SoftBank Group

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

SoftBank Group Corp.
Consolidated Financial Report
For the nine-month period ended December 31, 2015 (IFRS)

Tokyo, February 10, 2016

1. Financial Highlights

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

(1) Results of Operations

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

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Nine-month period ended December 31, 2015	**¥6,810,206**	**7.9**	**¥875,322**	**18.0**	**¥918,214**	**(14.3)**	**¥511,102**	**(20.2)**	**¥428,972**	**(26.0)**	**¥445,436**	**(58.6)**
Nine-month period ended December 31, 2014	¥6,309,043	-	¥741,641	-	¥1,070,886	-	¥640,724	18.8	¥579,446	15.9	¥1,075,030	92.3

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-month period ended December 31, 2015	**¥362.80**	**¥351.42**
Nine-month period ended December 31, 2014	¥487.45	¥486.86

Note:
Net sales, operating income, and income before income tax for the nine-month period ended December 31, 2015 are presented based on the amounts from continuing operations only. Year-on-year percentage changes in net sales, operating income, and income before income tax for the nine-month period ended December 31, 2014 are not presented because corresponding amounts for the nine-month period ended December 31, 2014 are revised and presented respectively.
Please refer to page 62 "Note 15. Discontinued operations" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
As of December 31, 2015	**¥21,497,648**	**¥3,855,507**	**¥2,926,932**	**13.6**
As of March 31, 2015	¥21,034,169	¥3,853,177	¥2,846,306	13.5

SoftBank Group

2. Dividends

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

Note:
Revision of forecasts on the dividends: No

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

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

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes

Excluded from consolidation: Five companies SoftBank BB Corp. SoftBank Telecom Corp. Ymobile Corporation Mobiletech Corporation BB Mobile Corp.

Please refer to page 38 "(1) Significant Changes in Scope of Consolidation for the Nine-month Period Ended December 31, 2015" under "2. Notes to Summary Information" for details.

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRSs: No
[2] Changes in accounting policies other than those in [1]: No
[3] Changes in accounting estimates: Yes

Please refer to page 38 "(2) Changes in Accounting Estimates" under "2. Notes to Summary Information" for details.

(3) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):
As of December 31, 2015: 1,200,660,365 shares
As of March 31, 2015: 1,200,660,365 shares
[2] Number of treasury stock:
As of December 31, 2015: 26,712,553 shares
As of March 31, 2015: 11,463,275 shares
[3] Number of average stocks during nine-month period (April-December):
As of December 31, 2015: 1,182,405,746 shares
As of December 31, 2014: 1,188,725,107 shares

*** Implementation status of interim review procedures**

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

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

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

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

On February 10, 2016, the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on our website in both Japanese and English at http://www.softbank.jp/en/corp/irinfo/. The Earnings Results Data Sheet will also be posted on the Company's website around 4 p.m. on the same day at http://www.softbank.jp/en/corp/irinfo/presentations/.

(Appendix)

Contents

Change of Company Names

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

Definition of Company Names and Abbreviations Used in this Appendix

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

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

1. Qualitative Information Regarding Nine-month Period Results

(1) Qualitative Information Regarding Consolidated Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Continuing operations				
Net sales	6,309,043	**6,810,206**	501,163	7.9%
Operating income	741,641	**875,322**	133,681	18.0%
(incl.) Gain from remeasurement relating to business combination	-	**59,441**	59,441	-
Income before income tax	1,070,886	**918,214**	(152,672)	(14.3%)
(incl.) Dilution gain from changes in equity interest	599,806	**14,654**	(585,152)	-
Net income from continuing operations	614,953	**518,070**	(96,883)	(15.8%)
Discontinued operations				
Net income (loss) from discontinued operations	25,771	**(6,968)**	(32,739)	-
Net income	640,724	**511,102**	(129,622)	(20.2%)
Net income attributable to owners of the parent	579,446	**428,972**	(150,474)	(26.0%)

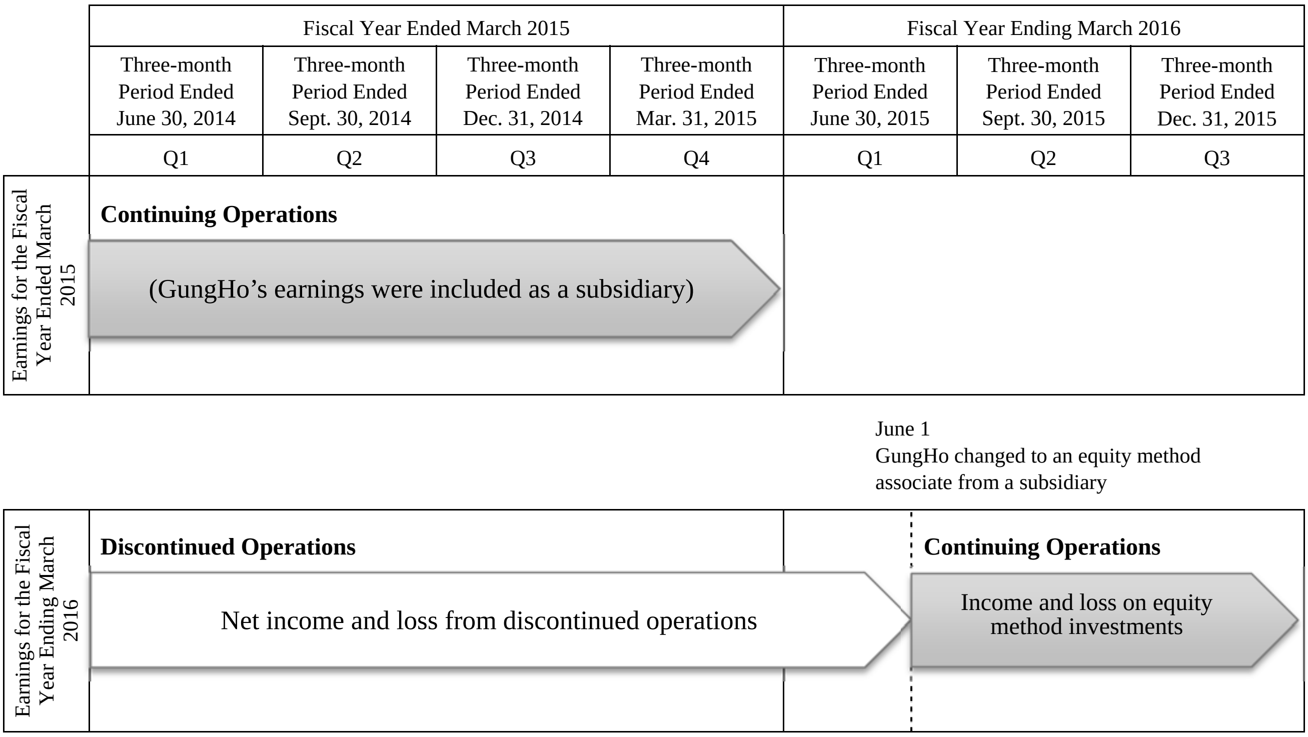
Reference: Average exchange rate for the quarter

	Fiscal Year Ended March 2015				**Fiscal Year Ending March 2016**		
	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015	Three-month Period Ended Sept. 30, 2015	Three-month Period Ended Dec. 31, 2015
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
USD / JPY	¥102.14	¥104.35	¥114.39	¥119.56	¥121.34	¥121.91	¥121.07

< Results Related to GungHo >

In the nine-month period ended December 31, 2015 (the “period”), GungHo no longer qualified as a subsidiary and became an equity method associate as a result of the completion of a tender offer by GungHo for its own shares, in which the Company tendered, and the extinguishment of a pledge on 100,000,000 of GungHo’s common shares held by Heartis G.K. (a pledge with Son Holdings Inc. as the pledgee). Accordingly, GungHo’s net income and loss up until June 1, 2015, when GungHo became an equity method associate, are presented as discontinued operations separately from continuing operations. The Company’s equity in the net income and loss of GungHo following its transition to an equity method associate are recognized as income and loss on equity method investments under continuing operations. Net income and loss of GungHo for the nine-month period ended December 31, 2014 (the “same period of the previous fiscal year”) are revised retrospectively and presented under discontinued operations.

Please refer to page 62 “15. Discontinued operations” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details.



An overview of the consolidated results of operations for the period is as follows:

From the three-month period ended June 30, 2015 (the "first quarter"), the Company's reportable segments have been changed to the Domestic Telecommunications segment, the Sprint segment, the Yahoo Japan segment, and the Distribution segment. Please refer to page 8 "b. Results by Segment" for details.

(Continuing operations)

(a) Net Sales

Net sales totaled ¥6,810,206 million, for a ¥501,163 million (7.9%) year-on-year increase. This resulted from increases in net sales of all the segments.

The Domestic Telecommunications segment's net sales (for customers) amounted to ¥2,315,819 million, for a ¥61,999 million (2.8%) increase year on year. The main reason for the increase was increases in both telecom service revenue and product and other sales at SoftBank Corp.

The Sprint segment's net sales (for customers) totaled ¥2,783,054 million, for a ¥99,617 million (3.7%) year-on-year increase. The increase was due to the yen's year-on-year depreciation against the U.S. dollar, while the U.S. dollar based net sales decreased year on year.

The Yahoo Japan segment's net sales (for customers) was ¥438,337 million, for a ¥133,810 million (43.9%) year-on-year increase. The main reason for the increase was the consolidation of ASKUL Corporation by Yahoo Japan Corporation in August 2015.

The Distribution segment's net sales (for customers) amounted to ¥994,506 million, for a ¥164,010 million (19.7%) year-on-year increase. The main reason for the increase was an increase in sales of mobile devices for Sprint. Since September 2014, sales of mobile devices at Sprint, which were previously sold directly from Sprint to dealers, have gradually been shifted to selling to dealers via Brightstar in order to pursue right-sized inventory and higher distribution efficiency.

(b) Operating Income

Operating income totaled ¥875,322 million, for a year-on-year increase of ¥133,681 million (18.0%). The main reason for the increase was increases in income of ¥42,331 million in the Domestic Telecommunications segment, ¥19,673 million in the Sprint segment, and ¥52,431 million in the Yahoo Japan segment.

The income in the Yahoo Japan segment includes a gain from remeasurement relating to business combination of ¥59,441 million (not recorded in the same period of the previous fiscal year). This was recorded by Yahoo Japan Corporation due to the remeasurement at fair value of its existing equity interest at the time when it consolidated ASKUL Corporation.

(c) Finance Cost

Finance cost totaled ¥329,484 million, for a ¥65,320 million (24.7%) increase year on year. The increase was mainly due to an increase in the interest expense of Sprint caused by the yen's year-on-year depreciation against the U.S. dollar, as well as an increase in the interest expense of SoftBank Group Corp.

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change
Finance cost	(264,164)	**(329,484)**	(65,320)
(incl.) Sprint	(171,209)	**(209,294)**	(38,085)
Reference: in U.S. dollars	$ (1,601) million	**$ (1,723) million**	$ (122) million

(d) Income and Loss on Equity Method Investments

Income on equity method investments was ¥303,167 million, an increase of ¥291,106 million year on year. This was mainly due to recording income on equity method investments of ¥303,400 million for the period, which is presented as (C) under page 5 "Reference: Amount of Impact of Alibaba on the Company's Consolidated Income before Income Tax" (the "impact amount table"), as the portion attributable to the Company out of Alibaba's net income of ¥938,838 million (IFRSs basis). Net income at Alibaba includes gain from remeasurement relating to business combination of ¥369,994 million, which was recorded due to remeasurement at fair value of Alibaba's existing equity interest in its equity method associate Alibaba Health Information Technology Limited at the time of its consolidation in July 2015. Of this, ¥119,121 million was income attributable to the Company, as shown in the impact amount table as (D).

The Company's income on equity method investments was subdued at ¥12,061 million in the same period of the previous fiscal year primarily because income on equity method investments related to Alibaba was ¥3,938 million, shown as (E) in the impact amount table. This was because Alibaba's net income of ¥8,154 million (IFRSs basis) reflected a loss of ¥398,716 million recognized in conjunction with an increase in the fair value of Convertible Preference Shares issued by Alibaba. Of this, ¥144,235 million was loss attributable to the Company, presented as (F) in the impact amount table.

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Income and loss on equity method investments	12,061	**303,167**	291,106	-
(incl.) Alibaba	3,938	**303,400**	299,462	-

(e) Dilution Gain from Changes in Equity Interest

Dilution gain from changes in equity interest was ¥14,654 million, a decrease of ¥585,152 million year on year. This is mainly attributable to the Company recording dilution gain from changes in equity interest of ¥599,668 million in the same period of the previous fiscal year, as shown in the impact amount table as (G), in connection with the listing of Alibaba in September 2014, primarily as a result of the issuance of new shares by Alibaba and the conversion of its Convertible Preference Shares into common stock. ¥12,741 million was recorded in the period, which is presented as (H) in the impact amount table.

Reference: Amount of Impact of Alibaba on the Company's Consolidated Income before Income Tax

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change
Income and loss on equity investments related to Alibaba (A)	(E) 3,938	**(C) 303,400**	299,462
Loss on increase in fair value of Convertible Preference Shares (i)	(F) (144,235)	-	144,235
Gain from remeasurement relating to business combination (ii)	-	**(D) 119,121**	119,121
Income and loss on equity method investments excluding (i) and (ii)	148,173	**184,279**	36,106
Dilution gain from changes in equity interest related to Alibaba, net (B)	(G) 599,668	**(H) 12,741**	(586,927)
(incl.) Dilution gain from changes in equity interest due to listing	563,111	-	(563,111)
Amount of impact of Alibaba on the Company's consolidated income before income tax (A) + (B)	603,606	**316,141**	(287,465)

(f) Other Non-operating Income and Loss

Other non-operating income was ¥54,555 million, an improvement of ¥73,013 million compared to the same period of the previous fiscal year (loss of ¥18,458 million). The primary components of other non-operating income and loss were as follows:

i. Gain from financial assets at FVTPL (Fair Value Through Profit or Loss) was ¥108,426 million, increasing by ¥103,440 million year on year. This was due to recording the amount of changes in the fair value of the Company's financial assets at FVTPL during the period from March 31, 2015 (the "previous fiscal year-end") to December 31, 2015 (the "end of the third quarter"), as gain and loss from financial assets at FVTPL. Financial assets at FVTPL includes preferred shares of ANI Technologies Pvt. Ltd., which operates the taxi booking platform *Ola* in India, and Jasper Infotech Private Limited, which operates the e-commerce website *snapdeal.com,* also in India.

