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Stock code: 9984

June 5, 2009

To All Our Shareholders:

Notice of the 29th Annual General Meeting of Shareholders

The shareholders of SOFTBANK CORP. (hereinafter the 'Company') are invited to participate in the 29th Annual General Meeting of Shareholders, the details of which are set forth below.

If you are unable to attend the Meeting, you may exercise your voting rights as a Shareholder in writing or via the Internet. In this case, please review the Reference Materials for the Annual General Meeting of Shareholders mentioned below, and please choose to either (1) return the enclosed voting form clearly indicating your approval or disapproval of the proposals to be made at the Meeting, or (2) after reading pages 67-68, access the website for exercising the voting rights (http://www.evote.jp/) via the Internet using a PC or mobile phone to enter your approval or disapproval. Please note that your voting rights must be exercised no later than 5:45 PM on Tuesday, June 23, 2009.

1. Date and time: 10:00 AM, Wednesday, June 24, 2009
2. Venue: Hall A, Tokyo International Forum
5-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
3. Agenda of the Meeting:

Matters for reporting:

1. Business Report, Consolidated Financial Statements for the 29th term (April 1, 2008 to March 31, 2009) and results of audits by the Independent Auditor and the Board of Corporate Auditors of Consolidated Financial Statements
2. Financial Statements for the 29th term (April 1, 2008 to March 31, 2009)

Matters for approval:

Proposal 1: Appropriation of Surplus
Proposal 2: Partial Changes in the Articles of Incorporation
Proposal 3: Election of nine Directors
Proposal 4: Election of four Corporate Auditors

4. Arrangements in convening the Meeting:
Please see pages 67-68 "Guide to Exercising Voting Rights".

* If you are attending the Annual General Meeting of Shareholders on the scheduled day, please submit the enclosed voting form at the reception.
* We will post any revisions we make to the Reference Materials for the Annual General Meeting of Shareholders, the Business Report, or Financial Documents and Consolidated Financial Documents on our website (http://www.softbank.co.jp/).

(Appendix)

Business Report

(From April 1, 2008 to March 31, 2009)

I Status of the Corporate Group

(1) Overview of operations for this fiscal year

i Progress and results of operations

1. Basic management policy of the Company

Since its establishment, the SOFTBANK Group (hereinafter 'the Group') has followed the fundamental management policy of 'Endeavoring to benefit society and the economy and to maximize enterprise value by fostering the sharing of wisdom and knowledge gained through the IT revolution.' The Group is working to facilitate the realization of a 'true ubiquitous society,' where broadband will enable anyone to access all kinds of information at any time and anywhere.

As a corporate group based on Internet-related businesses, the Group will not limit itself to its existing role of a telecom operator. Rather, by providing both information infrastructure and content as a 'comprehensive digital information company,' the Group aims to make people's lifestyles and business styles more affluent and enjoyable, and to be the global No. 1 corporate group in the broadband era.

2. Management Results (Consolidated)

<< Summary of Results of Operations>>	
Net sales	**¥ 2,673,035 million (3.7% decrease year-on-year)**
Operating income	**¥ 359,121 million (10.7% increase year-on-year)**
Ordinary income	**¥ 225,661 million (12.7% decrease year-on-year)**
Net income	**¥ 43,172 million (60.3% decrease year-on-year)**

The Group designated the fiscal year (from April 1, 2008 to March 31, 2009; hereinafter 'this fiscal year') as 'Year of the Internet Machine,' and strove to further realize the potential and popularize mobile Internet use. Efforts during this fiscal year include the sales of attractive mobile handsets like Apple's iPhone™ 3G[*1], and the provision of FMC services[*2] including *White Call 24*, *White Line 24*, and *White Office* by the Group's three telecommunications companies —SOFTBANK MOBILE Corp. (hereinafter 'SOFTBANK MOBILE'), SOFTBANK BB Corp. (hereinafter 'SOFTBANK BB'), and SOFTBANK TELECOM Corp. (hereinafter 'SOFTBANK TELECOM')—. Moreover effective promotions in the peak sales periods and aggressive acquisition of corporate subscribers were also implemented. SOFTBANK MOBILE introduced attractive mobile content including as '*MOBILE WIDGET*' and '*S-1 BATTLE*.'

As a result, SOFTBANK MOBILE has achieved the industry's highest number of monthly net subscriber additions—new subscribers minus cancellations—for 23 consecutive months, going through March 2009. Continuing the pace set in the previous fiscal year (from April 1, 2007 to March 31, 2008; hereinafter 'the previous fiscal year'), net subscriber additions were also the highest on a full-year basis, with 2,046,700 net additions during this fiscal year. As of the end of this fiscal year, the total number of subscribers stood at 20,632,900, with 3G subscribers constituting more than 90% of this total.

(Notes) 1. iPhone is a trademark of Apple. The trademark 'iPhone' is used with a license from Aiphone K.K.

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

<Net sales>

Net sales amounted to ¥2,673,035 million, a decline of ¥103,132 million (3.7%) year-on-year. This decrease was primarily the result of a ¥67,961 million decline in net sales at the Mobile

Communications segment on lower handset sales.

<Operating income>

Operating income totaled ¥359,121 million, an increase of ¥34,833 million (10.7%) year-on-year. The main contributions to this growth came from continued cost reductions at SOFTBANK TELECOM and SOFTBANK BB, combined with steady profit growth at Yahoo Japan Corporation (hereinafter 'Yahoo Japan'), and increase of operating income at the Fixed-line Telecommunications segment by ¥15,628 million (467.9%), the Internet Culture segment by ¥9,860 million (8.6%), and the Broadband Infrastructure segment by ¥7,553 million (19.0%).

The cost of sales for this fiscal year was ¥1,365,903 million, down ¥101,460 million (6.9%) year-on-year. This decline was due primarily to a lower cost of goods sold in the Mobile Communications and e-Commerce segment and a decrease in telecommunication equipment usage fees at the three telecommunications companies of the Group. Selling, general and administrative expenses came to ¥948,011 million, a decrease of ¥36,506 (3.7%) year-on-year. This decline was primarily attributable to lower expenses related to doubtful accounts at the Mobile Communications segment and lower selling-related expenses at the Broadband Infrastructure segment.

< Non-operating Income>

Non-operating income came to ¥13,016 million, a decrease of ¥56,371 million (81.2%) year-on-year. After recording a ¥55,411 million gain from equity in earnings under the equity-method of affiliated companies in the previous fiscal year, a ¥13,759 million loss from equity earnings of affiliated companies was recorded as a non-operating expense this fiscal year. The primary component of the previous fiscal year's gain in equity was ¥57,223 million from the new listing of Alibaba.com Limited, a subsidiary of the Group's equity-method affiliate Alibaba Group Holding Limited, on the Hong Kong Stock Exchange on November 6, 2007.

< Non-operating Expenses>

Non-operating expenses were ¥146,475 million, an increase of ¥11,414 million (8.5%) year-on-year. The deterioration in the equity market during the year led to a downturn in the performance of investment funds accounted for by the equity-method, resulting in an equity-method investment loss of ¥13,759 million. On the other hand, interest expenses decreased by ¥2,517 million to ¥112,345 million.

As a result, ordinary income came to ¥225,661 million.

<Special Income>

Special income totaled ¥11,212 million, primarily from the recognition of a ¥3,454 million gain on sale of investment securities and a ¥2,972 million gain on the liquidation of a subsidiary.

<Special Loss>

The special loss came to ¥129,535 million. This was mainly from the recording of ¥75,000 million in relation to in-substance redemption before maturity (debt assumption) executed in the past for the outstanding bonds of SOFTBANK MOBILE, as loss on additional entrustment for debt assumption. An impairment loss of ¥29,478 million was also recorded, the main component of which was a ¥28,999 million write-off of the entire book value and removal costs for assets related to the *Yahoo! BB hikari* service. This impairment of assets related to *Yahoo! BB hikari* was coincident with the launch of the new fiber-optic Internet connection service *Yahoo!BB hikari with FLET'S*[*3] in this segment.

(Note) 3. *FLET'S* is a trademark of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION.

<Income Taxes and Others>

Current income taxes of ¥39,390 million were recorded, at the same time deferred income taxes of ¥19,674 million were recorded as credit. Current income taxes declined as a result of the transfer and utilization of loss carryfowards held by SOFTBANK IDC SOLUTIONS Corp. (hereinafter ‘SOFTBANK IDC’) to Yahoo Japan along with the merger of Yahoo Japan and SOFTBANK IDC on March 30, 2009. Taking the earnings stability and the lesser importance of the balance of loss carryforwards at SOFTBANK BB into consideration, deferred income taxes were recorded as credit, reflecting the improved collectability of the deferred tax assets.

In addition, ¥44,450 million was recorded as minority interests in net income.

As a result, the net income for this fiscal year came to ¥43,172 million.

Results by business segment are as follows.

[Mobile Communications]

<<Summary of Segment Results>>		
Net sales	**¥1,562,890 million**	**(4.2% decrease year-on-year)**
Operating income	**¥171,389 million**	**(1.8% decrease year-on-year)**
Net subscriber additions totaled 2,046,700 for this fiscal year.		
No. 1 in monthly net additions for 23 consecutive months through March 2009.		
Total number of subscribers at the end of this fiscal year reached 20,632,900, of which 18,653,600 were 3G subscribers.		

Net sales were ¥1,562,890 million, down ¥67,961 million (4.2%) year-on-year. Operating income decreased by ¥3,180 million (1.8%) year-on-year to ¥171,389 million. The decrease in net sales was primarily a reflection of a decline in number of handsets sold at SOFTBANK MOBILE, the segment’s core company, however due to a steady increase in subscribers, the trend in telecom service revenue was positive this fiscal year. The decline in handset sales reflects the economic slow down and longer handset tenure throughout the industry after the introduction of the installment sales method, which was first introduced by SOFTBANK MOBILE and later on by competitors, etc. During the fourth quarter the net sales in this segment increased year-on-year.

A special loss of ¥75,000 million was recorded as loss on additional entrustment for debt assumption in relation to in-substance redemption before maturity (debt assumption) executed in the past for the outstanding bonds of SOFTBANK MOBILE.

< Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) at SOFTBANK MOBILE for this fiscal year totaled 2,046,700 (an 11.0% increase year-on-year), maintaining SOFTBANK MOBILE’s top position on an annual basis with more than two million net additions for the second consecutive year. The number of SOFTBANK MOBILE subscribers totaled 20,632,900[*4] as of this fiscal year end, while market share of cumulative subscribers rose 1.1 percentage points to 19.2% from the end of the previous fiscal year. In addition, the number of 3G subscribers totaled 18,653,600, representing more than 90% of total subscribers. SOFTBANK MOBILE continues to promote the migration to 3G in advance of the scheduled termination of its second generation (2G) service on March 31, 2010.

(Note) 4. The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers. The number of communication module service subscribers at the end of this fiscal year is 56,200.

< Churn Rate and Upgrade Rate >

The churn rate for this fiscal year was 1.00%, a 0.32 percentage point improvement year-on-year.

The upgrade rate in this fiscal year improved by 0.49 percentage point to 1.71%.

< ARPU and Average Acquisition Commission per User>

Total ARPU[*5] for this fiscal year was ¥4,070, the decline in total ARPU was a reflection of the decrease in voice ARPU due to an increase in the number of users with *Monthly Discounts*[*6], a special discount for subscribers to *New Super Bonus,* etc. There were also one-time factors which had an impact during the fourth quarter including access charge tariff revisions between carriers and the fact that the previous fiscal year was a leap year. On the other hand, data ARPU for the full year rose ¥250 year-on-year to ¥1,740 and accounted for 42.8% of total ARPU.

The average acquisition commission per user during the fourth quarter was ¥45,300.

(Notes) 5. Average Revenue Per User

6. The name of *New Super Bonus Special Discount* was changed to *Monthly Discounts* on November 1, 2008.

[Broadband Infrastructure]

<<Summary of Segment Results>>		
Net sales	**¥235,199 million**	**(8.9 % decrease year-on-year)**
Operating income	**¥47,253 million**	**(19.0% increase year-on-year)**
Total installed lines for *Yahoo! BB ADSL*: 4,299,000 (as of this fiscal year end)		
Progress was made in improving the operating margin by reducing expenses.		

Net sales totaled ¥235,199 million, which was down ¥22,869 million (8.9%) year-on-year. Operating income rose ¥7,553 million year-on-year (19.0%) to ¥47,253 million. Revenue from the ADSL business of core company SOFTBANK BB is trending lower on a decline in aggregate lines installed, but profits grew because of a decrease in sales related expenses like acquisition incentives and lower depreciation for telecommunications equipment, leasing expenses, etc.

<Overview of Operations>

The number of installed lines for *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB, totaled 4,299,000 lines at this fiscal year end, and ARPU for the fourth quarter of this fiscal year was ¥4,262 on a customer payment basis.

SOFTBANK BB launched the *Yahoo! BB White Plan,* a two-tiered flat-rate ADSL service, with a basic rate[*7] of as low as ¥980, in December, 2008. The *SoftBank Keitai Set Discount,* a bundled service for users of both the *Yahoo! BB White Plan* and SoftBank 3G phones, was also launched in the same month. By cross-selling with SOFTBANK MOBILE, SOFTBANK BB is creating synergies across the Group companies, leading to enhanced competitiveness.

The *Yahoo!BB hikari with FLET'S* service was launched in February 2009 to address customer demand for a diverse range of broadband services. In connection with this launch, a ¥28,999 million impairment loss representing the entire book value and removal costs for assets related to the previous *Yahoo! BB hikari* was recorded as a special loss.

(Note) 7. Basic rate + provider charge.

[Fixed-line Telecommunications]

<<Summary of Segment Results>>		
Net sales	**¥363,632 million**	**(1.9% decrease year-on-year)**
Operating income	**¥18,968 million**	**(467.9% increase year-on-year)**
Total installed lines for *OTOKU Line*: 1,608,000 (as of this fiscal year end)		
As a result of fixed cost reductions and an increase in the number of lines for *OTOKU Line*, operating income increased 467.9% year-on-year.		

Net sales were ¥363,632 million, down ¥7,108 million (1.9%) year-on-year. Operating income totaled ¥18,968 million, an increase of ¥15,628 (467.9%) year-on-year. At the core company SOFTBANK TELECOM, revenue from the *OTOKU Line* direct connection fixed-line voice service and etc. continued to show steady growth, but the downward trend in revenue from existing voice services including *MY LINE* and international telephone services continued. Nevertheless, the segment expanded its profit growth greatly on improved management efficiency including continued fixed cost reductions, and growth in the number of lines with high profitability like *OTOKU Line* and *Ether Connect.*

<Overview of Operations>

SOFTBANK TELECOM continues to leverage its core *OTOKU Line* service to expand its corporate customer base. The number of *OTOKU Line* lines installed is increasing steadily and stood at 1,608,000 as of this fiscal year end, for an increase of 206,000 (14.7%) from the end of the previous fiscal year. Corporate customers constituted 77.6% of the total number of lines, and this figure continues to rise.

