

SOFTBANK CORP.
CONSOLIDATED FINANCIAL REPORT
For the six-month period ended September 30, 2008

Tokyo, October 29, 2008

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	%
Six-month period ended September 30, 2008	¥1,328,998	-	¥180,000	-	¥117,315	-	¥41,115	-
Six-month period ended September 30, 2007	¥1,364,745	21.8	¥167,746	49.0	¥111,165	77.3	¥46,462	221.8

	Net income per share—basic (yen)	Net income per share—diluted (yen)
Six-month period ended September 30, 2008	¥38.04	¥36.20
Six-month period ended September 30, 2007	¥43.99	¥41.43

(2) Financial Condition

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

	Total assets	Total equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of September 30, 2008	¥4,427,011	¥862,478	9.4	¥382.96
As of March 31, 2008	¥4,558,901	¥848,725	8.4	¥355.15

Note: Shareholders' equity (consolidated)

As of September 30, 2008:

¥414,118million

As of March 31, 2008:

¥383,742 million

2. Dividends

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
FY 2008	—	0.00	—	2.50	2.50
FY 2009	—	0.00	—	—	—
FY 2009 (Forecasted)	—	—	—	2.50	2.50

3. Forecasts on the consolidated operation results for the fiscal year ending in March 2009 (April 1, 2008 – March 31, 2009)

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

(Millions of yen)

	Operating income	
Full financial year	¥ 340,000	4.8 (%)

Revision of forecasts on the consolidated operation results: Yes

4. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): None
- (2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements: None
- (3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements (Changes described in “(5) Basis of Presentation of Quarterly Consolidated Financial Statements”)
 - [1] Changes due to revisions in accounting standards: Yes
 - [2] Changes other than those in [1]: Yes

Note: Please see “Qualitative Information / Financial Statements 5. Others” in details on page 22.

(4) Number of shares issued (Common stock)

- [1] Number of shares issued (including treasury stock):
 - As of September 30, 2008: 1,080,828,378 shares
 - As of March 31, 2008: 1,080,664,578 shares
- [2] Number of treasury stock:
 - As of September 30, 2008: 166,212 shares
 - As of March 31, 2008: 163,811 shares
- [3] Weighted average number of common stock :
 - As of September 30, 2008: 1,080,587,999 shares
 - As of September 30, 2007: 1,056,162,870 shares

* Notes to forecasts on the consolidated operating results and another item

1. The forecast figures are estimated based on the information which the company is able to obtain at present point and the assumption which is deemed to be reasonable. However, actual results may be different due to various factors.

2. “Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March14, 2007) were applied for the period ended September 30, 2008. The consolidated financial statements for the period ended September 30, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

Interim Period of the Fiscal Year Ending March 2009 (April 1, 2008, to September 30, 2008)

Consolidated Financial Highlights

Consolidated Statements of Income

Record high operating income on interim basis

- **Consolidated net sales were ¥1,328.9 billion** (2.6% decrease year-on-year).
The principal reason was a 20% year-on-year decline in handset sales.
- **Record high operating income of ¥180.0 billion** (7.3% increase year-on-year).
In addition to favorable profit growth at Yahoo Japan Corporation, contributions were made by continued cost reductions at SOFTBANK TELECOM Corp. and SOFTBANK BB. Corp.
- **Ordinary income was ¥117.3 billion** (5.5% increase year-on-year).
- **Net income was ¥41.1 billion** (11.5% decrease year-on-year).

Segment Information

Other than Mobile Communications, higher profits were recorded in all segments

- **Net sales in the Mobile Communications segment were ¥773.9 billion** (5.0% decrease year-on-year).
- **Operating income in the Mobile Communications segment was ¥88.1 billion** (6.4% decrease year-on-year).
- **Net sales in the Broadband Infrastructure segment were ¥120.0 billion** (7.5% decrease year-on-year).
- **Operating income in the Broadband Infrastructure segment was ¥22.2 billion** (17.3% increase year-on-year).
- **Net sales in the Fixed-line Telecommunications segment were ¥178.4 billion** (1.7% decrease year-on-year).
- **Operating income in the Fixed-line Telecommunications segment was ¥5.5 billion** (15.9-times increase year-on-year).
- **Net sales in the Internet Culture segment were ¥125.5 billion** (13.7% increase year-on-year).
- **Operating income in the Internet Culture segment was ¥61.1 billion** (11.4% increase year-on-year).

Consolidated Balance Sheets / Consolidated Statements of Cash Flows

Achieve ¥176.7 billion of improvement in operating cash flow

- **Total assets were ¥4,427.0 billion** (¥131.8 billion decline from the end of the previous fiscal year).
The principal reasons were a decline in cash and deposits due to the acquisition of treasury stock by Yahoo Japan Corporation and a decline in investment securities of Yahoo! Inc etc. accompanying worsening market conditions.
- **Total liabilities were ¥3,564.5 billion** (¥145.6 billion decline from the end of the previous fiscal year).
Progress was made in reducing payables, such as accounts payable-other and accounts payable-trade, and interest-bearing debt.
- **Total equity was ¥862.4 billion** (¥13.7 billion increase from the end of the previous fiscal year).
- **Shareholders' equity ratio was 9.4%** (1.0 percentage point improvement from the end of the previous fiscal year).
- **Net cash provided by operating activities was ¥177.2 billion** (compared to ¥0.4 billion provided in the same period of the previous fiscal year).
Due to an increase in repayments by subscribers on the installment plan, receivables trade increased by ¥2.8 billion, while an increase of ¥144.2 billion was recorded in the same period of the previous fiscal year. This resulted in an improvement of ¥141.3 billion year-on-year.

- **Net cash used in investing activities was ¥165.1 billion** (compared to ¥227.2 billion used in investing activities in the same period of the previous fiscal year).
- **Net cash used in financing activities was ¥81.9 billion** (compared to ¥303.5 billion provided by financing activities in the same period of the previous fiscal year).

Mobile Communications Segment: Key Indicators

No. 1 in monthly net additions in subscribers for 17 consecutive months

- Total number of subscribers as of the end of September 2008 was 19.63 million (1.04 million increase from the end of the previous fiscal year).
- No. 1 in monthly net additions for 17 consecutive months through September 2008.
- 3G subscription ratio as of the end of September 2008 was 83.1% (7.5 percentage point increase from the end of the previous fiscal year).
- Total ARPU^{*1} in the second quarter was ¥4,170 (a decline of ¥140 from the end of the previous fiscal year and a decline of ¥10 from the first quarter).
- Voice ARPU in the second quarter was ¥2,460 (a decline of ¥250 from the end of the previous fiscal year and a decline of ¥70 from the first quarter).
- Data ARPU in the second quarter was ¥1,710 (an increase of ¥110 from the end of the previous fiscal year and an increase of ¥60 from the first quarter).
- The churn rate for the second quarter was 0.98% (0.21 percentage point improvement from the end of the previous fiscal year).
- The upgrade rate for the second quarter was 1.91% (about level with the fourth quarter of the previous fiscal year).

*1. Average Revenue Per User

Second Quarter of the Fiscal Year Ending March 2009 (July 1, 2008, to September 30, 2008)Consolidated Financial Highlights**Consolidated Statements of Income****Record high operating income on quarterly basis**

- **Consolidated net sales were ¥681.7 billion** (2.8% decrease year-on-year).
- **Operating income was ¥94.9 billion** (6.6% increase year-on-year), a record high for quarterly operating income.
- **Ordinary income was ¥63.0 billion** (5.1% increase year-on-year).
- **Net income was ¥21.7 billion** (1.9% increase year-on-year).

Segment Information**Other than Mobile Communications, higher profits were recorded in all segments**

- **Net sales in the Mobile Communications segment were ¥401.3 billion** (5.1% decrease year-on-year).
- **Operating income in the Mobile Communications segment was ¥43.8 billion** (13.4% decrease year-on-year).
- **Net sales in the Broadband Infrastructure segment were ¥59.9 billion** (6.5% decrease year-on-year).
- **Operating income in the Broadband Infrastructure segment was ¥11.7 billion** (14.2% increase year-on-year).
- **Net sales in the Fixed-line Telecommunications segment were ¥90.0 billion** (1.1% decrease year-on-year).
- **Operating income in the Fixed-line Telecommunications segment was ¥4.7 billion** (10.3-times increase year-on-year).
- **Net sales in the Internet Culture segment were ¥63.2 billion** (9.8% increase year-on-year).
- **Operating income in the Internet Culture segment was ¥30.6 billion** (10.4% increase year-on-year).

The consolidated financial statements for the period ended September 30, 2008 were prepared following the Regulations for Quarterly Consolidated Financial Statements. Therefore, the financial results of the same period of the previous fiscal year and year-on-year comparisons have been included for reference purposes.

