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## Consolidated Financial Report For the Fiscal Year Ended March 31, 2022 (IFRS)

May 11, 2022

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(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>Fiscal year ended March 31, 2022</b>	<b>5,690,606</b>	<b>9.3</b>	<b>985,746</b>	<b>1.5</b>	<b>880,363</b>	<b>3.9</b>	<b>583,952</b>	<b>6.6</b>	<b>517,517</b>	<b>5.3</b>	<b>611,531</b>	<b>0.7</b>
Fiscal year ended March 31, 2021	5,205,537	7.1	970,770	6.5	847,699	4.5	547,720	8.1	491,287	3.8	607,485	22.2

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of profit before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
<b>Fiscal year ended March 31, 2022</b>	<b>110.13</b>	<b>108.27</b>	<b>32.2</b>	<b>7.1</b>	<b>17.3</b>
Fiscal year ended March 31, 2021	103.85	102.66	38.7	7.7	18.6

Reference:

Share of losses of associates accounted for using the equity method is as follows:

Fiscal year ended March 31, 2022 ¥(60,094) million

Fiscal year ended March 31, 2021 ¥(45,490) million

Note: The results in the table for the fiscal year ended March 31, 2021 have been retrospectively amended as the provisional accounting treatment for the business combinations had been completed in the fiscal year ended March 31, 2022.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
<b>As of March 31, 2022</b>	<b>12,707,913</b>	<b>2,888,346</b>	<b>1,675,200</b>	<b>13.2</b>	<b>355.87</b>
As of March 31, 2021	12,207,720	2,737,112	1,535,723	12.6	327.69

Note: The results in the table for the fiscal year ended March 31, 2021 have been retrospectively amended as the provisional accounting treatment for the business combinations had been completed in the fiscal year ended March 31, 2022.

### (3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal year ended March 31, 2022</b>	<b>1,215,918</b>	<b>(957,693)</b>	<b>(305,072)</b>	<b>1,546,792</b>
Fiscal year ended March 31, 2021	1,338,949	(511,295)	(388,462)	1,584,892

## 2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	-	43.00	-	43.00	86.00	406,139	82.8	31.9
Fiscal year ended March 31, 2022	-	43.00	-	43.00	86.00	404,603	78.1	25.2
Fiscal year ending March 31, 2023 (Forecast)	-	43.00	-	43.00	86.00		76.2	

Note: The dividend for fiscal year ended March 31, 2022 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 20, 2022.

## 3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2023

(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, 2023	5,900,000	3.7	1,000,000	1.4	530,000	2.4	112.79

Note: For details of the above consolidated financial result forecasts, refer to “(4) Forecasts” under “1. Results of Operations.”

### \* 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 March 31, 2022 4,787,145,170 shares

As of March 31, 2021 4,787,145,170 shares

[2] Number of shares of treasury stock

As of March 31, 2022 79,843,467 shares

As of March 31, 2021 100,659,500 shares

[3] Average number of shares outstanding during the period

Fiscal year ended March 31, 2022 4,699,078,642 shares

Fiscal year ended March 31, 2021 4,730,758,572 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 against competitors, 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 20 of the appendix to this consolidated financial report

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

On Wednesday, May 11, 2022 (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/fy2021/>. 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)

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## 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	Z Holdings Corporation (standalone basis)
Z Holdings Group	Z Holdings Corporation and its subsidiaries
Yahoo Japan	Yahoo Japan Corporation (standalone basis)

## Reportable Segments

The Group has four reportable segments: Consumer segment, Enterprise segment, Distribution segment, and Yahoo! JAPAN/LINE segment. Along with the consolidation of LINE Corporation in connection with the completion of the business integration of Z Holdings and LINE Corporation in March 2021, the “Yahoo” reportable segment was renamed to “Yahoo! JAPAN/LINE” from the three months ended June 30, 2021.

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 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. <sup>4</sup> SB Power Corp.
Enterprise segment	<ul style="list-style-type: none"> <li>Provision of mobile 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. eMnet Japan. co. ltd.
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! JAPAN/LINE segment	<ul style="list-style-type: none"> <li>Provision of media-related services, such as media and advertising, search, marketing solutions, vertical, content, and stamps</li> <li>Provision of commerce-related services such as shopping services, including <i>Yahoo! JAPAN Shopping</i>, <i>PayPay Mall</i>, and <i>ZOZOTOWN</i>; reuse services including <i>YAHUOKU!</i>; and O2O services.</li> <li>Provision of payment, finance, AI, healthcare and other services</li> </ul>	Z Holdings <sup>5,6</sup> Yahoo Japan LINE Corporation ASKUL Corporation ZOZO, Inc. Ikyu Corporation ValueCommerce Co., Ltd. PayPay Card Corporation <sup>7</sup> PayPay Bank Corporation <sup>8</sup> LINE Pay Corporation LINE Financial Corporation LINE Financial Plus Corporation LINE Plus Corporation LINE SOUTHEAST ASIA CORP.PTE.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 cloud services, security operation monitoring services, and IoT solutions</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, manufacturing, operation, management and business planning in the fields of Solar HAPS<sup>3</sup> and network equipment</li> <li>IoT, Linux/OSS, and authentication and security</li> <li>Others</li> </ul>	The Company SB Payment Service Corp. PayPay Securities Corporation SB Technology Corp. ITmedia Inc. Vector Inc. HAPSMobile Inc. Cybertrust Japan Co., Ltd.

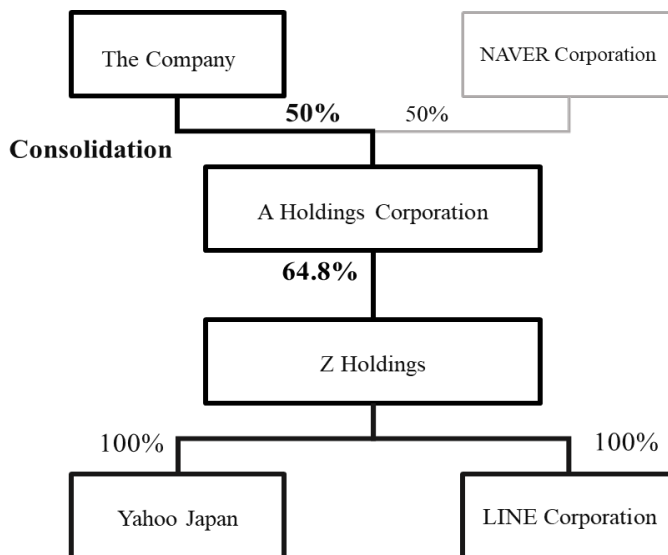
Notes:

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. Z Holdings has decided to enter into a transaction agreement with NAVER Corporation and its subsidiary LINE Digital Frontier Corporation on September 30, 2021, which sets forth the terms and conditions of a series of transactions (hereinafter "the Transaction") based on the assumption that the shares of Z Holdings subsidiary eBook Initiative Japan Co., Ltd. (hereinafter "eBOOK") are unlisted. Following the completion of the series of procedures for the Transaction in March 2022, eBook is no longer a subsidiary of Z Holdings and has been excluded from the scope of consolidation.
3. Solar HAPS (High Altitude Platform Station) refers to systems where unmanned objects powered by solar energy and batteries, such as aircraft flying in the stratosphere, can be operated like telecommunications base stations to deliver connectivity across wide areas.
4. WILLCOM OKINAWA, Inc. was dissolved on April 1, 2022 as a result of an absorption-type merger with the Company as the surviving company.
5. As of March 31, 2022, the Company, which is the parent company of A Holdings Corporation, and NAVER Corporation (including its wholly owned subsidiary, NAVER J.Hub Corporation), each hold 50% of the voting rights in A Holdings Corporation. A Holdings Corporation holds 64.8% of the voting rights in Z Holdings. The Company owns the rights to appoint the majority of the Board of Directors of A Holdings Corporation. Also, through A Holdings Corporation, the Company owns the rights to appoint the majority of the Board of Directors of Z Holdings. Accordingly, the Company substantially controls both A Holdings Corporation and Z Holdings.

The diagram below indicates ownership ratios as of March 31, 2022.



6. A Holdings Corporation has subscribed to a tender offer conducted by Z Holdings for the Z Holdings common stock held by A Holdings Corporation, for the purpose of accomplishing the transition of Z Holdings to the Prime Market and maintaining its continued listing on that market. Z Holdings transitioned to the Prime Market in April 2022 in conjunction with the restructuring of the market segments of Tokyo Stock Exchange, Inc. One of the continued listing requirements for the Prime Market is to maintain a tradable share ratio of at least 35%. To satisfy this requirement, Z Holdings has conducted a series of transactions including the tender offer for its own shares. For reference, please see the press release issued by Z Holdings on December 3, 2021 titled "Application to Select Prime Market in the New Market Segments and Submission of Plan to Meet the Continued Listing Requirements."
7. PayPay Card Corporation changed its trade name from YJ Card Corporation on October 1, 2021.
8. PayPay Bank Corporation changed its trade name from The Japan Net Bank, Limited on April 5, 2021.

## 1. Results of Operations

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

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

The business environment surrounding the Group is undergoing an unprecedented period of great change due to the advancement of digital technology and the COVID-19 outbreak which has been continuing since 2020. The business climate in the global and Japanese economy continues to be very uncertain and unstable, compounded by growing inflation concerns and tense global geopolitical conditions. At the same time, the shift to new lifestyles such as teleworking, online shopping, and contactless payment methods is almost forcibly underway, and the use of a wide range of digital technologies to support society is urgently needed. In addition, serious threats such as climate change risk and cybersecurity risk are drawing renewed attention, and companies need to take a variety of proactive measures to enhance their sustainability. In this environment, the full-scale spread of 5G (5th generation mobile communication system) and the development of digital technologies such as AI<sup>1</sup> are expected to enable all kinds of things to be connected to the Internet and, using the vast amount of data obtained and analyzed, solve various social issues by preventing risks and optimizing daily life and corporate activities.

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, to contribute to solving various social issues through its core business offering infrastructure for society, such as 5G, the Group has identified six priority issues<sup>2</sup> (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.”

In order to engage with solving these issues, in May 2021, the Company announced its Carbon Neutral 2030 Declaration to achieve virtually zero greenhouse gas emissions from electricity<sup>3</sup> and so forth used in business activities by 2030, the target year for achieving the United Nations Sustainable Development Goals (SDGs). In June 2021, the targets detailed in the declaration were certified by the Science Based Targets initiative<sup>4</sup>, an international climate change initiative, as science based targets. Moreover, in November 2021, the Company was for the first time selected as a component of the Dow Jones Sustainability Asia/Pacific Index (“DJSI Asia/Pacific Index”), which comprises companies based in the Asia/Pacific developed region. The DJSI Asia/Pacific Index is part of the Dow Jones Sustainability Indices (“DJSI”), one of the most prestigious global indices for Environmental, Social, and Corporate Governance (ESG) investing.

Additionally, in February 2022, the Company established a Special Committee comprised solely of Independent External Directors. The Special Committee, as a voluntary advisory body to the Board of Directors, will deliberate and review important transactions where there may be a conflict of interest between controlling shareholders and minority shareholders. The Special Committee was established because the Company decided that having such a committee deliberate and review those transactions would further enhance corporate governance. Going forward, the Company will keep on working to continuously improve corporate governance, with a view to realizing sustained growth and enhancing corporate value.

