

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 2 of this report.

**SOFTBANK CORP.**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the three-month period ended June 30, 2011**

Tokyo, July 28, 2011

**1. FINANCIAL HIGHLIGHTS**

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

**(1) Results of Operations**

(Millions of yen; amounts less than one million yen are omitted.)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Three-month period ended June 30, 2011</b>	<b>¥764,237</b>	<b>9.0</b>	<b>¥175,825</b>	<b>12.3</b>	<b>¥151,230</b>	<b>19.2</b>	<b>¥94,791</b>	<b>387.6</b>
Three-month period ended June 30, 2010	¥700,840	5.2	¥156,603	44.6	¥126,844	61.0	¥19,438	(29.0)

Note: Comprehensive income

Three-month period ended June 30, 2011: ¥104,007 million (329.6%)

Three-month period ended June 30, 2010: ¥24,207 million (- %)

	Net income per share — basic (yen)	Net income per share — diluted (yen)
<b>Three-month period ended June 30, 2011</b>	<b>¥87.35</b>	<b>¥83.91</b>
Three-month period ended June 30, 2010	¥17.96	¥17.39

**(2) Financial Condition**

(Millions of yen; amounts less than one million yen are omitted.)

	Total assets	Total equity	Equity ratio (%)
<b>As of June 30, 2011</b>	<b>¥4,483,109</b>	<b>¥1,013,162</b>	<b>16.8</b>
As of March 31, 2011	¥4,655,725	¥879,618	13.3

Note: Shareholders' equity (consolidated)

As of June 30, 2011: ¥751,777 million

As of March 31, 2011: ¥619,252 million

**2. Dividends**

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2011	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2012	-				
Fiscal year ending March 31, 2012 (Forecasted)		-	-	-	-

Note:

Revision of forecasts on the dividends: No

Dividend for the fiscal year ending March 31, 2012 is planned to be increased from ¥5 for the fiscal year ended March, 2011, however it is not determined at this point. The concrete amount of dividend will be announced promptly upon resolution.

### 3. Forecasts on the consolidated operation results for the fiscal year ending in March 2012 (April 1, 2011 – March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share—basic (yen)
	Amount (millions of yen)	%	Amount (millions of yen)	%	Amount (millions of yen)	%	Amount (millions of yen)	%	
First-half financial year	¥ -	-	¥ -	-	¥ -	-	¥ -	-	¥ -
Full financial year	¥ -	-	¥ -	-	¥ -	-	¥ -	-	¥ -

Note:

Revision of forecasts on the operation results: No

The SOFTBANK Group is planning to focus on network expansion and customer acquisition in the Mobile Communications segment. The initiatives for achieving these strategies need to be planned and adjusted flexibly according to circumstances. Since this involves numerous unconfirmed elements which could impact revenue and profit, it is difficult to disclose numerical earnings forecasts. However, revenue and operating income are expected to increase year on year. To improve disclosure of information for shareholders and investors, the earnings forecast will be disclosed when deemed to be reasonable.

### 4. Others

(1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): No

(2) Application of special accounting methods for preparation for the consolidated financial statements: No

(3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements

[1] Changes due to revisions in accounting standards: No

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

[3] Changes in accounting estimates: No

[4] Retrospective restatements: No

(4) Number of shares issued (Common stock)

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

As of June 30, 2011: 1,107,728,781 shares

As of March 31, 2011: 1,082,530,408 shares

[2] Number of treasury stock:

As of June 30, 2011: 183,322 shares

As of March 31, 2011: 180,503 shares

[3] Weighted average number of common stock:

As of June 30, 2011: 1,085,217,816 shares

As of June 30, 2010: 1,082,335,888 shares

#### \* Implementation status of quarterly review procedures

This quarterly consolidated financial report is not subject to quarterly review procedures based on Financial Instruments and Exchange Act and the review procedures for the quarterly consolidated financial statements were being conducted when this report was disclosed.

#### \* Note to forecasts on the consolidated operating results and other items

The forecast figures are estimated based on the information which SOFTBANK CORP. is able to obtain at the present point and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors. Please refer to page 16 “1. Qualitative Information Regarding Three-month Period Results (3) Qualitative Information Regarding Consolidated Earnings Forecasts” for details of notes to precondition and usage for forecasts.

SOFTBANK CORP.'s Earnings Results Briefing will be held for media, institutional investors, and financial institutions on July 28, 2011 followed by the Analysts Briefing for institutional investors and financial institutions on July 29, 2011. The Earnings Results Briefing will be streamed live on the Company's Web site in Japanese and English at (<http://www.softbank.co.jp/en/ir/info/>). The material used in the Analysts Briefing will be uploaded the day before the briefing and the video on demand will be made available as soon as possible on the Company's Web site afterwards.

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## 1. Qualitative Information Regarding the Three-month Period Results

### (1) Qualitative Information Regarding Consolidated Results of Operations

#### 1. Consolidated Results of Operations

<Overview of results for the three-month period from April 1 to June 30, 2011>

For the three-month period ended June 30, 2011 (hereafter “the period”), the SOFTBANK Group (hereafter “the Group”) achieved consolidated net sales of ¥764,237 million, a ¥63,397 million (9.0%) increase compared with the same period of the previous fiscal year (April 1 to June 30, 2010, hereafter “year on year”), with a ¥19,221 million (12.3%) increase in operating income to ¥175,825 million. This consolidated revenue and profit growth was driven by strong performance in the Mobile Communications segment. Ordinary income grew ¥24,385 million (19.2%) to ¥151,230 million. Net income rose ¥75,352 million (387.6%) to ¥94,791 million. This was largely attributable to a year-on-year rise of ¥19,430 million in special income, and a ¥25,724 million decline in total income taxes.

Note:

Definition of terms: as used in this consolidated financial report for the three-month period from April 1, 2011, to June 30, 2011, references to “the Company,” “the Group” and “the SOFTBANK Group” are to SOFTBANK CORP. and its consolidated subsidiaries except as the context otherwise requires or indicates.

The main factors affecting earnings for the period were as follows:

#### (a) Net Sales

Net sales totaled ¥764,237 million, for a ¥63,397 million (9.0%) year-on-year increase. This was mainly the result of strong growth in the number of mobile phone subscribers combined with a rise in the number of mobile handsets shipped<sup>1</sup> in the Mobile Communications segment.

