SoftBank

This translation of the financial report was prepared for reference purposes only. Should there be any inconsistency between the translation and the original Japanese document, the later shall prevail.

Consolidated Financial Report
For the Nine Months Ended December 31, 2018 (IFRS)

February 5, 2019

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2018

(1) Consolidated operating results

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

	Revenue		Operating income		Profit before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2018	**2,776,660**	**4.9**	**634,946**	**18.5**	**573,792**	**13.6**	**392,317**	**17.5**	**395,895**	**18.7**	**329,920**	**(1.9)**
Nine months ended December 31, 2017	2,646,911	―	535,665	―	505,221	―	333,971	―	333,565	―	336,382	―

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	**82.70**	**82.27**
Nine months ended December 31, 2017	81.30	81.29

Note: On March 26, 2018, the Company conducted a 700-for-1 stock split of common stock. Accordingly, basic earnings per share and diluted earnings per share have been calculated assuming that the stock split took place on April 1, 2017, the opening balance sheet date of the comparative period.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2018	**5,744,594**	**1,226,282**	**1,207,439**	**21.0**
As of March 31, 2018	5,305,567	885,260	866,573	16.3

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	―	―	―	181.43	181.43
Fiscal year ending March 31, 2019	―	―	―		
Fiscal year ending March 31, 2019 (Forecast)				37.50	37.50

Note: Revision to the forecast on dividends: No

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2019

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

	Revenue		Operating income		Net income attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2019	3,700,000	3.3	700,000	9.7	420,000	4.8	87.73

Note: Revision to the forecast on financial results: No

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None
Newly consolidated: None
Excluded from consolidation: None

(2) Changes in accounting policies and accounting estimates
[1] Changes in accounting policies required by IFRS: Yes
[2] Changes in accounting policies other than those in [1]: No
[3] Changes in accounting estimates: No

Note:
The Group applied a full retrospective approach, using the practical expedients allowed under International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers," by restating its condensed interim consolidated statement of financial position as of March 31, 2018 disclosed as comparative information. For details, refer to "Changes in Accounting Policies" under "2. Notes to Summary Information" on page 13 of the appendix to this quarterly consolidated financial report.

(3) Number of issued shares (common stock)

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

As of December 31, 2018	4,787,145,170 shares
As of March 31, 2018	4,610,948,240 shares

[2] Number of shares of treasury stock

As of December 31, 2018	— shares
As of March 31, 2018	— shares

[3] Average number of shares outstanding during the period

Nine months ended December 31, 2018	4,787,145,170 shares
Nine months ended December 31, 2017	4,102,972,300 shares

Note:
On March 26, 2018, the Company conducted a 700-for-1 stock split of common stock. Accordingly, the number of shares has been calculated assuming that the stock split took place on April 1, 2017, the opening balance sheet date of the comparative period.

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

*** Explanation on the proper use of the forecast on financial results and other notes**

- Descriptions that refer to forecasts or any other future events 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 significantly differ from these forecasts due to potential risks and uncertainties.
- For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see "(4) Explanation Regarding Consolidated Financial Result Forecasts" under "1. Results of Operations" on page 12 of the appendix to this quarterly consolidated financial report.

- For subsidiaries acquired through common control transactions during the nine months ended December 31, 2018, the Company accounts for those transactions based on the book value of Softbank Group Corp., and regardless of the actual transaction date, retrospectively combines the financial statements of the acquired companies as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period, as part of condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For details, refer to "2. Significant accounting policies" under "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes" on page 23 of the appendix to this quarterly consolidated financial report.

(How to obtain supplementary financial materials and information on the earnings results briefing)
On Tuesday, February 5, 2019 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing is scheduled to be broadcast live on the Company's website in both Japanese and English at https://www.softbank.jp/corp/ir/documents/presentations/. The Data Sheet is also scheduled to be posted on the Company's website concurrently with the earnings report, and the materials and videos to be used at the earnings results briefing, along with a summary of the main questions and answers, are scheduled to be posted on the Company's website promptly after the earnings results briefing.

(Appendix)

Contents

Definition of Company Names and Abbreviations Used in this Appendix

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

Company names / Abbreviations	Definition
The Company	SoftBank Corp. (standalone basis)
The Group	SoftBank Corp. and its subsidiaries
SoftBank Group Corp.	SoftBank Group Corp. (standalone basis)
SoftBank Group	SoftBank Group Corp. and its subsidiaries

Reportable Segments

The Group has three reportable segments: Consumer segment, Enterprise segment, and Distribution segment.

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

Segments	Main business	Core companies
Reportable segments		
Consumer segment	・Provision of mobile communications services to individual customers ・Provision of broadband services ・Sale of mobile devices	The Company Wireless City Planning Inc. SB Mobile Service Corp. WILLCOM OKINAWA, Inc. LINE MOBILE Corporation
Enterprise segment	・Provision of mobile communications services to enterprise customers ・Provision of fixed-line communications services, such as data communications and fixed-line telephone services ・Provision of cloud, global, AI/IoT and other solution services	The Company Wireless City Planning Inc. Telecom Engineering Co., Ltd. IDC Frontier Inc.
Distribution segment	・Provision of products and services addressing ICT, cloud services, IoT solutions and other areas for enterprise customers ・Provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items for individual customers	SB C&S Corp.
Other	・Design, development, international trading and sales of public cloud services ・Provision of payment services ・Online security trading service for smartphones ・Provision of online business solutions and services ・Planning and production of digital media and digital content ・Others	The Company SB Cloud Corp. SB Payment Service Corp. One Tap BUY Co., Ltd. SoftBank Technology Corp. ITmedia Inc.

Notes:

1. Segment income for reportable segments is calculated as follows:

   Segment income = (revenue – operating expenses (cost of sales + selling, general and administrative expenses) ± other operating income and loss) in each segment

2. Effective January 1, 2019, SoftBank Commerce & Service Corp. was renamed as SB C&S Corp., SoftBank Payment Service Corp. was renamed as SB Payment Service Corp., and SoftBank Mobile Service Corp. was renamed as SB Mobile Service Corp.

1. Results of Operations

(1) Overview of Consolidated Results of Operations

a. Management Environment and the Group's Initiatives

As Japan's communications market sees increasing adoption of smartphones and other smart devices, competition between telecommunications carriers has intensified, highlighted by the increasing supply of low-cost services by sub-brands of mobile network operators ("MNOs"), as well as mobile virtual network operators ("MVNOs"). Apart from those trends, the economic outlook has become increasingly uncertain due to global geopolitical tensions such as trade friction between the U.S. and China.

Against the backdrop of these changes in the market environment, the Group has implemented the *Beyond Carrier* strategy to achieve continuous growth in the medium and long terms. Through this strategy, the Group is working to expand the customer base in the telecommunications business, and harness the customer base to expand and foster services and content, as well as business in new areas. The Group is particularly focused on creating business models in fields related to the sharing economy, which enables large numbers of people to share services, locations and other resources, and fields that take advantage of cutting-edge technologies such as AI[1] and IoT[2]. These initiatives will lead to growth in the Group's businesses by enhancing the ways of using smartphones.

To expand the customer base, following efforts in the previous fiscal year, the Group remained focused on increasing sales of the *SoftBank* brand, a high-value-added brand that offers cutting-edge smartphones and mobile devices, as well as high-volume flat-rate data plans to target heavy users, and the *Y!mobile* brand, a brand that provides smartphones and services to customers who prefer low monthly communication charges. Moreover, the Company began offering the *LINE MOBILE* brand in accordance with the consolidation of LINE MOBILE Corporation in April 2018. By offering these three brands, the Company is now able to satisfy an even wider range of customer demands. Furthermore, the Group started providing the *Ultra Giga Monster Plus* plan, which separates handset payment and service fees, under the *SoftBank* brand in September 2018. As a result, the number of smartphone subscribers as of December 31, 2018 had increased by 1,329 thousands from March 31, 2018. In broadband services, the Company has seen steady growth in the number of subscribers to the *SoftBank Hikari* high-speed Internet connection service for households, with an increase of 746 thousands from March 31, 2018. Additionally, in initiatives to introduce 5G (fifth generation mobile communications system) technology, the Company is conducting R&D activities such as field trials, with the aim of starting commercial services at the earliest opportunity. In November 2018, the Group became first[3] in the world to create a verification environment for the development of connected vehicles using 5G technology, and began verification for 5G commercialization.

Furthermore, the Company is providing unique value in collaboration with Yahoo Japan Corporation, who belongs to the same parent with the Company, SoftBank Group Corp. Specifically, the initiatives include a campaign to award up to 10% in T Points[4] to customers when they purchase products on *Yahoo! Shopping* and providing *Yahoo! Premium* benefits free of charge via links with *Yahoo! JAPAN ID*. Through these initiatives, the Company is working to enhance satisfaction among its smartphone users. On August 9, 2018, the Company acquired a portion of the common shares of Yahoo Japan Corporation held by U.S.-based Altaba Inc. through a tender offer to strengthen business collaboration with Yahoo Japan Corporation. Thus, the Company now holds a voting interest of 12.08%[5] in Yahoo Japan Corporation.

Looking at initiatives to expand new businesses, the Group is working to foster collaboration with companies that possess cutting-edge technologies and companies that provide solutions, including investees of SoftBank Group. Within these alliances, the Group is working to establish joint ventures with each partner company and expand new businesses. Because many of these joint ventures are equity method associates, they contribute to the Company's business results through the share of profit or loss of associates accounted for using the equity method.

PayPay Corporation ("PayPay"), which was established by the Company and Yahoo Japan Corporation, started providing *PayPay*, a smartphone payment service using barcodes and QR codes. On October 25, 2018, PayPay commenced a service tie-up with *Alipay*[6]. More than 700 million active users of *Alipay* in China are now able to make smartphone payments at *PayPay* partner merchants. Moreover, in December 2018, PayPay conducted the "10 Billion Yen Giveaway Campaign" in which a partial or full cashback was given to shoppers who made purchases through *PayPay*. Ten days after it began, this campaign reached the ¥10 billion upper limit for cashback, leading to significant improvement in the market visibility of *PayPay*.

WeWork Japan, a joint venture between the Company and WeWork Companies Inc., which provides coworking spaces in 99 cities in 26 countries[7] around the world, has opened 8 offices in Tokyo, as well as offices in Yokohama, Osaka and Fukuoka. WeWork Japan is also planning to open sites in Jinbocho, Kojimachi and other areas of Tokyo.

DiDi Mobility Japan Corp. is a joint venture between the Company and DiDi Chuxing Technology Co., Ltd. ("DiDi"), a mobile transportation platform operator active in more than 400 cities[8] worldwide, including cities in China. DiDi Mobility Japan Corp. offers a taxi-hailing platform in the Osaka area. The Chinese DiDi app can be used "as is" to hail taxis in Japan. This has helped DiDi Mobility Japan Corp. to capture demand from Chinese tourists visiting Japan. At the same time, through various campaigns, DiDi Mobility Japan Corp. has also seen a steady increase in the number of taxis hailed by users in Japan. Looking ahead, DiDi plans to expand its platform to Tokyo and gradually to other major cities throughout Japan.

