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To Our Shareholders:

Disclosed information on the Internet at the Time of Notifying Convocation of the 42nd Annual General Meeting of Shareholders

June 9, 2022

SoftBank Group Corp.

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All matters above are provided to shareholders of SoftBank Group Corp. on the website of SoftBank Group Corp. on the Internet (https://group.softbank/) in accordance with all laws and Article 14 of the Articles of Incorporation of SoftBank Group Corp.

Status of SoftBank Group Corp. (“SBG”)

(5) Overview of system to ensure the appropriateness of the operation and its implementation status

The overview of the system established in SBG to ensure the appropriateness of the operations and its implementation status is as follows.

[1] System to ensure the appropriateness of operations

System to ensure that the execution of duties by Board Directors and employees is in compliance with laws, regulations, and the Articles of Incorporation of SBG

SBG has established the SoftBank Group Code of Conduct to be followed by all Board Directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

1. A Chief Compliance Officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance SBG’s compliance system, the CCO periodically reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
2. Internal and external whistle-blowing systems are established for direct reporting and consultations by Board Directors and employees to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that whistle-blowers will not be treated disadvantageously for having made reports by prohibiting such treatment of persons on such grounds in Whistle-blowing Regulations.
3. The Internal Audit Office carries out audits on the effectiveness of the system for compliance in line with laws, regulations, and the Articles of Incorporation, and the results of those audits are reported to the CEO. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

System for the storage and management of information regarding the execution of duties by Board Directors

SBG has established the following system to appropriately store and maintain documents and other important information related to the execution of duties by Board Directors, including minutes and proposals of the Board of Directors meetings and requests for approval:

1. SBG determines retention periods and methods and measures to prevent accidents based on the Information Security Basic Regulations, etc. and classifies and appropriately stores these documents according to their degree of confidentiality.
2. SBG appoints a Chief Information Security Officer (CISO), and the CISO promotes the establishment and reinforcement of information security system of SBG.

Regulations and systems related to risk management

SBG has established the following systems under the Chief Risk Officer (CRO) to ensure appropriate identification and response to risks and incidents in business operations in order to eliminate or reduce impediments to the sustainable growth of the Company, ultimately to improve the enterprise value of the entire Company.

1. Under the Company's Risk Management Policy, SBG determines the following matters, based on the Risk Management Regulations.
   - Officers and employees of SBG strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors and the like.
   - Each department appoints a risk manager, who conducts appropriate identification of and response to risks and incidents and reports any identified risks and the status of responses thereto to the Risk Management Office.
   - The Risk Management Office identifies and evaluates the risks and incidents of each department, and monitors the status of responses thereto. It also provides support and performs checks to ensure appropriate responses at each department. The Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.
2. The Internal Audit Office carries out audits on the effectiveness of the risk management processes.

System to ensure the efficiency of Board Directors in the execution of their duties

SBG has established the following structure to maintain an efficient management system:

1. SBG sets out the Board of Directors Regulations to clarify matters to be resolved by and reported to the Board of Directors and lays out the Internal Approval Regulations and other regulations related to institutional decision-making to clarify decision-making authority.
2. To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors shall include External Board Directors who are independent of the Company.
3. To ensure that the Board Directors, including External Board Directors, can discuss matters fully at the Board of Directors meetings, SBG shall provide them with materials for the meeting in advance, and with additional or supplementary materials upon their request.
4. The scope of operations, authority and responsibilities necessary for operations are clearly defined in the Organization Management Regulations.

System to ensure appropriateness of the Company's operations

SBG has formulated the SoftBank Group Charter to promote fundamental concepts and policies shared throughout the Company and Group Company Management Regulations of the SoftBank Group, which spell out the management policies and systems of group companies. In addition, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles are set out as policies with which the Company as well as its Board Directors and employees must comply. Based on the regulations, the following systems have been established, giving consideration to the scale and materiality of group companies:

1. A Group Compliance Officer (GCO) is appointed to promote the establishment and reinforcement of groupwide compliance system, as the person ultimately responsible for compliance throughout the Company. A whistle-blowing system has also been established to receive reports and provide consultation to Board Directors and employees of group companies to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG ensures that persons who have reported or consulted through the whistle-blowing system will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in Group Company Management Regulations of the SoftBank Group.
2. CISO of SBG promotes the establishment and reinforcement of the group information security governance system of the entire Group.
3. The representatives of group companies must submit a Representative Oath pertaining to the financial reports submitted to SBG, thereby ensuring the accuracy of the annual securities report and other documents submitted by the Group.
4. The Internal Audit Office comprehensively judges the results of past internal audits, the governance system, and the financial position of group companies, and carries out internal audits of group companies deemed as having a high risk.
5. SBG determines the following matters based on the Risk Management Policy and the Group Company Management Regulations.
    - Officers and employees of Group companies strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors and the like.
    - Each Group company appoints a risk manager.
    - The risk manager of the Group company conducts appropriate identification of and response to risks and incidents of said Group company and reports any identified risks and the status of responses thereto to the Risk Management Office of SBG. The risk manager also provides support and performs checks to ensure appropriate identification of and response to risks and incidents in business units. In addition, the risk manager reports necessary risk information based on the instructions of the Risk Management Officer of SBG in order to conduct risk management across the Group.
    - The Risk Management Office of SBG identifies and evaluates the risks and incidents of the Group companies, and monitors the status of responses thereto under the supervision of the CRO. It also reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

System for excluding organized crime and other criminal elements

SBG clearly states in the SoftBank Group Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

System related to support personnel who assist the Audit & Supervisory Board Members, matters related to the independence of the relevant employees from the Board Directors, and matters related to ensuring the effectiveness of instructions given to the relevant employees

SBG has established the Audit & Supervisory Board Office as an organization to support the work of the Audit & Supervisory Board Members, and assigns dedicated staff to this department. Directions and instructions to the support staff are issued by the Audit & Supervisory Board Members to ensure the effectiveness of the instructions, and any personnel changes, evaluations, or other such actions require the agreement of the Audit & Supervisory Board Members.

System for reporting to the Audit & Supervisory Board Members

Board Directors and employees of SBG shall report the following matters to the Audit & Supervisory Board Members:

1. Important matters related to the management, finances, or business execution of the Company
2. Matters related to the compliance system or use of the whistle-blowing system
3. The development status of internal control system
4. Matters that could cause significant damage to SBG
5. Matters related to violations of laws, regulations, or the Articles of Incorporation
6. Results of audits conducted by the Internal Audit Office
7. Other matters that the Audit & Supervisory Board Members deem necessary to be reported in order for them to execute their duties

Other systems to ensure that the audits by the Audit & Supervisory Board Members are conducted effectively

1. When the Audit & Supervisory Board Members deem it necessary, opportunities shall be provided for them to interview Board Directors or employees of the Company. In addition, the Audit & Supervisory Board Members periodically meet with the Independent Auditor and the Audit & Supervisory Board Members of major subsidiaries and other entities to exchange information and ensure cooperation.
2. SBG ensures that persons who have reported or consulted on matters related to compliance, including report or consultation to the Audit & Supervisory Board Members, will not be treated disadvantageously for having done so by prohibiting such treatment of persons on such grounds in Whistle-blowing Regulations and Group Company Management Regulations of the SoftBank Group.
3. SBG shall pay expenses related to the Independent Auditor, attorneys, and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board Members.

[2] Overview of the implementation status of the system to ensure the appropriateness of the operations

Matters concerning compliance

SBG continues to conduct compliance training for Board Directors and employees of the Company, as well as having the GCO share information, give advice, and so forth, as necessary to the CCO of group companies for enhancing the compliance system. In addition, SBG works to ensure the effectiveness of compliance of the entire group by establishing and operating a whistle-blowing system so that Board Directors and employees of the Company can report and consult directly. The effects of these measures are reviewed to make improvements as necessary.

Matters concerning risk management

Based on the Company's Risk Management Policy, Risk Management Regulations, and the Group Company Management Regulations of the SoftBank Group, each department of SBG and the officers, employees and risk managers of the Group companies conduct appropriate identification of and response to risks and incidents in order to eliminate or reduce impediments to the sustainable growth of the Company. The Risk Management Office of SBG also identifies, evaluates and monitors the risks and incidents of each department and the Group companies. Furthermore, the Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

Matters concerning group management

In managing and overseeing group companies as a holding company, SBG has established compliance with the SoftBank Group Charter, Group Company Management Regulations of the SoftBank Group, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles, which are applied to the Company. Reviewing as necessary such internal rules based on changes in the social environment and the status of the Company, SBG continuously works on enhancing and strengthening the Company's management system.

Matters concerning internal audits

Based on the Internal Audit Regulations, the Internal Audit Office carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation as well as the risk management process at SBG. In addition, the department continuously carries out audits of group companies deemed as having a high risk and reports the results of the audits to the CEO each time. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

Matters concerning the execution of duties by Board Directors and employees

SBG ensures efficiency in the execution of duties by its Board Directors and employees based on internal regulations such as the Board of Directors Regulations and Internal Approval Regulations. SBG also ensures an environment where matters can be fully discussed at the Board of Directors meetings by Board Directors, including Independent External Board Directors.

Matters concerning the execution of duties by Audit & Supervisory Board Members

The Audit & Supervisory Board Members attend SBG's important meetings and arrange opportunities to interview Board Directors and employees of the Company as necessary. In addition, they continue to enhance cooperation by holding regular meetings with the Independent Auditor and the Audit & Supervisory Board Members and other personnel of major subsidiaries. Through these efforts, the Audit & Supervisory Board Members ensure the effectiveness of audits.

Consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2022)

(Millions of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock
As of April 1, 2021	238,772	2,618,504	496,876	8,810,422	(2,290,077)
Comprehensive income					
Net income	-	-	-	(1,708,029)	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,708,029)	-
Transactions with owners and other transactions					
Cash dividends	-	-	-	(75,947)	-
Distribution to owners of other equity instruments	-	-	-	(32,043)	-
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(114)	-
Purchase and disposal of treasury stock	-	-	-	(2,768)	(592,150)
Retirement of treasury stock	-	-	-	(2,475,817)	2,475,817
Changes from loss of control	-	-	-	-	-
Changes in interests in subsidiaries	-	15,897	-	-	-
Changes in associates' interests in their subsidiaries	-	(1,489)	-	-	-
Share-based payment transactions	-	1,605	-	-	-
Other	-	57	-	-	-
Total transactions with owners and other transactions	-	16,070	-	(2,586,689)	1,883,667
As of March 31, 2022	238,772	2,634,574	496,876	4,515,704	(406,410)

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Accumulated other comprehensive income	Subtotal	Accumulated other comprehensive income directly relating to assets classified as held for sale	Total		
As of April 1, 2021	338,329	10,212,826	267	10,213,093	1,742,500	11,955,593
Comprehensive income						
Net income	-	(1,708,029)	-	(1,708,029)	245,830	(1,462,199)
Other comprehensive income	2,157,715	2,157,715	(267)	2,157,448	(4,038)	2,153,410
Total comprehensive income	2,157,715	449,686	(267)	449,419	241,792	691,211
Transactions with owners and other transactions						
Cash dividends	-	(75,947)	-	(75,947)	(303,172)	(379,119)
Distribution to owners of other equity instruments	-	(32,043)	-	(32,043)	-	(32,043)
Transfer of accumulated other comprehensive income to retained earnings	114	-	-	-	-	-
Purchase and disposal of treasury stock	-	(594,918)	-	(594,918)	-	(594,918)
Retirement of treasury stock	-	-	-	-	-	-
Changes from loss of control	-	-	-	-	(18,156)	(18,156)
Changes in interests in subsidiaries	-	15,897	-	15,897	38,013	53,910
Changes in associates' interests in their subsidiaries	-	(1,489)	-	(1,489)	-	(1,489)
Share-based payment transactions	-	1,605	-	1,605	26,221	27,826
Other	-	57	-	57	4,890	4,947
Total transactions with owners and other transactions	114	(686,838)	-	(686,838)	(252,204)	(939,042)
As of March 31, 2022	2,496,158	9,975,674	-	9,975,674	1,732,088	11,707,762

Non-consolidated Statement of Changes in Equity

(For the fiscal year from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					
		Capital surplus		Retained earnings		
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance as of April 1, 2021	¥238,772	¥472,079	¥472,079	¥1,414	¥4,867,313	¥4,868,727
Changes in items during period						
Dividends of surplus	—	—	—	—	(75,947)	(75,947)
Net loss	—	—	—	—	(352,390)	(352,390)
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	(2,768)	(2,768)
Retirement of treasury shares	—	—	—	—	(2,475,817)	(2,475,817)
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes in items during period	—	—	—	—	(2,906,921)	(2,906,921)
Balance as of March 31, 2022	¥238,772	¥472,079	¥472,079	¥1,414	¥1,960,392	¥1,961,806

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance as of April 1, 2021	¥(2,290,077)	¥3,289,502	¥234,926	¥234,926	¥11,692	¥3,536,120
Changes in items during period						
Dividends of surplus	—	(75,947)	—	—	—	(75,947)
Net loss	—	(352,390)	—	—	—	(352,390)
Purchase of treasury shares	(602,361)	(602,361)	—	—	—	(602,361)
Disposal of treasury shares	10,211	7,443	—	—	—	7,443
Retirement of treasury shares	2,475,817	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	247,482	247,482	(592)	246,890
Total changes in items during period	1,883,667	(1,023,255)	247,482	247,482	(592)	(776,365)
Balance as of March 31, 2022	¥(406,410)	¥2,266,247	¥482,408	¥482,408	¥11,100	¥2,759,755

Notes to Consolidated Financial Statements

(Basis of Presentation of Consolidated Financial Statements)

1. Basis of preparation of the consolidated financial statements
The consolidated financial statements of SoftBank Group Corp. and its subsidiaries are prepared on the basis of International Financial Reporting Standards (“IFRSs”) pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of certain disclosures required under IFRSs.

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

Company names / Abbreviations	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
* Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.	
SB Northstar or the asset management subsidiary	SB Northstar LP
SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2	SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles
SVF2 LLC	SVF II Investment Holdings LLC
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Limited
SoftBank Latin America Funds	SBLA Latin America Fund LLC
Fortress	Fortress Investment Group LLC
Sprint	Sprint Corporation
Alibaba	Alibaba Group Holding Limited
WeWork	WeWork Inc.
MgmtCo	MASA USA LLC

Beginning of the fiscal year ended March 31, 2022, the description presented in the names of accounts has been changed as follows:

Consolidated Statement of Financial Position

Previous	Current
Third-party interests in SVF1	Third-party interests in SVF1 and SVF2

Consolidated Statement of Income

Previous	Current
Change in third-party interests in SVF1	Change in third-party interests in SVF1 and SVF2

2. Scope of consolidation

Number of consolidated subsidiaries: 1,316

Names of main consolidated subsidiaries

SoftBank Group Capital Limited, SoftBank Vision Fund L.P., SoftBank Vision Fund II-2 L.P., SoftBank Corp., Arm Limited, SBLA Latin America Fund LLC

Name of the main entity newly consolidated and the reason thereof

SB Global Advisers Limited	Newly established

Name of the main entity excluded from consolidation and the reason thereof

Boston Dynamics, Inc.	Sale of the stock held

3. Scope of entities applying equity method

Number of entities applying the equity method: 493

Name of the primary entity applying the equity method

Alibaba Group Holding Limited

Name of the main associate not accounted for under the equity method and the reason thereof

WeWork Inc.	Investments in associates made by SVF1 and SVF2 are investments held indirectly through venture capital organizations. Therefore, these investments are measured at fair value through profit or loss in accordance with Paragraph 18 of IAS 28 “Investments in Associates and Joint Ventures.” In addition, common stock investments previously accounted for using the equity method continue to be accounted for using the equity method after the transfer of WeWork common shares to SVF2.

4. Matters regarding the equity method associates for the current fiscal year

The Company applies the equity method to its investment in Alibaba, an associate of the Company, on a three-month time lag, as it is impracticable to unify the reporting period of Alibaba due to the contract with Alibaba. Adjustments are made for significant transactions or events that occur during the intervening period and are publicly announced by Alibaba.

5. Summary of significant accounting policies

(1) Evaluation standards and methods for financial instruments

a. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are measured at fair value at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets measured at fair value through profit or loss ("financial assets at FVTPL") and financial liabilities at fair value through profit or loss ("financial liabilities at FVTPL") are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at the time of initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of the financial assets at FVTPL or financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

Non-derivative financial assets are classified as "financial assets at amortized cost," "debt financial assets at fair value through other comprehensive income" ("debt financial assets at FVTOCI"), "equity financial assets at fair value through other comprehensive income ("equity financial assets at FVTOCI")", and "financial assets at FVTPL." The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition.

All purchases and sales of financial assets made in the ordinary course of business are recognized and derecognized on a trade date basis. Purchases and sales made in the ordinary course of business refer to acquiring or disposing of financial assets under a contract that requires the delivery of assets within a timeframe established by regulation or convention in the marketplace.

(a) Financial assets measured at amortized cost

Financial assets are classified as "financial assets measured at amortized cost" if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(b) Debt financial assets at FVTOCI

Financial assets are classified as "debt financial assets at FVTOCI" if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on monetary financial assets classified as debt financial assets at FVTOCI and interest income calculated using the effective interest method relating to debt financial assets at FVTOCI are recognized in profit or loss.

(c) Equity financial assets at FVTOCI

At initial recognition, the Company has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as “equity financial assets at FVTOCI.” Subsequent to initial recognition, equity financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

When financial assets are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. Dividends received on equity financial assets at FVTOCI are recognized in profit or loss.

(d) Financial assets at FVTPL

Financial assets are classified as “financial assets at FVTPL,” if they are classified as neither “financial assets at amortized cost,” “debt financial assets at FVTOCI,” nor “equity financial assets at FVTOCI.” Please refer to “(13) Significant accounting policies for the SoftBank Vision Funds segment” for the details of “Investments from SVF1 and SVF2 accounted for using FVTPL” in the consolidated statement of financial position. Neither financial assets are designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value, and gains or losses arising from changes in fair value, dividend income, and interest income are recognized in profit or loss.

(e) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost, debt financial assets at FVTOCI, and contract assets under IFRS 15, “Revenue from Contracts with Customers.” At each fiscal period end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition, or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

Expected credit losses are estimated in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Provision of the loss allowance relating to the measurement is recognized in profit or loss. Reversal of the loss allowance is also recognized in profit or loss when events that would reduce the loss allowance occur in subsequent periods.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

c. Non-derivative financial liabilities

Non-derivative financial liabilities are classified into “financial liabilities at FVTPL” or “financial liabilities at amortized cost”, and the classification is determined at initial recognition.

Non-derivative financial liabilities are classified into “financial liabilities at FVTPL” when the entire hybrid contract, including more than one embedded derivative, is designated as financial liabilities at FVTPL. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

Financial liabilities measured at amortized cost are measured using the effective interest method subsequent to the initial recognition.

The Company derecognizes financial liabilities when the Company’s obligations are met or debt is discharged, cancelled, or expires.

d. Derivatives and hedge accounting

(a) Derivatives

The Company is engaged in derivative transactions, including foreign currency forward contracts, currency swaps, option contracts and collar transactions in order to manage its exposure to foreign exchange rates, interest rates and share price risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are substantially measured at their fair values at the end of the fiscal year. Changes in the fair value of derivatives are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified into “financial assets at FVTPL”, and derivative financial liabilities not designated as hedging instruments are classified into “financial liabilities at FVTPL.”

