because of significant regulatory challenges preventing the consummation of the Transaction, despite good faith efforts by the parties. In accordance with the terms of the Agreement, the deposit of $1.25 billion received by SBGC at the time of signing was non-refundable and therefore such amount was recorded as profit. 24.99% of that profit was attributable to SVF1 in accordance with the ownership ratio of Arm shares.

*2 For the fiscal year ended March 31, 2022, primarily, the gain was recognized as Boston Dynamics became no longer a subsidiary of the Company. The details are described in "Note 16. Disposal group classified as held for sale."

*3 Primarily represents the dilution gain arising from changes in Alibaba's equity interest held by the Company, due to the exercise of stock options in Alibaba.

*4 For the fiscal year ended March 31, 2021, a wholly-owned subsidiary of the Company other than SVF1 purchased WeWork common shares from We Holdings LLC at $19.19 per share for the total amount of $578 million. The difference between the acquisition amount and the fair value at the time of the acquisition was recorded as an impairment loss for ¥54,277 million. Subsequently, ¥21,634 million of reversal of impairment losses was recorded as the fair value of WeWork common shares held increased following the conclusion of the merger agreement between WeWork and BowX Acquisition Corp.
For the fiscal year ended March 31, 2022, ¥35,706 million ($291,740 thousand) of reversal of impairment losses was recorded as the fair value of WeWork shares accounted for using the equity method increased.

*5 For the fiscal year ended March 31, 2021, the amount is primarily due to the realization of exchange differences resulted from the liquidation of Kahon 3 Oy, a wholly-owned subsidiary of the Company.

*6 For the fiscal year ended March 31, 2021, ¥61,312 million of reversal of allowance for unutilized loan commitment losses related to acquire unsecured notes issued by WeWork was recorded as expected credit losses were lower than the amount recorded as of March 31, 2020 due to the improvement of credit spread for WeWork's unsecured notes distributed in the market.

*7 For the fiscal year ended March 31, 2021, ¥50,887 million of reversal of allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded as expected credit losses were lower than the amount recorded as of March 31, 2020 due to the improvement of credit spread for WeWork's unsecured notes distributed in the market.

*8 For the fiscal year ended March 31, 2021, the amount primarily represents the loss related to foreign-currency-denominated senior notes purchased by SoftBank Group Corp.

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, 2021

(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	¥ (59)	¥ –	¥ (59)	¥ 19	¥ (40)
Equity financial assets at FVTOCI	48,754	–	48,754	(19,259)	29,495
Total	48,695	–	48,695	(19,240)	29,455
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	1,000	(323)	677	(123)	554
Cash flow hedges	99,827	(62,659)	37,168	(3,393)	33,775
Exchange differences on translating foreign operations	628,541	(36,743)	591,798	(89,713)	502,085
Share of other comprehensive income of associates	(74,495)	–	(74,495)	8,634	(65,861)
Total	654,873	(99,725)	555,148	(84,595)	470,553
Total other comprehensive income	¥ 703,568	¥ (99,725)	¥ 603,843	¥ (103,835)	¥ 500,008

For the fiscal year ended March 31, 2022

(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	**¥ (342)**	**¥ –**	**¥ (342)**	**¥ 228**	**¥ (114)**
Equity financial assets at FVTOCI	**30,192**	**–**	**30,192**	**135**	**30,327**
Total	**29,850**	**–**	**29,850**	**363**	**30,213**
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	**(1,837)**	**(180)**	**(2,017)**	**639**	**(1,378)**
Cash flow hedges	**31,559**	**(83,049)**	**(51,490)**	**10,528**	**(40,962)**
Exchange differences on translating foreign operations	**2,401,148**	**(7,897)**	**2,393,251**	**(175,782)**	**2,217,469**
Share of other comprehensive income of associates	**(62,388)**	**–**	**(62,388)**	**10,456**	**(51,932)**
Total	**2,368,482**	**(91,126)**	**2,277,356**	**(154,159)**	**2,123,197**
Total other comprehensive income	**¥2,398,332**	**¥ (91,126)**	**¥ 2,307,206**	**¥ (153,796)**	**¥ 2,153,410**

(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	**$ (2,794)**	**$ –**	**$ (2,794)**	**$ 1,863**	**$ (931)**
Equity financial assets at FVTOCI	**246,686**	**–**	**246,686**	**1,103**	**247,789**
Total	**243,892**	**–**	**243,892**	**2,966**	**246,858**
Items that may be reclassified subsequently to profit or loss	**–**	**–**	**–**	**–**	**–**
Debt financial assets at FVTOCI	**(15,009)**	**(1,471)**	**(16,480)**	**5,221**	**(11,259)**
Cash flow hedges	**257,856**	**(678,560)**	**(420,704)**	**86,020**	**(334,684)**
Exchange differences on translating foreign operations	**19,618,825**	**(64,523)**	**19,554,302**	**(1,436,245)**	**18,118,057**
Share of other comprehensive income of associates	**(509,748)**	**–**	**(509,748)**	**85,432**	**(424,316)**
Total	**19,351,924**	**(744,554)**	**18,607,370**	**(1,259,572)**	**17,347,798**
Total other comprehensive income	**$19,595,816**	**$ (744,554)**	**$ 18,851,262**	**$(1,256,606)**	**$17,594,656**

46. Earnings per share

Basic earnings per share and diluted earnings per share are as follows:

(1) Basic earnings per share

	Fiscal year ended March 31, 2021 (Millions of yen)	**Fiscal year ended March 31, 2022** (Millions of yen)	**Fiscal year ended March 31, 2022** (Thousands of U.S. dollars)
Net income attributable to ordinary shareholders of the parent			
Net income attributable to owners of the parent	¥4,987,962	**¥(1,708,029)**	**$(13,955,625)**
Net income not-attributable to ordinary shareholders of the parent*1	(30,246)	**(32,709)**	**(267,252)**
Net income used in the calculation of basic earnings per share	¥4,957,716	**¥(1,740,738)**	**$(14,222,877)**

	Fiscal year ended March 31, 2021 (Millions of yen)	**Fiscal year ended March 31, 2022** (Millions of yen)	**Fiscal year ended March 31, 2022** (Thousands of U.S. dollars)
Net income used in the calculation of basic earnings per share			
Net income from continuing operations attributable to ordinary shareholders of the parent	¥4,246,483	**¥(1,740,738)**	**$(14,222,878)**
Net income from discontinued operations attributable to ordinary shareholders of the parent	711,233	**–**	**–**
Total	¥4,957,716	**¥(1,740,738)**	**$(14,222,878)**

	Fiscal year ended March 31, 2021 (Thousands of shares)	**Fiscal year ended March 31, 2022** (Thousands of shares)
Weighted-average number of ordinary shares	1,892,538	**1,708,989**

	Fiscal year ended March 31, 2021 (Yen)	**Fiscal year ended March 31, 2022** (Yen)	**Fiscal year ended March 31, 2022** (USD)
Basic earnings per share			
Continuing operations	¥ 2,243.80	**¥ (1,018.58)**	**$ (8.32)**
Discontinued operations	375.81	**–**	**–**
Total	¥ 2,619.61	**¥ (1,018.58)**	**$ (8.32)**

(2) Diluted earnings per share

	Fiscal year ended March 31, 2021 (Millions of yen)	**Fiscal year ended March 31, 2022** (Millions of yen)	**Fiscal year ended March 31, 2022** (Thousands of U.S. dollars)
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	¥4,246,483	**¥(1,740,738)**	**$(14,222,878)**
Effect of dilutive securities issued by subsidiaries and associates	(331,927)	**(12,127)**	**(99,085)**
Subtotal	¥3,914,556	**¥(1,752,865)**	**$(14,321,963)**
Discontinued operations			
Net income from discontinued operations used in the calculation of basic earnings per share	¥ 711,233	**¥ –**	**$ –**
Subtotal	711,233	**–**	**–**
Total	¥4,625,789	**¥(1,752,865)**	**$(14,321,963)**

	Fiscal year ended March 31, 2021 (Thousands of shares)	**Fiscal year ended March 31, 2022** (Thousands of shares)
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share		
Weighted-average number of ordinary shares	1,892,538	**1,708,989**
Adjustments		
Stock acquisition rights*2	5,385	**–**
Total	1,897,923	**1,708,989**

	Fiscal year ended March 31, 2021 (Yen)	**Fiscal year ended March 31, 2022** (Yen)	**Fiscal year ended March 31, 2022** (USD)
Diluted earnings per share			
Continuing operations	¥ 2,062.55	**¥ (1,025.67)**	**$ (8.38)**
Discontinued operations	374.74	**–**	**–**
Total	¥ 2,437.29	**¥ (1,025.67)**	**$ (8.38)**

*1 Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.

*2 For the fiscal year ended March 31, 2022, stock acquisition rights are not included in the calculation for "Diluted earnings per share" as it has an antidilutive effect for the calculation.

47. Supplemental information to the consolidated statement of cash flows

(1) Cash flows from discontinued operations

Cash flows from continuing operations and cash flows from discontinued operations are included in the consolidated statement of cash flows. The details are described in "Note 10. Discontinued operations."

(2) 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.

(3) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2021

Payment of withholding income tax related to dividends within the group companies is ¥170,264 million and this is included in "Income taxes paid."

In addition, refunded withholding income tax related to dividends within the group companies and deemed dividends of ¥243,602 million is included in "Income taxes refunded."

For the fiscal year ended March 31, 2022

Payment of withholding income tax related to dividends within the group companies is ¥283,477 million ($2,316,178 thousand) and this is included in "Income taxes paid."

