

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, 2010**

Tokyo, October 28, 2010

**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, 2010</b>	<b>¥1,465,021</b>	<b>8.6</b>	<b>¥315,521</b>	<b>36.8</b>	<b>¥253,843</b>	<b>46.3</b>	<b>¥76,839</b>	<b>8.6</b>
Six-month period ended September 30, 2009	¥1,349,275	1.5	¥230,621	28.1	¥173,538	47.9	¥70,750	72.1

	Net income per share — basic (yen)	Net income per share — diluted (yen)
<b>Six-month period ended September 30, 2010</b>	<b>¥70.99</b>	<b>¥68.32</b>
Six-month period ended September 30, 2009	¥65.41	¥63.02

**(2) Financial Condition**

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

	Total assets	Total equity	Equity ratio (%)	Shareholders' equity per share (yen)
<b>As of September 30, 2010</b>	<b>¥4,505,013</b>	<b>¥1,045,348</b>	<b>11.5</b>	<b>¥476.86</b>
As of March 31, 2010	¥4,462,875	¥963,971	10.5	¥434.74

Note: Shareholders' equity (consolidated)

As of September 30, 2010: ¥516,132 million

As of March 31, 2010: ¥470,531 million

**2. Dividends**

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
Fiscal year ended March 31, 2010	(yen) -	(yen) 0.00	(yen) -	(yen) 5.00	(yen) 5.00
Fiscal year ending March 31, 2011	-	0.00			
Fiscal year ending March 31, 2011 (Forecasted)			-	5.00	5.00

Revision of forecasts on the dividends: No

### 3. Forecasts on the consolidated operation results for the fiscal year ending in March 2011 (April 1, 2010 – March 31, 2011)

(Percentages are shown as year-on-year changes)  
(Millions of yen)

Full financial year	Operating income	
	¥500,000	7.3(%)

Revision of forecasts on the consolidated operation results: No

### 4. Others (Please refer to page 19 “2. Others” for details)

- (1) Significant Changes in Scope of Consolidation: No

Note: Existence or non existence of significant changes in scope of consolidation of specified subsidiaries

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

Note: Existence or non existence of application of simple accounting methods or special accounting methods for the consolidated financial statements

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

- [1] Changes due to revisions in accounting standards: Yes

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

Note: Existence or non existence of changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements

- (4) Number of shares issued (Common stock)

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

As of September 30, 2010: 1,082,526,378 shares

As of March 31, 2010: 1,082,503,878 shares

- [2] Number of treasury stock:

As of September 30, 2010: 177,430 shares

As of March 31, 2010: 174,775 shares

- [3] Weighted average number of common stock:

As of September 30, 2010: 1,082,342,821 shares

As of September 30, 2009: 1,081,663,503 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 Three-month Period Results (3) Earnings Forecasts” for details of notes to precondition and usage for forecasts.

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## 1. Qualitative Information Regarding Six-month Period Results

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

#### 1. Consolidated Results of Operations

<Overview of results for the interim period of the fiscal year ending March 31, 2011 (six-month period from April 1 to September 30, 2010)>

Reflecting strong performance at its Mobile Communications business, the SOFTBANK Group (hereafter “the Group”) recorded a ¥115,745 million (8.6%) increase in net sales compared with the same period of the previous fiscal year (April 1 to September 30, 2009, hereafter “year-on-year”) to ¥1,465,021 million. Operating income for the six-month period ended September 30, 2010 (hereafter “the interim period”) increased by ¥84,899 million (36.8%) to ¥315,521 million. This growth in consolidated revenue and profit was driven by strong growth in the number of subscribers combined with increases in ARPU<sup>1</sup> and the number of mobile handsets shipped<sup>2</sup> at the Mobile Communications segment. Ordinary income grew ¥80,305 million (46.3%) to ¥253,843 million, and net income increased ¥6,088 million (8.6%) to ¥76,839 million.

Notes:

Definition of terms: as used in this consolidated financial report for the six-month period ended September 30, 2010, 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.

1. Average Revenue Per User .
2. Handsets shipped: handsets shipped (sold) to agents.

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

#### (a) Net Sales

Net sales totaled ¥1,465,021 million, for a ¥115,745 million (8.6%) year-on-year increase. This was mainly due to an increase in revenue at the Mobile Communications segment on strong growth in the number of subscribers combined with increases in ARPU and the number of mobile handsets shipped.

#### (b) Cost of Sales

Cost of sales rose ¥16,144 million (2.5%) year-on-year to ¥665,496 million. This was mainly due to higher cost of goods on the increase in the number of handsets shipped, while depreciation and amortization expenses relating to the 2G mobile phone service decreased, due to termination of this service in March 2010, at the Mobile Communications segment.

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

Selling, general and administrative expenses grew ¥14,701 million (3.1%) year-on-year to ¥484,003 million. This was mainly because of increased sales commissions<sup>3</sup> associated with the increase in the number of mobile handsets sold<sup>4</sup> at the Mobile Communications segment.

Notes:

3. Sales commissions paid to sales agents per new subscription and upgrade purchase.
4. Handsets sold: handsets sold to customers upon new subscription and handset upgrade.

**(d) Operating Income**

As a result, operating income totaled ¥315,521 million, for a ¥84,899 million (36.8%) year-on-year increase. The operating margin showed a substantial improvement at 21.5%, an increase of 4.4 of a percentage point year-on-year.

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

The Group recorded a net non-operating loss of ¥61,678 million, which was ¥4,594 million larger than the ¥57,083 million net non-operating loss in the same period of the previous fiscal year. This was mainly due to the recording of ¥54,783 million in interest expenses.

**(f) Ordinary Income**

Ordinary income therefore totaled ¥253,843 million, for a ¥80,305 million (46.3%) year-on-year increase.

**(g) Special Income**

Special income totaled ¥6,903 million, the main item being a ¥4,915 million gain on sale of investment securities.

**(h) Special Loss**

The special loss was ¥14,240 million. Loss on adjustment for changes of accounting standard for asset retirement obligations of ¥7,099 million was recorded.

**(i) Income Taxes**

Provisions for current income taxes were ¥95,701 million, additional tax expenses of ¥26,450 million were recorded as income taxes - correction, and provisions for deferred income taxes were ¥18,503 million. Current income taxes increased by ¥46,878 million year-on-year, mainly as a result of loss carryforwards under the BB Mobile Corp. (hereafter "BB Mobile") income taxes under consolidated tax return<sup>5</sup> being utilized fully in the previous fiscal year. The income taxes - correction were recorded in response to a correction and ruling notice received by Yahoo Japan Corporation (hereafter "Yahoo Japan") from the Tokyo Regional Taxation Bureau on June 30, 2010. Please refer to page 30, "3. Consolidated Financial Statements – (7) Notes Consolidated Statements of Income – 4. Income taxes – corrections" for details. Yahoo Japan paid the relevant additional income taxes on July 1, 2010.

Note:

5. BB Mobile and its subsidiaries including SOFTBANK MOBILE Corp. (hereafter "SOFTBANK MOBILE") adopt the consolidation taxation system.

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

Minority interests in net income totaled ¥29,012 million, primarily from profit recorded at Yahoo Japan and SB Asia Infrastructure Fund L.P. which became a consolidated subsidiary from the three-month period ended June 30, 2010 (hereafter "the first quarter").

**(k) Net Income**

As a result of the above, net income increased ¥6,088 million (8.6%) year-on-year to ¥76,839 million.

The Group is strengthening its cash-flow-oriented management, and aims to reduce its ¥1,939,520 million of net interest-bearing debt<sup>6</sup> as of the end of March 2009 by half over three years (by the end of March 2012) and to zero over six years (by the end of March 2015). To achieve this, the Group plans to generate an aggregate total of at least ¥1 trillion in free cash flow<sup>7</sup> over the three years from fiscal 2009 (period from April 1, 2009, to March 31, 2012). As a result of a strong performance in the Mobile Communications segment, free cash flow totaling ¥219,617 million was recorded during the interim period. Net interest-bearing debt at the end of the interim period was ¥1,455,061 million.

Notes:

6. Net interest-bearing debt: interest-bearing debt - cash position.

Interest-bearing debt: short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term borrowings. Lease obligations are not included.

This excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27,000 million acquired by the Company during the previous fiscal year that were issued under the whole business securitization financing scheme associated with the acquisition of Vodafone K.K.

Cash position: cash and cash deposits + marketable securities recorded as current assets (excludes Yahoo! Inc. shares held by a subsidiary of the Company in the United States of America).

7. Free cash flow: cash flows from operating activities + cash flows from investing activities.

## 2. Results by Business Segment

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No.17, March 27, 2009) and the “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No.20, March 21, 2008) were applied commencing from the first quarter. Hereafter the accounting standard and the guidance on the accounting standard applied in the same period of the previous fiscal year are referred to as the “former standard”, while those applied from the first quarter are referred to as the “new standard.”