The Group has been implementing the *Beyond Carrier* strategy since FY2017. The *Beyond Carrier* strategy is to strengthen the earnings base by going beyond the confines of a conventional telecommunications carrier, while further growing the telecommunications business, and expanding its businesses in three fields: telecommunications business, Yahoo! JAPAN/LINE business, and new businesses. The Group has now become a telecommunication and IT company group with one of Japan's largest user bases, including the smartphone user base, as well as *Yahoo! JAPAN*, which is one of Japan's largest portal websites, the communication service *LINE*, and the cashless payment service *PayPay*.

The Company will move to the second phase of the *Beyond Carrier* strategy from FY2021. Leveraging the strength of its accumulated customer base, the Company will connect its robust group of platforms with advanced technologies and create new value. 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

The business environment in the domestic telecommunications industry is undergoing major changes mainly driven by the strengthening of pro-competitive policies and new entrants from different industries, and consumers are increasingly seeking more inexpensive and varied prices and services. The Group is promoting a multi-brand strategy that responds to customers' diversifying needs through multiple brands with different characteristics. The Group offers multiple brands, including 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 *LINEMO* brand, an online-exclusive brand that responds to the growing need for services that can be completed online due to changes in lifestyles.

In the fiscal year ended March 31, 2022, amid intensifying competition over new price plans, the *Y!mobile* brand and *Smartphone Debut Plan*<sup>5</sup> of the *SoftBank* brand performed particularly well, and the number of smartphone subscribers as of March 31, 2022 increased by 1,654 thousand from March 31, 2021. 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 390 thousand from March 31, 2021.

On the services front, since October 2021, the Company has begun providing *Toku Suru Support+* (for subscribers enrolled on or after September 24, 2021)<sup>6</sup>, which is the renewed version of a pre-existing program for affordably purchasing *SoftBank* brand devices. Under the previous program, consumers were required to replace their devices with models designated by the Company. The renewed *Toku Suru Support+* removes this condition and makes the program's benefits available to customers even if they do not replace their devices. Also, announced in October 2021 and starting from February 2022, exemptions of contract cancellation fees that are incurred when customers cancel their contracts in months other than the contract renewal month have been provided to customers who have price plans with remaining contract periods. Such price plans were provided in the past under the *SoftBank* and *Y!mobile* brands.

Further, from November 2021, the Company, together with LINE MUSIC Corporation, has started providing *LINE MUSIC*<sup>7</sup> free of charge for 6 months to customers using the *SoftBank*, *Y!mobile*, and *LINEMO* brands. Concurrently, the Company has added new *LINE Service Benefits* to *SoftBank Premium* benefits. From the 7th month after the 6-month free period for *LINE MUSIC* ends, the Company will grant a *PayPay Bonus* equivalent to 20% of monthly charges (before tax). The Company will continue to expand *LINE Service Benefits* in order to promote synergies with the LINE Group.

In the enterprise business, companies and industries are promoting digitalization, so that they can respond to dramatic changes in technologies and their business environments. This movement has actually been accelerated by the COVID-19 crisis.

In this environment, in February 2022, the Company and Kyndryl Japan KK (hereinafter "Kyndryl") commenced a strategic partnership in fields such as cloud, 5G, and IoT, to support the digital transformation ("DX")<sup>8</sup> of Japan-based companies and organizations. The Company and Kyndryl will provide one-stop support for the DX of companies and organizations – such as manufacturers and financial institutions contemplating cloud migration and IT system renewals – through collaboration leveraging the solutions provided by the Company under its "Multicloud Strategy," and Kyndryl's system consulting and advanced technology services expertise on system development and operation, as well as its extensive track record and skills for safe, secure, and stable systems. The companies will also utilize leading 5G, IoT and AI technologies to work together on providing specialized solutions for industries with strong digitalization needs, such as solutions for manufacturers seeking to visualize their operations.

## 5G

In February 2022, the Company succeeded in developing Segment Routing IPv6 Mobile User Plane (hereinafter "SRv6 MUP"), which enables the easy deployment of key 5G technologies, such as Multi-access Edge Computing (MEC)<sup>9</sup> and network slicing<sup>10</sup>, at low cost and with a much simpler architecture. To roll out MEC and network slicing in legacy mobile networks, there was a need to deploy a high number of costly User Plane Functions (UPFs)<sup>11</sup> in IP pathways, making deployment and operating costs an issue. The deployment of SRv6 MUP has enabled the Company to easily deploy key 5G technologies at low cost.

In addition, as of the end of March 2022, the population coverage ratio of the Company's 5G network<sup>12</sup> surpassed 90%. To address further increases in data traffic and realize a stress-free network, the Company will strive to further raise the sophistication and expand the service areas of 5G.

## Growth of Yahoo Japan/LINE

While driving further growth in the telecommunications business through its multi-brand strategy and initiatives related to 5G as a new infrastructure, the Company is promoting business enhancement to the OTT<sup>13</sup> field by utilizing its customer base and other assets as a telecommunications carrier. Z Holdings, the Company's subsidiary, became Japan's largest Internet service company group after a business integration with LINE Corporation in March 2021 and contributes to the diversification of the Groups revenue sources. The Company will continue to deepen collaboration with Z Holdings to maximize synergies, including those with LINE Corporation.

In January 2022, Yahoo Japan, ASKUL Corporation and Demae-can Co., Ltd. started rolling out *Yahoo! JAPAN Mart by ASKUL* (hereinafter "*Yahoo! JAPAN Mart*"), a Quick Commerce service for groceries and daily necessities, following demonstration trials. The *Yahoo! JAPAN Mart* service enables users to select items from ASKUL Corporation's wide variety of products centered around groceries and daily necessities (approximately 1,500 products<sup>14</sup>), place an order, make payment, and receive the products in as little as 15 minutes<sup>15</sup>, all via Demae-can's service. The Z Holdings Group will fulfill user needs by capturing Group synergies that harness Yahoo Japan's brand power, ASKUL Corporation's product procurement capabilities, and Demae-can Co., Ltd.'s user base and delivery quality.

Moreover, in December 2021, LINE Corporation established LINE NEXT Corporation in South Korea and LINE NEXT Inc. in the U.S., in order to develop a global non-fungible token (NFT)<sup>16</sup> ecosystem in earnest. LINE NEXT Corporation will undertake global NFT platform strategy and planning, whereas LINE NEXT Inc. will develop and operate a global NFT platform business. In March 2022, LINE NEXT Inc. announced that it is forming 26 partnerships with a range of leading companies and will work closely with these partners to create a global NFT ecosystem. LINE NEXT Inc. and its partners will create NFTs based on their popular IP content and enable consumers to buy and sell NFTs using familiar payment products.

## 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. These companies include 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 affiliates, they contribute to the Company's business results through share of profits or losses of associates accounted for using the equity method.

#### PayPay Corporation

As of the end of March 31, 2022, by the effects of campaigns such as Cho PayPay Matsuri (Super PayPay Festival), the number of *PayPay* cumulative registered users<sup>17</sup> reached 46.79 million, and the number of *PayPay* merchants surpassed 3.66 million locations. In the fiscal year ended March 31, 2022, the number of payments made exceeded 3.6 billion, approximately 1.8 times that in the previous fiscal year. The gross merchandise value of payments reached ¥5.4 trillion, approximately 1.7 times year on year. *PayPay* performed steadily. In addition, revenue of PayPay Corporation, which is an equity method affiliate of the Company, for the fiscal year ended March 31, 2022 increased substantially to ¥57.4 billion, approximately 1.9 times year on year, in connection with steady growth in the gross merchandise value of payments and the charging of a payment system fee for merchants (with annual sales of ¥1 billion or less).

PayPay Corporation provided its payment system fee for merchants (with annual sales of ¥1 billion or less) for free from the launch of its services until the end of September 2021. Beyond October 1, 2021, the minimum fee rate for these merchants is set at 1.60% (excluding tax) of the transaction amount for payments made using *PayPay*. It is the lowest rate in the cashless industry<sup>18</sup> to enable these merchants using *PayPay* to continue to do so at a low cost. This payment system fee varies according to the status of the *PayPay My Store Lite Plan* contract<sup>19</sup>. *PayPay My Store Lite Plan* is a service for merchants that supports digitalization of their sales activities such as issuing *PayPay Coupons*, etc.

From February 2022, PayPay Corporation and PayPay Card Corporation have started to provide *PayPay Atobarai* (Pay Later), which allows users to pay the amount spent in the current month in a lump sum the following month through the *PayPay* app. *PayPay Atobarai* can be used as *PayPay*'s payment method without topping up the *PayPay Balance*. *PayPay Atobarai* is not only accepted by physical *PayPay* merchant stores but also available in online services managed by Yahoo Japan, such as *Yahoo! JAPAN Shopping* and *PayPay Mall*.

Further, from March 2022, PayPay Corporation has started to provide the *PayPay Stamp Card* feature, which allows merchants to issue their own *PayPay Stamp Card*. The *PayPay Stamp Card* feature is available for use by small and medium-sized merchants who subscribe to the *PayPay My Store Lite Plan*. This new feature was rolled out as part of efforts to increase user convenience and boost sales of merchants. Users will no longer have to carry multiple physical stamp cards when they are issued *PayPay Stamp Cards* by neighborhood merchants, and they will automatically receive stamps linked to payments, making shopping even more convenient. In addition, by issuing *PayPay Stamp Cards*, merchants can conduct sales promotion activities targeting *PayPay* users and expect customers to return to their stores. Furthermore, merchants can reduce costs associated with issuing stamp cards, such as paper costs and printing costs, and conduct a detailed analysis after the stamp cards are issued, leading to the implementation of further efficient and effective measures.

#### AI-Powered Demand Forecasting Service *Sakimiru*

The Company and the Japan Weather Association (hereinafter "JWA") have jointly developed *Sakimiru*, an AI-powered demand forecasting service that utilizes population flow data and weather data, for the retail and restaurant sectors. The Company started to provide the service in January 2022. *Sakimiru* is a highly accurate demand forecasting service<sup>20</sup> that uses an AI algorithm developed jointly by the two companies to analyze multiple data sources. These data sources include floating population data<sup>21</sup> based on device location data obtained from the Company's mobile phone base stations, the JWA's weather data, and sales and customer traffic data for each store operated by companies deploying the service.

*Sakimiru* contributes to the reduction of food loss and the optimization of personnel allocations by allowing *Sakimiru* clients to perform tasks such as adjustment of product orders and work shift schedules according to customer traffic forecasts. Clients can also use *Sakimiru* when they consider how to optimize sales improvement initiatives, such as event and campaign planning, and coupon distribution. The Company and the JWA will apply data, AI and other technologies through *Sakimiru* to support the retail and restaurant sectors from many different angles, such as raising operating efficiency and conducting sales promotions. In the process, the two companies will promote DX.

