To All Our Shareholders:

Disclosed information on the Internet at the Time of Notifying Convocation of the 31st Annual General Meeting of Shareholders

June 9, 2011

SOFTBANK CORP.

Table of Contents

Business Report
II Status of the Company
(5) System to ensure appropriateness of business
3 Page

Notes to Consolidated Financial Statements
7 Page

Notes to Financial Statements
26 Page

All matters above 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.

Business Report

II Status of the Company

(5) System to ensure appropriateness of business

The content of the basic policy of the Company that was formulated according to the resolution by the Board of Directors of the Company to ensure the appropriateness of the business of the Company is shown as below. The Company partially revised the policy at the Board of Directors' meeting held on March 31, 2011. The revision was to add a description of the initiatives that would revitalize the oversight function and the Board of Directors in the execution of business by External Directors, as well as make necessary changes of formality such as wordings and layout of the basic policy. The revised policy is as stated below.

1. System to ensure that the execution of directors' and employees' duties is in compliance with laws, regulations and the Articles of Incorporation of the Company

The Company has established the SOFTBANK Group Officer and Employee Code of Conduct to prescribe the code of conduct to be followed by all directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance, but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system.

i. A Chief Compliance Officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance the Company's compliance system, the CCO regularly reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
ii. An internal and external hotline are established for direct reporting and consultations by directors and employees, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities.
iii. The Internal Audit Department carries out audits to ensure that execution of duties complies with laws, regulations and the Articles of Incorporation, and the results of those audits are reported to the Chairman and responsible director. The Internal Audit Department also works in cooperation with the corporate auditors by providing them with the results of these audits.

2. System for the storage and management of information regarding the execution of duties by directors

The Company has established the following system to appropriately store and maintain documents and other important information related to the execution of duties by directors including minutes and proposals of the Board of Directors' meetings and requests for approval.

i. The Company determines retention periods and methods, and measures to prevent accidents, based on the Information Management Regulations, and classifies and appropriately stores these documents according to their degree of confidentiality.
ii. In addition to the appointment of a Chief Information Security Officer (CISO) as the person responsible for information security, based on the Information Security Basic Regulations, an Information Security Committee, chaired by the CISO, has been established to promote activities related to information security.

3. Regulations and system relating to managing the risk of loss

The Company has established the following system to avoid and minimize risk, and implement necessary measures related to the variety of risks in its business operations.

i. Responsible departments are designated to address various risks, manage risks in each responsible department, and work to reduce risks and prevent the occurrence of risk events based on the Risk Management Regulations. In addition, when an emergency situation arises, an emergency response department will be established according to the designated escalation flow, and efforts will be made to minimize the damage (loss) based on the instructions of the emergency response department.
ii. The General Administration Department will summarize the status of risk evaluation, analysis and response at each responsible department, and regularly report its findings to the Board of Directors.
iii. The Internal Audit Department carries out internal audits of the risk management system.

4. System to ensure the efficiency of directors in the execution of their duties

The Company has established the following structure to maintain an efficient management system:

i. The Company has set out the Board of Directors' Meeting Regulations to clarify matters to be decided and reported on by the Board of Directors, and the Internal Approval Regulations and other regulations relating to institutional decision making to clarify decision-making authority.
ii. To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors includes external directors who are independent from the Company.

iii. To ensure that the directors, including external directors, can discuss matters fully at Board of Directors' meetings, they are provided with materials for the meeting in advance, and with additional or supplementary materials upon their request.
iv. The scope of operations, authority, and responsibilities necessary for operations are clearly defined in the Regulations on Segregation and Authority of Duties.