SOFTBANK TELECOM launched the *White Line 24* discount service, which provides free domestic voice calls, 24 hours a day, between subscribers of SOFTBANK TELECOM's *OTOKU Line* service and SoftBank mobile phones (*White Plan*), in June 2008. SOFTBANK TELECOM also began accepting applications for the *White Office* corporate FMC service, which enables mobile phones to be used as extension lines of fixed-line telephones, in March 2009. SOFTBANK TELECOM will keep working to enhance synergies with the Mobile Communications segment and further strengthen the corporate business.

[Internet Culture]

<<Summary of Segment Results>>		
Net sales	**¥254,238 million**	**(2.7% increase year-on-year)**
Operating income	**¥125,098 million**	**(8.6% increase year-on-year)**

Net sales increased by ¥6,595 million (2.7%) year-on-year to ¥254,238 million. Operating income increased by ¥9,860 million (8.6%) year-on-year to ¥125,098 million.

<Overview of Operations>

In the advertising business of Yahoo Japan, the core company of the segment, display advertising sales grew more than 100% year-on-year due to higher recognition of behavioral targeting and demographic targeting advertising. Increased synergies with consolidated subsidiary Overture K.K. in paid search advertising, enhanced adoption of media outside the Yahoo Group, etc. lead to approximately 40% growth in sales year-on-year. However, due to the sudden worsening of the economic situation, the display advertising sales for the fourth quarter of this fiscal year declined, and there was a large decrease in placements of paid search advertisements in certain industries. The growth in interest-linked advertising Interest Match^{TM}, which was started in

September 2008, continued and mobile advertising also grew approximately 170% year-on-year mainly on paid search advertising sales.

In business services other than advertising, *Yahoo! Shopping* continued its efforts during the period such as developing sales promotions in line with the season etc. as well as simplification of the shopping procedures and the addition of shopping item review functions in order to enhance the usability. As a result, the transaction volume expanded. The number of merchant stores registered on *Yahoo! Shopping* and *Yahoo! Auctions* totaled 32,843 at the end of this fiscal year, expanding by 1,554 stores year-on-year. Tenant and commission fees for *Yahoo! Shopping* and *Yahoo! Auctions* also expanded favorably helped by the increase in transaction volume in B2C auctions and the upward revision in *Yahoo! Auctions* store royalties.

In the personal service business, due to efforts by the *Yahoo! Premium* service to add special benefits for members, such as member-exclusive services, and to increase value-added content, the number of *Yahoo! Premium* membership IDs rose to a record high of 7.36 million, an increase of 450,000 IDs (6.4%) from the end of the previous fiscal year and sales increased approximately 20% from the previous fiscal year despite the increased monthly membership fee in December 2008.

SOFTBANK IDC was merged by absorption into Yahoo Japan on March 30, 2009. This will allow Yahoo Japan to reduce data center related costs and build a strategic base for the next generation Internet business.

[e-Commerce]

<<Summary of Segment Results>>		
Net sales	**¥258,184 million**	**(4.6% decrease year-on-year)**
Operating income	**¥4,636 million**	**(46.9% increase year-on-year)**

Net sales were ¥258,184 million, which was ¥12,539 million (4.6%) less year-on-year. Operating income rose ¥1,479 million (46.9%) year-on-year to ¥4,636 million.

<Overview of Operations>

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

This segment will continue to pursue additional synergies with telecommunication related companies in the Group as it strengthens its sales of mobile phone accessories, software for personal computers and mobile phones, and corporate solutions packaged around telecommunications lines.

[Others]

Net sales decreased by ¥11,646 million (11.7%) year-on-year to ¥88,226 million. The operating loss was ¥194 million, an improvement of ¥5,121 million from the previous fiscal year.

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

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

ii Capital expenditure

During this fiscal year, the Group made capital expenditure (including software) to expand businesses such as the Mobile Communications, the Broadband Infrastructure and the Fixed-line Telecommunications businesses.

The breakdown of the capital expenditure by business segment is as follows.

Name of Business Segment	Amount invested (¥ million)
Mobile Communications	199,177
Broadband Infrastructure	14,589
Fixed-line Telecommunications	29,589
Internet Culture	9,887
e-Commerce	1,288
Others	4,326
Elimination or corporate total	237
Total	259,094

(Note) The amount of capital expenditure abovementioned includes capital expenditure through finance lease.

The breakdown of major capital expenditure by business segment is as follows.

(Mobile Communications business)

- Base station facilities
- Switch facilities

(Broadband Infrastructure business)

- Facilities for ADSL service
- Backbone facilities

(Fixed-line Telecommunications business)

- Facilities for *OTOKU Line* service
- Facilities for other fixed-line telecommunications service

(Internet Culture business)

- Network-related equipment such as servers iii Fund Procurement Activities

1. Status of interest-bearing debt

The amount of consolidated interest-bearing debt of the Group decreased by ¥132.5 billion in this fiscal year. This decrease is attributable to a decrease of ¥109.1 billion in corporate bonds by redemption and etc. and to a decrease of ¥23.3 billion in borrowings from financial institutions and etc. The gist of increase or decrease of debt and others by the Company and its main subsidiaries is as follows.

Company name	Description	Summary
The Company	Increase of ¥102.9 billion	Primarily increase of borrowings under the credit line facility
SOFTBANK MOBILE Corp.	Decrease of ¥88.7 billion	Primarily repayment of funds raised via WBS
SOFTBANK BB Corp.	Increase of ¥20 billion	Increase associated with fund procurement through securitization of receivables to accrue at present and in the future (by March 2012) by providing ADSL service.
SOFTBANK TELECOM Corp.	Decrease of ¥31 billion	
Yahoo Japan Corporation	Decrease of ¥20 billion	

(1) Securitization of receivables

a. SOFTBANK MOBILE, a subsidiary of the Company raised funds through securitization of receivables as stated as below.

Date of securitization	Description	Amount
June 27, 2008	Securitized mobile phone installment sales receivables (recorded as borrowings)	¥45.3 billion
September 29, 2008	Securitized mobile phone installment sales receivables (recorded as borrowings)	¥57.2 billion
December 29, 2008	Securitized mobile phone installment sales receivables (recorded as borrowings)	¥45.6 billion
March 30, 2009	Securitized mobile phone installment sales receivables (recorded as borrowings)	¥61.4 billion

b. SOFTBANK BB, a subsidiary of the Company raised funds through securitization of receivables as stated as below.

Date of securitization	Description	Amount
March 26, 2009	Securitized receivables to accrue at present and in the future (by March 2012) by providing ADSL service (recorded as borrowings)	¥20 billion

(2) Status of the commitment lines

On the expiration of the term of the commitment line agreement structured in the previous fiscal year, a new commitment line agreement was executed between the

Company and a group of financial institutions including Mizuho Corporate Bank, Ltd. and Citibank Japan Ltd. and The Royal Bank of Scotland plc as the arrangers for a total amount of ¥201 billion in September 2008. As of the end of this fiscal year, the outstanding loan drawn on the commitment line was ¥180 billion.

2. Other major fund raising

Capital lease with ownership transfer

SOFTBANK MOBILE, a subsidiary of the Company procured the total amount of ¥90.2 billion in this fiscal year for new capital investment for mobile communications utilizing lease agreements.

iv Status of transfer of business, absorption by corporate split-up or establishment by corporate split-up

Not applicable.

v Status of acquisition of business of other companies

Not applicable.

vi Status of succession of rights and obligations regarding other corporate business through merger by absorption or absorption by corporate split-up

Not applicable.

vii Status of holding of shares of other companies and acquisition and disposition of stock acquisition rights

SOFTBANK TELECOM acquired all shares of JAPAN TELECOM INVOICE Co., Ltd. (current SOFTBANK TELECOM PARTNERS Corp.) to make it a consolidated subsidiary of SOFTBANK TELECOM in April 2008.

viii Important management issues for the Company

1. Initiatives to reduce interest-bearing debt

The Group's interest-bearing debt as of the end of this fiscal year stood at ¥2,400,391 million. The majority of this amount represents borrowings for the acquisition of the mobile communications business, and the remainder totals ¥1,184,853 million. Repayments are being made ahead of schedule, with total repayments of ¥181,146 million made during this fiscal year.

The Group generated consolidated free cash flow of ¥181,562 million during the year, and has made a commitment to generate ¥250,000 million in the next fiscal year (from April 1, 2009 to March 31, 2010). Free cash flow is used to repay interest-bearing debt, thereby strengthening the Group's financial position.

2. Initiatives in the Mobile Communications segment

Immediately following its full-fledged entry into the mobile communications market, the Group identified four key initiatives – '3G network enhancement,' '3G handset lineup enrichment,' 'mobile content enhancement,' and 'enhancement of sales structure & branding'—and has worked to expand the customer base and further establish the 'SoftBank' brand. The Group will continue to work on the implementation of these initiatives as a means of contributing to its overall growth.

The Group has made 'Mobile Internet Content' its area of focus for 2009, and will provide attractive content to allow customers to have a more enjoyable, ongoing mobile Internet experience. As a first step in this area, the comedy video contest *S-1 BATTLE* was launched in March 2009.

3. Initiatives in the Broadband Infrastructure segment

The Group's comprehensive broadband service, *Yahoo! BB* has the largest share of the market for ADSL services, but the broadband market is experiencing a shift to higher speed FTTH*[1] services that use optical fiber. The Group is therefore striving to retain ADSL customers by expanding the service lineup and continuing to provide services that meet customer needs. These services include the FMC service *White Call 24*, which offers free domestic calls 24-hours a day between the mobile phone services provided by SOFTBANK MOBILE and the IP telephone service offered by SOFTBANK BB, and the new *Yahoo! BB White Plan*, which can be used for as little as ¥655/month (tax included)*[2] with a two ceilings plan and *SOFTBANK Keitai Set Discount*.

The Group is also working to expand its lineup of FTTH services, and in February 2009 SOFTBANK BB launched the *Yahoo! BB hikari with FLET'S* as one step in this process. We are working aggressively to attract customers who prefer FTTH services.

(Notes) 1. Fiber To The Home: A data telecommunications service for homes using an optical fiber connection.
2. When used with SoftBank 3G in the eastern Japan area (the service area of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION.)

4. Initiatives in the Fixed-line Telecommunications segment

The consumer market for fixed-line telecommunications operations continues to shrink because of the penetration of mobile phones and IP phone services, but demand remains firm in the corporate market. Given this environment, SOFTBANK TELECOM continues to directly market fixed-line services to corporations, with an emphasis on the *OTOKU Line*. SOFTBANK TELECOM also began accepting applications for *White Office*, a corporate FMC service that uses SOFTBANK MOBILE's mobile phone services to use mobile phones as extension lines for fixed-line phones, from March 2009. Other FMC services already introduced to aggressively acquire subscriber lines include *White Plan Corporate Discount 24* and *White Line 24*, as the business works to increase profit by continuing to emphasize corporate data services.

5. Pursuing synergies among Group companies

As a corporate group, based on Internet-related businesses, the Group will not limit itself to its existing role as a comprehensive communications carrier. Rather, the Group will further enhance its appealing broadband content, such as through the Yahoo! Streaming video portal site. As a comprehensive digital information company in the broadband era, the Group will work to develop innovative services in infrastructure, portals, and content and strive to clearly differentiate itself from competitors.

The Group has been pursuing synergies in the telecommunications businesses— the three telecommunications companies of the SOFTBANK Group, namely, SOFTBANK MOBILE, SOFTBANK BB and SOFTBANK TELECOM—in a variety of ways. These initiatives include cost reductions through the integration of backbone networks, the expansion of the customer base and sales channels and the offering of FMC services.

The Group considers the further pursuit of Group synergies to be an important issue, and as a step in this direction the service brand logos of the three telecommunications companies were unified on April 1, 2009. By working even more closely together, these three companies will utilize synergies to provide customers with innovative services by creating a full-fledged mobile Internet environment and continuing to pursue FMC. This is also contributing to increased management efficiency.

(2) Status of asset and profit and loss

Item	Unit	26th Term ended March 2006	27th Term ended March 2007	28th Term ended March 2008	29th Term ended March 2009 (current fiscal year)
Sales	¥m	1,108,665	2,544,219	2,776,168	2,673,035
Ordinary income	¥m	27,492	153,423	258,614	225,661
Net income	¥m	57,550	28,815	108,624	43,172
Net income per share - basic	¥	54.36	27.31	101.68	39.95
Net income per share - diluted	¥	50.71	26.62	95.90	38.64
Total assets	¥m	1,808,398	4,310,852	4,558,901	4,386,672
Net assets	¥m	242,767	716,237	848,725	824,798
Shareholders' equity per share	¥	229.88	268.02	355.15	346.11

(Notes) 1. The Company applied 'Accounting Standard for Preparation of Net Assets in the Balance Sheet' (Accounting Standards Board of Japan (ASBJ) Statement No.5 issued on December 9, 2005) and 'Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet' (ASBJ Guideline No.8 issued on December 9, 2005) from the 27th term ended March 2007.

2. The business performance of the consolidated current fiscal year is as set out in 'I Status of the Corporate Group (1) Overview of operations for this fiscal year i Progress and results of operations.'

(3) Major subsidiaries

Company name	Capital amount	Percentage of voting rights	Outline of major business
SOFTBANK MOBILE Corp.	¥177,251 million	100% (100%)	Provision of mobile phone services and sales of mobile phones related to the services
SOFTBANK BB Corp.	¥120,301 million	100% (0.1%)	Provision of broadband infrastructure such as ADSL and related service, development of IT related distribution business, and e-commerce related business
SOFTBANK TELECOM Corp.	¥100 million	100% (18.3%)	Fixed-line telecommunications business
Yahoo Japan Corporation	¥7,444 million	42.1% (1.1%)	Internet advertising business, broadband portal business, and auction business, etc.
SOFTBANK TECHNOLOGY Corp.	¥634 million	55.4%	Provision of network, application, operational solutions and services
ITmedia Inc.	¥1,620 million	59.9% (59.9%)	Operation of IT comprehensive information site
SOFTBANK Holdings Inc.	US$7thousand	100%	Holding company of overseas subsidiaries, etc.

(Note) The figure in brackets represents the percentage of indirectly owned voting rights.

