

**SOFTBANK CORP.**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the fiscal year ended March 31, 2009**

Tokyo, April 30, 2009

**1. FINANCIAL HIGHLIGHTS**

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

**(1) Results of Operations**

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Fiscal year ended March 31, 2009</b>	<b>¥2,673,035</b>	<b>(3.7)</b>	<b>¥359,121</b>	<b>10.7</b>	<b>¥225,661</b>	<b>(12.7)</b>	<b>¥43,172</b>	<b>(60.3)</b>
Fiscal year ended March 31, 2008	¥2,776,168	9.1	¥324,287	19.6	¥258,614	68.6	¥108,624	277.0

	Net income per share—basic (yen)	Net income per share—diluted (yen)	Return on Equity (%)	Ordinary income / Total assets (%)	Operating income / Net sales (%)
<b>Fiscal year ended March 31, 2009</b>	<b>¥39.95</b>	<b>¥38.64</b>	<b>11.4</b>	<b>5.1</b>	<b>13.4</b>
Fiscal year ended March 31, 2008	¥101.68	¥95.90	32.6	5.8	11.7

Note: Equity in earnings of affiliated companies :

Fiscal Year ended March 31, 2009: ¥(13,759) million  
Fiscal Year ended March 31, 2008: ¥55,411 million

**(2) Financial Condition**

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

	Total assets	Total equity	Equity ratio (%)	Shareholders' equity per share (yen)
<b>As of March 31, 2009</b>	<b>¥4,386,672</b>	<b>¥824,798</b>	<b>8.5</b>	<b>¥346.11</b>
As of March 31, 2008	¥4,558,901	¥848,725	8.4	¥355.15

Note: Shareholders' equity (consolidated)

As of March 31, 2009: ¥374,094 million  
As of March 31, 2008: ¥383,742 million

**(3) Cash Flows**

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
<b>Fiscal year ended March 31, 2009</b>	<b>447,857</b>	<b>(266,295)</b>	<b>(210,348)</b>	<b>457,644</b>
Fiscal year ended March 31, 2008	¥158,257	¥(322,461)	¥284,727	¥490,266

## 2. Dividends

(Record date)	Dividends per share					Total Amount of dividends (Annual) (millions of yen)	Payout ratio (Consolidated) %	Dividends on equity (Consolidated) %
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
FY 2008	(yen) -	(yen) 0.00	(yen) -	(yen) 2.50	(yen) 2.50	2,701	2.5	0.8
FY2009	-	0.00	-	2.50	2.50	2,702	6.3	0.7
FY 2010 (Forecasted)	-	0.00	-	5.00	5.00		-	

## 3. Forecasts on the consolidated operation results for the fiscal year ending in March 2009 (April 1, 2009 – March 31, 2010)

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

(Millions of yen)

	Operating income	
First-half financial year	¥ -	- (%)
Full financial year	¥420,000	16.9(%)

## 4. Others

- (1) Significant Changes in Scope of Consolidation (Changes in Scope of Consolidation of Specified Subsidiaries): None
- (2) Changes in accounting principles, procedures, disclosure methods, etc., used in the presentation of the consolidated financial statements (Changes described in “(7) Change in accounting policies”)
  - [1] Changes due to revisions in accounting standards: Yes
  - [2] Changes other than those in [1]: No
- (3) Number of shares issued (Common stock)
  - [1] Number of shares issued (including treasury stock):
 

As of March 31, 2009:	1,081,023,978 shares
As of March 31, 2008:	1,080,664,578 shares
  - [2] Number of treasury stock:
 

As of March 31, 2009:	169,204 shares
As of March 31, 2008:	163,811 shares

[For Reference]

FINANCIAL HIGHLIGHTS (Non-Consolidated)

1. Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary loss		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2009	¥12,343	(3.7)	¥3,064	(36.9)	¥(19,789)	-	¥2,785	(57.0)
Fiscal year ended March 31, 2008	¥12,817	-	¥4,857	-	¥(15,388)	-	¥6,474	-

	Net income per share—basic (yen)	Net income per share—diluted (yen)
Fiscal year ended March 31, 2009	¥2.58	¥ 2.58
Fiscal year ended March 31, 2008	¥6.06	¥ 6.03

2. Non-Consolidated Financial Condition

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

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (yen)
As of March 31, 2009	¥1,349,878	¥401,665	29.8	¥371.62
As of March 31, 2008	¥1,336,787	¥415,403	31.1	¥384.45

Note: Shareholders' equity (non-consolidated)

As of March 31, 2009: ¥401,665 million

As of March 31, 2008: ¥415,403 million

\* Notes to forecasts on the consolidated operating results and another item

1. The forecast figures are estimated based on the information which the company is able to obtain at present point and the assumption which is deemed to be reasonable. However, actual results may be different due to various factors.
2. The earning forecasts for interim period ending September 31, 2009 are not disclosed.

## Qualitative Information / Financial Statements

### 1. Results of Operations

#### (1) Analysis of Results of Operations

##### 1. Consolidated Results of Operations

<<Summary of Results of Operations>>	
Net sales	¥ 2,673,035 million (3.7% decrease year-on-year)
Operating income	¥ 359,121 million (10.7% increase year-on-year)
Ordinary income	¥ 225,661 million (12.7% decrease year-on-year)
Net income	¥ 43,172million (60.3% decrease year-on-year)

#### <Overview of results for the period ended March 31, 2009 (fiscal year from April 1, 2008 to March 31, 2009)>

The SOFTBANK Group (hereinafter ‘the Group’) designated the fiscal year ended March 2009 (April 1, 2008 to March 31, 2009; hereinafter ‘this fiscal year’) as the ‘Year of the Internet Machine,’ and strove to further realize the potential and popularize mobile Internet use. Efforts during this fiscal year include the sales of attractive mobile handsets like Apple’s iPhone™ 3G, and the provision of FMC services\*<sup>1</sup> including *White Call 24*, *White Line 24*, and *White Office* by the Group’s three telecommunication companies—SOFTBANK MOBILE Corp. (hereinafter ‘SOFTBANK MOBILE’), SOFTBANK BB Corp. (hereinafter ‘SOFTBANK BB’), and SOFTBANK TELECOM Corp. (hereinafter ‘SOFTBANK TELECOM’)—. Moreover effective promotions in the peak sales periods and aggressive acquisition of corporate subscribers were also implemented. SOFTBANK MOBILE introduced attractive mobile content including as ‘*MOBILE WIDGET*’ and ‘*S-1 BATTLE*’.

As a result, SOFTBANK MOBILE has achieved the industry’s highest number of monthly net subscriber additions—new subscribers minus cancellations—for 23 consecutive months, going through March 2009. Continuing the pace set in the previous fiscal year ended March 2008 (April 1, 2007 to March 31, 2008; hereinafter ‘the previous fiscal year’), net subscriber additions were also the highest on a full-year basis, with 2,046,700 net additions during this fiscal year. As of the end of this fiscal year, the total number of subscribers stood at 20,632,900, with 3G subscribers constituting more than 90% of this total.

As a result of these efforts, the Group’s net sales for this fiscal year totaled ¥2,673,035 million and operating income came to ¥359,121 million, for the fourth consecutive year of record operating income.

The Group also began releasing earnings forecasts for consolidated operating income and consolidated free cash flow from the second quarter ended September 30, 2008 (announced on October 29, 2008), and consolidated operating income and consolidated free cash flow this fiscal year exceeded those forecasts.

\*1 Fixed Mobile Convergence services: telecommunications services that integrate the functions of mobile communications and fixed-line telecommunications.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	2,544,219	663,084	701,660	694,020	717,402	2,776,168	647,255	681,742	653,264	690,772	<b>2,673,035</b>
Operating income	271,065	78,746	89,000	92,441	64,098	324,287	85,086	94,913	94,690	84,430	<b>359,121</b>
Ordinary income	153,423	51,154	60,010	120,833	26,615	258,614	54,272	63,043	57,178	51,167	<b>225,661</b>
Net income (loss)	28,815	25,130	21,331	46,734	15,427	108,624	19,368	21,747	17,066	(15,009)	<b>43,172</b>

**(a) Net Sales**

Net sales amounted to ¥2,673,035 million a decline of ¥103,132 million (3.7%) year-on-year. This decrease was primarily the result of a ¥67,961 million decline in net sales at the Mobile Communications segment on lower handset sales.

**(b) Operating Income**

Operating income totaled ¥359,121 million, an increase of ¥34,833 million (10.7%) year-on-year. The main contributions to this growth came from continued cost reductions at SOFTBANK TELECOM and SOFTBANK BB, combined with steady profit growth at Yahoo Japan Corporation (hereinafter 'Yahoo Japan'), and increase in operating income at the Fixed-line Telecommunications segment by ¥15,628 million (467.9%), the Internet Culture segment by ¥9,860 million (8.6%), and the Broadband Infrastructure segment by ¥7,553 million (19.0%).

The cost of sales for this fiscal year was ¥1,365,903 million, down ¥101,460 million (6.9%) year-on-year. This decline was due primarily to a lower cost of goods sold in the Mobile Communications and e-Commerce segment and a decrease in telecommunication equipment usage fees at the three telecommunication companies. Selling, general and administrative expenses came to ¥948,011 million, a decrease of ¥36,506 (3.7 %) year-on-year. This decline was primarily attributable to lower expenses related to doubtful accounts at the Mobile Communications segment and lower selling-related expenses at the Broadband Infrastructure segment.

**(c) Non-operating Income**

Non-operating income came to ¥13,016 million, a decrease of ¥56,371 million (81.2%) year-on-year. After recording a ¥55,411 million gain from equity in earnings under the equity-method of affiliated companies in the previous fiscal year, a ¥13,759 million loss from equity earnings of affiliated companies was recorded as a non-operating expense this fiscal year. The primary component of the previous fiscal year's gain in equity was ¥57,223 million from the new listing of Alibaba.com Limited, a subsidiary of the Group's equity-method affiliate Alibaba Group Holding Limited, on the Hong Kong Stock Exchange on November 6, 2007.

**(d) Non-operating Expenses**

Non-operating expenses were ¥146,475 million, an increase of ¥11,414 million (8.5%) year-on-year. The deterioration in the equity market during the year led to a downturn in the performance of investment funds accounted for by the equity-method, resulting in an equity-method investment loss of ¥13,759 million. On the other hand, interest expenses decreased by ¥2,517 million, to ¥112,345 million.

**(e) Special Income**

Special income totaled ¥11,212 million, primarily from the recognition of a ¥3,454 million gain on sale of investment securities and a ¥2,972 million gain on the liquidation of a subsidiary.

**(f) Special Loss**

The special loss came to ¥129,535 million. This was mainly from the recording of ¥75,000 million in relation to in-substance redemption before maturity (debt assumption) executed in the past for the outstanding bonds of SOFTBANK MOBILE Corp., as loss on additional entrustment for debt assumption. An impairment loss of ¥29,478 million was also recorded, the main component of which was a ¥28,999 million write-off of the entire book value and removal costs for assets related to the *Yahoo! BB hikari* service. This impairment of assets related to *Yahoo! BB hikari* was coincident with the launch of the new fiber-optic Internet connection service *Yahoo!BB hikari with FLET'S*<sup>\*2</sup> in this segment.

<sup>\*2</sup> FLET'S is a trademark of Nippon Telegraph and Telephone East Corporation (NTT East) Nippon Telegraph and Telephone West Corporation (NTT West)

**(g) Income Taxes and Others**

Current income taxes of ¥39,390 million were recorded, at the same time deferred income taxes of ¥19,674 million were recorded as credit. Current income taxes declined as a result of the transfer and utilization of loss carryforwards held by SOFTBANK IDC SOLUTIONS Corp. (hereinafter 'SOFTBANK IDC') to Yahoo Japan along with the merger of Yahoo Japan and SOFTBANK IDC on March 30, 2009. Taking the earnings stability and the lesser importance of the balance of loss carryforwards at SOFTBANK BB into consideration, deferred income taxes were recorded as a credit, reflecting the improved collectability of the deferred tax assets.

In addition, ¥44,450 million was recorded as minority interests in net income. As a result, the net income for this fiscal year came to ¥43,172 million.

## 2. Results by Business Segment

### (a) Mobile Communications

<<Summary of Segment Results>>		
Net sales	¥1,562,890 million	(4.2% decrease year-on-year)
Operating income	¥171,389 million	(1.8% decrease year-on-year)
Net subscriber additions totaled 2,046,700 for this fiscal year.		
No. 1 in monthly net additions for 23 consecutive months through March 2009.		
Total number of subscribers at the end of this fiscal year reached 20.63 million, of which 18.65 million were 3G subscribers.		

#### <Analysis of Results>

Net sales were ¥1,562,890 million, down ¥67,961 million (4.2%) year-on-year. Operating income decreased by ¥3,180 million (1.8%) year-on-year to ¥171,389 million. The decrease in net sales was primarily a reflection of a decline in number of handsets sold at SOFTBANK MOBILE, the segment's core company, however due to a steady increase in subscribers, the trend in telecom service revenue was positive this fiscal year. The decline in handset sales reflects the economic slow down and longer handset tenure throughout the industry after the introduction of the installment sales method, which was first introduced by SOFTBANK MOBILE and later on by competitors, etc. During the fourth quarter the net sales in this segment increased compared to the same period of the previous fiscal year.

A special loss of ¥75,000 million was recorded as loss on additional entrustment for debt assumption in relation to in-substance redemption before maturity (debt assumption) executed in the past for the outstanding bonds of SOFTBANK MOBILE.

#### <Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	1,442,040	391,668	422,841	406,081	410,260	1,630,851	372,585	401,375	376,861	412,068	<b>1,562,890</b>
Operating income	155,743	43,528	50,691	53,760	26,589	174,570	44,273	43,890	46,747	36,478	<b>171,389</b>

#### <Number of Mobile Phone Subscribers>

Net subscriber additions (new subscribers minus cancellations) at SOFTBANK MOBILE for this fiscal year totaled 2,046,700 (a 11.0% increase year-on-year,) maintaining SOFTBANK MOBILE's top position on an annual basis with more than two million net additions for the second consecutive year. The number of SOFTBANK MOBILE subscribers totaled 20,632,900\*<sup>3</sup> as of the fiscal year end, while market share\* of cumulative subscribers rose 1.1 percentage points to 19.2% from the end of the previous fiscal year. In addition, the number of 3G subscribers totaled 18,653,600, representing more than 90% of total subscribers. SOFTBANK MOBILE continues to promote the migration to 3G in

advance of the scheduled termination of its 2G service on March 31, 2010.

\*3 The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers. The number of communication module service subscribers at the end of this fiscal year was 56,200.

(Thousands of lines)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net additions	698.6	530.8	612.0	561.0	972.7	2,676.5	525.5	521.4	366.6	633.1	<b>2,046.7</b>
Total	15,908.5	16,440.5	17,052.5	17,613.5	18,586.2	18,586.2	19,111.7	19,633.2	19,999.8	20,632.9	<b>20,632.9</b>

#### <Churn Rate and Upgrade Rate>

The churn rate for this fiscal year was 1.00%, a 0.32 percentage point improvement year-on-year. The upgrade rate in this fiscal year improved by 0.49 percentage point to 1.71%.