In addition, refunded withholding income tax related to dividends within the group companies of ¥247,259 million ($2,020,255 thousand) is included in "Income taxes refunded."

(4) Proceeds from sales/redemption of investments

For the fiscal year ended March 31, 2021

¥2,099,746 million of proceeds received from sales of T-Mobile shares is included in "Proceeds from sales/redemption of investments."

(5) Proceeds from acquisition of control over subsidiaries

For the fiscal year ended March 31, 2021

"Proceeds from acquisition of control over subsidiaries" is cash and cash equivalents held by LINE Group at the time of acquisition of control.

(6) Payments into restricted cash

For the fiscal year ended March 31, 2021

¥346,765 million of payments, which is the amount in a segregated custody account before the expected early termination date for financial liabilities related to the settlement of prepaid forward contracts using Alibaba shares and this is included in "Payments into restricted cash." The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

(7) Proceeds from withdrawal of restricted cash

For the fiscal year ended March 31, 2022

¥359,038 million ($2,933,557 thousand) of proceeds, which was required to be maintained in a segregated custody account for the early termination of financial liabilities related to the settlement of prepaid forward contracts using Alibaba shares as of March 31, 2021 and this is included in "Proceeds from withdrawal of restricted cash." The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

(8) Payments into trust accounts in SPACs

"Payments into trust accounts in SPACs" is the amount held in trust accounts for proceeds from initial public offerings of SPACs sponsored by the Company. The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

(9) Proceeds from non-controlling interests subject to possible redemption

"Proceeds from non-controlling interests subject to possible redemption" is proceeds from initial public offerings of SPACs sponsored by the Company. The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

(10) Proceeds from the partial sales of shares of subsidiaries to non-controlling interests

For the fiscal year ended March 31, 2021

"Proceeds from the partial sales of shares of subsidiaries to non-controlling interests" is proceeds received primarily from the sales of SoftBank Corp. shares.

(11) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

For the fiscal year ended March 31, 2021

(Millions of yen)

	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF1 and SVF2	Non-controlling interests subject to possible redemption*4
As of April 1, 2020	¥13,131,882	¥1,140,326	¥ 78,606	¥4,584,419	¥ –
(a) Changes arising from financing cash flows					
Proceeds in short-term interest-bearing debt, net	1,575,327	–	–	–	–
Proceeds from interest-bearing debt	7,965,114	–	–	–	–
Repayment of interest-bearing debt	(5,790,901)	–	–	–	–
Repayment of lease liabilities	–	(402,257)	–	–	–
Contributions into SVF1 from third-party investors	–	–	–	979,266	–
Distribution/repayment from SVF1 to third-party investors	–	–	–	(1,362,066)	–
Proceeds from non-controlling interests subject to possible redemption	–	–	–	–	345,466
(b) Changes from acquisition or loss of control over subsidiaries and other businesses*1	170,188	57,349	–	–	(35,999)
(c) The effect of changes in foreign exchange rates	296,246	(10,277)	–	153,755	14,674
(d) Changes in fair values	–	–	(79,454)	–	–
(e) Changes in third-party interests in SVF1 and SVF2	–	–	–	2,246,417	–
(f) Non-cash transactions*2,3	1,095,256	276,250	–	–	–
(g) Transfer to liabilities directly relating to assets classified as held for sale	–	(7,485)	–	–	–
(h) Other changes	69,863	(18,905)	(16,002)	–	(26,049)
As of March 31, 2021	¥18,512,975	¥1,035,001	¥(16,850)	¥6,601,791	¥298,092

*1 The increase in interest-bearing debt and lease liabilities was mainly due to the consolidation of LINE Corporation. The details are described in "Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation" under "Note 9. Business combinations."
*2 The increase in interest-bearing debt was due to the entry into several prepaid forward contracts using Alibaba shares and amendments to certain contracts. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."
*3 The increase in lease liabilities was mainly due to remeasurement of the lease liabilities and the lease transactions executed during the period.
*4 The details of non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

For the fiscal year ended March 31, 2022

(Millions of yen)

	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF1 and SVF2	Non-controlling interests subject to possible redemption*4
As of April 1, 2021	**¥18,512,975**	**¥1,035,001**	**¥(16,850)**	**¥6,601,791**	**¥298,092**
(a) Changes arising from financing cash flows					
Proceeds in short-term interest-bearing debt, net	**(1,173,787)**	**–**	**–**	**–**	**–**
Proceeds from interest-bearing debt	**12,880,985**	**–**	**–**	**–**	**–**
Repayment of interest-bearing debt	**(8,797,688)**	**–**	**–**	**–**	**–**
Repayment of lease liabilities	**–**	**(330,276)**	**–**	**–**	**–**
Contributions into SVF1 from third-party investors	**–**	**–**	**–**	**277,824**	**–**
Distribution/repayment from SVF1 to third-party investors	**–**	**–**	**–**	**(1,228,703)**	**–**
Proceeds from non-controlling interests subject to possible redemption	**–**	**–**	**–**	**–**	**5,500**
(b) Changes from acquisition or loss of control over subsidiaries and other businesses	**(130,428)**	**(5,009)**	**–**	**–**	**(36,692)**
(c) The effect of changes in foreign exchange rates	**1,015,934**	**7,475**	**–**	**575,409**	**29,095**
(d) Changes in fair values	**–**	**–**	**(30,720)**	**–**	**–**
(e) Changes in third-party interests in SVF1 and SVF2	**–**	**–**	**–**	**(972,674)**	**–**
(f) Non-cash transactions*1,2,3	**(784,197)**	**196,803**	**–**	**(19,104)**	**–**
(g) Other changes*3	**(66,362)**	**(37,846)**	**4**	**325,292**	**11,149**
As of March 31, 2022	**¥21,457,432**	**¥ 866,148**	**¥(47,566)**	**¥5,559,835**	**¥307,144**

(Thousands of U.S. dollars)

	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF1 and SVF2	Non-controlling interests subject to possible redemption*4
As of April 1, 2021	**$151,262,154**	**$8,456,581**	**$(137,675)**	**$53,940,608**	**$2,435,591**
(a) Changes arising from financing cash flows					
Proceeds in short-term interest-bearing debt, net	**(9,590,547)**	**–**	**–**	**–**	**–**
Proceeds from interest-bearing debt	**105,245,404**	**–**	**–**	**–**	**–**
Repayment of interest-bearing debt	**(71,882,409)**	**–**	**–**	**–**	**–**
Repayment of lease liabilities	**–**	**(2,698,554)**	**–**	**–**	**–**
Contributions into SVF1 from third-party investors	**–**	**–**	**–**	**2,269,989**	**–**
Distribution/repayment from SVF1 to third-party investors	**–**	**–**	**–**	**(10,039,243)**	**–**
Proceeds from non-controlling interests subject to possible redemption	**–**	**–**	**–**	**–**	**44,938**
(b) Changes from acquisition or loss of control over subsidiaries and other businesses	**(1,065,675)**	**(40,927)**	**–**	**–**	**(299,796)**
(c) The effect of changes in foreign exchange rates	**8,300,793**	**61,075**	**–**	**4,701,437**	**237,724**
(d) Changes in fair values	**–**	**–**	**(251,001)**	**–**	**–**
(e) Changes in third-party interests in SVF1 and SVF2	**–**	**–**	**–**	**(7,947,332)**	**–**
(f) Non-cash transactions*1,2,3	**(6,407,362)**	**1,607,999**	**–**	**(156,091)**	**–**
(g) Other changes*3	**(542,217)**	**(309,223)**	**33**	**2,657,832**	**91,094**
As of March 31, 2022	**$175,320,141**	**$7,076,951**	**$(388,643)**	**$45,427,200**	**$2,509,551**

*1 The increase in interest-bearing debt was due to the entry into several prepaid forward contracts using Alibaba shares and amendments to certain contracts. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

*2 The increase in lease liabilities was mainly as a result of remeasurement of the lease liabilities and the lease transactions executed during the period.

*3 The decrease in third-party interests in SVF1 and SVF2 was made due to the distribution/repayment to the third-party investor (offsetting against the receivables) in SVF2. The increase in third-party interests in SVF1 and SVF2 was mainly due to the acquisition of interest by third-party investor in SVF2. The details are described in "(4) Third-party interests in SVF1 and SVF2" under "Note 7. SoftBank Vision Funds business"

*4 The details of non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

(12) Cash outflows related to lease

For the fiscal year ended March 31, 2022, the total amount of cash outflows related to lease was ¥343,639 million ($2,807,738 thousand) (for the fiscal year ended March 31, 2021: ¥417,019 million.)

(13) Significant non-cash transactions

Significant non-cash transactions (investing and financing transactions that do not require the use of cash and cash equivalents) are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Increase in right-of-use assets related to lease transactions	¥276,167	**¥192,976**	**$1,576,730**

In addition to the above, the following non-cash transactions were conducted.

For the fiscal year ended March 31, 2021

a. Offset proceeds from sales of listed shares and payments for acquisition of listed shares

Account payables for acquisition of listed shares and account receivables from sales of listed shares were offset because the counterparty was the same entity and the settlement date was the same date.

In the event that account payables for acquisition of shares are larger than account receivables from sales of shares, the net amount is recognized as "Payments for acquisition of investments," and in the event that account receivables from sales of shares are larger than account payables, the net amount is recognized as "Proceeds from sales/redemption of investments."

