

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 3 of this report.

**SOFTBANK CORP.**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the nine-month period ended December 31, 2011**

Tokyo, February 2, 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	%
<b>Nine-month period ended December 31, 2011</b>	¥2,398,192	6.6	¥532,783	10.5	¥443,934	11.0	¥250,081	75.7
Nine-month period ended December 31, 2010	¥2,249,901	10.0	¥482,159	31.6	¥399,917	42.2	¥142,299	50.0

Note: Comprehensive income

Nine-month period ended December 31, 2011: ¥238,124 million (54.4%)  
Nine-month period ended December 31, 2010: ¥154,243 million (-%)

	Net income per share — basic (yen)	Net income per share — diluted (yen)
<b>Nine-month period ended December 31, 2011</b>	¥227.83	¥221.85
Nine-month period ended December 31, 2010	¥131.47	¥126.32

**(2) Financial Condition**

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

	Total assets	Total equity	Equity ratio (%)
<b>As of December 31, 2011</b>	¥4,498,762	¥1,321,124	18.6
As of March 31, 2011	¥4,655,725	¥879,618	13.3

Note: Shareholders' equity

As of December 31, 2011: ¥835,256 million  
As of March 31, 2011: ¥619,252 million

**2. Dividends**

(Record date)	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2011	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2012	-	0.00	-		
Fiscal year ending March 31, 2012 (Forecasted)				-	-

Note:

Revision of forecasts on the dividends: No

Dividend for the fiscal year ending March 31, 2012 is planned to be increased from ¥5 for the fiscal year ended March, 2011. However it is not determined at this point. The actual amount of dividend will be announced promptly upon resolution.

### 3. Forecasts on the consolidated operation results for the fiscal year ending in March 2012 (April 1, 2011 – March 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share—basic (yen)
	Amount (millions of yen)	%	Amount (millions of yen)	%	Amount (millions of yen)	%	Amount (millions of yen)	%	
Full financial year	¥ -	-	¥ -	-	¥ -	-	¥ -	-	¥ -

Note:

Revision of forecasts on the operation results: No

The SOFTBANK Group is planning to focus on network expansion and customer acquisition in the Mobile Communications segment. The initiatives for achieving these strategies need to be planned and adjusted flexibly according to circumstances. Since this involves numerous unconfirmed elements which could impact revenue and profit, it is difficult to disclose numerical earnings forecasts. However, revenue and operating income are expected to increase year on year. To improve disclosure of information for shareholders and investors, the earnings forecast will be disclosed when deemed to be reasonable.

### 4. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): Yes  
 Newly consolidated: One company SFJ Capital Limited  
 Excluded: None  
 Note: Please refer to page 20 “2. Notes on the Summary Information” for details.
- (2) Application of special accounting methods for preparation for the consolidated financial statements: No
- (3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements
  - [1] Changes due to revisions in accounting standards: No
  - [2] Changes other than those in [1]: No
  - [3] Changes in accounting estimates: No
  - [4] Retrospective restatements: No
- (4) Number of shares issued (Common stock)
  - [1] Number of shares issued (including treasury stock):
    - As of December 31, 2011: 1,107,728,781 shares
    - As of March 31, 2011: 1,082,530,408 shares
  - [2] Number of treasury stock:
    - As of December 31, 2011: 9,213,447 shares
    - As of March 31, 2011: 180,503 shares
  - [3] Weighted average number of common stock:
    - As of December 31, 2011: 1,097,670,072 shares
    - As of December 31, 2010: 1,082,344,678 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 19 “1. Qualitative Information Regarding Nine-month Period Results (3) Qualitative Information Regarding Consolidated Earnings Forecasts” for details of notes to precondition and usage for forecasts.

SOFTBANK CORP.'s Earnings Results Briefing will be held for media, institutional investors, and financial institutions on February 2, 2012 followed by the Analysts Briefing for institutional investors and financial institutions on February 3, 2012. The Earnings Results Briefing will be streamed live on the Company's Web site in Japanese and English at (<http://www.softbank.co.jp/en/irinfo>). The material used in the Analysts Briefing will be uploaded the day before the briefing and the video on demand will be made available as soon as possible on the Company's Web site afterwards.

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## 1. Qualitative Information Regarding the Nine-month Period Results

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

#### 1. Consolidated Results of Operations

<Overview of results for the nine-month period from April 1 to December 31, 2011>

For the nine-month period ended December 31, 2011 (hereafter “the period”), the SOFTBANK Group (hereafter “the Group”) achieved consolidated net sales of ¥2,398,192 million, a ¥148,290 million (6.6%) increase compared with the same period of the previous fiscal year (April 1 to December 31, 2010, hereafter “year on year”), with a ¥50,624 million (10.5%) increase in operating income to ¥532,783 million. This consolidated revenue and profit growth was driven by strong performance in the Mobile Communications segment.

Ordinary income grew ¥44,017 million (11.0%) to ¥443,934 million. Net income rose ¥107,782 million (75.7%) to ¥250,081 million. This was largely attributable to a year-on-year rise of ¥96,735 million in special income, in addition to the increase in operating income.

Note:

Definition of terms: as used in this consolidated financial report for the nine-month period from April 1, 2011, to December 31, 2011, references to “the Company,” “the Group” and “the SOFTBANK Group” are to SOFTBANK CORP. and its consolidated subsidiaries except as the context otherwise requires or indicates.

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

#### (a) Net Sales

Net sales totaled ¥2,398,192 million, for a ¥148,290 million (6.6%) year-on-year increase. This was mainly due to increased telecom service revenue, primarily from steady growth in the number of mobile phone subscribers. Another factor was an increase in sales of mobile handsets following a rise in the number of handset upgrades due to a sales promotion for iPhone 4S,<sup>1</sup> which was launched in October 2011.

Note:

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

#### (b) Cost of Sales

Cost of sales rose ¥73,036 million (7.1%) year on year to ¥1,100,772 million. This was primarily due to an increase in the cost of sales for mobile handsets in the Mobile Communications segment as the number of handsets shipped<sup>2</sup> increased in line with the abovementioned sales promotion, along with higher depreciation and amortization expenses, mainly relating to the installation of additional base stations.

Note:

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

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

Selling, general and administrative expenses grew ¥24,629 million (3.3%) year on year to ¥764,635 million. This was mainly because of an increase in the total amount of sales commissions paid<sup>3</sup> in the Mobile Communications segment, resulting from a rise in the number of handsets sold<sup>4</sup> following the abovementioned sales promotion.

Notes:

3. Sales commissions paid to sales agents per new subscription and upgrade.
4. Handsets sold: total of new subscriptions and handset upgrades

**(d) Operating Income**

As a result, operating income totaled ¥532,783 million, for a ¥50,624 million (10.5%) year-on-year increase. The operating margin rose 0.8 of a percentage point year on year, to 22.2%.

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

Non-operating income totaled ¥8,340 million, a ¥6,703 million year-on-year decrease. Non-operating expenses were ¥97,188 million, a ¥96 million year-on-year decrease. Interest expense decreased by ¥27,338 million as SOFTBANK MOBILE Corp. (hereafter “SOFTBANK MOBILE”) paid off its SBM loan<sup>5</sup> in October 2011. Meanwhile, refinancing related expenses totaled ¥24,906 million. These mainly comprised costs relating to the Company’s newly procured funds for refinancing of the SBM loan, and repayment of the SBM loan, which amounted to ¥23,943 million.

