

SOFTBANK CORP.
CONSOLIDATED FINANCIAL REPORT
For the nine-month period ended December 31, 2005

Tokyo, February 10, 2006

FINANCIAL HIGHLIGHTS

1. Results of Operations

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

	Net sales		Operating income (loss)		Ordinary loss		Net income (loss)	
	Amount	%	Amount	%	Amount	%	Amount	%
Nine-month period ended December 31, 2005	¥810,258	44.2	¥27,912	-	¥(2,255)	-	¥17,819	-
Nine-month period ended December 31, 2004	¥561,793	55.1	¥(14,326)	-	¥(33,942)	-	¥(32,605)	-
Fiscal year ended March 31, 2005	¥837,018	-	¥(25,359)	-	¥(45,248)	-	¥(59,871)	-

	Net income (loss) per share— primary (yen)	Net income per share— diluted (yen)
Nine-month period ended December 31, 2005	¥50.70	¥47.31
Nine-month period ended December 31, 2004	¥(92.79)	-
Fiscal year ended March 31, 2005	¥(171.03)	-

Notes: Percentage changes for net sales, operating income (loss), ordinary loss and net income (loss) are compared with the corresponding period of the previous fiscal year.

2. Financial Condition

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

	Total assets	Shareholders' equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of December 31, 2005	¥1,748,605	¥219,110	12.5	¥623.32
As of December 31, 2004	¥2,090,043	¥204,685	9.8	¥582.39
As of March 31, 2005	¥1,704,853	¥178,016	10.4	¥505.86

3. Cash Flows

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the period
Nine-month period ended December 31, 2005	¥43,968	¥12,331	¥(44,885)	¥337,122
Nine-month period ended December 31, 2004	¥(30,709)	¥(177,564)	¥153,724	¥381,948
Fiscal year ended March 31, 2005	¥(45,989)	¥(242,944)	¥277,770	¥320,194

4. Scope of Consolidation at December 31, 2005

Consolidated subsidiaries:	152
Equity-method non-consolidated subsidiaries:	5
Equity-method affiliates:	87

5. Changes in Scope of Consolidation

Consolidated subsidiaries:	
Newly added:	20
Excluded:	21
Equity-method non-consolidated subsidiaries and affiliates:	
Newly added:	13
Excluded:	29

Management Policies

1. Fundamental Management Policies

The core management philosophies of SOFTBANK CORP. (hereafter “the Company”) and the SOFTBANK Group (hereafter “the Group”) are “Endeavoring to benefit society and the economy and maximize corporate value by fostering the sharing of wisdom and knowledge gained through the IT revolution.” By conducting its business activities in a creative manner, the Group focuses its energy on both contributing to the development of society and enhancing its corporate value.

Broadband connections have come into wide use in Japanese society, and the household penetration rate is already more than 42%. The increasing use of broadband connections along with rapid advances in data communications technology have stimulated discussion about the convergence of telecommunications with broadcasting and are steadily bringing the world closer to the advent of the ubiquitous information age. As a 21st century lifestyle company that uses broadband technologies to make people’s lifestyles richer and more fun, the Group aims to be the number one broadband corporate group in Japan, providing a comprehensive telecommunications infrastructure as well as the portals and content that are deployed over such infrastructure.

As of December 31, 2005, the *Yahoo! BB ADSL*, a comprehensive broadband service had 5 million accumulated lines installed, which was achieved just over four years after the beginning of commercial services in September 2001.

Along with the rapid expansion of the broadband infrastructure, the videos are taking over text as mainstream Internet content. Through these changes in the operating environment, the Group began the demonstration experiments of *TV Bank*, an Internet-based video service in October 2005. In December 2005, the Company established TV Bank Corp. (hereafter TV Bank) as a joint venture with Yahoo Japan Corporation (hereafter “Yahoo Japan”) and started its operation. Going forward, the Group will bring together the human resources and know-how related to video content services in the new company and will work to further expand and improve its video content.

JAPAN TELECOM CO., LTD. (hereafter “JAPAN TELECOM”) aims to transform itself as an ICT*¹ solutions provider offering a wide range of solutions to corporate customers. In December 2005, JAPAN TELECOM introduced a next-generation ICT platform service, *IRIS*, which aims to integrate the next-generation ubiquitous networking services with content and applications. JAPAN TELECOM has continuously provided a range of network solutions based on this platform service. Moreover, to meet the needs of corporate customers for voice network services, JAPAN TELECOM is working to provide optimal business solutions for companies by combining its *Otoku Line* direct connection voice service with other services. The accumulated number of lines installed for the *Otoku Line* increased to 760 thousand as of December 31, 2005. By providing solutions such as those mentioned, JAPAN TELECOM is aiming to show a profit in its Fixed-line Telecommunication business at an early date.

The application submitted by BB Mobile Corp. to Japan’s Ministry of Internal Affairs and Communications to enable the Group to establish specified base stations for operating in the 1.7GHz frequency band was approved in November 2005. The Group is conducting R&D in preparation for entering this field and in October 2005 became the first in the world to link third-generation mobile communications (Wideband-Code Division Multiple Access, W-CDMA), the *Yahoo! BB ADSL* wireless LAN, and Worldwide Interoperability for Microwave Access (WiMAX) network in handover*² experiments. The Group is working toward the realization of a truly ubiquitous society through the entry into the mobile phone business and the creation of revolutionary services based on a broadband environment that will enable anyone to communicate with anyone else wherever they may be.

*¹ ICT: Information & Communications Technology

*² Handover: Switching over the connections between base stations without breakups in voice and graphic communications.

2. Medium- and Long-Term Strategies

(1) Becoming a Comprehensive Telecommunications Provider

The Group aims to become a comprehensive telecommunications provider capable of offering a broad range of communication modes, by effectively utilizing the customer base, technology, and services it has developed in its Broadband Infrastructure and Fixed-line Telecommunications businesses. Having been granted a license for entering into the mobile phone market, the Group will enter this business as quickly as possible and seek to achieve stable and sustained expansion in the mobile phone business.

(2) Establishing a Unique Business Model

The Group has established a foundation as a comprehensive telecommunications group, and it is also a corporate group based on the Internet-related business. The Group includes many companies that use the broadband infrastructures to provide a diverse range of services and content in such areas as music, broadcasting, games, sports, and e-commerce. The Group will seek to maximize its profits and corporate value by drawing on the comprehensive strengths developed by the Group in its Internet-related activities to establish a unique business model for the broadband era that will generate long-term, stable profits from its infrastructure business, increase returns from its portal business, and diversify sources of income from its services and content.

3. Important Management Issues

(1) Expanding Services and Content

The Group is taking steps to further expand the services and content available on the broadband infrastructure. Along with the growth in the household penetration rate of access to broadband services, we believe it will be more important to offer video and other attractive services and content. In addition to substantially improving the services and content available under the Group's brand, the Group will work to offer a wide range of services and content by arranging tie-ups with leading content providers in Japan and overseas.

(2) Achieving Consolidated Operating Profit for the Fiscal Year

One of the issues the Company has been addressing is how to achieve consolidated operating profit. This objective has been achieved for the first half of the current fiscal year, and initiatives are in under progress for further expansion of consolidated operating profit for the full fiscal year. Especially in order to attain operating profit at an early date in the Otoku Line business, JAPAN TELECOM has been continuously making efforts since the previous quarter to strengthen its direct marketing channels and to create a more efficient agency sales system. In addition, JAPAN TELECOM attempts to result in higher profitability by shortening the time between the receipt of orders and connection of lines.

(3) Strengthening the Corporate Governance and Compliance Systems

In December 2005, the Company revised its SOFTBANK Group Charter, with the aim to improve the governance and compliance systems of the Group as a whole. Along with this revision, the Company prepared guidelines containing specific compliance items and is working to strengthen governance within the Group. In addition, the Company prepared the SOFTBANK Group Officers & Employees Code of Conduct comprising 10 items that all Group employees are expected to comply with at all times. Moreover, a Group Hot-Line was established to enable Group personnel to receive advice on compliance matters. Through these measures to strengthen governance and compliance systems, the Group is committed to ensure its thorough risk management.

Results of Operations and Financial Position

1. Consolidated Results of Operations

<Overview of Results for nine-month period ended December 31, 2005>

Net sales increased ¥248,464 million, or 44% over the same period of the previous fiscal year, to ¥810,258 million. In current fiscal year, the financial results of JAPAN TELECOM are reflected on full year-to-date basis, while recorded only for the third and fourth quarters in the previous fiscal year. Net sales in the Fixed-line Telecommunications segment were ¥262,161 million, which was ¥82,075 million in the same period of the previous fiscal year. In the Broadband Infrastructure segment, sales increased ¥48,743 million, or 33%, to ¥197,188 million, as a result of increases in the number of paying customers and ARPU (Average Revenue Per User). Sales of the Internet Culture segment also continued to be robust and reported a ¥42,961 million increase, or 61%, to ¥113,746 million.

As SOFTBANK INVESTMENT CORPORATION^{*3} was changed to an equity-method affiliate from a consolidated subsidiary on March 31, 2005, sales were not recorded in the e-Finance segment compared with ¥56,064 million in sales recorded in the same segment for the same period of the previous fiscal year.

Operating income of ¥27,912 million was reported, while the operating loss of ¥14,326 million was reported for the same period of the previous fiscal year. In the Broadband Infrastructure segment, operating loss improved ¥55,503 million to a profit of ¥8,350 million as a consequence of steady increases in sales and efforts to reduce costs, including customer acquisition cost. In the Internet Culture segment, operating income increased ¥17,846 million, or 51%, to ¥52,893 million, due to the continued robustness of advertising-related business. On the other hand, the Fixed-line Telecommunications segment reported an operating loss of ¥28,087 million, owing to a delay in the installation of lines for the *Otoku Line* service of JAPAN TELECOM. The operating income of the e-Finance segment for the same period of the previous fiscal year was ¥12,772 million.

