

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 Six Months Ended September 30, 2020 (IFRS)

November 4, 2020

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2020

(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	%
<b>Six months ended September 30, 2020</b>	<b>2,428,427</b>	<b>2.3</b>	<b>589,605</b>	<b>6.8</b>	<b>531,834</b>	<b>3.4</b>	<b>346,668</b>	<b>0.0</b>	<b>315,104</b>	<b>(3.8)</b>	<b>351,677</b>	<b>1.9</b>
Six months ended September 30, 2019	2,373,104	6.0	551,964	6.5	514,243	5.3	346,581	2.2	327,424	4.1	345,147	2.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Six months ended September 30, 2020</b>	<b>66.35</b>	<b>65.56</b>
Six months ended September 30, 2019	68.44	67.55

(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	%
<b>As of September 30, 2020</b>	<b>10,490,827</b>	<b>1,842,852</b>	<b>1,126,652</b>	<b>10.7</b>
As of March 31, 2020	9,792,258	1,707,564	1,000,546	10.2

### 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	42.50	-	42.50	85.00
Fiscal year ending March 31, 2021	-	43.00			
Fiscal year ending March 31, 2021 (Forecast)			-	43.00	86.00

Note: Revision to the forecast on dividends: No

### 3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2021

(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, 2021	4,900,000	0.8	920,000	0.9	485,000	2.5	101.76

Notes

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

(2) The financial impact of the business integration of Z Holdings Corporation and LINE Corporation the Company can estimate at the present time is incorporated in the consolidated financial result forecasts to a certain extent.

**\* Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None

Newly consolidated: None

Excluded from consolidation: None

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRS: No

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

(3) Number of issued shares (common stock)

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

As of September 30, 2020 4,787,145,170 shares

As of March 31, 2020 4,787,145,170 shares

[2] Number of shares of treasury stock

As of September 30, 2020 28,546,800 shares

As of March 31, 2020 46,000,000 shares

[3] Average number of shares outstanding during the period

Six months ended September 30, 2020 4,748,879,997 shares

Six months ended September 30, 2019 4,784,392,215 shares

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

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

This document is based on the information available to SoftBank Corp. as of the time hereof and assumptions which it believes are reasonable. Statements contained herein that are not historical facts, including, without limitation, our plans, forecasts, strategies and beliefs about our business and financial prospects, are forward-looking statements. Forward-looking statements often include words such as “targets,” “plans,” “believes,” “hopes,” “continues,” “expects,” “aims,” “intends,” “will,” “may,” “should,” “would,” “could,” “anticipates,” “estimates,” “projects” or words or terms of similar substance or the negative thereof. These forward-looking statements do not represent any guarantee by us or our management of future performance or of any specific outcome and are subject to various risks and uncertainties, including, without limitation, general economic conditions, conditions in the Japanese telecommunications market, our ability to adopt new technologies and business models, competition with other mobile telecommunications providers, our ability to improve and maintain our telecommunications network, our reliance on third parties in conducting our business, including SoftBank Group Corp. and its other subsidiaries and associates, our major vendors and suppliers, and other third parties, risks relating to M&A and other strategic transactions, risks relating to information security and handling of personally identifiable information, changes in the substance and interpretation of other laws and regulations and other important factors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

SoftBank Corp. expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement in any document or generally to the extent allowed by law or stock exchange rules. Use of or reliance on the information in this material is at your own risk.

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see “(4) Forecasts” under “1. Results of Operations” on page 14 of the appendix to this consolidated financial report

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

On Wednesday, November 4, 2020 (JST), the Company will hold an earnings results briefing online for the media, institutional investors, and financial institutions. This earnings results briefing is scheduled to be broadcast on the Company’s website in both Japanese and English at <https://www.softbank.jp/en/corp/ir/documents/presentations/fy2020/>. 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

1. Results of Operations .....	p. 4
(1) Overview of Consolidated Results of Operations.....	p. 4
a. Management Environment and the Group’s Initiatives .....	p. 4
b. Consolidated Results of Operations .....	p. 7
c. Principal Operational Data .....	p. 8
d. Results by Segment .....	p. 10
(2) Overview of Consolidated Financial Position .....	p. 13
(3) Overview of Consolidated Cash Flows .....	p. 14
(4) Forecasts.....	p. 14
2. Notes to Summary Information.....	p. 15
(1) Significant Changes in Scope of Consolidation for the Six Months Ended September 30, 2020 .....	p. 15
(2) Changes in Accounting Policies and Accounting Estimates .....	p. 15
3. Condensed Interim Consolidated Financial Statements and Primary Notes.....	p. 16
(1) Condensed Interim Consolidated Statement of Financial Position .....	p. 16
(2) Condensed Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	p. 18
(3) Condensed Interim Consolidated Statement of Changes in Equity.....	p. 22
(4) Condensed Interim Consolidated Statement of Cash Flows .....	p. 24
(5) Notes on Going Concern Assumption .....	p. 26
(6) Notes to Condensed Interim Consolidated Financial Statements .....	p. 26

## 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
Z Holdings <sup>1</sup>	Z Holdings Corporation (standalone basis)
Z Holdings Group	Z Holdings Corporation and its subsidiaries
Yahoo Japan <sup>2</sup>	Yahoo Japan Corporation (standalone basis)

Notes:

1. On October 1, 2019, Z Holdings Corporation transitioned to a holding company structure through a company split (absorption-type company split) and changed its trade name from Yahoo Japan Corporation to Z Holdings Corporation. In this document, Z Holdings Corporation is referred to as “Z Holdings,” including transactions that were entered into prior to the name change.
2. Refers to Yahoo Japan Corporation, which succeeded the Yahoo! JAPAN business from Z Holdings as a result of the company split (absorption-type company split) conducted on October 1, 2019.

## Reportable Segments

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

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

Segments	Main business	Core companies
Reportable segments		
Consumer segment	<ul style="list-style-type: none"> <li>Provision of mobile communications service and value-added services to individual customers</li> <li>Provision of broadband services</li> <li>Sale of mobile devices</li> <li>Trading and supply of electric power and provision of electric power trading agency services</li> </ul>	The Company Wireless City Planning Inc. SB Mobile Service Corp. WILLCOM OKINAWA, Inc. LINE MOBILE Corporation SB Power Corp.
Enterprise segment	<ul style="list-style-type: none"> <li>Provision of mobile communications services to enterprise customers</li> <li>Provision of fixed-line communications services, such as data communications and fixed-line telephone services</li> <li>Provision of cloud, global, AI/IoT and other solution services</li> </ul>	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc.
Distribution segment	<ul style="list-style-type: none"> <li>Provision of products and services addressing ICT, cloud services, IoT solutions and other areas for enterprise customers</li> <li>Provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items for individual customers</li> </ul>	SB C&S Corp.
Yahoo segment	<ul style="list-style-type: none"> <li>Provision of commerce-related services such as <i>YAHUOKU!</i>, <i>Yahoo! JAPAN Shopping</i>, <i>PayPay Mall</i>, <i>ZOZOTOWN</i> and others</li> <li>Provision of membership services such as <i>Yahoo! JAPAN Premium</i></li> <li>Provision of financial and payment-related services such as credit cards</li> <li>Provision of advertising-related services such as paid search services and display advertising</li> </ul>	Z Holdings Yahoo Japan eBook Initiative Japan Co., Ltd. Ikyu Corporation ASKUL Corporation ZOZO, Inc. YJ Card Corporation YJFX, Inc. The Japan Net Bank, Limited ValueCommerce Co., Ltd.
Other	<ul style="list-style-type: none"> <li>Provision of settlement services</li> <li>Online security trading service for smartphones</li> <li>Provision of online business solutions and services</li> <li>Planning and production of digital media and digital content</li> <li>Sales of download licenses for PC software and advertising sales</li> <li>R&amp;D and manufacturing of network equipment, business planning, and activities for usage of frequency band related to the HAPS business<sup>2</sup></li> <li>Others</li> </ul>	The Company SB Payment Service Corp. One Tap BUY Co., Ltd. SB 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. HAPS (High Altitude Platform Station) refers to systems where unmanned objects such as aircraft flying in the stratosphere can be operated like telecommunications base stations to deliver connectivity across wide areas.