(b) Hedge accounting

The Company designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

At the inception of the hedge, the Company formally designates and documents the hedge relationship qualifying for hedge accounting, along with its risk management objectives and its strategies for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company evaluates whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period. Specifically, a hedge is determined to be effective when all of the following criteria are met:

(i) there is an economic relationship between the hedged item and the hedging instrument;
(ii) the effect of credit risk does not dominate the value changes that result from that economic relationship; and
(iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item the Company actually hedges and the quantity of the hedging instrument the Company actually uses to hedge the quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains the same, the Company adjusts the hedge ratio so that the hedging relationship becomes effective again.

The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in equity. Accumulated other comprehensive income is transferred to profit or loss through a line item relating to the hedged item in the consolidated statement of income in the year when the cash flows from the hedged item affect profit or loss. Any ineffective portion of changes in fair value of derivatives is recognized immediately in profit or loss.

When the hedged forecasted transaction subsequently results in the recognition of non-financial assets or non-financial liabilities, the Company transfers the accumulated other comprehensive income previously recognized in other comprehensive income and includes them in the measurement of initial cost of the non-financial assets or non-financial liabilities (basis adjustment).

The Company discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria, such as instances when the hedging instrument expires or is sold, terminated, or exercised.

When hedge accounting is discontinued, any related income included in accumulated other comprehensive income remains in equity and is reclassified to profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to be occurred, any related income included in accumulated other comprehensive income is immediately reclassified to profit or loss.

(c) Embedded derivatives

Derivatives embedded in non-derivative financial assets host contracts (“embedded derivatives”) are not separated from the host contracts and accounted for as hybrid contracts in its entirety.

When the economic characteristics and risks of the derivatives embedded in non-derivative financial liabilities host contracts (“embedded derivatives”) are not closely related to the economic characteristics and risks of the host contracts and the whole financial instruments, including the embedded derivatives, are not classified as financial liabilities at FVTPL, the embedded derivatives are separated from the host contracts and accounted for separately as derivatives. If it is required to separate embedded derivatives from their host contracts, but the Company is unable to measure the embedded derivatives separately either at acquisition or at the end of a subsequent fiscal period, the Company designates and accounts for the entire hybrid contract as financial liabilities at FVTPL.

(2) Evaluation standards and methods for inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile devices and accessories. Their costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs are mainly calculated by the moving-average method.

Net realizable value is calculated based on the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(3) Evaluation standards, valuation methodologies, and depreciation or amortization methods for property, plant and equipment and intangible assets

a. Property, plant and equipment

The Company uses the cost model for measurement of property, plant and equipment in which the assets are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement, and site restoration.

Property, plant and equipment are depreciated mainly using the straight-line method over the estimated useful lives of each component. The depreciable amount is calculated as the cost of an asset, less its residual value. Land and construction in progress are not depreciated.

The estimated useful lives of major components of property, plant and equipment are as follows:

Buildings and structures	
Buildings	20 - 50 years
Structures	10 - 50 years
Building fixtures	3 - 22 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	5 - 15 years
Towers	10 - 42 years
Other	5 - 30 years
Furniture, fixtures, and equipment	
Leased mobile devices	2 - 3 years
Other	2 - 25 years
Machinery	
Power plant and related equipment	35 years
Other	3 - 5 years

The depreciation methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

b. Intangible assets

The Company uses the cost model for measurement of intangible assets in which the assets are measured at historical cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired individually are measured at cost upon initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill upon initial recognition and are measured at fair value at the acquisition date. Any internally generated research and development expenditure is recognized as an expense in the period in which it is incurred, except for expenditures on development activities eligible for capitalization (internally generated intangible assets). The amount initially recognized for internally generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets all of the capitalization criteria to the date the development is completed.

There are intangible assets with finite useful lives and intangible assets with indefinite useful lives. The intangible assets with finite useful lives are amortized over the estimated useful lives by the straight-line method.

The estimated useful lives of major categories of intangible assets with finite useful lives are as follows:

Customer relationships	11 - 25 years
Software	5 - 10 years
Technologies	8 - 20 years
Spectrum migration costs	18 years
Management contracts	5 - 10 years
Trademarks (with finite useful lives)	8 - 10 years
Other	2 - 20 years

Amortization methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

Spectrum migration costs are the amounts that the Company incurred in connection with the costs arising from the migration of the existing users to the other frequency spectrum, which is assigned to SoftBank Corp, based on the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

Intangible assets with indefinite useful lives are as follows:

・ Trademarks (with indefinite useful lives)

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in “(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill.”

The Company does not apply IFRS 16 “Leases” to leases of intangible assets.

(4) Lease

a. Overall

(a) Identifying a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company deems 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. If the following conditions are met, the Company deems that the contract conveys the right to control the use of an identified asset.

i. The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.

ii. Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset.

iii. The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:

- the lessee has the right to operate the asset; or
- the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

(b) Lease term

The lease term is determined as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

b. Lessee

(a) Separating components of a contract

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

(b) Lease transactions of intangible assets

The Company does not apply IFRS 16 “Leases” to leases of intangible assets.

(c) Right-of-use asset

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

After the initial measurement, the right-of-use asset is depreciated on a straight-line basis: (a) over the estimated useful life if the transfer of ownership of the underlying asset is certain; or (b) over the shorter of the lease term or the estimated useful life of the leased asset if the transfer of ownership is not certain. The estimated useful life of the right-of-use asset is determined by the same method applied to property, plant and equipment. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset.

(d) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that will be paid over the lease term after that date. In calculating the present value, the interest rate implicit in the lease is used as a discount rate if that rate can be readily determined. If that rate cannot be readily determined, the Company’s incremental borrowing rate is used.

The lease payments included in the measurement of the lease liability mainly comprise: fixed payments; lease payments to be made during extension periods, if the lease term reflects the exercise of an option to extend the lease; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the initial measurement, the lease liability is measured at amortized cost using an effective interest method. The lease liability is remeasured if there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the assessment of the possibility of an option to extend or terminate the lease being exercised.

If the lease liability is remeasured, the carrying amount of the right-of-use asset is also adjusted by the amount of the remeasurement of the lease liability. However, if the amount of liability reduced by the remeasurement of the lease liability exceeds the carrying amount of the right-of-use asset, any remaining amount of the remeasurement after reducing the right-of-use asset to zero is recognized in profit or loss.

c. Lessor

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Company allocates the consideration in the contract applying IFRS 15 “Revenue from Contracts with Customers” to lease components and non-lease components of the contract.

(b) Classification of leases

At the commencement of a lease contract, the Company classifies whether the contract is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. The Company assesses that substantially all the risks and rewards incidental to ownership of an underlying asset are transferred in cases where the lease term is for a major part of the economic life of the underlying asset, or the amount of present value of the lease payments is substantially all the amount of fair value of the asset.

(c) Sublease classification

If the Company is a party to a sublease contract, the Company accounts for the head lease (lessee) and the sublease (lessor) separately. When classifying the sublease as a finance lease or an operating lease, the Company considers the risks and rewards incidental to, and the useful life of, the right-of-use asset that is recognized by the Company in the head lease, instead of that of the leased asset.

(d) Recognition and measurement

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

Total lease payments received from operating leases received during the lease term are recognized as income on a straight-line basis over the lease term.

(5) Accounting treatment of goodwill

Please refer to “(12) Accounting treatment for business combinations” for the measurement of goodwill at initial recognition. Goodwill is measured at cost, less accumulated impairment losses.

Goodwill is not amortized and is tested for impairment when there is an indication of impairment in cash-generating units or groups of cash-generating units to which goodwill has been allocated, and annually, regardless of any indication of impairment. Impairment is described in “(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill.”

Any excess of the cost of acquisition of an associate or joint venture over the Company’s interest in the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of investment in the relevant company. Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investment in associates or joint ventures, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates the investment may be impaired.

(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill

a. Impairment of property, plant and equipment; right-of-use assets; and intangible assets

At the end of fiscal year, the Company determines whether there is any indication that property, plant and equipment, right-of-use assets; and intangible assets may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount is the higher of fair value, less costs to sell, or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

At the end of the fiscal year, the Company evaluates whether there is any indication that an impairment loss recognized in prior years for assets other than goodwill has decreased. If such indication of a reversal of an impairment loss exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be higher than its carrying amount, a reversal of an impairment loss is recognized to the extent the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount (less depreciation and amortization) that would have been recognized had no impairment loss been recognized.

b. Impairment of goodwill

At the end of the fiscal year and at the end of each quarter, the Company determines whether there is any indication that goodwill may be impaired.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the business combination, and it is tested for impairment annually, regardless of any indication of impairment, and when there is an indication that the cash-generating unit or groups of cash-generating units may be impaired. If, at the time of the impairment test, the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or groups of cash-generating units and then to the other assets pro rata based on the carrying amount of each asset in the unit or groups of cash-generating units.

Any impairment loss for goodwill is recognized directly in profit or loss and will not be reversed in subsequent periods.

(7) Criteria for recording significant provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured using the estimated future cash flows, discounted using a pretax rate reflecting the time value of money and the specific risks of the liability, after taking into account the risks and uncertainties surrounding the obligation at the end of the fiscal year.

The Company mainly recognizes asset retirement obligations and provisions for loss on contract.

For provisions for loss on contract, the amount of losses is estimated and recorded as deemed necessary to prepare for future losses incurred in fulfilling contracts with customers.

(8) Revenue recognition

The Company's main accounting policy for revenue recognition is as follows:

SoftBank segment

The SoftBank segment provides mobile services, sales of mobile devices, broadband services and solutions services in Japan, mainly through SoftBank Corp., and internet advertising and e-commerce business through Yahoo Japan Corporation and LINE Corporation.

a. Consumer business

(a) Mobile services and sales of mobile devices

The Company provides mobile services, which consist of voice call services, data transmission services, and related optional services to subscribers, and sells mobile devices to customers.

In providing mobile services, sales revenue is mainly generated from basic monthly charges, mobile services, and other fees. Revenues from the sales of mobile devices are generated from the sales of mobile devices and accessories to subscribers or dealers.

The business flow of the above transactions consists of “Indirect” sales, where the Company sells mobile devices to dealers and enters into mobile communications service contracts with subscribers through dealers, and “Direct” sales, where the Company sells mobile devices to subscribers and enters into mobile communications service contracts directly with subscribers.

In mobile services, the contractual period is defined as the period in which the party to the contract has present enforceable rights and obligations based on the terms of the contract with the subscriber. If the subscriber is granted an option to renew the contract and it is determined that the option provides the subscriber with a ”material right”, a separate performance obligation is identified. As a practical alternative to estimating the stand-alone selling price of the option that represents a performance obligation, the Company allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.

Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payments and have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient.

For mobile services and sales of mobile devices, the Company is obliged to allow returns and provide refunds for a certain period of time after the inception of the contract. Return and refund obligations are estimated and deducted from transaction prices for each type of goods and services based on historical experience.

The Company provides optional additional warranty services for mobile devices. Under the contracts in which these services are provided, the services are identified as separate performance obligations, and are recognized as revenue when they are provided to subscribers.

i Indirect sales

Revenues from the sales of mobile devices are recognized when mobile devices are delivered to dealers, which is when dealers are deemed to have obtained control over the mobile devices. Dealers involved in indirect sales have the primary responsibility for fulfilling contracts, carry all inventory risk, and may independently establish their own inventory pricing. Accordingly, the Company considers that dealers involved in indirect sales act as principals.

Basic monthly charges and mobile service fees are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period. Discounts on mobile communications charges are deducted from the revenues recognized from monthly mobile services. Commission fees paid to dealers related to the sales of mobile devices are deducted from sales.

ii Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile services revenue based on the ratio of their stand-alone selling prices, as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction price. In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sales of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

Stand-alone selling prices of mobile devices and mobile services are priced at their observable prices when the mobile devices and mobile services are sold independently to customers at the inception of the contract.

The amount allocated to sales of mobile devices is recognized as revenue at the time of delivery to the subscribers, representing the point in time when subscribers are considered to have obtained control of the mobile devices. Amounts allocated to mobile service revenues are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period.

Contract assets are included in “other current assets” in the consolidated statement of financial position.

(b) Broadband services

For broadband services, revenues are mainly generated from basic monthly charges and telecommunications service fees primarily related to Internet connection (“revenues from broadband services”), and other fees.

Revenues from broadband services are recognized when broadband services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of the network. Activation fees are recognized as contract liabilities upon receipt, then reversed when the broadband services are provided, and are recognized as revenue.

(c) Electricity

For electricity services, revenues are generated from the purchase and sale, supply and intermediation of electricity services, including *Ouchidenki*. Revenues from supply of electricity (retail service) are recognized when the services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of electricity.

b. Enterprise business

(a) Mobile services and mobile device rental services

Revenues from mobile services mainly consist of revenues from mobile services and other fees. Mobile device rental services are provided on the condition that mobile service contracts are entered into. Consideration arising from these transactions is allocated to lease and other based on the fair value of leased mobile devices and mobile communications services. The fair value is the price at which the mobile devices are sold individually and the price at which the mobile communications services are provided individually. Consideration allocated to other is recognized as revenues based on fixed monthly charges and the fees charged for usage of the network when services are provided to subscribers.

(b) Fixed-line communications services

Revenues from fixed-line communications services mainly consist of voice telecommunications service fees and data transmission service fees.

Revenues from fixed-line communications services are recognized when services are provided to subscribers, based on fixed monthly charges and the fees charged for usage of the network.

(c) Business solution services and other

Revenues from business solution services and other mainly consist of equipment sales service fees, engineering service fees, management service fees, data center service fees, and cloud service fees.

Revenues from business solution services and other are recognized based upon the consideration receivable from subscribers at the time of delivery or provision of the services to the subscribers representing the point in time when subscribers are considered to have obtained control of the solution services and other.

c. Distribution services

Revenues in the distribution services are mainly generated from the sales of hardware, software, and services in relation to Information and Communication Technology (“ICT”), cloud and Internet of Things (“IoT”) solutions for enterprise customers. Revenues are also driven by the sales of PC software, IoT products, and mobile device accessories for individual customers.

Revenues in the distribution business are recognized as revenue at the time of delivery to customers, representing the point in time when customers are deemed to have obtained control over the goods and other items.

For transactions conducted by the Company on behalf of third parties, revenues are presented on a net basis by excluding payment to third parties from the total consideration received from customers.

d. Yahoo/LINE business

(a) Media business

The media business mainly comprises planning and sale of internet-based advertising-related services, information listing services, and other corporate services. Revenues in the media business mainly consist of revenues from Yahoo! JAPAN advertising services and LINE advertising services.

i. Yahoo! JAPAN advertising services

Yahoo! JAPAN advertising services consist of paid search advertising, display advertising and other advertising to advertisers.

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

Display advertising comprises display advertising (reservation) and display advertising (programmatic).

Revenues from display advertising (reservation) are recognized over the period in which the related advertisement is displayed.

Revenues from display advertising (programmatic) are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content.

ii. LINE advertising services

LINE advertising services consist mainly of display advertising, account advertising and other advertising to advertisers.

Revenues from display advertising are recognized upon the fulfilment of certain actions under contracts with advertisers, such as impressions, views, and clicks.

Account advertising mainly comprises LINE Official Accounts and LINE Sponsored Stickers.

Revenues from LINE Official Accounts are recognized over time during the contract period in which the account is available for the registered user.

Revenues from LINE Sponsored Stickers are recognized over time during the contract period.

(b) Commerce business

The commerce business mainly comprises sales of products and planning and providing of services, which are provided via the internet for small to medium-sized businesses and individual customers. Revenues in the commerce business mainly consist of revenues from the sales of goods by ASKUL Group, e-commerce-related services, such as ZOZOTOWN and YAHUOKU!, and membership services, such as Yahoo! Premium.

i. Sales of goods by ASKUL Group

ASKUL Group engages in the business of selling office-related products and other goods. ASKUL Group's major customers are small- and medium-sized companies, as well as individual users. Revenues from the sale of goods are recognized when a customer obtains control of the goods, that is, at the time the customer has the ability to direct the use of the goods and to obtain substantially all of the remaining economic benefits from the goods.

ii. ZOZOTOWN

ZOZO Inc. operates ZOZOTOWN and mainly sells goods on a consignment basis to individual users as an agent of each brand opening a store as a tenant in ZOZOTOWN. Consignment sales commission based on gross merchandise value multiplied by sales commission rate is recognized as revenue when the customer obtains control of the goods.

iii. YAHUOKU!

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

iv. Yahoo! Premium

Yahoo sells the Yahoo! Premium service to individual users, which provides the user with a variety of membership privileges. Its revenues are recognized over the period during which the membership is valid.

<u>Arm segment</u>

In the Arm segment, revenue is mainly generated from licenses to Arm’s technology and royalties arising from the subsequent sale of licensees’ chips that contain Arm’s technology.

The license revenue related to the right to use intellectual property is recognized when the customer obtains control of the license, which is the point in time at which the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the license.

Royalty revenues are generated from the sale of the licensees' chips that contain Arm technology and are recognized at the time of licensee chip sales.

(9) Costs to obtain contracts

The Company recognizes the costs that would not have been incurred if the telecommunications service contract had not been obtained and that are expected to be recovered as assets from the costs to obtain contracts. The Company capitalizes mainly the sales commissions that the Company pays to dealers for obtaining and maintaining mobile services contracts with subscribers.

The costs to obtain contracts are amortized on a straight-line basis over the period (normally two to four years) during which goods or services related to such costs directly are expected to be provided. At each fiscal year end and quarterly period end, the Company assesses the impairment relating to the capitalized costs to obtain such contracts.

Using a practical expedient, the Company accounts for the costs to obtain contracts as expenses when incurred if the amortization period of the costs to obtain contracts is one year or less.

(10) Accounting treatment for income taxes

Income tax expense is composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and items that are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of the fiscal year.

Deferred tax assets are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income.

Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

Deferred tax liabilities are basically recognized for taxable temporary differences, except for:

- temporary differences arising from the initial recognition of assets and liabilities, and related transactions other than business combinations, that affect neither the accounting profit nor the taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.

(11) Criteria for foreign currency translation

a. Transactions denominated in foreign currencies

Financial statements of each group company are prepared in the currency based on the primary economic environment in which it operates ("functional currency"). Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into the functional currency at the rates prevailing at the end of the fiscal year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured.

Exchange differences arising from translation are recognized in profit or loss, except for exchange differences arising from equity financial assets at FVTOCI and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including goodwill arising from acquisitions and the adjustments of fair value) are translated into Japanese yen using exchange rates prevailing at the end of the fiscal year.

Income and expenses are translated into Japanese yen using the average exchange rates for each quarter. When the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, the exchange rates at the transaction dates are used for the translation.

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income, and cumulative differences are included in accumulated other comprehensive income.

These cumulative differences are reclassified from equity to profit or loss when the Company loses control or significant influence over the foreign operation.

(12) Accounting treatment for business combinations

Business combinations are accounted for using the acquisition method on the acquisition date.

The consideration transferred in a business combination is measured as the sum of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, and the fair value at the acquisition date of the equity interests issued by the Company. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

・deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12, “Income Taxes” and IAS 19, “Employee Benefits,” respectively;

・liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date; and

・assets or disposal groups that are classified as held for sale are measured in accordance with IFRS 5 “Non-current Assets Held-for-Sale and Discontinued Operations.”

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired at the acquisition date is recorded as goodwill. If the consideration transferred and the amount of any non-controlling interest in the acquiree is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognized immediately in profit or loss.

On an acquisition-by-acquisition basis, the Company chooses a measurement basis of non-controlling interests at either fair value or by the proportionate share of the non-controlling interests in the recognized amounts of the acquiree’s identifiable net assets. When a business combination is achieved in stages, the Company’s previously held interest in the acquiree is remeasured at fair value at the acquisition date and gain or loss from the remeasurement, if any, is recognized in profit or loss.

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are accounted by the same method as the Company would dispose the interests.

