SoftBank Group

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 4 of this report.

SoftBank Group Corp.
Consolidated Financial Report
For the Fiscal Year Ended March 31, 2020 (IFRS)

Tokyo, May 18, 2020

1. Financial Highlights

(Millions of yen; amounts are rounded to the nearest million yen)

(1) Results of Operations

(Percentages are shown as year-on-year changes)

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2020	**¥6,185,093**	**1.5**	**¥(1,364,633)**	-	**¥35,492**	**(97.9)**	**¥(800,760)**	-	**¥(961,576)**	-	**¥(1,290,339)**	-
Fiscal year ended March 31, 2019	¥6,093,548	-	¥2,073,636	-	¥1,682,673	-	¥1,454,618	17.5	¥1,411,199	35.8	¥1,502,295	13.0

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)	Ratio of operating income to net sales (%)
Fiscal year ended March 31, 2020	**¥(478.50)**	**¥(485.33)**	**(14.2)**	**0.1**	**(22.1)**
Fiscal year ended March 31, 2019	¥634.08	¥628.27	22.0	5.0	34.0

Notes:

1. Income on equity method investments
   Fiscal year ended March 31, 2020: ¥ 638,717 million
   Fiscal year ended March 31, 2019: ¥ 320,101 million

2. Net sales, operating income, and income before income tax are presented based on the amounts from continuing operations only. Year-on-year percentage changes in net sales, operating income, and income before income tax for the fiscal year ended March 31, 2019 are not presented because corresponding amounts for the fiscal year ended March 31, 2019 are revised and presented respectively.
   Please refer to page 62 “Note 2. Discontinued operations” in “(6) Notes to Consolidated Financial Statements” under “4. Consolidated Financial Statements and Primary Notes” for details.

3. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent (Yen)
As of March 31, 2020	**¥37,257,292**	**¥7,372,917**	**¥5,913,613**	**15.9**	**2,619.32**
As of March 31, 2019	¥36,096,476	¥9,009,204	¥7,621,481	21.1	3,380.33

Notes:
1. “Equity per share attributable to owners of the parent” is based on “Equity attributable to owners of the parent” excluding the amount not attributable to ordinary shareholders.

2. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. “Equity per share attributable to owners of the parent” is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2020	**¥1,117,879**	**¥(4,286,921)**	**¥2,920,863**	**¥3,369,015**
Fiscal year ended March 31, 2019	¥1,171,864	¥(2,908,016)	¥2,202,291	¥3,858,518

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2019	-	22.00	-	22.00	44.00
Fiscal year ended March 31, 2020	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2021 (Forecasted)	-	-	-	-	-

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	(Millions of yen)	%	%
Fiscal year ended March 31, 2019	47,166	3.5	0.8
Fiscal year ended March 31, 2020	91,063	-	1.5
Fiscal year ending March 31, 2021 (Forecasted)		-	

Notes:

1. The Company decides the end of the year and the end of the second quarter as the record dates for dividends under the articles of incorporation, however the forecasted dividend amounts for the fiscal year ending March 31, 2021 are not determined at the present moment.

2. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. The dividend for the fiscal year ended March 31, 2019 is actual dividend amount before the share split.

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): No

Newly consolidated: None

Excluded from consolidation: None

Note:

* Foreign subsidiaries prepare stand-alone financial statements only under circumstances where it is necessary under their local laws and practices. Applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) to (iii), is determined by using the financial statements.

On the other hand, for foreign subsidiaries that do not prepare stand-alone financial statements, information on the capital and net assets for those companies is not available. Therefore, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is used to determine whether the companies are the specified subsidiaries.

The applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is determined based on the percentage of total amount of purchase from SoftBank Group Corp. and dividend paid to SoftBank Group Corp. to total amount of operating revenue of SoftBank Group Corp.

For fund-type subsidiaries, the amount of net assets based on financial statements prepared in accordance with the corresponding laws and practices is used to determine the applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (ii).

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRSs: Yes
[2] Changes in accounting policies other than those in [1]: No
[3] Changes in accounting estimates: Yes

Please refer to page 44 "(1) Changes in Accounting Policies" and "(2) Changes in Accounting Estimates" under "3. Notes to Summary Information" for details.

(3) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):

As of March 31, 2020:	2,089,814,330	shares
As of March 31, 2019:	2,201,320,730	shares

[2] Number of shares of treasury stock:

As of March 31, 2020:	21,818,471	shares
As of March 31, 2019:	93,653,848	shares

[3] Number of average shares outstanding during twelve-month period (April-March):

As of March 31, 2020:	2,074,225,377	shares
As of March 31, 2019:	2,175,122,586	shares

Note:
*The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Number of shares issued," "Number of shares of treasury stock," and "Number of average shares outstanding during twelve-month period" are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

[For Reference]

Financial Highlights (Non-Consolidated)

(1) Non-Consolidated Results of Operations

(Percentages are shown as year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2020	¥101,542	(95.1)	¥50,039	(97.5)	¥(135,045)	-	¥(964,714)	-
Fiscal year ended March 31, 2019	¥2,070,057	-	¥2,017,359	-	¥1,728,503	-	¥1,977,693	866.3

	Net income per share-basic (Yen)	Net income per share-diluted (Yen)
Fiscal year ended March 31, 2020	¥(465.10)	¥ -
Fiscal year ended March 31, 2019	¥909.23	¥907.63

Notes:
1. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Net income per share-basic" and "Net income per share-diluted" are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. Net income per share-diluted for the fiscal year ended March 31, 2020 is not presented as net income per share-basic is negative.

SoftBank Group

(2) Non-Consolidated Financial Position

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (Yen)
As of March 31, 2020	¥15,199,663	¥4,153,205	27.2	¥2,000.51
As of March 31, 2019	¥15,057,029	¥5,440,301	36.0	¥2,574.19

Notes:

1. Shareholders' equity (Non-consolidated)
   As of March 31, 2020: ¥4,137,052 million
   As of March 31, 2019: ¥5,425,534 million

2. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Shareholders' equity per share" is calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(3) Differences in Non-Consolidated Operating Results from the Previous Fiscal Year

The decreases in operating revenue, operating income, ordinary income, and net income in the fiscal year ended March 31, 2020 from the previous fiscal year ended March 31, 2019 were mainly attributable to a ¥1,968,668 million year-on-year decrease in dividends from subsidiaries and associates.

Financial Highlights (Non-Consolidated) are prepared in accordance with Accounting Principles Generally Accepted in Japan.

*** This consolidated financial report is not subject to audit procedures by certified public accountants or an auditing firm.**

*** Note to forecasts on the consolidated results of operations and other items**

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

On May 18, 2020 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on the Company's website in both Japanese and English at https://group.softbank/en/corp/irinfo/presentations/. The Data Sheet will also be posted on the website on the same day at the same site.

(Appendix)

Contents

Definition of Company Names and Abbreviations Used in This Appendix

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

Company names / Abbreviations	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
**Each of the following abbreviations indicates the respective company and its subsidiaries, if any.*	
SoftBank Vision Fund	SoftBank Vision Fund L.P. and its alternative investment vehicles
Delta Fund	SB Delta Fund (Jersey) L.P.
SBIA	SB Investment Advisers (UK) Limited
Sprint	Sprint Corporation
Arm	Arm Limited
Alibaba	Alibaba Group Holding Limited
WeWork	The We Company
The first quarter	Three-month period ended June 30, 2019
The second quarter	Three-month period ended September 30, 2019
The third quarter	Three-month period ended December 31, 2019
The fourth quarter	Three-month period ended March 31, 2020
The fiscal year	Fiscal year ended March 31, 2020
The previous fiscal year	Fiscal year ended March 31, 2019

Exchange Rates Used for Translations

Average rate for the quarter

	Fiscal year ended March 2019				Fiscal year ended March 2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥108.71	¥111.55	¥112.83	¥110.46	¥110.00	¥107.70	¥108.98	¥109.22

Rates at the end of the period

	March 31, 2019	March 31, 2020
USD / JPY	¥110.99	¥108.83
GBP / JPY	¥144.98	¥133.32

Adoption of IFRS 16

In the first quarter, the Company adopted IFRS 16 “Leases.” Due to the adoption of IFRS 16, the cumulative impact of the adoption was recognized as an adjustment to the balance of retained earnings on the date of adoption (April 1, 2019), and the Company has not adjusted the presentation of information of the previous fiscal year. The Company does not adopt IFRS 16 with respect to lease transactions of intangible assets. See “1. Significant accounting policies” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes” for details.

Main impacts of adopting IFRS 16

Consolidated Statement of Financial Position

On the date of adoption of IFRS 16, total assets increased by ¥1,336,695 million, total liabilities by ¥1,324,055 million, and total equity by ¥12,640 million. This was mainly due to the recording of right-of-use assets and lease liabilities related to operating leases, which were previously accounted for as leases.

Consolidated Statement of Income

The expenses related to operating leases, recorded as right-of-use assets and lease liabilities on the date of the adoption, are recorded as depreciation and interest expenses instead of lease expenses as recorded previously.

1. Results of Operations

(1) Overview of Results of Operations (Fiscal year ended March 31, 2020)

1. Highlights of results

◆ **Operating loss of ¥1.4 trillion (deteriorated ¥3.4 trillion yoy)**

- Operating loss from SoftBank Vision Fund and other SBIA-managed funds of ¥1.9 trillion: Of this, unrealized valuation loss (net) was ¥1.9 trillion from investments held by SoftBank Vision Fund at the fiscal year-end. Fair values of Uber, WeWork and its three affiliates[1] decreased, and total fair value of other portfolio companies decreased significantly in the fourth quarter, primarily due to the impact of the outbreak of the novel coronavirus (COVID-19).
- The SoftBank segment showed robust growth, with operating income increasing 7.4% yoy.

◆ **Net loss attributable to owners of the parent of ¥961.6 billion (deteriorated ¥2.4 trillion yoy)**

- Income on equity method investments of ¥638.7 billion, including a gain of ¥286.5 billion associated with the receipt of Ant Financial shares by Alibaba.
- Dilution gain from changes in equity interest of ¥339.8 billion recorded mainly in conjunction with a new issuance of shares by Alibaba upon its listing in Hong Kong.
- Gain relating to settlement of variable prepaid forward contract using Alibaba shares of ¥1,218.5 billion: Impact on income was ¥856.8 billion, net of the ¥361.8 billion* impact on income taxes caused by a reversal of deferred tax assets.
- Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds of ¥540.9 billion
- Finance cost of ¥300.9 billion*
- Losses totaling ¥720.8 billion* recorded related to the investment in WeWork held by a wholly owned subsidiary of the Company (mainly recorded as loss from financial instruments at FVTPL and provisions for allowance for loan commitment losses and financial guarantee contract losses)

* recorded as a cost for the fiscal year

2. Highlights of operations

◆ On March 13, 2020, the Company decided to execute a share repurchase of up to ¥500 billion.

◆ On March 23, 2020, the Company decided on a program to sell or monetize up to ¥4.5 trillion of assets to repurchase shares and reduce debt.

◆ Subsequent to the fiscal year-end, on April 1, 2020, Sprint completed its merger with T-Mobile.

- Following the merger, New T-Mobile became an associate accounted for using the equity method.
- The Sprint business is reclassified as a disposal group classified as held for sale from the fiscal year.

Decision on a program to sell or monetize up to ¥4.5 trillion of assets

On March 23, 2020, the Company's Board of Directors decided on a program to sell or monetize up to ¥4.5 trillion of assets held by the Company. The funds obtained from the sale and monetization will be used to repurchase up to ¥2 trillion of the Company's common stock with the balance to be used for debt redemptions, bond buybacks, and increasing cash reserves. The transactions will be executed over four quarters. The share repurchase program is in addition to the ¥500 billion share repurchase program announced on March 13, 2020.

The Company believes, the enhanced share repurchase and significant debt reductions, including bond buybacks, through this program will further strengthen its balance sheet and enhance its credit rating.

Completion of the merger of Sprint and T-Mobile

The merger of Sprint and T-Mobile US, Inc. ("T-Mobile") in an all-stock transaction (the "Transaction") was completed on April 1, 2020 (ET). From this date, Sprint is no longer a subsidiary of the Company and the combined new company, T-Mobile US, Inc. ("New T-Mobile") became an equity method associate of the Company with an approximately 24% share-holding (fully-diluted base).

As of March 31, 2020, the Company had determined the closing of the Transaction to be "highly probable," and accordingly Sprint's net income and loss is presented as "net income or loss from discontinued operations," separate from continuing operations in the Consolidated Statement of Income for the fiscal year. Sprint's net income and loss for the previous fiscal year has also been retrospectively revised and presented as "net income or loss from discontinued operations." In the Consolidated Statement of Financial Position for the fiscal year, assets and liabilities of Sprint are presented as assets and liabilities held for sale.

Following the completion of the Transaction, the Company expects to record the difference between a) the total fair value as of April 1, 2020 of 304,606,050 New T-Mobile shares acquired and 48,751,557 New T-Mobile shares to be acquired when certain conditions are met and b) the consolidated carrying amount of Sprint, as gain relating to loss of control under net income from discontinued operations in the three-month period ending June 30, 2020.

Impact from the COVID-19 outbreak

With the recent global outbreak of COVID-19, many countries are implementing city area lockdowns, restricting social outings, and restricting border entry and exit. These restrictions have slowed down the flow of people and goods, and cast a shadow over the global economy. In April 2020, the International Monetary Fund (IMF) lowered its outlook for global economic growth in 2020 to -3.0%. Against this backdrop, global stock markets have plunged, starting from around February 2020, and despite the prompt measures taken by the monetary authorities of each country, market volatility remains.

The timing for the end of the COVID-19 pandemic is not clear, and thus it remains difficult to forecast the medium-term impact on the Company's business and financial results. However, the Company's investment businesses, particularly SoftBank Vision Fund, have already been adversely affected, with SoftBank Vision Fund recording an investment loss of ¥1.1 trillion in the fourth quarter due to a decline in the fair values of its investments. If the pandemic continues, the Company expects that uncertainty in its investment businesses will remain over the next fiscal year.

For SoftBank Corp., the Company expects no significant impact on telecommunication business at this point. For Z Holdings Corporation, the use of e-commerce is expected to increase, while the advertisement sales and use of hotel and restaurant reservation services are expected to decrease.

For Arm, the Company expects that if shipments of consumer electronic devices decrease it will likely lower technology royalty revenue, and if customers delay licensing decisions it will likely lower technology licensing revenue.

a. Consolidated Results of Operations

(Millions of yen)

	Fiscal year ended March 31				
	2019	**2020**	Change	Change %	
Net sales	6,093,548	**6,185,093**	91,545	1.5%	**A**
Operating income (excluding income from SoftBank Vision Fund and other SBIA-managed funds)	816,995	**566,712**	(250,283)	(30.6%)	**B**
Operating income from SoftBank Vision Fund and other SBIA-managed funds	1,256,641	**(1,931,345)**	(3,187,986)	-	**C**
Operating income	2,073,636	**(1,364,633)**	(3,438,269)	-	
Finance cost	(341,937)	**(300,948)**	40,989	(12.0%)	**D**
Income on equity method investments	320,101	**638,717**	318,616	99.5%	**E**
Dilution gain from changes in equity interest	44,068	**339,842**	295,774	671.2%	**F**
Foreign exchange gain (loss)	10,894	**(11,107)**	(22,001)	-	
Derivative gain (loss)	158,423	**(71,811)**	(230,234)	-	**G**
Gain relating to settlement of variable pre-paid forward contract using Alibaba shares	-	**1,218,527**	1,218,527	-	**H**
Gain (loss) from financial instruments at FVTPL*1	36,832	**(668,463)**	(705,295)	-	**I**
Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds*2	(586,152)	**540,930**	1,127,082	-	
Other non-operating loss	(33,192)	**(285,562)**	(252,370)	760.4%	**J**
Income before income tax	1,682,673	**35,492**	(1,647,181)	(97.9%)	
Income taxes	(237,023)	**(797,697)**	(560,674)	236.5%	**K**
Net income from continuing operations	1,445,650	**(762,205)**	(2,207,855)	-	
Discontinued operations					
Net income from discontinued operations	8,968	**(38,555)**	(47,523)	-	**L**
Net income	1,454,618	**(800,760)**	(2,255,378)	-	
Net income attributable to owners of the parent	1,411,199	**(961,576)**	(2,372,775)	-	
Total comprehensive income	1,502,295	**(1,290,339)**	(2,792,634)	-	
Comprehensive income attributable to owners of the parent	1,440,235	**(1,425,587)**	(2,865,822)	-	

Notes:
1. Indicates gain and loss arising from changes in the fair values of investments held by the Company outside of SoftBank Vision Fund and other SBIA-managed funds.
2. Indicates the sum of distributions to third-party investors in proportion to their interests in fixed distributions and performance-based distributions. The distributions are based on the gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds, net of management and performance fees payable to SBIA, a wholly owned subsidiary of the Company, and operating and other expenses of SoftBank Vision Fund and other SBIA-managed funds. See "(2) Third-party interests in SoftBank Vision Fund and Delta Fund" under "4. SoftBank Vision Fund and other SBIA-managed funds business" in "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes" for details.

The following is an overview of main components and components that are noteworthy.

A Net Sales

Net sales increased in the SoftBank and Arm segments, but decreased in the Brightstar segment.

B Operating Income (Excluding Income from SoftBank Vision Fund and Other SBIA-Managed Funds)

Segment income improved ¥63,505 million in the SoftBank segment and ¥18,068 million in the Brightstar segment. However, segment income deteriorated ¥176,785 million in the Arm segment and ¥159,496 million in the Other segment. Segment income in the Arm segment in the previous fiscal year included gain relating to loss of control over subsidiaries of ¥176,261 million, which was recognized as a result of Arm's Chinese subsidiary becoming a joint venture.

C Operating Income from SoftBank Vision Fund and Other SBIA-Managed Funds

Unrealized loss on valuation of ¥1,869,283 million from investments held by SoftBank Vision Fund at the fiscal year-end was recorded due to a decrease in the fair values of investments including Uber Technologies, Inc. ("Uber") and WeWork and its three affiliates[1] along with a significant decrease in the total fair value of other portfolio companies in the fourth quarter, mainly due to the impact of the COVID-19 outbreak. See "(a) SoftBank Vision Fund and Other SBIA-Managed Funds Segment" under "b. Results by Segment" for details.

As a result of B and C, operating loss was ¥1,364,633 million, deteriorating ¥3,438,269 million year on year.

D Finance Cost

Interest expenses increased ¥17,313 million at SoftBank Corp. but decreased ¥51,826 million at SoftBank Group Corp.[2] This was mainly because SoftBank Corp. borrowed ¥1.6 trillion through a senior loan in August 2018 in preparation for listing and used the entire amount for repayment of its borrowings from SoftBank Group Corp., which in turn used the entire amount to partially repay its own senior loan. This early repayment of borrowings resulted in a full amortization of borrowing expenses of ¥24,051 million, which also pushed up interest expense at SoftBank Group Corp. in the previous fiscal year.

E Income on Equity Method Investments

Income on equity method investments related to Alibaba increased ¥321,458 million (94.9%) year on year, to ¥660,141 million. Alibaba received newly issued shares (a 33% equity interest) of Ant Small and Micro Financial Services Group Co., Ltd. ("Ant Financial," operator of the electronic payment service Alipay) in September 2019, pursuant to the 2014 share and asset purchase agreement, as amended, among Alibaba, Ant Financial, and others. The consideration paid by Alibaba to receive the newly issued 33% equity interest in Ant Financial was funded by payments from Ant Financial and its subsidiaries to Alibaba in consideration for certain intellectual property rights and assets held by Alibaba. Following this, Alibaba recorded a gain of CNY71.6 billion, which was the result from the transfer of such intellectual property rights and assets to Ant Financial and the basis difference determined based on Alibaba's share of Ant Financial's net assets, net of its corresponding deferred tax effect. This boosted income on equity method investments related to Alibaba by ¥286,473 million.

F Dilution Gain from Changes in Equity Interest

On November 26, 2019, Alibaba listed its shares on The Stock Exchange of Hong Kong Limited and newly issued 575 million shares of common stock, including a subsequent overallotment. Mainly due to this impact, the Company recorded a dilution gain from changes in equity interest of ¥339,374 million. There were no changes in the number of shares held by the Company and its wholly owned subsidiaries (5,390 million shares of common stock in total).

G Derivative Gain and Loss

As described below in "Investments in WeWork," the Company holds warrants that are convertible into preferred stock of WeWork at an exercise price of $0.01 per share. The Company recorded a change of ¥76,259 million in the fair value of these warrants between the time of the contract and the fiscal year-end as a derivative loss. In the previous fiscal year, the Company recorded derivative gain of ¥177,373 million arising up to the point of settlement of a collar transaction related to NVIDIA Corporation shares in January 2019.

H Gain Relating to Settlement of Variable Prepaid Forward Contract Using Alibaba Shares

Gain relating to settlement of variable prepaid forward contract using Alibaba shares was recorded. In June 2019, the Company delivered 73 million American Depositary Shares of Alibaba to the Mandatory Exchangeable Trust (the "Trust") for the settlement of the variable prepaid forward contract using Alibaba shares. This contract was entered into between the Company's wholly owned subsidiary, West Raptor Holdings, LLC, and the Trust in June 2016 as part of the Company's series of transactions monetizing a portion of its Alibaba holding.

I Loss from Financial Instruments at FVTPL

Loss of ¥488,479 million was recorded due to decreases in the fair value of investments in WeWork held by the Company's wholly owned subsidiary. See "Investments in WeWork" below for details.

J Other Non-Operating Loss

The Company recorded provisions for allowance for financial guarantee contract losses and loan commitment losses of ¥52,349 million and ¥90,210 million, respectively, in connection with (a) credit support by the Company for a letter of credit facility provided by financial institutions and (c) purchase by the Company's wholly owned subsidiary of unsecured notes to be issued by WeWork described in "(3) Credit Support and Notes Purchase" under "Investments in WeWork" below, due to expected credit loss exceeding the initially recognized amount less accumulated amortization.

In March 2020, OneWeb Global Limited ("OneWeb"), an equity method associate of the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. As a result, the Company recorded impairment loss on equity method investments of ¥49,198 million for investments made to OneWeb and provisions for doubtful accounts of ¥65,913 million related to the loans made to OneWeb.

See "Investments in WeWork" and "Investments and Loans Made to OneWeb" below for details.

Mainly as a result of B through J, income before income tax decreased ¥1,647,181 million (97.9%) year on year, to ¥35,492 million.

K Income Taxes

The effective tax rate significantly exceeded the statutory income tax rate in Japan of 31.5%. This was mainly because deferred tax assets were not recognized for losses at entities in investment business, although income taxes were recorded at SoftBank Corp. and Yahoo Japan Corporation.

L Net Income from Discontinued Operations

Net loss of Sprint from April 1, 2019 to March 31, 2020 was recorded.

