

**SOFTBANK CORP.**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the nine-month period ended December 31, 2008**

Tokyo, February 5, 2009

**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>Nine-month period ended December 31, 2008</b>	<b>¥1,982,262</b>	-	<b>¥274,690</b>	-	<b>¥174,494</b>	-	<b>¥58,182</b>	-
Nine-month period ended December 31, 2007	¥2,058,765	13.0	¥260,188	31.9	¥231,998	107.9	¥93,196	324.9

	Net income per share—basic (yen)	Net income per share—diluted (yen)
<b>Nine-month period ended December 31, 2008</b>	<b>¥53.84</b>	<b>¥51.29</b>
Nine-month period ended December 31, 2007	¥87.57	¥82.34

**(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 December 31, 2008</b>	<b>¥4,302,673</b>	<b>¥843,697</b>	<b>9.0</b>	<b>¥359.16</b>
As of March 31, 2008	¥4,558,901	¥848,725	8.4	¥355.15

Note: Shareholders' equity (consolidated)

As of December 31, 2008:

¥388,193million

As of March 31, 2008:

¥383,742 million

**2. Dividends**

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
FY 2008	-	0.00	-	2.50	2.50
FY2009	-	0.00	-	-	-
FY 2009 (Forecasted)	-	-	-	2.50	2.50

Revision of forecasts on the dividends: No

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

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

(Millions of yen)

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

Revision of forecasts on the consolidated operation results: No

### 4. Others

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

Note: Please see “Qualitative Information / Financial Statements 5. Others” in details on page 21.

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

- [1] Number of shares issued (including treasury stock):
  - As of December 31, 2008: 1,081,008,978 shares
  - As of March 31, 2008: 1,080,664,578 shares
- [2] Number of treasury stock:
  - As of December 31, 2008: 167,932 shares
  - As of March 31, 2008: 163,811 shares
- [3] Weighted average number of common stock :
  - As of December 31, 2008: 1,080,653,361 shares
  - As of December 31, 2007: 1,064,263,539 shares

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

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

2. The forecasts of the consolidated cash flows from operating activities, the consolidated cash flows from investing activities and the consolidated free cash flow for the fiscal year ending March 31, 2009 were upwardly revised on February 5, 2009. No changes have been made in the forecast of consolidated operating income. For more details, please refer to “3. Qualitative Information on Consolidated Earnings Forecasts” on page 19 and the related press release “Announcement Regarding Revision of Earnings Forecasts” issued on February 5, 2009.

3. “Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March 14, 2007) were applied for the period ended December 31, 2008. The consolidated financial statements for the period ended December 31, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

## Qualitative Information / Financial Statements

### 1. Qualitative Information on Consolidated Results of Operations

<<Summary of Results of Operations>>	
Net sales	¥ 1,982,262 million (3.7% decrease year-on-year)
Operating income	¥274,690 million (5.6% increase year-on-year)
Ordinary income	¥174,494 million (24.8% decrease year-on-year)
Net income	¥58,182 million (37.6% decrease year-on-year)

#### <Overview of results for the period ended December 31, 2008 (nine-month period from April 1, 2008 to December 31, 2008)>

Net sales for the first three quarters of the fiscal year ending March 2009 (nine-month period from April 1, 2008 to December 31, 2008; hereinafter 'the period') totaled ¥1,982,262 million, and operating income came to ¥274,690 million, the highest level of operating income since the SOFTBANK Group (hereinafter 'the Group') was established. Net sales declined in comparison to the same period in the previous fiscal year (nine-month period ended December 31, 2007; hereinafter 'year-on-year'), primarily because of a decline in handset sales in the Mobile Communications segment. Even though operating income in the Mobile Communications segment declined, all other businesses recorded higher operating income, and consolidated operating income increased year-on-year as a result.

#### <Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	663,084	701,660	694,020	717,402	647,255	681,742	<b>653,264</b>	—
Operating income	78,746	89,000	92,441	64,098	85,086	94,913	<b>94,690</b>	—
Ordinary income	51,154	60,010	120,833	26,615	54,272	63,043	<b>57,178</b>	—
Net income	25,130	21,331	46,734	15,427	19,368	21,747	<b>17,066</b>	—

**(1) Net Sales**

Net sales declined ¥76,502 million to ¥1,982,262 million, or 3.7% year-on-year. This decrease was primarily the result of a ¥69,769 million decline in net sales in the Mobile Communications segment on lower handset sales.

**(2) Operating Income**

Operating income totaled ¥274,690 million, an increase of ¥14,501 million, or 5.6%, year-on-year. The main contributions to this growth came from continued cost reductions at SOFTBANK TELECOM Corp. (hereinafter 'SOFTBANK TELECOM') and SOFTBANK BB Corp. (hereinafter 'SOFTBANK BB'), combined with steady income growth at Yahoo Japan Corporation. The Fixed-line Telecommunications segment recorded an increase of 6.6-times to ¥9,611 million, the Internet Culture segment recorded an increase of 9.9% to ¥8,280 million, and the Broadband Infrastructure segment recorded an increase of 20.8% year-on-year, to ¥6,310 million.

The cost of sales for the period was ¥1,019,719 million, down ¥66,388 million, or 6.1%, year-on-year. This decline was due primarily to a lower cost of goods sold for handsets at the Mobile Communications segment and lower telecommunications equipment usage fees at the three telecommunications companies: SOFTBANK TELECOM, SOFTBANK BB and SOFTBANK MOBILE Corp. (hereinafter 'SOFTBANK MOBILE'). Selling, general and administrative expenses came to ¥687,852 million, a decrease of ¥24,615 million, or 3.5%, year-on-year. This decline was primarily attributable to lower sales commissions and sales promotion expenses in the Mobile Communications and Broadband Infrastructure segments.

**(3) Non-operating Income**

Non-operating income came to ¥7,727 million, a decrease of ¥63,690 million, or 89.2%, year-on-year. While recording a ¥61,570 million gain from equity in earnings of affiliated companies in the same period of the previous fiscal year, in the period, a ¥8,471 million equity in loss of affiliated companies was recorded as a non-operating expense. The primary component of the year-earlier gain was ¥57,223 million from the new listing of Alibaba.com Limited, a subsidiary of the Group's equity-method affiliate, Alibaba Group Holding Limited, on the Hong Kong Stock Exchange on November 6, 2007.

**(4) Non-operating Expenses**

Non-operating expenses were ¥107,923 million, an increase of ¥8,315 million, or 8.3% year-on-year. This rise was principally due to interest expense of ¥85,220 million, which grew ¥1,647 million year-on-year. In addition, the deterioration in equity prices during the period led to a downturn in the performance of equity-method applied investment funds, resulting in an equity-method investment loss of ¥8,471 million.

**(5) Special Income**

Special income totaled ¥9,740 million. This came primarily from the recognition of a ¥2,980 million gain from the sale of investment securities and a ¥2,972 million gain on the liquidation of a subsidiary.

**(6) Special Loss**

The special loss came to ¥10,137 million. This was mainly from the recognition of a ¥3,907 million valuation loss on investment securities and a ¥3,673 million unrealized loss on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net.

**(7) Income Taxes and Others**

Current income taxes totaled ¥53,247 million, deferred income taxes came to ¥29,361 million, and ¥33,306 million was recorded as minority interests in net income.

The consolidated financial statements for the period ended December 31, 2008 were prepared following the Regulations for Quarterly Consolidated Financial Statements. Therefore, the financial results of the same period of the previous fiscal year and year-on-year comparisons have been included for reference purposes.

Results by business segment are as follows:

**[Mobile Communications]**

<<Summary of Segment Results>>	
Net sales	¥1,150,822 million (5.7% decrease year-on-year)
Operating income	¥134,911 million (8.8% decrease year-on-year)
Net subscriber additions totaled 1,413,600 for the nine-month period of the fiscal year.	
No. 1 in monthly net additions for 20 consecutive months through December 2008.	
Total number of subscribers reached 19.99 million, of which 17.25 million were 3G subscribers.	