Qualitative Information / Financial Statements

1. Qualitative Information on Consolidated Results of Operations

<<Summary of Results of Operations>>	
Net sales	¥1,328,998 million (2.6% decrease year-on-year)
Operating income	¥180,000 million (7.3% increase year-on-year)
Ordinary income	¥117,315 million (5.5% increase year-on-year)
Net income	¥41,115 million (11.5% decrease year-on-year)

<Overview of results for the interim period ended September 30, 2008 (six-month period from April 1, 2008 to September 30, 2008)>

Net sales for the interim period (six-month period ended September 30, 2008; hereinafter 'the interim period') totaled ¥1,328,998 million, and operating income came to ¥180,000 million, the highest level of operating income since the SOFTBANK Group (hereinafter 'the Group') was established. Net sales declined in comparison to the corresponding interim period in the previous fiscal year (six-month period ended September 30, 2007; hereinafter 'year-on-year'), primarily because of a decline in handset sales in the Mobile Communications segment. Even though the operating income in the Mobile Communications segment declined, all the other businesses recorded higher operating income. As a result, overall operating income increased year-on-year.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	663,084	701,660	694,020	717,402	647,255	681,742	—	—
Operating income	78,746	89,000	92,441	64,098	85,086	94,913	—	—
Ordinary income	51,154	60,010	120,833	26,615	54,272	63,043	—	—
Net income	25,130	21,331	46,734	15,427	19,368	21,747	—	—

(1) Net Sales

Net sales declined ¥35,747 million to ¥1,328,998 million, or 2.6% year-on-year. This decrease was primarily the result of a ¥40,548 million decline in net sales in the Mobile Communications segment on lower handset sales.

(2) Operating Income

Operating income was ¥180,000 million, an increase of ¥12,253 million, or 7.3%, year-on-year. This was due to steady income growth in Yahoo Japan Corporation, and continued efforts toward cutting costs in SOFTBANK TELECOM Corp. (hereinafter 'SOFTBANK TELECOM') and SOFTBANK BB Corp. (hereinafter 'SOFTBANK BB') leading to increases in operating income in the Internet Culture segment, the Broadband Infrastructure segment, and the Fixed-Line Telecommunications segment. The Internet Culture segment recorded an increase of 11.4%, to ¥6,273 million, the Fixed-Line Telecommunications segment recorded an increase of 15.9-times to ¥5,208 million and the Broadband Infrastructure segment recorded an increase of 17.3%, to ¥3,278 million year-on-year. These performances were the principal reason for the overall increase in operating income.

The cost of sales for the interim period was ¥690,137 million, down ¥28,726 million, or 4.0% year-on-year. This decline was due primarily to lower cost of goods sold for handsets in the Mobile Communications segment. Selling, general and administrative expenses came to ¥458,859 million, a decrease of ¥19,274 million, or 4.0%, year-on-year. This decline was primarily attributable to lower subscriber retaining costs, such as commissions on handset upgrades etc.

(3) Non-operating Income

Non-operating income was ¥4,667 million, a decrease of ¥5,518 million, or 54.2%, year-on-year. Foreign exchange gain, net decreased by ¥1,988 million. In addition, in the same period of the previous fiscal year, equity in earnings of affiliated companies was ¥3,136 million, but in this interim period, equity in loss of affiliated companies was ¥2,421 million, which was recorded as a non-operating expense.

(4) Non-operating Expenses

Non-operating expenses were ¥67,352 million, an increase of ¥585 million, or 0.9% year-on-year. This rise was principally due to interest expense of ¥57,061 million, an increase of ¥1,686 million year-on-year.

(5) Special Income

Special income totaled ¥6,215 million. This was mainly due to the recognition of ¥2,519 million from gain on sale of investment securities and ¥2,353 million from dilution gain from changes in equity interest.

(6) Special Loss

Special loss came to ¥8,315 million. This was mainly due to the recognition of ¥3,175 million of unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net, and ¥3,123 million of valuation loss on investment securities.

(7) Income Taxes and Others

Current income taxes totaled ¥34,432 million, deferred income taxes came to ¥17,401 million, and ¥22,265 million was recorded as minority interests in net income.

Results by business segment are as follows:

[Mobile Communications]

<<Summary of Segment Results>>	
Net sales	¥773,961 million (5.0% decrease year-on-year)
Operating income	¥88,164 million (6.4% decrease year-on-year)
Net subscriber additions totaled 1,046,900 in the first half of the fiscal year. No. 1 in monthly net additions for 17 consecutive months through September 2008.	
Total subscribers reached 19.63 million, 3G subscribers reached 16.32 million.	

<Analysis of Results>

Net sales were ¥773,961 million, down ¥40,548 million, or 5.0%, year-on-year. Operating income decreased by ¥6,055 million, or 6.4% year-on-year, to ¥88,164 million. The decrease in net sales was primarily a reflection of a decline in handset sales at SOFTBANK MOBILE Corp. (hereinafter 'SOFTBANK MOBILE'), the segment's core company. Commissions on handset upgrades declined, but depreciation and amortization etc. increased. As a result, operating income decreased.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	391,668	422,841	406,081	410,260	372,585	401,375	—	—
Operating income	43,528	50,691	53,760	26,589	44,273	43,890	—	—

<Number of Mobile Phone Subscribers>

The iPhone™ 3G, put on sale on July 11 2008, contributed to the acquisition of new subscribers, and SOFTBANK MOBILE recorded the industry's highest monthly net additions in subscribers (new subscribers minus cancellations) for 17 consecutive months through September 2008. The number of SOFTBANK MOBILE subscribers totaled 19,633,200*2 as of the end of the interim period, an increase of 1,046,900 subscribers from the end of the previous fiscal year. Market share rose 1.5 percentage points, to 18.7%. In addition, the number of applications for *White Plan* which has a basic monthly charge of ¥980 (including tax) exceeded 14 million in July 2008. The number of 3G subscribers exceeded 16 million, representing more than 80% of total subscribers. SOFTBANK MOBILE continues working to promote the transition to 3G. SOFTBANK MOBILE'S 2G service, including its prepaid service, will be terminated by March 31, 2010.

(Thousands of lines)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net additions	530.8	612.0	561.0	972.7	525.5	521.4	—	—
Total	16,440.5	17,052.5	17,613.5	18,586.2	19,111.7	19,633.2	—	—

*2. The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers. The number of communication module service subscribers at the end of the interim period was 32,500.

<Churn Rate and Upgrade Rate>

As in the first quarter, the churn rate for the second quarter was below 1%. The churn rate was 0.98% for the second quarter, an improvement of 0.21 percentage points from the end of the previous fiscal year. The upgrade rate for the second quarter was 1.91%, maintaining the same level compared to the end of the previous fiscal year.

(% per month)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Churn rate	1.46	1.42	1.21	1.19	0.98	0.98	—	—
(3G only) ^{*3}	1.07	1.05	0.88	0.85	0.72	0.76	—	—
Upgrade rate	2.25	2.67	2.00	1.93	1.27	1.91	—	—

*3. Excludes the 3G Prepaid Service.

<ARPU and Average Acquisition Commission per User>

Total ARPU in the second quarter was ¥4,170, a decline of ¥140 from the end of the previous fiscal year. This decline in total ARPU was a reflection of the special discount for subscribers to *New Super Bonus* and the growth in the number of subscribers to *White Plan*, which has a basic monthly charge of ¥980 (including tax). Total ARPU in the second quarter was down ¥10 from the first quarter, marking a substantial improvement in the scale of the decline. On the other hand, data ARPU in the second quarter rose ¥110 from the end of the previous fiscal year to ¥1,710, and accounted for 41.1% of total ARPU. This ratio continues to increase.

The average acquisition commission per user during the second quarter was ¥35,500.

(Yen per month)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	5,000	4,800	4,520	4,310	4,180	4,170	—	—
(Voice)	3,590	3,340	3,040	2,710	2,530	2,460	—	—
(Data)	1,410	1,470	1,490	1,600	1,650	1,710	—	—

[Broadband Infrastructure]

<<Summary of Segment Results>>	
Net sales	¥120,038 million (7.5% decrease year-on-year)
Operating income	¥22,265 million (17.3% increase year-on-year)
Total installed lines for <i>Yahoo! BB ADSL</i> : 4,551,000 (at the end of September 2008).	
Progress was made in improving the operating margin by reducing expenses.	

<Analysis of Results>

Net sales were ¥120,038 million, down ¥9,780 million, or 7.5%, year-on-year. Operating income was ¥22,265 million, up ¥3,278 million, or 17.3%, year-on-year. Revenue from the ADSL business of core company SOFTBANK BB is trending lower on declines in both total installed lines and ARPU, but the trend of profit growth continues because of lower depreciation and leasing expenses etc. for telecommunications equipment.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	65,747	64,072	64,340	63,908	60,127	59,911	—	—
Operating income	8,665	10,320	11,309	9,404	10,475	11,789	—	—

<Overview of Operations>

The number of installed lines for *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB, totaled 4,551,000 lines at the end of the interim period, and ARPU on a customer payment basis for the second quarter was ¥4,279.