## 1. Results of Operations

### (1) Overview of Consolidated Results of Operations

#### a. Management Environment and the Group's Initiatives

The environment surrounding the world is undergoing a major transformation due to advances in digital technology. With the rapid penetration of AI<sup>1</sup>, IoT<sup>2</sup> and utilization of big data and the digitalization of all aspects of people's lives and businesses, digital transformation<sup>3</sup> that changes the structure of the industry itself is occurring. In addition, the commercialization of 5G (fifth-generation mobile communications system), which has the advantages of ultra-high speed, large capacity, low latency, and massive machine connections, is expected to accelerate this change.

In the Japanese telecommunications market, the business environment continues to undergo changes, including the announcement from the Ministry of Internal Affairs and Communications (MIC) of its action plan for creating a fair competitive mobile market environment, further strengthening of government policies to promote competition, penetration of low-priced smartphone services by Mobile Virtual Network Operators (MVNOs), and entry of new players from other industries. In the internet market, overseas companies continue to dominate the market, and competition is intensifying, particularly in the fields of e-commerce, finance (FinTech) and payments.

In the six months ended September 30, 2020, business sentiment among Japanese companies is experiencing a deterioration, due to the continued impact from the outbreak of COVID-19. Meanwhile, the demand for using digital technologies to support such society has been growing rapidly, with significant attention paid to the transition to a new normal in daily life—one that makes use of digital technologies such as teleworking, online shopping and contactless payment methods.

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 telecommunications business and developing various new businesses in the information and technology fields. In April 2020, the Group identified 6 priority issues (materiality) to be addressed in order to achieve the SDGs (Sustainable Development Goals) set by the United Nations, under the concept of “a world where all things, information and minds are connected.”

For details on SDGs and the priority issues (materiality), please see the Company's website:

<https://www.softbank.jp/en/corp/sustainability/materiality/>

To solve the important social issues described above and achieve sustained growth by leveraging digitalization technology, the Group is implementing the *Beyond Carrier* strategy. With the *Beyond Carrier* strategy, going beyond the confines of a conventional telecommunications carrier, the Group will strengthen its earnings base by expanding its businesses through customer base growth in three fields - telecommunications business, Yahoo business and new businesses. The Group aims to achieve operating income of ¥1 trillion in FY2022, the fiscal year ending March 31, 2023, by driving growth under the *Beyond Carrier* strategy and executing structural reform diligently.

#### Initiatives to Grow the Customer Base

To expand the customer base, following efforts in the previous fiscal year, the Company 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. In addition, the Company will provide even more appealing services to its customers through *PayPay*, a mobile payment service offered by our group company PayPay Corporation, and the collaboration with Z Holdings, which has Yahoo Japan under its wing.

The Group has been working to strengthen the quality of the network that supports these services. Recently, Opensignal Limited, a UK-based mobile network analysis company, published Global Mobile Network Experience Awards 2020, and stated “Japan's SoftBank is No. 1 in the world for Voice App Experience.” The Voice App Experience measures the quality of experience for over-the-top (OTT)<sup>4</sup> voice services, including mobile voice apps such as LINE, WhatsApp, Skype, Facebook Messenger, etc. The same awards also ranked the Company No. 3<sup>5</sup> for Video Experience, which takes picture quality, video loading time and stall rate into account<sup>6</sup>. We will continue to make further efforts to provide a high-quality, stress-free communications environment, as well as provide services and solutions that will satisfy our customers.

In March 2020, the Company launched 5G commercial services, and will harness this technology to offer VR/AR<sup>7</sup> and cloud gaming services. In April 2020, the Company and KDDI Corporation established a joint venture, 5G JAPAN Corporation, to promote the rapid build-out of 5G networks in Japan's rural areas. 5G JAPAN will promote infrastructure sharing based on the efficient mutual use of base station assets held by the Company and KDDI to accelerate the rollout of 5G networks in rural Japan.

In the six months ended September 30, 2020, under the *SoftBank* brand, following the trend from the previous fiscal year, the *Smartphone Debut Plan* continued to perform favorably. In September 2020, the Company launched a campaign called “Y!mobile to SoftBank Corp. Transfer Benefit” and started waiving various administrative fees for customers who transfer their numbers from *Y!mobile* to *SoftBank*, and also for customers who subscribe to the *SoftBank Merihari Plan*, started offering a 12-month discount of ¥2,800 off the monthly charge. As a result, the number of smartphone subscribers as of September 30, 2020 had increased by 868 thousand from March 31, 2020 and the number of cumulative smartphone subscribers exceeded 25 million. In broadband services, the Company has seen steady growth in the number of subscribers to *SoftBank Hikari*, a high-speed internet connection service for households, with an increase of 375 thousand from March 31, 2020.

Moreover, due to the impact from the outbreak of COVID-19, the demand from enterprises for smartphones and telework has increased. From before the COVID-19 crisis, the Company has been supplying and selling a variety of solutions supporting telework, including not only providing communications devices and networks, but also offering the network solutions needed to work securely in a telework environment and cloud applications to facilitate web conferencing. Going forward, the Company will continue to actively support workstyle transformation and higher operating efficiency by allaying customers' concerns and solving their problems regarding the introduction and implementation of telework.

#### Growth of Yahoo Japan

While driving further growth in the telecommunications business through its multi-brand strategy, the provision of large-capacity data plans, and initiatives related to 5G, the new infrastructure, the Group is promoting business enhancement to the OTT field by utilizing its customer base and other assets as a telecommunications carrier. Z Holdings Group, which became a subsidiary last fiscal year, provides OTT services such as commerce and advertising services on the internet, contributing to the diversification of the Group's revenue sources. The Company will continue to deepen the collaboration with Z Holdings to maximize synergies.

Furthermore, Z Holdings has announced a business integration with LINE Corporation ("Business Integration")<sup>8</sup>. The Group positions this transaction to be instrumental in increasing the corporate value of the Group by creating new business opportunities in the 5G era, through accelerating the growth of Z Holdings, a crucial component to the *Beyond Carrier* strategy. In August 2020, the procedures and measures necessary for the Business Integration under the competition laws of each country were completed. As a part of the Business Integration, the Company commenced the joint tender offer for shares of LINE Corporation and others on August 4, 2020 and completed the tender offer on September 15, 2020. The Business Integration is expected to close in March 2021.

In the six months ended September 30, 2020, Z Holdings, Z Financial Corporation and the Company decided to unify the names of six financial business companies under their arms, as well as the names of their services to *PayPay* brand from 2021 onward<sup>9</sup>. Changing of company and service names or launching of new services under the *PayPay* brand is based on our hope to further strengthen cooperation with PayPay for financial services such as banking, credit cards and insurance. At the same time, we intend to use the *PayPay* brand to make our services more familiar to customers as it is easy to understand.

Additionally, in September 2020, *Yahoo! JAPAN Travel*, an internet travel reservation service operated by Yahoo Japan, started offering discounts of up to 50% of the total prices<sup>10</sup> for travels eligible under Japan's Go To Travel campaign for those traveling to or residing in Tokyo starting from October 1. Moreover, *Yahoo! JAPAN Premium* subscribers and *SoftBank* smartphone subscribers can receive discounts of up to 15% on amount of the travel prices discounted by 35% at maximum. Through these measures, *Yahoo! JAPAN Travel* will add and improve services so that users can travel with relief and affordably while paying attention to prevent the spread of infections.

#### Initiatives to Expand New Businesses

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 the 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

At the end of September 2020, the number of cumulative *PayPay* registered users exceeded 32 million. In the three months ended September 2020, the number of payments exceeded 490 million, more than five times of that in the same period of the previous fiscal year. *PayPay* continues to perform steadily. As of September 5th, more than one million people have registered Myna Points on *PayPay*, following the start of application registration in July for the MIC's Myna Point Project<sup>11</sup> which has started from September 2020. We will continue the collaboration with the Z Holdings Group to provide all kinds of retail stores and service providers with the convenience of cashless payments, expanding *PayPay*'s scope to a wide range of services such as online payments, payment of utility bills, and peer-to-peer transactions among individuals, financial services such as investments, with the aim of evolving *PayPay* into a "super app" that makes various aspects of users' daily lives more fulfilling and convenient "with *PayPay* anytime and anywhere."

