SoftBank

SOFTBANK CORP.
CONSOLIDATED FINANCIAL REPORT
For the three-month period ended June 30, 2009

Tokyo, July 30, 2009

1. FINANCIAL HIGHLIGHTS

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

(1) Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Three-month period ended June 30, 2009	**¥666,334**	**2.9**	**¥108,290**	**27.3**	**¥78,797**	**45.2**	**¥27,383**	**41.4**
Three-month period ended June 30, 2008	¥647,255	-	¥85,086	-	¥54,272	-	¥19,368	-

	Net income per share－basic (yen)	Net income per share－diluted (yen)
Three-month period ended June 30, 2009	**¥25.33**	**¥24.45**
Three-month period ended June 30, 2008	¥17.92	¥17.07

(2) Financial Condition

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

	Total assets	Total equity	Equity ratio (%)	Shareholders' equity per share (yen)
As of June 30, 2009	**¥4,327,343**	**¥869,124**	**9.5**	**¥380.33**
As of March 31, 2009	¥4,386,672	¥824,798	8.5	¥346.11

Note: Shareholders' equity (consolidated)
As of June 30, 2009: ¥411,631 million
As of March 31, 2009: ¥374,094 million

2. Dividends

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2009	-	0.00	-	2.50	2.50
Fiscal year ending March 31, 2010	-				
Fiscal year ending March 31, 2010 (Forecasted)		0.00	-	5.00	5.00

Revision of forecasts on the dividends: No

3. Forecasts on the consolidated operation results for the fiscal year ending in March 2010 (April 1, 2009 – March 31, 2010)

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

	Operating income	
First-half financial year	¥ -	- (%)
Full financial year	¥420,000	16.9(%)

Revision of forecasts on the consolidated operation results: No
The earning forecasts for interim period ending September 31, 2009 are not disclosed.

4. Others

(1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): No

(2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements: No

(3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements (Changes described in "(5) Basis of Presentation of Consolidated Financial Statements")
[1] Changes due to revisions in accounting standards: No
[2] Changes other than those in [1]: No

(4) Number of shares issued (Common stock)
[1] Number of shares issued (including treasury stock):
As of June 30, 2009: 1,082,485,878 shares
As of March 31, 2009: 1,081,023,978 shares
[2] Number of treasury stock:
As of June 30, 2009: 170,841 shares
As of March 31, 2009: 169,204 shares
[3] Weighted average number of common stock :
As of June 30, 2009: 1,081,005,310 shares
As of June 30, 2008: 1,080,540,130 shares

* Note to forecasts on the consolidated operating results and another item

The forecast figures are estimated based on the information which the company is able to obtain at the present point and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

Qualitative Information / Financial Statements

1. Qualitative Information of Consolidated Results of Operations

(1) Consolidated Results of Operations

<<Summary of Results of Operations>>			
Net sales	**¥**	**666,334 million**	**(2.9% increase year-on-year)**
Operating income	**¥**	**108,290 million**	**(27.3% increase year-on-year)**
Ordinary income	**¥**	**78,797 million**	**(45.2% increase year-on-year)**
Net income	**¥**	**27,383 million**	**(41.4% increase year-on-year)**

<Overview of results for the period ended June 30, 2009 (three-month period from April 1, 2009 to June 30, 2009)>

The SOFTBANK Group (hereafter 'the Group') operates its businesses utilizing intra-group synergies, as a comprehensive Internet company providing telecommunications infrastructure, portal, and content and services. In terms of finances, SOFTBANK CORP. (hereafter 'the Company') has reinforced its cash-flow-oriented management, and the period ended June 30, 2009 (April 1, 2009 to June 30, 2009; hereafter 'this period') marked a solid start toward the achievement of its targets of 1) the creation of around ¥1 trillion in free cash flow[*1] over the next three years (year ending March 2010 to year ending March 2012) and 2) reducing net interest-bearing debt[*2] by half over the next three years and to zero in six years (year ending March 2010 to year ending March 2015).

The Group's operations are based on the two core strategies of being the 'No. 1 mobile Internet company' and the 'No. 1 Internet company in Asia.' Major initiatives launched during this period included the release of numerous *MOBILE WIDGET* -compatible handsets as new models for the summer and the full rollout of services that make it easy to enjoy original video content by SOFTBANK MOBILE Corp. (hereafter 'SOFTBANK MOBILE'), the core company of the Mobile Communications segment, as SOFTBANK MOBILE strove to further popularize mobile content. The Company's Asian business saw a series of tie-up announcements with domestic Japanese companies by Alibaba.com Japan Co., Ltd., the Japanese entity (a joint venture with the Alibaba Group and a subsidiary of the Company) of Alibaba.com Limited, the operator of Alibaba.com which is one of the world's largest B2B e-commerce sites. The service rollout was accelerated for the expansion of the sales channels for Japanese companies to connect Japanese products with the Chinese market through the Internet. The Company further strengthened its Asian business in June with a comprehensive tie-up in the area of video content such as TV programs and entertainment-related businesses with Shanghai Media Group, one of the most influential media groups in China.

In addition, the Group's three telecommunications companies, SOFTBANK MOBILE, SOFTBANK BB Corp. (hereafter 'SOFTBANK BB'), and SOFTBANK TELECOM Corp. (hereafter 'SOFTBANK TELECOM') unified their service brand logo in April 2009 to further enhance Group synergies.

As a result of these efforts, the Group's net sales for this period totaled ¥666,334 million, with ¥108,290 million in operating income, ¥78,797 million in ordinary income, and ¥27,383 million in net income.

(Notes) *1 Cash flows from operating activities + cash flows from investing activities.
*2 Interest-bearing debt - cash position
Interest-bearing debt = Short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds. Lease obligations are excluded.
Cash position = cash and cash deposits, marketable securities under current assets

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	647,255	681,742	653,264	690,772	666,334	-	-	-
Operating income	85,086	94,913	94,690	84,430	108,290	-	-	-
Ordinary income	54,272	63,043	57,178	51,167	78,797	-	-	-
Net income (loss)	19,368	21,747	17,066	(15,009)	27,383	-	-	-

(a) Net Sales

Net sales totaled ¥666,334 million, an increase of ¥19,078 million (2.9%) compared with the corresponding three-month period in the previous fiscal year (the three-month period ended June 30, 2008 hereafter 'year-on-year'), primarily from ¥34,718 million in sales growth at the Mobile Communications segment. The increase at the Mobile Communications segment was mainly due to growth in telecom service revenue and from sales of mobile phone products, etc. at SOFTBANK MOBILE.

Net sales at the e-Commerce segment decreased by ¥8,245 million, mainly because of reduced demand in the corporate market along with the economic downturn, and net sales at the Broadband Infrastructure segment decreased by ¥6,321 million as a result of the decline in the cumulative number of *Yahoo! BB ADSL* lines.

(b) Cost of Sales

Cost of sales declined ¥17,720 million (5.3%) year-on-year to ¥317,606 million. This was mainly due to a decline in cost of goods purchased at the e-Commerce segment, and lower depreciation and other costs at the Broadband Infrastructure segment as fully depreciated assets increased. Although the Mobile Communications segment had higher handset shipments, the cost of goods sold for handsets was roughly flat year-on-year due to lower inventory write-downs as a result of efficient inventory management in this period.

