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## Consolidated Financial Report For the Three Months Ended June 30, 2021 (IFRS)

August 4, 2021

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2021

(1) Consolidated operating results

(Percentages are shown as year-on-year changes)

	Revenue		Operating income		Profit before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Three months ended June 30, 2021</b>	<b>1,356,574</b>	<b>15.7</b>	<b>283,099</b>	<b>1.1</b>	<b>272,462</b>	<b>5.9</b>	<b>169,410</b>	<b>0.8</b>	<b>150,964</b>	<b>(0.8)</b>	<b>177,566</b>	<b>3.4</b>
Three months ended June 30, 2020	1,172,644	0.7	279,947	4.1	257,362	(0.8)	168,129	(2.6)	152,139	(7.7)	171,692	(0.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended June 30, 2021</b>	<b>32.18</b>	<b>31.49</b>
Three months ended June 30, 2020	32.06	31.66

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
<b>As of June 30, 2021</b>	<b>12,336,090</b>	<b>2,680,901</b>	<b>1,459,450</b>	<b>11.8</b>
As of March 31, 2021	12,226,660	2,750,700	1,512,212	12.4

### 2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	43.00	-	43.00	86.00
Fiscal year ending March 31, 2022	-	-	-	-	-
Fiscal year ending March 31, 2022 (Forecast)	-	43.00	-	43.00	86.00

Note: Revision to the forecast on dividends: No

### 3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2022

(Percentages are shown as year-on-year changes)

	Revenue		Operating income		Net income attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	5,500,000	5.7	975,000	0.4	500,000	1.8	105.69

Note: Revision to the forecast on financial results: No

#### \* Notes

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

Newly consolidated: None

Excluded from consolidation: None

(2) Changes in accounting policies and accounting estimates

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

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

[3] Changes in accounting estimates: No

(3) Number of issued shares (common stock)

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

As of June 30, 2021 4,787,145,170 shares

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

[2] Number of shares of treasury stock

As of June 30, 2021 92,099,100 shares

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

[3] Average number of shares outstanding during the period

Three months ended June 30, 2021 4,690,640,940 shares

Three months ended June 30, 2020 4,745,273,794 shares

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

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

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

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

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see “(4) Forecasts” under “1. Results of Operations” on page 17 of the appendix to this consolidated financial report

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

On Wednesday, August 4, 2021 (JST), the Company will hold an earnings results briefing online for the media, institutional investors, and financial institutions. This earnings results briefing is scheduled to be broadcast on the Company’s website in both Japanese and English at <https://www.softbank.jp/en/corp/ir/documents/presentations/fy2021/>. The Data Sheet is also scheduled to be posted on the Company’s website concurrently with the earnings report, and the materials and videos to be used at the earnings results briefing, along with a summary of the main questions and answers, are scheduled to be posted on the Company’s website promptly after the earnings results briefing.

(Appendix)

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## Definition of Company Names and Abbreviations Used in this Appendix

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

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

## Reportable Segments

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

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

Segments	Main business	Core companies
<b>Reportable segments</b>		
Consumer segment	<ul style="list-style-type: none"> <li>Provision of mobile services to individual customers</li> <li>Provision of broadband services</li> <li>Sale of mobile devices</li> <li>Trading and supply of electric power and provision of electric power trading agency services</li> </ul>	The Company Wireless City Planning Inc. SB Mobile Service Corp. WILLCOM OKINAWA, Inc. LINE MOBILE Corporation SB Power Corp.
Enterprise segment	<ul style="list-style-type: none"> <li>Provision of mobile services to enterprise customers</li> <li>Provision of fixed-line communications services, such as data communications and fixed-line telephone services</li> <li>Provision of cloud, global, AI/IoT and other solution services</li> </ul>	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc. eMnet Japan. co. ltd.
Distribution segment	<ul style="list-style-type: none"> <li>Provision of products and services addressing ICT, cloud services, IoT solutions and other areas for enterprise customers</li> <li>Provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items for individual customers</li> </ul>	SB C&S Corp.
Yahoo! JAPAN/LINE segment	<ul style="list-style-type: none"> <li>Provision of media-related services, such as media and advertising, search, marketing solutions, vertical, content, and stamps</li> <li>Provision of commerce-related services such as shopping services, including <i>Yahoo! JAPAN Shopping</i>, <i>PayPay Mall</i>, and <i>ZOZOTOWN</i>; reuse services including <i>YAHUOKU!</i>; and O2O services.</li> <li>Provision of payment, finance, AI, healthcare and other services</li> </ul>	Z Holdings <sup>3</sup> Yahoo Japan LINE Corporation eBook Initiative Japan Co., Ltd. ASKUL Corporation ZOZO, Inc. Ikyu Corporation ValueCommerce Co., Ltd. YJ Card Corporation PayPay Bank Corporation <sup>4</sup> LINE Pay Corporation LINE Financial Corporation LINE Financial Asia Corporation Limited LINE Financial Plus Corporation LINE Plus Corporation
Other	<ul style="list-style-type: none"> <li>Provision of settlement services</li> <li>Online security trading service for smartphones</li> <li>Provision of cloud services, security operation monitoring services, and IoT solutions</li> <li>Planning and production of digital media and digital content</li> <li>Sales of download licenses for PC software and advertising sales</li> <li>R&amp;D, manufacturing, operation, management and business planning in the fields of Solar HAPS<sup>2</sup> and network equipment</li> <li>Others</li> </ul>	The Company SB Payment Service Corp. PayPay Securities Corporation SB Technology Corp. ITmedia Inc. Vector Inc. HAPSMobile Inc.

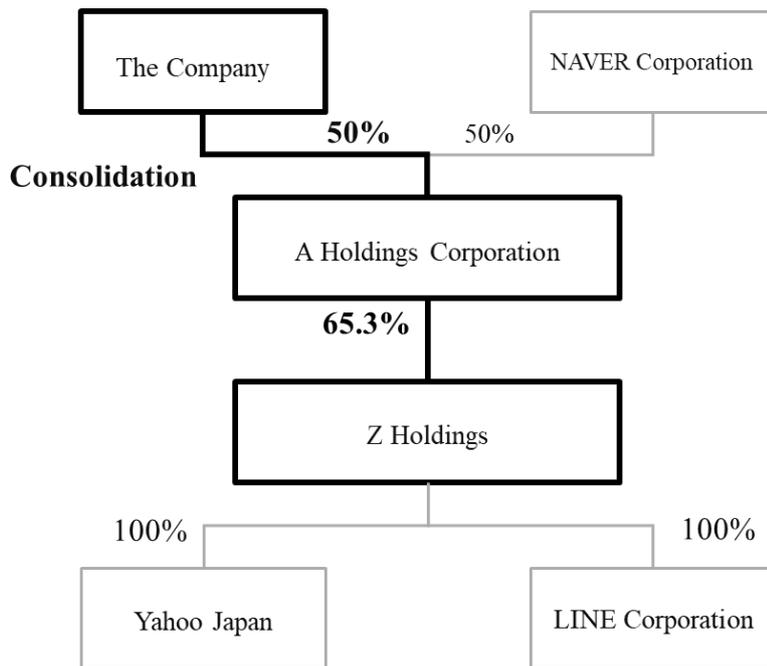
Notes:

1. Segment income for reportable segments is calculated as follows:

Segment income = revenue – operating expenses (cost of sales + selling, general and administrative expenses) ± other operating income and loss) in each segment

2. Solar HAPS (High Altitude Platform Station) refers to systems where unmanned objects powered by solar energy and batteries, such as aircraft flying in the stratosphere, can be operated like telecommunications base stations to deliver connectivity across wide areas.

