SoftBank

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 Corp.
Consolidated Financial Report
For the nine-month period ended December 31, 2012

Tokyo, January 31, 2013

1. FINANCIAL HIGHLIGHTS

(1) Results of Operations

(Percentages are shown as year-on-year changes)
(Millions of yen; amounts less than one million yen are omitted.)

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Nine-month period ended December 31, 2012	**¥2,509,790**	**4.7**	**¥600,148**	**12.6**	**¥529,419**	**19.3**	**¥235,367**	**(5.9)**
Nine-month period ended December 31, 2011	¥2,398,192	6.6	¥532,783	10.5	¥443,934	11.0	¥250,081	75.7

Note: Comprehensive income
Nine-month period ended December 31, 2012: ¥354,233 million (48.8) %
Nine-month period ended December 31, 2011: ¥238,124 million (54.4) %

	Net income per share－basic (yen)	Net income per share－diluted (yen)
Nine-month period ended December 31, 2012	**¥213.79**	**¥209.97**
Nine-month period ended December 31, 2011	¥227.83	¥221.85

(2) Financial Condition

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

	Total assets	Total equity	Equity ratio (%)
As of December 31, 2012	**¥5,511,551**	**¥1,673,407**	**20.6**
As of March 31, 2012	¥4,899,705	¥1,435,640	19.1

Note: Shareholders' equity
As of December 31, 2012: ¥1,136,857 million
As of March 31, 2012: ¥936,693 million

2. Dividends

	Dividends per share				
(Record date)	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2012	-	0.00	-	40.00	40.00
Fiscal year ending March 31, 2013	-	20.00	-		
Fiscal year ending March 31, 2013 (Forecasted)				20.00	40.00

Note:
Revision of forecasts on the dividends: No

3. Forecasts on the consolidated operation results for the fiscal year ending in March 2013 (April 1, 2012 – March 31, 2013)

The Group is continuing to focus on network expansion and customer acquisition in the Mobile Communications segment. As its customer base continues to expand steadily from these efforts, the Group's earnings base will increase. As a result, the Group is forecasting a year-on-year increase in both consolidated net sales and operating income, and is confidently projecting that consolidated operating income will exceed ¥700 billion for its fiscal year ending March 31, 2013.

* **Notes**

(1) Significant changes in scope of consolidation (Changes in scope of consolidation of specified subsidiaries): Yes
Newly Consolidated: Two companies Starburst Ⅰ, Inc., Starburst Ⅱ, Inc.
Note: Please refer to page 20 "2. Notes on the Summary Information" for details.

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

(3) Changes in accounting policies, accounting estimates and retrospective restatements in the consolidated financial statements
[1] Changes due to revisions in accounting standards: No
[2] Changes other than those in [1]: No
[3] Changes in accounting estimates: No
[4] Retrospective restatements: No

(4) Number of shares issued (Common stock)
[1] Number of shares issued (including treasury stock):
As of December 31, 2012: 1,115,489,458 shares
As of March 31, 2012: 1,107,728,781 shares
[2] Number of treasury stock:
As of December 31, 2012: 9,183,744 shares
As of March 31, 2012: 9,213,962 shares
[3] Weighted average number of common stock:
As of December 31, 2012: 1,100,942,038 shares
As of December 31, 2011: 1,097,670,072 shares

* Implementation status of quarterly review procedures

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

* Note to forecasts on the consolidated operating results and other items

The forecast figures are estimated based on the information which SoftBank Corp. 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. Please refer to page 19 "1. Qualitative Information Regarding Nine-month Period Results (3) Qualitative Information Regarding Consolidated Earnings Forecasts" for details of notes to precondition and usage for forecasts.

On January 31, 2013 SoftBank Corp. will hold an earnings results briefing for financial institutions, institutional investors, and the media. This briefing will be broadcast live on our Web site in both Japanese and English (http://www.softbank.co.jp/en/irinfo/).
The Earnings Results Data Sheets will also be posted on SoftBank Corp.'s Web site around 7 p.m. on the day of the announcement: (http://www.softbank.co.jp/en/irinfo/library/presentation/)

(Appendix)

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1. Qualitative Information Regarding Nine-month Period Results

(1) Qualitative Information Regarding Consolidated Results of Operations

1. Consolidated Results of Operations

< Overview of results for the nine-month period from April 1 to December 31, 2012 >

For the nine-month period ended December 31, 2012 (hereafter "the period"), the SoftBank Group (hereafter "the Group") achieved consolidated net sales of ¥2,509,790 million, a ¥111,598 million (4.7%) increase compared with the same period of the previous fiscal year (April 1 to December 31, 2011, hereafter "year on year"), with a ¥67,365 million (12.6%) increase in operating income to ¥600,148 million. Ordinary income grew ¥85,484 million (19.3%) to ¥529,419 million. Net income declined ¥14,714 million (5.9%) to ¥235,367 million.

Note:
Definition of terms: as used in this consolidated financial report for the nine-month period from April 1, 2012 to December 31, 2012, references to "the Company," "the Group," and "the SoftBank Group" are to SoftBank Corp. and its consolidated subsidiaries except as the context otherwise requires or indicates.

The main factors affecting earnings for the period were as follows:

(a) Net Sales

Net sales totaled ¥2,509,790 million, for a ¥111,598 million (4.7%) year-on-year increase. This was mainly due to increased telecom service revenue, primarily from steady growth in the number of mobile phone subscribers.

(b) Cost of Sales

Cost of sales increased ¥62,454 million (5.7%) year on year to ¥1,163,227 million. This was primarily due to an increase in depreciation and amortization in the Mobile Communications segment, mainly due to the installation of additional base stations.

(c) Selling, General, and Administrative Expenses

Selling, general, and administrative expenses declined by ¥18,221 million (2.4%) year on year to ¥746,413 million. This was mainly because of a decrease in the total amount of sales commissions[1] in the Mobile Communications segment, resulting from an increase in the proportion of units sold having a lower acquisition cost per subscriber among total units sold, while iPhone[2] sales sustained a strong trend.

(d) Operating Income

As a result, operating income totaled ¥600,148 million, for a ¥67,365 million (12.6%) year-on-year increase. The operating margin rose 1.7 percentage points year on year to 23.9%.

1 Sales commission paid to sales agents per new subscription and upgrade.

2 iPhone and iPad are trademarks of Apple Inc. The iPhone trademark is used under license from Aiphone K.K.

(e) Non-operating Income / Expenses

Non-operating income totaled ¥11,653 million, a ¥3,312 million (39.7%) year-on-year increase. Non-operating expenses were ¥82,382 million, a ¥14,806 million (15.2%) year-on-year decrease. The non-operating expenses primarily reflected interest expense of ¥26,394 million, equity in losses of affiliated companies of ¥22,998 million, and financing related expenses of ¥19,026 million. The equity in losses of affiliated companies was mainly due to a write-down of goodwill that arose relating to InMobi Pte. Ltd. The financing related expenses were mainly attributable to costs associated with the funds procured pursuant to a bridge loan facility of up to ¥1.65 trillion, entered into in December 2012 (hereafter, "the bridge loan") in connection with the proposed acquisition of NYSE-listed Sprint Nextel Corporation (hereafter "Sprint"). For further details of the bridge loan please refer to page 29 "(5) Additional Information" under "3. Consolidated Financial Statements."

Moreover, in the same period of the previous fiscal year, the Group recorded refinancing related expenses of ¥24,906 million for refinancing part of the SBM loan.[3]

(f) Ordinary Income

Ordinary income therefore totaled ¥529,419 million, for a ¥85,484 million (19.3%) year-on-year increase.

(g) Special Income

Special income totaled ¥10,256 million, for a ¥98,166 million year-on-year decrease. This was mainly because of decreases in gain on sale of investment securities and dilution gain from changes in equity interest. In the same period of the previous fiscal year, a gain on sale of investment securities of ¥83,687 million was recorded, mainly due to the delivery of shares of U.S. company Yahoo! Inc. to CITIBANK, N.A. In addition, a dilution gain from changes in equity interest of ¥18,375 million was recorded, mainly in relation to the Company's equity method affiliate Renren Inc.'s listing on the New York Stock Exchange.

(h) Special Loss

Special loss was ¥13,945 million, for a ¥20,093 million year-on-year decrease. A valuation loss on investment securities of ¥10,514 million was recorded, mainly associated with a drop in the stock price of NASDAQ-listed Zynga Inc., in which the Group holds shares. Moreover, in the same period of the previous fiscal year, the Company recorded a valuation loss on investment securities of ¥9,321 million and a premium expense on advanced repayment of long-term debt of ¥21,875 million in relation to repayment of the SBM loan by SoftBank Mobile Corp.

(i) Income Taxes

Provisions for current income taxes were ¥214,519 million and provisions for deferred income taxes were ¥21,912 million. Total income taxes increased ¥14,865 million year on year to ¥236,431 million. The actual effective tax rate[4] for the period was 45.0%.

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[3] The loan procured in November 2006 under a whole business securitization scheme as part of the loan for procurement of the acquisition finance for Vodafone K.K. (currently SoftBank Mobile Corp.). The loan was fully repaid in October 2011.

[4] Total income taxes divided by income before income taxes and minority interests.

(j) Minority Interests in Net Income

Minority interests in net income totaled ¥53,931 million, mainly related to net income recorded at Yahoo Japan Corporation.

(k) Net Income

As a result of the above, net income totaled ¥235,367 million, for a ¥14,714 million (5.9%) year-on-year decrease.

(l) Comprehensive Income

Comprehensive income totaled ¥354,233 million, for a ¥116,109 million (48.8%) year-on-year increase. Of this, comprehensive income attributable to owners of the parent was ¥300,711 million, for a ¥106,209 million (54.6%) year-on-year increase.

2. Results by Business Segment

Note:
Principal operational data are shown on pages 10-11 “(Reference 1: Principal Operational Data).”

(a) Mobile Communications

(Millions of yen)

	Nine-month Period Ended December 31, 2011	**Nine-month Period Ended December 31, 2012**	Change	Change %
Net sales	1,619,177	**1,697,881**	78,704	4.9%
Operating income	346,478	**389,933**	43,455	12.5%

- **2,373,000 net subscriber additions[5] for the period**
- **ARPU[6] for the third quarter[7] was ¥4,050, a ¥170 year-on-year[8] decrease.**
  Data ARPU amounted to ¥2,610, a ¥80 year-on-year[8] increase.

