SoftBank

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

SOFTBANK CORP.
CONSOLIDATED FINANCIAL REPORT
For the six-month period ended September 30, 2012

Tokyo, October 31, 2012

1. FINANCIAL HIGHLIGHTS

(1) Results of Operations

(Percentages are shown as year-on-year changes)
(Millions of yen; amounts less than one million yen are omitted.)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Six-month period ended September 30, 2012	¥1,586,109	3.3	¥402,762	7.9	¥363,010	15.4	¥169,432	(22.0)
Six-month period ended September 30, 2011	¥1,535,647	4.8	¥373,223	18.3	¥314,485	23.9	¥217,252	182.7

Note: Comprehensive income
Six-month period ended September 30, 2012: ¥183,052 million (6.8) %
Six-month period ended September 30, 2011: ¥196,326 million 132.7%

	Net income per share－basic (yen)	Net income per share－diluted (yen)
Six-month period ended September 30, 2012	¥154.23	¥151.13
Six-month period ended September 30, 2011	¥198.15	¥192.28

(2) Financial Condition

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

	Total assets	Total equity	Equity ratio (%)
As of September 30, 2012	¥5,038,117	¥1,520,781	20.0
As of March 31, 2012	¥4,899,705	¥1,435,640	19.1

Note: Shareholders' equity
As of September 30, 2012: ¥1,006,631 million
As of March 31, 2012: ¥936,693 million

2. Dividends

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2012	-	0.00	-	40.00	40.00
Fiscal year ending March 31, 2013	-	20.00			
Fiscal year ending March 31, 2013 (Forecasted)			-	20.00	40.00

Note:

Revision of forecasts on the dividends: No

3. Forecasts on the consolidated operation results for the fiscal year ending in March 2013 (April 1, 2012 – March 31, 2013)

For the fiscal year ending March 31, 2013, the SOFTBANK Group will continue to focus on network expansion and customer acquisition in the Mobile Communications segment. Although this will increase the SOFTBANK Group's expenses, the customer base is expected to continue to expand steadily. As a result, the Group is forecasting a year-on-year increase in both net sales and operating income, and expects operating income to exceed ¥700 billion.

* **Notes**

(1) Significant changes in scope of consolidation (Changes in scope of consolidation of specified subsidiaries): No

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

(3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements
[1] Changes due to revisions in accounting standards: No
[2] Changes other than those in [1]: No
[3] Changes in accounting estimates: No
[4] Retrospective restatements: No

(4) Number of shares issued (Common stock)
[1] Number of shares issued (including treasury stock):
As of September 30, 2012: 1,114,398,214 shares
As of March 31, 2012: 1,107,728,781 shares
[2] Number of treasury stock:
As of September 30, 2012: 9,183,708 shares
As of March 31, 2012: 9,213,962 shares
[3] Weighted average number of common stock:
As of September 30, 2012: 1,098,553,765 shares
As of September 30, 2011: 1,096,420,607 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 18 "1. Qualitative Information Regarding Six-month Period Results (3) Qualitative Information Regarding Consolidated Earnings Forecasts" for details of notes to precondition and usage for forecasts.

On October 31, 2012 SOFTBANK CORP. will hold an earnings results briefing for financial institutions, institutional investors, and the media. This briefing will be broadcast live on our Web site in both Japanese and English (http://www.softbank.co.jp/en/irinfo/). The presentation material used in this briefing will also be posted on SOFTBANK CORP.'s Web site around 7 p.m. on the day of the announcement: (http://www.softbank.co.jp/en/irinfo/library/presentation/)

(Appendix)

Contents

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 from April 1, 2012 to September 30, 2012>

For the six-month period ended September 30, 2012 (hereafter “the interim period”), the SOFTBANK Group (hereafter “the Group”) achieved consolidated net sales of ¥1,586,109 million, a ¥50,462 million (3.3%) increase compared with the same period of the previous fiscal year (April 1, 2011 to September 30, 2011, hereafter “year on year”), with a ¥29,539 million (7.9%) increase in operating income to ¥402,762 million. Ordinary income grew ¥48,525 million (15.4%) to ¥363,010 million. Net income declined ¥47,820 million (22.0%) to ¥169,432 million.

Note:
Definition of terms: as used in this consolidated financial report for the six-month period from April 1, 2012 to September 30, 2012, references to “the Company,” “the Group,” and “the SOFTBANK Group” are to SOFTBANK CORP. and its consolidated subsidiaries except as the context otherwise requires or indicates.

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

(a) Net Sales

Net sales totaled ¥1,586,109 million, for a ¥50,462 million (3.3%) year-on-year increase. This was mainly due to increased telecom service revenue, primarily from steady growth in the number of mobile phone subscribers.

(b) Cost of Sales

Cost of sales increased ¥41,503 million (6.2%) year on year to ¥712,470 million. This was primarily due to an increase in depreciation and amortization in the Mobile Communications segment, mainly due to the installation of additional base stations.

(c) Selling, General, and Administrative Expenses

Selling, general, and administrative expenses declined by ¥20,579 million (4.2%) year on year to ¥470,877 million. This was mainly because of a decrease in the total amount of sales commissions[1] in the Mobile Communications segment, resulting from an increase in the proportion of units sold having a lower acquisition cost per subscriber among total units sold.

(d) Operating Income

As a result, operating income totaled ¥402,762 million, for a ¥29,539 million (7.9%) year-on-year increase. The operating margin rose 1.1 percentage points year on year to 25.4%.

1 Sales commission paid to sales agents per new subscription and upgrade.

(e) Non-operating Income / Expenses

Non-operating income totaled ¥6,591 million, a ¥177 million (2.6%) year-on-year decrease. Non-operating expenses were ¥46,343 million, a ¥19,163 million (29.3%) year-on-year decrease. This primarily reflected a decrease in interest expense of ¥22,909 million as SOFTBANK MOBILE Corp. paid off its SBM loan[2] in October 2011. Moreover, in the same period of the previous fiscal year, the Group had recorded refinancing related expenses of ¥12,695 million for refinancing part of the SBM loan. Meanwhile, the Group recorded equity in losses of affiliated companies of ¥18,163 million, mainly due to a write-down of goodwill that arose when acquiring the shares of InMobi Pte. Ltd.

(f) Ordinary Income

Ordinary income therefore totaled ¥363,010 million, for a ¥48,525 million (15.4%) year-on-year increase.

(g) Special Income

Special income totaled ¥7,351 million, for a ¥95,379 million year-on-year decrease. This was mainly because of decreases in gain on sale of investment securities and dilution gain from changes in equity interest. In the same period of the previous fiscal year, gain on sale of investment securities of ¥83,527 million was recorded, mainly due to the delivery of shares of U.S. company Yahoo! Inc. to CITIBANK, N.A. In addition, a dilution gain from changes in equity interest of ¥17,158 million was recorded, mainly in relation to the Company’s equity method affiliate Renren Inc.’s listing on the New York Stock Exchange.

(h) Special Loss

Special loss was ¥11,696 million, for a ¥2,541 million year-on-year increase. A valuation loss on investment securities of ¥8,521 million was recorded, mainly associated with a drop in the stock price of Zynga Inc., in which the Group holds shares.

(i) Income Taxes

Provisions for current income taxes were ¥140,155 million and provisions for deferred income taxes were ¥15,662 million. Total income taxes decreased ¥2,881 million year on year to ¥155,817 million.

(j) Minority Interests in Net Income

Minority interests in net income totaled ¥33,415 million, mainly related to net income recorded at Yahoo Japan Corporation.

(k) Net Income

As a result of the above, net income totaled ¥169,432 million, for a ¥47,820 million (22.0%) year-on-year decrease.

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[2] The loan procured in November 2006 under a whole business securitization scheme as part of the loan for procurement of the acquisition finance for Vodafone K.K. (currently SOFTBANK MOBILE Corp.). The loan was fully repaid in October 2011.

(l) Comprehensive Income

Comprehensive income totaled ¥183,052 million, for a ¥13,273 million (6.8%) year-on-year decrease. Of this, comprehensive income attributable to owners of the parent was ¥150,743 million, for a ¥15,630 million (9.4%) year-on-year decrease, and comprehensive income attributable to minority interests was ¥32,309 million, for a ¥2,356 million (7.9%) year-on-year increase.

2. Results by Business Segment

Note:
Principal operational data are shown on pages 10-11 “(Reference 1: Principal Operational Data).”

(a) Mobile Communications

(Millions of yen)

	Six-month Period Ended September 30, 2011	**Six-month Period Ended September 30, 2012**	Change	Change %
Net sales	1,020,937	**1,048,445**	27,508	2.7%
Operating income	250,086	**266,384**	16,297	6.5%

- **1,512,200 net subscriber additions[3] for the interim period**
- **ARPU[4] for the second quarter[5] was ¥4,070, a ¥230 year-on-year[6] decrease.**
  Data ARPU amounted to ¥2,580, a ¥60 year-on-year increase.