Moreover, the Company and Toyota Motor Corporation have agreed to form a strategic partnership to facilitate the creation of new mobility services. The two companies will establish a joint venture, MONET Technologies Corporation, and will jointly commence business operations within the fiscal year ending March 31, 2019. MONET Technologies Corporation will provide coordination between the IoT platform developed by the Company and Toyota's Mobility Services Platform (MSPF), an information infrastructure for connected vehicles. By doing so, MONET Technologies Corporation plans to roll out just-in-time vehicle dispatch services for local public agencies and private companies throughout Japan. These services, which will include on-demand transportation through regional partnerships and corporate shuttles, will be provided in tune with user demand.

Notes:
1. AI stands for artificial intelligence.
2. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.
3. Based on the Company's research as of December 3, 2018.
4. Includes T Points that can only be used at designated T Point partner merchants for a limited period.
5. The percentage represents the voting interest after the cancellation of treasury shares at Yahoo Japan Corporation as of September 30, 2018.
6. Alipay is a mobile and online payment platform provided by Ant Financial Services Group, an affiliate company of the Alibaba Group.
7. Number of cities and countries as of December 2018.
8. Number of cities as of July 2018.

b. Consolidated Results of Operations

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Revenue	2,646,911	**2,776,660**	129,749	4.9%
Operating income	535,665	**634,946**	99,281	18.5%
Profit before income taxes	505,221	**573,792**	68,571	13.6%
Income taxes	171,250	**181,475**	10,225	6.0%
Net income	333,971	**392,317**	58,346	17.5%
Net income attributable to:				
Owners of the Company	333,565	**395,895**	62,330	18.7%
Non-controlling interests	406	**(3,578)**	(3,984)	—
Adjusted EBITDA*	907,983	**983,421**	75,438	8.3%

Note: Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) ± other adjustments

An overview of the consolidated results of operations for the nine months ended December 31, 2018 is as follows:

(a) Revenue

For the nine months ended December 31, 2018, revenue increased by ¥129,749 million (4.9%) year on year to ¥2,776,660 million. Revenue increased by ¥67,034 million in the Consumer segment, ¥11,093 million in the Enterprise segment and ¥47,846 million in the Distribution segment.

(b) Operating income

For the nine months ended December 31, 2018, operating income increased by ¥99,281 million (18.5%) year on year to ¥634,946 million. Operating income increased by ¥54,275 million in the Consumer segment, ¥12,618 million in the Enterprise segment and ¥2,238 million in the Distribution segment.

In the nine months ended December 31, 2017, the Company recorded a brand usage charge of ¥34,302 million for using the *SoftBank* brand, which was paid to SoftBank Group Corp. However, this was not incurred in the nine months ended December 31, 2018 because the Company acquired the trademark in March 2018.

(c) Net income

Net income for the nine months ended December 31, 2018 increased by ¥58,346 million (17.5%) year on year to ¥392,317 million. Financing costs increased by ¥14,207 million year on year to ¥43,968 million. This increase mainly reflected an increase in interest expenses on borrowings from SoftBank Group Corp. and financial institutions. Share of losses of associates accounted for using the equity method increased by ¥13,456 million to ¥15,531 million. This increase was mainly due to initiatives undertaken to expand business at PayPay Corporation.

(d) Net income attributable to owners of the Company

For the nine months ended December 31, 2018, net income attributable to owners of the Company increased by ¥62,330 million (18.7%) year on year to ¥395,895 million, due to the increase in operating income.

(e) Adjusted EBITDA

For the nine months ended December 31, 2018, adjusted EBITDA increased by ¥75,438 million (8.3%) year on year to ¥983,421 million. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for more effective evaluation of its business performance.

c. Principal Operational Data

Mobile Communications Services

Figures represent the total number of mobile communications subscribers served by the Consumer segment and Enterprise segment. All operational data for mobile communiciations services includes the *SoftBank*, *Y!mobile* and *LINE MOBILE* brands.

(Thousands)

Cumulative Subscribers	March 31, 2018	**December 31, 2018**	Change
Total	42,650	**43,723**	1,073
Main subscribers*	33,175	**34,223**	1,048
Smartphones	20,135	**21,464**	1,329
Communication modules and others	6,877	**7,352**	475
PHS	2,598	**2,148**	(450)

(Thousands)

Net Additions	Nine Months Ended December 31		
	2017	**2018**	Change
Main subscribers*	596	**1,048**	452
Smartphones	1,132	**1,329**	197

Churn Rate and Total ARPU		Three Months Ended December 31		
		2017	**2018**	Change
Main subscribers*	Churn rate	1.10%	**1.03%**	0.08 pp improvement
	Total ARPU (yen)	4,330	**4,380**	50
	ARPU before discount (yen)	5,550	**5,420**	(140)
	Discount on ARPU (yen)	(1,220)	**(1,040)**	190
Smartphones	Churn rate	0.85%	**0.79%**	0.06 pp improvement

Note: The number of main subscribers includes subscribers to the *Wireless Home Phone* service, which started in July 2017. ARPU and churn rate are calculated and presented excluding this service.

Broadband Services

Data for high-speed Internet connection services for households provided in the Consumer segment.

(Thousands)

Cumulative Subscribers	March 31, 2018	**December 31, 2018**	Change
Total	7,039	**7,522**	483
SoftBank Hikari	4,974	**5,720**	746
Yahoo! BB Hikari with FLET's	1,061	**927**	(134)
Yahoo! BB ADSL	1,005	**876**	(129)

<Definitions and Calculation Methods of Principal Operational Data>

Mobile Communications Services

Main subscribers: smartphones, feature phones, tablets, mobile data communications devices, *Wireless Home Phone,* and others

*Smartphones covered by the *Smartphone Family Discount* and mobile data communications devices covered by the *Data Card 2-Year Special Discount* are included in communication modules and others.

Communication modules and others: communication modules, *Mimamori Phone*, prepaid mobile phones, others

*Communication modules that use PHS networks are included under PHS.

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)

(Calculation method)

Churn rate = number of churn / number of active subscribers

*Number of churn: the total number of subscribers who canceled the service during the relevant period. The number of churn excludes the number of subscribers who switch between *SoftBank*, *Y!mobile* and *LINE MOBILE* using Mobile Number Portability (MNP).

*Churn rate (smartphones): Churn rate for smartphone subscribers within main subscribers

ARPU: Average Revenue Per User per month (rounded to the nearest ¥10)

(Calculation method)

Total ARPU = (data-related revenue + basic monthly charges and voice-related revenue + device warranty service revenue + content-related revenue + advertising revenue, etc.) / number of active subscribers

* Data-related revenue: packet communication and flat-rate charges, basic monthly internet connection charges, etc.

* Basic monthly charges and voice-related revenue: basic monthly charges, voice call charges, revenues from incoming calls, etc.

* Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((cumulative subscribers at the beginning of the month + cumulative subscribers at the end of the month) / 2)

Discount on ARPU = monthly discount + broadband service bundle discount (including *Home Bundle Discount Hikari Set* and *Fiber-optic Discount*)

* The calculation of ARPU excludes discount on telecom service revenues relating to points awarded and *Half Price Support*.

* *Half Price Support* enables customers to purchase eligible smartphones in 48 monthly installments, with the remaining monthly payments waived if the customer trades in their used handset to upgrade to a designated new model after 24 monthly installments.

Broadband Services

SoftBank Hikari: integrated service that combines fiber-optic service using the wholesale fiber-optic connection of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (hereinafter, “NTT East”) and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (hereinafter, “NTT West”) with an Internet Service Provider (ISP) service

(Cumulative Subscribers) the number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete (includes the number of subscribers to *SoftBank Air*)

Yahoo! BB Hikari with FLET’S: ISP service offered as a package with NTT East and NTT West’s *FLET’S Hikari Series* fiber-optic connection

(Cumulative Subscribers) the number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete and who are provided with services

Yahoo! BB ADSL: service combining an ADSL connection service and an ISP service

(Cumulative Subscribers) the number of users of *Yahoo! BB ADSL* for which the physical connection of an ADSL line at the central office of NTT East or NTT West is complete

Figures for “Change” in “c. Principal Operational Data” are calculated based on numbers before rounding. Accordingly, the figures for “Change” may not match the changes in figures calculated based on rounded numbers presented in “c. Principal Operational Data.”

d. Results by Segment

(a) Consumer Segment

OVERVIEW

In the Consumer segment, the Group provides telecommunications services, such as mobile communications services, including sales of mobile devices and broadband services to individual customers in Japan. For mobile device sales, the Group procures mobile devices from mobile device manufacturers and sells the mobile devices through distributors (dealers) operating SoftBank shops, etc. The Group also sells mobile devices to individual customers.

Main initiatives in the nine months ended December 31, 2018

- In April 2018, the Group began offering the *LINE MOBILE* brand in accordance with the consolidation of LINE MOBILE Corporation in April 2018. This brand provides a mobile service for young people featuring plans offering unlimited data use for major social networking service such as *LINE*, a messenger app.
- In June 2018, the Group expanded the service areas for the *Ouchi Denki* service. As a result, the Group has started providing this service in the service areas of both Tokyo Electric Power Company Holdings, Inc. and Hokkaido Electric Power Co., Inc., as well as the service areas of Tohoku Electric Power Co., Inc., Chubu Electric Power Co., Inc., Kansai Electric Power Co., Inc., Chugoku Electric Power Co., Inc., and Shikoku Electric Power Co., Inc.
- In September 2018, the Group began providing *Ultra Giga Monster Plus* and *Mini Monster*, new price plans that separate handset payment and service fees. *Ultra Giga Monster Plus* provides a 50 GB monthly data allowance and unlimited use of eligible video and social networking service without consumption of the monthly data allowance. With the application of various discounts, the price plan is offered at a monthly rate starting from ¥3,480 (before tax)[1]. Until April 7, 2019, the Group will provide the "GIGA All You Can Use Campaign," in which customers receive unlimited use of all data communications services including e-mail, Internet and apps, in addition to the covered services. *Mini Monster* automatically applies a four-tiered flat rate plan according to data usage. With the application of various discounts, *Mini Monster* is offered at a monthly rate starting from ¥1,980 (before tax)[2].
- In October 2018, the Group commenced sales of iPhone XR[3], a new product by Apple Inc. In November 2018, the Group commenced sales of Google Pixel 3 and Google Pixel 3 XL, the first Google smartphones launched in Japan.

Notes:

1. Assuming the application of the *1-year Discount* and *Home Bundle Discount Hikari Set*, as well as *Everybody Family Discount Plus* for a family of four persons or more.
2. Assuming the application of the *1-year Discount* and *Home Bundle Discount Hikari Set*, as well as data usage up to 1 GB.
3. iPhone is a trademark of Apple Inc., registered in the U.S. and other countries. The trademark "iPhone" is used with a license from AIPHONE CO., LTD.