< Revenue Recognition >

In the Mobile Communications segment, net sales are mainly generated through telecom service revenue and sales of mobile handsets. The telecom services consist of voice and data services and are recognized as revenue when services are provided to customers, based upon basic flat-rate monthly charges plus usage of the network in accordance with price plans, and subject to discounts.

Sales of mobile handsets are recognized when merchandise is shipped to sales agents. The agents sell the mobile handsets to the customers, mainly by installment payments over a period of 24 months. SoftBank Mobile Corp. purchases the installment sales receivables from the agents and collects the installment sales receivables during the 24 months.

Activation fees from new customers are recognized as revenue when services are activated.

< Overview of Operations >

The segment’s net sales increased by ¥78,704 million (4.9%) year on year to ¥1,697,881 million. The main factor behind the increase was a steady increase in telecom service revenue resulting from growth in the number of mobile phone subscribers. Meanwhile, sales of mobile handsets declined due to a decrease in handsets shipped.[9]

The segment’s operating expenses increased ¥35,249 million (2.8%) year on year to ¥1,307,948 million. The principal cause of this increase was higher depreciation and amortization recorded, mostly relating to the installation of additional base stations. Meanwhile, the segment saw a decline in sales commissions in line with an increased proportion of subscribers that have lower acquisition cost per subscriber among total units sold.

Operating income increased by ¥43,455 million (12.5%) year on year to ¥389,933 million.

5 The number of net subscriber additions includes prepaid mobile phones and communication module service subscribers. Net communication module service subscriber additions for the period totaled 517,700.

6 For definition and calculation method of ARPU, refer to page 12 “(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business).”

7 The three month period ended December 31, 2012 (from October 1 to December 31, 2012)

8 Compared to the three month period ended December 31, 2011 (from October 1 to December 31, 2011)

9 Handsets shipped: the number of handsets shipped (sold) to agents

< Number of Mobile Phone Subscribers >

Net subscriber additions (new subscribers minus cancellations) for the period totaled 2,373,000. This was primarily the result of steady sales of iPhone, iPad[2] and *Mimamori Phone* (handset with security buzzer). As a result, the cumulative number of subscribers[10] at the end of the period stood at 31,322,000, raising SoftBank Mobile Corp.'s cumulative subscriber share by 1.4 percentage points year on year, to 24.3%.[11]

< Number of Mobile Handsets Shipped and Units Sold >

Handsets shipped for the period decreased by 182,000 year on year to 8,476,000. This was mainly the result of a decrease in conventional mobile handsets shipped while the number of iPhones shipped increased.

The number of units sold (total number of new subscriptions and handset upgrades) for the period increased by 425,000 year on year to 9,426,000. Of units sold, new subscriptions increased by 240,000 year on year to 5,276,000, while handset upgrades increased by 185,000 year on year to 4,151,000.

The increase in units sold was mainly due to the success of various iPhone sales promotions.[12]

< ARPU >

ARPU for the third quarter (based on cumulative subscribers including communication modules) decreased ¥170 year on year[8] to ¥4,050. Out of this, voice ARPU declined ¥250 year on year to ¥1,450 and data ARPU rose ¥80 year on year[8] to ¥2,610.

The decline in voice ARPU mainly reflects dilution due to an increase in devices that do not have voice communication functionality (such as iPad and mobile data communications devices) and a decrease in revenues from incoming calls,[13] which was the result of a reduction in interconnection charges between operators. Moreover, a discount on voice ARPU that had been in effect since the sales promotion[14] executed at the time of the iPhone 4S launch during the third quarter of the previous fiscal year expired during the third quarter, cancelling the effect.

On the other hand, the increase in data ARPU was mainly the result of the continuing increase in the number of high data ARPU smartphone subscribers, although the increase in subscribers to low data usage products such as *Mimamori Phone* has also had a dilution effect on data ARPU. In particular, an increase in subscribers to smartphones compatible with the next-generation high-speed LTE service contributed to the rise in data ARPU.

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10 The cumulative number of subscribers includes prepaid mobile phones and communication module service subscribers. The cumulative number of communication module service subscribers at the end of the period was 2,567,700.

11 Calculated by the Company based on Telecommunications Carriers Association statistical data.
Calculated from the numbers of subscribers of NTT DOCOMO, INC., KDDI CORPORATION, and SoftBank Mobile Corp.

12 Including a promotion for new and upgrading customers offering discounts, a promotion for existing customers which allows a family member to use their old handset (if they make a new subscription), etc.

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

14 A promotion where customers upgrading from 3G/3GS to iPhone 4/4S can have an amount equal to the remaining installment payment balance for their old handset deducted from the basic monthly charge, etc.

< Churn Rate and Upgrade Rate >

The churn rate[15] for the third quarter was 1.12%, which was 0.01 of a percentage point higher year on year.[8]

The upgrade rate[15] for the third quarter was 2.10%, which was 0.26 of a percentage point lower year on year.[8] This was mainly because whereas iPhone 4S was launched during the third quarter in October 2011, iPhone 5 was launched in September 2012, so that customers' upgrades to iPhone 5 were spread across the second and the third quarters.

< Average Acquisition and Upgrade Cost per Subscriber >

The average acquisition cost per subscriber[16] for the third quarter declined ¥800 year on year[8] to ¥24,900.

The average upgrade cost per subscriber[17] for the third quarter increased ¥4,500 year on year[8] to ¥30,300. The main reason for this was a review of the pricing strategy and sales commissions of core products.

15 For definition and calculation of the churn and upgrade rates, see page 12 "(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)."

16 The average commission paid to sales agents per new subscription. New subscriptions include prepaid mobile phones and communication modules.

17 The average commission paid to sales agents per handset upgrade. Upgrades include communication modules.

(b) Broadband Infrastructure

(Millions of yen)

	Nine-month Period Ended December 31, 2011	**Nine-month Period Ended December 31, 2012**	Change	Change %
Net sales	129,790	**122,851**	(6,938)	(5.3%)
Operating income	28,305	**29,038**	732	2.6%

< Overview of Operations >

The segment's net sales decreased by ¥6,938 million (5.3%) year on year to ¥122,851 million. This was mainly because of an increase in the share of sales accounted for by *Yahoo! BB hikari with FLET'S*,[18] which has a relatively lower ARPU.[19] On the other hand, the cumulative number of *Yahoo! BB* subscribers (total of the cumulative number of *Yahoo! BB ADSL* subscribers and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers[20]) at the end of the period increased year on year.

Operating income increased by ¥732 million (2.6%) year on year to ¥29,038 million. This was mainly due to a decrease in sales commissions.

The cumulative number of *Yahoo! BB* subscribers at the end of the period totaled 4,222,000 for an increase of 13,000 from March 31, 2012. Out of this, the cumulative number of *Yahoo! BB ADSL* subscribers stood at 2,271,000, a decrease of 329,000 from March 31, 2012, and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers totaled 1,951,000, an increase of 343,000 from March 31, 2012.

(c) Fixed-line Telecommunications

(Millions of yen)

	Nine-month Period Ended December 31, 2011	**Nine-month Period Ended December 31, 2012**	Change	Change %
Net sales	270,057	**287,779**	17,722	6.6%
Operating income	42,846	**52,159**	9,312	21.7%

<Overview of Operations>

The segment's net sales increased by ¥17,722 million (6.6%) year on year to ¥287,779 million. This was mainly due to recording sales related to projects for installing telecommunications signal transfer stations and an increase in provision of telecommunication lines to Group companies such as SoftBank Mobile Corp.

Operating income increased by ¥9,312 million (21.7%) to ¥52,159 million. This was due to the increase in net sales, combined with a decrease in lease payments for *OTOKU Line* equipment and a decrease in interconnection charges paid to other operators at SoftBank Telecom Corp., following a reduction in interconnection charges between operators.

18 A broadband connection service that combines the Internet connection service *Yahoo! BB* and the *FLET'S HIKARI* fiber-optic connection provided by NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION ("NTT East") and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION ("NTT West"). *FLET'S* and *FLET'S HIKARI* are registered trademarks of NTT East and NTT West.

19 Average Revenue Per User

20 Number of users for which connection construction for *FLET'S HIKARI* lines at the central offices of NTT East or NTT West is complete and who are provided with services.

(d) Internet Culture

(Millions of yen)

	Nine-month Period Ended December 31, 2011	**Nine-month Period Ended December 31, 2012**	Change	Change %
Net sales	215,942	**239,421**	23,478	10.9%
Operating income	114,982	**129,094**	14,111	12.3%

<Overview of Operations>

The segment's net sales increased by ¥23,478 million (10.9%) year on year to ¥239,421 million. Overall revenue growth was driven by revenue from listing advertising,[21] at Yahoo Japan Corporation as a result of strengthening various functions to enhance advertising efficiency and a vigorous sales drive. There was also an increase in revenue from display advertising,[22] including growth in advertisements on Prime Display. Revenues from information listing services, such as recruiting and real estate information, also rose substantially. Growth in services such as game-related services and data center-related also contributed to higher overall sales.

Operating income increased by ¥14,111 million (12.3%) year on year to ¥129,094 million. This was primarily the result of the increase in net sales, as well as efforts to reduce costs such as business outsourcing expenses and advertising expenses.

21 Text-based advertisements charged on a cost-per-click basis. From January 2013 the name of this category changed to "promotion advertising."
22 Graphical, Flash and video advertising that appears next to content on the Internet. Prime Display advertising is a form of display advertising shown on pages other than Yahoo! JAPAN's top page. From January 2013 the name of this category changed to "premium advertising."