< Revenue Recognition >

In the Mobile Communications segment, net sales are mainly generated through telecom service revenue and sales of mobile handsets. The telecom services consist of voice and data services and are recognized as revenue when services are provided to customers, based upon basic flat-rate monthly charges plus usage of traffic in accordance with price plans subjected to discounts.

Sales of mobile handsets are recognized when merchandise is shipped to sales agents. The agents sell the mobile handsets to the customers, mainly by installment payments over a period of 24 months. SOFTBANK MOBILE Corp. purchases the installment sales receivables from the agents and collects the installment sales receivables during the 24 months.

Activation fees from new customers are recognized as revenue when services are activated.

< Overview of Operations >

The segment’s net sales increased by ¥27,508 million (2.7%) year on year to ¥1,048,445 million. The main factor behind the increase was increased telecom service revenue resulting from steady growth in the number of mobile phone subscribers. Sales of mobile handsets declined due to an increase in the proportion of handsets shipped[7] having lower unit prices, despite an overall increase in handsets shipped.

The segment’s operating expenses increased ¥11,211 million (1.5%) year on year to ¥782,061 million. The principal cause of this increase was higher depreciation and amortization recorded, mostly relating to the installation of additional base stations. Meanwhile, the segment saw a decline in sales commissions in line with

3 The number of net subscriber additions includes prepaid mobile phones and communication module service subscribers. Net communication module service subscriber additions for the interim period totaled 317,000.

4 For definition and calculation method of ARPU, refer to page 12 “(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business).”

5 The three month period ended September 30, 2012 (from July 1 to September 30, 2012)

6 Compared to the three month period ended September 30, 2011 (from July 1 to September 30, 2011)

7 Handsets shipped: the number of handsets shipped (sold) to agents

an increased proportion of units sold that have lower acquisition cost per subscriber among total units sold.

Operating income increased by ¥16,297 million (6.5%) year on year to ¥266,384 million.

< Number of Mobile Phone Subscribers >

Net subscriber additions (new subscribers minus cancellations) for the interim period totaled 1,512,200. This was primarily the result of steady sales of smartphones such as iPhone[8] and Android™ [9] handsets, as well as strong sales of iPad,[8] and *Mimamori Phone* (handset with security buzzer). As a result, the cumulative number of subscribers[10] at the end of the interim period stood at 30,461,200, raising SOFTBANK MOBILE Corp.'s cumulative subscriber share by 1.4 percentage points year on year, to 23.9%.[11]

< Number of Mobile Handsets Shipped and Units Sold >

Handsets shipped for the interim period increased by 102,000 year on year to 4,990,000. The number of units sold (total number of new subscriptions and handset upgrades) for the interim period increased by 369,000 year on year to 5,584,000. Of units sold, new subscriptions increased by 194,000 year on year to 3,382,000, while handset upgrades increased by 175,000 year on year to 2,202,000.

The increases in handsets shipped and units sold were mainly due to steady shipments and sales of smartphones, iPad, *Mimamori Phone*, and mobile data communications devices, while conventional mobile units sold decreased. In smartphones, iPhone 5, which was launched in September 2012, performed strongly in terms of handset shipments and sales.

< ARPU >

ARPU for the second quarter (based on cumulative subscribers including communication modules) decreased ¥230 year on year to ¥4,070. Out of this, voice ARPU declined ¥290 year on year to ¥1,490 and data ARPU rose ¥60 year on year to ¥2,580.

The decline in voice ARPU mainly reflects dilution due to an increase in devices that do not have voice communication functionality (such as iPad and mobile data communications devices) and a decrease in revenues from incoming calls,[12] which was the result of a reduction in interconnection charges between operators. On the other hand, the increase in data ARPU was mainly the result of the continuing increase in the number of high data ARPU smartphone subscribers, although the increase in subscribers to low data usage products such as *Mimamori Phone* has also had a dilution effect on data ARPU.

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8 iPhone and iPad are trademarks of Apple Inc. The iPhone trademark is used under license from Aiphone K.K.

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

10 The cumulative number of subscribers includes prepaid mobile phones and communication module service subscribers. The cumulative number of communication module service subscribers at the end of the interim period was 2,367,000.

11 Calculated by the Company based on Telecommunications Carriers Association statistical data.
Calculated from the numbers of subscribers of NTT DOCOMO, INC., KDDI CORPORATION, and SOFTBANK MOBILE Corp.

12 Interconnection charges received from other operators for voice calls from their customers on their network to SoftBank mobile phones as a charge for the services provided in the SOFTBANK MOBILE Corp. service area.

< Churn Rate and Upgrade Rate >

The churn rate[13] for the second quarter was 1.06%, which was 0.03 of a percentage point lower year on year.

The upgrade rate[13] for the second quarter was 1.42%, which was 0.11 of a percentage point higher year on year. This was mainly because of an increase in the number of upgrades to iPhone 5.

< Average Acquisition and Upgrade Cost per Subscriber>

The average acquisition cost per subscriber[14] for the second quarter declined ¥7,800 year on year to ¥23,000. This was mainly due to the growth in the proportion of units sold to new subscribers for which the acquisition cost per subscriber is lower among total sales to new subscribers.

The average upgrade cost per subscriber[15] for the second quarter decreased ¥2,200 year on year to ¥26,400.

13 For definition and calculation of the churn and upgrade rates, see page 12 "(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)."

14 The average commission paid to sales agents per new subscription. New subscriptions include prepaid mobile phones and communication modules.

15 The average commission paid to sales agents per handset upgrade. Upgrades include communication modules.

(b) Broadband Infrastructure

(Millions of yen)

	Six-month Period Ended September 30, 2011	**Six-month Period Ended September 30, 2012**	Change	Change %
Net sales	87,261	**82,354**	(4,906)	(5.6%)
Operating income	19,658	**19,536**	(121)	(0.6%)

<Overview of Operations>

The segment's net sales decreased by ¥4,906 million (5.6%) year on year to ¥82,354 million. This was mainly because an increase in the share of sales accounted for by *Yahoo! BB hikari with FLET'S*,[16] which has a relatively lower ARPU.[17] On the other hand, the cumulative number of *Yahoo! BB* subscribers (total of the cumulative number of *Yahoo! BB ADSL* subscribers and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers[18]) at the end of the interim period increased year on year.

Operating income decreased by ¥121 million (0.6%) year on year to ¥19,536 million. Although there was a decrease in operating expenses such as sales commissions this did not offset the decrease in revenue.

The cumulative number of *Yahoo! BB* subscribers at the end of the interim period totaled 4,227,000 for an increase of 18,000 from March 31, 2012. Out of this, the cumulative number of *Yahoo! BB ADSL* subscribers stood at 2,364,000, a decrease of 237,000 from March 31, 2012, and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers totaled 1,863,000, an increase of 255,000 from March 31, 2012.

(c) Fixed-line Telecommunications

(Millions of yen)

	Six-month Period Ended September 30, 2011	**Six-month Period Ended September 30, 2012**	Change	Change %
Net sales	178,075	**191,978**	13,903	7.8%
Operating income	27,287	**34,640**	7,352	26.9%

<Overview of Operations>

The segment's net sales increased by ¥13,903 million (7.8%) year on year to ¥191,978 million. This was mainly due to recording sales related to projects for installing telecommunications signal transfer stations and an increase in provision of telecommunication lines to Group companies such as SOFTBANK MOBILE Corp.

Operating income increased by ¥7,352 million (26.9%) to ¥34,640 million. This was due to the increase in net sales, combined with a decrease in lease payments for *OTOKU Line* equipment and a decrease in interconnection charges paid to other operators at SOFTBANK TELECOM Corp., following a reduction in interconnection

16 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.

17 Average Revenue Per User

18 Number of users for which connection construction for FLET'S HIKARI line at central office of NTT East or NTT West is complete and who are provided with services.

charges between operators.

(d) Internet Culture

(Millions of yen)

	Six-month Period Ended September 30, 2011	**Six-month Period Ended September 30, 2012**	Change	Change %
Net sales	141,472	**152,438**	10,965	7.8%
Operating income	75,168	**80,878**	5,710	7.6%

<Overview of Operations>

The segment's net sales increased by ¥10,965 million (7.8%) year on year to ¥152,438 million. Overall revenue growth was driven by revenue from listing advertising,[19] supported by a large increase in revenue from sponsored-search advertising[20] and revenue from interest-match advertising.[21] Revenue from both sponsored-search advertising and interest-match advertising via smartphones increased significantly. There was also a large increase in revenue from display advertising,[22] including growth in advertisements on Prime Display. Revenues from information listing services such as job vacancy information and real estate also rose substantially. Growth in information listing services such as data center and game-related services also contributed to higher overall sales.

Operating income increased by ¥5,710 million (7.6%) year on year to ¥80,878 million. This was primarily the result of an increase in net sales, as well as efforts to reduce costs such as advertising expenses and business outsourcing expenses.