FINANCIAL RESULTS

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Revenue	1,942,969	**2,010,003**	67,034	3.5%
Segment income	493,312	**547,587**	54,275	11.0%
Depreciation and amortization	268,951	**255,058**	(13,893)	(5.2%)

Breakdown of Revenue

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Telecom service revenues	1,421,357	**1,482,368**	61,011	4.3%
Mobile communications	1,187,689	**1,214,053**	26,364	2.2%
Broadband	233,668	**268,315**	34,647	14.8%
Revenues from sales of goods and others	521,612	**527,635**	6,023	1.2%
Total revenue	1,942,969	**2,010,003**	67,034	3.5%

Revenue increased by ¥67,034 million (3.5%) year on year to ¥2,010,003 million.

Telecom service revenues increased by ¥61,011 million (4.3%) year on year to ¥1,482,368 million. Within telecom service revenues, mobile communications revenue increased by ¥26,364 million (2.2%) year on year. This increase was mainly due to an increase in smartphone subscribers and changes in the installment contract period for devices, as well as a decrease in monthly discounts in line with an increase in subscribers to *Ultra Giga Monster Plus*, a plan that separates handset payment and service fees.

Within telecom service revenues, broadband revenue increased by ¥34,647 million (14.8%). This increase was mainly due to an increase in subscribers to the *SoftBank Hikari* fiber-optic service.

Revenues from sales of goods and others rose ¥6,023 million (1.2%) year on year to ¥527,635 million. This increase was mainly due to an increase in unit sales prices of smartphones.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥1,462,416 million, an increase of ¥12,759 million (0.9%) year on year. This increase was mainly due to increases in cost of sales for smartphones in mobile communications and the *SoftBank Hikari* service as telecommunications network charges increased due to more broadband subscribers, while there was a decrease attributable to lower sales and promotion expenses due to an efficiency improvement, as well as reductions in depreciation and amortization and sales commission fees.

As a result, segment income increased by ¥54,275 million (11.0%) year on year to ¥547,587 million.

(b) Enterprise Segment

OVERVIEW

In the Enterprise segment, the Group provides a wide range of services for enterprise customers. These services include mobile communications services, network and VPN services, cloud services, the *OTOKU Line* fixed-line telephone service, AI, IoT, digital marketing and security.

In addition to existing business, the Group provides various services and solutions by building new business through M&As and tie-ups with companies that possess cutting-edge technologies and solutions, including companies that SoftBank Group has invested in.

<u>Main initiatives in the nine months ended December 31, 2018</u>

- In May 2018, IDC Frontier Inc. became a consolidated subsidiary of the Group. By taking full advantage of IDC Frontier's service platform, the Group is strengthening its cloud services to fulfill a wide range of user demands.
- In June 2018, the Company entered into a capital and operational tie-up with handy Japan Holdings Company Limited (now hi Japan Holdings Corporation Ltd.), which undertakes a hotel-based smartphone rental service business, and its operating subsidiary handy Japan Co., Ltd. (now hi Japan Co., Ltd.).
- In July 2018, the Company decided to begin providing marketing support for *Nauto**, an AI and communications-enabled intelligent drive recorder developed by Nauto Inc., an AI technology startup in the U.S. automotive field. Nauto Inc. has entered into an exclusive marketing agreement with ORIX Auto Corporation.
- In October 2018, the Company was ranked No.1 in Japan for network service customer satisfaction in the large enterprise market segment of the 2018 Japan Network Service Customer Satisfaction Survey by J.D. Power. The Company received the No.1 ranking for the second consecutive year, earning the highest overall evaluation in the categories of "service content and quality," "disruption and problem resolution," "sales and implementation support" and "cost."
- In November 2018, the Company, together with SoftBank Robotics Corp., announced that it will provide *Whiz*, a floor-cleaning robot. *Whiz* is expected to generate demand from companies that run offices and other business sites, as the robot can autonomously clean floors by learning and using human workers' cleaning routes.

* *Nauto*: a drive recorder that analyzes driving hazards in real time using an on-board AI-enabled device. The system uses two high-performance compact cameras with communications capabilities to detect and record events inside and outside vehicles, such as driver behavior and conditions surrounding the vehicle.

FINANCIAL RESULTS

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Revenue	444,716	**455,809**	11,093	2.5%
Segment income	61,131	**73,749**	12,618	20.6%
Depreciation and amortization	77,815	**77,412**	(403)	(0.5%)

Breakdown of Revenue

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Mobile	196,794	**198,246**	1,452	0.7%
Fixed-line	158,538	**157,966**	(572)	(0.4%)
Business solution and others	89,384	**99,597**	10,213	11.4%
Total revenue	444,716	**455,809**	11,093	2.5%

Revenue increased by ¥11,093 million (2.5%) year on year to ¥455,809 million. Mobile revenue increased by ¥1,452 million (0.7%) to ¥198,246 million, fixed-line revenue declined by ¥572 million (0.4%) to ¥157,966 million, and business solution and others revenue increased by ¥10,213 million (11.4%) to ¥99,597 million.

The increase in mobile revenue was mainly due to an increase in smartphone subscribers.

The increase in business solution and others revenue was mainly from cloud services and robot business.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥382,060 million, a decrease of ¥1,525 million (0.4%) year on year. This decrease mainly reflected the recording of a reversal related to an allowance for losses on orders received that was recognized in prior fiscal years and a reduction in sales commission fees.

As a result, segment income increased by ¥12,618 million (20.6%) year on year to ¥73,749 million.

(c) Distribution Segment

OVERVIEW

In the Distribution segment, the Group provides cutting-edge products and services that accurately reflect the ever-changing market environment.

For enterprise customers, the Group offers products and services primarily addressing ICT, cloud services and IoT solutions. For individual customers, the Group undertakes the planning and supply of products and services across a wide range of areas such as mobile and PC peripherals, including accessories, as well as software and IoT products, as a manufacturer and distributor.

Main initiatives in the nine months ended December 31, 2018

- In July 2018, SoftBank Commerce & Service Corp. (now SB C&S Corp.) announced a business alliance with MCJ Co., Ltd. and HoloLab Inc. in the areas of augmented reality (AR), virtual reality (VR) and mixed reality (MR). HoloLab Inc. has been jointly developing AR CAD Cloud[1] with SoftBank Commerce & Service Corp. (now SB C&S Corp.). Through this alliance, HoloLab Inc. will mainly establish a sales framework targeting civil engineering, manufacturing and construction industries to accelerate the deployment process and to provide technical support. SoftBank Commerce & Service Corp. (now SB C&S Corp.) and MCJ Co., Ltd. have each entered a capital alliance with HoloLab Inc. to support funding of solution development.
- In October 2018, the Company, SoftBank Commerce & Service Corp. (now SB C&S Corp.) and Dynamics Inc. of the U.S. agreed to a comprehensive collaboration for the deployment of Dynamics' battery-powered interactive card in Japan. This next-generation credit card is being deployed by Dynamics for the global market. Seeking to accelerate the cashless economy in Japan, SoftBank Commerce & Service Corp. (now SB C&S Corp.) will conduct planning, marketing and sales activities with the aim of rolling out services in 2019.
- Three GLIDiC[2] wireless earphone products that SoftBank Commerce & Service Corp. (now SB C&S Corp.) started selling in November 2018, earned high marks for their quality and design, and received recognition at the 2019 VGP Awards. Organized by Ongen Publishing Co., Ltd., the VGP Awards is one of Japan's most prestigious audio/visual award systems.

Notes:
1. AR CAD Cloud: the service name of a cloud solution based on Microsoft Azure provided by Microsoft Corporation.
2. GLIDiC: SB C&S Corp.'s brand name for audio products for mobile communications.

FINANCIAL RESULTS

(Millions of yen)

	Nine Months Ended December 31			
	2017	**2018**	Change	Change %
Revenue	243,338	**291,184**	47,846	19.7%
Segment income	11,200	**13,438**	2,238	20.0%
Depreciation and amortization	707	**887**	180	25.5%

Revenue increased by ¥47,846 million (19.7%) year on year to ¥291,184 million. This was mainly due to firm sales of existing products such as PCs and servers for enterprise customers, and an increase in stable revenue sources such as growth in the number of licenses for cloud services.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥277,746 million, an increase of ¥45,608 million (19.6%) year on year. This increase was mainly due to an increase in the cost of products owing to the increase in revenue.

As a result, segment income rose by ¥2,238 million (20.0%) year on year to ¥13,438 million.

(2) Overview of Consolidated Financial Position

(Millions of yen)

	March 31, 2018	**December 31, 2018**	Change	Change %
Current assets	1,569,080	1,814,069	244,989	15.6%
Non-current assets	3,736,487	3,930,525	194,038	5.2%
Total assets	5,305,567	5,744,594	439,027	8.3%
Current liabilities	3,397,474	1,978,511	(1,418,963)	(41.8%)
Non-current liabilities	1,022,833	2,539,801	1,516,968	148.3%
Total liabilities	4,420,307	4,518,312	98,005	2.2%
Total equity	885,260	1,226,282	341,022	38.5%

ASSETS

Total assets amounted to ¥5,744,594 million as of December 31, 2018, an increase of ¥439,027 million (8.3%) from the previous fiscal year-end. The main changes were an increase in other financial assets due to the acquisition of the shares of Yahoo Japan Corporation, as well as an increase in cash and cash equivalents.

LIABILITIES

Total liabilities amounted to ¥4,518,312 million as of December 31, 2018, an increase of ¥98,005 million (2.2%) from the previous fiscal year-end. The main change was an increase in interest-bearing debt. With regard to interest-bearing debt, the Company repaid its short-term borrowings from SoftBank Group Corp. and borrowed new long-term debt from financial institutions. As a result, interest-bearing debt under current liabilities decreased, while interest-bearing debt under non-current liabilities increased. (For details, please see “6. Interest-bearing debt” under “(6) Notes to Condensed Interim Consolidated Financial Statements” in “3. Condensed Interim Consolidated Financial Statements and Primary Notes.”)

EQUITY

Total equity amounted to ¥1,226,282 million as of December 31, 2018, an increase of ¥341,022 million (38.5%) from the previous fiscal year-end. This increase was mainly due to an increase in retained earnings.