Mainly as a result of B through L, net loss attributable to owners of the parent was ¥961,576 million, deteriorating ¥2,372,775 million year on year.

For a breakdown of the finance costs and basic information used to calculate income on equity method investments related to Alibaba, see the Data Sheets in "Materials" under "Earnings Results Briefing" on the Company's website at https://group.softbank/en/ir/presentations/.

Investments in WeWork

A wholly owned subsidiary of the Company (herein "Investments in WeWork", the wholly owned subsidiaries of the Company that invest in WeWork or are parties to contracts with WeWork are collectively referred to as the "WeWork Investment Subsidiary") has invested in WeWork, which operates the co-working "space-as-a-service" business *WeWork*. Separately, SoftBank Vision Fund has invested in WeWork and its three affiliates—WeWork Greater China Holding Company B.V. ("WeWork China"), WeWork Asia Holding Company B.V. ("WeWork Asia"), and WeWork Japan GK ("WeWork Japan"). As of March 31, 2020, the cumulative amount of investments by the WeWork Investment Subsidiary and SoftBank Vision Fund in WeWork totaled $10.3 billion, with a carrying amount of $2.4 billion.

The Company recognized that the fair value of WeWork's entire equity decreased to $7.8 billion as of September 30, 2019, reflecting WeWork's withdrawal of its public offering plan and a significant revision of its business plan, as well as an agreement between the Company and WeWork on October 22, 2019, taking into account the effect of (1) to (4) below. The fair value of WeWork's entire equity, calculated using the income approach (discounted cash flow method), was $7.3 billion as of December 31, 2019 and $2.9 billion as of March 31, 2020. The significant decline from December 31, 2019 to March 31, 2020 was due to, in light of the COVID-19 outbreak, (i) a significant reduction in the multiples used in calculating the terminal value to account for the decline in the share price of comparable peer public companies, and (ii) an increase in the discount rate to account for price changes in WeWork's publicly traded senior unsecured notes.

In accordance with a change in WeWork's corporate governance on October 30, 2019, the Company was given the right to nominate five out of the 10 directors on WeWork's board of directors (with one of those five designated by SoftBank Vision Fund). As a result, WeWork became an associate of the Company as of such date.

Details and progress of the agreement between the Company and WeWork dated October 22, 2019 are as follows. (1) to (3) are related to the WeWork Investment Subsidiary and (4) is related to SoftBank Vision Fund.

(1) Exercise Price Reduction of Existing Commitment and Early Payment

On October 30, 2019, the WeWork Investment Subsidiary paid the full amount of $1.5 billion for the existing commitment that was originally expected to be invested in April 2020, by lowering the exercise price from $110.00 per share to $11.60 per share. Of this advance payment for investment, a $200 million portion was converted into preferred stock of WeWork in November 2019 while the remaining $1.3 billion portion was converted into preferred stock of WeWork in April 2020.

(2) Tender Offer

The WeWork Investment Subsidiary agreed to commence a tender offer (the "Tender Offer") worth up to $3 billion to purchase WeWork's common stock and preferred stock from shareholders of WeWork other than the Company at a price of $19.19 per share. The Company launched the Tender Offer in November 2019, but as several of the closing conditions were not satisfied by the deadline of April 1, 2020, the Company withdrew and terminated the Tender Offer at that time.

(3) Credit Support and Notes Purchase

The Company agreed to provide to WeWork (a) credit support for a $1.75 billion letter of credit facility provided by financial institutions, and the WeWork Investment Subsidiary agreed to purchase or arrange (b) up to $1.1 billion in senior secured notes and (c) up to $2.2 billion in unsecured notes to be issued by WeWork.

Regarding (a), in December 2019, the Company entered into an agreement with financial institutions that designates the Company as a co-obligor with WeWork, while the two parties separately agreed that the Company has the right of indemnification against WeWork whenever the Company services such obligations. Regarding (c), the WeWork Investment Subsidiary entered into an agreement with WeWork in December 2019. WeWork has not issued any of the unsecured notes as of March 31, 2020.

With the Company's entry into the agreements regarding (a) and (c), as consideration, the Company has received warrants that are exercisable for WeWork preferred stock at an exercise price of $0.01 per share. The warrants have become exercisable, after receiving the necessary regulatory approvals; however, as of May 18, 2020, the Company has not exercised any of the warrants.

Regarding (b), the Company's obligation to purchase or arrange for purchase such debt ceased to exist upon the termination of the Tender Offer as it was subject to and conditioned upon the completion of the Tender Offer.

(4) Exchange of WeWork China and WeWork Asia Shares for Preferred Stock of WeWork

Subject to satisfactory negotiations of definitive documentation and satisfaction of certain closing conditions, it was agreed that all of SoftBank Vision Fund's interests in WeWork China and WeWork Asia were to be exchanged for preferred stock of WeWork. The exchange of WeWork Asia shares for WeWork's preferred stock at $11.60 per share was completed in April 2020, while as of March 31, 2020, SoftBank Vision Fund and other parties remain in discussions with respect to the exchange of WeWork China shares for WeWork's preferred stock.

Upon completion of these transactions as contemplated in the agreement between the Company and WeWork dated October 22, 2019 (except for the Tender Offer that was terminated), the fully diluted economic ownership held by the Company (including SoftBank Vision Fund) of WeWork is greater than 50%. Since the Company will not hold a majority of voting rights at any general shareholders meeting or board of directors meeting and cannot control WeWork due to provisions of WeWork's certificate of incorporation and shareholders agreement, WeWork is not a subsidiary of the Company. There is no other party acting as the Company's de facto agent.

The investment in WeWork by the WeWork Investment Subsidiary consists of common stock, preferred stock, and a $1.5 billion paid commitment, the full amount of which was paid on October 30, 2019 with the exercise price lowered to $11.60 per share. In addition, the Company also owns warrants that are exercisable for preferred stock at an exercise price of $0.01 per share that it acquired as consideration for the credit support and unsecured notes purchase commitment. The common stock is accounted for using the equity method from October 30, 2019, the date on which WeWork became an associate of the Company. The preferred stock, advance payment for investment, and warrants that are exercisable for preferred stock at $0.01 per share are measured at fair value, with the change recorded as a gain or loss. See "Investments in WeWork by the WeWork Investment Subsidiary (as of March 31, 2020)" for details.

The (a) credit support for a $1.75 billion letter of credit facility provided by financial institutions to WeWork in "(3) Credit Support and Notes Purchase" above corresponds to a financial guarantee contract and the (c) purchase of up to $2.2 billion in unsecured notes to be issued by WeWork corresponds to a commitment to provide a loan at a below-market interest rate ("loan commitment"). Upon the execution of the contract, for expected credit losses, the Company recorded allowance for financial guarantee contract losses of $360 million (¥39,107 million) and allowance for loan commitment losses of $508 million (¥55,088 million) under other financial liabilities (current) in the Consolidated Statement of Financial Position. On March 31, 2020, the expected credit losses for the financial guarantee contract and loan commitment exceeded the initially recognized amount less accumulated amortization, and the Company therefore recognized provisions for allowance for financial guarantee contract losses and loan commitment losses of $479 million (¥52,349 million) and $826 million (¥90,210 million), respectively. As of March 31, 2020, the Company recorded allowance for financial guarantee contract losses of $819 million (¥89,202 million) and allowance for loan commitment losses of $1,334 million (¥145,133 million) under other financial liabilities (current) in the Consolidated Statement of Financial Position.

With respect to SoftBank Vision Fund’s investments in WeWork and its three affiliates—WeWork China, WeWork Asia, and WeWork Japan—both the common stock and preferred stock continue to be measured at fair value, with the change to be recorded as a gain or loss. As of March 31, 2020, the cumulative amount of these investments totaled $4.3 billion, with fair value of $0.9 billion.

Investments in WeWork by the WeWork Investment Subsidiary (as of March 31, 2020)

(Millions of U.S. dollars)

Investment type			Cumulative investment amount	Cumulative gain (loss)	Account in Consolidated Statement of Financial Position	Carrying amounts at the fiscal year-end	Account in Consolidated Statement of Income	Gain (loss) recorded in Consolidated Statement of Income: Q1	Q2	Q3	Q4	The fiscal year
Common stock			4,500	(3,663)	Investment securities	-	Loss from financial instruments at FVTPL	Breakdown omitted	(769)	-	-	(417)
					Investments accounted for using the equity method	14	Loss on equity method investments		-	(29)[*1]	(11)[*1]	(40)[*1]
							Other non-operating loss		-	(78)[*2]	(35)[*2]	(113)[*2]
Preferred stock					Investment securities	823	Gain (loss) from financial instruments at FVTPL		(2,901)	524	(533)	(3,075)
$1.5 billion paid commitment (Exercised on October 30, 2019 with the exercise price of $11.60 per share, down from the original $110.00 per share)	After exercise	After conversion[*3]	200	(138)		62			-	(51)	(87)	(138)
		Before conversion[*4]	1,300	(894)	Other financial assets	406			-	(331)	(563)	(894)
	Before exercise		-	-	Derivative financial liabilities	-	Derivative gain (loss)		(1,011)[*5]	1,196[*5]	-	-
Warrants with exercise price of $0.01 per share	Before exercise		-	(703)[*6]	Derivative financial assets	165[*6]			-	(155)[*6]	(548)[*6]	(703)[*6]
Total			6,000	(5,398)		1,470		2	(4,681)	1,076	(1,777)	(5,380)

Liabilities related to financial guarantee contract	-	(459)	Other financial liabilities	819	Other non-operating income (loss)	-	-	-	(459)[*7]	(459)[*7]
Liabilities related to loan commitment	-	(826)	Other financial liabilities	1,334	Other non-operating income (loss)	-	-	-	(826)[*8]	(826)[*8]

Notes:

1. WeWork became the Company's associate on October 30, 2019. As a result, net loss of WeWork from October 30, 2019 to March 31, 2020 corresponding to the Company's holding of common stock (2.75% as of March 31, 2020; before dilution) was recorded.
2. Indicates the impairment loss recorded due to the significant reduction in fair value of common stock.
3. The $200 million portion of the $1.5 billion paid commitment was converted into preferred stock in November 2019.
4. The $1.3 billion portion of the $1.5 billion paid commitment was paid in advance and later converted into preferred stock in April 2020.
5. The Company recognized a cumulative valuation loss of $1,196 million from the previous fiscal year-end to the second quarter-end, on the warrants held by the WeWork Investment Subsidiary (an unexecuted commitment of $1.5 billion) and recorded it as derivative financial liabilities in the Condensed Interim Consolidated Statement of Financial Position. The Company also recorded the corresponding derivative loss in the Condensed Interim Consolidated Statement of Income for the six-month period ended September 30, 2019. At the third quarter-end, the entire amount of the relevant derivative financial liabilities was reversed, following the Company's payment of $1.5 billion on October 30, 2019 after changing the terms and conditions of that payment obligation.
6. The Company owns warrants that are convertible into preferred stock at an exercise price of $0.01 per share that it acquired as consideration for the credit support and unsecured notes purchase commitment and recorded the fair value of $868 million of such warrants at the time of the agreements as "derivative financial assets" in the Consolidated Statement of Financial Position. The Company afterwards recognized derivative loss on warrants with exercise price of $0.01 per share mainly due to markdown of WeWork's entire equity value from $7.8 billion as of September 30, 2019 to $7.3 billion as of December 31, 2019 and to $2.9 billion as of March 31, 2020.
7. Loss on liabilities related to financial guarantee contract includes a gain of $20 million arising from regular amortization and provisions for allowance for financial guarantee contract losses of $479 million due to expected credit loss exceeding the initially recognized amount less accumulated amortization.
8. The Company recorded provisions for allowance for loan commitment losses due to expected credit loss exceeding the initially recognized amount less accumulated amortization.

Investments in WeWork by SoftBank Vision Fund (as of March 31, 2020)

(Millions of U.S. dollars)

Investee	Investment type	Cumulative investment amount	Cumulative gain (loss)	Account in Consolidated Statement of Financial Position	Carrying amounts at the fiscal year-end	Account in Consolidated Statement of Income	Gain (loss) recorded in Consolidated Statement of Income				
							Q1	Q2	Q3	Q4	The fiscal year
WeWork	Common stock Preferred stock	3,000	(2,477)	Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL	523	Operating income from SoftBank Vision Fund and other SBIA-managed funds	(32)	(3,043)	40	(472)	(3,507)
WeWork and its three affiliates (Total)	Common stock Preferred stock	1,250	(835)		415		(23)	(395)	(64)	(593)	(1,075)
	Total	4,250	(3,312)		938		(55)	(3,438)	(24)	(1,065)	(4,582)

Investments and Loans Made to OneWeb

In March 2020, the communication satellite venture OneWeb, an equity method associate of the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. The Company recorded the following losses in relation to the investments and loans made to OneWeb. As of March 31, 2020, the carrying amount of assets related to the investments and loans made to OneWeb is zero.

(Millions of U.S. dollars)

Types	Cumulative amount of investments and loans	Account in Consolidated Statement of Income	Income (loss) record in Consolidated Statement of Income	
			The previous fiscal year	The fiscal year
Common stock Preferred stock	1,000	Income (loss) on equity method investments	(34)	(67)
		Other non-operating income (loss) (Impairment loss on equity method investments)	(446)	(453)
Loans	487	Other non-operating income (loss) (interest income)	22	95
		Other non-operating income (loss) (provision for doubtful accounts)	-	(604)
Warrants	426	Gain (loss) from financial instruments at FVTPL	67	(493)
Loans to OneWeb's shareholder*1	110	Gain (loss) from financial instruments at FVTPL	(39)	(71)
Total	2,023		(430)	(1,593)

Note:

1. Indicates the loans made by a wholly owned subsidiary of the Company to a shareholders of OneWeb. This shareholders has the option to repay the debt from the Company's wholly owned subsidiary in cash or in OneWeb shares it holds.

b. Results by Segment

The Company's reportable segments are the components of its business activities for which decisions on resource allocation and assessment of performance are made. In the first quarter, the Company revised its segment classifications after Yahoo Japan Corporation became a subsidiary of SoftBank Corp. There are now four reportable segments: SoftBank Vision Fund and Other SBIA-Managed Funds, SoftBank, Arm, and Brightstar. Since Sprint is reclassified as a disposal group classified as held for sale, the Sprint business is excluded from the reportable segments for the fiscal year.

The "SoftBank Vision Fund and Other SBIA-Managed Funds segment" was renamed from the "SoftBank Vision Fund and Delta Fund segment" in the third quarter due to the establishment of new investment vehicles, which will hold certain investments that are expected to be treated as the initial investments of "SoftBank Vision Fund 2" (planned), and investments that have been made by such vehicles. The segment includes such vehicles. Delta Fund held no investments as of the fiscal year-end.

The following is a summary of the reportable segments.

Segments	Main businesses	Core companies
Reportable segments		
SoftBank Vision Fund and Other SBIA-Managed Funds	· Investment activities by SoftBank Vision Fund	SB Investment Advisers (UK) Limited SoftBank Vision Fund L.P.
SoftBank	· Provision of mobile communications services, sale of mobile devices, and provision of broadband and other fixed-line communications services in Japan · Internet advertising and e-commerce business	SoftBank Corp. Z Holdings Corporation
Arm	· Design of microprocessor intellectual property and related technology · Sale of software tools and provision of software services	Arm Limited
Brightstar	· Distribution of mobile devices overseas	Brightstar Corp.
Other	· Smartphone payment business	PayPay Corporation
	· Alternative investment management business	Fortress Investment Group LLC
	· Investment fund business in Latin America	
	· Fukuoka SoftBank HAWKS-related businesses	Fukuoka SoftBank HAWKS Corp.

Note: Income of reportable segments is calculated as follows.
SoftBank Vision Fund and Other SBIA-Managed Funds segment:
Segment income = gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds − operating expenses

Segments other than the SoftBank Vision Fund and Other SBIA-Managed Funds segment:
Segment income = net sales − operating expenses (cost of sales + selling, general and administrative expenses) ± other operating income and loss, for each segment

For historical principal operational data of each segment, their calculation methods, and definitions of terms, see the Data Sheets in "Materials" under "Earnings Results Briefing" on the Company's website at https://group.softbank/en/ir/presentations/.

(a) SoftBank Vision Fund and Other SBIA-Managed Funds Segment

1. Segment loss was ¥1.9 trillion due to investment loss (net) of ¥1.8 trillion

- SoftBank Vision Fund*1
  - Unrealized loss on valuation of investments (net) of ¥1.9 trillion from investments held at the fiscal year-end: Fair values of Uber and WeWork and its three affiliates[1] decreased, and total fair value of other portfolio companies decreased significantly in the fourth quarter primarily due to the impact of the COVID-19 outbreak.
  - Realized gain on sales of investments of ¥58.3 billion: sold a portion of four portfolio companies' shares and all shares of a portfolio company.

2. Progress of investment and management at SoftBank Vision Fund

- Held 88 investments as of the fiscal year-end at cost totaling $75.0 billion, with fair value amounting to $69.6 billion (excluding exited investments). Cumulative gross realized gains*2 since the fund inception, including exited investments, have reached $4.8 billion.
- To prepare for the revenue disruption and lack of liquidity of portfolio companies resulting from the outbreak of COVID-19, SBIA is providing them operational support and guidance on strategy.

Notes:
1. Excludes the investment results of new investment vehicles, which are intended to hold certain investments that are expected to be treated as the initial investments of "SoftBank Vision Fund 2" (planned).
2. Includes gains related to NVIDIA corporation shares recorded under non-operating income and loss, such as derivative gain from collar transactions using NVIDIA Corporation shares. Gross realized gains are before deducting third-party interests, tax, and expenses.

(Millions of yen)

	Fiscal year ended March 31			
	2019	**2020**	Change	Change %
Gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds	1,302,838	**(1,844,867)**	(3,147,705)	-
Operating expenses	(46,197)	**(86,478)**	(40,281)	87.2%
Segment income	1,256,641	**(1,931,345)**	(3,187,986)	-

OVERVIEW

The segment results include the results of the investment and operational activities of SoftBank Vision Fund and other SBIA-managed funds, principally Delta Fund. These funds are managed by SBIA, a wholly owned subsidiary of the Company established in the U.K., which is authorized and regulated by the Financial Conduct Authority.

SoftBank Vision Fund began its operation in 2017. The fund aims to maximize returns from a medium- to long-term perspective, through making large-scale investments in high-growth-potential companies that are leveraging AI, particularly in private companies valued at over $1 billion, colloquially known as "unicorns." The fund's investment period ended on September 12, 2019, but it is expected that the life of the fund will continue through November 20, 2029.

For details on the terms and conditions of distributions to limited partners in SoftBank Vision Fund and Delta Fund and the terms and conditions of management fees and performance fees to SBIA, see "(2) Third-party interests in SoftBank Vision Fund and Delta Fund" and "(3) Management fees and performance fees to SBIA" under "4. SoftBank Vision Fund and other SBIA-managed funds business" in "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes," respectively.

Outline of Principal Funds in the Segment

As of March 31, 2020

	SoftBank Vision Fund	Delta Fund
Major limited partnership	SoftBank Vision Fund L.P.	SB Delta Fund (Jersey) L.P.
Total committed capital (Billions of U.S. dollars)	98.6 *1	4.4 *1
	SoftBank Group Corp.: 33.1 *2 Third-party investors: 65.5 *1	SoftBank Group Corp.: 4.4 Third-party investors: - *1
General partner	SVF GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)	SB Delta Fund GP (Jersey) Limited (The Company's wholly owned overseas subsidiary)
Investment period	Ended on September 12, 2019 *3	Ended on September 12, 2019 *3
Minimum fund life	Until November 20, 2029 (in principle)	Until September 27, 2029 (in principle)

Notes:

1. A portion of the capital committed by third-party investors in both SoftBank Vision Fund and Delta Fund has been committed in consideration of the total capital committed for both such funds; hence, the total committed capital and remaining committed capital for each separate fund will change according to the status of contribution made by third-party investors in each such fund. During the second quarter, the sale of the investment in Xiaoju Kuaizhi Inc. ("DiDi") from Delta Fund to SoftBank Vision Fund was settled, and the proceeds from this sale were distributed to Delta Fund's limited partners, resulting in a return of limited partners' contributions. Consequently, the total committed capital of $1.6 billion from third-party investors in Delta Fund has been reversed to SoftBank Vision Fund.
2. The Company's committed capital to SoftBank Vision Fund includes approximately $8.2 billion of an obligation satisfied by using Arm Limited shares (all said shares have been contributed by the previous fiscal year-end) and $5.0 billion earmarked for use in an incentive scheme related to SoftBank Vision Fund.
3. SoftBank Vision Fund's investment period is stipulated to run either until November 20, 2022, or until the decision to end the investment period is made by SBIA, as the manager, after the accumulated investment account (amounts drawn down and invested and/or reserved to make investments) exceeds 85% of the total committed capital, whichever is earlier. On September 12, 2019, SBIA determined to end SoftBank Vision Fund's investment period after the accumulated investment amount exceeded 85% of the total committed capital. The remaining 15% of the total committed capital is reserved for follow-on investments in existing portfolio companies (including investments in joint ventures with them), fixed distributions, and finance related expenses. The investment period of Delta Fund also ended on September 12, 2019, following the ending of the investment period of SoftBank Vision Fund.

Capital Deployment of SoftBank Vision Fund and Delta Fund

As of March 31, 2020

(Billions of U.S. dollars)

	Total	The Company	Third-party investors
Committed capital (A)			
SoftBank Vision Fund	**98.6**	33.1 *1	65.5
Delta Fund	**4.4**	4.4	- *2
Contributions from limited partners[3] (B)			
SoftBank Vision Fund	**78.3**	28.6	49.7
Delta Fund	**3.8**	3.8 [4]	- *2
Non-recallable contribution included in (B)			
SoftBank Vision Fund[5]	**(5.5)**	(0.9)	(4.6)
Delta Fund[6]	**(3.5)**	(3.5)	- *2
Remaining committed capital (C) = (A) - (B)			
SoftBank Vision Fund	**20.3**	4.5	15.8
Delta Fund	**0.6**	0.6	- *2

Notes:

1. The Company's committed capital to SoftBank Vision Fund includes approximately $8.2 billion of an obligation satisfied by using Arm Limited shares (all said shares have been contributed by the previous fiscal year-end) and $5.0 billion earmarked for use in an incentive scheme related to SoftBank Vision Fund.
2. During the second quarter, the sale of the investment in DiDi from Delta Fund to SoftBank Vision Fund was settled, and the proceeds from this sale were distributed to Delta Fund's limited partners, resulting in a return of limited partners' contributions. Consequently, the total committed capital of $1.6 billion from third-party investors in Delta Fund has been reversed to SoftBank Vision Fund.