#### Online healthcare consulting service - *HELPO*

In July 2020, HEALTHCARE TECHNOLOGIES Corp., our group company, began offering *HELPO*, an online healthcare consultation service for corporations and municipalities. *HELPO* is a one-stop healthcare service that provides online healthcare consultations and hospital search and purchasing over-the-counter (OTC) drugs through a smartphone app. In the future, we will gradually expand the functions of *HELPO* in line with customer needs and provide it to not only corporations and municipalities, but also various organizations such as health insurance associations, etc. with the aim of expanding the number of users.

#### MONET Technologies Inc.

In August 2020, as the first phase of the MONET MaaS Conversion that offers mounted vehicles and mounting kits for MaaS<sup>12</sup>, we announced two types of vehicles. One type is a "multi-tasking vehicle" that can flexibly change the layout of the vehicle's interior and use a single vehicle for various purposes. Another type is a vehicle with "personal ventilation kit" that can secure and ventilate the personal space of passengers inside the vehicle. We began to receive orders from companies and municipalities for these two types. In addition, in September 2020, we officially opened the MONET Marketplace, which provides a variety of data such as



weather, tourism, and map information, as well as API<sup>13</sup> for on-demand bus<sup>14</sup> systems, payment systems and other systems that can be used for MaaS system development. As a result of the official opening, companies who are not members of the MONET Consortium will be able to use and provide APIs to the MONET Marketplace.

Notes:

1. AI stands for artificial intelligence.
2. IoT stands for internet of things, a technology that will enable communications between all manner of things via the internet.
3. Digital transformation refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.
4. OTT stands for over the top and refers to services and companies other than telecommunications carriers that provide audio and video content on the internet.
5. Our network was ranked No. 1 in Japan for the Video Experience category.
6. The survey by Opensignal Limited is the largest and most frequent survey and analysis in the wireless communications industry worldwide. It collects billions of individual measurements daily from more than 100 million of smartphones globally to compare the mobile network experience. This year's survey made a comprehensive comparison of 181 global mobile communications operators across the following five metrics: Voice App Experience, Video Experience, Download Speed Experience, Upload Speed Experience and 4G Availability.
7. VR stands for virtual reality. AR stands for augmented reality.
8. The business integration is subject to receipt of required competition law and foreign exchange law and other clearances and permits required by applicable laws and regulations in each country as well as the satisfaction of other preconditions specified in the definitive business integration agreement.
9. The change of company names is planned to take place after approval at the shareholders' meetings of each company and approval from the relevant government agencies.
10. Of the up to 50% of the total price (¥20,000 per person per night at maximum), 70% is the discount from travel expenses and 30% comes from regional coupons that can only be used locally. Some products are not eligible for the campaign.
11. The Myna Point Project is a seven-month incentive program from September 1, 2020 to March 31, 2021. It aims to promote the spread of My Number cards and build cashless payment infrastructure while stimulating consumption. Citizens and residents who have obtained My Number cards and registered their My Number cards to their cashless payment services will be rewarded the points that can be used for shopping through their registered cashless payment services.
12. 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.
13. API stands for application programming interface and is a mechanism used to build and integrate applications and software.
14. The on-demand bus API is expected to be available by the end of fiscal year 2020.

#### Capital Policy in the Three Months Ended September 30, 2020

##### Secondary offering of shares

On August 28, 2020, the Board of Directors resolved to approve the implementation of the secondary offering of 1,028,061,400 shares (including over-allotment) of common stock of the Company ("Offering"). We confirmed SoftBank Group Corp.'s intention to sell a portion of the shares it holds in the Company through SoftBank Group Japan Corporation for further expansion of cash reserves and that currently SoftBank Group Corp. has no plans to sell additional shares after the Offering. SoftBank Group Corp. also confirmed its intention to hold its remaining shares in the Company after the Offering for the mid-to-long term. In consideration of SoftBank Group Corp.'s intentions, we decided to approve the Offering, as we believe that the Offering will contribute to the early resolution of concerns arising from the potential additional sales of our shares by SoftBank Group Corp. as well as increase market liquidity, which will lead to appropriate pricing of our shares. As a result of the Offering, SoftBank Group Japan Corporation's ownership ratio declined from 62.0% at the end of June 2020 to 40.2%. Following the Offering, we will continue to be a consolidated subsidiary of and pursue new business development through collaboration with SoftBank Group Corp., as well as increase our corporate value.

For more information on this transaction, please refer to the following press releases:

"Notice Concerning the Secondary Offering of Shares" on August 28, 2020

[https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200828\\_02/](https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200828_02/)

"Notice Concerning the Determination of the Offer Price and Other Matters of the Secondary Offering of Shares" on September 14, 2020

[https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200914\\_01/](https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200914_01/)

"Notice Concerning the Finalized Number of Shares to be Offered" on September 17, 2020

[https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200917\\_02/](https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200917_02/)

##### Approval of share buyback program

Following the Company's shareholder return policy, the Board of Directors resolved to implement a share buyback program ("Share Buybacks"). The Share Buybacks take into consideration the effect on the supply and demand of our shares following the aforementioned Offering, and are intended to save shares in preparation for future exercises of stock options (stock acquisition rights) as well as to enhance the flexibility of our capital policy. The total number of shares to be acquired is up to 80,000,000 shares (1.68% of total shares outstanding (excluding treasury stock) as of June 30, 2020). The total amount to be paid for acquisition is up to ¥100 billion. The period of acquisition is from October 1, 2020 to March 31, 2021.

For more information on this transaction, please refer to the following press release:

"Notice Concerning Approval of Share Buyback Program (Share buybacks pursuant to the articles of incorporation in accordance with Article 459, Paragraph 1 of the Companies Act of Japan)" on August 28, 2020

[https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200828\\_01/](https://www.softbank.jp/en/corp/news/press/sbkk/2020/20200828_01/)

## b. Consolidated Results of Operations

(Millions of yen)

	Six Months Ended September 30		Change	Change %
	2019	2020		
Revenue	2,373,104	<b>2,428,427</b>	55,323	2.3%
Operating income	551,964	<b>589,605</b>	37,641	6.8%
Profit before income taxes	514,243	<b>531,834</b>	17,591	3.4%
Income taxes	(167,662)	<b>(185,166)</b>	(17,504)	10.4%
Net income	346,581	<b>346,668</b>	87	0.0%
Net income attributable to:				
Owners of the Company	327,424	<b>315,104</b>	(12,320)	(3.8)%
Non-controlling interests	19,157	<b>31,564</b>	12,407	64.8%
Adjusted EBITDA <sup>1</sup>	871,911	<b>938,359</b>	66,448	7.6%

Note:

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

An overview of the consolidated results of operations for the six months ended September 30, 2020 is as follows:

### (a) Revenue

For the six months ended September 30, 2020, revenue increased by ¥55,323 million (2.3%) year on year to ¥2,428,427 million. Revenue increased by ¥20,501 million in the Enterprise segment mainly due to increased demand for telework-related solutions, and by ¥73,080 million in the Yahoo segment mainly due to an increase in e-commerce transaction value. Revenue decreased by ¥34,792 million in the Consumer segment due mainly to a decrease in revenues from sales of goods and others, and by ¥10,690 million in the Distribution segment.

### (b) Operating income

For the six months ended September 30, 2020, operating income increased by ¥37,641 million (6.8%) year on year to ¥589,605 million, with increases seen in all segments. Operating income increased by ¥4,706 million in the Consumer segment, ¥9,958 million in the Enterprise segment, ¥946 million in the Distribution segment, and ¥22,576 million in the Yahoo segment.

### (c) Net income

For the six months ended September 30, 2020, net income increased by ¥87 million (0.0%) year on year to ¥346,668 million. While there was an increase in operating income, this was partially offset by an increase in financing costs of ¥14,043 million due to the losses on valuation of investment securities held by the Company, a decrease in gain on sales of equity method investments of ¥5,456 million, and an increase in income taxes of ¥17,504 million mainly due to the increase in operating income.

