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 latter shall prevail.

Consolidated Financial Report
For the Fiscal Year Ended March 31, 2019 (IFRS)

May 8, 2019

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019

(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	%
Fiscal year ended March 31, 2019	**3,746,305**	**4.6**	**719,459**	**12.8**	**631,548**	**5.7**	**425,572**	**6.0**	**430,777**	**7.5**	**365,266**	**(10.3)**
Fiscal year ended March 31, 2018	3,582,635	-	637,933	-	597,554	-	401,405	-	400,749	-	407,202	-

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of profit before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	**89.99**	**89.35**	**40.8**	**11.4**	**19.2**
Fiscal year ended March 31, 2018	97.64	97.63	31.2	11.8	17.8

Reference:
Share of losses of associates accounted for using the equity method
Fiscal year ended March 31, 2019: ¥(25,337) million
Fiscal year ended March 31, 2018: ¥(3,770) million

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	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	**5,775,045**	**1,264,455**	**1,247,093**	**21.6**	**260.51**
As of March 31, 2018	5,305,567	885,260	866,573	16.3	187.94

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2019	**826,582**	**(614,738)**	**25,084**	**357,971**
Fiscal year ended March 31, 2018	726,598	(621,391)	(55,073)	121,043

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	-	0.00	-	181.43	181.43
Fiscal year ended March 31, 2019	-	0.00	-	37.50	37.50
Fiscal year ending March 31, 2020 (Forecast)	-	42.50	-	42.50	85.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the Company (Consolidated)
	Millions of yen	%	%
Fiscal year ended March 31, 2018	744,402	185.8	60.3
Fiscal year ended March 31, 2019	179,518	41.7	16.7
Fiscal year ending March 31, 2020 (Forecast)		84.8	

Note: On March 26, 2018, the Company conducted a 700-for-1 stock split of common stock. Accordingly, payout ratio (consolidated) and ratio of dividend to equity attributable to owners of the Company (consolidated) have been calculated assuming that the stock split took place on April 1, 2017, the opening balance sheet date of the comparative period.

Note: The dividend for fiscal year ended March 31, 2019 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 21, 2019. The dividend for fiscal year ended March 31, 2019 was decided based on a guideline dividend payout ratio approximately one-half of 85% of net income on a consolidated basis in light of the period between the listing of the Company's shares on December 19, 2018 and the record date for the dividends at the end of the fiscal year. The amount of the dividend is ¥75.00 per share and the payout ratio is 83.3% when annualized.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2020

On May 8, 2019, the Company decided to purchase new shares issued by third-party allotment for which the Company will be the allottee, and which will be conducted by Yahoo Japan Corporation (code: 4689; Tokyo Stock Exchange First Section; "Yahoo Japan") with the intention of making Yahoo Japan a consolidated subsidiary. Regarding the details of the transaction, please refer to the press release "Notice Concerning the Additional Acquisition of Shares Intended to Make Yahoo Japan Corporation a Consolidated Subsidiary" dated May 8, 2019.

The Company and Yahoo Japan have deepened their cooperation from before in the areas such as e-commerce and mobile payment business. By further deepening their efforts to date, the Company and Yahoo Japan will utilize the service lineups of both companies, the customer base possessed by both companies—the largest in Japan, and the massive volume and variety of multi-big data that is obtained from that customer base and through IoT, to provide our individual customers with more convenient services that are tailored to their lifestyles, as well as to provide our enterprise customers with innovative solutions that resolve various issues in their industrial fields and support their business growth. Both companies will leverage our solid management resources to realize the foregoing, and aim to achieve further growth and development, as well as to increase corporate values of both companies.

The consolidated financial forecasts for the fiscal year ending March 31, 2020 is under the assumption that Yahoo Japan to become a consolidated subsidiary of the Company in June 2019, and the accounting is performed with Yahoo Japan's results consolidated retrospectively to April 1, 2019, in accordance with the accounting policies of the Company group.

(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, 2020	4,800,000	2.1	890,000	3.5	480,000	3.0	100.27

Note: Ratio of year-on-year changes is based on the reference information below: Consolidated results for fiscal year ended March 31, 2019 (simply aggregated figures including Yahoo Japan)

Reference: Consolidated results for fiscal year ended March 31, 2019 (simply aggregated figures including Yahoo Japan)

	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 ended March 31, 2019	4,701,019	859,987	466,182	97.38

Note: Calculated as simply aggregated figures of SoftBank Corp. and Yahoo Japan Corporation for the fiscal year ended March 31, 2019. Yahoo Japan Corporation results were disclosed on April 25, 2019. The net income attributable to owners of the Company was calculated with the assumption that after the transaction, the Company owns 45% of the share of Yahoo Japan Corporation and only the owned portion is included.

* 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 consolidated financial statements for the fiscal year ended March 31, 2018 disclosed as comparative information. For details, refer to "Changes in Accounting Policies" under "3. Notes to Summary Information" on page 14 of the appendix to this consolidated financial report.

(3) Number of issued shares (common stock)

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

As of March 31, 2019	4,787,145,170	shares
As of March 31, 2018	4,610,948,240	shares

[2] Number of shares of treasury stock

As of March 31, 2019	－	shares
As of March 31, 2018	－	shares

[3] Average number of shares outstanding during the period

Fiscal year ended March 31, 2019	4,787,145,170	shares
Fiscal year ended March 31, 2018	4,104,364,015	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 consolidated financial report is not subject to audit 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 future events are estimated based on the information that the Company has obtained 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 various factors.

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see "(4) Forecasts" under "1. Results of Operations" on page 13 of the appendix to this consolidated financial report.

For subsidiaries acquired through common control transactions during the fiscal year ended March 31, 2019, 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 the consolidated financial statements of SoftBank Corp. and its subsidiaries. For details, refer to “2. Significant accounting policies” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes” on page 23 of the appendix to this consolidated financial report.

(How to obtain supplementary financial materials and information on the earnings results briefing)

On Wednesday, May 8, 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/en/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 settlement 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

In Japan's telecommunications market, competition between telecommunications carriers has intensified even further. Based on the Japanese government's policies to encourage greater market competition, the market has seen the widespread emergence of mobile virtual network operators ("MVNOs"), which provide telecommunication services using network infrastructure leased from mobile network operators ("MNOs"), which own the network infrastructure. Moreover, recently further price reductions by MNOs are expected, with new players planning to enter the market. Apart from those trends, the economic outlook has become increasingly uncertain due to the consumption tax hike in Japan and 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 the 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 for users who require cutting-edge smartphones and mobile devices, as well as high-volume flat-rate data plans, 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 March 31, 2019 had increased by 1,947 thousand 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 943 thousand from March 31, 2018. Additionally, the Group plans to roll out pre-commercial services based on 5G (fifth generation mobile communications system) technology in the fiscal year ending March 31, 2020. As one of the steps toward this goal, in March 2019 the Company commenced a demonstration trial of a service that enables users to watch professional baseball games in virtual reality (VR) space using 3D panorama images of the Fukuoka Yafuoku! Dome. Users may switch between several different viewing perspectives according to their preferences.