Note:

1. Handsets shipped: handsets shipped (sold) to agents.

#### (b) Cost of Sales

Cost of sales rose ¥34,159 million (11.1%) year on year to ¥341,340 million. This was mainly due to higher cost of goods on the increase in the number of mobile handsets shipped in the Mobile Communications segment, along with higher depreciation and amortization expenses mainly relating to the installation of additional base stations.

#### (c) Selling, General and Administrative Expenses

Selling, general and administrative expenses grew ¥10,016 million (4.2%) year on year to ¥247,071 million.

This was mainly because of increased sales commissions<sup>2</sup> associated with the increase in the number of mobile handsets sold<sup>3</sup> in the Mobile Communications segment.

Notes:

2. Sales commissions paid to sales agents per new subscription and upgrade purchase.
3. Handsets sold: total of new subscriptions and handset upgrades.

#### (d) Operating Income

As a result, operating income totaled ¥175,825 million, for a ¥19,221 million (12.3%) year-on-year increase. The operating margin rose 0.7 of a percentage point year on year, to 23.0%.

**(e) Non-operating Income / Expenses**

Non-operating income totaled ¥3,262 million, a ¥39 million year-on-year increase. Non-operating expenses stood at ¥27,857 million, a ¥5,124 million year-on-year decrease. This was mainly because interest expense decreased by ¥5,382 million as SOFTBANK MOBILE Corp. (hereafter “SOFTBANK MOBILE”) continued to repay borrowings.

**(f) Ordinary Income**

Ordinary income therefore totaled ¥151,230 million, for a ¥24,385 million (19.2%) year-on-year increase.

**(g) Special Income**

Special income totaled ¥20,356 million. Dilution gain from changes in equity interest amounted to ¥15,424 million. The main component of this was a dilution gain from changes in equity interest of ¥13,950 million recorded mainly in relation to the Company’s equity method affiliate Renren, Inc.’s listing on the New York Stock Exchange, in May 2011.

**(h) Special Loss**

Special loss was ¥380 million.

**(i) Income Taxes**

Provisions for current income taxes were ¥27,954 million and provisions for deferred income taxes were ¥32,246 million. Total income taxes decreased ¥25,724 million year on year to ¥60,200 million. The decrease in total income taxes was mainly attributable to the absence of ¥26,450 million of income taxes-corrections recorded in the previous fiscal year.

**(j) Minority Interests in Net Income**

Minority interests in net income totaled ¥16,215 million, mainly through booking net income at Yahoo Japan Corporation (hereafter “Yahoo Japan”).

**(k) Net Income**

As a result of the above, net income totaled ¥94,791 million, for a ¥75,352 million (387.6%) year-on-year increase.

**(l) Comprehensive Income**

Comprehensive income was ¥104,007 million. Of this, comprehensive income attributable to owners of the parent was ¥87,877 million and comprehensive income attributable to minority interests came to ¥16,129 million.

## 2. Results by Business Segment

Note:

Principal operational data is shown on pages 8-10 “(Reference 1: Principal Operational Data).”

### (a) Mobile Communications

(Millions of yen)

	Three-month Period Ended June 30, 2010	Three-month Period Ended June 30, 2011	Change	Change %
Net sales	441,078	<b>514,090</b>	73,012	16.6%
Operating income	102,657	<b>116,491</b>	13,834	13.5%

- **730,000 net subscriber additions<sup>4</sup> for the period**
- **ARPU<sup>5</sup> for the period was ¥4,210, an ¥80 year-on-year decrease. Out of this, data ARPU amounted to ¥2,440, a ¥190 year-on-year increase.**

Notes:

4. The number of net subscriber additions includes prepaid mobile phones and communication module service subscribers. Net communication module service subscriber additions for the period totaled 158,800.
5. Average Revenue Per User (rounded to the nearest ¥10). Revenue and number of mobile phone subscribers include prepaid mobile phones and communication module service subscribers. For the Mobile Communications segment, the term “ARPU” used alone indicates the total of the basic monthly charge plus voice ARPU plus data ARPU.

### < Overview of Operations >

The segment’s net sales increased by ¥73,012 million (16.6%) year on year to ¥514,090 million. The revenue growth was driven by a continuing strong upward trend in the number of mobile phone subscribers combined with an increase in the number of mobile handsets shipped. In expenses, the segment saw higher cost of goods on the increase in the number of mobile handsets shipped, and an increase in sales commissions on the higher number of handsets sold. In addition, there was a rise in depreciation and amortization expenses mainly relating to the installation of additional base stations. As a result, operating income increased by ¥13,834 million (13.5%) year on year to ¥116,491 million.

### <Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) for the period totaled 730,000. This net increase was primarily the result of strong sales of smartphones such as iPhone<sup>6</sup> and Android<sup>TM7</sup> handsets. As a result, the cumulative number of subscribers<sup>8</sup> at the end of the period stood at 26,138,700, raising SOFTBANK MOBILE’s cumulative subscriber share by 1.7 percentage points year on year, to 21.6%.<sup>9</sup>

Notes:

6. iPhone is a trademark of Apple Inc. The iPhone trademark is used under license from Aiphone K.K.
7. Android is a trademark or a registered trademark of Google Inc.
8. The number of cumulative subscribers includes prepaid mobile phones and communication module service subscribers. The cumulative number of communication module service subscribers at the end of the period was 1,467,400.
9. Calculated by the Company based on Telecommunications Carriers Association statistical data.

**< Number of Mobile Handsets Sold/ Shipped >**

The number of mobile handsets sold increased by 388,000 year on year to 2,550,000, while handsets shipped for the period increased by 442,000 year on year to 2,493,000. These increases were mainly the result of a favorable sales and shipment trend of iPhone and Android handsets.

**<ARPU>**

ARPU for the period declined ¥80 year on year to ¥4,210. Out of this, the sum of the basic monthly charge and voice ARPU declined ¥260 year on year to ¥1,780, reflecting an increase in devices which do not have voice communication functionality and revised access charges between carriers. On the other hand, data ARPU rose ¥190 year on year to ¥2,440. This was mainly the result of the continuing increase in the number of data-intensive iPhone subscribers.

**<Churn Rate and Upgrade Rate>**

The churn rate<sup>10</sup> for the period was 1.08%, which was 0.06 of a percentage point higher year on year. This was primarily because of an increased number of contract terminations of corporate customers.

