

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 3 of this report.

SoftBank Group Corp.
Consolidated Financial Report
For the three-month period ended June 30, 2015 (IFRS)

Tokyo, August 6, 2015

1. Financial Highlights

(Millions of yen; amounts are rounded off to the nearest million yen)

(1) Results of Operations

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

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Three-month period ended June 30, 2015	¥2,139,058	9.8	¥343,552	7.6	¥398,673	120.1	¥250,017	124.6	¥213,382	175.1	¥351,838	418.3
Three-month period ended June 30, 2014	¥1,948,264	-	¥319,352	-	¥181,159	-	¥111,308	(58.7)	¥77,574	(68.3)	¥67,889	(80.4)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three-month period ended June 30, 2015	¥179.43	¥176.70
Three-month period ended June 30, 2014	¥65.27	¥65.14

Note:

Net sales, operating income, and income before income tax for the three-month period ended June 30, 2015 are presented based on the amounts from continuing operations only. Year-on-year percentage changes in net sales, operating income, and income before income tax for the three-month period ended June 30, 2014 are not presented because corresponding amounts for the three-month period ended June 30, 2014 are revised and presented respectively.

Please refer to page 46 "Note 10. Discontinued operations" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
As of June 30, 2015	¥20,878,435	¥3,900,659	¥3,000,669	14.4
As of March 31, 2015	¥21,034,169	¥3,853,177	¥2,846,306	13.5

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2015	-	20.00	-	20.00	40.00
Fiscal year ended March 31, 2016	-				
Fiscal year ending March 31, 2016 (Forecasted)		20.00	-	20.00	40.00

Note:

Revision of forecasts on the dividends: No

3. Forecasts on the Consolidated Results of Operations for the Fiscal Year Ending March 2016 (April 1, 2015 – March 31, 2016)

Currently it is difficult to provide forecasts on the results in figures due to a large number of uncertain factors affecting the earnings. The Company will announce its forecasts on the consolidated results of operations when it becomes possible to make a rational projection.

* Notes

- (1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes
Excluded from consolidation: Three companies SoftBank BB Corp. SoftBank Telecom Corp. Ymobile Corporation

Please refer to page 31 “Significant Changes in Scope of Consolidation for the Three-month Period Ended June 30, 2015” under “2. Notes to Summary Information” for details.

- (2) Changes in accounting policies and accounting estimates
[1] Changes in accounting policies required by IFRSs: No
[2] Changes in accounting policies other than those in [1]: No
[3] Changes in accounting estimates: No

- (3) Number of shares issued (common stock)
[1] Number of shares issued (including treasury stock):
As of June 30, 2015: 1,200,660,365 shares
As of March 31, 2015: 1,200,660,365 shares
[2] Number of treasury stock:
As of June 30, 2015: 11,380,357 shares
As of March 31, 2015: 11,463,275 shares
[3] Number of average stocks during three-month period (April-June):
As of June 30, 2015: 1,189,244,141 shares
As of June 30, 2014: 1,188,481,740 shares

* Implementation status of interim review procedures

This interim consolidated financial report is not subject to interim review procedures based on the Financial Instruments and Exchange Act, and the review procedures for the condensed interim consolidated financial statements were being conducted when this report was disclosed.

* Note to forecasts on the consolidated results of operations and other items

The company name was changed from SoftBank Corp. to SoftBank Group Corp. on July 1, 2015.

The forecast figures are estimated based on the information that 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.

On August 6, 2015, the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on our web site in both Japanese and English at <http://www.softbank.jp/en/corp/irinfo/>. The Earnings Results Data Sheet will also be posted on the Company’s web site around 4 p.m. on the same day at <http://www.softbank.jp/en/corp/irinfo/presentations/>.

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Change of Company Names

On July 1, 2015, SoftBank Corp., the pure holding company, changed its company name to SoftBank Group Corp. Moreover, on April 1, 2015, SoftBank Mobile Corp., the company that operates the telecommunications business in Japan, absorbed SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation and was renamed SoftBank Corp. on July 1, 2015. The company names that appear in this appendix are the names as of the publication date of this financial report.

Definition of Company Names and Abbreviations Used in this Appendix

Company names and abbreviations used in this appendix, except as otherwise stated or interpreted differently in the context, are as follows:

Company Name/ Abbreviation	Definition
“SoftBank Group Corp.”	SoftBank Group Corp. (stand-alone basis)
The “Company”	SoftBank Group Corp. and its subsidiaries
*Each of the following abbreviations indicates the respective company, and its subsidiaries if any.	
“Sprint”	Sprint Corporation
“Brightstar”	Brightstar Corp.
“Supercell”	Supercell Oy
“Alibaba”	Alibaba Group Holding Limited
“GungHo”	GungHo Online Entertainment, Inc.

1. Qualitative Information Regarding Three-month Period Results

(1) Qualitative Information Regarding Consolidated Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Continuing operations				
Net sales	1,948,264	2,139,058	190,794	9.8%
Operating income	319,352	343,552	24,200	7.6%
Income before income tax	181,159	398,673	217,514	120.1%
Net income from continuing operations	100,331	256,985	156,654	156.1%
Discontinued operations				
Net income (loss) from discontinued operations	10,977	(6,968)	(17,945)	-
Net income	111,308	250,017	138,709	124.6%
Net income attributable to owners of the parent	77,574	213,382	135,808	175.1%

< Results Related to GungHo >

In the three-month period ended June 30, 2015 (the “first quarter”), due to the conclusion of a tender offer by GungHo for its own shares, in which the Company tendered, and the extinguishing of a pledge on 100,000,000 of GungHo’s common shares held by Heartis G.K. (a pledge with Son Holdings Inc. as the pledgee), GungHo was no longer qualified as a subsidiary and newly became an equity method associate. Accordingly, GungHo’s net income and loss up until June 1, 2015, when GungHo became an equity method associate, are presented as discontinued operations separately from continuing operations. The Company’s equity in the net income and loss of GungHo following its transition to an equity method associate are recognized as income and loss on equity method investments under continuing operations. Net income and loss of GungHo for the three-month period ended June 30, 2014 (the “same period of the previous fiscal year”) are revised retrospectively and presented under discontinued operations.

Please refer to page 46 “10. Discontinued operations” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details.

Fiscal Year Ended March 2015				Fiscal Year Ending March 2016
Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015
Q1	Q2	Q3	Q4	Q1
Discontinued Operations				June 1 GungHo changed to an equity method associate from a subsidiary Continuing Operations
Net income and loss from discontinued operations				Income and loss on equity method investments

The main factors affecting earnings for the first quarter were as follows.

From the first quarter, the Company's reportable segments have been changed to the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment. Please refer to page 6 "b. Results by Segment" for details.

(Continuing Operations)

(a) Net Sales

Net sales totaled ¥2,139,058 million, for a ¥190,794 million (9.8%) increase from the same period of the previous fiscal year. This resulted from increases in net sales of all the segments.

The Domestic Telecommunications segment's net sales (for customers) amounted to ¥712,697 million, for a ¥45,981 million (6.9%) increase year on year. The main reason for the increase was an increase in product sales at SoftBank Corp.

The Sprint segment's net sales (for customers) totaled ¥937,813 million, for a ¥41,770 million (4.7%) year-on-year increase. The main reason for the increase was the yen's depreciation against the U.S. dollar in the first quarter compared to the same period of the previous fiscal year, while the U.S. dollar based net sales decreased year on year.

The Distribution segment's net sales (for customers) amounted to ¥284,180 million, for a ¥69,176 million (32.2%) year-on-year increase. The main reason for the increase was an increase in sales of mobile devices for Sprint. Since September 2014, the sales of mobile devices at Sprint which were previously sold directly from Sprint to dealers, has gradually been shifted to selling to dealers via Brightstar to pursue higher distribution efficiency.

(b) Operating Income

Operating income totaled ¥343,552 million, for an increase of ¥24,200 million (7.6%) year on year. The main reasons for the increase were increases in income in the Domestic Telecommunications and the Sprint segments of ¥9,653 million and ¥9,095 million respectively.

(c) Finance Cost

Finance cost totaled ¥105,511 million, for a ¥20,526 million (24.2%) increase year on year. The increase was mainly due to an increase in finance cost at Sprint caused by the yen's depreciation in the first quarter compared to the same period of the previous fiscal year.

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Finance cost	84,985	105,511	20,526	24.2%
Sprint	55,179	68,989	13,810	25.0%

(d) Income and Loss on Equity Method Investments

Income on equity method investments was ¥80,602 million, an improvement of ¥144,027 million year on year (loss of ¥63,425 million was recorded in the same period of the previous fiscal year). Income on equity method investments includes income on equity method investments related to Alibaba of ¥64,094 million (loss of ¥65,285 million was recorded in the same period of the previous fiscal year) and income on equity method investments related to GungHo of ¥357 million (no entry was recorded in the same period of the previous fiscal year) after application of equity-method accounting on June 1, 2015.

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Income and loss on equity method investments	(63,425)	80,602	144,027	-
Alibaba	(65,285)	64,094	129,379	-

(e) Other Non-operating Income and Loss

Other non-operating income was ¥80,030 million, an increase of ¥69,813 million year on year (other non-operating income of ¥10,217 million was recorded in the same period of the previous fiscal year). This was mainly because of recording remeasurement gain from financial assets at FVTPL of ¥84,272 million for changes in the fair value of the Company's financial assets at FVTPL during the period from March 31, 2015 (the "end of the previous fiscal year") to June 30, 2015 (the "end of the first quarter"). Financial assets at FVTPL includes preferred shares of Jasper Infotech Private Limited, which operates the e-commerce website *snapdeal.com* in India, and ANI Technologies Pvt. Ltd., which operates the taxi booking platform *Ola* also in India.

Financial assets at FVTPL (Fair Value Through Profit or Loss) is a class of financial instruments under IFRSs. The fair values of financial assets at FVTPL are required to be measured at the end of each quarter, with changes to be recognized as net income or loss.

Please refer to page 46 "9. Other non-operating income" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(f) Income before Income Tax

As a result of (b) to (e), income before income tax was ¥398,673 million, an increase of ¥217,514 million (120.1%) year on year.

(g) Income Taxes

Provisions for current income taxes were ¥141,688 million, an increase of ¥60,860 million (75.3%) year on year. Tax effects were recognized in principle for income on equity method investments in associates, such as Alibaba, and gain from financial assets at FVTPL.

(h) Net Income from Continuing Operations

As a result of (f) and (g), net income from continuing operations totaled ¥256,985 million, for a ¥156,654 million

(156.1%) year-on-year increase.

(Discontinued Operations)

(i) Net Income and Loss from Discontinued Operations

Net loss from discontinued operations resulted in ¥6,968 million (net income of ¥10,977 million was recorded in the same period of the previous fiscal year). This was due to recording ¥12,739 million for loss relating to loss of control in discontinued operations related to GungHo, while also recording income after income tax of ¥5,632 million for the period from April 1 to June 1, 2015 as well as other expenses. The amount of loss relating to loss of control in discontinued operations is the difference between the carrying amount of GungHo on consolidated basis and its fair value, which is the closing share price of GungHo multiplied by the number of its shares held by the Company, at the time of loss of control over GungHo on June 1, 2015.

