SoftBank
Group

ANNUAL REPORT 2015

Why are we confident?

Contents

Show User Guide → CLICK

The Fast Read P.002

003 Corporate Philosophy and Vision

CEO Message P.005

Chairman & CEO Masayoshi Son explains the Company's initiatives for moving to SoftBank 2.0.

Masayoshi Son
Chairman & CEO,
SoftBank Group Corp.

Interview with Representative Director, President & COO P.008

Nikesh Arora
Representative director,
president & COO, SoftBank Group Corp.

010 Directors and Audit & Supervisory Board Members
013 Group Changes
014 Group Structure
015 Summary of Segment Information

Group Strategy P.016

Domestic Telecommunications Business—Dialogue P.017

Ken Miyauchi
Director, SoftBank Group Corp.
President & CEO, SoftBank Corp.

Kazuhiko Fujihara
Executive vice president & CFO,
SoftBank Corp.

Interview with President and CEO of Sprint P.022

Marcelo Claure
President and CEO,
Sprint Corporation

024 A Group of Innovative Entrepreneurs
025 Main Investments in Fiscal 2014
026 Internet Companies Investment Record
027 Major Subsidiaries and Associates

Management Organization P.030

031 Interview with an External Director
032 Corporate Governance
045 Compliance
047 Risk Management
048 Information Security
049 Corporate Social Responsibility (CSR)

Financial and Operational Data P.050

051 Graphs
054 Principal Operational Data
056 Japan and U.S. Mobile Communications Market Data
059 Eleven-year Summary
061 Segment Financial Data

Financial Section P.063

064 Interview with Corporate Executive in Charge of Finance
066 Interview with Head of Strategic Finance
067 Management's Discussion and Analysis of Results of Operations and Financial Position
091 Consolidated Financial Statements
099 Notes to Consolidated Financial Statements
192 Independent Auditor's Report

Corporate Information P.193

194 Corporate Data
195 Stock Information
196 Glossary

Disclaimers

- This annual report is made based on information available at the time of writing. Plans, forecasts, strategies, and other forward-looking statements in this report are not historical facts, and include elements of risk and uncertainty. Actual results may therefore differ materially from these forward-looking statements due to changes in the business environment and other factors.
- Information in this report regarding companies other than the Company is quoted from public and other sources. We do not guarantee the accuracy of this information.
- The Company expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statements in any presentation material or generally to any extent. Use of or reliance on the information in this annual report is at your own risk.

Transition to IFRSs

- The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) from the three-month period ended June 30, 2013, the first quarter of the fiscal year ended March 31, 2014. The date of transition to IFRSs is April 1, 2012. The financial data for the year ended March 31, 2013 is also presented based on IFRSs.

Definition of Terms

- "Fiscal 2014" refers to the fiscal year ended March 31, 2015, and other fiscal years are referred to in a corresponding manner in this annual report. FYE denotes the fiscal year-end. For example, FYE2014 denotes March 31, 2015, the last day of fiscal 2014.

Company Names

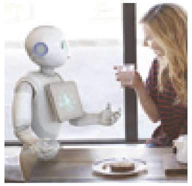
- Unless specifically stated otherwise "the Company" refer to SoftBank Group Corp. and its subsidiaries. Please refer to page 100 for the abbreviation of subsidiaries' and affiliates' company names.

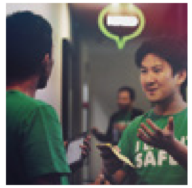
Regarding Trademarks

What is our aim?

Corporate Philosophy

Information Revolution – Happiness for everyone



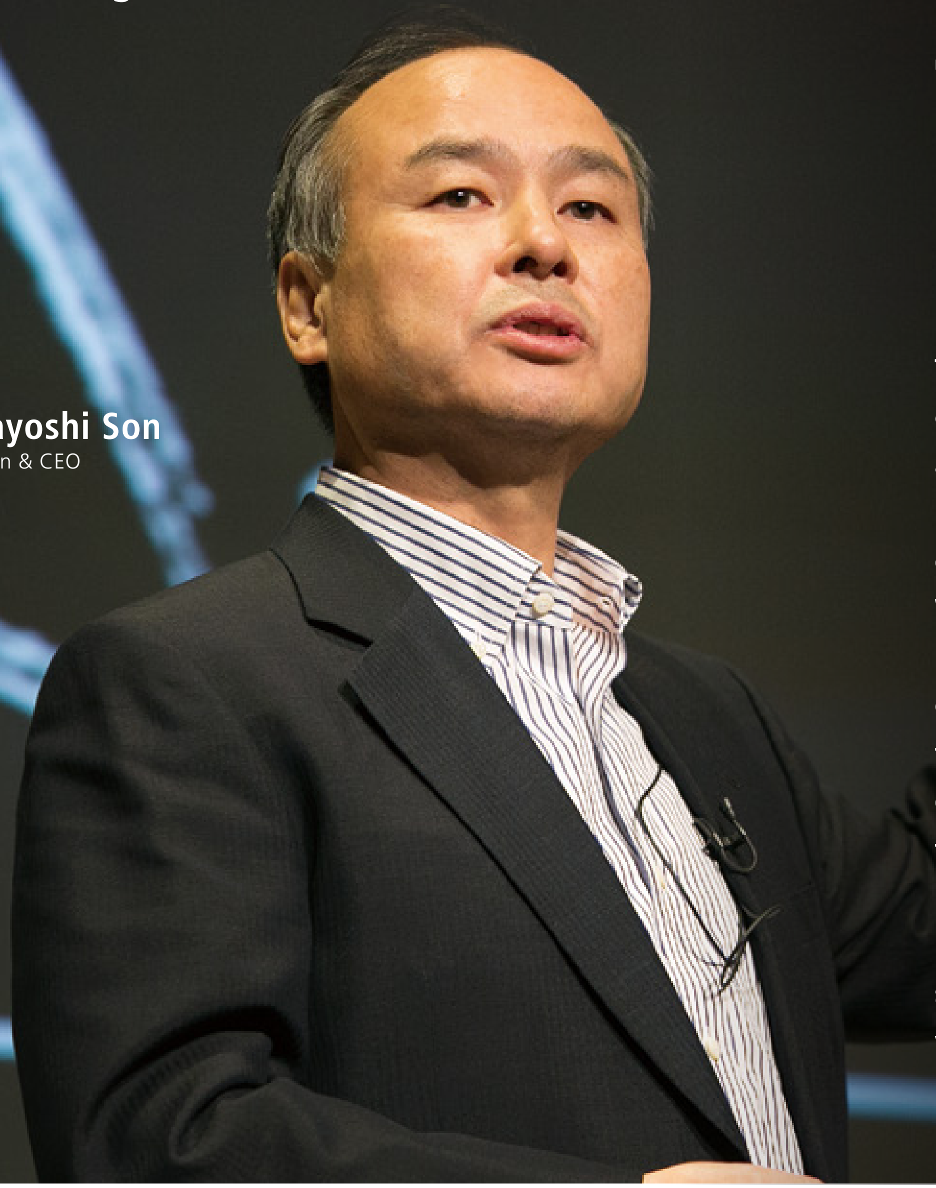


Vision

The corporate group needed most by people around the world

How will we get there?

CEO Message



Masayoshi Son
Chairman & CEO

Transformation into "SoftBank 2.0"

Thirty-four years have now passed since the foundation of SoftBank, and so far, our position has been one of SoftBank holding assets in overseas companies as a company in Japan. Now, however, we are going to the second stage of SoftBank—"SoftBank 2.0"—in which we will transform SoftBank into a truly global company that can ensure sustained business growth over the long term. We are now in a major transition period.

As the founder, I have set out to create a business model that can deliver continued business growth for centuries. However, many technology companies face the common challenge of a 30-year life cycle where growth is followed by decline. This decline stems from factors such as the increasing obsolescence of technologies and business models, and an over-reliance on founders.

What is the solution? Not only do we need to transform our existing businesses, we also need to have a comprehensive structure in place for supporting disruptive entrepreneurs and facilitating continued development with them. Together with our new representative director and president & COO, Nikesh Arora, we are going to accelerate this transformation.

Steady Business Results Centered on Domestic Telecommunications
Expanding Group of Disruptive Entrepreneurs

In terms of our consolidated results for fiscal 2014, net sales increased 30.1% year on year to ¥8,670.2 billion, EBITDA was up 19.9% to ¥2,132.9 billion, operating income decreased 8.8% to ¥982.7 billion, and net income attributable to owners of the parent increased 28.5% to ¥668.4 billion. The decline in our operating income mainly reflects temporary gains recorded in the previous fiscal year in association with the consolidation of GungHo and WILLCOM. If we exclude the effects of those temporary gains, we can see that all of our key performance indicators are growing steadily, with operating income growing 19.4% year on year.

Currently, we have two main business domains: one is telecommunications and the other is the Internet.

First, the domestic telecommunications domain. Nine years have passed since the acquisition of Vodafone K.K. (currently SoftBank Corp.). When we first announced the acquisition, many criticized us because they thought mobile phones had already penetrated the market, and some thought it did not make sense for us to acquire a mobile phone business at that point. In Japan's mobile phone market at the time, conventional phones for voice calls were the mainstream. It was just the dawn of the mobile Internet. I was certain at the time that the mobile Internet would become the driving presence in the market. I explained that my intention was to be head of a mobile Internet company, not a mature telecom company. Most people at the time did not understand what I was trying to do.

But now profit from our Mobile Communications segment has grown to nine times that of Vodafone K.K. before we acquired it.

With regard to our network, we have been making aggressive capital expenditures ever since we acquired the license to use the platinum band (900 MHz) in 2012, which is the optimal band to use for mobile communications services. As a result, our network quality has improved significantly. Capital expenditure peaked out in fiscal 2014, and the domestic telecommunications business is now at a stage where it produces a steady free cash flow—that is, a stage where it is fully able to continue stable operations. And since April 2015, Ken Miyauchi, my right arm since shortly after our foundation, has been leading SoftBank Corp., the operating company responsible for the domestic telecommunications business, as president & CEO.

Meanwhile, at Sprint in the U.S., in August 2014 we appointed Marcelo Claure as the new president and CEO to spearhead initiatives to revitalize the business. He is the founder of our subsidiary Brightstar Corp. (Brightstar), which he built into the world's largest specialized wireless distributor. Under Marcelo's outstanding leadership, postpaid net subscriber losses on the Sprint platform have been reversed, and this trend is continuing. The Sprint platform postpaid churn rate improved dramatically in the January to March 2015 period, and with network quality improvements on the way, we expect to see it improve even further.

Next is the Internet domain. I believe this will become even more important to us going forward. In fiscal 2014, Alibaba listed on the New York Stock Exchange, and we were able to validate the results of our investment in the company, which has become the largest e-commerce company in the world. With regard to new investments, the operating companies for Snapdeal, one of India's leading online marketplaces, and Ola and GrabTaxi, two of the leading taxi-booking platforms in India and Southeast Asia, have shown strong growth, especially in key performance indicators such as GMV and booking numbers.

We intend to accelerate these kinds of Internet-related investments and transform into an "Internet-focused SoftBank" and a "global SoftBank."

However, the reality is that most Internet companies in Japan find it very challenging to develop their businesses overseas. I believe this is because they try to apply business models developed in Japan without adapting them for local markets overseas, where cultures are completely different. Our goal in developing a "global SoftBank" is to realize a unique business model that cannot be imitated by working together with entrepreneurs who have deep insights into their own markets around the world.

New Management Partners

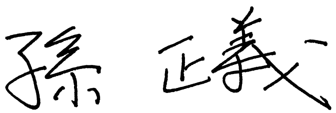
As we become a group of disruptive entrepreneurs, we have found a great partner, Nikesh Arora. I have known him for seven years now, and I have been working closely with him since he joined us in September 2014. He is 10 years younger than I, but has experience in running a company in his prior position as chief business officer (CBO) at Google Inc.

I am confident that his profound knowledge of the business models and technologies of global Internet companies and his wide network of contacts with the management teams of such companies will empower him to drive our transformation into a truly global company.

As we embark on this journey of change, we have changed our company name. The holding company SoftBank Corp. has changed its name to "SoftBank Group Corp." to clarify its status as a pure holding company. As representative director and president & COO of SoftBank Group Corp., Nikesh will work closely with me to accelerate our transformation.

Together with our group of disruptive entrepreneurs, we will create a business model to ensure sustained growth and further increase enterprise value.

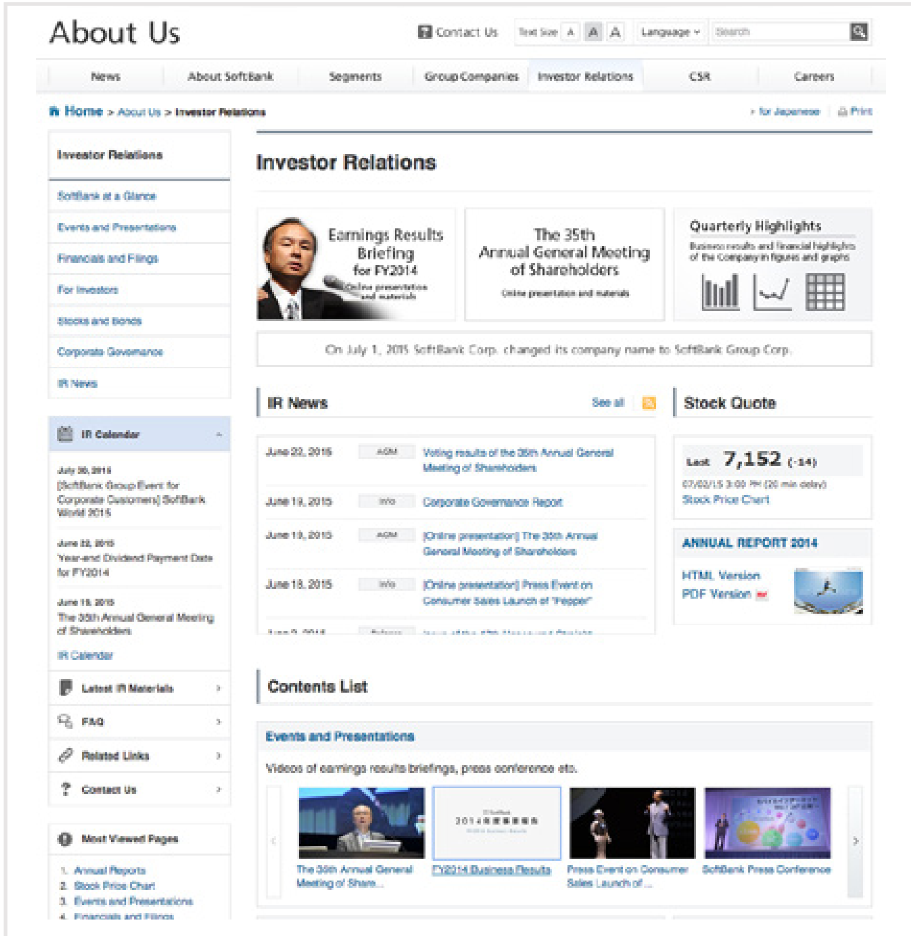
July 2015
Chairman & CEO



IR Website

Our IR website offers the latest IR information as well as videos of earnings results briefings, press conferences, and other materials we have distributed.

http://www.softbank.jp/en/corp/irinfo/



Interview with Representative Director, President & COO

Guiding SoftBank to the Next Stage

Nikesh Arora served as Google Inc.'s senior vice president and chief business officer from January 2011 to July 2014. Previously, he worked in several different leadership positions at Google after first joining in December 2004. Prior to Google, Nikesh served as chief marketing officer and a member of the management board at T-Mobile Europe. Before that, Nikesh worked for Fidelity Investments and Putnam Investments.

Nikesh Arora
Representative director, president & COO

Q1 What led you to join SoftBank?

A1 I met Masa in 2008, when he was working on a partnership between Google and Yahoo Japan. Over the years, Masa and I would meet and discuss our views of how the Internet industry is evolving. Over time, those meetings turned into dinners and our discussions would turn into talks about SoftBank's strategy and vision. Eventually, he asked me to join SoftBank.

I have worked with outstanding technology innovators in the past, but I would describe Masa as a business innovator; he thinks about how technology will disrupt business and this is what I would like to focus on in the next phase of my life.

Q2 What is your role at SoftBank?

A2 At SoftBank I have two main roles. The first is to support Masa with all the core company operations within the Group in my capacity as president & COO. I stay engaged in the strategy of the domestic telecommunications business and in the U.S. I serve on the board for Sprint. Furthermore, I am excited to bring my 10 years of Internet experience to the management of Yahoo Japan, where I now serve as chairman of the Board of Directors. As president & COO, I am tasked with transforming SoftBank's current operating assets.

My other role is to implement a sustainable long-term strategy for our investments. Up to now, the success of the investments mainly relied on Masa's genius to invest in the right trends and the right entrepreneurs who can execute on them. The ultimate aim is to find a way to put his genius in a bottle and sustain it for centuries to come at SoftBank. I think we can achieve this by looking at these trends in a more systematic fashion and by designing a system and culture that allows us to support disruptive entrepreneurs without both of us in the equation.

Broadly speaking, our plan is to find growth-stage platform businesses that can make a huge impact, and then give these businesses, and the entrepreneurs leading them, the resources and support that they need to be successful.

Q3 What are your criteria in investment decision making?

A3 There are three things we look for when we consider a new investment. First of all it has to be a product or service for which there is a large potential market. Next we look at whether we can find the right entrepreneur. Many people have good ideas, but only a few can execute and deliver. Lastly we look at the business model and whether there is potential for the model to be successful. Sometimes it is too early for an idea, or the specific market may not have the appropriate infrastructure or growth characteristics.

Over the last few decades, a lot of big players have based their growth on business model disruption and I think this will continue in the next 10 to 15 years. The Internet is reshaping every business in the world, and we are interested in investing in these trends. The trick is to find the teams who will execute their ideas successfully and drive that trend forward.

Q4 How was your first year at SoftBank?

A4 In my first year, we have begun to bring SoftBank to the next stage of global growth. The portfolio approach that SoftBank employs works well around the world. We have made a good start, but will quickly and proactively seek out new opportunities.

We have been able to move quickly because Masa and I are aligned on the vision for SoftBank in the future, what we need to do to improve, and on what kind of businesses to invest in. Masa really thinks ahead. He likes that I can follow his thinking without missing a beat. I think we are both capable of arguing two sides of the same story. This ability to debate constructively creates a better discussion and a more thoughtful outcome. It also allows for a good system of checks and balances supporting our strong corporate governance.

The biggest surprise to me over the past year is how much fun I've had working with Masa. I had a great job at Google, but I'm loving it every day at SoftBank.

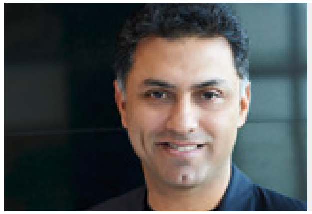
Directors and Audit & Supervisory Board Members

(As of July 1, 2015)

Directors

Chairman & CEO
Masayoshi Son

Sept. 1981	Founded SoftBank Corp. Japan (currently SoftBank Group Corp.), chairman & CEO
Apr. 1983	Chairman, SoftBank Japan
Feb. 1986	Chairman & CEO, SoftBank Japan (to present)
Jan. 1996	President & CEO, Yahoo Japan
July 1996	Chairman of the board, Yahoo Japan
Apr. 2006	Chairman of the board, president & CEO, Vodafone K.K. (currently SoftBank Corp.)
June 2007	Chairman & CEO, SoftBank Mobile (currently SoftBank Corp.)
July 2013	Chairman of the board, Sprint (to present)
Apr. 2015	Chairman, SoftBank Mobile (currently SoftBank Corp.; to present)
June 2015	Director, Yahoo Japan (to present)



Representative director, president & COO
Nikesh Arora

May 1992	VP, finance, Fidelity Investments
Apr. 1997	VP, Putnam Investments
Apr. 2000	CEO, T-Motion, PLC
July 2001	Chief marketing officer, T-Mobile Europe
Dec. 2004	President, EMEA sales, marketing & partnerships, Google Inc.
Jan. 2011	Senior vice president and chief business officer, Google
Feb. 2013	Board member, The Harlem Children's Zone (to present)
June 2014	Board member, Tipping Point Community (to present)
Sept. 2014	Vice chairman, SoftBank Corp. (currently SoftBank Group Corp.)
Sept. 2014	CEO, SoftBank Internet and Media (currently SB Group US; to present)
Nov. 2014	Director, Sprint (to present)
June 2015	Chairman of the board, Yahoo Japan (to present)
June 2015	Representative director, president & COO, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Director
Ken Miyauchi

Feb. 1977	Joined Japan Management Association
Oct. 1984	Joined SoftBank Corp. Japan (currently SoftBank Group Corp.)
Feb. 1988	Director, SoftBank Japan
Apr. 2006	Executive vice president, director & COO, Vodafone K.K. (currently SoftBank Corp.)
June 2007	Representative director & COO, SoftBank Mobile (currently SoftBank Corp.)
June 2012	Director, Yahoo Japan (to present)
Apr. 2013	Representative director, executive vice president, SoftBank Corp. (currently SoftBank Group Corp.)
June 2013	Representative director, senior executive vice president, SoftBank
Jan. 2014	Director, Brightstar Global Group (to present)
Apr. 2015	President & CEO, SoftBank Mobile (currently SoftBank Corp.; to present)
June 2015	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Director
Ronald D. Fisher

July 1984	President, Interactive Systems Corp.
Jan. 1990	CEO, Phoenix Technologies Ltd.
Oct. 1995	Director and president, SoftBank Holdings (to present)
June 1997	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
July 2013	Vice chairman of the board, Sprint (to present)
Jan. 2014	Director, Brightstar Global Group
Aug. 2014	Chairman, Brightstar Global Group (to present)

Director
Yun Ma

Feb. 1995	Founded China Pages, president
Jan. 1998	President, MOFTEC EDI Centre
July 1999	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Nov. 1999	Director, chairman of the board and CEO, Alibaba Group Holding
Feb. 2004	Chairman and CEO, Alibaba Group Holding
June 2007	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Oct. 2007	Non-executive director, chairman, Alibaba.com Limited
May 2013	Executive chairman, Alibaba Group Holding (to present)

Director
Manabu Miyasaka

Apr. 1991	Joined UPU Co., Ltd.
June 1997	Joined Yahoo Japan
Jan. 2002	Senior manager, media business group, Yahoo Japan
Apr. 2009	Operating officer, head of consumer business group, Yahoo Japan
Apr. 2012	CEO and operating officer, Yahoo Japan
June 2012	President and representative director, Yahoo Japan (to present)
June 2013	Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)

External Directors

Director, independent officer
Tadashi Yanai

Chairman, president & CEO, FAST RETAILING CO., LTD.

Aug. 1972 Joined Ogori Shoji Co., Ltd. (currently FAST RETAILING CO., LTD.)
Sept. 1972 Director, Ogori Shoji
Aug. 1973 Senior managing director, Ogori Shoji
Sept. 1984 President & CEO, Ogori Shoji
June 2001 Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Nov. 2002 Chairman & CEO, FAST RETAILING
Sept. 2005 Chairman, president & CEO, FAST RETAILING (to present)
Nov. 2005 Chairman, president & CEO, UNIQLO CO., LTD. (to present)
Sept. 2008 Chairman, GOV RETAILING CO., LTD. (currently G.U. CO., LTD.; to present)

Director, independent officer
Mark Schwartz

Vice chairman, The Goldman Sachs Group, Inc.
Chairman, Goldman Sachs Asia Pacific

July 1979 Joined the investment banking division of Goldman, Sachs & Co.
Nov. 1988 Partner, Goldman Sachs
Nov. 1996 Managing director, Goldman Sachs
June 1997 President, Goldman Sachs Japan Co., Ltd.
July 1999 Chairman, Goldman Sachs-Asia
June 2001 Director, SoftBank Corp. (currently SoftBank Group Corp.)
Jan. 2003 President and CEO, Soros Fund Management LLC
June 2004 Retired from the position of director of SoftBank Corp. (currently SoftBank Group Corp.)
Jan. 2006 Chairman, MissionPoint Capital Partners, LLC
June 2006 Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
June 2012 Vice chairman, The Goldman Sachs Group, Inc. (to present)
June 2012 Chairman, Goldman Sachs Asia Pacific (to present)

Director, independent officer
Shigenobu Nagamori

Chairman of the board, president & CEO, Nidec Corporation

July 1973 Founded Nidec Corporation Representative director and chairman, president and CEO
Mar. 1997 Member of the board of directors and chairman of Read Electronics Corporation (currently Nidec-Read Corporation; to present)
Sept. 2004 Member of the board of directors and chairman, Nidec Copal Electronics Corporation (to present)
June 2009 Member of the board of directors and chairman, Nidec Sankyo Corporation (to present)
June 2013 Member of the board of directors and chairman, Nidec-Shimpo Corporation (to present)
June 2014 Director, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Oct. 2014 Chairman of the board, president & CEO, Nidec (to present)

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board member
Tatsuhiro Murata

Apr. 1975 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
Apr. 2001 General manager, business development support, commercial finance business div., The Fuji Bank
Jan. 2007 Joined SoftBank Corp. (currently SoftBank Group Corp.)
Apr. 2012 General manager, internal audit, SoftBank
June 2014 Audit & Supervisory Board member, eAccess (currently SoftBank Corp.; to present)
June 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board member, independent officer
Maurice Atsushi Toyama

Certified public accountant, State of California, U.S.

Sept. 1977 Joined San Francisco office of Price Waterhouse (currently PricewaterhouseCoopers)
Aug. 1981 Certified public accountant, State of California, U.S.
June 2006 Partner, PricewaterhouseCoopers Aarata
June 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board member
Soichiro Uno

Lawyer

Apr. 1988 Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
Nov. 1993 Passed the bar examination of the State of New York, U.S.
Jan. 2000 Partner, Nagashima Ohno & Tsunematsu (to present)
June 2004 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board member, independent officer
Koichi Shibayama

Certified public accountant, certified tax accountant

Apr. 1960 Joined Yamaichi Securities Co., Ltd.
Oct. 1966 Joined Price Waterhouse (currently PricewaterhouseCoopers)
Mar. 1970 Registered as a certified public accountant
Aug. 1983 Registered as a certified tax accountant
July 1997 Advisor, Price Waterhouse Aoyama Consulting Co., Ltd.
July 2002 Advisor, Zeirishi-Hojin ChuoAoyama (currently PwC Tax Japan; to present)
June 2003 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Audit & Supervisory Board member, independent officer
Hidekazu Kubokawa

Certified public accountant, certified tax accountant

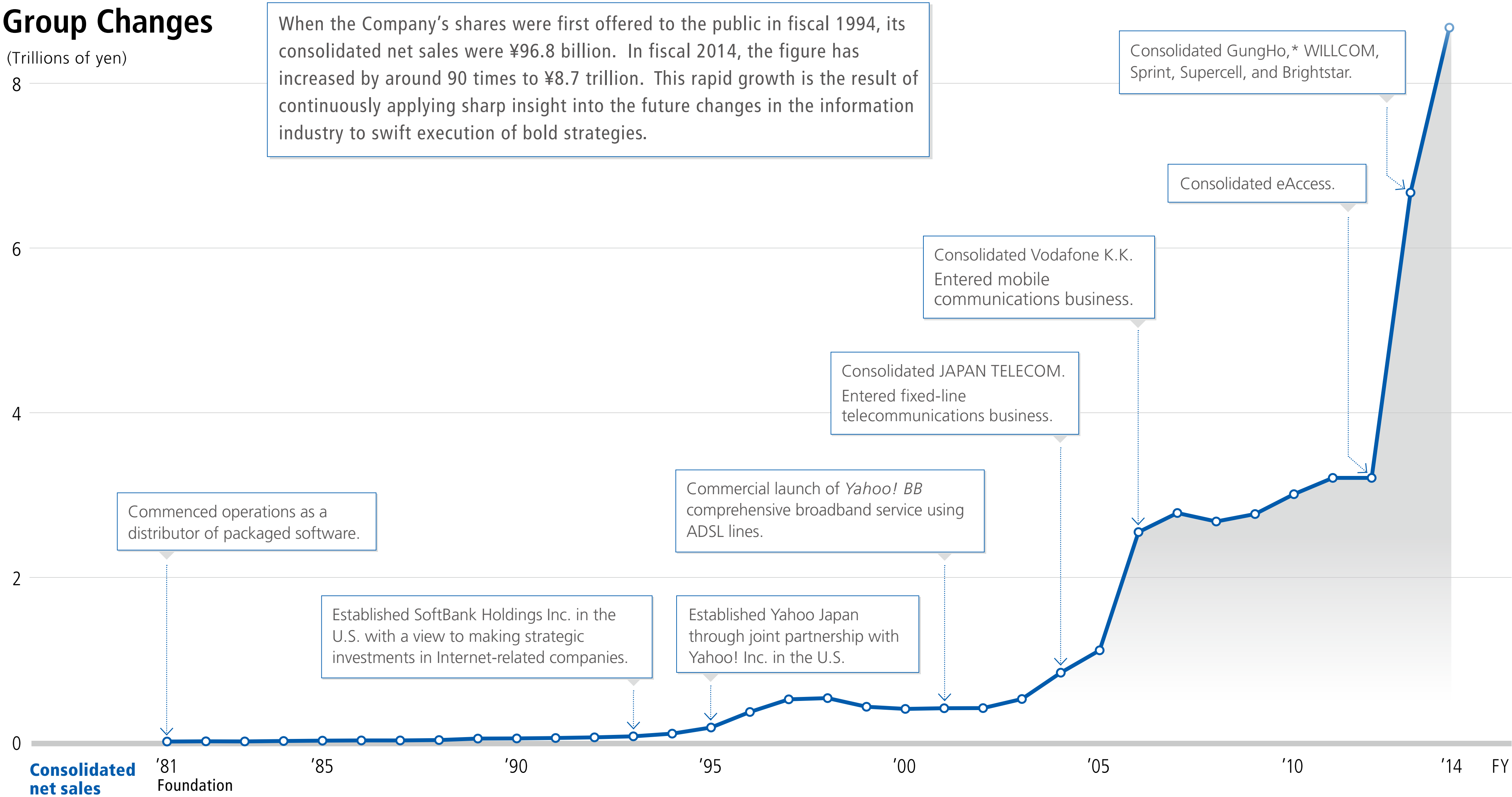
Nov. 1976 Joined Chuo Audit Corporation
Aug. 1980 Registered as a certified public accountant
July 1986 Founded Kubokawa CPA Office (currently Yotsuya Partners Accounting Firm), representative partner (to present)
Mar. 1987 Registered as certified tax accountant
Feb. 1989 Audit & Supervisory Board member, SoftBank Corp. Japan (currently SoftBank Group Corp.; to present)
May 2003 Corporate auditor, KASUMI CO., LTD. (to present)
June 2004 Corporate auditor, TAKE AND GIVE. NEEDS Co., Ltd. (to present)
June 2005 Corporate auditor, KYORITSU PRINTING CO., LTD. (to present)

(Note) Mr. Maurice Atsushi Toyama, Mr. Soichiro Uno, Mr. Koichi Shibayama, and Mr. Hidekazu Kubokawa are external Audit & Supervisory Board members.

How are we organized?

Group Changes

When the Company's shares were first offered to the public in fiscal 1994, its consolidated net sales were ¥96.8 billion. In fiscal 2014, the figure has increased by around 90 times to ¥8.7 trillion. This rapid growth is the result of continuously applying sharp insight into the future changes in the information industry to swift execution of bold strategies.



(Note) On April 1, 2015, SoftBank BB, SoftBank Telecom (company name changed from JAPAN TELECOM), and Ymobile (company name changed after the merger of eAccess and WILLCOM) merged into SoftBank Mobile (formerly Vodafone K.K.).
On July 1, 2015, SoftBank Mobile changed its company name to SoftBank Corp.

* As a result of the completion of a tender offer by GungHo for its shares on June 1, 2015, and other factors, GungHo became an equity method associate of SoftBank Corp. (currently SoftBank Group Corp.). Please refer to page 190 for details.

Group Structure

SoftBank Group Corp.*1
(a pure holding company)

The Company is a corporate group comprising the pure holding company SoftBank Group Corp.*1 and 769 subsidiaries (as of March 31, 2015).

Major Subsidiaries

SoftBank Corp.*2
Voting rights: **99.99%**

Wireless City Planning Inc.
Voting rights: **33.3%**

Sprint Corporation
Voting rights: **79.5%**

Yahoo Japan Corporation
Voting rights: **43.0%**

Brightstar Global Group Inc.
Voting rights: **100%**

Supercell Oy
Voting rights: **77.8%*3**

SB Group US, Inc.
Voting rights: **100%**

Major Associates

Alibaba Group Holding Limited
Voting rights: **31.9%**

GungHo Online Entertainment, Inc.*4
Voting rights: **28.4%**

(Note) The shares of voting rights in the above subsidiaries and associates are current as of March 31, 2015. However, the share of voting rights of SoftBank Corp. is as of April 1, 2015, and that of GungHo is the share after a successful tender in a tender offer,*4 calculated based on the share of voting rights as of December 31, 2014. The share of voting rights of Supercell is the share after an additional purchase of Supercell's shares.*3

*1 On July 1, 2015, SoftBank Corp., a pure holding company, changed its company name to SoftBank Group Corp.

*2 On April 1, 2015, SoftBank BB, SoftBank Telecom, and Ymobile, merged into SoftBank Mobile. On July 1, 2015, SoftBank Mobile changed its company name to SoftBank Corp.

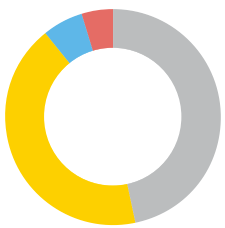
*3 On May 29, 2015, the Company purchased additional shares of Supercell from existing shareholders.

*4 As a result of the completion of a tender offer by GungHo for its shares on June 1, 2015, and other factors, GungHo became an equity method associate of SoftBank Corp. (currently SoftBank Group Corp.). Please refer to page 190 for details.

Summary of Segment Information

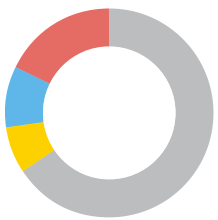
The Company has four reportable segments, the Mobile Communications segment, the Sprint segment, the Fixed-line Telecommunications segment, and the Internet segment.

Share of Net Sales (Fiscal 2014)*1



- Mobile Communications segment 46.8%
- Sprint segment 42.5%
- Fixed-line Telecommunications segment 6.0%
- Internet segment 4.7%

Share of Segment Income (Fiscal 2014)*1



- Mobile Communications segment 65.8%
- Sprint segment 7.0%
- Fixed-line Telecommunications segment 9.5%
- Internet segment 17.7%

Mobile Communications Segment

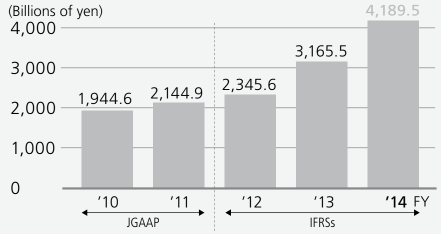
Main Businesses

- Mobile communications services in Japan
- Distribution and sale of mobile devices and accessories, and IT-related products
- Production and distribution of online games

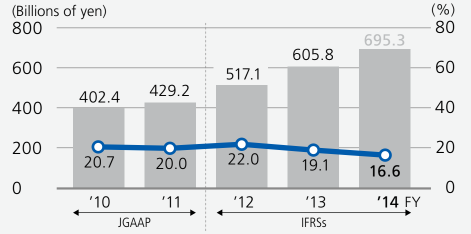
Core Companies

SoftBank Mobile*2 / Ymobile*2 / WCP / Brightstar / GungHo*3 / Supercell

Net Sales*4



Segment Income, Segment Income Margin*4



Sprint Segment

(Segment was newly established from the second quarter of fiscal 2013)

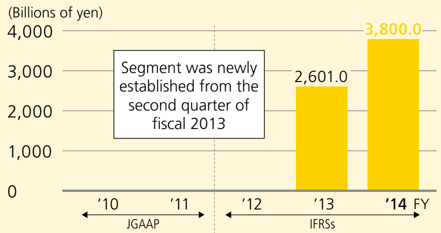
Main Businesses

- Provision of mobile communications and fixed-line telecommunications services in the U.S.
- Sale of mobile devices and accessories in the U.S.

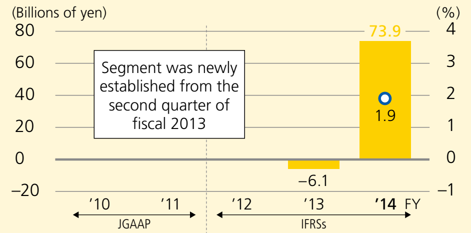
Core Company

Sprint

Net Sales



Segment Income, Segment Income Margin



Fixed-line Telecommunications Segment

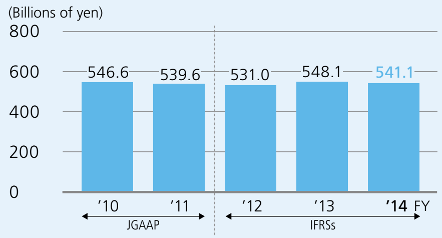
Main Businesses

- Provision of fixed-line telecommunications services to corporate and individual customers in Japan

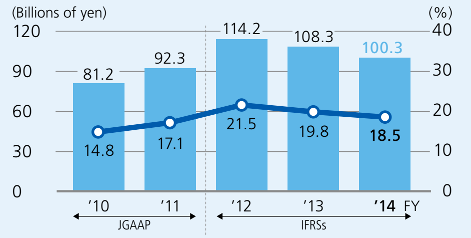
Core Companies

SoftBank Telecom*2 / SoftBank BB*2 / Ymobile*2 / Yahoo Japan

Net Sales*5



Segment Income, Segment Income Margin*5



Internet Segment

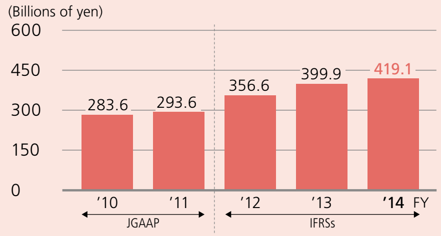
Main Businesses

- Internet advertising
- E-commerce
- Membership services

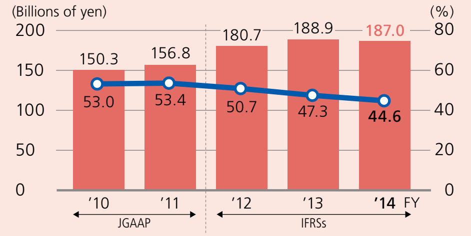
Core Company

Yahoo Japan

Net Sales*6



Segment Income, Segment Income Margin*6



Segment income (left) Segment income margin (right)

*1 Share of net sales and operating income for each reportable segment is based on the total of all segments (excluding Others).

*2 On April 1, 2015, SoftBank BB, SoftBank Telecom, and Ymobile, merged into SoftBank Mobile. On July 1, 2015, SoftBank Mobile changed its company name to SoftBank Corp.

*3 As a result of the completion of a tender offer by GungHo for its shares on June 1, 2015, and other factors, GungHo became an equity method associate of SoftBank Corp. (currently SoftBank Group Corp.). Please refer to page 190 for details.

*4 Fiscal 2010 and fiscal 2011 figures are for the former Mobile Communications segment.

*5 Fiscal 2010 and fiscal 2011 figures are the sum of the results for the former Broadband Infrastructure segment and the former Fixed-line Telecommunications segment.

*6 Fiscal 2010 and fiscal 2011 figures are the results for the former Internet Culture segment.

What is our approach?

Domestic Telecommunications Business—Dialogue

Aiming to Become the No. 1 Mobile Internet Core Company

Ken Miyauchi
Director, SoftBank Group Corp.
President & CEO, SoftBank Corp.

×

Kazuhiko Fujihara
Executive vice president & CFO, SoftBank Corp.

In April 2015, SoftBank BB, SoftBank Telecom, and Ymobile merged into SoftBank Mobile, which changed its name to SoftBank Corp. in July 2015. Here, the CEO and CFO of SoftBank Corp. discuss the prospects for the company going forward.

Some see the continued maturing of Japan's telecommunications market as a threat to future growth.

Miyauchi Japan's telecommunications market certainly is maturing with the declining birthrate and aging population, and as such, we have entered an age where it will be extremely difficult to differentiate ourselves from our competitors. Between 2008 and 2011, when we had de facto exclusivity to sell iPhone, we had a tough job of expanding the number of units sold, but we excelled in terms of differentiation. Today, achieving differentiation in mobile devices is a major challenge. On the other hand, we have now improved our once-inferior network to equal or better than those of competitors. In an era where we cannot expect to distinguish ourselves in terms of mobile devices, networks, or even price plans, we must use all our knowledge and wisdom to think about how we can appeal to customers so that they will choose us.

That said, it would be premature to conclude that this state of affairs means that we have less room for growth. I strongly sense that smart devices really are useful to us. They allow us to enjoy "smart lifestyles" in our personal lives as well as "smart work styles" at work. Smartphones only account for around 60% of the total number of handsets in Japan, and there are currently around 50 million conventional mobile phones still in service. Even if the number of subscribers does not grow significantly, I believe there is still plenty of potential to keep growing by **promoting upgrades from conventional mobile phones to smartphones** and by **expanding the so-called over-the-top (OTT) business, which offers service content for smartphones**.

Fujihara It was partly to accelerate these kinds of initiatives that we merged the four domestic telecommunications companies. Because circumstances are tough, we aim to go beyond just creating new services and increasing management efficiency with this merger. Our intention is to create an

Sustainable Growth Is Possible, Even in a Mature Market

Becoming a Company that Can Change People's Lifestyles

opportunity for each officer and employee to rediscover **the "essence of SoftBank," which is a dedication to being No. 1 and creating new markets and services based on flexible ideas**. Many of the divisions of SoftBank Mobile, SoftBank BB, and SoftBank Telecom have been working together on the same floors and under the same leaders, so in a way they had already effectively integrated management. The merger of these four companies, including Ymobile, and change of company name is intended to change the awareness of their officers and employees, and help to **concentrate the Group's capabilities**.

What kind of company does SoftBank Corp. aspire to become?

Miyauchi SoftBank Corp. aspires to become **the No. 1 core company in mobile Internet**. By core company, I mean **a company that plays a central role in changing people's lifestyles and the world we live in**. Just as Facebook served as a catalyst for revolutions in the Middle East, core companies are inspiring major social movements and rapidly changing our world. We have two major assets: our customer base of about 45 million people and our mobile and fixed-line networks. We will use our advanced network to provide these customers with a series of innovative services that can change their lifestyles.

Fujihara In terms of operating results, the Company achieved new record consolidated EBITDA for 10 consecutive years from fiscal 2004 through to fiscal 2014. We plan to continue this trend at SoftBank Corp. by realizing steady profit growth. Our capital expenditure has also peaked out, and **we are now starting to generate free cash flow**. So we are ready to support our future global challenges from a financial perspective.

For consolidated financial reporting, we will consider creating a reportable segment consisting of SoftBank Corp. and WCP to make it easier to look at the results from the perspective of investors.

Smartphones have been cited as one of the drivers of SoftBank Corp.'s growth.

Miyauchi Previously, we emphasized net subscriber additions for the overall mobile communications services, but now we have switched **our focus completely to a dedicated pursuit of net additions in the number of smartphones**. They have high ARPU and potential for expanding data revenue, and by steadily growing the number of smartphone subscribers year by year, we can certainly increase service revenues and grow profits. If we invest these profits into our network and OTT services, they will draw more new customers in turn, creating a virtuous cycle. And, if we increase the number of smartphone subscribers, we will also be able to take advantage of peripheral business opportunities such as wearable devices and OTT services.

Fujihara To get the entire company focused on pursuing net additions in smartphone subscribers, we are promoting "visualization" of all our indicators. When performance is expressed in figures, it becomes specific, and we can begin to discuss who will achieve how much and by when. As long as we can analyze this data to back our arguments and foster healthy competition between

A Company-wide Effort to Expand Smartphone Net Additions

Differentiating Ourselves through the Mobile E-commerce Revolution

divisions, I believe we can begin to draw out the essence of SoftBank.

How will you promote links between mobile communications services and other services?

Fujihara The first example I can give is the *Smartphone & Internet Bundle Discount*, which we offer to customers who subscribe to both the *SoftBank Hikari* optical fiber services, based on the wholesale fiber-optic connection of NTT East and NTT West, and mobile communications services. Previously, only KDDI offered these bundle discounts, and since these benefits have become a differentiation factor, we also began to provide them in March 2015. SoftBank Corp. has strong expertise in fixed-line broadband services, acquired through providing services that incorporate its own ISP into ADSL services and NTT East and NTT West's *FLET'S Hikari* service. We believe we can leverage this know-how to roll out the service in a single stroke. We also expect the introduction of bundle discounts to improve the churn rate of our mobile communications services over the medium term. Our churn rate continues to be higher than competitors, although we can also look at this as meaning that there is plenty of room for improvement.

Miyauchi Bundle discount services are certainly important and we will undoubtedly be focusing our efforts in that area. However, KDDI and NTT DOCOMO also have offerings that are almost identical to ours. If we go head-to-head with them in this area, we risk igniting a second cash-back war like the one that occurred in the fourth quarter of fiscal 2013.

We should aim to make users feel they are saving money and enjoying real convenience by providing comprehensive services that include not only mobile communications and optical fiber services, but also the OTT services. So in that sense, I think that developing OTT services and linking them with communications services is going to be crucial.

Our first offering in this area is the service we announced in May 2015, linking users' *Yahoo! JAPAN* IDs with their SoftBank smartphones. The service ensures the safety of users while allowing them to enjoy a smooth shopping experience on their smartphones. I believe this new measure could be called **the "mobile e-commerce revolution."** Looking ahead, we will not stop at e-commerce, but continue into other fields such as movies and music with the aim of **creating a world where everything can be done on a single smart device**.

Fujihara I can clearly remember when we launched the ADSL business in 2001, Mr. Son, the current chairman of SoftBank Corp., said, "We are like a railway company." First, we set up the infrastructure that corresponds to the railroad tracks. Next, we develop portals, which are like the railway stations where people gather, and then we create services and content, which are the train station facilities and commercial districts. In this way, we are completing a three-tiered business model. Japan's telecommunications environment must be the best in the world among countries of a similar scale. In the past, we followed a so-called "time-machine management" business strategy of introducing the latest services from the U.S., which was a leader in terms of the Internet. But now that we have this advanced telecommunications environment, I believe that we ourselves can **create the next generation of**

Customers' Perspective and Response to Technology Changes are Crucial

services and business models and promote them throughout the world.

Miyauchi Our collaboration with Yahoo Japan holds the potential to become one such global service originating from Japan. It represents an enormous business opportunity. The test will be in how big an impact the service makes on our approximately 45 million customers, and how great a convenience they feel it provides them. The success or failure of this initiative will be a milestone on our journey towards becoming the No. 1 core company in mobile Internet.

To finish, please share your thoughts on preparing the foundations for future growth.

Miyauchi With the integration of the four companies, the supervisory roles of the senior management team and executives have changed dramatically. For example, the three executive vice presidents who had been responsible for sales for many years have new roles: Yasuyuki Imai, who was responsible for corporate sales, will take the lead on technology, product & marketing; Jun Shimba, who handled sales to electronics retail stores, will take over the enterprise business; and Shuichi Kukita, previously in charge of dealer sales, will be responsible for consumer sales, which will combine dealer and electronics retail store sales.

These sudden changes in the supervisory assignments of the management team are intended to nip any onset of "big company disease" in the bud. We have achieved our current scale with net sales of over ¥3 trillion and some 18,000 employees, but I am afraid to say that we are starting to see the first unwelcome signs of interdivisional barriers appearing.

Fujihara Once a company develops big company disease, it becomes extremely difficult to grow profits. It is no easy feat to earn a profit of ¥10 billion in any given domain, but once people start to see it as simply a fraction of the whole company's profit of several hundred billion, they end up trivializing that ¥10 billion and losing it.

To prevent this sort of thing from happening, we plan to shape our organization into one that elicits in each person and division a sense of hard-headed tenacity over profits and that always achieves its overall targets.

Miyauchi To ensure that we can continue to grow, we must be an organization that constantly considers things from **the perspective of the customer**. To entrench this point of view in every aspect of our organization, we must make it function by using ICT to ensure that information and feedback from our user contact points is relayed quickly to the management team and related divisions. Another very important aspect is **to remain sensitive to changes in technology**. It is especially true of the ICT world that even the most outstanding business can be completely undone by the introduction of new technology. Survival requires repeated self-transformation in response to the changes in technology. I am certain that we can continue to transform ourselves in this way.

The SoftBank Corp. Management Team Heading the Domestic Telecommunications Business

United in Our Aim to Become the No. 1 Mobile Internet Core Company

Executive vice president
Jun Shimba
Enterprise business unit head

Executive vice president
Eric Gan
Business development unit head and Ymobile business

President & CEO
Ken Miyauchi

Executive vice president & CFO
Kazuhiko Fujihara
Finance unit head

Executive vice president
Yasuyuki Imai
Product & marketing unit head and technology unit head

Executive vice president
Shuichi Kukita
Consumer sales unit head

Executive vice president
Yoshimitsu Goto

* Junichi Miyakawa, executive vice president responsible for the technology unit, global telecom business, is overseeing the network and technology organization of Sprint as its technical chief operating officer.
* Titles are as of July 1, 2015.

Interview with President and CEO of Sprint

Becoming the Easiest Carrier to Do Business With

Marcelo Claure founded Brightstar in 1997 and grew the company into the largest specialized wireless distributor in the world with US$10.5 billion in gross revenue (for the year ended December 31, 2013). Throughout his career, he has received several Entrepreneur of the Year and CEO of the Year awards. He was appointed president and CEO of Sprint on August 11, 2014.

Marcelo Claure
President and CEO, Sprint

First Phase of Turnaround Successful

Looking back on my first year at Sprint I am very proud of the team for successfully executing phase 1 of our turnaround strategy and stopping the decline in our overall business. During this phase, we primarily focused on four overarching priorities: improving our customer acquisition by revamping our offers and advertising, listening to customers to understand why they were leaving Sprint, improving the network experience by focusing on optimization and expanding LTE coverage, and simplifying the customer experience. This resulted in our highest ever retail*1 gross additions on the Sprint platform, and the highest ever prime mix of postpaid gross additions in the October to December 2014 period. In addition, we saw third-party validation of our network improvements from RootMetrics® and Nielsen, and our net promoter score*2 started to show improvement.

Onward to Phase Two

From January 2015, we shifted gears to the next phase of our transformation, which is focused on addressing the basics to augment the operational effectiveness of the business. This included refining how we listen to our customers' needs and making our network more consistent and reliable. As a result, during the January to March period we had our highest total*3 net additions in nearly three years, postpaid churn improved remarkably, and the network and customer experience continued to improve. We are pleased with the progress so far, and our goal remains to have positive postpaid phone net additions, which we expect to achieve during 2015. Churn is the only way to truly measure customer satisfaction, and while we are pleased with the dramatic improvement we have seen so far, we continue to consider improving churn a top priority which will enable us to retain customers longer and reduce acquisition costs. We have continued to make progress in our goal of providing a network that delivers the consistent reliability, capacity, and speed that customers demand. Besides a continuous focus on optimization, we have also expanded the breadth and depth of our LTE network as it reached nearly 280 million people at the end of March 2015, and the continued expansion of the 800MHz and 2.5GHz LTE overlays has greatly improved overall network performance. This progress was recognized by RootMetrics,® and in their second-half 2014 testing, Sprint's overall network score improved to third place with notable progress in reliability as well as call and text performance.

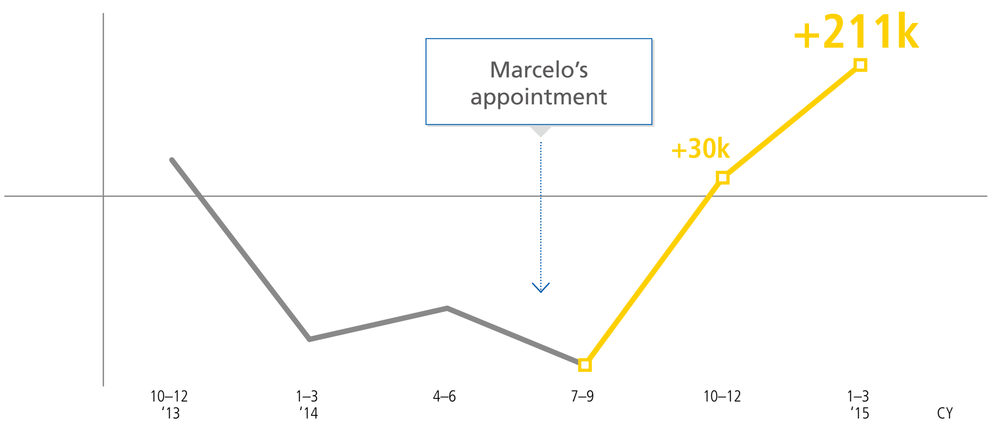
*1 Total of prepaid and postpaid subscribers.
*2 Net promoter score: metric used to measure customer loyalty.
*3 Total of prepaid, postpaid, and wholesale & affiliate subscribers.

Strategies to Drive Further Long-term Growth

Now that our business performance has started to improve, we are spending more time developing and implementing strategies to offer customers a differentiated experience to drive long-term profitable growth. These strategies include the development of simple and compelling offers to attract quality customers, continued aggressive marketing, and adding points of distribution. Furthermore, we are continuing to invest to unlock the true potential of our network infrastructure and spectrum portfolio, and in May 2015, we announced our expectation for accrued capital expenditures to be approximately US$5 billion*4 for fiscal 2015. We continue our drive toward having the lowest cost to serve and we are seeing the early fruits of these efforts, which will fund our turnaround initiatives. In addition, we are already scoping out initiatives to eliminate costs over the next few years as we continue to reinvent how we operate and focus our spending around acquiring, retaining, and serving customers. Ultimately, we must deliver a simplified customer experience across all touch points and become the easiest carrier to do business with.

*4 Excluding the impact of leased devices sold through indirect channels.

Net Subscriber Additions (Sprint platform postpaid subscribers)



A Group of Innovative Entrepreneurs

To ensure that our business keeps growing for centuries to come, we must not only transform the businesses we operate right now, but create and expand a group of innovative entrepreneurs, providing them with comprehensive support and growing with them.

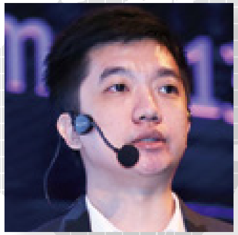
Here we introduce new companies that joined the Group in fiscal 2014 and our investment track record to date.

BAOZUN baozun.com

INMOBI

SUPERCELL

GRABTAXI



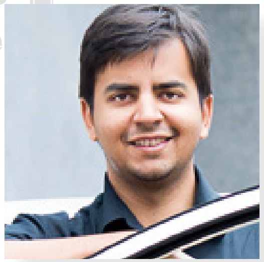
tokopedia

Alibaba Group 阿里巴巴集团

Sprint

LEGENDARY

snapdeal.com



OLA

豌豆荚

GungHo Online Entertainment, Inc.