19 Text-based advertisements charged on a cost-per-click basis.
20 Advertisements shown on search results, etc. of Yahoo! JAPAN and major affiliated sites using a mechanism in which advertisements highly relevant to the key word used in search are shown.
21 A mechanism that enables advertisers to show advertisements related to products and services in which a user might be interested, based on the content the user is viewing or the user's interests (as derived from the user's previous interactions or search keywords).
22 Graphical, Flash and video advertising that appears next to content on the Internet. Prime Display advertising is a form of display advertising shown on pages other than Yahoo! JAPAN's top page.

(Reference 1: Principal Operational Data）

(a) Mobile Communications

	Fiscal Year Ended March 31, 2012					Fiscal Year Ending March 31, 2013	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
(Thousands) Net additions[23]	730.0	759.7	936.9	1,113.7	3,540.3	753.1	**759.1**
(Postpaid)	697.5	744.8	943.5	1,131.0	3,516.8	772.1	**771.0**
(Prepaid)	32.5	14.9	(6.6)	(17.3)	23.5	(19.0)	**(11.9)**
Market share[24] among 4 operators (%)	42.7	40.4	-	-	-	-	**-**
Market share[24] among 3 operators (%)	49.1	46.2	42.4	45.8	45.6	47.5	**47.9**
(Thousands) Cumulative subscribers[23]	26,138.7	26,898.4	27,835.3		28,949.0	29,702.1	**30,461.2**
Market share[24] among 4 operators (%)	21.6	21.8	-		-	-	**-**
Market share[24] among 3 operators (%)	22.2	22.5	22.9		23.3	23.6	**23.9**
(Thousands) Number of handsets shipped[25]	2,493	2,395	3,770	3,025	11,682	2,359	**2,631**
(Thousands) Units sold[26]	2,550	2,665	3,787	3,300	12,301	2,586	**2,997**
(New subscriptions)	1,564	1,624	1,848	2,127	7,163	1,663	**1,718**
(Handset upgrades)	987	1,040	1,938	1,173	5,138	923	**1,279**
(Yen per month) ARPU[27]	4,210	4,310	4,230	3,890	4,150	4,020	**4,070**
(Voice)[28]	1,780	1,780	1,700	1,350	1,650	1,480	**1,490**
(Data)	2,440	2,520	2,530	2,530	2,510	2,540	**2,580**
(Yen) Average acquisition cost per subscriber[29]	36,200	30,800	25,700	29,400	30,300	26,500	**23,000**
(Yen) Average upgrade cost per subscriber[30]	29,000	28,600	25,800	26,300	27,100	27,000	**26,400**
(% per month) Churn rate[31]	1.08	1.09	1.11	1.20	1.12	1.03	**1.06**
(Postpaid)	1.03	1.02	1.04	1.10	1.05	0.96	**1.00**
(% per month) Upgrade rate[31]	1.28	1.31	2.36	1.38	1.59	1.05	**1.42**

23 Includes the number of prepaid mobile phones and communication module service subscribers.

24 Calculated by the Company based on Telecommunications Carriers Association statistical data.
4 operators: NTT DOCOMO, INC., KDDI CORPORATION, eAccess Ltd. and SOFTBANK MOBILE Corp.
3 operators: NTT DOCOMO, INC., KDDI CORPORATION, and SOFTBANK MOBILE Corp.
From December 2011, net additions and cumulative subscribers of eAccess Ltd. are no longer disclosed to the Telecommunications Carriers Association. Therefore, from the third quarter of the fiscal year ended March 2012, the market share among 4 operators has not been calculated.

25 Handsets shipped: the number of handsets shipped (sold) to agents

26 Units sold: the total number of new subscriptions and handset upgrades

27 For definition and calculation method of ARPU, refer to page 12 “(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business).”

28 Calculated including basic monthly charge.

29 The average commission paid to sales agents per new subscription. New subscriptions include prepaid mobile phones and communication modules.

30 The average commission paid to sales agents per handset upgrade. Upgrades include communication modules.

31 For definition and calculation of the churn and upgrade rates, see page 12 “(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business).”

(Reference)

	Fiscal Year Ended March 31, 2012					Fiscal Year Ending March 31, 2013	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
(Yen per month) ARPU[27] (excluding communication modules)	4,430	4,550	4,490	4,140	4,400	4,300	**4,370**
(Voice)[28]	1,880	1,900	1,820	1,450	1,760	1,590	**1,610**
(Data)	2,550	2,660	2,670	2,690	2,640	2,710	**2,760**

(b) Broadband Infrastructure

Yahoo! BB

	Fiscal Year Ended March 31, 2012					Fiscal Year Ending March 31, 2013	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
(Thousands) *Yahoo! BB* cumulative subscribers[32]	4,118	4,145	4,175		4,209	4,238	**4,227**
Yahoo! BB ADSL							
(Thousands) Cumulative subscribers	3,009	2,873	2,737		2,600	2,467	**2,364**
(Yen per month) ARPU[33]	3,710	3,650	3,580	3,510		3,450	**3,390**
(% per month) Churn rate	2.56	2.43	2.35	2.44	2.45	2.60	**2.12**
Yahoo! BB hikari with FLET'S							
(Thousands) Cumulative subscribers[34]	1,109	1,272	1,437		1,608	1,771	**1,863**
(Yen per month) ARPU[33]	1,620	1,660	1,670	1,680		1,670	**1,710**

(c) Fixed-line Telecommunications

OTOKU Line

	Fiscal Year Ended March 31, 2012					Fiscal Year Ending March 31, 2013	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
(Thousands) Cumulative lines	1,669	1,679	1,678		1,685	1,684	**1,692**
(Yen per month) ARPU[33]	6,650	6,570	6,550	6,790		6,530	**6,390**

32 Total of the cumulative number of *Yahoo! BB ADSL* subscribers and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers.
33 Average Revenue Per User: average revenue per contract (rounded to the nearest ¥10)
34 Number of users for which connection construction for *FLET'S HIKARI* line at central office of NTT East or NTT West is complete and who are provided with services.

(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)

1. Definition and calculation method of ARPU

ARPU（Average Revenue Per User per month）(rounded to the nearest ¥10)

ARPU = (voice-related revenue + data-related revenue) / number of active subscribers

= voice ARPU + data ARPU

ARPU (excluding communication modules) = (voice-related revenue + data-related revenue - communication modules-related revenue) / number of active subscribers (excluding communication modules)

Voice ARPU = voice-related revenue (such as voice call charges, revenues from incoming calls, basic monthly charges) / number of active subscribers

Data ARPU = data-related revenue (such as packet communication charges) / number of active subscribers

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2). The number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.
Number of active subscribers used in the calculation of ARPU (excluding communication modules) excludes communication modules.

Revenues from incoming calls: interconnection charges received from other operators for voice calls from their customers on their network to SoftBank mobile phones as a charge for the services provided in the SOFTBANK MOBILE Corp. service area.

2. Definition and calculation method of churn rate

Churn rate ＝ churn / number of active subscribers（rounded to the nearest 0.01%）

Churn ＝ total number of subscribers that churned during the relevant period

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2). The number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

3. Definition and calculation method of upgrade rate

Upgrade rate in Mobile Communications ＝ number of upgrades / number of active subscribers (rounded to the nearest 0.01%)

Number of upgrades ＝ total number of upgrades during the relevant period

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2). The number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

(Reference 3: Capital Expenditure and Depreciation)

(a) Capital Expenditure (acceptance basis)

(Millions of yen)

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
Mobile Communications	84,076	98,399	93,675	146,613	422,766	82,464	**134,003**
Broadband Infrastructure	5,739	3,861	4,638	12,523	26,762	2,671	**4,819**
Fixed-line Telecommunications	6,320	8,281	10,654	14,621	39,877	8,236	**8,280**
Internet Culture	3,349	4,609	3,743	4,218	15,921	4,942	**3,194**
Others	1,710	5,338	2,041	1,958	11,047	94,970	**1,942**
Consolidated total	101,196	120,490	114,753	179,935	516,375	193,286	**152,240**

(b) Depreciation and Amortization (excluding amortization of goodwill)

(Millions of yen)

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**	
	Q1	Q2	Q3	Q4	Full Year	Q1	**Q2**
Mobile Communications	46,202	48,691	49,266	59,295	203,455	58,467	**62,267**
Broadband Infrastructure	3,540	3,452	3,507	3,894	14,395	3,441	**3,475**
Fixed-line Telecommunications	9,188	9,684	9,957	10,969	39,800	9,749	**9,777**
Internet Culture	2,291	2,395	2,703	2,896	10,288	2,636	**3,134**
Others	1,521	1,592	2,350	2,421	7,886	2,185	**2,349**
Consolidated total	62,744	65,816	67,785	79,478	275,825	76,480	**81,004**

(2) Qualitative Information Regarding Consolidated Financial Position

1. Assets, Liabilities, and Equity

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

(Millions of yen)

	As of March 31, 2012	**As of September 30, 2012**	Change	Change %
Total assets	4,899,705	**5,038,117**	138,412	2.8%
Total liabilities	3,464,065	**3,517,335**	53,270	1.5%
Total equity	1,435,640	**1,520,781**	85,141	5.9%

(a) Current Assets

Current assets at the end of the interim period totaled ¥1,931,718 million, for a ¥21,266 million (1.1%) increase from March 31, 2012, (hereafter “the previous fiscal year-end”). The primary components of the change were as follows:

・Cash and deposits increased by ¥80,547 million from the previous fiscal year-end.