<Analysis of Results>

Net sales were ¥1,150,822 million, down ¥69,769 million, or 5.7%, lower year-on-year. Operating income decreased by ¥13,068 million, or 8.8% year-on-year, to ¥134,911 million. The decrease in net sales was primarily a reflection of a decline in handset sales at SOFTBANK MOBILE, the segment's core company. The decline in operating income reflected the increase of fixed assets depreciation and amortization of software.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	391,668	422,841	406,081	410,260	372,585	401,375	<b>376,861</b>	—
Operating income	43,528	50,691	53,760	26,589	44,273	43,890	<b>46,747</b>	—

<Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) at SOFTBANK MOBILE for January – December 2008 totaled 2,386,300, a record number, including the period SOFTBANK MOBILE operated as J-PHONE and Vodafone. The number of SOFTBANK MOBILE subscribers totaled 19,999,800\*<sup>1</sup> as of the end of the period, for an increase of 1,413,600 subscribers from the end of the previous fiscal year, while market share rose 1.4 percentage points, to 18.9%. In addition, the number of applications for *White Plan*, which has a basic monthly charge of ¥980 (including tax), exceeded 15 million as of November 2008. The number of 3G subscribers totaled 17.25 million, representing more than 80% of total subscribers. SOFTBANK MOBILE continues its efforts to promote the migration to 3G in advance of the scheduled termination of its 2G service on March 31, 2010.

The total number of subscribers surpassed 20 million on January 1, 2009.

\*1. The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers. The number of communication module service subscribers at the end of the period was 32,100.

(Thousands of lines)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net additions	530.8	612.0	561.0	972.7	525.5	521.4	<b>366.6</b>	—
Total	16,440.5	17,052.5	17,613.5	18,586.2	19,111.7	19,633.2	<b>19,999.8</b>	—

#### <Churn Rate and Upgrade Rate>

The churn rate for the third quarter was 0.91%, a 0.28 percentage point improvement from the previous fiscal year, and a 0.07 percentage point improvement from the second quarter. The upgrade rate for the third quarter was 1.67%, a 0.26 percentage point improvement from the previous fiscal year, and a 0.24 percentage point improvement from the second quarter.

(% per month)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Churn rate	1.46	1.42	1.21	1.19	0.98	0.98	<b>0.91</b>	—
(3G only) <sup>*2</sup>	1.07	1.05	0.88	0.85	0.72	0.76	<b>0.69</b>	—
Upgrade rate	2.25	2.67	2.00	1.93	1.27	1.91	<b>1.67</b>	—

\*2. Excludes 3G Prepaid Service.

#### <ARPU and Average Acquisition Commission per User>

Total ARPU<sup>\*3</sup> in the period was ¥4,090, a decline of ¥220 from the end of the previous fiscal year and a ¥80 decline from the second quarter. This decline in total ARPU was a reflection of the special discount for subscribers to *Monthly Discounts*<sup>\*4</sup> and the growth in the number of subscribers to *White Plan*, which has a basic monthly charge of ¥980 (including tax). On the other hand, data ARPU in the third quarter rose ¥190 from the end of the previous fiscal year to ¥1,790, and accounted for 43.7% of total ARPU.

The average acquisition commission per user during the third quarter was ¥38,300.

(Yen per month)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	5,000	4,800	4,520	4,310	4,180	4,170	<b>4,090</b>	—
(Voice)	3,590	3,340	3,040	2,710	2,530	2,460	<b>2,300</b>	—
(Data)	1,410	1,470	1,490	1,600	1,650	1,710	<b>1,790</b>	—

\*3. Average Revenue Per User

\*4. The name of the *New Super Bonus* discount was changed to *Monthly Discounts* on November 1, 2008.

**[Broadband Infrastructure]**

<<Summary of Segment Results>>	
Net sales	¥178,415 million (8.1% decrease year-on-year)
Operating income	¥36,606 million (20.8% increase year-on-year)
Total installed lines for <i>Yahoo! BB ADSL</i> : 4,427,000 (at the end of December 2008).	
Progress was made in improving the operating margin by reducing expenses.	

## &lt;Analysis of Results&gt;

Net sales totaled ¥178,415 million, down ¥15,744 million, or 8.1%, year-on-year. Operating income was ¥36,606 million, which was ¥6,310 million, or 20.8%, higher year-on-year. Revenue from the ADSL business of core company SOFTBANK BB is trending lower on a decline in installed lines, but the trend of profit growth continues because of lower depreciation for telecommunications equipment and leasing expenses etc.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	65,747	64,072	64,340	63,908	60,127	59,911	<b>58,376</b>	—
Operating income	8,665	10,320	11,309	9,404	10,475	11,789	<b>14,341</b>	—

## &lt;Overview of Operations&gt;

The number of installed lines for *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB, totaled 4,427,000 lines at the end of the third quarter, and ARPU on a customer payment basis for the quarter was ¥4,278.

SOFTBANK BB launched the *Yahoo! BB White Plan* two ceilings ADSL service, with a basic rate of as low as ¥980, on December 1, 2008. The *SoftBank Keitai Set Discount*, a bundled service for users of both the *Yahoo! BB White Plan* and SOFTBANK MOBILE 3G phones, was also launched on the same day. By cross-selling with SOFTBANK MOBILE, SOFTBANK BB is creating synergies across the Group companies, which leads to enhanced competitiveness.



**[Fixed-Line Telecommunications]**

<<Summary of Segment Results>>	
Net sales	¥268,655 million ( 1.0% decrease year-on-year)
Operating income	¥11,335 million ( 6.6 times increase year-on-year)
Total installed lines for <i>OTOKU Line</i> : 1,544,000 (at the end of December 2008).	
As a result of fixed cost reduction and increase in number of lines for <i>OTOKU Line</i> , operating income increased 6.6 times year-on-year.	

## &lt;Analysis of Results&gt;

Net sales were ¥268,655 million, down ¥2,797 million, or 1.0%, year-on-year. Operating income totaled ¥11,335 million, an increase of 6.6 times year-on-year. At the core company SOFTBANK TELECOM, revenue from the *OTOKU Line* direct connection fixed-line voice service and from corporate sales of mobile phones continued to increase steadily, but the downward trend in revenue from existing voice services including *MY LINE* and from international telephone services continued. Nevertheless, the segment is showing a trend of profit growth through the improvement of management efficiency including continued fixed cost reduction, and also from the increase in the number of lines with high profitability such as *OTOKU Line* and *Ether Connect*.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	90,486	90,986	89,979	99,288	88,453	90,005	90,196	—
Operating income (loss)	(111)	460	1,375	1,615	798	4,759	5,777	—

## &lt;Overview of Operations&gt;

SOFTBANK TELECOM continues to utilize its core *OTOKU Line* service to expand its corporate customer base. The number of *OTOKU Line* lines installed is increasing steadily, and stood at 1,544,000 as of the end of the period, for an increase of 143,000 from the end of the previous fiscal year. Corporate customers constituted 75.8% of the total number of lines, and this figure continues to rise.

SOFTBANK TELECOM launched the *White Line 24* discount service in June 2008, which provides free domestic voice calls, 24 hours a day, between subscribers of SOFTBANK TELECOM's *OTOKU Line* service and SoftBank mobile phones (*White Plan*). In December 2008, SOFTBANK TELECOM announced the launch of *White Office*, a corporate FMC<sup>\*5</sup> service that will allow mobile phones to be used as extension lines of fixed-line telephones, scheduled for the end of March 2009. SOFTBANK TELECOM will keep working to enhance synergies with the Mobile Communications segment and further strengthen the corporate business.

\*5. FMC: Fixed Mobile Convergence service, telecommunications services that integrate the functions of mobile communications and fixed-line telecommunications.

**[Internet Culture]**

## &lt;&lt;Summary of Segment Results&gt;&gt;

<b>Net sales</b>	<b>¥189,833 million</b>	<b>(7.3% increase year-on-year)</b>
<b>Operating income</b>	<b>¥92,060 million</b>	<b>(9.9% increase year-on-year)</b>

## &lt;Analysis of Results&gt;

Net sales increased by ¥12,908 million year-on-year, or 7.3%, to ¥189,833 million. Operating income increased by ¥8,280 million, or 9.9%, to ¥92,060 million.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	52,796	57,623	66,505	70,717	62,326	63,259	<b>64,247</b>	—
Operating income	27,148	27,766	28,864	31,457	30,542	30,645	<b>30,872</b>	—

## &lt;Overview of Operations&gt;

In the advertising business of Yahoo Japan Corporation, the core company of the segment, display advertising sales grew firmly on the strength of substantial growth in behavioral targeting and demographic targeting advertising compared with the same period in the previous fiscal year, and expansion in the number of partner sites due to the progress in developing the ad network. Paid search advertising sales also advanced favorably compared with the same period in the previous fiscal year due to the full scale start of the interest-linked advertising Interest Match™ and the increase in use of paid search advertising by companies outside the Yahoo Group based on the it's pursuit of an open strategy.