(j) Net Income

As a result of (h) and (i), net income amounted to ¥250,017 million, a ¥138,709 million (124.6%) year-on-year increase.

(k) Net Income Attributable to Owners of the Parent

After deducting net income attributable to non-controlling interests such as Yahoo Japan Corporation, Supercell, and GungHo, from (j), net income attributable to owners of the parent amounted to ¥213,382 million, for a ¥135,808 million (175.1%) increase year on year.

(l) Comprehensive Income

Comprehensive income totaled ¥351,838 million, for a ¥283,949 million (418.3%) year-on-year increase. Of this, comprehensive income attributable to owners of the parent was ¥302,837 million, for a ¥259,059 million (591.8%) year-on-year increase.

b. Results by Segment

The Company's reportable segments are components of business activities for which decisions on resource allocation and assessment of performance are made.

In preparation for the transition to "SoftBank 2.0," the Company has initiated its transformation from a strong Japanese business with global assets to a global business that will strive to create sustainable growth over the long term. In line with this, the Company has revised its segment classifications and changed its reportable segments from the first quarter as follows:

< Before the Change >

Segments		Main Businesses	Core Companies
Reportable segments	Mobile Communications	<ul style="list-style-type: none"> Provision of mobile communications services in Japan Sale of PC software and peripherals Production and distribution of online games for smartphones and other devices 	Former SoftBank Mobile Corp. Former Ymobile Corporation Wireless City Planning Inc. Brightstar Corp. Former SoftBank Telecom Corp. GungHo Online Entertainment, Inc. Supercell Oy
	Sprint	<ul style="list-style-type: none"> Provision of mobile communications services by Sprint in the U.S. Sale of mobile devices and accessories accompanying the above services Provision of fixed-line telecommunications services by Sprint 	Sprint Corporation
	Fixed-line Telecommunications	<ul style="list-style-type: none"> Provision of telecom services such as fixed-line telephone and data communications services to domestic corporate customers Provision of broadband services to domestic retail customers Services accompanying the above services 	Former SoftBank Telecom Corp. Former SoftBank BB Corp. Former Ymobile Corporation Yahoo Japan Corporation
	Internet	<ul style="list-style-type: none"> Internet advertising e-commerce business Membership services 	Yahoo Japan Corporation
Others		<ul style="list-style-type: none"> Fukuoka SoftBank HAWKS related businesses 	Fukuoka SoftBank HAWKS Corp.

< After the Change >

Segments		Main Businesses	Core Companies
Reportable segments	Domestic Telecommunications	<ul style="list-style-type: none"> Provision of mobile communications services in Japan Sale of mobile devices in Japan Provision of broadband services to retail customers in Japan Provision of telecom services to corporate customers in Japan, such as data communications and fixed-line telephone services 	SoftBank Corp. Wireless City Planning Inc.
	Sprint	<ul style="list-style-type: none"> Provision of mobile communications services in the U.S. Sale and lease of mobile devices and sale of accessories in the U.S. Provision of fixed-line telecommunications services in the U.S. 	Sprint Corporation
	Yahoo Japan	<ul style="list-style-type: none"> Internet advertising e-commerce business Membership services 	Yahoo Japan Corporation
	Distribution	<ul style="list-style-type: none"> Distribution of mobile devices overseas Sale of PC software, peripherals, and mobile device accessories in Japan 	Brightstar Corp. SoftBank Commerce & Service Corp.
Others		<ul style="list-style-type: none"> Production and distribution of online games for smartphones and other devices Fukuoka SoftBank HAWKS related businesses 	Supercell Oy Fukuoka SoftBank HAWKS Corp.

Notes:

1. The results for the same period of the previous fiscal year are presented in accordance with the reportable segments after the change.
2. The results at Yahoo Japan Corporation related to *Yahoo! BB*, the broadband service which is run jointly by SoftBank Corp. and Yahoo Japan Corporation, are included under the Yahoo Japan segment after the change. The results were previously included under the Fixed-line Telecommunications segment.
3. The calculation method of segment income has been changed from the first quarter as follows:
 Before the change:
 Segment income = (net sales – cost of sales – selling, general and administrative expenses) in each segment
 After the change:
 Segment income = (net sales – cost of sales – selling, general and administrative expenses + other operating income (loss)) in each segment
4. EBITDA in each segment = (segment income + depreciation and amortization – other operating income (loss)) in each segment

(a) Domestic Telecommunications Segment

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Net sales	671,256	720,567	49,311	7.3%
EBITDA	309,930	321,940	12,010	3.9%
Depreciation and amortization	(105,164)	(107,521)	(2,357)	2.2%
Other operating income (loss)	-	-	-	-
Segment income	204,766	214,419	9,653	4.7%

< Overview of the Segment >

The Domestic Telecommunications segment comprises the subsidiaries that operate domestic telecommunications businesses, such as SoftBank Corp. and Wireless City Planning Inc. SoftBank Corp. provides (i) mobile communications services under the *SoftBank* and *Y!mobile* brands, (ii) broadband services for retail customers, such as *SoftBank Hikari*¹ and *Yahoo! BB*, and (iii) fixed-line telecommunications services for corporate customers, such as data communications and fixed-line telephone services. Wireless City Planning Inc. provides broadband wireless access (BWA) services using the 2.5GHz band.

The net sales of the segment are categorized as telecom service revenue and product and other sales. Telecom service revenue includes the communication revenues of each service (i)-(iii) above, as well as device warrantee service revenue, advertising revenue, and content-related revenues. Product and other sales include the sales of mobile devices for mobile communications services and the sales of customer premises terminal for broadband services.

¹ A fiber-optic service using the wholesale fiber-optic connection of NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION (“NTT East”) and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (“NTT West”).

< Breakdown of Net Sales >

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Telecom service revenue	573,313	578,702	5,389	0.9%
Mobile communications	478,945	482,412	3,467	0.7%
Broadband	33,061	37,480	4,419	13.4%
Fixed-line telecommunications	61,307	58,810	(2,497)	(4.1%)
Product and other sales	97,943	141,865	43,922	44.8%
Total net sales	671,256	720,567	49,311	7.3%

< Overview of Operations >

The segment's net sales increased by ¥49,311 million (7.3%) year on year to ¥720,567 million. Of this, telecom service revenue increased by ¥5,389 million (0.9%) year on year to ¥578,702 million, while product and other sales increased by ¥43,922 million (44.8%) year on year to ¥141,865 million due to brisk shipments of mobile devices.

The increase in telecom service revenue reflected an increase in broadband service revenue following the startup of the *SoftBank Hikari* fiber-optic service (launched in March 2015), as well as an increase in mobile communications service revenue.

Telecom service revenue related to mobile communications services increased by ¥3,467 million (0.7%) year on year to ¥482,412 million primarily due to an increase in the number of main subscribers, which were partially offset by a decrease in PHS subscribers. The main drivers of revenue and profit in mobile communications services are referred to as the Company's "main subscribers," which includes subscribers for smartphones, feature phones, tablets, and mobile data communication devices. The Company makes a focused effort to acquire and retain these main subscribers.

EBITDA increased by ¥12,010 million (3.9%) year on year to ¥321,940 million. Operating expenses (hereinafter excluding depreciation and amortization) increased by ¥37,301 million (10.3%) year on year to ¥398,627 million. The main factors affecting operating expenses are as follows.

- Cost of products increased by ¥29,913 million (41.3%) year on year, primarily reflecting an increase in the number of mobile devices shipped.² On the other hand, the gross margin on product sales improved due to a year-on-year improvement in valuation loss of mobile device inventories.
- Sales commission fees increased by ¥6,197 million (8.6%) year on year. This was mainly due to a year-on-year increase in the number of units sold.
- Telecommunications network charges increased by ¥7,738 million (24.6%) year on year. This primarily reflected an increase in access charges paid to other operators as a result of an increase in the amount of calls made by SoftBank Corp. mobile communications service subscribers to subscribers of other operators,

² The number of devices shipped (sold) to dealers. Includes the number of devices sold to customers at stores operated by SoftBank Corp. and the *SoftBank ONLINE SHOP*.

coupled with an increase in subscribers to the *Smartphone Flat-rate* mobile communication service price plan (launched in July 2014) providing unlimited voice calls at a flat rate.

- Outsourcing expenses decreased by ¥8,498 million (27.7%) year on year. This mainly reflected efficiency gains in outsourced operations related to customer service and network maintenance following the absorption of SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation by SoftBank Corp. (formerly SoftBank Mobile Corp.) in April 2015.

Depreciation and amortization increased by ¥2,357 million (2.2%) year on year to ¥107,521 million.

As a result of the above, segment income increased by ¥9,653 million (4.7%) year on year to ¥214,419 million.

< Overview of Business Operations >

The following is an overview of the business operations of the mobile communications and broadband services of SoftBank Corp. among the segment's businesses. The analysis for mobile communications services focuses on main subscribers, looking at its number of subscribers, ARPU, number of units sold, and churn rate.

< Changes in Presentation Method and Definitions of Principal Operational Data >

The presentation method and definitions for the principal operational data of mobile communications services have been changed from the first quarter. The main changes are as follows:

- The total number of subscribers for *SoftBank* and *Y!mobile* services are categorized and presented as main subscribers, communication modules, and PHS. Main subscribers include the service contracts that are the main focus of management strategy; namely, smartphones, feature phones, tablets, and mobile data communication devices.
- ARPU, number of units sold, and churn rates are presented based on data of main subscribers.
- ARPU for main subscribers is separately presented as "telecom ARPU" and "service ARPU." Telecom ARPU is calculated by dividing data-related revenue, basic monthly charges, and voice-related revenues by the number of active subscribers. Service ARPU is calculated by dividing device warrantee service revenue, advertising revenue, and content-related revenues, etc., by the number of active subscribers.
- The number of subscribers, ARPU, number of units sold and churn rates for the fiscal year ended March 31, 2015 are also presented based on data of main subscribers.

Please refer to page 18 "(Reference 1: Principal Operational Data) (a) SoftBank Corp. < Changes in Presentation Method and Definitions of Principal Operational Data >." for details of the changes. For definitions and calculation methods of subscribers, ARPU, and churn rate at SoftBank Corp., please refer to page 20 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Corp."

< **Mobile Communications Service** >

• **Subscribers (Main Subscribers)**

The cumulative number of main subscribers of mobile communications services at the end of the first quarter stood at 31,565,000, an increase of 20,000 from the previous fiscal year-end. A subscriber net addition in smartphones, tablets, and mobile data communication devices was partially offset by a net loss in feature phones.

(Thousands)

	As of March 31, 2015	As of June 30, 2015	Change
Cumulative number of subscribers	31,545	31,565	20

• **ARPU (Main Subscribers)**

Total ARPU for main subscribers of mobile communications services for the first quarter decreased by ¥40 year on year to ¥4,660.

