

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 3 of this report.

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

Tokyo, October 27, 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>Six-month period ended September 30, 2011</b>	<b>¥1,535,647</b>	<b>4.8</b>	<b>¥373,223</b>	<b>18.3</b>	<b>¥314,485</b>	<b>23.9</b>	<b>¥217,252</b>	<b>182.7</b>
Six-month period ended September 30, 2010	¥1,465,021	8.6	¥315,521	36.8	¥253,843	46.3	¥76,839	8.6

Note: Comprehensive income

Six-month period ended September 30, 2011:

¥ 196,326 million (132.7%)

Six-month period ended September 30, 2010:

¥84,362 million (—%)

	Net income per share — basic (yen)	Net income per share — diluted (yen)
<b>Six-month period ended September 30, 2011</b>	<b>¥198.15</b>	<b>¥192.28</b>
Six-month period ended September 30, 2010	¥70.99	¥68.32

**(2) Financial Condition**

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

	Total assets	Total equity	Equity ratio (%)
<b>As of September 30, 2011</b>	<b>¥4,551,142</b>	<b>¥1,291,583</b>	<b>18.0</b>
As of March 31, 2011	¥4,655,725	¥879,618	13.3

Note: Shareholders' equity

As of September 30, 2011:

¥819,438 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	-	0.00			
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)	%	
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): Yes  
 Newly consolidated: One company SFJ Capital Limited  
 Excluded: None  
 Note: Please refer to page 18 “2. Notes on the Summary Information” for details.

(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 September 30, 2011: 1,107,728,781 shares  
 As of March 31, 2011: 1,082,530,408 shares  
 [2] Number of treasury stock:  
 As of September 30, 2011: 4,184,202 shares  
 As of March 31, 2011: 180,503 shares  
 [3] Weighted average number of common stock:  
 As of September 30, 2011: 1,096,420,607 shares  
 As of September 30, 2010: 1,082,342,821 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 17 “1. Qualitative Information Regarding Six-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 October 27, 2011 followed by the Analysts Briefing for institutional investors and financial institutions on October 28, 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/irinfo>). 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 Six-month Period Results

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

#### 1. Consolidated Results of Operations

<Overview of results for the interim period from April 1 to September 30, 2011>

For the six-month period ended September 30, 2011 (hereafter “the interim period”), the SOFTBANK Group (hereafter “the Group”) achieved consolidated net sales of ¥1,535,647 million, a ¥70,625 million (4.8%) increase compared with the same period of the previous fiscal year (April 1 to September 30, 2010, hereafter “year on year”), with a ¥57,701 million (18.3%) increase in operating income to ¥373,223 million. This consolidated revenue and profit growth was driven by strong performance in the Mobile Communications segment.

Ordinary income grew ¥60,641 million (23.9%) to ¥314,485 million. Net income rose ¥140,413 million (182.7%) to ¥217,252 million. This was largely attributable to a year-on-year rise of ¥95,826 million in special income, in addition to the increase in operating income.

Note:

Definition of terms: as used in this consolidated financial report for the six-month period from April 1, 2011, to September 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 interim period were as follows:

#### (a) Net Sales

Net sales totaled ¥1,535,647 million, for a ¥70,625 million (4.8%) year-on-year increase. This was mainly the result of increased telecom service revenue backed by steady growth in the number of mobile phone subscribers in the Mobile Communications segment. On the other hand, an increase in the portion of lower-priced handsets such as *Mimamori Phone*, a handset with a security buzzer, resulted in a slight decrease in the aggregate sales of mobile handsets in the same segment, despite a rise in the number of handsets shipped.<sup>1</sup>

Note:

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

#### (b) Cost of Sales

Cost of sales rose ¥5,471 million (0.8%) year on year to ¥670,967 million. This was primarily due to higher depreciation and amortization expenses, mainly relating to the installation of additional base stations in the Mobile Communications segment. On the other hand, an increase in the portion of lower-priced handsets resulted in a decrease in the aggregate cost of sales for mobile handsets in the same segment, despite a rise in the number of handsets shipped.

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

Selling, general and administrative expenses grew ¥7,452 million (1.5%) year on year to ¥491,456 million. This was mainly because of increased sales commissions<sup>2</sup> in the Mobile Communications segment, such as higher upgrade related cost, while subscriber acquisition cost decreased due to an increase in the portion of handsets that have a lower acquisition cost per subscriber.

Note:

2. Sales commissions paid to sales agents per new subscription and upgrade purchase

**(d) Operating Income**

As a result, operating income totaled ¥373,223 million, for a ¥57,701 million (18.3%) year-on-year increase. The operating margin rose 2.8 percentage points year on year, to 24.3%.

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

Non-operating income totaled ¥6,768 million, a ¥434 million year-on-year increase. Non-operating expenses stood at ¥65,506 million, a ¥2,505 million year-on-year decrease. Interest expense decreased by ¥14,033 million as SOFTBANK MOBILE Corp. (hereafter “SOFTBANK MOBILE”) repaid its SBM loan.<sup>3</sup> Meanwhile, the Company refinanced part of SBM loan during the interim period, and recorded refinancing related expenses of ¥13,606 million comprising expenses relating to this financing and expenses associated with the continued repayment of SBM loan, which amounted to ¥12,695 million.

Note:

3. 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 SOFTBANK MOBILE)

**(f) Ordinary Income**

Ordinary income therefore totaled ¥314,485 million, for a ¥60,641 million (23.9%) year-on-year increase.

**(g) Special Income**

Special income totaled ¥102,730 million. The main components of this were gain on sale of investment securities of ¥83,527 million and dilution gain from changes in equity interest of ¥17,158 million.

The gain on sale of investment securities was primarily attributable to a ¥76,430 million gain on sale of Yahoo! Inc. shares. In connection with the Company’s financing of US\$1,135 million from CITIBANK, N.A. through its U.S. subsidiary in February 2004, certain forward contracts (“collar transaction”) were entered into, which allowed the obligation to be settled at maturity by delivering Yahoo! Inc. shares held by the Company’s subsidiary. The forward contracts were to effectively hedge the variability of cash flows associated with the future market price of the underlying security.