For the fiscal year ended March 31, 2021, ¥1,096,868 million of account payables for acquisition of shares and ¥294,780 million of account receivables from sales of shares were offset, and the net amount of ¥802,088 million was recognized as "Payments for acquisition of investments." Also, ¥961,358 million of account receivable from sales of shares and ¥292,573 million of account payables for acquisition of shares were offset, and the net amount of ¥668,785 million was recognized as "Proceeds from sales/redemption of investments."

b. Sprint Merger

The merger between Sprint and T-Mobile US, Inc. and the acquisition of contingent consideration with the merger correspond to significant non-cash transactions. The details are described in "(1) Sprint" under "Note 10. Discontinued operations."

c. Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation

An absorption-type merger and an absorption-type company split, which were conducted in order to consolidate LINE Corporation by SoftBank Corp., correspond to significant non-cash transactions as these transactions are conducted through in-kind contribution by issuing new shares. The details are described in "Acquisition of LINE Corporation and business integration of LINE Group and Z Holdings Corporation" under "Note 9. Business combinations."

For the fiscal year ended March 31, 2022

a. Deutsche Telekom's exercise of call options for T-Mobile shares

Deutsche Telecom partially exercised the call option over T-Mobile shares which the Company granted in June 2020. Accordingly, the Company sold 45,366,669 shares of T-Mobile held, through a wholly-owned subsidiary, to Deutsche Telecom and received newly issued 225,000,000 shares of Deutsche Telecom as its consideration. The transaction corresponds to a non-cash transaction. The details are described in "Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022" under "Note 51. Additional information."

b. The settlement in kind of prepaid forward contracts using Alibaba shares

For the fiscal year ended March 31, 2022, the settlement date of a part of prepaid forward contracts arrived, and ¥784,197 million($6,407,362 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥436,641 million($3,567,620 thousand) of "Derivative financial assets (current)" were settled by Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 25. Interest-bearing debt."

48. Related party transactions

(1) Related party transactions and balances

Related party transactions of the Company are as follows:

For the fiscal year ended March 31, 2021

On November 9, 2020, Marcelo Claure, Katsunori Sago and Rajeev Misra resigned from their positions on the Board of Directors. On the same day, Marcelo Claure was appointed as the Corporate Officer, Executive Vice President and COO, Katsunori Sago was appointed as the Corporate Officer, Executive Vice President and CSO and Rajeev Misra was appointed as the Corporate Officer and Executive Vice President. After resigning from their positions on the Board of Directors, they maintain their position of major Corporate Officers and therefore, are related parties of SoftBank Group Corp.

On March 31, 2021, Katsunori Sago resigned from the position of the Corporate Officer, Executive Vice President and CSO. From April 1, 2021, Katsunori Sago is not a related-party of SoftBank Group Corp.

a. Transfer of T-Mobile shares

As a part of the transaction related to transfer of T-Mobile shares, the Company entered into agreements with certain executives for transferring T-Mobile shares and for loan which was designated for the use for the purchase of T-Mobile shares in June 2020.

Regarding the transactions associated with the transfer of T-Mobile shares, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2021 and the outstanding balance were as follows.

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
Ronald Fisher (T-Mo Fisher LLC)	Director and related entity of which he holds more than one-half of the voting rights	Transfer of T-Mobile shares*1,2,4,6	¥ 3,884 ($36 million)	¥ –
		Lending of loans receivable*1,3,4,6	3,884 ($36 million)	3,991 ($36 million)
		Interest receipt*1,3,4,6	57 ($1 million)	60 ($1 million)
Marcelo Claure (CLAURE MOBILE LLC)	Corporate Officer and related entity of which he holds more than one-half of the voting rights	Transfer of T-Mobile shares*1,2,4,5,7	54,528 ($515 million)	–
		Lending of loans receivable*1,3,4,5,7	54,528 ($515 million)	57,016 ($515 million)
		Interest receipt*1,3,4,6	754 ($7 million)	792 ($7 million)
Rajeev Misra (Brightstart Consultants Limited)	Corporate Officer and related entity of which he holds more than one-half of the voting rights	Transfer of T-Mobile shares*1,2,4,6	49,937 ($464 million)	–
		Lending of loans receivable*1,3,4,6	49,937 ($464 million)	51,314 ($464 million)
		Interest receipt*1,3,4,6	732 ($7 million)	768 ($7 million)

*1 The borrowers are entities of which certain executives or employees hold more than one-half of the voting rights. The repayment of the loan and interest is secured by a first priority pledge of 100% of the borrower's equity interests. (For Marcelo Claure and Ronald Fisher, this is only if their rights to collateralize equity interests is not prohibited by restrictions imposed by the T-Mobile board and others.) Each executive and employee guarantees the repayment of the loan and interest to full recourse. Also, the purchasers of T-Mobile shares are borrowers.

*2 The purchase price per share is US$103.00, which is the same amount of the purchase price per share for the T-Mobile public offering in the United States.

*3 The interest rate for the loan is 1.93% 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 dates are July 1, 2024 for the loan made in June 2020 and September 1, 2024 for the loan made in August 2020, and the borrowers are required to make a single payment at maturity. Prior to the maturity date the borrowers may prepay all or any portion of the loans at any time voluntarily.

*4 Unless the borrowers have received the prior consent of the Company, the borrowers shall hold T-Mobile shares until paid in full except for below;

• The transfer is made by cash consideration with fair market value.
However, in this case, proceeds from this transfer are not subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*5 Unless the borrower has received the prior consent of the Company, the borrower has no ability to pledge T-Mobile shares as collateral until the loans are paid in full.

*6 If certain conditions are met, such as entering into an intercreditor agreement with the Company, each borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and others as collateral. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*7 CLAURE MOBILE LLC can choose limited recourse if certain conditions are met, such as the transfer restrictions being lifted without Marcelo Claure being appointed as a director of T-Mobile. And full recourse to Marcelo Claure will be canceled. In addition, when the limited recourse is selected, the Company will place the first lien on the T-Mobile shares purchased by CLAURE MOBILE LLC, if the T-Mobile shares can be directly collateralized. (However, if the security interest cannot be set to the T-Mobile shares due to legal restrictions such as the Federal Reserve System, the security interest will be set to a first priority pledge of 100% equity interests of CLAURE MOBILE LLC.)

Settlement of the loan and accrued interest with the transfer of T-Mobile shares when the limited recourse is selected is as follows;

a. If the T-Mobile share price at the time of transfer is less than 50% of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares. Marcelo Claure will be obliged to pay the difference between the repayment amount and 50% of the loan balance and accrued interest.

b. If the T-Mobile share price at the time of transfer is 50% or more and 100% or less of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares.

c. If the T-Mobile share price at the time of transfer exceeds 100% of the loan principal balance and accrued interest, proceeds from T-Mobile share transfer will be used to repay the loan and accrued interest, and CLAURE MOBILE LLC will receive remaining balance. However, if the T-Mobile share price at the time of transfer exceeds $150 per share, the transfer price after tax for the portion exceeding $150 per share will belong to the Company.

Other than the above, the Company entered into agreements with 1 employee for transferring T-Mobile shares and with 3 employees for a loan which was designated for the use for the purchase of T-Mobile shares. These employees are not related parties who need to be disclosed herein according to IAS 24.

The amount of the transactions between the Company and the employees recognized for the fiscal year ended March 31, 2021 and the outstanding balance were as follows. As one of the employees resigned on November 30, 2020, transactions with the person after the resignation and the balance at period-end for the person are not included in the following table.

(Millions of yen)

Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
Transfer of T-Mobile shares*1,2,4,6	¥ 1,665 ($15 million)	¥ –
Lending of loans receivable*1,3,4,8	6,572 ($62 million)	5,131 ($46 million)
Interest receipt*1,3,4,8	73 ($1 million)	62 ($1 million)

*8 If certain conditions are met, such as entering into an intercreditor agreement with the Company, the borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and such as collateral for $15 million of the loan. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrower is prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

b. Incentive program

The Company provides loans to certain executives of the Company as a part of the incentive program, which was designated for use for the purchase of SoftBank Group Corp. shares.

(a) Incentive program approved in April and July 2018

Regarding the incentive program approved in April and July 2018, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2021 and the outstanding balance were as follows.

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
Yoshimitsu Goto	Director	Lending of loans receivable*1,3,4	¥ –	¥ 5,554
		Interest receipt*1,3,4	80	67
		Borrowing of loans payable*1	–	700
		Interest payment *1	10	8
Ken Miyauchi	Director	Lending of loans receivable*1,3,4	–	5,555
		Interest receipt*1,3,4	80	67
Marcelo Claure	Corporate Officer	Lending of loans receivable*2,3,4,5	–	11,109
		Interest receipt*2,3,4,5	327	272
Katsunori Sago	Corporate Officer	Receipt of loans receivable*1,3,4	5,554	–
		Interest receipt*1,3,4	53	–
Rajeev Misra	Corporate Officer	Receipt of loans receivable*2,3,4,5	0	10,992
		Interest receipt*2,3,4,5	323	269

*1 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.

*2 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.

*3 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 the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

*4 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

*5 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 establish a collateral over additional property.

(b) Incentive program approved in February 2020

Regarding the incentive program approved in February 2020, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2021 and the outstanding balance were as follows.

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
Marcelo Claure (Claure Holdings LLC)	Corporate Officer and related entities of which he holds more than one-half of the voting rights	Receipt of loans receivable*6,7,8,9	¥ 0	¥16,488
		Interest receipt*6,7,8,9	318	361
Rajeev Misra (Giantstep Holdings Limited)	Corporate Officer and related entities of which he holds more than one-half of the voting rights	Receipt of loans receivable*6,7,8,9	0	16,488
		Interest receipt*6,7,8,9	318	361

*6 The interest rate for the loan is 1.93% 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 borrower is required to pay the outstanding principal amount of the loan in a single payment on the seventh anniversary of the funding date. 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 transfer of SoftBank Group Corp. shares purchased through the loan is restricted for the twelve-month period succeeding the effective date of the agreement. Then, the number of shares available for transfer will increase by 20% every three months, and all shares will become available for transfer after exceeding twenty four months.