3. As of June 30, 2021, the Company, which is the parent company of A Holdings Corporation, and NAVER Corporation (including its wholly owned subsidiary, NAVER J.Hub Corporation), each hold 50% of the voting rights in A Holdings Corporation. A Holdings Corporation holds 65.3% of the voting rights in Z Holdings. The Company owns the rights to appoint the majority of the Board of Directors of A Holdings Corporation. Also, through A Holdings Corporation, the Company owns the rights to appoint the majority of the Board of Directors of Z Holdings. Accordingly, the Company substantially controls both A Holdings Corporation and Z Holdings.



4. PayPay Bank Corporation was previously named The Japan Net Bank, Limited, which changed its trade name on April 5, 2021.

## 1. Results of Operations

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

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

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

Guided by its corporate philosophy of “Information Revolution—Happiness for everyone,” the Group has been aiming to be a corporate group that maximizes enterprise value while providing essential technologies and services to people around the world, through enhancing its telecommunications business and developing various new businesses in the information and technology fields. In April 2020, to contribute to solving various social issues through its core business offering infrastructure for society, such as 5G, the Group has identified six priority issues<sup>2</sup> (materiality) to be addressed in order to achieve the SDGs (Sustainable Development Goals) set by the United Nations, under the concept of “a world where all things, information and minds are connected.”

In order to engage with solving these issues, in May 2021, the Company announced its Carbon Neutral 2030 Declaration to achieve virtually zero greenhouse gas emissions from electricity<sup>3</sup> and so forth used in business activities by 2030, the target year for achieving the United Nations Sustainable Development Goals (SDGs). In June 2021, the targets detailed in the declaration were certified by the Science Based Targets initiative,<sup>4</sup> an international climate change initiative, as science based targets. Furthermore, the Company has also been recognized for its performance in establishing new businesses in a wide range of fields by leveraging Group synergies, and its initiatives to solve social issues, and its vision and internal systems that are aligned with the principles of digital transformation (“DX”),<sup>5</sup> with its selection in June 2021 as one of the “Digital Transformation Stocks 2021” by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

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

From FY2021, the Company will move to the second phase of the *Beyond Carrier* strategy. Leveraging the strength of its accumulated customer base, the Company will connect its robust group of platforms with advanced technologies and evolve into a “comprehensive digital platformer” that will create new value.

The Group aims to achieve operating income of ¥1 trillion in FY2022, the fiscal year ending March 31, 2023, by driving growth under the *Beyond Carrier* strategy and executing structural reform diligently.

#### Telecommunications

The Group is promoting a multi-brand strategy that responds to customers’ diversifying needs through multiple brands with different characteristics. The Group offers multiple brands, including the *SoftBank* brand, a high-value-added brand for customers who require cutting-edge smartphones and mobile devices as well as high-volume flat-rate data plans; the *Y!mobile* brand, a brand that provides services for smartphones to customers who prefer low monthly communication charges; and the *LINEMO* brand, an online-exclusive brand that responds to the growing need for services that can be completed online due to changes in lifestyles.

From June 2021, the Company has increased the monthly data allowance of its *SoftBank* payment plan, *Smartphone Debut Plan*, from 1 GB to 3 GB without changing the monthly fee. The plan is targeted at feature phone customers switching to a smartphone for the first time.

In the three months ended June 30, 2021, amid intensifying competition over new price plans, the *Y!mobile* brand performed particularly well, and the number of smartphone subscribers as of June 30, 2021 increased by 251 thousand from March 31, 2021. In broadband services, the Company has seen steady growth in the number of subscribers of *SoftBank Hikari*, a high-speed internet connection service for households, with an increase of 113 thousand from March 31, 2021.

For the enterprise business, the advancement of digital technologies has led to digitalization among companies and industries seeking to respond to dramatic changes in their business environments and retain their competitive advantages. This movement has actually been accelerated by the COVID-19 crisis.

Under these environments, the Company established the Executive Briefing Center at its headquarters in June 2021 as a facility where visitors can experience cutting-edge solutions with the aim of accelerating digitalization initiatives by companies. The facility has put in place a permanent display of over 50 types of solutions using technologies such as AI and 5G, provided by the Company, Group companies, or partner companies. Specially appointed staff introduces solutions for issues faced by individual companies, the latest implementation examples, and initiatives undertaken by the Company, as well as exchanging opinions with customers. Through these activities, the center aims to come up with solutions to issues faced by companies and specific measures for creating new value.

## 5G

In March 2020, the Group launched 5G commercial services and plans to start provision of standalone<sup>6</sup> services in FY2021. As the full-scale rollout of 5G goes forward with increasing use among corporations and local governments, the Company aims to build an ecosystem that will underpin the creation and spread of 5G solutions in response to various needs. To this end, in June 2021 the Company established the SoftBank 5G Consortium (the "Consortium").

The Consortium will enable cooperation between the Company, operating companies in various domains, 5G-related business partners, and external experts on demonstration testing of 5G solutions to issues in every industry, initiatives on development towards commercialization, accelerated realization of a 5G-equipped society, and solving issues through these efforts.

## Growth of Yahoo Japan/LINE

While driving further growth in the telecommunications business through its multi-brand strategy, initiatives related to 5G, and the new infrastructure, the Company is promoting business enhancement to the OTT<sup>7</sup> field by utilizing its customer base and other assets as a telecommunications carrier. The Company's subsidiary, Z Holdings, has become Japan's largest Internet service company group after a business integration with LINE Corporation in March 2021, contributing to the diversification of the Group's revenue sources. The Company will continue to deepen collaboration with Z Holdings to maximize synergies.

With the completion of the business integration with LINE Corporation and the transition to a new structure, the corporate venture capital (hereinafter "CVC") of each of the two companies, YJ Capital Inc. and LINE Ventures Corporation, were merged in April 2021, integrating their investment functions and activities, and YJ Capital Inc., the successor company, changed its name to Z Venture Capital Corporation (hereinafter "ZVC"). In addition to the integration of CVC functions, a new global fund of ¥30.0 billion, "ZVC 1 Investment Partnership," was launched, and ZVC became one of the largest CVCs in Japan. ZVC will make both domestic and overseas investments to maximize the corporate value of startups and to create "win-win" business collaboration opportunities that will benefit and strengthen both startups and Z Holdings Group.

Furthermore, Z Holdings announced in April 2021 that its subsidiary Z Entertainment Corporation (hereinafter "ZE"), will manage the domestic entertainment businesses operated by Yahoo Japan, LINE Corporation, and subsidiaries of LINE Corporation, including videos, music, games, e-books, and fortune-telling, etc., and will commence full-scale operation. The Z Holdings Group will provide users with new entertainment experiences using the power of technology as it creates a No. 1 entertainment platform in Japan. Concurrently, Z Holdings will strategically concentrate its management resources related to the group's entertainment industry mainly in ZE, as part of efforts to strengthen the foundation of its subscription business and the group's core advertising business.

## Expansion of Non-Telecom Businesses

Looking at the expansion of non-telecom businesses, the Group is working to foster collaboration with companies that possess cutting-edge technologies and companies that provide solutions, including investees of the SoftBank Group. Specifically, the Group is working to establish joint ventures with each partner company and expand non-telecom businesses. Since many of these joint ventures are equity method affiliates, they contribute to the Company's business results through share of profit or loss of associates accounted for using the equity method.

### PayPay Corporation

As of the end of June 30, 2021, the number of *PayPay* cumulative registered users reached 40.28 million, and the number of *PayPay* merchants surpassed 3.34 million locations. In the three months ended June 30, 2021, the number of payments made exceeded 790 million, approximately 1.8 times that in the same period of the previous fiscal year. The Gross Merchandise Value of payments reached ¥1.2 trillion, approximately 1.7 times year on year. *PayPay* performed steadily.

