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## Consolidated Financial Report For the Nine Months Ended December 31, 2020 (IFRS)

February 4, 2021

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 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>Nine months ended December 31, 2020</b>	<b>3,807,035</b>	<b>5.2</b>	<b>841,583</b>	<b>5.8</b>	<b>746,201</b>	<b>2.3</b>	<b>485,498</b>	<b>3.5</b>	<b>433,770</b>	<b>(0.7)</b>	<b>542,952</b>	<b>16.0</b>
Nine months ended December 31, 2019	3,617,960	4.7	795,127	9.0	729,597	8.0	469,165	3.5	436,637	3.1	468,240	6.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Nine months ended December 31, 2020</b>	<b>91.47</b>	<b>90.43</b>
Nine months ended December 31, 2019	91.45	90.24

(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 December 31, 2020</b>	<b>10,821,730</b>	<b>1,767,636</b>	<b>1,015,119</b>	<b>9.4</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	5,100,000	4.9	970,000	6.4	490,000	3.6	103.33

#### Notes

(1) Revision to the forecast on financial results: Yes

For details, refer to “(4) Forecasts” under “1. Results of Operations” on page 16 of the appendix to this consolidated financial report

(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 December 31, 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 December 31, 2020 81,477,300 shares

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

[3] Average number of shares outstanding during the period

Nine months ended December 31, 2020 4,741,957,479 shares

Nine months ended December 31, 2019 4,774,461,545 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 16 of the appendix to this consolidated financial report

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

On Thursday, February 4, 2021 (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. 14
(3) Overview of Consolidated Cash Flows .....	p. 15
(4) Forecasts .....	p. 16
2. Notes to Summary Information .....	p. 17
(1) Significant Changes in Scope of Consolidation for the Nine Months Ended December 31, 2020 .....	p. 17
(2) Changes in Accounting Policies and Accounting Estimates .....	p. 17
3. Condensed Interim Consolidated Financial Statements and Primary Notes .....	p. 18
(1) Condensed Interim Consolidated Statement of Financial Position .....	p. 18
(2) Condensed Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income .....	p. 20
(3) Condensed Interim Consolidated Statement of Changes in Equity .....	p. 24
(4) Condensed Interim Consolidated Statement of Cash Flows .....	p. 26
(5) Notes on Going Concern Assumption .....	p. 28
(6) Notes to Condensed Interim Consolidated Financial Statements .....	p. 28

## 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
<b>Reportable segments</b>		
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. <sup>3</sup> 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.

3. On February 1, 2021, One Tap BUY Co., Ltd. changed its trade name to PayPay Securities Corporation.

## 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 an unprecedented period of transformation due to advances in digital technology and the unexpected outbreak of COVID-19. In other words, in the nine months ended December 31, 2020, business sentiment among Japanese companies was extremely uncertain and experienced a deterioration due to the impact of the outbreak of COVID-19. Meanwhile, the shift to a new normal in daily life, such as telework, online shopping, and contactless payment, progressed almost compulsorily, and the need to use digital technologies to support society was reaffirmed. Going forward, with the rapid penetration of AI<sup>1</sup>, IoT<sup>2</sup> and big data utilization 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. The commercialization of 5G (fifth-generation mobile communications system), which has the advantages of ultra-high speed, large capacity, low latency, and massive machine type communications, 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 platformers continue to dominate the market, and competition is intensifying, particularly in the fields of e-commerce, finance (FinTech) and payments.

Guided by its corporate philosophy of "Information Revolution—Happiness for everyone," the Group has been aiming 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 six 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 sustainable growth by leveraging digitalization technology, the Group has been implementing the *Beyond Carrier* strategy since its listing. 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. By pursuing this strategy, the Group now has one of the largest telecommunications networks in Japan, internet media, and smartphone payment platforms. In addition, completion of the business integration of LINE Corporation that is expected in March 2021 will add Japan's largest messaging app platform. By combining these diverse strengths, the Group will create a post-corona future that cannot be imitated by anyone.

Under this strategy, the ratios of mobile communications charge revenue and mobile communications charge profit<sup>4</sup> to the Group's consolidated revenue and consolidated operating income are declining year by year, and revenue sources are becoming increasingly diverse. 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.

#### Telecommunications

In December 2020, the Company announced the launch of a new, online exclusive brand under the service concept of "SoftBank on LINE." The Company is providing services aligned to customers' diversifying 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 new, online exclusive brand.

In March 2021, the Company will launch the new, online exclusive brand, as well as a 4G/5G service plan that provides a 20GB monthly data allowance at a monthly price of ¥2,980 (excluding tax). Under the service concept of "SoftBank on LINE," the new brand provides unlimited use of the messaging app LINE without consumption of the monthly data allowance<sup>5</sup>. It will also enable a variety of procedures to be performed on LINE. Following the planned business integration between Z Holdings and LINE Corporation in March 2021 ("Business Integration")<sup>6</sup>, this will be achieved through new telecommunications services utilizing the LINE platform. The Company will consider making LINE MOBILE Corporation, an MVNO service provider, a wholly owned subsidiary and then implementing an absorption-type merger.

In addition, the Company will provide even more appealing services to its customers through *PayPay*, a mobile payment service offered by the Group company PayPay Corporation, and the collaboration with Z Holdings, which has Yahoo Japan under its wing.

In the nine months ended December 31, 2020, under the *SoftBank* brand, following the trend from the previous fiscal year, the *Smartphone Debut Plan* continued to perform favorably. In October 2020, the Company began sales of the 5G-compatible iPhone 12 series. As a result, the number of smartphone subscribers as of December 31, 2020 increased by 1,276 thousand from March 31, 2020. In broadband services, the Company has seen steady growth in the number of subscribers of *SoftBank Hikari*, a high-speed internet connection service for households, with an increase of 451 thousand from March 31, 2020.

The advancement of digital technologies has led to digital transformation of companies and industries as companies respond to dramatic changes in their business environments. As mentioned earlier, this movement has been rather accelerated by the COVID-19 crisis.

In response to these changes, in December 2020, the Company and its subsidiary IDC Frontier Inc. began operation of a large-scale data center that responds to the demand of major cloud service providers (hyperscalers). This data center is located in Tokyo and is a hyperscale data center that provides large-scale power-receiving capacity and abundant space to meet the recent growing demand for cloud services and the diverse demands of the AI and IoT era. It is the largest data center<sup>7</sup> owned by both companies. The data center continues to provide high-quality IT platforms tailored to the business needs of enterprise customers, such as data hall services not only on a rack-by-rack basis but also on a room-by-room basis and co-location services<sup>8</sup> that respond to the high load of electricity<sup>9</sup>.