5. System to ensure appropriateness of Group operations

The Company has formulated the SOFTBANK Group Charter, which spells out regulations on matters related to strengthening the governance and compliance system, to promote fundamental concepts and policies shared throughout the Group. In addition, the following have been established to determine a common code of conduct for directors and employees of Group companies.

i. A Group Compliance Officer (GCO) has been appointed to promote the establishment and reinforcement of Group-wide compliance systems, as the person ultimately responsible for compliance throughout the Group. A Group Hotline has also been established to receive reports and provide consultation to all directors and employees of Group companies, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities.
ii. The CEO Conference, comprising the CEOs of major operating companies, meets to enhance Group-wide management efficiency by sharing management strategies and business plans.
iii. Each Group company carries out a self assessment of its internal controls. The representative of each Group company must submit a Representative Oath pertaining to the financial reports submitted to the Company, thereby ensuring the accuracy of the annual securities report and other reports submitted by the Group.
iv. The Internal Audit Department comprehensively judges the results of past internal audits, financial position, and self assessments of internal controls, and carries out internal audits of Group companies deemed as having high risk.
v. A Group Chief Information Security Officer (GCISO) has been appointed to promote the establishment and reinforcement of Group-wide information security systems, as the person ultimately responsible for information security throughout the Group.

6. System for excluding antisocial forces

The Company clearly states in the SOFTBANK Group Officer and Employee Code of Conduct its policy of having absolutely no association with antisocial forces that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from antisocial forces, and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

7. System relating to support staff that assists the corporate auditors, and matters relating to the independence from the directors of the relevant employees

The Company has established an Assistant to Audit department to support the work of the corporate auditors, and has assigned staff to this department. Directions and instructions to the support staff are issued by the corporate auditors, and any personnel changes, evaluations or other such actions, require the agreement of the corporate auditors.

8. System for reporting to the corporate auditors

Directors and employees of the Company will report the following matters to the corporate auditors:

i. Important matters related to the management, finances or business execution of the Company or the Group.
ii. Matters related to the compliance system or use of the hotlines.
iii. The development status of internal control systems.
iv. Matters which could cause significant damage to the Company.
v. Matters relating to violations of laws, regulations, or the Articles of Incorporation.
vi. Results of audits conducted by Internal Audit.
vii. Other matters that the corporate auditors have decided need to be reported in order for them to execute their duties.

9. Other systems to ensure that the audits by the corporate auditors are conducted effectively

When the corporate auditors decide that it is necessary, opportunities shall be provided for them to interview directors or employees. In addition, corporate auditors periodically meet with the accounting and corporate auditors of major subsidiaries etc. for the exchange of information and to ensure cooperation. At the same time, full-time corporate auditors attend meetings of major committees including the Departmental Liaison Committee, which is made up of department managers of the Company, and the CEO Conference.

Notes to Consolidated Financial Statements

(Basis of Presentation of Consolidated Financial Statements)

1. Changes in scope of consolidation

Number of Consolidated subsidiaries: 117

Name of main consolidated subsidiaries

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

Number of newly consolidated subsidiaries: 12

Significant company and reason for consolidation

SB Asia Infrastructure Fund L.P. and its 6 consolidated subsidiaries

Please refer to “5.Changes in Basis of Presentation of Consolidated Financial Statements (1)” for the details.

Companies excluded from the scope of consolidation: 4

61 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 of the SOFTBANK Consolidated Financial Statements.

The Company owns 100% shares issued by WILLCOM, Inc. However, WILLCOM, Inc. is in the process of reorganization under the Corporate Reorganization Act and the Company does not have effective control over WILLCOM, Inc. Therefore, WILLCOM, Inc. is not treated as a subsidiary.

2. Changes in scope of equity method

Non-consolidated subsidiaries:	4	companies
Affiliates:	69	companies
<Increase>	24	companies

Significant companies and reason for application of equity method

Synacast Corporation	Newly acquired

Synacast Corporation has changed its name to PPLive Coproration at April 5, 2011.

SB Asia Infrastructure Fund L.P.’s 12 affiliates under equity method

Please refer to “5.Changes in Basis of Presentation of Consolidated Financial Statements (1)” for the details.

Wireless City Planning Inc.	Newly established
USTREAM, Inc.	Additionally acquired

<Decrease> 15 companies

SB Asia Infrastructure Fund L.P.	Changed to a consolidated subsidiary

57 non-consolidated subsidiaries and 23 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 of the SOFTBANK Consolidated Financial Statements.