Furthermore, the Company is providing unique value in collaboration with Yahoo Japan Corporation, which belongs to the same parent as the Company, SoftBank Group Corp. Specifically, the initiatives include a campaign to award up to 10% in T Points[3] 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%[4] 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. With many of these joint ventures being 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. In October 2018, PayPay commenced a service tie-up with *Alipay*[5]. 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*. From February 2019, PayPay has conducted the "2nd 10 Billion Yen Campaign" as its second campaign.

WeWork Japan, a joint venture between the Company and WeWork Companies Inc., which provides coworking spaces in 100 cities in 27 countries[6] around the world, has opened 15 offices in Japan, comprising 12 offices in Tokyo, as well as offices in Yokohama, Osaka and Fukuoka.

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[7] worldwide, including cities in China. DiDi Mobility Japan Corp. offers a taxi-hailing platform in the Osaka area. The Chinese DiDi application 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. 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 will 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 have established a joint venture, MONET Technologies Corporation, and have commenced joint business operations. In March 2019, the MONET Consortium was established to enable sharing of ideas for an automated driving society between companies of diverse sectors and industries, and to respond to social issues and needs facing companies and local governments with regard to mobility. (As of March30, 2019, 88 companies are participating in the consortium).

Furthermore, in March 2019 MONET Technologies Corporation concluded a capital and business alliance agreement with Hino Motors, Ltd. and Honda Motor Co., Ltd. The addition of these two companies will enable data collection on the mobility of even more people and objects, leading to increased value of the MaaS[8] business and better services for mobility service users.

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. Includes T Points that can only be used at designated T Point partner merchants for a limited period.
4. The percentage represents the voting interest after the cancellation of treasury shares at Yahoo Japan Corporation as of September 30, 2018.
5. Alipay is a mobile and online payment platform provided by Ant Financial Services Group, an affiliate company of the Alibaba Group.
6. Number of cities and countries as of January 2019.
7. Number of cities as of July 2018.
8. MaaS stands for Mobility as a Service. By optimizing mobility-related supply and demand through the effective use of data on the movement of vehicles and people, this service seeks to solve social issues concerning mobility.

b. Consolidated Results of Operations

(Millions of yen)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Revenue	3,582,635	**3,746,305**	163,670	4.6%
Operating income	637,933	**719,459**	81,526	12.8%
Profit before income taxes	597,554	**631,548**	33,994	5.7%
Income taxes	(196,149)	**(205,976)**	(9,827)	5.0%
Net income	401,405	**425,572**	24,167	6.0%
Net income attributable to:				
Owners of the Company	400,749	**430,777**	30,028	7.5%
Non-controlling interests	656	**(5,205)**	(5,861)	—
Adjusted EBITDA*	1,156,836	**1,209,759**	52,923	4.6%

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 fiscal year ended March 31, 2019 is as follows:

(a) Revenue

For the fiscal year ended March 31, 2019, revenue increased by ¥163,670 million (4.6%) year on year to ¥3,746,305 million. Revenue increased by ¥68,611 million in the Consumer segment, ¥16,312 million in the Enterprise segment and ¥70,229 million in the Distribution segment.

(b) Operating income

For the fiscal year ended March 31, 2019, operating income increased by ¥81,526 million (12.8%) year on year to ¥719,459 million. Operating income increased by ¥35,470 million in the Consumer segment, ¥5,714 million in the Enterprise segment and ¥1,866 million in the Distribution segment. In the fiscal year ended March 31, 2018, the Company recorded a brand usage charge of ¥43,803 million as an expense for using the *SoftBank* brand, which was paid to SoftBank Group Corp. However, this was not incurred in the fiscal year ended March 31, 2019, because the Company acquired the right of permanent use of the trademark in March 2018. As the right of permanent use of the trademark is recorded as intangible asset that useful life is not specified, it is not amortized.

(c) Net income

Net income for the fiscal year ended March 31, 2019 increased by ¥24,167 million (6.0%) year on year to ¥425,572 million. Financing costs increased by ¥18,316 million year on year to ¥57,130 million. This increase was mainly due to an increase in the average outstanding balance of borrowings from financial institutions and others during the fiscal year ended March 31, 2019. Share of losses of associates accounted for using the equity method increased by ¥21,567 million to ¥25,337 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 fiscal year ended March 31, 2019, net income attributable to owners of the Company increased by ¥30,028 million (7.5%) year on year to ¥430,777 million, due to the increase in operating income.

(e) Adjusted EBITDA

For the fiscal year ended March 31, 2019, adjusted EBITDA increased by ¥52,923 million (4.6%) year on year to ¥1,209,759 million. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for appropriate 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 communications services includes the *SoftBank*, *Y!mobile* and *LINE MOBILE* brands.

(Thousands)

Cumulative Subscribers	March 31, 2018	**March 31, 2019**	Change
Total	42,650	**44,536**	1,886
Main subscribers*	33,175	**34,741**	1,566
Smartphones	20,135	**22,082**	1,947
Communication modules and others	6,877	**7,738**	861
PHS	2,598	**2,057**	(541)

(Thousands)

Net Additions	Fiscal Year Ended March 31		
	2018	**2019**	Change
Main subscribers*	775	**1,566**	791
Smartphones	1,702	**1,947**	245

Churn Rate and Total ARPU		Fiscal Year Ended March 31 2018	**2019**	Change
Main subscribers*	Churn rate	1.22%	**1.07%**	0.15pp improvement
	Total ARPU (yen)	4,340	**4,360**	10
	ARPU before discount (yen)	5,570	**5,420**	(150)
	Discount on ARPU (yen)	(1,220)	**(1,060)**	160
Smartphones	Churn rate	0.86%	**0.83%**	0.03pp 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	**March 31, 2019**	Change
Total	7,039	**7,643**	604
SoftBank Hikari	4,974	**5,916**	943
Yahoo! BB Hikari with FLET's	1,061	**894**	(167)
Yahoo! BB ADSL	1,005	**833**	(172)

<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 operating SoftBank shops, etc. The Group also sells mobile devices to individual customers.

Main initiatives in the fiscal year ended March 31, 2019

- 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 services 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 September 30, 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)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Revenue	2,611,865	**2,680,476**	68,611	2.6%
Segment income	591,966	**627,436**	35,470	6.0%
Depreciation and amortization	366,707	**342,044**	(24,663)	(6.7)%

Breakdown of Revenue

(Millions of yen)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Telecom service revenues	1,905,330	**1,989,717**	84,387	4.4%
Mobile communications	1,589,005	**1,628,640**	39,635	2.5%
Broadband	316,325	**361,077**	44,752	14.1%
Revenues from sales of goods and others	706,535	**690,759**	(15,776)	(2.2)%
Total revenue	2,611,865	**2,680,476**	68,611	2.6%

Revenue increased by ¥68,611 million (2.6%) year on year to ¥2,680,476 million.

Telecom service revenues increased by ¥84,387 million (4.4%) year on year to ¥1,989,717 million. Within telecom service revenues, mobile communications revenue increased by ¥39,635 million (2.5%) 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 ¥44,752 million (14.1%). This increase was mainly due to an increase in subscribers to the *SoftBank Hikari* fiber-optic service.

Revenues from sales of goods and others decreased ¥15,776 million (2.2%) year on year to ¥690,759 million. This decrease was mainly due to a decline in mobile device sales reflecting a decrease in the sales volume of smartphones, while there was an increase in sales from the *Ouchi Denki* service in connection with an expansion in service areas.