#### Notes:

1. AI stands for artificial intelligence.
2. For details on SDGs and the priority issues (materiality), please see the Company's website: <https://www.softbank.jp/en/corp/sustainability/materiality/>
3. Includes emissions associated with electric power as well as heavy oil and gas, etc. used in business.
4. The Science Based Targets initiatives (SBTi) was jointly established by the United Nations Global Compact, CDP (formerly the Carbon Disclosure Project), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The body assesses and certifies whether the emission reduction targets of companies and organizations around the world comply with the targets set forth in the Paris Agreement, for which world governments committed to curbing global temperature rise to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
5. *Smartphone Debut Plan* is designed for users switching to a smartphone from a feature phone or those aged 5 to 15 (eligible age extended up to 22 by a campaign) using smartphones for the first time. When such users subscribe to a *SoftBank* brand smartphone, the plan provides voice calls up to 5 minutes per call in Japan and 3 GB data allowance (5 GB data allowance for the first 12 months by a campaign) for a basic charge of ¥900 yen per month (excluding tax) for the first 12 months starting from the next month after enrollment. From the 14th month, the plan provides voice calls up to 5 minutes per call in Japan and 3 GB data allowance for a basic charge of ¥1,980 per month (excluding tax).

6. *Toku Suru Support+* (for subscribers enrolled on or after September 24, 2021) is a program that can be used with no usage charge by customers who purchase an eligible model on a 48-installment payment plan even without a *SoftBank* mobile service contract and was renamed to *Shin (New) Toku Suru Support* from November 17, 2021. If the customer applies for this special offer in or after the 25th month after the purchase and the Company completes the recovery and assessment of the eligible model by the end of the following month, the program waives the remaining installment payments (or installment amounts) of the eligible model (up to 24 installments). However, if the returned model does not meet the assessment conditions, the customer will need to pay up to ¥22,000 (tax exempt), in addition to returning the model.
7. *LINE MUSIC* is a music streaming service provided by LINE MUSIC Corporation.
8. Digital transformation (DX) refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.
9. MEC is a technology that can optimize and speed up communications by bringing data processing functions closer to end users of devices.
10. Network slicing is a technology to divide a single network into multiple distinct virtual connections and provide and operate them as multiple logical networks so that services can be delivered according to diverse needs and applications.
11. One type of dedicated mobile data switch used to process user data.
12. The population coverage ratio is calculated based on areas where communications are possible in 50% or more of locations within the approx. 500 m grid squares compiled for the Population Census of Japan.
13. 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.
14. Product lineups and numbers of products vary with stores.
15. This delivery time is an approximate benchmark.
16. An NFT (Non-Fungible Token) is a unique and irreplaceable digital token on the blockchain, which is a mechanism to prove the uniqueness and the owner of digital items and content.
17. The number of users who have registered an account.
18. Fees charged by credit card companies have been drawn for comparison from the document published by PAYMENTS JAPAN. This document indicates the standard fee rates provided by 31 major service providers (as of July 1, 2020). Fees of mobile payment companies are taken from each company's website (as of August 2, 2021) for comparison (both researched by PayPay Corporation).
19. The payment system fee for merchants with subscriptions to *PayPay My Store Lite Plan* is 1.60% (excluding tax). For merchants without such a subscription, the payment system fee is 1.98% (excluding tax). The monthly fee for *PayPay My Store Lite Plan* is ¥1,980 (excluding tax) per store.
20. The service is provided using statistically processed data and does not use any data that can identify individuals.
21. The floating population data are statistical data that have been anonymized so that individuals cannot be identified.

## b. Consolidated Results of Operations

(Billions of yen)

	Fiscal Year Ended March 31		Change	Change %
	2021	2022		
Revenue	5,205.5	<b>5,690.6</b>	485.1	9.3%
Operating income	970.8	<b>985.7</b>	15.0	1.5%
Profit before income taxes	847.7	<b>880.4</b>	32.7	3.9%
Income taxes	(300.0)	<b>(296.4)</b>	3.6	(1.2)%
Net income	547.7	<b>584.0</b>	36.2	6.6%
Net income attributable to:				
Owners of the Company	491.3	<b>517.5</b>	26.2	5.3%
Non-controlling interests	56.4	<b>66.4</b>	10.0	17.7%
Adjusted EBITDA <sup>1</sup>	1,714.8	<b>1,740.2</b>	25.4	1.5%

Note:

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

For the fiscal year ended March 31, 2022, the definition of adjusted EBITDA has been revised to take account of stock compensation expenses. The figures for the previous fiscal year have been restated accordingly.

An overview of the consolidated results of operations for the fiscal year ended March 31, 2022 is as follows:

### (a) Revenue

For the fiscal year ended March 31, 2022, revenue increased by ¥485.1 billion (9.3%) year on year to ¥5,690.6 billion. Revenue increased by ¥361.6 billion in the Yahoo! JAPAN/LINE segment, mainly due to increased revenue in connection with consolidation of LINE Corporation, by ¥112.3 billion in the Consumer segment, mainly due to increases in electricity revenue and revenues from sales of goods and others, despite the impact of a decline in ARPU due to mobile service price reduction, and by ¥24.1 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization. On the other hand, revenue decreased by ¥30.7 billion in the Distribution segment, mainly due to absence of revenue for large-scale project orders from municipalities recorded in the previous fiscal year, while there was a solid increase in revenue from subscription services.

### (b) Operating income

For the fiscal year ended March 31, 2022, operating income increased by ¥15.0 billion (1.5%) year on year to ¥985.7 billion. Operating income increased by ¥27.4 billion in the Yahoo! JAPAN/LINE segment, owing to the consolidation of LINE Corporation and growth in the advertising business, and by ¥20.7 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization. In the Distribution segment, operating income increased by ¥0.6 billion due to a solid increase in income from subscription services. On the other hand, operating income decreased by ¥19.2 billion in the Consumer segment mainly due to the impact of the switch from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands and the introduction of new price plans. In Other, not included in the above segments, operating income decreased by ¥10.7 billion year on year mainly due to aggressive investments by subsidiaries of the Company to gain market shares.

### (c) Net income

For the fiscal year ended March 31, 2022, net income increased by ¥36.2 billion (6.6%) year on year to ¥584.0 billion. This increase mainly reflects an increase in operating income and an increase in financing income of ¥33.7 billion due to gains on valuation of investment securities held, while there was an increase in share of losses of associates accounted for using the equity method of ¥14.6 billion due to the impact of Demae-can Co., Ltd. and LINE Corporation's overseas associates accounted for using the equity method.

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

For the fiscal year ended March 31, 2022, net income attributable to owners of the Company increased by ¥26.2 billion (5.3%) year on year to ¥517.5 billion. For the fiscal year ended March 31, 2022, net income attributable to non-controlling interests increased by ¥10.0 billion (17.7%) year on year to ¥66.4 billion mainly due to the impact of a decrease in the Company's percentage of voting rights in Z Holdings in connection with the business integration of Z Holdings and LINE Corporation.

### (e) Adjusted EBITDA

For the fiscal year ended March 31, 2022, adjusted EBITDA increased by ¥25.4 billion (1.5%) year on year to ¥1,740.2 billion. The main components of this change were an increase in operating income, along with an increase in stock compensation expenses in relation to stock options issued by Z Holdings in connection with the business integration of Z Holdings and LINE Corporation,

and an increase in depreciation and amortization associated with the business integration. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for evaluating its business performance.

### c. Principal Operational Data

#### Mobile Services

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

Cumulative Subscribers	(Thousands)		
	March 31, 2021	March 31, 2022	Change
Total	47,285	49,509	2,225
Main subscribers*	37,910	38,569	658
Of which, smartphones	25,926	27,580	1,654
Communication modules and others	8,714	10,603	1,889
PHS	660	337	(322)

Net Additions	(Thousands)		
	Fiscal Year Ended March 31		Change
	2021	2022	
Main subscribers*	1,412	658	(754)
Of which, smartphones	1,792	1,654	(138)

Churn Rate and Total ARPU	(Thousands)			
	Fiscal Year Ended March 31		Change	
	2021	2022		
Main subscribers*	Churn rate	0.93%	1.10%	+0.17pp
	Total ARPU (yen)	4,290	4,070	(220)
	ARPU before discount (yen)	4,730	4,390	(340)
	Discount on ARPU (yen)	(440)	(320)	120
Smartphones	Churn rate	0.71%	0.99%	+0.27pp

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	(Thousands)		
	March 31, 2021	March 31, 2022	Change
Total	8,139	8,313	175
<i>SoftBank Hikari</i>	6,916	7,306	390
<i>Yahoo! BB Hikari with FLET'S</i>	692	625	(68)
<i>Yahoo! BB ADSL</i>	530	383	(148)

<Definitions and Calculation Methods of Principal Operational Data>

Mobile Services

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

\* On March 31, 2021, the Company stopped accepting new applications for *LINE MOBILE*.

\* 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*, *LINE MOBILE*, and *LINEMO*, 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 no longer required if the customer trades in their used handset to upgrade to a designated new model after 24 monthly installments. On September 12, 2019, the Company 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 services, broadband services and electricity services, including the *Ouchi Denki (Home Electricity)* service, to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

#### FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Revenue	2,770.4	<b>2,882.7</b>	112.3	4.1%
Segment income	658.6	<b>639.5</b>	(19.2)	(2.9)%
Depreciation and amortization	423.8	<b>420.2</b>	(3.6)	(0.9)%

#### Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Service revenues	2,208.0	<b>2,251.8</b>	43.8	2.0%
Mobile	1,677.5	<b>1,608.1</b>	(69.4)	(4.1)%
Broadband	399.6	<b>404.6</b>	5.0	1.3%
Electricity	130.9	<b>239.1</b>	108.2	82.6%
Revenues from sales of goods and others	562.4	<b>630.9</b>	68.5	12.2%
Total revenue	2,770.4	<b>2,882.7</b>	112.3	4.1%

Consumer segment revenue increased by ¥112.3 billion (4.1%) year on year to ¥2,882.7 billion. Within Consumer segment revenue, service revenues increased by ¥43.8 billion (2.0%) year on year to ¥2,251.8 billion, and revenues from sales of goods and others increased by ¥68.5 billion (12.2%) year on year to ¥630.9 billion.

Within service revenues, mobile revenue decreased by ¥69.4 billion (4.1%) year on year. The decrease reflects a decline in ARPU due to mobile service price reduction and reversal of contract liabilities related to *Half-Price Support* of ¥11.0 billion as a one-time increase in revenue in the previous fiscal year, while there was an increase in subscribers led by the *Y!mobile* brand, in addition to an improvement in the amount of *Otokuwari* discounts<sup>1</sup> offered by the *SoftBank* brand. The decline in ARPU due to mobile service price reduction was mainly due to the effects of an increase in subscribers switching from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands and introduction of new price plans under the *SoftBank* and *Y!mobile* brands.

Broadband revenue increased by ¥5.0 billion (1.3%) year on year. This increase was due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service.

Moreover, electricity revenue increased by ¥108.2 billion (82.6%) year on year. This increase was mainly due to an increase in subscribers of the *Ouchi Denki (Home Electricity)* service and fluctuation of transaction volume and price in the market.

The increase in revenues from sales of goods and others was mainly due to an increase in unit price of mobile devices associated with the rise in the composition of high-priced 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 ¥2,243.2 billion, an increase of ¥131.4 billion (6.2%) year on year. This increase was mainly due to an increase in the cost of products related to the *Ouchi Denki* service, an increase in the cost of products pertaining to an increase in unit purchase price associated with the abovementioned rise in the composition of high-priced mobile devices, and an increase in telecommunication network charges due to an increase in subscribers of the *SoftBank Hikari*.