During the interim period, the obligation under the forward contracts was settled at maturity by effectively delivering the shares of Yahoo! Inc. (book basis of US\$142 million) to CITIBANK, N.A. The cash proceeds received by the Company’s subsidiary from delivering the shares of Yahoo! Inc. to CITIBANK, N.A. were then remitted to repay the related obligation. Gain on sale of investment securities of ¥76,430 million (US\$993 million) was recorded as a result of settling the forward contracts.

Dilution gain from changes in equity interest was 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 ¥9,154 million. Valuation loss of ¥8,920 million was recorded mainly associated with the drop in the stock price of Betfair Group plc in which the Group holds shares.

**(i) Income Taxes**

Provisions for current income taxes were ¥101,361 million and provisions for deferred income taxes were ¥57,337 million. Total income taxes increased ¥18,044 million year on year to ¥158,699 million.

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

Minority interests in net income totaled ¥32,108 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 ¥217,252 million, for a ¥140,413 million (182.7%) year-on-year increase.

**(l) Comprehensive Income**

Comprehensive income was ¥196,326 million. Of this, comprehensive income attributable to owners of the parent was ¥166,373 million and comprehensive income attributable to minority interests came to ¥29,952 million.

## 2. Results by Business Segment

Note:

Principal operational data is shown on pages 9-10 “(Reference 1: Principal Operational Data).”

### (a) Mobile Communications

(Millions of yen)

	Six-month Period Ended September 30, 2010	Six-month Period Ended September 30, 2011	Change	Change %
Net sales	940,044	<b>1,020,937</b>	80,892	8.6%
Operating income	207,203	<b>250,086</b>	42,883	20.7%

- **1,489,700 net subscriber additions<sup>4</sup> for the interim period**
- **ARPU<sup>5</sup> for the second quarter<sup>6</sup> was ¥4,310, a ¥10 year-on-year<sup>7</sup> increase. Data ARPU amounted to ¥2,520, a ¥240 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 interim period totaled 374,100, which included an increase of 215,300 in the second quarter.
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.
6. The three-month period ended September 30, 2011 (from July 1 to September 30, 2011)
7. Compared to the three-month period ended September 30, 2010 (from July 1 to September 30, 2010)

### < Overview of Operations >

The segment’s net sales increased by ¥80,892 million (8.6%) year on year to ¥1,020,937 million. Telecom service revenue increased, driven by a continuing steady increase in the number of mobile phone subscribers. Sales of mobile handsets slightly decreased as a result of increased shipments of lower-priced handsets such as *Mimamori Phone*, despite the increased number of overall handsets shipped.

The segment’s operating expenses grew ¥38,009 million (5.2%) year on year to ¥770,850 million. The segment saw higher depreciation and amortization, mainly relating to the installation of additional base stations. Cost of sales for mobile handsets decreased as a result of increased shipments of lower-priced mobile handsets, despite the increased number of overall handsets shipped. Sales commissions increased mainly on higher upgrade related cost, while subscriber acquisition cost decreased due to an increase in the portion of handsets that have a lower acquisition cost per subscriber.

Operating income increased by ¥42,883 million (20.7%) year on year to ¥250,086 million.

### <Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) for the interim period totaled 1,489,700. This net increase was primarily the result of increased sales of smartphones such as iPhone<sup>8</sup> and Android<sup>TM9</sup> handsets, as well as steady sales trends of *Mimamori Phone* and mobile data communications devices. As a result, the cumulative number of subscribers<sup>10</sup> at the end of the interim period stood at 26,898,400, raising SOFTBANK

MOBILE's cumulative subscriber share by 1.5 percentage point year on year, to 21.8%.<sup>11</sup>

Notes:

8. iPhone is a trademark of Apple Inc.

The iPhone trademark is used under license from Aiphone K.K.

9. Android is a trademark or a registered trademark of Google Inc.

10. 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 interim period was 1,682,700.

11. Calculated by the Company based on Telecommunications Carriers Association statistical data.

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

The number of mobile handsets sold<sup>12</sup> for the interim period increased by 341,000 year on year to 5,215,000, while handsets shipped for the same period increased by 150,000 year on year to 4,888,000. These increases were mainly the result of a strong sales and shipment trend of smartphones, as well as enhanced sales and shipments of *Mimamori Phone* and mobile data communications devices.

Note:

12. Handsets sold: total of new subscriptions and handset upgrades

#### <ARPU>

ARPU for the second quarter (the three-month period ended September 30, 2011) increased ¥10 year on year to ¥4,310. Out of this, the sum of the basic monthly charge and voice ARPU declined ¥230 year on year to ¥1,780, reflecting an increase in devices that do not have voice communication functionality and revised access charges between carriers. On the other hand, data ARPU rose ¥240 year on year to ¥2,520. This was mainly the result of the continuing increase in the number of data-intensive smartphone subscribers.

#### <Churn Rate and Upgrade Rate>

The churn rate<sup>13</sup> for the second quarter was 1.09%, which was 0.13 of a percentage point higher year on year. This was primarily because of a contract termination for large corporate customer and an increase in the number of prepaid mobile phone terminations.

The upgrade rate<sup>13</sup> for the second quarter was 1.31%, which was 0.36 of a percentage point lower year on year. This was mainly the result of a decline in upgrades to iPhone 4 which was launched in June 2010, despite an increase in customers upgrading to Android handsets.

Note:

13. 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>14</sup> for the second quarter declined ¥6,700 year on year to ¥30,800. This was mainly due to an increased number of handsets sold that have a lower acquisition cost per subscriber, such as *Mimamori Phone*.

Note:

14. Average commission paid to sales agents per new subscription.

New subscriptions include prepaid mobile phones and communication modules.



**(b) Broadband Infrastructure**

(Millions of yen)

	Six-month Period Ended September 30, 2010	Six-month Period Ended September 30, 2011	Change	Change %
Net sales	97,370	<b>87,261</b>	(10,108)	(10.4%)
Operating income	22,700	<b>19,658</b>	(3,042)	(13.4%)

**<Overview of Operations>**

The segment's net sales decreased by ¥10,108 million (10.4%) year on year to ¥87,261 million. This was mainly because of an increasing portion of *Yahoo! BB hikari with FLET'S*<sup>15</sup> which have relatively lower ARPU, while the total number of broadband lines<sup>16</sup> continued to increase.