*8 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.

*9 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

c. Other related party transactions

Related party transactions of the Company were as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
WeWork	Associate	Investment in preferred stock by advance payment for investment*1	¥ 140,062 ($1.3 billion)	¥ –
		Exchange of WeWork Asia shares for preferred stock of WeWork*2	13,453 ($0.1 billion)	–
		Exercise of WeWork warrants with exercise price of USD 0.01 per share*3	138 ($1 million)	–
		Purchase of unsecured notes*4	189,942 ($1.8 billion)	129,887 ($1.2 billion)
		Credit support for letter of credit facility*5	–	–
		Purchase of senior secured notes*6	–	–
T-Mobile US, Inc.	Associate*7	Acquisition of the conditional consideration*8	–	–
		Indemnification against any losses incurred by Sprint*9	26,362	870
Masayoshi Son (Son Asset Management LLC and 5 other companies)	Representative Director 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.	22,427	–
		Receipt of capital contribution to subsidiaries*10,11,12	19,893	–
		Exercise of stock acquisition rights of SoftBank Corp.	498	–
		Advance payment for temporary expense	177	–
		Guarantee deposits refunded	174	–
		Sales of goods*13,14	66	–
		Payment for equipment usage*15	24	–
Yoshimitsu Goto	Director	Exercise of stock acquisition rights of SoftBank Group Corp.	1,882	–

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2021 Amount of transaction	As of March 31, 2021 Balance at period-end
Ken Miyauchi	Director	Exercise of stock acquisition rights of SoftBank Group Corp.	2,396	–
		Exercise of stock acquisition rights of SoftBank Corp.	498	–
		Dividend paid from SoftBank Group Corp.	125	–
Yutaka Matsuo (AI & Company, Inc.)	Director and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*16	13	41*17
Marcelo Claure (Claure Holdings LLC and 2 other companies)	Corporate Officer and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	243	–
		Advance payment for temporary expense	42	–
Rajeev Misra	Corporate Officer	Dividend paid from SoftBank Group Corp.	222	–
Taizo Son (SON Financial Inc. and 2 other companies*18)	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	247	–
		Receipt of capital contribution to a subsidiary*19	75	246*17

*1 For the fiscal year ended March 31, 2021, the Company acquired preferred stock of WeWork by converting advance payment of $1.3 billion made for the fiscal year ended March 31, 2020. The fair value of the preferred stock of WeWork at the point in time of acquisition was $0.4 billion (¥43,719 million.)

*2 The shares of WeWork Asia held by SVF1 were exchanged for preferred stock of WeWork. The fair value of preferred stock of WeWork at the point in time of exchange is presented as amount of transaction.

*3 WeWork warrants with exercise price of $0.01per share, which the Company received as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions.

*4 The Company is obliged to purchase up to $2.2 billion in unsecured notes to be issued by WeWork. Amount of transaction represents the amounts of unsecured notes which the Company purchased for the fiscal year ended March 31, 2021. The balance sheet amount of unsecured notes as of March 31, 2021 is presented as balance at period end.

*5 The Company provides to WeWork the credit support for a $1.75 billion letter of credit facility provided by financial institutions.

*6 The Company is obliged to purchase up to $1.1 billion in senior secured notes to be issued by WeWork. As of March 31, 2021, none of the senior secured notes had been purchased by the Company.

*7 As a result of the transfer of T-Mobile shares held by the Company on June 26, 2020, T-Mobile was no longer considered as an associate of the Company. The details are described in "(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2021)" under "Note 51. Additional information." The amount of transaction represents the indemnification to T-Mobile recorded by the Company for the fiscal year ended March 31, 2021, which includes the amount recorded during the period T-Mobile was not an associate of the Company.

*8 As consideration for the Merger of Sprint and T-Mobile US, Inc., the Company received the right to acquire 48,751,557 T-Mobile shares for no additional consideration if certain conditions are met. The details are described in "(1) Sprint" under "Note 10. Discontinued operations."

*9 The Company may indemnify T-Mobile and its subsidiaries against any losses, including monetary losses resulting from certain specified matters, incurred by Sprint and its subsidiaries due to the cessation of T-Mobile's and its subsidiaries' access to the frequencies of Sprint and its subsidiaries under certain circumstance. The details are described in "a. Results of operations from discontinued operations *2" in "(1) Sprint" under "Note 10. Discontinued operations."

*10 This represents the received amount of contribution to the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C ("Delaware subsidiaries") by Son Asset Management LLC in July 2020. Each Delaware subsidiary received ¥6,631 million. Then Delaware subsidiaries invested in the asset management subsidiary, SB Northstar.

*11 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son and Son Asset Management LLC as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son and Son Asset Management LLC indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.
Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*12 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son and Son Asset Management LLC to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son and Son Asset Management LLC.

*13 SoftBank Corp. sold the masks to Masayoshi Son. The transaction amount does not include consumption taxes.

*14 The amount is determined based on the Company's acquisition cost.

*15 Equipment usage fees are determined based on the ratio of usage.

*16 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*17 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2021.

*18 Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*19 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

For the fiscal year ended March 31, 2022

At the closing of the Annual General Meeting of Shareholders held on June 23, 2021, Ronald Fisher resigned from his position on the Board of Directors in SoftBank Group Corp.

On January 27, 2022, Marcelo Claure resigned from his positions of the Corporate Officer, Executive Vice President and COO in SoftBank Group Corp.

After the resignation, they are not related parties of the Company. However, transactions during the term in which they were related parties of the Company, which was from April 1, 2021 to the respective resignation date, and their balance as of March 31, 2022 are described.

a. Co-investment program with restricted rights to receive distributions

The Board of Directors of SoftBank Group Corp. has resolved to introduce a co-investment program with restricted rights to receive distributions to SVF2 and SoftBank Latin America Funds. As such, for the three-month period ended September 30, 2021, SVF2 LLC, a subsidiary of SVF2 and a subsidiary of the Company, and SLA Holdco II LLC ("SLA LLC"), a subsidiary of SoftBank Latin America Funds, and a subsidiary of the Company, have each entered into a definitive agreement with the Company and MgmtCo, a participant in the program, which resulted in MgmtCo becoming an investor in SVF2 LLC and SLA LLC.

MgmtCo is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The program has been introduced for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and SoftBank Latin America Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and SoftBank Latin America Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 and SoftBank Latin America Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and SoftBank Latin America Funds, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company's Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo's Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company's investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.

Related party transactions of the Company are as follows:

(a) Transactions between SVF2 and related parties

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution and related adjustments to SVF2 *1,2,3	**¥326,942*4**	
		The premium received on SVF2 LLC's receivables	**5,687*4**	
		Offsetting settlement of distributions (return of contribution) from SVF2 LLC and receivables*5	**19,104**	**¥342,663*6,7**
		MgmtCo's Equity interests in SVF2 LLC*8	**–**	**270,081**
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*9		**72,582**

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction*10	As of March 31, 2022 Balance at period-end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution and related adjustments to SVF2 *1,2,3	**$2,923,150*4**	
		The premium received on SVF2 LLC's receivables	**49,549*4**	
		Offsetting settlement of distributions (return of contribution) from SVF2 LLC and receivables*5	**172,935**	**$2,799,764*6,7**
		MgmtCo's Equity interests in SVF2 LLC*8	**–**	**2,206,726**
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*9		**593,038**

*1 Restrictions on rights to receive distributions to MgmtCo
MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

*2 Nature of the Equity contribution by MgmtCo
The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

*3 Management fee and performance-linked management fees to be charged to MgmtCo
The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

*4 The amount of transaction with MgmtCo related to receipt of capital contribution
The amount of the transaction for "Receipt of capital contribution and related adjustments in SVF2 LLC" is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of $2,594 million (¥290,142 million) calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and $314 million (¥35,150 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and $15 million (¥1,650 million) of the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021. As of March 31, 2022, capital contribution with respect to MgmtCo's committed capital and related adjustments to SVF2 LLC under the program have been completed.
MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

*5 Offsetting settlement between distributions from SVF2 LLC and receivables
Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

*6 Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SVF2 LLC's receivables consist of the balance related to receipt of capital contribution, related adjustments and premiums received, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo.

*7 Collateral and other credit protection for receivables
In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

*8 MgmtCo's Equity interest in SVF2 LLC
The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position.

*9 Net balance at period end
Net balance at period end is the balance of receivables held by SVF2 LLC of $2,800 million (¥342,663 million) less MgmtCo's Equity interest in SVF2 LLC of $2,207 million (¥270,081 million).