The upgrade rate<sup>10</sup> for the period was 1.28%, which was 0.1 of a percentage point higher year on year. This was mainly the result of steady upgrades to smartphones such as iPhone 4 and Android handsets.

Note:

10. Calculated with prepaid mobile phones and communication module service subscribers included in the number of subscribers, churn and upgrades, respectively.

**<Average Acquisition Cost per Subscriber>**

The average acquisition cost per subscriber<sup>11</sup> for the period declined ¥1,000 year on year to ¥36,200.

Note:

11. Average commission paid to sales agents per new subscription.  
New subscriptions include prepaid mobile phones and communication modules.

**(b) Broadband Infrastructure**

(Millions of yen)

	Three-month Period Ended June 30, 2010	<b>Three-month Period Ended June 30, 2011</b>	Change	Change %
Net sales	49,323	<b>44,019</b>	(5,303)	(10.8%)
Operating income	11,696	<b>10,221</b>	(1,474)	(12.6%)

**<Overview of Operations>**

The segment's net sales decreased by ¥5,303 million (10.8%) year on year to ¥44,019 million. This was mainly because of the continued decreasing trend in revenue, on a decline in the number of charged lines<sup>12</sup> for the ADSL service. Operating income decreased by ¥1,474 million (12.6%) year on year to ¥10,221 million.

Net subscriber additions for *Yahoo! BB hikari with FLET'S*<sup>13</sup> for the period totaled 177,000, bringing the cumulative number of contracts at the end of the period to 1,109,000. Combined with installed lines<sup>14</sup> for the ADSL service, this brought the total number of users to 4,118,000.

Notes:

12. Number of installed lines excluding customers whose basic monthly charge is free under promotion campaigns or other promotional initiatives.
13. A broadband connection service that combines the Internet connection service *Yahoo! BB* and the *FLET'S HIKARI* fiber-optic connection provided by NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT East") and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION ("NTT West"). *FLET'S* and *FLET'S HIKARI* are registered trademarks of NTT East and NTT West.
14. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.

**(c) Fixed-line Telecommunications**

(Millions of yen)

	Three-month Period Ended June 30, 2010	<b>Three-month Period Ended June 30, 2011</b>	Change	Change %
Net sales	85,876	<b>87,492</b>	1,615	1.9%
Operating income	6,661	<b>12,913</b>	6,251	93.8%

**<Overview of Operations>**

The segment's net sales increased by ¥1,615 million (1.9%) year on year to ¥87,492 million. Inter-segment sales increased due to network provision to the Group telecommunication companies such as SOFTBANK MOBILE, and contributed to the overall segment's revenue growth. On the other hand, net sales to third-parties decreased, primarily as a result of the continued decrease in revenue from relay connection voice services such as *MYLINE*.

Operating income increased by ¥6,251 million (93.8%) to ¥12,913 million. This was mainly due to the increase in net sales, combined with a decrease in telecommunications equipment fees as a result of revised access charges between carriers.



**(d) Internet Culture**

(Millions of yen)

	Three-month Period Ended June 30, 2010	<b>Three-month Period Ended June 30, 2011</b>	Change	Change %
Net sales	68,405	<b>69,610</b>	1,205	1.8%
Operating income	35,572	<b>36,605</b>	1,032	2.9%

**<Overview of Operations>**

The segment's net sales increased by ¥1,205 million (1.8%) year on year to ¥69,610 million. This was mainly due to revenue growth at Yahoo Japan on an increase in listing advertising, as well as growth in game related services and data center and *Yahoo! Shopping* sales. While Yahoo Japan saw a decrease in advertisements from some major advertisers due to the impact of the Great East Japan Earthquake of March 11, 2011. Operating income increased by ¥1,032 million (2.9%) year on year to ¥36,605 million. This was primarily the result of a decrease in communications expenses in connection with improved operational efficiency due to direct ownership of data centers, although sales promotion expenses increased.

**(Reference 1: Principal Operational Data)**
**(a) Mobile Communications**

SoftBank mobile phones

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
(Thousands)						
Net additions <sup>1</sup>	696.6	901.0	925.7	1,008.8	3,532.1	730.0
(Postpaid)	645.3	833.6	865.4	975.3	3,319.6	697.5
(Prepaid)	51.3	67.4	60.3	33.5	212.5	32.5
Market share <sup>2</sup> (%)	45.4	53.5	55.8	40.8	48.0	42.7
Cumulative subscribers <sup>1</sup>	22,573.2	23,474.2	24,399.9		25,408.7	26,138.7
Market share <sup>2</sup> (%)	19.9	20.3	20.8		21.3	21.6
(Thousands)						
Number of handsets sold <sup>3</sup>	2,162	2,712	2,605	2,763	10,242	2,550
(Thousands)						
Number of handsets shipped <sup>4</sup>	2,051	2,687	2,736	2,542	10,016	2,493
(Yen per month)						
ARPU <sup>5</sup>	4,290	4,300	4,310	3,940	4,210	4,210
(Basic monthly charge + voice)	2,030	2,020	1,980	1,570	1,890	1,780
(Data)	2,250	2,290	2,330	2,370	2,310	2,440
(Yen)						
Average acquisition cost per subscriber <sup>6</sup>	37,200	37,500	37,800	35,400	36,900	36,200
(% per month)						
Churn rate <sup>7</sup>	1.02	0.96	0.91	1.02	0.98	1.08
(3G postpaid)	0.99	0.92	0.86	0.98	0.94	1.03
Upgrade rate <sup>7</sup>	1.18	1.67	1.43	1.33	1.40	1.28

Notes:

- Includes the number of prepaid mobile phones and communication module service subscribers.
- Calculated by the Company based on Telecommunications Carriers Association statistical data.
- Handsets sold: total of new subscriptions and handset upgrades.
- Handsets shipped: handsets shipped (sold) to agents.
- Average Revenue Per User (rounded to the nearest ¥10).  
Revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules.  
For the Mobile Communications segment, the term "ARPU" used alone indicates the total of the basic monthly charge plus voice ARPU plus data ARPU.
- Average commissions paid to sales agents per new subscription.  
New subscriptions include prepaid mobile phones and communication modules.
- Calculated with prepaid mobile phones and communication module service subscribers included in the number of subscribers, churn and upgrades, respectively.

