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Consolidated Financial Report For the Nine Months Ended December 31, 2022 (IFRS)

February 3, 2023

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022

(1) Consolidated operating results

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

	Revenue		Operating income		Profit before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	4,345,459	4.1	982,003	21.7	824,349	16.0	631,785	33.5	508,606	20.6	825,217	66.9
Nine months ended December 31, 2021	4,173,829	9.6	806,850	(4.1)	710,801	(4.7)	473,181	(2.5)	421,679	(2.8)	494,564	(8.9)
Nine months ended December 31, 2021 (before retrospective adjustment)	4,173,829	9.6	821,211	(2.4)	727,321	(2.5)	477,425	(1.7)	420,834	(3.0)	498,808	(8.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	107.76	106.36
Nine months ended December 31, 2021	89.78	87.91
Nine months ended December 31, 2021 (before retrospective adjustment)	89.60	87.73

Note:

The Group has changed the accounting policy to apply the acquisition method from book-value transferred method on transactions under common control involving non-controlling interests from the three months ended December 31, 2022. In accordance with this change, the amounts for the nine months ended December 31, 2022 are retrospectively amended.

(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	%
As of December 31, 2022	14,703,357	3,659,162	2,206,461	15.0
As of March 31, 2022	13,097,464	3,212,731	1,960,621	15.0
As of March 31, 2022 (before retrospective adjustment)	12,707,913	2,888,346	1,675,200	13.2

Note:

The Group has changed the accounting policy to apply the acquisition method from book-value transferred method on transactions under common control involving non-controlling interests from the three months ended December 31, 2022. In accordance with this change, the amounts as of March 31, 2022 are retrospectively amended.

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	43.00	-	43.00	86.00
Fiscal year ending March 31, 2023	-	43.00	-		
Fiscal year ending March 31, 2023 (Forecast)				43.00	86.00

Note: Revision to the forecast on dividends: No

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

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

	Revenue		Operating income		Net income attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2023	5,900,000	3.7	1,050,000	8.7	540,000	4.4	114.92

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): Yes

Newly consolidated: One Company

Company Name: PayPay Corporation

Excluded from consolidation: None

Note: For details, refer to “(1) Significant Changes in Scope of Consolidation for the Nine Months Ended December 31, 2022” under “2. Notes to Summary Information” on page 18 of the appendix to this consolidated financial report.

- (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]: Yes

[3] Changes in accounting estimates: No

Note: For details, refer to “(2) Changes in Accounting Policies and Accounting Estimates” under “2. Notes to Summary Information” on page 18 of the appendix to this consolidated financial report.

- (3) Number of issued shares (common stock)

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

As of December 31, 2022 4,787,145,170 shares

As of March 31, 2022 4,787,145,170 shares

[2] Number of shares of treasury stock

As of December 31, 2022 58,777,943 shares

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

[3] Average number of shares outstanding during the period

Nine months ended December 31, 2022 4,719,613,082 shares

Nine months ended December 31, 2021 4,697,052,324 shares

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

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

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

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

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see “(4) Forecasts” under “1. Results of Operations” on page 18 of the appendix to this consolidated financial report.

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

On Friday, February 3, 2023 (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/>. 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

Reportable Segments

In connection with the consolidation of PayPay Corporation by the Company on October 1, 2022, the Group added the Financial segment as a reportable segment from the three months ended December 31, 2022. Accordingly, the Group has five reportable segments: Consumer segment, Enterprise segment, Distribution segment, Yahoo! JAPAN/LINE segment, and Financial segment.

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

Segments	Main business	Core companies
Reportable segments		
Consumer segment	<ul style="list-style-type: none"> • Provision of mobile services to individual customers • Provision of broadband services • Sale of mobile devices • Trading and supply of electric power and provision of electric power trading agency services 	The Company Wireless City Planning Inc. SB Mobile Service Corp. SB Power Corp.
Enterprise segment	<ul style="list-style-type: none"> • Provision of mobile services to enterprise customers • Provision of fixed-line communications services, such as data communications and fixed-line telephone services • Provision of cloud, global, AI²/IoT³ and other solution services 	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc. eMnet Japan. co. ltd.
Distribution segment	<ul style="list-style-type: none"> • Provision of products and services addressing ICT, cloud services, IoT solutions and other areas for enterprise customers • Provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items for individual customers 	SB C&S Corp.
Yahoo! JAPAN/LINE segment	<ul style="list-style-type: none"> • Provision of media-related services, such as media and advertising, search, marketing solutions, vertical, content, and stamps • Provision of commerce-related services such as shopping services, including <i>Yahoo! JAPAN Shopping</i> and <i>ZOZOTOWN</i>; reuse services including <i>YAHUOKU!</i>; and O2O services. • Provision of AI, healthcare and other services centered on FinTech⁴ 	Z Holdings ⁵ Yahoo Japan Corporation LINE Corporation ASKUL Corporation ZOZO, Inc. Ikyu Corporation ValueCommerce Co., Ltd. PayPay Bank Corporation LINE Pay Corporation LINE Financial Corporation LINE Financial Plus Corporation LINE Plus Corporation LINE SOUTHEAST ASIA CORP.PTE.LTD. LINE Financial Taiwan Limited
Financial segment ⁶	<ul style="list-style-type: none"> • Development and provision of mobile payments and other electronic payment services • Provision of credit card, credit card loan, and credit guarantee businesses • Provision of payment processing services • Provision of online security trading service for smartphones 	PayPay Corporation ⁵ PayPay Card Corporation SB Payment Service Corp. PayPay Securities Corporation
Other ⁷	<ul style="list-style-type: none"> • Provision of cloud services, security operation monitoring services, and IoT solutions • Planning and production of digital media and digital content • R&D, manufacturing, operation, management and business planning in the fields of Solar HAPS⁸ and network equipment • Provision of IoT, Linux/OSS, and authentication and security • Others 	The Company SB Technology Corp. ITmedia Inc. HAPSMobile Inc. Cybertrust Japan Co., Ltd.

Notes:

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

$$\text{Segment income} = (\text{revenue} - \text{operating expenses (cost of sales + selling, general and administrative expenses)} \pm \text{other operating income and loss}) \text{ in each segment}$$

2. AI stands for artificial intelligence.

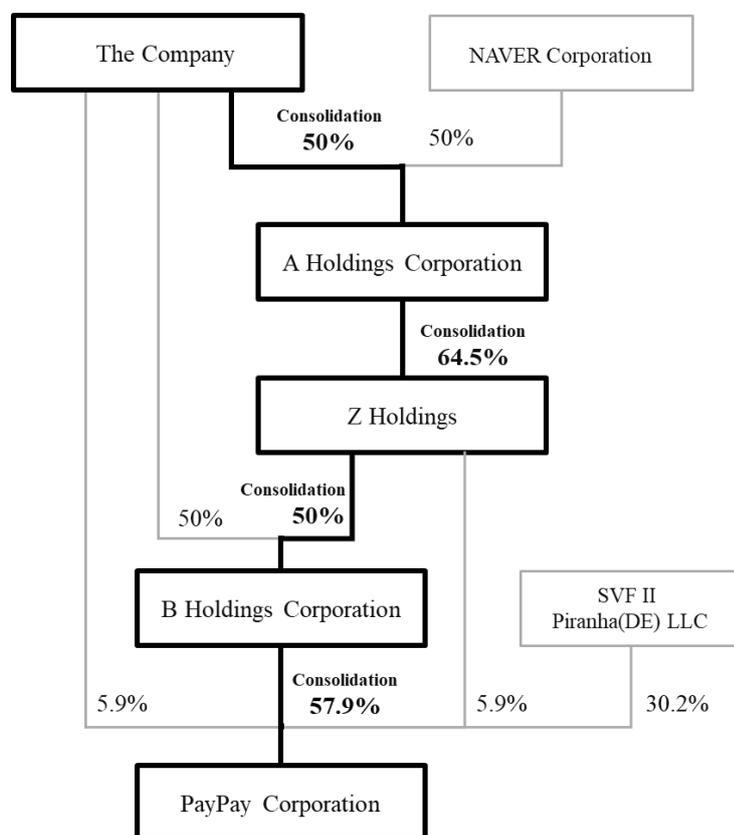
3. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.

4. 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.

5. As of December 31, 2022, the Company, which is the parent company of A Holdings Corporation, and NAVER Corporation (including its wholly owned subsidiary, NAVER J.Hub Corporation), each hold 50% of the voting rights in A Holdings Corporation. A Holdings Corporation holds 64.5% 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.

Pursuant to the transaction agreement between the Company and Z Holdings concluded on July 27, 2022, PayPay Corporation's Class A preferred shares held by the Company and Z Intermediate Holdings Corporation, a wholly-owned subsidiary of Z Holdings, were converted into its common shares. Consequently, the Group's voting rights in PayPay Corporation reached 69.8% (before the exercise of stock acquisition rights by One 97 Communications Limited (Paytm)), and PayPay Corporation became a subsidiary of the Company on October 1, 2022.

The diagram below indicates ratio of voting rights as of December 31, 2022.



6. Until the six months ended September 30, 2022, PayPay Card Corporation had been included in the Yahoo! JAPAN/LINE segment, and SB Payment Service Corp. and PayPay Securities Corporation had been included in Other. From the three months ended December 31, 2022, these companies are included in the Financial segment.

7. On August 18, 2022, the Company sold a portion of its holdings of Vector Inc. common shares. Consequently, Vector Inc. is no longer a subsidiary of the Company.

8. 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.