## 5G

In March 2020, the Company launched 5G commercial services and harnesses this technology to offer VR/AR<sup>10</sup> and cloud gaming services. In October 2020, changes to existing spectrum openings were certified, allowing spectrum for 4G that was allocated for current mobile phones to be converted to 5G. In conjunction with the newly allocated 5G spectrum, the Company further accelerates the expansion of 5G area.

In the same month, the Company agreed with Dell Technologies Japan Inc. and VMware, K.K. to build a 5G infrastructure that utilizes the cloud infrastructure of Dell Technologies Japan Inc. and the virtualization technologies of VMware, K.K. In recent years, the need for digitization, such as business process automation and data utilization, has been increasing year by year in response to issues such as labor shortages in each industry. To further accelerate various initiatives aimed at resolving social issues through the use of 5G, the Company will provide more flexible and higher-quality telecommunications services by virtualizing the telecommunications infrastructure through collaboration with Dell Technologies Japan Inc. and VMware, K.K.

## 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<sup>11</sup> field by utilizing its customer base and other assets as a telecommunications carrier. The 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 collaboration with Z Holdings to maximize synergies.

The Company positions the Business Integration with LINE Corporation announced by Z Holdings 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. Following the completion of the joint tender offer for shares of LINE Corporation, LINE Corporation shares were delisted on the First Section of the Tokyo Stock Exchange on December 29, 2020. At the same time, American Depositary Receipts listed on the New York Stock Exchange were also delisted on December 28, 2020 (local time). The effective date of the share exchange conducted as a part of a series of transactions to achieve the Business Integration is scheduled for March 1, 2021.

In the nine months ended December 31, 2020, in November 2020, Yahoo Japan began offering a new feature on the online shopping mall *PayPay Mall* that enables users to purchase items from physical shop inventories online and receive them at physical shops in their neighborhood or by delivery. In addition to offering users a wider selection, the new feature offers merchants an opportunity to entice more users to visit physical shops and purchase additional items if they choose to receive purchases at physical shops, leading to an increase in sales.

The Z Holdings Group is promoting the *X (Cross) Shopping* initiative, which aims to realize a world in which online shops and physical shops are seamlessly connected, users can find and purchase items from physical shop inventories online and receive them via their preferable way, and physical shops can sell goods not only at their store front but also online. In line with the initiative, the Z Holdings Group aims to further improve the convenience of *PayPay Mall*.

Additionally, in December 2020, Yahoo Japan and Mysurance Inc., which is a subsidiary of Sompo Japan Insurance Inc. and offers small-amount and short-term insurance, began offering *Travel Cancellation Insurance*, which covers cancellation fees for travel reservations to subscribers of *Yahoo Pack*<sup>12</sup> of *Yahoo! JAPAN Travel*, an internet travel reservation service operated by Yahoo Japan, and *Flight Delay Insurance*, which is the first in the industry and allows *Yahoo Pack* subscribers to receive insurance benefits for costs incurred due to announcements of delays or cancellations of flights during waiting hours at airports at the earliest. Going forward, Yahoo Japan and Mysurance Inc. continue to strive to provide services that enable customers to feel new experiences.

## Expansion of Non-Telecom Businesses

Looking at the expansion of non-telecom 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 non-telecom 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

As of December 31, 2020, the number of cumulative *PayPay* registered users reached approximately 35 million. In the three months ended December 31, 2020, the number of payments increased to approximately 500 million, more than 1.7 times that in the same period of the previous fiscal year. *PayPay* continues to perform steadily.

In addition to simply increasing the number of users, PayPay Corporation is taking the following steps to provide merchants and partners with business opportunities using the payment platform *PayPay*.

In October 2020, PayPay Corporation published an open API<sup>13</sup> for *PayPay Mini Apps*<sup>14</sup> within *PayPay for Developers*<sup>15</sup> a tool for developers. Using this open API, app developers can integrate *PayPay* as a payment system in their e-commerce service and develop their service as a mini app to acquire new customers or increase users. In December 2020, PayPay Corporation began offering a function that allows merchants to distribute their own *PayPay Coupons* (total payment amount type) to *PayPay* users from *PayPay My Store* within *PayPay for Business*, a management system for merchants. This enables small private retailers in town to easily distribute their own coupons to *PayPay* users. PayPay Corporation continues to expand the functions of *PayPay My Store* to enhance customer attraction and contribute to the sales growth of merchants.

PayPay Corporation continues to collaborate with the Group and the Z Holdings Group with the aim of evolving *PayPay* from a "payment app" into a "super app" that makes users' lives richer and more convenient, fostering a world view of "Anytime, Anywhere with *PayPay*."

## MeeTruck K. K.

In October 2020, the Company and NIPPON EXPRESS CO., LTD. began offering a cloud-based vehicle allocation support service for logistics companies responsible for truck transportation through MeeTruck K. K., which was jointly established in April 2020 to support digital transformation in the logistics industry. The logistics industry faces a variety of challenges, including a shortage of drivers and a sharp increase in cargo volume accompanied by the rapid expansion of e-commerce. MeeTruck K. K. aims to solve these challenges by utilizing technology. This vehicle allocation support service allows anyone to easily register orders for transportation operations, assign trucks, and create a work plan on a web application regardless of location or time, with centrally managed digital data. Going forward, MeeTruck K. K. aims to develop and improve services flexibly and continuously based on the requests of service users, expand functions, and utilize AI and other cutting-edge technologies to provide higher-quality services.

## MONET Technologies Inc.

In October 2020, MONET Technologies Inc. began accepting participation in MONET LABO, a paid program for members of the MONET Consortium<sup>16</sup> to accelerate business development of MaaS<sup>17</sup>. MONET Technologies Inc. provides workshops and support from professional mentors, as well as opportunities for matching municipalities and companies, in a package to help members quickly realize their MaaS businesses.

## 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. Mobile communications charge mainly consists of basic monthly charges, flat-rate voice call charges, and flat-rate data charges and does not include optional services such as *Backup Service Package* and *Security Pack*.
5. Data consumption related to usage of *LINE talk*, *LINE call*, etc. will not consume the monthly data allowance. Certain services of *LINE* may not be subject to unlimited use, and due to technical factors, some data consumption may not be subject to unlimited use.
6. The Business Integration is subject to the satisfaction of other preconditions specified in the definitive business integration agreement.
7. The total floor space of each of the 20 data centers owned by both companies is compared.
8. Co-location services are services that support maintenance and operation by entrusting server and other customer equipment to data centers with superior earthquake resistance and power supply.
9. It is capable of handling high density and high power loads of up to 20 kilovolt-amperes (kVA) per rack.
10. VR stands for virtual reality. AR stands for augmented reality.
11. 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.
12. *Yahoo Pack* is an agent-organized tour product that allows travelers to freely combine domestic accommodations and airline tickets.
13. API stands for application programming interface and is a mechanism used to build and integrate applications and software.
14. A mini app is a feature that allows users access to services provided by PayPay Corporation's partners, such as reserving a service or ordering/paying for a product, all within the *PayPay* app without having to download an app for the specific service.
15. *PayPay for Developers* is a tool for developers, making it much easier for online services to integrate *PayPay* as a payment system in their e-commerce service or app.
16. As of the end of December 2020, 641 companies and organizations were members of the MONET Consortium.
17. 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.