Of this, telecom ARPU declined by ¥80 year on year to ¥4,140. This was mainly due to a decline in voice-related revenues accompanying the higher penetration of the *Smartphone Flat-rate*, which were partially offset by an increase in the compositional ratio of smartphone subscribers within the cumulative number of subscribers. The Company expects the negative impact from the *Smartphone Flat-rate* on telecom ARPU to be reduced going forward, as the migration of a majority of customers with high voice usage to the *Smartphone Flat-rate* is complete by the end of the first quarter.

Service ARPU increased ¥40 year on year to ¥520. The Company will strive to increase total ARPU going forward by aggressively pursuing the increase of service ARPU.

(Yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change
Total ARPU	4,700	4,660	(40)
Telecom ARPU	4,220	4,140	(80)
Service ARPU	480	520	40

• **Number of Units Sold (Main Subscribers)**

The number of units sold³ for main subscribers of mobile communications services for the first quarter increased by 203,000 year on year to 2,197,000. This was mainly due to a year-on-year increase of 217,000 in the number of device upgrades, mainly reflecting the impact of an aggressive promotional campaign⁴ for upgrading customers.

(Thousands)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change
Units Sold	1,994	2,197	203
New subscriptions	1,182	1,168	(14)
Device upgrades	812	1,029	217

• **Churn Rate (Main Subscribers)**

Churn rate for main subscribers of mobile communications services for the first quarter was 1.24%, up 0.05 of a percentage point year on year. This was mainly due to an increase in churn for smartphones reaching the end of their two-year subscriptions.

To increase the number of main subscribers of mobile communications services, it is important to lower the churn rate as well as acquire new customers. After making significant progress on improving the network connectivity, which has been a longstanding issue, the Company is now executing initiatives targeting lower churn rates over the medium term. The initiatives include improving the quality of customer service at sales channels such as *SoftBank Stores*, as well as expanding the *Smartphone & Internet Bundle Discount* launched in March 2015, which offers a discount on the communication charges of mobile phones to customers subscribing to bundled packages including mobile phones and broadband services such as *SoftBank Hikari*.

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change
Churn rate	1.19%	1.24%	0.05 pp

³ The total number of new subscriptions and device upgrades. New subscriptions where customers switch between *SoftBank* and *Y!mobile* using Mobile Number Portability (MNP) are included in the number of device upgrades.

⁴ A promotional campaign for customers upgrading to certain mobile phones including iPhone, offering them a trade-in on their previous mobile phone for either a discount on their monthly service charges or points.

< Broadband Service >

The cumulative number of subscribers for broadband services at the end of the first quarter stood at 4,452,000, for an increase of 95,000 from the previous fiscal year-end. The increase mainly reflected an increase of 222,000 subscribers to *SoftBank Hikari*,⁵ while subscribers to *Yahoo! BB hikari with FLET'S*⁶ and *Yahoo! BB ADSL*⁷ decreased by 62,000 and 65,000, respectively.

After the launch of *SoftBank Hikari*, a fiber-optic service, in March 2015, the main focus of broadband services has been shifted from *Yahoo! BB hikari with FLET'S* to *SoftBank Hikari* and the Company is now working to acquire customers through sales channels nationwide such as electronics retail stores and *SoftBank Stores*. *SoftBank Hikari* ARPU⁵ for the first quarter was ¥4,270, higher than that of *Yahoo! BB hikari with FLET'S* (¥1,830 for the first quarter) and *Yahoo! BB ADSL* (¥2,680 for the first quarter). The Company therefore expects a steady increase in telecom service revenue of broadband services in step with the increase in subscribers to *SoftBank Hikari*.

(Thousands)

	As of March 31, 2015	As of June 30, 2015	Change
Cumulative subscribers	4,357	4,452	95
<i>SoftBank Hikari</i> ⁵	119	341	222
<i>Yahoo! BB hikari with FLET'S</i>	2,672	2,610	(62)
<i>Yahoo! BB ADSL</i>	1,566	1,501	(65)

⁵ Includes the number of subscribers and ARPU of *SoftBank Air*, the high-speed wireless internet service available through the *Air terminal* the connection terminal

⁶ An Internet service provider (ISP) service offered as a package with NTT East and NTT West's *FLET'S Hikari Series* fiber-optic connection

⁷ A service combining an ADSL connection service and an ISP service

(b) Sprint Segment

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Net sales	897,737	973,994	76,257	8.5%
EBITDA	190,326	259,172	68,846	36.2%
Depreciation and amortization	(128,621)	(190,278)	(61,657)	47.9%
Other operating income (loss)	(1,212)	694	1,906	-
Segment income	60,493	69,588	9,095	15.0%

(Reference: U.S. dollar based results (IFRSs))

(Millions of U.S. dollars)

Net sales	8,789	8,027	(762)	(8.7%)
EBITDA	1,863	2,136	273	14.7%
Segment income	592	574	(18)	(3.0%)

Avg. exchange rate USD/ JPY	102.14	121.34	19.2	18.8%
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< Overview of Operations >

The segment's net sales increased by ¥76,257 million (8.5%) year on year to ¥973,994 million. The main factor behind the overall increase was the yen's depreciation against the U.S. dollar by 18.8% in the first quarter compared to the same period of the previous fiscal year, although net sales declined in U.S. dollar terms by \$762 million (8.7%) year on year. The decrease in U.S. dollar net sales mainly reflected a decrease in Sprint platform⁸ postpaid ARPU⁹ compared to the same period of the previous fiscal year.

EBITDA increased by ¥68,846 million (36.2%) year on year to ¥259,172 million. This mainly reflected an increase in EBITDA in U.S. dollar terms by \$273 million (14.7%). Another contributing factor was the yen's depreciation against the U.S. dollar in the first quarter compared to the same period of the previous fiscal year.

On a U.S. dollar basis, EBITDA increased primarily as a result of a decrease in cost of goods, despite a decrease in net sales. The decrease in cost of goods mainly occurred because the compositional ratio of postpaid units sold under the leasing program, which started in September 2014, reached 51% of the number of Sprint platform postpaid units sold (excluding wholesale and affiliate) in the first quarter. This was partially offset by the increase in the number of Sprint platform postpaid units sold in the first quarter by around 5% compared to the same period of the previous fiscal year.

⁸ Sprint-operated CDMA and LTE networks

⁹ For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 21 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."

For the conventional sales of mobile devices, including the installment billing method, the sale of the devices and the cost of goods are recognized at the point of sale. However, under the leasing program, lease revenue is recognized throughout the period of the lease (typically 24 months), along with depreciation expenses for the capitalized leased devices.

Depreciation and amortization increased by ¥61,657 million (47.9%) year on year to ¥190,278 million, reflecting the increase in leased mobile devices and the expansion of telecommunications equipment. Other operating income was ¥694 million (loss of ¥1,212 million was recorded in the same period of the previous fiscal year).

As a result of the above, segment income increased by ¥9,095 million (15.0%) year on year to ¥69,588 million. Since the amounts of lease revenues and depreciation on capitalized leased devices are essentially the same, an increase in sales under the leasing program will contribute to an increase in EBITDA, but will only have a slight impact on segment income.

< Overview of Business Operations >

• Number of Subscribers (Sprint Platform)

The Sprint platform had 675,000 net subscriber additions for the first quarter. This represented a net addition of 731,000 in wholesale and affiliate, driven mainly by growth in the number of communication modules, and a net addition of 310,000 in postpaid due to factors such as a decrease in the number of deactivations in phones. This was partially offset by a net loss of 366,000 in prepaid. As a result, the cumulative number of Sprint platform subscribers at the end of the first quarter stood at 56,812,000. Among postpaid subscribers, the net loss in postpaid phone subscribers for the first quarter was 12,000, compared to a net loss of 620,000 in the same period of the previous fiscal year.

• ABPU (Sprint Platform)

Sprint platform postpaid ABPU⁹ for the first quarter was \$61.67 for a \$1.92 year-on-year decrease. This was mainly due to a customer shift to lower price plans offered in conjunction with device financing programs such as installment sales and leases. There was also an impact from a decline in the composition ratio of phone subscriptions, whose ARPU is high, and an increase in the ratio of tablet subscriptions, whose ARPU is lower than that of phones. The decline was partially offset by higher equipment billings¹⁰ due to the increased adoption of device financing programs.

• Churn Rate (Sprint Platform)

The Sprint platform postpaid churn rate⁹ for the first quarter was 1.56%, down 0.49 of a percentage point year on year. The decrease in the churn rate was primarily attributable to network performance improvements, as well as a decrease in deactivations due to non-payment of service charges following focused efforts to acquire customers with higher credit quality beginning in August 2014.

¹⁰ The sum of installment billings under the installment billing program and lease fees under the leasing program

(c) Yahoo Japan Segment

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Net sales	98,779	110,455	11,676	11.8%
EBITDA	50,871	54,498	3,627	7.1%
Depreciation and amortization	(3,653)	(5,646)	(1,993)	54.6%
Other operating income (loss)	-	-	-	-
Segment income	47,218	48,852	1,634	3.5%

< Overview of Operations >

The segment's net sales increased by ¥11,676 million (11.8%) year on year to ¥110,455 million. This increase was mainly a result of revenue growth in the advertising business at Yahoo Japan Corporation, driven by an increase in sales of display advertising.¹¹

EBITDA increased by ¥3,627 million (7.1%) year on year to ¥54,498 million primarily due to the increase in net sales.

Depreciation and amortization increased by ¥1,993 million (54.6%) year on year to ¥5,646 million, due to continuing capital expenditure related to big data.

As a result of the above, segment income increased by ¥1,634 million (3.5%) year on year to ¥48,852 million.

¹¹ Display advertising is graphical, Flash®, and video advertising that appears on a certain defined area and includes premium advertisements such as *Brand Panel* shown on *Yahoo! JAPAN*'s top page and *Yahoo! Display Ad Network*, which shows advertisements most suitable to the user based on the content the user is viewing and their interests, attributes, and geographical location.

(d) Distribution Segment

(Millions of Yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change	Change %
Net Sales	225,126	303,743	78,617	34.9%
EBITDA	3,102	2,817	(285)	(9.2%)
Depreciation and amortization	(2,446)	(2,406)	40	(1.6%)
Other operating income (loss)	1,787	-	(1,787)	-
Segment income	2,443	411	(2,032)	(83.2%)

< Overview of the Segment >

The Distribution segment comprises subsidiaries such as Brightstar Corp. and SoftBank Commerce & Service Corp. Brightstar Corp. became a subsidiary of the Company on January 30, 2014. Its operations include a wholesaling business purchasing mobile devices from manufacturers and distributing them to telecommunications operators and retailers in countries around the world. SoftBank Commerce & Service Corp.'s operations include the sale of mobile device accessories and IT-related software and hardware in Japan.

< Overview of Operations >

The segment's net sales increased by ¥78,617 million (34.9%) year on year to ¥303,743 million. This was mainly due to an increase in sales of mobile devices for Sprint. Since September 2014, the sales of mobile devices at Sprint which were previously sold directly from Sprint to dealers, has gradually been shifted to selling to dealers via Brightstar to pursue higher distribution efficiency. This increase of sales outweighed a decrease in sales associated with the termination of a mobile device wholesale supply contract with Verizon Communications Inc. and a contraction in the mobile device OEM business being conducted in Argentina (contracted manufacturing for mobile device manufacturers). Another factor increasing the net sales was the yen's depreciation against the U.S. dollar by 18.8% in the first quarter compared to the same period of the previous fiscal year.