(Reference 1: Principal Operational Data)

(a) Mobile Communications

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
(Thousands) Net additions[23]	730.0	759.7	936.9	1,113.7	3,540.3	753.1	759.1	**860.8**
(Postpaid)	697.5	744.8	943.5	1,131.0	3,516.8	772.1	771.0	**872.2**
(Prepaid)	32.5	14.9	(6.6)	(17.3)	23.5	(19.0)	(11.9)	**(11.4)**
Market share[24] among 4 operators (%)	42.7	40.4	-	-	-	-	-	**-**
Market share[24] among 3 operators (%)	49.1	46.2	42.4	45.8	45.6	47.5	47.9	**48.7**
(Thousands) Cumulative subscribers[23]	26,138.7	26,898.4	27,835.3		28,949.0	29,702.1	30,461.2	**31,322.0**
Market share[24] among 4 operators (%)	21.6	21.8	-		-	-	-	**-**
Market share[24] among 3 operators (%)	22.2	22.5	22.9		23.3	23.6	23.9	**24.3**
(Thousands) Number of handsets shipped[25]	2,493	2,395	3,770	3,025	11,682	2,359	2,631	**3,486**
(Thousands) Units sold[26]	2,550	2,665	3,787	3,300	12,301	2,586	2,997	**3,843**
(New subscriptions)	1,564	1,624	1,848	2,127	7,163	1,663	1,718	**1,894**
(Handset upgrades)	987	1,040	1,938	1,173	5,138	923	1,279	**1,949**
(Yen per month) ARPU[27]	4,210	4,310	4,230	3,890	4,150	4,020	4,070	**4,050**
(Voice)[28]	1,780	1,780	1,700	1,350	1,650	1,480	1,490	**1,450**
(Data)	2,440	2,520	2,530	2,530	2,510	2,540	2,580	**2,610**
(Yen) Average acquisition cost per subscriber[29]	36,200	30,800	25,700	29,400	30,300	26,500	23,000	**24,900**
(Yen) Average upgrade cost per subscriber[30]	29,000	28,600	25,800	26,300	27,100	27,000	26,400	**30,300**
(% per month) Churn rate[31]	1.08	1.09	1.11	1.20	1.12	1.03	1.06	**1.12**
(Postpaid)	1.03	1.02	1.04	1.10	1.05	0.96	1.00	**1.06**
(% per month) Upgrade rate[31]	1.28	1.31	2.36	1.38	1.59	1.05	1.42	**2.10**

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

24 Calculated by the Company based on Telecommunications Carriers Association statistical data.
4 operators: NTT DOCOMO, INC., KDDI CORPORATION, eAccess Ltd. and SoftBank Mobile Corp.
3 operators: NTT DOCOMO, INC., KDDI CORPORATION, and SoftBank Mobile Corp.
From December 2011, net additions and cumulative subscribers of eAccess Ltd. are no longer disclosed to the Telecommunications Carriers Association. Therefore, from the third quarter of the fiscal year ended March 2012, the market share among 4 operators has not been calculated.

25 Handsets shipped: the number of handsets shipped (sold) to agents

26 Units sold: the total number of new subscriptions and handset upgrades

27 For definition and calculation method of ARPU, refer to page 12 "(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)."

28 Calculated including basic monthly charge.

29 The average commission paid to sales agents per new subscription. New subscriptions include prepaid mobile phones and communication modules.

30 The average commission paid to sales agents per handset upgrade. Upgrades include communication modules.

31 For definition and calculation of the churn and upgrade rates, see page 12 "(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)."

(Reference)

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
(Yen per month) ARPU[27] (excluding communication modules)	4,430	4,550	4,490	4,140	4,400	4,300	4,370	**4,370**
(Voice)[28]	1,880	1,900	1,820	1,450	1,760	1,590	1,610	**1,570**
(Data)	2,550	2,660	2,670	2,690	2,640	2,710	2,760	**2,800**

(b) Broadband Infrastructure

Yahoo! BB

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
(Thousands) *Yahoo! BB* cumulative subscribers[32]	4,118	4,145	4,175		4,209	4,238	4,227	**4,222**
Yahoo! BB ADSL								
(Thousands) Cumulative subscribers	3,009	2,873	2,737		2,600	2,467	2,364	**2,271**
(Yen per month) ARPU[33]	3,710	3,650	3,580	3,510		3,450	3,390	**3,330**
(% per month) Churn rate	2.56	2.43	2.35	2.44	2.45	2.60	2.12	**2.16**
Yahoo! BB hikari with FLET'S								
(Thousands) Cumulative subscribers[34]	1,109	1,272	1,437		1,608	1,771	1,863	**1,951**
(Yen per month) ARPU[33]	1,620	1,660	1,670	1,680		1,670	1,710	**1,720**

(c) Fixed-line Telecommunications

OTOKU Line

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
(Thousands) Cumulative lines	1,669	1,679	1,678		1,685	1,684	1,692	**1,688**
(Yen per month) ARPU[33]	6,650	6,570	6,550	6,790		6,530	6,390	**6,510**

32 Total of the cumulative number of *Yahoo! BB ADSL* subscribers and the cumulative number of *Yahoo! BB hikari with FLET'S* subscribers.
33 Average Revenue Per User: average revenue per contract (rounded to the nearest ¥10)
34 Number of users for which connection construction for *FLET'S HIKARI* line at the central offices of NTT East or NTT West is complete and who are provided with services.

(Reference 2: Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business)

1. Definition and calculation method of ARPU

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

ARPU = (voice-related revenue + data-related revenue) / number of active subscribers

= voice ARPU + data ARPU

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

Voice ARPU = voice-related revenue (such as voice call charges, revenues from incoming calls, basic monthly charges) / number of active subscribers

Data ARPU = data-related revenue (such as packet communication charges) / number of active subscribers

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).
The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.
Number of active subscribers used in the calculation of ARPU (excluding communication modules) excludes communication modules.

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

2. Definition and calculation method of churn rate

Churn rate ＝ churn / number of active subscribers（rounded to the nearest 0.01%）

Churn ＝ total number of subscribers that churned during the relevant period

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).
The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

3. Definition and calculation method of upgrade rate

Upgrade rate in Mobile Communications ＝ number of upgrades / number of active subscribers (rounded to the nearest 0.01%)

Number of upgrades ＝ total number of upgrades during the relevant period

Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).
The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

(Reference 3: Capital Expenditure and Depreciation)

(a) Capital Expenditure (acceptance basis)

(Millions of yen)

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Mobile Communications	84,076	98,399	93,675	146,613	422,766	82,464	134,003	**164,660**
Broadband Infrastructure	5,739	3,861	4,638	12,523	26,762	2,671	4,819	**6,192**
Fixed-line Telecommunications	6,320	8,281	10,654	14,621	39,877	8,236	8,280	**10,586**
Internet Culture	3,349	4,609	3,743	4,218	15,921	4,942	3,194	**6,310**
Others	1,710	5,338	2,041	1,958	11,047	94,970	1,942	**2,179**
Consolidated total	101,196	120,490	114,753	179,935	516,375	193,286	152,240	**189,929**

(b) Depreciation and Amortization (excluding amortization of goodwill)

(Millions of yen)

	Fiscal Year Ended March 31, 2012					**Fiscal Year Ending March 31, 2013**		
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Mobile Communications	46,202	48,691	49,266	59,295	203,455	58,467	62,267	**66,319**
Broadband Infrastructure	3,540	3,452	3,507	3,894	14,395	3,441	3,475	**3,545**
Fixed-line Telecommunications	9,188	9,684	9,957	10,969	39,800	9,749	9,777	**9,845**
Internet Culture	2,291	2,395	2,703	2,896	10,288	2,636	3,134	**3,170**
Others	1,521	1,592	2,350	2,421	7,886	2,185	2,349	**2,349**
Consolidated total	62,744	65,816	67,785	79,478	275,825	76,480	81,004	**85,230**

(2) Qualitative Information Regarding Consolidated Financial Position

1. Assets, Liabilities, and Equity

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

(Millions of yen)

	As of March 31, 2012	**As of December 31, 2012**	Change	Change %
Total assets	4,899,705	**5,511,551**	611,846	12.5%
Total liabilities	3,464,065	**3,838,143**	374,078	10.8%
Total equity	1,435,640	**1,673,407**	237,767	16.6%

(a) Current Assets

Current assets at the end of the period totaled ¥2,026,401 million, for a ¥115,948 million (6.1%) increase from March 31, 2012, (hereafter "the previous fiscal year-end"). The primary components of the change were as follows:

- Cash and deposits increased by ¥45,554 million from the previous fiscal year-end.
- Notes and accounts receivable-trade decreased by ¥42,363 million from the previous fiscal year-end. This decrease was mainly the result of continued sales of installment sales receivables at SoftBank Mobile Corp.
- Other current assets increased by ¥116,871 million from the previous fiscal year-end, primarily because of an increase of ¥60,762 million in derivative assets included in other current assets. This increase in derivative assets was mainly due to the conclusion of a foreign currency forward contract for approximately US$17 billion, which was entered into to hedge foreign exchange risk for the period until final payments are made for the proposed acquisition of Sprint, coupled with the yen's depreciation. Please refer to page 29 "(5) Additional Information" under "3. Consolidated Financial Statements" for details about the Sprint transaction.

(b) Fixed Assets

Fixed assets totaled ¥3,480,543 million at the end of the period, for a ¥496,990 million (16.7%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Property and equipment increased ¥250,902 million from the previous fiscal year-end. The main increases were ¥112,642 million in telecommunications equipment, ¥50,715 million in land, and ¥42,398 million in buildings and structures. The increase in telecommunications equipment was primarily due to new acquisitions of equipment such as base stations in order to strengthen the communications network in the Mobile Communications segment. The increases in land, buildings and structures were due primarily to recording the lease asset relating to the Yahoo! JAPAN Dome (hereafter, "the Yahoo! Dome") on the consolidated balance sheet for the first quarter (the three-month period from April 1, 2012 to June 30, 2012). In accordance with transitional measures, after the revision of the accounting standard for leases effective from April 1, 2008, the lease contract relating to the Yahoo! Dome continued to be accounted for as an operating lease transaction, while being classified as a finance lease that did not transfer ownership of the leased property to the lessee. Fukuoka SOFTBANK HAWKS Marketing Corp. entered into a purchase contract in March 2012 to acquire a trust beneficiary interest in the Yahoo! Dome in July 2015. As a result, the lease contract was reclassified as a finance lease that is deemed to transfer ownership of the leased asset to the lessee and recorded as a lease asset on the consolidated balance sheet. Although SOFTBANK HAWKS Marketing Corp. entered into this contract in March 2012, since SOFTBANK HAWKS Marketing Corp.'s fiscal year ends in February its financial statements are reflected in the consolidated financial statements with a one-month lag. Therefore, this is reflected in the consolidated financial statements for the period.

- Total intangible assets increased ¥3,869 million from the previous fiscal year-end. This was mainly because software increased by ¥55,824 million as a result of new acquisitions of telecommunications equipment. On the other hand, goodwill decreased by ¥44,374 million resulting from regular amortization of the goodwill recorded when the Company acquired SoftBank Mobile Corp., SoftBank Telecom Corp., and others.
- Investments and other assets increased by ¥242,218 million from the previous fiscal year-end. This was mainly due to a ¥237,456 million increase in investment securities. The primary components of the increase were an increase of ¥268,744 million due to the acquisition by Company subsidiary Starburst II, Inc. of a US$3.1 billion convertible bond issued by Sprint, and Yahoo Japan Corporation's acquisition of 42.6% of the shares (voting rights at the time of acquisition) of ASKUL Corporation for ¥33,038 million. Please refer to page 29 "(5) Additional Information" under "3. Consolidated Financial Statements" for details about the Sprint transaction. These were partially offset by a decrease of ¥51,207 million as a result of Alibaba Group Holding Limited, a Company equity method affiliate, acquiring the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through a privatization completed in June 2012. For details of the privatization of Alibaba.com Limited, please refer to page 37 "(9) Significant Changes in Shareholders' Equity" under "3. Consolidated Financial Statements." Also a decrease of ¥21,196 million, mainly associated with the drop in the stock price of Zynga Inc., was recorded.