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Main Investments in Fiscal 2014

Date of Announcement	Investee	Location	Business Overview	Investment Overview*
October 3, 2014	LEGENDARY	U.S.	Ownership, production, and distribution of content in the fields of film, television and digital media, and comics	Total investment of US$250 million
October 14, 2014	DRAMAFEVER	U.S.	Operation of an online video distribution site	Acquisition
October 22, 2014	tokopedia	Indonesia	Operation of a leading online marketplace in Indonesia	Total investment of US$100 million, primarily from the Company, as well as Sequoia Capital and existing shareholders such as SB Pan Asia Fund
October 28, 2014	OLA	India	Operation of a leading taxi-booking platform in India	Total investment of US$210 million, led by the Company along with existing shareholders
October 28, 2014	snapdeal.com	India	Operation of a leading online marketplace in India	Total investment of US$627 million
December 4, 2014	GRABTAXI	Singapore	Operation of a leading taxi-booking platform in Southeast Asia	Total investment of US$250 million
December 16, 2014	HOUSING	India	Operation of a house-hunting platform in India	Total investment of US$90 million, led by the Company along with existing shareholders such as Falcon Edge
January 15, 2015	快 快的打车	China	Operation of a leading taxi-booking platform in China	Total investment of US$600 million, led by the Company along with existing shareholders such as Alibaba and Tiger Global

* All investment overviews are as of the dates of their announcements.

Internet Companies Investment Record

As of March 31, 2015

Company Name	Accumulated Investment (Billions of yen)	Market Value / Accumulated Return (Billions of yen)	Investment Period (Years)	Date of Initial Investment	Date of Valuation	IRR	Return (Times)
Alibaba Group Holding Limited	10.5	7,993.4	15	Feb. 2000	Mar. 2015	76%	761
Yahoo Japan Corporation	7.7	1,358.9	19	Jan. 1996	Mar. 2015	78%	176
Yahoo! Inc.	54.7	350.9	7	Sept. 1995	Nov. 2002	30%	6
GungHo Online Entertainment, Inc.	29.6	217.7	16	Oct. 1999	Mar. 2015	41%	7
Trend Micro Incorporated	8.5	136.9	3	Dec. 1996	Mar. 2000	153%	16
SBI Holdings, Inc.	6.0	136.2	7	July 1999	Aug. 2006	56%	23
SoftBank Technology Corp.	3.3	87.8	18	Apr. 1997	Mar. 2015	665%	27
UTStarcom Holdings Corp.	1.0	59.6	18	Oct. 1995	Jan. 2014	25%	60
Yahoo! group companies in Europe and South Korea	2.3	58.8	8	Oct. 1997	Nov. 2005	50%	26
Betfair Group plc	51.3	43.1	6	Apr. 2006	Mar. 2012	–3%	0.8
Renren Inc.	41.9	39.1	7	Apr. 2008	Mar. 2015	–1%	0.9
Cisco Systems K.K.	1.8	35.3	6	Oct. 1994	Jan. 2001	65%	20
SKY Perfect Communications Inc.	14.6	27.9	5	Dec. 1996	Mar. 2002	19%	2
PPLive Corporation	20.7	27.8	3	Jan. 2011	Dec. 2013	10%	1
cyber communications inc.	0.5	23.0	8	Apr. 1999	June 2007	61%	46
Broadmedia Corporation	4.5	14.0	19	Sept. 1996	Mar. 2015	24%	3
Key3Media Group, Inc.	22.8	13.0	2	Aug. 2000	Dec. 2002	–24%	0.6
Zynga Inc.	13.2	8.8	3	Apr. 2010	Aug. 2013	–12%	0.7
Scigineer Inc.	2.3	6.8	0.5	Oct. 2014	Mar. 2015	19,131%	3
CNET Networks, Inc.	51.4	5.0	2	Oct. 2000	May 2002	–69%	0.1
ITmedia Inc.	1.7	4.8	15	Dec. 1999	Mar. 2015	9%	3
Vector Inc.	1.2	4.6	16	Mar. 1999	Mar. 2015	10%	4
Asia Global Crossing Ltd.	36.5	0	2	Oct. 2000	Nov. 2002	–100%	0
Total	387.8	10,653.5	Average 9 years			45%	27

(Notes)

1. Aggregation of Internet-related company investments with accumulated investment or accumulated return of ¥10 billion or more after SoftBank Corp. (currently SoftBank Group Corp.) became a pure holding company in October 1999. Also includes listed subsidiaries and affiliates that it is currently investing in (excludes investments of these listed subsidiaries and affiliates).
2. Names of companies from which investments have been recovered are the names as of the date when their shares were sold.

Major Subsidiaries and Associates

Subsidiaries

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Mobile Communications Segment					
SoftBank Mobile Corp.*1		Mar.	177,251	100	Mobile communications services, sale of mobile devices
BB Mobile Corp.		Mar.	315,155	100	Holding company
Ymobile Corporation*1*2		Mar.	43,436	99.7	Mobile broadband services, development and sale of communications devices, ADSL services, PHS-based mobile communications services
GungHo Online Entertainment, Inc.*3	TSE JASDAQ Standard	Dec.	5,339	40.2 [18.6]*4	Production and distribution of online games for smartphones and other devices
Wireless City Planning Inc.		Mar.	18,899	33.3	Planning and provision of mobile broadband services
SoftBank Commerce & Service Corp.*5		Mar.	500	100	Manufacture, distribution, and sale of IT-related products, IT-related services
Brightstar Global Group Inc.		Mar.	US$2K	100	Holding company
Brightstar Corp.		Dec.	US$0K	100	Mobile device distribution, supply chain solutions, handset protection and insurance, buy-back and trade-in, omnichannel solutions and financial services
GRAVITY Co., Ltd.*6	NASDAQ	Dec.	354	59.3	Planning, development, and operations of online games
Supercell Oy*7		Dec.	€3K	53.7	Production and distribution of mobile game applications
Sprint Segment					
Sprint Corporation	NYSE	Mar.	US$39,674K	79.5	Holding company
Sprint Communications, Inc.		Mar.	US$1,180,954K	100	Mobile communications services, sale of mobile devices and accessories, fixed-line telecommunications services
Fixed-line Telecommunications Segment					
SoftBank BB Corp.*1		Mar.	100,000	100	ADSL services, IP telephony services
SoftBank Telecom Corp.*1		Mar.	100	100	Fixed-line telephone services, data transmission and leased-line services

*1 On April 1, 2015 SoftBank BB, SoftBank Telecom, and Ymobile, merged into SoftBank Mobile. On July 1, 2015, SoftBank Mobile changed its company name to SoftBank Corp.
*2 eAccess merged with WILLCOM on June 1, 2014 and changed its company name to Ymobile on July 1, 2014.
*3 As a result of the completion of a tender offer by GungHo for its shares on June 1, 2015, and other factors, GungHo became an equity method associate of SoftBank Corp. (currently SoftBank Group Corp.). Please refer to page 190 for details.
*4 Holdings by parties in close relationships, etc., with SoftBank Corp. (currently SoftBank Group Corp.)
*5 SoftBank BB 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. (currently SoftBank Group Corp.) were transferred to a wholly owned subsidiary of Brightstar.
*6 Since GRAVITY Co., Ltd.'s parent company GungHo is an equity method associate, as noted in *3, as of the publication of this annual report, GRAVITY is not a subsidiary of SoftBank Corp. (currently SoftBank Group Corp.).
*7 The Company purchased additional shares of Supercell from existing shareholders on May 29, 2015. After this transaction, the Company's share of voting rights stands at 77.8%.

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Internet Segment					
Yahoo Japan Corporation	TSE First Section	Mar.	8,281	43.0	Operation of the *Yahoo! JAPAN* portal, sale of Internet advertising, operation of e-commerce sites, membership services
IDC Frontier Inc.		Mar.	100	100	Data center business
ValueCommerce Co., Ltd.	TSE First Section	Dec.	1,728	50.6	Ad affiliate marketing service, StoreMatch online advertising distribution service
Others					
Mobiletech Corporation		Sept.	315,966	100	Holding company
SB Energy Corp.		Mar.	746	100	Generation of electricity from renewable energy sources, supply and sale of electricity
SoftBank Payment Service Corp.		Mar.	450	100	Settlement services, card services and related services
Fukuoka SoftBank HAWKS Corp.		Feb.	100	100	Ownership of professional baseball team, operation of baseball games, management and maintenance of baseball stadium and other sports facilities, distribution of video, voice and data content via media
SoftBank Robotics Holdings Corp.		Mar.	10	100	Planning, development, and sale of robots
SBBM Corporation		Mar.	10	100	Holding company
ITmedia Inc.	TSE Mothers	Mar.	1,670	57.9	Operation of comprehensive IT information site *ITmedia*, etc.
SoftBank Technology Corp.	TSE First Section	Mar.	645	55.4	Solutions and services for online businesses
Vector Inc.	TSE JASDAQ Standard	Mar.	1,007	52.4	Operation, sales, and marketing of online games, software downloads, advertising
SFJ Capital Limited	The Cayman Islands Stock Exchange	May / Nov.	200,000	100	Procurement of funds by issuing preferred (restricted voting) securities
SB Group US, Inc.		Mar.	US$0K	100	Holding company
SB CHINA HOLDINGS PTE LTD		Mar.	US$46K	100	Holding company
SoftBank Ventures Korea Corp.		Dec.	KRW18,000M	100	Holding company
SoftBank Korea Corp.		Dec.	KRW2,200M	100	Holding company
Starburst I, Inc.		Mar.	US$216K	100	Holding company
SoftBank Holdings Inc.		Mar.	US$8K	100	Holding company
SoftBank America Inc.		Mar.	US$0K	100	Holding company
STARFISH I PTE. LTD.		Mar.	76,994	100	Holding company
SB Pan Pacific Corporation		Mar.	48,248	100	Holding company
Hayate Corporation		Mar.	35,960	100	Holding company

Associates

Company Name	Listed Market	Fiscal Year-end	Capital (Millions of yen)	Voting Rights (%)	Principal Business Activities
Internet Segment					
ASKUL Corporation	TSE First Section	May	20,941	41.9	Mail order sales of stationary, office products, services, etc.
The Japan Net Bank, Limited		Mar.	37,250	41.2	Banking business
BOOKOFF CORPORATION LIMITED	TSE First Section	Mar.	3,652	15.0	Auction service and reuse business
Others					
Scigineer Inc.	TSE Mothers	June	766	33.2	Provision of Internet marketing support services using the personalized engine "deqwas" for e-commerce business operators and retailers
Bharti SoftBank Holdings Pte. Ltd.		Mar.	US$63,096K	50.0	Holding company
Renren Inc.	NYSE	Dec.	US$1,025K	43.0	Investor company of company operating *Renren.com* SNS site in China
Alibaba Group Holding Limited	NYSE	Mar.	CNY1,000K	31.9	Investor company of companies operating e-commerce sites *Alibaba.com*, *Taobao.com*, and *Tmall.com*
InMobi Pte. Ltd.		Mar.	US$703K	35.2	Mobile advertising services

Main Overseas Fund Data

Fund Name	Category*[8]	Principal Investment Region	Fund Size	Commitment	Ownership*[9] (%)
Subsidiaries					
SoftBank Ranger Venture Investment Partnership	A	South Korea	KRW18,366M	KRW18,366M	100
SoftBank Capital Fund '10 L.P.	A	U.S.	US$122,449K	US$120,000K	98.0
Associates					
SoftBank US Ventures VI L.P.	B	U.S.	US$626,881K	US$608,333K	97.0
SoftBank Capital Technology Fund III L.P.	B	U.S.	US$232,750K	US$131,000K	56.3

*[8] A: funds managed by the Company; B: funds other than category A.
*[9] Holdings as percentage of fund size.

How do we work?

Interview with an External Director

External director, independent officer
Shigenobu Nagamori
Chairman of the board, president & CEO, Nidec Corporation

Having a Big Vision Drives Company Growth

In 1973, at the age of 28, I refurbished a storage shed at my home to start Nidec Corporation. Since then, I have devoted body and soul to managing my company with the aspiration of "becoming the world's No. 1 electric motor manufacturer in everything that spins and moves." Today, Nidec supplies everything from micromotors to ultra-large motors several times the size of a person, and has grown into the largest comprehensive motor manufacturer in the world, as a corporate group with operations in 33 countries. Nidec and SoftBank Group Corp. may be in different industries, but the two share many things in common: both are led by their founders, use M&As to drive growth, and aspire to become the global leaders in their respective domains.

My association with Mr. Son goes way back, and he had been asking me to join the Board of Directors as an external director for quite some time. Likewise, I have also known external director Mr. Yanai for many years. We three have always discussed business management openly, and we are able to speak frankly since we are in different industries and not in direct competition with one another. All three of us are serious about wanting our companies to be the best in the world, and have goals that are larger than life in the eyes of those around us so much so that we sometimes call ourselves the "three big mouths" among Japanese top executives. I have no doubt that Mr. Son is the big brother among the three. He is one of the rare top executives in Japan with a vision that is exceptionally large in scale. It is important for top executives to be big thinkers; without seriously wanting to be the best in the world, a company cannot survive in a fiercely competitive environment. Anything less than first place is the same as finishing last, and being satisfied with second place is never enough. The real driving forces of corporate growth are inspiring people with big dreams, talking big, and having a desire to contribute to society through your business, just like Mr. Son.

I was appointed as an external director of SoftBank Corp. (currently SoftBank Group Corp.) in June 2014. I hope to apply the experience and insight I have acquired as a top executive to continue voicing opinions that are highly independent and based on a broad perspective. I have no reservations about speaking frankly with Mr. Son, and so I suppose I will be expected, along with Mr. Yanai, to put the brakes on Mr. Son from time to time (laugh). I am already actively speaking out in the Board of Directors about points that I find doubtful. At the same time as helping to invigorate the Board of Directors, I will strive to supervise management and ensure that SoftBank Group Corp.'s corporate governance functions properly.

SoftBank Group Corp. must grow its business overseas and become a truly global player if it wants to be No. 1 in the world. Operating a global business involves a great number of risks as well as opportunities. We must apply due diligence and conviction in controlling the risks properly and making certain that we parlay opportunities into growth. As one of the external directors, I will do my best to maximize shareholder value and ensure that SoftBank Group Corp. continues to be a company that is needed by society and that contributes to society.

Corporate Governance

The Company's Corporate Governance Report was submitted (Japanese only) to the Tokyo Stock Exchange on June 19, 2015. This section is based on the Corporate Governance Report.

The company names in Corporate Governance (page 32–44) are the names as of March 31, 2015.

The following is an overview of corporate governance at the Company.

I. Basic Approach to Corporate Governance and Other Basic Information

1. Basic approach

SoftBank Corp. and its subsidiaries are guided by a fundamental concept of "free, fair, innovative," and a corporate philosophy of "Information Revolution – Happiness for everyone." The Company aims to be a provider of essential technologies and services to people around the world through its endeavors in various businesses in the information industry.

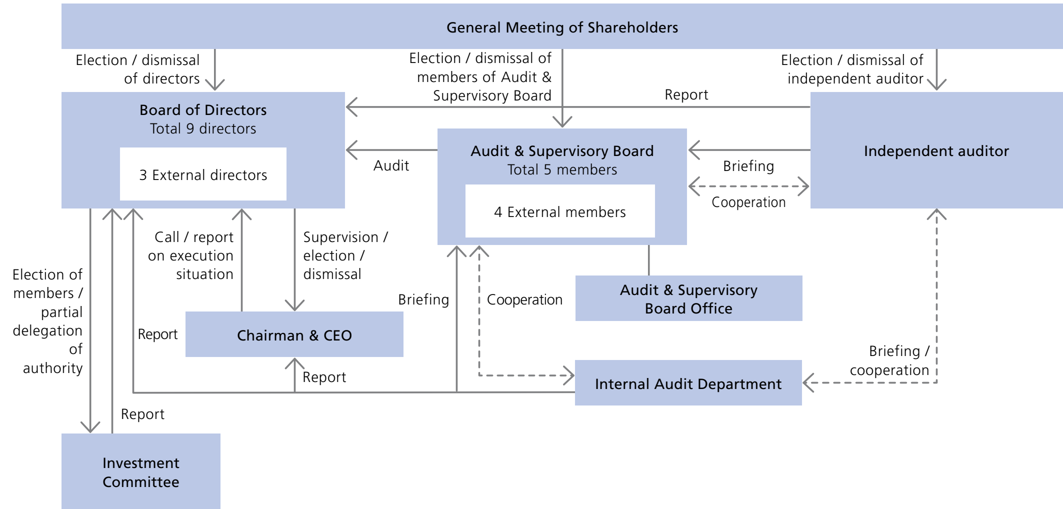
SoftBank Corp., the Group's holding company, recognizes that it is vital to maintain effective corporate governance in order to realize this vision. In working to strengthen governance within the Group, we have formulated the SoftBank Group Charter to share the Group's fundamental concept and corporate philosophy, and the SoftBank Group Company Management Regulations to set out the management policy and management framework for Group companies, among other matters. We also determined various regulations which Group companies and their officers and employees are to comply with.

Our corporate governance system centers on the Board of Directors, Audit & Supervisory Board members, and the Audit & Supervisory Board. Three of the nine directors are external directors to ensure robust mutual monitoring between the directors. Likewise, four of the five Audit & Supervisory Board members are external members, to ensure independent auditing functions, thereby strengthening the monitoring of management.

2. Other special circumstances that may critically affect corporate governance

We respect the independence of management of the listed subsidiaries, which conduct their operations based on independent decision making and management judgments, while adhering to the aforementioned SoftBank Group Charter and SoftBank Group Company Management Regulations.

Chart of Corporate Governance System



II. Overview of Business Management Organizations Related to Management Decision Making, Business Execution and Management Supervision, and Other Corporate Governance Systems

1. Items related to organizational structure/operations, etc.

Form of organization	Company with Audit & Supervisory Board members

[Directors]

Number of directors stipulated in the articles of incorporation	15
Term of office of directors stipulated in the articles of incorporation	1 year
Chairman of the board of directors	CEO
Number of directors	9
Election of external directors	Elected
Number of external directors	3
Number of external directors designated as independent officers	3

Relationship with SoftBank Corp. (1)

Name	Affiliation	Relationship with SoftBank Corp.*										
		a	b	c	d	e	f	g	h	i	j	k
Tadashi Yanai	From another company											
Mark Schwartz	From another company											
Shigenobu Nagamori	From another company											

* Selection criteria regarding the relationship with SoftBank Corp.
○: Item the person falls under as of today or recently
△: Item the person falls under as of previously
●: Item the person's close family member falls under as of today or recently
▲: Item the person's close family member falls under as of previously

a. person who executes business of the company or a subsidiary
b. person who executes business or a non-executive director of a parent company
c. person who executes business of a fellow subsidiary
d. person/entity for which the company is a major client or a person who executes business for such person/entity
e. major client of the company or a person who executes business for such client
f. consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/auditor compensation from the company
g. major shareholder of the company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h. person who executes business for a client of the company (excluding persons categorized as any of d, e, or f above)
i. person who executes business for another company holding cross-directorships/cross-auditorships with the company
j. person who executes business for an entity receiving contributions from the company
k. others

Relationship with SoftBank Corp. (2)

Name	Independent Officer	Supplementary Information Related to the Criteria	Reason for Election
Tadashi Yanai	○	Chairman, president & CEO, FAST RETAILING CO., LTD.	<Reason for election as external director> As the manager of one of the world's leading specialty share retailers of private label apparel (SPA), Mr. Yanai has a wealth of knowledge and experience relating to corporate management and business strategy. He was elected as an external director to SoftBank Corp. in June 2001 to leverage his knowledge and experience in offering advice and recommendations in SoftBank Corp.'s business judgments and decision-making processes. <Reason for designation as an independent officer> Mr. Yanai is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. We judged that there is no potential conflict of interest between Mr. Yanai and ordinary shareholders, and designated him as an independent officer in March 2010.
Mark Schwartz	○	Vice chairman, The Goldman Sachs Group, Inc. Chairman, Goldman Sachs Asia Pacific	<Reason for election as external director> Mr. Schwartz has been involved with management of one of the world's leading investment banks, and has a wealth of knowledge and experience in corporate management and finance. He was elected as an external director in June 2006 to leverage his knowledge and experience in offering advice and recommendations in SoftBank Corp.'s business judgments and decision-making processes. He also served as an external director to SoftBank Corp. prior to his current appointment, from June 2001 through June 2004. <Reason for designation as an independent officer> Mr. Schwartz is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. We judged that there is no potential conflict of interest between Mr. Schwartz and ordinary shareholders, and designated him as an independent officer in March 2010.
Shigenobu Nagamori	○	Chairman of the board, president & CEO, Nidec Corporation	<Reason for election as external director> As the manager of one of the world's leading integrated motor manufacturers, Mr. Nagamori has a wealth of knowledge and experience relating to corporate management and business strategy. He was elected as an external director in June 2014 to leverage his knowledge and experience in offering advice and recommendations in SoftBank Corp.'s business judgments and decision-making processes. <Reason for designation as an independent officer> Mr. Nagamori is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. We judged that there is no potential conflict of interest between Mr. Nagamori and ordinary shareholders, and designated him as an independent officer in June 2014.

Establishment of an optional committee which corresponds to the nominating committee or compensation committee	None

[Audit & Supervisory Board members]

Establishment of an audit & supervisory board	Established
Number of audit & supervisory board members stipulated in the articles of incorporation	5
Number of audit & supervisory board members	5

Cooperation among Audit & Supervisory Board members, independent auditor and Internal Audit Department

<Cooperation between Audit & Supervisory Board members and independent auditor>

The Audit & Supervisory Board members receive regular briefings from the independent auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, main items to be audited, the audit results and other matters. The Audit & Supervisory Board members and the independent auditor also cooperate as necessary, by exchanging information, opinions and so on.

<Cooperation between the Audit & Supervisory Board members and the Internal Audit Department>

The Audit & Supervisory Board members receive briefings from the Internal Audit Department, which is responsible for SoftBank Corp.'s internal audits. The briefings include the audit plan and the results of internal audits performed on each department of SoftBank Corp. and its major subsidiaries. The Audit & Supervisory Board members and the Internal Audit Department also cooperate as necessary, by exchanging information, opinions and so on.

<Cooperation between the independent auditor and the Internal Audit Department>

The independent auditor receives briefings from the Internal Audit Department on the audit plan, and, when necessary, on the results of internal audits and other matters. The Internal Audit Department receives regular briefings from the independent auditor regarding audit results and other matters. Moreover, both entities cooperate with each other as necessary, by exchanging information, opinions and so on.

Election of external audit & supervisory board members	Elected
Number of external audit & supervisory board members	4
Number of external audit & supervisory board members designated as independent officers	3

Relationship with SoftBank Corp. (1)

Name	Affiliation	Relationship with SoftBank Corp.*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Maurice Atsushi Toyama	Certified public accountant										○			
Soichiro Uno	Lawyer													
Koichi Shibayama	Certified public accountant, certified tax accountant										○			
Hidekazu Kubokawa	Certified public accountant, certified tax accountant													

* Selection criteria regarding the relationship with SoftBank Corp.
○: Item the person falls under as of today or recently
△: Item the person falls under as of previously
●: Item the person's close family member falls under as of today or recently
▲: Item the person's close family member falls under as of previously

a. person who executes business of the company or a subsidiary
b. non-executive director or an accounting advisor of the company or a subsidiary
c. person who executes business or a non-executive director of a parent company
d. auditor of a parent company
e. person who executes business of a fellow subsidiary
f. person/entity for which the company is a major client or a person who executes business for such person/entity
g. major client of the company or a person who executes business for such client
h. consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/auditor compensation from the company
i. major shareholder of the company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
j. person who executes business for a client of the company (excluding persons categorized as any of f, g, or h above)
k. person who executes business for another company holding cross-directorships/cross-auditorships with the company
l. person who executes business for an entity receiving contributions from the company
m. others

Relationship with SoftBank Corp. (2)

Name	Independent Officer	Supplementary Information Related to the Criteria	Reason for Election
Maurice Atsushi Toyama	○	Former partner, PricewaterhouseCoopers Aarata	<Reason for election as external Audit & Supervisory Board member> Mr. Toyama has extensive knowledge and experience as a certified public accountant, State of California, U.S. He was elected as an external Audit & Supervisory Board member in June 2015 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits. <Reason for designation as an independent officer> SoftBank Corp. and PricewaterhouseCoopers Aarata have transactions related to consulting and other such matters. However, since the transaction amount is extremely insignificant (less than 0.1% of SoftBank Corp.'s selling, general and administrative expenses), we judged that there is no potential conflict of interest between Mr. Toyama and ordinary shareholders, and designated him as an independent officer in June 2015.
Soichiro Uno		Partner, Nagashima Ohno & Tsunematsu	<Reason for election as external Audit & Supervisory Board member> Mr. Uno has extensive knowledge and experience as a lawyer. He was elected as an external Audit & Supervisory Board member in June 2004 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits. <Reason for non-designation as an independent officer> Although Mr. Uno is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him currently, we did not designate him as an independent officer because a subsidiary of SoftBank Corp. uses the services of Nagashima Ohno & Tsunematsu, and the amounts of remuneration for these services to be paid in the future are not yet decided. Moreover, SoftBank Corp. may also use the services of Nagashima Ohno & Tsunematsu in the future.
Koichi Shibayama	○	Advisor, Zeirishi-Hojin PricewaterhouseCoopers (currently PwC Tax Japan)	<Reason for election as external Audit & Supervisory Board member> Mr. Shibayama has extensive knowledge and experience as a certified public accountant and certified tax accountant. He was elected as an external Audit & Supervisory Board member in June 2003 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits. <Reason for designation as an independent officer> SoftBank Corp. and Zeirishi-Hojin PricewaterhouseCoopers (currently PwC Tax Japan) have transactions related to tax consulting and other such matters. However, since the transaction amount is extremely insignificant (less than 0.1% of SoftBank Corp.'s selling, general and administrative expenses), we judged that there is no potential conflict of interest between Mr. Shibayama and ordinary shareholders, and designated him as an independent officer in March 2010.
Hidekazu Kubokawa	○	Representative partner, Yotsuya Partners Accounting Firm	<Reason for election as an external Audit & Supervisory Board member> Mr. Kubokawa has extensive knowledge and experience as a certified public accountant and certified tax accountant. He was elected as an external Audit & Supervisory Board member in February 1989 to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective in the audits. <Reason for designation as an independent officer> Mr. Kubokawa is deemed to be adequately independent since none of the items listed in Clause III 5-3-2 in the Guideline for Listing Controls issued by the Tokyo Stock Exchange applies to him. We judged that there is no potential conflict of interest between Mr. Kubokawa and ordinary shareholders, and designated him as an independent officer in March 2010.

[Independent officers]

Number of independent officers	6

Other issues related to independent officers

—

[Incentives]

Implementation of measures for granting of incentives to directors	Stock options implemented

Supplementary information

The stock acquisition rights are exercisable only if the Company's consolidated operating income for the fiscal year ending March 2016 exceeds ¥1.2 trillion.

Recipients of stock options	Internal directors and employees of SoftBank Corp. Directors and employees of subsidiaries

Supplementary information

We have issued stock acquisition rights with charge to directors, corporate officers, and employees of SoftBank Corp. and major subsidiaries, in order to increase their motivation to enhance enterprise value.

[Remuneration for directors]

Disclosure of remuneration for individual directors	Remuneration for some of the directors is disclosed

Supplementary information

<Total remuneration for directors and Audit & Supervisory Board members with subtotals for each type of remuneration and numbers of recipients (for the fiscal year ended March 2015)>

	Number of Recipients	Total Remuneration Paid	Basic Remuneration	Share-based Payment	Bonus	Retirement Package
Directors (excluding external directors)	5	¥205 million	¥183 million	–	¥22 million	–
Audit & Supervisory Board members (excluding external Audit & Supervisory Board members)	1	¥42 million	¥42 million	–	–	–
External officers	6	¥57 million	¥57 million	–	–	–

<Total consolidated remuneration and other compensation paid to respective directors (for the fiscal year ended March 2015)>

	Total Remuneration Paid	Company Name	Basic Remuneration	Share-based Payment	Bonus	Retirement Package	Other
Masayoshi Son (Director)	¥131 million	SoftBank Corp.	¥108 million	–	¥22 million	–	–
		Fukuoka SoftBank HAWKS Corp.	–	–	–	–	¥1 million
Ken Miyauchi (Director)	¥158 million	SoftBank Corp.	¥16 million	–	–	–	–
		SoftBank Mobile Corp.	¥39 million	–	¥20 million	–	–
		SoftBank BB Corp.	¥14 million	–	¥13 million	–	–
		SoftBank Telecom Corp.	¥37 million	–	¥18 million	–	–
		Ymobile Corporation	¥1 million	–	–	–	–
Ronald D. Fisher (Director)	¥1,791 million	SOFTBANK Inc.	¥220 million	¥433 million	¥11 million	–	¥4 million
		Galaxy Investment Holdings, Inc.	–	¥1,005 million	–	–	–
		Sprint Corporation	¥70 million	¥48 million	–	–	–

(Note) Only directors whose total consolidated remuneration and other compensation is ¥100 million or more are listed.

Establishment of policy for determining amount or calculation method of remuneration	Established

Disclosure of policy for determining amount or calculation method of remuneration

The total amount of remuneration for directors and Audit & Supervisory Board members at SoftBank Corp. is determined within the aggregate amount determined by a resolution of the General Meeting of Shareholders. The total amount of remuneration for directors is determined by a resolution of the Board of Directors and that for Audit & Supervisory Board members is determined by deliberation of the Audit & Supervisory Board members. Pursuant to the resolution of the General Meeting of Shareholders on June 28, 1990, the annual aggregate remuneration paid to directors and to Audit & Supervisory Board members shall not exceed ¥800 million (total) and ¥80 million (total), respectively.

[Support system for external directors and external Audit & Supervisory Board members]

We seek to ensure that all officers including the external directors and external Audit & Supervisory Board members can participate fully in the Board of Directors meetings having fully grasped the specific details of the agenda for discussion. The secretariat to the Board of Directors therefore provides them with materials for the Board of Directors meeting beforehand, including supplemental briefings and other information as required.

The Audit & Supervisory Board Office has also been established to support the duties of all the Audit & Supervisory Board members, including the external members. The office comprises dedicated staff who act under the directions of the Audit & Supervisory Board members to gather information, investigate matters, and give other assistance.

2. Matters related to the functions such as business execution, audit and supervision, nomination, decision on remuneration (overview of the current corporate governance system)

1. Governance system

(1) Board of Directors

SoftBank Corp.'s Board of Directors consists of nine directors, including three external directors. The chairman and CEO serves as the chairman of the Board. SoftBank Corp. ensures adequate independence of the three external directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of the external directors participates actively in the discussions of the Board of Directors and SoftBank Corp. makes management judgments and decisions based on these discussions.

Agenda matters for discussion in the Board of Directors are set forth in the Board of Directors Regulations. The Board discusses the following at regular Board of Directors meetings and at extraordinary meetings that are convened when necessary:

i. Statutory matters
ii. Critical matters relating to business management such as (a) fundamental management policy, business plans, and (b) matters such as investments and loans and borrowings, etc. exceeding a certain amount
iii. Certain matters relating to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as investments and loans and borrowings, etc. exceeding a certain amount
iv. Other matters

The Board of Directors also supervises the execution of duties by directors. Authority to decide matters other than these agenda matters discussed by the Board of Directors is delegated to committees, directors, and department managers to enable speed and flexibility in corporate activities.

To elect directors, the Board of Directors selects candidates in accordance with the SoftBank Corp.'s Articles of Incorporation and the Board of Directors Regulations, and these candidates are proposed at the General Meeting of Shareholders.

<Attendance of external directors>

Attendance at the Board of Directors meetings for the fiscal year ended March 2015 was as follows:

	Attendance at the Board of Directors Meetings
Tadashi Yanai	Attended 7 out of 8 Board of Directors meetings held in the fiscal year ended March 2015
Mark Schwartz	Attended all 8 Board of Directors meetings held in the fiscal year ended March 2015
Shigenobu Nagamori	Attended 5 out of 6 Board of Directors meetings held since his appointment on June 20, 2014

(Note) Excluding the number of the meetings held in writing without meeting.

(2) Investment Committee

The Investment Committee has been authorized by the Board of Directors to make decisions on investments, financing, and related matters. It is made up of directors and other personnel elected by the Board of Directors.

The agenda matters for discussion by the Investment Committee are set forth in the Regulations of the Investment Committee. The Committee makes decisions on the following matters:

i. Matters such as investments and loans and borrowings under a certain amount
ii. Certain matters relating to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as (a) investments and loans and borrowings etc. under a certain amount, (b) issue and gratis issue of new stock or stock acquisition rights etc. (except matters such as the issue of new stocks that will not alter the shareholding ratio), (c) issue of corporate bonds, (d) overseas business expansion, and (e) entry into new business fields

iii. Other matters

The Committee requires unanimous agreement from all members to make a decision. If one or more members is against a proposal, it is brought to the Board of Directors. All decision results of the Committee are reported to the Board of Directors.

(3) Audit & Supervisory Board members and Audit & Supervisory Board

The Audit & Supervisory Board consists of five members including four external members, one of which is a full-time member. Among the five Audit & Supervisory Board members, one member has extensive experience working at a financial institution and serving as the manager of SoftBank Corp.'s Internal Audit Department, and therefore has financial insight and a deep understanding of the Company's management and operations. We ensure adequate independence of the four external Audit & Supervisory Board members, who possess a wealth of knowledge and experience in their professional roles as a lawyer, certified public accountants, and certified tax accountants.

The Audit & Supervisory Board members, including the external members, attend the Board of Directors meetings, allowing them to monitor and verify the decision making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each director. Moreover, the Audit & Supervisory Board members conduct regular hearings with directors, employees, Audit & Supervisory Board members and other personnel of major subsidiaries to audit the execution of duties by the directors of SoftBank Corp.

The Audit & Supervisory Board meeting is held once a month in principle. At the meeting, the Audit & Supervisory Board members decide on the audit policy, plan, and other matters, receive quarterly briefings and reports relating to the earnings results from the independent auditor, and exchange information and opinions with the independent auditor as necessary. The Audit & Supervisory Board members also receive briefings on individual matters from directors as necessary.

The Audit & Supervisory Board Office is established to support the duties of all the Audit & Supervisory Board members and the office comprises dedicated staff who act under the directions of the Audit & Supervisory Board members to gather information, investigate matters, and give other assistance.

<Attendance of the external Audit & Supervisory Board members>

Attendance at the meetings of the Board of Directors and the Audit & Supervisory Board for the fiscal year ended March 2015 was as follows:

	Attendance at the Meetings of the Board of Directors and the Audit & Supervisory Board
Soichiro Uno	Attended all 8 Board of Directors meetings held in the fiscal year ended March 2015 Attended 10 out of 11 Audit & Supervisory Board meetings held in the fiscal year ended March 2015
Koichi Shibayama	Attended all 8 Board of Directors meetings held in the fiscal year ended March 2015 Attended all 11 Audit & Supervisory Board meetings held in the fiscal year ended March 2015
Hidekazu Kubokawa	Attended all 8 Board of Directors meetings held in the fiscal year ended March 2015 Attended all 11 Audit & Supervisory Board meetings held in the fiscal year ended March 2015

(Note) Excluding the number of the meetings held in writing without meeting.

(4) Internal audits

The Internal Audit Department operates as a single organization together with the Internal Audit Office of the subsidiary SoftBank Mobile Corp. All 37 staff including the department head (as of May 31, 2015) are assigned concurrently to both companies to carry out internal audits. The department conducts internal audits of the Company's internal departments and subsidiaries to check that duties are carried out legally and correctly based on laws and regulations, the Articles of Incorporation, and internal regulations. The results of these internal audits are reported to the chairman and CEO and the director in charge, and briefings are also given to the Audit & Supervisory Board members.

2. Audit by independent auditor

(1) Status of audit by independent auditor

SoftBank Corp. has concluded an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the certified public accountants who executed the audit duties in the fiscal year ended March 2015 and number of assistants for the audit duties for the fiscal year are as follows:

i. Names of certified public accountants who executed the audit duties
Designated limited liability partner and engagement partners:
Akemi Mochizuki, Yasuhiko Haga, Satoshi Takeuchi

ii. Structure of assistants who supported the audit duties
Certified public accountants: 20, junior certified public accountants, etc.: 26

(2) Remuneration for audits and other duties

i. Remuneration to auditing certified public accountants and other assistants
- Remuneration for audit certification duties
  SoftBank Corp.: ¥319 million
  Consolidated subsidiaries: ¥1,100 million
- Remuneration for non-audit duties
  SoftBank Corp.: ¥131 million
  Consolidated subsidiaries: ¥70 million

ii. Other material remuneration

Certain of SoftBank Corp.'s subsidiaries pay remuneration for audit certification duties and non-audit duties to members of Deloitte Touche Tohmatsu Limited, which belongs to the same network as SoftBank Corp.'s auditing certified public accountants and assistants. Subsidiaries including Sprint, Brightstar paid ¥2,972 million as remuneration for audit certification duties and ¥1,235 million as remuneration for non-audit duties.

iii. Non-audit duties provided for SoftBank Corp. by the auditing certified public accountants and assistants

The non-audit duties for which SoftBank Corp. pays remuneration to the auditing certified public accountants and assistants mainly consist of financial surveys related to M&As.

3. Reason for adopting the current corporate governance system

We have adopted the company with Audit & Supervisory Board system. As explained in "2. Overview of the current corporate governance system," our corporate governance system is built around the Board of Directors, the Audit & Supervisory Board members, and the Audit & Supervisory Board.

The directors carry out lively discussions each time at the Board of Directors meetings. Moreover, since three of the nine directors are external directors, management benefits from diverse perspectives, and the function for mutual monitoring between directors is enhanced.

The Audit & Supervisory Board members conduct strict audits of directors' execution of duties from their specialist perspectives as a certified public accountant, a lawyer, or other professional. Moreover, since four of the Audit & Supervisory Board members, a majority, are external members, our audit function is enhanced by ensuring more independent perspectives.

The current system has thus been selected because we judge that it can ensure effective corporate governance.

III. Implementation of Measures Related to Shareholders and Other Stakeholders

1. Measures to revitalize the General Meeting of Shareholders and facilitate the exercise of voting rights

	Supplementary Information
Early dispatch of Notice of General Meeting of Shareholders	The Notice for the 35th Annual General Meeting of Shareholders held on June 19, 2015, was dispatched three days before the statutory dispatch date, and was posted on our website before being dispatched.
Scheduling General Meeting of Shareholders on off-peak days	To allow a greater number of the shareholders to attend, the Annual General Meeting of Shareholders is scheduled on off-peak days when meetings of many other companies are not concentrated.
Measures to allow the exercising of voting rights by electromagnetic means	A system for executing voting rights through the Internet has been in place since 2002 (the 22nd Annual General Meeting of Shareholders).
Participation in electronic voting platform and other measures to enhance environment for institutional investors to execute their voting rights	We have participated in the Electronic Voting Platform for institutional and other investors since the start of the service in 2006 (the 26th Annual General Meeting of Shareholders).
Availability of Notice of General Meeting of Shareholders (or summary) in English	We prepare an English translation of the full text of our Notice of Annual General Meeting of Shareholders. The Notice is available on our websites and those of the Tokyo Stock Exchange one or two business days before they are sent out by post.
Others	<Initiatives to promote understanding> At the Annual General Meeting of Shareholders, we use video footage to report on our operations to help shareholders to better understand the results of operations and the status of our businesses. Moreover, the chairman and CEO, who chairs the meeting, explains the Company's corporate philosophy and vision, as well as its medium- and long-term business strategy in addition to reporting on legally mandated items. Moreover, the Notice of the General Meeting of Shareholders provides shareholders with a greater volume of information to use in exercising their voting rights. To facilitate easy reading, the information in the Notice is illustrated with charts and color photographs, and other content. <Disclosure of voting results> The voting results for proposals at the General Meeting of Shareholders are posted in an Extraordinary Report on EDINET, as well as being posted in both Japanese and English on our website. <Dissemination via the Internet> We provide live webcasts of the Annual General Meetings of Shareholders on our website and *Ustream*. VOD is also available on our website after completion of the meeting.

2. IR activities

	Supplementary Information	Explanation by Representative
Development and publication of disclosure policy	Our policy for IR activities can be viewed on our website. The web page titled "IR Activities" shows matters related to information disclosure, including the basic policy, disclosure standards and methods. The page also lists measures to improve communications and the quiet periods for IR activities. For the details please refer to our website:	
Regular briefings for retail investors	We are vigorously working on IR activities targeting retail investors. Investor Relations Department staff hold briefing sessions at branches of securities companies and other venues in Japan. In the fiscal year ended March 2015, we held 28 sessions in total.	None
Regular briefings for analysts and institutional investors	<Earnings results briefings> On the days when quarterly earnings results are announced, we hold earnings results briefings for analysts, institutional investors, and the media. The chairman and CEO delivers an overview of the earnings results and explains our business strategy. <Business briefings> To help investors to better understand the Group's businesses, we hold business briefings at our discretion.	Yes
Regular briefings for overseas investors	<Overseas IR activities> Our delegates visit institutional investors in Europe, the U.S., and Asia to explain our business and financial strategies. They also participate in conferences held by securities companies overseas to give presentations about our business strategies. <Earnings results conference calls> On the days when quarterly earnings results are announced, we conduct a conference call for institutional investors overseas. The chairman and CEO delivers an overview of the earnings results and explains our business strategy. <Others> We provide live webcasts of earnings results briefings and the Annual General Meetings of Shareholders in English on our website and *Ustream*. VOD of the briefings are also available on our website after completion of the briefings.	Yes
Posting of IR materials on website	The following IR materials are posted on our website. Items (a) through (g) are available in both Japanese and English. (a) Consolidated financial reports (b) Earnings results briefing presentation materials (c) Data sheets (d) Important news releases including timely disclosures (e) Corporate governance reports (f) Annual reports (g) Notices of the Annual General Meeting of Shareholders (h) Annual securities reports and quarterly reports (i) Reports to shareholders Please see our website for these materials:	–
Establishment of department dedicated to IR activities	The Investor Relations Department is established to handle IR and the general manager of the department is appointed as a person in charge of the handling of information. As of May 31, 2015, 13 people in the department were engaged in IR activities.	–
Others	We provide live webcasts of earnings results briefings on *Ustream* as well as on our website, and the content of presentation is posted on *Twitter* sequentially.	–

3. Measures for respecting stakeholders' interests

	Supplementary Information
Establishment of internal regulations, etc. for respecting stakeholders' interests	We aim to grow together with customers, shareholders, employees, business partners, society and all other stakeholders by actively contributing to society through our businesses. This is stipulated in the SoftBank Group CSR Principles. The principles can be viewed in detail on our website:
Environmental conservation, Corporate Social Responsibility (CSR), and other activities	Under the SoftBank Group CSR Principles, each Group company is engaged in CSR activities that leverage the nature and scope of their respective businesses. Details of specific CSR activities can be viewed on our website:
Development of policies and other arrangements for providing information to stakeholders	We strive to ensure timely and appropriate disclosure of information according to the statutory disclosure requirements based on the Financial Instruments and Exchange Act and other relevant acts and ordinances, and as required by the Rules on Timely Disclosure set by the Tokyo Stock Exchange. We also disclose critical information that is not subject to either statutory disclosure or timely disclosure requirements but could potentially affect investment decisions. This information is disclosed in a fair and prompt manner so as to give all the stakeholders equal access to it. We also work to enhance information disclosure to stakeholders through its annual reports, website, reports to shareholders and other means. Most of these materials, with a few exceptions, are made available both in Japanese and English to narrow the information gap between disclosure in Japanese and English.

IV. Matters Related to the Internal Control System

1. Basic approach and development status related to the internal control system

The information below explains the content of the basic policy of SoftBank Corp. that was formulated according to the resolution by its Board of Directors to develop a system that ensures the appropriateness of its operations.

System to ensure that the execution of the duties of directors and employees is in compliance with laws and regulations and the Articles of Incorporation

SoftBank Corp. has established the SoftBank Group Officer and Employee Code of Conduct to prescribe the code of conduct to be followed by all directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance, but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

(1) A chief compliance officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance the Company's compliance system, the CCO regularly reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
(2) Internal and external hotlines (whistle-blowing system) are established for direct reporting and consultations by directors and employees, to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. Moreover, the SoftBank Group Compliance Rules prohibit subjecting any person to unfavorable treatment because of reporting or consulting using the hotline, thereby ensuring that such people are not subjected to unfavorable treatment.
(3) The Internal Audit Department carries out audits to ensure the effectiveness of the systems for compliance with laws and regulations, and with the Articles of Incorporation, and reports the audit results to the CEO and the director in charge. The department also maintains communication with the Audit & Supervisory Board members by reporting the audit results to them as well.

System for the storage and management of information regarding the execution of duties by directors

SoftBank Corp. has established the following system to appropriately store and maintain documents and other important information related to the execution of duties by directors including minutes and proposals of the Board of Directors meetings and requests for internal approval:
(1) Retention periods and methods and measures to prevent accidents are determined based on the Information Management Regulations, and these documents should be appropriately classified and stored according to their degree of confidentiality.
(2) A chief information security officer (CISO) is appointed as the person responsible for information security, and the CISO promotes the establishment and reinforcement of information security.

Regulations and other systems relating to managing the risk of loss

SoftBank Corp. has established the following system to avoid or minimize risk and to implement necessary measures related to the variety of risks in its business operations:

(1) Responsible departments are designated to address various risks, manage risks in each responsible department and work to reduce risks and prevent their materialization, based on the Risk Management Regulations. In addition, when an emergency situation arises, an Emergency Response Department will be established according to the designated escalation flow, and efforts will be made to minimize the damage (loss) based on the instructions of the Emergency Response Department.

(2) The General Administration Department summarizes the status of risk evaluation, analysis and response at each responsible department, and periodically report its findings to the Board of Directors.

(3) The Internal Audit Department carries out audits to ensure the effectiveness of risk management processes.

System to ensure the efficiency of directors in the execution of their duties

SoftBank Corp. has established the following structure to maintain an efficient management system:

(1) The Board of Directors Regulations are set out to clarify matters to be decided and reported on by the Board of Directors. The Internal Approval Regulations and other regulations relating to institutional decision making have also been established to clarify decision-making authority.

(2) To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors includes external directors who are independent of the Company.

(3) To ensure that the directors, including external directors, can discuss matters fully at the Board of Directors meetings, they are provided with materials for the meeting in advance, and with additional or supplementary materials upon their request.

(4) The Regulations on Segregation and Authority of Duties of SoftBank Corp. are set out to clearly define the scope of operations, authority and responsibilities necessary for operations.

System to ensure appropriateness of the Company's operations

SoftBank Corp. has formulated the SoftBank Group Charter, to share the Group's fundamental concept and corporate philosophy, and the SoftBank Group Company Management Regulations, to set out the management policy and management framework for Group companies. In addition, various regulations are set out to be complied with by Group companies, as well as their officers and employees. Based on the regulations, the following systems have been established, giving consideration to the scale and importance of Group companies:

(1) A group compliance officer (GCO) is appointed to promote the establishment and reinforcement of Group-wide compliance systems, as the person ultimately responsible for compliance throughout the Company. A Group Hotline has also been established to receive reports and provide consultation to directors and employees of Group companies to quickly identify, rectify and prevent the reoccurrence of any inappropriate issues in corporate activities. Moreover, the SoftBank Group Compliance Rules prohibit subjecting any person to unfavorable treatment because of reporting or consulting using the hotline, thereby ensuring that such people are not subjected to unfavorable treatment.

(2) A group chief information security officer (GCISO) is appointed to promote the establishment and reinforcement of Group-wide information security systems, as the person ultimately responsible for information security throughout the Group.

(3) The representative of each Group company must submit a Representative Oath pertaining to the financial reports submitted to SoftBank Corp., thereby ensuring the accuracy of the annual securities reports and other documents submitted by the Group.

(4) The Internal Audit Department comprehensively judges the matters such as the results of past audits and financial position, and carries out audits of Group companies deemed as having a high risk.

(5) Each Group company manages its risks and works to reduce risks and prevent their materialization. In addition, when an emergency situation arises, each Group company works to minimize the damage (loss) based on SoftBank Corp.'s instructions, according to the escalation flow to SoftBank Corp.

System for excluding organized crime and other criminal elements

SoftBank Corp. clearly states in the SoftBank Group Officer and Employee Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

System relating to support staff that assist the Audit & Supervisory Board members, matters relating to the independence of the relevant employees from the directors, and matters related to ensuring the effectiveness of instructions given to the support staff

The Audit & Supervisory Board Office is established as an organization to support the work of the Audit & Supervisory Board members, and dedicated staff has been assigned to this office. Directions and instructions to the support staff are issued by the Audit & Supervisory Board members to ensure their effectiveness, and any personnel changes, evaluations or other such actions, require the agreement of the Audit & Supervisory Board members.

System for reporting to the Audit & Supervisory Board members

Directors and employees of SoftBank Corp. report the following matters to the Audit & Supervisory Board members:

(1) Important matters related to the management, finances or business execution of SoftBank Corp. or the Company
(2) Matters related to the compliance system or use of the hotlines
(3) The development status of internal control systems
(4) Matters which could cause significant damage to the Company
(5) Matters relating to violations of laws and regulations or the Articles of Incorporation
(6) Results of audits conducted by the Internal Audit Department
(7) Other matters that the Audit & Supervisory Board members have decided that need to be reported in order for them to execute their duties

Other systems to ensure that the audits by the Audit & Supervisory Board members are conducted effectively

(1) SoftBank Corp. provides opportunities for Audit & Supervisory Board members to interview the Company's directors or employees when they deem it necessary. In addition, Audit & Supervisory Board members periodically meet with the independent auditor, Audit & Supervisory Board members and other relevant personnel of major subsidiaries to ensure cooperation.
(2) SoftBank Corp. ensures that any person reporting or consulting with the Audit & Supervisory Board members is not subjected to unfavorable treatment for doing so, by prohibiting unfavorable treatment of such people in the SoftBank Group Compliance Rules.
(3) SoftBank Corp. bears the cost of expenses related to the independent auditor, lawyers, and so forth, as well as other expenses that arise in execution of the Audit & Supervisory Board members' duties.

2. Basic approach to excluding organized crime and other criminal elements and establishment of relevant systems

SoftBank Corp.'s approach to excluding organized crime and other criminal elements, and its structures for doing so are as described in "1. Basic approach and development status related to the internal control system."

SoftBank Corp. clearly states in the SoftBank Group Officer and Employee Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse such requests in a resolute manner in cooperation with the police and other external specialist institutions.

V. Others

1. Adoption of takeover defense measures

Adoption of takeover defense measures	None

Supplementary information

SoftBank Corp. has not adopted any takeover defense measures.

2. Other matters related to the corporate governance system

(1) Group company management and oversight system

In its management and oversight of Group companies as a holding company, SoftBank Corp. has formulated the SoftBank Group Charter, to share the Group's fundamental concept and corporate philosophy, and the SoftBank Group Company Management Regulations to set out the management policy and management framework for Group companies. In addition, we have set out the following regulations to be complied with by Group companies, as well as their officers and employees.

SoftBank Group Company Information Rules
SoftBank Group PR Rules
SoftBank Group IR Rules
SoftBank Group IT Governance Rules
SoftBank Group Risk Management Rules
SoftBank Group Brand Management Rules
SoftBank Group CSR Principles
SoftBank Group Officer and Employee Code of Conduct
SoftBank Group Compliance Rules
SoftBank Group Rules on Prevention of Insider Trading
SoftBank Group Internal Audit Rules
SoftBank Group Audit & Supervisory Board Rules

(2) Information disclosure system

<Basic approach to timely disclosure>

We strive to ensure fair and timely information disclosure as set forth in the SoftBank Group CSR Principles.

<Internal system for timely disclosure of SoftBank Corp.>

We conduct timely disclosure with the Investor Relations Department as the responsible department. The SoftBank Group IR Rules set out matters to be reported to the Investor Relations Department relating to timely disclosure, including required reporting times and procedures. The Investor Relations Department acts under the approval of the division head when timely disclosure is necessary to swiftly conduct timely disclosure.

Matters subject to timely disclosure requirements relating to earnings results are compiled into a disclosure document by the Accounting Department and relevant departments based on information collected from Group companies. The general manager of the Accounting Department is responsible for preparation of the disclosure document related to earnings results. The document is disclosed after obtaining approval from the division head.

Compliance

The Company implements compliance to meet the expectations and demands of stakeholders and enhance management efficiency.

1. Basic Policy

Compliance at the Company

The Company considers it crucial to meet the expectations and demands of all stakeholders in the course of its business operations. The stakeholders include shareholders, as well as customers, business partners, and regional communities. To meet their expectations and demands, the Company strives to create an organization and an environment that enables every officer and employee to act with a full awareness of compliance. As the Group's officers and employees work in concert to ensure proper compliance throughout the organization, they will tighten risk management and enhance management efficiency, thereby driving further improvement in the Company's enterprise value.

Compliance Code

The awareness and conduct of every officer and employee is important for ensuring compliance. The Company has compiled the SoftBank Group Officer and Employee Code of Conduct—a set of rules for conduct that must be observed by all officers and employees. To ensure that everyone follows this Code of Conduct, the Company provides all officers and employees with a Compliance Manual, which provides clear and simple explanations of the Code of Conduct using examples and a Q&A format.

2. Compliance Structure

An Organizational Structure Centered on a GCO and CCOs

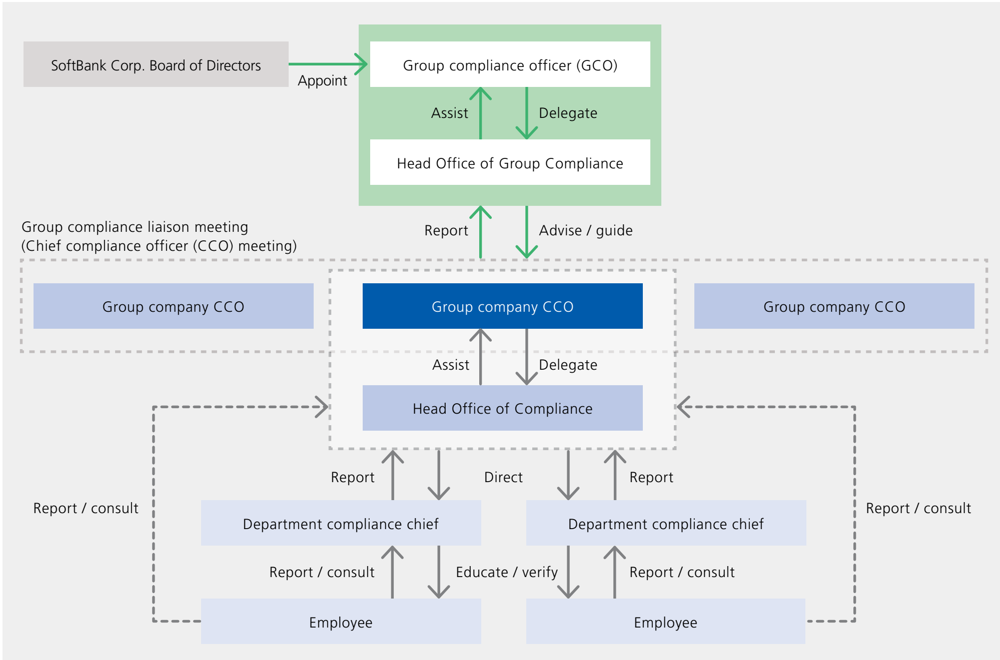
The Company appoints a group compliance officer (GCO) who has responsibility for compliance for the entire Group, and each Group company has a chief compliance officer (CCO) who has responsibility for compliance at each company. The GCO establishes and strengthens the compliance system for the entire Group, while providing advice and guidance to the CCOs of various Group companies as necessary. The CCOs formulate and implement policies at each Group company and regularly report on the status of the compliance structure to the GCO.