(% per month)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Churn rate	1.50	1.46	1.42	1.21	1.19	1.32	0.98	0.98	0.91	1.13	<b>1.00</b>
(3G only)* <sup>4</sup>	1.54	1.07	1.05	0.88	0.85	0.95	0.72	0.76	0.69	0.90	<b>0.77</b>
Upgrade rate	2.61	2.25	2.67	2.00	1.93	2.20	1.27	1.91	1.67	1.98	<b>1.71</b>

\*4 Excludes 3G Prepaid Service.

#### <ARPU and Average Acquisition Commission per User>

Total ARPU\*<sup>5</sup> for this fiscal year was ¥4,070, the decline in total ARPU was a reflection of the decrease in voice ARPU due to an increase in the number of users with *Monthly Discounts*\*<sup>6</sup>, a special discount for subscribers to *New Super Bonus*, etc. There were also one-time factors which had an impact during the fourth quarter including access charge tariff revisions between carriers and the fact that the previous fiscal year was a leap year. On the other hand, data ARPU rose ¥250 year-on-year to ¥1,740 and accounted for 42.8% of total ARPU.

The average acquisition commission per user during the fourth quarter was ¥45,300.

\* 5 Average Revenue Per User

\* 6 The name of New Super Bonus Special Discount was changed to Monthly Discounts on November 1, 2008.



(Yen per month)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Total	5,510	5,000	4,800	4,520	4,310	4,650	4,180	4,170	4,090	3,830	<b>4,070</b>
(Voice)	4,150	3,590	3,340	3,040	2,710	3,150	2,530	2,460	2,300	2,020	<b>2,320</b>
(Data)	1,360	1,410	1,470	1,490	1,600	1,490	1,650	1,710	1,790	1,820	<b>1,740</b>

**(b) Broadband Infrastructure**

<<Summary of Segment Results>>	
<b>Net sales</b>	<b>¥235,199 million (8.9 % decrease year-on-year)</b>
<b>Operating income</b>	<b>¥47,253 million (19.0% increase year-on-year)</b>
<b>Total installed lines for Yahoo! BB ADSL: 4,299,000 (as of this fiscal year end)</b>	
<b>Progress was made in improving the operating margin by reducing expenses</b>	

## &lt;Analysis of Results&gt;

Net sales totaled ¥235,199 million, which was down ¥22,869 million (8.9%) year-on-year. Operating income rose ¥7,553 million year-on-year (19.0%) to ¥47,253 million. Revenue from the ADSL business of core company SOFTBANK BB is trending lower on a decline in aggregate lines installed, but the trend of profit growth continues because of a decrease in sales related expenses like acquisition incentives and lower depreciation for telecommunications equipment, leasing expenses, etc.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Net sales	264,227	65,747	64,072	64,340	63,908	258,069	60,127	59,911	58,376
Operating income	26,809	8,665	10,320	11,309	9,404	39,700	10,475	11,789	14,341	10,646	<b>47,253</b>

## &lt;Overview of Operations&gt;

The number of installed lines for *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB, totaled 4,299,000 lines at this fiscal year end, and ARPU for the fourth quarter was ¥4,262 on a customer payment basis.

SOFTBANK BB launched the *Yahoo! BB White Plan* a two-tiered flat-rate ADSL service, with a basic rate\*<sup>7</sup> of as low as ¥980, on December 1, 2008. The *SoftBank Keitai Set Discount*, a bundled service for users of both the *Yahoo! BB White Plan* and SoftBank 3G phones, was also launched on the same day. By cross-selling with SOFTBANK MOBILE, SOFTBANK BB is creating synergies across the Group companies, leading to enhanced competitiveness.

The *Yahoo!BB hikari with FLET'S* service was launched in February 2009 to address customer demand for a diverse range of broadband services. In connection with this launch, a ¥28,999 million impairment loss representing the entire book value and removal costs for assets related to the previous *Yahoo! BB hikari* was recorded as a special loss.

\*7 Basic rate + provider charge

**(c) Fixed-line Telecommunications**

<<Summary of Segment Results>>	
<b>Net sales</b>	<b>¥363,632 million (1.9% decrease year-on-year)</b>
<b>Operating income</b>	<b>¥18,968 million (467.9% increase year-on-year)</b>
<b>Total installed lines for <i>OTOKU Line</i>: 1,608,000 (as of this fiscal year end)</b>	
<b>As a result of fixed cost reductions and an increase in the number of lines for <i>OTOKU Line</i>, operating income increased 467.9% year-on-year.</b>	

## &lt;Analysis of Results&gt;

Net sales were ¥363,632 million, down ¥7,108 million (1.9%) year-on-year. Operating income totaled ¥18,968 million, an increase of ¥15,628 million (467.9%) year-on-year. At the core company SOFTBANK TELECOM, revenue from the *OTOKU Line* direct connection fixed-line voice service and from corporate sales of mobile phones continued to show steady growth, but the downward trend in revenue from existing voice services including *MY LINE* and international telephone services continued. Nevertheless, the segment is showing a trend of profit growth on improved management efficiency including continued fixed cost reductions, and growth in the number of lines with high profitability like *OTOKU Line* and *Ether Connect*.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Net sales	374,129	90,486	90,986	89,979	99,288	370,740	88,453	90,005	90,196
Operating income (loss)	(2,965)	(111)	460	1,375	1,615	3,340	798	4,759	5,777	7,632	<b>18,968</b>

## &lt;Overview of Operations&gt;

SOFTBANK TELECOM continues to leverage its core *OTOKU Line* service to expand its corporate customer base. The number of *OTOKU Line* lines installed is increasing steadily and stood at 1,608,000 as of this fiscal year end, for an increase of 206,000 (14.7%) from the end of the previous fiscal year. Corporate customers constituted 77.6% of the total number of lines, and this figure continues to rise.

SOFTBANK TELECOM launched the *White Line 24* discount service, which provides free domestic voice calls, 24 hours a day, between subscribers of SOFTBANK TELECOM's *OTOKU Line* service and SoftBank mobile phones (*White Plan*), in June 2008. SOFTBANK TELECOM also began accepting applications for the *White Office* corporate FMC service, which enables mobile phones to be used as extension lines of fixed-line telephones, in March 2009. SOFTBANK TELECOM will keep working to enhance synergies with the Mobile Communications segment and further strengthen the corporate business.

**(d) Internet Culture**

<<Summary of Segment Results>>		
<b>Net sales</b>	<b>¥254,238 million</b>	<b>(2.7% increase year-on-year)</b>
<b>Operating income</b>	<b>¥125,098 million</b>	<b>(8.6% increase year-on-year)</b>

## &lt;Analysis of Results&gt;

Net sales increased by ¥6,595 million (2.7%) year-on-year to ¥254,238 million. Operating income increased by ¥9,860 million (8.6%) year-on-year to ¥125,098 million.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	194,212	52,796	57,623	66,505	70,717	247,642	62,326	63,259	64,247	64,404	<b>254,238</b>
Operating income	96,544	27,148	27,766	28,864	31,457	115,237	30,542	30,645	30,872	33,037	<b>125,098</b>

## &lt;Overview of Operations&gt;

In the advertising business of Yahoo Japan, the core company of the segment, display advertising sales grew more than 100% compared to the last fiscal year due to higher recognition of behavioral targeting and demographic targeting advertising. Increased synergies with consolidated subsidiary Overture K.K. in the paid search advertising, and enhanced adoption of media outside the Yahoo Group lead to approximately 40% growth in sales. However, due to the sudden worsening of the economic situation in the latter half of the year, the display advertising sales declined, and there was a large decrease in placements of paid search advertisements in certain industries. The growth in interest-linked advertising Interest Match™, which was started in September, continued and mobile advertising also grew mainly on paid search advertising sales.

In business services other than advertising, *Yahoo! Shopping* continued its efforts during the period such as developing sales promotions in line with the season etc. as well as simplification of the shopping procedures and the addition of shopping item review functions in order to enhance the usability. As a result, the transaction volume expanded. The number of merchant stores registered on *Yahoo! Shopping* and *Yahoo! Auctions* totaled 32,843, expanding by 1,554 stores, or 5.0% year-on-year. Tenant and commission fees for *Yahoo! Shopping* and *Yahoo! Auctions* also expanded favorably helped by the upward revision in *Yahoo! Auctions* store royalties that began in December.

In the personal service business, due to efforts by the *Yahoo! Premium* service to add special benefits for members, such as member-exclusive services, and to increase value-added content, the number of *Yahoo! Premium* membership IDs rose to a record high of 7.36 million (an increase of 6.4% year-on-year) and sales increased approximately 20% despite the increased monthly membership fee in December.

SOFTBANK IDC Solutions Corp. was merged by absorption into Yahoo Japan on March 30, 2009 this will allow Yahoo Japan to reduce data center related costs and build a strategic base for the next generation Internet business.

**(e) e-Commerce**

<<Summary of Segment Results>>		
<b>Net sales</b>	<b>¥258,184 million</b>	<b>(4.6% decrease year-on-year)</b>
<b>Operating income</b>	<b>¥4,636 million</b>	<b>(46.9% increase year-on-year)</b>

## &lt;Analysis of Results&gt;

Net sales were ¥258,184 million, which was ¥12,539 million (4.6%) less year-on-year. Operating income rose ¥1,479 million (46.9%) year-on-year to ¥4,636 million.

## &lt;Quarterly Results&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
		Net sales	271,570	61,660	63,812	69,634	75,615	270,723	62,459	65,522	64,706
Operating income	6,680	1,167	933	809	246	3,156	1,009	1,737	1,055	833	<b>4,636</b>

## &lt;Overview of Operations&gt;

Core company SOFTBANK BB's Commerce & Service Division posted solid sales of hardware and software to retail customers, but the deterioration in the market environment from autumn 2008 has led to a large decline in corporate sales, and net sales declined as a result. On the other hand, continuous improvement of operational efficiency and readjustment of the product mix supported revenue. In addition, *SoftBank SELECTION*, launched in November 2007, began to contribute to earnings as the lineup of mobile phone accessories was expanded and the number of stores handling these products increased.

This segment will continue to pursue additional synergies with telecommunication related companies in the Group as it strengthens its sales of mobile phone accessories, PC and mobile software, and corporate solutions packaged around telecommunications lines.

**(f) Others**

## &lt;Analysis of Results&gt;

Net sales decreased by ¥11,646 million (11.7%) year-on-year to ¥88,226 million. The operating loss was ¥194 million, compared with the previous fiscal year's loss of ¥5,121 million.

This segment includes the Technology Services business (SOFTBANK TECHNOLOGY CORP.), the Media & Marketing business (mainly SOFTBANK Creative Corp. and ITmedia Inc.), the Overseas Funds business, and Other businesses (mainly TV Bank Corporation and Fukuoka Softbank Hawks Corp.).

Broadmedia Corporation, which belonged to the Broadmedia segment that was previously included in this segment, changed from a consolidated subsidiary to an equity-method affiliate as the result of a capital increase via third-party

allotment of shares carried out on May 16, 2008. The Broadmedia segment was therefore disbanded at the beginning of this fiscal year.

<Quarterly Results>

(Millions of yen)

	Fiscal year ended March 31, 2007 Full year	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	90,785	24,871	26,907	23,184	24,909	99,873	21,818	24,189	20,556	21,662	<b>88,226</b>
Operating income (loss)	(4,730)	(689)	38	(2,617)	(1,852)	(5,121)	(758)	3,383	(2,855)	36	<b>(194)</b>

### 3. Earnings Forecasts

The Group is forecasting consolidated operating income of ¥420.0 billion and consolidated free cash flow of ¥250.0 billion for the fiscal year ending March 31, 2010.

These forecasts anticipate improvements from this fiscal year of ¥60.8 billion for consolidated operating income and ¥68.4 billion for consolidated free cash flow. The Group will endeavor to achieve these forecasts and continue to improve cash flows through activities to improve earnings, primarily at the Mobile Communications segment where sales have been strong, combined with efficient capital expenditure.

<Earnings Forecasts>

(Billions of yen)

	Results		Forecast
	Fiscal year ended March 31, 2008 (FY2007)	Fiscal year ended March 31, 2009 (FY2008)	Fiscal year ending March 31, 2010 (FY2009)
Consolidated operating income	324.2	359.1	420.0
Consolidated free cash flow* <sup>8</sup>	(164.2)	181.5	250.0

\*<sup>8</sup> The combined net consolidated cash flows from operating activities and investing activities

Consolidated net sales are greatly influenced by the sales method used for mobile handsets, which makes it difficult to forecast business results. In addition, the Company holds a variety of investment securities and invests in funds that are vulnerable to the market environment, making it difficult to estimate earnings under the equity-method and special income/loss, and for this reason, meaningful earnings forecasts for consolidated ordinary income and consolidated net income cannot be provided at this time.

The Group's main activities are in the Internet and telecommunications industry in which the market situation changes rapidly. There is therefore a possibility that new sales method etc. will be introduced flexibly in the future in response to changes in the market situation. In this market environment it is difficult to make forecasts, therefore the Group does not disclose earnings forecasts for the interim period ending September 30, 2009..

## (2) Analysis of Financial Position

<<Summary of the Consolidated Financial Position>>		
<b>Total assets</b>	<b>¥4,386,672 million</b>	<b>(3.8% decrease year-on-year)</b>
<b>Total liabilities</b>	<b>¥3,561,873 million</b>	<b>(4.0% decrease year-on-year)</b>
<b>Equity</b>	<b>¥824,798 million</b>	<b>(2.8% decrease year-on-year)</b>
<b>Cash flows from operating activities</b>	<b>¥447,857 million provided</b>	
<b>Cash flows from investing activities</b>	<b>¥266,295 million used</b>	
<b>Cash flows from financing activities</b>	<b>¥210,348 million used</b>	
<b>Balance of cash and cash equivalents</b>	<b>¥457,644 million</b>	<b>(¥32,622 million decrease from the end of March 2008)</b>

### 1. Assets, Liabilities and Equity

Assets, liabilities, and equity at the end of this fiscal year were as follows:

#### (a) Current Assets

Current assets decreased by ¥62,431 million from the end of the previous fiscal year, to ¥1,520,313 million. This decrease was primarily due to a ¥33,207 million decline in cash and deposits as the result of the acquisition of treasury stock by Yahoo Japan, and a ¥29,638 million decline in notes and accounts receivable–trade that reflected lower sales at SOFTBANK BB’s Commerce & Service Division and an increase in internal transactions from SOFTBANK TELECOM PARTNERS Corp. being made a subsidiary. At the end of this fiscal year, SOFTBANK MOBILE’s accounts receivables were classified by uncollected period, ¥48,294 million which exceeded the normal operating cycle was transferred to investments and other assets as long-term pending claims, resulting in the transfer of the corresponding allowance of doubtful accounts to investments and other assets.

#### (b) Fixed Assets

Property and equipment, net, decreased by ¥28,318 million from the end of the previous fiscal year, to ¥1,000,946 million. This decline was primarily due to depreciation and amortization, and a ¥16,212 million impairment write-down on dedicated assets of *Yahoo! BB hikari*. Intangible assets decreased by ¥16,200 million from the end of the previous fiscal year, to ¥1,222,108 million. This included a ¥44,208 million increase in goodwill associated with making SOFTBANK TELECOM PARTNERS Corp. a consolidated subsidiary of SOFTBANK TELECOM, and from the acquisition of treasury stock by Yahoo Japan Corporation. This was more than offset, however, by ¥61,111 million in amortization of goodwill mainly relating to SOFTBANK MOBILE and SOFTBANK TELECOM.

