SoftBank

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 5 of this report.

SoftBank Corp.
Consolidated Financial Report
For the fiscal year ended March 31, 2015 (IFRS)

Tokyo, May 11, 2015

1. Financial Highlights

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

(1) Results of Operations

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

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2015	**¥8,670,221**	**30.1**	**¥982,703**	**(8.8)**	**¥1,277,045**	**38.2**	**¥763,682**	**32.1**	**¥668,361**	**28.5**	**¥1,128,262**	**117.8**
Fiscal year ended March 31, 2014	¥6,666,651	108.2	¥1,077,044	-	¥924,049	-	¥578,251	-	¥520,250	-	¥517,967	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)	Ratio of operating income to net sales (%)
Fiscal year ended March 31, 2015	**¥562.20**	**¥558.75**	**28.0**	**6.8**	**11.3**
Fiscal year ended March 31, 2014	¥436.95	¥434.68	29.5	7.7	16.2

Notes:

1. Equity in income of associates
   Fiscal year ended March 31, 2015: ¥ 76,614 million
   Fiscal year ended March 31, 2014: ¥ 74,402 million
2. Year-on-year percentage changes except for net sales for the fiscal year ended March 31, 2014 are not described due to the retrospective adjustments in regard to the changes in accounting policies. Please refer to page 52 “Note 4. Changes in accounting policies” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent (yen)
As of March 31, 2015	**¥21,034,169**	**¥3,853,177**	**¥2,846,306**	**13.5**	**2,393.47**
As of March 31, 2014	¥16,690,127	¥2,830,382	¥1,930,441	11.6	1,624.33

Note:
Retrospective adjustments in regard to the changes in accounting policies are made for each financial figure as of March, 31 2014. Please refer to page 52 “Note 4. Changes in accounting policies” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details.

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2015	**¥1,155,174**	**¥(1,667,271)**	**¥1,719,923**	**¥3,258,653**
Fiscal year ended March 31, 2014	¥860,245	¥(2,718,188)	¥2,359,375	¥1,963,490

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2014	-	20.00	-	20.00	40.00
Fiscal year ended March 31, 2015	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2016 (Forecasted)	-	20.00	-	20.00	40.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	(Millions of yen)	%	%
Fiscal year ended March 31, 2014	47,608	9.2	2.7
Fiscal year ended March 31, 2015	47,562	7.1	2.0
Fiscal year ending March 31, 2016 (Forecasted)		-	

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

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

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): No

(2) Changes in accounting policies and accounting estimates

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

Please refer to page 28 “Changes in Accounting Policies and Accounting Estimates” under “4. Notes to Summary Information” for details.

(2) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):
As of March 31, 2015: 1,200,660,365 shares
As of March 31, 2014: 1,200,660,365 shares

[2] Number of treasury stock:
As of March 31, 2015: 11,463,275 shares
As of March 31, 2014: 12,204,526 shares

[3] Number of average stocks during twelve-month period (April-March):
Fiscal year ended March 31, 2015: 1,188,830,428 shares
Fiscal year ended March 31, 2014: 1,190,650,355 shares

[For Reference]

Financial Highlights (Non-Consolidated)

(1) Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2015	¥47,423	(4.4)	¥26,402	(23.3)	¥40,482	(83.5)	¥3,272	(98.7)
Fiscal year ended March 31, 2014	¥49,586	7.7	¥34,402	9.0	¥245,941	115.9	¥243,049	219.8

	Net income per share-basic (yen)	Net income per share-diluted (yen)
Fiscal year ended March 31, 2015	¥2.75	¥2.75
Fiscal year ended March 31, 2014	¥204.13	¥203.85

(2) Non-Consolidated Financial Position

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (yen)
As of March 31, 2015	¥7,172,905	¥894,693	12.5	¥752.04
As of March 31, 2014	¥5,709,742	¥936,019	16.4	¥787.26

Note: Shareholders' equity (Non-consolidated)
As of March 31, 2015: ¥894,329 million
As of March 31, 2014: ¥935,629 million

(3) Differences in Non-Consolidated Operating Results from the Previous Fiscal Year

The decrease in ordinary income and net income in the fiscal year ended March 2015 from the previous fiscal year ended March 2014 was mainly attributable to a ¥216,778 million year-on-year decline in dividends from subsidiaries and associates.

Financial Highlights (Non-Consolidated) are prepared under Japanese Generally Accepted Accounting Principles ("JGAAP").

*** Implementation status of audit procedures**

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

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

The Company has adopted IFRSs from the three-month period ended June 30, 2013.

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

On May 11, 2015, the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on our web site in both Japanese and English at http://www.softbank.jp/en/corp/irinfo/. The Earnings Results Data Sheet will also be posted on the Company's web site around 4 p.m. on the same day at http://www.softbank.jp/en/corp/irinfo/presentations/.

(Appendix)

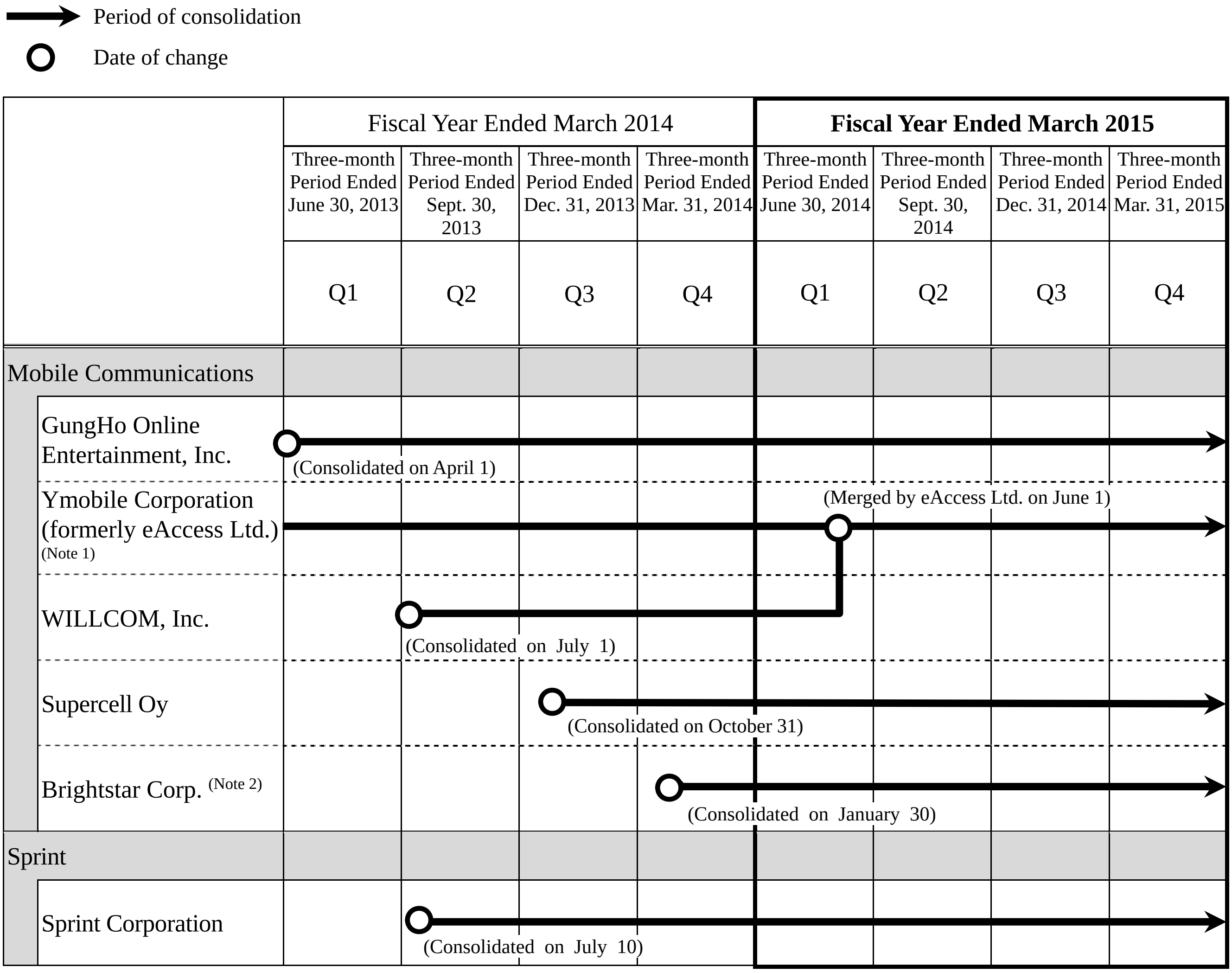
Contents

Definition of Company Names and Abbreviations Used in Appendix

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

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

Major Changes to Subsidiaries (April 2013 - March 2015)



Notes:

1. eAccess Ltd. changed its company name to Ymobile Corporation on July 1, 2014. Preceding this, eAccess Ltd. merged with WILLCOM, Inc. on June 1, 2014. The ADSL business of Ymobile Corporation is included in the Fixed-line Telecommunications segment.
2. The commerce and service business of SoftBank BB Corp. has been included in the Mobile Communications segment. This business was inherited by SoftBank Commerce & Service Corp., which was newly incorporated on April 1, 2014, and SoftBank Commerce & Service Corp. was consolidated by Brightstar on the same date.
3. Effective on April 1, 2015, SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp. and Ymobile Corporation merged with SoftBank Mobile Corp. being the surviving company.

1. Results of Operations

(1) Analysis of Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Fiscal Year Ended March 31, 2014 (Note 4)	**Fiscal Year Ended March 31, 2015**	Change	Change %
Net sales	6,666,651	**8,670,221**	2,003,570	30.1%
Operating income	1,077,044	**982,703**	(94,341)	(8.8%)
(Incl.) Gain from remeasurement relating to business combination	253,886	-	(253,886)	-
Income before income tax	924,049	**1,277,045**	352,996	38.2%
(Incl.) Dilution gain from changes in equity interest	3,633	**599,815**	596,182	-
Net income	578,251	**763,682**	185,431	32.1%
Net income attributable to owners of the parent	520,250	**668,361**	148,111	28.5%

Note:

4. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." Please refer to page 52 "4. Changes in accounting policies" under "5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details on the retrospective adjustments.

The main factors affecting earnings for the fiscal year ended March 31, 2015 (the "fiscal year") were as follows:

(a) Net Sales

Net sales totaled ¥8,670,221 million, for a ¥2,003,570 million (30.1%) increase from the fiscal year ended March 31, 2014 (the "previous fiscal year"). This primarily resulted from increases in net sales in the Mobile Communications segment and the Sprint segment.

The Mobile Communications segment's net sales (for customers) amounted to ¥4,143,653 million, for a ¥1,000,990 million (31.9%) increase year on year. This was due mainly to increases in net sales at Brightstar[1] and Supercell. Net sales increased at Brightstar because in the previous fiscal year the results of Brightstar were recorded only for two months, but in the fiscal year they were recorded for the entire fiscal year. The increase in net sales at Supercell was due mainly to strong growth in its operations.

Net sales (for customers) of the Sprint segment totaled ¥3,594,167 million, for a ¥993,424 million (38.2%) increase compared to the previous fiscal year. The main reason for the increase was recording the results of Sprint for the entire fiscal year, when in the previous fiscal year its results were recorded only for the period from July 11, 2013, after its acquisition.

[1] In "1. Results of Operations" the results of Brightstar are shown excluding the earnings of SoftBank Commerce & Service Corp., which was consolidated by Brightstar on April 1, 2014. The results of SoftBank Commerce & Service Corp. and the commerce and service business of SoftBank BB Corp., from which SoftBank Commerce & Service Corp. inherited the business, have been included in the Mobile Communications segment.

(b) Operating Income

Operating income totaled ¥982,703 million, for a decrease of ¥94,341 million (8.8%) year on year. The decline primarily reflected the absence of ¥253,886 million in gain from remeasurement relating to business combination recorded in the previous fiscal year, although other operating loss improved by ¥27,762 million and income increased in the Mobile Communications segment and the Sprint segment by ¥89,442 million and ¥80,007 million, respectively.

Other operating loss was ¥27,668 million, an improvement of ¥27,762 million year on year (other operating loss of ¥55,430 million was recorded in the previous fiscal year). The improvement was mainly a result of not recording impairment loss for the fiscal year, compared to impairment loss of ¥32,090 million recorded in the previous fiscal year, and recording ¥18,726 million in gain on partial pension settlement at Sprint. These were partially offset by ¥21,271 million of provision for unprofitable contract at SoftBank Telecom Corp. Please refer to page 78 “13. Other operating loss” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details of other operating income and loss.

In the previous fiscal year, the Company recorded a gain of ¥253,886 million recognized following remeasurement at fair value of the respective equity interests in GungHo and WILLCOM, Inc.[2] that it already held on the dates when the Company acquired control. No gain from remeasurement relating to business combination was recorded in the fiscal year.

(c) Finance Cost

Finance cost totaled ¥366,505 million, for a ¥95,027 million (35.0 %) increase year on year. The increase was mainly due to the impact of recording interest expense of Sprint for the entire fiscal year.

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Finance cost	271,478	**366,505**	95,027	35.0%
(Incl.) Sprint	154,117	**236,776**	82,659	53.6%

(d) Equity in Income and Loss of Associates

Equity in income of associates was ¥76,614 million, an improvement of ¥2,212 million year on year (equity in income of associates of ¥74,402 million was recorded in the previous fiscal year). Out of this, ¥67,460 million was recorded in equity in income of associates related to Alibaba, compared to an income of ¥66,780 million recorded in the previous fiscal year.

Although Alibaba has shown steady growth, the increase in the relevant income of associates was subdued since its net income was driven down by a loss of ¥398,716 million ($3,882 million) recognized in conjunction with the increase in the fair value of the Convertible Preference Shares issued by Alibaba from January 1, 2014 to September 18, 2014, the day preceding the date of Alibaba’s listing on the New York Stock Exchange.

The Convertible Preference Shares were converted into common stock in conjunction with Alibaba’s listing

[2] WILLCOM, Inc. was merged with eAccess Ltd. (so named at the time) on June 1, 2014.

dated September 19, 2014. Consequently, dilution gain from changes in equity interest was recorded for the portion attributable to the Company out of the loss incurred up until the listing in association with the increase in the fair value of the Convertible Preference Shares.

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Equity in income of associates	74,402	**76,614**	2,212	3.0%
(Incl.) Alibaba	66,780	**67,460**	680	1.0%

(e) Dilution Gain from Changes in Equity Interest

Dilution gain from changes in equity interest was ¥599,815 million, an increase of ¥596,182 million year on year. This was mainly attributable to recording dilution gain from changes in equity interest of ¥599,668 million in connection with the listing of Alibaba, primarily as a result of the issuance of new shares by Alibaba and the conversion of the Convertible Preference Shares issued by Alibaba into common stock.

(f) Other Non-operating Income and Loss

Other non-operating loss was ¥15,582 million, a deterioration of ¥56,030 million year on year (other non-operating income of ¥40,448 million was recorded in the previous fiscal year). The primary components were as follows:

i. Impairment loss on equity method associates of ¥35,261 million was recorded (not recorded in the previous fiscal year). This is due mainly to recording impairment loss on investment in Renren Inc.

ii. Gain on sales of equity method associates was ¥1,882 million, deteriorating by ¥31,176 million year on year. This mainly reflected recording gain of ¥26,109 million in the previous fiscal year following the sale of PPLive Corporation shares.

Please refer to page 80 “16. Other non-operating income and loss” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details.

(g) Income before Income Tax

As a result of (b) to (f), income before income tax was ¥1,277,045 million, an increase of ¥352,996 million (38.2%) year on year.

(h) Income Taxes

Provisions for current income taxes were ¥513,363 million, an increase of ¥167,565 million (48.5%) year on year. Tax effects were recognized in principle for equity in income of associates and dilution gain from changes in equity interest related to associates such as Alibaba.

(i) Net Income

As a result of (g) and (h), net income totaled ¥763,682 million, for a ¥185,431 million (32.1%) year-on-year increase.

(j) Net Income Attributable to Owners of the Parent

After deducting net income and loss attributable to non-controlling interests in subsidiaries such as Yahoo Japan Corporation, Sprint, Supercell, and GungHo from (i), net income attributable to owners of the parent amounted to ¥668,361 million, for a ¥148,111 million (28.5%) increase year on year.

(k) Comprehensive Income

Comprehensive income totaled ¥1,128,262 million, for a ¥610,295 million (117.8%) year-on-year increase. Of this, comprehensive income attributable to owners of the parent was ¥991,671 million, for a ¥547,056 million (123.0%) year-on-year increase.

b. Results by Segment

The Company's reportable segments are components of business activities for which decisions on resource allocation and assessment of performance are made. The Company has four reportable segments: "Mobile Communications," "Sprint," "Fixed-line Telecommunications," and "Internet."

In the Mobile Communications segment, SoftBank Mobile Corp. and other companies provide mobile communications services and sell mobile devices and accessories, etc., while GungHo and Supercell produce and distribute online games for smartphones and other devices.

In the Sprint segment, Sprint provides mobile communications services in the U.S. and sells mobile devices and accessories accompanying the services, as well as fixed-line telecommunications services.

In the Fixed-line Telecommunications segment, SoftBank Telecom Corp. provides telecommunications services such as fixed-line telephone and data communications services to corporate customers, while SoftBank BB Corp. and other companies provide broadband services for individual customers.

In the Internet segment, Yahoo Japan Corporation provides Internet-based advertising operations and other services.

Main businesses and core companies of each reportable segment are as follows:

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

Note:

5. Income of reportable segments is based on income from operating income, excluding "Gain from remeasurement relating to business combination" and "Other operating income (loss)," as follows:
   Segment income = (net sales – cost of sales – selling, general and administrative expenses) in each segment

(a) Mobile Communications Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Net sales	3,165,518	**4,189,513**	1,023,995	32.3%
Segment income	605,845	**695,287**	89,442	14.8%

< Overview of Operations >

The segment's net sales increased by ¥1,023,995 million (32.3%) year on year to ¥4,189,513 million. The increase was mainly due to increases in net sales of Brightstar, Supercell, and SoftBank Mobile Corp.

Net sales of Brightstar amounted to ¥936,652 million, for a ¥799,118 million year-on-year increase. The increase was mainly due to net sales of Brightstar being recorded for the entire fiscal year, while in the previous fiscal year they were recorded only for two months. Net sales of Supercell were ¥252,570 million, for a ¥197,729 million year-on-year increase. The increase in net sales at Supercell was due to strong growth in operations, and to net sales of Supercell being recorded for the entire fiscal year, while in the previous fiscal year they were recorded only after its acquisition on October 31, 2013. At SoftBank Mobile Corp., net sales increased by ¥31,077 million year on year to ¥2,269,260 million, mainly on increased service revenue along with growth in the cumulative number of subscribers.

Segment income increased by ¥89,442 million (14.8%) year on year to ¥695,287 million. This primarily reflected increases in income of Supercell and SoftBank Mobile Corp. Income at Supercell increased by ¥50,070 million to ¥55,908 million atop an increase in net sales. At SoftBank Mobile Corp., income increased by ¥30,115 million to ¥547,388 million as net sales increased and sales commissions decreased, despite an increase in depreciation.

< Overview of Business Operations >

(Principal operational data of SoftBank Mobile Corp. is shown below.)

