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# Earnings Results for the Six-month Period Ended September 30, 2013

## Data Sheet

October 31, 2013  
SoftBank Corp.

<i>Index</i>		
<i>Accounting -1</i>	Consolidated Results Summary	-1-
<i>Accounting -1'</i>	Consolidated Results Summary (JGAAP)	-2-
<i>Accounting -2</i>	Net Sales, EBITDA, Segment Income	-3-
<i>Accounting -3</i>	EBITDA Margin, Segment Income Margin	-4-
<i>Accounting -4</i>	Finance Income (Costs), Net, Other	-5-
<i>Accounting -5</i>	CAPEX, Depreciation and Amortization	-6-
<i>Accounting -6</i>	Consolidated B/S Assets	-7-
<i>Accounting -7</i>	Consolidated B/S Liabilities and Equity	-8-
<i>Accounting -8</i>	Sprint US-GAAP Bridge to SoftBank IFRS	-9-
<i>Finance</i>	Interest-bearing Debt, Cash Position, Financial Indicators	-10-
<i>Operation -1</i>	Mobile Communications -1	-11-
<i>Operation -2</i>	Mobile Communications -2	-12-
<i>Operation -3</i>	Sprint	-13-
<i>Operation -4</i>	Fixed-line Telecommunications	-14-
<i>Reference -1</i>	Main Financing Activities	-15-
<i>Reference -2</i>	Corporate Bonds Details	-16-
<i>Reference -3</i>	Trend of Credit Rating of SoftBank	-18-

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# Accounting - 1 Consolidated Results Summary

Unaudited

Consolidated results (Millions of yen)	FY2012						FY2013					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	725,944	778,700	1,504,644	842,328	855,564	3,202,536	881,069	1,717,543	2,598,612			
EBITDA (*)	280,739	307,034	587,773	286,310	278,657	1,152,740	345,176	470,822	815,998			
EBITDA margin (*)	38.7%	39.4%	39.1%	34.0%	32.6%	36.0%	39.2%	27.4%	31.4%			
Operating income	203,316	225,813	429,129	202,393	167,877	799,399	391,025	324,045	715,070			
Operating margin	28.0%	29.0%	28.5%	24.0%	19.6%	25.0%	44.4%	18.9%	27.5%			
Finance income (costs), net	-9,405	-27,972	-37,377	-11,007	-31,848	-80,232	-38,926	-66,097	-105,023			
Equity in income (loss) of associates	2,088	-3,368	-1,280	-1,532	-851	-3,663	-1,083	-2,697	-3,780			
Income before income tax	195,999	194,473	390,472	189,854	135,178	715,504	351,016	255,251	606,267			
Net income	118,581	123,947	242,528	112,278	83,031	437,837	263,186	165,687	428,873			
Net margin	16.3%	15.9%	16.1%	13.3%	9.7%	13.7%	29.9%	9.6%	16.5%			
Net income attributable to owners of the parent	105,580	108,979	214,559	94,231	63,691	372,481	238,262	156,654	394,916			
Net income attributable to owners of the parent ratio	14.5%	14.0%	14.3%	11.2%	7.4%	11.6%	27.0%	9.1%	15.2%			
Total assets	4,974,490		5,411,410	5,928,980		7,216,809	8,368,677		15,604,540			
Equity attributable to owners of the parent	896,501		1,011,523	1,172,240		1,612,756	1,904,727		1,750,898			
Equity attributable to owners of the parent ratio	18.0%		18.7%	19.8%		22.3%	22.8%		11.2%			
Cash flows from operating activities	117,796	329,176	446,972	74,324	291,729	813,025	2,243	448,986	451,229			
Cash flows from investing activities	-176,836	-166,826	-343,662	-423,977	-106,505	-874,144	-246,062	-1,855,990	-2,102,052			
Cash flows from financing activities	-196,685	180,498	-16,187	300,305	187,359	471,477	874,132	1,536,149	2,410,281			
Depreciation and amortization	77,423	81,221	158,644	85,695	110,781	355,120	103,299	246,640	349,939			
CAPEX (acceptance basis)	114,897	159,696	274,593	201,357	277,211	753,161	180,712	352,320	533,032			

\*EBITDA = operating income (loss) - income from remeasurement relating to business combination - other operating income + depreciation and amortization

\*EBITDA margin = EBITDA / net sales

# Accounting - 1' Consolidated Results Summary JGAAP

Unaudited

Consolidated results (Millions of yen)	FY2012						FY2013					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Net sales	766,902	819,208	1,586,110	923,680	868,575	3,378,365	888,352	1,724,958	2,613,310			
EBITDA (*)	284,404	307,504	591,908	298,612	259,290	1,149,810	332,377	462,444	794,821			
EBITDA margin (*)	37.1%	37.5%	37.3%	32.3%	29.9%	34.0%	37.4%	26.8%	30.4%			
Operating income	192,125	210,637	402,762	197,387	144,851	745,000	219,349	201,894	421,243			
Operating margin	25.1%	25.7%	25.4%	21.4%	16.7%	22.1%	24.7%	11.7%	16.1%			
Ordinary income	180,979	182,031	363,010	166,410	123,794	653,214	177,909	99,987	277,896			
Income before income taxes	180,811	177,854	358,665	167,065	124,764	650,494	331,452	206,593	538,045			
Net income	90,661	78,771	169,432	65,935	54,037	289,404	216,981	105,336	322,317			
Net margin	11.8%	9.6%	10.7%	7.1%	6.2%	8.6%	24.4%	6.1%	12.3%			
Total assets	4,628,075		5,038,117	5,511,552		6,524,886	7,579,816		15,021,256			
Shareholders' equity	923,449		1,006,632	1,136,857		1,569,085	1,841,361		1,713,814			
Equity ratio	20.0%		20.0%	20.6%		24.0%	24.3%		11.4%			
Depreciation and amortization (excl. amortization of goodwill) (*)	76,480	81,005	157,485	85,230	97,981	340,696	89,739	232,782	322,521			
Amortization of goodwill	15,799	15,862	31,661	15,995	16,458	64,114	23,289	27,768	51,057			

