

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 4 of this report.

SOFTBANK CORP.
CONSOLIDATED FINANCIAL REPORT
For the fiscal year ended March 31, 2010

Tokyo, April 27, 2010

1. FINANCIAL HIGHLIGHTS

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

(1) Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2010	¥2,763,406	3.4	¥465,871	29.7	¥340,997	51.1	¥96,716	124.0
Fiscal year ended March 31, 2009	¥2,673,035	(3.7)	¥359,121	10.7	¥225,661	(12.7)	¥43,172	(60.3)

	Net income per share—basic (yen)	Net income per share—diluted (yen)	Return on Equity (%)	Ordinary income/ Total assets (%)	Operating income/ Net sales (%)
Fiscal year ended March 31, 2010	¥89.39	¥86.39	22.9	7.7	16.9
Fiscal year ended March 31, 2009	¥39.95	¥38.64	11.4	5.1	13.4

Note: Equity in losses of affiliated companies:

Fiscal year ended March 31, 2010: ¥(3,616) million
Fiscal year ended March 31, 2009: ¥(13,759) million

(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)
As of March 31, 2010	¥4,462,875	¥963,971	10.5	¥434.74
As of March 31, 2009	¥4,386,672	¥824,798	8.5	¥346.11

Note: Shareholders' equity (consolidated)

As of March 31, 2010: ¥470,531 million
As of March 31, 2009: ¥374,094 million

(3) Cash Flows

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2010	¥668,050	¥(277,162)	¥(159,563)	¥687,681
Fiscal year ended March 31, 2009	¥447,857	¥(266,295)	¥(210,348)	¥457,644

2. Dividends

(Record date)	Dividends per share					Total Amount of dividends (Annual) (millions of yen)	Payout ratio (Consolidated) %	Dividends on equity (Consolidated) %
	First quarter end	Second quarter end	Third quarter end	Fiscal year end	Total			
FY 2009	(yen) -	(yen) 0.00	(yen) -	(yen) 2.50	(yen) 2.50	2,702	6.3	0.7
FY2010	-	0.00	-	5.00	5.00	5,411	5.6	1.3
FY 2011 (Forecasted)	-	0.00	-	5.00	5.00		-	

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

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

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

4. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): No
- (2) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements (Changes described in “(6) Basis of Presentation of Consolidated Financial Statements”)
 - [1] Changes due to revisions in accounting standards: No
 - [2] Changes other than those in [1]: No
- (3) Number of shares issued (Common stock)
 - [1] Number of shares issued (including treasury stock):
 - As of March 31, 2010: 1,082,503,878 shares
 - As of March 31, 2009: 1,081,023,978 shares
 - [2] Number of treasury stock:
 - As of March 31, 2010: 174,775 shares
 - As of March 31, 2009: 169,204 shares

[For Reference]

FINANCIAL HIGHLIGHTS (Non-Consolidated)

1. Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary loss		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2010	¥12,900	4.5	¥2,322	(24.2)	¥(20,581)	-	¥33,095	-
Fiscal year ended March 31, 2009	¥12,343	(3.7)	¥3,064	(36.9)	¥(19,789)	-	¥2,785	(57.0)

	Net income per share—basic (yen)	Net income per share—diluted (yen)
Fiscal year ended March 31, 2010	¥30.59	¥30.13
Fiscal year ended March 31, 2009	¥2.58	¥2.58

2. Non-Consolidated Financial Condition

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

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (yen)
As of March 31, 2010	¥1,491,232	¥435,211	29.2	¥402.11
As of March 31, 2009	¥1,349,878	¥401,665	29.8	¥371.62

Note: Shareholders' equity (non-consolidated)

As of March 31, 2010: ¥435,211 million

As of March 31, 2009: ¥401,665 million

* 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.

Forecasts on the consolidated operating income for interim period ending September 30, 2010 are not disclosed.

Qualitative Information / Financial Statements

1. Results of Operations**(1) Analysis of Consolidated Results of Operations****1. Consolidated Results of Operations****<Overview of results for the fiscal year ended March 31, 2010 (April 1, 2009 to March 31, 2010)>**

Reflecting the steady performance of its Mobile Communications business, the Group achieved a ¥90,370 million (3.4%) increase in consolidated net sales compared with the fiscal year ended March 31, 2009 (April 1, 2008 to March 31, 2009, hereafter “the previous fiscal year”), to ¥2,763,406 million, with a ¥106,749 million (29.7%) increase in operating income to ¥465,871 million for the fiscal year ended March 31, 2010 (hereafter “this fiscal year”). The Group earned record operating income¹ in each of the five consecutive years since the fiscal year ended March 31, 2006. This growth in consolidated revenue and profit was driven by earnings growth at the Mobile Communications segment from an increase in the number of mobile subscribers. Ordinary income grew ¥115,335 million (51.1%) to ¥340,997 million, which was also a record level, and net income grew ¥53,543 million (124.0%) to ¥96,716 million.

Notes:

Definition of terms: as used in this consolidated financial report for the fiscal year ended March 31, 2010, references to “the Company,” “the Group” and “the SOFTBANK Group” are to SOFTBANK CORP. and its consolidated subsidiaries except as the context otherwise requires or indicates.

1. Since the Company applied consolidated accounting in the fiscal year ended March 31, 1995.

The main factors affecting earnings for this fiscal year were as follows:

(a) Net Sales

Net sales totaled ¥2,763,406 million, for a ¥90,370 million (3.4%) year-on-year increase. This was mainly due to a ¥138,555 million growth in sales at the Mobile Communications segment resulting from an increase in the number of mobile phone subscribers and increased handset shipments². On the other hand, net sales declined by ¥31,771 million at the Broadband Infrastructure segment due to a decline in the number of charged ADSL lines.

Note:

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

(b) Cost of Sales

Cost of sales declined ¥39,331 million (2.9%) year-on-year to ¥1,326,571 million, mainly from a decrease in telecommunications equipment usage fees paid by the Mobile Communications and the Fixed-line Telecommunications segments and lower depreciation and amortization expenses in the Broadband Infrastructure segment. This decline was partially offset as the cost of sales for mobile handsets increased from the previous fiscal year in line with the increase in shipped handsets.

(c) Selling, General and Administrative Expenses

Selling, general and administrative expenses increased ¥22,951 million (2.4%) year-on-year to ¥970,963 million. This was because of an increase in sales commissions corresponding to growth in the number of mobile handsets sold³. However, the Group was able to lower its expenses related to doubtful accounts (bad debt loss on doubtful accounts + provision for allowance for doubtful accounts) as its Mobile Communications segment benefited from the implementation of stricter credit screening.

Note:

3. Handsets sold: the number of handsets sold to customers (new and upgrade purchases combined).

(d) Operating Income

As a result, operating income totaled ¥465,871 million, for a ¥106,749 million (29.7%) increase.

(e) Non-operating Income / Expenses, net

The Group recorded a net non-operating loss of ¥124,873 million, an improvement of ¥8,585 million (compared with a ¥133,459 million loss in the previous fiscal year). The main factors were a ¥1,192 million reduction in interest payments to ¥111,152 million due to a decrease in interest-bearing debt, and a ¥10,143 million improvement in equity in losses under the equity method, to ¥3,616 million, from improved performances at affiliates' investment funds.

(f) Ordinary Income

Ordinary income therefore totaled ¥340,997 million, marking a ¥115,335 million (51.1%) year-on-year increase.

(g) Special Income

Special income totaled ¥6,655 million, consisting primarily of a ¥4,758 million gain from the sale of investment securities.

(h) Special Loss

Special loss was ¥58,403 million. The main component was a ¥48,786 million loss on the retirement of non current assets. This was mainly due to SOFTBANK MOBILE Corp. (hereafter "SOFTBANK MOBILE"), the core company of the Group's Mobile Communications segment, recording a ¥23,011 million loss on the retirement of non current assets associated with the termination of 2G mobile phone services, and a ¥22,493 million loss on the retirement of non current assets associated with the review and optimization of its existing 3G wireless telecommunication network equipment.

For further details, refer to page 43 "4. Consolidated Financial Statements – Notes Consolidated Statements of Income – 3. Loss on retirement of non current assets."

(i) Income Taxes and Minority Interests in Net Income

Provisions for income taxes, current and deferred, were ¥117,876 million and ¥26,683 million, respectively, and ¥47,973 million was recorded as minority interests in net income.

(j) Net Income

As a result of the above, net income totaled ¥96,716 million, for a ¥53,543 million (124.0%) year-on-year increase.

The Group is strengthening its cash-flow-oriented management, and aims to reduce its ¥1,939,520 million of net interest-bearing debt⁴ as of the end of March 2009 by half over three years (by the end of March 2012) and to zero over six years (by the end of March 2015). To achieve this, the Group plans to generate an aggregate total of at least ¥1 trillion in free cash flow⁵ over the three years from fiscal 2009 (period from April 1, 2009 to March 31, 2012). As a result of the strong performance at the Mobile Communications segment, free cash flow totaling ¥390,888 was generated during this fiscal year, and net interest-bearing debt was reduced by ¥438,446 million to ¥1,501,074 million.

Notes:

4. Net interest-bearing debt: interest-bearing debt minus cash position.
Interest-bearing debt: short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term borrowings. Lease obligations are excluded.
This also excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27,000 million acquired by the Company during this fiscal year that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.
Cash position: cash and cash deposits + marketable securities recorded as current assets.
5. Free cash flow: cash flows from operating activities + cash flows from investing activities.

2. Results by Business Segment

* Principal operational data is shown on pages 12-14 under “(Reference 1: Principal Operational Data).”

(a) Mobile Communications

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	1,562,890	1,701,446	138,555	8.9
Operating income	171,389	260,931	89,542	52.2

- **1,243,700 net subscriber additions in this fiscal year**
- **ARPU⁶ for this fiscal year was ¥4,070⁷**
- **Data ARPU for the fourth quarter (January 1st to March 31st 2010) was ¥2,140 (a ¥320 increase compared to the same period of the previous fiscal year), surpassing the sum of basic monthly charge and voice ARPU for the first time**

<Analysis of Results>

Primary factors affecting segment earnings were as follows:

(Net sales)

- Telecom service revenue grew on a steady increase in the number of mobile subscribers at the core company SOFTBANK MOBILE.
- Sales of mobile handsets grew on an increase in the number of handsets shipped.

(Operating expenses)

- Sales commissions grew on the increase in handsets sold, combined with a higher sales commission per user for new and upgrade handset purchases resulting from changes in the model mix of handsets sold.
- The cost of sales for mobile handsets grew on the increase in handsets shipped.
- Expenses related to doubtful accounts (bad debt loss on doubtful accounts and provision for doubtful accounts) declined significantly, as a result of continued stricter customer credit screening for new subscribers.

Note:

6. Average Revenue Per User (rounded to the nearest 10).
Revenue and number of mobile phone subscribers include prepaid mobile phones and communication module service subscribers.
7. ARPU for the previous fiscal year and this fiscal year before rounding was ¥4,065 and 4,068, respectively.

<Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) at SOFTBANK MOBILE for this fiscal year totaled 1,243,700⁸, on strong sales of the iPhoneTM⁹ as a result of the “iPhone for everybody” campaign¹⁰, and a contribution from solid sales of “PhotoVision” - a digital picture frame with telecommunications functionality. As a result, the cumulative subscribers as of this fiscal year-end stood at 21,876,600⁸, increasing SOFTBANK MOBILE’s cumulative subscriber share at the end of this fiscal year by 0.3 of a percentage point year-on-year, to 19.5%¹¹.

Notes:

8. The number of net subscriber additions and the number of cumulative subscribers for SOFTBANK MOBILE include prepaid mobile phones and communication module service subscribers.
Net subscriber additions for communication modules for the year totaled 481,300, and the total number of communication module service subscribers as of March 31, 2010 was 537,500.
9. iPhone is a trademark of Apple Inc.
The “iPhone” trademark is used under license from Aiphone K.K.
10. A campaign that ran from February 2009 through January 2010, and reduced both the customer’s actual outlay purchase and the maximum monthly charge for the packet flat-rate data service.
11. Calculated by the Company based on Telecommunications Carriers Association statistical data.

<ARPU>

ARPU for this fiscal year was ¥4,070⁷. The sum of basic monthly charge and voice ARPU declined ¥270 year-on-year to ¥2,050, mainly from revised access charges between carriers and a decline in voice communication. At the same time, data ARPU rose ¥280 year-on-year to ¥2,020. This was mainly the result of an increase in 3G subscribers, especially in data-intensive iPhoneTM users, combined with subscribers’ increased data use as a result of the expansion in mobile content.

ARPU for the fourth quarter was ¥3,890. The sum of basic monthly charge and voice ARPU was ¥1,750. On the other hand, data ARPU amounted to ¥2,140, surpassing the sum of basic monthly charge and voice ARPU for the first time on a quarterly basis.

<Churn Rate and Upgrade Rate>

The churn rate¹² for this fiscal year was 1.37%, which was 0.37 of a percentage point higher year-on-year. In addition to higher churn associated with the termination of the 2G service at the end of this fiscal year, the number of customers completing their installment handset payments increased, and some of these customers churned. The upgrade rate¹² for this fiscal year was 1.71%, which was roughly flat compared with the previous fiscal year’s 1.71%.

Note:

12. Includes prepaid mobile phones and communication module service subscribers.

<Average Customer Acquisition Commission>

The average customer acquisition commission for this fiscal year was ¥40,500, a ¥1,400 increase year-on-year. This was mainly a reflection of aggressive sales promotion activities, including the “iPhone for everybody” campaign.