・Notes and accounts receivable-trade decreased by ¥60,063 million from the previous fiscal year-end. This decrease was mainly the result of continued sales of installment sales receivables at SOFTBANK MOBILE Corp.

(b) Fixed Assets

Fixed assets totaled ¥3,101,251 million at the end of the interim period, for a ¥117,698 million (3.9%) increase from the previous fiscal year-end. The primary components of the change were as follows:

・Property and equipment increased ¥161,791 million from the previous fiscal year-end. The main increases were ¥50,714 million in land, ¥39,855 million in buildings and structures, and ¥36,142 million in telecommunications equipment. The increases in land and buildings and structures were due primarily to recording the lease asset relating to the Yahoo! JAPAN Dome (hereafter, “the Yahoo! Dome”) on the consolidated balance sheet for the first quarter (the three-month period from April 1, 2012 to June 30, 2012). In accordance with transitional measures, after the revision of the accounting standard for leases effective from April 1, 2008, the lease contract relating to the Yahoo! Dome continued to be accounted for as an operating lease transaction, while being classified as a finance lease that did not transfer ownership of the leased property to the lessee. Fukuoka SOFTBANK HAWKS Marketing Corp. (hereafter “HAWKS Marketing”) entered into a purchase contract in March 2012 to acquire a trust beneficiary interest in the Yahoo! Dome in July 2015. As a result, the lease contract was reclassified as a finance lease that is deemed to transfer ownership of the leased asset to the lessee and recorded as a lease asset on the consolidated balance sheet. Although HAWKS Marketing entered into this contract in March 2012, since HAWKS Marketing’s fiscal year ends in February its financial statements are reflected in the consolidated financial statements with a one-month lag. Therefore, this is reflected in the consolidated financial statements for the interim period. Meanwhile, the increase in telecommunications equipment was primarily due to new acquisitions of equipment such as base stations in order to strengthen the communications network in the Mobile Communications segment.

・Total intangible assets increased ¥1,488 million from the previous fiscal year-end. This was mainly because software increased by ¥39,361 million as a result of new acquisitions of telecommunications equipment. On the other hand, goodwill decreased by ¥29,374 million resulting from regular amortization of the goodwill recorded when the Company acquired SOFTBANK MOBILE Corp., SOFTBANK TELECOM Corp., and others.

- Investments and other assets decreased by ¥45,581 million from the previous fiscal year-end. This was mainly due to a ¥46,568 million decrease in investment securities, the primary components of which were a decrease of ¥51,207 million as a result of Alibaba Group Holding Limited, the Company's equity method affiliate, acquiring the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through a takeover bid in June 2012 and privatizing it (please refer to page 29 "(7) Significant Changes in Shareholders' Equity under 2 Consolidated Financial Statements" for details) and a decrease of ¥20,908 million, mainly associated with the drop in the stock price of Zynga Inc. Yahoo Japan Corporation's acquisition of 42.6% of the shares (voting rights at the time of acquisition) of ASKUL Corporation at ¥33,038 million is also reflected.

(c) Current Liabilities

Current liabilities at the end of the interim period totaled ¥1,807,866 million, for a ¥115,858 million (6.0%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Accounts payable – other and accrued expenses decreased by ¥243,834 million from the previous fiscal year-end. This was mainly the result of the payment of an accounts payable – other of ¥200,000 million to the Vodafone Group in April 2012 by the Company, as well as the payment of unpaid sales commissions to sales agents from the year-end shopping season of the previous fiscal year by SOFTBANK MOBILE Corp.
- Short-term borrowings increased ¥49,972 million from the previous fiscal year-end.
- The current portion of corporate bonds increased by ¥45,564 million from the previous fiscal year-end. This was mainly due to reclassifications from long-term liabilities in the amounts of ¥25,000 million for the 31st Unsecured Straight Corporate Bond and ¥130,000 million for the 33rd Unsecured Straight Corporate Bond. Meanwhile, redemptions of corporate bonds in the amounts of ¥30,000 million for the 28th Unsecured Straight Corporate Bond and ¥65,000 million for the 29th Unsecured Straight Corporate Bond are also reflected.

(d) Long-term Liabilities

Long-term liabilities totaled ¥1,709,468 million at the end of the interim period, for a ¥169,129 million (11.0%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Lease obligations increased by ¥140,794 million from the previous fiscal year-end. This was mainly due to the reclassification of the lease contract concluded by HAWKS Marketing related to the Yahoo! Dome from finance leases that do not transfer ownership of the leased property to the lessee to finance leases that are deemed to transfer ownership of the leased property to the lessee (please refer to (b) Fixed Assets on page 14 for details). Another factor was an increase in new acquisitions of telecommunications equipment through lease transactions.
- Long-term debt increased ¥68,573 million from the previous fiscal year-end.
- Corporate bonds decreased ¥45,000 million from the previous fiscal year-end. This was due to reclassifications of corporate bonds from long-term to current liabilities in the amounts of ¥25,000 million for the 31st Unsecured Straight Corporate Bond and ¥130,000 million for the 33rd Unsecured Straight Corporate

Bond as the redemption date came to be within one year. On the other hand, the Company issued corporate bonds in the amount of ¥100,000 million for the 39th Unsecured Straight Corporate Bond and ¥10,000 million for the 40th Unsecured Straight Corporate Bond.

(e) Equity

Equity totaled ¥1,520,781 million at the end of the interim period, for a ¥85,141 million (5.9%) increase from the previous fiscal year-end. The equity ratio increased 0.9 of a percentage point from the previous fiscal year-end to 20.0%. The primary components of the change were as follows:

(Shareholders' equity)

Shareholders' equity increased ¥88,626 million from the previous fiscal year-end to ¥1,046,573 million.

- At the end of the interim period, common stock totaled ¥221,020 million, an increase of ¥7,223 million. This was the result of the conversion of the Convertible Bond Due 2013 into the common stock of the Company.
- Additional paid-in capital decreased by ¥44,003 from the previous fiscal year-end. This was primarily a decrease of ¥51,207 million as a result of Alibaba Group Holding Limited, the Company's equity method affiliate, acquiring the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through a takeover bid in June 2012 and privatizing it (please refer to page 29 "(7) Significant Changes in Shareholders' Equity under 2 Consolidated Financial Statements" for details). On the other hand, the conversion of the Convertible Bond Due 2013 into the common stock of the Company increased shareholders' equity by ¥7,212 million.
- Retained earnings increased ¥125,332 million from the previous fiscal year-end. This was primarily because net income of ¥169,432 million was recorded, although this was partially offset by a year-end dividend for the year ended March 31, 2012 of ¥43,940 million.

(Valuation and translation adjustments)

Valuation and translation adjustments of ¥39,942 million were recorded as debit at the end of the interim period, a ¥18,688 million decrease from the previous fiscal year-end.

- Net unrealized gain on available-for-sale securities was ¥210 million at the end of the interim period, a ¥10,355 million decrease from the net unrealized gain at the previous fiscal year-end. This decrease was mainly associated with the drop in the stock price of Zynga Inc.
- Foreign currency translation adjustments decreased by ¥8,502 million from the previous fiscal year-end to a debit of ¥39,329 million at the end of the interim period.

(Minority interests)

- Minority interests totaled ¥513,228 million at the end of the interim period, for a ¥15,181 million increase from the previous fiscal year-end.

2. Cash Flows

Cash flows during the interim period were as follows:

Cash and cash equivalents at the end of the interim period totaled ¥1,097,086 million, for a ¥82,527 million increase from the previous fiscal year-end.

(Millions of yen)

	Six-month Period Ended September 30, 2011	**Six-month Period Ended September 30, 2012**	Change
Cash flows from operating activities	395,044	**473,351**	78,306
Cash flows from investing activities	(159,829)	**(326,034)**	(166,204)
(Reference) Free cash flow	235,214	**147,316**	(87,898)
Cash flows from financing activities	(191,568)	**(61,506)**	130,062

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥473,351 million (compared with ¥395,044 million provided in the same period of the previous fiscal year). The primary components of the change were as follows:

- Income before income taxes and minority interests totaled ¥358,665 million.
- The main items added to income before income taxes and minority interests were ¥157,485 million in depreciation and amortization and ¥31,660 million in amortization of goodwill.
- Receivables – trade declined by ¥59,824 million (increase in cash flow). This decrease was mainly the result of continued sales of installment sales receivables at SOFTBANK MOBILE Corp.
- Income taxes paid was ¥115,750 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥326,034 million (compared with ¥159,829 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

- Outlays for purchase of property and equipment, and intangibles came to ¥272,890 million. The main factor was capital expenditure in the telecommunications-related businesses.
- Outlays for purchase of marketable and investment securities were ¥57,246 million. This was mainly due to Yahoo Japan Corporation’s acquisition of 42.6% of the shares (voting rights at the time of acquisition) of ASKUL Corporation at ¥33,038 million.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the interim period was a positive ¥147,316 million (compared with a positive ¥235,214 million in the same period of the previous fiscal year), for a year-on-year decrease of ¥87,898 million.