(c) Current Liabilities

Current liabilities at the end of the period totaled ¥2,081,213 million, for a ¥157,488 million (8.2%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Short-term borrowings increased ¥305,473 million from the previous fiscal year-end. This was mainly attributable to the initial draw-down in December 2012 of ¥250 billion under the bridge loan facility of up to an aggregate of ¥1.65 trillion concluded with a financial institution in the same month in connection with funding the proposed acquisition of Sprint. Please refer to page 29 "(5) Additional Information" under "3. Consolidated Financial Statements" for details about the bridge loan.
- Accounts payable – other and accrued expenses decreased by ¥209,900 million from the previous fiscal year-end. This was mainly the result of the payment of an accounts payable – other of ¥200,000 million to the Vodafone Group in April 2012 by the Company.
- The current portion of corporate bonds increased by ¥43,202 million from the previous fiscal year-end. This was mainly due to reclassifications from long-term liabilities in the amounts of ¥25,000 million for the 31st Unsecured Straight Corporate Bond and ¥130,000 million for the 33rd Unsecured Straight Corporate Bond. Meanwhile, redemptions of corporate bonds in the amounts of ¥30,000 million for the 28th Unsecured Straight Corporate Bond and ¥65,000 million for the 29th Unsecured Straight Corporate Bond are also reflected.

(d) Long-term Liabilities

Long-term liabilities totaled ¥1,756,930 million at the end of the period, for a ¥216,590 million (14.1%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Lease obligations increased by ¥173,395 million from the previous fiscal year-end. This was mainly due to the reclassification of the lease contract concluded by SOFTBANK HAWKS Marketing Corp. related to the Yahoo! Dome from finance leases that do not transfer ownership of the leased property to the lessee to finance leases that are deemed to transfer ownership of the leased property to the lessee (please refer to "(b) Fixed Assets" on page 14 for details). Another factor was an increase in new acquisitions of telecommunications equipment through lease transactions.
- Long-term debt increased ¥63,695 million from the previous fiscal year-end.
- Corporate bonds decreased ¥45,000 million from the previous fiscal year-end. This was due to reclassifications of corporate bonds from long-term to current liabilities in the amounts of ¥25,000 million for the 31st Unsecured Straight Corporate Bond and ¥130,000 million for the 33rd Unsecured Straight Corporate Bond as the redemption date came to be within one year. On the other hand, the Company issued corporate bonds in the amount of ¥100,000 million for the 39th Unsecured Straight Corporate Bond and ¥10,000 million for the 40th Unsecured Straight Corporate Bond.

(e) Equity

Equity totaled ¥1,673,407 million at the end of the period, for a ¥237,767 million (16.6%) increase from the previous fiscal year-end. The equity ratio increased 1.5 percentage points from the previous fiscal year-end to 20.6%. The primary components of the change were as follows:

(Shareholders' equity)

Shareholders' equity increased ¥134,818 million from the previous fiscal year-end to ¥1,092,765 million.

- At the end of the period, common stock totaled ¥222,202 million, an increase of ¥8,404 million. This was the result of the conversion of the Convertible Bond Due 2013 into the common stock of the Company.
- Additional paid-in capital decreased by ¥42,823 million from the previous fiscal year-end. This primarily reflected a decrease of ¥51,207 million as a result of Alibaba Group Holding Limited, a Company equity method affiliate, acquiring the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through a privatization completed in June 2012 (please refer to page 37 "(9) Significant Changes in Shareholders' Equity" under "3. Consolidated Financial Statements" for details). On the other hand, the conversion of the Convertible Bond Due 2013 into the common stock of the Company increased shareholders' equity by ¥8,393 million.
- Retained earnings increased ¥169,163 million from the previous fiscal year-end. This was primarily because net income of ¥235,367 million was recorded, although this was partially offset by a year-end dividend for the year ended March 31, 2012 of ¥43,940 million, and an interim dividend for the year ending March 31, 2013 of ¥22,104 million, making a combined total of ¥66,044 million in retained earnings.

(Valuation and translation adjustments)

Valuation and translation adjustments of ¥44,091 million were recorded as credit at the end of the period, a ¥65,344 million increase from the previous fiscal year-end.

- Net unrealized gain on available-for-sale securities was ¥1,256 million at the end of the period, a ¥9,310 million decrease from the previous fiscal year-end. This decrease was mainly associated with the drop in the stock price of Zynga Inc.
- Deferred gain on derivatives under hedge accounting improved by ¥37,136 million from the previous fiscal year-end to ¥36,143 million and recorded as credit. This was mainly attributable to the conclusion of a foreign currency forward contract with a financial institution in relation to the foreign currency payment related to the acquisition of Sprint announced in October 2012 by the Company, coupled with the yen's depreciation. Hedge accounting is applied to the contract as a scheduled transaction. Please refer to page 36 "(7) Derivative Transactions" under "3. Consolidated Financial Statements" for details.
- Foreign currency translation adjustments improved by ¥37,518 million from the previous fiscal year-end to a ¥6,691 million recorded as credit at the end of the period. This was due to yen's depreciation.

(Minority interests)

- Minority interests totaled ¥535,605 million at the end of the period, for a ¥37,558 million increase from the previous fiscal year-end.

2. Cash Flows

Cash flows during the period were as follows:

Cash and cash equivalents at the end of the period totaled ¥1,061,966 million, for a ¥47,407 million increase from the previous fiscal year-end.

(Millions of yen)

	Nine-month Period Ended December 31, 2011	**Nine-month Period Ended December 31, 2012**	Change
Cash flows from operating activities	507,434	**595,379**	87,945
Cash flows from investing activities	(270,692)	**(746,093)**	(475,400)
(Reference) Free cash flow	236,741	**(150,713)**	(387,455)
Cash flows from financing activities	(322,209)	**191,148**	513,358

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥595,379 million (compared with ¥507,434 million provided in the same period of the previous fiscal year). The primary components of the change were as follows:

- Income before income taxes and minority interests totaled ¥525,730 million.
- The main items added to income before income taxes and minority interests were ¥242,715 million in depreciation and amortization, and ¥47,655 million in amortization of goodwill.
- Receivables – trade declined by ¥45,160 million (increase in cash flow). This decrease was mainly the result of continued sales of installment sales receivables at SoftBank Mobile Corp.
- Income taxes paid was ¥215,840 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥746,093 million (compared with ¥270,692 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

- Outlays for purchase of property and equipment, and intangibles came to ¥432,751 million. The main factor was capital expenditure in the telecommunications-related businesses.
- Outlays for purchase of marketable and investment securities were ¥314,274 million. This was mainly due to the acquisition by Company subsidiary Starburst II, Inc. of a US$3.1 billion convertible bond issued by Sprint, and Yahoo Japan Corporation's acquisition of 42.6% of the shares (voting rights at the time of acquisition) of ASKUL Corporation for ¥33,038 million.

As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for the period was a negative ¥150,713 million (compared with a positive ¥236,741 million in the same period of the previous fiscal year), for a year-on-year decrease of ¥387,455 million.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥191,148 million (compared with ¥322,209 million used in the same period of the previous fiscal year). The primary components of the change were as follows:

(Items increasing cash flows)

- Proceeds included ¥350,357 million from an increase in short-term borrowings, net, ¥258,894 million from the sale and leaseback of equipment newly acquired, ¥152,848 million from long-term debt, and ¥109,431 million from issuance of bonds.

(Items decreasing cash flows)

- Outlays included ¥200,444 million for payments for repurchase of minority interests and long-term debt, ¥139,612 million for the repayment of lease obligations, ¥134,154 million for the repayment of long-term debt, ¥95,000 million for the redemption of bonds, and ¥65,205 million for the payment of dividends. The payments for repurchase of minority interests and long-term debt are the amount paid to the Vodafone Group in April 2012, and various related fees. Please refer to page 35 "6. Payments for repurchase of minority interests and long-term debt in (6) Notes (Consolidated Statements of Cash Flows)" under "3. Consolidated Financial Statements" for details.

(Reference: Major Financing Activities)

The major financing activities in the period were as follows:

Item	Company Name	Details	Summary
Bond issuances	SoftBank Corp.	39th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Issue date: September 24, 2012 Redemption date: September 22, 2017 Total amount of issue: ¥100,000 million Interest rate: 0.74%/year
		40th Unsecured Straight Corporate Bond	Issue date: September 14, 2012 Redemption date: September 14, 2017 Total amount of issue: ¥10,000 million Interest rate: 0.732%/year
Bond redemption	SoftBank Corp.	28th Unsecured Straight Corporate Bond	Redemption date: July 24, 2012 Redemption amount: ¥30,000 million
		29th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	Redemption date: September 18, 2012 Redemption amount: ¥65,000 million
Increase or decrease in debt	SoftBank Corp.	Increase of ¥368,600 million	Mainly bridge loan concluded to provide funds for the proposed acquisition of Sprint. For further details of the bridge loan please refer to page 29 "(5) Additional Information" under "3. Consolidated Financial Statements."
Execute sale and lease back	SoftBank Mobile Corp. etc.	Procurement of ¥258,894 million	Capital expenditure via finance leases

(3) Qualitative Information Regarding Consolidated Earnings Forecasts

The Group is continuing to focus on network expansion and customer acquisition in the Mobile Communications segment. As its customer base continues to expand steadily from these efforts, the Group's earnings base will increase. As a result, the Group is forecasting a year-on-year increase in both consolidated net sales and operating income, and is confidently projecting that consolidated operating income will exceed ¥700 billion for its fiscal year ending March 31, 2013.

The Company has decided to adopt International Financial Reporting Standards (IFRS) for its consolidated financial statements commencing with its fiscal year ending March 2014. For such fiscal year, in accordance with IFRS and including the results of Sprint (proposed acquisition scheduled to be finalized mid 2013) the Group is projecting consolidated operating income of approximately ¥700 billion. Moreover, in accordance with the currently adopted Japan-GAAP consolidated operating income of the domestic business (excluding Sprint) is projected to amount to ¥800 billion.