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

ii. A total of ¥38,185 million was recorded for impairment loss on securities and provision of allowance for doubtful accounts as a loss due to the writing down of the value of shares and debt interests related to investments in PT Trikomsel Oke Tbk. in Indonesia.

Please refer to page 61 "14. Other non-operating income (loss)" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(g) Income before Income Tax

As a result of (b) to (f), income before income tax was ¥918,214 million, a decrease of ¥152,672 million (14.3%) year on year.

(h) Income Taxes

Income taxes were ¥400,144 million, a decrease of ¥55,789 million (12.2%) year on year. Tax effects were recognized in principle for income on equity method investments such as Alibaba and gain from financial assets at FVTPL.

(i) Net Income from Continuing Operations

As a result of (g) and (h), net income from continuing operations totaled ¥518,070 million, for a ¥96,883 million (15.8%) year-on-year decrease.

(Discontinued Operations)

(j) Net Income and Loss from Discontinued Operations

Net loss from discontinued operations was ¥6,968 million (net income of ¥25,771 million was recorded in the same period of the previous fiscal year). This was due to recording ¥12,739 million primarily for loss relating to loss of control in discontinued operations related to GungHo, while also recording its income after income tax of ¥5,632 million for the period from April 1 to June 1, 2015. The amount of loss relating to loss of control in discontinued operations is the difference between the carrying amount of GungHo on a consolidated basis and its fair value, which is the closing share price of GungHo multiplied by the number of its shares held by the Company, at the time of loss of control over GungHo on June 1, 2015.

(k) Net Income

As a result of (i) and (j), net income amounted to ¥511,102 million, a ¥129,622 million (20.2%) year-on-year decrease.

(l) Net Income Attributable to Owners of the Parent

After deducting net income attributable to non-controlling interests such as Yahoo Japan Corporation, Supercell, and Sprint from (k), net income attributable to owners of the parent amounted to ¥428,972 million, for a ¥150,474 million, (26.0%) decrease year on year.

(m) Comprehensive Income

Comprehensive income totaled ¥445,436 million, for a ¥629,594 million (58.6%) year-on-year decrease. Of this, comprehensive income attributable to owners of the parent was ¥359,965 million, for a ¥594,812 million (62.3%) year-on-year decrease.

b. Results by Segment

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

In preparation for the transition to "SoftBank 2.0," the Company has initiated its transformation from a strong Japanese business with global assets to a global business that will strive to create sustainable growth over the long term. In line with this, the Company has revised its segment classifications and changed its reportable segments from the fiscal year ending March 2016 as follows.

Reportable segments until the fiscal year ended March 2015

Segments		Main Businesses	Core Companies
Reportable segments	Mobile Communications	・Provision of mobile communications services in Japan ・Sale of mobile devices and accessories ・Sale of PC software and peripherals ・Production and distribution of online games for smartphones and other devices	Former SoftBank Mobile Corp. Former Ymobile Corporation Wireless City Planning Inc. Former SoftBank Telecom Corp. Brightstar Corp. GungHo Online Entertainment, Inc. Supercell Oy
	Sprint	・Provision of mobile communications services by Sprint in the U.S. ・Sale of mobile devices and accessories accompanying the above services ・Provision of fixed-line telecommunications services by Sprint	Sprint Corporation
	Fixed-line Telecommunications	・Provision of telecom services such as fixed-line telephone and data communications services to domestic corporate customers ・Provision of broadband services to domestic retail customers ・Services accompanying the above services	Former SoftBank Telecom Corp. Former SoftBank BB Corp. Former Ymobile Corporation Yahoo Japan Corporation
	Internet	・Internet advertising ・e-commerce business ・Membership services	Yahoo Japan Corporation
Others		・Fukuoka SoftBank HAWKS related businesses	Fukuoka SoftBank HAWKS Corp.

Reportable segments adopted in the fiscal year ending March 2016

Segments		Main Businesses	Core Companies
Reportable segments	Domestic Telecommunications	・Provision of mobile communications services in Japan ・Sale of mobile devices in Japan ・Provision of broadband services to retail customers in Japan ・Provision of telecom services to corporate customers in Japan, such as data communications and fixed-line telephone services	SoftBank Corp. Wireless City Planning Inc.
	Sprint	・Provision of mobile communications services in the U.S. ・Sale and lease of mobile devices and sale of accessories in the U.S. ・Provision of fixed-line telecommunications services in the U.S.	Sprint Corporation
	Yahoo Japan	・Internet advertising ・e-commerce business ・Membership services	Yahoo Japan Corporation ASKUL Corporation
	Distribution	・Distribution of mobile devices overseas ・Sale of PC software, peripherals, and mobile device accessories in Japan	Brightstar Corp. SoftBank Commerce & Service Corp.
Others		・Production and distribution of online games for smartphones and other devices ・Fukuoka SoftBank HAWKS related businesses	Supercell Oy Fukuoka SoftBank HAWKS Corp.

Notes:

1. The results for the same period of the previous fiscal year are presented in accordance with the reportable segments adopted in the fiscal year ending March 2016.
2. The results at Yahoo Japan Corporation related to *Yahoo! BB*, the broadband service that is run jointly by SoftBank Corp. and Yahoo Japan Corporation, are included under the Yahoo Japan segment after the change. The results were previously included under the Fixed-line Telecommunications segment.
3. The calculation method of segment income has been changed from the fiscal year ending March 2016 as follows:
   Before the change:
   Segment income = (net sales – cost of sales – selling, general and administrative expenses) in each segment
   After the change:
   Segment income = (net sales – cost of sales – selling, general and administrative expenses + gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
4. EBITDA in each segment = (segment income (loss) + depreciation and amortization – gain from remeasurement relating to business combination ± other operating income (loss)) in each segment
   Sprint segment's EBITDA for the period includes ¥17,270 million of "loss on disposal of property, plant and equipment," recognized as "other operating loss" in the condensed consolidated statements of income. For details of "loss on disposal of property, plant and equipment," please refer to page 60 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements."

(a) Domestic Telecommunications Segment

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Net sales	2,276,362	**2,341,990**	65,628	2.9%
EBITDA	897,279	**930,184**	32,905	3.7%
Depreciation and amortization	(322,541)	**(331,866)**	(9,325)	-
Other operating loss	(18,751)	**-**	18,751	-
Segment income	555,987	**598,318**	42,331	7.6%

< Overview of the Segment >

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

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

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

The main drivers of revenue and profit in mobile communications services are referred to as the Company's "main subscribers," which includes subscribers for smartphones, feature phones, tablets, and mobile data communications devices. The Company makes a focused effort to acquire and retain these main subscribers.

(Breakdown of Net Sales)

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Total net sales	2,276,362	**2,341,990**	65,628	2.9%
Telecom service revenue	1,751,573	**1,792,997**	41,424	2.4%
Mobile communications	1,447,966	**1,463,363**	15,397	1.1%
Telecom[2]	1,304,672	**1,300,147**	(4,525)	(0.3%)
Service[3]	143,294	**163,216**	19,922	13.9%
Broadband	97,636	**124,336**	26,700	27.3%
Fixed-line telecommunications	205,971	**205,298**	(673)	(0.3%)
Product and other sales	524,789	**548,993**	24,204	4.6%

< Overview of Operations >

The segment's net sales increased by ¥65,628 million (2.9%) year on year to ¥2,341,990 million. Of this, telecom service revenue increased by ¥41,424 million (2.4%) year on year to ¥1,792,997 million, while product and other sales increased by ¥24,204 million (4.6%) year on year to ¥548,993 million.

The increase in telecom service revenue reflected an increase in broadband revenue following the startup of the *SoftBank Hikari* fiber-optic service (launched in March 2015), as well as an increase in mobile communications revenue. The increase in product and other sales mainly reflected an increase in sales of smartphones and terminals for broadband services on customer premises. Smartphone sales increased as the impact of a rise in the unit prices more than offset a decline in the number of mobile devices shipped.[4]

Mobile communications revenue increased by ¥15,397 million (1.1%) year on year to ¥1,463,363 million, primarily due to an increase in service revenue mainly associated with an expansion in content services, which was partially offset by a decrease in telecom revenue associated with a decrease in PHS subscribers.

EBITDA increased by ¥32,905 million (3.7%) year on year to ¥930,184 million. Operating expenses (a difference of net sales and EBITDA) increased by ¥32,723 million (2.4%) year on year to ¥1,411,806 million. The main factors affecting operating expenses are as follows:

- Cost of products decreased by ¥2,064 million (0.5%) year on year. This primarily reflected an improvement in valuation loss on mobile device inventories that more than offset a cost increase associated with the increase in unit prices.

[2] Telecom revenues of mobile communications services, etc. under *SoftBank* and *Y!mobile* brands
[3] Device warrantee service revenue, advertising revenue, and content-related revenues, etc.
[4] The number of devices shipped (sold) to dealers. Includes the number of devices sold to customers at stores operated by SoftBank Corp. and the SoftBank ONLINE SHOP.

・Sales commission fees increased by ¥28,387 million (10.9%) year on year. This was mainly due to a year-on-year increase in the average cost of sales commission fees for smartphones associated with intensified competition for customer acquisition under the Mobile Number Portability (MNP) system.

・Telecommunications network charges increased by ¥16,214 million (11.4%) year on year. This primarily reflected an increase in access charges paid to other operators as a result of an increase in the amount of calls made by SoftBank Corp. mobile communications service subscribers to subscribers of other operators. This was associated with an increase in subscribers to the *Smartphone Flat-rate* mobile communication service price plan, which provides unlimited voice calls at a flat rate. Another factor increasing telecommunications network charges was fiber-optic connection charges for the *SoftBank Hikari* fiber-optic service that was launched in March 2015.

・Outsourcing expenses decreased by ¥23,257 million (21.9%) year on year. This mainly reflected efficiency gains in outsourced operations related to customer service and network maintenance following the absorption of SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation by SoftBank Corp. (formerly SoftBank Mobile Corp.) in April 2015.

Depreciation and amortization increased by ¥9,325 million (2.9%) year on year to ¥331,866 million.

No other operating income (loss) was recognized during the period. In the same period of the previous fiscal year, the Company recognized provision for unprofitable contract of ¥18,751 million in relation to fixed-line telecommunications services.

As a result of the above, segment income increased by ¥42,331 million (7.6%) year on year to ¥598,318 million.

< Overview of Business Operations >

Among the segment's businesses, the following describes an overview of the business operations of the mobile communications and broadband services of SoftBank Corp. For definitions and calculation methods of subscribers, ARPU, and churn rate at SoftBank Corp., please refer to page 26 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Corp."

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

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

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

Please refer to page 24 "(Reference 1: Principal Operational Data) (a) SoftBank Corp. < Changes in the Presentation Method and Definitions of Principal Operational Data >" for details of the changes.

i. Mobile Communications Service

・Subscribers (Main Subscribers)

The cumulative number of main subscribers of mobile communications services at the end of the third quarter stood at 31,686,000, an increase of 136,000 from the previous fiscal year-end. Net additions in smartphones and tablets during the period exceeded a net loss in feature phones.

(Thousands)

	As of March 31, 2015	**As of December 31, 2015**	Change
Cumulative number of subscribers	31,550	**31,686**	136

・*Home Bundle Discount Hikari Set* Applications

The *Home Bundle Discount Hikari Set* (previously referred to as "*Smartphone & Internet Bundle Discount*") offers a discount on the communication charges of mobile communications services to customers subscribing to bundled packages combining mobile communications services (applicable for smartphones, feature phones, and tablets among main subscribers) and broadband services such as *SoftBank Hikari*. The cumulative number of applications[5] at the end of the third quarter for the *Home Bundle Discount Hikari Set* stood at 2,085,000 for mobile communications

5 Includes the *Fiber-optic Discount* applied to mobile communication services under *Y!mobile* brand

services, and 1,038,000 for broadband services.[6]

・ARPU (Main Subscribers)

Total ARPU for main subscribers of mobile communications services for the three-month period ended December 31, 2015 (the “third quarter”) was ¥4,720, for a year-on-year increase of ¥10.

Of this, telecom ARPU declined by ¥60 year on year to ¥4,170. This was mainly due to a decline in voice-related revenues accompanying the higher penetration of *Smartphone Flat-rate*, which was partially offset by an increase in the compositional ratio of smartphone subscribers within the cumulative number of main subscribers. An additional factor reducing telecom ARPU was an increase in the cumulative number of applications for *Home Bundle Discount Hikari Set*. The negative impact from the *Smartphone Flat-rate* on year-on-year variance of telecom ARPU (the year-on-year difference of the impact amount arising in each quarter) is declining because the migration of the majority of customers with high voice usage to *Smartphone Flat-rate* has advanced. However the negative impact from *Home Bundle Discount Hikari Set* is increasing in line with growth in the cumulative number of applications.

Service ARPU increased by ¥70 year on year to ¥560. This reflects the steady increase of subscribers to content services such as *Daily Value Pack*[7] and *App Pass*.[8] SoftBank Corp. will strive to further increase total ARPU going forward by aggressively pursuing the increase of service ARPU.

(Yen / Month)

	Three-month Period Ended December 31, 2014	**Three-month Period Ended December 31, 2015**	Change
Total ARPU	4,710	**4,720**	10
Telecom ARPU	4,230	**4,170**	(60)
Service ARPU	490	**560**	70

・Number of Units Sold (Main Subscribers)

The number of units sold[9] for mobile devices of main subscribers for the period decreased by 763,000 year on year to 7,683,000. This was mainly due to year-on-year decreases in the number of units sold for both smartphones and feature phones. For smartphones, this result reflects a year-on-year decrease in the number of device upgrades, which more than offset an increase in the number of new subscriptions.

6 The cumulative number of applications of the *Home Bundle Discount Hikari Set* includes that of fiber-optic lines as long as the discount is applied to the associated mobile communications services, even if physical connection of the fiber optic line is not complete at the central office of NTT East or NTT West.
7 A service enabling subscribers to purchase food and movie tickets, among other items, at discounts
8 A service enabling subscribers to use a select range of popular apps
9 The total number of new subscriptions and device upgrades. New subscriptions where customers switch between *SoftBank* and *Y!mobile* using MNP are included in the number of device upgrades.