### (d) Net income attributable to owners of the Company

For the six months ended September 30, 2020, net income attributable to owners of the Company decreased by ¥12,320 million (3.8%) year on year to ¥315,104 million, due to an increase in net income attributable to non-controlling interests. For the six months ended September 30, 2020, net income attributable to non-controlling interests increased by ¥12,407 million (64.8%) year on year to ¥31,564 million, mainly due to an increase in earnings at the Z Holdings Group.

### (e) Adjusted EBITDA

For the six months ended September 30, 2020, adjusted EBITDA increased by ¥66,448 million (7.6%) year on year to ¥938,359 million. The increase mainly reflects the increase in operating income. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for 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.

Cumulative Subscribers	March 31, 2020	September 30, 2020	(Thousands) Change
Total	45,778	<b>46,569</b>	791
Main subscribers*	36,499	<b>37,281</b>	783
Smartphones	24,134	<b>25,001</b>	868
Communication modules and others	7,663	<b>8,056</b>	392
PHS	1,616	<b>1,232</b>	(384)

Net Additions	Six Months Ended September 30		(Thousands) Change
	2019	2020	
Main subscribers*	818	<b>783</b>	(35)
Smartphones	952	<b>868</b>	(85)

Churn Rate and Total ARPU		Three Months Ended September 30		Change
		2019	2020	
Main subscribers*	Churn rate	0.98%	<b>0.88%</b>	-0.10pp
	Total ARPU (yen)	4,450	<b>4,300</b>	(150)
	ARPU before discount (yen)	5,190	<b>4,750</b>	(450)
	Discount on ARPU (yen)	(740)	<b>(450)</b>	290
Smartphones	Churn rate	0.74%	<b>0.64%</b>	-0.10pp

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

#### Broadband Services

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

Cumulative Subscribers	March 31, 2020	September 30, 2020	(Thousands) Change
Total	7,846	<b>8,094</b>	248
<i>SoftBank Hikari</i>	6,387	<b>6,761</b>	375
<i>Yahoo! BB Hikari with FLET's</i>	786	<b>738</b>	(48)
<i>Yahoo! BB ADSL</i>	673	<b>595</b>	(78)

<Definitions and Calculation Methods of Principal Operational Data>

Mobile Communications Services

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

\* Smartphones covered by the *Smartphone Family Discount* and mobile data communication 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, and 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. From September 12, 2019, the Company has stopped accepting new applications for *Half-Price Support*.

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 Company provides services, such as mobile communications service and value-added services, broadband services and electricity services to individual customers in Japan. The Company also sells mobile devices to individual customers. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices through distributors operating SoftBank shops, etc.

#### FINANCIAL RESULTS

(Millions of yen)				
Six Months Ended September 30				
	2019	2020	Change	Change %
Revenue	1,336,048	<b>1,301,256</b>	(34,792)	(2.6)%
Segment income	401,616	<b>406,322</b>	4,706	1.2%
Depreciation and amortization	205,338	<b>209,956</b>	4,618	2.2%

#### Breakdown of Revenue

(Millions of yen)				
Six Months Ended September 30				
	2019	2020	Change	Change %
Service revenues	1,067,316	<b>1,089,847</b>	22,531	2.1%
Mobile communications	848,185	<b>846,480</b>	(1,705)	(0.2)%
Broadband	190,486	<b>195,930</b>	5,444	2.9%
Electricity	28,645	<b>47,437</b>	18,792	65.6%
Revenues from sales of goods and others	268,732	<b>211,409</b>	(57,323)	(21.3)%
Total revenue	1,336,048	<b>1,301,256</b>	(34,792)	(2.6)%

Note: In the six months ended September 30, 2020, Electricity, which was previously included in Revenues from sales of goods and others is presented separately due to its increase in materiality, and thus the breakdown for the six months ended September 30, 2019 has been restated accordingly. In accordance with this change, revenue is presented as mobile communications, broadband and electricity for breakdown, and as service revenues collectively.

Consumer segment revenue decreased by ¥34,792 million (2.6%) year on year to ¥1,301,256 million. Within Consumer segment revenue, service revenues increased by ¥22,531 million (2.1%) year on year to ¥1,089,847 million, and revenues from sales of goods and others declined by ¥57,323 million (21.3%) year on year to ¥211,409 million.

Within service revenues, mobile communications revenue decreased by ¥1,705 million (0.2%) year on year. This decrease was mainly due to a decline in average unit price due to discount programs for price plans of the *SoftBank* brand and increases in the number of *Y!mobile* and *LINE MOBILE* subscribers. On the other hand, smartphone subscribers increased, led by the *Y!mobile* brand, and achieved more than 25 million cumulative subscribers. This contributed to a revenue increase, in addition to recording of ¥11,040 million to revenue due to a reversal of contract liabilities related to *Half-Price Support*. As a result, mobile communication revenue decreased year on year.

Broadband revenue increased by ¥5,444 million (2.9%) year on year. This increase was mainly due to an increase in subscribers to the *SoftBank Hikari* fiber-optic service. Electricity revenue increased by ¥18,792 million (65.6%) year on year. This increase was mainly due to an increase in subscribers to the *Ouchi Denki (Home Electricity)* service.

The decrease in revenues from sales of goods and others was mainly due to a decrease in mobile device sales reflecting decreases in the unit prices and sales volume of mobile devices.

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 ¥894,934 million, a decrease of ¥39,498 million (4.2%) year on year. This decrease was mainly due to a decrease in the cost of products in connection with an increase in the sales mix of relatively low-cost mobile devices and a decline in the sales volume of mobile devices, and also a decline in sales commissions due to the impact of amendments to the Telecommunications Business Act, while there was an increase in the cost of products for the *Ouchi Denki (Home Electricity)* service.

As a result, segment income increased by ¥4,706 million (1.2%) year on year to ¥406,322 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, as well as various solutions for enterprises such as the *SmartVPN* VPN service and network services such as internet, data center services, cloud services, AI, IoT, robotics, security, and digital marketing.

### FINANCIAL RESULTS

	(Millions of yen)			
	Six Months Ended September 30		Change	Change %
2019	2020			
Revenue	314,096	<b>334,597</b>	20,501	6.5%
Segment income	54,602	<b>64,560</b>	9,958	18.2%
Depreciation and amortization	79,194	<b>79,226</b>	32	0.0%

#### Breakdown of Revenue

	(Millions of yen)			
	Six Months Ended September 30		Change	Change %
2019	2020			
Mobile	138,115	<b>148,129</b>	10,014	7.3%
Fixed-line	97,587	<b>94,431</b>	(3,156)	(3.2)%
Business solution and others	78,394	<b>92,037</b>	13,643	17.4%
Total revenue	314,096	<b>334,597</b>	20,501	6.5%

Enterprise segment revenue increased by ¥20,501 million (6.5%) year on year to ¥334,597 million. Mobile revenue increased by ¥10,014 million (7.3%) to ¥148,129 million, fixed-line revenue decreased by ¥3,156 million (3.2%) to ¥94,431 million, and business solution and others revenue increased by ¥13,643 million (17.4%) to ¥92,037 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 number of subscribers to telephone services.

The increase in business solution and others revenue was mainly from increased revenue from cloud services and security solutions atop growing demand for telework-related products due to the impact of the COVID-19 outbreak, along with increased revenue related to IoT products and others.

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 ¥270,037 million, an increase of ¥10,543 million (4.1%) year on year. This increase mainly reflects an increase in costs following the abovementioned increase in business solution and others revenue.

As a result, segment income increased by ¥9,958 million (18.2%) year on year to ¥64,560 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 provision 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.

### FINANCIAL RESULTS

	(Millions of yen)			
	Six Months Ended September 30		Change	Change %
2019	2020			
Revenue	245,118	<b>234,428</b>	(10,690)	(4.4)%
Segment income	11,004	<b>11,950</b>	946	8.6%
Depreciation and amortization	1,423	<b>1,770</b>	347	24.4%

Distribution segment revenue decreased by ¥10,690 million (4.4%) year on year to ¥234,428 million. This was mainly due to an increase in revenue from special high demand for PCs and servers for enterprise customers in the same period of the previous fiscal year.