The GCO and CCOs have discretionary authority to modify or stop actions that constitute actual or suspected compliance breaches, from compliance, corporate social responsibility (CSR) and other perspectives. Rather than adopt a committee system, the Company has concentrated all compliance authority and responsibility in the GCO and CCOs for a swifter and more flexible organization.

Hotlines (Whistle-blowing System)

The main Group companies have a hotline in place to receive reports and provide consultations for officers and employees who discover compliance breaches or actions that may breach compliance. In addition to the hotlines at each Group company, a Group Hotline has been established as a channel for reports and issues arising from Group officers and employees. This Hotline is intended principally for employees of Group companies that do not have their own individual hotlines and employees who find it difficult to consult someone using the hotlines of their own companies. All the hotlines have an internal contact point staffed by internal compliance personnel and an external contact point staffed by external lawyers. By establishing multiple contact points throughout

Group Compliance Structure (As of March 31, 2015)



the Group, the Company endeavors to identify risks at an early stage and prevent them from materializing.

Poster advertising the Group Hotline

3. Measures for Enhancing Awareness

There are a variety of compliance risks on the frontlines of business. The Company conducts practical training and awareness-raising activities for various officer and employee levels, to ensure that these personnel can make decisions and act properly, as well as carry out their duties efficiently. The goal is to build a strong organization where each and every member embraces a high awareness of compliance while implementing compliance as part of his or her daily duties.

The Company is also working to strengthen the compliance system at its Group companies. In fiscal 2014, a compliance checklist for CCOs was created. The list will help each company to examine its own systems, while making it easier for CCOs to strengthen compliance systems at Group companies with small organizations that do not have dedicated compliance staff.

Employee Training

As the Company has recently been accelerating its business development in overseas markets, its employee training program has incorporated compliance training themes such as risks involved with overseas expansion and overseas laws and regulations. The training includes group discussion sessions focused on case studies of past incidents that have occurred, along with themes believed to pose a potential risk.

In fiscal 2014, the Company conducted training for Group officers and employees who work overseas or who conduct transactions with overseas companies. This training focused on the themes of anti-bribery regulations in each country and the National Security Agreement concluded between the U.S. and Japanese governments.

Compliance Awareness Month

The Company holds a Compliance Awareness Month annually for all Group officers and employees. Throughout the month, seminars and contests are held. In fiscal 2014, the Company continued to conduct intranet-based seminars by posting training content on the intranet, including case studies and e-learning. The intranet-based seminars looked at a new theme every week, explaining possible risks and problems that could occur within the Company using specific examples familiar to employees. Moreover, the Company conducts a Compliance Test for officers and employees to assess their own level of basic compliance knowledge and understanding. The test has been taken and passed by approximately 20,000 officers and employees within the Group. In fiscal 2014, the test included new questions relating to overseas laws and regulations, and a new Compliance Test for management level personnel was also created and conducted. By conducting the above training and testing using the intranet, which has fewer restrictions in terms of time and place, the Company increased compliance awareness among an even larger number of employees.

Poster advertising Compliance Awareness Month

The Compliance Slogan Contest is held during Compliance Awareness Month. In this contest, the Company calls for the submission of compliance-related slogans by Group officers and employees, in an effort to encourage their proactive participation in compliance activities. Outstanding slogans are used to create a calendar that is put up within various Group companies. In these and other ways, the Company works to put an environment in place that fosters compliance awareness among employees on a day-to-day basis.

4. Key Challenges Ahead

The Company regards continued enhancement of compliance systems at Group companies as a key challenge. The Company will now examine ways to effectively deploy and implement the checklist for Group company CCOs that was created in fiscal 2014. The Company will also monitor the status of compliance systems at overseas Group companies, such as Brightstar, and provide advice and guidance as needed.

The Company will also continue to enhance Group-wide compliance awareness, including further advancing risk management that it has implemented with respect to overseas laws and regulations as it expands its business into overseas markets.

Risk Management

The Company makes daily efforts to manage risk, aiming to prevent the materialization of potential risks, while minimizing the potential human, social, and economic impacts that may ensue in emergency situations that could arise when a substantial risk materializes.


Drills in preparation for the event of a major disaster

Domestic Telecommunications Company

SoftBank Mobile (currently SoftBank Corp.) has a business continuity plan (BCP) in place to ensure the continuity of telecommunications services and the rapid restoration of service if communications happen to be disrupted during emergency situations such as natural disasters, terrorist attacks, and pandemics. Through this plan, we will give top priority to protecting human life when a major disaster or accident occurs. Furthermore, it will establish an Emergency Response Department to implement measures to restore the telecommunications network quickly.

In 2014, SoftBank Mobile signed Disaster Response Agreements with Japan's Ministry of Defense and the Japan Coast Guard. The three parties will strengthen their collaboration by establishing a smooth and efficient communication structure and holding joint drills to prepare for a major natural disaster.

In February 2015, SoftBank Mobile held a large-scale disaster mobilization drill in the Kansai region based on the scenario of an earthquake occurring in the Nankai Trough. Activities included drills to launch a balloon-moored radio relay system introduced as a means of restoring regional communications during a disaster and to prepare and deploy mobile base station vehicles and set up portable base stations, as well as drills on transporting satellite mobile phones via disaster-relief helicopters.

Based on experience from the Great East Japan Earthquake, SoftBank Mobile has also drawn up a Disaster Operational Plan. Under this plan, SoftBank Mobile is making an even greater effort to prepare disaster readiness systems, ensure the viability of key communication lines, improve the reliability of communications and other equipment, and take steps to enable rapid recovery. Through these efforts, it will continue to build a telecommunications network that is resilient to natural disasters.

Sprint

Sprint also has a BCP in place. To reinforce risk management and business continuity, the Corporate Business Continuity Office has been established, and under it a Corporate Business Continuity Committee. The committee's basic policy is to manage business operation risks, and to minimize the impact on management of any risks that do materialize.

Yahoo Japan

Yahoo Japan discloses risk management information together with quarterly financial results. Yahoo Japan has systematically compiled and documented efforts on identifying and managing business risks based on the Risk Management Regulations. Moreover, departments responsible for its risk management have been established to reduce the potential for risks to materialize, and to minimize the impact when risks do materialize.

As part of these efforts, Yahoo Japan has formulated Emergency Disaster Response Guidelines based on earthquake, fire, and other major disaster scenarios. Using these guidelines, Yahoo Japan prepares countermeasures in advance to ensure business continuity in the event of a disaster. For example, to ensure that it can continue to provide the *Yahoo! JAPAN* service, multiple data centers are dispersed across several regions at some distance from one another to ensure data is backed up in the event of an emergency situation. Moreover, the *Yahoo! JAPAN* top page and the *Yahoo! News* service are likely to serve as lifelines during disasters and other emergencies. Yahoo Japan has therefore taken steps to ensure that it can continue to update these services by placing staff in multiple locations.

Information Security

The Company recognizes that it has a social responsibility to appropriately manage information assets, including customers' personal information. We therefore work constantly to improve our information security.

Information Security Management System

The Company has formulated the SoftBank Group Information Security Policy for appropriate management and handling of information assets. The policy forms a common basis of understanding for all Group companies as they work to implement a variety of countermeasures.

The Company's information security management system comprises a group chief information security officer (GCISO) who is responsible for the entire Group, and chief information security officers (CISOs) who are responsible for each Group company. Through the CISOs, the GCISO works to acquire an accurate grasp of information security at each Group company, and vigorously promotes information security countermeasure activities.

Group-wide meeting on information security activities

E-learning

Poster for raising awareness about information security

Specific Initiatives

Based on the SoftBank Group Information Security Policy, each Group company comprehensively conducts organizational, physical, human, and technological countermeasures.

To reduce the various kinds of information security risks, including risks from increasingly advanced and complex cyber attacks and unauthorized internal activity, the Company collects information related to information security risks on a daily basis, and disseminates useful information and directions for additional countermeasures to its Group companies.

Moreover, envisaging a scenario where a Group company has been subjected to a cyber attack, the Company has prepared an incident response framework that enables it to obtain the cooperation of other Group companies to address an incident swiftly through designated channels for gathering information. After responding to an incident, the Company identifies issues and ensures that the lessons learned from the incident are put to good use.

Furthermore, at major Group companies, the Company has taken steps to prevent unauthorized access to important information assets, including monitoring by security operation centers and enhanced countermeasures.

The Company also puts emphasis on improving the information security literacy of officers and employees, and regularly conducts a variety of measures such as e-learning programs and training seminars.

Key Priorities Ahead

Amid a rapidly changing environment in and around its Group companies, the Company's priority is to achieve the optimal balance between reducing information security risks at its Group companies and making business operations more efficient.

The Company is redesigning specific compliance measures to cope with continually changing information security risks. The new measures are being implemented at its Group companies, including overseas subsidiaries.

In addition, the Company will work to reduce common information risks that affect the entire Group by implementing Group-wide countermeasures and other steps, while promoting more efficient operations.

Corporate Social Responsibility (CSR)

The Company seeks to help realize a rich and happy society through its business activities. To this end, the SoftBank Group CSR Principles set forth our aspirations to develop along with all stakeholders, including customers, shareholders, employees, business partners, and communities. Under these principles, we have positioned the following as key themes in our CSR activities: building a healthy Internet society, cultivating a next generation that has dreams and aspirations, protecting the planet's future through environmental protection, and supporting the reconstruction of areas affected by the Great East Japan Earthquake. We are promoting CSR activities focused on each of these themes.

SoftBank Group CSR Principles

Toward the Internet society of tomorrow

We at the SoftBank Group want to be a company that grows together with our stakeholders through our business activities, based on the corporate philosophy of "**Information Revolution – Happiness for everyone.**"

To achieve this, we ask ourselves the following questions:

Do we:

Create...

excitement and surprises, user friendliness and reliability, and joy for everyone?

The SoftBank Group stays **customer**-focused.

Maintain...

a relentless pursuit of growth, a robust and transparent management, and fair and timely disclosure?

The SoftBank Group strives to meet its **shareholders'** expectations.

Provide...

opportunities for new challenges and personal growth, an environment that stimulates diversity, and fair recognition of efforts and results?

The SoftBank Group nurtures its **employees'** motivation and pride.

Build...

mutual trust, fair relationships, and partnerships leading to innovation?

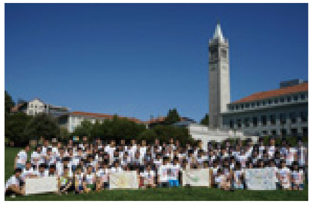
The SoftBank Group evolves together with its **business partners**.

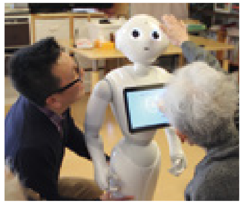
Promote...

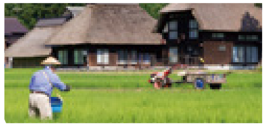
a healthy Internet society, the dreams and ambitions of the next generation, and the future of our planet?

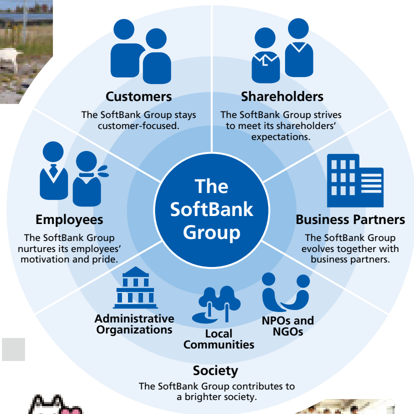
The SoftBank Group contributes to a brighter **society**.

The SoftBank Group is moving ahead in business, with high aspirations for tomorrow's Internet society.









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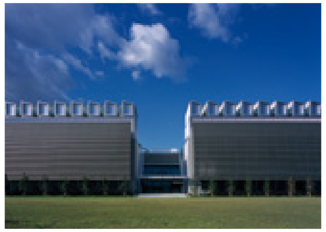
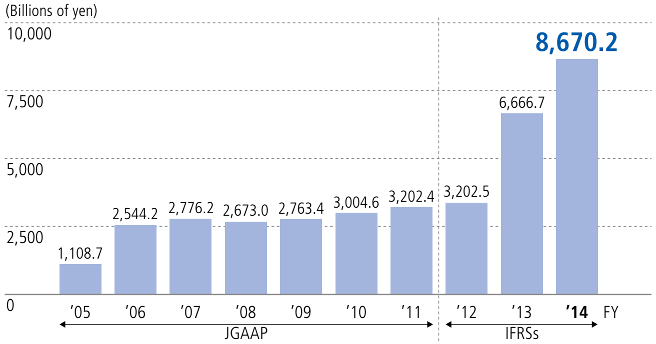


For further details about CSR

Want to know more?

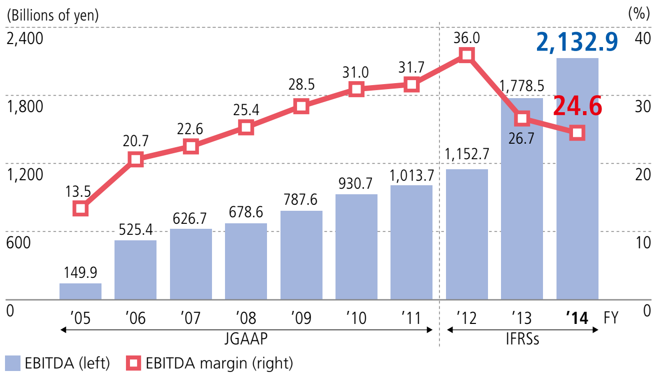
Graphs I

Net Sales



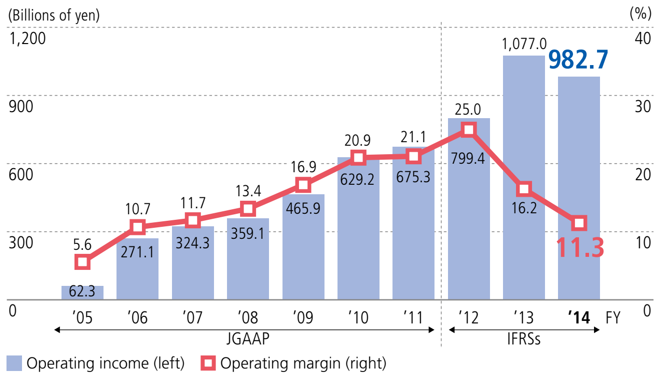
(FY2014)
Net sales — **Up 30.1% YoY**

EBITDA, EBITDA Margin



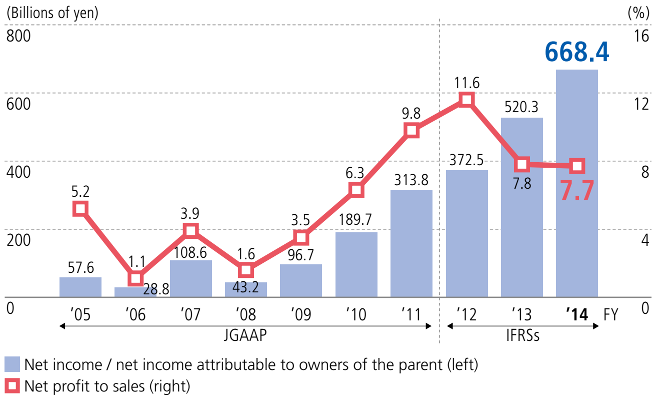
(FY2014)
EBITDA — **Up 19.9% YoY**
EBITDA margin — **24.6%**

Operating Income, Operating Margin



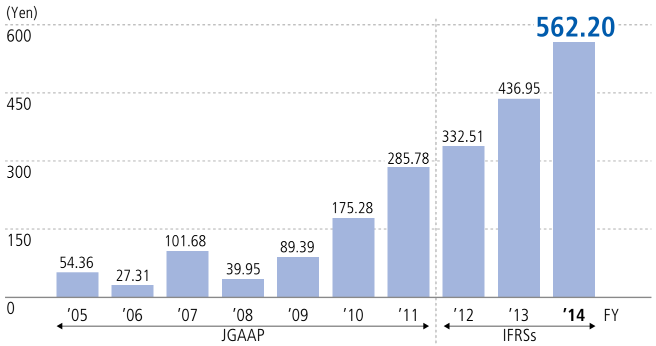
(FY2014)
Operating income — **Down 8.8% YoY**
Operating margin — **11.3%**

Net Income / Net Income Attributable to Owners of the Parent, Net Profit to Sales



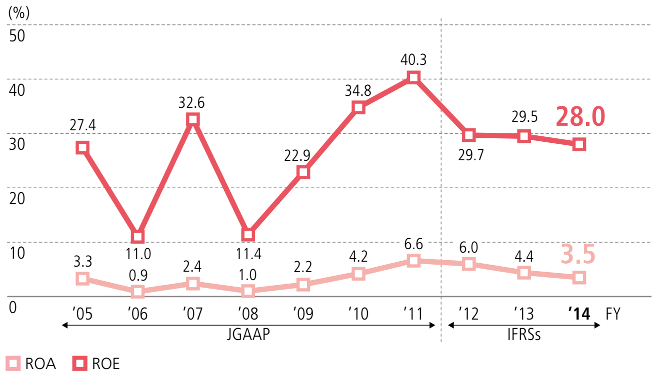
(FY2014)
Net income / net income attributable to owners of the parent — **Up 28.5% YoY**
Net profit to sales — **7.7%**

Earnings per Share Attributable to Owners of the Parent – Basic



(FY2014)
Earnings per share attributable to owners of the parent – basic — **¥562.20**
Earnings per share attributable to owners of the parent – diluted — **¥558.75**

ROA, ROE

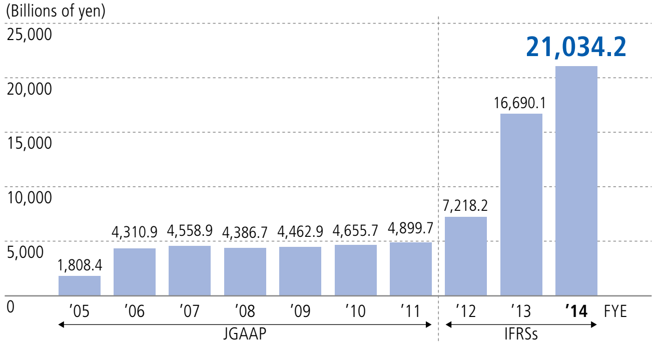


(FY2014)
ROA — **3.5%**
ROE — **28.0%**

(Note) Retrospective adjustments have been made for fiscal 2013 figures in accordance with the adoption of IFRIC 21 "Levies."

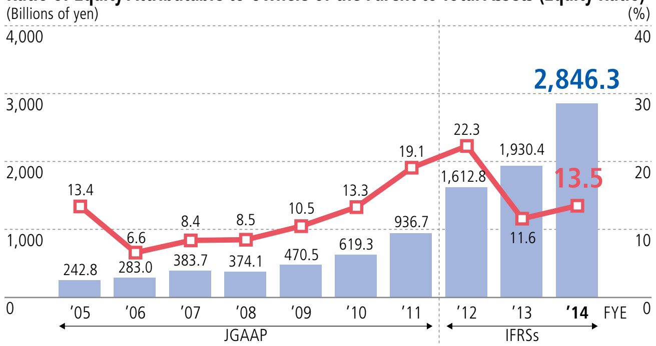
Graphs II

Total Assets



(FYE2014)
Total assets ¥21,034.2 billion
Up 26.0% YoY

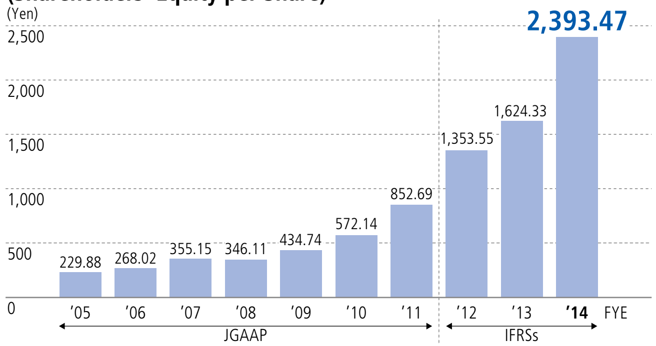
Equity Attributable to Owners of the Parent (Total Shareholders' Equity), Ratio of Equity Attributable to Owners of the Parent to Total Assets (Equity Ratio)



Equity attributable to owners of the parent (total shareholders' equity) (left)
Ratio of equity attributable to owners of the parent to total assets (equity ratio) (right)

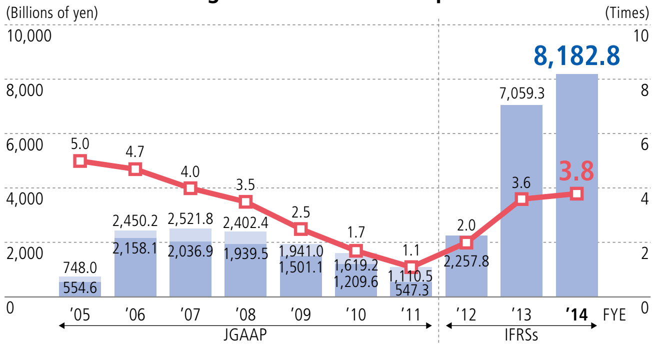
(FYE2014)
Equity attributable to owners of the parent Up 47.4% YoY
Ratio of equity attributable to owners of the parent to total assets 13.5%

Equity per Share Attributable to Owners of the Parent (Shareholders' Equity per Share)



(FYE2014)
Equity per share attributable to owners of the parent ¥2,393.47

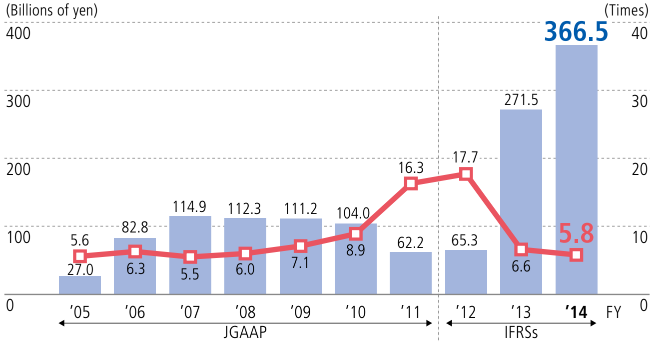
Net Interest-bearing Debt, Net Interest-bearing Debt / EBITDA Multiple



Net interest-bearing debt (left) Finance leases (left)
Net interest-bearing debt / EBITDA multiple (right)

(FYE2014)
Net interest-bearing debt ¥8,182.8 billion
Net interest-bearing debt / EBITDA multiple 3.8 times

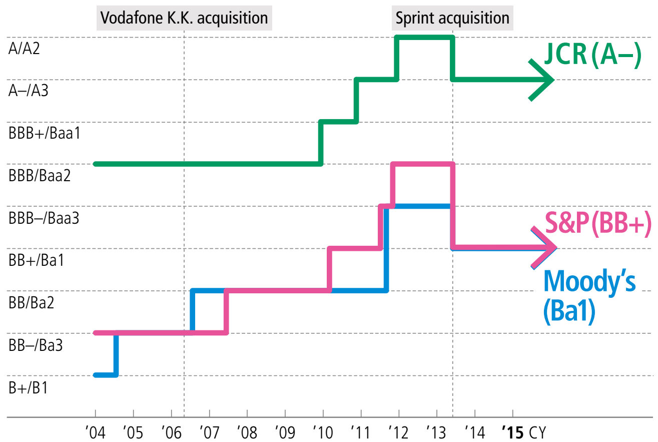
Finance Cost (Interest Expense), Interest Coverage Ratio



Finance cost (left) Interest coverage ratio (right)

(FY2014)
Finance cost (interest expense) ¥366.5 billion
Interest coverage ratio 5.8 times

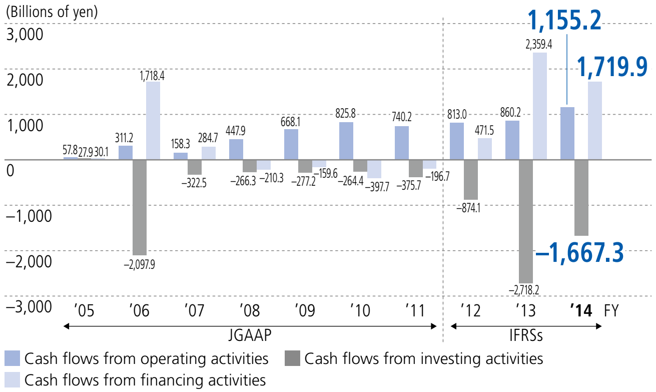
Credit Ratings



(Note) Retrospective adjustments have been made for fiscal 2013 figures in accordance with the adoption of IFRIC 21 "Levies."

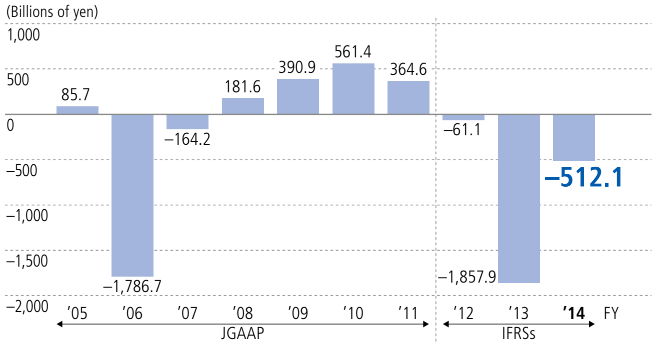
Graphs III

Cash Flow



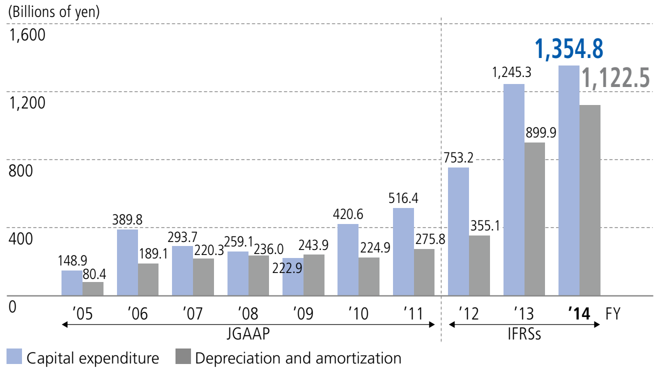
(FY2014)	
Cash flows from operating activities	¥1,155.2 billion
Cash flows from investing activities	–¥1,667.3 billion
Cash flows from financing activities	¥1,719.9 billion

Free Cash Flow



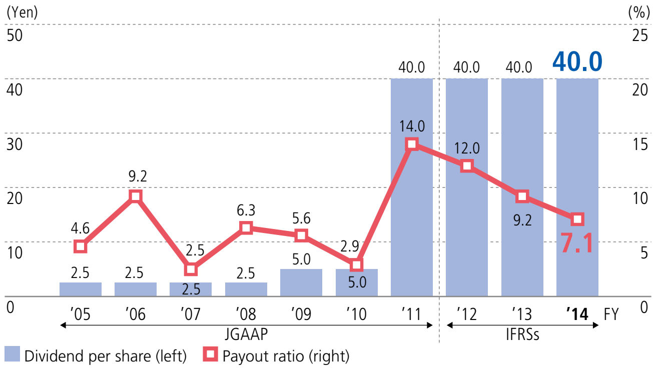
(FY2014)	
Free cash flow	–¥512.1 billion
	+¥1,345.8 billion YoY

Capital Expenditure, Depreciation and Amortization



(FY2014)	
Capital expenditure	¥1,354.8 billion
Depreciation and amortization	¥1,122.5 billion

Dividend per Share, Payout Ratio



(FY2014)	
Dividend per share	Interim dividend: ¥20
	Year-end dividend: ¥20

Market Capitalization

(Note) Retrospective adjustments have been made for fiscal 2013 figures in accordance with the adoption of IFRIC 21 "Levies."

Principal Operational Data

Fiscal years ended March 31

	Units	FY2012	FY2013	FY2014	FY2014 Q1	FY2014 Q2	FY2014 Q3	FY2014 Q4
Mobile Communications Segment								
Cumulative subscribers								
SoftBank Mobile	Thousands	32,480	35,925	37,766	36,482	37,047	37,401	37,766
Ymobile*	Thousands	9,405	10,011	10,017	10,002	10,066	10,065	10,017
(Incl.) PHS	Thousands	5,086	5,546	5,159	5,516	5,470	5,305	5,159
(SoftBank Mobile)								
Net subscriber additions	Thousands	3,531	3,445	1,841	557	565	355	365
Postpaid	Thousands	3,585	3,526	1,951	591	594	384	383
Prepaid	Thousands	(55)	(81)	(110)	(34)	(29)	(29)	(18)
ARPU	¥/month	4,550	4,450	4,230	4,280	4,260	4,250	4,130
Churn rate	%/month	1.09	1.27	1.33	1.11	1.27	1.34	1.57
Postpaid	%/month	1.03	1.22	1.29	1.07	1.23	1.30	1.55
Upgrade rate	%/month	1.53	1.36	1.27	0.71	1.32	1.87	1.18
Units sold	Thousands	13,113	14,175	13,355	2,533	3,428	3,932	3,461
New subscriptions	Thousands	7,519	8,629	7,711	1,761	1,968	1,847	2,135
Handset upgrades	Thousands	5,594	5,546	5,644	772	1,460	2,085	1,326
Handsets shipped	Thousands	11,558	12,033	11,121	1,769	2,978	3,832	2,542
Fixed-line Telecommunications Segment								
Cumulative number of *Yahoo! BB ADSL* subscribers	Thousands	2,172	1,846	1,618	1,772	1,720	1,677	1,618
Cumulative number of *Yahoo! BB hikari with FLET'S* subscribers	Thousands	2,081	2,504	2,724	2,586	2,638	2,693	2,724
Number of *OTOKU Line* lines	Thousands	1,703	1,710	1,707	1,704	1,710	1,704	1,707

* Figures for fiscal 2012 and fiscal 2013 are the sum of the numbers of subscribers at eAccess and WILLCOM.

(Note) Company names are described in accordance with the notation as of March 31, 2015.

Principal Operational Data

Fiscal years ended March 31

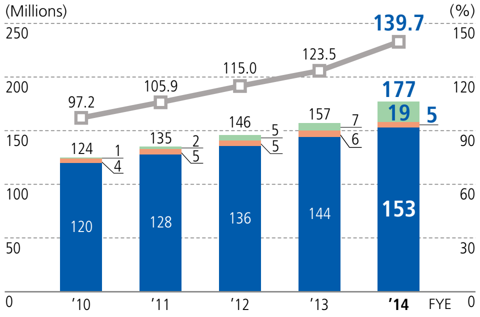
	Units	FY2012	FY2013	FY2014	FY2014 Q1	FY2014 Q2	FY2014 Q3	FY2014 Q4
Sprint Segment								
Cumulative subscribers	Thousands	55,211	54,887	57,141	54,553	55,037	55,929	57,141
Sprint platform	Thousands	53,896	53,551	56,137	53,331	53,921	54,888	56,137
Postpaid	Thousands	30,257	29,918	29,706	29,737	29,465	29,495	29,706
Prepaid	Thousands	15,701	15,257	15,706	14,715	14,750	15,160	15,706
Wholesale & affiliate	Thousands	7,938	8,376	10,725	8,879	9,706	10,233	10,725
Nextel platform	Thousands	1,315	–	–	–	–	–	–
U.S. Cellular & Clearwire*	Thousands	–	1,336	1,004	1,222	1,116	1,041	1,004
(Sprint platform)								
Net additions	Thousands	3,203	(316)	2,586	(220)	590	967	1,249
Postpaid	Thousands	1,265	(339)	(212)	(181)	(272)	30	211
Prepaid	Thousands	2,003	(444)	449	(542)	35	410	546
Wholesale & affiliate	Thousands	(65)	467	2,349	503	827	527	492
ABPU								
Postpaid	US$/month	–	–	–	63.59	62.75	62.16	61.71
ARPU								
Postpaid	US$/month	–	–	–	62.07	60.58	58.90	56.94
Prepaid	US$/month	–	–	–	27.38	27.19	27.12	27.50
Churn rate								
Postpaid	%/month	–	–	–	2.05	2.18	2.30	1.84
Prepaid	%/month	–	–	–	4.44	3.76	3.94	3.84

* Sprint acquired 411,000 subscribers (352,000 postpaid subscribers and 59,000 prepaid subscribers) through the acquisition of assets from U.S. Cellular in conjunction with 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), in conjunction with its acquisition of 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.

Japan and U.S. Mobile Communications Market Data

Japan (Company names are described in accordance with the notation as of March 31, 2015.)

Number of Cumulative Subscribers in Mobile Communications

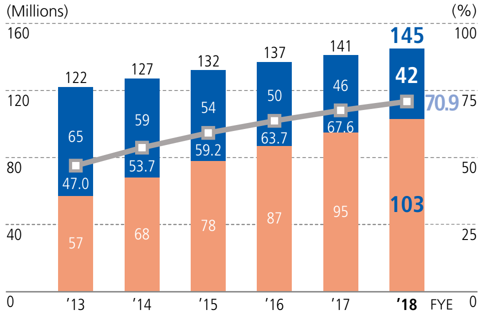


Mobile phones (left) | PHS (left) | BWA* (left) | Population penetration rate (right)

* Broadband Wireless Access

(Note) Created based on publicly available information from the Telecommunications Carriers Association and respective companies.

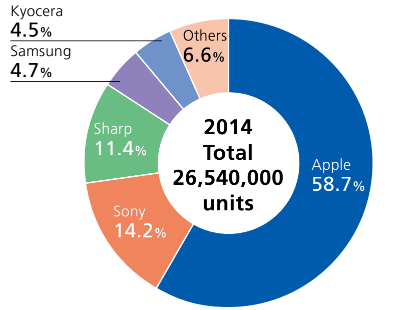
Estimated Smartphone Penetration



Number of smartphone subscribers (left) | Number of conventional mobile phone subscribers (left) | Ratio of smartphones (right)

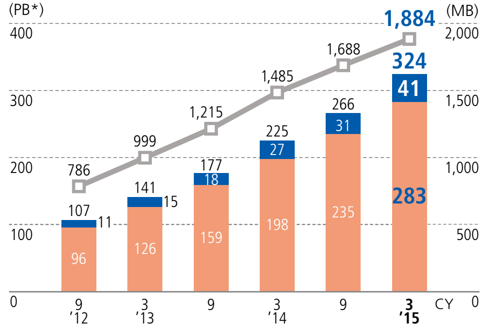
(Note) Based on MM Research Institute, "Smartphone Market Scale Trends and Projections" (April 2014). The above total is the total for smartphones and conventional mobile phones; it does not include PHS, tablets, data communication cards, communication modules, or others.

Share of Smartphone Sales by Manufacturer



(Note) Created based on publicly available information from IDC Japan.

Monthly Mobile Communication Traffic in Japan

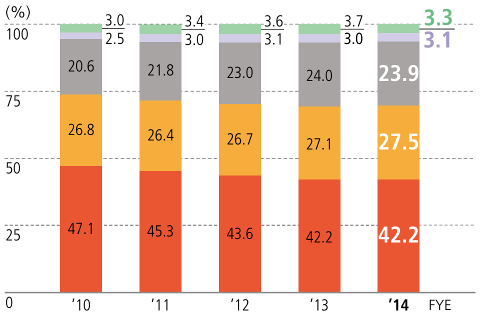


Downlink (PB, left) | Uplink (PB, left) | Average per subscriber (MB, right)

* Petabyte, a unit of data volume. The order of units up to petabyte is kilobyte (KB), megabyte (MB), gigabyte (GB), terabyte (TB), petabyte (PB).

(Note) From Ministry of Internal Affairs and Communications, "Information & Communications Statistics Database, Mobile Communications Traffic in Japan." Aggregation of non-voice traffic data from six mobile operators.

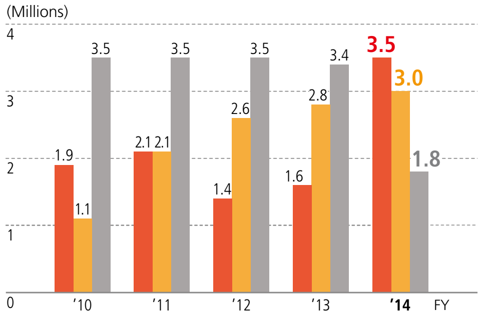
Share of Cumulative Mobile and PHS Subscribers



NTT DOCOMO | KDDI | SoftBank Mobile | Ymobile (mobile phones) | Ymobile (PHS)

(Note) Created based on Telecommunications Carriers Association statistical data.
e-Access merged with WILLCOM on June 1, 2014 and changed its company name to Ymobile on July 1, 2014.

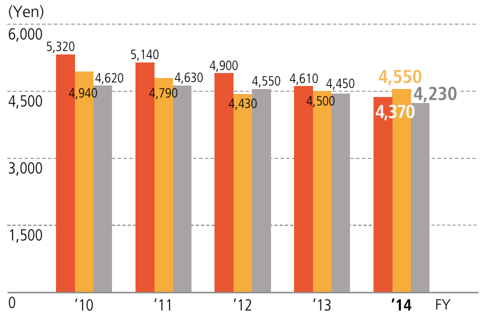
Net Subscriber Additions



NTT DOCOMO | KDDI | SoftBank Mobile

(Note) Created based on respective companies' publicly available information.

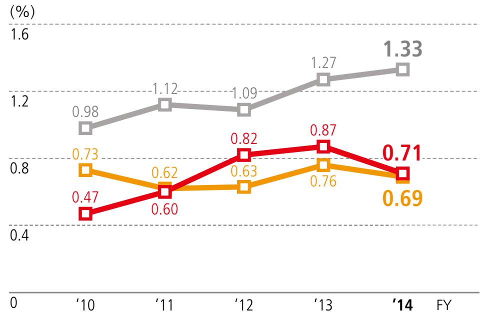
ARPU



NTT DOCOMO | KDDI | SoftBank Mobile

(Note) Created based on respective companies' publicly available information. NTT DOCOMO data includes Smart ARPU. NTT DOCOMO changed its definition for ARPU in fiscal 2014, and the figures for fiscal 2012 have therefore been retrospectively adjusted. From fiscal 2011 onward, the KDDI data is the total of ARPU for the Personal Service segment. KDDI changed its definition for ARPU in fiscal 2014, and the figures for fiscal 2013 have therefore been retrospectively adjusted.

Churn Rate

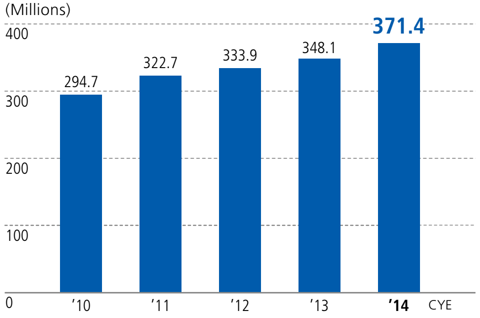


NTT DOCOMO | KDDI | SoftBank Mobile

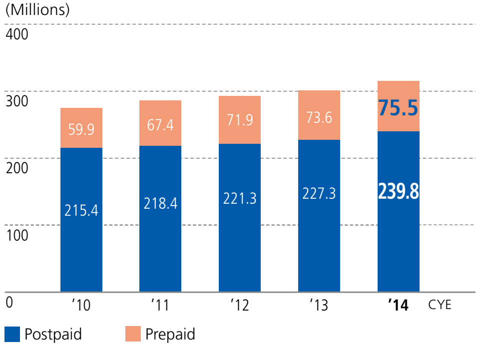
(Note) Created based on respective companies' publicly available information. KDDI data from fiscal 2011 onward are the figures for the Personal Services segment. KDDI changed the definition for its churn rate in fiscal 2014, and the figures for fiscal 2013 have therefore been retrospectively adjusted.

U.S.

Number of Cumulative Subscribers in Mobile Communications

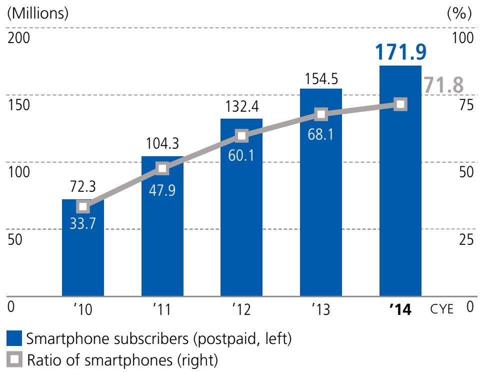


Postpaid - Prepaid Subscribers*

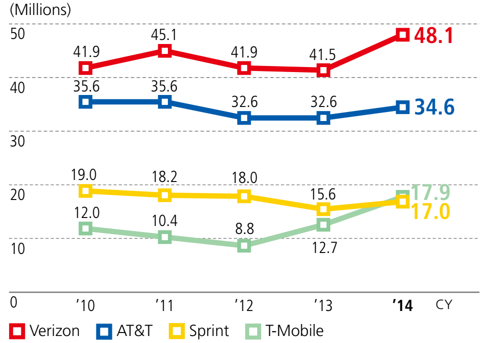


* Not including MVNO and communication module subscribers.

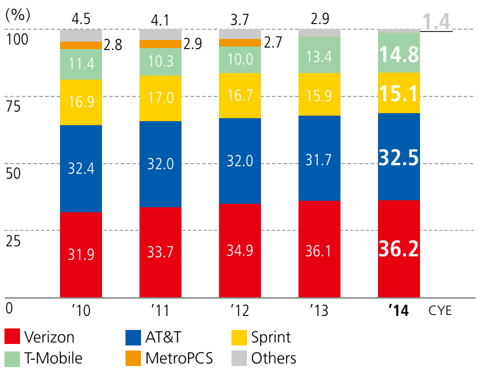
Smartphone Penetration



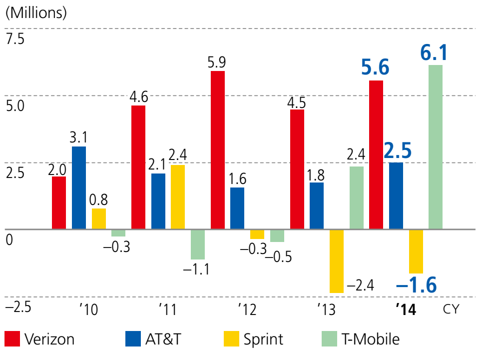
Device Sales (Postpaid)



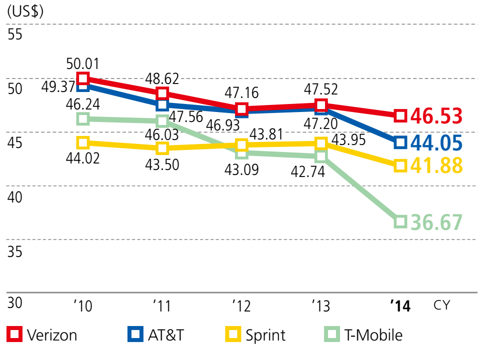
Share of Cumulative Subscribers in Mobile Communications



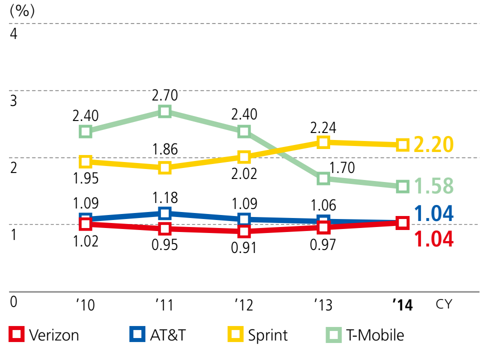
Net Subscriber Additions



ARPU



Churn Rate (Postpaid)



(Note)
Created based on respective companies' publicly available information of Verizon, AT&T, Sprint, T-Mobile, MetroPCS, U.S. Cellular, Leap, Ntelos, Atlantic Tele-Network, TracFone, and Cincinnati Bell.

Government Policy on Spectrum in Japan

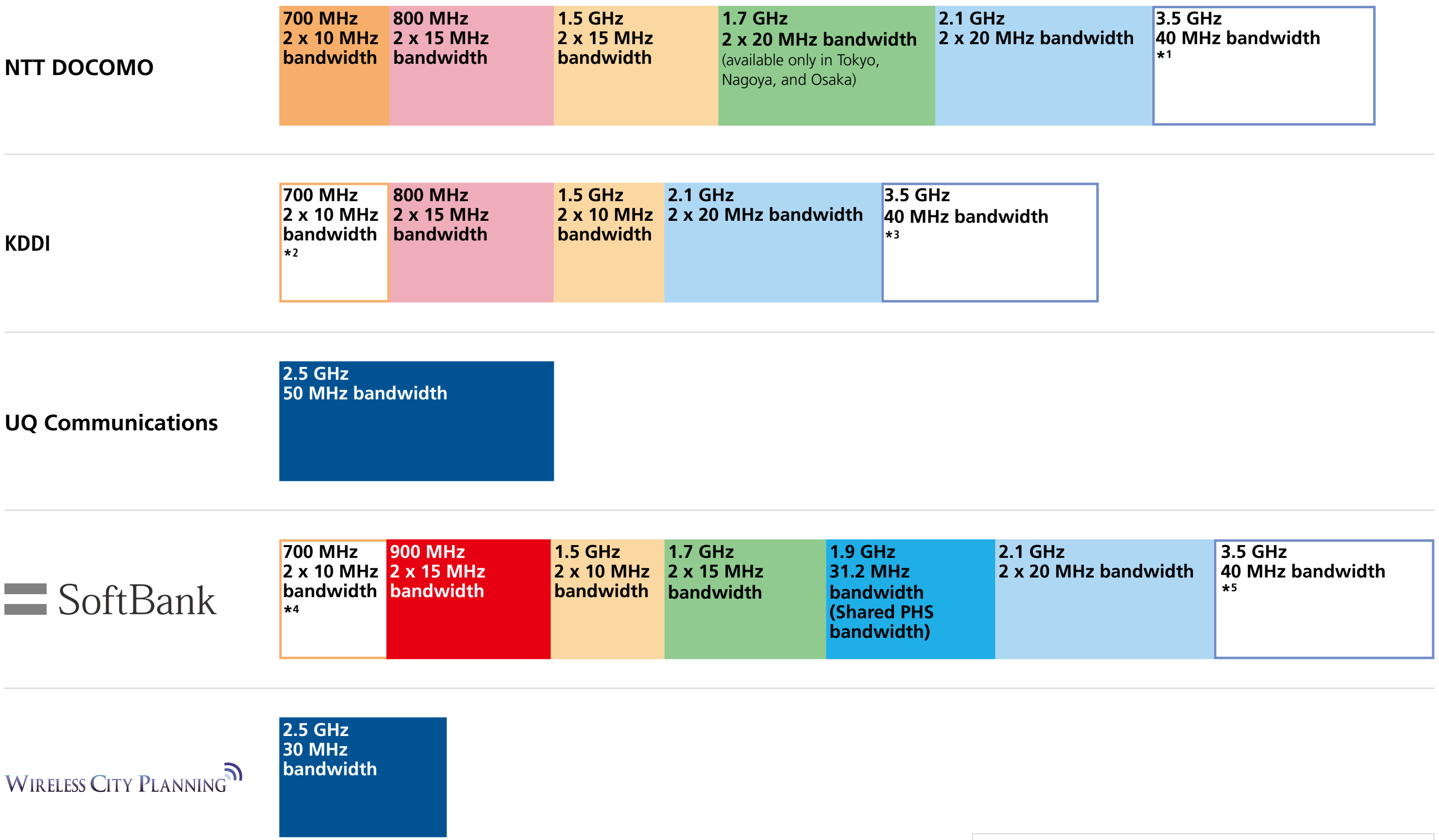
In Western countries, spectrum for mobile phones is generally allotted based on auctions. In Japan, however, a spectrum allotment policy determined by the Ministry of Internal Affairs and Communications (MIC) forms the basis for usage plans submitted by operators. The plans are then examined by the Radio Regulatory Council. Upon receiving a report on these deliberations from the Radio Regulatory Council, MIC allots the spectrum to the operators. The allotted spectrum may be used for 5–10 years before the allotment expires, but in principle the operator is allowed to renew the allotment and continue using the spectrum. However, if MIC restructures the allotted spectrum, the operators are required to shift to other spectrum by the deadline set by MIC. For the allotment of the 900 MHz and 700 MHz bands in 2012, a new system was introduced, featuring a termination promotion measure whereby new spectrum users are to bear the migration costs for existing spectrum users. Moreover, in December 2014, the 3.5 GHz band 120 MHz bandwidth was allotted to mobile operators, and there are plans to allot the 1.7 GHz band (2 × 5 MHz bandwidth) in the future.

Spectrum users are required to pay radio utilization fees to MIC (¥200* a year for every mobile device and approximately ¥62.17 million a year for every 1 MHz of bandwidth used). The radio utilization fee was last revised in October 2014.

* The amount of radio utilization fees to be paid for mobile devices is capped. No payment is required for mobile devices in excess of 800,000 mobile devices for each 1 MHz of spectrum used by installed base stations as of October 31 each year.

Allotment of Spectrum to Japanese Mobile Communications Service Operators

(As of July 1, 2015)



*1 Service to commence from October 2016 or after.
*2 Service commencement date undetermined.
*3 Service to commence from June 2016 or after.
*4 Service to commence from December 2015 or after.
*5 Service to commence from December 2016 or after.
(Note) Created based on public data available as of July 1, 2015

Eleven-year Summary

SoftBank Corp. (currently SoftBank Group Corp.) and its subsidiaries Fiscal years beginning April 1 and ended March 31 of the following year

		JGAAP				
(Millions of yen)		FY2004	FY2005	FY2006	FY2007	FY2008
Net sales		837,018	1,108,665	2,544,219	2,776,169	2,673,035
EBITDA		44,095	149,913	525,428	626,662	678,636
Operating (loss) income		(25,359)	62,299	271,066	324,287	359,121
(Loss) income before income taxes and minority interests / income before income tax		(9,549)	129,484	208,574	225,887	107,338
Net (loss) income / net income attributable to owners of the parent		(59,872)	57,551	28,815	108,625	43,172
Total assets		1,704,854	1,808,399	4,310,853	4,558,902	4,386,672
Total shareholders' equity / total equity attributable to owners of the parent		178,017	242,768	282,950	383,743	374,094
Interest-bearing debt		953,918	1,005,293	2,544,404	2,532,969	2,400,391
Net interest-bearing debt		631,680	554,614	2,158,149	2,036,879	1,939,521
Net cash (used in) provided by operating activities		(45,989)	57,806	311,202	158,258	447,858
Net cash (used in) provided by investing activities		(242,944)	27,852	(2,097,937)	(322,461)	(266,295)
Net cash provided by (used in) financing activities		277,771	30,078	1,718,385	284,727	(210,348)
Net (decrease) increase in cash and cash equivalents		(9,689)	126,642	(65,277)	113,517	(31,169)
Cash and cash equivalents at the end of the year		320,195	446,694	377,521	490,267	457,644
Major Indicators	(Units)					
EBITDA margin	%	5.3	13.5	20.7	22.6	25.4
Operating margin	%	– *2	5.6	10.7	11.7	13.4
ROA	%	(3.8)	3.3	0.9	2.4	1.0
ROE	%	(28.8)	27.4	11.0	32.6	11.4
Equity ratio / ratio of equity attributable to owners of the parent to total assets	%	10.4	13.4	6.6	8.4	8.5
Debt / equity ratio	Times	5.4	4.1	9.0	6.6	6.4
Net debt / equity ratio	Times	3.5	2.3	7.6	5.3	5.2
Per Share Data*1	(Units)					
Net (loss) income / earnings per share attributable to owners of the parent – basic	¥	(57.01)	54.36	27.31	101.68	39.95
Net income – diluted / earnings per share attributable to owners of the parent – diluted	¥	– *2	50.71	26.62	95.90	38.64
Shareholders' equity / equity attributable to owners of the parent	¥	168.62	229.88	268.02	355.15	346.11
Cash dividends	¥	2.33	2.50	2.50	2.50	2.50
Others						
Shares outstanding (thousands of shares)		351,457	1,055,082	1,055,704	1,080,501	1,080,855
Subsidiaries		153	153	118	109	108
Associates		108	87	66	67	74
Number of public companies*3		11	11	11	14	13
Number of employees (consolidated basis)		12,949	14,182	17,804	19,040	21,048

*1 The number of shares is retroactively adjusted to reflect the following stock split: January 5, 2006 3.0:1. Earnings per share attributable to owners of the parent – basic and earnings per share attributable to owners of the parent – diluted are calculated based on net income attributable to owners of the parent.

*2 Not shown because of net loss.

*3 Number of subsidiaries and associates with publicly offered shares (including SFJ Capital Limited, which has issued preferred (restricted voting) securities).

(Notes) 1. The Company adopted the International Financial Reporting Standards (IFRSs) from fiscal 2013. Figures for fiscal 2012 have also been presented in accordance with IFRSs. Items where terminology differs between JGAAP and IFRSs are presented together in the style "JGAAP / IFRSs."

