To All Our Shareholders:

Disclosed information on the Internet at the Time of Notifying Convocation of the 30th Annual General Meeting of Shareholders

June 7, 2010

SOFTBANK CORP.

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Notes of Consolidated Financial Statements and Financial Statements are provided to shareholders of the Company on the website of the Company on the Internet (http://www.softbank.co.jp/) in accordance with all laws and Article 14 of the Articles of Incorporation of the Company.

(Basis of Presentation of Consolidated Financial Statements)

1. Changes in scope of consolidation

Number of Consolidated subsidiaries: 109

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.

Number of newly consolidated subsidiaries: 8

Significant company and reason for consolidation

Viewn Corp.	Newly established

Companies excluded from the scope of consolidation: 7

Significant company and reason for exclusion from consolidation

Overture K.K.	Merged with Yahoo Japan Corporation

63 subsidiaries were not consolidated as the individual and aggregate amounts were not considered material in relation to the consolidated total assets, net sales, net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

2. Changes in scope of equity method

Non-consolidated subsidiaries:	6	companies
Affiliates:	58	companies
<Increase>	5	companies

Significant companies and reason for application of equity method

Oak Pacific Interactive	Additionally acquired
RockYou, Inc.	Additionally acquired

<Decrease>	15	companies

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

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.

Four consolidated 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 set forth in Financial Services – Investment Companies of the FASB Accounting Standards Codification Topic 946 (ASC 946) and account for the investment securities in accordance with the ASC 946. The investment securities are carried at fair value, and net changes in fair value are recorded in the consolidated statements of income under the application of the ASC 946.

2) Derivative instruments	:	Stated at fair value
3) Inventories (merchandise)	:	Carried at cost, primarily net selling value determined by the moving-average method

(2) Depreciation and amortization

1) Property and equipment

Buildings and structures	:	Computed primarily using the straight-line method
Telecommunications equipment	:	Computed using the straight-line method
Telecommunications service lines	:	Computed using the straight-line method
Others	:	Computed primarily using the straight-line method
2) Intangible assets	:	Computed using the straight-line method

Finance 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	:	To prepare for uncollectible credits, allowance for doubtful accounts is calculated based on the actual bad debt ratio, and specific allowance for doubtful accounts deemed to be uncollectible is calculated considering its collectability.
Accrued retirement benefits	:	SOFTBANK MOBILE 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, 2010.
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] Forward-exchange contract

1) <Hedge accounting>

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

2) <Derivative instruments for hedging and hedged items>

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

3) <Hedging policy>

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

4) <Effectiveness of hedge transactions>

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

[2] Interest rate swap

1) <Hedge accounting>

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

2) <Derivative instruments for hedging and hedged items>

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

3) <Hedging policy>

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

4) < Effectiveness of hedge transactions >

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

[3] Collar transaction

1) <Hedge accounting>

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

2) <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging	:	Prepaid variable share forward contract (the collar transaction)
Hedged items	:	Equity security

3) <Hedging policy>

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

4) < Effectiveness of hedge transactions >

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

(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 four subsidiaries, all of which are subsidiaries of the Company, adopted the consolidated taxation system.

5. Accounting for business combinations

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

6. Amortization of goodwill

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

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

Notes

(Consolidated Balance Sheets)

1. Secured loans

[1] Assets pledged as collateral for secured liabilities

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

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

Assets pledged as collateral:

Cash and deposits	213,098
Notes and accounts receivable – trade	273,231
Buildings and structures	12,133
Telecommunications equipment	182,945
Telecommunications service lines	86
Land	10,633
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	81,701
Investments and other assets – other assets	17,225
Total	791,054 million yen

Secured liabilities:

Accounts payable - trade	1,674
Short-term borrowings	1,928
Long-term debt	1,086,707
Total	1,090,310 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 ¥986,702 million) resulting from the acquisition of SOFTBANK MOBILE Corp., in addition to the assets pledged as collateral above.

2) For borrowings of investee

Assets pledged as collateral for borrowings of investee are as follows:

Assets pledged as collateral:

Investment securities and investments in unconsolidated subsidiaries and affiliated companies	2,000 million yen

[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, excluding that qualify for derecognition criteria of a financial asset, were included in “Short-term borrowings” (¥175,359 million as of March 31, 2010) and “Long-term debt” (¥44,454 million as of March 31, 2010). The amounts of the senior portion of the securitized installment sales receivables (¥219,813 million as of March 31, 2010) 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 (¥10,504 million as of March 31, 2010) from a financial institution. Cash proceeds through the asset backed loans are included in the "Short-term borrowings" (¥6,660 million as of March 31, 2010) and "Long-term debt" (¥3,844 million as of March 31, 2010).