## b. Consolidated Results of Operations

(Millions of yen)

	Nine Months Ended December 31		Change	Change %
	2019	2020		
Revenue	3,617,960	<b>3,807,035</b>	189,075	5.2%
Operating income	795,127	<b>841,583</b>	46,456	5.8%
Profit before income taxes	729,597	<b>746,201</b>	16,604	2.3%
Income taxes	(260,432)	<b>(260,703)</b>	(271)	0.1%
Net income	469,165	<b>485,498</b>	16,333	3.5%
Net income attributable to:				
Owners of the Company	436,637	<b>433,770</b>	(2,867)	(0.7) %
Non-controlling interests	32,528	<b>51,728</b>	19,200	59.0
Adjusted EBITDA <sup>1</sup>	1,290,877	<b>1,380,591</b>	89,714	6.9%

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 nine months ended December 31, 2020 is as follows:

### (a) Revenue

For the nine months ended December 31, 2020, revenue increased by ¥189,075 million (5.2%) year on year to ¥3,807,035 million, with increases seen in all segments. Revenue increased by ¥36,868 million in the Enterprise segment mainly due to increased demand for telework-related solutions, by ¥114,203 million in the Yahoo segment mainly due to an increase in e-commerce transaction value, by ¥8,438 million in the Consumer segment due to an increase in service revenues, and by ¥16,027 million in the Distribution segment due to large-scale ICT project orders from the municipalities.

### (b) Operating income

For the nine months ended December 31, 2020, operating income increased by ¥46,456 million (5.8%) year on year to ¥841,583 million, with increases seen in all segments. Operating income increased by ¥16,037 million in the Enterprise segment, ¥18,684 million in the Yahoo segment, ¥7,542 million in the Consumer segment, and ¥3,587 million in the Distribution segment.

### (c) Net income

For the nine months ended December 31, 2020, net income increased by ¥16,333 million (3.5%) year on year to ¥485,498 million. While there was an increase in operating income, this was partially offset mainly by an increase in financing costs of ¥17,112 million mainly due to the losses on valuation of investment securities held by the Company and an increase in impairment loss on equity method investments of ¥13,879 million that was associated with treatment of impairment loss equivalent to goodwill of WeWork Japan GK

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

For the nine months ended December 31, 2020, net income attributable to owners of the Company decreased by ¥2,867 million (0.7%) year on year to ¥433,770 million, due to an increase in net income attributable to non-controlling interests that exceeded an increase in net income. For the nine months ended December 31, 2020, net income attributable to non-controlling interests increased by ¥19,200 million (59.0%) year on year to ¥51,728 million, mainly due to an increase in earnings at the Z Holdings Group.

### (e) Adjusted EBITDA

For the nine months ended December 31, 2020, adjusted EBITDA increased by ¥89,714 million (6.9%) year on year to ¥1,380,591 million. The increase mainly reflects the increase in depreciation and amortization mainly due to amortization of recognized intangible assets arising from the acquisition of ZOZO, Inc. shares, in addition to 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	December 31, 2020	(Thousands) Change
Total	45,778	<b>46,878</b>	1,100
Main subscribers*	36,499	<b>37,497</b>	999
Smartphones	24,134	<b>25,409</b>	1,276
Communication modules and others	7,663	<b>8,294</b>	630
PHS	1,616	<b>1,087</b>	(529)

Net Additions	Nine Months Ended December 31		(Thousands) Change
	2019	2020	
Main subscribers*	1,186	<b>999</b>	(187)
Smartphones	1,401	<b>1,276</b>	(125)

Churn Rate and Total ARPU		Three Months Ended December 31		Change
		2019	2020	
Main subscribers*	Churn rate	0.86%	<b>0.96%</b>	+0.10pp
	Total ARPU (yen)	4,440	<b>4,300</b>	(140)
	ARPU before discount (yen)	5,100	<b>4,710</b>	(390)
	Discount on ARPU (yen)	(660)	<b>(420)</b>	240
Smartphones	Churn rate	0.53%	<b>0.68%</b>	+0.15pp

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	December 31, 2020	(Thousands) Change
Total	7,846	<b>8,119</b>	274
<i>SoftBank Hikari</i>	6,387	<b>6,838</b>	451
<i>Yahoo! BB Hikari with FLET's</i>	786	<b>715</b>	(71)
<i>Yahoo! BB ADSL</i>	673	<b>567</b>	(107)

<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)			
	Nine Months Ended December 31			
	2019	2020	Change	Change %
Revenue	2,035,899	<b>2,044,337</b>	8,438	0.4%
Segment income	567,543	<b>575,085</b>	7,542	1.3%
Depreciation and amortization	311,728	<b>316,982</b>	5,254	1.7%

#### Breakdown of Revenue

	(Millions of yen)			
	Nine Months Ended December 31			
	2019	2020	Change	Change %
Service revenues	1,606,865	<b>1,639,804</b>	32,939	2.0%
Mobile communications	1,274,610	<b>1,266,638</b>	(7,972)	(0.6)%
Broadband	286,633	<b>297,003</b>	10,370	3.6%
Electricity	45,622	<b>76,163</b>	30,541	66.9%
Revenues from sales of goods and others	429,034	<b>404,533</b>	(24,501)	(5.7)%
Total revenue	2,035,899	<b>2,044,337</b>	8,438	0.4%

Note: In the nine months ended December 31, 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 nine months ended December 31, 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 increased by ¥8,438 million (0.4%) year on year to ¥2,044,337 million. Within Consumer segment revenue, service revenues increased by ¥32,939 million (2.0%) year on year to ¥1,639,804 million, and revenues from sales of goods and others declined by ¥24,501 million (5.7%) year on year to ¥404,533 million.

Within service revenues, mobile communications revenue decreased by ¥7,972 million (0.6%) 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, even though an increase in smartphone subscribers led by the *Y!mobile* brand contributed to a revenue increase, in addition to recording of revenue due to a reversal of contract liabilities related to *Half-Price Support*. As a result, mobile communications revenue decreased year on year.

Broadband revenue increased by ¥10,370 million (3.6%) year on year. This increase was mainly due to an increase in subscribers to the *SoftBank Hikari* fiber-optic service. Electricity revenue increased by ¥30,541 million (66.9%) 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 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 ¥1,469,252 million, an increase of ¥896 million (0.1%) year on year. This increase was mainly due to an increase in the cost of products for the *Ouchi Denki (Home Electricity)* service, while there was a decline in sales commissions due to the impact of amendments to the Telecommunications Business Act and also a decrease in the cost of products in connection with an increase in the sales mix of relatively low-cost mobile devices.