**(b) Broadband Infrastructure**
*Yahoo! BB ADSL*

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
(Thousands)						
Installed lines <sup>8</sup>	3,609	3,457	3,291		3,150	3,009
(Yen per month)						
ARPU <sup>9 10</sup>	3,960	3,950	3,890	3,830		3,710
(% per month)						
Churn rate <sup>11</sup>	2.46	2.39	2.66	2.65	2.54	2.56

*Yahoo! BB hikari with FLET'S*

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
(Thousands)						
Cumulative contracts <sup>12</sup>	405	575	783		932	1,109
(Yen per month)						
ARPU <sup>9</sup>	1,310	1,450	1,500	1,620		1,620

**Broadband Lines**

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
(Thousands)						
Total users <sup>13</sup>	4,014	4,032	4,074		4,082	4,118

## Notes:

8. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.
9. Average Revenue Per User: average revenue per user (rounded to the nearest ¥10).
10. Starting in the first quarter of the fiscal year ending March 2012, the index was changed to "ARPU" with the number of installed lines as the denominator. According to the new definition ARPU for each quarter of the fiscal year ended March 31, 2011 has been retroactively adjusted.
11. Starting in the first quarter of the fiscal year ending March 2012 the churn rate is calculated with number of installed lines as the denominator. According to the new definition the churn rate for each quarter of the fiscal year ended March 2011 has been retroactively adjusted.
12. Number of users for which connection construction for *FLET'S HIKARI* line at central office of NTT East or NTT West is complete.
13. Total of the number of installed lines of *Yahoo! BB ADSL* and cumulative contracts of *Yahoo! BB hikari with FLET'S*.

**(c) Fixed-line Telecommunications**
*OTOKU Line*

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
(Thousands)						
Lines	1,668	1,667	1,662		1,671	1,669
(Yen per month)						
ARPU <sup>14</sup>	6,600	6,570	6,610	6,930		6,650

14. Average Revenue Per User: average revenue per line (rounded to the nearest ¥10).

**(d) Internet Culture<sup>15</sup>**
*Yahoo! JAPAN*

		Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
		Q1	Q2	Q3	Q4	Full Year	Q1
(Millions) Total monthly page views <sup>16</sup>	New standard	48,043	-	-	49,564		52,160
	Former standard	48,722	49,671	46,756	54,631		-
Monthly unique browsers <sup>17</sup>	New standard	218	-	-	222		244
	Former standard	224	226	222	238		-

*Yahoo! Auctions and shopping related<sup>18</sup>*

(Billions of yen) Transaction value (quarterly total)						
	231.5	-	-	232.8		241.7

## Notes:

15. Yahoo Japan has changed its items and method of its quarterly disclosure information starting with the fourth quarter of the fiscal year ended March 31, 2011. The figures Yahoo Japan discloses starting the fourth quarter of the fiscal year ended March 31, 2011 are referred to as the “new standard”, while those previously disclosed are referred to as the “former standard.”
16. Number of accesses to *Yahoo! JAPAN* Group Web sites during each quarter  
 New standard: quarterly average. Figures for the second and third quarter of the fiscal year ended March 31, 2011 are not disclosed by Yahoo Japan.  
 Former standard: number of total monthly page views during the last month of each quarter.
17. Number of browsers accessing *Yahoo! JAPAN* services during each quarter  
 New standard: quarterly average. Figures for the second and third quarter of the fiscal year ended March 31, 2011 are not disclosed by Yahoo Japan.  
 Former standard: number of browsers during the last month of each quarter.
18. Shopping related includes *Yahoo! Shopping*, *Yahoo! Ticket* and *Yahoo! Travel* transaction values.

**(Reference 2: Capital Expenditure and Depreciation)**
**(a) Capital Expenditure (acceptance basis)**

(Millions of yen)

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
Mobile Communications	25,987	65,387	116,324	143,826	351,525	84,076
Broadband Infrastructure	3,319	3,294	5,076	5,160	16,850	5,739
Fixed-line Telecommunications	5,112	6,362	9,095	15,665	36,236	6,320
Internet Culture	1,906	1,908	2,783	4,114	10,713	3,349
Others	1,216	1,559	1,148	1,340	5,265	1,710
Consolidated total	37,542	78,513	134,428	170,107	420,591	101,196

**(b) Depreciation (excluding amortization of goodwill)**

(Millions of yen)

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012
	Q1	Q2	Q3	Q4	Full Year	Q1
Mobile Communications	36,636	37,636	40,051	42,668	156,993	45,214
Broadband Infrastructure	4,234	3,968	3,965	3,672	15,840	3,424
Fixed-line Telecommunications	9,104	9,242	9,290	8,997	36,634	8,921
Internet Culture	2,169	2,307	2,412	2,533	9,422	2,291
Others	1,445	1,482	1,608	1,508	6,045	1,521
Consolidated total	53,590	54,637	57,329	59,379	224,937	61,374

## (2) Qualitative Information Regarding Consolidated Financial Position

### 1. Assets, Liabilities and Equity

Assets, liabilities and equity at the end of the period were as follows:

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011	YoY	YoY %
Total assets	4,655,725	<b>4,483,109</b>	(172,615)	(3.7%)
Total liabilities	3,776,107	<b>3,469,947</b>	(306,159)	(8.1%)
Total equity	879,618	<b>1,013,162</b>	133,544	15.2%

#### (a) Current Assets

Current assets at the end of the period totaled ¥1,658,549 million, for a ¥204,067 million (11.0%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Cash and deposits decreased by ¥117,230 million from the previous fiscal year-end. This is mainly due to repayments of borrowings, such as the SBM loan,<sup>1</sup> and income tax payments for BB Mobile's income tax under consolidated tax return<sup>2</sup> and at Yahoo Japan.
- Notes and accounts receivable–trade decreased by ¥52,600 million. This was mainly because of sales of installment sales receivables at SOFTBANK MOBILE.

Notes:

1. The loan procured under a whole business securitization scheme as part of the loan for procurement of the acquisition finance for Vodafone K.K. (currently SOTBANK MOBILE).
2. BB Mobile and its wholly owned subsidiaries including SOFTBANK MOBILE adopt the consolidated taxation system.

