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 Three Months Ended June 30, 2019 (IFRS)

August 5, 2019

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 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	%
Three months ended June 30, 2019	**1,164,856**	**5.8**	**268,858**	**3.7**	**259,538**	**6.5**	**172,616**	**(1.2)**	**164,797**	**2.1**	**171,991**	**(1.2)**
Three months ended June 30, 2018	1,100,967	-	259,208	-	243,811	-	174,693	-	161,444	-	174,012	-
Three months ended June 30, 2018 (before retrospective adjustment)	879,942		220,385		207,817		154,343		154,953		151,826	

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	**34.42**	**34.00**
Three months ended June 30, 2018	33.72	33.72
Three months ended June 30, 2018 (before retrospective adjustment)	32.37	32.37

Note: Financial results for the three months ended June 30, 2018 presented in the table above reflects the impact of transactions under common control during the three months ended June 30, 2019 which includes acquisition of shares in Yahoo Japan.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2019	**8,448,393**	**1,472,190**	**964,345**	**11.4**
As of March 31, 2019	8,036,328	2,022,567	1,498,157	18.6
As of March 31, 2019 (before retrospective adjustment)	5,775,045	1,264,455	1,247,093	21.6

Note: Financial results for the fiscal year ended March 31, 2019 presented in the table above reflects the impact of transactions under common control during the three months ended June 30, 2019 which includes acquisition of shares in Yahoo Japan.

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	-	0.00	-	37.50	37.50
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)	-	42.50	-	42.50	85.00

Note: Revision to the forecast on dividends: No

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

(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	3.1	890,000	8.8	480,000	3.8	100.27

Notes:

(1) Revision to the forecast on financial results: No

(2) The forecasts were made under the assumption that Yahoo Japan became a subsidiary at the beginning of fiscal year ending March 31, 2020.

(3) Percentages shown as year-on-year changes are using comparison information (non-audited) retrospectively restated to having accounted for Yahoo Japan as subsidiary from fiscal year ended March 31, 2019, as stated in Data Sheet.

* Notes

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes

Newly consolidated: Three Companies

Company Names: Yahoo Japan Corporation, ASKUL Corporation, The Japan Net Bank, Limited

Excluded from consolidation: None

Note: For details, refer to "(1) Significant Changes in Scope of Consolidation for the Three Months Ended June 30, 2019" under "2. Notes to Summary Information" on page 17 of the appendix to this consolidated financial report.

(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: For details, refer to "(2) Changes in Accounting Policies" under "2. Notes to Summary Information" on page 17 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 June 30, 2019	4,787,145,170 shares
As of March 31, 2019	4,787,145,170 shares

[2] Number of shares of treasury stock

As of June 30, 2019	— shares
As of March 31, 2019	— shares

[3] Average number of shares outstanding during the period

Three months ended June 30, 2019	4,787,145,170 shares
Three months ended June 30, 2018	4,787,145,170 shares

*** This condensed interim 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 16 of the appendix to this consolidated financial report.

For subsidiaries acquired through common control transactions during the three months ended June 30, 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 condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For details, refer to “Note 2. Significant accounting policies” under “(6) Notes to Condensed Interim Consolidated Financial Statements” in “3. Condensed Interim Consolidated Financial Statements and Primary Notes” on page 26 of the appendix to this consolidated financial report.

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

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

(Appendix)

Contents

Definition of Company Names and Abbreviations Used in this Appendix

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

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

Reportable Segments

The Company made Yahoo Japan a subsidiary on June 27, 2019, and has therefore added the Yahoo segment as a reportable segment from the three months ended June 30, 2019 to make four reportable segments: Consumer segment, Enterprise segment, Distribution segment, and Yahoo segment. Following Yahoo Japan becoming a subsidiary, the Company has retrospectively restated its comparison information (Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2018). Please see Note 2 below for details.

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.
Yahoo segment	・Provision of commerce-related services such as *YAHUOKU!*, *Yahoo! Shopping* and others ・Provision of membership services such as *Yahoo! Premium* ・Provision of financial and payment-related services such as credit cards ・Provision of advertising-related services such as paid search services and display advertising	Yahoo Japan eBOOK Initiative Japan Co., Ltd. Ikyu Corporation ASKUL Corporation YJ Card Corporation YJFX, Inc. The Japan Net Bank, Limited ValueCommerce Co., Ltd.
Other	・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 ・Sales of download licenses for PC software and advertising sales ・R&D and manufacturing of network equipment, business planning, and activities for usage of frequency band, related to the HAPS business[3] ・Others	The Company SB Payment Service Corp. One Tap BUY Co., Ltd. SoftBank Technology Corp. ITmedia Inc. Vector Inc. HAPSMobile Inc.

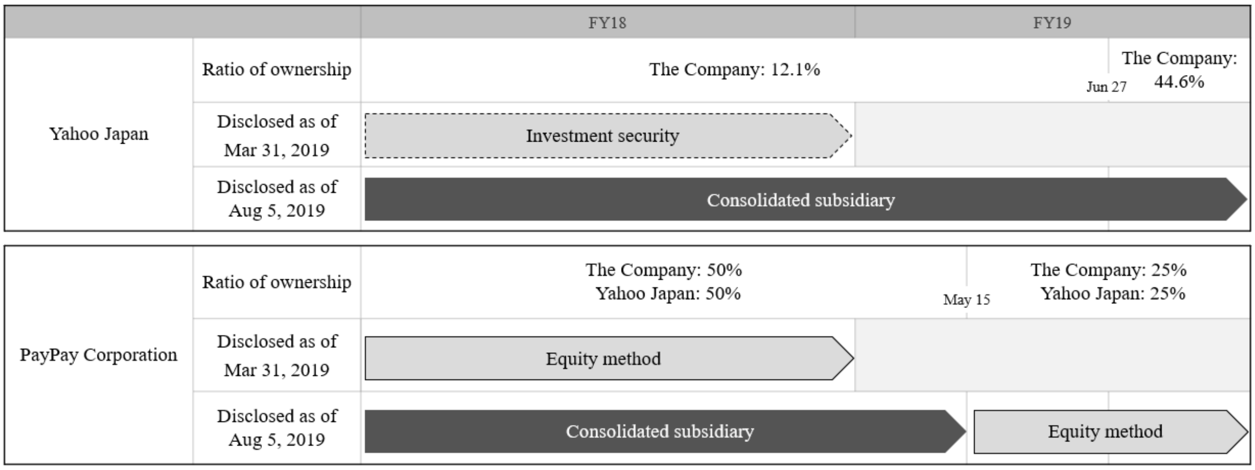
Notes:

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. The Company purchased new shares issued by Yahoo Japan in a capital increase by third-party allotment with a payment date of June 27, 2019, thereby making Yahoo Japan a subsidiary of the Company (hereinafter, the "subsidiary acquisition of Yahoo Japan"; for details, please see "4. Business Combinations" under "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes"). This transaction will be treated as transactions under common control, and the Yahoo Japan Group's financial statements have been consolidated as a part of the Group's Condensed Interim Consolidated Financial Statements retrospectively from April 1, 2018. Furthermore, PayPay Corporation conducted a third-party allotment of new shares for ¥46,000 million to SoftBank Group Corp. on

May 15, 2019, after which the Company's ratio of voting rights in PayPay Corporation changed as shown in the table below. Accordingly, the Company has accounted for PayPay Corporation as a consolidated subsidiary belonging to "Other" until May 14, 2019 and as an equity method associate from May 15, 2019 onward.



3. HAPS (High Altitude Platform Station) refers to systems where unmanned objects such as aircraft flying in the stratosphere can be operated like telecommunication base stations to deliver connectivity across wide areas.

Adoption of IFRS 16 "Leases"

The Group has adopted IFRS 16 "Leases" from the three months ended June 30, 2019. The Group has applied a modified retrospective approach and has not retrospectively revised comparison information (Condensed Interim Consolidated Financial Statements for the three months ended June 30, 2018). For details, please see "(1) Adoption of new standards and interpretations" under "2. Significant accounting policies" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes."

Furthermore, the main impacts on the Group of adopting the standard are as follows.

Condensed Interim Consolidated Statements of Financial Position

・Increase in assets due to recognition of right-of-use assets related to leases previously classified as operating leases

・Increase in interest-bearing debt due to recognition of lease liabilities related to leases previously classified as operating leases

Condensed Interim Consolidated Statements of Income

・Increase in depreciation and amortization associated with depreciation of recognized right-of-use assets and decrease of the amount previously recorded for operating lease payments

・Increase in interest expense due to recording interest expense as financing cost for recognized lease liabilities

Condensed Interim Consolidated Statements of Cash Flows

・Within the amount of operating lease payments, which were previously included in cash flows from operating activities, the amount corresponding to payment of principal on lease liabilities is now included in cash flows from financing activities, with a resulting increase in cash flows from operating activities and decrease in cash flows from financing activities.

1. Results of Operations

(1) Overview of Consolidated Results of Operations

a. Management Environment and the Group's Initiatives

In the fiscal year ending March 31, 2020, services of 5G (fifth generation mobile communications system), a next-generation communication standard that is expected to have an impact on most industries, will start. With 5G, Japanese telecommunications industry will enter a new stage. The characteristics of 5G include ultra-high speed, large capacity, low latency, and massive machine to machine connections. These are expected to promote the broad spread of IoT[1], in which objects will be linked and communicate with one another. Use of IoT is expected to enable creation of new businesses in various industries and to promote digital transformation[2] of companies themselves.