If the initial accounting for a business combination is incomplete by the end of the fiscal year, the Company reports in its financial statements provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

Goodwill arising in business combinations that occurred before the date of transition to IFRSs is carried over at the carrying amount under the previous accounting principles (Japanese Generally Accepted Accounting Principles) as of the date of transition to IFRSs and recorded by that amount after an impairment test.

(13) Significant accounting policies for the SoftBank Vision Funds segment

For SVF1 and SVF2, the Company applies the following accounting policies.

a. Consolidation of SVF1 and SVF2 by the Company

SVF1 and SVF2 are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company (SVF2 owns limited liability companies including SVF2 LLC) as its subsidiaries and by their forms of organization, qualify as structured entities. SVF1 and SVF2 are consolidated by the Company for the following reasons.

As of March 31, 2022, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF2 was previously managed by SBIA and has been managed by SBGA since September 2021. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2. Furthermore, SBIA and SBGA receive performance fees and the Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2.

Inter-company transactions such as management fees and performance fees to SBIA and management fees and performance-linked management fees to SBGA paid or to be paid, as applicable, from SVF1 or SVF2 are eliminated in consolidation.

b. Portfolio company investments made by SVF1 and SVF2

(a) Investments in subsidiaries

Of the portfolio company investments made by SVF1 and SVF2, the portfolio companies that the Company is deemed to control under IFRS 10 “Consolidated Financial Statements” are subsidiaries of the Company. Accordingly, their results of operations, assets and liabilities are included in the Company’s consolidated financial statements.

Gain and loss on investments in the subsidiaries of the Company which are recognized in SVF1 and SVF2 are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1 and SVF2, the portfolio companies over which the Company has significant influence under IAS 28 “Investments in Associates and Joint Ventures” are associates of the Company, and the portfolio companies that are joint ventures of SVF1 and SVF2 when, as defined under IFRS 11 “Joint Arrangements,” SVF1 and SVF2 have joint control with other investors under contractual arrangements and the investors have rights to the net assets of the arrangement.

The investments in associates and joint ventures of the Company made by SVF1 and SVF2 are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28 “Investments in Associates and Joint Ventures” and presented as “Investments from SVF1 and SVF2 accounted for using FVTPL” in the consolidated statement of financial position.

If the investments in associates and joint ventures that were transferred from SoftBank Group Corp. and its subsidiaries to SVF1 or SVF2 were accounted for using the equity method prior to the transfer, these investments continue to be accounted for using the equity method after the transfer to SVF1 or SVF2 and presented as “Investments accounted for using the equity method” in the consolidated statement of financial position.

Gain and loss on the investments which were recognized in SVF1 or SVF2 are eliminated in consolidation and gain and loss on the investments accounted for using the equity method are presented as “Income (loss) on equity method investments” in the consolidated statement of income.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1 and SVF2 are accounted for as financial assets at FVTPL. The presentation of these investments in the consolidated statement of financial position is the same as the above “(b) Investments in associates and joint ventures.”

c. Contribution from limited partners in SVF1 and SVF2 and investors in SVF2 LLC (collectively “SVF Investors”)

The Company introduced a co-investment program with restricted rights to receive distributions to SVF2 in August 2021. Accordingly, SVF Investors other than the Company have invested in SVF2 for the purpose of the program since the three-month period ended September 30, 2021. The details are described in “(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2” in “1. SoftBank Vision Funds business” under “(Notes Relating to Consolidated Statement of Income.)”

(a) Contribution from SVF Investors other than the Company (“Third-Party Investors,” and each a “Third-Party Investor”)

The interests attributable to Third-Party Investors in SVF1 and SVF2 are classified as financial liabilities, “Third-party interests in SVF1 and SVF2” in the consolidated statement of financial position, due to the predetermined finite life and contractual payment provision to each of Third-Party Investors at the end of the finite life within the constitutional agreements relating to SVF1 and SVF2. The liabilities are classified as “financial liabilities measured at amortized cost” upon initial recognition. The carrying amounts attributable to Third-Party Investors represent the amounts that would be distributed in accordance with the constitutional agreements in a theoretical liquidation scenario at the end of each quarter.

Third-Party Investor in SVF2 is entitled to make full or partial payment of their investment and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC to the end of company life of SVF2 LLC, and as of March 31, 2022, the Company has recognized receivables from Third-Party Investor. The receivables are included in “Other financial assets (non-current)” in the consolidated statement of financial position.

“Third-party interests in SVF1 and SVF2” fluctuates due to the results of SVF1 and SVF2 in addition to contributions from Third-Party Investors, and distributions and repayments of investments to Third-Party Investors, respectively. The fluctuations due to the results of SVF1 and SVF2 are presented as “Change in third-party interests in SVF1 and SVF2” in the consolidated statement of income.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9 “Financial Instruments,” and, therefore, such amount is not recorded in the consolidated statement of financial position.

(b) Contribution from the Company

Contributions to SVF1 and SVF2 from the Company are eliminated in consolidation.

(Notes Relating to Changes in Presentation)

1. Consolidated Statement of Financial Position

(1) “Investments from asset management subsidiaries,” “Securities pledged as collateral in asset management subsidiaries” and “Derivative financial assets in asset management subsidiaries” in current assets, and “Derivative financial liabilities in asset management subsidiaries” in current liabilities, which were presented separately in the fiscal year ended March 31, 2021, have been included in “Other financial assets” in current assets and “Other financial liabilities” in current liabilities for the fiscal year ended March 31, 2022, respectively, as they became quantitatively immaterial.

(2) “Derivative financial assets” which was included in “Other financial assets” in current assets in the fiscal year ended March 31, 2021, has been presented separately for the fiscal year ended March 31, 2022, as it became quantitatively material.

2. Consolidated Statement of Income

“Gain on investments at Latin America Funds,” which was included in “Gain on other investments” and “Foreign exchange loss,” which was included in “Other loss” in the previous fiscal year, have been presented separately for the fiscal year ended March 31, 2022, respectively, as they became quantitatively material.

(Notes Relating to Accounting Estimates)

1. Fair values of financial instruments
   The Company makes accounting estimates in measurement of fair values of investments from SVF1 and SVF2 accounted for using FVTPL, and investment securities. The details are described in “(1) Evaluation standards and methods for financial instruments” in “5. Summary of significant accounting policies” under “(Basis of Presentation of Consolidated Financial Statements.)”

   In addition, the details are described in "(13) Significant accounting policies for the SoftBank Vision Funds segment" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and "1. SoftBank Vision Funds business" under "(Notes Relating to Consolidated Statement of Income)" for investments from SVF1 and SVF2.

2. Fair values of derivatives (including embedded derivatives)
   The Company makes accounting estimates in measurement of fair values of derivative financial assets and derivative financial liabilities. The details are described in "(1) Evaluation standards and methods for financial instruments" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)", "2. Gain on investments" under (Notes Relating to Consolidated Statement of Income)", and "4. Derivative loss (excluding gain (loss) on investments)" under "(Notes Relating to Consolidated Statement of Income.)"

3. Recognition and measurement of impairment losses on goodwill
   The Company makes accounting estimate in the impairment test for goodwill. The details are described in "(5) Accounting treatment of goodwill" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and “(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill, b. Impairment of goodwill” in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements.)"

4. Recognition and measurement of provisions
   The Company makes accounting estimates in recognition and measurement of provisions. The details are described in "(7) Criteria for recording significant provisions" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements.)"

5. Fair values of assets acquired and liabilities assumed by business combinations
   The Company makes accounting estimates in measurement of fair values of assets acquired and liabilities assumed by business combinations. The details are described in "(12) Accounting treatment for business combinations" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and "(Notes Relating to Business Combinations.)"

6. Measurement of third-party interests in SVF1 and SVF2
   The Company makes accounting estimates in measurement of third-party interests in SVF1 and SVF2. The details are described in "(13) Significant accounting policies for the Softbank Vision Funds segment" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and “1. Softbank Vision Funds business” under “(Notes Relating to Consolidated Statement of Income.)”

7. Recoverability of deferred tax assets
   The Company makes accounting estimates in assessment of recoverability of deferred tax assets. The details are described in "(10) Accounting method for income taxes" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements.)"

8. Recognition of contingent liabilities and expenses
   The Company makes accounting estimates in recognition of contingent liabilities and expenses. The details are described in "7. Contingency" under "(Notes Relating to Consolidated Statement of Financial Position.)"

9. Impact from the novel coronavirus ("COVID-19")
   In the evaluation of goodwill, property, plant and equipment, right-of-use assets, and intangible assets for impairment, fair values of investments, and expected credit losses on receivables, loan commitment, and credit guarantee, held by the Company, these were recorded with the amount reasonably estimated, based on the information and the facts available at the timing of preparing the consolidated financial statements, considering the duration of the COVID-19 pandemic and the risks and uncertainties of its effects. However, as the timing for the end of the spread of infection remains difficult to predict, and there is a strong sense of uncertainty about the future of the business environment, the uncertainties in the future may cause differences between the best estimate of the amount and subsequent results.

(Notes Relating to Changes in Accounting Estimates)

Reversal of impairment loss on equity method investments

Reversal of impairment losses on equity method investments were recorded for the equity method investments in WeWork, an equity method associated to the Company. The details are described in "5. Other loss (Note 4)" under “(Notes Relating to Consolidated Statement of Income.)”

(Notes Relating to Business Combinations)

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

(Amendment of provisional amounts)
SoftBank Corp., a subsidiary of the Company, obtained control of LINE Corporation*, effective February 28, 2021. The consideration for acquisition is allocated to the acquired assets and the assumed liabilities based on the fair value on the acquisition date. The allocation of the consideration for acquisition has been completed for the fiscal year ended March 31, 2022.

The main effects of the adjustments from the provisional amounts 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 fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date are as follows:

(Millions of yen)

	Acquisition date (February 28, 2021)
Cash and cash equivalents	312,791
Trade and other receivables	67,553
Other (current)	46,687
Property, plant and equipment	21,905
Right-of-use assets	62,940
Intangible assets	395,947
Investments accounted for using the equity method	167,873
Other (non-current)	104,809
Total assets	1,180,505
Interest-bearing debt (current and non-current)	181,308
Lease liabilities (current and non-current)	62,940
Trade and other payables	233,671
Other (current)	49,169
Deferred tax liabilities	150,504
Other (non-current)	20,745
Total liabilities	698,337
Net assets	482,168
Non-controlling interests	250,760
Goodwill	630,664

Note:
* Refers to LINE Corporation, surviving company in the absorption-type merger conducted by Shiodome Z Holdings G.K. LINE Corporation, the acquiree, transferred all business to LINE Split Preparation Corporation (currently, LINE Corporation) and changed its name to A Holdings Corporation, effective February 28, 2021.

(Notes Relating to Consolidated Statement of Financial Position)

1. Borrowings by asset pledged and equity securities-lending contract

(1) Assets pledged as collateral and associated liabilities

Assets pledged as collateral and secured liabilities by the Company are as follows:

	(Millions of yen)
Assets pledged as collateral:	
Cash and cash equivalents	133
Trade and other receivables	14,337
Other financial assets (current)	1,241
Property, plant and equipment	4,912
Investments accounted for using the equity method[2,3,4]	2,600,646
Investments from SVF1 and SVF2 accounted for using FVTPL[1]	1,599,040
Investment securities[4,5]	1,525,016
Other financial assets (non-current)	3,956
Total	5,749,281
Secured liabilities:	
Interest-bearing debt	
Short-term borrowings[1]	11,500
Current portion of long-term borrowings[2,6]	1,230,634
Current portion of financial liabilities relating to sale of shares by prepaid forward contract[3]	2,352,539
Long-term borrowings[1,4]	849,244
Financial liabilities relating to sale of shares by prepaid forward contract[3,5]	2,184,034
	6,627,951

Notes:

1. Certain listed shares held by SVF1 are pledged as collateral for short-term borrowings. The facility agreements for the borrowings include margin call provisions, which may be triggered under certain circumstances such as a significant decrease in the market value of pledged collateral and mandatory prepayment clauses requiring all or part of the borrowings to be prepaid in certain circumstances. The creditors would be able to enforce security and dispose of the pledged listed shares if the margin call clause or the mandatory prepayment clause were triggered and SVF1 did not pay the relevant amounts to creditors when due. The borrowings are limited-recourse debts.

   Certain listed shares held by SVF2 are pledged as collateral for long-term borrowings. The creditors would be able to enforce security and dispose of the pledged listed shares if SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

   As a result, ¥1,006,303 million of the listed shares held by SVF1 (the carrying amounts of assets as of March 31, 2022) was pledged as collateral for ¥11,500 million of short-term borrowings as of March 31, 2022. ¥592,737 million of the listed shares held by SVF2 (the carrying amounts of assets as of March 31, 2022) was pledged as collateral for ¥122,390 million of long-term borrowings as of March 31, 2022. The aforementioned pledged shares are included within “Investments from SVF1 and SVF2 accounted for using FVTPL” in the consolidated statement of financial position as of March 31, 2022.

2. ¥1,154,179 million of Alibaba shares (the carrying amount on a consolidated basis) held by Skywalk Finance GK, a wholly-owned subsidiary of the Company, was pledged as collateral for ¥731,517 million of current portion of long-term borrowings. The shares are included in “Investments accounted for using the equity method” under the consolidated statement of financial position as of March 31, 2022. The borrowings include an early settlement clause and an early settlement may be elected under certain circumstances such as a significant decrease in the fair value of pledged Alibaba shares. The creditors would be able to dispose of the asset pledged as collateral upon a circumstance where the early settlement is demanded and the subsidiary does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

3. Wholly-owned subsidiaries of the Company entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by the subsidiaries.
Based on the contracts, wholly-owned subsidiaries of the Company, which are procuring funds using Alibaba shares, set ¥1,420,349 million of Alibaba shares, which is recognized as “Investments accounted for using the equity method” in the consolidated statement of financial position, as collateral for ¥2,352,539 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥1,843,601 million of financial liabilities relating to sale of shares by prepaid forward contracts.

4. A wholly-owned subsidiary of the Company made a borrowing of $2.06 billion by using T-Mobile shares held as collateral. As of March 31, 2022, ¥567,478 million of T-Mobile shares is pledged as collateral for ¥251,587 million of the long-term borrowings. T-Mobile shares pledged as collateral are included in “Investment securities” in the consolidated statement of financial position as of March 31, 2022.
In addition, related to the transaction, Alibaba shares held by the Company are pledged as collateral. Alibaba shares pledged as collateral are recorded for ¥25,136 million as “Investments accounted for using the equity method” in the consolidated statement of financial position as of March 31, 2022.
In addition, “T-Mobile” indicates T-Mobile US, Inc. after merging with Sprint.

The wholly-owned subsidiary of the Company procured €2.64 billion by collar transactions using Deutsche Telekom AG (“Deutsche Telekom”) shares held. As of March 31, 2022, ¥517,960 million of Deutsche Telekom shares is pledged as collateral for ¥413,702 million of the long-term borrowings. Deutsche Telekom shares pledged as collateral are included in “Investment securities” in the consolidated statement of financial position as of March 31, 2022. The details of the acquisition of Deutsche Telekom shares are described in “1. Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022” under “(Other Notes).”
In addition, the collar contracts are classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value.

5. A wholly-owned subsidiary entered into prepaid forward contracts by using T-Mobile shares and procured $2.49 billion. As of March 31, 2022, the Company pledged ¥389,577 million of T-Mobile shares held as collateral for ¥340,433 million of financial liabilities relating to sale of shares by prepaid forward contracts. The shares pledged as collateral are included in “Investment securities” in the consolidated statement of financial position as of March 31, 2022.
The number of T-Mobile shares, settled by the prepaid forward contracts is determined by reference to the market price of the shares at the valuation dates prior to the settlement dates. A cap and a floor are set for the price of shares settled. In addition, the prepaid forward contracts are collar contracts and classified as hybrid financial instruments with embedded derivatives and the embedded derivatives are measured at fair value.

6. 929,022,669 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥498,676 million of current portion of long-term borrowings of Moonlight Finance GK, a wholly-owned subsidiary of the Company. The borrowings include an early settlement clause and an early settlement may be elected by the creditors under certain circumstances such as a significant decrease in the fair value of pledged SoftBank Corp. shares. The creditors would be able to dispose of the asset pledged as collateral in the event where the early settlement is demanded and Moonlight Finance GK does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

Other than the above, the following assets are pledged as collateral:

a. SB Northstar

For acquisition of investments financed through borrowings and credit transactions, ¥1,927 million of securities pledged as collateral and ¥131,474 million of restricted cash are pledged as collateral mainly for ¥32,919 million of short-term borrowings and ¥125,004 million of borrowed securities in SB Northstar.

b. SVF2

Mainly the equity interests of subsidiaries of SVF2 were pledged as collateral for ¥595,967 million of long-term borrowings and ¥13,183 million of current portion of long-term borrowings as of March 31, 2022. The facility agreement for the long-term borrowings includes a margin call provision and a mandatory prepayment clause, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments SVF2 holds. The creditors would be able to enforce security and dispose of the equity interests of subsidiaries of SVF2 if the margin call clause or the mandatory prepayment clause were triggered and SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

c. Arm

For long-term borrowings of ¥852,570 million and short-term borrowings of ¥108,948 million under the facility agreement entered into on March 28, 2022 by Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, 75.01% (other than 24.99% held by SVF1) of shares of Arm Limited which is a subsidiary of the Company, all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement and the equity interests of wholly-owned subsidiaries of the Company which were established for this facility purpose are pledged as collateral. The primary asset held by Kronos I (UK) Limited as of March 31, 2022 is a restricted cash of ¥14,862 million.

The facility agreement includes mandatory prepayment provisions for a part or whole loans, which may be triggered under certain circumstances such as sales of Arm shares upon occurrence of a listing and adjusted EBITDA of Arm being lower than the threshold, and an additional cash collateral provision, which may be triggered if a fair value of Arm shares pledged as collateral decreases significantly at designated test date. In addition, Kronos I (UK) Limited is required to reserve an amount equivalent to interest for a certain period in the designated account.

The borrowings of Kronos I (UK) Limited are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

d. Fortress

Based on a term loan agreement of $0.9 billion which was entered into to finance the acquisition of Fortress, the equity interests of Fortress and four wholly-owned subsidiaries within the acquisition structure are pledged as collateral.

e. Other

¥53,433 million of "investment securities" are pledged as collateral for financing and exchange settlement by a subsidiary operating banking business. Also, "other financial assets" (non-current) include ¥125,200 million of margin deposits with central counterparties.

(2) Borrowings related to equity-securities lending contract

The Company entered into a securities lending contract regarding the stocks of a certain subsidiary. As of March 31, 2022, the amount of the cash received as collateral under the contract is recognized as short-term borrowings of ¥71,300 million and included in interest-bearing debt.

(3) Others

a. Assets for sale and leaseback transactions that are not accounted for as sales

Assets for sale and leaseback transactions that continue to be recognized as property, plant and equipment but of which the Company does not have legal title because the transactions are not accounted for as sales, are as follows:

	(Millions of yen)
Property, plant, and equipment	632,965

The liabilities related to the assets of which the Company does not have legal title are as follows:

Interest-bearing debt	
Current portion of long-term borrowings	163,606
Long-term borrowings	423,333
Total	586,939

b. Assets under lease contracts for intangible assets

Assets that are restricted to be transferred, subleased or pledged as collateral by the Company because they are acquired under lease contracts for the intangible assets, to which IFRS 16 “Leases” is not applied, are as follows:

	(Millions of yen)
Intangible assets	360,664

The liabilities related to the assets that are restricted to be transferred, subleased or pledged as collateral are as follows:

Interest-bearing debt	
Current portion of long-term borrowings	118,236
Long-term borrowings	223,295
Total	341,531

c. Deposits at the Bank of Japan

A subsidiary operating banking business is obliged to maintain certain amounts of the deposit, which is determined by a fixed ratio against the deposits it receives from its customers (“the legal reserve requirement”), with the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2022, cash and cash equivalents include ¥320,403 million of deposits at the Bank of Japan which is more than the legal reserve requirement.