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 ¥222,478 million, a decrease of ¥11,636 million (5.0%) year on year. This decrease was mainly due to solid growth in our focused subscription services such as cloud and SaaS.

As a result, segment income increased by ¥946 million (8.6%) year on year to ¥11,950 million.

#### (d) Yahoo Segment

##### OVERVIEW

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

##### FINANCIAL RESULTS

	(Millions of yen)			
	Six Months Ended September 30			
	2019	2020	Change	Change %
Revenue	484,144	557,224	73,080	15.1%
Segment income	75,661	98,237	22,576	29.8%
Depreciation and amortization	36,153	48,796	12,643	35.0%

##### Breakdown of Revenue

	(Millions of yen)			
	Six Months Ended September 30			
	2019	2020	Change	Change %
Commerce	333,241	414,282	81,041	24.3%
Media	148,424	141,610	(6,814)	(4.6)%
Other	2,479	1,332	(1,147)	(46.3)%
Total	484,144	557,224	73,080	15.1%

Note: In the six months ended September 30, 2020, the Z Holdings Group transferred certain services and subsidiaries from the commerce business to the media business. In accordance with this change, the breakdown of commerce and media in revenue for the Yahoo segment for the six months ended September 30, 2019 has been restated.

Yahoo segment revenue increased by ¥73,080 million (15.1%) year on year to ¥557,224 million. Commerce revenue increased by ¥81,041 million (24.3%) to ¥414,282 million, media revenue decreased by ¥6,814 million (4.6%) to ¥141,610 million, and other revenue decreased by ¥1,147 million (46.3%) to ¥1,332 million.

The increase in commerce revenue was mainly due to consolidation of ZOZO, Inc., an increase in shopping-related advertising revenue and an increase in revenue associated with an increase in transaction value in existing commerce services.

The decrease in media revenue reflected a decrease in advertising revenue mainly due to a decline in ad placements centered on search advertising under the background of business sentiment deterioration, while there was an increase in display advertising revenue in connection with increased media service traffic and other factors due to the impact of COVID-19 outbreak.

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 ¥458,987 million, an increase of ¥50,504 million (12.4%) year on year. This increase mainly reflected increases in selling, general and administrative expenses accompanying the consolidation of ZOZO, Inc.

As a result, segment income increased by ¥22,576 million (29.8%) year on year to ¥98,237 million.

## (2) Overview of Consolidated Financial Position

(Millions of yen)

	March 31, 2020	September 30, 2020	Change	Change %
Current assets	3,364,303	<b>3,849,273</b>	484,970	14.4%
Non-current assets	6,427,955	<b>6,641,554</b>	213,599	3.3%
Total assets	9,792,258	<b>10,490,827</b>	698,569	7.1%
Current liabilities	4,496,609	<b>4,735,082</b>	238,473	5.3%
Non-current liabilities	3,588,085	<b>3,912,893</b>	324,808	9.1%
Total liabilities	8,084,694	<b>8,647,975</b>	563,281	7.0%
Total equity	1,707,564	<b>1,842,852</b>	135,288	7.9%

### ASSETS

Total assets amounted to ¥10,490,827 million as of September 30, 2020, an increase of ¥698,569 million (7.1%) from the previous fiscal year-end. This mainly reflected an increase of ¥603,197 million in cash and cash equivalents associated with fund procurement through securitization of receivables to secure liquidity on hand in response to the COVID-19 outbreak.

### LIABILITIES

Total liabilities amounted to ¥8,647,975 million as of September 30, 2020, an increase of ¥563,281 million (7.0%) from the previous fiscal year-end. This was mainly due to an increase in interest-bearing debt. While raising the fund through securitization of receivables to secure liquidity on hand, Z Holdings issued ¥200,000 million and the Company issued ¥100,000 million unsecured bonds for the purpose of loan repayments.

### EQUITY

Total equity amounted to ¥1,842,852 million as of September 30, 2020, an increase of ¥135,288 million (7.9%) from the previous fiscal year-end. The change was mainly from an increase of ¥346,668 million due to the recording of net income for the six months ended September 30, 2020 and a decrease of ¥228,872 million due to cash dividends.



### (3) Overview of Consolidated Cash Flows

(Millions of yen)

	Six Months Ended September 30		Change
	2019	2020	
Net cash inflow from operating activities	566,052	<b>785,889</b>	219,837
Net cash outflow from investing activities	(219,517)	<b>(426,145)</b>	(206,628)
Net cash inflow (outflow) from financing activities	(130,138)	<b>243,601</b>	373,739
Cash and cash equivalents at the end of the period	1,154,364	<b>1,747,005</b>	592,641
Free cash flow	346,535	<b>359,744</b>	13,209
Effect of securitization of installment sales receivables	49,198	<b>57,863</b>	8,665
Adjusted free cash flow <sup>1</sup>	395,733	<b>417,607</b>	21,874
Capital expenditures (acceptance basis, including the Z Holdings Group)	222,741	<b>310,121</b>	87,380
Capital expenditures (acceptance basis, excluding the Z Holdings Group) <sup>2</sup>	115,966	<b>141,825</b>	25,859

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 Z Holdings Group) exclude capital expenditures of the Z Holdings Group, investments in devices for rental services, and the impact of adopting IFRS 16.

#### a. Cash flows from operating activities

In the six months ended September 30, 2020, the net cash inflow from operating activities was ¥785,889 million, an increase of ¥219,837 million year on year. This mainly reflected an increase in deposits in the banking business.

#### b. Cash flows from investing activities

In the six months ended September 30, 2020, the net cash outflow from investing activities was ¥426,145 million, an increase of ¥206,628 million year on year. This was mainly due to payment for share acquisition related to the joint tender offer for shares of LINE Corporation and acquisition of securities in the banking business.

#### c. Cash flows from financing activities

In the six months ended September 30, 2020, the net cash inflow from financing activities was ¥243,601 million. When compared year on year, the purchase of treasury stock by subsidiaries was ¥526,826 million in the same period of the previous fiscal year, but there was no such purchase in the six months ended September 30, 2020. As a result, the net cash inflow from financing activities increased by ¥373,739 million year on year.

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

As a result of (a) through (c) above, cash and cash equivalents at September 30, 2020 were ¥1,747,005 million, an increase of ¥592,641 million year on year.

#### e. Adjusted free cash flow

In the six months ended September 30, 2020, adjusted free cash flow was positive ¥417,607 million, an increase of ¥21,874 million year on year. This mainly reflects the aforementioned increase in net cash inflow from operating activities and the increase in net cash outflow from investing activities.

#### f. Capital expenditures

In the six months ended September 30, 2020, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥310,121 million, an increase of ¥87,380 million year on year. This increase was mainly due to an increase in capital investments in 5G equipment and data centers, and an increase in right-of-use assets associated with the new lease contract for the new Takeshiba Headquarters, to which the Company plans to move during fiscal year 2020.

### (4) Forecasts

The full-year consolidated results forecast is for revenue of ¥4,900,000 million, operating income of ¥920,000 million, and net income attributable to owners of the Company of ¥485,000 million. The forecast remains unchanged from the consolidated results forecast announced on May 11, 2020 in the Consolidated Financial Report for the Fiscal Year Ended March 31, 2020.

## 2. Notes to Summary Information

### (1) Significant Changes in Scope of Consolidation for the Six Months Ended September 30, 2020

There are no significant changes in the scope of consolidation to be disclosed.

### (2) Changes in Accounting Policies and Accounting Estimates

There are no changes in accounting policies and accounting estimates to be disclosed.

