To Our Shareholders:

Disclosed information on the Internet at the Time of Notifying Convocation of the 35th Annual General Meeting of Shareholders

June 1, 2015

SoftBank Corp.

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All matters above are provided to shareholders of SoftBank Corp. on the website of SoftBank Corp. on the Internet (http://www.softbank.jp/) in accordance with all laws and Article 14 of the Articles of Incorporation of SoftBank Corp.

Status of SoftBank Corp.

(5)System to ensure appropriateness of the operation

The content of the basic policy of SoftBank Corp. ("the Company") that was formulated according to the resolution by the Board of Directors of the Company to ensure the appropriateness of the operation is explained below. The basic policy was partially revised, upon a Board Resolution on April 22, 2015, pursuant to the "Law for Partial Amendment to the Companies Act" (Law No. 90, 2014) and "Ministerial Ordinance for the Partial Revision of the Ordinance for Enforcement of the Companies Act" (Ordinance of the Ministry of Justice No. 6 of 2015) which took effect on May 1, 2015,

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

The Company 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 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. The Company ensures that persons who have reported or consulted on the hotlines will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the hotline in the SoftBank Group Compliance Rules.

(3) The Internal Audit department carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation, and the results of those audits are reported to the CEO and director in charge. The Internal Audit department also works in cooperation with the Audit & Supervisory Board Members by providing them with the results of those audits.

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

The Company 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 approval:

(1) The Company determines retention periods and methods and measures to prevent accidents, based on the Information Management Regulations, and classifies and appropriately stores these documents according to their degree of confidentiality.

(2) A chief information security officer (CISO) has been appointed as the person responsible for information security to promote the establishment and reinforcement of the information security system.

3. Regulations and system relating to managing the risk of loss

The Company has established the following system to avoid and 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 the occurrence of risk events 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 will summarize the status of risk evaluation, analysis and response at each responsible department, and regularly report its findings to the Board of Directors.

(3) The Internal Audit department carries out audits on the effectiveness of the risk management process.

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

The Company has established the following structure to maintain an efficient management system:

(1) The Company has set out the Regulations of the Board of Directors to clarify matters to be decided and reported on by the Board of Directors, and the Internal Approval Regulations and other regulations relating to institutional decision-making 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 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 scope of operations, authority and responsibilities necessary for operations are clearly defined in the Regulations on Segregation and Authority of Duties.

5. System to ensure appropriateness of the Group operations

The Company has formulated the SoftBank Group Charter to promote fundamental concepts and policies shared throughout the Group and the SoftBank Group companies Management Regulations which spell out policy and system of the Group companies management. In addition, the following have been established to determine rules that should be abided by Group companies as well as their directors and employees, in the light of the size, materiality and other factors of Group companies:

(1) A group compliance officer (GCO) has been appointed to promote the establishment and reinforcement of Group-wide compliance systems, as the person ultimately responsible for compliance throughout the Group. 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. The Company ensures that persons who have reported or consulted on the Group Hotline will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted on the Group Hotline in the SoftBank Group Compliance Rules.

(2) A group chief information security officer (GCISO) has been 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 the Company, thereby ensuring the accuracy of the annual securities report and other reports submitted by the Group.

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

(5) While each Group company addresses risk in an effort to reduce and prevent any possible risks, in the event of emergency, each Group company follows the escalation flow of the Company to minimize damage (loss) in accordance with the Company's instruction.

6. System for excluding antisocial forces

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

7. System relating to support staff that assists the Audit & Supervisory Board Members, matters relating to the independence of the relevant employees from the directors, and matters relating to ensuring the effectiveness of instructions given to the relevant employees

The Company has established the Assistant to Audit Department as an organization to support the work of the Audit & Supervisory Board Members, and has assigned dedicated staff to this department. Directions and instructions to the support staff are issued by the Audit & Supervisory Board Members to ensure the effectiveness of the instructions and any personnel changes, evaluations, or other such actions, require the agreement of the Audit & Supervisory Board Members.

8. System for reporting to the Audit & Supervisory Board Members

Directors and employees of the Company will report the following matters to the Audit & Supervisory Board Members:

(1) Important matters related to the management, finances, or business execution of the Company or the Group companies.

(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, 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.

9. Other systems to ensure that the audits by the Audit & Supervisory Board Members are conducted effectively

(1) When the Audit & Supervisory Board Members deem it necessary, opportunities shall be provided for them to interview directors or employees of Group companies. In addition, the Audit & Supervisory Board Members periodically meet with the independent auditor and the Audit & Supervisory Board Members of major subsidiaries and other entities for an exchange of information and to ensure cooperation.