EBITDA declined by ¥285 million (9.2%) year on year to ¥2,817 million. This was mainly attributable to the abovementioned termination of the mobile device wholesale supply contract with Verizon Communications Inc. and contraction of the mobile device OEM business in Argentina.

Depreciation and amortization decreased by ¥40 million (1.6%) year on year to ¥2,406 million.

As a result of the above, segment income was ¥411 million, down ¥2,032 million (83.2%) from the same period of the previous fiscal year. Of this, segment income at SoftBank Commerce & Service Corp. declined by ¥528 million (19.7%) year on year due to factors such as the absence of a surge in PC replacement demand that occurred in the same period of the previous fiscal year in conjunction with Microsoft Corporation ending support for *Windows XP* in April 2014, despite continued strong performance in the highly profitable mobile device accessories business.

(Reference 1: Principal Operational Data)
(a) SoftBank Corp.
< Mobile Communications Service >

		Fiscal Year Ended March 2015					Fiscal Year Ending March 2016
		Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015
		Q1	Q2	Q3	Q4	Full Year	Q1
Main subscribers¹²							
Cumulative subscribers	Thousands	30,868	31,018	31,173		31,545	31,565
Net additions	Thousands	80	150	155	373	758	20
Total ARPU ¹²	¥ / month	4,700	4,710	4,710	4,580	4,670	4,660
Telecom ARPU ¹²	¥ / month	4,220	4,230	4,230	4,080	4,190	4,140
Service ARPU ¹²	¥ / month	480	480	490	500	490	520
Churn rate ¹²	% / month	1.19	1.30	1.38	1.57	1.36	1.24
Units sold ¹³	Thousands	1,994	2,864	3,587	3,236	11,681	2,197
New subscriptions	Thousands	1,182	1,365	1,387	1,817	5,750	1,168
Device upgrades	Thousands	812	1,499	2,201	1,419	5,930	1,029
Overall mobile communications							
Cumulative subscribers	Thousands	44,564	44,900	44,887		44,886	44,417
Main subscribers ¹²	Thousands	30,868	31,018	31,173		31,545	31,565
Communication modules ¹²	Thousands	8,426	8,723	8,787		8,615	8,322
PHS	Thousands	5,271	5,160	4,927		4,726	4,530

< Broadband Service >

Cumulative subscribers	Thousands	4,242	4,243	4,256		4,357	4,452
<i>SoftBank Hikari^{12, 14}</i>	Thousands					119	341
<i>Yahoo!BB hikari with FLET'S^{12, 15}</i>	Thousands	2,531	2,583	2,638		2,672	2,610
<i>Yahoo! BB ADSL^{12, 16}</i>	Thousands	1,711	1,660	1,618		1,566	1,501
ARPU¹²							
<i>SoftBank Hikari^{12, 14}</i>	¥ / month				3,100		4,270
<i>Yahoo! BB hikari with FLET'S^{12, 15}</i>	¥ / month	1,770	1,830	1,840	1,830	1,820	1,830
<i>Yahoo! BB ADSL^{12, 16}</i>	¥ / month	2,870	2,830	2,780	2,740	2,810	2,680

Note:

5. The presentation method and definitions for the principal operational data of SoftBank Corp.'s mobile communications service has been changed from the first quarter of the fiscal year ending March 2016. Please refer to "<Changes in Presentation Method and Definitions of Principal Operational Data>" for details. Data for the fiscal year ended March 31, 2015 are also presented based on the new definitions.

¹² For definitions and calculation methods of subscribers, churn rate, and ARPU at SoftBank Corp., see page 20 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Corp."

¹³ The total number of new subscriptions and device upgrades. New subscriptions where customers switch between *SoftBank* and *Y!mobile* using MNP are included in the number of device upgrades.

¹⁴ A fiber-optic service using the wholesale fiber-optic connection of NTT East and NTT West. Includes the number of subscribers and ARPU of *SoftBank Air*.

¹⁵ An ISP service offered as a package with NTT East and NTT West's *FLET'S Hikari Series* fiber-optic connection

¹⁶ A service combining an ADSL connection service and an ISP service

< Changes in Presentation Method and Definitions of Principal Operational Data >

SoftBank Mobile Corp., the company that operates domestic telecommunications businesses, absorbed SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation on April 1, 2015 and was renamed SoftBank Corp. on July 1, 2015. In line with this, the presentation method and definitions of the principal operational data of SoftBank Corp.'s mobile communications services were also changed from the first quarter of the fiscal year ending March 2016.

The main changes are as follows. The number of subscribers are categorized as "main subscribers," which are the main focus in terms of management strategy, with the remaining number of subscribers classified under "communication modules" and "PHS." In addition, some services have been removed from the scope of inclusion for subscriber numbers.

i. Presentation Method

Number of subscribers

Before the change: respective numbers of subscribers for the former SoftBank Mobile Corp. and former Ymobile Corporation were presented

After the change: the number of subscribers at SoftBank Corp. is presented in the following categories

Category	Details
Main subscribers	Smartphones, ^{Note 6} feature phones, tablets, mobile data communication devices, ^{Note 7} others
Communication modules	Communication modules, ^{Note 8} <i>Mimamori Phone</i> , prepaid mobile phones, others
PHS	PHS

Notes:

6. Smartphones to which the *Smartphone Family Discount* are applied are included under communication modules. The *Smartphone Family Discount* is a promotion offering discounts to the family members of upgrading existing customers when they use the old handset and make a new subscription.
7. Mobile data communication devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules. The *Data Card 2-Year Special Discount* is a price plan based on usage of traffic with a free basic flat rate. It is provided to customers using a data card with a contract period of two years or more.
8. Communication modules that use PHS networks are included under PHS.

ARPU, number of units sold, and churn rate

Before the change: ARPU was calculated based on all the subscribers and revenues of the former SoftBank Mobile Corp. excluding those of communication modules. The number of units sold and churn rates were calculated based on all the subscribers of the former SoftBank Mobile Corp.

After the change: all the data are calculated based on the data for main subscribers at SoftBank Corp.

ii. Definitions

Scope of inclusion for number of subscribers

Before the change: including the contracts described below

After the change: excluding the contracts described below

The overlapping portion of mobile data communications devices ^{Note 9} compliant with the spectrums of former SoftBank Mobile Corp. and former Ymobile Corporation, etc. (number of subscribers as of March 31, 2015: 2,897,000)

Note:

9. Mobile data communication device provided by the former SoftBank Mobile Corp. and former Ymobile Corporation that are compatible with both companies' spectrums. The devices were provided from February 2009 through a business alliance, prior to the acquisition of the former eAccess Ltd. by SoftBank Corp. (currently SoftBank Group Corp.). Previously, the numbers of subscribers for these devices were included in the respective numbers of subscribers of both companies.

(b) Sprint

			Fiscal Year Ended March 2015					Fiscal Year Ending March 2016
			Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015
			Q1	Q2	Q3	Q4	Full Year	Q1
Cumulative subscribers ¹⁷	Sprint total	Thousands	54,553	55,037	55,929		57,141	57,668
	Sprint platform	Thousands	53,331	53,921	54,888		56,137	56,812
	Postpaid	Thousands	29,737	29,465	29,495		29,706	30,016
	Prepaid	Thousands	14,715	14,750	15,160		15,706	15,340
	Wholesale and affiliate	Thousands	8,879	9,706	10,233		10,725	11,456
	U.S. Cellular and Clearwire ¹⁸	Thousands	1,222	1,116	1,041		1,004	856
Sprint platform	Net additions ¹⁷	Thousands	(220)	590	967	1,249	2,586	675
	Postpaid	Thousands	(181)	(272)	30	211	(212)	310
	Prepaid	Thousands	(542)	35	410	546	449	(366)
	Wholesale and affiliate	Thousands	503	827	527	492	2,349	731
	Postpaid ABPU ¹⁹	\$ / month	63.59	62.75	62.16	61.71		61.67
	ARPU ¹⁹							
	Postpaid	\$ / month	62.07	60.58	58.90	56.94		55.48
Prepaid	\$ / month	27.38	27.19	27.12	27.50		27.81	
Churn rate ¹⁹								
	Postpaid	% / month	2.05	2.18	2.30	1.84		1.56
	Prepaid	% / month	4.44	3.76	3.94	3.84		5.08

¹⁷ Includes the number of communication module service subscribers

¹⁸ Subscribers acquired through the acquisition of assets from U.S. Cellular Corporation ("U.S. Cellular") and Clearwire Corporation ("Clearwire").

¹⁹ For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 21 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."

(Reference 2: Definitions and Calculation Methods of Principal Operational Data)

(a) SoftBank Corp.

< Mobile Communications Service >

i. Subscribers

The following categories serve as cover-all terms for the service contracts described.

Main subscribers: smartphones, ^{Note 10} feature phones, tablets, mobile data communications devices, ^{Note 11} others

Communication modules: communication modules, ^{Note 12} *Mimamori Phone*, prepaid mobile phones, others

PHS: PHS

Notes:

10. Smartphones to which the *Smartphone Family Discount* are applied are included under communication modules.

11. Mobile data communication devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules.

12. Communication modules that use PHS networks are included under PHS.

Principal Operational Data for Main Subscribers

i. ARPU

ARPU: Average Revenue Per User per month

Total ARPU = (data-related revenue + basic monthly charge and voice-related revenues + device warrantee services + advertising revenue + content-related revenues, etc.) / number of active subscribers (rounded to the nearest ¥10)

Telecom ARPU = (data-related revenue (packet communication and flat-rate charges, basic monthly Internet connection charges etc.) + basic monthly charge and voice-related revenues (basic monthly usage charges, voice call charges, revenues from incoming calls, etc.)) / number of active subscribers (rounded to the nearest ¥10)

Service ARPU = (device warrantee services, advertising revenue, content-related revenues, etc.) / number of active subscribers (rounded to the nearest ¥10)

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)

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

ii. Churn rate

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)

Churn rate = number of churn / number of active subscribers for the relevant period. The number of churn excludes the number of subscribers who switch between *SoftBank* and *Y!mobile* using MNP.

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)

< Broadband Service >

i. Subscribers

SoftBank Hikari subscribers:

Number of users for which connection construction of a fiber-optic line at central office of NTT East or NTT West is complete. Includes the number of subscribers to *SoftBank Air*.

Yahoo! BB hikari with FLET'S subscribers:

Number of users of *Yahoo! BB hikari with FLET'S* for which connection construction of a fiber-optic line at the central office of NTT East or NTT West is complete and who are provided with services

Yahoo! BB ADSL subscribers:

Number of users of *Yahoo! BB ADSL* for which connection construction of an ADSL line at the central office of NTT East or NTT West is complete

ii. ARPU

ARPU: Average Revenue Per User per month (rounded to the nearest ¥10)

ARPU = Revenue of each broadband service / the number of active subscribers

SoftBank Hikari ARPU =

SoftBank Hikari revenue (basic monthly charge + provider charge + *Hikari BB* unit rental charge + *White hikari Phone* and *BB Phone* voice call charge + optional service charges, etc.) / the number of active *SoftBank Hikari* subscribers

* Calculation of *SoftBank Hikari* ARPU includes revenues and subscribers of *SoftBank Air*.