In business services other than advertising, *Yahoo! Shopping* continued its efforts during the period such as developing sales promotions in line with its sales drive during the year-end shopping season as well as simplification of the shopping procedures and the addition of shopping item review functions. As a result, monthly transaction volume for December hit a record high and mobile transaction volume also expanded substantially. Based on their continued efforts to acquire new stores, at the end of December, the number of merchant stores registered on *Yahoo! Shopping* and *Yahoo! Auctions* totaled 32,673, expanding by 2,450 stores, or 8.1% year-on-year. Tenant and commission fees for *Yahoo! Shopping* and *Yahoo! Auctions* also expanded favorably helped by the upward revision in *Yahoo! Auctions* store royalties that began in December.

In the personal service business, due to efforts by the *Yahoo! Premium* service to add special benefits for members, such as member-exclusive services, and to increase value-added content, the number of *Yahoo! Premium* membership IDs rose to a record high and sales expanded favorably. At the end of December, the number of *Yahoo! Premium* membership IDs amounted to 7.26 million IDs, rising 7.7% year-on-year.

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

<b>Net sales</b>	<b>¥192,687 million</b>	<b>(1.2% decrease year-on-year)</b>
<b>Operating income</b>	<b>¥3,802 million</b>	<b>(30.7% increase year-on-year)</b>

## &lt;Analysis of Results&gt;

Net sales were ¥192,687 million, which was ¥2,420 million, or 1.2%, lower year-on-year. Operating income was ¥3,802 million, for a ¥892 million, or 30.7%, year-on-year increase.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	61,660	63,812	69,634	75,615	62,459	65,522	<b>64,706</b>	—
Operating income	1,167	933	809	246	1,009	1,737	<b>1,055</b>	—

## &lt;Overview of Operations&gt;

Core company SOFTBANK BB's commerce & service division posted solid sales of hardware and software to retail customers, but the deterioration in the market environment in autumn 2008 led to a large decline in corporate sales, and net sales declined as a result. On the other hand, continuous improvement of operational efficiency and readjustment of the product mix supported revenue. In addition, *SoftBank SELECTION*, launched in November 2007, began to contribute to earnings as the lineup of mobile phone accessories was expanded and the number of stores handling these products increased.

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

**[Others]**

## &lt;Analysis of Results&gt;

Net sales decreased by ¥8,399 million year-on-year, or 11.2%, to ¥66,564 million. The operating loss was ¥230 million, compared with a loss of ¥3,268 million in the same period of the previous fiscal year.

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

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

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	24,871	26,907	23,184	24,909	21,818	24,189	<b>20,556</b>	—
Operating income (loss)	(689)	38	(2,617)	(1,852)	(758)	3,383	<b>(2,855)</b>	—

**(Reference: Quarterly Results)**

Net sales for the third quarter (three-month period from October 1 to December 31, 2008) totaled ¥653,264 million, a decrease of ¥40,755 million, or 5.9%, year-on-year. Operating income was ¥94,690 million, an increase of ¥2,248 million, or 2.4%, year-on-year.

Ordinary income came to ¥57,178 million, a decrease of ¥63,654 million, or 52.7%, year-on-year. While recording a ¥58,433 million gain from equity in earnings of affiliated companies in the same period of the previous fiscal year, in the third quarter of the current fiscal year, a ¥6,050 million equity in loss under the equity-method, was recorded as a non-operating expense, as the deterioration in equity prices during the period led to a downturn in the performance of equity-method applied investment funds. The primary component of the year-earlier gain was ¥57,223 million from the new listing of Alibaba.com Limited, a subsidiary of the Group's equity-method affiliate, Alibaba Group Holding Limited, on the Hong Kong Stock Exchange on November 6, 2007.

Net income for the third quarter was ¥17,066 million, a decrease of ¥29,667 million, or 63.5%, year-on-year.

Results by business segment are as follows:

**[Mobile Communications]**

Net sales totaled ¥376,861 million, a decrease of ¥29,220 million, or 7.2%, year-on-year. Operating income decreased by ¥7,013 million, or 13.0%, year-on-year to ¥46,747 million. There was a decline in handset sales at SOFTBANK MOBILE. In addition, commissions on handset upgrades declined, but depreciation of fixed assets and amortization of software increased. As a result, operating income decreased.

**[Broadband Infrastructure]**

Net sales came to ¥58,376 million, a decrease of ¥5,964 million, or 9.3%, year-on-year, with a ¥3,032 million, or 26.8%, year-on-year increase in operating income to ¥14,341 million. Net sales at SOFTBANK BB's ADSL business is trending lower on declines in the total number of installed lines, but the steady trend of profit growth continues because of lower depreciation for telecommunications equipment and leasing expenses etc.

**[Fixed-line Telecommunications]**

Net sales were ¥90,196 million, an increase of ¥217 million, or 0.2%, year-on-year. Operating income totaled ¥5,777 million, an increase of ¥4,402 million, or 320.1%, year-on-year. At SOFTBANK TELECOM, revenue from the *MY LINE* and other existing voice services continued to decline. Nevertheless, the segment is showing a trend of profit growth through the improvement of management efficiency including continued fixed cost reduction, and also from the increase of lines with high profitability such as *OTOKU Line* and *Ether Connect*.

**[Internet Culture]**

Net sales totaled ¥64,247 million, a decrease of ¥2,257 million, or 3.4%, year-on-year. Operating income came to ¥30,872 million, an increase of ¥2,007 million, or 7.0%, year-on-year.

**[e-Commerce]**

Net sales were ¥64,706 million, a decrease of ¥4,928 million, or 7.1% year-on-year. However, a ¥246 million, or 30.5%, year-on-year increase in operating income to ¥1,055 million was recorded.

**[Others]**

Net sales were ¥20,556 million, a decrease of ¥2,627 million, or 11.3%, year-on-year. The operating loss amounted to ¥2,855 million compared to ¥2,617 million in the same period of the previous fiscal year.

## 2. Qualitative Information on Consolidated Financial Position

<<Summary of the Consolidated Financial Position>>		
<b>Total assets</b>	<b>¥4,302,673 million</b>	<b>(5.6% decrease year-on-year)</b>
<b>Total liabilities</b>	<b>¥3,458,976 million</b>	<b>(6.8% decrease year-on-year)</b>
<b>Equity</b>	<b>¥843,697 million</b>	<b>(0.6% decrease year-on-year)</b>
<b>Cash flows from operating activities</b>	<b>¥270,768 million provided</b>	
<b>Cash flows from investing activities</b>	<b>¥223,120 million used</b>	
<b>Cash flows from financing activities</b>	<b>¥149,508 million used</b>	
<b>Balance of cash and cash equivalents</b>	<b>¥383,703 million</b>	<b>(¥106,563 million decrease from the end of March 2008)</b>

### 1. Assets, Liabilities and Equity

Assets, liabilities, and equity as of the end of the third quarter were as follows:

#### (1) Current Assets

Current assets decreased by ¥147,261 million from the end of the previous fiscal year, to ¥1,435,483 million. This decrease was primarily due to a decline of ¥107,814 million in cash and deposits as the result of the acquisition of treasury stock by Yahoo Japan Corporation, and the repayment of interest-bearing debt by Yahoo Japan Corporation, SOFTBANK MOBILE and SOFTBANK CORP. (hereinafter 'the Company'). In addition a decrease of ¥22,952 million in deferred tax assets occurred.

In the Mobile Communications segment, SOFTBANK MOBILE procured cash by securitizing a portion of the installment sales receivables from installment sales of mobile handsets. Total cash procured from this securitization in the third quarter came to ¥45,655 million, with ¥57,278 million having been procured during the second quarter (see "(2) Major Financing Activities" on page 17). These procured funds were recorded as borrowings, and entrusted installment sales receivables were recorded as notes and accounts receivable-trade.