As a result, segment income decreased by ¥19.2 billion (2.9%) year on year to ¥639.5 billion.

Note:

1. The *Otokuwari* discounts include *First Year Discount*, *First Year Discount+*, and *Half-year Discount*.



## (b) Enterprise Segment

### OVERVIEW

In the Enterprise segment, the Group provides a wide range of solutions for enterprise customers. These include mobile services such as mobile lines and mobile device rental, fixed-line communications services such as fixed-line telephones and data communications, as well as various solutions for enterprises such as data center, cloud, security, global, AI, IoT, and digital marketing services.

### FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Revenue	691.6	<b>715.7</b>	24.1	3.5%
Segment income	107.7	<b>128.5</b>	20.7	19.2%
Depreciation and amortization	160.3	<b>158.6</b>	(1.7)	(1.1)%

#### Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Mobile	305.4	<b>313.2</b>	7.8	2.6%
Fixed-line	188.9	<b>186.8</b>	(2.1)	(1.1)%
Business solution and others	197.3	<b>215.7</b>	18.4	9.3%
Total revenue	691.6	<b>715.7</b>	24.1	3.5%

Enterprise segment revenue increased by ¥24.1 billion (3.5%) year on year to ¥715.7 billion. Within Enterprise segment revenue, mobile revenue increased by ¥7.8 billion (2.6%) to ¥313.2 billion, fixed-line revenue decreased by ¥2.1 billion (1.1%) to ¥186.8 billion, and business solution and others revenue increased by ¥18.4 billion (9.3%) to ¥215.7 billion.

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

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, digital marketing advertising services, and security solutions as a result of capturing enterprise customers' demand for digitalization arising from the COVID-19 outbreak.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥587.3 billion, an increase of ¥3.4 billion (0.6%) 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 ¥20.7 billion (19.2%) year on year to ¥128.5 billion.

## (c) Distribution Segment

### OVERVIEW

In the Distribution segment, the Group provides cutting-edge products and services that quickly capture the ever-changing market environment. For enterprise customers, the Group offers products and services primarily addressing cloud services and advanced technologies including AI. For individual customers, the Group undertakes the planning and provision of products and services across a wide range of areas such as software, mobile accessories, and IoT products, as a manufacturer and distributor.

### FINANCIAL RESULTS

	(Billions of yen)			
	Fiscal Year Ended March 31		Change	Change %
	2021	<b>2022</b>		
Revenue	531.3	<b>500.6</b>	(30.7)	(5.8)%
Segment income	22.3	<b>22.9</b>	0.6	2.7%
Depreciation and amortization	3.6	<b>3.7</b>	0.0	0.9%

Distribution segment revenue decreased by ¥30.7 billion (5.8%) year on year to ¥500.6 billion. This decrease was mainly due to absence of revenue for large-scale project orders from municipalities recorded in the previous fiscal year, while there was solid growth in subscription services such as cloud and SaaS, which have been strategic areas of focus.

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 ¥477.7 billion, a decrease of ¥31.4 billion (6.2%) year on year. This decrease was mainly due to a decrease in costs of products in connection with the abovementioned decrease in revenue.

As a result, segment income increased by ¥0.6 billion (2.7%) year on year to ¥22.9 billion.

#### (d) Yahoo! JAPAN/LINE Segment

##### OVERVIEW

In the Yahoo! JAPAN/LINE segment, the Group offers services that center on media, commerce, finance and payment-related businesses, covering online to offline services in a comprehensive manner. In the media field, the Group provides advertising-related services on the Internet and *LINE*. In the commerce field, the Group provides e-commerce services such as *Yahoo! JAPAN Shopping*, *PayPay Mall* and *ZOZOTOWN*, and reuse services such as *YAHUOKU!*. In the strategy field, the Group provides finance, payment and similar services centered on FinTech<sup>1</sup>, which the Group is working to develop into new drivers of earnings alongside media and commerce.

Along with the consolidation of LINE Corporation in connection with the completion of the business integration of Z Holdings and LINE Corporation in March 2021, the “Yahoo” reportable segment was renamed to “Yahoo! JAPAN/LINE” from the three months ended June 30, 2021.

Note:

1. FinTech is a term coined from the combination of finance and technology and refers to a variety of innovative services that combine financial services with information and communication technology.

##### FINANCIAL RESULTS

	(Billions of yen)			
	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Revenue	1,205.8	1,567.4	361.6	30.0%
Segment income	162.1	189.5	27.4	16.9%
Depreciation and amortization	101.7	134.2	32.4	31.9%

##### Breakdown of Revenue

	(Billions of yen)			
	Fiscal Year Ended March 31			
	2021	2022	Change	Change %
Media	365.1	632.8	267.7	73.3%
Commerce	744.8	809.1	64.4	8.6%
Strategy	85.6	110.4	24.8	29.0%
Other	10.4	15.1	4.7	44.9%
Total revenue	1,205.8	1,567.4	361.6	30.0%

Note:

In the fiscal year ended March 31, 2022, Z Holdings revised its management segments following its business integration with LINE Corporation in March 2021. Accordingly, “Strategy” has been added to the breakdown of revenue, and the breakdown has been revised with respect to certain services and subsidiaries. Additionally, revenues for the previous fiscal year have been restated to reflect these changes.

Yahoo! JAPAN/LINE segment revenue increased by ¥361.6 billion (30.0%) year on year to ¥1,567.4 billion. Within Yahoo! JAPAN/LINE segment revenue, media revenue increased by ¥267.7 billion (73.3%) to ¥632.8 billion, commerce revenue increased by ¥64.4 billion (8.6%) to ¥809.1 billion, strategy revenue increased by ¥24.8 billion (29.0%) to ¥110.4 billion, and other revenue increased by ¥4.7 billion (44.9%) to ¥15.1 billion.

The increase in media revenue mainly reflected the recovery of advertising demand and the product improvement initiatives, in addition to the consolidation of LINE Corporation.

The increase in commerce revenue is mainly due to an increase in revenue of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), in addition to the consolidation of LINE Corporation.

The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field, in addition to the consolidation of LINE Corporation.

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 ¥1,377.9 billion, an increase of ¥334.2 billion (32.0%) year on year. This increase mainly reflected an increase in expenses accompanying the consolidation of LINE Corporation and an increase in sales promotion expenses at Yahoo Japan.

As a result, segment income increased by ¥27.4 billion (16.9%) year on year to ¥189.5 billion.

## (2) Overview of Consolidated Financial Position

(Billions of yen)

	March 31, 2021	March 31, 2022	Change	Change %
Current assets	4,033.8	<b>4,131.1</b>	97.2	2.4%
Non-current assets	8,173.9	<b>8,576.8</b>	403.0	4.9%
Total assets	12,207.7	<b>12,707.9</b>	500.2	4.1%
Current liabilities	5,293.6	<b>5,342.8</b>	49.1	0.9%
Non-current liabilities	4,177.0	<b>4,476.8</b>	299.8	7.2%
Total liabilities	9,470.6	<b>9,819.6</b>	349.0	3.7%
Total equity	2,737.1	<b>2,888.3</b>	151.2	5.5%

Note:

The numbers in the table as of March 31, 2021 are retrospectively amended by the completion of the provisional accounting treatment pertaining to the business combination. For details, refer to “Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation” in 4. Business combinations, (6) Notes to Consolidated Financial Statements, 4. Consolidated Financial Statements and Primary Notes.

### ASSETS

Total assets amounted to ¥12,707.9 billion as of March 31, 2022, an increase of ¥500.2 billion (4.1%) from the previous fiscal year-end. This mainly reflected an increase of ¥157.7 billion in intangible assets mainly associated with the acquisition of the trademarks by Yahoo Japan, an increase of ¥155.5 billion in other financial assets, which primarily reflected an increase in the housing loan balance in the banking business, and an increase of ¥147.9 billion in investment securities.

### LIABILITIES

Total liabilities amounted to ¥9,819.6 billion as of March 31, 2022, an increase of ¥349.0 billion (3.7%) from the previous fiscal year-end. This increase was mainly due to an increase of ¥306.9 billion in interest-bearing debt and an increase of ¥240.6 billion in deposits for banking business, while there was a decrease of ¥161.4 billion in trade and other payables. The increase in interest-bearing debt was mainly due to the issuance of ¥210.0 billion and ¥100.0 billion in unsecured bonds by the Company and Z Holdings, respectively, and the raising of borrowings of ¥200.0 billion for the purpose of securing operating funds at the Company, while there was a decrease due to progress in scheduled payment of a long-term loan. The decrease in trade and other payables was mainly due to the payment of accrued liabilities related to the purchase of shares of LINE Corporation<sup>1</sup> (currently A Holdings Corporation) that were less than one unit as a result of the reverse share split.

### EQUITY

Total equity amounted to ¥2,888.3 billion as of March 31, 2022, an increase of ¥151.2 billion (5.5%) from the previous fiscal year-end. This was mainly due to an increase of ¥584.0 billion due to the recording of net income for the fiscal year ended March 31, 2022, offset by a decrease of ¥467.9 billion due to cash dividends.

Note:

1. Refers to LINE Corporation, surviving company in the absorption-type merger conducted by Shiodome Z Holdings GK. For details, refer to “Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation” in 4. Business combinations, (6) Notes to Consolidated Financial Statements, 4. Consolidated Financial Statements and Primary Notes.

### (3) Overview of Consolidated Cash Flows

(Billions of yen)

	Fiscal Year Ended March 31		Change
	2021	2022	
Net cash inflow from operating activities	1,338.9	<b>1,215.9</b>	(123.0)
Net cash outflow from investing activities	(511.3)	<b>(957.7)</b>	(446.4)
Net cash inflow (outflow) from financing activities	(388.5)	<b>(305.1)</b>	83.4
Cash and cash equivalents at the end of the period	1,584.9	<b>1,546.8</b>	(38.1)
Free cash flow <sup>1</sup>	827.7	<b>258.2</b>	(569.4)
Effect of securitization of installment sales receivables	3.2	<b>93.8</b>	90.6
Adjusted free cash flow <sup>2</sup>	830.8	<b>352.0</b>	(478.8)
Adjusted free cash flow (excluding Z Holdings Group and others) <sup>3</sup>	538.6	<b>579.7</b>	41.2
Capital expenditures (acceptance basis, including Z Holdings Group)	680.3	<b>647.3</b>	(33.0)
Capital expenditures (acceptance basis, excluding Z Holdings Group) <sup>4</sup>	422.0	<b>414.2</b>	(7.8)

Notes:

1. Free cash flow = net cash inflow from operating activities + net cash outflow from investing activities
2. Adjusted free cash flow = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof)
3. Excluding adjustments for free cash flow of both A Holdings Corporation and the Z Holdings Group, net payments for obtaining the control of subsidiaries associated with the business integration of Z Holdings and LINE Corporation, and loans to board directors, etc., and including dividend payments received from both A Holdings Corporation and Z Holdings.
4. Capital expenditures (acceptance basis, excluding Z Holdings Group) exclude capital expenditures of the Z Holdings Group, investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16.