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 ¥2,053,040 million, an increase of ¥33,141 million (1.6%) year on year. This increase was mainly due to increases in cost of products for the *Ouchi Denki* service, sales commission expenses and telecommunications network charges for the *SoftBank Hikari* service as broadband subscribers increased, while there was a decrease in cost of products in connection with a decline in the sales volume of mobile devices. The decrease in depreciation and amortization was mainly attributable to the end of transmission of 3G services in certain frequency bands in the previous fiscal year.

As a result, segment income increased by ¥35,470 million (6.0%) year on year to ¥627,436 million.

(b) Enterprise Segment

OVERVIEW

In the Enterprise segment, the Group provides a wide range of solutions for enterprise customers. These include mobile communications services, the *OTOKU Line* fixed-line telephone service, the *ConnecTalk* service enabling seamless internal line voice calling between mobile phones and fixed-line telephones, the *SmartVPN* VPN service and network services such as internet, data center services, cloud services and AI, IoT, robotics, security, and digital marketing.

The Group has a department dedicated to digital transformation[1], with around 110 staff members as of March 31, 2019. This department is promoting digitalization in all kinds of industries by developing businesses with the SoftBank Vision Fund’s portfolio companies using their new technologies, as well as by creating new businesses jointly with customers through the “co-creation” initiative.

Main initiatives in the fiscal year ended March 31, 2019

- 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 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 Japan. 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 for offices and other business sites. The robot uses the automatic driving technology “BrainOS” developed by Brain Corp., an investee of SoftBank Vision Fund, enabling it to travel around obstacles by detecting them with multiple sensors. The robot is a solution for supplementing and resolving staff shortages in the commercial cleaning services field in offices, as well as various facilities such as schools, hospitals, hotels, and stores.
- The Company concluded comprehensive partnership agreements with Ishinomaki City in January 2019, Gifu City and Kanagawa Prefecture in n February 2019, and Tochigi Prefecture and Kamakura City in March 2019. As of March 31, 2019, the Company had concluded comprehensive partnership agreements with a total of 24 local governments. Working closely with each local government, the Company will aim to use ICT to address solutions to social issues in such areas as next-generation educational initiatives and tourism revitalization, along with exploring opportunities to realize smart cities that will increase the efficiency of local government services.

Note:

1. Digital transformation: Refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.

FINANCIAL RESULTS

(Millions of yen)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Revenue	604,171	**620,483**	16,312	2.7%
Segment income	70,634	**76,348**	5,714	8.1%
Depreciation and amortization	104,629	**103,737**	(892)	(0.9)%

Breakdown of Revenue

(Millions of yen)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Mobile	264,538	**268,097**	3,559	1.3%
Fixed-line	210,758	**207,397**	(3,361)	(1.6)%
Business solution and others	128,875	**144,989**	16,114	12.5%
Total revenue	604,171	**620,483**	16,312	2.7%

Revenue increased by ¥16,312 million (2.7%) year on year to ¥620,483 million. Mobile revenue increased by ¥3,559 million (1.3%) to ¥268,097 million, fixed-line revenue declined by ¥3,361 million (1.6%) to ¥207,397 million, and business solution and others revenue increased by ¥16,114 million (12.5%) to ¥144,989 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 increased sales from cloud services and digital advertising.

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 ¥544,135 million, an increase of ¥10,598 million (2.0%) 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, while there was an increase in cost of sales in connection with higher business solution revenue and an increase in the cost of disposal of intangible assets.

As a result, segment income increased by ¥5,714 million (8.1%) year on year to ¥76,348 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 fiscal year ended March 31, 2019

- 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). SB C&S Corp. has been working mainly to establish a sales framework targeting civil engineering, manufacturing and construction industries to accelerate the deployment process and to provide technical support, along with offering funding support for solution development. In February 2019, SB C&S Corp. commenced sales of mixpace, a visualization solution for the manufacturing and construction industries. mixpace automatically converts 3D design data into AR and MR data.
- GLIDiC[1] 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. Overseas, GLIDiC wireless earphone products also received recognition at the internationally acclaimed iF DESIGN AWARD 2019 and Red Dot Design Award 2019 in Germany as well as the Chicago Good Design Awards 2018 in the U.S.
- In February 2019, SB C&S Corp. became the first and only company in Japan to conclude the highest-level Platinum Distributor Agreement with Automation Anywhere Japan. The agreement was concluded to promote the widespread adoption of a Digital Workforce Platform that integrates AI, RPA and data analytics technologies.
- In March 2019, SB C&S Corp. concluded a distributorship agreement with Cohesity Japan KK, a joint venture between the Company and Cohesity Inc. Under this agreement, SB C&S Corp. began carrying secondary storage products that enable simple and unified backup, storage, and management of secondary data and applications.

Note:
1. GLIDiC: SB C&S Corp.'s brand name for audio products for mobile communications.

FINANCIAL RESULTS

(Millions of yen)

	Fiscal Year Ended March 31			
	2018	**2019**	Change	Change %
Revenue	347,068	**417,297**	70,229	20.2%
Segment income	13,316	**15,182**	1,866	14.0%
Depreciation and amortization	866	**1,229**	363	41.9%

Revenue increased by ¥70,229 million (20.2%) year on year to ¥417,297 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 ¥402,115 million, an increase of ¥68,363 million (20.5%) 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 ¥1,866 million (14.0%) year on year to ¥15,182 million.

(2) Overview of Consolidated Financial Position

(Millions of yen)

	March 31, 2018	**March 31, 2019**	Change	Change %
Current assets	1,569,080	**1,756,322**	187,242	11.9%
Non-current assets	3,736,487	**4,018,723**	282,236	7.6%
Total assets	5,305,567	**5,775,045**	469,478	8.8%
Current liabilities	3,397,474	**2,046,275**	(1,351,199)	(39.8)%
Non-current liabilities	1,022,833	**2,464,315**	1,441,482	140.9%
Total liabilities	4,420,307	**4,510,590**	90,283	2.0%
Total equity	885,260	**1,264,455**	379,195	42.8%

ASSETS

Total assets amounted to ¥5,775,045 million as of March 31, 2019, an increase of ¥469,478 million (8.8%) from the previous fiscal year-end. There was 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 ¥4,510,590 million as of March 31, 2019, an increase of ¥90,283 million (2.0%) 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 Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”)

EQUITY

Total equity amounted to ¥1,264,455 million as of March 31, 2019, an increase of ¥379,195 million (42.8%) 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)

	Fiscal Year Ended March 31		
	2018	**2019**	Change
Net cash inflow from operating activities	726,598	**826,582**	99,984
Net cash outflow from investing activities	(621,391)	**(614,738)**	6,653
Net cash (outflow) inflow from financing activities	(55,073)	**25,084**	80,157
Cash and cash equivalents at the end of the period	121,043	**357,971**	236,928
Free cash flow	105,207	**211,844**	106,637
Transactions with the parent	359,598	**47,239**	(312,359)
Effect of securitization of installment sales receivables	43,202	**32,995**	(10,207)
Adjusted free cash flow[1]	508,007	**292,078**	(215,929)
Capital expenditures (acceptance basis)[2]	380,136	**413,316**	33,180

Notes:

1. 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)
2. Capital expenditures (acceptance basis) include investment in devices for rental services. Investment in devices for rental services amounted to ¥30,045 million in the fiscal year ended March 31, 2018, and amounted to ¥33,065 million in the fiscal year ended March 31, 2019.

a. Cash flows from operating activities
In the fiscal year ended March 31, 2019, the net cash inflow from operating activities was ¥826,582 million, an increase in inflows of ¥99,984 million year on year, mainly due to an increase in net income.

b. Cash flows from investing activities
In the fiscal year ended March 31, 2019, the net cash outflow from investing activities was ¥614,738 million, decreased by ¥6,653 million year on year. Payments for acquisition of investments in the fiscal year ended March 31, 2019 include payment of ¥221,148 million for the purchase of shares of Yahoo Japan Corporation, while purchases of property, plant and equipment, and intangible assets were recorded for the acquisition of the right to permanently use the trademark for the *SoftBank* brand from SoftBank Group Corp. for ¥350,000 million (excluding transaction costs) in the fiscal year ended March 31, 2018.

c. Cash flows from financing activities
In the fiscal year ended March 31, 2019, the net cash inflow from financing activities was ¥25,084 million, due to a decrease in outflows of ¥80,157 million year on year. This was mainly due to a decrease of ¥87,633 million in payments for the acquisition of subsidiaries through common control transactions from the fiscal year ended March 31, 2018. In the fiscal year ended March 31, 2018, the Company recorded a dividend payment to SoftBank Group International GK (now SoftBank Group Japan Corporation) and an accompanying loan transaction from SoftBank Group Corp.

d. Cash and cash equivalents at the end of the period
As a result of (a) through (c) above, cash and cash equivalents at March 31, 2019 were ¥357,971 million, an increase of ¥236,928 million from March 31, 2018.

e. Adjusted free cash flow
In the fiscal year ended March 31, 2019, adjusted free cash flow was positive ¥292,078 million, a decrease of ¥215,929 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 fiscal year ended March 31, 2019, capital expenditures (acceptance basis) were ¥413,316 million, an increase of ¥33,180 million year on year, mainly due to measures to expand the LTE service areas and improve the quality of service.

(4) Forecasts

On May 8, 2019, the Company decided to purchase new shares issued by third-party allotment for which the Company will be the allottee, and which will be conducted by Yahoo Japan Corporation (code: 4689; Tokyo Stock Exchange First Section; "Yahoo Japan") with the intention of making Yahoo Japan a consolidated subsidiary. Regarding the details of the transaction, please refer to the press release "Notice Concerning the Additional Acquisition of Shares Intended to Make Yahoo Japan Corporation a Consolidated Subsidiary" dated May 8, 2019.

The Company and Yahoo Japan have deepened their cooperation from before in the areas such as e-commerce and mobile payment business. By further deepening their efforts to date, the Company and Yahoo Japan will utilize the service lineups of both companies, the customer base possessed by both companies—the largest in Japan, and the massive volume and variety of multi-big data that is obtained from that customer base and through IoT, to provide our individual customers with more convenient services that are tailored to their lifestyles, as well as to provide our enterprise customers with innovative solutions that resolve various issues in their industrial fields and support their business growth. Both companies will leverage our solid management resources to realize the foregoing, and aim to achieve further growth and development, as well as to increase corporate values of both companies.

The consolidated financial forecasts for the fiscal year ending March 31, 2020 is under the assumption that Yahoo Japan to become a consolidated subsidiary of the Company in June 2019, and the accounting is performed with Yahoo Japan's results consolidated retrospectively to April 1, 2019, in accordance with the accounting policies of the Company group.

The Company is forecasting revenue of ¥4,800.0 billion, mainly due to acquisition of Yahoo Japan Corporation, as well as increases in smartphone and broadband subscribers. Operating income is forecasted at ¥890.0 billion, due to the increase in revenue, and net income attributable to owners of the Company is forecasted at ¥480.0 billion.

(Billions of yen)

	Fiscal Year Ended/Ending		
	March 31, 2019 (For reference purpose*)	March 31, 2020	Change Rate (%)
Revenue	4,701.0	**4,800.0**	2.1%
Operating income	860.0	**890.0**	3.5%
Net income attributable to owners of the company	466.2	**480.0**	3.0%

Note: Calculated as simple combined results of SoftBank Corp. and Yahoo Japan Corporation for the fiscal year ended March 31, 2019. Yahoo Japan Corporation results were disclosed on April 25, 2019. The net income attributable to owners of the Company was calculated with the assumption that after the transaction, the Company owns 45% of the share of Yahoo Japan Corporation and only the owned portion is included.

(5) Basic Policy Regarding Distribution of Profits and Dividends for the Fiscal Year Ended March 31, 2019 and the Fiscal Year Ending March 31, 2020

The Group considers the return of profits to shareholders to be an important priority along with the increase in corporate value. To increase corporate value, the Group will make capital investments to enable more stable service operation, as well as continuing investments in new businesses. The Group's basic policy is to distribute surplus twice a year as interim and year-end dividends. The Group's dividend policy is to consider performance trends, financial condition and the Group's dividend payout ratio on a comprehensive basis while paying attention to the stability and sustainability of dividends. Based on the above policy, the Group aims to pay stable per-share dividends, with a guideline dividend payout ratio to net income of approximately 85% on a consolidated basis.

The Group plans to set the year-end dividend for the fiscal year ended March 31, 2019 at ¥37.50 per share. In light of the period between the listing of the Company's shares on December 19, 2018 and the record date for the dividends at the end of the current fiscal year, the amount of the year-end dividend was decided based on a guideline dividend payout ratio approximately one-half of 85% of net income on a consolidated basis. For the fiscal year ending March 31, 2020, the Group plans to pay an annual dividend of ¥85.00 per share, including an interim dividend of ¥42.50 per share.

The Group will continue to grow its telecommunications business and new businesses, striving to increase its corporate value and make an appropriate return of profit to shareholders.

Note:
This matter is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 21, 2019.

2. Basic Approach to the Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards (“IFRS”) to increase the international comparability of its financial information and to improve the convenience in capital markets.

3. 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” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of April 1, 2017 restated[1]	As of March 31, 2018 restated[1]	As of March 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	70,909	121,043	357,971
Trade and other receivables	1,122,554	1,186,754	1,186,904
Other financial assets	73,077	6,251	1,652
Inventories	102,992	125,645	114,321
Other current assets	70,654	129,387	95,474
Total current assets	1,440,186	1,569,080	1,756,322
Non-current assets			
Property, plant and equipment	1,811,385	1,707,289	1,657,254
Goodwill	187,489	187,489	198,461
Intangible assets	716,415	1,051,293	1,046,010
Contract costs	184,281	174,314	208,114
Investments accounted for using the equity method	38,471	56,325	68,341
Other financial assets	321,429	414,094	716,500
Deferred tax assets	70,592	58,495	36,611
Other non-current assets	89,628	87,188	87,432
Total non-current assets	3,419,690	3,736,487	4,018,723
Total assets	4,859,876	5,305,567	5,775,045

(Millions of yen)