2. Allowance for doubtful accounts directly deducted from assets

	(Millions of yen)
Trade and other receivables	27,597
Other financial assets (current)	15,738
Other financial assets (non-current)	71,670
Total	115,005

3. Accumulated depreciation and accumulated impairment losses of property, plant, and equipment

(Millions of yen)
2,341,562

4. Accumulated depreciation and accumulated impairment losses of right-of-use assets

(Millions of yen)
1,092,884

5. Disposal group classified as held for sale

As of December 11, 2020, the Company agreed on main terms of a transaction with South Korea-based Hyundai Motor Company and its affiliates (collectively “Hyundai Motor Group”) and Euisun Chung, Chairman of Hyundai Motor Group, pursuant to which (i) the Company would sell the majority of its shares held in Boston Dynamics, Inc. (“Boston Dynamics”), to Hyundai Motor Group and Euisun Chung, and (ii) Hyundai Motor Group and Euisun Chung would subscribe for additional shares of Boston Dynamics. Upon this agreement, it was highly probable that Boston Dynamics would no longer be a subsidiary of the Company. Accordingly, assets, liabilities, and accumulated other comprehensive income of Boston Dynamics were reclassified as a disposal group classified as held for sale for the fiscal year ended March 31, 2021. The disposal group classified as held for sale was measured at the carrying amount as the consideration from the sale transaction was higher than the carrying amount of Boston Dynamics. The carrying amounts of assets, liabilities, and accumulated other comprehensive income in Boston Dynamics were ¥38,647 million, ¥11,271 million, and ¥267 million, respectively as of March 31, 2021.

In addition, the transaction was completed following regulatory approval and satisfaction of certain conditions on June 21, 2021. Boston Dynamics is no longer a subsidiary of the Company from the same date and the shares continuously held as a minority shareholder are measured at fair value and accounted for as financial instruments at FVTPL. Accordingly, for the fiscal year ended March 31, 2022, the difference between the consideration from the sale transaction (excluding the cost to sell) and the fair value of shares continuously held, and the carrying amount of Boston Dynamics (assets, liabilities, accumulated other comprehensive income, and non-controlling interests) was recorded as a gain relating to loss of control over subsidiaries for ¥72,936 million under “Other gain” in the consolidated statement of income.

6. Income taxes

Due to the enactment of the UK Finance Act of 2021 in June 2021, the corporate tax rate of the UK was increased from 19% to 25% on or after April 1, 2023. As a result, the Company reversed a deferred tax liability of ¥38,029 million (translated at the exchange rate as of March 31, 2021). In addition, credits of income taxes (profit) and other comprehensive income (profit) were recorded for ¥31,953 million and ¥5,890 million, respectively. This is primarily due to the fact that certain subsidiaries based in the UK, which were applicable for the calculation of aggregation of income earned by controlled foreign companies in SoftBank Group Corp., will be expected to be exempt from the calculation on or after April 1, 2023.

7. Contingency

(1) Lending commitments

Lending commitments that the Company provides are as follows:

	(Millions of yen)
Lending commitments	7,135,014
Funded	814,632
Unfunded	6,320,382

The lending commitments that the Company is engaged in are mainly shopping and cashing credit limits provided to the credit card members in the SoftBank segment.

Due to the nature of the credit limits, where there are maximum amounts which the credit card members are allowed to spend within a certain range, but that are not necessarily fully spent, and because the Company can arbitrarily increase or decrease the limits, the amounts included in outstanding unfunded balance are not expected to be funded in full amounts. Also, maturities of unfunded lending commitments are within one year because they are payable on demand.

(2) Credit guarantee

Guarantees that the Company provides are as follows:

	(Millions of yen)
Total amount of financial guarantee contract	232,324
Guarantee balance	155,332

These mainly consist of credit support for a $1.75 billion letter of credit facility to WeWork by financial institutions, which the total amount of the guarantee contract is ¥214,183 million and the guarantee balance is ¥147,848 million. The credit support for letter of credit facility will expire on February 10, 2024, and the amount of credit support will be $1.25 billion on or after February 10, 2023. In the event that the Company fulfills such joint and several liability, the Company will obtain the right of indemnification against WeWork.

(3) Litigation

SoftBank Group Corp. and certain of its subsidiaries are a party to a number of currently pending legal and administrative proceedings. As it is difficult to reasonably estimate the final results of such matters, reserves have not been recorded. Based on the information currently available, we do not expect that the results of these proceedings will have a material adverse effect on our financial position or results of operations.

Litigation in which SoftBank Corp. is involved as a Party

(a) On April 30, 2015, SoftBank Corp. filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. (herein after referred to as “JPiT”), claiming for payment of remuneration, for additional services provided in connection with the installation of telecommunication lines, that were ordered by JPiT in relation to a project to migrate the communication network connecting approximately 27,000 sites (postal offices, etc.) existing countrywide to a new network, the 5th PNET.

Pursuant to a contract dated February 7, 2013, SoftBank Corp. was requested by JPiT to carry out, among other services, installation services for telecommunication lines for Japan Post Group’s business sites existing countrywide. SoftBank Corp. performed such services, and upon JPiT’s request, SoftBank Corp. also performed services that exceeded the scope of services stipulated in the contract.

Although SoftBank Corp. negotiated with JPiT over an extended period regarding the remuneration, (approximately ¥14.9 billion), for these additional services, SoftBank Corp. and JPiT were unable to arrive at a settlement. Accordingly, SoftBank Corp. duly filed the lawsuit, claiming for payment of remuneration, for such additional services.

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. (herein after referred to as “NRI”) as co-defendants.

In such lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance, of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above, and alleges that such delay caused damages to JPiT (¥16.15 billion). JPiT made joint and several claims against both SoftBank Corp. and NRI for such alleged damages.

SoftBank Corp. intends to fully contest JPiT’s claims in this lawsuit.

The order to consolidate lawsuit (b) above with lawsuit (a) above was made on July 29, 2015. As a result of close inspection of the remuneration with respect to additional services provided in relation to lawsuit (a) above, SoftBank Corp. modified the amount of the claim from approximately ¥14.9 billion to approximately ¥20.4 billion on November 13, 2015. SoftBank Corp. further modified the amount of claim from approximately ¥20.4 billion to approximately ¥22.3 billion on October 12, 2016 and from approximately ¥22.3 billion to approximately ¥24.0 billion on September 7, 2017, in response to matters such as the change of a purchase price of telecommunication line provided to JPiT.

JPiT filed an additional petition on June 24, 2020 in relation to the lawsuit (b) above, and modified the amount of the claim for SoftBank Corp. from approximately ¥16.15 billion to approximately ¥16.81 billion.

8. Financial covenants

(1) Financial covenants on interest-bearing debts of SoftBank Group Corp.
SoftBank Group Corp.'s interest-bearing debt includes financial covenants and the major financial covenants are as follows:

a. The amount of SoftBank Group Corp.'s net assets at the end of the fiscal year plus dividends from its wholly owned subsidiaries paid by the end of the first quarter of the following fiscal year must not fall below 75% of SoftBank Group Corp.'s net assets at the end of the previous year.

b. The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency. The statement of financial position of SoftBank Corp. at the end of the fiscal year must not show a net capital deficiency.

c. In the Company's consolidated statement of income, income (loss) before income tax or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years.

(2) Financial covenants on interest-bearing debts of SoftBank Corp.
SoftBank Corp.'s interest-bearing debt includes financial covenants and the major financial covenants are as follows:

a. The amount of SoftBank Corp.'s equity in the consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s equity at the end of the previous year and the second quarter.

b. The amount of SoftBank Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s net assets at the same dates during the previous year and the second quarter.

c. In the SoftBank Corp.'s consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

d. In the SoftBank Corp.'s non-consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

e. Net leverage ratios[1] of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

Notes:
1. Net leverage ratio: Net debt[2] / Adjusted EBITDA[3]
2. Net debt: The total amount of interest-bearing debt shown in the consolidated statement of financial position of SoftBank Corp. after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.
3. Adjusted EBITDA: EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

(3) Financial covenants on interest-bearing debts of Z Holdings Corporation

Z Holdings Corporation's interest-bearing debt includes financial covenants and the major financial covenants are as follows:

a. The amount of net assets in Z Holdings Corporation's statement of financial position at the end of the fiscal year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

b. The amount of net assets in Z Holdings Corporation's consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

c. The balance sheet of Z Holdings Corporation at the end of the fiscal year from the second quarter ended September 30, 2020, must not show a net capital deficiency.

d. The consolidated statement of financial position of Z Holdings Corporation at the end of the fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not show a net capital deficiency.

e. In Z Holdings Corporation's statement of income, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive fiscal years.

f. In Z Holdings Corporation's consolidated statement of income, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive fiscal years.

g. Net leverage ratios[1] of Z Holdings Corporation must not exceed certain respective amounts or numbers at the end of the fiscal year and the end of the second quarter of each year from the second quarter ended September 30, 2020.

Notes:

1. Net leverage ratio: Net debt[2] / Adjusted EBITDA[3]
2. Net debt: The total amount of interest-bearing debt shown in the consolidated statement of financial position of Z Holdings Corporation after deducting cash and cash equivalents. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme. Interest-bearing debt and cash and cash equivalents are adjusted not to include those of PayPay Bank Corporation.
3. Adjusted EBITDA: EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

(Notes Relating to Consolidated Statement of Income)

1. SoftBank Vision Funds business

(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2

a. Co-investment Program with Restricted Rights to Receive Distributions

The Board of Directors of SoftBank Group Corp. resolved to introduce a co-investment program with restricted rights to receive distributions to SVF2. In July 2021, based on the resolution, the Company established SVF2 LLC, a wholly-owned subsidiary of the Company, beneath SVF2 for the program. SVF2 LLC has entered into a definitive agreement in August 2021 with the Company and MgmtCo, a participant in the program, which resulted in MgmtCo becoming an investor in SVF2 LLC.

MgmtCo is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The details of the related party transactions between the Company and MgmtCo are described in "2. Related party transactions regarding a co-investment program with restricted rights to receive distributions" under "(Other Notes.)"

(a) Purpose of the program

The program has been introduced for the purpose of enabling Masayoshi Son to make a co-investment in SVF2, sharing risk of losses as well as benefit of profits in the success of SVF2, and leading to enhanced focus on the management of SVF2 investments, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 under the terms of the program, MgmtCo both receives the benefit of profits from SVF2 and assumes the risk of losses from SVF2, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

(b) Overview of the program

Contributions by SVF Investors are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. Overview of the program is as follows:

i. Investment in SVF2 LLC

Based on the definitive agreement entered into in August 2021, SVF2 LLC has issued Equity to the Company and MgmtCo. The Company (through SoftBank Vision Fund II-2 L.P. and its subsidiaries) holds 82.75% of the total Equity interests in SVF2 LLC and MgmtCo holds 17.25% of the total Equity interests in SVF2 LLC. The Equity interests held by the Company and MgmtCo are entitled to performance-based distributions that are allocated to each investor based on the proportion of their respective Equity contributions.

ii. Transfer of portfolio companies

After the definitive agreement signed in August 2021, for the purpose of the program, unlisted portfolio companies that were held or planned to be held by SVF2 as of June 23, 2021 have in principle been transferred to SVF2 LLC. As a result, the transfers of the portfolio companies had been conducted sequentially, and as of March 31, 2022, the transfers have been completed.

iii. Investment from MgmtCo

Upon the completion of the transfers of the relevant portfolio companies from SVF2 to SVF2 LLC, the Equity for each portfolio company is issued from SVF2 LLC to the Company and MgmtCo. As a result, as of March 31, 2022, the total amount of capital contribution made by MgmtCo was $2.6 billion and the total amount after adding the related adjustments to the capital contribution (the “Equity Acquisition Amount”) was $2.9 billion, respectively.

iv. Receivables and premiums accrued on Equity Acquisition Amount

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time, at its discretion, from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount. As of March 31, 2022, no cash payment has been made from MgmtCo for the Equity Acquisition Amount and the premium. The details of the receivables related to the Equity Acquisition Amount and the premium as of March 31, 2022 are described in “(b) Third-party interests in SVF2 and receivables” in “b. Changes in interests attributable to Third-Party Investors” under “(4) Third-party interests in SVF1 and SVF2.” Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until SVF2 LLC’s receivables are paid in full.

v. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceeds the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

vi. Restrictions on rights to receive distributions to MgmtCo

Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC’s unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC’s investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distributions. In the event that, upon the liquidation of SVF2 LLC, the amount of the distribution received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

vii. Nature of the Equity contribution by the Company and MgmtCo

The Equity interests held by the Company and MgmtCo are subordinated to the Preferred Equity of SVF2 LLC described in “b. Preferred Equity Contribution to SVF2 by the Company.” If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests’ ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

viii. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and the performance-linked management fees to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC. The details of the management fee and the performance-linked management fees to be charged to MgmtCo are described in “b. Management fees and performance-linked management fees in SVF2” under “(5) Management fees and performance fees.”

b. Preferred Equity Contribution to SVF2 by the Company

SoftBank Group Corp. has resolved at a meeting of its Board of Directors that SVF2 LLC issues to the Company (through SoftBank Vision Fund II-2 L.P. and its subsidiaries) a new class of Preferred Equity interests that is subject to fixed distribution separate from the Equity under the program. The purpose of issuing the Preferred Equity is to enhance the efficiency of recovery of investment funds. The Preferred Equity interests in the amount of $24.1 billion have been issued to the Company from the introduction of Preferred Equity to March 31, 2022. The Preferred Equity interests have a priority right over the Equity interests held by the Company and MgmtCo under the program in terms of its distributions and return of the contributions, and the Company receives a fixed distribution amount calculated at 8% per annum on the amount of Preferred Equity contributions by the Company. The Company’s contributions to SVF2 LLC for new investments on and after June 24, 2021 are Preferred Equity contributions.

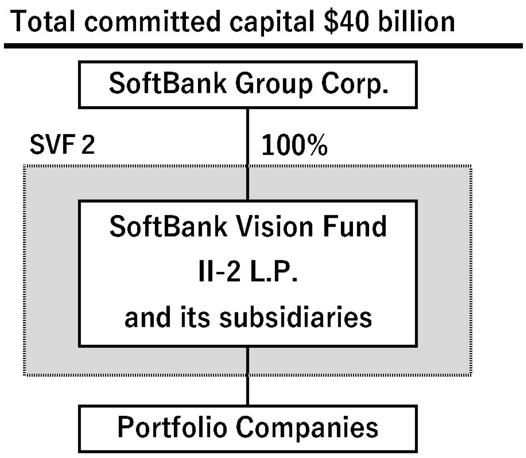
c. Committed capital

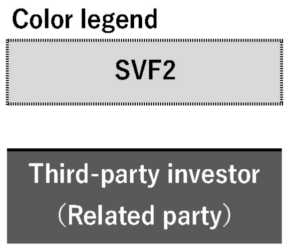
After the introduction of the program and Preferred Equity, $2.6 billion was reduced from the Company’s committed capital and MgmtCo’s committed capital was increased by the same amount. As a result, the total committed capital for SVF2 as a whole amount after the introduction of the program was $40 billion.

d. Structure

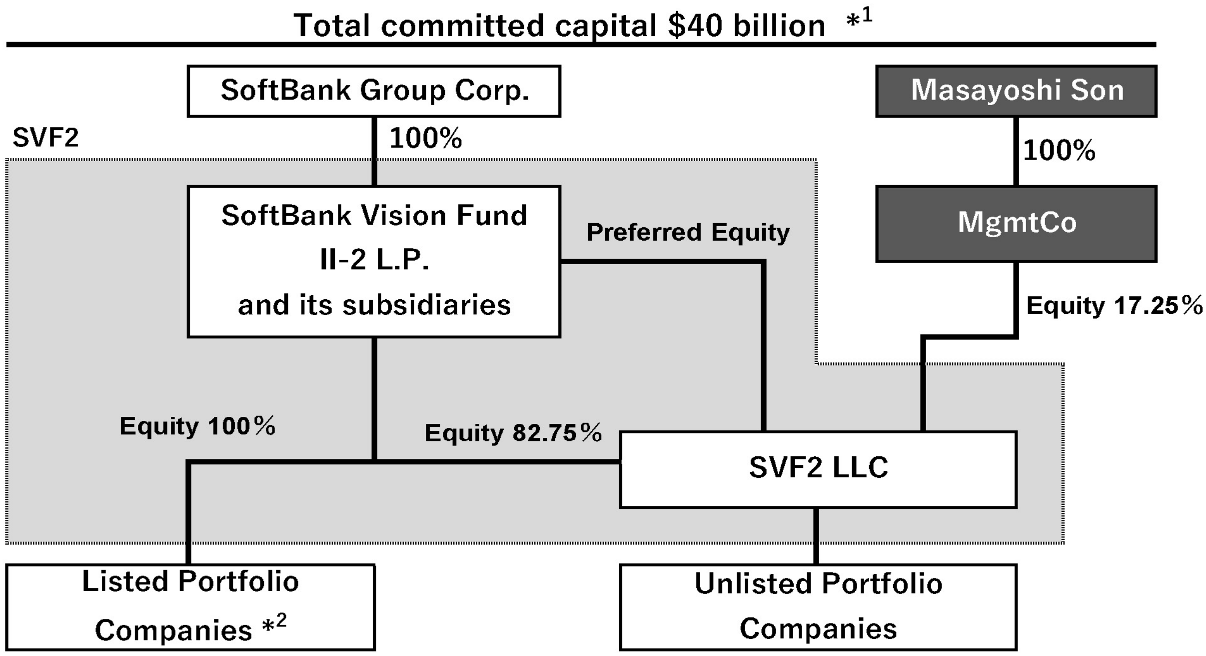
Please refer to the following scheme diagram for “a. Co-investment Program with Restricted Rights to Receive Distributions” and “b. Preferred Equity Contribution to SVF2 by the Company.”

(a) Structure prior to the introduction of the program and Preferred Equity





(b) Structure after the introduction of the program and Preferred Equity



Notes:

1. From the introduction of the program and Preferred Equity to March 31, 2022, the committed capital for SVF2 was increased by $16.0 billion, which is attributable to the Company as an investor in SVF2. As a result, the total commitment capital for SVF2 as a whole was $56.0 billion as of March 31, 2022.

2. Includes portfolio companies publicly filing for listing as of June 23, 2021, and portfolio companies that were approved by the Board of Directors to be excluded from the program. The Company continues to hold 100% of Equity for investments in the portfolio companies that are outside of the program’s scope.

(2) Change of a manager of SVF2

SVF2 was previously managed by SBIA and has been managed by SBGA, which is a wholly-owned subsidiary of the Company, since September 2021. SBGA outsources most of its operations to SBIA and SBIA continues to support the management of SVF2 as an outsourced service provider.

(3) Income and loss arising from the SoftBank Vision Funds business

a. Overview

Income and loss arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA and SBGA receive from SVF1 and SVF2, respectively.

The amount of the net profits attributable to Third-Party Investors that is deducted from the income before income tax is presented as “Change in third-party interests in SVF1 and SVF2.”

b. Income and loss arising from the SoftBank Vision Funds business

The components of income and loss arising from the SoftBank Vision Funds business are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022
Loss on investments at SVF1, SVF2, and others	
Realized gain on investments[1]	1,354,674
Unrealized loss on valuation of investments	
Change in valuation for the fiscal year[2]	(3,039,858)
Reclassified to realized gain recorded in the past fiscal year[3]	(1,777,906)
Interest and dividend income from investments	50,649
Derivative loss on investments	(49,587)
Effect of foreign exchange translation[4]	(85,326)
Subtotal	(3,547,354)
Selling, general and administrative expenses	(69,754)
Finance cost (interest expenses)	(31,616)
Derivative gain (excluding gain (loss) on investments)	2,056
Change in third-party interests in SVF1 and SVF2	972,674
Other gain	34,591
Income and loss arising from the SoftBank Vision Funds business (income before income tax)	(2,639,403)

Notes:

1. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by share exchange are included.