1. Results of Operations

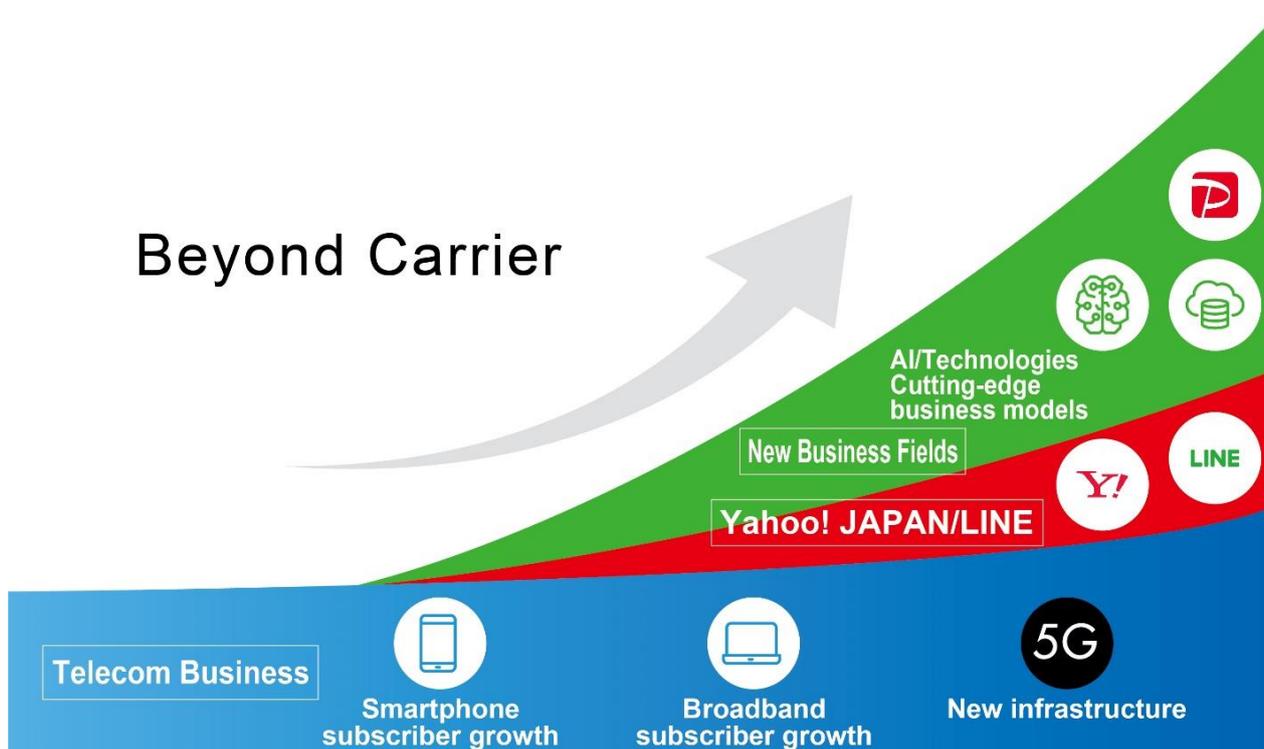
(1) Overview of Consolidated Results of Operations

a. Management Environment and the Group's Initiatives

The business environment surrounding the Group is facing significant changes. Inflation, which had been a concern, has become a reality with soaring prices for various commodities including crude oil prices triggered by international rivalries, and unstable supply chains have been compounded by the yen's depreciation. This inflation is weighing heavily on the economic recovery in Japan, which has contracted due to the COVID-19 outbreak. On the other hand, the trend toward the digitalization of society accelerated by the COVID-19 pandemic has shown no signs of abating. There are growing opportunities to use the data to make daily life more convenient and to mitigate the risks of events such as natural disasters and accidents.

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 addition, to contribute to solving various social issues through its core business offering infrastructure for society, such as 5G (5th generation mobile communication system), the Group has identified six material issues¹ 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."

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*. By combining the telecommunications network built up by the Group over the years and these platforms, which are some of the largest of their kind in Japan, the Group will serve as a major driving force behind the digitalization of society.



Telecommunications

The business environment in the domestic telecommunications industry is undergoing major changes mainly driven by the strengthening of pro-competitive policies and new entrants from different industries, and consumers are also increasingly seeking more inexpensive and varied prices and services. The Group is promoting a multi-brand strategy that responds to customers' diverse needs through multiple brands with different characteristics. Specifically, the Group offers multiple brands, including the *SoftBank* brand, a high-value-added brand for customers who require cutting-edge smartphones and mobile devices as well as high-volume flat-rate data plans; the *Y!mobile* brand, a brand that provides services for smartphones to customers who prefer low monthly communication charges; and the *LINEMO* brand, an online-exclusive brand that responds to the growing need for services that can be completed online due to changes in lifestyles.

In the nine months ended December 31, 2022, amid competition over new price plans, the *Y!mobile* brand performed particularly well, and the number of smartphone subscribers as of December 31, 2022 increased by 1,074 thousand from March 31, 2022. In

broadband services, the Company has seen firm growth in the number of subscribers of *SoftBank Hikari*, a high-speed Internet connection service for households, with an increase of 172 thousand from March 31, 2022. In addition, from November 2022, the Company began providing *Smartphone Debut Plan+* as a new *SoftBank* brand price plan for customers aged 5 to 22 getting their first smartphone, customers switching from a feature phone to a smartphone through a model change or transfer (Mobile Number Portability (MNP) / number transfer) and customers currently enrolled in *Smartphone Debut Plan*. *Smartphone Debut Plan+* gives these customers the option to choose from two different monthly data allowances: 4 GB and 20 GB.

The enterprise business has seen steady growth against the backdrop of the heightened demand for the digitalization of companies and industries. Business solutions and other revenue in the nine months ended December 31, 2022 increased by ¥20.0 billion (12.9%) year on year. The Company will continue to promote the digital transformation (“DX”)² of companies. For example, in October 2022, the Company began a new business called Biz-raku in collaboration with ASKUL Corporation. Biz-raku will provide comprehensive support, beginning with consulting services, to assist with digitalization and related challenges faced by small and medium-sized enterprises.

Expansion of Non-Telecom Businesses

While striving to drive the sustained growth of the telecommunications business, the Company’s core business, the Group aims to continuously expand non-telecom businesses through the launch of businesses that leverage cutting-edge technologies such as AI, IoT and FinTech, notably internet services such as *Yahoo! JAPAN* and *LINE*, along with the cashless payment service *PayPay*.

Moreover, the Group is also 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.

Z Holdings Group

In April 2022, Z Holdings Corporation introduced and appointed new Chief Product Officers (CPOs) supervising specific business domains and responsible for promoting products in each domain, with the aim of strengthening the management structure for product growth. The CPOs will accelerate decision-making and business promotion with a focus on generating cross-sectional synergies.

In October 2022, *Yahoo! JAPAN Shopping* and *PayPay Mall* were integrated and renewed to form the new-born *Yahoo! JAPAN Shopping*, combining the individual strengths of both services. As part of the renewal, the design of *Yahoo! JAPAN Shopping* was dramatically changed to make it easier for users to find products, and new benefits and campaigns will be launched for *SoftBank* and *Y!mobile* users as well as *Yahoo! JAPAN Premium* members. Through these initiatives, Z Holdings aims to enhance the shopping experience of its users and to promote growth in the Commerce business.

Furthermore, *PayPay Insurance (1-day insurance)*, which is offered by the Z Holdings Group, saw the total number of insurance contracts sold surpass 1.20 million in roughly 1 year since its launch in December 2021. *PayPay Insurance (1-day insurance)* is a mini app that enables users to easily purchase insurance products from within the *PayPay* app. It provides insurance for a variety of everyday situations, such as 1-day insurance for driving automobiles and playing golf, as well as offering an *Influenza Insurance* product.

PayPay Corporation

As of the end of December 31, 2022, the number of registered users³ of PayPay Corporation, which became a subsidiary of the Company and Z Holdings on October 1, 2022, reached 54.00 million, surpassing 50 million users in the short span of 3 years and 10 months since the service began in October 2018. *PayPay* performed steadily, and in the nine months ended December 31, 2022, the number of payments⁴ made exceeded 3.75 billion, approximately 1.4 times that in the same period of the previous fiscal year. The gross merchandise value of payments⁴ reached ¥5.7 trillion, approximately 1.5 times year on year. In addition, revenue of PayPay Corporation for the nine months ended December 31, 2022 increased substantially to ¥89.8 billion⁵, approximately 2.3 times year on year, in connection with steady growth in the gross merchandise value of payments and the charging of a payment system fee for merchants (with annual sales of ¥1 billion or less), etc.

From November 2022, PayPay Card Corporation, a subsidiary of PayPay Corporation, has started accepting new applications for *PayPay Card Gold*. Users of *PayPay Card Gold* receive more *PayPay Points* than what they would receive with the regular *PayPay Card* when they use their *PayPay Card Gold* to pay for the Group’s services such as *SoftBank* and *Y!mobile* smartphone and *Yahoo! JAPAN Shopping*. Moreover, *PayPay Card Gold* users can receive a variety of benefits, such as earning *PayPay Points* worth an additional 0.5% of the payment amount when using *PayPay Atobarai* (deferred payment) and being granted unlimited use of all *Yahoo! JAPAN Premium* benefits. These initiatives can be expected to generate additional Group synergies.

Awareness of Business Environment

The main external environmental factors identified by the Group and its measures to address those factors are as follows:

Rising interest rates	The Company borrows approximately 80% of its long-term borrowings at fixed interest rates ⁶ , so rising interest rates will have no immediate material effect.
Currency movements	Although its currency risk exposure is limited, the Company utilizes forward foreign exchange contracts to reduce its exposure to currency risk as necessary.
Surging fuel prices	<p>The Company uses a large amount of electricity at its base stations and network centers. To reduce the impact of surging fuel prices, it is replacing these facilities with energy-efficient equipment. In addition, it plans to reduce power consumption by controlling base station radios during periods of low traffic.</p> <p>The annual impact of an increase of ¥1 in the price of electricity per kWh would be approximately ¥2.1 billion⁷.</p> <p>The Company had previously set a maximum price for the fuel cost adjustment amount billed to customers for electricity services, including the <i>Ouchi Denki (Home Electricity)</i> service. However, against the backdrop of surging fuel prices, the Company abolished the maximum price on November 1, 2022 to ensure a stable supply of electricity.</p>
Semiconductor shortage	The semiconductor shortage has continuously caused longer lead times in deliveries of certain telecommunications equipment and related facilities. In response, the Company has taken measures such as placing orders for such equipment ahead of schedule based on the longer lead times, so there is no material effect on the build out of 5G networks.