(c) Cash Flows from Financing Activities

Net cash used in financing activities was ¥61,506 million (compared with ¥191,568 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

(Items increasing cash flows)

- Proceeds included ¥167,091 million from the sale and lease back of equipment newly acquired, ¥152,708 million from long-term debt, ¥109,443 million from issuance of bonds and ¥99,855 million from increase in short-term borrowings, net.

(Items decreasing cash flows)

- Outlays included ¥200,444 million for payments for repurchase of minority interests and long-term debt, ¥134,043 million for the repayment of long-term debt, ¥95,000 million for the redemption of bonds, ¥93,191 million for the repayment of lease obligations, and ¥43,766 million for the payment of dividends. The payments for repurchase of minority interests and long-term debt are the amount paid to the Vodafone Group in April 2012, and various related fees. Please refer to 5. Payments for repurchase of minority interests and long-term debt on page 28 in (5) Notes under 2. Consolidated Financial Statements for details.

(Reference: Major Financing Activities)

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

Item	Company Name	Details	Summary
Bond issuances	SOFTBANK CORP.	39th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: September 24, 2012 Redemption date: September 22, 2017 Total amount of issue: ¥100,000 million Interest rate: 0.74%/year
		40th Unsecured Straight Corporate Bond	Issue date: September 14, 2012 Redemption date: September 14, 2017 Total amount of issue: ¥10,000 million Interest rate: 0.732%/year
Bond redemption	SOFTBANK CORP.	28th Unsecured Straight Corporate Bond	Redemption date: July 24, 2012 Redemption amount: ¥30,000 million
		29th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Redemption date: September 18, 2012 Redemption amount: ¥65,000 million
Increase or decrease in debt	SOFTBANK CORP.	Increase of ¥118,600 million	
Execute sale and lease back	SOFTBANK MOBILE Corp. etc.	Procurement of ¥167,091 million	Capital expenditure via finance leases

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

For the fiscal year ending March 31, 2013, the Group will continue to focus on network expansion and customer acquisition in the Mobile Communications segment. Although this will increase the Group's expenses, the customer base is expected to continue to expand steadily. As a result, the Group is forecasting a year-on-year increase in both net sales and operating income, and expects operating income to exceed ¥700 billion.

The Group has declared a target of achieving consolidated operating income of ¥1 trillion in its domestic businesses in the fiscal year ending March 31, 2017, and is also projecting further profit growth in the fiscal year ending March 31, 2014 as it continues towards this goal. The planned acquisition of Sprint Nextel Corporation announced on October 15, 2012 is one means by which the Group expects to accelerate its growth.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	**As of September 30, 2012**
	Amount	**Amount**
ASSETS		
Current assets:		
Cash and deposits	¥1,016,251	**¥1,096,799**
Notes and accounts receivable - trade	661,287	**601,224**
Marketable securities	4,575	**6,624**
Merchandise and finished products	42,618	**42,170**
Deferred tax assets	56,469	**41,655**
Other current assets	168,264	**177,461**
Less: Allowance for doubtful accounts	(39,014)	**(34,216)**
Total current assets	1,910,452	**1,931,718**
Fixed assets:		
Property and equipment, net:		
Buildings and structures	77,404	**117,260**
Telecommunications equipment	988,541	**1,024,684**
Telecommunications service lines	65,213	**62,516**
Land	23,175	**73,890**
Construction in progress	80,501	**112,826**
Other property and equipment	61,555	**67,007**
Total property and equipment	1,296,393	**1,458,185**
Intangible assets, net:		
Goodwill	780,242	**750,868**
Software	310,151	**349,512**
Other intangibles	36,120	**27,621**
Total intangible assets	1,126,514	**1,128,002**
Investments and other assets:		
Investment securities	338,198	**291,629**
Deferred tax assets	104,327	**104,959**
Other assets	134,076	**134,908**
Less: Allowance for doubtful accounts	(15,957)	**(16,433)**
Total investments and other assets	560,644	**515,063**
Total fixed assets	2,983,553	**3,101,251**
Deferred charges	5,699	**5,147**
Total assets	¥4,899,705	**¥5,038,117**

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012 Amount	**As of September 30, 2012 Amount**
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable - trade	¥190,532	**¥190,347**
Short-term borrowings	403,167	**453,140**
Current portion of corporate bonds	144,988	**190,552**
Accounts payable - other and accrued expenses	835,053	**591,218**
Income taxes payable	125,116	**140,838**
Current portion of lease obligations	152,682	**173,484**
Other current liabilities	72,184	**68,285**
Total current liabilities	1,923,725	**1,807,866**
Long-term liabilities:		
Corporate bonds	459,900	**414,900**
Long-term debt	560,070	**628,643**
Deferred tax liabilities	20,370	**18,667**
Liability for retirement benefits	14,953	**14,785**
Allowance for point mileage	32,074	**28,610**
Lease obligations	347,699	**488,493**
Other liabilities	105,272	**115,367**
Total long-term liabilities	1,540,339	**1,709,468**
Total liabilities	3,464,065	**3,517,335**
Equity:		
Common stock	213,797	**221,020**
Additional paid-in capital	236,562	**192,558**
Retained earnings	530,534	**655,867**
Less: Treasury stock	(22,947)	**(22,873)**
Total shareholders' equity	957,947	**1,046,573**
Unrealized gain on available-for-sale securities	10,566	**210**
Deferred loss on derivatives under hedge accounting	(993)	**(823)**
Foreign currency translation adjustments	(30,826)	**(39,329)**
Total valuation and translation adjustments	(21,253)	**(39,942)**
Stock acquisition rights	898	**921**
Minority interests	498,047	**513,228**
Total equity	1,435,640	**1,520,781**
Total liabilities and equity	¥4,899,705	**¥5,038,117**

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

For the six-month period ended September 30, 2011 and 2012

Consolidated Statements of Income

(Millions of yen)

	Six-month period ended September 30, 2011	**Six-month period ended September 30, 2012**
	April 1, 2011 to September 30, 2011	**April 1, 2012 to September 30, 2012**
	Amount	**Amount**
Net sales	¥1,535,647	**¥1,586,109**
Cost of sales	670,967	**712,470**
Gross profit	864,679	**873,639**
Selling, general and administrative expenses	491,456	**470,877**
Operating income	373,223	**402,762**
Interest income	1,264	**654**
Other non-operating income	5,504	**5,936**
Non-operating income	6,768	**6,591**
Interest expense	40,749	**17,839**
Equity in losses of affiliated companies	1,221	**18,163**
Other non-operating expenses	23,535	**10,340**
Non-operating expenses	65,506	**46,343**
Ordinary income	314,485	**363,010**
Gain on sale of investment securities	83,527	**3,044**
Dilution gain from changes in equity interest	17,158	**3,984**
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	2,044	**-**
Other special income	-	**322**
Special income	102,730	**7,351**
Valuation loss on investment securities	8,920	**8,521**
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	-	**1,323**
Other special losses	234	**1,851**
Special loss	9,154	**11,696**
Income before income taxes and minority interests	408,061	**358,665**
Income taxes:		
Current	101,361	**140,155**
Deferred	57,337	**15,662**
Total income taxes	158,699	**155,817**
Income before minority interests	249,361	**202,847**
Minority interests in net income	32,108	**33,415**
Net income	¥217,252	**¥169,432**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six-month period ended September 30, 2011	**Six-month period ended September 30, 2012**
	April 1, 2011 to September 30, 2011	**April 1, 2012 to September 30, 2012**
	Amount	**Amount**
Income before minority interests	249,361	**202,847**
Other comprehensive income (loss)		
Unrealized loss on available-for-sale securities	(37,136)	**(10,732)**
Deferred gain (loss) on derivatives under hedge accounting	(12,939)	**170**
Foreign currency translation adjustment	(3,185)	**(8,558)**
Share of other comprehensive income (loss) of affiliated companies accounted for using equity method	226	**(674)**
Total other comprehensive loss	(53,034)	**(19,794)**
Comprehensive income	196,326	**183,052**
Comprehensive income attributable to:		
Owners of the parent	166,373	**150,743**
Minority interests	29,952	**32,309**

For the three-month period ended September 30, 2011 and 2012

Consolidated Statements of Income

(Millions of yen)