(3) Overview of Consolidated Cash Flows

(Millions of yen)

	Nine Months Ended December 31		
	2017	**2018**	Change
Net cash inflow from operating activities	588,607	**651,241**	62,634
Net cash outflow from investing activities	(245,307)	**(528,906)**	(283,599)
Net cash (outflow) inflow from financing activities	(308,845)	**133,237**	442,082
Cash and cash equivalents at the end of the period	105,364	**376,615**	271,251
Free cash flow	343,300	**122,335**	(220,965)
Transactions with the parent	37,198	**47,239**	10,041
Effect of securitization of installment sales receivables	27,671	**34,413**	6,742
Adjusted free cash flow*	408,169	**203,987**	(204,182)
Capital expenditures (acceptance basis)	221,455	**267,131**	45,676

Note: Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof)

a. Cash flows from operating activities
In the nine months ended December 31, 2018, the net cash inflow from operating activities was ¥651,241 million, an increase of ¥62,634 million year on year. This was mainly due to an increase in net income.

b. Cash flows from investing activities
In the nine months ended December 31, 2018, the net cash outflow from investing activities was ¥528,906 million, an increase of ¥283,599 million year on year. The main use of cash was for the purchase of shares of Yahoo Japan Corporation.

c. Cash flows from financing activities
In the nine months ended December 31, 2018, the net cash inflow from financing activities was ¥133,237 million. The main change is the absence in the nine months ended December 31, 2018 of a dividend payment to SoftBank Group International GK (now SoftBank Group Japan Corporation) that was recorded in the nine months ended December 31, 2017.

d. Cash and cash equivalents at the end of the period
As a result of (a) through (c) above, cash and cash equivalents at December 31, 2018 were ¥376,615 million, an increase of ¥271,251 million from December 31, 2017.

e. Adjusted free cash flow
In the nine months ended December 31, 2018, adjusted free cash flow was positive ¥203,987 million, a decrease of ¥204,182 million year on year. This decrease was mainly due to a cash outflow for the purchase of shares of Yahoo Japan Corporation.

f. Capital expenditures
In the nine months ended December 31, 2018, capital expenditures (acceptance basis) were ¥267,131 million, an increase of ¥45,676 million year on year, mainly due to measures to expand the LTE service areas and improve the quality of service.

(4) Explanation Regarding Consolidated Financial Result Forecasts
For the fiscal year ending March 31, 2019, the Company is forecasting revenue of ¥3,700,000 million, operating income of ¥700,000 million, and net income attributable to owners of the Company of ¥420,000 million. There have been no changes to the consolidated financial result forecasts.

2. Notes to Summary Information

Changes in Accounting Policies

(Changes in accounting policies required by IFRS)

The Group has adopted the following standards from the three months ended June 30, 2018:

Standard	Outline of the new/revised standards
IFRS 15 “Revenue from Contracts with Customers”	Revisions to accounting for revenue recognition
IFRS 9 “Financial Instruments”	Revisions to the classification, measurement, impairment and hedge accounting of financial instruments

For details, refer to “2. Significant accounting policies” in “(6) Notes to Condensed Interim Consolidated Financial Statements” under “3. Condensed Interim Consolidated Financial Statements and Primary Notes.”

3. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2018 restated[1]	As of December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	121,043	376,615
Trade and other receivables	1,186,754	1,187,025
Other financial assets	6,251	1,786
Inventories	125,645	147,140
Other current assets	129,387	101,503
Total current assets	1,569,080	1,814,069
Non-current assets		
Property, plant and equipment	1,707,289	1,654,796
Goodwill	187,489	198,461
Intangible assets	1,051,293	1,044,119
Contract costs	174,314	161,965
Investments accounted for using the equity method	56,325	63,750
Other financial assets	414,094	689,467
Deferred tax assets	58,495	29,907
Other non-current assets	87,188	88,060
Total non-current assets	3,736,487	3,930,525
Total assets	5,305,567	5,744,594

(Millions of yen)

	As of March 31, 2018 restated[1]	As of December 31, 2018
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	2,260,435	934,777
Trade and other payables	841,536	779,386
Contract liabilities	100,676	108,267
Income taxes payable	100,878	60,762
Provisions	16,407	8,022
Other current liabilities	77,542	87,297
Total current liabilities	3,397,474	1,978,511
Non-current liabilities		
Interest-bearing debt	966,098	2,457,398
Other financial liabilities	3,127	11,007
Defined benefit liabilities	12,031	11,486
Provisions	34,493	53,369
Other non-current liabilities	7,084	6,541
Total non-current liabilities	1,022,833	2,539,801
Total liabilities	4,420,307	4,518,312
Equity		
Equity attributable to owners of the Company		
Common stock	197,694	204,309
Capital surplus	204,906	199,374
Retained earnings	458,230	860,816
Accumulated other comprehensive income	5,743	(57,060)
Total equity attributable to owners of the Company	866,573	1,207,439
Non-controlling interests	18,687	18,843
Total equity	885,260	1,226,282
Total liabilities and equity	5,305,567	5,744,594

Note:

1. Upon adoption of International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers," and due to the impact of transactions under common control for the nine months ended December 31, 2018, the comparative information as of March 31, 2018 has been restated. For further details regarding the restatement, refer to "(1) Application of new accounting standards and interpretations" in "Note 2. Significant accounting policies."

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

For the nine months ended December 31, 2017 and 2018

Condensed Interim Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Revenue	2,646,911	2,776,660
Cost of sales	(1,451,377)	(1,521,401)
Gross profit	1,195,534	1,255,259
Selling, general and administrative expenses	(645,988)	(620,232)
Other operating income	4	4,689
Other operating expenses	(13,885)	(4,770)
Operating income	535,665	634,946
Share of losses of associates accounted for using the equity method	(2,075)	(15,531)
Financing income	1,392	1,270
Financing costs	(29,761)	(43,968)
Gain on sales of equity method investments	-	6,170
Impairment loss on equity method investments	-	(9,095)
Profit before income taxes	505,221	573,792
Income taxes	(171,250)	(181,475)
Net income[1]	333,971	392,317
Net income attributable to		
Owners of the Company	333,565	395,895
Non-controlling interests	406	(3,578)
	333,971	392,317
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	81.30	82.70
Diluted earnings per share (Yen)	81.29	82.27

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the nine months ended December 31, 2017 and 2018 was generated from continuing operations.
2. Upon adoption of IFRS 15, “Revenue from Contracts with Customers,” the condensed interim consolidated statement of income and condensed interim consolidated statement of comprehensive income for the nine months ended December 31, 2017 have been adjusted retrospectively. For further details, refer to “(1) Application of new accounting standards and interpretations” in “Note 2. Significant accounting policies.”
3. As described in “(2) Acquisition of investments in subsidiaries and associates” in “Note 4. Business combinations,” transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries.

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income	333,971	392,317
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at FVTOCI	-	(57,364)
Total items that will not be reclassified to profit or loss	-	(57,364)
Items that may be reclassified subsequently to profit or loss		
Gain on revaluation of available-for-sale financial assets	2,410	-
Cash flow hedges	-	(4,317)
Exchange differences on translation of foreign operations	-	(135)
Share of other comprehensive income (loss) of associates accounted for using the equity method	1	(581)
Total items that may be reclassified subsequently to profit or loss	2,411	(5,033)
Total other comprehensive income (loss), net of tax	2,411	(62,397)
Total comprehensive income	336,382	329,920
Total comprehensive income attributable to		
Owners of the Company	335,975	333,364
Non-controlling interests	407	(3,444)
	336,382	329,920

For the three months ended December 31, 2017 and 2018

Condensed Interim Consolidated Statement of Income

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Revenue	960,037	982,253
Cost of sales	(575,021)	(571,000)
Gross profit	385,016	411,253
Selling, general and administrative expenses	(216,242)	(219,638)
Other operating expenses	(13,680)	-
Operating income	155,094	191,615
Share of losses of associates accounted for using the equity method	(595)	(12,279)
Financing income	402	283
Financing costs	(9,897)	(12,910)
Gain on sales of equity method investments	-	2,479
Impairment loss on equity method investments	-	(9,095)
Profit before income taxes	145,004	160,093
Income taxes	(53,843)	(60,602)
Net income[1]	91,161	99,491
Net income attributable to		
Owners of the Company	90,897	101,227
Non-controlling interests	264	(1,736)
	91,161	99,491
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	22.15	21.15
Diluted earnings per share (Yen)	22.15	20.95

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the three months ended December 31, 2017 and 2018 was generated from continuing operations.
2. Upon adoption of IFRS 15, “Revenue from Contracts with Customers,” the condensed interim consolidated statement of income and condensed interim consolidated statement of comprehensive income for the three months ended December 31, 2017 have been adjusted retrospectively. For further details, refer to “(1) Application of new accounting standards and interpretations” in “Note 2. Significant accounting policies.”
3. As described in “(2) Acquisition of investments in subsidiaries and associates” in “Note 4. Business combinations,” transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries.

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Net income	91,161	99,491
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments at FVTOCI	-	(76,238)
Total items that will not be reclassified to profit or loss	-	(76,238)
Items that may be reclassified subsequently to profit or loss		
Loss on revaluation of available-for-sale financial assets	(20)	-
Cash flow hedges	-	(2,351)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(10)	(303)
Total items that may be reclassified subsequently to profit or loss	(30)	(2,654)
Total other comprehensive income (loss), net of tax	(30)	(78,892)
Total comprehensive income	91,131	20,599
Total comprehensive income attributable to		
Owners of the Company	90,868	22,332
Non-controlling interests	263	(1,733)
	91,131	20,599

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the nine months ended December 31, 2017

(Millions of yen)

	Equity attributable to owners of the Company						
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2017	177,251	963,924	397,788	(149)	1,538,814	6,967	1,545,781
Cumulative effect of adopting a new accounting standard[1]	-	-	120,169	-	120,169	-	120,169
Retrospective adjustments from transactions under common control[2]	-	30,038	10,488	31	40,557	11,947	52,504
As of April 1, 2017 - restated	177,251	993,962	528,445	(118)	1,699,540	18,914	1,718,454
Comprehensive income							
Net income	-	-	333,565	-	333,565	406	333,971
Other comprehensive income (loss)	-	-	-	2,410	2,410	1	2,411
Total comprehensive income	-	-	333,565	2,410	335,975	407	336,382
Transactions with owners and other transactions							
Cash dividends[4]	-	-	(395,963)	-	(395,963)	(228)	(396,191)
Issuance of new shares	-	-	-	-	-	-	-
Changes from transactions under common control[2, 3]	-	(79,479)	(23,917)	-	(103,396)	(3,297)	(106,693)
Changes from business combinations	-	-	-	-	-	210	210
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries[2, 4]	-	(133)	-	-	(133)	481	348
Changes in interests in existing subsidiaries	-	(240)	-	-	(240)	1,240	1,000
Share-based payment transactions	-	3,531	-	-	3,531	-	3,531
Transfer from accumulated other comprehensive income to retained earnings	-	-	-	-	-	-	-
Total transactions with owners and other transactions	-	(76,321)	(419,880)	-	(496,201)	(1,594)	(497,795)
As of December 31, 2017	177,251	917,641	442,130	2,292	1,539,314	17,727	1,557,041

For the nine months ended December 31, 2018

(Millions of yen)

	Equity attributable to owners of the Company						
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehen-sive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2018	197,694	204,906	458,230	5,743	866,573	18,687	885,260
Comprehensive income							
Net income	-	-	395,895	-	395,895	(3,578)	392,317
Other comprehensive income (loss)	-	-	-	(62,531)	(62,531)	134	(62,397)
Total comprehensive income	-	-	395,895	(62,531)	333,364	(3,444)	329,920
Transactions with owners and other transactions							
Cash dividends[4]	-	-	(161)	-	(161)	(226)	(387)
Issuance of new shares	6,615	13,207	-	-	19,822	-	19,822
Changes from transactions under common control[2, 3]	-	(25,637)	6,522	-	(19,115)	(4,100)	(23,215)
Changes from business combinations	-	-	-	-	-	4,422	4,422
Changes from loss of control	-	-	-	58	58	(228)	(170)
Changes in interests in subsidiaries[2, 4]	-	-	-	-	-	-	-
Changes in interests in existing subsidiaries	-	229	-	-	229	3,732	3,961
Share-based payment transactions	-	6,669	-	-	6,669	0	6,669
Transfer from accumulated other comprehensive income to retained earnings	-	-	330	(330)	-	-	-
Total transactions with owners and other transactions	6,615	(5,532)	6,691	(272)	7,502	3,600	11,102
As of December 31, 2018	204,309	199,374	860,816	(57,060)	1,207,439	18,843	1,226,282