As a result, segment income increased by ¥7,542 million (1.3%) year on year to ¥575,085 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)			
	Nine Months Ended December 31			
	2019	2020	Change	Change %
Revenue	470,895	<b>507,763</b>	36,868	7.8%
Segment income	77,063	<b>93,100</b>	16,037	20.8%
Depreciation and amortization	118,041	<b>119,870</b>	1,829	1.5%

#### Breakdown of Revenue

	(Millions of yen)			
	Nine Months Ended December 31			
	2019	2020	Change	Change %
Mobile	206,025	<b>227,045</b>	21,020	10.2%
Fixed-line	146,470	<b>141,978</b>	(4,492)	(3.1) %
Business solution and others	118,400	<b>138,740</b>	20,340	17.2%
Total revenue	470,895	<b>507,763</b>	36,868	7.8%

Enterprise segment revenue increased by ¥36,868 million (7.8%) year on year to ¥507,763 million. Mobile revenue increased by ¥21,020 million (10.2%) to ¥227,045 million, fixed-line revenue decreased by ¥4,492 million (3.1%) to ¥141,978 million, and business solution and others revenue increased by ¥20,340 million (17.2%) to ¥138,740 million.

The increase in mobile revenue was mainly due to an increase in smartphone subscribers following growing demand for telework, etc.

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 ¥414,663 million, an increase of ¥20,831 million (5.3%) 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 ¥16,037 million (20.8%) year on year to ¥93,100 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)			
	Nine Months Ended December 31		Change	Change %
	2019	2020		
Revenue	363,730	<b>379,757</b>	16,027	4.4%
Segment income	16,051	<b>19,638</b>	3,587	22.3%
Depreciation and amortization	2,175	<b>2,683</b>	508	23.4%

Distribution segment revenue increased by ¥16,027 million (4.4%) year on year to ¥379,757 million. This was mainly due to large-scale project orders from the municipalities and solid growth in the focused subscription services such as cloud and SaaS.

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 ¥360,119 million, an increase of ¥12,440 million (3.6%) year on year. This increase was mainly due to an increase in costs of products in connection with the abovementioned increase in revenue.

As a result, segment income increased by ¥3,587 million (22.3%) year on year to ¥19,638 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)			
	Nine Months Ended December 31		Change	Change %
	2019	2020		
Revenue	759,613	<b>873,816</b>	114,203	15.0%
Segment income	123,542	<b>142,226</b>	18,684	15.1%
Depreciation and amortization	58,330	<b>74,357</b>	16,027	27.5%

#### Breakdown of Revenue

	(Millions of yen)			
	Nine Months Ended December 31		Change	Change %
	2019	2020		
Commerce	529,383	<b>641,224</b>	111,841	21.1%
Media	226,403	<b>230,486</b>	4,083	1.8%
Other	3,827	<b>2,106</b>	(1,721)	(45.0)%
Total	759,613	<b>873,816</b>	114,203	15.0%

Note: In the nine months ended December 31, 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 nine months ended December 31, 2019 has been restated.

Yahoo segment revenue increased by ¥114,203 million (15.0%) year on year to ¥873,816 million. Commerce revenue increased by ¥111,841 million (21.1%) to ¥641,224 million, media revenue increased by ¥4,083 million (1.8%) to ¥230,486 million, and other revenue decreased by ¥1,721 million (45.0%) to ¥2,106 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 transaction value in existing commerce services.

The increase in media revenue reflected an increase in display advertising revenue in connection with increased media service traffic due to the impact of the COVID-19 outbreak and multiple product improvement measures.

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 ¥731,590 million, an increase of ¥95,519 million (15.0%) 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 ¥18,684 million (15.1%) year on year to ¥142,226 million.



## (2) Overview of Consolidated Financial Position

(Millions of yen)

	March 31, 2020	December 31, 2020	Change	Change %
Current assets	3,364,303	<b>4,105,765</b>	741,462	22.0%
Non-current assets	6,427,955	<b>6,715,965</b>	288,010	4.5%
Total assets	9,792,258	<b>10,821,730</b>	1,029,472	10.5%
Current liabilities	4,496,609	<b>4,905,394</b>	408,785	9.1%
Non-current liabilities	3,588,085	<b>4,148,700</b>	560,615	15.6%
Total liabilities	8,084,694	<b>9,054,094</b>	969,400	12.0%
Total equity	1,707,564	<b>1,767,636</b>	60,072	3.5%

### ASSETS

Total assets amounted to ¥10,821,730 million as of December 31, 2020, an increase of ¥1,029,472 million (10.5%) from the previous fiscal year-end. This mainly reflected an increase of ¥547,615 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 as well as an increase of ¥278,546 million in trade and other receivables primarily due to an increase in assets under management in the banking business.

### LIABILITIES

Total liabilities amounted to ¥9,054,094 million as of December 31, 2020, an increase of ¥969,400 million (12.0%) from the previous fiscal year-end. This was mainly due to an increase in interest-bearing debt. While raising the funds through securitization of receivables to secure liquidity on hand, the Company issued ¥220,000 million and Z Holdings issued ¥200,000 million in unsecured bonds for the purpose of loan repayments.

### EQUITY

Total equity amounted to ¥1,767,636 million as of December 31, 2020, an increase of ¥60,072 million (3.5%) from the previous fiscal year-end. The change was mainly from an increase of ¥485,498 million due to the recording of net income for the nine months ended December 31, 2020 and an increase of ¥57,454 million due to an increase in accumulated other comprehensive income mainly due to the recording of changes in the fair value of equity instruments at FVTOCI, while there was a decrease of ¥436,520 million due to cash dividends and a decrease of ¥66,857 million due to the share buyback program.

### (3) Overview of Consolidated Cash Flows

(Millions of yen)

	Nine Months Ended December 31		Change
	2019	2020	
Net cash inflow from operating activities	793,104	<b>1,038,975</b>	245,871
Net cash outflow from investing activities	(729,464)	<b>(538,912)</b>	190,552
Net cash inflow (outflow) from financing activities	177,838	<b>47,886</b>	(129,952)
Cash and cash equivalents at the end of the period	1,179,642	<b>1,691,423</b>	511,781
Free cash flow	63,640	<b>500,063</b>	436,423
Effect of securitization of installment sales receivables	81,806	<b>30,620</b>	(51,186)
Adjusted free cash flow <sup>1</sup>	145,446	<b>530,683</b>	385,237
Capital expenditures (acceptance basis, including the Z Holdings Group)	361,140	<b>475,886</b>	114,746
Capital expenditures (acceptance basis, excluding the Z Holdings Group) <sup>2</sup>	216,947	<b>260,646</b>	43,699

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 nine months ended December 31, 2020, the net cash inflow from operating activities was ¥1,038,975 million, an increase of ¥245,871 million year on year. This mainly reflected an increase in deposits in the banking business.