3. Fiscal year ends of consolidated subsidiaries

26 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 26 consolidated subsidiaries' closing date and consolidated closing date have been eliminated in consolidation.

Eight 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, 2011.
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) 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.

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

(7) Application of Consolidated taxation system

BB Mobile Corp., as a parent company of the consolidated tax return, SOFTBANK MOBILE, and Telecom Express Co.,Ltd. adopted the consolidated taxation system

5. Changes in Basis of Presentation of Consolidated Financial Statements

(1)Application of accounting standards codification (ASC) 810, consolidations, formerly SFAS No. 167, amendments to FASB interpretation No. 46 (R) (SFAS 167)

Effective April 1, 2010, certain subsidiaries of the Company that apply generally accepted accounting principles in the United States of America adopted ASC 810.

As a result of the application of the accounting standard, the scope of SB Asia Infrastructure Fund L.P. changed from an affiliate under equity method to a consolidated subsidiary. The effect of this change is not material for the fiscal year ended March 31, 2011.

(2)Application of accounting standard for equity method of accounting for investments

"Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan (ASBJ) Statement No. 16, March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (Practical Issues Task Force (PITF) No. 24, March 10, 2008) were applied and necessary adjustments for the consolidated accounting were made for the fiscal year ended March 31, 2011. The effect of this change is not material for the fiscal year ended March 31, 2011.

(3)Application of accounting standard for asset retirement obligations

"Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) were applied as of April 1, 2010. The effect of this change in operating income and ordinary income is not material and income before income taxes and minority interests decreased by ¥8,596 million for the fiscal year ended March 31, 2011.

[1] Asset retirement obligations which are recorded in the consolidated balance sheets

The Group reasonably estimated removal costs and recorded the asset retirement obligations mainly for the corporate head quarter building, certain data and network centers located in the rental properties under the rental contracts. Useful periods of 2 years to 33 years and discount rates from 0.1% to 2.3% are applied for the estimation of asset retirement obligations.

[2] Asset retirement obligations which are not recorded in the consolidated balance sheets

The Group has obligations to restore mobile phone base stations and telephone line facilities for transmission to their original conditions under the rental contracts. However, considering business continuity, the removal of these facilities is difficult and the possibility of executing the obligation to restore these facilities to their original conditions is extremely low, and therefore, the asset retirement obligations are not recorded at the fiscal year ended March 31, 2011.

6. Additional information

Income before minority interests is disclosed in the consolidated statements of income due to the adoption of a new accounting standard for the fiscal year ended March 31, 2011.

Notes

(Consolidated Balance Sheets)

1. Secured loans

(1) Assets pledged as collateral for secured liabilities

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	222,613
Notes and accounts receivable – trade	306,527
Marketable securities[1]	73,592
Buildings and structures	11,694
Telecommunications equipment	281,936
Telecommunications service lines	71
Land	10,747
Investments and other assets – other assets	9,554
Total	916,738 million yen
Secured liabilities:	
Accounts payable - trade	964
Short-term borrowings	93,686
Long-term debt[2]	772,577
Total	867,227 million yen

Notes:

1. Shares of Yahoo! Inc. placed as collateral for a loan procured by a subsidiary of the Company in the United States of America were transferred to “Marketable securities” since the maturity for the loan was within one year. These shares were recorded as “Investment securities and investments in unconsolidated subsidiaries and affiliated companies” as of March 30, 2010.
2. Consolidated subsidiaries shares owned by SOFTBANK MOBILE, SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥772,577 million, as of March 31, 2011) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

(2) Borrowings by securitization of receivables

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

Cash proceeds through the securitization of installment sales receivables of SOFTBANK MOBILE, excluding that qualify for derecognition criteria of a financial asset, were included in "Short-term borrowings" (¥49,903 million, as of March 31, 2011). The amounts of the senior portion of the securitized installment sales receivables (¥49,903 million, as of March 31, 2011) were included in "Notes and account receivable-trade", along with the subordinated portion held by the SOFTBANK MOBILE. The trustee raised the funds through asset backed loans based on the receivables.