(c) Selling, General and Administrative Expenses

Selling, general and administrative expenses came to ¥240,437 million, for a ¥13,594 million (6.0%) year-on-year increase. This was mainly due to higher sales commissions and sales promotion expenses while expenses related to doubtful accounts declined.

The increase in sales commissions and sales promotion expenses came primarily from increased mobile handset sales volume and an increase in the unit price of sales commissions for agents at the Mobile Communications segment. The decline in doubtful account-related expenses was the result of stricter screening of new customers at the time of application for a contract and enhanced collection of receivables.

(d) Operating Income

Operating income rose ¥23,203 million (27.3%) year-on-year, to ¥108,290 million, and exceeded ¥100 billion for the first time on a quarterly basis.

(e) Non-operating Income

Non-operating income was ¥2,220 million, an increase of ¥195 million (9.7%) year-on-year. Interest income declined by ¥243 million, while foreign exchange income and other non-operating income increased by ¥272 million and ¥165 million, respectively.

(f) Non-operating Expenses

Non-operating expenses came to ¥31,713 million, a decrease of ¥1,125 million (3.4%) year-on-year. Interest expenses were down ¥912 million year-on-year. The ¥632 million equity in loss of affiliated companies was ¥973 million smaller year-on-year, primarily from the improved performance of investment funds accounted for by the equity method.

(g) Ordinary Income

Ordinary income came to ¥78,797 million, a ¥24,525 million (45.2%) year-on-year increase.

(h) Special Income

Special income totaled ¥2,408 million, the primary components of which were ¥866 million on unrealized appreciation on investments and loss on sale of investments at subsidiaries in the U.S., net, ¥789 million dilution gain from changes in equity interest, and a ¥532 million gain from the sale of investment securities.

(i) Special Loss

Special loss came to ¥2,012 million, and included a ¥924 million valuation loss on investment securities and impairment losses of ¥797 million.

(j) Income Taxes and Others

Current income taxes were ¥19,856 million, deferred income taxes were ¥21,189 million, and ¥10,763 million was recorded as minority interests in net income.

(k) Net Income for the Period

Net income for the period came to ¥27,383 million, a ¥8,015 million (41.4%) year-on-year increase.

(2) Results by Business Segment

(a) Mobile Communications

<<Summary of Segment Results>>		
Net sales	**¥ 407,304 million**	**(9.3% increase year-on-year)**
Operating income	**¥ 60,260 million**	**(36.1% increase year-on-year)**

Net subscriber additions totaled 323,300 for the period.
No. 1 in monthly net additions for 26 consecutive months since May 2007.
Total number of subscribers at the end of the period reached 20.95 million, of which 19.45 million were 3G subscribers.

<Analysis of Results>

Net sales were ¥407,304 million, up ¥34,718 million (9.3%) year-on-year. The segment achieved a significant increase in operating income of ¥15,986 million (36.1%) year-on-year to ¥60,260 million. With steady subscriber growth at the core company SOFTBANK MOBILE, telecom service revenue rose, and combined with increased handset sales volume this resulted in sales of handsets growth. The growth in handset sales volume primarily reflected upgrade purchases by the customers who had purchased handsets under the installment sales method. Although an increase in both handset sales volume and commission per unit paid to sales agents boosted sales commissions, the increase in operating income came from a decline in expenses related to doubtful accounts as a result of stricter credit screening of customers at the time of application for a new subscription and continuous efforts to reduce costs, including reductions in consignment fees and telecommunication equipment usage fees.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	372,585	401,375	376,861	412,068	**407,304**	—	—	—
Operating income	44,273	43,890	46,747	36,478	**60,260**	—	—	—

<Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) at SOFTBANK MOBILE for the period totaled 323,300; maintaining SOFTBANK MOBILE's top position in monthly net additions for the 26 consecutive months since May 2007. The number of SOFTBANK MOBILE subscribers totaled 20,956,200[*3] as of the end of the period, of which 3G subscribers totaled 19,455,000. Cumulative subscriber share[*4] rose 0.9 percentage point from the previous fiscal year end, to 19.3%. SOFTBANK MOBILE continues to promote the migration to 3G in advance of the scheduled termination of its 2G service on March 31, 2010. As of June 30, 2009, the number of 2G subscribers totaled 1,501,200, of which 878,000 were postpaid subscribers and 623,200 were prepaid subscribers.

(Notes) *3 The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers. The number of communication module service subscribers at the end of the period was 70,100.
*4 Calculated by the Company based on Telecommunications Carriers Association statistical data.

(Thousands of lines)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net additions	525.5	521.4	366.6	633.1	**323.3**	—	—	—
Total	19,111.7	19,633.2	19,999.8	20,632.9	**20,956.2**	—	—	—

<ARPU and Average Acquisition Commission per User>

ARPU[*5] for the period was ¥4,030, a significant improvement compared with the last quarter of the previous fiscal year. This increase was mainly the result of continued growth in data ARPU, the absence of the previous period's one-time factors including access charge tariff revisions between carriers, and a smaller negative impact of the *Monthly Discounts*, a special discount for subscribers to *New Super Bonus*, on voice ARPU.

The average acquisition commission per user during the period increased by ¥4,800 compared to the last quarter of the previous fiscal year, and came to ¥50,100. This was due to the growth in the proportion of handsets sold at moderate prices and the impact of corporate sales strategies.

(Note) *5 Average Revenue Per User.

(Yen per month)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
ARPU	4,180	4,170	4,090	3,830	4,030	—	—	—
(Basic monthly charge + voice)	2,530	2,460	2,300	2,020	2,150	—	—	—
(Data)	1,650	1,710	1,790	1,820	1,880	—	—	—

<Churn Rate and Upgrade Rate>

The churn rate for the period was 1.05%, a 0.08 percentage point improvement from the previous fiscal year end. The upgrade rate decreased by 0.25 percentage points from the previous fiscal year end, to 1.73%.

(% per month)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Churn rate	0.98	0.98	0.91	1.13	**1.05**	—	—	—
(3G only)[*6]	0.72	0.76	0.69	0.90	**0.87**	—	—	—
Upgrade rate	1.27	1.91	1.67	1.98	**1.73**	—	—	—

(Note) *6 Excludes 3G Prepaid Service.

<New Models Released during the Period>

SOFTBANK MOBILE announced the release of 19 summer models in 61 colors—a company record—in May 2009. Eight of these models as well as the 'iPhone™ 3GS[*7]', for a total of nine, were released during the period. Of these nine models, four—including the 'AQUOS SHOT SoftBank 933SH[*8]' and 'SoftBank 930N'—are *MOBILE WIDGET*-compatible, as SOFTBANK MOBILE continued to popularize this feature. A new way of enjoying the mobile Internet was also introduced in June with the release of the digital photo frame 'PhotoVision SoftBank HW001', which has telecommunication functionality for the easy enjoyment of photos sent from SoftBank mobile phones etc.

(Notes) *7 iPhone is a trademark of Apple Inc. The trademark 'iPhone' is used with a license from Aiphone K.K.
*8 AQUOS and AQUOS SHOT are trademarks or registered trademarks of Sharp Corporation.