Guided by its corporate philosophy of "Information Revolution—Happiness for everyone," the Group aims to be a corporate group that maximizes enterprise value while providing essential technologies and services to people around the world, through enhancing its telecommunication business and developing various new businesses in the information and technology fields. In the 5G era, under its Beyond Carrier strategy, the Group will continue to expand the customer base that it has developed in the telecommunications business, while also creating new businesses that leverage cutting-edge technologies such as IoT, AI[3], big data, and robotics, both by itself and through "co-creation" with partner companies. In doing so, the Group aims to solve various social issues facing Japan.

To strengthen its relationship with Yahoo Japan in the creation of such new businesses, the Company made Yahoo Japan a consolidated subsidiary in June 2019.[4] The Group's collaboration with Yahoo Japan prior to making it a subsidiary has mainly included initiatives in the telecommunications business field, such as a campaign to award up to 10% in points[5] to customers when they purchase products on *Yahoo! Shopping* and providing *Yahoo! Premium* benefits free of charge via links with *Yahoo! JAPAN ID*. With Yahoo Japan becoming a subsidiary, the Group will also promote non-telecommunication businesses such as FinTech in a more active and integrated manner. The two companies will optimize the management resources allocation based on an integrated strategy that enables them to maximize synergies. Combining the customer base that the Group has built in the telecommunications business and Yahoo Japan Group's internet service user base and big data, which are among the largest in Japan, the two companies aim to provide even more attractive and convenient services to a larger number of customers through leveraging smartphones.

To expand the customer base, following efforts in the previous fiscal year, the Group is providing services aligned to customers' needs through three brands: the *SoftBank* brand, a high-value-added brand for customers who require cutting-edge smartphones and mobile devices as well as high-volume flat-rate data plans; the *Y!mobile* brand, a brand that provides services for smartphones to customers who prefer low monthly communication charges; and the *LINE MOBILE* brand, which caters to the low price band by providing mainly online services targeting users in their teens and 20s. Under the *SoftBank* brand, the Group has already been providing the *Ultra Giga Monster Plus* plan, which separates handset payment and service fees since the previous fiscal year. As a result, the number of smartphone subscribers as of June 30, 2019 had increased by 372 thousand from March 31, 2019. 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 133 thousand from March 31, 2019. Additionally, in preparation for the roll-out of 5G, and aiming for early commercial launch, the Group is progressing research and development such as demonstration trials. In June 2019, *Odekake 5G* mobile equipment developed by the Company were utilized to provide high quality local 5G signal at a construction site for the first time, and succeeded in operating construction equipment capable of remote operation and automated control under a 5G environment. The construction equipment is currently being developed by Taisei Corporation. Whereas conventional wireless communication systems (Wi-Fi)[6] experienced issues with insufficient communication speed and capacity, as well as area coverage, by using 5G with its stable, high speed, low latency, large capacity communication capabilities, it was possible to check the status of the construction site in real time during operations, even from a remote location. It was also possible to control the construction machinery and conduct safety monitoring, and so forth. This capability will enable a reduction in onsite workforce in the future.

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. Specifically, the Group is working to establish joint ventures with each partner company and expand new businesses. Since many of these joint ventures are equity method associates, they contribute to the Company's business results through the share of profit or loss of associates accounted for using the equity method.

PayPay Corporation ("PayPay"), which was established by the Company and Yahoo Japan, started providing *PayPay*, a smartphone payment service using barcodes and QR codes. The "2nd 10 Billion Yen Campaign" launched in February 2019 with the aim of having customers use the service for daily payments has been successful, driving steady growth in the number of payments, while the number of registered users reached 8.44 million[7] in the 8 months since the service started. Furthermore, in May 2019, the reward of using *PayPay* was raised from 0.5% to 3%. In June 2019, the Group, Yahoo Japan, and PayPay Corporation announced that fixed period T Points, awarded in campaigns for Yahoo-related services and so forth, would change to *PayPay Bonus* or *PayPay Bonus Mini* from August 2019. Moreover, in the same month, the long-term contract rewards of *SoftBank* users will also change to *PayPay Bonus*. In this way, the Group will accelerate the unified, proactive promotion of business of the new subsidiary Yahoo Japan Group and promote the business of PayPay as an important payment platform.

WeWork Japan, a joint venture between the Company and WeWork Companies Inc., which provides coworking spaces in 105 cities in 28 countries[8] around the world, has opened 13 locations in Tokyo as well as 19 coworking spaces in cities throughout Japan comprising Yokohama, Osaka, Fukuoka and Nagoya.

DiDi Mobility Japan Corp. is a joint venture between the Company and transportation platform operator DiDi Chuxing Technology Co., Ltd. ("DiDi") that offers a taxi-hailing platform in major Japanese cities. 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. From April 2019, DiDi started its services in Tokyo and Kyoto, and plans to expand to 13 cities throughout Japan during the fiscal year ending March 31, 2020.

The Company and Toyota Motor Corporation agreed to form a strategic partnership to facilitate the creation of mobility services. They established a joint venture, MONET Technologies Corporation and commenced joint business operations in February 2019. In June 2019, MONET Technologies Corporation announced that it had concluded capital and business alliance agreements with Isuzu Motors Limited, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., and Mazda Motor Corporation, respectively. Moreover, MONET Technologies Corporation established the MONET Consortium aimed at promoting the spread of MaaS[9], resolving social issues in mobility, and creating new value. As of the end of June 2019, 276 companies have joined the consortium. Through capital and business alliances with individual automakers and the activities of the MONET Consortium, MONET Technologies Corporation aims to realize and promote the spread of innovative mobility services that will resolve social issues in Japan and enable new value creation.

In April 2019, OYO Hotels & Homes, which operates hotels and housing businesses in more than 500 cities[10] in 10 countries including Japan, announced the commencement of its hotel operations in Japan, through a joint venture, OYO Hotels Japan G.K., with the Company and SoftBank Vision Fund. Through OYO Hotels Japan G.K., we will provide a full-scale technology led hospitality model to hoteliers across the country, as well as provide standardized, affordable and trusted options for both domestic and international business and leisure travelers.

Notes:

1. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.
2. Digital transformation refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.
3. AI stands for artificial intelligence.
4. The Company acquired new shares issued by Yahoo Japan by third-party allotment on June 27, 2019, for which the Company was the allottee, for ¥456,466 million (the "Capital Increase by Third-Party Allotment"). In tandem with the Capital Increase by Third-Party Allotment, Yahoo Japan also conducted a tender offer for its own shares (the "Tender Offer") targeted at the Yahoo Japan Common Stock held by the Company's parent company, SoftBank Group Japan Corp. As a result of the Capital Increase by Third-Party Allotment and the Tender Offer, the Company's shareholding ratio of Yahoo Japan as of the end of June 2019 was 44.6%.
5. Includes T Points that can only be used at designated T Point partner merchants for a limited period.
6. Wi-Fi is a registered trademark of Wi-Fi Alliance.
7. Figures as of the end of June 2019.
8. Figures as of March 2019.
9. MaaS: Mobility as a Service, referring to services that aim to resolve social issues related to mobility by optimizing demand and supply using data related to movement of vehicles and people.
10. Figures as of April 2019.

b. Consolidated Results of Operations

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Revenue	1,100,967	**1,164,856**	63,889	5.8%
Operating income	259,208	**268,858**	9,650	3.7%
Profit before income taxes	243,811	**259,538**	15,727	6.5%
Income taxes	(69,118)	**(86,922)**	(17,804)	25.8%
Net income	174,693	**172,616**	(2,077)	(1.2)%
Net income attributable to:				
Owners of the Company	161,444	**164,797**	3,353	2.1%
Non-controlling interests	13,249	**7,819**	(5,430)	(41.0)%
Adjusted EBITDA1	384,791	**434,266**	49,475	12.9%

Notes:

1. Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) ± other adjustments
2. The figures for the three-month period ended June 30, 2018 in the table above have been retrospectively revised to reflect transactions under common control conducted in the three-month period ended June 30, 2019. For figures before the retrospective revision, please refer to "(3) Transactions under common control" under "2. Significant accounting policies" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes."

An overview of the consolidated results of operations for the three months ended June 30, 2019 is as follows:

(a) Revenue

For the three months ended June 30, 2019, revenue increased by ¥63,889 million (5.8%) year on year to ¥1,164,856 million. Revenue increased by ¥22,765 million in the Consumer segment, ¥6,682 million in the Enterprise segment, ¥24,169 million in the Distribution segment, and ¥7,534 million in the Yahoo segment.

(b) Operating income

For the three months ended June 30, 2019, operating income increased by ¥9,650 million (3.7%) year on year to ¥268,858 million. Operating income increased by ¥14,469 million in the Consumer segment, ¥4,228 million in the Enterprise segment and ¥1,289 million in the Distribution segment, while decreased by ¥3,178 in the Yahoo segment. Moreover, operating income under Others for the three months ended June 30, 2019 decreased by ¥8,979 million, mainly because PayPay Corporation was accounted for as a subsidiary until May 2019.

(c) Net income

Net income for the three months ended June 30, 2019 decreased by ¥2,077 million (1.2%) year on year to ¥172,616 million. This mainly reflected a decrease in income taxes in the same period of the previous fiscal year due to the recording of tax effects related to loss carryforwards, which caused income taxes to increase in the three months ended June 30, 2019. Share of losses of associates accounted for using the equity method increased by ¥5,404 million to ¥5,714 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 three months ended June 30, 2019, net income attributable to owners of the Company increased by ¥3,353 million (2.1%) year on year to ¥164,797 million due to a decrease in net income attributable to non-controlling interests. For the three months ended June 30, 2019, net income attributable to non-controlling interests decreased by ¥5,430 million (41.0%) year on year to ¥7,819 million, mainly reflecting a decrease in net income at Yahoo Japan.