	As of April 1, 2017 restated[1]	As of March 31, 2018 restated[1]	As of March 31, 2019
LIABILITIES AND EQUITY			
Current liabilities			
Interest-bearing debt	1,031,521	2,260,435	909,944
Trade and other payables	746,209	841,536	817,532
Contract liabilities	93,371	100,676	113,950
Income taxes payable	118,497	100,878	91,310
Provisions	8,668	16,407	7,909
Other current liabilities	92,625	77,542	105,630
Total current liabilities	2,090,891	3,397,474	2,046,275
Non-current liabilities			
Interest-bearing debt	986,778	966,098	2,379,497
Other financial liabilities	3,752	3,127	11,583
Defined benefit liabilities	12,633	12,031	11,087
Provisions	40,867	34,493	54,750
Other non-current liabilities	6,501	7,084	7,398
Total non-current liabilities	1,050,531	1,022,833	2,464,315
Total liabilities	3,141,422	4,420,307	4,510,590
Equity			
Equity attributable to owners of the Company			
Common stock	177,251	197,694	204,309
Capital surplus	993,962	204,906	202,685
Retained earnings	528,445	458,230	893,880
Accumulated other comprehensive income	(118)	5,743	(53,781)
Total equity attributable to owners of the Company	1,699,540	866,573	1,247,093
Non-controlling interests	18,914	18,687	17,362
Total equity	1,718,454	885,260	1,264,455
Total liabilities and equity	4,859,876	5,305,567	5,775,045

Note:1. Upon adoption of IFRS 15 “Revenue from Contracts with Customers,” and due to the impact of transactions under common control for the fiscal year ended March 31, 2019, the comparative information as of April 1, 2017 and March 31, 2018 have been restated. For further details regarding the restatement, refer to “(1) Application of new accounting standards and interpretations” under “2. Significant accounting policies” in “(6) Notes to Consolidated Financial Statements.”

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2018 restated[2]	Fiscal year ended March 31, 2019
Revenue	3,582,635	3,746,305
Cost of sales	(2,040,770)	(2,114,948)
Gross profit	1,541,865	1,631,357
Selling, general and administrative expenses	(893,522)	(911,817)
Other operating income	4,047	4,689
Other operating expenses	(14,457)	(4,770)
Operating income	637,933	719,459
Share of losses of associates accounted for using the equity method	(3,770)	(25,337)
Financing income	2,205	1,648
Financing costs	(38,814)	(57,130)
Gain on sales of equity method investments	-	5,522
Impairment loss on equity method investments	-	(12,614)
Profit before income taxes	597,554	631,548
Income taxes	(196,149)	(205,976)
Net income[1]	401,405	425,572
Net income attributable to		
Owners of the Company	400,749	430,777
Non-controlling interests	656	(5,205)
	401,405	425,572
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	97.64	89.99
Diluted earnings per share (Yen)	97.63	89.35

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2018 and 2019 was generated from continuing operations.
2. Upon adoption of IFRS 15 “Revenue from Contracts with Customers,” and due to the impact of transactions under common control for the fiscal year ended March 31, 2019, the comparative information for the fiscal year ended March 31, 2018 has been restated. For further details regarding the restatement, refer to “(1) Application of new accounting standards and interpretations” under “2. Significant accounting policies” in “(6) Notes to Consolidated Financial Statements.”

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2018 restated[1]	Fiscal year ended March 31, 2019
Net income	401,405	425,572
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(64)	1
Changes in the fair value of equity investments at FVTOCI	-	(54,938)
Total items that will not be reclassified to profit or loss	(64)	(54,937)
Items that may be reclassified subsequently to profit or loss		
Gain on revaluation of available-for-sale financial assets	5,774	-
Cash flow hedges	-	(4,675)
Exchange differences on translation of foreign operations	71	(135)
Share of other comprehensive income (loss) of associates accounted for using the equity method	16	(559)
Total items that may be reclassified subsequently to profit or loss	5,861	(5,369)
Total other comprehensive income (loss), net of tax	5,797	(60,306)
Total comprehensive income	407,202	365,266
Total comprehensive income attributable to		
Owners of the Company	406,546	370,357
Non-controlling interests	656	(5,091)
	407,202	365,266

Note:

1. Upon adoption of IFRS 15 “Revenue from Contracts with Customers,” and due to the impact of transactions under common control for the fiscal year ended March 31, 2019, the comparative information for the fiscal year ended March 31, 2018 has been restated. For further details regarding the restatement, refer to “(1) Application of new accounting standards and interpretations” under “2. Significant accounting policies” in “(6) Notes to Consolidated Financial Statements.”

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 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, 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	-	-	400,749	-	400,749	656	401,405
Other comprehensive income (loss)	-	-	-	5,797	5,797	0	5,797
Total comprehensive income	-	-	400,749	5,797	406,546	656	407,202
Transactions with owners and other transactions							
Cash dividends[4]	-	(744,402)	(396,153)	-	(1,140,555)	(228)	(1,140,783)
Issuance of new shares	20,443	20,443	-	-	40,886	-	40,886
Changes from transactions under common control[2, 3]	-	(70,245)	(74,747)	-	(144,992)	(3,030)	(148,022)
Changes from business combinations	-	-	-	-	-	439	439
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries[2, 4]	-	(138)	-	-	(138)	564	426
Changes in interests in existing subsidiaries	-	(172)	-	-	(172)	1,372	1,200
Share-based payment transactions	-	5,458	-	-	5,458	-	5,458
Transfer from accumulated other comprehensive income to retained earnings	-	-	(64)	64	-	-	-
Total transactions with owners and other transactions	20,443	(789,056)	(470,964)	64	(1,239,513)	(883)	(1,240,396)
As of March 31, 2018	197,694	204,906	458,230	5,743	866,573	18,687	885,260

For the fiscal year ended March 31, 2019

(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	-	-	430,777	-	430,777	(5,205)	425,572
Other comprehensive income (loss)	-	-	-	(60,420)	(60,420)	114	(60,306)
Total comprehensive income	-	-	430,777	(60,420)	370,357	(5,091)	365,266
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]	-	(25,652)	5,872	-	(19,780)	(4,100)	(23,880)
Changes from business combinations	-	-	-	-	-	4,422	4,422
Changes from loss of control	-	-	-	58	58	(228)	(170)
Changes in interests in subsidiaries[4]	-	-	-	-	-	-	-
Changes in interests in existing subsidiaries	-	667	-	-	667	3,898	4,565
Share-based payment transactions	-	9,557	-	-	9,557	0	9,557
Transfer from accumulated other comprehensive income to retained earnings	-	-	(838)	838	-	-	-
Total transactions with owners and other transactions	6,615	(2,221)	4,873	896	10,163	3,766	13,929
As of March 31, 2019	204,309	202,685	893,880	(53,781)	1,247,093	17,362	1,264,455