\*EBITDA = operating income (loss) + depreciation + amortization of goodwill

\*EBITDA margin = EBITDA / net sales

# Accounting - 2 Net Sales, EBITDA, Segment Income

Unaudited

Net sales (Millions of yen)		FY2012						FY2013					
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>		725,944	778,700	1,504,644	842,328	855,564	3,202,536	881,069	1,717,543	2,598,612			
Mobile Communications		522,214	565,749	1,087,963	630,052	627,615	2,345,630	661,918	724,609	1,386,527			
Sprint									760,941	760,941			
Fixed-line Telecommunications		127,935	134,129	262,064	129,374	139,590	531,028	133,406	136,963	270,369			
Internet		80,937	82,124	163,061	92,083	101,465	356,609	96,198	100,092	196,290			
Others		28,192	33,089	61,281	27,919	27,865	117,065	30,575	34,198	64,773			
Reconciliations		-33,334	-36,391	-69,725	-37,100	-40,971	-147,796	-41,028	-39,260	-80,288			

  

EBITDA (*) (Millions of yen)		FY2012						FY2013					
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>		280,739	307,034	587,773	286,310	278,657	1,152,740	345,176	470,822	815,998			
Mobile Communications		198,274	214,918	413,192	197,094	187,057	797,343	255,826	259,320	515,146			
Sprint									111,887	111,887			
Fixed-line Telecommunications		40,337	44,757	85,094	42,387	40,580	168,061	42,881	45,962	88,843			
Internet		42,608	44,751	87,359	52,220	53,711	193,290	49,850	51,172	101,022			
Others		2,572	6,386	8,958	2,317	1,883	13,158	2,938	6,493	9,431			
Reconciliations		-3,052	-3,778	-6,830	-7,708	-4,574	-19,112	-6,319	-4,012	-10,331			

  

Segment income (Millions of yen)		FY2012						FY2013					
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>		203,316	225,813	429,129	200,615	167,876	797,620	241,877	224,182	466,059			
Mobile Communications		138,581	151,370	289,951	129,316	97,853	517,120	172,459	167,092	339,551			
Sprint									-22,304	-22,304			
Fixed-line Telecommunications		27,734	32,115	59,849	29,589	24,794	114,232	28,072	31,044	59,116			
Internet		39,437	41,834	81,271	49,228	50,221	180,720	46,629	47,954	94,583			
Others		1,023	4,802	5,825	674	-99	6,400	1,351	4,744	6,095			
Reconciliations		-3,459	-4,308	-7,767	-8,192	-4,893	-20,852	-6,634	-4,348	-10,982			

\*EBITDA of each segment = segment income + depreciation and amortization

\*Segment income = each segment's (net sales – cost of sales – selling, general and administrative expenses)

\*In the Sprint segment, the earnings reflect the operation results of Sprint since July 11, 2013.

## Accounting - 3 EBITDA Margin, Segment Income Margin

Unaudited

EBITDA margin (*)	FY2012					
	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>	38.7%	39.4%	39.1%	34.0%	32.6%	36.0%
Mobile Communications	38.0%	38.0%	38.0%	31.3%	29.8%	34.0%
Sprint						
Fixed-line Telecommunications	31.5%	33.4%	32.5%	32.8%	29.1%	31.6%
Internet	52.6%	54.5%	53.6%	56.7%	52.9%	54.2%
Others	9.1%	19.3%	14.6%	8.3%	6.8%	11.2%

EBITDA margin (*)	FY2013					
	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>	39.2%	27.4%	31.4%			
Mobile Communications	38.6%	35.8%	37.2%			
Sprint		14.7%	14.7%			
Fixed-line Telecommunications	32.1%	33.6%	32.9%			
Internet	51.8%	51.1%	51.5%			
Others	9.6%	19.0%	14.6%			

Segment income margin	FY2012					
	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>	28.0%	29.0%	28.5%	23.8%	19.6%	24.9%
Mobile Communications	26.5%	26.8%	26.7%	20.5%	15.6%	22.0%
Sprint						
Fixed-line Telecommunications	21.7%	23.9%	22.8%	22.9%	17.8%	21.5%
Internet	48.7%	50.9%	49.8%	53.5%	49.5%	50.7%
Others	3.6%	14.5%	9.5%	2.4%	-	5.5%

Segment income margin	FY2013					
	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>	27.5%	13.1%	17.9%			
Mobile Communications	26.1%	23.1%	24.5%			
Sprint		-	-			
Fixed-line Telecommunications	21.0%	22.7%	21.9%			
Internet	48.5%	47.9%	48.2%			
Others	4.4%	13.9%	9.4%			

\*EBITDA margin = EBITDA / net sales

\*EBITDA of each segment = segment income + depreciation and amortization

\*In the Sprint segment, the earnings reflect the operation results of Sprint since July 11, 2013

# Accounting - 4 Finance Income (Costs), Net, Other

Unaudited

Finance income (costs), net (Millions of yen)	FY2012						FY2013					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Finance income (costs), net	-9,405	-27,972	-37,377	-11,007	-31,848	-80,232	-38,926	-66,097	-105,023			
Interest income	227	240	467	1,058	1,584	3,109	17,336	1,948	19,284			
Interest expense	-12,661	-12,993	-25,654	-13,913	-25,730	-65,297	-27,383	-78,479	-105,862			
Derivative losses	-1,539	-966	-2,505	5,121	9,261	11,877	-29,439	3,615	-25,824			
Other	4,568	-14,253	-9,685	-3,273	-16,963	-29,921	560	6,819	7,379			