	Three-month period ended September 30, 2011	**Three-month period ended September 30, 2012**
	July 1, 2011 to September 30, 2011	**July 1, 2012 to September 30, 2012**
	Amount	**Amount**
Net sales	¥771,409	**¥819,207**
Cost of sales	329,627	**371,964**
Gross profit	441,782	**447,243**
Selling, general and administrative expenses	244,384	**236,605**
Operating income	197,397	**210,637**
Interest income	704	**426**
Other non-operating income	2,802	**3,188**
Non-operating income	3,506	**3,614**
Interest expense	18,341	**8,795**
Equity in losses of affiliated companies	358	**17,663**
Other non-operating expenses	18,949	**5,762**
Non-operating expenses	37,649	**32,220**
Ordinary income	163,254	**182,031**
Gain on sale of investment securities	78,594	**2,193**
Dilution gain from changes in equity interest	1,734	**1,498**
Unrealized appreciation (loss) on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	2,120	**9**
Other special income	2	**322**
Special income	82,452	**4,024**
Valuation loss on investment securities	8,723	**8,126**
Other special losses	129	**75**
Special loss	8,853	**8,201**
Income before income taxes and minority interests	236,854	**177,853**
Income taxes:		
Current	73,407	**82,436**
Deferred	25,091	**258**
Total income taxes	98,499	**82,695**
Income before minority interests	138,355	**95,158**
Minority interests in net income	15,893	**16,387**
Net income	¥122,461	**¥78,771**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-month period ended September 30, 2011 July 1, 2011 to September 30, 2011 Amount	**Three-month period ended September 30, 2012 July 1, 2012 to September 30, 2012 Amount**
Income before minority interests	138,355	**95,158**
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(26,853)	**1,448**
Deferred gain (loss) on derivatives under hedge accounting	(16,343)	**69**
Foreign currency translation adjustment	(951)	**(3,828)**
Share of other comprehensive loss of affiliated companies accounted for using equity method	(1,888)	**(8,960)**
Total other comprehensive loss	(46,035)	**(11,270)**
Comprehensive income	92,319	**83,887**
Comprehensive income attributable to:		
Owners of the parent	78,496	**68,724**
Minority interests	13,822	**15,163**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Six-month period ended September 30, 2011	**Six-month period ended September 30, 2012**
	April 1, 2011 to September 30, 2011	**April 1, 2012 to September 30, 2012**
Cash flows from operating activities:		
Income before income taxes and minority interests	¥408,061	**¥358,665**
Adjustments for:		
Depreciation and amortization	128,561	**157,485**
Amortization of goodwill	31,315	**31,660**
Equity in losses of affiliated companies	1,221	**18,163**
Dilution gain from changes in equity interest, net	(17,119)	**(3,705)**
Valuation loss on investment securities	8,920	**8,521**
Unrealized (appreciation) loss on valuation of investments and (gain) loss on sale of investments at subsidiaries in the U.S., net	(2,044)	**1,323**
Gain on sale of marketable and investment securities, net	(83,514)	**(2,702)**
Foreign exchange gain, net	(158)	**(298)**
Interest and dividend income	(3,115)	**(1,271)**
Interest expense	40,749	**17,839**
Changes in operating assets and liabilities		
Decrease in receivables - trade	79,699	**59,824**
Decrease in payables - trade	(45,098)	**(303)**
Other, net	(6,774)	**(39,506)**
Sub-total	540,703	**605,694**
Interest and dividend received	2,644	**1,741**
Interest paid	(40,107)	**(18,334)**
Income taxes paid	(108,196)	**(115,750)**
Net cash provided by operating activities	395,044	**473,351**

- Continued -

Consolidated Statements of Cash Flows (Continued)

(Millions of yen)

	Six-month period ended September 30, 2011	**Six-month period ended September 30, 2012**
	April 1, 2011 to September 30, 2011	**April 1, 2012 to September 30, 2012**
Cash flows from investing activities:		
Purchase of property and equipment, and intangibles	¥(215,800)	**¥(272,890)**
Purchase of marketable and investment securities	(22,216)	**(57,246)**
Proceeds from sale of marketable and investment securities	77,446	**15,277**
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(53)	**(2,038)**
Other, net	793	**(9,136)**
Net cash used in investing activities	(159,829)	**(326,034)**
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings, net	(124,122)	**99,855**
Decrease in commercial paper, net	(25,000)	**-**
Proceeds from long-term debt	403,175	**152,708**
Repayment of long-term debt	(625,242)	**(134,043)**
Proceeds from issuance of bonds	129,354	**109,443**
Redemption of bonds	(113,500)	**(95,000)**
Proceeds from issuance of shares to minority shareholders	226	**522**
Proceeds from issuance of preferred securities by a subsidiary	200,000	**-**
Cash dividends paid	(5,377)	**(43,766)**
Cash dividends paid to minority shareholders	(16,912)	**(16,104)**
Proceeds from sale and lease back of equipment newly acquired	92,494	**167,091**
Repayment of lease obligations	(72,296)	**(93,191)**
Payments for repurchase of minority interests and long-term debt	-	**(200,444)**
Other, net	(34,367)	**(8,577)**
Net cash used in financing activities	(191,568)	**(61,506)**
Effect of exchange rate changes on cash and cash equivalents	(1,337)	**(1,507)**
Net increase in cash and cash equivalents	42,308	**84,303**
Increase in cash and cash equivalents due to newly consolidated subsidiaries	68	**8**
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(734)	**(1,784)**
Cash and cash equivalents, beginning of the period	847,155	**1,014,558**
Cash and cash equivalents, end of the period	¥888,797	**¥1,097,086**

(4) Significant Doubt about Going Concern Assumption

There are no applicable items for the six-month period ended September 30, 2012.

(5) Notes

(Consolidated Statements of Income)

1. Gain on sale of investment securities

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

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

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

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

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

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions set forth in Financial Services – Investment Companies of the FASB 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 gain (loss) on sale of investments at subsidiaries in the U.S., net and gain (loss) on sale of investments, computed based on the acquisition cost, is also included in this account. The unrealized appreciation (loss) on valuation of investments and gain (loss) on sale of investments included in unrealized appreciation (loss) on valuation of investments and gain (loss) on sale of investments at subsidiaries in the U.S., net in the consolidated statements of income are as follows:

	Six-month period ended September 30, 2011	**Six-month period ended September 30, 2012**
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S., net	1,861	**(722)**
Gain (loss) on sale of investments at subsidiaries in the U.S., net	182	**(601)**
Total	2,044 million yen	**(1,323) million yen**

(Consolidated Statements of Cash Flows)

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

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

2. Proceeds from sale of marketable and investment securities and repayment of long-term debt

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

As described in "1. Gain on sale of investment securities under (Consolidated Statements of Income)," the shares of Yahoo! Inc. held by the Company's U.S. subsidiary were delivered to CITIBANK, N.A. in connection with the settlement of the obligation under the forward contracts ("collar transaction"). The cash receipts of ¥57,191 million ($743 million) equaled the fair value of the shares delivered and were recorded as "Proceeds from sale of marketable and investment securities". The proceeds received of ¥57,191 million were then remitted to repay the obligation and recorded as "Repayment of long-term debt."

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

3. Proceeds from issuance of preferred securities by a subsidiary

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

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

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

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

The cash outflows from the purchase of the equipment from vendors are included in "Purchase of property and equipment, and intangibles" under cash flows from investing activities 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" under cash flows from financing activities.

5. Payments for repurchase of minority interests and long-term debt

For the six-month period ended September 30, 2012 (from April 1 to September 30, 2012)

In April 2006, BB Mobile Corp issued class 1 preferred stock-series 1 and stock acquisition rights to Vodafone International Holdings B.V. and obtained a subordinated loan from Vodafone Overseas Finance Limited as a series of financing transactions for the Group's acquisition of Vodafone K.K. (currently SOFTBANK MOBILE Corp.). In November 2006, refinancing of the funds for the acquisition was conducted, and SOFTBANK MOBILE Corp. assumed BB Mobile Corp's subordinated loan.

In December 2010, the Company acquired aforementioned all class 1 preferred stock-series 1 and stock acquisition rights issued by BB Mobile Corp. to Vodafone International Holdings B.V., and all principal and accrued interest of a long-term loan receivable from SOFTBANK MOBILE Corp. held by Vodafone Overseas Finance Limited for the total amount of ¥412,500 million. Amounting to ¥212,500 million out of the total amount and the remaining amount of ¥200,000 million were paid with the related expenses associated with the acquisition (¥63 million in December 2010 and ¥444 million in April 2012) in December 2010 and in April 2012, respectively.

(6) Segment Information

1. Net sales and segment profit or loss of reportable segments for the six-month period ended September 30, 2011

(Millions of yen)

	Reportable segments					Other [1]	Total	Reconciliations to consolidated statement of income [2]	Amounts in consolidated statement of income [3]
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,017,191	¥80,232	¥141,721	¥139,691	¥1,378,837	¥156,809	¥1,535,647	¥-	¥1,535,647
Inter-segment	3,745	7,029	36,354	1,781	48,910	16,980	65,890	(65,890)	-
Total	1,020,937	87,261	178,075	141,472	1,427,747	173,790	1,601,537	(65,890)	1,535,647
Segment profit	¥250,086	¥19,658	¥27,287	¥75,168	¥372,200	¥7,514	¥379,714	¥(6,491)	¥373,223

Notes:
1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in "Other."
2. Amounts in the column "Reconciliations to consolidated statement of income" of ¥(6,491) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥431 million and ¥(6,923) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statements of income.