* 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	114,000 million yen

[4] Others

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

Assets of which ownership is not transferred:	
Buildings and structures	35
Telecommunications equipment	16,710
Construction in progress	1,538
Software	4,755
Other intangibles	12
Investments and other assets – other assets	240
Total	23,292 million yen
Installment payables:	
Accounts payable - other and accrued expenses	4,148
Long-term liability – other liabilities	20,741
Total	24,889 million yen

2. Accumulated depreciation of property and equipment 1,048,584 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 had collateralized debt obligations ("CDO") issued by a Cayman Islands based Special-Purpose Company ("SPC"). The SPC contracted a credit default swap agreement secured by debt securities (corporate bonds), which referred to a certain portion of the portfolio consisting of 160 referenced entities. Since defaults (credit events under the agreement) of more than a certain number of referenced entities occurred, ¥75,000 million in total was reduced from the redemption amount of the CDO in April 2009 and an additional entrustment was required for the reduced amount.

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

March 31, 2009.

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

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

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. 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 the year and the first half of the year must not fall below75% of the Company's net assets at the end of the previous year.

(2) The amount of the Company's net assets at the end of the year must not fall below ¥311.6 billion.

(3) At the end of the year and the first half of the year, balance sheets of SOFTBANK BB Corp. and SOFTBANK TELECOM Corp. must not show a net capital deficiency. The consolidated balance sheets of BB Mobile Corp. at the end of the year and the first half of the year must not show a net capital deficiency.

(4) Other than the exceptions listed below, as a general rule, members of the following restricted group of companies (the “restricted group”), will not take on debt obligations*1 from any company not included in the restricted group or issue any preferred stock after October 12, 2006, the issuance date of these Euro-denominated Senior Notes due 2013.

(Restricted group）

(a) SOFTBANK CORP.

(b) SOFTBANK BB Corp.

(c) SOFTBANK TELECOM Corp.

(d) SOFTBANK MOBILE Corp.

(e) Mobiletech Corporation

(f) BB Mobile Corp.

(g) TELECOM EXPRESS Co., Ltd.

(h) Japan System Solution Co., Ltd.

(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) Debt-incurring activities*1 which are pari passu with those notes are permitted up to ¥150 billion.

(ix) Other than (i) to (viii) above, debt-incurring activities*1 without causing the sum of net indebtedness, redemption or repurchase price for preferred stocks and lease obligations of restricted group (includes the amount of indebtedness previously incurred in reliance on (viii) above) to exceed 6.5 times of the Consolidated EBITDA *3 of the restricted group, is permitted.

Notes:

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

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

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

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

(5) SOFTBANK MOBILE 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*4. 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*5, leverage ratio*6) 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, 2010, there is no infringement of the debt covenants.

Notes:

*4. WBS Funding (Whole Business Securitization Funding)

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

*5. Adjusted EBITDA

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

*6. Leverage ratio

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

(Consolidated Statements of Income)

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

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

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

Unrealized appreciation on valuation of investments at subsidiaries in the U.S., net	1,927 million yen
Loss on sale of investments at subsidiaries in the U.S., net	(2,230) million yen
Total	(303) million yen

2. Loss on retirement of non current assets

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

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

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

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

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

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

(Consolidated Statements of Changes in Equity)

1. Class and number of outstanding shares as of March 31, 2010

Number of common stocks	1,082,503,878

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 24, 2009	Common stocks	2,702	¥2.50	March 31, 2009	June 25, 2009

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

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

(Financial Instruments)

1. Conditions of Financial instruments

(Additional information)

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

(1) Management policy

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

(2) Financial instruments, risks, and risk management

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

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

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

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

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

(3) Supplemental explanation regarding fair value of financial instruments

Fair value of financial instruments are measured based on the quoted market price, if available, or reasonably assessed value if a quoted market price is not available. Fair value of financial instruments which quoted market price is not available is calculated based on certain assumptions, and the fair value might differ if different assumptions are used. In addition, the contract amount of the derivative transactions described below in "2. Fair value of financial instruments" does not represent the market risk of the derivative transactions.

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets, fair value, and differences as of March 31, 2010 are as follows. In addition, financial instruments, of which it is extremely difficult to measure the fair value, are not included. (Please see "Notes 2. Financial instruments of which the fair value is extremely difficult to measure")

(Millions of yen)

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

Notes:
*1. Allowance for doubtful accounts associated with notes and accounts receivable-trade are deducted.
*2. Derivative assets and liabilities are on net basis.