2. The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies."

Eleven-year Summary

SoftBank Corp. (currently SoftBank Group Corp.) and its subsidiaries Fiscal years beginning April 1 and ended March 31 of the following year

		JGAAP			IFRSs		
(Millions of yen)		FY2009	FY2010	FY2011	FY2012	FY2013	**FY2014**
Net sales		2,763,406	3,004,640	3,202,436	3,202,536	6,666,651	**8,670,221**
EBITDA		787,631	930,730	1,013,716	1,152,741	1,778,492	**2,132,902**
Operating (loss) income		465,871	629,163	675,283	799,399	1,077,044	**982,703**
(Loss) income before income taxes and minority interests / income before income tax		289,250	480,613	632,257	715,504	924,049	**1,277,045**
Net (loss) income / net income attributable to owners of the parent		96,716	189,713	313,753	372,481	520,250	**668,361**
Total assets		4,462,875	4,655,725	4,899,705	7,218,172	16,690,127	**21,034,169**
Total shareholders' equity / total equity attributable to owners of the parent		470,532	619,253	936,695	1,612,756	1,930,441	**2,846,306**
Interest-bearing debt		2,195,471	2,075,801	1,568,126	3,707,853	9,170,053	**11,607,244**
Net interest-bearing debt		1,501,074	1,209,636	547,299	2,257,806	7,059,286	**8,182,817**
Net cash (used in) provided by operating activities		668,050	825,837	740,227	813,025	860,245	**1,155,174**
Net cash (used in) provided by investing activities		(277,162)	(264,448)	(375,656)	(874,144)	(2,718,188)	**(1,667,271)**
Net cash provided by (used in) financing activities		(159,563)	(397,728)	(196,667)	471,477	2,359,375	**1,719,923**
Net (decrease) increase in cash and cash equivalents		230,719	159,457	168,069	417,944	524,433	**1,295,163**
Cash and cash equivalents at the end of the year		687,682	847,155	1,014,559	1,439,057	1,963,490	**3,258,653**
Major Indicators	(Units)						
EBITDA margin	%	28.5	31.0	31.7	36.0	26.7	**24.6**
Operating margin	%	16.9	20.9	21.1	25.0	16.2	**11.3**
ROA	%	2.2	4.2	6.6	6.0	4.4	**3.5**
ROE	%	22.9	34.8	40.3	29.7	29.5	**28.0**
Equity ratio / ratio of equity attributable to owners of the parent to total assets	%	10.5	13.3	19.1	22.3	11.6	**13.5**
Debt / equity ratio	Times	4.7	3.4	1.7	2.3	4.8	**4.1**
Net debt / equity ratio	Times	3.2	2.0	0.6	1.4	3.7	**2.9**
Per Share Data*1	(Units)						
Net (loss) income / earnings per share attributable to owners of the parent – basic	¥	89.39	175.28	285.78	332.51	436.95	**562.20**
Net income – diluted / earnings per share attributable to owners of the parent – diluted	¥	86.39	168.57	278.75	328.08	434.68	**558.75**
Shareholders' equity / equity attributable to owners of the parent	¥	434.74	572.14	852.69	1,353.55	1,624.33	**2,393.47**
Cash dividends	¥	5.00	5.00	40.00	40.00	40.00	**40.00**
Others							
Shares outstanding (thousands of shares)		1,082,329	1,082,350	1,098,515	1,191,500	1,188,456	**1,189,197**
Subsidiaries		109	117	133	230	756	**769**
Associates		64	73	74	100	105	**120**
Number of public companies*3		12	13	14	14	13	**14**
Number of employees (consolidated basis)		21,885	21,799	22,710	25,891	70,336	**66,154**

Segment Financial Data

SoftBank Corp. (currently SoftBank Group Corp.) and its subsidiaries   Fiscal years beginning April 1 and ended March 31 of the following year

			FY2013				FY2014			
(Millions of yen)	FY2013	FY2014	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile Communications Segment										
Net sales	3,165,518	4,189,513	661,918	724,609	817,301	961,690	882,901	1,010,500	1,194,057	1,102,055
EBITDA	1,000,829	1,149,610	264,226	267,826	264,975	203,802	314,490	300,724	280,346	254,050
EBITDA margin (%)	31.6	27.4	39.9	37.0	32.4	21.2	35.6	29.8	23.5	23.1
Segment income	605,845	695,287	180,859	175,598	164,770	84,618	207,890	193,745	170,148	123,504
Segment income margin (%)	19.1	16.6	27.3	24.2	20.2	8.8	23.5	19.2	14.2	11.2
Capital expenditure (acceptance basis)	678,960	536,762	163,581	164,563	170,469	180,347	123,186	121,794	129,673	162,109
Depreciation and amortization	394,984	454,323	83,367	92,228	100,205	119,184	106,600	106,979	110,198	130,546
Sprint Segment*1										
Net sales	2,601,031	3,800,021	–	760,941	923,498	916,592	897,737	885,699	1,026,421	990,164
EBITDA	412,342	653,040	–	115,671	120,429	176,242	190,326	147,784	123,456	191,474
EBITDA margin (%)	15.9	17.2	–	15.2	13.0	19.2	21.2	16.7	12.0	19.3
Segment income (loss)	(6,119)	73,888	–	(18,520)	(31,982)	44,383	61,705	15,021	(21,898)	19,060
Segment income margin (%)	– *2	1.9	–	– *2	– *2	4.8	6.9	1.7	– *2	1.9
Capital expenditure (acceptance basis)	464,276	699,849	–	163,574	208,733	91,969	148,793	162,025	213,765	175,266
Depreciation and amortization	418,461	579,152	–	134,191	152,411	131,859	128,621	132,763	145,354	172,414
Fixed-line Telecommunications Segment										
Net sales	548,090	541,056	133,406	136,963	137,056	140,665	131,836	132,467	135,714	141,039
EBITDA	170,379	160,335	43,444	46,526	44,527	35,882	40,656	41,617	42,906	35,156
EBITDA margin (%)	31.1	29.6	32.6	34.0	32.5	25.5	30.8	31.4	31.6	24.9
Segment income	108,302	100,263	28,635	31,608	29,125	18,934	26,717	26,629	27,975	18,942
Segment income margin (%)	19.8	18.5	21.5	23.1	21.3	13.5	20.3	20.1	20.6	13.4
Capital expenditure (acceptance basis)	60,468	61,982	9,903	16,743	13,091	20,731	9,946	14,447	15,151	22,438
Depreciation and amortization	62,077	60,072	14,809	14,918	15,402	16,948	13,939	14,988	14,931	16,214

*1 The Sprint segment includes the results of Sprint since July 11, 2013.
*2 Not shown due to recording a loss.

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

Segment Financial Data

SoftBank Corp. (currently SoftBank Group Corp.) and its subsidiaries   Fiscal years beginning April 1 and ended March 31 of the following year

			FY2013				FY2014			
(Millions of yen)	FY2013	FY2014	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Internet Segment										
Net sales	399,869	419,134	96,198	100,092	101,686	101,893	96,858	101,447	105,407	115,422
EBITDA	204,318	204,898	49,983	51,323	52,311	50,701	49,026	48,195	51,330	56,347
EBITDA margin (%)	51.1	48.9	52.0	51.3	51.4	49.8	50.6	47.5	48.7	48.8
Segment income	188,949	187,001	46,762	48,105	48,611	45,471	45,483	44,042	46,934	50,542
Segment income margin (%)	47.3	44.6	48.6	48.1	47.8	44.6	47.0	43.4	44.5	43.8
Capital expenditure (acceptance basis)	26,039	30,068	4,393	2,746	9,194	9,706	8,534	5,035	9,418	7,081
Depreciation and amortization	15,369	17,897	3,221	3,218	3,700	5,230	3,543	4,153	4,396	5,805
Others										
Net sales	124,453	111,184	30,575	34,198	28,620	31,060	26,132	29,290	27,923	27,839
EBITDA	13,592	(10,504)	2,938	6,493	1,875	2,286	3,111	(2,422)	(5,547)	(5,646)
EBITDA margin (%)	10.9	– *2	9.6	19.0	6.6	7.4	11.9	– *2	– *2	– *2
Segment income (loss)	6,041	(20,416)	1,351	4,744	(67)	13	1,178	(4,432)	(7,847)	(9,315)
Segment income margin (%)	4.9	– *2	4.4	13.9	– *2	0.0	4.5	– *2	– *2	– *2
Capital expenditure (acceptance basis)	15,507	26,178	2,835	4,694	3,082	4,896	5,552	4,446	8,983	7,197
Depreciation and amortization	7,551	9,912	1,587	1,749	1,942	2,273	1,933	2,010	2,300	3,669
Reconciliations*3										
Net sales	(172,310)	(390,687)	(41,028)	(39,260)	(45,070)	(46,952)	(43,248)	(47,255)	(162,719)	(137,465)
EBITDA	(22,968)	(24,477)	(6,319)	(4,012)	(6,156)	(6,481)	(5,551)	(5,389)	(5,374)	(8,163)
Segment income	(24,430)	(25,652)	(6,634)	(4,348)	(6,543)	(6,905)	(5,916)	(5,678)	(5,670)	(8,388)
Depreciation and amortization	1,462	1,175	315	336	387	424	365	289	296	225
Consolidated										
Net sales	6,666,651	8,670,221	881,069	1,717,543	1,963,091	2,104,948	1,992,216	2,112,148	2,326,803	2,239,054
EBITDA	1,778,492	2,132,902	354,272	483,827	477,961	462,432	592,058	530,509	487,117	523,218
EBITDA margin (%)	26.7	24.6	40.2	28.2	24.3	22.0	29.7	25.1	20.9	23.4
Segment income	878,588	1,010,371	250,973	237,187	203,914	186,514	337,057	269,327	209,642	194,345
Segment income margin (%)	13.2	11.7	28.5	13.8	10.4	8.9	16.9	12.8	9.0	8.7
Capital expenditure (acceptance basis)	1,245,250	1,354,839	180,712	352,320	404,569	307,649	296,011	307,747	376,990	374,091
Depreciation and amortization	899,904	1,122,531	103,299	246,640	274,047	275,918	255,001	261,182	277,475	328,873

*3 Reconciliations includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.

Where do we stand?

Interview with Corporate Executive in Charge of Finance

Financial Support to Keep Pace with Rapidly Changing Businesses

Yoshimitsu Goto
Executive corporate officer, general manager, finance

Q1 In fiscal 2014, you executed some large-scale fund procurements. What was the underlying financial policy behind these procurements, and how were the funds used?

A1 In fiscal 2014, we raised around ¥1.6 trillion through the issuance of corporate bonds.

There are two considerations in our fund procurement: the first is the procurement market, which means identifying markets where there are latent needs, and the second is how to approach our financial strategy amid an environment of historically low interest rates.

First, in terms of procurement markets, we are focusing on the retail investor market. We started issuing the Fukuoka SoftBank HAWKS bonds in fiscal 2005, and since then, we have continued to issue bonds targeting retail investors. Since fiscal 2013, we have expanded our scale even further and at last created a market. In fiscal 2014, all of our bond issues were for retail investors.

Individual financial assets in Japan are worth approximately ¥1,700 trillion. Of this, around ¥900 trillion is said to be cash deposits. Access to the fixed income market for these cash deposits is still very limited, with government bonds at about ¥19 trillion and corporate bonds at around ¥6 trillion.

We think that there is truly a latent need in this retail investor market, and so we have continued making large-scale bond issues, which have been met with high acclaim. We aim to continue our role as a leading company in this newly created market.

Next, we took advantage of the current low interest-rate environment to improve our balance sheet.

When people talk of improving the balance sheet, you often hear them recommending increasing equity by issuing new shares, but the cost of issuing new shares is actually very high. If you look at the capital cost, this is quite clear. At the moment, our capital cost is around 11%.

In fiscal 2014, we issued subordinated bonds for retail investors as a high-equity content bond. If we issue new shares, the cost would be around 11%, but we made use of the current interest environment to achieve quasi-equity procurement under the more favorable condition of 2.5%.

Capital cost: the cost required for a company to procure and maintain capital.

The reason for continuing these large-scale fund procurements is to ensure we are always ready to synchronize perfectly with the decision-making speed of our management, which is among the fastest in the world. In other words, we are keeping plenty of cash on hand so that we can apply leverage flexibly as needed and never have to pass up an opportunity. Another point is that to ensure that we grow safely, it's important to assume that risks such as the 2008 financial crisis will materialize. This is another reason to keep plenty of cash on hand.

Q2 Do you target any financial indicators, such as the net interest-bearing debt to EBITDA ratio?

A2 For a start, we don't have any specific numerical target for the net interest-bearing debt to EBITDA ratio.

The reason for that is, when we are considering making a major investment it would be pointless to make a uniform judgement to reject a proposal because it exceeds some numerical target. We believe it is important to discern the value of a proposed investment without being swayed by a temporary fluctuation of some indicators.

A low leverage ratio means a safer position. But conversely, it can also indicate that a company isn't trying hard enough to increase its enterprise value. I believe the role of the finance team is to pursue the maximum use of leverage within a safe range.

Q3 Could you share your views on shareholder returns?

A3 Shareholder returns are an important consideration that needs to be taken side-by-side with growing enterprise value.

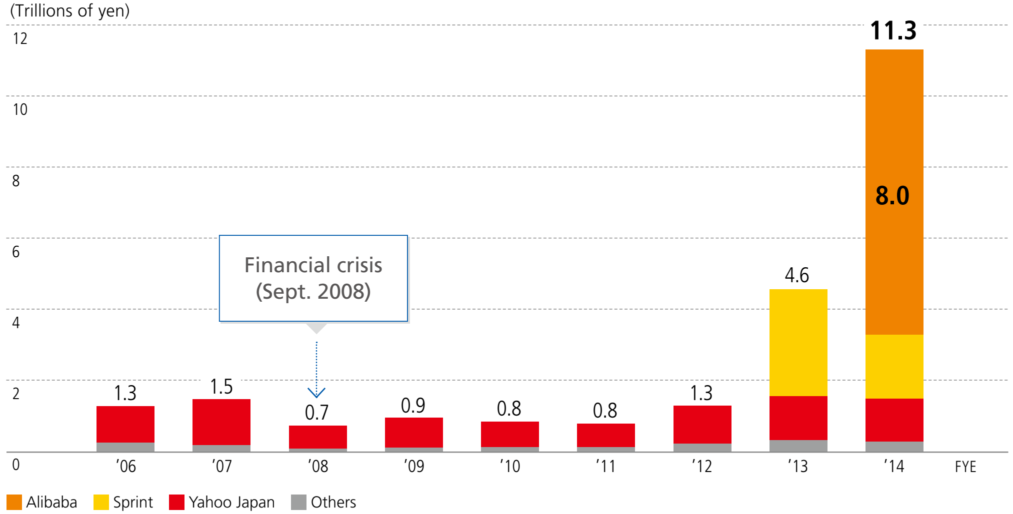
We have also used leverage to procure around ¥12 trillion in interest-bearing debt, so we will therefore be constantly weighing repayment of debt against shareholder returns. We will endeavor to give full consideration to all stakeholders and judge the appropriate timing and scale of shareholder returns.

Q4 Unrealized gains in Alibaba since its public listing in September 2014 stand at around ¥8 trillion. How do you plan to utilize this share value?

A4 We rate the future potential of Alibaba's business very highly and consider our medium- to long-term relationship with them to be very important.

Another point is that there are various fund procurement methods that we can consider by utilizing this unrealized gain. Our aim is to use such procurements to fund strategic investments that will increase our value.

Market Capitalization of Listed Holdings (Holdings of SoftBank Corp. (currently SoftBank Group Corp.) and its wholly owned subsidiaries)



Q5 Regarding governance, are there any indicators such as ROE that you emphasize particularly as the head of finance?

A5 I believe the important thing for a listed company is continued growth potential.

While I agree with the need to emphasize ROE, I also think it is very important not to make uniform judgements based on ROE alone. I see my role as being to establish a financial constitution that enables us to take up challenges boldly as long as we are confident of future growth, even if a temporary adverse financial event were to occur. And, in such an event, I would explain our position accurately and carefully, and endeavor to help people to understand our vision.

Q6 Could you please give your closing message to the investors?

A6 Our strength is in our view that "not changing is the greatest risk." It is by changing that we grow as a company. I hope that our investors will feel confident that we are making positive changes for them, and I will continue as always to be proactive in providing clear explanations.

Interview with Head of Strategic Finance

Rajeev Misra
Head of strategic finance for SoftBank Group

Rajeev Misra was a senior managing director and partner in the Fortress Investment Group's London office and served as global head of fixed income, currencies and commodities (FICC) at UBS between 2009 and 2013. Prior to that, he spent over 10 years at Deutsche Bank as global head of the fixed income division. He has a B.S. in mechanical engineering, an M.S. in computer science, and an MBA from MIT Sloan School of Management.

Supporting Transformation from the Financial Aspect

Q1 Why do you think Mr. Son asked you to join the team?

A1 Mr. Son brought me on board to advise on aspects regarding financing, tax, and investment opportunities in financial technology, and also to use my experience of building businesses from scratch at Deutsche Bank and UBS, which involved recruiting talented individuals globally.

I joined because it's very stimulating and educational to work in a different industry. We are playing a role in the latest industrial revolution that is going on in our planet.

Q2 What do you think SoftBank needs to do to succeed in becoming a global company?

A1 For one thing, I think it needs to add a lot more human capital. We are not just a Japanese company anymore; we are making investments globally. This requires a local presence in the countries where we invest, but we have very few people outside Japan with domain experience working in different industries.

Another issue is that with a market capitalization of around ¥8 trillion and net debt of around ¥4.6 trillion, excluding Sprint, as of the end of March 31, 2015, the liability structure has to be optimized.

Q3 What do you plan to do to help SoftBank achieve its second phase?

A3 I will be involved with the process of populating the Group with human resources who make high-quality investment and financial decisions. A company this size has to have human resources who will bring ideas—who will work with financial institutions to raise different kinds of debt and improve the stock price, investor relations, and other aspects. So, we need to build a global footprint of human capital in Asia, Europe, and the U.S.

In terms of finance, we will be helping Sprint to finance its growth, and helping SoftBank to extend the maturity of its debt so that it can weather market volatility better. I will also be working with Mr. Son and Mr. Arora to look at the sum-of-parts discount of the valuation of SoftBank stock to see how we can narrow the gap.

In Japan, I'll be working with Mr. Goto to bring international opportunities financed by Japanese banks.

Q4 Why do you think SoftBank will succeed?

A4 I am certain we will succeed because we are taking a long-term investment view in India, China, the U.S., and Southeast Asia. Our next step is to build critical mass and presence locally and recruit the next generation of SoftBank employees in the U.S., Europe, and Southeast Asia.

Management's Discussion and Analysis of Results of Operations and Financial Position

– Net sales reached ¥8.7 trillion, an increase of 30.1% from fiscal 2013.

– Operating income was ¥982.7 billion, an 8.8% decrease from fiscal 2013.

– Net income attributable to owners of the parent was ¥668.4 billion, up 28.5% from fiscal 2013.

Each company name in the Financial Section (page 67–192) is described in accordance with the notation as of March 31, 2015. The company names in the Risk Factors section (page 83–90) are described in accordance with the notation as of July 1, 2015.

Business Description

The Company (SoftBank Corp. and its subsidiaries) has four reportable segments: the Mobile Communications segment, the Sprint segment, the Fixed-line Telecommunications segment, and the Internet segment. Under the Company's management structure, SoftBank Corp. manages and adjusts these segments as a pure holding company.

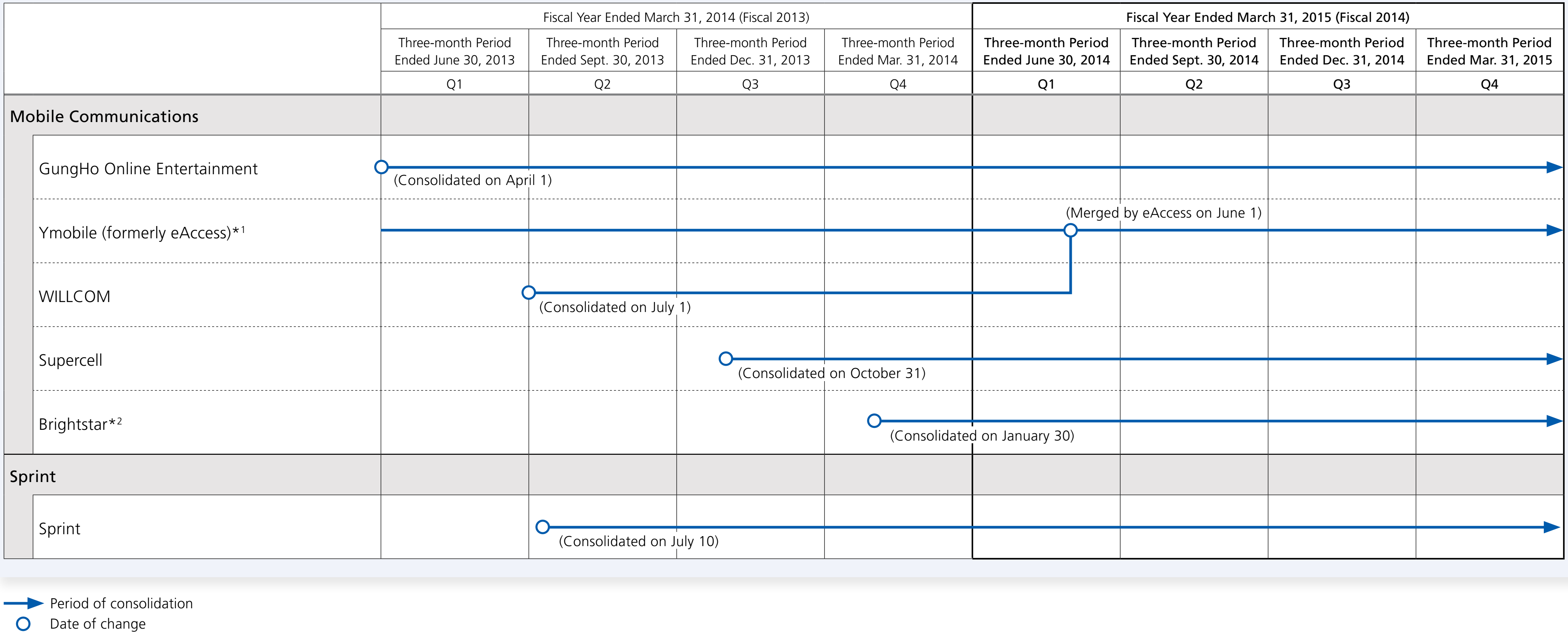
Main Businesses, Core Companies and Numbers of Companies in Each Reportable Segment

	Business Segment	Main Businesses	Core Companies	Subsidiaries	Associates
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*1 Wireless City Planning Inc. Brightstar Corp.*2 SoftBank Telecom Corp. GungHo Online Entertainment, Inc. Supercell Oy	179	9
Reportable Segments	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	349	–
Reportable Segments	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	22	3
Reportable Segments	Internet	• Internet advertising • E-commerce business • Membership services	Yahoo Japan Corporation	46	20
Others		• Fukuoka SoftBank HAWKS related businesses	Fukuoka SoftBank HAWKS Corp.	173	88
			Total	769	120

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

(Note) Effective April 1, 2015, SoftBank Mobile, SoftBank BB, SoftBank Telecom, and Ymobile merged with SoftBank Mobile being the surviving company.

In Detail (1) Major Changes to Subsidiaries (April 2013 – March 2015)



*1 eAccess changed its company name to Ymobile on July 1, 2014. Preceding this, eAccess merged with WILLCOM on June 1, 2014. The ADSL business of Ymobile is included in the Fixed-line Telecommunications segment.

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(Note) Effective April 1, 2015, SoftBank Mobile, SoftBank BB, SoftBank Telecom, and Ymobile merged with SoftBank Mobile being the surviving company.

Analysis of Consolidated Results of Operations

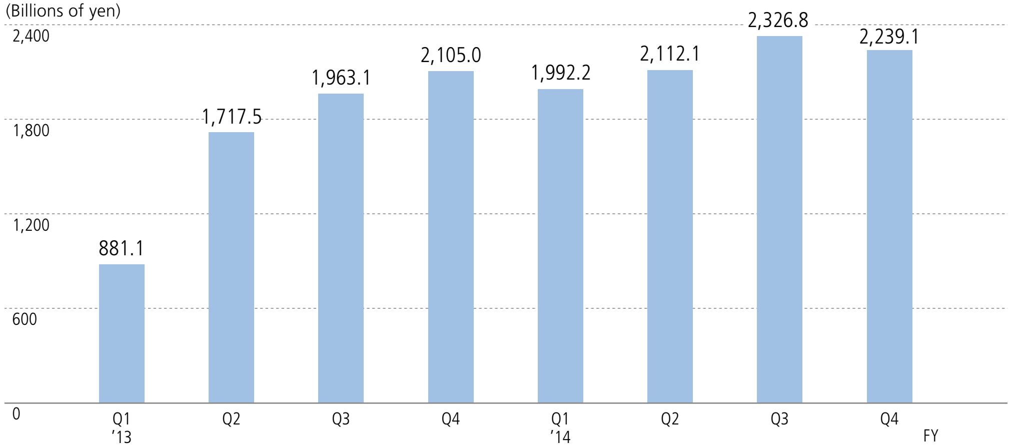
1. Overall Results for Fiscal 2014 (Fiscal Year Ended March 31, 2015)

(Millions of yen)

	Fiscal Year Ended March 31, 2014 (Fiscal 2013)	Fiscal Year Ended March 31, 2015 (Fiscal 2014)	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) The results for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies." Please refer to Notes to Consolidated Financial Statements page 109 "4. Changes in accounting policies" for details.

Net Sales



(Note) Retrospective adjustments have been made in accordance with the adoption of IFRIC 21 "Levies."

2. Net Sales

Net sales totaled ¥8,670,221 million, for a ¥2,003,570 million (30.1%) increase compared to fiscal 2013, the fiscal year ended March 31, 2014, (year on 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* and Supercell. Net sales increased at Brightstar because in fiscal 2013 the results of Brightstar were recorded only for two months, but in fiscal 2014 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 year on year. The main reason for the increase was recording the results of Sprint for the entire fiscal year in fiscal 2014, when in fiscal 2013 its results were recorded only for the period from July 11, 2013, after its acquisition.

* In the "Management's Discussion and Analysis of Results of Operations and Financial Position," 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, from which SoftBank Commerce & Service Corp. inherited the business, have been included in the Mobile Communications segment.

3. 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 fiscal 2013, 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 fiscal 2013). The improvement was mainly a result of not recording impairment loss for fiscal 2014, compared to impairment loss of ¥32,090 million recorded in fiscal 2013, and recording ¥18,726 million in gain on partial pension settlement at Sprint. These were partially offset by recording ¥21,271 million as provision for unprofitable contract at SoftBank Telecom. Please refer to Notes to Consolidated Financial Statements page 183 "36. Other operating income and loss" for details on other operating loss.

In fiscal 2013, the Company recorded a gain of ¥253,886 million recognized following remeasurement at fair value of the respective equity interests in GungHo and WILLCOM that it already held on the dates when the Company acquired control. No gain from remeasurement relating to business combination was recorded in fiscal 2014.

4. Income before Income Tax

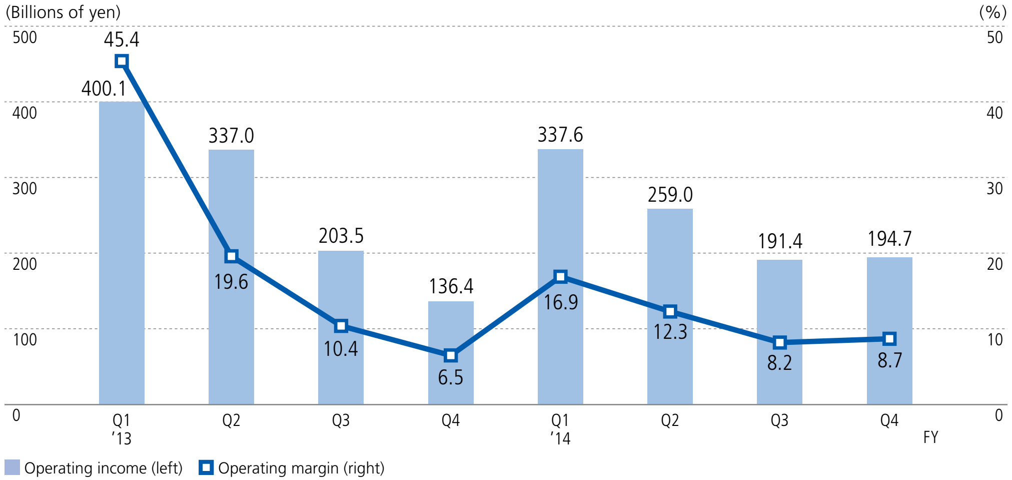
Income before income tax was ¥1,277,045 million, an increase of ¥352,996 million (38.2%) year on year.

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 the interest expense of Sprint for the entire fiscal year in fiscal 2014.

(Millions of yen)

	Fiscal 2013	Fiscal 2014	Change	Change %
Finance cost	271,478	**366,505**	95,027	35.0%
(Incl.) Sprint	154,117	**236,776**	82,659	53.6%

Operating Income and Operating Margin



(Note) Retrospective adjustments have been made in accordance with the adoption of IFRIC 21 "Levies."

Income on equity method investments was ¥76,614 million, an improvement of ¥2,212 million year on year (income on equity method investments of ¥74,402 million was recorded in fiscal 2013). Out of this, ¥67,460 million was recorded in income on equity method investments related to Alibaba, compared to an income of ¥66,780 million recorded in fiscal 2013.

Although Alibaba has shown steady growth, the increase in the relevant income on equity method investments 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 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 2013	Fiscal 2014	Change	Change %
Income on equity method investments	74,402	**76,614**	2,212	3.0%
(Incl.) Alibaba	66,780	**67,460**	680	1.0%

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.

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 fiscal 2013). The primary components were as follows:

i. Impairment loss on equity method associates of ¥35,261 million was recorded (not recorded in fiscal 2013). This is due mainly to recording impairment loss on investment in Renren.

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 fiscal 2013 following the sale of PPLive shares.

Please refer to Notes to Consolidated Financial Statements page 183 "39. Other non-operating income and loss" for details about other non-operating income and loss.

5. Income Taxes and Net Income Attributable to Owners of the Parent

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 income on equity method investments and dilution gain from changes in equity interest related to associates such as Alibaba.

Net income totaled ¥763,682 million, for a ¥185,431 million (32.1%) year-on-year increase.

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

6. 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.

In Detail (2) Difference in Tax Rate and Loss Carryforwards

Reconciliation Between the Statutory Tax Rate and the Effective Tax Rate

	Fiscal 2013		Fiscal 2014	
	Rate (%)	Amount (Millions of yen)	Rate (%)	Amount (Millions of yen)
Income before income tax		924,049		**1,277,045**
Statutory income tax rate	38.0%	351,231	**35.6%**	**455,139**
(Main factors of difference)				
• Impact from reassessment of the recoverability of deferred tax assets	11.7%	108,120	**2.9%**	**36,960**
• Impairment loss on equity method associates	–	–	**0.9%**	**11,814**
• Income on equity method investments	(2.7)%	(24,843)	**(0.1)%**	**(1,242)**
• Gain from remeasurement relating to business combination	(10.4)%	(96,502)	**–**	**–**
• Others	0.8%	7,792	**0.9%**	**10,692**
Effective income tax rate	37.4%	345,798	**40.2%**	**513,363**

Loss Carryforwards (as of March 31, 2015)

(Millions of yen)

Company	Deferred Tax Assets	Valuation Allowance	Deferred Tax Assets on B/S
Sprint	979,957	(913,087)	66,870
Ymobile	38,705	–	38,705
SoftBank Corp.	33,430	(33,430)	–
Others	46,110	(39,974)	6,136
Total	1,098,202	(986,491)	111,711

Reportable Segment Analysis

Overview of Reportable Segments

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 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 those services, as well as fixed-line telecommunications services.

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

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

(Note) 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

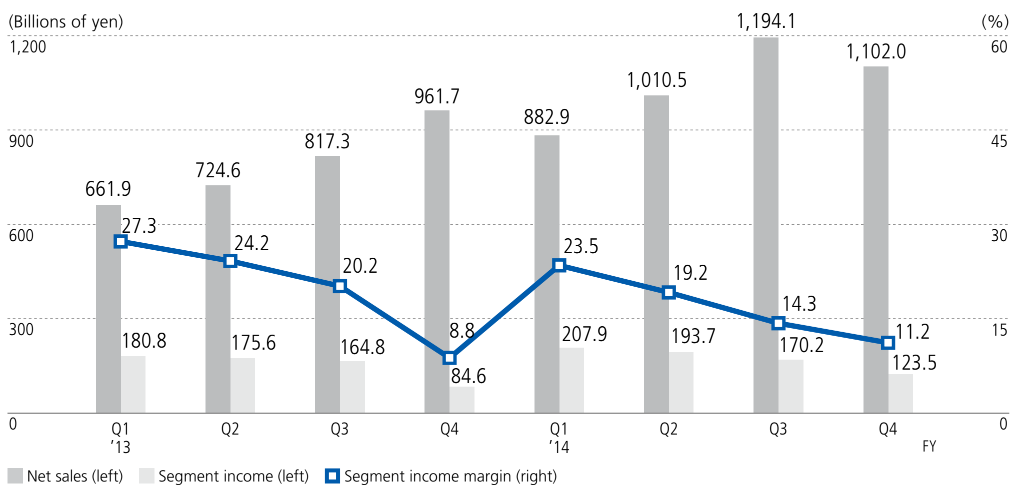
Mobile Communications Segment

Overall Results

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.

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 in fiscal 2014, while in fiscal 2013 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 in fiscal 2014, while in fiscal 2013 they were recorded only after its acquisition on October 31, 2013. At SoftBank Mobile, 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.

Mobile Communications



(Note) Retrospective adjustments have been made to segment income figures for fiscal 2013 in accordance with the adoption of IFRIC 21 "Levies."

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. Income at Supercell increased by ¥50,070 million to ¥55,908 million atop an increase in net sales. At SoftBank Mobile, income increased by ¥30,115 million to ¥547,388 million as net sales increased and sales commissions decreased, despite an increase in depreciation.

Number of Subscribers

The cumulative number of subscribers at SoftBank Mobile as of the end of fiscal 2014 (March 31, 2015) stood at 37,766,000. Net subscriber additions (new subscriptions minus churn) for fiscal 2014 at SoftBank Mobile totaled 1,841,000. This was primarily the result of solid trends in subscriber numbers of smartphones, tablets, and communication modules.

ARPU

ARPU at SoftBank Mobile for fiscal 2014 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.

Number of Units Sold

The number of units sold at SoftBank Mobile for fiscal 2014 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 at SoftBank Mobile for fiscal 2014 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 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 fiscal 2013.

Sprint Segment*

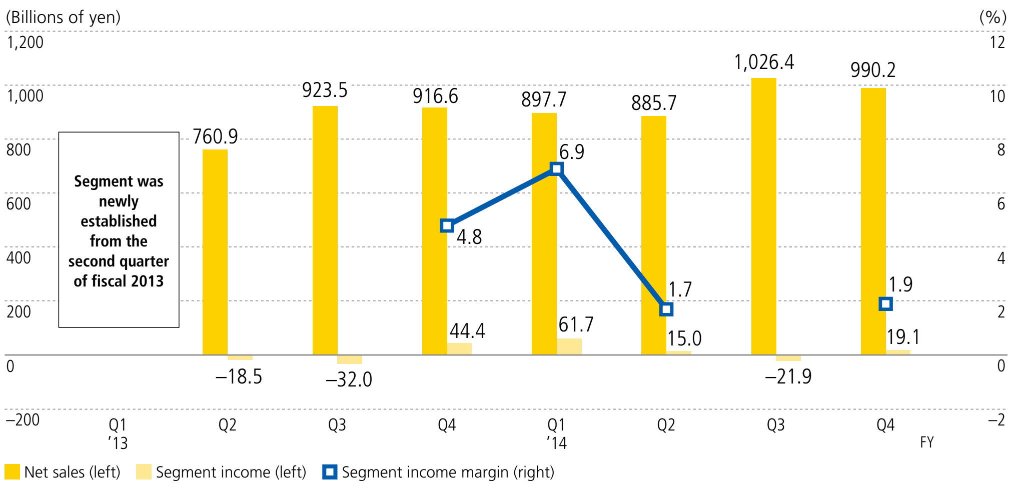
Overall Results

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 fiscal 2013 Sprint's results were reflected only from July 11, 2013, while in fiscal 2014 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 fiscal 2013. The principal cause of this improvement was a decrease in depreciation as a result of certain 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 network enhancement and improvement, and a decrease in subsidies due to the increased adoption in fiscal 2014 of the installment billing and other programs for mobile devices in a shift away from the conventional subsidized model, where Sprint pays subsidies to bear a part of the cost of devices for customers.

* The Sprint segment includes the results of Sprint since July 11, 2013.

Sprint



(Note) Retrospective adjustments have been made in accordance with the adoption of IFRIC 21 "Levies."

Number of Subscribers

The Sprint platform had 2,586,000 net subscriber additions for fiscal 2014. 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 fiscal 2014 stood at 56,137,000.

ABPU

Sprint discloses ABPU (Average Billings Per User), which is the sum of ARPU and monthly-average equipment billings, 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 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.

In Detail (3) Other Operating Income and Loss

The following incomes and losses were recorded as other operating income and loss related to Sprint and SoftBank Telecom.

These incomes and losses are included within other operating loss in the consolidated income statements, and do not affect the segment incomes of the Sprint and Fixed-line Telecommunications segments. Please refer to Notes to Consolidated Financial Statements page 183 "36. Other operating income and loss" for details.

(Millions of yen)

Other operating income (loss) related to Sprint	Fiscal 2013	Fiscal 2014	Change
Severance costs associated with reduction in workforce of Sprint	(23,645)	**(27,129)**	(3,484)
Gain on partial pension settlement	–	**18,726**	18,726

Other operating loss related to SoftBank Telecom	Fiscal 2013	Fiscal 2014	Change
Provision for unprofitable contract	–	**(21,271)**	(21,271)

(Reference) Impairment Loss Recorded by Sprint (under US GAAP)

Although Sprint (under US GAAP) recorded $2.13 billion of impairment losses in fiscal 2014, 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.

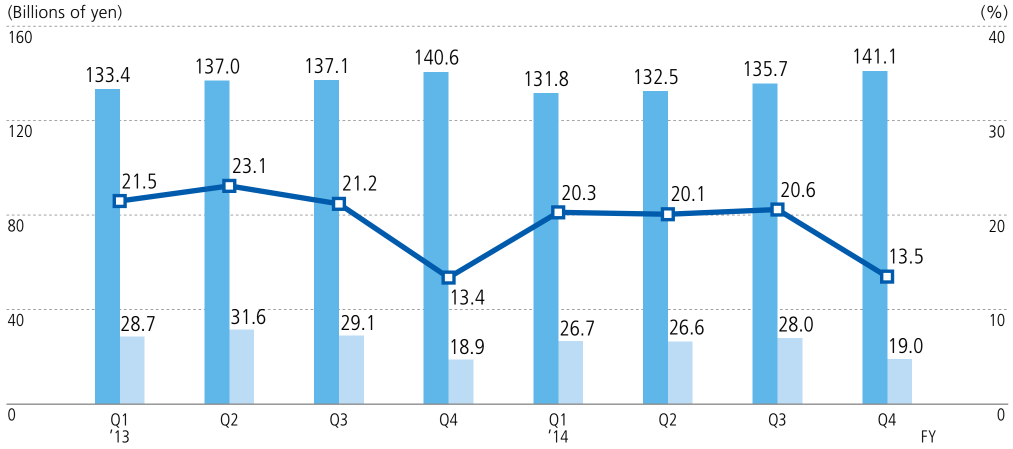
Fixed-line Telecommunications Segment

Overall Results

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 and a decrease in net sales at SoftBank Telecom. The revenue decrease at SoftBank Telecom principally reflected the absence of temporary revenue from interconnection charges recorded in fiscal 2013.

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 relating to the telecommunications services network for a corporate customer.

Fixed-line Telecommunications



(Note) Retrospective adjustments have been made to segment income figures for fiscal 2013 in accordance with the adoption of IFRIC 21 "Levies."

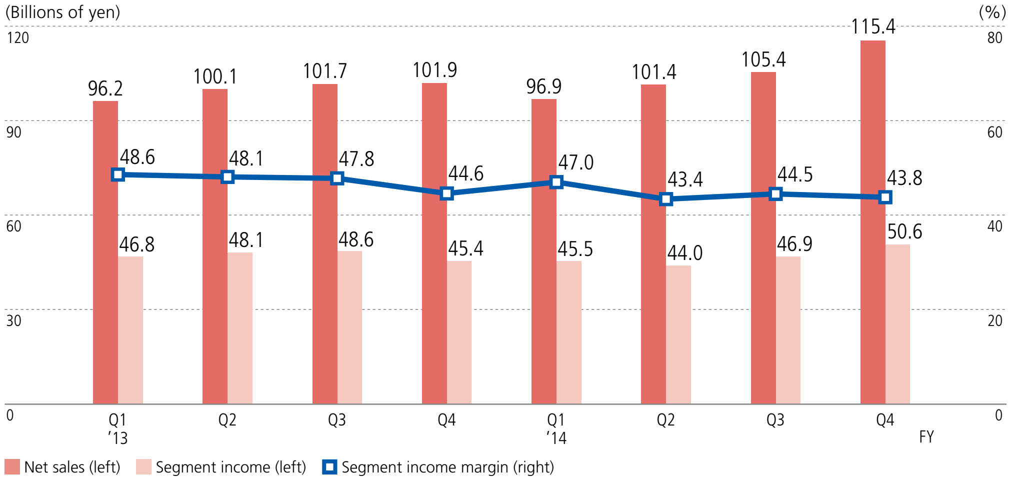
Internet Segment

Overall Results

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, especially from display advertising. 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.

Internet



(Note) Retrospective adjustments have been made to segment income figures for fiscal 2013 in accordance with the adoption of IFRIC 21 "Levies."

Analysis of Financial Position

Assets, Liabilities, and Equity

(Millions of yen)

	FYE2013 (As of March 31, 2014)	FYE2014 (As of March 31, 2015)	Change	Change %
Total assets	16,690,127	**21,034,169**	4,344,042	26.0%
Total liabilities	13,859,745	**17,180,992**	3,321,247	24.0%
Total equity	2,830,382	**3,853,177**	1,022,795	36.1%
(Reference)				
Exchange rate USD 1 = JPY	102.92	**120.17**	17.25	16.8%

(Note) The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies." Please refer to Notes to Consolidated Financial Statements page 109 "4. Changes in accounting policies" for details.

Current Assets

(Millions of yen)

Item	FYE2013	FYE2014	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 at the end of fiscal 2014 totaled ¥5,957,920 million, for a ¥1,626,946 million (37.6%) increase year on year.

Primary components of the change:

i. Cash and cash equivalents

Cash and cash equivalents increased by ¥1,295,163 million year on year.

ii. Trade and other receivables

Trade and other receivables increased by ¥226,103 million year on year. 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. Other financial assets

Inventories increased by ¥99,475 million year on year. 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 fiscal 2014, as well as the impact of the yen's depreciation against the U.S. dollar at the end of fiscal 2014 compared to the end of fiscal 2013.

Non-current Assets

(Millions of yen)

Item	FYE2013	FYE2014	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	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 at the end of fiscal 2014 totaled ¥15,076,249 million, for a ¥2,717,096 million (22.0%) increase year on year.

Primary components of the change:

i. Investments accounted for using the equity method

Investments accounted for using the equity method increased by ¥798,138 million from the end of fiscal 2013. This was mainly due to the recording of dilution gain from changes in equity interest related to Alibaba.

ii. Property, plant and equipment

Property, plant and equipment rose by ¥731,121 million from the end of fiscal 2013. This mainly reflected an increase of ¥668,441 million at Sprint, mostly due to new acquisitions of telecommunications 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 fiscal 2014 compared to the end of fiscal 2013.

iii. Intangible assets

Intangible assets increased by ¥725,881 million from the end of fiscal 2013. 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 fiscal 2014 compared to the end of fiscal 2013. 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.

In Detail (4) Breakdown of Main Intangible Assets

(Millions of yen)

B/S item		Item	FYE2013	FYE2014	Changes: Amortization	Changes: Changes in exchange rate	Changes: Others	Outline
Main intangible assets		**FCC licenses (non-amortized)**	3,709,526	**4,320,296**	–	618,723	(7,953)	
		Sprint	3,709,526	**4,320,296**	–	618,723	(7,953)	
		Customer relationships	677,494	**582,223**	(187,557)	84,632	7,654	
	Main breakdown	Sprint	579,885	**496,594**	(164,892)	81,601	–	Amortization method: sum-of-the-months' digits method Amortization period: postpaid: 8 years prepaid: 4 years
		Ymobile	71,854	**53,217**	(18,637)	–	–	Amortization method: sum-of-the-months' digits method Amortization period: mobile business (excl. PHS): 8 years PHS: 9 years fixed broadband business: 6 years
		Trademarks	622,975	**727,251**	–	104,216	60	* Excluding trademarks with finite useful lives
	Main breakdown	Sprint	610,830	**713,209**	–	102,379	–	
		Game titles	166,522	**109,211**	(49,647)	(7,664)	–	
		GungHo Online Entertainment	51,864	**25,932**	(25,932)	–	–	Amortization method and period: straight-line method, 3 years (monthly)
		Supercell	114,658	**83,279**	(23,715)	(7,664)	–	Amortization method and period: straight-line method, 5 years (monthly)

(Note) Exchange rate: USD 1 = JPY 102.92 as of the end of fiscal 2013, USD 1 = JPY 120.17 as of the end of fiscal 2014.

Current Liabilities

(Millions of yen)

Item	FYE2013	FYE2014	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 year on year.

Primary components of the change:

i. Interest-bearing debt

Interest-bearing debt increased by ¥669,516 million year on year.

- 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 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

Trade and other payables increased by ¥157,524 million year on year. 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.

Non-current Liabilities

(Millions of yen)

Item	FYE2013	FYE2014	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

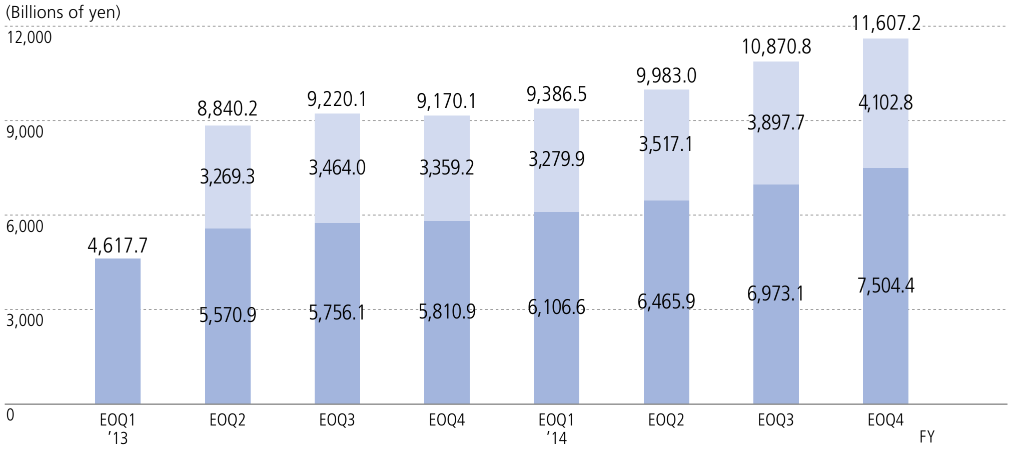
In Detail (5) Status of Consolidated Interest-bearing Debt (As of March 31, 2015)

(Millions of yen)

	Consolidated			SoftBank Corp. and Subsidiaries (Excluding Sprint)			Sprint		
	Total balance at March 31, 2015	Current liabilities	Non-current liabilities	Total balance at March 31, 2015	Current liabilities	Non-current liabilities	Total balance at March 31, 2015	Current liabilities	Non-current liabilities
Bonds	7,009,425	183,557	6,825,868	3,082,423	70,066	3,012,357	3,927,002	113,491	3,813,511
Borrowings	3,056,242	939,744	2,116,498	2,928,069	847,346	2,080,723	128,173	92,398	35,775
Commercial paper	32,000	32,000	–	32,000	32,000	–	–	–	–
Lease obligations	1,156,364	411,453	744,911	1,108,695	401,095	707,600	47,669	10,358	37,311
Installment payables	153,213	50,661	102,552	153,213	50,661	102,552	–	–	–
Preferred securities	200,000	200,000	–	200,000	200,000	–	–	–	–
Total interest-bearing debt	11,607,244	1,817,415	9,789,829	7,504,400	1,601,168	5,903,232	4,102,844	216,247	3,886,597

(Note) For details on interest-bearing debt, refer to Notes to Consolidated Financial Statements page 144 "20. Interest-bearing debt," and for details on lease obligations refer to Notes to Consolidated Financial Statements page 132 "15. Leases."

Interest-bearing Debt



(Note) Retrospective adjustments have been made in accordance with the adoption of IFRIC 21 "Levies."

Non-current liabilities totaled ¥12,508,506 million, for a ¥2,415,957 million (23.9%) increase year on year.

Primary components of the change:

i. Interest-bearing debt

Interest-bearing debt increased by ¥1,767,675 million year on year.

- 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 fiscal 2014 compared to the end of fiscal 2013. On the other hand, Ymobile 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 into current liabilities.

For details about changes in interest-bearing debt, please refer to Notes to Consolidated Financial Statements page 144 "20. Interest-bearing debt."

ii. Deferred tax liabilities

Deferred tax liabilities increased by ¥519,594 million year on year. 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 fiscal 2014 compared to the end of fiscal 2013. 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.

Equity

(Millions of yen)

	FYE2013	FYE2014	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 year on year. 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 end of fiscal 2013 to 13.5%.

Equity Attributable to Owners of the Parent

(Millions of yen)

Item	FYE2013*	FYE2014	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

* Retrospective adjustments have been made in accordance with the adoption of IFRIC 21 "Levies."

Equity attributable to owners of the parent totaled ¥2,846,306 million, for a ¥915,865 million (47.4%) increase year on year. This was mainly due to year-on-year increases 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 fiscal 2014 compared to the end of fiscal 2013.

Non-controlling Interests

Non-controlling interests totaled ¥1,006,871 million, for a ¥106,930 million (11.9%) increase year on year.

Analysis of Cash Flows

Cash Flows for Fiscal 2014

(Millions of yen)

	FY2013	FY2014	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*	(511,155)	**(242,682)**	268,473

* Outlays for purchase of property, plant and equipment and intangible assets.

(Note) The figures for fiscal 2013 have been retrospectively adjusted in accordance with the adoption of IFRIC 21 "Levies." Please refer to Notes to Consolidated Financial Statements page 109 "4. Changes in accounting policies" for details.

Cash and cash equivalents at the end of fiscal 2014 totaled ¥3,258,653 million, for a ¥1,295,163 million increase year on year.

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥1,155,174 million (compared with ¥860,245 million provided in fiscal 2013). The primary components of cash flows were as follows:

Primary components of cash flows:

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.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥1,667,271 million (compared with ¥2,718,188 million used in fiscal 2013). The primary components of cash flows were as follows:

Primary components of cash flows:

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.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥1,719,923 million (compared with ¥2,359,375 million provided in fiscal 2013). The primary components of cash flows were as follows:

Primary components of cash flows:

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.

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 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'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.

Forecasts for Fiscal 2015 (Fiscal year ending 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 for the consolidated results of operations when it becomes possible to make a rational projection.

Fundamental Policy for Distribution of Profit, and Dividend for Fiscal 2014

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 year-end dividend for fiscal 2014 was set at ¥20.00 per share. Together with the interim dividend of ¥20.00 per share paid in December 2014, this brings the annual dividend for fiscal 2014 to ¥40.00 per share, the same as fiscal 2013.

Risk Factors

SoftBank Group Corp. and its subsidiaries and associates (the Group) operate in a wide range of markets in Japan and overseas, and therefore faces a variety of risks in its operations. The major risks envisaged by the Group as of July 1, 2015 that could significantly affect investors' investment decisions are outlined below. If any of these risks were to emerge, the securities issued by SoftBank Group Corp., such as shares and corporate bonds, could fall in value or otherwise be impacted. Moreover, these risks do not include all of the risks that the Group could face in the course of carrying out its future business operations. Forward-looking statements were determined as of July 1, 2015, unless otherwise stated.

(1) Economic conditions

Demand for services and products provided by the Group (including but not limited to telecommunications services and Internet advertising) is subject to economic conditions, mainly in Japan, the U.S., and China. Therefore, deterioration of the business climate in each country and changes in the economic structure attendant on demographic changes, such as the aging and decline of the population in Japan, could impact the Group's results of operations.

(2) Foreign exchange rate fluctuations

In the preparation of SoftBank Group Corp.'s consolidated financial statements, the local-currency based revenues and expenses of Sprint and other overseas Group companies are converted into Japanese yen at the average exchange rate for each quarter, and their assets and liabilities are converted at the exchange rate on the last day of the quarter. Consequently, fluctuations in the foreign exchange rate could impact the Group's results of operations and financial position.

The Group invests in overseas companies. If the Group sells its foreign currency-denominated assets when the yen has changed significantly in value from the time of investment, it may incur foreign exchange losses, which could impact the Group's results of operations.

(3) Competition

In certain instances, the Group's competitors may have a competitive advantage over the Group in terms of capital, services and products, price competitiveness, customer base, sales capability, brands, or public recognition, for example. If these competitors were to sell services and products that harness these competitive advantages to a greater extent than at present, the Group may be placed at a disadvantage in sales competition, or may be unable to provide services and products, or acquire or retain customers as anticipated. This could impact the Group's results of operations.

Moreover, when the Group introduces highly competitive services, products, and sales methods ahead of its competitors, the Group's competitive edge may be diminished if the Group's competitors deploy equivalent or better services, products, and sales methods. This could impact the Group's business development and results of operations.

(4) Response to technology and business models

The Group's primary business domain is the information industry, which is subject to rapid changes in technology and business models. If for some reason, the Group is unable to develop or introduce outstanding, up-to-date technologies or business models, its service offerings will lose competitiveness in the markets, making it difficult to acquire and retain customers. This could impact the Group's results of operations.

(5) Management team

Unforeseen situations concerning key members of management – especially chairman & CEO of SoftBank Group Corp. and Group representative Masayoshi Son – could impede the Group's business development.

(6) Capacity increases in telecommunications networks

To maintain and enhance the quality of telecommunications services, the Group must continuously increase the capacity of its telecommunications networks based on predictions of the amount of future network traffic. The Group thus plans to systematically increase network capacity. However, if the actual amount of network traffic were to drastically exceed the Group's predictions, service quality could be adversely affected, making it difficult to acquire and retain customers. In this case, the Group would also need to execute additional capital expenditure. These outcomes could impact the Group's results of operations and financial position.

(7) Spectrum

The Group uses spectrum to provide its mobile communications services. As traffic on the mobile communications network continues to increase due to the spread of smartphones, the Group will need to secure additional spectrum as well as to enhance effective use of the spectrum by using LTE in order to promote business development. If the Group is unable to secure the required spectrum in the future, service quality may decline, making it difficult to acquire and retain customers, or there may otherwise be some impact on the Group's business development. Either of these outcomes could impact the Group's results of operations. Moreover, with the introduction of the auction system in Japan, and the high bidding prices at auctions in the U.S., securing new spectrum may entail considerable expense, which could impact the Group's results of operations and financial position.

(8) Online games provided by the Group

In the Group's online game-related business, the majority of sales are dependent on certain game titles. If the Group is unable to maintain the interest of its existing customers in these titles, or if a competitor launches a title that is more appealing than these titles, or if some other event occurs that reduces the competitiveness of these titles, it may become difficult to acquire and retain customers. This could impact the Group's business development and results of operations.

(9) Dependence on management resources of other companies

a. Use of facilities, etc., of other companies

The Group makes use of certain telecommunications lines and facilities owned by other operators when constructing the telecommunications networks required for providing telecommunications services. The Group's business development and results of operations could therefore be impacted if for some reason it became difficult to continue to use those facilities, or if utilization or connection rates for those facilities were to be increased (including but not limited to special access charges in the U.S.; please refer to "(22) Regulations in the U.S." for further details).

b. Procurement of various equipment

The Group procures telecommunications equipment, network devices, and so forth (including but not limited to mobile devices and radio equipment for mobile phone base stations) from other companies. The Group may be unable to switch suppliers or equipment in a timely manner should problems occur with the procurement of equipment in a case where the Group relies heavily on a specific supplier. Such problems could include supply interruptions, delivery delays, order volume shortfalls, and defects. Suppliers may also cease providing the maintenance and inspection services required for telecommunications equipment to maintain performance. Either of these situations could impede the Group's provision of services, making it difficult to acquire and retain customers, or cause the Group to incur additional costs for changing a supplier, or cause a decline in sales of telecommunications equipment. This could impact the Group's results of operations.

c. Consignment of operations

The Group consigns sales activities, acquisition and retention of customers mainly for telecommunications services, and the execution of other related operations in whole or part to subcontractors. The Group's business development could therefore be impacted if for some reason these subcontractors are unable to execute operations in line with the Group's expectations.

The Group also has networks of subcontractors responsible for the sale of the Group's services and products. Damage to the credibility or image of these subcontractors would also have a negative impact on the Group's credibility or corporate image. This could hinder business development and the acquisition and retention of customers, which could impact the Group's results of operations. Furthermore, if these subcontractors should fail to comply with laws and regulations, the Group could receive a warning or administrative guidance from the regulatory authorities, or be investigated for non-fulfillment of its supervisory responsibility, and the Group's credibility or corporate image could deteriorate as a result, making it difficult to acquire and retain customers. These could impact the Group's results of operations.

d. Use of brands belonging to Yahoo! Inc.