(b) Broadband Infrastructure

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	235,199	203,428	(31,771)	(13.5)
Operating income	47,253	48,779	1,526	3.2

<Overview of Operations>

Operating income grew while net sales declined year-on-year. The trend of lower net sales continued mainly because of a decline in the number of charged lines at the ADSL business of the core company SOFTBANK BB Corp. (hereafter "SOFTBANK BB"), but there were also reductions in sales-related expenses at the ADSL business and reduced depreciation expenses due to an impairment write-down on dedicated assets for the FTTH infrastructural business which was incurred at the end of the previous fiscal year.

SOFTBANK BB began offering *Yahoo! BB Hikari with FLET'S*¹³ nationwide from July 2009. The number of contracts for this service totaled 237,000 as of the end of this fiscal year, and the number of broadband service users¹⁴ including installed ADSL lines stood at 4,006,000.

Notes:

13. 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.
14. 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)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	363,632	348,692	(14,939)	(4.1)
Operating income	18,968	22,990	4,022	21.2

<Overview of Operations>

Net sales for the segment declined year-on-year. This was mainly the result of SOFTBANK IDC Solutions Corp.'s¹⁵ net sales, which were previously included in this segment, being included in the Internet Culture segment from this fiscal year. Net sales from the *OTOKU Line*, direct connection fixed-line voice service at core company SOFTBANK TELECOM Corp. (hereafter "SOFTBANK TELECOM") remained solid, while the decline in its revenue from relay connection voice services including *MYLINE* and international telephone service continued.

Operating income rose year-on-year, primarily on an increase in the number of lines for high-margin services like *OTOKU Line*.

Note:

15. SOFTBANK IDC Solutions Corp. was included in the Fixed-line Telecommunications segment until the previous fiscal year. As a result of its merger with Yahoo Japan Corporation on March 30, 2009, its operating results have been included in the Internet Culture segment from this fiscal year.

(d) Internet Culture

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	254,238	270,891	16,653	6.6
Operating income	125,098	135,152	10,054	8.0

<Overview of Operations>

Both net sales and operating income rose from the previous fiscal year. The sales growth at core company Yahoo Japan Corporation (hereafter “Yahoo Japan”) was the result of the combination of the merger with SOFTBANK IDC Solutions Corp., and growth in revenue assisted by the increase in membership fees for *Yahoo! Premium* members and the upward revision in store royalties in *Yahoo! Auctions*. The growth advertising business sales, on a recovery in advertising placements, also contributed to the revenue growth.

In addition to sales growth at Yahoo Japan, operating income for the segment grew from the previous fiscal year on reductions in expenses for items including outsourcing and rent, as a result of stepped-up efforts to increase operational efficiency and reduce unnecessary costs at Yahoo Japan.

(e) e-Commerce

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	258,184	249,343	(8,840)	(3.4)
Operating income	4,636	5,793	1,156	25.0

<Overview of Operations>

Net sales for the segment declined year-on-year. This was mainly due to lower corporate sales at the Commerce & Service Division of core company SOFTBANK BB, reflecting the sluggish economy.

On the other hand, operating income rose year-on-year. This was mainly due to the solid trend in services directed at retail customers, such as *SoftBank SELECTION*¹⁶, in the Commerce & Service Division of SOFTBANK BB, and enhanced contribution of the relatively high-margin businesses Carview Corporation and Vector Inc., to the earnings results.

Note:

16. A brand of mobile phone accessories and PC software.

(f) Others

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	YoY	YoY (%)
Net sales	88,226	86,255	(1,971)	(2.2)
Operating income (loss)	(194)	1,564	1,758	-

3. Analysis by Geographical Segment
(a) Japan

Net sales rose ¥97,477 million (3.7%) year-on-year to ¥2,759,955 million, and operating income grew ¥111,127 million (30.3%) to ¥477,803 million.

(b) North America

Net sales declined ¥85 million (8.0%) year-on-year to ¥981 million. An operating loss of ¥908 million was recorded (compared with ¥2,299 million in operating income in the previous fiscal year).

(c) Others

Net sales declined ¥4,840 million (37.7%) year-on-year to ¥8,013 million. The operating loss came to ¥624 million (compared with a ¥676 million operating loss in the previous fiscal year).

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

SoftBank mobile phones

	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
(Thousands)										
Net additions ¹	525.5	521.4	366.6	633.1	2,046.7	323.3	360.7	350.3	209.4	1,243.7
(Postpaid)	590	571	398	670	2,228	359	395	383	507	1,645
(Prepaid)	(64)	(49)	(31)	(37)	(182)	(36)	(34)	(33)	(297)	(401)
Market share ² (%)	56.9	44.0	37.0	38.1	43.0	32.3	31.5	35.6	13.4	26.5
Cumulative subscribers ¹	19,111.7	19,633.2	19,999.8	/	20,632.9	20,956.2	21,316.9	21,667.2	/	21,876.6
(3G)	15,113	16,321	17,249	/	18,654	19,455	20,238	20,885	/	21,876.6
(2G)	3,999	3,313	2,751	/	1,979	1,501	1,079	782	/	-
Market share ² (%)	18.4	18.7	18.9	/	19.2	19.3	19.4	19.6	/	19.5
(Yen per month)										
ARPU ³ (Basic monthly charge + voice)	4,180	4,170	4,090	3,830	4,070	4,030	4,150	4,200	3,890	4,070
(Data)	2,530	2,460	2,300	2,020	2,320	2,150	2,160	2,150	1,750	2,050
(Data)	1,650	1,710	1,790	1,820	1,740	1,880	1,990	2,060	2,140	2,020
(Yen)										
Average acquisition cost per subscriber ⁴	35,600	35,500	38,300	45,300	39,100	50,100	35,900	37,400	40,200	40,500
(% per month)										
Churn rate ⁵	0.98	0.98	0.91	1.13	1.00	1.05	1.24	1.16	2.01	1.37
(3G only ⁶)	0.72	0.76	0.69	0.90	0.77	0.87	1.07	0.99	1.28	1.06
Upgrade rate ⁵	1.27	1.91	1.67	1.98	1.71	1.73	1.81	1.53	1.78	1.71

Notes:

- Includes the number of prepaid mobile phones and communication module service subscribers.
- Calculated by the Company based on Telecommunications Carriers Association statistical data.
- Average Revenue Per User (rounded to the nearest 10).
Revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules.
- Commissions (average) paid to sales agents per new subscription.
Includes prepaid mobile phones and communication modules.
- Includes prepaid mobile phones and communication modules.
- Excludes prepaid mobile phones.

(b) Broadband Infrastructure
Yahoo! BB ADSL

(Thousands)

	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Installed lines ⁷	4,653	4,551	4,427		4,299	4,158	4,040	3,908		3,769
Charged lines ⁸	4,127	4,057	4,022		3,907	3,769	3,657	3,533		3,389
(Yen per month)										
ARPU ⁹	4,283	4,279	4,278	4,262		4,259	4,255	4,245	4,213	
(% per month)										
Churn rate ¹⁰	2.25	1.92	1.92	2.23	2.08	2.12	1.80	1.96	2.20	2.02

Notes:

7. Number of lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.
8. Number of installed lines excluding customers whose basic monthly charge is free under campaigns or other promotional initiatives.
9. Average Revenue Per User: average revenue per charged line based on user's payment.
10. Average ratio of customer lines with a history of payment, for which a cancellation application has been filed during the relevant period.

(c) Fixed-line Telecommunications
OTOKU Line

(Thousands)

	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Lines	1,443	1,498	1,544		1,608	1,631	1,652	1,657		1,669
(Yen per month)										
ARPU ¹¹	6,149	6,247	6,246	6,504		6,388	6,284	6,445	6,825	

Note:

11. Average Revenue Per User

(d) Internet Culture

(Millions)

	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
<i>Yahoo! JAPAN</i>										
Total monthly page views ¹²	43,988	43,433	41,111	46,187		46,445	46,378	42,779	46,882	
Unique browsers ¹³	176	173	190	205		229	189	197	209	
<i>Yahoo! Auctions</i>										
Average number of total listed items ¹⁴	15	16	18	19		20	20	23	23	

Notes:

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

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

(Millions of yen)

Segment	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Mobile Communications	37,493	38,756	52,909	70,018	199,177	32,408	39,148	47,921	65,291	184,770
Broadband Infrastructure	4,761	3,010	3,112	3,705	14,589	1,608	1,597	2,058	4,137	9,401
Fixed-line Telecommunications	5,100	8,196	9,598	6,694	29,589	3,710	3,939	3,436	6,893	17,979
Internet Culture	2,740	3,097	2,196	1,853	9,887	1,101	1,271	1,457	2,347	6,178
e-Commerce	152	324	303	508	1,288	187	226	243	218	876
Others	1,333	637	1,017	1,574	4,563	1,348	675	464	1,220	3,708
Consolidated total	51,578	54,022	69,137	84,355	259,094	40,364	46,858	55,582	80,109	222,915

(b) Depreciation (excluding amortization of goodwill)

(Millions of yen)

Segment	Fiscal Year Ended March 2009					Fiscal Year Ended March 2010				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Mobile Communications	38,679	39,602	40,918	42,316	161,517	42,773	43,418	44,696	45,610	176,498
Broadband Infrastructure	5,655	5,380	5,386	5,552	21,974	4,440	4,347	4,121	4,216	17,126
Fixed-line Telecommunications	9,215	9,205	9,167	9,178	36,766	8,982	8,837	8,669	8,803	35,292
Internet Culture	2,355	2,593	2,888	3,005	10,843	2,385	2,459	2,511	2,582	9,939
e-Commerce	276	265	283	296	1,122	284	299	312	362	1,259
Others	816	1,021	1,023	927	3,788	943	905	1,002	976	3,827
Consolidated total	56,999	58,068	59,668	61,277	236,013	59,809	60,266	61,314	62,553	243,944

4. Earnings Forecasts

The Group is forecasting consolidated operating income of ¥500,000 million for this fiscal year ending March 31, 2011, which represents a ¥34,128 million (7.3%) increase from the actual results of this fiscal year.

Consolidated net sales are subject to rapid changes in the Group's main markets, the Internet and telecommunications industry. There is therefore a possibility that new sales methods will be introduced in the future in response to changes in the market situation, making it difficult to publicly disclose a forecast for consolidated net sales.

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

In this market environment, it is difficult to make forecasts, and because the Group is managed with an emphasis on full-year results, interim forecasts are not disclosed.

(2) Analysis of Financial Position

1. Assets, Liabilities and Equity

Assets, liabilities, and equity at the end of this fiscal year were as follows:

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009	YoY	YoY (%)
Total assets	4,462,875	4,386,672	76,203	1.7
Total liabilities	3,498,903	3,561,873	(62,970)	(1.8)
Total equity	963,971	824,798	139,173	16.9

(a) Current Assets

Current assets at the end of this fiscal year totaled ¥1,694,440 million, for a ¥174,127 million (11.5%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Cash and deposits increased by ¥232,100 million from the previous fiscal year-end. Mainly as the result of operating activities, there was an increase at Yahoo Japan of ¥110,476 million and an increase at SOFTBANK MOBILE of ¥93,533 million, while it repaid ¥198,150 million of its SBM loan¹. The other main reasons for the movement in cash and deposits during this fiscal year were the issuance of four unsecured straight corporate bonds² during this fiscal year, which increased cash and deposits by ¥185,000 million, and a ¥36,500 million decrease in outstanding borrowings at the Company. There was also a decrease of ¥45,000 million through a redemption on SOFTBANK TELECOM's 1st series of Unsecured Straight Corporate Bonds.
- Notes and accounts receivable-trade decreased ¥41,534 million. This was mainly due to a decline in accounts receivable at the SOFTBANK MOBILE on progress in collecting installment sales receivables.

Note:

1. The acquisition funds for the acquisition of Vodafone K.K. were refinanced in November 2006 via a whole business securitization program.
2. The 27th, 28th, 29th and 30th Unsecured Straight Bonds. Details on page 20. (Reference) Major Financing Activities.

(b) Fixed Assets

Fixed assets totaled ¥2,766,483 million at the end of this fiscal year, for a ¥98,552 million (3.4%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Total property and equipment decreased ¥50,243 million from the previous fiscal year-end. This was mainly because of the depreciation of telecommunications equipment at the telecommunications-related businesses and the retirement of certain pieces of telecommunications equipment at the Mobile Communications segment.
- Total intangible assets decreased ¥69,722 million from the previous fiscal year-end. This was because of a decrease in goodwill of ¥55,962 million caused mainly by the regular amortization at SOFTBANK MOBILE and SOFTBANK TELECOM, and from the amortization of software.

(c) Current Liabilities

Current liabilities at the end of this fiscal year totaled ¥1,378,878 million, for a ¥29,295 million (2.2%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Short-term borrowings decreased by ¥137,571 million from the previous fiscal year-end. This was mainly because a portion of short-term borrowings were refinanced as long-term borrowings or corporate bonds, which reduced the outstanding amount of short-term borrowings in this fiscal year by ¥92,800 million.
- Accounts payable-other and accrued expenses increased by ¥99,237 million. This was mainly because a long-term accounts payable of ¥75,000 million at SOFTBANK MOBILE, relating to the additional entrustment for debt assumption of bonds³, was transferred from long-term liabilities as it became payable within one year.
- Income taxes payable increased ¥79,120 million, mainly because of the occurrence of income taxes under consolidated tax return at BB Mobile Corp.⁴ due to the full utilization of loss carryforwards.