FINANCIAL RESULTS

(Millions of yen)

	Fiscal year ended March 31 2019	**2020**	Change	Change %
Gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds	1,302,838	**(1,844,867)**	(3,147,705)	-
Realized gain and loss on sales of investments	296,531	**58,340**	(238,191)	(80.3%)
Unrealized gain and loss on valuation of investments	1,013,228	**(1,917,694)**	(2,930,922)	-
Change in valuation for the fiscal year	1,378,553	**(1,877,682)**	(3,256,235)	-
Reclassified to realized gain and loss recorded in the past fiscal year*1	(365,325)	**(40,012)**	325,313	-
Interest and dividend income from investments	4,522	**12,848**	8,326	184.1%
Derivative gain and loss	-	**145**	145	-
Effect of foreign exchange translation	(11,443)	**1,494**	12,937	-
Operating expenses	(46,197)	**(86,478)**	(40,281)	87.2%
Segment income	1,256,641	**(1,931,345)**	(3,187,986)	-
Finance cost (interest expenses)	(33,141)	**(22,459)**	10,682	(32.2%)
Foreign exchange gain and loss	68	**321**	253	372.1%
Derivative gain and loss	177,373	**-**	(177,373)	-
Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds	(586,152)	**540,930**	1,127,082	-
Other non-operating income and loss	(232)	**1,067**	1,299	-
Income before income tax	814,557	**(1,411,486)**	(2,226,043)	-

Note:
1. Following the sale of a portion of four portfolio companies' shares and all shares of a portfolio company in the fiscal year, the unrealized gain on valuation of investments of ¥40,012 million (net) recorded in the prior fiscal years for those exited investments were reclassified to "realized gain and loss on sale of investments."

Segment income

Segment loss was ¥1,931,345 million, compared with income of ¥1,256,641 million in the previous fiscal year. Of this, unrealized loss on valuation of investments from 88 investments held by SoftBank Vision Fund at the fiscal year-end was ¥1,869,283 million ($17,263 million). This was attributable to a loss of $5,179 million for investment in Uber due to a decline in its stock price, a loss of $4,582 million for investments in WeWork and its three affiliates (for details, see "Investments in WeWork" under "a. Consolidated Results of Operations"), and a total loss of $7,502 million recorded for investments in other portfolio companies reflecting a significant decrease in fair value, primarily due to the impact of the COVID-19 outbreak. See table below for details.

(Breakdown of unrealized gain and loss on valuation of investments held by SoftBank Vision Fund at the fiscal year-end)

(Millions of U.S. dollars)

	Q1	Q2	Q3	Q4	**The fiscal year**
Uber	(1,076)	(3,536)	(162)	(405)	**(5,179)**
WeWork and its three affiliates	(55)	(3,438)	(24)	(1,065)	**(4,582)**
Other portfolio companies	4,877	(1,845)	(1,552)	(8,982)	**(7,502)**
Total	3,746	(8,819)	(1,738)	(10,452)	**(17,263)**

For the investments in other portfolio companies, a total valuation loss of $8,982 million was recorded in the fourth quarter. Following the outbreak of COVID-19 from the beginning of 2020, although the fair values of some portfolio companies in e-commerce, health care, and other businesses increased as a result of their strong business performance, many portfolio companies' fair values decreased because their business activities have been disrupted and outlook for cash flows has deteriorated due to stagnant economic activity and lockdowns implemented globally. In particular, the total fair values of the Consumer sector, the Transportation & Logistics sector (excluding Uber), and the Real Estate & Construction sector (excluding WeWork and its three affiliates) declined by $3,257 million, $2,381 million, and $2,196 million, respectively, and consequently the same amounts were recorded as losses.

(Reference: Changes in fair value of investments held by SoftBank Vision Fund in the fiscal year, U.S. dollar-based)
Comparison between fair values at the fiscal year-end with the initial carrying amounts of the fiscal year, or with the acquisition values of the investments acquired in the fiscal year

Fair value change in the fiscal year	Investments	Unrealized gain and loss on valuation of investments recorded in the fiscal year
Increase	19	$3,473 million
Decrease	50	$(20,736) million
No change	19	-
Total	88	$(17,263) million

Realized gain on sales of investments of ¥58,340 million was recorded as a result of the sale of a portion of four portfolio companies' shares and all shares of a portfolio company.

For investments in publicly listed companies, quoted prices are used to measure fair value. For investments in privately held companies, recent third-party transactions, market approach, cost approach, and/or income approach are all used in the valuation.

For details on fair value measurement, see "SoftBank Vision Fund Business Model and Accounting Treatment" on the Company's website at https://group.softbank/system/files/pdf/ir/presentations/2019/investor_20181107_02_en.pdf.

Impact of the COVID-19 outbreak

The stagnation in economic activity, restrictions on social outings, and stock market disruptions in various countries due to the outbreak of COVID-19, have had, and are expected to continue to have, a significant impact on the business activities and fair value measurement of the portfolio companies of SoftBank Vision Fund. While this has had a positive impact on the operations of some of the portfolio companies in businesses such as e-commerce and health care, it has disrupted the business activities of many of the portfolio companies and caused a deterioration in their results of operations and, ultimately, the fair value measured in the Company's consolidated financial statements. The fair value measurement of portfolio companies as of March 31, 2020 was based on current expected company-specific COVID-19 impact, liquidity positions of each company, market conditions and comparables, and increased market volatility.

SBIA has been working closely with SoftBank Vision Fund portfolio companies to help them prepare for further deterioration in business conditions including a possible decrease in revenue and the deterioration of liquidity, in order to reduce the adverse effects on their businesses due to the deterioration of the economic situation caused by the pandemic. SBIA has also advised portfolio companies to develop a clear plan for their currently available cash balance in order to optimize cost structures and create contingency plans and flexibility. SBIA has assessed companies by reference to their cash reserves and COVID-19 sensitivity based on their sector and business model, and made recommendations on (i) cash preservation, (ii) cost reductions, (iii) immediate actions and assessments, (iv) short-term considerations, (v) physical and remote work space management and (vi) identifying available government initiatives. SBIA is committed to helping the SoftBank Vision Fund portfolio companies get through the crisis and believes many of the companies will be well-placed to come out of this difficult time stronger.

Portfolio of SoftBank Vision Fund and Delta Fund

SoftBank Vision Fund

As of March 31, 2020; excludes exited investments

(Billions of U.S. dollars)

Sector	Number of investments	Acquisition cost	Fair value	Change
Consumer	15	11.5	12.8	1.3
Enterprise	8	2.3	3.4	1.1
Fintech	11	4.9	4.8	(0.1)
Frontier Tech	10	10.8	10.4	(0.4)
Health Tech	10	2.5	4.8	2.3
Real Estate & Construction	11	9.9	4.6	(5.3)
Transportation & Logistics	23	33.1	28.8	(4.3)
Total	88	75.0	69.6	(5.4)

New investments in the fiscal year

During the fiscal year, SoftBank Vision Fund made investments totaling $15.6 billion, including follow-on investments.

Of these, the investments in ANI Technologies Private Limited (Ola) and WeWork China were purchased from the Company for $950 million in total, the fair value at the time the Company made its decision to sell. These two investments were initially acquired by the Company in prior years with a total acquisition cost of $696 million.

For a complete list of SoftBank Vision Fund's portfolio and sector changes for each portfolio company, if any, see the Data Sheets in "Materials" under "Earnings Results Briefing" on the Company's website at https://group.softbank/en/ir/presentations/.

Investments Purchased from the Company

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

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

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

Delta Fund

There were no investments held by Delta Fund as of the fiscal year-end.

(b) SoftBank Segment (including former Yahoo Japan Segment)

1. **Achieved higher net sales and segment income, driven by steady expansion of telecom service customer base.**
2. **SoftBank Corp. made Yahoo Japan Corporation (currently Z Holdings Corporation) a subsidiary in June 2019.**
3. **Z Holdings Corporation concluded a definitive agreement relating to its business integration with LINE Corporation in December 2019.**

(Millions of yen)

	Fiscal year ended March 31			
	2019	**2020**	Change	Change %
Net sales	4,652,116	**4,862,484**	210,368	4.5%
Segment income	859,809	**923,314**	63,505	7.4%

Note: The results of the SoftBank segment are presented by retroactively including the results of Yahoo Japan Corporation since April 1, 2018, following Yahoo Japan Corporation becoming a subsidiary of SoftBank Corp.

FINANCIAL RESULTS

Both net sales and segment income increased year on year, driven by steady growth in the telecommunications business, especially services for retail consumers. Net sales growth was attributable to an increase in telecom service revenue from services for retail consumers, led by a steady expansion in the customer base. This expansion was demonstrated by the cumulative number of smartphone subscribers to the three brands—*SoftBank*, *Y!mobile*, and *LINE MOBILE*—increasing 2,050,000 from the previous fiscal year-end to 24.13 million, and the cumulative number of subscribers to *SoftBank Hikari*, a fiber-optic service, increasing 470,000 from the previous fiscal year-end to 6.39 million. Segment income also increased as a result of increased net sales.

Yahoo Japan Corporation (currently Z Holdings Corporation) became a subsidiary of SoftBank Corp. as of June 27, 2019. Accordingly, the results of the SoftBank segment are presented by retroactively including the results of Yahoo Japan Corporation since April 1, 2018. Operating income of Z Holdings Corporation in this segment increased 11.8% year on year. This was mainly due to consolidation of ZOZO, Inc. and an increase in net sales of existing e-commerce and advertising business.

Consolidation of ZOZO, Inc. by Z Holdings Corporation

On November 13, 2019, Z Holdings Corporation acquired 152,952,900 shares of common shares (50.1% of voting rights) of ZOZO, Inc., an operator of an online apparel retailer, for ¥400,737 million with the aim of strengthening its e-commerce business. Accordingly, on the same day ZOZO, Inc. became a subsidiary of the Company, as well as of SoftBank Corp. and Z Holdings Corporation. The results of the SoftBank segment are presented by including the results of ZOZO, Inc. from this date until the fiscal year-end. For details on the consolidation of ZOZO, Inc. see “5. Business combinations” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

Business integration of Z Holdings Corporation and LINE Corporation

In December 2019, Z Holdings Corporation and LINE Corporation, along with their respective parent companies SoftBank Corp. and NAVER Corporation, concluded a four-way definitive agreement regarding a business integration (the “Business Integration”) with the aim of forming a world-leading AI technology company based in Japan and Asia. As part of the transaction to realize the Business Integration, SoftBank Corp. and NAVER Corporation will jointly conduct a tender offer for the shares of LINE Corporation from May to June 2020. Z Holdings Corporation, as the listed integrated company resulting from the Business Integration, is expected to become a subsidiary of the Company and of SoftBank Corp. The Business Integration is conditioned on the receipt of required competition law and foreign exchange law approvals and other clearances and permits required by applicable laws and regulations.

Impact of the COVID-19 outbreak

For SoftBank Corp., a stable trend in telecommunication service subscribers and an increase in data communication traffic as a result of the “stay at home” policy from the government is expected; however, a decline in shop traffic is also expected. For enterprise customers, although demand for remote working is expected to increase, there may also be some negative impact, such as a decrease in face-to-face sales opportunities. In addition, for Z Holdings Corporation, use of e-commerce is expected to increase, while the advertisement sales and use of hotel and restaurant reservation services are expected to decrease.

For more information on SoftBank Corp.’s financial results and business operations, please refer to its website at https://www.softbank.jp/en/corp/ir/.

(c) Arm Segment

1. Net sales increased 2.0% yoy. Segment income decreased substantially yoy, due to a one-time gain in the previous fiscal year.

- License revenue (U.S. dollar-based) increased 6.4% yoy, driven by delivery of new technologies to customers.
- Technology royalty revenue (U.S. dollar-based) decreased only 1.5% yoy, despite the impact from deterioration in business condition in the semiconductor industry.
- Segment income decreased yoy, due to a one-time gain of ¥176.3 billion from setting up a joint venture for business in China in the previous fiscal year.

2. Start of season to harvest returns from increasing R&D capacity

- Strong licensing of new technologies continued with six licenses signed in the fourth quarter for processors not yet announced.
- In the fourth quarter, Arm began delivering multiple new technologies including next generation Arm processors, triggering bookings from previous quarters to be recognized as revenues.

(Millions of yen)

	Fiscal year ended March 31			
	2019	**2020**	Change	Change %
Net sales	202,699	**206,652**	3,953	2.0%
Segment income	133,966	**(42,819)**	(176,785)	-

Note: Segment income includes amortization expenses of ¥50,544 million for the fiscal year and ¥56,535 million for the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

OVERVIEW

Arm's operations are primarily the licensing of semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies. Since becoming part of the Company, Arm has accelerated investment in R&D by hiring more engineers. With the expansion of its engineering capability, Arm can develop new technologies that will help it maintain or gain share in its existing markets and expand into new markets.

Industry trend and its impact

Semiconductor industry trends can have a significant impact on Arm's financial results. Revenue of parts of the semiconductor industry that are most relevant to Arm's business started to decline in late 2018, and continued to show year-on-year declines from November 2018[7] until a year-on-year increase of 1.0% was seen in October 2019.[7] Despite this recent improvement, the industry remains vulnerable to ongoing trade disputes and sanctions against specific companies and is being exposed to the impact from the outbreak of COVID-19. For the next fiscal year, in the light of the COVID-19 outbreak, the shipment of consumer electronic devices may decrease, leading to lower technology royalty revenue, and semiconductor companies that face reduced revenues may delay licensing decisions, leading to lower technology licensing revenue. However, it is still early to anticipate the negative impact of the pandemic on the whole semiconductor industry or Arm.

As market conditions normalize, Arm expects that its business will continue to grow again. In addition, Arm is expecting that as technology becomes more advanced, its technology will be further utilized and opportunities will expand over the long term.

FINANCIAL RESULTS

Net sales in U.S. dollars

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

(Millions of U.S. dollars)

	Fiscal year ended March 31											
	2019					**2020**						
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	**Total**	Change	Change %
Technology licensing	85	124	125	213	547	125	87	130	240	**582**	35	6.4%
Technology royalties	261	285	305	247	1,098	240	254	312	275	**1,081**	(17)	(1.5%)
Software and services	35	47	56	53	191	53	55	63	64	**235**	44	23.0%
Total net sales	381	456	486	513	1,836	418	396	505	579	**1,898**	62	3.4%

Net sales increased 3.4% year on year on a U.S. dollar basis. Although the slowdown in the industry resulted in a decrease in royalty revenue, software and services revenue and licensing revenue increased.

Technology licensing

Technology licensing revenue increased 6.4% year on year. This was mainly due to the delivery of some of the new technologies to customers during the fourth quarter, for which Arm signed licenses in the fiscal year. These new technologies include new Arm processor products, specifically optimized for different end markets such as smartphones, servers, and automotive, and a new family of AI accelerators targeting mobile computing and IoT applications. Development of these new technologies was only started after the acquisition of Arm by the Company.

Although Arm signed licenses for some of these new technologies earlier in the fiscal year, revenue associated with these new technologies is only recognized when the technology is delivered to the customer. Arm was able to deliver some of these new technologies during the fourth quarter, resulting in record technology licensing revenue for Arm. During the fiscal year, Arm signed licenses for technologies that are not due to be delivered until next fiscal year or later, providing an underpin for future technology licensing revenues.

As most of these new technologies are more advanced than existing technologies, there is an opportunity for higher royalty revenue per chip to boost Arm's technology royalty revenues for years to come.

Technology royalty

Technology royalty revenue decreased 1.5% year on year. This was mainly due to a deceleration in semiconductor demand including a weakening in global smartphone demand, combined with a general slowdown in global chip sales. Technology royalty revenue for the fourth quarter increased 11.3% compared with the same period of the previous fiscal year due to improving industry conditions and ramping shipment of 5G smartphones.

Software and services

Software and services revenue increased 23.0% year on year, mainly due to strong growth over the year of Arm's data management business, which was created following the acquisition of Treasure Data, Inc. in August 2018.

Segment income

Segment income decreased year on year. This was due to recognizing gain relating to loss of control over subsidiaries of ¥176,261 million in the previous fiscal year, as a result of Arm's Chinese subsidiary becoming an associate accounted for using the equity method.

Arm's head count as of the fiscal year-end increased net 751 people (12.5%) from the previous fiscal year-end. To maximize ROI, Arm continuously evaluates the mix of R&D projects in which it is investing, as well as the locations of its engineering teams.

OPERATIONS

Licensing

	Licenses signed in the fourth quarter	Cumulative number of licenses signed as of the fiscal year-end
Breakdown by processor family		
Classic (*Arm7, Arm9, Arm11*)	1	451
Cortex-A	14	405
Cortex-R	-	112
Cortex-M	10	595
Mali	9	204
Number of processor licenses signed	34	1,767

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

Arm signed 34 processor licenses in the fourth quarter including six licenses for advanced new technologies that Arm has not yet announced. The customers who signed licenses with Arm in the fourth quarter intend to use Arm technologies in a very broad range of end markets, including smartphones, networking equipment, and advanced microcontrollers for IoT devices such as communication chips and sensors embedded in sports equipment.

Royalty Units [8]

	2018 Oct 1 to Dec 31	Jan 1 to Mar 31	Apr 1 to Jun 30	Jul 1 to Sep 30	**2019 Oct 1 to Dec 31**
Royalty units as reported by Arm's licensees	5.4 billion	4.8 billion	5.6 billion	6.4 billion	**6.0 billion**
Growth rate (yoy)	(6.9%)	(9.4%)	0.2%	3.2%	**11.1%**

Arm's licensees reported shipments of 6.0 billion Arm-based chips for the three-month period ended December 31, 2019. Arm's unit shipments increased 11.1% year on year while shipments by the semiconductor industry as a whole increased slightly by 0.6%[7] during the same period. However, as mentioned in "Industry trend and its impact" above, it is likely that fewer chips will be sold next fiscal year than otherwise would be due to the outbreak of COVID-19. Despite fewer chips being sold, Arm still expects to continue to maintain or gain share in its target end markets.

TECHNOLOGY DEVELOPMENT

Arm considers the following as its primary areas for increased investment and is evolving the technology in both its mobile business and other businesses with strong growth potential.

Arm's primary investment areas and main developments

Mobile Computing		
Opportunity	:	Arm already has over 95% share of the main chips in mobile devices and, over time, has been successfully increasing royalties per chip.
The first quarter	:	Arm announced a family of processors which will help provide AI and 5G capabilities to the next generation of smartphones due in 2020.
The second quarter	:	Arm announced *Total Compute*, a new platform approach to develop IP for mobile devices and consumer electronics, which will deliver higher performance and greater security.
The third quarter	:	Arm announced new AI processors that are scalable to add AI capability to a wide range of consumer devices such as mobile computing and portable gaming devices.
Infrastructure		
Opportunity	:	Arm has a growing share in networking infrastructure and a nascent share in data center servers.
The first quarter	:	Marvell Technology Group Ltd. and Arm announced a strategic partnership to accelerate the development of technology needed for cloud companies to deploy Arm-based servers.
The third quarter	:	· Amazon Web Services Inc. announced that the first generation of Arm *Neoverse* processors is being used in their own-built Graviton2 server chips, which will be used to replace the current generations of server systems and show up to 40% cost savings for its customers. · Supercomputer Fugaku, jointly developed by RIKEN and Fujitsu Limited, has been awarded first place in the Green500 supercomputer list, a global ranking based on the energy efficiency of supercomputers, with their Arm-based high-performance chip.
The fourth quarter	:	Marvell Technology Group Ltd. and Mellanox Technologies, Ltd. announced new families of SmartNICs, which offload various tasks from the main server chips in data centers.
Automotive		
Opportunity	:	As vehicles become smarter, they require more computational capability. Arm is well positioned to gain share by providing energy efficiency and Arm processor technology has already been licensed by most companies that develop automotive chips.
The second quarter	:	Established the Autonomous Vehicle Computing Consortium (AVCC) with partners from the automotive industry to create technology standards that will help accelerate the arrival of self-driving cars.
IoT		
Opportunity	:	For IoT to reach its full potential, it must be secure against hacking and robust against faults. Arm has developed technology to secure and manage the data in IoT device networks.
The first quarter	:	Samsung Electronics Co., Ltd. and Arm demonstrated a new manufacturing process for IoT chips.
The second quarter	:	Arm announced a new feature Arm Custom Instructions. This allows chipmakers to optimize an Arm CPU to increase the performance for specific IoT and other applications.
The fourth quarter	:	· Bayer AG announced its usage of smart-label, created in collaboration between Arm and Vodafone Group, that uses cellular connected IoT which can strengthen tracking of products through the supply chain. · Arm announced a new CPU and machine-learning accelerator, bringing AI technology to IoT devices.

For more information about Arm, its business, and its technology, please refer to its website at https://www.arm.com

(d) Brightstar Segment

(Millions of yen)

	Fiscal year ended March 31 2019	**2020**	Change	Change %
Net sales	1,082,669	**955,415**	(127,254)	(11.8%)
Segment income	(23,396)	**(5,328)**	18,068	-

(e) Other

(Millions of yen)

	Fiscal year ended March 31 2019	**2020**	Change	Change %
Net sales	193,742	**196,186**	2,444	1.3%
Segment income	(90,053)	**(249,549)**	(159,496)	-

Operating loss of ¥82,234 million was recorded at PayPay Corporation, which is engaged in smartphone payment services in Japan. This was mainly due to large-scale marketing promotions aimed at gaining users and driving service usage, and continued proactive measures to increase the number of stores where its services can be used.

In addition, the investment fund business in Latin America recorded operating loss of ¥62,212 million due to a decrease in the value of investment currencies such as the Brazilian real and a decrease in the fair values of investments.

Results of PayPay Corporation included in the Other segment

(Millions of yen)

	Fiscal year ended March 31 2019	**2020**	Change	Change %
Net sales	595	**9,159**	8,564	-
Operating income	(36,559)	**(82,234)**	(45,675)	-

(2) Overview of Financial Position

1. Status of investments

- **Carrying amount of investments from SoftBank Vision Fund of ¥6.7 trillion, decreased ¥434.0 billion from the previous fiscal year-end*1**
  SoftBank Vision Fund made new investments, while the fair values of Uber, WeWork and its three affiliates[1] decreased, and the total fair value of other portfolio companies decreased significantly in the fourth quarter, primarily due to the impact of the COVID-19 outbreak.
- **Carrying amount of investments in WeWork and its affiliates totaling ¥262.0 billion, decreased ¥603.3 billion from the previous fiscal year-end**
  - Carrying amount of investments from a wholly owned subsidiary of the Company of ¥159.9 billion, decreased ¥115.5 billion from the previous fiscal year-end*2
  - Carrying amount of investments from SoftBank Vision Fund of ¥102.1 billion, decreased ¥487.8 billion from the previous fiscal year-end

2. Sprint business reclassified as a disposal group classified as held for sale, presented separately*3

Assets:	Presented as “assets classified as held for sale”
Liabilities:	Presented as “liabilities directly relating to assets classified as held for sale” Sprint’s interest-bearing debt and lease liabilities totaling ¥4.7 trillion (as of the fiscal year-end) was excluded from consolidated interest-bearing debt and lease liabilities
Equity:	Presented as “accumulated other comprehensive income directly relating to assets classified as held for sale”

3. Financing activities

- Wholly owned subsidiaries of the Company conducting fund procurement procured a total of ¥1.1 trillion using Alibaba and SoftBank Corp. shares.
- SoftBank Vision Fund borrowed $3.65 billion using a portion of its investments (while repaying a portion of principal in the fourth quarter), and borrowed from a line of credit set up mainly to increase the capital efficiency of its investments.