<New Content Services Launched during the Period>

SOFTBANK MOBILE aims to further popularize 'mobile content,' and strives to expand easy-to-use mobile content and related services. May 2009 saw the full-fledged release of '*Simple Select Video*,' which makes it easy to enjoy the '*S-1 BATTLE*' as well as baseball, soccer and entertainment news content. '*EasyAccess Music*,' launched in June, lets users enjoy the latest music information content in video form.

(b) Broadband Infrastructure

<<Summary of Segment Results>>	
Net sales	**¥53,806 million (10.5% decrease year-on-year)**
Operating income	**¥13,903 million (32.7% increase year-on-year)**
Total installed lines for *Yahoo! BB ADSL*:	**4,158,000 (as of period end)**
Increased the operating margin by reducing sales related expenses etc.	

<Analysis of Results>

Net sales totaled ¥53,806 million, which was down ¥6,321 million (10.5%) year-on-year. Operating income rose ¥3,427 million year-on-year (32.7%) to ¥13,903 million. Although revenue from the ADSL business of core company SOFTBANK BB is trending lower on a decline in number of lines installed, the trend of profit growth continues because of a decrease in acquisition incentives and other sales related expenses, lower depreciation for telecommunication equipments, and lower leasing expenses, in combination with cost reduction initiatives.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	60,127	59,911	58,376	56,784	53,806	-	-	-
Operating income	10,475	11,789	14,341	10,646	13,903	-	-	-

<Overview of Operations>

The number of lines installed for *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB, totaled 4,158,000 lines at the end of the period, and ARPU for this period was ¥4,259 on a customer payment basis.

SOFTBANK BB continued to market the *Yahoo! BB White Plan* and *SoftBank Keitai Set Discount*, both launched in the previous fiscal year. By cross-selling with SOFTBANK MOBILE, SOFTBANK BB is creating synergies across the Group, leading to enhanced competitiveness.

(c) Fixed-line Telecommunications

<<Summary of Segment Results>>

Net sales	**¥86,758 million**	**(1.9% decrease year-on-year)**
Operating income	**¥3,493 million**	**(337.6% increase year-on-year)**

Total installed lines for *OTOKU Line*: 1,631,000 (as of period end)

As a result of fixed cost reductions and an increase in the number of lines for *OTOKU Line*, operating income increased 337.6% year-on-year.

<Analysis of Results>

Net sales were ¥86,758 million, down ¥1,694 million (1.9%) year-on-year. Operating income totaled ¥3,493 million, an increase of ¥2,695 million (337.6%) year-on-year. Revenue at the core company SOFTBANK TELECOM from the *OTOKU Line* direct connection fixed-line voice service etc. continued to show steady growth, but the downward trend in revenue from existing voice services including *MY LINE* and international telephone services continued. Nevertheless, the segment is showing a trend of profit growth on improved management efficiency including continued fixed cost reductions, and growth in the number of lines with high profitability like *OTOKU Line* and *Ether Connect.*

SOFTBANK IDC Solutions Corp., which was previously included in the Fixed-line Telecommunications segment, merged with Yahoo Japan Corporation (hereafter 'Yahoo Japan') on March 30, 2009. As a result, the net sales and operating income relating to SOFTBANK IDC Solutions Corp. are included in the Internet Culture segment's results from this period. The Fixed-line Telecommunications segment has achieved both an increase in net sales and operating income year-on-year when SOFTBANK IDC Solutions Corp.'s contributions to the segment are excluded from the Fixed-line Telecommunications results of the same period of the previous fiscal year.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	88,453	90,005	90,196	94,977	86,758	-	-	-
Operating income	798	4,759	5,777	7,632	3,493	-	-	-

<Overview of Operations>

As the Group's contact point for corporate marketing of the telecommunication related business, SOFTBANK TELECOM continues to leverage its core *OTOKU Line* service to expand the base of the corporate business. The number of *OTOKU Line* lines installed is increasing steadily and stood at 1,631,000 as of the end of the period, for an increase of 189,000 (13.1%) year-on-year. Corporate customers constituted 78.9% of the total number of lines, and this figure continues to rise.

SOFTBANK TELECOM will continue to work towards increasing corporate sales of SoftBank mobile phones, and is developing solutions that make it easy for corporate customers to introduce the iPhone. Going forward, SOFTBANK TELECOM will utilize the comprehensive strength of the SOFTBANK Group together with SOFTBANK MOBILE to meet a great variety of needs with cutting-edge, high value-added corporate services.

(d) Internet Culture

<<Summary of Segment Results>>		
Net sales	**¥65,156 million**	**(4.5% increase year-on-year)**
Operating income	**¥31,717 million**	**(3.8% increase year-on-year)**

<Analysis of Results>

Net sales increased by ¥2,829 million (4.5%) year-on-year to ¥65,156 million. Operating income rose ¥1,174 million (3.8%) year-on-year to ¥31,717 million.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	62,326	63,259	64,247	64,404	65,156	-	-	-
Operating income	30,542	30,645	30,872	33,037	31,717	-	-	-

<Overview of Operations>

In the advertising business of Yahoo Japan, the core company of the segment, there was a large increase in advertisements submitted online and pay per performance advertising grew, however there was a slight decrease in net sales due to the downturn in the advertising market. On the other hand, there was a significant year-on-year increase in revenue in the business services. The positive effects of the revision of the *Yahoo! Auctions*' store royalties and effects of the merger with the data center business also contributed in the period. In the personal service business as a result of efforts to expand member-exclusive services in the *Yahoo! Premium* service and enhance the cooperation with external partners the number of '*Yahoo! Premium*' membership IDs amounted to 7.45 million (an increase of 5.5% year-on-year). The net sales of this business grew significantly year-on-year with a contribution of the revised membership fee since December 2008.

(e) e-Commerce

<<Summary of Segment Results>>		
Net sales	**¥54,213 million**	**(13.2% decrease year-on-year)**
Operating income	**¥940 million**	**(6.9% decrease year-on-year)**

<Analysis of Results>

Net sales were ¥54,213 million, which was ¥8,245 million (13.2%) lower year-on-year. Operating income declined ¥69 million (6.9%) year-on-year to ¥940 million.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	62,459	65,522	64,706	65,496	54,213	-	-	-
Operating income	1,009	1,737	1,055	833	940	-	-	-

<Overview of Operations>

Core company SOFTBANK BB's Commerce & Service Division made efforts toward the expansion of the product mix and stores handling the *SoftBank SELECTION*, which provides mobile phone accessories and PC software. Although *SoftBank SELECTION* sales increased the deterioration in the market environment caused a decline in corporate sales leading to a decline in net sales. On the other hand, continuous improvement of operational efficiency and readjustment of the product mix supported the improvement of the profit margin. Services such as the corporate virtual service and the SAAS/ASP[*9] service *'TEKI-PAKI'* which will contribute to the future revenue were enhanced.

Looking ahead to the age of cloud computing, this segment will continue to use the SOFTBANK brand in order to expand the product mix, and progress towards bundled solutions packaged around telecommunication lines leveraging the Group's telecommunications-related synergies.

(Note) *9 SaaS: Software as a service
ASP: Application Service Provider

(f) Others

<Analysis of Results>

Net sales decreased by ¥1,151 million (5.3%) year-on-year to ¥20,667 million. The operating loss was ¥880 million, compared with the ¥758 million loss in the same period of the previous fiscal year.