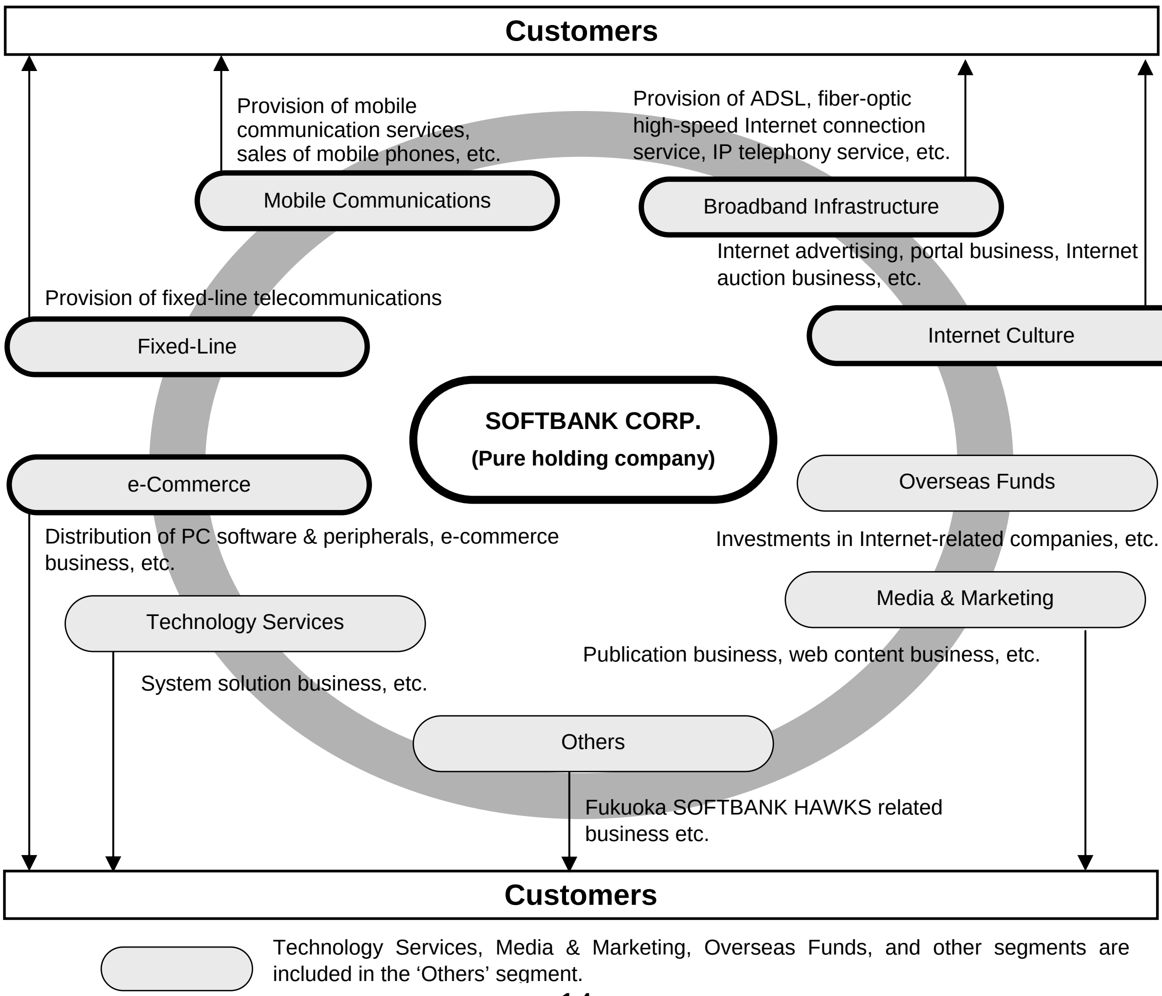
(4) Major businesses (as of March 31, 2009)

Business segment	Major operations of each business segment
1 .Mobile Communications	Provision of mobile communication services, and sale of mobile phones related to the services
2.Broadband Infrastructure	ADSL and fiber-optic high-speed Internet connection service, IP telephony service, provision of content and other operations
3.Fixed-line Telecommunications	Fixed-line telecommunications services
4.Internet Culture	Internet-based advertising business, portal business, auction business, etc.
5.e-Commerce	Distribution of personal computer software and such hardware as personal computers and peripherals, enterprise solutions, and e-commerce businesses including business-to-business transaction and consumer-to-business transaction
6 .Others	Technology Services, Media & Marketing, Overseas funds, and others.

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

[Segment Diagram]

The diagram of the Group's segments as of March 31, 2009 is as follows:



(5) Major business offices (as of March 31, 2009)

The Company	Head Office: Minato-ku, Tokyo
SOFTBANK MOBILE Corp.	Head Office: Minato-ku, Tokyo Sales Office: Chuo-ku, Sapporo; Aoba-ku, Sendai; Nakamura-ku, Nagoya; Chuo-ku, Osaka; Kanazawa, Ishikawa Pref; Naka-ku, Hiroshima; Takamatsu, Kagawa Pref; Hakata-ku, Fukuoka
SOFTBANK BB Corp.	Head Office: Minato-ku, Tokyo Sales Office: Chuo-ku, Sapporo; Aoba-ku, Sendai; Naka-ku, Nagoya; Chuo-ku, Osaka; Naka-ku, Hiroshima; Chuo-ku, Fukuoka
SOFTBANK TELECOM Corp.	Head Office: Minato-ku, Tokyo Branch Office: Kita-ku, Sapporo; Aoba-ku, Sendai; Nakamura-ku, Nagoya; Kita-ku, Osaka; Higashi-ku, Hiroshima; Hakata-ku, Fukuoka
Yahoo Japan Corporation	Head Office: Minato-ku, Tokyo
SOFTBANK TECHNOLOGY CORP.	Head Office: Shinjuku-ku, Tokyo
ITmedia Inc.	Head Office: Chiyoda-ku, Tokyo
SOFTBANK Holdings Inc.	Head Office: Massachusetts, USA

(6) Employees (as of March 31, 2009)

Business segment	Number of employees (person)
Mobile Communication	5,758 (1,420)
Broadband Infrastructure	2,699 (601)
Fixed-line Telecommunications	4,476 (688)
Internet Culture	4,463 (846)
e-Commerce	2,029 (811)
Others	1,470 (1,062)
Company-wide (in common) (*3)	153 (10)
Total	21,048 (5,438)

(Notes)

1. The number of employees is the number of person at work.
2. The number in brackets in the 'Number of employees' column shows the annual average number of temporary employees hired.
3. The number of persons at work of the Company.

(7) Status of major lenders (As of March 31, 2009)

Lenders	Amount of loans
Mizuho Trust & Banking Co., Ltd (*)	¥1,414.4 billion
Citibank Japan Ltd.	¥113.4 billion
Mizuho Corporate Bank, Ltd.	¥110.8 billion
S-lender General Incorporated Association	¥100.0 billion
Vodafone Overseas Finance Limited	¥84.5 billion
Tokyo branch, Deutsche Bank	¥36.1 billion
Aozora Bank, Ltd.	¥22.8 billion
Sumitomo Mitsui Banking Corporation	¥21.2 billion
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥13.8 billion
Mitsubishi UFJ Trust and Banking Corporation	¥13.8 billion
Nomura Securities Co., Ltd.	¥10.0 billion

(Notes) The amount includes borrowings totaling ¥1,184.8 billion accompanying the whole business securitization and ¥221.9 billion accompanying securitization of mobile phone installment sales receivables.

2. Status of the Company

(1) Status of shares (as of March 31, 2009)

i Authorized shares 3,600,000,000 shares

ii Number of shares issued and outstanding 1,081,023,978 shares

(Including treasury stock of 169,204 shares)

iii Number of shareholders 366,252

iv Major shareholders

Name of shareholders	Number of shares held ('000 shares)	Percentage of shareholding
Masayoshi Son	226,814	20.98%
Japan Trustee Services Bank, Ltd. (Trust Account)	103,050	9.53%
The Master Trust Bank of Japan, Ltd. (Trust Account)	59,010	5.46%
State Street Bank and Trust Company	30,911	2.86%
Trust & Custody Services Bank, Ltd. (Trust Account)	20,264	1.87%
JP Morgan Chase Bank 380055	16,553	1.53%
JPMCB Omnibus US Pension Treaty JASDEC380052	12,186	1.13%
JPMorgan Securities Japan Co., Ltd.	9,078	0.84%
Clearstream Banking S.A	8,611	0.80%
BNP PARIBAS Securities (Japan) Limited	8,077	0.75%

(Notes) 1. The list above describes the top 10 shareholders including one shareholder who owns more than a tenth of total shares issued and outstanding (excluding own shares).

2. Percentage of shareholding is calculated by deducting treasury stock (169,204 shares).

(2) Status of Stock Acquisition Rights

i Status of Stock Acquisition Rights held by the Company's Directors (as of March 31, 2009)

AGM resolution date	June 24, 2003	
Issuance resolution date	November 28, 2003	
Title	Director (excl. External Director)	External Director
Number of people	3	2
Number of stock acquisition rights	1,000	200
Number of shares to be purchased with Stock Acquisition Rights	300,000	60,000
Type of shares to be purchased with Stock Acquisition Rights	Common shares	
Issue price of Stock Acquisition Rights	Free of charge	
Amount of capital paid per share when exercise the right	¥1,440	
Exercise period	July 1, 2004 to June 30, 2009	
Conditions for exercise of Stock Acquisition Rights	Refer to the Notes stated below	

(Notes) Conditions for exercise of Stock Acquisition Rights

1. In case individuals who are allotted the Stock Acquisition Rights (hereinafter the 'holders of the Stock Acquisition Rights') are the directors or executives or expectants of the Company or the subsidiaries of the Company at the issue date, the Stock Acquisition Rights may be exercised according to the following conditions. Any amount less than one share of the exercisable number of the Stock Acquisition Rights to be discarded.
   (1) None of the Stock Acquisition Rights may be exercised from July 1, 2004 to November 28, 2004.
   (2) 25% of the Stock Acquisition Rights may be exercised from November 29, 2004 to November 28, 2005.
   (3) 50% of the Stock Acquisition Rights may be exercised from November 29, 2005 to November 28, 2006.
   (4) 75% of the Stock Acquisition Rights may be exercised from November 29, 2006 to November 28, 2007.
   (5) All the Stock Acquisition Rights may be exercised from November 29, 2007 to June 30, 2009.
2. In case the holders of the Stock Acquisition Rights are the employees or expectants of the Company or the subsidiaries of the Company at the issue date, the Stock Acquisition Rights may be exercised according to the following conditions.
   (1) None of the Stock Acquisition Rights may be exercised from July 1, 2004 to November 28, 2005.
   (2) 50% of the Stock Acquisition Rights may be exercised from November 29, 2005 to November 28, 2006.
   (3) 75% of the Stock Acquisition Rights may be exercised from November 29, 2006 to November 28, 2007.
   (4) All the Stock Acquisition Rights may be exercised from November 29, 2007 to June 30, 2009.
3. The holders of the Stock Acquisition Rights should be directors, auditors, employees or an equivalent of the Company or the subsidiaries of the Company at the execution date.
4. Other conditions are under the provision of the year 2003 incentive program.

ii Status of Stock Acquisition Rights issued to employees as a remuneration for discharge of duties in this fiscal year.

Not applicable.

iii Status of other Stock Acquisition Rights

1. Euro-yen convertible bonds with Stock Acquisition Rights due 2013 issued based on the

resolution of the Board of Directors' Meeting held on December 11, 2003

Number of Stock Acquisition Rights	25,000
Number of shares to be purchased with Stock Acquisition Rights	23,100,023 shares
Type of shares to be purchased with Stock Acquisition Rights	Common shares
Issue price of Stock Acquisition Rights	Free of charge
Amount of capital paid per share when exercise the right	¥2,164.50
Exercise period	January 13, 2004 to March 15, 2013
Balance of bonds with Stock Acquisition Rights	¥50,000 million

2. Euro-yen convertible bonds with Stock Acquisition Rights due 2014 issued based on the resolution of the Board of Directors' Meeting held on December 11, 2003

Number of Stock Acquisition Rights	25,000
Number of shares to be purchased with Stock Acquisition Rights	25,197,802 shares
Type of shares to be purchased with Stock Acquisition Rights	Common shares
Issue price of Stock Acquisition Rights	Free of charge
Amount of capital paid per share when exercise the right	¥1,984.30
Exercise period	January 13, 2004 to March 17, 2014
Balance of bonds with Stock Acquisition Rights	¥50,000 million

3. Euro-yen convertible bonds with Stock Acquisition Rights due 2015 issued based on the resolution of the Board of Directors' Meeting held on December 11, 2003

All amounts have been redeemed based on the option of the bondholders as of March 31, 2009.

Content of early redemption is as stated below.

Principal amount of Bonds outstanding before	¥50,000 million
Total amount of early redemption	¥50,000 million
Principal amount of Bonds outstanding after	¥0

(3) Status of Corporate Officers

i Status of Directors and Corporate Auditors (as of March 31, 2009)

Name	Position and area of responsibility	Status of representative in other corporate bodies
Masayoshi Son	Chairman & CEO	Chairman & CEO, SOFTBANK MOBILE Corp. Chairman & CEO, SOFTBANK BB Corp. Chairman & CEO, Representative Director, SOFTBANK TELECOM Corp.
Ken Miyauchi	Director	Senior Executive Vice President & COO, SOFTBANK MOBILE Corp. Senior Executive Vice President & COO, SOFTBANK BB Corp. Senior Executive Vice President & COO, Representative Director, SOFTBANK TELECOM Corp.
Kazuhiko Kasai	Director	Director, SOFTBANK MOBILE Corp. Director, SOFTBANK TELECOM Corp. President, Fukuoka SOFTBANK HAWKS Corp.
Masahiro Inoue	Director	President and CEO, Yahoo Japan Corporation
Ronald Fisher	Director	Director and President, SOFTBANK Holdings Inc.
Yun Ma	Director	Chairman and CEO, Alibaba Group Holding Limited
Tadashi Yanai	Director	Chairman, President and CEO, FAST RETAILING CO., LTD Chairman, President and CEO, UNIQLO CO., LTD. Chairman, LINK THEORY HOLDINGS CO., LTD.
Jun Murai	Director	Executive Director, Keio University Professor of Faculty of Environmental Information at KEIO University
Mark Schwartz	Director	Chairman, MissionPoint Capital Partners, LLC Director, MasterCard Incorporated
Mitsuo Sano	Full-time Corporate Auditor	Certified public accountant
Soichiro Uno	Corporate Auditor	Partner, Nagashima Ohno & Tsunematsu
Koichi Shibayama	Corporate Auditor	Certified public accountant / Certified public tax accountant Advisor, PricewaterhouseCoopers (Tax practice)
Hidekazu Kubokawa	Corporate Auditor	Certified public accountant / Certified public tax accountant Representative partner, Kubokawa Partner Accounting Firm

(Notes)
1. The Directors, Messrs. Tadashi Yanai, Jun Murai, and Mark Schwartz are the External Directors.
2. The Corporate Auditors, Messrs. Soichiro Uno, Koichi Shibayama, and Hidekazu Kubokawa are the External Corporate Auditors.
3. The Full-time Corporate Auditor, Mr. Mitsuo Sano is a certified public accountant, the Corporate Auditor, Messrs. Koichi Shibayama and Hidekazu Kubokawa are certified public accountants and certified public tax accountants, and they have considerable knowledge for finance and accounting.

ii Amount of remuneration paid to Directors and Corporate Auditors

Title	Number of people	Amount of remuneration for this fiscal year
Directors	6 people	¥232 million
Corporate Auditors	4 people	¥70 million
Total	10 people	¥303 million

(Notes)

1. Of the amount above, the aggregate remuneration paid to the External Directors and External Corporate Auditors for this fiscal year were ¥59 million for 6 people.
2. In addition to above, the remuneration paid to the External Directors and External Corporate Auditors as directors of the subsidiaries of the Company for this fiscal year were ¥12 million.
3. Pursuant to the resolution of the 10th Annual General Meeting of Shareholders held on June 28, 1990, the annual aggregate remuneration paid to the Directors shall not exceed ¥800 million, and that for the Corporate Auditors shall not exceed ¥80 million.

iii Items on External Directors

1. Status of concurrent post such as operating officer on the board in other corporate bodies

Title	Name	Status of concurrent post in other corporate bodies
Director	Tadashi Yanai	Chairman, President and CEO, FAST RETAILING CO., LTD Chairman, President and CEO, UNIQLO CO., LTD.
Director	Mark Schwartz	Chairman, MissionPoint Capital Partners, LLC

(Note) The Company does not have any material transaction with above companies.