(Thousands)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change
Units sold	8,446	**7,683**	(763)
New subscriptions	3,935	**3,738**	(197)
Device upgrades	4,511	**3,945**	(566)

・Churn Rate (Main Subscribers)

The churn rate for main subscribers of mobile communications services for the third quarter was 1.41%, a deterioration of 0.03 of a percentage point year on year. This mainly reflected a deterioration in the churn rate for smartphones associated with intensified competition to acquire customers under MNP.

To increase the number of main subscribers, it is important to improve the churn rate as well as acquire new customers. After making significant progress on improving network connectivity, which has been a longstanding issue, SoftBank Corp. is now executing initiatives for improving churn rates over the medium term. The initiatives include improving the quality of customer service at sales channels such as *SoftBank Stores*, as well as expanding bundle discounts such as the *Home Bundle Discount Hikari Set* and *Home Bundle Discount Denki Set*,[10] which will be launched in April 2016.

	Three-month Period Ended December 31, 2014	**Three-month Period Ended December 31, 2015**	Change
Churn rate	1.38%	**1.41%**	0.03 pp deterioration

ii. Broadband Service

The cumulative number of subscribers for broadband services at the end of the third quarter stood at 4,847,000, for an increase of 490,000 from the previous fiscal year-end. This mainly reflected an increase of 1,099,000[11] subscribers to *SoftBank Hikari*, while subscribers for *Yahoo! BB hikari with FLET'S*[12] decreased by 447,000 and subscribers for *Yahoo! BB ADSL*[13] decreased by 162,000.

Starting with the launch of a fiber-optic service *SoftBank Hikari* in March 2015, SoftBank Corp. shifted its main focus of broadband services from *Yahoo! BB hikari with FLET'S* to *SoftBank Hikari* and is now working to acquire *SoftBank Hikari* customers through sales channels nationwide such as electronics retail stores and *SoftBank Stores*. Since *SoftBank Hikari* ARPU[11] is higher than that of *Yahoo! BB hikari with FLET'S* and *Yahoo! BB ADSL*, SoftBank Corp. expects a steady increase in telecom service revenue of broadband services in step with the increase in subscribers to *SoftBank Hikari*. For the third quarter, *SoftBank Hikari* ARPU was ¥5,060, *Yahoo! BB hikari with FLET'S* ARPU was ¥1,830, and *Yahoo! BB ADSL* ARPU was ¥2,630.

---

[10] A service that offers discounts on mobile communications service or broadband service charges for customers that subscribe to both the electric power service *SoftBank Denki* and a mobile communications service or broadband service such as *SoftBank Hikari*

[11] Includes the number of subscribers and ARPU of *SoftBank Air*, the high-speed wireless internet service provided through the *Air terminal*

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

[13] A service combining an ADSL connection service and an ISP service

(Thousands)

		As of March 31, 2015	**As of December 31, 2015**	Change
Cumulative subscribers		4,357	**4,847**	490
	SoftBank Hikari[11]	119	**1,218**	1,099
	Yahoo! BB hikari with FLET'S	2,672	**2,225**	(447)
	Yahoo! BB ADSL	1,566	**1,404**	(162)

(b) Sprint Segment

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Net sales	2,809,857	**2,927,742**	117,885	4.2%
EBITDA(Note 5)	461,566	**744,811**	283,245	61.4%
Depreciation and amortization	(406,738)	**(622,154)**	(215,416)	-
Other operating loss	(15,013)	**(63,169)**	(48,156)	-
Segment income	39,815	**59,488**	19,673	49.4%

Reference: U.S. dollar based results (IFRSs) (Millions of U.S. dollars)

Net sales	26,250	**24,109**	(2,141)	(8.2%)
EBITDA(Note 5)	4,359	**6,133**	1,774	40.7%
Segment income	415	**489**	74	17.8%

Note:
5. Sprint segment's EBITDA for the period includes ¥17,270 million ($143 million) of "loss on disposal of property, plant and equipment," recognized as "other operating loss" in the condensed consolidated statements of income. For details of "loss on disposal of property, plant and equipment," please refer to page 60 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements."

< Overview of Operations >

The segment's net sales increased by ¥117,885 million (4.2%) year on year to ¥2,927,742 million. The main factor behind the overall increase was the yen's year-on-year depreciation against the U.S. dollar, although net sales declined in U.S. dollar terms by $2,141 million (8.2%) year on year. The decrease in U.S. dollar net sales mainly reflected a decrease in telecom service revenue due to customer shifts to lower rate plans associated with device financing options such as leases and installment sales.

EBITDA increased by ¥283,245 million (61.4%) year on year to ¥744,811 million. This reflected an increase in EBITDA in U.S. dollar terms by $1,774 million (40.7%), in addition to the yen's year-on-year depreciation against the U.S. dollar. The increase in EBITDA in U.S. dollar terms primarily reflected a year-on-year decrease in operating expenses (a difference of net sales and EBITDA) of $3,915 million, especially in cost of products and selling, general and administrative expenses. Aside from this, a sale-leaseback transaction of leased devices in November 2015 had a negative impact on EBITDA. For details, please refer to "(Reference: Sale-Leaseback Transaction for Leased Devices)" below.

The main factors affecting operating expenses are as follows:

- A decrease in cost of products occurred mainly because the compositional ratio of postpaid units sold under the leasing program, which started in September 2014, reached 53% of the number of Sprint platform[14] postpaid units sold (excluding wholesale and affiliate) in the period. This factor outweighed a slight year-on-year decline in the number of Sprint platform postpaid units sold. For the conventional sales of mobile devices, including the installment billing method, the sale of the devices and the cost of products are recognized at the point of sale. However, under the leasing program, lease revenue is recognized throughout the period of the lease (typically 24 months), along with depreciation expenses for the capitalized leased devices.
- A decrease in selling, general and administrative expenses mainly reflected a decrease in provision for doubtful accounts accompanying a decrease in non-payment of service charges due to an increase in the compositional ratio of prime customers. It also reflected further reductions in advertising and personnel expenses associated with cost reduction initiatives.

Depreciation and amortization increased by ¥215,416 million (53.0%) year on year to ¥622,154 million, mainly reflecting the increase in leased devices.

Other operating loss was ¥63,169 million, a deterioration of ¥48,156 million from the same period of the previous fiscal year. The loss for the period is mainly comprised of the following:

Severance costs associated reduction in work force	¥23,556 million
Legal reserves	¥21,682 million
Impairment loss on non-current assets	¥10,403 million

Please refer to page 60 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

As a result of the above, segment income increased by ¥19,673 million (49.4%) year on year to ¥59,488 million.

(Reference: Sale-Leaseback Transaction for Leased Devices)

As part of its fund procurement initiatives, Sprint entered into agreements ("MLS Handset Sale-Leaseback") to sell and lease back certain leased devices, with Mobile Leasing Solutions, LLC ("MLS"), SoftBank Group Corp.'s equity method company, in November 2015. Certain leased devices were sold to MLS in exchange for the total proceeds of $1.3 billion. MLS leases back each device to Sprint in exchange for monthly rental payments to be made by Sprint to MLS.

MLS Handset Sale-Leaseback causes a negative impact on EBITDA. Leased devices are recorded as property, plant and equipment on the balance sheet and depreciated as shown as (B) in the following table. Those leased devices sold under MLS Handset Sale-Leaseback are derecognized and, therefore, are no longer depreciated by Sprint. Instead, rental payments to MLS are recorded in cost of products (as shown as (C) in the following table). As expenses have been shifted from depreciation expense to cost of products, there is a negative impact on EBITDA. In the period, approximately $60 million (approximately ¥7.3 billion) of rental payments was recorded for about one month's rental payments.

[14] Sprint-operated CDMA and LTE networks

For details of MLS Handset Sale-Leaseback, please refer to page 54 "4. Handset sale-leaseback" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements."

	Leased Devices	Leased Devices Sold under MLS Handset Sale-Leaseback
Consolidated statements of financial position	On-balance sheet (property, plant and equipment)	Off-balance sheet

Consolidated statements of income		
Net sales	(A) Customer lease revenues	(A) Customer lease revenues
Cost of products	-	(C) Rental payments to MLS
EBITDA	(A)	(A) - (C)
Depreciation	(B) Depreciation of leased devices	-
Segment income	(A) - (B)	(A) - (C)

< Overview of Business Operations >

Among the segment's businesses, the following describes an overview of the business operations related to the Sprint platform. For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 27 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."

In the three-month period ended September 30, 2015 (the "second quarter"), certain prepaid subscribers of Sprint who had their payment period extended for a certain period were included in the number of postpaid subscribers. However, these subscribers have been reclassified to be included in the number of prepaid subscribers from the third quarter. The number of subscribers for the second quarter has been retroactively revised in line with this change, along with other postpaid data: ARPU, phone ABPU, and churn rate.

・ **Number of Subscribers (Sprint Platform)**

The Sprint platform had 58,359,000 subscribers as of the end of the third quarter, an increase of 2,222,000 from the end of the previous fiscal year. This represented a net addition of 1,189,000 in postpaid and 2,078,000 in wholesale and affiliate in the period, although there was a net loss of 1,045,000 in prepaid.

The net addition in postpaid was driven by a continued increase in tablets and a net addition of 416,000 in phones (smartphones and feature phones). The net addition in wholesale and affiliate was mainly due to a growth in the number of communication modules. The net loss in prepaid was due to intensified competition in the prepaid market.

(Thousands)

	As of March 31, 2015	**As of December 31, 2015**	Change
Sprint platform cumulative subscribers	56,137	**58,359**	2,222
Postpaid	29,706	**30,895**	1,189
(incl.) Phone	24,878	**25,294**	416
Prepaid	15,706	**14,661**	(1,045)
Wholesale & affiliate	10,725	**12,803**	2,078

・ABPU (Sprint Platform Postpaid Phone)

Sprint platform postpaid phone ABPU for the third quarter increased by $1.98 year on year to $70.99.

Out of this, ARPU declined by $5.05 year on year to $60.30. This was mainly due to an increase in the composition ratio of customers on lower rate plans offered in conjunction with device financing programs such as leases and installment sales.

On the other hand, average equipment billings per user per month increased by $7.03 year on year to $10.69. This reflected the increased adoption of device financing programs.

(U.S. dollar / month)

	Three-month Period Ended December 31, 2014	**Three-month Period Ended December 31, 2015**	Change
Postpaid phone ABPU	69.01	**70.99**	1.98
ARPU	65.35	**60.30**	(5.05)
Average equipment billings per user	3.66	**10.69**	7.03

・Churn Rate (Sprint Platform)

The Sprint platform postpaid churn rate for the third quarter improved by 0.68 of a percentage point year on year to 1.62%. This was primarily attributable to network performance improvements, as well as a decrease in forced deactivations due to non-payment of service charges following focused efforts to acquire prime customers beginning in August 2014.

	Three-month Period Ended December 31, 2014	**Three-month Period Ended December 31, 2015**	Change
Postpaid churn rate	2.30%	**1.62%**	0.68 pp improvement

< Sprint's Initiatives >

Sprint aims to return to a growth trajectory by turning around the ongoing declining trend in net sales while promoting large-scale cost reductions and liquidity improvement. As for net sales, Sprint is focusing on increasing the number of postpaid phone subscribers, which are the largest source of revenue. Signs of a turnaround have begun to appear with two consecutive quarters of net subscriber additions from the second quarter. Meanwhile, in cost reduction and liquidity improvement, Sprint is making solid progress on multiple initiatives as described below. While this section is prepared based on U.S. GAAP that Sprint adopts, there is no significant difference to be made in IFRS, except a possible difference in the timing of recognition.

i. Cost Reduction

Sprint has set a target of reducing operating expenses by $1.5 billion in the fiscal year ending March 2016 (the "current fiscal year"), reviewing the budget from scratch across all areas.

So far, Sprint has been exceeding the target on cost reductions in the current fiscal year and expects to achieve the $1.5 billion target. A large portion of the reduced operating expenses has been reinvested in strategic initiatives, such as an expansion of sales channels, to achieve long-term growth. Nevertheless, the year-on-year reduction in cost of services and selling, general and administrative expenses for the period amounted to approximately $800 million.

To further reduce operating expenses, Sprint began to transform its cost structure (the "transformation") during the period. Through the transformation, Sprint expects to achieve a run rate[15] operating expense reduction of $2.0 billion or more at the end of March 2017, with the cost reduction effect projected to continue in the following fiscal years. The targeted reduction amount of $2.0 billion is comprised of the following:

Cost of products	Maximum approximately $0.2 billion
Cost of services	Approximately $0.4 billion - $0.6 billion
Selling, general and administrative expenses (Note 6)	Approximately $1.2 billion - $1.4 billion

Note:
6. Sales, marketing, and customer care-related expenses, etc.

In conjunction with the transformation, Sprint expects to incur transformation program costs totaling approximately $1.0 billion, according to current estimates (the "transformation program cost"). The transformation program costs are expected to be split relatively evenly between operating expenses and capital expenditures. The bulk of the transformation program costs, apart from the $176 million in severance costs associated with reduction in work force recorded for the third quarter, are expected to be incurred in the fiscal year ending March 2017 (the "next fiscal year"). Unlike the operating expense reduction in the current fiscal year, of which a large portion was reinvested, the cost reduction through the transformation, with the exception of the transformation program costs, is expected to contribute to profit.

[15] Estimated future figures based on the assumption that current trends continue

ii. Liquidity Improvement

In addition to cash flow improvement through the aforementioned cost reduction initiatives, Sprint is working to diversify its fund procurement methods to improve its liquidity. During the third quarter, Sprint took the following steps to improve liquidity.

・Executed MLS Handset Sale-Leaseback: procured $1.1 billion
For details, please refer to page 54 “4. Handset sale-leaseback” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements.”

・Increased total capacity of receivables facility to $4.3 billion
This was achieved by amending the existing receivables facility to include the sale of future lease receivables. These lease receivables are related to devices not included in MLS Handset Sale-Leaseback.

Sprint’s liquidity at the end of the third quarter totaled $6.0 billion, including cash, cash equivalents and short-term investments, and undrawn borrowing capacity under the revolving bank credit facility.[16]

Sprint also plans to carry out the following fund procurement in the next fiscal year:

・Sale-leaseback of leased devices (to be executed quarterly): $3.0 billion to $4.0 billion in total for the next fiscal year

・Network-related fund procurement: $3.0 billion - $5.0 billion in total for the next fiscal year
Sprint expects to raise proceeds against its existing radio access equipment and a small portion of its spectrum portfolio, as well as from combination of new assets associated with the network densification initiative.