(2) The Company ensures that persons who have reported or consulted with the Audit & Supervisory Board Members will not be treated disadvantageously by prohibiting the disadvantageous treatment of persons on the grounds of having reported or consulted with the Audit & Supervisory Board Members in the Softbank Group Compliance Rules.

(3) The Company shall pay expenses relating to the independent auditor, the attorneys and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board Members.

Consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2015)

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

	Equity attributable to owners of the parent			
	Common stock	Capital surplus	Retained earnings	Treasury stock
As of April 1, 2014	238,772	405,111	1,193,366	(51,492)
Effect of retrospective adjustments*	-	(66)	(25,100)	-
As of April 1, 2014 (after adjustments)	238,772	405,045	1,168,266	(51,492)
Comprehensive income				
Net income	-	-	668,361	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	668,361	-
Transactions with owners and other transactions				
Cash dividends	-	-	(47,547)	-
Transfer of accumulated other comprehensive income to retained earnings	-	-	(47,226)	-
Purchase and disposal of treasury stock	-	-	(1,168)	3,109
Changes from business combination	-	-	-	-
Changes in interests in subsidiaries	-	(33,162)	-	-
Share-based payment transactions	-	2,962	-	-
Other	-	-	-	-
Total transactions with owners and other transactions	-	(30,200)	(95,941)	3,109
As of March 31, 2015	238,772	374,845	1,740,686	(48,383)

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Accumulated other comprehensive income	Total		
As of April 1, 2014	169,617	1,955,374	903,296	2,858,670
Effect of retrospective adjustments*	233	(24,933)	(3,355)	(28,288)
As of April 1, 2014 (after adjustments)	169,850	1,930,441	899,941	2,830,382
Comprehensive income				
Net income	-	668,361	95,321	763,682
Other comprehensive income	323,310	323,310	41,270	364,580
Total comprehensive income	323,310	991,671	136,591	1,128,262
Transactions with owners and other transactions				
Cash dividends	-	(47,547)	(37,612)	(85,159)
Transfer of accumulated other comprehensive income to retained earnings	47,226	-	-	-
Purchase and disposal of treasury stock	-	1,941	-	1,941
Changes from business combination	-	-	4,218	4,218
Changes in interests in subsidiaries	-	(33,162)	11,110	(22,052)
Share-based payment transactions	-	2,962	(7,094)	(4,132)
Other	-	-	(283)	(283)
Total transactions with owners and other transactions	47,226	(75,806)	(29,661)	(105,467)
As of March 31, 2015	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 “Changes in accounting policies.”

Statement of Changes in Equity

(Fiscal year from April 1, 2014 to March 31, 2015)

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

	Shareholders' equity							
		Additional paid-in capital		Retained earnings				
					Other retained earnings			
	Common stock	Capital reserve	Total additional paid-in capital	Earned surplus reserve	Retained earnings carried forward	Total retained earnings	Treasury stock	Total Shareholders' equity
Balance at April 1, 2014	¥238,772	¥472,079	¥472,079	¥1,414	¥274,726	¥276,140	¥(51,492)	¥935,500
Changes of items during the year								
Cash dividends	—	—	—	—	(47,547)	(47,547)	—	(47,547)
Net income	—	—	—	—	3,272	3,272	—	3,272
Purchase of treasury stock	—	—	—	—	—	—	(42)	(42)
Disposal of treasury stock	—	—	—	—	(1,169)	(1,169)	3,152	1,982
Items other than changes in shareholders' equity, net	—	—	—	—	—	—	—	—
Total changes in the year	—	—	—	—	(45,445)	(45,445)	3,109	(42,335)
Balance at March 31, 2015	¥238,772	¥472,079	¥472,079	¥1,414	¥229,282	¥230,696	¥(48,383)	¥893,164

	Valuation and translation adjustments			Stock acquisition rights	Total equity
	Unrealized gain on available-for- sale securities	Deferred loss on derivatives under hedge accounting	Total valuation and translation adjustments		
Balance at April 1, 2014	¥153	¥(24)	¥129	¥390	¥936,019
Changes of items during the year					
Cash dividends	—	—	—	—	(47,547)
Net income	—	—	—	—	3,272
Purchase of treasury stock	—	—	—	—	(42)
Disposal of treasury stock	—	—	—	—	1,982
Items other than changes in shareholders' equity, net	1,079	(43)	1,035	(26)	1,010
Total changes in the year	1,079	(43)	1,035	(26)	(41,326)
Balance at March 31, 2015	¥1,232	¥(67)	¥1,165	¥364	¥894,693

Notes to consolidated financial statements

(Basis of Presentation of Consolidated Financial Statements)

1. Basis of financial statements preparation

Consolidated Financial statements of SoftBank Corp. and its subsidiaries are prepared on the basis of International Financial Reporting Standard (the "IFRS") in compliance with Article 120, paragraph 1 of the Ordinance on Company Accounting. In compliance with the same article, certain disclosures required on the IFRS are omitted.