Yahoo! BB hikari with FLET'S ARPU =

Yahoo! BB hikari with FLET'S revenue (provider charge + *Hikari BB* unit rental charge + *BB Phone* voice call charge + optional service charges, etc. (excluding usage charges for *FLET'S hikari* and *FLET'S hikari LIGHT*)) / the number of active *Yahoo! BB hikari with FLET'S* subscribers

Yahoo! BB ADSL ARPU =

Yahoo! BB ADSL revenue (basic monthly charge + provider charge + modem rental charge + *BB Phone* voice call charge + optional service charges, etc.) / the number of active *Yahoo! BB ADSL* 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

(b) Sprint Platform

i. ABPU/ARPU

ABPU: Average Billings Per User per month (rounded to the nearest \$.01)

ABPU = (service revenue + equipment billings) / number of active subscribers

Equipment billings: the sum of installment billings under the installment billing program and lease fees under the leasing program

ARPU: Average Revenue Per User per month (rounded to the nearest \$.01)

ARPU = service 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

ii. Churn rate

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)

Churn rate = number of deactivations / number of active subscribers

Deactivations: the total number of subscribers that churned during the relevant period. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid.

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

(Reference 3: Capital Expenditure and Depreciation and Amortization)
(a) Capital Expenditure (Acceptance Basis)

(Millions of yen)

	Fiscal Year Ended March 2015					Fiscal Year Ending March 2016
	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015
	Q1	Q2	Q3	Q4	Full Year	Q1
Domestic Telecommunica- tions segment	130,281	133,170	140,713	177,587	581,751	72,440
Sprint segment	148,793	162,025	213,765	175,266	699,849	160,367
Yahoo Japan segment	8,532	5,031	9,418	7,073	30,054	7,196
Distribution segment	2,559	2,709	2,958	5,969	14,195	1,896
Others	5,574	4,596	9,700	7,714	27,584	1,345
Consolidated total	295,739	307,531	376,554	373,609	1,353,433	243,244

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended March 2015					Fiscal Year Ending March 2016
	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015
	Q1	Q2	Q3	Q4	Full Year	Q1
Domestic Telecommunica- tions segment	105,164	106,843	109,863	130,428	452,298	107,521
Sprint segment	128,621	132,762	145,355	172,414	579,152	190,278
Yahoo Japan segment	3,653	4,271	4,515	5,925	18,364	5,646
Distribution segment	2,446	2,141	2,220	3,441	10,248	2,406
Others	8,325	8,243	8,770	9,845	35,183	10,347
Consolidated total	248,209	254,260	270,723	322,053	1,095,245	316,198

Notes:

13. The results for the fiscal year ended March 2015 are presented in accordance with the reportable segments for the first quarter of the fiscal year ending March 2016.

14. The amount of capital expenditure and depreciation and amortization excludes those of discontinued operations.

(2) Qualitative Information Regarding Consolidated Financial Position

a. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015	Change	Change %
Total assets	21,034,169	20,878,435	(155,734)	(0.7%)
Total liabilities	17,180,992	16,977,776	(203,216)	(1.2%)
Total equity	3,853,177	3,900,659	47,482	1.2%

(Reference)

Exchange rate USD/ JPY	¥120.17	¥122.45	¥2.28	1.9%
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(a) Current Assets

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change
Cash and cash equivalents	3,258,653	2,385,278	(873,375)
<i>Sprint</i>	481,891	252,209	(229,682)
Trade and other receivables	1,895,648	1,802,050	(93,598)
<i>Sprint</i>	433,013	450,311	17,298
Other financial assets	197,068	238,667	41,599
Inventories	351,152	334,799	(16,353)
Other current assets	255,399	604,727	349,328
Total current assets	5,957,920	5,365,521	(592,399)

Current assets totaled ¥5,365,521 million, for a ¥592,399 million (9.9%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- i. Cash and cash equivalents decreased by ¥873,375 million from the previous fiscal year-end.
- ii. Trade and other receivables decreased by ¥93,598 million from the previous fiscal year-end. The decrease mainly reflected a decrease in receivables at Brightstar and decreases in receivables and accrued revenue at SoftBank Corp. Another factor for the decrease was the transition of GungHo from a subsidiary to an equity method associate.
- iii. Other current assets increased by ¥349,328 million from the previous fiscal year-end. This mainly reflected the recording of ¥317,692 million of income tax withheld at source to be paid and then recovered by September 30, 2015 related to dividend payments between Group companies.

(b) Non-current Assets

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change
Property, plant and equipment	4,317,448	4,424,687	107,239
<i>Sprint</i>	2,141,120	2,281,555	140,435
Goodwill	1,663,363	1,531,427	(131,936)
<i>Sprint</i>	353,867	360,581	6,714
Intangible assets	6,903,582	6,939,698	36,116
<i>Sprint</i>	5,993,034	6,063,832	70,798
FCC licenses ²⁰	4,320,296	4,405,520	85,224
<i>Sprint</i>	4,320,296	4,405,520	85,224
Trademarks	786,834	800,483	13,649
<i>Sprint</i>	772,433	786,613	14,180
Customer relationships	582,223	544,708	(37,515)
<i>Sprint</i>	496,594	464,770	(31,824)
Software	757,866	766,239	8,373
Game titles	109,211	81,849	(27,362)
Others	347,152	340,899	(6,253)
Investments accounted for using the equity method	1,102,456	1,343,860	241,404
Other financial assets	662,463	894,695	232,232
Deferred tax assets	235,488	183,209	(52,279)
Other non-current assets	191,449	195,338	3,889
Total non-current assets	15,076,249	15,512,914	436,665

Non-current assets totaled ¥15,512,914 million, for a ¥436,665 million (2.9%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- i. Investments accounted for using the equity method increased by ¥241,404 million from the previous fiscal year-end. This primarily reflected the new recording of GungHo as an investment accounted for using the equity method as well as an increase in the carrying amount of Alibaba due to the recording of income on equity method investments related to Alibaba.
- ii. Other financial assets increased by ¥232,232 million from the previous fiscal year-end. This mainly reflected the acquisition of preferred shares of Forward Ventures, LLC, which operates the e-commerce website *Coupage* in South Korea, as well as an increase in the fair value of financial assets at FVTPL, such as preferred shares of Jasper Infotech Private Limited and ANI Technologies Pvt. Ltd.

²⁰ Licenses issued by the U.S. Federal Communications Commission for use of specified spectrum

- iii. Property, plant and equipment increased by ¥107,239 million from the previous fiscal year-end. This primarily reflected an increase in property, plant and equipment at Sprint amounting to ¥140,435 million, due to an increase of mobile device leases under the leasing program and greater investments in the network.
- iv. Goodwill decreased by ¥131,936 million from the previous fiscal year-end. This was mainly due to the transition of GungHo from a subsidiary to an equity method associate.

(c) Current Liabilities

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change
Interest-bearing debt	1,817,415	1,641,758	(175,657)
<i>Sprint</i>	216,247	169,515	(46,732)
Short-term borrowings	413,846	328,988	(84,858)
Current portion of long-term borrowings	525,898	534,878	8,980
Current portion of corporate bonds	183,557	260,523	76,966
<i>Sprint</i>	113,491	115,640	2,149
Current portion of lease obligations	411,453	431,162	19,709
Current portion of preferred securities	200,000	-	(200,000)
Others	82,661	86,207	3,546
Trade and other payables	1,863,480	1,568,371	(295,109)
<i>Sprint</i>	741,549	565,568	(175,981)
Other financial liabilities	12,917	11,988	(929)
Income taxes payables	184,175	45,468	(138,707)
Provisions	54,998	50,412	(4,586)
Other current liabilities	739,501	954,293	214,792
Total current liabilities	4,672,486	4,272,290	(400,196)

Current liabilities totaled ¥4,272,290 million, for a ¥400,196 million (8.6%) decrease from the previous fiscal year-end. The primary components of the change were as follows:

- i. Trade and other payables decreased by ¥295,109 million from the previous fiscal year-end. This mainly reflected decreases in accounts payable–trade related to mobile devices and accounts payable–other related to telecommunications equipment at Sprint and SoftBank Corp. after making payments.
- ii. Interest-bearing debt decreased by ¥175,657 million from the previous fiscal year-end. This mainly

reflected a decline of ¥200,000 million in the current portion of preferred securities from the previous fiscal year-end due to the Company's subsidiary SFJ Capital Limited redeeming in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011.

- iii. Other current liabilities increased by ¥214,792 million from the previous fiscal year-end. This mainly reflected the recording of ¥317,692 million for an expected payment of income taxes withheld at source related to dividend payments between Group companies.

(d) Non-current Liabilities

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change
Interest-bearing debt	9,789,829	9,894,156	104,327
<i>Sprint</i>	3,886,597	3,987,315	100,718
Long-term borrowings	2,116,498	2,126,645	10,147
Corporate bonds	6,825,868	6,900,569	74,701
<i>Sprint</i>	3,813,511	3,876,731	63,220
Lease obligations	744,911	780,135	35,224
Others	102,552	86,807	(15,745)
Other financial liabilities	27,142	19,590	(7,552)
Defined benefit liabilities	128,282	130,924	2,642
Provisions	155,705	151,395	(4,310)
Deferred tax liabilities	2,052,615	2,145,388	92,773
<i>Sprint</i>	1,748,273	1,779,544	31,271
Other non-current liabilities	354,933	364,033	9,100
Total non-current liabilities	12,508,506	12,705,486	196,980

Non-current liabilities totaled ¥12,705,486 million, for a ¥196,980 million (1.6%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- i. Interest-bearing debt increased by ¥104,327 million from the previous fiscal year-end. This was mainly due to a ¥63,220 million increase in corporate bonds of Sprint associated with the yen's depreciation against the U.S. dollar at the end of the first quarter compared with the previous fiscal year-end. While SoftBank Group Corp. issued ¥100,000 million in unsecured straight corporate bonds, this was offset by the transfer of ¥100,000 million of SoftBank Group Corp.'s unsecured straight corporate bonds into current liabilities as the redemption date came to be within one year.
- ii. Deferred tax liabilities increased by ¥92,773 million from the previous fiscal year-end. This was mainly due to an increase of ¥31,271 million at Sprint, primarily due to the yen's depreciation against the U.S. dollar at the end of the first quarter compared to the previous fiscal year-end. In addition, a tax effect was

recognized for the difference between the carrying amount of Alibaba on a consolidated basis, which increased due to the recording of income on equity method investments related to Alibaba, and its carrying amount on a tax basis.

