

SOFTBANK CORP.
CONSOLIDATED INTERIM FINANCIAL REPORT
For the Six Months Ended September 30, 2001

FINANCIAL HIGHLIGHTS

1) Results of Operations

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

| | FY2002 Interim (April 2001 through September 2001) | Year- on-year change | FY2001 Interim (April 2000 through September 2000) | Year- on- year change | FY2001 (April 2000 through March 2001) |
|---|---|----------------------------|---|--------------------------------|--|
| Operating revenue | ¥183,372 | 1.7% | ¥180,236 | (10.6)% | ¥397,105 |
| Operating income (loss) | (8,704) | — | 4,703 | 27.6 | 16,431 |
| Ordinary income (loss) | (16,150) | — | 1,037 | — | 20,065 |
| Net income (loss) | (54,315) | — | 36,310 | — | 36,631 |
| Net income (loss) per share— primary (yen) | (161.29) | — | 109.79 | — | 110.47 |
| Net income (loss) per share— diluted (yen) | (159.99) | — | 108.61 | — | 109.38 |

Notes:

1. Equity in losses under the equity method, net (Millions of yen):

| | |
|---|---|
| Six months ended September 30, 2001: ¥(8,976) | Six months ended September 30, 2000: ¥(6,847) |
| Fiscal Year ended March 31, 2001: ¥(19,765) | |

2. Weighted-average number of shares (consolidated basis)

| | |
|--|--|
| Six months ended September 30, 2001: 336,762,941 | Six months ended September 30, 2000: 330,715,513 |
| | Year ended March 31, 2001: 331,585,133 |

3. There were no significant changes in accounting methods during the period under review.

4. Percentage changes for operating revenue, operating income, ordinary income and net income are compared with the corresponding period of the previous interim fiscal year.

2. Financial Condition

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

| | FY2002 Interim (As of September 30, 2001) | FY2001 Interim (As of September 30, 2000) | FY2001 (As of March 31, 2000) |
|---|---|---|-------------------------------------|
| Total assets | ¥1,123,856 | ¥1,078,146 | ¥1,146,083 |
| Shareholders' equity | 352,429 | 383,944 | 424,261 |
| Equity ratio (%) | 31.4 | 35.6 | 37.0 |
| Shareholders' equity per share (yen) | 1,046.30 | 1,159.73 | 1,260.14 |

Note: Outstanding number of shares (consolidated basis)

As of September 30, 2001: 336,833,168

As of September 30, 2000: 331,063,579

As of March 31, 2001: 336,677,714

3. Cash Flows

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

| | FY2002 Interim (April 2001 through September 2001) | FY2001 Interim (April 2000 through September 2000) | FY2001 (April 2000 through March 2001) |
|---|--|--|--|
| Cash flows from operating activities | ¥(53,995) | ¥(79,217) | ¥(91,598) |
| Cash flows from investing activities | (24,254) | (31,501) | (42,612) |
| Cash flows from financing activities | 63,509 | 41,138 | 24,548 |
| Cash and cash equivalents at end of the period | 146,821 | 177,759 | 159,105 |

4. Scope of Consolidation

| | |
|--------------------------------|--|
| Consolidated subsidiaries: 277 | Equity-method non-consolidated subsidiaries: 6 |
| Equity-method affiliates: 119 | |

5. Changes in Scope of Consolidation

Consolidated subsidiaries:

| | |
|-----------------|--------------|
| Newly added: 75 | Excluded: 14 |
|-----------------|--------------|

Equity-method non-consolidated subsidiaries and affiliates:

| | |
|-----------------|--------------|
| Newly added: 24 | Excluded: 16 |
|-----------------|--------------|

(Reference)

Per Share Indices after Retroactive Adjustment

1. Consolidated Basis

| | FY 2000 Interim | FY 2000 | FY 2001 Interim | FY 2001 | FY 2002 Interim |
|--------------------------------|--------------------|-----------|--------------------|-----------|--------------------|
| Earnings per share | ¥(10.98) | ¥26.02 | ¥109.79 | ¥110.47 | ¥(161.29) |
| Shareholders' equity per share | ¥1,011.81 | ¥1,152.18 | ¥1,159.73 | ¥1,260.14 | ¥1,046.30 |

2. Non-consolidated Basis

| | FY 2000 Interim | FY 2000 | FY 2001 Interim | FY 2001 | FY 2002 Interim |
|--------------------------------|--------------------|-----------|--------------------|-----------|--------------------|
| Earnings per share | ¥35.95 | ¥165.04 | ¥(2.49) | ¥14.50 | ¥(28.84) |
| Shareholders' equity per share | ¥958.29 | ¥1,104.06 | ¥1,100.34 | ¥1,172.75 | ¥1,135.27 |

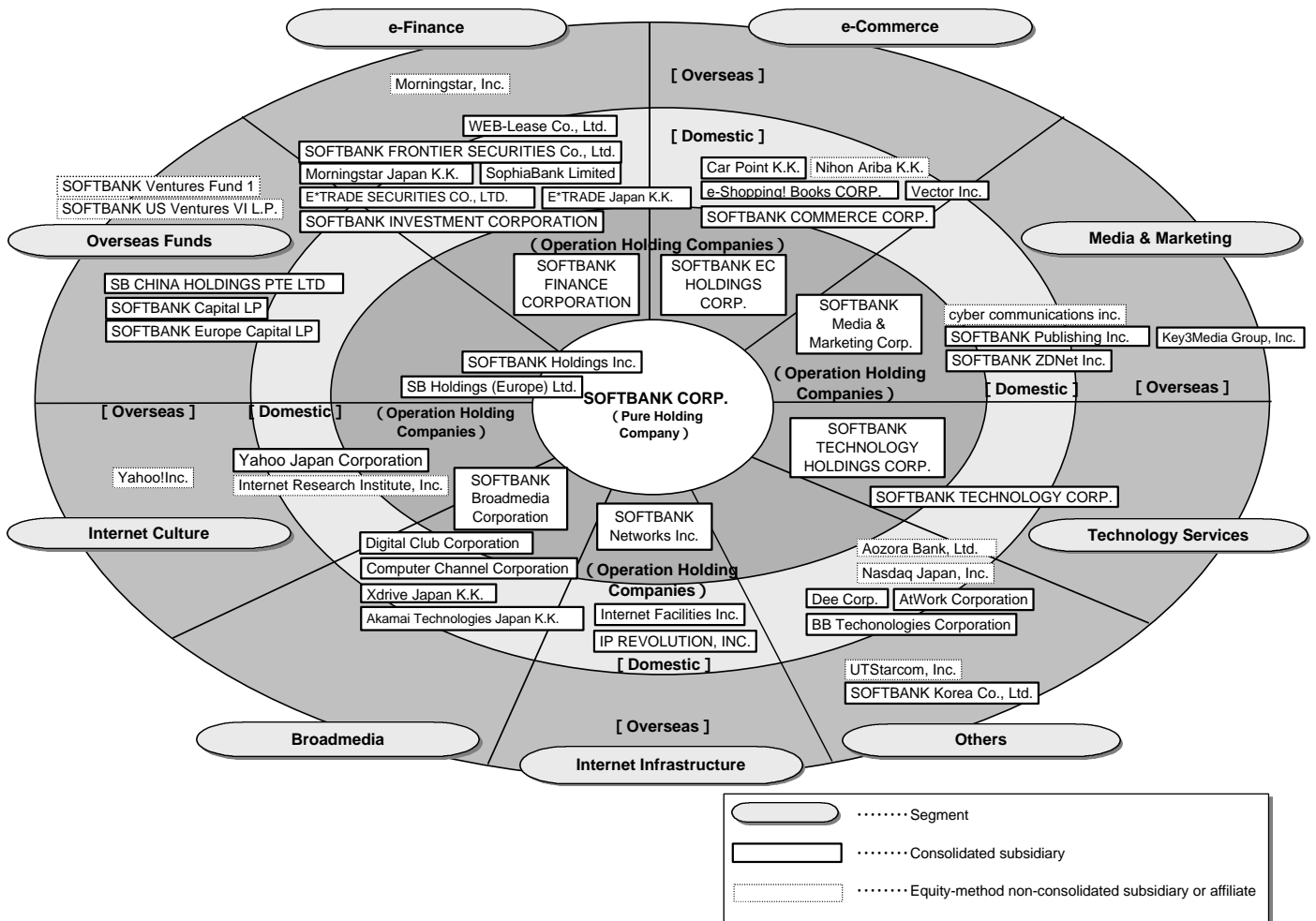
Notes:

- 1) Earnings per share is computed based on the weighted-average number of shares issued and outstanding during the applicable period, and shareholders' equity per share is computed based on the outstanding number of shares at year-end, with an appropriate retroactive adjustment to reflect the effect of stock splits.
- 2) Adjustment for the following stock split was made to the preceding figures.
June 23, 2000, stock split (each share split into 3.0 shares)

The SOFTBANK Group

As of September 30, 2001, the SOFTBANK Group comprised 277 companies with operations in 9 segments.

| Business segment | Consolidated subsidiaries (includes partnerships) | Equity-method non-consolidated subsidiaries and affiliates (includes partnerships) | Principal businesses |
|----------------------------|---|--|--|
| 1. e-Commerce | 33 | 14 | Distributes PC software, hardware, and peripherals; operates enterprise businesses and business transaction platform and consumer-related e-commerce businesses |
| 2. e-Finance | 116 | 20 | All inclusive Web-based financial operations, including Internet securities operations; management of domestic venture capital funds; incubation of portfolio corporations |
| 3. Media & Marketing | 27 | 6 | Book and magazine publication in such areas as PCs, the Internet, entertainment, etc.; exhibition management; Web content development |
| 4. Broadmedia | 17 | 2 | Provision of applications and content for broadcasting and broadband communications and promoting the spread of such operations |
| 5. Internet Culture | 8 | 7 | Internet-based advertising, broadband portals, auctions, etc. |
| 6. Technology Services | 7 | 4 | System solutions, business solutions, etc. |
| 7. Internet Infrastructure | 4 | 1 | Provides fiber optic ultrahigh-speed Internet access services, operates a related data center and other businesses. |
| 8. Overseas Funds | 43 | 58 | U.S.- and Asia- focused global private equity operations in Internet-related companies |
| 9. Others | 22 | 13 | Provide ADSL-based broadband infrastructure services, function as overseas holding companies, provide back-office support services in Japan, etc. |
| Total | 277 | 125 | |