### 3. Condensed Interim Consolidated Financial Statements and Primary Notes

#### (1) Condensed Interim Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2020	As of September 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	1,143,808	1,747,005
Trade and other receivables	1,800,301	1,774,744
Other financial assets	94,906	96,389
Inventories	96,896	120,469
Other current assets	228,392	110,666
Total current assets	3,364,303	3,849,273
Non-current assets		
Property, plant and equipment	986,095	1,098,030
Right-of-use assets	1,234,457	1,153,916
Goodwill	618,636	624,470
Intangible assets	1,709,511	1,687,161
Contract costs	212,638	226,378
Investments accounted for using the equity method	80,149	93,426
Investment securities	175,152	259,009
Investment securities in banking business	342,975	382,880
Other financial assets	905,562	958,476
Deferred tax assets	55,904	52,230
Other non-current assets	106,876	105,578
Total non-current assets	6,427,955	6,641,554
Total assets	9,792,258	10,490,827

	As of March 31, 2020	(Millions of yen) As of September 30, 2020
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Interest-bearing debt	1,811,281	2,145,300
Trade and other payables	1,253,766	1,125,415
Contract liabilities	127,652	102,059
Deposits for banking business	880,847	1,069,932
Other financial liabilities	3,779	2,703
Income taxes payable	153,371	147,375
Provisions	6,794	14,642
Other current liabilities	259,119	127,656
Total current liabilities	<u>4,496,609</u>	<u>4,735,082</u>
Non-current liabilities		
Interest-bearing debt	3,270,971	3,563,841
Other financial liabilities	36,765	36,731
Defined benefit liabilities	16,337	16,472
Provisions	83,871	90,271
Deferred tax liabilities	168,248	193,739
Other non-current liabilities	11,893	11,839
Total non-current liabilities	<u>3,588,085</u>	<u>3,912,893</u>
Total liabilities	<u>8,084,694</u>	<u>8,647,975</u>
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	(133,915)	(136,101)
Retained earnings	1,003,554	1,104,742
Treasury stock	(68,709)	(42,640)
Accumulated other comprehensive income	(4,693)	(3,658)
Total equity attributable to owners of the Company	<u>1,000,546</u>	<u>1,126,652</u>
Non-controlling interests	707,018	716,200
Total equity	<u>1,707,564</u>	<u>1,842,852</u>
Total liabilities and equity	<u><u>9,792,258</u></u>	<u><u>10,490,827</u></u>

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

Condensed Interim Consolidated Statement of Income

	(Millions of yen)	
	Six months ended September 30, 2019 <sup>2</sup>	Six months ended September 30, 2020
Revenue	2,373,104	2,428,427
Cost of sales	(1,201,209)	(1,184,570)
Gross profit	1,171,895	1,243,857
Selling, general and administrative expenses	(631,916)	(654,252)
Other operating income	11,985	-
Operating income	551,964	589,605
Share of losses of associates accounted for using the equity method	(17,330)	(17,431)
Financing income	3,898	3,448
Financing costs	(29,745)	(43,788)
Gain on sales of equity method investments	5,456	-
Profit before income taxes	514,243	531,834
Income taxes	(167,662)	(185,166)
Net income <sup>1</sup>	346,581	346,668
Net income attributable to		
Owners of the Company	327,424	315,104
Non-controlling interests	19,157	31,564
	346,581	346,668
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	68.44	66.35
Diluted earnings per share (Yen)	67.55	65.56

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the six months ended September 30, 2019 and 2020 was generated from continuing operations.
2. As described in “Acquisition of investments in Z Holdings Corporation” 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.

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019 <sup>1</sup>	Six months ended September 30, 2020
Net income	346,581	346,668
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	(1,497)	5,530
Total items that will not be reclassified to profit or loss	(1,497)	5,530
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	704	798
Cash flow hedges	(473)	(535)
Exchange differences on translation of foreign operations	(746)	(783)
Share of other comprehensive income of associates accounted for using the equity method	578	(1)
Total items that may be reclassified subsequently to profit or loss	63	(521)
Total other comprehensive income (loss), net of tax	(1,434)	5,009
Total comprehensive income	345,147	351,677
Total comprehensive income attributable to		
Owners of the Company	326,028	316,988
Non-controlling interests	19,119	34,689
	345,147	351,677

Note:

- As described in “Acquisition of investments in Z Holdings Corporation” 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 the three months ended September 30, 2019 and 2020  
Condensed Interim Consolidated Statement of Income

	Three months ended September 30, 2019	Three months ended September 30, 2020
	(Millions of yen)	
Revenue	1,208,248	1,255,783
Cost of sales	(621,431)	(615,011)
Gross profit	586,817	640,772
Selling, general and administrative expenses	(315,696)	(331,114)
Other operating income	11,985	-
Operating income	283,106	309,658
Share of losses of associates accounted for using the equity method	(11,616)	(8,101)
Financing income	425	791
Financing costs	(17,210)	(27,876)
Profit before income taxes	254,705	274,472
Income taxes	(80,740)	(95,933)
Net income <sup>1</sup>	173,965	178,539
Net income attributable to		
Owners of the Company	162,627	162,965
Non-controlling interests	11,338	15,574
	173,965	178,539
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	34.01	34.29
Diluted earnings per share (Yen)	33.56	33.89

Note:

1. All net income of SoftBank Corp. and its subsidiaries for the three months ended September 30, 2019 and 2020 was generated from continuing operations.

Condensed Interim Consolidated Statement of Comprehensive Income

	Three months ended September 30, 2019	(Millions of yen) Three months ended September 30, 2020
Net income	173,965	178,539
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	(1,008)	2,402
Total items that will not be reclassified to profit or loss	(1,008)	2,402
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(60)	272
Cash flow hedges	215	(724)
Exchange differences on translation of foreign operations	40	(502)
Share of other comprehensive income (loss) of associates accounted for using the equity method	4	(2)
Total items that may be reclassified subsequently to profit or loss	199	(956)
Total other comprehensive income (loss), net of tax	(809)	1,446
Total comprehensive income	173,156	179,985
Total comprehensive income attributable to		
Owners of the Company	161,738	163,176
Non-controlling interests	11,418	16,809
	173,156	179,985



### (3) Condensed Interim Consolidated Statement of Changes in Equity

For the six months ended September 30, 2019

(Millions of yen)

	Equity attributable to owners of the Company							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total			
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 <sup>1</sup>	-	-	(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	-	-	327,424	-	-	327,424	19,157	346,581	
Other comprehensive income (loss)	-	-	-	-	(1,396)	(1,396)	(38)	(1,434)	
Total comprehensive income	-	-	327,424	-	(1,396)	326,028	19,119	345,147	
Transactions with owners and other transactions									
Cash dividends <sup>4</sup>	-	-	(195,771)	-	-	(195,771)	(27,985)	(223,756)	
Purchase of treasury stock	-	-	-	(30,697)	-	(30,697)	-	(30,697)	
Disposition of treasury stock	-	-	-	-	-	-	-	-	
Changes from transactions under common control <sup>2, 3</sup>	-	(245,514)	(254,031)	-	(2,415)	(501,960)	896	(501,064)	
Changes from business combinations	-	-	-	-	-	-	-	-	
Changes in interests in existing subsidiaries	-	(1,768)	-	-	-	(1,768)	6,506	4,738	
Share-based payment transactions	-	3,286	-	-	-	3,286	-	3,286	
Transfer from retained earnings to capital surplus	-	-	-	-	-	-	-	-	
Transfer from accumulated other comprehensive income to retained earnings	-	-	1,921	-	(1,921)	-	-	-	
Other	-	-	-	-	-	-	-	-	
Total transactions with owners and other transactions	-	(243,996)	(447,881)	(30,697)	(4,336)	(726,910)	(20,583)	(747,493)	
As of September 30, 2019	204,309	(132,170)	1,057,207	(30,697)	(1,992)	1,096,657	518,584	1,615,241	

For the six months ended September 30, 2020

(Millions of yen)

	Equity attributable to owners of the Company							Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	
As of April 1, 2020	204,309	(133,915)	1,003,554	(68,709)	(4,693)	1,000,546	707,018	1,707,564
Comprehensive income								
Net income	-	-	315,104	-	-	315,104	31,564	346,668
Other comprehensive income (loss)	-	-	-	-	1,884	1,884	3,125	5,009
Total comprehensive income	-	-	315,104	-	1,884	316,988	34,689	351,677
Transactions with owners and other transactions								
Cash dividends	-	-	(201,499)	-	-	(201,499)	(27,373)	(228,872)
Purchase of treasury stock	-	-	-	-	-	-	-	-
Disposition of treasury stock	-	(13,455)	-	26,069	-	12,614	-	12,614
Changes from transactions under common control	-	-	-	-	-	-	-	-
Changes from business combinations	-	-	-	-	-	-	319	319
Changes in interests in existing subsidiaries	-	(1,095)	-	-	-	(1,095)	1,502	407
Share-based payment transactions	-	(360)	-	-	-	(360)	-	(360)
Transfer from retained earnings to capital surplus	-	13,387	(13,387)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	849	-	(849)	-	-	-
Other	-	(663)	121	0	-	(542)	45	(497)
Total transactions with owners and other transactions	-	(2,186)	(213,916)	26,069	(849)	(190,882)	(25,507)	(216,389)
As of September 30, 2020	204,309	(136,101)	1,104,742	(42,640)	(3,658)	1,126,652	716,200	1,842,852

Notes:

1. Upon adoption of IFRS 16 “Leases,” the cumulative effect of initially applying this standard retrospectively on periods before the six months ended September 30, 2019 was recognized as an adjustment to the opening balance of retained earnings as of April 1, 2019.
2. As described in “Acquisition of investments in Z Holdings Corporation” 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. 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.”