Investments and other assets decreased by ¥63,782 million from the end of the previous fiscal year, to ¥641,980 million. This decrease was primarily the result of a ¥144,894 million decrease in investment securities associated with a decline in the share price of Yahoo! Inc. in the U.S. At the same time, with the revaluation of the collectability of the deferred tax assets at SOFTBANK BB, etc. deferred tax assets grew by ¥31,340 million. In addition, ¥48,294 million of long-term pending claims from accounts receivables-trade and the corresponding allowance for doubtful accounts, out of which



¥16,305 million was written down, were transferred to investments and other assets. As a result, long term claims and the corresponding allowance for doubtful accounts of ¥31,988 million were included in investments and other assets.

### **(c) Current Liabilities**

Current liabilities increased by ¥108,878 million from the end of the previous fiscal year, to ¥1,349,583 million. Although notes accounts payable—trade decreased by ¥26,939 and income taxes payable decreased by ¥13,716 million, short-term borrowings increased by ¥126,960 million, primarily by the Company under the credit line facility. Lease obligations also grew by ¥18,470 million.

### **(d) Long-term Liabilities**

Long-term liabilities decreased by ¥257,181 million from the end of the previous fiscal year, to ¥2,212,290 million. This was mainly because of a decrease in long-term borrowings by ¥150,352 million, corporate bonds outstanding by ¥120,645 million, and deferred tax liabilities by ¥13,181 million. However, ¥75,000 million in long-term payables of other liabilities associated with the loss additional entrustment for debt assumption was recorded.

At the Mobile Communications segment, the balance of long-term debt procured by SOFTBANK MOBILE through the whole business securitization financing scheme decreased by ¥91,635 million from the end of the previous fiscal year, to ¥1,184,853 million.

### **(e) Equity**

Equity decreased by ¥23,926 million from the end of the previous fiscal year, to ¥824,798 million. Retained earnings increased by ¥40,474 million, but the net unrealized gain on other securities decreased by ¥49,580 million because of the decline in share price of Yahoo Inc. in the U.S., and foreign currency translation adjustments were down ¥37,992 million as well. The decline in foreign currency translation adjustments was the result of the yen's continued appreciation since the end of the previous fiscal year, which led to a decline in the value of equity in overseas subsidiaries.

The acquisition of treasury stock by Yahoo Japan Corporation also reduced minority interest in consolidated subsidiaries by ¥14,447 million.

## **2. Cash Flows**

During this fiscal year, net cash provided by operating activities was ¥447,857 million, net cash used in investing activities was ¥266,295 million, and net cash used in financing activities was ¥210,348 million. As a result, free cash flow (the combined net cash flows from operating activities and investing activities) for this fiscal year totaled ¥181,562 million.

At the end of this fiscal year, cash and cash equivalents totaled ¥457,644 million, a decrease of ¥32,622 million from the end of the previous fiscal year.

## &lt;Trend of Cash Flows&gt;

(Millions of yen)

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008					Fiscal year ended March 31, 2009				
	Full year	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Cash flow from operating activities	311,201	(27,478)	27,922	56,812	101,001	158,257	52,899	124,307	93,561	177,089	447,857
Cash flow from investing activities	(2,097,937)	(111,519)	(115,766)	(46,349)	(48,826)	(322,461)	(90,769)	(74,334)	(58,016)	(43,175)	(266,295)
(Reference) free cash flow*	(1,786,735)	(138,997)	(87,843)	10,462	52,175	(164,203)	(37,869)	49,972	35,545	133,914	181,562
Cash flow from financing activities	1,718,384	218,480	85,045	(2,311)	(16,487)	284,727	(32,254)	(49,689)	(67,564)	(60,840)	(210,348)
Cash and cash equivalents, beginning of period	446,694	377,520	457,727	452,771	460,278	377,520	490,266	419,498	419,186	383,703	490,266
Cash and cash equivalents, end of period	377,520	457,727	452,771	460,278	490,266	490,266	419,498	419,186	383,703	457,644	457,644

\*The combined net cash flows from operating activities and investing activities

**(a) Cash Flow from Operating Activities: ¥447,857 million net inflow**

Income before income taxes and minority interests for this fiscal year totaled ¥107,338 million, while non-cash items included depreciation and amortization of ¥236,013 million, amortization of goodwill of ¥61,111 million, and impairment losses of ¥29,478 million. In terms of working capital, receivables–trade turned to a decline, having a ¥1,699 million positive impact on operating cash flow, while a decline in payables–trade had a negative impact of ¥29,230 million. Income taxes paid by Yahoo Japan and other entities were ¥60,408 million.

**(b) Cash Flow from Investing Activities: ¥266,295 million net outflow**

Capital expenditure in the form of purchases of property and equipment and intangibles, mainly at the telecommunications segments, totaled ¥240,637 million. Purchases of securities and investment securities totaled ¥33,197 million. In addition, SOFTBANK TELECOM's acquisition of additional shares of SOFTBANK TELECOM PARTNERS Corp., making it a consolidated subsidiary of SOFTBANK TELECOM etc., resulted in an outlay of ¥17,530 million for the acquisition of interests in subsidiaries newly consolidated.

As a result, free cash flow for this fiscal year was positive at ¥181,562 million.

**(c) Cash Flow from Financing Activities: ¥210,348 million net outflow**

Proceeds from long-term debt totaled ¥234,681 million, and short-term borrowings, net increased by ¥116,358 million. Proceeds of ¥90,208 million were recorded from the sale and lease back of equipment newly acquired, mainly at the Mobile Communications segment. In terms of outflows, ¥372,300 million of long-term borrowings were repaid, bond

redemptions totaled ¥108,930 million, and ¥81,347 million of lease obligations were repaid. A ¥71,166 million outlay was also recorded for the purchase of treasury stock of consolidated subsidiaries in consolidation, mainly at Yahoo Japan.

#### (d) Trends in Cash Flow Related Indicators

A summary of trends in cash flow related indicators is presented below.

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Equity ratio	6.6 %	8.4 %	8.5 %
Equity ratio (Market cap.)	74.2 %	42.8 %	30.9 %
Debt repayment period	4.5 years	4.0 years	3.5 years
Interest coverage ratio	6.6	5.4	6.0

Notes:

1. The above indicators are calculated using the following formulas based on consolidated figures.

Equity ratio: Shareholders' equity divided by total assets

Equity ratio (Market cap.): Market capitalization divided by total assets

Debt repayment period: Interest-bearing debt divided by EBITDA

Interest coverage ratio: EBITDA divided by interest expenses

2. EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses.

3. Market capitalization is calculated based on the number of shares outstanding, net of treasury stock

4. Interest-bearing debt is the sum of all borrowing, commercial paper, and bonds on the Consolidated Balance Sheets for the end of the fiscal year.

5. Interest expense is the corresponding figure on the Consolidated Statements of income for the fiscal year.

A summary of cash flow related indicators excluding the Mobile Communications Segment is shown below.

	Fiscal year ended March 31, 2007	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Debt repayment period	4.6 years	3.6 years	3.1 years
Interest coverage ratio	6.8	7.7	10.2

#### (Reference)

##### (a) Summary of main investment activities

The main investment activities in this fiscal year are as follows:

Month of investment	Name of company invested in	Investee	Invested amount	Voting rights
Apr 2009	SOFTBANK TELECOM PARTNERS Corp.	SOFTBANK TELECOM Corp.	¥17,204* million	100.0%
Apr 2009	Oak Pacific Interactive	SOFTBANK CORP.	¥10,240 million	14.1%

\*This is the amount after the cash and cash deposits etc. of ¥8,325 million owned by SOFTBANK TELECOM PARTNERS Corp. has been deducted from the amount used for acquisition of additional shares ¥25,530 million.

**(b) Major Financing Activities**

The major financing activities in this fiscal year were as follows:

Item	Company Name	Details	Summary
Stock buyback by subsidiaries in consolidation	Yahoo Japan Corporation	Implementation of the stock buyback by Yahoo Japan Corporation	Buyback Period: June 2, 2008 to July 10, 2008 Total amount of buyback: ¥51,639 million
		Implementation of the stock buyback by Yahoo Japan Corporation	Buyback date: March 18, 2009 Total amount of buyback: ¥17,536 million*
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥45,343 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 27, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥57,278 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: September 29, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥45,655 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: December 29, 2008 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
		Procurement of funds totaling ¥61,405 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: March 30, 2009 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via the whole business securitization financing scheme
	SOFTBANK BB	Procured a total of ¥20,000 million through the securitization of current and future ADSL receivables linked to the provision of services (recorded as borrowings)	Procurement date: March 26, 2009 Redemption method: monthly and quarterly redemption Use: repayment of consolidated interest-bearing debt
Increase or decrease in debt and others (excluding securitization of receivables)	SOFTBANK CORP.	Increase ¥102,999 million (net)	
	SOFTBANK MOBILE Corp.	Decrease ¥91,635 million	Repayment of funds raised via the whole business securitization financing scheme
	SOFTBANK TELECOM Corp.	Decrease ¥31,000 million	
	Yahoo Japan Corporation	Decrease ¥20,000 million	

\* The amount of group internal sales transaction amounting to ¥12,491 million has been subtracted from the total amount of shares bought back by Yahoo Japan at ¥30,027 million.

Item	Company Name	Details	Summary
Bond redemption	SOFTBANK CORP.	20 <sup>th</sup> Unsecured Straight Bond	Date of redemption: June 9, 2008 Aggregate amount of redemption: ¥12,500 million
		21 <sup>st</sup> Unsecured Straight Bond	Date of redemption: September 12, 2008 Aggregate amount of redemption: ¥20,000 million
		23 <sup>rd</sup> Unsecured Straight Bond	Date of redemption: November 28, 2008 Aggregate amount of redemption: ¥20,000 million
		Convertible bond due 2015	Date of early redemption: March 21, 2009 Aggregate amount of redemption: ¥50,000 million
Implementation of capital investment through finance lease agreements	SOFTBANK MOBILE Corp. etc.	Implementation of capital expenditure mainly for mobile communications utilizing lease agreements	Funds procured during this period : ¥90,208 million

### (3) Fundamental Policy for Distribution of Profit, and Dividends for Current and Following Year

The Company strives to increase returns to shareholders by raising corporate value, and has a fundamental policy of returning appropriate amounts of profit to shareholders and other stakeholders.

The Company's policy regarding dividends to shareholders is to balance the strengthening of the operating base by reducing interest-bearing debt while maintaining a stable dividend over the medium to long term. The Company is currently putting efforts into cash flow operations, focusing on the reduction of interest-bearing debt and therefore intends to pay a dividend of ¥2.5 per share this year, the same amount as last year. The earnings forecasts for the next fiscal year anticipate great improvements in free cash flow as the result of cash flow management. In order to return profits to the shareholders the dividend for the next fiscal year is scheduled to be double the amount of this fiscal year at ¥5 per share.

## 2. The SOFTBANK Group

As of March 31, 2009, the Group comprised the Company (a pure holding company) and the following nine business segments. The number of consolidated subsidiaries and equity-method companies in each business segment is as follows.

Business segments	Consolidated subsidiaries	Equity-method non-consolidated subsidiaries and affiliates	Main business of segment and name of business
Mobile Communications	6	2	Provision of mobile communication services and sale of mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
Broadband Infrastructure	6	3	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, and provision of content etc. (Core company: SOFTBANK BB Corp. <sup>(*)</sup> )
Fixed-line Telecommunications	3	-	Provision of fixed-line telecommunication services etc. (Core companies: SOFTBANK TELECOM Corp.)
Internet Culture	17	18	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation <sup>(*)</sup> <sup>(2)</sup> )
e-Commerce	7	4	Distribution of PC software and hardware including PCs and peripherals and enterprise solutions, and diversified e-commerce businesses, including business transaction platforms (B2B) and consumer-related e-commerce (B2C) etc. (Core companies: SOFTBANK BB Corp. <sup>(*)</sup> Vector Inc., Carview Corporation)
Others <sup>(*)</sup> <sup>(3)</sup>	69	47	Technology Services, Media & Marketing, Overseas Funds, and Other businesses (Core companies: SOFTBANK TECHNOLOGY CORP., SOFTBANK Creative Corp., ITmedia Inc., Fukuoka SoftBank Hawks Marketing Corp.)
Total	108	74	

### (Notes)

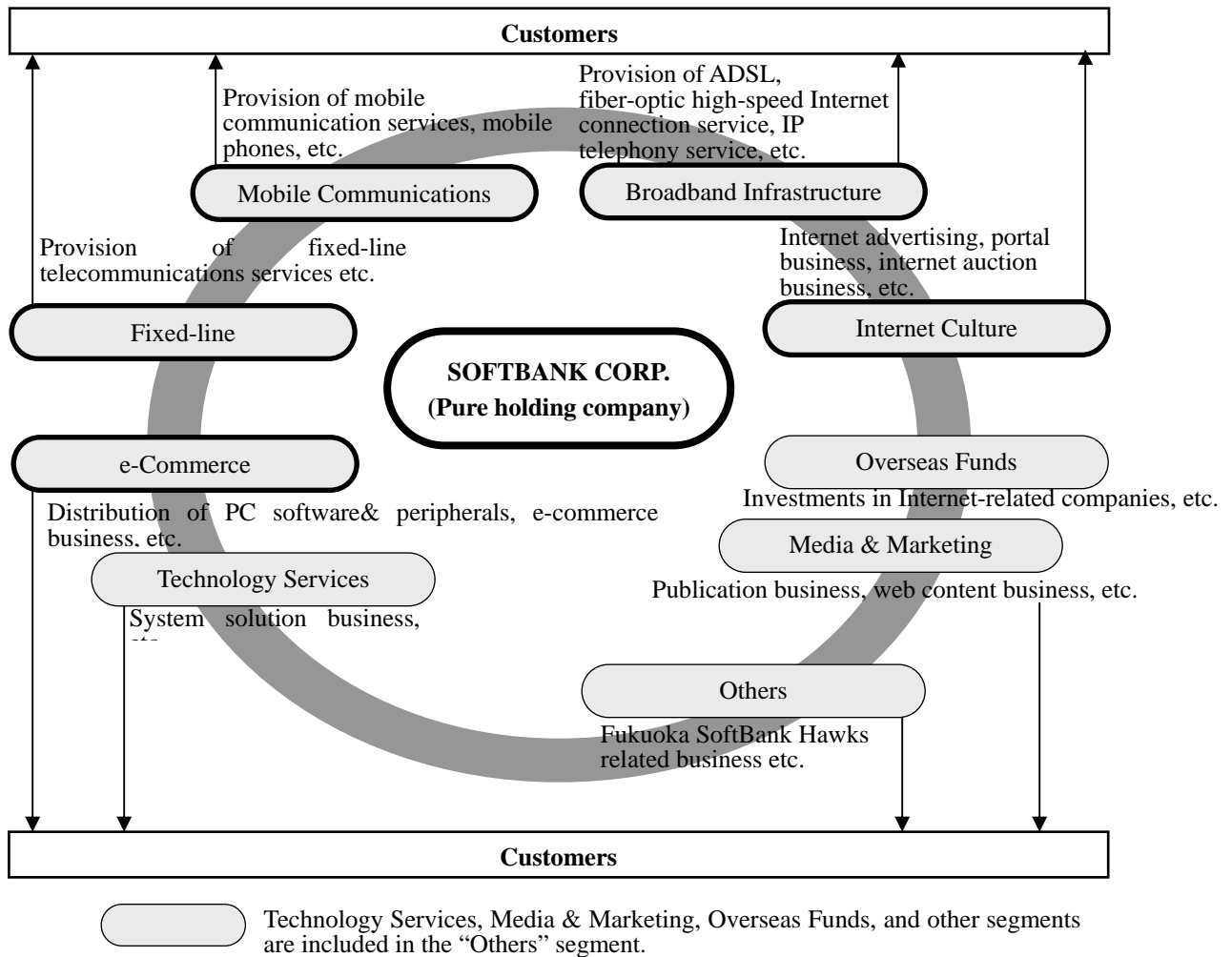
\*1. SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation are included in as consolidated subsidiaries in the Broadband Infrastructure, Fixed-line Telecommunications and Internet Culture segments, respectively, while SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation operate multiple businesses and their operating results are allocated to multiple business segments.