Net sales and operating income for the interim period are compared on a year-on-year basis, based on the new standard.

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, 2009		Six-month Period Ended September 30, 2010	(Reference) Change (d)=(c)-(b)	(Reference) Change % (d)÷(b)
	(Former standard) (a)	(New standard) (b)	(New standard) (c)		
Net sales	832,193	832,156	<b>940,044</b>	107,888	13.0%
Operating income	131,776	131,734	<b>207,203</b>	75,469	57.3%

- **1,597,600 net subscriber additions<sup>8</sup> for the interim period**
- **ARPU<sup>10</sup> for the second quarter<sup>9</sup> was ¥4,300, a ¥150 year-on-year<sup>11</sup> increase. Out of this data ARPU amounted to ¥2,290, a ¥300 year-on-year increase**

Notes:

8. The number of net subscriber additions and the number of cumulative subscribers include prepaid mobile phones and communication module service subscribers.  
Net subscriber additions for communication modules for the interim period totaled 364,000, which included an increase of 194,200 in the second quarter.
9. The three-month period ended September 30, 2010 (from July to September 2010).
10. 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.
11. The three-month period ended September 30, 2010 (from July to September 2009).

### <Analysis of Results>

The segment’s net sales increased by ¥107,888 million (13.0%) year-on-year to ¥940,044 million. Growth in revenue was driven by strong customer acquisitions combined with increases in ARPU and the number of mobile handsets shipped. Operating income increased by ¥75,469 million (57.3%) year-on-year to ¥207,203 million.

### <Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) for the interim period totaled 1,597,600, of which 901,000 net subscriber additions were added in the second quarter. This was primarily the result of continued strong sales of iPhone<sup>12</sup>. As a result, the cumulative number of subscribers<sup>13</sup> at the end of the interim period stood at 23,474,200, increasing SOFTBANK MOBILE's cumulative subscriber share by 0.9 of a percentage point year-on-year, to 20.3%<sup>14</sup>.

Notes:

12. iPhone is a trademark of Apple Inc.  
The iPhone trademark is used under license from Aiphone K.K.
13. The number of net subscriber additions and the number of cumulative subscribers include prepaid mobile phones and communication module service subscribers.  
The cumulative number of communication module service subscribers as of September 30, 2010 was 901,500.
14. Calculated by the Company based on Telecommunications Carriers Association statistical data.

### <ARPU>

ARPU for the second quarter rose ¥150 year-on-year to ¥4,300. Out of this the sum of the basic monthly charge and voice ARPU declined ¥150 year-on-year to ¥2,020, mainly reflecting an increase in devices like PhotoVision that do not have voice communication functionality and revised access charges between carriers. On the other hand, data ARPU rose ¥300 year-on-year to ¥2,290. This was mainly the result of an increase in the number of data-intensive iPhone subscribers, the termination of the non-data-intensive 2G service, and also a further increase in data telecommunication use by non-iPhone subscribers.

### <Churn Rate and Upgrade Rate>

The churn rate<sup>15</sup> for the second quarter was 0.96%, which was 0.28 of a percentage point lower year-on-year. This was primarily because the termination of the 2G service ceased to be a factor causing an increase in the churn rate, combined with a decline in the churn of customers who have completed their installment handset payments.

The upgrade rate<sup>15</sup> for the second quarter was 1.67%, which was 0.14 of a percentage point lower year-on-year.

The launch of iPhone 4 in June 2010 led to more upgrades but this impact was outweighed by the fact that the termination of the 2G service in March 2010 no longer had an increase impact.

Note:

15. Calculation includes prepaid mobile phones and communication module service subscribers in the number of subscribers, churn and upgrades respectively.

### <Average Customer Acquisition Commission>

The average customer acquisition commission<sup>16</sup> for the second quarter rose ¥1,600 year-on-year to ¥37,500.

Note:

16. Average commissions 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, 2009		Six-month Period Ended September 30, 2010	(Reference) Change (d)=(c)-(b)	(Reference) Change % (d)÷(b)
	(Former standard) (a)	(New standard) (b)	(New standard) (c)		
Net sales	105,537	104,795	<b>97,370</b>	(7,425)	(7.1%)
Operating income	27,230	27,000	<b>22,700</b>	(4,300)	(15.9%)

**<Overview of Operations>**

The segment's net sales decreased by ¥7,425 million (7.1%) year-on-year to ¥97,370 million. This was mainly because the trend of decreasing revenue on a decline in the number of charged lines<sup>17</sup> for the ADSL service continued. Operating income decreased by ¥4,300 million (15.9%) year-on-year to ¥22,700 million. In addition to the decrease in net sales, customer acquisitions for *Yahoo! BB hikari with FLET'S*<sup>18</sup> led to an increase in sales-related expenses.

Net subscriber additions for *Yahoo! BB hikari with FLET'S* for the interim period totaled 338,000, which included an increase of 170,000 in the second quarter, bringing the cumulative number of contracts at the end of the interim period to 575,000. Combined with installed lines<sup>19</sup> for the ADSL service, this brought the total number of users to 4,032,000.

Notes:

17. Number of installed lines excluding customers whose basic monthly charge is free under promotion campaigns or other promotional initiatives.
18. 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.
19. 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, 2009		Six-month Period Ended September 30, 2010	(Reference) Change (d)=(c)-(b)	(Reference) Change % (d)÷(b)
	(Former standard) (a)	(New standard) (b)	(New standard) (c)		
Net sales	172,609	172,609	<b>172,887</b>	277	0.2%
Operating income	7,830	7,867	<b>13,603</b>	5,736	72.9%

**<Overview of Operations>**

The segment's net sales increased by ¥277 million (0.2%) year-on-year to ¥172,887 million. *OTOKU Line* saw an increase in revenue but the decrease in revenue from relay connection voice services including *MYLINE*, and from international telephone services continue resulting in this minor increase. Operating income increased by ¥5,736 million (72.9%) to ¥13,603 million. This was mainly due to decreases in lease payments on equipment for the *OTOKU Line* service.

**(d) Internet Culture**

(Millions of yen)

	Six-month Period Ended September 30, 2009		Six-month Period Ended September 30, 2010	(Reference) Change (d)=(c)-(b)	(Reference) Change % (d)÷(b)
	(Former standard) (a)	(New standard) (b)	(New standard) (c)		
Net sales	131,129	131,093	<b>137,465</b>	6,371	4.9%
Operating income	64,154	64,936	<b>71,640</b>	6,703	10.3%

**<Overview of Operations>**

The segment's net sales increased by ¥6,371 million (4.9%) year-on-year to ¥137,465 million. Net sales at Yahoo Japan grew mainly on a year-on-year increase in listing and display advertising. Operating income increased by ¥6,703 million (10.3%) year-on-year to ¥71,640 million. In addition to the growth in net sales, this was also the result of a decrease in communications expenses and depreciation and amortization costs, etc.

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

## SoftBank mobile phones

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2

(Thousands)

Net additions <sup>1</sup>	323.3	360.7	350.3	209.4	1,243.7	696.6	901.0
(Postpaid)	359.5	394.9	383.3	506.8	1,644.5	645.3	833.6
(Prepaid)	(36.2)	(34.2)	(33.0)	(297.4)	(400.8)	51.3	67.4
Market share <sup>2</sup> (%)	32.3	31.5	35.6	13.4	26.5	45.4	53.5
Cumulative subscribers <sup>1</sup>	20,956.2	21,316.9	21,667.2		21,876.6	22,573.2	23,474.2
(3G)	19,455.0	20,237.7	20,885.4		21,876.6	22,573.2	23,474.2
(2G)	1,501.2	1,079.2	781.8		-	-	-
Market share <sup>2</sup> (%)	19.3	19.4	19.6		19.5	19.9	20.3

(Yen per month)

ARPU <sup>3</sup>	4,030	4,150	4,200	3,890	4,070	4,290	4,300
(Basic monthly charge + voice)	2,150	2,160	2,150	1,750	2,050	2,030	2,020
(Data)	1,880	1,990	2,060	2,140	2,020	2,250	2,290

(Yen)

Average acquisition cost per subscriber <sup>4</sup>	50,100	35,900	37,400	40,200	40,500	37,200	37,500
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(% per month)

Churn rate <sup>5</sup>	1.05	1.24	1.16	2.01	1.37	1.02	0.96
(3G postpaid)	0.87	1.07	0.99	1.28	1.06	0.99	0.92
Upgrade rate <sup>5</sup>	1.73	1.81	1.53	1.78	1.71	1.18	1.67

## Notes:

- Includes the number of prepaid mobile phones and communication module service subscribers.
- Calculated by the Company based on Telecommunications Carriers Association statistical data.
- 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.
- Calculation includes prepaid mobile phones and communication module service subscribers in the number of subscribers, churn and upgrades respectively.