(Millions of yen)	FY2012						FY2013					
	Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
Equity in income (loss) of associates	2,088	-3,368	-1,280	-1,532	-851	-3,663	-1,083	-2,697	-3,780			
Income Taxes	77,418	70,526	147,944	77,576	52,147	277,667	87,830	89,564	177,394			
Net income attributable to owners of the parent	105,580	108,979	214,559	94,231	63,691	372,481	238,262	156,654	394,916			

# Accounting - 5 CAPEX, Depreciation and Amortization

Unaudited

CAPEX (acceptance basis) (Millions of yen)		FY2012						FY2013					
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>		114,897	159,696	274,593	201,357	277,211	753,161	180,712	352,320	533,032			
Mobile Communications		92,500	141,927	234,427	176,705	238,751	649,883	163,581	164,563	328,144			
Sprint									163,574	163,574			
Fixed-line Telecommunications		10,292	12,708	23,000	16,216	26,466	65,682	9,903	16,743	26,646			
Internet		4,942	3,195	8,137	6,310	8,538	22,985	4,393	2,746	7,139			
Others		7,163	1,866	9,029	2,126	3,456	14,611	2,835	4,694	7,529			

  

Depreciation and amortization (Millions of yen)		FY2012						FY2013					
		Q1	Q2	H1	Q3	Q4	Full year	Q1	Q2	H1	Q3	Q4	Full year
<b>Consolidated</b>		77,423	81,221	158,644	85,695	110,781	355,120	103,299	246,640	349,939			
Mobile Communications		59,693	63,548	123,241	67,778	89,204	280,223	83,367	92,228	175,595			
Sprint									134,191	134,191			
Fixed-line Telecommunications		12,603	12,642	25,245	12,798	15,786	53,829	14,809	14,918	29,727			
Internet		3,171	2,917	6,088	2,992	3,490	12,570	3,221	3,218	6,439			
Others		1,956	2,114	4,070	2,127	2,301	8,498	1,902	2,085	3,987			

\*CAPEX and depreciation and amortizations of Sprint segment are recorded since July 11, 2013

## Accounting - 6 Consolidated B/S Assets

Unaudited

	Mar 2013	Sprint acquisition date (Jul 10, 2013)	Other changes	Sep 2013	Change	Outline
(Millions of yen)	A	B	C	D = A+B+C	E=B+C	
<b>Current assets</b>	<b>2,786,019</b>	<b>1,034,928</b>	<b>535,386</b>	<b>4,356,333</b>	<b>1,570,314</b>	
Cash and cash equivalents	1,439,057	447,873	296,670	2,183,600	744,543	Increased primary due to the issuance of new corporate bonds by Sprint in the amount of USD 6.5bn (excluding segregated reserve account of approx. USD 3.5 billion which is to obtain a waiver for its financial covenant on interesting-bearing debts of Sprint).
Trade and other receivables	936,307	327,211	25,284	1,288,802	352,495	
Other financial assets	229,239	111,764	174,675	515,678	286,439	Impact from Sprint maintain a segregated reserve account. Remaining balance is USD 3.1 billion after repayment of the Clearwire debt as of Sep 30, 2013. Decreased in derivative financial asset (-189,357). This was mainly due to the settlement of a foreign currency forward contract (USD 17bn) in relation to completion of the acquisition of Sprint.
Inventories	54,268	105,318	56,701	216,287	162,019	
Other current assets	127,148	42,762	-17,944	151,966	24,818	
<b>Non-current assets</b>	<b>4,430,790</b>	<b>6,898,531</b>	<b>-81,114</b>	<b>11,248,207</b>	<b>6,817,417</b>	
Property, plant and equipment	1,830,615	1,291,364	182,809	3,304,788	1,474,173	
Buildings and structures	118,284	140,270	-9,411	249,143	130,859	
Telecommunications equipment	1,412,580	794,524	277,381	2,484,485	1,071,905	Increased mainly due to the purchase of telecommunications equipment by Mobile Communications and Sprint segments.
Land	73,930	18,362	-590	91,702	17,772	
Construction in progress	153,266	298,928	-92,533	359,661	206,395	
Other	72,555	39,280	7,962	119,797	47,242	
Goodwill	927,399	294,418	151,015	1,372,832	445,433	Increased primary due to the consolidation of GungHo (+146,032) and WILLCOM (+21,469).
Intangible assets	524,893	5,275,623	-86,700	5,713,816	5,188,923	
Intangible assets with finite useful lives	524,893	1,088,022	48,263	1,661,178	1,136,285	
Software	411,285	138,330	41,162	590,777	179,492	
Customer Relationship	83,876	700,192	-54,031	730,037	646,161	Increased due to consolidating Sprint and WILLCOM. Decreased due to amortization of customer relationship of Sprint, eAccess, and WILLCOM(-55,766).
Favorable lease contracts	-	148,979	-8,499	140,480	140,480	
Game title	-	-	64,830	64,830	64,830	Recognized from consolidating GungHo.
Trademarks (amortize)	178	52,593	-2,143	50,628	50,450	
Other	29,554	47,928	6,944	84,426	54,872	
Intangible assets with indefinite useful lives	-	4,187,601	-134,963	4,052,638	4,052,638	
FCC License	-	3,587,335	-114,843	3,472,492	3,472,492	Decreased due to the appreciation of yen that occurred after the acquisition of Sprint.
Trademarks (non-amortize)	-	600,266	-20,120	580,146	580,146	
Investments accounted for using the equity method	208,664	-	910	209,574	910	
Other financial assets	634,647	23,938	-357,609	300,976	-333,671	The decrease was mainly related to the ending amount of the convertible bonds issued by Sprint and shares of WILLCOM becoming zero as a result of consolidation.
Deferred tax assets	175,390	-	-11,879	163,511	-11,879	
Other non-current assets	129,182	13,188	40,340	182,710	53,528	
<b>Total assets</b>	<b>7,216,809</b>	<b>7,933,459</b>	<b>454,272</b>	<b>15,604,540</b>	<b>8,387,731</b>	