For the fiscal year ending March 31, 2015 the Group expects to reach a record high consolidated operating income in accordance with IFRS and including Sprint.

2. Notes on the Summary Information

(1) Significant Changes in Scope of Consolidation

Changes in Scope of Consolidation of Specified Subsidiaries (Two companies)

The Company plans to acquire Sprint Nextel Corporation and make it a subsidiary. In the process of this acquisition, the Company newly established Starburst Ⅰ Inc. and Starburst Ⅱ Inc., subsidiaries in the U.S., and included them in the scope of consolidation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	As of December 31, 2012
	Amount	**Amount**
ASSETS		
Current assets:		
Cash and deposits	¥1,016,251	**¥1,061,805**
Notes and accounts receivable - trade	661,287	**618,924**
Marketable securities	4,575	**6,590**
Merchandise and finished products	42,618	**50,426**
Deferred tax assets	56,469	**35,496**
Other current assets	168,264	**285,136**
Less: Allowance for doubtful accounts	(39,014)	**(31,980)**
Total current assets	1,910,452	**2,026,401**
Fixed assets:		
Property and equipment, net:		
Buildings and structures	77,404	**119,803**
Telecommunications equipment	988,541	**1,101,183**
Telecommunications service lines	65,213	**61,174**
Land	23,175	**73,890**
Construction in progress	80,501	**122,538**
Other property and equipment	61,555	**68,705**
Total property and equipment	1,296,393	**1,547,296**
Intangible assets, net:		
Goodwill	780,242	**735,867**
Software	310,151	**365,975**
Other intangibles	36,120	**28,540**
Total intangible assets	1,126,514	**1,130,383**
Investments and other assets:		
Investment securities	338,198	**575,655**
Deferred tax assets	104,327	**103,211**
Other assets	134,076	**139,388**
Less: Allowance for doubtful accounts	(15,957)	**(15,391)**
Total investments and other assets	560,644	**802,863**
Total fixed assets	2,983,553	**3,480,543**
Deferred charges	5,699	**4,606**
Total assets	¥4,899,705	**¥5,511,551**

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2012	**As of December 31, 2012**
	Amount	**Amount**
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable - trade	¥190,532	**¥169,198**
Short-term borrowings	403,167	**708,640**
Current portion of corporate bonds	144,988	**188,190**
Accounts payable - other and accrued expenses	835,053	**625,152**
Income taxes payable	125,116	**114,985**
Current portion of lease obligations	152,682	**186,310**
Other current liabilities	72,184	**88,736**
Total current liabilities	1,923,725	**2,081,213**
Long-term liabilities:		
Corporate bonds	459,900	**414,900**
Long-term debt	560,070	**623,765**
Deferred tax liabilities	20,370	**16,672**
Liability for retirement benefits	14,953	**14,734**
Allowance for point mileage	32,074	**25,605**
Lease obligations	347,699	**521,094**
Other liabilities	105,272	**140,157**
Total long-term liabilities	1,540,339	**1,756,930**
Total liabilities	3,464,065	**3,838,143**
Equity:		
Common stock	213,797	**222,202**
Additional paid-in capital	236,562	**193,739**
Retained earnings	530,534	**699,697**
Less: Treasury stock	(22,947)	**(22,873)**
Total shareholders' equity	957,947	**1,092,765**
Unrealized gain on available-for-sale securities	10,566	**1,256**
Deferred gain (loss) on derivatives under hedge accounting	(993)	**36,143**
Foreign currency translation adjustments	(30,826)	**6,691**
Total valuation and translation adjustments	(21,253)	**44,091**
Stock acquisition rights	898	**945**
Minority interests	498,047	**535,605**
Total equity	1,435,640	**1,673,407**
Total liabilities and equity	¥4,899,705	**¥5,511,551**

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

For the nine-month period ended December 31, 2011 and 2012

Consolidated Statements of Income

(Millions of yen)

	Nine-month period ended December 31, 2011	**Nine-month period ended December 31, 2012**
	April 1, 2011 to December 31, 2011	**April 1, 2012 to December 31, 2012**
	Amount	**Amount**
Net sales	¥2,398,192	**¥2,509,790**
Cost of sales	1,100,772	**1,163,227**
Gross profit	1,297,419	**1,346,562**
Selling, general and administrative expenses	764,635	**746,413**
Operating income	532,783	**600,148**
Interest income	1,632	**1,721**
Other non-operating income	6,708	**9,932**
Non-operating income	8,340	**11,653**
Interest expense	53,271	**26,394**
Equity in losses of affiliated companies	3,632	**22,998**
Financing related expenses	-	**19,026**
Refinancing related expenses	24,906	**-**
Other non-operating expenses	15,378	**13,962**
Non-operating expenses	97,188	**82,382**
Ordinary income	443,934	**529,419**
Gain on sale of investment securities	83,687	**4,170**
Dilution gain from changes in equity interest	18,375	**3,984**
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	2,175	**-**
Other special income	4,185	**2,100**
Special income	108,422	**10,256**
Valuation loss on investment securities	9,321	**10,514**
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	-	**1,393**
Premium expense on advanced repayment of long-term debt	21,875	**-**
Other special losses	2,842	**2,038**
Special loss	34,039	**13,945**
Income before income taxes and minority interests	518,317	**525,730**
Income taxes:		
Current	146,401	**214,519**
Deferred	75,165	**21,912**
Total income taxes	221,566	**236,431**
Income before minority interests	296,751	**289,298**
Minority interests in net income	46,669	**53,931**
Net income	¥250,081	**¥235,367**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-month period ended December 31, 2011	**Nine-month period ended December 31, 2012**
	April 1, 2011 to December 31, 2011	**April 1, 2012 to December 31, 2012**
	Amount	**Amount**
Income before minority interests	296,751	**289,298**
Other comprehensive income (loss)		
Unrealized loss on available-for-sale securities	(35,949)	**(9,287)**
Deferred gain (loss) on derivatives under hedge accounting	(12,746)	**37,133**
Foreign currency translation adjustment	(3,328)	**29,119**
Share of other comprehensive income (loss) of affiliated companies accounted for using equity method	(6,602)	**7,970**
Total other comprehensive income (loss)	(58,626)	**64,935**
Comprehensive income	238,124	**354,233**
Comprehensive income attributable to:		
Owners of the parent	194,502	**300,711**
Minority interests	43,622	**53,522**

For the three-month period ended December 31, 2011 and 2012

Consolidated Statements of Income

(Millions of yen)

	Three-month period ended December 31, 2011	**Three-month period ended December 31, 2012**
	October 1, 2011 to December 31, 2011	**October 1, 2012 to December 31, 2012**
	Amount	**Amount**
Net sales	¥862,545	**¥923,680**
Cost of sales	429,804	**450,756**
Gross profit	432,740	**472,923**
Selling, general and administrative expenses	273,179	**275,536**
Operating income	159,560	**197,386**
Interest income	367	**1,066**
Foreign exchange gains	-	**1,236**
Other non-operating income	1,391	**2,759**
Non-operating income	1,758	**5,062**
Interest expense	12,522	**8,554**
Equity in losses of affiliated companies	2,410	**4,835**
Financing related expenses	-	**17,346**
Refinancing related expenses	11,300	**-**
Other non-operating expenses	5,636	**5,302**
Non-operating expenses	31,869	**36,039**
Ordinary income	129,449	**166,409**
Gain on sale of investment securities	159	**1,125**
Unrealized appreciation on valuation of investments and gain on sale of investments at subsidiaries in the U.S., net	130	**-**
Gain on step acquisitions	-	**1,778**
Premium on advanced redemption of debt securities	4,185	**-**
Other special income	1,216	**-**
Special income	5,691	**2,904**
Valuation loss on investment securities	401	**1,992**
Unrealized appreciation on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	-	**69**
Premium expense on advanced repayment of long-term debt	21,875	**-**
Other special losses	2,608	**186**
Special loss	24,884	**2,249**
Income before income taxes and minority interests	110,256	**167,064**
Income taxes:		
Current	45,039	**74,363**
Deferred	17,827	**6,250**
Total income taxes	62,866	**80,613**
Income before minority interests	47,390	**86,451**
Minority interests in net income	14,560	**20,516**
Net income	¥32,829	**¥65,934**

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-month period ended December 31, 2011	**Three-month period ended December 31, 2012**
	October 1, 2011 to December 31, 2011	**October 1, 2012 to December 31, 2012**
	Amount	**Amount**
Income before minority interests	47,390	**86,451**
Other comprehensive income (loss)		
Unrealized gain on available-for-sale securities	1,186	**1,444**
Deferred gain on derivatives under hedge accounting	193	**36,962**
Foreign currency translation adjustment	(142)	**37,677**
Share of other comprehensive income (loss) of affiliated companies accounted for using equity method	(6,828)	**8,644**
Total other comprehensive income (loss)	(5,592)	**84,729**
Comprehensive income	41,798	**171,181**
Comprehensive income attributable to:		
Owners of the parent	28,128	**149,968**
Minority interests	13,669	**21,212**

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Nine-month period ended December 31, 2011	**Nine-month period ended December 31, 2012**
	April 1, 2011 to December 31, 2011	**April 1, 2012 to December 31, 2012**
Cash flows from operating activities:		
Income before income taxes and minority interests	¥518,317	**¥525,730**
Adjustments for:		
Depreciation and amortization	196,347	**242,715**
Amortization of goodwill	46,936	**47,655**
Equity in losses of affiliated companies	3,632	**22,998**
Dilution gain from changes in equity interest, net	(18,176)	**(3,602)**
Valuation loss on investment securities	9,321	**10,514**
Unrealized (appreciation) loss on valuation of investments and (gain) loss on sale of investments at subsidiaries in the U.S., net	(2,175)	**1,393**
Gain on sale of marketable and investment securities, net	(83,677)	**(3,757)**
Foreign exchange gain, net	(12)	**(2,020)**
Interest and dividend income	(3,586)	**(2,524)**
Interest expense	53,271	**26,394**
Changes in operating assets and liabilities		
Decrease in receivables - trade	1,482	**45,160**
Decrease in payables - trade	(17,649)	**(22,418)**
Other, net	43,450	**(53,124)**
Sub-total	747,484	**835,114**
Interest and dividend received	3,235	**2,146**
Interest paid	(52,179)	**(26,041)**
Income taxes paid	(191,105)	**(215,840)**
Net cash provided by operating activities	507,434	**595,379**

- Continued -

Consolidated Statements of Cash Flows (Continued)