Notes:

1. For details on SDGs and the material issues, please see the Company's website:
<https://www.softbank.jp/en/corp/sustainability/materiality/>
2. Digital transformation (DX) refers to the use of data and digital technologies by companies to reshape organizations, processes, business operations and other elements.
3. The number of users who have registered for a PayPay account.
4. The use of the *Send/Receive* function of *PayPay Balance* between users is not included. From the three months ended March 31, 2022 onward, payments via *Alipay* and *LINE Pay*, etc. are included. Payments through the deferred payment *PayPay Atobarai* launched in February 2022 are included.
5. This revenue is an unaudited figure. Furthermore, in the three months ended March 31, 2022, PayPay Corporation changed its accounting treatment of the portion of rebates, etc. that exceed revenue from recording it as an expense to deducting it from revenue. When calculating year-on-year changes, revenue in the previous fiscal year was calculated by assuming that this change in accounting treatment was applied beginning with the three months ended June 30, 2021, and this revenue was then used to calculate the year-on-year changes.
6. This includes certain borrowings with floating interest rates for which a fixed interest expense is obtained through interest rate swap transactions.
7. This figure is an estimate based on the electricity consumption of 2,117,259MWh in the Company and its main subsidiaries for the fiscal year ended March 31, 2022.

b. Consolidated Results of Operations

(Billions of yen)

	Nine Months Ended December 31		Change	Change %
	2021	2022		
Revenue	4,173.8	4,345.5	171.6	4.1%
Operating income	806.9	982.0	175.2	21.7%
Profit before income taxes	710.8	824.3	113.5	16.0%
Income taxes	(237.6)	(192.6)	45.1	(19.0)%
Net income	473.2	631.8	158.6	33.5%
Net income attributable to:				
Owners of the Company	421.7	508.6	86.9	20.6%
Non-controlling interests	51.5	123.2	71.7	139.2%
Adjusted EBITDA ¹	1,386.2	1,263.1	(123.2)	(8.9)%

Notes:

The Group has changed the accounting policy for transactions under common control from the book-value method to the acquisition method from the three months ended December 31, 2022. Accordingly, figures for the nine months ended December 31, 2021 have been retrospectively amended.

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

An overview of the consolidated results of operations for the nine months ended December 31, 2022 is as follows:

(a) Revenue

For the nine months ended December 31, 2022, revenue increased by ¥171.6 billion (4.1%) year on year to ¥4,345.5 billion, increasing in all segments. Revenue increased by ¥57.8 billion in the Distribution segment, mainly due to a solid increase in revenue from ICT (Information and Communication Technology) related products and subscription services, by ¥43.3 billion in the Yahoo! JAPAN/LINE segment, mainly due to increased revenue from account advertising at LINE Corporation and search advertising at Yahoo Japan Corporation, in addition to increased commerce revenue, by ¥38.2 billion in the Financial segment, mainly due to the consolidation of PayPay Corporation, by ¥22.0 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization, and by ¥19.3 billion in the Consumer segment. The increase in revenue in the Consumer segment was mainly due to an increase in electricity revenue reflecting increases in subscribers of the Ouchi Denki (Home Electricity) service, transaction volume in the electricity market, and price, while there was a decrease in revenues from sales of goods and others, and mobile revenue decreased due to factors such as the impact of the introduction of new price plans.

(b) Operating income

For the nine months ended December 31, 2022, operating income increased by ¥175.2 billion (21.7%) year on year to ¥982.0 billion. This mainly reflected the recording of ¥294.8 billion associated with a gain on step acquisition in connection with the conversion of PayPay Corporation into a subsidiary. On the other hand, operating income decreased by ¥87.5 billion in the Consumer segment mainly due to the impact of the introduction of new price plans, by ¥25.2 billion in the Yahoo! JAPAN/LINE segment mainly due to an increase in expenses to bolster human resources recruitment to achieve growth, and by ¥11.5 billion in the Financial segment mainly due to the conversion of PayPay Corporation into a subsidiary.

(c) Net income

For the nine months ended December 31, 2022, net income increased by ¥158.6 billion (33.5%) year on year to ¥631.8 billion. This mainly reflected an increase in profit before income taxes, primarily due to an increase in operating income, while there was an increase in financing costs, which reflected the recording of losses on valuation of investment securities held and delay damages associated with litigation, and the recording of an impairment loss on equity method investments.

(d) Net income attributable to owners of the Company

For the nine months ended December 31, 2022, net income attributable to owners of the Company increased by ¥86.9 billion (20.6%) year on year to ¥508.6 billion. Net income attributable to non-controlling interests increased by ¥71.7 billion (139.2%) year on year to ¥123.2 billion. This mainly reflected the recording of a gain on step acquisition associated with the conversion of PayPay Corporation into a subsidiary at the Z Holdings Group.

(e) Adjusted EBITDA

For the nine months ended December 31, 2022, adjusted EBITDA decreased by ¥123.2 billion (8.9%) year on year to ¥1,263.1 billion. The main component of this change was decreased operating income, excluding a gain on step acquisition associated with the conversion of PayPay Corporation into a subsidiary. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for evaluating its business performance.

c. Principal Operational Data

Mobile Services

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

Cumulative Subscribers	(Thousands)		
	March 31, 2022	December 31, 2022	Change
Total	49,509	51,247	1,738
Main subscribers*	38,569	39,167	598
Of which, smartphones	27,580	28,654	1,074
Communication modules and others	10,603	11,960	1,357
PHS	337	120	(218)

Net Additions	(Thousands)		
	Nine Months Ended December 31		Change
	2021	2022	
Main subscribers*	261	598	337
Of which, smartphones	966	1,074	108

Churn Rate and Total ARPU		Three Months Ended December 31		
		2021	2022	Change
Main subscribers*	Churn rate	0.96%	1.01%	+0.05pp
	Total ARPU (yen)	4,050	3,840	(210)
	ARPU before discount (yen)	4,360	4,090	(260)
	Discount on ARPU (yen)	(310)	(250)	60
Smartphones	Churn rate	0.88%	0.99%	+0.10pp

Notes:

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

Broadband Services

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

Cumulative Subscribers	(Thousands)		
	March 31, 2022	December 31, 2022	Change
Total	8,313	8,354	40
<i>SoftBank Hikari</i>	7,306	7,478	172
<i>Yahoo! BB Hikari with FLET'S</i>	625	585	(40)
<i>Yahoo! BB ADSL</i>	383	291	(92)

<Definitions and Calculation Methods of Principal Operational Data>

Mobile Services

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

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

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

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

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

(Calculation method)

Churn rate = number of churn/number of active subscribers

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

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

* 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)

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.

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

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 Group provides services, such as mobile services, broadband services and electricity services, including the *Ouchi Denki (Home Electricity)* service, to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

FINANCIAL RESULTS

(Billions of yen)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Revenue	2,108.4	2,127.7	19.3	0.9%
Operating expenses ¹	1,589.7	1,696.5	106.8	6.7%
Of which, depreciation and amortization	315.3	319.4	4.1	1.3%
Segment income	518.7	431.2	(87.5)	(16.9)%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Service revenues	1,639.7	1,698.9	59.2	3.6%
Mobile	1,211.8	1,155.2	(56.6)	(4.7)%
Broadband	304.3	297.9	(6.3)	(2.1)%
Electricity	123.6	245.7	122.1	98.7%
Revenues from sales of goods and others	468.7	428.8	(39.9)	(8.5)%
Total revenue	2,108.4	2,127.7	19.3	0.9%

Consumer segment revenue increased by ¥19.3 billion (0.9%) year on year to ¥2,127.7 billion. Within Consumer segment revenue, service revenues increased by ¥59.2 billion (3.6%) year on year to ¥1,698.9 billion, and revenues from sales of goods and others decreased by ¥39.9 billion (8.5%) year on year to ¥428.8 billion.

Within service revenues, mobile revenue decreased by ¥56.6 billion (4.7%) year on year. The decrease mainly reflected a decline in ARPU due to mobile service price reduction and effect of customer rewards programs that are deducted from revenue, while there was an increase in smartphone subscribers led by the *Y!mobile* brand. The decline in ARPU due to mobile service price reduction was mainly due to the effects of the introduction of new price plans under the *SoftBank* and *Y!mobile* brands and further switching of subscribers from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands.

Broadband revenue decreased by ¥6.3 billion (2.1%) year on year. This decrease was mainly due to a decline in ARPU because of campaign initiatives, while there was an increase in subscribers of the *SoftBank Hikari* fiber-optic service.

Electricity revenue increased by ¥122.1 billion (98.7%) year on year. This increase was mainly due to increases in subscribers of the *Ouchi Denki (Home Electricity)* service, transaction volume in the electricity market, and price.

The decrease in revenues from sales of goods and others was mainly due to a decrease in sales volume of mobile devices associated with a decrease in the number of mobile device upgrades.

Operating expenses were ¥1,696.5 billion, an increase of ¥106.8 billion (6.7%) year on year. This increase was mainly due to an increase in the cost of goods related to electricity, while there was a decline in the cost of products associated with the abovementioned decrease in sales volume of mobile devices.

As a result, segment income decreased by ¥87.5 billion (16.9%) year on year to ¥431.2 billion.

(b) Enterprise Segment

OVERVIEW

In the Enterprise segment, the Group provides a wide range of services 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)

	Nine Months Ended December 31		Change	Change %
	2021	2022		
Revenue	528.9	550.9	22.0	4.2%
Operating expenses ¹	423.7	442.5	18.8	4.4%
Of which, depreciation and amortization	119.1	115.1	(4.0)	(3.4)%
Segment income	105.2	108.5	3.2	3.1%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Nine Months Ended December 31		Change	Change %
	2021	2022		
Mobile	233.1	237.5	4.4	1.9%
Fixed-line	140.4	138.0	(2.4)	(1.7)%
Business solution and others	155.5	175.5	20.0	12.9%
Total revenue	528.9	550.9	22.0	4.2%

Enterprise segment revenue increased by ¥22.0 billion (4.2%) year on year to ¥550.9 billion. Within Enterprise segment revenue, mobile revenue increased by ¥4.4 billion (1.9%) to ¥237.5 billion, fixed-line revenue decreased by ¥2.4 billion (1.7%) to ¥138.0 billion, and business solution and others revenue increased by ¥20.0 billion (12.9%) to ¥175.5 billion.