As a result of these initiatives, Sprint expects to maintain an adequate amount of available liquidity for approximately $3.7 billion of principal payments on long-term debt due by March 2017 and execute its current business plan.

(c) Yahoo Japan Segment

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Net sales	309,530	**444,724**	135,194	43.7%
EBITDA	153,686	**156,247**	2,561	1.7%
Depreciation and amortization	(12,439)	**(22,010)**	(9,571)	-
Gain from remeasurement relating to business combination	-	**59,441**	59,441	-
Segment income	141,247	**193,678**	52,431	37.1%

[16] A form of loan that allows borrowing within a specified period and maximum amount

< Overview of Operations >

The segment's net sales increased by ¥135,194 million (43.7%) year on year to ¥444,724 million. This increase was mainly a result of the consolidation of ASKUL Corporation in August 2015, as well as revenue growth in the advertising business driven by an increase in sales of display advertising.[17]

EBITDA increased by ¥2,561 million (1.7%) year on year to ¥156,247 million. This was primarily due to an increase in income in the advertising business. On the other hand, sales promotion expense increased for *Yahoo! Shopping*, as well as for the credit card business such as *Yahoo! JAPAN Card* at YJ Card Corporation, which was consolidated in January 2015.

Depreciation and amortization increased by ¥9,571 million (76.9%) year on year to ¥22,010 million. This mainly reflected continuing capital expenditure related to big data and so forth, as well as recognition of customer relationships associated with the consolidation of ASKUL Corporation and YJ Card Corporation.

Gain from remeasurement relating to business combination was ¥59,441 million (not recorded in the same period of the previous fiscal year). This was due to the remeasurement at fair value of existing equity interest at the time of the consolidation of ASKUL Corporation in August 2015.

As a result of the above, segment income increased by ¥52,431 million (37.1%) year on year to ¥193,678 million.

(d) Distribution Segment

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change	Change %
Net sales	863,188	**1,049,988**	186,800	21.6%
EBITDA	2,213	**20,702**	18,489	835.5%
Depreciation and amortization	(6,807)	**(8,381)**	(1,574)	-
Other operating income (loss)	5,758	**(13,633)**	(19,391)	-
Segment income (loss)	1,164	**(1,312)**	(2,476)	-

< Overview of the Segment >

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

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

< Overview of Operations >

The segment's net sales increased by ¥186,800 million (21.6%) year on year to ¥1,049,988 million. This was mainly because an increase in sales of mobile devices for Sprint. This increase outweighed a decrease in sales associated with a contraction in the mobile device OEM business being conducted in Argentina (contracted manufacturing for mobile device manufacturers) and the termination of a mobile device wholesale supply contract with Verizon Communications Inc. Since September 2014, the sale of mobile devices at Sprint, which were previously sold directly from Sprint to dealers, has gradually been shifted to selling to dealers via Brightstar to pursue right-sized inventory and higher distribution efficiency. The yen's year-on-year depreciation against the U.S. dollar also contributed to the net sales increase.

EBITDA increased by ¥18,489 million (835.5%) year on year to ¥20,702 million. This was mainly attributable to an increase in service revenue from Sprint for providing distribution and inventory control services associated with the sale of mobile devices for Sprint. This more than offset the negative effect of the abovementioned contraction of the mobile device OEM business. The absence of provision for doubtful accounts in Latin America of ¥6,470 million that was recorded in the same period of the previous fiscal year also contributed to the year-on-year EBITDA increase.

Depreciation and amortization increased by ¥1,574 million (23.1%) year on year to ¥8,381 million. Other operating income (loss) deteriorated by ¥19,391 million year on year to other operating loss of ¥13,633 million. This was due to recording impairment loss related to property, plant and equipment and intangible assets in Latin America in the period. Please refer to page 60 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

As a result of the above, segment loss was ¥1,312 million, deteriorating by ¥2,476 million year on year.

(Reference 1: Principal Operational Data)

(a) SoftBank Corp.

i. Mobile Communications Service

		Fiscal Year Ended March 2015					Fiscal Year Ending March 2016		
		Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015	Three-month Period Ended Sept. 30, 2015	**Three-month Period Ended Dec. 31, 2015**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Main subscribers[18]									
Cumulative subscribers	’000	30,868	31,018	31,174		31,550	31,570	31,611	**31,686**
Net additions	’000	80	150	157	375	762	21	41	**74**
Total ARPU[18]	¥/ month	4,700	4,710	4,710	4,580	4,670	4,660	4,720	**4,720**
Telecom ARPU[18]	¥/ month	4,220	4,230	4,230	4,080	4,190	4,140	4,190	**4,170**
Service ARPU[18]	¥/ month	480	480	490	500	490	520	540	**560**
Churn rate[18]	% / month	1.19	1.30	1.38	1.57	1.36	1.24	1.28	**1.41**
Units sold[19]	’000	1,994	2,864	3,589	3,240	11,686	2,198	2,470	**3,015**
New subscriptions	’000	1,182	1,365	1,388	1,821	5,756	1,169	1,212	**1,356**
Device upgrades	’000	812	1,499	2,201	1,419	5,930	1,029	1,258	**1,659**
Cumulative applications for the *Home Bundle Discount Hikari Set*[20]									
Mobile communications service	’000						639	1,315	**2,085**
Broadband service[21]	’000						326	660	**1,038**
Overall mobile communications									
Cumulative subscribers	’000	44,564	44,900	44,887		44,886	44,417	44,117	**43,748**
Main subscribers[18]	’000	30,868	31,018	31,174		31,550	31,570	31,611	**31,686**
Communication modules[18]	’000	8,426	8,723	8,786		8,610	8,317	8,149	**7,891**
PHS	’000	5,271	5,160	4,927		4,726	4,530	4,356	**4,171**

ii. Broadband Service

		Q1 FY2014	Q2 FY2014	Q3 FY2014	Q4 FY2014	Full Year FY2014	Q1 FY2015	Q2 FY2015	**Q3 FY2015**
Cumulative subscribers[18]	’000	4,242	4,243	4,256		4,357	4,452	4,602	**4,847**
SoftBank Hikari[22]	’000					119	341	715	**1,218**
Yahoo! BB hikari with FLET’S[23]	’000	2,531	2,583	2,638		2,672	2,610	2,435	**2,225**
Yahoo! BB ADSL[24]	’000	1,711	1,660	1,618		1,566	1,501	1,452	**1,404**
ARPU[18]									
SoftBank Hikari[22]	¥/ month				3,100		4,270	4,980	**5,060**
Yahoo! BB hikari with FLET’S[23]	¥/ month	1,770	1,830	1,840	1,830	1,820	1,830	1,860	**1,830**
Yahoo! BB ADSL[24]	¥/ month	2,870	2,830	2,780	2,740	2,810	2,680	2,660	**2,630**

Note:

7. The presentation method and definitions for the principal operational data of SoftBank Corp.’s mobile communications services have been changed in the first quarter and the third quarter of the fiscal year ending March 2016. Please refer to “< Changes in the Presentation Method and Definitions of Principal Operational Data >” for details. Data for the fiscal year ended March 2015 and for the first quarter and second quarter of the fiscal year ending March 2016 are also presented based on the changes applied in the third quarter.

---

[18] For definitions and calculation methods of subscribers, churn rate, and ARPU at SoftBank Corp., see page 26 “(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Corp.”

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

[20] A discount on the communication charges of mobile communications services to customers subscribing to bundled packages combining mobile communications services (applicable for smartphones, feature phones, and tablets among main subscribers) and broadband services such as *SoftBank Hikari*. Includes subscribers for *Fiber-optic Discount* applied to *Y!mobile* brand mobile communications services

[21] The cumulative number of applications of the *Home Bundle Discount Hikari Set* includes that of fiber-optic lines as long as the discount is applied to the associated mobile communications services, even if physical connection of the fiber optic line is not complete at the central office of NTT East or NTT West.

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

[23] An ISP service offered as a package with NTT East and NTT West’s *FLET’S Hikari Series* fiber-optic connection

[24] A service combining an ADSL connection service and an ISP service

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

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

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

i. Presentation Method

Number of subscribers

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

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

Category	Details
Main subscribers	Smartphones, Note 8 feature phones, tablets, mobile data communication devices, Note 9 others Note 10
Communication modules	Communication modules, Note 11 *Mimamori Phone*, prepaid mobile phones, others
PHS	PHS

Notes:

8. Smartphones to which the *Smartphone Family Discount* are applied are included under communication modules. The *Smartphone Family Discount* is a promotion offering discounts to the family members of upgrading existing customers when they use the old handset and make a new subscription.
9. Mobile data communication devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules. The *Data Card 2-Year Special Discount* is a price plan based on usage of traffic with a free basic flat rate. It is provided to customers using a data card with a contract period of two years or more.
10. From the third quarter, the category for SIM cards (IC cards that have telephone number and other subscriber information recorded on them) sold with tablets and other devices has been changed from "communication modules" to "main subscribers" (the cumulative number of reclassified subscribers was 16,000 as of December 31, 2015). Data for the fiscal year ended March 2015 and for the first and second quarters of the fiscal year ending March 2016 has been revised in line with this change.
11. Communication modules that use PHS networks are included under PHS.

ARPU, number of units sold, and churn rate

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

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

ii. Definitions

Scope of inclusion for number of subscribers

Before the change: including the contracts described below

After the change: excluding the contracts described below

The overlapping portion of mobile data communications devices Note 12 compliant with the spectrums of former SoftBank Mobile Corp. and former Ymobile Corporation, etc. (number of subscribers as of March 31, 2015: 2,897,000)

Note:

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

(b) Sprint

			Fiscal Year Ended March 2015					**Fiscal Year Ending March 2016**		
			Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015	Three-month Period Ended Sept. 30, 2015	**Three-month Period Ended Dec. 31, 2015**
			Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Cumulative subscribers[25]	Sprint total	’000	54,553	55,037	55,929		57,141	57,668	58,578	**58,359**
	Sprint platform	’000	53,331	53,921	54,888		56,137	56,812	57,868	**58,359**
	Postpaid	’000	29,737	29,465	29,495		29,706	30,016	30,394	**30,895**
	(incl.) Phone[26, 27]	’000	25,785	25,284	25,079		24,878	24,866	24,929	**25,294**
	Prepaid[27]	’000	14,715	14,750	15,160		15,706	15,340	15,152	**14,661**
	Wholesale and affiliate	’000	8,879	9,706	10,233		10,725	11,456	12,322	**12,803**
	Clearwire[28]	’000	1,222	1,116	1,041		1,004	856	710	**-**
Sprint platform	Net additions[25]	’000	(220)	590	967	1,249	2,586	675	1,056	**491**
	Postpaid	’000	(181)	(272)	30	211	(212)	310	378	**501**
	(incl.) Phone[26, 27]	’000	(620)	(500)	(205)	(201)	(1,526)	(12)	62	**366**
	Prepaid[27]	’000	(542)	35	410	546	449	(366)	(188)	**(491)**
	Wholesale and affiliate	’000	503	827	527	492	2,349	731	866	**481**
	Postpaid phone[26] ABPU[29]	$ / month	69.34	69.02	69.01	69.19		69.91	70.62	**70.99**
	ARPU[29]									
	Postpaid	$ / month	62.07	60.58	58.90	56.94		55.48	53.99	**52.48**
	Prepaid	$ / month	27.38	27.19	27.12	27.50		27.81	27.66	**27.44**
	Churn rate[29]									
	Postpaid	% / month	2.05	2.18	2.30	1.84		1.56	1.54	**1.62**
	Prepaid	% / month	4.44	3.76	3.94	3.84		5.08	5.06	**5.82**

25 Includes the number of communication module service subscribers
26 Smartphones and feature phones
27 In the second quarter, certain prepaid subscribers of Sprint who had their payment period extended for a certain period were included in the number of postpaid subscribers. However, these subscribers have been reclassified to be included in the number of prepaid subscribers from the third quarter. The number of subscribers for the second quarter has been retroactively revised in line with this change, along with other postpaid data: ARPU, phone ABPU, and churn rate.
28 Subscribers acquired through the acquisition of assets from Clearwire Corporation
29 For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 27 “(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform.”

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

(a) SoftBank Corp.

i. Mobile Communications Service

・Subscribers

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

Main subscribers: smartphones, [Note 13] feature phones, tablets, mobile data communications devices, [Note 14] others

Communication modules: communication modules, [Note 15] *Mimamori Phone*, prepaid mobile phones, others

PHS: PHS

Notes:

13. Smartphones to which the *Smartphone Family Discount* are applied are included under communication modules.
14. Mobile data communication devices to which the *Data Card 2-Year Special Discount* are applied are included under communication modules.
15. Communication modules that use PHS networks are included under PHS.

Principal Operational Data for Main Subscribers

・ARPU

ARPU: Average Revenue Per User per month

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

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

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

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

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

・Churn rate

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

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

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

ii. Broadband Service

・Subscribers

SoftBank Hikari subscribers:

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

Yahoo! BB hikari with FLET'S subscribers:

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

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

・**ARPU**

ARPU: Average Revenue Per User per month (rounded to the nearest ¥10)
ARPU = Revenue of each broadband service / the number of active subscribers
SoftBank Hikari ARPU =
SoftBank Hikari revenue (basic monthly charge + provider charge + *Hikari BB* unit rental charge + *White hikari Phone* and *BB Phone* voice call charge + optional service charges, etc.) / the number of active *SoftBank Hikari* subscribers
* Calculation of *SoftBank Hikari* ARPU includes revenues and subscribers of *SoftBank Air*.

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

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

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

(b) Sprint Platform

・**ABPU/ARPU**

ABPU: Average Billings Per User per month (rounded to the nearest $.01)
ABPU = (service revenue + equipment billings) / number of active subscribers
Equipment billings: the sum of lease fees under the leasing program and installment billings under the installment billing program

ARPU: Average Revenue Per User per month (rounded to the nearest $.01)
ARPU = service revenue / number of active subscribers

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

*ABPU/ARPU for postpaid phones are calculated by dividing the relevant telecom service revenue and equipment billings by its number of active subscribers.