Operating income decreased by ¥3,042 million (13.4%) year on year to ¥19,658 million. This was mainly due to a decrease in net sales, while the operating margin remained roughly the same year on year.

The number of installed lines<sup>17</sup> of *Yahoo! BB ADSL* at the end of the interim period totaled 2,873,000, for a net decrease of 276,000 from the previous fiscal year-end. Net subscriber additions for *Yahoo! BB hikari with FLET'S* for the interim period totaled 340,000, bringing the cumulative number of contracts at the end of the same period to 1,272,000. As a result, the total number of broadband lines stood at 4,145,000.

Notes:

15. 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.
16. Total of the installed lines for *Yahoo! BB ADSL* and the cumulative number of contracts for *Yahoo! BB hikari with FLET'S*
17. 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)

	Six-month Period Ended September 30, 2010	Six-month Period Ended September 30, 2011	Change	Change %
Net sales	172,887	<b>178,075</b>	5,188	3.0%
Operating income	13,603	<b>27,287</b>	13,683	100.6%

**<Overview of Operations>**

The segment's net sales increased by ¥5,188 million (3.0%) year on year to ¥178,075 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 ¥13,683 million (100.6%) to ¥27,287 million. This was due to the increase in net sales, combined with a decrease of operating expenses in telecommunications equipment fees mainly as a result of revised access charges between carriers and in sales commissions.

**(d) Internet Culture**

(Millions of yen)

	Six-month Period Ended September 30, 2010	<b>Six-month Period Ended September 30, 2011</b>	Change	Change %
Net sales	137,465	<b>141,472</b>	4,007	2.9%
Operating income	71,640	<b>75,168</b>	3,527	4.9%

**<Overview of Operations>**

The segment's net sales increased by ¥4,007 million (2.9%) year on year to ¥141,472 million. This was mainly due to revenue growth at Yahoo Japan in listing advertising, game related services, information listing services, and *Yahoo! Shopping*. Display advertising revenue showed sluggish growth at the beginning of the interim period as a result of the Great East Japan Earthquake of March 11, 2011, however it started to grow steadily once more in July 2011.

Operating income increased by ¥3,527 million (4.9%) year on year to ¥75,168 million. This was primarily the result of a decrease in communications expenses due to connection efficiency improvements in the operating system for 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	Q2
(Thousands)							
Net additions <sup>1</sup>	696.6	901.0	925.7	1,008.8	3,532.1	730.0	<b>759.7</b>
(Postpaid)	645.3	833.6	865.4	975.3	3,319.6	697.5	<b>744.8</b>
(Prepaid)	51.3	67.4	60.3	33.5	212.5	32.5	<b>14.9</b>
Market share <sup>2</sup> (%)	45.4	53.5	55.8	40.8	48.0	42.7	<b>40.4</b>
(Thousands)							
Cumulative subscribers <sup>1</sup>	22,573.2	23,474.2	24,399.9		25,408.7	26,138.7	<b>26,898.4</b>
Market share <sup>2</sup> (%)	19.9	20.3	20.8		21.3	21.6	<b>21.8</b>
(Thousands)							
Number of handsets sold <sup>3</sup>	2,162	2,712	2,605	2,763	10,242	2,550	<b>2,665</b>
(Thousands)							
Number of handsets shipped <sup>4</sup>	2,051	2,687	2,736	2,542	10,016	2,493	<b>2,395</b>
(Yen per month)							
ARPU <sup>5</sup>	4,290	4,300	4,310	3,940	4,210	4,210	<b>4,310</b>
(Basic monthly charge + voice)	2,030	2,020	1,980	1,570	1,890	1,780	<b>1,780</b>
(Data)	2,250	2,290	2,330	2,370	2,310	2,440	<b>2,520</b>
(Yen)							
Average acquisition cost per subscriber <sup>6</sup>	37,200	37,500	37,800	35,400	36,900	36,200	<b>30,800</b>
(% per month)							
Churn rate <sup>7</sup>	1.02	0.96	0.91	1.02	0.98	1.08	<b>1.09</b>
(3G postpaid)	0.99	0.92	0.86	0.98	0.94	1.03	<b>1.02</b>
(% per month)							
Upgrade rate <sup>7</sup>	1.18	1.67	1.43	1.33	1.40	1.28	<b>1.31</b>

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	Q2
(Thousands)							
Installed lines <sup>8</sup>	3,609	3,457	3,291		3,150	3,009	<b>2,873</b>
(Yen per month)							
ARPU <sup>9 10</sup>	3,960	3,950	3,890	3,830		3,710	<b>3,650</b>
(% per month)							
Churn rate <sup>11</sup>	2.46	2.39	2.66	2.65	2.54	2.56	<b>2.43</b>

*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	Q2
(Thousands)							
Cumulative contracts <sup>12</sup>	405	575	783		932	1,109	<b>1,272</b>
(Yen per month)							
ARPU <sup>9</sup>	1,310	1,450	1,500	1,620		1,620	<b>1,660</b>

**Broadband Lines**

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
(Thousands)							
Total users <sup>13</sup>	4,014	4,032	4,074		4,082	4,118	<b>4,145</b>

## 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	Q2
(Thousands)							
Lines	1,668	1,667	1,662		1,671	1,669	<b>1,679</b>
(Yen per month)							
ARPU <sup>14</sup>	6,600	6,570	6,610	6,930		6,650	<b>6,570</b>

## Note:

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

**(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	Q2
Mobile Communications	25,987	65,387	116,324	143,826	351,525	84,076	<b>98,399</b>
Broadband Infrastructure	3,319	3,294	5,076	5,160	16,850	5,739	<b>3,861</b>
Fixed-line Telecommunications	5,112	6,362	9,095	15,665	36,236	6,320	<b>8,281</b>
Internet Culture	1,906	1,908	2,783	4,114	10,713	3,349	<b>4,609</b>
Others	1,216	1,559	1,148	1,340	5,265	1,710	<b>5,338</b>
Consolidated total	37,542	78,513	134,428	170,107	420,591	101,196	<b>120,490</b>