(e) Equity

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015	Change
Equity attributable to owners of the parent	2,846,306	3,000,669	154,363
Non-controlling interests	1,006,871	899,990	(106,881)
Total equity	3,853,177	3,900,659	47,482

Equity totaled ¥3,900,659 million, for a ¥47,482 million (1.2%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent increased by ¥154,363 million (5.4%), while non-controlling interests decreased by ¥106,881 million (10.6%). The ratio of equity attributable to owners of the parent to total assets increased by 0.9 of a percentage point from the previous fiscal year-end to 14.4%.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

Item	As of March 31, 2015	As of June 30, 2015	Change
Common stock	238,772	238,772	-
Capital surplus	374,845	249,951	(124,894)
Retained earnings	1,740,686	1,930,142	189,456
Treasury stock	(48,383)	(48,043)	340
Accumulated other comprehensive income	540,386	629,847	89,461
Available-for-sale financial assets	14,524	43,149	28,625
Cash flow hedges	(7,345)	(7,977)	(632)
Exchange differences on translating foreign operations	533,207	594,675	61,468
Total equity attributable to owners of the parent	2,846,306	3,000,669	154,363

Equity attributable to owners of the parent totaled ¥3,000,669 million, for a ¥154,363 million (5.4%) increase from the previous fiscal year-end. This was mainly due to increases from the previous fiscal year-end in retained earnings and accumulated other comprehensive income of ¥189,456 million and ¥89,461 million, respectively. The increase in retained earnings primarily reflected net income attributable to owners of the parent of ¥213,382 million. The

increase in accumulated other comprehensive income was mainly attributable to an increase in exchange differences on translating foreign operations due to the yen's depreciation against the U.S. dollar at the end of the first quarter compared to the previous fiscal year-end.

On the other hand, capital surplus declined by ¥124,894 million from the previous fiscal year-end. This mainly reflected the deduction from capital surplus of ¥120,847 million as changes in interests in subsidiaries due to the purchase of an additional 24.1% of the shares of subsidiary Supercell from its existing shareholders (the Company's share of voting rights after the additional purchase: 77.8%).

(Non-controlling Interests)

Non-controlling interests totaled ¥899,990 million, for a ¥106,881 million (10.6%) decrease from the previous fiscal year-end. This was mainly due to the transition of GungHo from a subsidiary to an equity method associate.

b. Cash Flows

Cash flows for the first quarter were as follows.

Cash and cash equivalents at the end of the first quarter totaled ¥2,385,278 million, for a ¥873,375 million decrease from the previous fiscal year-end.

(Millions of yen)

	Three-month Period Ended June 30, 2014	Three-month Period Ended June 30, 2015	Change
Cash flows from operating activities	104,784	170,733	65,949
Cash flows from investing activities	(377,737)	(688,278)	(310,541)
Cash flows from financing activities	219,309	(369,952)	(589,261)

(Reference)

Cash flows from operating activities - capital expenditure ^(Note 15)	(216,479)	(264,627)	(48,148)
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Note:

15. Outlays for purchase of property, plant and equipment and intangible assets.

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥170,733 million (compared with ¥104,784 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

- i. Net income totaled ¥250,017 million.
- ii. The main items added to net income were ¥320,926 million in depreciation and amortization, ¥145,117 million in income taxes, and ¥105,512 million in finance cost.
- iii. The main item subtracted from net income was ¥80,602 million in income on equity method investments.
- iv. Interest paid was ¥115,810 million.
- v. Income taxes paid was ¥204,952 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥688,278 million (compared with ¥377,737 million used in the same period of the previous fiscal year). The primary components of cash flows were as follows:

- i. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥435,360 million.
- ii. Payments for acquisition of investments amounted to ¥158,240 million. This was mainly attributable to the purchase of investment securities, such as preferred shares of Forward Ventures, LLC and shares of Yamada Denki Co., Ltd., a major Japanese electric retailer.
- iii. A decrease of ¥63,070 million from loss of control over subsidiaries. This represents the amount of cash and cash equivalents held by GungHo at the time when the Company lost control over it.
- iv. Payments for acquisition and proceeds from sales/redemption of marketable securities for short-term trading amounted to ¥50,154 million and ¥52,636 million, respectively. This was mainly attributable to acquisition and sale of marketable securities for short-term trading, primarily by Sprint and Brightstar.

(c) Cash Flows from Financing Activities

Net cash used in financing activities was ¥369,952 million (compared with ¥219,309 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

(Items Increasing Cash Flows)

Proceeds from long-term interest-bearing debt amounted to ¥367,034 million. The components were as follows:

- Proceeds from sale and leaseback of newly acquired equipment of ¥141,067 million.
- Proceeds from long-term borrowings of ¥125,967 million. This was mainly due to borrowings made through securitization of installment sales receivables at SoftBank Corp.
- Proceeds from issuance of corporate bonds of ¥100,000 million. This mainly consisted of SoftBank Group Corp.'s issuance of unsecured straight corporate bonds.

(Items Decreasing Cash Flows)

i. Repayment of long-term interest-bearing debt was ¥443,185 million. The primary components were as follows:

- Redemption of preferred investment securities of ¥200,000 million. This was due to the Company's subsidiary SFJ Capital Limited redeeming in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011.
- Repayment of long-term borrowings of ¥112,139 million. This was mainly due to SoftBank Corp. repaying borrowings made through securitization of installment sales receivables.
- Repayment of lease obligations of ¥87,404 million.

ii. Payment for purchase of subsidiaries' equity from non-controlling interests of ¥159,848 million. This was mainly due to the additional purchase of shares of Supercell.

iii. Increases and decreases of short-term interest-bearing debt netted out to a decrease of ¥82,597 million.

(3) Qualitative Information Regarding Forecasts on Consolidated Results of Operations

Currently it is difficult to provide forecasts on the results in figures due to a large number of uncertain factors affecting the earnings. The Company will announce its forecasts on the consolidated results of operations when it becomes possible to make a rational projection.

2. Notes to Summary Information

Significant Changes in Scope of Consolidation for the Three-month Period Ended June 30, 2015

(Specified subsidiaries (three companies) excluded from the scope of consolidation)

SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015. As a result of the merger, SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation, which were our specified subsidiaries, were dissolved and are excluded from the scope of consolidation. SoftBank Mobile Corp. changed its company name to SoftBank Corp. on July 1, 2015.

3. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statements of Financial Position

	As of March 31, 2015	(Millions of yen) As of June 30, 2015
Assets		
Current assets		
Cash and cash equivalents	3,258,653	2,385,278
Trade and other receivables	1,895,648	1,802,050
Other financial assets	197,068	238,667
Inventories	351,152	334,799
Other current assets	255,399	604,727
Total current assets	5,957,920	5,365,521
Non-current assets		
Property, plant and equipment	4,317,448	4,424,687
Goodwill	1,663,363	1,531,427
Intangible assets	6,903,582	6,939,698
Investments accounted for using the equity method	1,102,456	1,343,860
Other financial assets	662,463	894,695
Deferred tax assets	235,488	183,209
Other non-current assets	191,449	195,338
Total non-current assets	15,076,249	15,512,914
Total assets	21,034,169	20,878,435

	As of March 31, 2015	(Millions of yen) As of June 30, 2015
Liabilities and equity		
Current liabilities		
Interest-bearing debt	1,817,415	1,641,758
Trade and other payables	1,863,480	1,568,371
Other financial liabilities	12,917	11,988
Income taxes payables	184,175	45,468
Provisions	54,998	50,412
Other current liabilities	739,501	954,293
Total current liabilities	4,672,486	4,272,290
Non-current liabilities		
Interest-bearing debt	9,789,829	9,894,156
Other financial liabilities	27,142	19,590
Defined benefit liabilities	128,282	130,924
Provisions	155,705	151,395
Deferred tax liabilities	2,052,615	2,145,388
Other non-current liabilities	354,933	364,033
Total non-current liabilities	12,508,506	12,705,486
Total liabilities	17,180,992	16,977,776
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	374,845	249,951
Retained earnings	1,740,686	1,930,142
Treasury stock	(48,383)	(48,043)
Accumulated other comprehensive income	540,386	629,847
Total equity attributable to owners of the parent	2,846,306	3,000,669
Non-controlling interests	1,006,871	899,990
Total equity	3,853,177	3,900,659
Total liabilities and equity	21,034,169	20,878,435

(2) Condensed Interim Consolidated Statements of Income and Comprehensive Income
Condensed Interim Consolidated Statements of Income

	(Millions of yen)	
	Three-month period ended June 30, 2014*	Three-month period ended June 30, 2015
Continuing operations		
Net sales	1,948,264	2,139,058
Cost of sales	(1,127,823)	(1,238,727)
Gross profit	820,441	900,331
Selling, general and administrative expenses	(501,664)	(557,473)
Other operating income	575	694
Operating income	319,352	343,552
Finance cost	(84,985)	(105,511)
Income (loss) on equity method investments	(63,425)	80,602
Other non-operating income	10,217	80,030
Income before income tax	181,159	398,673
Income taxes	(80,828)	(141,688)
Net income from continuing operations	100,331	256,985
Discontinued operations		
Net income (loss) from discontinued operations	10,977	(6,968)
Net income	111,308	250,017
Net income attributable to		
Owners of the parent	77,574	213,382
Non-controlling interests	33,734	36,635
	111,308	250,017
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)		
Continuing operations	61.52	188.08
Discontinued operations	3.75	(8.65)
Total basic earnings per share	65.27	179.43
Diluted earnings per share (yen)		
Continuing operations	61.39	185.34
Discontinued operations	3.75	(8.64)
Total diluted earnings per share	65.14	176.70

Note:

Continuing operations and discontinued operations are revised and presented separately. The details are described in "Note 10. Discontinued operations."