#### b. Cash flows from investing activities

In the nine months ended December 31, 2020, the net cash outflow from investing activities was ¥538,912 million. When compared year on year, there was payment for the acquisition of control of a subsidiary associated with the consolidation of ZOZO, Inc. in the same period of the previous fiscal year, but there was no such payment in the nine months ended December 31, 2020, although there was payment for share acquisition related to the joint tender offer for shares of LINE Corporation and an increase in payment for the purchases of property, plant and equipment and intangible assets. As a result, the net cash outflow from investing activities decreased by ¥190,552 million year on year.

#### c. Cash flows from financing activities

In the nine months ended December 31, 2020, the net cash inflow from financing activities was ¥47,886 million. The cash inflow was mainly due to short-term fund procurement to secure liquidity on hand and the issuance of unsecured bonds by the Company amounting to ¥220,000 million and by Z Holdings amounting to ¥200,000 million for the purpose of loan repayments. The cash outflow was mainly due to scheduled payment of the long-term loan, repayment of ¥400,000 million bridge loan raised in the same period of the previous fiscal year for the ZOZO, Inc. tender offer, and payment of ¥391,736 million for cash dividends. The net cash inflow from financing activities decreased by ¥129,952 million year on year mainly due to the aforementioned loan for the ZOZO, Inc. tender offer in the same period of the previous fiscal 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 December 31, 2020 were ¥1,691,423 million, an increase of ¥511,781 million year on year.

#### e. Adjusted free cash flow

In the nine months ended December 31, 2020, adjusted free cash flow was positive ¥530,683 million, an increase of ¥385,237 million year on year. This mainly reflects the aforementioned increase in net cash inflow from operating activities and the decrease in net cash outflow from investing activities.

#### f. Capital expenditures

In the nine months ended December 31, 2020, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥475,886 million, an increase of ¥114,746 million year on year. This increase was mainly due to an increase in right-of-use assets associated

with the new lease contract for the new Takeshiba Headquarters and an increase in capital investments in 5G equipment and data centers.

#### **(4) Forecasts**

The full-year consolidated results forecasts have been upwardly revised to revenue of ¥5,100,000 million, an increase of ¥200,000 million year on year, operating income of ¥970,000 million, an increase of ¥50,000 million year on year, and net income attributable to owners of the Company of ¥490,000 million, an increase of ¥5,000 million year on year. This reflects an increase in business solution and others revenue mainly due to growing demand for telework, etc. in the Enterprise segment, an increase in transaction value in e-commerce services in the Yahoo segment, a solid increase in smartphone subscribers in the Consumer and Enterprise segments, and large-scale project orders from the municipalities in the Distribution segment.

## 2. Notes to Summary Information

### (1) Significant Changes in Scope of Consolidation for the Nine Months Ended December 31, 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 December 31, 2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	1,143,808	1,691,423
Trade and other receivables	1,800,301	2,078,846
Other financial assets	94,906	95,419
Inventories	96,896	149,097
Other current assets	228,392	90,980
Total current assets	3,364,303	4,105,765
Non-current assets		
Property, plant and equipment	986,095	1,142,351
Right-of-use assets	1,234,457	1,103,209
Goodwill	618,636	624,118
Intangible assets	1,709,511	1,685,823
Contract costs	212,638	235,328
Investments accounted for using the equity method	80,149	76,169
Investment securities	175,152	324,558
Investment securities in banking business	342,975	386,165
Other financial assets	905,562	988,708
Deferred tax assets	55,904	43,915
Other non-current assets	106,876	105,621
Total non-current assets	6,427,955	6,715,965
Total assets	9,792,258	10,821,730

	As of March 31, 2020	(Millions of yen) As of December 31, 2020
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Interest-bearing debt	1,811,281	2,030,038
Trade and other payables	1,253,766	1,354,867
Contract liabilities	127,652	90,995
Deposits for banking business	880,847	1,148,367
Other financial liabilities	3,779	3,338
Income taxes payable	153,371	112,186
Provisions	6,794	15,857
Other current liabilities	259,119	149,746
Total current liabilities	<u>4,496,609</u>	<u>4,905,394</u>
Non-current liabilities		
Interest-bearing debt	3,270,971	3,776,892
Other financial liabilities	36,765	35,875
Defined benefit liabilities	16,337	16,557
Provisions	83,871	97,086
Deferred tax liabilities	168,248	210,672
Other non-current liabilities	11,893	11,618
Total non-current liabilities	<u>3,588,085</u>	<u>4,148,700</u>
Total liabilities	<u>8,084,694</u>	<u>9,054,094</u>
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	(133,915)	(132,743)
Retained earnings	1,003,554	1,019,228
Treasury stock	(68,709)	(107,268)
Accumulated other comprehensive income	(4,693)	31,593
Total equity attributable to owners of the Company	<u>1,000,546</u>	<u>1,015,119</u>
Non-controlling interests	707,018	752,517
Total equity	<u>1,707,564</u>	<u>1,767,636</u>
Total liabilities and equity	<u><u>9,792,258</u></u>	<u><u>10,821,730</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)	
	Nine months ended December 31, 2019 <sup>2</sup>	Nine months ended December 31, 2020
Revenue	3,617,960	3,807,035
Cost of sales	(1,857,289)	(1,927,911)
Gross profit	1,760,671	1,879,124
Selling, general and administrative expenses	(977,529)	(1,037,541)
Other operating income	11,985	-
Operating income	795,127	841,583
Share of losses of associates accounted for using the equity method	(29,948)	(26,093)
Financing income	4,971	4,268
Financing costs	(44,215)	(61,327)
Gain on sales of equity method investments	3,662	1,649
Impairment loss on equity method investments	-	(13,879)
Profit before income taxes	729,597	746,201
Income taxes	(260,432)	(260,703)
Net income <sup>1</sup>	469,165	485,498
Net income attributable to		
Owners of the Company	436,637	433,770
Non-controlling interests	32,528	51,728
	469,165	485,498
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	91.45	91.47
Diluted earnings per share (Yen)	90.24	90.43

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the nine months ended December 31, 2019 and 2020 was generated from continuing operations.
2. As described in “(1) 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)	
	Nine months ended December 31, 2019 <sup>1</sup>	Nine months ended December 31, 2020
Net income	469,165	485,498
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	(2,008)	57,775
Total items that will not be reclassified to profit or loss	(2,008)	57,775
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(419)	898
Cash flow hedges	1,271	(284)
Exchange differences on translation of foreign operations	(347)	(936)
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	1,083	(321)
Total other comprehensive income (loss), net of tax	(925)	57,454
Total comprehensive income	468,240	542,952
Total comprehensive income attributable to		
Owners of the Company	436,386	472,394
Non-controlling interests	31,854	70,558
	468,240	542,952