(e) Adjusted EBITDA

For the three months ended June 30, 2019, adjusted EBITDA increased by ¥49,475 million (12.9%) year on year to ¥434,266 million. The increase mainly reflects an increase of ¥35,238 million for depreciation and amortization due to transferring rents that were previously classified as operating leases to depreciation and interest expense due to the adoption of IFRS 16 from the three months ended June 30, 2019. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for more effective evaluation of its business performance.

c. Principal Operational Data

Mobile Communications Services

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

(Thousands)

Cumulative Subscribers	March 31, 2019	**June 30, 2019**	Change
Total	44,536	**44,772**	237
Main subscribers*	34,741	**35,010**	269
Smartphones	22,082	**22,453**	372
Communication modules and others	7,738	**7,777**	39
PHS	2,057	**1,985**	(71)

(Thousands)

	Three Months Ended June 30		
Net Additions	2018	**2019**	Change
Main subscribers*	434	**269**	(165)
Smartphones	581	**372**	(209)

Churn Rate and Total ARPU		Three Months Ended June 30 2018	**2019**	Change
Main subscribers*	Churn rate	1.03%	**1.03%**	—
	Total ARPU (yen)	4,320	**4,450**	120
	ARPU before discount (yen)	5,470	**5,250**	(220)
	Discount on ARPU (yen)	(1,150)	**(800)**	350
Smartphones	Churn rate	0.77%	**0.81%**	+0.04pp

Note: The number of main subscribers includes subscribers to the *Wireless Home Phone* service. 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, 2019	**June 30, 2019**	Change
Total	7,643	**7,704**	61
SoftBank Hikari	5,916	**6,050**	133
Yahoo! BB Hikari with FLET's	894	**861**	(34)
Yahoo! BB ADSL	833	**794**	(38)

<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 three months ended June 30, 2019

- In April 2019, the Group expanded the service areas for the *Ouchi Denki* service provided by SB Power Corp. and began providing services in the area of The Okinawa Electric Power Company, Incorporated. As a result, the set discount for electric power services, mobile telecommunications, and fixed-line telecommunications is now available nationwide.
- In June 2019, the Group launched a new price plan, *Smartphone Debut Plan*, targeting non-smartphone users who will migrate to *SoftBank* smartphone users. This is an overall service includes 1 GB data allowance per month, basic voice call plan, and web usage fee. With the application of the various discounts, the service is provided from ¥980 per month (excluding tax)[Note] for one year.

Note: Price assuming the service includes all of basic voice call plan (two-year contract), option for semi-flat-rate for voice calls, web usage fee, 1GB data allowance, and discount includes *first year discount,* and *smartphone debut discount*

FINANCIAL RESULTS

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Revenue	635,305	**658,070**	22,765	3.6%
Segment income	191,268	**205,737**	14,469	7.6%
Depreciation and amortization	84,587	**102,237**	17,650	20.9%

Breakdown of Revenue

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Telecom service revenues	488,271	**518,375**	30,104	6.2%
Mobile communications	400,461	**423,330**	22,869	5.7%
Broadband	87,810	**95,045**	7,235	8.2%
Revenues from sales of goods and others	147,034	**139,695**	(7,339)	(5.0)%
Total revenue	635,305	**658,070**	22,765	3.6%

Revenue increased by ¥22,765 million (3.6%) year on year to ¥658,070 million.

Telecom service revenues increased by ¥30,104 million (6.2%) year on year to ¥518,375 million. Within telecom service revenues, mobile communications revenue increased by ¥22,869 million (5.7%) year on year. This increase was mainly due to an increase in smartphone subscribers and 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, despite a decline in service fees due to the introduction of *Ultra Giga Monster Plus* and a decline in average unit price due to increases in the number of *Y!mobile* and *LINE mobile* subscribers.

Within telecom service revenues, broadband revenue increased by ¥7,235 million (8.2%). 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 ¥7,339 million (5.0%) year on year to ¥139,695 million. This decrease was mainly due to a decrease in mobile device sales reflecting a decrease in the sales volume of mobile devices, 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 ¥452,333 million, an increase of ¥8,296 million (1.9%) year on year. This increase was mainly due to increases in cost of products for the *Ouchi Denki* service, as well as increases in sales related expenses such as sales commissions and advertising expenses due to conducting aggressive sales promotion activities, while there was a decrease in cost of products in connection with a decline in the sales volume of mobile devices. The increase in depreciation and amortization expenses was mainly due to a decrease in operating lease payments accompanied by an increase in depreciation expenses with the adoption of IFRS 16.

As a result, segment income increased by ¥14,469 million (7.6%) year on year to ¥205,737 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 various solutions for enterprises such as AI, IoT, robotics, security, and digital marketing.

Main initiatives in the three months ended June 30, 2019

- In April 2019, the Group started accepting applications for the *OTOKU HIKARI DENWA* optical fiber IP telephone service for corporate customers, which provides a new option to meet their voice call needs. The *OTOKU HIKARI DENWA* service allows customers to use an IP phone without changing their current telephone number (0AB-J number)[1].
- In April 2019, the Group started accepting applications for the *Twin Access* mobile network service for enterprise customers. The access service[2] uses two mobile connections that are constantly in active status to realize a stable and highly reliable network.
- In June 2019, the Group announced a positioning service with centimeter-level accuracy using RTK[3] to commence in November 2019. Ahead of the start of service, the Group has commenced a series of joint trials for practical application in various industries. The service will enable highly accurate positioning that is essential for the full-scale spread of IoT and the automation of industry. The service also enables construction site management through automatic control and autonomous driving of agricultural and construction machinery, automobiles, drones, and so forth.
- In June 2019, the Company entered into a strategic partnership with Microsoft Japan Company, Limited, aimed at building a next-generation communication environment, and announced the start of provision of the voice call service *UniTalk* for *Microsoft Teams*[4] for the first time in Japan[5] in August 2019 as a solution for work style reform. This is a voice call service that enables users of *Microsoft Teams* to make and receive voice calls with a fixed-line telephone number from their various devices.

Notes:
1. 0AB-J numbers are fixed-line telephone numbers that begin with an area code, such as 03 (Tokyo) and 06 (Osaka).
2. The Company and NEC Corporation have jointly applied for patents.
3. RTK (Real Time Kinematic) is a positioning method that uses fixed stations and mobile stations to receive signals. Data is exchanged between the two points in real time to achieve highly accurate positioning.
4. *Microsoft Teams*: an application that functions as a collaboration hub to enable teamwork within *Office 365*.
5. Based on the Company's research as of June 17, 2019

FINANCIAL RESULTS

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Revenue	147,768	**154,450**	6,682	4.5%
Segment income	23,913	**28,141**	4,228	17.7%
Depreciation and amortization	25,556	**39,842**	14,286	55.9%

Breakdown of Revenue

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Mobile	65,193	**67,827**	2,634	4.0%
Fixed-line	52,238	**49,095**	(3,143)	(6.0)%
Business solution and others	30,337	**37,528**	7,191	23.7%
Total revenue	147,768	**154,450**	6,682	4.5%

Revenue increased by ¥6,682 million (4.5%) year on year to ¥154,450 million. Mobile revenue increased by ¥2,634 million (4.0%) to ¥67,827 million, fixed-line revenue decreased by ¥3,143 million (6.0%) to ¥49,095 million, and business solution and others revenue increased by ¥7,191 million (23.7%) to ¥37,528 million.

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

The decrease in fixed-line revenue was mainly due to a decrease in the unit price of telephone services.

The increase in business solution and others revenue was mainly from increased sales from cloud services and revenue from sales of goods.

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 ¥ 126,309 million, an increase of ¥2,454 million (2.0%) year on year. This increase mainly reflects an increase in the cost of goods following the abovementioned increase in mobile and business solution revenues. Moreover, the increase in depreciation and amortization expenses was mainly due to a decrease in operating lease payments accompanied by an increase in depreciation expenses with the adoption of IFRS 16.

As a result, segment income increased by ¥4,228 million (17.7%) year on year to ¥28,141 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 three months ended June 30, 2019

- In June 2019, SB C&S Corp. started the STEM education school, STELABO, for students from preschool to elementary school, which aims to develop their science, mathematics, and information science capabilities through learning about manufacturing and programming. Now, SB C&S Corp. will seek partner companies and develop a franchise to expand the business throughout Japan.
- In June 2019, SB C&S Corp. concluded an “Agreement Regarding Promotion of Education using ICT in Ina City” with the Board of Education of Ina City, Nagano Prefecture. Leveraging its track record and expertise in introducing tablets to elementary and junior high schools in various areas, SB C&S Corp. will support education using ICT in public elementary and junior high schools in Ina City.
- In June 2019, SB C&S Corp.’s GLIDiC(Note) brand of completely wireless earphones “Sound Air TW-7000” received a gold prices at one of Japan’s largest audio visual awards, VGP2019SUMMER.
- In June 2019, SB C&S Corp. concluded a sales agency agreement with PTC Japan Co., Ltd., which provides comprehensive support for product development, production technology, and service businesses in the expanding IoT/augmented reality (AR) market, and started handling all-in-one IoT platforms, AR development tools, and other offerings.