**(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	Q2
Mobile Communications	36,636	37,636	40,051	42,668	156,993	45,214	<b>46,566</b>
Broadband Infrastructure	4,234	3,968	3,965	3,672	15,840	3,424	<b>3,323</b>
Fixed-line Telecommunications	9,104	9,242	9,290	8,997	36,634	8,921	<b>9,306</b>
Internet Culture	2,169	2,307	2,412	2,533	9,422	2,291	<b>2,395</b>
Others	1,445	1,482	1,608	1,508	6,045	1,521	<b>1,589</b>
Consolidated total	53,590	54,637	57,329	59,379	224,937	61,374	<b>63,182</b>

## (2) Qualitative Information Regarding Consolidated Financial Position

### 1. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011	Change	Change %
Total assets	4,655,725	4,551,142	(104,582)	(2.2%)
Total liabilities	3,776,107	3,259,558	(516,548)	(13.7%)
Total equity	879,618	1,291,583	411,965	46.8%

#### (a) Current Assets

Current assets at the end of the interim period totaled ¥1,693,055 million, for a ¥169,561 million (9.1%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Notes and accounts receivable–trade decreased by ¥81,165 million from the previous fiscal year-end. This was mainly because of sales of installment sales receivables at SOFTBANK MOBILE.
- Marketable securities decreased by ¥74,141 million from the previous fiscal year-end. This was mainly due to the transfer of shares of Yahoo! Inc. held by the Company’s U.S. subsidiary to CITIBANK, N.A., as described on page 3 (g) Special Income.
- Cash and deposits increased by ¥41,136 million from the previous fiscal year-end. This was mainly because of an issuance of preferred (restricted voting) securities by the Company’s subsidiary, despite the repayment of borrowings such as SBM loan.
- Other current assets decreased by ¥19,876 million from the previous fiscal year-end. This was mainly due to a decline in derivative assets because of the settlement of forward contracts involving shares of Yahoo! Inc. held by the Company’s U.S. subsidiary, following the transfer of these shares to CITIBANK, N.A.

#### (b) Fixed Assets

Fixed assets totaled ¥2,851,330 million at the end of the interim period, for a ¥59,604 million (2.1%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Total property and equipment increased ¥77,756 million from the previous fiscal year-end, primarily on a ¥165,787 million increase from new acquisitions of telecommunications equipment.
- Total intangible assets decreased ¥13,215 million from the previous fiscal year-end. This was mainly because of a ¥31,287 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 ¥18,708 million as a result of new acquisitions of telecommunications equipment.

#### (c) Current Liabilities

Current liabilities at the end of the interim period totaled ¥1,839,811 million, for a ¥195,403 million (11.9%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Accounts payable–other and accrued expenses increased by ¥165,460 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.

- Short-term borrowings increased by ¥121,701 million from the previous fiscal year-end. This was mainly due to the transfer of SBM loan of ¥284,508 million from long-term borrowings to short-term borrowings since it is due for settlement in October 2011. Meanwhile, during the interim period the Company repaid its loan of US\$1,135 million obtained from CITIBANK, N.A. through its U.S. subsidiary in February 2004, as described on page 3 (g) Special Income.
- Accounts payable-trade decreased by ¥45,081 million from the previous fiscal year-end. This mainly reflected the payment of accounts payable-trade by SOFTBANK MOBILE for mobile handsets purchased in preparation for the shopping season toward the previous fiscal year-end.
- Commercial paper decreased by ¥25,000 million from the previous fiscal year-end, as it was fully redeemed during the interim period.
- The current portion of corporate bonds decreased by ¥18,500 million from the previous fiscal year-end. This was mainly due to the transfer of the 28<sup>th</sup> Unsecured Straight Corporate Bond of ¥30,000 million and the 29<sup>th</sup> Unsecured Straight Corporate Bond of ¥65,000 million from corporate bonds under long-term liabilities, while the 27<sup>th</sup> Unsecured Straight Corporate Bond of ¥60,000 million and the 25<sup>th</sup> Unsecured Straight Corporate Bond of ¥53,500 million were redeemed.

#### **(d) Long-term Liabilities**

Long-term liabilities totaled ¥1,419,747 million at the end of the interim period, for a ¥711,952 million (33.4%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Long-term borrowings decreased by ¥503,459 million from the previous fiscal year-end. This was mainly due to loan repayments of ¥488,068 million made by SOFTBANK MOBILE and transfer from long-term borrowings to short-term borrowings of ¥284,508 million due for settlement in October 2011. On the other hand, the Company’s long-term borrowings increased by ¥268,600 million mainly due to refinancing of SBM loan.
- Long-term liabilities–Other decreased by ¥198,692 million. This was mainly due to the 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.
- Corporate bonds decreased ¥15,002 million from the previous fiscal year-end. The transfers were made for corporate bonds from long-term to current liabilities in the amounts of ¥30,000 million for the 28<sup>th</sup> Straight Corporate Bond and ¥65,000 million for the 29<sup>th</sup> Straight Corporate Bond, as the redemption dates came to be within one year. Moreover, some of 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. On the other hand, the Company issued the 36<sup>th</sup> Straight Corporate Bonds of ¥100,000 million and the 37<sup>th</sup> Straight Corporate Bonds of ¥30,000 million.

**(e) Equity**

Equity totaled ¥1,291,583 million at the end of the interim period, for a ¥411,965 million (46.8%) increase from the previous fiscal year-end. The equity ratio rose 4.7 percentage points from the previous fiscal year-end to 18.0%. The primary components of the change were as follows:

**(Shareholders' equity)**

Shareholders' equity increased ¥251,064 million from the previous fiscal year-end to ¥874,386 million.

- At the end of the interim period common stock totaled ¥213,797 million and additional paid-in capital was ¥237,503 million. This result includes the conversion of the Convertible Bonds into common stock of the Company during the interim period, which increased common stock by ¥25,022 million and additional paid-in capital by ¥24,992 million.
- Retained earnings totaled ¥434,130 million at the end of the interim period, for a ¥211,853 million increase from the previous fiscal year-end. This was primarily because net income of ¥217,252 million was recorded, while payment of dividends from retained earnings of ¥5,411 million was recorded.
- Treasury stock totaled ¥11,045 million, for a ¥10,804 million increase from the previous fiscal year-end. This was mainly due to the acquisition of treasury stock in September 2011 in preparation of the exercise of stock acquisition rights.