Notes:
1. Investment in Arm is not included in investments from SoftBank Vision Fund as Arm is a subsidiary of the Company.
2. For details about investments in WeWork, see “Investments in WeWork” under “a. Consolidated Results of Operations” in “(1) Overview of Results of Operations.”
3. For a breakdown of the main items presented in separate categories at the fiscal year-end, see “2. Discontinued operations” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

(Millions of yen)

	March 31, 2019	**March 31, 2020**	Change	Change %
Total assets	36,096,476	**37,257,292**	1,160,816	3.2%
Total liabilities	27,087,272	**29,884,375**	2,797,103	10.3%
Total equity	9,009,204	**7,372,917**	(1,636,287)	(18.2%)

Note: Due to the adoption of IFRS 16, total assets increased by ¥1,336,695 million, total liabilities by ¥1,324,055 million, and total equity by ¥12,640 million at the beginning of the fiscal year.

(a) Assets

(Millions of yen)

	March 31, 2019	**March 31, 2020**	Change	
Cash and cash equivalents	3,858,518	**3,369,015**	(489,503)	
Trade and other receivables	2,339,977	**2,072,326**	(267,651)	**A**
Other financial assets	203,476	**313,487**	110,011	
Inventories	365,260	**185,097**	(180,163)	**A**
Other current assets	766,556	**460,970**	(305,586)	**B**
Assets classified as held for sale	224,201	**9,236,048**	9,011,847	**C**
Total current assets	7,757,988	**15,636,943**	7,878,955	
Property, plant and equipment	4,070,704	**1,264,516**	(2,806,188)	**D**
Right-of-use assets	-	**1,293,692**	1,293,692	**E**
Goodwill	4,321,467	**3,998,167**	(323,300)	**F**
Intangible assets	6,892,195	**1,985,972**	(4,906,223)	**G**
Costs to obtain contracts	384,076	**212,036**	(172,040)	
Investments accounted for using the equity method	2,641,045	**3,240,361**	599,316	**H**
Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL	7,115,629	**6,892,232**	(223,397)	**I**
SoftBank Vision Fund and Delta Fund	7,115,629	**6,681,671**	(433,958)	
Investment securities	924,614	**1,211,511**	286,897	**J**
Other financial assets	1,185,856	**1,159,972**	(25,884)	
Deferred tax assets	586,943	**221,371**	(365,572)	**K**
Other non-current assets	215,959	**140,519**	(75,440)	
Total non-current assets	28,338,488	**21,620,349**	(6,718,139)	
Total assets	36,096,476	**37,257,292**	1,160,816	

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
Current assets	
A Trade and other receivables Inventories	At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's trade and other receivables and inventories totaling ¥483,223 million were reclassified as assets classified as held for sale.
B Other current assets	Other current assets were reduced by ¥422,648 million due to a refund of withholding income tax in July 2019 on dividends from SoftBank Group Japan Corporation ("SBGJ") to SoftBank Group Corp. in the previous fiscal year.
C Assets classified as held for sale	· Assets classified as held for sale were reduced by ¥224,201 million due to the settlement in June 2019 of the variable prepaid forward contract using Alibaba shares concluded in 2016. · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's assets totaling ¥9,236,048 million were presented separately under this classification.

Components	Main reasons for changes from the previous fiscal year-end
Non-current assets	
D Property, plant and equipment	· Due to the adoption of IFRS 16, leased assets of ¥1,157,008 million, previously classified as financing leases and recorded as property, plant and equipment, were reclassified as right-of-use assets at the beginning of the fiscal year. This was mainly due to leased assets related to telecommunications equipment for SoftBank Corp. being reclassified as right-of-use assets. · Telecommunications equipment was regularly depreciated at SoftBank Corp. · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's property, plant and equipment of ¥1,890,600 million was reclassified as assets classified as held for sale.
E Right-of-use assets	· Due to the adoption of IFRS 16, right-of-use assets of ¥1,368,144 million were newly recorded at the beginning of the fiscal year. This was mainly due to newly recorded right-of-use assets for operating leases related to telecommunications equipment and property at Sprint and SoftBank Corp. · Leased assets that had been included in property, plant and equipment were reclassified as right-of-use assets. · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's right-of-use assets of ¥763,529 million were reclassified as assets classified as held for sale.
F Goodwill	· Following the consolidation of ZOZO, Inc., goodwill was newly recognized on the date when control was acquired. For details, see "5. Business combinations" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." · Arm's goodwill decreased ¥223,377 million, due to a stronger yen against the British pound. · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's goodwill of ¥322,978 million was reclassified as assets classified as held for sale.
G Intangible assets	· Following the consolidation of ZOZO, Inc., intangible assets such as customer relationships and trademarks were newly recognized on the date when control was acquired. For details, see "5. Business combinations" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's intangible assets of ¥5,082,956 million were reclassified as assets classified as held for sale.
H Investments accounted for using the equity method	The consolidated carrying amount of Alibaba increased due to recording income on equity method investments and dilution gain from changes in equity interest.
I Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL	SoftBank Vision Fund made investments of $15.6 billion, while the fair values of investments in Uber and WeWork and its three affiliates[1] decreased and the total fair value of other investments decreased significantly during the fourth quarter, mainly due to the impact of the COVID-19 outbreak. For details, see "(a) SoftBank Vision Fund and Other SBIA-Managed Funds Segment" under "b. Results by Segment" in "(1) Overview of Results of Operations."
J Investment securities	· For details of investments in WeWork, see "Investments in WeWork" under "a. Consolidated Results of Operations" in "(1) Overview of Results of Operations." · A wholly owned subsidiary of the Company made new investments totaling $1.3 billion as the investment fund business in Latin America.

Components	Main reasons for changes from the previous fiscal year-end
K Deferred tax assets	As a result of the settlement of the variable prepaid forward contract using Alibaba shares concluded in 2016, the corresponding deferred tax assets were reversed.

(b) Liabilities

(Millions of yen)

	March 31, 2019	**March 31, 2020**	Change	
Interest-bearing debt*1	3,480,960	**3,845,153**	364,193	
Lease liabilities*1	-	**378,383**	378,383	
Deposits for banking business	745,943	**873,087**	127,144	
Third-party interests in SoftBank Vision Fund and other SBIA-managed funds*2	29,677	**24,691**	(4,986)	
Trade and other payables	1,909,608	**1,585,326**	(324,282)	**A**
Derivative financial liabilities	767,714	**9,267**	(758,447)	**B**
Other financial liabilities	10,849	**248,010**	237,161	**C**
Income taxes payables	534,906	**164,298**	(370,608)	**D**
Provisions	43,685	**11,448**	(32,237)	
Other current liabilities	1,158,355	**596,499**	(561,856)	**E**
Liabilities directly relating to assets classified as held for sale	-	**6,454,971**	6,454,971	**F**
Total current liabilities	8,681,697	**14,191,133**	5,509,436	
Interest-bearing debt*1	12,204,146	**9,286,729**	(2,917,417)	
Lease liabilities*1	-	**761,943**	761,943	
Third-party interests in SoftBank Vision Fund and other SBIA-managed funds*2	4,107,288	**4,559,728**	452,440	
Derivative financial liabilities	130,545	**128,075**	(2,470)	
Other financial liabilities	57,115	**77,207**	20,092	
Provisions	157,478	**88,791**	(68,687)	
Deferred tax liabilities	1,391,072	**711,216**	(679,856)	**G**
Other non-current liabilities	258,580	**79,553**	(278,378)	**H**
Total non-current liabilities	18,405,575	**15,693,242**	(2,712,333)	
Total liabilities	27,087,272	**29,884,375**	2,797,103	

Notes:
1. Due to the adoption of IFRS 16, lease liabilities of ¥1,449,326 million, for operating leases that were previously accounted for as leases, were newly recorded at the beginning of the fiscal year. In addition, lease obligations of ¥892,472 million related to finance leases, previously included in interest-bearing debt, were reclassified as lease liabilities.
2. See “(2) Third-party interests in SoftBank Vision Fund and Delta Fund” under “4. SoftBank Vision Fund and other SBIA-managed funds business” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes” for details.

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
Current liabilities	
A Trade and other payables	At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's trade and other payables of ¥395,415 million were reclassified as liabilities directly related to assets classified as held for sale.
B Derivative financial liabilities	Derivative financial liabilities related to the embedded collar transaction in the variable prepaid forward contract using Alibaba shares concluded in 2016 decreased ¥749,846 million, due to settlement of the contract.
C Other financial liabilities	The Company recorded allowance for financial guarantee contract losses and loan commitment losses totaling ¥234,335 million at the fiscal year-end for expected credit losses for the financial guarantee contract and the loan commitment related to WeWork. For details, see "Investments in WeWork" under "a. Consolidated Results of Operations" in "(1) Overview of Results of Operations."
D Income taxes payables	Income tax of ¥321,290 million, which arose from a gain on the sale of SoftBank Corp. shares at SBGJ in the previous fiscal year, was paid.
E Other current liabilities	Withholding income tax of ¥422,648 million on dividends from SBGJ to SoftBank Group Corp. in the previous fiscal year was paid.
F Liabilities directly relating to assets classified as held for sale	At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's liabilities totaling ¥6,454,971 million were presented separately under this classification.
Non-current liabilities	
G Deferred tax liabilities	・Deferred tax liabilities of ¥148,439 million were recorded at the fiscal year-end for intangible assets that were newly recognized following the consolidation of ZOZO, Inc. on the date when control was acquired. ・At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's deferred tax liabilities of ¥746,834 million were reclassified as liabilities directly related to assets classified as held for sale.
H Other non-current liabilities	At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's defined benefit liabilities and other liabilities of ¥209,515 million were reclassified as liabilities directly related to assets classified as held for sale.

(Reference) Interest-bearing Debt and Lease Liabilities (Total of Current Liabilities and Non-current Liabilities)

(Millions of yen)

	March 31, 2019	**March 31, 2020**	Change
SoftBank Group Corp. and wholly owned subsidiaries conducting fund procurement*1	7,445,551	**8,247,062**	801,511
SoftBank Group Corp.	6,157,798	**6,528,733**	370,935
Borrowings	1,339,409	**1,388,240**	48,831
Corporate bonds	4,776,389	**5,034,493**	258,104
Others	42,000	**106,000**	64,000
Wholly owned subsidiaries conducting fund procurement*1	1,287,753	**1,718,329**	430,576
Borrowings	557,152	**1,522,228**	965,076
Financial liabilities relating to variable prepaid forward contract	730,601	**196,101**	(534,500)
SoftBank Vision Fund and Other SBIA-Managed Funds segment			
SoftBank Vision Fund	36,571	**581,543**	544,972
Borrowings	36,571	**581,543**	544,972
SBIA	-	**535**	535
Lease liabilities	-	**535**	535
SoftBank segment			
SoftBank Corp.	3,186,618	**3,828,904**	642,286
Borrowings	2,392,843	**2,856,027**	463,184
Corporate bonds	-	**40,000**	40,000
Lease obligations	786,174	**-**	(786,174)
Lease liabilities	-	**832,877**	832,877
Others	7,601	**100,000**	92,399
Z Holdings Corporation*2	130,099	**839,042**	708,943
Borrowings	-	**463,598**	463,598
Corporate bonds	130,000	**354,327**	224,327
Lease obligations	99	**-**	(99)
Lease liabilities	-	**21,117**	21,117
Other subsidiaries	184,737	**413,127**	228,390
Others			
Other interest-bearing debt	273,152	**259,802**	(13,350)
Lease liabilities	-	**102,193**	102,193
A disposal group classified as held for sale			
Sprint	4,428,378	**-**	(4,428,378)
Total	15,685,106	**14,272,208**	(1,412,898)

Notes:
1. Indicates the interest-bearing debts of Skywalk Finance GK, which made borrowings using Alibaba shares, West Raptor Holdings, LLC, which concluded a variable prepaid forward contract using Alibaba shares, and Moonlight Finance GK (formerly Hinode 1 GK), which made borrowings using shares of SoftBank Corp. These interest-bearing debts are non-recourse to SoftBank Group Corp.
2. Includes the interest-bearing debt and lease liabilities of Yahoo Japan Corporation.

Reasons for Changes from Previous Fiscal Year-End at Core Companies

SoftBank Group Corp. and wholly owned subsidiaries conducting fund procurement

SoftBank Group Corp.

・SoftBank Group Corp. issued domestic straight corporate bonds totaling ¥1 trillion and redeemed corporate bonds of ¥700 billion as part of refinancing corporate bonds maturing in 2019 and 2020 onward.

・SoftBank Group Corp. issued commercial paper in the amount of ¥64.0 billion (net). Interest-bearing debt from this transaction is included in "Others."

(Wholly owned subsidiaries conducting fund procurement)

Skywalk Finance GK

Skywalk Finance GK conducted additional borrowings of $4.37 billion (¥468,859 million) using Alibaba shares.

West Raptor Holdings, LLC

Financial liabilities related to a variable prepaid forward contract decreased by ¥730,601 million due to the settlement of the variable prepaid forward contract using Alibaba shares concluded in 2016. Financial liabilities relating to a variable prepaid forward contract of ¥196,101 million were recorded at the fiscal year-end following the conclusion of a new variable prepaid forward contract using Alibaba shares in November 2019.

Moonlight Finance GK (Formerly Hinode 1 GK)

Moonlight Finance GK borrowed ¥500 billion using SoftBank Corp. shares in February 2020.

SoftBank Vision Fund and Other SBIA-Managed Funds segment

・SoftBank Vision Fund borrowed $3.65 billion for the purpose of monetizing a portion of its investments (the "Portfolio Financing Facility") in July 2019. In March 2020, in light of current market conditions and the corresponding significant decrease in the market value of the listed shares pledged as collateral for the Portfolio Financing Facility, $1.1 billion was repaid on the Portfolio Financing Facility using funds sourced by a capital call issued to all limited partners of SoftBank Vision Fund, including the Company. For details, see "10. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

・SoftBank Vision Fund also borrowed from a line of credit set up mainly to increase the capital efficiency to fund investments (the "Fund Level Facility").

SoftBank segment

SoftBank Corp.

・SoftBank Corp. made borrowings to acquire Yahoo Japan Corporation (currently Z Holdings Corporation) shares and to replenish the reduced working capital resulting from this acquisition.

・Domestic straight corporate bonds totaling ¥40 billion were issued.

・Impacts of adopting IFRS 16 at the beginning of the fiscal year

- Lease liabilities of ¥384,103 million were newly recorded for operating leases that were previously accounted for as leases.
- Finance leases of ¥786,174 million, that were previously included in interest-bearing debt, were reclassified as lease liabilities.

・Liabilities related to lease transactions of software for telecommunications equipment were previously classified as lease obligations. Since the Company does not adopt IFRS 16 on leases of intangible assets, those liabilities were recorded as financial liabilities in borrowings based on IFRS 9, and retrospective adjustments have been made for the balance of the previous fiscal year-end. Borrowings of ¥218,986 million related to those transactions were included at the fiscal year-end (¥277,157 million at the previous fiscal year-end).

Z Holdings Corporation

・¥400 billion was borrowed as funds for acquiring ZOZO, Inc. shares.

・Domestic straight corporate bonds totaling ¥230 billion were issued.

A disposal group classified as held for sale

At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's interest-bearing debt and lease liabilities totaling ¥4,709,749 million were reclassified as liabilities directly related to assets classified as held for sale, and excluded from consolidated interest-bearing debt and lease liabilities.

(c) Equity

(Millions of yen)

	March 31, 2019	**March 31, 2020**	Change	
Common stock	238,772	**238,772**	-	
Capital surplus	1,467,762	**1,490,325**	22,563	**A**
Other equity instruments	496,876	**496,876**	-	
Retained earnings	5,571,285	**3,945,820**	(1,625,465)	**B**
Treasury stock	(443,482)	**(101,616)**	341,866	**C**
Accumulated other comprehensive income	290,268	**(362,259)**	(652,527)	**D**
Accumulated other comprehensive income directly relating to assets classified as held for sale	-	**205,695**	205,695	**E**
Total equity attributable to owners of the parent	7,621,481	**5,913,613**	(1,707,868)	
Non-controlling interests	1,387,723	**1,459,304**	71,581	
Total equity	9,009,204	**7,372,917**	(1,636,287)	

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
A Capital surplus	Capital surplus increased as a result of a decrease in the Company's economic interests in Yahoo Japan Corporation (currently Z Holdings Corporation).
B Retained earnings	In addition to net loss attributable to owners of the parent of ¥961,576 million being recorded, retained earnings were reduced by ¥558,136 million[*1] due to the retirement of 55,753,200 shares of treasury stock in June 2019 (5.07% of the total number of issued shares before the retirement), and by ¥68,752 million due to a dividend payment. In addition, the cumulative impact of adopting IFRS 16 of ¥13,997 million was recorded as an increase in retained earnings on April 1, 2019.

Components	Main reasons for changes from the previous fiscal year-end
C Treasury stock	· The Company repurchased 36.71 million of its own shares for ¥384.1 billion in the previous fiscal year and 19.04 million shares for ¥215.9 billion in the fiscal year. This is in accordance with a resolution of the Board of Directors on February 6, 2019 to repurchase the Company's own shares, with a maximum total repurchase amount of ¥600 billion. · The Company retired the above mentioned treasury stock in June 2019. · The Company repurchased 4.72 million of its own shares for ¥16.0 billion in the fiscal year. This is in accordance with a resolution of the Board of Directors on March 13, 2020 to repurchase the Company's own shares, with a maximum total repurchase amount of ¥500 billion.
D Accumulated other comprehensive income	· Exchange differences from the translation of foreign operations, which arise from translating overseas subsidiaries and associates into yen, decreased ¥501,064 million due to a stronger yen against the major currencies. · At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's accumulated other comprehensive income of ¥205,695 million was reclassified.
E Accumulated other comprehensive income directly relating to assets classified as held for sale	At the fiscal year-end, subsequent to the reclassification of the Sprint business as a disposal group classified as held for sale, Sprint's accumulated other comprehensive income of ¥205,695 million was presented separately under this classification.

Note:
1. The number of shares retired is the same as the number of shares acquired from the share repurchase (the "Share Repurchase") in accordance with a resolution of the Board of Directors on February 6, 2019. However, since the retirement amount is calculated based on the carrying amount, including the treasury stock held by the Company prior to the Share Repurchase, the retirement amount differs from the total repurchase amount of the Share Repurchase.

(3) Overview of Cash Flows

1. Investing activities of SoftBank Vision Fund and Delta Fund[*1]

- Inflows: proceeds from sale of investments of ¥129.8 billion (cash flows from investing activities), proceeds from borrowings of ¥1,132.9 billion (cash flows from financing activities), contributions from third-party investors of ¥1,843.7 billion (cash flows from financing activities)
- Outflows: payments for acquisition of investments of ¥1,597.0 billion (cash flows from investing activities), repayment of borrowings of ¥594.1 billion (cash flows from financing activities), distribution/repayment to third-party investors of ¥7,713 billion (cash flows from financing activities)

2. Investing and financing activities of the Company

- Invested a total of $3.5 billion in WeWork.
- Enhanced cash on hand: procured ¥648.0 billion using Alibaba shares and ¥500 billion using SoftBank Corp. shares.

Note:
1. Excludes the cash flows of new investment vehicles, which are intended to hold certain investments that are expected to be treated as the initial investments of "SoftBank Vision Fund 2" (planned). These investment vehicles made payments of $2.0 billion for acquisitions of investments during the fiscal year.

(Millions of yen)

	Fiscal year ended March 31		
	2019	**2020**	Change
Cash flows from operating activities	1,171,864	**1,117,879**	(53,985)
Cash flows from investing activities	(2,908,016)	**(4,286,921)**	(1,378,905)
Cash flows from financing activities	2,202,291	**2,920,863**	718,572

Notes:
1. Cash flows from continuing operations and cash flows from discontinued operations are included. For details, see "2. Discontinued operations" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."
2. Since lease liabilities were newly recognized for operating leases from the fiscal year due to the adoption of IFRS 16, of the leasing amount (previously recorded as cash flows from operating activities), payment for interest expenses was recorded in "interest paid (cash flows from operating activities)" and payment related to repayment of principal of liabilities was recorded in "repayment of lease liabilities (cash flows from financing activities)."

(a) Cash Flows from Operating Activities

Cash flows from operating activities decreased mainly due to payment of income tax of ¥321,290 million by SBGJ on a gain on the sale of SoftBank Corp. shares recorded in the previous fiscal year.

(b) Cash Flows from Investing Activities

Primary components

Components	Primary details
Outlays for purchase of property, plant and equipment and intangible assets ¥(1,232,551) million	Sprint acquired leased devices and telecommunications equipment for 5G, and SoftBank Corp. acquired telecommunications equipment including those for 5G.
Payments for acquisition of investments ¥(1,098,640) million	· A wholly owned subsidiary of the Company acquired preferred stock and common stock of WeWork totaling $2.0 billion in the first quarter, and paid $1.5 billion related to the existing commitment of WeWork in October 2019. · A wholly owned subsidiary of the Company made new investments totaling $1.3 billion as the investment fund business in Latin America.
Payments for acquisitions of investment by SoftBank Vision Fund and other SBIA-managed funds ¥(1,816,291) million	SoftBank Vision Fund made investments. The newly established investment vehicles, which will hold certain investments that are expected to be treated as the initial investments of "SoftBank Vision Fund 2" (planned), made investments of $2.0 billion.

Components	Primary details
Proceeds from sale of investments by SoftBank Vision Fund and other SBIA-managed funds ¥129,832 million	SoftBank Vision Fund sold a portion of four portfolio companies' shares and all shares of a portfolio company.
Payments for acquisition of control over subsidiaries ¥(388,259) million	Z Holdings Corporation acquired 152,952,900 shares of common shares (50.1% of voting rights) of ZOZO, Inc. for ¥400,737 million. The amount of payments for acquisition of control over subsidiaries was obtained by deducting cash and cash equivalents of ¥22,876 million held by ZOZO, Inc. on the date when control was acquired from the acquisition cost.