This segment includes the results of Technology Services (SOFTBANK TECHNOLOGY CORP.), the Media & Marketing (mainly SOFTBANK Creative Corp. and ITmedia Inc.), the Overseas Funds, and Others (Fukuoka SOFTBANK HAWKS related operations etc.)

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Net sales	21,818	24,189	20,556	21,662	20,667	-	-	-
Operating income (loss)	(758)	3,383	(2,855)	36	(880)	-	-	-

(3) Analysis by Geographical Segment

(a) Japan

Net sales increased by ¥20,289 million (3.2%) year-on-year to ¥664,370 million. Operating income rose ¥23,125 million (26.6%) year-on-year to ¥110,222 million.

(b) North America

Net sales declined by ¥38 million (13.0%) year-on-year to ¥259 million. The operating loss was ¥315 million, compared with the loss of ¥286 million in the same period of the previous fiscal year.

(c) Others

Net sales declined by ¥1,197 million (39.9%) year-on-year to ¥1,799 million. The operating loss was ¥178 million, compared with ¥68 million loss in the same period of the previous fiscal year.

2. Qualitative Information on Consolidated Financial Position

<<Summary of the Consolidated Financial Position>>			
Total assets	**¥ 4,327,343 million**	**(1.4% decrease year-on-year)**	
Total liabilities	**¥ 3,458,219 million**	**(2.9 % decrease year-on-year)**	
Equity	**¥ 869,124 million**	**(5.4% increase year-on-year)**	
Cash flows from operating activities		**¥ 132,087 million provided**	
Cash flows from investing activities		**¥ 75,511 million used**	
Cash flows from financing activities		**¥ 31,337 million used**	
Balance of cash and cash equivalents		**¥ 481,846 million**	**(¥24,202 million increase from the end of March 2009)**

(1) Assets, Liabilities and Equity

Assets, liabilities, and equity at the end of the period were as follows:

(a) Current Assets

Current assets decreased by ¥33,024 million (2.2%) from the previous fiscal year end, to ¥1,487,288 million. Although cash and deposits increased by ¥24,845 million, notes and accounts receivable–trade decreased ¥48,032 million and deferred tax assets declined ¥18,065 million.

The increase in cash and deposits reflects the free cash flow generated by each of the segments, while lease obligations decreased by ¥18,815 million at SOFTBANK MOBILE etc. and interest-bearing debt declined by ¥8,339 million. The decrease in notes and accounts receivable–trade was primarily from collecting accounts receivable from the previous fiscal year's year-end shopping season at the Mobile Communications and e-Commerce segments, and from collecting accounts receivable from installment sales at the Mobile Communications segment. The decline in deferred tax assets was due to smaller temporary differences caused by decreases in the balances of allowances related to valuation loss on mobile handset inventories and allowances for doubtful accounts etc. at SOFTBANK MOBILE, and a utilization of loss carryforwards at SOFTBANK BB. SOFTBANK MOBILE also lowered the default rate used for determining allowances for doubtful accounts of installment sales receivables, and as a result this reduced the allowance by ¥4,636 million.

(b) Fixed Assets

Property and equipment, net, decreased by ¥17,288 million (1.7%) from the previous fiscal year end, to ¥983,657 million. This decline primarily reflected depreciation and amortization of telecommunication equipment and telecommunication service lines.

Intangible assets decreased by ¥19,412 million (1.6%) from the previous fiscal year end, to ¥1,202,695 million. This was mainly due to a decrease in goodwill of ¥15,774 million caused by the regular amortization of SOFTBANK MOBILE, SOFTBANK TELECOM and others' goodwill, and from amortization of software.

Investments and other assets increased by ¥9,738 million (1.5%) from the previous fiscal year end, to ¥651,719 million. There was a ¥24,988 million increase in investment securities mainly due to the rise in Yahoo! Inc.'s share price, and the impact of the foreign currency exchange resulting in appreciation of the foreign currency-denominated investment securities held.

(c) Current Liabilities

Current liabilities decreased by ¥92,948 million (6.9%) from the previous fiscal year end to ¥1,256,634 million. Although the portion of corporate bonds maturing within one year increased by ¥20,000 million, there were declines of ¥60,793 million in accounts payable–other and accrued expenses, ¥34,659 million in short-term borrowings, and ¥11,826 million in notes and accounts payable –trade.

The increase in corporate bonds maturing within one year represented the transfer of the 24th Unsecured Straight Corporate Bond, from the corporate bonds under long-term liabilities. The decrease in accounts payable–other and accrued expenses reflected SOFTBANK MOBILE's payments of agency commissions from the previous fiscal year's year-end shopping season and payments of equipment-related payables. The reduction in short-term borrowings came from the repayment of borrowings under the credit line facility, and the reduction in notes and accounts payable – trade reflected the repayment of accounts payable-trade at the e-Commerce segment from the previous fiscal year's year-end shopping season.

(d) Long-term Liabilities

Long-term liabilities decreased by ¥10,706 million (0.5%) from the previous fiscal year end to ¥2,201,584 million. Although corporate bonds outstanding increased by ¥37,350 million, long-term borrowings and lease obligations decreased by ¥33,030 million and ¥20,043 million, respectively.

The increase in corporate bonds outstanding came from the ¥60,000 million 27th Unsecured Straight Corporate Bond issue, partially offset by the transfer to the short-term account of the 24th Unsecured Straight Corporate Bond (total of ¥20,000 million) which will mature within one year.

The decrease in long-term debt includes the ¥30,752 million repayment by SOFTBANK MOBILE of the SBM loan[*10], and ¥10,000 million in repayments by Yahoo Japan. The decline in lease obligations is the result of transferring the current portion of lease obligations related to telecommunication equipment at SOFTBANK MOBILE to current obligations.

(Note) *10 The acquisition funds for the acquisition of Vodafone K.K. were refinanced in November 2006 via a whole business securitization.

(e) Equity

Equity grew ¥44,326 million (5.4%) from the previous fiscal year end, to ¥869,124 million, on increases of ¥24,576 million in retained earnings, ¥9,489 million in the unrealized gain on available-for-sale securities, and ¥8,712 million in foreign currency translation adjustments. On the other hand, deferred gain on hedges declined ¥7,344 million.

The increase in the unrealized gain on available-for-sale securities was primarily from the rise in the share price of Yahoo! Inc. in the U.S. from the previous fiscal year end. The increase in foreign currency translation adjustments came from increases in the value of equity at overseas subsidiaries impacted by the foreign currency exchange appreciation compared with the previous fiscal year end.

(2) Cash Flows

Net cash provided by operating activities during the period totaled ¥132,087 million (compared with a ¥52,899 million net inflow in the same period of the previous fiscal year), while investing activities used net cash in the amount of ¥75,511 million (compared with a ¥90,769 million net outflow in the same period of the previous fiscal year), and financing activities used a net ¥31,337 million (compared with a ¥32,254 million net outflow in the same period of the previous fiscal year). As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the period was a positive ¥56,576 million (compared with a ¥37,869 million net outflow in the same period of the previous fiscal year), achieving a significant increase of ¥94,446 million year-on-year.

Cash and cash equivalents at the end of the period totaled ¥481,846 million, a ¥24,202 million increase from the previous fiscal year end.