*PayPay* Corporation will continue to collaborate with the Group and the Z Holdings Group with the aim of evolving *PayPay* from a "payment app" into a "super app" that enables users to solve a wide range of issues, fostering a world view of "Anytime, Anywhere with *PayPay*."

### Axiata Digital Advertising

In May 2021, the Company formed a capital and business alliance with Axiata Digital Advertising Sdn. Bhd. (headquarters: Kuala Lumpur, Malaysia; hereinafter "ADA"), a Group company of major Asian telecommunications operator Axiata Group Berhad (Axiata Group). ADA is an AI company that offers integrated digital marketing solutions in 10 Asian countries.<sup>8</sup> ADA's strength lies in its proprietary technology IP consisting of 375 million unique consumer profiles. Through this alliance, the

Company will utilize ADA's expertise to accelerate its digital marketing business across Asia, while working to generate synergies with the diverse solutions and technologies of the Group.

eMnet Japan. co. ltd.

The Company completed a tender offer for the share certificates, etc. of eMnet Japan. co. ltd. in June 2021, making eMnet Japan. co. ltd. a subsidiary. eMnet Japan. co. ltd. operates an internet advertising business that offers a dedicated service representative system in which one representative provides each client company with a full range of services spanning sales and planning and proposal, implementation, analysis and improvement of advertising on a one-stop basis. Its strengths lie in the ability to provide services from a comprehensive and expert perspective as a consultant on internet advertising. As the Company worked on providing support for marketing and DX, it identified a need to strengthen the field of internet advertising operation in particular. The Company and eMnet Japan. co. ltd. have a sufficiently complementary relationship in this field, and by creating a capital and business alliance, the creation of synergies will contribute to further increase in the Company's corporate value. eMnet Japan. co. ltd. will continue to be listed on the Tokyo Stock Exchange Mothers market.

WOTA CORP.

In May 2021, the Company conducted a capital and business alliance with WOTA CORP. (hereinafter "WOTA"), which possesses water recycling processing technologies that utilize AI and IoT<sup>9</sup>. By combining the Company's telecommunication services, customer base, and WOTA's technologies, the Company aims to solve social issues related to water, through measures such as initiatives to build a system that can supply individual homes and facilities with water through a new distributed-type water supply system that is independent of water supply infrastructure, targeting remote areas where it is difficult to maintain water supply infrastructure such as water supply pipes and water treatment facilities.

Notes:

1. AI stands for artificial intelligence.
2. For details on SDGs and the priority issues (materiality), please see the Company's website:  
<https://www.softbank.jp/en/corp/sustainability/materiality/>
3. Includes emissions associated with electric power as well as heavy oil and gas, etc., used in business.
4. The Science Based Targets initiatives (SBTi) was jointly established by the United Nations Global Compact, CDP (formerly the Carbon Disclosure Project), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The body assesses and certifies whether the emission reduction targets of companies and organizations around the world comply with the targets set forth in the Paris Agreement, for which world governments committed to curbing global temperature rise to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
5. Digital transformation (DX) refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.
6. Defines 5G New Radio (5G NR) functions that operate independently with 5G NR without coordinating with LTE.
7. OTT stands for over-the-top and refers to services and companies other than telecommunications carriers that provide audio and video content on the Internet.
8. The 10 countries in Asia are Malaysia, Singapore, Indonesia, Thailand, Cambodia, Philippines, Sri Lanka, Bangladesh, South Korea, and Vietnam.
9. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.

## b. Consolidated Results of Operations

(Billions of yen)

	Three Months Ended June 30		Change	Change %
	2020	2021		
Revenue	1,172.6	<b>1,356.6</b>	183.9	15.7%
Operating income	279.9	<b>283.1</b>	3.2	1.1%
Profit before income taxes	257.4	<b>272.5</b>	15.1	5.9%
Income taxes	(89.2)	<b>(103.1)</b>	(13.8)	15.5%
Net income	168.1	<b>169.4</b>	1.3	0.8%
Net income attributable to:				
Owners of the Company	152.1	<b>151.0</b>	(1.2)	(0.8)%
Non-controlling interests	16.0	<b>18.4</b>	2.5	15.4%
Adjusted EBITDA <sup>1</sup>	453.8	<b>470.0</b>	16.2	3.6%

Note:

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

From the three months ended June 30, 2021, the definition of adjusted EBITDA has been revised to take account of stock compensation expenses. The figures for the same period of the previous fiscal year have been restated accordingly.

An overview of the consolidated results of operations for the three months ended June 30, 2021 is as follows:

### (a) Revenue

For the three months ended June 30, 2021, revenue increased across all segments by ¥183.9 billion (15.7%) year on year to ¥1,356.6 billion as it did so in the same period of the previous fiscal years in 2018, 2019, and 2020. Revenue increased by ¥99.5 billion in the Yahoo! JAPAN/LINE segment, mainly due to increased revenue in connection with consolidation of LINE Corporation, by ¥67.7 billion in the Consumer segment, mainly due to an increase in revenues from sales of goods and others, by ¥9.0 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization, and by ¥7.2 billion in the Distribution segment, mainly due to a solid increase in revenue from subscription services.

### (b) Operating income

For the three months ended June 30, 2021, operating income increased by ¥3.2 billion (1.1%) year on year to ¥283.1 billion. While operating income decreased by ¥4.9 billion in the Consumer segment, earnings growth was led primarily by the Enterprise segment, where operating income rose 23% year on year. Operating income increased by ¥7.2 billion in the Enterprise segment, ¥0.8 billion in the Yahoo! JAPAN/LINE segment, and ¥0.6 billion in the Distribution segment.

### (c) Net income

For the three months ended June 30, 2021, net income increased by ¥1.3 billion (0.8%) year on year to ¥169.4 billion. In addition to an increase in operating income, financing income rose by ¥7.9 billion, mainly due to gains on valuation of investment securities held by the Company, while income taxes increased by ¥13.8 billion.

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

For the three months ended June 30, 2021, net income attributable to owners of the Company decreased by ¥1.2 billion (0.8%) year on year to ¥151.0 billion. On the other hand, for the three months ended June 30, 2021, net income attributable to non-controlling interests increased by ¥2.5 billion (15.4%) year on year to ¥18.4 billion, mainly due to the effect of a decrease in the share of voting rights of Z Holdings in connection with the business integration of Z Holdings and LINE Corporation.

### (e) Adjusted EBITDA

For the three months ended June 30, 2021, adjusted EBITDA increased by ¥16.2 billion (3.6%) year on year to ¥470.0 billion. In addition to an increase in operating income, the increase mainly reflects the increase in depreciation and amortization mainly due to amortization of intangible assets recognized in connection with the consolidation of LINE Corporation, and the increase in stock compensation expenses in relation to stock options issued by Z Holdings in connection with the business integration with LINE Corporation. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for more effective evaluation of its business performance.

## c. Principal Operational Data

### Mobile Services

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

Cumulative Subscribers	March 31, 2021	June 30, 2021	(Thousands)
			Change
Total	47,285	<b>47,655</b>	371
Main subscribers*	37,910	<b>37,923</b>	12
Of which, smartphones	25,926	<b>26,177</b>	251
Communication modules and others	8,714	<b>9,155</b>	440
PHS	660	<b>578</b>	(82)

Net Additions	Three Months Ended June 30		Change
	2020	2021	
Main subscribers*	368	<b>12</b>	(356)
Of which, smartphones	363	<b>251</b>	(112)

Churn Rate and Total ARPU		Three Months Ended June 30		Change
		2020	2021	
Main subscribers*	Churn rate	0.73%	<b>1.12%</b>	+0.38pp
	Total ARPU (yen)	4,300	<b>4,180</b>	(130)
	ARPU before discount (yen)	4,810	<b>4,530</b>	(280)
	Discount on ARPU (yen)	(510)	<b>(350)</b>	150
Smartphones	Churn rate	0.53%	<b>1.01%</b>	+0.48pp

Note: The number of main subscribers includes subscribers to the *Wireless Home Phone* service, which was launched in July 2017.