#### a. Cash flows from operating activities

In the fiscal year ended March 31, 2022, net cash inflow from operating activities was ¥1,215.9 billion, a decrease of ¥123.0 billion year on year. This decrease mainly reflected a decrease in income taxes refunded due to the absence in the fiscal year ended March 31, 2022 of the income tax refunded related to dividends paid among the Z Holdings Group recorded in the previous fiscal year, a decrease in inflows related to an increase in trade and other payables, and a decrease in inflows related to deposits in banking business, while there was a decrease in outflows related to loans in banking business.

#### b. Cash flows from investing activities

In the fiscal year ended March 31, 2022, net cash outflow from investing activities was ¥957.7 billion, an increase of ¥446.4 billion year on year. This mainly reflected payments for purchases of property, plant and equipment and intangible assets associated with the acquisition of the trademarks and other assets for ¥178.5 billion by Yahoo Japan in connection with the license agreement and payments for acquisition of investments including the purchase of shares of LINE Corporation (currently A Holdings Corporation) that were less than one unit for ¥115.2 billion as a result of the reverse share split, in the fiscal year ended March 31, 2022. Another factor was the absence of a cash inflow of ¥312.8 billion from the acceptance of the balance of cash and cash equivalents resulting from the consolidation of LINE Corporation through a stock exchange and a net cash outflow of ¥175.3 billion associated with the joint tender offer for shares of LINE Corporation, both of which were recorded in the fiscal year ended March 31, 2021.

#### c. Cash flows from financing activities

In the fiscal year ended March 31, 2022, net cash outflow from financing activities was ¥305.1 billion. While the cash inflow was ¥2,085.3 billion including the issuance of ¥210.0 billion and ¥100.0 billion in unsecured bonds by the Company and Z Holdings, respectively, the raising of borrowings of ¥200.0 billion for the purpose of securing operating funds at the Company, and the issuance of commercial paper by the subsidiaries, the total cash outflow was ¥2,390.4 billion mainly due to scheduled payment of a long-term loan and payment of cash dividends.

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

As a result of (a) through (c) above, cash and cash equivalents at March 31, 2022 were ¥1,546.8 billion, a decrease of ¥38.1 billion year on year.

e. Adjusted free cash flow

In the fiscal year ended March 31, 2022, adjusted free cash flow was positive ¥352.0 billion, a decrease of ¥478.8 billion year on year. This reflects the effects of the abovementioned decrease in net cash inflow from operating activities, increase in net cash outflow from investing activities, and the securitization of installment sales receivables.

f. Capital expenditures

In the fiscal year ended March 31, 2022, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥647.3 billion, a decrease of ¥33.0 billion year on year. This decrease was mainly due to the absence of the impact of an increase in the right-of-use assets associated with the new lease contract for the new Takeshiba Headquarters in the previous fiscal year, while there was an increase in the capital expenditures of the Company in 5G equipment and the Z Holdings Group.

#### (4) Forecasts

Forecasts for the consolidated results for the fiscal year ending March 31, 2023

	Fiscal Year Ended March 31, 2022 (Actual)	Fiscal Year Ending March 31, 2023 (Forecast)	Change	Change %
Revenue	5,690.6	5,900.0	209.4	3.7%
Operating income	985.7	1,000.0 or more	14.3 or more	1.4% or more
Net income attributable to owners of the Company	517.5	530.0 or more	12.5 or more	2.4% or more

Forecasts for the operating income by segment for the fiscal year ending March 31, 2023

	Fiscal Year Ended March 31, 2022 (Actual)	Fiscal Year Ending March 31, 2023 (Forecast)	Change	Change %
Consumer segment	639.5	480.0	(159.5)	(24.9)%
Enterprise segment	128.5	150.0	21.5	16.8%
Distribution segment	22.9	23.5	0.6	2.6%
Yahoo! JAPAN/LINE segment and Other <sup>1</sup>	194.9	346.5 or more	151.6 or more	77.8% or more
Total	985.7	1,000.0 or more	14.3 or more	1.4% or more

Notes:

1. Other includes information not included in any of Consumer, Enterprise, Distribution, and Yahoo! JAPAN/LINE segment, and adjustments including eliminations of intersegment transactions and expenses not allocated to each reportable segment, and the impact of PayPay consolidation. The impact of PayPay consolidation includes estimated amounts of gain or loss on step acquisition of PayPay Corporation by the Company, operating income/loss of PayPay Corporation after making it a subsidiary, and amortization of identifiable intangible assets recognized as a result of making it a subsidiary. PayPay Corporation is expected to become a subsidiary of the Company upon the condition that both the Company and Yahoo Japan exercise all of their preferred stocks in PayPay Corporation. The exercise of the conversion right is dependent on a certain agreement being made among the shareholders of PayPay Corporation. As the forecast of the operating income of Other includes the above-mentioned estimated amounts, it is presented with “or more” in the “Forecasts for the operating income by segment.” Hence the “Forecasts for the consolidated results” are also presented with “or more.”

For the consolidated financial results forecasts for the fiscal year ending March 31, 2023, while being affected by mobile service price reductions, the Company continues to expect an increase in both revenue and operating income led by the impact of PayPay consolidation and the growth of the Enterprise segment and the Yahoo! JAPAN/LINE segment.

In the Consumer segment, the Company expects a decrease in operating income due to the impact of mobile service price reductions and an increase in sales-related expenses and other items, despite an increase in smartphone subscribers. In the Enterprise segment, the Company expects an increase in operating income related to mobile, cloud and other solution services through promoting digitalization of enterprise customers. In the Distribution segment, the Company forecasts an increase in operating income from the expansion of subscription services. In the Yahoo! JAPAN/LINE segment, the Company expects to make growth investments in commerce and financial services. In Other, the Company expects the impact of PayPay consolidation.

## **(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years**

The Company considers the return of profits to shareholders to be an important goal for our management along with increasing medium to long term corporate value. The Company can achieve both a high rate of shareholder returns and growth investments based on its ability to make highly efficient investments in new businesses in cooperation with the SoftBank Group portfolio companies. To increase corporate value, the Company will make capital investments efficiently to further raise the sophistication and expand the service areas of 5G, as well as continuing investments in new businesses. Our basic policy is to distribute surplus twice a year as interim and year-end dividends. Our dividend policy is to consider performance trends, financial condition and the total shareholder return ratio including share buybacks on a comprehensive basis while paying attention to the stability and sustainability of dividends. During the period from the fiscal year ended March 31, 2021 through the fiscal year ending March 31, 2023, the Company's basic policy is to pay stable and continuous per-share dividends and to flexibly consider implementing share buyback programs, with a ratio of total shareholder return to net income attributable to owners of the Company of approximately 85%<sup>1</sup>.

In the fiscal year ended March 31, 2022, the year-end dividend per share is planned to be ¥43<sup>2</sup>. For the fiscal year ending March 31, 2023, the annual dividend per share is planned to be ¥86 (of which, the interim dividend per share is planned to be ¥43).

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

### Notes:

1. Total amount of dividends paid and treasury stock retired during the three years from the fiscal year ended March 31, 2021 through the fiscal year ending March 31, 2023 / total amount of net income attributable to owners of the Company during the same three years.
2. This is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 20, 2022.



## 2. Basic Approach to the Selection of Accounting Standards

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

## 3. Notes to Summary Information

### (1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2022

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.

#### 4. Consolidated Financial Statements and Primary Notes

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

	As of March 31, 2021 <sup>1</sup>	(Millions of yen) As of March 31, 2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	1,584,892	1,546,792
Trade and other receivables	2,082,223	2,128,934
Other financial assets	144,935	194,031
Inventories	119,411	136,247
Other current assets	102,384	125,072
Total current assets	<u>4,033,845</u>	<u>4,131,076</u>
Non-current assets		
Property, plant and equipment	1,248,901	1,491,842
Right-of-use assets	1,081,559	824,090
Goodwill	1,254,727	1,257,889
Intangible assets	2,096,401	2,254,070
Contract costs	248,194	332,197
Investments accounted for using the equity method	239,754	251,924
Investment securities	321,300	469,220
Investment securities in banking business	392,260	309,225
Other financial assets	1,129,858	1,236,240
Deferred tax assets	55,224	48,763
Other non-current assets	105,697	101,377
Total non-current assets	<u>8,173,875</u>	<u>8,576,837</u>
Total assets	<u><u>12,207,720</u></u>	<u><u>12,707,913</u></u>

	As of March 31, 2021 <sup>1</sup>	(Millions of yen) As of March 31, 2022
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Interest-bearing debt	2,000,479	2,036,579
Trade and other payables	1,624,048	1,462,619
Contract liabilities	107,633	104,293
Deposits for banking business	1,165,577	1,406,205
Other financial liabilities	4,924	3,440
Income taxes payable	195,874	125,050
Provisions	17,710	26,304
Other current liabilities	177,391	178,263
Total current liabilities	<u>5,293,636</u>	<u>5,342,753</u>
Non-current liabilities		
Interest-bearing debt	3,692,113	3,962,946
Other financial liabilities	33,966	29,790
Provisions	106,093	99,541
Deferred tax liabilities	297,926	319,313
Other non-current liabilities	46,874	65,224
Total non-current liabilities	<u>4,176,972</u>	<u>4,476,814</u>
Total liabilities	<u>9,470,608</u>	<u>9,819,567</u>
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	363,773	366,098
Retained earnings	1,066,228	1,167,903
Treasury stock	(134,218)	(106,462)
Accumulated other comprehensive income	35,631	43,352
Total equity attributable to owners of the Company	<u>1,535,723</u>	<u>1,675,200</u>
Non-controlling interests	<u>1,201,389</u>	<u>1,213,146</u>
Total equity	<u>2,737,112</u>	<u>2,888,346</u>
Total liabilities and equity	<u><u>12,207,720</u></u>	<u><u>12,707,913</u></u>

Note:

- As described in “Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation” under “Note 4. Business combinations,” provisional accounting treatment pertaining to the business combination has been completed and accordingly the consolidated financial statements are retrospectively amended.

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

## Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	5,205,537	5,690,606
Cost of sales	(2,701,790)	(2,889,116)
Gross profit	2,503,747	2,801,490
Selling, general and administrative expenses	(1,522,975)	(1,836,843)
Other operating income	-	23,547
Other operating expenses	(10,002)	(2,448)
Operating income	970,770	985,746
Share of losses of associates accounted for using the equity method	(45,490)	(60,094)
Financing income	5,806	39,471
Financing costs	(73,369)	(66,442)
Gain on sales of equity method investments	3,902	8,925
Impairment loss on equity method investments	(13,920)	(27,243)
Profit before income taxes	847,699	880,363
Income taxes	(299,979)	(296,411)
Net income <sup>1</sup>	547,720	583,952
Net income attributable to		
Owners of the Company	491,287	517,517
Non-controlling interests	56,433	66,435
	547,720	583,952
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	103.85	110.13
Diluted earnings per share (Yen)	102.66	108.27

## Note:

- All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2021 and 2022 were generated from continuing operations.

## Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
	(Millions of yen)	
Net income	547,720	583,952
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(713)	(114)
Changes in the fair value of equity instruments at FVTOCI	56,034	10,887
Share of other comprehensive income (loss) of associates accounted for using the equity method	(22)	(89)
Total items that will not be reclassified to profit or loss	55,299	10,684
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	700	(1,378)
Cash flow hedges	53	1,313
Exchange differences on translation of foreign operations	2,937	11,642
Share of other comprehensive income of associates accounted for using the equity method	776	5,318
Total items that may be reclassified subsequently to profit or loss	4,466	16,895
Total other comprehensive income (loss), net of tax	59,765	27,579
Total comprehensive income	607,485	611,531
Total comprehensive income attributable to		
Owners of the Company	529,890	526,204
Non-controlling interests	77,595	85,327
	607,485	611,531

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

For the fiscal year ended March 31, 2021

(Millions of yen)

	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2020	204,309	(133,915)	1,003,554	(68,709)	(4,693)	1,000,546	707,018	1,707,564
Comprehensive income								
Net income	-	-	491,287	-	-	491,287	56,433	547,720
Other comprehensive income (loss)	-	-	-	-	38,603	38,603	21,162	59,765
Total comprehensive income	-	-	491,287	-	38,603	529,890	77,595	607,485
Transactions with owners and other transactions								
Cash dividends	-	-	(406,119)	-	-	(406,119)	(30,796)	(436,915)
Purchase of treasury stock	-	-	-	(100,000)	-	(100,000)	-	(100,000)
Disposal of treasury stock	-	(17,439)	-	34,491	-	17,052	-	17,052
Changes from business combinations	-	-	-	-	-	-	264,636	264,636
Changes from loss of control	-	-	-	-	-	-	-	-
Changes in interests in existing subsidiaries	-	497,414	-	-	-	497,414	182,017	679,431
Share-based payment transactions	-	761	-	-	-	761	-	761
Transfer from retained earnings to capital surplus	-	17,370	(17,370)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	(1,721)	-	1,721	-	-	-
Other	-	(418)	(3,403)	-	-	(3,821)	919	(2,902)
Total transactions with owners and other transactions	-	497,688	(428,613)	(65,509)	1,721	5,287	416,776	422,063
As of March 31, 2021	204,309	363,773	1,066,228	(134,218)	35,631	1,535,723	1,201,389	2,737,112

For the fiscal year ended March 31, 2022

(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, 2021	204,309	363,773	1,066,228	(134,218)	35,631	1,535,723	1,201,389	2,737,112
Comprehensive income								
Net income	-	-	517,517	-	-	517,517	66,435	583,952
Other comprehensive income (loss)	-	-	-	-	8,687	8,687	18,892	27,579
Total comprehensive income	-	-	517,517	-	8,687	526,204	85,327	611,531
Transactions with owners and other transactions								
Cash dividends	-	-	(403,708)	-	-	(403,708)	(64,200)	(467,908)
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	(12,556)	-	27,756	-	15,200	-	15,200
Changes from business combinations	-	-	-	-	-	-	1,554	1,554
Changes from loss of control	-	-	-	-	-	-	(3,401)	(3,401)
Changes in interests in existing subsidiaries	-	(288)	-	-	-	(288)	(6,563)	(6,851)
Share-based payment transactions	-	2,654	-	-	-	2,654	-	2,654
Transfer from retained earnings to capital surplus	-	12,602	(12,602)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	966	-	(966)	-	-	-
Other	-	(87)	(498)	-	-	(585)	(960)	(1,545)
Total transactions with owners and other transactions	-	2,325	(415,842)	27,756	(966)	(386,727)	(73,570)	(460,297)
As of March 31, 2022	204,309	366,098	1,167,903	(106,462)	43,352	1,675,200	1,213,146	2,888,346

Note:

1. As described in “Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation” under “Note 4. Business combinations,” provisional accounting treatment pertaining to the business combination has been completed and accordingly the consolidated statement of changes in equity for the fiscal year ended March 31, 2021 is retrospectively amended.

## (4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Net income	547,720	583,952
Depreciation and amortization	696,342	723,444
Loss on disposal of property, plant and equipment and intangible assets	33,356	19,179
Gain relating to loss of control over subsidiaries	-	(21,216)
Financing income	(5,806)	(39,471)
Financing costs	73,369	66,442
Share of losses of associates accounted for using the equity method	45,490	60,094
Gain on sales of equity method investments	(3,902)	(8,925)
Impairment loss on equity method investments	13,920	27,243
Income taxes	299,979	296,411
(Increase) decrease in trade and other receivables	(204,101)	(169,276)
(Increase) decrease in inventories	(19,272)	(16,537)
Purchases of mobile devices leased to enterprise customers	(34,662)	(38,637)
Increase (decrease) in trade and other payables	137,586	71,533
Increase (decrease) in consumption taxes payable	(1,852)	(21,336)
Increase (decrease) in deposits in banking business	284,730	240,628
(Increase) decrease in loans in banking business	(142,751)	(86,768)
Other	(54,060)	(57,065)
Subtotal	1,666,086	1,629,695
Interest and dividends received	5,638	7,105
Interest paid	(59,215)	(63,394)
Income taxes paid	(390,726)	(385,434)
Income taxes refunded	117,166	27,946
Net cash inflow from operating activities	1,338,949	1,215,918
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(479,522)	(709,092)
Proceeds from sales of property, plant and equipment and intangible assets	9,074	2,041
Payments for acquisition of investments	(1,114,385)	(328,690)
Proceeds from sales/redemption of investments	850,965	39,302
Purchase of investment securities in banking business	(309,685)	(177,032)
Proceeds from sales/redemption of investment securities in banking business	244,159	233,744
Proceeds from (payments for) obtaining control of subsidiaries	303,153	(1,298)
Other	(15,054)	(16,668)
Net cash outflow from investing activities	(511,295)	(957,693)



	Fiscal year ended March 31, 2021	(Millions of yen) Fiscal year ended March 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	314,991	(16,914)
Proceeds from interest-bearing debt	2,429,231	2,075,450
Repayment of interest-bearing debt	(2,600,491)	(1,905,637)
Proceeds from stock issuance to non-controlling interests	7,176	7,122
Purchase of treasury stock	(100,000)	(0)
Cash dividends paid	(405,497)	(403,609)
Cash dividends paid to non-controlling interests	(30,786)	(64,198)
Other	(3,086)	2,714
Net cash inflow (outflow) from financing activities	(388,462)	(305,072)
Effect of exchange rate changes on cash and cash equivalents	1,892	8,747
Increase (decrease) in cash and cash equivalents	441,084	(38,100)
Cash and cash equivalents at the beginning of the period	1,143,808	1,584,892
Cash and cash equivalents at the end of the period	1,584,892	1,546,792

## (5) Notes on Going Concern Assumption

There are no applicable items.

## (6) Notes to Consolidated Financial Statements

### 1. Reporting entity

SoftBank Corp. (the “Company”) is a corporation (kabushiki kaisha) under the Companies Act of Japan and is domiciled in Japan. The registered address of its head office is 7-1 Kaigan 1-chome, Minato-ku, Tokyo, Japan. These consolidated financial statements are comprised of the Company and its subsidiaries (the “Group”). The parent of the Company is SoftBank Group Japan Corporation. The ultimate parent company of the Company is SoftBank Group Corp.

In addition, effective February 26, 2021, Shiodome Z Holdings G.K., the parent company of Z Holdings Corporation as well as a subsidiary of the Company, conducted an absorption-type merger with LINE Corporation, the surviving company. Effective February 28, 2021, LINE Corporation transferred all business to LINE Split Preparation Corporation through a company split (absorption-type company split) and therefore shifted to a holding company structure and changed its name to A Holdings Corporation. Effective March 1, 2021, a share exchange of common stock of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation whereby LINE Split Preparation Corporation became the wholly owned subsidiary of Z Holdings Corporation and changed its name to LINE Corporation.

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

### 2. Significant accounting policies

#### (1) Application of new accounting standards and interpretations

There is no application of new accounting standards and interpretations.

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

There are no significant accounting policies in accordance with application of new accounting standards and interpretations.

### 3. Significant judgments and estimates

In preparing the consolidated financial statements under IFRS, management makes judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities in the consolidated statement of financial position, revenue and expenses in the consolidated statement of income, or contingent liabilities and assets to be disclosed.

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.

In addition, regarding the impact on the spread of COVID-19 infection, there have been difficulties in reasonably estimating the period and extent of the impact of COVID-19. In case of delay in containing the spread of COVID-19 infection, there are certain uncertainties in the estimates that affect the Groups future earnings and cash flows. Under this circumstance, the Company reasonably estimates the amounts by considering the spread period of COVID-19 infections and related risks and uncertainties, based on the information and facts available as of preparing the consolidated financial statements. By the nature of its estimates or assumptions, however, actual results in the future may differ from those projected estimates or assumptions.

The following items require managements significant judgements and estimates for the purpose of recognition and measurement.

#### (1) Significant judgments

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

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

The Company assesses whether or not it has the ability to control subsidiaries based on whether the Company has the practical ability to direct the relevant activities of the subsidiary unilaterally. In making this judgment, the Company considers the absolute

size of its equity share, voting interest, contractual rights, and any other factors that may indicate the Company's ability to direct the relevant activities of the entity. Upon completion of the assessment, the Company will then determine if the subsidiary should be consolidated, accounted for using the equity method, or accounted for as an investment.

b. Judgments for accounting treatment of contracts including leases

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

- (a) The contract includes the use of an identified asset and the lessor does not have the substantive right to substitute the asset.
- (b) The lessee has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- (c) The lessee has the right to direct the use of the asset. If the decisions about how and for what purpose the asset is used are predetermined, it is determined that the customer has the right to direct the use of the asset if either of the following is satisfied:
  - i. the customer has the right to operate the asset; or
  - ii. the customer designed the asset in a way that predetermines how and for what purpose the asset will be used.

Lease classification

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

- (a) if the lease transfers all the risks and rewards associated with the ownership of the asset;
- (b) if ownership of the asset will transfer to the lessee at the conclusion of the lease;
- (c) whether the lessee will have the ability to purchase the leased asset at a cost significantly below the asset's fair value;
- (d) whether the term of the lease is for a major part of the asset's useful economic life; and
- (e) the level of risk that the Group retains in relation to the asset.

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

c. Judgments for accounting for revenue recognition

Principal versus agent considerations

Gross versus net presentation

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

Timing of revenue recognition for indirect sales

When the Group enters into indirect sales, management determines whether a dealer acts as either an agent or principal. When a dealer acts as a principal for the Group, revenue is recognized when control of the underlying inventory has been transferred to the dealer. When a dealer acts as an agent, revenue is recognized when control of the underlying inventory is transferred to the customer that the dealer has sold to. In performing its assessment, management considers whether control is transferred upon delivery of inventory to the dealer. Where management determines that a dealer acts as a principal, revenue is recognized upon delivery of inventory to the dealer. Alternatively, where the dealer is determined to be acting as an agent, revenue is recognized when goods or services are received by the customer.