Condensed Interim Consolidated Statements of Comprehensive Income

	Three-month period ended June 30, 2014	(Millions of yen) Three-month period ended June 30, 2015
Net income	111,308	250,017
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(244)	(6)
Total items that will not be reclassified to profit or loss	(244)	(6)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	(2,091)	24,713
Cash flow hedges	3,788	(673)
Exchange differences on translating foreign operations	(39,511)	73,027
Share of other comprehensive income of associates	(5,361)	4,760
Total items that may be reclassified subsequently to profit or loss	(43,175)	101,827
Total other comprehensive income (loss), net of tax	(43,419)	101,821
Total comprehensive income	67,889	351,838
Total comprehensive income attributable to		
Owners of the parent	43,778	302,837
Non-controlling interests	24,111	49,001
	67,889	351,838

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the three-month period ended June 30, 2014

(Millions of yen)

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total		
As of April 1, 2014	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382
Comprehensive income								
Net income	-	-	77,574	-	-	77,574	33,734	111,308
Other comprehensive loss	-	-	-	-	(33,796)	(33,796)	(9,623)	(43,419)
Total comprehensive income	-	-	77,574	-	(33,796)	43,778	24,111	67,889
Transactions with owners and other transactions								
Cash dividends	-	-	(23,769)	-	-	(23,769)	(16,013)	(39,782)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(244)	-	244	-	-	-
Purchase and disposal of treasury stock	-	-	(88)	232	-	144	-	144
Changes in interests in subsidiaries	-	(159)	-	-	-	(159)	1,926	1,767
Share-based payment transactions	-	(2)	-	-	-	(2)	4,576	4,574
Other	-	-	-	-	-	-	(176)	(176)
Total transactions with owners and other transactions	-	(161)	(24,101)	232	244	(23,786)	(9,687)	(33,473)
As of June 30, 2014	238,772	404,884	1,221,739	(51,260)	136,298	1,950,433	914,365	2,864,798

For the three-month period ended June 30, 2015

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
As of April 1, 2015	238,772	374,845	1,740,686	(48,383)	540,386	2,846,306	1,006,871	3,853,177
Comprehensive income								
Net income	-	-	213,382	-	-	213,382	36,635	250,017
Other comprehensive income	-	-	-	-	89,455	89,455	12,366	101,821
Total comprehensive income	-	-	213,382	-	89,455	302,837	49,001	351,838
Transactions with owners and other transactions								
Cash dividends	-	-	(23,784)	-	-	(23,784)	(28,907)	(52,691)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(6)	-	6	-	-	-
Purchase and disposal of treasury stock	-	-	(136)	340	-	204	-	204
Changes from loss of control	-	-	-	-	-	-	(96,060)	(96,060)
Changes in interests in subsidiaries	-	(122,020)	-	-	-	(122,020)	(33,338)	(155,358)
Share-based payment transactions	-	(2,874)	-	-	-	(2,874)	2,137	(737)
Other	-	-	-	-	-	-	286	286
Total transactions with owners and other transactions	-	(124,894)	(23,926)	340	6	(148,474)	(155,882)	(304,356)
As of June 30, 2015	238,772	249,951	1,930,142	(48,043)	629,847	3,000,669	899,990	3,900,659

(4) Condensed Interim Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Cash flows from operating activities		
Net income	111,308	250,017
Depreciation and amortization	255,001	320,926
Finance cost	84,987	105,512
Loss (income) on equity method investments	63,425	(80,602)
Other non-operating income	(10,251)	(80,164)
Income taxes	88,163	145,117
Decrease in trade and other receivables	73,856	107,923
Decrease in trade and other payables	(158,677)	(120,071)
Other	(54,137)	(159,613)
Subtotal	453,675	489,045
Interest and dividends received	1,527	2,450
Interest paid	(95,263)	(115,810)
Income taxes paid	(255,155)	(204,952)
Net cash provided by operating activities	104,784	170,733
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(321,263)	(435,360)
Payments for acquisition of investments	(17,873)	(158,240)
Proceeds from sales/redemption of investments	5,113	6,734
Decrease from loss of control over subsidiaries	-	(63,070)
Payments for acquisition of marketable securities for short-term trading	(79,701)	(50,154)
Proceeds from sales/redemption of marketable securities for short-term trading	84,987	52,636
Other	(49,000)	(40,824)
Net cash used in investing activities	(377,737)	(688,278)
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	16,612	(82,597)
Proceeds from long-term interest-bearing debt	484,051	367,034
Repayment of long-term interest-bearing debt	(231,811)	(443,185)
Payments for purchase of subsidiaries' equity from non-controlling interests	(12,191)	(159,848)
Cash dividends paid	(22,917)	(22,985)
Cash dividends paid to non-controlling interests	(16,017)	(29,185)
Other	1,582	814
Net cash provided by (used in) financing activities	219,309	(369,952)
Effect of exchange rate changes on cash and cash equivalents	(7,394)	14,122
Decrease in cash and cash equivalents	(61,038)	(873,375)
Cash and cash equivalents at the beginning of the period	1,963,490	3,258,653
Cash and cash equivalents at the end of the period	1,902,452	2,385,278

(5) Significant Doubt about Going-Concern Assumption

For the three-month period ended June 30, 2015

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

1. Definition of company name and abbreviation used in the notes

Company names and abbreviations used in the notes, except as otherwise stated or interpreted differently in the context, are as follows:

Company name / Abbreviation	Definition
“SoftBank Group Corp.”*	SoftBank Group Corp. (stand-alone basis)
The “Company”	SoftBank Group Corp. and its subsidiaries
*Each of the following abbreviations indicates the respective company, and its subsidiaries, if any.	
“Sprint”	Sprint Corporation
“Brightstar”	Brightstar Corp.
“Supercell”	Supercell Oy
“GungHo”	GungHo Online Entertainment, Inc.

Note:

SoftBank Corp., a pure holding company, changed its company name to SoftBank Group Corp. effective on July 1, 2015. The company name “SoftBank Group Corp.” is used consistently in the notes including the information with regard to the transactions occurred before the change.

2. Segment information

(1) Description of reportable segments

The Company’s reportable segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by the Company’s board of directors in order to make decisions about the allocation of the resources and assess its performance.

The Company had four segments, the Mobile Communications segment, the Sprint segment, the Fixed-line Telecommunications segment, and the Internet segment for the fiscal year ended March 31, 2015. Along with the transformation into “SoftBank 2.0” from a strong Japanese business with global assets to a global business that will strive to create sustainable growth over the long term, the Company revised its segments. The Domestic telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment are the four reportable segments from the three-month period ended June 30, 2015.

The Domestic Telecommunications segment provides, mainly through SoftBank Corp. (formerly SoftBank Mobile Corp.), mobile communications services, sale of mobile devices, telecommunication services such as fixed-line telephone and data communications services for corporate customers, and broadband services for retail customers in Japan.

The Sprint segment provides, through Sprint, mobile communications services, sale and lease of mobile devices, and sale of mobile device accessories, and fixed-line telecommunications services in the U.S.

The Yahoo Japan segment provides, mainly through Yahoo Japan Corporation, Internet-based advertising business, e-commerce business, and membership services.

The Distribution segment provides, mainly through Brightstar, distribution of mobile devices overseas, and through SoftBank Commerce & Service Corp., sale of mobile device accessories, PC software and peripherals in Japan.

The reportable segments for the three-month period ended June 30, 2014 are presented based on the revised reportable segments.

(2) Net sales and income of reportable segments

Income of reportable segments is defined as “Operating income.”

The Company had defined the income of reportable segments as the amount after deducting “Cost of sales” and “Selling, general and administrative expenses” from “net sales” until the fiscal year ended March 31, 2015. In connection with the revision of the segments, the Company defined its income of reportable segments as “Operating income” from the three-month period ended June 30, 2015.

Income of reportable segments for the three-month period ended June 30, 2014 is also defined as “Operating income.”

Intersegment transaction prices are determined under the same general business conditions as applied for external customers.

The following is the information about the Company’s net sales and income by reportable segment. The Company also discloses EBITDA (Segment income (operating income) + depreciation and amortization – other operating income and loss) by each reportable segment.

For the three-month period ended June 30, 2014

(Millions of yen)

	Reportable segments						Reconcili- ations ²	Consoli- dated
	Domestic Telecommu- nications	Sprint	Yahoo Japan	Distribution	Total	Other ¹		
Net sales								
Customers	666,716	896,043	97,001	215,004	1,874,764	73,500	-	1,948,264
Intersegment	4,540	1,694	1,778	10,122	18,134	6,569	(24,703)	-
Total	671,256	897,737	98,779	225,126	1,892,898	80,069	(24,703)	1,948,264
EBITDA	309,930	190,326	50,871	3,102	554,229	18,715	(5,958)	566,986
Depreciation and amortization	(105,164)	(128,621)	(3,653)	(2,446)	(239,884)	(7,922)	(403)	(248,209)
Other operating income (loss)	-	(1,212)	-	1,787	575	-	-	575
Segment income (Operating income)	<u>204,766</u>	<u>60,493</u>	<u>47,218</u>	<u>2,443</u>	<u>314,920</u>	<u>10,793</u>	<u>(6,361)</u>	319,352
Finance cost								(84,985)
Equity in loss of associates								(63,425)
Other non-operating income								10,217
Income before income tax								<u>181,159</u>

For the three-month period ended June 30, 2015

(Millions of yen)

	Reportable segments						Reconcili- ations ²	Consoli- dated
	Domestic Telecommu- nications	Sprint	Yahoo Japan	Distribution	Total	Other ¹		
Net sales								
Customers	712,697	937,813	108,531	284,180	2,043,221	95,837	-	2,139,058
Intersegment	7,870	36,181	1,924	19,563	65,538	5,998	(71,536)	-
Total	720,567	973,994	110,455	303,743	2,108,759	101,835	(71,536)	2,139,058
EBITDA	321,940	259,172	54,498	2,817	638,427	32,000	(11,371)	659,056
Depreciation and amortization	(107,521)	(190,278)	(5,646)	(2,406)	(305,851)	(9,878)	(469)	(316,198)
Other operating income	-	694	-	-	694	-	-	694
Segment income (Operating income)	<u>214,419</u>	<u>69,588</u>	<u>48,852</u>	<u>411</u>	<u>333,270</u>	<u>22,122</u>	<u>(11,840)</u>	343,552
Finance cost								(105,511)
Equity in income of associates								80,602
Other non-operating income								80,030
Income before income tax								<u>398,673</u>

Notes:

- Information on the business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly online game-related business by Supercell.
- "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment. Expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc. which manages and supervises investment activities in the internet, communication, and media fields overseas are included in the corporate general expenses.
- Discontinued operations are not included. The details are described in "Note 10. Discontinued operations."

3. Property, plant and equipment

The components of the carrying amounts of property, plant and equipment are as follows:

	As of March 31, 2015	(Millions of yen) As of June 30, 2015
Buildings and structures	267,633	265,375
Telecommunications equipment	3,251,673	3,268,691
Equipment and fixtures	365,305	505,464
Land	97,342	97,751
Construction in progress	318,345	272,148
Other	17,150	15,258
Total	4,317,448	4,424,687

4. Intangible assets

The components of the carrying amounts of intangible assets are as follows:

	As of March 31, 2015	(Millions of yen) As of June 30, 2015
Intangible assets with indefinite useful lives		
FCC licenses	4,320,296	4,405,520
Trademarks	727,251	740,295
Intangible assets with finite useful lives		
Software	757,866	766,239
Customer relationships	582,223	544,708
Favorable lease contracts	145,191	143,436
Game titles	109,211	81,849
Trademarks	59,583	60,188
Spectrum migration costs	53,550	52,785
Other	148,411	144,678
Total	6,903,582	6,939,698

5. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2015	(Millions of yen) As of June 30, 2015
Current		
Short-term borrowings	413,846	328,988
Commercial paper	32,000	32,000
Current portion of long-term borrowings	525,898	534,878
Current portion of corporate bonds	183,557	260,523
Current portion of lease obligations	411,453	431,162
Current portion of preferred securities	200,000	-
Current portion of installment payables	50,661	54,207
Total	1,817,415	1,641,758
Non-current		
Long-term borrowings	2,116,498	2,126,645
Corporate bonds	6,825,868	6,900,569
Lease obligations	744,911	780,135
Installment payables	102,552	86,807
Total	9,789,829	9,894,156

(2) Components of increase (decrease) in short-term interest-bearing debt

The components of “Increase (decrease) in short-term interest-bearing debt, net” in the condensed interim consolidated statements of cash flows are as follows:

	Three-month period ended June 30, 2014	(Millions of yen) Three-month period ended June 30, 2015
Net increase (decrease) of short-term borrowings	16,612	(82,597)