Note:

5. The loan procured under a whole business securitization scheme as part of the loan for procurement of the acquisition finance for Vodafone K.K. (currently SOFTBANK MOBILE).

**(f) Ordinary Income**

Ordinary income therefore totaled ¥443,934 million, for a ¥44,017 million (11.0%) year-on-year increase.

**(g) Special Income**

Special income totaled ¥108,422 million. The main components of this were gain on sale of investment securities of ¥83,687 million and dilution gain from changes in equity interest of ¥18,375 million.

The gain on sale of investment securities was primarily attributable to a ¥76,430 million gain on sale of Yahoo! Inc. shares. In connection with the Company’s financing of US\$1,135 million from CITIBANK, N.A. through one of its U.S. subsidiaries 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 this subsidiary. The forward contracts were to effectively hedge the variability of cash flows associated with the future market price of the underlying security.

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

Dilution gain from changes in equity interest was recorded mainly in relation to the Company’s equity method affiliate Renren Inc.’s listing on the New York Stock Exchange in May 2011.

**(h) Special Loss**

Special loss was ¥34,039 million. The main components of the loss were a premium expense on advanced repayment of long-term debt of ¥21,875 million and a valuation loss on investment securities of ¥9,321 million. The premium expense occurred in relation to SOFTBANK MOBILE's repayment of the abovementioned SBM loan in October 2011. The valuation loss on investment securities was mainly associated with the drop in the stock price of Betfair Group plc in which the Group holds shares.

**(i) Income Taxes**

Provisions for current income taxes were ¥146,401 million and provisions for deferred income taxes were ¥75,165 million. Total income taxes increased ¥22,527 million year on year to ¥221,566 million.

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

Minority interests in net income totaled ¥46,669 million, mainly related to net income at Yahoo Japan Corporation (hereafter "Yahoo Japan").

**(k) Net Income**

As a result of the above, net income totaled ¥250,081 million, for a ¥107,782 million (75.7%) year-on-year increase.

**(l) Comprehensive Income**

Comprehensive income was ¥238,124 million. Of this, comprehensive income attributable to owners of the parent was ¥194,502 million and comprehensive income attributable to minority interests was ¥43,622 million.

## 2. Results by Business Segment

Note:

Principal operational data are shown on pages 10-12 “(Reference 1: Principal Operational Data).”

### (a) Mobile Communications

(Millions of yen)

	Nine-month Period Ended December 31, 2010	<b>Nine-month Period Ended December 31, 2011</b>	Change	Change %
Net sales	1,458,620	<b>1,619,177</b>	160,556	11.0%
Operating income	314,486	<b>346,478</b>	31,992	10.2%

- **2,426,600 net subscriber additions<sup>6</sup> for the period**
- **ARPU<sup>7</sup> for the third quarter<sup>8</sup> was ¥4,230, an ¥80 year-on-year<sup>9</sup> decrease. Data ARPU amounted to ¥2,530, a ¥200 year-on-year increase.**

Notes:

6. The number of net subscriber additions includes prepaid mobile phones and communication module service subscribers. Net communication module service subscriber additions for the period totaled 581,500, which included an increase of 207,400 in the third quarter.
7. Average Revenue Per User per month (rounded to the nearest ¥10)  
 ARPU in Mobile Communications = (voice related revenue + data related revenue) / number of active subscribers  
 = voice ARPU + data ARPU  
 Voice ARPU = voice related revenue (such as voice call charges, 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: total of monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2). Number of active subscribers is based on SOFTBANK MOBILE's cumulative subscribers including prepaid mobile phones, communication modules and devices that do not have voice communication functionalities.
8. The three-month period ended December 31, 2011 (from October 1 to December 31, 2011).
9. Compared to the three-month period ended December 31, 2010 (from October 1 to December 31, 2010)

### < Overview of Operations >

The segment's net sales increased by ¥160,556 million (11.0%) year on year to ¥1,619,177 million. The main factor behind the increase was increased telecom service revenue resulting from steady growth in the number of mobile phone subscribers. Another factor was an increase in sales of mobile handsets following a rise in the number of handset upgrades due to a sales promotion for iPhone 4S, which was launched in October 2011.

The segment's operating expenses grew ¥128,564 million (11.2%) year on year to ¥1,272,698 million. The main contribution to this increase was an increase in cost of sales for mobile handsets and sales commissions in line with a rise in the number of mobile handsets shipped and sold as a result of the abovementioned sales promotion. The segment also saw higher depreciation and amortization, mainly relating to the installation of additional base stations.

Operating income increased by ¥31,992 million (10.2%) year on year to ¥346,478 million.

### <Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) for the period totaled 2,426,600. This was primarily the result of increased sales of smartphones such as iPhone and Android™<sup>10</sup> handsets, as well as higher sales of iPad 2, mobile data communications devices, and *Mimamori Phone* (handset with security buzzer). As a result, the cumulative number of subscribers<sup>11</sup> at the end of the period stood at 27,835,300, raising SOFTBANK MOBILE's cumulative subscriber share by 1.5 percentage points year on year, to 22.9%.<sup>12</sup>

Notes:

- 10. Android is a trademark or a registered trademark of Google Inc.
- 11. 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 period was 1,890,100.
- 12. 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.

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

The number of mobile handsets sold for the period increased by 1,523,000 year on year to 9,002,000. Of these, new subscriptions increased by 521,000 year on year to 5,036,000, while handset upgrades increased by 1,001,000 to 3,966,000. Meanwhile handsets shipped for the period increased by 1,184,000 year on year to 8,658,000.

The increases in the number of handsets sold and the number of handsets shipped were mainly the result of expanded sales and shipments of smartphones, *Mimamori Phone*, iPad 2, and mobile data communications devices. In particular, the launch of iPhone 4S encouraged existing customers to upgrade their handsets.

### <ARPU>

ARPU for the third quarter (the three-month period ended December 31, 2011) decreased ¥80 year on year to ¥4,230. Out of this, voice ARPU<sup>13</sup> declined ¥280 year on year to ¥1,700 and data ARPU rose ¥200 year on year to ¥2,530.

The decline in voice ARPU mainly reflects a dilution due to an increase in devices that do not have voice communication functionality (such as iPad, mobile data communications devices and *PhotoVision* (a digital photo frame with telecommunications functionality)) and a decrease in revenues from incoming calls,<sup>14</sup> which was the result of decline in access charges between operators in March 2011. On the other hand, the increase in data ARPU was mainly the result of the continuing increase in the number of data-intensive smartphone subscribers.

Notes:

- 13. Calculated including basic monthly charge.
- 14. Voice call charge received from other operators for voice calls from their network to SoftBank mobile phones as a charge for the services provided in the SOFTBANK MOBILE service area.

### <Churn Rate and Upgrade Rate>

The churn rate<sup>15</sup> for the third quarter was 1.11%, which was 0.2 of a percentage point higher year on year. This was primarily because of an increase in contract terminations for *PhotoVision* and mobile data communications devices.

The upgrade rate<sup>15</sup> for the third quarter was 2.36%, which was 0.93 of a percentage point higher year on year. This was mainly the result of an increase in upgrades to iPhone 4S.

