

**SOFTBANK CORP.**  
**CONSOLIDATED Financial Report**  
For the years ended March 31, 2000 and 1999

**FINANCIAL HIGHLIGHTS**

**(1) CONSOLIDATED FINANCIAL PERFORMANCE RESULTS**

(UNIT : YEN : millions, rounded down)

	<b>2000/3/31</b>		1999/3/31	
Net Sales	<b>423,220</b>	-19.0%	528,159	2.9%
Operating Income	<b>8,377</b>	-30.9%	12,129	-56.5%
Ordinary Loss	<b>(51,932)</b>	-	(15,447)	-
Net Income	<b>8,446</b>	-77.5%	37,538	264.3%

Earnings per Share -Primary	<b>¥78.05</b>	¥365.38
Earnings per Share -Dilluted	<b>¥76.05</b>	¥342.11

**(2) CONSOLIDATED FINANCIAL CONDITION**

(UNIT : YEN : millions, rounded down)

	<b>2000/3/31</b>	1999/3/31
Total Assets	<b>1,168,308</b>	952,578
Total Shareholders' Equity	<b>380,740</b>	284,975
Equity/Assets	<b>32.6%</b>	29.9%
Total Shareholders' Equity per Share	<b>¥3,456.55</b>	¥2,719.35

**(3) CONSOLIDATED CASH FLOW**

(UNIT : YEN : millions, rounded down)

	<b>2000/3/31</b>	1999/3/31
Cash Flow From Operating Activities	<b>349</b>	-
Cash Flow From Investing Activities	<b>(60,341)</b>	-
Cash Flow From Financing Activities	<b>220,914</b>	-
Ending Cash Balance	<b>268,060</b>	-

## Consolidated Balance Sheets

\*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	As of March 31, 2000	As of March 31, 1999	As of March 31, 2000
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	254,708	92,601	2,491,519
Notes and accounts receivable	92,454	114,348	904,372
Marketable securities	17,848	15,476	174,587
Inventories	16,954	28,310	165,842
Deferred tax assets	6,340	-	62,017
Assets scheduled for disposal	79,872	-	781,297
Other current assets	51,507	57,474	503,834
Allowance for bad debts(short-term)	(3,227)	(8,872)	(31,566)
Total current assets	516,458	299,339	5,051,922
Fixed Assets:			
Property, plant and equipment(net)	8,243	16,119	157,674
Intangible fixed assets:			
Goodwill	56,664	166,894	554,280
Trademarks	38,438	155,661	375,995
Software	4,819	-	47,139
Advertising lists	2,514	94,537	24,592
Consolidation adjustment	15,940	-	155,923
Other intangible assets	13,405	62,221	131,126
	131,784	479,315	1,289,093
Investments and Advances:			
Investments in securities	398,270	135,816	3,895,823
Long-term loans	2,634	2,914	25,765
Deferred tax assets	2,261	-	22,117
Investments	94,727	5,007	926,607
Other	14,604	11,099	142,854
Allowance for bad debts(long-term)	(1,113)	(1,069)	(10,887)
	511,384	153,120	5,002,289
Deferred Charges:	436	74	4,265
Translation adjustments	-	4,608	-
<b>TOTAL ASSETS</b>	<b>1,168,308</b>	<b>952,578</b>	<b>11,428,230</b>

**Note 1:** Yen figures have been translated into U.S. dollars, for convenience only at ¥102.23 = \$1.00, the approximate exchange rate prevailing on March 31, 2000.