Note:

- As described in “(1) 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 December 31, 2019 and 2020  
Condensed Interim Consolidated Statement of Income

	Three months ended December 31, 2019	Three months ended December 31, 2020
	(Millions of yen)	
Revenue	1,244,856	1,378,608
Cost of sales	(656,080)	(743,341)
Gross profit	588,776	635,267
Selling, general and administrative expenses	(345,613)	(383,289)
Operating income	243,163	251,978
Share of losses of associates accounted for using the equity method	(12,618)	(8,662)
Financing income	1,701	1,187
Financing costs	(15,098)	(17,906)
Gain on sales of equity method investments	(1,794)	1,649
Impairment loss on equity method investments	-	(13,879)
Profit before income taxes	215,354	214,367
Income taxes	(92,770)	(75,537)
Net income <sup>1</sup>	122,584	138,830
Net income attributable to		
Owners of the Company	109,213	118,666
Non-controlling interests	13,371	20,164
	122,584	138,830
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	22.97	25.10
Diluted earnings per share (Yen)	22.66	24.85

Note:

1. All net income of SoftBank Corp. and its subsidiaries for the three months ended December 31, 2019 and 2020 was generated from continuing operations.

Condensed Interim Consolidated Statement of Comprehensive Income

	Three months ended December 31, 2019	(Millions of yen) Three months ended December 31, 2020
Net income	122,584	138,830
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	(511)	52,245
Total items that will not be reclassified to profit or loss	(511)	52,245
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(1,123)	100
Cash flow hedges	1,744	251
Exchange differences on translation of foreign operations	399	(153)
Share of other comprehensive income (loss) of associates accounted for using the equity method	(0)	2
Total items that may be reclassified subsequently to profit or loss	1,020	200
Total other comprehensive income (loss), net of tax	509	52,445
Total comprehensive income	123,093	191,275
Total comprehensive income attributable to		
Owners of the Company	110,358	155,406
Non-controlling interests	12,735	35,869
	123,093	191,275

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

For the nine months ended December 31, 2019

(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, 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	-	-	436,637	-	-	436,637	32,528	469,165
Other comprehensive income (loss)	-	-	-	-	(251)	(251)	(674)	(925)
Total comprehensive income	-	-	436,637	-	(251)	436,386	31,854	468,240
Transactions with owners and other transactions								
Cash dividends <sup>4</sup>	-	-	(398,354)	-	-	(398,354)	(28,892)	(427,246)
Purchase of treasury stock	-	-	-	(68,709)	-	(68,709)	-	(68,709)
Disposition of treasury stock	-	-	-	-	-	-	-	-
Changes from transactions under common control <sup>2, 3</sup>	-	(247,172)	(252,443)	-	(2,414)	(502,029)	1,055	(500,974)
Changes from business combinations	-	-	-	-	-	-	185,827	185,827
Changes in interests in existing subsidiaries	-	(1,359)	-	-	-	(1,359)	6,845	5,486
Share-based payment transactions	-	4,123	-	-	-	4,123	-	4,123
Transfer from retained earnings to capital surplus	-	-	-	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	1,985	-	(1,985)	-	-	-
Other	-	-	-	-	-	-	-	-
Total transactions with owners and other transactions	-	(244,408)	(648,812)	(68,709)	(4,399)	(966,328)	164,835	(801,493)
As of December 31, 2019	204,309	(132,582)	965,489	(68,709)	(910)	967,597	716,737	1,684,334

For the nine months ended December 31, 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	-	-	433,770	-	-	433,770	51,728	485,498
Other comprehensive income (loss)	-	-	-	-	38,624	38,624	18,830	57,454
Total comprehensive income	-	-	433,770	-	38,624	472,394	70,558	542,952
Transactions with owners and other transactions								
Cash dividends	-	-	(406,119)	-	-	(406,119)	(30,401)	(436,520)
Purchase of treasury stock	-	-	-	(66,857)	-	(66,857)	-	(66,857)
Disposition of treasury stock	-	(14,504)	-	28,298	-	13,794	-	13,794
Changes from transactions under common control	-	-	-	-	-	-	-	-
Changes from business combinations	-	-	-	-	-	-	361	361
Changes in interests in existing subsidiaries	-	1,688	-	-	-	1,688	5,558	7,246
Share-based payment transactions	-	7	-	-	-	7	-	7
Transfer from retained earnings to capital surplus	-	14,436	(14,436)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	2,338	-	(2,338)	-	-	-
Other	-	(455)	121	-	-	(334)	(577)	(911)
Total transactions with owners and other transactions	-	1,172	(418,096)	(38,559)	(2,338)	(457,821)	(25,059)	(482,880)
As of December 31, 2020	204,309	(132,743)	1,019,228	(107,268)	31,593	1,015,119	752,517	1,767,636

Notes:

1. Upon adoption of IFRS 16 “Leases,” the cumulative effect of initially applying this standard retrospectively on periods before the nine months ended December 31, 2019 was recognized as an adjustment to the opening balance of retained earnings as of April 1, 2019.
2. As described in “(1) 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)	
	Nine months ended December 31, 2019 <sup>1</sup>	Nine months ended December 31, 2020
Cash flows from operating activities		
Net income	469,165	485,498
Depreciation and amortization	497,143	518,754
Loss on disposal of property, plant and equipment and intangible assets	10,592	20,254
Gain relating to loss of control over subsidiaries	(11,985)	-
Financing income	(4,971)	(4,268)
Financing costs	44,215	61,327
Share of losses of associates accounted for using the equity method	29,948	26,093
Gain on sales of equity method investments	(3,662)	(1,649)
Impairment loss on equity method investments	-	13,879
Income taxes	260,432	260,703
(Increase) decrease in trade and other receivables	(341,488)	(272,503)
(Increase) decrease in inventories	26,578	(51,909)
Purchases of mobile devices leased to enterprise customers	(26,384)	(24,769)
Decrease in trade and other payables	106,575	140,118
Decrease in consumption taxes payable	12,449	12,994
Increase in deposits in banking business	120,616	267,520
Other	(104,571)	(104,601)
Subtotal	1,084,652	1,347,441
Interest and dividends received	1,816	4,074
Interest paid	(46,385)	(45,270)
Income taxes paid	(252,831)	(383,598)
Income taxes refunded	5,852	116,328
Net cash inflow from operating activities	793,104	1,038,975
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(326,106)	(364,973)
Proceeds from sales of property, plant and equipment and intangible assets	2,560	1,164
Payments for acquisition of investments	(41,815)	(128,107)
Proceeds from sales/redemption of investments	32,110	15,251
Purchase of investment securities in banking business	(197,053)	(229,368)
Proceeds from sales/redemption of investment securities in banking business	192,783	187,356
Payments for obtaining control of subsidiaries	(377,800)	(9,397)
Other	(14,143)	(10,838)
Net cash outflow from investing activities	(729,464)	(538,912)