2. SVF1 recorded ¥154,525 million of unrealized gain on valuation for the fiscal year ended March 31, 2022 upon the fair value estimation of Arm held by SVF1.

   The unrealized gain on valuation arising from Arm shares held by SVF1 is included in “Gain (loss) on investments at SVF1, SVF2, and others” (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned income and loss. However, the unrealized gain on valuation is eliminated in consolidation as Arm is a subsidiary of the Company.

   For the three-month period ended June 30, 2021, Arm transferred 75.01% of the shares of Treasure Data, Inc. to the Company’s wholly-owned foreign subsidiary and 24.99% of the shares to SVF1 as dividends in kind. The 75.01% of Treasure Data, Inc. shares were transferred through sales from the Company’s wholly-owned foreign subsidiary to SVF2. As a result, the fair value of Treasure Data, Inc. shares, which was included in the fair value of Arm shares as of March 31, 2021, is not included in the fair value of Arm shares as of March 31, 2022.

   ¥19,019 million of shares of Treasure Data, Inc. received as dividends in kind which SVF1 received from Arm is included in “Gain (loss) on investments at SVF1, SVF2, and others” (in Interest and dividend income from investments) in the above-mentioned income and loss, however, the dividends are eliminated in consolidation.

   For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. ¥1,375 million of the unrealized gain on valuation after the transfer date arising from WeWork common shares held by SVF2 is included in “Gain (loss) on investments at SVF1, SVF2, and others” (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned income and loss. However, the unrealized gain on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.

   The unrealized gain and loss on valuation and the dividends, that are eliminated in consolidation, are not included in “Gain (loss) on investments at SVF1, SVF2, and others” in the consolidated statement of income.

3. It represents the unrealized gain and loss on valuation of investments recorded as “Gain (loss) on investments at SVF1, SVF2, and others” in the past fiscal years, which are reclassified to “Realized gain (loss) on investments” due to the realization for the fiscal year ended March 31, 2022.

4. Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were recognized, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. “Effect of foreign exchange translation” is arising from the different foreign currency exchange rates used for unrealized gains and losses on valuation and realized gains and losses.

(4) Third-party interests in SVF1 and SVF2

a. Terms and conditions of contribution from/ distribution to SVF Investors

Contributions by SVF Investors are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to SVF Investors, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance, as applicable, of SVF1 and SVF2. The net proceeds from SVF1 are also allocated to the performance fees attributed to SBIA using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to SVF Investors are allocated to each of the SVF Investors based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each of the SVF Investors after SVF1 and SVF2, as applicable, receive cash through dividend, or disposition or monetization of investments.

In SVF1, fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contributions. The fixed distributions are made every last business day of the months of June and December. The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 are described in “a. Co-investment Program with Restricted Rights to Receive Distributions” under “(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2.” There are no Third-Party Investors who contributed to Preferred Equity in SVF2.

In the following table, Third-Party Investors contributing Equity are defined as “Investors entitled to performance-based distribution” and Third-Party Investors contributing Preferred Equity are defined as “Investors entitled to fixed distribution.”

b. Changes in interests attributable to Third-Party Investors

(a) Third-party interests in SVF1

Changes in interests attributable to Third-Party Investors in SVF1 (included in "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position) are as follows:

(Millions of yen)

	Third-party interests in SVF1 (Total of current liabilities and non-current liabilities)	
		(Breakdown)
As of April 1, 2021	6,601,791	
Contributions from third-party investors	277,824	
Changes in third-party interests	(910,582)	
Attributable to investors entitled to fixed distribution		153,509
Attributable to investors entitled to performance-based distribution		(1,064,091)
Distribution/repayment to third-party investors	(1,228,703)	
Exchange differences on translating third-party interests	549,424	
As of March 31, 2022	5,289,754	

(b) Third-party interests in SVF2 and receivables

Changes in interests attributable to Third-Party Investor in SVF2 (included in “Third-party interests in SVF1 and SVF2” in the consolidated statement of financial position) are as follows: Third-party Investor in SVF2 is the investor entitled to performance-based distribution.

	(Millions of yen)
	Third-party interests in SVF2 (Total of current liabilities and non-current liabilities)
As of April 1, 2021	-
Acquisition of interest by third-party investor	325,292
Changes in third-party interests	(62,092)
Distribution/repayment to the third-party investor (Offsetting against the receivables)	(19,104)
Exchange differences on translating third-party interests	25,985
As of March 31, 2022	270,081

The Company has receivables from Third-party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in “Other financial assets (non-current)” in the consolidated statements of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in “a. Co-investment Program with Restricted Rights to Receive Distributions” under “(1) Introduction of Co-investment Program with Restricted Rights to Receive Distributions and Preferred Equity to SVF2.”

	(Millions of yen)
	Receivables from third-party investor in SVF2
As of April 1, 2021	-
Increase of receivables from Equity Acquisition Amount and accrued premiums charged to third-party investor	332,629
Reduction of receivables by offsetting distribution/repayment to third-party investor	(19,104)
Exchange differences on receivables	29,138
As of March 31, 2022	342,663

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of March 31, 2022 was $8.2 billion.

(5) Management fees and performance fees

Terms and conditions of management fees, performance-linked management fees, and performance fees, included in income and loss arising from the SoftBank Vision Funds business, are as follows.

a. Management fees and performance fees in SVF1

Management fees to SBIA from SVF1 are, in accordance with the limited partnership agreement, calculated by multiplying 1% per annum by Equity contributions used to fund investments and paid to SBIA by SVF1 quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend and monetization of an investment.

From the inception of SVF1 to March 31, 2022, the cumulative amount of performance fees paid to SBIA was $439 million. For the fiscal year ended March 31, 2022, no performance fees were paid to SBIA.

In addition, the performance fees received are subject to clawback provisions which are triggered under certain conditions based on the future investment performance.

b. Management fees and performance-linked management fees in SVF2

Management fees to SBGA from SVF2 are, in accordance with the constitutional agreements, calculated by multiplying 0.7% per annum by the acquisition cost of investments and paid to SBGA by SVF2 quarterly.

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of an investment in SVF2.

From the inception of SVF2 to March 31, 2022, no performance-linked management fees were paid to SBGA.

2. Gain on investments

(1) Gain and loss on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022
Gain relating to settlement of prepaid forward contracts using Alibaba shares[1]	199,972
Gain relating to sales of T-Mobile shares[2]	3,149
Realized gain on investments at asset management subsidiaries	54,853
Unrealized loss on valuation of investments at asset management subsidiaries	(393,404)
Derivative gain on investments at asset management subsidiaries	89,476
Realized gain on investments	79,336
Unrealized loss on valuation of investments	(50,179)
Derivative gain on investments	101,524
Other	19,635
Total	104,362

Notes:

1. The settlement date of a part of prepaid forward contracts arrived and were settled by Alibaba shares. As a result, ¥784,197 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥436,641 million of "Derivative financial assets (current)" and ¥156,971 million of Alibaba shares included in "Investments accounted for using the equity method" were derecognized from the consolidated statement of financial position, and ¥199,972 million of "Gain on investments at Investment Business of Holding Companies" was recorded in the consolidated statement of income.

2. On September 23, 2021, Deutsche Telekom partially exercised the call options over 45,366,669 shares out of 101,491,623 shares of T-Mobile held through a wholly-owned subsidiary of the Company and the wholly-owned subsidiary acquired newly issued 225,000,000 shares of Deutsche Telekom as its consideration. As a result, ¥3,149 million of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2022. Also, cumulative losses on T-Mobile shares and the call options associated with the transaction are ¥13,447 million. Of this, ¥16,596 million of loss was recorded for the fiscal year ended March 31, 2021. The details are described in "1. Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022" under "(Other Notes.)"

(2) Gain and loss on investments at SVF1, SVF2, and others

The details are described in "1. SoftBank Vision Funds business."

(3) Gain on investments at Latin America Funds

The components of gain and loss on investments at Latin America Funds are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2022
Realized loss on investments	(9,114)
Unrealized gain on valuation of investments	
Change in valuation for the fiscal year	110,888
Reclassified to realized loss recorded in the past fiscal year[1]	8,034
Derivative loss on investments	(372)
Effect of foreign exchange translation[2]	364
Other	1,270
Total	111,070

Notes:

1. It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at Latin America Funds" in the past fiscal years, which are reclassified to "Realized gain (loss) on investments" due to the realization for the fiscal year ended March 31, 2022.

2. Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were recognized, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" is arising from the different foreign currency exchange rates used for unrealized gains and losses on valuation and realized gains and losses.

Also, in SoftBank Latin America Funds, SoftBank Group Corp. introduced a co-investment program with restricted rights to receive distributions in September 2021. The details are described in "2. Related party transactions regarding a co-investment program with restricted rights to receive distributions" under "(Other Notes.)"

3. Finance cost

The components of finance cost are as follows:

	(Millions of yen)
Interest expenses	(382,512)

4. Derivative gain (excluding gain (loss) on investments)

Derivative gain of ¥1,132,994 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares.

5. Other gain

The components of other gain and loss are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2022
Interest income	35,047
Gain relating to the agreement for sale of Arm shares[1]	146,375
Gain relating to loss of control over subsidiaries[2]	121,690
Dilution gain from changes in equity interest[3]	71,741
Reversal of impairment losses on equity method investments[4]	35,706
Impairment loss on equity method investments	(26,436)
Impairment loss	(17,806)
Other	24,867
Total	391,184

Notes:

1. On September 13, 2020 (U.S. time), SoftBank Group Capital Limited ("SBGC"), a wholly-owned subsidiary, and SVF1 entered into a definitive agreement (the "Agreement") with NVIDIA Corporation ("NVIDIA"), a U.S.-based semiconductor manufacturer, whereby the Company would sell all of its shares in Arm, a wholly-owned subsidiary, held by SBGC and SVF1 to NVIDIA (the "Transaction"). However, NVIDIA and the Company have agreed to terminate the Agreement on February 8, 2022, because of significant regulatory challenges preventing the consummation of the Transaction, despite of good faith efforts by the parties. In accordance with the terms of the Agreement, the deposit of $1.25 billion received by SBGC at the time of signing was non-refundable and therefore such amount was recorded as profit. 24.99% of that profit was attributable to SVF1 in accordance with the ownership ratio of Arm shares.

2. Primarily, the gain was recorded as Boston Dynamics was no longer a subsidiary of the Company. The details are described in "5. Disposal group classified as held for sale" under "Notes Relating to Consolidated Statement of Financial Position."

3. Primarily represents the dilution gain arising from changes in Alibaba's equity interest held by the Company due to the exercise of stock options in Alibaba.

4. ¥35,706 million of reversal of impairment losses was recorded as the fair value of WeWork shares accounted for using the equity method increased.

(Notes Relating to Consolidated Statement of Changes in Equity)

1. Class and number of outstanding shares as of March 31, 2022
   Common stocks 1,722,953,730 shares

2. Matters regarding dividends
   (1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resource of dividend
Shareholders' meeting held on June 23, 2021	Common stocks	38,247	22	March 31, 2021	June 24, 2021	Retained earnings
Board of Directors' meeting held on October 21, 2021	Common stocks	37,700	22	September 30, 2021	December 8, 2021	Retained earnings

(2) Dividends for which record date is in the fiscal year ended March 31, 2022, and effective date for payment is in the following fiscal year

Resolution plan	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resource of dividend
Shareholders' meeting held on June 24, 2022	Common stocks	36,229	22	March 31, 2022	June 27, 2022	Retained earnings

3. Number of shares for stock acquisition rights as of March 31, 2022
   (Excluding stock acquisition rights for which the commencement date of exercise period has not yet arrived)
   Common stocks 5,167,000 shares

4. Other equity instruments
   On July 19, 2017, the Company issued USD-denominated Undated Subordinated Non-Call 6 years ("NC6") Resettable Notes and USD-denominated Undated Subordinated Non-Call 10 years ("NC10") Resettable Notes (collectively, the "Hybrid Notes").

   The Hybrid Notes are classified as equity instruments in accordance with IFRSs because the Company has the option to defer interest payments, the notes have no maturity date, and the Company has an unconditional right to avoid delivering cash or another financial asset except for the distribution of residual assets on liquidation.

   The payment of interest was completed on the interest payment dates, July 19, 2021 and January 19, 2022 and "Retained earnings" decreased by ¥15,676 million and ¥16,367 million respectively as "Distribution to owners of other equity instruments" in the consolidated statement of changes in equity.

   Also, as of March 31, 2022, accrued interest, which was not recognized as a distribution to owners of other equity instruments because the payment had not yet been determined, was ¥6,984 million.

(Notes Relating to Financial Instruments)

1. Matters regarding conditions of financial instruments

(1) Financial risk management

(The asset management subsidiary)

As SB Northstar L.P., an asset management subsidiary, conducts various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, and credit transactions, and others for diversification of the assets held and management of surplus funds, the Company faces a variety of financial risks (market risk, credit risk and liquidity risk) in its operations. The Company manages its risks based on established policies to prevent and reduce these financial risks.

SB MANAGEMENT LIMITED, a wholly-owned subsidiary of the Company, had been responsible for investment decision-making and risk management of the asset management subsidiary up until March 31, 2022. In conjunction with the downsizing of the asset management subsidiary's business, the general partner (GP, a wholly-owned subsidiary of the Company) of the asset management subsidiary is responsible for investment decision-making and risk management of the asset management subsidiary on and after April 1, 2022.

(Other than the asset management subsidiary)

As the Company operates in a wide range of markets, the Company faces a variety of financial risks (foreign exchange risk, price risk, interest rate risk, credit risk, and liquidity risk) in its operations. The Company manages its risks based on established policies to prevent and reduce these financial risks.

Derivative transactions, which were entered into by the Company, are conducted and controlled based on the Company's financial management regulations and are limited to the extent of actual demands.

(2) Market risk

a. Foreign exchange risk

The Company is engaged in international businesses through investments, financial contributions and the establishment of joint ventures. The Company undertakes transactions denominated in foreign currencies with foreign parties and through lending to and borrowings from foreign subsidiaries. Consequently, there is foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollar, Euro currencies and Hong Kong dollar.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures. The Company also uses foreign currency forward contracts, foreign currency swap contracts, and interest rate currency swap contracts to hedge the risk.

b. Price risk

(The asset management subsidiary)

As the asset management subsidiary is engaged in various transactions such as acquisition and sale of listed stocks, derivative transactions related to listed stocks, and credit transactions, the asset management subsidiary faces a price risk in its operations. To manage the price risk, the overall market prices of the portfolio are monitored on a daily basis.

(Other than the asset management subsidiary)

As part of the business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk. The Company manages this risk by continuously monitoring the financial condition of security issuers and stock market fluctuations.

c. Interest rate risk

The Company raises funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates and is exposed to interest rate risk. Interest-bearing debt with floating interest rates has the risk of increased interest expenses due to rising interest rates. In order to prevent interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debt. In addition, in order to reduce interest rate fluctuation risk, for certain interest-bearing debt with floating interest rates, the Company also utilizes derivative transactions, such as interest rate swaps converting floating interests into fixed interests. For floating interest rate debt, the Company continuously monitors interest rate fluctuations.

(3) Credit risk

(The asset management subsidiary)

The asset management subsidiary has the credit risk of the counterparties regarding deposits, receivables against trading brokers, securities, derivatives, etc., and the counterparties are concentrated in several brokers. To mitigate these credit risks, the Company does business with brokers with high credit ratings.

(Other than the asset management subsidiary)

In the course of the Company’s business, trade and other receivables, and other financial assets (including deposits, equity securities, bonds, and derivatives) are exposed to the credit risk of its counterparties. In order to prevent and reduce the risk, the Company does not expose itself to significant concentrations of credit risk for such receivables and financial assets. To manage its credit risk, the Company performs controls around the due date and balance for each customer in accordance with its internal customer credit management rules and regularly monitors major customers’ credit status. Derivative transactions, which are executed and maintained by the Company, are conducted and controlled based on the Company’s financial management regulations, and those transactions engaged in are limited to those with financial institutions with high credit ratings in order to reduce the risk.

(4) Liquidity risk

(The asset management subsidiary)

The asset management subsidiary has the liquidity risk of having to secure sufficient cash depending on the settlement of the investments and the status of investment position. To reduce these liquidity risks, the investments are primarily targeted at listed stocks that are actively traded and easily redeemable.

(Other than the asset management subsidiary)

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fundraising sources including both indirect financing, such as bank loans and leases, and direct financing, such as the issuance of bonds and commercial paper and securitization, taking market conditions and its current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits and a money management fund. The Company also continuously monitors its forecasted and actual cash flows and liquid funds.

2. Matters regarding fair value of financial instruments

(1) Categorization by level within the fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for the measurement.

The fair value hierarchy is defined as follows in descending order of level:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.

Transfers between levels of the fair value hierarchy are recognized at the point of which the event or change in circumstances that caused the transfer is observed.

Additionally, there was no transfer between Level 1 and Level 2 during the fiscal year ended March 31, 2022.

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF1 and SVF2 accounted for using FVTPL	4,811,878	—	8,954,513	13,766,391
Equity securities (excluding investments from SVF1 and SVF2)	2,113,504	—	1,456,818	3,570,322
Bonds and loans (excluding investments from SVF1 and SVF2)	8,330	229,112	206,323	443,765
Derivative financial assets				
Foreign currency exchange contracts	855	70,516	—	71,371
Option contracts	456	1,487,331	633,553	2,121,340
Forward contracts	—	190,334	—	190,334
Collar contracts using shares	—	44,568	—	44,568
Other	5,086	—	—	5,086
Other	330,725	6,565	580,092	917,382
Total	7,270,834	2,028,426	11,831,299	21,130,559
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	1,618	10,361	—	11,979
Option contracts	2,212	178,539	49	180,800
Interest rate contracts	—	3,804	—	3,804
Swap contracts	—	—	20,831	20,831
Forward contracts	—	69,096	8,936	78,032
Other	29	—	—	29
Borrowed securities	125,004	—	—	125,004
Other	—	—	98,432	98,432
Total	128,863	261,800	128,248	518,911

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, and bonds and loans

Investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, and bonds and loans are measured using quoted prices in active markets for identical assets or liabilities if such prices are available and are classified as Level 1.

If such prices are unavailable, and if prices of recent arm’s-length transactions or equity financing are available, they are measured using recent transaction prices adjusting for performance of the market and company performance.

In the absence of a recent transaction, market approach, income approach, or net asset approach is applied for the enterprise valuation.

The market approach is used to the extent comparable guidelines for public companies are available. The market approach is a valuation method using figures from the financial statements of the subject companies and valuation multiple of comparable companies, such as Enterprise Value (EV)/Revenue and EV/EBITDA. The income approach is used when reliable cash flow projections are available. Under this approach, the present value is calculated by discounting estimated future cash flows at the discount rate and the future cash flows are estimated by taking into consideration several assumptions, including the revenue growth rate. The net asset approach is a valuation method using net assets on balance sheet of subject companies for calculation of stock value. The enterprise value which is calculated by the above method is allocated to shareholder’s value of each class of shares depending on the capital structures of the investments. For the allocation, an option pricing model, which values each individual security in the capital structure based on its unique rights and preferences, and a method which allocates value assuming the conversion of preferred shares into common shares due to a possible initial public offering and such, are mainly used.