<Trend of Cash Flows>

(Millions of yen)

	Fiscal year ended March 31, 2009				**Fiscal year ending March 31, 2010**			
	Q1	Q2	Q3	Q4	**Q1**	Q2	Q3	Q4
Cash flows from operating activities	52,899	124,307	93,561	177,089	132,087	—	—	—
Cash flows from investing activities	(90,769)	(74,334)	(58,016)	(43,175)	(75,511)	—	—	—
(Reference) free cash flow	(37,869)	49,972	35,545	133,914	56,576	—	—	—
Cash flows from financing activities	(32,254)	(49,689)	(67,564)	(60,840)	(31,337)	—	—	—
Cash and cash equivalents, beginning of period	490,266	419,498	419,186	383,703	457,664	—	—	—
Cash and cash equivalents, end of period	419,498	419,186	383,703	457,644	481,846	—	—	—

(a) Cash Flows from Operating Activities:

Net cash provided by operating activities during the period totaled ¥132,087 million (compared with a ¥52,899 million net inflow in the same period of the previous fiscal year).

Income before income taxes and minority interests for the period totaled ¥79,193 million, while non-cash items included depreciation and amortization of ¥59,809 million, and amortization of goodwill of ¥15,323 million. In terms of working capital, receivables–trade declined, having a ¥50,306 million positive impact on the cash flows from operating activities, while a decline in accounts payables–trade had a negative impact of ¥11,643 million.

Income taxes paid for the period was ¥19,392 million, a ¥14,017 million decrease year-on-year. The reason for the decline in income taxes paid was the fact that Yahoo Japan utilized loss carryforwards assumed from SOFTBANK IDC Solutions Corp. when they merged on March 30, 2009. As a result the amount of income taxes paid by the Yahoo Group was limited to ¥3,531 million (¥29,052 million in the same period of the previous fiscal year). Due to SOFTBANK MOBILE's payment of local income taxes, which are excluded from BB Mobile Corp.'s consolidated tax return, the amount of income taxes paid by SOFTBANK MOBILE came to ¥14,583 million (¥106 million in the same period of the previous fiscal year).

(b) Cash Flows from Investing Activities:

Net cash used in investing activities was ¥75,511 million (compared with a ¥90,769 million net outflow in the same period of the previous fiscal year).

Capital expenditure in the form of purchases of property and equipment and intangibles, mainly related to the telecommunications segments, totaled ¥76,616 million. Purchases of marketable and investment securities totaled ¥4,132 million, and proceeds from sale of marketable and investment securities came to ¥3,819 million for the period.

As a result, free cash flow for this period was positive at ¥56,576 million, an improvement of ¥94,446 million year-on-year.

(c) Cash Flows from Financing Activities:

Net cash used in financing activities was ¥31,337 million (compared with a year-on-year ¥32,254 million net outflow in the same period of the previous fiscal year).

Proceeds from long-term debt totaled ¥80,247 million, and proceeds from issuance of bonds of ¥59,202 million were recorded. On the other hand, repayments totaled ¥123,537 million for long-term debt, and the change in short-term borrowings, net was a ¥23,129 million decrease. In addition, an outflow of ¥21,856 million for repayment of lease obligations was recorded.

[Reference]

(1) Major Investing Activities

There were no major investing activities such as company acquisitions or acquisition of stock in the period.

(2) Major Financing Activities

The major financing activities in the the period were as follows:

Item	Company Name	Details	Summary
Issue bonds	SOFTBANK CORP.	Issue of the 27th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: June 11, 2009 Redemption date: June 10, 2011 Procured amount: ¥60,000 million Interest rate: 5.10%/year Use: Redemption of bonds and repayment of borrowings
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥70,247 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 30, 2009 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
Increase or decrease in debt (excluding securitization of receivables)	SOFTBANK CORP.	Decrease ¥30,200 million (net)	
	SOFTBANK MOBILE Corp.	Decrease ¥30,752 million	Repayment of funds raised via the whole business securitization financing scheme
	Yahoo Japan Corporation	Decrease ¥10,000 million	

3. Earnings Forecasts

The Group is forecasting consolidated operating income of ¥420.0 billion and consolidated free cash flow of ¥250.0 billion for the fiscal year ending March 31, 2010.

The Group will endeavor to achieve these forecasts and further improve cash flows through continued activities to improve earnings, primarily at the Mobile Communications segment where sales have been strong, combined with efficient capital expenditure.

<Earnings Forecasts>

(Billions of yen)

	Forecast
	Fiscal year ending March 31, 2010 (FY2009)
Consolidated operating income	420.0
Consolidated free cash flow	250.0

Consolidated net sales are greatly influenced by the sales method used by the Company for mobile handsets, which makes it difficult to forecast business results. In addition, the Company holds a variety of investment securities and invests in funds that are vulnerable to the market environment, making it difficult to estimate earnings under the equity method and the special income/loss, and for this reason, meaningful earnings forecasts for consolidated ordinary income and consolidated net income cannot be provided at this time.

The Group’s main activities are in the Internet and telecommunications industries, in which the market situation changes rapidly. There is therefore a possibility that new sales methods or other measures will be introduced in the future to flexibly respond to changes in the market situation. This market environment makes it difficult to make forecasts, therefore the Group does not disclose earnings forecasts for the interim period ending September 30, 2009.

4. The SOFTBANK Group

As of June 30, 2009 the Group comprises of the Company (pure holding company) and the following nine business segments. The number of consolidated subsidiaries and equity method companies in each business segment is as follows.

Business segments	Consolidated subsidiaries	Equity method non-consolidated subsidiaries and affiliates	Main business of segment and name of business
Mobile Communications	6	2	Provision of mobile communication services and sale of mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
Broadband Infrastructure	6	1	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp.(*11))
Fixed-line Telecommunications	3	-	Provision of fixed-line telecommunications and data center service etc. (Core companies: SOFTBANK TELECOM Corp. (*11))
Internet Culture	19	12	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation (*11))
e-Commerce	7	4	Distribution of PC software and hardware including PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platforms (B2B) and consumer-related e-commerce (B2C) etc. (Core companies: SOFTBANK BB Corp. (*11) Vector Inc., Carview Corporation)
Others	69	45	Technology Services, Media & Marketing, Overseas Funds, and Other businesses (Core companies: SOFTBANK TECHNOLOGY CORP., SOFTBANK Creative Corp., ITmedia Inc., Fukuoka SOFTBANK HAWKS Marketing Corp.)
Total	110	64	

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

[Listed Companies]

The following 5 SOFTBANK subsidiaries are listed on domestic stock exchanges as of June 30, 2009:

Company Name	Listed Exchange
Yahoo Japan Corporation	Tokyo Stock Exchange 1st section Jasdaq Securities Exchange
SOFTBANK TECHNOLOGY CORP.	Tokyo Stock Exchange 1st section
Vector Inc.	Osaka Securities Exchange Hercules
ITmedia Inc.	Tokyo Stock Exchange Mothers
Carview Corporation	Tokyo Stock Exchange Mothers

5. Others

(1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries)
There are no significant changes in scope of consolidation.

(2) Application of simple accounting methods or special accounting methods for preparation for the consolidated financial statements
There are no applicable items.

(3) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements
There are no applicable items.

6. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2009 Amount	As of March 31, 2009 Amount
ASSETS		
Current assets:		
Cash and deposits	¥482,799	¥457,953
Notes and accounts receivable - trade	810,052	858,084
Marketable securities	4,057	2,917
Merchandise and finished products	42,942	42,320
Deferred tax assets	74,955	93,021
Other current assets	116,704	114,874
Less: Allowance for doubtful accounts	(44,221)	(48,858)
Total current assets	1,487,288	1,520,313
Fixed assets:		
Property and equipment, net:		
Buildings and structures	72,226	71,577
Telecommunications equipment	729,636	738,967
Telecommunications service lines	77,691	79,637
Land	22,575	22,576
Construction in progress	30,906	37,477
Other	50,620	50,710
Total property and equipment	983,657	1,000,946
Intangible assets, net:		
Goodwill	940,956	956,730
Software	222,798	226,131
Other intangibles	38,941	39,245
Total intangible assets	1,202,695	1,222,108
Investments and other assets:		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	345,091	320,102
Deferred tax assets	154,916	158,228
Other assets	186,625	200,749
Less: Allowance for doubtful accounts	(34,913)	(37,100)
Total investments and other assets	651,719	641,980
Total fixed assets	2,838,073	2,865,036
Deferred charges	1,981	1,322
Total assets	¥4,327,343	¥4,386,672

Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
	Amount	Amount
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable - trade	**¥148,513**	¥160,339
Short-term borrowings	**540,873**	575,532
Commercial paper	**2,000**	-
Current portion of corporate bonds	**84,000**	64,000
Accounts payable - other and accrued expenses	**291,377**	352,171
Income taxes payable	**21,652**	21,363
Current portion of lease obligations	**89,469**	88,241
Other current liabilities	**78,748**	87,935
Total current liabilities	**1,256,634**	1,349,583
Long-term liabilities:		
Corporate bonds	**361,916**	324,566
Long-term debt	**1,403,262**	1,436,292
Deferred tax liabilities	**30,021**	28,795
Liability for retirement benefits	**16,023**	16,076
Allowance for point mileage	**44,461**	41,816
Lease obligations	**213,270**	233,314
Other liabilities	**132,627**	131,428
Total long-term liabilities	**2,201,584**	2,212,290
Total liabilities	**3,458,219**	3,561,873
Equity:		
Common stock	**188,734**	187,681
Additional paid-in capital	**213,052**	211,999
Accumulated deficit	**(26,692)**	(51,269)
Less: Treasury stock	**(217)**	(214)
Total shareholders' equity	**374,876**	348,197
Unrealized gain on available-for-sale securities	**40,823**	31,334
Deferred gain on derivatives under hedge accounting	**17,772**	25,117
Foreign currency translation adjustments	**(21,841)**	(30,554)
Total valuation and translation adjustments	**36,755**	25,897
Stock acquisition rights	**332**	289
Minority interests	**457,160**	450,414
Total equity	**869,124**	824,798
Total liabilities and equity	**¥4,327,343**	¥4,386,672

(2) Consolidated Statements of Income

(Millions of yen)

	Three-month period ended June 30, 2008	**Three-month period ended June 30, 2009**
	April 1, 2008 to June 30, 2008	**April 1, 2009 to June 30, 2009**
	Amount	**Amount**
Net sales	¥647,255	**¥666,334**
Cost of sales	335,326	**317,606**
Gross Profit	311,929	**348,727**
Selling, general and administrative expenses	226,842	**240,437**
Operating income	85,086	**108,290**
Interest income	361	**118**
Foreign exchange gain, net	110	**383**
Other non-operating income	1,552	**1,718**
Non-operating income	2,024	**2,220**
Interest expense	28,402	**27,490**
Equity in losses of affiliated companies	1,605	**632**
Other non-operating expenses	2,831	**3,591**
Non-operating expenses	32,839	**31,713**
Ordinary income	54,272	**78,797**
Gain on sale of investment securities	2,464	**532**
Dilution gain from changes in equity interest	2,209	**789**
Unrealized appreciation on investments and loss on sale of investments at subsidiaries in the U.S. , net	-	**866**
Other special income	609	**219**
Special income	5,283	**2,408**
Valuation loss on investment securities	1,313	**924**
Unrealized loss on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	840	**-**
Impairment loss	-	**797**
Other special losses	47	**290**
Special loss	2,201	**2,012**
Income before income taxes and minority interests	57,354	**79,193**
Income taxes:		
Current	11,741	**19,856**
Deferred	14,533	**21,189**
Total income taxes	26,275	**41,046**
Minority interests in net income	11,710	**10,763**
Net income	¥19,368	**¥27,383**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Three-month period ended June 30, 2008	**Three-month period ended June 30, 2009**
	April 1, 2008 to June 30, 2008	**April 1, 2009 to June 30, 2009**
Cash flows from operating activities:		
Income before income taxes and minority interests	¥57,354	**¥79,193**
Adjustments for:		
Depreciation and amortization	56,999	**59,809**
Amortization of goodwill	15,185	**15,323**
Equity in losses of affiliated companies	1,605	**632**
Dilution gain from changes in equity interest, net	(2,209)	**(767)**
Impairment loss	-	**797**
Valuation loss on investment securities	1,313	**924**
Unrealized (appreciation) loss on investments and (gain) loss on sale of investments at subsidiaries in the U.S., net	840	**(866)**
Gain on sale of marketable and investment securities, net	(2,470)	**(420)**
Foreign exchange gain , net	(248)	**(461)**
Interest and dividend income	(716)	**(278)**
Interest expense	28,402	**27,490**
Changes in operating assets, and liabilities		
Decrease in receivables – trade	39,836	**50,306**
Decrease in payables - trade	(24,322)	**(11,643)**
Other, net	(58,847)	**(42,448)**
Sub-total	112,722	**177,592**
Interest and dividends received	808	**343**
Interest paid	(27,221)	**(26,455)**
Income taxes paid	(33,409)	**(19,392)**
Net cash provided by operating activities	52,899	**132,087**

- Continued -

Consolidated Statements of Cash Flows (Continued)

(Millions of yen)

	Three-month period ended June 30, 2008	**Three-month period ended June 30, 2009**
	April 1, 2008 to June 30, 2008	**April 1, 2009 to June 30, 2009**
Cash flows from investing activities:		
Purchase of property and equipment, and intangibles	¥ (71,553)	**¥ (76,616)**
Purchase of marketable and investment securities	(17,207)	**(4,132)**
Proceeds from sale of marketable and investment securities	10,225	**3,819**
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(17,530)	**(40)**
Other, net	5,296	**1,457**
Net cash used in investing activities	(90,769)	**(75,511)**
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	57,234	**(23,129)**
Increase in commercial paper, net	2,000	**2,000**
Proceeds from long-term debt	45,343	**80,247**
Repayment of long-term debt	(81,660)	**(123,537)**
Proceeds from issuance of bonds	-	**59,202**
Redemption of bonds	(14,041)	**(2,647)**
Exercise of warrants	175	**2,105**
Proceeds from issuance of shares to minority shareholders	511	**367**
Cash dividends paid	(2,026)	**(1,957)**
Cash dividends paid to minority shareholders	(4,086)	**(4,444)**
Purchase of treasury stock of consolidated subsidiaries	(33,464)	**(1)**
Proceeds from sale and lease back of equipment newly acquired	16,334	**2,763**
Repayment of lease obligations	(17,413)	**(21,856)**
Other, net	(1,160)	**(448)**
Net cash used in financing activities	(32,254)	**(31,337)**
Effect of exchange rate changes on cash and cash equivalents	999	**(354)**
Net (decrease) increase in cash and cash equivalents	(69,124)	**24,883**
Increase in cash and cash equivalents due to newly consolidated subsidiaries	126	**126**
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(1,770)	**(807)**
Cash and cash equivalents, beginning of the period	490,266	**457,644**
Cash and cash equivalents, end of the period	¥419,498	**¥481,846**

(4) Significant Doubt about Going Concern Assumption

There are no applicable items for the three-month period ended June 30, 2009.