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

SOFTBANK BB transferred its senior portion of the securitized present and future receivables for ADSL services* to a SPC (a consolidated subsidiary), and the SPC raised the funds through asset backed loans based on the receivables (¥2,920 million, as of March 31, 2011) from a financial institution. Cash proceeds through the asset backed loans are included in the "Short-term borrowings" (¥2,920 million, as of March 31, 2011).

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

(3) Borrowings by security lending agreements

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

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	60
Telecommunications equipment	55,075
Construction in progress	186
Other property and equipment	1
Software	14,055
Other intangibles	179
Investments and other assets – other assets	328
Total	69,886 million yen

Installment payables:

Accounts payable – other and accrued expenses	9,906
Long-term accounts payable-other	63,086
Total	72,993 million yen

2. Guarantee obligation

The Company has entered into a sponsor agreement with WILLCOM, Inc. Under the sponsor agreement, the Company provides necessary financial support to WILLCOM, Inc. for business operation and execution of the rehabilitation plan. The agreement is effective until WILLCOM, Inc. completes the payment of its reorganization clams and reorganization security interests amounting to ¥41,000 million.

3. Accumulated depreciation of property and equipment 1,113,677 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 fails to comply with the following covenants, creditors may require repayment of all debt. (Where the covenants set several conditions, the strictest condition is presented below.)

As of March 31, 2011, there is no infringement of the debt covenants.

(1) The amount of the Company's net assets at the end of the year and the first half of the year must not fall below 75% of the Company's net assets at the end of the previous year.

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

(3) SOFTBANK MOBILE received a loan (the "SBM loan") from Mizuho Trust & Banking Co., Ltd. (the "lender"), which, as the Tokutei Kingai Trust Trustee, was entrusted with the proceeds by WBS Funding[1]. Under the terms of the SBM loan agreement, SOFTBANK MOBILE is allowed a certain degree of flexibility in its business operations, as a general rule. However, in the event that the loan agreement's financial performance targets (reduction in cumulative debt, adjusted EBITDA[2], leverage ratio[3]) or operational performance targets (number of subscribers) are not met, depending on the importance and the timing of the issue, the influence of the lender on the operations of SOFTBANK MOBILE might be increased. It is possible that limits will be placed on capital investment, that prior approval will be required for development of new services, that a majority of the board directors will be appointed, and that rights to assets pledged as collateral, including shares of SOFTBANK MOBILE, will be exercised.

Notes:

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. 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.

2. Adjusted EBITDA

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.

(Consolidated Statements of Income)

1. Unrealized appreciation 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 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 on valuation of investments and loss on sale of investments included in unrealized appreciation 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	1,041 million yen
Loss on sale of investments at subsidiaries in the U.S., net	(777) million yen
Total	263 million yen

2. Loss on disaster

Loss on disaster was recorded due to the Great East Japan Earthquake occurred in March 2011.
The details are as follows:

Loss on damage and restoration expenses for telecommunications network	6,243	million yen
– Loss on retirement and demolition of telecommunications network such as base stations due to the earthquake		
– Removal, restoration, and check up expenses for the assets described above		
Loss on exemption of receivables from customers and additional allowance for doubtful accounts	3,636	
– Exemption of receivables from customers afflicted by the disaster		
– Additional allowance for doubtful accounts deemed to be uncollectable		
Loss on non cancelable advertisement contracts which were already ordered	2,005	
Others	2,530	
– Lending of mobile phone handsets free of charge and replacement expenses of customer premises equipment		
– Business consignment expenses for call centers to support customers corresponding to the earthquake disaster		
– Supporting expenses for damaged agencies, and others		
Total	14,416	million yen

3. Valuation loss on option

The Company has entered into agreements containing a put option and a call option for shares of Wireless City Planning Inc., which is the Company's affiliate under equity method, with its shareholders other than the Company. The put option is the other shareholders' right to sell the shares to the Company and the call option is the Company's right to buy the shares from the other shareholders. These options are measured at fair value and the valuation loss is recorded.