Ordinary loss decreased ¥31,687 million from the same period of the previous fiscal year, to ¥2,255 million. This result is attributed to an improvement in operating profit and equity in earnings under the equity method of ¥6,214 million, which improved from equity in loss under the equity method by ¥9,107 million due to the transition of SOFTBANK INVESTMENT CORPORATION to an equity-method affiliate from a consolidated subsidiary. On the other hand, in despite of decrease in interest-bearing debt, interest expense increased by ¥4,013 million to ¥20,510 million due to the reflection of the financial results in the Fixed-line Telecommunications segment on a full year-to-date basis. Foreign exchange loss amounted to ¥7,126 million.

Net income of ¥17,819 million was reported, while the net loss of ¥32,605 million was reported for the same period of the previous fiscal year. In special income, the Company recorded a gain on sales of investment securities of ¥146,080 million on the sale of shares in four Yahoo group companies in Europe and Korea, Tao Bao Holding Limited and others. Dilution gain from changes in equity interest accompanied by mainly SBI Holdings, Inc. reported ¥9,509 million. In special loss, the Company reported ¥26,429 million in loss on contract revision relating to sales operation change following a review of the sales systems for the *Otoku Line* service, ¥14,749 million in restructuring charge related to the restructuring of the Group's video service business, ¥4,699 million from the valuation loss on investment securities. Current income taxes of ¥29,548 million were recorded by mainly Yahoo Japan and deferred income taxes of ¥17,204 million were recorded by mainly the Company. In addition, minority interest of ¥21,015 million was recorded.

^{*3} Current SBI Holdings, Inc.

<Results for nine-month period ended December 31, 2005 by Business Segments>

Broadband Infrastructure

Segment sales increased ¥48,743 million, or 33% compared with the same period of the previous fiscal year, to ¥197,188 million. Operating income of ¥8,350 million was recorded, while operating loss of ¥47,152 million was recorded for the same period of the previous fiscal year.

(Quarterly trends of the Segment)

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

	FY2006			FY2005			
	2006/Q3	2006/Q2	2006/Q1	2005/Q4	2005/Q3	2005/Q2	2005/Q1
Sales	¥ 71,543	¥ 64,439	¥ 61,205	¥ 56,861	¥ 52,450	¥ 49,819	¥ 46,175
Operating income (loss)	9,361	3,483	(4,494)	(6,594)	(12,474)	(16,340)	(18,337)

ADSL Business

The *Yahoo! BB ADSL*, the driving force for expanding the usage of broadband internet services, reported 5 million accumulated lines installed as of December 31, 2005, which was achieved just over four years after the beginning of commercial services in September 2001. In addition, the churn rate remained a bit over 1%. Since the commencement of service, the *Yahoo! BB ADSL* has maintained a net increase in the number of paying customers.

ARPU of the ADSL business continued to increase as a result of a growth in the number of users of high-value-added services such as higher-speed service plans and in-house wireless LAN services. The percentage of *Yahoo! BB 50M* users continued to increase, and reached approximately 20% of the total accumulated subscribers. The number of in-house wireless LAN users also has been increasing to exceed 1.26 million, which surpassed 25% of the total accumulated subscribers. The accumulated lines installed of the *BB Phone*, the IP telephony service, totaled 4.77 million as of December 31, 2005, and the *BB Phone* retained its No.1 share position in Japan.

In October 2005, *BB Mobile Point*, the public wireless LAN service, began to offer paid services at a competitive price of ¥304 per month. The service area has been expanded since December 2005, to cover the nationwide outlets of McDonald's Company (Japan), Ltd. and has been exceeded 3,200 spots, making it one of the largest nationwide service networks in Japan.

Regarding costs, customer acquisition costs have been substantially reduced. This is attributed to the decline of incentive costs due to a more moderate increase in the number of new customers, and more efficient customer-acquisition based on collaboration with large appliance discount stores.

With the objective of restructuring its broadband business, in December 2005, SOFTBANK BB Corp. (hereafter "SOFTBANK BB") was split into BB TECHNOLOGY Corp. (hereafter "BB TECHNOLOGY"), which focuses on the ADSL business, and (new) SOFTBANK BB Corp., which assumes the businesses other than ADSL. Furthermore, with an aim to concentrate management resources on its core broadband business, BB TECHNOLOGY sold its modem rental business. After the conclusion of a service agreement, BB TECHNOLOGY receives incentives, royalties, and subcontracting fees after the sale of its modem rental business in proportion to actual business performance such as the number of paying subscribers and other factors in the ADSL business. Following this sale of business, BB TECHNOLOGY received ¥45 billion on the sale of modem rental business and ¥40 billion as an advance royalty totaling ¥85 billion (see chart in the next page for details).

FTTH Business

In the FTTH business, a strategy focusing on cost efficiency has been adopted. While aggressive marketing for customer acquisition is now restrained, the Group are making effort to activities to expand the service lineup in preparation for full-fledged services, such as *Yahoo! BB hikari TV Package* and *Wireless TVBOX*, which enable users to watch TV broadcasts from terrestrial stations on their PCs, and the *BB Phone hikari*, a fiber optic telephony service.

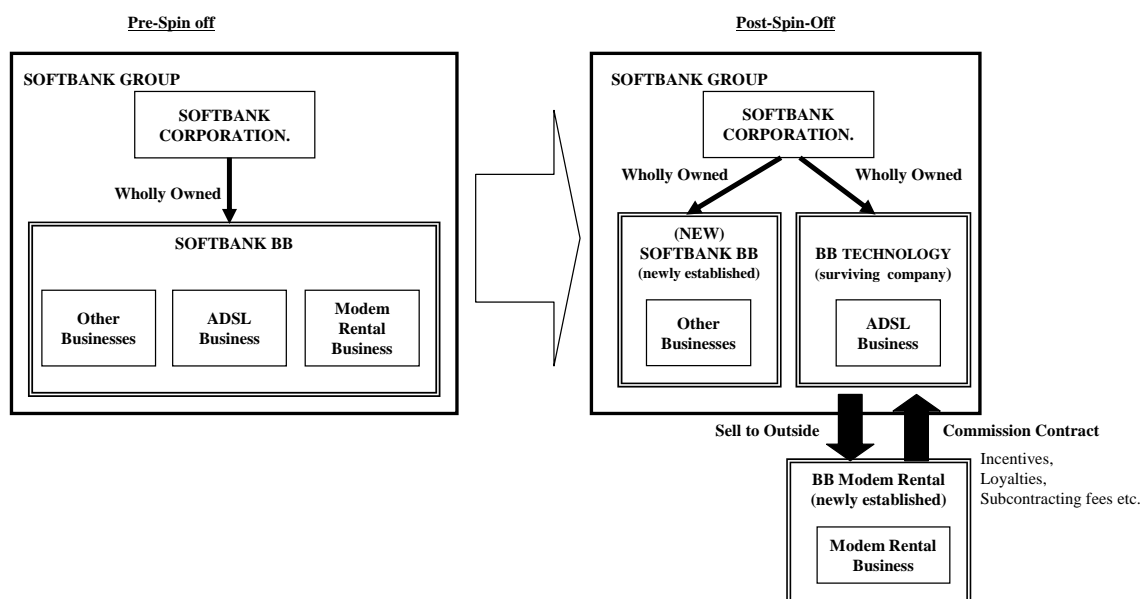
Video Content Delivery Business

The Group began the demonstration experiments of *TV Bank*, an Internet-based video service in October 2005. In December 2005, the Company established TV Bank Corp. as a joint venture with Yahoo Japan and started its operation. The Group will bring together its human resources and know-how related to video services in the new company, for procurement of video content, development and operation of a system for the video content delivery and retrieval, and design and operation of a service interface. As a result of this effort, *Yahoo! Streaming*, provided by Yahoo Japan, has been enhanced as a video content portal offering nearly 100,000 titles, and most of them are free of charge. TV Bank is in the process of building up its revenue model by providing free contents with advertising income in addition to pay-per-view model. The financial results of TV Bank are reflected in the Other segment.

In the Broadband TV Broadcasting (*BBTV*) service business, the *Yahoo! BB hikari TV Package* and full-scale *Yahoo! BB ADSL* services were introduced nationwide in July 2005. Following the start-up of the new video services such as *TV Bank* and *Yahoo! Streaming*, the Company reconsidered the future revenue generated from the use of the assets solely used in the *BBTV* business and reevaluated those assets. As a result, restructuring charge relating to *BBTV* business of ¥14,749 million was recognized as a special loss.

The financial results of the Broadband Infrastructure business of Yahoo Japan and JAPAN TELECOM such as ISP revenues and others are reflected in this segment, as well as the results of BB Mobile Corp., which plans to enter the mobile telephone market in the near future.

Broadband Business Restructuring



Fixed-line Telecommunications

Segment sales were ¥262,161 million and operating loss was ¥28,087 million.

(Quarterly trends of the Segment)

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

	FY2006			FY2005			
	2006/Q3	2006/Q2	2006/Q1	2005/Q4	2005/Q3	2005/Q2	2005/Q1
Sales	¥ 90,256	¥ 83,300	¥ 88,604	¥ 84,803	¥ 82,075	Newly established on September 30, 2004	
Operating income (loss)	(1,787)	(12,209)	(14,089)	(21,767)	(14,297)		

The cumulative number of lines installed for JAPAN TELECOM's *Otoku Line*, direct connection voice service, reached 760 thousand as of December 31, 2005. As a result of improved *Otoku Line* operating revenue, operating loss in the Fixed-line Telecommunications segment was substantially reduced. Following the start-up of JAPAN TELECOM INVOICE Co., Ltd. (hereafter "JAPAN TELECOM INVOICE", a joint venture with INVOICE INC.), in October 2005, agency management and other responsibilities related to the *Otoku Line* business, which until now had been the sole responsibility of JAPAN TELECOM, were transferred to JAPAN TELECOM INVOICE, which resulted in a substantial reduction in agency administration expenses. JAPAN TELECOM focuses on corporate customers that have high revenue-generating potential by bolstering its sales force. It is fully leveraging the *Otoku Line* service for the voice network needs of its corporate customers, combining it with *VOICE-NET*, a virtual extension for a corporate-wide telephone network, thereby providing an optimum communications infrastructure for businesses.