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 fiscal year ended March 31, 2018 was recognized as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application. For further details, refer to "(1) Application of new accounting standards and interpretations" under "2. Significant accounting policies" in "(6) Notes to Consolidated Financial Statements."
2. As described in "(2) Acquisition of investments in subsidiaries and associates" in "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 consolidated financial statements of SoftBank Corp. and its subsidiaries. For further details, refer to "(1) Application of new accounting standards and interpretations" under "2. Significant accounting policies" in "(6) Notes to Consolidated Financial Statements."
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) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018 restated[1]	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Net income	401,405	425,572
Depreciation and amortization	477,281	452,180
Loss on disposal of property, plant and equipment and intangible assets	31,912	38,039
Financing income	(2,205)	(1,648)
Financing costs	38,814	57,130
Share of losses of associates accounted for using the equity method	3,770	25,337
Gain on sales of equity method investments	-	(5,522)
Impairment loss on equity method investments	-	12,614
Income taxes	196,149	205,976
(Increase) decrease in trade and other receivables	(127,455)	(106,468)
(Increase) decrease in inventories	(22,653)	11,809
Purchases of mobile devices leased to enterprise customers	(30,045)	(32,455)
Increase (decrease) in trade and other payables	39,280	(24,871)
Increase (decrease) in consumption taxes payable	(31,118)	53,138
Other	(6,011)	(27,111)
Subtotal	969,124	1,083,720
Interest and dividends received	1,128	988
Interest paid	(38,114)	(70,456)
Income taxes paid	(210,207)	(197,018)
Income taxes refunded	4,667	9,348
Net cash inflow from operating activities	726,598	826,582
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(643,730)	(366,406)
Proceeds from sales of property, plant and equipment and intangible assets	1,481	724
Payments for acquisition of investments	(44,259)	(279,338)
Proceeds from sales/redemption of investments	453	29,367
Proceeds from obtaining control of subsidiaries	-	3,955
Increase in short-term loans issued	(52,876)	(1,650)
Proceeds from repayment of short-term loans	119,842	6,561
Increase in long-term loans issued	(7,569)	(8)
Proceeds from repayment of long-term loans	8,174	53
Other	(2,907)	(7,996)
Net cash outflow from investing activities	(621,391)	(614,738)

(Millions of yen)

	Fiscal year ended March 31, 2018 restated[1]	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Proceeds from short-term interest-bearing debt	1,164,673	263,513
Repayment of short-term interest-bearing debt	(250,046)	(1,665,767)
Proceeds from long-term interest-bearing debt	2,106,064	2,594,842
Repayment of long-term interest-bearing debt	(1,811,251)	(1,139,645)
Proceeds from stock issuance to non-controlling interests	1,639	5,195
Cash dividends paid	(1,140,783)	(388)
Payment for purchase of subsidiaries' interests	(107,133)	(19,500)
Other	(18,236)	(13,166)
Net cash outflow from financing activities	(55,073)	25,084
Increase in cash and cash equivalents	50,134	236,928
Cash and cash equivalents at the beginning of the period	70,909	121,043
Cash and cash equivalents at the end of the period	121,043	357,971

Note:

1. Upon adoption of IFRS 15 "Revenue from Contracts with Customers," and due to the impact of transactions under common control for the fiscal year ended March 31, 2019, the comparative information for the fiscal year ended March 31, 2018 has been restated.

(5) Notes on Going Concern Assumption

There are no applicable items.

(6) Notes to 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 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 consolidated financial statements, SoftBank Group Japan Corporation is referred to as “SBGJ,” including transactions that were entered into prior to the name change.

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” under “5. Segment information.”

2. Significant accounting policies

(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 statements of financial position and income of the Group is presented in the table below. The adoption of IFRS 9 had no significant impact on the 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 consolidated statements of the Group. The effect of transactions under common control during the fiscal year ended March 31, 2019 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

Consolidated Statement of Income

Fiscal year ended 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
Revenue	3,547,035	64,511	(28,911)	3,582,635
Cost of sales	(1,993,950)	(44,417)	(2,403)	(2,040,770)
Gross profit	1,553,085	20,094	(31,314)	1,541,865
Selling, general and administrative expenses	(914,499)	(17,663)	38,640	(893,522)
Other operating income	4,046	1	-	4,047
Other operating expenses	(697)	(13,760)	-	(14,457)
Operating income	641,935	(11,328)	7,326	637,933
Share of losses of associates accounted for using the equity method	(3,770)	-	-	(3,770)
Financing income	2,062	143	-	2,205
Financing costs	(38,912)	98	-	(38,814)
Profit before income taxes	601,315	(11,087)	7,326	597,554
Income taxes	(190,212)	(4,019)	(1,918)	(196,149)
Net income	411,103	(15,106)	5,408	401,405
Net income attributable to				
Owners of the Company	412,699	(17,358)	5,408	400,749
Non-controlling interests	(1,596)	2,252	-	656
Earnings per share attributable to owners of the Company				
Basic earnings per share (Yen)	100.55	(4.23)	1.32	97.64
Diluted earnings per share (Yen)	100.55	(4.24)	1.32	97.63

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 consolidated statement of financial position as of March 31, 2018 and consolidated statement of income for the fiscal year ended 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 for individual customers.

(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 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 fiscal year ended March 31, 2019 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 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 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 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 fiscal year in which the estimates are revised as well as in the subsequent fiscal years.

(1) Significant judgments

Significant judgments that affect the amounts recognized in the Group's consolidated financial statements are as follows:

a. Judgments of whether an entity is controlled by the Company in determining the scope of consolidation

The Company assesses whether or not it has the ability to control subsidiaries based on whether the Company has the practical ability to direct the relevant activities of the subsidiary unilaterally. In making this judgment, the Company considers the absolute size of its equity share, voting interest, contractual rights, and any other factors that may indicate the Company's ability to direct the relevant activities of the entity. Upon completion of the assessment, the Company will then determine if the subsidiary should be consolidated, accounted for using the equity method, or accounted for as an investment. For further details on where management has specifically applied this judgment, refer to "(2) Acquisition of Wireless City Planning Inc. ("WCP")" under "4. Business combinations."

b. Judgments for accounting treatment of contracts, including leases

Determining whether an arrangement contains a lease

The Group assesses its contractual arrangements in order to determine whether contractual arrangements are, or contain, a lease. In making this judgment, the Group assesses whether the fulfillment of any given contractual arrangement is dependent on the use of a specific asset and if the arrangement conveys a right to use the underlying asset. The judgement is primarily applied to contractual arrangements, where as lessee, the Group enters into a contractual arrangement for the usage of telecommunications lines, telecommunications equipment, and land and buildings for the placement of telecommunications equipment.

Lease classification

The Group also applies judgment in determining the classification of a lease as either a finance lease or operating lease. In determining whether a lease is a finance lease, the Group assesses the following:

(a) if the lease transfers all of the risks and rewards associated with the ownership of the asset;

(b) if ownership of the asset will transfer to the lessee at the conclusion of the lease;

(c) whether the lessee will have the ability to purchase the leased asset at a cost significantly below the asset's fair value;

(d) whether the term of the lease is for a major part of the asset's useful economic life; and

(e) the level of risk that the Group retains in relation to the asset.

If one or a combination of the above are present in relation to the lease, the Group classifies the lease as a finance lease, and all other leases are classified as operating leases.

The Group applies the above judgments in both its position as lessee and lessor.

c. 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 details, refer to "a. Revenue" under "(2) Significant accounting policies in accordance with application of new accounting standards and interpretations" in "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 by reference to the telecommunications services that are expected to be provided and the corresponding amount of consideration expected to be received from the customer.

(2) Significant estimates

Uncertainties involved in estimates and assumptions made by management that have risk of significant adjustments to the carrying amounts of assets and liabilities during the next fiscal year are summarized as follows:

Estimated residual values and useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets represent a significant portion of the total assets of the Group. Estimates and assumptions made may have a material impact on their carrying amounts and related depreciation and amortization.