ARPU and churn rate are calculated and presented excluding this service.

### Broadband Services

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

Cumulative Subscribers	March 31, 2021	June 30, 2021	(Thousands)
			Change
Total	8,139	<b>8,182</b>	43
<i>SoftBank Hikari</i>	6,916	<b>7,030</b>	113
<i>Yahoo! BB Hikari with FLET'S</i>	692	<b>670</b>	(22)
<i>Yahoo! BB ADSL</i>	530	<b>482</b>	(49)

<Definitions and Calculation Methods of Principal Operational Data>

Mobile Services

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

\* Smartphones covered by the *Smartphone Family Discount* and mobile data communication devices covered by the *Data Card 2-Year Special Discount* are included in communication modules and others.

Communication modules and others: communication modules, *Mimamori Phone*, prepaid mobile phones, and others

\* Communication modules that use PHS networks are included under PHS.

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

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)

(Calculation method)

Churn rate = number of churn/number of active subscribers

\* Number of churn: the total number of subscribers who canceled the service during the relevant period. The number of churn excludes the number of subscribers who switch between *SoftBank*, *Y!mobile*, *LINE MOBILE*, and *LINEMO*, using Mobile Number Portability (MNP).

\* Churn rate (smartphones): Churn rate for smartphone subscribers within main subscribers

ARPU: Average Revenue Per User per month (rounded to the nearest ¥10)

(Calculation method)

Total ARPU = (data-related revenue + basic monthly charges and voice-related revenue + device warranty service revenue + content-related revenue + advertising revenue, etc.) / number of active subscribers

\* Data-related revenue: packet communication and flat-rate charges, basic monthly internet connection charges, etc.

\* Basic monthly charges and voice-related revenue: basic monthly charges, voice call charges, revenues from incoming calls, etc.

\* Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((cumulative subscribers at the beginning of the month + cumulative subscribers at the end of the month) / 2)

Discount on ARPU = monthly discount + broadband service bundle discount (including *Home Bundle Discount Hikari Set* and *Fiber-optic Discount*)

\* The calculation of ARPU excludes discount on telecom service revenues relating to points awarded and *Half-Price Support*.

\* *Half-Price Support* enables customers to purchase eligible smartphones in 48 monthly installments, with the remaining monthly payments waived if the customer trades in their used handset to upgrade to a designated new model after 24 monthly installments. Since September 12, 2019, the Company has stopped accepting new applications for *Half-Price Support*.

Broadband Services

*SoftBank Hikari*: integrated service that combines fiber-optic service using the wholesale fiber-optic connection of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (hereinafter, "NTT East") and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (hereinafter, "NTT West") with an internet service provider (ISP) service

Cumulative subscribers: the number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete (includes the number of subscribers to *SoftBank Air*)

*Yahoo! BB Hikari with FLET'S*: ISP service offered as a package with NTT East and NTT West's *FLET'S Hikari Series* fiber-optic connection

Cumulative subscribers: the number of users for which physical connection of a fiber-optic line at the central office of NTT East or NTT West is complete and who are provided with services

*Yahoo! BB ADSL*: service combining an ADSL connection service and an ISP service

Cumulative subscribers: the number of users of *Yahoo! BB ADSL* for which the physical connection of an ADSL line at the central office of NTT East or NTT West is complete

Figures for "Change" in "c. Principal Operational Data" are calculated based on numbers before rounding. Accordingly, the figures for "Change" may not match the changes in figures calculated based on rounded numbers presented in "c. Principal Operational Data."

## d. Results by Segment

### (a) Consumer Segment

#### OVERVIEW

In the Consumer segment, the Company provides services, such as mobile services, broadband services and electricity services to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

#### FINANCIAL RESULTS

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Revenue	625.4	<b>693.2</b>	67.7	10.8%
Segment income	189.4	<b>184.5</b>	(4.9)	(2.6)%
Depreciation and amortization	104.4	<b>105.6</b>	1.3	1.2%

#### Breakdown of Revenue

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Service revenues	528.1	<b>534.5</b>	6.4	1.2%
Mobile	412.0	<b>408.1</b>	(3.8)	(0.9)%
Broadband	97.2	<b>101.6</b>	4.3	4.5%
Electricity	18.9	<b>24.8</b>	5.9	31.3%
Revenues from sales of goods and others	97.4	<b>158.7</b>	61.3	63.0%
Total revenue	625.4	<b>693.2</b>	67.7	10.8%

Consumer segment revenue increased by ¥67.7 billion (10.8%) year on year to ¥693.2 billion. Within Consumer segment revenue, service revenues increased by ¥6.4 billion (1.2%) year on year to ¥534.5 billion, and revenues from sales of goods and others increased by ¥61.3 billion (63.0%) year on year to ¥158.7 billion.

Within service revenues, mobile revenue decreased by ¥3.8 billion (0.9%) year on year. The decrease reflects a decline in average unit price due to the effects of an increase in subscribers switching from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands and introduction of new price plans of the *SoftBank* and *Y!mobile* brands, while there was an increase in subscribers led by the *Y!mobile* brand and improvement related to *Half-Price Support*.

Broadband revenue increased by ¥4.3 billion (4.5%) year on year. This increase was due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service. Moreover, electricity revenue increased by ¥5.9 billion (31.3%) year on year. This increase was due to an increase in subscribers of the *Ouchi Denki (Home Electricity)* service.

The increase in revenues from sales of goods and others was mainly due to increases in the sales volume and unit price of mobile devices associated with the recovery of mobile device sales, which had declined in the same period of the previous fiscal year due to the COVID-19 outbreak.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥508.7 billion, an increase of ¥72.6 billion (16.6%) year on year. This increase was mainly due to an increase in the cost of products associated with the abovementioned increase in the sales volume of mobile devices and an increase in unit purchase price of them, and an increase in sales-related expenses due to the penetration of *Toku Suru Support +*, a device purchase support program.

As a result, segment income decreased by ¥4.9 billion (2.6%) year on year to ¥184.5 billion.

## (b) Enterprise Segment

### OVERVIEW

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

### FINANCIAL RESULTS

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Revenue	162.5	171.5	9.0	5.5%
Segment income	31.3	38.5	7.2	23.2%
Depreciation and amortization	39.3	40.0	0.7	1.7%

#### Breakdown of Revenue

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Mobile	71.9	77.6	5.7	8.0%
Fixed-line	47.3	46.6	(0.7)	(1.4)%
Business solution and others	43.4	47.3	3.9	9.0%
Total revenue	162.5	171.5	9.0	5.5%

Enterprise segment revenue increased by ¥9.0 billion (5.5%) year on year to ¥171.5 billion. Within Enterprise segment revenue, mobile revenue increased by ¥5.7 billion (8.0%) to ¥77.6 billion, fixed-line revenue decreased by ¥0.7 billion (1.4%) to ¥46.6 billion, and business solution and others revenue increased by ¥3.9 billion (9.0%) to ¥47.3 billion.

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

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

The increase in business solution and others revenue was mainly from increased revenue from cloud services and security solutions, as a result of capturing enterprise customers' demand for digitalization arising from the COVID-19 outbreak.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥133.0 billion, an increase of ¥1.7 billion (1.3%) year on year. This increase mainly reflects an increase in costs following the abovementioned increase in business solution and others revenue.

As a result, segment income increased by ¥7.2 billion (23.2%) year on year to ¥38.5 billion.