Sprint: Sprint Corporation, SBM: SoftBank Mobile, GungHo: GungHo Online Entertainment



## Accounting - 7 Consolidated B/S Liabilities and Equity

Unaudited

	Mar 2013	Sprint acquisition date (July 10, 2013)	Other changes	Sep 2013	Change	Outline
(Millions of yen)	A	B	C	D = A+B+C	E=B+C	
<b>Current liabilities</b>	2,837,916	1,118,984	-491,139	3,465,761	627,845	
Interest-bearing debt	1,534,128	86,961	-417,569	1,203,520	-330,608	Mainly due to the refinancing of a bridge loan relating to the acquisition of Sprint and the existing borrowings. Decreased in the current portion of long-term borrowings (-258,413) and short-term borrowings (-124,026).
Trade and other payables	972,669	651,608	-54,814	1,569,463	596,794	Increased primary due to the consolidation of Sprint.
Other financial liabilities	4,833	-	-416	4,417	-416	
Income taxes payable	182,050	3,917	538	186,505	4,455	GungHo: Sep 2013 (27,035) SBTM: Mar 2013 (23,957) >> Sep 2013 (14,973) SBB: Mar 2013 (10,469) >> Sep 2013 (3,781) BBM: Mar 2013 (64,188) >> Sep 2013 (61,049) SBM: Mar 2013 (30,985) >> Sep 2013 (30,384)
Provisions	1,602	90,340	1,903	93,845	92,243	
Other current liabilities	142,634	286,158	-20,781	408,011	265,377	Increased primary due to the consolidation of Sprint.
<b>Non-current liabilities</b>	2,448,465	4,499,745	2,664,850	9,813,060	7,164,595	
Interest-bearing debt	2,173,725	2,671,299	2,791,620	7,636,644	5,462,919	Sprint: issuance of a foreign currency denominated straight corporate bond in the amount of USD 6.5bn (+638,300). SB: issuance of USD-denominated Senior Notes due year 2020, EUR-denominated Senior Notes due year 2020, and 43 <sup>rd</sup> Unsecured Straight Bond (+724,382). Increased in long-term borrowings due to the refinancing of existing borrowings relating to the acquisition of Sprint (+1,599,879).
Other financial liabilities	38,654	7,544	22,777	68,975	30,321	
Defined benefit liabilities	14,506	65,763	-1,920	78,349	63,843	
Provisions	21,765	147,947	-22,518	147,194	125,429	
Deferred tax liabilities	119,628	1,423,086	-115,382	1,427,332	1,307,704	Recognition of a temporary difference relating to FCC licenses and trademarks following the consolidation of Sprint.
Other non-current liabilities	80,187	184,106	-9,727	254,566	174,379	
<b>Total liabilities</b>	5,286,381	5,618,729	2,173,711	13,078,821	7,792,440	
<b>Equity</b>	1,930,428	437,706	157,585	2,525,719	595,291	
Equity attributable to owners of the parent	1,612,756		138,142	1,750,898	138,142	
Common stock	238,772		-	238,772	-	
Additional paid-in capital	436,704		-11,904	424,800	-11,904	
Retained earnings	712,088		371,075	1,083,163	371,075	Increased in equity attributable to owners of the parent (+394,916) and year-end dividend for Mar 2013 (-23,830).
Treasury stock	-22,834		1,074	-21,760	1,074	
Accumulated other comprehensive income	248,026		-222,103	25,923	-222,103	
Available-for-sale financial assets	50,700		-45,577	5,123	-45,577	
Cash flow hedges	114,158		-140,233	-26,075	-140,233	Decreased due to the settlement of a foreign currency forward contract for the acquisition of Sprint.
Exchange differences on translating foreign operations	83,168		-36,293	46,875	-36,293	Decreased due to the appreciation of yen that occurred after the acquisition of Sprint.
Non-controlling interests	317,672	437,706	19,443	774,821	457,149	Increased due to the consolidation of GungHo and Sprint

Sprint: Sprint Corporation, GungHo: GungHo Online Entertainment  
SBTM: SoftBank Telecom, SBB: SoftBank BB, BBM: BB Mobile, SBM: SoftBank Mobile, SB: SoftBank

## Accounting - 8 Sprint US-GAAP Bridge to SoftBank IFRS

Income Statement (Successor Period: Jul.1 - Sep.30)

(Millions of USD)

Sprint Corporation	US-GAAP (Millions of USD)	Re-classification	Difference of recognition and measurement			IFRS		SoftBank
		(1)	(2)	(3)	(4)	(Millions of USD)	(Millions of yen)	
			Change in expected remaining period of convertible bonds	Restructuring cost	Other			
<b>Net operating revenues</b>	7,749					7,749	760,941	<b>Net sales</b>
<b>Net operating expenses</b>								
Cost of services and products	-4,342	-1,247		2		-5,587	-548,670	<b>Cost of sales</b>
Selling, general and administrative	-2,259	-120			-11	-2,390	-234,575	Selling, general, and administrative expenses
Depreciation and amortization	-1,403	1,393		-1	11			
Other, net	-103				63	-228	-22,304	<b>Segment income</b>
<b>Operating loss</b>	-358	26			64	-40	-3,903	Other operating loss
<b>Other, net</b>	-251	-26	-165			-268	-26,206	<b>Operating income</b>
<b>Loss before income taxes</b>	-609				5	-437	-42,932	Finance cost, net
<b>Income tax expense</b>	-90				46	-705	-69,138	<b>Income before income tax</b>
<b>Net loss</b>	-699				51	-44	-4,318	Income taxes
			-165	64		-749	-73,457	<b>Net income</b>

\* Average rate for the quarter is used for conversion of dollars into yen (1 USD = approx. JPY 98).