The financial instruments are classified as Level 2 if all significant inputs, such as quoted prices and discount rates used for the measurement are observable, and they are classified as Level 3 when they are measured using significant unobservable inputs.

b. Derivative financial assets and derivative financial liabilities

The fair value of derivative financial instruments is measured using quoted prices in active markets if they are available and classified as Level 1.

If quoted prices in active markets are not available, the fair value of derivative financial instruments is measured using valuation techniques including a discounted cash flows model and Black-Scholes model, or using quoted prices in inactive markets. Derivative financial instruments are classified as Level 2 if all significant inputs, such as foreign currency exchange rates and discount rates used for the measurement, are observable; and they are classified as Level 3 when they are measured using significant unobservable inputs.

(2) Fair value measurements of financial instruments that are categorized as Level 3

a. Valuation techniques and inputs

The following table shows information about the valuation techniques used and the significant unobservable inputs used in the Level 3 fair value measurements.

(a) Investments from SVF1 and SVF2 accounted for using FVTPL

For Level 3 fair value measurements of investments from SVF1 and SVF2 accounted for using FVTPL, the Company mainly uses price of the recent transactions method, the announced transactions method, the discounted cash flow method and the market comparable company multiple method. The following table shows the fair value of the investments measured by each valuation technique. When a combination of multiple valuation techniques is applied, aggregated amounts of fair value are presented for each combination of valuation techniques.

(Millions of yen)

	Fair value
Valuation techniques	As of March 31, 2022
Recent Transactions	3,777,444
Discounted cash flow / Market comparable companies	2,166,913
Discounted cash flow	1,418,010
Market comparable companies	909,973
Other	682,173
Total	8,954,513

The valuation techniques and the inputs are as follows.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs As of March 31, 2022
Discounted cash flow	Cost of capital	17.0% - 161.0%
	EBITDA multiple[1]	x8.0 - x30.0
	Revenue multiple[1]	x1.0 - x16.0
	Gross merchandise value multiple[1]	x1.2
	Gross profit multiple[1]	x5.0 - x8.0
	Price to earnings ratio[1]	x11.0
Market comparable companies	Revenue multiple	x1.5 - x10.0
	EBITDA multiple	x12.6
	Price to sales ratio	x7.6 - x10.3

Note:

1. Various multiples of market comparable companies are used for the measurement of the terminal value.

(b) Financial assets including “Investment securities”

For Level 3 fair value measurements of financial assets, the market comparable company multiple method, the discounted cash flow method, price of the recent transactions method, Monte Carlo method and binomial lattice model are mainly adopted considering the rights and preferential rights of shares. The following table shows information about the valuation techniques with unobservable inputs and the significant unobservable inputs used in the fair value measurement.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs As of March 31, 2022
Equity securities		
Market comparable companies	Revenue multiple	x1.0 - x18.0
Discounted cash flow	Cost of capital	11.4% - 55.5%
	Capitalization rate[2]	5.1% - 10.2%
	Revenue multiple[2]	x1.3 - x10.0
	EBITDA multiple[2]	x14.0
Derivative financial assets		
Monte Carlo simulation	Volatility	25.0%
Other		
Binomial lattice model	Volatility	60.0%
	Credit spread	15.1% - 16.6%

Note:

2. Revenue multiple of market comparable companies, EBITDA multiple of market comparable companies and capitalization rate considering the most recent performance are used for the measurement of the terminal value.

b. Sensitivity Analysis

Of the above unobservable inputs, the EBITDA multiple, the revenue multiple, the gross merchandise value multiple, the gross profit multiple, the price to earnings ratio and price to sales ratio have a positive correlation with the fair value of investments from SVF1 and SVF2 accounted for using FVTPL, equity securities and derivative financial assets. Also, the volatility used for the Monte Carlo simulation and the binomial lattice model have a positive correlation with the fair value of derivative financial assets and other financial assets.

In contrast, the cost of capital, the capitalization rate and the credit spread have a negative correlation with the fair value of investments from SVF1 and SVF2 accounted for using FVTPL, equity securities, derivative financial liabilities and other financial assets.

c. Valuation processes

(a) Valuation processes at SVF1 and SVF2

The valuations are prepared by the valuation team of SBIA under IFRS 13 “Fair Value Measurement”, in accordance with the SBIA Global Valuation Policy and International Private Equity and Venture Capital Valuation Guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments that are subject to fair value measurement. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The valuations are then reviewed by the Valuation and Financial Risk Committee (“VFRC”), established as a committee of SBIA, which reports the result of their review to SBIA’s Board of Directors on a quarterly basis. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology. The valuations of the portfolio companies held by SVF2 performed by the aforementioned procedures are then reviewed and approved by SBGA's Board of Directors as manager of SVF 2 with overall responsibility for valuations.

(b) Valuation processes at entities other than SVF1 and SVF2

Fair value is measured by the Company’s personnel in the finance, treasury and accounting departments based on internal guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair value. For the fair value measurements of the financial instruments that require both high level of knowledge and experiences where amounts are material, the Company may engage external specialists. Thereafter, management responsible for the valuation processes approves the results of fair value measurements by the Company’s personnel and the valuation by the external specialists performed at the end of each quarter after reviewing the analysis of fair value changes and other content.

d. Roll forward of financial instruments categorized as Level 3

Roll forward of financial instruments categorized as Level 3 is as follows:

(Millions of yen)

Financial assets	Investments from SVF1 and SVF2 accounted for using FVTPL	Equity securities (excluding investments from SVF1 and SVF2)	Bonds and loans (excluding investments from SVF1 and SVF2)	Derivative financial assets	Other
As of April 1, 2021	6,979,770	1,143,043	135,468	477,479	400,993
Gains or (losses)					
Net income	2,373,963	474,331	(109,375)	120,778	134,006
Other comprehensive income	916,890	146,464	21,440	40,117	41,874
Purchases	4,104,551	565,301	169,875	—	80,239
Sales	(443,497)	(47,312)	(9,705)	—	(71,502)
Investments transferred from the Company to SVF2	419,624	(398,861)	—	(20,763)	—
Transfers to Level 1 due to listing	(5,473,421)	(441,957)	—	—	—
Other	76,633	15,809	(1,380)	15,942	(5,518)
As of March 31, 2022	8,954,513	1,456,818	206,323	633,553	580,092
Gains or (losses) recognized in net income on financial instruments held at March 31, 2022	574,550	188,371	(109,325)	119,571	128,957

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2021	84,318	37,309
(Gains) or losses		
Net income	56,605	(15,636)
Other comprehensive income	2,754	5,583
Other*	(113,861)	71,176
As of March 31, 2022	29,816	98,432
(Gains) or losses recognized in net income on financial instruments held at March 31, 2022	9,472	(15,636)

Note:

* The decrease of derivative financial liabilities was mainly due to the reversal of liabilities as a result of the completion of a tender offer to purchase WeWork common shares and preferred shares. In March 2021, a wholly-owned subsidiary of the Company other than SVF1 commenced a tender offer to purchase WeWork common shares and preferred shares from certain shareholders other than the Company at a price of $19.19 per share for the total amount of $922 million. The tender offer is considered as forward contracts and accounted for as derivatives. The difference between the valuation amount of common shares and preferred shares, which are expected to purchase and the expected acquisition amount, was recorded as “Derivative financial liabilities (current)” as of March 31, 2021. The tender offer was completed in April 2021 and the derivative financial liabilities are reversed and reduced from the initially recognized amount of the purchased common shares and preferred shares for the fiscal year ended March 31, 2022.

Gains or losses recognized in net income are included in “Gain on investments at Investment Business of Holding Companies,” “Loss on investments at SVF1, SVF2, and others,” “Gain on investments at Latin America Funds,” “Gain (loss) on other investments,” “Derivative gain (excluding gain (loss) on investments),” and “Other gain” in the consolidated statement of income.

(3) Carrying amounts and fair values of financial instruments

The table below presents carrying amounts and fair values of financial instruments.

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Other financial liabilities (current)					
Non-controlling interests subject to possible redemption	307,144	314,275	—	—	314,275
Interest-bearing debt (non-current)					
Long-term borrowings	5,472,605	—	2,912,585	2,610,814	5,523,399
Corporate bonds	6,471,624	—	6,343,253	—	6,343,253

Financial instruments whose carrying amounts are reasonably similar to fair values are not included in the table above. Financial instruments that are measured at fair value on a recurring basis are also excluded because their carrying amounts approximate their fair values.

a. Fair value measurement of financial instruments

The major valuation techniques for fair value measurements of the above financial liabilities are as follows:

(a) Non-controlling interests subject to possible redemption

The fair value of the non-controlling interests subject to possible redemption is measured using quoted price in active markets. The details of the non-controlling interests subject to possible redemption are described in "3. Special Purpose Acquisition Companies sponsored by the Company" under “(Other Notes.)”

(b) Long-term borrowings

Fair values of the non-current portion of long-term borrowings are measured using quoted prices in active markets if such prices are available, and the measurement is categorized as Level 1. Where such prices in active markets are not available, fair values of the non-current portion of long-term borrowings are measured based on the discounted cash flow method using observable inputs such as market interest rates, and the measurement is categorized as Level 2. The measurement of non-current portion of long-term borrowings that the fair values are measured based on the discounted cash flow method using unobservable inputs such as an interest rate including the credit spread that would be used for a borrowing with the same terms and maturity are categorized as Level 3.

(c) Corporate bonds

Fair values of the non-current portion of corporate bonds are mainly categorized as Level 1 or Level 2. When the fair value is measured using quoted prices in active markets for identical bonds, it is categorized as Level 1. When the fair value is measured using quoted prices that are observable in markets that are not active for identical bonds, it is categorized as Level 2.

b. Redemption schedule for interest-bearing debt, lease liabilities, and deposits for banking business

Redemption schedule for interest-bearing debt, lease liabilities, and deposits for banking business is as follows:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years
Interest-bearing debt				
Short-term borrowings	1,551,238	1,554,211	1,554,211	-
Commercial paper	527,201	527,201	527,201	-
Long-term borrowings (including current portion)	7,850,469	7,899,857	2,384,300	2,631,013
Corporate bonds (including current portion)	6,991,494	7,042,490	520,346	646,307
Financial liabilities relating to sale of shares by prepaid forward contracts	4,536,573	4,571,057	2,355,835	1,259,068
Installment payables	457	457	150	142
Lease liabilities	866,148	866,148	240,241	145,219
Deposits for banking business*	1,348,399	1,348,455	1,331,397	6,233
Total	23,671,979	23,809,876	8,913,681	4,687,982

	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt				
Short-term borrowings	-	-	-	-
Commercial paper	-	-	-	-
Long-term borrowings (including current portion)	1,582,798	756,266	215,789	329,691
Corporate bonds (including current portion)	806,998	1,074,593	935,632	3,058,614
Financial liabilities relating to sale of shares by prepaid forward contracts	956,154	-	-	-
Installment payables	112	45	6	2
Lease liabilities	84,162	69,576	60,315	266,635
Deposits for banking business*	4,573	1,445	1,063	3,744
Total	3,434,797	1,901,925	1,212,805	3,658,686

Note:

* Deposits for banking business payable on demand are included in “Within 1 year.”

(Notes Relating to Revenue Recognition)

(1) Breakdown of net sales

The components of net sales are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2022
SoftBank segment	
Consumer business	
Service revenues	
Mobile communications	1,599,137
Broadband	404,609
Electricity	239,106
Revenues from sales of goods and others	630,872
Enterprise business	693,144
Distribution business	447,740
Yahoo! JAPAN/LINE business	
Media	626,963
Commerce	793,174
Strategy	106,546
Other	13,431
Other	123,026
Subtotal	5,677,748
Arm segment	
License revenue	112,053
Royalty revenue	173,294
Other	14,169
Subtotal	299,516
Other	244,270
Total	6,221,534

The component of net sales includes ¥125,795 million of revenue arising from other sources than those arising from IFRS 15, such as lease contracts at the SoftBank segment.

(2) Basic information to understand revenue

The details are described in "(8). Revenue recognition" in "5. Summary of significant accounting policies" under "(Basis of Presentation of Consolidated Financial Statements.)"

(3) Information to understand amounts of revenue for the fiscal year ended March 31, 2022 and the following fiscal years

a. Contract balance

The components of contract balances are as follows.

(Millions of yen)

	As of April 1, 2021	As of March 31, 2022
Receivables arising from contracts with customers	959,189	1,015,459
Contract assets	32,298	51,883
Contract liabilities	250,813	265,276

Contract assets generally increase when the Company transfers goods or services to a customer (excluding claims for which the right to remuneration is unconditional) before the customer pays the consideration or before the payment becomes due and decrease when the Company bills the customer.

Contract liabilities generally increase when the Company receives consideration from a customer prior to the transfer of goods or services to the customer and decrease when the Company meets its performance obligations.

For the fiscal year ended March 31, 2022, impairment loss on receivables related to revenue from contracts with customers was ¥12,808 million.

Of the amount of net sales recognized for the fiscal year ended March 31, 2022, ¥105,972 million was included in the beginning balance of contract liabilities as of that date.

b. Transaction price allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2022 is ¥350,936 million.

The unsatisfied performance obligations of ¥207,230 million as of March 31, 2022 arise primarily from license contracts related to Arm’s technology in the Arm segment and of ¥143,328 million as of March 31, 2022 arise primarily from mobile services and mobile device rental services in the SoftBank segment.

The unsatisfied performance obligations in the Arm segment include performance obligations under a license agreement entered into by Arm and NVIDIA in September 2020 which will be recognized as revenue over a twenty-year period from the execution date. Other than the license agreement of NVIDIA, majority of the unsatisfied performance obligations in the Arm segment are expected to be recognized as revenue within two years.

The unsatisfied performance obligations in the SoftBank segment are expected to be recognized as revenue primarily within three years.

The Company applies practical expedients and the above amount does not include the transaction prices allocated to residual performance obligation of which the consideration received from customers is at an amount that directly corresponds to the transaction values and service delivery contracts with an original expected duration of one year or less.

(Notes Relating to per Share Data)

Equity per share attributable to owners of the parent*	¥5,755.92
Basic earnings per share	¥(1,018.58)

Note:

* "Equity per share attributable to owners of the parent" is based on "Equity attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(Other Notes)

1. Partial sale of T-Mobile shares for the fiscal year ended March 31, 2022

On September 6, 2021, the Company entered into a master framework agreement ("the Agreement") with Deutsche Telekom, pursuant to which Deutsche Telekom agreed to partially exercise its right to acquire the shares of T-Mobile in accordance with the terms of the call options (the "Call Options") granted by the Company to Deutsche Telekom in June 2020, and to amend the execution conditions of the same. Following the exercise of the Call Options, the Company sold 45,366,669 shares of T-Mobile held, though a wholly-owned subsidiary of the Company, to Deutsche Telekom and received newly issued 225,000,000 shares of Deutsche Telekom as its consideration. Under the Agreement, Deutsche Telekom also provided its consent for the Company to have additional flexibility to pledge its T-Mobile shares in connection with the entry into margin loans and other monetization transactions and agreed that it will prioritize the use of cash proceeds from certain divestitures to exercise the additional Call Options for cash up to an aggregate of $2.4 billion of total exercise price, subject to certain conditions. Following entry into the Agreement, the Company carried out the monetization transactions using T-Mobile shares.

(1) Outline of the Call Options to Deutsche Telekom

In June 2020, the Company granted to Deutsche Telekom the Call Options over 101,491,623 shares of T-Mobile.

a. For the Call Options over 44,905,479 shares (the "Fixed Call Options"), a strike price of the call option is $101.455 per a share. Deutsche Telekom can exercise the Call Options any time after the grant date.

b. For the Call Options over 56,586,144 shares (the "Floating Call Options"), a strike price of the call option is equal to the average of the daily volume-weighted average price of the shares of T-Mobile for each of the 20 trading days immediately prior to exercise. Deutsche Telekom can exercise the Call Options after the exercise of rights described in the above a. from October 2, 2020 to May 22, 2024 and, after May 22, 2024, can exercise any time regardless of the exercise of rights described in the above a.

Note:
* The Call Options expire on June 22, 2024, unless certain events occur that trigger an earlier expiration date.

(2) Partial exercise of the Call Options

On September 23, 2021, Deutsche Telekom exercised the Fixed Call Options for 26,348,874 shares and the Floating Call Options for 19,017,795 shares and a wholly-owned subsidiary of the Company received newly issued 225,000,000 shares of Deutsche Telekom as its consideration. Adjustments were made for a strike price of the Floating Call Options to be equal to the acquired 225,000,000 shares of Deutsche Telekom from the partial exercise of the Call Options.

(3) Change in conditions for the unexercised Call Options

A strike price of the Floating Call Options was changed to the lesser of the following a. and b.

a. The average of the daily volume weighted average prices of T-Mobile shares for the 20 scheduled trading days beginning on, and including, the scheduled trading day immediately following the date of delivery of the Notice of Exercise.

b. The average of the daily volume weighted average prices of T-Mobile shares for (a) the period of 20 trading days ending with the date of delivery of the Notice of Exercise (or ending on the immediately preceding trading day if the date of delivery of the Notice of Exercise is not a trading day) and (b) the 20 scheduled trading days beginning on, and including, the scheduled trading day immediately following the date of delivery of the Notice of Exercise.

In addition, the expiration date for the unexercised Call Options is May 28, 2024 and the Call Options can be exercised at any time.

(4) Number of T-Mobile shares to be sold by partial exercise of the Call Options, number of shares subject to the unexercised Call Options and number of the shares held by the Company before/after the transactions

a. Number of shares held before the partial exercise	106,291,623 shares
b. Number of the sold shares by the partial exercise	45,366,669 shares
c. Number of shares held after the partial exercise	60,924,954 shares
d. Number of shares subject to the unexercised Call Options	56,124,954 shares
e. Number of shares held after the Call Options are exercised*	4,800,000 shares

Note:
* Calculated on the assumption that the Call Options are fully exercised.

(5) Outline of the monetization using T-Mobile shares

For the fiscal year ended March 31, 2022, a wholly-owned subsidiary of the Company procured $2.49 billion through prepaid forward contracts by using 24,800,000 shares of T-Mobile and $2.06 billion through a new margin loan by using 36,124,954 shares of T-Mobile pledged as collateral, and made an early repayment of $4.38 billion for the previous margin loan by using 106,291,623 shares of T-Mobile pledged as collateral. In addition, €2.64 billion was procured through collar transactions by using 225,000,000 shares of Deutsche Telekom. The details are described in "Notes 4 and 5" in "(1) Components of interest-bearing debt" in 1. Borrowings by asset pledged and equity securities-lending contract" under "Notes Relating to Consolidated Statement of Financial Position."

(6) Transactions on and after April 1, 2022

On April 12, 2022, Deutsche Telekom additionally exercised the Fixed Call Options for 11,827,904 shares and the Floating Call Options for 9,325,241 shares by using the proceeds from sale of certain businesses. In connection with the additional exercise, a wholly-owned subsidiary of the Company received $2.40 billion as consideration for the sale of T-Mobile shares. In addition, the wholly-owned subsidiary of the Company made a partial prepayment of $1.20 billion for the margin loan which T-Mobile shares underlie.

2. Related party transactions regarding a co-investment program with restricted rights to receive distributions

The Board of Directors of SoftBank Group Corp. has resolved to introduce a co-investment program with restricted rights to receive distributions to SVF2 and SoftBank Latin America Funds. As such, for the three-month period ended September 30, 2021, SVF2 LLC, a subsidiary of SVF2 and a subsidiary of the Company, and SLA Holdco II LLC (“SLA LLC”), a subsidiary of SoftBank Latin America Funds, and a subsidiary of the Company, have each entered into a definitive agreement with the Company and MgmtCo, a participant in the program, which resulted in MgmtCo becoming an investor in SVF2 LLC and SLA LLC.