Judgements for determining “contractual period” and whether an arrangement contains a “material right”

The Group determines the duration of a contract (i.e., contractual period) during which the parties to the contract have their current enforceable rights and obligations based on the terms and conditions of the contract with the customer. In addition, the Group determines whether the option will provide a “material right” to the customer if the customer has the option to renew the contract based on the terms and conditions of the contract with the customer and if the customer may receive a discount for future telecommunications services by exercising the option. If the Group determines that the option provides a “material right” to the customer, it identifies the option as a separate performance obligation. As a practical alternative to estimating the stand-alone selling price of the option, the Group allocates the transaction price to the telecommunications services pertaining to the option by reference to the telecommunications services that are expected to be provided and the corresponding amount of consideration expected to be received from the customer.

## (2) Significant estimates

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

### a. Estimated fair value measurement and impairment loss of intangible assets and goodwill acquired from business combinations

The Group recognizes intangible assets and goodwill acquired from business combinations at fair value as of the acquisition date. When allocating the consideration transferred from business combinations, managements judgements and estimates may have a material impact on the consolidated financial statements of the Group. Intangible assets, such as customer relationships and trademarks, and goodwill recognized from business combinations are 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.

In assessing intangible assets and goodwill for impairment, the Group needs to estimate the recoverable amount of the cash-generating unit and the recoverable amount is measured based on assumptions such as the useful lives of assets, estimated future cash flows expected to be generated by the cash-generating unit, expected market growth rate, expected market share and discount rate.

These assumptions determined by managements best estimates may be affected by uncertainties in future economic conditions and may have a material impact on the consolidated financial statements of the Group if the assumptions were revised.

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

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

The depreciation charge for an asset is derived using estimates of its expected useful life and in the case of property, plant and equipment, expected residual value. The expected useful life and residual value of the asset are estimated when they are acquired or generated, and are reviewed at the end of each fiscal year. Changes to an asset's expected useful life or residual value could result in material adjustments to the consolidated financial statements. Management determines the useful lives and residual values of these assets when assets are acquired or generated or the useful lives and residual values for assets are reviewed based on experience with similar assets, taking into account other relevant factors such as expected changes in technology, expected costs to be incurred upon disposal, expected availability period, estimated attrition rate of existing customers, number of production or similar units expected to be obtained from the asset and any related contractual arrangements that would be indicative of the useful life of an asset.

### c. Fair value measurement of financial instruments

In evaluating the fair value of certain financial instruments, the Group uses valuation techniques that use unobservable inputs in the market. Unobservable inputs may be affected by the consequences of uncertain changes in economic conditions in the future and may have a material impact on the consolidated financial statements if any revaluation is required.

### d. Estimated amortization period of contract acquisition costs

Contract acquisition costs are amortized on a straight-line basis over the period during which goods or services directly related to such costs are expected to be provided. The amortization period is determined taking into account relevant factors such as churn rate and estimated period until the customer trades in their used handset to upgrade to a designated new model based on conditions of contracts and past performance data.

Changes in the amortization period of contract acquisition costs may have a material impact on the consolidated financial statements of the Group.

#### 4. Business combinations

Fiscal year ended March 31, 2021

##### Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation

###### a. Summary of acquisition

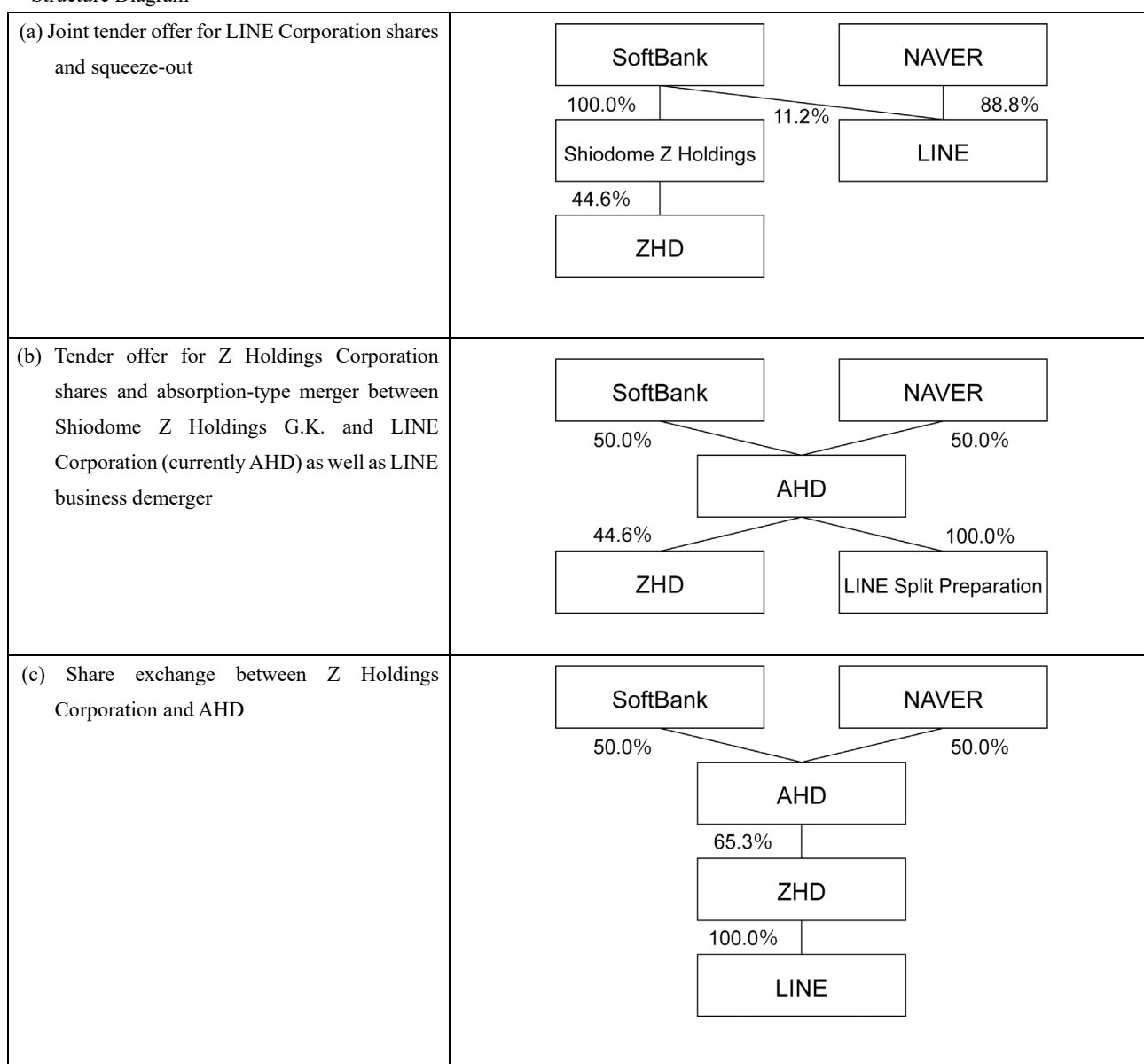
The Company consolidated LINE Corporation and implemented the business integration of LINE Corporation and Z Holdings Corporation for the purpose of maximizing synergy in each business field pertaining to Z Holdings Corporation and LINE Group, aggregating management resources and enhancing growth in new business fields.

Through this acquisition, the Company first transferred all the Z Holdings Corporation shares held by the Company to Shiodome Z Holdings Co., Ltd (subsequently, its corporate form was changed to Shiodome Z Holdings G.K.), and the Company and NAVER J.Hub Corporation, which is wholly owned by NAVER Corporation, major shareholder of LINE Corporation, conducted a joint tender offer for the common stock of LINE Corporation and implemented squeeze-out procedures of minority shareholders as well as making adjustments of ownership interests of the LINE Corporation shares held by the Company and NAVER J.Hub Corporation. As a result, the Company acquired 26,220 thousand common stock of LINE Corporation for ¥172,992 million excluding transaction costs and therefore the ratio of voting rights held by the Company in LINE Corporation became 11.2% as of February 25, 2021 (Refer to (a) under Structure Diagram below.)

LINE Corporation conducted a tender offer for the common stock of Z Holdings Corporation and an absorption-type merger with Shiodome Z Holdings G.K. As a result, the Company and NAVER Corporation each came to hold 50.0% of the voting rights in LINE Corporation as of February 26, 2021. Effective February 28, 2021, LINE Corporation transferred all the business to LINE Split Preparation Corporation through a company split (absorption-type company split) and changed its name to A Holdings Corporation (“AHD”). Under the joint venture agreement entered into with NAVER Corporation, the Company owns the rights to appoint the majority of the Board of Directors of AHD. As a result, AHD and LINE Split Preparation Corporation are considered substantially controlled by the Company and became subsidiaries of the Company, effective February 28, 2021, on which the legally binding joint venture agreement was entered into by conducting the absorption-type merger. Also, through AHD, the Company owns the rights to appoint the majority of the Board of Directors of Z Holdings Corporation and accordingly, Z Holdings Corporation is considered continuously controlled by the Company (Refer to (b) under Structure Diagram below.)

In addition, effective March 1, 2021, a share exchange of common stock of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and AHD (exchange ratio: allotted ratio of Z Holdings Corporation shares to be exchanged for one share of LINE Split Preparation Corporation is 11.75; allotted number of Z Holdings Corporation shares: 2,831,284 thousand shares) whereby LINE Split Preparation Corporation became the wholly owned subsidiary of Z Holdings Corporation. As a result, the ratio of voting rights held by AHD in Z Holdings Corporation became 65.3%. Subsequently, LINE Split Preparation Corporation changed its name to LINE Corporation (Refer to (c) under Structure Diagram below.)

Structure Diagram



b. Summary of acquiree

Name	LINE Corporation <sup>1</sup>
Business	Advertising service based on the mobile messenger application “LINE”, core business including the sales of stamp and game services, and strategic business including FinTech, AI and commerce services.

Note:

1. Refers to LINE Corporation, surviving company in the absorption-type merger conducted by Shiodome Z Holdings G.K. As described in “Structure Diagram (b)” under “a. Summary of acquisition,” LINE Corporation, the acquiree, transferred all business to LINE Split Preparation Corporation (currently LINE Corporation) and changed its name to AHD, effective February 28, 2021.

c. Acquisition date

February 28, 2021

d. Consideration and its breakdown

	(Millions of yen)
	Acquisition Date (February 28, 2021)
Fair value of LINE Corporation shares held as of the acquisition date	172,922
Fair value of Shiodome Z Holdings shares transferred as of the acquisition date	689,150
Total consideration	A <u>862,072</u>

Acquisition-related costs incurred for this business combination were ¥1,970 million, of which ¥932 million and ¥1,038 million are included in “Selling, general and administrative expenses” for the fiscal years ended March 31, 2020 and 2021, respectively. In addition, as a result of remeasurement of the Company's previously held interests in LINE Corporation to the fair value as of the acquisition date, negative difference arising from the step acquisition of ¥70 million was recognized. This amount is included in “Changes in the fair value of equity instruments at FVTOCI” in the consolidated statement of comprehensive income.