**(2) Fixed Assets**

Property and equipment, net, decreased by ¥18,669 million from the end of the previous fiscal year, to ¥1,010,595 million. This decline was primarily due to depreciation and amortization. Intangible assets decreased by ¥700 million from the end of the previous fiscal year, to ¥1,237,608 million. This included a ¥46,398 million increase in goodwill associated with making SOFTBANK TELECOM PARTNERS Corp. a consolidated subsidiary of SOFTBANK TELECOM, and from the acquisition of treasury stock by Yahoo Japan Corporation. This was more than offset, however, by ¥45,992 million in amortization of goodwill mainly relating to SOFTBANK MOBILE and SOFTBANK TELECOM. Investments and other assets decreased by ¥88,443 million from the end of the previous fiscal year, to ¥617,319 million. This decrease was primarily the result of a ¥134,775 million decrease in investment securities associated with a decline in the share price of Yahoo! Inc. in the U.S.

**(3) Current Liabilities**

Current liabilities increased by ¥9,946 million from the end of the previous fiscal year, to ¥1,250,650 million. Although accounts payable-trade decreased by ¥58,963 million and accounts payable-other and accrued expenses decreased by ¥51,435 million, short-term borrowings increased by ¥109,117 million and lease obligations grew ¥13,411 million. Short-term borrowings, primarily by the Company under the credit line facility, increased by ¥85,499 million, and of the funds procured by SOFTBANK MOBILE via the securitization of installment sales receivables, the current portion increased by ¥20,127 million.

**(4) Long-term Liabilities**

Long-term liabilities decreased by ¥261,146 million from the end of the previous fiscal year, to ¥2,208,325 million. This decrease consisted primarily of declines of ¥151,733 million in long-term debt and ¥50,556 million in corporate bonds.

At the Mobile Communications segment, the balance of long-term debt procured by SOFTBANK MOBILE through the whole business securitization financing scheme decreased by ¥68,777 million from the end of the previous fiscal year, to ¥1,207,711 million.

**(5) Equity**

Equity decreased by ¥5,027 million from the end of the previous fiscal year, to ¥843,697 million. Retained earnings increased by ¥55,344 million, but the net unrealized gain on other securities and foreign currency translation adjustments decreased by ¥54,639 million and ¥33,221 million, respectively. The decline in foreign currency translation adjustments was the result of the yen's appreciation at the end of the period, which led to a decline in the value of equity at overseas subsidiaries.

## 2. Cash Flows

During the nine-month period, net cash provided by operating activities was ¥270,768 million, net cash used in investing activities was ¥223,120 million, and net cash used in financing activities was ¥149,508 million. As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the nine-month period totaled ¥47,647 million. At the end of the period, cash and cash equivalents totaled ¥383,703 million, a decrease of ¥106,563 million from the end of the previous fiscal year.

<Trend of Cash Flows>

(Millions of yen)

	Fiscal year ended March 31, 2008				Fiscal year ending March 31, 2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash flows from operating activities	(27,478)	27,922	56,812	101,001	52,899	124,307	93,561	—
Cash flows from investing activities	(111,519)	(115,766)	(46,349)	(48,826)	(90,769)	(74,334)	(58,016)	—
(Reference) free cash flow*	(138,997)	(87,843)	10,462	52,175	(37,869)	49,972	35,545	—
Cash flows from financing activities	218,480	85,045	(2,311)	(16,487)	(32,254)	(49,689)	(67,564)	—
Cash and cash equivalents, beginning of period	377,520	457,727	452,771	460,278	490,266	419,498	419,186	—
Cash and cash equivalents, end of period	457,727	452,771	460,278	490,266	419,498	419,186	383,703	—

\* The combined net cash flows from operating activities and investing activities

### **(1) Cash Flows from Operating Activities: ¥270,768 million net inflow**

Income before income taxes and minority interests for the period totaled ¥174,097 million, while non-cash items included depreciation and amortization of ¥174,736 million and amortization of goodwill of ¥45,992 million. Other adjustment items included interest expense of ¥85,220 million, which were added to income before income taxes and minority interests for the period. Receivables-trade turned to a decline, having an ¥8,528 million positive impact on operating cash flow, while a decline in payables-trade had a negative impact of ¥63,991 million. In addition, interest paid was ¥77,812 million, and income taxes paid by Yahoo Japan Corporation and other entities came to ¥60,576 million.

### **(2) Cash Flows from Investing Activities: ¥223,120 million net outflow**

Capital expenditure in the form of purchases of property and equipment and intangibles, mainly at the telecommunications segments, totaled ¥196,347 million. Purchases of securities and investment securities totaled ¥29,305 million. In addition, SOFTBANK TELECOM's acquisition of additional shares of SOFTBANK TELECOM PARTNERS Corp., making it a consolidated subsidiary of SOFTBANK TELECOM etc., resulted in an outlay of ¥17,530 million for the acquisition of interests in subsidiaries newly consolidated.

As a result, free cash flow for the period was positive at ¥47,647 million.

### **(3) Cash Flows from Financing Activities: ¥149,508 million net outflow**

Proceeds from long-term debt totaled ¥153,276 million, and short-term borrowings increased ¥83,312 million. Proceeds of ¥67,225 million were recorded from the sale and lease back of equipment newly acquired, mainly at the Mobile



Communications segment. In terms of outflows, the repayment of long-term debt and lease obligations totaled ¥268,347 million and ¥60,294 million, respectively. Bond redemptions came to ¥57,703 million, and there was a ¥53,579 million outlay for the purchase of treasury stock of consolidated subsidiaries, mainly at Yahoo Japan Corporation.

## [Reference]

### (1) Major Investing Activities

The major investing activities in the nine-month period were as follows:

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

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

### (2) Major Financing Activities

The major financing activities in the nine-month period were as follows:

Item	Company Name	Details	Summary
Stock buyback by subsidiaries in consolidation	Yahoo Japan Corporation	Implementation of the stock buyback by Yahoo Japan Corporation	Buyback Period: June 2, 2008 to July 10, 2008 Total amount of buyback: ¥51,639 million
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥45,343 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 27, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥57,278 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: September 29, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥45,655 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: December 29, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
Increase or decrease in debt and others	SOFTBANK CORP.	Increase ¥70,499 million (net)	
	SOFTBANK MOBILE Corp.	Decrease ¥68,777 million	Repayment of funds raised via the whole business securitization financing scheme
	SOFTBANK TELECOM Corp.	Decrease ¥11,382 million	
	Yahoo Japan Corporation	Decrease ¥20,000 million	

Item	Company Name	Details	Summary
Bond redemption	SOFTBANK CORP.	20th Unsecured Straight Bond	Date of redemption: June 9, 2008 Aggregate amount of redemption: ¥12,500 million
		21st Unsecured Straight Bond	Date of redemption: September 12, 2008 Aggregate amount of redemption: ¥20,000 million
		23rd Unsecured Straight Bond	Date of redemption: November 28, 2008 Aggregate amount of redemption: ¥20,000 million
Implementation of capital investment through finance lease agreements	SOFTBANK MOBILE Corp. etc.	Implementation of capital expenditure mainly for mobile communications utilizing lease agreements	Funds procured during this period : ¥67,225 million

### 3. Qualitative Information on Consolidated Earnings Forecasts

In the Consolidated Financial report for the interim period ended September 30, 2008 (six-month period from April 1 to September 30, 2008) released on October 29, 2008, the Group disclosed the business forecast of consolidated operating income, consolidated cash flows from operating activities, consolidated cash flows from investing activities and consolidated free cash flow. In view of the latest earnings trends, the consolidated cash flows from operating activities, the consolidated cash flows from investing activities and the consolidated free cash flow have been revised upwardly. No changes have been made in the forecast of consolidated operating income. For more details, please refer to the related press release "Announcement Regarding Revision of Earnings Forecasts" issued on February 5, 2009.

The Group will continue to put efforts into cash flow focused operations in order to further enhance the free cash flow.

<Business Forecast>

(Billions of yen)

	Actual of fiscal year ended March 31, 2008 (FY2007)	Forecast of fiscal year ending March 31, 2009 (FY2008)	Forecast of fiscal year ending March 31, 2010 (FY2009)
Consolidated operating income	324.2	340.0	420.0
Consolidated cash flows from operating activities	158.2	420.0 - 430.0	500.0
Consolidated cash flows from investing activities	(322.4)	(280.0) - (270.0)	(250.0)
Consolidated free cash flow*	(164.2)	150.0	250.0

\* The combined net consolidated cash flows from operating activities and investing activities

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

#### 4. The SOFTBANK Group

As of December 31, 2008, the Group comprises of the Company (pure holding company) and the following nine business segments. The number of consolidated subsidiaries and equity-method companies in each business segment is as follows.