In Japan, the Group makes use of brands belonging to U.S. company Yahoo! Inc. in certain service names such as *Yahoo! JAPAN*, *Yahoo! BB*, *Y!mobile*, and *Yahoo! Keitai*. If the Group were to become unable to use these brands due to a drastic change in its relationship with Yahoo! Inc. or other reasons, the Group may be prevented from developing businesses as anticipated.

e. Use of other companies' content distribution services

The Group makes use of content distribution services operated by other companies (including but not limited to Apple Inc.'s *App Store* and Google Inc.'s *Google Play*) to provide content such as online games to its customers, and to charge them. If the companies operating these services were to increase their commission rates, or modify sales prices because of foreign exchange rate fluctuations or other phenomena, there could be an impact on the Group's business development and results of operations.

(10) Information leaks, etc.

In its business operations, the Group handles customer information (including personal information) and other confidential information. This information could be leaked, lost, or involved in a similar incident, either intentionally or accidentally by the Group (including officers and employees of the Group and people related to subcontractors), or through a malicious attack by a third party or other means. Such an occurrence could damage the Group's competitiveness, and incur significant costs to the Group for payment of damages and modification of security systems, in addition to having an adverse impact on the Group's credibility or corporate image and making it difficult to acquire and retain customers. These outcomes could impact the Group's results of operations.

(11) Service disruptions or decline in quality due to human error and other factors

In its provision of various services, including telecommunications services, there is a possibility that a major problem could occur if the Group became unable to continuously provide the services, or suffered a decline in the quality of the services, due to human error, serious problems with equipment or systems, or other causes. If such disruptions or declines in quality were to become widespread and/or significant time were required to restore services, the Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers. This could impact the Group's results of operations.

(12) Inappropriate use of services

If the Group's mobile communications and other services were to be used to commit crimes such as bank-transfer phishing scams, the Group's credibility or corporate image could be damaged, and business development could be negatively affected.

(13) Natural disasters, accidents and other unpredictable events

The Group constructs and maintains telecommunications networks, information systems, and other systems necessary for the provision of various services, including Internet and telecommunications services. Natural disasters, such as earthquakes, typhoons, hurricanes, flooding, tsunamis, tornadoes, heavy rainfall, snowfall, or volcanic activity, other unexpected disruptions such as fires, power outages or shortages, or attacks such as terrorist attacks or computer viruses could interfere with the normal operation of telecommunications networks and information systems and others. This could hinder the provision of various services by the Group. If these impacts were to become widespread and/or significant time were required to restore services, the Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers. Moreover, significant costs may be incurred by the Group for recovery of the telecommunications networks, information systems, and others. This could impact the Group's results of operations.

In Japan, the head offices and business offices of various Group companies are concentrated in the Tokyo Metropolitan Area. The possibility therefore exists that a major earthquake or other force majeure event in the area could incapacitate these business locations, impeding the continuity of the Group's business.

(14) Concerns about health risks associated with mobile devices

There have been claims made that the radio waves emitted from mobile devices have adverse health effects, such as increasing the risk of cancer. Such concerns over adverse effects on health associated with use of mobile devices could make it difficult for the Group to acquire and retain customers, which could impact the Group's results of operations.

The International Commission on Non-Ionizing Radiation Protection (ICNIRP) has prescribed guidelines relating to the amplitudes of the electromagnetic waves emitted from mobile devices and base stations. The World Health Organization (WHO) has issued an opinion that there is no convincing evidence that electromagnetic waves have adverse effects on health when their amplitude is within the reference values in the ICNIRP's guidelines, and recommends that all countries adopt them. The Group complies with a policy for protection from electromagnetic waves based on the ICNIRP guidelines in Japan, and complies with the requirements of the Federal Communications Commission (FCC) in the U.S. However, the WHO and other organizations continue to conduct research and investigations, the results of which may lead to regulations being revised in the future, or new regulations being introduced.

(15) Renewable energy business

In renewable energy business, the amount of power generated can be lower than anticipated due to weather conditions such as sunlight and wind force. Moreover, if facilities are damaged or become faulty and so forth due to a natural disaster or other event, the amount of power generated could decline dramatically. These could impact the Group's results of operations.

(16) Investment activities

The Group conducts investment activities for the purpose of setting up new businesses (including but not limited to a robotics business), and expanding existing businesses. Such activities include corporate acquisitions, establishment of joint ventures and subsidiaries, and acquisitions of interests in operating companies or holding companies (including companies that effectively control other companies through various contracts) and funds. Recent examples include an investment in Jasper Infotech Private Limited, which operates the online marketplace *snapdeal.com* in India. If an investee is included in the Group's scope of consolidation in conjunction with these investment activities, this could impact the Group's results of operations and financial position, for example by having a negative impact. In addition, if an investee is unable to conduct business as anticipated at the time of investment, the Group's results of operations and business development could be impacted, for example, through write-downs on goodwill, property, plant and equipment, and intangible assets recognized in conjunction with the investment activities. Furthermore, the Group may also recognize valuation losses and other charges in the event of a decline in the value of equity interests and other assets acquired through such investment activities. This could impact the Group's results of operations. In addition, an investee may be facing internal control problems or may be conducting unlawful activities. If such issues cannot be corrected at an early stage after the investment, the Group's credibility and corporate image may be impaired, and there could be an impact on the Group's results of operations and financial position.

Moreover, if the Group is unable to secure sufficient human resources and other management resources for the start-up of new businesses and other projects, or to allocate sufficient management resources to the investees and the Group's existing businesses, it could impact the Group's results of operations and business development.

(17) Fund procurement and leasing

The Group procures the funds it requires for developing its business by borrowing from financial institutions, issuing corporate bonds, and other sources. The Group also executes capital expenditure utilizing leases. The cost of procuring funds could increase because of rising interest rates or a decline in the Group's creditworthiness stemming mainly from a downgrading of the credit ratings of SoftBank Group Corp. or its Group companies. Such an increase in fund procurement costs could impact the Group's results of operations. Furthermore, depending on the financial market conditions and the credit standings of SoftBank Group Corp. or its Group companies, the Group may be unable to procure funds or structure leases as planned. This could impact the Group's business development, results of operations, and financial position.

In addition, various covenants are attached to the Group's borrowings from financial institutions, corporate bonds, and other transactions. If the potential arises for any of these covenants to be breached and the Group is unable to take steps to avoid breaching them, the Group could forfeit the benefit of term relating to the obligation concerned, and in conjunction with this loss the Group could be requested to repay other borrowings in one lump sum as well. As a result, the Group's financial position could be impacted.

Moreover, the Group plans to allocate cash flow from its domestic telecommunications business as a source of cash to repay funds procured for the acquisition of Sprint. If the Group is unable to generate cash flow from its domestic telecommunications business as anticipated, it may sell some of its assets or take other measures to secure resources for repaying the acquisition funds. This could impact the Group's results of operations and business development.

(18) Support for subsidiaries and others

The Group occasionally provides subsidiaries and others with financial assistance through loans, guarantees, and other means, when it deems such assistance to be necessary. For example, if Sprint and Brightstar are unable to conduct business as anticipated at the time of the acquisition, or are unable to create sufficient synergies with other Group companies, or require more funds than anticipated to develop their businesses, the Company may provide them with financial assistance such as loans. If the supported subsidiaries and others are unable to conduct business as the Group expects, it could impact the Group's results of operations and financial position.

(19) Country risk

The Group conducts business and investment overseas in the U.S., China, India, Latin American countries, and other countries and regions. The enactment of or revisions to the laws or regulations of these countries or regions, or a change in their enforcement as practiced by prior or existing administrations, could prevent the Group from conducting business activities as anticipated, or delay or prevent the recovery of its investments or have other effects with a consequent impact on the Group's results of operations and financial position. In addition, such enactment of and revision to laws or various regulations could also restrict the Group from engaging in new businesses or investments, or prevent the Group from carrying out its strategy as anticipated. For further information about regulations particular to the U.S., please refer to "(22) Regulations in the U.S." and "(23) Measures to protect U.S. national security."

Moreover, a change in the political and social conditions or in various other environmental aspects in such countries and regions could prevent the Group from carrying out its business activities as anticipated, or delay or prevent the recovery of its investments.

(20) Laws and regulations

The Group is subject to various laws and regulations pertaining to general corporate business activities in countries around the world (including but not limited to various laws and regulations related to the environment, fair competition, consumer protection, privacy protection, anti-bribery, labor affairs, intellectual property, taxation, foreign exchange, and import and export activities), as well as laws and regulations governing specific business operations in the telecommunications business, such as the Telecommunications Business Act and Radio Act in Japan, and similar corresponding laws in the U.S. If the Group (including officers and employees) conducts activities in breach of those laws and regulations, the Group may be subject to sanctions by government agencies, such as deregistration, revocation of licenses, and fines, or may face cancellation of business agreements by business partners, regardless of whether the violation was deliberate or not. As a result, the Group's credibility and corporate image may be impaired, or its business development may be hindered. In addition, the Group may incur a financial burden and it could impact the Group's results of operations. Furthermore, revisions to such laws and regulations, or the enforcement of new laws and regulations, or new interpretations and applications of laws and regulations (including amendments thereof) could prevent the Group from developing businesses as anticipated.

(21) Regulations in Japan

The revision and establishment of mainly the following government policies for the telecommunications sector in Japan, along with the revision and development of accompanying regulations, could impact the business development and results of operations of the Group's telecommunications and Internet businesses in Japan, and therefore of the Group:

a. Regulations regarding the status of business management and operations of the NIPPON TELEGRAPH AND TELEPHONE (NTT) Group;
b. System of the Category I Designated Telecommunications Facilities System (rules on open access to optic-fiber facilities, rules related to access to next-generation networks (NGN), access charge calculation formulas, etc.) and regulations to optical fiber service wholesaling, related to NIPPON TELEGRAPH AND TELEPHONE EAST (NTT East) and NIPPON TELEGRAPH AND TELEPHONE WEST (NTT West);
c. The scope of universal service and the universal service fund system;
d. The Category II Designated Telecommunications Facilities System (dominant carrier regulations for mobile network operators, and access charge calculation formulas, etc.);
e. Regulations and rules concerning the mobile communications business model (SIM lock regulations, rules on promoting new entry by Mobile Virtual Network Operators (MVNOs), rules for coping with the sharp increase in network traffic, etc.);
f. Radio utilization fee structure;
g. Spectrum allocation system, including introduction of an auction system and reallocation of spectrum;
h. Entry of new operators into newly allocated frequency bands;
i. Regulations concerning personal information and customer information;
j. Regulations and rules for the protection of consumers;
k. Regulations concerning the method of sale and presentation of advertising for telecommunications services;
l. Spam regulations;
m. Regulations on responses to unlawful and harmful information on the Internet and access to such information;

n. Regulations concerning the improper use of mobile devices; and

o. Regulations for prevention and reporting of large-scale communications failures.

(Note) SIM lock: a control that restricts the use of a mobile handset or other mobile communication device to the SIM card (an IC card on which the telephone number and other subscriber information is recorded) of a designated telecom operator.

(22) Regulations in the U.S.

The FCC and federal, state, local and other governmental agencies have jurisdiction over Sprint and could adopt regulations or take other actions that would adversely affect its business prospects or results of operations. The revision and establishment of mainly the following government policies for the telecommunications sector, along with the revision and development of accompanying regulations, could impact Sprint's business development and results of operations, and by extension, those of the Group.

a. Licensing for mobile communications services

The licensing, construction, operation, sale and interconnection arrangements of mobile communications systems are regulated by the FCC and governmental agencies such as state and local regulatory agencies. In particular, the FCC imposes significant regulation on spectrum with respect to how the spectrum is used by licensees, and how the services may be offered.

Sprint has been granted mobile communications licenses for 10 year terms with an expectation of renewal by the FCC, and if these licenses were revoked, or not renewed, it could impact the Group's results of operations.

Moreover, if network performance is degraded because of complying with the regulations of a governmental agency such as the FCC, this could make it difficult to acquire and retain customers, which could impact the Group's results of operations. Moreover, if additional costs or fees were incurred because of complying with the regulations of a governmental agency such as the FCC, it could impact the Group's results of operations.

b. System for calculating intercarrier compensation

Special access charges are compensation paid between carriers and other companies for the use of high-speed, large capacity connection services (special access services) provided to corporations, including carriers. Depending on their outcome, the FCC's proceedings regarding regulation of special access charges could affect the special access charges paid by Sprint, thereby impacting the Group's results of operations.

Moreover, depending on their outcome, possible further appeals of the FCC's 2011 order reforming universal service for high cost areas and intercarrier compensation, could affect the intercarrier compensation and the level of Universal Service Fund (USF) contributions paid by Sprint, which could impact the Group's results of operations.

c. Terms and conditions of service

Various states are considering regulations over terms and conditions of service separate from federal law. If imposed, these regulations could make it more difficult to carry out the Group's current strategies, and could increase its costs more than anticipated, which could impact the Group's results of operations.

d. Lifeline Assistance Program

The Lifeline Assistance Program refers to a program where carriers in the U.S. receive a subsidy from a government fund to provide discounted services to low-income subscribers. A subsidiary of Sprint is offering services under the program. The authorities modified the program to impose stricter controls and increase regulatory oversight. The changes to this program could increase the risk of financial penalties and make it more difficult for the Group to acquire and retain customers, which could impact the Group's results of operations.

(23) Measures to protect U.S. national security

SoftBank Group Corp. and Starburst II, Inc. (currently Sprint Corporation) and Sprint Nextel Corporation (currently Sprint Communications, Inc.; in (23) "Both Sprints") have entered into a National Security Agreement with the United States Department of Defense, the United States Department of Homeland Security, and the United States Department of Justice. Under the National Security Agreement, SoftBank Group Corp. and Both Sprints have agreed to implement certain measures to protect U.S. national security. Implementing these measures could increase costs, and limit control over certain U.S. facilities, contracts, personnel, vendor selection, and operations. This could impact the Group's results of operations.

(24) Intellectual property

If the Group were to unintentionally infringe on intellectual property rights held by a third party, it may be prevented from using the intellectual property or subjected to claims for compensatory damages or commercially unreasonable license fees from the third party. Such actions could impact the Group's results of operations.

On the other hand, if intellectual property held by the Group, such as the SoftBank brand or the Sprint brand, were infringed upon by a third party, such an infringement might have a negative impact on the Group's credibility or on its corporate image.

(25) Litigation

The Group faces the possibility of lawsuits by third parties claiming compensatory damages for the alleged infringement of rights or benefits. These third parties may include customers, business partners, shareholders of investees, and employees. Such lawsuits could hinder the Group's business development or may impair the Group's corporate image, as well as create a financial burden that could impact the Group's results of operations.

(26) Administrative sanctions and other orders

The Group may be subject to administrative sanctions and guidance by government agencies. Such administrative actions may hinder the Group's business development and may create a financial burden that could impact the Group's results of operations.

Significant Contracts

There were no applicable items in fiscal 2014.

R&D Activities

R&D expenditures during fiscal 2014 totaled ¥10,775 million.

The major portion of R&D activities took place in the Mobile Communications and Sprint segments and in Others not included within the reportable segments.

Consolidated Financial Statements

a. Consolidated Statement of Financial Position

ASSETS	Notes	(Millions of yen) As of March 31, 2014*	(Millions of yen) As of March 31, 2015	(Thousands of U.S. dollars) As of March 31, 2015
Current assets				
Cash and cash equivalents	8	¥ 1,963,490	¥ 3,258,653	$ 27,117,026
Trade and other receivables	9, 26	1,669,545	1,895,648	15,774,719
Other financial assets	10, 26	164,727	197,068	1,639,910
Inventories	11	251,677	351,152	2,922,127
Other current assets	12	281,535	255,399	2,125,314
Total current assets		4,330,974	5,957,920	49,579,096
Non-current assets				
Property, plant and equipment	13	3,586,327	4,317,448	35,927,836
Goodwill	14	1,539,607	1,663,363	13,841,749
Intangible assets	14	6,177,701	6,903,582	57,448,465
Investments accounted for using the equity method	17	304,318	1,102,456	9,174,137
Other financial assets	10, 26	401,693	662,463	5,512,715
Deferred tax assets	19	182,246	235,488	1,959,624
Other non-current assets	12	167,261	191,449	1,593,151
Total non-current assets		12,359,153	15,076,249	125,457,677
Total assets		¥16,690,127	¥21,034,169	$175,036,773

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."

LIABILITIES AND EQUITY	Notes	As of March 31, 2014*	(Millions of yen) As of March 31, 2015	(Thousands of U.S. dollars) As of March 31, 2015
Current liabilities				
Interest-bearing debt	20, 26	¥ 1,147,899	¥ 1,817,415	$ 15,123,700
Trade and other payables	21, 26	1,705,956	1,863,480	15,507,032
Other financial liabilities	22, 26	5,847	12,917	107,489
Income taxes payables		246,013	184,175	1,532,620
Provisions	24	93,115	54,998	457,668
Other current liabilities	23	568,366	739,501	6,153,791
Total current liabilities		3,767,196	4,672,486	38,882,300
Non-current liabilities				
Interest-bearing debt	20, 26	8,022,154	9,789,829	81,466,497
Other financial liabilities	22, 26	41,151	27,142	225,863
Defined benefit liabilities	25	77,041	128,282	1,067,504
Provisions	24	136,920	155,705	1,295,706
Deferred tax liabilities	19	1,533,021	2,052,615	17,080,927
Other non-current liabilities	23	282,262	354,933	2,953,592
Total non-current liabilities		10,092,549	12,508,506	104,090,089
Total liabilities		13,859,745	17,180,992	142,972,389
Equity				
Equity attributable to owners of the parent				
Common stock	31	238,772	238,772	1,986,952
Capital surplus	31	405,045	374,845	3,119,289
Retained earnings	31	1,168,266	1,740,686	14,485,196
Treasury stock	31	(51,492)	(48,383)	(402,621)
Accumulated other comprehensive income	31	169,850	540,386	4,496,846
Total equity attributable to owners of the parent		1,930,441	2,846,306	23,685,662
Non-controlling interests		899,941	1,006,871	8,378,722
Total equity		2,830,382	3,853,177	32,064,384
Total liabilities and equity		¥16,690,127	¥21,034,169	$175,036,773

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."

b. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

	Notes	Fiscal year ended March 31, 2014* (Millions of yen)	Fiscal year ended March 31, 2015 (Millions of yen)	Fiscal year ended March 31, 2015 (Thousands of U.S. dollars)
Net sales	34	¥ 6,666,651	**¥ 8,670,221**	**$ 72,149,630**
Cost of sales	35	(3,961,496)	**(5,327,224)**	**(44,330,732)**
Gross profit		2,705,155	**3,342,997**	**27,818,898**
Selling, general and administrative expenses	35	(1,826,567)	**(2,332,626)**	**(19,411,051)**
Gain from remeasurement relating to business combination	6	253,886	**–**	**–**
Other operating loss	36	(55,430)	**(27,668)**	**(230,240)**
Operating income		1,077,044	**982,703**	**8,177,607**
Finance cost	37	(271,478)	**(366,505)**	**(3,049,888)**
Income on equity method investments	17	74,402	**76,614**	**637,547**
Dilution gain from changes in equity interest	38	3,633	**599,815**	**4,991,387**
Other non-operating income (loss)	39	40,448	**(15,582)**	**(129,666)**
Income before income tax		924,049	**1,277,045**	**10,626,987**
Income taxes	19	(345,798)	**(513,363)**	**(4,271,973)**
Net income		¥ 578,251	**¥ 763,682**	**$ 6,355,014**
Net income attributable to				
Owners of the parent		¥ 520,250	**¥ 668,361**	**$ 5,561,796**
Non-controlling interests		58,001	**95,321**	**793,218**
		¥ 578,251	**¥ 763,682**	**$ 6,355,014**

	Notes	Fiscal year ended March 31, 2014* (Yen)	Fiscal year ended March 31, 2015 (Yen)	Fiscal year ended March 31, 2015 (U.S. dollars)
Earnings per share attributable to owners of the parent				
Basic	41	¥436.95	**¥562.20**	**$4.68**
Diluted	41	434.68	**558.75**	**4.65**

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 Statement of Comprehensive Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2014[1]	(Millions of yen) Fiscal year ended March 31, 2015	(Thousands of U.S. dollars) Fiscal year ended March 31, 2015
Net income		¥ 578,251	¥ 763,682	$6,355,014
Other comprehensive income (loss), net of tax				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	25, 40	3,214	(59,377)	(494,108)
Total items that will not be reclassified to profit or loss		3,214	(59,377)	(494,108)
Items that may be reclassified subsequently to profit or loss				
Available-for-sale financial assets	26, 40	(38,767)	3,726	31,006
Cash flow hedges	26, 40	(134,002)	12,862	107,031
Exchange differences on translating foreign operations	30, 40	90,683	409,596	3,408,471
Share of other comprehensive income of associates	17, 40	18,588	(2,227)	(18,532)
Total items that may be reclassified subsequently to profit or loss		(63,498)	423,957	3,527,976
Total other comprehensive income (loss), net of tax		(60,284)	364,580	3,033,868
Total comprehensive income		¥ 517,967	¥1,128,262	$9,388,882
Total comprehensive income attributable to				
Owners of the parent		¥ 444,615	¥ 991,671	$8,252,234
Non-controlling interests		73,352	136,591	1,136,648
		¥ 517,967	¥1,128,262	$9,388,882

Notes:
1. 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. Income taxes related to the components of other comprehensive income are described in "Note 40. Other comprehensive income (loss)."

c. Consolidated Statement of Changes in Equity

(Millions of yen)

		Equity attributable to owners of the parent							
For the fiscal year ended March 31, 2014*	Notes	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	32	–	–	(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	6	–	–	–	–	–	–	571,758	571,758
Acquisition of options to convert to subsidiaries' common stocks	31	–	(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

(Millions of yen)

		Equity attributable to owners of the parent							
For the fiscal year ended March 31, 2015	Notes	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	32	–	–	(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	31	–	(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."

(Thousands of U.S. dollars)

For the fiscal year ended March 31, 2015	Notes	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		$1,986,952	$3,371,149	$ 9,930,648	$(428,493)	$1,411,475	$16,271,731	$7,516,819	$23,788,550
Effect of retrospective adjustments*		–	(549)	(208,871)	–	1,940	(207,480)	(27,920)	(235,400)
As of April 1, 2014 (after adjustments)		1,986,952	3,370,600	9,721,777	(428,493)	1,413,415	16,064,251	7,488,899	23,553,150
Comprehensive income									
Net income		–	–	5,561,796	–	–	5,561,796	793,218	6,355,014
Other comprehensive income		–	–	–	–	2,690,438	2,690,438	343,430	3,033,868
Total comprehensive income		–	–	5,561,796	–	2,690,438	8,252,234	1,136,648	9,388,882
Transactions with owners and other transactions									
Cash dividends	32	–	–	(395,664)	–	–	(395,664)	(312,990)	(708,654)
Transfer of accumulated other comprehensive income to retained earnings		–	–	(392,993)	–	392,993	–	–	–
Purchase and disposal of treasury stock		–	–	(9,720)	25,872	–	16,152	–	16,152
Changes from business combination		–	–	–	–	–	–	35,100	35,100
Changes in interests in subsidiaries	31	–	(275,959)	–	–	–	(275,959)	92,452	(183,507)
Share-based payment transactions		–	24,648	–	–	–	24,648	(59,032)	(34,384)
Other		–	–	–	–	–	–	(2,355)	(2,355)
Total transactions with owners and other transactions		–	(251,311)	(798,377)	25,872	392,993	(630,823)	(246,825)	(877,648)
As of March 31, 2015		$1,986,952	$3,119,289	$14,485,196	$(402,621)	$4,496,846	$23,685,662	$8,378,722	$32,064,384

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."

d. Consolidated Statement of Cash Flows

	Notes	Fiscal year ended March 31, 2014* (Millions of yen)	Fiscal year ended March 31, 2015 (Millions of yen)	Fiscal year ended March 31, 2015 (Thousands of U.S. dollars)
Cash flows from operating activities				
Net income		¥ 578,251	¥ 763,682	$ 6,355,014
Depreciation and amortization		899,904	1,122,531	9,341,192
Gain from remeasurement relating to business combination		(253,886)	–	–
Finance cost		271,478	366,505	3,049,888
Income on equity method investments		(74,402)	(76,614)	(637,547)
Dilution gain from changes in equity interest		(3,633)	(599,815)	(4,991,387)
Other non-operating (income) loss		(40,448)	15,582	129,666
Income taxes		345,798	513,363	4,271,973
Increase in trade and other receivables		(106,055)	(85,357)	(710,302)
Increase in trade and other payables		21,375	27,809	231,414
Other		(163,609)	(84,815)	(705,793)
Subtotal		1,474,773	1,962,871	16,334,118
Interest and dividends received		7,546	5,642	46,950
Interest paid		(306,697)	(407,665)	(3,392,402)
Income taxes paid		(315,377)	(405,674)	(3,375,834)
Net cash provided by operating activities		860,245	1,155,174	9,612,832
Cash flows from investing activities				
Purchase of property, plant and equipment, and intangible assets	42	(1,371,400)	(1,397,856)	(11,632,321)
Payments for acquisition of investments		(36,193)	(287,801)	(2,394,949)
Proceeds from sales / redemption of investments		81,244	133,888	1,114,155
Decrease from acquisition of control over subsidiaries	6	(1,663,539)	(47,862)	(398,286)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiary	42	310,104	–	–
Payments for acquisition of marketable securities for short-term trading		(172,129)	(281,620)	(2,343,513)
Proceeds from sales / redemption of marketable securities for short-term trading		179,545	280,661	2,335,533
Other		(45,820)	(66,681)	(554,889)
Net cash used in investing activities		(2,718,188)	(1,667,271)	(13,874,270)

	Notes	(Millions of yen) Fiscal year ended March 31, 2014*	(Millions of yen) Fiscal year ended March 31, 2015	(Thousands of U.S. dollars) Fiscal year ended March 31, 2015
Cash flows from financing activities				
(Decrease) increase in short-term interest-bearing debt, net	20	¥ (201,794)	¥ 108,541	$ 903,229
Proceeds from long-term interest-bearing debt	20, 42	4,698,294	2,715,501	22,597,162
Repayment of long-term interest-bearing debt	20	(1,971,594)	(984,783)	(8,194,916)
Payment for purchase of subsidiaries' equity from non-controlling interests		(83,232)	(52,883)	(440,068)
Cash dividends paid		(47,600)	(47,519)	(395,431)
Cash dividends paid to non-controlling interests		(14,747)	(37,834)	(314,837)
Other		(19,952)	18,900	157,277
Net cash provided by financing activities		2,359,375	1,719,923	14,312,416
Effect of exchange rate changes on cash and cash equivalents		23,001	87,337	726,779
Increase in cash and cash equivalents		524,433	1,295,163	10,777,757
Cash and cash equivalents at the beginning of the year	8	1,439,057	1,963,490	16,339,269
Cash and cash equivalents at the end of the year	8	¥ 1,963,490	¥3,258,653	$27,117,026

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."

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. The details are described in "(1) Description of reportable segment" in "Note 7. Segment information."

2. Basis of preparation of consolidated financial statements

(1) Compliance with IFRSs

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(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. ("functional currency"), and are rounded to the nearest million yen.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥120.17 to $1, the approximate rate of exchange at March 31, 2015. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(4) Changes in presentation

(Consolidated statement 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 statement of income for the fiscal year ended March 31, 2014, is reclassified as "Dilution gain from changes in equity interest."

(Consolidated statement 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 statement 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 amounts 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 statement 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 contract 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)
"Sprint Communications"	Sprint Communications, Inc.
"Clearwire"	Clearwire Corporation
"Alibaba"	Alibaba Group Holding Limited
"GungHo"	GungHo Online Entertainment, Inc.
"Supercell"	Supercell Oy
"Kahon 3"	Kahon 3 Oy
"SoftBank C&S"	SoftBank Commerce & Service Corp.
"WCP"	Wireless City Planning Inc.

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 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 interests 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 at 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 30. 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 as "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, if the Company is required to separate an embedded derivative from its host contract, but 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. Gains or losses arising from changes in fair value, dividend income and interest income are recognized in profit or loss. Fair value of financial assets at FVTPL is measured in the manner described in "(1) Categorization within the level of the fair value hierarchy" in "Note 27. Fair value of financial instruments."

(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. Fair value of available-for-sale financial assets is measured in the manner described in "(1) Categorization within the level of the fair value hierarchy" in "Note 27. Fair value of financial instruments." 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 contracts 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. If the Company is required to separate an embedded derivative from its host contract, but 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
Furniture, fixtures and equipment	
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 by 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 onerous 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.

Restructuring provisions are mainly related to network shutdown and backhaul access contracts. The details of the restructuring provision are described in "Note 24. Provisions."

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 other, for repayment of interest paid in excess of the rate permitted under the Interest Rate Restriction Act.

(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, the fair values of the points are deferred when the services are provided to subscribers in both direct and indirect sales. Points are granted to subscribers based on the mobile telecommunications services revenues and recognized as revenues when payments from the mobile telecommunications services revenues are made.

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 other. 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 effective 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 are presented after the retrospective application.

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

(Consolidated statement of financial position)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Decrease in other current assets	¥(11,686)	¥ (7,308)	$ (60,814)
Increase in goodwill	7,302	8,343	69,427
Increase in deferred tax assets	9,514	8,681	72,239
Increase in total assets	¥ 5,130	¥ 9,716	$ 80,852
Increase in other current liabilities	¥ 33,418	¥ 38,009	$ 316,294
Increase in total liabilities	¥ 33,418	¥ 38,009	$ 316,294
Decrease in capital surplus	¥ (66)	¥ (66)	$ (549)
Decrease in retained earnings	(25,100)	(23,433)	(194,998)
Increase (decrease) in accumulated other comprehensive income	233	(403)	(3,354)
Decrease in non-controlling interests	(3,355)	(4,391)	(36,540)
Decrease in total equity	¥(28,288)	¥(28,293)	$(235,441)

(Consolidated statement of income)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
(Increase) decrease in cost of sales	¥(8,326)	¥1,997	$16,619
(Increase) decrease in selling, general and administrative expenses	8	(8)	(67)
(Increase) decrease in income taxes	420	(833)	(6,932)
Increase (decrease) in net income	¥(7,898)	¥1,156	$ 9,620
		(Yen)	(U.S. cent)
Earnings per share attributable to owners of the parent			
Increase (decrease) in earnings per share-basic	¥(5.69)	¥1.40	¢1.17
Increase (decrease) in earnings per share-diluted	(5.69)	1.40	1.17

(Consolidated statement of comprehensive income)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Increase (decrease) in net income	¥(7,898)	¥1,156	$ 9,620
Increase (decrease) in exchange differences on translating foreign operations	295	(885)	(7,365)
Increase (decrease) in total comprehensive income	¥(7,603)	¥ 271	$ 2,255

(Consolidated statement of cash flows)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Cash flows from operating activities			
(Decrease) increase in net income	¥(7,898)	¥ 1,156	$ 9,620
(Decrease) increase in income taxes	(420)	833	6,932
Increase (decrease) in other	8,318	(1,989)	(16,552)
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" and "Note 16. Major subsidiaries");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 39. 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" and (1) (2) in "Note 27. Fair value of financial instruments");
- 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 39. Other non-operating income and loss");
- fair value measurement of derivatives (including embedded derivatives) ((4) in "Note 3. Significant accounting policies," (1) (2) in "Note 27. Fair value of financial instruments," and "Note 39. 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" and "Note 15. Leases");
- estimates for impairment of property, plant and equipment, intangible assets and goodwill ((11) in "Note 3. Significant accounting policies," "Note 14. Goodwill and intangible assets" and "Note 36. Other operating income and loss");
- measurement of defined benefit obligation ((12) in "Note 3. Significant accounting policies" and (2) in "Note 25. Retirement benefits");
- judgments and estimates for recognition and measurement on provisions ((13) in "Note 3. Significant accounting policies" and "Note 24. Provisions"); and
- assessment of recoverability of deferred tax assets ((18) in "Note 3. Significant accounting policies" and (4) in "Note 19. Income taxes").

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 statement 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 statement 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: 18.5%), 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 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 its 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" for the fiscal year ended March 31, 2014.

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 statement 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
The components are described in "Note 14. Goodwill and intangible assets."
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 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 amounts 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 statement 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.

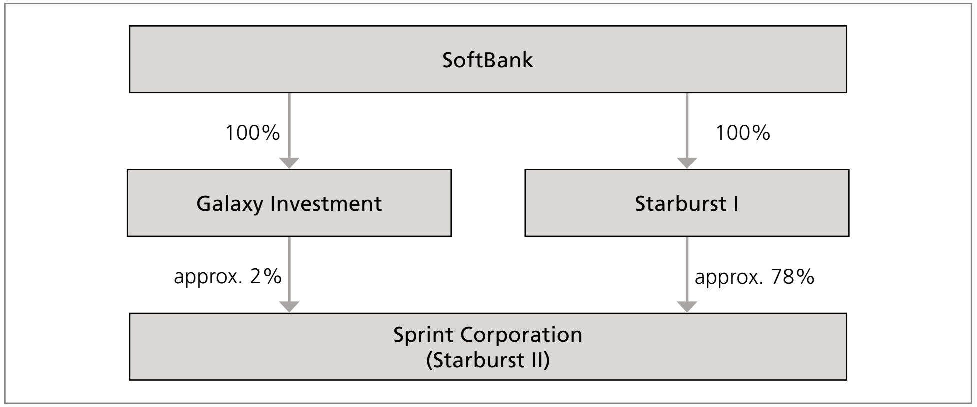
Through the transaction, approximately 72% of Sprint Nextel Corporation shares were acquired for $7.65 per share in cash, and the remaining shares were converted into Sprint shares on a one-to-one basis, which succeeded Sprint Nextel Corporation and became listed on the New York Stock Exchange.

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. Purposes 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 its components

(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 fiscal 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[4]		86,961
Trade and other payables		634,371
Income taxes payables		4,553
Provisions[5]		101,404
Other current liabilities		291,398
Total current liabilities		1,118,687
Non-current liabilities		
Interest-bearing debt[4]		2,668,163
Other financial liabilities		5,662
Defined benefit liabilities		65,763
Provisions[5]		146,492
Deferred tax liabilities[6]		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[7]	C	466,735
Basis adjustment[8]	D	311,659
Goodwill[9]	A – (B – C) – D	¥ 279,448

The above JPY 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 and intangible assets
The components are described in "Note 13. Property, plant and equipment" and "Note 14. Goodwill and intangible assets."
4. Interest-bearing debt
The components of the carrying amounts are as follows:
(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

5. 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.
6. 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.
7. 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 in the identifiable net assets of the acquiree at the acquisition date.
8. 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 the initial amount of goodwill which was recognized from the acquisition.
9. 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 subsidiary

	(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 subsidiary	310,104
Payment for the acquisition of control over the subsidiary by cash, net	¥(1,117,172)

h. Purchase commitments

Purchase commitments that increased through the business combination were ¥2,555,706 million at the acquisition date. These mainly arose from outstanding contracts relating to purchase of telecommunications equipment, purchase of mobile handsets, and connection with the other telecommunications carriers.

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 statement 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 the Company 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.)
Telecommunication business

(Acquisition date)
July 1, 2013

b. Consideration transferred and its 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 for the fiscal year ended March 31, 2014. This gain is presented as "Gain from remeasurement relating to business combination" in the consolidated statement 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
The components are described in "Note 14. Goodwill and intangible assets."
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 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 estimate of the contractual cash flows not expected to be collected at 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 statement 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.

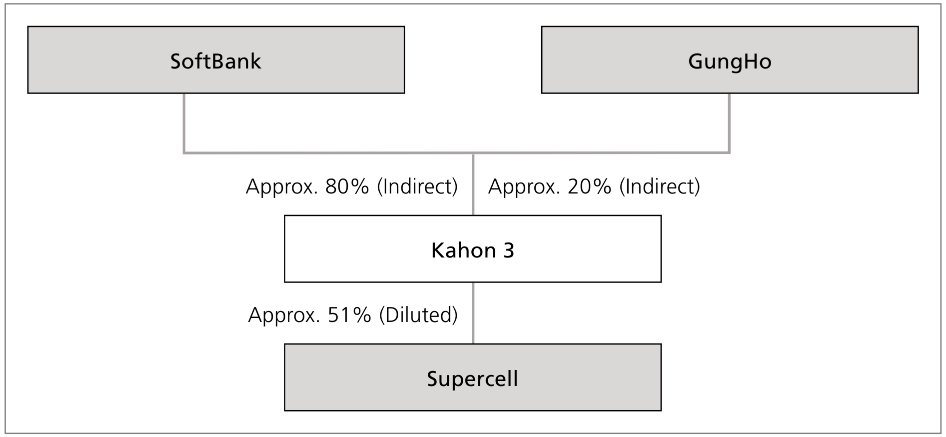
(4) Supercell Oy

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 2013, Finnish GAAP)

d. Acquisition date

October 31, 2013

e. Consideration transferred and its components

(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" for the fiscal year ended March 31, 2014.

Kahon 3 acquired common and preferred stocks of Supercell and options, which can convert the preferred stocks to common stocks ("conversion options"), for 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 statement 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
The components are described in "Note 14. Goodwill and intangible assets."
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 other, 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 statement of income for the fiscal year ended March 31, 2014, are ¥54,841 million and ¥3,799 million, respectively.

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

(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 that provides SoftBank Corp. with the rights to acquire a number of common stocks of Brightstar Global Group Inc. for de minimis 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 approximately 43% of the common stocks issued.

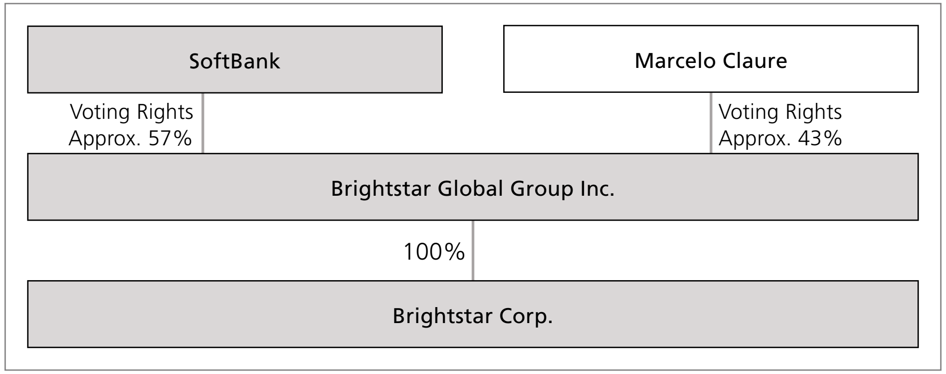
As a result of the transaction, SoftBank Corp. owns approximately 57% of the voting rights and common stocks of the Brightstar Global Group Inc., which owns 100% of Brightstar Corp., and Marcelo Claure, the former Chairman and CEO of Brightstar Corp. (resigned on August 11, 2014), owns approximately 43%. Accordingly, Brightstar Corp. became a subsidiary of SoftBank Corp. (please refer to (a) structure 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 other, ongoing corporate activities.

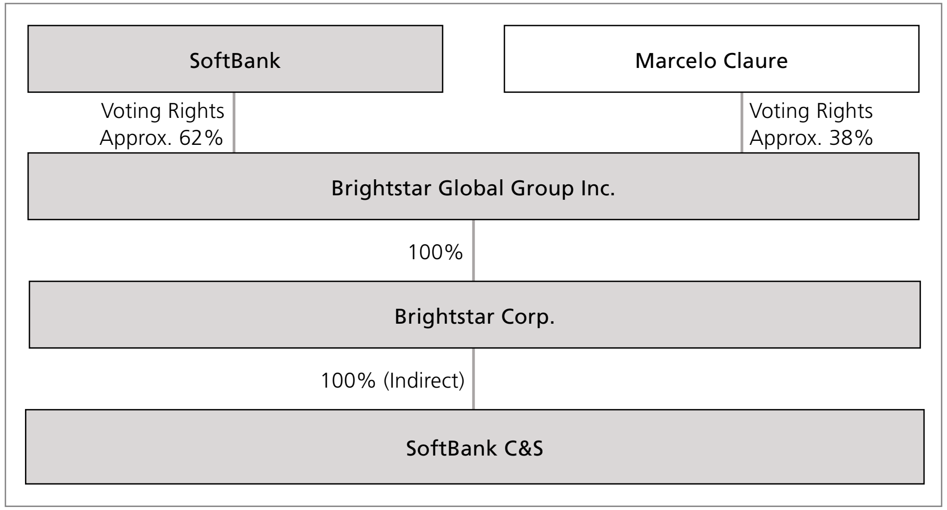
SoftBank BB Corp., a subsidiary of SoftBank Corp., divided its commerce and service business and newly established SoftBank C&S on April 1, 2014. All shares of SoftBank C&S held by SoftBank Corp. were transferred to SB C&S Holdings G.K., a wholly-owned subsidiary of Brightstar Corp., and SoftBank Corp. 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) structure below).

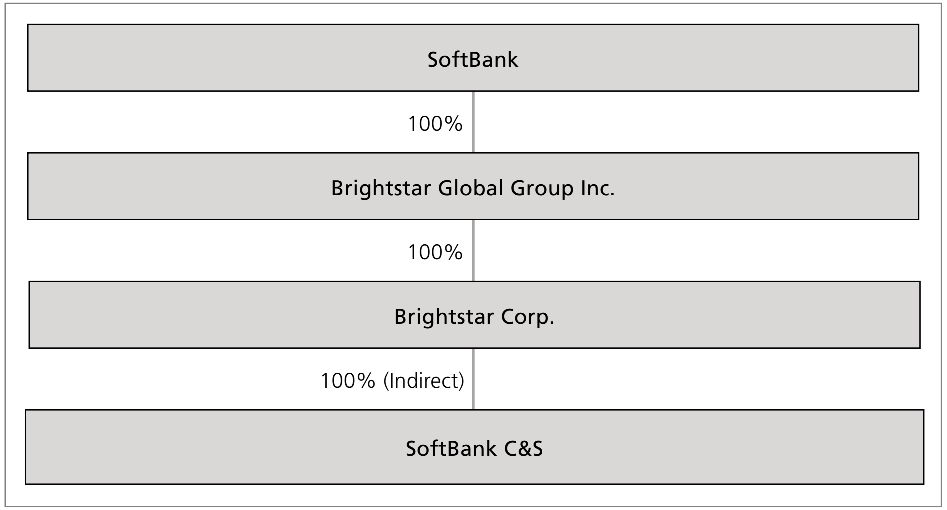
(a) Structure as of March 31, 2014



(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 Company 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 its components

		(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" for the fiscal year ended March 31, 2014.

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 statement 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 other.

(6) Consolidated net sales and consolidated net income and loss assuming that the business combination was completed at the beginning of the fiscal year

For the fiscal year ended March 31, 2014

The following is pro forma information (unaudited) of consolidated performance of the Company for the fiscal year ended March 31, 2014, assuming that the business combinations of WILLCOM, Inc., Supercell and Brightstar Corp. were completed and controls were acquired as of April 1, 2013.

	(Millions of yen) Fiscal year ended March 31, 2014
Sales (pro forma)	¥8,291,358
Net income (pro forma)	460,446

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 reportable 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 sale 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 service 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 excluding "Gain from remeasurement relating to business combination" and "Other operating income (loss)" from operating income 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 the information about the Company's net sales and income by reportable segments. The Company also discloses "EBITDA (segment income before depreciation and amortization)" by reportable segments.

For the fiscal year ended March 31, 2014

(Millions of yen)

	Reportable segments							
	Mobile Communications	Sprint[1]	Fixed-line Telecommunications	Internet	Total	Other[2]	Reconciliations[3]	Consolidated
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)
Income on equity method investments								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 Communications	Sprint	Fixed-line Telecommunications	Internet	Total	Other[2]	Reconciliations[3]	Consolidated
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)
Income on equity method investments								76,614
Dilution gain from changes in equity interests								599,815
Other non-operating loss								(15,582)
Income before income tax								¥ 1,277,045

(Thousands of U.S. dollars)

	Reportable segments							
	Mobile Communications	Sprint	Fixed-line Telecommunications	Internet	Total	Other[2]	Reconciliations[3]	Consolidated
Net sales								
Customers	$34,481,593	$29,909,021	$3,628,318	$3,457,776	$71,476,708	$ 672,922	$ –	$72,149,630
Intersegment	381,626	1,713,023	874,103	30,066	2,998,818	252,301	(3,251,119)	–
Total	$34,863,219	$31,622,044	$4,502,421	$3,487,842	$74,475,526	$ 925,223	$(3,251,119)	$72,149,630
EBITDA	$ 9,566,531	$ 5,434,301	$1,334,235	$1,705,068	$18,040,135	$ (87,410)	$ (203,686)	$17,749,039
Depreciation and amortization	(3,780,669)	(4,819,439)	(499,892)	(148,931)	(9,248,931)	(82,483)	(9,778)	(9,341,192)
Segment income	$ 5,785,862	$ 614,862	$ 834,343	$1,556,137	$ 8,791,204	$(169,893)	$ (213,464)	8,407,847
Gain from remeasurement relating to business combination								–
Other operating loss								(230,240)
Operating income								8,177,607
Finance cost								(3,049,888)
Income on equity method investments								637,547
Dilution gain from changes in equity interests								4,991,387
Other non-operating loss								(129,666)
Income before income tax								$10,626,987

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.

(3) Geographical information

a. Net sales to customers

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Japan	¥3,828,104	¥3,848,752	$32,027,561
U.S.	2,680,486	4,050,716	33,708,213
Other	158,061	770,753	6,413,856
Total	¥6,666,651	¥8,670,221	$72,149,630

Sales are categorized based on the location of customers.

b. Non-current assets (excluding financial assets and deferred tax assets)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	**As of March 31, 2015**	**As of March 31, 2015**
Japan	¥ 4,042,550	¥ 4,174,037	$ 34,734,435
U.S.	7,159,492	8,661,261	72,075,069
Other	268,854	240,544	2,001,697
Total	¥11,470,896	¥13,075,842	$108,811,201

8. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Cash and demand deposits	¥1,203,146	¥2,214,440	$18,427,561
Time deposits (maturities of three-months or less)	509,115	850,899	7,080,794
MMF	193,104	130,054	1,082,250
Other	58,125	63,260	526,421
Total	¥1,963,490	¥3,258,653	$27,117,026

The government of Argentina has imposed foreign exchange restrictions for both purchasing foreign currency and oversea remittance in Argentina. The government of Argentina requires authorization to be obtained before carrying out foreign exchange transactions with the Central Bank. Our Argentine subsidiaries have cash and cash equivalents of ¥6,781 million ($56,428 thousand) as of March 31, 2015 (March 31, 2014: ¥8,874 million).

The amount of cash and cash equivalents pledged as collateral for interest-bearing debt or other is described in"(4) Assets pledged as collateral" in "Note 20. Interest-bearing debt."

9. Trade and other receivables

The components of trade and other receivables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Trade receivables	¥1,176,453	¥1,355,325	$11,278,397
Installment receivables	438,521	473,945	3,943,954
Other	94,533	128,996	1,073,446
Allowance for doubtful accounts	(39,962)	(62,618)	(521,078)
Total	¥1,669,545	¥1,895,648	$15,774,719

Installment receivables represent receivables arising from the Company's advance payments to dealers on behalf of its customers who chose to purchase mobile handsets by installments in indirect sales. The amounts are charged to customers together with telecommunication service fees over the periods of installment payments.

The period of installment payments for the receivables above is within 24 months. As such, the amounts due within a year after the period end date are included in "Trade and other receivables," and those after one year are included in "Other financial assets (non-current)."

10. Other financial assets

The components of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current			
Marketable securities	¥109,935	¥124,520	$1,036,199
Time deposits (maturities of three-month over) and other	37,342	41,254	343,297
Derivative financial assets	13,975	17,341	144,304
Other	3,475	13,953	116,110
Total	¥164,727	¥197,068	$1,639,910
Non-current			
Installment receivables	¥147,355	¥169,408	$1,409,736
Investment securities	108,171	319,758	2,660,880
Derivative financial assets	28,876	56,892	473,429
Other	127,815	135,972	1,131,498
Allowance for doubtful accounts	(10,524)	(19,567)	(162,828)
Total	¥401,693	¥662,463	$5,512,715

Installment receivables are described in "Note 9. Trade and other receivables."

11. Inventories

The components of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Merchandise and finished products	¥243,864	¥329,688	$2,743,513
Other	7,813	21,464	178,614
Total	¥251,677	¥351,152	$2,922,127

The amount of inventories pledged as collateral for interest-bearing debt or other is described in "(4) Assets pledged as collateral" in "Note 20. Interest-bearing debt."

Write-downs of inventories recognized as an expense during the fiscal year are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Write-downs of inventories	¥11,144	¥14,579	$121,320

12. Other current assets and other non-current assets

The components of other current assets and other non-current assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current			
Prepaid expense	¥133,444	¥173,463	$1,443,480
Consumption tax receivable and other	98,374	44,660	371,640
Other	49,717	37,276	310,194
Total	¥281,535	¥255,399	$2,125,314
Non-current			
Long-term prepaid expense	¥152,080	¥177,192	$1,474,511
Other	15,181	14,257	118,640
Total	¥167,261	¥191,449	$1,593,151

13. Property, plant and equipment

Changes in property, plant and equipment at historical cost, are as follows:

(Millions of yen)

Historical cost	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2013	¥207,389	¥2,626,654	¥180,900	¥73,936	¥ 153,538	¥ 8,151	¥3,250,568
Purchase	6,237	31,786	6,565	–	918,906	5,761	969,255
Business combinations	141,548	833,751	38,978	18,369	305,734	6,233	1,344,613
Disposals	(4,890)	(179,404)	(31,926)	(111)	(12,825)	(5,869)	(235,025)
Transfer of accounts	16,507	1,009,932	71,263	34	(1,100,586)	2,337	(513)
Exchange differences	2,499	26,200	915	323	2,363	299	32,599
Other	1,806	(1,653)	(3,772)	–	(607)	(186)	(4,412)
As of March 31, 2014	371,096	4,347,266	262,923	92,551	266,523	16,726	5,357,085
Purchase	5,864	20,572	91,123	–	885,005	9,663	1,012,227
Disposals	(2,436)	(145,492)	(33,061)	(300)	(5,593)	(6,077)	(192,959)
Transfer of accounts	19,161	759,610	207,622	162	(868,725)	3,887	121,717
Exchange differences	25,728	249,613	17,023	3,118	40,848	1,860	338,190
Other	(6,870)	377	1,192	1,817	674	(1,056)	(3,866)
As of March 31, 2015	¥412,543	¥5,231,946	¥546,822	¥97,348	¥ 318,732	¥25,003	¥6,632,394

(Thousands of U.S. dollars)

Historical cost	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2014	$3,088,092	$36,175,968	$2,187,926	$770,167	$ 2,217,883	$139,185	$44,579,221
Purchase	48,798	171,191	758,284	–	7,364,608	80,411	8,423,292
Disposals	(20,272)	(1,210,718)	(275,119)	(2,496)	(46,542)	(50,570)	(1,605,717)
Transfer of accounts	159,449	6,321,128	1,727,738	1,348	(7,229,135)	32,346	1,012,874
Exchange differences	214,097	2,077,164	141,658	25,947	339,919	15,478	2,814,263
Other	(57,169)	3,137	9,917	15,120	5,610	(8,786)	(32,171)
As of March 31, 2015	$3,432,995	$43,537,870	$4,550,404	$810,086	$ 2,652,343	$208,064	$55,191,762

Changes in the accumulated depreciation and impairment losses of property, plant and equipment are as follows:

(Millions of yen)

Accumulated depreciation and impairment losses	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of April 1, 2013	¥ (89,105)	¥(1,214,074)	¥(113,482)	¥(6)	¥ (272)	¥(3,014)	¥(1,419,953)
Depreciation	(27,896)	(444,070)	(56,559)	–	–	(2,337)	(530,862)
Impairment loss	–	(3,961)	–	–	(5,594)	–	(9,555)
Disposals	4,532	148,963	31,653	–	5,611	1,027	191,786
Exchange differences	(312)	(4,321)	(302)	–	–	(92)	(5,027)
Other	322	(2,739)	5,105	–	(132)	297	2,853
As of March 31, 2014	(112,459)	(1,520,202)	(133,585)	(6)	(387)	(4,119)	(1,770,758)
Depreciation	(30,067)	(538,826)	(84,510)	–	–	(4,822)	(658,225)
Disposals	2,202	133,599	32,542	–	8	1,176	169,527
Exchange differences	(4,713)	(51,989)	(3,872)	–	–	(414)	(60,988)
Other	127	(2,855)	7,908	–	(8)	326	5,498
As of March 31, 2015	¥(144,910)	¥(1,980,273)	¥(181,517)	¥(6)	¥ (387)	¥(7,853)	¥(2,314,946)

(Thousands of U.S. dollars)

Accumulated depreciation and impairment losses	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2014	$ (935,833)	$(12,650,429)	$(1,111,634)	$(50)	$(3,220)	$(34,275)	$(14,735,441)
Depreciation	(250,204)	(4,483,865)	(703,254)	–	–	(40,126)	(5,477,449)
Disposals	18,324	1,111,750	270,800	–	67	9,785	1,410,726
Exchange differences	(39,219)	(432,629)	(32,221)	–	–	(3,445)	(507,514)
Other	1,057	(23,757)	65,807	–	(67)	2,712	45,752
As of March 31, 2015	$(1,205,875)	$(16,478,930)	$(1,510,502)	$(50)	$(3,220)	$(65,349)	$(19,263,926)

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

(Millions of yen)

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

(Thousands of U.S. dollars)

Carrying amounts	Buildings and structures	Telecommunications equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2015	**$2,227,120**	**$27,058,940**	**$3,039,902**	**$810,036**	**$2,649,123**	**$142,715**	**$35,927,836**

"Furniture, fixtures, and equipment" which was included in "Other" for the fiscal year ended March 31, 2014 is separately presented since the significance of the amount increased because Sprint introduced its device leasing program in September 2014. The detail of the device leasing program is described in "(2) Operating lease" in "Note 15. Lease."

The costs of leased devices included in "Furniture, fixtures, and equipment" as of March 31, 2014 and March 31, 2015 are ¥62,544 million and ¥313,667 million ($2,610,194 thousand), respectively. Also, accumulated depreciation and impairment losses of those are ¥(29,224) million and ¥(57,000) million ($(474,328) thousand), respectively. The amount of "Transfer of accounts" in furniture, fixtures, and equipment is mainly comprised of a reclassification of leased devices from "Inventories" in current assets.

The increase resulting from "Business combinations" for the fiscal year ended March 31, 2014 is mainly due to the consolidation of Sprint. The components of the carrying amounts of property, plant and equipment recognized as a result of the consolidation of Sprint in July 2013 are as follows. The details of the acquisition are described in "(2) Sprint" in "Note 6. Business combinations."

(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

Impairment loss is included in "Other operating income" in the consolidated statement of income. The detail of the impairment loss is described in "Note 36. Other operating income and loss."

The carrying amounts of finance lease assets included in property, plant and equipment are as follows:

	(Millions of yen) As of March 31, 2014	As of March 31, 2015	(Thousands of U.S. dollars) As of March 31, 2015
Buildings and structures	¥ 41,367	**¥ 43,401**	**$ 361,163**
Telecommunications equipment	731,858	**909,126**	**7,565,332**
Furniture, fixtures, and equipment	43,820	**57,991**	**482,575**
Land	49,360	**49,360**	**410,751**
Construction in progress	1,569	**862**	**7,173**
Other	432	**89**	**742**
Total	¥868,406	**¥1,060,829**	**$8,827,736**

Finance lease obligations of the Company are pledged through the lessor's retaining the property right of lease assets.