The depreciation charge for an asset is derived using estimates of its expected useful life and in the case of property, plant and equipment, expected residual value. Changes to an asset’s expected useful life or residual value could result in material adjustments to both the consolidated statement of financial position and consolidated statement of income. Management determines the useful lives and residual values for assets when they are acquired or generated based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology, expected costs to be incurred upon disposal, and any related contractual arrangements that would be indicative of the useful life of an asset.

4. Business combinations

Fiscal year ended March 31, 2018

(1) 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.

(2) Acquisition of Wireless City Planning Inc. ("WCP")

Summary of acquisition

On March 31, 2018, the Company acquired 32.2% of the equity interest of WCP from SBGJ in exchange for 507,976 thousand newly issued common stock of the Company with a respective fair value of ¥316,469 million. WCP is a specialized telecommunications network company that provides telecommunications services based on "Advanced eXtended Global Platform (AXGP)" as its main business.

The Group does not own a majority of the voting rights of WCP. However, directors and executive officers of the Company account for a majority of the members of WCP's board of directors, and WCP's business activities depend heavily on the Company. Accordingly, the Company determined that it controls WCP and consequently consolidates it.

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.) and WCP are combined as part of the consolidated financial statements of the Group from the opening balance sheet date of the comparative period based on the book value of SBG.

Fiscal year ended March 31, 2019

(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 operates an 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 176,197 thousand 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 the consolidated financial statements of the Group. For details of the impact of the transactions on the consolidated statement of financial position and income previously disclosed, refer to “(1) Application of new accounting standards and interpretations” in “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 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.

The following segment information includes the financial information of subsidiaries acquired through common control transactions by March 31, 2019 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 "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.

Fiscal year ended March 31, 2018 restated[1]

(Millions of yen)

	Reportable segments						
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	2,608,747	600,134	312,920	3,521,801	60,834	-	3,582,635
Intersegment revenue or transferred revenue	3,118	4,037	34,148	41,303	19,740	(61,043)	-
Total	2,611,865	604,171	347,068	3,563,104	80,574	(61,043)	3,582,635
Segment income	591,966	70,634	13,316	675,916	(37,862)	(121)	637,933
Depreciation and amortization[2]	366,707	104,629	866	472,202	5,079	-	477,281

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments						
	Consumer	Enterprise	Distribution	Total	Other	Adjustments	Consolidated
Revenue							
Sales to external customers	2,674,506	616,043	382,911	3,673,460	72,845	-	3,746,305
Intersegment revenue or transferred revenue	5,970	4,440	34,386	44,796	18,665	(63,461)	-
Total	2,680,476	620,483	417,297	3,718,256	91,510	(63,461)	3,746,305
Segment income	627,436	76,348	15,182	718,966	1,867	(1,374)	719,459
Depreciation and amortization[2]	342,044	103,737	1,229	447,010	5,170	-	452,180

Notes:

1. Upon adoption of IFRS 15 "Revenue from Contracts with Customers," and due to the impact of transactions under common control for the fiscal year ended March 31, 2019, the comparative information for the fiscal year ended March 31, 2018 has been restated.
2. Depreciation and amortization includes amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the consolidated statement of financial position.

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Segment income	637,933	719,459
Share of losses of associates accounted for using the equity method	(3,770)	(25,337)
Financing income	2,205	1,648
Financing costs	(38,814)	(57,130)
Gain on sales of equity method investments	-	5,522
Impairment loss on equity method investments	-	(12,614)
Profit before income taxes	597,554	631,548

6. Interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Current		
Short-term borrowings[1, 4]	1,400,699	445
Current portion of long-term borrowings[1, 2, 4]	394,313	470,451
Current portion of lease obligations	449,566	431,447
Current portion of installment payables	15,857	7,601
Total	2,260,435	909,944
Non-current		
Long-term borrowings[1, 2, 4]	217,702	1,651,614
Lease obligations	740,336	727,197
Installment payables	8,060	686
Total	966,098	2,379,497

Notes:

1. The Company 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 the last business day of September 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, at March 31 and September 30 of each year, the Company maintains a net leverage ratio below a certain value:

(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 March 31, 2019, 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 ¥6,822 million.

4. The table below presents the analysis of short-term borrowings and long-term borrowings (including current portion) by maturities as of March 31, 2019:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt								
Short-term borrowings	445	445	445	-	-	-	-	-
Long-term borrowings (including current portion)	2,122,065	2,137,141	471,846	391,495	304,309	212,268	222,274	534,949
Total	2,122,510	2,137,586	472,291	391,495	304,309	212,268	222,274	534,949

7. Equity

Fiscal year ended March 31, 2018

After the Company acquired the shares of WCP owned by SBGJ through an equity issuance on March 31, 2018, the number of shares issued increased by 507,976 thousand shares. For details, refer to "4. Business combinations."

As a result of the issuance of the shares, common stock and capital surplus increased by ¥20,443 million and ¥20,443 million under the Companies Act of Japan, respectively.

Fiscal year ended March 31, 2019

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 176,197 thousand shares. For details, refer to "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.

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:

Fiscal year ended March 31, 2018

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
Board of Directors' meeting held on March 20, 2018[1]	Common stock	181.43	744,402	-	March 28, 2018

Notes:

1. The dividend has no record date and is distributed to shareholders as of the effective date. Also, on March 26, 2018, the Company conducted a 700-for-1 stock split of common stock in accordance with a resolution by the Board of Directors at the meeting held on February 20, 2018. Dividends per share are calculated after taking the stock split into consideration.

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 earliest comparative period as part of the consolidated financial statements of the Group. As a result, the following dividend paid by SB Atwork Corp. and SoftBank Technology Corp. before the date of transaction under common control is included in "Cash dividends" in the consolidated statement of changes in equity.

SB Atwork Corp.

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Extraordinary meeting of shareholders held on February 2, 2018	Common stock	105,555.55	190	March 31, 2017	February 20, 2018

SoftBank Technology Corp.

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen) [2]	Record date	Effective date
General meeting of shareholders held on June 19, 2017	Common stock	30.00	295	March 31, 2017	June 20, 2017

Notes:

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

Fiscal year ended March 31, 2019

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.

Dividends whose effective date is in the fiscal year ending March 31, 2020

The following resolutions is scheduled for the Board of Directors' meeting held on May 21, 2019.

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 May 21, 2019	Common stock	37.50	179,518	March 31, 2019	June 10, 2019

9. Revenue

The components of revenue are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2018[1,2]	Fiscal year ended March 31, 2019[1,2]
Consumer business		
Telecommunications service revenues	1,902,212	1,983,747
Mobile communications	1,585,887	1,622,670
Broadband	316,325	361,077
Revenues from sales of goods and others	706,535	690,759
Subtotal	2,608,747	2,674,506
Enterprise business		
Mobile communications[3]	260,501	263,657
Fixed-line	210,758	207,397
Business solution services and others[3]	128,875	144,989
Subtotal	600,134	616,043
Distribution business	312,920	382,911
Other	60,834	72,845
Total	3,582,635	3,746,305

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 fiscal years ended March 31, 2019 and 2018 was ¥68,419 million and ¥65,101 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 fiscal years ended March 31, 2019 and 2018 were ¥326,554 million and ¥308,921 million, respectively. Revenues from sales of goods and others for the fiscal years ended March 31, 2019 and 2018 were ¥82,092 million and ¥80,455 million, respectively.