SOFTBANK BB and SOFTBANK MOBILE launched the *White Call 24* discount service from June 2008. This service provides free domestic voice calls between subscribers of the Group's *BB Phone (050)* IP telephony service and SoftBank mobile phones (*White Plan*). This is increasing the Group's competitiveness by creating synergies between the two companies, including cross-selling across the two companies' sales channels.

[Fixed-Line Telecommunications]

<<Summary of Segment Results>>	
Net sales	¥178,458 million (1.7% decrease year-on-year)
Operating income	¥5,557 million (15.9-times increase year-on-year)
Total installed lines for <i>OTOKU Line</i> : 1,498,000 (at the end of September 2008).	
As a result of efforts to reduce fixed costs, operating income increased 15.9-times year-on-year.	

<Analysis of Results>

Net sales were ¥178,458 million, down ¥3,014 million, or 1.7%, year-on-year. Operating income totaled ¥5,557 million, an increase of 15.9-times year-on-year. At core company SOFTBANK TELECOM, revenue from the *OTOKU Line* direct connection fixed-line voice service continued to increase, but revenue from such existing voice services as *MY LINE* continued to decline. However, through initiatives targeting increased management efficiency, such as continued fixed cost reductions, operating profitability has been maintained since the second quarter of the previous fiscal year.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	90,486	90,986	89,979	99,288	88,453	90,005	—	—
Operating income (loss)	(111)	460	1,375	1,615	798	4,759	—	—

<Overview of Operations>

SOFTBANK TELECOM continues to utilize its core *OTOKU Line* direct connection fixed-line voice service to expand its corporate customer base. The number of *OTOKU Line* lines installed is increasing steadily. The number of lines at the end of the interim period stood at 1,498,000, for an increase of 97,000 from the end of the previous fiscal year. Corporate customers constituted 74.2% of the total number of lines, and this figure continues to rise.

In June 2008, SOFTBANK TELECOM launched the *White Line 24* discount service to enhance synergies with the Mobile Communications segment and to further strengthen the corporate business. This service provides free domestic voice calls between subscribers of SOFTBANK TELECOM's *OTOKU Line* service and SoftBank mobile phones (*White Plan*).

[Internet Culture]

<<Summary of Segment Results>>

Net sales	¥125,586 million	(13.7% increase year-on-year)
Operating income	¥61,188 million	(11.4% increase year-on-year)

<Analysis of Results>

Net sales increased by ¥15,166 million year-on-year, or 13.7%, to ¥125,586 million. Operating income increased by ¥6,273 million, or 11.4%, to ¥61,188 million.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	52,796	57,623	66,505	70,717	62,326	63,259	—	—
Operating income	27,148	27,766	28,864	31,457	30,542	30,645	—	—

<Overview of Operations>

In the advertising business of Yahoo Japan Corporation, the core company in the segment, display advertising sales rose solidly, with sales of high-value-added advertising products, such as behavioral targeting and demographic targeting products, surging year-on-year. Due to the pursuit of an “open” strategy, use of paid search advertising system by non Yahoo Japan Corporation group companies increased, resulting in favorable growth in paid search advertising sales.

Efforts in *Yahoo! Shopping* and *Yahoo! Auctions* to increase the number of merchant stores were continued during the interim period. As a result, at the end of the interim period, the number of merchant stores registered on *Yahoo! Shopping* and *Yahoo! Auctions* totaled 32,652, expanding by 3,216 stores year-on-year. In addition, tenant and commission fees for *Yahoo! Shopping* and *Yahoo! Auctions* expanded favorably. Efforts to improve added value for *Yahoo! Premium* membership IDs resulted in the number of IDs totaled 7.18 million during the interim period. Hence, net sales have increased steadily.

Commencing in September, Yahoo Japan Corporation began introducing the interest-linked advertising service Interest Match™, which is the world’s first advertising service of its kind.

[e-Commerce]
<<Summary of Segment Results>>

Net sales	¥127,981 million	(2.0% increase year-on-year)
Operating income	¥2,747 million	(30.8% increase year-on-year)

<Analysis of Results>

Net sales were ¥127,981 million, up ¥2,507 million, or 2.0%, year-on-year. Operating income was ¥2,747 million, up ¥646 million, or 30.8%, year-on-year.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	61,660	63,812	69,634	75,615	62,459	65,522	—	—
Operating income	1,167	933	809	246	1,009	1,737	—	—

<Overview of Operations>

Core company SOFTBANK BB's commerce & service division posted strong sales of IT equipment for corporate customers, including servers and client PCs, and of network equipment. The lineup of *SoftBank SELECTION* mobile phone accessories, launched in November 2007, was expanded, and the number of stores handling these products increased. *SoftBank SELECTION* began to contribute to earnings accordingly. In addition, sales of high-margin hardware to mass appliance retailers also increased.

SOFTBANK BB will continue to pursue additional synergies with the Group's telecommunications companies as it strengthens its sales of mobile phone accessories and corporate business.

[Others]

<Analysis of Results>

Net sales decreased by ¥5,771 million year-on-year, or 11.1%, to ¥46,008 million. Operating income was ¥2,624 million, compared to operating loss of ¥650 million in the same period of previous fiscal year.

This segment includes the Technology Services business (SOFTBANK TECHNOLOGY CORP.), the Media & Marketing business (mainly SOFTBANK Creative Corp. and ITmedia Inc.), the Overseas Funds business, and Other businesses (mainly TV Bank Corporation and Fukuoka Softbank Hawks Corp.).

Broadmedia Corporation, which belonged to the Broadmedia segment that was previously included in this segment, changed from a consolidated subsidiary to an equity-method affiliate as the result of a capital increase via third-party allotment of shares implemented on May 16, 2008. The Broadmedia segment was therefore disbanded in the first quarter.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	24,871	26,907	23,184	24,909	21,818	24,189	—	—
Operating income (loss)	(689)	38	(2,617)	(1,852)	(758)	3,383	—	—

(Reference: Quarterly Results)

Net sales for the second quarter (three-month period from July 1, 2008, to September 30, 2008) totaled ¥681,742 million, a decrease of ¥19,918 million, or 2.8%, year-on-year. Operating income was ¥94,913 million, an increase of ¥5,913 million, or 6.6%, year-on-year. Ordinary income was ¥63,043 million, an increase of ¥3,032 million, or 5.1%, year-on-year. Net income was ¥21,747 million, an increase of ¥415 million, or 1.9%, year-on-year.

Results by business segment are as follows:

[Mobile Communications]

Net sales were ¥401,375 million, a decrease of ¥21,466 million, or 5.1%, year-on-year. Operating income decreased by ¥6,800 million, or 13.4%, to ¥43,890 million. The principal reason was a decline in handset sales at SOFTBANK MOBILE. In addition, commissions on handset upgrades declined, but depreciation and amortization etc. increased. As a result, operating income decreased.

[Broadband Infrastructure]

Net sales were ¥59,911 million, a decrease of ¥4,160 million, or 6.5%, year-on-year. Operating income was ¥11,789 million, an increase of ¥1,469 million, or 14.2%, year-on-year. SOFTBANK BB's ADSL business is trending lower on declines in both total installed lines and ARPU, but the trend of profit growth continues because of lower depreciation and leasing expenses etc. for telecommunications equipment.

[Fixed-line Telecommunications]

Net sales were ¥90,005 million, a decrease of ¥981 million, or 1.1%, year-on-year. Operating income totaled ¥4,759 million, an increase of 10.3-times year-on-year. At SOFTBANK TELECOM, the revenue from the *OTOKU Line* direct connection fixed-line voice service continued to increase, but the revenue from such existing voice services as *MY LINE* continued to decline. However, through initiatives targeting increased management efficiency, such as continued fixed cost reductions, a trend of increasing profits has been maintained.

[Internet Culture]

Net sales were ¥63,259 million, an increase of ¥5,635 million, or 9.8%, year-on-year. Operating income was ¥30,645 million, an increase of ¥2,878 million, or 10.4%, year-on-year.

[e-Commerce]

Net sales were ¥65,522 million, an increase of ¥1,709 million, or 2.7%, year-on-year. Operating income was ¥1,737 million, an increase of ¥803 million, or 86.0%, year-on-year.

[Others]

Net sales were ¥24,189 million, a decrease of ¥2,717 million, or 10.1%, year-on-year. Operating income totaled ¥3,383 million (¥38 million in the second quarter of the previous fiscal year).

2. Qualitative Information on Consolidated Financial Position

<<Summary of the Consolidated Financial Position>>		
Total assets	¥4,427,011 million	(2.9% decrease year-on-year)
Total liabilities	¥3,564,533 million	(3.9% decrease year-on-year)
Equity	¥862,478 million	(1.6% increase year-on-year)
Cash flows from operating activities	¥177,206 million provided	
Cash flows from investing activities	¥165,103 million used	
Cash flows from financing activities	¥81,943 million used	
Balance of cash and cash equivalents	¥419,186 million	(¥71,080 million decrease from the end of March 2008)

1. Assets, Liabilities and Equity

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

(1) Current Assets

Current assets decreased by ¥86,893 million from the end of the previous fiscal year, to ¥1,495,851 million. This decrease was principally due to a decline of ¥72,192 million in cash and deposits as a result of the acquisition of treasury stock by Yahoo Japan Corporation, and repayment of interest-bearing debt by Yahoo Japan Corporation and SOFTBANK CORP. (hereinafter 'the Company'). In addition, deferred tax assets also decreased by ¥13,955 million.