## Consolidated Balance Sheets

\*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	As of March 31, 2000	As of March 31, 1999	As of March 31, 2000
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable - trade	55,828	57,549	546,102
Short-term loan payable	86,353	23,285	844,693
Portion of long term debt payable within a year	2,531	-	24,758
Straight bonds payable within a year	26,300	15,900	257,263
Convertible bonds payable within a year	-	3,015	-
Commercial paper	-	20,000	-
Income taxes payable	57,743	3,665	564,834
Deferred tax liabilities	28,565	-	279,419
Accrued expenses	23,681	18,845	231,644
Allowance for sales return and rebates	2,259	4,928	22,097
Other current liabilities	61,503	37,407	601,614
Total Current Liabilities	344,767	184,596	3,372,464
Long-Term Debt:			
Bonds payable	169,089	154,500	1,654,006
Convertible bonds payable	8,182	45,508	80,035
Long-term notes payable	126,248	182,183	1,234,941
Allowance for employee retirement benefits	76	-	743
Long-term deferred tax liabilities	3,764	9,753	36,819
Other non-current liabilities	29,102	28,623	284,672
Consolidation adjustment	-	205	-
	336,463	420,773	3,291,235
Translation adjustments	2,051	-	20,063
<b>TOTAL LIABILITIES</b>	<b>683,283</b>	<b>605,370</b>	<b>6,683,782</b>
<b>MINORITY INTEREST</b>	<b>104,284</b>	<b>62,232</b>	<b>1,020,092</b>
<b>SHAREHOLDERS' EQUITY</b>			
Shareholders' Equity:			
Common stock	124,957	104,598	1,222,312
Additional paid-in capital	149,211	127,934	1,459,562
Retained earnings	59,091	52,556	578,020
Unrealized gain (loss) on marketable equity securities	47,546	(8)	465,089
Treasury stock	(66)	(105)	(646)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>380,740</b>	<b>284,975</b>	<b>3,724,347</b>
<b>TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY</b>	<b>1,168,308</b>	<b>952,578</b>	<b>11,428,230</b>

**Note 1:** Yen figures have been translated into U.S. dollars, for convenience only at ¥102.23 = \$1.00, the approximate exchange rate prevailing on March 31, 2000.

## Consolidated Statements of Income

\*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	For the year ended March 31, 2000	For the year ended March 31, 1999	For the year ended March 31, 2000
Net sales (General Operations)	404,635	528,159	3,958,085
Cost of sales (General Operations)	280,780	352,412	2,746,552
<b>Gross Profit (General Operations)</b>	<b>123,854</b>	<b>175,746</b>	<b>1,211,523</b>
Selling, general and administrative expenses	125,201	163,617	1,224,699
<b>Operating Income (General Operations)</b>	<b>(1,346)</b>	<b>12,129</b>	<b>(13,166)</b>
Net sales (Finance Related)	18,585	-	181,796
Cost of sales (Finance Related)	8,861	-	86,677
<b>Operating Income (Finance Related)</b>	<b>9,724</b>	<b>-</b>	<b>95,119</b>
<b>Operating Income</b>	<b>8,377</b>	<b>12,129</b>	<b>81,943</b>
<b>Non-Operating Income</b>	<b>17,571</b>	<b>19,808</b>	<b>171,877</b>
Interest income	2,779	11,200	27,184
Exchange gain	-	3,958	-
Equity income	4,744	-	46,405
Other	10,046	4,649	98,269
<b>Non-Operating Expenses</b>	<b>77,881</b>	<b>47,385</b>	<b>761,821</b>
Interest expense	20,153	36,880	197,134
Exchange loss	44,370	-	434,021
Equity losses	-	6,495	-
Other	13,357	4,009	130,656
<b>Ordinary Income</b>	<b>(51,932)</b>	<b>(15,447)</b>	<b>(507,992)</b>
<b>Extraordinary Income</b>	<b>289,072</b>	<b>66,115</b>	<b>2,827,663</b>
Gain on sales of investment securities	218,207	50,736	2,134,471
Gain on issuance of stock by subsidiaries and affiliates	40,072	10,757	391,979
Exchange gain	-	308	-
Sale of operations	29,001	-	283,684
Other	1,791	4,312	17,519
<b>Extraordinary Loss</b>	<b>204,971</b>	<b>14,028</b>	<b>2,004,999</b>
Losses on sales of marketable and investment	602	3,455	5,889
Evaluated loss on investment securities	3,662	5,568	35,821
Losses on discontinued operations	77,043	3,399	753,624
Loss on issuance of stock by subsidiaries and affiliates	3,236	-	31,654
Write down of intangible assets	119,126	-	1,165,274
Other	1,300	1,605	12,716
<b>Income Before Income Taxes</b>	<b>32,168</b>	<b>36,639</b>	<b>314,663</b>
Provisions for income taxes - Current	52,722	2,958	515,719
Provisions for income taxes - Deferred	62	375	606
Minority interest	29,063	4,233	284,290
<b>Net Income</b>	<b>8,446</b>	<b>37,538</b>	<b>82,618</b>