(c) Cash Flows from Financing Activities

Primary components

Components	Primary details
Proceeds in short-term interest-bearing debt, net ¥133,173 million	SoftBank Group Corp. issued commercial paper in the amount of ¥49.0 billion (net), and SoftBank Corp. in the amount of ¥48.0 billion (net).
Proceeds from interest-bearing debt ¥8,601,926 million	
Proceeds from borrowings ¥7,043,561 million*1	· SoftBank Group Corp. made short-term borrowings of ¥1,910.1 billion, while the Company's wholly owned subsidiaries, Skywalk Finance GK and Moonlight Finance GK, borrowed $4.37 billion using Alibaba shares and ¥500 billion using SoftBank Corp. shares, respectively. · SoftBank Vision Fund borrowed $6.81 billion through the Fund Level Facility, which is a form of loan that allows borrowing up to a maximum amount of $3.38 billion. In the fiscal year, SoftBank Vision Fund made several borrowings and repayments under the facility (see "Repayment of borrowings" below). · SoftBank Vision Fund borrowed $3.65 billion through the Portfolio Financing Facility in July 2019. In March 2020, in light of current market conditions and the corresponding significant decrease in the market value of the listed shares pledged as collateral for the Portfolio Financing Facility, $1.1 billion was repaid on the Portfolio Financing Facility using funds sourced by a capital call issued to all limited partners of SoftBank Vision Fund, including the Company. For details, see "10. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." · SoftBank Corp. borrowed ¥150.5 billion to finance the acquisition of Yahoo Japan Corporation (currently Z Holdings Corporation) shares, and additionally borrowed ¥325.0 billion for the purpose of refinancing the above borrowings into long-term borrowings and other reasons. The company also borrowed ¥857.6 billion through the sale of installment sales receivables and the sale and leaseback of telecommunications equipment. · Z Holdings Corporation borrowed ¥400 billion to fund its acquisition of ZOZO, Inc. shares. · Sprint borrowed $4.7 billion in total through the securitization of receivables and term loans.

Components	Primary details
Proceeds from issuance of bonds ¥1,379,220 million	· SoftBank Group Corp. issued domestic straight corporate bonds totaling ¥1 trillion for the purpose of refinancing. · Z Holdings Corporation issued domestic straight corporate bonds totaling ¥230 billion. · SoftBank Corp. issued domestic straight corporate bonds totaling ¥40 billion. · Sprint issued straight corporate bonds totaling $1 billion
Proceeds from procurement relating to settlement of shares by variable prepaid forward contract ¥179,145 million	West Raptor Holdings, LLC, the Company's wholly owned subsidiary, concluded a variable prepaid forward contract using Alibaba shares in November 2019 and received ¥179.1 billion.
Repayment of interest-bearing debt ¥(5,646,727) million	
Repayment of borrowings ¥(4,599,878) million*1	· SoftBank Group Corp. repaid short-term borrowings of ¥1,784.8 billion. · SoftBank Vision Fund repaid $4.06 billion of borrowings under the Fund Level Facility and a total of $1.41 billion of borrowings under the Portfolio Financing Facility, including the $1.1 billion repaid in March 2020. For details, see "10. Interest-bearing debt" under "(6) Notes to Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes." · SoftBank Corp. and Sprint repaid borrowings.
Redemption of corporate bonds ¥(1,036,765) million	· SoftBank Group Corp. redeemed domestic straight corporate bonds of ¥700 billion at maturity. · Sprint redeemed corporate bonds totaling $3 billion.
Repayment of lease liabilities ¥(695,370) million	SoftBank Corp. and Sprint repaid lease liabilities related to telecommunications equipment.
Contributions to SoftBank Vision Fund and other SBIA-managed funds from third-party investors ¥1,843,660 million	SoftBank Vision Fund received cash contributions from third-party investors based on capital calls.
Distribution/repayment from SoftBank Vision Fund and other SBIA-managed funds ¥(771,282) million	· SoftBank Vision Fund made distributions and repaid the principal for investments to third-party investors totaling $3.3 billion (¥357,302 million) in August 2019, using the proceeds from the Portfolio Financing Facility. Including this, the fund made distributions and principal repayments to third-party investors totaling ¥611,375 million during the fiscal year. · Delta Fund made distributions and repaid the principal for investments to third-party investors totaling ¥159,907 million, mainly by using the proceeds from the sale of DiDi shares to SoftBank Vision Fund.
Purchase of treasury stock ¥(231,980) million	SoftBank Group Corp. repurchased its own shares in the amount of ¥215.9 billion in the first quarter and ¥16.0 billion in the fourth quarter.

Note:
1. Proceeds from borrowings and repayment of borrowings include proceeds of ¥4,060,150 million and outlays of ¥2,851,336 million, respectively, related to borrowings with a contracted term of one year or less.

(Reference) Details of Primary Cash Flows from Investing Activities and Financing Activities of Core Companies

SoftBank Group Corp. and Wholly Owned Subsidiaries Conducting Fund Procurement

SoftBank Group Corp.

Cash flows from financing activities	
Proceeds in short-term interest-bearing debt, net ¥49,000 million	Procured funds through commercial paper.
Proceeds from borrowings ¥1,925,050 million	Made borrowings.
Repayment of borrowings ¥(1,864,638) million	Repaid borrowings.
Proceeds from issuance of bonds ¥1,000,000 million	Issued domestic straight corporate bonds for the purpose of refinancing.
Redemption of bonds ¥(700,000) million	Redeemed domestic straight corporate bonds at maturity.
Purchase of treasury stock ¥(231,980) million	Repurchased its own shares in the amount of ¥215.9 billion in the first quarter and ¥16.0 billion in the fourth quarter.

Wholly Owned Subsidiaries Conducting Fund Procurement: Skywalk Finance GK, West Raptor Holdings, LLC, and Moonlight Finance GK

Cash flows from financing activities	
Proceeds from borrowings ¥968,859 million	· Skywalk Finance GK borrowed $4.37 billion using Alibaba shares. · Moonlight Finance GK borrowed ¥500 billion using SoftBank Corp. shares.
Proceeds from procurement relating to settlement of shares by variable prepaid forward contract ¥179,145 million	In November 2019, West Raptor Holdings, LLC concluded a variable pre-paid forward contract for Alibaba shares and received ¥179.1 billion.

SoftBank Vision Fund and Delta Fund[*1]

Cash flows from investing activities	
Payments for acquisition of investments ¥(1,596,991) million	SoftBank Vision Fund made investments.
Proceeds from sales of investments ¥129,832 million	SoftBank Vision Fund sold a portion of four portfolio companies' shares and all shares of a portfolio company.

Cash flows from financing activities	
Proceeds from borrowings ¥1,132,873 million	· SoftBank Vision Fund borrowed $6.81 billion through the Fund Level Facility, which is a form of loan that allows borrowing up to a maximum amount of $3.38 billion. In the fiscal year, SoftBank Vision Fund made several borrowings and repayments under the facility (see “Repayment of borrowings” below). · SoftBank Vision Fund borrowed $3.65 billion through the Portfolio Financing Facility in July 2019. In March 2020, in light of current market conditions and the corresponding significant decrease in the market value of the listed shares pledged as collateral for the Portfolio Financing Facility, $1.1 billion was repaid on the Portfolio Financing Facility using funds sourced by a capital call issued to all limited partners of SoftBank Vision Fund, including the Company. For details, see “10. Interest-bearing debt” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”
Repayment of borrowings ¥(594,067) million	SoftBank Vision Fund repaid $4.06 billion for borrowings made through the Fund Level Facility. In addition, the fund repaid a total of $1.41 billion of the Portfolio Financing Facility, including $1.1 billion repaid in March 2020. For details, see “10. Interest-bearing debt” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”
Contributions from third-party investors ¥1,843,660 million	SoftBank Vision Fund received cash contributions from third-party investors based on capital calls.
Distribution/repayment to third-party investors ¥(771,282) million	· SoftBank Vision Fund made distributions and repaid the principal for investments to third-party investors totaling $3.3 billion (¥357,302 million) in August 2019 using the proceeds from the Portfolio Financing Facility. Including this, the fund made distributions and principal repayments to third-party investors totaling ¥611,375 million during the fiscal year. · Delta Fund made distributions and repaid the principal for investments to third-party investors totaling ¥159,907 million, mainly by using the proceeds from the sale of DiDi shares to SoftBank Vision Fund.

Note:
1. Excludes cash flow of the investment vehicles that are to hold certain investments expected to be the initial investment of “SoftBank Vision Fund 2” (planned).

(4) Forecasts

The Company does not give forecasts of consolidated results of operations as they are difficult to project due to numerous uncertainties affecting earnings.

Notes for "1. Results of Operations"

[1] The names of the investments of SoftBank Vision Fund are presented in the order of the size of the investments' impact on the Company's financial results, unless otherwise stated.

[2] The presentation of finance cost of SoftBank Group Corp. includes the interest expenses on interest-bearing debts of wholly owned subsidiaries conducting fund procurement, Skywalk Finance GK, West Raptor Holdings, LLC, and Moonlight Finance GK. These interest-bearing debts are not guaranteed by SoftBank Group Corp., hence, are non-recourse to the company.

[3] Contributions from limited partners of SoftBank Vision Fund excludes the amount repaid to limited partners due to investment plan changes and other reasons after the contribution had been made.

[4] The Company's obligation to Delta Fund is offset against the cost of the investment securities in DiDi acquired by the Company and then sold to Delta Fund.

[5] Non-recallable contribution of SoftBank Vision Fund represents the applicable investment principal returned to limited partners using proceeds from the sale of Flipkart Private Limited shares and the Portfolio Financing Facility.

[6] Non-recallable contribution of Delta Fund represents the applicable principal for the investment in DiDi, which was returned to limited partners after the sale of its shares to SoftBank Vision Fund.

[7] World Semiconductor Trade Statistics (WSTS) as of February 2020. Excludes memory and analog chips, which do not contain processor technology. This data is compiled on the basis of data submitted by semiconductor companies participating in the survey.

[8] This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for the three-month period ended December 31, 2019, as reported by licensees in royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the current quarter's royalty unit analysis is based on chips shipped in the prior quarter. In contrast, royalty revenues are accrued in the same quarter the chips are shipped, based on estimates.

2. Basic Approach to the Selection of Accounting Standards

The Company adopts International Financial Reporting Standards ("IFRSs").

3. Notes to Summary Information

(1) Changes in Accounting Policies

(Changes in accounting policies required by IFRSs)

IFRS 16 "Leases" has been adopted during the three-month period ended June 30, 2019.

The details are described in "Note 1. Significant accounting policies" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements and Primary Notes."

(2) Changes in Accounting Estimates

(Impairment of assets)

For the fiscal year ended March 31, 2020, the recoverable amount of management contracts was less than the carrying amount. Subsequently an impairment loss was recorded. The details are described in "Note" in "Note 16. Other operating loss" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements and Primary Notes."

(Impairment loss on equity method investments and allowance for doubtful accounts for financial assets other than trade receivables)

For the fiscal year ended March 31, 2020, OneWeb Global Limited, an equity method associate of the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. As a result, an impairment loss on equity method investments and provision for allowance for doubtful accounts were recorded. The details are described in "Notes 1" in "Note 22. Other non-operating loss" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements and Primary Notes."

(Allowance for loan commitment losses and financial guarantee contract losses)

As of March 31, 2020, expected credit losses for a loan commitment and a financial guarantee contract for WeWork, an equity method associate of the Company, were estimated. As a result, provisions for allowance for loan commitment losses and financial guarantee contract losses were recorded for the fiscal year ended March 31, 2020. The details are described in "Notes 2 and 3" in "Note 22. Other non-operating loss" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements and Primary Notes."

4. Consolidated Financial Statements and Primary Notes

(Definitions of company names and abbreviations used in the consolidated financial statements and primary notes)

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

Company name / Abbreviation	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
*Each of the following abbreviations indicates the respective company, and its subsidiaries, if any.	
SoftBank Vision Fund	SoftBank Vision Fund L.P. and its alternative investment vehicles
Delta Fund	SB Delta Fund (Jersey) L.P.
SBIA	SB Investment Advisers (UK) Limited
Sprint	Sprint Corporation
Arm	Arm Limited
Brightstar	Brightstar Global Group Inc.
Fortress	Fortress Investment Group LLC
Alibaba	Alibaba Group Holding Limited
WeWork	The We Company

From the three-month period ended December 31, 2019, the description of “SoftBank Vision Fund and Delta Fund” presented in the names of accounts and reportable segment has been changed to “SoftBank Vision Fund and other SBIA-managed funds” as follows:

Consolidated Statement of Financial Position

Previous	Current
Investments from SoftBank Vision Fund and Delta Fund accounted for using FVTPL	Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL
Third-party interests in SoftBank Vision Fund and Delta Fund	Third-party interests in SoftBank Vision Fund and other SBIA-managed funds

Consolidated Statement of Income

Previous	Current
Operating income (excluding income from SoftBank Vision Fund and Delta Fund)	Operating income (excluding income from SoftBank Vision Fund and other SBIA-managed funds)
Operating income from SoftBank Vision Fund and Delta Fund	Operating income from SoftBank Vision Fund and other SBIA-managed funds
Change in third-party interests in SoftBank Vision Fund and Delta Fund	Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds

Consolidated Statement of Cash Flows

Previous	Current
(Gain) loss on investments at SoftBank Vision Fund and Delta Fund	(Gain) loss on investments at SoftBank Vision Fund and other SBIA-managed funds
Change in third-party interests in SoftBank Vision Fund and Delta Fund	Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds
Payments for acquisition of investments by SoftBank Vision Fund and Delta Fund	Payments for acquisition of investments by SoftBank Vision Fund and other SBIA-managed funds
Proceeds from sales of investments by SoftBank Vision Fund and Delta Fund	Proceeds from sales of investments by SoftBank Vision Fund and other SBIA-managed funds
Contributions into SoftBank Vision Fund and Delta Fund from third-party investors	Contributions into SoftBank Vision Fund and other SBIA-managed funds from third-party investors
Distribution/repayment from SoftBank Vision Fund and Delta Fund to third-party investors	Distribution/repayment from SoftBank Vision Fund and other SBIA-managed funds to third-party investors

Segment information

Previous	Current
SoftBank Vision Fund and Delta Fund segment	SoftBank Vision Fund and Other SBIA-Managed Funds segment

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	3,858,518	3,369,015
Trade and other receivables	2,339,977	2,072,326
Other financial assets	203,476	313,487
Inventories	365,260	185,097
Other current assets	766,556	460,970
Subtotal	7,533,787	6,400,895
Assets classified as held for sale	224,201	9,236,048
Total current assets	7,757,988	15,636,943
Non-current assets		
Property, plant and equipment	4,070,704	1,264,516
Right-of-use assets	-	1,293,692
Goodwill	4,321,467	3,998,167
Intangible assets	6,892,195	1,985,972
Costs to obtain contracts	384,076	212,036
Investments accounted for using the equity method	2,641,045	3,240,361
Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL	7,115,629	6,892,232
Investment securities	924,614	1,211,511
Other financial assets	1,185,856	1,159,972
Deferred tax assets	586,943	221,371
Other non-current assets	215,959	140,519
Total non-current assets	28,338,488	21,620,349
Total assets	36,096,476	37,257,292

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities and equity		
Current liabilities		
Interest-bearing debt	3,480,960	3,845,153
Lease liabilities	-	378,383
Deposits for banking business	745,943	873,087
Third-party interests in SoftBank Vision Fund and other SBIA-managed funds	29,677	24,691
Trade and other payables	1,909,608	1,585,326
Derivative financial liabilities	767,714	9,267
Other financial liabilities	10,849	248,010
Income taxes payables	534,906	164,298
Provisions	43,685	11,448
Other current liabilities	1,158,355	596,499
Subtotal	8,681,697	7,736,162
Liabilities directly relating to assets classified as held for sale	-	6,454,971
Total current liabilities	8,681,697	14,191,133
Non-current liabilities		
Interest-bearing debt	12,204,146	9,286,729
Lease liabilities	-	761,943
Third-party interests in SoftBank Vision Fund and other SBIA-managed funds	4,107,288	4,559,728
Derivative financial liabilities	130,545	128,075
Other financial liabilities	57,115	77,207
Provisions	157,478	88,791
Deferred tax liabilities	1,391,072	711,216
Other non-current liabilities	357,931	79,553
Total non-current liabilities	18,405,575	15,693,242
Total liabilities	27,087,272	29,884,375
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	1,467,762	1,490,325
Other equity instruments	496,876	496,876
Retained earnings	5,571,285	3,945,820
Treasury stock	(443,482)	(101,616)
Accumulated other comprehensive income	290,268	(362,259)
Subtotal	7,621,481	5,707,918
Accumulated other comprehensive income directly relating to assets classified as held for sale	-	205,695
Total equity attributable to owners of the parent	7,621,481	5,913,613
Non-controlling interests	1,387,723	1,459,304
Total equity	9,009,204	7,372,917
Total liabilities and equity	36,096,476	37,257,292

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Continuing operations[1]		
Net sales	6,093,548	6,185,093
Cost of sales	(3,567,185)	(3,485,042)
Gross profit	2,526,363	2,700,051
Selling, general and administrative expenses	(1,866,315)	(2,024,167)
Gain relating to loss of control over subsidiaries	176,261	11,879
Other operating loss	(19,314)	(121,051)
Operating income (excluding income from SoftBank Vision Fund and other SBIA-managed funds)	816,995	566,712
Operating income from SoftBank Vision Fund and other SBIA-managed funds	1,256,641	(1,931,345)
Operating income	2,073,636	(1,364,633)
Finance cost	(341,937)	(300,948)
Income on equity method investments	320,101	638,717
Dilution gain from changes in equity interest	44,068	339,842
Foreign exchange gain (loss)	10,894	(11,107)
Derivative gain (loss)	158,423	(71,811)
Gain relating to settlement of variable prepaid forward contract using Alibaba shares	-	1,218,527
Gain (loss) from financial instruments at FVTPL	36,832	(668,463)
Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds	(586,152)	540,930
Other non-operating loss	(33,192)	(285,562)
Income before income tax	1,682,673	35,492
Income taxes	(237,023)	(797,697)
Net income from continuing operations	1,445,650	(762,205)
Discontinued operations[1]		
Net income from discontinued operations	8,968	(38,555)
Net income	1,454,618	(800,760)
Net income attributable to		
Owners of the parent	1,411,199	(961,576)
Net income from continuing operations	1,402,756	(930,027)
Net income from discontinued operations	8,443	(31,549)
Non-controlling interests	43,419	160,816
Net income from continuing operations	42,894	167,822
Net income from discontinued operations	525	(7,006)
	1,454,618	(800,760)
Earnings per share[2]		
Basic earnings per share (Yen)		
Continuing operations	630.19	(463.29)
Discontinued operations	3.89	(15.21)
Total basic earnings per share	634.08	(478.50)
Diluted earnings per share (Yen)		
Continuing operations	624.45	(470.12)
Discontinued operations	3.82	(15.21)
Total diluted earnings per share	628.27	(485.33)

Notes:

1. Continuing operations and discontinued operations are presented separately for the fiscal year ended March 31, 2020. In order to reflect the change, the presentation has been reclassified similarly for the fiscal year ended March 31, 2019. The details are described in "Note 2. Discontinued operations."

2. The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2019.

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income	1,454,618	(800,760)
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(1,204)	(21,281)
Equity financial assets at FVTOCI	(3,664)	(6,245)
Total items that will not be reclassified to profit or loss	(4,868)	(27,526)
Items that may be reclassified subsequently to profit or loss		
Debt financial assets at FVTOCI	1,145	(1,502)
Cash flow hedges	8,766	56,157
Exchange differences on translating foreign operations	27,228	(521,620)
Share of other comprehensive income of associates	15,406	4,912
Total items that may be reclassified subsequently to profit or loss	52,545	(462,053)
Total other comprehensive income, net of tax	47,677	(489,579)
Total comprehensive income	1,502,295	(1,290,339)
Total comprehensive income*		
Comprehensive income from continuing operations	1,376,061	(1,169,573)
Comprehensive income from discontinued operations	126,234	(120,766)
Total comprehensive income attributable to*		
Owners of the parent	1,440,235	(1,425,587)
Comprehensive income from continuing operations	1,330,698	(1,329,357)
Comprehensive income from discontinued operations	109,537	(96,230)
Non-controlling interests	62,060	135,248
	1,502,295	(1,290,339)

Note:
* The details of discontinued operations are described in "Note 2. Discontinued operations."

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2019

(Millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total
As of April 1, 2018	238,772	256,768	496,876	3,940,259	(66,458)	317,959	5,184,176
Effect of retrospective adjustments due to adoption of new standards*	-	-	-	300,615	-	(57,828)	242,787
As of April 1, 2018 (after adjustments)	238,772	256,768	496,876	4,240,874	(66,458)	260,131	5,426,963
Comprehensive income							
Net income	-	-	-	1,411,199	-	-	1,411,199
Other comprehensive income	-	-	-	-	-	29,036	29,036
Total comprehensive income	-	-	-	1,411,199	-	29,036	1,440,235
Transactions with owners and other transactions							
Cash dividends	-	-	-	(47,951)	-	-	(47,951)
Distribution to owners of other equity instruments	-	-	-	(31,736)	-	-	(31,736)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(1,101)	-	1,101	-
Purchase and disposal of treasury stock	-	739	-	-	(377,024)	-	(376,285)
Changes from business combination	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	1,164,459	-	-	-	-	1,164,459
Changes in associates' interests in their subsidiaries	-	41,579	-	-	-	-	41,579
Changes in interests in associates' capital surplus	-	(1,832)	-	-	-	-	(1,832)
Share-based payment transactions	-	6,049	-	-	-	-	6,049
Other	-	-	-	-	-	-	-
Total transactions with owners and other transactions	-	1,210,994	-	(80,788)	(377,024)	1,101	754,283
As of March 31, 2019	238,772	1,467,762	496,876	5,571,285	(443,482)	290,268	7,621,481

(Millions of yen)

	Non-controlling interests	Total equity
As of April 1, 2018	1,088,846	6,273,022
Effect of retrospective adjustments due to adoption of new standards*	21,300	264,087
As of April 1, 2018 (after adjustments)	1,110,146	6,537,109
Comprehensive income		
Net income	43,419	1,454,618
Other comprehensive income	18,641	47,677
Total comprehensive income	62,060	1,502,295
Transactions with owners and other transactions		
Cash dividends	(30,907)	(78,858)
Distribution to owners of other equity instruments	-	(31,736)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	(376,285)
Changes from business combination	6,115	6,115
Changes in interests in subsidiaries	236,191	1,400,650
Changes in associates' interests in their subsidiaries	-	41,579
Changes in interests in associates' capital surplus	-	(1,832)
Share-based payment transactions	2,414	8,463
Other	1,704	1,704
Total transactions with owners and other transactions	215,517	969,800
As of March 31, 2019	1,387,723	9,009,204

Note:

* As a result of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers," cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings and accumulated other comprehensive income.