MgmtCo is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The program has been introduced for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and SoftBank Latin America Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and SoftBank Latin America Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company’s earnings. In making a co-investment in SVF2 and SoftBank Latin America Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and SoftBank Latin America Funds, and MgmtCo’s right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company’s Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo’s Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company’s investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.

Related party transactions of the Company are as follows:

(1) Transactions between SVF2 and related parties

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution and related adjustments to SVF2 [1,2,3]	326,942 [4] ($2,923 million)	342,663 [6,7] ($2,800 million)
		The premium received on SVF2 LLC's receivables	5,687[4] ($50 million)	
		Offsetting settlement of distributions (return of contribution) from SVF2 LLC and receivables[5]	19,104 ($173 million)	
		MgmtCo's Equity interests in SVF2 LLC[8]	-	270,081 ($2,207 million)
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)[9]		72,582 ($593 million)

Notes:

1. Restrictions on rights to receive distributions to MgmtCo

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

4. The amount of transaction with MgmtCo related to receipt of capital contribution

The amount of the transaction for "Receipt of capital contribution and related adjustments in SVF2 LLC" is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of ¥290,142 million ($2,594 million) calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and ¥35,150 million ($314 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and ¥1,650 million ($15 million) of the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021. As of March 31, 2022, capital contribution with respect to MgmtCo's committed capital and related adjustments to SVF2 LLC under the Program have been completed.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

5. Offsetting settlement between distributions from SVF2 LLC and receivables

Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

6. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SVF2 LLC's receivables consist of the balance related to receipt of capital contribution, related adjustments and premiums received, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo.

7. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

8. MgmtCo's Equity interest in SVF2 LLC

The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF1 and SVF2" in the consolidated statement of financial position.

9. Net balance at period end

Net balance at period end is the balance of receivables held by SVF2 LLC of ¥342,663 million ($2,800 million) less MgmtCo's Equity interest in SVF2 LLC of ¥270,081 million ($2,207 million.)

(2) Transactions between SoftBank Latin America Funds and related parties

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2022 Amount of transaction	As of March 31, 2022 Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments [1, 2, 3]	71,450 [4] ($649 million)	80,663 [5, 6] ($659 million)
		The premium received on SLA LLC's receivables	1,125 [4] ($10 million)	
		MgmtCo's Equity interests in SLA LLC[7]	-	80,663 ($659 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)[8]		-

Notes:

1. Restrictions on rights to receive distributions to MgmtCo
   MgmtCo's rights to receive distributions from its investment are subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo
   The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Management fee and performance fees to be charged to MgmtCo
   The terms of the management fee and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

4. The amount of transaction with MgmtCo related to receipt of capital contribution
The amount of the transaction for “Receipt of capital contribution and related adjustments in SLA LLC” is MgmtCo’s Equity Acquisition Amount in SoftBank Latin America Fund, which consists of ¥41,266 million ($375 million) calculated based on MgmtCo’s Equity interests of 17.25% in the SoftBank Latin America Funds’ initial acquisition costs of the portfolio companies held by SoftBank Latin America Funds and ¥29,498 million ($268 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies’ fair value from the initial acquisition costs at SoftBank Latin America Funds to June 30, 2021, and ¥686 million ($6 million) of the adjustment equivalent to interests for the period from the Company’s contribution to SoftBank Latin America Funds until June 30, 2021. As of September 30, 2021, capital contribution with respect to MgmtCo’s committed capital and related adjustments to SLA LLC under the Program have been completed. However, in March 2022, the constitutional agreement has been amended in order to exclude certain investments from the portfolio of SLA LLC due to regulatory reasons. Accordingly, “Receipt of capital contribution and related adjustments in SLA LLC” has been changed from ¥76,367 million ($691 million) to ¥71,450 million ($649 million). The gains from the excluded portfolio companies between September 30, 2021 and the date of the exclusion have attributed to the Company and no Equity interests have been allocated to MgmtCo.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. “The premium received on SLA LLC’s receivables” refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SLA LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC’s receivables are paid in full.

5. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SLA LLC’s receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received.

6. Collateral and other credit protection for receivables
In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo were pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

7. MgmtCo’s Equity interest in SLA LLC
The amount represents SLA LLC’s net assets attributable to MgmtCo (before deduction of receivables), which is included in “Other financial liabilities (non-current)” in the consolidated statement of financial position.

8. Net balance at period end
Net balance at period end is the balance of receivables held by SLA LLC of ¥80,663 million ($659 million) less MgmtCo’s Equity interest in SLA LLC of ¥80,663 million ($659 million.)

3. Special Purpose Acquisition Companies sponsored by the Company

A special purpose acquisition company ("SPAC") is an investment vehicle formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that have not yet been identified at the time of the offering. Subsequent to its formation, the SPAC executes an initial public offering and raises capital through contributions from public investors. The SPAC then seeks to identify an unlisted company as a target company and completes a business combination with the target company with necessary approvals. Although the SPAC becomes the legal surviving company, substantially the target company, which is an unlisted company, becomes a publicly listed company through the business combination. A SPAC may arrange committed equity financing in private placement with certain investors in order to raise additional funds necessary for the business combination ("Private Investment in Public Equity.")

For the fiscal year ended March 31, 2021, Fortress, SB Investment Advisers (US) Inc.*, and SoftBank Latin America Funds have formed, as sponsors, nine SPACs. These SPACs have raised funds through initial public offerings in the United States. For the fiscal year ended March 31, 2021, the total funds raised were $3,304 million (the amounts for Fortress, SB Investment Advisers (US) Inc. and SoftBank Latin America Funds were $1,920 million, $1,154 million and $230 million, respectively.)

There were no SPACs sponsored by the Company newly formed in the fiscal year ended March 31, 2022.

Since the Company has control over the SPACs from inception until its merger with a target company, the SPACs are consolidated as subsidiaries. The Company, as sponsor, acquires shares and, if applicable, warrants of SPACs as consideration for funds invested by the Company in SPACs. Investments in SPACs by the Company as sponsor, as well as investments by other subsidiaries of the Company, are eliminated in consolidation.

The amount of ownership interests held by investors other than the Company as sponsor ("Public Market Investors") includes proceeds received from Public Market Investors at the initial public offering and income including interest earned on such proceeds. Shares issued by a SPAC at the initial public offering are subject to conditions that the SPAC will cease all operations and redeem all of the proceeds received from Public Market Investors in the SPAC to them if the SPAC is unable to complete a merger within 24 months from the date of the initial public offering. In addition, Public Market Investors retain an option to redeem part or all of proceeds received from them upon completion of the initial merger. When the condition is met or the option is exercised, the relevant SPAC will be obligated to redeem them for cash and, therefore, non-controlling interests subject to possible redemption are included in and presented as "Other financial liabilities (current)" and classified as "financial liabilities measured at amortized cost" in the consolidated statement of financial position.

The carrying amounts of non-controlling interests subject to possible redemption are as follows;

	(Millions of yen)
Other financial liabilities (current)	
Non-controlling interests subject to possible redemption	307,144

The proceeds received from Public Market Investors can only be used for the initial merger and redemptions of the proceeds to Public Market Investors. The proceeds received are held in a trust account until the completion of the initial merger or redemption to Public Market Investors and are invested only in certain financial assets that are highly liquid.

The carrying amounts of the assets restricted on its use held in the trust accounts are as follows:

	(Millions of yen)
Other financial assets (current)	
Trust accounts in SPACs	326,062

When the Company loses control over a SPAC due to a successful merger with a target company, the SPAC will no longer be subject to consolidation. For the fiscal year ended March 31, 2022, a SPAC sponsored by Fortress completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control. Furthermore, an agreement to merge with a target company was completed with another SPAC sponsored by SBIA but the De-SPAC process is ongoing and yet to be completed as of March 31,2022.

* SB Investment Advisers (US) Inc. is a wholly-owned subsidiary of the Company and provides investment advices to SBIA.

(Significant accounting policies）

1. Basis and methods of valuation for assets

(1) Marketable securities and investment securities

Investments in subsidiaries and affiliated companies	Stated at cost determined by the moving-average method
Available-for-sale securities	
Except for Stocks and others without market quotations:	Stated at fair value, which represents the market value at the balance sheet date (unrealized gain/loss is reported as a separate component of equity, net of tax; cost of sales is determined by the moving-average method)
Stocks and others without market quotations:	Stated at cost determined by the moving-average method
(2) Derivative instruments:	Stated at fair value

2. Depreciation and amortization

(1) Property and equipment:	Calculated using the straight-line method
(2) Intangible assets:	Calculated using the straight-line method Software for internal use is amortized using the straight-line method based on the estimated useful life (five years).

3. Accounting principles for allowances and provisions

(1) Allowance for doubtful accounts

In anticipation of uncollectible receivables, general allowance for doubtful accounts (excluding receivables from affiliated companies) is calculated based on past credit loss experience. Individual allowances for doubtful accounts deemed to be uncollectible and receivables from affiliated companies are calculated based on the collectability of the account.

(2) Allowance for loss on investment

In anticipation of valuation loss due to decrease in investee's substantial value, allowance for loss on investment is recorded after considering the investee's financial condition from a sound financial point of view.

(3) Provision for bonuses

Provision for bonuses is calculated based on SoftBank Group Corp.'s computation rule for expected payment.

4. Other basis of presentation of financial statements

(1) Deferred assets

Bond issuance cost: Amortized each month over the redemption period

(2) Accounting for hedge transactions

Currency swaps

① <Hedge accounting>

Corporate bonds and bond interests denominated in foreign currencies for which foreign currency swap contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate if the swap contracts qualify for hedge accounting.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Currency swap contracts

Hedged items: Foreign currency-denominated corporate bonds and bond interests

③ <Hedging policy>

In accordance with SoftBank Group Corp.'s policy, SoftBank Group Corp. uses derivatives to hedge foreign exchange risk associated with hedged items denominated in foreign currencies.

④ < Effectiveness of hedge transactions >

Currency swaps qualify for hedge accounting. Effectiveness of the hedge transaction is omitted.

(Notes on changes in accounting policies)

1. Application of Accounting Standard for Revenue Recognition and other standards

   SoftBank Group Corp. has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the current fiscal year and recognize revenue from goods or services which the Company promised to provide at an amount expected to be received in exchange for the goods or services at the time when control over the promised goods or services has been transferred to a customer. The application of the accounting standard has no impact on the financial statements.

2. Application of Accounting Standard for Fair Value Measurement and other standards

   SoftBank Group Corp. has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereafter the "Fair Value Measurement Accounting Standard") from the beginning of the current fiscal year. Accordingly, SoftBank Group Corp. will apply the new accounting policies prescribed in the Fair Value Measurement Accounting Standard and in accordance with the provisional treatment stipulated in Paragraph 19 of the same Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). The application of the accounting standard has minor impact on the financial statements of this fiscal year.

(Notes on changes in presentation)

Balance Sheet

"Income taxes receivable", which was presented separately in the previous fiscal year, is included in "Other" in current assets in the current fiscal year because the amounts became immaterial.

Statement of Income

"Interest on securities " which was included in "Other" in non-operating income in the previous fiscal year, is presented separately in the current fiscal year because the amounts became material. In addition, "Interest on securities" in the previous fiscal year was 4,997 million yen.

"Gain on investments in partnerships " which was included in "Other" in non-operating income in the previous fiscal year, is presented separately in the current fiscal year because the amounts became material. In addition, "Gain on investments in partnerships" in the previous fiscal year was 8,246 million yen.

"Gain arising from investment securities received without consideration" ,which was included in "Other" in non-operating income in the previous fiscal year, is presented separately in the current fiscal year because of its exceeded 10/100 of the total non-operating income. In addition, "Gain arising from investment securities received without consideration" in the previous fiscal year was 13,036 million yen.

(Notes on accounting estimates)

Among the accounting estimates recorded in the financial statements of this fiscal year, items that may significantly affect the financial statements of the following fiscal year are as follows.

1. Valuation of stocks and other securities without market quotes

   For securities whose market value is extremely difficult to measure, when the substantial value significantly declines due to deterioration of the issuer's financial condition without sufficient evidence that the value may recover, investment securities are reduced to net realizable value by a charge to loss. In this fiscal year, 1,767 million yen of losses on devaluation of investment in subsidiaries and affiliated companies and 57,910 million yen of losses on valuation of investments in consolidated and affiliated Godo Kaisha (Japanese LLC) and partnerships
   were recorded.

2. Valuation of receivables

   Based on the financial condition and performance of the debtors, receivables are classified into normal receivables, receivables at high risk and claims provable in bankruptcy, claims provable in rehabilitation and other. Depending on the classification, the amount of allowance for doubtful accounts is determined considering the historical default rate and such. In this fiscal year, SoftBank Group Corp. recorded 573,758 million yen of allowance for doubtful accounts, mainly for lending to affiliated companies, after assessing each debtor's financial condition and performance to calculate the estimated uncollectible amount.
   The main content is as follows.
   SoftBank Group Corp. has loaned 1,184,416 million yen to three intermediate holding companies, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. (hereafter "Delaware

subsidiaries".) Delaware subsidiaries invest in asset management subsidiary, SB Northstar LP, (hereafter "SB Northstar") that use surplus funds of SoftBank Group Corp. to acquire and sell listed stocks and other instruments and engages in derivatives and credit transactions related to listed stocks. In the current fiscal year, SB Northstar incurred significant investment losses mainly due to the impact of decline of stock prices of listed investees and has reduced the size of SB Northstar's operations in order to redirect funds to the investment funds on which it is currently most focused.
As a result of this situation, it is highly probable that Delaware subsidiaries will have a material problem repaying their debts, so the estimated bad debt amount was calculated by reducing the estimated amount of disposal value of asset held by SB Northstar, of which listed securities that are measured at observable market value and bonds that are measured at recoverable amounts based on their financial profile, and the amount indemnified by Masayoshi Son and Son Assets Management, LLC.
In addition, Masayoshi Son and Son Assets Management, LLC are a major shareholder of SoftBank Group Corp. and are deemed to have sufficient holdings to guarantee and indemnity. For details, please refer to "(Notes on relating to Related-Party Transactions with SoftBank Group Corp.) “2. Directors and major individual shareholders”, “The terms of transactions and policies (Notes)2 ".
If it is necessary to revise the amount of allowance for doubtful accounts due to deterioration in financial condition and performance of the debtors, additional amount may be recognized in the following fiscal year. For details, please refer to “Significant accounting policies” “3. Accounting principles for allowances and provisions” “(1) Allowance for doubtful accounts”.

3. Impact from the novel coronavirus ("COVID-19")
In the evaluation of investment, loans receivable, guarantee obligations, etc. of SoftBank Group Corp., these balances were recorded with the amounts reasonably estimated based on the information and the facts available at the timing of preparing the financial statements, considering the duration of the COVID-19 pandemic and the risks and uncertainties of its effects. However, the uncertainties in the future may cause differences between the best estimate of the amount and subsequent results.

(Notes relating to Balance Sheet)

	Millions of yen
1. Accumulated depreciation of property and equipment	¥1,154

2. Guarantee obligation

Guarantee (Nature of guarantee obligation)	Millions of yen
[Guarantee obligation]	
Delaware Project 6 L.L.C (Note 1) (Borrowings)	¥22,515
SoftBank Group Capital Limited (Lease contract of office space)	1,268
Subtotal	23,783

Joint and several obligors (Nature of Joint and several obligations)	Millions of yen
[Joint and several obligations]	
WeWork Companies LLC (Letter of credit for real estate lease agreement) (Note 2)	¥147,848
Subtotal	147,848

(Notes) 1. Delaware Project 6 L.L.C borrowed $2.06 billion, using the shares of T-Mobile US, Inc. (hereafter, “T-Mobile”) SoftBank Group Corp. guarantees up to $0.57 billion of this borrowing. As a part of this borrowing, Delaware Project 6 L.L.C pledged the shares of Alibaba Group Holding Limited, which were borrowed from SoftBank Group Corp. through a securities lending agreement, as collateral. In addition, as a prerequisite for fulfilling the guarantee, the financial institutions are required firstly to plan the maximum recoverable amount from the shares of Alibaba Group Holding Limited pledged as collateral for this borrowing.

The amount of guarantee obligation above is calculated by deducting the market value of the shares of Alibaba Group Holding Limited as of the end of the current fiscal year from the maximum guarantee amount. In addition, Delaware Project 6 L.L.C. has early repayment of a portion of its $1.2 billion loan on April 12, 2022. As a result, the maximum amount of guarantee by SoftBank Group Corp. is $240 million. For details of repayments of loans, please refer to "Notes to Consolidated Financial Statements (Other Notes) 1. Partial Sale of T-Mobile Shares During the Year Ended March 31, 2022 (6) Transactions on and after April 1, 2022"

2. The credit support for letter of credit facility will expire on February 10, 2024, and the amount of credit support will be $1.75 billion before February 9,2023, and $1.25 billion on or after February 10,2023. In the event that SoftBank Group Corp. fulfills the joint and several obligations, it will obtain the right of indemnification against WeWork Companies LLC.

3. Monetary receivables from and payables to subsidiaries and affiliated companies

	Millions of yen
Short-term monetary receivables	¥20,697
Long-term monetary receivables	1,652,409
Short-term monetary payables	6,609,469
Long-term monetary payables	4,322,617

4. Monetary receivables from and payables to board members and corporate auditors

	Millions of yen
Monetary receivables	¥11,243
Monetary payables	909

5. Contribution in kind to funds

SoftBank Group Corp. invests in SoftBank Vision Fund L.P. and Softbank Vision Fund II-2 L.P. through cash and share contributions-in-kind. Although the amount of investment in cash is recorded as “Investments in consolidated and affiliated Godo Kaisha and partnerships” on the balance sheet, the shares transferred as contribution-in-kind are not treated as a transfer of financial instruments, pursuant to Article 40 of the “Practical Guidelines on Accounting Standards for Financial Instruments” (JICPA Accounting Practice Committee Statement No. 14). As a result, a portion of the investment in SoftBank Vision Fund L.P. and Vision Fund II-2 L.P. is recorded as “Investments in subsidiaries and affiliated companies” on the balance sheet and a part of the amount of the investment in Softbank Vision Fund II-2 L.P. is recorded as “Investments in consolidated and affiliated Godo Kaisha and partnerships” on the balance sheet.

The amount of major investment in kind to the funds on the balance sheet is as follows:

	Millions of yen
SVF HOLDCO (UK) LIMITED	¥610,068
SVF II AIV (DE) LLC	169,917

6. Securities lending

SoftBank Group Corp. lends securities under securities lending agreements. 8,544 million yen of investments in subsidiaries and affiliated companies are provided for lending.

(**Notes relating to Statement of Income**)

1. Transactions with subsidiaries and affiliated companies

	Millions of yen
Operating revenue	¥856,003
Operating expenses	32,606
Non-operating transactions	1,260,521
Sales of equity securities	911,460
Acquisition of equity securities	11,488
Liquidating dividend received	135,043

2. Provision of allowance for doubtful accounts

For details, please refer to "(Notes on accounting estimates) 2. Valuation of Receivables".