In the Mobile Communications segment, SOFTBANK MOBILE procured cash by securitizing a portion of the installment sales receivables resulting from mobile handset installment sales. Total cash procured in the second quarter came to ¥57,278 million, ¥45,343 million during the first quarter (see '(2) Major Financing Activities' on page 19). These procured funds were recorded as borrowings, and entrusted installment sales receivables were recorded as notes and accounts receivable-trade.

(2) Fixed Assets

<Property and Equipment, net>

Property and equipment, net, decreased by ¥20,856 million from the end of the previous fiscal year, to ¥1,008,408 million. This decline was primarily due to depreciation.

<Intangible Assets>

Intangible assets increased by ¥10,481 million from the end of the previous fiscal year, to ¥1,248,790 million. This rise stemmed primarily from a ¥14,540 million increase in goodwill that was associated with SOFTBANK TELECOM's acquisition of additional shares of SOFTBANK TELECOM PARTNERS in April 2008, making SOFTBANK TELECOM PARTNERS a consolidated subsidiary of SOFTBANK TELECOM, and from the acquisition of treasury stock by Yahoo Japan Corporation.

<Investments and Other Assets>

Investments and other assets decreased by ¥33,871 million from the end of the previous fiscal year, to ¥671,892 million. This decrease was primarily the result of a ¥63,559 million decrease in investment securities associated with a decline in the share price of Yahoo! Inc. in the U.S.

(3) Current Liabilities

Current liabilities decreased by ¥14,513 million from the end of the previous fiscal year, to ¥1,226,190 million. Although short-term borrowings increased by ¥92,025 million and current portion of lease obligations rose by ¥12,815 million, there were declines of ¥64,501 million in accounts payable-other and accrued expenses, ¥35,503 million in accounts payable-trade, and ¥32,540 million in current portion of corporate bonds.

The increase in short-term borrowings consisted primarily of an increase in current portion of long-term debt of ¥25,598 million, procured by SOFTBANK MOBILE via the securitization of installment sales receivables, and increased borrowings by the Company of ¥63,000 million through the credit facility line.

(4) Long-term Liabilities

Long-term liabilities decreased by ¥131,129 million from the end of the previous fiscal year, to ¥2,338,342 million. This decrease was primarily due to a decline of ¥96,636 million in long-term debt.

The balance of long-term debt procured by SOFTBANK MOBILE through the whole business securitization financing scheme decreased by ¥37,227 million from the end of the previous fiscal year, to ¥1,239,261 million.

(5) Equity

Equity increased by ¥13,753 million from the end of the previous fiscal year, to ¥862,478 million. While ¥2,701 million in dividend payments from retained earnings were recorded, net income for the period was ¥41,115 million, and accumulated deficit improved by ¥38,277 million. The deferred gain on derivatives under hedge accounting improved by ¥28,175 million, to ¥16,352 million, but there were decreases of ¥32,604 million in unrealized gain on available-for-sale securities, ¥16,707 million in minority interests, and ¥3,964 million in foreign currency translation adjustments.

2. Cash Flows

During the interim period, net cash provided by operating activities was ¥177,206 million, net cash used in investing activities was ¥165,103 million, and net cash used in financing activities was ¥81,943 million. As a result, cash and cash equivalents at the end of the interim period totaled ¥419,186 million, a decrease of ¥71,080 million from the end of the previous fiscal year.

(1) Cash Flows from Operating Activities

Net cash provided by operating activities was ¥177,206 million. Income before income taxes and minority interests for the interim period totaled ¥115,215 million. As non-cash items, depreciation and amortization of ¥115,067 million and amortization of goodwill of ¥30,632 million were recorded. Other adjustment items included interest expense of ¥57,061 million, which was included in income before income taxes and minority interests for the interim period. Operating cash flow was negatively impacted by a ¥2,855 million increase in receivables-trade and by a ¥41,974 million decrease in payables-trade. Interest paid was ¥50,658 million, and income taxes paid by Yahoo Japan Corporation and other entities were ¥33,050 million.

(2) Cash Flows from Investing Activities

Net cash used in investing activities was ¥165,103 million. As a result of capital expenditure, mainly in the telecommunications segments, purchase of property and equipment and intangibles totaled ¥142,867 million. Purchases of marketable and investment securities totaled ¥24,528 million. In addition, SOFTBANK TELECOM's acquisition of additional shares of SOFTBANK TELECOM PARTNERS, making SOFTBANK TELECOM PARTNERS a consolidated subsidiary of SOFTBANK TELECOM, resulted in an outlay of ¥17,530 million for acquisition of interests in subsidiaries newly consolidated. In addition, proceeds from sale of marketable and investment securities totaled ¥12,723 million.

As a result, for the interim period, the total of cash flows from operating activities and cash flows from investing activities was positive, at ¥12,102 million.

(3) Cash Flows from Financing Activities

Net cash used in financing activities was ¥81,943 million. Proceeds from long-term debt were ¥102,621 million, and short-term borrowings increased ¥60,127 million. Mainly in the Mobile Communications segment, proceeds of ¥55,522 million were recorded from the sale and lease back of equipment newly acquired. However, ¥169,028 million of long-term debt was repaid, and there was a ¥52,164 million outlay for purchase of treasury stock of subsidiaries in consolidation, mainly at Yahoo Japan Corporation and other entities. In addition, repayment of lease obligations and redemption of bonds totaled ¥36,325 million and ¥35,130 million, respectively.

[Reference]
(1) Major Investing Activities

The major investing activities in the interim period were as follows:

Investee Company	Investor Company	Net Cash Outflow	Voting Rights
SOFTBANK TELECOM PARTNERS Corp.	SOFTBANK TELECOM Corp.	¥17,204 million ^(*)	100.0%
Oak Pacific Interactive	SOFTBANK CORP.	¥10,240 million	14.1%

* This is the amount after subtracting ¥8,325 million of cash and cash equivalents and others, which SOFTBANK TELECOM PARTNERS Corp. held at the acquisition, from acquisition cost of ¥25,530 million.

(2) Major Financing Activities

The major financing activities in the interim period were as follows:

Item	Company Name	Details	Summary
Stock buyback by subsidiaries in consolidation	Yahoo Japan Corporation	Implementation of the stock buyback by Yahoo Japan Corporation	Buyback Period: June 2, 2008 to July 10, 2008 Total amount of buyback: ¥51,639 million
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥45,343 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 27, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥57,278 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: September 29, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
Increase or decrease of debt and others	SOFTBANK CORP.	Increase ¥45,000 million (net)	Increase in borrowings by ¥43,000 million (net) and increase in commercial paper by ¥2,000 million
	SOFTBANK MOBILE Corp.	Decrease ¥37,227 million	Repayment of funds raised via the whole business securitization financing scheme
	SOFTBANK TELECOM Corp.	Decrease ¥12,000 million	
	Yahoo Japan Corporation	Decrease ¥10,000 million	

Item	Company Name	Details	Summary
Bond redemption	SOFTBANK CORP.	20th Unsecured Straight Bond	Date of redemption: June 9, 2008 Aggregate amount of redemption: ¥12,500 million
		21st Unsecured Straight Bond	Date of redemption: September 12, 2008 Aggregate amount of redemption: ¥20,000 million
Implementation of capital investment through finance lease agreements	SOFTBANK MOBILE Corp. etc.	Implementation of capital expenditure mainly for mobile communications utilizing lease agreements	Funds procured during this period : ¥55,522 million

3. Qualitative Information on Consolidated Earnings Forecasts

As from the interim period ended September 30, 2008 (six-month period from April 1 to September 30, 2008), the Group discloses the business forecasts on consolidated operating income. The Group expects consolidated operating income of ¥340.0 billion for the fiscal year ended March 31, 2009, and ¥420.0 billion for the fiscal year ended March 31, 2010.

In conjunction with the disclosure of consolidated operating income, the Group discloses the forecast on cash flows from operating activities, cash flows from investing activities, and free cash flow (the total of cash flows from operating and investing activities). Please refer to the following table for the details.

(Billions of yen)

	Actual of fiscal year ended March 31, 2008 (FY2007)	Forecast of fiscal year ending March 31, 2009 (FY2008)	Forecast of fiscal year ending March 31, 2010 (FY2009)
Operating income	324.2	340.0	420.0
Cash flows from operating activities	158.2	420.0	500.0
Cash flows from investing activities	(322.4)	(280.0)	(250.0)
Free cash flow	(164.2)	140.0	250.0

The consolidated net sales are greatly influenced by the type of sales method used for mobile handsets and this makes forecasting the business results difficult. The Company holds several investment securities and invests in funds which are vulnerable to the market environment, and this makes equity in earnings under the equity method and special income/loss difficult to estimate. Therefore business forecasts on consolidated ordinary income and consolidated net income are also difficult to disclose at this point.