Notes 1. Fair value measurement of financial instruments

Assets

(1) Cash and deposits

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

(2) Notes and accounts receivable-trade

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

(3) Marketable and investment securities

The fair value of equity securities equals quoted market price, if available. The fair value of debt securities equals quoted market price or provided price by financial institutions. The investment securities held by certain subsidiaries in the United States of America which apply ASC 946 are carried at fair value.

Notes to investment securities by holding purpose are as follows:

1. Held-to-maturity debt securities

(Millions of yen)

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

2. Marketable and investment securities at fair value

(Millions of yen)

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

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

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

(Millions of yen)

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

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

4. Marketable and investment securities impaired

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

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

Certain subsidiaries of the Company in the United States of America account for investment securities in accordance with ASC 946.

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

As of March 31, 2010

Proceeds from sales:	1,864 million yen
Carrying amounts of investment securities at fair value :	15,316 million yen

Liabilities

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

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

(2) Short-term borrowings

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

(3) Current portion of corporate bonds

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

(6) Current portion of lease obligations

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

(7) Corporate bonds

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

(8) Long-term debt

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

(9) Lease obligations

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

(Derivative Transactions)

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

1. Currency Related

(Millions of yen)

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

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

2. Interest Related

There are no applicable items.

3. Securities Related

There are no applicable items.

(2) Derivative transactions to which the Company applied hedge accounting

1. Currency Related

(Millions of yen)

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

Notes:

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

2. Interest Related

(Millions of yen)

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

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

3. Securities Related

(Millions of yen)

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

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

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

(Millions of yen)

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

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

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

(Millions of yen)

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

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

(Millions of yen)

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

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

(Per share data）

Shareholders’ equity per share	¥434.74
Net income per share	¥89.39

(Basis of Presentation of Financial Statement)

1. Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

Investments in subsidiaries and affiliated companies : 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).

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

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) Allowance for bonus

Allowance for bonus is calculated based on the Company’s computation method for expected payment.

4. Summary of 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 significant hedge transactions

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, 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.

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.

Notes

(Balance Sheet)

1. Accumulated depreciation of property and equipment 2,852 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 subsidiaries and affiliated companies of 1,357 million yen under security lending agreements are presented as follows:

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

3. Guarantee obligation

Guarantee（Nature of guarantee obligation）	Amount	
[Guarantee obligation]		
Fukuoka Softbank Hawks Marketing Corp.(Lease)	42,713 million yen	
Fukuoka Softbank Hawks Marketing Corp.（Borrowing）	866 million yen	
Phoenix JT Limited（Corporate bond）	32,400 million yen	
SOFTBANK Broadband Investments（Borrowing）	1,732 million yen	(18,622 thousand US Dollars)
Fukuoka Real Estate Corporation（Borrowing）	175 million yen	(Note)
Subtotal	77,887 million yen	

(Note) Joint guaranty of the Company and other company. The Company's obligation based on guarantors' agreement is 116 million yen.

[Letter of awareness for management service]	
SOFTBANK BB Corp.（Lease）	8,298 million yen
Subtotal	8,298 million yen
Total	86,186 million yen

4. Monetary receivables and liabilities for subsidiaries and affiliated companies

Short-term monetary receivables	12,273 million yen
Long-term monetary receivables	233,331 million yen
Short-term monetary liabilities	182,554 million yen
Long-term monetary liabilities	101,650 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 subsidiaries and affiliated companies

Net sales	12,900 million yen
Selling, general and administrative expenses	5,449 million yen
Non-operating transactions	86,581 million yen

(Statement of Changes in Equity)

Class and number of treasury stocks as of March 31, 2010

Number of common stocks	174,775 shares

(Tax Effect Accounting)

Significant components of deferred tax assets and liabilities

Deferred tax assets	
Investments in subsidiaries and affiliated companies	6,688 million yen
Tax haven taxation	3,409 million yen
Others	11,711 million yen
Gross deferred tax assets	21,809 million yen
Less: valuation allowance	(21,809) million yen
Total deferred tax assets	— million yen
Deferred tax liabilities	
Unrealized gains on other securities	(1,077) million yen
Total deferred tax liabilities	(1,077) million yen
Net deferred tax liabilities	(1,077) million yen

(Leases)

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

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

	Equipment and fixtures	Other	Total
Acquisition cost	70 million yen	618 million yen	689 million yen
Accumulated depreciation	40 million yen	386 million yen	426 million yen
Net leased property	30 million yen	232 million yen	262 million yen

2. Obligations under finance lease

Due within one year	94 million yen
Due after one year	212 million yen
Total	306 million yen