(5) Basis of Presentation of Consolidated Financial Statements

(Items descried "Qualitative Information/Financial Statements 5. Others" on page 19 are excluded.)

1. Changes in scope of consolidation

(1) Changes in scope of consolidation for the three-month period ended June 30, 2009 are as follows:

<Increase>

5 companies

<Decrease>

3 companies

(2) The number of consolidated subsidiaries after the changes:

110 companies

2. Changes in scope of equity method

(1) Changes in scope of equity method are as follows:

<Increase>

1 companies

<Decrease>

11 companies

(2) The number of non-consolidated subsidiaries and affiliated companies under the equity method after the changes:

Non-consolidated subsidiaries under the equity method: 5 companies

Affiliated companies under the equity method: 59 companies

(6) Notes

(Consolidated Balance Sheets)

1. Accumulated depreciation of property and equipment

	As of June 30, 2009	As of March 31, 2009
	995,898 million yen	966,322 million yen

2. Secured loans

(1) Assets pledged as collateral for secured liabilities

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

	As of June 30, 2009	As of March 31, 2009
Assets pledged as collateral:		
Cash and deposits	**201,775**	212,414
Notes and accounts receivable - trade	**284,823**	312,831
Buildings and structures	**12,636**	12,774
Telecommunications equipment	**259,394**	260,509
Telecommunications service lines	**184**	189
Land	**10,624**	10,617
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	**79,874**	66,863
Investments and other assets - other assets	**29,316**	31,999
Total	**878,629 million yen**	908,201 million yen

	As of June 30, 2009	As of March 31, 2009
Secured liabilities:		
Accounts payable - trade	**1,160**	1,239
Short-term borrowings	**2,892**	2,903
Long - term debt	**1,255,118**	1,287,099
Total	**1,259,172 million yen**	1,291,242 million yen

Consolidated subsidiaries shares owned by SOFTBANK MOBILE, SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,184,853 million and ¥1,154,100 million, as of March 31, 2009 and June 30, 2009, respectively) 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 were included in "Short-term borrowings" (¥185,669 million and ¥189,182 million, as of March 31, 2009 and June 30 2009, respectively) and "Long-term debt" (¥36,256 million and ¥42,816 million, as of March 31, 2009 and June 30, 2009, respectively). The amounts of the senior portion of the securitized installment sales receivables (¥ 221,925 million as of March 31, 2009 and ¥231,999 million as of June 30, 2009, respectively) were included in "Notes and account receivable-trade", along with the subordinated portion held by the SOFTBANK MOBILE. The trustee raised the funds through asset backed loans based on the receivables.

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

SOFTBANK BB transferred its senior portion of the securitized present and future receivables for ADSL services* to a SPC (a consolidated subsidiary), and the SPC raised the funds through asset backed loans based on the receivables (¥20,000 million and ¥17,390 million, as of March 31, 2009 and June 30, 2009, respectively) from a financial institution. Cash proceeds through the asset backed loans are included in the "Short-term borrowings" (¥6,660 and ¥6,660 million, as of March 31, 2009 and June 30, 2009, respectively) and "Long-term debt" (¥13,340 million, and ¥10,730 million, as of March 31, 2009 and June 30, 2009, respectively).

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

(3) Borrowings by security lending agreements

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

	As of June 30, 2009	As of March 31, 2009
Short-term borrowings	**117,000 million yen**	110,000 million yen

3. Additional entrustment for debt assumption of bonds (As of June 30, 2009)

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

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

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

As of June 30, 2009, the long term accounts payable was included in "Other liabilities" of long-term liabilities in the consolidated balance sheets.

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

As of June 30, 2009

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

(Consolidated Statements of Income)

1. Selling, general and administrative expenses

	Three-month period ended June 30, 2008		**Three-month period ended June 30, 2009**	
Sales commission and sales promotion expense	95,395	million yen	**119,364**	**million yen**
Provision for allowance for doubtful accounts	9,791		**3,608**	

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

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of "American Institute of Certified Public Accountants Audit and Accounting Guide" investment companies (the AICPA Guide) and account for investment securities in accordance with the AICPA Guide.

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

	Three-month period ended June 30, 2008		**Three-month period ended June 30, 2009**	
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S.,net	(2,256)		**1,340**	
Gain (loss) on sale of investments at subsidiaries in the U.S.,net	1,416		**(473)**	
Total	(840)	million yen	**866**	**million yen**

3. Impairment loss

Goodwill at a subsidiary of the Internet culture segment was recorded as an impairment loss of ¥797 million in the consolidated statements of income since the future cash flows were not expected to be generated.

(Consolidated Statements of Cash Flows)

1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets

	As of June 30, 2008		**As of June 30, 2009**	
Cash and deposits	419,446	million yen	**482,799**	**million yen**
Marketable securities	6,533		**4,057**	
Time deposits with original maturity over three months	(1,200)		**(1,383)**	
Stocks and bonds with original maturity over three months	(5,281)		**(3,626)**	
Cash and cash equivalents	419,498	million yen	**481,846**	**million yen**

2. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows

"Purchase of property and equipment, and intangibles" are comprised of cash outflows from purchasing property and equipment, and intangible assets (excluding goodwill) and long-term prepaid expenses.

3. Proceeds from sale and lease back of equipment newly acquired

Once SOFTBANK MOBILE and others purchase telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE and others sell the equipment to lease companies for sale and lease back purposes. The leased asset and lease obligation are recorded in the consolidated balance sheets.

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

(Leases)

1. Finance lease transactions

(As a lessee)

(1) Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, mainly telecommunications equipment in the Mobile Communications segment.

[2] Depreciation method for lease assets

The depreciation method is the same as the method used for fixed assets possessed by each subsidiary and the Company.

(2) Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, mainly telecommunications equipment in the Fixed-line Telecommunications segment.

[2] Depreciation method for lease assets

The straight-line method is adopted over the period of the finance leases, assuming no residual value.

