# Generated Answer

Question : Income before income tax in financial year 2018   
  
  
Answer : The income before income tax in the financial year 2018 was ¥1,691,302 million, which represented an increase of ¥1,306,672 million (339.7%) year on year.   
  
  
Context : 3. Income before Income Tax  
  
Income before income tax increased ¥1,306,672 million (339.7%) year on year, to ¥1,691,302 million.  
  
Finance cost increased ¥117,637 million (22.8%) year on year, to ¥633,769 million. Interest expenses increased ¥45,544 million at SoftBank Group Corp.3 This was mainly due to an increase in interest-bearing debt associated with the issuance of foreign currency-denominated senior notes in September 2017 and the borrowings made by a wholly owned subsidiary of the Company using Alibaba shares. The Company also recognized ¥24,051 million in conjunction with the partial repayment of a senior loan, as a result of the full amortization of the unamortized balance of an amortized cost. In addition, the interest expenses of SoftBank Vision Fund increased ¥25,339 million due to borrowings made using NVIDIA shares.  
  
(Millions of yen)  
  
Fiscal 2017 Fiscal 2018 Change (516,132) (633,769) (117,637) SoftBank Group Corp.3 . . . . . . . . . . . . . . . . . . . . . . (193,036) (238,580) (45,544) SoftBank Vision Fund . . . . . . . . . . . . . . . . . . . . . . . (7,801) (33,140) (25,339) Sprint . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . (267,089) (291,832) (24,743) Reference: In U.S. dollars . . . . . . . . . . . . . . . . . . . $(2,402) $(2,631) $(229) million million million  
  
Finance Cost . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .  
  
Income on equity method investments decreased ¥87,790 million (21.7%) year on year, to ¥316,794 million. This was mainly due to a decrease of ¥86,088 million (20.3%) in income on equity method investments related to Alibaba, to ¥338,683 million.  
  
Management Organization  
  
Financial Section  
  
Corporate Information  
  
053  
  
(Net Income Attributable to Alibaba and the Company’s Income on Equity Method Investments Related to Alibaba)  
  
Twelve months ended December 314 2017 2018 Change Million CNY Million CNY Million CNY 67,071 69,642 2,571 Million CNY Million CNY Million CNY 84,893 70,714 (14,179) Fiscal year ended March 31 2018 2019 Change 29.36% 29.12% (0.24) pp Million CNY Million CNY Million CNY 25,088 20,644 (4,444) ¥16.93 ¥16.41 ¥(0.52) Million yen Million yen Million yen 424,771 338,683 (86,088)  
  
Alibaba  
  
Net income attributable to Alibaba (US GAAP) . . . . . .  
  
Net income attributable to Alibaba (IFRSs) . . . . . . . . . .  
  
Income on equity method investments related to Alibaba  
  
(Reference) Interest ratio as of December 31 . . . . . . . .  
  
Income on equity method investments . . . . . . . . . . . .  
  
(Reference) Effective exchange rate CNY/JPY . . . . . . . .  
  
Income on equity method investments . . . . . . . . . . . .  
  
Foreign exchange gain was ¥11,145 million, compared with a loss of ¥34,518 million in the previous fiscal year.  
  
Derivative gain was ¥158,230 million, compared with a loss of ¥630,190 million in the previous fiscal year. Derivative gain of ¥2,876 million was recorded in relation to a collar transaction embedded in a variable prepaid forward contract for Alibaba shares, compared with a loss of ¥604,156 million in the previous fiscal year. Derivative gain of ¥177,373 million, which arose until the settlement of collar transactions utilizing NVIDIA shares in January 2019, was also recorded.  
  
Gain from financial instruments at FVTPL was ¥38,443 million, which arose from the change in the fair values of investments held by the Company outside of SoftBank Vision Fund and Delta Fund, compared with a loss of ¥68 million in the previous fiscal year.  
  
SoftBank Group Corp. ANNUAL REPORT 2019  
  
Towards the AI Era  
  
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Changes in third-party interests in SoftBank Vision Fund and Delta Fund amounted to an increase of ¥586,152 million, compared with an increase of ¥160,382 million in the previous fiscal year. An increase in third-party interest is reflected as a decrease in the Company’s income. The breakdown is as below:  
  
(Millions of yen) Fiscal 2017 Fiscal 2018 (39,397) (102,712) (120,985) (483,440) (160,382) (586,152)  
  
Attributable to investors entitled to fixed distribution . . . . . . . . . . . . . . .  
  
Attributable to investors entitled to performance-based distribution . . . .  
  
Changes in third-party interests in SoftBank Vision Fund and Delta Fund . . .  
  
Changes in third-party interests in SoftBank Vision Fund and Delta Fund indicate the sum of distributions to third-party investors in proportion to their interests in fixed distributions and perfor- mance-based distributions. The distributions are based on the gain and loss on investments at both funds, net of management and performance fees payable to SBIA, the Company’s wholly owned subsidiary and manager of SoftBank Vision Fund, and operating and other expenses of the funds.  
  
Other non-operating income was ¥32,680 million, compared with income of ¥17,535 million in the previous fiscal year.