The increase in mobile revenue was mainly due to an increase in telecommunications revenue.

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.

Operating expenses were ¥442.5 billion, an increase of ¥18.8 billion (4.4%) year on year. This increase mainly reflected an increase in costs following the abovementioned increase in business solution and others revenue, the recording of a provision for litigation, and a reversal of a one-time expense in the same period of the previous fiscal year, while there was a decrease in operating expenses due to the recording of a gain on step acquisition in connection with the conversion of HEALTHCARE TECHNOLOGIES Corp. into a subsidiary.

As a result, segment income increased by ¥3.2 billion (3.1%) year on year to ¥108.5 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)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Revenue	361.7	419.5	57.8	16.0%
Operating expenses ¹	343.4	400.7	57.3	16.7%
Of which, depreciation and amortization	2.8	3.0	0.3	10.5%
Segment income	18.3	18.7	0.4	2.4%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.

Distribution segment revenue increased by ¥57.8 billion (16.0%) year on year to ¥419.5 billion. This increase was mainly due to solid growth in ICT (Information and Communication Technology) related products and subscription services such as cloud and SaaS, which have been strategic areas of focus.

Operating expenses were ¥400.7 billion, an increase of ¥57.3 billion (16.7%) year on year. This increase was mainly due to an increase in cost of sales associated with the increase in revenue.

As a result, segment income increased by ¥0.4 billion (2.4%) year on year to ¥18.7 billion.

(d) Yahoo! JAPAN/LINE Segment

OVERVIEW

In the Yahoo! JAPAN/LINE segment, the Group offers services that center on media and commerce, 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* and *ZOZOTOWN*, and reuse services such as *YAHUOKU!*. In the strategy field, the Group provides services centered on FinTech, which the Group is working to develop into new drivers of earnings alongside media and commerce.

FINANCIAL RESULTS

(Billions of yen)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Revenue	1,126.3	1,169.6	43.3	3.8%
Operating expenses ¹	974.2	1,042.7	68.5	7.0%
Of which, depreciation and amortization	111.8	117.7	5.8	5.2%
Segment income	152.1	126.9	(25.2)	(16.6)%

Notes:

The Group has changed the accounting policy for transactions under common control from the book-value method to the acquisition method from the three months ended December 31, 2022. The Group added the Financial segment as a reportable segment from the three months ended December 31, 2022 and revised operating companies that comprise each reportable segment. Accordingly, figures for the nine months ended December 31, 2021 have been retrospectively amended.

1. Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Media ¹	466.9	467.7	0.8	0.2%
Commerce ¹	601.0	633.9	32.9	5.5%
Strategy ^{1,2}	48.0	56.8	8.8	18.3%
Other ¹	10.4	11.3	0.8	8.0%
Total revenue ²	1,126.3	1,169.6	43.3	3.8%

Notes:

- In the nine months ended December 31, 2022, the Z Holdings Group revised its management categories and reclassified the categories of certain services. Accordingly, the breakdown of the Yahoo! JAPAN/LINE segment revenue for the nine months ended December 31, 2021 has been restated to reflect these changes.
- The Group added the Financial segment as a reportable segment from the three months ended December 31, 2022 and revised operating companies that comprise each reportable segment. Accordingly, figures for the nine months ended December 31, 2021 have been retrospectively amended.

Yahoo! JAPAN/LINE segment revenue increased by ¥43.3 billion (3.8%) year on year to ¥1,169.6 billion. Within Yahoo! JAPAN/LINE segment revenue, media revenue increased by ¥0.8 billion (0.2%) to ¥467.7 billion, commerce revenue increased by ¥32.9 billion (5.5%) to ¥633.9 billion, strategy revenue increased by ¥8.8 billion (18.3%) to ¥56.8 billion, and other revenue increased by ¥0.8 billion (8.0%) to ¥11.3 billion.

The slight increase in media revenue mainly reflected an increase in account advertising revenue associated with an increase in the number of paid accounts due to the growing importance of *LINE* account as a CRM (Customer Relationship Management) tool at *LINE* Corporation, along with an increase in search advertising revenue at Yahoo Japan Corporation, while there was a decrease in display advertising revenue, which was adversely affected mainly by business sentiment.

The increase in commerce revenue is mainly due to an increase in transaction value of the ASKUL Group (ASKUL Corporation and its subsidiaries) and the ZOZO Group (ZOZO, Inc. and its subsidiaries) and an increase in travel-related revenue due to the restarting of economic activity and national travel support measures.

The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field.

Operating expenses were ¥1,042.7 billion, an increase of ¥68.5 billion (7.0%) year on year. This increase mainly reflected increases in cost of sales at the ASKUL Group and the *LINE* Group (*LINE* Corporation and its subsidiaries) and personnel expenses in step with growth in the workforce at the *LINE* Group.

As a result, segment income decreased by ¥25.2 billion (16.6%) year on year to ¥126.9 billion.

(e) Financial Segment

OVERVIEW

In the Financial segment, the Group provides cashless payment services such as QR code payments and credit card services, development and provision of marketing solutions for merchants, financial services such as deferred payments and asset management, and provision of payment processing services offering one-stop payment solutions for diversified payment methods including credit cards, electronic money, and QR codes.

In connection with the consolidation of PayPay Corporation by the Company on October 1, 2022, the Group added the Financial segment as a reportable segment from the three months ended December 31, 2022. The main operating companies that comprise the Financial segment are PayPay Corporation, PayPay Card Corporation, SB Payment Service Corp., and PayPay Securities Corporation.

FINANCIAL RESULTS

(Billions of yen)

	Nine Months Ended December 31			
	2021	2022	Change	Change %
Revenue	49.4	87.6	38.2	77.2%
Operating expenses ¹	35.5	85.2	49.7	140.1%
Of which, depreciation and amortization	5.1	8.5	3.4	66.6%
Segment income	13.9	2.4	(11.5)	(82.8)%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.

Financial segment revenue increased by ¥38.2 billion (77.2%) year on year to ¥87.6 billion. This increase was mainly due to the consolidation of PayPay Corporation in the three months ended December 31, 2022.

Operating expenses were ¥85.2 billion, an increase of ¥49.7 billion (140.1%) year on year. This increase was mainly due to the effects of abovementioned consolidation of PayPay Corporation and strategic investments in PayPay Card Corporation.

As a result, segment income decreased by ¥11.5 billion (82.8%) year on year to ¥2.4 billion.

(2) Overview of Consolidated Financial Position

(Billions of yen)

	March 31, 2022	December 31, 2022	Change	Change %
Current assets	4,131.1	5,213.9	1,082.8	26.2%
Non-current assets	8,966.4	9,489.4	523.1	5.8%
Total assets	13,097.5	14,703.4	1,605.9	12.3%
Current liabilities	5,342.8	6,355.8	1,013.1	19.0%
Non-current liabilities	4,542.0	4,688.4	146.4	3.2%
Total liabilities	9,884.7	11,044.2	1,159.5	11.7%
Total equity	3,212.7	3,659.2	446.4	13.9%

Note:

The Group has changed the accounting policy for transactions under common control from the book-value method to the acquisition method from the three months ended December 31, 2022. Accordingly, figures as of March 31, 2022 have been retrospectively amended.

(Billions of yen)

	Nine Months Ended December 31		
	2021	2022	Change
Capital expenditures ¹	448.4	540.6	92.2
Of which, capital expenditures in the Consumer and Enterprise segments ²	266.8	277.3	10.5

Notes:

1. Acceptance basis.
2. Capital expenditures in the Consumer and Enterprise segments exclude investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16 "Leases."

ASSETS

Total assets amounted to ¥14,703.4 billion as of December 31, 2022, an increase of ¥1,605.9 billion (12.3%) from the previous fiscal year-end. This mainly reflected an increase of ¥711.3 billion in cash and cash equivalents, an increase of ¥560.2 billion in goodwill associated with the consolidation of PayPay Corporation, etc., and an increase of ¥348.6 billion in trade and other receivables. The increase in cash and cash equivalents mainly reflected the consolidation of PayPay Corporation and fund procurement implemented in the Z Holdings Group.

LIABILITIES

Total liabilities amounted to ¥11,044.2 billion as of December 31, 2022, an increase of ¥1,159.5 billion (11.7%) from the previous fiscal year-end. This increase was mainly due to an increase of ¥782.9 billion in trade and other payables associated with the consolidation of PayPay Corporation and an increase of ¥209.8 billion in interest-bearing debt. The increase in interest-bearing debt was mainly due to various types of fund procurement implemented in the Z Holdings Group.

EQUITY

Total equity amounted to ¥3,659.2 billion as of December 31, 2022, an increase of ¥446.4 billion (13.9%) from the previous fiscal year-end. Equity attributable to owners of the Company increased by ¥245.8 billion. This mainly reflected an increase of ¥508.6 billion due to the recording of net income for the nine months ended December 31, 2022 and an increase of ¥128.7 billion due to the recording of accumulated other comprehensive income mainly associated with the measurement at fair value of PayPay Corporation preferred shares, while there was a decrease of ¥405.7 billion due to cash dividends. Non-controlling interests increased by ¥200.6 billion. This increase was mainly due to an increase of ¥123.2 billion in net income, mainly reflecting the recording of a gain on step acquisition associated with the consolidation of PayPay Corporation at the Z Holdings Group, and an increase of ¥64.8 billion in accumulated other comprehensive income due to the same reasons as those described for equity attributable to owners of the Company.

CAPITAL EXPENDITURES

In the nine months ended December 31, 2022, capital expenditures were ¥540.6 billion, an increase of ¥92.2 billion year on year. This increase was mainly due to an increase in the capital expenditures for 5G and an increase in the right-of-use assets associated with the renewal of lease contracts for colocation services.