2. Status of concurrent post with External Officer in other corporate bodies

Title	Name	Status of concurrent post with External Officer in other corporate bodies
Director	Jun Murai	External Director, SKY Perfect JSAT Holdings Inc.
Corporate Auditor	Hidekazu Kubokawa	External Corporate Auditor, FujiStaff Holdings, Inc. External Corporate Auditor, TAKE AND GIVE. NEEDS Co., Ltd External Corporate Auditor, KASUMI CO., LTD. External Corporate Auditor, Kyoritsu Printing Group

(Note) The Corporate Auditor, Mr. Hidekazu Kubokawa retired from the position of the External Corporate Auditor of Nabtesco Corporation as of June 24, 2008, and the External Corporate Auditor of ADORES, Inc. as of June 26, 2008.

3. Relationship with specific parties such as major business partners

Not applicable.

4. Major activities for the relevant business year

Title	Name	Attendance to Board of Directors'/Corporate Auditors' meeting	Major activities
Director	Tadashi Yanai	Attended 14 out of 16 meetings of the BOD held in the current term.	Makes remarks mainly on global management from an expert's viewpoint to support business judgment and decision making.
Director	Jun Murai	Attended 9 out of 16 meetings of the BOD held in the current term.	Makes remarks mainly on Internet from an academic expert's viewpoint to provide technical advice and to support business judgment and decision making.
Director	Mark Schwartz	Attended 13 out of 16 meetings of the BOD held in the current term.	Makes remarks mainly on overseas financial industry from an expert's viewpoint to support business judgment and decision making.
Corporate Auditor	Soichiro Uno	Attended 15 out of 16 meetings of the BOD, and 13 out of 14 meetings of the Board of Corporate Auditors' held in the current term.	Makes remarks mainly on procedures according to the law from a lawyer's viewpoint to ensure the adequacy and legitimacy of decision making.
Corporate Auditor	Koichi Shibayama	Attended 15 out of 16 meetings of the BOD, and 13 out of 14 meetings of the Board of Corporate Auditors' held in the current term.	Makes remarks mainly on financial and tax procedures from a certified public accountant and tax account's viewpoint to ensure the adequacy and legitimacy of decision making.
Corporate Auditor	Hidekazu Kubokawa	Attended 16 out of 16 meetings of the BOD, and 14 out of 14 meetings of the Board of Corporate Auditors' held in the current term.	Makes remarks mainly on financial and tax procedures from a certified public accountant and tax account's viewpoint to ensure the adequacy and legitimacy of decision making.

(Note) Number of attendance excludes the number of the Board of Directors' meeting held in writing or in an electromagnetic record.

5. Description of agreement on liability limitation

The Company and its External Directors and its External Corporate Auditors have concluded a contract to limit liability for damage stipulated in Paragraph 1, Article 423 of the Corporation Law in accordance with Paragraph 1, Article 427 of the Corporation Law.

The amount of limit of liability for damage is stipulated in the relevant contract as ¥10 million or the minimum amount of limit of liability that the relevant laws and ordinances stipulate, whichever is higher.

(4) Status of Independent Auditors

i Name

Deloitte Touche Tomatsu

ii Amount of remuneration to be paid

Amount of remuneration that the Company should pay in the fiscal year a. Amount of remuneration for the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Law b. Amount of remuneration for services in addition to the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Law	¥167 million ¥15 million
Aggregate amount of cash and other profits to be paid by the Company and its subsidiaries	¥921 million

(Notes) 1. As the audit agreement between the independent auditors and the Company does not stipulate that the remuneration for auditing services be classified into remuneration for the audit based on the Financial Instruments and Exchange Act and the remuneration for the audit based on the Corporation Law, there is no classification practically between the two kinds of remuneration. Therefore the amount described in a. is the aggregate amount of the aforementioned remuneration.

2. Description of services in addition to the services pursuant to Paragraph 1, Article 2 of the Certified Public Accountant Law

Mainly advice service on application of International Financial Reporting Standards, and advice and instruction service on establishing Internal Control structure.

3. Deloitte&Touche LLP audits SOFTBANK Holdings Inc. out of important subsidiaries of the Company.

iii Decision-making policy of dismissal or not reappointing of independent auditors

The independent auditors may be dismissed by the board of corporate auditors' meeting with unanimity of corporate auditors when the independent auditors corresponds to any of Article 340-1 of the Corporation Law.

Other than those above cases, the Board of Directors' meeting shall submit a proposal on dismissal or not reappointing the independent auditors to the Annual General Meeting of Shareholders with the consensus of the board of corporate auditors' meeting or a request from the board of corporate auditors' meeting when it is acknowledged that the execution of appropriate audit is difficult due to the occurrence of situation where violates the qualification or independency of the independent auditors.

iv Liability Limitation Agreement

Not applicable.

(5) Structure to ensure appropriateness of business

The Company decided the basic policy to ensure the appropriateness of the business which was approved at the Board of Directors' meeting held on April 26, 2006, and this was revised at the Board of Directors' meeting held on March 31, 2009. The content is as stated below.

Structure to ensure that the discharge of Directors' and Employees' duties complies with the law and the Articles of Incorporation of the Company

The Company keeps enhancing the structure for compliance to conduct the appropriate corporate activities based on the high ethical standards, not to mention complying with a regulation.

To raise awareness on the compliance further, 'SOFTBANK Group Officer and Employee Code of Conduct', a code of conduct related to compliance that is to be followed by all Directors and employees has been established, and holds training programs to ensure that this code is thoroughly understood.

Based on 'Compliance Organization/Procedure Regulation', a Chief Compliance Officer (CCO) who is responsible for the establishment/enhancement/promotion of the Company's compliance structure has been appointed, and also a compliance person in charge in each department has been appointed to establish and enhance the compliance structure.

For the recurrence prevention purpose by finding or revising the inappropriate issues in the early stage, the structure with self-purification effect has been established where officers and employees can directly report to and consult with the Hotline internally and externally (contact for the internal report) or to CCO whenever Officers and employees find any issues in regard to compliance.

Internal Audit Department, which is an internal auditing organization, has been established in accordance with 'Internal Audit Regulation'. Compliance status of the discharge of employees' duties with the law and the Articles of Incorporation of the Company is audited, and the results are reported to the Chairman and responsible Directors, and also information is shared with the Corporate Auditors.

Structure on storage and management of information relates to the discharge of Directors' duties

The Company classifies information assets such as documents relate to the Directors' operation including the minutes of Board of Directors' meeting and approval documents, and other important information according to importance based on the 'Information Management Regulations', stipulates storage periods and methods as well as measures to be taken in case of any incidents occur, and stores and manages those appropriately.

Chief Information Security Officer (CISO), who is responsible for information security activities has been appointed based on the 'Information Security Basic Regulations', and the Information Security Committee led by the CISO has been established to manage a structure on storage and management of information.

Regulation on the management of loss risk and other structure

To cope with the various risks on business operation quickly and appropriately, the Company appoints the department in charge based on the 'Risk Management Regulation', sets rules to put effort on reducing risks and preventing any on a routine basis, and establishes and maintains the structure to minimize the damage or loss in case of any material risk occurs.

General Administration Department as Department in charge for the risk management manages the progress status of evaluation, analysis, and measures of risks by each department, and the result is reported to the Board of Directors' meeting regularly. In addition, Internal Audit Department conducts the internal audit on the risk management structure.

Structure to ensure the effective execution of discharge of Directors' duties

To ensure the effective operational structure, the Company clarified the appropriate scope of duty which requires the execution of each department's business and its roles and responsibilities in 'Regulation on Segregation and Authority of Duties', and also clarified the approval authority by ruling a regulation on decision making of 'Board of Directors' meeting Regulation', 'Approval Regulation', etc.

Structure to ensure the appropriateness of business in the Group

i The Company makes efforts to share the fundamental concept and policy of the Group, formulate 'SOFTBANK Group Charter' which shall govern the items on enhancement of governance structure and compliance, and formulate the Code of Conduct among Officers and employees among the Group companies.

ii The Company appointed Group Compliance Officer (GCO) who is responsible for prompting Group-wide compliance. Also, the Company promotes the establishment of compliance contact where Officers and employees of the Group companies can report to and consult with on compliance matters, and also established the Hotline where Officers and employees of the Group companies can report to and consult with.

iii The Company holds 'CEO meeting' which is consisted of CEOs of each Management company which operates each business of the Group and major business companies to promote the business synergy and to share initiatives to improve compliance, risk management, business efficiency, etc.

iv The Company obliges the Group companies to introduce the Group Representative Oath System, conduct the internal control self assessment, and submit the management confirmation document on the financial statements by the Group Representative to ensure the appropriateness of information contained in the Annual Security Report and to establish the internal control structure as a Group.

v The Company holds periodical audits to those Group companies which are regarded to hold a high risk based on the comprehensive judgment including past audit results, financial status and the internal control self assessment.

vi The Company appointed a Group Chief Information Security Officer (GCISO) who is responsible for the promotion of Group-wide information security, and hold the Group Information Security Committee periodically which is led by GCISO to share the status of each company's system compliance knowledge and techniques on information security measures. The Company also established a structure to ensure the business appropriateness of the Group companies by formulating 'SOFTBANK Group Information Security Measure Guideline'.

Structure to eliminate the antisocial forces

It is explicitly stated in the 'SOFTBANK Group Officer and Employee Code of Conduct' that the Company rejects any kind of association with the antisocial elements which pose a threat to social order and safety. For any unwarranted demands, General Administration Department as Department in charge deals with those demands in a resolute attitude, and stands firm in the refusal in cooperation with external specialized agencies such as police.

Structure on employees who shall assist the work of Corporate Auditors and item on independency of said employees from Directors

The Company established Assistant to Audit as an office to assist the duty of Corporate Auditors, and allocate the employees exclusive for this duty.

The direction and instruction shall be provided to the said employees by the Corporate Auditor, and agreement of the Corporate Auditor shall be obtained for the HR transfer, HR evaluation and disciplinary action of the said employees.

Reporting structure to the Corporate Auditor

Directors and employees report the items stated below to the Corporate Auditor

i Material items on management, finance, and operation of the Company and the Group

ii Items on the compliance structure and the status of usage of hotline

iii Status on establishment of Internal Control system

iv Items which may do a great deal of damage to the Company

v Items on violation of laws and the Articles of Incorporation

vi Result of audit by Internal Audit

vii Any other items which Corporate Auditors judges as a matter to be reported in the course of duty

Structure to ensure the effectivity of audit by the Corporate Auditors

The Company provides opportunities to have a hearing from Directors and employees when the Corporate Auditor acknowledges the need. The Company also holds periodical meetings with Accounting Auditor and Corporate Auditors of important subsidiaries to collaborate, and the Full-time Corporate Auditors participate important meetings such as ‘CEO meeting’ and ‘Cross-departmental meeting’ which are consisted of General Managers of the Company.

(Note) Amounts less than a stated unit are omitted, and ratio less than a stated unit are rounded.

Consolidated Balance Sheets

(As of March 31, 2009)

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

	Amount		Amount
＜ASSETS＞		＜LIABILITIES＞	
Current assets:	**1,520,313**	**Current liabilities**	**1,349,583**
Cash and deposits	457,953	Accounts payable - trade	160,339
Notes and accounts receivable - trade	858,084	Short-term borrowings	575,532
Marketable securities	2,917	Current portion of corporate bonds	64,000
Merchandise and finished products	42,320	Accounts payable - other and accrued expenses	352,171
Deferred tax assets	93,021	Income taxes payable	21,363
Other current assets	114,874	Current portion of lease obligations	88,241
Less: Allowance for doubtful accounts	(48,858)	Other current liabilities	87,935
Fixed assets	**2,865,036**	**Long-term liabilities**	**2,212,290**
Property and equipment, net	**1,000,946**	Corporate bonds	324,566
Buildings and structures	71,577	Long-term debt	1,436,292
Telecommunications equipment	738,967	Deferred tax liabilities	28,795
Telecommunications service lines	79,637	Liability for retirement benefits	16,076
Land	22,576	Allowance for point mileage	41,816
Construction in progress	37,477	Lease obligations	233,314
Other	50,710	Other liabilities	131,428
		Total liabilities	**3,561,873**
Intangible assets, net	**1,222,108**	＜EQUITY＞	
Goodwill	956,730	**Shareholders' equity**	**348,197**
Software	226,131	Common stock	**187,681**
Other intangibles	39,245	Additional paid-in capital	**211,999**
		Accumulated deficit	**(51,269)**
Investments and other assets	**641,980**	Less: Treasury stock	**(214)**
		Valuation and translation adjustments	**25,897**
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	320,102	Unrealized gain on available-for-sale securities	**31,334**
Deferred tax assets	158,228	Deferred gain on derivatives under hedge accounting	**25,117**
Other assets	200,749	Foreign currency translation adjustments	**(30,554)**
Less: Allowance for doubtful accounts	(37,100)	**Stock acquisition rights**	**289**
Deferred charges	**1,322**	**Minority interests**	**450,414**
		Total equity	**824,798**
Total assets	**4,386,672**	**Total liabilities and equity**	**4,386,672**

Consolidated Statements of Income

(Fiscal year from April 1, 2008 to March 31, 2009)