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
"Brightstar"	Brightstar Corp.
"Brightstar Global Group"	Brightstar Global Group Inc.
"Alibaba"	Alibaba Group Holding Limited
"GungHo"	GunHo Online Entertainment, inc.

2. Scope of consolidation

Number of Consolidated subsidiaries: 769

Names of main consolidated subsidiaries

SoftBank Mobile Corp., Sprint Corporation, SoftBank BB Corp., SoftBank Telecom Corp., Yahoo Japan Corporation, Brightstar Global Group Inc. and SoftBank Holdings Inc.

Note:

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.

Name of main newly consolidated companies and reasons of consolidation

SIMI Holdings, Inc. Newly established

3. Changes in scope of equity method associates

Number of equity associates: 115

Name of main entity under equity method associate

Alibaba Group Holding Limited

Names of main associates not accounted for under equity method and its reason

Jasper Infotech Private Limited

GRABTAXI HOLDINGS PTE. LTD.

The reason equity method is not applied.

Regarding preferred stock investment in associates, when the feature of preferred stock is substantively different from common stock, it is not accounted for using the equity method, and it is designated as the financial assets at fair value through profit or loss.

4. Fiscal year ends of equity method associate

The Company applies 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.

5. Summary of significant accounting policies

(1) Evaluation standards and methods for financial instruments

a. Financial assets

Financial assets are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets other than financial assets at fair value through profit or loss ("financial assets at FVTPL") are added to the fair value of the financial assets at initial recognition. Transaction costs directly attributable to the acquisition of financial assets 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.

(a) Financial assets at FVTPL

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

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

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

・the financial assets are managed in accordance with the Company's documented risk management policy or investment strategy; and

・its performance is reviewed on the fair value basis by the Company's management to make decisions about the investment plan.

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

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

(b) Held-to-maturity investments

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

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

(c) Loans and receivables

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

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

(d) Available-for-sale financial assets

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

・ they are designated as "available-for-sale financial assets"; or

・ they are classified neither as "financial assets at FVTPL," "held-to-maturity investments," nor "loans and receivables."

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

(e) Impairment of financial assets

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

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

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

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

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

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

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

c. Derivatives and hedge accounting

(a) Derivatives

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair values at the end of fiscal year. Changes in the fair value of derivative are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument.

(b) Hedge accounting

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

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

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

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

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

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

(c) Embedded derivatives

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

(2) Evaluation standards and methods for 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 on 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.

(3) Evaluation standards, valuation methods, and depreciation or amortization methods for Property, plant and equipment and intangible assets

a. 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
Equipments and fixtures	

Leased mobile devices	2 - 3 years
Other	4 - 10 years

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

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

b. 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 amount 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 asset is described in “(5) Impairment of property, plant and equipment, intangible assets and goodwill”.

(4) Accounting policy of goodwill

Please refer to “(10) Accounting policy of Business combinations” 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 “(5) Impairment of property, plant and equipment, intangible assets and goodwill.”

Any excess in the cost of acquisition of an associate over the Company’s share 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.

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

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

At the end of 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 fiscal year, the Company evaluates whether there is any indication that an impairment loss recognized in prior years for assets other than goodwill have 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 the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount (net of 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 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.

(6) Defined benefit plans

SoftBank Telecom Corp. and SoftBank Mobile 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.

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

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

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

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

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

(7) Provisions

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

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

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

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

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

(8) Accounting policy for revenue recognition

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

The previous point program operated by the Company has been transferred to the point program operated by a third party since July 2014.

In the previous point program, points were granted to subscribers based on the billing amount from mobile telecommunications services revenue from both direct and indirect sales. The fair values of benefits to be exchanged based on the estimated point utilization rate were deferred and recognized as revenues when subscribers utilized the points.

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

b. Sales of game items

In games that the Company provide 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 revenues from membership.

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

(9) Accounting policy for foreign currency translation

a. Transactions denominated in foreign currencies

Financial statements of each group company are prepared with the currency based on the primary economic environment in which it operates ("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, while 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.

Incomes and expenses 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.

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.

(10) Accounting policy of 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 as incurred.

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

・ deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;
・ liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based

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

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

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports in its 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 the 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.

(11) Accounting method for consumption taxes
Consumption taxes are accounted for using the net method of reporting.

(Changes in accounting policies)

Adoption of new standards and interpretations
The following standards are applied by the Company for the fiscal year ended March 31, 2015.