## (4) Condensed Interim Consolidated Statement of Cash Flows

	(Millions of yen)	
	Six months ended September 30, 2019 <sup>1</sup>	Six months ended September 30, 2020
Cash flows from operating activities		
Net income	346,581	346,668
Depreciation and amortization	327,283	342,878
Loss on disposal of property, plant and equipment and intangible assets	4,649	5,876
Gain relating to loss of control over subsidiaries	(11,985)	-
Financing income	(3,898)	(3,448)
Financing costs	29,745	43,788
Share of losses of associates accounted for using the equity method	17,330	17,431
Gain on sales of equity method investments	(5,456)	-
Income taxes	167,662	185,166
(Increase) decrease in trade and other receivables	(29,689)	40,510
(Increase) decrease in inventories	26,613	(23,342)
Purchases of mobile devices leased to enterprise customers	(17,713)	(16,969)
Decrease in trade and other payables	(62,393)	(52,098)
Decrease in consumption taxes payable	(7,648)	(5,000)
Increase in deposits in banking business	51,740	189,085
Other	(117,467)	(102,829)
Subtotal	715,354	967,716
Interest and dividends received	1,662	3,457
Interest paid	(26,396)	(29,163)
Income taxes paid	(130,296)	(273,175)
Income taxes refunded	5,728	117,054
Net cash inflow from operating activities	566,052	785,889
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(223,879)	(249,190)
Proceeds from sales of property, plant and equipment and intangible assets	2,302	972
Payments for acquisition of investments	(35,889)	(126,498)
Proceeds from sales/redemption of investments	25,909	7,108
Purchase of investment securities in banking business	(119,023)	(164,851)
Proceeds from sales/redemption of investment securities in banking business	134,942	123,234
Payments for obtaining control of subsidiaries	-	(9,126)
Other	(3,879)	(7,794)
Net cash outflow from investing activities	(219,517)	(426,145)

	(Millions of yen)	
	Six months ended September 30, 2019 <sup>1</sup>	Six months ended September 30, 2020
Cash flows from financing activities		
Increase in short-term interest-bearing debt, net	400,803	429,056
Proceeds from interest-bearing debt	979,969	1,065,737
Repayment of interest-bearing debt	(705,849)	(1,021,057)
Proceeds from stock issuance to non-controlling interests	4,046	700
Purchase of treasury stock	(30,697)	-
Cash dividends paid	(195,042)	(201,384)
Cash dividends paid to non-controlling interests	(24,598)	(27,355)
Purchase of treasury stock by subsidiaries	(526,826)	-
Decrease from loss of control over subsidiaries	(30,717)	-
Other	(1,227)	(2,096)
Net cash inflow (outflow) from financing activities	(130,138)	243,601
Effect of exchange rate changes on cash and cash equivalents	(421)	(148)
Increase in cash and cash equivalents	215,976	603,197
Cash and cash equivalents at the beginning of the period	938,388	1,143,808
Cash and cash equivalents at the end of the period	1,154,364	1,747,005

Note:

- As described in “Acquisition of investments in Z Holdings Corporation” 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 condensed interim consolidated financial statements are comprised of the Company and its subsidiaries (the “Group”). The parent of the Company is SoftBank Group Japan Corporation (“SBGJ”). The ultimate parent company of the Company is SoftBank Group Corp. (“SBG”).

Effective October 1, 2019, Yahoo Japan Corporation, a subsidiary of the Company, changed its name to Z Holdings Corporation as it transitioned to a holding company structure through a company split (absorption-type company split). All the transactions and events pertaining to Z Holdings Corporation including those which occurred prior to the name change are referred to as those of Z Holdings Corporation in the following notes. Yahoo Japan Corporation hereinafter denotes the entity which absorbed the Yahoo Japan business through the company split.

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, 2020. Income tax expenses for the six months ended September 30, 2020 are calculated based on the estimated annual effective income tax rate. In addition, defined benefit liabilities as of September 30, 2020 are calculated using reasonable estimates based on the results of actuarial calculations as of March 31, 2020.

### 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, 2020.

In addition, there have been no significant changes in the assumptions regarding the coronavirus disease 2019 (COVID-19), such as how COVID-19 will spread and the duration of COVID-19 pandemic and recovery.

#### 4. Business combinations

Six months ended September 30, 2019

##### Acquisition of investments in Z Holdings Corporation

###### a. Summary of acquisition

The Company acquired new shares issued by third-party allotment conducted by Z Holdings Corporation. The purpose of the transaction 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 Z Holdings Corporation based on an integrated strategy so as to maximize synergy. On June 27, 2019, the Company acquired 1,511,478 thousand new shares issued by Z Holdings Corporation for ¥456,466 million.

As a result of this transaction, together with 613,889 thousand shares the Company acquired for ¥221,000 million excluding transaction costs in August 2018, the ratio of voting rights held by the Group in Z Holdings Corporation became 44.6%. In addition, officers from the Company were appointed as members of Z Holdings Corporation's Board of Directors. As a result, Z Holdings Corporation is considered substantially controlled by the Company and became a subsidiary of the Company.

Z Holdings Corporation 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 which 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 transferred companies as if such transaction was executed by the Group on the opening balance sheet date of the comparative period, as part of the condensed interim consolidated financial statements of the Group.

Six months ended September 30, 2020

There are no significant business combinations to be disclosed.

## 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, broadband and electricity 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 electricity services, the Group provides purchase and sale, supply and intermediation of electricity services, including *Ouchidenki*.

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 which are provided via the internet for small to medium-sized businesses and individual customers. The "Media business" comprises planning and sales of internet-based advertising-related services, information listing services, and other corporate services.

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.

As described in "Acquisition of investments in Z Holdings Corporation" 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 SBG or the opening balance sheet date of the comparative period as part of the condensed interim consolidated financial statements of the Company and its subsidiaries, and the following segment information includes the financial information of subsidiaries acquired through common control transactions.

### (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.

## Six months ended September 30, 2019

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	1,328,786	309,224	226,303	473,588	2,337,901	35,203	-	2,373,104
Intersegment revenue or transferred revenue	7,262	4,872	18,815	10,556	41,505	12,984	(54,489)	-
Total	1,336,048	314,096	245,118	484,144	2,379,406	48,187	(54,489)	2,373,104
Segment income	401,616	54,602	11,004	75,661	542,883	8,519	562	551,964
Depreciation and amortization <sup>1</sup>	205,338	79,194	1,423	36,153	322,108	5,175	-	327,283

## Six months ended September 30, 2020

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	1,296,272	331,947	210,375	545,928	2,384,522	43,905	-	2,428,427
Intersegment revenue or transferred revenue	4,984	2,650	24,053	11,296	42,983	18,687	(61,670)	-
Total	1,301,256	334,597	234,428	557,224	2,427,505	62,592	(61,670)	2,428,427
Segment income	406,322	64,560	11,950	98,237	581,069	9,864	(1,328)	589,605
Depreciation and amortization <sup>1</sup>	209,956	79,226	1,770	48,796	339,748	3,130	-	342,878

Note:

1. Depreciation and amortization includes amortization of long-term prepaid expenses which are presented as “Other non-current assets” on the condensed interim consolidated statement of financial position.