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

FINANCIAL RESULTS

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Revenue	92,249	**116,418**	24,169	26.2%
Segment income	3,990	**5,279**	1,289	32.3%
Depreciation and amortization	263	**686**	423	160.8%

Revenue increased by ¥24,169 million (26.2%) year on year to ¥116,418 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 ¥111,139 million, an increase of ¥22,880 million (25.9%) 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 increased by ¥1,289 million (32.3%) year on year to ¥5,279 million.

(d) Yahoo Segment

OVERVIEW

In the Yahoo segment, the Group offers over 100 services that center on e-commerce, payment businesses, and media covering online to offline services in a comprehensive manner. In commerce field, the Group provides e-commerce services such as *YAHUOKU!* and *Yahoo! Shopping*, as well as membership services such as *Yahoo! Premium* and financial and payment-related services such as credit cards, while in the media services field it provides internet advertising-related services.

Main initiatives in the three months ended June 30, 2019

- In April 2019, Yahoo Japan added a Coupon Tab to the Yahoo! Japan app, and started providing discount coupons for restaurants.
- In May 2019, Yahoo Japan defined the "Advertising Quality Diamond" as a standard for advertising quality. The standard is designed to address issues such as unfair advertising in the internet advertising industry, and to provide advertising experience with high-level of satisfaction for both advertisers and audiences
- In June 2019, Yahoo Japan introduced *PayPay* online payments for its services such as *Yahoo! Shopping*.

FINANCIAL RESULTS

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Revenue	231,100	**238,634**	7,534	3.3%
Segment income	39,342	**36,164**	(3,178)	(8.1)%
Depreciation and amortization	12,312	**17,825**	5,513	44.8%

Breakdown of Revenue

(Millions of yen)

	Three Months Ended June 30			
	2018	**2019**	Change	Change %
Commerce	157,646	**165,212**	7,566	4.8%
Media	71,860	**72,037**	177	0.2%
Other	1,594	**1,385**	(209)	(13.1)%
Total	231,100	**238,634**	7,534	3.3%

Revenue increased by ¥7,534 million (3.3%) year on year to ¥238,634 million. Of this, commerce revenue increased by ¥7,566 million (4.8%) year on year to ¥165,212 million, media revenue increased by ¥177 million (0.2%) year on year to ¥72,037 million, and other revenue decreased by ¥209 million (13.1%) year on year to ¥1,385 million.

The increase in commerce revenue was mainly due to an increase in revenue associated with an increase in transaction value in commerce 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 ¥202,470 million, an increase of ¥10,712 million (5.6%) year on year. This increase mainly reflected an increase in costs accompanying the increase in revenues, as well as an increase in sales promotion expenses for expanding commerce services.

As a result, segment income decreased by ¥3,178 million (8.1%) year on year to ¥36,164 million.

(2) Overview of Consolidated Financial Position

(Millions of yen)

	March 31, 2019	**June 30, 2019**	Change	Change %
Current assets	2,965,692	**2,875,862**	(89,830)	(3.0)%
Non-current assets	5,070,636	**5,572,531**	501,895	9.9%
Total assets	8,036,328	**8,448,393**	412,065	5.1%
Current liabilities	3,316,999	**3,896,755**	579,756	17.5%
Non-current liabilities	2,696,762	**3,079,448**	382,686	14.2%
Total liabilities	6,013,761	**6,976,203**	962,442	16.0%
Total equity	2,022,567	**1,472,190**	(550,377)	(27.2)%

Note**:** The figures for March 31, 2019 in the table above have been retrospectively revised to reflect transactions under common control conducted in the three-month period ended June 30, 2019. For figures before the retrospective revision, please refer to "(3) Transactions under common control" under "2. Significant accounting policies" in "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes."

ASSETS

Total assets amounted to ¥8,448,393 million as of June 30, 2019, an increase of ¥412,065 million (5.1%) from the previous fiscal year-end. This mainly reflected an increase in assets due to the recognition of right-of-use assets related to lease transactions previously classified as operating leases with the adoption of IFRS 16.

LIABILITIES

Total liabilities amounted to ¥6,976,203 million as of June 30, 2019, an increase of ¥962,442 million (16.0%) from the previous fiscal year-end. The main change was an increase in interest-bearing debt, and the change primarily consisted of an increase in interest-bearing debt of ¥494,387 million due to an increase in lease liabilities related to lease transactions previously classified as operating leases with the adoption of IFRS 16, and increase in short-term borrowings of ¥280,000 million due to securitization of receivables for the acquisition of Yahoo Japan shares, and an increase in short-term borrowings from banks of ¥150,000 million.

EQUITY

Total equity amounted to ¥1,472,190 million as of June 30, 2019, a decrease of ¥550,377 million (27.2%) from the previous fiscal year-end. This decrease was mainly due to an increase in retained earnings that resulted from deducting the difference in the amount of equity acquired when Yahoo Japan became a subsidiary and the amount of consideration for the acquisition of Yahoo Japan shares from capital surplus rather than recognizing it as goodwill because the transaction was conducted as transactions under common control. Another factor was the payment of dividends.

(3) Overview of Consolidated Cash Flows

(Millions of yen)

	Three Months Ended June 30		
	2018	**2019**	Change
Net cash inflow from operating activities	217,327	**205,199**	(12,128)
Net cash outflow from investing activities	(164,897)	**(107,718)**	57,179
Net cash (outflow) inflow from financing activities	148,373	**(163,908)**	(312,281)
Cash and cash equivalents at the end of the period	1,188,976	**871,529**	(317,447)
Free cash flow	52,430	**97,481**	45,051
Transactions with the parent	47,239	**-**	(47,239)
Effect of securitization of installment sales receivables	12,804	**29,010**	16,206
Adjusted free cash flow[1]	112,473	**126,491**	14,018
Capital expenditures (acceptance basis, including the Yahoo Japan Group)	97,188	**105,927**	8,739
Capital expenditures (acceptance basis, excluding the Yahoo Japan Group)[2]	66,024	**50,480**	(15,544)

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, excluding the Yahoo Japan Group) exclude capital expenditures of the Yahoo Japan Group and investment in devices for rental services, and the impact of the adopting IFRS 16.

a. Cash flows from operating activities

In the three months ended June 30, 2019, the net cash inflow from operating activities was ¥205,199 million, a decrease of ¥12,128 million year on year. This was mainly due to the impact of a tax refund received in the same period of the previous fiscal year, the absence of which this year outweighed an increase in cash due to the impact of adopting IFRS 16.

b. Cash flows from investing activities

In the three months ended June 30, 2019, the net cash outflow from investing activities was ¥107,718 million, a decrease of ¥57,179 million year on year. This was mainly due to an increase in proceeds from sales/redemption of investments, a decrease in purchases of property, plant and equipment and intangible assets, and an increase in proceeds from sales/redemptions of investment securities of the banking business.

c. Cash flows from financing activities

In the three months ended June 30, 2019, the net cash outflow from financing activities was ¥163,908 million, a decrease of ¥312,281 million year on year. This was mainly due to an increase in payment for acquisition of treasury stock by Yahoo Japan and an increase in cash dividends paid, which was partly offset by an increase in proceeds from short-term interest-bearing debt due to borrowings related to the acquisition funds for Yahoo Japan shares.

d. Cash and cash equivalents at the end of the period

As a result of (a) through (c) above, cash and cash equivalents at June 30, 2019 were ¥871,529 million, a decrease of ¥317,447 million year on year.

e. Adjusted free cash flow

In the three months ended June 30, 2019, adjusted free cash flow was positive ¥126,491 million, an increase of ¥14,018 million year on year. This increase was mainly due to an increase in free cash flow due to the impact of adopting IFRS 16, the absence of a one-time transaction with the parent company related to the payment of a brand usage charge recorded in the three-month period ended June 30, 2019, and the effect of securitization of installment sales receivables.

f. Capital expenditures

In the three months ended June 30, 2019, capital expenditures (acceptance basis, including the Yahoo Japan Group) were ¥105,927 million, an increase of ¥8,739 million year on year, mainly due to a decrease in capital investments in the LTE service, despite the impact of adopting IFRS 16.

(4) Forecasts

The full-year consolidated results forecast is for revenue of ¥4,800,000 million, operating income of ¥890,000 million, and net income attributable to owners of the Company of ¥480,000 million. The forecast remains unchanged from the consolidated results forecast announced on May 8, 2019 in the Consolidated Financial Report for the Fiscal Year Ended March 31, 2019.

2. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Three Months Ended June 30, 2019

(Specified subsidiary (three companies) newly consolidated)

The Company underwrote a capital increase by third-party allotment conducted by Yahoo Japan Corporation ("Yahoo") with a payment date of June 27, 2019. As a result of this transaction, the ratio of voting rights held by the Group in Yahoo became 44.6%. In addition, officers from the Company were appointed as members of Yahoo's Board of Directors. As a result, Yahoo is considered substantially controlled by the Company and became a subsidiary of the Company.

Subsequently, ASKUL Corporation and The Japan Net Bank, Limited, which are subsidiaries of Yahoo, became subsidiaries of the Company.