Note:

- 15. Calculated with prepaid mobile phones and communication module service subscribers included in the number of subscribers, churn, and upgrades, respectively.



**< Average Acquisition and Upgrade Cost per Subscriber >**

The average acquisition cost per subscriber<sup>16</sup> for the third quarter declined ¥12,100 year on year to ¥25,700. This was mainly due to an increased number of handsets sold that have a lower acquisition cost per subscriber among overall handset sales, along with a revision of the pricing strategy for some mobile handsets.

The average upgrade cost per subscriber<sup>17</sup> for the third quarter declined ¥2,900 to ¥25,800 year on year.

Notes:

16. Average commission paid to sales agents per new subscription.  
New subscriptions include prepaid mobile phones and communication modules.
17. Average commission paid to sales agents per handset upgrade.

**(b) Broadband Infrastructure**

(Millions of yen)

	Nine-month Period Ended December 31, 2010	<b>Nine-month Period Ended December 31, 2011</b>	Change	Change %
Net sales	144,485	<b>129,790</b>	(14,695)	(10.2%)
Operating income	33,525	<b>28,305</b>	(5,219)	(15.6%)

**<Overview of Operations>**

The segment's net sales decreased by ¥14,695 million (10.2%) year on year to ¥129,790 million. This was mainly because of an increasing portion of *Yahoo! BB hikari with FLET'S*,<sup>18</sup> which has relatively lower ARPU, while the total number of broadband lines<sup>19</sup> continued to increase.

Operating income decreased by ¥5,219 million (15.6%) year on year to ¥28,305 million. This was mainly due to a decrease in net sales and an increase in sales promotion expense due to subscriber acquisition of *Yahoo! BB hikari with FLET'S*.

The number of installed lines<sup>20</sup> of *Yahoo! BB ADSL* at the end of the period totaled 2,737,000, for a net decrease of 413,000 from the previous fiscal year-end. Net subscriber additions for *Yahoo! BB hikari with FLET'S* for the period totaled 505,000, bringing the cumulative number of contracts at the end of the same period to 1,437,000. As a result, the number of broadband lines stood at 4,175,000.

Notes:

18. A broadband connection service that combines the Internet connection service *Yahoo! BB* and the *FLET'S HIKARI* fiber-optic connection provided by NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT East") and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION ("NTT West"). *FLET'S* and *FLET'S HIKARI* are registered trademarks of NTT East and NTT West.
19. Total of the cumulative number of installed lines for *Yahoo! BB ADSL* and the cumulative number of contracts for *Yahoo! BB hikari with FLET'S*.
20. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.

**(c) Fixed-line Telecommunications**

(Millions of yen)

	Nine-month Period Ended December 31, 2010	<b>Nine-month Period Ended December 31, 2011</b>	Change	Change %
Net sales	263,273	<b>270,057</b>	6,783	2.6%
Operating income	23,889	<b>42,846</b>	18,957	79.4%

**<Overview of Operations>**

The segment's net sales increased by ¥6,783 million (2.6%) year on year to ¥270,057 million. Inter-segment sales increased due to network provision to the Group telecommunication companies such as SOFTBANK MOBILE, and contributed to the overall segment's revenue growth. On the other hand, net sales to third-parties decreased, primarily as a result of the continued decrease in revenue from relay connection voice services such as *MYLINE*.

Operating income increased by ¥18,957 million (79.4%) to ¥42,846 million. This was due to the increase in net sales, combined with a decrease in operating expenses for telecommunications equipment fees at SOFTBANK TELECOM Corp. (hereafter “SOFTBANK TELECOM”) mainly as a result of decline in access charges between carriers. In addition, an increase in *OTOKU Line* service equipment for which the lease expenses have been paid and a decrease in marketing sales commissions as a result of less new *OTOKU Line* acquisitions contributed to the increase in operating income.

**(d) Internet Culture**

(Millions of yen)

	Nine-month Period Ended December 31, 2010	<b>Nine-month Period Ended December 31, 2011</b>	Change	Change %
Net sales	210,166	<b>215,942</b>	5,776	2.7%
Operating income	110,669	<b>114,982</b>	4,313	3.9%

**<Overview of Operations>**

The segment’s net sales increased by ¥5,776 million (2.7%) year on year to ¥215,942 million. This was mainly due to revenue growth at Yahoo Japan in listing and display advertising, game related services, information listing services, and *Yahoo! Shopping*. While the Great East Japan Earthquake had a negative impact on some business areas at the beginning of the fiscal year, this has improved since the second quarter. In *Yahoo! Shopping*, mobile phone transaction value, in particular via smartphones, expanded substantially.

Operating income increased by ¥4,313 million (3.9%) year on year to ¥114,982 million. This was primarily the result of a decrease in communications expenses due to connection efficiency improvements in the operating system for data centers, although sales promotion expenses increased.

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

SoftBank mobile phones

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
(Thousands) Net additions <sup>1</sup>	696.6	901.0	925.7	1,008.8	3,532.1	730.0	759.7	<b>936.9</b>
(Postpaid)	645.3	833.6	865.4	975.3	3,319.6	697.5	744.8	<b>943.5</b>
(Prepaid)	51.3	67.4	60.3	33.5	212.5	32.5	14.9	<b>(6.6)</b>
Market share <sup>2</sup> among 4 operators (%)	45.4	53.5	55.8	40.8	48.0	42.7	40.4	-
Market share <sup>2</sup> among 3 operators (%)	51.7	60.8	62.7	44.2	53.6	49.1	46.2	<b>42.4</b>
(Thousands) Cumulative subscribers <sup>1</sup>	22,573.2	23,474.2	24,399.9		25,408.7	26,138.7	26,898.4	<b>27,835.3</b>
Market share <sup>2</sup> among 4 operators (%)	19.9	20.3	20.8		21.3	21.6	21.8	-
Market share <sup>2</sup> among 3 operators (%)	20.3	20.8	21.4		21.8	22.2	22.5	<b>22.9</b>
(Thousands) Number of handsets sold <sup>3</sup>	2,162	2,712	2,605	2,763	10,242	2,550	2,665	<b>3,787</b>
(New subscriptions)	1,375	1,562	1,577	1,770	6,284	1,564	1,624	<b>1,848</b>
(Handset upgrades)	787	1,149	1,028	994	3,958	987	1,040	<b>1,938</b>
(Thousands) Number of handsets shipped <sup>4</sup>	2,051	2,687	2,736	2,542	10,016	2,493	2,395	<b>3,770</b>
(Yen per month) ARPU <sup>5</sup>	4,290	4,300	4,310	3,940	4,210	4,210	4,310	<b>4,230</b>
(Voice) <sup>6</sup>	2,030	2,020	1,980	1,570	1,890	1,780	1,780	<b>1,700</b>
(Data)	2,250	2,290	2,330	2,370	2,310	2,440	2,520	<b>2,530</b>
(Yen) Average acquisition cost per subscriber <sup>7</sup>	37,200	37,500	37,800	35,400	36,900	36,200	30,800	<b>25,700</b>
(Yen) Average upgrade cost per subscriber <sup>8</sup>	25,900	25,300	28,700	27,000	26,700	29,000	28,600	<b>25,800</b>
(% per month) Churn rate <sup>9</sup>	1.02	0.96	0.91	1.02	0.98	1.08	1.09	<b>1.11</b>
(3G postpaid)	0.99	0.92	0.86	0.98	0.94	1.03	1.02	<b>1.04</b>
(% per month) Upgrade rate <sup>9</sup>	1.18	1.67	1.43	1.33	1.40	1.28	1.31	<b>2.36</b>