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

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

	As of June 30, 2009		As of March 31, 2009	
Telecommunications equipment and telecommunications service lines				
Acquisition cost	**171,189**		171,192	
Accumulated depreciation	**(81,728)**		(77,309)	
Accumulated impairment loss	**(37,786)**		(37,786)	
Net leased property	**51,674**	**million yen**	56,096	million yen
Buildings and structures				
Acquisition cost	**46,729**		47,004	
Accumulated depreciation	**(10,155)**		(9,836)	
Accumulated impairment loss	**-**		-	
Net leased property	**36,574**	**million yen**	37,168	million yen
Property and equipment - others				
Acquisition cost	**17,056**		17,227	
Accumulated depreciation	**(8,949)**		(8,424)	
Accumulated impairment loss	**(1,077)**		(1,077)	
Net leased property	**7,029**	**million yen**	7,724	million yen
Intangible assets				
Acquisition cost	**9,086**		9,086	
Accumulated depreciation	**(5,361)**		(4,919)	
Accumulated impairment loss	**(171)**		(171)	
Net leased property	**3,553**	**million yen**	3,996	million yen
Total				
Acquisition cost	**244,062**		244,511	
Accumulated depreciation	**(106,195)**		(100,489)	
Accumulated impairment loss	**(39,035)**		(39,035)	
Net leased property	**98,831**	**million yen**	104,986	million yen

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, as of March 31, 2009 and June 30, 2009 were ¥19,867 million and 21,255 million, respectively and are included in “Other assets” of investments and other assets in the consolidated balance sheets. Current portion of long-term prepaid expenses related to the lease contract in the amount of ¥714 million and ¥714 million as of March 31, 2009 and June 30, 2009 are included in “Other current assets” in the consolidated balance sheets.

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

	As of June 30, 2009		As of March 31, 2009	
Due within one year	**29,241**		30,726	
Due after one year	**104,184**		110,651	
Total	**133,426**	**million yen**	141,378	million yen
Balance of allowance for impairment loss on leased property	**16,638**	**million yen**	18,809	million yen

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

	Three-month period ended June 30, 2008		**Three-month period ended June 30, 2009**	
Lease payments	10,638	million yen	**9,584**	million yen
Reversal of allowance for impairment loss on leased property	1,683		**2,171**	
Depreciation expense	7,428		**6,137**	
Interest expense	2,467		**2,348**	

(4) Calculation method used to determine the amount equivalent to depreciation and interest expense:

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

The amount equivalent to interest expense is calculated by subtracting acquisition costs from the total lease payments and allocated over the lease periods based on the interest method.

(Investment in Debt and Equity Securities)

1. Marketable and investment securities at fair value

(Millions of yen)

	As of June 30, 2009			As of March 31, 2009		
	Investment Cost	**Carrying Amount**	**Differences**	Investment Cost	Carrying Amount	Differences
(1) Equity securities	**24,377**	**95,290**	**70,912**	25,270	79,790	54,519
(2) Others	**2,819**	**2,796**	**(23)**	2,924	2,671	(253)
Total	**27,197**	**98,086**	**70,888**	28,194	82,461	54,266

2. Carrying amounts of the unlisted investment securities

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
	Carrying Amounts	Carrying Amounts
(1)Held-to-maturity debt securities		
Unlisted foreign debt securities	**¥700**	¥700
Unlisted debt securities	**599**	299
(2)Available-for-sale and other securities		
Unlisted equity securities	**84,414**	80,747
Investments in limited partnerships	**6,722**	6,732
Others	**1,469**	223
Total	**¥93,905**	¥88,702

3. Investment securities evaluated at fair value under the provisions of "American Institute of Certified Public Accountants Audit and Accounting Guide" Investment Companies

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of "American Institute of Certified Public Accountants Audit and Accounting Guide" investment companies (the AICPA Guide) and account for investment securities in accordance with the AICPA Guide.
The carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets as of March 31, 2009 and June 30, 2009 were as follows:

As of June 30, 2009
Carrying amounts of investment securities at fair value : 17,881 million yen

As of March 31, 2009
Carrying amounts of investment securities at fair value : 18,064 million yen

(Per Share Data)

1. Shareholders' equity per share

	As of June 30, 2009	As of March 31, 2009
Shareholders' equity per share (yen)	**¥380.33**	¥346.11

2. Net income per share and basic data for computation of the per share data

	Three-month period ended June 30, 2008	**Three-month period ended June 30, 2009**
Net income per share – primary (yen)	17.92	**25.33**
Net income per share – diluted (yen)	17.07	**24.45**

Basic data for computation of the per share data	Three-month period ended June 30, 2008	**Three-month period ended June 30, 2009**
1. Net income (in millions of yen)	19,368	**27,383**
2. Amounts not allocated to shareholders (in millions of yen)	-	**-**
3. Net income allocated to common stock outstanding (in millions of yen)	19,368	**27,383**
4. Weighted average number of common stock outstanding during each period (unit: thousand of shares)	1,080,540	**1,081,005**
5. Adjustment for net income used to calculate net income per share – diluted (in millions of yen)		
– Interest expense (net of tax)	389	**240**
– Adjustments for net income used to calculate diluted net income per share in consolidated subsidiaries and affiliated companies	(10)	**(7)**
–Total	378	**233**
6. Increase of common stock used to calculate net income per share– diluted (unit: thousand of shares)	76,275	**48,582**
7. Residual securities which do not dilute net income per share	-	-

(7) Segment Information

1. Business segment information

For the three-month period ended June 30, 2008 (Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥370,692	¥58,791	¥78,128	¥61,551	¥59,670	¥18,420	¥647,255	¥-	¥647,255
(2) Inter-segment	1,893	1,336	10,324	774	2,788	3,397	20,515	(20,515)	-
Total	372,585	60,127	88,453	62,326	62,459	21,818	667,771	(20,515)	647,255
Operating income (loss)	44,273	10,475	798	30,542	1,009	(758)	86,341	(1,254)	85,086

For the three-month period ended June 30, 2009 (Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥405,095	¥52,674	¥76,467	¥64,131	¥51,788	¥16,175	¥666,334	¥-	¥666,334
(2) Inter-segment	2,209	1,131	10,291	1,024	2,424	4,491	21,572	(21,572)	-
Total	407,304	53,806	86,758	65,156	54,213	20,667	687,906	(21,572)	666,334
Operating income (loss)	60,260	13,903	3,493	31,717	940	(880)	109,435	(1,145)	108,290

Notes:

1. Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purposes.
2. Regarding the main business segments, please see "Qualitative Information / Financial Statements 4. The SOFTBANK Group" in details on page 18.

2. Geographic segment information

For the three-month period ended June 30, 2008 (Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1) Customers	¥643,960	¥297	¥2,997	¥647,255	¥-	¥647,255
(2) Inter-segment	119	-	-	119	(119)	-
Total	644,080	297	2,997	647,375	(119)	647,255
Operating income (loss)	87,097	(286)	(68)	86,741	(1,655)	85,086

For the three-month period ended June 30, 2009 (Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1) Customers	¥664,275	¥259	¥1,799	¥666,334	¥-	¥666,334
(2) Inter-segment	95	-	-	95	(95)	-
Total	664,370	259	1,799	666,429	(95)	666,334
Operating income (loss)	110,222	(315)	(178)	109,729	(1,438)	108,290

Notes:

1. Net sales by geographic region are recognized based on geographic location of the operation.
2. Significant countries in each region are as follows:

North America : United States of America and Canada
Others : Europe, Korea, China, Singapore, and others

3. Overseas sales

Disclosure of overseas sales for the three-month period ended June 30, 2008 and 2009 was omitted because the total overseas sales were less than 10% of total consolidated sales.

(8) Notes to Significant Changes in Shareholder's Equity

There are no applicable items.