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

(Thousands)

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Installed lines <sup>6</sup>	4,158	4,040	3,908		3,769	3,609	3,457
Charged lines <sup>7</sup>	3,769	3,657	3,533		3,389	3,221	3,066

(Yen per month)

Average user payment per charged line <sup>8</sup>	4,260	4,260	4,250	4,210		4,200	4,200
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(% per month)

Churn rate <sup>9</sup>	2.12	1.80	1.96	2.20	2.02	2.26	2.32
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## Notes:

6. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.
7. Number of installed lines excluding customers whose basic monthly charge is free under campaigns or other promotional initiatives.
8. Rounded to the nearest ¥10.
9. Average ratio of customer lines with a history of payment, for which a cancellation application has been filed during the relevant period.

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

(Thousands)

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Lines	1,631	1,652	1,657		1,669	1,668	1,667

(Yen per month)

ARPU <sup>10</sup>	6,390	6,280	6,450	6,830		6,610	6,570
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## Note:

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

**(d) Internet Culture**

(Millions)

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
<i>Yahoo! JAPAN</i>							
Total monthly page views <sup>11</sup>	46,445	46,378	42,779	46,882		48,722	49,671
Unique browsers <sup>12</sup>	229	189	197	209		224	226
<i>Yahoo! Auctions</i>							
Average number of total listed items <sup>13</sup>	20	20	23	23		22	22

## Notes:

11. Number of accesses to *Yahoo! JAPAN* Group websites during the last month of each quarter.
12. Number of browsers accessing a *Yahoo! JAPAN* service during the last month of each quarter.
13. Daily average number of items posted during the last month of each quarter.

**(Reference 2: Capital Expenditure and Depreciation)<sup>14</sup>**
**(a) Capital Expenditure (acceptance basis)**

(Millions of yen)

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Mobile Communications	32,408	39,148	47,921	65,291	184,770	25,987	65,387
Broadband Infrastructure	1,588	1,590	2,095	4,068	9,343	3,319	3,294
Fixed-line Telecommunications	3,710	3,939	3,436	6,893	17,979	5,112	6,362
Internet Culture	1,085	1,264	1,450	2,327	6,128	1,906	1,908
Others	1,571	915	678	1,528	4,693	1,216	1,559
Consolidated total	40,364	46,858	55,582	80,109	222,915	37,542	78,513

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

(Millions of yen)

	Fiscal Year Ended March 31, 2010					Fiscal Year Ending March 31, 2011	
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2
Mobile Communications	42,732	43,377	44,656	45,569	176,337	36,636	37,636
Broadband Infrastructure	4,373	4,366	4,095	4,188	17,023	4,234	3,968
Fixed-line Telecommunications	8,982	8,837	8,669	8,803	35,292	9,104	9,242
Internet Culture	2,366	2,441	2,492	2,563	9,864	2,169	2,307
Others	1,353	1,243	1,401	1,427	5,426	1,445	1,482
Consolidated total	59,809	60,266	61,314	62,553	243,944	53,590	54,637

Note:

14. Capital expenditure and Depreciation for the fiscal year ended March 31, 2010 are calculated based on the new standard. Capital expenditure and Depreciation for the e-Commerce segment for the fiscal year ended March 31, 2010 are included in "Others."

## (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 September 30, 2010	As of March 31, 2010	Change	Change (%)
Total assets	4,505,013	4,462,875	42,138	0.9%
Total liabilities	3,459,665	3,498,903	(39,238)	(1.1%)
Total equity	1,045,348	963,971	81,376	8.4%

#### (a) Current Assets

Current assets at the end of the interim period totaled ¥1,851,408 million, for a ¥156,967 million (9.3%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Cash and deposits increased by ¥171,899 million from the previous fiscal year-end. Fund procurement through corporate bonds and long-term borrowings at the Company resulted in an overall increase, while SOFTBANK MOBILE made repayments of the SBM loan<sup>1</sup> and payments of lease obligations.
- Notes and accounts receivable-trade decreased by ¥121,125 million from the previous fiscal year-end, mostly from SOFTBANK MOBILE's sales of installment sales receivables.
- Marketable securities increased by ¥62,273 million from the previous fiscal year-end. This was mainly from the transfer of shares of Yahoo! Inc. that were previously recorded as investment securities under fixed assets to current assets at the end of the interim period. In February 2004, one of the Company's U.S. subsidiaries entered into a loan, which involved a portion of proceeds from a forward contract under which its Yahoo! Inc. shares are expected to be delivered in August 2011. Since the subsidiary intends to deliver such shares in accordance with the settlement of the forward contract beginning August 2011 or within one year, the corresponding shares of Yahoo! Inc. were transferred to current assets.
- Other current assets increased by ¥40,052 million from the previous fiscal year-end. This was mainly because derivative assets of ¥32,351 million related to those shares of Yahoo! Inc. included in "other assets" under investments and other assets were transferred at the end of the interim period. A derivative contract ("collar transaction") was concluded with regard to those shares of Yahoo! Inc. to limit the risk from market price fluctuations of those shares for the period until the transfer, which is expected to occur within one year. Therefore, the derivative assets were transferred to current assets at the end of the interim period.

Note:

1. The funds procured for the acquisition of Vodafone K.K. were refinanced in November 2006 via a whole business securitization program.

### (b) Fixed Assets

Fixed assets totaled ¥2,651,361 million at the end of the interim period, for a ¥115,121 million (4.2%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Investments and other assets decreased by ¥100,884 million from the previous fiscal year-end. This was mainly because of a ¥52,267 million decrease in investment securities from the above-mentioned transfer of shares of Yahoo! Inc. to marketable securities under current assets. In addition, derivative assets related to those shares of Yahoo! Inc. included as “other assets” were transferred to other current assets.
- Total intangible assets decreased ¥27,170 million from the previous fiscal year-end. This consisted primarily of a decrease in goodwill, which occurred when SOFTBANK MOBILE and SOFTBANK TELECOM Corp. were acquired, of ¥29,751 million resulting from regular amortization.
- Total property and equipment increased ¥12,932 million from the previous fiscal year-end. Increases of ¥78,667 million mainly as a result of new acquisitions of telecommunications equipment including ¥383 million reflecting the application of an accounting standard for asset retirement obligations during the interim period were recorded, along with a decrease of ¥76,330 million related to depreciation of telecommunications equipment. The increase reflecting the adjustment for changes of accounting standard for asset retirement obligations as of April 1, 2010 amounted to ¥10,595 million.

### (c) Current Liabilities

Current liabilities at the end of the interim period totaled ¥1,430,042 million, for a ¥51,163 million (3.7%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Accounts payable-other and accrued expenses declined by ¥146,291 million from the previous fiscal year-end. This was mainly the result of a ¥75,000 million decline from the payment of additional entrustment for debt assumption, and declines from payments of agency commissions for the previous fiscal year-end shopping season both at SOFTBANK MOBILE.
- The current portion of corporate bonds increased by ¥106,369 million from the previous fiscal year-end. Transfers were made from corporate bonds under long-term liabilities in the amounts of ¥53,500 million for the 25<sup>th</sup> Unsecured Straight Corporate Bond, and ¥60,000 million for the 27<sup>th</sup> Unsecured Straight Corporate Bond as the redemption dates came to be within one year, and ¥47,269 million from the Euro-denominated Senior Notes Due 2013 from the Company’s exercise of a call option, while the Company’s redemptions of unsecured straight corporate bonds resulted in a decrease of ¥54,400 million. The Euro-denominated Senior Notes Due 2013 have been entirely redeemed before maturity as of October 15, 2010.
- Short-term borrowings increased by ¥64,499 million from the previous fiscal year-end. This was mainly because of the transfer to current liabilities of the aforementioned borrowings at one of the Company’s U.S. subsidiaries as the redemption dates came to be within one year. On the other hand, SOFTBANK MOBILE repaid borrowings procured via the securitization of installment sales receivables.

**(d) Long-term Liabilities**

Long-term liabilities totaled ¥2,029,622 million at the end of the interim period, for a ¥90,401 million (4.3%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Long-term borrowings decreased by ¥64,605 million from the previous fiscal year-end. This was mainly because of transfers to current liabilities of borrowings at SOFTBANK Holdings Inc. and SOFTBANK MOBILE that became payable within one year, and SOFTBANK MOBILE's repayments of the SBM loan. On the other hand, there was also an increase in the Company's long-term borrowings.
- Lease obligations decreased by ¥46,356 million from the previous fiscal year-end, mostly from a transfer to current liabilities as leases became payable within one year and a decline in the amount of new capital expenditure via leases.