This segment recorded a ¥26,429 million of loss following the reconsideration of the *Otoku Line* sales organization.

JAPAN TELECOM aims to transform itself to an ICT solutions provider offering a wide range of solutions to corporate customers. In December 2005, a concept of next-generation ICT platform service, *IRIS*, was introduced, which aims to integrate the broadband-based ubiquitous networking services of next-generation with content and applications, and to provide as an optimum infrastructure for business use. Following the announcement *KeyPlat (Ultina on-Demand Platform)* was launched in January 2006 as the first service to realize this concept. The integration of "service" and "network", which heretofore was provided separately, shall be realized with *IRIS* to meet the diversifying demands of corporate customers toward the ubiquitous society, and thus assist to improve their competency.

E-Commerce

Segment sales increased ¥16,614 million, or 9%, to ¥199,613 million. Operating income decreased ¥1,055 million, or 26%, to ¥3,017 million.

(Quarterly trends of the Segment)

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

	FY2006			FY2005			
	2006/Q3	2006/Q2	2006/Q1	2005/Q4	2005/Q3	2005/Q2	2005/Q1
Sales	¥ 71,456	¥ 67,688	¥ 60,469	¥ 71,922	¥ 63,388	¥ 61,574	¥ 58,035
Operating income	1,473	817	726	1,168	1,491	1,039	1,540

As the result of brisk sales due to the year-end holiday sales season for PC and peripheral equipment through large appliance discount stores and the enhancement of the sales of PC servers and software to corporate users, sales of SOFTBANK BB continued to be strong. Operating income remained the same level compared to the corresponding period of the previous fiscal year, whereas the decreasing trend of the gross margin, due to enhancement of the sales organization.

Internet Culture

Segment sales increased ¥42,961 million, or 61%, to ¥113,746 million. Operating income increased ¥17,846 million, or 51%, to ¥52,893 million.

(Quarterly trends of the Segment)

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

	FY2006			FY2005			
	2006/Q3	2006/Q2	2006/Q1	2005/Q4	2005/Q3	2005/Q2	2005/Q1
Sales	¥ 42,214	¥ 36,896	¥ 34,635	¥ 31,663	¥ 26,989	¥ 22,725	¥ 21,070
Operating income	19,256	17,167	16,469	15,033	12,849	11,093	11,103

Advertising sales of Yahoo Japan continued to be strong. Other than advertising service, the employment information service was also strong in business services, and the transaction volumes at *Yahoo! Auctions* steadily increased in the personal services.

Other Segments

The result of this segment includes the performance of Broadmedia businesses (mainly Club iT Corporation), Technology Services businesses (mainly SOFTBANK TECHNOLOGY CORP.), Media & Marketing Businesses (mainly SOFTBANK Creative Corp.), and Others (mainly Fukuoka Softbank Hawks Corp.).

2. Financial Position

<Balance Sheet Analysis>

Current assets increased ¥26,834 million, to ¥632,952 million. The principal reasons were an increase in cash and deposits of ¥48,463 million and a decrease in marketable securities of ¥29,185 million.

Property and equipment decreased ¥18,907 million, to ¥432,809 million. This was primarily due to the divestiture and sale of the modem rental business in the Broadband Infrastructure segment.

Intangible assets decreased ¥109 million, to ¥103,431 million. Other intangibles, such as software, increased ¥2,529 million, while goodwill decreased ¥2,638 million due to amortization.

Investments and other assets increased ¥36,275 million, to ¥578,248 million. This mainly reflected a ¥63,424 million increase in investment securities due to the increase in market value of Yahoo! Inc. and a ¥18,149 million decrease in deferred tax assets.

Current liabilities decreased ¥151,597 million, to ¥539,199 million. Accounts payable - other and accrued expenses decreased ¥63,208 million, due to the completion of payments made against the initial investment in new businesses such as FTTH business and the *Otoku Line* Business, which increased accounts payable temporarily. The principal reasons for the decrease are the decrease of ¥68,703 million in short-term borrowings and ¥37,051 million in the current portion of corporate bonds.

Long-term liabilities increased ¥132,533 million, to ¥899,629 million. The principal reasons were an increase of ¥76,720 million in corporate bonds as a result of the Company's domestic straight bonds issuance (20th-23rd unsecured bonds) and deferred revenue of ¥45,156 million resulting from the sale of the modem rental business.

Shareholders' equity increased ¥41,094 million, to ¥219,110 million. This mainly reflected a decrease in accumulated deficit of ¥15,095 million from recording net income, an increase in net unrealized gain on other securities of ¥32,146 million following an increase in the value of securities holdings in Yahoo! Inc. and other companies, and an increase in foreign currency translation adjustments of ¥12,216 million. Meanwhile, as a deduction of shareholders' equity, net unrealized loss on derivative instruments increased ¥18,646 million. As a result, the equity ratio was 12.5%, compared to 10.4% at March 31, 2005.

<Cash Flow Analysis>

During the first three quarters, cash provided by operating activities was ¥43,968 million and cash provided by investing activities was ¥12,331 million, while cash used in financing activities amounted to ¥44,885 million. As a result, cash and cash equivalents at the end of the period totaled ¥337,122 million, an increase of ¥16,928 million compared to March 31, 2005.

Net cash provided by operating activities was ¥43,968 million. Income before income taxes and minority interest amounted to ¥85,589 million, depreciation and amortization totaled ¥62,106 million, and royalties received in advance following the sale of the modem rental business came to ¥40 billion. However, there was ¥145,853 million of gain on sales of marketable and investment securities to be recorded as an adjustment item (affecting special income and loss in the consolidated statements of operations). Other factors affecting net cash used in operating activities were interest paid of ¥15,127 million and payment of ¥31,441 million in corporate income taxes by Yahoo Japan and others.

Net cash provided by investing activities was ¥12,331 million. The Company recorded proceeds of ¥161,019 million from the sale of investment securities following the sale of shares in four Yahoo group companies in Europe and Korea, ¥40,442 million from the sale of interests in subsidiaries previously consolidated resulting from the sale of shares of mainly Tao Bao Holding Limited, and ¥45 billion from the sale of the modem rental business. However, cash outflows of ¥177,052 million for the purchase of property and equipment, and intangibles were recorded mainly in connection with the Broadband Infrastructure and Fixed-line Telecommunications segments. The sale of marketable and investment securities of ¥69,392 million was recorded.

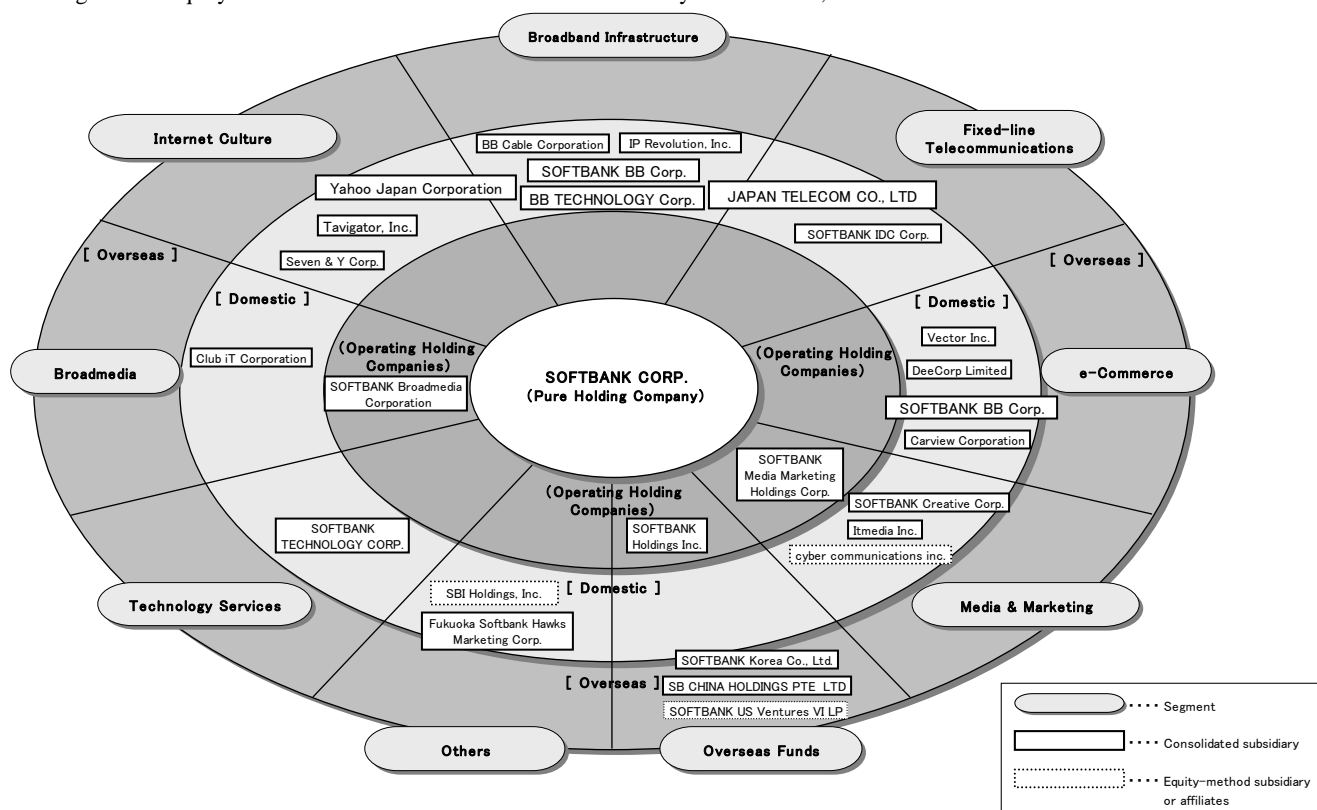
Net cash used in financing activities was ¥44,885 million. The principal reasons were ¥91,878 million in proceeds from issuance of bonds, decrease in short-term borrowings of ¥80,701 million, and cash outflows of ¥53,515 million which was reported for the redemption of bonds.