2. Net sales and segment profit or loss of reportable segments for the six-month period ended September 30, 2012

(Millions of yen)

	Reportable segments					Other [1]	Total	Reconciliations to consolidated statement of income [2]	Amounts in consolidated statement of income [3]
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,045,294	¥70,454	¥149,973	¥150,718	¥1,416,441	¥169,668	¥1,586,109	¥-	¥1,586,109
Inter-segment	3,151	11,900	42,004	1,719	58,776	18,532	77,308	(77,308)	-
Total	1,048,445	82,354	191,978	152,438	1,475,217	188,200	1,663,418	(77,308)	1,586,109
Segment profit	¥266,384	¥19,536	¥34,640	¥80,878	¥401,439	¥7,411	¥408,851	¥(6,089)	¥402,762

Notes:
1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in "Other."
2. Amounts in the column "Reconciliations to consolidated statement of income" of ¥(6,089) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥875 million and ¥(6,964) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statements of income.

(7) Significant Changes in Shareholders' Equity

For the six-month period ended September 30, 2012 (from April 1 to September 30, 2012)
Alibaba Group Holding Limited, the Company's affiliate company under the equity method, acquired the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through its takeover bid in June 2012 and conducted the privatization of Alibaba.com Limited. Financial statements of Alibaba Group Holding Limited were prepared in accordance with accounting principles generally accepted in the U.S., and Alibaba Group Holding Limited recorded the change in the interests in its controlled subsidiary as a decrease in additional paid-in capital.

The Company applied "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force No.24)" for the transaction and as a result, additional paid-in capital decreased by ¥51,207 million.

(8) Significant Subsequent Events

For the six-month period ended September 30, 2012 (from April 1 to September 30, 2012)

1. Acquisition of Sprint Nextel Corporation

On October 15, 2012, the Company and Sprint Nextel Corporation ("Sprint") in the U.S. entered into a series of definitive agreements under which the Company will invest approximately USD 20.1 billion (the "transaction") in Sprint, consisting of approximately USD 12.1 billion to be paid to Sprint shareholders and USD 8.0 billion of new capital to be used, amongst other purposes, to strengthen Sprint's balance sheet.

The transaction, which has been approved by the Boards of Directors of both the Company and Sprint, is subject to approval at a meeting of the Sprint shareholders, customary antitrust, Federal Communications Commission and other regulatory approvals and the satisfaction or waiver of other closing conditions, including accuracy of representations and warranties. The companies expect the closing of the transaction to occur in mid-2013. As a result of the transaction the Company will own approximately 70% of the fully-diluted (as used herein, not giving effect to out-of-the-money options) shares of New Sprint (as defined below), which will own 100% of the shares of Sprint.

(1) Purposes of acquisition

[1] Enables the Company to establish an operating base as one of the largest mobile Internet companies in the world. The combined subscriber base will be one of the largest[1] between the U.S. and Japan, and the combined mobile telecom service revenue will rank third[2] amongst global operators.

[2] Enables the Company to leverage its deep expertise in smartphones and next-generation mobile networks, and its track record of success in competing in mature markets with large incumbents, to enhance Sprint's competitiveness in the U.S.

[3] Provides Sprint USD 8.0 billion of new capital for its mobile network, strategic investments, and balance sheet as part of its continued efforts to fortify its operating base towards future growth.

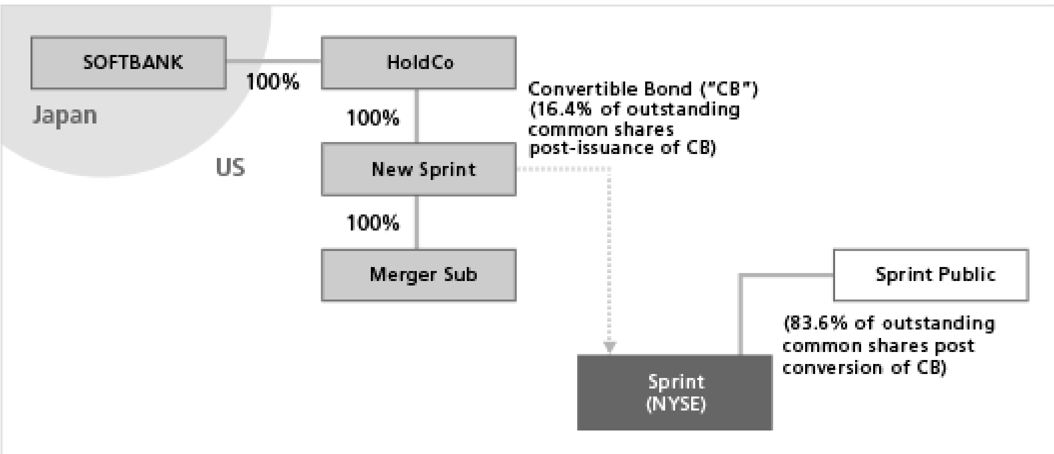
Notes:
1. Based on Wireless Intelligence data, TCA data, and disclosed material by relevant companies. U.S. as of June 2012, Japan as of September (eAccess Ltd. data as of August 2012).
2. Based on disclosures by global mobile operators such as China Mobile and Verizon Wireless (January to June 2012).

(2) Outline of acquisition

[1] Establishment of subsidiaries

The Company has formed a new U.S. holding company, Starburst I, Inc. (HoldCo), and two further subsidiaries, Starburst II, Inc. (New Sprint), which is owned directly by HoldCo, and Starburst III, Inc. (Merger Sub), which is owned directly by New Sprint and indirectly by HoldCo.

Via New Sprint, the Company invested USD 3.1 billion in Sprint in the form of a newly-issued convertible bond (Bond) on October 22, 2012 (EST). The Bond has a 1.0% coupon rate with a seven-year maturity and, if the merger agreement is terminated prior to completion of the merger (as defined in [2] below), subject to regulatory approval, will be convertible, or if the merger (as defined in [2] below) is completed, will be converted, at USD 5.25 per share into 16.4% of outstanding Sprint common shares on a post-issuance basis (subject to customary adjustments).



[2] Merger

Following receipt of Sprint shareholder and regulatory approvals and the satisfaction or waiver of the other closing conditions to the transaction, the Company will capitalize, through HoldCo, New Sprint with an additional approximately USD 17.0 billion. Approximately USD 12.1 billion will be distributed to Sprint shareholders as merger consideration. Merger Sub will merge with and into Sprint as a result of which:

(a) Sprint will become a wholly-owned subsidiary of New Sprint.

(b) In aggregate, Sprint shareholders will receive, in exchange for their Sprint shares approximately 30% of the fully-diluted equity of New Sprint and approximately USD 12.1 billion cash.

(c) Individual Sprint shareholders will have the right to elect to receive, for each share of Sprint that they own, either (i) USD 7.30 in cash or (ii) one share of New Sprint stock, subject to proration if shareholders in the aggregate elect more than the total amount of cash or stock consideration, as applicable (which would result in the receipt of a mix of cash and stock).

(d) Holders of Sprint stock options will receive stock options in the New Sprint.

(e) The Bond will be converted into shares of Sprint, with the value of such shares reflected (together with the Company's additional investment) in the approximately 70% of the fully-diluted equity of New Sprint which HoldCo will hold after consummation of the merger.

(f) New Sprint will issue a 5 year warrant for approximately 55 million shares of New Sprint with an exercise price of USD 5.25 per share (Warrant) to Holdco.

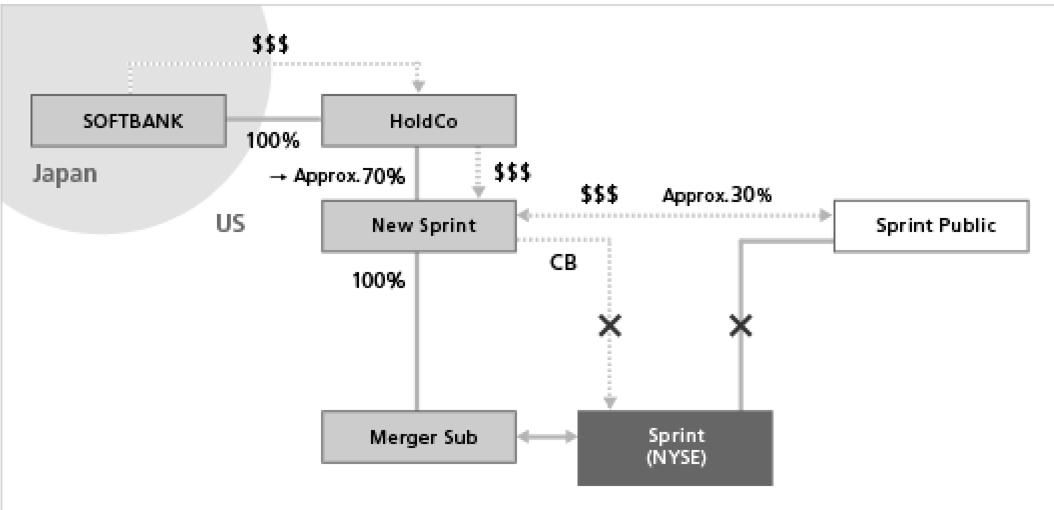
(g) New Sprint is expected to succeed Sprint's New York Stock Exchange listing as a publicly traded company in the US.