**(e) Equity**

Equity totaled ¥1,045,348 million at the end of the interim period, for a ¥81,376 million (8.4%) increase from the previous fiscal year-end. Retained earnings increased ¥66,589 million, totaling ¥109,661 million at the end of the interim period. Minority interests came to ¥528,533 million, an increase of ¥35,570 million. This was mainly because of the change in the scope of consolidation for SB Asia Infrastructure Fund L.P., from an affiliate under the equity method to a consolidated subsidiary, reflecting the adoption of Accounting Standards Codification Topic (ASC) 810, Consolidations formerly SFAS No.167, Amendments to FASB Interpretation No. 46 (R) (SFAS 167) applied at certain subsidiaries of the Company in the United States of America.



## 2. Cash Flows

Cash flow activities during the interim period were as follows:

Cash and cash equivalents at the end of the interim period totaled ¥859,518 million, for a ¥171,837 million increase from the previous fiscal year-end.

(Millions of yen)

	Six-month Period Ended September 30, 2009	Six-month Period Ended September 30, 2010	Change
Cash flows from operating activities	315,341	<b>349,335</b>	33,994
Cash flows from investing activities	(138,241)	<b>(129,717)</b>	8,524
(Reference) Free cash flow	177,099	<b>219,617</b>	42,518
Cash flows from financing activities	(59,096)	<b>(45,893)</b>	13,203

### (a) Cash Flows from Operating Activities:

Net cash provided by operating activities totaled ¥349,335 million (compared with ¥315,341 million provided in the same period of the previous fiscal year).

Income before income taxes and minority interests totaled ¥246,506 million, while non-cash items of ¥108,228 million in depreciation and amortization and ¥31,301 million in amortization of goodwill were recorded as positive, and receivables-trade decreased (increase in cash flow) by ¥125,496 million on sales of installment sales receivables at SOFTBANK MOBILE.

In addition, income taxes paid of ¥132,529 million were recorded for a ¥115,184 million year-on-year increase. This was mainly because of increased income tax payments for BB Mobile's income tax under consolidated tax return and at Yahoo Japan. This amount of income tax payment includes ¥26,450 million additional income taxes paid by Yahoo Japan on July 1, 2010 relating to the correction and ruling notice it received.

### (b) Cash Flows from Investing Activities:

Net cash used in investing activities was ¥129,717 million (compared with ¥138,241 million used in the same period of the previous fiscal year).

Capital expenditures, mainly at telecommunications-related businesses, resulted in outlays of ¥112,323 million for property and equipment and intangibles. Purchases of marketable and investment securities resulted in ¥32,152 million in cash outlays.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the interim period was a positive ¥219,617 million (compared with a positive ¥177,099 million in the same period of the previous fiscal year), for a year-on-year increase of ¥42,518 million.

### (c) Cash Flows from Financing Activities:

Net cash used in financing activities was ¥45,893 million (compared with ¥59,096 million used in the same period of the previous fiscal year).

Repayments of long-term borrowings totaled ¥205,088 million, outlays for the repayment of lease obligations came

to ¥84,517 million, outlays for the payment relating to the additional entrustment for debt assumption were ¥75,000 million, and ¥54,804 million was used for the redemption of corporate bonds. On the other hand, long-term borrowings raised ¥197,900 million and corporate bond issues generated ¥179,193 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.	Issue of the 31st Unsecured Straight Corporate Bond	Issue date: June 2, 2010 Redemption date: May 31, 2013 Procured amount: ¥25,000 million Interest rate: 1.17%/year Use: redemption of bonds which will mature by the end of June 2011
		Issue of the 32nd Unsecured Straight Corporate Bond	Issue date: June 2, 2010 Redemption date: June 2, 2015 Procured amount: ¥25,000 million Interest rate: 1.67%/year Use: redemption of bonds which will mature by the end of June 2011
		Issue of the 33rd Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: September 17, 2010 Redemption date: September 17, 2013 Procured amount: ¥130,000 million Interest rate: 1.24%/year Use: redemption of bonds which will mature by the end of June 2011
Bond redemption	SOFTBANK CORP.	24th Series of Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Redemption date: April 26, 2010 Redeemed amount: ¥20,000 million
		22 <sup>nd</sup> Series of Unsecured Straight Bond	Redemption date: September 14, 2010 Redeemed amount: ¥34,400 million
Securitization of receivables (recorded as borrowings)	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥10,000 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 29, 2010 Redemption method: monthly pass-through repayment Use: capital expenditure and repayment of funds raised via the whole business securitization financing scheme
Repayment of securitization of receivables	SOFTBANK MOBILE Corp.	Repayment of ¥106,137 million.	Repayment of funds procured through securitization of receivables
Increase or decrease in debt (excluding securitization of receivables)	SOFTBANK CORP.	Increase of ¥198,300 million	Mainly increase of long-term borrowings
	SOFTBANK MOBILE Corp.	Decrease of ¥78,985 million	Repayment of funds raised via the whole business securitization financing scheme
	Yahoo Japan Corporation	Decrease of ¥10,000 million	
Capital expenditure by financial lease	SOFTBANK TELECOM Corp. etc.	New capital expenditure via leases	Funds procured during the six-month period ended September 30, 2010: ¥11,784 million
Additional entrustment for debt assumption	SOFTBANK MOBILE Corp.	Repayment of ¥75,000 million	Bonds in scope: Former Vodafone K.K. corporate bonds Third Series Unsecured Bond ¥25,000 million (redeemed on August 19, 2010) Fifth Series Unsecured Bond ¥25,000 million (redeemed on August 25, 2010) Seventh Series Unsecured Bond ¥25,000 million (redeemed on September 22, 2010)

**(3) Earnings Forecasts**

The Group is forecasting consolidated operating income of ¥500,000 million for the fiscal year ending March 31, 2011. Consolidated net sales are subject to, among others, rapid changes in the Group's main markets, the Internet and the telecommunications industry. There is, therefore, a possibility that new sales methods will be introduced in the future in response to changes in the market situation, making it difficult to publicly disclose a forecast for consolidated net sales.

Forecasts for consolidated ordinary income and consolidated net income are also difficult to publicly disclose because the performance of the Company's various holdings of investment securities and investments via funds is subject to changes in the market environment and other factors, making equity in earnings under the equity method and valuation gain and loss on investment securities difficult to project.

## The SOFTBANK Group

As of September 30, 2010, the Group's business segments were comprised of the following consolidated subsidiaries and equity method companies. The segments' main businesses were as follows.

Business Segments		Consolidated Subsidiaries	Equity Method Non-consolidated Subsidiaries and Affiliates	Main Business of Segment and Name of Business
Reportable segments	Mobile Communications	3	1	Provision of mobile communication services and sale of mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
	Broadband Infrastructure	3	-	Provision of high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp. <sup>1)</sup> )
	Fixed-line Telecommunications	2	-	Provision of fixed-line telecommunications etc. (Core companies: SOFTBANK TELECOM Corp. <sup>1)</sup> )
	Internet Culture	14	11	Internet-based advertising operations, e-commerce site operations such as <i>Yahoo! Auctions</i> and <i>Yahoo! Shopping</i> etc. (Core company: Yahoo Japan Corporation <sup>1)</sup> )
Others		95	67	Distribution of PC software and peripherals, Fukuoka SOFTBANK HAWKS related businesses, etc.
Total		117	79	

Note:

- Although SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation are included as consolidated subsidiaries in the Broadband Infrastructure, Fixed-line Telecommunications and Internet Culture segments, respectively, SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation operate multiple businesses and therefore their operating results are allocated to multiple business segments.

### [Listed Companies]

The Company's five following subsidiaries were listed on domestic stock exchanges as of September 30, 2010:

Company Name	Listed Exchange
Yahoo Japan Corporation <sup>(2)</sup>	Tokyo Stock Exchange 1st section JASDAQ Securities Exchange
SOFTBANK TECHNOLOGY CORP.	Tokyo Stock Exchange 1st section
Vector Inc. <sup>(3)</sup>	Osaka Securities Exchange Hercules
ITmedia Inc.	Tokyo Stock Exchange Mothers
Carview Corporation	Tokyo Stock Exchange Mothers

Notes:

- As a result of the integration of the JASDAQ, JASDAQ NEO and Osaka Securities Exchange Hercules markets on October 12, 2010, Yahoo Japan Corporation is currently listed on Tokyo Stock Exchange 1st section and Osaka Securities Exchange JASDAQ (Standard).
- As a result of the integration of the JASDAQ, JASDAQ NEO and Osaka Securities Exchange Hercules markets on October 12, 2010, Vector Inc. is currently listed on Osaka Securities Exchange JASDAQ (Standard).

## 2. Others

(1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries)

There are no significant changes in scope of consolidation.

(2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements

There are no applicable items.