- (1) Mainly reclassification of depreciation and amortization to cost of services and SGA.  
Interest from asset retirement obligations (USD 26 million) is recorded as operating cost under US-GAAP and finance cost under IFRS.
- (2) Expected remaining period for the convertible bonds issued by Sprint was changed from seven years to the date of acquisition.  
Accordingly, the company recognized interest income in conjunction with recalculation of amortized cost (SoftBank recorded in 2013/Q1).
- (3) Under US-GAAP, provision for network infrastructure restructuring (Network Vision) is booked when the payment obligation is recognized.  
Under IFRS, the provision is booked when SoftBank has detailed formal plan is publicly announced. (Under IFRS, restructuring cost was booked as provision at the timing of acquisition).

Balance Sheets (As of Sep.30)

(Millions of USD)

Sprint Corporation	US-GAAP (Millions of USD)	Re-classification	Difference of recognition and measurement		Goodwill elimination of non-controlling interest	IFRS		SoftBank
		(1)	(2)	(3)		(Millions of USD)	(Millions of yen)	
			Restructuring cost	Other				
<b>Assets</b>								<b>Assets</b>
Current assets	15,430	-167				15,263	1,491,958	Current assets
Goodwill	6,819		376		-1,203	5,992	274,103	Goodwill
Other Non-current assets	65,728	-106		-28		65,594	6,411,814	Other non-current assets
<b>Total assets</b>	87,977	-273	376	-28	-1,203	86,849	8,177,875	<b>Total assets</b>
<b>Liabilities and shareholders' equity</b>								<b>Liabilities and equity</b>
Current liabilities	10,950	122	161	1		11,234	1,098,124	Current liabilities
Non-current liabilities	50,544	-395	151	-15		50,285	4,915,359	Non-current liabilities
<b>Total liabilities</b>	61,494	-273	312	-14		61,519	6,013,482	<b>Total liabilities</b>
<b>Total shareholders' equity</b>	26,483		64	-14	-1,203	25,330	2,164,393	<b>Total equity</b>
<b>Total liabilities and shareholders' equity</b>	87,977	-273	376	-28	-1,203	86,849	8,177,875	<b>Total liabilities and equity</b>

\* September month end rate is used for conversion of dollars into yen (1USD = approx. JPY98).

For goodwill, after consideration of basis adjustment (JPY 311.7bn deducted).

- (1) Under IFRS, the transaction costs related to the issuance of bonds and borrowing cost are deducted from liabilities. Deferred tax assets and liabilities are presented as non-current asset and non-current liabilities.
- (3) Under US-GAAP, provision for network infrastructure restructuring (Network Vision) is booked when the payment obligation is recognized.  
Under IFRS, the provision is booked when SoftBank has detailed formal plan is publicly announced. (Under IFRS, restructuring cost was booked as provision at the timing of acquisition).

# Finance - Interest-bearing Debt, Cash Position, Financial Indicators

Unaudited

Interest-bearing debt status by item (Millions of yen)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Interest-bearing debt</b>		2,746,436	2,934,112	3,277,419		3,707,853	4,617,693	8,840,164			
Corporate bonds and Commercial Paper		602,007	603,136	601,373		996,756	1,746,260	4,747,874			
Long-term borrowings		626,070	685,852	690,642		510,856	503,578	2,110,735			
Short-term borrowings		606,940	681,654	935,613		1,089,545	1,185,656	707,106			
Lease obligations		646,736	684,568	736,764		756,735	826,872	913,372			
Installment payables		68,481	82,278	115,981		156,493	157,437	162,765			
Preferred securities		196,202	196,624	197,046		197,468	197,890	198,312			

  

Interest-bearing debt and net interest-bearing debt (Millions of yen)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Interest-bearing debt (*)</b>		2,746,436	2,934,112	3,277,419		3,707,853	4,617,693	8,840,164			
<b>Cash position (*)</b>		771,014	1,113,266	1,070,070		1,450,047	2,094,214	2,681,664			
<b>Net interest-bearing debt (*)</b>		1,975,422	1,820,846	2,207,349		2,257,807	2,523,479	6,158,500			

  

Cash Position (Millions of yen)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Cash position</b>		771,014	1,113,266	1,070,070		1,450,047	2,094,213	2,681,664			
<b>Unused portion of credit line facility (*)</b>		180,000	84,300	84,300		84,300	-	-			
<b>Cash position + unused portion of credit line facility</b>		951,014	1,197,566	1,154,370		1,534,347	2,094,213	2,681,664			

  

Interest coverage ratio (*) (Times)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Interest coverage ratio</b>		22.2	23.6	20.6	10.8	17.7	12.6	6.0			

  

Debt / equity ratio (Times)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Debt / equity ratio</b>		3.1	2.9	2.8		2.3	2.4	5.0			
<b>Net debt / equity ratio</b>		2.2	1.8	1.9		1.4	1.3	3.5			

  

Interest-bearing debt / EBITDA ratio (*) (Times)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
<b>Interest-bearing debt / EBITDA ratio</b>		2.4	2.5	2.8		3.2	3.3	4.6			
<b>Net interest-bearing debt / EBITDA ratio</b>		1.8	1.5	1.9		2.0	1.8	3.2			

\*Cash position: cash and cash deposits + marketable securities recorded as current assets (include Sprint's restricted cash).