\*2. SOFTBANK IDC Solutions Corp. (its company name changed from SOFTBANK IDC Corp. on February 2, 2009) which was previously included in the Fixed-line Telecommunications segment merged with Yahoo Japan Corporation on February 2, 2009. As a result of this merger the datacenter business that was taken over from SOFTBANK IDC Corp. by Yahoo Japan is included in the Internet Culture segment from this fiscal year.

\*3. Broadmedia Corporation, which belonged to the Broadmedia segment that was previously included in Others above, changed from a consolidated subsidiary to an equity-method affiliate as the result of a capital increase via third-party allotment of shares implemented on May 16, 2008. The Broadmedia segment was therefore disbanded in the first quarter of this fiscal year.

[Segment Diagram]

The diagram of the Group’s segments is as follows:



[Listed Companies]

The following SOFTBANK subsidiaries are listed on domestic stock exchanges as of March 31, 2009:

Company Name	Listed Exchange
Yahoo Japan Corporation	Tokyo Stock Exchange 1st section Jasdaq Securities Exchange
SOFTBANK TECHNOLOGY CORP.	Tokyo Stock Exchange 1st section
Vector Inc.	Osaka Securities Exchange Hercules
ITmedia Inc. <sup>(Note3)</sup>	Tokyo Stock Exchange Mothers
Carview Corporation <sup>(Note3)</sup>	Tokyo Stock Exchange Mothers

### 3. Management Policies

#### (1) Fundamental Management Policies

Since its establishment, the SOFTBANK Group has followed the fundamental management policy of ‘Endeavoring to benefit society and the economy and to maximize corporate value by fostering the sharing of wisdom and knowledge gained through the IT revolution.’ The Group is working to facilitate the realization of a ‘true ubiquitous society,’ where broadband will enable anyone to access all kinds of information at any time and anywhere.

As a corporate group based on Internet-related businesses, the Group will not limit itself to its existing role of a telecom operator. Rather, by providing both information infrastructure and content as a ‘comprehensive digital information company,’ the Group aims to make people’s lifestyles and business styles more affluent and enjoyable, and to be the global No. 1 corporate group in the broadband era.

#### (2) Target Management Indices

The Group places great importance on results and rates of change in the principal management indices—net sales, operating income, ordinary income, net income, cash flow and EBITDA\*<sup>1</sup>—for each of our internal management segments. The Group also attaches great importance to indices that track user trends, particularly in the telecommunications businesses, such as the number of subscribers, market share, churn rate, and ARPU. In addition, the Group began releasing earnings forecasts (commitments) for consolidated operating income and cash flows (cash flows from operating activities, cash flows from investing activities, and free cash flow ) with the announcement of earnings results for the second quarter of the fiscal year ended March 31, 2009 (released on October 29, 2008). Going forward, the Group will work to further strengthen its financial position by managing cash flows, maximizing free cash flow, and reducing interest-bearing debt.

\*1 EBITDA: Operating income/loss + depreciation and loss from disposal of fixed assets (which are included in operating expenses.)

#### (3) Medium-and-Long-Term Strategies

As a ‘comprehensive digital information company’ in the ubiquitous age, the Group aims to integrate fixed-line and mobile telecommunications broadband services and to seamlessly develop a range of broadband content over that infrastructure. In this way, the Group will work to maximize Group revenue and corporate value through the establishment of unique ‘business models for the broadband era’ that will generate long-term, stable income from its infrastructure businesses, increased returns from its portal businesses, and diversified sources of profit from its content businesses.

In addition, the Group operates its businesses with the aim of being the ‘No. 1 Internet Company in Asia’ and the ‘No. 1 Mobile Internet Company.’ In China, the world’s largest market, we have invested in Oak Pacific Interactive, which operates one of China’s largest SNS ‘Xiaonei,’ in addition to the Alibaba Group, our strategic partner in China, in order to enhance efforts in the area of Internet services in China going forward. In the mobile Internet field, the Group has established the ‘Joint Innovation Lab (JIL B.V.)’ joint venture with China Mobile Limited, the world’s largest mobile operator in terms of the number of subscribers, and Vodafone Group Plc, the world’s No. 2 mobile operator. JIL began by offering a Mobile Widget\*<sup>2</sup> platform, and through innovation and synergies in the mobile communications industry, and is providing new services to users around the world. Verizon Wireless, the operator with one of the largest subscriber bases in the U.S., also participates in JIL, and the four companies involved in this project represent a customer base of approximately one billion customers.

\*2 Mobile Widget: An application on the mobile handset screen that allows for one-touch access to desired information.



#### (4) Important Management Issues for the Company

##### 1. Initiatives to reduce interest-bearing debt

The Group's interest-bearing debt as of March 31, 2009, stood at ¥2,400,391 million. The majority of this amount represents borrowings for the acquisition of the mobile communications business, and the remainder totals ¥1,184,853 million. Repayments are being made ahead of schedule, with total repayments of ¥181,146 million made during the fiscal year ended March 31, 2009.

The Group generated consolidated free cash flow of ¥181,562 million during the year, and has made a commitment to generate ¥250,000 million in the fiscal year ending March 31, 2010. Free cash flow is used to repay interest-bearing debt, thereby strengthening the Group's financial position.

##### 2. Initiatives in the Mobile Communications segment

Immediately following its full-fledged entry into the mobile communications market, the Group identified four key initiatives – '3G network enhancement,' '3G handset lineup enrichment,' 'mobile content enhancement,' and 'enhancement of sales structure & branding'—and has worked to expand the customer base and further establish the 'SoftBank' brand. The Group will continue to work on the implementation of these initiatives as a means of contributing to its overall growth.

The Group has made 'Mobile Internet Content' its area of focus for 2009, and will provide attractive content to allow customers to have a more enjoyable, ongoing mobile Internet experience. As a first step in this area, the comedy video contest *S-1 BATTLE* was launched on March 1, 2009.

##### 3. Initiatives in the Broadband Infrastructure segment

The Group's comprehensive broadband service, *Yahoo! BB* has the largest share of the market for ADSL services, but the broadband market is experiencing a shift to higher speed FTTH\*<sup>3</sup> services that use optical fiber. The Group is therefore striving to retain ADSL customers by expanding the service lineup and continuing to provide services that meet customer needs. These services include the FMC service *White Call 24*, which offers free domestic calls 24-hours a day between SoftBank mobile phones and the IP telephone service offered by SOFTBANK BB, and the new *Yahoo! BB White Plan*, which can be used for as little as ¥655/month\*<sup>4</sup> with a two ceilings plan and *SOFTBANK Keitai Set Discount*.

The Group is also working to expand its lineup of FTTH services, and in February 2009 SOFTBANK BB launched the *Yahoo!BB hikari with FLET'S* as one step in this process. We are working aggressively to attract customers who prefer FTTH services.

\*<sup>3</sup> Fiber To The Home: A data telecommunications service for homes using an optical fiber connection.

\*<sup>4</sup> When used with SoftBank 3G in the eastern Japan area.

##### 4. Initiatives in the Fixed-line Telecommunications segment

The consumer market for fixed-line telecommunications operations continues to shrink because of the penetration of mobile phones and IP phone services, but demand remains firm in the corporate market. Given this environment, SOFTBANK TELECOM Corp. continues to directly market fixed-line services to corporations, with an emphasis on the *OTOKU Line*, a direct connection fixed-line voice service. SOFTBANK TELECOM also began accepting applications for *White Office*, a corporate FMC service that uses SOFTBANK MOBILE's mobile phone services to use mobile phones as extension lines for fixed-line phones, from March 2, 2009. Other FMC services already introduced to aggressively acquire subscriber

lines include *White Plan Corporate Discount 24* and *White Line 24*, as the business works to increase profit by continuing to emphasize corporate data services.

#### 5. Pursuing synergies among Group companies

As a corporate group, based on Internet-related businesses, the Group will not limit itself to its existing role as a comprehensive communications carrier. Rather, the Group will further enhance its appealing broadband content, such as through the Yahoo! Streaming video portal site. As a comprehensive digital information company in the broadband era, the Group will work to develop innovative services in infrastructure, portals, and content and strive to clearly differentiate itself from competitors.

The Group has been pursuing synergies in the telecommunications businesses—the three telecommunications companies of the SOFTBANK Group, namely, SOFTBANK MOBILE, SOFTBANK BB and SOFTBANK TELECOM—in a variety of ways. These initiatives include cost reductions through the integration of backbone networks, the expansion of the customer base and sales channels and the offering of FMC services.

The Group considers the further pursuit of Group synergies to be an important issue, and as a step in this direction the service brand logos of the three telecommunications companies were unified on April 1, 2009. By working even more closely together, these three companies will utilize synergies to provide customers with innovative services by creating a full-fledged mobile Internet environment and continuing to pursue FMC. This is also contributing to increased management efficiency.

**4. Consolidated Financial Statements**
**(1) Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
	Amount	Amount
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	¥491,161	¥457,953
Notes and accounts receivable - trade	887,723	858,084
Marketable securities	4,928	2,917
Merchandise	58,118	42,320
Deferred tax assets	105,850	93,021
Other current assets	103,351	114,874
Less:		
Allowance for doubtful accounts	(68,388)	(48,858)
Total current assets	1,582,744	1,520,313
<b>Fixed assets:</b>		
<b>Property and equipment, net:</b>		
Buildings and structures	75,781	71,577
Telecommunications equipment	744,037	738,967
Telecommunications service lines	86,062	79,637
Land	23,442	22,576
Construction in progress	45,576	37,477
Other	54,364	50,710
Total property and equipment	1,029,265	1,000,946
<b>Intangible assets, net:</b>		
Goodwill	974,435	956,730
Software	224,180	226,131
Other intangibles	39,693	39,245
Total intangible assets	1,238,309	1,222,108
<b>Investments and other assets:</b>		
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	464,997	320,102
Deferred tax assets	126,887	158,228
Other assets	118,491	200,749
Less:		
Allowance for doubtful accounts	(4,613)	(37,100)
Total investments and other assets	705,763	641,980
Total fixed assets	2,973,337	2,865,036
<b>Deferred charges</b>	2,818	1,322
<b>Total assets</b>	¥4,558,901	¥4,386,672

**Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2008	As of March 31, 2009
	Amount	Amount
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable - trade	¥187,279	¥160,339
Short-term borrowings	448,571	575,532
Current portion of corporate bonds	52,540	64,000
Accounts payable - other and accrued expenses	364,450	352,171
Income taxes payable	35,079	21,363
Current portion of lease obligations	69,770	88,241
Other current liabilities	83,012	87,935
<b>Total current liabilities</b>	<b>1,240,704</b>	<b>1,349,583</b>
<b>Long-term liabilities:</b>		
Corporate bonds	445,211	324,566
Long-term debt	1,586,645	1,436,292
Deferred tax liabilities	41,977	28,795
Liability for retirement benefits	16,158	16,076
Allowance for point mileage	43,809	41,816
Lease obligations	241,496	233,314
Other liabilities	94,172	131,428
<b>Total long-term liabilities</b>	<b>2,469,472</b>	<b>2,212,290</b>
<b>Total liabilities</b>	<b>3,710,176</b>	<b>3,561,873</b>
<b>Equity:</b>		
Common stock	187,422	187,681
Additional paid-in capital	211,740	211,999
Accumulated deficit	(91,744)	(51,269)
Less: Treasury stock	(206)	(214)
<b>Total shareholders' equity</b>	<b>307,213</b>	<b>348,197</b>
Unrealized gain on available-for-sale securities	80,914	31,334
Deferred (loss) gain on derivatives under hedge accounting	(11,823)	25,117
Foreign currency translation adjustments	7,437	(30,554)
<b>Total valuation and translation adjustments</b>	<b>76,529</b>	<b>25,897</b>
Stock acquisition rights	120	289
Minority interests	464,862	450,414
<b>Total equity</b>	<b>848,725</b>	<b>824,798</b>
<b>Total liabilities and equity</b>	<b>¥4,558,901</b>	<b>¥4,386,672</b>

**(2) Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
	Amount	Amount
<b>Net sales</b>	¥2,776,168	¥2,673,035
<b>Cost of sales</b>	1,467,363	1,365,903
<b>Gross Profit</b>	1,308,805	1,307,132
<b>Selling, general and administrative expenses</b>	984,517	948,011
<b>Operating income</b>	324,287	359,121
Interest income	3,137	1,399
Foreign exchange gain, net	4,981	1,884
Equity in earnings of affiliated companies	55,411	-
Contribution for construction	699	3,423
Other non-operating income	5,158	6,309
<b>Non-operating income</b>	69,387	13,016
Interest expense	114,863	112,345
Equity in losses of affiliated companies	-	13,759
Other non-operating expenses	20,197	20,370
<b>Non-operating expenses</b>	135,060	146,475
<b>Ordinary income</b>	258,614	225,661
Gain on sale of investment securities	6,432	3,454
Dilution gain from changes in equity interest	3,765	2,483
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	12,967	-
Gain on liquidation of a subsidiary	-	2,972
Other special income	6,619	2,301
<b>Special income</b>	29,785	11,212
Valuation loss on investment securities	21,855	11,504
Unrealized loss on valuation of investments and loss on sale of investments at subsidiaries in the U.S., net	-	5,316
Impairment loss	10,644	29,478
Loss on additional entrustment for debt assumption	-	75,000
Other special losses	30,011	8,236
<b>Special loss</b>	62,511	129,535
<b>Income before income taxes and minority interests</b>	225,887	107,338
<b>Income taxes:</b>		
Current	48,649	39,390
Deferred	29,533	(19,674)
<b>Total income taxes</b>	78,183	19,715
<b>Minority interests in net income</b>	39,079	44,450
<b>Net income</b>	¥108,624	¥43,172

**(3) Consolidated Statements of Changes in Equity**

Fiscal year from April 1, 2007 to March 31, 2008:

(Millions of yen)

	Shareholders' equity						Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Cash receipts for new stock subscriptions	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total			
<b>Balance at April 1, 2007</b>	¥163,309	¥1	¥187,669	¥(192,271)	¥(193)	¥158,515	¥122,619	¥(26,995)	¥28,810	¥124,434	¥3,180	¥430,106	¥716,237
<b>Changes of items during the year</b>													
Increase in accumulated deficit due to adoption of new accounting standards at a subsidiary in the U.S.	-	-	-	(5,150)	-	(5,150)	-	-	-	-	-	-	(5,150)
Exercise of warrants	24,113	(1)	24,071	-	-	48,183	-	-	-	-	-	-	48,183
Cash dividends	-	-	-	(2,639)	-	(2,639)	-	-	-	-	-	-	(2,639)
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	-	(307)	-	(307)	-	-	-	-	-	-	(307)
Net income	-	-	-	108,624	-	108,624	-	-	-	-	-	-	108,624
Purchase of treasury stock	-	-	-	-	(12)	(12)	-	-	-	-	-	-	(12)
Items other than changes in shareholders' equity, net	-	-	-	-	-	-	(41,704)	15,172	(21,372)	(47,904)	(3,060)	34,755	(16,209)
<b>Total changes in the year</b>	24,113	(1)	24,071	100,527	(12)	148,697	(41,704)	15,172	(21,372)	(47,904)	(3,060)	34,755	132,487
<b>Balance at March 31, 2008</b>	¥187,422	¥-	¥211,740	¥(91,744)	¥(206)	¥307,213	¥80,914	¥(11,823)	¥7,437	¥76,529	¥120	¥464,862	¥848,725

Fiscal year from April 1, 2008 to March 31, 2009:

(Millions of yen)

	Shareholders' equity					Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total			
<b>Balance at April 1, 2008</b>	¥187,422	¥211,740	¥(91,744)	¥(206)	¥307,213	¥80,914	¥(11,823)	¥7,437	¥76,529	¥120	¥464,862	¥848,725
Increase in accumulated deficit due to adoption of a new accounting standard for accounting policies at foreign subsidiaries	-	-	(3)	-	(3)	-	-	-	-	-	-	(3)
<b>Changes of items during the year</b>												
Exercise of warrants	258	258	-	-	517	-	-	-	-	-	-	517
Cash dividends	-	-	(2,701)	-	(2,701)	-	-	-	-	-	-	(2,701)
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	7	-	7	-	-	-	-	-	-	7
Net income	-	-	43,172	-	43,172	-	-	-	-	-	-	43,172
Purchase of treasury stock	-	-	-	(8)	(8)	-	-	-	-	-	-	(8)
Items other than changes in shareholders' equity, net	-	-	-	-	-	(49,580)	36,940	(37,992)	(50,632)	169	(14,447)	(64,910)
<b>Total changes in the year</b>	258	258	40,478	(8)	40,987	(49,580)	36,940	(37,992)	(50,632)	169	(14,447)	(23,923)
<b>Balance at March 31, 2009</b>	¥187,681	¥211,999	¥(51,269)	¥(214)	¥348,197	¥31,334	¥25,117	¥(30,554)	¥25,897	¥289	¥450,414	¥824,798

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥225,887	¥107,338
Adjustments for:		
Depreciation and amortization	220,254	236,013
Amortization of goodwill	59,050	61,111
Equity in (earnings) losses of affiliated companies	(55,411)	13,759
Dilution gain from changes in equity interest, net	(1,570)	(2,410)
Impairment loss	10,644	29,478
Valuation loss on investment securities	21,855	11,504
Unrealized (appreciation) loss on investments and (gain) loss on sale of investments at subsidiaries in the U.S., net	(12,967)	5,316
Gain on sale of marketable and investment securities, net	(7,569)	(3,037)
Foreign exchange gain, net	(4,431)	(1,494)
Interest and dividend income	(3,754)	(2,396)
Interest expense	114,863	112,345
Changes in operating assets, and liabilities		
(Increase) decrease in receivables – trade	(309,196)	1,699
Decrease in payables - trade	(7,508)	(29,230)
Other, net	60,917	65,426
Sub-total	311,066	605,425
Interest and dividends received	3,473	2,603
Interest paid	(103,467)	(99,761)
Income taxes paid	(52,815)	(60,408)
Net cash provided by operating activities	158,257	447,857

- Continued -



**Consolidated Statements of Cash Flows (Continued)**

(Millions of yen)

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment, and intangibles	¥ (345,677)	¥ (240,637)
Purchase of marketable and investment securities	(45,576)	(33,197)
Proceeds from sale of marketable and investment securities	44,175	18,858
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	1,207	(17,530)
Sale of interests in subsidiaries previously consolidated, net	(257)	-
Proceeds from sales of interests in consolidated subsidiaries	1,012	-
Other, net	22,655	6,212
Net cash used in investing activities	(322,461)	(266,295)
<b>Cash flows from financing activities:</b>		
(Decrease) increase in short-term borrowings, net	(69,530)	116,358
Decrease in commercial paper, net	(5,000)	-
Proceeds from long-term debt	280,716	234,681
Repayment of long-term debt	(234,874)	(372,300)
Proceeds from issuance of bonds	89,462	-
Redemption of bonds	(58,038)	(108,930)
Exercise of warrants	44,846	517
Proceeds from issuance of shares to minority shareholders	9,127	1,137
Cash dividends paid	(2,640)	(2,680)
Cash dividends paid to minority shareholders	(3,549)	(4,121)
Purchase of treasury stock of subsidiaries in consolidation	(408)	(71,166)
Proceeds from sale and lease back of equipment newly acquired	297,922	90,208
Repayment of lease obligations	(49,901)	(81,347)
Other, net	(13,403)	(12,705)
Net cash provided (used in ) by financing activities	284,727	(210,348)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(7,006)	(2,383)
<b>Net increase (decrease) in cash and cash equivalents</b>	113,516	(31,169)
<b>Increase in cash and cash equivalents due to newly consolidated subsidiaries</b>	-	357
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(771)	(1,810)
<b>Cash and cash equivalents, beginning of the year</b>	377,520	490,266
<b>Cash and cash equivalents, end of the year</b>	¥490,266	¥457,644

### (5) Significant doubt about going concern assumption

Not applicable

### (6) Basis of Presentation of Consolidated Financial Statements

#### 1. Changes in scope of consolidation

As of March 31, 2009, SOFTBANK CORP. (the "Company") consolidated 108 subsidiaries (together, the "Group"). 65 subsidiaries were not consolidated as the individual and aggregate amounts were not considered material in relation to the consolidated total assets, net sales, net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in scope of consolidation are as follows:

<Increase>

11 companies

Significant changes:

SOFTBANK TELECOM PARTNERS Corp.      Additionally acquired

<Decrease>

12 companies

Significant changes:

Broadmedia Corporation      Decreased in interest due to allocation of new stock to a third party

#### 2. Changes in scope of equity method

As of March 31, 2009, the Company held 4 non-consolidated subsidiaries and 70 affiliates, all of which were accounted for under the equity method. 61 non-consolidated subsidiaries and 20 affiliates were not accounted for under the equity method, as the individual and aggregate amounts were not considered material in relation to the net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in scope of equity method are as follows:

<Increase>

16 companies

Significant changes:

Broadmedia Corporation      Changed from a consolidated subsidiary

<Decrease>

9 companies

#### 3. Fiscal year end

Fiscal year ends of consolidated subsidiaries for both domestic and overseas entities are as follows:

<Fiscal year end>	<Domestic>	<Overseas>
March end		
(same as the consolidated balance sheet date)	50	32
June end	1	-
July end	-	2
December end	2	17
January end	-	2
February end	2	-

#### 4. Summary of significant accounting policies

(1) Evaluation standards and methods for major assets

[1] Marketable securities and investment securities

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

Available-for-sale securities:

With market quotations:	Stated at fair value, which represents the market prices at the balance sheet date (unrealized gain/loss is included as a separate component in equity, net of tax, while cost is primarily determined using the moving-average method)
Without market quotations:	Carried at cost, primarily based on the moving-average method

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide. The investment securities are carried at fair value, and net changes in fair value are recorded in the consolidated statements of income under the application of the AICPA Guide.

[2] Derivative instruments:	Stated at fair value
[3] Inventories (merchandise):	Carried at cost, primarily net selling value determined by the moving-average method
(2) Depreciation and amortization	
[1] Property and equipment:	
Buildings and structures:	Computed primarily using the straight-line method
Telecommunications equipment:	Computed using the straight-line method
Telecommunications service lines:	Computed using the straight-line method
Others:	Computed primarily using the straight-line method
[2] Intangible assets:	Computed using the straight-line method

Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods are computed using the straight-line method over the period of the finance leases. Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are accounted for as operating lease transactions and “as if capitalized” information is disclosed in the notes to the Company’s consolidated financial statements.

### (3) Accounting principles for major allowances and accruals

#### <Allowance for doubtful accounts>

Allowance for doubtful accounts is calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using historical write-off experience ratios from certain prior periods.

#### <Accrued retirement benefits>

SOFTBANK MOBILE, SOFTBANK TELECOM, and certain other subsidiaries have defined benefit pension plans for their employees. These companies account for the obligation for retirement benefits based on the projected benefit obligations at the end of the fiscal year end.

SOFTBANK MOBILE and SOFTBANK TELECOM amended the pension plans by suspending the defined benefit pension plans at the end of March 2007 and March 2006, respectively, and implementing defined contribution pension plans. The retirement benefits existed and calculated under the benefit pension plan were fixed and will be paid at the retirement of applicable employees, and the projected benefit obligations are calculated based on these fixed retirement benefits. As a result, service cost under the defined benefit pension plans at SOFTBANK MOBILE and SOFTBANK TELECOM did not occur for the fiscal year ended March 31, 2009.

#### <Allowance for point mileage >

SOFTBANK MOBILE has an allowance for point mileage which is accrued based on the estimated future obligation arising from point service, based on past experience.

(4) Translation of foreign currency transactions and accounts

All assets and liabilities in foreign currencies are translated at the foreign currency exchange rates prevailing at the respective balance sheet dates. Foreign currency exchange gains or losses are charged to net income when incurred.

The translation of foreign currency denominated revenues and expenses in the financial statements of foreign consolidated subsidiaries into Japanese yen is performed by using the average exchange rate for the period. Assets and liabilities are translated using the foreign currency exchange rates prevailing at the balance sheet dates, and capital stock is translated using the historical foreign currency exchange rates. Foreign currency financial statement translation differences are presented as a separate component of "Equity," and the portion pertaining to minority shareholders, which is included in "Minority interests."

(5) Accounting for significant hedge transactions

[1] Collar transaction

① <Hedge accounting>

Unrealized gains and losses, net of tax, on a collar transaction that qualifies as an effective cash flow hedge at consolidated subsidiaries in the United States of America are reported as a separate component of "Equity" in the Company's consolidated balance sheets. As such, unrealized gains and losses associated with the collar transaction will be recognized into earnings in the same period during which the hedged assets and liabilities are recognized in earnings.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging:	Prepaid variable share forward contract (the collar transaction)
Hedged items:	Equity security

③ <Hedging policy>

The purpose of the collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying equity security, which is used for the settlement of loans at maturity.

④ <Effectiveness of hedge transactions>

The effectiveness of hedge transaction is assessed by measuring high correlation between the variability of cash flows associated with the market price of hedged items and variability of cash flows of hedge instruments.

[2] Interest rate swap

① <Hedge accounting>

Recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized. For interest rate swaps whose amounts, index and periods are same as the conditions for hedged items, the "exceptional method" is adopted. Under this method, a certain domestic consolidated subsidiary does not account for gains and losses of those interest rate swaps on a fair value basis and recognizes swap interest on an accrual basis.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging:	Interest rate swap contracts
Hedged items:	Interest expense on borrowings

③ <Hedging policy>

In accordance with the Company's policy, the domestic consolidated subsidiaries use derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates in accordance with its internal policies, regarding the authorization and credit limit amount.

④ <Effectiveness of hedge transactions >

The effectiveness of hedge transaction is assessed by measuring high correlation between the variability of cash flows associated with the interest rate of hedged items and variability of cash flows of hedge instruments. For the circumstance that "exceptional method" is adopted, the valuations of effectiveness are omitted.

[3] Forward-exchange contract

① <Hedge accounting>

Long-term debt denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate, if the forward contracts qualify for hedge accounting.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Forward-exchange contract

Hedged items: Foreign currency-denominated bond

③ <Hedging policy>

In accordance with the Company's policy, the Company uses derivatives to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

④ < Effectiveness of hedge transactions >

Effectiveness of the hedge transaction is omitted due to qualifying for hedge accounting.

(6) Other

[1] Accounting method for consumption taxes

Consumption taxes are accounted for using the net method of reporting.

[2] Application of consolidated taxation system

BB Mobile Corp., SOFTBANK MOBILE, and its 4 subsidiaries, all of which are subsidiaries of the Company, adopted the consolidated taxation system.

**5. Accounting for business combinations**

All assets and liabilities of acquired entities are revalued at the respective fair market value at the combination date.

**6. Amortization of goodwill**

"Goodwill" is amortized on a straight-line basis over reasonably estimated periods in which economic benefits are expected to be realized. Immaterial goodwill is expensed as incurred.

The goodwill resulted from acquisition of Vodafone K.K. (currently SOFTBANK MOBILE) is amortized over a 20-year-period.

**7. Scope of cash and cash equivalents in the consolidated statements of cash flows**

"Cash and cash equivalents" are comprised of cash on hand, bank deposits withdrawable on demand and highly liquid investments with initial maturities of three months or less and a low risk of fluctuation in value.

**(7) Changes in accounting policies**

## 1. Application of accounting standard for measurement of inventories

Prior to April 1, 2008, inventories held for sale in the ordinary course of business were measured by primarily cost determined by the moving-average method. “Accounting Standard for Measurement of Inventories”(ASBJ Statement No.9 issued on July 5, 2006), which is effective for fiscal years beginning on or after April 1, 2008, was adopted for the year ended March 31, 2009. Due to the application of the accounting standard, inventories are measured by primarily net selling value determined by the moving-average method. The effect of this change is not material.

## 2. Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITE No.18 issued on May 17, 2006) was applied for the year ended March 31, 2009 and the necessary adjustments are reflected in the consolidated financial statements. The effect of this change is not material.

## 3. Application of accounting standard for lease transactions

Prior to April 1, 2008, finance lease in which the ownership of leased assets was not transferred to lessees was permitted to be accounted for as operating lease transactions. “Accounting Standard for Lease Transactions”(ASBJ Statement No.13 issued on June 17, 1993 and revised on March 30, 2007) and “the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16 issued on January 18, 1994 and revised on March 30, 2007) were adopted from the fiscal year beginning on April 1, 2008. They were applied for all lease transactions contracted after April 1, 2008, and the finance lease transactions are capitalized recognizing lease assets and lease obligations in the balance sheet. The effect of this change is not material.

Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008 are permitted to be accounted for as operating lease transactions if certain “as if capitalized” information is disclosed in the notes to the lessee’s financial statements.