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

IFRIC 21 is applied retrospectively in accordance with its transition method. Cumulative effects which are retrospectively reflected to the beginning balance of equity for the year ended March 31, 2015 are as follows:

	(millions of yen) As of April 1, 2014
Decrease in capital surplus	(66)
Decrease in retained earnings	(25,100)
Increase in accumulated other comprehensive income	233
Decrease in non-controlling interests	(3,355)
Decrease in total equity	(28,288)

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

(Changes in presentation)

Consolidated Statements of Income

Dilution gain from changes in equity interest of ¥3,633 million which were included in “Other non-operating income” for the year ended March 31, 2014 was separately presented for the year ended March 31, 2015 since the significance of the amount increased.

(Changes in accounting estimates)

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

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

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

(Business combinations)

1. Sprint (Adjustment of the provisional amount)

On July 10, 2013, the Company acquired approximately 78% of the shares of Sprint Corporation (previously Sprint Nextel Corporation) and Sprint became a subsidiary of SoftBank Corp.

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 for the 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 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.

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

(Millions of yen)

	Acquisition date (July 10, 2013)
Current assets	
Cash and cash equivalents	447,873
Trade and other receivables	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	1,291,364
Intangible assets	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	86,961
Trade and other payables	634,371
Income taxes payables	4,553
Provisions	101,404
Other current liabilities	291,398
Total current liabilities	1,118,687
Non-current liabilities	
Interest-bearing debt	2,668,163
Other financial liabilities	5,662
Defined benefit liabilities	65,763
Provisions	146,492
Deferred tax liabilities	1,422,965
Other non-current liabilities	184,107
Total non-current liabilities	4,493,152
Total liabilities	5,611,839
Net assets	2,064,311
Non-controlling interests	466,735
Basis adjustment	311,659
Goodwill	279,448

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

2. Brightstar (Adjustment of the provisional amount)

On January 30, 2014, the Company acquired approximately 57% of the shares of Brightstar Global Group which is wholly-owning parent company of Brightstar Corp. and Brightstar became a subsidiary of SoftBank Corp.

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 for the 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.

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

(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	52,818
Non-controlling interests	4,901
Goodwill	80,461

(Notes to Consolidated Statements of Financial Position)

1. Secured loans

(1) Assets pledged as collateral for secured liabilities

Assets pledged as collateral and secured liabilities by the Company are as follows:

	(millions of yen)
Assets pledged as collateral:	
Cash and cash equivalents	327
Trade and other receivables	13,765
Inventories	5,214
Property, plant and equipment	65,738
Other current assets	221
Total	85,265
Secured liabilities:	
Interest-bearing debt	
Short-term borrowings	7,454
Current portion of long-term borrowings	31,738
Current portion of corporate bonds	4
Long-term borrowings	41,585
Total	80,781

Other than the above assets pledged as collateral, approximately $ 14 billion (before consolidation adjustments) of the assets of our subsidiary, Clearwire Communications LLC, are pledged as collateral for the $ 0.3 billion corporate bond issued by Clearwire Communications LLC. Also $2.9 billion (before consolidation adjustments) of the assets of Brightstar is pledged as collateral for the $0.3 billion borrowing from the bank to Brightstar.

(2) Borrowings by security lending agreements

The Company entered into securities lending contract regarding its certain subsidiary stocks, and received cash as contractual collateral. The amount received is recognized as short-term borrowings and included in interest-bearing debt.

	(millions of yen)
Interest-bearing debt	
Short-term borrowings	198,450

(3) Others

The Company purchased assets by installments, and the assets of which ownership were not transferred to the Company and these installment payables are as follows:

	(millions of yen)
Assets of which ownership is not transferred:	
Property, plant and equipment	131,452
Intangible assets	43,761
Other non-current assets	124
Total	175,337
Interest-bearing debt	
Current portion of installment payables	50,320
Installment payables	102,552
Total	152,872

2. Allowance for doubtful accounts directly deducted from assets

	(millions of yen)
Trade and other receivables	62,618
Other financial assets (non-current)	19,567
Total	82,185

3. Accumulated depreciation and accumulated impairment losses of property, plant and equipment

(millions of yen)

2,314,946

4. Contingent liabilities

(1) Lending commitments

The details of lending commitments which are mainly related to cashing service incidental to credit card service are as follows:

	(millions of yen)
Lending commitments	262,315
Funded	9,922
Unfunded	252,393

(2) Guaranteed obligation

The details of guaranteed obligation are as follows. The guarantee is mainly provided for borrowings made from financial institutions as credit guarantee service to third parties.

(millions of yen)

	Financial guarantee contract	Other guarantee	Total
Maximum potential amount of future payments	13,446	1,252	14,698
Amount of substantial risk	10,427	1,252	11,679

(3) Litigation

SoftBank and certain of its subsidiaries are currently 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.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 adequately to 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 to 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 removed 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 removed 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 discover 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.

b. Legal and administrative proceedings to which Brightstar and its subsidiaries are party

Brightstar 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. Chief among these are four administrative proceedings initiated by tax authorities in Brazil against a Brightstar subsidiary, 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 USD 70 million.