\*Net interest-bearing debt: interest-bearing debt + cash position

\*Unused portion of credit line facility = credit line facility size - credit line borrowings

\*Interest coverage ratio = EBITDA / interest expenses

\*Debt / equity ratio = Interest-bearing debt / equity attributable to owners of the parent

\*EBITDA = operating income (loss) - income from re-measurement relating to business combination - other operating income + depreciation and amortization

\*Interest-bearing debt / EBITDA ratio is annualized cumulative EBITDA of each quarter-end.

EBITDA of FY2013 Q2 is the sum of annualized cumulative EBITDA of segments other than Sprint and Sprint's FY2013 annual EBITDA forecast (average).

## Operation - 1 Mobile Communications - 1

Cumulative subscribers (*)	
(Thousands)	
SoftBank Mobile	
eAccess	
WILLCOM (PHS)	

FY2012				
Q1	Q2	Q3	Q4	Full year
29,702	30,461	31,322		32,480
4,138	4,259	4,292		4,319
4,696	4,814	4,943		5,086

FY2013				
Q1	Q2	Q3	Q4	Full year
33,290	34,066			
4,343	4,415			
5,199	5,310			

Net additions (*) (SoftBank Mobile)	
(Thousands)	
Total	
Postpaid	
Prepaid	

FY2012				
Q1	Q2	Q3	Q4	Full year
753	759	861	1,158	3,531
772	771	872	1,170	3,585
-19	-12	-11	-12	-55

FY2013				
Q1	Q2	Q3	Q4	Full year
810	776			
818	790			
-8	-14			

Number of handsets shipped (SoftBank Mobile)	
(Thousands)	
Total	

FY2012				
Q1	Q2	Q3	Q4	Full year
2,359	2,631	3,486	3,082	11,558

FY2013				
Q1	Q2	Q3	Q4	Full year
2,575	2,734			

Number of units sold (SoftBank Mobile)	
(Thousands)	
Total	
New subscriptions	
Handset upgrades	

FY2012				
Q1	Q2	Q3	Q4	Full year
2,586	2,997	3,843	3,686	13,113
1,663	1,718	1,894	2,243	7,519
923	1,279	1,949	1,443	5,594

FY2013				
Q1	Q2	Q3	Q4	Full year
3,023	3,148			
1,790	1,902			
1,233	1,246			

\*The number of subscribers includes prepaid mobile phones and communication module service subscribers.

\*Handsets shipped: the number of handsets shipped (sold) to handset dealers.

\*Units sold: the total number of new subscriptions and handset upgrades.

## Operation - 2 Mobile Communications - 2

Operational data		(Yen)
ARPU (excluding communication modules*)		
[IFRS]	Data ARPU	
Monthly Discounts (excluding communication modules)		
Churn rate (*)		
	Churn rate (postpaid)	
Upgrade rate (*)		

FY2012				
Q1	Q2	Q3	Q4	Full year
4,510	4,650	4,640	4,400	4,550
2,710	2,760	2,800	2,840	2,780
890	860	850	860	860
1.03%	1.06%	1.12%	1.14%	1.09%
0.96%	1.00%	1.06%	1.09%	1.03%
1.05%	1.42%	2.10%	1.51%	1.53%

FY2013				
Q1	Q2	Q3	Q4	Full year
4,460	4,520			
2,870	2,930			
860	840			
0.99%	1.11%			
0.94%	1.06%			
1.25%	1.23%			

(Reference)		(Yen)
ARPU (including communication modules*)		
[IFRS]	Data ARPU	

FY2012				
Q1	Q2	Q3	Q4	Full year
4,210	4,340	4,300	4,060	4,230
2,540	2,580	2,610	2,630	2,590

FY2013				
Q1	Q2	Q3	Q4	Full year
4,090	4,120			
2,640	2,690			

\*ARPU (Average Revenue Per User per month)(rounded to the nearest JPY10)

\*ARPU (excluding communication modules) = (data-related revenue (excluding communication modules) + basic monthly charge, voice-related revenues, etc. (excluding communication modules)) / number of active subscribers (excluding communication modules)

Data ARPU (excluding communication modules)= data-related revenue (excluding communication modules) / number of active subscribers (excluding communication modules)□

\*ARPU (including communication modules) = (data-related revenue + basic monthly charge, voice-related revenues, etc.) / number of active subscribers

Data ARPU (including communication modules) = data-related revenue / number of active subscribers□

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).□

The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

Data-related revenue: packet communication and flat-rate charges, basic monthly Internet connection charges, content-related revenues, etc.

Basic monthly charge and voice-related revenues: basic monthly usage charges, voice call charges, device warrantee services, revenues from incoming calls, advertising revenue, etc.

Revenues from incoming calls: interconnection charges received from other operators for voice calls from their customers on their network to SoftBank mobile phones as a charge for the services provided in the SoftBank Mobile Corp. service area.

\*Churn rate = churn / number of active subscribers (rounded to the nearest 0.01%). Churn: total number of subscribers that churned during the relevant period.

\*Number of active subscribers: the total of the monthly number of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).□

The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, The number of active subscribers used in the calculation of churn rate of postpaid subscribers excludes prepaid mobile phones and devices that do not have voice communication functionalities.

\*Upgrade rate = number of upgrades / number of active subscribers (rounded off to the nearest 0.01%). Number of upgrades = total number of upgrades during the relevant period.