#### (b) Fixed Assets

Fixed assets totaled ¥2,822,572 million at the end of the period, for a ¥30,846 million (1.1%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Total property and equipment increased ¥34,654 million from the previous fiscal year-end, primarily on a ¥77,276 million increase from new acquisitions of telecommunications equipment.
- Total intangible assets decreased ¥11,095 million from the previous fiscal year-end. This was mainly because of a ¥15,643 million decrease resulting from regular amortization of the goodwill recorded when the Company acquired SOFTBANK MOBILE and SOFTBANK TELECOM Corp. On the other hand, software increased by ¥6,812 million as a result of new acquisitions of telecommunications equipment.
- Investments and other assets increased by ¥7,287 million from the previous fiscal year-end. This was mainly because of a ¥13,942 million increase in investment securities.

#### (c) Current Liabilities

Current liabilities at the end of the period totaled ¥1,539,666 million, for a ¥104,741 million (6.4%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Accounts payable–other and accrued expenses increased by ¥180,536 million from the previous fiscal year-end. This was mainly the result of transferring ¥200,000 million from long-term liabilities–other to current liabilities as an amount scheduled to be paid to Vodafone International Holdings B.V. and Vodafone Overseas Finance

Limited (hereafter “the Vodafone Group”) in April 2012, as part of a transaction made with the Vodafone Group in December 2010.

- The current portion of corporate bonds decreased by ¥113,500 million from the previous fiscal year-end. This was mainly due to payments of ¥60,000 million to redeem the 27<sup>th</sup> Unsecured Straight Corporate Bond, and ¥53,500 million to redeem the 25<sup>th</sup> Unsecured Straight Corporate Bond.
- Income taxes payable decreased by ¥75,824 million. This was mainly because payments were made for income tax payable at the previous fiscal year-end while income tax payable was recorded for the period, for BB Mobile’s income tax under consolidated tax return and at Yahoo Japan.
- Short-term borrowings decreased by ¥62,330 million from the previous fiscal year-end. This was mainly because the Company repaid short-term borrowings, and SOFTBANK MOBILE continued to repay borrowings procured via the securitization of installment sales receivables.

**(d) Long-term Liabilities**

Long-term liabilities totaled ¥1,930,281 million at the end of the period, for a ¥201,417 million (9.4%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Long-term liabilities—Other decreased by ¥197,486 million. This was mainly due to transfer of ¥200,000 million to accounts payable-other and accrued expenses for the above-mentioned payment scheduled for April 2012 as part of a transaction with the Vodafone Group, since the payment date came to be within one year.
- Long-term borrowings decreased by ¥88,088 million. This was mainly because SOFTBANK MOBILE repaid ¥118,671 million of its SBM loan. On the other hand, there was an increase in the Company’s long-term borrowings.
- Corporate bonds increased ¥79,998 million from the previous fiscal year-end. This increase mainly reflects an increase of ¥100,000 million from the issuance of the 36<sup>th</sup> Unsecured Straight Corporate Bond and ¥30,000 million from the issuance of the 37<sup>th</sup> Unsecured Straight Corporate Bond. On the other hand, the Company’s Convertible Bonds Due 2014 (balance at the previous fiscal year-end ¥49,992 million; hereafter “the Convertible Bonds”) were converted into common stock of the Company.

**(e) Equity**

Equity totaled ¥1,013,162 million at the end of the period, for a ¥133,544 million (15.2%) increase from the previous fiscal year-end. The equity ratio rose 3.5 percentage points from the previous fiscal year-end to 16.8%. The primary components of the change were as follows:

(Shareholders’ equity)

Shareholders’ equity increased ¥139,437 million from the previous fiscal year-end to ¥762,759 million.

- At the end of the period common stock totaled ¥213,797 million and additional paid-in capital was ¥237,522 million. This result includes the conversion of abovementioned Convertible Bonds into common stock of the Company during the period, which increased common stock by ¥25,022 million and additional paid-in capital by ¥25,011 million.
- Retained earnings totaled ¥311,689 million at the end of the period, for a ¥89,412 million increase from the previous fiscal year-end. This was primarily because net income of ¥94,791 million was recorded, while

payment of dividends from retained earnings of ¥5,411 million was recorded.

(Valuation and translation adjustments)

- Valuation and translation adjustments of ¥10,982 million were recorded as debit at the end of the period, a ¥6,913 million decrease from the previous fiscal year-end. This was primarily a result of a decrease in unrealized gain on available-for-sale securities of ¥10,535 million from the previous fiscal year-end.

(Minority interests)

Minority interests totaled ¥260,586 million at the end of the period, for a ¥924 million increase from the previous fiscal year-end.

## 2. Cash Flows

Cash flows during the period were as follows:

Cash and cash equivalents at the end of the period totaled ¥729,809 million, for a ¥117,346 million decrease from the previous fiscal year-end.

(Millions of yen)

	Three-month Period Ended June 30, 2010	Three-month Period Ended June 30, 2011	YoY
Cash flows from operating activities	132,998	<b>107,035</b>	(25,963)
Cash flows from investing activities	(75,230)	<b>(76,172)</b>	(942)
(Reference) Free cash flow	57,768	<b>30,863</b>	(26,905)
Cash flows from financing activities	(140,735)	<b>(146,980)</b>	(6,244)

### (a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥107,035 million (compared with ¥132,998 million provided in the same period of the previous fiscal year).

Income before income taxes and minority interests totaled ¥171,206 million and non-cash items were recorded as positive. The main components of non-cash items are ¥61,374 million in depreciation and amortization and ¥15,673 million in amortization of goodwill (both items increase cash flow), and ¥15,387 million from dilution gain from changes in equity interest, net (decrease in cash flow). Receivables-trade decreased (increase in cash flow) by ¥51,923 million mainly due to the sale of installment sales receivables at SOFTBANK MOBILE. Meanwhile, payables-trade decreased by ¥36,927 million due to payments made for mobile handsets procured at the end of the previous fiscal year at SOFTBANK MOBILE.

Income taxes paid of ¥107,027 million were recorded, for a ¥8,468 million year-on-year increase.

### (b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥76,172 million (compared with ¥75,230 million used in the same period of the previous fiscal year).