5. Financial covenants

(1) 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 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 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.

(2) 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 ($0.3 billion) are provided with the right to require the repurchase of the notes if a change of control triggering event occurs.

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

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.

(Notes to Consolidated Statements of Income)

1. Other operating income and loss

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

	(millions of yen)
Gain on partial pension settlement[1]	18,726
Severance costs associated with reduction in work force of Sprint	(27,129)
Provision for unprofitable contract[2]	(21,271)
Other	2,006
Total	(27,668)

Notes:

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

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

2. Finance cost

The components of finance cost are as follows:

	(millions of yen)
Interest expense	(366,505)

3. Dilution gain from changes in equity interest

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

4. Other non-operating income and loss

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

	(millions of yen)
Foreign exchange gain and loss	11,050
Derivative loss	(8,257)
Impairment loss on securities	(15,170)
Impairment loss on equity method associates[1]	(35,261)
Gain from remeasurement relating to applying equity method[2]	11,177
Gain from financial assets at FVTPL	11,209
Other	9,670
Total	(15,582)

Notes:

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

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

(Notes to Consolidated Statements of Changes in Equity)

1. Class and number of outstanding shares as of March 31, 2015

Number of common stocks 1,200,660,365

2. Dividends

(1) Dividends paid

Resolution	Class of shares	Amount of dividends (millions of yen)	Dividend per share	Record date	Effective date	Resource of dividend
Ordinary general meeting of shareholders, June 20, 2014	Common stocks	23,769	¥20.00	Mar. 31, 2014	Jun 23, 2014	Retained earnings
Directors' meeting, October 23, 2014	Common stocks	23,778	¥20.00	Sep. 30, 2014	Dec 15, 2014	Retained earnings

(2) Dividends of which record date is in the fiscal year ended March 31, 2015 and effective date for payment is in the following fiscal year

Resolution	Class of shares	Amount of dividends (millions of yen)	Dividend per share	Record date	Effective date	Resource of dividend
Ordinary general meeting of shareholders, June 19, 2015	Common stocks	23,784	¥ 20.00	Mar. 31, 2015	Jun 22, 2015	Retained earnings

3. Number of shares for stock acquisition rights as of March 31, 2015

Number of common stocks 11,495,500

(Financial Instruments)

1. Conditions of Financial instruments

(1) 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, such as lending to and borrowing from foreign subsidiaries and transactions with foreign business partners. Consequently, currency risk arises because of changes in currency rates mainly in US dollars and Indian Rupees.

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. Derivative transactions entered into by the Company are conducted and controlled based on the Company's internal rules for derivative transactions and are limited to the extent of actual demands.

b. Price risk

For the purpose of its 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 financial condition of security issuers and stock market fluctuation.

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 or reduce interest rate risk, the Company maintains an appropriate mix 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 risk and to convert floating interests into fixed interests. For floating interest rate debts, the Company continuously monitors interest rate fluctuation.

(2) 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 or 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.

(3) Liquidity risk

In order to prevent or reduce liquidity risk, the Company maintains access to diversified fund raising sources including both indirect financing, such as bank loans and direct financing, such as issuance of bonds and commercial paper and securitization, taking market conditions and current/non-current debts ratio into consideration. The Company invests our funds in short-term deposits and MMFs for fund management purposes.

The Company also continuously monitors our forecast and actual movement of cash flows and liquid funds.

2. Fair value of financial instruments

The carrying amounts on the consolidated balance sheets and fair value are as follows. Financial instruments that are ordinarily measured at fair value are not included in the below table, as the fair value is the same with the carrying amount.

(Millions of yen)

	Carrying amount	Fair value
Interest-bearing debt (Non-current)		
Long-term borrowings	2,116,498	2,160,920
Corporate bonds	6,825,868	6,862,785
Lease obligations	744,911	748,068
Installment payables	102,552	102,673
Total	9,789,829	9,874,446

(1) Fair value measurement of financial instruments

a. Long-term borrowings

Fair values of non-current portion of long-term borrowings with variable rate are measured based on discounted cash flow using an input available for observation such as market interests. Fair values of non-current portion of long-term borrowings with fixed rate are measured based on discounted cash flow using an interest rate that includes the credit spread that would be used for a borrowing with the same terms and maturities.

b. Corporate bonds

Fair values of non-current portion of corporate bonds are mainly measured by the corporate bonds of the same kind in the market.

c. Lease obligations

Fair value of non-current portion of lease obligation is measured by discounted cash flow method, using the interest rate that would be used for the lease contracts of the same remaining maturities and of the same conditions.

d. Installment payables

Fair values of non-current portion of installment payables are measured based on discounted cash flow using an interest rate adjusted for the remaining repayment period and credit risks.