The SOFTBANK Group

As of December 31, 2005, the SOFTBANK Group included 244 companies with operations in nine business segments as follows.

Business segment	Consolidated subsidiaries	Equity-method non-consolidated subsidiaries and affiliates	Principal products and operational content of each business
1. Broadband Infrastructure	(Note 1) 18	7	ADSL and fiber-optic high-speed Internet connection service, IP telephony service, provision of content and other operations
2. Fixed-line Telecommunications	(Note 2) 11	2	Fixed-line telecommunications such as voice transmission service, data transmission service, private leased circuit and data center service
3. e-Commerce	(Note 2) 18	11	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)
4. Internet Culture	(Note 2) 25	7	Internet-based advertising operations, broadband portal business, and Internet-based auction business
5 Others:			
Broadmedia	10	3	Promoting the spread of broadband service such as broadcasting and communications; support for procurement of content
Technology Services	7	3	System solution business and business solution business
Media & Marketing	8	5	Book and magazine publication in such areas as PCs, the Internet, entertainment, etc., and development of web content specializing in IT
Overseas Funds	33	46	U.S.- and Asia-focused global venture capital business principally focused on Internet-related companies
Others	22	8	Leisure and service business, holding company functions for overseas operations, and back-office services in Japan
Total	152	92	

- Note: 1. On December 1, 2005, SOFTBANK BB Corp. was split into BB TECHNOLOGY Corp.,(the surviving company; the name of SOFTBANK BB Corp. was changed to this name.), which focuses on ADSL business and SOFTBANK BB Corp. (newly established company; hereafter “New SOFTBANK BB Corp.”), which assumes the businesses other than ADSL business such as FTTH business and e-Commerce business. BB TECHNOLOGY Corp. is included in Broadband Infrastructure segment.
2. New SOFTBANK BB Corp., JAPAN TELECOM CO., LTD. and Yahoo Japan Corporation are included in the consolidated subsidiaries of the e-Commerce, Fixed-line Telecommunications and Internet Culture segments, respectively, while New SOFTBANK BB Corp., JAPAN TELECOM CO., LTD. and Yahoo Japan Corporation operate multiple businesses and their operating results are allocated to multiple business segments.
3. The former e-Finance business segment ended as SOFTBANK INVESTMENT CORPORATION (current SBI Holdings, Inc.) changed to an equity-method affiliate from a consolidated subsidiary on March 31, 2005.



CONSOLIDATED BALANCE SHEETS

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

	As of December 31, 2005		As of March 31, 2005		Increase (Decrease)	As of December 31, 2004	
	Amount	%	Amount	%		Amount	%
ASSETS							
Current assets:							
Cash and deposits	¥336,442		¥287,978		¥48,463	¥352,316	
Notes and accounts receivable – trade	177,678		168,262		9,415	146,656	
Marketable securities	10,218		39,403		(29,185)	48,086	
Inventories	57,312		47,224		10,087	47,598	
Deferred tax assets	3,132		3,025		107	4,571	
Cash segregated as deposits related to securities business	-		-		-	148,663	
Receivables related to margin transactions	-		-		-	229,029	
Other current assets	55,445		67,542		(12,096)	107,716	
Less:							
Allowance for doubtful accounts	(7,278)		(7,319)		41	(7,269)	
Total current assets	632,952	36.2	606,117	35.5	26,834	1,077,370	51.5
Non-current assets:							
Property and equipment, net							
Buildings and structures	57,603		56,860		743	50,253	
Telecommunications equipment	203,602		198,598		5,003	192,672	
Telecommunications service lines	93,061		99,133		(6,071)	98,983	
Land	19,396		19,396		-	15,725	
Construction-in-progress	32,721		49,354		(16,633)	35,058	
Others	26,423		28,373		(1,950)	28,737	
Total tangible assets	432,809	24.7	451,717	26.5	(18,907)	421,431	20.2
Intangible assets, net:							
Goodwill	45,674		48,313		(2,638)	39,588	
Other intangibles	57,756		55,227		2,529	44,310	
Total intangible assets	103,431	5.9	103,540	6.1	(109)	83,898	4.0
Investments and other assets:							
Investment securities and investments in partnerships	497,866		434,441		63,424	331,526	
Other investments	-		-		-	87,730	
Deferred tax assets	22,322		40,472		(18,149)	40,528	
Other assets	67,330		75,728		(8,398)	56,746	
Less:							
Allowance for doubtful accounts	(9,270)		(8,669)		(600)	(11,351)	
Total investments and other assets	578,248	33.1	541,972	31.8	36,275	505,180	24.2
Deferred charges	1,163	0.1	1,504	0.1	(341)	2,162	0.1
Total assets	¥1,748,605	100.0	¥1,704,853	100.0	¥43,751	¥2,090,043	100.0

CONSOLIDATED BALANCE SHEETS

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

	As of December 31, 2005		As of March 31, 2005		Increase (Decrease)	As of December 31, 2004	
	Amount	%	Amount	%		Amount	%
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current liabilities:							
Accounts payable - trade	¥50,956		¥63,684		¥(12,728)	¥46,981	
Short-term borrowings	112,483		181,186		(68,703)	149,613	
Commercial paper	16,500		15,500		1,000	15,000	
Current portion of corporate bonds	11,094		48,145		(37,051)	48,145	
Accounts payable - other and accrued expenses	165,056		228,264		(63,208)	165,397	
Income taxes payable	18,264		21,600		(3,336)	16,986	
Deferred tax liabilities	-		527		(527)	1,755	
Payables related to margin transactions	-		-		-	185,147	
Guarantee deposits received from customers related to securities business	-		-		-	132,713	
Cash receipts as collateral	120,000		100,000		20,000	100,000	
Other current liabilities	44,845		31,887		12,958	86,451	
Total current liabilities	539,199	30.8	690,796	40.5	(151,597)	948,194	45.4
Long-term liabilities:							
Corporate bonds	454,968		378,248		76,720	366,944	
Long-term debt	215,730		230,837		(15,106)	250,067	
Deferred revenue	45,156		-		45,156	-	
Deferred tax liabilities	52,579		57,419		(4,840)	58,540	
Accrued retirement benefits	17,121		17,359		(238)	15,389	
Other liabilities	114,075		83,232		30,843	98,331	
Total long-term liabilities	899,629	51.5	767,096	45.1	132,533	789,273	37.7
Total liabilities	1,438,829	82.3	1,457,893	85.6	(19,063)	1,737,467	83.1
Minority interest in consolidated subsidiaries	90,665	5.2	68,943	4.0	21,721	147,890	7.1
Shareholders' equity:							
Common stock	162,566	9.3	162,397	9.5	168	162,390	7.8
Additional paid-in capital	186,952	10.7	186,783	10.9	168	186,777	8.9
Accumulated deficit	(258,266)	(14.8)	(273,362)	(16.0)	15,095	(246,006)	(11.8)
Net unrealized gain on other securities	168,808	9.6	136,662	8.0	32,146	149,912	7.2
Net unrealized loss on derivative instruments	(59,702)	(3.4)	(41,056)	(2.4)	(18,646)	(51,158)	(2.4)
Foreign currency translation adjustments	18,914	1.1	6,697	0.4	12,216	2,867	0.1
Less: Treasury stock	(162)	(0.0)	(106)	(0.0)	(56)	(97)	(0.0)
Total shareholders' equity	219,110	12.5	178,016	10.4	41,094	204,685	9.8
Total liabilities and shareholders' equity	¥1,748,605	100.0	¥1,704,853	100.0	¥43,751	¥2,090,043	100.0