## (8) Notes

### (Consolidated Balance Sheets)

#### 1. Accumulated depreciation of property and equipment

As of March 31, 2008	<b>As of March 31, 2009</b>
837,286 million yen	<b>966,322 million yen</b>

#### 2. Investments in non-consolidated subsidiaries and affiliates

As of March 31, 2008	<b>As of March 31, 2009</b>
Investment securities and investments in partnerships 167,111 million yen	<b>133,791 million yen</b>

#### 3. Obligation of additional entrustment for debt assumption of bonds (As of March 31, 2009)

SOFTBANK MOBILE has entrusted cash for the repayment of the straight bonds listed in the following table, based on debt assumption agreements with a financial institution. The bonds are derecognized in the Company's consolidated balance sheets.

The trust has collateralized debt obligations (CDO) issued by a Cayman Islands based Special-Purpose Company (SPC). The SPC has contracted a credit default swap agreement secured by debt securities (corporate bond), which refers to a certain portion of the portfolio consisting of 160 referenced entities.

In case that defaults (credit events under the agreement) of 8 and above of referenced entities occur, the CDO of ¥75,000 million in total is redeemed.

As of March 31, 2009, SOFTBANK MOBILE received notices of the default of 6 referenced entities from Goldman Sachs International, the arranger of the CDO. On April 10, 2009, SOFTBANK MOBILE received a notice of the default of two referenced entities. As a result, for the amount required as an additional entrustment of ¥75,000 million, long term accounts payable was recognized and included in "Other liabilities" of long-term liabilities in the consolidated balance sheet. In the consolidated statement of income, it was recorded as "Loss on additional entrustment for debt assumption" in special loss.

Mizuho Corporate Bank, Ltd and the Company set up a credit line facility contract in order to support the repayments of the bonds issued by SOFTBANK MOBILE.

As of December 31, 2008			
Subject Bonds	Issue date	Maturity date	Amount of transferred bond
Third Series Unsecured Bond	August 19, 1998	August 19, 2010	<b>25,000</b>
Fifth Series Unsecured Bond	August 25, 2000	August 25, 2010	<b>25,000</b>
Seventh Series Unsecured Bond	September 22, 2000	September 22, 2010	<b>25,000</b>
Total			<b>75,000 million yen</b>

#### 4. Secured loans

##### (1) Assets pledged as collateral for secured liabilities

###### [1] For future lease liabilities

	As of March 31, 2008	As of March 31, 2009
Assets pledged as collateral:		
Notes and accounts receivable - trade	10,181 million yen	<b>76 million yen</b>

In addition to above, amounts eliminated in the consolidated balance sheets as an intercompany balance:

Notes and accounts receivable - trade	13,787 million yen	<b>78 million yen</b>
---------------------------------------	--------------------	-----------------------

Note: The collateral for the future lease liabilities (finance lease accounted for as operating lease transactions) was provided by mortgaging against the aggregate of the current and future receivables due from customers of certain consolidated subsidiaries. The future lease liabilities at the end of each year are as follows:

	As of March 31, 2008	As of March 31, 2009
Future lease liabilities (finance lease accounted for as operating lease transactions)	8,121 million yen	<b>2,519 million yen</b>

###### [2] For short-term borrowings and long-term debt

Assets pledged as collateral and secured liabilities by consolidated subsidiaries are as follows:

	As of March 31, 2008	As of March 31, 2009
Assets pledged as collateral:		
Cash and deposits	220,801	<b>212,414</b>
Notes and accounts receivable - trade	330,157	<b>312,831</b>
Other current assets	10	-
Buildings and structures	13,872	<b>12,774</b>
Telecommunications equipment	268,494	<b>260,509</b>
Telecommunications service lines	170	<b>189</b>
Land	15,576	<b>10,617</b>
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	152,638	<b>66,863</b>
Investments and other assets - other assets	240	<b>31,999</b>
Total	1,001,961 million yen	<b>908,201 million yen</b>

	As of March 31, 2008	As of March 31, 2009
Secured liabilities:		
Accounts payable - trade	1,447	<b>1,239</b>
Short-term borrowings	4,724	<b>2,903</b>
Long - term debt	1,378,900	<b>1,287,099</b>
Total	1,385,072 million yen	<b>1,291,242 million yen</b>

SOFTBANK MOBILE shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,276,488 million and ¥1,184,853 million, as of March 31, 2008 and March 31, 2009, respectively) resulting from the acquisition of SOFTBANK MOBILE, in addition to the assets pledged as collateral above.

##### (2) Borrowings by securitization of receivables

###### [1] The securitization of installment sales receivable of SOFTBANK MOBILE

Cash proceeds through the securitization of installment sales receivables of SOFTBANK MOBILE were included in "Short-term borrowings" in the amount of ¥165,872 million and ¥185,669 million, as of March 31, 2008 and March



31 2009, respectively, and “Long-term debt” in the amount of ¥53,146 million and ¥36,256 million, as of March 31, 2008 and March 31, 2009, respectively. The amounts of the senior portion of the securitized installment sales receivables of ¥ 219,018 million as of March 31, 2008 and ¥221,925 million as of March 31, 2009, were included in “Notes and account receivable-trade”, along with the subordinated portion held by the SOFTBANK MOBILE The trustee raised the funds through asset backed loans based on the receivables.

[2] The securitization of receivables for ADSL services of SOFTBANK BB

SOFTBANK BB transferred its senior portion of the securitized present and future receivables for ADSL services\* to a SPC (a consolidated subsidiary), and the SPC raised the funds through asset backed loans based on the receivables (¥20,000 million at the fiscal year ended March 31, 2009) from a financial institution. Cash proceeds through the asset backed loans are included in the “Short-term borrowings” and “Long-term debt” in the amount of ¥6,660 million and ¥13,340 million, respectively, as of March 31, 2009.

\* A certain portion of present and future (through March 2012) receivables realized through the ADSL services provided by SOFTBANK BB.

(3) Borrowings by security lending agreements

Cash receipts as collateral from financial institutions, to whom the Company lent a portion of shares in its subsidiary under security lending agreements are presented as follows:

	As of March 31, 2008	As of March 31, 2009
Short-term borrowings	130,000 million yen	110,000 million yen

## 5. Deferred revenue

SOFTBANK BB sold its ADSL modem rental business to BB Modem Rental Yugen Kaisha for the fiscal years ended March 31, 2006 and March 31, 2008. The gain on sale of the business was deferred and is being amortized based on the estimated economic useful life of modem equipment as a revenue source of the modem rental operations (five years). For the fiscal years ended March 31, 2008 and March 31, 2009, the Company recorded operating income of ¥4,648 million, and ¥5,659 million, respectively, as a result of amortization.

Based on the service agreement with BB Modem Rental Yugen Kaisha, SOFTBANK BB received royalties relating to future revenue from the modem rental business and recorded it as deferred revenue. The deferred revenue will be reversed in conjunction with the recognition of revenue in proportion to the actual business performance of the ADSL business, such as the number of paying customers. Royalties totaling ¥9,497 million and ¥8,809 million for the fiscal years ended March 31, 2008 and March 31, 2009, respectively were recorded as revenue. Ending balances of deferred revenue as of March 31, 2008 and March 31, 2009 were as follows:

	As of March 31, 2008	As of March 31, 2009
Other current liabilities (deferred revenue)	14,804 million yen	<b>12,044 million yen</b>
Other liabilities (long-term deferred revenue)	15,922	<b>3,773</b>

In accordance with the service agreement, SOFTBANK BB must refund a part of the above deferred revenue, which is attributable to the service agreement, if certain financial performance targets are not met.

## 6. Line of credit as a creditor (not used)

As of March 31, 2008	As of March 31, 2009
14,676 million yen	<b>17,266 million yen</b>

## 7. Financial covenants

The Group's interest-bearing debt includes financial covenants, with which the Group is in compliance. The major financial covenants are as follows. If the Group conflicts with the following covenants, creditors may require repayment of all debt. In the events where the covenants set several conditions, the strictest condition is presented below.

(1) The amount of the Company's net assets at the end of each quarter must not fall below the larger of [1] or [2] below.

[1] 75% of the amount of the Company's net assets at the end of the most recent year.

[2] 60% of the amount of the Company's net assets at March 31, 2005.

(2) At the end of the year and the first half of the year, balance sheets of SOFTBANK BB and SOFTBANK TELECOM must not show excessive debt. The consolidated balance sheets of BB Mobile Corp. at the end of the year and the first half of the year must not show excessive debt.

(3) Other than the exceptions listed below, as a general rule, members of the following restricted group of companies (the "restricted group"), will not take on debt obligations\* from any company not included in the restricted group or issue any preferred stock after October 12, 2006, the issuance date of these Euro-denominated Senior Notes due 2013.

(Restricted group)

(a) SOFTBANK CORP.

(b) SOFTBANK BB Corp.

(c) SOFTBANK TELECOM Corp.

(d) SOFTBANK MOBILE Corp.

(e) Mobiletech Corporation

(f) BB Mobile Corp.

(g) TELECOM EXPRESS Co., Ltd.

(h) Japan System Solution Co., Ltd.

(i) SBBM Corporation

(j) SOFTBANK TELECOM PARTNERS Corp

(k) Shiodome Management CORP.

(Exceptions)

The major exceptions are as follows:

- i. SOFTBANK CORP. is permitted to borrow up to ¥200 billion through its commitment line, etc.
- ii. Borrowing related to the acquisition of Vodafone K.K. (currently SOFTBANK MOBILE) (including refinancing) is permitted up to a principal amount of ¥1,450 billion.
- iii. Among the restricted group, those involved in the Mobile Communications business segment (d, f, g, h) are permitted to incur capital expenditure related debt incurring activities\* up to a principal amount of ¥400 billion.
- iv. SOFTBANK TELECOM is permitted to borrow up to a principal amount of ¥175 billion.
- v. The refinancing of the outstanding debt of the restricted group as of October 12, 2006, the issuance date of those notes, is permitted up to the same level of principal amount.
- vi. In the event that [1] a company in the restricted group incurs lease obligations or [2] a subsidiary of SOFTBANK CORP. other than the members of the restricted group incur lease obligations, SOFTBANK CORP. is permitted to provide guarantees to leasing companies up to a principal amount of ¥400 billion for the total of [1] and [2].
- vii. SOFTBANK CORP. is permitted to make security lending transactions using the stock of Yahoo Japan up to, as a general rule, ¥200 billion.
- viii. Other than (i) to (vii) above, debt-incurring activities\* which are pari passu with those notes are permitted up to ¥150 billion.

\*(Note) Debt-incurring activities include new borrowings, leasing, etc.

(4) SOFTBANK MOBILE received a loan (the “SBM loan”) from Mizuho Trust & Banking Co., Ltd. (the “lender”), which, as the Tokutei Kingai Trust Trustee, was entrusted with the proceeds by WBS Funding\*1. Under the terms of the SBM loan agreement, SOFTBANK MOBILE is allowed a certain degree of flexibility in its business operations, as a general rule. However, in the event that the loan agreement's financial performance targets (reduction in cumulative debt, adjusted EBITDA\*2, leverage ratio\*3) or operational performance targets (number of subscribers) are not met, depending on the importance and the timing of issue, the influence of the lender on the operations of SOFTBANK MOBILE might be increased. It is possible that limits will be placed on capital investment, that prior approval will be required for development of new services, that a majority of the board directors will be appointed, and that rights to assets pledged as collateral, including shares of SOFTBANK MOBILE, will be exercised. As of March 31, 2009, there is no infringement of the debt covenants.

Note: \*1. WBS Funding (Whole Business Securitization Funding)

A special purpose company for the purpose of allocating the total amount raised from domestic and foreign financial institutions—¥1,441.9 billion—under the WBS scheme through the Tokutei Kingai Trust Trustee for the SBM loan to SOFTBANK MOBILE. SOFTBANK MOBILE borrowed from Tokutei Kingai Trust Trustee an amount of ¥1,366 billion, representing the total amount of ¥1,441.9 billion raised by WBS Funding less such items as interest hedge costs and interest reserve.

\*2. Adjusted EBITDA (Adjusted Earning Before Interests, Taxes, Depreciation, and Amortization)

Lease payments which are included in operating expenses are added back to EBITDA.

\*3. Leverage ratio

Leverage ratio = Debt / Adjusted EBITDA. The balance of debt does not include capital financing, subordinated loans from the SOFTBANK Group or Vodafone Oversea Financial Limited or existing bonds.

The amount of net assets shown in SOFTBANK TELECOM's balance sheets for the end of each interim period and the end of each year must not fall below the larger of [1] or [2] below.

- [1] 75% of the net assets shown in the consolidated balance sheets of SOFTBANK TELECOM at the end of the most recent year.
- [2] 60% of the amount of net assets shown in the consolidated balance sheets of SOFTBANK TELECOM as of March 31, 2005.

## (Consolidated Statements of Income)

### 1. Selling, general and administrative expenses

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Sales commission and sales promotion expense	450,658 million yen	<b>423,789 million yen</b>
Payroll and bonuses	106,560	<b>112,670</b>
Provision for allowance for doubtful accounts	46,109	<b>33,341</b>

### 2. Unrealized appreciation or loss on valuation of investments and gain or loss on sale of investments at subsidiaries in the United States of America, net

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of "American Institute of Certified Public Accountants Audit and Accounting Guide" investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

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

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Unrealized appreciation or loss on valuation of investment at subsidiaries in the U.S.,net	171	<b>(234)</b>
Gain or loss on sale of investments at subsidiaries in the U.S.,net	12,795	<b>(5,081)</b>
<b>Total</b>	<b>12,967 million yen</b>	<b>(5,316) million yen</b>

### 3. Impairment loss

(Fiscal year ended March 31, 2008)

The Company recorded impairment loss for the following asset groups.

Segment	Purpose of use	Type of assets	Impairment loss
Fixed-line Telecommunications	Access gateway switch (AGW)	Finance lease assets	¥8,818 million
Internet Culture	Other	Goodwill	¥1,826 million

#### (1) Method used to determine assets grouping

When reviewing for impairment, assets are grouped based on the business unit conducted by the Group. Moreover, assets related to disposition or restructuring of business, idled assets, and assets leased to others are grouped individually.

#### (2)Details of Impairment loss

##### [1] Impairment loss of leased access gateway switch (AGW)

An impairment loss was recorded for certain unused access gateway switch (AGW) which were reserved for the analog lines customers of otoku line direct connection fixed-line voice service. The present values of future lease payment, which are considered as the carrying value of lease assets, were recorded in the consolidated statement of income.

[2] The goodwill related to the subsidiaries of the internet culture segment was recorded as impairment loss in the consolidated statement of income.

(Fiscal year ended March 31, 2009)

The Company recorded impairment loss for the following asset groups.

Segment	Purpose of use	Type of assets	Impairment loss
Broadband Infrastructure	Assets for FTTH infrastructural business	Telecommunications equipment, Finance lease assets, Construction in progress, Software, Structures, and other	¥28,999 million
Internet Culture	Other	Goodwill	¥479 million

(1) Method used to determine assets grouping

When reviewing for impairment, assets are grouped based on the business unit within the Group. Moreover, assets related to disposition or restructuring of a business, idled assets, and assets leased to others are grouped individually.