The amount of property, plant and equipment pledged as collateral for interest-bearing debt or other is described in "(4) Assets pledged as collateral" in "Note 20. Interest-bearing debt."

Assets with limited property rights due to installment purchases are described in "(5) Assets with limited property rights" in "Note 20. Interest-bearing debt."

14. Goodwill and intangible assets

Changes in goodwill and intangible assets at historical cost are as follows:

(Millions of yen)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Historical cost	Goodwill	FCC Licenses	Trademarks	Software	Customer relation-ships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of April 1, 2013	¥ 928,516	¥ –	¥ 3,790	¥ 760,646	¥ 89,394	¥ –	¥ –	¥ 536	¥ –	¥ 42,403	¥ 896,769
Purchase	–	30,146	–	46,081	–	–	–	41	–	227,591	303,859
Internal development	–	–	–	3,838	–	–	–	–	–	15,537	19,375
Business combinations	609,693	3,612,994	616,000	154,536	747,689	148,979	196,895	52,605	–	53,829	5,583,527
Disposals	–	(47)	–	(40,415)	–	–	–	(6)	–	(1,699)	(42,167)
Transfer of accounts	–	2,430	–	182,529	–	(64)	–	2	–	(162,274)	22,623
Exchange differences	11,315	64,003	10,589	4,163	12,370	2,620	5,617	926	–	1,650	101,938
Other	(129)	–	–	(281)	–	–	–	(3)	–	(184)	(468)
As of March 31, 2014	1,549,395	3,709,526	630,379	1,111,097	849,453	151,535	202,512	54,101	–	176,853	6,885,456
Purchase	–	17,923	–	77,893	4,650	–	–	42	–	223,384	323,892
Internal development	–	–	–	3,820	–	–	–	–	–	16,059	19,879
Business combinations	30,090	–	–	–	–	–	–	–	–	–	–
Disposals	–	(30,641)	–	(69,967)	–	–	–	(123)	–	(1,515)	(102,246)
Transfer of accounts	–	–	–	195,210	–	–	–	1	54,569	(252,596)	(2,816)
Exchange differences	56,539	618,769	104,217	42,703	122,650	25,398	(9,976)	8,986	–	7,606	920,353
Other	37,127	4,719	59	3,184	3,107	–	–	203	–	(1,406)	9,866
As of March 31, 2015	¥1,673,151	¥4,320,296	¥734,655	¥1,363,940	¥979,860	¥176,933	¥192,536	¥63,210	¥54,569	¥ 168,385	¥8,054,384

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Historical cost	Goodwill	FCC Licenses	Trademarks	Software	Customer relation-ships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2014	$12,893,359	$30,868,986	$5,245,727	$ 9,246,043	$7,068,761	$1,261,005	$1,685,212	$450,204	$ –	$ 1,471,690	$57,297,628
Purchase	–	149,147	–	648,190	38,696	–	–	350	–	1,858,899	2,695,282
Internal development	–	–	–	31,788	–	–	–	–	–	133,636	165,424
Business combinations	250,395	–	–	–	–	–	–	–	–	–	–
Disposals	–	(254,981)	–	(582,234)	–	–	–	(1,023)	–	(12,607)	(850,845)
Transfer of accounts	–	–	–	1,624,449	–	–	–	8	454,098	(2,101,988)	(23,433)
Exchange differences	470,492	5,149,114	867,246	355,355	1,020,637	211,351	(83,015)	74,777	–	63,293	7,658,758
Other	308,954	39,269	491	26,496	25,855	–	–	1,689	–	(11,700)	82,100
As of March 31, 2015	$13,923,200	$35,951,535	$6,113,464	$11,350,087	$8,153,949	$1,472,356	$1,602,197	$526,005	$454,098	$ 1,401,223	$67,024,914

Changes in the accumulated amortization and impairment losses of goodwill and intangible assets are as follows:

(Millions of yen)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Accumulated amortization and impairment losses	Goodwill	FCC Licenses	Trademarks	Software	Customer relation-ships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of April 1, 2013	¥(3,543)	¥–	¥ –	¥(349,361)	¥ (5,518)	¥ –	¥ –	¥ (358)	¥ –	¥(12,849)	¥ (368,086)
Amortization	–	–	–	(152,269)	(155,017)	–	(35,880)	(1,219)	–	(2,295)	(346,680)
Impairment loss	(5,822)	–	(7,404)	(654)	(8,655)	–	–	–	–	–	(16,713)
Disposals	–	–	–	39,165	–	–	–	6	–	248	39,419
Exchange differences	(552)	–	–	(869)	(2,769)	(227)	(110)	(24)	–	(280)	(4,279)
Other	129	–	–	277	–	(11,091)	–	(31)	–	(571)	(11,416)
As of March 31, 2014	(9,788)	–	(7,404)	(463,711)	(171,959)	(11,318)	(35,990)	(1,626)	–	(15,747)	(707,755)
Amortization	–	–	–	(196,838)	(187,557)	–	(49,647)	(1,767)	(1,019)	(3,833)	(440,661)
Disposals	–	–	–	67,706	–	–	–	122	–	105	67,933
Exchange differences	–	–	–	(12,197)	(38,121)	(3,406)	2,312	(357)	–	(322)	(52,091)
Other	–	–	–	(1,034)	–	(17,018)	–	1	–	(177)	(18,228)
As of March 31, 2015	¥(9,788)	¥–	¥(7,404)	¥(606,074)	¥(397,637)	¥(31,742)	¥(83,325)	¥(3,627)	¥(1,019)	¥(19,974)	¥(1,150,802)

(Thousands of U.S. dollars)

		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives							
Accumulated amortization and impairment losses	Goodwill	FCC Licenses	Trademarks	Software	Customer relation-ships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2014	$(81,451)	$–	$(61,613)	$(3,858,792)	$(1,430,965)	$ (94,183)	$(299,492)	$(13,531)	$ –	$(131,039)	$(5,889,615)
Amortization	–	–	–	(1,637,996)	(1,560,764)	–	(413,140)	(14,704)	(8,480)	(31,896)	(3,666,980)
Disposals	–	–	–	563,418	–	–	–	1,015	–	874	565,307
Exchange differences	–	–	–	(101,497)	(317,225)	(28,343)	19,239	(2,970)	–	(2,682)	(433,478)
Other	–	–	–	(8,604)	–	(141,616)	–	8	–	(1,471)	(151,683)
As of March 31, 2015	$(81,451)	$–	$(61,613)	$(5,043,471)	$(3,308,954)	$(264,142)	$(693,393)	$(30,182)	$(8,480)	$(166,214)	$(9,576,449)

The carrying amounts of goodwill and intangible assets are as follows:

(Millions of yen)

Carrying amounts	Goodwill	Intangible assets with indefinite useful lives: FCC Licenses	Intangible assets with indefinite useful lives: Trademarks	Intangible assets with finite useful lives: Software	Customer relationships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2014	¥1,539,607	¥3,709,526	¥622,975	¥647,386	¥677,494	¥140,217	¥166,522	¥52,475	¥ –	¥161,106	¥6,177,701
As of March 31, 2015	**¥1,663,363**	**¥4,320,296**	**¥727,251**	**¥757,866**	**¥582,223**	**¥145,191**	**¥109,211**	**¥59,583**	**¥53,550**	**¥148,411**	**¥6,903,582**

(Thousands of U.S. dollars)

Carrying amounts	Goodwill	Intangible assets with indefinite useful lives: FCC Licenses	Intangible assets with indefinite useful lives: Trademarks	Intangible assets with finite useful lives: Software	Customer relationships	Favorable lease contracts	Game title	Trademarks	Spectrum migration costs	Other	Total
As of March 31, 2015	**$13,841,749**	**$35,951,535**	**$6,051,851**	**$6,306,616**	**$4,844,995**	**$1,208,214**	**$908,804**	**$495,823**	**$445,619**	**$1,235,008**	**$57,448,465**

Increase due to "Business combinations" for the fiscal year ended March 31, 2014 is as follows:

- As a result of consolidating GungHo as a subsidiary in April 2013, the Company recognized game titles of ¥77,796 million. The details of the acquisition are described in "(1) GungHo Online Entertainment, Inc." in "Note 6. Business combinations."
- The components of the carrying amounts of intangible assets recognized as a result of consolidating Sprint as a subsidiary in July 2013 are as follows. The details of the acquisition are described in "(2) Sprint" in "Note 6. Business combinations."

	(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

- As a result of consolidating WILLCOM, Inc. as a subsidiary, in July 2013, the Company recognized customer relationships of ¥25,004 million. The details of the acquisition are described in "(3) WILLCOM, Inc." in "Note 6. Business Combination."
- As a result of consolidating Supercell Oy as a subsidiary in October 2013, the Company recognized game title of ¥119,099 million. The details of the acquisition are described in "(4) Supercell Oy" in "Note 6. Business Combination."
- As a result of consolidating Brightstar Corp. as a subsidiary in January 2014, the Company recognized customer relationships of ¥22,493 million and trademarks (intangible assets with indefinite useful lives) of ¥12,120 million. The details of the acquisition are described in "(5) Brightstar Corp." in "Note 6. Business Combination."

"FCC licenses" are licenses to use specific frequency spectrum granted by the U.S. Federal Communications Commission ("FCC"). As long as the Company acts within the requirements of 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" and "Boost Mobile" 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.

Customer relationships reflect excessive earning capacity in the future expected from the existing customers of the acquiree at the time of business combinations.

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 at acquisition date. Reversal of favorable lease contracts is recognized as operating lease payments.

Game titles reflect excessive earning capacity in the future expected from the existing game titles of the acquiree at the time of the business combinations.

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.

Amortization is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of income.

Impairment losses are included in "Other operating income and loss" in the consolidated statement of income. The details of the impairment loss are described in "Note 36. Other operating income and loss."

The carrying amount of internally generated intangible assets included in the intangible assets is as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Software	¥47,604	¥57,488	$478,389

The carrying amounts of finance lease assets included in the intangible assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Software	¥207,713	¥226,407	$1,884,056

The Company's finance lease obligations are secured by the lessor retaining the property rights of the leased assets.

The amounts of intangible assets pledged as collateral for interest-bearing debt are described in "(4) Assets pledged as collateral" in "Note 20. Interest-bearing debt."

The intangible assets with limited property rights due to installment purchase are described in "(5) Assets with limited property rights" in "Note 20. Interest-bearing debt."

Research and development costs included in "Cost of sales" and "Selling, general and administrative expenses" is as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Research and development costs	¥3,507	¥10,775	$89,665

Goodwill acquired as a part of business combinations is allocated to cash generating units or cash generating unit groups that are expected to benefit from the synergies arising from the combination.

Amounts of goodwill and intangible assets with indefinite useful lives allocated to cash generating units or cash generating unit groups are as follows:

		(Millions of yen)		(Thousands of U.S. dollars)
				Goodwill
Reportable segments	Cash generating unit or Cash generating unit groups	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Mobile Communications	SoftBank Mobile and other*	¥ 883,485	¥ 883,485	$ 7,351,960
	GungHo	146,032	146,032	1,215,212
	Supercell	103,463	95,187	792,103
	Brightstar Global Group	59,979	96,537	803,336
	Total	1,192,959	1,221,241	10,162,611
Sprint	Sprint	286,258	353,867	2,944,720
Fixed-line Telecommunications	SoftBank Telecom Corp.	27,920	27,920	232,338
Internet	Yahoo	31,050	47,245	393,151
–	Other	1,420	13,090	108,929
Total		¥1,539,607	¥1,663,363	$13,841,749

		(Millions of yen)		(Thousands of U.S. dollars)
		Intangible assets with indefinite useful lives		
Reportable segments	Cash generating unit	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Mobile Communications	Brightstar Corp. US·Canada	¥ 2,779	¥ 3,245	$ 27,003
	Brightstar Corp. Latin America	4,528	5,230	43,522
	Brightstar Corp. Asia, Africa, and Oceania	4,323	4,989	41,516
	Brightstar Corp. Europe	515	578	4,810
	Total	12,145	14,042	116,851
Sprint	Sprint	4,320,356	5,033,505	41,886,536
Total		¥4,332,501	¥5,047,547	$42,003,387

Note:
* SoftBank Mobile and other is comprised of SoftBank Mobile Corp., Ymobile Corporation., and WCP.

The recoverable amount of each cash generating unit or cash generating unit group is measured as follows.

Value in use: SoftBank Mobile and other, Supercell, Brightstar Global Group, SoftBank Telecom Corp., and Yahoo.

Fair value less disposal cost: GungHo and Sprint

Value in use is mainly assessed by discounting to the present value the estimated cash flows in the next five years based on the financial budget approved by the management, which reflects past experience and external information, using the pretax weighted average cost of capital of 5.03%–21.08% of the cash generating unit or cash generating unit groups (fiscal year ended March 31, 2014: 6.77%–23.56%). The cash flows from after five years are assumed on the basis of the growth rate of 0%–2.43%.

The fair value less disposal cost is measured based on active market price.

As a result of an impairment test of goodwill and intangible assets with indefinite useful lives, no impairment loss is recognized for the fiscal year ended March 31, 2015 (fiscal year ended March 31, 2014: impairment loss of ¥5,822 million recognized for goodwill allocated to cash generating units or cash generating unit groups of Other).

As for goodwill allocated to Brightstar Global Group, the value in use of the cash generating units to which the goodwill is allocated is higher than the carrying amount. However there is a possibility that the impairment loss will be recognized if the pretax weighted average cost of capital used in the calculation of the value in use increases by approximately 3.1%.

The Company determined that for significant cash generating units or cash generating unit groups other than the above, the recoverable amount is unlikely to fall below the carrying value, even if major assumptions used in the impairment test change to a reasonably foreseeable extent.

15. Leases

(1) Finance leases

(As lessee)

The Company has leased assets, including the FUKUOKA YAFUOKU! DOME, wireless equipment, switching equipment, power supply systems and transmission facilities.

The components of the present value of finance lease obligations are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
The total minimum lease payments			
Within 1 year	¥ 281,641	¥ 431,271	$ 3,588,841
1 to 5 years	742,615	761,440	6,336,357
Over 5 years	15,715	11,572	96,297
Total	1,039,971	1,204,283	10,021,495
Deduction—future financial expense	(44,761)	(47,919)	(398,761)
Present value of finance lease obligations	¥ 995,210	¥1,156,364	$ 9,622,734

The components of the present value of finance lease obligations are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Within 1 year	¥264,295	¥ 411,453	$3,423,924
1 to 5 years	716,679	734,085	6,108,721
Over 5 years	14,236	10,826	90,089
Total	¥995,210	¥1,156,364	$9,622,734

The outstanding balance by maturity year of financial lease obligations is described in "(2) Financial risk management (c) Liquidity risk" in "Note 26. Financial instrument."

Certain lease contracts have financial covenants. Major contents are described in "(2) Financial covenants" in "Note 20. Interest-bearing debt."

(2) Operating leases

(As lessee)

The Company leases towers, land and buildings for the placement of telecommunications equipment, frequency spectrum, and telecommunication lines under operating leases. Certain operating lease contracts have automatic renewal option and escalation clauses.

In addition to non-cancelable period, automatic renewal option is included in the lease term to the extent, at the inception of the lease, it is reasonably certain that the option will be exercised. For operating leases with escalation clauses or a portion of which is free of charge, the total lease payment amount is amortized over the lease term by the straight line method.

Cell sites leases

Cell site leases in the U.S. are generally provided by the cell phone tower operators who provide tower and ground space to place Sprint-owned antennae, radio, and related equipment. The contract terms generally provide for an initial non-cancelable term of 5 to 12 years with up to five renewal options for five years each. At the establishment of the cell sites leases, it is assumed that at least one renewal option is exercised for contracts less than 10 years.

Cell sites leases in Japan contain only land or buildings for the placement of cell sites. Most of the contract terms are 10 years or 20 years. At the establishment of the cell sites leases, it is reasonably certain that they will be used until the contract term expires.

Spectrum leases (U.S.)

U.S. leased spectrum agreements have renewal options. For those contracts, it is reasonably certain that, at the inception of the transaction, all the renewal options will be used and terms including renewal terms are up to 30 years.

The components of the future minimum lease payments related to non-cancelable operating leases are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Within 1 year	¥ 339,417	¥ 376,134	$ 3,130,016
1 to 5 years	1,098,640	1,259,983	10,485,005
Over 5 years	1,413,650	1,435,562	11,946,092
Total	¥2,851,707	¥3,071,679	$25,561,113

Operating lease payments recognized as expenses for the fiscal year ended March 31, 2015 totaled ¥431,238 million ($3,588,566 thousand) (fiscal year ended March 31, 2014: ¥339,961 million).

(As lessor)

In September 2014, Sprint introduced a device leasing program to its qualifying subscribers. As of March 31, 2015, substantially all transactions have been classified as operating leases along with the "device rental service" provided to corporate customers by SoftBank Telecom Corp.

The lease term of the device leasing program at Sprint is typically 2 years. At the end of the lease term, the subscriber has the option to turn in their device, continue leasing their device, or purchase the device.

Since device leases are provided on the condition that subscribers maintain telecommunication services with the Company, the amount of revenue from these transactions are separated into the amount of payments to be received for device leases and other elements, based on the fair value of telecommunication service and lease.

The components of the future minimum lease payments receivable under non-cancelable operating leases are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Within 1 year	¥14,140	¥104,551	$ 870,026
1 to 5 years	11,418	74,074	616,410
Over 5 years	1,957	2,470	20,554
Total	¥27,515	¥181,095	$1,506,990

16. Major subsidiaries

(1) Organizational structure

The Company's major subsidiaries are as follows:

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%) As of March 31, 2014	As of March 31, 2015
SoftBank Mobile Corp.[1]	Mobile Communications	Tokyo	100	100
BB Mobile Corp.	Mobile Communications	Tokyo	100	100
Ymobile Corporation[1, 2]	Mobile Communications	Tokyo	33.3	99.7
WILLCOM, Inc.[2]	Mobile Communications	Tokyo	100	–
GungHo Online Entertainment, Inc.[3]	Mobile Communications	Tokyo	40.2	40.2
Wireless City Planning Inc.[4]	Mobile Communications	Tokyo	33.3	33.3
SoftBank Commerce & Service Corp.[5]	Mobile Communications	Tokyo	–	100
Brightstar Global Group Inc.[6]	Mobile Communications	U.S.A	57.2	100
Brightstar Corp.	Mobile Communications	U.S.A	100	100
GRAVITY Co., Ltd.	Mobile Communications	South Korea	59.3	59.3
Supercell Oy	Mobile Communications	Finland	54.9	53.7
Sprint Corporation	Sprint	U.S.A	79.9	79.5
Sprint Communications, Inc.	Sprint	U.S.A	100	100
SoftBank BB Corp.[1]	Fixed-line Telecommunications	Tokyo	100	100
SoftBank Telecom Corp.[1]	Fixed-line Telecommunications	Tokyo	100	100
Yahoo Japan Corporation[7]	Internet	Tokyo	42.9	43.0
IDC Frontier Inc.	Internet	Tokyo	100	100
ValueCommerce Co., Ltd.	Internet	Tokyo	50.6	50.6
Mobiletech Corporation	Other	Tokyo	100	100
SB Energy Corp.	Other	Tokyo	100	100
SoftBank Payment Service Corp.	Other	Tokyo	100	100
Fukuoka SoftBank HAWKS Corp.	Other	Fukuoka	100	100
SoftBank Robotics Holdings Corp.[8] (Formerly Amuse Three Corporation)	Other	Tokyo	100	100
SBBM Corporation	Other	Tokyo	100	100
ITmedia Inc.	Other	Tokyo	59.1	57.9
SoftBank Technology Corp.	Other	Tokyo	55.5	55.4
Vector Inc.	Other	Tokyo	52.4	52.4
SFJ Capital Limited	Other	Cayman	100	100
SB Group US, Inc.	Other	U.S.A	–	100
SB CHINA HOLDINGS PTE LTD	Other	Singapore	100	100
SoftBank Ventures Korea Corp.	Other	South Korea	100	100
SoftBank Korea Corp.	Other	South Korea	100	100
Starburst I, Inc.	Other	U.S.A	100	100
SoftBank Holdings Inc.	Other	U.S.A	100	100
SoftBank America Inc.	Other	U.S.A	100	100
SoftBank Ranger Venture Investment Partnership	Other	South Korea	100	100
SoftBank Capital Fund'10 L.P.	Other	U.S.A	98.0	98.0
STARFISH I PTE. LTD.	Other	Singapore	–	100
SB Pan Pacific Corporation	Other	Micronesia	100	100
Hayate Corporation	Other	Micronesia	–	100

Notes:

1. SoftBank Mobile Corp., Ymobile Corporation, SoftBank BB Corp., and SoftBank Telecom Corp. conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015.
2. eAccess Ltd. merged with WILLCOM, Inc. on June 1, 2014 and changed its company name to Ymobile Corporation on July 1 2014. On February 24, 2015, SoftBank Corp. requested Ymobile to exchange 342,777 shares of Ymobile Corporation's Class A share (without voting rights) owned by SoftBank Corp. with 342,777 shares of Ymobile Corporation's Class B share (with voting rights). As a result, the Company holds 99.7% of Ymobile Corporation's voting rights.
3. The Company does not own the majority of voting rights in GungHo. However, Heartis, which owns 18.50% of the voting rights in GungHo, has agreed, effective as of April 1, 2013, to the effect that it will exercise the voting rights for all of the shares of GungHo it holds in accordance with Masayoshi Son's directions. The Company and Heartis together represent the majority of the voting rights in GungHo's shares. As a result, the Company determined that it has control over GungHo and included it into the scope of consolidation. Furthermore, as a result of the completion of the tender offer for share of GungHo, which has resolved at GungHo's board of director's meeting held on April 28, 2015, the Company holds 23.7% of GungHo's voting rights and GungHo became an associate accounted for using the equity method as of the date of issuance of these consolidated financial statements.
4. The Company does not own the majority of WCP's voting rights. However, the Company determined that it has control over WCP and included it into the scope of consolidation, considering the fact that SoftBank Corp.'s directors constitute the majority of the members of WCP's board of directors and that WCP's business activities significantly depend on the Company.
5. On April 1, 2014, former SoftBank BB Corp. spun off its Commerce and Service business and newly established SoftBank Commerce & Service Corp. SoftBank Corp. transferred all of its shares of SoftBank Commerce & Service Corp. to a wholly owned subsidiary of Brightstar Corp.
6. On August 6, 2014, the Company acquired all of the common stock of Brightstar Global Group held by, former chairman and CEO, Marcelo Claure (which was 37.7% of its outstanding common stocks) and Brightstar Global Group became a wholly owned subsidiary of the Company.
7. The Company does not own the majority of Yahoo Japan Corporation's voting rights. However, the Company determined that it has control over Yahoo Japan Corporation and included it into the scope of consolidation, considering the fact that the Company holds 43.0% of the voting rights of Yahoo Japan Corporation and SoftBank Corp.'s directors constitute the majority of the members of Yahoo Japan Corporation's board of directors.
8. Amuse Three Corporation changed its company name to SoftBank Robotics Holdings Corp., on August 27, 2014.

(2) Summarized consolidated financial information and other information on subsidiaries with significant non-controlling interests

a. Sprint (Sprint Corporation and its group companies)

(a) General information

	As of March 31, 2014	As of March 31, 2015
Ownership ratio of the non-controlling interests (%)	20.1	20.5

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Accumulated amount attributable to the non-controlling interests of the subsidiary group	¥403,115	¥415,887	$3,460,822

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net loss allocated to the non-controlling interests of subsidiary group	¥(39,564)	¥(37,285)	$(310,269)

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current assets	¥1,178,581	¥1,229,754	$10,233,453
Non-current assets	7,139,707	8,592,854	71,505,817
Current liabilities	1,031,865	1,406,378	11,703,237
Non-current liabilities	5,084,260	6,098,000	50,744,778
Net assets	¥2,202,163	¥2,318,230	$19,291,255

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net sales	¥2,601,031	¥3,800,021	$31,622,044
Net loss	(192,371)	(183,237)	(1,524,815)
Total comprehensive loss	(187,239)	(127,653)	(1,062,270)

Fiscal year ended March 31, 2014 is the net sales, net loss and total comprehensive income of Sprint after the acquisition date.

No dividends were paid to the non-controlling interests by Sprint after the acquisition date.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net cash provided by operating activities	¥ 24,999	¥ 191,167	$ 1,590,805
Net cash used in investing activities	(564,880)	(517,815)	(4,309,021)
Net cash provided by financing activities	586,912	229,807	1,912,349
Effect of exchange rate changes on cash and cash equivalents	16,658	67,170	558,958
Increase (decrease) in cash and cash equivalents	¥ 63,689	¥ (29,671)	$ (246,909)

Fiscal year ended March 31, 2014 is the cash flows of Sprint after the acquisition date.

b. Yahoo (Yahoo Japan Corporation and its group companies)

(a) General information

	As of March 31, 2014	As of March 31, 2015
Ownership ratio of the non-controlling interests (%)	57.1	57.0

		(Millions of yen)	(Thousands of U.S. dollars)
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥356,740	¥416,402	$3,465,108

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net income allocated to the non-controlling interests of subsidiary group	¥73,318	¥76,768	$638,828

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current assets	¥658,706	¥741,828	$6,173,155
Non-current assets	210,890	284,355	2,366,273
Current liabilities	218,335	239,772	1,995,274
Non-current liabilities	3,934	27,276	226,978
Net assets	¥647,327	¥759,135	$6,317,176

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net sales	¥408,515	¥428,487	$3,565,674
Net income	129,566	133,933	1,114,529
Total comprehensive income	135,030	135,877	1,130,706

Dividends paid to the non-controlling interests by Yahoo Japan Corporation for the fiscal year ended March 31, 2015 is ¥14,371 million ($119,589 thousand) (fiscal year ended March 31, 2014: ¥13,229 million).

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net cash provided by operating activities	¥134,572	¥127,627	$1,062,054
Net cash used in investing activities	(9,053)	(69,252)	(576,284)
Net cash used in financing activities	(53,129)	(37,166)	(309,279)
Effect of exchange rate changes on cash and cash equivalents	359	391	3,254
Increase in cash and cash equivalents	¥ 72,749	¥ 21,600	$ 179,745

17. Investments accounted for using the equity method

(1) Summarized consolidated financial information and other of the significant associates

Alibaba Group Holding Limited

a. General information

Alibaba (registered in Cayman) operates online marketplaces "Taobao Marketplace," "Tmall," "Alibaba.com" and others through its group company.

b. Summarized consolidated financial information

IFRS summarized consolidated financial information for Alibaba is as follows.

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current assets	¥1,178,723	¥3,294,995	$27,419,447
Non-current assets	672,785	1,840,071	15,312,233
Current liabilities	680,910	1,221,616	10,165,732
Non-current liabilities	790,289	1,112,290	9,255,970
Equity			
Total equity attributable to owners of the parent	363,226	2,720,661	22,640,102
Non-controlling interests	¥ 17,083	¥ 80,499	$ 669,876

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net sales	¥801,093	¥1,281,836	$10,666,855
Net income	323,923	191,607	1,594,466
Other comprehensive income, net of tax	22,433	820	6,824
Total comprehensive income	¥346,356	¥192,427	$ 1,601,290

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net income attributable to owners of the parent	¥323,306	¥188,906	$1,571,990
Other comprehensive income attributable to owners of the parent, net of tax	22,183	708	5,891
Total comprehensive income attributable to owners of the parent	¥345,489	¥189,614	$1,577,881

There was no dividend received from Alibaba for the fiscal years ended March 31, 2014 and 2015.

The reconciliation between total equity attributable to owners of the parent based on the summarized consolidated financial information above and the carrying amount of the interests in Alibaba is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Total equity attributable to owners of the parent	¥363,226	¥2,720,661	$22,640,102
Interest ratio (%)	36.26	32.54	32.54
Interests of the Company	131,706	885,303	7,367,089
Goodwill	58,521	63,533	528,693
Accumulated amortization of goodwill on the IFRS transition date[1]	(8,624)	(8,878)	(73,879)
Other[2]	(50,485)	(70,141)	(583,682)
Carrying amount of the interests in Alibaba[3]	¥131,118	¥ 869,817	$ 7,238,221

Notes:
1. Goodwill recorded by Alibaba from business combinations before the IFRS transition date was amortized over the periods in which economic benefits were reasonably expected to be realized, when the Company applied the equity method to the investment in Alibaba under previous accounting principles (JGAAP). The adjustment amount above reflects the accumulated amortization of goodwill at the date of transition to IFRSs.
2. Other relates to adjustments mainly related to organization restructurings such as the transfer of Taobao shares in 2005 and the purchase of treasury stocks by Alibaba from Yahoo! Inc. in the U.S. in 2012.
3. Dilution gain from changes in equity interest of ¥599,668 million ($4,990,164 thousand) related to Alibaba is recognized for the year ended March 31, 2015. The detail is described in "Note 38. Dilution gain from changes in equity interest."

c. Fair value of investment in Alibaba

Alibaba listed on the New York Stock Exchange on September 19, 2014. The fair value of the investment in Alibaba based on market price is ¥7,979,784 million ($66,404,127 thousand) as of March 31, 2015.

(2) Aggregated information on investment in insignificant associates

The aggregated information of insignificant investments accounted for using the equity method, other than (1) above (total amount of the Company's interests), is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Carrying amount of the interests related to associates	¥173,200	¥232,639	$1,935,916

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net income	¥ 7,622	¥ 9,154	$ 76,175
Other comprehensive income (loss), net of tax	9,108	(4,841)	(40,285)
Total comprehensive income	¥16,730	¥ 4,313	$ 35,890

18. Structured entities

(1) Consolidated structured entities

The Company owns investment funds which are structured entities consolidated by the Company. These funds are structured as venture funds in the form of partnerships and limited partnerships for investment, and designed so that the voting rights or similar rights are not the determinant in evaluating control. The Company evaluated that it controls the operation of those structured entities.

The Company is engaged in investment commitment contracts with certain consolidated structured entities.

The Company has not provided, nor intends to provide, any significant financial support or other significant support to the consolidated structured entities without contractual obligation.

(2) Unconsolidated structured entities

SoftBank Corp. and its subsidiaries own some investment funds, which are structured entities unconsolidated by the Company. These funds are structured as venture funds in the form of partnerships, limited partnerships for investment and investment trusts, and designed so that the voting rights or similar rights are not the determinant in evaluating control. The third party controls the operation of these structured entities. The funds are financed by the subscription by its partners.

The scale of the unconsolidated structured entities, the carrying amount of the investment in the entities by the Company, and the potential maximum loss exposure of the Company are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Total assets of the unconsolidated structured entities (aggregate amount)	¥359,396	¥452,567	$3,766,056
The maximum loss exposure of the Company			
The carrying amount of the investment recognized by the Company	63,352	71,707	596,713
Commitment contracts related to additional investment	16,445	16,502	137,322
Total	¥79,797	¥ 88,209	$ 734,035

The investment recognized by the Company is included in "Investments accounted for using the equity method" or "Other financial assets (non-current)" in the consolidated statement of financial position. There is no liability to recognize for the Company related to unconsolidated structured entities.

The potential maximum loss exposure incurred from the involvement with the structured entities is limited to the total of the carrying amount of the Company's investment and commitment regarding additional investment.

The Company's maximum loss exposure represents the potential maximum loss amount, and does not indicate any estimated loss amount by being involved with structured entities.

The Company has not provided, nor intends to provide any financial support or other significant support to the unconsolidated structured entities above without contractual obligation.

19. Income taxes

(1) Tax expenses

The components of income tax expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Current tax expenses	¥(343,333)	**¥(351,279)**	**$(2,923,184)**
Deferred tax expenses	(2,465)	**(162,084)**	**(1,348,789)**
Total	¥(345,798)	**¥(513,363)**	**$(4,271,973)**

Deferred tax expenses include expense arising from the written-down of a deferred tax asset or reversal of previously written-down deferred tax asset. The amount of tax expenses related to these changes was decreased by ¥61,568 million ($512,341 thousand) for the year ended March 31, 2015 (fiscal year ended March 31, 2014: increased by ¥3,957 million).

In Japan, the Act on the Partial Revision of the Income Tax Act (Article 9, 2015) and the Local Tax Law (Article 2, 2015) were issued on March 31, 2015, and the Company's statutory effective tax rate, used to measure the deferred tax assets and liabilities for the fiscal year ended March 31, 2015, was changed. The effective tax rate for the temporary differences for which the timing of the recovery or settlement of the related temporary difference is expected during the fiscal year ending March 31, 2016 is changed from 35.6% to 33.3%, and to 32.4% for those whose timing expected is on April 1, 2016 and thereafter.

(2) Reconciliation of statutory effective tax rate and actual tax rate

The reconciliation of the statutory effective tax rate and actual tax rate is as follows. The actual tax rate represents the ratio of income tax expenses to income before income tax.

		(Unit: %)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**
Statutory effective tax rate	38.0	**35.6**
Effect from evaluating recoverability of deferred tax assets	11.7	**2.9**
Impairment loss on equity method associates	–	**0.9**
Income on equity method investments	(2.7)	**(0.1)**
Gain from remeasurement relating to business combination	(10.4)	**–**
Other	0.8	**0.9**
Actual tax rate	37.4	**40.2**

The Company is subject to income taxes, residence taxes and deductible enterprise tax. The statutory effective tax rate for the fiscal year ended March 31, 2015 based on these taxes is 35.6% (fiscal year ended March 31, 2014: 38.0%), except for foreign subsidiaries that are subject to income taxes at their respective locations.

In Japan, the Act on the Partial Revision of the Income Tax Act (Article 10, 2014) was issued on March 31, 2014, and the special corporation tax for reconstruction will not be imposed from fiscal years starting on or after April 1, 2014. Consequently the statutory effective tax rate was changed.

(3) Movement of deferred tax assets and deferred tax liabilities

The movement of deferred tax assets and deferred tax liabilities was as follows:

For the fiscal year ended March 31, 2014

(Millions of yen)

	As of March 31, 2013	Recognized in profit or loss	Recognized in other comprehensive income	Business combination*	Exchange differences	Other	As of March 31, 2014
Deferred tax assets							
Property, plant and equipment	¥ 81,434	¥(25,124)	¥ –	¥ 37,411	¥ 557	¥ –	¥ 94,278
Accrued expenses and other liabilities	87,206	(68,579)	71	244,384	3,409	(69)	266,422
Net operating loss carryforwards and tax credit carryforwards	7,467	20,340	–	46,232	741	–	74,780
Other	43,168	3,494	(1)	48,698	925	428	96,712
Total	219,275	(69,869)	70	376,725	5,632	359	532,192
Deferred tax liabilities							
FCC licenses	–	(16,305)	–	(1,213,820)	(21,636)	–	(1,251,761)
Customer relationships	(30,753)	62,683	–	(286,213)	(3,664)	–	(257,947)
Trademarks	(1,351)	1,739	–	(255,266)	(4,380)	–	(259,258)
Temporary difference associated with investment in subsidiaries and associates	–	(5,483)		–	(92)	(300)	(5,875)
Available-for-sale financial assets	(27,886)	–	22,381	–	(0)	(395)	(5,900)
Cash flow hedges	(72,059)	–	72,029	–	–	–	(30)
Other	(24,388)	24,770	–	(101,071)	(2,092)	585	(102,196)
Total	(156,437)	67,404	94,410	(1,856,370)	(31,864)	(110)	(1,882,967)
Net	¥ 62,838	¥ (2,465)	¥94,480	¥(1,479,645)	¥(26,232)	¥ 249	¥(1,350,775)

Note:
* The increase resulting from "Business combinations" is mainly due to the consolidation of Sprint as a subsidiary. The details of the acquisition are described in "(2) Sprint" in "Note 6. Business combinations."

For the fiscal year ended March 31, 2015

(Millions of yen)

	As of March 31, 2014	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2015
Deferred tax assets							
Property, plant and equipment	¥ 94,278	¥ (20,632)	¥ –	¥ 176	¥ 710	¥ (1,908)	¥ 72,624
Accrued expenses and other liabilities	266,422	(36,626)	83	10,156	29,242	(2,048)	267,229
Net operating loss carryforwards and tax credit carryforwards[1]	74,780	40,651	–	14	12,106	(3)	127,548
Other	96,712	(5,917)	(64)	1,088	8,862	4,275	104,956
Total	532,192	(22,524)	19	11,434	50,920	316	572,357
Deferred tax liabilities							
FCC licenses	(1,251,761)	(3,174)	–	–	(218,321)	(35,630)	(1,508,886)
Customer relationships	(257,947)	71,746	–	(1,678)	(31,748)	3,389	(216,238)
Trademarks	(259,258)	2,599	–	–	(43,232)	1,097	(298,794)
Temporary difference associated with investment in subsidiaries and associates[2]	(5,875)	(222,111)	(28,649)	–	(58)	263	(256,430)
Available-for-sale financial assets	(5,900)	–	239	(61)	(56)	(5)	(5,783)
Cash flow hedges	(30)	–	(210)	–	–	–	(240)
Other	(102,196)	11,380	–	(3,702)	(8,683)	88	(103,113)
Total	(1,882,967)	(139,560)	(28,620)	(5,441)	(302,098)	(30,798)	(2,389,484)
Net	¥(1,350,775)	¥(162,084)	¥(28,601)	¥ 5,993	¥(251,178)	¥(30,482)	¥(1,817,127)

(Thousands of U.S. dollars)

	As of March 31, 2014	Recognized in profit or loss	Recognized in other comprehensive income	Business combination	Exchange differences	Other	As of March 31, 2015
Deferred tax assets							
Property, plant and equipment	$ 784,539	$ (171,690)	$ –	$ 1,465	$ 5,908	$ (15,878)	$ 604,344
Accrued expenses and other liabilities	2,217,043	(304,785)	691	84,513	243,339	(17,043)	2,223,758
Net operating loss carryforwards and tax credit carryforwards[1]	622,285	338,279	–	117	100,740	(25)	1,061,396
Other	804,793	(49,239)	(533)	9,054	73,746	35,575	873,396
Total	4,428,660	(187,435)	158	95,149	423,733	2,629	4,762,894
Deferred tax liabilities							
FCC licenses	(10,416,585)	(26,413)	–	–	(1,816,768)	(296,496)	(12,556,262)
Customer relationships	(2,146,517)	597,038	–	(13,964)	(264,192)	28,201	(1,799,434)
Trademarks	(2,157,427)	21,628	–	–	(359,757)	9,128	(2,486,428)
Temporary difference associated with investment in subsidiaries and associates[2]	(48,889)	(1,848,306)	(238,405)	–	(483)	2,189	(2,133,894)
Available-for-sale financial assets	(49,097)	–	1,989	(508)	(466)	(41)	(48,123)
Cash flow hedges	(250)	–	(1,747)	–	–	–	(1,997)
Other	(850,429)	94,699	–	(30,806)	(72,256)	733	(858,059)
Total	(15,669,194)	(1,161,354)	(238,163)	(45,278)	(2,513,922)	(256,286)	(19,884,197)
Net	$(11,240,534)	$(1,348,789)	$(238,005)	$ 49,871	$(2,090,189)	$(253,657)	$(15,121,303)

Notes:

1. The Company recognizes deferred tax assets related to the entities that recorded a loss in either the fiscal year ended March 31, 2014 or 2015, in the amount of ¥53,046 million ($441,425 thousands) for the fiscal year ended March 31, 2015 (March 31, 2014: ¥1,976 million). This is mainly from the recognition of deferred tax assets as of March 31, 2015 related to net operating loss carryforwards of Ymobile Corporation, considering the fact that SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation conducted an absorption type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015.
2. The increase in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries and associates" is manly due to the recognition of deferred tax liabilities on temporary differences on investment which mainly arose from dilution gain from changes in equity interest and equity income related to Alibaba. The amount of deferred tax liability recognized as of March 31, 2015 is ¥238,448 million ($1,984,256 thousands).

Deferred tax assets and liabilities in the consolidated statement of financial position are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Deferred tax assets	¥ 182,246	¥ 235,488	$ 1,959,624
Deferred tax liabilities	(1,533,021)	(2,052,615)	(17,080,927)
Net	¥(1,350,775)	¥(1,817,127)	$(15,121,303)

(4) Deductible temporary differences, net operating loss carryforwards and tax credit carryforwards, unaccompanied by the recognition of deferred tax assets

Deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards unaccompanied by the recognition of deferred tax assets are as follows. The amounts below are on a tax basis.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Deductible temporary differences	¥187,687	¥ 180,647	$ 1,503,262
Net operating loss carryforwards	783,219	1,001,667	8,335,416
Tax credit carryforwards	26,584	34,850	290,006
Total	¥997,490	¥1,217,164	$10,128,684

Expiration of net operating loss carryforwards, and tax credit carryforwards unaccompanied by recognition of deferred tax assets is as follows. There is no deductible temporary difference with an expiry date.

	(Millions of yen)		(Thousands of U.S. dollars)
Net operating loss carryforwards (tax basis)	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
1st year	¥ 8,520	¥ 10,097	$ 84,023
2nd year	4,218	19,902	165,615
3rd year	16,268	15,835	131,772
4th year	23,566	9,542	79,404
5th year and thereafter and no expiry date	730,647	946,291	7,874,602
Total	¥783,219	¥1,001,667	$8,335,416

	(Millions of yen)		(Thousands of U.S. dollars)
Tax credit carryforwards (tax basis)	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
1st year	¥ 861	¥ 2,284	$ 19,006
2nd year	36	255	2,122
3rd year	210	8,635	71,857
4th year	7,388	1,268	10,552
5th year and thereafter and no expiry date	18,089	22,408	186,469
Total	¥26,584	¥34,850	$290,006

In addition to the above, total deductible temporary differences (before multiplying by the tax rate) unaccompanied by the recognition of deferred tax assets related to the investment in subsidiaries and associates as of March 31, 2015 are ¥600,209 million ($4,994,666 thousand) (March 31, 2014: ¥115,338 million).

(5) Taxable temporary differences unaccompanied by the recognition of deferred tax liabilities related to the investment in subsidiaries

Total taxable temporary differences (before multiplying by the tax rate) unaccompanied by the recognition of deferred tax liabilities related to the investment in subsidiaries as of March 31, 2015 are ¥1,303,644 million ($10,848,332 thousand) (March 31, 2014: ¥642,305 million).

20. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)		
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015	Average interest rate (%)	Maturity
Current					
Short-term borrowings	¥ 270,529	¥ 413,846	$ 3,443,838	1.53	–
Commercial paper	32,000	32,000	266,289	0.14	–
Current portion of long-term borrowings	393,566	525,898	4,376,284	0.84	–
Current portion of corporate bonds	139,300	183,557	1,527,478	4.26	–
Current portion of lease obligations	264,295	411,453	3,423,924	2.14	–
Current portion of preferred securities	–	200,000	1,664,309	2.04	–
Current portion of installment payables	48,209	50,661	421,578	1.71	–
Total	¥1,147,899	¥1,817,415	$15,123,700		
Non-current					
Long-term borrowings	¥2,243,855	¥2,116,498	$17,612,532	1.31	Apr. 2016 – Dec. 2020
Corporate bonds	4,743,073	6,825,868	56,801,764	5.24	Jun. 2016 – Dec. 2040
Lease obligations	730,915	744,911	6,198,810	2.15	Apr. 2016 – Sep. 2023
Preferred securities	199,156	–	–	–	–
Installment payables	105,155	102,552	853,391	1.92	Apr. 2016 – Mar. 2020
Total	¥8,022,154	¥9,789,829	$81,466,497		

Notes:
1. Average interest rate represents the weighted average interest rate to the balance as of March 31, 2015.
2. Maturity represents the maturity of the outstanding balance as of March 31, 2015.

3. A summary of the issuance condition of bonds is as follows:

Company name / Name of bond	Date of issuance	Balance of issue amount	As of March 31, 2014 (Millions of yen)	As of March 31, 2015 (Millions of yen)	As of March 31, 2015 (Thousands of U.S. dollars)	Interest rate (%)	Date of maturity
SoftBank Corp.							
36th Unsecured Straight Bond	Jun. 17, 2011	¥100,000 million	¥ 99,772	¥ 99,877	$ 831,131	1.00	Jun. 17, 2016
39th Unsecured Straight Bond	Sep. 24, 2012	¥100,000 million	99,644	99,748	830,057	0.74	Sep. 22, 2017
41st Unsecured Straight Bond	Mar. 12, 2013	¥300,000 million	296,681	297,818	2,478,306	1.47	Mar. 10, 2017
42nd Unsecured Straight Bond	Mar. 1, 2013	¥70,000 million	69,801	69,870	581,426	1.47	Mar. 1, 2017
43rd Unsecured Straight Bond	Jun. 20, 2013	¥400,000 million	395,759	396,777	3,301,797	1.74	Jun. 20, 2018
45th Unsecured Straight Bond	May 30, 2014	¥300,000 million	–	296,833	2,470,109	1.45	May. 30, 2019
46th Unsecured Straight Bond	Sep. 12, 2014	¥400,000 million	–	395,472	3,290,938	1.26	Sep. 12, 2019
USD-denominated Senior Notes due 2020	Apr. 23, 2013	$2,485 million	252,084	295,050	2,455,272	4.50	Apr. 15, 2020
Euro-denominated Senior Notes due 2020	Apr. 23, 2013	€625 million	87,098	80,351	668,644	4.63	Apr. 15, 2020
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	–	392,696	3,267,837	2.50	Dec. 17, 2021
2nd Unsecured Subordinated Corporate Bond	Feb. 9, 2015	¥450,000 million	–	441,578	3,674,611	2.50	Feb. 9, 2022
Other	Jun. 19, 2007 – Nov. 29, 2013	¥140,000 million	214,497 (74,867)	139,743 (69,967)	1,162,879 (582,234)	0.65 – 4.36	Jun. 10, 2014 – Nov. 27, 2020
Subtotal			1,515,336 (74,867)	3,005,813 (69,967)	25,013,007 (582,234)		
Sprint Corporation							
7.25% Notes due 2021	Sep. 11, 2013	$2,250 million	228,195	266,940	2,221,353	7.25	Sep. 15, 2021
7.875% Notes due 2023	Sep. 11, 2013	$4,250 million	430,955	503,926	4,193,443	7.88	Sep. 15, 2023
7.125% Notes due 2024	Dec. 12, 2013	$2,500 million	253,422	296,307	2,465,732	7.13	Jun. 15, 2024
7.625% Notes due 2025	Feb. 24, 2015	$1,500 million	–	177,896	1,480,369	7.63	Feb. 15, 2025
Subtotal			912,572	1,245,069	10,360,897		
Sprint Communications, Inc[6]							
Export Development Canada Facility (Tranche 2)[7]	Jan. 20, 2011	$500 million	51,460	60,085 (60,085)	500,000 (500,000)	4.15	Dec. 15, 2015
Export Development Canada Facility (Tranche 3)[7]	Dec. 19, 2014	$300 million	–	35,879	298,569	3.65	Dec. 17, 2019
6% Senior Notes due 2016	Nov. 15, 2006	$2,000 million	215,742	247,714	2,061,363	6.00	Dec. 1, 2016
9.125% Senior Notes due 2017	Mar. 1, 2012	$1,000 million	115,388	129,958	1,081,451	9.13	Mar. 1, 2017
8.375% Senior Notes due 2017	Aug. 10, 2009	$1,300 million	147,300	167,589	1,394,599	8.38	Aug. 15, 2017
9% Guaranteed Notes due 2018	Nov. 9, 2011	$3,000 million	354,443	403,390	3,356,828	9.00	Nov. 15, 2018
7% Guaranteed Notes due 2020	Mar. 1, 2012	$1,000 million	110,415	127,634	1,062,112	7.00	Mar. 1, 2020
7% Senior Notes due 2020	Aug. 14, 2012	$1,500 million	160,153	186,106	1,548,689	7.00	Aug. 15, 2020
11.5% Senior Notes due 2021	Nov. 9, 2011	$1,000 million	135,715	154,394	1,284,797	11.50	Nov. 15, 2021
9.25% Debentures due 2022	Apr. 15, 1992	$200 million	24,540	28,194	234,618	9.25	Apr. 15, 2022
6% Senior Notes due 2022	Nov. 14, 2012	$2,280 million	231,467	270,600	2,251,810	6.00	Nov. 15, 2022
Subtotal			1,546,623	1,811,543 (60,085)	15,074,836 (500,000)		

Company name / Name of bond	Date of issuance	Balance of issue amount	As of March 31, 2014 (Millions of yen)	As of March 31, 2015 (Millions of yen)	As of March 31, 2015 (Thousands of U.S. dollars)	Interest rate (%)	Date of maturity
Sprint Capital Corporation[6]							
6.9% Senior Notes due 2019	May 6, 1999	$1,729 million	¥ 183,292	¥ 212,943	$ 1,772,015	6.90	May 1, 2019
6.875% Senior Notes due 2028	Nov. 16, 1998	$2,475 million	236,768	277,268	2,307,298	6.88	Nov. 15, 2028
8.75% Senior Notes due 2032	Mar. 14, 2002	$2,000 million	220,542	257,052	2,139,070	8.75	Mar. 15, 2032
Subtotal			640,602	747,263	6,218,383		
Clearwire Communications LLC[6]							
14.75% First-Priority Senior Secured Notes due 2016[8]	Jan. 27, 2012	$300 million	39,957	42,785	356,037	14.75	Dec. 1, 2016
8.25% Exchangeable Notes due 2040	Dec. 8, 2010	$629 million	70,171 (45,736)	80,338 (53,402)	668,536 (444,387)	8.25	Dec. 1, 2040
Subtotal			110,128 (45,736)	123,123 (53,402)	1,024,573 (444,387)		
Ymobile Corporation							
USD-denominated Senior Notes due 2018	Apr. 1, 2011	–	42,819	–	–	8.25	Apr. 1, 2018
Euro-denominated Senior Notes due 2018	Apr. 1, 2011	–	28,132	–	–	8.38	Apr. 1, 2018
Subtotal			70,951	–	–		
Brightstar Corp.							
9.50% senior notes due 2016	Nov. 30, 2010	$350 million	39,816	44,828	373,038	9.50	Dec. 1, 2016
7.25% senior notes due 2018	Jul. 26, 2013	$250 million	27,445	31,583	262,819	7.25	Aug. 1, 2018
Subtotal			67,261	76,411	635,857		
Other companies							
Straight Bond	May 25, 2012	¥200 million	200	200 (100)	1,664 (832)	0.60 – 0.70	May 25, 2015 – May 25, 2017
USD-denominated straight Bond[8]	May 31, 1999 – Apr. 23, 2007	$0 million	18,700 (18,697)	3 (3)	25 (25)	3.49 – 6.99	May 1, 2014 – Apr. 1, 2015
Subtotal			18,900 (18,697)	203 (103)	1,689 (857)		
Total			¥4,882,373 (139,300)	¥7,009,425 (183,557)	$58,329,242 (1,527,478)		

Notes:
4. Figures in parentheses as of March 31, 2014 and March 31, 2015 represent the current portion.
5. Balance of issue amount is as of March 31, 2015.
6. Sprint Communications, Inc., Sprint Capital Corporation and Clearwire Communications LLC are Sprint Corporation's subsidiaries.
7. The interest rates are variable interest rates, and the above interest rates represent the rates as of March 31, 2015.
8. Collateral is pledged against these bonds. The details of pledged collateral are described in "(4) Assets pledged as collateral" in "Note 20. Interest-bearing debt."

(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 Corp.'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 bank accounts of SoftBank Corp. and the fair value of particular 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 certain 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.

Notes:
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) Borrowings related to equity securities lending contract

The Company entered into securities lending contract regarding its certain subsidiary stocks. The amount of the received cash is recognized as short-term borrowings of ¥198,450 million ($1,651,411 thousand) (March 31, 2014: ¥150,000 million) and included in interest-bearing debt.

(4) Assets pledged as collateral

Assets pledged as collateral for liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Cash and cash equivalents	¥ 2,644	¥ 327	$ 2,721
Trade and other receivables	18,256	13,765	114,546
Inventories	5,020	5,214	43,389
Property, plant and equipment	93,353	65,738	547,042
Other (current)	625	221	1,838
Other (non-current)	4,695	–	–
Total	¥124,593	¥85,265	$709,536

Liabilities related to these assets pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Interest-bearing debt			
Short-term borrowings	¥ 12,938	¥ 7,454	$ 62,029
Current portion of long-term borrowings	26,263	31,738	264,109
Current portion of corporate bonds	44	4	33
Long-term borrowings	52,307	41,585	346,052
Corporate bonds	18,658	–	–
Total	¥110,210	¥80,781	$672,223

Note:
Other than the above, approximately $14.0 billion (before consolidation adjustments) (March 31, 2014: $14.6 billion) of the assets of our subsidiary, Clearwire Communications LLC, is pledged as collateral for the $0.3 billion (March 31, 2014: $0.3 billion) corporate bond issued by Clearwire Communications LLC as of March 31, 2015.
Also approximately $2.9 billion (before consolidation adjustments) (March 31, 2014: $1.6 billion) of the assets of Brightstar is pledged as collateral for the $0.3 billion (March 31, 2014: $0.1 billion) borrowing.

(5) Assets with limited property rights

Assets with limited property rights due to the installment purchase are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Property, plant and equipment	¥119,089	¥131,452	$1,093,884
Intangible assets	37,783	43,761	364,159
Other non-current assets	251	124	1,032
Total	¥157,123	¥175,337	$1,459,075

Liabilities related to the assets with limited property rights above are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Interest-bearing debt			
Current portion of installment payables	¥ 41,746	¥ 50,320	$ 418,740
Installment payables	104,813	102,552	853,391
Total	¥146,559	¥152,872	$1,272,131

Other than above, the lessor retains the property rights of leased assets in finance lease obligations. The details are described in "Note 13. Property, plant and equipment," "Note 14. Goodwill and intangible assets" and "Note 15. Leases."

(6) Components of increase (decrease) in short-term interest-bearing debt, net

The components of "Increase (decrease) in short-term interest-bearing debt, net" in the consolidated statement of cash flows are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net increase (decrease) of short-term borrowings*	¥(233,794)	¥108,541	$903,229
Net increase of commercial paper	32,000	–	–
Total	¥(201,794)	¥108,541	$903,229

Note:
* The Company entered into a loan agreement ("permanent loan agreement") in September 2013, in order to refinance the existing loan and bridge loan which were made for the consolidation of Sprint. The increase and 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).