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

	Amount	
Net sales		**2,673,035**
Cost of sales		**1,365,903**
Gross Profit		**1,307,132**
Selling, general and administrative expenses		**984,011**
Operating income		**359,121**
Non-operating income		**13,016**
Interest income	1,399	
Foreign exchange gain, net	1,884	
Contribution for construction	3,423	
Other non-operating income	6,309	
Non-operating expenses		**146,475**
Interest expense	112,345	
Equity in losses of affiliated companies	13,759	
Other non-operating expenses	20,370	
Ordinary income		**225,661**
Special income		**11,212**
Gain on sale of investment securities	3,454	
Dilution gain from changes in equity interest	2,483	
Gain on liquidation of a subsidiary	2,972	
Other special income	2,301	
Special loss		**129,535**
Valuation loss on investment securities	11,504	
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	5,316	
Impairment loss	29,478	
Loss on additional entrustment for debt assumption	75,000	
Other special losses	8,236	
Income before income taxes and minority interests		**107,338**
Income taxes:		
Current		**39,390**
Deferred		**(19,674)**
Minority interests in net income		**44,450**
Net income		**43,172**

Consolidated Statements of Changes in Equity

(Fiscal year from April 1, 2008to March 31, 2009)

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

	Shareholders' equity				
	Common stock	Additional paid-in capital	Accumulated deficit	Treasury stock	Total
Balance at April 1, 2008	187,422	211,740	(91,744)	(206)	307,213
Increase in accumulated deficit due to adoption of a new accounting standard for accounting policies at foreign subsidiaries	—	—	(3)	—	(3)
Changes of items during the year					
Exercise of warrants	258	258	—	—	517
Cash dividends	—	—	(2,701)	—	(2,701)
Adjustments of accumulated deficit due to change in scope of the consolidation	—	—	(3)	—	(3)
Adjustments of accumulated deficit due to change in scope of the equity method	—	—	10	—	10
Net income	—	—	43,172	—	43,172
Purchase of treasury stock	—	—	—	(8)	(8)
Items other than changes in shareholders' equity, net	—	—	—	—	—
Total changes in the year	258	258	40,478	(8)	40,987
Balance at March 31, 2009	187,681	211,999	(51,269)	(214)	348,197

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	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	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)
Changes of items during the year							
Exercise of warrants	—	—	—	—	—	—	517
Cash dividends	—	—	—	—	—	—	(2,701)
Adjustments of accumulated deficit due to change in scope of the consolidation	—	—	—	—	—	—	(3)
Adjustments of accumulated deficit due to change in scope of the equity method	—	—	—	—	—	—	10
Net income	—	—	—	—	—	—	43,172
Purchase of treasury stock	—	—	—	—	—	—	(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	(49,580)	36,940	(37,992)	(50,632)	169	(14,447)	(23,923)
Balance at March 31, 2009	31,334	25,117	(30,554)	25,897	289	450,414	824,798

Notes to consolidated financial statements

(Basis of Presentation of Consolidated Financial Statements)

1. Scope of consolidation

Consolidated subsidiaries: 108 companies

Name of main consolidated subsidiaries

SOFTBANK MOBILE Corp., SOFTBANK BB Corp., SOFTBANK TELECOM Corp., Yahoo Japan Corporation, SOFTBANK TECHNOLOGY CORP., ITmedia Inc. and SOFTBANK Holdings Inc.

<Increase> 11 companies

Significant company and reason for consolidation

SOFTBANK TELECOM PARTNERS Corp.	Additionally acquired

<Decrease> 12 companies

Significant company and reason for exclusion from consolidation

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

65 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.

2. Scope of equity method

Non-consolidated subsidiaries: 4 companies

Affiliates: 70 companies

<Increase> 16 companies

Significant company and reason for application of equity method

Broadmedia Corporation	Changed from a consolidated subsidiary

<Decrease> 9 companies

61 non-consolidated subsidiaries and 20 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.

3. Fiscal year ends of consolidated subsidiaries

23 consolidated subsidiaries whose closing dates differ from a consolidated closing date use their own financial statements as closing date variance is within three months.

All significant intercompany balances and transactions which occurred between 23 consolidated subsidiaries' closing date and consolidated closing date have been eliminated in consolidation.

Three consolidate subsidiaries whose closing dates differ from a consolidated closing date use their financial statements based on provisional closing as closing date variance is over three months.

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 of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide. The 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 AICPA Guide.

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 lease 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.

(3) Accounting principles for major allowances and accruals

Allowance for doubtful accounts	: Allowance for doubtful accounts is calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using historical write-off experience ratios from certain prior periods.
Accrued retirement benefits	: SOFTBANK MOBILE Corp., SOFTBANK TELECOM Corp., 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 Corp. and SOFTBANK TELECOM Corp. 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 Corp. and SOFTBANK TELECOM Corp. did not occur for the fiscal year ended March 31, 2009.
Allowance for point mileage	: SOFTBANK MOBILE Corp. has an allowance for point mileage which is accrued based on the estimated future obligation arising from point service, based on past experience.

(4) Accounting for significant hedge transactions

[1] 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.

[2] Interest rate swap

1) <Hedge accounting>

Recognition 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. For interest rate swaps whose amounts, index and periods are same as the conditions for hedged items, the "exceptional method" is adopted. Under this method, a certain domestic consolidated subsidiary does not account for gains and losses of those interest rate swaps on a fair value basis and recognizes swap interest on an accrual basis.

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 Company's policy, the Company and the domestic consolidated subsidiaries use derivative financial instruments 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. For the circumstance that "exceptional method" is adopted, the valuations of effectiveness are omitted.

[3] Forward-exchange contract

1) <Hedge accounting>

Long-term debt 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.

2) <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging : Forward-exchange contract

Hedged items : Foreign currency-denominated bond

3) <Hedging policy>

In accordance with the Company's policy, the Company uses derivatives to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

4) < Effectiveness of hedge transactions >

Effectiveness of the hedge transaction is omitted due to qualifying for hedge accounting.

(5) Accounting method for consumption taxes : Consumption taxes are accounted for using the net method of reporting.

(6) Application of Consolidated taxation system

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

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 Corp.) is amortized over a 20-year-period.

7. Change in accounting policies

(1) Application of accounting standard for measurement of inventories

Prior to April 1, 2008, inventories held for sale in the ordinary course of business were measured by primarily cost determined by the moving-average method. "Accounting Standard for Measurement of Inventories" (ASBJ Statement No.9 issued on July 5, 2006), which is effective for fiscal years beginning on or after April 1, 2008, was adopted for the year ended March 31, 2009. Due to the application of the accounting standard, inventories are measured by primarily net selling value determined by the moving-average method. The effect of this change is not material.

(2) Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITE No.18 issued on May 17, 2006) was applied for the year ended March 31, 2009 and the necessary adjustments are reflected in the consolidated financial statements. The effect of this change is not material.

(3) Application of accounting standard for lease transactions

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

Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are permitted to be accounted for as operating lease transactions.

(Consolidated Balance Sheets)

1. Secured loans

[1] Assets pledged as collateral for secured liabilities

1) For future lease liabilities

Notes and accounts receivable – trade	76 million yen

In addition to above, amounts eliminated in the consolidated balance sheets as an intercompany balance:

Notes and accounts receivable – trade	78 million yen

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

Future lease liabilities (finance lease accounted for as operating lease transactions)	2,519 million yen

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

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

Assets pledged as collateral:

Cash and deposits	212,414 million yen
Notes and accounts receivable – trade	312,831 million yen
Buildings and structures	12,774 million yen
Telecommunications equipment	260,509 million yen
Telecommunications service lines	189 million yen
Land	10,617 million yen
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	66,863 million yen
Investments and other assets – other assets	31,999 million yen
Total	908,201 million yen

Secured liabilities:

Accounts payable - trade	1,239 million yen
Short-term borrowings	2,903 million yen
Long-term debt	1,287,099 million yen
Total	1,291,242 million yen

Consolidated subsidiaries shares owned by SOFTBANK MOBILE Corp., SOFTBANK MOBILE Corp. 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) resulting from the acquisition of SOFTBANK MOBILE Corp., in addition to the assets pledged as collateral above.

[2] Borrowings by securitization of receivables

1) The securitization of installment sales receivables of SOFTBANK MOBILE Corp.

Cash proceeds through the securitization of installment sales receivables of SOFTBANK MOBILE Corp., in the amount of ¥185,669 million and ¥36,256 million, were recorded as “Short-term borrowings” and “Long-term debt,” respectively, as of March 31, 2009. The amounts of the senior portion of the securitized installment sales receivables of ¥221,925 million were included in “Notes and account receivable-trade,” along with the subordinated portion held by the SOFTBANK MOBILE Corp. The trustee raised the funds through asset backed loans based on the receivables.

2) The securitization of receivables for ADSL services of SOFTBANK BB Corp.

SOFTBANK BB Corp. 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 as of March 31, 2009) from a financial institution. Cash proceeds through the asset backed loans are included in the “Short-term borrowings” and “Long –term debt” in the amount of ¥6,660 million and ¥13,340 million, respectively, as of March 31, 2009.

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

[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:

Short-term borrowings	110,000 million yen

2. Accumulated depreciation of property and equipment 966,322 million yen

3. Obligation of additional entrustment for debt assumption of bonds

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

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

In case that defaults (credit events under the agreement) of 8 and above of referenced entities occur, the CDO of ¥75,000 million in total is redeemed.

As of March 31, 2009, SOFTBANK MOBILE Corp. received notices of the default of 6 referenced entities from Goldman Sachs International, the arranger of the CDO. On April 10, 2009, SOFTBANK MOBILE Corp. received a notice of the default of two referenced entities. As a result, for the amount required as an additional entrustment of ¥75,000 million, long term accounts payable was recognized and included in “Other liabilities” of long-term liabilities in the consolidated balance sheets. In the consolidated statements of income, it was recorded as “Loss on additional entrustment for debt assumption” in special loss.

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.

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. Deferred revenue

SOFTBANK BB Corp. sold its ADSL modem rental business to BB Modem Rental Yugen Kaisha for the fiscal years ended March 31, 2006 and March 31, 2008. The gain on sale of the business was deferred and is being amortized based on the estimated economic useful life of modem equipment as a revenue source of the modem rental operations (five years). For the fiscal year ended March 31, 2009, the Company recorded operating income of ¥5,659 million as a result of amortization.

Based on the service agreement with BB Modem Rental Yugen Kaisha, SOFTBANK BB Corp. received royalties relating to future revenue from the modem rental business and recorded it as deferred revenue. The deferred revenue will be reversed in conjunction with the recognition of revenue in proportion to the actual business performance of the ADSL business, such as the number of paying customers. Royalties totaling ¥8,809 million for the fiscal year ended March 31, 2009 were recorded as revenue. Ending balances of deferred revenue as of March 31, 2009 were as follows:

Other current liabilities (deferred revenue)	12,044 million yen
Other liabilities (long-term deferred revenue)	3,773 million yen

In accordance with the service agreement, SOFTBANK BB Corp. must refund a part of the above deferred revenue, which is attributable to the service agreement, if certain financial performance targets are not met.

5. 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 conflicts with the following covenants, creditors may require repayment of all debt. In the events 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 each quarter must not fall below the larger of [1] or [2] below.

[1] 75% of the amount of the Company's net assets at the end of the most recent year.

[2] 60% of the amount of the Company's net assets at March 31, 2005.

(2) At the end of the year and the first half of the year, balance sheets of SOFTBANK BB Corp. and SOFTBANK TELECOM Corp. must not show excessive debt. The consolidated balance sheets of BB Mobile Corp. at the end of the year and the first half of the year must not show excessive debt.

(3) 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* 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.

(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 Corp.) (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* up to a principal amount of ¥400 billion.

(ⅳ)SOFTBANK TELECOM Corp. 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 Corporation up to, as a general rule, ¥200 billion.

(ⅷ)Other than (ⅰ) to (ⅶ) above, debt-incurring activities* which are pari passu with those notes are permitted up to ¥150 billion.

*(Note) Debt-incurring activities include new borrowings, leasing, etc.

(4) SOFTBANK MOBILE Corp. 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*1. Under the terms of the SBM loan agreement, SOFTBANK MOBILE Corp. 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*2, leverage ratio*3) or operational performance targets (number of subscribers) are not met, depending on the importance and the timing of issue, the influence of the lender on the operations of SOFTBANK MOBILE Corp. 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 Corp., will be exercised. As of March 31, 2009, there is no infringement of the debt covenants.

Note: *1. 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 Corp. SOFTBANK MOBILE Corp. 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.

*2. Adjusted EBITDA (Adjusted Earning Before Interests, Taxes, Depreciation, and Amortization)

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

*3. 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.

(5) The amount of net assets shown in SOFTBANK TELECOM Corp.'s balance sheets for the end of each interim period and the end of each year must not fall below the larger of [1] or [2] below.

[1] 75% of the net assets shown in the consolidated balance sheets of SOFTBANK TELECOM Corp. at the end of the most recent year.

[2] 60% of the amount of net assets shown in the consolidated balance sheets of SOFTBANK TELECOM Corp. as of March 31, 2005.

(Consolidated Statements of Income)

1. Unrealized 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 of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

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

Unrealized loss on valuation of investments at subsidiaries in the U.S., net	234 million yen
Loss on sale of investments at subsidiaries in the U.S., net	5,081 million yen
Total	5,316 million yen

2. Impairment loss

The Company recorded impairment loss for the following asset groups.

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

(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 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 Corp. 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 construction 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.

3. Loss on additional entrustment for debt assumption

As described in “Obligation of additional entrustment for debt assumption of bonds” in note 3 to the consolidated balance sheet, special loss is recorded for an additional entrustment required.

(Consolidated Statements of Changes in Equity)

1. Number of outstanding shares as of March 31, 2009

Number of common stocks 1,081,023,978

2. 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

(Per share data)

Shareholders' equity per share ¥346.11

Net income per share ¥39.95

(Business Combinations)

Merger of consolidated subsidiaries

1. Merger of Yahoo Japan Corporation and SOFTBANK IDC SOLUTIONS Corp.

On February 24, 2009, the Company transferred all shares of SOFTBANK IDC SOLUTIONS Corp., a Company's wholly-owned subsidiary, to Yahoo Japan Corporation, a Company's consolidated subsidiary.

On March 30, 2009, Yahoo Japan Corporation merged with SOFTBANK IDC SOLUTIONS Corp.

(1) Outline of the merger

[1] Companies involved in the merger

Yahoo Japan Corporation and SOFTBANK IDC SOLUTIONS Corp.

[2] Principal business of the merging companies

Yahoo Japan Corporation

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

SOFTBANK IDC SOLUTIONS Corp.

Data center business

[3] Method of the merger

Yahoo Japan Corporation, as the surviving company, acquired SOFTBANK IDC SOLUTIONS Corp., which was subsequently dissolved.

[4] Company's name after the merger

Yahoo Japan Corporation

[5] Purpose and method of the merger

This merger enables the early establishment of a strategic base for the next generation Internet business by maximizing the synergy effect between Yahoo Japan Corporation and SOFTBANK IDC SOLUTIONS Corp., and aims to enhance sustainable growth and competitiveness of the Internet business and the data center business. Yahoo Japan Corporation, as the surviving company, acquired SOFTBANK IDC SOLUTIONS Corp., which was subsequently dissolved.