(3) Components of proceeds from long-term interest-bearing debt

The components of “Proceeds from long-term interest-bearing debt” in the condensed interim consolidated statements of cash flows are as follows:

	Three-month period ended June 30, 2014	(Millions of yen) Three-month period ended June 30, 2015
Proceeds from long-term borrowings	80,915	125,967
Proceeds from issuance of corporate bonds ^{1,2}	300,000	100,000
Proceeds from sale and leaseback of newly acquired equipment	103,136	141,067
Total	484,051	367,034

Notes:

1. Corporate bonds issued for the three-month period ended June 30, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Group Corp.				
45th Unsecured Straight Corporate Bond	May 30, 2014	¥300,000 million	1.45%	May 30, 2019

Notes:

2. Corporate bonds issued for the three-month period ended June 30, 2015 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Group Corp.				
47th Unsecured Straight Corporate Bond	June 18, 2015	¥100,000 million	1.36%	June 18, 2020

(4) Components of repayment of long-term interest-bearing debt

The components of “Repayment of long-term interest-bearing debt” in the condensed interim consolidated statements of cash flows are as follows:

	Three-month period ended June 30, 2014	(Millions of yen) Three-month period ended June 30, 2015
Repayment of long-term borrowings	(81,375)	(112,139)
Redemption of corporate bonds ^{1,3}	(63,423)	(25,104)
Repayment of lease obligations	(68,609)	(87,404)
Redemption of preferred securities	-	(200,000)
Payment of installment payables	(18,404)	(18,538)
Total	(231,811)	(443,185)

Notes:

1. Major Corporate bonds redeemed for the three-month period ended June 30, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Group Corp.				
26th Unsecured Straight Corporate Bond	June 19, 2007	¥14,900 million	4.36%	June 19, 2014
37th Unsecured Straight Corporate Bond	June 10, 2011	¥30,000 million	0.65%	June 10, 2014
iPCS, Inc. ²				
Second Lien Senior Secured Floating Rate Notes due 2014	April 23, 2007	\$181 million ¥18,513 million	3.49%	May 1, 2014

Notes:

2. iPCS, Inc. is a subsidiary of Sprint.

3. Major corporate bonds redeemed for the three-month period ended June 30, 2015 are as follows:

<u>Company name / Name of bonds</u>	<u>Date of issuance</u>	<u>Amount of redemption</u>	<u>Interest rate</u>	<u>Date of redemption</u>
SoftBank Group Corp. 32nd Unsecured Straight Corporate Bond	June 2, 2010	¥25,000 million	1.67%	June 2, 2015

6. Foreign exchange rate

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

(1) Rate at the end of the period

	As of <u>March 31, 2015</u>	(yen) As of <u>June 30, 2015</u>
U.S. dollars	120.17	122.45

(2) Average rate for the quarter

	Three-month period ended <u>June 30, 2014</u>	(yen) Three-month period ended <u>June 30, 2015</u>
U.S. dollars	102.14	121.34

7. Equity

(1) Capital surplus

For the three-month period ended June 30, 2015

The Company additionally acquired 24.1% shares of Supercell, a subsidiary of the Company, from existing shareholders and the Company's ownership in Supercell became 77.8%. In connection with this transaction, ¥120,847 million is deducted from capital surplus as "Changes in interests in subsidiaries."

(2) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	As of <u>March 31, 2015</u>	(Millions of yen) As of <u>June 30, 2015</u>
Available-for-sale financial assets	14,524	43,149
Cash flow hedges	(7,345)	(7,977)
Exchange differences on translating foreign operations	533,207	594,675
Total	<u>540,386</u>	<u>629,847</u>

8. Finance cost

The components of finance cost are as follows:

	(Millions of yen)	
	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Interest expense	(84,985)	(105,511)

9. Other non-operating income

The components of other non-operating income are as follows:

	(Millions of yen)	
	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Gain from remeasurement relating to applying equity method ¹	6,249	-
Gain from financial assets at FVTPL ²	473	84,272
Other	3,495	(4,242)
Total	10,217	80,030

Notes:

- Due to the increase in the percentage of voting rights, the equity method was newly applied to the investment in associates and the gain arose from remeasurement of the interest already held by the Company at the time the equity method was applied, based on the fair value on the date of the equity method application.
- Gain or loss arising from financial assets at FVTPL is mainly changes in fair value of preferred stock investment including embedded derivatives, designated as financial assets at FVTPL.

10. Discontinued operations

GungHo Online Entertainment, Inc.

SoftBank Group Corp. entered into an agreement to tender in the Tender Offer for 188,235,200 shares, a portion of the common shares of GungHo held by SoftBank Group Corp, on April 28, 2015. The Tender Offer was completed on June 1, 2015 and 188,235,200 common shares of GungHo held by Softbank Group Corp. were transferred to GungHo for ¥80,000 million.

An agreement between Heartis G.K. (“Heartis”) and Son Holdings Inc. to extinguish the pledge on 100,000,000 shares, out of the common shares of GungHo held by Heartis, was executed and the Agreement on Exercise of Voting Rights* for the 100,000,000 shares was terminated effective on June 1, 2015.

As a result of the transactions, GungHo was no longer qualified as a subsidiary and became an equity method associate on June 1, 2015.

Operating results related to GungHo for the three-month period ended June 30, 2014 and from April 1, 2015 to June 1, 2015 are presented as discontinued operations separately from continuing operations in the condensed interim consolidated statement of income.

Note:

Heartis (Taizo Son’s asset management company, the second largest shareholder of GungHo, and Taizo Son, chairman of GungHo is the representative director), and Masayoshi Son, chairman and CEO of SoftBank Group Corp., entered into a Memorandum of Understanding on Exercise of Voting Rights for Deferment of Execution of Pledges (the “MOU”), on April 1, 2013. Under the MOU, all of GungHo common shares held by Heartis were pledged to Son Holdings, Masayoshi Son’s asset management company and in order to defer the execution of pledges, Heartis agreed to act on behalf of Masayoshi Son at the shareholders’ meeting of GungHo, for the voting rights related to 213,080,000 shares (ownership ratio: 18.50%) out of the common shares of GungHo held by Heartis.

The operating results and cash flows from discontinued operations are as follows:

(1) Operating results from discontinued operations

	(Millions of yen)	
	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Revenue	43,952	26,604
Expense	(25,640)	(17,404)
Income before income tax from discontinued operations	18,312	9,200
Income taxes	(7,335)	(3,568)
Income after income tax from discontinued operations	10,977	5,632
Loss relating to loss of control in discontinued operations	-	(12,739)
Deferred tax expenses for investment temporary differences	-	139
Net income (loss) from discontinued operations	<u>10,977</u>	<u>(6,968)</u>

(2) Cash flows from discontinued operations

	(Millions of yen)	
	Three-month period ended June 30, 2014	Three-month period ended June 30, 2015
Net cash provided by operating activities	25,774	16,051
Net cash used in investing activities	(207)	(735)
Net cash used in financing activities	(107)	(86)
Total	<u>25,460</u>	<u>15,230</u>

11. Supplemental information to the condensed interim consolidated statements of cash flows

(1) Scope of purchase of property, plant and equipment and intangible assets

“Purchase of property, plant and equipment and intangible assets” includes cash outflows from long-term prepaid expenses that are included in “Other non-current assets” in the condensed interim consolidated statements of financial position.

(2) Presentation of cash flow regarding finance leases

Once the Company purchases telecommunications equipment for the purpose of assembly, installation and inspection, the Company sells the equipment to lease companies for sale and leaseback purposes. The leased asset and lease obligation are recorded in the condensed interim consolidated statements of financial position.

The cash outflows from the purchase of the equipment from vendors are included in “Purchase of property, plant and equipment and intangible assets” under cash flows from investing activities, and the cash inflows from the sale of the equipment to lease companies are included in “Proceeds from long-term interest-bearing debt” under cash flows from financing activities.

(3) Decrease from loss of control over subsidiaries

For the three-month period ended June 30, 2015

“Decrease from loss of control over subsidiaries” is the amount of cash and cash equivalents held by GungHo at the time of loss of control.

12. Significant subsequent events

For the three-month period ended June 30, 2015

SoftBank Group Corp. issued USD-denominated Senior Notes due 2022, USD-denominated Senior Notes due 2025, Euro-denominated Senior Notes due 2022, Euro-denominated Senior Notes due 2025, and Euro-denominated Senior Notes due 2027 (collectively, the “Notes”). The details are described as follows.

1. USD-denominated Senior Notes*

	USD-denominated Senior Notes due 2022	USD-denominated Senior Notes due 2025
(a) Aggregate amount of issue	\$1 billion	\$1 billion
(b) Issue price	100% of the principal amount	
(c) Interest rate	5.375% per annum	6.000% per annum
(d) Interest payment	To be paid semi-annually on January 30 and July 30 of each year	
(e) Term	7 years	10 years
(f) Maturity date	July 30, 2022	July 30, 2025
(g) Redemption at maturity	Redemption in whole at maturity date at 100% of the principal amount	
(h) Early redemption	Redemption in whole or in part at 100% of the principal amount on or after the date 90 days prior to the maturity date, or in whole or in part at 100% of the principal amount plus a “make-whole” premium at any time to the date 90 days prior to the maturity date.	
(i) Expected closing date	July 28, 2015	
(j) Collateral	None	
(k) Guarantee	Yes	
(l) Initial guarantor	SoftBank Corp. (formerly SoftBank Mobile Corp.)	
(m) Use of proceeds	The Company intends to use the proceeds from the Notes to refinance certain indebtedness and for general corporate purposes	

2. Euro-denominated Senior Notes*

	Euro-denominated Senior Notes due 2022	Euro-denominated Senior Notes due 2025	Euro-denominated Senior Notes due 2027
(a) Aggregate amount of issue	€0.5 billion	€1.25 billion	€0.5 billion
(b) Issue price	100% of the principal amount		
(c) Interest rate	4.000% per annum	4.750% per annum	5.250% per annum
(d) Interest payment	To be paid semi-annually on January 30 and July 30 of each year		
(e) Term	7 years	10 years	12 years
(f) Maturity	July 30, 2022	July 30, 2025	July 30, 2027
(g) Redemption at maturity	Redemption in whole at maturity date at 100% of the principal amount		
(h) Early redemption	Redemption in whole or in part at 100% of the principal amount on or after the date 90 days prior to the maturity date, or in whole or in part at 100% of the principal amount plus a “make-whole” premium at any time to the date 90 days prior to the maturity date.		
(i) Expected closing date	July 28, 2015		
(j) Collateral	None		
(k) Guarantee	Yes		
(l) Initial guarantor	SoftBank Corp. (formerly SoftBank Mobile Corp.)		
(m) Use of proceeds	The Company intends to use the proceeds from the Notes to refinance certain indebtedness and for general corporate purposes		

Note:

The currency swap contracts are concluded for the Notes. Cash outflows at the time of redemption, which are fixed by the currency swap contracts, are total ¥553.0 billion. Average interest rate after considering the effect of exchange from fixed interest rates denominated in foreign currencies to fixed interest rates in Japanese yen is 3.776%.