SOFTBANK subsidiaries listed on domestic stock exchanges (or that have made IPOs) as of September 30, 2001:

| Subsidiary | Listed exchange |
|---|------------------|
| 1. Yahoo Japan Corporation | Over-the-counter |
| 2. SOFTBANK TECHNOLOGY CORP. | Over-the-counter |
| 3. Morningstar Japan K.K. | Nasdaq Japan |
| 4. Vector Inc. | Nasdaq Japan |
| 5. E*TRADE Japan K.K. | Nasdaq Japan |
| 6. SOFTBANK INVESTMENT CORPORATION | Nasdaq Japan |
| 7. SOFTBANK FRONTIER SECURITIES Co., Ltd. | Nasdaq Japan |

(Reference) Subsidiaries listed on overseas stock exchanges:

| Subsidiary | Listed exchange |
|---|--------------------------|
| 1. Key3Media Group, Inc. | New York Stock Exchange |
| 2. SOFTBANK INVESTMENT INTERNATIONAL (STRATEGIC) LIMITED | Hong Kong Stock Exchange |

Management Policy and Results of Operations

1. Management Policy

Basic Corporate Management Policy

Anticipating the advent of a new technological paradigm driven by the digital information revolution, SOFTBANK Group, a group of entrepreneurs, is paving the way to a new era using creative destruction management. Although the outlook on the global economy is difficult and stock markets do not appear to bounce back soon, SOFTBANK CORP. ("SOFTBANK") is certain that technological evolution in the digital information industry will continue over the next few decades, ultimately resulting in substantial social and economic changes.

SOFTBANK Group is a driving force behind the proliferation of broadband, which is expected to be key in bringing these changes and SOFTBANK Group will capitalize on the opportunities that such changes present, by continually pioneering and revolutionizing.

SOFTBANK anticipates substantial changes in each of the fields in which it operates. To ensure fast, accurate decision making in the face of such changes, management decisions must be based on expertise. To this end, SOFTBANK has established a three-tiered Group structure comprising a pure holding company, operation holding companies, and operating companies. The operation holding companies manage the operating companies, whose aim is to generate cash flow. As the pure holding company, SOFTBANK manages and supervises the entire Group via the operation holding companies in order to maximize enterprise value of the Group.

Management Targets and Basic Dividend Policy

The digital information industry, expected to continue to grow in the future, provides opportunities to increase enterprise value based on investments in promising new businesses. Reflecting this trend, SOFTBANK is concentrating managerial resources on Yahoo! BB and other broadband infrastructure and service businesses, thus making broadband businesses a cornerstone of its strategy. Maximizing enterprise value by focusing on profitability and cash flow-generating operations based on a monthly management evaluation constitutes SOFTBANK's corporate goal. Under the belief that returning profits to shareholders is one of the Company's most important tasks, it is SOFTBANK's policy to raise shareholder value and make regular dividend payments.

Medium-to-Long Term Management Strategies

To date, Internet businesses have had a hard time growing in Japan due to a lack of reasonably priced high-speed, unlimited-access service. However, under Japan's national IT

policy, which affirmed the country's commitment to IT, the Japanese government eased regulations in the telecommunications industry, thereby vastly improving the industry environment. SOFTBANK seized this opportunity and launched a high-speed Internet access service business utilizing asymmetric digital subscriber line (ADSL) technology. Yahoo! BB, a joint venture between BB Technologies Corporation and Yahoo Japan Corporation, provides an integrated service of a broadband portal, ADSL service, and Internet access service in line with its corporate motto, "spreading broadband technology to help create a prosperous and pleasant culture."

The entire SOFTBANK Group is working to promote the development of strategically important broadband-related businesses. IP REVOLUTION, INC., which provides ultra high-speed, fiber optic Internet access; Akamai Technologies Japan K.K., which provides efficient content delivery services; and other Group companies are working to build broadband infrastructure. The development and provision of services and applications for broadband are being undertaken by businesses in the e-Commerce, e-Finance, Media & Marketing, and Broadmedia segments. The Group is also launching new broadband Internet businesses to exploit the synergies generated between existing and new businesses.

Upgrading broadband infrastructure will also lead to rapid improvements in enterprise communication. IT penetration rate has been low in Japan, which has a high percentage of small and medium-sized enterprises. Through SOFTBANK COMMERCE CORP., the Company is working to provide these small and medium-sized companies with simple and easy-to-implement solutions. SOFTBANK is also working to make its established Internet businesses profitable by moving them into the broadband era.

On the other hand, with respect to overseas fund operations, the Company has adjusted its approach in line with market conditions and will make strategic investments that are fully adapted to future changes.

Issues to Be Resolved

As a proponent of entrepreneurial activities, SOFTBANK has launched a substantial number of venture businesses, some of which show strong potential for future growth. To help these promising companies achieve profitability quickly and, ultimately, make initial public offerings (IPOs), SOFTBANK is providing enhanced guidance and management support. Thus, SOFTBANK will focus and selectively weed out, if necessary, through mergers. As of the end of the fiscal 2002 interim period, SOFTBANK oversaw the withdrawal from operations of eight companies and is considering reorganizing or merging approximately ten others. Furthermore, the Company will continue working to seek out and incubate new businesses, while cultivating employees with strong management potential.

Policies Relating to the Realignment of Organization

As mentioned above, operation holding companies comprise the second-tier of SOFTBANK's three-tiered management system. Each segment in the Group has one operation holding company headed by a CEO who is responsible for the segment's business and affairs. Every month, the CEO Committee is convened to exchange reports on the current status of each segment's business activities, share information, and revise management policies. In this way, the CEO Committee serves as a base from which synergies are generated. The ten-member board of directors, whose governance and supervisory functions have been strengthened by the inclusion of four outside directors, serves as the Company's highest decision-making body. In addition, more than half the corporate auditors, who monitor the business and affairs of the board of directors, come from outside the Company. Thus, by clearly dividing the Group's management responsibilities, SOFTBANK has achieved sound corporate governance, which it will continue to strengthen in the years ahead.

Basic Policy Concerning Related Parties

There were no significant transactions between SOFTBANK and related parties.

2. Results of Operations

Interim Period Performance

During the interim period, consolidated sales grew 1.7% from the previous interim period, to ¥183,372 million, reflecting growth in sales from SOFTBANK COMMERCE CORP., Yahoo Japan Corporation and other companies.

Consolidated operating loss decreased by ¥13,408 million from the previous interim period to ¥8,704 million, due mainly to losses recorded by many businesses still in the start-up phase.

SOFTBANK recorded consolidated ordinary loss of ¥16,150 million, decrease of ¥17,188 million from the previous interim period. Exchange gain totaled ¥9,348 million, equity in losses under the equity method amounted to ¥8,976 million and interest expense was ¥7,903 million.

At the end of the interim period, SOFTBANK held approximately ¥137.5 billion in yen-denominated receivables against SOFTBANK Holdings Inc., a wholly owned subsidiary, and recognized an exchange gain since the yen depreciated at the end of June 2001, compared with the end of December 2000. SOFTBANK also held approximately U.S.\$700 million in U.S. dollar-denominated receivables against its overseas subsidiaries and recognized an exchange loss since the yen appreciated at the end of September 2001, compared with the previous fiscal year-end. Due to these factors, SOFTBANK recognized a net exchange gain

of ¥9,348 million.

Regarding equity in earnings/losses of affiliates, although SOFTBANK recognized equity in earnings on its investments in Aozora Bank, Ltd., and other businesses, equity losses were recorded for overseas fund businesses, which were mainly operated by SOFTBANK Holdings Inc. As a result, SOFTBANK recorded net equity losses of ¥8,976 million.

Consolidated net income decreased by ¥90,625 million from the previous interim period, resulting in net loss of ¥54,315 million. SOFTBANK recorded a ¥34,821 million loss on valuation of investment securities and ¥16,045 million loss on valuation of investments in affiliates due to a sluggish stock market. These losses were partially offset by the recognition of ¥5,646 million gain on sales of investment securities and ¥11,441 million dilution gain from changes in equity interest.

Performance by Business Segment

In the e-Commerce segment, net sales grew 11% from the previous interim period, to ¥129,499 million, reflecting sales growth from SOFTBANK COMMERCE CORP. and other companies. There were several factors behind SOFTBANK COMMERCE's sales growth. First, by focusing on the sale of new products and the promotion of solution and service businesses, the company succeeded in producing customizable products for markets in which it has a strong presence because of its multi-vender nature. Second, the company began handling a wider range of products and broadened its sales channels, thus offsetting the negative effects of lackluster market demand and weak individual product sales. An additional factor was the sale of products related to Yahoo! BB. At ¥1,135 million, operating income was virtually unchanged from the previous interim period. The ratio of operating income to sales decreased primarily as a result of increased personnel expenses incurred when new businesses were launched.

Net sales from the e-Finance segment were virtually unchanged from the previous interim period, totaling ¥10,532 million. Operating income fell ¥5,639 million from the previous interim period, resulting in an operating loss of ¥3,574 million. The decrease in operating income was due to two main factors. First, during the interim period, SOFTBANK INVESTMENT CORPORATION took aggressive steps to recognize valuation loss on marketable securities to improve its balance sheet in light of a sluggish stock market. Second, a considerable amount of establishment fees was recognized due to the establishment of large-scale investment funds during the previous interim period.

In the Media & Marketing segment, net sales was virtually unchanged from the previous interim period, amounting to ¥24,023 million, while operating income decreased 65.0% from the previous interim period, to ¥615 million. These results in this segment consist of the consolidated results of SOFTBANK Media & Marketing Corp. and Key3Media Group,

Inc. The fall in operating income was due to expenses incurred by businesses in the start-up phase and a decline in sales from SOFTBANK Publishing Inc., owing to a general downturn in the publishing industry.

Net sales from the Broadmedia segment declined 17% from the previous interim period, to ¥6,045 million, due to the restructuring of Digital Club Corporation, which caused a decline in new subscriptions. As there were several businesses in the start-up phase, operating income fell 74.0% to ¥294 million.