・Number of Subscribers

The cumulative number of subscribers at SoftBank Mobile Corp. as of March 31, 2015 (the "end of the fiscal year") stood at 37,766,000. Net subscriber additions (new subscriptions minus churn) for the fiscal year at SoftBank Mobile Corp. totaled 1,841,000. This was primarily the result of solid trends in subscriber numbers of smartphones, tablets, and communication modules.

・ARPU

ARPU[3] at SoftBank Mobile Corp. for the fiscal year decreased by ¥220 year on year to ¥4,230. This decline in ARPU primarily reflected an increase in low-ARPU devices. Meanwhile, ARPU was pushed up mainly by growth in the number of LTE subscriptions, which have relatively higher data communication charges compared to 3G subscriptions.

[3] For definitions and calculation methods of ARPU and churn and upgrade rates at SoftBank Mobile Corp., see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Mobile Corp."

・**Number of Units Sold**

The number of units sold[4] at SoftBank Mobile Corp. for the fiscal year decreased by 820,000 year on year to 13,355,000. This was mainly due to a year-on-year decrease in the number of new subscriptions for the three-month period ended March 31, 2015 (the "fourth quarter").

・**Churn Rate and Upgrade Rate**

The churn rate[3] at SoftBank Mobile Corp. for the fiscal year was 1.33%, up 0.06 of a percentage point year on year. This was mainly due to an increase in the number of churn for non-voice devices reaching the end of their two-year subscriptions.

The upgrade rate[3] was 1.27%, down 0.09 of a percentage point year on year. This slight decrease was caused by an increase in the number of non-voice devices, whose upgrade rates are relatively lower, while the overall number of upgrades increased from the previous fiscal year.

(b) Sprint Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Net sales	2,601,031	**3,800,021**	1,198,990	46.1%
Segment income	(6,119)	**73,888**	80,007	-

(Reference: other operating income (loss) related to Sprint)

Severance costs associated with reduction in work force of Sprint	(23,645)	**(27,129)**	(3,484)	-
Gain on partial pension settlement	-	**18,726**	18,726	-

Note:
6. The Sprint segment includes the results of Sprint since July 11, 2013.

< Overview of Operations >

The segment's net sales increased by ¥1,198,990 million (46.1 %) year on year to ¥3,800,021 million. The main factor behind the increase was that in the previous fiscal year Sprint's results were reflected only from July 11, 2013, while in the fiscal year they were reflected for the entire fiscal year.

Segment income was ¥73,888 million, an improvement of ¥80,007 million from a segment loss of ¥6,119 million in the previous fiscal year. The principal cause of this improvement was a decrease in depreciation as a result of some of the legacy assets becoming fully depreciated as of December 31, 2013. Other factors that contributed to the improvement in income included decreases in network and roaming expenses, primarily resulting from the network enhancement and improvement, and a decrease in subsidies due to the increased adoption of the installment billing and other program for mobile devices in a shift away from the conventional

[4] Units sold: the total number of new subscriptions and handset upgrades.

subsidized model, where Sprint pays subsidies to bear a part of the cost of devices for customers.

Severance costs associated with reduction in work force and gain on partial pension settlement at Sprint were recorded as other operating income and loss on the Company's consolidated statements of income and do not affect segment income. Please refer to page 78 "13. Other operating loss" under "5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details.

Although Sprint (under US GAAP) recorded $2.13 billion of impairment losses in the fiscal year, the Company did not recognize an impairment loss related to Sprint, primarily due to differences in adopted GAAP. Please refer to the Company's press release "Impairment Losses Related to Sprint (under US GAAP) and Reasons for Not Recognizing an Impairment Loss Related to Sprint in the Consolidated Financial Statements of SoftBank (under IFRSs)," dated February 5, 2015, for details.

< Overview of Business Operations >

・Number of Subscribers

The Sprint platform[5] had 2,586,000 net subscriber additions for the fiscal year. This represented a net addition of 2,349,000 in wholesale and affiliate, driven mainly by growth in the number of communication modules for automobiles, and a net addition of 449,000 in prepaid, despite a 212,000 net loss in postpaid, mainly caused by a decrease in the number of mobile phone subscribers. As a result, the cumulative number of Sprint platform subscribers at the end of the fiscal year stood at 56,137,000.

・ABPU

Sprint discloses ABPU[6] (Average Billings Per User), which is the sum of ARPU[6] and monthly-average equipment billings,[7] as a key performance indicator in addition to ARPU.

Sprint platform postpaid ABPU for the fourth quarter was $61.71, for a $2.42 year-on-year decrease. This was mainly due to an increased number of subscriptions to lower price plans offered in conjunction with device financing programs such as installment sales and leases, as well as tablet subscriptions, whose monthly service charge is lower than that of mobile phones. On the other hand, equipment billings increased due to the increased adoption of device financing programs.

・Churn Rate

The Sprint platform postpaid churn rate[6] for the fourth quarter was 1.84%, down 0.27 of a percentage point year on year. The decrease in the churn rate was primarily attributable to the lower number of voluntary deactivations as network performance improvements provided a better customer experience.

5 The Sprint platform represents Sprint-operated CDMA and LTE networks.
6 For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."
7 Equipment billings: the sum of installment billings under the installment billing program and lease fees under the leasing program.

(c) Fixed-line Telecommunications Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Net sales	548,090	**541,056**	(7,034)	(1.3%)
Segment income	108,302	**100,263**	(8,039)	(7.4%)

(Reference: other operating loss related to SoftBank Telecom Corp.)

Provision for unprofitable contract	-	**(21,271)**	(21,271)	-

< Overview of Operations >

The segment's net sales decreased by ¥7,034 million (1.3%) year on year to ¥541,056 million. This was mainly due to a decline in ADSL service revenue at Ymobile Corporation and a decrease in net sales at SoftBank Telecom Corp. The revenue decrease at SoftBank Telecom Corp. principally reflected the absence of temporary revenue from interconnection charges recorded in the previous fiscal year.

Segment income decreased by ¥8,039 million (7.4%) year on year to ¥100,263 million. This was mainly due to the decrease in net sales, as well as an increase in outsourcing expenses and telecommunications network charges at SoftBank Telecom Corp. relating to the telecommunications services network for a corporate customer.

Provision for unprofitable contract related to telecommunications services at SoftBank Telecom Corp. was recorded as other operating loss on the Company's consolidated statements of income and does not affect segment income. Please refer to page 78 "13. Other operating loss" under "5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details.

(d) Internet Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2014	**Fiscal Year Ended March 31, 2015**	Change	Change %
Net sales	399,869	**419,134**	19,265	4.8%
Segment income	188,949	**187,001**	(1,948)	(1.0%)

< Overview of Operations >

The segment's net sales increased by ¥19,265 million (4.8%) year on year to ¥419,134 million. This increase was a result of revenue growth in the advertising business at Yahoo Japan Corporation, especially from display advertising.[8] This was partially offset by a revenue decrease in the e-commerce business relating to its new strategy, which includes eliminating monthly store tenant and other fees.

Segment income decreased by ¥1,948 million (1.0%) year on year to ¥187,001 million.

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

(Reference 1: Principal Operational Data)

(a) Mobile Communications Segment

		Fiscal Year Ended March 2014					**Fiscal Year Ended March 2015**				
		Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	**Three-month Period Ended Mar. 31, 2015**	**Fiscal Year Ended Mar. 31, 2015**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Cumulative subscribers	(Thousands) SoftBank Mobile Corp.[9]	33,290	34,068	34,760		35,925	36,482	37,047	37,401		**37,766**
	Ymobile Corporation[10,11]	9,542	9,725	9,899		10,011	10,002	10,066	10,065		**10,017**
	(Incl.) PHS	5,199	5,310	5,403		5,546	5,516	5,470	5,305		**5,159**
SoftBank Mobile Corp.	(Thousands) Net additions[9]	810	778	692	1,165	3,445	557	565	355	**365**	**1,841**
	Postpaid	818	790	716	1,202	3,526	591	594	384	**383**	**1,951**
	Prepaid	(8)	(12)	(24)	(36)	(81)	(34)	(29)	(29)	**(18)**	**(110)**
	(¥ / month) ARPU[12,13]	4,460	4,520	4,490	4,340	4,450	4,280	4,260	4,250	**4,130**	**4,230**
	(Thousands) Handsets shipped[14]	2,575	2,734	3,347	3,377	12,033	1,769	2,978	3,832	**2,542**	**11,121**
	(Thousands) Units sold[15]	3,023	3,150	3,713	4,289	14,175	2,533	3,428	3,932	**3,461**	**13,355**
	New subscriptions	1,790	1,904	2,015	2,921	8,629	1,761	1,968	1,847	**2,135**	**7,711**
	Handset upgrades	1,233	1,246	1,698	1,368	5,546	772	1,460	2,085	**1,326**	**5,644**
	(% / month) Churn rate[12]	0.99	1.12	1.28	1.66	1.27	1.11	1.27	1.34	**1.57**	**1.33**
	Postpaid	0.94	1.06	1.24	1.63	1.22	1.07	1.23	1.30	**1.55**	**1.29**
	(% / month) Upgrade rate[12]	1.25	1.23	1.64	1.30	1.36	0.71	1.32	1.87	**1.18**	**1.27**

[9] Includes the number of prepaid mobile phones and communication module service subscribers. The communication module subscribers' net additions for the fiscal year were 521,000 and the cumulative number at the end of the fiscal year totaled 4,355,000.

[10] eAccess Ltd. changed its company name to Ymobile Corporation on July 1, 2014. Preceding this, eAccess Ltd. merged with WILLCOM, Inc. on June 1, 2014.

[11] Includes the number of prepaid mobile phones and communication module service subscribers. The number of subscribers to the services provided by Ymobile Corporation under the "*Y!mobile*" (formerly "*EMOBILE*" or "*WILLCOM*") brand utilizing the communication network of SoftBank Mobile Corp. is not included.

[12] For definitions and calculation methods of ARPU and churn and upgrade rates at SoftBank Mobile Corp., see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Mobile Corp."

[13] ARPU in the fourth quarter of every fiscal year includes the impact from revision of interconnection charges.

[14] Handsets shipped: the number of handsets shipped (sold) to dealers. Includes the number of handsets sold to customers at stores operated by SoftBank Mobile Corp. and the SoftBank ONLINE SHOP.

[15] Units sold: the total number of new subscriptions and handset upgrades.

(b) Sprint Segment

	Fiscal Year Ended March 2014					**Fiscal Year Ended March 2015**				
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	**Three-month Period Ended Mar. 31, 2015**	**Fiscal Year Ended Mar. 31, 2015**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Cumulative subscribers[16] (Thousands)										
Sprint total	53,588	54,877	55,354		54,887	54,553	55,037	55,929		**57,141**
Sprint platform	53,376	53,252	53,934		53,551	53,331	53,921	54,888		**56,137**
Postpaid	30,451	30,091	30,149		29,918	29,737	29,465	29,495		**29,706**
Prepaid	15,215	15,299	15,621		15,257	14,715	14,750	15,160		**15,706**
Wholesale and affiliate	7,710	7,862	8,164		8,376	8,879	9,706	10,233		**10,725**
U.S. Cellular and Clearwire[17]	212	1,625	1,420		1,336	1,222	1,116	1,041		**1,004**
Sprint platform										
Net additions[16] (Thousands)	(520)	(95)	682	(383)	(316)	(220)	590	967	**1,249**	**2,586**
Postpaid	194	(360)	58	(231)	(339)	(181)	(272)	30	**211**	**(212)**
Prepaid	(486)	84	322	(364)	(444)	(542)	35	410	**546**	**449**
Wholesale and affiliate	(228)	181	302	212	467	503	827	527	**492**	**2,349**
ABPU[18] ($ / month)										
Postpaid	-	-	64.24	64.13		63.59	62.75	62.16	**61.71**	
ARPU[18] ($ / month)										
Postpaid	64.20	64.28	64.11	63.52		62.07	60.58	58.90	**56.94**	
Prepaid	26.96	25.33	26.78	26.45		27.38	27.19	27.12	**27.50**	
Churn rate[18] (% / month)										
Postpaid	1.83	1.99	2.07	2.11		2.05	2.18	2.30	**1.84**	
Prepaid	5.22	3.57	3.01	4.33		4.44	3.76	3.94	**3.84**	

16 Includes the number of communication module service subscribers.

17 Sprint acquired 411,000 subscribers (352,000 postpaid subscribers and 59,000 prepaid subscribers) through the acquisition of assets from U.S. Cellular Corporation ("U.S. Cellular") following its acquisition of U.S. Cellular when the transaction closed on May 17, 2013. Sprint also acquired 1,602,000 subscribers (788,000 postpaid subscribers, 721,000 prepaid subscribers, and 93,000 wholesale subscribers) following its acquisition of Clearwire Corporation ("Clearwire") when the transaction closed on July 9, 2013, and transferred 29,000 Sprint wholesale subscribers relating to a Clearwire MVNO arrangement that were originally recognized on the Sprint platform to this category.

18 For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."

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

(a) SoftBank Mobile Corp.

i. ARPU

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

ARPU = (data-related revenue + basic monthly charge, voice-related revenues, etc.) / number of active subscribers

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

Data-related revenue: packet communication and flat-rate charges, basic monthly Internet connection charges, content-related revenues, etc.

Basic monthly charge and voice-related revenues: basic monthly usage charges, voice call charges, revenues from incoming calls, device warrantee services, advertising, etc.

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

(Calculation of ARPU excludes revenues and subscribers related to communication modules.)

ii. Churn rate

Churn rate: average monthly churn rate (rounded to the nearest 0.01%)
Churn rate = number of churn / number of active subscribers
Number of churn: the total number of subscribers that churned during the relevant period
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

iii. Upgrade rate

Upgrade rate: average monthly upgrade rate (rounded to the nearest 0.01%)
Upgrade rate = number of upgrades / number of active subscribers
Number of upgrades: the total number of upgrades during the relevant period
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

(b) Sprint Platform

i. ABPU/ARPU

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

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

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

ii. Churn rate

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

(Reference 3: Capital Expenditure and Depreciation and Amortization)

(a) Capital Expenditure (Acceptance Basis)

(Millions of yen)

	Fiscal Year Ended March 2014					**Fiscal Year Ended March 2015**				
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	**Three-month Period Ended Mar. 31, 2015**	**Fiscal Year Ended Mar. 31, 2015**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Mobile Communica-tions segment	163,581	164,563	170,469	180,347	678,960	123,186	121,794	129,673	**162,109**	**536,762**
Sprint segment		163,574	208,733	91,969	464,276	148,793	162,025	213,765	**175,266**	**699,849**
Fixed-line Telecommunica-tions segment	9,903	16,743	13,091	20,731	60,468	9,946	14,447	15,151	**22,438**	**61,982**
Internet segment	4,393	2,746	9,194	9,706	26,039	8,534	5,035	9,418	**7,081**	**30,068**
Others	2,835	4,694	3,082	4,896	15,507	5,552	4,446	8,983	**7,197**	**26,178**
Consolidated total	180,712	352,320	404,569	307,649	1,245,250	296,011	307,747	376,990	**374,091**	**1,354,839**

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended March 2014					**Fiscal Year Ended March 2015**				
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	Three-month Period Ended Dec. 31, 2014	**Three-month Period Ended Mar. 31, 2015**	**Fiscal Year Ended Mar. 31, 2015**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Mobile Communica-tions segment	83,367	92,228	100,205	119, 184	394,984	106,600	106,979	110,198	**130,546**	**454,323**
Sprint segment		134,191	152,411	131,859	418,461	128,621	132,763	145,354	**172,414**	**579,152**
Fixed-line Telecommunica-tions segment	14,809	14,918	15,402	16,948	62,077	13,939	14,988	14,931	**16,214**	**60,072**
Internet segment	3,221	3,218	3,700	5,230	15,369	3,543	4,153	4,396	**5,805**	**17,897**
Others	1,902	2,085	2,329	2,697	9,013	2,298	2,299	2,596	**3,894**	**11,087**
Consolidated total	103,299	246,640	274,047	275,918	899,904	255,001	261,182	277,475	**328,873**	**1,122,531**

Note:
7. The Sprint segment includes the results of Sprint since July 11, 2013.

c. Forecasts on the Consolidated Results of Operations for the Fiscal Year Ending March 2016

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

(2) Analysis of Financial Position

a. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2014 (Note 8)	**As of March 31, 2015**	Change	Change %
Total assets	16,690,127	**2,1034,169**	4,344,042	26.0%
Total liabilities	13,859,745	**1,7180,992**	3,321,247	24.0%
Total equity	2,830,382	**3,853,177**	1,022,795	36.1%

(Reference)

Exchange rate USD/ JPY	102.92	**120.17**	17.25	16.8%

Note:

8. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." Please refer to page 52 "4. Changes in accounting policies" under "5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details on the retrospective adjustments.

(a) Current Assets

(Millions of yen)

Item	As of March 31, 2014	**As of March 31, 2015**	Change
Cash and cash equivalents	1,963,490	**3,258,653**	1,295,163
Sprint	*511,562*	***481,891***	*(29,671)*
Trade and other receivables	1,669,545	**1,895,648**	226,103
Sprint	*370,564*	***433,013***	*62,449*
Other financial assets	164,727	**197,068**	32,341
Inventories	251,677	**351,152**	99,475
Other current assets	281,535	**255,399**	(26,136)
Total current assets	4,330,974	**5,957,920**	1,626,946

Current assets totaled ¥5,957,920 million, for a ¥1,626,946 million (37.6%) increase from March 31, 2014 (the "previous fiscal year-end"). The primary components of the change were as follows:

i. Cash and cash equivalents increased by ¥1,295,163 million from the previous fiscal year-end.

ii. Trade and other receivables increased by ¥226,103 million from the previous fiscal year-end. This was mainly due to an increase in installment receivables at Sprint resulting from the increased adoption of the installment billing program for mobile devices and an increase of accounts receivables at Brightstar.

iii. Inventories increased by ¥99,475 million from the previous fiscal year-end. This was mainly due to a buildup of inventories at Sprint to ensure the smooth supply of mobile devices, following a partial revision of the mobile devices business flow during the fiscal year, as well as the impact of the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end.

(b) Non-current Assets

(Millions of yen)

Item	As of March 31, 2014	**As of March 31, 2015**	Change
Property, plant and equipment	3,586,327	**4,317,448**	731,121
Sprint	*1,472,679*	***2,141,120***	*668,441*
Goodwill	1,539,607	**1,663,363**	123,756
Sprint	*286,258*	***353,867***	*67,609*
Intangible assets	6,177,701	**6,903,582**	725,881
Sprint	*5,303,382*	***5,993,034***	*689,652*
FCC licenses[19]	3,709,526	**4,320,296**	610,770
Sprint	*3,709,526*	***4,320,296***	*610,770*
Trademarks	675,450	**786,834**	111,384
Sprint	*663,150*	***772,433***	*109,283*
Customer relationships	677,494	**582,223**	(95,271)
Sprint	*579,885*	***496,594***	*(83,291)*
Software	647,386	**757,866**	110,480
Game titles	166,522	**109,211**	(57,311)
Others	301,323	**347,152**	45,829
Investments accounted for using the equity method	304,318	**1,102,456**	798,138
Other financial assets	401,693	**662,463**	260,770
Deferred tax assets	182,246	**235,488**	53,242
Other non-current assets	167,261	**191,449**	24,188
Total non-current assets	12,359,153	**15,076,249**	2,717,096

Non-current assets totaled ¥15,076,249 million, for a ¥2,717,096 million (22.0%) increase from the previous fiscal year-end. The primary components of the change were as follows:

i. Investments accounted for using the equity method increased by ¥798,138 million from the previous fiscal year-end. This was mainly due to the recording of dilution gain from changes in equity interest related to Alibaba.

ii. Property, plant and equipment rose by ¥731,121 million from the previous fiscal year-end. This mainly reflected an increase of ¥668,441 million at Sprint, mostly due to new acquisitions of telecommunications

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

equipment to enhance its network and the start of lease sales of mobile devices, as well as the impact of the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end.

iii. Intangible assets increased by ¥725,881 million from the previous fiscal year-end. The increase was caused mainly by an increase in FCC licenses (non-amortized assets from an accounting perspective) of ¥610,770 million and an increase in trademarks of ¥111,384 million, primarily due to the impact of the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end. On the other hand, customer relationships and game titles declined by ¥95,271 million and ¥57,311 million, respectively, both mainly due to regular amortization.