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

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Proceeds from long-term borrowings	¥2,587,755	¥ 443,726	$ 3,692,486
Proceeds from issuance of corporate bonds	1,665,232	1,763,657	14,676,350
Proceeds from sale and leaseback of newly acquired equipment	445,307	508,118	4,228,326
Total	¥4,698,294	¥2,715,501	$22,597,162

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

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Repayment of long-term borrowings	¥(1,133,313)	¥(459,852)	$(3,826,679)
Redemption of corporate bonds	(533,538)	(170,181)	(1,416,169)
Payment of lease obligations	(253,283)	(306,156)	(2,547,691)
Payment of installment payables	(51,460)	(48,594)	(404,377)
Total	¥(1,971,594)	¥(984,783)	$(8,194,916)

21. Trade and other payables

The components of trade and other payables are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Operating payables	¥1,602,803	¥1,740,403	$14,482,841
Other	103,153	123,077	1,024,191
Total	¥1,705,956	¥1,863,480	$15,507,032

22. Other financial liabilities

The components of other financial liabilities are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current			
Derivative financial liabilities	¥ 5,847	¥12,917	$107,489
Non-current			
Long-term payables	24,716	15,238	126,804
Other	16,435	11,904	99,059
Total	¥41,151	¥27,142	$225,863

23. Other current liabilities and other non-current liabilities

The components of other current liabilities and other non-current liabilities are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Current			
Unearned income	¥130,848	¥158,509	$1,319,040
Short-term accrued employee benefits	100,594	141,580	1,178,164
Accrued interest expense	66,789	83,461	694,524
Consumption tax payable and other	95,213	143,405	1,193,351
Deferred revenue	61,461	128,354	1,068,104
Withholding tax payable	60,711	16,569	137,880
Other	52,750	67,623	562,728
Total	568,366	739,501	6,153,791
Non-current			
Unfavorable lease contracts	129,434	124,551	1,036,457
Deferred revenue	102,273	132,331	1,101,198
Other	50,555	98,051	815,937
Total	¥282,262	¥354,933	$2,953,592

Unfavorable lease contracts were recognized as liabilities based on the estimated fair value of the unfavorable portion of future cash flows if, at the time of business combination of Sprint, the terms of operating lease contracts in which the acquiree is the lessee are unfavorable compared to market terms. Reversal of unfavorable lease contracts is deducted from operating lease expense.

24. Provisions

The changes in the provisions are as follows:

(Millions of yen)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Provision for onerous contract	Other	Total
As of April 1, 2014	¥115,599	¥ 88,670	¥ –	¥ –	¥ 25,766	¥ 230,035
Recognition of provisions	3,422	29,007	–	21,271	5,679	59,379
Business combinations	372	–	24,081	–	–	24,453
Interest due to passage of time	7,654	2,735	–	–	534	10,923
Used	(29,084)	(58,643)	(724)	(1,996)	(13,156)	(103,603)
Reversal of provisions	–	(25,191)	–	–	(506)	(25,697)
Exchange differences	12,185	10,385	–	–	3,306	25,876
Other	(7,129)	(3,280)	–	–	(254)	(10,663)
As of March 31, 2015	103,019	43,683	23,357	19,275	21,369	210,703
Current liabilities	11,717	19,530	3,240	5,157	15,354	54,998
Non-current liabilities	91,302	24,153	20,117	14,118	6,015	155,705
Total	¥103,019	¥ 43,683	¥23,357	¥19,275	¥ 21,369	¥ 210,703

(Thousands of U.S. dollars)

	Asset retirement obligations	Restructuring provisions	Provision for loss on interest repayment	Provision for onerous contract	Other	Total
As of April 1, 2014	$ 961,962	$ 737,871	$ –	$ –	$ 214,413	$1,914,246
Recognition of provisions	28,476	241,383	–	177,008	47,258	494,125
Business combinations	3,096	–	200,391	–	–	203,487
Interest due to passage of time	63,693	22,760	–	–	4,444	90,897
Used	(242,024)	(488,000)	(6,025)	(16,610)	(109,478)	(862,137)
Reversal of provisions	–	(209,628)	–	–	(4,211)	(213,839)
Exchange differences	101,398	86,419	–	–	27,511	215,328
Other	(59,324)	(27,295)	–	–	(2,114)	(88,733)
As of March 31, 2015	857,277	363,510	194,366	160,398	177,823	1,753,374
Current liabilities	97,503	162,520	26,962	42,914	127,769	457,668
Non-current liabilities	759,774	200,990	167,404	117,484	50,054	1,295,706
Total	$ 857,277	$ 363,510	$194,366	$160,398	$ 177,823	$1,753,374

Asset retirement obligations

Asset retirement obligations are recognized by the reasonably estimated amount required for the removal of equipment, such as part of base stations, certain offices (including the head office), data centers and network centers. The estimate is based on the assumption at present and subject to changes depending on revised future assumptions.

Restructuring Provision

The restructuring provision consists mainly of a network shutdown provision and backhaul* access provision.

(Network shutdown provision)

The network shutdown provision resulted from Sprint recognizing lease exit costs mainly related to the shutdown of the Nextel Platform and the expected shutdown of the Clearwire platform. Also, certain network shutdown costs were recognized in connection with the acquisition of business in certain markets from U.S. Cellular.

The majority of the remaining network shutdown provision is expected to be utilized within 5–7 years. The amount and timing of these costs are estimated based upon current network plans which are subject to modification.

(Backhaul access provision)

The backhaul access provision reflects 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. The majority of the backhaul access provision relates to Sprint's network modernization activities and is expected to be utilized by March 31, 2016. The amount and timing of these costs are estimates based upon current network plans which are subject to modifications.

Note:
* Backhaul is an intermediary network which connects the cell towers to the local switching center.

Provision for loss on interest repayment

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 other, for repayment of interest paid in excess of the rate permitted under the Interest Rate Restriction Act. The amount of claims for the interest repayment might fluctuate from changes in market environment and other.

Provision for onerous contract

In the Fixed-line Telecommunications segment, SoftBank Telecom Corp. recognized provision for the excess of expected future cost of delivery for a contracted communication service over its contracted amount.
Most of the provision is expected to be used by March 31, 2019. The amount and the expected timing of payment are based on the current network plan and are subject to change.

25. Retirement benefits

The Company primarily has defined contribution pension plans for its employees.

(1) Defined contribution plans

Retirement benefit cost of defined contribution plans is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Retirement benefit cost of defined contribution plans	¥7,895	**¥10,878**	**$90,522**

(2) Defined benefit plans

(Japan)

SoftBank Mobile Corp. and SoftBank Telecom Corp. have frozen their defined benefit lump-sum plans since March 2007 and 2006, respectively.

All the employees who worked at SoftBank Mobile Corp. and SoftBank Telecom Corp. at the time when the defined benefit lump-sum plans were frozen are eligible for the frozen defined benefit lump-sum plans.

SoftBank Mobile Corp. and SoftBank Telecom Corp. are responsible for providing the defined benefit lump-sum plans to recipients directly. Obligations for the frozen defined benefit lump-sum plans are recognized as defined benefit liabilities until the benefits are paid in the form of lump sum payment at the time of future retirement of employees.

(U.S.)

Sprint has a defined benefit pension plan for certain of its employees. Sprint has frozen its defined benefit pension plan since December 2005. Obligations for the frozen defined benefit pension plan are recognized as defined benefit liabilities until the benefits are paid as pension after the retirement of employees.

a. Changes in the present value of defined benefit obligations and the fair value of plan assets

Changes in the present value of defined benefit obligations and the fair value of plan assets are as follows.

For the fiscal year ended March 31, 2014

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2013	¥14,506	¥ –	¥ 14,506
Changes in the present value of defined benefit obligations:			
As of April 1, 2013	14,506	–	14,506
Business combination	81	235,358	235,439
Service cost	17	9	26
Interest cost	166	9,036	9,202
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions	–	498	498
Actuarial losses arising from changes in financial assumptions	198	11,617	11,815
Experience adjustments	0	(1,582)	(1,582)
Benefits paid	(923)	(5,284)	(6,207)
Exchange differences	–	4,134	4,134
Other	51	(201)	(150)
As of March 31, 2014	14,096	253,585	267,681
Changes in the fair value of plan assets:			
As of April 1, 2013	–	–	–
Business combination	–	(169,595)	(169,595)
Interest income	–	(6,601)	(6,601)
Remeasurements:			
Return on plan assets	–	(13,874)	(13,874)
Benefits paid	–	4,545	4,545
Employer contributions	–	(1,787)	(1,787)
Exchange differences	–	(3,328)	(3,328)
As of March 31, 2014	–	(190,640)	(190,640)
Defined benefit liabilities, net			
As of March 31, 2014	¥14,096	¥ 62,945	¥ 77,041

For the fiscal year ended March 31, 2015

(Millions of yen)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2014	¥14,096	¥ 62,945	¥ 77,041
Changes in the present value of defined benefit obligations:			
As of April 1, 2014	14,096	253,585	267,681
Service cost	80	35	115
Interest cost	111	12,020	12,131
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions[1]	–	25,740	25,740
Actuarial losses arising from changes in financial assumptions	333	33,161	33,494
Experience adjustments	(1)	1,044	1,043
Benefits paid	(874)	(8,419)	(9,293)
Partial pension settlement[2]	–	(82,777)	(82,777)
Exchange differences	–	41,456	41,456
Other	(78)	(384)	(462)
As of March 31, 2015	13,667	275,461	289,128
Changes in the fair value of plan assets:			
As of April 1, 2014	–	(190,640)	(190,640)
Interest income	–	(8,710)	(8,710)
Remeasurements:			
Return on plan assets	–	(817)	(817)
Benefits paid	–	7,365	7,365
Employer contributions	–	(2,290)	(2,290)
Partial pension settlement[2]	–	64,051	64,051
Exchange differences	–	(29,805)	(29,805)
As of March 31, 2015	–	(160,846)	(160,846)
Defined benefit liabilities, net			
As of March 31, 2015	¥13,667	¥ 114,615	¥ 128,282

(Thousands of U.S. dollars)

	Japan	U.S.	Total
Defined benefit liabilities, net			
As of April 1, 2014	$117,300	$ 523,800	$ 641,100
Changes in the present value of defined benefit obligations:			
As of April 1, 2014	117,300	2,110,219	2,227,519
Service cost	666	291	957
Interest cost	924	100,025	100,949
Remeasurements:			
Actuarial losses arising from changes in demographic assumptions[1]	–	214,197	214,197
Actuarial losses arising from changes in financial assumptions	2,771	275,951	278,722
Experience adjustments	(8)	8,687	8,679
Benefits paid	(7,273)	(70,059)	(77,332)
Partial pension settlement[2]	–	(688,832)	(688,832)
Exchange differences	–	344,978	344,978
Other	(649)	(3,196)	(3,845)
As of March 31, 2015	113,731	2,292,261	2,405,992
Changes in the fair value of plan assets:			
As of April 1, 2014	–	(1,586,419)	(1,586,419)
Interest income	–	(72,481)	(72,481)
Remeasurements:			
Return on plan assets	–	(6,799)	(6,799)
Benefits paid	–	61,288	61,288
Employer contributions	–	(19,056)	(19,056)
Partial pension settlement[2]	–	533,003	533,003
Exchange differences	–	(248,024)	(248,024)
As of March 31, 2015	–	(1,338,488)	(1,338,488)
Defined benefit liabilities, net			
As of March 31, 2015	$113,731	$ 953,773	$ 1,067,504

Notes:
1. Sprint changed its demographic assumptions for the year ended March 31, 2015 based on RP-2014 Mortality Tables released in U.S.
2. Sprint amended its defined benefit retirement pension plan to offer certain terminated participants, who had not begun to receive plan benefits, the opportunity to receive their benefits as an immediate a lump sum distribution. Settlement gain of ¥18,726 million ($155,829 thousand) is recognized within "Other operating loss" in the consolidated statement of income.

b. Fair value of plan assets

Fair value of plan assets is as follows.

As of March 31, 2014
(U.S.)

(Millions of yen)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	¥55,433	¥ –	¥ 55,433
International equities (other than U.S.)	29,618	–	29,618
Fixed income investments	–	60,258	60,258
Real estate investments	–	13,185	13,185
Other	5,945	26,201	32,146
Total	¥90,996	¥99,644	¥190,640

As of March 31, 2015
(U.S.)

(Millions of yen)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	¥40,376	¥ 46	¥ 40,422
International equities (other than U.S.)	24,205	98	24,303
Fixed income investments	–	52,504	52,504
Real estate investments	–	14,425	14,425
Other	11,719	17,473	29,192
Total	¥76,300	¥84,546	¥160,846

(Thousands of U.S. dollars)

	Plan assets with quoted prices in active markets	Plan assets without quoted prices in active markets	Total
U.S. equities	$335,991	$ 383	$ 336,374
International equities (other than U.S.)	201,423	816	202,239
Fixed income investments	–	436,914	436,914
Real estate investments	–	120,038	120,038
Other	97,520	145,403	242,923
Total	$634,934	$703,554	$1,338,488

The targeted investment allocation ratio is set based on an asset allocation policy for the investment portfolio of the pension plan to achieve a long-term nominal rate of return, net of fees, which exceeds the plan's long-term expected rate of return on investments for funding purpose.

The plan's long-term expected rate of return on investments for funding purposes is 7.75% as of March 31, 2015 (7.75% as of March 31, 2014). The current targeted investment allocation ratio is as noted below. Actual allocations are allowed to deviate from target allocation percentages within a range for each asset class as defined in the investment policy.

Targeted investment allocation ratio (%)

	As of March 31, 2014	As of March 31, 2015
U.S. equities	38	38
International equities (other than U.S.)	16	16
Fixed income investments	28	28
Real estate investments	9	9
Other	9	9

c. Actuarial assumptions

Main actuarial assumptions used to determine the present value of defined benefit obligations are as follows:

	As of April 1, 2014		As of March 31, 2015	
	Japan	U.S.	Japan	U.S.
Discount rate (%)	1.0	4.9	0.8	4.2

d. Sensitivity analysis

Sensitivity is analyzed at the end of the period based on the movement of reasonably estimable assumptions. Sensitivity analysis assumes that actuarial assumptions other than those subject to the analysis are constant, but in reality, the movement of other actuarial assumptions may change.

The effect of the movements in main actuarial assumptions on defined benefit obligations is as follows:

As of March 31, 2014

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of ¥672 million	Decrease of ¥18,320 million	Decrease of ¥18,992 million
	0.5% decrease	Increase of ¥712 million	Increase of ¥20,790 million	Increase of ¥21,502 million

As of March 31, 2015

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of ¥632 million	Decrease of ¥19,948 million	Decrease of ¥20,580 million
	0.5% decrease	Increase of ¥669 million	Increase of ¥22,712 million	Increase of ¥23,381 million

	Changes in rate	Effect on defined benefit obligations: Japan	U.S.	Total
Discount rate	0.5% increase	Decrease of $5,259 thousand	Decrease of $165,998 thousand	Decrease of $171,257 thousand
	0.5% decrease	Increase of $5,567 thousand	Increase of $188,999 thousand	Increase of $194,566 thousand

e. Effects on future cash flows

(a) Funding for the plan and expected contributions to the plan for the next fiscal year

(U.S.)

The policy is to contribute the necessary amount to the plan in order to meet the minimum funding requirement, based on related regulations. ¥961 million ($7,997 thousand) is expected to be contributed to the plan for the year ending March 31, 2016.

(b) Maturity analysis of the defined benefit obligation

(Japan)

As of March 31, 2015, the weighted average duration of the defined benefit obligation is 9.6 years.

(U.S.)

As of March 31, 2015, the weighted average duration of the defined benefit obligation is 16.7 years.

26. Financial instruments

(1) Capital management

Our policy is to realize and maintain optimum capital composition to keep mid- and long-term sustainable growth and maximize our corporate value.

Major indicators used for our capital management are as follows:

- Equity capital
- Equity capital ratio

Note:
Equity capital is the amount of "Equity attributable to owners of the parent." Equity capital ratio represents "Equity attributable to owners of the parent" divided by "Total liabilities and equity."

Equity capital and the equity capital ratio are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Equity capital	¥1,930,441	¥2,846,306	$23,685,662
Equity capital ratio (%)	11.6	13.5	

The Company is not subject to regulatory capital requirement imposed by outside institutions other than general capital requirements under the Companies Act of Japan and other.

(2) Financial risk management

As we operate in a wide range of markets, the Company faces a variety of financial risks (currency risk, price risk, interest rate risk, credit risk, and liquidity risk) in its operations. The Company manages its risks based on established policies to prevent and reduce these financial risks.

Derivative transactions entered into by the Company are conducted and controlled based on the Company's internal rules and procedures for derivative transactions and are limited to the extent of actual demands.

a. Market risk

(a) Currency risk

The Company is engaged in international businesses through investments, financial contributions and establishment of joint ventures. The Company undertakes transactions denominated in foreign currencies with foreign parties and, through lending to and borrowings from foreign subsidiaries. Consequently, there is currency risk from changes in currency rates mainly in U.S. dollar and Indian Rupee.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures of the Company. The Company also uses foreign currency forward contracts to hedge the risk.

i. Foreign exchange sensitivity analysis

Exposure to foreign exchange risk on financial instruments related to U.S. dollars and Indian Rupees, our major foreign currencies is as follows:

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Net exposure affecting income before income tax [in asset (liability) position]	¥14,859	¥81,604	$679,071
Net exposure affecting other comprehensive income [in asset (liability) position]	28,548	26,083	217,051

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Net exposure affecting income before income tax [in asset (liability) position]	¥–	¥89,918	$748,257
Net exposure affecting other comprehensive income [in asset (liability) position]	–	–	–

Net exposure affecting income before income tax comprises the foreign exchange risk exposures from monetary financial instruments denominated in foreign currency (including those used in internal transactions) whose exchange differences are recognized in profit or loss and the foreign exchange risk exposures from derivatives related to forecast transactions.

Net exposure affecting other comprehensive income comprises the foreign exchange risk exposures from available-for-sale financial assets whose exchange differences are recognized in other comprehensive income and foreign exchange risk exposures from derivatives (cash flow hedge) related to forecast transactions.

The table below presents the effect of a 1% appreciation of the Japanese yen on income before income tax and other comprehensive income (before net of tax effect) regarding the financial instruments with the above foreign exchange risk exposure, assuming that all other factors are constant. The analysis does not include the effect of translating assets and liabilities of foreign operations into the presentation currency, which is detailed in "Note 30. Foreign exchange rate."

U.S. Dollar

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Increase (decrease) in income before income tax	¥(149)	**¥(816)**	**$(6,790)**
Increase (decrease) in other comprehensive income before tax effect	(285)	**(261)**	**(2,172)**

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Increase (decrease) in income before income tax	–	**¥(899)**	**$(7,481)**
Increase (decrease) in other comprehensive income before tax effect	–	**–**	**–**

ii. Foreign exchange contracts

Foreign exchange contracts are entered into, to reduce exposure to foreign exchange risk on the amount to be paid or received in certain transactions denominated in foreign currencies.

The details of foreign exchange contracts are as follow:

Foreign exchange contracts to which hedge accounting is applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2014		**As of March 31, 2015**		**As of March 31, 2015**	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Foreign currency forward contracts	¥ 2,756 (–)	¥ 85	**¥ – (–)**	**¥ –**	**$ – (–)**	**$ –**
Currency swap contracts	324,382 (324,382)	4,566	**324,382 (324,382)**	**55,748**	**2,699,359 (2,699,359)**	**463,909**
Total	¥ 327,138 (324,382)	¥4,651	**¥ 324,382 (324,382)**	**¥55,748**	**$ 2,699,359 (2,699,359)**	**$463,909**

The above foreign exchange contracts are designated as cash flow hedges.

Foreign exchange contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2014		As of March 31, 2015		As of March 31, 2015	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Foreign currency forward contracts	¥ 79,025 (–)	¥ 818	¥ 130,618 (–)	¥(2,395)	$1,086,943 (–)	$(19,930)
Currency swap contracts	87,055 (56,957)	20,741	20,150 (–)	69	167,679 (–)	574
Foreign exchange margin transactions*	600,663 (–)	7,205	962,604 (–)	6,817	8,010,352 (–)	56,728
Total	¥766,743 (56,957)	¥28,764	¥1,113,372 (–)	¥ 4,491	$9,264,974 (–)	$ 37,372

Note:
* This is from the subsidiary, YJFX, Inc.'s foreign exchange margin transactions business.

(b) Price risk

For the purpose of business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk.

To manage this risk, the Company continuously monitors the financial condition of security issuers and stock market fluctuation.

i. Price sensitivity analysis

The table below presents the effect of a 10% decrease in market price regarding the securities traded in active markets on other comprehensive income before tax effect in the consolidated statement of comprehensive income, assuming that all other factors are constant.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Increase (decrease) in other comprehensive income before tax effect	¥(2,753)	¥(4,673)	$(38,887)

ii. Option contracts

The details of option contracts are as follows:

Option contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2014		As of March 31, 2015		As of March 31, 2015	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Stock acquisition rights	¥ 2,106 (2,106)	¥719	¥ 99,933 (99,933)	¥1,144	$ 831,597 (831,597)	$9,520

(c) Interest rate risk

The Company raises funds through issuing interest-bearing debts. Certain interest-bearing debts are issued with floating interest rates and are exposed to interest rate risk.

In order to prevent and reduce interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debts. For certain borrowings and bonds with floating interest rates, the Company also utilizes derivative transactions such as interest rate swaps in order to hedge interest rate fluctuation risk, converting floating interests into fixed interests. For floating interest rate debts, the Company continuously monitors interest rate fluctuation.

i. Interest rate sensitivity analysis

The table below presents the effect of a 1% increase in interest rates regarding the floating interest rate debts on income before income tax in the consolidated statement of income, assuming that all other factors are constant. The analysis does not include floating interest rate debt whose interests are fixed by interest rate swaps and other derivative transactions.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	**Fiscal year ended March 31, 2015**	**Fiscal year ended March 31, 2015**
Increase (decrease) in income before income tax	¥(24,631)	**¥(26,018)**	**$(216,510)**

ii. Interest rate contracts

The details of interest rate contracts are as follows:

Interest rate contracts to which hedge accounting is applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2014		**As of March 31, 2015**		**As of March 31, 2015**	
	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value	Contract amounts (of which: maturing in more than one year)	Fair value
Interest rate swap	¥10,000 (–)	¥(24)	**¥ 10,000 (10,000)**	**¥(67)**	**$ 83,215 (83,215)**	**$(558)**

The above interest rate swap contract is designated as a cash flow hedge.

b. Credit risk

In the course of the Company's business, trade and other receivables, and other financial assets (including deposits, equity securities, receivables and derivatives) are exposed to credit risk of its counterparties.

In order to prevent and reduce the risk, the Company does not expose itself to significant concentrations of credit risk for such receivables and financial assets. To manage the credit risk, the Company performs due date controls and balance controls for each customer in accordance with internal customer credit management rules and regularly screens major customers' credit status.

The carrying amount of financial instruments, net of impairment, which is presented in the consolidated statement of financial position, as well as the amount of lending commitments and guaranteed obligations, represents the Company's maximum exposure to credit risk on financial assets. The value of collateral held and other credit enhancements are not included. The details of lending commitments and guaranteed obligations are described in "Note 44. Contingencies (1) Lending commitments and (2) Guaranteed obligation."

There were no financial or non-financial assets acquired as a result of foreclosure of collateral or enforcement of other credit enhancements during the years ended March 31, 2014 and 2015.

(a) Financial assets not impaired individually

The table below presents aging analysis of financial assets not impaired individually. The amounts in the analysis are presented at carrying amount before netting allowance for doubtful accounts.

As of March 31, 2014

(Millions of yen)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	¥1,468,458	¥109,005	¥67,726	¥32,642	¥21,006	¥7,887	¥1,706,724
Other financial assets	264,187	1,652	203	197	272	623	267,134
Total	¥1,732,645	¥110,657	¥67,929	¥32,839	¥21,278	¥8,510	1,973,858
Allowance for doubtful accounts							(37,686)
Total							¥1,936,172

As of March 31, 2015

(Millions of yen)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	¥1,717,328	¥132,999	¥63,971	¥16,369	¥10,165	¥ 8,057	¥1,948,889
Other financial assets	297,289	1,818	280	274	472	2,728	302,861
Total	¥2,014,617	¥134,817	¥64,251	¥16,643	¥10,637	¥10,785	2,251,750
Allowance for doubtful accounts							(58,873)
Total							¥2,192,877

(Thousands of U.S. dollars)

		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	Over 1 year	Total
Trade and other receivables	$14,290,820	$1,106,757	$532,338	$136,215	$84,588	$67,047	$16,217,765
Other financial assets	2,473,904	15,129	2,330	2,280	3,928	22,701	2,520,272
Total	$16,764,724	$1,121,886	$534,668	$138,495	$88,516	$89,748	18,738,037
Allowance for doubtful accounts							(489,914)
Total							$18,248,123

(b) Individually impaired financial assets

Individually impaired financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Trade and other receivables	¥ 2,783	¥ 9,377	$ 78,032
Other financial assets	10,169	16,093	133,919
Allowance for doubtful accounts	(12,800)	(23,312)	(193,992)
Total	¥ 152	¥ 2,158	$ 17,959

(c) Allowance for doubtful accounts

The table below presents changes in the allowance for doubtful accounts. The allowance for doubtful accounts is mainly for trade receivables to the customers.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Balance at the beginning of the period	¥ 32,524	¥ 50,486	$ 420,121
Provisions	48,726	115,120	957,976
Utilized	(30,103)	(91,037)	(757,568)
Other	(661)	7,616	63,377
Balance at the end of the period	¥ 50,486	¥ 82,185	$ 683,906

Provisions for and reversal of doubtful accounts are recorded in "Selling, general and administrative expenses" and "Other non-operating income (loss)" in the consolidated statement of income.

c. Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fund raising sources including both indirect financing, such as bank loans and leases, and direct financing, such as issuance of bonds and commercial paper and securitization, taking market conditions and current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits and MMF.

The Company also continuously monitors its forecast and actual movement of cash flows and liquid funds.

(a) Commitment lines of credit and other credit facilities

The Company has entered into commitment lines of credit and other credit facilities with various financial institutions to reduce liquidity risk. The Company's credit facilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Credit facilities	¥2,880,885	¥3,218,963	$26,786,744
Drawn	2,453,368	2,373,383	19,750,212
Undrawn	¥ 427,517	¥ 845,580	$ 7,036,532

Note:

Certain commitments above contains financial covenant. Please see "(2) Financial covenants" in "Note 20. Interest-bearing debt" for details.

(b) Analysis of financial liabilities by maturities

The table below presents the analysis of financial liabilities (including derivatives) by maturities. The receivables and payables arising from derivative transactions are shown on a net basis.

As of April 1, 2014

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 270,529	¥ 270,633	¥ 270,633	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	32,000	32,000	32,000	–	–	–	–	–
Long-term borrowings (including current portion)	2,637,421	2,671,481	394,645	286,319	353,374	483,593	441,350	712,200
Corporate bonds (including current portion)	4,882,373	4,740,165	139,333	121,564	845,658	253,896	806,007	2,573,707
Lease obligations	995,210	995,210	264,295	304,726	188,319	146,537	77,097	14,236
Preferred securities	199,156	200,000	–	200,000	–	–	–	–
Installment payables	153,364	153,647	48,360	41,115	31,744	26,579	5,849	–
Trade and other payables	1,705,956	1,705,956	1,701,034	2,235	762	14	10	1,901
Other financial liabilities	38,258	38,258	–	17,401	8,627	249	133	11,848
Total	10,914,267	10,807,350	2,850,300	973,360	1,428,484	910,868	1,330,446	3,313,892
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	8,716	8,716	2,347	(3,416)	(3,213)	(2,884)	(2,556)	18,438
Interest rate swaps contracts	24	24	24	–	–	–	–	–
Total	¥ 8,740	¥ 8,740	¥ 2,371	¥ (3,416)	¥ (3,213)	¥ (2,884)	¥ (2,556)	¥ 18,438

As of April 1, 2015

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 413,846	¥ 415,397	¥ 415,397	¥ –	¥ –	¥ –	¥ –	¥ –
Commercial paper	32,000	32,000	32,000	–	–	–	–	–
Long-term borrowings (including current portion)	2,642,396	2,673,276	526,021	481,340	506,064	444,285	459,183	256,383
Corporate bonds (including current portion)	7,009,425	6,867,718	183,591	908,621	276,321	790,553	1,064,044	3,644,588
Lease obligations	1,156,364	1,156,364	411,453	285,712	227,885	159,709	60,779	10,826
Preferred securities	200,000	200,000	200,000	–	–	–	–	–
Installment payables	153,213	153,346	50,748	41,593	36,641	16,130	8,234	–
Trade and other payables	1,863,480	1,863,480	1,855,455	2,534	2,793	808	759	1,131
Other financial liabilities	27,142	27,142	–	13,873	1,264	868	112	11,025
Total	13,497,866	13,388,723	3,674,665	1,733,673	1,050,968	1,412,353	1,593,111	3,923,953
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	12,850	12,850	12,850	–	–	–	–	–
Interest rate swaps contracts	67	67	67	–	–	–	–	–
Total	¥ 12,917	¥ 12,917	¥ 12,917	¥ –	¥ –	¥ –	¥ –	¥ –

(Thousands of U.S. dollars)

	Carrying amount	Contractual cash flows	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	$ 3,443,838	$ 3,456,745	$ 3,456,745	$ –	$ –	$ –	$ –	$ –
Commercial paper	266,289	266,289	266,289	–	–	–	–	–
Long-term borrowings (including current portion)	21,988,816	22,245,785	4,377,307	4,005,492	4,211,234	3,697,137	3,821,112	2,133,503
Corporate bonds (including current portion)	58,329,242	57,150,021	1,527,761	7,561,130	2,299,418	6,578,622	8,854,489	30,328,601
Lease obligations	9,622,734	9,622,734	3,423,924	2,377,565	1,896,355	1,329,026	505,775	90,089
Preferred securities	1,664,309	1,664,309	1,664,309	–	–	–	–	–
Installment payables	1,274,969	1,276,076	422,302	346,118	304,910	134,226	68,520	–
Trade and other payables	15,507,032	15,507,032	15,440,251	21,087	23,242	6,724	6,316	9,412
Other financial liabilities	225,863	225,863	–	115,445	10,518	7,223	932	91,745
Total	112,323,092	111,414,854	30,578,888	14,426,837	8,745,677	11,752,958	13,257,144	32,653,350
Derivative financial liabilities								
Other financial liabilities								
Foreign exchange contracts*	106,931	106,931	106,931	–	–	–	–	–
Interest rate swaps contracts	558	558	558	–	–	–	–	–
Total	$ 107,489	$ 107,489	$ 107,489	$ –	$ –	$ –	$ –	$ –

Note:
* Contractual cash flow and breakdown by maturities are presented on a discounted cash flow basis for currency swap contracts included in the foreign exchange contracts.

In addition to the amounts presented above, the Company has lending commitments, which are detailed in "Note 44. Contingencies (1) Lending commitments."

Average interest rates of the interest-bearing debts are described in "(1) Component of interest-bearing debt" in "Note 20. Interest-bearing debt."

(3) Categories of financial instruments

Components of financial instruments (excluding cash and cash equivalents) by category are as follows:

As of March 31, 2014

(Millions of yen)

	Financial assets at FVTPL	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥1,669,545	¥1,669,545
Other financial assets	13,890	85	5,109	104,827	40,816	164,727
Non-current assets						
Other financial assets	21,560	7,459	109,210	–	263,464	401,693
Total	¥35,450	¥7,544	¥114,319	¥104,827	¥1,973,825	¥2,235,965

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 1,147,899	¥ 1,147,899
Trade and other payables	–	–	1,705,956	1,705,956
Other financial liabilities	5,823	24	–	5,847
Non-current liabilities				
Interest-bearing debt	–	–	8,022,154	8,022,154
Other financial liabilities	–	2,893	38,258	41,151
Total	¥5,823	¥ 2,917	¥10,914,267	¥10,923,007

As of March 31, 2015

(Millions of yen)

	Financial assets at FVTPL*	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	¥ –	¥ –	¥ –	¥ –	¥1,895,648	¥1,895,648
Other financial assets	75,091	–	46,868	19,903	55,206	197,068
Non-current assets						
Other financial assets	148,817	55,748	172,186	100	285,612	662,463
Total	¥223,908	¥55,748	¥219,054	¥20,003	¥2,236,466	¥2,755,179

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ –	¥ –	¥ 1,817,415	¥ 1,817,415
Trade and other payables	–	–	1,863,480	1,863,480
Other financial liabilities	12,850	67	–	12,917
Non-current liabilities				
Interest-bearing debt	–	–	9,789,829	9,789,829
Other financial liabilities	–	–	27,142	27,142
Total	¥12,850	¥67	¥13,497,866	¥13,510,783

(Thousands of U.S. dollars)

	Financial assets at FVTPL*	Derivatives designated as hedges	Available-for-sale financial assets	Held-to-maturity investments	Loans and receivables	Total
Financial assets						
Current assets						
Trade and other receivables	$ –	$ –	$ –	$ –	$15,774,719	$15,774,719
Other financial assets	624,873	–	390,014	165,624	459,399	1,639,910
Non-current assets						
Other financial assets	1,238,387	463,909	1,432,854	832	2,376,733	5,512,715
Total	$1,863,260	$463,909	$1,822,868	$166,456	$18,610,851	$22,927,344

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	$ –	$ –	$ 15,123,700	$ 15,123,700
Trade and other payables	–	–	15,507,032	15,507,032
Other financial liabilities	106,931	558	–	107,489
Non-current liabilities				
Interest-bearing debt	–	–	81,466,497	81,466,497
Other financial liabilities	–	–	225,863	225,863
Total	$106,931	$558	$112,323,092	$112,430,581

Note:
* Among the financial assets at FVTPL, the amount of financial assets designated as financial assets at fair value through profit or loss at initial recognition is ¥147,673 million ($1,228,867 thousand).

27. Fair value of financial instruments

(1) Categorization by level within the fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for the measurement.

The fair value hierarchy is defined as follows in descending order of level:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.

Transfers between levels of the fair value hierarchy are recognized as if they have occurred at the beginning of each quarter.

There were no transfers between level 1 and 2 during the fiscal years ended March 31, 2014 and 2015.

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy.

As of March 31, 2014

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	¥27,530	¥ –	¥62,572	¥ 90,102
Bonds	–	6,769	1,476	8,245
Derivative financial assets				
Foreign exchange contracts	–	42,131	–	42,131
Stock acquisition rights	–	–	719	719
Other	–	5,038	11,078	16,116
Total	27,530	53,938	75,845	157,313
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	8,716	–	8,716
Interest rate swap contracts	–	24	–	24
Total	¥ –	¥ 8,740	¥ –	¥ 8,740

As of March 31, 2015

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	¥46,729	¥ –	¥242,754*	¥289,483
Bonds	–	14,542	3,258	17,800
Derivative financial assets				
Foreign exchange contracts	–	73,089	–	73,089
Stock acquisition rights	–	–	1,144	1,144
Other	–	104,666	12,528	117,194
Total	46,729	192,297	259,684	498,710
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	12,850	–	12,850
Interest rate swap contracts	–	67	–	67
Total	¥ –	¥ 12,917	¥ –	¥ 12,917

(Thousands of U.S. dollars)

	Level 1	Level 2	Level 3	Total
Financial assets				
Equity securities	$388,857	$ –	$2,020,088*	$2,408,945
Bonds	–	121,012	27,112	148,124
Derivative financial assets				
Foreign exchange contracts	–	608,213	–	608,213
Stock acquisition rights	–	–	9,520	9,520
Other	–	870,983	104,252	975,235
Total	388,857	1,600,208	2,160,972	4,150,037
Financial liabilities				
Derivative financial liabilities				
Foreign exchange contracts	–	106,931	–	106,931
Interest rate swap contracts	–	558	–	558
Total	$ –	$ 107,489	$ –	$ 107,489

Note:
* Preferred stock investments in associates not applying the equity method totaling ¥146,926 million ($1,222,651 thousand) are included as the feature is substantively different from common stock. These preferred stocks are designated as financial assets at FVTPL.

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Equity securities and bonds
Equity securities and bonds are measured using quoted prices in active markets for identical assets or liabilities if such prices are available, and are classified as level 1. Where such quoted prices in active markets for identical assets or liabilities are not available, they are measured using quoted prices for identical assets or liabilities in markets that are not active, quoted prices of comparable companies and valuation techniques such as the discounted cash flow model. They are classified as level 2 if all significant inputs such as quoted prices and discount rates that are used for the measurement are observable, whereas if inputs include significant unobservable inputs, they are classified as level 3.

b. Derivative financial assets and derivative financial liabilities
The fair value of derivative financial instruments is measured using valuation techniques such as discounted cash flow models. Derivative financial instruments are classified as level 2 if all significant inputs such as foreign exchange rates and discount rates that are used for the measurement are observable, whereas if inputs include significant unobservable inputs, they are classified as level 3.

(2) Fair value measurements of financial instruments that are categorized as level 3

a. Valuation techniques and inputs

The following table shows information about valuation techniques and significant unobservable inputs used in the level 3 fair value measurements where unobservable inputs are used.

Equity securities

		Ranges of unobservable inputs	
Valuation techniques	Unobservable inputs	As of March 31, 2014	As of March 31, 2015
Discounted cash flow[1]	Capital cost	7.9%	15.0%
	Perpetual growth rate	1.2%	3.5%
Monte Carlo Simulation	Expected normal distribution of operating income	–	¥1,500 million ($12,482 thousand)

Notes:
1. Securities subject to valuation for the fiscal year ended March 31, 2014 are investments within Japan, and for the fiscal year ended March 31, 2015 are investments outside of Japan.
2. Other than the above Valuation techniques, certain securities use comparison of similar company method and comparison of similar transaction method.

b. Sensitivity Analysis

Of the above unobservable inputs, perpetual growth rate have a positive correlation with the fair value of equity securities, whereas capital cost has a negative correlation with the fair value of equity securities.

c. Valuation processes

Fair value is measured by our personnel in treasury and accounting departments based on internal regulations, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair valuation. Fair value of financial instruments that require a high level of knowledge and experience for the valuation is measured by external specialists if the amount of such financial instruments is material. The result of the measurement conducted at the end of each quarter, including the valuation by the external specialists, is reported to the Company's board of directors after the analysis of fair value changes and other contents are reviewed and approved by the head of the department.

d. Reconciliation of financial instruments categorized as Level 3

Reconciliation of financial instruments categorized as Level 3 is as follows:

For the fiscal year ended March 31, 2014

(Millions of yen)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2013	¥ 112,966	¥ 276,131	¥ 15,706	¥ 8,174
Gains or losses				
Net income	96,800	16,243[1]	(16,338)[1]	(140)
Other comprehensive income	(63,542)	21,221	650	2,879
Transfers due to acquisition of control[2]	(104,070)	–	–	–
Exercise of stock acquisition rights[3]	–	(313,534)	–	–
Purchases	23,849	1,415	701	585
Sales	(3,529)	–	–	(956)
Transfers from Level 3[4]	(1,599)	–	–	–
Other	1,697	–	–	536
As of March 31, 2014	¥ 62,572	¥ 1,476	¥ 719	¥11,078
Gains or losses recognized in net income on financial instruments held at March 31, 2014	¥ (7,144)	¥ –	¥ –	¥ (91)

Notes:
1. Represents the amount from the bonds with stock acquisition rights issued by Sprint Nextel Corporation and held by Starburst II, Inc. The details are described in "Note 39. Non-operating income and loss."
2. The reduction resulted from the consolidation of WILLCOM, Inc. as a subsidiary in July 2013. The details of the business combination are described in "(3) WILLCOM, Inc." in "Note 6. Business combinations."
3. The reduction resulted from converting the bonds with stock acquisition rights issued by Sprint Nextel Corporation into shares in July 2013. The details of the business combination are described in "(2) Sprint" in "Note 6. Business combinations."
4. Transfer to level 1 by the listing of financial instruments held by the Company.

Gains or losses recognized in net income on equity securities include gain of ¥103,766 million recognized as a result of remeasuring the Company's existing equity interest at fair value when the Company acquired control of and consolidated WILLCOM, Inc. as its subsidiary. The gain recognized from the re-measurement is included in "Gain from remeasurement relating to business combination" in the consolidated statement of income, and other gains or losses are included in "Other non-operating income (loss)" in the consolidated statement of income. Gains or losses recognized in other comprehensive income are included in "Available-for-sale financial assets" and "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

For the fiscal year ended March 31, 2015

(Millions of yen)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2014	¥ 62,572	¥1,476	¥ 719	¥11,078
Gains or losses				
Net income	1,439	75	119	(159)
Other comprehensive income	(1,794)	254	–	1,126
Transfers due to application of equity method	(29,266)	–	–	–
Purchases	215,597	1,453	306	2,093
Sales	(1,845)	–	–	(1,610)
Transfers from Level 3*	(905)	–	–	–
Other	(3,044)	–	–	–
As of March 31, 2015	¥242,754	¥3,258	¥1,144	¥12,528
Gains or losses recognized in net income on financial instruments held at March 31, 2015	¥ (2,607)	¥ –	¥ 119	¥ (14)

(Thousands of U.S. dollars)

	Equity securities	Bonds	Derivative financial assets	Other
As of April 1, 2014	$ 520,696	$12,283	$5,983	$ 92,186
Gains or losses				
Net income	11,975	624	990	(1,323)
Other comprehensive income	(14,929)	2,114	–	9,370
Transfers due to application of equity method	(243,538)	–	–	–
Purchases	1,794,099	12,091	2,547	17,417
Sales	(15,353)	–	–	(13,398)
Transfers from Level 3*	(7,531)	–	–	–
Other	(25,331)	–	–	–
As of March 31, 2015	$2,020,088	$27,112	$9,520	$104,252
Gains or losses recognized in net income on financial instruments held at March 31, 2015	$ (21,694)	$ –	$ 990	$ (117)

Note:
* Transfer to level 1 by the listing of financial instruments held by the Company.

Gains or losses recognized in profit or loss are included in "Non-operating income (loss)" in the consolidated statement of income. Gains or losses recognized in other comprehensive income, net of tax, are included in "Available-for-sale financial assets" and "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

(3) Carrying amounts and fair values of financial instruments

The table below presents carrying amounts and fair values of financial instruments.

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2014		As of March 31, 2015		As of March 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Non-current						
Interest-bearing debt						
Long-term borrowings	¥2,243,855	¥2,286,161	¥2,116,498	¥2,160,920	$17,612,532	$17,982,192
Corporate bonds	4,743,073	4,960,113	6,825,868	6,862,785	56,801,764	57,108,971
Lease obligations	730,915	736,836	744,911	748,068	6,198,810	6,225,081
Preferred securities	199,156	199,444	–	–	–	–
Installment payables	105,155	105,528	102,552	102,673	853,391	854,398
Total	¥8,022,154	¥8,288,082	¥9,789,829	¥9,874,446	$81,466,497	$82,170,642

Financial instruments whose carrying amounts are reasonably similar to fair values are not included in the table above. Financial instruments that are measured at fair value on a recurring basis are also excluded because their fair values are the same as the carrying amounts.

The major valuation techniques for fair value measurements of the above financial liabilities are as follows:

a. Long-term borrowings

Fair values of the non-current portion of long-term borrowings with variable rates are measured based on the discounted cash flow method using observable inputs such as market interests, and the measurement is categorized as level 2. Fair values of the non-current portion of long-term borrowings with fixed rate are measured based on discounted cash flow using an interest rate including the credit spread that would be used for a borrowing with the same terms and maturities. Those borrowings are categorized as Level 3.

b. Corporate bonds

Fair values of the non-current portion of corporate bonds are mainly categorized as Level 1 or Level 2. When fair value is measured using quoted prices in active markets for identical bonds, it is categorized as Level 1. When fair value is measured using quoted prices that are observable in markets that are not active for identical bonds, it is categorized as Level 2. The fair value categorized as Level 3 is immaterial.

c. Lease obligations

Fair values of the non-current portion of lease obligations are measured based on the discounted cash flow method using an interest rate considering the period until payment and credit risk, and categorized as Level 2.

d. Preferred securities

Fair values of preferred securities are measured based on the discounted cash flow method using the interest rate that would be used for preferred securities issued with the same terms and maturities, including the credit spread. The measurement is categorized as Level 2.

e. Installment payables

Fair values of the non-current portion of installment payables are measured based on the discounted cash flow method using an interest rate adjusted for the remaining repayment period and credit risks, and the measurement is categorized as Level 2.

28. Transfers of financial assets

The Company enters into securitization transactions involving trade and installment receivables.

The major securitization transaction is the securitization of installment receivables of SoftBank Mobile Corp. recognized from its mobile handsets sales business.

Also Sprint entered into transactions to sell certain accounts receivables and transferred the receivables in March 2015. The transferred receivables consist of wireless service charges currently due from subscribers and are short-term in nature.

In SoftBank Mobile Corp. and Sprint's transactions, each company transferred receivables to financial institutions and acquired cash and subordinate interest in the transferred receivable for financing purpose. Receivables sold are not derecognized because in each transaction, SoftBank Mobile Corp. and Sprint retain subordinate interest and therefore substantially retain all risks and economic benefits of ownership of the transferred assets. Cash received from transferring receivables are included in Interest-bearing debt under current liabilities and non-current liabilities.

The following table presents the carrying amount of financial assets and related liabilities that are transferred but do not meet the derecognition criteria, as well as the fair value where related liabilities have recourse only to the transferred assets:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Carrying amount of transferred assets	¥ 428,828	¥ 751,468	$ 6,253,374
Carrying amount of related liabilities	(354,622)	(515,839)	(4,292,577)
(Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets.)			
Fair value of transferred assets	¥ 428,828	¥ 751,468	$ 6,253,374
Fair value of related liabilities	(354,112)	(515,270)	(4,287,842)
Net position	¥ 74,716	¥ 236,198	$ 1,965,532

The amount of difference between transferred assets and related liabilities is the subordinate interest which the Company retains on securitization.

29. Offsetting financial assets and liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position, as well as the amount of financial assets and liabilities that are under enforceable master netting agreements or similar contracts but are not offset as they do not meet certain or all criteria of offsetting.

Rights to offset based on enforceable master netting agreements or similar contracts are enforceable only in certain events such as bankruptcy or obligation default of the counterparty.

As of March 31, 2014

(Millions of yen)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	¥122,040	¥(82,356)	¥39,684	¥(4,273)	¥35,411
Other financial assets	6,833	–	6,833	(2,804)	4,029
Total	¥128,873	¥(82,356)	¥46,517	¥(7,077)	¥39,440

(Millions of yen)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	¥152,758	¥(82,356)	¥70,402	¥(4,166)	¥66,236
Other financial liabilities	3,606	–	3,606	(2,911)	695
Total	¥156,364	¥(82,356)	¥74,008	¥(7,077)	¥66,931

As of March 31, 2015

(Millions of yen)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	¥114,892	¥(72,251)	¥42,641	¥(12,518)	¥30,123
Other financial assets	55,998	–	55,998	(1,296)	54,702
Total	¥170,890	¥(72,251)	¥98,639	¥(13,814)	¥84,825

(Millions of yen)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	¥166,246	¥(72,251)	¥93,995	¥(12,367)	¥81,628
Other financial liabilities	2,671	–	2,671	(1,447)	1,224
Total	¥168,917	¥(72,251)	¥96,666	¥(13,814)	¥82,852

(Thousands of U.S. dollars)

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other receivables	$ 956,079	$(601,240)	$354,839	$(104,169)	$250,670
Other financial assets	465,990	–	465,990	(10,785)	455,205
Total	$1,422,069	$(601,240)	$820,829	$(114,954)	$705,875

(Thousands of U.S. dollars)

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the statement of financial position	Amount not offset in the statement of financial position	Net amount
Trade and other payables	$1,383,423	$(601,240)	$782,183	$(102,913)	$679,270
Other financial liabilities	22,227	–	22,227	(12,041)	10,186
Total	$1,405,650	$(601,240)	$804,410	$(114,954)	$689,456

30. Foreign exchange rates

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

(1) Rate at the end of the period

(Yen)

	As of March 31, 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 months ended June 30, 2013	Three months ended September 30, 2013	Three months ended December 31, 2013	Three months 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 months ended June 30, 2014	Three months ended September 30, 2014	Three months ended December 31, 2014	Three months ended March 31, 2015
U.S. dollars	**¥102.14**	**¥104.35**	**¥114.39**	**¥119.56**

(3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations

The table below presents the effect of a 1% appreciation of the Japanese yen against the U.S. dollar, which is the main foreign currency of the Company, assuming that all other factors are constant.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Impact to exchange differences on translating foreign operations (decrease in equity)	¥(25,203)	**¥(27,108)**	**$(225,580)**

31. Equity

(1) Common stock

a. Shares authorized

The number of shares authorized to be issued is as follows:

(Thousands of shares)

	March 31, 2014	March 31, 2015
Ordinary shares	3,600,000	**3,600,000**

b. Shares issued

Changes in the number of shares issued are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Balance at the beginning of the year	1,200,660	**1,200,660**
Increase during the year	–	**–**
Balance at the end of the year	1,200,660	**1,200,660**

Notes:
1. Shares issued by the Company are common stocks with no par value.
2. Shares issued have been fully paid.

(2) Capital surplus

Capital surplus of the Company includes additional paid-in capital, which is legal capital surplus. Under the Companies Act of Japan ("the Companies Act"), at least 50% of the proceeds upon issuance of equity instruments shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Companies Act permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

For the fiscal year ended March 31, 2014

The Company acquired preferred stocks and options of Supercell, which can convert the preferred stocks to common stocks ("conversion option"). 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 Oy" 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 now owns 100% of the equity interest of Brightstar Global Group Inc. In connection with this transaction, ¥30,509 million ($253,882 thousand) is deducted from capital surplus as "Changes in interests in subsidiaries."

(3) Retained earnings

Retained earnings of the Company include the reserve legally required as legal retained earnings. The Companies Act provides that 10% of the dividend of retained earnings shall be appropriated as legal capital surplus or as legal retained earnings until their aggregate amount equals 25% of common stock. The legal retained earnings may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

(4) Treasury stock

The Companies Act provides for companies to purchase treasury stock and dispose such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. ↗

Changes in treasury stock are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Balance at the beginning of the year	9,160	**12,205**
Increase during the year	4,287*	**6**
Decrease during the year	(1,242)	**(748)**
Balance at the end of the year	12,205	**11,463**

Note:
* Purchase of 4,272 thousand shares according to Article 156 based on Article 165-3 of the Companies Act and purchase of odd-lot shares.

(5) Accumulated other comprehensive income

The changes in the accumulated other comprehensive income are as follows:

(Millions of yen)

	Remeasurements of defined benefit plan	Available-for-sale financial assets	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2013	¥ –	¥ 50,700	¥ 114,158	¥ 83,168	¥248,026
Other comprehensive income (Attributable to owners of the parent)	2,541	(36,578)	(134,100)	92,502	(75,635)
Transfer to retained earnings	(2,541)	–	–	–	(2,541)
As of March 31, 2014	–	14,122	(19,942)	175,670	169,850
Other comprehensive income (Attributable to owners of the parent)	**(47,226)**	**402**	**12,597**	**357,537**	**323,310**
Transfer to retained earnings	**47,226**	**–**	**–**	**–**	**47,226**
As of March 31, 2015	**¥ –**	**¥ 14,524**	**¥ (7,345)**	**¥533,207**	**¥540,386**

(Thousands of U.S. dollars)

	Remeasurements of defined benefit plan	Available-for-sale financial assets	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of March 31, 2014	$ –	$117,517	$(165,948)	$1,461,845	$1,413,415
Other comprehensive income (Attributable to owners of the parent)	**(392,993)**	**3,345**	**104,826**	**2,975,261**	**2,690,438**
Transfer to retained earnings	**392,993**	**–**	**–**	**–**	**392,993**
As of March 31, 2015	**$ –**	**$120,862**	**$ (61,122)**	**$4,437,106**	**$4,496,846**

Note:
The above amount is presented net of tax effect. The amount of income taxes on each item in other comprehensive income is described in "Note 40. Other comprehensive income (loss)."

32. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. For companies that meet certain criteria, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet the above criteria. Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

Dividends paid are as follows:

For the fiscal year ended March 31, 2014

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Shareholders' meeting held on June 21, 2013	Common stock	¥20	¥23,830	March 31, 2013	June 24, 2013
Board of directors meeting held on November 15, 2013	Common stock	20	23,839	September 30, 2013	December 16, 2013

For the fiscal year ended March 31, 2015

Resolution	Class of shares	Dividends per share		Total dividends		Record date	Effective date
		(Yen)	(USD)	(Millions of yen)	(Thousands of U.S. dollars)		
Shareholders' meeting held on June 20, 2014	Common stock	¥20	$0.17	¥23,769	$197,795	March 31, 2014	June 23, 2014
Board of directors meeting held on October 23, 2014	Common stock	20	0.17	23,778	197,869	September 30, 2014	December 15, 2014

Dividends which will become effective during the fiscal year ending March 31, 2016 are as follows:

Resolution	Class of shares	Dividends per share		Total dividends		Record date	Effective date
		(Yen)	(USD)	(Millions of yen)	(Thousands of U.S. dollars)		
Shareholders' meeting held on June 19, 2015	Common Stock	¥20	$0.17	¥23,784	$197,920	March 31, 2015	June 22, 2015

33. Share-based payment transactions

The Company grants stock options, restricted stock units and phantom stock as share based payment awards.

Share-based payment awards are granted to the Company's directors, employees and other service providers, based on the terms approved by the Company's shareholders' meeting or board of directors' meeting.

Share-based payment awards are accounted for as equity-settled share based payment and cash-settled share-based payment. Expense and liability recognized from share based payment awards are as follows:

Expense arising from share-based payment

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Equity-settled	¥11,193	¥13,073	$108,788
Cash-settled	–	2,861	23,808
Total	¥11,193	¥15,934	$132,596

Liability arising from share-based payment

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2014	As of March 31, 2015	As of March 31, 2015
Liability arising from share-based payment	¥–	¥2,861	$23,808
Liability vested in the above	–	–	–

(1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share based payment.

The details of the Company's stock option plan for the years ended March 31, 2014 and 2015 are as follows:

(a) SoftBank Corp.

SoftBank Corp. grants stock options to its directors and employees.

Shares granted by the exercise of stock options are those issued by SoftBank Corp.

Year issued / Name	Grant date	Due date for exercise
2010 – 6th Acquisition rights[1]	August 27, 2010	June 30, 2017
2013 – 7th Acquisition rights[2]	July 31, 2013	June 30, 2021

Notes:
1. Vesting conditions
A person entitled to the vested stock acquisition rights ("entitled person") is able to exercise these rights only when:
a. total free cash flows in the consolidated statement of cash flows for the years ended March 2010, 2011 and 2012 in the Annual Securities Report filed by SoftBank Corp. based on Financial Instruments and Exchange Act exceed 1 trillion Yen;
b. net interest-bearing debt in the consolidated balance sheet for the year ended March 2012 in the Annual Securities Report filed by SoftBank Corp. based on Financial Instruments and Exchange is less than ¥0.97 trillion; and,
c. total operating income in the consolidated statement of income for the years ended March 2011 and 2012 in the Annual Securities Report filed by SoftBank Corp. based on Financial Instruments and Exchange exceed ¥1.1 trillion.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "a" through "d" below. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. from July 1, 2012 to June 30, 2013: 25% of the allocated amount of stock acquisition rights
b. from July 1, 2013 to June 30, 2014: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" above
c. from July 1, 2014 to June 30, 2015: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" and "b" above
d. from July 1, 2015 to June 30, 2017: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" through "c" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

2. Vesting condition
A person entitled to the vested stock acquisition rights ("entitled person") is able to exercise these rights only when operating income in the consolidated statement of income for the year ending March 2016 in the Annual Securities Report to be filed by SoftBank Corp. based on Financial Instruments and Exchange Act in June 2016 ("target index") exceeds ¥1.2 trillion ("target amount"). The Company may change the target index or target amount within a reasonable range, if necessary.
The amount of the stock acquisition rights exercisable in the period "a" through "c" below by an entitled person who was granted and allocated stock acquisition rights of 10,000 or more in total, is limited as below. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. from July 1, 2016 to June 30, 2017: 25% of the allocated amount of stock acquisition rights
b. from July 1, 2017 to June 30, 2018: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" above
c. from July 1, 2018 to June 30, 2021: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "a" and "b" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

(b) Sprint

Sprint Corporation grants stock options to its directors, employees and other service providers.