Notes:

1. Upon adoption of IFRS 15, "Revenue from Contracts with Customers," the cumulative effect of initially applying this standard retrospectively on periods before the nine months ended December 31, 2017 was recognized as an adjustment to the opening balance of retained earnings of the nine-month reporting period that includes the date of initial application. For further details, refer to "(1) Application of new accounting standards and interpretations" in "Note 2. Significant accounting policies."
2. As described in "(2) Acquisition of investments in subsidiaries and associates" in "Note 4. Business combinations," transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For further details, refer to "(1) Application of new accounting standards and interpretations" in "Note 2. Significant accounting policies."
3. The changes in "Capital surplus" and "Retained earnings" represent the differences between the amount paid by SoftBank Corp. for subsidiaries that were acquired under common control and SoftBank Group Corp.'s book value of the subsidiaries at the time of acquisition.
4. In relation to transactions under common control, any equity transactions undertaken by subsidiaries under common control with entities outside of SoftBank Corp. and its subsidiaries before the date of the actual transaction by SoftBank Corp. are included within "Cash dividends" and "Changes in interests in subsidiaries."

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Cash flows from operating activities		
Net income	333,971	392,317
Depreciation and amortization	351,206	337,177
Loss on disposal of property, plant and equipment and intangible assets	7,527	11,217
Financing income	(1,392)	(1,270)
Financing costs	29,761	43,968
Share of losses of associates accounted for using the equity method	2,075	15,531
Gain on sales of equity method investments	-	(6,170)
Impairment loss on equity method investments	-	9,095
Income taxes	171,250	181,475
(Increase) decrease in trade and other receivables	(90,304)	(101,246)
(Increase) decrease in inventories	(16,325)	(21,010)
Purchases of mobile devices leased to enterprise customers	(19,441)	(22,372)
Increase (decrease) in trade and other payables	25,314	(3,266)
Increase (decrease) in consumption taxes payable	15,997	64,483
Other	3,048	(4,096)
Subtotal	812,687	895,833
Interest and dividends received	787	964
Interest paid	(25,584)	(58,817)
Income taxes paid	(203,644)	(195,827)
Income taxes refunded	4,361	9,088
Net cash inflow from operating activities	588,607	651,241
Cash flows from investing activities		
Purchases of property, plant and equipment, and intangible assets	(217,395)	(295,631)
Proceeds from sales of property, plant and equipment, and intangible assets	685	275
Payments for acquisition of investments	(39,675)	(263,012)
Proceeds from sales/redemption of investments	267	26,816
Proceeds from obtaining control of subsidiaries	-	3,908
Increase in short-term loans issued	(28,865)	(1,301)
Proceeds from repayment of short-term loans	41,116	6,441
Increase in long-term loans issued	(7,321)	(8)
Proceeds from repayment of long-term loans	7,291	2
Other	(1,410)	(6,396)
Net cash outflow from investing activities	(245,307)	(528,906)
Cash flows from financing activities		
Proceeds from short-term interest-bearing debt	17,694	262,520
Repayment of short-term interest-bearing debt	(3,556)	(1,663,800)
Proceeds from long-term interest-bearing debt	1,671,015	2,387,594
Repayment of long-term interest-bearing debt	(1,476,385)	(829,311)
Proceeds from stock issuance to non-controlling interests	1,210	4,292
Cash dividends paid	(396,190)	(387)
Payment for purchase of subsidiaries' interests	(106,692)	(19,500)
Other	(15,941)	(8,171)
Net cash (outflow) inflow from financing activities	(308,845)	133,237
Increase in cash and cash equivalents	34,455	255,572
Cash and cash equivalents at the beginning of the period	70,909	121,043
Cash and cash equivalents at the end of the period	105,364	376,615

(5) Notes on Going Concern Assumption

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

1. Reporting entity

SoftBank Corp. (the "Company") is a corporation (*kabushiki kaisha*) under the Companies Act of Japan and is domiciled in Japan. The registered address of its head office is 9-1 Higashi-shimbashi 1-chome, Minato-ku, Tokyo, Japan. These condensed interim consolidated financial statements are comprised of the Company and its subsidiaries (the "Group"). The parent of the Company is SoftBank Group Japan Corporation ("SBGJ"). The ultimate parent company of the Company is SoftBank Group Corp. ("SBG").

SoftBank Group International GK changed its name to SoftBank Group Japan Corporation as of June 15, 2018 with a corporate form change from a limited liability company (*godo kaisha*) to a corporation (*kabushiki kaisha*). In the following notes to the condensed interim consolidated financial statements, SoftBank Group Japan Corporation is referred to as "SBGJ," including transactions that were entered into prior to the change of name.

The Group is engaged in a variety of businesses in the telecommunication and information technology industry centering on its Consumer, Enterprise, and Distribution businesses. For details, refer to "(1) Summary of reportable segments" in "Note 5. Segment information."

2. Significant accounting policies

The significant accounting policies applied in the condensed interim consolidated financial statements are consistent with those of the consolidated financial statements as of and for the fiscal year ended March 31, 2018, except for the items noted below. Income tax expenses for the nine months ended December 31, 2018 are calculated based on the estimated annual effective income tax rate. In addition, defined benefit liabilities as of December 31, 2018 are calculated using reasonable estimates based on the results of actuarial calculations as of March 31, 2018.

(1) Application of new accounting standards and interpretations

The Group has adopted IFRS 15 "Revenue from Contracts with Customers," and IFRS 9, "Financial Instruments," from the three months ended June 30, 2018, and changed its accounting policies as described below. The effect of adopting IFRS 15 on the previous consolidated statement of financial position of the Group is presented in the table below. The adoption of IFRS 9 had no significant impact on the condensed interim consolidated statement of financial position as of April 1, 2018.

For transactions under common control (all of the combining companies or businesses that are ultimately controlled by the same party or parties both before and after the business combination, and their control is other than temporary), the Company, regardless of the actual date of the transaction under common control, retrospectively combines the financial statements of the acquired companies as if such transactions were executed by the Group on the later of the date when the parent, SBG, obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of the Group. The effect of transactions under common control during the nine months ended December 31, 2018 is also presented in the table below.

Consolidated Statement of Financial Position

As of April 1, 2017

(Millions of yen)

	Before retrospective adjustment	Effect of transactions under common control	Adjustment due to adoption of IFRS 15	After retrospective adjustment
ASSETS				
Current assets				
Cash and cash equivalents	49,735	21,174	-	70,909
Trade and other receivables	1,107,597	14,957	-	1,122,554
Other financial assets	59,426	13,651	-	73,077
Inventories	72,056	30,936	-	102,992
Other current assets	93,690	4,406	(27,442)	70,654
Non-current assets				
Property, plant and equipment	1,803,665	7,720	-	1,811,385
Goodwill	186,069	1,420	-	187,489
Intangible assets	713,038	3,377	-	716,415
Contract costs	-	-	184,281	184,281
Investments accounted for using the equity method	38,431	40	-	38,471
Other financial assets	316,221	5,208	-	321,429
Deferred tax assets	124,385	1,998	(55,791)	70,592
Other non-current assets	126,735	6,924	(44,031)	89,628
LIABILITIES AND EQUITY				
Current liabilities				
Interest-bearing debt	1,027,244	4,277	-	1,031,521
Trade and other payables	750,270	41,683	(45,744)	746,209
Contract liabilities	-	-	93,371	93,371
Income taxes payable	115,140	3,357	-	118,497
Provisions	8,606	62	-	8,668
Other current liabilities	141,198	6,236	(54,809)	92,625
Non-current liabilities				
Interest-bearing debt	985,820	958	-	986,778
Other financial liabilities	3,635	117	-	3,752
Defined benefit liabilities	12,579	54	-	12,633
Provisions	40,506	361	-	40,867
Other non-current liabilities	60,269	2,202	(55,970)	6,501
Equity				
Common stock	177,251	-	-	177,251
Capital surplus	963,924	30,038	-	993,962
Retained earnings	397,788	10,488	120,169	528,445
Accumulated other comprehensive income (loss)	(149)	31	-	(118)
Non-controlling interests	6,967	11,947	-	18,914

Consolidated Statement of Financial Position

As of March 31, 2018

(Millions of yen)

	Before retrospective adjustment	Effect of transactions under common control	Adjustment due to adoption of IFRS 15	After retrospective adjustment
ASSETS				
Current assets				
Cash and cash equivalents	90,128	30,915	-	121,043
Trade and other receivables	1,171,822	14,932	-	1,186,754
Other financial assets	5,669	582	-	6,251
Inventories	109,511	16,134	-	125,645
Other current assets	142,517	4,959	(18,089)	129,387
Non-current assets				
Property, plant and equipment	1,700,441	6,848	-	1,707,289
Goodwill	186,069	1,420	-	187,489
Intangible assets	1,044,908	6,385	-	1,051,293
Contract costs	-	-	174,314	174,314
Investments accounted for using the equity method	56,285	40	-	56,325
Other financial assets	409,690	4,404	-	414,094
Deferred tax assets	114,219	1,985	(57,709)	58,495
Other non-current assets	120,226	6,392	(39,430)	87,188
LIABILITIES AND EQUITY				
Current liabilities				
Interest-bearing debt	2,256,201	4,234	-	2,260,435
Trade and other payables	862,786	40,988	(62,238)	841,536
Contract liabilities	-	-	100,676	100,676
Income taxes payable	98,100	2,778	-	100,878
Provisions	16,301	106	-	16,407
Other current liabilities	125,969	6,876	(55,303)	77,542
Non-current liabilities				
Interest-bearing debt	965,892	206	-	966,098
Other financial liabilities	3,045	82	-	3,127
Defined benefit liabilities	11,988	43	-	12,031
Provisions	34,123	370	-	34,493
Other non-current liabilities	54,802	1,908	(49,626)	7,084
Equity				
Common stock	197,694	-	-	197,694
Capital surplus	175,005	29,901	-	204,906
Retained earnings	339,692	(7,039)	125,577	458,230
Accumulated other comprehensive income (loss)	5,743	-	-	5,743
Non-controlling interests	4,144	14,543	-	18,687

a. IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 is a new standard for revenue recognition and replaces IAS 18, “Revenue,” which covers contracts for goods and services, and IAS 11, “Construction Contracts,” which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for adoption.