(3) Overview of Consolidated Cash Flows

(Billions of yen)

	Nine Months Ended December 31		Change
	2021	2022	
Net cash inflow from operating activities	1,029.4	1,048.4	19.0
Net cash inflow (outflow) from investing activities	(867.6)	38.2	905.8
Net cash inflow (outflow) from financing activities	(87.6)	(380.8)	(293.2)
Cash and cash equivalents at the end of the period	1,663.2	2,258.1	594.9
Free cash flow ¹	161.8	1,086.7	924.9
Effect of securitization of installment sales receivables	74.3	20.5	(53.8)
Adjusted free cash flow ²	236.1	1,107.2	871.1
Adjusted free cash flow (excluding Z Holdings Group and PayPay, etc.) ³	397.9	451.6	53.6

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 the Z Holdings Group and PayPay, etc., and loans to board directors, etc., and including dividend payments received from A Holdings Corporation. PayPay, etc. includes A Holdings Corporation, B Holdings Corporation, PayPay Corporation, and PayPay Card Corporation.

a. Cash flows from operating activities

In the nine months ended December 31, 2022, net cash inflow from operating activities was ¥1,048.4 billion, an increase of ¥19.0 billion year on year. This increase mainly reflected decreases in working capital requirements such as trade receivables and payables and income taxes paid, while there were decreases in adjusted EBITDA and inflows related to deposits in the banking business.

b. Cash flows from investing activities

In the nine months ended December 31, 2022, net cash inflow from investing activities was ¥38.2 billion, a decrease of ¥905.8 billion in cash outflow year on year. This decrease in cash outflow mainly reflected a cash inflow of ¥397.3 billion from the acceptance of the balance of cash and cash equivalents resulting from the consolidation of PayPay Corporation in the three months ended December 31, 2022 and the following outflows recorded in the previous fiscal year: payments for the acquisition of trademarks and other assets for ¥178.5 billion in connection with the license agreement entered into by Yahoo Japan Corporation and payments for the purchase of shares of LINE Corporation (currently A Holdings Corporation¹) that were less than one unit for ¥115.2 billion as a result of the reverse share split.

c. Cash flows from financing activities

In the nine months ended December 31, 2022, net cash outflow from financing activities was ¥380.8 billion. While there were cash inflows of ¥1,672.9 billion from fund procurement, including bank loans, leases, corporate bonds, and the securitization of receivables, there were cash outflows of ¥2,053.7 billion for factors including the scheduled payment of loans and payment of cash dividends.

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

As a result of (a) through (c) above, cash and cash equivalents as of December 31, 2022 were ¥2,258.1 billion, an increase of ¥594.9 billion year on year.

e. Adjusted free cash flow

In the nine months ended December 31, 2022, adjusted free cash flow was positive ¥1,107.2 billion, an increase of ¥871.1 billion year on year. This increase reflected, as described above, the increase in net cash inflow from operating activities and the decrease in net cash outflow from investing activities, while there was a decrease in effect of securitization of installment sales receivables.

Note:

1. Refers to LINE Corporation, the surviving company in the absorption-type merger conducted by Shiodome Z Holdings GK.

(4) Forecasts

For the fiscal year ending March 31, 2023, the Company is forecasting revenue of ¥5,900.0 billion, operating income of ¥1,050.0 billion, and net income attributable to owners of the Company of ¥540.0 billion. There have been no changes to the consolidated financial result forecasts announced on November 4, 2022 in the Consolidated Financial Report for the Six Months Ended September 30, 2022.

2. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Nine Months Ended December 31, 2022

(Specified subsidiary (one company) newly consolidated)

PayPay Class A preferred shares held by the Company and Z Intermediate Holdings Corporation, a subsidiary of the Company, were converted into PayPay common shares. Consequently, the Group acquired a majority of the voting rights in PayPay, and PayPay became a subsidiary of the Company on October 1, 2022. As a result of the series of transactions, the Group's voting rights in PayPay reached 69.8%.

(2) Changes in Accounting Policies and Accounting Estimates

(Changes in accounting policies)

The Group has changed the accounting policy to apply the acquisition method to transactions under common control involving non-controlling interests from the three months ended December 31, 2022. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

For details, refer to "Note 2. Significant accounting policies" under "(6) Notes to Condensed Interim Consolidated Financial Statements" in "3. Condensed Interim Consolidated Financial Statements and Primary Notes."

3. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

	As of March 31, 2022 ¹	(Millions of yen) As of December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	1,546,792	2,258,117
Trade and other receivables	2,128,934	2,477,562
Other financial assets	194,031	172,123
Inventories	136,247	167,384
Other current assets	125,072	138,730
Total current assets	<u>4,131,076</u>	<u>5,213,916</u>
Non-current assets		
Property, plant and equipment	1,491,842	1,611,043
Right-of-use assets	824,090	776,219
Goodwill	1,424,574	1,984,810
Intangible assets	2,476,580	2,534,602
Contract costs	332,197	347,090
Investments accounted for using the equity method	251,924	233,443
Investment securities	469,109	252,308
Investment securities in banking business	309,225	246,239
Other financial assets	1,236,240	1,335,734
Deferred tax assets	49,230	65,726
Other non-current assets	101,377	102,227
Total non-current assets	<u>8,966,388</u>	<u>9,489,441</u>
Total assets	<u><u>13,097,464</u></u>	<u><u>14,703,357</u></u>

	As of March 31, 2022 ¹	(Millions of yen) As of December 31, 2022
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	2,036,579	2,123,697
Trade and other payables	1,462,619	2,245,479
Contract liabilities	104,293	117,907
Deposits for banking business	1,406,205	1,450,442
Other financial liabilities	3,440	91,087
Income taxes payable	125,050	74,380
Provisions	26,304	63,122
Other current liabilities	178,263	189,714
Total current liabilities	<u>5,342,753</u>	<u>6,355,828</u>
Non-current liabilities		
Interest-bearing debt	3,962,946	4,085,642
Other financial liabilities	29,790	34,600
Provisions	99,541	86,836
Deferred tax liabilities	384,479	396,833
Other non-current liabilities	65,224	84,456
Total non-current liabilities	<u>4,541,980</u>	<u>4,688,367</u>
Total liabilities	<u>9,884,733</u>	<u>11,044,195</u>
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	688,030	685,981
Retained earnings	1,131,391	1,367,736
Treasury stock	(106,462)	(78,374)
Accumulated other comprehensive income	43,353	26,809
Total equity attributable to owners of the Company	<u>1,960,621</u>	<u>2,206,461</u>
Non-controlling interests	<u>1,252,110</u>	<u>1,452,701</u>
Total equity	<u>3,212,731</u>	<u>3,659,162</u>
Total liabilities and equity	<u><u>13,097,464</u></u>	<u><u>14,703,357</u></u>

Note:

- As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

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

For the nine months ended December 31, 2021 and 2022

Condensed Interim Consolidated Statement of Income

	(Millions of yen)	
	Nine months ended December 31, 2021 ²	Nine months ended December 31, 2022
Revenue	4,173,829	4,345,459
Cost of sales	(2,066,256)	(2,262,005)
Gross profit	2,107,573	2,083,454
Selling, general and administrative expenses	(1,319,788)	(1,411,439)
Other operating income	19,065	321,422
Other operating expenses	-	(11,434)
Operating income	806,850	982,003
Share of losses of associates accounted for using the equity method	(43,168)	(33,674)
Financing income	22,589	6,057
Financing costs	(50,073)	(89,515)
Gain on sales of equity method investments	3,505	1,109
Impairment loss on equity method investments	(28,902)	(41,631)
Profit before income taxes	710,801	824,349
Income taxes	(237,620)	(192,564)
Net income ¹	473,181	631,785
Net income attributable to		
Owners of the Company	421,679	508,606
Non-controlling interests	51,502	123,179
	473,181	631,785
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	89.78	107.76
Diluted earnings per share (Yen)	87.91	106.36

Note:

1. All net income of SoftBank Corp. and its subsidiaries for the nine months ended December 31, 2021 and 2022 were generated from continuing operations.
2. As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2021 ¹	Nine months ended December 31, 2022
Net income	473,181	631,785
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(834)	836
Changes in the fair value of equity instruments at FVTOCI	10,848	172,345
Share of other comprehensive income (loss) of associates accounted for using the equity method	134	(276)
Total items that will not be reclassified to profit or loss	10,148	172,905
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	80	(2,012)
Cash flow hedges	1,573	4,903
Exchange differences on translation of foreign operations	6,895	16,619
Share of other comprehensive income of associates accounted for using the equity method	2,687	1,017
Total items that may be reclassified subsequently to profit or loss	11,235	20,527
Total other comprehensive income (loss), net of tax	21,383	193,432
Total comprehensive income	494,564	825,217
Total comprehensive income attributable to		
Owners of the Company	428,080	637,280
Non-controlling interests	66,484	187,937
	494,564	825,217

Note:

- As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

For the three months ended December 31, 2021 and 2022
Condensed Interim Consolidated Statement of Income

	Three months ended December 31, 2021 ²	Three months ended December 31, 2022
	(Millions of yen)	
Revenue	1,449,595	1,536,904
Cost of sales	(743,396)	(830,497)
Gross profit	706,199	706,407
Selling, general and administrative expenses	(461,735)	(509,109)
Other operating income	-	300,306
Other operating expenses	-	(2,450)
Operating income	244,464	495,154
Share of losses of associates accounted for using the equity method	(18,645)	(10,478)
Financing income	5,317	670
Financing costs	(16,488)	(40,548)
Gain on sales of equity method investments	-	518
Impairment loss on equity method investments	(28,902)	(31,304)
Profit before income taxes	185,746	414,012
Income taxes	(60,629)	(45,714)
Net income ¹	125,117	368,298
Net income attributable to		
Owners of the Company	114,034	274,373
Non-controlling interests	11,083	93,925
	125,117	368,298
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	24.25	58.04
Diluted earnings per share (Yen)	23.75	57.45

Note:

- All net income of SoftBank Corp. and its subsidiaries for the three months ended December 31, 2021 and 2022 were generated from continuing operations.
- As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

Condensed Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended December 31, 2021 ¹	Three months ended December 31, 2022
Net income	125,117	368,298
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(834)	836
Changes in the fair value of equity instruments at FVTOCI	7,761	62,487
Share of other comprehensive income of associates accounted for using the equity method	(22)	140
Total items that will not be reclassified to profit or loss	6,905	63,463
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(224)	(1,076)
Cash flow hedges	375	5,157
Exchange differences on translation of foreign operations	5,245	(6,875)
Share of other comprehensive income (loss) of associates accounted for using the equity method	2,273	(5,367)
Total items that may be reclassified subsequently to profit or loss	7,669	(8,161)
Total other comprehensive income (loss), net of tax	14,574	55,302
Total comprehensive income	139,691	423,600
Total comprehensive income attributable to		
Owners of the Company	117,655	316,938
Non-controlling interests	22,036	106,662
	139,691	423,600