(2) Details of Impairment loss

[1] Impairment loss of assets in Broadband Infrastructure business

As SOFTBANK BB launched *Yahoo BB hikari with FLET'S*, which is a new FTTH Internet connection service, the future revenue generated from the assets for *Yahoo BB! hikari* service, which is a current FTTH infrastructural service, was reassessed. As a result, impairment loss for the total carrying amounts of the assets and the removal costs were recorded in the consolidated statements of income, since the carrying amounts of the assets were not recovered by estimated future cash flows.

The impairment loss consists of ¥10,702 million for telecommunications equipment, ¥7,259 million for finance lease assets\*, ¥4,630 million for constructing in progress, ¥1,265 million for software, ¥880 million for structures and ¥4,261 million for removal costs.

For the calculation of impaired value of the leased assets, the present values of the future lease payments were considered to be the carrying value of leased assets.

\*Note

The finance lease assets contracted before April 1, 2008 are accounted for as operating lease transactions.

[2] The goodwill related to certain subsidiaries of the Internet culture segment was recorded as an impairment loss in the consolidated statements of income.

#### 4. Loss on additional entrustment for debt assumption

As described in "Obligation of additional entrustment for debt assumption of bonds" in note 3 to the consolidated balance sheet, special loss is recorded for an additional entrustment required.

**(Consolidated Statements of Changes in Equity)**
**Fiscal year from April 1, 2007 to March 31, 2008:**
**1. Class and number of outstanding shares:** (shares in thousands)

	March 31, 2007	Increase	Decrease	March 31, 2008
Number of common stocks	1,055,862	24,801	-	1,080,664

Note: Increase resulted from the exercise of stock acquisition rights.

**2. Class and number of treasury stocks:** (shares in thousands)

	March 31, 2007	Increase	Decrease	March 31, 2008
Number of common stocks	158	5	-	163

Note: Increase resulted from the acquisition of the fractional shares.

**3. Stock acquisition rights:**

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2007	Increase	Decrease	March 31, 2008	March 31, 2008
SOFTBANK, Corp.	Stock acquisition rights issued in 2004	Common stocks	24,000	-	24,000	-	-
Consolidated Subsidiaries	-	-	-	-	-	-	120
Total		-	-	-	-	-	120

**4. Dividends:**
**(1) Dividend paid**

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 22, 2007	Common stocks	2,639	¥2.50	March 31, 2007	June 25, 2007

**(2) Dividends which recorded date is in the fiscal year 2008 and effective date for payment is in the fiscal year 2009**

Resolution	Class of shares	Amount of dividend (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 25, 2008	Common stocks	2,701	Retained earnings	¥2.50	March 31, 2008	June 26, 2008

**5. Accounting for Uncertainty in Income Taxes**

A subsidiary of the Company in the United States of America applied "Accounting for Uncertainty in Income Taxes" (Financial Accounting Standard Board Interpretation No. 48), effective for fiscal years beginning after December 15, 2006, from the fiscal year ended March 31, 2008.

The cumulative effect of applying the provisions of this Interpretation was recorded as an adjustment to the opening balance of accumulated deficit.

**6. Exercise of warrants**

Exercise of warrants is related to exercise of stock subscription rights and stock acquisition rights.

**Fiscal year from April 1, 2008 to March 31, 2009:**
**1. Class and number of outstanding shares:** (shares in thousands)

	March 31, 2008	Increase	Decrease	March 31, 2009
Number of common stocks	1,080,664	359	-	1,081,023

Note: Increase resulted from the exercise of stock acquisition rights.

**2. Class and number of treasury stocks:** (shares in thousands)

	March 31, 2008	Increase	Decrease	March 31, 2009
Number of common stocks	163	5	-	169

Note: Increase resulted from the acquisition of the fractional shares.

**3. Stock acquisition rights:**

## (1) Stock acquisition rights as stock options

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2008	Increase	Decrease	March 31, 2009	March 31, 2009
Consolidated Subsidiaries	-		-				271
Total			-				271

## (2) Stock acquisition rights other than above

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2008	Increase	Decrease	March 31, 2009	March 31, 2009
Consolidated Subsidiaries	-		-				18
Total			-				18

**4. Dividends:**

## (1) Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 25, 2008	Common stocks	2,701	¥2.50	March 31, 2008	June 26, 2008

## (2) Dividends which recorded date is in the fiscal year 2009 and effective date for payment is in the fiscal year 2010

Resolution	Class of shares	Amount of dividend (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 24, 2009	Common stocks	2,702	Retained earnings	¥2.50	March 31, 2009	June 25, 2009

**(Consolidated Statements of Cash Flows)**
**1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets**

	As of March 31, 2008		As of March 31, 2009	
Cash and deposits	491,161	million yen	<b>457,953</b>	<b>million yen</b>
Marketable securities	4,928		<b>2,917</b>	
Time deposits with original maturity over three months	(2,145)		<b>(442)</b>	
Stocks and bonds with original maturity over three months	(3,678)		<b>(2,783)</b>	
Cash and cash equivalents	490,266	million yen	<b>457,644</b>	<b>million yen</b>

**2. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows**

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

**3. Proceeds from sale and lease back of equipment newly acquired**

Once SOFTBANK MOBILE purchases telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE sells the equipment to lease companies for sale and lease back purpose. The leased asset and lease obligation are recorded in the consolidated balance sheets.

The cash outflows from the purchase of the equipment from vendors are included in “Purchase of property and equipment, and intangibles” and the cash inflows from the sale of the equipment to lease companies are included in “Proceeds from sale and lease back of equipment newly acquired.”

**4. Assets and liabilities of a newly consolidated subsidiary by acquisition**

The estimated fair values of the assets acquired and liabilities assumed of a new consolidated subsidiary at the acquisition date are as follows:

**SOFTBANK TELECOM PARTNERS Corp.**

	As of April 1, 2008	
Current assets	20,250	million yen
Non-current assets	401	
Goodwill	22,077	
Current liabilities	(12,726)	
Acquisition cost before April, 2008	(4,473)	
Acquisition cost	25,530	
Cash and cash equivalents of newly consolidated subsidiary (Note)	(8,325)	
Payment for the acquisition	(17,204)	million yen

Note: Loan receivables to the seller of SOFTBANK TELECOM PARTNERS Corp. of ¥7,500 million, which were collected at the same time of the payment for the acquisition, were included.



**(Segment Information)**
**1. Business segment information**

For the fiscal year ended March 31, 2008

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,618,935	¥251,309	¥324,722	¥243,849	¥255,690	¥81,660	¥2,776,168	¥-	¥2,776,168
(2) Inter-segment	11,916	6,759	46,017	3,792	15,033	18,212	101,733	(101,733)	-
Total	1,630,851	258,069	370,740	247,642	270,723	99,873	2,877,902	(101,733)	2,776,168
Operating expenses	1,456,281	218,369	367,400	132,405	267,567	104,994	2,547,018	(95,137)	2,451,881
Operating income (loss)	174,570	39,700	3,340	115,237	3,156	(5,121)	330,883	(6,595)	324,287
Identifiable assets	3,041,749	165,971	440,414	506,430	88,047	259,101	4,501,713	57,188	4,558,901
Depreciation and amortization	193,196	26,550	43,351	11,221	1,117	3,398	278,835	469	279,304
Impairment loss	-	-	8,818	1,826	-	-	10,644	-	10,644
Capital expenditures	¥235,547	¥21,543	¥13,853	¥12,975	¥2,436	¥2,677	¥289,033	¥586	¥289,619

For the fiscal year ended March 31, 2009

(Millions of yen)

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,554,783	¥229,241	¥320,358	¥251,166	¥247,352	¥70,133	¥2,673,035	¥-	¥2,673,035
(2) Inter-segment	8,107	5,958	43,273	3,071	10,831	18,093	89,335	(89,335)	-
Total	1,562,890	235,199	363,632	254,238	258,184	88,226	2,762,371	(89,335)	2,673,035
Operating expenses	1,391,500	187,946	344,663	129,140	253,547	88,420	2,395,220	(81,305)	2,313,914
Operating income (loss)	171,389	47,253	18,968	125,098	4,636	(194)	367,151	(8,030)	359,121
Identifiable assets	3,033,653	158,146	436,256	347,395	69,086	240,818	4,285,357	101,314	4,386,672
Depreciation and amortization	212,946	22,012	44,319	12,290	1,328	3,309	296,206	918	297,124
Impairment loss	-	28,999	-	479	-	-	29,478	-	29,478
Capital expenditures	¥199,568	¥14,697	¥51,824	¥31,984	¥1,414	¥4,766	¥304,256	¥241	¥304,498

**Notes:**

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.
- Regarding the main business segments, please see "Qualitative Information / Financial Statements 2. The SOFTBANK Group" in details on page 22.
- Unallocated operating expenses for the fiscal year ended March 31, 2008 and March 31, 2009 in the column "Elimination or Corporate," mainly represent expenses of the corporate division of the Company, which totaled ¥7,959 million and ¥9,278 million, respectively.
- Corporate assets at March 31, 2008 and 2009 in the column "Elimination or corporate" were ¥87,251 million and ¥135,258 million, respectively. Corporate assets represent mainly surplus operating funds (cash and marketable securities), long-term investment securities of the Company and assets held by the corporate division of the Company.
- "Depreciation and amortization" includes depreciated amount of long-term prepaid expenses
- "Capital expenditures" include increase in "Property and equipment, net," "Intangible assets, net," and long-term prepaid expense on the consolidated balance sheet, and increase in "goodwill" and each asset in the acquisition of newly consolidated subsidiary.

## 2. Geographic segment information

For the fiscal year ended March 31, 2008

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥2,760,397	¥1,342	¥14,428	¥2,776,168	¥-	¥2,776,168
(2)Inter-segment	2,739	-	221	2,961	(2,961)	-
Total	2,763,136	1,342	14,650	2,779,129	(2,961)	2,776,168
Operating expenses	2,429,573	3,022	15,463	2,448,059	3,821	2,451,881
Operating income (loss)	333,562	(1,679)	(813)	331,070	(6,782)	324,287
Identifiable assets	¥4,057,935	¥219,004	¥194,711	¥4,471,651	¥87,250	¥4,558,901

For the fiscal year ended March 31, 2009

(Millions of yen)

	Japan	North America	Others	Total	Elimination or corporate	Consolidated
Net sales						
(1)Customers	¥2,659,114	¥1,066	¥12,853	¥2,673,035	¥-	¥2,673,035
(2)Inter-segment	3,362	-	-	3,362	(3,362)	-
Total	2,662,477	1,066	12,853	2,676,398	(3,362)	2,673,035
Operating expenses	2,295,801	(1,232)	13,530	2,308,098	5,815	2,313,914
Operating income (loss)	366,676	2,299	(676)	368,299	(9,178)	359,121
Identifiable assets	¥3,987,163	¥141,933	¥154,884	¥4,283,981	¥102,690	¥4,386,672

Notes:

1. Net sales by geographic region are recognized based on geographic location of the operation.

Significant countries in each region are as follows:

North America : United States of America and Canada

Others : Europe, Korea, China, Singapore, and others

2. Unallocated operating expenses for the fiscal years ended March 31, 2008 and 2009 in the column "Elimination or corporate," which mainly represent expenses of the corporate division of the Company, were ¥7,959 million and ¥9,278 million, respectively.

3. Corporate assets at March 31, 2008 and 2009 in the column "Elimination or corporate" were ¥87,251 million and ¥135,258 million, respectively. Corporate assets represent mainly surplus operating funds (cash and marketable securities), long-term investment securities of the Company and assets held by the corporate division of the Company.

4. In the North America segment, Softbank Holdings Inc., a consolidated subsidiary of the company in the United States of America, reversed a tax reserve for net worth taxes of ¥3,446 million and credited it to operating expenses.

## 3. Overseas sales

Disclosure of overseas sales was omitted because the total overseas sales were less than 10% of total consolidated sales.

**(Leases)**
**1. Finance lease transactions**

“Accounting Standard for Lease Transactions”(ASBJ Statement No.13) and “the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16 ) were early adopted from the fiscal year beginning on April 1 , 2008.

**(As a lessee)**

- (1) Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, mainly telecommunications equipment in the Mobile Communications segment.

[2] Depreciation method for lease assets

The depreciation method is the same as the method used for fixed assets possessed by each subsidiary and the Company.

- (2) Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods

[1] Details of lease assets are as follows:

Tangible assets, mainly telecommunications equipment in the Fixed-line Telecommunications segment.

[2] Depreciation method for lease assets

The straight-line method is adopted over the period of the finance leases, assuming no residual value.

Lease transactions contracted before April 1, 2008 are continuously permitted to be accounted for as operating lease transactions, and the note of as if capitalized information is as follows:

- (1) Amounts equivalent to acquisition costs, accumulated depreciation, and accumulated impairment loss of leased property for each year:

	As of March 31, 2008		As of March 31, 2009	
<b>Telecommunications equipment and telecommunications service lines</b>				
Acquisition cost	179,479		<b>171,192</b>	
Accumulated depreciation	(66,202)		<b>(77,309)</b>	
Accumulated impairment loss	(30,521)		<b>(37,786)</b>	
Net leased property	82,755	million yen	<b>56,096</b>	<b>million yen</b>
<b>Buildings and structures</b>				
Acquisition cost	47,005		<b>47,004</b>	
Accumulated depreciation	(7,429)		<b>(9,836)</b>	
Accumulated impairment loss	-		-	
Net leased property	39,575	million yen	<b>37,168</b>	<b>million yen</b>
<b>Property and equipment - others</b>				
Acquisition cost	17,979		<b>17,227</b>	
Accumulated depreciation	(6,302)		<b>(8,424)</b>	
Accumulated impairment loss	(1,253)		<b>(1,077)</b>	
Net leased property	10,423	million yen	<b>7,724</b>	<b>million yen</b>
<b>Intangible assets</b>				
Acquisition cost	9,373		<b>9,086</b>	
Accumulated depreciation	(3,353)		<b>(4,919)</b>	
Accumulated impairment loss	(169)		<b>(171)</b>	
Net leased property	5,851	million yen	<b>3,996</b>	<b>million yen</b>
<b>Total</b>				
Acquisition cost	253,838		<b>244,511</b>	
Accumulated depreciation	(83,288)		<b>(100,489)</b>	
Accumulated impairment loss	(31,943)		<b>(39,035)</b>	
Net leased property	138,606	million yen	<b>104,986</b>	<b>million yen</b>

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, for the year ended March 31, 2008 and March 31, 2009 are ¥15,053 million and 19,867 million, respectively and are included in “Other assets” of investments and other assets in the consolidated balance sheets. Current portion of long-term prepaid expenses related to the lease contract in the amount of ¥714 millions for the year ended March 31, 2009 are included in “Other current assets” in the consolidated balance sheets.