・**Churn rate**

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)
Churn rate = number of deactivations / number of active subscribers
Deactivations: the total number of subscribers that churned during the relevant period. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid.
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
(subscribers at the beginning of the month + subscribers at the end of the month) / 2

(Reference 3: Capital Expenditure, Depreciation and Amortization)

(a) Capital Expenditure (Acceptance Basis)

(Millions of yen)

	Fiscal Year Ended March 2015					**Fiscal Year Ending March 2016**		
	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015	Three-month Period Ended Sept. 30, 2015	**Three-month Period Ended Dec. 31, 2015**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Domestic Telecommunications segment	130,504	133,645	141,184	178,375	583,708	72,664	88,519	**89,950**
Sprint segment	148,793	162,025	213,765	175,266	699,849	160,367	165,421	**194,848**
Yahoo Japan segment	8,532	5,031	9,418	7,073	30,054	7,196	16,921	**9,904**
Distribution segment	2,559	2,709	2,958	5,969	14,195	1,896	2,086	**2,354**
Others	5,351	4,121	9,229	6,926	25,627	1,121	2,866	**7,564**
Consolidated total	295,739	307,531	376,554	373,609	1,353,433	243,244	275,813	**304,620**

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended March 2015					**Fiscal Year Ending March 2016**		
	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	Three-month Period Ended Mar. 31, 2015	Fiscal Year Ended Mar. 31, 2015	Three-month Period Ended June 30, 2015	Three-month Period Ended Sept. 30, 2015	**Three-month Period Ended Dec. 31, 2015**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Domestic Telecommunications segment	105,375	107,066	110,100	131,187	453,728	107,798	110,911	**113,157**
Sprint segment	128,621	132,762	145,355	172,414	579,152	190,278	207,901	**223,975**
Yahoo Japan segment	3,653	4,271	4,515	5,925	18,364	5,646	7,287	**9,077**
Distribution segment	2,446	2,141	2,220	3,441	10,248	2,406	3,385	**2,590**
Others	8,114	8,020	8,533	9,086	33,753	10,070	8,741	**8,546**
Consolidated total	248,209	254,260	270,723	322,053	1,095,245	316,198	338,225	**357,345**

Notes:
16. The results for the fiscal year ended March 2015 are presented in accordance with the reportable segments adopted in the fiscal year ending March 2016.
17. The amount of capital expenditure and depreciation and amortization excludes those of discontinued operations.

(2) Qualitative Information Regarding Consolidated Financial Position

a. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change	Change %
Total assets	21,034,169	**21,497,648**	463,479	2.2%
Total liabilities	17,180,992	**17,642,141**	461,149	2.7%
Total equity	3,853,177	**3,855,507**	2,330	0.1%

Reference: Exchange rate at the end of the period

USD/ JPY	¥120.17	**¥120.61**	¥0.44	0.4%

(a) Current Assets

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Cash and cash equivalents	3,258,653	**2,769,911**	(488,742)
(incl.) Sprint	481,891	**262,364**	(219,527)
Trade and other receivables	1,895,648	**1,948,669**	53,021
(incl.) Sprint	433,013	**420,188**	(12,825)
Other financial assets	197,068	**202,673**	5,605
Inventories	351,152	**337,137**	(14,015)
Other current assets	255,399	**568,718**	313,319
Total current assets	5,957,920	**5,827,108**	(130,812)

Current assets decreased by ¥130,812 million (2.2%) from the previous fiscal year-end, to ¥5,827,108 million. The primary components of the change were as follows:

i. Cash and cash equivalents decreased by ¥488,742 million from the previous fiscal year-end. For the details on changes in cash and cash equivalents, please refer to page 35 “b. Cash Flows.”

ii. Other current assets increased by ¥313,319 million from the previous fiscal year-end. This mainly reflected the recording of ¥293,489 million in withholding income tax to be paid, related to dividends within the group companies, which is expected to be refunded by the end of July 2016.

(b) Non-current Assets

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Property, plant and equipment	4,317,448	**4,350,672**	33,224
(incl.) Sprint	2,141,120	**2,232,401**	91,281
Goodwill	1,663,363	**1,570,682**	(92,681)
(incl.) Sprint	353,867	**355,163**	1,296
Intangible assets	6,903,582	**6,840,633**	(62,949)
(incl.) Sprint	5,993,034	**5,900,766**	(92,268)
FCC licenses[30]	4,320,296	**4,344,060**	23,764
(incl.) Sprint	4,320,296	**4,344,060**	23,764
Trademarks	786,834	**802,354**	15,520
(incl.) Sprint	772,433	**773,857**	1,424
Customer relationships	582,223	**488,630**	(93,593)
(incl.) Sprint	496,594	**382,125**	(114,469)
Software	757,866	**790,800**	32,934
Game titles	109,211	**67,365**	(41,846)
Others	347,152	**347, 424**	272
Investments accounted for using the equity method	1,102,456	**1,583,877**	481,421
Other financial assets	662,463	**972,917**	310,454
Deferred tax assets	235,488	**160,821**	(74,667)
Other non-current assets	191,449	**190,938**	(511)
Total non-current assets	15,076,249	**15,670,540**	594,291

Non-current assets increased by ¥594,291 million (3.9%) from the previous fiscal year-end to ¥15,670,540 million. The primary components of the change were as follows:

i. Investments accounted for using the equity method increased by ¥481,421 million from the previous fiscal year-end. This primarily reflected an increase of ¥282,631 million in the carrying amount of Alibaba due to the recording of income on equity method investments related to Alibaba. Other factors include the new recording of GungHo as an investment accounted for using the equity method and an impact from the acquisition of the shares of Social Finance, Inc., which provides student loan refinancing services in the U.S.

ii. Other financial assets increased by ¥310,454 million from the previous fiscal year-end. This mainly reflected the acquisition of preferred units in Forward Ventures, LLC, which operates the e-commerce website *Coupang* in South Korea. There was also an impact from an increase in the fair value of financial assets at FVTPL,

[30] Licenses issued by the U.S. Federal Communications Commission for use of specified spectrum

such as preferred shares of ANI Technologies Pvt. Ltd. and Jasper Infotech Private Limited.

iii. Property, plant and equipment increased by ¥33,224 million from the previous fiscal year-end. This primarily reflected an increase in capitalized leased devices at Sprint due to an increase in mobile device leases under the leasing program, despite continued regular depreciation of network equipment at SoftBank Corp. and Sprint. In November 2015, as part of its fund procurement initiatives, Sprint sold certain leased devices with the total carrying amount of $1.3 billion, approximately ¥162.0 billion, to SoftBank Group Corp.'s equity method company MLS. For further details of the transaction, please refer to page 54 "4. Handset sale-leaseback" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements."

iv. Goodwill decreased by ¥92,681 million from the previous fiscal year-end. This was mainly due to the transition of GungHo from a subsidiary to an equity method associate, which was partially offset by the transition of ASKUL Corporation from an equity method associate to a subsidiary.

(c) Current Liabilities

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Interest-bearing debt	1,817,415	**2,002,319**	184,904
(incl.) Sprint	216,247	**545,676**	329,429
Short-term borrowings	413,846	**462,883**	49,037
(incl.) Sprint	60,085	**144,732**	84,647
Current portion of long-term borrowings	525,898	**582,582**	56,684
Current portion of corporate bonds	183,557	**483,859**	300,302
(incl.) Sprint	113,491	**338,903**	225,412
Current portion of lease obligations	411,453	**389,401**	(22,052)
Current portion of preferred securities	200,000	**-**	(200,000)
Others	82,661	**83,594**	933
Trade and other payables	1,863,480	**1,621,889**	(241,591)
(incl.) Sprint	741,549	**519,050**	(222,499)
Other financial liabilities	12,917	**8,214**	(4,703)
Income taxes payables	184,175	**91,341**	(92,834)
Provisions	54,998	**52,208**	(2,790)
Other current liabilities	739,501	**662,572**	(76,929)
Total current liabilities	4,672,486	**4,438,543**	(233,943)

Current liabilities declined by ¥233,943 million (5.0%) from the previous fiscal year-end to ¥4,438,543 million. The primary components of the change were as follows:

i. Trade and other payables decreased by ¥241,591 million from the previous fiscal year-end. This mainly reflected a decrease in accounts payable-other related to telecommunications equipment at Sprint and SoftBank Corp. after making payments.

ii. Interest-bearing debt increased by ¥184,904 million from the previous fiscal year-end. This mainly reflected an increase of ¥329,429 million in interest-bearing debt at Sprint. The increase in Sprint's interest-bearing debt was primarily due to an increase in the current portion of corporate bonds following the transfer of ¥225,412 million of corporate bonds from non-current assets as the redemption date came to be within one year. Another contributing factor at Sprint was an increase of ¥84,647 million in short-term borrowings as Sprint procured funds by securitizing receivables (wireless service and installment receivables related to the mobile communications services). On the other hand, the Company recorded a decline of ¥200,000 million in the current portion of preferred securities from the previous fiscal year-end due to the Company's subsidiary SFJ Capital Limited's redemption in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011.

(d) Non-current Liabilities

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Interest-bearing debt	9,789,829	**10,303,150**	513,321
(incl.) Sprint	3,886,597	**3,647,770**	(238,827)
Long-term borrowings	2,116,498	**2,031,652**	(84,846)
Corporate bonds	6,825,868	**7,382,058**	556,190
(incl.) Sprint	3,813,511	**3,545,142**	(268,369)
Lease obligations	744,911	**820,685**	75,774
Others	102,552	**68,755**	(33,797)
Other financial liabilities	27,142	**68,220**	41,078
Defined benefit liabilities	128,282	**132,775**	4,493
Provisions	155,705	**129,081**	(26,624)
Deferred tax liabilities	2,052,615	**2,214,311**	161,696
(incl.) Sprint	1,748,273	**1,768,352**	20,079
Other non-current liabilities	354,933	**356,061**	1,128
Total non-current liabilities	12,508,506	**13,203,598**	695,092

Non-current liabilities increased by ¥695,092 million (5.6%) from the previous fiscal year-end to ¥13,203,598 million. The primary components of the change were as follows:

i. Interest-bearing debt increased by ¥513,321 million from the previous fiscal year-end. This was mainly due to SoftBank Group Corp. issuing ¥552,990 million in foreign currency denominated senior notes and a total of ¥470,000 million in unsecured straight corporate bonds. This was offset by a transfer of Sprint's senior notes totaling $2.3 billion (balance at the previous fiscal year-end: ¥290,499 million) into current liabilities as the redemption date came to be within one year, and the full early redemption of Brightstar's senior notes totaling $600 million (balance at the previous fiscal year-end: ¥76,411 million).

ii. Deferred tax liabilities increased by ¥161,696 million from the previous fiscal year-end. This was mainly due to a tax effect being recognized for the difference between the carrying amount of Alibaba on a consolidated basis, which increased due to the recording of the relevant income on equity method investments, and its carrying amount on a tax basis.

(e) Equity

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Equity attributable to owners of the parent	2,846,306	**2,926,932**	80,626
Non-controlling interests	1,006,871	**928,575**	(78,296)
Total equity	3,853,177	**3,855,507**	2,330

Equity totaled ¥3,855,507 million, for a ¥2,330 million (0.1%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent increased by ¥80,626 million (2.8%), while non-controlling interests decreased by ¥78,296 million (7.8%). The ratio of equity attributable to owners of the parent to total assets increased by 0.1 of a percentage point from the previous fiscal year-end to 13.6%.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

	As of March 31, 2015	**As of December 31, 2015**	Change
Common stock	238,772	**238,772**	-
Capital surplus	374,845	**261,342**	(113,503)
Retained earnings	1,740,686	**2,121,159**	380,473
Treasury stock	(48,383)	**(165,726)**	(117,343)
Accumulated other comprehensive income	540,386	**471,385**	(69,001)
Available-for-sale financial assets	14,524	**31,138**	16,614
Cash flow hedges	(7,345)	**(41,413)**	(34,068)
Exchange differences on translating foreign operations	533,207	**481,660**	(51,547)
Total equity attributable to owners of the parent	2,846,306	**2,926,932**	80,626

Equity attributable to owners of the parent increased by ¥80,626 million (2.8%) from the previous fiscal year-end to ¥2,926,932 million. The primary components of the change were as follows:

i. Retained earnings increased by ¥380,473 million from the previous fiscal year-end. This was mainly due to recording net income attributable to owners of the parent of ¥428,972 million.

ii. Treasury stock increased by ¥117,343 million from the previous fiscal year-end. This was mainly due to an acquisition of 15,795,000 shares of treasury stock amounting to ¥120,000 million in August 2015, with an aim of executing a flexible capital policy in response to changes in the business environment.

iii. Capital surplus declined by ¥113,503 million from the previous fiscal year-end. This mainly reflected the deduction from capital surplus of ¥120,847 million as changes in interests in subsidiaries due to the purchase of an additional 24.1% of the shares of subsidiary Supercell from its existing shareholders (the Company’s share of voting rights after the additional purchase: 77.8%).

(Non-controlling Interests)

Non-controlling interests totaled ¥928,575 million, for a ¥78,296 million (7.8%) decrease from the previous fiscal year-end.

b. Cash Flows

Cash flows for the period were as follows.

Cash and cash equivalents at the end of the third quarter totaled ¥2,769,911 million, for a ¥488,742 million decrease from the previous fiscal year-end.