Net sales from the Internet Culture segment grew strongly, increasing 121.1% from the previous interim period, to ¥12,079 million. Although growth in advertising sales slowed temporarily, sales from Yahoo! BB made a significant contribution, and Yahoo! Auctions recorded steady sales growth. Operating income grew in line with sales, increasing 117.9%, to ¥3,877 million.

Net sales from the Technology Services segment expanded 21.8% from the previous interim period, to ¥8,451 million. The system solution business, mainly system building for Yahoo! BB, contributed substantially to the segment's net sales. Operating income grew in line with sales growth, jumping 78.5%, to ¥440 million.

Net sales from the Internet Infrastructure segment amounted to ¥27 million, reflecting progress made in the construction of a backbone network and the commencement of fiber optic ultra high-speed Internet access services by IP REVOLUTION INC. during the term under review. Operating under a low fixed-cost revenue model, the company has worked hard to minimize risk by drawing on infrastructure owned by other companies. However, due to the large number of businesses still in the start-up phase, operating loss of ¥1,032 million was recognized.

Net sales from the Overseas Funds segment totaled ¥774 million due to management fees, and operating loss amounted to ¥153 million. SOFTBANK is taking a hard look at market conditions and restructuring the overseas fund business, including the closure of eight overseas offices and the reduction of the Company's overseas workforce by two-thirds (approximately 70 employees). As a result, administrative expenses regarding the overseas offices, which had been recognized in this segment and the Others segment, are expected to decrease by approximately ¥2,700 million a year.

Net sales from the Others segment fell 25.4% from the previous interim period, to ¥10,414 million, reflecting a reduction in sales recorded by SOFTBANK Korea Co., Ltd. Sales from SOFTBANK Korea declined mainly due to decrease in sales of network devices. Operating loss expanded ¥2,108 million, to ¥5,573 million, mainly due to administrative expenses at overseas offices and losses incurred in conjunction with the establishment of BB Technologies Corporation.

Performance by Geographic Segment

In Japan, sales expanded 2.6% from the previous interim period, to ¥157,928 million, reflecting growth in sales recorded by SOFTBANK COMMERCE CORP. and Yahoo Japan Corporation. As there were a number of companies in the start-up phase, operating income fell ¥6,834 million, resulting in an operating loss of ¥2,308 million.

In North America, sales increased 14.3% from the previous interim period, to ¥13,947 million, reflecting revenue contributions equal to the previous interim period from Key3Media Group, which accounts for the majority of the region's sales, and newly recorded fund management fees. Due to increased administrative expenses at overseas offices, operating income declined ¥1,545 million, resulting in an operating loss of ¥931 million.

In Europe, sales jumped 198.0% from the previous interim period, to ¥274 million, due to newly recorded fund management fees from subsidiaries of SOFTBANK FINANCE CORPORATION. Operating loss increased ¥178 million from the previous interim period, to ¥359 million, due to increased administrative expenses at overseas offices and other factors.

In Korea, sales decreased 29.5% from the previous interim period, to ¥9,458 million, owing to a decline in sales recorded by SOFTBANK Korea, which accounts for the majority of the region's sales. The decline in sales resulted in an operating loss of ¥817 million, an increase of ¥787 million compared with the previous interim period.

Discussion of Consolidated Balance Sheets

Current assets increased by ¥7,775 million from the previous fiscal year-end to ¥372,942 million. The increase resulted from the temporary assignment of approximately ¥21.7 billion in assets, which are to be accounted for as leased assets of BB Technologies Corporation in future, to the other current assets. The amount of other current assets also increased due to the assignment of approximately ¥21.5 billion of E*TRADE Japan K.K.'s money trusts from customers to other current assets, which resulted in a decline in cash and deposits.

Investments and other assets fell ¥54,662 million from the previous fiscal year-end to ¥592,352 million, due to decreased investments in securities and other factors. Investments in securities dropped ¥72,855 million, reflecting the recognition of unrealized loss on other securities or valuation loss on securities with respect to overseas fund businesses, overseas direct investments, and businesses in Japan. Deferred tax assets increased by ¥16,812 million.

Liabilities increased ¥41,371 million from the previous fiscal year-end, to ¥703,740 million. The current position of corporate bonds, including those to be redeemed within one year, increased by ¥118,190 million due to the issuance of ¥80 billion in corporate bonds, and the conversion of Key3Media Group's long-term bank loans into corporate bonds amounting to US\$300 million. The sum of ¥80 billion, which was procured through the issuance of corporate bonds and will be the underlying assets for repayment of bonds to mature in

2002 and 2003, are being used to repay short-term borrowings (including commitment lines), which increased during the interim period. On the other hand, deferred tax liabilities decreased ¥16,926 million.

Shareholders' Equity declined ¥71,831 million, to ¥352,429 million, due to a fall in consolidated retained earnings. The equity ratio fell from 37.0% at the previous fiscal year-end, to 31.4%.

Discussion of Consolidated Cash Flows

Although cash inflows were recorded for financing activities, outflows were recorded for both operating and investing activities, resulting in a net outflow for the interim period. The balance of cash and cash equivalents at the end of the interim period dropped ¥12,283 million from the previous fiscal year-end, to ¥146,821 million.

Cash used for operating activities amounted to ¥53,995 million, an improvement of ¥25,222 million compared with the previous interim period. Cash decreased ¥36,961 million because BB Technologies Corporation recorded future leased assets as current assets temporarily, and tax payments decreased to ¥22,419 million.

Cash used for investing activities totaled ¥24,254 million, ¥7,246 million improvement from the previous interim period. This is primarily attributable to an outflow of ¥37,318 million incurred through the purchase of marketable and investment securities and an ¥8,470 million outflow due to purchases of property and equipment and intangible assets. These outflows were partially offset by ¥29,107 million in proceeds from the sale of marketable and investment securities.

Cash provided by financing activities was ¥63,509 million, an improvement of ¥22,370 million compared with the previous interim period. This was primarily due to proceeds from bond issuances of ¥123,691 million by SOFTBANK and Key3Media Group, which offset a ¥38,946 million cash outflow resulting from the repayment of Key3Media Group's long-term debt.

CONSOLIDATED BALANCE SHEETS

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

| | FY2002 interim | | FY2001 interim | | Increase (Decrease) | FY2001 | |
|--|--------------------------|--------------|--------------------------|--------------|------------------------|----------------------|--------------|
| | As of September 30, 2001 | | As of September 30, 2000 | | | As of March 31, 2001 | |
| | Amount | % | Amount | % | | Amount | % |
| ASSETS | | | | | | | |
| Current assets | | | | | | | |
| Cash and deposits | ¥128,824 | | ¥170,880 | | ¥(42,056) | ¥141,056 | |
| Trade notes and accounts receivable | 67,784 | | 71,147 | | (3,363) | 81,286 | |
| Marketable securities | 19,458 | | 14,829 | | 4,629 | 29,343 | |
| Inventories | 25,874 | | 19,503 | | 6,371 | 23,413 | |
| Deferred tax assets | 8,175 | | 10,620 | | (2,444) | 8,234 | |
| Other current assets | 124,461 | | 80,459 | | 44,002 | 83,075 | |
| Less : Allowance for doubtful accounts | (1,637) | | (747) | | (889) | (1,244) | |
| Total current assets | 372,942 | 33.2 | 366,693 | 34.0 | 6,248 | 365,166 | 31.9 |
| Non current assets | | | | | | | |
| Property and equipment | 21,740 | 1.9 | 11,300 | 1.0 | 10,439 | 13,529 | 1.2 |
| Intangible assets, net | | | | | | | |
| Goodwill | 48,962 | | 39,637 | | 9,324 | 41,680 | |
| Trade names | 43,979 | | 38,326 | | 5,653 | 41,093 | |
| Consolidation adjustment | 16,040 | | 14,789 | | 1,251 | 15,079 | |
| Other intangible assets | 25,246 | | 18,296 | | 6,949 | 21,920 | |
| Total intangible assets | 134,228 | 12.0 | 111,049 | 10.3 | 23,178 | 119,774 | 10.4 |
| Investments and other assets | | | | | | | |
| Investment securities | 419,997 | | 434,207 | | (14,209) | 492,853 | |
| Long-term loan receivables | 2,862 | | 3,001 | | (139) | 3,033 | |
| Deferred tax assets | 26,639 | | 476 | | 26,162 | 9,826 | |
| Investments in partnerships | 134,514 | | 136,156 | | (1,642) | 133,303 | |
| Other assets | 9,971 | | 16,740 | | (6,768) | 9,440 | |
| Less : Allowance for doubtful accounts | (1,632) | | (1,947) | | 314 | (1,442) | |
| Total investments and other assets | 592,352 | 52.7 | 588,635 | 54.6 | 3,717 | 647,014 | 56.5 |
| Deferred charges | 2,593 | 0.2 | 467 | 0.1 | 2,126 | 598 | 0.0 |
| TOTAL ASSETS | ¥1,123,856 | 100.0 | ¥1,078,146 | 100.0 | ¥45,710 | ¥1,146,083 | 100.0 |