## (c) Distribution Segment

### OVERVIEW

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

### FINANCIAL RESULTS

	(Billions of yen)			
	Three Months Ended June 30		Change	Change %
	2020	2021		
Revenue	109.9	<b>117.1</b>	7.2	6.6%
Segment income	5.5	<b>6.1</b>	0.6	11.5%
Depreciation and amortization	0.9	<b>0.9</b>	0	4.3%

Distribution segment revenue increased by ¥7.2 billion (6.6%) year on year to ¥117.1 billion. This was mainly due to solid growth in subscription services such as cloud and SaaS, which have been strategic areas of focus.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥111.0 billion, an increase of ¥6.6 billion (6.3%) year on year. This increase was mainly due to an increase in costs of products in connection with the abovementioned increase in revenue.

As a result, segment income increased by ¥0.6 billion (11.5%) year on year to ¥6.1 billion.

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

##### OVERVIEW

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

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

##### FINANCIAL RESULTS

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Revenue	273.9	373.4	99.5	36.3%
Segment income	50.6	51.4	0.8	1.5%
Depreciation and amortization	24.7	34.1	9.4	37.9%

##### Breakdown of Revenue

	(Billions of yen)			
	Three Months Ended June 30			
	2020	2021	Change	Change %
Media	75.6	147.0	71.4	94.4%
Commerce	175.1	195.5	20.5	11.7%
Strategy	20.7	27.6	6.9	33.4%
Other	2.5	3.2	0.7	28.9%
Total revenue	273.9	373.4	99.5	36.3%

Note: In the three months ended June 30, 2021, Z Holdings revised its management segments following its business integration with LINE Corporation in March 2021. Accordingly, from the three months ended June 30, 2021, “Strategy” has been added to the breakdown of revenues, and the breakdown has been revised with respect to certain services and subsidiaries. Additionally, revenues for the same period of the previous fiscal year have been restated to reflect these changes.

Yahoo! JAPAN/LINE segment revenue increased by ¥99.5 billion (36.3%) year on year to ¥373.4 billion. Within Yahoo! JAPAN/LINE segment revenue, media revenue increased by ¥71.4 billion (94.4%) to ¥147.0 billion, commerce revenue increased by ¥20.5 billion (11.7%) to ¥195.5 billion, strategy revenue increased by ¥6.9 billion (33.4%) to ¥27.6 billion, and other revenue increased by ¥0.7 billion (28.9%) to ¥3.2 billion.

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

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

The increase in strategy revenue mainly reflected an increase in revenue in the FinTech<sup>1</sup> field, in addition to the consolidation of LINE Corporation.

The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses) was ¥322.0 billion, an increase of ¥98.7 billion (44.2%) year on year. This increase mainly reflected an increase in expenses accompanying the consolidation of LINE Corporation and an increase in sales promotion expenses at Yahoo Japan.

As a result, segment income increased by ¥0.8 billion (1.5%) year on year to ¥51.4 billion.

##### Note:

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

## (2) Overview of Consolidated Financial Position

(Billions of yen)

	March 31, 2021	June 30, 2021	Change	Change %
Current assets	4,033.8	<b>4,061.9</b>	28.1	0.7%
Non-current assets	8,192.8	<b>8,274.2</b>	81.4	1.0%
Total assets	12,226.7	<b>12,336.1</b>	109.4	0.9%
Current liabilities	5,293.6	<b>5,280.5</b>	(13.2)	(0.2)%
Non-current liabilities	4,182.3	<b>4,374.7</b>	192.4	4.6%
Total liabilities	9,476.0	<b>9,655.2</b>	179.2	1.9%
Total equity	2,750.7	<b>2,680.9</b>	(69.8)	(2.5)%

### ASSETS

Total assets amounted to ¥12,336.1 billion as of June 30, 2021, an increase of ¥109.4 billion (0.9%) from the previous fiscal year-end. This mainly reflected an increase of ¥139.2 billion in cash and cash equivalents, due to the implementation of fund procurement such as the securitization of receivables to secure ample liquidity on hand in preparation for income tax and dividend payments; an increase of ¥74.6 billion in other financial assets; and an increase of ¥30.5 billion in investment securities. Meanwhile, there was a decrease of ¥141.9 billion in trade and other receivables due to a rebound from the effects of campaign initiatives implemented at the previous fiscal year-end and large-scale project orders from the municipalities.

### LIABILITIES

Total liabilities amounted to ¥9,655.2 billion as of June 30, 2021, an increase of ¥179.2 billion (1.9%) from the previous fiscal year-end. This was mainly due to an increase of ¥535.3 billion in interest-bearing debt and a decrease of ¥303.2 billion in trade and other payables. The increase in interest-bearing debt was mainly due to fund procurement through such means as the securitization of receivables, and the issuance of ¥100.0 billion in the Company's unsecured bonds. The decrease in trade and other payables was mainly due to a decrease owing to the payment of accrued liabilities related to the purchase of shares of LINE Corporation (currently A Holdings Corporation)<sup>1</sup> that were less than one unit as a result of the reverse share split, and a rebound from the effects of campaign initiatives implemented at the previous fiscal year-end and large-scale project orders from the municipalities.

### EQUITY

Total equity amounted to ¥2,680.9 billion as of June 30, 2021, a decrease of ¥69.8 billion (2.5%) from the previous fiscal year-end. This was mainly due to an increase of ¥169.4 billion due to the recording of net income for the three months ended June 30, 2021, offset by a decrease of ¥221.2 billion due to cash dividends.

Note:

1. Refers to LINE Corporation, surviving company in the absorption-type merger conducted by Shiodome Z Holdings GK. For details, refer to "Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation" in 4. Business combinations, (6) Notes to Condensed Interim Consolidated Financial Statements, 3. Condensed Interim Consolidated Financial Statements and Primary Notes.

### (3) Overview of Consolidated Cash Flows

(Billions of yen)

	Three Months Ended June 30		Change
	2020	2021	
Net cash inflow from operating activities	246.4	<b>181.4</b>	(65.0)
Net cash outflow from investing activities	(154.2)	<b>(293.5)</b>	(139.3)
Net cash inflow (outflow) from financing activities	233.3	<b>250.6</b>	17.2
Cash and cash equivalents at the end of the period	1,469.4	<b>1,724.1</b>	254.7
Free cash flow <sup>1</sup>	92.2	<b>(112.1)</b>	(204.3)
Effect of securitization of installment sales receivables	87.0	<b>80.7</b>	(6.2)
Adjusted free cash flow <sup>2</sup>	179.2	<b>(31.4)</b>	(210.5)
Adjusted free cash flow (excluding Z Holdings Group and others) <sup>3</sup>	236.3	<b>86.6</b>	(149.7)
Capital expenditures (acceptance basis, including Z Holdings Group)	93.6	<b>132.6</b>	39.0
Capital expenditures (acceptance basis, excluding Z Holdings Group) <sup>4</sup>	58.3	<b>88.0</b>	29.7

Notes:

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

a. Cash flows from operating activities

In the three months ended June 30, 2021, the net cash inflow from operating activities was ¥181.4 billion, a decrease of ¥65.0 billion year on year. This decrease mainly reflected an increase in outflows for the payment of trade and other payables and a decrease in inflows related to deposits in the banking business, while there was a decrease in income taxes paid.

b. Cash flows from investing activities

In the three months ended June 30, 2021, the net cash outflow from investing activities was ¥293.5 billion, an increase of ¥139.3 billion year on year. This mainly reflected payments for acquisition of investments associated with the purchase of shares of LINE Corporation (currently A Holdings Corporation) that were less than one unit as a result of the reverse share split.

c. Cash flows from financing activities

In the three months ended June 30, 2021, the net cash inflow from financing activities was ¥250.6 billion. While the cash inflow was ¥843.6 billion mainly due to securitization of receivables, issuance of commercial paper, and the issuance of unsecured bonds by the Company amounting to ¥100.0 billion, the cash outflow was ¥593.0 billion mainly due to scheduled payment of a long-term loan, and cash dividends paid of ¥198.5 billion.