4. The SOFTBANK Group

As of September 30, 2008, the Group is comprised of the Company (pure holding company) and the following nine business segments. The number of consolidated subsidiaries and equity-method companies in each business segment is as follows.

Business segments	Consolidated subsidiaries	Equity-method non-consolidated subsidiaries and affiliates	Main business of segment and name of business
Mobile Communications	6	2	Provision of mobile communication services and sale of mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
Broadband Infrastructure	4	3	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp. ^(Note1))
Fixed-line Telecommunications	4	-	Provision of fixed-line telecommunications and data center service etc. (Core companies: SOFTBANK IDC Corp., SOFTBANK TELECOM Corp. ^(Note1))
Internet Culture	15	19	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation ^(Note1))
e-Commerce	7	4	Distribution of PC software and such hardware as PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platform (B2B) and consumer-related e-commerce (B2C) etc. (Core companies: SOFTBANK BB Corp. ^(Note1) Vector Inc., Carview Corporation)
Others ^(Note 2)	70	49	Technology Services, Media & Marketing, Overseas Funds, and Other businesses (Core companies: SOFTBANK TECHNOLOGY CORP., SOFTBANK Creative Corp., ITmedia Inc., Fukuoka Softbank Hawks Marketing Corp.)
Total	106	77	

(Notes)

- SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation are included in the consolidated subsidiaries of the Broadband Infrastructure, Fixed-line Telecommunications and Internet Culture segments, respectively, while SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation operate multiple businesses and their operating results are allocated to multiple business segments.
- Broadmedia Corporation, which belonged to the Broadmedia segment that was previously included in the Others above, changed from a consolidated subsidiary to an equity-method affiliate as the result of a capital increase via third-party allotment of shares implemented on May 16, 2008. The Broadmedia segment was therefore disbanded in the first quarter.

[Listed Companies]

The following SOFTBANK subsidiaries are listed on domestic stock exchanges as of September 30, 2008:

Company Name	Listed Exchange
Yahoo Japan Corporation	Tokyo Stock Exchange 1st section Jasdaq Securities Exchange
SOFTBANK TECHNOLOGY CORP.	Tokyo Stock Exchange 1st section
Vector Inc.	Osaka Securities Exchange Hercules
ITmedia Inc.	Tokyo Stock Exchange Mothers
Carview Corporation	Tokyo Stock Exchange Mothers

5. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries)
There are no significant changes in scope of consolidation as of September 30, 2008.

- (2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements
There are no applicable items.

- (3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements

[1] Application of accounting standard for quarterly financial reporting and its implementation guidance

“Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March 14, 2007) were applied for the period ended September 30, 2008. The consolidated financial statements for the period ended September 30, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

[2] Application of accounting standard for measurement of inventories

Prior to April 1, 2008, inventories held for sale in the ordinary course of business were measured by primarily cost determined by the moving-average method. “Accounting Standard for Measurement of Inventories”(ASBJ Statement No.9 issued on July 5, 2006), which is effective for fiscal years beginning on or after April 1, 2008, was adopted for the period ended September 30, 2008. Due to the application of the accounting standard, inventories are measured by primarily net selling value determined by the moving-average method. The effect of this change is not material.

[3] Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”(ASBJ PITE No.18 issued on May 17, 2006) was applied for the period ended September 30, 2008 and the necessary adjustments are reflected in the consolidated financial statements. The effect of this change is not material.

[4] Application of accounting standard for lease transactions

Prior to April 1, 2008, finance lease in which the ownership of leased assets was not transferred to lessees was permitted to be accounted for as operating lease transactions. “Accounting Standard for Lease Transactions”(ASBJ Statement No.13 issued on June 17, 1993 and revised on March 30, 2007) and “the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16 issued on January 18, 1994 and revised on March 30, 2007) were early adopted from the fiscal year beginning on April 1, 2008. They were applied for all lease transactions contracted after April 1, 2008, and the finance lease transactions are capitalized recognizing lease assets and lease obligations in the balance sheet. The effect of this change is not material.

Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

6. Consolidated Financial Statements
(1) Consolidated Balance Sheets

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

	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
ASSETS		
Current assets:		
Cash and deposits	¥418,968	¥491,161
Notes and accounts receivable - trade	895,548	887,723
Marketable securities	5,073	4,928
Merchandise	57,185	58,118
Deferred tax assets	91,895	105,850
Other current assets	116,448	103,351
Less:		
Allowance for doubtful accounts	(89,268)	(68,388)
Total current assets	1,495,851	1,582,744
Fixed assets:		
Property and equipment, net:		
Buildings and structures	72,977	75,781
Telecommunications equipment	737,660	744,037
Telecommunications service lines	82,878	86,062
Land	22,559	23,442
Construction in progress	38,866	45,576
Other	53,466	54,364
Total property and equipment	1,008,408	1,029,265
Intangible assets, net:		
Goodwill	988,976	974,435
Software	222,332	224,180
Other intangibles	37,481	39,693
Total intangible assets	1,248,790	1,238,309
Investments and other assets:		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	401,438	464,997
Deferred tax assets	126,008	126,887
Other assets	149,052	118,491
Less:		
Allowance for doubtful accounts	(4,607)	(4,613)
Total investments and other assets	671,892	705,763
Total fixed assets	2,929,091	2,973,337
Deferred charges	2,068	2,818
Total assets	¥4,427,011	¥4,558,901

Consolidated Balance Sheets

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

	As of September 30, 2008	As of March 31, 2008
	Amount	Amount
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable-trade	¥151,776	¥187,279
Short-term borrowings	540,597	448,571
Commercial paper	2,000	-
Current portion of corporate bonds	20,000	52,540
Accounts payable - other and accrued expenses	299,949	364,450
Income taxes payable	43,877	35,079
Current portion of lease obligations	82,586	69,770
Other current liabilities	85,402	83,012
Total current liabilities	1,226,190	1,240,704
Long-term liabilities:		
Corporate bonds	442,357	445,211
Long-term debt	1,490,009	1,586,645
Deferred tax liabilities	39,598	41,977
Liability for retirement benefits	15,703	16,158
Allowance for point mileage	39,584	43,809
Lease obligations	254,407	241,496
Other liabilities	56,682	94,172
Total long-term liabilities	2,338,342	2,469,472
Total liabilities	3,564,533	3,710,176
Equity:		
Common stock	187,540	187,422
Cash receipts for new stock subscriptions	259	-
Additional paid-in capital	211,858	211,740
Accumulated deficit	(53,446)	(91,744)
Less: Treasury stock	(210)	(206)
Total shareholders' equity	345,981	307,213
Unrealized gain on available-for-sale securities	48,310	80,914
Deferred gain (loss) on derivatives under hedge accounting	16,352	(11,823)
Foreign currency translation adjustments	3,473	7,437
Total valuation and translation adjustments	68,136	76,529
Stock acquisition rights	205	120
Minority interests	448,154	464,862
Total equity	862,478	848,725
Total liabilities and equity	¥4,427,011	¥4,558,901

(2) Consolidated Statements of Income
For the six-month period ended September 30, 2008

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

	Six-month period ended September 30, 2008
	April 1, 2008 to September 30, 2008
	Amount
Net sales	¥1,328,998
Cost of sales	690,137
Gross Profit	638,860
Selling, general and administrative expenses	458,859
Operating income	180,000
Interest income	866
Foreign exchange gain, net	617
Other non-operating income	3,183
Non-operating income	4,667
Interest expense	57,061
Equity in loss of affiliated companies	2,421
Other non-operating expenses	7,870
Non-operating expenses	67,352
Ordinary income	117,315
Gain on sale of investment securities	2,519
Dilution gain from changes in equity interest	2,353
Other special income	1,342
Special income	6,215
Valuation loss on investment securities	3,123
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	3,175
Other special losses	2,015
Special loss	8,315
Income before income taxes and minority interests	115,215
Income taxes:	
Current	34,432
Deferred	17,401
Total income taxes	51,834
Minority interests in net income	22,265
Net income	¥41,115

For the three-month period ended September 30, 2008

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

	Three-month period ended September 30, 2008
	July 1, 2008 to September 30, 2008
	Amount
Net sales	¥681,742
Cost of sales	354,811
Gross Profit	326,931
Selling, general and administrative expenses	232,017
Operating income	94,913
Interest income	505
Foreign exchange gain, net	507
Other non-operating income	1,630
Non-operating income	2,643
Interest expense	28,658
Equity in loss of affiliated companies	815
Other non-operating expenses	5,039
Non-operating expenses	34,513
Ordinary income	63,043
Reversal of allowance for doubtful accounts	510
Other special income	421
Special income	932
Valuation loss on investment securities	1,809
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	2,335
Other special losses	1,968
Special loss	6,113
Income before income taxes and minority interests	57,861
Income taxes:	
Current	22,691
Deferred	2,868
Total income taxes	25,559
Minority interests in net income	10,554
Net income	¥21,747