\*Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).

The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

## Operation - 3 Sprint

Cumulative subscribers(*)  (Thousands)		FY2012					FY2013					
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	
		Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013			Jun 30, 2013	Sep 30, 2013	Dec 31, 2013		Mar 31, 2014
Sprint Platform		51,974	52,857	53,540	/	53,896	53,376	53,252	/			
Nextel Platform		4,412	3,106	2,086		1,315						
U.S. Cellular and Clearwire(*)		-	-	-		-	212	1,625				

  

Net additions (losses)  (Thousands)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013			Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	
Total		1,281	883	683	356	/	-520	-95			
Postpaid		442	410	401	12		194	-360			
Prepaid		451	459	525	568		-486	84			
Wholesale		388	14	-243	-224		-228	181			

  

ARPU(*) (Sprint Platform)  (USD/month)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013			Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	
Postpaid		63.38	63.21	63.04	63.67	/	64.20	64.28			
Prepaid		25.49	26.19	26.30	25.95		26.96	25.33			

  

Churn rate (*) (Sprint Platform)  (%/month)		FY2012					FY2013				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013			Jun 30, 2013	Sep 30, 2013	Dec 31, 2013	
Postpaid		1.69%	1.88%	1.98%	1.84%	/	1.83%	1.99%			
Prepaid		3.16%	2.93%	3.02%	3.05%		5.22%	3.57%			

\* Includes the number of prepaid mobile phones and communication module service subscribers.

\* Sprint acquired approximately 352,000 postpaid subscribers and 59,000 prepaid subscribers through the acquisition of assets from U.S. Cellular when the transaction closed on May 17, 2013.

Sprint acquired approximately 788,000 postpaid subscribers, 721,000 prepaid subscribers, 93,000 wholesale subscribers and transferred 29,000 Sprint wholesale subscribers that were originally recognized through Sprint's Clearwire MVNO arrangement to this category's postpaid subscribers as a result of the Clearwire acquisition when the transaction closed on July 9, 2013.

\* ARPU (Average Revenue Per User per month) (rounded to the nearest USD.00)

ARPU = Service revenue / average number of active subscribers

Number of active subscribers: the total of the monthly number of active subscribers for the relevant period  $((\text{subscribers at the beginning of the month} + \text{subscribers at the end of the month})/2)$ .

The number of active subscribers is based on cumulative subscribers including communication modules and devices that do not have voice communication functionalities. □

\* Churn rate = number of deactivations / average number of active subscribers (rounded to the nearest 0.01%)

Deactivations = total number of subscribers that churned during the relevant period.

Number of active subscribers: the total of the monthly number of active subscribers for the relevant period  $((\text{subscribers at the beginning of the month} + \text{subscribers at the end of the month})/2)$ .

The number of active postpaid subscribers is based on cumulative subscribers including communication modules, and devices that do not have voice communication functionalities.

The number of deactivations excludes the number of subscribers who switches between prepaid and postpaid on the same date.

## Operation - 4 Fixed-line Telecommunications

Broadband service	FY2012					FY2013				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Yahoo! BB ADSL cumulative subscribers (thousands) (*)	2,467	2,364	2,271		2,172	2,080	1,997			
Yahoo! BB hikari with FLET'S cumulative subscribers (thousands)(*)	1,771	1,863	1,951		2,081	2,203	2,290			

\*Yahoo! BB ADSL cumulative subscribers: number of subscribers for which connection construction for ADSL line at central office of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT East") or NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION ("NTT West") is complete

\*Yahoo! BB hikari with FLET'S: a broadband connection service that combines the Internet connection service Yahoo! BB and the FLET'S HIKARI fiber-optic connection provided by FLET'S and FLET'S HIKARI are registered trademarks of NTT East and NTT West.

\*Yahoo! BB hikari with FLET'S number of cumulative subscribers: number of users for which connection construction for FLET'S HIKARI line at central office of NTT East or NTT West is complete and who are provided with services.

Fixed-line service	FY2012					FY2013				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Number of OTOKU Line lines (thousands)	1,684	1,692	1,688		1,703	1,703	1,711			

## Reference - 1 Main Financing Activities of FY 2013

### <Procurements>

		Amount	Date
Bonds	USD-denominated Senior Notes due 2020	USD 2,485m (JPY 244.2bn)	Apr 2013
	EUR-denominated Senior Notes due 2020	EUR 625m (JPY 80.2bn)	Apr 2013
	43rd Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	JPY 400.0bn	Jun 2013
	Issuance of corporate bond by Sprint	Total USD 6.5bn	Sep 2013
Borrowings	Bridge loan for Sprint acquisition <sup>*1</sup>	Total JPY 1,284.9bn <sup>*2</sup>	Jul 2013
	Renewal of credit line facility	JPY 170.0bn	Aug 2013
	Refinance of the funding for the acquisition of Sprint	Total JPY 1,980.0bn	Sep 2013

### <Others>

Apr 2013	Consolidation of GungHo Online Entertainment, Inc.
Jul 2013	Consolidation of WILLCOM Inc. upon the termination of its rehabilitation proceedings
Jul 2013	Acquisition of Sprint Nextel Corporation
Jul 2013	Sold Betfair shares: amount GBP 89mil (approx. JPY 13.5bn)
Jul 2013	Established Bloom Energy Japan Ltd., a joint venture with Bloom Energy Corporation
Sep 2013	Additional purchases of Sprint Corporation shares (total: 80.23%)
Oct 2013	Acquisition of Supercell shares by SoftBank and GungHo Online Entertainment, Inc.
Oct 2013	Acquisition of Brightstar shares