*10 The amounts represent the original transaction amounts recorded in U. S. Dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

(b) Transactions between SoftBank Latin America Funds and related parties

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments *1, 2, 3	¥71,450*4	¥80,663*5,6
		The premium received on SLA LLC's receivables	1,125*4	
		MgmtCo's Equity interests in SLA LLC*7	–	80,663
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*8		–

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction*9	As of March 31, 2022 Balance at period-end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments *1, 2, 3	$649,300*4	$659,066*5,6
		The premium received on SLA LLC's receivables	9,766*4	
		MgmtCo's Equity interests in SLA LLC*7	–	659,066
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*8		–

*1 Restrictions on rights to receive distributions to MgmtCo
MgmtCo's rights to receive distributions from its investment is subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

*2 Nature of the Equity contribution by MgmtCo
The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

*3 Management fee and performance fees to be charged to MgmtCo
The terms of the management fee and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

*4 The amount of transaction with MgmtCo related to receipt of capital contribution
The amount of the transaction for "Receipt of capital contribution and related adjustments in SLA LLC" is MgmtCo's Equity Acquisition Amount in SoftBank Latin America Fund, which consists of $375 million (¥41,266 million) calculated based on MgmtCo's Equity interests of 17.25% in the SoftBank Latin America Funds' initial acquisition costs of the portfolio companies held by SoftBank Latin America Funds and $268 million (¥29,498 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SoftBank Latin America Funds to June 30, 2021, and $6 million (¥686 million) of the adjustment equivalent to interests for the period from the Company's contribution to SoftBank Latin America Funds until June 30, 2021. As of September 30, 2021, capital contribution with respect to MgmtCo's committed capital and related adjustments to SLA LLC under the Program have been completed. However, in March 2022, the constitutional agreement has been amended in order to exclude certain investments from the portfolio of SLA LLC due to regulatory reasons. Accordingly, "Receipt of capital contribution and related adjustments in SLA LLC" has been changed from $691 million (¥76,367 million) to $649 million (¥71,450 million). The gains from the excluded portfolio companies between September 30, 2021 and the date of the exclusion have attributed to the Company and no Equity interests have been allocated to MgmtCo.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SLA LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC's receivables are paid in full.

*5 Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received.

*6 Collateral and other credit protection for receivables
In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

*7 MgmtCo's Equity interest in SLA LLC
The amount represents SLA LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Other financial liabilities (non-current)" in the consolidated statements of financial position.

*8 Net balance at period end
Net balance at period end is the balance of receivables held by SLA LLC of $659 million (¥80,663 million) less MgmtCo's Equity interest in SLA LLC of $659 million (¥80,663 million).

*9 The amounts represent the original transaction amounts recorded in U. S. Dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

b. Transfer of T-Mobile shares

As a part of the transaction related to transfer of T-Mobile shares, the Company entered into agreements with certain executive for transferring T-Mobile shares and for the loan which was designated for the use for the purchase of T-Mobile shares in June 2020. Such loan agreements with Ronald Fisher and Marcelo Claure have continued after their resignation as Director and Corporate Officer, respectively, of the Company.

Regarding the transactions associated with the transfer of T-Mobile shares, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2022 and the outstanding balance as of March 31, 2022 were as follows.

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Ronald Fisher (T-Mo Fisher LLC)	Former Director and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,5	¥ –	¥ 4,412
		Interest receipt*1,2,3,5	18	152
Marcelo Claure (CLAURE MOBILE LLC)	Former Corporate Officer and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,4,6	–	63,031
		Interest receipt*1,2,3,5	933	2,109
Rajeev Misra (Brightstart Consultants Limited)	Corporate Officer and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,5	–	56,728
		Interest receipt*1,2,3,5	1,023	1,959

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction*8	As of March 31, 2022 Balance at period-end
Ronald Fisher (T-Mo Fisher LLC)	Former Director and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,5	$ –	$ 36,050
		Interest receipt*1,2,3,5	162	1,245
Marcelo Claure (CLAURE MOBILE LLC)	Former Corporate Officer and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,4,6	–	515,000
		Interest receipt*1,2,3,5	8,338	17,228
Rajeev Misra (Brightstart Consultants Limited)	Corporate Officer and related entity of which he holds more than one-half of the voting rights	Lending of loans receivable*1,2,3,5	–	463,500
		Interest receipt*1,2,3,5	9,070	16,003

*1 The borrowers are entities of which certain executives or employees hold more than one-half of the voting rights. The repayment of the loan and interest is secured by a first priority pledge of 100% of the borrower's equity interests. (For Marcelo Claure and Ronald Fisher, this is only if their rights to collateralize equity interests is not prohibited by restrictions imposed by the T-Mobile board and others.) Each executive and employee guarantees the repayment of the loan and interest to full recourse. Also, the purchasers of T-Mobile shares are borrowers.

*2 The interest rate for the loan is 1.93% 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 dates are July 1, 2024 for the loan made in June 2020 and September 1, 2024 for the loan made in August 2020, and the borrowers are required to make a single payment at maturity. Prior to the maturity date the borrowers may prepay all or any portion of the outstanding principal amount of the Loan, along with any accrued but unpaid interest on such principal amount at any time. Additionally, on April 4, 2022, the Company and Brightstart Consultants Limited, which is a company controlled by Rajeev Misra, entered into an amended agreement regarding the loan interest rate. The amended loan interest rate will be the higher of 1.93% or HMRC Official Rate for each year. Also, on April 5, 2022, the Company loaned $11 million to Brightstart Consultants Limited at the same loan interest rate mentioned above. Additionally, the entire outstanding balance as of March 31, 2022 related to Brightstart Consultants Limited and the entire amount of this additional loan were repaid by June 14, 2022.

*3 Unless the borrowers have received the prior consent of the Company, the borrowers shall hold T-Mobile shares until paid in full except for below;

• The transfer is made by cash consideration with fair market value.
  However, in this case, proceeds from this transfer are not subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*4 Unless the borrower has received the prior consent of the Company, the borrower has no ability to pledge T-Mobile shares as collateral until the loans are paid in full.

*5 If certain conditions are met, such as entering into an intercreditor agreement with the Company, each borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and others as collateral. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*6 CLAURE MOBILE LLC can choose limited recourse if certain conditions are met, such as the transfer restrictions being lifted without Marcelo Claure being appointed as a director of T-Mobile. And full recourse to Marcelo Claure will be canceled. In addition, when the limited recourse is selected, the Company will place the first lien on the T-Mobile shares purchased by CLAURE MOBILE LLC, if the T-Mobile shares can be directly collateralized. (However, if the security interest cannot be set to the T-Mobile shares due to legal restrictions such as the Federal Reserve System, the security interest will be set to a first priority pledge of 100% equity interests of CLAURE MOBILE LLC.)

Settlement of the loan and accrued interest with the transfer of T-Mobile shares when the limited recourse is selected is as follows;

a. If the T-Mobile share price at the time of transfer is less than 50% of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares. Marcelo Claure will be obliged to pay the difference between the repayment amount and 50% of the loan balance and accrued interest.

b. If the T-Mobile share price at the time of transfer is 50% or more and 100% or less of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares.

c. If the T-Mobile share price at the time of transfer exceeds 100% of the loan principal balance and accrued interest, proceeds from T-Mobile share transfer will be used to repay the loan and accrued interest, and CLAURE MOBILE LLC will receive remaining balance. However, if the T-Mobile share price at the time of transfer exceeds $150 per share, the transfer price after tax for the portion exceeding $150 per share will belong to the Company.

Other than the above, the Company entered into agreements with 1 employee for transferring T-Mobile shares and with 3 employees for a loan which was designated for the use for the purchase of T-Mobile shares for the fiscal year ended March 31, 2021. These employees are not related parties who need to be disclosed herein according to IAS 24.

The amount of the transactions between the Company and the employees recognized for the fiscal year ended March 31, 2022 and the outstanding balance were as follows. As one of the employees resigned on November 30, 2020, transactions with the person after the resignation and the balance at period-end for the person are not included in the following table.

(Millions of yen)

	Fiscal year ended March 31, 2022	**As of March 31, 2022**
Nature of transaction	Amount of transaction	Balance at period-end
Lending of loans receivable*1,2,3,7	**¥ –**	**¥ 5,672**
Interest receipt*1,2,3,7	**102**	**179**

(Thousands of U.S. dollars)

	Fiscal year ended March 31, 2022	**As of March 31, 2022**
Nature of transaction	Amount of transaction*8	Balance at period-end
Lending of loans receivable*1,2,3,7	**$ –**	**$46,345**
Interest receipt*1,2,3,7	**907**	**1,466**

*7 If certain conditions are met, such as entering into an intercreditor agreement with the Company, the borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and such as collateral for $15 million of the loan. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrower is prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*8 The amounts represent the original transaction amounts recorded in U. S. Dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

c. Incentive program

The Company provides loans to certain executives of the Company as a part of the incentive program, which was designated for use for the purchase of SoftBank Group Corp. shares. Such loan agreements with Marcelo Claure have continued after his resignation as Corporate Officer of the Company.

(a) Incentive program approved in April and July 2018

Regarding the incentive program approved in April and July 2018, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2022 and the outstanding balance were as follows.

(Millions of yen)

			Fiscal year ended March 31, 2022	**As of March 31, 2022**
Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Yoshimitsu Goto	Director	Lending of loans receivable*1,3,4	**¥ –**	**¥ 5,554**
		Interest receipt*1,3,4	**80**	**67**
		Borrowing of loans payable*1	**200**	**900**
		Interest payment *1	**11**	**9**
Ken Miyauchi	Director	Lending of loans receivable*1,3,4	**–**	**5,555**
		Interest receipt*1,3,4	**80**	**67**
Marcelo Claure	Former Corporate Officer	Lending of loans receivable*2,3,4,5	**–**	**11,109**
		Interest receipt*2,3,4,5	**270**	**273**
Rajeev Misra	Corporate Officer	Lending of loans receivable*2,3,4,5	**–**	**10,992**
		Interest receipt*2,3,4,5	**323**	**270**

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Yoshimitsu Goto	Director	Lending of loans receivable*1,3,4	$ –	$ 45,380
		Interest receipt*1,3,4	654	547
		Borrowing of loans payable*1	1,634	7,354
		Interest payment *1	90	74
Ken Miyauchi	Director	Lending of loans receivable*1,3,4	–	45,388
		Interest receipt*1,3,4	654	547
Marcelo Claure	Former Corporate Officer	Lending of loans receivable*2,3,4,5	–	90,767
		Interest receipt*2,3,4,5	2,206	2,231
Rajeev Misra	Corporate Officer	Lending of loans receivable*2,3,4,5	–	89,811
		Interest receipt*2,3,4,5	2,639	2,206

*1 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.