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

Lease payments	152 million yen
Depreciation expense	121 million yen
Interest expense	24 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 with the Company)

1. Subsidiaries and affiliated companies

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

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note6)	Account	Balance at March 31, 2010 (Note6)
Subsidiary	SOFTBANK MOBILE Corp.	Indirect 100%	Brand royalty revenue		8,604	Accounts receivable - trade	682
						Other current assets	317
						Long-term accounts receivable-other	23,368
Subsidiary	SOFTBANK BB Corp.	Direct 100%	Brand royalty revenue		2,108	Accounts receivable - trade	2,213
			Borrowing of short-term loans (net of repayment)		2,483	Short-term borrowings	92,843
			Interest payment	1	2,497	Accrued expense	—
			Guarantee obligation		8,298		
Subsidiary	SOFTBANK TELECOM Corp.	Direct 81.7% Indirect 18.3%	Brand royalty revenue		1,968	Accounts receivable - trade	2,066
			—		—	Long-term loan receivable	80,000
			Repayment of Japanese yen short-term loans (net of borrowings)		27,655	Short-term borrowings	73,993
			Repayment of US Dollars short-term loans	5	558 (6,000 thousand US Dollars)	Short-term borrowings	—
			Interest receipt	2	3,607	Other current assets	—
			Interest payment	1	1,805	Accrued expense	—
Subsidiary	SBBM Corporation	Direct 100%	Lendings of long-term loan receivable (net of receipt)		37,713	Long-term loan receivable	112,413
			Interest receipt	2	2,212	Other current assets	13
			Sale of equity securities	3	68,618	Other current assets	425
			Capital contribution		45,000		
Subsidiary	Fukuoka Softbank Hawks Marketing Corp.	Direct 100%	Guarantee obligation		43,579		
			Payment of advertising expense	4	2,000	Accounts payable - other	525
Subsidiary	Fukuoka Softbank Hawks Corp.	Direct 100%	Payment of advertising expense	4	3,000		
Subsidiary	Phoenix JT Limited	Direct 41.0%	Guarantee obligation		32,400		

Subsidiary	SOFTBANK Holdings Inc.	Direct 100%	Refinance of long-term loans	5	22,991 (247,113 thousand US Dollars)	Long-term debt	22,991 (247,113 thousand US Dollars)
			Interest payment	1	874 (9,404 thousand US Dollars)	Accrued expense	—
Subsidiary	SB Holdings (Europe) Ltd.	Indirect 100%	—		—	Long-term debt	56,869 (611,231 thousand US Dollars)
			Interest payment	1	960 (10,323 thousand US Dollars)	Accrued expense	—

The terms of transactions and the policies

(Note1) Interest rate on loan payable is determined taking market interest rate into account.

(Note2) Interest rate on loan receivable is determined taking market interest rate into account.

(Note3) The sales prices of marketable securities are determined with the consideration of the market price or the amount of net assets on the most recent time of sale. Gain on sale of investment securities to SBBM Corporation was 56,253 million yen, and loss on sale of investment securities to SBBM Corporation was 618 million yen.

(Note4) Payments of advertising expense to Fukuoka Softbank Hawks Marketing Corp. and Fukuoka Softbank Hawks Corp. are for advertising effect for Softbank group which management of the Fukuoka Softbank Hawks provides.

(Note5) The exchange rate for the translation of Japanese yen into U.S. dollar at March 31, 2010 is ¥ 93.04 to $1.

(Note6) 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	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note3)	Account	Balance at March 31, 2010 (Note3)
Director and shareholder	Masayoshi Son （Son Assets Management, LLC）	Direct 21.2%	Cash paid on behalf of Son Assets Management, LLC		237	Other current asset	26
			Facility use fee	1	45		
			Deposits received	1	—	Other liabilities	193
Director	Kazuhiko Kasai	Direct 0.0%	Exercise of stock options		259	—	—
Director	Ronald Fisher	Direct 0.0%	Exercise of stock options		129	—	—
Director	Tadashi Yanai	Direct 0.0%	Exercise of stock options		43	—	—
The company which director's close relatives own the majority of voting rights	APPLIYA Inc.	Direct 65.5%	Capital contribution	2	69	—	—

The terms of transactions and the policies

(Note1) "Facility use fee" and "Deposits received" are determined based on the percentage of facility used as with the case of subsidiaries and affiliated companies.

(Note2) The close relative of Chairman & CEO Masayoshi Son held 63.7% of shareholders' equity in APPLIYA Inc. Capital contribution by the Company reduced the close relative's share to 34.5%.

(Note3) 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	¥402.11
Net income per share	¥30.59