(c) Current Liabilities

(Millions of yen)

Item	As of March 31, 2014	**As of March 31, 2015**	Change
Interest-bearing debt	1,147,899	**1,817,415**	669,516
Sprint	*101,977*	***216,247***	*114,270*
Short-term borrowings	270,529	**413,846**	143,317
Current portion of long-term borrowings	393,566	**525,898**	132,332
Current portion of corporate bonds	139,300	**183,557**	44,257
Sprint	*64,433*	***113,491***	*49,058*
Current portion of lease obligations	264,295	**411,453**	147,158
Current portion of preferred securities	-	**200,000**	200,000
Others	80,209	**82,661**	2,452
Trade and other payables	1,705,956	**1,863,480**	157,524
Sprint	*529,465*	***741,549***	*212,084*
Other financial liabilities	5,847	**12,917**	7,070
Income taxes payables	246,013	**184,175**	(61,838)
Provisions	93,115	**54,998**	(38,117)
Other current liabilities	568,366	**739,501**	171,135
Total current liabilities	3,767,196	**4,672,486**	905,290

Current liabilities totaled ¥4,672,486 million, for a ¥905,290 million (24.0 %) increase from the previous fiscal year-end. The primary components of the change were as follows:

i. Interest-bearing debt increased by ¥669,516 million from the previous fiscal year-end.

- Current portion of preferred securities increased by ¥200,000 million. This was due to the reclassification from non-current liabilities of the preferred (restricted voting) securities of the subsidiary SFJ Capital Limited issued in September 2011 as it will become possible for the holders to exercise their put option to redeem the preferred securities in cash in May 2015 or later. SFJ Capital Limited plans to redeem the preferred securities in full in May 2015.
- Current portion of lease obligations increased by ¥147,158 million, mainly due to the reclassification from non-current liabilities of the lease obligation relating to the FUKUOKA YAHUOKU! DOME, as the lease contract is scheduled to end in July 2015.
- Short-term borrowings increased by ¥143,317 million, mainly due to an increase in short-term borrowings at Brightstar and securitization of telecommunications service accounts receivables carried out at Sprint.

ii. Trade and other payables increased by ¥157,524 million from the previous fiscal year-end. This was mainly attributable to an increase in accounts payable – trade of ¥190,636 million at Sprint, primarily due to an increased purchase of mobile devices and a revision of the payment terms with certain network equipment and mobile device suppliers.

(d) Non-current Liabilities

(Millions of yen)

Item	As of March 31, 2014	**As of March 31, 2015**	Change
Interest-bearing debt	8,022,154	**9,789,829**	1,767,675
Sprint	*3,257,182*	***3,886,597***	*629,415*
Long-term borrowings	2,243,855	**2,116,498**	(127,357)
Corporate bonds	4,743,073	**6,825,868**	2,082,795
Sprint	*3,164,192*	***3,813,511***	*649,319*
Lease obligations	730,915	**744,911**	13,996
Preferred securities	199,156	**-**	(199,156)
Others	105,155	**102,552**	(2,603)
Other financial liabilities	41,151	**27,142**	(14,009)
Defined benefit liabilities	77,041	**128,282**	51,241
Provisions	136,920	**155,705**	18,785
Deferred tax liabilities	1,533,021	**2,052,615**	519,594
Sprint	*1,448,264*	***1,748,273***	*300,009*
Other non-current liabilities	282,262	**354,933**	72,671
Total non-current liabilities	10,092,549	**12,508,506**	2,415,957

Non-current liabilities totaled ¥12,508,506 million, for a ¥2,415,957 million (23.9%) increase from the previous fiscal year-end. The primary components of the change were as follows:

i. Interest-bearing debt increased by ¥1,767,675 million from the previous fiscal year-end.

- Corporate bonds increased by ¥2,082,795 million. The increase mainly reflected SoftBank Corp.'s issuance of ¥850,000 million in unsecured subordinated corporate bonds and ¥700,000 million in unsecured straight corporate bonds, as well as Sprint's issuance of $1,500 million (¥180,255 million) in corporate bonds. The increase in Sprint's corporate bonds also reflected the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end. On the other hand, Ymobile Corporation paid a full redemption amount to a trustee to redeem its foreign currency denominated straight corporate bonds of $419.62 million and €200 million before maturity (redemption date: April 1, 2015), which qualified for extinguishment of financial liabilities, and the relevant bonds were consequently derecognized.
- Preferred securities declined by ¥199,156 million due to the reclassification of the preferred (restricted voting) securities of SFJ Capital Limited into current liabilities.

ii. Deferred tax liabilities increased by ¥519,594 million from the previous fiscal year-end. This was mainly due to an increase of ¥300,009 million at Sprint, primarily due to the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end. In addition, a tax effect was recognized for the difference between the carrying amount of Alibaba on a consolidated basis, which increased due to the recording of dilution gain from changes in equity interest, and its carrying amount on a tax basis.

(e) Equity

(Millions of yen)

	As of March 31, 2014	**As of March 31, 2015**	Change
Equity attributable to owners of the parent	1,930,441	**2,846,306**	915,865
Non-controlling interests	899,941	**1,006,871**	106,930
Total equity	2,830,382	**3,853,177**	1,022,795

Equity totaled ¥3,853,177 million, for a ¥1,022,795 million (36.1%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent and non-controlling interests increased by ¥915,865 million (47.4%) and ¥106,930 million (11.9%), respectively. The ratio of equity attributable to owners of the parent to total assets increased by 1.9 percentage points from the previous fiscal year-end to 13.5%.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

Item	As of March 31, 2014	**As of March 31, 2015**	Change
Common stock	238,772	**238,772**	-
Capital surplus	405,045	**374,845**	(30,200)
Retained earnings	1,168,266	**1,740,686**	572,420
Treasury stock	(51,492)	**(48,383)**	3,109
Accumulated other comprehensive income	169,850	**540,386**	370,536
Available-for-sale financial assets	14,122	**14,524**	402
Cash flow hedges	(19,942)	**(7,345)**	12,597
Exchange differences on translating foreign operations	175,670	**533,207**	357,537
Total equity attributable to owners of the parent	1,930,441	**2,846,306**	915,865

Equity attributable to owners of the parent totaled ¥2,846,306 million, for a ¥915,865 million (47.4%) increase from the previous fiscal year-end. This was mainly due to increases from the previous fiscal year-end in retained earnings and accumulated other comprehensive income of ¥572,420 million and ¥370,536 million, respectively. The increase in retained earnings primarily reflected net income attributable to owners of the parent of ¥668,361 million. The increase in accumulated other comprehensive income was mainly attributable to an increase in exchange differences on translating foreign operations due to the yen's depreciation against the U.S. dollar at the end of the fiscal year compared to the previous fiscal year-end.

(Non-controlling Interests)

Non-controlling interests totaled ¥1,006,871 million, for a ¥106,930 million (11.9%) increase from the previous fiscal year-end.

b. Cash Flows

Cash flows for the fiscal year were as follows.

Cash and cash equivalents at the end of fiscal year totaled ¥3,258,653 million, for a ¥1,295,163 million increase from the previous fiscal year-end.

(Millions of yen)

	Fiscal Year Ended March. 31, 2014[Note 9]	**Fiscal Year Ended March 31, 2015**	Change
Cash flows from operating activities	860,245	**1,155,174**	294,929
Cash flows from investing activities	(2,718,188)	**(1,667,271)**	1,050,917
Cash flows from financing activities	2,359,375	**1,719,923**	(639,452)

(Reference)

Cash flows from operating activities - capital expenditure [Note 10]	(511,155)	**(242,682)**	268,473

Notes:
9. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” Please refer to page 52 “4. Changes in accounting policies” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details on the retrospective adjustments.
10. Outlays for purchase of property, plant and equipment and intangible assets.

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥1,155,174 million (compared with ¥860,245 million provided in the previous fiscal year). The primary components of cash flows were as follows:

i. Net income totaled ¥763,682 million.
ii. The main items added to net income were ¥1,122,531 million in depreciation and amortization, ¥513,363 million in income taxes, and ¥366,505 million in finance cost.
iii. The main item subtracted from net income was ¥599,815 million in dilution gain from changes in equity interest.
iv. Interest paid was ¥407,665 million.
v. Income taxes paid was ¥405,674 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥1,667,271 million (compared with ¥2,718,188 million used in the previous fiscal year). The primary components of cash flows were as follows:

i. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥1,397,856 million.
ii. Payments for acquisition of investments amounted to ¥287,801 million. This was mainly attributable to investments in Jasper Infotech Private Limited, the operator of the online marketplace *snapdeal.com* in India; Travice Inc. (currently Xiaoju Kuaizhi Inc.), the provider of a mobile taxi booking application in China; and others.
iii. Payments for acquisition and proceeds from sales/redemption of marketable securities for short-term trading amounted to ¥281,620 million and ¥280,661 million, respectively. This was mainly attributable to acquisition and sale of marketable securities for short-term trading, primarily by Sprint and Brightstar.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥1,719,923 million (compared with ¥2,359,375 million provided in the previous fiscal year). The primary components of cash flows were as follows:

(Items Increasing Cash Flows)

i. Proceeds from long-term interest-bearing debt amounted to ¥2,715,501 million. The components were as follows:

・ Proceeds from issuance of corporate bonds of ¥1,763,657 million. This mainly consisted of SoftBank Corp.'s issuance of unsecured subordinated corporate bonds and unsecured subordinated corporate bonds, as well as Sprint's issuance of corporate bonds.

・ Proceeds from sale and leaseback of newly acquired equipment of ¥508,118 million.

・ Proceeds from long-term borrowings of ¥443,726 million. This was mainly due to borrowings made through securitization of installment sales receivables at SoftBank Mobile Corp.

ii. Increase in short-term interest-bearing debt, net was ¥108,541 million.

(Items Decreasing Cash Flows)

i. Repayment of long-term interest-bearing debt was ¥984,783 million. The primary components were as follows:

・ Repayment of long-term borrowings of ¥459,852 million. This was mainly due to SoftBank Mobile Corp. repaying borrowings made through securitization of installment sales receivables and repayment of borrowings by SoftBank Corp.

・ Repayment of lease obligations of ¥306,156 million.

・ Redemption of corporate bonds of ¥170,181 million. This was mainly due to Ymobile Corporation's payment of ¥76,722 million to a trustee for redemption of foreign currency denominated straight corporate bonds before maturity (redemption date: April 1, 2015), as well as SoftBank Corp.'s redemption of its unsecured straight corporate bonds totaling ¥74,900 million.

ii. Payment for purchase of subsidiaries' equity from non-controlling interests of ¥52,883 million. This was mainly due to the additional purchase of shares of Brightstar Global Group Inc., the parent company (100% ownership) of Brightstar.

(d) Trends in Cash Flow-related Indicators

A summary of trends in the Company's cash flow-related indicators is as follows:

	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**
Ratio of equity attributable to owners of the parent to total assets	11.6%	13.5 %
Ratio of equity attributable to owners of the parent to market capitalization	55.5%	39.5%
Net interest-bearing debt / EBITDA ratio	3.6 times	3.8 times
Interest coverage ratio	6.6 times	5.8 times

Ratio of equity attributable to owners of the parent to total assets: equity attributable to owners of the parent / total assets
Ratio of equity attributable to owners of the parent to market capitalization:
equity attributable to owners of the parent / market capitalization
Net interest-bearing debt / EBITDA ratio: net interest-bearing debt / EBITDA
Interest coverage ratio: EBITDA / finance cost

Notes:
11. The above indicators are calculated based on consolidated figures, excluding EBITDA for the fiscal year ended March 31, 2014.
12. Market capitalization = market value of shares at the end of the fiscal year × number of shares outstanding, net of treasury stock.
13. Net interest-bearing debt = interest-bearing debt - cash position
Cash position = cash and cash equivalents + short-term investments recorded as current assets
14. EBITDA = net sales - cost of sales - selling, general and administrative expenses + depreciation and amortization
EBITDA for the fiscal year ended March 31, 2014 is calculated by adding the annualized Sprint segment's EBITDA (aggregated amount from July 11, 2013 to March 31, 2014) to the remaining segments' EBITDA.

(3) Fundamental Policy for Distribution of Profit, and Dividend for the Fiscal Year Ended March 2015

SoftBank Corp.'s basic policy is to maintain a sound financial status while both investing aggressively to ensure sustained growth and returning profits to shareholders. Returns to shareholders include cash dividends paid twice per year, in principle, as an interim dividend and a year-end dividend.

The Company's Board of Directors resolved to propose a year-end dividend of ¥20.00 per share for the fiscal year ended March 2015. Together with the interim dividend of ¥20.00 per share paid in December 2014, this brings the annual dividend for the fiscal year to ¥40.00 per share, the same as the previous fiscal year.

2. Management Policies

(1) Basic Management Approach

The Company is guided by a corporate philosophy of “Information Revolution – Happiness for everyone.” The Company aims to be a provider of the most essential technologies and services to people around the world through its endeavors in various businesses in the information industry, while maximizing its enterprise value.

(2) Target Management Indices

The Company focuses on the medium- to long-term growth of EBITDA (Note15).

Note:
15. EBITDA = net sales - cost of sales - selling, general and administrative expenses + depreciation and amortization

(3) Medium- to Long-term Strategies

a. Focus on Mobile Internet

In the ICT market, the rapid penetration of smartphones is causing a shift from PCs to mobile devices as the preferred means of accessing the Internet.[20] One of the Company’s strategies is to concentrate on business development in the field of mobile Internet, which is growing in line with these changes.

According to this strategy, the Company is working to strengthen its network and provide high-speed data communications services, enhance its lineup of smartphones and tablets, expand its mobile content, optimize services such as e-commerce for mobile devices, and enhance its cloud services, among other initiatives. By promoting mobile Internet usage, the entire Company will increase revenues from the use of data communications services and other services and content.

b. Forming and Expanding a Strategic Synergy Group

The information industry is characterized by rapid changes in technology, business models, and market needs. To become a provider of the most essential technologies and services to people around the world, it is imperative that the Company be flexible regarding any specific technologies or business models, and continue transforming itself repeatedly in line with the changes in the times, expanding and changing its lines of businesses.

The Company launches new services and businesses from within the Company, and also invests in companies possessing outstanding technologies or business models, or establishes joint ventures with them to form and expand a “strategic synergy group” on a global scale.

Each company in the strategic synergy group conducts business and makes decisions autonomously, organically combining their respective strengths to create synergies. In this way, the entire group will realize sustainable growth.

(4) Important Management Issues for the Company

a. Steady Profit Growth in the Domestic Telecommunications Business

The Japanese mobile communications market is expected to grow at a slower pace than before going forward, given that the domestic mobile communications service subscribers reached 155.12 million[21] and the population

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[20] GSMA Intelligence
[21] The number of mobile communications service subscribers for NTT DOCOMO, INC., KDDI CORPORATION, and SoftBank Mobile Corp. as of December 31, 2014 published by the Telecommunications Carriers Association plus the number of mobile communications (including PHS)

penetration rate stands at 122.1%.[22] Under this condition, to ensure steady profit growth in the Japanese telecommunications market, the Company concentrates its efforts on acquiring and maintaining smartphone users as the source of profit, rather than pursuing an overall net addition of mobile communications service subscribers as before. At the same time, through the merger of four domestic telecommunications companies – SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation – which took place in April 2015, the Company will further strengthen the links between its mobile and fixed-line communications services while pursuing further operational streamlining and cost reductions.

b. Revamp of the Sprint Business

In the Sprint business, the Company continues to face a challenging competitive environment, recording postpaid net subscriber loss[23] of 212,000 for the fiscal year ended March 2015 and segment income was also subdued at ¥73,888 million. To improve this situation, the Company is taking steps to (a) improve its network, (b) strengthen customer retention and acquisition, and (c) reduce costs.

With regard to network improvement, the Company is continuing to optimize its 3G and LTE networks and increase the number of base stations carrying the 800 MHz spectrum to provide wide-area coverage and 2.5GHz spectrum to provide additional data capacity, while densifying the network by increasing the number of multi-band base stations. To strengthen customer retention and acquisition the Company is introducing competitive price plans and expanding its sales network, among other measures. In reducing costs, the Company is carefully reviewing all work processes from the ground up and taking steps to rationalize human resources and optimize procurement of mobile devices by leveraging Brightstar.

3. Basic Approach to the Selection of Accounting Standards

The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) from the first quarter of the fiscal year ended March 31, 2014, the three-month period ended June 30, 2013.

service subscribers at Ymobile Corporation as of December 31, 2014.

[22] The rate is calculated by dividing the above number of mobile communications service subscribers by the population of Japan estimated by the Ministry of Internal Affairs and Communications Statistics Bureau (provisional estimates as of January 1, 2015).

[23] Number of postpaid subscribers on the Sprint Platform.

4. Notes to Summary Information

Changes in Accounting Policies and Accounting Estimates

(Changes in accounting policies required by IFRSs)

The following standards are applied by the Company during the fiscal year ended March 31, 2015.

Standard		Outline of the new / revised standards
IAS 32 (Amendments)	Financial Instruments: Presentation	To clarify the requirements of net presentation of financial assets and liabilities
IFRIC 21	Levies	To clarify the timing of recognition of liabilities related to the payment of levies

The details are described in “Note 4. Changes in accounting policies” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements.”

(Changes in accounting estimates)

Sprint revised its methodology and assumptions used in estimating the value for returned handsets during the three-month period ended December 31, 2014.

The details are described in “Note 5. Significant judgments and estimates” under “5. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements.”

5. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2014*	As of March 31, 2015
Assets		
Current assets		
Cash and cash equivalents	1,963,490	3,258,653
Trade and other receivables	1,669,545	1,895,648
Other financial assets	164,727	197,068
Inventories	251,677	351,152
Other current assets	281,535	255,399
Total current assets	4,330,974	5,957,920
Non-current assets		
Property, plant and equipment	3,586,327	4,317,448
Goodwill	1,539,607	1,663,363
Intangible assets	6,177,701	6,903,582
Investments accounted for using the equity method	304,318	1,102,456
Other financial assets	401,693	662,463
Deferred tax assets	182,246	235,488
Other non-current assets	167,261	191,449
Total non-current assets	12,359,153	15,076,249
Total assets	16,690,127	21,034,169

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 4. Changes in accounting policies."