*2 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.

*3 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 the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

*4 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

*5 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 establish a collateral over additional property.

(b) Incentive program approved in February 2020

Regarding the incentive program approved in February 2020, the amount of the transactions between the Company and the related parties for the fiscal year ended March 31, 2022 and the outstanding balance were as follows.

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Marcelo Claure (Claure Holdings LLC)	Former Corporate Officer and related entities of which he holds more than one-half of the voting rights	Lending of loans receivable*6,7,8,9	¥ –	¥17,131
		Interest receipt*6,7,8,9	268	43
Rajeev Misra (Giantstep Holdings Limited)	Corporate Officer and related entities of which he holds more than one-half of the voting rights	Receipt of loans receivable*6,7,8,9,10	16,065	1,066
		Interest receipt*6,7,8,9,10	323	3

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Marcelo Claure (Claure Holdings LLC)	Former Corporate Officer and related entities of which he holds more than one-half of the voting rights	Lending of loans receivable*6,7,8,9	$ –	$139,971
		Interest receipt*6,7,8,9	2,190	351
Rajeev Misra (Giantstep Holdings Limited)	Corporate Officer and related entities of which he holds more than one-half of the voting rights	Receipt of loans receivable*6,7,8,9,10	131,261	8,710
		Interest receipt*6,7,8,9,10	2,639	25

*6 The interest rate for the loan is 1.93% 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 borrower is required to pay the outstanding principal amount of the loan in a single payment on the seventh anniversary of the funding date. 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 transfer of SoftBank Group Corp. shares purchased through the loan is restricted for the twelve-month period succeeding the effective date of the agreement. Then, the number of shares available for transfer will increase by 20% every three months, and all shares will become available for transfer after exceeding twenty four months.

*8 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.

*9 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

*10 The outstanding balance of loans and interest on loans as of March 31, 2022 was fully settled on April 5, 2022.

d. Other related party transactions

Related party transactions of the Company were as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
WeWork	Associate	Receipt of WeWork warrants with exercise price of USD 0.01 per share*1	**¥11,540**	**¥ 42,617**
		Receipt of WeWork warrants with exercise price of USD 0.02 per share*2	**–**	**4,221**
		Purchase of unsecured notes*3	**44,000**	**153,328**
		Credit support for letter of credit facility*4	**–**	**–**
		Purchase of senior secured notes*5	**–**	**–**
Masayoshi Son (Son Asset Management LLC and 6 other companies)	Representative Director 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.	**22,099**	**–**
		Exercise of stock acquisition rights of SoftBank Corp.	**498**	**–**
		Advance payment for temporary expense	**365**	**–**
		Payment for equipment usage*6	**15**	**1**
		Receipt of guarantees for claims against subsidiaries of the Company*7,8	**–**	**–**
Ken Miyauchi	Director	Exercise of stock acquisition rights of SoftBank Corp.	**498**	**–**
		Dividend paid from SoftBank Group Corp.	**111**	**–**
Yutaka Matsuo (AI & Company, Inc.)	Director and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*9	**8**	**64*10**

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
Marcelo Claure (Claure Group LLC and 1 other company)	Former Corporate Officer and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	**243**	**–**
		Sale of shares of the Company's subsidiary*11	**11,505**	**–**
		Advance payment for temporary expense	**58**	**–**
Rajeev Misra	Corporate Officer	Advance payment for temporary expense	**25**	**63**
Taizo Son (Son Estate LLC and 3 other companies*12)	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	**906**	**–**
		Receipt of capital contribution to a subsidiary*13	**50**	**382*10**
		Receipt of deposits to a subsidiary*14	**–**	**24**

(Thousands of U.S. dollars)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period-end
WeWork	Associate	Receipt of WeWork warrants with exercise price of USD 0.01 per share*1	**$ 101,589*15**	**$ 348,207**
		Receipt of WeWork warrants with exercise price of USD 0.02 per share*2	**–**	**34,488**
		Purchase of unsecured notes*3	**400,000*15**	**1,252,782**
		Credit support for letter of credit facility*4	**–**	**–**
		Purchase of senior secured notes*5	**–**	**–**
Masayoshi Son (Son Asset Management LLC and 6 other companies)	Representative Director 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.	**180,562**	**–**
		Exercise of stock acquisition rights of SoftBank Corp.	**4,069**	**–**
		Advance payment for temporary expense	**2,982**	**–**
		Payment for equipment usage*6	**123**	**8**
		Receipt of guarantees for claims against subsidiaries of the Company*7,8	**–**	**–**
Ken Miyauchi	Director	Exercise of stock acquisition rights of SoftBank Corp.	**4,069**	**–**
		Dividend paid from SoftBank Group Corp.	**907**	**–**
Yutaka Matsuo (AI & Company, Inc.)	Director and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*9	**65**	**523*10**
Marcelo Claure (Claure Group LLC and 1 other company)	Former Corporate Officer and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	**1,985**	**–**
		Sale of shares of the Company's subsidiary*11	**94,000*15**	**–**
		Advance payment for temporary expense	**474**	**–**
Rajeev Misra	Corporate Officer	Advance payment for temporary expense	**204**	**515**
Taizo Son (Son Estate LLC and 3 other companies*12)	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	**7,403**	**–**
		Receipt of capital contribution to a subsidiary*13	**409**	**3,121*10**
		Receipt of deposits to a subsidiary*14	**–**	**196**

*1 WeWork warrants with exercise price of $0.01 per share, which the Company received as a consideration for conversion of WeWork preferred shares into WeWork common shares of the new company at the time of the merger of WeWork and SPAC (39,133,649 shares) and for the extension of credit support for a letter of credit facility provided by financial institutions (11,923,567 shares).

*2 WeWork warrants which the Company received as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions. Exercise price of the warrants is changed from $0.01 per share to $0.02 per share at the time of the merger of WeWork and SPAC, and warrants that are convertible into common shares at an exercise price of $0.02 per share.

*3 The Company has purchased $2.2 billion in unsecured notes issued by WeWork for the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2022. Amount of transaction represents the amounts of unsecured notes which the Company purchased for the fiscal year ended March 31, 2022. The balance sheet amount of unsecured notes as of March 31, 2022 is presented as balance at period end.

*4 The Company provides to WeWork the credit support for a $1.75 billion letter of credit facility provided by financial institutions. The details are described in "(2) Credit guarantees" under "Note 49. Contingency."

*5 The Company is obliged to purchase up to $0.55 billion in senior secured notes to be issued by WeWork. As of March 31, 2022, none of the senior secured notes had been purchased by the Company.

*6 Equipment usage fees are determined based on the ratio of usage.

*7 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son and Son Asset Management LLC as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son and Son Asset Management LLC indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.

Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*8 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son and Son Asset Management LLC to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son and Son Asset Management LLC.

*9 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*10 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2022.

*11 In relation to Marcelo Claure's resignation, the Company sold to Marcelo Claure all shares of BGG Holdco, LLC, a wholly owned subsidiary of the Company that indirectly owns its affiliate, Brightstar. The sales price of the shares was determined based on the fair value of the shares as of December 31, 2021.

*12 Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*13 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*14 This represents the received amount of deposits to PayPay Bank Corporation, a subsidiary of the Company, by GEUDA General Incorporated Association and the terms and conditions of the transactions are determined as same as other depositors.

*15 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.

(2) Remuneration for executives

Remuneration for executives is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2021	**Fiscal year ended March 31, 2022**	**Fiscal year ended March 31, 2022**
Short-term benefits	¥7,405	**¥ 5,140**	**$ 41,997**
Share-based payments	1,017	**397**	**3,244**
Expenses resulting from the resignation of corporate officer	–	**4,567**	**37,315**
Retirement benefits	19	**6**	**49**
Other long-term benefits	–	**8,092**	**66,116**
Total	¥8,441	**¥18,202**	**$ 148,721**

For the fiscal year ended March 31, 2021

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors), Marcelo Claure as Corporate Officer, Executive Vice President and COO, Katsunori Sago as Corporate Officer, Executive Vice President and CSO, and Rajeev Misra as Corporate Officer, Executive Vice President. Although Marcelo Claure, Katsunori Sago and Rajeev Misra resigned from their positions on the Board of Directors of SoftBank Group Corp on November 9, 2020, they continue to be major executives of the Company and their remuneration during the term of office of directors and after resignation are included in the table above. Remuneration for Marcelo Claure, Katsunori Sago and Rajeev Misra included in the table above are ¥2,389 million, ¥387 million and ¥1,536 million, respectively.

Katsunori Sago resigned from his position of Corporate Officer, Executive Vice President and CSO on March 31, 2021. He is not an executive of the Company from April 1, 2021.

Other than the above, certain executives of SoftBank Group Corp. have each, as a limited partner, participated in a fund (an associate of the Company) which is managed by SBIA. Under the limited partnership agreement of the fund, these executives are exempt from paying any management or performance fees that are payable by the other limited partners of the fund.

With regard to the distributions made by the fund for the fiscal year ended March 31, 2021, the executives were each exempt from paying any performance fees which were, in aggregate, equivalent to ¥137 million. The fund, an associate of the Company, was dissolved in December 2020.