Business segments	Consolidated subsidiaries	Equity-method non-consolidated subsidiaries and affiliates	Main business of segment and name of business
Mobile Communications	6	2	Provision of mobile communication services and sale of mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
Broadband Infrastructure	4	3	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp. <sup>(*)</sup> )
Fixed-line Telecommunications	4	-	Provision of fixed-line telecommunications and data center service etc. (Core companies: SOFTBANK IDC Corp., SOFTBANK TELECOM Corp. <sup>(*)</sup> )
Internet Culture	15	19	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation <sup>(*)</sup> )
e-Commerce	7	4	Distribution of PC software and hardware including PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platforms (B2B) and consumer-related e-commerce (B2C) etc. (Core companies: SOFTBANK BB Corp. <sup>(*)</sup> Vector Inc., Carview Corporation)
Others <sup>(**)</sup>	69	50	Technology Services, Media & Marketing, Overseas Funds, and Other businesses (Core companies: SOFTBANK TECHNOLOGY CORP., SOFTBANK Creative Corp., ITmedia Inc., Fukuoka Softbank Hawks Marketing Corp.)
Total	105	78	

(Notes)

\*1. SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation are included in as consolidated subsidiaries in the Broadband Infrastructure, Fixed-line Telecommunications and Internet Culture segments, respectively, while SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation operate multiple businesses and their operating results are allocated to multiple business segments.

\*2. Broadmedia Corporation, which belonged to the Broadmedia segment that was previously included in Others above, changed from a consolidated subsidiary to an equity-method affiliate as the result of a capital increase via third-party allotment of shares implemented on May 16, 2008. The Broadmedia segment was therefore disbanded in the first quarter.

#### [Listed Companies]

The following 5 SOFTBANK subsidiaries are listed on domestic stock exchanges as of December 31, 2008:

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

## 5. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries)  
There are no significant changes in scope of consolidation as of December 31, 2008.
- (2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements  
There are no applicable items.
- (3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements

[1] Application of accounting standard for quarterly financial reporting and its implementation guidance  
“Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March 14, 2007) were applied for the period ended December 31, 2008. The consolidated financial statements for the period ended December 31, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

[2] Application of accounting standard for measurement of inventories  
Prior to April 1, 2008, inventories held for sale in the ordinary course of business were measured by primarily cost determined by the moving-average method. “Accounting Standard for Measurement of Inventories”(ASBJ Statement No.9 issued on July 5, 2006), which is effective for fiscal years beginning on or after April 1, 2008, was adopted for the period ended December 31, 2008. Due to the application of the accounting standard, inventories are measured by primarily net selling value determined by the moving-average method. The effect of this change is not material.

[3] Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements  
“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”(ASBJ PITE No.18 issued on May 17, 2006) was applied for the period ended December 31, 2008 and the necessary adjustments are reflected in the consolidated financial statements. The effect of this change is not material.

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

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

## 6. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥383,346	¥491,161
Notes and accounts receivable - trade	883,263	887,723
Marketable securities	3,960	4,928
Merchandise	48,025	58,118
Deferred tax assets	82,897	105,850
Other current assets	129,410	103,351
Less:		
Allowance for doubtful accounts	(95,421)	(68,388)
Total current assets	1,435,483	1,582,744
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	73,797	75,781
Telecommunications equipment	741,680	744,037
Telecommunications service lines	81,170	86,062
Land	22,559	23,442
Construction in progress	38,231	45,576
Other	53,154	54,364
Total property and equipment	1,010,595	1,029,265
<b>Intangible assets, net:</b>		
Goodwill	974,321	974,435
Software	224,930	224,180
Other intangibles	38,356	39,693
Total intangible assets	1,237,608	1,238,309
<b>Investments and other assets:</b>		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	330,222	464,997
Deferred tax assets	124,547	126,887
Other assets	167,461	118,491
Less:		
Allowance for doubtful accounts	(4,911)	(4,613)
Total investments and other assets	617,319	705,763
Total fixed assets	2,865,523	2,973,337
<b>Deferred charges</b>	1,666	2,818
<b>Total assets</b>	¥4,302,673	¥4,558,901

**Consolidated Balance Sheets**

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥128,315	¥187,279
Short-term borrowings	557,689	448,571
Current portion of corporate bonds	45,000	52,540
Accounts payable - other and accrued expenses	313,015	364,450
Income taxes payable	34,656	35,079
Current portion of lease obligations	83,181	69,770
Other current liabilities	88,791	83,012
<b>Total current liabilities</b>	<b>1,250,650</b>	<b>1,240,704</b>
<b>Long-term liabilities:</b>		
Corporate bonds	394,655	445,211
Long-term debt	1,434,912	1,586,645
Deferred tax liabilities	32,463	41,977
Liability for retirement benefits	15,583	16,158
Allowance for point mileage	40,272	43,809
Lease obligations	236,038	241,496
Other liabilities	54,400	94,172
<b>Total long-term liabilities</b>	<b>2,208,325</b>	<b>2,469,472</b>
<b>Total liabilities</b>	<b>3,458,976</b>	<b>3,710,176</b>
<b>Equity:</b>		
Common stock	187,670	187,422
Additional paid-in capital	211,988	211,740
Accumulated deficit	(36,400)	(91,744)
Less: Treasury stock	(212)	(206)
<b>Total shareholders' equity</b>	<b>363,046</b>	<b>307,213</b>
Unrealized gain on available-for-sale securities	26,274	80,914
Deferred gain (loss) on derivatives under hedge accounting	24,655	(11,823)
Foreign currency translation adjustments	(25,783)	7,437
<b>Total valuation and translation adjustments</b>	<b>25,146</b>	<b>76,529</b>
Stock acquisition rights	245	120
Minority interests	455,259	464,862
<b>Total equity</b>	<b>843,697</b>	<b>848,725</b>
<b>Total liabilities and equity</b>	<b>¥4,302,673</b>	<b>¥4,558,901</b>

**(2) Consolidated Statements of Income**
**For the nine-month period ended December 31, 2008**

(Millions of yen)

	<b>Nine-month period ended December 31, 2008</b>
	<b>April 1, 2008 to December 31, 2008</b>
	<b>Amount</b>
<b>Net sales</b>	¥1,982,262
<b>Cost of sales</b>	1,019,719
<b>Gross Profit</b>	962,543
<b>Selling, general and administrative expenses</b>	687,852
<b>Operating income</b>	274,690
Interest income	1,092
Foreign exchange gain, net	1,309
Other non-operating income	5,325
<b>Non-operating income</b>	7,727
Interest expense	85,220
Equity in loss of affiliated companies	8,471
Other non-operating expenses	14,231
<b>Non-operating expenses</b>	107,923
<b>Ordinary income</b>	174,494
Gain on sale of investment securities	2,980
Dilution gain from changes in equity interest	2,407
Gain on liquidation of a subsidiary	2,972
Other special income	1,380
<b>Special income</b>	9,740
Valuation loss on investment securities	3,907
Unrealized loss on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	3,673
Other special losses	2,556
<b>Special loss</b>	10,137
<b>Income before income taxes and minority interests</b>	174,097
<b>Income taxes:</b>	
Current	53,247
Deferred	29,361
<b>Total income taxes</b>	82,609
<b>Minority interests in net income</b>	33,306
<b>Net income</b>	¥58,182



**For the three-month period ended December 31, 2008**

(Millions of yen)

	<b>Three-month period ended December 31, 2008</b>
	<b>October 1, 2008 to December 31, 2008</b>
	<b>Amount</b>
<b>Net sales</b>	¥653,264
<b>Cost of sales</b>	329,582
<b>Gross Profit</b>	323,682
<b>Selling, general and administrative expenses</b>	228,992
<b>Operating income</b>	94,690
Interest income	226
Foreign exchange gain, net	691
Other non-operating income	2,142
<b>Non-operating income</b>	3,059
Interest expense	28,159
Equity in loss of affiliated companies	6,050
Other non-operating expenses	6,360
<b>Non-operating expenses</b>	40,570
<b>Ordinary income</b>	57,178
Gain on liquidation of a subsidiary	2,972
Other special income	553
<b>Special income</b>	3,525
Valuation loss on investment securities	784
Unrealized loss on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	497
Other special losses	541
<b>Special loss</b>	1,822
<b>Income before income taxes and minority interests</b>	58,881
<b>Income taxes:</b>	
Current	18,814
Deferred	11,959
<b>Total income taxes</b>	30,774
<b>Minority interests in net income</b>	11,040
<b>Net income</b>	¥17,066