(Millions of yen)

	Nine-month Period Ended December 31, 2014	**Nine-month Period Ended December 31, 2015**	Change
Cash flows from operating activities	799,427	**566,846**	(232,581)
Cash flows from investing activities	(1,359,208)	**(1,334,845)**	24,363
Cash flows from financing activities	951,003	**270,227**	(680,776)

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥566,846 million (compared with ¥799,427 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

i. Net income totaled ¥511,102 million.

ii. The main items added to net income were depreciation and amortization of ¥1,016,496 million, income taxes of ¥403,573 million, and finance cost of ¥329,485 million.

iii. The main items subtracted from net income were income on equity method investments of ¥303,167 million, other non-operating income and loss of ¥54,689 million, and gain from remeasurement relating to business combination of ¥59,441 million.

iv. Increase in inventories was ¥291,449 million (negative cash flow). This was mainly attributable to an increase in the number of leased devices at Sprint. Sprint recognizes a cash outflow when it purchases the device from a manufacturer as an increase in inventories. When the device is leased through Sprint’s direct channel (lease inception), the cost of the device is reclassified from inventory to property, plant and equipment as a non-cash transaction (a reduction in inventories is not recorded as a cash inflow nor is an increase in property, plant and equipment recorded as a cash outflow).

v. Interest paid was ¥348,612 million.

vi. Income taxes paid was ¥1,216,709 million. This includes a payment of ¥904,688 million for withholding income tax related to dividends within the group companies. Of this, ¥611,199 million was refunded by the end of December 2015 (included in income taxes refund of ¥641,988 million) and ¥293,489 million is expected to be refunded by the end of July 2016.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥1,334,845 million (compared with ¥1,359,208 million used in the same period of the previous fiscal year). The primary components of cash flows were as follows:

i. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥1,092,761 million. This was mainly due to an acquisition of telecommunications equipment at Sprint and SoftBank Corp.

ii. Proceeds from sales of property, plant and equipment and intangible assets amounted to ¥146,603 million. This was mainly due to the procurement of funds at Sprint by conducting MLS Handset Sale-Leaseback.

iii. Payments for acquisition of investments amounted to ¥352,932 million. This was mainly attributable to investments including Forward Ventures, LLC, Social Finance, Inc., and Yamada Denki Co., Ltd.

iv. A decrease of ¥63,070 million from loss of control over subsidiaries. This represents the amount of cash and cash equivalents held by GungHo at the time of loss of control.

v. Payments for acquisition and proceeds from sales/redemption of marketable securities for short-term trading amounted to ¥71,308 million and ¥145,486 million, respectively. This was mainly attributable to acquisition and sale of marketable securities for short-term trading, primarily by Sprint and Brightstar.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥270,227 million (compared with ¥951,003 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

(Items Increasing Cash Flows)

Proceeds from long-term interest-bearing debt amounted to ¥1,826,661 million. The components were as follows:

・ Proceeds from issuance of corporate bonds of ¥1,053,258 million. This consisted of SoftBank Group Corp.'s issuance of foreign currency denominated senior notes and unsecured straight corporate bonds.

・ Proceeds from sale and leaseback of newly acquired equipment of ¥405,247 million. This was mainly because sale and leaseback was conducted when acquiring telecommunications equipment by finance lease at SoftBank Corp.

・ Proceeds from long-term borrowings of ¥368,156 million. This was mainly due to borrowings made through securitization of installment sales receivables at SoftBank Corp. and borrowings made at Sprint through ECA finance.[31]

(Items Decreasing Cash Flows)

i. Repayment of long-term interest-bearing debt was ¥1,172,999 million. The primary components were as follows:

・ Repayment of long-term borrowings of ¥413,351 million. This was mainly due to SoftBank Corp. repaying borrowings made through securitization of installment sales receivables and SoftBank Group Corp. repaying the borrowings.

・ Repayment of lease obligations of ¥358,502 million. This was primarily due to SoftBank Corp. repaying

[31] Funding based on the credit provided by export credit agencies (ECA)

lease obligations for telecommunications-related equipment. Additionally, in July 2015, Shiodome Estate Corporation, a subsidiary that engages in real estate management, acquired a trust beneficiary interest in the FUKUOKA YAHUOKU! DOME and repaid the remaining lease obligations as stipulated in a purchase contract to acquire the trust beneficiary interest which was entered into in March 2012.

- Redemption of preferred investment securities of ¥200,000 million. This was due to the Company's subsidiary SFJ Capital Limited's redemption in May 2015 of the full amount of preferred (restricted voting) securities issued in September 2011.
- Redemption of corporate bonds of ¥158,281 million. This was primarily due to Brightstar redeeming senior notes of ¥72,642 million, Sprint mainly redeeming the Export Development Canada Facility of ¥60,539 million, and SoftBank Group Corp. redeeming straight corporate bonds of ¥25,000 million.

ii. Payment for purchase of subsidiaries' equity from non-controlling interests was ¥253,860 million. This was mainly due to the additional purchase of shares of Supercell and Sprint.

iii. Payment for purchase of treasury stock was ¥120,037 million.

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

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

2. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Nine-month Period Ended December 31, 2015

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

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

SoftBank Group Corp. merged with Mobiletech Corporation, effective on December 1, 2015, and subsequently on the same day, merged with BB Mobile Corp., a subsidiary of Mobiletech Corporation. As a result of the merger, Mobiletech Corporation and BB Mobile Corp., which were our specified subsidiaries, were dissolved and are excluded from the scope of consolidation.

(2) Changes in Accounting Estimates

(Impairment loss on financial assets)

Certain shares and other were impaired as the investment amounts were not expected to be collected for the three-month period ended September 30, 2015. The details are described in “Note 14. Other non-operating income (loss) Note 2” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements.”

(Impairment loss on non-current assets)

The recoverable amount of certain cash-generating unit in the Distribution segment became negative and therefore the carrying amount related to the cash-generating unit was impaired, as a result of reviewing the business plan, for the three-month period ended December 31, 2015. The details are described in “Note 11. Other operating loss Note 5” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements.”

3. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and cash equivalents	3,258,653	2,769,911
Trade and other receivables	1,895,648	1,948,669
Other financial assets	197,068	202,673
Inventories	351,152	337,137
Other current assets	255,399	568,718
Total current assets	5,957,920	5,827,108
Non-current assets		
Property, plant and equipment	4,317,448	4,350,672
Goodwill	1,663,363	1,570,682
Intangible assets	6,903,582	6,840,633
Investments accounted for using the equity method	1,102,456	1,583,877
Other financial assets	662,463	972,917
Deferred tax assets	235,488	160,821
Other non-current assets	191,449	190,938
Total non-current assets	15,076,249	15,670,540
Total assets	21,034,169	21,497,648

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities and equity		
Current liabilities		
Interest-bearing debt	1,817,415	2,002,319
Trade and other payables	1,863,480	1,621,889
Other financial liabilities	12,917	8,214
Income taxes payables	184,175	91,341
Provisions	54,998	52,208
Other current liabilities	739,501	662,572
Total current liabilities	4,672,486	4,438,543
Non-current liabilities		
Interest-bearing debt	9,789,829	10,303,150
Other financial liabilities	27,142	68,220
Defined benefit liabilities	128,282	132,775
Provisions	155,705	129,081
Deferred tax liabilities	2,052,615	2,214,311
Other non-current liabilities	354,933	356,061
Total non-current liabilities	12,508,506	13,203,598
Total liabilities	17,180,992	17,642,141
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	374,845	261,342
Retained earnings	1,740,686	2,121,159
Treasury stock	(48,383)	(165,726)
Accumulated other comprehensive income	540,386	471,385
Total equity attributable to owners of the parent	2,846,306	2,926,932
Non-controlling interests	1,006,871	928,575
Total equity	3,853,177	3,855,507
Total liabilities and equity	21,034,169	21,497,648

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

For the nine-month period ended December 31

Condensed Interim Consolidated Statements of Income

(Millions of yen)

	Nine-month period ended December 31, 2014*	Nine-month period ended December 31, 2015
Continuing operations		
Net sales	6,309,043	6,810,206
Cost of sales	(3,865,093)	(4,108,026)
Gross profit	2,443,950	2,702,180
Selling, general and administrative expenses	(1,674,328)	(1,786,141)
Gain from remeasurement relating to business combination	-	59,441
Other operating loss	(27,981)	(100,158)
Operating income	741,641	875,322
Finance cost	(264,164)	(329,484)
Income on equity method investments	12,061	303,167
Dilution gain from changes in equity interest	599,806	14,654
Other non-operating income (loss)	(18,458)	54,555
Income before income tax	1,070,886	918,214
Income taxes	(455,933)	(400,144)
Net income from continuing operations	614,953	518,070
Discontinued operations		
Net income (loss) from discontinued operations	25,771	(6,968)
Net income	640,724	511,102
Net income attributable to		
Owners of the parent	579,446	428,972
Non-controlling interests	61,278	82,130
	640,724	511,102
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)		
Continuing operations	478.62	371.50
Discontinued operations	8.83	(8.70)
Total basic earnings per share	487.45	362.80
Diluted earnings per share (yen)		
Continuing operations	478.04	360.11
Discontinued operations	8.82	(8.69)
Total diluted earnings per share	486.86	351.42

Note:
Continuing operations and discontinued operations are revised and presented separately. The details are described in “Note 15. Discontinued operations.”

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Net income	640,724	511,102
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(45,985)	(6)
Total items that will not be reclassified to profit or loss	(45,985)	(6)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	4,736	16,458
Cash flow hedges	9,096	(33,727)
Exchange differences on translating foreign operations	423,151	(46,927)
Share of other comprehensive income of associates	43,308	(1,464)
Total items that may be reclassified subsequently to profit or loss	480,291	(65,660)
Total other comprehensive income (loss), net of tax	434,306	(65,666)
Total comprehensive income	1,075,030	445,436
Total comprehensive income attributable to		
Owners of the parent	954,777	359,965
Non-controlling interests	120,253	85,471
	1,075,030	445,436

For the three-month period ended December 31

Condensed Interim Consolidated Statements of Income

(Millions of yen)

	Three-month period ended December 31, 2014*	Three-month period ended December 31, 2015
Continuing operations		
Net sales	2,287,178	2,386,404
Cost of sales	(1,464,202)	(1,502,010)
Gross profit	822,976	884,394
Selling, general and administrative expenses	(628,026)	(629,980)
Other operating loss	(18,255)	(64,858)
Operating income	176,695	189,556
Finance cost	(92,918)	(113,816)
Income on equity method investments	31,357	38,581
Other non-operating loss	(8,424)	(14,723)
Income before income tax	106,710	99,598
Income taxes	(83,200)	(97,121)
Net income from continuing operations	23,510	2,477
Discontinued operations		
Net income from discontinued operations	8,773	-
Net income	32,283	2,477
Net income attributable to		
Owners of the parent	18,736	2,289
Non-controlling interests	13,547	188
	32,283	2,477
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)		
Continuing operations	12.77	1.95
Discontinued operations	2.99	-
Total basic earnings per share	15.76	1.95
Diluted earnings per share (yen)		
Continuing operations	11.70	0.11
Discontinued operations	2.98	-
Total diluted earnings per share	14.68	0.11

Note:
Continuing operations and discontinued operations are revised and presented separately. The details are described in "Note 15. Discontinued operations."

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-month period ended December 31, 2014	Three-month period ended December 31, 2015
Net income	32,283	2,477
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(45,739)	-
Total items that will not be reclassified to profit or loss	(45,739)	-
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	5,844	2,030
Cash flow hedges	4,839	(18,618)
Exchange differences on translating foreign operations	283,710	(21,460)
Share of other comprehensive income of associates	41,912	(716)
Total items that may be reclassified subsequently to profit or loss	336,305	(38,764)
Total other comprehensive income (loss), net of tax	290,566	(38,764)
Total comprehensive income (loss)	322,849	(36,287)
Total comprehensive income attributable to		
Owners of the parent	273,331	(38,120)
Non-controlling interests	49,518	1,833
	322,849	(36,287)

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the nine-month period ended December 31, 2014

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2014	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382
Comprehensive income								
Net income	-	-	579,446	-	-	579,446	61,278	640,724
Other comprehensive income	-	-	-	-	375,331	375,331	58,975	434,306
Total comprehensive income	-	-	579,446	-	375,331	954,777	120,253	1,075,030
Transactions with owners and other transactions								
Cash dividends	-	-	(47,547)	-	-	(47,547)	(16,222)	(63,769)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(36,678)	-	36,678	-	-	-
Purchase and disposal of treasury stock	-	-	(1,050)	2,798	-	1,748	-	1,748
Changes from business combination	-	-	-	-	-	-	1,423	1,423
Changes in interests in subsidiaries	-	(31,716)	-	-	-	(31,716)	7,363	(24,353)
Share-based payment transactions	-	1,249	-	-	-	1,249	6,169	7,418
Other	-	-	-	-	-	-	(1,161)	(1,161)
Total transactions with owners and other transactions	-	(30,467)	(85,275)	2,798	36,678	(76,266)	(2,428)	(78,694)
As of December 31, 2014	238,772	374,578	1,662,437	(48,694)	581,859	2,808,952	1,017,766	3,826,718

For the nine-month period ended December 31, 2015

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2015	238,772	374,845	1,740,686	(48,383)	540,386	2,846,306	1,006,871	3,853,177
Comprehensive income								
Net income	-	-	428,972	-	-	428,972	82,130	511,102
Other comprehensive loss	-	-	-	-	(69,007)	(69,007)	3,341	(65,666)
Total comprehensive income	-	-	428,972	-	(69,007)	359,965	85,471	445,436
Transactions with owners and other transactions								
Cash dividends	-	-	(47,261)	-	-	(47,261)	(30,031)	(77,292)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(6)	-	6	-	-	-
Purchase and disposal of treasury stock	-	-	(1,232)	(117,343)	-	(118,575)	-	(118,575)
Changes from business combination	-	-	-	-	-	-	53,067	53,067
Changes from loss of control	-	-	-	-	-	-	(96,060)	(96,060)
Changes in interests in subsidiaries	-	(127,251)	-	-	-	(127,251)	(94,571)	(221,822)
Changes in associates' interests in their subsidiaries	-	14,617	-	-	-	14,617	-	14,617
Share-based payment transactions	-	(3,891)	-	-	-	(3,891)	5,518	1,627
Other	-	3,022	-	-	-	3,022	(1,690)	1,332
Total transactions with owners and other transactions	-	(113,503)	(48,499)	(117,343)	6	(279,339)	(163,767)	(443,106)
As of December 31, 2015	238,772	261,342	2,121,159	(165,726)	471,385	2,926,932	928,575	3,855,507

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Cash flows from operating activities		
Net income	640,724	511,102
Depreciation and amortization	793,658	1,016,496
Gain from remeasurement relating to business combination	-	(59,441)
Finance cost	264,168	329,485
Income on equity method investments	(12,061)	(303,167)
Dilution gain from changes in equity interest	(599,806)	(14,654)
Other non-operating loss (income)	18,502	(54,689)
Income taxes	476,518	403,573
Increase in trade and other receivables	(114,314)	(30,175)
Increase in inventories	(175,093)	(291,449)
Increase (decrease) in trade and other payables	154,275	(5,829)
Other	35,012	(19,159)
Subtotal	1,481,583	1,482,093
Interest and dividends received	3,950	8,086
Interest paid	(298,017)	(348,612)
Income taxes paid	(464,623)	(1,216,709)
Income taxes refund	76,534	641,988
Net cash provided by operating activities	799,427	566,846
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(993,205)	(1,092,761)
Proceeds from sales of property, plant and equipment, and intangible assets	15,290	146,603
Payments for acquisition of investments	(205,230)	(352,932)
Proceeds from sales/redemption of investments	18,600	19,550
(Decrease) increase from acquisition of control over subsidiaries	(18,794)	28,834
Decrease from loss of control over subsidiaries	-	(63,070)
Payments for acquisition of marketable securities for short-term trading	(248,848)	(71,308)
Proceeds from sales/redemption of marketable securities for short-term trading	249,718	145,486
Other	(176,739)	(95,247)
Net cash used in investing activities	(1,359,208)	(1,334,845)
Cash flows from financing activities		
Decrease (increase) in short-term interest-bearing debt, net	(68,391)	46,231
Proceeds from long-term interest-bearing debt	1,725,939	1,826,661
Repayment of long-term interest-bearing debt	(598,581)	(1,172,999)
Payments for purchase of subsidiaries' equity from non-controlling interests	(48,127)	(253,860)
Purchase of treasury stock	(33)	(120,037)
Cash dividends paid	(47,255)	(47,021)
Cash dividends paid to non-controlling interests	(16,209)	(29,350)
Other	3,660	20,602
Net cash provided by financing activities	951,003	270,227
Effect of exchange rate changes on cash and cash equivalents	93,995	9,030
Increase (decrease) in cash and cash equivalents	485,217	(488,742)
Cash and cash equivalents at the beginning of the period	1,963,490	3,258,653
Cash and cash equivalents at the end of the period	2,448,707	2,769,911

(5) Significant Doubt about Going-concern Assumption

For the nine-month period ended December 31, 2015

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

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

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

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

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

2. Segment information

(1) Description of reportable segments

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

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

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

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

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

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

The reportable segments for the nine-month period ended December 31, 2014 and the three-month period ended December 31, 2014 are presented based on the revised reportable segments.