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

[1] Application of accounting standard for equity method of accounting for investments

“Accounting Standard for Equity Method of Accounting for Investments” (Accounting Standards Board of Japan (ASBJ) Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (Practical Issues Task Force (PITF) No. 24, March 10, 2008) were applied and necessary adjustments for the consolidated accounting were made for the period ended September 30, 2010. The effect of this change is not material for the period ended September 30, 2010.

[2] Application of accounting standard for asset retirement obligations

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) were applied as of April 1, 2010. The effect of this change in operating income and ordinary income is not material and income before income taxes and minority interests decreased by ¥7,780 million for the period ended September 30, 2010.

1. Asset retirement obligations which are recorded in the consolidated balance sheets

The Group reasonably estimated removal costs and recorded the asset retirement obligations mainly for the corporate head quarter building, certain data and network centers located in the rental properties under the rental contracts. Useful periods of 2 years to 33 years and discount rates from 0.1% to 2.3% are applied for the estimation of asset retirement obligations.

2. Asset retirement obligations which are not recorded in the consolidated balance sheets

The Group has obligations to restore mobile phone base stations and telephone line facilities for transmission to their original conditions under the rental contracts. However, considering business continuity, the removal of these facilities is difficult and the possibility of executing the obligation to restore these facilities to their original conditions is extremely low, and therefore, the asset retirement obligations are not recorded at the period ended September 30, 2010.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥861,953	¥690,053
Notes and accounts receivable - trade	695,424	816,550
Marketable securities	66,615	4,342
Merchandise and finished products	48,981	37,030
Deferred tax assets	66,869	74,290
Other current assets	146,785	106,733
Less:		
Allowance for doubtful accounts	(35,221)	(34,559)
Total current assets	1,851,408	1,694,440
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	74,486	68,182
Telecommunications equipment	712,843	706,283
Telecommunications service lines	71,225	72,983
Land	22,416	22,401
Construction in progress	33,585	34,634
Other property and equipment	49,077	46,218
Total property and equipment	963,635	950,703
<b>Intangible assets, net:</b>		
Goodwill	871,017	900,768
Software	226,412	208,915
Other intangibles	27,785	42,702
Total intangible assets	1,125,215	1,152,386
<b>Investments and other assets:</b>		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	317,760	370,027
Deferred tax assets	132,111	152,654
Other assets	133,797	164,950
Less:		
Allowance for doubtful accounts	(21,160)	(24,238)
Total investments and other assets	562,509	663,394
Total fixed assets	2,651,361	2,766,483
<b>Deferred charges</b>	2,243	1,951
<b>Total assets</b>	<b>¥4,505,013</b>	<b>¥4,462,875</b>

**Consolidated Balance Sheets**

(Millions of yen)

	As of September 30, 2010	As of March 31, 2010
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥174,789	¥158,942
Short-term borrowings	502,459	437,960
Current portion of corporate bonds	160,769	54,400
Accounts payable - other and accrued expenses	305,117	451,408
Income taxes payable	89,950	100,483
Deferred tax liabilities	13,193	-
Current portion of lease obligations	112,078	109,768
Other current liabilities	71,683	65,914
Total current liabilities	1,430,042	1,378,878
<b>Long-term liabilities:</b>		
Corporate bonds	467,398	448,523
Long-term debt	1,216,980	1,281,586
Deferred tax liabilities	5,069	30,482
Liability for retirement benefits	15,274	15,557
Allowance for point mileage	41,683	47,215
Lease obligations	178,127	224,484
Other liabilities	105,089	72,175
Total long-term liabilities	2,029,622	2,120,024
<b>Total liabilities</b>	3,459,665	3,498,903
<b>Equity:</b>		
Common stock	188,771	188,750
Additional paid-in capital	212,609	213,068
Retained earnings	109,661	43,071
Less: Treasury stock	(231)	(225)
Total shareholders' equity	510,810	444,665
Unrealized gain on available-for-sale securities	33,214	43,864
Deferred gain on derivatives under hedge accounting	17,327	14,528
Foreign currency translation adjustments	(45,219)	(32,525)
Total valuation and translation adjustments	5,322	25,866
Stock acquisition rights	682	476
Minority interests	528,533	492,963
<b>Total equity</b>	1,045,348	963,971
<b>Total liabilities and equity</b>	¥4,505,013	¥4,462,875

**(2) Consolidated Statements of Income**

For the six-month period ended September 30, 2009 and 2010

(Millions of yen)

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
	April 1, 2009 to September 30, 2009	April 1, 2010 to September 30, 2010
	Amount	Amount
<b>Net sales</b>	¥1,349,275	¥1,465,021
<b>Cost of sales</b>	649,351	665,496
<b>Gross Profit</b>	699,923	799,525
<b>Selling, general and administrative expenses</b>	469,302	484,003
<b>Operating income</b>	230,621	315,521
Interest income	306	1,133
Foreign exchange gain, net	766	258
Equity in earnings of affiliated companies	2,283	-
Other non-operating income	3,011	4,942
<b>Non-operating income</b>	6,367	6,334
Interest expense	55,345	54,783
Equity in losses of affiliated companies	-	1,084
Other non-operating expenses	8,106	12,145
<b>Non-operating expenses</b>	63,451	68,012
<b>Ordinary income</b>	173,538	253,843
Gain on sale of investment securities	4,027	4,915
Dilution gain from changes in equity interest	1,160	1,436
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	345	-
Other special income	448	551
<b>Special income</b>	5,981	6,903
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	-	745
Impairment loss	797	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	7,099
Other special losses	1,906	6,395
<b>Special loss</b>	2,704	14,240
<b>Income before income taxes</b>	176,815	246,506
<b>Income taxes:</b>		
Current	48,823	95,701
Correction	-	26,450
Deferred	34,735	18,503
<b>Total income taxes</b>	83,558	140,654
<b>Income before minority interests</b>	-	105,851
<b>Minority interests in net income</b>	22,506	29,012
<b>Net income</b>	¥70,750	¥76,839



For the three-month period ended September 30, 2009 and 2010

(Millions of yen)

	Three-month period ended September 30, 2009	Three-month period ended September 30, 2010
	July 1, 2009 to September 30, 2009	July 1, 2010 to September 30, 2010
	Amount	Amount
<b>Net sales</b>	¥682,941	¥764,181
<b>Cost of sales</b>	331,745	358,315
<b>Gross Profit</b>	351,196	405,866
<b>Selling, general and administrative expenses</b>	228,864	246,948
<b>Operating income</b>	122,331	158,917
Interest income	188	604
Foreign exchange gain, net	382	411
Gain on investments in partnership	-	1,199
Equity in earnings of affiliated companies	2,915	-
Other non-operating income	1,292	1,332
<b>Non-operating income</b>	4,779	3,547
Interest expense	27,855	26,993
Equity in losses of affiliated companies	-	1,301
Other non-operating expenses	4,515	7,171
<b>Non-operating expenses</b>	32,370	35,466
<b>Ordinary income</b>	94,740	126,998
Gain on sale of investment securities	3,495	4,797
Other special income	599	1,232
<b>Special income</b>	4,094	6,029
Valuation loss on investment securities	364	1,253
Unrealized appreciation (loss) on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	521	797
Settlement of contract amendment	-	1,817
Other special losses	328	817
<b>Special loss</b>	1,213	4,685
<b>Income before income taxes</b>	97,621	128,342
<b>Income taxes:</b>		
Current	28,966	61,599
Deferred	13,546	(6,870)
<b>Total income taxes</b>	42,512	54,729
<b>Income before minority interests</b>	-	73,613
<b>Minority interests in net income</b>	11,742	16,212
<b>Net income</b>	¥43,366	¥57,400

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

(Millions of yen)

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
	April 1, 2009 to September 30, 2009	April 1, 2010 to September 30, 2010
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥176,815	¥246,506
Adjustments for:		
Depreciation and amortization	120,075	108,228
Amortization of goodwill	30,557	31,301
Impairment loss	797	-
Equity in (earnings) losses of affiliated companies	(2,283)	1,084
Dilution gain from changes in equity interest, net	(1,080)	(1,323)
Valuation loss on investment securities	1,288	2,685
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	(345)	745
Gain on sale of marketable and investment securities, net	(3,969)	(4,882)
Foreign exchange gain, net	(835)	(59)
Interest and dividend income	(520)	(1,516)
Interest expense	55,345	54,783
Changes in operating assets, and liabilities		
Decrease in receivables - trade	63,499	125,496
(Decrease) increase in payables - trade	(2,096)	14,351
Other, net	(57,319)	(49,296)
Sub-total	379,927	528,105
Interest and dividends received	560	1,530
Interest paid	(47,800)	(47,770)
Income taxes paid	(17,345)	(132,529)
Net cash provided by operating activities	315,341	349,335