## Notes:

1. Includes the number of prepaid mobile phones and communication module service subscribers.
2. 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, and therefore, the market share among 4 operators for the third quarter has not been calculated.
3. Handsets sold: total of new subscriptions and handset upgrades
4. Handsets shipped: handsets shipped (sold) to agents
5. Average Revenue Per User per month (rounded to the nearest ¥10)  
$$\text{ARPU in Mobile Communications} = (\text{voice related revenue} + \text{data related revenue}) / \text{number of active subscribers}$$
$$= \text{voice ARPU} + \text{data ARPU}$$
  
$$\text{Voice ARPU} = \text{voice related revenue (such as voice call charges, basic monthly charges)} / \text{number of active subscribers}$$
$$\text{Data ARPU} = \text{data related revenue (such as packet communication charges)} / \text{number of active subscribers}$$
  
Number of active subscribers: total of monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2). Number of active subscribers is based on SOFTBANK MOBILE's cumulative subscribers including prepaid mobile phones, communication modules and devices that do not have voice communication functionalities.
6. Calculated including basic monthly charge.
7. Average commission paid to sales agents per new subscription.  
New subscriptions include prepaid mobile phones and communication modules.
8. Average commission paid to sales agents per handset upgrade.
9. Calculated with prepaid mobile phones and communication module service subscribers included in the number of subscribers, churn, and upgrades, respectively.

**Broadband Infrastructure**
*Yahoo! BB ADSL*

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
(Thousands)								
Installed line <sup>10</sup>	3,609	3,457	3,291		3,150	3,009	2,873	<b>2,737</b>
(Yen per month)								
ARPU <sup>11 12</sup>	3,960	3,950	3,890	3,830		3,710	3,650	<b>3,580</b>
(% per month)								
Churn rate <sup>13</sup>	2.46	2.39	2.66	2.65	2.54	2.56	2.43	<b>2.35</b>

*Yahoo! BB hikari with FLET'S*

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
(Thousands)								
Cumulative contracts <sup>14</sup>	405	575	783		932	1,109	1,272	<b>1,437</b>
(Yen per month)								
ARPU <sup>11</sup>	1,310	1,450	1,500	1,620		1,620	1,660	<b>1,670</b>

**Broadband Lines**

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
(Thousands)								
Total users <sup>15</sup>	4,014	4,032	4,074		4,082	4,118	4,145	<b>4,175</b>

## Notes:

10. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.
11. Average Revenue Per User: average revenue per user (rounded to the nearest ¥10)
12. Starting in the first quarter of the fiscal year ending March 2012, the index was changed to "ARPU" with the number of installed lines as the denominator. The ARPU data for each quarter of the fiscal year ended March 2011 has therefore been restated to conform with this new definition.
13. Starting in the first quarter of the fiscal year ending March 2012 the churn rate is calculated with number of installed lines as the denominator. The churn data for each quarter of the fiscal year ended March 2011 has therefore been restated to conform with this new definition.
14. Number of users for which connection construction for *FLET'S HIKARI* line at central office of NTT East or NTT West is complete.
15. Total of the number of installed lines of *Yahoo! BB ADSL* and cumulative contracts of *Yahoo! BB hikari with FLET'S*.

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

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
(Thousands)								
Lines	1,668	1,667	1,662		1,671	1,669	1,679	<b>1,678</b>
(Yen per month)								
ARPU <sup>16</sup>	6,600	6,570	6,610	6,930		6,650	6,570	<b>6,550</b>

## Note:

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

**(Reference 2: Capital Expenditure and Depreciation)**
**(a) Capital Expenditure (acceptance basis)**

(Millions of yen)

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Mobile Communications	25,987	65,387	116,324	143,826	351,525	84,076	98,399	<b>93,675</b>
Broadband Infrastructure	3,319	3,294	5,076	5,160	16,850	5,739	3,861	<b>4,638</b>
Fixed-line Telecommunications	5,112	6,362	9,095	15,665	36,236	6,320	8,281	<b>10,654</b>
Internet Culture	1,906	1,908	2,783	4,114	10,713	3,349	4,609	<b>3,743</b>
Others	1,216	1,559	1,148	1,340	5,265	1,710	5,338	<b>2,041</b>
Consolidated total	37,542	78,513	134,428	170,107	420,591	101,196	120,490	<b>114,753</b>

**(b) Depreciation and Amortization<sup>(Note)</sup> (excluding amortization of goodwill)**

(Millions of yen)

	Fiscal Year Ended March 31, 2011					Fiscal Year Ending March 31, 2012		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3
Mobile Communications	37,745	39,671	41,183	48,029	166,630	46,202	48,691	<b>49,266</b>
Broadband Infrastructure	4,211	4,213	4,020	3,863	16,308	3,540	3,452	<b>3,507</b>
Fixed-line Telecommunications	9,458	9,827	9,631	11,485	40,403	9,188	9,684	<b>9,957</b>
Internet Culture	2,169	2,307	2,412	2,533	9,422	2,291	2,395	<b>2,703</b>
Others	1,441	1,485	1,631	1,554	6,113	1,521	1,592	<b>2,350</b>
Consolidated total	55,025	57,505	58,880	67,466	238,878	62,744	65,816	<b>67,785</b>

Note:

From the third quarter of the fiscal year ended March 2011 depreciation and amortization includes loss on disposal of fixed assets included in operating expenses. Depreciation and amortization for the previous quarters has been reclassified and restated accordingly.

## (2) Qualitative Information Regarding Consolidated Financial Position

### 1. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011	Change	Change %
Total assets	4,655,725	<b>4,498,762</b>	(156,962)	(3.4%)
Total liabilities	3,776,107	<b>3,177,638</b>	(598,468)	(15.8%)
Total equity	879,618	<b>1,321,124</b>	441,505	50.2%

#### (a) Current Assets

Current assets at the end of the period totaled ¥1,647,262 million, for a ¥215,354 million (11.6%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Cash and deposits decreased by ¥90,406 million from the previous fiscal year-end. This was mainly because of the repayment of borrowings such as the SBM loan, and an increase in payments for capital expenditure. Meanwhile, the Company's subsidiary, SFJ Capital Limited, procured funds by issuing preferred (restricted voting) securities.
- Marketable securities decreased by ¥73,706 million from the previous fiscal year-end. This was mainly due to the transfer of shares of Yahoo! Inc. held by one of the Company's U.S. subsidiaries to CITIBANK, N.A., as described on page 3 (g) Special Income.

#### (b) Fixed Assets

Fixed assets totaled ¥2,845,359 million at the end of the period, for a ¥53,633 million (1.9%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Total property and equipment increased ¥114,616 million from the previous fiscal year-end, primarily on a ¥248,922 million increase from new acquisitions of telecommunications equipment.
- Total intangible assets decreased ¥14,844 million from the previous fiscal year-end. This was mainly because of a ¥46,931 million decrease resulting from regular amortization of the goodwill recorded when the Company acquired SOFTBANK MOBILE and SOFTBANK TELECOM. On the other hand, software increased by ¥34,156 million as a result of new acquisitions of telecommunications equipment.
- Investments and other assets decreased ¥46,138 million from the previous fiscal year-end. This was mainly due to a decline in investment securities of ¥23,171 million related to the early redemption of WBS Class B2 Funding Notes held by the Company associated with the complete repayment of the SBM loan.