4. Income taxes – corrections

Yahoo Japan received a correction notice from Tokyo Regional Taxation Bureau on June 30, 2010. Yahoo Japan acquired all the shares of SOFTBANK IDC Solutions Corp. from the Company in February 2009 and merged it in March 2009. At the merger, loss carryforwards held by SOFTBANK IDC Solutions Corp. were carried and utilized by Yahoo Japan. The notice corrects this tax treatment insisting that the treatment was to reduce Yahoo Japan's income taxes inappropriately. Additional income taxes of ¥ 26,450 million were included in income taxes - correction and paid for the fiscal year ended March 31, 2011. Yahoo Japan submitted a request for reconsideration to the national tax tribunal and brought legal suit in April 2011.

(Consolidated Statements of Changes in Equity)

1. Class and number of outstanding shares as of March 31, 2011

Number of common stocks 1,082,530,408

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, 2010	Common stocks	5,411	¥5.00	March 31, 2010	June 28, 2010

(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 24, 2011	Common stocks	5,411	Retained earnings	¥5.00	March 31, 2011	June 27, 2011

3. Number of shares for stock acquisition rights as of March 31, 2011

Number of common stocks 3,449,500

(Financial Instruments)

1. Conditions of Financial instruments

(1) Management policy

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

(2) Financial instruments, risks, and risk management

The notes and accounts receivable-trade are exposed to credit risk of customers. To minimize the credit risk, the Group performs due date controls and balance controls for each customer in accordance with internal customer credit management rules, and regularly screens major customers' credit status. For credit risk associated with installment sales receivables of mobile handsets, SOFTBANK MOBILE 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, 2011 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, 2011		
	Carrying Amount	Fair value	Differences
Assets			
(1) Cash and deposit	¥861,657	¥861,657	¥ -
(2) Notes and accounts receivable-trade	657,774		
Allowance for doubtful accounts [*1]	(36,063)		
Notes and accounts receivable-trade, net	621,710	621,710	-
(3) Marketable securities and investment securities			
[1]Held-to-maturity debt securities	1,587	1,487	(100)
[2]Investments in unconsolidated subsidiaries and affiliated companies	15,937	30,947	15,009
[3]Other securities	160,025	160,025	-
Total	1,660,919	1,675,827	14,908
Liabilities			
(1) Accounts payable-trade	193,644	193,644	-
(2) Short-term borrowings	410,950	410,950	-
(3) Commercial paper	25,000	25,000	-
(4) Current portion of corporate bonds	128,500	128,500	-
(5) Accounts payable-other and accrued expenses	561,421	561,421	-
(6) Income taxes payable	115,355	115,355	-
(7) Current portion of lease obligations	131,305	131,305	-
(8) Corporate bonds	507,390	584,477	77,087
(9) Long-term debt	1,030,959	1,102,328	71,368
(10) Long-term accounts payable-other	265,141	265,085	(56)
(11) Lease obligations	199,769	203,113	3,343
Total	3,569,439	3,721,182	151,742
Derivative transactions [*2]			
[1]Hedge accounting is not applied	(216)	(216)	-
[2]Hedge accounting is applied	20,856	20,856	-
Total	¥20,640	¥20,640	¥ -

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, 2011		
	Carrying Amount	Fair value	Differences
Fair value > Carrying Amount			
Corporate bonds	¥197	¥199	¥1
Fair value≦Carrying Amount			
Corporate bonds	1,390	1,288	(102)
Total	¥1,587	¥1,487	¥(100)

2. Marketable and investment securities at fair value

(Millions of yen)

Classification	As of March 31, 2011		
	Investment Cost	Carrying Amount	Differences
Carrying Amount > Investment Cost			
(1)Equity securities	¥19,151	¥92,582	¥73,430
(2)Debt securities	26,587	31,060	4,473
(3)Others	2,298	2,390	91
Sub-total	48,038	126,033	77,995
Carrying Amount≦Investment Cost			
(1)Equity securities	27,667	20,185	(7,481)
(2)Debt securities	702	693	(9)
(3)Others	636	632	(4)
Sub-total	29,005	21,510	(7,494)
Total	¥77,043	¥147,544	¥70,500