(3) Consolidated Statements of Cash Flows

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

	Six-month period ended September 30, 2008
	April 1, 2008 to September 30, 2008
Cash flows from operating activities:	
Income before income taxes and minority interests	¥115,215
Adjustments for:	
Depreciation and amortization	115,067
Amortization of goodwill	30,632
Equity in loss of affiliated companies	2,421
Dilution gain from changes in equity interest, net	(2,353)
Valuation loss on investment securities	3,123
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	3,175
Gain on sales of marketable and investment securities, net	(2,472)
Foreign exchange gain, net	(574)
Interest and dividend income	(1,543)
Interest expense	57,061
Changes in operating assets, and liabilities	
Increase in receivables-trade	(2,855)
Decrease in payables-trade	(41,974)
Other, net	(15,669)
Sub-total	259,253
Interest and dividends received	1,661
Interest paid	(50,658)
Income taxes paid	(33,050)
Net cash provided by operating activities	177,206

- Continued -

Consolidated Statements of Cash Flows (Continued)

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

	Six-month period ended September 30, 2008
	April 1, 2008 to September 30, 2008
Cash flows from investing activities:	
Purchase of property and equipment, and intangibles	¥ (142,867)
Purchase of marketable and investment securities	(24,528)
Proceeds from sale of marketable and investment securities	12,723
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(17,530)
Other, net	7,099
Net cash used in investing activities	(165,103)
Cash flows from financing activities:	
Increase in short-term borrowings, net	60,127
Increase in commercial paper, net	2,000
Proceeds from long-term debt	102,621
Repayment of long-term debt	(169,028)
Redemption of bonds	(35,130)
Exercise of warrants	235
Proceeds from issuance of shares to minority shareholders	872
Cash dividends paid	(2,666)
Cash dividends paid to minority shareholders	(4,115)
Purchase of treasury stock of subsidiaries in consolidation	(52,164)
Proceeds from sale and lease back of equipment newly acquired	55,522
Repayment of lease obligations	(36,325)
Other, net	(3,891)
Net cash used in financing activities	(81,943)
Effect of exchange rate changes on cash and cash equivalents	411
Net decrease in cash and cash equivalents	(69,429)
Increase in cash and cash equivalents due to inclusion of newly consolidated subsidiaries	159
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(1,810)
Cash and cash equivalents, beginning of the period	490,266
Cash and cash equivalents, end of the period	¥419,186

“Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March 14, 2007) were applied for the period ended September 30, 2008. The consolidated financial statements for the period ended September 30, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

(4) Notes to Assumption of a Going Concern

There are no applicable items.

(5) Basis of Presentation of Quarterly Consolidated Financial Statements

(Items described “Qualitative Information/Financial Statements 5. Others” on page 22 are excluded.)

1. Changes in scope of consolidation

(1) Changes in scope of consolidation are as follows:

<Increase>

7 companies

Significant changes:

SOFTBANK TELECOM PARTNERS Corp. Additionally acquired

<Decrease>

10 companies

Significant changes:

Broadmedia Corporation Decreased in interest due to allocation of new stock to a third party

(2) The number of consolidated subsidiaries after the changes:

106 companies

2. Changes in scope of equity method

(1) Changes in scope of equity method are as follows:

<Increase>

13 companies

Significant changes:

Broadmedia Corporation Changed from a consolidated subsidiary

<Decrease>

3 companies

(2) The number of non-consolidated subsidiaries and affiliated companies under the equity method after the changes:

Non-consolidated subsidiaries under the equity method: 4 companies

Affiliated companies under the equity method: 73 companies

3. Application of consolidated taxation system

BB Mobile Corp., SOFTBANK MOBILE Corp., and its 5 subsidiaries, all of which are subsidiaries of the Company, adopted the consolidated taxation system.

(6) Notes
(Consolidated Balance Sheets)
1. Accumulated depreciation of property and equipment

As of September 30, 2008	As of March 31, 2008
905,748 million yen	837,286 million yen

2. Contingent liability

SOFTBANK MOBILE Corp. (SOFTBANK MOBILE) has entrusted cash for the repayment of the straight bonds listed in the following table, based on debt assumption agreements with a financial institution. The bonds are derecognized in the Company's consolidated balance sheets.

The trust has collateralized debt obligations (CDO) issued by a Cayman Islands based Special-Purpose Company (SPC). The SPC has contracted a credit default swap agreement secured by debt securities (corporate bond), which refers to a certain portion of the portfolio consisting of 160 referenced entities.

In case that defaults (credit events under the agreement) occur in excess of certain numbers of the referenced entities, the amount of redemption of the CDO will be reduced. In case of 7 defaults and in case of 8 or more defaults, the amount of redemption will be reduced by ¥45,696 million and ¥75,000 million, respectively. Since SOFTBANK MOBILE continues to be legally responsible for repayments of the bonds, losses equal to the reduced amount, which effects income before income taxes and minority interests, will be recorded in the consolidated statements of income of the Company.

Mizuho Corporate Bank, Ltd and the Company set up a credit line facility contract in order to support the repayments of the bonds issued by SOFTBANK MOBILE.

SOFTBANK MOBILE received notices of the default of 2 referenced entities by September 30, 2008 and an additional 4 referenced entities after October 1, 2008 from Goldman Sachs International, the arranger of the CDO.

As of September 30, 2008			
Subject Bonds	Issue date	Maturity date	Amount of transferred bond
Third Series Unsecured Bond	August 19, 1998	August 19, 2010	25,000
Fifth Series Unsecured Bond	August 25, 2000	August 25, 2010	25,000
Seventh Series Unsecured Bond	September 22, 2000	September 22, 2010	25,000
Total			75,000 million yen

3. Assets pledged as collateral

(1) For future lease liabilities

	As of September 30, 2008	As of March 31, 2008
<u>Assets pledged as collateral:</u>		
Notes and accounts receivable - trade	9,720 million yen	10,181 million yen
In addition to above, amounts eliminated in the consolidated balance sheets as an intercompany balance:		
Notes and accounts receivable - trade	13,402 million yen	13,787 million yen

Note: The collateral for the future lease liabilities (finance lease accounted for as operating lease transactions) was provided by mortgaging against the aggregate of the current and future receivables due from customers of certain consolidated subsidiaries. The future lease liabilities at the end of each period are as follows:

	As of September 30, 2008	As of March 31, 2008
Future lease liabilities (finance lease accounted for as operating lease transactions)	5,917 million yen	8,121 million yen

(2) For short-term borrowings and long-term debt

Assets pledged as collateral and secured liabilities by consolidated subsidiaries are as follows:

	As of September 30, 2008	As of March 31, 2008
<u>Assets pledged as collateral:</u>		
Cash and deposits	184,161	220,801
Notes and accounts receivable - trade	355,005	330,157
Other current assets	0	10
Buildings and structures	13,491	13,872
Telecommunications equipment	238,721	268,494
Telecommunications service lines	186	170
Land	15,611	15,576
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	93,567	152,638
Investments and other assets - other assets	-	240
Total	900,745 million yen	1,001,961 million yen
<u>Secured liabilities:</u>		
Accounts payable - trade	1,137	1,447
Short-term borrowings	3,908	4,724
Long - term debt	1,345,972	1,378,900
Total	1,351,018 million yen	1,385,072 million yen

SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,239,261 million) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

The funds procured through the securitization of installment sales receivables of SOFTBANK Mobile, in the amount of ¥191,470 million and ¥39,439 million, are recorded as "Short-term borrowings" and "Long-term debt," respectively, as of September 30, 2008. The installment sales receivables, equivalent to ¥230,910 million which is the amount of senior trust certificate of the securitized installment sales receivables for this procurement, is included in "Notes and account receivable-trade," along with the amount of trust beneficial certificate held by the SOFTBANK MOBILE. Trustee procured the funds through asset backed loans, which are backed by these installment sales receivables.

4. Cash receipts for new stock subscriptions

Cash receipts for new stock subscriptions represent amounts paid at the exercise of warrants as advances on subscriptions.

On October 2, 2008, the Company issued 180,000 new shares, and ¥129 million and ¥129 million are recorded as “Common stock” and “Additional paid-in capital”, respectively.