CONSOLIDATED BALANCE SHEETS

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

| | FY2002 interim | | FY2001 interim | | Increase (Decrease) | FY2001 | |
|---|----------------------------|--------------|----------------------------|--------------|------------------------|------------------------|--------------|
| | (As of September 30, 2001) | | (As of September 30, 2000) | | | (As of March 31, 2001) | |
| | Amount | % | Amount | % | | Amount | % |
| LIABILITIES | | | | | | | |
| Current liabilities | | | | | | | |
| Trade notes and accounts payable | ¥53,267 | | ¥53,391 | | ¥(124) | ¥63,935 | |
| Short-term borrowings | 132,316 | | 112,609 | | 19,706 | 128,482 | |
| Commercial paper | 20,000 | | 50,000 | | (30,000) | 30,000 | |
| Current portion of straight bonds | 45,469 | | 32,385 | | 13,084 | 21,400 | |
| Current portion of convertible bonds | 6,586 | | - | | 6,586 | 6,614 | |
| Income taxes payable | 7,329 | | 28,063 | | (20,734) | 23,428 | |
| Deferred tax liabilities | 3,407 | | 5,713 | | (2,306) | 298 | |
| Accrued expenses | 11,140 | | 6,937 | | 4,202 | 10,654 | |
| Deferred earnings | 13,637 | | 14,111 | | (473) | 11,329 | |
| Allowance for sales returns | 1,335 | | 1,212 | | 123 | 1,471 | |
| Other current liabilities | 88,868 | | 56,259 | | 32,609 | 81,695 | |
| Total current liabilities | 383,357 | 34.1 | 360,683 | 33.5 | 22,673 | 379,309 | 33.1 |
| Long-term liabilities | | | | | | | |
| Straight bonds | 269,490 | | 183,164 | | 86,325 | 175,368 | |
| Convertible bonds | 125 | | 6,669 | | (6,544) | - | |
| Long-term debt | 13,476 | | 51,004 | | (37,527) | 51,578 | |
| Deferred tax liabilities | 12,337 | | 26,003 | | (13,666) | 32,372 | |
| Accrued retirement benefits | 372 | | 576 | | (204) | 152 | |
| Other Liabilities | 24,581 | | 3,179 | | 21,401 | 23,587 | |
| Total long-term liabilities | 320,382 | 28.5 | 270,597 | 25.1 | 49,785 | 283,059 | 24.7 |
| TOTAL LIABILITIES | 703,740 | 62.6 | 631,281 | 58.6 | 72,458 | 662,368 | 57.8 |
| MINORITY INTERESTS | 67,687 | 6.0 | 62,920 | 5.8 | 4,766 | 59,453 | 5.2 |
| SHAREHOLDERS' EQUITY | | | | | | | |
| Common stock | 137,808 | 12.3 | 125,881 | 11.7 | 11,926 | 137,630 | 12.0 |
| Additional paid-in capital | 162,172 | 14.4 | 150,200 | 13.9 | 11,972 | 161,953 | 14.1 |
| Retained earnings | 38,505 | 3.4 | 93,177 | 8.7 | (54,671) | 94,803 | 8.3 |
| Net unrealized gain (loss) on other securities | (13,569) | (1.2) | 15,292 | 1.4 | (28,861) | 18,435 | 1.6 |
| Translation adjustments | 27,512 | 2.5 | (602) | (0.1) | 28,115 | 11,441 | 1.0 |
| Less: Treasury stock | (0) | (0.0) | (4) | (0.0) | 3 | (2) | (0.0) |
| TOTAL SHAREHOLDERS' EQUITY | 352,429 | 31.4 | 383,944 | 35.6 | (31,515) | 424,261 | 37.0 |
| TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY | ¥1,123,856 | 100.0 | ¥1,078,146 | 100.0 | ¥45,710 | ¥1,146,083 | 100.0 |

CONSOLIDATED STATEMENTS OF INCOME

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

| | FY2002 interim | | FY2001 interim | | Increase (Decrease) | FY2001 | |
|---|--|---------------|--|-------|------------------------|------------------------------------|-------|
| | (April 2001 through September 2001) | | (April 2000 through September 2000) | | | (April 2000 through March 2001) | |
| | Amount | % | Amount | % | | Amount | % |
| Net sales from non-financing business | ¥172,656 | 94.2 | ¥169,878 | 94.3 | ¥2,777 | ¥365,201 | 92.0 |
| Cost of sales | 137,974 | 75.3 | 137,845 | 76.5 | 128 | 291,507 | 73.4 |
| Gross profit | 34,682 | 18.9 | 32,033 | 17.8 | 2,648 | 73,693 | 18.6 |
| Selling, general and administrative expenses | 39,669 | 21.6 | 29,278 | 16.3 | 10,391 | 70,493 | 17.8 |
| Operating income (loss) from non-financing business | (4,987) | (2.7) | 2,755 | 1.5 | (7,743) | 3,200 | 0.8 |
| Revenue from financing business | 10,715 | 5.8 | 10,358 | 5.7 | 357 | 31,903 | 8.0 |
| Expenses of financing business | 14,433 | 7.8 | 8,410 | 4.6 | 6,022 | 18,672 | 4.7 |
| Operating income (loss) from financing business | (3,717) | (2.0) | 1,948 | 1.1 | (5,665) | 13,231 | 3.3 |
| Total operating income (loss) | (8,704) | (4.7) | 4,703 | 2.6 | (13,408) | 16,431 | 4.1 |
| Interest income | 1,439 | | 1,092 | | 346 | 4,363 | |
| Exchange gains, net | 9,348 | | 6,590 | | 2,758 | 28,115 | |
| Other non-operating income | 2,414 | | 4,199 | | (1,784) | 9,895 | |
| Non-operating income | 13,203 | 7.2 | 11,883 | 6.6 | 1,320 | 42,374 | 10.7 |
| Interest expense | 7,903 | | 4,155 | | 3,748 | 12,263 | |
| Equity in losses under the equity method, net | 8,976 | | 6,847 | | 2,129 | 19,765 | |
| Other non-operating expenses | 3,768 | | 4,546 | | (777) | 6,710 | |
| Non-operating expenses | 20,648 | 11.3 | 15,548 | 8.6 | 5,100 | 38,740 | 9.7 |
| Ordinary income (loss) | (16,150) | (8.8) | 1,037 | 0.6 | (17,188) | 20,065 | 5.1 |
| Gain on sale of investment securities | 5,646 | | 48,342 | | (42,696) | 119,054 | |
| Dilution gain from changes in equity interest | 11,441 | | 31,007 | | (19,565) | 49,712 | |
| Other special income | 312 | | 201 | | 110 | 1,158 | |
| Special income | 17,399 | 9.5 | 79,551 | 44.1 | (62,151) | 169,925 | 42.8 |
| Loss on sale of investment securities | 5,160 | | - | | 5,160 | 23,764 | |
| Loss on valuation of investment securities | 34,821 | | - | | 34,821 | 29,230 | |
| Loss on valuation of investments in affiliates | 16,045 | | - | | 16,045 | 28,761 | |
| Loss on discontinued operations | - | | 7,952 | | (7,952) | 8,604 | |
| Dilution loss from changes in equity interest | 3,429 | | 256 | | 3,172 | 1,558 | |
| Other special losses | 11,801 | | 4,081 | | 7,720 | 11,062 | |
| Special losses | 71,257 | 38.9 | 12,290 | 6.8 | 58,967 | 102,981 | 26.0 |
| Income (loss) before income taxes and minority interests | (70,008) | (38.2) | 68,298 | 37.9 | (138,306) | 87,009 | 21.9 |
| Income taxes -current | 5,733 | 3.1 | 35,381 | 19.6 | (29,647) | 69,043 | 17.4 |
| Income taxes -deferred | (18,731) | (10.2) | (3,833) | (2.1) | (14,898) | (20,427) | (5.1) |
| Minority interests | 2,694 | 1.5 | (440) | (0.3) | 3,134 | (1,762) | (0.4) |
| Net income (loss) | ¥(54,315) | (29.6) | ¥36,310 | 20.1 | ¥(90,625) | ¥36,631 | 9.2 |

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

| | (Millions of yen; amounts less than one million yen are omitted.) | | | |
|--|---|--|------------------------|--|
| | FY2002 interim (April 2001 through September 2001) | FY2001 interim (April 2000 through September 2000) | Increase (Decrease) | FY2001 (April 2000 through March 2001) |
| Retained earnings at the beginning of the period | ¥94,803 | ¥59,091 | ¥35,711 | ¥59,091 |
| Increase due to exclusion of affiliates under equity method | 624 | 42 | 582 | 1,385 |
| Increase due to merger | - | 46 | (46) | 46 |
| Increase in retained earnings | 624 | 88 | 536 | 1,431 |
| Cash dividends paid | 2,356 | 2,203 | 153 | 2,203 |
| Bonuses to directors | 46 | 102 | (55) | 117 |
| Decrease due to exclusion of affiliates under equity method | 203 | - | 203 | 1 |
| Net decrease due to companies newly included or excluded from consolidation | 0 | 7 | (7) | 29 |
| Decrease in retained earnings | 2,607 | 2,312 | 294 | 2,351 |
| Net income (loss) | (54,315) | 36,310 | (90,625) | 36,631 |
| Retained earnings at the end of period | ¥38,505 | ¥93,177 | ¥(54,671) | ¥94,803 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