(2) Summary of accounting procedures

The merger is accounted as under common control transaction, based upon "Accounting Standard for Business Combinations" (Accounting Standards issued on October 31, 2003 by the Business Accounting Council in Japan) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Financial Accounting Standards Implementation Guidance No. 10 issued on November 15, 2007).

Balance Sheet

(As of March 31, 2009)

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

	Amount		Amount
<ASSETS>		<LIABILITIES>	
Current assets	**112,836**	**Current liabilities**	**591,534**
Cash and deposits	93,968	Short-term borrowings	521,958
Accounts receivable - trade	5,534	Current portion of long term debt	44,273
Prepaid expense	474	Current portion of corporate bonds	19,000
Short-term loan receivable	8,370	Accounts payable - other	833
Other current assets	4,488	Accrued expenses	3,701
Fixed assets	**1,235,737**	Income taxes payable	266
Property and equipment, net	**8,429**	Deferred revenue	1,082
Leased assets	7,495	Accrued bonus	248
Buildings	286	Other current liabilities	171
Equipment and fixutures	148	**Long-term liabilities**	**356,678**
Land	488	Corporate bonds	177,066
Other	10	Warrant bonds	100,000
Intangible assets, net	**571**	Long-term debt	65,041
Trademark	111	Deferred tax liabilities	221
Software	395	Other liabilities	14,349
Other intangibles	65	**Total liabilities**	**948,213**
Investments and other assets	**1,226,736**	<EQUITY>	
Investment securities	17,840	**Shareholders' equity**	**417,960**
Investments in related companies	973,352	**Common stock**	**187,681**
Investments in related partnerships	36,700	**Additional paid-in capital**	**201,670**
Long-term loan receivable	169,967	Capital reserve	201,670
Long-term accounts receivable-other	15,015	**Retained earnings**	**28,822**
Other assets	16,903	Earned surplus reserve	1,414
Less:Allowance for doubtful accounts	(3,043)	Other retained earnings	27,408
Deferred charges	**1,304**	**Less: Treasury stock**	**(214)**
Stock issuance cost	88	**Valuation and translation adjustments**	**(16,294)**
Bond issuance cost	1,215	**Unrealized loss on available-for-sale securities**	**(16,122)**
		Deferred loss on derivatives under hedge accounting	**(172)**
		Total equity	**401,665**
Total assets	**1,349,878**	**Total liabilities and equity**	**1,349,878**

Statement of Income

(Fiscal year from April 1, 2008 to March 31, 2009)

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

	Amount	
Net sales		**12,343**
Cost of sales		**–**
Gross Profit		**12,343**
Selling, general and administrative expenses		**9,278**
Operating income		**3,064**
Non-operating income		**14,223**
Interest income	7,811	
Dividend income	2,791	
Foreign exchange gain, net	1,286	
Other non-operating income	2,334	
Non-operating expenses		**37,078**
Interest expense	14,346	
Bond interest	11,625	
Other non-operating expenses	11,106	
Ordinary loss		**19,789**
Special income		**32,902**
Gain on sale of investments in related companies	32,370	
Other special income	532	
Special loss		**10,322**
Loss on sale of investments in related companies	441	
Valuation loss on investment securities	7	
Valuation loss on investments in related companies	9,852	
Other special losses	20	
Income before income taxes		**2,790**
Income taxes		5
Net income		**2,785**

Statement of Changes in Equity

(Fiscal year from April 1, 2008 to March 31, 2009)

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

	Shareholders' equity						
	Common stock	Additional paid-in capital	Retained earnings			Treasury stock	Total
		Capital reserve	Earned surplus reserve	Other retained earnings	Total retained earnings		
Balance at April 1, 2008	187,422	201,411	1,414	27,324	28,738	(206)	417,367
Changes of items during the year							
Exercise of warrants	258	258	—	—	—	—	517
Cash dividends	—	—	—	(2,701)	(2,701)	—	(2,701)
Net income	—	—	—	2,785	2,785	—	2,785
Purchase of treasury stock	—	—	—	—	—	(8)	(8)
Items other than changes in shareholders' equity, net	—	—	—	—	—	—	—
Total changes in the year	258	258	—	83	83	(8)	592
Balance at March 31, 2009	187,681	201,670	1,414	27,408	28,822	(214)	417,960

	Valuation and translation adjustments			Total equity
	Unrealized loss on available-for- sale securities	Deferred loss on derivatives under hedge accounting	Total	
Balance at April 1, 2008	(1,963)	—	(1,963)	415,403
Changes of items during the year				
Exercise of warrants	—	—	—	517
Cash dividends	—	—	—	(2,701)
Net income	—	—	—	2,785
Purchase of treasury stock	—	—	—	(8)
Items other than changes in shareholders' equity, net	(14,159)	(172)	(14,331)	(14,331)
Total changes in the year	(14,159)	(172)	(14,331)	(13,738)
Balance at March 31, 2009	(16,122)	(172)	(16,294)	401,665

Notes to Financial Statements

(Significant accounting policies)

1. Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

Investments in subsidiaries and affiliates : Carried at cost, based on the moving-average method

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 based on the moving-average method

(2) Derivative instruments : Stated at fair value

2. Depreciation and amortization

(1) Property and equipment : Computed using the straight-line method

(2) Intangible assets : Computed using the straight-line method
Software for the company's use is amortized using the straight-line method based on internal availability period (five years).

3. Accounting principles for major allowances and accruals

(1) Allowance for doubtful accounts

Allowance for doubtful accounts (excluding receivables from subsidiaries) is calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables and receivables from subsidiaries calculated using historical write-off experience ratios from certain prior periods.

(2) Accrued bonus

Accrued bonus is calculated based on the estimated future payments for employee's bonus.

4. Summary of other significant accounting policies

(1) Deferred charges

Stock issuance cost : Amortized by the month over three years

Bond issuance cost : Amortized by the month over redemption period

(2) Accounting for hedge transactions

[1] 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 Company's policy, the company uses derivative financial instruments 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.

[2] Forward-exchange contract

1) <Hedge accounting>

Long-term debt 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.

2) <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging	: Forward-exchange contract
Hedged items	: Foreign currency-denominated bond

3) <Hedging policy>

In accordance with the Company's policy, the Company uses derivatives to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

4) < Effectiveness of hedge transactions >

Effectiveness of the hedge transaction is omitted due to qualifying for hedge accounting.

(3) Accounting method for consumption taxes

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

5. Change in accounting policy

Application of accounting standard for lease transactions

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

Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are continuously permitted to be accounted for as operating lease transactions.

(Balance Sheet)

1. Accumulated depreciation of property and equipment 2,207 million yen

2. Borrowings by security lending agreements

   Cash receipts as collateral from financial institutions, to whom the Company lent a portion of shares in its related company of 1,676 million yen under security lending agreements are presented as follows:

   Short-term borrowings 110,000million yen

3. Warranty obligation

Nature of warranty obligation by the Company	Amount	
[Warranty obligation]		
Fukuoka Softbank Hawks Marketing Corp.(Lease as a lessee)	43,666 million yen	
Fukuoka Softbank Hawks Marketing Corp. (Loan as a borrower)	3,000 million yen	
Phoenix JT Limited(Issuer of corporate bond)	32,400 million yen	
SOFTBANK TELECOM Corp.(Loan as a borrower)	20,000 million yen	
SOFTBANK Broadband Investments(Loan as a borrower)	3,754 million yen	(38,222 thousand US Dollars)
SOFTBANK BB Corp.(Trust contract as a truster)	294 million yen	
Fukuoka Real Estate Corporation(Loan as a borrower)	205 million yen	(Note)
Subtotal	103,320 million yen	

(Note) Joint guaranty of the Company and other company. The Company's obligation based on guarantors' agreement is 136 million yen.

[Letter of awareness for management service]		
SOFTBANK BB Corp.(Lease as a lessee)	11,139 million yen	
Subtotal	11,139 million yen	
Total	114,459 million yen	

4. Monetary receivables and liabilities for related companies

Short-term monetary receivables	15,518 million yen
Long-term monetary receivables	184,612 million yen
Short-term monetary liabilities	230,448 million yen
Long-term monetary liabilities	70,355 million yen

5. Monetary receivables and liabilities for board members and corporate auditors

Monetary receivables	26 million yen
Monetary liabilities	193 million yen

(Statement of Income)

Transactions with related companies

Net sales	12,343 million yen
Selling, general and administrative expenses	3,370 million yen
Non-operating transactions	65,321 million yen

(Statement of Changes in Equity)

Number of treasury stocks as of March 31, 2009

Number of common stocks	169,204 shares

(Income taxes)

Significant components of deferred tax assets and liabilities

Deferred tax assets	
Investments in related companies	11,605 million yen
Tax haven taxation	8,976 million yen
Others	7,278 million yen
Gross deferred tax assets	27,860 million yen
Less: valuation allowance	(27,860) million yen
Total deferred tax assets	— million yen
Deferred tax liabilities	
Unrealized gains on other securities	(221) million yen
Total deferred tax liabilities	(221) million yen
Net deferred tax liabilities	(221) million yen

(Leases)

Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are continuously permitted to be accounted for as operating lease transactions, and the note of as if capitalized information is as follows.

1. Amounts equivalent to acquisition costs, accumulated depreciation of leased property

	Equipment and fixutures	Other	Total
Acquisition cost	245 million yen	618 million yen	863 million yen
Accumulated depreciation	170 million yen	309 million yen	480 million yen
Net leased property	74 million yen	309 million yen	383 million yen

2. Obligations under finance lease

Due within one year	127 million yen
Due after one year	306 million yen
Total	433 million yen

3. Lease payments, amounts equivalent to depreciation, interest expense

Lease payments	152 million yen
Depreciation expense	121 million yen
Interest expense	32 million yen

4. Calculation method used to determine the amount equivalent to depreciation

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

5. Calculation method used to determine the amount equivalent to interest expense

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.

(Related Party Transactions)

1. Transactions of the Company with subsidiaries and affiliates were as follows,

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

Category	Company name	Voting rights owned by the Company (%)	Nature of transaction	Note	Amount of transaction for the year (Note6)	Account on the Company's Balance Sheet	Balance at March 31, 2009 (Note6)
Subsidiary	SOFTBANK MOBILE Corp.	Indirect 100%	Brand royalty revenue		7,830	Accounts receivable - trade	845
						Other current assets	154
						Long-term accounts receivable-other	15,015
Subsidiary	SOFTBANK BB Corp.	Direct 99.9% Indirect 0.1%	Brand royalty revenue		2,350	Accounts receivable - trade	2,468
			Borrowing of short-term loans (net of repayment)		64,759	Short-term borrowings	90,359
			Interest payment	1	1,005	Accrued expense	—
			Warranty obligation		11,433		
Subsidiary	SOFTBANK TELECOM Corp.	Direct 81.7% Indirect 18.3%	Brand royalty revenue		1,917	Accounts receivable - trade	2,013
			—		—	Long-term loan receivable	80,000
			Repayment of Japanese yen short-term loans (net of borrowings)		36,351	Short-term borrowings	101,648
			Borrowing of US Dollars short-term loans	5	589 (6,000 thousand US Dollars)	Short-term borrowings	589 (6,000 thousand US Dollars)
			Interest receipt	2	3,923	Other current assets	—
			Interest payment	1	2,869	Accrued expense	—
			Warranty obligation		20,000		
Subsidiary	Fukuoka Softbank Hawks Marketing Corp.	Direct 100%	Warranty obligation		46,666		
Subsidiary	Yahoo Japan Corporation	Direct 41.0% Indirect 1.1%	Sale of equity securities	3	45,000		
Subsidiary	SBBM Corporation	Direct 100%	Receipt of long-term loan receivable (net of lendings)		9,280	Long-term loan receivable	74,700
			Interest receipt	2	2,950	Other current assets	—
Subsidiary	Fukuoka Softbank Hawks Corp.	Direct 100%	Payment of advertising expense	4	2,950		
Subsidiary	SOFTBANK Media Marketing Holdings Corp.	Direct 100%	Sale of equity securities	3	549		

Subsidiary	Phoenix JT Limited	Direct 41.0%	Warrant liabilities		32,400		
Subsidiary	SOFTBANK Holdings Inc.	Direct 100%	Repayment of long-term loans	5	982 (10,000 thousand US Dollars)	Current portion of long term debt	24,273 (247,113 thousand US Dollars)
			Interest payment	1	1,220 (12,134 thousand US Dollars)	Accrued expense	—
Subsidiary	SB Holdings (Europe) Ltd.	Direct 25.1% Indirect 74.9%	Borrowing of long-term loans (net of repayment of long-term and short-term loans)	5	5,893 (60,000 thousand US Dollars)	Long-term debt	60,041 (611,231 thousand US Dollars)
			Interest payment	1	2,039 (20,317 thousand US Dollars)	Accrued expense	—

The terms of transactions and the policies

Note: 1. Interest rate on loan payable is determined taking market interest rate into account.

2. Interest rate on loan receivable is determined taking market interest rate into account.

3. The sales prices of marketable securities are determined with the consideration of the fair values which are calculated by third-party institutions. Gain on sale of investment securities to Yahoo Japan Corporation was 32,349 million yen, loss on sale of investment securities to SOFTBANK Media Marketing Holdings Corp. was 288 million yen.

4. Payment of advertising expense to Fukuoka Softbank Hawks Corp. is for advertising effect for Softbank group which management of Fukuoka Softbank Hawks Corp. provides.

5. The translation of Japanese yen amounts into U.S. dollar amounts have been made at the rate of ¥ 98.23 to $1, the approximate rate of exchange at March 31, 2009.

6.Consumption taxes are included in the amount of the year end balance, but not in the amount of the transaction.

2. Directors and major individual shareholders

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

Category	Company name	Voting rights of the Company(%)	Nature of transaction	Note	Amount of transaction (Note2)	Account on the Company's Blance Sheet	Balance at March 31, 2009
Director and shareholder	Masayoshi Son (Son Assets Management, LLC)	Direct 21.0%	Transactions of the Company as a lessor with Son Assets Management, LLC as a lessee: Temporary advance for expenses on behalf of Son Assets Management, LLC		246	Other current asset	26
			Office facility use fee	1	61		
			Office deposits received	1	24	Other liabilities	193
Director	Ken Miyauchi	Direct 0.1%	Exercise of stock options		259	—	—
Director of significant subsidiary	Shinichi Ata	Direct 0.0%	Exercise of stock options		21	—	—
Director of significant subsidiary	Kazuhiko Fujihara	Direct 0.0%	Exercise of stock options		21	—	—

The terms of transactions and the policies

Note: 1. "Facility use fee" and "Deposits received" are determined based on the percentage of facility used as with the case of subsidiary and affiliates.

2.Consumption taxes are included in the amount of the year end balance, but not in the amount of the transaction.

(Per share data)

Shareholders’ equity per share	¥371.62
Net income per share	¥2.58

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 15, 2009

To the Board of Directors
SOFTBANK CORP.