Notes:

3. Refer to page 38.

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

(d) Long-term Liabilities

Long-term liabilities totaled ¥2,120,024 million at the end of this fiscal year, for a ¥92,265 million (4.2%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- Corporate bonds outstanding increased by ¥123,957 million from the end of the previous fiscal year. The issuance of four unsecured straight corporate bonds during this fiscal year added ¥185,000 million, while the transfer of the 22nd and 24th Unsecured Straight Corporate Bonds to current liabilities reduced this amount by ¥54,400 million.
- Long-term borrowings decreased by ¥154,706 million. This is because SOFTBANK MOBILE repaid ¥198,150 million of the SBM loan, while part of the borrowings under the Company's credit line facility was refinanced as long-term liabilities at the time of contract renewal, resulting in an increase of ¥56,300 million.
- Other liabilities decreased by ¥59,252 million, as ¥75,000 million of other long-term accounts payable at SOFTBANK MOBILE became payable within one year and were therefore transferred to current liabilities. (Refer to (c) Current Liabilities Accounts payable-other and accrued expenses)

(e) Equity

Equity totaled ¥963,971 million at the end of this fiscal year, for a ¥139,173 million (16.9%) increase from the previous fiscal year-end. Retained earnings increased ¥94,341 million, totaling ¥43,071 million as of the end of this fiscal year. As a result of profit recorded mainly at Yahoo Japan minority interests came to ¥492,963 million, an increase of ¥42,548 million.

2. Cash Flows

Cash flow activities during this fiscal year were as follows.

Cash and cash equivalents at the end of this fiscal year totaled ¥687,681 million, for a ¥230,037 million increase from the previous fiscal year-end.

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Difference
Cash flows from operating activities	447,857	668,050	220,192
Cash flows from investing activities	(266,295)	(277,162)	(10,867)
(Reference) Free cash flow	181,562	390,888	209,325
Cash flows from financing activities	(210,348)	(159,563)	50,785

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥668,050 million (compared with ¥447,857 million provided in the previous fiscal year).

Income before income taxes and minority interests totaled ¥289,249 million, while non-cash items of ¥243,944 million in depreciation and amortization, ¥61,070 million in amortization of goodwill, and loss on retirement of non current assets of ¥48,786 million were recorded as positive. Receivables-trade including the collection of installment sales receivables at SOFTBANK MOBILE decreased by ¥59,637 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥277,162 million (compared with ¥266,295 million used in the previous fiscal year).

Capital expenditures, mainly at telecommunications-related businesses, resulted in ¥223,818 million in outlays for property and equipment and intangibles. Purchases of marketable and investment securities resulted in ¥56,686 million in cash outlays. This was mainly related to the acquisition of corporate bonds (face value of ¥27,000 million) held by the Company that were issued by J-WBS Funding K.K. under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the year was a positive ¥390,888 million (compared with a positive ¥181,562 million in the previous fiscal year), for a significant increase of ¥209,325 million.

(c) Cash Flows from Financing Activities

Net cash used in financing activities was ¥159,563 million (compared with ¥210,348 million used in the previous fiscal year).

Repayments of long-term borrowings totaled ¥516,051 million, the change in short-term borrowings, net was a decrease of ¥112,910 million, outlays for the repayment of lease obligations came to ¥103,052 million, and ¥70,675 million was used for the redemption of corporate bonds. At the same time, long-term borrowings raised ¥337,929 million, corporate bond issues generated ¥183,433 million, and ¥135,941 million was recorded as proceeds from the sale and lease back of equipment newly acquired.

(d) Trends in Cash Flow Related Indicators

A summary of trends in cash flow related indicators is presented below.

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Equity ratio	8.4 %	8.5 %	10.5%
Equity ratio (Market cap.)	42.8 %	30.9 %	55.9%
Debt repayment period	4.0 years	3.5 years	2.7 years
Interest coverage ratio	5.4	6.0	7.0

Notes:

- The above indicators are calculated using the following formulas based on consolidated figures.
 Equity ratio: shareholders' equity divided by total assets.
 Equity ratio (market cap.): market capitalization divided by total assets.
 Debt repayment period: interest-bearing debt divided by EBITDA.
 Interest coverage ratio: EBITDA divided by interest expenses.
- EBITDA: operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses.
- Market capitalization is calculated based on the number of shares outstanding, net of treasury stock.
- Interest-bearing debt: short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term borrowings. Lease obligations are excluded.
 This also excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27,000 million acquired by the Company during this fiscal year that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.
- Interest expense is the corresponding figure on the Consolidated Statements of Income for the fiscal year.

A summary of cash flow related indicators excluding the Mobile Communications Segment is shown below.

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Debt repayment period	3.6 years	3.1 years	3.0 years
Interest coverage ratio	7.7	10.2	9.8

[Reference]
Major Financing Activities

The major financing activities in this fiscal year were as follows:

Item	Company Name	Details	Summary
Issue bonds	SOFTBANK CORP.	Issue of the 27th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: June 11, 2009 Redemption date: June 10, 2011 Procured amount: ¥60,000 million Interest rate: 5.10%/year Use: redemption of bonds and repayment of borrowings
		Issue of the 28th Unsecured Straight Corporate Bond	Issue date: July 24, 2009 Redemption date: July 24, 2012 Procured amount: ¥30,000 million Interest rate: 4.72%/year Use: redemption of bonds and repayment of borrowings
		Issue of the 29th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: Sept. 18, 2009 Redemption date: Sept. 18, 2012 Procured amount: ¥65,000 million Interest rate: 4.52%/year Use: redemption of bonds and repayment of borrowings
		Issue of the 30th Unsecured Straight Corporate Bond	Issue date: Mar. 11, 2010 Redemption date: Mar. 11, 2015 Procured amount: ¥30,000 million Interest rate: 3.35%/year Use: scheduled to be used for redemption of bonds due by Sept. 2010
Bond redemption	SOFTBANK TELECOM Corp.	1 st Series of Unsecured Straight Bond	Redemption date: Dec. 7, 2009 Redeemed amount: ¥45,000 million
	SOFTBANK CORP.	19 th Series of Unsecured Straight Bond	Redemption date: Jan. 29, 2010 Redeemed amount: ¥19,000 million
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥70,247 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 30, 2009 Redemption method: monthly pass-through repayment Use: capital expenditure and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥49,956 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: Sept. 30, 2009 Redemption method: monthly pass-through repayment Use: capital expenditure and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥60,081 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: Dec. 29, 2009 Redemption method: monthly pass-through repayment Use: capital expenditure and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥56,121 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: Mar. 30, 2010 Redemption method: monthly pass-through repayment Use: capital expenditure and repayment of funds raised via the whole business securitization financing scheme
Repayment of securitization of receivables	SOFTBANK MOBILE Corp.	Decrease ¥238,517 million.	Repayment of funds procured through securitization of mobile phone installment sales receivables
Increase or decrease in debt (excluding securitization of receivables)	SOFTBANK CORP.	Decrease ¥36,500 million	
	SOFTBANK MOBILE Corp.	Decrease ¥198,150 million	Repayment of funds raised via the whole business securitization financing scheme
	SOFTBANK TELECOM Corp.	Decrease ¥20,522 million	
	Yahoo Japan Corporation	Decrease ¥20,000 million	
Capital expenditure by financial lease	SOFTBANK MOBILE Corp. etc.	Capital expenditure mainly at the Mobile Communications business by utilizing lease	Funds procured during the during the fiscal year ended Mar. 31, 2010 fiscal year: ¥135,941 million.

3. Fundamental Policy for Distribution of Profit, and Dividends for Current and Following Year

The Company strives to increase returns to shareholders by raising corporate value, and has a fundamental policy of returning appropriate amounts of profit to shareholders and other stakeholders. The Company's policy regarding dividends to shareholders is to balance the strengthening of the operating base by reducing interest-bearing debt while maintaining a stable dividend over the mid- to long-term.

The Group is strengthening its cash-flow-oriented management, and aims to reduce its ¥1,939,520 million of net interest-bearing debt as of the end of March 2009 by half over three years (by the end of March 2012) and to zero over six years (by the end of March 2015). To achieve this, the Group plans to generate an aggregate total of at least ¥1 trillion in free cash flow over the three years from fiscal 2009 (period from April 1, 2009 to March 31, 2012). Solid progress toward achieving these goals was made during the fiscal year, with the generation of ¥390,888 million of free cash flow, the majority of which was used to repay debt and net interest-bearing debt was reduced by ¥438,446 million to ¥1,501,074 million. The Company therefore intends to pay a dividend for this year of ¥5 per share, double the dividend of last year.

The dividend for the next fiscal year is scheduled to be the same as this year at ¥5 per share.

2. The SOFTBANK Group

As of March 31, 2010, the Group was comprised 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 were 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	6	1	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp. ^(Note))
Fixed-line Telecommunications	3	-	Provision of fixed-line telecommunications etc. (Core companies: SOFTBANK TELECOM Corp. ^(Note))
Internet Culture	17	11	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation ^(Note))
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. ^(Note) , Vector Inc., Carview Corporation)
Others	70	46	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	109	64	

Note:

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

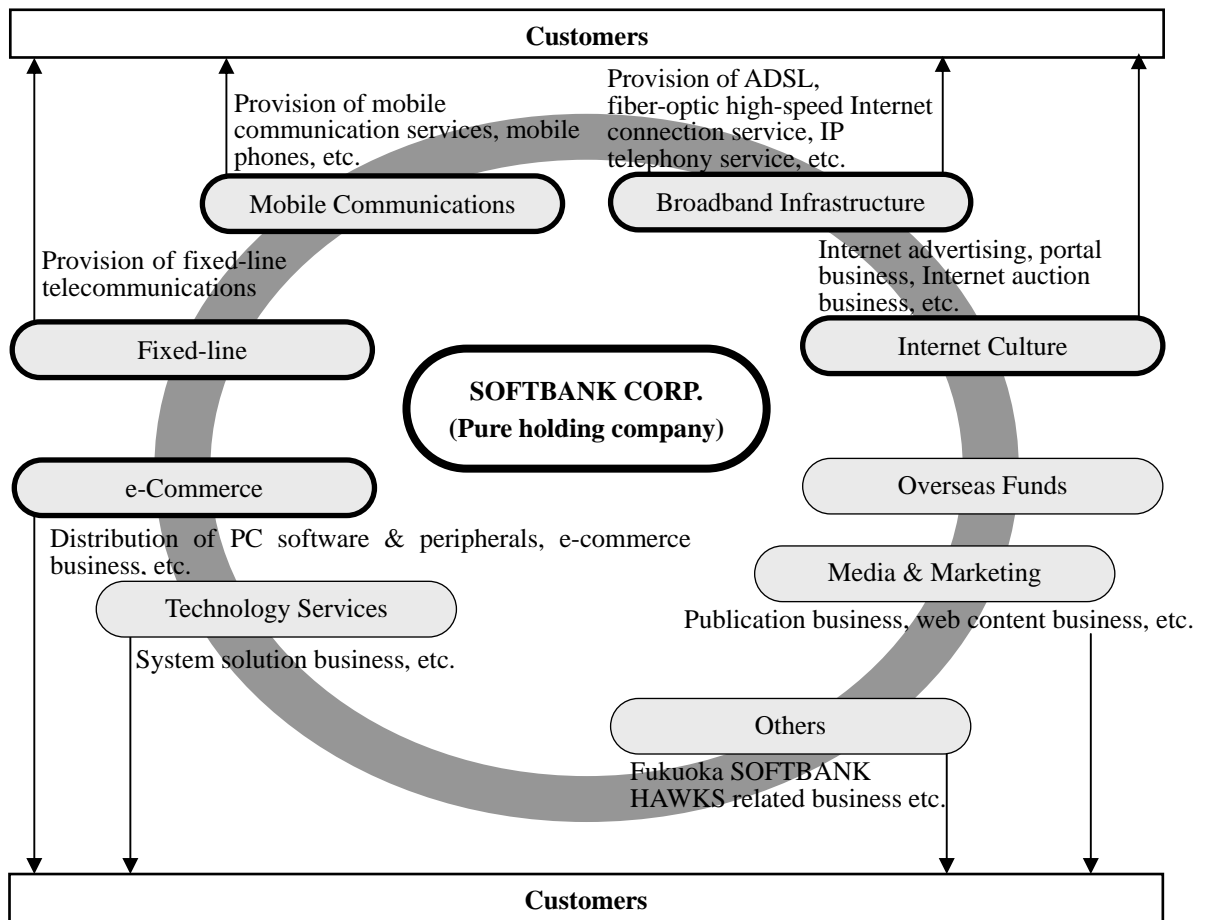
[Listed Companies]

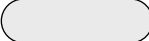
The Company's five following subsidiaries were listed on domestic stock exchanges as of March 31, 2010:

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

[Segment Diagram]

The diagram of the Group's segments is as follows:



 Technology Services, Media & Marketing, Overseas Funds, and Other businesses are included in the "Others" segment.

3. Management Policies

(1) Fundamental Management Policies

Since its establishment, the SOFTBANK Group has operated under the fundamental management policy of “Endeavoring to benefit society and the economy and to maximize corporate value by fostering the sharing of wisdom and knowledge gained through the IT revolution.” The Group operates a range of businesses, with the aim of creating a society where people can mutually access a variety of information anytime, anywhere, and with anyone via the Internet.

As a corporate group based on Internet-related businesses, the Group aims to be the global No. 1 corporate group as a “lifestyle company” that provides services, content and infrastructure that enriches and brings enjoyment to people’s lives.

(2) Target Management Indices

In addition to net sales and operating income for each of the internal management segments, the Group focuses on the actual amounts and rates of change in the management indices, including ordinary income, net income, cash flow and EBITDA¹. In the telecommunications-related businesses the Group also focuses on the number of subscribers and market share, and indices that show user trends like churn rate and ARPU².

The Group is strengthening its cash-flow-oriented management, and aims to reduce its ¥1,939,520 million of net interest-bearing debt³ as of the end of March 2009 by half over three years (by the end of March 2012) and to zero over six years (by the end of March 2015). To achieve this, the Group aims to generate an aggregate total of at least ¥1 trillion in free cash flow⁴ over three years from fiscal 2009 (period from April 1, 2009 to March 31, 2012).