(Millions of yen)

	Nine-month period ended December 31, 2011	**Nine-month period ended December 31, 2012**
	April 1, 2011 to December 31, 2011	**April 1, 2012 to December 31, 2012**
Cash flows from investing activities:		
Purchase of property and equipment, and intangibles	¥(357,633)	**¥(432,751)**
Purchase of marketable and investment securities	(26,775)	**(314,274)**
Proceeds from sale of marketable and investment securities	80,258	**18,307**
Proceeds from advanced redemption of debt security	30,375	**-**
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(53)	**(2,040)**
Other, net	3,136	**(15,334)**
Net cash used in investing activities	(270,692)	**(746,093)**
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings, net	(124,148)	**350,357**
Decrease in commercial paper, net	(25,000)	**-**
Proceeds from long-term debt	600,675	**152,848**
Repayment of long-term debt	(918,615)	**(134,154)**
Proceeds from issuance of bonds	129,354	**109,431**
Redemption of bonds	(163,437)	**(95,000)**
Proceeds from issuance of shares to minority shareholders	282	**526**
Proceeds from issuance of preferred securities by a subsidiary	200,000	**-**
Cash dividends paid	(5,385)	**(65,205)**
Cash dividends paid to minority shareholders	(16,899)	**(16,516)**
Proceeds from sale and leaseback of equipment newly acquired	198,529	**258,894**
Repayment of lease obligations	(111,531)	**(139,612)**
Payments for repurchase of minority interests and long-term debt	-	**(200,444)**
Other, net	(86,032)	**(29,976)**
Net cash (used in) provided by financing activities	(322,209)	**191,148**
Effect of exchange rate changes on cash and cash equivalents	(1,238)	**4,985**
Net (decrease) increase in cash and cash equivalents	(86,706)	**45,419**
Increase in cash and cash equivalents due to newly consolidated subsidiaries	68	**3,781**
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(734)	**(1,794)**
Cash and cash equivalents, beginning of the period	847,155	**1,014,558**
Cash and cash equivalents, end of the period	¥759,782	**¥1,061,966**

(4) Significant Doubt about Going Concern Assumption

There are no applicable items for the nine-month period ended December 31, 2012.

(5) Additional Information

For the nine-month period ended December 31, 2012 (from April 1 to December 31, 2012)

Acquisition of Sprint Nextel Corporation

On October 15, 2012, the Company and Sprint Nextel Corporation ("Sprint") in the U.S. entered into a series of definitive agreements under which the Company will invest approximately $20.1 billion (the "transaction") in Sprint, consisting of approximately $12.1 billion to be paid to Sprint shareholders and $8.0 billion of new capital to be used, amongst other purposes, to strengthen Sprint's balance sheet.

The transaction, which has been approved by the Boards of Directors of both the Company and Sprint, is subject to approval at a meeting of the Sprint shareholders, customary antitrust, Federal Communications Commission and other regulatory approvals and the satisfaction or waiver of other closing conditions, including accuracy of representations and warranties. The companies expect the closing of the transaction to occur in mid-2013. As a result of the transaction the Company will own approximately 70% of the fully-diluted (as used herein, not giving effect to out-of-the-money options) shares of New Sprint (as defined below), which will own 100% of the shares of Sprint.

(1) Purposes of acquisition

[1] Enables the Company to establish an operating base as one of the largest mobile Internet companies in the world. The combined subscriber base will be one of the largest[1] between the U.S. and Japan, and the combined mobile telecom service revenue will rank third[2] amongst global operators.

[2] Enables the Company to leverage its deep expertise in smartphones and next-generation mobile networks, and its track record of success in competing in mature markets with large incumbents, to enhance Sprint's competitiveness in the U.S.

[3] Provides Sprint $8.0 billion of new capital for its mobile network, strategic investments, and balance sheet as part of its continued efforts to fortify its operating base towards future growth.

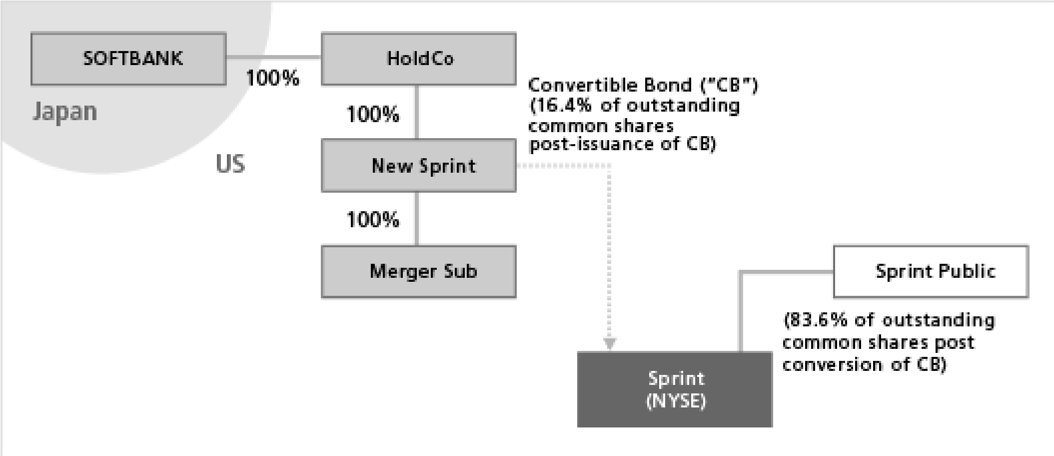
Notes:
1. Based on Wireless Intelligence data, TCA data, and disclosed material by relevant companies. U.S. as of June 2012, and Japan as of September (eAccess Ltd. data as of August 2012).
2. Based on disclosures by global mobile operators such as China Mobile and Verizon Wireless (January to June 2012).

(2) Outline of acquisition

[1] Establishment of subsidiaries

The Company has formed a new U.S. holding company, Starburst I, Inc. (HoldCo), and two further subsidiaries, Starburst II, Inc. (New Sprint), which is owned directly by HoldCo, and Starburst III, Inc. (Merger Sub), which is owned directly by New Sprint and indirectly by HoldCo.

Via New Sprint, the Company invested $3.1 billion in Sprint in the form of a newly-issued convertible bond (Bond) on October 22, 2012 (EST). The Bond has a 1.0% coupon rate with a seven-year maturity and, if the merger agreement is terminated prior to completion of the merger (as defined in [2] below), subject to regulatory approval, will be convertible, or if the merger (as defined in [2] below) is completed, will be converted, at $5.25 per share into 16.4% of outstanding Sprint common shares on a post-issuance basis (subject to customary adjustments).



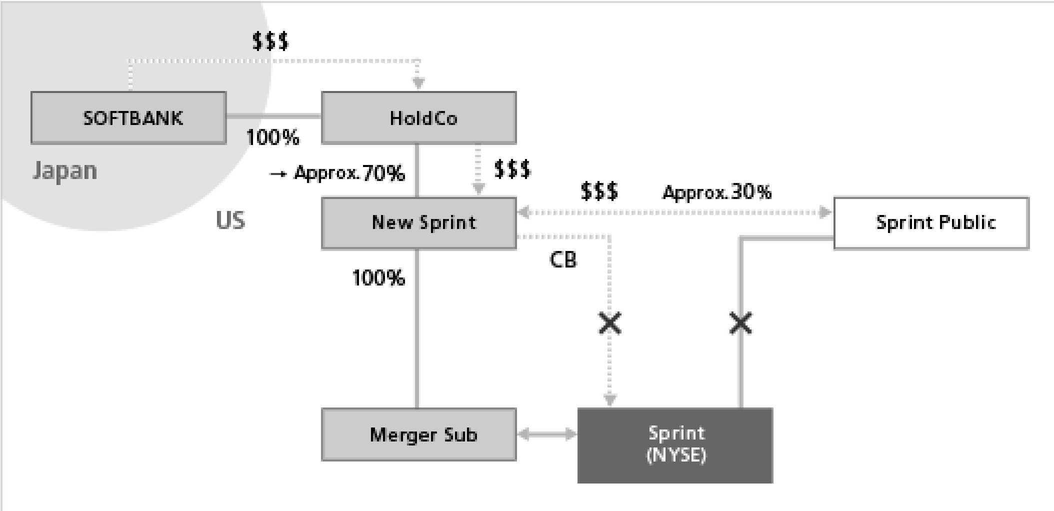
[2] Merger

Following receipt of Sprint shareholders and regulatory approvals and the satisfaction or waiver of the other closing conditions to the transaction, the Company will capitalize, through HoldCo, New Sprint with an additional approximately $17.0 billion. Approximately $12.1 billion will be distributed to Sprint shareholders as merger consideration. Merger Sub will merge with and into Sprint as a result of which:

(a) Sprint will become a wholly-owned subsidiary of New Sprint.
(b) In aggregate, Sprint shareholders will receive, in exchange for their Sprint shares approximately 30% of the fully-diluted equity of New Sprint and approximately $12.1 billion cash.
(c) Individual Sprint shareholders will have the right to elect to receive, for each share of Sprint that they own, either (i) $7.30 in cash or (ii) one share of New Sprint stock, subject to proration if shareholders in the aggregate elect more than the total amount of cash or stock consideration, as applicable (which would result in the receipt of a mix of cash and stock).
(d) Holders of Sprint stock options will receive stock options in the New Sprint.
(e) The Bond will be converted into shares of Sprint, with the value of such shares reflected (together with the Company's additional investment) in the approximately 70% of the fully-diluted equity of New Sprint which HoldCo will hold after consummation of the merger.
(f) New Sprint will issue a 5 year warrant for approximately 55 million shares of New Sprint with an exercise price of U$5.25 per share (Warrant) to HoldCo.
(g) New Sprint is expected to succeed Sprint's New York Stock Exchange listing as a publicly traded company in the US.

Other key terms include:

(a) The Company must pay Sprint a termination fee of $600 million if the merger does not close because the Company does not obtain financing.
(b) Sprint must pay the Company a termination fee of $600 million if the merger does not close because Sprint accepts a superior offer by a third party.
(c) Sprint must pay up to $75 million of the Company's expenses if Sprint's shareholders do not approve the transaction at their shareholder meeting.