| | FY2002 interim (April 2001 through September 2001) | FY2001 interim (April 2000 through September 2000) | FY2001 (April 2000 through March 2001) |
|---|--|--|--|
| I Cash flows from operating activities: | | | |
| Income (loss) before income taxes | ¥(70,008) | ¥68,298 | ¥87,009 |
| Depreciation and amortization | 4,188 | 3,470 | 8,072 |
| Equity in losses under the equity method | 8,976 | 6,847 | 19,765 |
| Dilution gains from changes in equity interest, net | (8,012) | (30,750) | (48,154) |
| Loss on valuation of investment securities | 50,866 | - | 57,991 |
| Gains on sale of marketable and investment securities, net | (491) | (48,156) | (95,404) |
| Exchange gains, net | (7,961) | (6,457) | (28,219) |
| Interest and dividend income | (1,491) | (1,108) | (4,377) |
| Interest expense | 7,903 | 4,155 | 12,263 |
| Loss on discontinued operations | - | 7,952 | 16,246 |
| Decrease (increase) in receivables- trade | 18,558 | 7,563 | (4,259) |
| (Decrease) increase in payables-trade | (15,308) | (458) | 10,902 |
| Increase in other receivables | (36,961) | (20,680) | (48,644) |
| Increase in other payables | 20,450 | 2,785 | 24,759 |
| Other, net | 4,991 | (4,855) | (5,777) |
| Subtotal | (24,300) | (11,395) | 2,174 |
| Interest and dividends received | 1,418 | 966 | 4,103 |
| Interest paid | (8,693) | (4,306) | (11,823) |
| Payments for income taxes | (22,419) | (64,481) | (86,053) |
| Net cash used for operating activities | (53,995) | (79,217) | (91,598) |
| II Cash flows from investing activities: | | | |
| Purchases of property and equipment and intangible assets | (8,470) | (8,201) | (16,241) |
| Purchase of marketable and investment securities | (37,318) | (146,927) | (233,131) |
| Proceeds from sale of marketable and investment securities | 29,107 | 38,015 | 104,224 |
| Additional investments in newly consolidated entities | (5,033) | - | (362) |
| Proceeds from sale of interests in previously consolidated subsidiaries | (9) | 57 | 66 |
| Proceeds from sale of interest in consolidated subsidiaries | 767 | 13,106 | 20,965 |
| Increase of loans | (7,724) | (5,024) | (6,647) |
| Collections of loans | 3,379 | 1,188 | 5,154 |
| Proceeds from sale of assets held for sale | - | 82,906 | 82,906 |
| Other, net | 1,046 | (6,622) | 453 |
| Net cash used for investing activities | (24,254) | (31,501) | (42,612) |
| III Cash flows from financing activities: | | | |
| Proceeds from issuance of shares to minority shareholders | 2,430 | 24,351 | 38,502 |
| (Decrease) Increase in short-term borrowings | (3,359) | 23,630 | 37,547 |
| Proceeds from commercial paper | 50,000 | 50,000 | 50,000 |
| Payments of commercial paper | (60,000) | - | (20,000) |
| Proceeds from long-term debts | 2,200 | 61,983 | 63,491 |
| Repayment of long-term debts | (38,946) | (136,878) | (142,102) |
| Proceeds from issuance of bonds | 123,691 | 13,266 | 27,867 |
| Repayment of bonds | (9,550) | - | (26,603) |
| Cash dividends paid | (2,336) | (2,193) | (2,200) |
| Other, net | (620) | 6,979 | (1,952) |
| Net cash provided by financing activities | 63,509 | 41,138 | 24,548 |
| IV Effect of exchange rate changes on cash and cash equivalents | 2,454 | 8,314 | 33,461 |
| V Net decrease in cash and cash equivalents | (12,286) | (61,266) | (76,200) |
| VI Net increase in cash and cash equivalents due to the companies newly consolidated | 2 | 517 | 517 |
| VII Decrease in cash and cash equivalents due to exclusion of consolidated entities | - | (18,724) | (22,444) |
| VIII Decrease in cash and cash equivalents due to change in accounting policy | - | (10,827) | (10,827) |
| IX Cash and cash equivalents at the beginning of the period | 159,105 | 268,060 | 268,060 |
| X Cash and cash equivalents at the end of the period | ¥146,821 | ¥177,759 | ¥159,105 |

Basis of Presentation of Consolidated Financial Statements

1 Scope of Consolidation

As of September 30, 2001, the company consolidated 277 subsidiaries. 18 subsidiaries were not consolidated, as their influence on the consolidated statements was immaterial in the aspects of total assets, sales, net income and retained earnings. Changes in scope of consolidation for the period ended September 30, 2001 were as follows;

<Increase ; including partnerships>

| | |
|---------------------------------------|-------------------|
| 1 Emtorage Broadcommunications Inc. | Newly established |
| 2 Tokyo Metallic Communications Corp. | Newly invested |
| 3 SBI E2-Capital Limited | Newly invested |

Other 72 companies

<Decrease ; including partnerships>

| | |
|----------------------|-------------|
| 1 SB K&K CORPORATION | Liquidation |
|----------------------|-------------|

Other 13 companies

2 Application of the equity method

119 affiliates and 6 non-consolidated subsidiaries were accounted for under the equity method at September 30, 2001. Changes in application of the equity method for the period ended September 30, 2001 were as follows;

<Increase ; including partnerships>

| | |
|-----------------------------------|----------------|
| 1 Blue Planet Corporation | Newly invested |
| 2 WEB PORTAL, INC. | Newly invested |
| 3 SB Life Science Ventures I, L.P | Newly invested |

Other 21 companies

<Decrease ; including partnerships>

| | |
|---|---|
| 1 DigitBrain Inc. (former name; Brain.Com, Inc) | Equity decrease due to merger |
| 2 SpeedNet Inc. | Equity decrease due to new share issuance |
| 3 PROFECIO, Inc (former name; PASONA SOFTBANK, INC) | Disposal |
| 4 E* TRADE Group, Inc. | Equity decrease due to sale of shares |

Other 12 companies

3 Fiscal year end

Fiscal year ends of consolidated subsidiaries in terms of domestic and overseas are as follows;

| <Fiscal year end> | <Domestic> | <Overseas> |
|---|------------|------------|
| March end (as same as consolidated B/S date) | 97 | 11 |
| May end | 1 | - |
| June end | 7 | 40 |
| July end | 1 | - |
| August end | 1 | - |
| September end | 7 | - |
| October end | 1 | - |
| December end | 16 | 94 |
| February end | 1 | - |

4 Summary of Significant Accounting Policies

[1] Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

Held-to-maturity debt securities : Stated at amortized cost

Other securities:

With market quotations: Stated at fair value, which represents the market prices at the balance sheet date (Unrealized gain/loss are included as a separate component in shareholders' equity, net of tax, while cost of sales is determined primarily based on the moving-average method)

Without market quotations: Carried at cost, primarily based on the moving-average method

(2) Inventories

Inventories held by the company and its domestic consolidated subsidiaries are carried at cost, primarily based on the moving-average method.

Inventories held by the foreign consolidated subsidiaries are valued at the lower of cost or market. The cost is determined based on the first-in, first-out method.

[2] Depreciation and amortization

(1) Property and equipment:

Depreciation at the company and its domestic consolidated subsidiaries is computed primarily based on the declining-balance method.

Depreciation at the foreign consolidated subsidiaries is based on the estimated useful lives using the straight line method, in accordance with the accounting principles generally accepted and applied in their respective countries of domicile.

(2) Intangible assets:

The straight-line method.

(The US consolidated subsidiaries ceased the amortization of the goodwill, due to applying SFAS No.142 from this period.)

[3] Accounting principles for major allowances and accruals

(1) Allowance for doubtful accounts is provided based on the aggregate amount of estimated credit losses for doubtful receivables plus an amount for the receivables other than doubtful receivables calculated using historical written-off experience from certain prior periods.

(2) Allowance for sales returns:

Allowance for sales returns is provided based on the estimated losses resulting from possible future returns.

(3) Accrued retirement benefits

For the Company and most of its domestic consolidated subsidiaries, accrued pension benefits are calculated based on projected benefit obligations and fair value of the plan assets at the balance sheet date. Actuarial gains and losses are recognized in the consolidated statements of income in the year immediately, subsequent to the fiscal year of occurrence.

[4] Translation of foreign currency transactions and accounts

Assets and liabilities denominated in foreign currencies are translated using foreign exchange rates prevailing at the respective balance sheet dates. Exchange gains or losses are included in the net income when incurred

The translation of revenues and expenses in the financial statements of foreign consolidated subsidiaries into Japanese yen is performed by using the average exchange rate during the period. The assets and liabilities of foreign consolidated subsidiaries are translated using the foreign exchange rates prevailing at the balance sheet dates, and capital stock is translated using the historical rates.

Foreign currency financial statement translation differences are stated as a component of shareholders' equity, except that the portion pertain to minority shareholders is included in minority interests.

[5] Finance lease

Finance leases other than those transferring the ownership of the leased assets to lessees at the end of the lease term are accounted for in the same manner as operating leases.

[6] Accounting method of consumption taxes

The consumption taxes are accounted for using net-of-tax method.

5 The Scope of Cash and Cash Equivalents in the Interim Consolidated Statements of Cash Flow

Cash and cash equivalents in the consolidated statements of cash flow are composed of cash on hand, bank deposits withdrawable on demand and highly liquid investments purchased with initial maturities of three months or less and which represent low risk of fluctuation in value.

(Additional information)

[1] Effective April 1, 2001, the consolidated subsidiaries engaged in securities business adopted the "Uniform Accounting Standards of Securities Companies", issued by Japan Securities Dealers Association on September 28, 2001.
Principal changes in the presentation of the consolidated balance sheet are as follows,

- (1) In accordance with the "Securities and Exchange Law, No.47, Paragraph 3", segregated cash from customers (money trust only) included in "cash and deposits" in prior years, is now included in "other current assets" in the assets section.
As a result, cash and deposits decrease by 21,577 million yen, and other current assets increased by the same amount, as compared with that reported under the previous accounting standard.
- (2) Securities received as collateral, recorded as "other current assets" (11,837 million yen as of 9/30/2000, and 27,368 million yen as of 3/31/2001) in the assets section and "other current liabilities" (11,835 million yen as of 9/30/2000, and 27,365 million yen as of 3/31/2001) in the liabilities section, are no longer recognized on the balance sheet.

[2] Statement of Financial Accounting Standards No.142: Goodwill and Other Intangible Assets

The U.S. consolidated subsidiaries have adopted SFAS No.142 from this period, which requires an impairment test at least annually and also when other events warrant, for goodwill and indefinite-lived intangible assets, rather than recognizing periodic amortization charges.

The consolidated subsidiaries, other than those in U.S., are recording the amortization of the goodwill in the same manner as the prior periods.