Note:

- As described in "Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application" under "Note 2. Significant accounting policies," accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the nine months ended December 31, 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	363,773	1,066,228	(134,218)	35,631	1,535,723	1,201,389	2,737,112
Cumulative effect of change in accounting policy ¹	-	322,346	(35,808)	-	0	286,538	46,829	333,367
As of April 1, 2021, restated	204,309	686,119	1,030,420	(134,218)	35,631	1,822,261	1,248,218	3,070,479
Comprehensive income								
Net income	-	-	421,679	-	-	421,679	51,502	473,181
Other comprehensive income (loss)	-	-	-	-	6,401	6,401	14,982	21,383
Total comprehensive income	-	-	421,679	-	6,401	428,080	66,484	494,564
Transactions with owners and other transactions								
Cash dividends	-	-	(403,708)	-	-	(403,708)	(34,173)	(437,881)
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	(10,861)	-	24,174	-	13,313	-	13,313
Changes from business combinations	-	-	-	-	-	-	1,572	1,572
Changes from loss of control	-	-	-	-	-	-	(591)	(591)
Changes in interests in existing subsidiaries	-	(10,551)	-	-	-	(10,551)	(2,474)	(13,025)
Share-based payment transactions	-	1,822	-	-	-	1,822	-	1,822
Transfer from retained earnings to capital surplus	-	10,908	(10,908)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	124	-	(124)	-	-	-
Other	-	(15)	34	-	(0)	19	896	915
Total transactions with owners and other transactions	-	(8,697)	(414,458)	24,174	(124)	(399,105)	(34,770)	(433,875)
As of December 31, 2021	204,309	677,422	1,037,641	(110,044)	41,908	1,851,236	1,279,932	3,131,168

For the nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of the Company							Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	
As of April 1, 2022	204,309	688,030	1,131,391	(106,462)	43,353	1,960,621	1,252,110	3,212,731
Comprehensive income								
Net income	-	-	508,606	-	-	508,606	123,179	631,785
Other comprehensive income (loss)	-	-	-	-	128,674	128,674	64,758	193,432
Total comprehensive income	-	-	508,606	-	128,674	637,280	187,937	825,217
Transactions with owners and other transactions								
Cash dividends	-	-	(405,658)	-	-	(405,658)	(46,714)	(452,372)
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	(11,924)	-	28,088	-	16,164	-	16,164
Changes from business combinations	-	(3,730)	-	-	-	(3,730)	36,454	32,724
Changes from loss of control	-	-	-	-	-	-	812	812
Changes in interests in existing subsidiaries	-	627	-	-	-	627	22,169	22,796
Share-based payment transactions	-	942	-	-	-	942	-	942
Transfer from retained earnings to capital surplus	-	11,982	(11,982)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	145,220	-	(145,220)	-	-	-
Other	-	54	159	-	2	215	(67)	148
Total transactions with owners and other transactions	-	(2,049)	(272,261)	28,088	(145,218)	(391,440)	12,654	(378,786)
As of December 31, 2022	204,309	685,981	1,367,736	(78,374)	26,809	2,206,461	1,452,701	3,659,162

Note:

- As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the cumulative effect of retrospectively applying the accounting treatment is recognized as the restatement of the beginning balance.

(4) Condensed Interim Consolidated Statement of Cash Flows

	(Millions of yen)	
	Nine months ended December 31, 2021 ¹	Nine months ended December 31, 2022
Cash flows from operating activities		
Net income	473,181	631,785
Depreciation and amortization	558,762	567,805
Loss on disposal of property, plant and equipment and intangible assets	9,738	10,448
Remeasurement gain on step acquisition	-	(310,084)
Gain relating to loss of control over subsidiaries	(16,735)	(8,655)
Financing income	(22,589)	(6,057)
Financing costs	50,073	89,515
Share of losses of associates accounted for using the equity method	43,168	33,674
Gain on sales of equity method investments	(3,505)	(1,109)
Impairment loss on equity method investments	28,902	41,631
Income taxes	237,620	192,564
(Increase) decrease in trade and other receivables	(69,812)	(182,837)
(Increase) decrease in inventories	(24,447)	(31,169)
Purchases of mobile devices leased to enterprise customers	(25,541)	(34,849)
Increase (decrease) in trade and other payables	101,854	328,187
Increase (decrease) in consumption taxes payable	(3,854)	25,069
Increase (decrease) in deposits in banking business	220,634	44,237
(Increase) decrease in loans in banking business	(59,475)	(64,985)
Other	(83,484)	7,329
Subtotal	1,414,490	1,332,499
Interest and dividends received	6,057	6,457
Interest paid	(47,560)	(45,073)
Income taxes paid	(353,447)	(267,511)
Income taxes refunded	9,892	22,071
Net cash inflow from operating activities	1,029,432	1,048,443
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(589,938)	(475,088)
Proceeds from sales of property, plant and equipment and intangible assets	1,426	767
Payments for acquisition of investments	(320,111)	(58,664)
Proceeds from sales/redemption of investments	9,174	14,146
Purchase of investment securities in banking business	(141,133)	(75,475)
Proceeds from sales/redemption of investment securities in banking business	175,637	174,150
Proceeds from (payments for) obtaining control of subsidiaries	270	391,320
Other	(2,951)	67,060
Net cash outflow from investing activities	(867,626)	38,216

	(Millions of yen)	
	Nine months ended December 31, 2021 ¹	Nine months ended December 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	3,344	123,389
Proceeds from interest-bearing debt	1,733,391	1,518,779
Repayment of interest-bearing debt	(1,385,233)	(1,602,906)
Proceeds from stock issuance to non-controlling interests	2,710	30,770
Cash dividends paid	(402,399)	(404,445)
Cash dividends paid to non-controlling interests	(33,307)	(45,851)
Other	(6,127)	(519)
Net cash inflow (outflow) from financing activities	<u>(87,621)</u>	<u>(380,783)</u>
Effect of exchange rate changes on cash and cash equivalents	4,147	5,449
Increase (decrease) in cash and cash equivalents	78,332	711,325
Cash and cash equivalents at the beginning of the period	<u>1,584,892</u>	<u>1,546,792</u>
Cash and cash equivalents at the end of the period	<u><u>1,663,224</u></u>	<u><u>2,258,117</u></u>

Note:

- As described in “Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application” under “Note 2. Significant accounting policies,” accounting treatment is retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests. In accordance with this change in accounting policy, the condensed interim consolidated financial statements are retrospectively amended.

(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.

The Group is engaged in a variety of businesses in the telecommunication and information technology industry centering on its Consumer, Enterprise, Distribution, Yahoo! JAPAN/LINE and Finance 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, 2022, except for the following. Income tax expenses for the nine months ended December 31, 2022 are calculated based on the estimated annual effective income tax rate.

Changes in accounting policies and effects on prior consolidated financial statements arising from retrospective application

The Group previously accounted for transactions under common control based on the carrying amount of the parent company's assets and liabilities, and regardless of the actual date of the transaction under common control, retrospectively combined the financial statements of the transferred companies as if such transactions were executed by the Group on the later of the date when the parent obtained control of the transferred companies prior to the transfer, or the opening balance sheet date of the comparative period as part of the consolidated financial statements of the Group. However, the Group has now been listed for three years, conducting business with more focus on a large number of non-controlling interests and implementing corporate restructuring with autonomous management perspective and growth strategy. The consolidation of PayPay Corporation, a transaction under common control, is similar to business combinations under IFRS 3 in that it has a significant impact on a large number of non-controlling interests of the Group. Based on these grounds, the Group has considered that applying the acquisition method to transactions under common control involving non-controlling interests and reporting them in the financial statements as with business combinations subject to IFRS 3 will lead to the appropriate assessment of potential business value and provide relevant and reliable information to users of financial statements in making their economic decisions. For these reasons, the Group changed the accounting policy to apply the acquisition method from the three months ended December 31, 2022, and the new accounting policy was retrospectively applied to transactions under common control involving non-controlling interests.

In accordance with this change in accounting policy, accounting treatment was retrospectively amended to the acquisition method to transactions under common control involving non-controlling interests, such as the consolidation of Yahoo Japan Corporation (currently, Z Holdings Corporation) by the Company implemented in June 2019. The impact of this change on the condensed interim consolidated financial statements is as follows.

Consolidated Statement of Financial Position

As of April 1, 2021

	Before retrospective adjustment	Effect of change in accounting policy	(Millions of yen) After retrospective adjustment
ASSETS			
Current assets			
Cash and cash equivalents	1,584,892	-	1,584,892
Trade and other receivables	2,082,223	-	2,082,223
Other financial assets	144,935	-	144,935
Inventories	119,411	-	119,411
Other current assets	102,384	-	102,384
Non-current assets			
Property, plant and equipment	1,248,901	-	1,248,901
Right-of-use assets	1,081,559	-	1,081,559
Goodwill	1,254,727	164,839	1,419,566
Intangible assets	2,096,401	244,376	2,340,777
Contract costs	248,194	-	248,194
Investments accounted for using the equity method	239,754	2,804	242,558
Investment securities	321,300	(35)	321,265
Investment securities in banking business	392,260	-	392,260
Other financial assets	1,129,858	-	1,129,858
Deferred tax assets	55,224	504	55,728
Other non-current assets	105,697	-	105,697
LIABILITIES AND EQUITY			
Current liabilities			
Interest-bearing debt	2,000,479	-	2,000,479
Trade and other payables	1,624,048	-	1,624,048
Contract liabilities	107,633	-	107,633
Deposits for banking business	1,165,577	-	1,165,577
Other financial liabilities	4,924	-	4,924
Income taxes payable	195,874	-	195,874
Provisions	17,710	-	17,710
Other current liabilities	177,391	-	177,391
Non-current liabilities			
Interest-bearing debt	3,692,113	-	3,692,113
Other financial liabilities	33,966	-	33,966
Provisions	106,093	-	106,093
Deferred tax liabilities	297,926	79,121	377,047
Other non-current liabilities	46,874	-	46,874
Equity			
Common stock	204,309	-	204,309
Capital surplus	363,773	322,346	686,119
Retained earnings	1,066,228	(35,808)	1,030,420
Treasury stock	(134,218)	-	(134,218)
Accumulated other comprehensive income	35,631	0	35,631
Non-controlling interests	1,201,389	46,829	1,248,218