10. Earnings per share

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

(1) Basic earnings per share

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	400,749	430,777
Weighted-average number of shares of common stock outstanding (Thousands of shares)[1]	4,104,364	4,787,145
Basic earnings per share (Yen)	97.64	89.99

(2) Diluted earnings per share

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	400,749	430,777
Effect of dilutive securities issued by subsidiaries and associates	(28)	(7)
Total	400,721	430,770
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]	4,104,364	4,787,145
Increase in the number of shares of common stock due to stock acquisition rights	-	34,251
Total	4,104,364	4,821,396
Diluted earnings per share (Yen)	97.63	89.35

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 fiscal year ended March 31, 2019, 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 March 31, 2019
Guarantee balance (Millions of yen)	6,405,175	-

12. Significant Subsequent Events

(1) Acquisition of new shares issued by Yahoo Japan Corporation ("Yahoo") through a third-party allotment and a Yahoo's tender offer for its own shares (the "Tender Offer") with the intention of making Yahoo as a subsidiary of the Company

a. Acquisition of new shares of Yahoo's common stock issued through the Third-Party Allotment

On May 8, 2019, Ken Miyauchi, Representative Director, President & CEO of the Company, pursuant to an entrustment by the Company's board of directors' meeting held on May 7, 2019, decided to acquire new shares issued by third-party allotment (the "Capital Increase by Third-Party Allotment") for which the Company will be the allottee, and which will be conducted by Yahoo (Code No. 4689, First Section of the Tokyo Stock Exchange) with the intention of making Yahoo as a subsidiary of the Company.

The Company will acquire all of 1,511,478,050 new shares to be issued by Yahoo for ¥456,466 million in the Capital Increase by Third-Party Allotment. The Company currently owns 12.08% of the total number of issued and outstanding shares of Yahoo (excluding the number of treasury shares). After Yahoo completes the Tender Offer for its own shares as described below and the Company completes its acquisition of new shares of Yahoo, the Company is expected to own 44.64% of total issued and outstanding shares of Yahoo (excluding the number of treasury shares). In addition, officers from the Company will be appointed as members of Yahoo's Board of Directors. As a result, Yahoo is considered substantially controlled and expected to become a subsidiary of the Company.

b. Outline of the Capital Increase by Third-Party Allotment

The Company plans to acquire the total number of shares to be issued through the Capital Increase by Third-Party Allotment under the following conditions:

(a) Payment date	June 27, 2019
(b) Number of shares to be acquired	1,511,478,050 shares of Yahoo's common stock
(c) Per share amount to be paid	302 yen per share
(d) Total amount to be paid	¥456,466 million

However, the purchase by the Company of the Capital Increase by Third-Party Allotment will be on the condition on the payment date (which furthermore will be June 27, 2019, as set forth above, although the purchase agreement executed by the Company and Yahoo stipulates that the Company will pay the amount in full by June 26, 2019), (i) that the registration in accordance with the Financial Instruments and Exchange Act has come into effect, and (ii) that the Tender Offer period for the Yahoo's tender offer for its own shares has expired and the receipt of assignment of the Yahoo's common stock is complete.

c. Purpose of underwriting the Capital Increase by Third-Party Allotment

The Company and Yahoo have been enhancing their collaboration from before, but they also recognize many opportunities for further collaboration. While it is essential for the Company to further strengthen non-telecommunications business fields including FinTech in order to respond to the drastic changes in the recent competitive environment and continue growth, the Company and Yahoo have taken independent initiatives in these fields because they are future growth areas for both companies.

The Company has recognized that it is vital for the Company to deepen its collaboration with Yahoo in the non-telecommunications business fields including FinTech to maximize synergies, expand and enhance the customer base, and accelerate the provision of services to customers.

In this situation, the Company has come to conclude that it is more desirable for the Company and Yahoo to promote non-telecommunications business areas including FinTech in a unified and active manner, and for both companies to deploy management resources optimally based on an integrated strategy and to maximize synergy effects by making Yahoo as a subsidiary of the Company.

According to the press release of Yahoo, Yahoo, having considered conducting the Tender Offer targeted at the Yahoo's common stock held by SBGJ in parallel with the additional acquisition of Yahoo's common stock by the Company, informed SBG at the end of February 2019 of its intentions regarding the Capital Increase by Third-Party Allotment and the Tender Offer and then proceeded with consultations. At the beginning of March 2019, it determined that the conducting of the Capital Increase by Third-Party Allotment and the Tender Offer would contribute to the interests of Yahoo's shareholders and reached an agreement with SBG on carrying out the Tender Offer.

d. Number of shares to be acquired, acquisition price, and circumstance of shares held before and after acquisition

(a) Number of shares held prior to the transaction	613,888,900 shares (Number of voting rights: 6,138,889) (Ratio of voting rights held: 12.08%)
(b) Number of shares to be acquired	1,511,478,050 shares (Number of voting rights: 15,114,780)
(c) Acquisition price	Yahoo's common stock ¥456,466 million Advisory fees, etc. (estimated amount) ¥20 million Total (estimated amount) ¥456,486 million
(d) Number of shares held after the transaction	2,125,366,950 shares (Number of voting rights: 21,253,669) (Ratio of voting rights held: 44.64%)

Note:

The ratio of voting rights held under "(d) Number of shares held after the transaction" is stated as the ratio after completion of the purchase of the entire amount planned in the Tender Offer. The ratio only for the case where SBGJ accepts the Tender Offer is indicated.

e. Outline of Yahoo

(a) Name	Yahoo Japan Corporation
(b) Location	1-3, Kioicho, Chiyoda-ku, Tokyo
(c) Name and Title of Representative	Kentaro Kawabe, President and Representative Director
(d) Description of Business	Internet advertising, e-commerce, members service and other businesses
(e) Capital	¥8,939 million (As of March 31, 2019)
(f) Date of Incorporation	January 31, 1996

f. Impact on future performance of the Group

Through the Capital Increase by Third-Party Allotment, the Tender Offer, and the appointment of officers from the Company to the Yahoo's Board of Directors, Yahoo and its subsidiaries are expected to become consolidated subsidiaries of the Company during the fiscal year ending March 31, 2020.

When Yahoo and its subsidiaries become consolidated subsidiaries of the Company, the Capital Increase by Third-Party Allotment and the Tender Offer will be treated as transactions under common control. In accordance with the Group's accounting policy, this common control transaction is accounted for as if it occurred on April 1, 2018, the beginning of the comparative period, and the financial statements of Yahoo and its subsidiaries are retrospectively included in the consolidated financial statements of the Group from that date.

(2) Third-party allotment of new shares of PayPay Corporation ("PayPay") to SBG

PayPay, a joint venture with Yahoo which is treated as a jointly controlled entity of the Company, decided on a third-party allotment of new shares of PayPay's common stock to SBG based on a resolution of PayPay's Board of Directors meeting held on April 22, 2019, the payment of ¥46,000 million from the transaction is expected to be implemented from May 15, 2019 to June 28, 2019. After the completion of this transaction, the ratio of voting rights held by the Company is expected to decrease from 50% to 25%.

The Company is still evaluating impacts from this transaction on the consolidated financial statements of the Company.