(Consolidated Statements of Income)

For the six-month period ended September 30, 2008

1. Selling, general and administrative expenses

	Six-month period ended September 30, 2008
Sales commission and sales promotion expense	194,578 million yen
Provision for allowance for doubtful accounts	22,747

2. Unrealized 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 of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The net changes in the fair value of the investments are recorded as “Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net” and gain or loss on sale of investments, computed based on the acquisition cost, is also included in this account. The unrealized gain or loss on valuation of investments and gain or loss on sale of investments included in “Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net” are as follows:

	Six-month period ended September 30, 2008
Unrealized loss on valuation of investment at subsidiaries in the U.S.,net	(3,167)
Loss on sale of investments at subsidiaries in the U.S.,net	(8)
Total	(3,175) million yen

For the three-month period ended September 30, 2008
1. Selling, general and administrative expenses

	Three-month period ended September 30, 2008
Sales commission and sales promotion expense	99,183 million yen
Provision for allowance for doubtful accounts	12,955

2. Unrealized 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 of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The net changes in the fair value of the investments are recorded as “Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net” and gain or loss on sale of investments, computed based on the acquisition cost, is also included in this account. The unrealized gain or loss on valuation of investments and gain or loss on sale of investments included in “Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net” are as follows:

	Three-month period ended September 30, 2008
Unrealized loss on valuation of investment at subsidiaries in the U.S.,net	(910)
Loss on sale of investments at subsidiaries in the U.S.,net	(1,425)
Total	(2,335) million yen

(Consolidated Statements of Cash Flows)
For the six-month period ended September 30, 2008
1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets

	As of September 30, 2008
Cash and deposits	418,968
Marketable securities	5,073
Time deposits with original maturity over three months	(1,050)
Stocks and bonds with original maturity over three months	(3,805)
Cash and cash equivalents	419,186 million yen

2. 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.

3. Proceeds from sale and lease back of equipment newly acquired

Once SOFTBANK MOBILE purchases telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE sells the equipment to lease companies for sale and lease back purpose. 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.”

(Leases)
Finance lease transactions

“Accounting Standard for Lease Transactions”(ASBJ Statement No.13) and “the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16) were early adopted from the fiscal year beginning on April 1, 2008.

(As a lessee)

- (1) Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, mainly telecommunications equipment in the Mobile Communications segment.

[2] Depreciation method for lease assets

The depreciation method is the same as the method used for fixed assets possessed by each subsidiary.

- (2) Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, telecommunications equipment in the Fixed-line Telecommunications segment.

[2] Depreciation method for lease assets

The straight-line method is adopted over the period of the finance leases, assuming no residual value.

Lease transactions contracted before April 1, 2008 are continuously permitted to be accounted for as operating lease transactions, and the note of as if capitalized information is as follows:

- [1] Amounts equivalent to acquisition costs, accumulated depreciation, and accumulated impairment loss of leased property for each period:

	As of September 30, 2008		As of March 31, 2008	
Telecommunications equipment and telecommunications service lines				
Acquisition cost	173,901		179,479	
Accumulated depreciation	(70,810)		(66,202)	
Accumulated impairment loss	(30,521)		(30,521)	
Net leased property	72,569	million yen	82,755	million yen
Buildings and structures				
Acquisition cost	47,004		47,005	
Accumulated depreciation	(8,617)		(7,429)	
Accumulated impairment loss	-		-	
Net leased property	38,386	million yen	39,575	million yen
Property and equipment - others				
Acquisition cost	16,816		17,979	
Accumulated depreciation	(6,731)		(6,302)	
Accumulated impairment loss	(1,099)		(1,253)	
Net leased property	8,984	million yen	10,423	million yen
Intangible assets				
Acquisition cost	9,813		9,373	
Accumulated depreciation	(4,336)		(3,353)	
Accumulated impairment loss	(204)		(169)	
Net leased property	5,272	million yen	5,851	million yen
Total				
Acquisition cost	247,535		253,838	
Accumulated depreciation	(90,496)		(83,288)	
Accumulated impairment loss	(31,825)		(31,943)	
Net leased property	125,213	million yen	138,606	million yen

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, for the period ended September 30, 2008 and March 31, 2008 are ¥18,967 million and ¥15,053 million, respectively and are included in “Other assets” of investments and other assets in the consolidated balance sheets.

[2] Obligations under finance lease at the end of each period:

	As of September 30, 2008		As of March 31, 2008	
Due within one year	31,828		32,482	
Due after one year	125,702		141,179	
Total	157,530	million yen	173,662	million yen
Balance of allowance for impairment loss on leased property	18,173	million yen	21,601	million yen

[3] Lease payments, reversal of allowance for impairment loss on leased property, amounts equivalent to depreciation, interest expense and impairment loss for each period:

	Six-month period ended September 30, 2008		Fiscal year ended March 31, 2008	
Lease payments	21,165	million yen	44,329	million yen
Reversal of allowance for impairment loss on leased property	3,362		5,387	
Depreciation expense	14,436		30,917	
Interest expense	4,775		12,788	
Impairment loss	-		8,818	

[4] Calculation method used to determine the amount equivalent to depreciation and interest expense:

The amount equivalent to depreciation is computed using the straight-line method over the period of the finance leases, assuming no residual value.

The amount equivalent to interest expense is calculated by subtracting acquisition costs from the total lease payments and allocated over the lease periods based on the interest method.

(Investment in Debt and Equity Securities)
1. Marketable and investment securities at fair value

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

	As of September 30, 2008			As of March 31, 2008		
	Investment Cost	Carrying Amount	Differences	Investment Cost	Carrying Amount	Differences
(1) Equity securities	31,137	114,931	83,794	29,219	171,676	142,456
(2) Debt securities						
Corporate bonds	142	142	-	-	-	-
(3) Others	3,803	3,599	(203)	1,320	1,318	(2)
Total	35,083	118,674	83,590	30,540	172,994	142,454

2. Carrying amounts of the unlisted investment securities

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

	As of September 30, 2008	As of March 31, 2008
	Carrying Amounts	Carrying Amounts
(1) Held-to-maturity debt securities		
Foreign debt securities	¥700	¥700
Debt securities	398	368
(2) Available-for-sale and other securities		
Equity securities	89,895	91,446
Investments in limited partnerships	6,244	6,725
Money Management Fund	-	2,519
Foreign debt securities	663	958
Others	976	1,058
Total	¥98,879	¥103,777

3. Investment securities evaluated at fair value under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” Investment Companies

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets at September 30, 2008 and March 31, 2008 are as follows:

As of September 30, 2008

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets: 21,445 million yen

As of March 31, 2008

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets: 26,042 million yen

(Per Share Data)
1. Shareholders' equity per share

	As of September 30, 2008	As of March 31, 2008
Shareholders' equity per share (yen)	¥382.96	¥355.15

2. Net income per share and basic data for computation of the per share data
For the six-month period ended September 30, 2008

	April 1, 2008 to September 30, 2008
Net income per share - primary (yen)	¥38.04
Net income per share – diluted (yen)	36.20

Basic data for computation of the per share data	April 1, 2008 to September 30, 2008
1. Net income (in millions of yen)	41,115
2. Amounts not allocated to shareholders (in millions of yen)	-
3. Net income allocated to common stock outstanding (in millions of yen)	41,115
4. Weighted average number of common stock outstanding during period (unit: thousand of shares)	1,080,587
5. Adjustment for net income used to calculate diluted net income per share (in millions of yen)	
– Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(17)
– Interest expense (net of tax)	778
– Total	760
6. Increase of common stock used to calculate diluted net income per share (unit: thousand of shares)	76,205
7. Residual securities which do not dilute net income per share and have significant changes from the end of previous fiscal year	-

For the three-month period ended September 30, 2008

	July 1, 2008 to September 30, 2008
Net income per share - primary (yen)	¥20.12
Net income per share – diluted (yen)	19.12

Basic data for computation of the per share data	July 1, 2008 to September 30, 2008
1. Net income (in millions of yen)	21,747
2. Amounts not allocated to shareholders (in millions of yen)	-
3. Net income allocated to common stock outstanding (in millions of yen)	21,747
4. Weighted average number of common stock outstanding during period (unit: thousand of shares)	1,080,635
5. Adjustment for net income used to calculate diluted net income per share (in millions of yen)	
–Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(8)
– Interest expense (net of tax)	389
–Total	380
6. Increase of common stock used to calculate diluted net income per share (unit: thousand of shares)	76,133
7. Residual securities which do not dilute net income per share and have significant changes from the end of previous fiscal year	-

(7) Segment Information

1. Business segment information

For the six-month period ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥770,166	¥116,970	¥156,629	¥124,142	¥122,291	¥38,797	¥1,328,998	¥ -	¥1,328,998
(2) Inter-segment	3,794	3,068	21,829	1,443	5,689	7,210	43,035	(43,035)	-
Total	773,961	120,038	178,458	125,586	127,981	46,008	1,372,033	(43,035)	1,328,998
Operating income	88,164	22,265	5,557	61,188	2,747	2,624	182,547	(2,546)	180,000

For the three-month period ended September 30, 2008 (From July 1, 2008 to September 30, 2008)

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥399,474	¥58,179	¥78,500	¥62,590	¥62,620	¥20,376	¥681,742	¥ -	¥681,742
(2) Inter-segment	1,900	1,731	11,504	669	2,901	3,812	22,520	(22,520)	-
Total	401,375	59,911	90,005	63,259	65,522	24,189	704,262	(22,520)	681,742
Operating income	43,890	11,789	4,759	30,645	1,737	3,383	96,205	(1,291)	94,913

Notes:

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.
- Regarding the main business segments, please see "Qualitative Information / Financial Statements 4. The SOFTBANK Group" in details on page 21.