**(Valuation and translation adjustments)**

- Valuation and translation adjustments of ¥54,947 million were recorded as debit at the end of the interim period, a ¥50,878 million decrease from the previous fiscal year-end. This was mainly due to declines of ¥35,498 million in net unrealized gain on other securities and of ¥12,495 million in deferred gain on hedges from the previous fiscal year-end. These declines are mainly a result of settlement of forward contracts ("collar transaction") by the Company's U.S. subsidiary upon maturity of the loan during the interim period, as described on page 3 (g) Special Income. The subsidiary entered into the contract when it obtained a loan from CITIBANK, N.A.

**(Minority interests)**

- Minority interests totaled ¥471,301 million at the end of the interim period, for a ¥211,640 million increase from the previous fiscal year-end. This was mainly due to the issuance of preferred (restricted voting) securities amounting ¥200,000 million by the Company's subsidiary.



## 2. Cash Flows

Cash flows during the interim period were as follows:

Cash and cash equivalents at the end of the interim period totaled ¥888,797 million, for a ¥41,642 million increase from the previous fiscal year-end.

(Millions of yen)

	Six-month Period Ended September 30, 2010	Six-month Period Ended September 30, 2011	Change
Cash flows from operating activities	349,335	<b>395,044</b>	45,708
Cash flows from investing activities	(129,717)	<b>(159,829)</b>	(30,112)
(Reference) Free cash flow	219,617	<b>235,214</b>	15,596
Cash flows from financing activities	(45,893)	<b>(191,568)</b>	(145,674)

### (a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥395,044 million (compared with ¥349,335 million provided in the same period of the previous fiscal year).

Income before income taxes and minority interests totaled ¥408,061 million. The main components of positive non-cash items are ¥124,557 million in depreciation and amortization and ¥31,315 million in amortization of goodwill. Components of negative non-cash items are gain on sale of marketable and investment securities, net of ¥83,514 million and dilution gain from changes in equity interest, net of ¥17,119 million.

Receivables–trade decreased (increase in cash flow) by ¥79,699 million mainly due to the sale of installment sales receivables at SOFTBANK MOBILE. Meanwhile, payables–trade decreased by ¥45,098 million due to payments made for mobile handsets procured at the end of the previous fiscal year at SOFTBANK MOBILE.

Income taxes paid of ¥108,196 million were recorded, for a ¥24,333 million year-on-year decrease.

### (b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥159,829 million (compared with ¥129,717 million used in the same period of the previous fiscal year).

Capital expenditures, mainly at telecommunications related businesses, resulted in outlays of ¥215,800 million for purchase of property and equipment, and intangibles. ¥22,216 million was spent for purchases of marketable and investment securities, while proceeds from sale of marketable and investment securities generated ¥77,446 million. For details on proceeds from sale of marketable securities and investment securities, refer to page 28, “3. Consolidated Financial Statements - (5) Notes (Consolidated Statements of Cash Flows) – 2. Proceeds from sale of marketable and investment securities and Repayment of long-term debt”.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the interim period was a positive ¥235,214 million (compared with a positive ¥219,617 million in the same period of the previous fiscal year), for a year-on-year increase of ¥15,596 million.

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

Net cash used in financing activities was ¥191,568 million (compared with ¥45,893 million used in the same period of the previous fiscal year).

Cash was used in the amounts of ¥625,242 million for repayments of long-term debt, ¥124,122 million for decrease in short-term borrowings, net, ¥113,500 million for redemption of bonds, ¥72,296 million for the repayment of lease obligations, and ¥25,000 million for decrease in commercial paper, net. On the other hand, cash was provided by proceeds from long-term debt of ¥403,175 million, proceeds from issuance of preferred securities by a subsidiary of ¥200,000 million, and proceeds from issuance of bonds of ¥129,354 million, as well as proceeds from the sale and lease back of equipment newly acquired of ¥92,494 million.

**(Reference: Major Financing Activities)**

The major financing activities in the interim 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
Increase or decrease of commercial paper	SOFTBANK CORP.	Decrease of ¥25,000 million	
Acquisition of treasury stock	SOFTBANK CORP.	Acquisition of treasury stock in the market	Period for acquisition: September 2 to 7, 2011 (execution base) Total cost of acquisition: ¥10,793 million
Preferred securities issuances	SFJ Capital Limited	Issuance of preferred securities	Issue date: September 22, 2011 Total amount of issue: ¥200,000 million Dividend rate: 2.04%/year
Repayment of securitization of receivables	SOFTBANK MOBILE Corp.	Repayment of ¥40,083 million	Repayment of funds procured via securitization of mobile handsets installment sales receivables
Increase or decrease in debt (excluding securitization of receivables)	SOFTBANK CORP.	Increase of ¥241,900 million	Mainly increase of long-term borrowings related to refinancing of the funds procured by SOFTBANK MOBILE Corp. via whole business securitization <sup>*1</sup>
	SOFTBANK MOBILE Corp.	Decrease of ¥488,068 million	Repayment of funds raised via the whole business securitization financing scheme
	SB Broadband Investments	Decrease of ¥93,370 million	Repayment of borrowings through the sale of Yahoo! Inc. shares <sup>*2</sup>
Capital expenditure by financial lease	SOFTBANK MOBILE Corp. etc.	New capital expenditure via leases	Funds newly procured during the interim period: ¥92,494 million

\*1 Refer to page 30, “3. Consolidated Financial Statements – (8) Significant Subsequent Events” regarding the refinancing of SBM loan.

\*2 Refer to page 28, “3. Consolidated Financial Statements – (5) Notes (Consolidated Statements of Cash Flows) – 2. Proceeds from sale of marketable and investment securities and repayment of long-term debt”.