Note:

Issued by J-WBS Funding K.K. in November 2006 to provide part of the funding for the SBM loan. The Company acquired these bonds at face value of ¥27,000 million during the fiscal year ended March 2010.

#### (c) Current Liabilities

Current liabilities at the end of the period totaled ¥1,543,408 million, for a ¥100,999 million (6.1%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Accounts payable-other and accrued expenses increased by ¥189,694 million from the previous fiscal year-end.



This was mainly the result of transferring ¥200,000 million from long-term liabilities—other to current liabilities as an amount scheduled to be paid to Vodafone International Holdings B.V. and Vodafone Overseas Finance Limited (hereafter “the Vodafone Group”) in April 2012, as part of a transaction made with the Vodafone Group in December 2010.

- Short-term borrowings decreased by ¥171,696 million from the previous fiscal year-end. This was mainly due to the Company repaying its loan of US\$1,135 million during the second quarter. This loan was obtained from CITIBANK, N.A. through one of the Company’s U.S. subsidiaries in February 2004. This transaction is described in detail on page 3 (g) Special Income. Meanwhile, SOFTBANK MOBILE continued to repay borrowings procured via securitization of installment sales receivables.
- The current portion of corporate bonds decreased by ¥33,500 million from the previous fiscal year-end. This was mainly due to the transfer of the 28<sup>th</sup> Unsecured Straight Corporate Bond of ¥30,000 million and the 29<sup>th</sup> Unsecured Straight Corporate Bond of ¥65,000 million from corporate bonds under long-term liabilities, while the 27<sup>th</sup> Unsecured Straight Corporate Bond of ¥60,000 million, the 25<sup>th</sup> Unsecured Straight Corporate Bond of ¥53,500 million, and SOFTBANK TELECOM’s 2nd series Unsecured Straight Corporate Bond of ¥15,000 million were redeemed.
- Commercial paper decreased by ¥25,000 million from the previous fiscal year-end, as it was fully redeemed during the period.

**(d) Long-term Liabilities**

Long-term liabilities totaled ¥1,634,230 million at the end of the period, for a ¥497,468 million (23.3%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Long-term borrowings decreased by ¥306,024 million from the previous fiscal year-end. This was mainly due to loan repayments of ¥772,577 million made by SOFTBANK MOBILE. On the other hand, the Company’s long-term borrowings increased by ¥466,100 million, mainly due to refinancing of the SBM loan.
- Long-term liabilities—Other decreased by ¥202,288 million from the previous fiscal year-end. This was mainly due to the transfer of ¥200,000 million to accounts payable-other and accrued expenses for the above-mentioned payment scheduled for April 2012 as part of a transaction with the Vodafone Group, since the payment date came to be within one year.
- Lease obligations increased by ¥73,257 million from the previous fiscal year-end. This was mainly due to an increase in new acquisitions of telecommunications equipment via lease transactions.
- Corporate bonds decreased ¥47,502 million from the previous fiscal year-end. Transfers were made for corporate bonds from long-term to current liabilities in the amounts of ¥30,000 million for the 28<sup>th</sup> Unsecured Straight Corporate Bond and ¥65,000 million for the 29<sup>th</sup> Unsecured Straight Corporate Bond, as the redemption dates came to be within one year. Moreover, ¥32,400 million of the Subordinated Notes Due 2016 issued by the Company’s subsidiary, Phoenix JT Limited, was redeemed early and the Company’s Convertible Bonds Due 2014 (balance at the previous fiscal year-end ¥49,992 million) were converted into common stock of the Company. On the other hand, the Company issued the 36<sup>th</sup> Unsecured Straight Corporate Bond of ¥100,000 million and the 37<sup>th</sup> Unsecured Straight Corporate Bond of ¥30,000 million for a total of ¥130,000 million.

**(e) Equity**

Equity totaled ¥1,321,124 million at the end of the period, for a ¥441,505 million (50.2%) increase from the previous fiscal year-end. The equity ratio rose 5.3 percentage points from the previous fiscal year-end to 18.6%. The primary components of the change were as follows:

**(Shareholders' equity)**

Shareholders' equity increased ¥271,595 million from the previous fiscal year-end to ¥894,917 million.

- At the end of the period, common stock totaled ¥213,797 million and additional paid-in capital was ¥237,202 million. This result includes the conversion of the Convertible Bonds Due 2014 into common stock of the Company during the period, which increased common stock by ¥25,022 million and additional paid-in capital by ¥24,691 million.
- Retained earnings totaled ¥466,863 million at the end of the period, for a ¥244,586 million increase from the previous fiscal year-end. This was primarily because net income of ¥250,081 million was recorded, along with payment of dividends from retained earnings of ¥5,411 million.
- Treasury stock totaled ¥22,946 million, for a ¥22,705 million increase from the previous fiscal year-end. This was mainly due to acquisitions of treasury stock in September and October 2011 in preparation for the exercise of stock acquisition rights and execution of a flexible capital strategy in response to changes in the business environment.

**(Valuation and translation adjustments)**

- Valuation and translation adjustments of ¥59,660 million were recorded as debit at the end of the period, a ¥55,591 million decrease from the previous fiscal year-end. This was mainly due to declines of ¥34,634 million in net unrealized gain on available-for-sale securities and of ¥12,302 million in deferred gain on derivatives under hedge accounting from the previous fiscal year-end. These declines are mainly a result of settlement of forward contracts ("collar transaction") by one of the Company's U.S. subsidiaries upon maturity of a loan from CITIBANK, N.A. during the second quarter, as described on page 3 (g) Special Income. The subsidiary entered into the contract when it obtained the loan.

**(Minority interests)**

- Minority interests totaled ¥484,982 million at the end of the period, for a ¥225,320 million increase from the previous fiscal year-end. This was mainly due to the issuance of preferred (restricted voting) securities amounting ¥200,000 million by the Company's subsidiary SFJ Capital Limited.

## 2. Cash Flows

Cash flows during the period were as follows:

Cash and cash equivalents at the end of the period totaled ¥759,782 million, for a ¥87,372 million decrease from the previous fiscal year-end.

(Millions of yen)

	Nine-month Period Ended December 31, 2010	<b>Nine-month Period Ended December 31, 2011</b>	Change
Cash flows from operating activities	525,908	<b>507,434</b>	(18,474)
Cash flows from investing activities	(161,644)	<b>(270,692)</b>	(109,048)
(Reference) Free cash flow	364,264	<b>236,741</b>	(127,522)
Cash flows from financing activities	(340,716)	<b>(322,209)</b>	18,506

### (a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥507,434 million (compared with ¥525,908 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 ¥518,317 million.
- The main items added to income before income taxes and minority interests were ¥196,347 million in depreciation and amortization and ¥46,936 million in amortization of goodwill.
- The main items subtracted from income before income taxes and minority interests were gain on sale of marketable and investment securities, net of ¥83,677 million and dilution gain from changes in equity interest, net of ¥18,176 million.
- Payables-trade decreased by ¥17,649 million mainly due to payments made for mobile handsets procured towards the end of the previous fiscal year at SOFTBANK MOBILE.
- Income taxes paid were ¥191,105 million.