Capital expenditures, mainly at telecommunications-related businesses, resulted in outlays of ¥77,800 million for purchase of property and equipment, and intangibles. Meanwhile, ¥12,867 million was spent for purchases of marketable and investment securities, while proceeds from sale of marketable and investment securities generated ¥13,569 million.



As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the period was a positive ¥30,863 million (compared with a positive ¥57,768 million in the same period of the previous fiscal year), for a year-on-year decrease of ¥26,905 million.

**(c) Cash Flows from Financing Activities**

Net cash used in financing activities was ¥146,980 million (compared with ¥140,735 million used in the same period of the previous fiscal year).

Outlays were recorded in the amounts of ¥149,641 million for repayments of long-term debt, ¥113,500 million for redemption of corporate bonds, ¥49,793 million for decrease in short-term borrowings, net, and ¥33,603 million for the repayment of lease obligations. On the other hand, proceeds from issuance of bonds generated ¥129,370 million, proceeds from long-term debt were ¥50,675 million and proceeds from the sale and lease back of equipment newly acquired were ¥44,532 million.

**(Reference: Major Financing Activities)**

The major financing activities in the period were as follows:

Item	Company Name	Details	Summary
Bond issuances	SOFTBANK CORP.	36 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: June 17, 2011 Redemption date: June 17, 2016 Total amount of issue: ¥100,000 million Interest rate: 1.00%/year
		37 <sup>th</sup> Unsecured Straight Corporate Bond	Issue date: June 10, 2011 Redemption date: June 10, 2014 Total amount of issue: ¥30,000 million Interest rate: 0.65%/year
Bond redemption	SOFTBANK CORP.	27 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Redemption date: June 10, 2011 Redeemed amount: ¥60,000 million
		25 <sup>th</sup> Unsecured Straight Corporate Bond	Redemption date: June 17, 2011 Redeemed amount: ¥53,500 million
Repayment of securitization of receivables	SOFTBANK MOBILE Corp.	Repayment of ¥23,419 million	Repayment of funds procured via securitization of mobile handsets installment sales receivables
Repayment of debt (excluding securitization of receivables)	SOFTBANK MOBILE Corp.	Repayment of ¥118,671 million	Repayment of funds raised via the whole business securitization financing scheme
Capital expenditure by financial lease	SOFTBANK MOBILE Corp. etc.	New capital expenditure via leases	Funds newly procured during the period: ¥44,532 million

Please refer to page 25, “2. Consolidated Financial Statements – (8) Significant Subsequent Events” regarding the refinancing of the loan procured under a whole business securitization scheme (SBM loan).

**(3) Qualitative Information Regarding Consolidated Earnings Forecasts**

The Group is planning to focus on network expansion and customer acquisition in the Mobile Communications segment. The initiatives for achieving these strategies need to be planned and adjusted flexibly according to circumstances. Since this involves numerous unconfirmed elements which could impact revenue and profit, it is difficult to disclose numerical earnings forecasts. However, revenue and operating income are expected to increase year on year.

To improve disclosure of information for shareholders and investors, the earnings forecast will be disclosed when deemed to be reasonable.

**2. Consolidated Financial Statements**
**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥861,657	¥744,427
Notes and accounts receivable - trade	657,774	605,173
Marketable securities	78,099	69,057
Merchandise and finished products	49,887	40,723
Deferred tax assets	90,907	64,663
Other current assets	162,068	175,135
Less:		
Allowance for doubtful accounts	(37,778)	(40,632)
Total current assets	1,862,617	1,658,549
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	74,867	74,560
Telecommunications equipment	840,839	876,155
Telecommunications service lines	68,856	67,786
Land	22,882	22,884
Construction in progress	55,663	52,900
Other property and equipment	50,339	53,815
Total property and equipment	1,113,447	1,148,102
<b>Intangible assets, net:</b>		
Goodwill	839,238	823,594
Software	248,872	255,685
Other intangibles	32,233	29,970
Total intangible assets	1,120,345	1,109,249
<b>Investments and other assets:</b>		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	340,436	354,379
Deferred tax assets	109,145	103,886
Other assets	123,360	122,169
Less:		
Allowance for doubtful accounts	(15,008)	(15,214)
Total investments and other assets	557,933	565,220
Total fixed assets	2,791,726	2,822,572
<b>Deferred charges</b>	1,381	1,987
<b>Total assets</b>	¥4,655,725	¥4,483,109

**Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2011	As of June 30, 2011
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥193,644	¥156,589
Short-term borrowings	410,950	348,619
Commercial paper	25,000	20,000
Current portion of corporate bonds	128,500	15,000
Accounts payable - other and accrued expenses	561,421	741,958
Income taxes payable	115,355	39,531
Deferred tax liabilities	7,104	6,418
Current portion of lease obligations	131,305	134,551
Other current liabilities	71,125	76,997
Total current liabilities	1,644,407	1,539,666
<b>Long-term liabilities:</b>		
Corporate bonds	507,390	587,388
Long-term debt	1,030,959	942,871
Deferred tax liabilities	26,582	26,929
Liability for retirement benefits	14,414	14,396
Allowance for point mileage	41,947	39,605
Lease obligations	199,769	205,939
Other liabilities	310,636	113,150
Total long-term liabilities	2,131,699	1,930,281
<b>Total liabilities</b>	3,776,107	3,469,947
<b>Equity:</b>		
Common stock	188,775	213,797
Additional paid-in capital	212,510	237,522
Retained earnings	222,277	311,689
Less: Treasury stock	(240)	(249)
Total shareholders' equity	623,321	762,759
Unrealized gain on available-for-sale securities	34,920	24,384
Deferred gain on derivatives under hedge accounting	11,224	14,530
Foreign currency translation adjustments	(50,213)	(49,897)
Total valuation and translation adjustments	(4,068)	(10,982)
Stock acquisition rights	703	798
Minority interests	259,661	260,586
<b>Total equity</b>	879,618	1,013,162
<b>Total liabilities and equity</b>	¥4,655,725	¥4,483,109

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**
**Consolidated Statements of Income**

(Millions of yen)