(2) Obligations under finance lease at the end of each year:

	As of March 31, 2008		As of March 31, 2009	
Due within one year	32,482		<b>30,726</b>	
Due after one year	141,179		<b>110,651</b>	
Total	173,662	million yen	<b>141,378</b>	<b>million yen</b>
Balance of allowance for impairment loss on leased property	21,601	million yen	<b>18,809</b>	<b>million yen</b>

(3) Lease payments, reversal of allowance for impairment loss on leased property, amounts equivalent to depreciation, interest expense and impairment loss for each year:

	Fiscal year ended March 31, 2008		Fiscal year ended March 31, 2009	
Lease payments	44,329	million yen	<b>41,444</b>	<b>million yen</b>
Reversal of allowance for impairment loss on leased property	5,387		<b>10,051</b>	
Depreciation expense	30,917		<b>26,769</b>	
Interest expense	12,788		<b>10,721</b>	
Impairment loss	8,818		<b>7,259</b>	

(4) Calculation method used to determine the amount equivalent to depreciation and interest expense:

The amount equivalent to depreciation is computed using the straight-line method over the period of the finance leases, assuming no residual value.

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

## 2. Non-cancelable operating lease transactions

### (As a lessee)

The future lease payments under non-cancelable operating leases at the end of each year:

	As of March 31, 2008		As of March 31, 2009	
Due within one year	2,959		<b>21,930</b>	
Due after one year	13,126		<b>41,129</b>	
Total	16,086	million yen	<b>63,059</b>	<b>million yen</b>

### (As a lessor)

The future lease receivables under non-cancelable operating leases at the end of each year:

	As of March 31, 2008		As of March 31, 2009	
Due within one year	1,371		<b>1,142</b>	
Due after one year	1,996		<b>1,537</b>	
Total	3,367	million yen	<b>2,679</b>	<b>million yen</b>

**(Tax Effect Accounting)**

For the fiscal year ended March 31, 2008	For the fiscal year ended March 31, 2009
1. Significant components of deferred tax assets and liabilities	1. Significant components of deferred tax assets and liabilities
(Million yen)	(Million yen)
Deferred tax assets	<b>Deferred tax assets</b>
Loss carryforwards	<b>Loss carryforwards</b>
Depreciation / Amortization	<b>Depreciation / Amortization</b>
Revaluation of acquired consolidated subsidiary at the respective fair market value	<b>Revaluation of acquired consolidated subsidiary at the respective fair market value</b>
Investment securities	<b>Allowances for doubtful accounts</b>
Allowances for doubtful accounts	<b>Investment securities</b>
Allowances for point mileage	<b>Allowances for point mileage</b>
Deferred revenue	<b>Deferred revenue</b>
Deferred loss on derivatives under hedge accounting	<b>Others</b>
Others	
Gross deferred tax assets	<b>Gross deferred tax assets</b>
Less: valuation allowance	<b>Less: valuation allowance</b>
Total deferred tax assets	<b>Total deferred tax assets</b>
Deferred tax liabilities	<b>Deferred tax liabilities</b>
Unrealized gains on other securities	<b>Unrealized gains on other securities</b>
Others	<b>Deferred gain on derivatives under hedge accounting</b>
Total deferred tax liabilities	<b>Others</b>
Net deferred tax assets	<b>Total deferred tax liabilities</b>
	<b>Net deferred tax assets</b>
2. Reconciliation between the statutory income tax rate and effective income tax rate:	2. Reconciliation between the statutory income tax rate and effective income tax rate:
Statutory tax rate	<b>Statutory tax rate</b>
(Reconciliation)	<b>(Reconciliation)</b>
Change in valuation allowance due to adoption of consolidated taxation system in subsidiaries	<b>Change in valuation allowance</b>
Other changes in valuation allowance	<b>Amortization of goodwill</b>
Amortization of goodwill	<b>Equity in losses of affiliated companies</b>
Equity in earnings of affiliated companies	<b>Tax rate differential</b>
Others	<b>Others</b>
Income tax rate per statements of income	<b>Income tax rate per statements of income</b>

**(Investment in Debt and Equity Securities)**
**As of March 31, 2008**
**1. Marketable and investment securities at fair value**

(Millions of yen)

	As of March 31, 2008		
	Investment Cost	Carrying Amount	Differences
Carrying Amount > Investment Cost			
(1)Equity securities	¥17,893	¥162,793	¥144,900
(2)Others	1,101	1,108	6
Sub-total	18,995	163,901	144,906
Carrying Amount ≤ Investment Cost			
(1)Equity securities	11,325	8,882	(2,443)
(2)Corporate bonds	218	210	(8)
Sub-total	11,544	9,093	(2,451)
Total	¥30,540	¥172,994	¥142,454

**2. Marketable and investment securities sold during the fiscal year ended March 31, 2008**

(Millions of yen)

	Sales Price	Gain on sales	Loss on sales
(1)Equity securities	¥18,832	¥6,304	¥133
(2)Debt securities	177	13	-
(3)Others	9,864	292	2
Total	¥28,874	¥6,611	¥136

**3. Carrying amounts of the unlisted investment securities**

(Millions of yen)

	Carrying Amounts
(1)Held-to-maturity debt securities	
Unlisted foreign debt securities	¥700
Unlisted debt securities	368
(2)Available-for-sale and other securities	
Unlisted equity securities, excluding over-the-counter stocks	91,446
Investments in limited partnerships	6,725
Money Management Fund	2,519
Unlisted foreign debt securities	958
Others	1,058
Total	¥103,777

**4. The redemption schedule for “held-to-maturity debt securities” and “available-for-sale and other securities” with maturity date subsequent to the consolidated balance sheet date**

(Millions of yen)

	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2013	April 1, 2013 to March 31, 2018	April 1, 2018 and thereafter
Debt securities				
Corporate bonds	194	1,258	600	-
Local bonds	100	-	-	-
Total	294	1,258	600	-

**5. Investment securities evaluated at fair value under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” Investment Companies**

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets at March 31, 2008 are as follows:

	<u>As of March 31, 2008</u>
Proceeds from sales:	15,000 million yen
Carrying amounts of investment securities at fair value :	26,042 million yen

Regarding net changes in fair value of the investment securities and gain on sale of the investment securities, please see “Notes Consolidated Statements of Income 2. Unrealized appreciation or loss on investments and gain or loss on sale of investments at subsidiaries in the United States of America, net” in details on page 44.

**As of March 31, 2009**
**1. Marketable and investment securities at fair value**

(Millions of yen)

	As of March 31, 2009		
	Investment Cost	Carrying Amount	Differences
Carrying Amount > Investment Cost			
(1)Equity securities	¥16,640	¥71,766	¥55,125
(2)Others	58	59	1
Sub-total	16,698	71,825	55,126
Carrying Amount ≤ Investment Cost			
(1)Equity securities	8,629	8,023	(605)
(2)Others	2,866	2,611	(254)
Sub-total	11,496	10,635	(860)
Total	¥28,194	¥82,461	¥54,266

**2. Marketable and investment securities sold during the fiscal year ended March 31, 2009**

(Millions of yen)

	Sales Price	Gain on sales	Loss on sales
(1)Equity securities	¥4,851	¥2,659	¥114
(2)Debt securities	225	-	-
(3)Others	4,986	6	193
Total	¥10,062	¥2,666	¥307

**3. Carrying amounts of the unlisted investment securities**

(Millions of yen)

	Carrying Amounts
(1)Held-to-maturity debt securities	
Unlisted foreign debt securities	¥700
Unlisted debt securities	299
(2)Available-for-sale and other securities	
Unlisted equity securities, excluding over-the-counter stocks	80,747
Investments in limited partnerships	6,732
Others	223
Total	¥88,702

**4. The redemption schedule for “held-to-maturity debt securities” and “available-for-sale and other securities” with maturity date subsequent to the consolidated balance sheet date**

(Millions of yen)

	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2014	April 1, 2014 to March 31, 2019	April 1, 2019 and thereafter
Debt securities				
Corporate bonds	100	300	600	-
Local bonds	79	134	-	-
Sub-total	179	434	600	-



## 5. Investment securities evaluated at fair value under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” Investment Companies

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets at March 31, 2009 are as follows:

	<u>As of March 31, 2009</u>
Proceeds from sales:	3,627 million yen
Carrying amounts of investment securities at fair value :	18,064 million yen

Regarding net changes in fair value of the investment securities and gain on sale of the investment securities, please see “Notes Consolidated Statements of Income 2. Unrealized appreciation or loss on investments and gain or loss on sale of investments at subsidiaries in the United States of America, net” in details on page 44.

## (Derivative Transactions)

### 1. Currency Related

(Millions of yen)

	Nature of transaction	March 31, 2008				March 31, 2009			
		Contract amounts		Fair value	Unrealized gain(loss)	Contract amounts		Fair value	Unrealized gain (loss)
			Over 1 year				Over 1 year		
Off-market transactions	Forward exchange contracts to-								
	• Purchase U.S. dollars and sell Japanese yen	86,218	-	85,324	(893)	83,589	-	86,519	2,929
	• Purchase Euro and sell Japanese yen	3,034	-	3,082	48	3,637	-	3,370	(267)
	Total				¥(845)				¥2,662

Notes: 1. Fair value is based on information provided by financial institutions at the end of each fiscal year.

2. Derivative transactions to which the Company applied hedge accounting are excluded.

### 2. Interest Related

There are no applicable items.

Note: Derivative transactions to which the Company applied hedge accounting are excluded.

### 3. Securities Related

There are no applicable items.

Note: Derivative transactions to which the Company applied hedge accounting are excluded.

## (Pension and Severance Plans)

### 1. Pension Plans

Employees of the Company and most of its domestic consolidated subsidiaries participate in defined contribution pension plans and the contributory defined benefit welfare pension plans.

Funded status and the Group employees' percentages of total participants in the plan under a multi-employer contributory defined benefit welfare pension plan for the year ended March 31, 2009 are as follows:

(The Pension Fund of Kanto IT Software)

(1) Funded status (as of March 31, 2008)

Plan assets at fair value	145,958	million yen
Benefit obligation under pension financing	140,968	
<b>Net asset</b>	<b>4,989</b>	<b>million yen</b>

(2) The Group employees' percentages of total participants in the plan (as of March 31, 2008)

12.7 %

(The Pension Fund of Japan Electronics Information Technology Industry)

(1) Funded status (as of March 31, 2008)

Plan assets at fair value	193,907	million yen
Benefit obligation under pension financing	226,155	
<b>Net liability</b>	<b>(32,248)</b>	<b>million yen</b>

(2) The Group employees' percentages of total participants in the plan (as of March 31, 2008)

0.2 %

### 2. Projected Benefit Obligation

	March 31, 2008	March 31, 2009
Projected benefit obligation (PBO)	16,158 million yen	<b>16,076 million yen</b>
Plan assets at fair value	-	-
Unfunded PBO	16,158	<b>16,076</b>
Unrecognized actuarial losses	-	-
Net liability for retirement benefits	16,158	<b>16,076</b>
Prepaid pension costs	-	-
Accrued retirement benefits	16,158 million yen	<b>16,076 million yen</b>

### 3. Pension and Severance Costs

	March 31, 2008	March 31, 2009
Service costs (Note 1)	1,063 million yen	<b>1,198 million yen</b>
Interest costs	349	<b>336</b>
Recognized actuarial losses	466	<b>618</b>
Contributions	2,048	<b>2,077</b>
Net pension and severance costs	3,926 million yen	<b>4,231 million yen</b>

Notes:

1. Service costs include ¥1,060 million for FY2008 and ¥1,186 million for FY2009 of contributions to multi-employer contributory defined benefit welfare pension plans.

**(Stock Option)**

There are no significant stock option transactions as of March 31, 2008 and March 31, 2009.

**(Business Combinations)**

Merger of consolidated subsidiaries

**1. Merger of Yahoo Japan and SOFTBANK IDC SOLUTIONS Corp.**

On February 24, 2009, the Company transferred all shares of SOFTBANK IDC SOLUTIONS Corp., a Company's wholly-owned subsidiary, to Yahoo Japan, a Company's consolidated subsidiary.

On March 30, 2009, Yahoo Japan merged with SOFTBANK IDC SOLUTIONS Corp.

(1) Outline of the merger

[1] Companies involved in the merger

Yahoo Japan and SOFTBANK IDC SOLUTIONS Corp.

[2] Principal business of the merging companies

Yahoo Japan

Internet Culture: Internet-based advertising operations, portal business, and auction business etc.

SOFTBANK IDC SOLUTIONS Corp.

Data center business

[3] Method of the merger

Yahoo Japan, as the surviving company, acquired SOFTBANK IDC SOLUTIONS Corp., which was subsequently dissolved.

[4] Company's name after the merger

Yahoo Japan

[5] Purpose and method of the merger

This merger enables the early establishment of a strategic base for the next generation Internet business by maximizing the synergy effect between Yahoo Japan and SOFTBANK IDC SOLUTIONS Corp., and aims to enhance sustainable growth and competitiveness of the Internet business and the data center business. Yahoo Japan, as the surviving company, acquired SOFTBANK IDC SOLUTIONS Corp., which was subsequently dissolved.

(2) Summary of accounting procedures

The merger is accounted as under common control transaction, based upon "Accounting Standard for Business Combinations" (Accounting Standards issued on October 31, 2003 by the Business Accounting Council in Japan) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Financial Accounting Standards Implementation Guidance No. 10 issued on November 15, 2007).

**(Per Share Data)**

	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
Shareholders' equity per share (yen)	¥355.15	<b>¥346.11</b>
Net income per share - primary (yen)	101.68	<b>39.95</b>
Net income per share – diluted (yen)	95.90	<b>38.64</b>

Basic data for computation of the per share data	Fiscal year ended March 31, 2008	Fiscal year ended March 31, 2009
1. Net income (in millions of yen)	108,624	<b>43,172</b>
2. Net income allocated to common stock outstanding (in millions of yen)	108,624	<b>43,172</b>
3. Amounts not allocated to shareholders (in millions of yen)	-	-
4. Weighted average number of common stock outstanding during each year (unit: shares)	1,068,291,756	<b>1,080,700,888</b>
5. Adjustment for net income used to calculate net income per share – diluted (in millions of yen)	1,508	<b>1,522</b>
6. Increase of common stock used to calculate net income per share – diluted (unit: shares)	80,134,671	<b>75,869,347</b>
7. Residual securities which do not dilute net income per share	Stock acquisition rights agreement on June 22, 2005 in accordance with special resolution at general shareholders' meeting	<b>Stock acquisition rights agreement on June 22, 2005 in accordance with special resolution at general shareholders' meeting</b>

## 5. Others

### (Change of Board)

- (1) Change of Representative  
Not applicable
- (2) Change of other directors  
Not applicable

#### <Reference>

The structure of the Board of the Company as of June 24, 2009 will be as stated below.

#### 1. Directors (9 people)

Name	Title
Masayoshi Son	Chairman & CEO
Ken Miyauchi	Director
Kazuhiko Kasai	Director
Masahiro Inoue	Director
Ronald Fisher	Director
Yun Ma	Director
Tadashi Yanai	Director
Jun Murai	Director
Mark Schwartz	Director

The Directors, Messrs. Tadashi Yanai, Jun Murai, and Mark Schwartz are the External Directors.

#### 2. Statutory Auditors (4 people)

Name	Title
Mitsuo Sano	Full-time Statutory Auditor
Soichiro Uno	Statutory Auditor
Koichi Shibayama	Statutory Auditor
Hidekazu Kubokawa	Statutory Auditor

The Statutory Auditors, Messrs. Soichiro Uno, Koichi Shibayama, and Hidekazu Kubokawa are the External Statutory Auditors.