**(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. Notes on the Summary Information****(1) Significant Changes in Scope of Consolidation**

Changes in Scope of Consolidation of Specified Subsidiaries: (One company)

SFJ Capital Limited newly became a consolidated subsidiary due to the growth of materiality in accordance with the capital increase through the issuance of the preferred securities on September 22, 2011.

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

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥861,657	¥902,794
Notes and accounts receivable - trade	657,774	576,608
Marketable securities	78,099	3,958
Merchandise and finished products	49,887	33,093
Deferred tax assets	90,907	75,423
Other current assets	162,068	142,191
Less:		
Allowance for doubtful accounts	(37,778)	(41,015)
Total current assets	1,862,617	1,693,055
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	74,867	74,320
Telecommunications equipment	840,839	912,799
Telecommunications service lines	68,856	66,836
Land	22,882	22,908
Construction in progress	55,663	57,555
Other property and equipment	50,339	56,784
Total property and equipment	1,113,447	1,191,204
<b>Intangible assets, net:</b>		
Goodwill	839,238	807,950
Software	248,872	267,581
Other intangibles	32,233	31,597
Total intangible assets	1,120,345	1,107,129
<b>Investments and other assets:</b>		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	340,436	350,452
Deferred tax assets	109,145	95,993
Other assets	123,360	122,772
Less:		
Allowance for doubtful accounts	(15,008)	(16,221)
Total investments and other assets	557,933	552,997
Total fixed assets	2,791,726	2,851,330
<b>Deferred charges</b>	1,381	6,756
<b>Total assets</b>	¥4,655,725	¥4,551,142

**Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2011	As of September 30, 2011
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥193,644	¥148,562
Short-term borrowings	410,950	532,651
Commercial paper	25,000	-
Current portion of corporate bonds	128,500	110,000
Accounts payable - other and accrued expenses	561,421	726,881
Income taxes payable	115,355	114,252
Current portion of lease obligations	131,305	132,736
Other current liabilities	78,230	74,725
<b>Total current liabilities</b>	<b>1,644,407</b>	<b>1,839,811</b>
<b>Long-term liabilities:</b>		
Corporate bonds	507,390	492,388
Long-term debt	1,030,959	527,500
Deferred tax liabilities	26,582	25,276
Liability for retirement benefits	14,414	14,348
Allowance for point mileage	41,947	33,092
Lease obligations	199,769	215,198
Other liabilities	310,636	111,943
<b>Total long-term liabilities</b>	<b>2,131,699</b>	<b>1,419,747</b>
<b>Total liabilities</b>	<b>3,776,107</b>	<b>3,259,558</b>
<b>Equity:</b>		
Common stock	188,775	213,797
Additional paid-in capital	212,510	237,503
Retained earnings	222,277	434,130
Less: Treasury stock	(240)	(11,045)
<b>Total shareholders' equity</b>	<b>623,321</b>	<b>874,386</b>
Unrealized gain (loss) on available-for-sale securities	34,920	(577)
Deferred gain (loss) on derivatives under hedge accounting	11,224	(1,271)
Foreign currency translation adjustments	(50,213)	(53,099)
<b>Total valuation and translation adjustments</b>	<b>(4,068)</b>	<b>(54,947)</b>
Stock acquisition rights	703	843
Minority interests	259,661	471,301
<b>Total equity</b>	<b>879,618</b>	<b>1,291,583</b>
<b>Total liabilities and equity</b>	<b>¥4,655,725</b>	<b>¥4,551,142</b>

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

For the six-month period ended September 30, 2010 and 2011

**Consolidated Statements of Income**

(Millions of yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
	April 1, 2010 to September 30, 2010	April 1, 2011 to September 30, 2011
	Amount	Amount
<b>Net sales</b>	¥1,465,021	¥1,535,647
<b>Cost of sales</b>	665,496	670,967
<b>Gross Profit</b>	799,525	864,679
<b>Selling, general and administrative expenses</b>	484,003	491,456
<b>Operating income</b>	315,521	373,223
Interest income	1,133	1,264
Dividend income	383	1,850
Other non-operating income	4,817	3,653
<b>Non-operating income</b>	6,334	6,768
Interest expense	54,783	40,749
Equity in losses of affiliated companies	1,084	1,221
Refinancing related expense	2,240	13,606
Other non-operating expenses	9,904	9,929
<b>Non-operating expenses</b>	68,012	65,506
<b>Ordinary income</b>	253,843	314,485
Gain on sale of investment securities	4,915	83,527
Dilution gain from changes in equity interest	1,436	17,158
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S.,net	-	2,044
Other special income	551	-
<b>Special income</b>	6,903	102,730
Valuation loss on investment securities	2,685	8,920
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S.,net	745	-
Other special losses	10,809	234
<b>Special loss</b>	14,240	9,154
<b>Income before income taxes and minority interests</b>	246,506	408,061
<b>Income taxes:</b>		
Current	95,701	101,361
Corrections	26,450	-
Deferred	18,503	57,337
<b>Total income taxes</b>	140,654	158,699
<b>Income before minority interests</b>	105,851	249,361
<b>Minority interests in net income</b>	29,012	32,108
<b>Net income</b>	¥76,839	¥217,252

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
	April 1, 2010 to September 30, 2010	April 1, 2011 to September 30, 2011
	Amount	Amount
<b>Income before minority interests</b>	105,851	<b>249,361</b>
<b>Other comprehensive loss</b>		
Unrealized loss on available-for-sale securities	(11,378)	<b>(37,136)</b>
Deferred gain (loss) on derivatives under hedge accounting	3,127	<b>(12,939)</b>
Foreign currency translation adjustment	(9,879)	<b>(3,185)</b>
Share of other comprehensive income of affiliated companies accounted for using equity method	(3,359)	<b>226</b>
<b>Total other comprehensive loss</b>	(21,489)	<b>(53,034)</b>
<b>Comprehensive income</b>	84,362	<b>196,326</b>
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	56,295	<b>166,373</b>
Comprehensive income attributable to minority interests	28,067	<b>29,952</b>



For the three-month period ended September 30, 2010 and 2011

**Consolidated Statements of Income**

(Millions of yen)