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

	(Millions of yen)
	Acquisition Date (February 28, 2021)
Cash and cash equivalents	312,791
Trade and other receivables	67,553
Other current assets	46,687
Property, plant and equipment	21,905
Right-of-use assets	62,940
Intangible assets <sup>2</sup>	395,947
Share of losses of associates accounted for using equity method	167,873
Other non-current assets	104,809
Total assets	<u>1,180,505</u>
Interest-bearing debt (current and non-current)	244,248
Trade and other payables	233,671
Other current liabilities	49,169
Deferred tax liabilities	150,504
Other non-current liabilities	20,745
Total liabilities	<u>698,337</u>
Net assets	B <u>482,168</u>
Non-controlling interests <sup>3</sup>	C <u>250,760</u>
Goodwill <sup>4</sup>	A-(B-C) <u>630,664</u>



Notes:

1. Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value on the acquisition date. As the allocation of the consideration transferred was completed during the fiscal year ended March 31, 2022, the consolidated financial statements for the fiscal year ended March 31, 2021 have been retrospectively amended.

The main effects of the retrospective adjustments to the acquired assets and the assumed liabilities in the consolidated statement of financial position as of March 31, 2021 comprise of decrease in property, plant and equipment of ¥2,762 million, decrease in intangible assets including identifiable intangible assets of ¥14,092 million, decrease in deferred tax liabilities of ¥5,352 million, decrease in non-controlling interests of ¥5,861 million, and increase in goodwill of ¥5,861 million. The impact on the consolidated statement of income for the fiscal year ended March 31, 2021 is limited.

2. The amount of intangible assets includes ¥394,413 million of identifiable assets and the table below shows the breakdown of the identifiable assets. The estimated useful lives of customer relationships and technology assets are from 12 to 18 years and 8 years, respectively. The trademarks are classified as intangible assets with indefinite useful lives. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

	(Millions of yen)
	Acquisition Date (February 28, 2021)
Intangible assets with indefinite useful lives	
Trademarks	160,116
Intangible assets with finite useful lives	
Customer relationships	232,019
Technology assets	2,278
Total	<u>394,413</u>

3. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.

4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

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

	(Millions of yen)
	Acquisition Date (February 28, 2021)
Cash and cash equivalents held by the acquiree at the time of obtaining control	312,791
Cash proceeds from obtaining control of the subsidiary	<u>312,791</u>

g. Revenue and net loss of the acquiree

The revenue and net loss of the acquiree recorded in the consolidated statement of income for the fiscal year ended March 31, 2021 on and after the date of obtaining control are ¥25,205 million and ¥5,877 million, respectively. Net loss above includes impairment loss of ¥10,002 million and deferred tax income related to the impairment loss of ¥3,147 million.

## 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! JAPAN/LINE"<sup>1</sup> 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, broadband and electricity services to individual customers. In mobile services, the Group provides mobile services under the *SoftBank*, *Y!mobile*, *LINE MOBILE*, and *LINEMO* 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 *Ouchi Denki*.

In the "Enterprise" segment, the Group provides a wide range of services to enterprise customers, including mobile 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! JAPAN/LINE" segment, the Group is engaged in the "Media business," the "Commerce business," and the "Strategy business." The "Media business" comprises planning and sales of internet-based advertising-related services, information listing services, and other corporate services. The "Commerce business" comprises sales of products, planning and sales of services, all of which are provided via the internet for small to medium-sized businesses and individual customers. The "Strategy business" comprises settlement- and finance-related 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., PayPay Securities Corporation, and others.

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

Note:

1. Along with the consolidation of LINE Corporation in connection with the completion of the business integration of Z Holdings and LINE Corporation in March 2021, the "Yahoo" reportable segment was renamed to "Yahoo! JAPAN/LINE" from the three months ended June 30, 2021.

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

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

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

Fiscal year ended March 31, 2021

	Reportable segments					Other	Adjustments	Consolidated	(Millions of yen)
	Consumer	Enterprise	Distribution	Yahoo!					Total
				JAPAN/LINE	Total				
Revenue									
Sales to external customers	2,762,305	681,773	479,512	1,182,545	5,106,135	99,402	-	5,205,537	
Intersegment revenue or transferred revenue	8,083	9,860	51,821	23,302	93,066	40,376	(133,442)	-	
Total	2,770,388	691,633	531,333	1,205,847	5,199,201	139,778	(133,442)	5,205,537	
Segment income	658,624	107,731	22,293	162,125	950,773	19,515	482	970,770	
Depreciation and amortization <sup>1</sup>	423,842	160,309	3,641	101,738	689,530	6,812	-	696,342	

Fiscal year ended March 31, 2022

	Reportable segments					Other	Adjustments	Consolidated	(Millions of yen)
	Consumer	Enterprise	Distribution	Yahoo!					Total
				JAPAN/LINE	Total				
Revenue									
Sales to external customers	2,874,931	702,165	448,232	1,538,506	5,563,834	126,772	-	5,690,606	
Intersegment revenue or transferred revenue	7,746	13,550	52,355	28,916	102,567	47,638	(150,205)	-	
Total	2,882,677	715,715	500,587	1,567,422	5,666,401	174,410	(150,205)	5,690,606	
Segment income	639,467	128,454	22,898	189,504	980,323	8,858	(3,435)	985,746	
Depreciation and amortization <sup>1</sup>	420,235	158,625	3,673	134,169	716,702	8,332	(1,590)	723,444	

Note:

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

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

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Segment income	970,770	985,746
Share of losses of associates accounted for using the equity method	(45,490)	(60,094)
Financing income	5,806	39,471
Financing costs	(73,369)	(66,442)
Gains on sales of equity method investments	3,902	8,925
Impairment loss on equity method investments	(13,920)	(27,243)
Profit before income taxes	847,699	880,363

## 6. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2021	(Millions of yen) As of March 31, 2022
<b>Current</b>		
Short-term borrowings	660,281	528,630
Commercial papers	162,701	270,401
Current portion of long-term borrowings	844,816	916,790
Current portion of lease liabilities	292,572	225,719
Current portion of corporate bonds	39,971	94,985
Current portion of installment payables	138	54
Total	2,000,479	2,036,579
<b>Non-current</b>		
Long-term borrowings	2,290,489	2,446,389
Lease liabilities	637,477	538,241
Corporate bonds	764,021	978,244
Installment payables	126	72
Total	3,692,113	3,962,946

## 7. Equity

Changes in treasury stock are as follows:

	Fiscal year ended March 31, 2021	(Thousands of shares) Fiscal year ended March 31, 2022
Balance at the beginning of the period	46,000	100,660
Increase during the period <sup>1</sup>	78,461	0
Decrease during the period <sup>2</sup>	(23,801)	(20,816)
Balance at the end of the period	100,660	79,843

Notes:

- For the fiscal year ended March 31, 2021, 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 78,461 thousand (amount purchased ¥100,000 million).
- For the fiscal year ended March 31, 2021, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 23,801 thousand shares. As a result, Treasury stock decreased by ¥34,491 million and a loss on disposal of treasury stock of ¥17,439 million is recognized as a decrease in Capital surplus, of which ¥17,370 million is transferred from "Retained earnings."

In addition, for the fiscal year ended March 31, 2022, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 20,816 thousand shares. As a result, Treasury stock decreased by ¥27,756 million and a loss on disposal of treasury stock of ¥12,556 million is recognized as a decrease in Capital surplus, of which ¥12,602 million is transferred from "Retained earnings."

## 8. Dividends

Dividends paid are as follows:

Fiscal year ended March 31, 2021

### (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

### (2) Dividends whose record date is in the fiscal year ended March 31, 2021, but whose effective date is after March 31, 2021

<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, 2021	Common stock	43.00	201,519	March 31, 2021	June 8, 2021

Fiscal year ended March 31, 2022

### (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, 2021	Common stock	43.00	201,519	March 31, 2021	June 8, 2021
Board of Directors meeting held on October 22, 2021	Common stock	43.00	202,189	September 30, 2021	December 6, 2021

### (2) Dividends whose record date is in the fiscal year ended March 31, 2022, but whose effective date is after March 31, 2022

The following resolution is scheduled for the Board of Directors' meeting held on May 20, 2022.

<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 20, 2022	Common stock	43.00	202,414	March 31, 2022	June 9, 2022

## 9. Revenue

The components of revenue are as follows:

	Fiscal year ended March 31, 2021	(Millions of yen) Fiscal year ended March 31, 2022
Consumer business		
Service revenues		
Mobile	1,669,436	1,600,343
Broadband	399,559	404,610
Electricity	130,941	239,106
Revenues from sales of goods and others	562,369	630,872
Subtotal	2,762,305	2,874,931
Enterprise business		
Mobile <sup>3</sup>	298,976	306,407
Fixed-line	187,181	183,232
Business solution and others <sup>3</sup>	195,616	212,526
Subtotal	681,773	702,165
Distribution business	479,512	448,232
Yahoo! JAPAN/LINE business <sup>4</sup>		
Media <sup>5</sup>	363,280	626,912
Commerce <sup>5</sup>	729,884	793,213
Strategy <sup>5</sup>	80,427	104,941
Other <sup>5</sup>	8,954	13,440
Subtotal	1,182,545	1,538,506
Other	99,402	126,772
Total	5,205,537	5,690,606

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 fiscal years ended March 31, 2021 and 2022 were ¥112,701 million and ¥125,697 million, respectively.
- “Mobile” and “Business solution and others” under “Enterprise business” include telecommunications service revenues and revenues from sales of goods and others. Telecommunications service revenues for the fiscal years ended March 31, 2021 and 2022 were ¥386,356 million and ¥406,758 million, respectively. Revenues from sales of goods and others for the fiscal years ended March 31, 2021 and 2022 were ¥108,236 million and ¥112,175 million, respectively.
- Along with the consolidation of LINE Corporation in connection with the completion of the business integration of Z Holdings and LINE Corporation in March 2021, the “Yahoo” reportable segment was renamed to “Yahoo! JAPAN/LINE” from the fiscal year ended March 31, 2022. Accordingly, “Yahoo business” was renamed to “Yahoo JAPAN/LINE business.”
- Effective April 1, 2021, business categories have been reevaluated due to the business integration with LINE Corporation, and two business categories of the former “Media” and “Commerce” changed to the three categories entitled “Media,” “Commerce,” and “Strategy.” As a result, a portion of these services, as well as certain subsidiaries, have been transferred under the aforementioned business categories and the components of revenue have been restated for the fiscal year ended March 31, 2021.

The details of main transfers are as follows:

- Settlement- and finance-related services are transferred from the former “Commerce” to “Strategy.”
- The media, advertisement, contents, and stamp related services (LINE related services) are transferred from the former “Others” to “Media.”
- The shopping, O2O, and LINE FRIENDS related services (LINE related services) are transferred from the former “Others” to “Commerce.”

- The settlement, finance, AI, and healthcare related services (LINE related services) are transferred from the former “Others” to “Strategy.”

## 10. Earnings per share

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

### (1) Basic earnings per share

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	491,287	517,517
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,730,759	4,699,079
Basic earnings per share (Yen)	103.85	110.13

### (2) Diluted earnings per share

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	491,287	517,517
Effect of dilutive securities issued by subsidiaries and associates	(38)	(3,306)
Total	491,249	514,211
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	4,730,759	4,699,079
Increase in the number of shares of common stock due to stock acquisition rights	54,406	50,206
Total	4,785,165	4,749,285
Diluted earnings per share (Yen)	102.66	108.27

## 11. Subsequent events

There are no significant subsequent events to be disclosed.