(Millions of yen)

	As of March 31, 2014*	As of March 31, 2015
Liabilities and equity		
Current liabilities		
Interest-bearing debt	1,147,899	1,817,415
Trade and other payables	1,705,956	1,863,480
Other financial liabilities	5,847	12,917
Income taxes payables	246,013	184,175
Provisions	93,115	54,998
Other current liabilities	568,366	739,501
Total current liabilities	3,767,196	4,672,486
Non-current liabilities		
Interest-bearing debt	8,022,154	9,789,829
Other financial liabilities	41,151	27,142
Defined benefit liabilities	77,041	128,282
Provisions	136,920	155,705
Deferred tax liabilities	1,533,021	2,052,615
Other non-current liabilities	282,262	354,933
Total non-current liabilities	10,092,549	12,508,506
Total liabilities	13,859,745	17,180,992
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	405,045	374,845
Retained earnings	1,168,266	1,740,686
Treasury stock	(51,492)	(48,383)
Accumulated other comprehensive income	169,850	540,386
Total equity attributable to owners of the parent	1,930,441	2,846,306
Non-controlling interests	899,941	1,006,871
Total equity	2,830,382	3,853,177
Total liabilities and equity	16,690,127	21,034,169

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 4. Changes in accounting policies.”

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2014*	Fiscal year ended March 31, 2015
Net sales	6,666,651	8,670,221
Cost of sales	(3,961,496)	(5,327,224)
Gross profit	2,705,155	3,342,997
Selling, general and administrative expenses	(1,826,567)	(2,332,626)
Gain from remeasurement relating to business combination	253,886	-
Other operating loss	(55,430)	(27,668)
Operating income	1,077,044	982,703
Finance cost	(271,478)	(366,505)
Equity in income of associates	74,402	76,614
Dilution gain from changes in equity interest	3,633	599,815
Other non-operating income (loss)	40,448	(15,582)
Income before income tax	924,049	1,277,045
Income taxes	(345,798)	(513,363)
Net income	578,251	763,682
Net income attributable to		
Owners of the parent	520,250	668,361
Non-controlling interests	58,001	95,321
	578,251	763,682
Earnings per share attributable to owners of the parent		
Basic (yen)	436.95	562.20
Diluted (yen)	434.68	558.75

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 4. Changes in accounting policies.”

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2014*	Fiscal year ended March 31, 2015
Net income	578,251	763,682
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	3,214	(59,377)
Total items that will not be reclassified to profit or loss	3,214	(59,377)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	(38,767)	3,726
Cash flow hedges	(134,002)	12,862
Exchange differences on translating foreign operations	90,683	409,596
Share of other comprehensive income of associates	18,588	(2,227)
Total items that may be reclassified subsequently to profit or loss	(63,498)	423,957
Total other comprehensive income (loss), net of tax	(60,284)	364,580
Total comprehensive income	517,967	1,128,262
Total comprehensive income attributable to		
Owners of the parent	444,615	991,671
Non-controlling interests	73,352	136,591
	517,967	1,128,262

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 4. Changes in accounting policies.”

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2014*

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2013	238,772	436,704	712,088	(22,834)	248,026	1,612,756	317,684	1,930,440
Effect of retrospective adjustments	-	-	(18,315)	-	-	(18,315)	(654)	(18,969)
As of April 1, 2013 (after adjustments)	238,772	436,704	693,773	(22,834)	248,026	1,594,441	317,030	1,911,471
Comprehensive income								
Net income	-	-	520,250	-	-	520,250	58,001	578,251
Other comprehensive loss	-	-	-	-	(75,635)	(75,635)	15,351	(60,284)
Total comprehensive income	-	-	520,250	-	(75,635)	444,615	73,352	517,967
Transactions with owners and other transactions								
Cash dividends	-	-	(47,669)	-	-	(47,669)	(15,365)	(63,034)
Transfer of accumulated other comprehensive income to retained earnings	-	-	2,541	-	(2,541)	-	-	-
Purchase and disposal of treasury stock	-	(13)	(629)	(28,658)	-	(29,300)	-	(29,300)
Changes from business combination	-	-	-	-	-	-	571,758	571,758
Acquisition of options to convert to subsidiaries' common stocks	-	(10,323)	-	-	-	(10,323)	-	(10,323)
Changes in interests in subsidiaries	-	(21,619)	-	-	-	(21,619)	(57,184)	(78,803)
Share-based payment transactions	-	296	-	-	-	296	11,219	11,515
Other	-	-	-	-	-	-	(869)	(869)
Total transactions with owners and other transactions	-	(31,659)	(45,757)	(28,658)	(2,541)	(108,615)	509,559	400,944
As of March 31, 2014	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 4. Changes in accounting policies."

For the fiscal year ended March 31, 2015

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2014	238,772	405,111	1,193,366	(51,492)	169,617	1,955,374	903,296	2,858,670
Effect of retrospective adjustments*	-	(66)	(25,100)	-	233	(24,933)	(3,355)	(28,288)
As of April 1, 2014 (after adjustments)	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382
Comprehensive income								
Net income	-	-	668,361	-	-	668,361	95,321	763,682
Other comprehensive income	-	-	-	-	323,310	323,310	41,270	364,580
Total comprehensive income	-	-	668,361	-	323,310	991,671	136,591	1,128,262
Transactions with owners and other transactions								
Cash dividends	-	-	(47,547)	-	-	(47,547)	(37,612)	(85,159)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(47,226)	-	47,226	-	-	-
Purchase and disposal of treasury stock	-	-	(1,168)	3,109	-	1,941	-	1,941
Changes from business combination	-	-	-	-	-	-	4,218	4,218
Changes in interests in subsidiaries	-	(33,162)	-	-	-	(33,162)	11,110	(22,052)
Share-based payment transactions	-	2,962	-	-	-	2,962	(7,094)	(4,132)
Other	-	-	-	-	-	-	(283)	(283)
Total transactions with owners and other transactions	-	(30,200)	(95,941)	3,109	47,226	(75,806)	(29,661)	(105,467)
As of March 31, 2015	238,772	374,845	1,740,686	(48,383)	540,386	2,846,306	1,006,871	3,853,177

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 4. Changes in accounting policies.”

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2014*	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Net income	578,251	763,682
Depreciation and amortization	899,904	1,122,531
Gain from remeasurement relating to business combination	(253,886)	-
Finance cost	271,478	366,505
Equity in income of associates	(74,402)	(76,614)
Dilution gain from changes in equity interest	(3,633)	(599,815)
Other non-operating (income) loss	(40,448)	15,582
Income taxes	345,798	513,363
Increase in trade and other receivables	(106,055)	(85,357)
Increase in trade and other payables	21,375	27,809
Other	(163,609)	(84,815)
Subtotal	1,474,773	1,962,871
Interest and dividends received	7,546	5,642
Interest paid	(306,697)	(407,665)
Income taxes paid	(315,377)	(405,674)
Net cash provided by operating activities	860,245	1,155,174
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(1,371,400)	(1,397,856)
Payments for acquisition of investments	(36,193)	(287,801)
Proceeds from sales/redemption of investments	81,244	133,888
Decrease from acquisition of control over subsidiaries	(1,663,539)	(47,862)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	310,104	-
Payments for acquisition of marketable securities for short-term trading	(172,129)	(281,620)
Proceeds from sales/redemption of marketable securities for short-term trading	179,545	280,661
Other	(45,820)	(66,681)
Net cash used in investing activities	(2,718,188)	(1,667,271)
Cash flows from financing activities		
(Decrease) increase in short-term interest-bearing debt, net	(201,794)	108,541
Proceeds from long-term interest-bearing debt	4,698,294	2,715,501
Repayment of long-term interest-bearing debt	(1,971,594)	(984,783)
Payment from purchase of subsidiaries' equity from non-controlling interests	(83,232)	(52,883)
Cash dividends paid	(47,600)	(47,519)
Cash dividends paid to non-controlling interests	(14,747)	(37,834)
Other	(19,952)	18,900
Net cash provided by financing activities	2,359,375	1,719,923
Effect of exchange rate changes on cash and cash equivalents	23,001	87,337
Increase in cash and cash equivalents	524,433	1,295,163
Cash and cash equivalents at the beginning of the year	1,439,057	1,963,490
Cash and cash equivalents at the end of the year	1,963,490	3,258,653

Note:
Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 4. Changes in accounting policies."

(5) Significant Doubt about Going-Concern Assumption

There are no applicable items for the fiscal year ended March 31, 2015.

(6) Notes to Consolidated Financial Statements

1. Reporting entity

SoftBank Corp. is a corporation domiciled in Japan. The registered address of SoftBank Corp.'s head office is disclosed on our website (http://www.softbank.jp/). These consolidated financial statements are composed of SoftBank Corp. and its subsidiaries (the "Company"). The Company engages in various businesses in the information industry, with its base in the Mobile Communications segment, the Sprint segment, the Fixed-Line Telecommunications segment, and the Internet segment.

2. Basis of preparation of consolidated financial statements

(1) Compliance with IFRSs

The Company meets the criteria of a "Specified Company" defined under Article 1-2 of the Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements ("the Regulations of Consolidated Statements") (Ministry of Finance Regulation No. 28, 1976), and accordingly the consolidated financial statements of the Company have been prepared in compliance with International Financial Reporting Standards ("IFRSs") pursuant to Article 93 of the Regulations of Consolidated Statements.

(2) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain items, such as financial instruments, that are measured at fair value as described in "Note 3. Significant accounting policies."

(3) Presentation currency and unit of currency

These consolidated financial statements have been presented in Japanese yen, which is the currency of the primary economic environment of SoftBank Corp. (hereinafter "functional currency"), and are rounded to the nearest million yen.

(4) Changes in presentation

(Consolidated statements of income)

a. "Dilution gain from changes in equity interest" which was included in "Other non-operating income (loss)" for the fiscal year ended March 31, 2014 is separately presented for the fiscal year ended March 31, 2015 since the significance of the amount increased. In order to reflect the change, ¥3,633 million which was included in "Other non-operating income (loss)" in the consolidated statements of income for the fiscal year ended March 31, 2014, is reclassified as "Dilution gain from changes in equity interest."

(Consolidated statements of cash flows)

a. "Dilution gain from changes in equity interest" which was included in "Other non-operating (income) loss" in net cash provided by operating activities for the fiscal year ended March 31, 2014 is separately presented for the fiscal year ended March 31, 2015 since the significance of the amount increased. In order to reflect the change, ¥3,633 million which was included in "Other non-operating (income) loss" in net cash provided by operating activities in the consolidated statements of cash flows for the fiscal year ended March 31, 2014, is reclassified as "Dilution gain from changes in equity interest."

b. "Payments for acquisition of marketable securities for short-term trading" which were included in "Payments for acquisition of investments" and "Proceeds from sales/redemption of marketable securities for short-term trading" which were included in "Proceeds from sales/redemption of investments" in net cash used in investing activities for the fiscal year ended March 31, 2014 are separately presented for the fiscal year ended March 31, 2015 since the significance of the amount increased. In order to reflect the changes, ¥172,129 million which was included in "Payments for acquisition of investments" and ¥179,545 million which was included in "Proceeds from sales/redemption of investments" in net cash used in investing activities in the consolidated statements of cash flows for the fiscal year ended March 31, 2014, are reclassified as "Payments for acquisition of marketable securities for short-term trading" and as "Proceeds from sales/redemption of marketable securities for short-term trading," respectively.

(5) New standards and interpretations not yet adopted by the Company

New standards and interpretations which are newly established or amended before the approval date of the consolidated financial statements, not yet adopted by the Company and which may have potential impacts are as follows. The Company is currently evaluating the potential impacts.

Standard/interpretation		Mandatory adoption (From the year beginning)	To be adopted by the Group	Outline of the new/revised standards
IFRS 9	Financial Instruments	January 1, 2018	Not determined	IFRS 9 replaces a part of the previous IAS 39. Main revisions are: to revise classification into measurement categories of financial instruments (amortized costs and fair values) and measurement; to revise the treatment of changes in fair values of financial liabilities measured at fair values; to revise the eligibility requirement of hedged items and hedging instruments, and requirements related to the effectiveness of the hedge; and to revise the measurement approach for impairment by introducing an impairment model based on the expected credit loss.
IFRS 15	Revenue from contracts with customers	January 1, 2017	Not determined	IFRS 15 replaces a part of the previous IAS 11 and IAS 18. Main revisions are: to require revenue recognition by the following five steps: a. identify the contracts with the customer b. identify the performance obligations in the contract c. determine the transaction price d. allocate the transaction price to each performance obligation in the contract e. recognise revenue when (or as) a performance obligation is satisfied to revise the treatment for contract costs, license and guarantee of products; and to increase the disclosure related to revenue recognition.

(6) Definition of company name and abbreviation used in the notes

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

Company name / Abbreviation	Definition
"SoftBank Corp."	SoftBank Corp. (stand-alone basis)
The "Company"	SoftBank Corp. and its subsidiaries
*Each of the following abbreviations indicates the respective company, and its subsidiaries if any.	
"Sprint"	Sprint Corporation (formerly Sprint Nextel Corporation)
"Clearwire"	Clearwire Corporation
"GungHo"	GungHo Online Entertainment, Inc.
"Supercell"	Supercell Oy
"Kahon 3"	Kahon 3 Oy
"SoftBank C&S"	SoftBank Commerce & Service Corp.
"Alibaba"	Alibaba Group Holding Limited

3. Significant accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements.

(1) Basis of consolidation

a. Subsidiaries

A subsidiary is an entity that is controlled by SoftBank Corp.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries' financial statements are consolidated from the date when control is acquired ("acquisition date") until the date when the control is lost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Non-controlling interests consist of those interests at the acquisition date and any adjustments for subsequent changes in those interests.

Total comprehensive income of subsidiaries is generally attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup balances and transactions and unrealized gain or loss arising from intragroup transactions are eliminated on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

When SoftBank Corp. loses control of a subsidiary, a gain or loss is calculated as the difference between:
- the aggregate of the fair value of the consideration received and the fair value of any retained interest, and:
- the net carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary when a control is lost.

Any amounts previously recognized in accumulated other comprehensive income in relation to the former subsidiaries are reclassified to profit or loss.

b. Associates

An associate is an entity over which SoftBank Corp. has significant influence in the financial and operating policy decisions but does not have control or joint control.

Investments in associates are accounted for using the equity method and initially recognized at cost. The investment is adjusted thereafter to recognize the Company's interest of the profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

However, regarding preferred stock investment in associates, when the feature of preferred stock is substantively different from common stock, it is not accounted for using the equity method, and it is designated as the financial assets at fair value through profit or loss ("financial assets at FVTPL"). Please refer to"(4) Financial instruments" under "Note 3. Significant accounting policies" for details.

When the loss of an associate exceeds the Company's interest in that associate, long-term interests that, in substance, form a part of the net investment in the company are decreased to zero, and no additional loss is recognized except when the Company incurs legal or constructive obligations to or makes payments on behalf of the associate.

Unrealized gains or losses on intercompany transactions with associates are added to or deducted from the carrying amount of the investments only to the extent of the Company's interest in the associates.

Any excess in the cost of acquisition of an associate over the Company's interest of the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of the investments in associates.

Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investment in associates, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates that the investment may be impaired.

The Company applies the equity method to the financial statements of Alibaba, an associate of the Company, on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba due to the contract with Alibaba. Adjustments are made for significant transactions or events that occurred during the intervening period and which were publicly announced by Alibaba.

(2) Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date.

The consideration transferred in a business combination is measured as the sum of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, and the fair value at the acquisition date of the equity interests issued by the Company. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets or disposal groups that are classified as held for sale are measured in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired at the acquisition date is recorded as goodwill. If the consideration transferred and the amount of any non-controlling interest in the acquiree is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognized immediately in profit or loss.

On an acquisition-by-acquisition basis, the Company chooses a measurement basis of non-controlling interests at either fair value or by the proportionate share of the non-controlling interests in the recognized amounts of the acquiree's identifiable net assets. When a business combination is achieved in stages, the Company's previously held interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss.

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the fiscal year, the Company reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

Goodwill arising in business combinations that occurred before the date of transition to IFRSs is carried over at the carrying amount under the previous accounting principles (Japanese Generally Accepted Accounting Principles "JGAAP") as of the date of transition to IFRSs, and recorded by that amount after an impairment test.

(3) Foreign currency translation

a. Transactions denominated in foreign currencies

The financial statements of each company are prepared in their functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into the functional currency at the rates prevailing at the end of the fiscal year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured.

Exchange differences arising from translation are recognized in profit or loss, except for exchange differences arising from non-monetary available-for-sale financial assets measured through other comprehensive income and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including goodwill arising from acquisitions and the adjustments of fair value) are translated into Japanese yen using exchange rates prevailing at the end of the fiscal year.

Income, expenses and cash flows are translated into Japanese yen by using the average exchange rates for each quarter. When the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, the exchange rates at the transaction dates are used for the translation.

The exchange rates used in the translation are described in “Note 11. Foreign exchange rate.”

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income and cumulative differences are included in accumulated other comprehensive income.

These cumulative differences are reclassified from equity to profit or loss when the Company loses control or significant influence over the foreign operation.

(4) Financial instruments

a. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract provision of the instrument.

Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets at FVTPL and financial liabilities at fair value through profit or loss (“financial liabilities at FVTPL”) are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

Non-derivative financial assets are classified into “financial assets at FVTPL,” “held-to-maturity investments,” “loans and receivables,” and “available-for-sale financial assets.” The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

All purchase and sales of financial assets made in a regular way are recognized and derecognized on a trade date basis. The purchase and sales made in a regular way refer to acquiring or disposing financial assets under a contract that requires the delivery of assets within a time frame established by regulation or convention in the marketplace.

(a) Financial assets at FVTPL

Financial assets are classified into “financial assets at FVTPL” when they are held for trading purposes or designated as financial assets at FVTPL.

Financial assets other than derivatives, which are mainly acquired to be sold in the short term, are classified as held for trading purposes.

The Company designates a financial asset as a financial asset at FVTPL upon initial recognition, if:

・ the financial assets are managed in accordance with the Company’s documented risk management policy or investment strategy; and
・ its performance is reviewed on the fair value basis by the Company’s management to make decisions about the investment plan.

Also, while it is required to separate an embedded derivative from its host, when it is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the entire hybrid contract is designated and accounted for as financial assets at FVTPL.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with any gains or loss arising from changes in fair value, dividend income and interest income recognized in profit or loss.

(b) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as “held-to-maturity investments.”

Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(c) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables."

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(d) Available-for-sale financial assets

Non-derivative financial assets are classified as "available-for-sale financial assets," if:

・ they are designated as "available-for-sale financial assets"; or
・ they are classified neither as "financial assets at FVTPL," "held-to-maturity investments," nor as "loans and receivables."

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and gains or losses arising from changes in fair value are recognized in other comprehensive income. Exchange differences arising on monetary financial assets classified as available-for-sale financial assets, interest income calculated using the effective interest method relating to available-for-sale financial assets and dividends received are recognized in profit or loss.

(e) Impairment of financial assets

Among financial assets other than those at FVTPL, available-for-sale equity instruments are assessed for any objective evidence of impairment at the end of the fiscal year and at the end of each quarter, and the other assets are assessed for any objective evidence of impairment at the end of the fiscal year. Financial assets are impaired when there is objective evidence that loss events occurred subsequent to initial recognition of the financial assets and when estimated negative future cash flows of the financial assets from those events can be reasonably estimated.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value below the cost is considered to be objective evidence of impairment. In addition, objective evidence of impairment of all financial assets could include:

・ significant financial difficulty of the issuer or borrower;
・ breach of contract, such as a default or delinquency in interest or principal payments;
・ high possibilities of borrowers' bankruptcy or entering financial reorganization; or
・ disappearance of an active market for the financial assets.

The Company assesses the existence of objective evidence of impairment individually for separately significant assets or collectively for assets with no individual significance.