- Continued -

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

(Millions of yen)

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
	April 1, 2009 to September 30, 2009	April 1, 2010 to September 30, 2010
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment, and intangibles	¥ (144,149)	¥ (112,323)
Purchase of marketable and investment securities	(12,114)	(32,152)
Proceeds from sale of marketable and investment securities	15,561	12,480
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(40)	(701)
Other, net	2,501	2,980
Net cash used in investing activities	(138,241)	(129,717)
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings, net	(148,581)	15,246
Increase in commercial paper, net	3,000	-
Proceeds from long-term debt	201,727	197,900
Repayment of long-term debt	(250,138)	(205,088)
Proceeds from issuance of bonds	153,627	179,193
Redemption of bonds	(6,673)	(54,804)
Exercise of warrants	2,105	41
Proceeds from issuance of shares to minority shareholders	687	267
Cash dividends paid	(2,667)	(5,360)
Cash dividends paid to minority shareholders	(4,492)	(14,994)
Proceeds from sale and lease back of equipment newly acquired	38,977	11,784
Repayment of lease obligations	(44,562)	(84,517)
Payments for additional entrustment for debt assumption	-	(75,000)
Other, net	(2,106)	(10,560)
Net cash used in financing activities	(59,096)	(45,893)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,541)	(1,903)
<b>Net increase in cash and cash equivalents</b>	116,461	171,820
<b>Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	126	1,919
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(807)	(64)
<b>Decrease in cash and cash equivalents resulting from corporate separation</b>	-	(1,837)
<b>Cash and cash equivalents, beginning of the period</b>	457,644	687,681
<b>Cash and cash equivalents, end of the period</b>	¥573,424	¥859,518

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

There are no applicable items for the six-month period ended September 30, 2010.

**(5) Significant Changes in Shareholder's Equity**

There are no applicable items for the six-month period ended September 30, 2010.

**(6) Basis of Presentation of Consolidated Financial Statements**

(Items described in "2. Others (3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements" on page 19 are excluded.)

**1. Changes in scope of consolidation**

(1) Changes in scope of consolidation for the six-month period ended September 30, 2010 are as follows:

<Increase>

11 companies

Significant changes:

SB Asia Infrastructure Fund L.P. and its 6 consolidated subsidiaries

<Decrease>

3 companies

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

117 companies

**2. Changes in scope of equity method**

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

<Increase>

20 companies

Significant changes:

SB Asia Infrastructure Fund L.P.'s 12 affiliates under equity method

USTREAM, Inc.

<Decrease>

5 companies

Significant changes:

SB Asia Infrastructure Fund L.P.

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

Non-consolidated subsidiaries under the equity method: 5 companies

Affiliated companies under the equity method: 74 companies

(Changes in accounting principles and procedures)

Effective April 1, 2010, certain subsidiaries of the Company that apply generally accepted accounting principles in the United States of America adopted Accounting Standards Codification (ASC) 810, Consolidations, formerly SFAS No. 167, Amendments to FASB Interpretation No. 46(R) (SFAS 167).

As a result of the application of the accounting standard, the scope of SB Asia Infrastructure Fund L.P. changed from an affiliate under equity method to a consolidated subsidiary.

The effect of this change is not material for the period ended September 30, 2010.

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

<b>As of September 30, 2010</b>	As of March 31, 2010
<b>1,103,566 million yen</b>	1,048,584 million yen

**2. Additional entrustment for debt assumption of bonds (As of March 31, 2010)**

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

The trust had collateralized debt obligations ("CDO") issued by a Cayman Islands based Special-Purpose Company ("SPC"). The SPC contracted a credit default swap agreement secured by debt securities (corporate bonds), which referred to a certain portion of the portfolio consisting of 160 referenced entities. Since defaults (credit events under the agreement) of more than a certain number of referenced entities occurred, ¥75,000 million in total was reduced from the redemption amount of the CDO in April 2009 and an additional entrustment was required for the reduced amount.

As a result, for the amount required as the additional entrustment of ¥75,000 million, a long term accounts payable was recognized as a recognized subsequent event (Type I subsequent event) and included in "Other liabilities" of long-term liabilities in the consolidated balance sheets, and it was recorded as special loss in the consolidated statements of income for the year ended March 31, 2009.

As of March 31, 2010, since the maturity for the additional entrustment was within one year, the accounts payable was included in "Accounts payable-other and accrued expenses" of current liabilities in the consolidated balance sheets.

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

As of March 31, 2010	Issue date	Maturity date	Amount of transferred bond
Subject Bonds			
Third Series Unsecured Bond	August 19, 1998	August 19, 2010	<b>25,000</b>
Fifth Series Unsecured Bond	August 25, 2000	August 25, 2010	<b>25,000</b>
Seventh Series Unsecured Bond	September 22, 2000	September 22, 2010	<b>25,000</b>
Total			<b>75,000 million yen</b>

**3. Secured loans**
**(1) Assets pledged as collateral for secured liabilities**

[1] For short-term borrowings and long-term debt

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

	As of September 30, 2010	As of March 31, 2010
Assets pledged as collateral:		
Cash and deposits	<b>230,788</b>	213,098
Notes and accounts receivable - trade	<b>290,698</b>	273,231
Marketable securities <sup>1</sup>	<b>63,022</b>	-
Buildings and structures	<b>11,886</b>	12,133
Telecommunications equipment	<b>213,732</b>	182,945
Telecommunications service lines	<b>80</b>	86
Land	<b>10,666</b>	10,633
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	-	81,701
Investments and other assets - other assets	<b>13,546</b>	17,225
Total	<b>834,421 million yen</b>	791,054 million yen

	As of September 30, 2010	As of March 31, 2010
Secured liabilities:		
Accounts payable - trade	1,118	1,674
Short-term borrowings	92,549	1,928
Long - term debt <sup>2</sup>	907,716	1,086,707
Total	1,001,384 million yen	1,090,310 million yen

Notes:

- Shares of Yahoo! Inc. placed as collateral for a loan procured by a subsidiary of the Company in the United States of America were transferred to "Marketable securities" since the maturity for the loan was within one year. These shares were recorded as "Investment securities and investments in unconsolidated subsidiaries and affiliated companies" as of March 30, 2010.
- 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 for long-term debt (totaled to ¥986,702 million and ¥907,716 million, as of March 31, 2010 and September 30, 2010, respectively) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

[2] For borrowings of investee

Assets pledged as collateral for third party's liability are as follows:

	As of September 30, 2010	As of March 31, 2010
Assets pledged as collateral:		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	2,000 million yen	2,000 million yen

(2) Borrowings by securitization of receivables

[1] The securitization of installment sales receivable of SOFTBANK MOBILE

Cash proceeds through the securitization of installment sales receivables of SOFTBANK MOBILE, excluding that qualify for derecognition criteria of a financial asset, were included in "Short-term borrowings" (¥175,359 million and ¥112,491 million, as of March 31, 2010 and September 30, 2010, respectively) and "Long-term debt" (¥44,454 million and ¥11,184 million, as of March 31, 2010 and September 30, 2010, respectively). The amounts of the senior portion of the securitized installment sales receivables (¥219,813 million and ¥123,675 million, as of March 31, 2010 and September 30, 2010, respectively) were included in "Notes and account receivable-trade", along with the subordinated portion held by the SOFTBANK MOBILE. The trustee raised the funds through asset backed loans based on the receivables.

[2] The securitization of receivables for ADSL services of SOFTBANK BB

SOFTBANK BB transferred its senior portion of the securitized present and future receivables for ADSL services\* to a SPC (a consolidated subsidiary), and the SPC raised the funds through asset backed loans based on the receivables (¥10,504 million and ¥6,367 million, as of March 31, 2010 and September 30, 2010, respectively) from a financial institution. Cash proceeds through the asset backed loans are included in the "Short-term borrowings" (¥6,660 million and ¥6,367 million, as of March 31, 2010 and September 30, 2010, respectively) and "Long-term debt" (¥3,844 million, as of March 31, 2010).

Note:\* A certain portion of present and future (through March 2012) receivables realized through the ADSL services provided by SOFTBANK BB.