### (b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥270,692 million (compared with ¥161,644 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

- Capital expenditures, mainly at telecommunications related businesses, resulted in outlays of ¥357,633 million for purchase of property and equipment, and intangibles.
- Proceeds from sale of marketable and investment securities generated ¥80,258 million. For details on proceeds from sale of marketable securities and investment securities, refer to page 30, “3. Consolidated Financial Statements - (6) Notes (Consolidated Statements of Cash Flows) – 2. Proceeds from sale of marketable and investment securities and Repayment of long-term debt”.
- Proceeds from advanced redemption of debt security generated ¥30,375 million. This was due to early redemption of WBS Class B2 Funding Notes held by the Company.
- Outlays for purchase of marketable and investment securities were ¥26,775 million.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the period was a positive ¥236,741 million (compared with a positive ¥364,264 million in the same period of the previous fiscal year), for a year-on-year decrease of ¥127,522 million.

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

Net cash used in financing activities was ¥322,209 million (compared with ¥340,716 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

(Items increasing cash flows)

- Newly procured long-term debt provided ¥600,675 million, issuance of preferred securities by a subsidiary provided ¥200,000 million, sale and lease back of equipment newly acquired provided ¥198,529 million, and issuance of corporate bonds provided ¥129,354 million.

(Items decreasing cash flows)

- Outlays included ¥918,615 million for repayments of long-term debt, ¥163,437 million for redemption of bonds, ¥124,148 million for decrease in short-term borrowings, net, ¥111,531 million for the repayment of lease obligations, ¥25,000 million for decrease in commercial paper, net. In addition, purchase of treasury stock amounted to ¥22,705 million.

**(Reference: Major Financing Activities)**

The major financing activities in the period were as follows:

Item	Company Name	Details	Summary
Bond issuances	SOFTBANK CORP.	36 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: June 17, 2011 Redemption date: June 17, 2016 Total amount of issue: ¥100,000 million Interest rate: 1.00%/year
		37 <sup>th</sup> Unsecured Straight Corporate Bond	Issue date: June 10, 2011 Redemption date: June 10, 2014 Total amount of issue: ¥30,000 million Interest rate: 0.65%/year
Bond redemptions	SOFTBANK CORP.	27 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Redemption date: June 10, 2011 Redeemed amount: ¥60,000 million
		25 <sup>th</sup> Unsecured Straight Corporate Bond	Redemption date: June 17, 2011 Redeemed amount: ¥53,500 million
	SOFTBANK TELECOM	2 <sup>nd</sup> Unsecured Straight Corporate Bond	Redemption date: December 7, 2011 Redeemed amount: ¥15,000 million
	Phoenix JT Limited	Subordinated Notes Due 2016 (early redemption)	Redemption date: December 15, 2011 Redeemed amount: ¥32,400 million
Increase or decrease of commercial paper	SOFTBANK CORP.	Decrease of ¥25,000 million	
Acquisition of treasury stock	SOFTBANK CORP.	Acquisition of treasury stock in the market	Period for acquisition: September 2 to 7, 2011 (execution base) Total cost of acquisition: ¥10,793 million
			Period for acquisition: October 3 to 5, 2011 (execution base) Total cost of acquisition: ¥11,899 million
Preferred securities issuances	SFJ Capital Limited	Issuance of preferred securities	Issue date: September 22, 2011 Total amount of issue: ¥200,000 million Dividend rate: 2.04%/year
Repayment of securitization of receivables	SOFTBANK MOBILE Corp.	Repayment of ¥48,887 million	Repayment of funds procured via securitization of mobile handsets installment sales receivables
Increase or decrease in debt (excluding securitization of receivables)	SOFTBANK CORP.	Increase of ¥439,400 million	Mainly increase of long-term borrowings related to refinancing of the funds procured by SOFTBANK MOBILE Corp. via whole business securitization <sup>*1</sup>
	SOFTBANK MOBILE Corp.	Decrease of ¥772,577 million	Repayment of funds raised via the whole business securitization financing scheme
	SB Broadband Investments	Decrease of ¥93,370 million	Repayment of borrowings through the sale of Yahoo! Inc. shares <sup>*2</sup>
Capital expenditure by financial lease	SOFTBANK MOBILE Corp. etc.	New capital expenditure via leases	Funds newly procured during the period: ¥198,529 million

\*Refer to page 30, "3. Consolidated Financial Statements – (6) Notes (Consolidated Statements of Cash Flows) – 2. Proceeds from sale of marketable and investment securities and repayment of long-term debt".

**(3) Qualitative Information Regarding Consolidated Earnings Forecasts**

The Group is planning to focus on network expansion and customer acquisition in the Mobile Communications segment. The initiatives for achieving these strategies need to be planned and adjusted flexibly according to circumstances. Since this involves numerous unconfirmed elements which could impact revenue and profit, it is difficult to disclose numerical earnings forecasts. However, revenue and operating income are expected to increase year on year.

To improve disclosure of information for shareholders and investors, the earnings forecast will be disclosed when deemed to be reasonable.

## 2. Notes on the Summary Information

### (1) Significant Changes in Scope of Consolidation

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

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

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥861,657	¥771,251
Notes and accounts receivable - trade	657,774	655,697
Marketable securities	78,099	4,393
Merchandise and finished products	49,887	37,587
Deferred tax assets	90,907	60,375
Other current assets	162,068	158,559
Less:		
Allowance for doubtful accounts	(37,778)	(40,602)
Total current assets	1,862,617	1,647,262
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	74,867	75,095
Telecommunications equipment	840,839	946,953
Telecommunications service lines	68,856	66,151
Land	22,882	22,908
Construction in progress	55,663	58,614
Other property and equipment	50,339	58,339
Total property and equipment	1,113,447	1,228,064
<b>Intangible assets, net:</b>		
Goodwill	839,238	792,306
Software	248,872	283,028
Other intangibles	32,233	30,165
Total intangible assets	1,120,345	1,105,500
<b>Investments and other assets:</b>		
Investment securities	340,436	317,264
Deferred tax assets	109,145	89,407
Other assets	123,360	120,806
Less:		
Allowance for doubtful accounts	(15,008)	(15,684)
Total investments and other assets	557,933	511,794
Total fixed assets	2,791,726	2,845,359
<b>Deferred charges</b>	1,381	6,140
<b>Total assets</b>	¥4,655,725	¥4,498,762

**Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2011	As of December 31, 2011
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥193,644	¥175,774
Short-term borrowings	410,950	239,253
Commercial paper	25,000	-
Current portion of corporate bonds	128,500	95,000
Accounts payable - other and accrued expenses	561,421	751,115
Income taxes payable	115,355	74,464
Current portion of lease obligations	131,305	141,776
Other current liabilities	78,230	66,024
<b>Total current liabilities</b>	<b>1,644,407</b>	<b>1,543,408</b>
<b>Long-term liabilities:</b>		
Corporate bonds	507,390	459,888
Long-term debt	1,030,959	724,935
Deferred tax liabilities	26,582	21,410
Liability for retirement benefits	14,414	14,308
Allowance for point mileage	41,947	32,313
Lease obligations	199,769	273,027
Other liabilities	310,636	108,347
<b>Total long-term liabilities</b>	<b>2,131,699</b>	<b>1,634,230</b>
<b>Total liabilities</b>	<b>3,776,107</b>	<b>3,177,638</b>
<b>Equity:</b>		
Common stock	188,775	213,797
Additional paid-in capital	212,510	237,202
Retained earnings	222,277	466,863
Less: Treasury stock	(240)	(22,946)
<b>Total shareholders' equity</b>	<b>623,321</b>	<b>894,917</b>
Unrealized gain on available-for-sale securities	34,920	286
Deferred gain (loss) on derivatives under hedge accounting	11,224	(1,078)
Foreign currency translation adjustments	(50,213)	(58,868)
<b>Total valuation and translation adjustments</b>	<b>(4,068)</b>	<b>(59,660)</b>
Stock acquisition rights	703	885
Minority interests	259,661	484,982
<b>Total equity</b>	<b>879,618</b>	<b>1,321,124</b>
<b>Total liabilities and equity</b>	<b>¥4,655,725</b>	<b>¥4,498,762</b>



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

For the nine-month period ended December 31, 2010 and 2011

**Consolidated Statements of Income**

(Millions of yen)

	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2011
	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
	Amount	Amount
<b>Net sales</b>	¥2,249,901	¥2,398,192
<b>Cost of sales</b>	1,027,735	1,100,772
<b>Gross Profit</b>	1,222,165	1,297,419
<b>Selling, general and administrative expenses</b>	740,006	764,635
<b>Operating income</b>	482,159	532,783
Interest income	1,668	1,632
Dividend income	407	1,954
Equity in earnings of affiliated companies	4,818	-
Other non-operating income	8,149	4,753
<b>Non-operating income</b>	15,044	8,340
Interest expense	80,610	53,271
Equity in losses of affiliated companies	-	3,632
Refinancing related expense	2,296	24,906
Other non-operating expenses	14,378	15,378
<b>Non-operating expenses</b>	97,285	97,188
<b>Ordinary income</b>	399,917	443,934
Gain on sale of investment securities	4,907	83,687
Dilution gain from changes in equity interest	2,349	18,375
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S.,net	-	2,175
Other special income	4,429	4,185
<b>Special income</b>	11,686	108,422
Valuation loss on investment securities	3,927	9,321
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S.,net	371	-
Premium expense on advanced repayment of long-term debt	-	21,875
Other special losses	22,699	2,842
<b>Special loss</b>	26,997	34,039
<b>Income before income taxes and minority interests</b>	384,607	518,317
<b>Income taxes:</b>		
Current	125,137	146,401
Corrections	26,450	-
Deferred	47,450	75,165
<b>Total income taxes</b>	199,039	221,566
<b>Income before minority interests</b>	185,567	296,751
<b>Minority interests in net income</b>	43,268	46,669
<b>Net income</b>	¥142,299	¥250,081

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2011
	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
	Amount	Amount
<b>Income before minority interests</b>	185,567	296,751
<b>Other comprehensive loss</b>		
Unrealized loss on available-for-sale securities	(9,763)	(35,949)
Deferred loss on derivatives under hedge accounting	(2,827)	(12,746)
Foreign currency translation adjustment	(12,850)	(3,328)
Share of other comprehensive income of affiliated companies accounted for using equity method	(5,883)	(6,602)
<b>Total other comprehensive loss</b>	(31,324)	(58,626)
<b>Comprehensive income</b>	154,243	238,124
<b>Comprehensive income attributable to:</b>		
Owners of the parent	111,040	194,502
Minority interests	43,203	43,622

For the three-month period ended December 31, 2010 and 2011

**Consolidated Statements of Income**

(Millions of yen)

	Three-month period ended December 31, 2010	Three-month period ended December 31, 2011
	October 1, 2010 to December 31, 2010	October 1, 2011 to December 31, 2011
	Amount	Amount
<b>Net sales</b>	¥ 784,879	¥862,545
<b>Cost of sales</b>	362,239	429,804
<b>Gross Profit</b>	422,640	432,740
<b>Selling, general and administrative expenses</b>	256,002	273,179
<b>Operating income</b>	166,637	159,560
Interest income	534	367
Equity in earnings of affiliated companies	5,902	-
Other non-operating income	3,356	1,391
<b>Non-operating income</b>	9,794	1,758
Interest expense	25,827	12,522
Equity in losses of affiliated companies	-	2,410
Refinancing related expense	56	11,300
Other non-operating expenses	4,473	5,636
<b>Non-operating expenses</b>	30,356	31,869
<b>Ordinary income</b>	146,074	129,449
Dilution gain from changes in equity interest	913	1,216
Unrealized appreciation (loss) on valuation of investments and gain on sale of investments at subsidiaries in the U.S.,net	374	130
Premium on advanced redemption of debt security	-	4,185
Other special income	4,283	159
<b>Special income</b>	5,570	5,691
Premium expense on advanced repayment of long-term debt	-	21,875
Other special losses	13,544	3,009
<b>Special loss</b>	13,544	24,884
<b>Income before income taxes and minority interests</b>	138,100	110,256
<b>Income taxes:</b>		
Current	29,436	45,039
Deferred	28,947	17,827
<b>Total income taxes</b>	58,384	62,866
<b>Income before minority interests</b>	79,716	47,390
<b>Minority interests in net income</b>	14,255	14,560
<b>Net income</b>	¥ 65,460	¥32,829

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	Three-month period ended December 31, 2010	Three-month period ended December 31, 2011
	October 1, 2010 to December 31, 2010	October 1, 2011 to December 31, 2011
	Amount	Amount
<b>Income before minority interests</b>	79,716	<b>47,390</b>
<b>Other comprehensive loss</b>		
Unrealized gain on available-for-sale securities	1,614	<b>1,186</b>
Deferred gain (loss) on derivatives under hedge accounting	(5,954)	<b>193</b>
Foreign currency translation adjustment	(2,971)	<b>(142)</b>
Share of other comprehensive income of affiliated companies accounted for using equity method	(2,523)	<b>(6,828)</b>
<b>Total other comprehensive loss</b>	(9,835)	<b>(5,592)</b>
<b>Comprehensive income</b>	69,880	<b>41,798</b>
<b>Comprehensive income attributable to:</b>		
Owners of the parent	54,745	<b>28,128</b>
Minority interests	15,135	<b>13,669</b>

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

(Millions of yen)

	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2011
	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥384,607	¥518,317
Adjustments for:		
Depreciation and amortization	165,557	196,347
Amortization of goodwill	46,980	46,936
Equity in (earnings) losses of affiliated companies	(4,818)	3,632
Dilution gain from changes in equity interest, net	(2,074)	(18,176)
Valuation loss on investment securities	3,927	9,321
Unrealized appreciation on valuation of investments and loss (gain) on sale of investments at subsidiaries in the U.S., net	371	(2,175)
Gain on sale of marketable and investment securities, net	(4,439)	(83,677)
Foreign exchange gain, net	(1,604)	(12)
Interest and dividend income	(2,076)	(3,586)
Interest expense	80,610	53,271
Changes in operating assets, and liabilities		
Decrease in receivables - trade	147,443	1,482
Increase (decrease) in payables - trade	918	(17,649)
Other, net	(34,391)	43,450
Sub-total	781,011	747,484
Interest and dividend received	2,103	3,235
Interest paid	(71,918)	(52,179)
Income taxes paid	(185,288)	(191,105)
Net cash provided by operating activities	525,908	507,434