\*1 Sprint Nextel Corporation: renamed to Sprint Communications, Inc. \*2 Of which JPY 250bn was already borrowed on December 2012. □



## Reference - 2 Corporate Bonds Details

(Millions of yen ; unless otherwise stated)

Commercial paper, Bond	Maturity date	Interest rate (%, year)	Mar 13 Amount of issue	Sep 13 Amount of issue	Sep 13 Balance
<b>SoftBank</b>					
Commercial paper	—	—	—	42,000	42,000
31st series Unsecured Straight Bond	May 31, 2013	1.170	25,000	—	
33rd series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Sept. 17, 2013	1.240	130,000	—	
38th series Unsecured Straight Bond	Jan. 27, 2014	0.420	50,000	50,000	49,975
37th series Unsecured Straight Bond	June 10, 2014	0.650	30,000	30,000	29,974
26th series Unsecured Straight Bond	June 19, 2014	4.360	14,900	14,900	14,894
30th series Unsecured Straight Bond	Mar. 11, 2015	3.350	30,000	30,000	29,962
32nd series Unsecured Straight Bond	June 2, 2015	1.670	25,000	25,000	24,963
34th series Unsecured Straight Bond	Jan. 25, 2016	1.100	45,000	45,000	44,910
36th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	June 17, 2016	1.000	100,000	100,000	99,719
42nd series Unsecured Straight Bond	Mar. 1, 2017	1.467	70,000	70,000	69,767
41st series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Mar. 10, 2017	1.470	300,000	300,000	296,111
40th series Unsecured Straight Bond	Sept. 14, 2017	0.732	10,000	10,000	9,962
39th series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Sept. 22, 2017	0.740	100,000	100,000	99,592
35th series Unsecured Straight Bond	Jan. 25, 2018	1.660	10,000	10,000	9,972
43rd series Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	June 20, 2018	1.740	—	400,000	395,250
USD-denominated Senior Notes due year 2020	Apr. 15, 2020	4.500	—	USD 2,485mn	239,124
EUR-denominated Senior Notes due year 2020	Apr. 15, 2020	4.625	—	EUR 625mn	80,966
<b>Sub Total (SoftBank)</b>					<b>1,537,140</b>
<b>eAccess</b>					
USD-denominated Senior Notes due year 2018	Apr. 1, 2018	8.250	USD420mn	USD 420mn	40,607
EUR-denominated Senior Notes due year 2018	Apr. 1, 2018	8.375	EUR 200mn	EUR 200mn	26,146
<b>Sub Total (eAccess)</b>					<b>66,753</b>

(Millions of yen ; unless otherwise stated)

Commercial paper, Bond	Maturity date	Interest rate (%, year)	Mar 13 Amount of issue	Sep 13 Amount of issue	Sep 13 Balance
<b>Sprint Group</b>					
<b>Sprint Corporation</b>					
7.25% Notes due 2021	Sept. 15, 2021	7.250	—	USD 2,250mn	216,606
7.875% Notes due 2023	Sept. 15, 2023	7.875	—	USD 4,250mn	409,137
<b>Sprint Communications, Inc.</b>					
Export Development Canada Facility (Tranche 2)	Dec. 15, 2015	3.618	—	USD 500mn	48,875
6% Senior Notes due 2016	Dec. 1, 2016	6.000	—	USD 2,000mn	206,535
9.125% Senior Notes due 2017	Mar. 1, 2017	9.125	—	USD 1,000mn	111,467
8.375% Senior Notes due 2017	Aug.15, 2017	8.375	—	USD 1,300mn	141,623
9% Guaranteed Notes due 2018	Nov. 15, 2018	9.000	—	USD 3,000mn	340,677
7% Guaranteed Notes due 2020	Mar.1, 2020	7.000	—	USD 1,000mn	105,371
7% Senior Notes due 2020	Aug. 15, 2020	7.000	—	USD 1,500mn	152,454
11.5% Senior Notes due 2021	Nov. 15, 2021	11.500	—	USD 1,000mn	130,457
9.25% Debentures due 2022	Apr. 15, 2022	9.250	—	USD 200mn	23,485
6% Senior Notes due 2022	Nov. 15, 2022	6.000	—	USD 2,280mn	219,703
<b>Sprint Capital Corporation</b>					
6.9% Senior Notes due 2019	May 1, 2019	6.900	—	USD 1,729mn	174,492
6.875% Senior Notes due 2028	Nov. 15, 2028	6.875	—	USD 2,475mn	224,549
8.75% Senior Notes due 2032	Mar. 15, 2032	8.750	—	USD 2,000mn	209,637
<b>Clearwire Communications LLC</b>					
12% Senior Secured Notes due 2015	Dec. 1, 2015	12.000	—	USD 2,350mn	246,401
14.75% First-Priority Senior Secured Notes due 2016	Dec. 1, 2016	14.750	—	USD 300mn	39,691
12% Second-Priority Senior Secured Notes due 2017	Dec. 1, 2017	12.000	—	USD 500mn	56,883
8.25% Exchangeable Notes due 2040	Dec. 1, 2040	8.250	—	USD 629mn	67,958
<b>iPC inc.</b>					
Second Lien Senior Secured Floating Rate Notes due 2014	May 1, 2014	3.515	—	USD 181mn	17,717
<b>Other</b>				USD 0.66mn	65
<b>Sub Total (Sprint Group)</b>					<b>3,143,780</b>
<b>Other</b>					
					200
<b>Total Balance</b>					<b>4,747,873</b>

\* Unsecured straight corporate bonds issued by SoftBank (including foreign currency denominated bonds) are guaranteed by SoftBank Mobile and SoftBank Telecom.

### Reference - 3 Trend of Credit Rating of SoftBank