2. Geographic segment information

For the six-month period ended September 30, 2008 (From April 1, 2008 to September 30, 2008)

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

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥1,321,839	¥568	¥6,590	¥1,328,998	¥-	¥1,328,998
(2)Inter-segment	220	-	-	220	(220)	-
Total	1,322,059	568	6,590	1,329,218	(220)	1,328,998
Operating income (loss)	180,688	2,910	(238)	183,360	(3,360)	180,000

For the three-month period ended September 30, 2008 (From July 1, 2008 to September 30, 2008)

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

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥677,878	¥270	¥3,593	¥681,742	¥-	¥681,742
(2)Inter-segment	100	-	-	100	(100)	-
Total	677,978	270	3,593	681,842	(100)	681,742
Operating income (loss)	93,591	3,197	(169)	96,618	(1,704)	94,913

Notes:

1. Net sales by geographic region are recognized based on geographic location of the operation.

2. Significant countries in each region are as follows:

North America : United States of America and Canada

Others : Europe, Korea, China, Singapore, and others

3. In the North America segment, Softbank Holdings Inc., a consolidated subsidiary of the company in the United States of America, reversed a tax reserve for net worth taxes of ¥3,609 million and credited it to operating expenses.

3. Overseas sales

Disclosure of overseas sales for the six-month and the three-month period ended September 30, 2008 is omitted because the total overseas sales are less than 10% of total consolidated sales.

(8) Notes to Significant Changes in Shareholder's Equity

There are no applicable items.

[For Reference]

Consolidated Financial Statements for the six-month and three-month period ended September 30, 2007

(1) Summary of Consolidated Statements of Income

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

	Six-month period ended September 30, 2007
	April 1, 2007 to September 30, 2007
	Amount
Net sales	¥1,364,745
Cost of sales	718,864
Gross Profit	645,881
Selling, general and administrative expenses	478,134
Operating income	167,746
Interest income	1,537
Foreign exchange gain, net	2,605
Equity in earnings of affiliated companies	3,136
Other non-operating income	2,905
Non-operating income	10,185
Interest expense	55,374
Other non-operating expenses	11,392
Non-operating expenses	66,767
Ordinary income	111,165
Gain on sale of investment securities	4,706
Dilution gain from changes in equity interest	3,089
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	18,825
Other special income	2,206
Special income	28,827
Valuation loss on investment securities	10,165
Loss on disposal of fixed assets	3,993
Other special losses	2,903
Special loss	17,062
Income before income taxes and minority interests	122,930
Income taxes:	
Current	16,808
Deferred	39,075
Total income taxes	55,884
Minority interests in net income	20,583
Net income	¥46,462

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

	Three-month period ended
	September 30, 2007
	July 1, 2007 to September 30, 2007
	Amount
Net sales	¥701,660
Cost of sales	365,968
Gross Profit	335,692
Selling, general and administrative expenses	246,691
Operating income	89,000
Interest income	929
Foreign exchange gain, net	2,062
Equity in earnings of affiliated companies	1,696
Other non-operating income	965
Non-operating income	5,654
Interest expense	28,413
Other non-operating expenses	6,230
Non-operating expenses	34,643
Ordinary income	60,010
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	18,759
Other special income	553
Special income	19,312
Valuation loss on investment securities	9,995
Loss on disposal of fixed assets	2,963
Other special losses	1,836
Special loss	14,796
Income before income taxes and minority interests	64,527
Income taxes:	
Current	13,982
Deferred	19,009
Total income taxes	32,992
Minority interests in net income	10,203
Net income	¥21,331

(2) Summary of Consolidated Statements of Cash Flows

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

	Six-month period ended September 30, 2007
	April 1, 2007 to September 30, 2007
Cash flows from operating activities:	
Income before income taxes and minority interests	¥122,930
Adjustments for:	
Depreciation and amortization	107,762
Amortization of goodwill	29,456
Equity in earnings of affiliated companies	(3,136)
Dilution gain from changes in equity interest, net	(1,463)
Valuation loss on investment securities	10,165
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	(18,825)
Gain on sale of marketable and investment securities, net	(5,933)
Foreign exchange gain, net	(2,488)
Interest and dividend income	(1,871)
Interest expense	55,374
Changes in operating assets, and liabilities	
Increase in receivables-trade	(144,235)
Decrease in payables-trade	(64,734)
Other, net	(5,729)
Sub-total	77,270
Interest and dividends received	1,552
Interest paid	(49,686)
Income taxes paid	(28,692)
Net cash provided by operating activities	443

- Continued -

Summary of Consolidated Statements of Cash Flows (Continued)

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

	Six-month period ended September 30, 2007
	April 1, 2007 to September 30, 2007
Cash flows from investing activities:	
Purchase of property and equipment, and intangibles	¥ (204,405)
Purchase of marketable and investment securities	(29,777)
Proceeds from sale of marketable and investment securities	21,787
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	2,674
Proceeds from sale of interests in consolidated subsidiaries	1,012
Other, net	(18,576)
Net cash used in investing activities	(227,285)
Cash flows from financing activities:	
Decrease in short-term borrowings, net	(46,160)
Decrease in commercial paper, net	(5,000)
Proceeds from long-term debt	153,024
Repayment of long-term debt	(86,438)
Proceeds from issuance of bonds	89,471
Redemption of bonds	(23,932)
Exercise of warrants	44,819
Proceeds from issuance of shares to minority shareholders	6,039
Cash dividends paid	(2,628)
Cash dividends paid to minority shareholders	(3,514)
Purchase of treasury stock of subsidiaries in consolidation	(247)
Proceeds from sale and lease back of equipment newly acquired	220,816
Decrease in cash receipts as collateral, net	(20,000)
Repayment of lease obligations	(18,674)
Other, net	(4,047)
Net cash provided by financing activities	303,526
Effect of exchange rate changes on cash and cash equivalents	(662)
Net increase in cash and cash equivalents	76,022
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(771)
Cash and cash equivalents, beginning of the period	377,520
Cash and cash equivalents, end of the period	¥452,771

(3) Summary of Segment Information

1. Business segment information

For the six-month period ended September 30, 2007 (From April 1, 2007 to September 30, 2007)

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥808,914	¥126,750	¥157,874	¥108,862	¥118,511	¥43,831	¥1,364,745	¥ -	¥1,364,745
(2) Inter-segment	5,595	3,068	23,598	1,557	6,962	7,947	48,729	(48,729)	-
Total	814,509	129,819	181,473	110,419	125,473	51,779	1,413,474	(48,729)	1,364,745
Operating income (loss)	94,219	18,986	349	54,915	2,100	(650)	169,920	(2,173)	167,746

For the three-month period ended September 30, 2007 (From July 1, 2007 to September 30, 2007)

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥419,877	¥62,423	¥80,023	¥56,968	¥60,240	¥22,126	¥701,660	¥ -	¥701,660
(2) Inter-segment	2,964	1,648	10,963	654	3,571	4,781	24,583	(24,583)	-
Total	422,841	64,072	90,986	57,623	63,812	26,907	726,243	(24,583)	701,660
Operating income	50,691	10,320	460	27,766	933	38	90,211	(1,211)	89,000

Notes:

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.
- The main business segments are as follows:
 - Mobile Communications : Provision of mobile communication services and sale of mobile phones accompanying the services etc.
 - Broadband Infrastructure : Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of contents etc.
 - Fixed-line Telecommunications: Provision of fixed-line telecommunications service and data center service etc.
 - Internet Culture : Internet-based advertising operations, portal business, and auction business etc.
 - e-Commerce : Distribution of PC software and such hardware as PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platform (B2B) and consumer-related e-commerce (B2C) etc.
 - Others : Broadmedia, Technology Services, Media & Marketing, Overseas funds, and other businesses

2. Geographic segment information

For the six-month period ended September 30, 2007 (From April 1, 2007 to September 30, 2007)

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

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥1,356,729	¥763	¥7,251	¥1,364,745	¥-	¥1,364,745
(2)Inter-segment	300	-	149	449	(449)	-
Total	1,357,029	763	7,401	1,365,195	(449)	1,364,745
Operating income (loss)	171,075	(408)	(227)	170,440	(2,693)	167,746

For the three-month period ended September 30, 2007 (From July 1, 2007 to September 30, 2007)

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

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥697,610	¥299	¥3,750	¥701,660	¥-	¥701,660
(2)Inter-segment	187	-	58	246	(246)	-
Total	697,797	299	3,809	701,906	(246)	701,660
Operating income (loss)	90,400	(104)	(58)	90,237	(1,237)	89,000

Notes:

- Net sales by geographic region are recognized based on geographic location of the operation.
- Significant countries in each region are as follows:
 - North America : United States of America and Canada
 - Others : Europe, Korea, China, Singapore, and others

3. Overseas sales

Disclosure of overseas sales for the six month and three-month period ended September 30, 2007 is omitted because the total overseas sales are less than 10% of total consolidated sales.