Notes:

1. EBITDA: operating income/loss + depreciation + amortization of goodwill + loss from disposal of fixed assets included in operating expenses.
2. Average Revenue Per User (revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules).
3. Net interest-bearing debt: interest-bearing debt minus cash position.
Interest-bearing debt: short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term debt. Lease obligations are excluded.
This also excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27,000 million acquired by the Company during this fiscal year that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.
Cash position: cash and cash deposits + marketable securities recorded as current assets.
4. Free cash flow: cash flows from operating activities + cash flows from investing activities.

(3) Mid- to Long-Term Strategies

As a “lifestyle company” in the mobile Internet age, the Group has established a distinctive business model with the aim of maintaining sustainable growth in earnings and free cash flow across the Group. This model combines stable, long-term revenue from the infrastructure business, steadily increasing returns from the portal business, and a wide variety of revenue streams from the content business.

Over the mid- to long-term, the Group aims to create new markets and increase subscriber numbers mainly in the Mobile Communications segment, by promoting the use of smartphones such as iPhone^{TM5} and Android^{TM6} handsets and devices with telecommunications functionality, like “PhotoVision,” while also increasing operating cash flow through growth in data telecommunications revenue by providing a broad range of mobile content. While

enhancing capital expenditure in order to increase customer satisfaction on the SoftBank mobile phones, the Group will also optimize its investment cash flow through continued carefully selected investments. As a result of these efforts, the Group aims to continuously generate free cash flow to reduce net interest-bearing debt to zero by the end of March 2015, as noted above.

In addition, the Group operates its businesses with the aim of being the “No. 1 Internet Company in Asia” and the “No. 1 Mobile Internet Company” as its long-term strategy. In Asia, where the Internet is increasingly taking root, the Group is placing particular emphasis on China. In addition to growth in the business bases of the companies of Group affiliate Alibaba Group Holding Limited (hereafter “Alibaba Group Holding”), Oak Pacific Interactive was made an affiliate from this fiscal year, and the customer bases of Oak Pacific Interactive’s “renren.com,” one of China’s largest SNS⁷ sites, and SNS game site “Kaixin.com,” are showing steady growth. Pursuing synergies with these two affiliates, the Group will strengthen its business development throughout Asia. In the area of mobile Internet, the “Joint Innovation Lab (JIL B.V.),” which the Group jointly established with three of the world’s major mobile operators⁸ representing a combined customer base of roughly one billion⁹, began offering a platform for *MOBILE WIDGET*¹⁰ development and is pursuing new opportunities for business and earnings growth.

Notes:

5. Apple and the Apple logo are registered trademarks of Apple Inc. in the U.S. and other countries.
iPhone is a trademark of Apple Inc.
The “iPhone” trademark is used under license from Aiphone K.K.
6. Android is a trademark of Google Inc.
7. Social Network Service: a network for social communication on the Internet.
8. Vodafone Group Plc of the U.K., China Mobile Limited, and Cellco Partnership (Verizon Wireless) of the U.S.
9. Calculated by the Company based on the March 2010 disclosed materials by each company.
10. An application on the mobile handset screen that allows for one-touch access to desired information.

(4) Important Management Issues for the Company

1. Initiatives to reduce net interest-bearing debt

The Group recognizes the importance of reducing its net interest-bearing debt and will strive to reduce net interest-bearing debt to zero over six years by the end of March 2015.

As of March 31, 2010, the Group’s interest-bearing debt stood at ¥2,195,470 million, and net interest-bearing debt was ¥1,501,074 million. The Group generated free cash flow of ¥390,888 million during the year, marking an increase of ¥209,325 million year-on-year. The majority of this free cash flow was used to repay interest-bearing debt and, as a result, interest-bearing debt outstanding was reduced by ¥204,921 million and net interest-bearing debt by ¥438,446 million from the end of the previous fiscal year.

The majority of interest-bearing debt represents a procurement made through a whole business securitization associated with the acquisition of Vodafone K.K., and the amount of these borrowings repaid during this fiscal year was ¥198,150 million, bringing the outstanding amount as of this fiscal year-end to ¥986,702 million. Going forward the Group will strive to further strengthen its financial position by giving priority to allocating the generated free cash flow to the repayment of interest-bearing debt.

2. Initiatives in the Mobile Communications segment

Immediately following its entry into the mobile communications market, the Group identified four key initiatives – “network enhancement,” “handset lineup enrichment,” “mobile content enhancement,” and “enhancement of sales structure & branding” – and has worked to expand the customer base and further increase the name recognition of the “SoftBank” brand. Going forward, the Group will continue to address these important issues to develop businesses that contribute to Group-wide growth.

Of these above initiatives, “network enhancement” is considered the most important challenge, and on March 28, 2010, SOFTBANK MOBILE announced the “SoftBank Network Enhancement Initiative” to further improve its mobile phone network. This initiative seeks to make data telecommunications easier for the Group’s customers to use by increasing the number of base stations to further expand its coverage areas, and providing micro mini-base stations (femtocells) and Wi-Fi routers free of charge to improve signals indoors.

In terms of “mobile content enhancement,” the Group will continuously develop new services and enrich attractive content including videos for customers to enjoy mobile Internet. With regard to “handset lineup enrichment,” the Group will work to increase data telecommunications revenue by emphasizing sales of smartphones including iPhoneTM and AndroidTM handsets, which are tailored for Internet use.

3. Pursuing Group synergies

As a corporate group, the Group considers it important to differentiate itself from competitors by pursuing Group-wide synergies.

The SOFTBANK Group’s telecommunications-related businesses – SOFTBANK MOBILE, SOFTBANK BB and SOFTBANK TELECOM – have been providing FMC¹¹ services such as *White Call 24* which combines SoftBank mobile phones with its fixed-line ADSL services and *White Office* which combines SoftBank mobile phones and fixed-line phone services as a corporate service. Going forward, these three companies will continue to provide innovative services that utilize their synergies, cross-selling on their mutual sales channels, pursue increased management efficiency such as cost reductions etc.

In addition, through further enhanced cultivation and expansion of content and services the Group will pursue synergies with its infrastructure and portal business in order to achieve revenue and profit growth as a Group.

Further synergies throughout the Group are also being pursued between Japan and China such as the establishment of the joint venture Alibaba.com Japan Co., Ltd. with Alibaba Group Holding in China.

Note:

11. Fixed Mobile Convergence services: telecommunications services that integrate the functions of mobile communications and fixed-line communications.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
	Amount	Amount
ASSETS		
Current assets:		
Cash and deposits	¥457,953	¥690,053
Notes and accounts receivable - trade	858,084	816,550
Marketable securities	2,917	4,342
Merchandise and finished products	42,320	37,030
Deferred tax assets	93,021	74,290
Other current assets	114,874	106,733
Less:		
Allowance for doubtful accounts	(48,858)	(34,559)
Total current assets	1,520,313	1,694,440
Fixed assets:		
Property and equipment, net:		
Buildings and structures	71,577	68,182
Telecommunications equipment	738,967	706,283
Telecommunications service lines	79,637	72,983
Land	22,576	22,401
Construction in progress	37,477	34,634
Other property and equipment	50,710	46,218
Total property and equipment	1,000,946	950,703
Intangible assets, net:		
Goodwill	956,730	900,768
Software	226,131	208,915
Other intangibles	39,245	42,702
Total intangible assets	1,222,108	1,152,386
Investments and other assets:		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	320,102	370,027
Deferred tax assets	158,228	152,654
Other assets	200,749	164,950
Less:		
Allowance for doubtful accounts	(37,100)	(24,238)
Total investments and other assets	641,980	663,394
Total fixed assets	2,865,036	2,766,483
Deferred charges	1,322	1,951
Total assets	¥4,386,672	¥4,462,875

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2009	As of March 31, 2010
	Amount	Amount
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable - trade	¥160,339	¥158,942
Short-term borrowings	575,532	437,960
Current portion of corporate bonds	64,000	54,400
Accounts payable - other and accrued expenses	352,171	451,408
Income taxes payable	21,363	100,483
Current portion of lease obligations	88,241	109,768
Other current liabilities	87,935	65,914
Total current liabilities	1,349,583	1,378,878
Long-term liabilities:		
Corporate bonds	324,566	448,523
Long-term debt	1,436,292	1,281,586
Deferred tax liabilities	28,795	30,482
Liability for retirement benefits	16,076	15,557
Allowance for point mileage	41,816	47,215
Lease obligations	233,314	224,484
Other liabilities	131,428	72,175
Total long-term liabilities	2,212,290	2,120,024
Total liabilities	3,561,873	3,498,903
Equity:		
Common stock	187,681	188,750
Additional paid-in capital	211,999	213,068
Retained earnings (accumulated deficit)	(51,269)	43,071
Less: Treasury stock	(214)	(225)
Total shareholders' equity	348,197	444,665
Unrealized gain on available-for-sale securities	31,334	43,864
Deferred gain on derivatives under hedge accounting	25,117	14,528
Foreign currency translation adjustments	(30,554)	(32,525)
Total valuation and translation adjustments	25,897	25,866
Stock acquisition rights	289	476
Minority interests	450,414	492,963
Total equity	824,798	963,971
Total liabilities and equity	¥4,386,672	¥4,462,875

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
	Amount	Amount
Net sales	¥2,673,035	¥2,763,406
Cost of sales	1,365,903	1,326,571
Gross Profit	1,307,132	1,436,834
Selling, general and administrative expenses	948,011	970,963
Operating income	359,121	465,871
Interest income	1,399	1,024
Foreign exchange gain, net	1,884	1,707
Contribution for construction	3,423	1,305
Other non-operating income	6,309	5,280
Non-operating income	13,016	9,318
Interest expense	112,345	111,152
Equity in losses of affiliated companies	13,759	3,616
Other non-operating expenses	20,370	19,423
Non-operating expenses	146,475	134,192
Ordinary income	225,661	340,997
Gain on sale of investment securities	3,454	4,758
Dilution gain from changes in equity interest	2,483	1,407
Gain on liquidation of a subsidiary	2,972	-
Other special income	2,301	489
Special income	11,212	6,655
Valuation loss on investment securities	11,504	5,167
Unrealized appreciation (loss) on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	5,316	303
Loss on retirement of non current assets	3,029	48,786
Impairment loss	29,478	1,406
Loss on additional entrustment for debt assumption	75,000	-
Other special losses	5,207	2,738
Special loss	129,535	58,403
Income before income taxes and minority interests	107,338	289,249
Income taxes:		
Current	39,390	117,876
Deferred	(19,674)	26,683
Total income taxes	19,715	144,559
Minority interests in net income	44,450	47,973
Net income	¥43,172	¥96,716

(3) Consolidated Statements of Changes in Equity

Fiscal year from April 1, 2008 to March 31, 2009:

	Shareholders' equity						Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total				
Balance at April 1, 2008	¥187,422	¥211,740	¥(91,744)	¥(206)	¥307,213	¥80,914	¥(11,823)	¥7,437	¥76,529	¥120	¥464,862	¥848,725	
Increase in accumulated deficit due to adoption of a new accounting standard for accounting policies at foreign subsidiaries	-	-	(3)	-	(3)	-	-	-	-	-	-	(3)	
Changes of items during the year													
Exercise of warrants	258	258	-	-	517	-	-	-	-	-	-	517	
Cash dividends	-	-	(2,701)	-	(2,701)	-	-	-	-	-	-	(2,701)	
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	7	-	7	-	-	-	-	-	-	7	
Net income	-	-	43,172	-	43,172	-	-	-	-	-	-	43,172	
Purchase of treasury stock	-	-	-	(8)	(8)	-	-	-	-	-	-	(8)	
Items other than changes in shareholders' equity, net	-	-	-	-	-	(49,580)	36,940	(37,992)	(50,632)	169	(14,447)	(64,910)	
Total changes in the year	258	258	40,478	(8)	40,987	(49,580)	36,940	(37,992)	(50,632)	169	(14,447)	(23,923)	
Balance at March 31, 2009	¥187,681	¥211,999	¥(51,269)	¥(214)	¥348,197	¥31,334	¥25,117	¥(30,554)	¥25,897	¥289	¥450,414	¥824,798	

Fiscal year from April 1, 2009 to March 31, 2010:

	Shareholders' equity				Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity	
	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments				Total
Balance at April 1, 2009												¥824,798
Changes of items during the year												
Exercise of warrants	1,069	1,069	-	-	2,138	-	-	-	-	-	-	2,138
Cash dividends	-	-	(2,702)	-	(2,702)	-	-	-	-	-	-	(2,702)
Adjustments of retained earnings (accumulated deficit) due to change in scope of the consolidation	-	-	327	-	327	-	-	-	-	-	-	327
Net income	-	-	96,716	-	96,716	-	-	-	-	-	-	96,716
Purchase of treasury stock	-	-	-	(11)	(11)	-	-	-	-	-	-	(11)
Items other than changes in shareholders' equity, net	-	-	-	-	-	12,530	(10,589)	(1,971)	(30)	187	42,548	42,705
Total changes in the year	1,069	1,069	94,341	(11)	96,468	12,530	(10,589)	(1,971)	(30)	187	42,548	139,173
Balance at March 31, 2010	¥188,750	¥213,068	¥43,071	¥(225)	¥444,665	¥43,864	¥14,528	¥(32,525)	¥25,866	¥476	¥492,963	¥963,971