(**Notes relating to Statement of Changes in Equity**)

Class and number of treasury stocks as of March 31, 2022

Number of common stocks	76,163,508 shares

(Notes relating to tax effect accounting)

Significant components of deferred tax assets and liabilities

Deferred tax assets	Millions of yen
Tax loss carryforwards	¥897,571
Investments in subsidiaries and affiliated companies	654,367
Allowance for doubtful account	205,489
Foreign exchange loss	122,236
Investments in consolidated and affiliated Godo Kaisha and partnerships	23,894
Deferred assets	14,572
Others	84,562
Gross deferred tax assets	2,002,690
Less: valuation allowance on loss carryforwards	(897,571)
Less: valuation allowance on deductible temporary differences	(918,316)
Total valuation allowance	(1,815,887)
Total deferred tax assets	186,803

Deferred tax liabilities	Millions of yen
Valuation difference on available-for-sale securities	(214,944)
Investments in subsidiaries and affiliated companies	(186,803)
Gain on sales of specified foreign subsidiary company	(77,827)
Others	(3,422)
Total deferred tax liabilities	(482,996)
Net deferred tax liabilities	¥(296,193)

(**Notes relating to Related-Party Transactions with SoftBank Group Corp.**)

1. Subsidiaries and associates

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2022 (Notes 12)
					Millions of yen		Millions of yen
Subsidiary	Shiodome Project 9 GK	Direct 100%	Borrowing of long-term loans payable (Net of repayment)	5	¥1,922,749	Long-term loans payable	¥2,128,844
			Interest payment		2,643	Accrued expenses	-
			Capital contribution		300,512		
Subsidiary	SoftBank Group Japan Corporation	Direct 100%	Repayment of long-term loans payable (Net of borrowing)	5	579,861	Current portion of long-term loans payable	1,704,281
			Interest payment		17,251	Accrued expenses	1,549
			Dividend receipt		300,094		
			Capital reduction		205,666		
Subsidiary	Skywalk Finance GK	Direct 100.0% Indirect 0.0%	Repayment of long-term loans payable (Net of borrowing)	5	250,032	Current portion of long-term loans payable	727,509
			Interest payment		31,153	Accrued expenses	864
			Payment of refinance-related expenses	6	4,423		
Subsidiary	Skybridge Corporation	Direct 100%	Repayment of long-term loans payable		29,214	Current portion of long-term loans payable	1,305,449
			Interest payment	5	3,417	Accrued expenses	163
Subsidiary	SoftBank Vision Fund II-2 L.P.	- (Note 2)	Capital contribution		5,036,809		
			Dividend receipt		1,349,343		
			Sales of investment securities		443,325		
Subsidiary	SoftBank Group Capital Limited	Direct 100%	Repayment of short -term loans payable (Net of borrowing)		38,453	Short-term loans payable	3,539,648
			Borrowing of long-term loans payable		868,969	Long-term loans payable	868,969
			Interest payment	5	69,410	Accrued expenses	82
			Payment of refinance-related expenses	6	17,629		
			Dividend receipt		522,045		
Subsidiary	Delaware Project 9 L.L.C.	Direct 100%	Capital contribution		470,726		
			Sales of investment securities		470,725		

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2022 (Notes 12)
					Millions of yen		Millions of yen
Subsidiary	Delaware Project 11 L.L.C.	Direct 100%	Capital contribution		¥820,891		
			Capital reduction		63,189		
Subsidiary	SoftBank Vision Fund (AIV M2) L.P.	- (Note 3)	Capital contribution	7	319,986		
			Capital reduction		319,986		
			Dividend receipt		17,903		
Subsidiary	SoftBank Vision Fund (AIV M1) L.P.	- (Note 3)	Capital contribution	7	378,580		
			Capital reduction		21,048		
Subsidiary	Delaware Project 6 L.L.C.	Direct 100%	Capital reduction		343,622		
Subsidiary	SoftBank Group Capital Europe Limited	Direct 100%	Repayment of short-term loans payable (Net of borrowing)		144,508	Short-term loans payable	14,112
			Interest payment	5	3,034	Accrued expenses	-
			Capital reduction		160,372		
			Dividend receipt		15,233		
Subsidiary	SoftBank Vision Fund (AIV S1) L.P.	- (Note 3)	Capital contribution	7	199,796		
			Capital reduction		103,528		
Subsidiary	SBLA Latin America Fund LLC	- (Note 4)	Capital contribution		226,129		
			Dividend receipt		6,034		
Subsidiary	Delaware Project 1 L.L.C	Indirect 66.7%	Receipts of long-term loans receivable (Net of lending)		100,707	Long-term loans receivable (Note 11)	394,805
			Interest receipt	8	3,095	Current assets - Other	-
Subsidiary	Delaware Project 2 L.L.C	Indirect 66.7%	Receipts of long-term loans receivable (Net of lending)		100,707	Long-term loans receivable (Note 11)	394,805
			Interest receipt	8	3,095	Current assets - Other	-
Subsidiary	Delaware Project 3 L.L.C	Indirect 66.7%	Receipts of long-term loans receivable (Net of lending)		100,707	Long-term loans receivable (Note 11)	394,805
			Interest receipt	8	3,095	Current assets - Other	-
Subsidiary	SIP Lender (UK) Limited	Direct 100%	Receipts of long-term loans receivable (Net of lending)		15,027	Long-term loans receivable	296,733
			Interest receipt	8	11,991	Current assets - Other	-

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2022 (Notes 12)
					Millions of yen		Millions of yen
Subsidiary	West Raptor Holdings, LLC	Indirect 100%	Borrowing of short-term loans payable (Net of repayment)		-	Short-term loans payable	¥204,575
			Borrowing of long-term loans payable (Net of repayment)		-	Current portion of long-term loans payable	69,608
			Interest payment	5	13,535	Accrued expenses	31,060
Associate (Including subsidiaries of the associate)	WeWork Inc.	Indirect 49.9%	Receipt of penny warrant (conversion price of USD 0.01)	9	11,488		
			Credit support for payment guarantee	10	-		

The terms of transactions and the policies

(Notes) 1. For Godo Kaisha, this column represents the ratio of investment amount to total capital and capital surplus.

2. The commitment ratio of Softbank Group Corp. is 100% of total committed capital contribution.

3. The commitment ratio of Softbank Group Corp. is 28.5% of total committed capital contribution.

4. SoftBank Group Corp. has invested through Delaware Project 11 L.L.C. and Delaware Project 11 L.L.C.'s commitment ratio to the total investment commitment is 100%.

5. The interest rates for borrowings from related parties are determined in reference to market interest rates.

6. The payment of refinancing-related expenses is determined by negotiation, with reference to market conditions.

7. On July 1, 2021, SoftBank Group Corp. merged with Net Culture Godo Kaisha, a wholly owned subsidiary of SoftBank Group Corp. The amount of the transactions includes the succession amount from Net Culture Godo Kaisha to SoftBank Group Corp.

8. The interest rates for loans to related parties are determined in reference to market interest rates.

9. SoftBank Group Corp. received warrants - convertible to WeWork Inc. common shares at $0.01 per share - as compensation for the credit support for the letter of credit facility provided by financial institutions.

10. SoftBank Group Corp. provides to WeWork Inc. subsidiaries the credit support for the letter of credit facility provided by financial institutions. For details, please refer to "(Notes relating to Balance Sheet) 2. Guarantee obligation".

11. SoftBank Group Corp. recorded a total of 532,727 million yen as allowance for doubtful accounts for long-term loans to Delaware subsidiaries. In addition, SoftBank Group Corp. recorded a total of 532,727 million yen of provision of allowance for doubtful accounts and 24,154 million yen of bad debts written off in the current fiscal year.

12. The foreign currency-denominated balance is translated at the exchange rate (USD 1=JPY 122.39, EUR 1=JPY 136.70, HKD 1=JPY15.64.) as of March 31, 2022.

2. Directors and major individual shareholders

At the closing of the Annual General Meeting of Shareholders held on June 23, 2021, Ronald Fisher resigned from his position on the Board of director in SoftBank Group Corp.

On January 27, 2022, Marcelo Claure resigned from his positions of the Corporate Officer, Executive Vice President and COO in SoftBank Group Corp.

After the resignation, they are not related parties of SoftBank Group Corp. However, transactions during the term in which they were related parties of SoftBank Group Corp. and their balance as of March 31, 2022 are described.

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note 20)	Account	Balance at March 31, 2022
					Millions of yen		Millions of yen
Director and shareholder (Individual)	Masayoshi Son (Son Assets Management, LLC)	Owned directly 28.0%	Temporary advance for expenses on behalf of Son Assets Management, LLC		¥365	Current assets - Other	-
			Liabilities guarantee agreement	1,2	-		
Former Corporate Officer	Marcelo Claure (Claure Holdings LLC)	Owned directly 0.1%	Sales of investment securities	3	11,505		

The terms of transactions and policies

(Notes) 1. For obligations to SoftBank Group Corp. (including monetary liabilities, stocks and securities borrowings, as well as other guarantee obligations and compensation) of Delaware subsidiaries, SB Northstar and their subsidiaries (hereafter, “guaranteed subsidiaries”) up until November 10, 2020, Masayoshi Son and Son Assets Management, LLC provide joint and several guarantee to the extent based on the equity interest in SB Northstar. The guaranteed subsidiaries still owe the liabilities to SoftBank Group Corp. even when SB Northstar expires, and Masayoshi Son and Son Assets Management, LLC. compensate for unpaid portion of the liabilities up to the extent based on the equity interest in SB Northstar.
In addition, new liabilities to SoftBank Group Corp. of the guaranteed subsidiaries from November 11, 2020 are guaranteed or compensated only to the consented scope with Masayoshi Son.
2. In case Masayoshi Son is not able to fulfill a long-term or permanent asset management decision making role in SB Northstar, SoftBank Group Corp. has the call option to buy back the investment of Masayoshi Son and Son Assets Management, LLC in Delaware subsidiaries at fair value. If SoftBank Group Corp. exercises the call option, SoftBank Group Corp. will negotiate with Masayoshi Son and Son Assets Management, LLC about the termination of the guarantee agreement.
3. In relation to Marcelo Claure's resignation, SoftBank Group Corp. sold to Marcelo Claure all shares of BGG Holdco, LLC, a wholly owned subsidiary of SoftBank Group Corp. that indirectly owns its affiliate, Brightstar Global Group Inc. The sales price of the shares was determined based on the fair value of the shares as of December 31, 2021.

Incentive plan

As part of the incentive plan, SoftBank Group Corp. has provided certain executives of SoftBank Group Corp. with loans for which purchase of SoftBank Group Corp. shares as the purpose of the funds.

(1) Incentive plan in April / July 2018

Regarding the incentive program approved in April and July 2018, the transaction amounts and balance at period end between SoftBank Group Corp. and the related parties for the year ended March 31, 2022 are as follows.

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2022
					Millions of yen		Millions of yen
Director	Yoshimitsu Goto	Owned directly 0.1%	Lending of long-term loans receivable (Net of receipts)	4,6,7	-	Long-term loans receivable	¥5,554
			Interest receipt	4,6,7	80	Current assets - Other	67
			Borrowing of long-term loans payable (Net of repayment)	4	200	Long-term loans payable	900
			Interest payment	4	11	Accrued expenses	9
Director	Ken Miyauchi	Owned directly 0.2%	Lending of long-term loans receivable (Net of receipts)	4,6,7	-	Long-term loans receivable	5,555
			Interest receipt	4,6,7	80	Current assets - Other	67
Former Corporate Officer	Marcelo Claure	Owned directly 0.1%	Lending of long-term loans receivable (Net of receipts)	5,6 7,8	-	Long-term loans receivable	11,109
			Interest receipt	5,6 7,8	270	Current assets - Other	273
Corporate Officer	Rajeev Misra	Owned directly 0.1%	Lending of long-term loans receivable (Net of receipts)	5,6 7,8	-	Long-term loans receivable	10,992
			Interest receipt	5,6 7,8	323	Current assets - Other	270

The terms of transactions and policies

(Notes) 4. The interest rates for the loans are set at a fixed rate of the 1.45%, which was determined based on market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the loan periods. The maturity date for the loans is May 31, 2023, and the borrowers are required to make a single payment at maturity. However, SoftBank Group Corp. and the borrowers may agree to extend the term of the loan for two additional five-year periods to May 31, 2033, and the borrowers may prepay all or any portion of the loans at any time voluntarily. Additionally, the borrowers may deposit with SoftBank Group Corp. any amount of cash equal to or less than the outstanding principal amount of the loans, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rates for the deposits are the same as the rates for the loans.

5. The interest rate for the loan is set at a fixed rate of 2.94%, which was determined based on market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the loan periods. The maturity date for the loans is May 31, 2028 and the borrower is required to make a single payment at maturity. However, SoftBank Group Corp. and the borrower may agree to extend the term of the loan for an additional five-year period to May 31, 2033, and the borrower may prepay all or any portion of the loan at any time voluntarily. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

6. The following assets of the borrower were pledged as collateral in the transactions.
Shares of SoftBank Group Corp. purchased with the funds of loans, and all proceeds of the shares.
Also, when default occurs, SoftBank Group Corp. is entitled to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

7. Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and the rights to receive future cash compensation for the borrowers, as repayment of the loan, from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.
8. When the fair market value of the collateral assets is less than 70% of the outstanding principal amount before the maturity date, SoftBank Group Corp. may require the borrowers to create and procure a pledged and security interest over additional property.

(2) Incentive plan in February 2020

Regarding the incentive program approved in February 2020, the transaction amounts and balance at period end between SoftBank Group Corp. and the related parties for the year ended March 31, 2022 are as follows.

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2022
					Millions of yen		Millions of yen
Former Corporate Officer	Marcelo Claure (Claure Holdings LLC)	Owned directly 0.1%	Lending of long-term loans receivable (net of receipt)	9,10 11,12	-	Long-term loans receivable	¥17,131
			Interest receipt	9,10 11,12	268	Current assets - Other	43
Corporate Officer	Rajeev Misra (Giantstep Holdings Limited)	Owned directly 0.1%	Receipt of long-term loans receivable	9,10 11,12 ,13	16,065	Long-term loans receivable	1,066
			Interest receipt	9,10 11,12 ,13	323	Current assets - Other	3

The terms of transactions and policies

(Notes) 9. The interest rate for the loan is set at a fixed rate of 1.93%, which was determined based on market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the loan periods. The maturity date for the loans is seven years after the loan execution date and the borrower is required to make a single payment at maturity. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

10. Transfer of shares of SoftBank Group Corp. purchased through this loan is restricted for 12 months from the effective date of the contract. After that, the shares that can be transferred will increase by 20% every 3 months, and after 24 months all the shares will be transferable.

11. If a default occurs, SoftBank Group Corp. is entitled to receive future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

12. Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and the rights to receive future cash compensation for the borrowers, as repayment of the loan, from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

13.The balance at period end of loans and interest on loans in the current fiscal year was fully settled on April 5, 2022.

(3) Lending following the sale of T-Mobile shares

As part of the transaction related to transfer of T-Mobile shares, SoftBank Group Corp. entered into agreements with certain executives for transferring T-Mobile shares and for loan which was designated for the use for the purchase of T-Mobile shares in June 2020. Transaction amounts and balance at period end related to the transactions between SoftBank Group Corp. and related parties for the year ended March 31, 2022 are as follows.

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note 20)	Account	Balance at March 31, 2022
					Millions of yen		Millions of yen
Former Director	Ronal D. Fisher (T-Mo Fisher LLC)	Owned directly -%	Lending of long-term loans receivable (net of receipt)	14,15 16,18	-	Long-term loans receivable	¥4,412
			Interest receipt	14,15 16,18	18	Investments and other assets - Other assets	152
Former Corporate Officer	Marcelo Claure (CLAURE MOBILE LLC)	Owned directly 0.1%	Lending of long-term loans receivable (net of receipt)	14,15 16,17 19	-	Long-term loans receivable	63,031
			Interest receipt	14,15 16,18	941	Investments and other assets - Other assets	2,109
Corporate Officer	Rejeev Misra (Brightstart Consultants Limited)	Owned directly 0.1%	Lending of long-term loans receivable (net of receipt)	14,15 16,18	-	Long-term loans receivable	56,728
			Interest receipt	14,15 16,18	1,024	Investments and other assets - Other assets	1,959

The terms of transactions and policies

(Notes) 14. The borrowers are entities of which certain executives or employees hold more than one-half of the voting rights. The repayment of the loan and interest is secured by a first priority pledge of 100% of the borrower's equity interests. (For Marcelo Claure and Ronald Fisher, this is only if their rights to collateralize equity interests is not prohibited by restrictions imposed by the T-Mobile board, and other restrictions) Each executive and employee guarantees the repayment of the loan and interest to full recourse. Also, the purchasers of T-Mobile shares are borrowers.

15. The interest rate for the loan is 1.93% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates for other borrowings with similar period held by SoftBank Group Corp. The maturity date is July 1, 2024 for the loan in June 2020 and September 1, 2024 for the loan in August 2020, and the borrowers are required to make a single payment at maturity. Prior to the maturity date the borrowers may prepay all or any portion of the loans at any time voluntarily. Additionally, out of the balance at period end in the current fiscal year related to Brightstart Consultants Limited, which is a company controlled by Rajeev Misra, $231 million was repaid on April 5, 2022 and April 7, 2022. Also, on April 4, 2022, SoftBank Group Corp. and Brightstart Consultants Limited, entered into an amended agreement regarding the loan interest rate. The amended loan interest rate will be the higher of 1.93% or HMRC Official Rate for each year. Furthermore, on April 5, 2022, SoftBank Group Corp. loaned $11 million to Brightstart Consultants Limited at the same loan interest rate mentioned above.

16. Unless the borrowers have received the prior consent of SoftBank Group Corp., the borrowers shall hold T-Mobile shares until paid in full except for below;

・The transfer is made by cash consideration with fair market value.
In this case, proceeds from this transfer are not subject to mandatory prepayment, however, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan prior to maturity.

17. Unless the borrowers have received the prior consent of SoftBank Group Corp., the borrower has no ability to pledge T-Mobile shares as collateral.

18. If certain conditions are met such as entering into an intercreditor agreement including SoftBank Group Corp., each borrower can assume additional debts from third parties up to a certain amount with T-Mobile shares and others as collateral. Proceeds from this additional debt will not be subject to mandatory prepayment, however, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan prior to maturity.

19. CLAURE MOBILE LLC can choose limited recourse and full recourse to Marcelo Claure will be canceled if certain conditions are met, such as the transfer restrictions being lifted without Marcelo Claure being appointed as a director of T-Mobile. In addition, when the limited recourse is selected, SoftBank Group Corp. will place the first lien on the T-Mobile shares purchased by CLAURE MOBILE LLC, if the T-Mobile shares can be

directly collateralized. (However, if the security interest cannot be set to the T-Mobile shares due to legal restrictions such as the Federal Reserve System, the security interest will be set to a first priority pledge of 100% equity interests of CLAURE MOBILE LLC.)

Settlement of the loan and accrued interest with the transfer of T-Mobile shares when the limited recourse is selected will be done as follows;

a. If the T-Mobile share price at the time of transfer is less than 50% of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligation up to only the proceeds from the transfer of T-Mobile shares. Marcelo Claure will be obliged to pay the difference between the repayment amount and 50% of the loan balance and accrued interest

b. If the T-Mobile share price at the time of transfer is 50% or more and 100% or less of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligation up to only the proceeds from the transfer of T-Mobile shares.

c. If the T-Mobile share price at the time of transfer exceeds 100% of the loan principal balance and accrued interest, proceeds from T-Mobile share transfer will be used to repay the loan and accrued interest, and CLAURE MOBILE LLC will receive remaining balance.

However, if the T-Mobile share price at the time of transfer exceeds $150 per share, the transfer price after tax for the portion exceeding $150 per share will belong to SoftBank Group Corp.

20. The amount is translated by the exchange rate at the time of the transaction.

(Notes relating to per share data）

Shareholders’ equity per share	¥1,669.10
Net loss per share	¥206.20

(Other notes)

Equity commitment

Main undrawn commitment as of March 31, 2022

SoftBank Vision Fund L.P. and its alternative investment vehicles	$2.7billion
SB Delta Fund (Jersey) L.P.	$0.6billion
SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles	$7.9billion
SBLA Latin America Fund LLC	$0.4billion