(2) The redemption schedule for interest-bearing debt

(Millions of yen)

	Carrying amount	Contractual cash flows	April 1, 2015 to March 31, 2016	April 1, 2016 to March 31, 2017
Interest-bearing debt				
Short-term borrowings	413,846	415,397	415,397	-
Commercial papers	32,000	32,000	32,000	-
Preferred securities	200,000	200,000	200,000	-
Long-term borrowings (including current portion)	2,642,396	2,673,276	526,021	481,340
Corporate bonds (including current portion)	7,009,425	6,867,718	183,591	908,621
Lease obligations	1,156,364	1,156,364	411,453	285,712
Installment payables borrowings	153,213	153,346	50,748	41,593
Total	11,607,244	11,498,101	1,819,210	1,717,266

	April 1, 2017 to March 31, 2018	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020	After April 1, 2020
Interest-bearing debt				
Short-term borrowings	-	-	-	-
Commercial papers	-	-	-	-
Preferred securities	-	-	-	-
Long-term borrowings (including current portion)	506,064	444,285	459,183	256,383
Corporate bonds (including current portion)	276,321	790,553	1,064,044	3,644,588
Lease obligations	227,885	159,709	60,779	10,826
Installment payables borrowings	36,641	16,130	8,234	-
Total	1,046,911	1,410,677	1,592,240	3,911,797

(Per share data)

Equity per share attributable to owners of the parent	¥2,393.47
Basic earnings per share	¥562.20

(Significant subsequent events)

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

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

1. Summary of the loss of control

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

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

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

Note:

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

2. Summary of the tender in the Tender Offer

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

Note:

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

3. Reason for the tender in the Tender Offer

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

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

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

Note:

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

5. Summary of GungHo

(a) Name	GungHo Online Entertainment, Inc.
(b) Address	3-8-1, Marunouchi, Chiyoda-ku, Tokyo
(c) Name and title of representative	Kazuki Morishita, President & CEO
(d) Business description	Planning, development, operation, and distribution of PC online games Planning, development, operation, and distribution of smartphone games Planning, development, and sale of consumer games

(e) Common stock	¥5,338 million (as of December 31, 2014)
(f) Date of foundation	July 1, 1998

6. Impact on financial results

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

Notes to financial statements

(Summary of significant accounting policies)

1. Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

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

(2) Derivative instruments : Stated at fair value

2. Depreciation and amortization

(1) Property and equipment : Computed using the straight-line method

(2) Intangible assets : Computed using the straight-line method
Software for SoftBank Corp.'s use is amortized using the straight-line method based on internal availability period (five years).

Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods are computed using the straight-line method over the period of the finance leases.

3. Accounting principles for major allowances and accruals

(1) Allowance for doubtful accounts

To prepare for uncollectible credits, allowance for doubtful accounts (excluding receivables from subsidiaries) is calculated based on the actual bad debt ratio, and specific allowance for doubtful accounts deemed to be uncollectible and receivable from subsidiaries are calculated considering its collectability.

(2) Allowance for bonus

Allowance for bonus is calculated based on SoftBank Corp.'s computation method for expected payment.

4. Other basis of presentation of financial statements

(1) Deferred charges

Stock issuance cost : Amortized by the month over three years

Bond issuance cost : Amortized by the month over redemption period

(2) Accounting for significant hedge transactions

[1] Interest rate swap

① <Hedge accounting>

Recognitions of gains or losses resulting from changes in fair value of derivative instruments for hedging are deferred until the related gains and losses on hedged items are recognized.

② <Derivative instruments for hedging and hedged items>

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

③ <Hedging policy>

In accordance with SoftBank Corp.'s policy, SoftBank Corp. uses derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates, regarding the authorization and credit limit amount.

④ < Effectiveness of hedge transactions >

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

[2] Currency swap

① <Hedge accounting>

Corporate bonds and bond interests denominated in foreign currencies for which foreign currency swap contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate, if the swap contracts qualify for hedge accounting.

② <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging	: Currency swap contracts
Hedged items	: Foreign currency-dominated corporate bonds and bond interests

③ <Hedging policy>

In accordance with SoftBank Corp.'s policy, SoftBank Corp. uses derivatives to hedge foreign exchange risk associated with hedged items denominated in foreign currencies.

④ < Effectiveness of hedge transactions >

Currency swap is qualified for hedge accounting and effectiveness of the hedge transaction is omitted.