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Cash flows from operating activities:		
Income before income taxes and minority interests	¥107,338	¥289,249
Adjustments for:		
Depreciation and amortization	236,013	243,944
Amortization of goodwill	61,111	61,070
Impairment loss	29,478	1,406
Loss on retirement of non current assets	3,029	48,786
Equity in losses of affiliated companies	13,759	3,616
Dilution gain from changes in equity interest, net	(2,410)	(327)
Valuation loss on investment securities	11,504	5,167
Unrealized appreciation(loss) on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	5,316	303
Gain on sale of marketable and investment securities, net	(3,037)	(4,621)
Foreign exchange gain , net	(1,494)	(1,818)
Interest and dividend income	(2,396)	(1,370)
Interest expense	112,345	111,152
Changes in operating assets, and liabilities		
Decrease in receivables - trade	1,699	59,637
Decrease in payables - trade	(29,230)	(1,038)
Other, net	62,397	(11,854)
Sub-total	605,425	803,304
Interest and dividends received	2,603	1,234
Interest paid	(99,761)	(97,297)
Income taxes paid	(60,408)	(39,191)
Net cash provided by operating activities	447,857	668,050

- Continued -

Consolidated Statements of Cash Flows (Continued)

(Millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Cash flows from investing activities:		
Purchase of property and equipment, and intangibles	¥ (240,637)	¥ (223,818)
Purchase of marketable and investment securities	(33,197)	(56,686)
Proceeds from sale of marketable and investment securities	18,858	19,040
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(17,530)	(20,880)
Other, net	6,212	5,183
Net cash used in investing activities	(266,295)	(277,162)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	116,358	(112,910)
Proceeds from long-term debt	234,681	337,929
Repayment of long-term debt	(372,300)	(516,051)
Proceeds from issuance of bonds	-	183,433
Redemption of bonds	(108,930)	(70,675)
Exercise of warrants	517	2,138
Proceeds from issuance of shares to minority shareholders	1,137	1,493
Cash dividends paid	(2,680)	(2,678)
Cash dividends paid to minority shareholders	(4,121)	(4,618)
Purchase of treasury stock of consolidated subsidiaries	(71,166)	(3,069)
Proceeds from sale and lease back of equipment newly acquired	90,208	135,941
Repayment of lease obligations	(81,347)	(103,052)
Other, net	(12,705)	(7,442)
Net cash used in financing activities	(210,348)	(159,563)
Effect of exchange rate changes on cash and cash equivalents	(2,383)	(606)
Net (decrease) increase in cash and cash equivalents	(31,169)	230,718
Increase in cash and cash equivalents due to newly consolidated subsidiaries	357	126
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(1,810)	(807)
Cash and cash equivalents, beginning of the year	490,266	457,644
Cash and cash equivalents, end of the year	¥457,644	¥687,681

(5) Significant Doubt about Going Concern Assumption

There are no applicable items for the fiscal year ended March 31, 2010.

(6) Basis of Presentation of Consolidated Financial Statements

1. Changes in scope of consolidation

As of March 31, 2010, SOFTBANK CORP. (the "Company") consolidated 109 subsidiaries (together, the "Group"). 63 subsidiaries were not consolidated as the individual and aggregate amounts were not considered material in relation to the consolidated total assets, net sales, net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in scope of consolidation are as follows:

<Increase>

8 companies

Significant changes:

Viewn Corp.

Newly established

<Decrease>

7 companies

Significant changes:

Overture K.K.

Merged with Yahoo Japan Corporation

2. Changes in scope of equity method

As of March 31, 2010, the Company held 6 non-consolidated subsidiaries and 58 affiliates, all of which were accounted for under the equity method. 57 non-consolidated subsidiaries and 25 affiliates were not accounted for under the equity method, as the individual and aggregate amounts were not considered material in relation to the net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in scope of equity method are as follows:

<Increase>

5 companies

Significant changes:

Oak Pacific Interactive

Additionally acquired

RockYou, Inc.

Additionally acquired

<Decrease>

15 companies

3. Fiscal year end

Fiscal year ends of consolidated subsidiaries for both domestic and overseas entities are as follows:

<Fiscal year end>	<Domestic>	<Overseas>
March end (same as the consolidated balance sheet date)	48	34
April end	1	-
June end	1	-
July end	-	2
December end	2	18
January end	-	1
February end	2	-

4. Summary of significant accounting policies

(1) Evaluation standards and methods for major assets

[1] Marketable securities and investment securities

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

Available-for-sale securities:

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

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

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 the investment securities in accordance with the ASC 946. The investment securities are carried at fair value, and net changes in fair value are recorded in the consolidated statements of income under the application of the ASC 946.

[2] Derivative instruments: Stated at fair value

[3] Inventories (merchandise): Carried at cost, primarily net selling value determined by the moving-average method

(2) Depreciation and amortization

[1] Property and equipment:

Buildings and structures: Computed primarily using the straight-line method

Telecommunications equipment: Computed using the straight-line method

Telecommunications service lines: Computed using the straight-line method

Others: Computed primarily using the straight-line method

[2] Intangible assets: Computed using the straight-line method

Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods are computed using the straight-line method over the period of the finance leases. Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are accounted for as operating lease transactions and “as if capitalized” information is disclosed in the notes to the Company’s consolidated financial statements.

(3) Accounting principles for major allowances and accruals

<Allowance for doubtful accounts>

To prepare for uncollectible credits, allowance for doubtful accounts is calculated based on the actual bad debt ratio, and specific allowance for doubtful accounts deemed to be uncollectible is calculated considering its collectability.

<Accrued retirement benefits>

SOFTBANK MOBILE, SOFTBANK TELECOM, and certain other subsidiaries have defined benefit pension plans for their employees. These companies account for the obligation for retirement benefits based on the projected benefit obligations at the end of the fiscal year.

SOFTBANK MOBILE and SOFTBANK TELECOM amended the pension plans by suspending the defined benefit pension plans at the end of March 2007 and March 2006, respectively, and implementing defined contribution pension plans. The retirement benefits existed and calculated under the benefit pension plan were fixed and will be paid at the retirement of applicable employees, and the projected benefit obligations are calculated based on these fixed retirement benefits. As a result, service cost under the defined benefit pension plans at SOFTBANK MOBILE and SOFTBANK TELECOM did not occur for the fiscal year ended March 31, 2009.

<Allowance for point mileage >

SOFTBANK MOBILE has an allowance for point mileage which is accrued based on the estimated future obligation arising from point service, based on past experience.

(4) Translation of foreign currency transactions and accounts

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

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

(5) Accounting for significant hedge transactions

[1] Forward-exchange contract

① <Hedge accounting>

Receivables and obligations denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate, if the forward contracts qualify for hedge accounting. For forecasted transactions denominated in foreign currencies, recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging:	Forward-exchange contract
Hedged items:	Foreign currency-denominated receivables, obligations and forecasted transactions

③ <Hedging policy>

In accordance with the Group's policy, derivative financial instruments are used to hedge foreign exchange risk associated with hedged items denominated in foreign currencies.

④ <Effectiveness of hedge transactions >

For receivables and obligations denominated in foreign currencies, effectiveness of the hedge transaction is omitted due to qualifying for hedge accounting. For forecasted transaction denominated in foreign currencies, the effectiveness of hedge transaction is assessed by measuring high correlation between the variability of cash flows associated with the foreign currency fluctuation of hedged items and variability of cash flows of hedge instruments.

[2] Interest rate swap

① <Hedge accounting>

Recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging:	Interest rate swap contracts
Hedged items:	Interest expense on borrowings

③ <Hedging policy>

In accordance with the Group's policy, derivative financial instruments are used to hedge the risk of exposures to fluctuations in interest rates in accordance with its internal policies, regarding the authorization and credit limit amount.

④ <Effectiveness of hedge transactions >

The effectiveness of hedge transaction is assessed by measuring high correlation between the variability of cash flows associated with the interest rate of hedged items and variability of cash flows of hedge instruments.

[3] Collar transaction

① <Hedge accounting>

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

② <Derivative instruments for hedging and hedged items>

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

Hedged items: Equity security

③ <Hedging policy>

The purpose of the collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying equity security, which is used for the settlement of loans at maturity.

④ <Effectiveness of hedge transactions>

The effectiveness of hedge transaction is assessed by measuring high correlation between the variability of cash flows associated with the market price of hedged items and variability of cash flows of hedge instruments.

(6) Other

[1] Accounting method for consumption taxes

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

[2] Application of consolidated taxation system

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

5. Accounting for business combinations

All assets and liabilities of acquired entities are revalued at the respective fair market value at the combination date.

6. Amortization of goodwill

“Goodwill” is amortized on a straight-line basis over reasonably estimated periods in which economic benefits are expected to be realized. Immaterial goodwill is expensed as incurred.

The goodwill resulted from acquisition of Vodafone K.K. (currently SOFTBANK MOBILE) is amortized over a 20-year-period.

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

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

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

As of March 31, 2009	As of March 31, 2010
966,322 million yen	1,048,584 million yen

2. Investments in non-consolidated subsidiaries and affiliates

As of March 31, 2009	As of March 31, 2010
Investment securities and investments in partnerships 133,791 million yen	149,025 million yen

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

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

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

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

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

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

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

4. Secured loans

(1) Assets pledged as collateral for secured liabilities

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

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

	As of March 31, 2009		As of March 31, 2010	
Assets pledged as collateral:				
Cash and deposits	212,414		213,098	
Notes and accounts receivable - trade	312,831		273,231	
Buildings and structures	12,774		12,133	
Telecommunications equipment	260,509		182,945	
Telecommunications service lines	189		86	
Land	10,617		10,633	
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	66,863		81,701	
Investments and other assets - other assets	31,999		17,225	
Total	908,201	million yen	791,054	million yen

	As of March 31, 2009		As of March 31, 2010	
Secured liabilities:				
Accounts payable - trade	1,239		1,674	
Short-term borrowings	2,903		1,928	
Long - term debt	1,287,099		1,086,707	
Total	1,291,242	million yen	1,090,310	million yen

Consolidated subsidiaries shares owned by SOFTBANK MOBILE, SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,184,853 million and ¥986,702 million, as of March 31, 2009 and March 31, 2010, respectively) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

[2] For borrowings of investee

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

	As of March 31, 2009		As of March 31, 2010	
Assets pledged as collateral:				
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	-	million yen	2,000	million yen

(2) Borrowings by securitization of receivables

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

Cash proceeds through the securitization of installment sales receivables of SOFTBANK MOBILE, excluding that qualify for derecognition criteria of a financial asset, were included in "Short-term borrowings" (¥185,669 million and ¥175,359 million, as of March 31, 2009 and March 31, 2010, respectively) and "Long-term debt" (¥36,256 million and ¥44,454 million, as of March 31, 2009 and March 31, 2010, respectively). The amounts of the senior portion of the securitized installment sales receivables (¥ 221,925 million and ¥219,813 million, as of March 31, 2009 and as of March 31, 2010, respectively) were included in "Notes and account receivable-trade", along with the subordinated portion held by the SOFTBANK MOBILE. The trustee raised the funds through asset backed loans based on the receivables.

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

SOFTBANK BB transferred its senior portion of the securitized present and future receivables for ADSL services* to a SPC (a consolidated subsidiary), and the SPC raised the funds through asset backed loans based on the receivables (¥20,000 million and ¥10,504 million, as of March 31, 2009 and March 31, 2010, respectively) from a financial institution. Cash proceeds through the asset backed loans are included in the “Short-term borrowings” (¥6,660 million and ¥6,660 million, as of March 31, 2009 and March 31, 2010, respectively) and “Long-term debt” (¥13,340 million, and ¥3,844 million, as of March 31, 2009 and March 31, 2010, respectively).

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

(3) Borrowings by security lending agreements

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

	As of March 31, 2009	As of March 31, 2010
Short-term borrowings	110,000 million yen	114,000 million yen

(4) Others

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

	As of March 31, 2009	As of March 31, 2010
Assets of which ownership is not transferred:		
Buildings and structures	-	35
Telecommunications equipment	-	16,710
Construction in progress	-	1,538
Software	-	4,755
Other intangibles	-	12
Investments and other assets - other assets	-	240
Total	- million yen	23,292 million yen

	As of March 31, 2009	As of March 31, 2010
Installment payables:		
Other current liabilities	-	4,148
Long term liability - other liabilities	-	20,741
Total	- million yen	24,889 million yen

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

	As of March 31, 2009	As of March 31, 2010
	17,266 million yen	16,846 million yen

6. Financial covenants

The Group's interest-bearing debt includes financial covenants, with which the Group is in compliance. The major financial covenants are as follows. If the Group fails to comply with the following covenants, creditors may require repayment of all debt. (Where the covenants set several conditions, the strictest condition is presented below.)

- (1) The amount of the Company's net assets at the end of the year and the first half of the year must not fall below 75% of the Company's net assets at the end of the previous year.
- (2) The amount of the Company's net assets at the end of the year must not fall below ¥311.6 billion.
- (3) At the end of the year and the first half of the year, balance sheets of SOFTBANK BB and SOFTBANK TELECOM must not show a net capital deficiency. The consolidated balance sheets of BB Mobile Corp. at the end of the year and the first half of the year must not show a net capital deficiency.
- (4) Other than the exceptions listed below, as a general rule, members of the following restricted group of companies (the "restricted group"), will not take on debt obligations^{*1} from any company not included in the restricted group or issue any preferred stock after October 12, 2006, the issuance date of these Euro-denominated Senior Notes due 2013.

(Restricted group)

- (a) SOFTBANK CORP.
- (b) SOFTBANK BB Corp.
- (c) SOFTBANK TELECOM Corp.
- (d) SOFTBANK MOBILE Corp.
- (e) Mobiletech Corporation
- (f) BB Mobile Corp.
- (g) TELECOM EXPRESS Co., Ltd.
- (h) Japan System Solution Co., Ltd.^{*2}
- (i) SBBM Corporation
- (j) SOFTBANK TELECOM PARTNERS Corp.
- (k) Shiodome Management CORP.