(2) Changes in Accounting Policies

(Changes in accounting policies required by IFRS)

The Group has adopted the following standard from the three months ended June 30, 2019:

Standard	Outline of the new/revised standards
IFRS 16 "Leases"	Revisions to accounting for leases

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

3. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2019[1]	As of June 30, 2019
ASSETS		
Current assets		
Cash and cash equivalents	938,388	871,529
Trade and other receivables	1,695,952	1,661,482
Other financial assets	90,565	95,718
Inventories	132,820	118,359
Other current assets	107,967	128,774
Total current assets	2,965,692	2,875,862
Non-current assets		
Property, plant and equipment	1,791,260	728,067
Right-of-use assets	-	1,510,968
Goodwill	393,312	395,863
Intangible assets	1,212,390	1,208,937
Contract costs	211,733	210,718
Investments accounted for using the equity method	89,656	99,777
Investment securities	114,788	128,407
Investment securities in banking business	337,516	338,242
Other financial assets	736,490	794,620
Deferred tax assets	72,636	44,285
Other non-current assets	110,855	112,647
Total non-current assets	5,070,636	5,572,531
Total assets	8,036,328	8,448,393

	As of March 31, 2019[1]	As of June 30, 2019
		(Millions of yen)
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	953,730	1,716,928
Trade and other payables	1,214,190	1,067,301
Contract liabilities	126,354	127,783
Deposits for banking business	745,696	779,041
Other financial liabilities	3,217	2,874
Income taxes payable	115,485	49,533
Provisions	9,966	9,379
Other current liabilities	148,361	143,916
Total current liabilities	3,316,999	3,896,755
Non-current liabilities		
Interest-bearing debt	2,537,988	2,919,016
Other financial liabilities	38,637	38,725
Defined benefit liabilities	14,691	14,653
Provisions	72,675	76,076
Deferred tax liabilities	20,394	18,406
Other non-current liabilities	12,377	12,572
Total non-current liabilities	2,696,762	3,079,448
Total liabilities	6,013,761	6,976,203
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	111,826	(134,575)
Retained earnings	1,178,282	895,565
Accumulated other comprehensive income	3,740	(954)
Total equity attributable to owners of the Company	1,498,157	964,345
Non-controlling interests	524,410	507,845
Total equity	2,022,567	1,472,190
Total liabilities and equity	8,036,328	8,448,393

Note:

1. As described in "Acquisition of investments in Yahoo" under "Note 4. Business combinations," transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For further details, refer to "(3) Transactions under common control" in "Note 2. Significant accounting policies."

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

Condensed Interim Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2018[2]	Three months ended June 30, 2019[2]
Revenue	1,100,967	1,164,856
Cost of sales	(553,675)	(579,778)
Gross profit	547,292	585,078
Selling, general and administrative expenses	(288,084)	(316,220)
Operating income	259,208	268,858
Share of losses of associates accounted for using the equity method	(310)	(5,714)
Financing income	1,491	5,286
Financing costs	(16,578)	(14,348)
Gain on sales of equity method investments	-	5,456
Profit before income taxes	243,811	259,538
Income taxes	(69,118)	(86,922)
Net income[1]	174,693	172,616
Net income attributable to		
Owners of the Company	161,444	164,797
Non-controlling interests	13,249	7,819
	174,693	172,616
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	33.72	34.42
Diluted earnings per share (Yen)	33.72	34.00

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the three months ended June 30, 2018 and 2019 was generated from continuing operations.
2. As described in “Acquisition of investments in Yahoo” under “Note 4. Business combinations,” transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For further details, refer to “(3) Transactions under common control” in “Note 2. Significant accounting policies.”

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2018[1]	Three months ended June 30, 2019[1]
Net income	174,693	172,616
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity instruments at FVTOCI	(1,009)	(489)
Total items that will not be reclassified to profit or loss	(1,009)	(489)
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	217	764
Cash flow hedges	-	(688)
Exchange differences on translation of foreign operations	748	(786)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(637)	574
Total items that may be reclassified subsequently to profit or loss	328	(136)
Total other comprehensive income (loss), net of tax	(681)	(625)
Total comprehensive income	174,012	171,991
Total comprehensive income attributable to		
Owners of the Company	160,094	164,290
Non-controlling interests	13,918	7,701
	174,012	171,991

Note:

1. As described in "Acquisition of investments in Yahoo" under "Note 4. Business combinations," transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries.

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the three months ended June 30, 2018

(Millions of yen)

	Equity attributable to owners of the Company						
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehen-sive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2018	197,694	204,906	458,230	5,743	866,573	18,687	885,260
Retrospective adjustments from transactions under common control[2]	-	(19,186)	470,580	5,205	456,599	670,190	1,126,789
As of April 1, 2018, restated	197,694	185,720	928,810	10,948	1,323,172	688,877	2,012,049
Comprehensive income							
Net income	-	-	161,444	-	161,444	13,249	174,693
Other comprehensive income (loss)	-	-	-	(1,350)	(1,350)	669	(681)
Total comprehensive income	-	-	161,444	(1,350)	160,094	13,918	174,012
Transactions with owners and other transactions							
Cash dividends[4]	-	-	(21,829)	-	(21,829)	(29,378)	(51,207)
Issuance of new shares	6,615	13,207	-	-	19,822	-	19,822
Changes from transactions under common control[2, 3]	-	(18,931)	7,407	(12)	(11,536)	(2,956)	(14,492)
Changes from business combinations	-	-	-	-	-	4,422	4,422
Changes from loss of control	-	-	-	-	-	(228)	(228)
Changes in interests in subsidiaries[2, 4]	-	100	-	-	100	(4,261)	(4,161)
Changes in interests in existing subsidiaries	-	(36)	-	-	(36)	2,439	2,403
Share-based payment transactions	-	2,500	-	-	2,500	-	2,500
Transfer from accumulated other comprehensive income to retained earnings	-	-	381	(381)	-	-	-
Total transactions with owners and other transactions	6,615	(3,160)	(14,041)	(393)	(10,979)	(29,962)	(40,941)
As of June 30, 2018	204,309	182,560	1,076,213	9,205	1,472,287	672,833	2,145,120

For the three months ended June 30, 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, 2019	204,309	111,826	1,178,282	3,740	1,498,157	524,410	2,022,567
Cumulative effect of adopting a new accounting standard[1]	-	-	(618)	-	(618)	(4,362)	(4,980)
As of April 1, 2019, restated	204,309	111,826	1,177,664	3,740	1,497,539	520,048	2,017,587
Comprehensive income							
Net income	-	-	164,797	-	164,797	7,819	172,616
Other comprehensive income (loss)	-	-	-	(507)	(507)	(118)	(625)
Total comprehensive income	-	-	164,797	(507)	164,290	7,701	171,991
Transactions with owners and other transactions							
Cash dividends[4]	-	-	(195,771)	-	(195,771)	(26,482)	(222,253)
Issuance of new shares	-	-	-	-	-	-	-
Changes from transactions under common control[2, 3]	-	(246,305)	(252,835)	(2,477)	(501,617)	811	(500,806)
Changes from business combinations	-	-	-	-	-	-	-
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	-	-	-	-	-	-
Changes in interests in existing subsidiaries	-	(2,157)	-	-	(2,157)	5,767	3,610
Share-based payment transactions	-	2,061	-	-	2,061	-	2,061
Transfer from accumulated other comprehensive income to retained earnings	-	-	1,710	(1,710)	-	-	-
Total transactions with owners and other transactions	-	(246,401)	(446,896)	(4,187)	(697,484)	(19,904)	(717,388)
As of June 30, 2019	204,309	(134,575)	895,565	(954)	964,345	507,845	1,472,190

Notes:

1. Upon adoption of IFRS 16 "Leases," the cumulative effect of initially applying this standard retrospectively on periods before the three months ended June 30, 2019 was recognized as an adjustment to the opening balance of retained earnings as of April 1, 2019.
2. As described in "(2) Acquisition of investments in subsidiaries and associates" and "Acquisition of investments in Yahoo" under "Note 4. Business combinations," transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries. For further details, refer to "(3) Transactions under common control" under "Note 2. Significant accounting policies."
3. The changes in "Capital surplus" and "Retained earnings" represent the differences between the amount paid by SoftBank Corp. for subsidiaries that were acquired under common control and SoftBank Group Corp.'s book value of the subsidiaries at the time of acquisition.
4. In relation to transactions under common control, any equity transactions undertaken by subsidiaries under common control with entities outside of SoftBank Corp. and its subsidiaries before the date of the actual transaction by SoftBank Corp. are included within "Cash dividends" and "Changes in interests in subsidiaries."