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

(Millions of yen)

	Nine-month period ended December 31, 2008
	April 1, 2008 to December 31, 2008
<b>Cash flows from operating activities:</b>	
Income before income taxes and minority interests	¥174,097
Adjustments for:	
Depreciation and amortization	174,736
Amortization of goodwill	45,992
Equity in loss of affiliated companies	8,471
Dilution gain from changes in equity interest, net	(2,333)
Valuation loss on investment securities	3,907
Unrealized loss on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	3,673
Gain on sales of marketable and investment securities, net	(2,917)
Foreign exchange gain, net	(714)
Interest and dividend income	(1,875)
Interest expense	85,220
Changes in operating assets, and liabilities	
Decrease in receivables - trade	8,528
Decrease in payables - trade	(63,991)
Other, net	(25,567)
Sub-total	407,226
Interest and dividends received	1,930
Interest paid	(77,812)
Income taxes paid	(60,576)
Net cash provided by operating activities	270,768

- Continued -

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

(Millions of yen)

	Nine-month period ended December 31, 2008
	April 1, 2008 to December 31, 2008
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment, and intangibles	¥ (196,347)
Purchase of marketable and investment securities	(29,305)
Proceeds from sale of marketable and investment securities	14,625
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(17,530)
Other, net	5,437
Net cash used in investing activities	(223,120)
<b>Cash flows from financing activities:</b>	
Increase in short-term borrowings, net	83,312
Proceeds from long-term debt	153,276
Repayment of long-term debt	(268,347)
Redemption of bonds	(57,703)
Exercise of warrants	495
Proceeds from issuance of shares to minority shareholders	952
Cash dividends paid	(2,674)
Cash dividends paid to minority shareholders	(4,121)
Purchase of treasury stock of subsidiaries in consolidation	(53,579)
Proceeds from sale and lease back of equipment newly acquired	67,225
Repayment of lease obligations	(60,294)
Other, net	(8,048)
Net cash used in financing activities	(149,508)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(3,062)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(104,922)</b>
<b>Increase in cash and cash equivalents due to inclusion of newly consolidated subsidiaries</b>	<b>169</b>
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	<b>(1,810)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>490,266</b>
<b>Cash and cash equivalents, end of the period</b>	<b>¥383,703</b>

“Accounting Standard for Quarterly Financial Reporting and its Implementation Guidance” (ASBJ Statement No.12 issued on March 14, 2007) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14 issued on March 14, 2007) were applied for the period ended December 31, 2008. The consolidated financial statements for the period ended December 31, 2008 were prepared by following “Regulations for Quarterly Consolidated Financial Statements”.

#### **(4) Notes to Assumption of a Going Concern**

There are no applicable items.

#### **(5) Basis of Presentation of Quarterly Consolidated Financial Statements**

(Items described “Qualitative Information/Financial Statements 5. Others” on page 21 are excluded.)

##### **1. Changes in scope of consolidation**

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

<Increase>

7 companies

Significant changes:

SOFTBANK TELECOM PARTNERS Corp.      Additionally acquired

<Decrease>

11 companies

Significant changes:

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

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

105 companies

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

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

<Increase>

15 companies

Significant changes:

Broadmedia Corporation      Changed from a consolidated subsidiary

<Decrease>

4 companies

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

Non-consolidated subsidiaries under the equity method: 4 companies

Affiliated companies under the equity method: 74 companies

##### **3. Application of consolidated taxation system**

BB Mobile Corp., SOFTBANK MOBILE Corp., and its 4 subsidiaries, all of which are subsidiaries of the Company, adopted the consolidated taxation system.

## (6) Notes

### (Consolidated Balance Sheets)

#### 1. Accumulated depreciation of property and equipment

<b>As of December 31, 2008</b>	As of March 31, 2008
<b>940,230 million yen</b>	837,286 million yen

#### 2. Contingent liability

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

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

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

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

SOFTBANK MOBILE received notices of the default of 6 referenced entities as of December 31, 2008 from Goldman Sachs International, the arranger of the CDO.

As of December 31, 2008			
Subject Bonds	Issue date	Maturity date	Amount of transferred bond
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. Assets pledged as collateral

#### (1) For future lease liabilities

	As of December 31, 2008	As of March 31, 2008
<u>Assets pledged as collateral:</u>		
Notes and accounts receivable - trade	<b>9,595 million yen</b>	10,181 million yen
In addition to above, amounts eliminated in the consolidated balance sheets as an intercompany balance:		
Notes and accounts receivable - trade	<b>13,413 million yen</b>	13,787 million yen

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

	As of December 31, 2008	As of March 31, 2008
Future lease liabilities (finance lease accounted for as operating lease transactions)	<b>5,321 million yen</b>	8,121 million yen

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

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

	As of December 31, 2008	As of March 31, 2008
<u>Assets pledged as collateral:</u>		
Cash and deposits	<b>158,243</b>	220,801
Notes and accounts receivable - trade	<b>359,837</b>	330,157
Other current assets	-	10
Buildings and structures	<b>13,411</b>	13,872
Telecommunications equipment	<b>249,181</b>	268,494
Telecommunications service lines	<b>191</b>	170
Land	<b>15,611</b>	15,576
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	<b>59,023</b>	152,638
Investments and other assets - other assets	-	240
Total	<b>855,500 million yen</b>	1,001,961 million yen
	As of December 31, 2008	As of March 31, 2008
<u>Secured liabilities:</u>		
Accounts payable - trade	<b>1,204</b>	1,447
Short-term borrowings	<b>3,818</b>	4,724
Long - term debt	<b>1,302,484</b>	1,378,900
Total	<b>1,307,508 million yen</b>	1,385,072 million yen

SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,207,711 million) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

The funds procured through the securitization of installment sales receivables of SOFTBANK Mobile, in the amount of ¥185,999 million and ¥32,830 million, are recorded as "Short-term borrowings" and "Long-term debt," respectively, as of December 31, 2008. The installment sales receivables, equivalent to ¥218,829 million which is the amount of senior trust certificate of the securitized installment sales receivables for this procurement, is included in "Notes and account receivable-trade," along with the amount of trust beneficial certificate held by the SOFTBANK MOBILE. Trustee procured the funds through asset backed loans, which are backed by these installment sales receivables.

**(Consolidated Statements of Income)**
**For the nine-month period ended December 31, 2008**
**1. Selling, general and administrative expenses**

	<b>Nine-month period ended December 31, 2008</b>
Sales commission and sales promotion expense	<b>292,357 million yen</b>
Provision for allowance for doubtful accounts	<b>30,181</b>

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

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

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

	<b>Nine-month period ended December 31, 2008</b>
Unrealized loss on valuation of investment at subsidiaries in the U.S.,net	<b>(3,725)</b>
Gain on sale of investments at subsidiaries in the U.S.,net	<b>52</b>
Total	<b>(3,673) million yen</b>

**For the three-month period ended December 31, 2008**
**1. Selling, general and administrative expenses**

	<b>Three-month period ended December 31, 2008</b>
Sales commission and sales promotion expense	97,778 million yen
Provision for allowance for doubtful accounts	7,433

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

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

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

	<b>Three-month period ended December 31, 2008</b>
Unrealized loss on valuation of investment at subsidiaries in the U.S.,net	(558)
Gain on sale of investments at subsidiaries in the U.S.,net	61
Total	(497) million yen

**(Consolidated Statements of Cash Flows)**
**For the nine-month period ended December 31, 2008**
**1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets**

	<b>As of December 31, 2008</b>
Cash and deposits	383,346
Marketable securities	3,960
Time deposits with original maturity over three months	(460)
Stocks and bonds with original maturity over three months	(3,143)
Cash and cash equivalents	383,703 million yen

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

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

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

Once SOFTBANK MOBILE purchases telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE sells the equipment to lease companies for sale and lease back purpose. The leased asset and lease obligation are recorded in the consolidated balance sheets.

The cash outflows from the purchase of the equipment from vendors are included in “Purchase of property and equipment, and intangibles” and the cash inflows from the sale of the equipment to lease companies are included in “Proceeds from sale and lease back of equipment newly acquired.”