When there is objective evidence of impairment on loans and receivables or held-to-maturity investments, the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognized in profit or loss as an impairment loss. The impairment loss is recognized through the use of an allowance account, and the carrying amount of a loan and receivable is written off against the allowance account when it is considered uncollectible.

The carrying amount of held-to-maturity investments is reduced by the impairment loss directly. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset does not exceed what the amortized cost would have been had the impairment not been recognized.

When there is objective evidence that an available-for-sale financial asset is impaired, previously recognized accumulated other comprehensive income is transferred to profit or loss. Impairment losses on equity instruments classified as available-for-sale financial assets are not reversed.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

c. Non-derivative financial liabilities

The Company's non-derivative financial liabilities include interest-bearing debt and trade and other payables. These financial liabilities are measured at amortized cost using the effective interest method, subsequent to initial recognition.

The Company derecognizes financial liabilities when the Company's obligations are discharged, canceled or expired.

d. Derivatives and hedge accounting

(a) Derivatives

The Company is engaged in derivative transactions, including foreign currency forward contract and interest rate swaps in order to manage its exposure to foreign exchange rate and interest rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair values at the end of fiscal year. Changes in the fair value of derivative are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified into "financial assets at FVTPL" and derivative financial liabilities not designated as hedging instruments are classified into "financial liabilities at FVTPL."

(b) Hedge accounting

The Company designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

At the inception of the hedge, the Company formally designates and documents the hedge relationship qualifying for hedge accounting, along with its risk management objectives and its strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company evaluates whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period.

The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in equity. Accumulated other comprehensive income is transferred to profit or loss through a line item relating to the hedged item in the consolidated statement of income, in the periods when the cash flows from the hedged item affect profit or loss. Any ineffective portion of changes in fair value of derivatives is recognized immediately in profit or loss.

When the hedged forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the Company removes the associated gains or losses previously recognized in accumulated other comprehensive income and includes them in the initial amount of the cost of the non-financial asset or non-financial liability (basis adjustment).

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised or when hedge no longer meets the criteria for hedge accounting.

When hedge accounting is discontinued, any gains or losses recognized in accumulated other comprehensive income remains in equity and is reclassified to profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, the gains or losses recognized in accumulated other comprehensive income are reclassified immediately to profit or loss.

(c) Embedded derivatives

Derivatives embedded in non-derivative host contracts (“embedded derivatives”) are separated from the host contracts and accounted for as separate derivatives when their economic characteristics and risks are not closely related to those of the host contracts and the whole financial instruments, including embedded derivatives, are not measured at FVTPL. While it is required to separate an embedded derivative from its host, when it is unable to measure the embedded derivative separately either at acquisition or at the end of a subsequent financial reporting period, the entire hybrid contract is designated and accounted for as financial assets at FVTPL.

e. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term investments with maturities of three months or less that are readily convertible to cash and subject to insignificant risk of change in value.

(6) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile handsets and accessories. Their costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs are mainly calculated by the moving-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement and site restoration.

Property, plant and equipment are depreciated mainly using the straight-line method over the estimated useful lives of each component. The depreciable amount is calculated as the cost of an asset, less its residual value. Land and construction in progress are not depreciated.

The estimated useful lives of major components of property, plant and equipment are as follows:

Buildings and structures	
Buildings	30 - 50 years
Other	5 - 15 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	3 - 30 years
Towers	15 - 42 years
Other	5 - 40 years
Equipment and fixtures	
Leased mobile devices	2 - 3 years
Other	4 - 10 years

The depreciation methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in an accounting estimate.

Assets held under finance leases are depreciated over their estimated useful lives when there is certainty that ownership will be obtained by the end of the lease term. However, when there is no certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term or their estimated useful lives.

(8) Goodwill

Please refer to "(2) Business combinations" in "Note 3. Significant accounting policies" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash-generating units or groups of cash-generating units to which goodwill has been allocated, and annually regardless of any indication of impairment. Impairment is described in "(11) Impairment of property, plant and equipment, intangible assets and goodwill" in "Note 3. Significant accounting policies."

The Company's policy for goodwill arising from the acquisition of an associate is described in "(1) Basis of consolidation" in "Note 3. Significant accounting policies."

(9) Intangible assets

Intangible assets are measured on a historical cost basis at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill at initial recognition and are measured at fair value at the acquisition date. Any internally generated research and development expenditure is recognized as an expense in the period in which it is incurred, except for expenditures on development activities eligible for capitalization (internally generated intangible assets). The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets all of the capitalization criteria to the date the development is completed.

There are intangible assets with finite useful lives and intangible assets with indefinite useful lives.

The intangible assets with finite useful lives are amortized over the estimated useful lives. Amortization of the customer relationships is calculated by the sum-of-the-digits method and intangible assets with finite useful lives other than customer relationships are amortized by the straight-line method.

The estimated useful lives of major categories of intangible assets with finite useful lives are as follows:

Software	
Software related to wireless equipment	5 - 10 years
Other	3 - 5 years
Customer relationships	4 - 24 years
Favorable lease contracts	3 - 23 years
Game titles	3 - 5 years
Trademarks (with finite useful lives)	34 years
Spectrum migration costs	18 years
Other	4 - 20 years

Amortization methods, useful lives and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in an accounting estimate.

Favorable lease contracts are recognized as intangible assets based on the estimated fair value of the favorable portion of future cash flows if, at the time of business combinations, the terms of operating lease contracts in which the acquiree is the lessee are favorable compared to market terms.

Spectrum migration costs are the amounts that the Company incurred in connection with the costs arising from the migration of the existing users from the 900 MHz band, which SoftBank Mobile Corp. acquired, to the other frequency spectrum based on the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

Intangible assets with indefinite useful lives are as follows:
・ Licenses using specific frequency spectrum granted by the U.S. Federal Communications Commission ("FCC licenses")
・ Trademarks (with indefinite useful lives)

As long as the Company acts within the requirements of the regulatory authorities, the renewal and extension of FCC licenses are reasonably certain at minimal cost. Therefore, it is determined that FCC licenses have indefinite useful lives.

The Company determined that "Sprint", "Boost Mobile" and other trademarks have indefinite useful lives as they can be legally used continuously as long as the business continues and management's current plans are to offer service under these trademarks for the foreseeable future.

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in "(11) Impairment of tangible assets, intangible assets and goodwill" in "Note 3. Significant accounting policies."

(10) Leases

The assessment of whether an arrangement is a lease or contains a lease is made on a basis of all the facts and circumstances at the inception of the arrangement.

Leases are classified as finance leases whenever all the risks and rewards of ownership of assets are substantially transferred to the lessee. All other leases are classified as operating leases. It is determined that all the risks and rewards of ownership of assets are transferred to the lessee when the lease terms account for most of the economic useful lives of the assets, or the present values of the total minimum lease payments are almost equal to the fair values of the assets. The lease terms are the total of the non-cancelable period and the period which is deemed to be reasonably certain that the renewal option will be exercised at the inception of the leases.

a. Finance leases

(The Company as lessee)

At inception, the Company initially recognizes finance leases as assets and the lease obligation at the amount equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Subsequent to initial recognition, the accounting policy for assets held under finance leases is consistent with that of assets that are owned. Lease payments are apportioned between finance cost and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

b. Operating leases

(The Company as lessee)

Gross operating lease payments are recognized as expenses on a straight-line basis over the relevant lease terms.

(The Company as lessor)

Gross operating lease incomes are recognized as revenues on a straight-line basis over the relevant lease terms.

(11) Impairment of property, plant and equipment, intangible assets and goodwill

a. Impairment of property, plant and equipment and intangible assets

At the end of the fiscal year, the Company determines whether there is any indication that property, plant and equipment and intangible assets may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

At the end of the fiscal year, the Company evaluates whether there is any indication that an impairment loss recognized in prior years for assets other than goodwill has decreased or extinguished. If such indication of a reversal of an impairment loss exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be higher than its carrying amount, a reversal of an impairment loss is recognized, to the extent that the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount (less depreciation and amortization) that would have been recognized, had no impairment loss been recognized.

b. Impairment of goodwill

At the end of the fiscal year and at the end of each quarter, the Company determines whether there is any indication that goodwill may be impaired.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the business combination, and it is tested for impairment annually regardless of any indication of impairment, and when there is an indication that the cash-generating unit or groups of cash-generating units may be impaired. If, at the time of the impairment test, the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or groups of cash-generating units and then to the other assets pro rata based on the carrying amount of each asset in the unit or groups of cash-generating units.

Any impairment loss for goodwill is recognized directly in profit or loss and is not reversed in subsequent periods.

(12) Retirement benefits

Defined contribution plans are post-employment benefit plans under which an employer pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Company primarily adopts defined contribution pension plans.

SoftBank Mobile Corp. and SoftBank Telecom Corp. have frozen their defined benefit lump-sum plans since March 2006 and 2007, respectively. Liabilities for the frozen defined benefit lump-sum plans are recognized as defined benefit liabilities until they are paid in the form of a lump sum at the time of future retirement of employees.

Sprint has frozen its defined benefit pension plans since December 2005. Liabilities for the defined benefit pension plans are recognized as defined benefit liabilities until they are paid as pensions after the time of retirement of employees.

a. Defined contribution plans

Contributions paid for defined contribution plans are recognized as expenses in the period in which the employees render the related service. Contributions payable are recognized as liabilities.

b. Defined benefit plans

The liability recognized in respect of the defined benefit plans (the defined benefit liability) is the present value of the defined benefit obligation less the fair value of plan assets at the end of the fiscal year.

The defined benefit obligation is determined by independent actuaries using the projected unit credit method, and its present value is determined applying a discount rate based on the yield curve of high-quality corporate bonds over the approximate period of the benefit payments.

Defined benefit cost includes service cost, net interest on the net defined benefit liability (asset), and re-measurements of the net defined benefit liability (asset). Service cost and net interest are recognized in net profit or loss. Net interest is determined using the discount rate described above.

The liabilities for the frozen defined benefit plans are calculated on the basis of retirement benefits vested at the time the plans were frozen. Therefore, service cost is not incurred for those defined benefit plans.

The Company’s remeasurements, which comprise actuarial gains and losses and the return on plan assets (excluding amounts included in net interest), are recognized in other comprehensive income and transferred to retained earnings immediately from accumulated other comprehensive income.

(13) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured using the estimated future cash flows, discounted using a pretax rate reflecting the time value of money and the specific risks of the liability, after taking into account the risks and uncertainties surrounding the obligation at the end of the fiscal year.

The Company recognizes asset retirement obligations, restructuring provision, provision for loss on interest repayment, and provision for unprofitable contract as provisions.

Restructuring provisions are recognized when the Company has a detailed formal plan for the restructuring and has raised a valid expectation to those who will be affected that the Company will carry out the restructuring by starting to implement the plan or announcing the main features of the plan.

Provision for loss on interest repayment is recorded based on an amount representing future expected claims in order to prepare for future claims by debtors and others, for repayment of interest paid in excess of the rate permitted under the Interest Limitation Law.

(14) Treasury stock

When the Company acquires its own equity share capital (“treasury stock”), the consideration paid, including any directly attributable increments costs (net of income taxes), is deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the treasury stock. The difference between the carrying amount and the consideration on sale is recognized as capital surplus.

(15) Share-based payments

The Company grants stock options and restricted stock unit awards as equity-settled share-based compensation and cash-settled share-based compensation.

Equity-settled share-based compensation is measured at fair value at the grant date. The fair value of stock options is calculated using the Black-Scholes model and other, and the fair value of restricted stock units is calculated using the share price at the date of grant.

The fair value determined at the grant date is expensed over the vesting period, based on the estimate of stock options or restricted stock units that will eventually vest, with a corresponding increase in equity.

The Company regularly reviews the assumptions made and revises estimates of the number of stock options or restricted stock units that are expected to vest, when necessary.

Cash-settled share-based compensation is accounted for as liabilities and is measured initially at the fair value of the award. The fair value of the liabilities is remeasured on each closing date and the settlement date, and changes in fair values are recognized in profit or loss.

(16) Revenue

The Company’s accounting policy for revenue recognition by major categories is as follows:

a. Mobile Communications service and sales of mobile handsets

The Company provides mobile telecommunications services, which consist of voice communications and data transmission to subscribers, and also sells mobile handsets and accessories to customers.

In the Mobile Communications service, revenues are mainly generated from basic monthly charges, telecom service (“revenues from the mobile telecommunications service”) and other fees. Also, revenues from the sale of mobile handsets (“revenues from the sale of mobile handsets”) are generated from the sale of mobile handsets and accessories to subscribers or dealers.

The business flow of the above transactions consists of “Indirect sales” where the Company sells mobile handsets to dealers and enters into telecommunications services contracts with subscribers through dealers, and “Direct sales” where the Company sells mobile handsets to subscribers and enters into telecommunications services contracts directly with subscribers. The revenues are recognized respectively as follows.

(a) Indirect sales

Revenues from the sale of mobile handsets are recognized when mobile handsets are delivered to dealers, which is when risk and economic value are deemed to be transferred. Commission fees paid to dealers related to the sales of mobile handsets are deducted from revenues.

The mobile telecommunications services are recognized as revenue when services are provided to subscribers. Discounts are deducted from revenues from monthly mobile telecommunications services as a discount of mobile telecommunications charges.

Activation fees are deferred upon entering into the contract and recognized as revenues over the estimated average contract period. Upgrade fees are recognized as revenues over the estimated average usage period of handsets with the subscribers. Direct costs related to activation are deferred to the extent of the activation fees and upgrade fees and are amortized over the respective same period.

(b) Direct sales

In direct transactions, as the revenue from the sales of mobile handsets and the mobile telecommunications services, including the fees, are considered to be one transaction, the total amount of revenues is allocated to mobile handsets and telecommunications service on the basis of fair value ratio.

When handsets are sold in installments, revenue from the sales of mobile handsets is recognized based on the fair value ratio when handsets are delivered to the subscribers. When handsets are sold in lump-sum payment, the maximum amount of revenues to be recognized by the sale of mobile handsets is set by the amounts to be received from subscribers at the sales of mobile handsets. The amount of revenue allocated to the mobile telecommunication services is recognized when the service is provided to the subscribers.

The previous point program operated by the Company has been transferred to the point program operated by a third party since July 2014. In the previous point program, points were granted to subscribers based on the billing amount from mobile telecommunications services revenue from both direct and indirect sales. The fair values of benefits to be exchanged based on the estimated point utilization rate were deferred and recognized as revenues when subscribers utilized the points.

In the point program operated by the third party, points are granted to subscribers based on the received amounts received from mobile telecommunications services revenue from both direct and indirect sales. The fair values of the points are deferred when the services are provided to subscribers and recognized as revenues when the points are granted to the subscribers.

b. Sales of game items

In games that the Company provides for mobile devices, the Company sells items that are usable in games. The revenue from the sales of those items is deferred at the time of sales, and recognized as revenue when they are actually used by the customers or over the estimated usage period, based on the characteristics of the items.

c. Fixed-line Telecommunications service

In the Fixed-line Telecommunications service, revenues are generated mainly from voice communications and digital data transmission services, internet provider charges, ADSL service fees, IP telephony service fees, and the usage of the network (“revenues from fixed-line telecommunications service”).

Revenues from fixed-line telecommunications services are recognized as revenues when services are provided to subscribers, based upon fixed monthly charges plus the usage of the network.

d. Internet service

In the Internet service, revenues are generated mainly from sponsored search advertising, display advertising, e-commerce related commission fees, and revenue from membership.

Sponsored search advertising revenue is recognized when a visitor of the website clicks the advertisement. Display advertising comprises premium advertising, Yahoo! Display Ad Network (“YDN”) and others. Revenue from premium advertising is recognized over a period in which related advertisement is displayed. Revenue from YDN is recognized when a visitor of the website clicks the advertisement on the page with the related content. Revenue from e-commerce-related commission fees is recognized when the transaction occurs. Revenue from membership fees is recognized over an effective period of the membership.

(17) Sales commission fees

The Company pays sales commission fees when dealers sell the Company’s mobile handsets to subscribers or acquire and retain engagement of telecommunications service between the Company and subscribers. Commission fees related to the sales of mobile handsets are deducted from the revenues from the sales of mobile handsets. Commission fees related to the acquisition and retention of engagement of telecommunications service are recognized as selling, general and administrative expenses.

(18) Income tax

Income tax expense is composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of the fiscal year.

Deferred tax assets are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income.

Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

Deferred tax liabilities are basically recognized for taxable temporary differences, except for:

- temporary differences arising from the initial recognition of assets and liabilities, and related transactions other than business combinations, that affect neither the accounting profit nor the taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.

(19) Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

Diluted earnings per share assume full conversion of the issued potential stocks having a dilutive effect, with an adjustment for net income attributable to owners of the parent and the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

4. Changes in accounting policies

The following standards are applied by the Company for the fiscal year ended March 31, 2015.

Standard		Outline of the new / revised standards
IAS 32 (Amendments)	Financial Instruments: Presentation	To clarify the requirements of net presentation of financial assets and liabilities
IFRIC 21	Levies	To clarify the timing of recognition of liabilities related to the payment of levies

IFRIC 21 is applied retrospectively in accordance with its transition method. Consolidated financial statements for the fiscal ended March 31, 2014 and for the fiscal year ended March 31, 2015 are presented after the retrospective application.

Effects of the above adoption on the consolidated financial statements are as follows.

(Consolidated Statements of Financial Position)

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Decrease in other current assets	(11,686)	(7,308)
Increase in goodwill	7,302	8,343
Increase in deferred tax assets	9,514	8,681
Increase in total assets	5,130	9,716
Increase in other current liabilities	33,418	38,009
Increase in total liabilities	33,418	38,009
Decrease in capital surplus	(66)	(66)
Decrease in retained earnings	(25,100)	(23,433)
Increase (decrease) in accumulated other comprehensive income	233	(403)
Decrease in non-controlling interests	(3,355)	(4,391)
Decrease in total equity	(28,288)	(28,293)

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Increase (decrease) in cost of sales	(8,326)	1,997
Increase(decrease) in selling, general and administrative expenses	8	(8)
Increase (decrease) in income taxes	420	(833)
Increase (decrease) in net income	(7,898)	1,156
Earnings per share attributable to owners of the parent		
Increase (decrease) in earnings per share-basic (yen)	(5.69)	1.40
Increase (decrease) in earnings per share-diluted (yen)	(5.69)	1.40

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Increase (decrease) in net income	(7,898)	1,156
Increase (decrease) in exchange differences on translating foreign operations	295	(885)
Increase (decrease) in total comprehensive income	(7,603)	271

(Consolidated Statements of Cash Flows)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
(Decrease) increase in net income	(7,898)	1,156
(Decrease) increase in income taxes	(420)	833
Increase (decrease) in other	8,318	(1,989)
Net cash provided by (used in) operating activities	-	-

There are no significant effects on the Company due to the adoption of other new standards and interpretations.

5. Significant judgments and estimates

In preparing consolidated financial statements under IFRSs, management makes judgments, estimates, and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are based on the management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of its estimates or assumptions, however, actual results in the future may differ from those estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in the future periods.