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

As a result of (a) through (c) above, cash and cash equivalents at June 30, 2021 were ¥1,724.1 billion, an increase of ¥254.7 billion year on year.

e. Adjusted free cash flow

In the three months ended June 30, 2021, adjusted free cash flow was negative ¥31.4 billion, a decrease of ¥210.5 billion year on year. This reflects the abovementioned decrease in net cash inflow from operating activities and increase in net cash outflow from investing activities.

f. Capital expenditures

In the three months ended June 30, 2021, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥132.6 billion, an increase of ¥39.0 billion year on year. This increase was mainly due to increases in capital expenditures in 5G equipment and in capital expenditures of LINE Corporation, which was consolidated.

**(4) Forecasts**

For the fiscal year ending March 31, 2022, the Company is forecasting revenue of ¥5,500.0 billion, operating income of ¥975.0 billion, and net income attributable to owners of the Company of ¥500.0 billion. There have been no changes to the consolidated financial result forecasts announced on May 11, 2021 in the Consolidated Financial Report for the Fiscal Year Ended March 31, 2021.

## 2. Notes to Summary Information

### (1) Significant Changes in Scope of Consolidation for the Three Months Ended June 30, 2021

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

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

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

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

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

	As of March 31, 2021	(Millions of yen) As of June 30, 2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	1,584,892	1,724,102
Trade and other receivables	2,082,223	1,940,341
Other financial assets	144,935	164,121
Inventories	119,411	109,891
Other current assets	102,384	123,455
Total current assets	<u>4,033,845</u>	<u>4,061,910</u>
Non-current assets		
Property, plant and equipment	1,251,663	1,316,621
Right-of-use assets	1,081,559	1,000,777
Goodwill	1,256,593	1,266,491
Intangible assets	2,110,493	2,086,770
Contract costs	248,194	267,195
Investments accounted for using the equity method	239,974	263,365
Investment securities	321,300	351,830
Investment securities in banking business	392,260	378,021
Other financial assets	1,129,858	1,185,288
Deferred tax assets	55,224	49,120
Other non-current assets	105,697	108,702
Total non-current assets	<u>8,192,815</u>	<u>8,274,180</u>
Total assets	<u><u>12,226,660</u></u>	<u><u>12,336,090</u></u>

	As of March 31, 2021	(Millions of yen) As of June 30, 2021
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Interest-bearing debt	2,000,479	2,374,133
Trade and other payables	1,624,048	1,320,865
Contract liabilities	107,633	106,254
Deposits for banking business	1,165,577	1,230,225
Other financial liabilities	4,924	4,377
Income taxes payable	195,874	54,998
Provisions	17,710	14,690
Other current liabilities	177,391	174,914
Total current liabilities	<u>5,293,636</u>	<u>5,280,456</u>
Non-current liabilities		
Interest-bearing debt	3,692,113	3,853,752
Other financial liabilities	33,966	33,146
Provisions	106,093	110,558
Deferred tax liabilities	303,278	331,077
Other non-current liabilities	46,874	46,200
Total non-current liabilities	<u>4,182,324</u>	<u>4,374,733</u>
Total liabilities	<u>9,475,960</u>	<u>9,655,189</u>
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	340,262	328,880
Retained earnings	1,066,228	1,011,978
Treasury stock	(134,218)	(122,804)
Accumulated other comprehensive income	35,631	37,087
Total equity attributable to owners of the Company	<u>1,512,212</u>	<u>1,459,450</u>
Non-controlling interests	<u>1,238,488</u>	<u>1,221,451</u>
Total equity	<u>2,750,700</u>	<u>2,680,901</u>
Total liabilities and equity	<u><u>12,226,660</u></u>	<u><u>12,336,090</u></u>

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

For the three months ended June 30

Condensed Interim Consolidated Statement of Income

	Three months ended June 30, 2020	(Millions of yen) Three months ended June 30, 2021
Revenue	1,172,644	1,356,574
Cost of sales	(569,559)	(654,414)
Gross profit	603,085	702,160
Selling, general and administrative expenses	(323,138)	(421,392)
Other operating income	-	2,331
Operating income	279,947	283,099
Share of losses of associates accounted for using the equity method	(9,330)	(9,000)
Financing income	3,437	11,368
Financing costs	(16,692)	(16,510)
Gain on sales of equity method investments	-	3,505
Profit before income taxes	257,362	272,462
Income taxes	(89,233)	(103,052)
Net income <sup>1</sup>	168,129	169,410
Net income attributable to		
Owners of the Company	152,139	150,964
Non-controlling interests	15,990	18,446
	168,129	169,410
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	32.06	32.18
Diluted earnings per share (Yen)	31.66	31.49

Note:

1. All net income of SoftBank Corp. and its subsidiaries for the three months ended June 30, 2020 and 2021 was generated from continuing operations.

Condensed Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Net income	168,129	169,410
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity instruments at FVTOCI	3,128	5,289
Share of other comprehensive income of associates accounted for using the equity method	-	111
Total items that will not be reclassified to profit or loss	3,128	5,400
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	526	375
Cash flow hedges	189	436
Exchange differences on translation of foreign operations	(281)	1,533
Share of other comprehensive income of associates accounted for using the equity method	1	412
Total items that may be reclassified subsequently to profit or loss	435	2,756
Total other comprehensive income (loss), net of tax	3,563	8,156
Total comprehensive income	171,692	177,566
Total comprehensive income attributable to		
Owners of the Company	153,812	152,526
Non-controlling interests	17,880	25,040
	171,692	177,566

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the three months ended June 30, 2020

(Millions of yen)

	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2020	204,309	(133,915)	1,003,554	(68,709)	(4,693)	1,000,546	707,018	1,707,564
Comprehensive income								
Net income	-	-	152,139	-	-	152,139	15,990	168,129
Other comprehensive income (loss)	-	-	-	-	1,673	1,673	1,890	3,563
Total comprehensive income	-	-	152,139	-	1,673	153,812	17,880	171,692
Transactions with owners and other transactions								
Cash dividends	-	-	(201,499)	-	-	(201,499)	(26,600)	(228,099)
Disposal of treasury stock	-	(6,492)	-	12,202	-	5,710	-	5,710
Changes from business combinations	-	-	-	-	-	-	319	319
Changes from loss of control	-	-	-	-	-	-	-	-
Changes in interests in existing subsidiaries	-	(354)	-	-	-	(354)	409	55
Share-based payment transactions	-	(194)	-	-	-	(194)	-	(194)
Transfer from retained earnings to capital surplus	-	-	-	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	164	-	(164)	-	-	-
Other	-	(417)	(162)	-	-	(579)	663	84
Total transactions with owners and other transactions	-	(7,457)	(201,497)	12,202	(164)	(196,916)	(25,209)	(222,125)
As of June 30, 2020	204,309	(141,372)	954,196	(56,507)	(3,184)	957,442	699,689	1,657,131

For the three months ended June 30, 2021

(Millions of yen)