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, 2011

(Millions of yen)

Securities	Sales Price	Gain on sales	Loss on sales
(1)Equity securities	¥13,650	¥1,971	¥598
(2)Others	3,767	105	1
Total	¥17,418	¥2,076	¥600

Note: Sales price of ¥371million, gain on sales of ¥173 million, and loss on sales of ¥123 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 ¥8,739 million (valuation loss on investment securities, of which the fair value is extremely difficult to measure, of ¥6,168 million is included) is recorded for the fiscal year ended March 31, 2011.

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, 2011 were as follows:

	As of March 31, 2011
Proceeds from sales:	1,550 million yen
Carrying amounts of investment securities at fair value :	12,480 million yen

Liabilities

(1) Accounts payable-trade, (3) Commercial paper, (5) Accounts payable-other, and (6) 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.

(4) Current portion of corporate bonds

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

(7) 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.

(8) 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.

(9) 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.

(10) Long-term accounts payable - other

Fair value of long-tem accounts payable - other is based on the present value of future cash flows discounted using the rate with consideration for period up to payment date and credit risk.

(11) 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, 2011			
		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	¥52,791	-	¥(217)	¥(217)
	・Purchase U.S. dollars and sell Korean won	353	-	1	1
	Total	¥53,144	-	¥(216)	¥(216)

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	Over 1 year	Fair value
Deferral hedge accounting	Forward-exchange contracts: Purchased option to buy				
	U.S. dollars	Forecasted transactions for expenses denominated in foreign currencies	¥205	¥-	¥(3)
	Euro	Forecasted transactions for expenses denominated in foreign currencies	1,181	-	(1)
Total			¥1,387	¥-	¥(5)

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

2. Interest Related

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount	Over 1 year	Fair value
Deferral hedge accounting	Interest swap: Receiving floating rate and paying fix rate	Interest for loan	¥104,000	¥99,000	¥(1,418)
Total			¥104,000	¥99,000	¥(1,418)

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	Over 1 year	Fair value
Deferral hedge accounting	Collar transaction: A variable share prepaid forward contract consisting of a purchased put option and a sold call option	Equity securities	¥94,461	¥-	¥22,280
Total			¥94,461	¥-	¥22,280

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	¥176,108
Unlisted equity securities	55,297
Investments in partnerships	9,579
Total	¥240,985

Above are not included in “Assets (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, 2011 to March 31, 2012	April 1, 2012 to March 31, 2016	April 1, 2016 to March 31, 2021	April 1, 2021 and thereafter
Cash and deposits	¥861,657	¥ -	¥ -	¥ -
Notes and accounts receivable-trade	566,564	91,210	-	-
Marketable and investment securities				
Held-to-maturity debt securities (corporate bonds)	1,100	-	-	600
Other securities with maturity date (corporate bonds)	117	400	27,200	-
Other securities with maturity date (other)	-	109	-	-
Sub-total	1,217	509	27,200	600
Total	¥1,429,438	¥91,719	¥27,200	¥600

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

(Millions of yen)

Classification	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Corporate bonds	¥128,500	¥144,998	¥204,992	¥44,900
Long-term debt	182,694	124,100	268,825	232,581
Lease obligations	131,305	85,325	55,599	40,919
Accounts payable – other by installment purchase	9,906	13,921	13,921	13,921
Total	¥452,407	¥368,345	¥543,338	¥332,322

Classification	April 1, 2015 to March 31, 2016	April 1, 2016 to March 31, 2021	April 1, 2021 and thereafter
Corporate bonds	¥70,000	¥42,500	¥ -
Long-term debt	230,000	175,452	-
Lease obligations	17,861	63	-
Accounts payable – other by installment purchase	13,921	7,401	-
Total	¥331,782	¥225,417	¥ -

(Per share data)

Shareholders' equity per share	¥572.14
Net income per share	¥175.28

Notes to Financial Statements

(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.