	Three-month period ended June 30, 2010	Three-month period ended June 30, 2011
	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
	Amount	Amount
<b>Net sales</b>	¥700,840	¥764,237
<b>Cost of sales</b>	307,180	341,340
<b>Gross Profit</b>	393,659	422,897
<b>Selling, general and administrative expenses</b>	237,055	247,071
<b>Operating income</b>	156,603	175,825
Interest income	529	560
Dividend income	142	1,146
Equity in earnings of affiliated companies	216	-
Other non-operating income	2,333	1,555
<b>Non-operating income</b>	3,222	3,262
Interest expense	27,789	22,407
Equity in losses of affiliated companies	-	863
Other non-operating expenses	5,192	4,586
<b>Non-operating expenses</b>	32,981	27,857
<b>Ordinary income</b>	126,844	151,230
Gain on sale of investment securities	118	4,932
Dilution gain from changes in equity interest	520	15,424
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S.,net	52	-
Other special income	235	-
<b>Special income</b>	926	20,356
Valuation loss on investment securities	1,431	196
Unrealized loss on valuation of investments at subsidiaries in the U.S.,net	-	76
Other special losses	8,174	107
<b>Special loss</b>	9,606	380
<b>Income before income taxes and minority interests</b>	118,164	171,206
<b>Income taxes:</b>		
Current	34,101	27,954
Corrections	26,450	-
Deferred	25,373	32,246
<b>Total income taxes</b>	85,925	60,200
<b>Income before minority interests</b>	32,238	111,006
<b>Minority interests in net income</b>	12,800	16,215
<b>Net income</b>	¥19,438	¥94,791

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Three-month period ended June 30, 2010	Three-month period ended June 30, 2011
	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
	Amount	Amount
<b>Income before minority interests</b>	¥ 32,238	¥111,006
<b>Other comprehensive loss</b>		
Unrealized loss on available-for-sale securities	(9,698)	(10,283)
Deferred gain on derivatives under hedge accounting	5,916	3,403
Foreign currency translation adjustment	(4,976)	(2,234)
Share of other comprehensive income of affiliated companies accounted for using equity method	727	2,114
<b>Total other comprehensive loss</b>	(8,030)	(6,998)
<b>Comprehensive income</b>	24,207	104,007
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	10,312	87,877
Comprehensive income attributable to minority interests	13,894	16,129

**(3) Consolidated Statements of Cash Flows**

(Millions of yen)

	Three-month period ended June 30, 2010	Three-month period ended June 30, 2011
	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥118,164	¥171,206
Adjustments for:		
Depreciation and amortization	53,590	61,374
Amortization of goodwill	15,650	15,673
Equity in (earnings) losses of affiliated companies	(216)	863
Dilution gain from changes in equity interest, net	(518)	(15,387)
Valuation loss on investment securities	1,431	196
Unrealized (appreciation) loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	(52)	76
Gain on sale of marketable and investment securities, net	(80)	(4,956)
Foreign exchange loss (gain), net	162	(75)
Interest and dividend income	(672)	(1,706)
Interest expense	27,789	22,407
Changes in operating assets, and liabilities		
Decrease in receivables - trade	106,163	51,923
Decrease in payables - trade	(14,087)	(36,927)
Other, net	(51,234)	(31,459)
Sub-total	256,090	233,208
Interest and dividend received	652	1,786
Interest paid	(25,185)	(20,931)
Income taxes paid	(98,558)	(107,027)
Net cash provided by operating activities	132,998	107,035

- Continued -

**Consolidated Statements of Cash Flows (Continued)**

(Millions of yen)

	Three-month period ended June 30, 2010	Three-month period ended June 30, 2011
	April 1, 2010 to June 30, 2010	April 1, 2011 to June 30, 2011
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment, and intangibles	¥(58,689)	¥(77,800)
Purchase of marketable and investment securities	(20,315)	(12,867)
Proceeds from sale of marketable and investment securities	2,510	13,569
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	-	(53)
Other, net	1,264	978
Net cash used in investing activities	(75,230)	(76,172)
<b>Cash flows from financing activities:</b>		
Decrease in short-term borrowings, net	(9,662)	(49,793)
Decrease in commercial paper, net	-	(5,000)
Proceeds from long-term debt	20,000	50,675
Repayment of long-term debt	(120,184)	(149,641)
Proceeds from issuance of bonds	49,787	129,370
Redemption of bonds	(20,404)	(113,500)
Proceeds from issuance of shares to minority shareholders	222	224
Cash dividends paid	(4,303)	(4,746)
Cash dividends paid to minority shareholders	(9,886)	(14,926)
Proceeds from sale and lease back of equipment newly acquired	5,350	44,532
Repayment of lease obligations	(49,115)	(33,603)
Other, net	(2,538)	(571)
Net cash used in financing activities	(140,735)	(146,980)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,076)	(517)
<b>Net decrease in cash and cash equivalents</b>	(84,043)	(116,634)
<b>Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	1,919	23
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(64)	(734)
<b>Cash and cash equivalents, beginning of the period</b>	687,681	847,155
<b>Cash and cash equivalents, end of the period</b>	¥605,492	¥729,809



#### (4) Significant Doubt about Going Concern Assumption

There are no applicable items for the three-month period ended June 30, 2011.

#### (5) Notes

##### (Consolidated Statements of Income)

##### Unrealized appreciation (loss) on valuation of investments and loss on sale of investments at subsidiaries in the United States of America, net

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions set forth in Financial Services – Investment Companies of the FASB Accounting Standards Codification Topic 946 (ASC 946) and account for investment securities in accordance with ASC 946.

The net changes in the fair value of the investments are recorded as unrealized appreciation (loss) on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net and loss on sale of investments, computed based on the acquisition cost, is also included in this account. The unrealized appreciation (loss) on valuation of investments and loss on sale of investments included in unrealized appreciation (loss) on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net in the consolidated statements of income are as follows:

	Three-month period ended June 30, 2010	Three-month period ended June 30, 2011
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S., net	179	(76)
Loss on sale of investments at subsidiaries in the U.S., net	(127)	-
Total	52 million yen	(76) million yen

##### (Consolidated Statements of Cash Flows)

#### 1. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows

“Purchase of property and equipment, and intangibles” are comprised of cash outflows from purchasing property and equipment, and intangible assets (excluding goodwill) and long-term prepaid expenses.

#### 2. Proceeds from sale and lease back of equipment newly acquired

Once SOFTBANK MOBILE and others purchase telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE and others sell the equipment to lease companies under sale and lease back arrangements. The leased asset and lease obligation are recorded in the consolidated balance sheets.