(2) Net sales and income of reportable segments

Income of reportable segments is defined as "Operating income."

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

Income of reportable segments for the nine-month period ended December 31, 2014 and the three-month period ended December 31, 2014 is also defined as "Operating income."

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

The following is the information about the Company's net sales and income by reportable segment.

For the nine-month period ended December 31, 2014

(Millions of yen)

	Reportable segments							
	Domestic Telecommu-nications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	2,253,820	2,683,437	304,527	830,496	6,072,280	236,763	-	6,309,043
Intersegment	22,542	126,420	5,003	32,692	186,657	17,227	(203,884)	-
Total	2,276,362	2,809,857	309,530	863,188	6,258,937	253,990	(203,884)	6,309,043
EBITDA[3]	897,279	461,566	153,686	2,213	1,514,744	61,100	(33,030)	1,542,814
Depreciation and amortization	(322,541)	(406,738)	(12,439)	(6,807)	(748,525)	(23,556)	(1,111)	(773,192)
Other operating income (loss)	(18,751)	(15,013)	-	5,758	(28,006)	25	-	(27,981)
Segment income (Operating income)	555,987	39,815	141,247	1,164	738,213	37,569	(34,141)	741,641
Finance cost								(264,164)
Equity in income of associates								12,061
Dilution gain from changes in equity interests								599,806
Other non-operating loss								(18,458)
Income before income tax								1,070,886

For the nine-month period ended December 31, 2015

(Millions of yen)

	Reportable segments							
	Domestic Telecommu-nications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	2,315,819	2,783,054	438,337	994,506	6,531,716	278,490	-	6,810,206
Intersegment	26,171	144,688	6,387	55,482	232,728	13,648	(246,376)	-
Total	2,341,990	2,927,742	444,724	1,049,988	6,764,444	292,138	(246,376)	6,810,206
EBITDA[3]	930,184	744,811	156,247	20,702	1,851,944	91,420	(32,827)	1,910,537
Depreciation and amortization	(331,866)	(622,154)	(22,010)	(8,381)	(984,411)	(26,108)	(1,249)	(1,011,768)
Gain from remeasurement relating to business combination	-	-	59,441	-	59,441	-	-	59,441
Other operating loss	-	(63,169)	-	(13,633)	(76,802)	(6,086)	-	(82,888)
Segment income (loss) (Operating income (loss))	598,318	59,488	193,678	(1,312)	850,172	59,226	(34,076)	875,322
Finance cost								(329,484)
Equity in income of associates								303,167
Dilution gain from changes in equity interest								14,654
Other non-operating income								54,555
Income before income tax								918,214

Notes:
1. Information on the business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly online game-related business by Supercell.
2. "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment. Expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc. which manage and supervise investment activities in the Internet, communication, and media fields overseas are included in the corporate general expenses.
3. EBITDA= segment income and loss + depreciation and amortization – gain from remeasurement relating to business combination ± other operating income and loss
   ¥17,270 million of "Loss on disposal of property, plant and equipment" recognized as "Other operating loss" in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2015 is included in "EBITDA" in the Sprint segment and therefore there is a difference between "Other operating loss" in the segment information and in the condensed interim consolidated statements of income. The details are described in "Note 11. Other operating loss."
4. Discontinued operations are not included. The details are described in "Note 15. Discontinued operations."

For the three-month period ended December 31, 2014

(Millions of yen)

	Reportable segments							
	Domestic Telecommu-nications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	833,984	909,136	105,852	351,739	2,200,711	86,467	-	2,287,178
Intersegment	13,779	117,285	1,665	11,982	144,711	5,800	(150,511)	-
Total	847,763	1,026,421	107,517	363,721	2,345,422	92,267	(150,511)	2,287,178
EBITDA[3]	283,213	123,456	52,982	(6,194)	453,457	27,056	(14,840)	465,673
Depreciation and amortization	(110,100)	(145,355)	(4,515)	(2,220)	(262,190)	(8,154)	(379)	(270,723)
Other operating income (loss)	(18,751)	(2,882)	-	3,378	(18,255)	-	-	(18,255)
Segment income (loss) (Operating income (loss))	154,362	(24,781)	48,467	(5,036)	173,012	18,902	(15,219)	176,695
Finance cost								(92,918)
Equity in income of associates								31,357
Other non-operating loss								(8,424)
Income before income tax								106,710

For the three-month period ended December 31, 2015

(Millions of yen)

	Reportable segments							
	Domestic Telecommu-nications	Sprint	Yahoo Japan	Distribution	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	822,347	915,526	193,627	365,919	2,297,419	88,985	-	2,386,404
Intersegment	11,575	66,038	2,329	17,341	97,283	4,449	(101,732)	-
Total	833,922	981,564	195,956	383,260	2,394,702	93,434	(101,732)	2,386,404
EBITDA[3]	285,515	236,033	51,860	10,774	584,182	22,296	(11,989)	594,489
Depreciation and amortization	(113,157)	(223,975)	(9,077)	(2,590)	(348,799)	(8,161)	(385)	(357,345)
Other operating loss	-	(33,955)	-	(13,633)	(47,588)	-	-	(47,588)
Segment income (loss) (Operating income (loss))	172,358	(21,897)	42,783	(5,449)	187,795	14,135	(12,374)	189,556
Finance cost								(113,816)
Equity in income of associates								38,581
Other non-operating loss								(14,723)
Income before income tax								99,598

Notes:

1. Information on the business segments which are not included in the reportable segments is classified in "Other." "Other" includes mainly online game-related business by Supercell.
2. "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment. Expenses arising mainly from SoftBank Group Corp. and SB Group US, Inc. which manage and supervise investment activities in the Internet, communication, and media fields overseas are included in the corporate general expenses.
3. EBITDA= segment income and loss + depreciation and amortization ± other operating income and loss
¥17,270 million of "Loss on disposal of property, plant and equipment" recognized as "Other operating loss" in the condensed interim consolidated statements of income for the three-month period ended December 31, 2015 is included in "EBITDA" in the Sprint segment and therefore there is a difference between "Other operating loss" in the segment information and in the condensed interim consolidated statements of income. The details are described in "Note 11. Other operating loss."
4. Discontinued operations are not included. The details are described in "Note 15. Discontinued operations."

3. Business combinations

For the nine-month period ended December 31, 2015

(1) Overview of consolidation

ASKUL Corporation, the Company’s associate which primarily conducts mail order services for office supplies, became the Company’s subsidiary on August 27, 2015 as a result of ASKUL Corporation’s acquisition of its own treasury stock as resolved by its Board of Directors on May 19, 2015. As a result of ASKUL Corporation’s acquisition of its own treasury stock, the ownership ratio of ASKUL Corporation’s voting rights held by the Company rose from 41.7% (as of May 20, 2015) to 44.4% (as of August 27, 2015). The Company did not yet hold the majority of the voting rights of ASKUL Corporation, however, considering the dispersion of voting rights in ASKUL Corporation and the voting patterns exercised in ASKUL Corporation’s past shareholders meetings, etc., the Company judged that it has substantial control of ASKUL Corporation and has converted it to a consolidated subsidiary.

(2) Summary of acquiree

Name	ASKUL Corporation
Business description	Mail-order business for stationery, other products and services

(3) Acquisition date

August 27, 2015

(4) Consideration transferred and the components

(Millions of yen)

		Acquisition date (August 27, 2015)
Fair value of equity interest in ASKUL Corporation already held at the time of the acquisition		93,611
Total consideration transferred	A	93,611

As a result of the reevaluation of equity interest already held at the time of the acquisition of control by the Company in ASKUL Corporation at fair value on the acquisition date, the Company recognized a gain on the acquisition of ¥59,441 million for the nine-month period ended December 31, 2015. This gain is presented as “Gain from remeasurement relating to business combination” in the condensed interim consolidated statements of income.

(5) Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date

(Millions of yen)

		Acquisition date (August 27, 2015)
Trade and other receivables		45,365
Other current assets		44,751
Tangible assets		32,315
Intangible assets		69,124
Other non-current assets		8,394
Total assets		199,949
Current liabilities		71,495
Non-current liabilities		34,586
Total liabilities		106,081
Net assets	B	93,868
Non-controlling interests[2]	C	54,036
Goodwill[3]	A-(B-C)	53,779

Notes:

1. Adjustment of the provisional amount
   Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration transferred was completed during the three-month period ended December 31, 2015. The details of the adjustments from the initial provisional amounts are as follows. Due to the additional analysis on the fair value of ASKUL Corporation, intangible assets decreased by ¥2,820 million and non-controlling interests decreased by ¥1,097 million. As a result, goodwill increased by ¥877 million.

2. Non-controlling interests
   Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured based on the proportionate interests at the acquisition date in the identifiable net assets of the acquiree at the acquisition date.

3. Goodwill
   Goodwill reflects excess earning power expected from the future business development and the synergy between the Company and the acquiree.

(6) Proceeds from acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (August 27, 2015)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	31,291
Proceeds in cash from the acquisition of control over the subsidiary	31,291

(7) Sales and net income of the acquiree

The amounts of the acquiree's sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2015, are ¥104,699 million and ¥1,003 million, respectively.

In addition, the above net income includes amortization expenses, which are related to intangible assets recognized at the acquisition date, and other.

4. Handset sale-leaseback

In November 2015, Sprint entered into agreements (Handset Sale-Leaseback) to sell and leaseback certain leased devices, with Mobile Leasing Solutions, LLC (MLS).

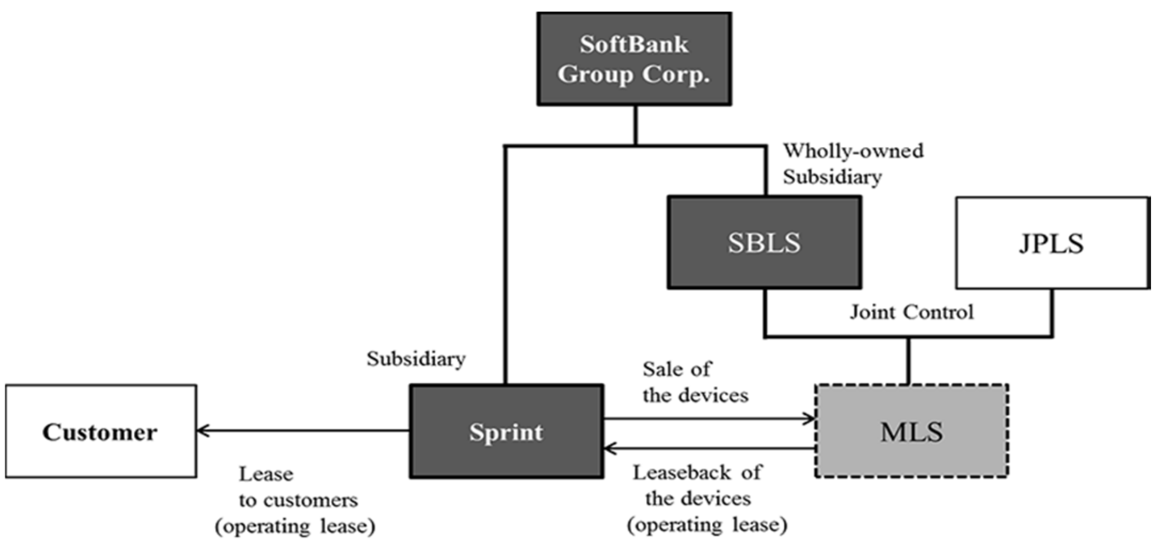
MLS was established for leasing business by SBLS HD US, Inc. (SBLS), a wholly-owned subsidiary of SoftBank Group Corp. and JPLS HD US, Inc. (JPLS), a company formed by Japanese leasing companies. It is contractually agreed that significant management policy and operating decision of MLS require the unanimous consent of its board of directors designated by SBLS and JPLS. Accordingly, the Company accounts for MLS under the equity method as a joint venture.

Under this transaction, Sprint sold the devices and transferred the associated certain specified customer lease end rights and obligations to MLS in exchange for a total amount of $1.3 billion, consisting of proceeds totaling $1.1 billion cash which was received in December 2015 and a deferred purchase price receivable of $0.1 billion, the remaining amount of the total proceeds, which will be settled at the end of the agreement. Simultaneously with the sale of the devices and transfer of certain specified customer lease end rights and obligations, MLS leased back each device to Sprint pursuant to the Master Lease Agreement in exchange for monthly rental payments to be made by Sprint to MLS. In addition, Brightstar has a contractual agreement with MLS to provide reverse logistics and remarketing services to MLS with respect to the devices that are returned to MLS. The terms and conditions of the transaction are negotiated and determined based on the market price and the content of transaction.

Sprint derecognized devices from property, plant and equipment when they were sold to MLS. The $65 million (¥7,801 million) difference between the fair value and the carrying amount of the devices sold was recognized as "Other operating loss" in the condensed interim consolidated statements of income.