	Three-month period ended September 30, 2010	Three-month period ended September 30, 2011
	July 1, 2010 to September 30, 2010	July 1, 2011 to September 30, 2011
	Amount	Amount
<b>Net sales</b>	¥764,181	¥771,409
<b>Cost of sales</b>	358,315	329,627
<b>Gross Profit</b>	405,866	441,782
<b>Selling, general and administrative expenses</b>	246,948	244,384
<b>Operating income</b>	158,917	197,397
Interest income	604	704
Dividend income	240	703
Other non-operating income	2,703	2,098
<b>Non-operating income</b>	3,547	3,506
Interest expense	26,993	18,341
Equity in losses of affiliated companies	1,301	358
Refinancing related expense	2,190	13,550
Other non-operating expenses	4,981	5,398
<b>Non-operating expenses</b>	35,466	37,649
<b>Ordinary income</b>	126,998	163,254
Gain on sale of investment securities	4,797	78,594
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S.,net	-	2,120
Other special income	1,232	1,736
<b>Special income</b>	6,029	82,452
Valuation loss on investment securities	1,253	8,723
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S.,net	797	-
Other special losses	2,634	129
<b>Special loss</b>	4,685	8,853
<b>Income before income taxes and minority interests</b>	128,342	236,854
<b>Income taxes:</b>		
Current	61,599	73,407
Deferred	(6,870)	25,091
<b>Total income taxes</b>	54,729	98,499
<b>Income before minority interests</b>	73,613	138,355
<b>Minority interests in net income</b>	16,212	15,893
<b>Net income</b>	¥57,400	¥122,461

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Three-month period ended September 30, 2010	Three-month period ended September 30, 2011
	July 1, 2010 to September 30, 2010	July 1, 2011 to September 30, 2011
	Amount	Amount
<b>Income before minority interests</b>	73,613	138,355
<b>Other comprehensive loss</b>		
Unrealized loss on available-for-sale securities	(1,679)	(26,853)
Deferred loss on derivatives under hedge accounting	(2,789)	(16,343)
Foreign currency translation adjustment	(4,902)	(951)
Share of other comprehensive income of affiliated companies accounted for using equity method	(4,087)	(1,888)
<b>Total other comprehensive loss</b>	(13,458)	(46,035)
<b>Comprehensive income</b>	60,154	92,319
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of the parent	45,982	78,496
Comprehensive income attributable to minority interests	14,172	13,822

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

(Millions of yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
	April 1, 2010 to September 30, 2010	April 1, 2010 to September 30, 2011
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥246,506	¥408,061
Adjustments for:		
Depreciation and amortization	108,228	124,557
Amortization of goodwill	31,301	31,315
Equity in losses of affiliated companies	1,084	1,221
Dilution gain from changes in equity interest, net	(1,323)	(17,119)
Valuation loss on investment securities	2,685	8,920
Unrealized appreciation on valuation of investments and loss (gain) on sale of investments at subsidiaries in the U.S., net	745	(2,044)
Gain on sale of marketable and investment securities, net	(4,882)	(83,514)
Foreign exchange gain, net	(59)	(158)
Interest and dividend income	(1,516)	(3,115)
Interest expense	54,783	40,749
Changes in operating assets, and liabilities		
Decrease in receivables - trade	125,496	79,699
Increase (decrease) in payables - trade	14,351	(45,098)
Other, net	(49,296)	(2,770)
Sub-total	528,105	540,703
Interest and dividend received	1,530	2,644
Interest paid	(47,770)	(40,107)
Income taxes paid	(132,529)	(108,196)
Net cash provided by operating activities	349,335	395,044

- Continued -

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

(Millions of yen)

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
	April 1, 2010 to September 30, 2010	April 1, 2011 to September 30, 2011
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment, and intangibles	¥ (112,323)	¥(215,800)
Purchase of marketable and investment securities	(32,152)	(22,216)
Proceeds from sale of marketable and investment securities	12,480	77,446
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(701)	(53)
Other, net	2,980	793
Net cash used in investing activities	(129,717)	(159,829)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings, net	15,246	(124,122)
Decrease in commercial paper, net	-	(25,000)
Proceeds from long-term debt	197,900	403,175
Repayment of long-term debt	(205,088)	(625,242)
Proceeds from issuance of bonds	179,193	129,354
Redemption of bonds	(54,804)	(113,500)
Proceeds from issuance of shares to minority shareholders	267	226
Proceeds from issuance of preferred securities by a subsidiary	-	200,000
Purchase of treasury stock	(6)	(10,804)
Cash dividends paid	(5,360)	(5,377)
Cash dividends paid to minority shareholders	(14,994)	(16,912)
Proceeds from sale and lease back of equipment newly acquired	11,784	92,494
Repayment of lease obligations	(84,517)	(72,296)
Payments for additional entrustment for debt assumption	(75,000)	-
Other, net	(10,513)	(23,563)
Net cash used in financing activities	(45,893)	(191,568)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,903)	(1,337)
<b>Net increase in cash and cash equivalents</b>	171,820	42,308
<b>Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	1,919	68
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(64)	(734)
<b>Decrease in cash and cash equivalents resulting from corporate separation</b>	(1,837)	-
<b>Cash and cash equivalents, beginning of the period</b>	687,681	847,155
<b>Cash and cash equivalents, end of the period</b>	¥859,518	¥888,797

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

There are no applicable items for the six-month period ended September 30, 2011.

#### (5) Notes

##### (Consolidated Statements of Income)

##### 1. Refinancing related expense

For the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

It is primarily ¥ 12,695 million of procurement expense related to the total amount of ¥ 550.0 billion financing (executed loan balance of ¥ 352.5 billion as of September 30, 2011) based on the resolution of the directors' meeting held on July 21, 2011 and cancellation expense of interest-rate swap to hedge interest rate risks along with the repayment of SBM loan.

##### 2. Gain on sale of investment securities

For the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

The gain on sale of investment securities for the current period is primarily attributable to a ¥76,430 million gain on sale of Yahoo! Inc. shares.

In connection with the Company's financing of approximately \$1,135 million from CITIBANK, N.A. through its U.S subsidiary in February 2004, certain forward contracts ("collar transaction") were entered into, which allowed the obligation to be settled at maturity by delivering Yahoo! Inc. shares held by the Company's subsidiary. The forward contracts were to effectively hedge the variability of cash flows associated with the future market price of the underlying securities.