(4) Condensed Interim Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2018[1]	Three months ended June 30, 2019[1]
Cash flows from operating activities		
Net income	174,693	172,616
Depreciation and amortization	123,979	164,043
Loss on disposal of property, plant and equipment and intangible assets	1,604	1,365
Financing income	(1,491)	(5,286)
Financing costs	16,578	14,348
Share of losses of associates accounted for using the equity method	310	5,714
Gain on sales of equity method investments	-	(5,456)
Income taxes	69,118	86,922
(Increase) decrease in trade and other receivables	27,272	34,407
(Increase) decrease in inventories	28,587	14,363
Purchases of mobile devices leased to enterprise customers	(7,803)	(8,728)
Increase (decrease) in trade and other payables	(125,879)	(84,762)
Increase (decrease) in consumption taxes payable	54,349	(1,933)
Increase (decrease) in deposits in banking business	17,222	32,997
Other	(25,986)	(75,180)
Subtotal	352,553	345,430
Interest and dividends received	1,243	1,267
Interest paid	(6,448)	(12,948)
Income taxes paid	(130,218)	(129,074)
Income taxes refunded	197	524
Net cash inflow from operating activities	217,327	205,199
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(125,832)	(107,856)
Proceeds from sales of property, plant and equipment and intangible assets	78	63
Payments for acquisition of investments	(19,922)	(20,304)
Proceeds from sales/redemption of investments	2,259	23,593
Purchase of investment securities in banking business	(64,688)	(59,459)
Proceeds from sales/redemption of investment securities in banking business	42,146	58,927
Proceeds from obtaining control of subsidiaries	3,908	-
Increase in loans issued	(1,036)	(1,587)
Proceeds from repayment of loans	114	326
Other	(1,924)	(1,421)
Net cash outflow from investing activities	(164,897)	(107,718)

	(Millions of yen)	
	Three months ended June 30, 2018[1]	Three months ended June 30, 2019[1]
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	-	320,320
Proceeds from interest-bearing debt	502,786	589,366
Repayment of interest-bearing debt	(301,177)	(298,107)
Proceeds from stock issuance to non-controlling interests	2,758	3,614
Cash dividends paid	(21,990)	(191,437)
Cash dividends paid to non-controlling interests	(29,230)	(23,857)
Purchase of treasury stock by subsidiaries	(4,196)	(526,826)
Decrease from loss of control over subsidiaries	-	(30,717)
Other	(578)	(6,264)
Net cash inflow (outflow) from financing activities	148,373	(163,908)
Effect of exchange rate changes on cash and cash equivalents	397	(432)
Increase in cash and cash equivalents	201,200	(66,859)
Cash and cash equivalents at the beginning of the period	987,776	938,388
Cash and cash equivalents at the end of the period	1,188,976	871,529

Note:

1. As described in “Acquisition of investments in Yahoo” under “Note 4. Business combinations,” transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of SoftBank Corp. and its subsidiaries.

(5) Notes on Going Concern Assumption

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

1. Reporting entity

SoftBank Corp. (the "Company") is a corporation (kabushiki kaisha) under the Companies Act of Japan and is domiciled in Japan. The registered address of its head office is 9-1 Higashi-shimbashi 1-chome, Minato-ku, Tokyo, Japan. These 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, Distribution, and Yahoo businesses. For details, refer to "(1) Summary of reportable segments" under "Note 5. Segment information."

2. Significant accounting policies

The significant accounting policies applied in the condensed interim consolidated financial statements are consistent with those of the consolidated financial statements as of and for the fiscal year ended March 31, 2019, except for the items below. Income tax expenses for the three months ended June 30, 2019 are calculated based on the estimated annual effective income tax rate. In addition, defined benefit liabilities as of June 30, 2019 are calculated using reasonable estimates based on the results of actuarial calculations as of March 31, 2019.

(1) Application of new accounting standards and interpretations

The Group has adopted the following accounting standards and interpretations from the three months ended June 30, 2019.

a. IFRS 16 "Leases"

IFRS 16 "Leases" primarily replaces the previous IAS 17 "Leases" and IFRIC 4 "Determining whether an Arrangement Contains a Lease." Under the new standard, the distinction between finance leases and operating leases in lessee accounting is removed, and for all leases in principle, a right-of-use asset and a lease liability are recognized. The standard permits either a full retrospective or a modified retrospective approach for adoption. The accounting for lessors does not change significantly.

The Group applied the modified retrospective approach in accordance with the transitional provisions of IFRS 16 by recognizing the cumulative effect of initially applying this standard as an adjustment to the opening balance of assets, liabilities, and retained earnings for the three months ended June 30, 2019. Therefore, except for leases of intangible assets, comparative figures have not been restated.

The Group does not apply IFRS 16 to leases of intangible assets. As a result, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," comparative figures related to leases of intangible assets have been restated. For details, refer to "Note 6. Interest-bearing debt."

The Group uses the practical expedient that allows the Group not to review whether contractual arrangements are, or contain, a lease upon adoption of IFRS 16. Therefore, excluding the abovementioned lease contracts of intangible assets, as of the date of adoption, the Company applied IFRS 16 to the contracts that were identified as leases prior to the adoption in accordance with the previous IAS 17 and IFRIC 4. IFRS 16 was not applied to the contracts that were not identified as leases.

Of the practical expedients permitted upon making retrospective adjustments to each lease pursuant to the modified retrospective approach, the Group utilizes the following:

- Approach to rely on its assessment of whether leases are onerous applying IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” immediately before the date of initial application of IFRS 16 as an alternative to IAS 36 “Impairment of Assets” and to adjust the right-of-use asset at the date of initial application of IFRS 16 by the amount of any provision for onerous leases recognized immediately before the date of initial application of IFRS 16
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application of IFRS16
- Use of hindsight in determining the lease term at the date of initial application of IFRS 16

Upon adoption of IFRS 16, the Group recognizes lease liabilities for leases that were previously classified as operating leases in accordance with the principles of IAS 17. It is required that these liabilities are measured at the present value of the lease payments that are not paid at that date, discounted using the incremental borrowing rate as of April 1, 2019. The weighted average of lessee’s incremental borrowing rate applied to lease liabilities is 1.09%. The right-of-use assets are measured using either of the following:

- Measurements of lease liabilities adjusted by the amount of any prepaid or accrued lease payments; or
- Carrying amounts calculated as if IFRS 16 were applied from the start of the lease. The lessee’s incremental borrowing rate at the date of initial application shall be used as a discount rate.

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

	(Millions of yen)
Undiscounted future minimum lease payments under operating leases as of March 31, 2019	474,012
Discounts for future minimum lease payments under abovementioned operating leases	(20,608)
Discounted future minimum lease payments under operating leases as of April 1, 2019	453,404
Liabilities for leases that were classified as finance leases	876,483
Adjustments due to the reassessment of lease term	58,837
Adjustments due to other factors	(11,175)
Lease liabilities as of April 1, 2019	1,377,549

In addition to the above, the primary effect of adopting IFRS 16 is that ¥1,131,712 million of property, plant and equipment recognized as finance leases under IAS 17 were reclassified to right-of-use assets. As a result, right-of-use assets increased by ¥1,620,843 million.

b. 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

Leases

The Group has adopted IFRS 16 from the three months ended June 30, 2019. In accordance with the transitional provisions of IFRS 16, the Group has elected not to restate comparative information. Therefore, comparative information is presented in accordance with IAS 17.

At the inception of a contract, the Group determines whether contractual arrangements are, or contain, a lease. The lease terms are the non-cancelable period of a lease, together with the periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

(As lessee)

(a) Separating components of a contract

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

(b) Leases of intangible assets

The Group does not apply IFRS 16 to leases of intangible assets.

(c) Right-of-use assets

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

Subsequent to initial recognition, a right-of-use asset is depreciated using the straight-line method from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of a right-of-use asset are determined in the same manner as property, plant and equipment. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses.

(d) Lease liability

The Group recognizes a lease liability at the lease commencement date. After the lease commencement date, the lease liability is initially measured at the present value of the future lease payments for the lease term. In calculating the present value, the interest rate implicit in the lease is used as a discount rate if that rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

The lease payments included in the measurement of the lease liability primarily comprise fixed lease payments, lease payments for an extended term if it is reasonably certain to exercise an extension option, and payments of penalties for terminating the lease excluding the case where it is reasonably certain not to exercise an early termination option.

Subsequent to initial recognition, lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured if there is a change in future lease payments resulting from a change in an index or a rate, a change in the amounts expected to be payable under a residual value guarantee, or a change in the assessment of possibility of exercising an extension option or a termination option.

If a lease liability is remeasured, the amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset. However, if the amount of decrease in liability resulting from the remeasurement of the lease liability is greater than the carrying amount of the right-of-use asset, any remaining amount after reducing the right-of-use asset to zero is recognized as profit or loss.

(As lessor)

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Group allocates the consideration in the contract to lease components and non-lease components in accordance with IFRS 15 “Revenue from contracts with customers.”

(b) Lease classification

At the inception of a lease contract, the Group determines the classification of a lease as either a finance lease or operating lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise a lease is classified as an operating lease. If the lease term is for the major part of the economic life of the underlying asset, or the present value of the total minimum lease payments amounts to at least substantially all of the fair value of the underlying asset, it is deemed that substantially all the risks and rewards incidental to ownership of an underlying asset are transferred.

(c) Sublease classification

If the Group is a party to a sublease contract, the head lease (as lessee) and the sublease (as lessor) are accounted for separately. In classifying a sublease as a finance lease or an operating lease, the Group considers the risks, rewards, and useful life of a right-of-use asset recognized by the Group in the head lease rather than the assets subject to lease.

(d) Recognition and measurement

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

Lease payments under operating leases are recognized in income on a straight-line basis.

(3) Transactions under common control

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 Group accounts for those transactions based on the carrying amount of the parent company's assets and liabilities, and 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 obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of the Group. On the actual transaction date, the equity of the acquired company that had been retroactively combined is reversed, and the difference between the purchase price and the carrying amount of the equity is recognized in “Capital surplus.”

When the Group loses control over a subsidiary as a result of transactions under common control, these are accounted for as equity transactions and the difference between the equity of the subsidiary immediately before loss of control and the ownership interests after loss of control is recognized in “Capital surplus.”

Payment for the purchase of the equity interest of subsidiaries, purchase of treasury stock by subsidiaries, and decrease from loss of control over subsidiaries, through transactions under common control, are presented in cash flows from financing activities in the condensed interim consolidated statement of cash flows.

The effect of transactions under common control during the three months ended June 30, 2019 is presented in the tables below.