The Group applied a full retrospective approach, using the practical expedients allowed under IFRS 15, by restating its condensed interim consolidated statement of financial position as of March 31, 2018 disclosed as comparative information. The cumulative effect of adopting the standard on periods before the fiscal year ended March 31, 2018 is recognized as an adjustment to the opening balance of retained earnings for the reporting period presented previously. The Group also uses the practical expedient of paragraph C5(a) of IFRS 15 that allows the Group not to restate contracts that have been completed prior to the date of adoption and that began and ended within the same annual reporting period. There was no significant impact arising from the utilization of the practical expedients allowed by the standard.

The impacts of the adoption of IFRS 15 on the Group’s results of operations and financial position are mainly as follows:

・The Group’s prior accounting policy was to recognize sales commissions to dealers, related to telecommunications contracts, as expenses when incurred. As a result of adopting IFRS 15, the Group capitalizes sales commissions as acquisition costs. Acquisition costs are amortized on a straight-line basis over the period (two to three years) during which the goods or services directly related to such costs are expected to be provided.

・Under the Group’s prior accounting policy, as part of the indirect sales of mobile devices, direct costs related to activation were deferred over the same periods as activation and upgrade fees. As a result of adopting IFRS 15, the Group changed the deferral periods of activation and upgrade fees, and recognizes direct costs related to activation when incurred, except for costs incurred to fulfill contracts that are deferred.

b. IFRS 9 “Financial Instruments”

IFRS 9 replaces the previous IAS 39, “Financial Instruments,” which relates to the recognition, classification, and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets, and hedge accounting.

The adoption of IFRS 9 from April 1, 2018 resulted in changes to the Group’s accounting policy. In accordance with the transitional provisions of paragraph 7.2.15, 7.2.22 and 7.2.26 of IFRS 9, comparative figures have not been restated. Also, in accordance with the transitional provisions of paragraph 7.2.8 of IFRS 9, all financial assets classified as available for sale under IAS 39 have been reclassified to investments in equity instruments at fair value through other comprehensive income on the date of adoption.

From April 1, 2018, the Group classifies its financial assets in the following measurement categories:

・Those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and

・Those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. There is no significant impact on the classification and carrying value of financial assets and liabilities.

c. Other standards and interpretations

There is no significant impact from the application of other standards and interpretations.

(2) Significant accounting policies in accordance with application of new accounting standards and interpretations

a. Revenue

The Group has adopted IFRS 15 from the three months ended June 30, 2018. IFRS 15 has been retrospectively applied to comparative information.

Consumer business

Revenues from the Consumer business consist mainly of mobile communications services, sales of mobile devices, and broadband services.

(a) Mobile communications services and sales of mobile devices

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

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

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

Basic charges and telecommunications services are billed to subscribers on a monthly basis and are generally due within a short period of time. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within a short period of time. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid monthly over the contract period, normally due within a short period of time. The Group has determined that these transaction prices do not include significant financing components due to the timing of payment and have not been adjusted for such financing components.

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

The Group provides optional additional warranty services for mobile devices, which are separate performance obligations under the contracts in which these services are provided.

i. Indirect sales

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

Basic monthly charges and telecommunications services are recognized as revenue when services are provided to subscribers. Discounts of mobile communications charges are deducted from the revenue recognized from monthly mobile communications services.

Other fees are primarily made up of activation and upgrade fees. These fees are recognized as contract liabilities, which are then reversed when the mobile communications services are provided, and are recognized as revenue.

ii. Direct sales

For Direct sales, as the revenues from the sales of mobile devices and mobile communications services, including related fees, are considered to be one transaction, the total amount of transaction prices is allocated to sales of mobile devices and telecommunications services revenue based on the ratio of their stand-alone selling prices. Discounts on communications charges related to mobile communications service revenue are deducted from the total transaction prices. In addition, if the amount of revenue recognized at the time of sale of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile communications services. If the amount of revenue recognized at the time of sale of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile communications services are provided, and is recognized as revenue.

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

The amount allocated to sale of mobile device is recognized as revenue at the time of delivery to the subscribers, representing the point when they are considered to have obtained control of the mobile devices. Amounts allocated to mobile communications service revenues are recognized as revenue when services are provided to subscribers.

Contract assets are included in “Other current assets” in the condensed interim consolidated statement of financial position.

(b) Broadband services

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

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

Enterprise business

Revenues in the Enterprise business mainly consist of revenues from mobile communications services and mobile device rental services, fixed-line communications services to enterprise customers, and business solution services and others.

(a) Mobile communications services and mobile device rental services

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

(b) Fixed-line communications services

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

(c) Business solution services and other

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

Revenues from business solution services and other are recognized when products or services are provided to customers, based upon the consideration receivable from customers.

Distribution business

In the Distribution business, revenues are generated mainly from the sales of hardware, software, and services in relation to Information and Communication Technology (“ICT”), cloud and Internet of Things (“IoT”) solutions to enterprise customers. Revenues are also driven by the sales of Personal Computer (“PC”) software, IoT products, and mobile device accessories to individual customers.

Revenue in the Distribution business is recognized as revenue at the time of delivery to a customer, which is when the customer is deemed to have obtained control over the goods and other items.

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

b. Contract costs

The Group recognizes the costs of obtaining a mobile communications service contract with subscribers that it would not have incurred if the contract had not been obtained, and if it expects to recover those costs as contract assets. Contract acquisition costs to be capitalized by the Group are mainly sales commissions to dealers related to the acquisition and renewal of mobile communications services contracts between the Group and subscribers.

The Group recognizes the costs to fulfill a contract as an asset if the costs relate directly to the contract or to an anticipated contract that the Group can specifically identify, the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered. The costs to fulfill contracts capitalized by the Group are mainly setup costs that are incurred prior to the provision of *SoftBank Hikari*, a high-speed Internet connection service via optical fiber lines.

Contract acquisition costs are amortized on a straight-line basis over the period (normally two to three years) during which goods or services directly related to such costs are expected to be provided. The costs to fulfill contracts are amortized on a straight-line basis over the period (mainly two years) during which goods or services directly related to such costs are expected to be provided.

The Group utilizes the practical expedient under IFRS 15 that allows the Group to recognize contract acquisition costs as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

c. Financial instruments

The Group has adopted IFRS 9 from the three months ended June 30, 2018. In accordance with the transitional provisions of IFRS 9, the Group has elected not to restate the comparative information. Therefore, the comparative information is presented in accordance with IAS 39.

The Group’s accounting policies for the nine months ended December 31, 2018 are as follows:

(a) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a contractual party to the instrument. Financial assets and financial liabilities are measured at fair value at initial recognition. Except for financial assets at fair value through profit or loss (“financial assets at FVTPL”) and financial liabilities at fair value through profit or loss (“financial liabilities at FVTPL”), the Group measures a financial asset or financial liability at its fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs that are directly attributable to the acquisition of the financial assets at FVTPL and financial liabilities at FVTPL are recognized in profit or loss.

(b) Non-derivative financial assets

Non-derivative financial assets are classified as “financial assets at amortized cost,” “investments in debt instruments at fair value through other comprehensive income (“debt instruments at FVTOCI”),” “investments in equity instruments at fair value through other comprehensive income (“equity instruments at FVTOCI”),” and “financial assets at FVTPL.” The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

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

i. Financial assets at amortized cost

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

・the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and

・the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

ii. Debt instruments at FVTOCI

Debt instruments at FVTOCI are classified if both of the following conditions are met:

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

Subsequent to initial recognition, debt instruments at FVTOCI are measured at fair value and gains or losses arising from changes in fair value are recognized in other comprehensive income. Upon derecognition, previously recognized accumulated other comprehensive income is transferred to profit or loss. Exchange differences arising on monetary financial assets classified as investments in debt instruments at FVTOCI and interest income calculated using the effective interest method relating to debt instruments at FVTOCI are recognized in profit or loss.

iii. Equity instruments at FVTOCI

The Group makes an irrevocable election at initial recognition to present in other comprehensive income, rather than in profit or loss, changes in the fair value of certain investments in equity instruments that are classified as investments in equity instruments at FVTOCI. Subsequent to initial recognition, investments in equity instruments at FVTOCI are measured at fair value and gains or losses arising from the changes in fair value are recognized in other comprehensive income.

The Group transfers directly accumulated gains or losses from other comprehensive income to retained earnings in the case of derecognition or significant or prolonged decline in the fair value below cost. Dividends received related to investments in equity instruments at FVTOCI are recognized in profit or loss.

iv. Financial assets at FVTPL

Non-derivative financial assets other than those classified as “financial assets at amortized cost,” “debt instruments at FVTOCI,” or “equity instruments at FVTOCI” are classified as “financial assets at FVTPL.” No financial assets have been designated as those measured at fair value through profit or loss to eliminate or significantly reduce accounting mismatches.

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

v. Impairment of financial assets

Allowance for doubtful accounts is recognized for expected credit losses on financial assets at amortized cost investments in debt instruments at FVTOCI, and contract assets under IFRS 15. The Group assesses whether credit risk on financial assets has increased significantly since initial recognition at the end of each fiscal year and at the end of each quarter. If the credit risk on financial assets has not increased significantly since the initial recognition, the Group measures the allowance for doubtful accounts at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since the initial recognition or for credit-impaired financial assets, the Group measures the allowance for doubtful accounts at an amount equal to the lifetime expected credit losses. Allowances for doubtful accounts for trade receivables, contract assets, and lending commitments are always measured at an amount equal to the lifetime expected credit losses.

The Group measures expected credit losses in a way that reflects:

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

The Group shall recognize in profit or loss the amount of provision for the allowance of doubtful accounts and the amount of reversal if any event occurs that decreases the allowance for doubtful accounts.

Financial assets are written off against the allowance for doubtful accounts when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

vi. Derecognition of financial assets

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

(c) Non-derivative financial liabilities

Non-derivative financial liabilities are classified as “financial liabilities at FVTPL” or “financial liabilities at amortized cost,” and the classification is determined upon initial recognition.

Non-derivative financial liabilities are classified as “financial liabilities at FVTPL” when the Group designates the entire hybrid contract that contains one or more embedded derivatives. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and gains or losses arising from changes in fair value and interest expense are recognized in profit or loss.

Financial liabilities at amortized cost are measured using the effective interest method subsequent to initial recognition. The Group derecognizes financial liabilities when the Group satisfies its obligations or when the Group’s obligations are discharged, canceled, or expired.

(d) Derivatives and hedge accounting

i. Derivatives

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value at the end of the fiscal year and at the end of each quarter. Changes in the fair value of derivatives are recognized in profit or loss immediately unless the derivative is designated as a hedging instrument and is an effective hedge. Derivative financial assets not designated as hedging instruments are classified into “financial assets at FVTPL,” and derivative financial liabilities not designated as hedging instruments are classified into “financial liabilities at FVTPL.”

ii. Hedge accounting

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

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

Hedges are determined effective when all of the following requirements are met:

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

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

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

If a hedging relationship ceases to meet the hedge effectiveness requirements relating to the hedge ratio, but the risk management objective remains the same, the Group shall adjust the hedge ratio of the hedging relationship so that it meets the qualifying criteria again.