Other key terms include:

(a) The Company must pay Sprint a termination fee of USD 600 million if the merger does not close because the Company does not obtain financing.

(b) Sprint must pay the Company a termination fee of USD 600 million if the merger does not close because Sprint accepts a superior offer by a third party.

(c) Sprint must pay up to USD 75 million of the Company's expenses if Sprint's shareholders do not approve the transaction at their shareholder meeting.



[3] Post-transaction (fully-diluted basis)

Post-transaction:

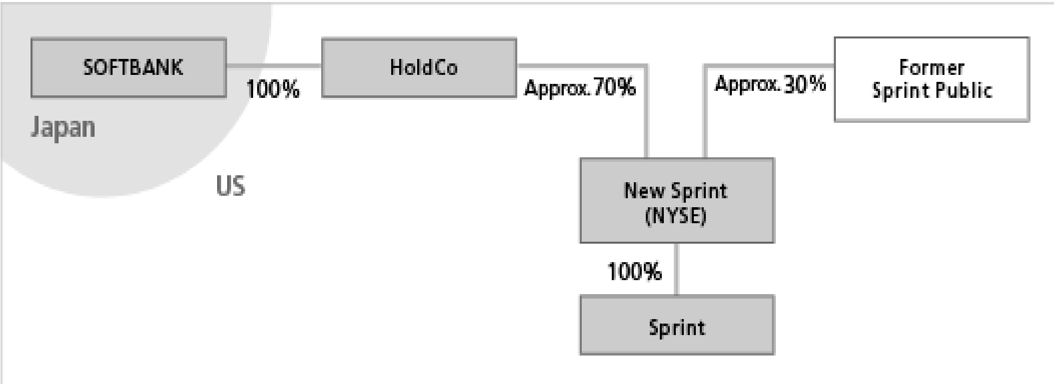
(a) The Company will own, through HoldCo, approximately 70% of New Sprint shares and Sprint shareholders will own approximately 30% of New Sprint shares in aggregate on a fully-diluted basis.

(b) New Sprint will retain USD 4.9 billion of the USD 17.0 billion contribution by the Company, which, in combination with the USD 3.1 billion purchase price for the Bond, represents a USD 8.0 billion dollar contribution to the New Sprint balance sheet.

(c) Sprint's current CEO Dan Hesse will be the CEO of New Sprint.

(d) New Sprint will have a 10-member board of directors, including three members from the current Sprint Board of Directors as well as the CEO.

(e) Sprint's headquarters will continue to be in Overland Park, Kansas.



(3) New Sprint's number of shares to be acquired, acquisition price and state of share ownership before and after acquisition

[1] Number of shares held before transfer	0 shares (number of voting rights: 0) (voting rights holding ratio: 0.0%)
[2] Number of shares to be acquired	3,241,403,146 shares*
[3] Acquisition price	Total amount invested: approx.USD 20.1 billion Advisory fees and others: to be determined
[4] Number of shares held after transfer	3,241,403,146 shares* (number of voting rights: 3,241,403,146) (voting rights holding ratio: 70%)

Note:

* Based on Sprint's fully-diluted shares (as of October 15, 2012, calculated not giving effect to out-of-the-money options) and giving effect to full exercise of the Warrant.

(4) Financing

The transaction is fully funded by cash at hand and a bridge financing facility arranged and underwritten by Mizuho Corporate Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Deutsche Bank AG, Tokyo Branch.

(5) Outline of Sprint

[1] Name	Sprint Nextel Corporation
[2] Address	6200 Sprint Parkway, Overland Park, Kansas
[3] Name and title of representative	Daniel R. Hesse, Chief Executive Officer and President
[4] Business description	Telecommunications
[5] Paid-in capital	USD 46,716 million（as of December 31, 2011）
[6] Date of foundation	November 15, 1938

2. eAccess Ltd. planned to be a wholly-owned subsidiary of the Company through share exchange

The Company and eAccess Ltd. ("eAccess") passed a resolution regarding a share exchange (the "Share Exchange") whereby the Company will become the sole parent company of eAccess and eAccess will become a wholly-owned subsidiary of the Company, at the Board of Directors' meeting held on September 27, 2012 and at the Board of Directors' meeting held on October 1, 2012, respectively, and entered into the share exchange agreement (the "Agreement") on October 1, 2012. In addition, SOFTBANK MOBILE Corp., a consolidated subsidiary of the Company, and eAccess reached a framework agreement on business alliance on October 1, 2012.

(1) Purpose of the Share Exchange

The Group aims to establish a structure which will allow both companies to combine management resources effectively and efficiently, and accelerate the penetration of the mobile broad band service through making eAccess a wholly-owned subsidiary of the Company.

(Effects of making eAccess a wholly-owned subsidiary)

[1] Shared utilization of mobile communications network
[2] Mutual collaboration on efficient operation of base station sites
[3] Creation of synergies

(2) Schedule of Share Exchange

September 27, 2012	Resolution at the Board of Directors' meeting (the Company)
October 1, 2012	Resolution at the Board of Directors' meeting (eAccess)
October 1, 2012	Execution of the Agreement (the Company, eAccess)
February 28, 2013 (tentative)	Effective date of the Share Exchange (date of business combination)

(3) Summary of Share Exchange

The Company will become the sole parent company of eAccess and eAccess will become the wholly-owned subsidiary of the Company upon the Share Exchange.

The Share Exchange is planned to be conducted as a simplified share exchange under Article 796, Paragraph 3, of the Companies Act, which does not require approval of the general meeting of shareholders of the Company, while it requires approval of the general meeting of shareholders of eAccess which is expected to be held around January 2013.

(4) Exchange ratio in Share Exchange and its calculation method

[1] Exchange ratio in Share Exchange

Upon the Share Exchange, the Company will deliver to each shareholder of eAccess (other than the Company) who is recorded in the shareholder registry as of the point in time immediately preceding the acquisition of all of the issued shares of eAccess by the Company through the Share Exchange, the number of the Company common shares calculated by multiplying the total number of eAccess common shares held by the relevant shareholder, by the Exchange Rate (as defined below), in exchange for eAccess shares held by the relevant shareholder; provided, however, that (i) with regard to the shareholders who exercised appraisal rights attached to the eAccess shares held by such shareholders pursuant to Article 785 of the Companies Law, the Company shares will be delivered to eAccess in place of such shareholders and (ii) if the number of shares that shall be delivered to a shareholder includes any fraction less than one (1) share, the Company shall pay to such shareholder money calculated in accordance with Article 234 of the Companies Law, with any fraction less than one (1) yen being rounded up to the nearest yen.

The "Exchange Rate" shall mean 16.74, which is the ratio obtained by dividing 52,000 yen (that is considered as the appraisal value of the common stock of eAccess) by 3,108 yen (the "Base Price") (that is the average of the closing price of regular trading of the common stock of the Company on the Tokyo Stock Exchange during the three (3) months prior to the execution date of the Agreement, with any fraction less than one (1) yen being rounded up to the nearest yen).

Although the Company plans, in principle, to issue shares of common stock of the Company as consideration for the Stock Exchange, the Company may use its treasury stock as the consideration, in whole or in part, at the time of the Share Exchange.

[2] Calculation method of the exchange ratio

The closing price of the common stock of eAccess as of September 28, 2012 is 15,070 yen. The Company and eAccess determined the appraisal value of the common stock of eAccess through mutual consultation, taking into comprehensive consideration the current share prices of eAccess, as well as (i) the mobile communications network held by eAccess, (ii) the customer base held by eAccess, and (iii) synergies that are expected to be generated together with SOFTBANK MOBILE Corp.

To ensure the fairness and appropriateness upon calculation of the share exchange ratio, the Company and eAccess decided to separately engage independent financial advisors to the financial analysis on the share exchange ratio. The Company appointed Mizuho Securities Co., Ltd. and PLUTUS CONSULTING Co., Ltd. eAccess appointed Goldman Sachs Japan Co., Ltd.

(5) Outline of eAccess

[1] Name	eAccess Ltd.
[2] Address	10-1,Toranomon 2-chome Minato-ku, Tokyo
[3] Name and title of representative	Dr. Sachio Semmoto, Representative Director& Chairman
[4] Business description	Broadband IP communication service
[5] Paid-in capital	¥18,500 million（as of March 31,2012）
[6] Date of foundation	November 1, 1999