**(3) Borrowings by security lending agreements**

Cash receipts as collateral from financial institutions, to whom the Company lent a portion of shares in its subsidiary under security lending agreements are presented as follows:

	<b>As of September 30, 2010</b>	As of March 31, 2010
Short-term borrowings	<b>114,000 million yen</b>	114,000 million yen

**(4) Others**

A consolidated subsidiary purchased assets by installments, and the assets of which ownership was not transferred to the consolidated subsidiary and its installment payables are as follows:

	<b>As of September 30, 2010</b>	As of March 31, 2010
Assets of which ownership is not transferred:		
Buildings and structures	<b>61</b>	35
Telecommunications equipment	<b>28,329</b>	16,710
Construction in progress	<b>2,966</b>	1,538
Software	<b>10,469</b>	4,755
Other intangibles	<b>660</b>	12
Investments and other assets - other assets	<b>349</b>	240
Total	<b>42,837 million yen</b>	23,292 million yen

	<b>As of September 30, 2010</b>	As of March 31, 2010
Installment payables:		
Accounts payable - other and accrued expenses	<b>5,891</b>	4,148
Long term liability - other liabilities	<b>38,246</b>	20,741
Total	<b>44,138 million yen</b>	24,889 million yen

**(Consolidated Statements of Income)**
**For the six-month period ended September 30, 2009 and 2010 (From April 1 to September 30, 2009 and 2010)**
**1. Selling, general and administrative expenses**

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Sales commission and sales promotion expense	223,907 million yen	241,746 million yen
Provision for allowance for doubtful accounts	8,866	7,446

**2. Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the United States of America, net**

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

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

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Unrealized appreciation on valuation of investment at subsidiaries in the U.S.,net	1,338	338
Loss on sale of investments at subsidiaries in the U.S.,net	(993)	(1,083)
Total	345 million yen	(745) million yen

**3. Impairment loss (For the six-month period ended September 30, 2009)**

Goodwill at a subsidiary of the Internet culture segment was recorded as an impairment loss of ¥797 million in the consolidated statements of income since the future cash flows were not expected to be generated.

**4. Income taxes – corrections (For the six-month period ended September 30, 2010)**

Yahoo Japan received a correction notice from Tokyo Regional Taxation Bureau on June 30, 2010. Yahoo Japan acquired all the shares of SOFTBANK IDC Solutions Corp. from the Company in February 2009 and merged it in March 2009. At the merger, loss carryforwards held by SOFTBANK IDC Solutions Corp. were carried and utilized by Yahoo Japan. The notice corrects this tax treatment insisting that the treatment was to reduce Yahoo Japan's income taxes inappropriately. Additional income taxes of ¥ 26,450 million were recorded as income taxes - correction and paid for the period ended September 30, 2010. Yahoo Japan submitted a request for reconsideration to the national tax tribunal, will separately bring legal suit depending on the situation, and thoroughly argue its position on this matter.



For the three-month period ended September 30, 2009 and 2010 (From July 1 to September 30, 2009 and 2010)

**1. Selling, general and administrative expenses**

	Three-month period ended September 30, 2009	Three-month period ended September 30, 2010
Sales commission and sales promotion expense	104,542 million yen	<b>127,611 million yen</b>
Provision for allowance for doubtful accounts	5,258	<b>3,691</b>

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

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

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

	Three-month period ended September 30, 2009	Three-month period ended September 30, 2010
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S.,net	(1)	<b>158</b>
Loss on sale of investments at subsidiaries in the U.S.,net	(519)	<b>(955)</b>
Total	(521) million yen	<b>(797) million yen</b>

**(Consolidated Statements of Cash Flows)**
**1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets**

	As of September 30, 2009	As of September 30, 2010
Cash and deposits	575,835 million yen	<b>861,953 million yen</b>
Marketable securities	3,942	<b>66,615</b>
Time deposits with original maturity over three months	(2,741)	<b>(2,764)</b>
Stocks and bonds with original maturity over three months	(3,612)	<b>(66,285)</b>
Cash and cash equivalents	573,424 million yen	<b>859,518 million yen</b>

**2. Income taxes paid**

Payment for income taxes-corrections of ¥26,450 million based on the receipt of the correction notice described in “(7) Notes (Consolidated Statements of Income) 4. Income taxes-corrections” are included in “Income taxes paid” in the consolidated statements of cash flows for the period ended September 30, 2010.

**3. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows**

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

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

Once SOFTBANK MOBILE and others purchase telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE and others sell the equipment to lease companies for sale and lease back purposes. 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.”

**5. Payments for additional entrustment for debt assumption**

Additional entrustment of ¥75,000 million recorded as special loss in the consolidated statements of income for the year ended March 31, 2009 reached its maturity date for the period ended September 30, 2010. The amount of payment was recorded as “Payments for additional entrustment for debt assumption” in the consolidated statements of cash flows.

**(Segment Information)**
**1. Business segment information**

For the six-month period ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥827,413	¥103,345	¥151,567	¥128,952	¥104,501	¥33,495	¥1,349,275	¥-	¥1,349,275
(2) Inter-segment	4,779	2,191	21,042	2,177	5,664	9,137	44,993	(44,993)	-
Total	832,193	105,537	172,609	131,129	110,166	42,632	1,394,268	(44,993)	1,349,275
Operating income (loss)	¥131,776	¥27,230	¥7,830	¥64,154	¥2,161	¥(160)	¥232,991	¥(2,369)	¥230,621

For the three-month period ended September 30, 2009 (From July 1, 2009 to September 30, 2009)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥422,317	¥50,670	¥75,100	¥64,820	¥52,712	¥17,319	¥682,941	¥-	¥682,941
(2) Inter-segment	2,570	1,060	10,751	1,153	3,239	4,646	23,421	(23,421)	-
Total	424,888	51,731	85,851	65,973	55,952	21,965	706,362	(23,421)	682,941
Operating income	¥71,515	¥13,326	¥4,336	¥32,436	¥1,221	¥719	¥123,556	¥(1,224)	¥122,331

**Notes:**

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

## 2. Geographic segment information

For the six-month period ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or Corporate	Consolidated
Net sales						
(1) Customers	¥1,344,902	¥525	¥3,847	¥1,349,275	¥-	¥1,349,275
(2) Inter-segment	226	-	-	226	(226)	-
Total	1,345,128	525	3,847	1,349,501	(226)	1,349,275
Operating income (loss)	¥234,211	¥(471)	¥(271)	¥233,468	¥(2,846)	¥230,621

For the three-month period ended September 30, 2009 (From July 1, 2009 to September 30, 2009)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or Corporate	Consolidated
Net sales						
(1) Customers	¥680,627	¥266	¥2,048	¥682,941	¥-	¥682,941
(2) Inter-segment	130	-	-	130	(130)	-
Total	680,758	266	2,048	683,072	(130)	682,941
Operating income (loss)	¥123,988	¥(156)	¥(93)	¥123,738	¥(1,407)	¥122,331

Notes:

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

2. Significant countries in each region are as follows:

North America: United States of America and Canada

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

## 3. Overseas sales

Disclosure of overseas sales for the three-month and six-month period ended September 30, 2009 was omitted because the total overseas sales were less than 10% of total consolidated sales.

## 4. Reportable segment information

(Additional Information)

“Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008) were applied for the period ended September 30, 2010.

## (1) Over view of reportable segments

Reportable segments of the Company are components of an entity about which separate financial information is available and such information is evaluated regularly by the board of directors in deciding how to allocate resources and in assessing performance.

The Company as a pure holding company assigns core operating companies to primary businesses. The core operating companies develop comprehensive business strategies for the products and services and perform business activities.

Accordingly, the Company's segments are separated based on the products and services provided by the core operating companies, and 4 segments, "Mobile Communications," "Broadband Infrastructure," "Fixed-line Telecommunications," and "Internet Culture" are treated as reportable segments.

"Mobile Communications" business provides mobile communication services and sale of mobile phones accompanying the services.

"Broadband Infrastructure" business provides high-speed Internet connection service, IP telephony service, and contents. "Fixed-line

Telecommunications" business provides fixed-line telecommunication services. "Internet Culture" business provides Internet-based advertising operations, e-commerce site operations such as Yahoo! Auctions and Yahoo! Shopping.

## (2) Net sales and segment income or loss of reportable segments

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

(Millions of yen)

	Reportable segments					Other (Note1)	Total	Reconciliations to consolidated statement of income (Note2)	Amounts in consolidated statement of income (Note3)
	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 income	¥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.

For the three-month period ended September 30, 2010 (From July 1, 2010 to September 30, 2010)

(Millions of yen)

	Reportable segments					Other (Note1)	Total	Reconciliations to consolidated statement of income (Note2)	Amounts in consolidated statement of income (Note3)
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥496,524	¥46,280	¥73,639	¥68,114	¥684,558	¥79,623	¥764,181	¥-	¥764,181
Inter-segment	2,441	1,766	13,371	945	18,525	8,596	27,121	(27,121)	-
Total	498,966	48,046	87,010	69,060	703,083	88,219	791,303	(27,121)	764,181
Segment income	¥104,546	¥11,004	¥6,942	¥36,067	¥158,560	¥3,351	¥161,911	¥(2,993)	¥158,917

## Notes:

1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in "Other."
2. Amounts in the column "Reconciliations to consolidated statement of income" of ¥(2,993) million represents elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥101 million and ¥(3,094) million, respectively.
3. Segment income is adjusted with operating income in the consolidated statements of income.