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

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

Hedge accounting is discontinued prospectively only when the hedge no longer meets the criteria for hedge accounting, such as when the hedging instrument expires, is sold, terminated, or exercised.

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

iii. Embedded derivatives

Derivatives embedded in non-derivative financial assets (“embedded derivatives”) are not separated from the host contract and accounted for as an integral part of the entire hybrid contract.

Derivatives embedded in non-derivative financial liabilities (“embedded derivatives”) are separated from the host contracts and accounted for as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract. In this scenario, the whole financial instrument, including the embedded derivative, is not classified as a financial liability at FVTPL. If the Group is required to separate an embedded derivative from its host contract, but is unable to measure the embedded derivative separately either at acquisition or at the end of the fiscal year and at the end of each quarter of a subsequent financial reporting period, the entire hybrid contract is designated and accounted for as a financial liability at FVTPL.

(e) Offsetting financial assets and financial liabilities

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

3. Significant judgments and estimates

In preparing the condensed interim consolidated financial statements under IFRS, management makes judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue, and expenses.

These estimates and underlying assumptions are based on management's best judgments, through their evaluation of various factors that were considered reasonable as of the respective period-end, based on historical experience and by collecting available information.

By the nature of its estimates or assumptions, however, actual results in the future may differ from those projected estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in future periods.

The judgments, estimates and assumptions that have significant impact on the amounts in the condensed interim consolidated financial statements are consistent with those described in the consolidated financial statements for the fiscal year ended March 31, 2018 except for the following items:

Judgments for accounting for revenue recognition

Principal versus agent considerations

Gross versus net presentation

When the Group sells goods or services as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating expenses. If the Group sells goods or services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned. Whether the Group is considered to be a principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities, or cash flows.

Timing of revenue recognition for indirect sales

When the Group enters into indirect sales, management judges whether a dealer acts as either an agent or principal. When a dealer acts as a principal for the Group, revenue is recognized once control of the underlying inventory has been transferred to the dealer. When a dealer acts as an agent, revenue is recognized when control of the underlying inventory is transferred to the customer that the dealer has sold to. In performing its assessment, management considers whether control is transferred upon delivery of inventory to the dealer. Where management determines that a dealer acts as a principal, revenue is recognized upon delivery of inventory to the dealer. Alternatively, where the dealer is determined to be acting as an agent, revenue is recognized when goods or services are received by the customer. For further details on the application of this judgment, refer to "a. Revenue" under "(2) Significant accounting policies in accordance with application of new accounting standards and interpretations" in "Note 2. Significant accounting policies."

Judgements for determining "contract term" and whether an arrangement contains a "material right"

The Group determines the period (i.e. contract term) during which the parties to the contract have their current enforceable rights and obligations based on the terms and conditions of the contract with the customer.

In addition, the Group determines whether the option will provide a "material right" to the customer if the customer has the option to renew the contract based on the terms and conditions of the contract with the customer and if the customer may receive a discount for future telecommunications services by exercising the option. If the Group determines that the option provides a "material right" to the customer, it identifies the option as a separate performance obligation. As a practical alternative to estimating the stand-alone selling price of the option, the Group allocates the transaction price to the telecommunications services pertaining to the option, referring to the telecommunications services that are expected to be provided and the corresponding amount of consideration expected to be received from the customer.

4. Business combinations

Nine months ended December 31, 2017

Acquisition of SB C&S Holdings GK (currently SB C&S Holdings Corp.)

Summary of acquisition

On May 15, 2017, the Company acquired 100% of the equity interest of SB C&S Holdings GK from SBG for ¥106,692 million in cash. SB C&S Holdings GK (currently SB C&S Holdings Corp.) is the parent company of Softbank Commerce & Service Corp. (currently SB C&S Corp.), which manufactures, distributes, and sells IT-related products and provides IT-related services.

The acquisition was accounted for as a transaction under common control whereby the financial statements of SB C&S Holdings GK (currently SB C&S Holdings Corp.) are combined as part of the condensed interim consolidated financial statements of the Group from the opening balance sheet date of the comparative period based on the book value of SBG.

Nine months ended December 31, 2018

(1) Acquisition of LINE MOBILE Corporation

Summary of acquisition

On April 2, 2018, the Company acquired 51% of the equity interest of LINE MOBILE Corporation ("LINE MOBILE") for ¥10,400 million in cash. LINE MOBILE is in a MVNO (mobile virtual network operator) business and provides Internet access services, telecommunications, Internet telephony, and other information and communications services.

The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the date of obtaining control:

		(Millions of yen) Acquisition date (April 2, 2018)
Cash and cash equivalents		11,513
Trade receivables		1,299
Other current assets		252
Non-current assets		22
Total assets		13,086
Current liabilities		4,059
Non-current liabilities		3
Total liabilities		4,062
Net assets	A	9,024
Non-controlling interests[1]	B	4,422
Acquisition cost	C	10,400
Goodwill[2]	C-(A-B)	5,798

Notes:
1. Non-controlling interests that give the holder a pro-rata share of the net assets of the acquiree at the time of liquidation are measured at the recognized amounts of the acquiree’s identifiable net assets as of the date of obtaining control, multiplied by the ratio of the non-controlling interests as of the date of obtaining control after the business combination.
2. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Company and the acquiree.

The table below shows proceeds from obtaining control of the subsidiary:

	(Millions of yen) Acquisition date (April 2, 2018)
Cash and cash equivalents held by the acquiree at the time of obtaining control	11,513
Consideration paid in cash	(10,400)
Cash received from obtaining control of the subsidiary	1,113

Revenue and net income of the acquiree:

The revenue and net income of the acquiree after the date of obtaining control are immaterial.

(2) Acquisition of investments in subsidiaries and associates

Summary of acquisition

On April 1, 2018, the Company acquired the shares of domestic subsidiaries and associates owned by SBGJ through the issuance of 176,196,930 shares of the Company with an equivalent value of ¥109,771 million. On May 1, 2018, the Company acquired the shares of domestic subsidiaries owned by Yahoo Japan Corporation (“Yahoo”), which is a subsidiary of SBG, through a cash payment of ¥19,500 million. As a result of this transaction, the number of subsidiaries and associates of the Company increased by 41 companies. The major subsidiaries and associates acquired are as follows:

Subsidiaries:

Company name	Business description
SB Media Holdings Corp.	Intermediate holdings company that owns ITmedia Inc.
SoftBank Technology Corp.	Online business solutions and services
SB Players Corp.	Solution services for government

Associates:

Company name	Business description
Vector Inc.	Online gaming business, software sales, and advertising sales
Geniee, Inc.	Ad-technology business
Scigineer Inc.	Internet marketing support services

The acquisition of the subsidiaries above was accounted for as a transaction under common control. For transactions under common control, the Company accounts for those transactions based on the book value of SBG, and regardless of the actual transaction date, retrospectively combines the financial statements of the acquired companies as if such transactions were executed by the Group on the later of the date when the parent, SBG, obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of condensed interim consolidated financial statements of the Group. For details of the impact of the transactions on the consolidated statement of financial position previously disclosed, refer to “(1) Application of new accounting standards and interpretations” in “Note 2. Significant accounting policies.”

The equity interests of the associates acquired in the transaction above are accounted for using the equity method starting on the date on which they were acquired by the Company.

5. Segment information

(1) Summary of reportable segments

The reportable segments of the Group are based on operating segments for which separate financial information is available, and which the Board of Directors (the Group's chief operating decision maker) regularly reviews to determine the allocation of management resources and evaluate their performance. The Group has "Consumer," "Enterprise," and "Distribution" as its reportable segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

In the "Consumer" segment, the Group provides mobile communications and broadband services to individual customers. In mobile communications services, the Group provides mobile communications services under the *SoftBank*, *Y!mobile*, and *LINE MOBILE* brands, and sells mobile devices such as phones and tablets. In broadband services, the Group provides Internet services, including *SoftBank Hikari*, and sells and rents related customer-premises equipment for broadband services.

In the "Enterprise" segment, the Group provides a wide range of services to enterprise customers, including mobile communications services, voice call services and fixed-line communications services, data transmission and dedicated services, telecommunications consulting and construction for telecommunications carriers and general service providers, rental and maintenance of telecommunications facilities, housing, data center services, and sales and rental of telecommunications equipment.

In the "Distribution" segment, the Group provides hardware, software, and services in relation to ICT, cloud, and IoT solutions to enterprise customers. The Group also provides PC software, IoT products, and mobile device accessories to individual customers.

Information not included in the preceding reportable segments is summarized in "Other." "Other" mainly includes operating results of subsidiaries, such as SoftBank Payment Service Corp. (currently SB Payment Service Corp.), One Tap BUY Co., Ltd., and SB Cloud Corp.

"Adjustments" includes eliminations of intersegment transactions and expenses not allocated to each reportable segment.

Segment information for the nine months ended December 31, 2017 is based on operating segments and related management indicators reported at the Board of Directors meeting in March 2018. The following segment information includes the financial information of subsidiaries acquired through common control transactions by December 31, 2018 because the Group retrospectively consolidates these subsidiaries as if they are acquired on the date of the opening balance sheet date of the comparative period, that is April 1, 2017, based on the accounting policy of the Group. For the details of these transactions, refer to "Note 4. Business combinations."

(2) Segment revenue, income, and other information of reportable segments

Income of reportable segments is defined as "Operating income." Intersegment transaction prices are determined by taking into consideration the equivalent prices for an arm's length transaction or gross costs after price negotiation.

Income and loss which are not attributable to operating income and loss, such as financing income, financing costs, and income and loss on equity method investments, are not managed by each reportable segment and therefore these income and losses are excluded from segment income. Assets and liabilities are not allocated to reportable segments and are not monitored by the Board of Directors.

Nine months ended December 31, 2017

(Millions of yen)

	Reportable segments						
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	1,940,725	441,849	222,409	2,604,983	41,928	-	2,646,911
Intersegment revenue or transferred revenue	2,244	2,867	20,929	26,040	13,692	(39,732)	-
Total	1,942,969	444,716	243,338	2,631,023	55,620	(39,732)	2,646,911
Segment income	493,312	61,131	11,200	565,643	(29,113)	(865)	535,665
Depreciation and amortization[1]	268,951	77,815	707	347,473	3,733	-	351,206

Nine months ended December 31, 2018

	Reportable segments						(Millions of yen)
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	2,005,368	452,933	267,643	2,725,944	50,716	-	2,776,660
Intersegment revenue or transferred revenue	4,635	2,876	23,541	31,052	13,632	(44,684)	-
Total	2,010,003	455,809	291,184	2,756,996	64,348	(44,684)	2,776,660
Segment income	547,587	73,749	13,438	634,774	1,552	(1,380)	634,946
Depreciation and amortization[1]	255,058	77,412	887	333,357	3,820	-	337,177

Note:
1. Depreciation and amortization includes amortization of long-term prepaid expenses which are recorded in “Other non-current assets” in the condensed interim consolidated statement of financial position.