	Equity attributable to owners of the Company							Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	
As of April 1, 2021	204,309	340,262	1,066,228	(134,218)	35,631	1,512,212	1,238,488	2,750,700
Comprehensive income								
Net income	-	-	150,964	-	-	150,964	18,446	169,410
Other comprehensive income (loss)	-	-	-	-	1,562	1,562	6,594	8,156
Total comprehensive income	-	-	150,964	-	1,562	152,526	25,040	177,566
Transactions with owners and other transactions								
Cash dividends	-	-	(201,519)	-	-	(201,519)	(19,672)	(221,191)
Disposal of treasury stock	-	(5,385)	-	11,414	-	6,029	-	6,029
Changes from business combinations	-	-	-	-	-	-	1,260	1,260
Changes from loss of control	-	-	-	-	-	-	853	853
Changes in interests in existing subsidiaries	-	(11,823)	-	-	-	(11,823)	(23,461)	(35,284)
Share-based payment transactions	-	329	-	-	-	329	-	329
Transfer from retained earnings to capital surplus	-	5,385	(5,385)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	106	-	(106)	-	-	-
Other	-	112	1,584	-	-	1,696	(1,057)	639
Total transactions with owners and other transactions	-	(11,382)	(205,214)	11,414	(106)	(205,288)	(42,077)	(247,365)
As of June 30, 2021	204,309	328,880	1,011,978	(122,804)	37,087	1,459,450	1,221,451	2,680,901

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

	(Millions of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Net income	168,129	169,410
Depreciation and amortization	170,839	182,760
Loss on disposal of property, plant and equipment and intangible assets	2,415	2,460
Financing income	(3,437)	(11,368)
Financing costs	16,692	16,510
Share of losses of associates accounted for using the equity method	9,330	9,000
Gain on sales of equity method investments	-	(3,505)
Income taxes	89,233	103,052
(Increase) decrease in trade and other receivables	58,292	121,927
(Increase) decrease in inventories	(20,012)	9,649
Purchases of mobile devices leased to enterprise customers	(8,063)	(7,881)
Increase (decrease) in trade and other payables	(55,349)	(184,989)
Increase (decrease) in consumption taxes payable	(1,104)	4,571
Increase (decrease) in deposits in banking business	106,668	64,648
(Increase) decrease in loans in banking business	(4,252)	(15,026)
Other	(813)	(54,305)
Subtotal	528,568	406,913
Interest and dividends received	2,860	2,972
Interest paid	(14,823)	(14,455)
Income taxes paid	(270,308)	(214,257)
Income taxes refunded	101	190
Net cash inflow from operating activities	246,398	181,363
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(109,058)	(124,779)
Proceeds from sales of property, plant and equipment and intangible assets	368	191
Payments for acquisition of investments	(21,896)	(162,666)
Proceeds from sales/redemption of investments	250	3,692
Purchase of investment securities in banking business	(68,951)	(56,505)
Proceeds from sales/redemption of investment securities in banking business	59,284	66,756
Proceeds from (payments for) obtaining control of subsidiaries	(9,126)	270
Other	(5,040)	(20,414)
Net cash outflow from investing activities	(154,169)	(293,455)

	Three months ended June 30, 2020	(Millions of yen) Three months ended June 30, 2021
Cash flows from financing activities		
Increase in short-term interest-bearing debt, net	321,426	294,318
Proceeds from interest-bearing debt	612,211	547,075
Repayment of interest-bearing debt	(468,531)	(353,572)
Proceeds from stock issuance to non-controlling interests	27	2,244
Cash dividends paid	(198,656)	(198,519)
Cash dividends paid to non-controlling interests	(26,552)	(19,634)
Other	(6,581)	(21,321)
Net cash inflow (outflow) from financing activities	<u>233,344</u>	<u>250,591</u>
Effect of exchange rate changes on cash and cash equivalents	35	711
Increase (decrease) in cash and cash equivalents	325,608	139,210
Cash and cash equivalents at the beginning of the period	<u>1,143,808</u>	<u>1,584,892</u>
Cash and cash equivalents at the end of the period	<u><u>1,469,416</u></u>	<u><u>1,724,102</u></u>

## (5) Notes on Going Concern Assumption

There are no applicable items.

## (6) Notes to Condensed Interim Consolidated Financial Statements

### 1. Reporting entity

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

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

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

### 2. Significant accounting policies

The significant accounting policies applied in the condensed interim consolidated financial statements are consistent with those of the consolidated financial statements as of and for the fiscal year ended March 31, 2021. Income tax expenses for the three months ended June 30, 2021 are calculated based on the estimated annual effective income tax rate.

### 3. Significant judgments and estimates

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

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

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

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

The judgments, estimates and assumptions that have significant impact on the amounts in the condensed interim consolidated financial statements are consistent with those described in the consolidated financial statements for the fiscal year ended March 31, 2021.

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

#### 4. Business combinations

Three months ended June 30, 2020

There are no significant business combinations to be disclosed.

Three months ended June 30, 2021

Acquisition of LINE Corporation and business integration of the LINE Group and Z Holdings Corporation  
(Amendment of provisional amounts)

The Company obtained control of LINE Corporation<sup>1</sup> effective February 28, 2021. As the recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not complete at the end of the previous fiscal year, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill has provisionally been accounted for. Based on the additional information obtained for the three months ended June 30, 2021, the amounts of the provisional accounting treatment have been amended.

The main amendments comprise of decrease in property, plant and equipment of ¥2,762 million, decrease in intangible assets including identifiable intangible assets of ¥15,055 million, decrease in deferred tax liabilities of ¥5,605 million, decrease in non-controlling interests of ¥6,106 million, and increase in goodwill of ¥6,106 million. In addition, amortization of identifiable intangible assets incurred for this business combination was ¥3,401 million, all of which are included in “Selling, general and administrative expenses” in the condensed interim consolidated statement of income for the three months ended June 30, 2021.

(1) Consideration and its breakdown

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

(2) The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date<sup>2</sup>:

	(Millions of yen)
	Acquisition date
	(February 28, 2021)
Cash and cash equivalents	312,791
Trade and other receivables	67,553
Other current assets	46,687
Property, plant and equipment	21,905
Right-of-use assets	62,940
Intangible assets	410,346
Investments accounted for using the equity method	168,093
Other non-current assets	104,809
Total assets	<u>1,195,124</u>
Interest-bearing debt (current and non-current)	244,248
Trade and other payables	233,671
Other current liabilities	49,169
Deferred tax liabilities	150,251
Other non-current liabilities	20,745
Total liabilities	<u>698,084</u>
Net assets	B <u>497,040</u>
Non-controlling interests	C <u>258,151</u>
Goodwill	A-(B-C) <u>623,183</u>

Notes:

1. 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.
2. As the allocation of the consideration transferred was not complete at the end of the three months ended June 30, 2021, the above amounts are provisionally based on the best estimate at present. Accordingly, the allocation of the consideration transferred may change in a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date are obtained and evaluated.

## 5. Segment information

### (1) Summary of reportable segments

The reportable segments of the Group are based on operating segments for which separate financial information is available, and which the Board of Directors (the Group's chief operating decision maker) regularly reviews to determine the allocation of management resources and evaluate their performance. The Group has "Consumer," "Enterprise," "Distribution," and "Yahoo! JAPAN/LINE"<sup>1</sup> as its reportable segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

In the "Consumer" segment, the Group provides mobile communications, broadband and electricity services to individual customers. In mobile communications services, the Group provides mobile communications services under the *SoftBank*, *Y!mobile*, *LINE MOBILE*, and *LINEMO* brands, and sells mobile devices such as phones and tablets. In broadband services, the Group provides internet services, including *SoftBank Hikari*, and sells and rents related customer-premises equipment for broadband services. In electricity services, the Group provides purchase and sale, supply and intermediation of electricity services, including *Ouchi Denki*.

In the "Enterprise" segment, the Group provides a wide range of services to enterprise customers, including mobile communications services, voice call services and fixed-line communications services, data transmission and dedicated services, telecommunications consulting and construction for telecommunications carriers and general service providers, rental and maintenance of telecommunications facilities, housing, data center services, and sales and rental of telecommunications equipment.