For the fiscal year ended March 31, 2022

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors), Marcelo Claure as Corporate Officer, Executive Vice President and COO and Rajeev Misra as Corporate Officer, Executive Vice President.

Marcelo Claure resigned from his position of Corporate Officer, Executive Vice President and COO on January 27, 2022 at SoftBank Group Corp. He is not an executive of the Company from January 28, 2022. Expenses resulting from the resignation of corporate officer in the table above represent expenses which payment amounts are defined in relation to his resignation.

Other long-term benefits in the table above represent the long-term incentive plan for Marcelo Claure. The long-term incentive plan is linked to the performance of SBLA Latin America Fund (Cayman) L.P. and SBLA Holdings (Cayman) L.P. which constitute SoftBank Latin America Fund (“SoftBank Latin America Fund 1”). As this long-term incentive plan in principle allows retired directors and employees to continue to be eligible for this long-term incentive plan, Marcelo Claure will continue to be eligible for this long-term incentive plan. The amount of compensation under this long-term incentive plan will the amount by multiplying the Incentive Award Pool (Meaning Net proceeds from SoftBank Latin America Fund 1’s proceeds, less allocations to limited partners, operating expenses and others, multiplied by 50%) by the plan participant’s award percentage, and will vest on the earlier of the date of the liquidation of SoftBank Latin America Fund 1 or October 30, 2029. Marcelo Claure’s award percentage is 30% of the Incentive Award Pool.

The other long-term benefits amounts in the table above represent estimated compensation to Marcelo Claure calculated based on the performance of SoftBank Latin America Fund 1 as of March 31, 2022, and such amounts may increase or decrease depending on the future performance of SoftBank Latin America Fund 1. Payment of this long-term incentive plan compensation amounts will be made after the performance fee has been paid by SoftBank Latin America Fund 1 to the fund management company, and all compensation payments will be completed by March 15, 2030.

In addition to the remuneration in the table above, the Company sold shares of its subsidiary to Marcelo Claure. The details are described in “*11” in “d. Other related party transactions” in “For the fiscal year ended March 31, 2022” under “(1) Related party transactions and balances.”

49. Contingency

(1) Lending commitments

Lending commitments that the Company is engaged in are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Lending commitments	¥5,964,876	**¥7,135,014**	**$58,297,361**
Funded	701,749	**814,632**	**6,656,034**
Unfunded	¥5,263,127	**¥6,320,382**	**$51,641,327**

The lending commitments that the Company is engaged in are mainly shopping and cashing credit limits provided to the credit card members in the SoftBank segment.

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 because 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 31. Financial instruments."

(2) Credit guarantees

Guarantees that the Company provides are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2021	**As of March 31, 2022**	**As of March 31, 2022**
Total amount of financial guarantee contract	¥211,978	**¥232,324**	**$1,898,227**
Guarantee balance	154,265	**155,332**	**1,269,156**

The Company has provided credit support (financial guarantee contract) for a $1.75 billion letter of credit facility to WeWork by financial institutions. As of March 31, 2022, the Company recorded ¥214,183 million ($1,750,004 thousand) (as of March 31, 2021: ¥193,743 million) of the total amount of the guarantee contract related to the financial guarantee contract and ¥147,848 million ($1,208,007 thousand) (as of March 31, 2021: ¥145,640 million) of the guarantee balance. The credit support for letter of credit facility will expire on February 10, 2024, and the amount of credit support will be $1.25 billion on or after February 10, 2023. In the event that the Company fulfills such joint and several liability, the Company will obtain the right of indemnification against WeWork.

As of March 31, 2022, the Company recorded allowance for financial guarantee contract losses of ¥22,280 million ($182,041 thousand) (as of March 31, 2021: ¥24,381 million) under "Other financial liabilities (current)" in the consolidated statement of financial position. "

(3) Litigation

SoftBank Group Corp. and certain of its subsidiaries are a 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.

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 close inspection 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, in response to matters such as the change of a purchase price of telecommunication line provided to JPiT.

JPiT filed an additional petition on June 24, 2020 in relation to the lawsuit (b) above, and modified the amount of the claim for SoftBank Corp. from approximately ¥16.15 billion to approximately ¥16.81 billion.

50. Purchase commitments

The Company had commitments to purchase services and goods of ¥1,051,023 million ($8,587,491 thousand) as of March 31, 2022 (¥1,719,820 million as of March 31, 2021). Purchase commitments are mainly outstanding contracts related to purchases of telecommunications equipment, investments, and purchases of mobile devices.

51. Additional information

(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2021)

(1) Outline of the Transfer

As part of the "¥4.5 trillion program", the Company transferred 173,564,426 shares out of 304,606,049 shares of T-Mobile common stock held on June 26, 2020 (a. and b. described in (2)), 5,000,000 shares on July 16, 2020 (c. described in (2)), and 19,750,000 shares on August 3, 2020 (d. described in (2)), to T-Mobile through its subsidiary (the "Transfer").

T-Mobile disposed of the shares transferred from its subsidiary through a public offering in the United States, a private placement through a trust issuing cash mandatory exchangeable trust securities, a rights offering* and a sale to Marcelo Claure, one of its directors, with the proceeds being transferred to the Company's subsidiary (collectively, the "Related Transactions").

In connection with the consummation of the Transfer and Related Transactions, the Company paid $300 million to T-Mobile.

The aggregate transaction price for the Transfer is equal to the proceeds received by T-Mobile in the Related Transactions.

* The Company, Deutsche Telekom, Marcelo Claure and certain of their respective affiliates have agreed to waive their rights to participate in the rights offering.

(2) Number of shares to be transferred and transaction price

a. Shares to be transferred in the U.S. public offering by T-Mobile and transaction price thereof	154,147,026 shares Transaction price per share $103.00 Aggregate transaction price $15,877 million
b. Shares to be transferred to the Trust from T-Mobile in a private offering through the Trust and transaction price thereof	19,417,400 shares Aggregate transaction price $1,667 million
c. Shares to be transferred to Marcelo Claure, a director of T-Mobile and transaction price thereof	5,000,000 shares Transaction price per share $103.00 Aggregate transaction price $515 million
d. Shares to be transferred to the shareholders in the rights offering by T-Mobile and transaction price thereof	19,750,000 shares Transaction price per share $103.00 Aggregate transaction price $2,034 million

(3) Grant of call options to Deutsche Telekom

The Company granted to Deutsche Telekom call options (the "Call Options") over 101,491,623 shares of T-Mobile which the Company holds through its subsidiary on June 2020.

a. For the Call Options over 44,905,479 shares out of the 101,491,623 shares, a strike price of the call option is $101.455 per a share. Deutsche Telekom can exercise the Call Options any time after the grant date.

b. For the Call options over 56,586,144 shares out of the 101,491,623 shares, a strike price of the call option is equal to the average of the daily volume-weighted average price of the shares of T-Mobile for each of the 20 trading days immediately prior to exercise. Deutsche Telekom can exercise the Call Options after the exercise of rights described in the above a. or October 2, 2020.

* The Call Options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

(4) Number of shares to be transferred, number of shares subject to the Call Options and number of shares held by the Company before/after the transactions

a. Number of shares held before the Transfer	304,606,049 shares
b. Number of the released shares	198,314,426 shares
c. Number of shares held after the Transfer	106,291,623 shares
d. Number of shares subject to the Call Options	101,491,623 shares
e. Number of shares held after the Call Options are exercised*	4,800,000 shares

* Calculated on the assumption that the Call Options are fully exercised.

(Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022)
On September 6, 2021, the Company entered into a master framework agreement ("the Agreement") with Deutsche Telekom, pursuant to which Deutsche Telekom agreed to partially exercise its right to acquire the shares of T-Mobile in accordance with the terms of the call options (the "Call Options") granted by the Company to Deutsche Telekom in June 2020, and to amend certain execution conditions. Following the exercise of the Call Options, the Company sold 45,366,669 shares of T-Mobile held, though a wholly-owned subsidiary of the Company, to Deutsche Telekom and received newly issued 225,000,000 shares of Deutsche Telekom as its consideration. Under the Agreement, Deutsche Telekom also provided its consent for the Company to have additional flexibility to pledge its T-Mobile shares in connection with the entry into margin loans and other monetization transactions and agreed that it will prioritize the use of cash proceeds from certain divestitures to exercise the additional Call Options for cash up to an aggregate of $2.4 billion of total exercise price, subject to certain conditions. Following entry into the Agreement, the Company carried out the monetization transactions using T-Mobile shares and Deutsche Telekom shares.

(1) Partial exercise of the Call Options
On September 23, 2021, Deutsche Telekom exercised the Fixed Call Options for 26,348,874 shares and the Floating Call Options for 19,017,795 shares and a wholly-owned subsidiary of the Company received newly issued 225,000,000 shares of Deutsche Telekom as its consideration. Adjustments were made for a strike price of the Floating Call Options to be equal to the acquired 225,000,000 shares of Deutsche Telekom from the partial exercise of the Call Options.

(2) Change in conditions for the unexercised Call Options
A strike price of the Floating Call Options was changed to the lesser of the following a. and b.

a. The average of the daily volume weighted average prices of T-Mobile shares for the 20 scheduled trading days beginning on, and including, the scheduled trading day immediately following the date of delivery of the Notice of Exercise.

b. The average of the daily volume weighted average prices of T-Mobile shares for (a) the period of 20 trading days ending with the date of delivery of the Notice of Exercise (or ending on the immediately preceding trading day if the date of delivery of the Notice of Exercise is not a trading day) and (b) the 20 scheduled trading days beginning on, and including, the scheduled trading day immediately following the date of delivery of the Notice of Exercise.