(Exceptions)

The major exceptions are as follows:

- i . SOFTBANK CORP. is permitted to borrow up to ¥200 billion through its commitment line, etc.
- ii .Borrowing related to the acquisition of Vodafone K.K. (currently SOFTBANK MOBILE) (including refinancing) is permitted up to a principal amount of ¥1,450 billion.
- iii .Among the restricted group, those involved in the Mobile Communications business segment (d, f, g, h) are permitted to incur capital expenditure related debt incurring activities^{*1} up to a principal amount of ¥400 billion.
- iv . SOFTBANK TELECOM is permitted to borrow up to a principal amount of ¥175 billion.
- v .The refinancing of the outstanding debt of the restricted group as of October 12, 2006, the issuance date of those notes, is permitted up to the same level of principal amount.
- vi . In the event that [1] a company in the restricted group incurs lease obligations or [2] a subsidiary of SOFTBANK CORP. other than the members of the restricted group incur lease obligations, SOFTBANK CORP. is permitted to provide guarantees to leasing companies up to a principal amount of ¥400 billion for the total of [1] and [2].
- vii .SOFTBANK CORP. is permitted to make security lending transactions using the stock of Yahoo Japan up to, as a general rule, ¥200 billion.
- viii .Debt-incurring activities^{*1} which are pari passu with those notes are permitted up to ¥150 billion.

- ix. Other than (i) to (viii) above, debt-incurring activities without causing the sum of net indebtedness, redemption or repurchase price for preferred stocks and lease obligations of restricted group (includes the amount of indebtedness previously incurred in reliance on (viii) above) to exceed 6.5 times of the Consolidated EBITDA^{*3} of the restricted group, is permitted.

Notes:

*1. Debt-incurring activities include new borrowings, leasing, etc.

*2. (h) Japan System Solution Co., Ltd. was merged with (d) SOFTBANK MOBILE Corp. on April 1, 2010.

*3. Consolidated EBITDA (Consolidated Earning Before Interests, Taxes, Depreciation, and Amortization)

Consolidated net income of the restricted group plus income taxes, interest expense, lease expenses, depreciation and amortization, and other non cash charges.

- (5) SOFTBANK MOBILE received a loan (the "SBM loan") from Mizuho Trust & Banking Co., Ltd. (the "lender"), which, as the Tokutei Kingai Trust Trustee, was entrusted with the proceeds by WBS Funding^{*4}. Under the terms of the SBM loan agreement, SOFTBANK MOBILE is allowed a certain degree of flexibility in its business operations, as a general rule. However, in the event that the loan agreement's financial performance targets (reduction in cumulative debt, adjusted EBITDA^{*5}, leverage ratio^{*6}) or operational performance targets (number of subscribers) are not met, depending on the importance and the timing of the issue, the influence of the lender on the operations of SOFTBANK MOBILE might be increased. It is possible that limits will be placed on capital investment, that prior approval will be required for development of new services, that a majority of the board directors will be appointed, and that rights to assets pledged as collateral, including shares of SOFTBANK MOBILE, will be exercised. As of March 31, 2010, there is no infringement of the debt covenants.

Notes:

*4. WBS Funding (Whole Business Securitization Funding)

A special-purpose company for the purpose of allocating the total amount raised from domestic and foreign financial institutions—¥1,441.9 billion—under the WBS scheme through the Tokutei Kingai Trust Trustee for the SBM loan to SOFTBANK MOBILE. SOFTBANK MOBILE borrowed from Tokutei Kingai Trust Trustee an amount of ¥1,366 billion, representing the total amount of ¥1,441.9 billion raised by WBS Funding less such items as interest hedge costs and interest reserve.

*5. Adjusted EBITDA

Lease payments which are included in operating expenses are added back to EBITDA.

*6. Leverage ratio

Leverage ratio = Debt / Adjusted EBITDA. The balance of debt does not include capital financing, subordinated loans from the SOFTBANK Group or Vodafone Oversea Financial Limited or existing bonds.

(Consolidated Statements of Income)

1. Selling, general and administrative expenses

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Sales commission and sales promotion expense	423,789 million yen	471,920 million yen
Payroll and bonuses	112,670	125,798
Provision for allowance for doubtful accounts	33,341	8,499

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

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

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

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S.,net	(234)	1,927
Loss on sale of investments at subsidiaries in the U.S.,net	(5,081)	(2,230)
Total	(5,316) million yen	(303) million yen

3. Loss on retirement of non current assets

Fiscal year ended March 31, 2010

(1) Loss on retirement of non current assets related to the termination of second-generation mobile phone services

Certain pieces of telecommunications equipment being used exclusively for second-generation (2G) mobile phone services in the Mobile communications business are to be removed upon termination of 2G mobile phone services in March, 2010. These pieces of telecommunications equipment were depreciated under the straight-line method over the period commencing from the acquisition of Vodafone K.K. (currently SOFTBANK MOBILE) in April 2006 to the termination of 2G services in March, 2010.

In June 2009, a new frequency for the next generation mobile phone services was assigned to SOFTBANK MOBILE. The telecommunications equipment being used for 2G mobile phone services except for the aforementioned equipment was reviewed to determine which pieces would be used for the next generation mobile phone services and which pieces will be removed. For the year ended March 31, 2010, loss on retirement of non current assets was recorded for the assets to be additionally removed. As the assets to be removed upon termination of 2G services were specified, it became possible to reasonably estimate the removal costs. These removal costs were included in loss on retirement of non current assets in the consolidated statements of income for the year ended March 31, 2010.

The loss on retirement of non current assets of ¥23,011 million consists of ¥16,544 million for equipment removal cost and ¥6,467 million for loss on retirement of telecommunications equipment.

(2) Loss on retirement of non current assets related to the telecommunications equipment for third-generation mobile phone

SOFTBANK MOBILE replaced certain pieces of existing wireless network equipment in order to increase efficiency of the future capital expenditures and reduce maintenance costs. As a result, the previously used wireless network equipment for third-generation mobile phone services was retired, and the total carrying amounts of the retired assets and the related removal costs were recorded as loss on retirement of non current assets in the consolidated statements of income for the year ended March 31, 2010. The loss on retirement of non current assets of ¥22,493 million consists of ¥13,726 million for telecommunications equipment, ¥8,689 million for software, and ¥77 million for removal costs.

4. Impairment loss

Fiscal year ended March 31, 2009

The Group recorded impairment loss for the following asset groups.

Segment	Purpose of use	Type of assets	Impairment loss
Broadband Infrastructure	Assets for FTTH infrastructural business	Telecommunications equipment, Finance lease assets, Construction in progress, Software, Structures, and other	¥28,999 million
Internet Culture	Other	Goodwill	¥479 million

(1) Method used to determine assets grouping

When reviewing for impairment, assets are grouped based on the business unit within the Group. Moreover, assets related to disposition or restructuring of a business, idled assets, and assets leased to others are grouped individually.

(2) Details of Impairment loss

[1] Impairment loss of assets in Broadband Infrastructure business

As SOFTBANK BB launched *Yahoo BB hikari with FLET'S*, which is a new FTTH Internet connection service, the future revenue generated from the assets for *Yahoo BB! hikari* service, which is a current FTTH infrastructural service, was reassessed. As a result, impairment loss for the total carrying amounts of the assets and the removal costs were recorded in the consolidated statements of income, since the carrying amounts of the assets were not recovered by estimated future cash flows.

The impairment loss consists of ¥10,702 million for telecommunications equipment, ¥7,259 million for finance lease assets*, ¥4,630 million for constructing in progress, ¥1,265 million for software, ¥880 million for structures and ¥4,261 million for removal costs.

For the calculation of impaired value of the leased assets, the present values of the future lease payments were considered to be the carrying value of leased assets.

Note: *The finance lease assets contracted before April 1, 2008 are accounted for as operating lease transactions.

[2] The goodwill related to certain subsidiaries of the Internet culture segment was recorded as an impairment loss in the consolidated statements of income.

(Consolidated Statements of Changes in Equity)
Fiscal year from April 1, 2008 to March 31, 2009:
1. Class and number of outstanding shares: (shares in thousands)

	March 31, 2008	Increase	Decrease	March 31, 2009
Number of common stocks	1,080,664	359	-	1,081,023

Note: Increase resulted from the exercise of stock acquisition rights.

2. Class and number of treasury stocks: (shares in thousands)

	March 31, 2008	Increase	Decrease	March 31, 2009
Number of common stocks	163	5	-	169

Note: Increase resulted from the acquisition of the fractional shares.

3. Stock acquisition rights:

(1) Stock acquisition rights as stock options

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2008	Increase	Decrease	March 31, 2009	March 31, 2009
Consolidated Subsidiaries	-		-				271
Total			-				271

(2) Stock acquisition rights other than above

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2008	Increase	Decrease	March 31, 2009	March 31, 2009
Consolidated Subsidiaries	-		-				18
Total			-				18

4. Dividends:

(1) Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 25, 2008	Common stocks	2,701	¥2.50	March 31, 2008	June 26, 2008

(2) Dividends which recorded date is in the fiscal year 2009 and effective date for payment is in the fiscal year 2010

Resolution	Class of shares	Amount of dividend (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 24, 2009	Common stocks	2,702	Retained earnings	¥2.50	March 31, 2009	June 25, 2009

Fiscal year from April 1, 2009 to March 31, 2010:
1. Class and number of outstanding shares: (shares in thousands)

	March 31, 2009	Increase	Decrease	March 31, 2010
Number of common stocks	1,081,023	1,479	-	1,082,503

Note: Increase resulted from the exercise of stock acquisition rights.

2. Class and number of treasury stocks: (shares in thousands)

	March 31, 2009	Increase	Decrease	March 31, 2010
Number of common stocks	169	5	-	174

Note: Increase resulted from the acquisition of the fractional shares.

3. Stock acquisition rights:

(1) Stock acquisition rights as stock options

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2009	Increase	Decrease	March 31, 2010	March 31, 2010
Consolidated Subsidiaries	-		-				450
Total			-				450

(2) Stock acquisition rights other than above

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2009	Increase	Decrease	March 31, 2010	March 31, 2010
Consolidated Subsidiaries	-		-				25
Total			-				25

4. Dividends:

(1) Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 24, 2009	Common stocks	2,702	¥2.50	March 31, 2009	June 25, 2009

(2) Dividends which recorded date is in the fiscal year 2010 and effective date for payment is in the fiscal year 2011

Resolution	Class of shares	Amount of dividend (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 25, 2010	Common stocks	5,411	Retained earnings	¥5.00	March 31, 2010	June 28, 2010

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

	As of March 31, 2009	As of March 31, 2010
Cash and deposits	457,953 million yen	690,053 million yen
Marketable securities	2,917	4,342
Time deposits with original maturity over three months	(442)	(2,733)
Stocks and bonds with original maturity over three months	(2,783)	(3,980)
Cash and cash equivalents	457,644 million yen	687,681 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 and others purchase telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE and others sell the equipment to lease companies for sale and lease back purposes. The leased asset and lease obligation are recorded in the consolidated balance sheets.

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

4. Assets and liabilities of newly consolidated subsidiaries by acquisition

Fiscal year ended March 31, 2009

The estimated fair values of the assets acquired and liabilities assumed of a new consolidated subsidiary at the acquisition date are as follows:

SOFTBANK TELECOM PARTNERS Corp.

	As of April 1, 2008
Current assets	20,250 million yen
Non-current assets	401
Goodwill	22,077
Current liabilities	(12,726)
Acquisition cost before April, 2008	(4,473)
Acquisition cost	25,530
Cash and cash equivalents of newly consolidated subsidiary*	(8,325)
Payment for the acquisition	(17,204) million yen

Note: *Loan receivables to the seller of SOFTBANK TELECOM PARTNERS Corp. of ¥7,500 million, which were collected at the same time of the payment for the acquisition, were included.

Fiscal year ended March 31, 2010

The estimated fair values of the assets acquired and liabilities assumed of a new consolidated subsidiary at the acquisition date are as follows:

BB Modem Rental Yugen Kaisha

	As of March 31, 2010	
Current assets	13,685	million yen
Non-current assets	9,618	
Goodwill	4,679	
Current liabilities	(7,142)	
Acquisition cost *2	20,840	
Cash and cash equivalents of newly consolidated subsidiary	-	
Payment for the acquisition	(20,840)	million yen

Notes:

*1. SOFTBANK BB spun off its modem rental business in order to concentrate on its core broadband business and established BB Modem Rental Yugen Kaisha ("BB Modem rental") in 2005. SOFTBANK BB sold its modem rental business (the sale of all BB Modem Rentals' whole ownership interest) to Yugen Kaisha Gemini BB in 2005.

On February 16, 2010, SOFTBANK BB acquired all shares of BB Modem Rental from Gemini BB Holdings, as a result of reconsideration of significance of its modem rental business after the Group's entry into Mobile Communications business in 2006. SOFTBANK BB merged BB Modem Rental on March 31, 2010, effectively.

*2. Loan payable to SOFTBANK BB of ¥20,827 million was included.

5. Non-cash investing and financing transaction

Acquisition of fixed assets by installments is ¥23,695 million for the fiscal year ended March 31, 2010.