- Continued -

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

(Millions of yen)

	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2011
	April 1, 2010 to December 31, 2010	April 1, 2011 to December 31, 2011
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment, and intangibles	¥(149,043)	¥(357,633)
Purchase of marketable and investment securities	(39,401)	(26,775)
Proceeds from sale of marketable and investment securities	25,123	80,258
Proceeds from advanced redemption of debt security	-	30,375
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(701)	(53)
Other, net	2,378	3,136
Net cash used in investing activities	(161,644)	(270,692)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings, net	90,275	(124,148)
Increase (decrease) in commercial paper, net	24,500	(25,000)
Proceeds from long-term debt	197,900	600,675
Repayment of long-term debt	(348,550)	(918,615)
Proceeds from issuance of bonds	179,182	129,354
Redemption of bonds	(105,508)	(163,437)
Proceeds from issuance of shares to minority shareholders	1,430	282
Proceeds from issuance of preferred securities by a subsidiary	-	200,000
Purchase of treasury stock	(12)	(22,705)
Cash dividends paid	(5,371)	(5,385)
Cash dividends paid to minority shareholders	(14,917)	(16,899)
Proceeds from sale and lease back of equipment newly acquired	54,667	198,529
Repayment of lease obligations	(113,321)	(111,531)
Payments for additional entrustment for debt assumption	(75,000)	-
Payments for repurchase of minority interests and long-term debt	(212,563)	-
Other, net	(13,428)	(63,327)
Net cash used in financing activities	(340,716)	(322,209)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(4,756)	(1,238)
<b>Net increase (decrease) in cash and cash equivalents</b>	18,791	(86,706)
<b>Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	1,919	68
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(64)	(734)
<b>Decrease in cash and cash equivalents resulting from corporate separation</b>	(1,837)	-
<b>Cash and cash equivalents, beginning of the period</b>	687,681	847,155
<b>Cash and cash equivalents, end of the period</b>	¥706,489	¥759,782

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

There are no applicable items for the nine-month period ended December 31, 2011.

#### (5) Additional Information

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

On December 2, 2011, “Act on the Partial Revision of the Income Tax Act for the Establishment of a Taxation System Responding to Structural Transformation of Economy and Society” (Act No. 114 of 2011) and “Act on Special Measures for Securing Financial Resources Needed to Implement Measures to Recover From the Great East Japan Earthquake” (Act No. 117 of 2011) were issued. By these acts, the corporate tax rate will be changed from the fiscal year beginning on and after April 1, 2012. As a consequence, effective statutory tax rate, which is used to calculate deferred tax assets and liability, will be as follows, depending when the temporary difference will reverse.

Until March 31, 2012: 40.69%

From April 1, 2012 to March 31, 2015: 38.01%

On and after April 1, 2015: 35.64%

The effect of this change is not material.

#### (6) Notes

##### (Consolidated Statements of Income)

###### 1. Refinancing related expense

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

It is primarily ¥23,943 million of procurement expense related to the total amount of ¥ 550.0 billion financing based on the resolution of the directors’ meeting held on July 21, 2011 and cancellation expense of interest-rate swap to hedge interest rate risks along with the repayment of SBM loan\*.

\*¥1,366.0 billion loan to SOFTBANK MOBILE procured in November 2006 by Mizuho Trust & Banking Co., Ltd, the “Tokutei Kingai Trust Trustee” under the whole business securitization scheme. The SBM loan was associated with the series of financing transactions for the Company to acquire Vodafone K.K (currently SOFTBANK MOBILE). This loan was paid off on October 27, 2011.

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

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 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 nine-month period ended December 31, 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” under investment and other assets. This was to coincide with the reclassification of the related obligation under current liabilities, of which the remaining period until maturity was less than one year. Accordingly, the gain on sale from this transaction was recorded as “Gain on sale of investment securities.”

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

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

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

	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2011
Unrealized appreciation on valuation of investment at subsidiaries in the U.S.,net	124	1,985
Gain (loss) on sale of investments at subsidiaries in the U.S.,net	(495)	189
Total	(371) million yen	2,175 million yen

### 4. Premium expense on advanced repayment of long-term debt

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

As a result of the refinancing of SBM loan, a premium expense occurred for the advanced repayment of the entire loan on October 27, 2011.

## (Consolidated Statements of Cash Flows)

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

For the nine-month period ended December 31, 2010 (From April 1 to December 31, 2010) and for the nine-month period ended December 30, 2011 (From April 1 to December 31, 2011)

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

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

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

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

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

### 3. Proceeds from advanced redemption of debt security

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

In January 2010, the Company acquired corporate bonds issued by J-WBS Funding K.K. to provide part of the funding for the SBM loan under the whole business securitization scheme associated with the acquisition of Vodafone K.K.(currently SOFTBANK MOBILE) and recorded the corporate bonds as “Investment securities” on the consolidated balance sheet. These are proceeds from the advanced redemption of the corporate bonds with accompanying the repayment of the entire SBM loan in October 2011.



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

For the nine-month period ended December 31, 2011 (From April 1 to December 31, 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.

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

For the nine-month period ended December 31, 2010 (From April 1 to December 31, 2010) and for the nine-month period ended December 31, 2011 (From April 1 to December 31, 2011)

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

The cash outflows from the purchase of the equipment from vendors are included in "Purchase of property and equipment, and intangibles" 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.

## (7) Segment Information

### 1. Net sales and segment profit or loss of reportable segments for the nine -month period ended December 31, 2010

(Millions of yen)

	Reportable segments					Other <sup>1</sup>	Total	Reconciliations to consolidated statement of income <sup>2</sup>	Amounts in consolidated statement of income <sup>3</sup>
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,451,042	¥139,739	¥221,872	¥206,934	¥2,019,590	¥230,311	¥2,249,901	¥-	¥2,249,901
Inter-segment	7,578	4,746	41,400	3,231	56,956	24,878	81,835	(81,835)	-
Total	1,458,620	144,485	263,273	210,166	2,076,547	255,189	2,331,737	(81,835)	2,249,901
Segment profit	¥314,486	¥33,525	¥23,889	¥110,669	¥482,571	¥8,048	¥490,619	¥(8,459)	¥482,159

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 ¥(8,459) million represents elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥758 million and ¥(9,218) 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 nine-month period ended December 31, 2011

(Millions of yen)

	Reportable segments					Other <sup>1</sup>	Total	Reconciliations to consolidated statement of income <sup>2</sup>	Amounts in consolidated statement of income <sup>3</sup>
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,613,652	¥118,404	¥214,623	¥213,050	¥2,159,730	¥238,461	¥2,398,192	¥-	¥2,398,192
Inter-segment	5,525	11,385	55,433	2,892	75,237	26,314	101,551	(101,551)	-
Total	1,619,177	129,790	270,057	215,942	2,234,967	264,775	2,499,743	(101,551)	2,398,192
Segment profit	¥346,478	¥28,305	¥42,846	¥114,982	¥532,613	¥9,481	¥542,095	¥(9,311)	¥532,783

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 ¥(9,311) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥819 million and ¥(10,131) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statements of income.

## (8) Significant Changes in Shareholders' Equity

There are no applicable items for the nine-month period ended December 31, 2011.