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Nine-month period ended December 31, 2005		Nine-month period ended December 31, 2004		Increase (Decrease)	Fiscal year ended March 31, 2005	
	Amount	%	Amount	%		Amount	%
Net sales	¥810,258	100.0	¥561,793	100.0	¥248,464	¥837,018	100.0
Cost of sales	538,801	66.5	362,967	64.6	175,834	547,402	65.4
Gross Profit	271,457	33.5	198,826	35.4	72,630	289,615	34.6
Selling, general and administrative expenses	243,544	30.1	213,152	37.9	30,391	314,975	37.6
Operating income (loss)	27,912	3.4	(14,326)	(2.5)	42,238	(25,359)	(3.0)
Interest income	1,150		1,812		(662)	2,398	
Equity in earnings under the equity method	6,214		-		6,214	5,425	
Income from investments in partnerships	739		3,868		(3,128)	3,711	
Other non-operating income	2,230		3,129		(899)	4,931	
Non-operating income	10,334	1.3	8,811	1.6	1,523	16,466	2.0
Interest expense	20,510		16,496		4,013	22,971	
Foreign exchange loss	7,126		920		6,205	4,040	
Equity in loss under the equity method	-		2,892		(2,892)	-	
Other non-operating expenses	12,865		8,117		4,748	9,343	
Non-operating expenses	40,502	5.0	28,427	5.1	12,075	36,356	4.4
Ordinary loss	(2,255)	(0.3)	(33,942)	(6.0)	31,687	(45,248)	(5.4)
Gain on sales of investment securities	146,080		52,650		93,430	59,121	
Dilution gain from changes in equity interest	9,509		10,944		(1,435)	26,269	
Other special income	2,176		3,524		(1,348)	3,969	
Special income	157,766	19.5	67,119	11.9	90,646	89,360	10.7
Loss on contract revision relating to sales operation change	26,429		-		26,429	-	
Restructuring charge relating to <i>BBTV</i> business	14,749		-		14,749	-	
Valuation loss on investment securities	4,699		5,189		(489)	8,840	
Penalty for unfulfilled contract commitment	3,653		-		3,653	6,147	
Refinance arrangement fee	3,153		-		3,153	-	
Other special loss	17,235		23,975		(6,739)	38,672	
Special loss	69,921	8.6	29,164	5.2	40,757	53,660	6.4
Income (loss) before income taxes and minority interest	85,589	10.6	4,012	0.7	81,576	(9,548)	(1.1)
Income taxes:							
Current	29,548	3.7	22,269	3.9	7,279	34,740	4.2
Refunded	-	-	-	-	-	2,897	0.3
Deferred	17,204	2.1	(15,941)	(2.8)	33,145	(21,963)	(2.6)
Minority interest	21,015	2.6	30,290	5.4	(9,274)	40,444	4.8
Net income (loss)	¥17,819	2.2	¥(32,605)	(5.8)	¥50,425	¥(59,871)	(7.2)

CONSOLIDATED STATEMENTS OF ADDITIONAL PAID-IN CAPITAL AND RETAINED EARNINGS

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

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Fiscal year ended March 31, 2005
ADDITIONAL PAID-IN CAPITAL			
Additional paid-in capital at the beginning of the period	¥186,783	¥186,690	¥186,690
Increase due to issuance of shares	168	87	93
Additional paid-in capital at the end of the period	¥186,952	¥186,777	¥186,783

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

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Fiscal year ended March 31, 2005
ACCUMULATED DEFICIT			
Accumulated deficit at the beginning of the period	¥(273,362)	¥(210,625)	¥(210,625)
Net income (loss)	17,819	(32,605)	(59,871)
Cash dividends	(2,460)	(2,459)	(2,459)
Bonuses to directors	(86)	(176)	(176)
Net adjustments to accumulated deficit due to change in scope of the consolidation	38	(145)	(98)
Increase due to merger	-	14	17
Decrease due to merger	(215)	(7)	(147)
Accumulated deficit at the end of the period	¥(258,266)	¥(246,006)	¥(273,362)

Note: In accordance with accounting principles generally accepted in Japan, the cumulative effect arising from any changes in the scope of consolidation is treated as an adjustment to accumulated deficit in the consolidated statements of additional paid-in capital and retained earnings.

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Fiscal year ended March 31, 2005
I . Cash flows from operating activities:			
Income (loss) before income taxes and minority interest	¥85,589	¥4,012	¥(9,548)
Adjustments to reconcile income (loss) before income taxes and minority interest to net cash provided by (used in) operating activities:			
Depreciation and amortization	62,106	41,654	66,417
Equity in (earnings) loss under the equity method, net	(6,214)	2,892	(5,425)
Dilution gain from changes in equity interest, net	(9,488)	(10,861)	(25,200)
Valuation loss on investment securities	4,699	6,477	8,840
Gain on sales of marketable and investment securities, net	(145,853)	(49,670)	(56,049)
Foreign exchange loss, net	6,319	2,518	5,324
Interest and dividend income	(1,384)	(2,126)	(2,862)
Interest expense	20,510	16,496	22,971
Changes in operating assets, liabilities and others			
(Increase) in receivables - trade	(12,386)	(761)	(15,854)
(Decrease) increase in payables - trade	(7,166)	(11,509)	2,371
Increase in deferred revenue	40,000	-	-
Increase in other receivables	(12,818)	(27,990)	(70,813)
Increase in other payables	21,206	61,766	97,095
Others, net	39,889	(24,466)	(17,519)
Sub-total	85,007	8,432	(251)
Interest and dividends received	2,501	2,218	2,506
Interest paid	(15,127)	(11,198)	(17,924)
Income taxes paid	(31,441)	(31,382)	(31,533)
Refund of income taxes	3,028	1,221	1,213
Net cash provided by (used in) operating activities	¥43,968	¥(30,709)	¥(45,989)

- Continued -

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

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

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Fiscal year ended March 31, 2005
II. Cash flows from investing activities:			
Purchase of property and equipment and intangibles	¥(177,052)	¥(52,731)	¥(90,943)
Purchase of marketable and investment securities	(69,392)	(21,790)	(29,582)
Proceeds from sales of marketable and investment securities	161,019	39,001	57,099
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(3,464)	(159,337)	(172,320)
Sales of interests in subsidiaries previously consolidated	40,442	38,912	34,840
Proceeds from sales of interests in consolidated subsidiaries	5,853	7,552	8,110
Increase in loan receivables	(14,550)	(9,916)	(21,387)
Collection of loans	13,435	5,955	9,105
Purchase of business rights and others	-	-	(13,113)
Proceeds from sale of modern rental business	45,000	-	-
Others, net	11,039	(25,210)	(24,753)
Net cash provided by (used in) investing activities	12,331	(177,564)	(242,944)
III. Cash flows from financing activities:			
(Decrease) increase in short-term borrowings, net	(80,701)	22,668	53,468
Increase in commercial paper	1,000	4,000	4,500
Proceeds from long-term debt	120,350	166,400	166,400
Repayment of long-term debt	(139,554)	(191,151)	(192,836)
Proceeds from issuance of bonds	91,878	112,184	153,378
Redemption of bonds	(53,515)	(36,124)	(36,124)
Proceeds from issuance of shares	337	174	187
Proceeds from issuance of shares to minority shareholders	871	28,757	30,298
Proceeds from issuance of shares through public offering and allocation to a third party in SOFTBANK INVESTMENT CORPORATION	-	-	51,362
Redemption of preferred shares held by minority shareholder	-	(33,908)	(33,908)
Cash dividends paid	(2,452)	(2,452)	(2,457)
Cash dividends paid to minority shareholders	(2,497)	(2,057)	(2,160)
Increase in cash receipt as collateral	20,000	90,000	90,000
Others, net	(602)	(4,765)	(4,336)
Net cash (used in) provided by financing activities	(44,885)	153,724	277,770
IV. Effect of exchange rate changes on cash and cash equivalents	5,656	(608)	1,474
V. Net increase (decrease) in cash and cash equivalents	17,070	(55,157)	(9,688)
VI. Increase in cash and cash equivalents due to newly consolidated companies	-	12	12
VII. Decrease in cash and cash equivalents due to exclusion of previously consolidated entities	(142)	(45)	(107,529)
VIII. Increase in cash and cash equivalents due to merger	-	6	267
IX. Cash and cash equivalents at the beginning of the period	320,194	437,132	437,132
X. Cash and cash equivalents at the end of the period	¥337,122	¥381,948	¥320,194

CONDENSED QUARTERLY FINANCIAL INFORMATION

Condensed Statement of Income

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

	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	October 1, 2005 to December 31, 2005	July 1, 2005 to September 30, 2005	April 1, 2005 to June 30, 2005	January 1, 2005 to March 31, 2005	October 1, 2004 to December 31, 2004	July 1, 2004 to September 30, 2004	April 1, 2004 to June 30, 2004
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Net sales	¥287,471	¥264,149	¥258,637	¥275,224	¥258,087	¥156,395	¥147,311
Cost of sales	184,551	178,575	175,674	184,434	170,489	99,707	92,770
Gross profit	102,920	85,573	82,962	90,789	87,597	56,687	54,540
Selling, general and administrative expenses	79,407	77,983	86,153	101,822	95,134	59,658	58,359
Operating income (loss)	23,512	7,590	(3,190)	(11,032)	(7,536)	(2,970)	(3,819)
Non-operating income (Note)	2,784	4,442	3,122	10,704	10,465	1,846	3,068
Non-operating expenses (Note)	15,068	12,499	12,950	10,978	10,963	13,114	10,918
Ordinary income (loss)	11,228	(466)	(13,017)	(11,306)	(8,034)	(14,239)	(11,669)
Special income	98,934	35,916	22,914	22,240	16,665	40,690	9,763
Special loss	50,475	10,309	9,136	24,496	18,272	8,526	2,365
Income (loss) before income taxes and minority interest	59,687	25,141	760	(13,561)	(9,641)	17,925	(4,271)
Income taxes - Current	9,695	11,623	8,230	12,470	9,524	3,817	8,927
Income taxes - Refunded	-	-	-	2,897	-	-	-
Income taxes - Deferred	20,171	(187)	(2,779)	(6,022)	(7,449)	(4,542)	(3,949)
Minority interest	7,817	6,734	6,463	10,153	14,843	6,819	8,626
Net income (loss)	¥22,002	¥6,971	¥(11,153)	¥(27,266)	¥(26,560)	¥11,830	¥(17,876)

Note: Exchange gain (loss), equity in earnings (loss) under the equity method, and income (expenses) from investments in partnerships were included in "Non-operating income" and "Non-operating expenses" and were netted on quarterly basis for presentation purposes.