(Changes in accounting principles)

Application of accounting standard for asset retirement obligations

"Accounting Standard for Asset Retirement Obligations"(ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations"(ASBJ Guidance No.21, March 31, 2008) were applied as of April 1, 2010.

As a result, operating income decreased by 9 million yen, ordinary income by 315 million yen and income before income taxes by 1,924 million yen for the fiscal year ended March 31, 2011.

Notes

(Balance Sheet)

1. Accumulated depreciation of property and equipment	4,976 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 1,416 million yen under security lending agreements are presented as follows:

Short-term borrowings	114,000	million yen

3. Guarantee obligation

Guarantee (Nature of guarantee obligation)	Amount	
[Guarantee obligation]		
Fukuoka Softbank Hawks Marketing Corp.(Lease)	41,462 million yen	
Fukuoka Softbank Hawks Marketing Corp.(Borrowing)	666 million yen	
WILLCOM, Inc.(Sponsor agreement)	41,000 million yen	(Note1)
Phoenix JT Limited (Corporate bond)	32,400 million yen	
SOFTBANK Broadband Investments (Borrowing)	570 million yen	(6,862 thousand US Dollars)
Fukuoka Real Estate Corporation (Borrowing)	145 million yen	(Note2)
Subtotal	116,244 million yen	

(Note1) The Company has entered into a sponsor agreement with WILLCOM, Inc. Under the sponsor agreement, the Company provides necessary financial support to WILLCOM, Inc. for business operation and execution of the rehabilitation plan. The agreement is effective until WILLCOM, Inc. completes the payment of its reorganization clams and reorganization security interests amounting to 41,000 million yen.

(Note2) Joint guaranty of the Company and other company. The Company’s obligation based on guarantors’ agreement is 96 million yen.

[Letter of awareness for management service]

SOFTBANK BB Corp.（Lease）	5,763 million yen
Subtotal	5,763 million yen
Total	122,007 million yen

4. Monetary receivables and liabilities for subsidiaries and affiliated companies

Short-term monetary receivables	95,151 million yen
Long-term monetary receivables	284,886 million yen
Short-term monetary liabilities	207,678 million yen
Long-term monetary liabilities	175,975 million yen

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

Monetary receivables	24 million yen
Monetary liabilities	177 million yen

(**Statement of Income**)

Transactions with subsidiaries and affiliated companies

Net sales	35,161 million yen
Selling, general and administrative expenses	5,704 million yen
Non-operating transactions	222,085 million yen

(**Statement of Changes in Equity**)

Class and number of treasury stocks as of March 31, 2011

Number of common stocks	180,503 shares

(**Tax Effect Accounting**)

Significant components of deferred tax assets and liabilities

Deferred tax assets	
Loss on sales price adjustments of investments in subsidiaries and affiliates	11,927 million yen
Investments in subsidiaries and affiliated companies	6,123 million yen
Loss carryforwards	5,803 million yen
Tax haven taxation	3,411 million yen
Others	12,036 million yen
Gross deferred tax assets	39,302 million yen
Less: valuation allowance	(32,249) million yen
Total deferred tax assets	7,052 million yen
Deferred tax liabilities	
Deferred taxable gain on a sale of shares of a subsidiary to a 100% owned subsidiary under Japanese group taxation regime	(13,294) million yen
Unrealized gains on other securities	(1,889) million yen
Others	(8,648) million yen
Total deferred tax liabilities	(23,832) million yen
Net deferred tax liabilities	(16,779) 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	49 million yen	464 million yen	513 million yen
Net leased property	21 million yen	154 million yen	175 million yen

2. Obligations under finance lease

Due within one year	100 million yen
Due after one year	111 million yen
Total	212 million yen