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

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Segment income	551,964	589,605
Share of losses of associates accounted for using the equity method	(17,330)	(17,431)
Financing income	3,898	3,448
Financing costs	(29,745)	(43,788)
Gains on sales of equity method investments	5,456	-
Profit before income taxes	514,243	531,834



Three months ended September 30, 2019

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	674,707	156,785	118,624	240,130	1,190,246	18,002	-	1,208,248
Intersegment revenue or transferred revenue	3,271	2,861	10,076	5,380	21,588	6,885	(28,473)	-
Total	677,978	159,646	128,700	245,510	1,211,834	24,887	(28,473)	1,208,248
Segment income	195,879	26,461	5,725	39,497	267,562	15,615	(71)	283,106
Depreciation and amortization <sup>1</sup>	103,101	39,352	737	18,328	161,518	1,722	-	163,240

Three months ended September 30, 2020

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	673,351	170,668	110,768	277,696	1,232,483	23,300	-	1,255,783
Intersegment revenue or transferred revenue	2,476	1,406	13,803	5,648	23,333	9,784	(33,117)	-
Total	675,827	172,074	124,571	283,344	1,255,816	33,084	(33,117)	1,255,783
Segment income	216,948	33,289	6,446	47,604	304,287	6,054	(683)	309,658
Depreciation and amortization <sup>1</sup>	105,582	39,893	889	24,062	170,426	1,613	-	172,039

Note:

1. Depreciation and amortization includes amortization of long-term prepaid expenses which are presented as “Other non-current assets” on 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 September 30, 2019	Three months ended September 30, 2020
Segment income	283,106	309,658
Share of losses of associates accounted for using the equity method	(11,616)	(8,101)
Financing income	425	791
Financing costs	(17,210)	(27,876)
Profit before income taxes	254,705	274,472

## 6. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2020	(Millions of yen) As of September 30, 2020
<b>Current</b>		
Short-term borrowings	577,371	867,565
Commercial papers	100,000	145,101
Current portion of long-term borrowings	758,522	798,634
Current portion of lease liabilities	365,202	323,844
Current portion of corporate bonds	10,000	10,000
Current portion of installment payables	186	156
Total	1,811,281	2,145,300
<b>Non-current</b>		
Long-term borrowings	2,212,677	2,222,374
Lease liabilities	673,694	657,446
Corporate bonds	384,327	683,828
Installment payables	273	193
Total	3,270,971	3,563,841

## 7. Equity

Changes in treasury stock are as follows:

	Six months ended September 30, 2019	(Thousands of shares) Six months ended September 30, 2020
Balance at the beginning of the period	-	46,000
Increase during the period <sup>1</sup>	20,470	-
Decrease during the period <sup>2</sup>	-	(17,453)
Balance at the end of the period	20,470	28,547

Note:

- For the six months ended September 30, 2019, due to a purchase of treasury stock under the resolution passed at the Board of Directors' meeting held on July 24, 2019, the number of treasury stock increased by 20,470 thousand (amount purchased ¥30,697 million).
- For the six months ended September 30, 2020, mainly due to the exercise of stock acquisition rights, the number of treasury stock decreased by 17,453 thousand. As a result, "Treasury stock" decreased by ¥26,069 million and a loss on disposal of treasury stock of ¥13,455 million is recognized as a decrease in "Capital surplus", of which ¥13,387 million is transferred from "Retained earnings".

## 8. Dividends

Dividends paid are as follows:

The Company

Six months ended September 30, 2019

(1) Dividends paid

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on May 21, 2019	Common stock	37.50	179,518	March 31, 2019	June 10, 2019

(2) Dividends whose record date is in the six months ended September 30, 2019 but whose effective date is after September 30, 2019

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on October 28, 2019	Common stock	42.50	202,584	September 30, 2019	December 6, 2019

Six months ended September 30, 2020

(1) Dividends paid

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on May 21, 2020	Common stock	42.50	201,499	March 31, 2020	June 10, 2020

(2) Dividends whose record date is in the six months ended September 30, 2020 but whose effective date is after September 30, 2020

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on October 26, 2020	Common stock	43.00	204,620	September 30, 2020	December 25, 2020

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 condensed interim consolidated financial statements of the Group. As a result, the following dividends paid by Z Holdings Corporation before the date of the transaction under common control are included in "Cash dividends" in the condensed interim consolidated statement of changes in equity.

Z Holdings Corporation

Six months ended September 30, 2019

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)<sup>1</sup></u>	<u>Record date</u>	<u>Effective date</u>
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.

Six months ended September 30, 2020

There are no significant dividends paid to be disclosed.

## 9. Revenue

The disaggregation of revenue is as follows:

	(Millions of yen)	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Consumer business		
Service revenues <sup>4</sup>		
Mobile communications	840,953	841,526
Broadband	190,456	195,900
Electricity <sup>5</sup>	28,645	47,437
Revenues from sales of goods and others <sup>5</sup>	268,732	211,409
Subtotal	1,328,786	1,296,272
Enterprise business		
Mobile communications <sup>3</sup>	134,560	146,876
Fixed-line	96,947	93,320
Business solution services and others <sup>3</sup>	77,717	91,751
Subtotal	309,224	331,947
Distribution business	226,303	210,375
Yahoo business		
Commerce <sup>6</sup>	324,414	404,206
Media <sup>6</sup>	148,158	141,188
Other	1,016	534
Subtotal	473,588	545,928
Other	35,203	43,905
Total	2,373,104	2,428,427

Notes:

- The components of revenue represent sales to external customers.
- The components of revenue include revenues from other sources, excluding those arising from IFRS 15 “Revenue from Contracts with Customers” (mainly from Enterprise business leases). Revenues from other sources for the six months ended September 30, 2019 and 2020 were ¥52,762 million and ¥57,530 million, respectively.
- Mobile communications and business solution services and others within the Enterprise business include service revenues and revenues from sales of goods and others. Service revenues for the six months ended September 30, 2019 and 2020 were ¥166,804 million and ¥188,628 million, respectively. Revenues from sales of goods and others for the six months ended September 30, 2019 and 2020 were ¥45,473 million and ¥49,999 million, respectively.
- “Telecommunications service revenues” under “Consumer business” changed its name to “Service Revenues.”
- “Electricity”, which was included in “Revenues from sales of goods and others” under “Consumer business” for the six months ended September 30, 2019, is presented as a separate item from the six months ended September 30, 2020 due to an increase in materiality. In order to reflect this change, reclassification has been made in the components of revenue for the six months ended September 30, 2019. As a result, for the six months ended September 30, 2019, “Revenues from sales of goods and others” under “Consumer business” has been reclassified as “Electricity” of ¥28,645 million and “Revenues from sales of goods and others” of ¥268,732 million.
- In the “Yahoo business”, some services and subsidiaries are transferred from “Commerce business” to “Media business” to focus on providing efficient services and respond to rapid change in market. As a result, the components of revenue are restated for the six months ended September 30, 2019.

## 10. Earnings per share

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

Six months ended September 30, 2019 and 2020

### (1) Basic earnings per share

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	327,424	315,104
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,784,392	4,748,880
Basic earnings per share (Yen)	68.44	66.35

### (2) Diluted earnings per share

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	327,424	315,104
Effect of dilutive securities issued by subsidiaries and associates	(5)	(4)
Total	327,419	315,100
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	4,784,392	4,748,880
Increase in the number of shares of common stock due to stock acquisition rights	63,023	57,663
Total	4,847,415	4,806,543
Diluted earnings per share (Yen)	67.55	65.56

Three months ended September 30, 2019 and 2020

(1) Basic earnings per share

	Three months ended September 30, 2019	Three months ended September 30, 2020
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	162,627	162,965
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,781,669	4,752,447
Basic earnings per share (Yen)	34.01	34.29

(2) Diluted earnings per share

	Three months ended September 30, 2019	Three months ended September 30, 2020
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	162,627	162,965
Effect of dilutive securities issued by subsidiaries and associates	(2)	(2)
Total	162,625	162,963
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	4,781,669	4,752,447
Increase in the number of shares of common stock due to stock acquisition rights	64,742	55,922
Total	4,846,411	4,808,369
Diluted earnings per share (Yen)	33.56	33.89

11. Subsequent events

There are no significant subsequent events to be disclosed.