Condensed Statement of Cash Flows

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

	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
	October 1, 2005 to December 31, 2005	July 1, 2005 to September 30, 2005	April 1, 2005 to June 30, 2005	January 1, 2005 to March 31, 2005	October 1, 2004 to December 31, 2004	July 1, 2004 to September 30, 2004	April 1, 2004 to June 30, 2004
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
I Net cash provided by (used in) operating activities	¥61,949	¥232	¥(18,213)	¥(15,280)	¥(25,416)	¥6,644	¥(11,937)
II Net cash provided by (used in) investing activities	86,627	(45,593)	(28,703)	(65,379)	(17,352)	(136,910)	(23,301)
III Net cash (used in) provided by financing activities	(46,728)	(11,081)	12,925	124,046	34,503	20,469	98,752
IV Effect of exchange rate changes on cash and cash equivalents	3,866	639	1,150	2,082	(7,364)	2,977	3,778
V Net increase (decrease) in cash and cash equivalents	105,714	(55,802)	(32,840)	45,468	(15,630)	(106,819)	67,291
VI Increase in cash and cash equivalents due to newly consolidated companies	-	-	-	-	-	1	10
VII Decrease in cash and cash equivalents due to exclusion of previously consolidated entities	-	-	(142)	(107,483)	-	-	(45)
VIII Increase in cash and cash equivalents due to merger	-	-	-	261	-	-	6
IX Cash and cash equivalents at the beginning of the period	231,408	287,211	320,194	381,948	397,578	504,395	437,132
X Cash and cash equivalents at the end of the period	¥337,122	¥231,408	¥287,211	¥320,194	¥381,948	¥397,578	¥504,395
Note: Depreciation and amortization included in net cash provided by operating activities	¥19,519	¥21,643	¥20,942	¥24,763	¥22,847	¥8,956	¥9,850

Basis of Presentation of Consolidated Financial Statements

1. Changes in scope of consolidation

As of December 31, 2005, SOFTBANK CORP. (the "Company") consolidated 152 subsidiaries. Nine subsidiaries were not consolidated as the individual and aggregate amounts were not considered material in relation to the consolidated total assets, net sales, net income (loss) and retained earnings (accumulated deficit) of the SOFTBANK consolidated financial statements.

Changes in the scope of the consolidation were as follows:

<Increase>

Softbank Media Marketing Holdings Corp.	Newly established
SOFTBANK BB Corp.	Newly established due to spin-off
	Please refer to Note.1 of the business segment chart
Eighteen other companies	

<Decrease>

Tao Bao Holding Limited	Sale of shares
SOFTBANK Publishing Inc.	Merger
Nineteen other companies	

2. Changes in scope of equity method

As of December 31, 2005, the Company held five non-consolidated subsidiaries and 87 affiliates, all of which were accounted for under the equity method.

Main changes in application of the equity method were as follows:

<Increase>

ValueCommerce Co., Ltd.	Newly acquired
Twelve other companies	

<Decrease>

Morningstar, Inc.	Sale of shares
Yahoo! UK Limited	Sale of shares
Yahoo! France, SARL	Sale of shares
Yahoo! Deutschland GmbH	Sale of shares
Yahoo! Korea Corporation	Sale of shares
Twenty-four other companies	

3. Summary of significant accounting policies

[1] Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

Held-to-maturity debt securities: Stated at amortized cost

Other securities:

With market quotations: Stated at fair value, which represents the market prices at the balance sheet date (unrealized gain/loss is included as a separate component in shareholders' equity, net of tax, while cost is primarily determined using the moving-average method)

Without market quotations: Carried at cost, primarily based on the moving-average method

(2) Derivative instruments: Stated at fair value

(3) Inventories: Carried at cost, primarily based on the moving-average method

[2] Depreciation and amortization

(1) Property and equipment

Buildings and structures:	Computed primarily using the straight line method
Telecommunications equipment:	Computed using the straight line method
Telecommunications service lines:	Computed using the straight line method
Others:	Computed primarily using the straight line method for Broadband Infrastructure and Fixed-line Telecommunications segments and computed primarily using the declining balance method for other segments

<Additional information for change of estimated useful life>

Transmitters, exchangers and power supply facilities of JAPAN TELECOM CO., LTD. had primarily been depreciated over a period of six years. Effective from April 1, 2005, the Company changed the estimated useful life of a portion of the equipment, which is included in "Telecommunications equipment" in the Company's consolidated balance sheets, to ten years based on a reassessment of the assets' operational lives taking into consideration of years of service provided by the equipment, technological innovation cycles in the telecommunications industry and other relevant factors.

As a result, the depreciation expense included in cost of sales decreased by ¥10,706 million. Operating income increased, ordinary loss decreased and income before income taxes and minority interest increased by the same amount for the nine-month period ended December 31, 2005 as compared with the amounts which would have been recognized if the previous estimated useful life had not been changed.

<Change in method of depreciation>

The depreciation method of assets used internally by SOFTBANK BB Corp. and another subsidiary (mainly fixtures and equipment presented as "Buildings and structures" and "others" in "Property and equipment, net") has been changed from the declining balance method to the straight-line method.

The Company relocated its headquarters to the Tokyo Shiodome Building in fiscal year 2005 and purchased a large number of assets internally used in SOFTBANK BB Corp. and other subsidiaries. Based on a reassessment of expense allocation, the change of the depreciation method has been made because the straight line method represents a more appropriate allocation of expenses, while equally recording the depreciation expense for each period to reflect the decline in usefulness of property and equipment from period to period.

As a result, for the nine-month period ended December 31, 2005, cost of goods sold and selling, general and administrative expense decreased by ¥262 million and ¥318 million, respectively. Operating income and income before income taxes increased by ¥581 million and ordinary loss decreased by the same amount as compared to the amounts that would have been recognized if the declining balance method had been applied.

(2) Intangible assets: Computed using the straight-line method

<Change in accounting policy for network line construction expenses>

Beginning April 1, 2005, the accounting policy for network line construction expenses has been changed to capitalize the expenses as non-current assets which were previously recognized as selling, general and administrative expense. The capitalized network line construction expenses relate to cost incurred for each individual network set up prior to network activation. This change in accounting policy is considered a more appropriate way to reflect the allocation of such network line construction costs over the period of future economic benefit.

As a result, for the nine-month period ended December 31, 2005, cost of goods sold decreased by ¥1 million and selling, general and administrative expense decreased by ¥2,426 million. Operating income increased by ¥2,428 million, ordinary loss decreased and income before income taxes increased by the same amount as compared to the amounts that would have been recognized under the original method.

[3] Accounting principles for major allowances and accruals

(1) <Allowance for doubtful accounts>

Allowance for doubtful accounts is calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using historical write-off experience ratios from certain prior periods.

(2) <Accrued retirement benefits>

JAPAN TELECOM CO., LTD. and certain other subsidiaries have defined benefit pension plans for their employees. Those companies account for the obligation for retirement benefits based on the projected benefit obligations as of December 31, 2005.

[4] Translation of foreign currency transactions and accounts

All assets and liabilities in foreign currencies are translated at the foreign currency exchange rates prevailing at the respective balance sheet dates. Foreign currency exchange gain or loss are charged to net income when incurred.

The translation of foreign currency denominated revenues and expenses in the financial statements of foreign consolidated subsidiaries into Japanese yen is performed by using the average exchange rate for the period. Assets and liabilities are translated using the foreign currency exchange rates prevailing at the balance sheet dates, and capital stock is translated using the historical foreign currency exchange rates. Foreign currency financial statement translation differences are presented as a separate component of "Shareholders' equity," except for the portion pertaining to minority shareholders, which is included in "Minority interest in consolidated subsidiaries."

[5] Capital lease

Under the Japanese accounting standards, capital leases, as defined therein, other than those whereby the ownership of the assets is transferred to the lessee at the end of the lease term, are permitted to be accounted for as operating leases with a footnote disclosure of the estimated acquisition cost, estimated accumulated depreciation and future lease payments or receipts.

[6] Accounting for significant hedge transactions

(1) Collar transaction

① <Hedge accounting>

Unrealized gains and losses, net of tax, on the collar transaction that qualifies as an effective cash flow hedge at consolidated subsidiaries in the United States of America are reported as a separate component of "Shareholders' equity" in the Company's consolidated balance sheets. As such, unrealized gains and losses associated with the collar transaction will be recognized into earnings in the same period during which the hedged assets and liabilities are recognized in earnings.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Prepaid variable share forward contract (the collar transaction)

Hedged items: Equity security

③ <Hedging policy>

The purpose of the collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying equity security.

(2) Interest rate swap

① <Hedge accounting>

For interest rate swaps whose amounts, index and periods are same as the conditions for hedged items, the "exceptional method" is adopted. Under this method, a certain domestic consolidated subsidiary does not account for gains and losses of those interest rate swaps on a fair value basis and recognizes swap interest on an accrual basis.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Interest rate swap contracts

Hedged items: Interest expense on borrowings

③ <Hedging policy>

The domestic consolidated subsidiaries use derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates in accordance with its internal policies, regarding the authorization and credit limit amount.

[7] Accounting method for consumption taxes

Consumption taxes are accounted for using the net method of reporting.

4. Scope of cash and cash equivalents in the consolidated statements of cash flows

“Cash and cash equivalents” are comprised of cash on hand, bank deposits withdrawable on demand and highly liquid investments with initial maturities of three months or less and a low risk of fluctuation in value.

5. Change in presentation

Following the application of a partial revision to the Japanese securities and exchange laws effective from December 1, 2004, and the release of revised practical guidelines for financial instruments accounting on February 15, 2005, investments in limited partnerships and similar investments have been classified as investment securities since the fiscal year ended March 31, 2005.

The amounts of applicable investments in partnerships which are included in “Investment securities and investments in partnerships” balance within the consolidated balance sheets were ¥45,831 million and ¥101,020 million as of December 31, 2005 and March 31, 2005, respectively.

As a result, there were “Other investments” of ¥187 million and ¥40 million as of December 31, 2005 and March 31, 2005, respectively. Due to the decrease in materiality, other investments are included in “Other assets” as of December 31, 2005 and March 31, 2005.