**(Leases)**
**Finance lease transactions**

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

**(As a lessee)**

- (1) Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods
- [1] Details of lease assets are as follows:
- Tangible assets, mainly telecommunications equipment in the Mobile Communications segment.
- [2] Depreciation method for lease assets
- The depreciation method is the same as the method used for fixed assets possessed by each subsidiary.
- (2) Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods
- [1] Details of lease assets are as follows:
- Tangible assets, 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 the note of as if capitalized information is as follows:

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

	As of December 31, 2008		As of March 31, 2008	
Telecommunications equipment and telecommunications service lines				
Acquisition cost	<b>172,415</b>		179,479	
Accumulated depreciation	<b>(74,022)</b>		(66,202)	
Accumulated impairment loss	<b>(30,521)</b>		(30,521)	
Net leased property	<b>67,871</b>	<b>million yen</b>	82,755	million yen
Buildings and structures				
Acquisition cost	<b>47,004</b>		47,005	
Accumulated depreciation	<b>(9,212)</b>		(7,429)	
Accumulated impairment loss	<b>-</b>		-	
Net leased property	<b>37,792</b>	<b>million yen</b>	39,575	million yen
Property and equipment - others				
Acquisition cost	<b>16,701</b>		17,979	
Accumulated depreciation	<b>(7,503)</b>		(6,302)	
Accumulated impairment loss	<b>(1,077)</b>		(1,253)	
Net leased property	<b>8,120</b>	<b>million yen</b>	10,423	million yen
Intangible assets				
Acquisition cost	<b>9,856</b>		9,373	
Accumulated depreciation	<b>(4,835)</b>		(3,353)	
Accumulated impairment loss	<b>(171)</b>		(169)	
Net leased property	<b>4,849</b>	<b>million yen</b>	5,851	million yen
Total				
Acquisition cost	<b>245,978</b>		253,838	
Accumulated depreciation	<b>(95,573)</b>		(83,288)	
Accumulated impairment loss	<b>(31,770)</b>		(31,943)	
Net leased property	<b>118,633</b>	<b>million yen</b>	138,606	million yen

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, for the period ended December 31, 2008 and March 31, 2008 are ¥20,924 million and ¥15,053 million, respectively and are included in "Other assets" of investments and other assets in the consolidated balance sheets.

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

	As of December 31, 2008	As of March 31, 2008
Due within one year	31,717	32,482
Due after one year	117,789	141,179
Total	<b>149,506 million yen</b>	173,662 million yen
Balance of allowance for impairment loss on leased property	<b>16,499 million yen</b>	21,601 million yen

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

	Nine-month period ended December 31, 2008	Fiscal year ended March 31, 2008
Lease payments	<b>31,357 million yen</b>	44,329 million yen
Reversal of allowance for impairment loss on leased property	<b>5,036</b>	5,387
Depreciation expense	<b>20,310</b>	30,917
Interest expense	<b>8,241</b>	12,788
Impairment loss	-	8,818

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

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

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

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

(Millions of yen)

	As of December 31, 2008			As of March 31, 2008		
	Investment Cost	Carrying Amount	Differences	Investment Cost	Carrying Amount	Differences
(1) Equity securities	27,447	73,519	46,071	29,219	171,676	142,456
(2) Debt securities						
Corporate bonds	142	142	-	-	-	-
(3) Others	2,861	2,845	(16)	1,320	1,318	(2)
Total	30,452	76,507	46,054	30,540	172,994	142,454

**2. Carrying amounts of the unlisted investment securities**

(Millions of yen)

	As of December 31, 2008	As of March 31, 2008
	Carrying Amounts	Carrying Amounts
(1) Held-to-maturity debt securities		
Foreign debt securities	¥700	¥700
Debt securities	398	368
(2) Available-for-sale and other securities		
Equity securities	78,582	91,446
Investments in limited partnerships	6,748	6,725
Money Management Fund	-	2,519
Foreign debt securities	-	958
Others	722	1,058
Total	¥87,152	¥103,777

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

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

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

As of December 31, 2008

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets: 18,392 million yen

As of March 31, 2008

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

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

	As of December 31, 2008	As of March 31, 2008
Shareholders' equity per share (yen)	¥359.16	¥355.15

**2. Net income per share and basic data for computation of the per share data**
**For the nine-month period ended December 31, 2008**

	April 1, 2008 to December 31, 2008
Net income per share - primary (yen)	¥53.84
Net income per share - diluted (yen)	51.29

Basic data for computation of the per share data	April 1, 2008 to December 31, 2008
1. Net income (in millions of yen)	58,182
2. Amounts not allocated to shareholders (in millions of yen)	-
3. Net income allocated to common stock outstanding (in millions of yen)	58,182
4. Weighted average number of common stock outstanding during period (unit: thousand of shares)	1,080,653
5. Adjustment for net income used to calculate diluted net income per share (in millions of yen)	
- Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(27)
- Interest expense (net of tax)	1,167
- Total	1,140
6. Increase of common stock used to calculate diluted net income per share (unit: thousand of shares)	75,975
7. Residual securities which do not dilute net income per share and have significant changes from the end of previous fiscal year	-

**For the three-month period ended December 31, 2008**

	<b>October 1, 2008 to December 31, 2008</b>
Net income per share - primary (yen)	<b>¥15.79</b>
Net income per share - diluted (yen)	<b>15.09</b>

Basic data for computation of the per share data	<b>October 1, 2008 to December 31, 2008</b>
1. Net income (in millions of yen)	<b>17,066</b>
2. Amounts not allocated to shareholders (in millions of yen)	-
3. Net income allocated to common stock outstanding (in millions of yen)	<b>17,066</b>
4. Weighted average number of common stock outstanding during period (unit: thousand of shares)	<b>1,080,783</b>
5. Adjustment for net income used to calculate diluted net income per share (in millions of yen)	
- Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(7)
- Interest expense (net of tax)	<b>389</b>
- Total	<b>381</b>
6. Increase of common stock used to calculate diluted net income per share (unit: thousand of shares)	<b>75,648</b>
7. Residual securities which do not dilute net income per share and have significant changes from the end of previous fiscal year	-

## (7) Segment Information

### 1. Business segment information

For the nine-month period ended December 31, 2008 (From April 1, 2008 to December 31, 2008)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,144,846	¥173,958	¥235,976	¥187,278	¥184,460	¥55,742	¥1,982,262	¥ -	¥1,982,262
(2) Inter-segment	5,975	4,456	32,678	2,555	8,227	10,822	64,715	(64,715)	-
Total	1,150,822	178,415	268,655	189,833	192,687	66,564	2,046,978	(64,715)	1,982,262
Operating income (loss)	134,911	36,606	11,335	92,060	3,802	(230)	278,485	(3,795)	274,690

For the three-month period ended December 31, 2008 (From October 1, 2008 to December 31, 2008)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥374,679	¥56,988	¥79,347	¥63,136	¥62,168	¥16,944	¥653,264	¥ -	¥653,264
(2) Inter-segment	2,181	1,388	10,849	1,111	2,537	3,611	21,680	(21,680)	-
Total	376,861	58,376	90,196	64,247	64,706	20,556	674,945	(21,680)	653,264
Operating income (loss)	46,747	14,341	5,777	30,872	1,055	(2,855)	95,938	(1,248)	94,690

#### Notes:

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.
- Regarding the main business segments, please see “Qualitative Information / Financial Statements 4. The SOFTBANK Group” in details on page 20.

## 2. Geographic segment information

For the nine-month period ended December 31, 2008 (From April 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥1,971,335	¥811	¥10,115	¥1,982,262	¥-	¥1,982,262
(2)Inter-segment	308	-	-	308	(308)	-
Total	1,971,644	811	10,115	1,982,571	(308)	1,982,262
Operating income (loss)	277,254	2,459	(390)	279,322	(4,632)	274,690

For the three-month period ended December 31, 2008 (From October 1, 2008 to December 31, 2008)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥649,496	¥242	¥3,525	¥653,264	¥-	¥653,264
(2)Inter-segment	88	-	-	88	(88)	-
Total	649,585	242	3,525	653,353	(88)	653,264
Operating income (loss)	96,565	(451)	(151)	95,961	(1,271)	94,960

Notes:

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

2. Significant countries in each region are as follows:

North America : United States of America and Canada

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

3. In the North America segment, Softbank Holdings Inc., a consolidated subsidiary of the company in the United States of America, reversed a tax reserve for net worth taxes of ¥3,502 million and credited it to operating expenses.