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

Lease payments	111 million yen
Depreciation expense	86 million yen
Interest expense	17 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 (Note9)	Account	Balance at March 31, 2011 (Note9)
Subsidiary	SOFTBANK MOBILE Corp.	Indirect 100%	Brand royalty revenue		27,570	Accounts receivable - trade	501
			Interest receipt	1	3,155	Other current assets	498
				2		Long-term accounts receivable-other	84,706
				2		Long-term loan receivable	84,596
Subsidiary	SOFTBANK BB Corp.	Direct 100%	Brand royalty revenue		3,285	Accounts receivable - trade	3,449
			Repayment of short-term loans (net of borrowings)		62,754	Short-term borrowings	30,088
			Interest payment	3	1,231	Accrued expense	—
			Dividends receipt		105,504		
			Guarantee obligation		5,763		
Subsidiary	SOFTBANK TELECOM Corp.	Direct 81.7% Indirect 18.3%	Brand royalty revenue		4,099	Accounts receivable - trade	4,304
			—		—	Short-term loan receivable	80,000
			Interest receipt	1	3,310	Other current assets	—
			Borrowing of short-term loans (net of repayment)		53,369	Short-term borrowings	127,363
			Interest payment	3	1,789	Accrued expense	—
Subsidiary	SBBM Corporation	Direct 100%	Receipt of long-term loan receivable (net of lending)		72,033	Long-term loan receivable	40,380
			Interest receipt	1	2,751	Other current assets	—
			Sale of equity securities	4	32,993	Investments and other assets - Other assets	12,971
			Capital contribution		110,337		
Subsidiary	Yahoo Japan Corporation	Direct 35.6% Indirect 6.6%	Purchase of equity securities	6	120,000	Long-term Accounts payable - other	122,646
			Sales price adjustments of equity securities	5	29,312		
						Accounts payable - other	934
			Interest payment	3	207	Other non-current liabilities	207
Subsidiary	Fukuoka Softbank Hawks Marketing Corp.	Direct 100%	Guarantee obligation		42,128		
			Payment of advertising expense	7	5,200	Accounts payable - other	315

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note9)	Account	Balance at March 31, 2011 (Note9)
Subsidiary	BB Mobile Corp.	Indirect 100%	Lendings of long-term loan receivable		44,387	Long-term loan receivable	55,694
Subsidiary	SB Pan Pacific Corporation	Direct 100%	Capital contribution		41,862		
Subsidiary	SOFTBANK Holdings Inc.	Direct 100%	Repayment of long-term borrowing	8	20,547 (247,113 thousand US Dollars)	Long-term debt	—
			Interest payment	3	374	Accrued expense	—
			Dividends receipt		16,741		
Subsidiary	Phoenix JT Limited	Direct 41.0%	Guarantee obligation		32,400		
Subsidiary	SB Holdings (Europe) Ltd.	Indirect 100%	—	8	—	Long-term debt	50,823 (611,231 thousand US Dollars)
			Interest payment	3	885	Accrued expense	—

The terms of transactions and the policies

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

(Note2) Part of long-term accounts receivable and all of long-term loan receivable are acquired from Vodafone group.

(Note3) Interest rate on loan payable is determined taking market interest rate into account.

(Note4) 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 32,671 million yen, and loss on sale of investment securities to SBBM Corporation was 36 million yen.

(Note5) Based on a stock transfer contract of SOFTBANK IDC Solutions Corp entered with Yahoo Japan Corporation, the Company made this payment which is equivalent to the additional income taxes in response to a correction as a result of the tax inspection mainly at Yahoo Japan Corporation. Refer to Notes to Consolidated Financial Statements, "(Consolidated Statements of Income)– 4. Income taxes – corrections" for details.

(Note6) The purchase price is determined by negotiations and based on valuations by a third party and etc.

(Note7) 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.

(Note8) The exchange rate for the translation of Japanese yen into U.S. dollar at March 31, 2011 is ¥ 83.15 to $1.

(Note9) 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 (Note2)	Account	Balance at March 31, 2011 (Note2)
Director and shareholder	Masayoshi Son（Son Assets Management, LLC)	Direct 21.4％	Cash temporary paid on behalf of Son Assets Management, LLC		222	Other current asset	24
			Facility use fee	1	47		
			Deposits refunded	1	15	Other liabilities	177

The terms of transactions and the policies

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

(Note2) 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	¥387.72
Net loss per share	¥2.12