For the fiscal year ended March 31, 2020

(Millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Subtotal
As of April 1, 2019	238,772	1,467,762	496,876	5,571,285	(443,482)	290,268	7,621,481
Effect of retrospective adjustments due to adoption of new standards*	-	-	-	13,997	-	-	13,997
As of April 1, 2019 (after adjustments)	238,772	1,467,762	496,876	5,585,282	(443,482)	290,268	7,635,478
Comprehensive income							
Net income	-	-	-	(961,576)	-	-	(961,576)
Other comprehensive income	-	-	-	-	-	(464,011)	(464,011)
Total comprehensive income	-	-	-	(961,576)	-	(464,011)	(1,425,587)
Transactions with owners and other transactions							
Cash dividends	-	-	-	(68,752)	-	-	(68,752)
Distribution to owners of other equity instruments	-	-	-	(31,071)	-	-	(31,071)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(17,179)	-	17,179	-
Purchase and disposal of treasury stock	-	(739)	-	(2,748)	(216,270)	-	(219,757)
Retirement of treasury stock	-	-	-	(558,136)	558,136	-	-
Changes from business combination	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	42,358	-	-	-	-	42,358
Changes in associates' interests in their subsidiaries	-	(24,843)	-	-	-	-	(24,843)
Changes in interests in associates' capital surplus	-	3,583	-	-	-	-	3,583
Share-based payment transactions	-	2,204	-	-	-	-	2,204
Transfer of accumulated other comprehensive income held for sale	-	-	-	-	-	(205,695)	(205,695)
Other	-	-	-	-	-	-	-
Total transactions with owners and other transactions	-	22,563	-	(677,886)	341,866	(188,516)	(501,973)
As of March 31, 2020	238,772	1,490,325	496,876	3,945,820	(101,616)	(362,259)	5,707,918

(Millions of yen)

	Equity attributable to owners of the parent			
	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total	Non-controlling interests	Total equity
As of April 1, 2019	-	7,621,481	1,387,723	9,009,204
Effect of retrospective adjustments due to adoption of new standards*	-	13,997	(1,357)	12,640
As of April 1, 2019 (after adjustments)	-	7,635,478	1,386,366	9,021,844
Comprehensive income				
Net income	-	(961,576)	160,816	(800,760)
Other comprehensive income	-	(464,011)	(25,568)	(489,579)
Total comprehensive income	-	(1,425,587)	135,248	(1,290,339)
Transactions with owners and other transactions				
Cash dividends	-	(68,752)	(157,894)	(226,646)
Distribution to owners of other equity instruments	-	(31,071)	-	(31,071)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	-
Purchase and disposal of treasury stock	-	(219,757)	-	(219,757)
Retirement of treasury stock	-	-	-	-
Changes from business combination	-	-	191,325	191,325
Changes in interests in subsidiaries	-	42,358	(94,359)	(52,001)
Changes in associates' interests in their subsidiaries	-	(24,843)	-	(24,843)
Changes in interests in associates' capital surplus	-	3,583	-	3,583
Share-based payment transactions	-	2,204	(750)	1,454
Transfer of accumulated other comprehensive income held for sale	205,695	-	-	-
Other	-	-	(632)	(632)
Total transactions with owners and other transactions	205,695	(296,278)	(62,310)	(358,588)
As of March 31, 2020	205,695	5,913,613	1,459,304	7,372,917

Note:
* As a result of the adoption of IFRS 16 "Leases," cumulative effects of retrospective adjustments are recognized as adjustments to the opening balance of retained earnings. The details are described in "(3) Effect of adopting new standards and interpretations" in "Note 1. Significant accounting policies" under "(6) Notes to Consolidated Financial Statements."

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Net income from continuing operations	1,445,650	(762,205)
Net income from discontinued operations	8,968	(38,555)
Net income	1,454,618	(800,760)
Depreciation and amortization	1,694,187	2,051,472
Gain relating to loss of control over subsidiaries	(176,261)	(11,879)
(Gain) loss on investments at SoftBank Vision Fund and other SBIA-managed funds	(1,302,838)	1,844,867
Finance cost	633,769	613,483
Income on equity method investments	(316,794)	(636,555)
Dilution gain from changes in equity interest	(44,068)	(339,842)
Derivative (gain) loss	(158,230)	66,660
Gain relating to settlement of variable prepaid forward contract using Alibaba shares	-	(1,218,527)
(Gain) loss from financial instruments at FVTPL	(38,443)	668,405
Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds	586,152	(540,930)
Foreign exchange (gain) loss and other non-operating loss	243	290,578
Income taxes	236,684	688,704
Increase in trade and other receivables	(189,651)	(242,697)
Increase in inventories	(470,686)	(374,722)
Increase in trade and other payables	108,223	88,728
Other	44,660	276,332
Subtotal	2,061,565	2,423,317
Interest and dividends received	49,966	49,688
Interest paid	(608,146)	(597,772)
Income taxes paid	(434,360)	(1,201,986)
Income taxes refunded	102,839	444,632
Net cash provided by operating activities	1,171,864	1,117,879
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(1,364,954)	(1,232,551)
Payments for acquisition of investments	(822,628)	(1,098,640)
Proceeds from sales/redemption of investments	292,582	283,892
Payments for acquisition of investments by SoftBank Vision Fund and other SBIA-managed funds	(1,576,790)	(1,816,291)
Proceeds from sales of investments by SoftBank Vision Fund and other SBIA-managed funds	428,865	129,832
Payments for acquisition of control over subsidiaries	(65,134)	(388,259)
Proceeds from loss of control over subsidiaries	91,016	2,506
Payments for acquisition of marketable securities for short-term trading	(298,620)	(245,070)
Proceeds from sales/redemption of marketable securities for short-term trading	344,031	86,449
Payments for loan receivables	(302,531)	(210,379)
Collection of loan receivables	47,895	95,134
Payments into time deposits	(454,544)	(10,583)
Proceeds from withdrawal of time deposits	752,808	693
Other	19,988	116,346
Net cash used in investing activities	(2,908,016)	(4,286,921)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Proceeds in short-term interest-bearing debt, net	(65,411)	133,173
Proceeds from interest-bearing debt	6,189,112	8,601,926
Repayment of interest-bearing debt	(7,128,379)	(5,646,727)
Repayment of lease liabilities	-	(695,370)
Contributions into SoftBank Vision Fund and other SBIA-managed funds from third-party investors	2,133,682	1,843,660
Distribution/repayment from SoftBank Vision Fund and other SBIA-managed funds to third-party investors	(486,388)	(771,282)
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	2,350,262	435
Purchase of shares of subsidiaries from non-controlling interests	(229,818)	(82,932)
Distribution to owners of other equity instruments	(31,736)	(31,071)
Purchase of treasury stock	(384,102)	(231,980)
Cash dividends paid	(47,918)	(68,659)
Cash dividends paid to non-controlling interests	(30,901)	(156,999)
Other	(66,112)	26,689
Net cash provided by financing activities	2,202,291	2,920,863
Effect of exchange rate changes on cash and cash equivalents	57,729	(342)
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale	-	(240,982)
Increase (decrease) in cash and cash equivalents	523,868	(489,503)
Cash and cash equivalents at the beginning of the year	3,334,650	3,858,518
Cash and cash equivalents at the end of the year	3,858,518	3,369,015

Note:
* Cash flows from continuing operations and cash flows from discontinued operations are included. The details are described in “Note 2. Discontinued operations.”

(5) Significant Doubt about Going Concern Assumption

There are no applicable items.

(6) Notes to Consolidated Financial Statements

1. Significant accounting policies

(1) Adoption of new standards and interpretations

The Company has adopted the following standards during the three-month period ended June 30, 2019.

Standard/interpretation		Outline of the new/revised standards
IFRS 16	Leases	IFRS 16 replaces the previous IAS 17 and IFRIC 4. Main revisions are: ・to apply a control model for the identification of leases, distinguishing between leases and service contracts; and ・to eliminate the finance and operating lease classification for a lessee and require the recognition of the right-of-use asset and the lease liability for lease transactions.

There is no significant impact to the consolidated financial statements due to the adoption of the other new accounting standards or interpretations.

In accordance with the transitional provisions of IFRS 16 "Leases," the Company retrospectively recognized the cumulative effect arising from initial adoption of this standard by adjusting the balance of retained earnings as of April 1, 2019. Accordingly, the Company has elected not to restate comparative information for the fiscal year ended March 31, 2019, except for lease transactions of intangible assets disclosed below.

The Company does not apply IFRS 16 to leases of intangible assets and, therefore, restated comparative information on leases of intangible assets for the fiscal year ended March 31, 2019 in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors."

In accordance with the transitional provision, the Company adopted a practical expedient that does not require the Company to reassess whether a contract is, or contains, a lease when applying IFRS 16. Accordingly, except for the aforementioned leases of intangible assets, the Company applies IFRS 16 to contracts that were previously identified as a lease under IAS 17 and IFRIC 4 and does not apply IFRS 16 to contracts that were not previously identified as a lease under such standards, at the date of initial adoption.

In addition to the above, the Company applies the following practical expedients in accordance with the transitional provisions.

- A practical expedient that allows a lessee to rely on its assessment of whether lease contracts are onerous applying IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" on a lease-by-lease basis as an alternative to performing an impairment review.
- A practical expedient that allows a lessee to exclude initial direct costs from the measurement of the right-of-use asset on a lease-by-lease basis at the date of initial adoption.
- A practical expedient that allows a lessee to use hindsight on a lease-by-lease basis, such as in determining the lease term if the contract contains options to extend or terminate the lease.
- A practical expedient that allows, on a lease-by-lease basis, measurement of a right-of-use asset at the date of initial adoption for leases previously classified as an operating lease applying IAS 17 at an amount equal to the lease liability.

(2) Significant accounting policies changed due to the adoption of new standards and interpretations

Lease
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 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. As a result of the adoption of IFRS 16, favorable lease contracts that were previously recognized as intangible assets, except for those related to FCC licenses, have been reclassified to the right-of-use assets, and related items in other non-current liabilities as well as onerous lease contracts that were previously recognized as other current liabilities are deducted from the right-of-use assets. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset.

(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 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 the major part of the economic life of the underlying asset, or the amount of present value of the lease payments 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.

(3) Effect of adopting new standards and interpretations

At the initial adoption of IFRS 16, the Company recognized lease liabilities for those lessee’s lease transactions that were previously classified as an operating lease under IAS 17. These lease liabilities are measured at the present value of the lease payments that have not yet been paid at the date of initial adoption of IFRS 16, discounted using the Company’s incremental borrowing rate at that date. The weighted average incremental borrowing rate applied to lease liabilities at the initial adoption is 3.15%.

The Company does not apply IFRS 16 to leases of intangible assets and, therefore, restated comparative information on leases of intangible assets for the fiscal year ended March 31, 2019 in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors.” As a result, the presentation of the Company’s borrowings for certain software development has been changed. The details are described in “(1) Components of interest-bearing debt” under “10. Interest-bearing debt.”

Further, before applying IFRS 16, commitments under Sprint’s lease agreements for spectrum licenses held by third parties were included in the notes for the future minimum lease payments payable under operating leases as they were deemed to be equivalent to operating leases. These commitments, however, are not included in “Undiscounted future minimum lease payments payable under operating leases as of March 31, 2019” in the table below because they are not leases within the scope of IFRS 16. The amount excluded is ¥746,787 million.

The difference between the future minimum lease payments payable under operating leases as of March 31, 2019 excluding the commitments described above and lease liabilities recognized as of April 1, 2019 is as follows:

	(Millions of yen)
Undiscounted future minimum lease payments payable under operating leases as of March 31, 2019	1,917,239
Adjustments by discounting the future minimum lease payments payable under operating leases above	(206,046)
Discounted future minimum lease payments payable under operating leases as of April 1, 2019	1,711,193
Lease obligations relating to leases that were classified as a finance lease	879,723
Adjustments attributable to revision of the lease term	(124,242)
Effect from the classification of non-lease component	(121,406)
Adjustments attributable to other factors	(3,470)
Lease liabilities as of April 1, 2019	2,341,798

As a result of the adoption of IFRS 16, the assets recognized under finance leases as a lessee that were previously included in property, plant and equipment, are reclassified to right-of-use assets. Lease transactions, which were previously classified and accounted for as operating leases, are also recorded as right-of-use assets. As a result, on April 1, 2019, property, plant and equipment decreased by ¥1,157,008 million and right-of-use assets increased by ¥2,525,152 million.

(4) Significant accounting policies for the SoftBank Vision Fund and Other SBIA-Managed Funds segment

For SoftBank Vision Fund and Delta Fund, the Company applies the following accounting policies.

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

The funds are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company, and by their form of organization, qualify as structured entities. The funds are consolidated by the Company for the following reasons.

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

Inter-company transactions such as management fees and performance fees to SBIA paid or to be paid from the funds are eliminated in consolidation.

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

(a) Investments in subsidiaries

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

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

(b) Investments in associates and joint ventures

Of the portfolio company investments made by the funds, 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 the funds when, as defined under IFRS 11 “Joint

Arrangements," the funds 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 the funds are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28, and presented as "Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL" in the consolidated statement of financial position. The payments for these investments are presented as "Payments for acquisition of investments by SoftBank Vision Fund and other SBIA-managed funds" under cash flows from investing activities in the consolidated statement of cash flows.

(c) Other investments

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

c. Presentation of the results from the SoftBank Vision Fund and other SBIA-managed funds business

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

d. Bridge Investments

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

If the transfer was agreed from the beginning of the fiscal year to the end of the fiscal year, the Company presents items relevant to those investments as if SoftBank Vision Fund had made those investments from the beginning of the fiscal year. Those items would be presented as "Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL" in the consolidated statement of financial position, "Operating income from SoftBank Vision Fund and other SBIA-managed funds" in the consolidated statement of income, and "Payments for acquisition of investments by SoftBank Vision Fund and other SBIA-managed funds" under cash flows from investing activities in the consolidated statement of cash flows.

On the other hand, if the investments have not yet been agreed to be transferred at the end of the fiscal year, the Company presents items relevant to those investments as "Investment securities" in the consolidated statement of financial position, "Gain (loss) from financial instruments at FVTPL" in the consolidated statement of income, and "Payments for acquisition of investments" under cash flows from investing activities in the consolidated statement of cash flows.

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

For investments that are not Bridge Investments, if the transfer was agreed from the beginning of the fiscal year to the end of the fiscal year, the Company continues to apply the same accounting treatment followed in the periods prior to the agreement. They are accounted for as financial assets at FVTPL.

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

f. Contribution from limited partners to SoftBank Vision Fund and Delta Fund

The funds issue capital calls to their respective limited partners (“Capital Call”).

(a) Contribution from limited partners other than the Company

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

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

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

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

(b) Contribution from the Company

Contributions from the Company as limited partners are eliminated in consolidation.

2. Discontinued operations

As of March 31, 2020, it is highly probable that Sprint will merge with T-Mobile US, Inc. (“T-Mobile”) and will no longer be a subsidiary of the Company. Accordingly, assets, liabilities, and accumulated other comprehensive income of Sprint are reclassified as a disposal group classified as held for sale. The disposal group classified as held for sale is measured at the carrying amount as the fair value of T-Mobile shares which the Company acquires from the merger transaction is higher than the carrying amount of Sprint shares. Operating results related to Sprint are presented separately from continuing operations, as discontinued operations, in the consolidated statement of income.

In addition, on April 1, 2020, the merger of Sprint and T-Mobile was completed. As a result, Sprint is no longer a subsidiary of the Company and the combined company T-Mobile US, Inc. became an equity method associate of the Company from that date. The details are described in “(1) Completion of merger of Sprint and T-Mobile” under “Note 25. Significant subsequent events.”

(1) Disposal group classified as held for sale

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets classified as held for sale		
Cash and cash equivalents	-	240,982
Trade and other receivables	-	385,511
Other financial assets	-	7,166
Inventories	-	97,712
Other current assets	-	131,240
Total current assets	-	862,611
Property, plant and equipment	-	1,890,600
Right-of-use assets	-	763,529
Goodwill	-	322,978
Intangible assets	-	5,082,956
Costs to obtain contracts	-	196,438
Investments accounted for using the equity method	-	3,049
Investment securities	-	3,225
Other financial assets	-	47,140
Other non-current assets	-	63,522
Total non-current assets	-	8,373,437
Total assets	-	9,236,048
Liabilities directly relating to assets classified as held for sale		
Interest-bearing debt	-	331,881
Lease liabilities	-	202,743
Trade and other payables	-	395,415
Income taxes payables	-	1,949
Provisions	-	8,720
Other current liabilities	-	292,041
Total current liabilities	-	1,232,749
Interest-bearing debt	-	3,591,777
Lease liabilities	-	583,348
Derivative financial liabilities	-	5,189
Other financial liabilities	-	4,298
Provisions	-	81,261
Deferred tax liabilities	-	746,834
Other non-current liabilities	-	209,515
Total non-current liabilities	-	5,222,222
Total liabilities	-	6,454,971

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Accumulated other comprehensive income directly relating to assets classified as held for sale		
Cash flow hedges	-	(3,454)
Exchange differences on translating foreign operations	-	209,149
Total accumulated other comprehensive income	-	205,695

(2) Results of operations from discontinued operations

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	3,508,688	3,321,535
Cost of sales	(2,180,486)	(2,131,312)
Selling, general and administrative expenses	(920,359)	(956,029)
Other operating loss	(127,548)	(78,346)
Non-operating loss	(271,666)	(303,396)
Income from discontined operations before income tax	8,629	(147,548)
Income taxes	339	108,993
Net income from discontinued operations	8,968	(38,555)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income from discontinued operations	8,968	(38,555)
Other comprehensive income from discontinued operations	117,266	(82,211)
Comprehensive income from discontinued operations	126,234	(120,766)

(3) Cash flows from discontinued operations

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities	593,341	641,013
Cash flows from investing activities	(526,928)	(549,794)
Cash flows from financing activities	(51,115)	(612,373)
	15,298	(521,154)

3. 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, 2019, the Company had six reportable segments, the SoftBank segment, the Sprint segment, the Yahoo Japan segment, the Arm segment, the SoftBank Vision Fund and Delta Fund segment, and the Brightstar segment. However, from the three-month period ended June 30, 2019, in accordance with the consolidation of Yahoo Japan Corporation by SoftBank Corp., business segments which are regularly reviewed by the Company's Board of Directors have been changed. Accordingly, the Company revised its segment classifications to the following five reportable segments: the SoftBank Vision Fund and Delta Fund segment, the SoftBank segment, the Sprint segment, the Arm segment, and the Brightstar segment. The "SoftBank Vision Fund and Delta Fund segment" was renamed to the "SoftBank Vision Fund and Other SBIA-Managed Funds segment" from the three-month period ended December 31, 2019. In addition, from the three-month period ended March 31, 2020, Sprint has been classified as discontinued operations as it is highly probable that Sprint will merge with T-Mobile and will no longer be a subsidiary of the Company. Accordingly, the Sprint segment is excluded from reportable segments.

As a result, for the fiscal year ended March 31, 2020, the Company has four reportable segments: the SoftBank Vision Fund and Other SBIA-Managed Funds segment; the SoftBank segment; the Arm segment; and the Brightstar segment.

The SoftBank Vision Fund and Other SBIA-Managed Funds segment conducts, mainly through SoftBank Vision Fund, investment activities in a wide range of technology sectors. The segment income of the SoftBank Vision Fund and Other SBIA-Managed Funds segment mainly consists of gain and loss arising from investments recognized at SoftBank Vision Fund and operating expenses incurred by the funds and SBIA. The gain and loss mainly arise from investments held by SoftBank Vision Fund including the investment in the Company's subsidiary and investments which transfer to SoftBank Vision Fund is agreed (gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds)

The SoftBank segment provides, mainly through SoftBank Corp., mobile communications services, sale of mobile devices, fixed-line telecommunication services such as broadband services in Japan, and through Yahoo Japan Corporation (currently Z Holdings Corporation), internet advertising and e-commerce business. In addition, Yahoo Japan Corporation transitioned to a holding company structure on October 1, 2019 and changed its trade name to "Z Holdings Corporation" from "Yahoo Japan Corporation."

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

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

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

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

Segment information for the fiscal year ended March 31, 2019 is presented based on the reportable segments after the aforementioned change.

(2) Net sales and income of reportable segments

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

Under the Company's management system, SoftBank Group Corp., a strategic holding company, exercises overall control over its investment portfolio comprising the group companies. Based on this system, the Company focuses on the maximization of shareholder value (calculated as equity value of holdings – net interest-bearing debt) over the medium to long term, and endeavors to increase the equity value of holdings. As a result, EBITDA and adjusted EBITDA which were previously described, are not described for the three-month period ended June 30, 2019 as they are no longer considered as major management indicators provided for periodic reports to the management.

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

Discontinued operations are not included. The details are described in "Note 2. Discontinued operations."

For the fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments				
	SoftBank Vision Fund and Other SBIA-Managed Funds	SoftBank	Arm	Brightstar	Total
Net sales					
Customers	-	4,626,597	202,616	1,082,669	5,911,882
Intersegment	-	25,519	83	-	25,602
Total	-	4,652,116	202,699	1,082,669	5,937,484
Segment income	1,256,641	859,809	133,966	(23,396)	2,227,020
Depreciation and amortization	89	543,006	66,730	5,929	615,754
Gain relating to loss of control over subsidiaries	-	-	176,261	-	176,261

	Other	Reconciliations	Consolidated
Net sales			
Customers	181,666	-	6,093,548
Intersegment	12,076	(37,678)	-
Total	193,742	(37,678)	6,093,548
Segment income	(90,053)	(63,331)	2,073,636
Depreciation and amortization	36,776	699	653,229
Gain relating to loss of control over subsidiaries	-	-	176,261

For the fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments				
	SoftBank Vision Fund and Other SBIA-Managed Funds	SoftBank	Arm	Brightstar	Total
Net sales					
Customers	-	4,843,657	206,277	955,415	6,005,349
Intersegment	-	18,827	375	-	19,202
Total	-	4,862,484	206,652	955,415	6,024,551
Segment income	(1,931,345)	923,314	(42,819)	(5,328)	(1,056,178)
Depreciation and amortization	402	701,984	74,095	7,442	783,923
Gain relating to loss of control over subsidiaries	-	11,879	-	-	11,879

	Other	Reconciliations	Consolidated
Net sales			
Customers	179,744	-	6,185,093
Intersegment	16,442	(35,644)	-
Total	196,186	(35,644)	6,185,093
Segment income	(249,549)	(58,906)	(1,364,633)
Depreciation and amortization	46,961	1,133	832,017
Gain relating to loss of control over subsidiaries	-	-	11,879

4. SoftBank Vision Fund and other SBIA-managed funds business

(1) Income and loss arising from the SoftBank Vision Fund and other SBIA-managed funds business included in the consolidated statement of income

a. Overview

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

b. Income and loss arising from the SoftBank Vision Fund and other SBIA-managed funds business

The following table shows income and loss arising from the SoftBank Vision Fund and other SBIA-managed funds business.