Consolidated Statement of Financial Position

As of April 1, 2018

(Millions of yen)

	Before retrospective adjustment	Effect of transactions under common control	After retrospective adjustment
ASSETS			
Current assets			
Cash and cash equivalents	121,043	866,733	987,776
Trade and other receivables	1,186,754	491,332	1,678,086
Other financial assets	6,251	79,770	86,021
Inventories	125,645	17,722	143,367
Other current assets	129,387	11,635	141,022
Non-current assets			
Property, plant and equipment	1,707,289	126,524	1,833,813
Goodwill	187,489	181,564	369,053
Intangible assets	1,051,293	154,001	1,205,294
Contract costs	174,314	1,449	175,763
Investments accounted for using the equity method	56,325	11,195	67,520
Investment securities[1]	-	125,732	125,732
Investment securities in banking business	-	256,931	256,931
Other financial assets	414,094	122,521	536,615
Deferred tax assets	58,495	31,852	90,347
Other non-current assets	87,188	14,166	101,354
LIABILITIES AND EQUITY			
Current liabilities			
Interest-bearing debt	2,260,435	41,524	2,301,959
Trade and other payables	841,536	333,568	1,175,104
Contract liabilities	100,676	11,653	112,329
Deposits for banking business	-	683,834	683,834
Other financial liabilities	-	3,819	3,819
Income taxes payable	100,878	29,097	129,975
Provisions	16,407	2,625	19,032
Other current liabilities	77,542	37,032	114,574
Non-current liabilities			
Interest-bearing debt	966,098	143,838	1,109,936
Other financial liabilities	3,127	24,925	28,052
Defined benefit liabilities	12,031	3,236	15,267
Provisions	34,493	19,666	54,159
Deferred tax liabilities	-	26,447	26,447
Other non-current liabilities	7,084	5,074	12,158
Equity			
Common stock	197,694	-	197,694
Capital surplus	204,906	(19,186)	185,720
Retained earnings	458,230	470,580	928,810
Accumulated other comprehensive income (loss)	5,743	5,205	10,948
Non-controlling interests	18,687	670,190	688,877

Note:

1. The amounts of ¥59,216 million which was previously included in "Other financial assets" has been reclassified to "Investment securities."

Consolidated Statement of Financial Position

As of March 31, 2019

(Millions of yen)

	Before retrospective adjustment	Effect of transactions under common control	After retrospective adjustment
ASSETS			
Current assets			
Cash and cash equivalents	357,971	580,417	938,388
Trade and other receivables	1,186,904	509,048	1,695,952
Other financial assets	1,652	88,913	90,565
Inventories	114,321	18,499	132,820
Other current assets	95,474	12,493	107,967
Non-current assets			
Property, plant and equipment	1,657,254	134,006	1,791,260
Goodwill	198,461	194,851	393,312
Intangible assets	1,046,010	166,380	1,212,390
Contract costs	208,114	3,619	211,733
Investments accounted for using the equity method	68,341	21,315	89,656
Investment securities[1]	-	114,788	114,788
Investment securities in banking business	-	337,516	337,516
Other financial assets	716,500	19,990	736,490
Deferred tax assets	36,611	36,025	72,636
Other non-current assets	87,432	23,423	110,855
LIABILITIES AND EQUITY			
Current liabilities			
Interest-bearing debt	909,944	43,786	953,730
Trade and other payables	817,532	396,658	1,214,190
Contract liabilities	113,950	12,404	126,354
Deposits for banking business	-	745,696	745,696
Other financial liabilities	-	3,217	3,217
Income taxes payable	91,310	24,175	115,485
Provisions	7,909	2,057	9,966
Other current liabilities	105,630	42,731	148,361
Non-current liabilities			
Interest-bearing debt	2,379,497	158,491	2,537,988
Other financial liabilities	11,583	27,054	38,637
Defined benefit liabilities	11,087	3,604	14,691
Provisions	54,750	17,925	72,675
Deferred tax liabilities	-	20,394	20,394
Other non-current liabilities	7,398	4,979	12,377
Equity			
Common stock	204,309	-	204,309
Capital surplus	202,685	(90,859)	111,826
Retained earnings	893,880	284,402	1,178,282
Accumulated other comprehensive income (loss)	(53,781)	57,521	3,740
Non-controlling interests	17,362	507,048	524,410

Note:

1. The amounts of ¥59,045 million which was previously included in “Other financial assets” has been reclassified to “Investment securities.”

Condensed Interim Consolidated Statement of Income

For the three months ended June 30, 2018

(Millions of yen)

	Before retrospective adjustment	Effect of transactions under common control	After retrospective adjustment
Revenue	879,942	221,025	1,100,967
Cost of sales	(459,666)	(94,009)	(553,675)
Gross profit	420,276	127,016	547,292
Selling, general and administrative expenses	(199,891)	(88,193)	(288,084)
Operating income	220,385	38,823	259,208
Share of losses of associates accounted for using the equity method	(425)	115	(310)
Financing income	682	809	1,491
Financing costs	(16,516)	(62)	(16,578)
Gain on sales of equity method investments	3,691	(3,691)	-
Profit before income taxes	207,817	35,994	243,811
Income taxes	(53,474)	(15,644)	(69,118)
Net income	154,343	20,350	174,693
Net income attributable to			
Owners of the Company	154,953	6,491	161,444
Non-controlling interests	(610)	13,859	13,249
Earnings per share attributable to owners of the Company			
Basic earnings per share (Yen)	32.37	1.35	33.72
Diluted earnings per share (Yen)	32.37	1.35	33.72

(4) Significant accounting policies for Yahoo business

Revenue

Revenues in the commerce business consist of revenues from sale of goods by the ASKUL Group, e-commerce-related services such as *YAHUOKU!*, and membership services such as *Yahoo! Premium.*

Revenues from sale of goods by the ASKUL Group are recognized when a customer obtains control of goods, that is, at the time the customer has the ability to direct the use of goods and to obtain substantially all of the remaining economic benefits from the goods.

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

Yahoo sells the *Yahoo! Premium* service to individual users with which they can enjoy a variety of membership privileges. Its revenues are recognized over the period during which the membership is valid.

Revenues in the media business consist of revenues from paid search advertising, display advertising and other advertising.

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

Display advertising mainly comprises premium advertising, *Yahoo! Display Ad Network (YDN)* and others.

Revenues from premium advertising are recognized over the period in which the related advertisement is displayed.

Revenues from *Yahoo! Display Ad Network (YDN)* are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content.

3. Significant judgments and estimates

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

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

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

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

The judgments, estimates and assumptions that have significant impact on the amounts in the condensed interim consolidated financial statements are consistent with those described in the consolidated financial statements for the fiscal year ended March 31, 2019 except for the following items:

Judgments for accounting treatment of contracts including leases

Determining whether an arrangement contains a lease

At the inception of a contract, the Group determines whether contractual arrangements are, or contain, a lease. It is determined that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining whether the right to control the use of an identified asset is conveyed, the Group assesses the following:

(a) The contract includes the use of an identified asset and the lessor does not have the substantive right to substitute the asset.

(b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

(c) The customer has the right to direct the use of the asset. If the decisions about how and for what purpose the asset is used are predetermined, it is determined that the customer has the right to direct the use of the asset if either of the following is satisfied:

i. the customer has the right to operate the asset; or

ii. the customer designed the asset in a way that predetermines how and for what purpose the asset will be used.

4. Business combinations

Three months ended June 30, 2018

(1) Acquisition of LINE MOBILE Corporation

Summary of acquisition

On April 2, 2018, the Company acquired 51% of the equity interest of LINE MOBILE Corporation (“LINE MOBILE”) for ¥10,400 million in cash. LINE MOBILE 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:

Description is omitted as the revenue and net income of the acquiree after the date of obtaining control are immaterial.

(2) Acquisition of investments in subsidiaries and associates

a. 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, which is a subsidiary of SBG, through a cash payment of ¥19,500 million. As a result of these transactions, 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. and others
SoftBank Technology Corp.	Online business solutions and services
SB Players Corp.	Solution services for government

Associates:

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

b. Summary of accounting treatment

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.

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.

Three months ended June 30, 2019

Acquisition of investments in Yahoo

a. Summary of acquisition

The Company underwrote a capital increase by third-party allotment conducted by Yahoo. The purpose of the underwriting is to further enhance growth, development, and corporate value of the Group by jointly and actively developing non-telecommunications business including FinTech as well as making optimal deployment of management resources between the Company and Yahoo based on an integrated strategy so as to maximize synergy effects. On June 27, 2019, the Company acquired 1,511,478 thousand new shares issued by Yahoo for ¥456,466 million. As a result of this transaction, the ratio of voting rights held by the Group in Yahoo became 44.6%. In addition, officers from the Company were appointed as members of Yahoo’s Board of Directors. As a result, Yahoo is considered substantially controlled by the Company and became a subsidiary of the Company.

Yahoo is engaged in the “Commerce business” and the “Media business.” The “Commerce business” mainly comprises sales of products, planning and sales of services, and settlement - and finance-related services, all of those are provided via the internet for small to medium-sized businesses and individual customers. The “Media business” mainly comprises planning and sales of internet-based advertising-related services, information listing services, and other corporate services.

b. Summary of accounting treatment

The abovementioned transaction was accounted for as a transaction under common control. For transactions under common control, the Company accounts for this transaction 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 transaction was executed by the Group on April 1, 2018 as part of the condensed interim consolidated financial statements of the Group. For details of the impact of the transaction on the consolidated statement of financial position and the condensed interim consolidated statement of income previously disclosed, refer to “(3) Transactions under common control” in “Note 2. Significant accounting policies.”