	(Millions of yen)	
	Nine months ended December 31, 2019 <sup>1</sup>	Nine months ended December 31, 2020
Cash flows from financing activities		
Increase in short-term interest-bearing debt, net	295,816	451,357
Proceeds from interest-bearing debt	2,062,865	1,638,061
Repayment of interest-bearing debt	(1,124,044)	(1,555,541)
Proceeds from stock issuance to non-controlling interests	4,584	7,096
Purchase of treasury stock	(68,709)	(66,857)
Cash dividends paid	(396,131)	(391,736)
Cash dividends paid to non-controlling interests	(24,793)	(29,841)
Purchase of treasury stock by subsidiaries	(526,826)	-
Decrease from loss of control over subsidiaries	(30,717)	-
Other	(14,207)	(4,653)
Net cash inflow from financing activities	<u>177,838</u>	<u>47,886</u>
Effect of exchange rate changes on cash and cash equivalents	(224)	(334)
Increase in cash and cash equivalents	241,254	547,615
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	<u><u>1,179,642</u></u>	<u><u>1,691,423</u></u>

Note:

- As described in “(1) 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 7-1 Kaigan 1-chome, Minato-ku, Tokyo, Japan<sup>1</sup>. 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.”

Note:

1. Effective January 1, 2021, the Company changed the registered address of its head office from 9-1 Higashi-shimbashi 1-chome, Minato-ku, Tokyo, Japan.

### 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 nine months ended December 31, 2020 are calculated based on the estimated annual effective income tax rate. In addition, defined benefit liabilities as of December 31, 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

Nine months ended December 31, 2019

#### (1) 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.

### (2) Acquisition of ZOZO, Inc.

#### Summary of acquisition

Z Holdings Corporation, a subsidiary of the Company, conducted a tender offer for the common stock of ZOZO, Inc., which was resolved at its Board of Directors' meeting held on September 12, 2019 for the purpose of strengthening clothing/fashion e-commerce category in order to further expand its e-commerce business. The tender offer was completed on November 13, 2019, and Z Holdings Corporation acquired 152,953 thousand common stock of ZOZO, Inc. for ¥400,737 million in cash. Z Holdings Corporation acquired 50.1% of the equity interest of ZOZO, Inc., and ZOZO, Inc. became a subsidiary of the Company. In addition, in order to procure part of the funds necessary to acquire the target shares for this business combination, Z Holdings Corporation borrowed of ¥400,000 million.

The business of ZOZO, Inc. is planning and operation of fashion online shopping website "ZOZOTOWN", planning and development of private brand "ZOZO", customer support and operation of logistics center "ZOZOBASE".



The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date, and the total consideration transferred<sup>1</sup>:

		(Millions of yen)
		Acquisition date (November 13, 2019)
Cash and cash equivalents		22,876
Trade and other receivables		30,443
Other current assets		7,770
Property, plant and equipment		8,610
Right-of-use assets		20,964
Intangible assets <sup>2</sup>		503,017
Other non-current assets		13,799
Total assets		<u>607,479</u>
Interest-bearing debt (current and non-current)		42,589
Trade and other payables		28,362
Other current liabilities		9,263
Deferred tax liabilities		150,269
Other non-current liabilities		3,420
Total liabilities		<u>233,903</u>
Net assets	A	<u>373,576</u>
Non-controlling interests <sup>3</sup>	B	185,750
Total consideration	C	400,737
Goodwill <sup>4</sup>	C-(A-B)	<u>212,911</u>

Notes:

1. Consideration transferred is allocated to assets acquired and liabilities assumed based on their value on the acquisition date. Allocation of the consideration transferred was completed during the three months ended March 31, 2020. There are no adjustment between the provisional amount and final amounts.
2. The amount of intangible assets includes ¥502,199 million of identifiable assets and the table below shows the breakdown of the identifiable assets. The estimated useful lives of customer relationships are from 18 to 25 years, and trademarks are classified as intangible assets with indefinite useful lives. The amount of intangible assets recognized from the business combinations is measured based on assumptions such as estimated future cash flow, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

	(Millions of yen)
	Acquisition date (November 13, 2019)
Customer relationships	322,070
Trademarks	178,720
Other identifiable assets	1,409
Total	<u>502,199</u>

3. Non-controlling interests that give the holder a pro-rata share of the net assets of the acquiree at the time of liquidation are measured at the recognized amounts of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests as of the acquisition date after the business combination.
4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

The table below shows payments for obtaining control of the subsidiary:

	(Millions of yen)
	Acquisition date
	(November 13, 2019)
Consideration paid in cash	(400,737)
Cash and cash equivalents held by the acquiree at the time of obtaining control	22,876
Cash paid for obtaining control of the subsidiary	(377,861)

Revenue and net income of the acquiree:

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

Nine months ended December 31, 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.,<sup>1</sup> and others.

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

As described in "(1) 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.

Note:

1. Effective February 1, 2021, One Tap BUY Co., Ltd., changed its name to PayPay Securities Corporation.

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

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

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

Nine months ended December 31, 2019

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	2,026,232	462,697	334,215	743,469	3,566,613	51,347	-	3,617,960
Intersegment revenue or transferred revenue	9,667	8,198	29,515	16,144	63,524	23,104	(86,628)	-
Total	2,035,899	470,895	363,730	759,613	3,630,137	74,451	(86,628)	3,617,960
Segment income	567,543	77,063	16,051	123,542	784,199	10,283	645	795,127
Depreciation and amortization <sup>1</sup>	311,728	118,041	2,175	58,330	490,274	6,869	-	497,143

Nine months ended December 31, 2020

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	2,037,948	500,648	343,885	856,208	3,738,689	68,346	-	3,807,035
Intersegment revenue or transferred revenue	6,389	7,115	35,872	17,608	66,984	28,759	(95,743)	-
Total	2,044,337	507,763	379,757	873,816	3,805,673	97,105	(95,743)	3,807,035
Segment income	575,085	93,100	19,638	142,226	830,049	12,625	(1,091)	841,583
Depreciation and amortization <sup>1</sup>	316,982	119,870	2,683	74,357	513,892	4,862	-	518,754

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)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Segment income	795,127	841,583
Share of losses of associates accounted for using the equity method	(29,948)	(26,093)
Financing income	4,971	4,268
Financing costs	(44,215)	(61,327)
Gains on sales of equity method investments	3,662	1,649
Impairment loss on equity method investments	-	(13,879)
Profit before income taxes	729,597	746,201