Significant judgments, estimates and assumptions that affect the amounts recognized in the Company's consolidated financial statements are as follows:

- judgments of whether an entity is controlled by the Company in the decision making on the scope of consolidation ((1) in "Note 3. Significant accounting policies");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 16. Other non-operating income and loss");
- estimates of fair value of assets acquired and the liabilities assumed in a business combination ((2) in "Note 3. Significant accounting policies" and "Note 6. Business combinations");
- fair value measurement of financial assets at FVTPL and available-for-sale financial assets ((4) in "Note 3. Significant accounting policies");
- estimates of forecasted transactions related to hedge accounting ((4) in "Note 3. Significant accounting policies");
- estimates for amortization period and impairment of financial assets measured at amortized cost ((4) in "Note 3. Significant accounting policies" and "Note 16. Other non-operating income and loss");

- fair value measurement of derivatives (including embedded derivatives) ((4) in “Note 3. Significant accounting policies” and “Note 16. Other non-operating income and loss”);
- estimates of residual value and useful life of property, plant and equipment and intangible assets ((7) and (9) in “Note 3. Significant accounting policies”);
- judgments and estimates for accounting treatment of contracts including leases ((10) in “Note 3. Significant accounting policies”);
- estimates for impairment of property, plant and equipment, intangible assets and goodwill ((11) in “Note 3. Significant accounting policies” and “Note 13. Other operating income and loss”);
- measurement of defined benefit obligation ((12) in “Note 3. Significant accounting policies”);
- judgments and estimates for recognition and measurement on provisions ((13) in “Note 3. Significant accounting policies”); and
- assessment of recoverability of deferred tax assets ((18) in “Note 3. Significant accounting policies”).

When estimating the value of returned inventory, Sprint evaluates many factors and obtains information to support the estimated value of used devices and the useful lives.

Recently, Sprint has observed sustained value and extended useful lives for handsets leading to an increase in the estimated value for returned inventory. As a result, Sprint revised its methodology and assumptions used in estimating the value for returned handsets. The change in estimate was accounted for on a prospective basis effective October 1, 2014.

The effect of the change in estimate, which was included in “Cost of sales” in the Company’s consolidated statements of income, reduced the Company’s operating loss by approximately ¥9,048 million (approximately $80 million) for the fiscal year ended March 31, 2015. In addition, this change resulted in an increase in “Inventories” on the consolidated statements of financial position of approximately ¥9,614 million (approximately $80 million) as of March 31, 2015.

6. Business combinations

(1) GungHo Online Entertainment, Inc.

a. Overview of consolidation

Masayoshi Son, chairman and CEO of the SoftBank Corp., has entered into a Memorandum of Understanding on Exercise of Voting Rights for Deferment of Execution of Pledges (the “MOU”) with respect to the shares of GungHo on April 1, 2013, with Heartis G.K. (“Heartis”; percentage of voting interest: 18.50%), which is the second largest shareholder of GungHo and Taizo Son’s asset management company and of which Taizo Son, chairman of GungHo, is the representative director. Under the MOU, in order to have Son Holdings Inc., of which Masayoshi Son is a director and which is a Masayoshi Son’s asset management company, defer the execution of pledges over the shares of GungHo held by Heartis, Heartis has agreed, effective as of April 1, 2013, to the effect that at the shareholders meeting of GungHo, Heartis will exercise the voting rights for all of the shares of GungHo it holds in accordance with Masayoshi Son’s directions. Also, a subsidiary of the Company, SoftBank Mobile Corp., undertook the Tender Offer from April 1, 2013 to April 26, 2013 and acquired 6.37% of GungHo shares (purchase price: ¥24,976 million). The Company and Heartis together came to represent the majority of the voting rights in GungHo’s shares (percentage of voting interest: 58.50%) and GungHo Online Entertainment changed from an equity method associate to a subsidiary of the Company.

With this transaction, the Company expects that it will be able to enhance mobile content, and to improve the efficiency in operation of the mobile communications business and profitability competitiveness by combining smartphone-focused development capability and infrastructure held by the Company, and planning and creating capabilities in the smartphone game industry held by GungHo.

(Business description of GungHo)
(a) Planning, development, operation and distribution of online games
(b) Planning, development and sales of mobile content
(c) Planning, development and sales of character goods
(d) Planning, development and distribution of other entertainment content

(Acquisition date)
April 1, 2013

b. Consideration transferred and the components

(Millions of yen)

		Acquisition date (April 1, 2013)
Payment by cash		24,976
Fair value of equity interest in GungHo already held at the time of the acquisition		153,620
Total consideration transferred	A	178,596

Acquisition-related costs of ¥109 million arising from the business combinations are recognized in “Selling, general and administrative expenses.”

As a result of the reevaluation of 33.63% in equity interest already held at the time of the acquisition of control by the Company in GungHo at fair value on the acquisition date, the Company recognized a gain on the step acquisition of ¥150,120 million. This gain is presented as “Gain from remeasurement relating to business combination” in the consolidated statements of income.

c. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date

		(Millions of yen) Acquisition date (April 1, 2013)
Current assets		36,903
Intangible assets[1]		80,814
Other non-current assets		4,511
Total assets		122,228
Current liabilities		10,897
Non-current liabilities		29,949
Total liabilities		40,846
Net assets	B	81,382
Non-controlling interests[2]	C	48,818
Goodwill[3]	A-(B-C)	146,032

Notes:

1. Intangible assets
Game titles of ¥77,796 million are included.

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

3. Goodwill
Goodwill reflects excess earning power expected from the future business development and assembled workforce for game development and other, and the synergy with existing businesses.

d. Payment for acquisition of control over subsidiaries

	(Millions of yen) Acquisition date (April 1, 2013)
Payment for the acquisition by cash	(24,976)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	11,025
Payment for the acquisition of control over the subsidiary by cash	(13,951)

e. Sales and net income of the acquiree

The amount of the acquiree's sales and net income before elimination of inter-company transactions and after the acquisition date are ¥181,056 million and ¥42,857 million, respectively, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014.

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

(2) Sprint

a. Overview of consolidation

On October 15, 2012, the Company and Sprint entered into a series of definitive agreements under which the Company will invest in Sprint. After the completion of negotiations, the Company and Sprint agreed to amend a portion of the transaction on June 11, 2013.

On July 10, 2013, SoftBank Corp. capitalized, through a wholly owned subsidiary, Starburst I, Inc., Sprint with an additional $18.5 billion and the total investment of SoftBank Corp. amounted to $21.6 billion, including $3.1 billion of corporate bonds with stock acquisition rights issued by Sprint Nextel Corporation (the “Bond”) invested by Starburst II, Inc. on October 22, 2012. Of the invested amounts of $21.6 billion, $16.6 billion was distributed to Sprint’s existing individual shareholders and $5 billion was used to strengthen Sprint. The Bond held by Starburst II, Inc. was converted into shares.

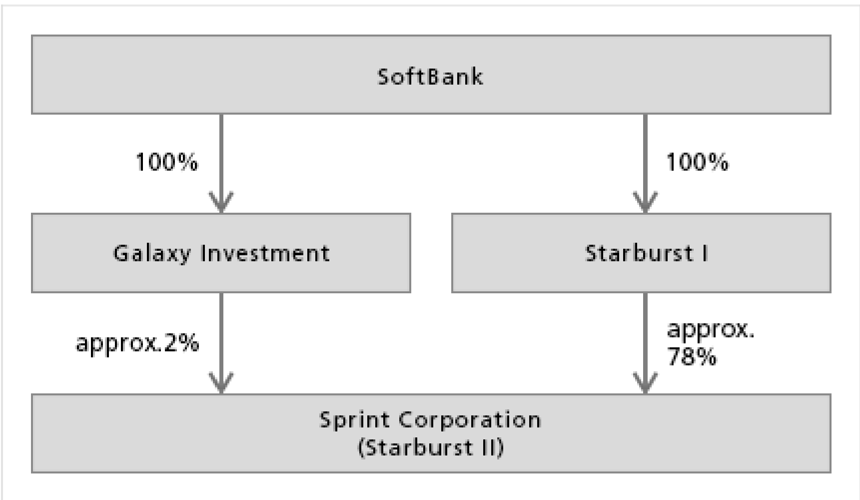
Through the transaction, approximately 72% of Sprint Nextel Corporation shares were acquired for $7.65 per share in cash, and the remaining shares were converted into Sprint shares on a one-to-one basis, which succeeded Sprint Nextel Corporation and became listed on the New York Stock Exchange.

As a result of the transaction, Starburst I, Inc. owns approximately 78% of the shares of Sprint and Sprint became a subsidiary of SoftBank Corp.

Prior to the transaction, Clearwire, a company providing high-speed wireless communication services in the U.S., became a wholly owned subsidiary of Sprint on July 9, 2013.

From August 1, 2013 to September 16, 2013, SoftBank Corp., through Galaxy Investment Holdings, Inc., a wholly-owned subsidiary in the U.S., additionally purchased approximately 2% of the shares of Sprint (purchase price: $500 million). As a result, the Company’s ownership in the outstanding Sprint common stock became approximately 80% as of March 31, 2014.

Structure after completion of the transaction



b. Purpose of consolidation

(a) Enables the Company to establish an operating base as one of the largest mobile Internet companies in the world. The combined subscriber base will be one of the largest between the U.S. and Japan*.

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

(c) Provides Sprint $5 billion of new capital for its mobile network, strategic investments, and balance sheet as part of its continued efforts to fortify its operating base towards future growth.

Note:
Based on Telecommunications Carriers Association (“TCA”) data and disclosed material by relevant companies as of the end of June 2013.

c. Summary of Sprint

Name	Sprint Corporation
Address	6200 Sprint Parkway, Overland Park, Kansas
Name and title of representative	Marcelo Claure, Chief Executive Officer and Director (Assumed the post on August 11, 2014)
Business description	Holding company Provision of telecommunications services through its operating subsidiaries
Note	The Chairman of the Board and the Vice Chairman of the Board were assumed by Masayoshi Son, the Chairman & CEO of SoftBank Corp. and Ronald Fisher, Director of SoftBank Corp., respectively. Adm. Mike Mullen, former Chairman of the Joint Chiefs of Staff, has been appointed as the Director in charge of security.
Consolidated sales	$35,493 million (For the fiscal year ended December 31, 2013, US GAAP)

d. Acquisition date
July 10, 2013

e. Consideration transferred and the component

(Millions of yen)

		Acquisition date (July 10, 2013)
Payment by cash		1,875,149
Conversion of corporate bonds with stock acquisition rights held at the time of acquisition		313,534
Total consideration transferred	A	2,188,683

Acquisition-related costs of ¥12,106 million arising from the business combination are recognized in “Selling, general and administrative expenses,” with ¥3,751 million for the year ended March 31, 2013, and ¥8,355 million for the fiscal year ended March 31, 2014.

f. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date[1]

		(Millions of yen)
		Acquisition date (July 10, 2013)
Current assets		
Cash and cash equivalents		447,873
Trade and other receivables[2]		332,553
Other financial assets		111,764
Inventories		105,318
Other current assets		43,236
Total current assets		1,040,744
Non-current assets		
Property, plant and equipment[3]		1,291,364
Intangible assets[3]		5,305,965
Other financial assets		23,938
Other non-current assets		14,139
Total non-current assets		6,635,406
Total assets		7,676,150
Current liabilities		
Interest-bearing debt[3]		86,961
Trade and other payables		634,371
Income taxes payables		4,553
Provisions[4]		101,404
Other current liabilities		291,398
Total current liabilities		1,118,687
Non-current liabilities		
Interest-bearing debt[3]		2,668,163
Other financial liabilities		5,662
Defined benefit liabilities		65,763
Provisions[4]		146,492
Deferred tax liabilities[5]		1,422,965
Other non-current liabilities		184,107
Total non-current liabilities		4,493,152
Total liabilities		5,611,839
Net assets	B	2,064,311
Non-controlling interests[6]	C	466,735
Basis adjustment[7]	D	311,659
Goodwill[8]	A-(B-C)-D	279,448

The above amount is translated at the exchange rate (USD = JPY101.14) as of the acquisition date.

Notes:

1. Adjustment of the provisional amount

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration transferred was completed during the three-month period ended June 30, 2014. The details of the adjustments from the initial provisional amounts are as follows. Due to the additional analysis performed by Sprint management on the fair value of FCC licenses, intangible assets increased by ¥30,342 million and non-controlling interests increased by ¥29,029 million. As a result, goodwill decreased by ¥14,970 million.

2. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected

As for the fair value of ¥332,553 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥353,388 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥20,835 million.

3. Property, plant and equipment, intangible assets and interest-bearing debt

The components of the carrying amounts are as follows:

(Property, plant and equipment)

	(Millions of yen) Acquisition date (July 10, 2013)
Buildings and structures	140,270
Telecommunications equipment	794,524
Land	18,362
Construction in progress	298,928
Other	39,280
Total	1,291,364

(Intangible assets)

	(Millions of yen) Acquisition date (July 10, 2013)
Intangible assets with finite useful lives	
Software	138,330
Customer relationships	700,192
Favorable lease contracts	148,979
Trademarks	52,593
Other	47,928
Intangible assets with indefinite useful lives	
FCC licenses	3,617,677
Trademarks	600,266
Total	5,305,965

(Interest-bearing debt)

	(Millions of yen) Acquisition date (July 10, 2013)
Current	
Current portion of long-term borrowings	13,380
Current portion of corporate bonds	63,317
Current portion of lease obligations	10,264
Total	86,961
Non-current	
Long-term borrowings	34,854
Corporate bonds	2,590,208
Lease obligations	43,101
Total	2,668,163

4. Provisions

Provisions recognized by the business combination are mainly asset retirement obligations, lease exit costs related to the shutdown of the Nextel Platform, and exit costs related to payments that will continue to be made under Sprint's backhaul access contracts for which it will no longer be receiving any economic benefit. Backhaul is an intermediary network which connects the cell towers to the local switching center.

5. Deferred tax liabilities

Deferred tax liabilities recognized by this business combination are mainly temporary differences related to FCC licenses, and trademarks with indefinite useful lives.

6. Non-controlling interests

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

7. Basis adjustment

The Company entered into a foreign currency forward contract to hedge exchange risks resulting from the investment in Sprint. This scheduled transaction was designated as a cash flow hedge. ¥311,659 million, the fair value of the hedging instruments at the acquisition date, was deducted from initial amount of goodwill which was recognized from the acquisition.

8. Goodwill

Goodwill reflects excess earning power expected from the future business development and the synergy with existing businesses.

g. Payment for acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (July 10, 2013)
Payment for the acquisition by cash	(1,875,149)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	447,873
Payment for the acquisition of control over the subsidiary by cash	(1,427,276)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	310,104
Payment for the acquisition of control over the subsidiary by cash, net	(1,117,172)

h. Sales and net loss of the acquiree

The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥2,601,031 million and ¥193,299 million, respectively.

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

(3) WILLCOM, Inc.

a. Overview of consolidation

SoftBank Corp. owns 100% of shares issued by WILLCOM, Inc. However, WILLCOM, Inc. was in the process of rehabilitation under the Corporate Reorganization Act and SoftBank Corp. did not have effective control over WILLCOM, Inc. Therefore, WILLCOM, Inc. was not treated as a subsidiary.

WILLCOM, Inc. made prepayments of rehabilitation claims and rehabilitation security interests in June 2013, and filed a petition with the Tokyo District Court for the termination of its rehabilitation proceedings. WILLCOM, Inc. received an order of termination of rehabilitation proceedings from the Tokyo District Court on July 1, 2013. Consequently, WILLCOM, Inc. became a subsidiary of SoftBank Corp.

WILLCOM, Inc. conducted an absorption type merger with eAccess Ltd., eAccess Ltd. being the surviving company and WILLCOM, Inc. being the dissolving company, on June 1, 2014 and changed its company name to Ymobile Corporation on July 1, 2014.

(Business description of WILLCOM, Inc.)
Telecommunications business

(Acquisition date)
July 1, 2013

b. Consideration transferred and the components

(Millions of yen)

		Acquisition date (July 1, 2013)
Fair value of equity interest in WILLCOM, Inc. already held at the time of the acquisition		104,070
Total consideration transferred	A	104,070

As a result of the reevaluation of 100% equity interest already held by the Company at the time of the acquisition of control in WILLCOM, Inc. at fair value, the Company recognized a gain of ¥103,766 million. This gain is presented as “Gain from remeasurement relating to business combination” in the consolidated statements of income.

c. Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date

(Millions of yen)

		Acquisition date (July 1, 2013)
Current assets		79,754
Property, plant and equipment		46,026
Intangible assets[1]		43,639
Other non-current assets		14,883
Total assets		184,302
Current liabilities		83,958
Non-current liabilities		16,284
Total liabilities		100,242
Net assets	B	84,060
Non-controlling interests[2]	C	222
Goodwill[3]	A-(B-C)	20,232

Notes:

1. Intangible assets
   Customer relationships of ¥25,004 million are included.

2. Non-controlling interests
   Non-controlling interests are from WILLCOM OKINAWA, Inc. (proportionate interest held by the Company is 80%), a subsidiary of WILLCOM, Inc., and they are measured based on the proportionate interests after the acquisition in the identifiable net assets of the acquiree at the acquisition date.

3. Goodwill
   Goodwill reflects excess earning power expected from the future business development, assembled workforce and the synergy with existing business.

d. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected

The main components of acquired trade and other receivables are installment receivables and the fair value is ¥31,039 million. The total amount of contractual receivables is ¥31,328 million and the best estimate of the contractual cash flows not expected to be collected as of the acquisition date is ¥289 million.

e. Proceeds from acquisition of control over subsidiaries

	(Millions of yen) Acquisition date (July 1, 2013)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	14,043
Proceeds in cash from the acquisition of control over the subsidiary	14,043

f. Sales and net loss of the acquiree

The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥124,068 million and ¥4,316 million, respectively.

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

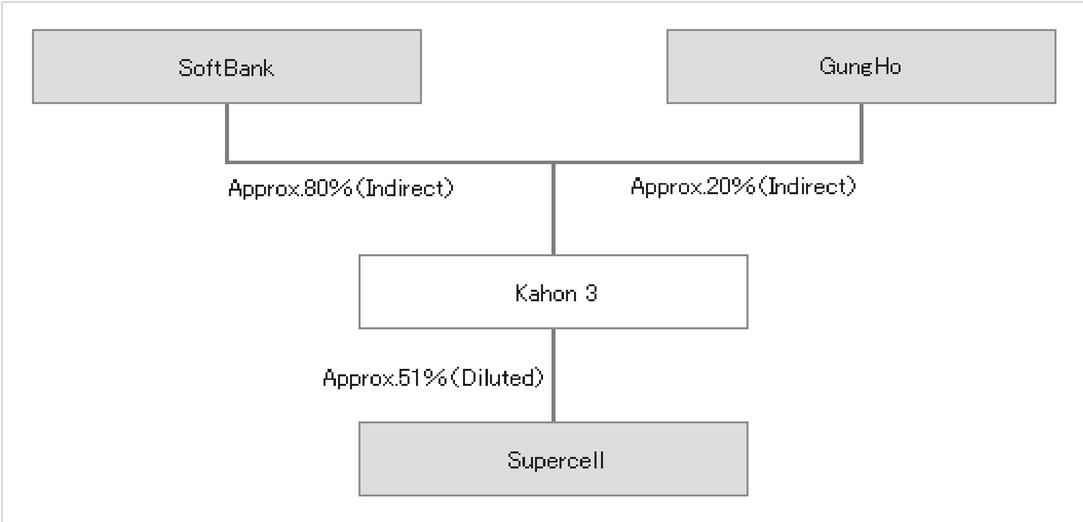
(4) Supercell

a. Overview of consolidation

SoftBank Corp. and GungHo, a subsidiary of SoftBank Corp., communally established Kahon 3, a special purpose company in Finland, SoftBank Corp. indirectly investing $1,224 million (investing ratio of approximately 80%) and GungHo indirectly investing approximately $306 million (investing ratio of approximately 20%). Through Kahon 3, the special purpose company, SoftBank Corp. and GungHo acquired approximately 51% (diluted) of voting stock of Supercell, with a total of $1.53 billion (¥150,720 million) on October 31, 2013. Accordingly, Supercell, a mobile game company headquartered in Finland, became a subsidiary of SoftBank Corp.