Note 1: Yen figures have been translated into U.S. dollars, for convenience only at ¥102.23 = \$1.00, the approximate exchange rate prevailing on March 31, 2000.

Note 2: Finance related operations-- Net Sales: eFinance 15,981 International Venture Fund 2,604

Finance related operations-- Operating Expenses: eFinance 8,271 International Venture Fund 589

Finance related operations-- Operating Income: eFinance 7,710 International Venture Fund 2,014

## Consolidated Statements of Shareholders' Equity

\*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	For the year ended March 31, 2000	For the year ended March 31, 1999	For the year ended March 31, 2000
<b>Beginning Balance (as of 3/31/99)</b>	<b>52,556</b>	<b>23,266</b>	<b>514,096</b>
<b>Increase in Retained Earnings</b>	<b>256</b>	<b>19,805</b>	<b>2,504</b>
Increase in retained earnings due to changes in the companies accounted for using the equity method.	-	1,105	-
acquisitions	256	18,700	2,504
<b>Decrease in Retained Earnings</b>	<b>2,168</b>	<b>28,051</b>	<b>21,207</b>
Cash dividends	2,095	4,088	20,493
Directors' bonus	72	53	704
Shares retired and related decreases due to mergers	-	10,557	-
Decrease in retained earnings due to adjustments for acquired operations.	-	13,352	-
Other decreases in retained earnings	-	2	-
<b>Net Income</b>	<b>8,446</b>	<b>37,538</b>	<b>82,618</b>
<b>Ending Balance (as of 3/31/00)</b>	<b>59,091</b>	<b>52,556</b>	<b>578,020</b>

**Note 1:** Yen figures have been translated into U.S. dollars, for convenience only at ¥102.23 = \$1.00, the approximate exchange rate prevailing on March 31, 2000.

## Consolidated Statements Of Cash Flows

Accounts	Millions of yen, rounded down	Thousands of U.S. dollars
	As of March 31, 2000	As of March 31, 2000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Adjustments to reconcile net income to net cash provided by operating activities	32,168	314,663
Depreciation and amortization	32,659	319,466
Minority interest	(4,744)	(46,405)
Gain on issuance of stock by subsidiaries and affiliates	(36,835)	(360,315)
Write down of intangible assets	119,126	1,165,274
Loss on revaluation of marketable and investment securities	(3,028)	(29,619)
Gains on sales of marketable and investment securities	(218,677)	(2,139,069)
Exchange loss	44,370	434,021
Interest income and dividends	(2,779)	(27,184)
Interest expense	20,153	197,134
Loss on discontinued operations	48,041	469,931
Change in assets and liabilities:		
Receivables	(26,214)	(256,422)
Inventories	22,721	222,254
Prepaid expenses and other	(32,650)	(319,378)
Payables	38,523	376,827
Other	3,454	33,787
Total:	36,291	354,994
Interest and dividends received	2,938	28,739
Interest paid	(20,882)	(204,265)
Income tax paid	(17,997)	(176,044)
Net cash provided by operating activities:	349	3,414
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(11,637)	(113,832)
Payment for purchase of marketable and investment securities	(299,091)	(2,925,668)
Proceeds from sales of marketable and investment securities	159,905	1,564,169
Proceeds from sales of subsidiaries	104,724	1,024,396
Acquisition of subsidiaries	(11,610)	(113,567)
Payment on lending	(8,172)	(79,937)
Proceeds from repayment of lending	7,608	74,420
Other	(2,067)	(20,219)
Net cash used in investing activities:	(60,341)	(590,247)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares to minority interests	67,465	659,933
Proceeds from sale of shares to minority interests	83,438	816,179
Increase in short-term debt- Net	68,199	667,113
Repayments of commercial paper	(20,000)	(195,637)
Proceeds from issuance of long-term debt	7,034	68,806
Repayment of long-term debt	(46,738)	(457,185)
Proceeds from issuance of bonds	61,843	604,940
Payment on debt redemption	(35,333)	(345,623)
Partners contributions to venture fund	44,485	435,146
Dividends paid	(2,095)	(20,493)
Other	(7,385)	(72,239)
Net cash (used in) provided by financing activities:	220,914	2,160,951
Effect of exchange rate changes	(307)	(3,003)
Net change in cash and cash equivalents	160,615	1,571,114
Net change in cash and cash equivalents due to new consolidated companies	1,558	15,240
Cash and cash equivalents at beginning of year	105,886	1,035,762
Cash and cash equivalents at end of year	268,060	2,622,127