The cash outflows from the purchase of the equipment from vendors are included in “Purchase of property and equipment, and intangibles” and the cash inflows from the sale of the equipment to lease companies are included in “Proceeds from sale and lease back of equipment newly acquired.”

## (6) Segment Information

### 1. Net sales and segment profit or loss of reportable segments for the three-month period ended June 30, 2010

(Millions of yen)

	Reportable segments					Other <sup>1</sup>	Total	Reconciliations to consolidated statement of income <sup>2</sup>	Amounts in consolidated statement of income <sup>3</sup>
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥438,520	¥48,552	¥73,199	¥67,142	¥627,414	¥73,425	¥700,840	¥-	¥700,840
Inter-segment	2,558	770	12,677	1,262	17,268	8,457	25,726	(25,726)	-
Total	441,078	49,323	85,876	68,405	644,683	81,882	726,566	(25,726)	700,840
Segment profit	¥102,657	¥11,696	¥6,661	¥35,572	¥156,587	¥2,562	¥159,150	¥(2,546)	¥156,603

Notes:

1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in "Other."
2. Amounts in the column "Reconciliations to consolidated statement of income" of ¥(2,546) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥537 million and ¥(3,084) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statements of income.

### 2. Net sales and segment profit or loss of reportable segments for the three-month period ended June 30, 2011

(Millions of yen)

	Reportable segments					Other <sup>1</sup>	Total	Reconciliations to consolidated statement of income <sup>2</sup>	Amounts in consolidated statement of income <sup>3</sup>
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥512,216	¥40,764	¥69,718	¥68,631	¥691,330	¥72,906	¥764,237	¥-	¥764,237
Inter-segment	1,874	3,255	17,773	978	23,882	8,649	32,531	(32,531)	-
Total	514,090	44,019	87,492	69,610	715,213	81,556	796,769	(32,531)	764,237
Segment profit	¥116,491	¥10,221	¥12,913	¥36,605	¥176,231	¥2,405	¥178,637	¥(2,811)	¥175,825

Notes:

1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in "Other."
2. Amounts in the column "Reconciliations to consolidated statement of income" of ¥(2,811) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥259 million and ¥(3,071) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statements of income.

## (7) Significant Changes in Shareholders' Equity

There are no applicable items for the three-month period ended June 30, 2011.

## (8) Significant Subsequent Events

For the three-month period ended June 30, 2011

### Refinance of SBM loan

The Board of Directors of the Company passed a resolution on July 21, 2011 to execute a ¥550.0 billion loan with a syndicate of 17 financial institutions in Japan and overseas, and the Company borrowed a partial loan amount of ¥352.5 billion on July 27, 2011. This arrangement is to refinance the ¥1,366.0 billion loan to SOFTBANK MOBILE (hereafter "SBM loan", ¥653.9 billion of which was outstanding as of the end of June 2011) procured in November 2006 by Mizuho Trust & Banking Co., Ltd, the "Tokutei Kingai Trust Trustee" under the whole business securitization scheme. The SBM loan was associated with the series of financing transactions for the Company to acquire Vodafone K.K (currently SOFTBANK MOBILE). SOFTBANK MOBILE repaid ¥369.4 billion on July 27, 2011 and will pay ¥284.5 billion on October 27, 2011 to pay off the SBM loan with the funds procured by the Company and its fund in hand.

### 1. Summary of the financing

Name of lender	Syndicate group comprising a total of 17 financial institutions in Japan and overseas including the co-mandated lead arrangers, Mizuho Corporate Bank, Ltd. and four other financial institutions
Total amount of borrowings	¥550.0 billion (1) Facility A1: ¥100.0 billion (2) Facility A2: ¥252.5 billion (3) Facility B: ¥197.5 billion
Interest rate	(1) Facility A1: 1 month TIBOR + spread (variable rate) (2) Facility A2: 3 months TIBOR + spread (variable rate) (3) Facility B: 3 months TIBOR + spread (variable rate) Reference 1: As of July 25, 1 month TIBOR 0.18% As of July 25, 3 months TIBOR 0.34% Reference 2: Spread ranges from 0.75% to 1.275% based on the Company's issuer rating. Spread based on the rating as of July 25: 1.125%
Loan execution date (Installment)	July 27, 2011: ¥352.5 billion October 27, 2011: ¥197.5 billion
Repayment schedule (Scheduled payment)	March 27, 2013: ¥150.0 billion March 27, 2014: ¥200.0 billion March 27, 2015: ¥200.0 billion
Main financial covenants	<ul style="list-style-type: none"> <li>The amount of the Company's net assets at the end of the year must not fall below 75% of the Company's net assets at the end of the previous year.</li> <li>The consolidated balance sheets of the Company and BB Mobile Corp. at the end of the year must not show a net capital deficiency. The balance sheets of SOFTBANK MOBILE, SOFTBANK BB, and SOFTBANK TELECOM at the end of the year must not show a net capital deficiency.</li> </ul>
Collateral/Guarantee	Not applicable

## 2. Purpose and effect of the refinance

The refinance aims to significantly reduce the Company's interest burden, by enabling the Company to obtain financing at an interest rate reflecting the improvement of the Company's credit status. Interest expenses for the SBM loan of ¥50,928 million and ¥11,527 million were recorded in the consolidated statements of income for the year ended March 31, 2011 and three-month period ended June 30, 2011, respectively. Complete repayments of the SBM loan will lift the financial covenants stipulated in the SBM loan Agreement and terminate the security interest associated with the SBM loan for the three-month period ending December 31, 2011.

(Reference) Assets pledged as collateral for the SBM loan

	As of June 30, 2011
Cash and deposits	235,485
Notes and accounts receivable - trade	309,737
Buildings and structures	11,396
Telecommunications equipment	295,258
Telecommunications service lines	68
Land	10,747
Investments and other assets - other assets	9,990
Total	872,684 million yen

Note: Consolidated subsidiaries shares owned by SOFTBANK MOBILE, SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral in addition to the assets pledged as collateral above.

## 3. Others

The Company expects to record approximately ¥23.0 billion as non-operating expenses and ¥22.0 billion as special loss in the consolidated statements of income for the year ending March 31, 2012. This includes cost associated with the abovementioned syndicated loan, the repayments of the SBM loan (cancel fee for interest hedge, etc.) and prepayment premium.