SoftBank Corp. acquired all interests of Kahon 3 held indirectly by GungHo on August 26, 2014.

Structure as of October 31, 2013



b. Purpose of consolidation

Supercell is a mobile game company headquartered in Finland. This new strategic partnership with SoftBank Corp. and GungHo will help accelerate Supercell's goal of becoming "the first truly global games company."

GungHo started its online game business in 2002, and it has since accumulated significant expertise and produced notable results in the development and operation of online games. Through the transaction, GungHo will leverage Supercell's position among the apps in the Games category of the App Store and marketing power abroad to enhance its global expansion.

c. Summary of Supercell

Name	Supercell Oy
Address	Itämerenkatu 11-13 00180 Helsinki Finland
Name and title of representative	Ilkka Paananen, Chief Executive Officer
Business description	Mobile/Social interactive entertainment
Common stock	€2,500
Date of foundation	May 14, 2010
Consolidated sales	€519,093 thousands (For the fiscal year ended December 31, 2013, Finnish GAAP)

d. Acquisition date

October 31, 2013

e. Consideration transferred and the component

		(Millions of yen) Acquisition date (October 31, 2013)
Payment by cash		140,397
Total consideration transferred	A	140,397

Acquisition-related costs of ¥3,114 million arising from the business combination are recognized in "Selling, general and administrative expenses."

Kahon 3 acquired common and preferred stocks of Supercell and options, which can convert the preferred stocks to common stocks ("conversion options"), with a total of ¥150,720 million. The consideration transferred for the business combination is ¥140,397 million, deducting the fair value of ¥10,323 million for the preferred stocks and the conversion options from the total amount of ¥150,720 million to acquire Supercell.

The fair value of ¥10,323 million for the preferred stocks and the conversion option is deducted from capital surplus as "Acquisition of options to convert to subsidiaries' common stocks" in the consolidated statements of changes in equity.

f. Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date

(Millions of yen)

		Acquisition date (October 31, 2013)
Current assets		22,123
Intangible assets[1]		119,204
Other non-current assets		73
Total assets		141,400
Current liabilities		22,518
Non-current liabilities		23,993
Total liabilities		46,511
Net assets	B	94,889
Non-controlling interests[2]	C	53,295
Goodwill[3]	A-(B-C)	98,803

Notes:
1. Intangible assets
Game titles of ¥119,099 million are included.

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

3. Goodwill
Goodwill reflects excess earning power expected from the future business development and assembled workforce for game development and others, and the synergy with existing businesses.

g. Payment for the acquisition of control over subsidiaries

	(Millions of yen)
	Acquisition date (October 31,2013)
Payment for the acquisition by cash	(140,397)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	2,495
Payment for the acquisition of control over the subsidiary by cash	(137,902)

h. Sales and net income of the acquiree

The amounts of the acquiree's sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥54,841 million and ¥3,799 million, respectively.

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

(5) Brightstar Corp.

a. Overview of consolidation

The Company completed the acquisition of all common and preferred stocks of Brightstar Corp., a mobile device distributor in the United States, and the establishment of the organizational structure related to the transaction on January 30, 2014. Accordingly, Brightstar Corp. became a subsidiary of the Company. At the completion of the transaction, the Company owns approximately 57% of the voting rights of Brightstar Global Group Inc., which owns 100% of Brightstar Corp.

In the transaction, SoftBank Corp. invested a total of $1.26 billion (¥128.4 billion) into Brightstar Global Group Inc., of which SoftBank Corp. owns all the interests. SoftBank Corp. received newly-issued common stocks of Brightstar Global Group Inc., newly-issued non-voting preferred stocks of Brightstar Global Group Inc. that have an aggregate liquidation preference of $860 million, and a warrant (the "Warrant") that provides SoftBank Corp. with the rights to acquire a number of common stocks of Brightstar Global Group Inc. for de minumis value. Brightstar Global Group Inc. acquired all common and preferred stocks (including payment of accrued dividends) of Brightstar Corp. from existing shareholders for consideration of $1.11 billion and newly issued common stocks of Brightstar Global Group Inc. representing approximate 43% of the common stocks issued.

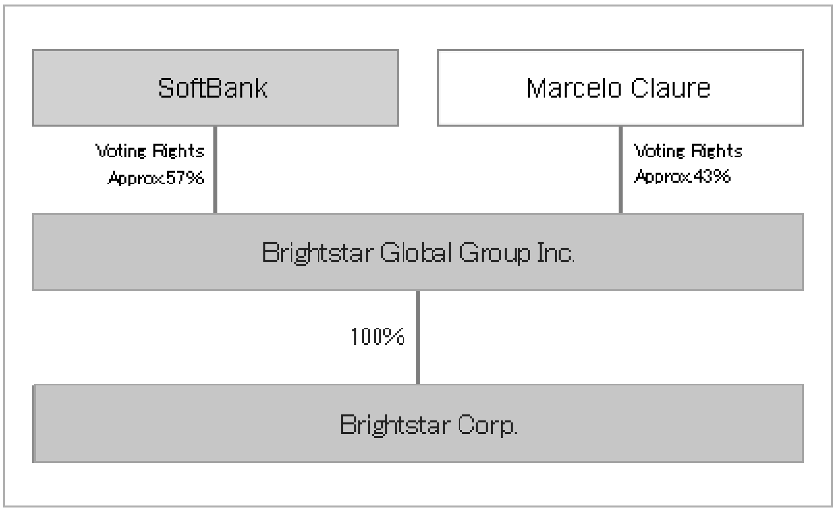
As a result of the transaction, SoftBank Corp. owns approximately 57% of the voting rights and common stocks of the Brightstar Global Group Inc., which owns 100% of Brightstar Corp., and Marcelo Claure, the former Chairman and CEO of Brightstar Corp. (resigned on August 11, 2014), owns approximately 43%. Accordingly, Brightstar Corp. became a subsidiary of SoftBank Corp. (please refer to (a) stracture below). The Company accounts for Brightstar Global Group Inc. as a acquiree.

The Company used $1.11 billion out of the total investment of $1.26 billion to complete the Brightstar Corp. share purchases, and the remaining $0.15 billion of SoftBank Corp.'s investment was contributed to Brightstar Corp. in order to fund, among others, ongoing corporate activities.

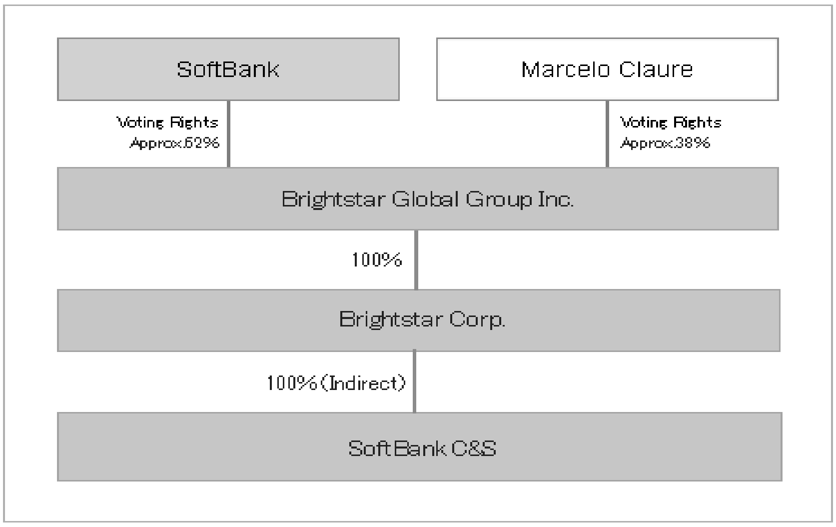
SoftBank BB Corp., a subsidiary of SoftBank Corp., divided its commerce and service business and newly established SoftBank C&S on April 1, 2014. All shares of SoftBank C&S held by SoftBank Corp. were transferred to SB C&S Holdings G.K., a wholly-owned subsidiary of Brightstar Corp., and SoftBank Corp. acquired additional common stocks of Brightstar Global Group Inc on the same date. As a result, the Company's ownership share of the voting rights and common stocks of Brightstar Global Group Inc. became approximately 62% on April 1, 2014 (please refer to (b) structure below).

SoftBank Corp. acquired all remaining interests of Brightstar Global Group Inc. held by Marcelo Claure on August 6, 2014 and Brightstar Global Group Inc. became a wholly owned subsidiary of SoftBank Corp (please refer to (c) structre below).

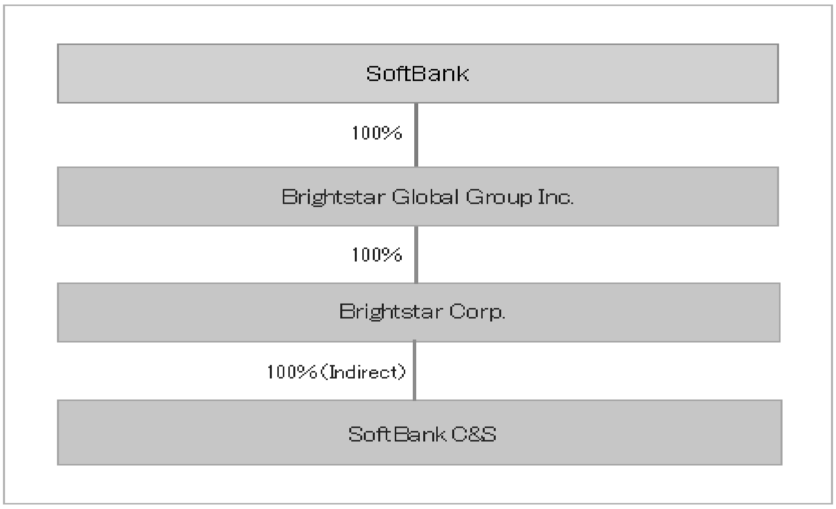
(a) Structure as of March 31, 2014



(b) Structure as of April 1, 2014



(c) Structure as of August 6, 2014



b. Purpose of consolidation

Brightstar Corp. is one of the world's largest specialized wireless distributors and a leading provider of diversified services focused on enhancing the performance and results of the key participants in the wireless device value chain: manufacturers, operators and retailers. Its services include Supply Chain Solutions, Handset Protection & Insurance, Buyback and Trade-in Solutions, Multi-Channel Retail Solutions, and Financial Services. Today, Brightstar Corp. provides services in over 125 countries and has a local presence in over 50 countries.

The Company acquired Sprint in July 2013, expanding its business operations from Japan to the U.S. With Brightstar Corp. becoming a subsidiary, the Comapny aims to strengthen its purchasing scale for mobile devices and further increase competitiveness both in Japan and the U.S.

c. Summary of Brightstar Corp.

Name	Brightstar Corp.
Address	9725 NW 117th Ave, #300 Miami, Florida, U.S.A.
Name and title of representative	Jaymin Patel, President and Chief Executive Officer (Assumed the post on March 30, 2015)
Business description	Mobile device distribution
Common stock	$2,000
Date of foundation	September 23, 1997
Consolidated sales	$7,227,879 thousand (For the fiscal year ended December 31, 2013, US GAAP)

d. Acquisition date

January 30, 2014

e. Consideration transferred and the component

		(Millions of yen) Acquisition date (January 30, 2014)
Payment by cash		128,378
Total consideration transferred	A	128,378

Acquisition-related costs of ¥1,190 million arising from the business combination are recognized in "Selling, general and administrative expenses."

f. Fair value of assets and liabilities, non-controlling interests and goodwill on the acquisition date[1]

(Millions of yen)

		Acquisition date (January 30, 2014)
Current assets		308,188
Intangible assets		67,962
Total assets		376,150
Current liabilities		248,198
Non-current liabilities		75,134
Total liabilities		323,332
Net assets	B	52,818
Non-controlling interests[2]	C	4,901
Goodwill[3]	A-(B-C)	80,461

Notes:

1. Adjustment of the provisional amount
Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration transferred was completed during the fiscal year ended March 31, 2015. The details of the adjustments from the initial provisional amounts are as follows. Due to the additional analysis performed by Brightstar Corp. management, current assets decreased by ¥32,456 million and current liabilities decreased by ¥12,320 million. As a result, goodwill increased by ¥20,604 million.

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

3. Goodwill
Goodwill reflects excess earning power expected from the future business development and the synergy with existing businesses.

g. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected

As for fair value of ¥156,897 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥159,633 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥2,736 million.

h. Payment for acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (January 30,2014)
Payment for the acquisition by cash	(128,378)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	41,428
Payment for the acquisition of control over the subsidiary by cash	(86,950)

i. Sales and net loss of the acquiree

The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥137,534 million and ¥1,704 million, respectively.

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

7. Segment information

(1) Description of reportable segments

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

The Company has four segments, the Mobile Communications segment, the Sprint segment, the Fixed-line Telecommunications segment, and the Internet segment.

The Mobile Communications segment provides, mainly through SoftBank Mobile Corp., mobile communication services, and sales of mobile handsets and accessories. In addition, online games for smartphones and other devices are produced and distributed through GungHo and Supercell.

The Sprint segment provides, through Sprint, mobile communication services, sale of mobile handsets and accessories accompanying the mobile communication services, and the fixed-line telecommunication services in the U.S.

The Fixed-line Telecommunications segment provides, mainly through SoftBank Telecom Corp., telecommunication services such as data communication and fixed-line telephone services for corporate customers. It also provides, mainly through SoftBank BB Corp., broadband services for individual customers.

The Internet segment provides, mainly through Yahoo Japan Corporation, Internet-based advertising operations.

(2) Net sales and income of reportable segments

Accounting policies for reportable segments are the same as the policies described in "Note 3. Significant accounting policies."

Income of reportable segments is based on income from operating income, excluding "Gain from remeasurement relating to business combination" and "Other operating income (loss)," as follows:

Segment income = (net sales – cost of sales – selling, general and administrative expenses) in each segment

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

The following is information about the Company's net sales and income by reportable segment. The Company also discloses "EBITDA (segment income before depreciation and amortization)" by reportable segment.

For the fiscal year ended March 31, 2014

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint[1]	Fixed-line Telecommu-nications	Internet	Total	Other[2]	Reconcili-Ations[3]	Consoli-dated
Net sales								
Customers	3,142,663	2,600,743	442,152	396,554	6,582,112	84,539	-	6,666,651
Intersegment	22,855	288	105,938	3,315	132,396	39,914	(172,310)	-
Total	3,165,518	2,601,031	548,090	399,869	6,714,508	124,453	(172,310)	6,666,651
EBITDA	1,000,829	412,342	170,379	204,318	1,787,868	13,592	(22,968)	1,778,492
Depreciation and amortization	(394,984)	(418,461)	(62,077)	(15,369)	(890,891)	(7,551)	(1,462)	(899,904)
Segment income (loss)	605,845	(6,119)	108,302	188,949	896,977	6,041	(24,430)	878,588
Gain from remeasurement relating to business combination								253,886
Other operating loss								(55,430)
Operating income								1,077,044
Finance cost								(271,478)
Equity in income of associates								74,402
Dilution gain from changes in equity interests								3,633
Other non-operating income								40,448
Income before income tax								924,049

For the fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint	Fixed-line Telecommu-nications	Internet	Total	Other[2]	Reconcili-Ations[3]	Consoli-dated
Net sales								
Customers	4,143,653	3,594,167	436,015	415,521	8,589,356	80,865	-	8,670,221
Intersegment	45,860	205,854	105,041	3,613	360,368	30,319	(390,687)	-
Total	4,189,513	3,800,021	541,056	419,134	8,949,724	111,184	(390,687)	8,670,221
EBITDA	1,149,610	653,040	160,335	204,898	2,167,883	(10,504)	(24,477)	2,132,902
Depreciation and amortization	(454,323)	(579,152)	(60,072)	(17,897)	(1,111,444)	(9,912)	(1,175)	(1,122,531)
Segment income	695,287	73,888	100,263	187,001	1,056,439	(20,416)	(25,652)	1,010,371
Gain from remeasurement relating to business combination								-
Other operating loss								(27,668)
Operating income								982,703
Finance cost								(366,505)
Equity in income of associates								76,614
Dilution gain from changes in equity interests								599,815
Other non-operating loss								(15,582)
Income before income tax								1,277,045

Notes:
1. The Sprint segment includes the results of Sprint after the acquisition date.
2.“Other” includes Fukuoka SoftBank HAWKS-related business.
3.“Reconciliations” includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.

8. Property, plant and equipment

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

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Buildings and structures	258,637	267,633
Telecommunications equipment	2,827,064	3,251,673
Equipment and fixtures	129,338	365,305
Land	92,545	97,342
Construction in progress	266,136	318,345
Other	12,607	17,150
Total	3,586,327	4,317,448

9. Intangible assets

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

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Intangible assets with indefinite useful lives		
FCC licenses	3,709,526	4,320,296
Trademarks	622,975	727,251
Intangible assets with finite useful lives		
Software	647,386	757,866
Customer relationships	677,494	582,223
Favorable lease contracts	140,217	145,191
Game titles	166,522	109,211
Trademarks	52,475	59,583
Spectrum migration costs*	-	53,550
Other	161,106	148,411
Total	6,177,701	6,903,582

Note:

Spectrum migration costs are the amounts that the Company incurred in connection with the costs arising from the migration of the existing users from the 900 MHz band, which SoftBank Mobile Corp. acquired, to the other frequency spectrum based on the termination campaign.

10. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Current		
Short-term borrowings	270,529	413,846
Commercial paper	32,000	32,000
Current portion of long-term borrowings	393,566	525,898
Current portion of corporate bonds	139,300	183,557
Current portion of lease obligations	264,295	411,453
Current portion of preferred securities	-	200,000
Current portion of installment payables	48,209	50,661
Total	1,147,899	1,817,415
Non-current		
Long-term borrowings	2,243,855	2,116,498
Corporate bonds	4,743,073	6,825,868
Lease obligations	730,915	744,911
Preferred securities	199,156	-
Installment payables	105,155	102,552
Total	8,022,154	9,789,829

(2) Financial covenants

a. Financial covenants on interest-bearing debts of SoftBank Corp.

SoftBank Corp.'s interest-bearing debt includes financial covenants and the major financial covenants are as follows.

(a) The amount of SoftBank Corp.'s net assets at the end of the fiscal year must not fall below 75% of SoftBank's net assets at the end of the previous year.

(b) The consolidated statement of financial position of the Company and BB Mobile Corp. at the end of the fiscal year must not show a net capital deficiency. The statement of financial position of SoftBank Mobile Corp., SoftBank BB Corp. and SoftBank Telecom Corp. at the end of the fiscal year must not show a net capital deficiency.

(c) In the Company's consolidated financial statement, operating income (loss) or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years.

(d) Adjusted net interest-bearing debts[1] or leverage ratios[2] designated in the loan agreement must not exceed certain respective amounts or numbers at the end of each annual reporting period and at the end of the second quarter. The threshold amounts of adjusted net interest-bearing debts and leverage ratios shall be softened when the balance of cash and cash equivalents and the fair value of listed shares held by the Company exceed certain amounts.