(Segment Information)
1. Business segment information

For the fiscal year ended March 31, 2009

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,554,783	¥229,241	¥320,358	¥251,166	¥247,352	¥70,133	¥2,673,035	¥-	¥2,673,035
(2) Inter-segment	8,107	5,958	43,273	3,071	10,831	18,093	89,335	(89,335)	-
Total	1,562,890	235,199	363,632	254,238	258,184	88,226	2,762,371	(89,335)	2,673,035
Operating expenses	1,391,500	187,946	344,663	129,140	253,547	88,420	2,395,220	(81,305)	2,313,914
Operating income (loss)	171,389	47,253	18,968	125,098	4,636	(194)	367,151	(8,030)	359,121
Identifiable assets	3,033,653	158,146	436,256	347,395	69,086	240,818	4,285,357	101,314	4,386,672
Depreciation and amortization	212,946	22,012	44,319	12,290	1,328	3,309	296,206	918	297,124
Impairment loss	-	28,999	-	479	-	-	29,478	-	29,478
Capital expenditures	¥199,568	¥14,697	¥51,824	¥31,984	¥1,414	¥4,766	¥304,256	¥241	¥304,498

For the fiscal year ended March 31, 2010

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,692,326	¥199,222	¥304,182	¥266,099	¥237,833	¥63,742	¥2,763,406	¥-	¥2,763,406
(2) Inter-segment	9,120	4,206	44,509	4,792	11,509	22,513	96,651	(96,651)	-
Total	1,701,446	203,428	348,692	270,891	249,343	86,255	2,860,057	(96,651)	2,763,406
Operating expenses	1,440,514	154,649	325,701	135,739	243,550	84,691	2,384,845	(87,310)	2,297,535
Operating income	260,931	48,779	22,990	135,152	5,793	1,564	475,211	(9,340)	465,871
Identifiable assets	2,970,682	149,286	404,736	475,563	73,256	247,342	4,320,867	142,008	4,462,875
Depreciation and amortization	227,925	17,167	42,566	11,819	1,480	3,118	304,077	936	305,014
Impairment loss	-	-	-	1,406	-	-	1,406	-	1,406
Capital expenditures	¥184,770	¥18,712	¥18,039	¥7,885	¥883	¥4,021	¥234,312	¥322	¥234,634

Notes:

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels which the SOFTBANK Group uses for its internal management purpose.
- Regarding the main business segments, please see “Qualitative Information / Financial Statements 2. The SOFTBANK Group” in details on page 22.
- Unallocated operating expenses for the fiscal year ended March 31, 2009 and March 31, 2010 in the column “Elimination or Corporate,” mainly represent expenses of the corporate division of the Company, which totaled ¥9,278 million and ¥10,577 million, respectively.
- Corporate assets at March 31, 2009 and 2010 in the column “Elimination or corporate” were ¥135,258 million and ¥172,177 million, respectively. Corporate assets represent mainly surplus operating funds (cash and marketable securities), long-term investment securities of the Company and assets held by the corporate division of the Company.
- “Depreciation and amortization” includes depreciated amount of long-term prepaid expenses.
- “Capital expenditures” include increase in “Property and equipment, net,” “Intangible assets, net,” and long-term prepaid expense on the consolidated balance sheet, and increase in “goodwill” and each asset in the acquisition of newly consolidated subsidiary.

2. Geographic segment information

For the fiscal year ended March 31, 2009

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1) Customers	¥2,659,114	¥1,066	¥12,853	¥2,673,035	¥-	¥2,673,035
(2) Inter-segment	3,362	-	-	3,362	(3,362)	-
Total	2,662,477	1,066	12,853	2,676,398	(3,362)	2,673,035
Operating expenses	2,295,801	(1,232)	13,530	2,308,098	5,815	2,313,914
Operating income (loss)	366,676	2,299	(676)	368,299	(9,178)	359,121
Identifiable assets	¥3,987,163	¥141,933	¥154,884	¥4,283,981	¥102,690	¥4,386,672

For the fiscal year ended March 31, 2010

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1) Customers	¥2,754,411	¥981	¥8,013	¥2,763,406	¥-	¥2,763,406
(2) Inter-segment	5,543	-	-	5,543	(5,543)	-
Total	2,759,955	981	8,013	2,768,950	(5,543)	2,763,406
Operating expenses	2,282,151	1,890	8,638	2,292,679	4,855	2,297,535
Operating income (loss)	477,803	(908)	(624)	476,270	(10,399)	465,871
Identifiable assets	¥3,969,669	¥134,360	¥191,273	¥4,295,303	¥167,571	¥4,462,875

Notes:

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

Significant countries in each region are as follows:

North America : United States of America and Canada

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

2. Unallocated operating expenses for the fiscal years ended March 31, 2009 and 2010 in the column "Elimination or corporate," which mainly represent expenses of the corporate division of the Company, were ¥9,278 million and ¥10,577 million, respectively.

3. Corporate assets at March 31, 2009 and 2010 in the column "Elimination or corporate" were ¥135,258 million and ¥172,177 million, respectively. Corporate assets represent mainly surplus operating funds (cash and marketable securities), long-term investment securities of the Company and assets held by the corporate division of the Company.

4. 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 ¥3,446 million and credited it to operating expenses for the fiscal year ended March 31, 2009.

3. Overseas sales

Disclosures of overseas sales for the fiscal year ended March 31, 2009 and 2010 were omitted because the total overseas sales were less than 10% of total consolidated sales.

(Leases)
1. Finance lease transactions
(As a lessee)

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

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

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

	As of March 31, 2009		As of March 31, 2010	
Telecommunications equipment and telecommunications service lines				
Acquisition cost	171,192		141,093	
Accumulated depreciation	(77,309)		(67,776)	
Accumulated impairment loss	(37,786)		(33,232)	
Net leased property	56,096	million yen	40,084	million yen
Buildings and structures				
Acquisition cost	47,004		46,730	
Accumulated depreciation	(9,836)		(11,909)	
Accumulated impairment loss	-		-	
Net leased property	37,168	million yen	34,820	million yen
Property and equipment - others				
Acquisition cost	17,227		16,113	
Accumulated depreciation	(8,424)		(10,223)	
Accumulated impairment loss	(1,077)		(1,242)	
Net leased property	7,724	million yen	4,647	million yen
Intangible assets				
Acquisition cost	9,086		9,070	
Accumulated depreciation	(4,919)		(6,669)	
Accumulated impairment loss	(171)		(290)	
Net leased property	3,996	million yen	2,110	million yen
Total				
Acquisition cost	244,511		213,007	
Accumulated depreciation	(100,489)		(96,579)	
Accumulated impairment loss	(39,035)		(34,765)	
Net leased property	104,986	million yen	81,662	million yen

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, as of March 31, 2009 and March 31, 2010 were ¥19,867 million and ¥25,157 million, respectively and are included in “Other assets” of investments and other assets in the consolidated balance sheets. Current portion of long-term prepaid expenses related to the lease contract in the amount of ¥714 million and ¥670 million as of March 31, 2009 and March 31, 2010 are included in “Other current assets” in the consolidated balance sheets.

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

	As of March 31, 2009		As of March 31, 2010	
Due within one year	30,726		26,191	
Due after one year	110,651		79,431	
Total	141,378	million yen	105,623	million yen
Balance of allowance for impairment loss on leased property	18,809	million yen	10,776	million yen

(3) Lease payments, reversal of allowance for impairment loss on leased property, amounts equivalent to depreciation, and interest expense for each year:

	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010	
Lease payments	41,444	million yen	36,752	million yen
Payment of the lease obligation for impaired leased property	10,051		8,416	
Depreciation expense	26,769		23,960	
Interest expense	10,721		8,654	
Impairment loss	7,259		383	

(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.

2. Non-cancelable operating lease transactions

(As a lessee)

The future lease payments under non-cancelable operating leases at the end of each year:

	As of March 31, 2009		As of March 31, 2010	
Due within one year	21,930		22,494	
Due after one year	41,129		34,648	
Total	63,059	million yen	57,143	million yen

(As a lessor)

The future lease receivables under non-cancelable operating leases at the end of each year:

	As of March 31, 2009		As of March 31, 2010	
Due within one year	1,142		866	
Due after one year	1,537		1,005	
Total	2,679	million yen	1,872	million yen

(Income Taxes)

For the fiscal year ended March 31, 2009	For the fiscal year ended March 31, 2010
1. Significant components of deferred tax assets and liabilities	1. Significant components of deferred tax assets and liabilities
(Million yen)	(Million yen)
Deferred tax assets	Deferred tax assets
Loss carryforwards	Depreciation / Amortization
Depreciation / Amortization	Loss carryforwards
Revaluation of acquired consolidated subsidiary at the respective fair market value	Revaluation of acquired consolidated subsidiary at the respective fair market value
Allowances for doubtful accounts	Allowances for doubtful accounts
Investment securities	Investment securities
Allowances for point mileage	Accounts payable-other and accrued expenses
Deferred revenue	Allowances for point mileage
Others	Others
Gross deferred tax assets	Gross deferred tax assets
Less: valuation allowance	Less: valuation allowance
Total deferred tax assets	Total deferred tax assets
Deferred tax liabilities	Deferred tax liabilities
Unrealized gains on other securities	Unrealized gains on other securities
Deferred gain on derivatives under hedge accounting	Deferred gain on derivatives under hedge accounting
Others	Others
Total deferred tax liabilities	Total deferred tax liabilities
Net deferred tax assets	Net deferred tax assets
2. Reconciliation between the statutory income tax rate and effective income tax rate:	2. Reconciliation between the statutory income tax rate and effective income tax rate:
Statutory tax rate	Statutory tax rate
(Reconciliation)	(Reconciliation)
Change in valuation allowance	Change in valuation allowance
Amortization of goodwill	Amortization of goodwill
Equity in losses of affiliated companies	Consolidation adjustments resulting from gain on sale of investments in consolidated subsidiaries
Tax rate differential	Equity in losses of affiliated companies
Others	Others
Income tax rate per statements of income	Income tax rate per statements of income

(Financial Instruments)

Fiscal year ended March 31, 2010

(Additional information)

“Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and its “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 Guidance, March 10, 2008) were applied for the year ended March 31, 2010.

1. Conditions of Financial instruments

(1) Management policy

The Group utilizes diversified financing methods of raising funds through both indirect financing, such as bank loans, and direct financing, such as issuance of bonds and commercial paper and borrowings through securitization, taking market conditions and current/non-current debts ratio into consideration. The Group makes short-term deposits for fund management purposes. The Group also utilizes derivative financial instruments to hedge various risks as described in detail below and does not enter into derivatives for trading or speculative purposes.

(2) Financial instruments, risks, and risk management

The notes and accounts receivable-trade are exposed to credit risk of customers. To minimize the credit risk, the Group performs due date controls and balance controls for each customer in accordance with internal customer credit management rules, and regularly screens major customers’ credit status. For credit risk associated with installment sales receivables of mobile handsets, SOFTBANK MOBILE screens customers’ credit in accordance with internal screening standards for new subscriber contracts as well as refers to an external institution for customers’ credit status.

Marketable and investment securities are exposed to stock market fluctuation risk and foreign currency exchange risk. For those risks, the Group is continuously monitoring investees’ financial condition, stock market fluctuation, and foreign currency exchange risk. The Group enters into a variable share prepaid forward contract (collar transaction) utilizing its shares of Yahoo! Inc. The purpose of this collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying security, which will be used for the settlement of loans at their maturity.

Maturities of accounts payable-trade and accounts payable-other are mostly within one year. Loan payables with variable interest rate are exposed to interest rate risk, and interest rate swaps are used for certain loan payables in order to hedge this risk. Corporate bonds are mainly issued by the Company and corporate bonds denominated in foreign currency are exposed to foreign currency exchange risk. Foreign exchange forward contracts are used to hedge this risk.

In order to hedge the cash flow fluctuation risk associated with the future market price of underlying securities for sale, interest rate risk associated with financial assets and liabilities, and foreign currency exchange risk associated with assets and liabilities denominated in foreign currencies, derivative transactions such as a collar transaction, interest rate swap transactions, and foreign exchange forward contracts are used.

Hedge accounting is applied for certain derivative transactions. Hedging instruments and hedged items, hedging policy, and effectiveness of hedge transactions are described in “Basis of Presentation of Consolidated Financial Statements 4. Summary of significant accounting policies (5) Accounting for significant hedge transactions.” Derivative transactions entered into by the Company are implemented and controlled based on the Company’s internal policies and are limited to the extent of actual demand. Balance and fair value of derivative transactions are reported regularly to the board of directors. Consolidated subsidiaries also manage the derivative transactions based on the Company’s policies.

(3) Supplemental explanation regarding fair value of financial instruments

Fair value of financial instruments are measured based on the quoted market price, if available, or reasonably assessed value if a quoted market price is not available. Fair value of financial instruments which quoted market price is not available is calculated based on certain assumptions, and the fair value might differ if different assumptions are used. In addition, the contract amount of the derivative transactions described below in “Notes Derivative Transactions” does not represent the market risk of the derivative transactions.

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2010 are as follows.

In addition, financial instruments, of which it is extremely difficult to measure the fair value, are not included. (Please see “Notes 2. Financial instruments of which the fair value is extremely difficult to measure”)

(Millions of yen)

	As of March 31, 2010		
	Carrying Amount	Fair value	Differences
Assets			
(1) Cash and deposit	¥690,053	¥690,053	¥ -
(2) Notes and accounts receivable-trade	816,550		
Allowance for doubtful accounts ^{*1}	(32,801)		
Notes and accounts receivable-trade, net	783,748	783,748	-
(3) Marketable securities and investment securities			
[1]Held-to-maturity debt securities	1,499	1,344	(155)
[2]Investments in unconsolidated subsidiaries and affiliated companies	8,639	19,274	10,635
[3]Other securities	148,777	148,777	-
Total	1,632,718	1,643,198	10,480
Liabilities			
(1) Accounts payable-trade	158,942	158,942	-
(2) Short-term borrowings	437,960	437,960	-
(3) Current portion of corporate bonds	54,400	54,400	-
(4) Accounts payable-other and accrued expenses	451,408	451,408	-
(5) Income taxes payable	100,483	100,483	-
(6) Current portion of lease obligations	109,768	109,768	-
(7) Corporate bonds	448,523	488,877	40,353
(8) Long-term debt	1,281,586	1,364,076	82,490
(9) Lease obligations	224,484	224,922	438
Total	3,267,557	3,390,840	123,282
Derivative transactions ^{*2}			
[1]Hedge accounting is not applied	1,324	1,324	-
[2]Hedge accounting is applied	25,701	25,701	-
Total	¥27,025	¥27,025	¥ -

Notes:

*1. Allowance for doubtful accounts associated with notes and accounts receivable-trade are deducted.