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,” “Distribution,” and "Yahoo" 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.

In the “Yahoo” segment, the Group is engaged in the “Commerce business” and the “Media business.” The “Commerce business” mainly comprises sales of products, planning and sales of services, and settlement- and finance-related services, all of those are provided via the internet for small to medium-sized businesses and individual customers. The “Media business,” mainly comprises planning and sales of internet-based advertising-related services, information listing services, and other corporate services. The “Yahoo” segment was newly established from the three months ended June 30, 2019, due to consolidation of Yahoo in June 2019.

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 others.

“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 June 30, 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, 2018, based on the accounting policy of the Group.

(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.

Three months ended June 30, 2018

(Millions of yen)

	Reportable segments							
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	632,622	146,094	81,973	225,515	1,086,204	14,763	-	1,100,967
Intersegment revenue or transferred revenue	2,683	1,674	10,276	5,585	20,218	5,449	(25,667)	-
Total	635,305	147,768	92,249	231,100	1,106,422	20,212	(25,667)	1,100,967
Segment income	191,268	23,913	3,990	39,342	258,513	1,883	(1,188)	259,208
Depreciation and amortization[1]	84,587	25,556	263	12,312	122,718	1,261	-	123,979

Three months ended June 30, 2019

(Millions of yen)

	Reportable segments							
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	654,079	152,439	107,679	233,458	1,147,655	17,201	-	1,164,856
Intersegment revenue or transferred revenue	3,991	2,011	8,739	5,176	19,917	6,099	(26,016)	-
Total	658,070	154,450	116,418	238,634	1,167,572	23,300	(26,016)	1,164,856
Segment income	205,737	28,141	5,279	36,164	275,321	(7,096)	633	268,858
Depreciation and amortization[1]	102,237	39,842	686	17,825	160,590	3,453	-	164,043

Note:

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

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Segment income	259,208	268,858
Share of losses of associates accounted for using the equity method	(310)	(5,714)
Financing income	1,491	5,286
Financing costs	(16,578)	(14,348)
Gains on sales of equity method investments	-	5,456
Profit before income taxes	243,811	259,538

6. Interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Current		
Short-term borrowings[1]	41,120	682,994
Current portion of long-term borrowings[2, 3]	571,681	588,654
Current portion of lease obligations	328,326	-
Current portion of lease liabilities	-	434,872
Current portion of corporate bonds	5,000	5,000
Current portion of installment payables	7,603	5,408
Total	953,730	1,716,928
Non-current		
Long-term borrowings[2, 3]	1,864,143	1,948,774
Lease obligations	548,158	-
Lease liabilities	-	844,828
Corporate bonds	125,000	125,000
Installment payables	687	414
Total	2,537,988	2,919,016

Notes:

1. On June 21, 2019, the Company entered into a loan agreement. Summary of the loan agreement is as follows.

(1) Lender:	Mizuho Bank, Ltd.
(2) Amount of borrowing:	¥150,000 million
(3) Interest rate:	Bank base rate + Spread
(4) Execution date:	June 26, 2019
(5) Maturity:	Final business day of June 2020

2. As described in "(1) Application of new accounting standards and interpretations" under "Note 2. Significant accounting policies," the Group does not apply IFRS 16 to leases of intangible assets. Consequently, obligations associated with the leases of software that were previously recorded as lease obligations are included in current portion of long-term borrowings and long-term borrowings as financial liabilities under IFRS 9, and are restated by component as of March 31, 2019. Borrowings associated with such transactions included in current portion of long-term borrowings and long-term borrowings as of June 30, 2019 are ¥102,610 million and ¥179,752 million, respectively (¥102,879 million and ¥191,297 million, respectively as of March 31, 2019).

3. For certain network equipment, the Group raises capital through a series of transactions comprising purchasing contracts and lease agreements. Of these transactions, for those executed after the date of adoption of IFRS 16, the transfers of assets under the purchasing contracts do not satisfy the requirements of IFRS 15 and therefore are not accounted for as sales. Accordingly, capital raised through such transactions is accounted for as long-term borrowings. Borrowings associated with such transactions included in current portion of long-term borrowings and long-term borrowings as of June 30, 2019 are ¥26,282 million and ¥79,535 million, respectively. Of these transactions, transactions executed prior to the date of adoption of IFRS 16 are, in accordance with the transitional provisions of IFRS 16, accounted for as leases even after the adoption of IFRS 16.

7. Equity

Three months ended June 30, 2018

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 "(2) Acquisition of investments in subsidiaries and associates" in "Note 4. Business combinations."

As a result of the issuance of the shares, common stock and capital surplus increased by ¥6,615 million and ¥6,615 million under the Companies Act of Japan, respectively.

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

Three months ended June 30, 2019

There are no significant equity transactions to be disclosed.

8. Dividends

Dividends paid are as follows:

Three months ended June 30, 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

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 dividends paid by SoftBank Technology Corp. and Yahoo before the date of the transaction under common control are included in "Cash dividends" in the condensed interim consolidated statement of changes in equity.

Three months ended June 30, 2018

Yahoo

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)[1]	Record date	Effective date[2]
Board of Directors' meeting held on April 27, 2018	Common stock	8.86	50,449	March 31, 2018	June 26, 2018

Notes:

1. The amount of dividends paid to owners of the Company was ¥21,668 million.
2. In the Board of Directors Meeting held on May 31, 2018, Yahoo resolved to change the scheduled dividend payment date (effective date) from June 5, 2018 to June 26, 2018.

SoftBank Technology Corp.

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

Note:

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

Three months ended June 30, 2019

Yahoo

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)[1]	Record date	Effective date
Board of Directors' meeting held on May 16, 2019	Common stock	8.86	45,042	March 31, 2019	June 4, 2019

Note:

1. The amount of dividends paid to owners of the Company was ¥16,253 million

9. Revenue

The components of revenue are as follows:

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Consumer business		
Telecommunications service revenues		
Mobile communications	397,805	419,355
Broadband	87,783	95,029
Revenues from sales of goods and others	147,034	139,695
Subtotal	632,622	654,079
Enterprise business		
Mobile communications[3]	64,007	66,132
Fixed-line	52,046	48,813
Business solution services and others[3]	30,041	37,494
Subtotal	146,094	152,439
Distribution business	81,973	107,679
Yahoo business		
Commerce	153,526	160,905
Media	71,437	71,895
Other	552	658
Subtotal	225,515	233,458
Other	14,763	17,201
Total	1,100,967	1,164,856

Notes:

1. The components of revenue represent sales to external customers.
2. The components of revenue include revenue from leases and others. Revenue from leases for the three months ended June 30, 2019 and 2018 were ¥26,008 million and ¥23,354 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 three months ended June 30, 2019 and 2018 were ¥82,775 million and ¥75,943 million, respectively. Revenues from sales of goods and others for the three months ended June 30, 2019 and 2018 were ¥20,851 million and ¥18,105 million, respectively.

10. Earnings per share

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

(1) Basic earnings per share

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	161,444	164,797
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,787,145	4,787,145
Basic earnings per share (Yen)	33.72	34.42

(2) Diluted earnings per share

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	161,444	164,797
Effect of dilutive securities issued by subsidiaries and associates	(5)	(3)
Total	161,439	164,794
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	4,787,145	4,787,145
Increase in the number of shares of common stock due to stock acquisition rights	-	60,409
Total	4,787,145	4,847,554
Diluted earnings per share (Yen)	33.72	34.00

11. Subsequent events

(1) Share buyback program

At the meeting of the Board of Directors held on July 24, 2019, the Company's Board of Directors approved a resolution to set up a share buyback program, pursuant to the Company's Articles of Incorporation and in accordance with Article 459, Paragraph 1 of the Companies Act of Japan.

a. Purpose of the share buyback program

To deliver shares upon exercise of stock options (stock acquisition rights)

b. Details of the share buyback program

(a) Type of shares to be acquired	Common stock
(b) Total number of shares to be acquired	Up to 46,000,000 shares (0.96% of total shares outstanding)
(c) Total amount to be paid for acquisition	Up to ¥74.0 billion
(d) Period of acquisition	August 6, 2019 to March 31, 2020
(e) Method of acquisition	Purchased on the Tokyo Stock Exchange

(2) Issuance of unsecured bonds by Yahoo

Yahoo, a subsidiary of the Company, has issued unsecured bonds on the resolution by the Board of Directors at a meeting held on May 16, 2019. The table below shows the overview of the issuance:

Name of bonds	10th unsecured bonds (with inter-bond pari passu clause)	11th unsecured bonds (with inter-bond pari passu clause)	12th unsecured bonds (with inter-bond pari passu clause)	13th unsecured bonds (with inter-bond pari passu clause)
Total issuance amount	¥ 60,000 million	¥ 50,000 million	¥ 70,000 million	¥ 50,000 million
Issuance price	¥100 per face value of ¥100	¥100 per face value of ¥100	¥100 per face value of ¥100	¥100 per face value of ¥100
Interest rate	0.040% per annum	0.180% per annum	0.370% per annum	0.460% per annum
Redemption period	July 29, 2022	July 31, 2024	July 31, 2026	July 31, 2029
Redemption method	Bullet	Bullet	Bullet	Bullet
Due date of payment	July 31, 2019	July 31, 2019	July 31, 2019	July 31, 2019
Use of funds	Plan to appropriate them to redemption funds for already issued unsecured bonds, repayment funds for borrowings payable and working capital			