During the six-month period ended September 30, 2011, the obligation under the forward contracts was settled at maturity by effectively delivering the shares of Yahoo! Inc. (book basis of \$142 million) to CITIBANK, N.A. The cash proceeds received by the Company's subsidiary from delivering the shares of Yahoo! Inc. to CITIBANK, N.A. were then remitted to repay the related obligation. "Gain on sale of investment securities" of ¥76,430 million (\$993 million) was recorded as a result of settling the forward contracts.

As of September 30, 2010, the shares of Yahoo! Inc. were reclassified to "Marketable securities" under current assets from "Investment securities and investments in unconsolidated subsidiaries and affiliated companies" under investment and other assets. This was to coincide with the reclassification of the related obligation under current liabilities, of which the remaining period until maturity was less than one year. Accordingly, the gain on sale from this transaction was recorded as "Gain on sale of investment securities."

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

	Six-month period ended September 30, 2010	Six-month period ended September 30, 2011
Unrealized appreciation on valuation of investment at subsidiaries in the U.S.,net	338	1,861
Gain (loss) on sale of investments at subsidiaries in the U.S.,net	(1,083)	182
<b>Total</b>	<b>(745) million yen</b>	<b>2,044 million yen</b>

**(Consolidated Statements of Cash Flows)****1. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows**

For the six-month period ended September 30, 2010 (From April 1 to September 30, 2010) and for the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

“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 of marketable and investment securities and Repayment of long-term debt**

For the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

As described in “2. Gain on sale of investment securities under (Consolidated Statements of Income),” the shares of Yahoo! Inc. held by the Company's U.S. subsidiary were delivered to CITIBANK, N.A. in connection with the settlement of the obligation under the forward contracts (“collar transaction”). The cash receipts of ¥57,191 million (\$743 million) equaled the fair value of the shares delivered and were recorded as “Proceeds from sale of marketable and investment securities”. The proceeds received of ¥57,191 million were then remitted to repay the obligation and recorded as “Repayment of long-term debt.”

The difference between the obligation balance of \$1,135 million at maturity and the \$743 million of proceeds from delivering the shares of Yahoo! Inc. that were remitted to CITIBANK, N.A. in full settlement of the obligation was recognized as a realized gain on the forward contracts. Therefore, the balance of the obligation after deduction of the realized gain on the forward contracts, which was equal to the fair value of Yahoo! Inc. shares, was recorded under “Repayment of long-term debt.”

**3. Proceeds from issuance of preferred securities by a subsidiary**

For the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

They are proceeds from the issuance of preferred securities with limited voting right (preferred securities which have the nature of a stock prescribed in Financial Instruments and Exchange Act Article 2 (1) (ix), which is a part of securities described in Financial Instruments and Exchange Act Article 2 (1) (xvii)) to investors through publicly offering in Japan by the Company's consolidated subsidiary, SFJ Capital Limited.

**4. Proceeds from sale and lease back of equipment newly acquired**

For the six-month period ended September 30, 2010 (From April 1 to September 30, 2010) and for the six-month period ended September 30, 2011 (From April 1 to September 30, 2011)

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 six-month period ended September 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	¥935,045	¥94,832	¥146,838	¥135,256	¥1,311,973	¥153,048	¥1,465,021	¥-	¥1,465,021
Inter-segment	4,999	2,537	26,048	2,208	35,793	17,053	52,847	(52,847)	-
Total	940,044	97,370	172,887	137,465	1,347,766	170,102	1,517,869	(52,847)	1,465,021
Segment profit	¥207,203	¥22,700	¥13,603	¥71,640	¥315,148	¥5,913	¥321,061	¥(5,540)	¥315,521

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 ¥(5,540) million represents elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥639 million and ¥(6,179) million, respectively.
3. Segment income is adjusted with operating income in the consolidated statements of income.

### 2. Net sales and segment profit or loss of reportable segments for the six-month period ended September 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	¥1,017,191	¥80,232	¥141,721	¥139,691	¥1,378,837	¥156,809	¥1,535,647	¥-	¥1,535,647
Inter-segment	3,745	7,029	36,354	1,781	48,910	16,980	65,890	(65,890)	-
Total	1,020,937	87,261	178,075	141,472	1,427,747	173,790	1,601,537	(65,890)	1,535,647
Segment profit	¥250,086	¥19,658	¥27,287	¥75,168	¥372,200	¥7,514	¥379,714	¥(6,491)	¥373,223

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 ¥(6,491) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥431 million and ¥(6,923) 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 six-month period ended September 30, 2011.

## (8) Significant Subsequent Events

### For the six-month period ended September 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 and the remaining amount of ¥197.5 billion on October 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 paid off the SBM loan with the funds procured by the Company and its fund in hand by repaying ¥369.4 billion on July 27, 2011 and ¥284.5 billion on October 27, 2011.

#### 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(executed on July 27, 2011) (2) Facility A2: ¥252.5 billion(executed on July 27, 2011) (3) Facility B: ¥197.5 billion(executed on October 27, 2011)
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 October 25, 1 month TIBOR 0.18% As of October 25, 3 months TIBOR 0.33643% Reference 2: Spread ranges from 0.75% to 1.275% based on the Company's issuer rating. Spread based on the rating as of October 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 ¥19,760 million were recorded in the consolidated statements of income for the year ended March 31, 2011 and six-month period ended September 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 September 30, 2011
Cash and deposits	199,244
Notes and accounts receivable - trade	312,512
Buildings and structures	11,500
Telecommunications equipment	316,255
Telecommunications service lines	64
Land	10,772
Investments and other assets - other assets	10,888
Total	861,238 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 recorded ¥12.6 billion as non-operating expenses for three-month period ended September 30, 2011 and expects to record approximately ¥11.0 billion as non-operating expenses and approximately ¥22.0 billion as special loss for three-month period ended December 30, 2011 in the consolidated statements of income. This includes cost associated with the abovementioned syndicated loan, the repayments of the SBM loan (cancel fee for interest hedge, etc.) and prepayment premium.