In the "Distribution" segment, the Group provides hardware, software, and services in relation to ICT, cloud, and IoT solutions to enterprise customers. The Group also provides PC software, IoT products, and mobile device accessories to individual customers.

In the "Yahoo! JAPAN/LINE" segment, the Group is engaged in the "Media business," the "Commerce business," and the "Strategy business." The "Media business" comprises planning and sales of internet-based advertising-related services, information listing services, and other corporate services. The "Commerce business" comprises sales of products, planning and sales of services, all of which are provided via the internet for small to medium-sized businesses and individual customers. The "Strategy business" comprises settlement- and finance-related services.

Information not included in the preceding reportable segments is summarized in "Other." "Other" mainly includes operating results of subsidiaries, such as SB Payment Service Corp., PayPay Securities Corporation, and others.

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

Note:

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

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

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

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

Three months ended June 30, 2020

	Reportable segments					Other	Adjustments	Consolidated
	Consumer	Enterprise	Distribution	Yahoo!				
				JAPAN/LINE	Total			
Revenue								
Sales to external customers	622,921	161,279	99,607	268,232	1,152,039	20,605	-	1,172,644
Intersegment revenue or transferred revenue	2,508	1,244	10,250	5,648	19,650	8,903	(28,553)	-
Total	625,429	162,523	109,857	273,880	1,171,689	29,508	(28,553)	1,172,644
Segment income	189,374	31,271	5,504	50,633	276,782	3,810	(645)	279,947
Depreciation and amortization <sup>1</sup>	104,374	39,333	881	24,734	169,322	1,517	-	170,839

Three months ended June 30, 2021

	Reportable segments					Other	Adjustments	Consolidated
	Consumer	Enterprise	Distribution	Yahoo!				
				JAPAN/LINE	Total			
Revenue								
Sales to external customers	691,632	168,923	104,137	367,235	1,331,927	24,647	-	1,356,574
Intersegment revenue or transferred revenue	1,539	2,587	12,950	6,117	23,193	11,614	(34,807)	-
Total	693,171	171,510	117,087	373,352	1,355,120	36,261	(34,807)	1,356,574
Segment income	184,513	38,516	6,136	51,385	280,550	2,303	246	283,099
Depreciation and amortization <sup>1</sup>	105,647	40,020	919	34,109	180,695	2,065	-	182,760

Note:

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

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

	(Millions of yen)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Segment income	279,947	283,099
Share of losses of associates accounted for using the equity method	(9,330)	(9,000)
Financing income	3,437	11,368
Financing costs	(16,692)	(16,510)
Gains on sales of equity method investments	-	3,505
Profit before income taxes	257,362	272,462

## 6. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2021	(Millions of yen) As of June 30, 2021
<b>Current</b>		
Short-term borrowings	660,281	851,175
Commercial papers	162,701	346,501
Current portion of long-term borrowings	844,816	859,313
Current portion of lease liabilities	292,572	276,912
Current portion of corporate bonds	39,971	40,112
Current portion of installment payables	138	120
Total	2,000,479	2,374,133
<b>Non-current</b>		
Long-term borrowings	2,290,489	2,382,731
Lease liabilities	637,477	607,202
Corporate bonds	764,021	863,712
Installment payables	126	107
Total	3,692,113	3,853,752

## 7. Equity

Changes in treasury stock are as follows:

	Three months ended June 30, 2020	(Thousands of shares) Three months ended June 30, 2021
Balance at the beginning of the period	46,000	100,660
Increase during the period	-	-
Decrease during the period <sup>1</sup>	(8,169)	(8,561)
Balance at the end of the period	37,831	92,099

Note:

1. For the three months ended June 30, 2020, due to the exercise of stock options, the number of treasury stock decreased by 8,169 thousand shares. As a result, “Capital surplus” and “Treasury stock” decreased by ¥6,492 million and ¥12,202 million, respectively.

In addition, for the three months ended June 30, 2021, due to the exercise of stock options, the number of treasury stock decreased by 8,561 thousand shares. As a result, “Treasury stock” decreased by ¥11,414 million and a loss on disposal of treasury stock of ¥5,385 million is recognized as a decrease in “Capital surplus”, of which the same amount is transferred from “Retained earnings.”

## 8. Dividends

Dividends paid are as follows:

Three months ended June 30, 2020

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

Three months ended June 30, 2021

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 21, 2021	Common stock	43.00	201,519	March 31, 2021	June 8, 2021

## 9. Revenue

The disaggregation of revenue is as follows:

	Three months ended June 30, 2020	(Millions of yen) Three months ended June 30, 2021
Consumer business		
Service revenues		
Mobile communications	409,463	406,581
Broadband	97,215	101,559
Electricity	18,871	24,787
Revenues from sales of goods and others	97,372	158,705
Subtotal	622,921	691,632
Enterprise business		
Mobile <sup>3</sup>	71,231	76,303
Fixed-line	46,706	45,891
Business solution and others <sup>3</sup>	43,342	46,729
Subtotal	161,279	168,923
Distribution business	99,607	104,137
Yahoo! JAPAN/LINE business <sup>4</sup>		
Media <sup>5</sup>	75,489	146,384
Commerce <sup>5</sup>	171,242	191,760
Strategy <sup>5</sup>	19,420	26,229
Other <sup>5</sup>	2,081	2,862
Subtotal	268,232	367,235
Other	20,605	24,647
Total	1,172,644	1,356,574

Notes:

- The components of revenue represent sales to external customers.
- The components of revenue include revenues from other sources, excluding those arising from IFRS 15 (mainly from Enterprise business leases). Revenues from other sources for the three months ended June 30, 2020 and 2021 were ¥29,351 million and ¥36,123 million, respectively.
- “Mobile” and “Business solution and others” under “Enterprise business” include telecommunications service revenues and revenues from sales of goods and others. Telecommunications service revenues for the three months ended June 30, 2020 and 2021 were ¥90,618 million and ¥97,028 million, respectively. Revenues from sales of goods and others for the three months ended June 30, 2020 and 2021 were ¥23,955 million and ¥26,004 million, respectively.

4. Along with the consolidation of LINE Corporation in connection with the completion of the business integration between Z Holdings and LINE Corporation in March 2021, “Yahoo” changed its name of reportable segment to “Yahoo! JAPAN/LINE” for the three months ended June 30, 2021. Accordingly, “Yahoo business” changed its name to “Yahoo! JAPAN/LINE business.”
5. Effective April 1, 2021, business categories have been reevaluated due to the business integration with LINE Corporation, and two business categories of the former “Media” and “Commerce” changed to the three categories of “Media,” “Commerce,” and “Strategy.” And a part of services as well as subsidiaries has been transferred under the business categories. Mainly, for the three months ended June 30, 2020, settlement- and finance-related services included in “Commerce” are transferred to the newly established “Strategy.” Regarding the services related to LINE business included in “Other,” media, advertisement, contents, and stamp related services are transferred to “Media,” shopping, 020, and LINE FRIENDS related services are transferred to “Commerce,” and settlement, finance, AI, and healthcare related services are transferred to “Strategy.” As a result, the components of revenue are restated for the three months ended June 30, 2020.

## 10. Earnings per share

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

### (1) Basic earnings per share

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	152,139	150,964
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,745,274	4,690,641
Basic earnings per share (Yen)	32.06	32.18

### (2) Diluted earnings per share

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	152,139	150,964
Effect of dilutive securities issued by subsidiaries and associates	(1)	(1,726)
Total	152,138	149,239
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of shares of common stock outstanding	4,745,274	4,690,641
Increase in the number of shares of common stock due to stock acquisition rights	59,372	48,521
Total	4,804,646	4,739,162
Diluted earnings per share (Yen)	31.66	31.49

## 11. Subsequent events

There are no significant subsequent events to be disclosed.