Shares granted by the exercise of stock options are those issued by Sprint Corporation.

Year issued / Name	Grant date	Due date for exercise
Nextel Incentive Equity Plan	From May 24, 2004 to May 26, 2005	From May 24, 2014 to May 26, 2015
1997 Long-Term Incentive Program	From February 8, 2005 to February 27, 2007	From February 8, 2015 to February 27, 2017
2007 Omnibus Incentive Plan	From July 9, 2007 to December 8, 2014	From July 9, 2017 to December 8, 2024

Note:
Vesting condition
Generally, stock options vest when services period requirements are met. The vesting period is generally 3 years and vests each period equally.

(c) Supercell

Supercell grants stock option to its employees. Shares granted by the exercise of stock options are those issued by Supercell Oy.

Year issued / Name	Grant date	Due date for exercise
Supercell Oy share option program	From March 31, 2011 to April 1, 2014	March 31, 2021

Note:
Vesting condition
Stock options vest when service period requirements are met. The vesting period is within 4 years. 25% of options vest after 1 year from the conclusion of the share payment contract or the beginning of service. The residual options vest each month equally over the next 3 years.

(d) Brightstar Corp.

Brightstar Corp. grants stock options to its directors, employees and other service providers. Shares granted by the exercise of stock options are those issued by Brightstar Global Group Inc.

Year issued / Name	Grant date	Due date for exercise
Brightstar Global Group Inc. 2006 Stock Incentive Plan	From July 12, 2006 to January 21, 2014	From July 12, 2016 to January 21, 2024

Notes:
1. Vesting condition
Generally, options vest when service period requirements are met. Rights usually vest in stages during 4 years equally over this period.
2. Brightstar Corp. has the option to either settle in Brightstar Global Group Inc. shares or in cash when options are exercised. Stock option above is booked as equity-settled share based payment.

(e) Yahoo Japan Corporation

Yahoo Japan Corporation grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by Yahoo Japan Corporation.

Yahoo Japan Corporation split shares of its stocks by the ratio of 100 for 1, with a basis date of September 30, 2013 and an effective date of October 1, 2013. For stock options granted before the share split, the effect of the share split is adjusted.

Year issued / Name	Grant date	Due date for exercise
2005[1]	May 2, 2006	June 17, 2015
2006[1]	From September 6, 2006 to February 7, 2007	From August 23, 2016 to January 24, 2017
2007[1]	From May 8, 2007 to February 13, 2008	From April 24, 2017 to January 30, 2018
2008[1]	From May 9, 2008 to February 10 2009	From April 25, 2018 to January 27, 2019
2009[1]	From May 12, 2009 to February 10, 2010	From April 28, 2019 to January 27, 2020
2010[1]	From May 11, 2010 to February 8, 2011	From April 27, 2020 to January 25, 2021
2011[1]	From June 3, 2011 to February 17, 2012	From May 20, 2021 to February 3, 2022
2012 1st[1] 2nd[2]	From May 16, 2012 to March 1, 2013	From May 2, 2022 to February 28, 2023
2013 1st[3] 2nd[4]	From May 17, 2013 to November 19, 2013	From May 16, 2023 to November 18, 2023
2014 1st[4]	May 26, 2014	May 25, 2024

Notes:
1. Vesting conditions
Rights mainly vest in stages after 2 years from the grant date. One half of the total granted vests after 2 years from the grant date, and one fourth vests per year for subsequent 2 years. Vesting requires continuous services from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

2. Vesting conditions
Rights vest according to the amount of operating income achieved as specified in either (i) or (ii) below in the period from the fiscal year ended March 2014 to the fiscal year ending March 2019.
(i) If the operating income exceeds ¥250 billion
Period of achievement: By fiscal year March 2016 Exercisable ratio: 20%
Period of achievement: By fiscal year March 2017 Exercisable ratio: 14%
Period of achievement: By fiscal year March 2018 Exercisable ratio: 8%
Period of achievement: By fiscal year March 2019 Exercisable ratio: 2%

(ii) If the operating income exceeds ¥330 billion
Period of achievement: By fiscal year March 2016 Exercisable ratio: 80%
Period of achievement: By fiscal year March 2017 Exercisable ratio: 56%
Period of achievement: By fiscal year March 2018 Exercisable ratio: 32%
Period of achievement: By fiscal year March 2019 Exercisable ratio: 8%

Vesting requires continuous services from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

3. Vesting conditions
Rights vest according to the amount of operating income achieved as specified below (i) or (ii) in either of the period from the fiscal year ended March 2014 to the fiscal year ending March 2019.
(i) If the operating income exceeds ¥250 billion Exercisable ratio: 20%

(ii) If the operating income exceeds ¥330 billion Exercisable ratio: 80%

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

4. Vesting conditions
Rights vest once the operating income for the fiscal year exceeds ¥330 billion in either of the period from the fiscal year ended March 2015 to the fiscal year ending March 2019. Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

b. Fair value of stock options granted during the period

Weighted-average fair value and how fair value is measured, at the measurement date of the stock options granted during the period are as follows:

(a) Sprint

The weighted-average fair value at the measurement date of the stock options granted during the period is $3.09.

Fair value is measured as follows:

	Fiscal year ended March 31, 2015
Year issued / Name	2007 Omnibus Incentive Plan
Valuation method used	Black-scholes model
Key inputs and assumptions:	
Weighted-average stock price	$6.04
Weighted-average exercise price	$6.04
Volatility of stock price*	54.39%
Estimated residual period	6 years
Estimated dividend	–
Risk-free interest rate	1.9%

Note:
* Calculated based on implied volatility based on the stock price and option price of Sprint at the calculation date.

(b) Supercell

The weighted-average fair value at the measurement date of the stock options granted during the period is €38.20.

Fair value is measured as follows:

	Fiscal year ended March 31, 2015
Year issued / Name	Supercell Oy Share option program
Valuation method used	Black-scholes model
Key inputs and assumptions:	
Weighted-average stock price	€43.39
Weighted-average exercise price	€8.39
Volatility of stock price*	48.70%
Estimated residual period	7.25 years
Estimated dividend	–
Risk-free interest rate	1.62%

Note:
* Calculation is based on the volatility of other comparative companies.

(c) Yahoo Japan Corporation

The weighted-average fair value at the measurement date of the stock options granted during the period is ¥195 ($1.62).

Fair value is measured as follows:

	Fiscal year ended March 31, 2015
Year issued / Name	2014 – 1st
Valuation method used	Monte carlo simulation
Key inputs and assumptions:	
Stock price – Yen	¥492
(U.S. dollars)	($4.09)
Exercise price – Yen	¥492
(U.S. dollars)	($4.09)
Volatility of stock price*	36.90%
Period until maturity	10 years
Estimated dividend	Dividend yield 0.90%
Risk-free interest rate	0.612%

Note:
* Calculated based on the actual stock price for the retrospective period that corresponds with the period until maturity.

c. Changes in stock options during the period and the condition of stock options at the period end

Changes in stock options during the period and the condition of stock options at the period end are as follows:

(a) SoftBank Corp.

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance – Unexercised	3,281,100	¥2,625	12,371,100	¥4,402	$36.63
Granted	10,375,800	4,750	–	–	–
Forfeited	(43,100)	4,183	(128,700)	4,552	37.88
Exercised	(1,242,700)	2,625	(746,900)	2,625	21.84
Ending balance – Unexercised	12,371,100	4,402	11,495,500	4,516	37.58
Ending balance – Exercisable	359,800	¥2,625	432,900	¥2,625	$21.84

The unexercised options as of March 31, 2015, are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
¥2,625	$21.84	1,268,000	¥2,625	$21.84	3.3
¥4,750	$39.53	10,227,500	4,750	39.53	7.3
Total		11,495,500	¥4,516	$37.58	6.8

(b) Sprint

	Fiscal year ended March 31, 2014*		Fiscal year ended March 31, 2015	
	Number of shares	Weighted average exercise price (USD)	Number of shares	Weighted average exercise price (USD)
Beginning balance – Unexercised	–	–	42,525,692	$ 6.68
Business combination	53,098,794	$ 6.51	–	–
Granted	1,733,102	6.38	22,949,074	6.04
Forfeited	(224,914)	3.01	(2,634,619)	6.18
Exercised	(9,728,414)	3.65	(13,837,721)	3.40
Matured	(2,352,876)	15.50	(9,140,599)	16.02
Ending balance – Unexercised	42,525,692	6.68	39,861,827	5.34
Ending balance – Exercisable	36,691,227	$ 7.21	19,257,431	$ 4.68

Note:
* Movement of stock options after the business combination date.

The unexercised options as of March 31, 2015 are as follows:

Range of exercise price (USD)	Number of shares	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
$ 0.00 – 3.00	5,561,249	$ 2.00	6.90
3.01 – 4.00	6,734,485	3.36	4.75
4.01 – 5.00	15,843,003	4.62	8.73
5.01 – 6.00	4,159,916	5.68	7.52
7.01 – 10.00	5,947,649	8.89	8.47
15.01 – 20.00	1,615,525	18.20	1.66
Total	39,861,827	$ 5.34	7.35

(c) Supercell

	Fiscal year ended March 31, 2014*		Fiscal year ended March 31, 2015	
	Number of shares	Weighted-average exercise price (EUR)	Number of shares	Weighted-average exercise price (EUR)
Beginning balance – Unexercised	–	–	2,328,431	€ 2.16
Business combination	1,494,719	€1.17	–	–
Granted	921,000	3.59	210,250	29.39
Forfeited	(39,350)	0.54	(102,352)	5.44
Exercised	(47,938)	0.02	(581,628)	1.62
Ending balance – Unexercised	2,328,431	2.16	1,854,701	5.24
Ending balance – Exercisable	123,180	€0.14	344,371	€ 3.13

Note:
* Movement of stock options after the business combination date.

The unexercised options as of March 31, 2015 are as follows:

Range of exercise price (EUR)	Number of shares	Weighted-average exercise price (EUR)	Weighted-average remaining contract period (Year)
€ 0.01 – 1.64	729,462	€ 0.65	6.00
3.59	924,690	3.59	6.00
29.39	200,549	29.39	6.00
Total	1,854,701	€ 5.22	6.00

(d) Brightstar Corp.

	Fiscal year ended March 31, 2014*		Fiscal year ended March 31, 2015	
	Number of shares	Weighted-average exercise price (USD)	Number of shares	Weighted-average exercise price (USD)
Beginning balance – Unexercised	–	–	2,365,388	$27.53
Business combination	2,365,388	$27.53	–	–
Granted	–	–	–	–
Forfeited	–	–	(900,395)	27.57
Exercised	–	–	–	–
Matured	–	–	–	–
Ending balance – Unexercised	2,365,388	27.53	1,464,993	27.51
Ending balance – Exercisable	730,400	$22.54	711,666	$24.29

Note:
* Movement of stock options after the business combination date.

The unexercised options as of March 31, 2015 are as follows:

Range of exercise price (USD)	Number of shares	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
$10.00 – 15.00	234,500	$14.89	3.69
15.01 – 20.00	17,000	20.00	2.40
25.01 – 30.00	918,493	29.03	7.54
30.01 – 35.00	295,000	33.25	9.06
Total	1,464,993	$27.51	7.17

(e) Yahoo Japan Corporation

	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2015		
				Weighted-average exercise price	
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	(Yen)	(USD)
Beginning balance – Unexercised	30,850,500	¥329	64,012,500	¥427	$3.55
Granted	35,676,000	508	1,950,000	492	4.09
Forfeited	(1,761,300)	370	(331,400)	475	3.95
Exercised	(752,700)	339	(44,400)	325	2.70
Ending balance – Unexercised	64,012,500	427	65,586,700	429	3.57
Ending balance – Exercisable	3,130,100	¥377	3,583,700	¥366	$3.05

The unexercised options as of March 31, 2015 are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (Year)
¥201 – 300	$1.67 – 2.50	1,081,100	¥271	$2.26	6.4
301 – 400	2.51 – 3.33	26,027,400	324	2.70	7.8
401 – 500	3.34 – 4.16	12,797,900	486	4.04	7.7
501 – 600	4.17 – 4.99	25,674,200	514	4.28	8.6
601 – 700	5.00 – 5.83	6,100	680	5.66	0.2
Total		65,586,700	¥429	$3.57	8.1

d. Stock options exercised during the period

Weighted-average stock prices at exercise for stock options exercised during the period are as follows:

(a) SoftBank Corp.

Fiscal year ended March 31, 2014			Fiscal year ended March 31, 2015			
					Weighted-average stock price at exercise	
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	(Yen)	(USD)
2010 – 6th Acquisition rights	1,242,700	¥7,021	2010 – 6th Acquisition rights	746,900	¥7,487	$62.30

(b) Sprint

Fiscal year ended March 31, 2014			Fiscal year ended March 31, 2015		
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise* (USD)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (USD)
2007 Omnibus Incentive Plan. . .	9,728,414	$8.04	2007 Omnibus Incentive Plan	13,837,721	$6.46

Note:
* Weighted-average stock price of stock options exercised after business combination date for the year ended March 31, 2014.

(c) Yahoo Japan Corporation

Fiscal year ended March 31, 2014			Fiscal year ended March 31, 2015			
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Weighted-average stock price at exercise (USD)
2006	12,500	¥519	2006	200	¥436	$3.63
2007	100,100	528	2007	7,600	465	3.87
2008	130,400	516	2008	3,000	458	3.81
2009	283,400	515	2009	15,500	455	3.79
2010	113,200	506	2010	8,200	441	3.67
2011	113,100	533	2011	9,400	448	3.73
2012	–	–	2012	500	446	3.71

Note:
Weighted-average stock price at exercise is not calculated for the Supercell Oy Stock option plan since Supercell Oy shares are not publicly traded.

(2) Restricted stock unit plan

The Company adopts restricted stock unit ("RSU") plans where the Company grants stocks, the transfer of which is restricted for a certain period until vested, and it is accounted for as equity-settled share-based payment.

The details of the Company's RSU plan for the years ended March 31, 2014 and 2015 are as follows:

a. Sprint

Sprint grants shares of Sprint Corporation as RSU to its directors, employees and other service providers. Restricted stock units granted for the year ended March 31, 2015 were 6,351,418 units.

The fair value of the RSU is measured by the stock price at the grant date and the weighted-average fair value of the RSU granted for the year ended March 31, 2015 was $7.39 per unit.

RSU generally have performance and service period requirements or service period requirements only. The service period requirement ranges from 1 to 3 years. Employees and directors must remain employees or directors until the cancellation of the restriction, and that period is typically 3 years for employees and 1 year for directors.

b. Galaxy Investment Holdings, Inc.

Galaxy Investment Holdings, Inc. grants RSU to its director with the option to settle either by Sprint Corporation shares held by Sprint Corporation or cash. As Galaxy Investment Holdings. Inc. has the option to settle by cash instead of Sprint Corporation shares, this RSU grant has been accounted as an equity-settled share payment. The fair value of the RSUs is measured by the stock price as of the date granted.

RSU vests equally each year over four years. It is subject to continued employment from the grant date through vesting date.

c. Supercell

Supercell grants shares of Supercell Oy as RSU to its employees. RSU granted for the year ended March 31, 2015 were 198,500 units.

The fair value of the RSU is measured by the stock price at the grant date and the weighted-average fair value of the RSU granted for the year ended March 31, 2015 was €38.87 per unit.

RSU vests equally in each year over four years. It is subject to continued employment from the grant date through vesting date.

(3) Phantom stock

a. Cash-settled

The Company adopts phantom stock awards where the Company pays in cash based on the stock price at the vesting date, and it is accounted for as cash-settled share-based payments.

The details of phantom stock for the year ended March 31, 2015 are as follows:

SB Group US, Inc. and SoftBank Holdings, Inc.

SB Group US, Inc. and SoftBank Holdings, Inc. granted phantom stock, which is based on the shares of SoftBank Corp., to their directors, executives, and employees.

It is subject to continued employment from the grant date through vesting date and the details are as follows:

As of March 31, 2015

Unit	Vesting condition
3,278,641	The initial vesting date is four years after from the first date of service. A quarter of the total vests on the initial vesting date and quarter of the total vests every two year thereafter.
740,691	It vests fully when five years pass from the first date of service period.
370,345	The initial vesting date is two years after from the first date of service. One-third of the total vests on the initial vesting date and one-third of the total vests every two years thereafter.
85,994	The initial vesting date is one year after from the first date of service. A quarter of the total vests on the initial vesting date and quarter of the total vests every year thereafter.

b. Equity-settled

The Company adopts phantom stock award where the Company can choose to give restricted shares of the Company, in addition to settlement by cash based on the share price at the vesting date, and they are accounted for as equity-settled share-based payments. The details of the equity-settled phantom stock payment award for the year ended March 31, 2015 are as follows:

SB Group US, Inc. and SoftBank Holdings, Inc.

SB Group US, Inc. and SoftBank Holdings, Inc. granted phantom stock, which is based on the shares of SoftBank Corp., to their directors, executives and employees. The fair value of phantom stock is measured by the grant date stock price, and the number of phantom stock granted for the year ended March 31, 2015 was 184,235 units, and the weighted average fair value of phantom stock granted for the year ended March 31, 2015 is ¥7,210 ($60.00) per unit.

This phantom stock vests one-sixteenth on the initial vesting date, which is 1 year after from the grant date, and thereafter vests one-sixteenth every quarter over four years. It is subject to continued employment from the grant date through vesting date.

34. Net sales

The components of net sales are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014*	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Mobile Communications			
Net sales from rendering of services	¥2,096,259	¥2,315,992	$19,272,630
Net sales from sale of goods	1,046,404	1,827,661	15,208,963
Total	3,142,663	4,143,653	34,481,593
Sprint			
Net sales from rendering of services	2,317,820	3,041,402	25,309,162
Net sales from sale of goods	282,923	552,765	4,599,859
Total	2,600,743	3,594,167	29,909,021
Fixed-line Telecommunications	442,152	436,015	3,628,318
Internet	396,554	415,521	3,457,776
Other	84,539	80,865	672,922
Total	¥6,666,651	¥8,670,221	$72,149,630

Note:
* "Sprint" includes financial information after the consolidation of Sprint. The details of the business combination are described in "(2) Sprint" in "Note 6. Business combinations."

35. Cost of sales and selling, general and administrative expenses

The components of cost of sales and selling, general and administrative expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Cost of goods sold	¥(1,696,049)	¥(2,510,996)	$(20,895,365)
Depreciation and amortization	(899,904)	(1,122,531)	(9,341,192)
Sales commissions and sales promotion expenses	(897,710)	(1,080,363)	(8,990,289)
Employees and directors benefit cost	(510,525)	(670,744)	(5,581,626)
Telecommunications equipment usage fee	(438,108)	(509,938)	(4,243,472)
Operating lease expenses	(339,961)	(431,238)	(3,588,566)
Service outsourcing expenses	(237,550)	(279,882)	(2,329,051)
Other	(768,256)	(1,054,158)	(8,772,222)
Total	¥(5,788,063)	¥(7,659,850)	$(63,741,783)

"Depreciation and amortization" includes disposal of "Property, plant and equipment" and "Intangible assets" as well as amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the consolidated statement of financial position.

36. Other operating income and loss

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Gain on partial pension settlement[1]	¥ –	¥ 18,726	$ 155,829
Severance costs associated with reduction in work force of Sprint	(23,645)	(27,129)	(225,755)
Provision for unprofitable contract[2]	–	(21,271)	(177,008)
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	16,694
Total	¥(55,430)	¥(27,668)	$(230,240)

Notes:
1. Sprint made an amendment associated with the defined benefit pension plan to offer certain retired 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 amount was 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 at 9.24%, the weighted average capital cost before tax of estimated future cash flow plan was approved by the management.
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 absorbed company, 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.

37. Finance cost

The components of finance cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Interest expense*	¥(271,478)	¥(366,505)	$(3,049,888)

Note:
* Interest expense was mainly from financial liabilities measured at amortized cost.

38. 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 ($4,990,164 thousand) 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.

39. Other non-operating income and loss

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

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Interest income[1]	¥ 21,015	¥ 4,257	$ 35,425
Foreign exchange gain and loss	(7,068)	11,050	91,953
Derivative loss[1, 2]	(19,588)	(8,257)	(68,711)
Gain and loss on sales of securities[3]	12,325	(2,443)	(20,330)
Impairment loss on securities[3]	(9,168)	(15,170)	(126,238)
Gain on sales of equity method associates	33,058	1,882	15,661
Impairment loss on equity method associates[4]	–	(35,261)	(293,426)
Gain from remeasurement relating to applying equity method[5]	–	11,177	93,010
Gain from financial assets at FVTPL[6]	–	11,209	93,276
Other	9,874	5,974	49,714
Total	¥40,448	¥(15,582)	$(129,666)

Notes:
1. Stock acquisition rights for the convertible bonds issued by Sprint Nextel Corporation and undertaken by Starburst II, Inc. 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 statement 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 billion which was related to the acquisition of Sprint, with regard to $5 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 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. Gain and loss on sales of securities and impairment loss on securities arose mainly from available-for-sale financial assets.
4. The Company recorded impairment loss of ¥35,261 million ($293,426 thousand) 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.
5. Due to the increase in the percentage of voting rights, the equity method was newly applied to the investment in associates and the gain arose from remeasurement of the interest already held by the Company at the time the equity method was applied, based on the fair value on the date of the equity method applied.
6. Of the gain from financial assets at FVTPL, the gain of ¥5,814 million ($48,381 thousand) arose from financial assets that were designated as the financial assets at fair value through profit or loss at initial recognition.

40. Other comprehensive income (loss)

The table below presents the amount arose during the year, reclassification adjustments of profit or loss and income tax effect of each item in other comprehensive income.

For the fiscal year ended March 31, 2014

(Millions of yen)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ 3,143	¥ –	¥ 3,143	¥ 71	¥ 3,214
Total	3,143	–	3,143	71	3,214
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	45,904	(107,053)	(61,149)	22,382	(38,767)
Cash flow hedges	126,739	(332,768)*	(206,029)	72,027	(134,002)
Exchange differences on translating foreign operations	92,143	(1,460)	90,683	–	90,683
Share of other comprehensive income of associates	19,076	(488)	18,588	–	18,588
Total	283,862	(441,769)	(157,907)	94,409	(63,498)
Total other comprehensive income (loss)	¥287,005	¥(441,769)	¥(154,764)	¥94,480	¥ (60,284)

Note:
* In connection with the consolidation of Sprint, accumulated other comprehensive income of ¥311,659 million, generated from the hedging instrument designated as a cash flow hedge, is deducted from the initial amount of goodwill which was recognized upon the consolidation.
The details of the acquisition are described in "(2) Sprint" in "Note 6. Business combinations."

For the fiscal year ended March 31, 2015

(Millions of yen)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ (59,460)	¥ –	¥ (59,460)	¥ 83	¥ (59,377)
Total	(59,460)	–	(59,460)	83	(59,377)
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	6,093	(2,606)	3,487	239	3,726
Cash flow hedges	49,197	(36,125)	13,072	(210)	12,862
Exchange differences on translating foreign operations	438,309	–	438,309	(28,713)	409,596
Share of other comprehensive income of associates	(877)	(1,350)	(2,227)	–	(2,227)
Total	492,722	(40,081)	452,641	(28,684)	423,957
Total other comprehensive income (loss)	¥433,262	¥(40,081)	¥393,181	¥(28,601)	¥364,580

(Thousands of U.S. dollars)

	Amount occurred during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	$ (494,799)	$ –	$ (494,799)	$ 691	$ (494,108)
Total	(494,799)	–	(494,799)	691	(494,108)
Items that may be reclassified subsequently to profit or loss					
Available-for-sale financial assets	50,703	(21,686)	29,017	1,989	31,006
Cash flow hedges	409,395	(300,616)	108,779	(1,748)	107,031
Exchange differences on translating foreign operations	3,647,408	–	3,647,408	(238,937)	3,408,471
Share of other comprehensive income of associates	(7,298)	(11,234)	(18,532)	–	(18,532)
Total	4,100,208	(333,536)	3,766,672	(238,696)	3,527,976
Total other comprehensive income (loss)	$3,605,409	$(333,536)	$3,271,873	$(238,005)	$3,033,868

41. Earnings per share

Basic earnings per share and diluted earnings per share are as follows:

(1) Basic earnings per share

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net income attributable to owners of the parent	¥520,250	¥668,361	$5,561,796
		(Thousands of shares)	
Weighted-average number of ordinary shares	1,190,650	1,188,830	
		(Yen)	(USD)
Basic earnings per share	¥436.95	¥562.20	$4.68

(2) Diluted earnings per share

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Net income attributable to owners of the parent	¥520,250	¥668,361	$5,561,796
Adjustments:			
Effect of dilutive securities issued by subsidiaries and associates	(1,992)	(3,509)	(29,200)
Net income used in the calculation of diluted earnings per share	¥518,258	¥664,852	$5,532,596
		(Thousands of shares)	
Weighted-average number of ordinary shares	1,190,650	1,188,830	
Adjustments:			
Warrants and corporate bonds with stock acquisition rights	1,622	1,061	
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share	1,192,272	1,189,891	
		(Yen)	(USD)
Diluted earnings per share	¥434.68	¥558.75	$4.65

42. Supplemental information to the consolidated statement of cash flows

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

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

(2) Presentation of cash flow regarding finance lease

For the purchase of telecommunication equipment through finance lease, the Company purchases, assembles, installs and inspects the equipment due to the nature of the equipment. Then the Company sells the equipment to lease companies for sale and leaseback purposes and recognizes it as a lease asset.

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 contracts for acquisition of control over subsidiary

For the fiscal year ended March 31, 2014

The proceeds are from the settlement of a foreign currency forward contracts of $18.5 billion with regard to the acquisition of Sprint.

(4) Significant non-cash transactions

Significant non-cash investing and financing activities are as follows:

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2015
Acquisition of assets from finance lease transactions	¥51,937	¥ 58,909	$ 490,214
Acquisition of fixed assets by installments	47,356	46,397	386,095
Transfer of leased devices from inventories to property, plant and equipment	–	144,030	1,198,552

43. Related party transactions

(1) Related party transactions and balances

Related party transactions of the Company were as follows:

For the fiscal year ended March 31, 2014

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 2 other companies)	Chairman & CEO of SoftBank Corp. holding over half of the voting rights	Dividend paid from SoftBank Corp.	¥10,021	¥ –
		Advance payment for temporary expense	266	38
		Payment of equipment usage[1]	45	
		Guarantee deposits received[1]	1	178
Taizo Son (Heartis GK and 9 other companies)[2]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Corp.	204	–
		Dividend paid from subsidiary[3]	751	
		Payment of outsourcing fee[4]	80	9

Notes:
1. Equipment usage fee and guarantee deposit received are determined based on the ratio of usage.
2. Relative of Chairman & CEO Masayoshi Son, Taizo Son holds over half of the voting rights.
3. Dividends are paid from our listed subsidiary, GungHo.
4. The terms and conditions of transaction are negotiated and determined considering the market price and the content of the transaction.

For the fiscal year ended March 31, 2015

The Company acquired all remaining shares of Brightstar Global Group Inc. indirectly held by Marcelo Claure, totaling 37.7% of total outstanding shares, and now owns 100% of the equity interest of Brightstar Global Group Inc.

Brightstar Global Group is the wholly-owning parent company of Brightstar Corp., which is a mobile device distributor in the United States and Marcelo Claure served as the former President and CEO of Brightstar Corp., as well as in various roles at certain of their subsidiaries and joint ventures. Marcelo Claure was appointed as the new president and CEO of Sprint, effective as of August 11, 2014 and resigned from his positions as president and CEO of both Brightstar Global Group and Brightstar Corp., as well as his positions at their various subsidiaries and joint ventures, immediately prior to becoming the president and CEO of Sprint.

The above transaction is as follows:

			Amount of transaction		Balance at period-end	
Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	(Thousands of U.S. dollars)	(Millions of yen)	(Thousands of U.S. dollars)
Marcelo Claure[1]	Director of subsidiary	Acquisition of Brightstar Global Group Inc. shares[2]	¥30,509	$253,882	¥–	$–

Notes:
1. Shares were acquired from an entity that was 100% owned by Marcelo Claure.
2. The acquisition cost of acquired shares was negotiated and determined, considering independent third-party appraisals.

Transactions other than those described above are as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 3 other companies)	Chairman & CEO of SoftBank Corp. holding over half of the voting rights	Dividend paid from SoftBank Corp.	¥10,061	¥ –
		Advance payment for temporary expense	264	22
		Payment of equipment usage[1]	42	
		Guarantee deposits received[1]	0	178
		Purchase of property, plant and equipment[2]	4,506	4,506
Taizo Son (Heartis GK and 8 other companies)[3]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Corp.	268	–
		Dividend paid from subsidiary[4]	901	–
		Payment of outsourcing fee[5]	91	13
Yoshimitsu Goto[6]	Director	Exercise of stock acquisition rights	197	–

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars) Amount of transaction	Balance at period-end
Masayoshi Son (Son Asset Management LLC and 3 other companies)	Chairman & CEO of SoftBank Corp. holding over half of the voting rights	Dividend paid from SoftBank Corp.	$83,723	$ –
		Advance payment for temporary expense	2,197	183
		Payment of equipment usage[1]	350	
		Guarantee deposits received[1]	0	1,481
		Purchase of property, plant and equipment[2]	37,497	37,497
Taizo Son (Heartis GK and 8 other companies)[3]	Relative of Chairman & CEO holding over half of the voting rights	Dividend paid from SoftBank Corp.	2,230	–
		Dividend paid from subsidiary[4]	7,498	–
		Payment of outsourcing fee[5]	757	108
Yoshimitsu Goto[6]	Director	Exercise of stock acquisition rights	1,639	–

Notes:
1. Equipment usage fee and guarantee deposit received are determined based on the ratio of usage.
2. The acquisition costs of purchase of property, plant and equipment were negotiated and determined considering independent third-party appraisals.
3. Relative of Chairman & CEO Masayoshi Son, Taizo Son holds over half of the voting rights.
4. Dividends are paid from our listed subsidiary, GungHo.
5. The terms and conditions of transactions are negotiated and determined considering the market price and the contents of the transaction.
6. Retired from the position of director as of June 19, 2015.

(2) Remuneration for major executives

Remuneration for major executives is as follows:

	(Millions of yen) Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	(Thousands of U.S. dollars) Fiscal year ended March 31, 2015
Short-term benefits	¥724	¥15,804	$131,514
Share-based payments	77	4,137	34,426
Retirement benefits	–	8	67
Total	¥801	¥19,949	$166,007

Notes:
1. Remuneration for major executives represents remuneration for the directors of SoftBank Corp. (including external directors) and main subsidiaries' directors. Nikesh Arora, vice chairman of SoftBank Corp. as well as CEO of SB Group US, Inc., and Marcelo Claure, CEO of Sprint, are the main subsidiaries' directors. Also Nikesh Arora became the representative director and president of SoftBank Corp. as of June 19, 2015.
2. For the year ended March 31, 2015, remuneration of ¥16,556 million ($137,771 thousand) to Nikesh Arora includes short-term benefits of ¥14,561 million ($121,170 thousand) and share based compensation of ¥1,995 million ($16,601 thousand).

44. Contingent liabilities

(1) Lending commitments

The details of lending commitments, which are mainly related to cashing service incidental to credit card business are as follows:

	(Millions of yen) As of March 31, 2014	As of March 31,2015	(Thousands of U.S. dollars) As of March 31,2015
Lending commitments	¥8,867	¥262,315	$2,182,866
Funded	1,325	9,922	82,566
Unfunded	¥7,542	¥252,393	$2,100,300

(2) Guaranteed obligations

The details of guaranteed obligations are as follows. The guarantee is mainly provided for borrowings from financial institutions as credit guarantee service to third parties.

As of March 31, 2014

(Millions of yen)

	Financial guarantee contract	Other guarantee	Total
Total amount of guarantee contract	¥–	¥450	¥450
Guarantee balance	¥–	¥450	¥450

As of March 31, 2015

(Millions of yen)

	Financial guarantee contract	Other guarantee	Total
Total amount of guarantee contract	¥13,446	¥1,252	¥14,698
Guarantee balance	¥10,427	¥1,252	¥11,679

(Thousands of U.S. dollars)

	Financial guarantee contract	Other guarantee	Total
Total amount of guarantee contract	$111,891	$10,419	$122,310
Guarantee balance	$ 86,768	$10,419	$ 97,187

(3) Litigation

SoftBank Corp. and certain of its subsidiaries are party to a number of currently-pending legal and administrative proceedings. As it is difficult to reasonably estimate the final results of such matters, reserves have not been recorded. Based on the information currently available, we do not expect that the results of these proceedings will have a material adverse effect on our financial position or results of operations.

a. Litigation in which SoftBank Mobile Corp. is involved as a Party

(a) On April 30, 2015, SoftBank Mobile Corp. filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. (hereinafter referred to as "JPiT"), claiming for payment of remuneration, etc., for additional services provided in connection with the installation of telecommunication lines, etc., that were ordered by JPiT in relation to a project to migrate the communication network connecting approximately 27,000 sites (postal offices, etc.) existing countrywide to a new network, the 5th PNET.

Pursuant to a contract dated February 7, 2013, SoftBank Mobile Corp. was requested by JPiT to carry out, among other services, installation services for telecommunication lines for Japan Post Group's business sites existing countrywide. SoftBank Mobile Corp. performed such services and upon JPiT's request, SoftBank Mobile Corp. also performed services that exceeded the scope of services stipulated in the contract.

Although SoftBank Mobile Corp. negotiated with JPiT over an extended period regarding the remuneration etc. (approximately ¥14.9 billion ($123,991 thousand)) for these additional services, SoftBank Mobile Corp. and JPiT were unable to arrive a at settlement. Accordingly, SoftBank Mobile Corp. duly filed the lawsuit, claiming for payment of remuneration, etc., for such additional services.

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Mobile Corp. and Nomura Research Institute, Ltd. (hereinafter referred to as "NRI") as co-defendants.

In such lawsuit, JPiT alleges that SoftBank Mobile Corp. and NRI delayed performance, etc., of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above, and alleges that such delay caused damages to JPiT (¥16.15 billion ($134,393 thousand)). JPiT made joint and several claims against both SoftBank Mobile Corp. and NRI for such alleged damages.

SoftBank Mobile Corp. intends to fully contest JPiT's claims in this lawsuit.

b. Legal and administrative proceedings to which Sprint and its subsidiaries are party

(a) In March 2009, a stockholder brought suit, Bennett v. Sprint Nextel Corp., in the U.S. District Court for the District of Kansas, alleging that Sprint Communications and three of its former officers violated Section 10(b) of the Exchange Act and Rule 10b-5 by failing to adequately disclose certain alleged operational difficulties subsequent to the Sprint-Nextel merger, and by purportedly issuing false and misleading statements regarding the write-down of goodwill. The plaintiff sought class action status for purchasers of Sprint Communications common stock from October 26, 2006 to February 27, 2008. On January 6, 2011, the Court denied the motion to dismiss. Subsequently, Sprint's motion to certify the January 6, 2011 order for an interlocutory appeal was denied. On March 27, 2014, the court certified a class including bondholders as well as stockholders. On April 11, 2014, Sprint filed a petition to appeal that certification order with the Tenth Circuit Court of Appeals. The petition was denied on May 23, 2014. After mediation, the parties have reached an agreement in principle to settle the matter, and the settlement amount is expected to be substantially paid by the Company's insurers. The district court granted preliminary approval of the proposed settlement on April 10, 2015 and a final approval hearing has been scheduled for August 5, 2015.

In addition, five related stockholder derivative suits were filed against Sprint Communications and certain of its present and/or former officers and directors. The first, Murphy v. Forsee, was filed in state court in Kansas on April 8, 2009, was moved to federal court, and was stayed by the court pending resolution of the motion to dismiss the Bennett case; the second, Randolph v. Forsee, was filed on July 15, 2010 in state court in Kansas, was moved to federal court, and was remanded back to state court; the third, Ross-Williams v. Bennett, et al., was filed in state court in Kansas on February 1, 2011; the fourth, Price v. Forsee, et al., was filed in state court in Kansas on April 15, 2011; and the fifth, Hartleib v. Forsee, et. al., was filed in federal court in Kansas on July 14, 2011. These cases are essentially stayed while the Bennett case is being resolved.

(b) On April 19, 2012, the New York attorney general filed a complaint alleging that Sprint Communications has fraudulently failed to collect and pay more than $100 million in New York sales taxes on receipts from its sale of wireless telephone services since July 2005. The complaint seeks recovery of triple damages as well as penalties and interest. Sprint Communications moved to dismiss the complaint on June 14, 2012. On July 1, 2013, the court entered an order denying the motion to dismiss in large part, although it did dismiss certain counts or parts of certain counts. Sprint Communications has appealed that order and the intermediate appellate court affirmed the order of the trial court. Sprint's petition for leave to bring an interlocutory appeal to the highest court in New York was granted and briefing of that appeal was completed in January 2015. Sprint believes the complaint is without merit and intend to continue to defend this matter vigorously.

Eight related stockholder derivative suits have been filed against Sprint Communications and certain of its current and former officers and directors. Each suit alleges generally that the individual defendants breached their fiduciary duties to Sprint Communications and its stockholders by allegedly permitting, and failing to disclose, the actions alleged in the suit filed by the New York attorney general. One suit, filed by the Louisiana Municipal Police Employees Retirement System, was dismissed by a federal court. Two suits were filed in state court in Johnson County, Kansas and one of those suits was dismissed as premature; and five suits are pending in federal court in Kansas. The remaining Kansas suits have been stayed.

(c) Sprint Communications, Inc. is also a defendant in a complaint filed by stockholders of Clearwire Corporation asserting claims for breach of fiduciary duty by Sprint Communications, and related claims and otherwise challenging the Clearwire Acquisition. ACP Master, LTD, et al. v. Sprint Nextel Corp., et al., was filed April 26, 2013, in Chancery Court in Delaware. Sprint's motion to dismiss the suit was denied, and discovery has begun. Plaintiffs in the ACP Master, LTD suit have also filed suit requesting an appraisal of the fair value of their Clearwire stock, and discovery is proceeding in that case. Sprint Communications intends to defend the ACP Master, LTD case vigorously.

(d) Sprint is currently involved in numerous court actions alleging that Sprint is infringing various patents. Most of these cases effectively seek only monetary damages. A small number of these cases are brought by companies that sell products and seek injunctive relief as well. These cases have progressed to various degrees and a small number may go to trial if they are not otherwise resolved. Adverse resolution of these cases could require Sprint to pay significant damages, cease certain activities, or cease selling the relevant products and services. In many circumstances, Sprint would be indemnified for monetary losses that Sprint incurs with respect to the actions of Sprint's suppliers or service providers.

(e) In October 2013, the FCC Enforcement Bureau began to issue notices of apparent liability ("NALs") to other Lifeline providers, imposing fines for intracarrier duplicate accounts identified by the government during its audit function. Those audits also identified a small percentage of potentially duplicative intracarrier accounts related to Sprint's Assurance Wireless business. No NAL has yet been issued with respect to Sprint and Sprint does not know if one will be issued. Further, Sprint is not able to reasonably estimate the amount of any claim for penalties that might be asserted.

(f) Various other suits, inquiries, proceedings and claims, either asserted or unasserted, including purported class actions typical for a large business enterprise and intellectual property matters, are possible or pending against Sprint or Sprint's subsidiaries. If Sprint's interpretation of certain laws or regulations, including those related to various federal or state matters such as sales, use or property taxes, or other charges were found to be mistaken, it could result in payments by Sprint.

c. Legal and administrative proceedings to which Brightstar Corp. and its subsidiaries are party
Brightstar Corp. and its subsidiaries are party to various legal and administrative proceedings globally and particularly in Latin American countries, including disputes relating to tax, labor, contract and other currently pending matters. This litigation mainly consist of four administrative proceedings initiated by tax authorities in Brazil against the subsidiary of Brightstar Corp. involving failure by such entity to pay a portion of taxes owed due to, e.g., differences in understanding between such entity and the tax authorities, for which such authorities have claimed an aggregate of $70 million.

45. Purchase commitments

The Company had commitments to purchase services and goods of ¥ 2,190,404 million ($18,227,544 thousand) as of March 31, 2015 (March 31, 2014: ¥2,796,962 million).

Purchase commitments are mainly related to purchase of telecommunications equipment, mobile handsets and outstanding connection contracts entered into with other telecommunications operators.

46. Subsequent events

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

GungHo, a subsidiary of SoftBank Corp., is no longer a subsidiary and newly became an associate of SoftBank Corp. after the completion of the tender offer (the "Tender Offer") for shares 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. ("Heartis"). The financial impact from this loss of control in the fiscal year ending March 2016 has not yet been determined yet.

(1) Summary of the loss of control

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

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 execution of the pledge termination agreement on June 1, 2015 terminated the Agreement on Exercise of Voting Rights* to the 100,000,000 shares.

Accordingly, as a result of the Tender Offer and execution of the pledge termination agreement, GungHo is no longer a subsidiary and became an associate of SoftBank Corp.

Note:
* Heartis holds 223,080,000 common shares of GungHo (ownership ratio: 19.36%). Heartis and Masayoshi Son, chairman and CEO of SoftBank Corp., have 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 pledged with Son Holdings, Masayoshi Son's asset management company, as a pledgee, in order to defer the execution of pledges, Heartis has 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 first quarterly report of 19th fiscal year of GungHo submitted on May 8, 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 ($3.54) per share
c. Tender offer period	April 30, 2015 to June 1, 2015
d. Start date of settlement	June 24, 2015

Note:
* Ownership ratio represents the percentage (rounded off to the second decimal place) of 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, SoftBank Corp. received a proposal from GungHo in April 2015 for GungHo to acquire some of its common shares held by SoftBank Corp. 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 first quarterly report for the 19th fiscal year of GungHo submitted on May 8, 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 online PC games Planning, development, operation, and distribution of smartphone games Planning, development, and sale of consumer games
e. Common stock	¥5,338 million ($44,420 thousand) (as of March 31, 2015)
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 has not yet been determined.

47. Approval of consolidated financial statements

The consolidated financial statements have been approved by the Company's CEO Masayoshi Son, as of June 19, 2015.

Independent Auditor's Report

SoftBank Corp. and its Consolidated Subsidiaries

Deloitte.

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To the Board of Directors of SoftBank Corp.:

We have audited the accompanying consolidated statement of financial position of SoftBank Corp. and its subsidiaries as of March 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SoftBank Corp. and its subsidiaries as of March 31, 2015, and the consolidated results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2 (3) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 19, 2015

Member of
Deloitte Touche Tohmatsu Limited

What about corporate data?

Corporate Data

As of March 31, 2015

Corporate name	SoftBank Corp.*
Founded	September 3, 1981
Corporate headquarters	1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7303
Telephone number	+81-3-6889-2000
Representative	Masayoshi Son, Chairman & CEO
Common stock	¥238.8 billion
Subsidiaries	769 (of which 621 are overseas)
Associates	120 (of which 70 are overseas)
Number of employees	202 (consolidated basis: 66,154)
Main business	Pure holding company
Independent auditor	Deloitte Touche Tohmatsu LLC

Our official social media accounts (Japanese only)

Facebook
Our official page

Twitter
@SoftBank_Group

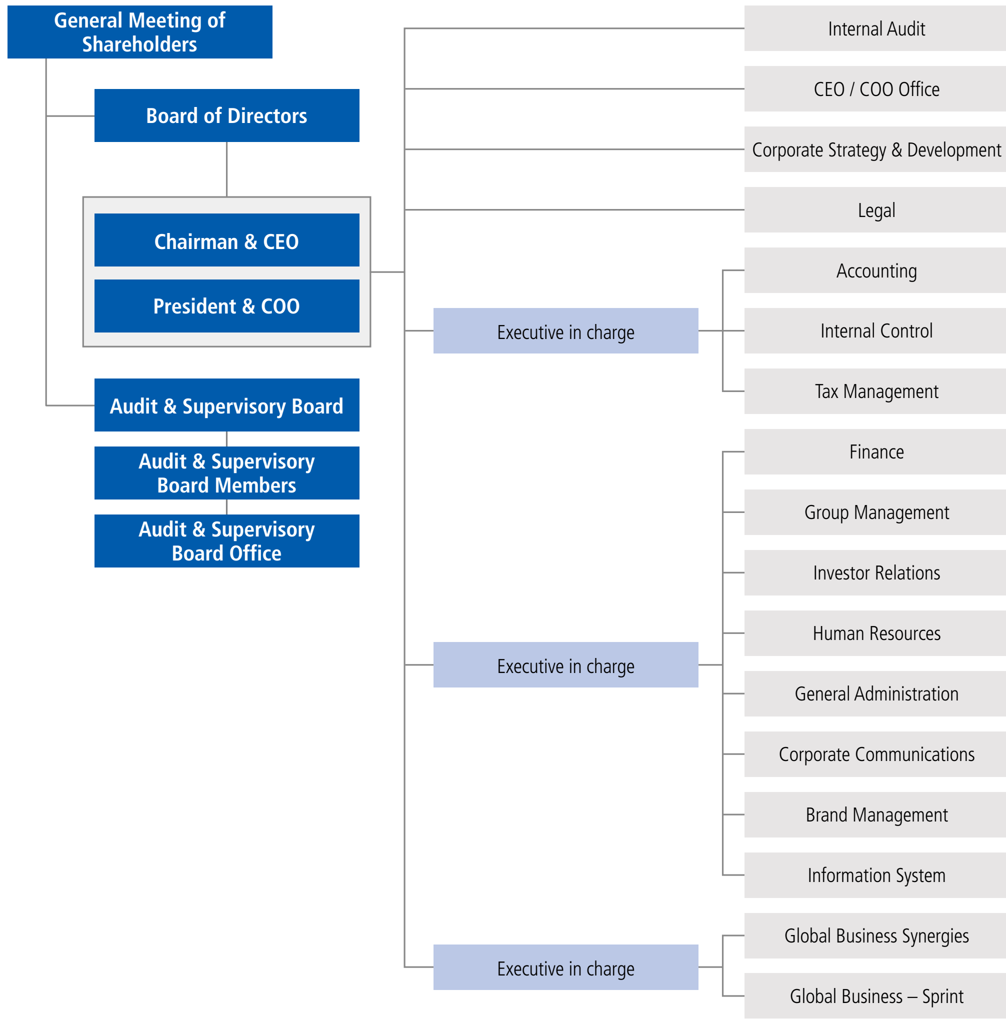
Ustream
Our relay channel

Other official accounts

* On July 1, 2015, SoftBank Corp. changed its name to SoftBank Group Corp.

Organizational Structure

As of July 1, 2015



Stock Information

As of March 31, 2015

Shareholder registrar Mitsubishi UFJ Trust and Banking Corporation

Stock exchange registration Tokyo Stock Exchange, First Section

Stock code 9984

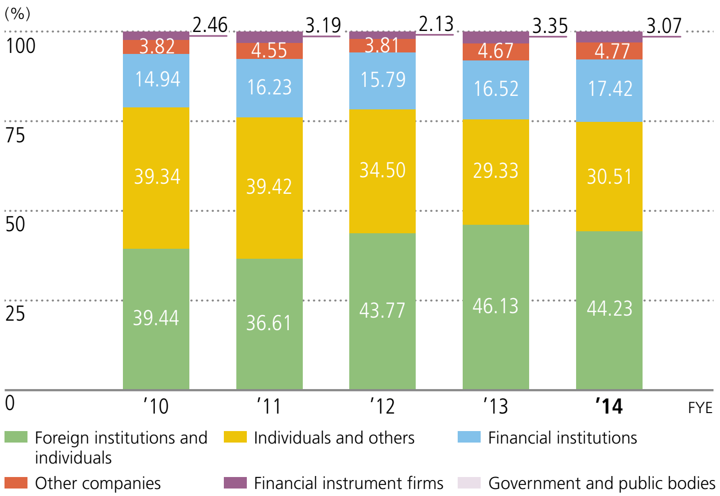
Number of shares

Shares authorized 3,600,000,000 shares

Shares issued 1,200,660,365 shares
(including 11,463,275 of treasury stock)

Number of shareholders 253,089

Distribution of Ownership Among Shareholders



Principal Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
Masayoshi Son	231,205	19.26
JP MORGAN CHASE BANK 380055	84,662	7.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	61,389	5.11
Japan Trustee Services Bank, Ltd. (Trust Account)	44,578	3.71
STATE STREET BANK AND TRUST COMPANY	25,144	2.09
THE BANK OF NEW YORK MELLON SA/NV 10	13,861	1.15
STATE STREET BANK WEST CLIENT – TREATY 505234	12,658	1.05
SoftBank Corp.*	11,463	0.95
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	11,445	0.95
CBNY-GOVERNMENT OF NORWAY	11,226	0.93
Top 10 shareholders	507,631	42.28

(Note) All numbers of shares held by The Master Trust Bank of Japan and Japan Trustee Services Bank are held as part of trust operations.

* On July 1, 2015, SoftBank Corp. changed its name to SoftBank Group Corp.

Stock Price and Trading Volume

(Note) Stock prices are average prices for each month and trading volumes are average volumes for each month.

Glossary

This glossary offers definitions for terms used in this report. The glossary terms are divided into business-related, technical-related, and financial-related sections, and are listed alphabetically.

Business-related Terms

Mobile Communications Segment (SoftBank Mobile (currently SoftBank Corp.))

ARPU (Average Revenue Per User)

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 (currently SoftBank Corp.) service area.

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

ARPU in the fourth quarter of every fiscal year includes the impact of revision of interconnection charges.

Churn rate

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

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).

Handsets shipped

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

Number of units sold

The total number of new subscriptions and handset upgrades.

Sales commissions

Sales commission paid to dealers per new subscription and handset upgrade.

Upgrade rate

Upgrade rate (average monthly upgrade rate) = number of upgrades / number of active subscribers (rounded to the nearest 0.01%)

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).

Sprint Segment

ABPU (Average Billings Per User, Sprint platform)

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, Sprint platform)

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).

Churn rate (Sprint platform)

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

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).

Nextel platform

Wireless service operated on Integrated Digital Enhanced Network (iDEN), which Sprint acquired in conjunction with its acquisition of Nextel Corporation in 2005. Shut down in June 2013.

Sprint platform

Sprint-operated CDMA and LTE networks. This excludes the Nextel / iDEN network and the subscribers / network acquired through transactions with U.S. Cellular and Clearwire.

Fixed-line Telecommunications Segment

SoftBank Hikari

An optical fiber service based on the wholesale fiber-optic connection of NTT East and NTT West with speeds of up to 1 Gbps provided by SoftBank BB (currently SoftBank Corp.).

Yahoo! BB ADSL

A combination of ADSL connection service and ISP (Internet Service Provider) service offered by SoftBank BB (currently SoftBank Corp.).

Yahoo! BB hikari with FLET'S

An ISP service offered by SoftBank BB (currently SoftBank Corp.) as a package with NTT East and NTT West *FLET'S Hikari Series* fiber-optic connection.

Technical-related Terms

AXGP (Advanced eXtended Global Platform)

A wireless communication standard that further accelerates the PHS-based mobile broadband standard XGP. WCP has built a network using AXGP, which is highly compatible with TD-LTE. SoftBank Mobile (currently SoftBank Corp.) received the loan of this network as an MVNO and uses it to provide services under the name *SoftBank 4G*.

Carrier aggregation

A wireless communication technology for aggregating multiple carriers (radio transmission waves) together to achieve faster communication speeds. Carrier aggregation of the 20 MHz bandwidth and the 10 MHz bandwidth within the 2.5 GHz band of subsidiary WCP, has achieved download speeds of up to 165 Mbps. In addition, SoftBank Mobile (currently SoftBank Corp.) plans to use carrier aggregation of the 900 MHz and 2.1 GHz bandwidths to achieve download speeds of up to 187.5 Mbps.

LTE (Long Term Evolution)

A wireless communication standard that builds on the third-generation (3G) mobile phone standard. LTE achieves higher communication speeds than 3G, and makes highly efficient use of spectrum. There are two LTE systems: FDD (Frequency Division Duplex) and TDD (Time Division Duplex). The FDD system assigns uplink and downlink communications to a pair of different bandwidths, and is referred to as FDD-LTE. The TDD system uses the same bandwidth for both uplink and downlink, switching the communication time between uplink and downlink, and is referred to as TD-LTE. A faster and more advanced successor of LTE, LTE-Advanced is a fourth generation (4G) high-speed wireless communication standard, capable of downlink speeds of more than 1 Gbps under certain system configurations.

MIMO (Multiple Input Multiple Output)

A wireless communication technology of using multiple communication streams on both the transmitter and the receiver to achieve a pseudo wide bandwidth. The technology is used to give higher user speeds on wireless communication standards such as Wi-Fi and LTE. Sprint is gradually implementing this technology in an 8T8R (eight transmitters, eight receivers) configuration on its 2.5 GHz band base stations.

MVNO (Mobile Virtual Network Operator)

A mobile communications service provider that borrows its mobile network from another company.

PHS (Personal Handy-phone System)

A wireless communication standard that uses the 1.9 GHz band. The standard is noted for high-quality sound, low-level electromagnetic radiation, and low-power consumption.

VoIP (Voice over Internet Protocol)

A technology for converting a speaker's voice into finely sampled digital data packets and transmitting these via the Internet.

VoLTE (Voice over LTE)

A technology for enabling voice calls using VoIP over an LTE network.

Financial-related Terms

Debt / equity ratio

Debt / equity ratio = interest-bearing debt / equity attributable to owners of the parent (total shareholders' equity)

EBITDA

EBITDA = (from fiscal 2004 onward) net sales – cost of sales – selling, general and administrative expenses + depreciation and amortization
(for fiscal 2003) net sales – cost of sales – selling, general and administrative expenses + interest income and dividends + depreciation and amortization

EBITDA margin

EBITDA margin = EBITDA / net sales

Free cash flow

Free cash flow = cash flows from operating activities + cash flows from investing activities

Interest coverage ratio

Interest coverage ratio = EBITDA / finance cost (interest expense)

Net debt / equity ratio

Net debt / equity ratio = net interest-bearing debt / equity attributable to owners of the parent (total shareholders' equity)

Net interest-bearing debt

Net interest-bearing debt = interest-bearing debt – cash position

Interest-bearing debt (JGAAP): short-term borrowings + commercial paper + current portion of corporate bonds + corporate bonds + long-term debt. Lease obligations are excluded. For fiscal 2009 and fiscal 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of ¥27.0 billion acquired by the Company during fiscal 2009 that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

Cash position: cash and cash equivalents + short-term investments recorded as current assets. For fiscal 2010 this excludes Yahoo! Inc. shares that were held by a subsidiary in the U.S.

Net interest-bearing debt / EBITDA multiple

Net interest-bearing debt / EBITDA multiple = net interest-bearing debt / EBITDA

Net interest-bearing debt: until fiscal 2011, net interest-bearing debt is calculated as the sum of interest-bearing debt and finance leases under JGAAP.

EBITDA: EBITDA for fiscal 2013 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.

Ratio of equity attributable to owners of the parent to total assets (equity ratio)

Ratio of equity attributable to owners of the parent to total assets (equity ratio) = equity attributable to owners of the parent / total assets

ROA

ROA = net income attributable to owners of the parent (net income) / average total assets for the period

ROE

ROE = net income attributable to owners of the parent (net income) / average equity attributable to owners of the parent (total shareholders' equity) for the period

(Note) Items where terminology differs between JGAAP and IFRSs are presented together, with JGAAP shown within brackets.

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