Three months ended December 31, 2019

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	697,446	153,473	107,912	269,881	1,228,712	16,144	-	1,244,856
Intersegment revenue or transferred revenue	2,405	3,326	10,700	5,588	22,019	10,120	(32,139)	-
Total	699,851	156,799	118,612	275,469	1,250,731	26,264	(32,139)	1,244,856
Segment income	165,927	22,461	5,047	47,881	241,316	1,764	83	243,163
Depreciation and amortization <sup>1</sup>	106,390	38,847	752	22,177	168,166	1,694	-	169,860

Three months ended December 31, 2020

	Reportable segments						(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo	Total	Other	Adjustments	Consolidated
Revenue								
Sales to external customers	741,676	168,701	133,510	310,280	1,354,167	24,441	-	1,378,608
Intersegment revenue or transferred revenue	1,405	4,465	11,819	6,312	24,001	10,072	(34,073)	-
Total	743,081	173,166	145,329	316,592	1,378,168	34,513	(34,073)	1,378,608
Segment income	168,763	28,540	7,688	43,989	248,980	2,761	237	251,978
Depreciation and amortization <sup>1</sup>	107,026	40,644	913	25,561	174,144	1,732	-	175,876

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 December 31, 2019	Three months ended December 31, 2020
Segment income	243,163	251,978
Share of losses of associates accounted for using the equity method	(12,618)	(8,662)
Financing income	1,701	1,187
Financing costs	(15,098)	(17,906)
Gains (losses) on sales of equity method investments	(1,794)	1,649
Impairment loss on equity method investments	-	(13,879)
Profit before income taxes	215,354	214,367

## 6. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2020	(Millions of yen) As of December 31, 2020
<b>Current</b>		
Short-term borrowings	577,371	691,629
Commercial papers	100,000	167,701
Current portion of long-term borrowings	758,522	841,739
Current portion of lease liabilities	365,202	303,818
Current portion of corporate bonds	10,000	25,000
Current portion of installment payables	186	151
Total	1,811,281	2,030,038
<b>Non-current</b>		
Long-term borrowings	2,212,677	2,373,143
Lease liabilities	673,694	624,682
Corporate bonds	384,327	778,910
Installment payables	273	157
Total	3,270,971	3,776,892

## 7. Equity

Changes in treasury stock are as follows:

	Nine months ended December 31, 2019	(Thousands of shares) Nine months ended December 31, 2020
Balance at the beginning of the period	-	46,000
Increase during the period <sup>1</sup>	46,000	54,619
Decrease during the period <sup>2</sup>	-	(19,142)
Balance at the end of the period	46,000	81,477

Notes:

1. For the nine months ended December 31, 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 46,000 thousand (amount purchased ¥68,709 million).

In addition, for the nine months ended December 31, 2020, due to a purchase of treasury stock under the resolution passed at the Board of Directors' meeting held on August 28, 2020, the number of treasury stock increased by 54,619 thousand (amount purchased ¥66,857 million).

2. For the nine months ended December 31, 2020, mainly due to the exercise of stock acquisition rights, the number of treasury stock decreased by 19,142 thousand. As a result, "Treasury stock" decreased by ¥28,298 million and a loss on disposal of treasury stock of ¥14,504 million is recognized as a decrease in "Capital surplus", of which ¥14,436 million is transferred from "Retained earnings".

## 8. Dividends

Dividends paid are as follows:

The Company

Nine months ended December 31, 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
Board of Directors' meeting held on October 28, 2019	Common stock	42.50	202,584	September 30, 2019	December 6, 2019

Nine months ended December 31, 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
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

Nine months ended December 31, 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.

Nine months ended December 31, 2020

There are no significant dividends paid to be disclosed.

## 9. Revenue

The disaggregation of revenue is as follows:

	(Millions of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Consumer business		
Service revenues <sup>4</sup>		
Mobile communications	1,264,983	1,260,291
Broadband	286,593	296,961
Electricity <sup>5</sup>	45,622	76,163
Revenues from sales of goods and others <sup>5</sup>	429,034	404,533
Subtotal	2,026,232	2,037,948
Enterprise business		
Mobile communications <sup>3</sup>	199,990	221,709
Fixed-line	145,302	140,744
Business solution services and others <sup>3</sup>	117,405	138,195
Subtotal	462,697	500,648
Distribution business	334,215	343,885
Yahoo business		
Commerce <sup>6</sup>	515,796	625,774
Media <sup>6</sup>	225,982	229,471
Other	1,691	963
Subtotal	743,469	856,208
Other	51,347	68,346
Total	3,617,960	3,807,035

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 nine months ended December 31, 2019 and 2020 were ¥79,772 million and ¥85,307 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 nine months ended December 31, 2019 and 2020 were ¥252,184 million and ¥282,230 million, respectively. Revenues from sales of goods and others for the nine months ended December 31, 2019 and 2020 were ¥65,211 million and ¥77,674 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 nine months ended December 31, 2019, is presented as a separate item from the nine months ended December 31, 2020 due to an increase in materiality. In order to reflect this change, reclassification has been made in the components of revenue for the nine months ended December 31, 2019. As a result, for the nine months ended December 31, 2019, “Revenues from sales of goods and others” under “Consumer business” has been reclassified as “Electricity” of ¥45,622 million and “Revenues from sales of goods and others” of ¥429,034 million.
- In the “Yahoo business”, Effective April 1, 2020, 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 nine months ended December 31, 2019.



## 10. Earnings per share

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

Nine months ended December 31, 2019 and 2020

### (1) Basic earnings per share

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	436,637	433,770
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,774,462	4,741,957
Basic earnings per share (Yen)	91.45	91.47

### (2) Diluted earnings per share

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	436,637	433,770
Effect of dilutive securities issued by subsidiaries and associates	(9)	(6)
Total	436,628	433,764
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	4,774,462	4,741,957
Increase in the number of shares of common stock due to stock acquisition rights	64,006	54,754
Total	4,838,468	4,796,711
Diluted earnings per share (Yen)	90.24	90.43

Three months ended December 31, 2019 and 2020

(1) Basic earnings per share

	Three months ended December 31, 2019	Three months ended December 31, 2020
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	109,213	118,666
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,754,708	4,728,188
Basic earnings per share (Yen)	22.97	25.10

(2) Diluted earnings per share

	Three months ended December 31, 2019	Three months ended December 31, 2020
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	109,213	118,666
Effect of dilutive securities issued by subsidiaries and associates	(4)	(3)
Total	109,209	118,663
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	4,754,708	4,728,188
Increase in the number of shares of common stock due to stock acquisition rights	64,819	47,927
Total	4,819,527	4,776,115
Diluted earnings per share (Yen)	22.66	24.85

11. Subsequent events

There are no significant subsequent events to be disclosed.