The proceeds received in December 2015 totaling $1.1 billion (¥137,593 million), was recognized as "Proceeds from sales of property, plant and equipment, and intangible assets" in the condensed interim consolidated statements of cash flows.

Outline of the transaction*



Note:
This chart only refers to major transactions and the relation between the Company and major parties, to describe outline of the transaction.

5. Other current assets

The components of other current assets are as follows:

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Tax receivable*	44,660	339,148
Prepaid expense	173,463	172,408
Other	37,276	57,162
Total	255,399	568,718

Note:
Withholding income tax of ¥293,489 million related to dividend within the group companies is included in tax receivable as of December 31, 2015.

6. Property, plant and equipment

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

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Buildings and structures	267,633	264,966
Telecommunications equipment	3,251,673	3,193,140
Equipment and fixtures	365,305	564,752
Land	97,342	107,118
Construction in progress	318,345	199,472
Other	17,150	21,224
Total	4,317,448	4,350,672

7. Intangible assets

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

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Intangible assets with indefinite useful lives		
FCC licenses	4,320,296	4,344,060
Trademarks	727,251	744,015
Intangible assets with finite useful lives		
Software	757,866	790,800
Customer relationships	582,223	488,630
Favorable lease contracts	145,191	132,237
Spectrum migration costs	53,550	113,026
Game titles	109,211	67,365
Trademarks	59,583	58,339
Other	148,411	102,161
Total	6,903,582	6,840,633

8. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Current		
Short-term borrowings	413,846	462,883
Commercial paper	32,000	32,000
Current portion of long-term borrowings	525,898	582,582
Current portion of corporate bonds	183,557	483,859
Current portion of lease obligations	411,453	389,401
Current portion of preferred securities	200,000	-
Current portion of installment payables	50,661	51,594
Total	1,817,415	2,002,319
Non-current		
Long-term borrowings	2,116,498	2,031,652
Corporate bonds	6,825,868	7,382,058
Lease obligations	744,911	820,685
Installment payables	102,552	68,755
Total	9,789,829	10,303,150

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

The components of "(Decrease) increase in short-term interest-bearing debt, net" in the condensed interim consolidated statements of cash flows are as follows:

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Net (decrease) increase of short-term borrowings	(68,391)	46,231

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

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

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Proceeds from long-term borrowings	279,397	368,156
Proceeds from issuance of corporate bonds[1,4]	1,134,317	1,053,258
Proceeds from sale and leaseback of newly acquired equipment	312,225	405,247
Total	1,725,939	1,826,661

Notes:

1. Corporate bonds issued for the nine-month period ended December 31, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Group Corp.				
45th Unsecured Straight Corporate Bond	May 30, 2014	¥300,000 million	1.45%	May 30, 2019
46th Unsecured Straight Corporate Bond	Sept. 12, 2014	¥400,000 million	1.26%	Sept. 12, 2019
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	2.50%	Dec. 17, 2021
Sprint Communications, Inc.[2]				
Export Development Canada Facility (Tranche 3)	Dec. 19, 2014	$300 million ¥34,317 million	3.78%[3]	Dec. 17, 2019

Notes:

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

3. The corporate bond has a floating interest rate and the interest rate stated above is as of December 31, 2015.

4. Corporate bonds issued for the nine-month period ended December 31, 2015 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Group Corp.				
47th Unsecured Straight Corporate Bond	June 18, 2015	¥100,000 million	1.36%	June 18, 2020
USD-denominated Senior Notes due 2022	July 28, 2015	$1,000 million ¥124,120 million[5]	5.38% 2.98%[6]	July 30, 2022
USD-denominated Senior Notes due 2025	July 28, 2015	$1,000 million ¥124,120 million[5]	6.00% 3.44%[6]	July 30, 2025
Euro-denominated Senior Notes due 2022	July 28, 2015	€500 million ¥67,722 million[5]	4.00% 3.73%[6]	July 30, 2022
Euro-denominated Senior Notes due 2025	July 28, 2015	€1,250 million ¥169,306 million[5]	4.75% 4.25%[6]	July 30, 2025
Euro-denominated Senior Notes due 2027	July 28, 2015	€500 million ¥67,722 million[5]	5.25% 4.72%[6]	July 30, 2027
48th Unsecured Straight Corporate Bond	Dec.10, 2015	¥370,000 million	2.13%	Dec. 9, 2022
Sprint Communications, Inc.[2]				
Export Development Canada Facility (Tranche 4)	Dec.15, 2015	$250 million ¥30,268 million	5.56%[3]	Dec.15, 2017

Notes:

5. Stated amounts are cash outflows at the time of redemption, which are fixed by the currency swap contracts designated as cash flow hedges.

6. Interest rates are determined after considering the effect of exchange from fixed interest rates denominated in foreign currencies to fixed interest rates in Japanese yen by the currency swap contracts designated as cash flow hedges.

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

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

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Repayment of long-term borrowings	(270,611)	(413,351)
Redemption of corporate bonds[1,3]	(63,446)	(158,281)
Repayment of lease obligations	(222,227)	(358,502)
Redemption of preferred securities	-	(200,000)
Payment of installment payables	(42,297)	(42,865)
Total	(598,581)	(1,172,999)

Notes:

1. Major Corporate bonds redeemed for the nine-month period ended December 31, 2014 are as follows:

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

Notes:

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

3. Major corporate bonds redeemed for the nine-month period ended December 31, 2015 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Group Corp.				
32nd Unsecured Straight Corporate Bond	June 2, 2010	¥25,000 million	1.67%	June 2, 2015
Sprint Communications, Inc.[4]				
Export Development Canada Facility (Tranche 2)	Jan. 20, 2011	$500 million ¥60,535 million	4.08%[5]	Dec.15, 2015
Brightstar Corp.				
9.50% senior notes due 2016	Nov. 30, 2010	$350 million ¥42,375 million	9.50%	Dec.11, 2015
7.25% senior notes due 2018	July 31, 2013	$250 million ¥30,268 million	7.25%	Dec.11, 2015

Notes:

4. Sprint Communications, Inc. is a subsidiary of Sprint.

5. The corporate bond has a floating interest rate and the interest rate stated above is at the time of redemption.

9. Foreign exchange rates

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

(1) Rate at the end of the period

(yen)

	As of March 31, 2015	As of December 31, 2015
U.S. dollars	120.17	120.61

(2) Average rate for the quarter

For the nine-month period ended December 31, 2014

(yen)

	Three-month period ended June 30, 2014	Three-month period ended September 30, 2014	Three-month period ended December 31, 2014
U.S. dollars	102.14	104.35	114.39

For the nine-month period ended December 31, 2015

(yen)

	Three-month period ended June 30, 2015	Three-month period ended September 30, 2015	Three-month period ended December 31, 2015
U.S. dollars	121.34	121.91	121.07

10. Equity

(1) Capital surplus

For the nine-month period ended December 31, 2015

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

(2) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Available-for-sale financial assets	14,524	31,138
Cash flow hedges	(7,345)	(41,413)
Exchange differences on translating foreign operations	533,207	481,660
Total	540,386	471,385

11. Other operating loss

The components of other operating loss are as follows:

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Domestic Telecommunications segment		
Provision for unprofitable contract[1]	(18,751)	-
Sprint segment		
Severance costs associated with reduction in work force of Sprint	(29,509)	(23,556)
Legal reserves	(10,492)	(21,682)
Loss on disposal of property, plant and equipment[2]	-	(17,270)
Impairment loss on non-current assets[3]	-	(10,403)
Gain on partial pension settlement[4]	18,726	-
Other	6,262	(7,528)
Distribution segment		
Impairment loss on non-current assets[5]	-	(13,633)
Other	5,758	-
Other	25	(6,086)
Total	(27,981)	(100,158)

Notes:

1. Loss was recognized due to the provision made by SoftBank Corp. for the excess of expected future cost of delivery for a contracted communication service over its contracted amount.

2. ¥9,469 million of loss on disposal that resulted from the write-off of leased devices associated with lease cancellations prior to the scheduled customer lease terms where customers did not return the devices to Sprint, and ¥7,801 million of net loss recognized upon the sale of devices to Mobile Leasing Solutions, LLC under the Handset Sale-Leaseback transaction, which represented the difference between the fair value and net book value of the devices sold. Regarding Handset Sale-Leaseback transaction, the details are described in "Note 4. Handset sale-leaseback."

3. Impairments are primarily related to cell site construction costs that are no longer expected to be used as a result of changes in Sprint's network plans.

4. Sprint made an amendment associated with the defined benefit pension plan to offer certain terminated participants, who had not begun to receive plan benefits, the opportunity to receive their benefits as an immediate lump sum distribution. This is the gain arising from the settlement.

5. Cash-generating units of the Distribution segment are composed of five regions, Brightstar Global Group Inc.'s US & Canada, Latin America, Asia & Oceania, SoftBank Commerce& Service Corp., and Europe & Africa from the nine-month period ended December 31, 2015. Of these cash-generating units, as a result of reviewing the business plan of Brightstar Global Group Inc.'s Latin America region, the recoverable amount became negative and therefore the carrying amount related to the cash-generating unit was reduced to zero. Impairment loss on property, plant and equipment was ¥8,070 million and impairment loss on intangible assets was ¥5,563 million. Value in use was used as the recoverable amount and calculated by discounting management approved estimated future cashflow plan by 22.11%, weighted average capital cost before tax.

   Goodwill of Brightstar Global Group Inc. is allocated to entire Brightstar Global Group Inc. (a group of cash-generating units) which bundles five cash-generating units. As a result of the impairment test on entire Brightstar Global Group Inc., subsequent to the recognition of the impairment loss in Brightstar Global Group Inc.'s Latin America region for the nine-month period ended December 31, 2015, the recoverable amount exceeded the carrying amount, and therefore the impairment loss on the goodwill allocated to entire Brightstar Global Group Inc. is not recognized.

12. Finance cost

The components of finance cost are as follows:

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Interest expense	(264,164)	(329,484)

13. Dilution gain from changes in equity interest

For the nine-month period ended December 31, 2014

The Company recorded dilution gain from changes in equity interest of ¥599,668 million related to Alibaba, which is an associate of the Company. This is mainly due to the issuance of new shares by Alibaba and the conversion of Convertible Preference Shares issued by Alibaba into common stock in connection with its listing on the New York Stock Exchange on September 19, 2014.

14. Other non-operating income (loss)

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

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Foreign exchange gain (loss)[1]	4,233	(29,589)
Impairment loss on securities[2]	(7,656)	(21,572)
Impairment loss on equity method associates[3]	(32,339)	(1,333)
Gain from remeasurement relating to applying equity method[4]	6,249	-
Gain from financial assets at FVTPL[5]	4,986	108,426
Provision of allowance for doubtful accounts[2]	-	(20,534)
Other	6,069	19,157
Total	(18,458)	54,555

Notes:

1. The value of Argentine peso has decreased against US dollars in December 2015 due to change in foreign exchange policy by the Argentine Government. As a result, foreign exchange loss of ¥18,614 million associated to dollar-denominated monetary items, such as cash and cash equivalents, account receivables, and account payables, held by Argentine subsidiaries were recorded for the nine-month period ended December 31, 2015.

2. Shares and debt interests related to investments of PT Trikomsel Oke Tbk. in Indonesia were impaired as the investment amount and the debt interests amount were not expected to be collected. As a result, impairment loss on securities and provision of allowance for doubtful accounts totaling ¥38,185 million were recorded for the nine-month period ended December 31, 2015.

3. The Company recorded impairment loss of ¥32,339 million with regard to the equity method associate for the nine-month period ended December 31, 2014 as the fair value had been declining for a prolonged period and the carrying amount was reduced to the recoverable amount.

4. Due to the increase in the percentage of voting rights, the equity method was newly applied to the investment in associates and the gain arose from remeasurement of the interest already held by the Company at the time the equity method was applied, based on the fair value on the date of the equity method application.

5. Gain or loss arising from financial assets at FVTPL comprises mainly changes in fair value of preferred stock investment including embedded derivatives, designated as financial assets at FVTPL.

15. Discontinued operations

GungHo Online Entertainment, Inc.

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

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

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

Operating results related to GungHo for the nine-month period ended December 31, 2014, the three-month period ended December 31, 2014, and from April 1, 2015 to June 1, 2015 are presented as discontinued operations separately from continuing operations in the condensed interim consolidated statement of income.

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

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

(1) Operating results from discontinued operations

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Revenue	122,124	26,604
Expense	(75,768)	(17,404)
Income before income tax from discontinued operations	46,356	9,200
Income taxes	(20,585)	(3,568)
Income after income tax from discontinued operations	25,771	5,632
Loss relating to loss of control in discontinued operations	-	(12,739)
Deferred tax expenses for investment temporary differences	-	139
Net income (loss) from discontinued operations	25,771	(6,968)

(2) Cash flows from discontinued operations

(Millions of yen)

	Nine-month period ended December 31, 2014	Nine-month period ended December 31, 2015
Net cash provided by operating activities	52,898	16,051
Net cash used in investing activities	(40,545)	(735)
Net cash used in financing activities	(178)	(86)
Total	12,175	15,230

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

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

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

(2) Presentation of cash flow regarding finance leases

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

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

(3) Income taxes paid and income taxes refund

For the nine-month period ended December 31, 2015

Payment of withholding income tax related to dividends within the group companies of ¥904,688 million is included in "Income taxes paid," and refund of the withholding income tax of ¥611,199 million is included in "Income taxes refund," respectively. The withholding income tax of ¥293,489 million included in "Income taxes paid" is expected to be refunded by the end of July 2016.

(4) Proceeds from sales of property, plant and equipment, and intangible assets

For the nine-month period ended December 31, 2015

Proceeds of ¥137,593 million which Sprint received from Mobile Leasing Solutions, LLC through Handset Sale-Leaseback transaction in December 2015 are included in "Proceeds from sales of property, plant and equipment, and intangible assets." The details are described in "Note 4. Handset sale-leaseback."

(5) Decrease from loss of control over subsidiaries

For the nine-month period ended December 31, 2015

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

(6) Payments for purchase of subsidiaries' equity from non-controlling interests

For the nine-month period ended December 31, 2015

"Payments for purchase of subsidiaries' equity from non-controlling interests" is mainly due to the additional purchase of shares of Supercell and Sprint from existing shareholders respectively.