[3] Post-transaction (fully-diluted basis)

Post-transaction:

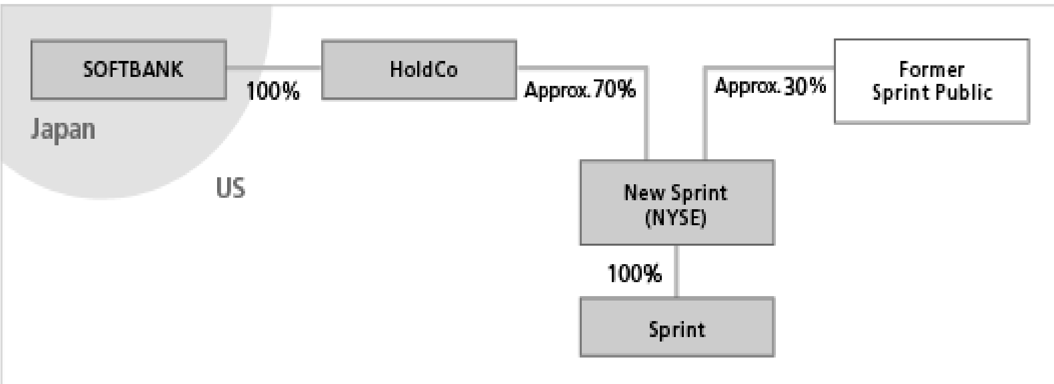
(a) The Company will own, through HoldCo, approximately 70% of New Sprint shares and Sprint shareholders will own approximately 30% of New Sprint shares in aggregate on a fully-diluted basis.

(b) New Sprint will retain $4.9 billion of the $17.0 billion contribution by the Company, which, in combination with the $3.1 billion purchase price for the Bond, represents an $8.0 billion dollar contribution to the New Sprint balance sheet.

(c) Sprint's current CEO Dan Hesse will be the CEO of New Sprint.

(d) New Sprint will have a 10-member board of directors, including three members from the current Sprint Board of Directors as well as the CEO.

(e) Sprint's headquarters will continue to be in Overland Park, Kansas.



(3) New Sprint's number of shares to be acquired, acquisition price and state of share ownership before and after acquisition

[1] Number of shares held before transfer	0 shares (number of voting rights: 0) (voting rights holding ratio: 0.0%)
[2] Number of shares to be acquired	3,241,403,146 shares*
[3] Acquisition price	Total amount invested: approx.$20.1 billion Advisory fees and others: to be determined
[4] Number of shares held after transfer	3,241,403,146 shares* (number of voting rights: 3,241,403,146) (voting rights holding ratio: 70.0%)

Note:
* Based on Sprint's fully-diluted shares (as of October 15, 2012, calculated not giving effect to out-of-the-money options) and giving effect to full exercise of the warrant.

(4) Financing

In order to raise necessary funds for the transaction, on December 18, 2012, the Company entered into a bridge loan agreement for a maximum amount of ¥1.65 trillion with financial institutions as mentioned below. The loan procured under the agreement is planned to be refinanced as medium and long term loan.

Summary of the loan agreement

[1] Borrower	The Company
[2] Mandated lead arrangers (MLAs)	Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Deutsche Bank AG, Tokyo Branch
[3] Date of execution	December 18, 2012
[4] Maximum total amount of borrowing	¥1.65 trillion (Breakdown) Facility A: ¥250 billion Facility B: ¥1.4 trillion
[5] Loan drawdown date	Facility A:December 21, 2012 Facility B: At the time of the Sprint acquisition
[6] Use of loan proceeds	Facility A: Investment in Sprint in the form of newly-issued convertible bonds (restore balance of cash on hand used for the investment in Sprint in the form of newly-issued convertible bonds in October 2012) Facility B: Investment in and resulting acquisition of Sprint
[7] Maturity	December 17, 2013
[8] Collateral	(a) Shares of Starburst Ⅰ, Inc. held by the Company (b) Shares of Starburst Ⅱ, Inc. and all other assets held by Starburst Ⅰ, Inc. (c) Sprint convertible bonds and all other assets held by Starburst Ⅱ, Inc.*
[9] Guarantors	(a) Pre-transaction: Starburst Ⅰ, Inc. and Starburst Ⅱ, Inc. (b) Post-transaction: Starburst Ⅰ, Inc., SoftBank Mobile Corp., SoftBank BB Corp. and SoftBank Telecom Corp.

Note:
* Until immediately prior to, but subject to the occurrence of, the Company's acquisition of Sprint.

(5) Foreign currency forward contracts

Following receipt of Sprint shareholders and regulatory approvals and the satisfaction or waiver of the other closing conditions to the transaction, in addition to a $3.1 billion convertible bond subscribed on October 22, 2012, the Company will capitalize, through HoldCo, New Sprint with an additional approximately $17.0 billion. The Company makes foreign currency forward contracts to hedge foreign exchange risk related to the additional investment and hedge accounting is applied to the contracts. Please refer to "(7) Derivative Transaction" for details.

(6) Outline of Sprint

[1] Name	Sprint Nextel Corporation
[2] Address	6200 Sprint Parkway, Overland Park, Kansas
[3] Name and title of representative	Daniel R. Hesse, Chief Executive Officer and President
[4] Business description	Telecommunications
[5] Paid-in capital	$46,716 million（as of December 31, 2011）
[6] Date of foundation	November 15, 1938

(6) Notes

(Consolidated Statements of Income)

1. Financing related expenses

For the nine-month period ended December 31, 2012 (from April 1 to December 31, 2012)

It is primarily associated with a bridge loan agreement for a maximum amount of ¥1.65 trillion, which was entered into on December 18, 2012, in order to raise the necessary funds for the acquisition of Sprint.

2. Refinancing related expense

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

It is primarily ¥23,943 million of procurement expense related to the total amount of ¥550.0 billion financing based on the resolution of the board meeting held on July 21, 2011 and cancellation expense of interest-rate swap to hedge interest rate risks along with the repayment of SBM loan.*

Note:

*¥1,366.0 billion loan to SoftBank Mobile Corp. procured in November 2006 by Mizuho Trust & Banking Co., Ltd, the "Tokutei Kingai Trust Trustee" under the whole business securitization scheme. The SBM loan was associated with the series of financing transactions for the Company to acquire Vodafone K.K (currently SoftBank Mobile Corp.). This loan was paid off on October 27, 2011.

3. Gain on sale of investment securities

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

The gain on sale of investment securities for the current period is primarily attributable to a ¥76,430 million gain on sale of Yahoo! Inc. shares. In connection with the Company's financing of approximately $1,135 million from CITIBANK, N.A. through its U.S. subsidiary in February 2004, certain forward contracts ("collar transaction") were entered into, which allowed the obligation to be settled at maturity by delivering Yahoo! Inc. shares held by the Company's subsidiary. The forward contracts were to effectively hedge the variability of cash flows associated with the future market price of the underlying securities.

During the nine-month period ended December 31, 2011, the obligation under the forward contracts was settled at maturity by effectively delivering the shares of Yahoo! Inc. (book basis of $142 million) to CITIBANK, N.A. The cash proceeds received by the Company's subsidiary from delivering the shares of Yahoo! Inc. to CITIBANK, N.A. were then remitted to repay the related obligation. "Gain on sale of investment securities" of ¥76,430 million ($993 million) was recorded as a result of settling the forward contracts.

As of September 30, 2010, the shares of Yahoo! Inc. were reclassified to "Marketable securities" under current assets from "Investment securities and investments in unconsolidated subsidiaries and affiliated companies" under investment and other assets. This was to coincide with the reclassification of the related obligation under current liabilities, of which the remaining period until maturity was less than one year. Accordingly, the gain on sale from this transaction was recorded as "Gain on sale of investment securities."

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

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions set forth in Financial Services – Investment Companies of the FASB ASC 946 and account for investment securities in accordance with ASC 946.

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

	Nine-month period ended December 31, 2011	**Nine-month period ended December 31, 2012**
Unrealized appreciation (loss) on valuation of investment at subsidiaries in the U.S., net	1,985	**(113)**
Gain (loss) on sale of investments at subsidiaries in the U.S., net	189	**(1,279)**
Total	2,175 million yen	**(1,393) million yen**

5. Premium expense on advanced repayment of long-term debt

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

As a result of the refinancing of SBM loan, a premium expense occurred for the advanced repayment of the entire loan on October 27, 2011.

(Consolidated Statements of Cash Flows)

1. Scope of purchase of property and equipment, and intangibles in the consolidated statements of cash flows

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

2. Proceeds from sale of marketable and investment securities and repayment of long-term debt

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

As described in "3. Gain on sale of investment securities under (Consolidated Statements of Income)," the shares of Yahoo! Inc. held by the Company's U.S. subsidiary were delivered to CITIBANK, N.A. in connection with the settlement of the obligation under the forward contracts ("collar transaction"). The cash receipts of ¥57,191 million ($743 million) equaled the fair value of the shares delivered and were recorded as "Proceeds from sale of marketable and investment securities." The proceeds received of ¥57,191 million were then remitted to repay the obligation and recorded as "Repayment of long-term debt."

The difference between the obligation balance of $1,135 million at maturity and the $743 million of proceeds from delivering the shares of Yahoo! Inc. that were remitted to CITIBANK, N.A. in full settlement of the obligation was recognized as a realized gain on the forward contracts. Therefore, the balance of the obligation after deduction of the realized gain on the forward contracts, which was equal to the fair value of Yahoo! Inc. shares, was recorded under "Repayment of long-term debt."

3. Proceeds from advanced redemption of debt security

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

In January 2010, the Company acquired corporate bonds issued by J-WBS Funding K.K. to provide part of the funding for the SBM loan under the whole business securitization scheme associated with the acquisition of Vodafone K.K. (currently SoftBank Mobile Corp.) and recorded the corporate bonds as "Investment securities" on the consolidated balance sheet. These are proceeds from the advanced redemption of the corporate bonds with accompanying the repayment of the entire SBM loan in October 2011.

4. Proceeds from issuance of preferred securities by a subsidiary

For the nine-month period ended December 31, 2011 (from April 1 to December 31, 2011)

They are proceeds from the issuance of preferred securities with limited voting right (preferred securities which have the nature of a stock prescribed in Financial Instruments and Exchange Act Article 2 (1) (ix), which is a part of securities described in Financial Instruments and Exchange Act Article 2 (1) (xvii)) to investors through public offering in Japan by the Company's consolidated subsidiary, SFJ Capital Limited.

5. Proceeds from sale and leaseback of equipment newly acquired

Once SoftBank Mobile Corp. and others purchase telecommunications equipment for the purpose of assembly, installation and inspection, SoftBank Mobile Corp. and others sell the equipment to lease companies under sale and lease back arrangements. The leased asset and lease obligation are recorded in the consolidated balance sheets.