Consolidated Statement of Financial Position

As of March 31, 2022

	Before retrospective adjustment	Effect of change in accounting policy	(Millions of yen) After retrospective adjustment
ASSETS			
Current assets			
Cash and cash equivalents	1,546,792	-	1,546,792
Trade and other receivables	2,128,934	-	2,128,934
Other financial assets	194,031	-	194,031
Inventories	136,247	-	136,247
Other current assets	125,072	-	125,072
Non-current assets			
Property, plant and equipment	1,491,842	-	1,491,842
Right-of-use assets	824,090	-	824,090
Goodwill	1,257,889	166,685	1,424,574
Intangible assets	2,254,070	222,510	2,476,580
Contract costs	332,197	-	332,197
Investments accounted for using the equity method	251,924	-	251,924
Investment securities	469,220	(111)	469,109
Investment securities in banking business	309,225	-	309,225
Other financial assets	1,236,240	-	1,236,240
Deferred tax assets	48,763	467	49,230
Other non-current assets	101,377	-	101,377
LIABILITIES AND EQUITY			
Current liabilities			
Interest-bearing debt	2,036,579	-	2,036,579
Trade and other payables	1,462,619	-	1,462,619
Contract liabilities	104,293	-	104,293
Deposits for banking business	1,406,205	-	1,406,205
Other financial liabilities	3,440	-	3,440
Income taxes payable	125,050	-	125,050
Provisions	26,304	-	26,304
Other current liabilities	178,263	-	178,263
Non-current liabilities			
Interest-bearing debt	3,962,946	-	3,962,946
Other financial liabilities	29,790	-	29,790
Provisions	99,541	-	99,541
Deferred tax liabilities	319,313	65,166	384,479
Other non-current liabilities	65,224	-	65,224
Equity			
Common stock	204,309	-	204,309
Capital surplus	366,098	321,932	688,030
Retained earnings	1,167,903	(36,512)	1,131,391
Treasury stock	(106,462)	-	(106,462)
Accumulated other comprehensive income	43,352	1	43,353
Non-controlling interests	1,213,146	38,964	1,252,110

Condensed Interim Consolidated Statement of Income

For the nine months ended December 31, 2021

	Before retrospective adjustment	Effect of change in accounting policy	(Millions of yen) After retrospective adjustment
Revenue	4,173,829	-	4,173,829
Cost of sales	(2,066,256)	-	(2,066,256)
Gross profit	2,107,573	-	2,107,573
Selling, general and administrative expenses	(1,303,755)	(16,033)	(1,319,788)
Other operating income	17,393	1,672	19,065
Operating income	821,211	(14,361)	806,850
Share of losses of associates accounted for using the equity method	(43,168)	-	(43,168)
Financing income	22,589	-	22,589
Financing costs	(50,073)	-	(50,073)
Gain on sales of equity method investments	3,505	-	3,505
Impairment loss on equity method investments	(26,743)	(2,159)	(28,902)
Profit before income taxes	727,321	(16,520)	710,801
Income taxes	(249,896)	12,276	(237,620)
Net income	477,425	(4,244)	473,181
Net income attributable to			
Owners of the Company	420,834	845	421,679
Non-controlling interests	56,591	(5,089)	51,502
Earnings per share attributable to owners of the Company			
Basic earnings per share (Yen)	89.60	0.18	89.78
Diluted earnings per share (Yen)	87.73	0.18	87.91

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, 2022.

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 timing of containment of COVID-19.

4. Business combinations

Nine months ended December 31, 2021

There are no significant business combinations to be disclosed.

Nine months ended December 31, 2022

Consolidation of PayPay Corporation into a subsidiary

1. Summary of the Transactions

The Company converted PayPay Corporation (hereinafter, “PayPay”) into a subsidiary through a series of transactions based on a transaction agreement between the Company and Z Holdings Corporation (hereinafter, “Z Holdings”), a subsidiary of the Company, concluded on July 27, 2022 (hereinafter, the “Transaction Agreement”). The consolidation was intended to maximize the corporate value of the Company and its subsidiaries, and the Group will work towards improving revenue opportunities in PayPay, expanding the PayPay ecosystem and reinforcing group synergy by jointly operating B Holdings Corporation, which became the parent company of PayPay, with Z Holdings.

Pursuant to the Transaction Agreement, PayPay Class A preferred shares held by the Company and Z Intermediate Holdings Corporation, a wholly-owned subsidiary of Z Holdings, were converted into PayPay common shares. Consequently, the Group acquired a majority of the voting rights in PayPay, and PayPay became a subsidiary of the Company on October 1, 2022. As a result of the series of transactions, the Group’s voting rights in PayPay reached 69.8%.

2. Summary of the acquiree

Name	PayPay Corporation
Business	Development and provision of e-payment services, including mobile payments

3. Acquisition date

October 1, 2022

4. Consideration and its breakdown

	(Millions of yen)
	Acquisition Date (October 1, 2022)
Fair value of PayPay common shares held as of the acquisition date	273,900
Fair value of PayPay common shares acquired due to conversion from PayPay Class A preferred shares as of the acquisition date	359,700
Total consideration	A <u>633,600</u>

As a result of remeasurement of the Company's previously held interests in PayPay Corporation to the fair value as of the acquisition date, positive difference arising from the step acquisition of ¥294,843 million was recognized. This amount is included in “Other operating income” in the condensed interim consolidated statement of income.

5. The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date¹:

	(Millions of yen)	
	Acquisition date (October 1, 2022)	
Cash and cash equivalents		397,292
Trade and other receivables		267,586
Other current assets		65,451
Intangible assets ²		60,774
Other non-current assets		2,957
Total assets		<u>794,060</u>
Trade and other payables		555,313
Other current financial liabilities		67,142
Other current liabilities		12,950
Deferred tax liabilities		15,729
Other non-current liabilities		848
Total liabilities		<u>651,982</u>
Net assets	B	<u>142,078</u>
Non-controlling interests ³	C	<u>43,101</u>
Goodwill ⁴	A-(B-C)	<u>534,623</u>

Notes:

- As the recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not complete as of December 31, 2022, the above amounts are provisional based on the best estimate at present. Accordingly, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill 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.
- The amount of intangible assets includes ¥51,368 million of customer relationships as identifiable assets and the estimated useful life is 10 years. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, future sales forecast generated by attrition rate of existing customers, and royalty rate.
- Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.
- Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

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

	(Millions of yen)
	Acquisition Date (October 1, 2022)
Cash and cash equivalents held by the acquiree at the time of obtaining control	<u>397,292</u>
Cash proceeds from obtaining control of the subsidiary	<u>397,292</u>

7. Revenue and net loss of the acquiree

The revenue and net loss (before elimination of intercompany transactions) of the acquiree recorded in the condensed interim consolidated statement of income on and after the acquisition date are ¥33,809 million and ¥6,194 million, respectively.

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," "Yahoo! JAPAN/LINE" and "Finance" as its reportable segments. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

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

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

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

In the "Finance" segment, the Group provides cashless payment services such as QR code payment and credit card services, development and provision of marketing solutions for merchants, financial services such as deferred payment and asset management, as well as payment agency services that provide a comprehensive range of diversified payments such as credit cards, electronic money and QR codes. Effective October 1, 2022, the reportable segments were revised and the "Finance" segment was added following the acquisition of PayPay Corporation as a subsidiary. The main subsidiaries that constitute the "Finance" segment are PayPay Corporation, PayPay Card Corporation, SB Payment Service Corp. and PayPay Securities Corporation. PayPay Card Corporation was transferred from "Yahoo Japan/LINE business" to "Financial business", and SB Payment Service Corp. and PayPay Securities Corporation were transferred from "Other" to "Financial business". As a result, the figures for the nine months ended December 31, 2021, have been restated.

Information not included in the preceding reportable segments is summarized in "Other." "Adjustments" includes eliminations of intersegment transactions and expenses not allocated to any reportable segment.

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

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

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

Nine months ended December 31, 2021

	Reportable segments							(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo!		Total	Other	Adjustments	Consolidated
				JAPAN/LINE	Finance				
Revenue									
Sales to external customers	2,101,760	520,553	325,013	1,107,611	36,622	4,091,559	82,270	-	4,173,829
Intersegment revenue or transferred revenue	6,640	8,383	36,665	18,688	12,784	83,160	25,430	(108,590)	-
Total	2,108,400	528,936	361,678	1,126,299	49,406	4,174,719	107,700	(108,590)	4,173,829
Segment income	518,701	105,210	18,295	152,125	13,929	808,260	(382)	(1,028)	806,850
Depreciation and amortization ¹	315,269	119,085	2,751	111,841	5,101	554,047	4,715	-	558,762

Nine months ended December 31, 2022

	Reportable segments							(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo!		Total	Other	Adjustments	Consolidated
				JAPAN/LINE	Finance				
Revenue									
Sales to external customers	2,120,009	539,198	372,029	1,149,125	74,727	4,255,088	90,371	-	4,345,459
Intersegment revenue or transferred revenue	7,691	11,742	47,439	20,502	12,834	100,208	24,562	(124,770)	-
Total	2,127,700	550,940	419,468	1,169,627	87,561	4,355,296	114,933	(124,770)	4,345,459
Segment income	431,212	108,458	18,738	126,940	2,396	687,744	290,663	3,596	982,003
Depreciation and amortization ¹	319,378	115,082	3,039	117,686	8,500	563,685	5,608	(1,488)	567,805

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)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Segment income	806,850	982,003
Share of losses of associates accounted for using the equity method	(43,168)	(33,674)
Financing income	22,589	6,057
Financing costs	(50,073)	(89,515)
Gains on sales of equity method investments	3,505	1,109
Impairment loss on equity method investments	(28,902)	(41,631)
Profit before income taxes	710,801	824,349