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner,
Certified Public Accountant:
Kiyoshi Matsuo
Designated Partner,
Engagement Partner,
Certified Public Accountant:
Yoshitaka Asaeda
Designated Partner,
Engagement Partner,
Certified Public Accountant:
Nozomu Kunimoto

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2009 of SOFTBANK CORP. (the "Company"), and the related consolidated statements of income and changes in net assets, and the related notes for the 29th fiscal year from April 1, 2008 to March 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries as of March 31, 2009, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 15, 2009

To the Board of Directors
SOFTBANK CORP.

Deloitte Touche Tohmatsu

Designated Partner,
Engagement Partner,
Certified Public Accountant:
Kiyoshi Matsuo
Designated Partner,
Engagement Partner,
Certified Public Accountant:
Yoshitaka Asaeda
Designated Partner,
Engagement Partner,
Certified Public Accountant:
Nozomu Kunimoto

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2009 of SOFTBANK CORP. (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 29th fiscal year from April 1, 2008 to March 31, 2009, and the accompanying supplemental schedules. The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents. These financial statements and the accompanying supplemental schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the accompanying supplemental schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and the accompanying supplemental schedules presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

With respect to the directors' performance of their duties during the 29th business year from April 1, 2008 to March 31, 2009, the *kansayaku-kai* has prepared this audit report after deliberations, as unanimous opinion of all *kansayaku* based on the audit reports prepared by each *kansayaku*, and hereby report as follows:

1. Method and Contents of Audit by *Kansayaku* and the *Kansayaku-kai*

   The *kansayaku-kai* has established the audit policies in this fiscal year, audit plan, etc. and received a report from each *kansayaku* regarding the status of implementation of their audits and results thereof. In addition, the *kansayaku-kai* has received reports from the directors, etc. and the accounting auditor regarding the status of performance of their duties, and requested explanations as necessary.

   In conformity with the *kansayaku* auditing standards established by the *kansayaku-kai*, and in accordance with the audit policies in this fiscal year, audit plan, etc., each *kansayaku* endeavored to facilitate a mutual understanding with the directors, the Internal Audit and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the board of directors and other important meetings, received reports on the status of performance of duties from the directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets. Also, each *kansayaku* monitored and inspected the status of (i) the contents of the board of directors' resolutions regarding the development and maintenance of the system to ensure that the directors' performance of their duties complied with all laws, regulations and the articles of incorporation of the company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (*kabushiki kaisha*), and (ii) the systems (internal control systems) based on such resolutions. The *Kansayaku-kai* has received reports from directors, etc. and the accounting auditor, Deloitte Touche Tohmatsu regarding the status of assessment and audit of internal control on the financial report, and requested explanations as necessary. With respect to the subsidiaries, each *kansayaku* endeavored to facilitate a mutual understanding and exchanged information with the directors and *kansayaku*, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each *kansayaku* examined the business report and annexed specifications for the business year under consideration.

   In addition, each *kansayaku* monitored and verified whether the accounting auditor maintained its independence and properly conducted its audit, received a report from the accounting auditor on the status of its performance of duties, and requested explanations as necessary. Each *kansayaku* was notified by the accounting auditor that it had established a "system to ensure that the performance of the duties of the accounting auditor was properly conducted" (the matters listed in the items of Article 131 of the Company Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005), and requested explanations as necessary. Based on the above-described methods, each *kansayaku* examined the accounting documents (balance sheet, profit and loss statement, and shareholders' equity variation statement) and the annexed specifications thereto, as well as the consolidated accounting documents (consolidated balance sheet, consolidated profit and loss statement, and consolidated shareholders' equity variation statement), for the business year under consideration.

2. Results of Audit

   (1) Results of Audit of Business Report, etc.

   (i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the articles of incorporation of the company.

   (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the articles of incorporation of the company was found with respect to the directors' performance of their duties.

   (iii) We acknowledge that the board of directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the directors' performance of their duties concerning the internal control systems. In addition, we received reports from directors, etc. and the accounting auditor, Deloitte Touche Tohmatsu that no material deficiency was found regarding internal control on the financial report at the time of creating this Audit Report.

   (2) Results of Audit of Accounting Documents and their Annexed Specifications

   We acknowledge that the methods and results of audit performed by the accounting auditor, Deloitte Touche Tohmatsu, are appropriate.

   (3) Results of Audit of Consolidated Accounting Documents

   We acknowledge that the methods and results of audit performed by the accounting auditor, Deloitte Touche Tohmatsu, are appropriate.

May 15, 2009

Kansayaku-kai of SOFTBANK CORP.

Full-time *kansayaku*: Mitsuo Sano (Seal)
Outside *kansayaku*: Soichiro Uno (Seal)
Outside *kansayaku*: Koichi Shibayama (Seal)
Outside *kansayaku*: Hidekazu Kubokawa (Seal)

(Note) *kansayaku*: Soiciro Uno, Koichi Shibayama, and Hidekazu Kubokawa are outside *kansayaku* set forth in Article 2, item 16 and Article 335, paragraph 3 of the Companies Act of Japan.

Reference Materials for the Annual General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company's basic policy is to enhance the interests of shareholders by improving enterprise value and to return fair profit to our shareholders and other stakeholders.

Under this policy, with regard to the year-end dividend for this fiscal year, the Company proposes to pay the following dividends taking into account the balance between strengthening its business base and continuing the stable distribution of dividends from a medium to long-term perspective.

(1) Type of dividend property: Cash

(2) Matters concerning allotment of dividend property to shareholders and its total amount:
¥2.50 per common share of the Company, for a total of ¥2,702,136,935.

(3) Effective date of dividend of surplus: June 25, 2009

Proposal 2: Partial Changes in the Articles of Incorporation

1. Reasons for the changes

In accordance with the enforcement of the 'Law for Partial Amendments to the Law Concerning Book-entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement for Trade of Stocks and Other Securities' (Law No. 88 of 2004, hereinafter 'Streamlining Settlement Law'), partial amendments shall be made to the Articles of Incorporation.

(1) The Company will delete Articles 6 of the Articles of Incorporation (Issue of Share Certificates) and also make necessary deletions and amendments to the language of the provisions relating to share certificates as it was deemed that the partial change in the Articles of Incorporation concerning abolishment of the provision relating to the issue of share certificates was resolved on January 5, 2009, the date of enforcement of the Streamlining Settlement Law in accordance with paragraph1, Article 6 of the Supplementary Provisions of Streamlining Settlement Law.

(2) In accordance with the abolishment of the 'Act on Custody and Transfer of Share Certificate, etc.' following enforcement of the Streamlining Settlement Law, the Company will make necessary deletions and amendments to the clauses and language of the provisions relating to beneficial shareholders and the register of beneficial shareholders.

(3) The Company will establish provisions necessary for provisional measures relating to the register of lost share certificates as Supplementary Provisions as it is stipulated that the register of lost share certificates shall be prepared and kept for a year reckon from the next day of the enforcement day of Streamlining Settlement Law.

(4) Other necessary deletions, amendments, etc. to the clauses and language of the provisions shall be made.

2. Content of the changes

(The amended parts are underlined)

Existing Articles of Incorporation	Proposed changes
(Issue of Share Certificates) Article 6 The Company shall issue share certificates for its shares.	[Deleted]
Article 7 [Omitted]	Article 6 [Unchanged]
(Number of Shares Constituting One Trading Unit and Non-Issuance of Share Certificates Constituting Less Than One Trading Unit)	(Number of Shares Constituting One Trading Unit)
Article 8 [Omitted]	Article 7 [Unchanged]
(2) Notwithstanding the provisions of Article 6, the Company shall not issue share certificates representing shares constituting less than one trading unit, unless otherwise set forth in the Share Handling Regulations.	[Deleted]
(Rights of Shareholders Holding Shares/Constituting Less Than One Trading Unit)	(Rights of Shareholders Holding Shares/Constituting Less Than One Trading Unit)
Article 9 The shareholders of the Company (including beneficial shareholders; hereinafter the same) shall not exercise rights other than those described below with respect to their shareholdings constituting less than one trading unit.	Article 8 The shareholders of the Company shall not exercise rights other than those described below with respect to their shareholdings constituting less than one trading unit.
(1) [Omitted]	1. [Unchanged]
(2) [Omitted]	2. [Unchanged]
(3) [Omitted]	3. [Unchanged]
(Manager of Register of Shareholders)	(Manager of Register of Shareholders)
Article 10 [Omitted]	Article 9 [Unchanged]
(2) [Omitted]	(2) [Unchanged]
(3) The preparation and keeping of the register of shareholders (including the register of beneficial shareholders; hereinafter the same), the original register of stock option rights and the register of lost share certificates of the Company and other business pertaining to the register of shareholders, the original register of stock option rights and the register of lost share certificates shall be handled by the manager of the register of shareholders on consignment and not by the Company.	(3) The preparation and keeping of the register of shareholders, the original register of stock option rights of the Company and other business pertaining to the register of shareholders, and the original register of stock option rights shall be handled by the manager of the register of shareholders on consignment and not by the Company.
Article 11 - Article 45 [Omitted]	Article 10 - Article 44 [Unchanged]
[Newly Added]	Supplementary Provisions Article 1 The preparation and keeping of the register of lost share certificates and other business pertaining to the register of lost share certificates shall be entrusted to the manager of register of shareholders and not handled by the Company.
[Newly Added]	Article 2 The provision of the preceding Article and this Article shall remain in effect until January 5, 2010, and shall be deleted as of January 6, 2010.

Proposal 3: Election of nine Directors

The terms of office of the present nine (9) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that nine (9) Directors be elected.

The Director nominees are as follows.

Nominee Number	Name (Date of birth)	Brief personal profile, title, responsibility and senior management positions with companies other than the Company		Number of the Company's shares held
1	Masayoshi Son (August 11, 1957)	Sep. 1981	Founded the Company, Representative Director & President	226,814,632 shares
		Apr. 1983	Chairman & CEO of the Company	
		Feb. 1986	President & CEO of the Company (to present)	
		Jan. 1996	Representative Director & President, Yahoo Japan Corporation	
		Jul. 1996	Chairman of the Board, Yahoo Japan Corporation (to present)	
		Jun. 2001	President, BB Technologies Corporation (Currently SOFTBANK BB Corp.)	
		Feb. 2004	Chairman & CEO, SOFTBANK BB Corp. (to present)	
		Jul. 2004	Chairman of the Board, JAPAN TELECOM CO., LTD. (currently SOFTBANK TELECOM Corp.)	
		Apr. 2006	Chairman of the Board, President & CEO, Vodafone K.K. (currently SOFTBANK MOBILE Corp.)	
		Jun. 2006	Chairman of the Board, JAPAN TELECOM CO., LTD. (currently SOFTBANK TELECOM Corp.)	
		Oct. 2006	Chairman & CEO, SOFTBANK TELECOM Corp. (to present)	
		Jun. 2007	Chairman & CEO, SOFBANK MOBILE Corp. (to present)	

Nominee Number	Name (Date of birth)	Brief personal profile, title, responsibility and senior management positions with companies other than the Company		Number of the Company's shares held
2	Ken Miyauchi (November 1, 1949)	Feb. 1977	Joined Japan Management Association	1,228,130 shares
		Oct. 1984	Joined the Company	
		Feb. 1988	Director and General Merchandise Manager of Software Business Division of the Company	
		Apr. 1993	Executive Director and General Manager of Network Business Division of the Company	
		Sep. 1999	Representative Director & President, SOFTBANK COMMERCE CORP. (currently SOFTBANK BB Corp.)	
		Jun. 2000	Director of the Company (to present)	
		Feb. 2004	Vice President & COO, SOFTBANK BB Corp. (to present)	
		Jul. 2004	Director, JAPAN TELECOM CO., LTD. (currently SOFTBANK TELECOM Corp.)	
		Jun. 2005	Director & Executive Vice President, JAPAN TELECOM CO., LTD.	
		Apr 2006	Director, Executive Vice President & COO, Vodafone K.K. (currently SOFTBANK MOBILE Corp.)	
		Jun. 2006	Director & Vice President, JAPAN TELECOM CO., LTD. (currently SOFTBANK TELECOM Corp.)	
		Oct. 2006	Senior Executive Vice President & COO, Representative Director, SOFTBANK TELECOM Corp. (to present)	
		Mar. 2007	Director, Vice President & COO, SOFBANK MOBILE Corp.	
		Jun. 2007	Senior Executive Vice President & COO, SOFTBANK MOBILE Corp. (to present)	
		Jun. 2007	Senior Executive Vice President & COO, SOFTBANK BB Corp. (to present)	
3	Kazuhiko Kasai (January 16, 1937)	Apr. 1959	Joined The Fuji Bank, Ltd.	2,400 shares
		May 1992	Executive Vice President, The Fuji Bank, Ltd.	
		Apr. 1998	Corporate Advisor to The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)	
		Jun. 1998	Chairman of the Board, The Yasuda Trust and Banking Co., Ltd.	
		Apr. 2000	Director, Executive Advisor, The Yasuda Trust and Banking Co., Ltd.	
		Jun. 2000	Corporate Advisor to the Company	
		Jun. 2000	Director of the Company (to present)	
		Jul. 2004	Director, JAPAN TELECOM CO., LTD. (currently SOFTBANK TELECOM Corp.) (to present)	
		Jan. 2005	President, Fukuoka SOFTBANK HAWKS Corp. (to present)	
		Jun. 2005	President, Fukuoka SOFTBANK HAWKS Marketing Corp. (to present)	
		Apr. 2006	Director, Vodafone K.K. (currently SOFTBANK MOBILE Corp.) (to present)	

Nominee Number	Name (Date of birth)	Brief personal profile, title, responsibility and senior management positions with companies other than the Company		Number of the Company's shares held
4	Masahiro Inoue (February 12, 1957)	Apr. 1979 Nov. 1987 Jun. 1992 Jan. 1994 Jan. 1996 Jul. 1996 Jun. 1998 Jun. 1999 Jun. 2001	Joined Sword Computer System Co., Ltd. Joined Softbank Research Institute Co., Ltd. Joined the Company Head Secretary of the Company Director, Yahoo Co., Ltd. President & CEO, Yahoo Japan Corporation (to present) Director of the Company Retired from the position of Director of the Company Director of the Company (to present)	150,600 shares
5	Ronald Fisher (November 1, 1947)	Apr. 1976 Jan. 1990 Oct. 1995 Jun. 1997	CFO, TRW Inc. in the U.S. CEO, Phoenix Technologies Ltd. in the U.S. Director and President, SOFTBANK Holdings Inc. (to present) Director of the Company (to present)	-
6	Yun Ma (September 10, 1964)	Feb. 1995 Jan. 1998 Jul. 1999 Nov. 1999 Feb. 2004 Jun. 2007 Oct. 2007	Founded China Pages, President President, MOFTEC EDI Centre Director, Alibaba.com Corporation (Currently Alibaba Group Holding Limited) Director, Chairman of the Board and CEO, Alibaba Group Holding Limited Chairman and CEO, Alibaba Group Holding Limited (to present) Director of the Company (to present) Non-Executive Director and Chairman, Alibaba.com Limilted (to present)	-
7	Tadashi Yanai (February 7, 1949)	Aug. 1972 Sep. 1972 Aug. 1973 Sep. 1984 Jun. 2001 Nov. 2002 Apr. 2005 Sep. 2005 Nov. 2005 May 2006 Sep. 2008 Sep. 2008	Joined Ogoori Corp. (currently FAST RETAILING CO., LTD.) Director, Ogoori Corp. Senior Executive Director, Ogoori Corp. Representative Director & President, Ogoori Corp. Director of the Company (to present) Representative Director & Chairman, FAST RETAILING CO., LTD. Chairman, LINK THOERY HOLDINGS CO., LTD. (to present) Chairman, President & CEO, FAST RETAILING CO., LTD. (to present) Chairman, President & CEO, UNIQLO Co., Ltd. (to present) Representative Director & Chairman, CABIN CO., LTD. Chairman, CABIN CO., LTD. (to present) Chairman, GOV RETAILING CO., LTD. (to present)	90,000 shares