(3) Accounting method for consumption taxes

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

Notes

(Balance Sheet)

		Millions of yen
1.	Accumulated depreciation of property and equipment	¥9,361

2. Borrowings by security lending agreements

Cash receipts as collateral from financial institutions, to whom SoftBank Corp. lent a portion of shares in its subsidiaries and affiliated companies of ¥1,384 million under security lending agreements are presented as follows:

	Millions of yen
Short-term borrowings	¥200,000

3. Guarantee obligation

Guarantee（Nature of guarantee obligation）	Millions of yen	
[Guarantee obligation]		
SFJ Capital Limited (preferred securities)	¥200,000	
Kahon 2 Oy (Borrowing）	90,128	($750,000 thousand)
Shiodome Estate Corporation (lease transaction and purchase contract of the trust beneficiary interest)	77,204	(Note)
Bightstar Corp. (Bond)	72,102	($600,000 thousand)
Fukuoka SoftBank HAWKS Corp.（Borrowing）	25	
Subtotal	439,458	

(Note) SoftBank Corp. guarantees the lease transaction related to FUKUOKA YAHUOKU! DOME and the acquisition of the trust beneficiary interest in July 2015.
After the acquisition of the trust beneficiary interest, Shiodome Estate Corporation will transfer the trust beneficiary interest to Fukuoka SoftBank HAWKS Corp.

[Letter of awareness for management service]	
SB Energy Corp.(Sponsor support agreement)	1,599
Subtotal	1,599
Total	¥441,057

4. Monetary receivables and liabilities for subsidiaries and affiliated companies

	Millions of yen
Short-term monetary receivables	¥217,941
Long-term monetary receivables	818,987
Short-term monetary liabilities	891,494
Long-term monetary liabilities	12,147

5. Monetary receivables and liabilities for board members and corporate auditors

	Millions of yen
Monetary receivables	¥22
Monetary liabilities	178

(Statement of Income)

Transactions with subsidiaries and affiliated companies

	Millions of yen
Net sales	¥47,423
Selling, general and administrative expenses	5,429
Non-operating transactions	175,148

(Statement of Changes in Equity)

Class and number of treasury stocks as of March 31, 2015

Number of common stocks	11,463,275 shares

(Income taxes)

Significant components of deferred tax assets and liabilities

Deferred tax assets	Millions of yen
Investments in subsidiaries and affiliated companies	¥36,599
Loss carryforwards	33,429
Deferred assets	10,303
Loss on sales price adjustments of investments in subsidiaries and affiliates	9,480
Others	11,245
Gross deferred tax assets	101,056
Less: valuation allowance	(101,056)
Total deferred tax assets	―

Deferred tax liabilities	Millions of yen
Deferred taxable gain on a sale of shares of a subsidiary to a 100% owned subsidiary under Japanese group taxation regime	(10,566)
Unrealized gains on other securities	(886)
Others	(3,421)
Total deferred tax liabilities	(14,873)
Net deferred tax liabilities	¥(14,873)

(Related Party Transactions with SoftBank Corp.)

1. Subsidiaries and affiliated companies

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note12)	Account	Balance at March 31, 2015 (Note12)
					Millions of yen		Millions of yen
Subsidiary	SoftBank Mobile Corp. (Note13)	Indirect 100%	Brand royalty revenue	1	¥38,199	Accounts receivable - trade	¥41,247
			Borrowing of short-term loans (net of repayment)		139,727	Short-term borrowings	491,769
			Interest payment	2	827	Accrued expenses	—
			Guarantee provided	3	4,349,514		
Subsidiary	SoftBank Telecom Corp. (Note13)	Direct 100%	Brand royalty revenue	1	6,215	Accounts receivable - trade	6,711
			Dividends receipt		43,712		
			Repayment of short-term loans (net of borrowings)		7,918	Short-term borrowings	44,917
			Interest payment	2	182	Accrued expenses	—
			Guarantee provided	3	4,349,514		
Subsidiary	SoftBank BB Corp. (Note13)	Direct 100%	Brand royalty revenue	1	2,525	Accounts receivable - trade	2,727
			Borrowing of short-term loans (net of repayment)		22,093	Short-term borrowings	105,391
			Interest payment	2	320	Accrued expenses	—
Subsidiary	Ymobile Corporation (Note9,13)	Direct 99.7%	Lendings of short-term loan receivable (net of receipt)		69,500	Short-term loan receivable	158,000
			Interest receipt	4	436	Other current assets	—
Subsidiary	SBBM Corporation	Direct 100%	Dividends in kind	5	98,830		
Subsidiary	Siodome Estate Corporation	Direct 100%	Guarantee obligation	6	77,204		
Subsidiary	Shiodome Finance Corporation	Direct 100%	Collection of short-term loan receivable (net of loans)		63,950	Short-term loan receivable	—
			Interest receipt	4	3,123	Other current assets	—
Subsidiary	BB Mobile Corp.	Indirect 100%	Lendings of long-term loan receivable		24,652	Long-term loan receivable	715,826
			Interest receipt	4	19,081	Other current assets	—
Subsidiary	Mobiletech Corporation	Direct 100%	Dividends receipt		32,002		
Subsidiary	Galilei Japan KK	Indirect 100%	—		—	Current portion of long term debt	200,000
			Interest payment	2	4,120	Accrued expenses	1,476
Subsidiary	Fukuoka SoftBank HAWKS Corp.	Direct 100%	Payment of advertising expense	7	3,600	Accounts payable - other	324
Subsidiary	BB Cable Corporation (Note10)	—	Receipt of residual property		2,030		