Additional Information

1. Sale of modem rental business relating to reorganization of the broadband business

On November 1, 2005, the Company's wholly-owned subsidiary, SOFTBANK BB Corp. (hereafter "SOFTBANK BB"), spun off its modem rental business and established BB Modem Rental Yugen Kaisha. (hereafter "BB Modem Rental"). Furthermore, on December 1, 2005, SOFTBANK BB was split into BB TECHNOLOGY Corp. (the surviving company; the name of SOFTBANK BB was changed to this name; hereafter "BB TECHNOLOGY") to focus on the ADSL business while all other businesses remained with SOFTBANK BB Corp. (newly established company; hereafter "(new) SOFTBANK BB"), such as FTTH business and e-Commerce business.

On December 8, 2005, BB TECHNOLOGY sold its modem rental business for cash (sale of all BB Modem Rental's ownership interest) to Yugen Kaisha Gemini BB for ¥45 billion and recognized a gain on the sale of the business of ¥21.5 billion. The gain was deferred and will be amortized over five years, which is the estimated economic useful life of modem equipment, which was revenue source of the modem rental operations. For the three-month period ended December 31, 2005, revenue earned and attributed to recognition of deferred revenue was ¥0.3 billion (a).

At the time of the sale, BB TECHNOLOGY also entered into a service agreement with Yugen Kaisha Gemini BB to receive royalties relating to future revenue from the modem rental business. An advance payment for future royalties was made by Yugen Kaisha Gemini BB totaling ¥40 billion and was recorded as deferred revenue. The deferred revenue will be recognized in future periods in proportion to the actual business performance of the ADSL business, such as the number of paying customers. For the three-month period ended December 31, 2005, royalty fees totaling ¥1.5 billion (b) was recorded as revenue.

Current portion of the total amount of the deferred gain on the sale of the modem rental business and advance royalty amounting to ¥14.3 billion was included in "Other current liabilities" and non-current portion of the total amount amounting to ¥45.1 billion was reported as "Deferred revenue" in the consolidated balance sheet as of December 31, 2005.

BB TECHNOLOGY received ¥45 billion on the sale of the modem rental business and ¥40 billion in advance royalties, totaling ¥85 billion. In the consolidated cash flow statement, those amounts are presented as "Proceeds from sale of modem rental business" and "Increase in deferred revenue," respectively.

BB TECHNOLOGY will continue to offer services to Yugen Kaisha Gemini BB in accordance with the service agreement following the sale of the modem rental business. For the three-month period ended December 31, 2005, servicing fees of ¥1.6 billion (c), incentive fees for retaining ADSL service users of ¥5.5 billion (d), and incentive fees for new subscribers based on applications for new subscribing, the subscription ratio of Wireless LAN card applicants, and the number of paying customers of ¥5 billion (e) were recognized as revenue. As a result, BB TECHNOLOGY recorded revenue of ¥14.1 billion (the sum of (a) through (e)) relating to the modem rental business after its sale and incidental expenses relating to the sale of ¥0.5 billion are included in selling, general and administrative expenses for the three-month period ended December 31, 2005.

2. Share split

Based on the resolution of the Company's Board of Directors on November 10, 2005, the Company conducted the three-for-one split of the Company's common stock on January 5, 2006.

Per share information for December 31, 2005, assuming that the share split was conducted at the beginning of the FY2006 and per share information for December 31, 2004 and March 31, 2005, assuming that the share split was conducted at the beginning of the FY2005 is as follows:

(1) December 31, 2005		
Shareholders' equity per share		¥207.77
Net income per share		¥16.90
Diluted net income per share		¥15.77
(2) December 31, 2004		
Shareholders' equity per share		¥194.13
Net loss per share		¥30.93
(3) March 31, 2005		
Shareholders' equity per share		¥168.62
Net loss per share		¥57.01

For December 31, 2004 and March 31, 2005, diluted net income per share were not disclosed due to the loss position.

Note: The share splits the Company conducted in the past are as follows:

July, 1994	Over-the-counter issues
May 19, 1995	1 : 1.4
November 20, 1995	1 : 1.4
May 20, 1996	1 : 1.4
November 20, 1996	1 : 1.4
May 20, 1997	1 : 1.3
January, 1998	Listed on the first section of the Tokyo Stock Exchange
June 23, 2000	1 : 3
January 5, 2006	1 : 3

Notes

1. Accumulated depreciation of property and equipment

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
	¥597,632 million	¥625,280 million	¥576,282 million

2. Assets pledged as collateral

(1) For future lease liabilities

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
<u>Assets pledged as collateral:</u>			
Notes and accounts receivable - trade	¥10,867 million	¥11,247 million	¥10,621 million
Other current assets (accounts receivable – other)	3 million	7 million	12 million

Secured liabilities:

Accounts payable - trade	¥0 million	¥5 million	¥6 million
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Note: The collateral for future lease liabilities was provided by mortgaging the aggregate of the current and future receivables due from customers of certain consolidated subsidiaries and a broadcasting company, based on marketing agreements, etc. The future lease liabilities at the end of periods are as follows:

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Future lease liabilities (including the above “Accounts payable-trade”)	¥20,841 million	¥37,263 million	¥34,289 million

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

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
<u>Assets pledged as collateral:</u>			
Cash and deposits	¥491 million	¥446 million	¥3,264 million
Notes and accounts receivable - trade	1,056	1,120	1,118
Buildings and structures	878	6,660	6,391
Telecommunications equipment	1,767	14,172	15,545
Telecommunications service lines	-	13,689	14,224
Land	5,001	5,582	732
Property and equipment- others	0	0	-
Investment securities	245,680	193,398	211,989
Total	¥254,876 million	¥235,070 million	¥253,266 million

Secured liabilities:

Notes and accounts payable - trade	¥561 million	¥493 million	¥478 million
Short-term borrowings	16,256	25,882	22,401
Accounts payable- other and accrued expenses	26	18	20
Long-term debt	122,261	212,119	216,998
Other long-term liabilities	211	289	373
Total	¥139,316 million	¥238,804 million	¥240,272 million

Note: In connection with JAPAN TELECOM CO., LTD's loan refinancing on April 27, 2005, assets pledged as factory foundation collateral and investment securities in JAPAN TELECOM CO., LTD. held by the Company and three consolidated subsidiaries of JAPAN TELECOM CO., LTD. as of March 31, 2005 were released.

3. Securities loaned

Certain consolidated subsidiaries lent a portion of investment securities to financial institutions according to stock lending agreements. The amounts of applicable investment securities recorded in the Company's consolidated balance sheets are as follows:

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Investment securities	¥357 million	¥- million	¥- million

4. Cash receipts as collateral

Cash receipts as collateral from financial institutions, to whom the Company has lent shares of its subsidiary under security deposit agreements, is presented as follows:

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Cash receipts as collateral	¥120,000 million	¥100,000 million	¥100,000 million

According to the security deposit agreements, the Company paid a fixed rate amount as stock bailment fees and other fees totaling ¥1,953 million, ¥1,692 million and ¥1,179 million for the nine-month period ended December 31, 2005, the year ended March 31, 2005 and the nine-month ended December 31, 2004, respectively, and recorded the fees as other non-operating expenses in the consolidated statements of operations.

5. Net unrealized gains/losses on derivative instruments

Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133") is adopted on derivative instruments which the Company's consolidated subsidiary in the United States of America utilized.

The consolidated subsidiary in the United States of America has entered into a variable share prepaid forward contract (the "collar transaction") utilizing its shares of an equity security. The purpose of this collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying security, which is used for the settlement of the loans.

According to SFAS 133, unrealized gains and losses, net of tax, on the effective portion of the cash flow hedge as defined are reported as a separate component of "Shareholders' equity", until gains and losses on the hedged item are recognized in earnings.

6. Line of credit as a creditor (not used)

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
	¥15,361 million	¥200 million	¥785 million

7. Balance of accounts receivable sold

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
	¥8,943 million	¥7,855 million	¥6,697 million

8. Selling, general and administrative expenses

	Nine-month period ended December 31, 2005	Nine-month period ended December 31, 2004	Fiscal year ended March 31, 2005
Payroll and bonuses	¥51,683 million	¥32,324 million	¥45,550 million
Sales promotion expense	44,384	72,366	95,131
Fees for outsourced services	30,467	23,341	37,665
Allowance for doubtful accounts	3,487	3,283	3,720

9. Consolidated statements of cash flows

Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets

	As of December 31, 2005	As of December 31, 2004	As of March 31, 2005
Cash and deposits	¥336,442 million	¥352,316 million	¥287,978 million
Marketable securities	10,218	48,086	39,403
Time deposits with original maturity over three months	(1,839)	(4,387)	(1,455)
Deposits received from customers in the commodities business	-	(923)	-
Transfer to escrow accounts	-	(12,338)	-
Stocks and bonds with original maturity over three months	(7,698)	(804)	(5,732)
Cash and cash equivalents	¥337,122 million	¥381,948 million	¥320,194 million

Segment Information

1. Business segment information

(1) For the nine-month period ended December 31, 2005

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

	Broadband Infrastructure	Fixed-line Telecommunications	e-Commerce	Internet Culture	e-Finance	Others	Total	Elimination or Corporate	Consolidated
Net sales					(Note 5)				
(1) Customers	¥196,310	¥257,656	¥192,132	¥113,305	¥-	¥50,854	¥810,258	¥ -	¥810,258
(2) Inter-segment	878	4,504	7,481	440	-	10,410	23,715	(23,715)	-
Total	197,188	262,161	199,613	113,746	-	61,264	833,974	(23,715)	810,258
Operating expenses	188,838	290,249	196,596	60,852	-	66,034	802,570	(20,224)	782,346
Operating income (loss)	¥8,350	¥(28,087)	¥3,017	¥52,893	¥-	¥(4,769)	¥31,404	¥ (3,491)	¥27,912