Nominee Number	Name (Date of birth)	Brief personal profile, title, responsibility and senior management positions with companies other than the Company		Number of the Company's shares held
8	Jun Murai (March 29, 1955)	Aug. 1984	Research Assistant, the Information Processing Center, Tokyo Institute of Technology	90,000 shares
		Mar. 1987	Obtained PhD in engineering	
		Apr. 1987	Research Assistant, Information Technology Center, University of Tokyo	
		Apr. 1990	Assistant Professor, Faculty of Environmental Information, Keio University	
		Apr. 1997	Professor, Faculty of Environmental Information, Keio University (to present)	
		Jun. 1999	Director of the Company (to present)	
		May 2005	Executive Director, Keio University (to present)	
		Apr. 2007	Director, SKY Perfect JSAT Corporation (currently SKY Perfect JSAT Holdings Inc.) (to present)	
9	Mark Schwartz (June 15, 1954)	Jul. 1979	Joined the investment banking division of Goldman Sachs & Co.	-
		Nov. 1988	Partner, Goldman Sachs & Co.	
		Nov. 1996	Managing Director, Goldman Sachs & Co.	
		Jun. 1997	President, Goldman Sachs Japan Co., Ltd.	
		Jul. 1999	Chairman, Goldman Sachs Asia	
		Jun. 2001	Director of the Company	
		Jan. 2003	President and CEO, Soros Fund Management LLC	
		Jun. 2004	Retired from the position of Director of the Company	
		Jan. 2006	Chairman, MissionPoint Capital Partners LLC (to present)	
		May 2006	Director, MasterCard Incorporated (to present)	
		Jun. 2006	Director of the Company (to present)	

(Notes) 1. Mr. Masayoshi Son, an intending Director, holds an additional post of the member of Son Asset Management, LLC and the Company has business relationships, such as office lease, with Son Asset Management, LLC. In addition, he concurrently holds the posts of Representative Director of SOFTBANK MOBILE Corp. and BB Mobile Corp. and the Company has business relationships, such as office lease, with both of these companies.

2. Mr. Ken Miyauchi, an intending Director, holds an additional post of Representative Director of SOFTBANK MOBILE Corp. and the Company has business relationships, such as office lease, with SOFTBANK MOBILE Corp.

3. Mr. Masahiro Inoue, an intending Director, holds an additional post of Representative Director of Yahoo Japan Corporation and the Company has business relationships, such as office lease, with Yahoo Japan Corporation.

4. Matters concerning an intending External Director are as follows:

(1) Messrs. Tadashi Yanai, Jun Murai and Mark Schwartz are intending External Directors of the Company.

(2) Reason for their nomination

(i) Mr. Tadashi Yanai has extensive knowledge and experience as a manager of companies such as FAST RETAILING CO., LTD. which carry out leading-edge management. The Company requests the election of Mr. Yanai as an External Director to have him make recommendations for the Company's management as a whole and work to strengthen the management supervision. In addition, he has, as an External Director of the Company, remained in office for 8 years at the conclusion of this Annual General Meeting of Shareholders.

(ii) Dr. Jun Murai has academic expertise and knowledge of the Internet. The Company requests the election of Dr. Murai as an External Director to have him make technical proposals from his professional perspective and help the Company in its business judgment and decision-making. Considering his expertise, the Company believes that he can properly perform his duties as an External Director of the Company. In addition, he has, as an External Director of the Company, remained in office for 10 years at the conclusion of this Annual General Meeting of Shareholders.

(iii) Mr. Mark Schwartz has extensive knowledge and experience of overseas management strategies and of the financial sector. The Company requests the election of Mr. Schwartz as an External Director to capitalize on his abilities. In addition, he has, as an External Director of the Company, remained in office for 3 years at the conclusion of this Annual General Meeting of Shareholders.

(3) Agreement to limit External Director's liability

When performing their duties as an External Director, in order to have them perform their duties as expected and enable the Company to employ talented personnel, it is stipulated in the Articles of Incorporation that the Company may conclude an agreement with External Directors to limit the liability for damages to the extent specified therein. The Company has concluded an agreement with Messrs. Tadashi Yanai, Jun Murai and Mark Schwartz, current External Directors, to limit the liability for damages. This agreement, pursuant to the provision of paragraph 1 of Article 427 of the Corporation Law, limits the liability for damages as provided in paragraph 1 of Article 423 of the same Law, and the amount of limit of liability for damage is stipulated in the relevant contract as ¥10 million or the minimum amount of limit of liability that the relevant laws and ordinances stipulate, whichever is higher. In addition, subject to the approval of their election, the Company will continue to conclude an agreement with them on the same terms and conditions.

<u>Proposal 4</u>: Election of four Corporate Auditors

The terms of office of the present four (4) Corporate Auditors will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that four (4) Corporate Auditors be elected.

The approval of the Board of Corporate Auditors has been obtained for this proposition.

The Corporate Auditor nominees are as follows:

Nominee Number	Name (Date of birth)	Brief personal profile, title, responsibility and senior management positions with companies other than the Company	Number of the Company's shares held
1	Mitsuo Sano (December 25, 1956)	Oct. 1982 Joined Pricewaterhouse Mar. 1986 Registered as a CPA Oct. 1990 Joined the Company Dec. 1995 Accounting General Manager of the Finance & Accounting Department of the Company Jun. 1998 Full-time Corporate Auditor of the Company Jun. 1999 Retired from the position of full-time Corporate Auditor of the Company Jun. 1999 Director, E*TRADE Securities Co., Ltd. Jun. 2000 Full-time Corporate Auditor of the Company (to present)	69,167 shares
2	Soichiro Uno (January 14, 1963)	Apr. 1988 Joined Nagashima & Ohno Law Office (currently Nagashima, Ohno & Tsunematsu), registered as attorney-at-law Jun. 1993 Registered as attorney-at-law of the State of New York (U.S.) Jan. 2000 Partner, Nagashima Ohno & Tsunematsu (to present) Jun. 2004 Corporate Auditor of the Company (to present)	-
3	Koichi Shibayama (October 2, 1936)	Apr. 1960 Joined Yamaichi Securities Co., Ltd. Oct. 1966 Joined Pricewaterhouse (currently PricewaterhouseCoopers) Mar. 1970 Registered as CPA Aug. 1983 Registered as certified tax accountant Jul. 1997 Advisor, the PwC Aoyoma Advisory Co., Ltd. Jul. 2002 Advisor, Zeirishi-Hojin ChuoAoyama (currently PricewaterhouseCoopers Tax Services) (to present) Jun. 2003 Corporate Auditor of the Company (to present)	-
4	Hidekazu Kubokawa (February 20, 1953)	Nov. 1976 Joined Chuo Accounting Firm Aug. 1980 Registered as CPA Jul. 1986 Founded Kubokawa CPA Office (currently Kubokawa Partner CPA Office), Representative Partner (to present) Mar. 1987 Registered as certified tax accountant Feb. 1989 Corporate Auditor of the Company (to present) Feb. 1995 Corporate Auditor, FujiStaff, Inc. (currently Fujistaff Holdings, Inc.) (to present) May 2003 Corporate Auditor, KASUMI Co., Ltd. (to present) Jun. 2004 Corporate Auditor, TAKE AND GIVE. NEEDS Co., Ltd. (to present) Jun. 2005 Corporate Auditor, KYORITSU PRINTING CO., LTD.	70,210 shares

(Notes) 1. There is no relationship of special interest between the Corporate Auditor nominees and the Company.

2. Matters concerning the External Corporate Auditors are as follows:

(1) Messrs. Soichiro Uno, Koichi Shibayama and Hidekazu Kubokawa are intending External Corporate Auditors of the Company.

(2) Reason for their nomination

(i) The Company requests the election of Mr. Soichiro Uno as an External Corporate Auditor to have him contribute his extensive knowledge and experience as an attorney-at-law to the Company. Although Mr. Uno does not have management experience other than in the capacity as external executive, the Company believes that through his high level of expertise he can properly perform his duties as auditor of the Company. In addition, he has, as a Corporate Auditor of the Company, remained in office for 5 years at the conclusion of this Annual General Meeting of Shareholders.

(ii) The Company requests the election of Mr. Koichi Shibayama as an External Corporate Auditor to have him contribute his extensive knowledge and experience as a CPA and a certified tax accountant to the Company. Although Mr. Shibayama does not have management experience other than in the capacity as external executive, the Company believes that through his high level of expertise he can properly perform his duties as auditor of the Company. In addition, he has, as a Corporate Auditor of the Company, remained in office for 6 years at the conclusion of this Annual General Meeting of Shareholders.

(iii) The Company requests the election of Mr. Hidekazu Kubokawa as an External Corporate Auditor to have him contribute his extensive knowledge and experience as a CPA and a certified tax accountant to the Company. Although Mr. Kubokawa does not have management experience other than in the capacity as external executive, the Company believes that through his high level of expertise he can properly perform his duties as auditor of the Company. In addition, he has, as a Corporate Auditor of the Company, remained in office for 20 years and 4 months at the conclusion of this General Meeting of Shareholders.

(3) Agreement to limit External Corporate Auditor’s liability

When performing their duties as an External Corporate Auditor, in order to have them perform their duties as expected and enable the Company to employ talented personnel, it is stipulated in the Articles of Incorporation that the Company may conclude an agreement with External Corporate Auditors to limit the liability for damages to the extent specified therein. The Company has concluded an agreement with Messrs. Soichiro Uno, Koichi Shibayama and Hidekazu Kubokawa, current External Corporate Auditors, to limit the liability for damages. This agreement, pursuant to the provision of paragraph 1 of Article 427 of the Corporation Law, limits the liability for damages as provided in paragraph 1 of Article 423 of the same Law, and the amount of limit of liability for damage is stipulated in the relevant contract as ¥10 million or the minimum amount of limit of liability that the relevant laws and ordinances stipulate, whichever is higher. In addition, subject to the approval of their election, the Company will continue to conclude an agreement with them on the same terms and conditions.

Guide to Exercising Voting Rights

1. Treatment of voting rights exercised twice by voting in writing and through the Internet

If you exercise your voting rights twice by returning the voting form and through the Internet, we will treat the exercise of your voting right through the Internet as effective.

2. Treatment of voting rights exercised several times through the Internet

If you exercise your voting rights more than once through the Internet, the last exercise of your voting rights shall be deemed to be effective. If you exercise your voting rights more than once using a PC and a mobile phone, the last exercise of your voting rights shall be deemed to be effective.

3. Treatment of issuing a voting form or other documents for those shareholders who have approved the receipt of notice of convocation by electromagnetic means

The Company does not issue a voting form or other documents for those shareholders who have approved the receipt of notice of convocation by electromagnetic means unless those shareholders request for a voting form or other documents. If shareholders who approved the receipt of notice of convocation by electromagnetic means would like to request a voting form or other documents, please ask Transfer Agent Division (Helpdesk), Mitsubishi UFJ Trust and Banking Corporation mentioned on page 68.

4. Guide to exercising your voting rights through the Internet

If you wish to exercise your voting rights through the Internet, please confirm the followings before exercising your voting rights.

Procedure for exercising your voting rights through the Internet or the voting form document is not necessary if you participate in the 29th Annual General Meeting of Shareholders to be held on June 24, 2009.

[Voting website http://www.evote.jp/]

If mobile handset is capable with the QR code, access to the website can be made by reading the QR code on the right.

(QR code is a registered trademark of DENSO WAVE INCORPORATED.)

(1) Voting website

- i You may exercise your voting rights through the Internet, only on the voting site (http://www.evote.jp/) designated by the Company and accessed by PC or by mobile phone (Yahoo! Keitai, i-mode or EZweb)
- ii For the exercise of voting rights through a PC, please note that there are some cases where you cannot exercise your voting rights depending on your Internet environment, such as where you are connecting to the Internet on a PC with a firewall, you are using a proxy server or anti-virus software has been installed.
- iii For the exercise of voting rights through a mobile phone, please use any of the services of Yahoo! Keitai, i-mode or EZweb. Please note that the voting system is available only through the models with functions of SSL communication and information transmission, due to security reasons.
- iv You will be able to exercise your voting rights through the Internet up to 5:45 PM on Tuesday, June 23, 2009. However, we should be grateful if you would exercise your voting rights as early as possible. If you have any questions, please contact the Helpdesk below. Please also note that this website is not available every day from 2:00 AM to 5:00 AM.

  ("Yahoo!", "i-mode" and "EZweb" are trademarks or registered trademarks of Yahoo! Inc. of the United States of America, NTT DOCOMO, INC., and KDDI CORPORATION, respectively.)

(2) Method for exercising your voting rights through the Internet

- i Access the voting site (http://www.evote.jp/) and enter your approval or disapproval by following the instructions on the screen using the ‘Login ID’ and ‘temporary password’ mentioned in the voting form.
- ii To prevent unauthorized access (“spoofing") by third parties other than the Company’s shareholders and the alteration of votes, the voting site will request a user to change his/her ‘temporary password’.
- iii A new "Login ID" and "temporary password" is given for each notice of convocation of general meeting of shareholders.

(3) Fees and charges for accessing the voting site

Please be aware that you shall incur the fees and charges for accessing the voting site (dial-up connection fees, phone charges and others). If you access the said website by mobile phone, you are also requested to incur the packet communication fees and other charges related to the use of mobile phone.

(4) Method for receiving a notice of convocation

If you wish, you may receive a notice of convocation by e-mail, starting with the next Annual General Meeting of Shareholders. To apply for this service, please follow the procedure on the voting website on a PC.

(Please note that the procedure is not available by use of mobile phone and a mobile phone e-mail address cannot be designated for the purpose of the service.)

For inquiries regarding the system, please contact:

Transfer Agent Division (Helpdesk), Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (toll free, business hours: 9:00-21:00)