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Gain and loss on investments at SoftBank Vision Fund and other SBIA-managed funds		
Realized gain and loss on sales of investments	296,531	58,340
Unrealized gain and loss on valuation of investments		
Change in valuation for the fiscal year	1,378,553	(1,877,682)
Reclassified to realized gain and loss recorded in the past fiscal year[1]	(365,325)	(40,012)
Interest and dividend income from investments	4,522	12,848
Derivative gain and loss	-	145
Effect of foreign exchange translation[2]	(11,443)	1,494
	1,302,838	(1,844,867)
Operating expenses	(46,197)	(86,478)
Operating income from SoftBank Vision Fund and other SBIA-managed funds	1,256,641	(1,931,345)
Finance cost (interest expenses)	(33,141)	(22,459)
Foreign exchange gain and loss	68	321
Derivative gain and loss	177,373	-
Change in third-party interests in SoftBank Vision Fund and other SBIA-managed funds	(586,152)	540,930
Other non-operating income and loss	(232)	1,067
Income before income tax	814,557	(1,411,486)

Notes:

1. It represents the unrealized gains and losses on valuation of investments recorded as “Operating income from SoftBank Vision Fund and other SBIA-managed funds” in the past fiscal years, which are reclassified to realized gain and loss on sales of investments due to the sales of the shares.
2. Unrealized gains and losses on investments are translated using the average exchange rate for the quarter in which the gains and losses were recognized, while realized gains and losses on disposal of investments are translated using the average exchange rate for the quarter in which the shares were disposed. Foreign currency translation effects are arising from the different foreign currency exchange rates used for unrealized gains and losses and realized gains and losses.

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

a. Terms and conditions of contribution from/ distribution to limited partners

Contributions by the limited partners are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to limited partners, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance of the funds. Those performance-based distributions and performance fees attributed to SBIA will be allocated using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to limited partners will be allocated to each limited partner based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each limited partner after the funds receive cash through dividend, or disposition or monetization of investments.

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

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

b. Changes in interests attributable to Third-Party Investors

Changes in interests attributable to Third-Party Investors (“Third-party interests in SoftBank Vision Fund and other SBIA-managed funds” included in the consolidated statement of financial position) are as follows:

(Millions of yen)

	Third-party interests (Total of current liabilities and non-current liabilities)	(Breakdown)	(For reference purposes only) Links with the consolidated financial statements: Consolidated statement of income (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2019	4,136,965			
Contributions from third-party investors	1,843,660		-	1,843,660
Changes in third-party interests	(540,930)		540,930	-
Attributable to investors entitled to fixed distribution		179,778		
Attributable to investors entitled to performance-based distribution		(720,708)		
Distribution/repayment to third-party investors	(771,282)		-	(771,282)
Exchange differences on translating third-party interests*	(83,994)		-	-
As of March 31, 2020	4,584,419			

Note:
* Exchange differences were included in “Exchange differences on translating foreign operations” in the consolidated statement of comprehensive income.

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SoftBank Vision Fund’s Third-Party Investors as of March 31, 2020 was $15.8 billion.

(3) Management fees and performance fees to SBIA

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

a. Management fees to SBIA

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

b. Performance fees to SBIA

Same as the performance-based distributions, the amount of the performance fees to SBIA is calculated using the allocation method as specified in the limited partnership agreements. SBIA is entitled to receive the performance fees when SoftBank Vision Fund and Delta Fund receive cash through disposition, dividend and monetization of an investment.

During the investment period of SoftBank Vision Fund, payments related to the performance fees to SBIA from disposition, dividends or monetization of investments were withheld. Instead, in accordance with the limited partnership agreement, the amount equivalent to the performance fees withheld during the investment period was temporarily distributed to the limited partners.

After the investment period of SoftBank Vision Fund ended on September 12, 2019, ¥47,943 million ($439 million) of the total amount equivalent to the performance fees temporarily distributed to the limited partners was deducted from the return of contributions and performance-based distributions to the limited partners, and fully paid to SBIA before March 31, 2020.

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

5. Business combinations

For the fiscal year ended March 31, 2020

ZOZO, Inc.

(1) Overview of the business combination

With the aim of strengthening its clothing/fashion e-commerce activities in an effort to further expand its e-commerce business, Z Holdings Corporation implemented a tender offer for the common shares of ZOZO, Inc., as resolved at its Board of Directors meeting held on September 12, 2019. This tender offer was completed on November 13, 2019, and the Company acquired ZOZO, Inc.'s 152,952,900 common shares in cash for ¥400,737 million. As a result, the Company holds 50.1% of voting rights ratio in ZOZO, Inc., and ZOZO, Inc. became a consolidated subsidiary of the Company. In addition, in order to procure part of the fund necessary to acquire the target shares for this business combination, the Company entered into a borrowing arrangement for ¥400,000 million.

(2) Summary of acquiree

Name	ZOZO, Inc.
Nature of business	Planning/operation of fashion online shopping website “ZOZOTOWN” Planning/development of private brand “ZOZO” Customer support, operation of logistics center “ZOZOBASE”

(3) Acquisition date

November 13, 2019

(4) Consideration transferred and the component

(Millions of yen)

		Acquisition date (November 13, 2019)
Payment by cash		400,737
Total consideration transferred	A	400,737

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

(Millions of yen)

		Acquisition date (November 13, 2019)
Cash and cash equivalents		22,876
Trade and other receivables		30,443
Other current assets		7,770
Property, plant and equipment		8,610
Right-of-use assets		20,964
Intangible assets[1]		503,017
Other non-current assets		13,799
Total assets		607,479
Interest-bearing debt (current)		22,000
Lease liabilities (current)		3,854
Trade and other payables		28,362
Other current liabilities		9,263
Lease liabilities (non-current)		16,735
Deferred tax liabilities		150,269
Other non-current liabilities		3,420
Total liabilities		233,903
Net assets	B	373,576
Non-controlling interests[2]	C	185,750
Goodwill[3]	A-(B-C)	212,911

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration was completed during the three-month period ended March 31, 2020. There is no change from the initial provisional amount to the final amount.

Notes:
1. Intangible assets
The components of intangible assets are as follows; the estimated useful lives are from 18 to 25 years for customer relationships.

(Millions of yen)

	Acquisition date (November 13, 2019)
Intangible assets with indefinite useful lives	
Trademarks	178,720
Intangible assets with finite useful lives	
Customer relationships	322,070
Other	2,227
Total	503,017

2. Non-controlling interests
Non-controlling interests are measured based on the proportionate interests in the fair value of the identifiable net assets of the acquiree.

3. Goodwill
Goodwill reflects excess earning power expected from future business development and the synergy between the Company and the acquiree.

(6) Payment for acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (November 13, 2019)
Payment for the acquisition by cash	(400,737)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	22,876
Payment for the acquisition of control over the subsidiary by cash	(377,861)

(7) Sales and net income of the acquiree

The amounts of the acquiree's sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statement of income for the fiscal year ended March 31, 2020, are ¥57,462 million and ¥5,773 million, respectively. In addition, amortization expenses related to intangible assets recognized on the acquisition date are included in the aforementioned net income.

6. Other current assets

The components of other current assets are as follows:

As of March 31, 2020, other current assets of Sprint are reclassified as a disposal group classified as held for sale. The details are described in "Note 2. Discontinued operations."

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Tax receivable*	498,026	291,579
Prepaid expense	123,929	77,077
Contract assets	113,209	65,544
Other	31,392	26,770
Total	766,556	460,970

Note:

* Withholding income tax of ¥422,648 million related to dividends within the group companies was refunded in July 2019. In addition, tax receivable as of March 31, 2020 includes the withholding income tax of ¥167,097 million related to dividends within the group companies and ¥78,801 million related to deemed dividends, respectively.

7. Assets classified as held for sale

(1) Sprint

As of March 31, 2020, it is highly probable that Sprint will merge with T-Mobile and will no longer be a subsidiary of the Company. Accordingly, assets of Sprint were transferred to "Assets classified as held for sale." The details are described in "Note 2. Discontinued operations."

(2) Sale of Alibaba shares by variable prepaid forward contract

Alibaba shares of ¥224,201 million related to the settlement of a variable prepaid forward contract using Alibaba shares was recorded as of March 31, 2019 and the contract was settled with Alibaba shares on June 3, 2019. The details are described in "Note 20. Gain relating to settlement of variable prepaid forward contract using Alibaba shares."

8. Property, plant and equipment

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

As of March 31, 2020, property, plant and equipment of Sprint are reclassified as a disposal group classified as held for sale. The details are described in "Note 2. Discontinued operations."

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Buildings and structures	251,786	134,032
Telecommunications equipment	2,293,388	582,110
Machinery and equipment	98,599	118,755
Furniture, fixtures, and equipment	937,181	159,922
Land	88,304	70,964
Construction in progress	387,408	176,030
Other	14,038	22,703
Total	4,070,704	1,264,516

Note:

* As a result of the adoption of IFRS 16, ¥1,157,008 million of property, plant and equipment relating to lease transactions that were previously classified as a finance lease, has been reclassified to right-of-use assets.

9. Intangible assets

The components of the carrying amounts of intangible assets are as follows:

As of March 31, 2020, intangible assets of Sprint are reclassified as a disposal group classified as held for sale. The details are described in “Note 2. Discontinued operations.”

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Intangible assets with indefinite useful lives		
Trademarks*	693,861	213,754
FCC licenses	4,155,126	-
Other	12,763	7,292
Intangible assets with finite useful lives		
Software	739,879	559,336
Customer relationships*	249,028	474,697
Technologies	471,884	395,621
Spectrum migration costs	159,522	148,770
Management contracts	94,723	46,197
Trademarks	56,726	7,315
FCC licenses	68,092	-
Favorable lease contracts	13,226	-
Other	177,365	132,990
Total	6,892,195	1,985,972

Note:
* As a result of the consolidation of ZOZO, Inc. in November 2019, trademarks of ¥178,720 million and customer relationships of ¥322,070 million were recognized. The details are described in “Note 5. Business combinations.”

10. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

As of March 31, 2020, interest-bearing debt of Sprint is reclassified as a disposal group classified as held for sale. The details are described in “Note 2. Discontinued operations.”

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Current		
Short-term borrowings[1,2]	499,179	1,529,458
Commercial paper	42,000	206,000
Current portion of long-term borrowings[1,3,4]	820,899	1,949,571
Current portion of corporate bonds	1,042,253	159,938
Current portion of installment payables	11,511	186
Current portion of financial liabilities relating to sale of shares by variable prepaid forward contract[5]	730,601	-
Current portion of lease obligations[6]	334,517	-
Total	3,480,960	3,845,153
Non-current		
Long-term borrowings[1,3,4,7]	5,102,091	3,821,473
Corporate bonds	6,538,785	5,268,883
Installment payables	5,315	272
Financial liabilities relating to sale of shares by variable prepaid forward contract[8]	-	196,101
Lease obligations[6]	557,955	-
Total	12,204,146	9,286,729

Notes:

1. The short-term borrowings, current portion of long-term borrowings, and long-term borrowings as of March 31, 2020 include ¥408,465 million (¥36,571 million as of March 31, 2019), ¥10,883 million, and ¥162,195 million of borrowings in SoftBank Vision Fund, respectively.

2. The increases in short-term borrowings for the fiscal year ended March 31, 2020 are mainly due to increases of ¥463,598 million, ¥371,894 million, and ¥128,372 million in Z Holdings Corporation, SoftBank Vision Fund, and SoftBank Corp., respectively.

3. In the SoftBank segment, the Company is a party to lease transactions of software mainly in relation to telecommunications equipment. The Company has not applied IFRS 16 to leases of intangible assets. Accordingly, liabilities associated with the aforementioned transactions that were previously recognized as lease obligations are, after applying IFRS 16, accounted for as financial liabilities under IFRS 9 and are included in the current portion of long-term borrowings and long-term borrowings. Consequently, the related amounts as of March 31, 2019 have been restated accordingly. The current portion of long-term borrowings and long-term borrowings as of March 31, 2020 include ¥89,759 million (¥102,879 million as of March 31, 2019) and ¥143,700 million (¥191,297 million as of March 31, 2019) of borrowings from these transactions, respectively.

4. Certain listed shares held by SoftBank Vision Fund are pledged as collateral for long-term borrowings. The facility agreement for the long-term borrowings include a margin call provision, which may be triggered under certain circumstances such as a significant decrease in the market value of pledged collateral and a mandatory prepayment clause 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 SoftBank Vision Fund did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

In March, 2020, in light of current market conditions, and significant decreases in the market value of the pledged listed shares, an aggregate amount of ¥102,125 million was partially and voluntarily prepaid by SoftBank Vision Fund. In the same month, the facility agreement for the borrowings was amended and pursuant to the terms of this amendment, SoftBank Vision Fund made an additional ¥17,949 million voluntary partial repayment and pledged cash as collateral. Such cash collateral amount is intended to be applied in April 2020 towards a further voluntary repayment of the outstanding long-term borrowings.

As a result, ¥849,088 million of the listed shares held by SoftBank Vision Fund and ¥10,883 million of cash (the carrying amounts of each asset as of March 31, 2020) were pledged as collateral for ¥162,195 million of long-term borrowings and ¥10,883 million of current portion of long-term borrowings as of March 31, 2020. The aforementioned pledged shares are included within "Investments from SoftBank Vision Fund and other SBIA-managed funds accounted for using FVTPL" and the cash collateral is included within "Other financial assets (current) "in the consolidated statement of financial position as of March 31, 2020.

5. Decrease was made due to the settlement of the variable prepaid forward contract using Alibaba shares. The details are described in "Note 20. Gain relating to settlement of variable prepaid forward contract using Alibaba shares."

6. As a result of the adoption of IFRS 16, liabilities that were previously recorded as "Lease obligations" are reclassified to "Lease liabilities" and are presented separately in the consolidated statement of financial position.

7. 929,022,669 shares out of 3,182,919,470 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥497,356 million of long-term borrowings of Moonlight Finance GK (previously Hinode 1 GK), a wholly-owned subsidiary of the Company, as of March 31, 2020. 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 the asset pledged as collateral upon a circumstance where the early settlement was demanded and Moonlight Finance GK did not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

8. In November, 2019, West Raptor Holdings, LLC ("WRH LLC"), a wholly-owned subsidiary of the Company, entered into a variable prepaid forward contract using Alibaba shares with a financial institution and procured ¥179,145 million ($1.65 billion). At the settlement dates, which are expected to be October and November, 2021, the number of Alibaba shares settled by the variable prepaid forward contract 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, and the variable prepaid forward contract is classified as a hybrid financial instrument with embedded derivatives. Embedded derivatives are measured at fair value and ¥5,009 million is recognized as "Derivative financial assets (non-current)" in the consolidated statement of financial position as of March 31, 2020.

WRH LLC has the option ("cash settlement option") to settle the variable prepaid forward contract by either delivering cash or a combination of cash and Alibaba shares. If WRH LLC elects the cash settlement option, the cash equivalent to the fair value of the number of shares for the settlement, which is determined by the market price of the shares, will be paid.

Alibaba shares held by WRH LLC are pledged as collateral. The Company granted the right of use to financial institutions, however can release the collateral by cash settlement at its own discretion. The Company applies the equity method to these shares and they are included in "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2020. The carrying amount of Alibaba shares pledged as collateral by the Company is ¥54,453 million as of March 31, 2020.

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

The components of "Proceeds in short-term interest-bearing debt, net" in the consolidated statement of cash flows are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net (decrease) increase of short-term borrowings	(7,411)	36,173
Net (decrease) increase of commercial paper	(58,000)	97,000
Total	(65,411)	133,173

(3) 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)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Proceeds from borrowings	5,080,337	7,043,561
Proceeds from issuance of corporate bonds	747,744	1,379,220
Proceeds from procurement relating to settlement of shares by variable prepaid forward contract*	-	179,145
Proceeds from sale-leaseback of newly acquired equipment	361,031	-
Total	6,189,112	8,601,926

Note:
*The amount is procured under the variable prepaid forward contract using Alibaba shares. The details are described in "Notes 8" under "(1) Components of interest-bearing debt."

(4) 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)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Repayment of borrowings	(5,627,315)	(4,599,878)
Redemption of corporate bonds	(1,061,732)	(1,036,765)
Payment of installment payables	(18,671)	(10,084)
Repayment of lease obligations	(420,661)	-
Total	(7,128,379)	(5,646,727)

11. Derivative financial liabilities (current)

Mainly, it was decreased due to the settlement of a variable prepaid forward contract using Alibaba shares. The details are described in "Note 20. Gain relating to settlement of variable prepaid forward contract using Alibaba shares."

12. Other financial liabilities (current)

The components of other financial liabilities (current) are as follows:

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Allowance for loan commitment losses[1]	-	145,133
Allowance for financial guarantee contract losses[2]	-	96,756
Other	10,849	6,121
Total	10,849	248,010

Notes:

1. Balance as of March 31, 2020 is ¥145,133 million of allowance for loan commitment losses related to acquire unsecured notes issued by WeWork.

   In December 2019, the Company's wholly owned subsidiary other than SoftBank Vision Fund entered into an agreement with WeWork in order to acquire up to $2.2 billion in unsecured notes to be issued by WeWork and acquired warrants as consideration that are convertible into preferred stock at an exercise price of $0.01 per share. WeWork is expected to issue unsecured notes as needed on or after April 2020. The agreement is considered as a loan commitment which provides loans with interest rates lower than market interest rates. At initial recognition, ¥55,088 million of allowance for loan commitment losses for expected credit losses was recorded as "other financial liabilities (current)" in the consolidated statement of financial position. The financial liabilities are measured to be the higher of the amount less accumulated amortization after the initial recognition or expected credit losses.

   As of March 31, 2020, ¥90,210 million of allowance for loan commitment losses was provided as expected credit losses were higher than the amount less accumulated amortization after the initial recognition. The details are described in "Notes 2" under "Note 22. Other non-operating loss."

2. As of March 31, 2020, ¥89,202 million of allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions is included. In December 2019, the Company entered into an agreement with financial institutions to provide WeWork a $1.75 billion credit facility and acquired warrants as consideration that are convertible into preferred stock at an exercise price of $0.01 per share. The agreement is considered as a financial guarantee contract. At initial recognition, ¥39,107 million of allowance for financial guarantee contract losses for expected credit losses was recorded as "other financial liabilities (current)" in the consolidated statement of financial position. The financial liabilities are measured to be the higher of the amount less accumulated amortization after the initial recognition or expected credit losses.

   As of March 31, 2020, ¥52,349 million of allowance for financial guarantee contract losses was provided as expected credit losses were higher than the amount less accumulated amortization after the initial recognition. The details are described in "Notes 3" under "Note 22. Other non-operating loss."

13. Other current liabilities

The components of other current liabilities are as follows:

As of March 31, 2020, other current liabilities of Sprint are reclassified as a disposal group classified as held for sale. The details are described in "Note 2. Discontinued operations."

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Short-term accrued employee benefits	201,979	163,097
Contract liabilities	252,812	141,454
Withholding income tax*	428,796	131,024
Consumption tax payable and other	112,090	66,369
Accrued interest expense	69,977	32,164
Deferred revenue	35,339	4,640
Other	57,362	57,751
Total	1,158,355	596,499

Note:

* Payment of withholding income tax of ¥422,648 million related to dividends within the group companies was made in April 2019. In addition, withholding income tax as of March 31, 2020 includes the withholding income tax of ¥122,548 million related to dividends within the group companies.

14. Foreign currency exchange rates

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

(1) Rate at the end of the year

(Yen)

	As of March 31, 2019	As of March 31, 2020
USD	110.99	108.83
GBP	144.98	133.32

(2) Average rate for the quarter

For the fiscal year ended March 31, 2019

(Yen)

	Three-month period ended June 30, 2018	Three-month period ended September 30, 2018	Three-month period ended December 31, 2018	Three-month period ended March 31, 2019
USD	108.71	111.55	112.83	110.46
GBP	147.54	145.84	144.48	143.99

For the fiscal year ended March 31, 2020

(Yen)

	Three-month period ended June 30, 2019	Three-month period ended September 30, 2019	Three-month period ended December 31, 2019	Three-month period ended March 31, 2020
USD	110.00	107.70	108.98	109.22
GBP	140.88	132.73	139.55	140.20

15. Equity

(1) Capital surplus

On June 27, 2019, Z Holdings Corporation issued 1,511,478,050 new shares for ¥456.5 billion to SoftBank Corp. through a third-party allotment (the “Third-Party Allotment”). Z Holdings Corporation also implemented a tender offer for its own shares from May 9, 2019 to June 5, 2019 (the “Tender Offer”), and SoftBank Group Corp. accepted the Tender Offer and tendered its holding of common shares of Z Holdings Corporation, held by its wholly-owned subsidiary SoftBank Group Japan Corporation. As a result, 1,792,819,200 of these shares (equivalent to ¥514.5 billion) were sold to Z Holdings Corporation on June 27, 2019.

As a result of the Third-Party Allotment and the Tender Offer, the ownership percentage in Z Holdings Corporation by the Company has changed from 48.16% (ownership percentage as of March 31, 2019) to 45.52%.

Subsequently, capital surplus increased by ¥91,431 million as “Changes in interests in subsidiary.”

(2) Other equity instruments

On July 19, 2017, the Company issued USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and USD-denominated Undated Subordinated Non-Call 10 years Resettable Notes (collectively, the "Hybrid Notes").

The Hybrid Notes are classified as equity instruments in accordance with IFRSs because the Company has the option to defer interest payments, the notes have no maturity date, and the Company has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

(3) Treasury stock

Changes in treasury stock are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Balance at the beginning of the year	11,162	46,827
Increase during the year[1]	36,713	33,340
Decrease during the year[2]	(1,048)	(58,349)
Balance at the end of the year	46,827	21,818

Notes:

1. For the fiscal year ended March 31, 2020, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on February 6, 2019, the number of treasury stock increased by 19,044 thousand shares (amount purchased ¥215,931 million) and at the Board of Directors meeting held on March 13, 2020, the number of treasury stock increased by 4,720 thousand shares (amount purchased ¥16,028 million). In addition, under the resolution passed at the Board of Directors meeting held on May 9, 2019, the Company conducted a share split at a ratio of two-for-one effective June 28, 2019 and the number of treasury stock increased by 9,573 thousand shares.

2. For the fiscal year ended March 31, 2020, the decrease was made mainly under the resolution passed at the Board of Directors meeting held on May 30, 2019, the Company retired its treasury stock of 55,753 thousand shares on June 10, 2019. As a result of the transaction, retaining earnings and treasury stock decreased by ¥558,136 million, respectively.

(4) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

As of March 31, 2020, accumulated other comprehensive income of Sprint is reclassified as a disposal group classified as held for sale. The details are described in "Note 2. Discontinued operations."

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Equity financial assets at FVTOCI	6,661	5,115
Debt financial assets at FVTOCI	267	580
Cash flow hedges	(45,791)	13,128
Exchange differences on translating foreign operations	329,131	(381,082)
Total	290,268	(362,259)

16. Other operating loss

The components of other operating income and loss are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
SoftBank segment		
Impairment loss on assets	(6,669)	(3,404)
Gain from remeasurement relating to business combination	3,751	-
Other	(81)	-
Other		
Loss relating to investment fund business in Latin America	-	(62,212)
Impairment loss on assets*	-	(46,044)
Loss on equity method investments at Fortress	(1,473)	(14,442)
Loss on liquidation of a subsidiary	(14,842)	-
Other	-	5,051
Total	(19,314)	(121,051)

Note:
* Mainly, for the fiscal year ended March 31, 2020, ¥25,710 million of impairment loss was recognized because the recoverable amounts of management contracts were less than the carrying amounts.