In addition, the expiration date for the unexercised Call Options is May 28, 2024 and the Call Options can be exercised at any time.

(3) Number of T-Mobile shares to be sold by partial exercise of the Call Options, number of shares subject to the unexercised Call Options and number of the shares held by the Company before/after the transactions

a. Number of shares held before the partial exercise	106,291,623 shares
b. Number of the sold shares by the partial exercise	45,366,669 shares
c. Number of shares held after the partial exercise	60,924,954 shares
d. Number of shares subject to the unexercised Call Options	56,124,954 shares
e. Number of shares held after the Call Options are exercised*	4,800,000 shares

* Calculated on the assumption that the Call Options are fully exercised.

(4) Outline of the monetization using T-Mobile shares and Deutsche Telekom shares

For the fiscal year ended March 31, 2022, a wholly-owned subsidiary of the Company procured $2.49 billion through prepaid forward contracts by using 24,800,000 shares of T-Mobile and $2.06 billion through a new margin loan by using 36,124,954 shares of T-Mobile pledged as collateral, and made an early repayment of $4.38 billion for the previous margin loan by using 106,291,623 shares of T-Mobile pledged as collateral. In addition, €2.64 billion was procured through collar transactions by using 225,000,000 shares of Deutsche Telekom. The details are described in "*3" and "*5" in "(5) Assets pledged as collateral" under "Note 25. Interest bearing debts."

(5) Transactions on and after April 1, 2022

On April 12, 2022, Deutsche Telekom additionally exercised the Fixed Call Options for 11,827,904 shares and the Floating Call Options for 9,325,241 shares by using the proceeds from sale of certain businesses. In connection with the additional exercise, a wholly-owned subsidiary of the Company received $2.40 billion as consideration for the sale of T-Mobile shares. In addition, the wholly-owned subsidiary of the Company made a partial prepayment of $1.20 billion for the margin loan which T-Mobile shares underlie.

52. Subsequent events

There have been no subsequent events to date.

53. Approval of consolidated financial statements

The consolidated financial statements have been approved by the Company's Representative Director, Corporate Officer, Chairman & CEO, Masayoshi Son, as of June 21, 2022.

Independent Auditor's Report

SoftBank Group Corp. and its Consolidated Subsidiaries

Deloitte.

Deloitte Touche Tohmatsu LLC
Marunouchi Nijubashi Building
3-2-3 Marunouchi
Chiyoda-ku, Tokyo 100-8360
Japan

Tel: +81 (3) 6213 1000
Fax: +81 (3) 6213 1005
www2.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SoftBank Group Corp.:

Opinion

We have audited the consolidated financial statements of SoftBank Group Corp. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The reasonableness of the valuation of Arm's goodwill

(1) Key Audit Matter Description

The Company recorded ¥4,897,913 million of goodwill in the consolidated statement of financial position as of March 31, 2022, which included ¥2,898,128 million of goodwill related to Arm Limited ("Arm"), representing 6.1% of total assets.

As discussed in Note 19, "Goodwill and intangible assets," on September 13, 2020, SoftBank Group Capital Limited ("SBGC"), a wholly owned subsidiary of the Company, and SoftBank Vision Fund L.P. and its alternative investment vehicles ("SVF1"), entered into a definitive agreement with NVIDIA Corporation ("NVIDIA"), whereby the Company would sell all of its shares in Arm held by SBGC and SVF1 to NVIDIA (the "Transaction"). The Transaction was subject to regulatory approval mainly from authorities in the United Kingdom, the People's Republic of China, the European Union, and the United States of America and other customary closing conditions. However, the Company and NVIDIA agreed to terminate the agreement on February 8, 2022, due to significant regulatory challenges.

In the impairment test for Arm's goodwill, fair value less disposal cost is used to evaluate the recoverable amount of the cash generating unit, including goodwill. As of the previous fiscal year-end when the agreement had not been terminated, since the uncertainties of satisfying the closing conditions (such as regulatory approval) existed, management considered two possible scenarios such as all Arm shares being sold and SBGC and SVF1 continuing to hold Arm shares. Management estimated the fair value of the cash generating unit including Arm's goodwill by calculating the fair value for each scenario and weighted them based on its assessment of the probability of each scenario occurring. As of the current fiscal year-end, the fair value is calculated solely based on the scenario where Arm shares would continue to be held as a result of the termination of the agreement.

The fair value is calculated by discounting future cash flows according to Arm's business plan using an after-tax rate. The calculation contains significant assumptions, such as chip shipments for the smartphone market licensing business, which affect Arm's revenue forecasts, average royalty rate, and the discount rate. These assumptions, which are used in calculating the fair value, are subject to a high degree of management judgment and are highly sensitive to the calculation of fair value.

Based on the above, we determined that the valuation of the Arm's goodwill is a key audit matter. For the reasons above, the probability of each scenario and the probability of achieving specific Arm's financial performance targets to receive the contingent consideration used for calculating fair value if all Arm shares were to be sold as part of the Transaction, which were identified as the significant assumptions in the previous fiscal year, are excluded from the significant assumptions.

(2) How the Key Audit Matter Was Addressed in the Audit

We performed the following procedures, among others, to evaluate the reasonableness of the estimates related to the valuation of Arm's goodwill:

- The chip shipments for the global smartphone market in the license business are estimated based on the forecast of the global smartphone market's growth and forecast of Arm's market share. We evaluated the reasonableness of the forecast of the smartphone market's growth by performing inquiries of management and comparison to third-party data available. We also evaluated the reasonableness of the forecast of Arm's market share by performing an analysis of the competitors of the market.

- We evaluated the reasonableness of the average royalty rate of smartphone chip in the license business by inspecting the contracts recently executed with Arm's primary business partners.

- We evaluated the reasonableness of the discount rate with the assistance of our valuation specialists who assessed the validity of the valuation technique and the inputs.

We independently performed a sensitivity analysis and evaluated whether the fair value calculated by management was significantly different from the amount determined by us.

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2. The reasonableness of the valuation of Level 3 investments

(1) Key Audit Matter Description

The Company has expanded its investment activities, mainly through SVF1 and SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles ("SVF2"). As a result of these activities, the Company recorded ¥13,766,391 million of investments from SVF1 and SVF2 accounted for using FVTPL and ¥4,208,567 million of investment securities in the consolidated statement of financial position as of March 31, 2022.

As discussed in Note 32, Investments from SVF1 and SVF2 accounted for using FVTPL and Equity securities (excluding investments from SVF1 and SVF2) included ¥8,954,513 million and ¥1,456,818 million of Level 3 investments, respectively, whose fair values were measured using unobservable inputs ("Level 3 investments"). The enterprise values to calculate the fair values of Level 3 investments are calculated primarily based on the recent transactions method, the announced transactions method, the discounted cash flow method and the market comparable company multiple method. Calculations are determined utilizing one or more of these methods for each security.

For each valuation method, the following significant assumptions, which are subject to a high degree of management judgment, and the occurrence of the following events, are highly sensitive:

- revenue growth rate in the business plan, permanent growth rate and capital cost that are used in the discounted cash flow method
- selection of peer companies as the basis for revenue multiples used for a market comparable company multiple method
- the subsequent events that provide additional evidence to fair value at the end of the reporting period
- weighted average ratio when multiple valuation methods described above are used

The calculated enterprise value is allocated to the equity value of each type of stock according to the capital structure of the investee to calculate the fair value. With the main consideration of shareholder's rights and their preferred rights, the option pricing method is used to determine the allocation ratio. In addition, the allocation ratio is determined by considering the possibility that the preferred stock will be converted into common stock through an initial public offering and such. The estimates that are associated with high uncertainty in the future, such as a possibility of an initial public offering, significantly affect the allocation ratio.

Based on the above, we determined that the reasonableness of the valuation of Level 3 investments is a key audit matter.

(2) How the Key Audit Matter Was Addressed in the Audit

We performed the following primary procedures to evaluate the reasonableness of the estimates related to valuation of Level 3 investments:

- We tested the reasonableness of the selection of valuation methods utilized by performing inquires of management, evaluating the consistency of the valuation methods previously utilized and evaluating the appropriateness of changes in such methods, if any.
- For Level 3 investments where the discounted cash flow method is utilized, we performed retrospective reviews of performance against plan with reference to external reports (where available) in order to evaluate the reasonableness of the revenue growth rate and the permanent growth rate used in the business plan. Regarding capital cost, we evaluated the reasonableness of the capital cost used in the valuation with the assistance of our valuation specialists.

- For Level 3 investments where the market comparable company multiple method is utilized, we evaluated the reasonableness of management's selection of peer companies, which serves as the basis for the revenue multiples selected by management, with the assistance of our valuation specialists.
- We performed inquiries of management, inspected publicly available information to identify if there are any new funding rounds, or listing of shares as a result of an initial public offering or merger with a special purpose acquisition company, and evaluated whether or not these events should be taken into account in estimating the fair value of the relevant investment at the end of the reporting period.
- For Level 3 investments where multiple valuation methods are utilized, we evaluated the reasonableness of the weighted average ratio of multiple valuation methods, consistency with the weighted average ratio previously used and the appropriateness of changes in the ratio, if any.
- Regarding the estimates of the possibility of an initial public offering, we performed inquiries of management as well as a review of any publicly available filings to evaluate if management's judgment was considered reasonable.

Other Information

The other information comprises the information included in the Company's disclosure documents accompanying audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 24, 2022

SoftBank Group Corp.

TSE Prime Market: 9984

https://group.softbank/en/

Published on July 27, 2022