NOTES

1 Accumulated depreciation of property and equipment

| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--------------------------|--------------------------|----------------------|
| 9,805 million yen | 5,127 million yen | 6,516 million yen |

2 Number of treasury stock held by the Company

| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--------------------------|--------------------------|----------------------|
| 175 shares | 330 shares | 465 shares |

3 Assets and liabilities of the silent investment association

The assets and liabilities belonging to the silent investment association, net of deposits from the association members, at the end of periods are as follows;

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|---|---------------------------|--------------------------|----------------------|
| Cash and deposits | 7,167 million yen | 35,259 million yen | 5,689 million yen |
| Marketable securities | - million yen | 13,061 million yen | 235 million yen |
| Other current assets- investments | 14,710 million yen | 10,359 million yen | 15,489 million yen |
| Other current assets- other | 260 million yen | 385 million yen | 305 million yen |
| Investment securities | 5,501 million yen | 5,647 million yen | 5,291 million yen |
| Investments in partnerships | 1,392 million yen | 1,419 million yen | 1,392 million yen |
| Other current liabilities | 811 million yen | 1,033 million yen | 482 million yen |
| Other non-current liabilities (advance received and held by the silent association) | 28,219 million yen | 65,099 million yen | 27,921 million yen |

4 Assets pledged as collateral and secured liabilities

(1) Assets pledged as collateral related to lease contracts

| FY2002 interim (as of September 30, 2001) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|---|-----------------|------------------|---|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Trade notes and accounts receivable | 894 | Mortgage | Trade notes and accounts payable | 344 |
| Other current assets (accounts receivable - other) | 13 | Mortgage | | |
| Total | 908 | | Total | 344 |

Notes The collateral for the future lease liabilities of 9,753 million yen, of which 344 million yen was accounts payable, was provided by mortgaging credits that certain consolidated subsidiaries held for the future cash flow from customers and consigned broadcasting companies based on marketing agreements, etc. The balance of these credits as of September 30, 2001 were 894 million yen in accounts receivable and 13 million yen in other current assets.

| FY2001 interim (as of September 30, 2000) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|---|-----------------|------------------|---|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Trade notes and accounts receivable | 1,010 | Mortgage | Trade notes and accounts payable | 481 |
| Other current assets (accounts receivable - other) | 15 | Mortgage | | |
| Total | 1,026 | | Total | 481 |

Notes The collateral for the future lease liabilities of 12,682 million yen, of which 481 million yen was accounts payable, was provided by mortgaging credits that certain consolidated subsidiaries held for the future cash flow from customers and consigned broadcasting companies based on marketing agreements, etc. The balance of these credits as of September 30, 2000 were 1,010 million yen in accounts receivable and 15 million yen in other current assets.

| FY 2001 (As of March 31, 2001) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|---|-----------------|------------------|---|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Trade notes and accounts receivable | 963 | Mortgage | Trade notes and accounts payable | 401 |
| Other current assets (accounts receivable - other) | 12 | Mortgage | | |
| Total | 976 | | Total | 401 |

Notes The collateral for the future lease liabilities of 11,225 million yen, of which 401 million yen was accounts payable, was provided by mortgaging credits that certain consolidated subsidiaries held for the future cash flow from customers and consigned broadcasting companies based on marketing agreements, etc. The balance of these credits as of March 31, 2001 were 963 million yen in accounts receivable and 12 million yen in other current assets.

(2) Assets pledged as collateral related to deposits received for securities loaned

FY2002 interim (as of September 30, 2001)
No items applicable for FY2002 interim.

| FY2001 interim (as of September 30, 2000) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|--|-----------------|------------------|--|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Other current assets (marketable securities in custody) | 1,104 | Mortgage | Other current liabilities (Deposits received for securities loaned) | 6,281 |

Notes In addition to the above, collateral securities received from customers on margin transaction (1,695 million yen) have been provided to Japan Securities Finance Company as collateral for securities borrowed as of September 30, 2000.

| FY 2001 (as of March 31, 2001) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|--|-----------------|------------------|--|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Other current assets (marketable securities in custody) | 2,351 | Mortgage | Other current liabilities (Deposits received for securities loaned) | 13,514 |

Notes In addition to the above, collateral securities received from customers on margin transaction (3,732 million yen) have been provided to Japan Securities Finance Company as collateral for securities borrowed as of March 31, 2001.

4 Assets pledged as collateral and secured liabilities (continued)

(3) Assets pledged as collateral related to borrowings

| FY2002 interim (as of September 30, 2001) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|---|-----------------|------------------|---|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Cash and deposits (time deposits) | 23 | Mortgage | Account payable-other | 172 |
| Property and equipment | 138 | Mortgage | Short-term borrowings | 277 |
| Property and equipment | 1,993 | Mortgage | Long-term debts | 237 |
| Total | 2,156 | | Total | 687 |

FY2001 interim (as of September 30, 2000)

Notes The assets of Key3Media, a U.S. consolidated subsidiary of the Company, and the common stock of Key3Media's subsidiaries were provided as collateral for long-term debts of US\$330 million (35,673 million yen) at June 30, 2000.

| FY2001 (as of March 31, 2001) | | | (Millions of yen; amounts less than one million yen are omitted.) | |
|-----------------------------------|-----------------|------------------|---|-----------------|
| Assets pledged as collateral | | | Secured liabilities | |
| Type of collateral | Carrying amount | Type of security | Account | Carrying amount |
| Cash and deposits (time deposits) | 48 | Mortgage | Short-term borrowings | 20,564 |
| Property and equipment | 1,026 | Mortgage | Long-term debts | 124 |
| Investment securities | 69,519 | Mortgage | | |
| Total | 70,594 | | Total | 20,689 |

Notes In addition to the above, the assets of Key3Media, a U.S. consolidated subsidiary of the Company, and the common stock of Key3Media's subsidiaries were provided as collateral for long-term debts of US\$298 million (34,243 million yen) and short-term borrowings of US\$1 million (181million yen) at March31, 2001.

5 Line of Credit (not used)

| | | |
|---------------------------------|--------------------------|----------------------|
| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
| 24 million yen | million yen | 42 million yen |

6 Notes receivable maturing on the period end date

Trade notes receivable are settled on the date of clearance.

The following amounts of notes receivable matured on the period end dates were included in the balances of trade notes and accounts receivable, because the last day of the respective period was a non-business day.

Notes receivable

| | | |
|---------------------------------|--------------------------|----------------------|
| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
| 39 million yen | 938 million yen | 983 million yen |

7 Dilution gain (loss) from changes in equity interest

Due to capital transactions by investees such as initial public offerings, the Company's shareholding percentages of some investees were diluted.

The major dilution gain (loss) from changes in equity interest for the period ended September 30, 2001 are as follows:

| | Gain | (Loss) |
|---|-------------------|---------------|
| UTStarcom, Inc. | 6,004 million yen | - million yen |
| Yahoo! Inc. | 3,830 | (876) |
| E*TRADE Group, Inc. | - | (1,502) |
| SOFTBANK INVESTMENT INTERNATIONAL (STRATEGIC) LIMITED | 517 | (274) |
| Global Sports, Inc. | 347 | - |
| SOFTBANK INVESTMENT CORPORATION | - | (286) |
| ClearCross Inc. | - | (260) |
| Nihon Ariba K.K. | 227 | - |
| SOFTBANK FRONTIER SECURITIES Co.,Ltd. | 165 | - |
| cyber communications inc. | 164 | - |

8 Valuation loss on investments in subsidiaries and affiliates

Valuation loss on investments in subsidiaries and affiliates recognized in the consolidated statements of income for the periods ended September 30, 2001 are as follows:

(1) Valuation loss on investment in consolidated subsidiaries

| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--------------------------|--------------------------|----------------------|
| 192 million yen | - | 168 million yen |

(2) Valuation loss on investment in affiliates accounted for under the equity method

| As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--------------------------|--------------------------|----------------------|
| 15,852 million yen | - | 28,592 million yen |

9 Consolidated statements of cash flow

Reconciliation of cash and cash equivalents to amounts included on the consolidated balance sheet.

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--|--------------------------|--------------------------|----------------------|
| Cash and deposits | 128,824 million yen | 170,880 million yen | 141,056 million yen |
| Marketable securities | 19,458 | 14,829 | 29,343 |
| Time deposits with original maturity over three | (1,334) | (7,874) | (2,009) |
| Deposits received from customers of the consolidated subsidiaries engaged in securities business | - | - | (10,590) |
| Stocks and bonds with original maturity over three months | (127) | (76) | (95) |
| Cash equivalents included in inventories of consolidated subsidiaries engaged in securities business | - | - | 1,400 |
| Cash and cash equivalents | 146,821 million yen | 177,759 million yen | 159,105 million yen |

10 Lease transactions

10-1. Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease term

(as a lessee)

(1) Amounts equivalent to acquisition costs, accumulated depreciation and costs less accumulated depreciation at the end of periods

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--|---------------------------|---------------------------|---------------------------|
| Property and equipment | | | |
| Acquisition costs | 19,147 | 16,225 | 15,186 |
| Less: Amount equivalent to accumulated depreciation | (7,188) | (2,808) | (4,463) |
| Amount equivalent to costs, less accumulated depreciation at the end of the period | <u>11,959 million yen</u> | <u>13,417 million yen</u> | <u>10,722 million yen</u> |
| Software (Intangible assets) | | | |
| Acquisition costs | 297 | 1,206 | 256 |
| Less: Amount equivalent to accumulated amortization | (54) | (205) | (46) |
| Amount equivalent to costs, less accumulated amortization at the end of the period | <u>242 million yen</u> | <u>1,000 million yen</u> | <u>209 million yen</u> |
| Total | | | |
| Acquisition costs | 19,445 | 17,431 | 15,443 |
| Less: Amount equivalent to accumulated depreciation | (7,242) | (3,014) | (4,510) |
| Amount equivalent to costs, less accumulated depreciation at the end of the period | <u>12,202 million yen</u> | <u>14,417 million yen</u> | <u>10,932 million yen</u> |

(2) The future lease payments for finance lease at the end of the periods

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|---------------------|---------------------------|---------------------------|---------------------------|
| Due within one year | 4,231 | 3,514 | 3,136 |
| Due after one year | 9,148 | 11,255 | 8,552 |
| Total | <u>13,379 million yen</u> | <u>14,770 million yen</u> | <u>11,689 million yen</u> |

(3) Lease payments, amounts equivalent to depreciation and interest expenses for the periods

| | For the period ended September 30, 2001 | For the period ended September 30, 2000 | For the period ended March 31, 2001 |
|--|--|--|--|
| Lease payments | 2,307 million yen | 2,058 million yen | 4,221 million yen |
| Amount equivalent to depreciation expenses | 2,198 million yen | 1,729 million yen | 4,256 million yen |
| Amount equivalent to interest expense | 452 million yen | 538 million yen | 1,029 million yen |

(4) Calculation method of amount equivalent to depreciation and interest expenses

The amount equivalent to depreciation is computed using the straight line method over the lease term, assuming no remaining amount.

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

10 Leases transaction (continued)

10-1. Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease term.