The cash outflows from the purchase of the equipment from vendors are included in "Purchase of property and equipment, and intangibles" under cash flows from investing activities and the cash inflows from the sale of the equipment to lease companies are included in "Proceeds from sale and leaseback of equipment newly acquired" under cash flows from financing activities.

6. Payments for repurchase of minority interests and long-term debt

For the nine-month period ended December 31, 2012 (from April 1 to December 31, 2012)

In April 2006, BB Mobile Corp issued class 1 preferred stock-series 1 and stock acquisition rights to Vodafone International Holdings B.V. and obtained a subordinated loan from Vodafone Overseas Finance Limited as a series of financing transactions for the Group's acquisition of Vodafone K.K. (currently SoftBank Mobile Corp.). In November 2006, refinancing of the funds for the acquisition was conducted, and SoftBank Mobile Corp. assumed BB Mobile Corp's subordinated loan.

In December 2010, the Company acquired aforementioned all class 1 preferred stock-series 1 and stock acquisition rights issued by BB Mobile Corp. to Vodafone International Holdings B.V., and all principal and accrued interest of a long-term loan receivable from SoftBank Mobile Corp. held by Vodafone Overseas Finance Limited for the total amount of ¥412,500 million. Amounting to ¥212,500 million out of the total amount and the remaining amount of ¥200,000 million were paid with the related expenses associated with the acquisition (¥63 million in December 2010 and ¥444 million in April 2012) in December 2010 and in April 2012, respectively.

(7) Derivative Transactions

Derivative transactions to which the Company applied hedge accounting

Currency Related

As of December 31, 2012

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount		Fair value
				Over 1 year	
Deferral hedge accounting	Foreign currency forward contracts : to buy: U.S. dollars	Scheduled transactions for investment denominated in foreign currencies[1]	¥1,411,990	¥-	¥59,370
	Foreign currency forward contracts: to sell: U.S. dollars	Scheduled transactions for sales denominated in foreign currencies	106	-	(9)
Total			¥1,412,096	¥-	¥59,361

Note:
1. Foreign currency forward contract is for a scheduled additional investment of $17.0 billion in New Sprint through HoldCo in the U.S. regarding the acquisition of Sprint.
2. Fair value is based on information provided by financial institutions.

(Millions of yen)

Hedge accounting method	Nature of transaction	Hedged items	Contract amount		Fair value
				Over 1 year	
Alternative method	Foreign currency forward contracts: to buy: U.S. dollars	Accounts payable - other	¥164	¥-	¥-
	Euro	Accounts payable - trade	1,035	-	-
	Foreign currency forward contracts: to sell: U.S. dollars	Accounts receivable - trade	106	-	-
Total			¥1,306	¥-	¥-

Note:
For certain accounts payable - other, accounts payable - trade, and accounts receivable - trade denominated in foreign currencies for which foreign currency forward contracts are used to hedge the foreign currency fluctuations, fair value of the derivative financial instrument is included in fair value of the accounts payable - other, accounts payable - trade, and accounts receivable - trade as hedged items.

(8) Segment Information

1. Net sales and segment profit or loss of reportable segments for the nine-month period ended December 31, 2011

(Millions of yen)

	Reportable segments					Other [1]	Total	Reconciliations to consolidated statement of income [2]	Amounts in consolidated statement of income [3]
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,613,652	¥118,404	¥214,623	¥213,050	¥2,159,730	¥238,461	¥2,398,192	¥-	¥2,398,192
Inter-segment	5,525	11,385	55,433	2,892	75,237	26,314	101,551	(101,551)	-
Total	1,619,177	129,790	270,057	215,942	2,234,967	264,775	2,499,743	(101,551)	2,398,192
Segment profit	¥346,478	¥28,305	¥42,846	¥114,982	¥532,613	¥9,481	¥542,095	¥(9,311)	¥532,783

Notes:
1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in “Other.”
2. Amounts in the column “Reconciliations to consolidated statement of income” of ¥(9,311) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥819 million and ¥(10,131) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statement of income.

2. Net sales and segment profit or loss of reportable segments for the nine-month period ended December 31, 2012

(Millions of yen)

	Reportable segments					Other [1]	Total	Reconciliations to consolidated statement of income [2]	Amounts in consolidated statement of income [3]
	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	Subtotal				
Net sales									
Customers	¥1,692,616	¥103,992	¥223,640	¥237,067	¥2,257,316	¥252,473	¥2,509,790	¥-	¥2,509,790
Inter-segment	5,265	18,859	64,139	2,354	90,618	29,452	120,070	(120,070)	-
Total	1,697,881	122,851	287,779	239,421	2,347,934	281,925	2,629,860	(120,070)	2,509,790
Segment profit	¥389,933	¥29,038	¥52,159	¥129,094	¥600,225	¥9,347	¥609,573	¥(9,424)	¥600,148

Notes:
1. The PC software and peripherals distribution business and Fukuoka SOFTBANK HAWKS related business are included in “Other.”
2. Amounts in the column “Reconciliations to consolidated statement of income” of ¥(9,424) million represent elimination of intersegment transactions and expenses of the corporate division of the Company, which totaled ¥809 million and ¥(10,234) million, respectively.
3. Segment profit is adjusted with operating income in the consolidated statement of income.

(9) Significant Changes in Shareholders’ Equity

For the nine-month period ended December 31, 2012 (from April 1 to December 31, 2012)
Alibaba Group Holding Limited, the Company’s affiliate company under the equity method, acquired the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through its takeover bid in June 2012 and conducted the privatization of Alibaba.com Limited. Financial statements of Alibaba Group Holding Limited were prepared in accordance with accounting principles generally accepted in the U.S., and Alibaba Group Holding Limited recorded the change in the interests in its controlled subsidiary as a decrease in additional paid-in capital.

The Company applied “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force No.24)” for the transaction, and as a result, additional paid-in capital decreased by ¥51,207 million.

(10) Significant Subsequent Events

For the nine-month period ended December 31, 2012 (from April 1 to December 31, 2012)

Share exchange between the Company and eAccess Ltd. and partial transfer of eAccess Ltd. shares

The Company and eAccess Ltd. ("eAccess") completed a share exchange (the "Share Exchange"). The Company became the sole parent company of eAccess and eAccess became a wholly-owned subsidiary effective January 1, 2013.

eAccess acquired all common shares held by the Company and newly issued class A shares (without voting rights) and class B shares (with voting rights) to the Company on January 17, 2013. The Company transferred 66.71 % of class B shares (with voting rights) to 11 third-party purchasers based on the share transfer agreement on the same date. eAccess became the Company's affiliated company as a result of the transaction.

Note:
Rights on class A shares are the same as that of class B shares, except for voting rights.

Details of the Share Exchange and the partial transfer of shares are as follows:

1. The Share Exchange between the Company and eAccess

(1) Purpose of the Share Exchange

The Group resolved to exchange shares, aiming to establish a structure which will allow both companies to combine management resources effectively and efficiently, and accelerate the penetration of the mobile broadband service through making eAccess a group company of the Company.

(Effects of making eAccess a group company)

[1] Shared utilization of mobile communications network
[2] Mutual collaboration on efficient operation of base station sites
[3] Creation of synergies

(2) Method of the Share Exchange

The Company and eAccess completed the Share Exchange and the Company became the sole parent company of eAccess and eAccess became the wholly-owned subsidiary of the Company effective January 1, 2013, in accordance with the share exchange agreement between the Company and eAccess dated October 1, 2012, as amended on November 2, 2012.

The Share Exchange was conducted as a simplified share exchange under Article 796, Paragraph 3, of the Companies Act, which did not require approval of the general meeting of shareholders of the Company, while it was approved at the special and general meeting of shareholders of eAccess held on December 7, 2012.

(3) Details of the Share Exchange

20.29 common shares of the Company are exchanged into 1 common share of eAccess. Total number of granted common shares of the Company was 69,871,312. All granted shares were newly issued and treasury shares held by the Company were not granted.

The acquisition amount of eAccess common shares (accompanying costs are not included) based on the Share Exchange is ¥219,395 million,* which was the fair value of the granted common shares of the Company at one day before the effective date of the Share Exchange.

Note:
*69,871,312 shares (number of granted shares) × ¥3,140 (closing share price of the Company at Tokyo Stock Exchange 1st section as of December 28, 2012)

2. Partial transfer of eAccess shares

(1) Reason for partial transfer of eAccess shares

eAccess provides mobile communications service under the EMOBILE brand and operates mobile data communications services for its MVNO (Mobile Virtual Network Operator) contractors. The Company decided to transfer a part of its shares in eAccess to the 11 third-party purchasers in order for eAccess to maintain a certain degree of independence, which the Company believes will facilitate the continued expansion of eAccess' business.

In November 2012, the Company explained to the Ministry of Internal Affairs and Communications that it was considering reducing its voting rights in eAccess to less than one-third after making eAccess a wholly-owned subsidiary. The Ministry of Internal Affairs and Communications subsequently reported this to the Radio Regulatory Council (an advisory panel to the Minister of Internal Affairs and Communications) in the same month.

(2) Companies to which the shares were transferred

・Alcatel-Lucent Participations
・Telefonaktiebolaget L M Ericsson
・Comverse, Inc.
・Samsung Asia Pte. Ltd.
・Nokia Siemens Networks Holdings Singapore Ltd.
・Orix Corporation
・JA Mitsui Leasing, Ltd.
・Century Tokyo Leasing Corporation
・Fuyo General Lease Co., Ltd.
・Sumitomo Mitsui Finance and Leasing Company, Limited
・Mitsubish UFJ Lease & Finance Company Limited

(3) The number of shares transferred, and the number of shares held before and after the transfer

The Company transferred 100 class B shares each to 11 purchasers listed in "(2) Companies to which the shares were transferred." Shares held before and after the transfer are as follows:

Before the share transfer

Class of shares	Shareholder	Number of shares held	Ownership %
Class A shares (without voting rights)	The Company	218,777 shares	100.00%
Class B shares (with voting rights)	The Company	1,649 shares	100.00%
Total	The Company	220,426 shares	100.00%

After the share transfer

Class of shares	Shareholder	Number of shares held	Ownership %
Class A shares (without voting rights)	The Company	218,777 shares	100.00%
Class B shares (with voting rights)	The Company Other shareholders (11 third-parties)	549 shares 1,100 shares	33.29% 66.71%
Total	The Company Other shareholders (11 third-parties)	219,326 shares 1,100 shares	99.50% 0.50%

(4) Other

The share transfer is not expected to have a material impact on the Company's consolidated results for the fiscal year ending March 2013.