Subsidiary	SFJ Capital Limited	Direct 100%	Guarantee obligation	8	200,000		
Subsidiary	SB Holdings (Europe) Ltd.	Direct 100%	Capital Contribution		116,221		
Subsidiary	Kahon 2 Oy	Indirect 100%	Guarantee obligation	8 11	90,128 ($750,000 thousand)		
Subsidiary	Brightstar Corp.	Indirect 100%	Guarantee obligation	6 11	72,102 ($600,000 thousand)		

The terms of transactions and the policies

(Notes)1. Brand royalty revenue depends on a rate of gross profit of each company. The rate of brand royalty is based on a reasonable standard.

2. The interest rates for borrowings with related parties are determined in reference to market interest rates.
3. SoftBank Corp. receives joint surety from SoftBank Mobile Corp. and SoftBank Telecom Corp. for the borrowings from Financial Institutions, etc. There is no guarantee fee.
4. The interest rates for lendings with related parties are determined in reference to market interest rates.
5. Softbank Corp. inherited the same amount in the book value for the shares from SBBM Corporation.
6. Please refer to Note 3 “Guarantee obligation” for Balance Sheet for the detail. There is no guarantee fee.
7. Payments of advertising expense are for advertising effect for SoftBank group which management of the Fukuoka SoftBank HAWKS provides.
8. Please refer to Note 3 “Guarantee obligation” for Balance Sheet for the detail. The rate of guarantee fee is based on a reasonable standard.
9. Since Ymobile Corporation merged with WILLCOM, Inc., a subsidiary of SoftBank Corp.on June 1, 2014, the amount includes the transaction of WILLCOM, Inc.
10. BB Cable Corporation was liquidated on 17 October, 2014.
11. The transaction amount is translated at the exchange rate (USD=JPY120.17) as of March 31, 2015.
12. Consumption taxes are included in the amount of the year-end balance, but not in the amount of the transaction.
13. SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp. and Ymobile Corporation, subsidiaries of SoftBank Corp., conducted an absorption-type merger with SoftBank Mobile Corp. being the surviving company, effective on April 1, 2015.

2. Directors and major individual shareholders

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction (Note2)	Account	Balance at March 31, 2015 (Note2)
					Millions of yen		Millions of yen
Director and shareholder	Masayoshi Son (Son Assets Management, LLC)	Direct 19.5%	Temporary advance for expenses on behalf of Son Assets Management, LLC	1	¥264	Other current asset	¥22
			Office facility usage		42		
			Receipt of guarantee deposit		0	Long-term liabilities -Other liabilities	178
Director	Yoshimitsu Goto	Direct 0.0%	Exercise of stock acquisition rights		197		

The terms of transactions and the policies

(Notes) 1.“Office facility usage” is determined based on the percentage of facility used as with the case of subsidiaries and affiliated companies.

2. Consumption taxes are included in the amount of the year-end balance, but not in the amount of the transaction.

(Per share data)

Shareholders' equity per share	¥752.04
Net income per share	¥2.75

(Significant Subsequent Events)

Tender in Tender Offer for shares of GungHo Online Entertainment, Inc.

SoftBank Corp. has decided to tender in the tender offer (the "Tender Offer") for shares of its affiliate GungHo Online Entertainment, Inc. ("GungHo"), which was resolved at GungHo's board of directors' meeting held on April 28, 2015, 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..

1. Summary of the tender in the Tender Offer

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

Note:

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

2. 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 that GungHo would like 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, SoftBank Corp. and GungHo have reached an agreement that SoftBank Corp. will tender in the Tender Offer 188,235,200 shares (ownership ratio: 16.34 %), a portion of the common shares of GungHo held by SoftBank Corp..

3.Number of shares held before and after the tender in the Tender Offer

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

Note:

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

4. Summary of GungHo

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

5. Impact on financial results

The impact in the fiscal year ending March 2016 is not determined yet.