**Note 1:** Yen figures have been translated into U.S. dollars, for convenience only at ¥102.23 = \$1.00, the approximate exchange rate prevailing on March 31, 2000.

## Segment Information

### A. Business Segment

(Unit: YEN : millions, rounded down)

		For fiscal year ended March 31, 2000								
		e-Finance	e-Commerce	Media & Marketing	International Venture Capital Funds	Internet Culture	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income :									
	Net Sales									
	(1)Net Sales to outside customers	15,981	227,897	118,441	2,604	17,255	41,040	423,220	-	423,220
	(2) Inter-Segment net sales	2,668	3,630	443	-	655	2,893	10,289	(10,289)	-
	Total	18,649	231,527	118,884	2,604	17,911	43,934	433,509	(10,289)	423,220
	Operating Expense	9,278	224,430	120,806	589	15,672	53,897	424,675	(9,832)	414,843
	Operating Income	9,371	7,097	(1,921)	2,014	2,238	(9,963)	8,834	(457)	8,377
2	Assets, Depreciation and Capital Expenditures :									
	Assets	345,957	86,572	239,287	117,451	85,580	239,299	1,114,148	54,159	1,168,308
	Depreciation	190	458	143,492	-	1,723	5,904	151,770	15	151,785
	Capital Expenditures	1,253	1,683	5,514	-	1,502	2,105	12,060	14	12,074

(Unit: YEN : millions, rounded down)

		For fiscal year ended March 31, 1999								
		Software and Network	Media	Technology Events	Services	Internet	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income :									
	Net Sales									
	(1)Net Sales to outside customers	214,077	104,993	38,806	146,547	12,462	11,273	528,159	-	528,159
	(2) Inter-Segment net sales	1,578	167	-	3,813	465	2,379	8,404	(8,404)	-
	Total	215,655	105,160	38,806	150,360	12,927	13,652	536,563	(8,404)	528,159
	Operating Expense	211,850	109,992	29,514	144,957	13,520	14,633	524,468	(8,439)	516,029
	Operating Income	3,805	(4,831)	9,291	5,403	(593)	(981)	12,094	35	12,129
2	Assets, Depreciation and Capital Expenditures :									
	Assets	95,943	386,916	25,830	171,302	115,774	175,911	971,678	(19,100)	952,578
	Depreciation	1,330	13,792	4,982	7,759	1,006	2,028	30,898	421	31,320
	Capital Expenditures	1,088	5,190	1,251	1,438	1,452	550	10,971	94	11,065