*2. Derivative assets and liabilities are on net basis.

Notes 1. Fair value measurement of financial instruments

Assets

(1) Cash and deposits

The carrying amount approximates fair value because of the short maturity of these instruments.

(2) Notes and accounts receivable-trade

The carrying amount of installment sales receivables approximates fair value, which is based on the present value of future cash flows through maturity discounted using an estimated credit-risk-adjusted interest rate. The carrying amount of notes and accounts receivable-trade other than installment sales receivables approximates fair value because of the short maturity of these instruments.

(3) Marketable and investment securities

The fair value of equity securities equals quoted market price, if available. The fair value of debt securities equals quoted market price or provided price by financial institutions. The investment securities held by certain subsidiaries in the United States of America which apply ASC 946 are carried at fair value (Please see “5. Investment securities evaluated at fair value under the provisions set forth in Financial Services – Investment Companies of the FASB Accounting Standards Codification”). Marketable and investment securities based on holding purpose are described in “Notes Investment in Debt and Equity Securities.”

Liabilities

(1) Accounts payable-trade, (4) Accounts payable-other, and (5) Income taxes payable

The carrying amount approximates fair value because of the short maturity of these instruments.

(2) Short-term borrowings

The carrying amount of the current portion of long-term debt approximates fair value since the carrying amount was equivalent to the present value of future cash flows discounted using the current borrowing rate for similar debt of a comparable maturity. Borrowings other than the current portion of long-term debt, the carrying amount approximates fair value because of the short maturity of these instruments.

(3) Current portion of corporate bonds

The carrying amount approximates fair value because the carrying amount was equivalent to the quoted market price.

(6) Current portion of lease obligations

The carrying amount approximates fair value since the carrying amount was equivalent to the present value of future cash flows discounted using the current interest rate for similar lease contracts of comparable maturities and contract conditions.

(7) Corporate bonds

Fair value equals the quoted market price or the price provided by a financial institution. For certain corporate bonds denominated in foreign currencies, for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, fair value includes fair value of the derivative financial instrument.

(8) Long-term debt

Fair value of long-term debts is based on the price provided by a financial institution or the present value of future cash flows discounted using the current borrowing rate for similar debt of a comparable maturity.

(9) Lease obligations

Fair value equals to the present value of future cash flows discounted using the current interest rate for similar lease contracts of comparable maturities and contract conditions.

Derivative Transactions

Contract amount, fair value, unrealized gain or loss, and others are described in “Notes Derivative Transactions.”

Notes 2. Financial instruments of which the fair value is extremely difficult to measure.

(Millions of yen)

Classification	Carrying Amounts
Unlisted investment securities of unconsolidated subsidiaries and affiliated companies	¥140,386
Unlisted equity securities	68,241
Investments in partnerships	6,827
Total	¥215,454

Above are not included in “(3) Marketable and investment securities” because there is no market value and it is extremely difficult to measure the fair value.

Notes 3. The redemption schedule for money claim and held-to-maturity debt securities with maturity date subsequent to the consolidated balance sheets date.

(Millions of yen)

Classification	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2015	April 1, 2015 to March 31, 2020	April 1, 2020 and thereafter
Cash and deposits	¥690,053	¥ -	¥ -	¥ -
Notes and accounts receivable-trade	693,406	123,144	-	-
Marketable and investment securities				
Held-to-maturity debt securities (corporate bonds)	800	100	-	600
Other securities with maturity date (corporate bonds)	0	503	27,000	-
Other securities with maturity date (other)	300	-	-	-
Sub-total	1,100	603	27,000	600
Total	¥1,384,559	¥123,747	¥27,000	¥600

Notes 4. The redemption schedule for corporate bonds, long-term debt, and other interest bearing debt with maturity date subsequent to the consolidated balance sheets date.

(Millions of yen)

Classification	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014
Corporate bonds	¥54,400	¥128,500	¥144,998	¥97,625
Long-term debt	229,653	184,804	136,691	250,200
Lease obligations	109,768	79,639	77,552	39,726
Total	¥393,821	¥392,943	¥359,241	¥387,552

Classification	April 1, 2014 to March 31, 2015	April 1, 2015 to March 31, 2020	April 1, 2020 and thereafter
Corporate bonds	¥44,900	¥32,500	¥ -
Long-term debt	232,581	477,308	-
Lease obligations	24,715	2,850	-
Total	¥302,197	¥512,658	¥ -

(Investment in Debt and Equity Securities)

As of March 31, 2009

1. Marketable and investment securities at fair value

(Millions of yen)

Classification	As of March 31, 2009		
	Investment Cost	Carrying Amount	Differences
Carrying Amount > Investment Cost			
(1)Equity securities	¥16,640	¥71,766	¥55,125
(2)Others	58	59	1
Sub-total	16,698	71,825	55,126
Carrying Amount ≤ Investment Cost			
(1)Equity securities	8,629	8,023	(605)
(2)Others	2,866	2,611	(254)
Sub-total	11,496	10,635	(860)
Total	¥28,194	¥82,461	¥54,266

2. Marketable and investment securities sold during the fiscal year ended March 31, 2009

(Millions of yen)

Securities	Sales Price	Gain on sales	Loss on sales
(1)Equity securities	¥4,851	¥2,659	¥114
(2)Debt securities	225	-	-
(3)Others	4,986	6	193
Total	¥10,062	¥2,666	¥307

3. Carrying amounts of the unlisted investment securities

(Millions of yen)

Classification and securities	Carrying Amounts
(1)Held-to-maturity debt securities	
Unlisted foreign debt securities	¥700
Unlisted debt securities	299
(2)Available-for-sale and other securities	
Unlisted equity securities	80,747
Investments in limited partnerships	6,732
Others	223
Total	¥88,702

4. The redemption schedule for held-to-maturity debt securities and available-for-sale and other securities with maturity date subsequent to the consolidated balance sheet date

(Millions of yen)

Classification	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2014	April 1, 2014 to March 31, 2019	April 1, 2019 and thereafter
Debt securities				
Corporate bonds	¥100	¥300	¥-	¥600
Local bonds	79	134	-	-
Total	¥179	¥434	¥-	¥600

5. 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.

Proceeds from sales and the carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets at March 31, 2009 are as follows:

	<u>As of March 31, 2009</u>
Proceeds from sales:	3,627 million yen
Carrying amounts of investment securities at fair value :	18,064 million yen

Regarding net changes in fair value of the investment securities and gain on sale of the investment securities, please see “Notes Consolidated Statements of Income 2. Unrealized appreciation or loss on valuation of investments and gain or loss on sale of investments at subsidiaries in the United States of America, net.”

As of March 31, 2010

1. Held-to-maturity debt securities

(Millions of yen)

Classification	As of March 31, 2010		
	Carrying Amount	Fair value	Differences
Fair value > Carrying Amount			
Corporate bonds	¥199	¥199	¥0
Fair value ≤ Carrying Amount			
Corporate bonds	1,300	1,144	(155)
Total	¥1,499	¥1,344	¥(155)

2. Marketable and investment securities at fair value

(Millions of yen)

Classification	As of March 31, 2010		
	Carrying Amount	Investment Cost	Differences
Carrying Amount > Investment Cost			
(1)Equity securities	¥93,084	¥19,014	¥74,070
(2)Debt securities	28,680	26,397	2,283
(3)Others	2,718	2,359	358
Sub-total	124,483	47,771	76,712
Carrying Amount ≤ Investment Cost			
(1)Equity securities	8,010	11,337	(3,326)
(2)Debt securities	276	276	-
(3)Others	690	704	(14)
Sub-total	8,976	12,317	(3,340)
Total	¥133,460	¥60,089	¥73,371

Note: Investment securities held by certain subsidiaries in the United States of America which apply ASC 946 are described in below “5. Investment securities evaluated at fair value under the provisions set forth in Financial Services– Investment Companies of the FASB Accounting Standards Codification.”

3. Marketable and investment securities sold during the fiscal year ended March 31, 2010

(Millions of yen)

Securities	Sales Price	Gain on sales	Loss on sales
(1)Equity securities	¥1,437	¥803	¥226
(2)Others	3,049	56	-
Total	¥4,487	¥860	¥226

Note: Sales price of ¥760 million, gain on sales of ¥580 million, and loss on sales of ¥57 million for financial instruments of which the fair value is extremely difficult to measure are included in the amounts above.

4. Marketable and investment securities impaired

Certain marketable and investment securities are impaired, and valuation loss on investment securities of ¥5,167 million (valuation loss on investment securities, of which the fair value is extremely difficult to measure, of ¥3,183 million is included) is recorded for the fiscal year ended March 31, 2010.

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

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

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

	<u>As of March 31, 2010</u>
Proceeds from sales:	1,864 million yen
Carrying amounts of investment securities at fair value :	15,316 million yen

Regarding net changes in fair value of the investment securities and gain on sale of the investment securities, please see “Notes Consolidated Statements of Income 2. Unrealized appreciation or loss on valuation of investments and gain or loss on sale of investments at subsidiaries in the United States of America, net.”

(Derivative Transactions)

As of March 31, 2009

1. Currency Related

(Millions of yen)

	Nature of transaction	March 31, 2009			
		Contract amounts		Fair value	Unrealized gain(loss)
			Over 1 year		
Off-market transactions	Forward exchange contracts to-				
	• Purchase U.S. dollars and sell Japanese yen	¥83,589	-	¥2,929	¥2,929
	• Purchase Euro and sell Japanese yen	3,637	-	(267)	(267)
	Total	¥87,227	-	¥2,662	¥2,662

Notes:

1. Fair value is based on information provided by financial institutions at the end of the fiscal year.
2. Derivative transactions to which the Company applied hedge accounting are excluded.

2. Interest Related

There are no applicable items.

Note: Derivative transactions to which the Company applied hedge accounting are excluded.

3. Securities Related

There are no applicable items.

Note: Derivative transactions to which the Company applied hedge accounting are excluded.

As of March 31, 2010

(1) Derivative transactions to which the Company did not apply hedge accounting
1. Currency Related

(Millions of yen)

	Nature of transaction	March 31, 2010			
		Contract amounts		Fair value	Unrealized gain(loss)
			Over 1 year		
Off-market transactions	Forward exchange contracts to-				
	• Purchase U.S. dollars and sell Japanese yen	¥81,567	-	¥1,357	¥1,357
	• Purchase Euro and sell Japanese yen	657	-	(33)	(33)
	Total	¥82,225	-	¥1,324	¥1,324

Note: Fair value is based on information provided by financial institutions at the end of the fiscal year.

2. Interest Related

There are no applicable items.

3. Securities Related

There are no applicable items.

(2) Derivative transactions to which the Company applied hedge accounting
1. Currency Related

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount		Fair value
				Over 1 year	
Deferral hedge accounting	Forward-exchange contracts: Purchased option to buy	Forecasted transactions for expenses denominated in foreign currencies Forecasted transactions for expenses denominated in foreign currencies	¥843	¥-	¥43
	U.S. dollars				
	Euro		13	-	(0)
Alternative method (Note 2)	Forward-exchange contracts: Purchased option to buy	Accounts payable-trade and other Accounts payable- trade, and corporate bonds	545	-	(Note 3)
	U.S. dollars				
	Euro		49,120	47,807	(Note 3)
Total			¥50,522	¥47,807	¥43

Notes:

1. Fair value is based on information provided by financial institutions at the end of the fiscal year.
2. Foreign monetary obligations denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate, if the forward contracts qualify for hedge accounting.
3. For certain accounts payable-trade, accounts payable-other and corporate bonds denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations, fair value of derivative financial instrument is included in fair value of the accounts payable-trade, accounts payable-other and corporate bonds as hedged items.

2. Interest Related

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount		Fair value
				Over 1 year	
Deferral hedge accounting	Interest swap: Receiving floating rate and paying fix rate	Interest for loan	¥15,000	¥10,000	¥(260)
Total			¥15,000	¥10,000	¥(260)

Note: Fair value is based on information provided by financial institutions at the end of the fiscal year.

3. Securities Related

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount		Fair value
				Over 1 year	
Deferral hedge accounting	Collar transaction: A variable share prepaid forward contract consisting of a purchased put option and a sold call option	Equity securities	¥105,697	¥105,697	¥25,918
Total			¥105,697	¥105,697	¥25,918

Note: Fair value is based on information provided by financial institutions at the end of the fiscal year.

(Per Share Data)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Shareholders' equity per share (yen)	¥346.11	¥434.74
Net income per share - primary (yen)	39.95	89.39
Net income per share – diluted (yen)	38.64	86.39

Basic data for computation of the per share data	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
1. Net income (in millions of yen)	43,172	96,716
2. Net income allocated to common stock outstanding (in millions of yen)	43,172	96,716
3. Amounts not allocated to shareholders (in millions of yen)	-	-
4. Weighted average number of common stock outstanding during each year (unit: shares)	1,080,700,888	1,081,990,217
5. Adjustment for net income used to calculate net income per share – diluted (in millions of yen)	1,522	933
6. Increase of common stock used to calculate net income per share – diluted (unit: shares)	75,869,347	48,372,009
7. Residual securities which do not dilute net income per share	Stock acquisition rights agreement on June 22, 2005 in accordance with special resolution at general shareholders' meeting	Stock acquisition rights agreement on June 22, 2005 in accordance with special resolution at general shareholders' meeting

(Elision of Disclosure)

Notes regarding pension and severance plans, related party transactions, stock options, and business combinations are not disclosed as they are immaterial.

5. Others

(Change of Board members)

- (1) Change of Representative
Not applicable
- (2) Change of other directors
Not applicable