**(Leases)**
**Finance lease transactions**
**(As a lessee)**

- (1) Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods
- [1] Details of lease assets are as follows:
- Tangible assets, mainly telecommunications equipment in the Mobile Communications segment.
- [2] Depreciation method for lease assets
- The depreciation method is the same as the method used for fixed assets possessed by each subsidiary and the Company.
- (2) Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods
- [1] Details of lease assets are as follows:
- Tangible assets, mainly telecommunications equipment in the Fixed-line Telecommunications segment.
- [2] Depreciation method for lease assets
- The straight-line method is adopted over the period of the finance leases, assuming no residual value.

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

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

	As of September 30, 2010		As of March 31, 2010	
Telecommunications equipment and telecommunications service lines				
Acquisition cost	140,330		141,093	
Accumulated depreciation	(74,830)		(67,776)	
Accumulated impairment loss	(33,109)		(33,232)	
Net leased property	32,390	million yen	40,084	million yen
Buildings and structures				
Acquisition cost	46,729		46,730	
Accumulated depreciation	(13,077)		(11,909)	
Accumulated impairment loss	-		-	
Net leased property	33,651	million yen	34,820	million yen
Property and equipment - others				
Acquisition cost	14,869		16,113	
Accumulated depreciation	(10,448)		(10,223)	
Accumulated impairment loss	(1,077)		(1,242)	
Net leased property	3,342	million yen	4,647	million yen
Intangible assets				
Acquisition cost	8,635		9,070	
Accumulated depreciation	(7,194)		(6,669)	
Accumulated impairment loss	(171)		(290)	
Net leased property	1,270	million yen	2,110	million yen
Total				
Acquisition cost	210,564		213,007	
Accumulated depreciation	(105,550)		(96,579)	
Accumulated impairment loss	(34,358)		(34,765)	
Net leased property	70,655	million yen	81,662	million yen

Current portion of long-term prepaid expenses related to a lease contract, in which the contract term and payment term are different, in the amount of ¥670 million and ¥628 million as of March 31, 2010 and September 30, 2010 are included in “Other current assets” in the consolidated balance sheets. Long-term prepaid expenses relating to the lease contract as of March 31, 2010 and September 30, 2010 were ¥25,157 million and ¥26,304 million, respectively and are included in “Other assets” of investments and other assets in the consolidated balance sheets.

(2) Obligations under finance lease at the end of each period:

	As of September 30, 2010		As of March 31, 2010	
Due within one year	<b>22,754</b>		26,191	
Due after one year	<b>68,277</b>		79,431	
Total	<b>91,031</b>	<b>million yen</b>	105,623	million yen
Balance of allowance for impairment loss on leased property	<b>6,978</b>	<b>million yen</b>	10,776	million yen

(3) Lease payments, payment of the lease obligation for impaired leased property, amounts equivalent to depreciation, and interest expense for each period:

From April 1 to September 30, 2009 and 2010

	Six-month period ended September 30, 2009		Six-month period ended September 30, 2010	
Lease payments	19,046	million yen	<b>15,291</b>	<b>million yen</b>
Payment of the lease obligation for impaired leased property	4,399		<b>3,797</b>	
Depreciation expense	12,257		<b>10,088</b>	
Interest expense	4,552		<b>3,624</b>	

From July 1 to September 30, 2009 and 2010

	Three-month period ended September 30, 2009		Three-month period ended September 30, 2010	
Lease payments	9,462	million yen	<b>7,488</b>	<b>million yen</b>
Payment of the lease obligation for impaired leased property	2,228		<b>2,008</b>	
Depreciation expense	6,119		<b>5,055</b>	
Interest expense	2,204		<b>1,644</b>	

(4) Calculation method used to determine the amount equivalent to depreciation and interest expense:

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

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

**(Investment in Debt and Equity Securities)**
**As of March 31, 2010**
**1. Held-to-maturity debt securities**

(Millions of yen)

Classification	As of March 31, 2010		
	Carrying Amount	Fair Value	Differences
Corporate bonds	¥1,499	¥1,344	¥(155)
Total	¥1,499	¥1,344	¥(155)

**2. Marketable and investment securities at fair value**

(Millions of yen)

Classification	As of March 31, 2010		
	Carrying Amount	Investment Cost	Differences
(1)Equity securities	¥101,095	¥30,351	¥70,743
(2)Debt securities	28,957	26,673	2,283
(3)Others	3,408	3,064	344
Total	¥133,460	¥60,089	¥73,371

Note: Investment securities held by certain subsidiaries in the United States of America which apply ASC 946 are described in below "3. Investment securities evaluated at fair value under the provisions set forth in Financial Services– Investment Companies of the FASB Accounting Standards Codification."

**3. Investment securities evaluated at fair value under the provisions set forth in Financial Services – Investment Companies of the FASB Accounting Standards Codification**

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 carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets as of March 31, 2010 were as follows:

Carrying amounts of investment securities at fair value:	<u>As of March 31, 2010</u> 15,316 million yen
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**As of September 30, 2010**
**1. Held-to-maturity debt securities**

(Millions of yen)

Classification	As of September 30, 2010		
	Carrying Amount	Fair Value	Differences
Corporate bonds	¥1,498	¥1,334	¥(164)
Total	¥1,498	¥1,334	¥(164)

**2. Marketable and investment securities at fair value**

(Millions of yen)

Classification	As of September 30, 2010		
	Carrying Amount	Investment Cost	Differences
(1)Equity securities	¥84,882	¥27,383	¥57,499
(2)Debt securities	31,272	27,065	4,206
(3)Others	2,591	2,564	27
Total	¥118,747	¥57,013	¥61,733

Note: Investment securities held by certain subsidiaries in the United States of America which apply ASC 946 are described in below “3. Investment securities evaluated at fair value under the provisions set forth in Financial Services– Investment Companies of the FASB Accounting Standards Codification.”

**3. Investment securities evaluated at fair value under the provisions set forth in Financial Services – Investment Companies of the FASB Accounting Standards Codification**

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 carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets as of September 30, 2010 were as follows:

Carrying amounts of investment securities at fair value:	<u>As of September 30, 2010</u> 12,832 million yen
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**(Per Share Data)**
**1. Shareholders' equity per share**

	As of September 30, 2010	As of March 31, 2010
Shareholders' equity per share (yen)	<b>¥476.86</b>	¥434.74

**2. Net income per share and basic data for computation of the per share data**

For the six-month period ended September 30, 2009 and 2010

	April 1, 2009 to September 30, 2009	April 1, 2010 to September 30, 2010
Net income per share – primary (yen)	65.41	<b>70.99</b>
Net income per share – diluted (yen)	63.02	<b>68.32</b>

Basic data for computation of the per share data	April 1, 2009 to September 30, 2009	April 1, 2010 to September 30, 2010
1. Net income (in millions of yen)	70,750	<b>76,839</b>
2. Amounts not allocated to shareholders (in millions of yen)	-	-
3. Net income allocated to common stock outstanding (in millions of yen)	70,750	<b>76,839</b>
4. Weighted average number of common stock outstanding during each period (unit: thousand of shares)	1,081,663	<b>1,082,342</b>
5. Adjustment for net income used to calculate net income per share – diluted (in millions of yen)		
– Interest expense (net of tax)	481	<b>481</b>
– Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(14)	<b>(71)</b>
–Total	467	<b>410</b>
6. Increase of common stock used to calculate net income per share– diluted (unit: thousand of shares)	48,439	<b>48,298</b>
7. Significant changes in residual securities which do not dilute net income per share	-	-

For the three-month period ended September 30, 2009 and 2010

	July 1, 2009 to September 30, 2009	July 1, 2010 to September 30, 2010
Net income per share – primary (yen)	40.07	<b>53.03</b>
Net income per share – diluted (yen)	38.56	<b>50.91</b>

Basic data for computation of the per share data	July 1, 2009 to September 30, 2009	July 1, 2010 to September 30, 2010
1. Net income (in millions of yen)	43,366	<b>57,400</b>
2. Amounts not allocated to shareholders (in millions of yen)	-	-
3. Net income allocated to common stock outstanding (in millions of yen)	43,366	<b>57,400</b>
4. Weighted average number of common stock outstanding during each period (unit: thousand of shares)	1,082,314	<b>1,082,349</b>
5. Adjustment for net income used to calculate net income per share – diluted (in millions of yen)		
– Interest expense (net of tax)	240	<b>240</b>
– Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(7)	<b>(77)</b>
–Total	233	<b>163</b>
6. Increase of common stock used to calculate net income per share– diluted (unit: thousand of shares)	48,300	<b>48,296</b>
7. Significant changes in residual securities which do not dilute net income per share	-	-