Notes:

1. Adjusted net interest-bearing debts:

Amounts deducting cash and cash equivalents from interest-bearing debts in the consolidated statement of financial position. Certain adjustments are made such as excluding certain listed subsidiaries such as Sprint from the subject.

2. Leverage ratio:
Adjusted net interest-bearing debt / adjusted EBITDA[3]
3. Adjusted EBITDA:
Certain adjustments are made to EBITDA such as excluding listed subsidiaries such as Sprint.

b. Financial covenants on interest-bearing debts of Sprint
Major covenants on the interest-bearing debt issued by Sprint are as follows:

(a) Holders of a portion ($21.6 billion) of notes issued by Sprint are provided with the right to require Sprint to repurchase the notes if there is a change of control and if there is a decline, to a certain extent, in ratings of the applicable notes by the Rating Services. Also, holders of certain bonds issued by Clearwire ($300 million) are provided with the right to require the repurchase of the notes if a change of control triggering event occurs.

(b) It is required that as of the last day of each quarter, Sprint's ratio of total indebtedness[1] to adjusted EBITDA[2] should not exceed a threshold level. Exceeding the ratio could result in the maturities being accelerated. The limit for the ratio was 6.5 as of March 31, 2015.

Note:
1. Total indebtedness: the sum of Sprint's outstanding debt (excluding trade payable) and guarantee of indebtedness, with certain adjustments defined in contracts with lenders.
2. Adjusted EBITDA: Trailing four quarters EBITDA including adjustments defined in contract with lenders.

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

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net (decrease) increase of short-term borrowings*	(233,794)	108,541
Net increase of commercial paper	32,000	-
Total	(201,794)	108,541

Note:
The Company has entered into a loan agreement to refinance the bridge loan for the consolidation of Sprint and repayment of some existing borrowings in September 2013. The increase and the decrease in short-term borrowings for the fiscal year ended March 31, 2014 include the increase of borrowings of ¥1,034.9 billion on July 10, 2013, from the bridge loan and the decrease of borrowings by the repayment of the bridge loan in the amount of ¥1,284.9 billion (including the amount of repayment of ¥250 billion on December 21, 2012).

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

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Proceeds from long-term borrowings	2,587,755	443,726
Proceeds from issuance of corporate bonds[1,5]	1,665,232	1,763,657
Proceeds from sale and leaseback of newly acquired equipment	445,307	508,118
Total	4,698,294	2,715,501

Notes:

1. Corporate bonds issued for the fiscal year ended March 31, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
USD-denominated Senior Notes due year 2020	April 23, 2013	$2,485 million ¥244,176 million[2]	4.50% 3.29%[3]	April 15, 2020
Euro-denominated Senior Notes due year 2020	April 23, 2013	€625 million ¥80,206 million[2]	4.63% 4.05%[3]	April 15, 2020
43rd Unsecured Straight Corporate Bond	June 20, 2013	¥400,000 million	1.74%	June 20, 2018
44th Unsecured Straight Corporate Bond	Nov. 29, 2013	¥50,000 million	1.69%	Nov. 27, 2020
Sprint Corporation[4]				
7.25% Notes due 2021	Sept. 11, 2013	$2,250 million ¥220,950 million	7.25%	Sept. 15, 2021
7.875% Notes due 2023	Sept. 11, 2013	$4,250 million ¥417,350 million	7.88%	Sept. 15, 2023
7.125% Notes due 2024	Dec. 12, 2013	$2,500 million ¥252,550 million	7.13%	June 15, 2024

Notes:

2. The cash outflow amount, fixed by the currency swap contract designated as a cash flow hedge, at the time of redemption, is described in JPY.

3. The interest rate, after considering the impact of converting the fixed interest rate in foreign currency into a fixed interest rate in JPY by the currency swap contract, designated as a cash flow hedge, is described.

4. These corporate bonds were issued after the acquisition of Sprint.

5. Corporate bonds issued for the fiscal year ended March 31, 2015 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
45th Unsecured Straight Corporate Bond	May 30, 2014	¥300,000 million	1.45%	May 30, 2019
46th Unsecured Straight Corporate Bond	Sept. 12, 2014	¥400,000 million	1.26%	Sept. 12, 2019
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	2.50%	Dec. 17, 2021
2nd Unsecured Subordinated Corporate Bond	Feb. 9, 2015	¥450,000 million	2.50%	Feb. 9, 2022
Sprint Corporation				
7.625% Notes due 2025	Feb. 24, 2015	$1,500 million ¥179,340 million	7.63%	Feb. 15, 2025
Sprint Communications, Inc.[6]				
Export Development Canada Facility (Tranche 3)	Dec. 19, 2014	$300 million ¥34,317 million	4.00%	Dec. 17, 2019

Notes:
6. Sprint Communications, Inc. is a subsidiary of Sprint.

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

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Repayment of long-term borrowings	(1,133,313)	(459,852)
Redemption of corporate bonds[1,3]	(533,538)	(170,181)
Payment of lease obligations	(253,283)	(306,156)
Payment of installment payables	(51,460)	(48,594)
Total	(1,971,594)	(984,783)

Notes:
1. Corporate bonds redeemed for the fiscal year ended March 31, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
31st Unsecured Straight Corporate Bond	June 2, 2010	¥25,000 million	1.17%	May 31, 2013
33rd Unsecured Straight Corporate Bond	Sept. 17, 2010	¥130,000 million	1.24%	Sept. 17, 2013
38th Unsecured Straight Corporate Bond	Jan. 27, 2012	¥50,000 million	0.42%	Jan. 27, 2014
Clearwire Communications LLC[2]				
12% Senior Secured Notes due 2015	Nov. 24, 2009	$2,763 million ¥277,997 million	12.00%	Sept. 11, 2013 to Dec. 1, 2013
12% Second-Priority Secured Notes due 2017	Dec. 9, 2010	$500 million ¥50,510 million	12.00%	Oct. 30, 2013 Dec. 1, 2013

Notes:
2. These corporate bonds were redeemed after the acquisition of Sprint. Clearwire Communications LLC is a subsidiary of Sprint.

3. Major corporate bonds redeemed for the fiscal year ended March 31, 2015 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
26th Unsecured Straight Corporate Bond	June 19, 2007	¥14,900 million	4.36%	June 19, 2014
30th Unsecured Straight Corporate Bond	March 11, 2010	¥30,000 million	3.35%	March 11, 2015
37th Unsecured Straight Corporate Bond	June 10, 2011	¥30,000 million	0.65%	June 10, 2014
Ymobile Corporation				
USD-denominated Senior Notes due year 2018	April 1, 2011	$420 million ¥50,251 million	8.25%	March 27, 2015
Euro-denominated Senior Notes due year 2018	April 1, 2011	€200 million ¥26,471 million	8.38%	March 27, 2015
iPCS, Inc.[4]				
Second Lien Senior Secured Floating Rate Notes due 2014	April 23, 2007	$181 million ¥18,513 million	3.49%	May 1, 2014

Notes:
4. iPCS, Inc. is a subsidiary of Sprint.

11. Foreign exchange rate

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

(1) Rate at the end of the period

(yen)

	As of March 31, 2014	As of March 31, 2015
U.S. dollars	102.92	120.17

(2) Average rate for the quarter

For the fiscal year ended March 31, 2014

(yen)

	Three-month period ended June 30, 2013	Three-month period ended September 30, 2013	Three-month period ended December 31, 2013	Three-month period ended March 31, 2014
U.S. dollars	97.94	98.20	101.02	103.28

For the fiscal year ended March 31, 2015

(yen)

	Three-month period ended June 30, 2014	Three-month period ended September 30, 2014	Three-month period ended December 31, 2014	Three-month period ended March 31, 2015
U.S. dollars	102.14	104.35	114.39	119.56

12. Equity

(1) Capital surplus

For the fiscal year ended March 31, 2014

In connection with the consolidation of Supercell, the Company acquired preferred stocks of Supercell and options ("conversion options") to convert the preferred stocks to common stocks. The fair value of ¥10,323 million for the preferred stocks and the conversion options is deducted from capital surplus as "Acquisition of options to convert to subsidiaries' common stocks." The details are described in "(4) Supercell" in "Note 6. Business combinations."

For the fiscal year ended March 31, 2015

The Company acquired all remaining shares of Brightstar Global Group Inc. indirectly held by Marcelo Claure, the former Chairman and CEO of Brightstar Corp., and owns 100% of the equity interest of Brightstar Global Group Inc. In connection with this transaction, ¥30,509 million is deducted from capital surplus as "Changes in interests in subsidiaries."

(2) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Available-for-sale financial assets	14,122	14,524
Cash flow hedges	(19,942)	(7,345)
Exchange differences on translating foreign operations	175,670	533,207
Total	169,850	540,386

13. Other operating loss

The components of other operating loss are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Gain on partial pension settlement[1]	-	18,726
Severance costs associated with reduction in work force of Sprint	(23,645)	(27,129)
Provision for unprofitable contract[2]	-	(21,271)
Impairment loss		
Assets related to ADSL services[3]	(11,210)	-
Assets related to Sprint[4]	(7,654)	-
Trademarks[5]	(7,404)	-
Goodwill	(5,822)	-
Other	305	2,006
Total	(55,430)	(27,668)

Notes:

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

2. Loss was recognized in the Fixed-line Telecommunications segment due to the provision made by SoftBank Telecom Corp. for the excess of expected future cost of delivery for a contracted communication service over its contracted amount.

3. As a result of reviewing the business plan for ADSL services at eAccess Ltd. in the Fixed-line Telecommunications segment, the recoverable amount of assets related to ADSL services became lower than their carrying amount, and therefore the carrying amounts were reduced to their value in use. Impairment loss on customer relationships was ¥8,655 million and impairment loss on telecommunications equipment and software was ¥2,555 million.

   Value in use was ¥4,410 million, which was calculated by discounting management approved estimated future cashflow plan by 9.24%, weighted average capital cost before tax.

4. In the Sprint segment, certain telecommunications equipment inventories which will not be used in the future are impaired.

5. The trademarks such as “EM,” “EMOBILE,” “WILLCOM,” which eAccess Ltd. and WILLCOM, Inc. used as service names in the Mobile Communications segment were all impaired for the fiscal year ended March 31, 2014. This is because these trademarks were no longer expected to be used since eAccess Ltd. and WILLCOM, Inc. had a plan to conduct an absorption type merger, with eAccess Ltd. being the surviving company and WILLCOM, Inc. being the company absorbed, effective on June 1, 2014. eAccess Ltd. changed its name to Ymobile Corporation on July 1, 2014 and started to provide services under the “Y!mobile” brand on August 1, 2014.

14. Finance cost

The components of finance cost are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Interest expense	(271,478)	(366,505)

15. Dilution gain from changes in equity interest

For the fiscal year ended March 31, 2015

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

16. Other non-operating income and loss

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Interest income[1]	21,015	4,257
Foreign exchange gain and loss	(7,068)	11,050
Derivative loss[1,2]	(19,588)	(8,257)
Gain and loss on sales of securities	12,325	(2,443)
Impairment loss on securities	(9,168)	(15,170)
Gain on sales of equity method associates	33,058	1,882
Impairment loss on equity method associates[3]	-	(35,261)
Gain from remeasurement relating to applying equity method[4]	-	11,177
Gain from financial assets at FVTPL	-	11,209
Other	9,874	5,974
Total	40,448	(15,582)

Notes:

1. Stock acquisition rights in the convertible bonds issued by Sprint Nextel Corporation and undertaken by Starburst II on October 22, 2012, were reported at fair value as a derivative, being bifurcated from the host contracts as they are classified as embedded derivatives and were recorded in “Other financial assets” in the consolidated statements of financial position. As the Company exercised the relevant stock acquisition right and the Company derecognized the derivatives, a derivative loss of ¥16,356 million was recorded during the fiscal year ended March 31, 2014.

   With regard to the host contract (the bonds), the amount of payment less the fair value of the embedded derivative at inception of the bond was recorded in the consolidated statements of financial position at inception. This deduction amount is accreted using the effective interest method with corresponding adjustments to interest income. Initially, the expected remaining accretion period for the bond discount was seven years based on the contract term of the bond. However, based on the approval for the acquisition at the shareholders’ meeting of Sprint on June 25, 2013, the Company changed the estimate of the expected remaining term to the completion of the acquisition. During the fiscal year ended March 31, 2014, the Company recognized interest income of ¥16,219 million. There was an increase of interest income of ¥15,568 million from the reflection of this change in the expected remaining term of the bond.

2. Of the foreign currency forward contract totaling $22.0 billion which was related to the acquisition of Sprint, with regard to $5.0 billion that did not meet the criteria for hedge accounting, a derivative loss of ¥13,186 million was recorded for the fiscal year ended March 31, 2014. Hedge accounting was applied to $17.0 billion as a cash flow hedge. Fair value of ¥311,659 million of hedge instruments on the acquisition date was deducted from the initial amount of goodwill which was recognized upon the acquisition.

3. The Company recorded impairment loss of ¥35,261 million with regard to the equity method associate for the fiscal year ended March 31, 2015 as the fair value had been declining for a prolonged period and the carrying amount was reduced to the recoverable amount.

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

17. Earnings per share

(1) Basic earnings per share

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income attributable to owners of the parent (Millions of yen)	520,250	668,361
Weighted-average number of ordinary shares (Thousands of shares)	1,190,650	1,188,830
Basic earnings per share (yen)	436.95	562.20

(2) Diluted earnings per share

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income attributable to owners of the parent (Millions of yen)	520,250	668,361
Adjustments:		
Effect of dilutive securities issued by subsidiaries and associates (Millions of yen)	(1,992)	(3,509)
Net income used in the calculation of diluted earnings per share (Millions of yen)	518,258	664,852
Weighted-average number of ordinary shares (Thousands of shares)	1,190,650	1,188,830
Adjustments:		
Warrants and corporate bonds with stock acquisition rights (Thousands of shares)	1,622	1,061
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)	1,192,272	1,189,891
Diluted earnings per share (yen)	434.68	558.75

18. Supplemental information to the consolidated statements of cash flows

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

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

(2) Presentation of cash flow regarding finance leases

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

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

(3) Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries

For the fiscal year ended March 31, 2014

The proceeds are from the settlement of a foreign currency forward contract of $18.5 billion related to the consolidation of Sprint.

19. Significant subsequent events

Change in scope of consolidation from subsidiary to associate with the loss of control over GungHo

GungHo, a subsidiary of the Company, will not be qualified as a subsidiary and will newly become an associate of the Company, after the completion of the tender offer (the “Tender Offer”) for share of GungHo, which was resolved at GungHo’s board of directors’ meeting held on April 28, 2015, and the execution of the pledge termination agreement (as defined below) with Son Holdings Inc. (“Son Holdings”) to extinguish the pledge over the shares of GungHo held by Heartis G.K. (the “Heartis”). The financial impact from this loss of control in the fiscal year ending March 2016 is not determined yet.

(1) Summary of the loss of control

The Company has decided to tender in the Tender Offer for shares of GungHo, and the Company and GungHo entered into an Agreement, under which the Company has agreed to tender in the Tender Offer a portion of the common shares of GungHo held by the Company.

Heartis and Son Holdings reportedly roughly agreed as of April 21, 2015 to extinguish the pledge on 100,000,000 shares, out of the common shares of GungHo held by Heartis by May 31, 2015 (“the pledge termination agreement”), and the possible execution of the pledge termination agreement will reportedly terminate the Agreement on Exercise of Voting Rights* by up to the 100,000,000 shares.

Accordingly, as a result of the Tender Offer and execution of the pledge termination agreement, the Company expects GungHo will not be qualified as a subsidiary and will newly become an associate of the Company.

Note:

Heartis holds 223,080,000 common shares of GungHo (ownership ratio: 19.36%), and according to the the Change Report No.9 submitted by Heartis on January 13, 2015 pertaining to the Report of Possession of Large Volume, Heartis and Masayoshi Son, chairman and CEO of SoftBank Corp., have reportedly entered into a Memorandum of Understanding on Exercise of Voting Rights for Deferment of Execution of Pledges (the “MOU”), on April 1, 2013. Under the MOU, since all of GungHo common shares held by Heartis are reportedly pledged with Son Holdings, Masayoshi Son’s asset management company, as a pledgee, in order to defer the execution of pledges, Heartis has reportedly agreed to the effect that at the shareholders’ meeting of GungHo, Heartis will exercise the voting rights related to 213,080,000 shares (ownership ratio:18.50%) out of the common shares of GungHo held by Heartis, in accordance with Masayoshi Son’s instruction. The total number of voting rights held by the Company and those voting rights held by Heartis to be exercised in accordance with Masayoshi Son’s instruction is 6,739,200 and it accounts for 58.72% of 11,476,886 voting rights of all the shareholders of GungHo as of December 31, 2014 as described in 18th Yukashokenhokokusho of GungHo submitted on March 23, 2015 (rounded off to the second decimal place).

(2) Summary of the tender in the Tender Offer

(a) Shares to be tendered	Common shares of GungHo; 188,235,200 shares (ownership ratio :16.34%*)
(b) Tender offer price	¥425 per share
(c) Tender offer period	April 30, 2015 to June 1, 2015
(d) Start date of settlement	June 24, 2015

Note:

Ownership ratio means the percentage (rounded off to the second decimal place) to the total number of outstanding shares of GungHo, which is 1,152,010,000 shares as of April 28, 2015.

(3) Reason for the tender in the Tender Offer

As described in the press release “Notice Regarding Acquisition of Treasury Shares and Tender Offer of Treasury Shares” issued by GungHo on April 28, 2015, the Company received a proposal from GungHo in April 2015 that GungHo would like to acquire some of its common shares held by the Company to increase the flexibility of management and create a structure which allows management to make decisions and execute those decisions in a timely manner. After a series of discussion, the Company and GungHo have reached an agreement that the Company will tender in the Tender Offer 188,235,200 shares (ownership ratio: 16.34 %), a portion of the common shares of GungHo held by the Company.

(4) Number of shares held before and after the tender in the Tender Offer

(a) Number of shares held before the tender	460,840,000 shares including indirect ownership (Number of voting rights: 4,608,400) (Voting rights ratio：40.15%)
(b) Number of shares to be tendered in the Tender Offer	188,235,200 shares
(c) Number of shares held after the tender	272,604,800 shares including indirect ownership (Number of voting rights: 2,726,048) (Voting rights ratio：28.41%)*

Note:
The percentage of the voting rights to 9,594,534 voting rights (rounded off to the second decimal place). 9,594,534 voting rights is obtained by subtracting 1,882,352 voting rights related to 188,235,200 shares to be tendered in the Tender Offer, from 11,476,886 voting rights of all the shareholders of GungHo as of December 31, 2014 as described in 18th Yukashokenhokokusho of GungHo submitted on March 23, 2015. The voting rights ratio held by the Company and Heartis, after the execution of the pledge termination agreement, is 40.20%.

(5) Summary of GungHo

(a) Name	GungHo Online Entertainment, Inc.
(b) Address	3-8-1, Marunouchi, Chiyoda-ku, Tokyo
(c) Name and title of representative	Kazuki Morishita, President & CEO
(d) Business description	Planning, development, operation, and distribution of PC online games Planning, development, operation, and distribution of smartphone games Planning, development, and sale of consumer games
(e) Common stock	¥5,338 million (as of December 31, 2014)
(f) Date of foundation	July 1, 1998

(6) Impact on financial results

The impact from this loss of control in the fiscal year ending March 2016 is not determined yet.