(as a lessor)

(1) Acquisition costs, accumulated depreciation and costs less accumulated depreciation at the end of periods

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|--------------------------------------|--------------------------|--------------------------|----------------------|
| Property and equipment | | | |
| Acquisition costs | 1,009 | 260 | 478 |
| Less: Accumulated depreciation | <u>(135)</u> | <u>(23)</u> | <u>(41)</u> |
| Costs, less accumulated depreciation | 873 million yen | 237 million yen | 436 million yen |
| Software (Intangible assets) | | | |
| Acquisition costs | 370 | 221 | 441 |
| Less: Accumulated amortization | <u>(85)</u> | <u>(20)</u> | <u>(62)</u> |
| Costs, less accumulated amortization | 285 million yen | 200 million yen | 378 million yen |
| Total | | | |
| Acquisition costs | 1,380 | 481 | 919 |
| Less: Accumulated depreciation | <u>(221)</u> | <u>(43)</u> | <u>(104)</u> |
| Costs, less accumulated depreciation | 1,158 million yen | 437 million yen | 815 million yen |

(2) The future lease receivables for the finance lease at the end of the periods

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|---------------------|--------------------------|--------------------------|----------------------|
| Due within one year | 253 | 84 | 248 |
| Due after one year | <u>930</u> | <u>358</u> | <u>959</u> |
| Total | 1,183 million yen | 443 million yen | 1,208 million yen |

(3) Lease income, depreciation and amount equivalent to interest income for the periods

| | For the period ended September 30, 2001 | For the period ended September 30, 2000 | For the period ended March 31, 2001 |
|--------------------------------------|--|--|--|
| Lease income | 136 million yen | 45 million yen | 180 million yen |
| Depreciation | 117 million yen | 38 million yen | 118 million yen |
| Amount equivalent to interest income | 32 million yen | 11 million yen | 38 million yen |

(4) Calculation method of amount equivalent to interest income

The amount equivalent to interest income, which is calculated by subtracting acquisition costs from total lease incomes and estimated residual value, is allocated over lease periods based on the interest method.

10-2. Non-cancelable operating lease transactions

(as a lessee)

The future lease payments for non-cancelable operating lease

| | As of September 30, 2001 | As of September 30, 2000 | As of March 31, 2001 |
|---------------------|--------------------------|--------------------------|----------------------|
| Due within one year | 643 | 696 | 1,000 |
| Due after one year | <u>6,279</u> | <u>1,394</u> | <u>3,245</u> |
| Total | 6,923 million yen | 2,091 million yen | 4,245 million yen |

(as a lessor)

No transactions applicable for the current period.

SEGMENT INFORMATION

1. Business Segment Information

(1) FY2002 interim (for the period ended September 2001)

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

| | e-Commerce | e-Finance | Media & Marketing | Broadmedia | Internet Culture | Technology Services | Internet Infrastructure | Overseas Funds | Others | Total | Elimination | Consolidated Total |
|-------------------------|------------|-----------|-------------------|------------|------------------|---------------------|-------------------------|----------------|----------|----------|-------------|--------------------|
| Net Sales | | | | | | | | | | | | |
| (1) Customers | ¥121,008 | ¥9,941 | ¥23,581 | ¥5,903 | ¥8,113 | ¥4,280 | ¥27 | ¥774 | ¥9,740 | ¥183,372 | - | ¥183,372 |
| (2) Inter-segment | 8,491 | 591 | 441 | 141 | 3,965 | 4,170 | 0 | - | 674 | 18,476 | (18,476) | - |
| Total | 129,499 | 10,532 | 24,023 | 6,045 | 12,079 | 8,451 | 27 | 774 | 10,414 | 201,849 | (18,476) | 183,372 |
| Operating expenses | 128,364 | 14,106 | 23,407 | 5,751 | 8,201 | 8,010 | 1,060 | 928 | 15,987 | 205,819 | (13,742) | 192,077 |
| Operating income (loss) | ¥1,135 | ¥(3,574) | ¥615 | ¥294 | ¥3,877 | ¥440 | ¥(1,032) | ¥(153) | ¥(5,573) | ¥(3,970) | ¥(4,734) | ¥(8,704) |

(2) FY2001 interim (for the period ended September 2000)

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

| | e-Commerce | e-Finance | Media & Marketing | Broadmedia | Internet Culture | Technology Services | Overseas Funds | Others | Total | Elimination | Consolidated Total |
|-------------------------|------------|-----------|-------------------|------------|------------------|---------------------|----------------|----------|----------|-------------|--------------------|
| Net Sales | | | | | | | | | | | |
| (1) Customers | ¥114,905 | ¥10,358 | ¥23,194 | ¥7,284 | ¥5,072 | ¥5,832 | - | ¥13,589 | ¥180,236 | - | ¥180,236 |
| (2) Inter-segment | 1,805 | 466 | 640 | 1 | 391 | 1,104 | - | 369 | 4,778 | (4,778) | - |
| Total | 116,710 | 10,824 | 23,835 | 7,285 | 5,464 | 6,937 | - | 13,958 | 185,015 | (4,778) | 180,236 |
| Operating expenses | 115,547 | 8,759 | 22,077 | 6,151 | 3,684 | 6,690 | 111 | 17,422 | 180,445 | (4,912) | 175,533 |
| Operating income (loss) | ¥1,162 | ¥2,064 | ¥1,758 | ¥1,133 | ¥1,779 | ¥247 | ¥(111) | ¥(3,464) | ¥4,569 | ¥133 | ¥4,703 |

(3) FY2001 (for the period ended March 2001)

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

| | e-Commerce | e-Finance | Media & Marketing | Broadmedia | Internet Culture | Technology Services | Internet Infrastructure | Overseas Funds | Others | Total | Elimination | Consolidated Total |
|-------------------------|------------|-----------|-------------------|------------|------------------|---------------------|-------------------------|----------------|----------|----------|-------------|--------------------|
| Net Sales | | | | | | | | | | | | |
| (1) Customers | ¥253,943 | ¥30,626 | ¥52,414 | ¥12,998 | ¥12,481 | ¥11,728 | - | ¥1,277 | ¥21,635 | ¥397,105 | - | ¥397,105 |
| (2) Inter-segment | 4,577 | 778 | 847 | 3 | 742 | 2,743 | - | 463 | 840 | 10,997 | (10,997) | - |
| Total | 258,521 | 31,404 | 53,262 | 13,001 | 13,223 | 14,471 | - | 1,741 | 22,476 | 408,102 | (10,997) | 397,105 |
| Operating expenses | 256,751 | 17,966 | 47,358 | 11,946 | 8,521 | 13,996 | 1,068 | 1,501 | 28,141 | 387,252 | (6,578) | 380,673 |
| Operating income (loss) | ¥1,769 | ¥13,437 | ¥5,904 | ¥1,055 | ¥4,702 | ¥475 | ¥(1,068) | ¥239 | ¥(5,664) | ¥20,850 | ¥(4,418) | ¥16,431 |

Notes:

- Business segments are determined according to the responsibility of each operating officer of the segment controlling company.
- Principal products and operational content of each business:
 - e-Commerce: Distributes PC software, hardware, and peripherals; operates enterprise businesses and business transaction platform- and consumer-related e-commerce businesses
 - e-Finance: All inclusive Web-based financial operations, including Internet securities operations; management of domestic venture capital funds; incubation of portfolio corporations
 - Media & Marketing: Book and magazine publication in such areas as PCs, the Internet, entertainment, etc.; exhibition management; Web content development
 - Broadmedia: Provision of applications and content for broadcasting and broadband communications and promoting the spread of such operations
 - Internet Culture: Internet-based advertising, broadband portals, auctions, etc.
 - Technology Services: System solutions, business solutions, etc.
 - Internet Infrastructure: Provides fiber optic ultrahigh-speed Internet access services, operates a related data center and other businesses.
 - Overseas Funds: U.S.- and Asia-focused global private equity operations in Internet-related companies
 - Others: Provide ADSL-based broadband infrastructure services, function as overseas holding companies, provide back-office support services in Japan, etc.

2. Geographic Segment Information

(1) FY2002 interim (for the period ended September 30, 2001)

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

| | Japan | North America | Europe | Korea | Others | Total | Elimination | Consolidated Total |
|-------------------------|----------|---------------|--------|--------|----------|----------|-------------|--------------------|
| Net Sales | | | | | | | | |
| (1) Customers | ¥157,845 | ¥13,897 | ¥274 | ¥9,458 | ¥1,897 | ¥183,372 | - | ¥183,372 |
| (2) Inter-segment | 83 | 50 | - | - | - | 133 | (133) | - |
| Total | 157,928 | 13,947 | 274 | 9,458 | 1,897 | 183,505 | (133) | 183,372 |
| Operating expenses | 160,237 | 14,879 | 633 | 10,275 | 3,488 | 189,514 | 2,562 | 192,077 |
| Operating income (loss) | ¥(2,308) | ¥(931) | ¥(359) | ¥(817) | ¥(1,591) | ¥(6,008) | ¥(2,696) | ¥(8,704) |

(2) FY2001 interim (for the period ended September 30, 2000)

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

| | Japan | North America | Europe | Korea | Others | Total | Elimination | Consolidated Total |
|-------------------------|----------|---------------|--------|---------|--------|----------|-------------|--------------------|
| Net Sales | | | | | | | | |
| (1) Customers | ¥153,867 | ¥12,108 | ¥92 | ¥13,412 | ¥755 | ¥180,236 | - | ¥180,236 |
| (2) Inter-segment | - | 93 | - | - | - | 93 | (93) | - |
| Total | 153,867 | 12,201 | 92 | 13,412 | 755 | 180,330 | (93) | 180,236 |
| Operating expenses | 149,342 | 11,587 | 273 | 13,442 | 1,151 | 175,798 | (264) | 175,533 |
| Operating income (loss) | ¥4,525 | ¥614 | ¥(181) | ¥(30) | ¥(395) | ¥4,532 | ¥171 | ¥4,703 |

(3) FY2001 (for the period ended March 31, 2001)