17. Finance cost

The components of finance cost are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Interest expenses	(341,937)	(300,948)

18. Income on equity method investments

For the fiscal year ended March 31, 2020

Alibaba received newly-issued share (a 33% equity interest) of Ant Small and Micro Finance Services Group Co., Ltd. (“Ant Financial”) in September 2019, pursuant to the 2014 share and asset purchase agreement, as amended, among Alibaba, Ant Financial, and others. The consideration paid by Alibaba to receive the newly-issued 33% equity interest in Ant Financial was funded by payments from Ant Financial and its subsidiaries to Alibaba in consideration for certain intellectual property rights and assets held by Alibaba. Following this, Alibaba recorded a gain of CNY 71.6 billion, which was the result from the transfer of such intellectual property rights and assets to Ant Financial and the basis difference determined based on Alibaba’s share of Ant Financial’s net assets, net of its corresponding deferred tax effect.

As a result, the Company recognized ¥286,473 million of income on equity method investments.

19. Dilution gain from changes in equity interest

For the fiscal year ended March 31, 2020

Alibaba issued new shares, in connection with its listing on The Stock Exchange of Hong Kong Limited on November 26, 2019. Accordingly, the Company recorded ¥291,551 million of dilution gain from changes in equity interest related to Alibaba.

20. Gain relating to settlement of variable prepaid forward contract using Alibaba shares

On June 3, 2019, a variable prepaid forward contract, which WRH LLC, a wholly-owned subsidiary of the Company, entered into with Mandatory Exchangeable Trust (the "Trust") in June 2016, in order to sell Alibaba shares, was settled by 73,240,200 shares of Alibaba (equivalent to 2.8% of voting right of Alibaba as of March 31, 2019). Subsequently, ¥1,218,527 million of gain relating to settlement of variable prepaid forward contract using Alibaba shares was recorded for the fiscal year ended March 31, 2020.

Alibaba shares held by WRH LLC were pledged as collateral under the variable prepaid forward contract and subsequently, the relevant collateral contract was terminated. Alibaba shares pledged as collateral were recorded as "Assets classified as held for sale" of ¥224,201 million and "Investments accounted for using the equity method" of ¥39,256 million, were included in the consolidated statement of financial position as of March 31, 2019.

The details of the variable prepaid forward contract are as follows.

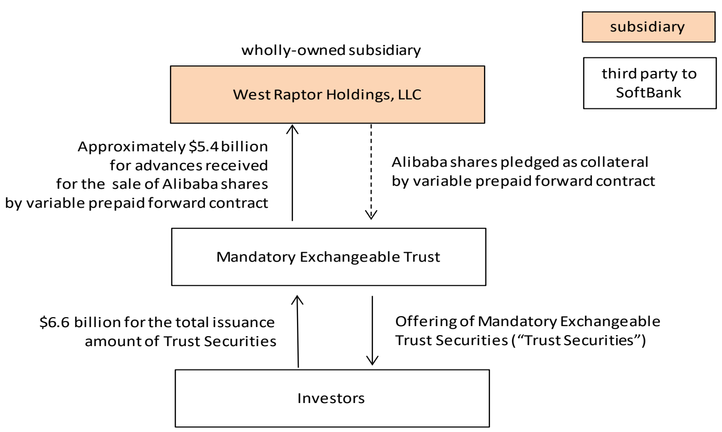
WRH LLC entered into the variable prepaid forward contract on June 10, 2016, and received proceeds of ¥578,436 million ($5.4 billion) as advances received on the sale.

The Trust, on the other hand, utilized Alibaba shares scheduled to be transferred from WRH LLC at the time of settlement under the contract and issued $6.6 billion of Mandatory Exchangeable Trust Securities ("Trust Securities") which are mandatorily exchangeable into American Depositary Shares ("ADSs") of Alibaba. The proceeds from the sale received by WRH LLC from the Trust was $5.4 billion, which is after certain amounts from the $6.6 billion total of Trust Securities were deducted in order to purchase U.S. Treasury securities, which would fund distributions on the Trust Securities, and cover expenses for the issuance of the Trust Securities.

The settlement of the Alibaba shares based on the variable prepaid forward contract is conducted concurrently with the exchange of Trust Securities. At the exchange date (June 3, 2019), Trust Securities are exchanged for a certain number of ADSs, determined by reference to the trading price of the ADSs at that time, and the number of Alibaba shares sold by the variable prepaid forward contract is determined by this number of ADSs. A cap and a floor are set for the number of shares settled, and the variable prepaid forward contract is classified as a hybrid financial instrument with embedded derivatives of a collar transaction.

The Company accounts for the variable prepaid forward contract by bifurcating the main contracts and embedded derivatives. The Company received ¥578,436 million and initially recognized ¥674,023 million as financial liabilities relating to the sale of shares through the variable prepaid forward contract and ¥95,587 million as derivative assets. Subsequent to initial recognition, financial liabilities relating to the sale of shares through the variable prepaid forward contract were measured at amortized cost and embedded derivatives were measured at fair value.

Outline of the transaction



21. Gain (loss) from financial instruments at FVTPL

For the fiscal year ended March 31, 2020, ¥488,479 million of loss was recognized due to the decline in fair value of WeWork shares held by the Company's wholly owned subsidiary other than SoftBank Vision Fund.

In addition, gain and loss on valuation of WeWork shares held by SoftBank Vision Fund are included in "Operating income from SoftBank Vision Fund and other SBIA-managed funds" under the consolidated statement of income.

22. Other non-operating loss

The components of other non-operating income and loss are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Interst income	14,016	34,587
Provisions for allowance for doubtful accounts[1]	(357)	(102,947)
Provisions for allowance for loan commitment losses[2]	-	(90,210)
Impairment loss on equity method investments[1]	(54,977)	(73,721)
Provisions for allowance for financial guarantee contract losses[3]	-	(59,902)
Gain from remeasurement relating to discontinuing the use of the equity method	24,842	-
Loss on redemption of corporate bonds	(14,538)	-
Other	(2,178)	6,631
Total	(33,192)	(285,562)

Notes:

1. On March 27, 2020 (EST), OneWeb Global Limited, an equity method associate of the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. Subsequently, for the fiscal year ended March 31, 2020, the Company estimated the recoverable amount of equity method investment in OneWeb Global Limited to be zero and ¥49,198 million of impairment loss was recorded. In addition, ¥65,913 million of loan receivable from the entity was estimated that it was difficult to recover and the allowance for doubtful accounts was fully provided. In addition, the fair value of the entity's warrants convertible into shares was measured to be zero and ¥54,455 million is recorded as "loss arising from financial instrument at FVTPL" in the consolidated statement of income for the fiscal year ended March 31, 2020.

2. For the fiscal year ended March 31, 2020, ¥90,210 million of provisions for allowance for loan commitment losses related to acquire unsecured notes issued by WeWork was recorded as expected credit losses were higher than the amount less accumulated amortization after the initial recognition. The details are described in "Notes 1" under "Note 12. Other financial liabilities (current)."

3. For the fiscal year ended March 31, 2020, ¥52,349 million of provisions for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded as expected credit losses were higher than the amount less accumulated amortization after the initial recognition. The details are described in "Notes 2" under "Note 12. Other financial liabilities (current)."

23. Earnings per share

(1) Basic earnings per share

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income attributable to owners of the parent	1,411,199	(961,576)
Net income not-attributable to ordinary shareholders of the parent[2]	(32,007)	(30,948)
Net income used in the calculation of basic earnings per share	1,379,192	(992,524)
Net income used in the calculation of basic earnings per share		
Net income from continuing operations attributable to ordinary shareholders of the parent	1,370,749	(960,975)
Net income from discontinued operations attributable to ordinary shareholders of the parent	8,443	(31,549)
Total	1,379,192	(992,524)
Weighted-average number of ordinary shares (Thousands of shares)	2,175,123	2,074,225
Basic earnings per share (Yen)		
Continuing operations	630.19	(463.29)
Discontinued operations	3.89	(15.21)
Total	634.08	(478.50)

(2) Diluted earnings per share

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Diluted net income attributable to ordinary shareholders of the parent (Millions of yen)		
Continuing operations		
Net income from continuing operations used in the calculation of basic earnings per share	1,370,749	(960,975)
Effect of dilutive securities issued by subsidiaries and associates	(10,087)	(14,151)
Subtotal	1,360,662	(975,126)
Discontinued operations		
Net income from discontinued operations used in the calculation of basic earnings per share	8,443	(31,549)
Effect of dilutive securities issued by subsidiaries and associates	(134)	-
Subtotal	8,309	(31,549)
Total	1,368,971	(1,006,675)
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of ordinary shares	2,175,123	2,074,225
Adjustments:		
Stock acquisition rights[3]	3,844	-
Total	2,178,967	2,074,225
Diluted earnings per share (Yen)		
Continuing operations	624.45	(470.12)
Discontinued operations	3.82	(15.21)
Total	628.27	(485.33)

Notes:

1. The Company conducted a two-for-one share split effective June 28, 2019. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

2. Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.

3. Stock acquisition rights are not included in the calculation for diluted earnings per share as it has an antidilutive effect for the calculation for the fiscal year ended March 31, 2020.

24. Supplemental information to the consolidated statement of cash flows

(1) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2020

Payment of withholding income tax related to dividends within the group companies of ¥470,259 million, payment of income tax mainly related to gain on sales of SoftBank Corp. shares held by SoftBank Group Japan Corporation in December 2018 of ¥321,290 million, and payment of income tax related to deemed dividends on sales of Z Holdings Corporation shares held by SoftBank Group Japan Corporation due to an acquisition of its own shares through the Tender Offer by Z Holdings Corporation of ¥78,801 million are included in “Income taxes paid.”

In addition, refunded withholding income tax related to dividends within the group companies of ¥422,648 million is included in “Income taxes refunded.”

(2) Non-cash transactions related to sale of Alibaba shares by variable prepaid forward contract

For the fiscal year ended March 31, 2020

On June 3, 2019, ¥715,044 million of current portion of financial liabilities relating to sale of shares by variable prepaid forward contract and ¥474,468 million of derivative financial liabilities (current) recognized for sale of Alibaba shares by variable prepaid forward contract were settled with Alibaba shares. The details are described in “Note 20. Gain relating to settlement of variable prepaid forward contract using Alibaba shares.”

25. Significant subsequent events

(1) Completion of merger of Sprint and T-Mobile

On April 1, 2020, the merger of Sprint and T-Mobile in an all-stock transaction (“the Transaction”)) was completed under a definitive agreement which the Company, Sprint, T-Mobile, Deutsche Telekom AG (“Deutsche Telekom”), and the other parties entered into on April 29, 2018 (EST) (the “Business Combination Agreement,” which was previously amended by an amendment dated July 26, 2019 and February 20, 2020).

In connection with the completion of the Transaction, the parties waved the condition to closing set forth in the Business Combination Agreement with respect to the final consent of the California public utility commission (the “CPUC”), to the extent required such that all regulatory approvals required for the Transaction to be completed on April 1, 2020 were satisfied or waived as of such date. Subsequently, the CPUC approved the Transaction on April 16, 2020.

Upon completion of the Transaction, from April 1, 2020, Sprint is no longer a subsidiary of the Company and the combined company T-Mobile US, Inc. (“New T-Mobile”) became an equity method associate of the Company with an approximately 24% shareholding (fully diluted basis).

a. Purpose of merger

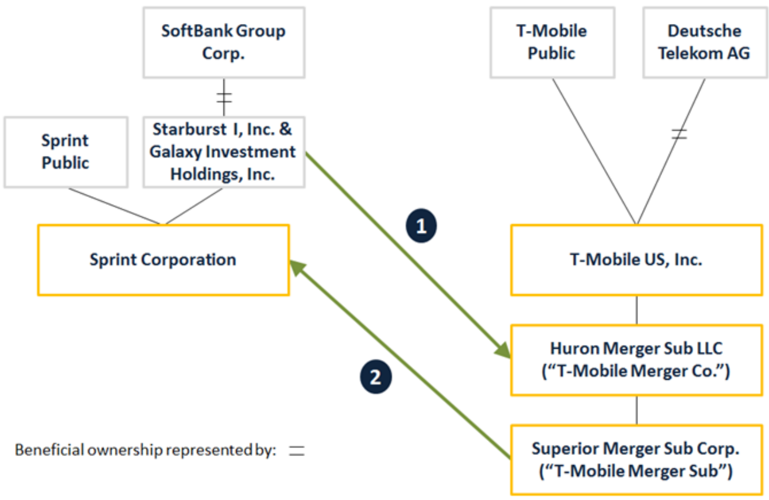
The Company assumes that the transaction will benefit the Company's shareholders by giving the Company an equity interest in a stronger and more competitive combined company that itself will benefit from significant expected synergies.

The Company assumes that New T-Mobile will be a force for positive change in the U.S. wireless, video, and broadband industries, and will have lower costs, greater economies of scale, and the resources to provide U.S. consumers and businesses with lower prices, better quality, unmatched value, and greater competition.

b. The Transaction details

The Transaction is structured as an all-stock transaction involving two consecutive and related mergers.

(a) Merger

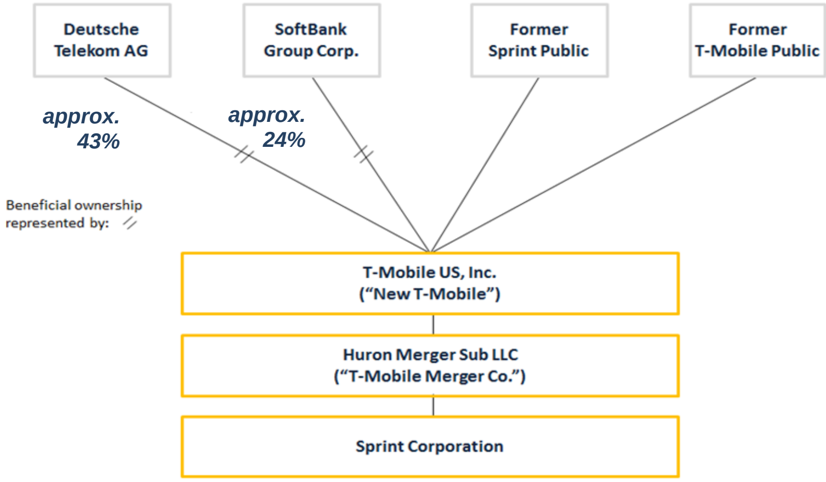


On April 1, 2020, each of Starburst I, Inc. and Galaxy Investment Holdings, Inc. merged with and into Huron Merger Sub LLC, a U.S. subsidiary owned directly by T-Mobile ("T-Mobile Merger Co."), with T-Mobile Merger Co. as the surviving company (the "HoldCo Mergers").

Immediately following the HoldCo Mergers, Superior Merger Sub Corp. ("T-Mobile Merger Sub"), a U.S. subsidiary owned directly by T-Mobile Merger Co., merged with and into Sprint, with Sprint as the surviving company (such merger together with the HoldCo Mergers, the "Merger Transactions").

As a result of the Merger Transactions:
- Sprint became an indirect wholly-owned subsidiary of New T-Mobile.
- Each option to purchase Sprint common shares (other than under Sprint's employee stock purchase plan) was converted into an option to purchase common stock of New T-Mobile.

(b) Post-transaction



Under the Transaction, the share exchange ratio is approximately at 9.75 Sprint shares for each T-Mobile share. In the meantime, the Company surrendered to New T-Mobile an aggregate of 48,751,557 shares of New T-Mobile common stock, of the 353,357,607 shares to be received from the Transaction, effective immediately following the closing of the Transaction. Immediately following the closing, and after giving effect to such surrender, Deutsche Telekom and the Company hold approximately 43% and 24%, respectively, of New T-Mobile common shares, with the remaining approximately 33% held by public shareholders (each percentage is based on fully diluted basis and indirect holdings are included). This resulted in an effective exchange ratio, immediately following the closing of the Transaction, of the equivalent of approximately 11.00 Sprint shares (approximately 11.31 shares for Sprint stock owned by the Company and its subsidiaries) for each share of T-Mobile common stock. Nonetheless, if the trailing 45-day volume-weighted average price per share of New T-Mobile common stock on the NASDAQ Global Select Market is equal to or greater than USD 150.00 at any time during the period commencing on the second anniversary of the closing date and ending on December 31, 2025, New T-Mobile will re-issue to the Company, for no additional consideration, a number of shares of New T-Mobile common stock equal to the abovementioned number of shares to be surrendered (the “contingent consideration”), subject to the terms and conditions included as part of the Business Combination Agreement.

New T-Mobile board of directors consists of 14 directors, 9 nominated by Deutsche Telekom, and 3 nominated by the Company, however after New T-Mobile’s 2020 annual meeting of shareholders, it is expected to be 9 nominated by Deutsche Telekom and 4 nominated by the Company.

Subject to certain exceptions, (i) New T-Mobile shares beneficially owned by the Company and its subsidiaries will be subject to a proxy granted to Deutsche Telekom (pursuant to which the Company will exercise the voting rights in respect of the shares of New T-Mobile held directly or indirectly by the Company as directed by Deutsche Telekom), in order to enable Deutsche Telekom to consolidate New T-Mobile into Deutsche Telekom’s consolidated financial statements following the consummation of the Merger Transactions, certain transfer restrictions, and a right of first refusal in favor of Deutsche Telekom; and (ii) New T-Mobile shares beneficially owned by Deutsche Telekom and its controlled affiliates will be subject to a right of first refusal in favor of the Company and certain transfer restrictions. Furthermore, the Company and Deutsche Telekom (in each case, including certain of their respective affiliates) will be subject to certain non-compete restrictions until such time as their respective ownership in New T-Mobile has been reduced below an agreed threshold.

The Company has also agreed to indemnify New T-Mobile and its subsidiaries following the closing of the Transaction against (i) any monetary losses arising out of or resulting from certain specified matters and (ii) the loss of value to New T-Mobile and its subsidiaries arising out of or resulting from cessation of access to spectrum of Sprint or its subsidiaries under certain circumstances.

c. About New T-Mobile

(a) Name	T-Mobile US, Inc.
(b) Headquarters	Bellevue, Washington Overland Park, Kansas (second headquarters)
(c) Name and title of representative	Chief Executive Officer Mike Sievert
(d) Nature of business	Telecommunications
(e) Major shareholders and their holdings (fully diluted basis*)	Deutsche Telekom: approximately 43% The Company: approximately 24%

Note:

* The figures are calculated based on number of shares including fully diluted shares (including indirect holdings)

d. Number of shares held by the Company before and after the Merger Transactions

(a) Number of shares of Sprint held before the Merger Transactions (as of March 31, 2020)	3,445,374,483 shares (number of voting rights: 3,445,374,483) (voting ratio: 83.7%)
(b) Number of shares of New T-Mobile held after the Merger Transactions[1]	304,606,050 shares (number of voting rights: 304,606,050)[2] (voting ratio: approximately 24% (fully diluted basis))

Notes:

1. Figures are calculated based on number of shares including indirect holdings (including fully diluted shares related to warrants).
2. The voting rights will be subject to proxy arrangements granted in favor of Deutsche Telekom.

e. Impact on the consolidated financial results

Upon completion of the Transaction, for the fiscal year ending March 31, 2021, the difference between the total fair value of acquired New T-Mobile shares (304,606,050 shares) and contingent consideration (48,751,557 shares) as of April 1, 2020 and the carrying amount of Sprint in the consolidated statement of income of the Company will be recorded as gain relating to loss of control in net income from discontinued operations, however, the amount of gain relating to loss of control has not been decided at the present moment.

(2) Prepaid forward contracts using Alibaba shares

In April and May, 2020, West Raptor Holdings 2, LLC (“WRH2 LLC”) and Skybridge LLC, wholly-owned subsidiaries of the Company, entered into several prepaid forward contracts using Alibaba shares with financial institutions. The Company is planning to procure aggregated amount of $11.5 billion and cash deposit has completed except for some parts.

a. Forward Contract: Procured amount $1.5 billion

The settlement is expected in April, 2024. The share price and the number of Alibaba shares settled by the prepaid forward contract are fixed regardless of changes in market share price in the future.

b. Floor Contract: Procured amount $1.5 billion

The settlement is expected in December, 2023 and January, 2024. The number of Alibaba shares settled by the prepaid forward contract is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A floor is set for the price of shares settled.

c. Collar Contract: Procured amount $8.5 billion (of which, $2.5 billion is waited for that to be deposited)

The settlement is expected from January, 2022 to September 2022. The number of Alibaba shares settled by the prepaid forward contract 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.

The above prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value.

WRH2 LLC and Skybridge LLC have the option ("cash settlement option") to settle all of the prepaid forward contracts by either delivering cash or a combination of cash and Alibaba shares. If WRH2 LLC and Skybridge LLC elect the cash settlement option, in case of a. Forward Contract, cash amount equal to the number of shares multiplied by the share price for the settlement, or in case of b. Floor Contract and c. Collar Contract, the cash equivalent to the fair value of the number of shares for the settlement, which is determined by the market price of the shares, will be paid.

Alibaba shares held by WRH2 LLC and Skybridge LLC are pledged as collateral in accordance with all of the prepaid forward contracts, and the Company granted the right of use to financial institutions, however the collateral can be released by cash settlement at the Company's discretion. Alibaba continues to be our affiliated company after the completion of these transactions because the Company still has significant influence to Alibaba via voting right. And the Company applies equity method to the Alibaba shares, also will continuously apply the equity method to the Alibaba shares which are pledged as collateral because the Company practically holds economic benefit occurred from these shares. The carrying amount of Alibaba shares pledged as collateral by the Company as of March 31, 2020 is ¥311,680 million.

The impact of the transactions on the Company's consolidated financial results for the fiscal year ending March 31, 2021 has not been determined.

(3) Repurchase of its own shares

On May 15, 2020, SoftBank Group Corp., at the Board of Directors meeting, resolved the repurchase of its own shares pursuant to Article 156 of the Companies Act of Japan as applied pursuant to Article 165, Paragraph 3. The details are as follows:

a. Purpose of the repurchase

Based on the program announced in "SoftBank Announces JPY 4.5 trillion (USD 41 billion) Program to Repurchase Shares and Reduce Debt" dated March 23, 2020.

b. Details of the repurchase

(a) Class of shares to be repurchased	Common stock of SoftBank Group Corp.
(b) Total number of repurchased shares	135,000,000 shares (maximum) (6.70% of the total number of shares issued (excluding treasury stock))
(c) Total repurchase amount	¥500.0 billion (maximum)
(d) Repurchase period	From May 18, 2020 to March 31, 2021