Three months ended December 31, 2021

	Reportable segments							(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo!		Total	Other	Adjustments	Consolidated
				JAPAN/LINE	Finance				
Revenue									
Sales to external customers	726,399	175,217	112,728	389,860	12,693	1,416,897	32,698	-	1,449,595
Intersegment revenue or transferred revenue	3,587	2,861	12,748	7,781	5,700	32,677	8,659	(41,336)	-
Total	729,986	178,078	125,476	397,641	18,393	1,449,574	41,357	(41,336)	1,449,595
Segment income	154,050	31,166	6,043	52,417	4,771	248,447	(3,427)	(556)	244,464
Depreciation and amortization ¹	104,731	39,538	912	37,184	1,949	184,314	1,569	-	185,883

Three months ended December 31, 2022

	Reportable segments							(Millions of yen)	
	Consumer	Enterprise	Distribution	Yahoo!		Total	Other	Adjustments	Consolidated
				JAPAN/LINE	Finance				
Revenue									
Sales to external customers	739,665	182,386	130,765	402,422	49,224	1,504,462	32,442	-	1,536,904
Intersegment revenue or transferred revenue	2,523	6,030	15,725	7,248	607	32,133	8,274	(40,407)	-
Total	742,188	188,416	146,490	409,670	49,831	1,536,595	40,716	(40,407)	1,536,904
Segment income	115,572	37,198	6,422	41,714	(2,592)	198,314	291,433	5,407	495,154
Depreciation and amortization ¹	107,344	38,381	1,050	40,268	4,131	191,174	1,971	(527)	192,618

Note:

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

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

	(Millions of yen)	
	Three months ended December 31, 2021	Three months ended December 31, 2022
Segment income	244,464	495,154
Share of losses of associates accounted for using the equity method	(18,645)	(10,478)
Financing income	5,317	670
Financing cost	(16,488)	(40,548)
Gains on sales of equity method investments	-	518
Impairment loss on equity method investments	(28,902)	(31,304)
Profit before income taxes	185,746	414,012

6. Investments accounted for using the equity method

For the nine months ended December 31, 2021 and December 31, 2022, impairment losses of ¥18,379 million and ¥31,304 million were recorded respectively on the equity method investment in Demac-can Co., Ltd. to the extent that the carrying value was reduced to the recoverable amount. The impairment loss is included in “Impairment loss on equity method investments” in the condensed interim consolidated statement of income.

7. Interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2022	(Millions of yen) As of December 31, 2022
Current		
Short-term borrowings	528,630	637,046
Commercial papers	270,401	197,001
Current portion of long-term borrowings	916,790	985,567
Current portion of lease liabilities	225,719	189,068
Current portion of corporate bonds	94,985	114,968
Current portion of installment payables	54	47
Total	2,036,579	2,123,697
Non-current		
Long-term borrowings	2,446,389	2,602,176
Lease liabilities	538,241	550,154
Corporate bonds	978,244	933,274
Installment payables	72	38
Total	3,962,946	4,085,642

8. Equity

Changes in treasury stock are as follows:

	Nine months ended December 31, 2021	(Thousands of shares) Nine months ended December 31, 2022
Balance at the beginning of the period	100,660	79,843
Increase during the period	0	0
Decrease during the period ¹	(18,130)	(21,066)
Balance at the end of the period	82,530	58,777

Notes:

1. For the nine months ended December 31, 2021, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 18,130 thousand shares. As a result, “Treasury stock” decreased by ¥24,174 million and a loss on disposal of treasury stock of ¥10,861 million was recognized as a decrease in “Capital surplus,” of which ¥10,908 million was transferred from “Retained earnings.”

In addition, for the nine months ended December 31, 2022, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 21,066 thousand shares. As a result, “Treasury stock” decreased by ¥28,088 million and a loss on disposal of treasury stock of ¥11,924 million was recognized as a decrease in “Capital surplus,” of which ¥11,982 million was transferred from “Retained earnings.”

9. Dividends

Dividends paid are as follows:

Nine months ended December 31, 2021

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on May 21, 2021	Common stock	43.00	201,519	March 31, 2021	June 8, 2021
Board of Directors' meeting held on October 22, 2021	Common stock	43.00	202,189	September 30, 2021	December 6, 2021

Nine months ended December 31, 2022

<u>Resolution</u>	<u>Class of shares</u>	<u>Dividends per share (Yen)</u>	<u>Total dividends (Millions of yen)</u>	<u>Record date</u>	<u>Effective date</u>
Board of Directors' meeting held on May 20, 2022	Common stock	43.00	202,414	March 31, 2022	June 9, 2022
Board of Directors' meeting held on October 20, 2022	Common stock	43.00	203,244	September 30, 2022	December 6, 2022

10. Revenue

The components of revenue are as follows:

	(Millions of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Consumer business		
Service revenues		
Mobile	1,205,183	1,148,589
Broadband	304,242	297,917
Electricity	123,640	244,658
Revenues from sales of goods and others	468,695	428,845
Subtotal	2,101,760	2,120,009
Enterprise business		
Mobile ³	229,501	233,015
Fixed-line	137,800	133,028
Business solution and others ³	153,252	173,155
Subtotal	520,553	539,198
Distribution business	325,013	372,029
Yahoo! JAPAN/LINE business ^{4,5}		
Media	462,393	462,949
Commerce	589,834	622,344
Strategy	46,208	53,833
Other	9,176	9,999
Subtotal	1,107,611	1,149,125
Financial business ⁵	36,622	74,727
Other ⁵	82,270	90,371
Total	4,173,829	4,345,459

Notes:

- The components of revenue represent sales to external customers.
- The components of revenue include revenues from other sources, excluding those arising from IFRS 15 “Revenue from Contracts with Customers” (mainly from Enterprise business leases). Revenues from other sources for the nine months ended December 31, 2021 and 2022 were ¥93,596 million and ¥102,462 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 nine months ended December 31, 2021 and 2022 were ¥302,188 million and ¥314,363 million, respectively. Revenues from sales of goods and others for the nine months ended December 31, 2021 and 2022 were ¥80,565 million and ¥91,807 million, respectively.
- Effective April 1, 2022, the business categories of “Yahoo JAPAN/LINE business” have been reevaluated and some services were transferred between the business categories. As a result, all components of revenue under “Yahoo JAPAN/LINE business” for the nine months ended December 31, 2022, have been restated.
- Effective October 1, 2022, the Company revised its reporting segment classifications following the acquisition of PayPay Corporation as a subsidiary and added the “Financial business”. The main subsidiaries that constitute the “Financial business” are PayPay Corporation, PayPay Card Corporation, SB Payment Service Corp. PayPay Securities Corporation. PayPay Card Corporation was transferred from “Yahoo Japan/LINE business” to “Financial business”, and SB Payment Service Corp. and PayPay Securities Corporation were transferred from “Other” to “Financial business”. As a result, the components of revenue for the nine months ended December 31, 2021, has been restated.

11. Earnings per share

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

Nine months ended December 31, 2021 and 2022

(1) Basic earnings per share

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	421,679	508,606
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,697,052	4,719,613
Basic earnings per share (Yen)	89.78	107.76

(2) Diluted earnings per share

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	421,679	508,606
Effect of dilutive securities issued by subsidiaries and associates	(4,256)	(2,198)
Total	417,423	506,408
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	4,697,052	4,719,613
Increase in the number of shares of common stock due to stock acquisition rights	51,237	41,765
Total	4,748,289	4,761,378
Diluted earnings per share (Yen)	87.91	106.36

Three months ended December 31, 2021 and 2022

(1) Basic earnings per share

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	114,034	274,373
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,702,797	4,727,185
Basic earnings per share (Yen)	24.25	58.04

(2) Diluted earnings per share

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income attributable to owners of the Company	114,034	274,373
Effect of dilutive securities issued by subsidiaries and associates	(1,132)	(533)
Total	112,902	273,840
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	4,702,797	4,727,185
Increase in the number of shares of common stock due to stock acquisition rights	51,503	39,215
Total	4,754,300	4,766,400
Diluted earnings per share (Yen)	23.75	57.45

12. Contingencies

The Group is a party to several pending legal and administrative proceedings. When it is difficult to reasonably estimate the outcomes of such matters, provisions have not been recorded. Based on the information currently available, management does not expect that the results of these proceedings will have a material adverse effect on the Group's financial position or results of operations.

- a. On April 30, 2015, the Company filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. ("JPiT"), claiming for payment of remuneration for additional services provided in connection with the installation of telecommunications lines, as well as other items, that were ordered by JPiT in relation to a project to migrate the communications network connecting approximately 27,000 sites (post offices, etc.) countrywide to a new network, the 5th PNET.

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

Although the Company negotiated with JPiT over an extended period regarding the remuneration for these additional services, the Company and JPiT were unable to arrive at a settlement. Accordingly, the Company duly filed the lawsuit, claiming for payment of remuneration for such additional services.

- b. On April 30, 2015, JPiT filed a lawsuit against the Company and Nomura Research Institute, Ltd. ("NRI") as co-defendants.

In this lawsuit, JPiT alleges that the Company 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. JPiT made joint and several claims against both the Company and NRI for the alleged damages.

An order to consolidate the abovementioned lawsuits was made on July 29, 2015. Subsequently, on September 9, 2022, the Tokyo District Court rendered a judgment ordering JPiT to pay ¥1,921 million as remuneration for the additional services and delay damages, and the Company to pay JPiT ¥10,854 million in damages and delay damages. The Company appealed this judgment to the Tokyo High Court on September 22, 2022. And as of December 31, 2022, the Company recorded a total of ¥18,853 million, consisting of ¥8,984 million in damages and ¥9,869 million in delay damages, which offset against the amount allowed under this judgment, in "Provisions (current liabilities)" in the condensed interim consolidated statement of financial position. For the nine months ended December 31, 2022, in the condensed interim consolidated statement of income, the damages amount of ¥8,984 million and the delay damages amount of ¥9,869 million were recorded in "Other operating expenses" and "Financing costs", respectively.

13. Subsequent events

There are no significant subsequent events to be disclosed.