(2) For the nine-month period ended December 31, 2004

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

	Broadband Infrastructure	Fixed-line Telecommunications	e-Commerce	Internet Culture	e-Finance	Others	Total	Elimination or Corporate	Consolidated
Net sales		(Note 4)							
(1) Customers	¥148,241	¥81,600	¥175,756	¥70,371	¥51,830	¥33,993	¥561,793	¥ -	¥561,793
(2) Inter-segment	203	474	7,242	413	4,234	13,842	26,411	(26,411)	-
Total	148,445	82,075	182,999	70,784	56,064	47,835	588,205	(26,411)	561,793
Operating expenses	195,597	96,372	178,926	35,737	43,292	51,244	601,171	(25,051)	576,120
Operating income (loss)	¥(47,152)	¥(14,297)	¥4,072	¥35,046	¥12,772	¥(3,408)	¥(12,966)	¥ (1,359)	¥(14,326)

(3) For the fiscal year ended March 31, 2005

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

	Broadband Infrastructure	Fixed-line Telecommunications	e-Commerce	Internet Culture	e-Finance	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥204,974	¥165,969	¥244,971	¥101,913	¥73,235	¥45,954	¥837,018	¥ -	¥837,018
(2) Inter-segment	331	909	9,950	534	5,562	18,221	35,510	(35,510)	-
Total	205,306	166,878	254,921	102,448	78,797	64,175	872,528	(35,510)	837,018
Operating expenses	259,054	202,944	249,681	52,368	59,083	70,060	893,192	(30,815)	862,377
Operating income (loss)	¥(53,747)	¥(36,065)	¥5,240	¥50,079	¥19,714	¥(5,885)	¥(20,663)	¥ (4,695)	¥(25,359)

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.
- Please refer to the chart of "The SOFTBANK Group" for main businesses segments.
- Unallocated operating expenses for the nine-month period ended December 31, 2005, and December 31, 2004, and for the year ended March 31, 2005 in the column "Elimination or Corporate", mainly represents expenses of the corporate division of the Company, totaled ¥3,445 million, ¥3,402 million and ¥6,867 million, respectively.
- The "Fixed-line Telecommunications" business segment was established as of September 30, 2004, consequently, this segment included only three-month result for the nine-month period ended December 31, 2004 and only six-month result for the fiscal year ended March 31, 2005.
- The former "e-Finance" business segment ended as SOFTBANK INVESTMENT CORPORATION (current SBI Holdings, Inc.) changed to an equity-method affiliate from a consolidated subsidiary on March 31, 2005.

<Change in presentation>

In fiscal year 2005, segment information for net sales and operating income (loss) of Broadmedia, Technology Services, Media & Marketing, and Overseas Funds segments were presented although the portions of net sales and operating income (loss) were less than 10% of consolidated net sales and operating income (loss). Due to the relative significance of these businesses, beginning with the six-month period ended September 30, 2005, they are included in the "Others" segment. This change in presentation of business segment information is due to increase in importance on the Broadband Infrastructure, Fixed-line Telecommunications, e-Commerce, and Internet Culture operations.

Leases

1. Capital leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods (as a lessee)

(1) Amounts equivalent to acquisition costs, accumulated depreciation and net book value at the end of the periods

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Telecommunications equipment and telecommunications service lines			
Equivalent to acquisition costs	¥201,765	¥195,681	¥115,987
Less:			
Amount equivalent to accumulated depreciation	(62,854)	(45,685)	(29,865)
Amount equivalent to accumulated impairment loss	(3,198)	-	-
Net book value	¥135,712 million	¥149,996 million	¥86,122 million
Buildings and structures			
Equivalent to acquisition costs	¥46,991	¥47,056	¥-
Less:			
Amount equivalent to accumulated depreciation	(2,079)	(349)	-
Amount equivalent to accumulated impairment loss	-	-	-
Net book value	¥44,911 million	¥46,706 million	¥- million
Property and equipment - others			
Equivalent to acquisition costs	¥11,961	¥15,938	¥16,617
Less:			
Amount equivalent to accumulated depreciation	(5,931)	(10,293)	(9,382)
Amount equivalent to accumulated impairment loss	(1,500)	-	-
Net book value	¥4,529 million	¥5,644 million	¥7,234 million
Intangible assets			
Equivalent to acquisition costs	¥2,656	¥2,727	¥2,975
Less:			
Amount equivalent to accumulated amortization	(1,372)	(1,076)	(887)
Amount equivalent to accumulated impairment loss	(373)	-	-
Net book value	¥910 million	¥1,651 million	¥2,087 million
Total			
Equivalent to acquisition costs	¥263,375	¥261,404	¥135,579
Less:			
Amount equivalent to accumulated depreciation	(72,238)	(57,404)	(40,135)
Amount equivalent to accumulated impairment loss	(5,072)	-	-
Net book value	¥186,064 million	¥203,999 million	¥95,444 million
(2) The future lease payments for capital lease at the end of the periods			
	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Due within one year	¥38,065	¥40,342	¥27,405
Due after one year	159,759	167,676	72,838
Total	¥197,824 million	¥208,018 million	¥100,244 million
Balance of impairment loss on leased assets	¥5,013 million	¥- million	¥- million

(3) Lease payments, amounts equivalent to depreciation and interest expense

	Nine-month period ended December 31, 2005	Fiscal year ended March 31, 2005	Nine-month period ended December 31, 2004
Lease payments	¥42,425 million	¥27,366 million	¥15,776 million
Reversal of balance of impairment loss on leased assets	-	-	-
Amount equivalent to depreciation expense	33,708	24,209	14,297
Amount equivalent to interest expense	12,070	5,179	2,254
Impairment losses	5,013	-	-

Note: Impairment losses above mentioned are included in "Restructuring charge relating to BBTV business" and "Other special loss."

(4) Calculation method of amount equivalent to depreciation and interest expense

The amount equivalent to depreciation is computed using the straight-line method over the period of each capital lease, assuming no residual value except in cases where the residual value is guaranteed in the lease contract.

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

(as a lessor)

(1) Acquisition costs, accumulated depreciation and net book value at the end of the periods

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Property and equipment - others			
Acquisition costs	¥164	¥2,644	¥3,215
Less: accumulated depreciation	(127)	(2,576)	(2,755)
Net book value	¥36 million	¥67 million	¥460 million
Intangible assets			
Acquisition costs	¥-	¥-	¥317
Less: accumulated amortization	-	-	(65)
Net book value	¥- million	¥- million	¥251 million
Total			
Acquisition costs	¥164	¥2,644	¥3,533
Less: accumulated depreciation	(127)	(2,576)	(2,821)
Net book value	¥36 million	¥67 million	¥711 million

(2) The future lease receivables for capital leases at the end of the periods

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Due within one year	¥40	¥43	¥397
Due after one year	-	29	342
Total	¥40 million	¥72 million	¥739 million

(3) Lease income, depreciation and amount equivalent to interest income

	Nine-month period ended December 31, 2005	Fiscal year ended March 31, 2005	Nine-month period ended December 31, 2004
Lease income	¥35 million	¥349 million	¥405 million
Depreciation expense	30	211	309
Amount equivalent to interest income	2	3	31

(4) Calculation method of amount equivalent to interest income

The amount equivalent to interest income is calculated by subtracting acquisition costs from total lease income and estimated residual value and allocated over the lease periods based on the interest method.

2. Non-cancelable operating lease transactions

(as a lessee)

The future lease payments for non-cancelable operating leases

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Due within one year	¥9,012	¥6,264	¥588
Due after one year	9,203	15,551	520
<u>Total</u>	<u>¥18,215 million</u>	<u>¥21,815 million</u>	<u>¥1,108 million</u>

(as a lessor)

The future lease receivables for non-cancelable operating leases

	As of December 31, 2005	As of March 31, 2005	As of December 31, 2004
Due within one year	¥1,151	¥972	¥871
Due after one year	1,965	1,816	1,565
<u>Total</u>	<u>¥3,116 million</u>	<u>¥2,789 million</u>	<u>¥2,437 million</u>

Investment in Debt and Equity Securities

1. Other securities at fair value

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

	As of December 31, 2005			As of March 31, 2005			As of December 31, 2004		
	Investment costs	Carrying amounts	Differences	Investment costs	Carrying amounts	Differences	Investment costs	Carrying amounts	Differences
1. Equity securities	¥37,709	¥281,059	¥243,349	¥29,924	¥229,412	¥199,488	¥45,059	¥281,674	¥236,614
2. Debt securities:									
Corporate bonds	5,023	5,023	0	5,134	5,141	7	5,180	5,187	7
3. Others	18	28	9	18	18	0	627	615	(12)
Total	¥42,751	¥286,111	¥243,359	¥35,077	¥234,572	¥199,495	¥50,868	¥287,477	¥236,609

2. Carrying amounts of unlisted investment securities

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

	As of December 31, 2005 Carrying amounts	As of March 31, 2005 Carrying amounts	As of December 31, 2004 Carrying amounts
Other securities			
Unlisted equity securities	21,178	16,466	19,654
Investments in limited partnerships (see Note)	5,962	63,373	-
Money Management Fund	2,372	1,836	2,681
Preferred fund certificate	2,000	2,000	2,000
Designated money trust	2,000	3,000	-
Mid-term government bond funds	191	191	191
Unlisted foreign debt securities	104	1,108	1,123
Investment trust without market quotations	-	30,388	46,600
Others	329	10	44
Total	¥34,137	¥118,374	¥72,296

Note:

With respect to "Investments in limited partnerships," the difference between cost and fair value of limited partnerships, net of tax, is recorded in "Net unrealized gain on other securities" in the consolidated balance sheets.