## 3. Overseas sales

Disclosure of overseas sales for the nine-month and the three-month period ended December 31, 2008 is omitted because the total overseas sales are less than 10% of total consolidated sales.

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

There are no applicable items.

[For Reference]

**Consolidated Financial Statements for the nine-month and three-month period ended December 31, 2007**

**(1) Summary of Consolidated Statements of Income**

(Millions of yen)

	Nine-month period ended December 31, 2007
	April 1, 2007 to December 31, 2007
	Amount
<b>Net sales</b>	¥2,058,765
<b>Cost of sales</b>	1,086,108
<b>Gross Profit</b>	972,656
<b>Selling, general and administrative expenses</b>	712,467
<b>Operating income</b>	260,188
Interest income	2,201
Foreign exchange gain, net	3,750
Equity in earnings of affiliated companies	61,570
Other non-operating income	3,894
<b>Non-operating income</b>	71,417
Interest expense	83,573
Other non-operating expenses	16,034
<b>Non-operating expenses</b>	99,607
<b>Ordinary income</b>	231,998
Gain on sale of investment securities	5,925
Dilution gain from changes in equity interest	3,123
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	17,341
Other special income	5,479
<b>Special income</b>	31,870
Valuation loss on investment securities	11,760
Loss on disposal of fixed assets	9,493
Impairment loss	8,818
Loss on unused telecommunications supplies	12,006
Other special losses	4,525
<b>Special loss</b>	46,603
<b>Income before income taxes and minority interests</b>	217,265
<b>Income taxes:</b>	
Current	30,266
Deferred	63,875
<b>Total income taxes</b>	94,142
<b>Minority interests in net income</b>	29,925
<b>Net income</b>	¥93,196



(Millions of yen)

	Three-month period ended December 31, 2007
	October 1, 2007 to December 31, 2007
	Amount
<b>Net sales</b>	¥694,020
<b>Cost of sales</b>	367,244
<b>Gross Profit</b>	326,775
<b>Selling, general and administrative expenses</b>	234,333
<b>Operating income</b>	92,441
Interest income	663
Foreign exchange gain, net	1,144
Equity in earnings of affiliated companies	58,433
Other non-operating income	989
<b>Non-operating income</b>	61,231
Interest expense	28,198
Other non-operating expenses	4,642
<b>Non-operating expenses</b>	32,840
<b>Ordinary income</b>	120,833
Gain on sale of fixed assets	2,731
Gain on sale of investment securities	1,218
Other special income	575
<b>Special income</b>	4,525
Valuation loss on investment securities	1,594
Unrealized loss on investments and gain on sale of investments at subsidiaries in the U.S., net	1,483
Loss on disposal of fixed assets	5,500
Impairment loss	8,818
Loss on unused telecommunications supplies	12,006
Other special losses	1,621
<b>Special loss</b>	31,024
<b>Income before income taxes and minority interests</b>	94,334
<b>Income taxes:</b>	
Current	13,458
Deferred	24,800
<b>Total income taxes</b>	38,258
<b>Minority interests in net income</b>	9,341
<b>Net income</b>	¥46,734

**(2) Summary of Consolidated Statements of Cash Flows**

(Millions of yen)

	Nine-month period ended December 31, 2007
	April 1, 2007 to December 31, 2007
<b>Cash flows from operating activities:</b>	
Income before income taxes and minority interests	¥217,265
Adjustments for:	
Depreciation and amortization	163,277
Amortization of goodwill	44,261
Equity in earnings of affiliated companies	(61,570)
Dilution gain from changes in equity interest, net	(848)
Impairment loss	8,818
Valuation loss on investment securities	11,760
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	(17,341)
Gain on sale of marketable and investment securities, net	(6,190)
Foreign exchange gain, net	(3,572)
Interest and dividend income	(2,577)
Interest expense	83,573
Changes in operating assets, and liabilities	
Increase in receivables-trade	(221,519)
Decrease in payables-trade	(41,614)
Other, net	10,674
Sub-total	184,392
Interest and dividends received	2,349
Interest paid	(76,925)
Income taxes paid	(52,560)
Net cash provided by operating activities	57,256

- Continued -

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

(Millions of yen)

	Nine-month period ended December 31, 2007
	April 1, 2007 to December 31, 2007
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment, and intangibles	¥ (283,706)
Purchase of marketable and investment securities	(36,087)
Proceeds from sale of marketable and investment securities	31,526
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	2,674
Sale of interests in subsidiaries previously consolidated, net	(134)
Proceeds from sale of interests in consolidated subsidiaries	1,012
Other, net	11,080
Net cash used in investing activities	(273,635)
<b>Cash flows from financing activities:</b>	
Decrease in short-term borrowings, net	(78,309)
Decrease in commercial paper, net	(5,000)
Proceeds from long-term debt	224,542
Repayment of long-term debt	(174,891)
Proceeds from issuance of bonds	89,463
Redemption of bonds	(23,932)
Exercise of warrants	44,768
Proceeds from issuance of shares to minority shareholders	6,865
Cash dividends paid	(2,635)
Cash dividends paid to minority shareholders	(3,547)
Purchase of treasury stock of subsidiaries in consolidation	(316)
Proceeds from sale and lease back of equipment newly acquired	282,726
Decrease in cash receipts as collateral, net	(20,000)
Repayment of lease obligations	(33,412)
Other, net	(5,105)
Net cash provided by financing activities	301,215
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,307)
<b>Net increase in cash and cash equivalents</b>	83,529
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(771)
<b>Cash and cash equivalents, beginning of the period</b>	377,520
<b>Cash and cash equivalents, end of the period</b>	¥460,278

### (3) Summary of Segment Information

#### 1. Business segment information

For the nine-month period ended December 31, 2007 (From April 1, 2007 to December 31, 2007)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,212,068	¥189,592	¥236,279	¥174,033	¥184,069	¥62,721	¥2,058,765	¥ -	¥2,058,765
(2) Inter-segment	8,523	4,567	35,172	2,891	11,038	12,242	74,435	(74,435)	-
Total	1,220,591	194,160	271,452	176,925	195,107	74,963	2,133,201	(74,435)	2,058,765
Operating income (loss)	147,980	30,295	1,724	83,779	2,910	(3,268)	263,421	(3,232)	260,188

For the three-month period ended December 31, 2007 (From October 1, 2007 to December 31, 2007)

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥403,153	¥62,842	¥78,404	¥65,171	¥65,558	¥18,889	¥694,020	¥ -	¥694,020
(2) Inter-segment	2,928	1,498	11,574	1,333	4,076	4,295	25,705	(25,705)	-
Total	406,081	64,340	89,979	66,505	69,634	23,184	719,726	(25,705)	694,020
Operating income (loss)	53,760	11,309	1,375	28,864	809	(2,617)	93,501	(1,059)	92,441

Notes:

1. Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.

2. The main business segments are as follows:

Mobile Communications : Provision of mobile communication services and sale of mobile phones accompanying the services etc.

Broadband Infrastructure : Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of contents etc.

Fixed-line Telecommunications: Provision of fixed-line telecommunications service and data center service etc.

Internet Culture : Internet-based advertising operations, portal business, and auction business etc.

e-Commerce : Distribution of PC software and such hardware as PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platform (B2B) and consumer-related e-commerce (B2C) etc.

Others : Broadmedia, Technology Services, Media & Marketing, Overseas funds, and other businesses

## 2. Geographic segment information

For the nine-month period ended December 31, 2007 (From April 1, 2007 to December 31, 2007)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥2,046,951	¥1,050	¥10,763	¥2,058,765	¥-	¥2,058,765
(2)Inter-segment	406	-	212	619	(619)	-
Total	2,047,358	1,050	10,976	2,059,385	(619)	2,058,765
Operating income (loss)	265,414	(839)	(383)	264,191	(4,002)	260,188

For the three-month period ended December 31, 2007 (From October 1, 2007 to December 31, 2007)

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥690,221	¥286	¥3,511	¥694,020	¥-	¥694,020
(2)Inter-segment	106	-	63	169	(169)	-
Total	690,328	286	3,574	694,190	(169)	694,020
Operating income (loss)	94,338	(430)	(156)	93,751	(1,309)	92,441

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 nine month and three-month period ended December 31, 2007 is omitted because the total overseas sales are less than 10% of total consolidated sales.