#### Note 1:

- The classification of business segments to be adopted is based on an internal division of operations divided along managerial lines. The changes in segment definitions in done to increase the transparency of managerial accountability and earnings performance across the various segments SOFTBANK operates in.
- The Company operates principally in the following business segments:
  - eFinance  
Online brokerage and various onther online financial services as well as domestic venture capital mund management, incubation, and other comprehensive support services.
  - e-Commerce  
Distribution of PC software, PC hardware and network related products and Internet-related business as well as online book and toy e-tailing operations.
  - Media & Marketing  
Publishing of PC-related books and magazines, and gaming magazines as well as the management of technology events.
  - International Venture Capital Funds  
Primarily U.S. focused, but also various other internationally focused Internet-related investment operations. (Excludes Japan)
  - Internet Culture  
Internet directory service operations as well as various other IT related information distributions services.
  - Other  
Internationally located holding companies as well as terrestrial broadcasting-related operations.

#### Note 2:

The amounts of assets included in the column "Elimination or Unallocable Amounts" is 78,670 million yen, which primarily consists of surplus assets (cash & marketable securities), long-term investment in securities (investment securities) and assets by newly established ventures.

#### Note 3:

Depreciation and capital expenditure include long-term prepayments and deferred charges as well as their amortization. The Media & Marketing segment includes depreciation and amortization charges related to the write-off of intangible assets by Ziff-Davis Inc., which is 119,126 million yen.

## B. Geographic Areas

(Unit: YEN : millions, rounded down)

		For the year ended March 31, 2000						
		Japan	North America	Europe	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income (Loss) :							
	Net Sales							
	(1)Net Sales to outside customers	289,458	111,229	11,126	11,406	423,220	-	423,220
	(2) Inter-Segment net sales	72	-	-	11,644	11,717	(11,717)	-
	Total	289,531	111,229	11,126	23,050	434,937	(11,717)	423,220
	Operating Expense	275,240	105,020	11,219	27,982	419,462	(4,619)	414,843
	Operating Income	14,291	6,209	(93)	(4,932)	15,475	(7,097)	8,377
2	Assets	377,262	553,331	84,097	83,185	1,097,877	70,430	1,168,308

(Unit: YEN : millions, rounded down)

		For the year ended March 31, 1999						
		Japan	North America	Europe	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income (Loss) :							
	Net Sales							
	(1)Net Sales to outside customers	226,815	235,823	43,076	22,445	528,159	-	528,159
	(2) Inter-Segment net sales	16	2,746	2,379	0	5,142	(5,142)	-
	Total	226,831	238,569	45,455	22,445	533,301	(5,142)	528,159
	Operating Expense	217,789	240,914	41,938	20,574	521,215	(5,186)	516,029
	Operating Income	9,042	(2,344)	3,517	1,870	12,086	43	12,129
2	Assets	136,294	802,964	17,221	10,901	967,381	(14,803)	952,578

### Note 1

Geographic classifications

1: Methodology for classification

2: Geographic areas

Degree of relative distance to geographic areas

North America: United States, Canada

Europe: England, Germany, France

Other: Singapore, Hong Kong, China

### Note 2:

The amounts of assets included in the column "Elimination or Unallocable Amounts" is 78,670 million yen, which includes surplus assets (cash and securities) at the parent level, long-term investment in securities and assets by newly established ventures.

### **C. Net Sales Excluding Japan**

(Unit: YEN : millions, rounded down)

	For year ended March 31, 2000				For year ended March 31, 1999			
	North America	Europe	Other	Total	North America	Europe	Other	Total
Net Sales in overseas countries (A)	96,774	12,330	26,275	135,380	224,971	47,121	30,543	302,636
Consolidated Net Sales (B)	-	-	-	423,220	-	-	-	528,159
Ratio (A) / (B)	23%	3%	6%	32%	42%	9%	6%	57%

#### Note 1

##### Geographic classifications

- 1: Methodology for classification
- 2: Geographic areas

Degree of relative distance to geographic areas

North America: United States, Canada

Europe: England, Germany, France

Other: Singapore, Hong Kong, China