Reconciliations of segment income to consolidated profit before income taxes are as follows:

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Segment income	535,665	634,946
Share of losses of associates accounted for using the equity method	(2,075)	(15,531)
Financing income	1,392	1,270
Financing costs	(29,761)	(43,968)
Gain on sales of equity method investments	-	6,170
Impairment loss on equity method investments	-	(9,095)
Profit before income taxes	505,221	573,792

Three months ended December 31, 2017

(Millions of yen)

	Reportable segments						
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	720,259	149,894	75,041	945,194	14,843	-	960,037
Intersegment revenue or transferred revenue	1,871	1,015	6,757	9,643	4,383	(14,026)	-
Total	722,130	150,909	81,798	954,837	19,226	(14,026)	960,037
Segment income	144,455	17,362	3,625	165,442	(8,855)	(1,493)	155,094
Depreciation and amortization[1]	95,422	26,798	239	122,459	924	-	123,383

Three months ended December 31, 2018

(Millions of yen)

	Reportable segments						
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	718,182	153,349	91,906	963,437	18,816	-	982,253
Intersegment revenue or transferred revenue	2,785	861	7,659	11,305	4,567	(15,872)	-
Total	720,967	154,210	99,565	974,742	23,383	(15,872)	982,253
Segment income	164,073	23,009	5,037	192,119	(305)	(199)	191,615
Depreciation and amortization[1]	85,482	25,976	338	111,796	1,312	-	113,108

Note:

1. Depreciation and amortization includes amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the condensed interim consolidated statement of financial position.

Reconciliations of segment income to profit before income taxes are as follows:

(Millions of yen)

	Three months ended December 31, 2017	Three months ended December 31, 2018
Segment income	155,094	191,615
Share of losses of associates accounted for using the equity method	(595)	(12,279)
Financing income	402	283
Financing costs	(9,897)	(12,910)
Gain on sales of equity method investments	-	2,479
Impairment loss on equity method investments	-	(9,095)
Profit before income taxes	145,004	160,093

6. Interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Current		
Short-term borrowings[1, 4]	1,400,699	1,419
Current portion of long-term borrowings[1, 2, 4]	394,313	482,569
Current portion of lease obligations	449,566	441,071
Current portion of installment payables	15,857	9,718
Total	2,260,435	934,777
Non-current		
Long-term borrowings[1, 2, 4]	217,702	1,693,465
Lease obligations	740,336	762,508
Installment payables	8,060	1,425
Total	966,098	2,457,398

Notes:

1. The Company newly borrowed ¥238,873 million from SBG during the three months ended June 30, 2018. On August 23, 2018, the Company entered into a loan agreement with 24 financial institutions. Under the loan agreement, on August 31, 2018, the Company borrowed an aggregate of ¥1,600,000 million without any collateral or guarantee. The Company used this loan to repay all of its outstanding short-term borrowings to SBG. As a result, the Company repaid in full ¥1,600,000 million of borrowings to SBG on August 31, 2018.

2. The details of the loan agreement which the Company contracted on August 23, 2018 are as follows:

Interest on the borrowings under the loan agreement will accrue on a floating rate based on a spread over one-month TIBOR, with a weighted-average spread against the borrowed amount of 1.35%. Repayments of the borrowings start from September 30, 2018 and are to be made every six months thereafter, to end on the last business day of September 2024.

Under the loan agreement, the Company is subject to certain financial covenants, including:

・a requirement that, at March 31 and September 30 of each year, the Company maintains equity in the consolidated statement of financial position of the Group at a minimum of 75% of that of the same date during the previous fiscal year;

・a requirement that, at March 31 and September 30 of each year, the Company maintains net assets in the non-consolidated statement of financial position of the Company at a minimum of 75% of that of the same date during the previous fiscal year;

・a requirement that the Company does not record operating losses or net losses in the consolidated statement of income of the Group for two consecutive fiscal years;

・a requirement that the Company does not record operating losses or net losses in the non-consolidated statement of income of the Company for two consecutive fiscal years; and

・a requirement that the Company maintains a net leverage ratio below a certain value, at March 31 and September 30 of each year:

(1) Net leverage ratio: Net debt (2) divided by adjusted EBITDA (3)

(2) "Net debt" means the total amount of interest-bearing debt shown in the consolidated statement of financial position of the Group after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.

(3) "Adjusted EBITDA" means EBITDA adjusted for certain items as specified in the loan agreement.

The loan agreement also contains certain restrictions on the Company's ability to guarantee indebtedness of third parties, including SBG, and the Company's ability to offer loans to third parties (excluding subsidiaries), including SBG.

3. The loan agreement is issued with floating interest rates. In order to prevent interest rate fluctuation risk in the future, the Company entered into an interest rate swap agreement designated as a cash flow hedge for a certain portion of borrowings. Hedge effectiveness is determined at the inception of the hedge, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. As the principal terms of the hedging instruments match with the terms of the hedged items, it is not expected that hedge ineffectiveness will be recorded. As of December 31, 2018, the notional amount of the hedging instrument designated as a cash flow hedge is ¥500,000 million (all long-term) and the carrying amount of the hedging instrument recognized in other financial liabilities is ¥6,297 million.

4. The table below presents the analysis of short-term borrowings and long-term borrowings (including current portion) by maturities as of December 31, 2018:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt								
Short-term borrowings	1,419	1,419	1,419	-	-	-	-	-
Long-term borrowings (including current portion)	2,176,034	2,192,121	483,992	356,489	291,298	210,667	188,805	660,870
Total	2,177,453	2,193,540	485,411	356,489	291,298	210,667	188,805	660,870

7. Equity

After the Company acquired the shares of domestic subsidiaries and associates owned by SBGJ through an equity issuance on April 1, 2018, the number of shares issued increased by 176,196,930 shares. For details, refer to “(2) Acquisition of investments in subsidiaries and associates” in “Note 4. Business combinations.”

As a result of the issuance of the shares, common stock and capital surplus increased by ¥6,615 million and ¥6,615 million under the Companies Act of Japan, respectively, during the nine months ended December 31, 2018.

In addition to the above, the differences between related fair values of investments in associates accounted for using the equity method at the time of acquisition and the amounts of common stock and capital surplus increased by the issuance of the shares were recognized in capital surplus.

8. Dividends

Dividends paid are as follows:

Nine months ended December 31, 2017

The Company

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors' meeting held on June 26, 2017	Common stock	67,527.00	395,802	March 31, 2017	June 29, 2017

Transactions under common control result in the Group retrospectively combining the financial statements of the acquired companies as if such transactions were executed by the Group on the later of the date when the parent, SBG, obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of the Group. As a result, the following dividend paid by SoftBank Technology Corp. before the date of transaction under common control is included in "Cash dividends" in the condensed interim consolidated statement of changes in equity.

SoftBank Technology Corp.

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen) [1]	Record date	Effective date
General meeting of shareholders held on June 19, 2017	Common stock	30.00	295	March 31, 2017	June 20, 2017

Note:

1. The amount of dividends paid to owners of the Company was ¥161 million.

Nine months ended December 31, 2018

SoftBank Technology Corp.

Resolution	Class of shares	Dividends per share (Yen) [1]	Total dividends (Millions of yen) [2]	Record date	Effective date
General meeting of shareholders held on June 18, 2018	Common stock	15.00	297	March 31, 2018	June 19, 2018

Notes:

1. On June 1, 2017, SoftBank Technology Corp. conducted a 2-for-1 stock split of common stock.
2. The amount of dividends paid to owners of the Company was ¥161 million.

9. Revenue

The components of revenue are as follows:

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Consumer business		
Telecommunications service revenues		
Mobile communications	1,185,445	1,209,418
Broadband	233,668	268,315
Revenues from sales of goods and others	521,612	527,635
Subtotal	1,940,725	2,005,368
Enterprise business		
Mobile communications[3]	193,927	195,370
Fixed-line	158,538	157,966
Business solution services and others[3]	89,384	99,597
Subtotal	441,849	452,933
Distribution business	222,409	267,643
Other	41,928	50,716
Total	2,646,911	2,776,660

Notes:

1. The components of revenue represent sales to external customers.
2. The components of revenue include revenue from leases. Revenue from leases for the nine months ended December 31, 2018 and 2017 was ¥51,098 million and ¥47,478 million, respectively.
3. Mobile communications and Business solution services and others within the Enterprise business include telecommunications service revenues and revenues from sales of goods and others. Telecommunications service revenues for the nine months ended December 31, 2018 and 2017 were ¥238,208 million and ¥226,979 million, respectively. Revenues from sales of goods and others for the nine months ended December 31, 2018 and 2017 were ¥56,759 million and ¥56,332 million, respectively.

10. Earnings per share

Basic earnings per share and diluted earnings per share are as follows:

Nine months ended December 31, 2017 and 2018

(1) Basic earnings per share

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	333,565	395,895
Weighted-average number of shares of common stock outstanding (Thousands of shares)[1]	4,102,972	4,787,145
Basic earnings per share (Yen)	81.30	82.70

(2) Diluted earnings per share

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	333,565	395,895
Effect of dilutive securities issued by subsidiaries and associates	(19)	(9)
Total	333,546	395,886
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of shares of common stock outstanding[1]	4,102,972	4,787,145
Increase in the number of shares of common stock due to stock acquisition rights	-	24,623
Total	4,102,972	4,811,768
Diluted earnings per share (Yen)	81.29	82.27

Note:

1. On March 26, 2018, the Company conducted a 700-for-1 stock split of common stock. Accordingly, basic earnings per share and diluted earnings per share have been calculated assuming that the stock split took place on April 1, 2017, the opening balance sheet date of the comparative period.

Three months ended December 31, 2017 and 2018

(1) Basic earnings per share

	Three months ended December 31, 2017	Three months ended December 31, 2018
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	90,897	101,227
Weighted-average number of shares of common stock outstanding (Thousands of shares)[1]	4,102,972	4,787,145
Basic earnings per share (Yen)	22.15	21.15

(2) Diluted earnings per share

	Three months ended December 31, 2017	Three months ended December 31, 2018
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	90,897	101,227
Effect of dilutive securities issued by subsidiaries and associates	(7)	(3)
Total	90,890	101,224
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of shares of common stock outstanding[1]	4,102,972	4,787,145
Increase in the number of shares of common stock due to stock acquisition rights	-	44,951
Total	4,102,972	4,832,096
Diluted earnings per share (Yen)	22.15	20.95

Note:

1. On March 26, 2018, the Company conducted a 700-for-1 stock split of common stock. Accordingly, basic earnings per share and diluted earnings per share have been calculated assuming that the stock split took place on April 1, 2017, the opening balance sheet date of the comparative period.

11. Contingencies

Credit guarantees of the Group are as follows. Upon the listing of the Company’s shares in the three months ended December 31, 2018, the Company’s guarantees for SBG’s loans and other borrowings, as well as SBG’s yen-denominated unsecured ordinary bonds and foreign currency-denominated unsecured ordinary bonds, have been canceled.

	As of March 31, 2018	As of December 31, 2018
Guarantee balance (Millions of yen)	6,405,175	-

12. Subsequent events

There were no significant subsequent events to be reported since December 31, 2018.