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

| | Japan | North America | Europe | Korea | Others | Total | Elimination | Consolidated Total |
|-------------------------|----------|---------------|--------|---------|--------|----------|-------------|--------------------|
| Net Sales | | | | | | | | |
| (1) Customers | ¥341,978 | ¥30,523 | ¥1,291 | ¥21,271 | ¥2,040 | ¥397,105 | - | ¥397,105 |
| (2) Inter-segment | - | 555 | - | - | - | 555 | (555) | - |
| Total | 341,978 | 31,079 | 1,291 | 21,271 | 2,040 | 397,660 | (555) | 397,105 |
| Operating expenses | 322,123 | 28,427 | 1,765 | 22,127 | 2,820 | 377,264 | 3,409 | 380,673 |
| Operating income (loss) | ¥19,855 | ¥2,651 | ¥(473) | ¥(856) | ¥(780) | ¥20,396 | ¥(3,964) | ¥16,431 |

Note : Geographic segmentation policy and major countries of each area are as follows (based on FY2002 interim):

- | | | |
|--|---------------------------------|--------------------------------|
| 1. Geographic segmentation policy | Based on geographical adjacency | |
| 2. Major countries included in each area | North America | U.S.A. and Canada |
| | Europe | U.K., Germany and France |
| | Others | Singapore, Hong Kong and China |

3. Overseas sales

(1) FY2002 interim (for the period ended September 30, 2001)

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

| | North America | Europe | Korea | Other | Total |
|---|---------------|--------|--------|--------|----------|
| I. Overseas sales | ¥14,147 | ¥300 | ¥9,458 | ¥1,940 | ¥25,846 |
| II. Total consolidated sales | | | | | ¥183,372 |
| III. Overseas sales as a percentage of total consolidated sales | 8 % | 0 % | 5 % | 1 % | 14 % |

(2) FY2001 interim (for the period ended September 30, 2000)

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

| | North America | Europe | Korea | Other | Total |
|---|---------------|--------|---------|-------|----------|
| I. Overseas sales | ¥12,479 | ¥92 | ¥13,412 | ¥755 | ¥26,739 |
| II. Total consolidated sales | | | | | ¥180,236 |
| III. Overseas sales as a percentage of total consolidated sales | 7 % | 0 % | 7 % | 1 % | 15 % |

(3) FY2001 (for the period ended March 31, 2001)

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

| | North America | Europe | Korea | Other | Total |
|---|---------------|--------|---------|--------|----------|
| I. Overseas sales | ¥31,399 | ¥1,376 | ¥21,286 | ¥2,581 | ¥56,644 |
| II. Total consolidated sales | | | | | ¥397,105 |
| III. Overseas sales as a percentage of total consolidated sales | 8 % | 0 % | 5 % | 1 % | 14 % |

Note: Segmentation policy of overseas sales and major countries of each area are as follows (based on FY2002 interim):

- | | | |
|--|---------------------------------|--------------------------------|
| 1. Segmentation policy of overseas sales | Based on geographical adjacency | |
| 2. Major countries of each area | North America | U.S.A. and Canada |
| | Europe | U.K., Germany and France |
| | Other | Singapore, Hong Kong and China |

Investments in Debt and Equity Securities

FY2002 interim (as of September 30, 2001)

1. The aggregate cost and market value (carrying value) of other securities
(Millions of yen; amounts less than one million yen are omitted.)

| | FY2002 interim (as of September 30, 2001) | | |
|-----------------------|---|-----------------|------------------------|
| | Cost | Carrying value | Unrealized gain/(loss) |
| (1) Equity Securities | ¥147,176 | ¥130,218 | ¥(16,957) |
| (2) Others | 2 | 2 | - |
| Total | ¥147,179 | ¥130,221 | ¥(16,957) |

2. The carrying amounts of unlisted investment securities
(Millions of yen; amounts less than one million yen are omitted.)

| | Carrying Amounts |
|---|------------------|
| (1) Held-to-maturity debt securities | |
| Debt Securities | ¥62 |
| (2) Other and available for sale securities | |
| Equity Securities | 41,384 |
| Foreign Debt Securities | 11,670 |
| Domestic Debt Securities | 11,127 |
| MMF | 17,725 |
| Mid-term Government Bond Fund | 1,707 |
| Total | ¥83,677 |

FY2001 interim (as of September 30, 2000)

1. The aggregate cost and market value (carrying value) of other securities
(Millions of yen; amounts less than one million yen are omitted.)

| | FY2001 interim (as of September 30, 2000) | | |
|------------------------------|---|-----------------|------------------------|
| | Cost | Carrying Amount | Unrealized gain/(loss) |
| (1) Equity Securities | ¥36,796 | ¥53,317 | ¥16,521 |
| (2) Debt Securities | | | |
| Government & Municipal Bonds | 0 | 0 | - |
| Corporate Bonds | 6,761 | 10,363 | 3,601 |
| Total | ¥43,558 | ¥63,681 | ¥20,122 |

2. The carrying amounts of unlisted investment securities
(Millions of yen; amounts less than one million yen are omitted.)

| | Carrying Amounts |
|---|------------------|
| (1) Held-to-maturity securities | |
| Debt Securities | ¥34 |
| (2) Other and available for sale securities | |
| Equity Securities | 63,996 |
| Foreign Debt Securities | 1,694 |
| Domestic Debt Securities | 7,775 |
| MMF | 12,266 |
| Mid-term Government Bonds Fund | 2,486 |
| Others | 73 |
| Total | ¥88,326 |

Investments in Debt and Equity Securities (continued)

FY2001(as of March 31, 2001)

1. The aggregate cost and market value (carrying value) of other securities
(Millions of yen; amounts less than one million yen are omitted.)

| | FY2001 (as of March 31, 2001) | | |
|------------------------------|-------------------------------|-----------------|---------------------------|
| | Cost | Carrying Amount | Unrealized gains/(losses) |
| Fair Value > Carrying Amount | | | |
| (1) Equity Securities | ¥56,710 | ¥101,276 | ¥44,566 |
| (2) Debt Securities | | | |
| Corporate bonds | 3,140 | 5,828 | 2,687 |
| Sub-total | ¥59,850 | ¥107,105 | ¥47,254 |
| Fair Value < Carrying Amount | | | |
| (1) Equity Securities | ¥69,782 | ¥53,798 | ¥(15,983) |
| (2) Debt Securities | | | |
| Corporate bonds | 1,350 | 1,311 | (38) |
| Sub-total | 71,132 | 55,109 | (16,022) |
| Total | ¥130,982 | ¥162,215 | ¥31,232 |

2. The carrying amounts of the unlisted investment securities
(Millions of yen; amounts less than one million yen are omitted.)

| | Carrying Amounts |
|---|------------------|
| (1) Held-to-maturity securities | |
| Debt Securities | ¥0 |
| (2) Other and available for sale securities | |
| Equity Securities | 45,063 |
| Foreign Debts Securities | 9,008 |
| Debt Securities | 1,776 |
| MMF | 25,877 |
| Mid-term Government Bonds Fund | 2,365 |
| Others | 1,099 |
| Total | ¥85,192 |

CONTRACT AND OTHER AMOUNTS, FAIR VALUE AND UNREALIZED GAIN OR LOSS ON DERIVATIVE TRANSACTIONS

Currency Related

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

| | Nature of transaction | FY2002 Interim (as of September 30, 2001) | | | | FY2001 Interim (as of September 30, 2000) | | | | FY2001 (as of March 31, 2001) | | | |
|---|--|---|-------------|------------|------------------------|---|-------------|------------|------------------------|-------------------------------|-------------|------------|------------------------|
| | | Contract amounts | | Fair value | Unrealized gain/(loss) | Contract amounts | | Fair value | Unrealized gain/(loss) | Contract amounts | | Fair value | Unrealized gain/(loss) |
| | | | Over 1 year | | | | Over 1 year | | | | Over 1 year | | |
| Off-market transactions | Swap Transactions | | | | | | | | | | | | |
| | · Australia dollars Receiver, JPY Payer | ¥1,000 | ¥1,000 | ¥(159) | ¥(159) | ¥1,000 | ¥1,000 | ¥(190) | ¥(190) | ¥1,000 | ¥1,000 | ¥(176) | ¥(176) |
| | · Call option in US dollars (Option premium) | - | - | - | - | - | - | - | - | 26 | - | - | - |
| | · Put option in US dollars (Option premium) | - | - | - | - | - | - | - | - | 0 | - | 0 | (0) |
| | Forward Exchange Contracts | | | | | | | | | | | | |
| · U.S. dollars purchased, Japanese yen sold | 1,000 | - | 1,007 | 7 | - | - | - | - | - | - | - | - | |
| | Total | | | | ¥(151) | | | | ¥(190) | | | | ¥(176) |

Interest Related

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

| | Nature of transaction | FY2002 Interim (as of September 30, 2001) | | | | FY2001 Interim (as of September 30, 2000) | | | | FY2001 (as of March 31, 2001) | | | |
|-------------------------|--|---|-------------|------------|------------------------|---|-------------|------------|------------------------|-------------------------------|-------------|------------|------------------------|
| | | Notional amounts | | Fair value | Unrealized gain/(loss) | Notional amounts | | Fair value | Unrealized gain/(loss) | Notional amounts | | Fair value | Unrealized gain/(loss) |
| | | | Over 1 year | | | | Over 1 year | | | | Over 1 year | | |
| Off-market transactions | Swap Transactions | | | | | | | | | | | | |
| | · Fix Rate Receiver, Floating Rate Payer | ¥5,771 | ¥1,771 | ¥303 | ¥303 | ¥6,014 | ¥5,771 | ¥384 | ¥384 | ¥6,014 | ¥5,771 | ¥397 | ¥397 |
| | · Floating Rate Receiver, Fix Rate Payer | 7,485 | 3,485 | (419) | (419) | 8,157 | 7,485 | (516) | (516) | 8,157 | 7,485 | (563) | (563) |
| | · Fix Rate Receiver (receipt later), Floating Rate Payer (pre payment) | 1,000 | 1,000 | 37 | 37 | 2,000 | 2,000 | 68 | 68 | 1,000 | 1,000 | 36 | 36 |
| | Total | | | | ¥(78) | | | | ¥(63) | | | | ¥(128) |

Notes: 1. Fair value is based on the information from the financial institutions.

2. In addition to the above, the consolidated subsidiaries engaged in the securities business outside Japan recorded the fair value of the equity options in the amount 1,015 million yen, and the notional amounts of these options, measured by the market value of the underlying shares are 10,765 million yen.