

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 3 of this report.

SoftBank Corp.
Consolidated Financial Report
For the three-month period ended June 30, 2014 (IFRS)

Tokyo, August 8, 2014

1. Financial Highlights

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

(1) Results of Operations

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

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Three-month period ended June 30, 2014	¥1,992,216	126.1	¥337,632	(15.6)	¥199,471	(44.6)	¥111,308	(58.7)	¥77,574	(68.3)	¥67,889	(80.4)
Three-month period ended June 30, 2013	¥881,069	21.4	¥400,121	-	¥360,112	-	¥269,652	-	¥244,377	-	¥346,064	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Three-month period ended June 30, 2014	¥65.27	¥65.14
Three-month period ended June 30, 2013	¥205.09	¥204.80

Note:

Year-on-year percentage changes except for net sales for the three-month period ended June 30, 2013 are not described due to the retrospective adjustments in regard to the changes in accounting policies. Please refer to page 29 "Note 2. Significant accounting policies" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
As of June 30, 2014	¥16,513,129	¥2,864,798	¥1,950,433	11.8
As of March 31, 2014	¥16,690,127	¥2,830,382	¥1,930,441	11.6

Note:

Retrospective adjustments in regard to the changes in accounting policies are made for each financial figure as of March, 31 2014. Please refer to page 29 "Note 2. Significant accounting policies" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

2. Dividends

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

Note:

Revision of forecasts on the dividends: No

3. Forecasts on the Consolidated Results of Operations for the Fiscal Year Ending March 2015 (April 1, 2014 – March 31, 2015)

The Company projects net sales of ¥8 trillion and operating income of ¥1 trillion under IFRSs in the fiscal year ending March 31, 2015. The operating income of the fiscal year ended March 31, 2014 of ¥1,077.0 billion (after retrospective adjustments) includes gain from remeasurement relating to business combination of ¥253.9 billion. The forecasted operating income of the fiscal year ending March 31, 2015 of ¥1 trillion does not include any temporary gains.

* Notes

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

(2) Changes in accounting policies and accounting estimate

[1] Changes in accounting policies required by IFRSs: Yes

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

Please refer to page 21 “Changes in Accounting Policies and Accounting Estimates” under “2. Notes to Summary Information” for details.

(3) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):

As of June 30, 2014: 1,200,660,365 shares

As of March 31, 2014: 1,200,660,365 shares

[2] Number of treasury stock:

As of June 30, 2014: 12,148,805 shares

As of March 31, 2014: 12,204,526 shares

[3] Number of average stocks during three-month period (April-June):

As of June 30, 2014: 1,188,481,740 shares

As of June 30, 2013: 1,191,533,038 shares

* Implementation status of interim review procedures

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

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

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

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

On August 8, 2014, the Company will hold an earnings results briefing for financial institutions, institutional investors, and the media. This earnings results briefing will be broadcast live on our website in both Japanese and English (<http://www.softbank.jp/en/corp/irinfo/>). The Earnings Results Data Sheets will also be posted on the Company’s web site around 4 p.m. on the day of the announcement: (<http://www.softbank.jp/en/corp/irinfo/presentations/>)

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Company Names and Abbreviations used in this Appendix

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 company names and abbreviations indicates the respective company, and its subsidiaries if any.	
“Sprint”	Sprint Corporation (formerly Sprint Nextel Corporation)
“Brightstar Corp.”	Brightstar Corp.
“GungHo”	GungHo Online Entertainment, Inc.
“Supercell”	Supercell Oy
“Alibaba”	Alibaba Group Holding Limited

Changes in Major Subsidiaries (in the fiscal year ended March 31, 2014 and the three-month period ended June 30, 2014)
 Period of consolidation

 Date of change

	Fiscal Year Ended March 31, 2014				Fiscal Year Ending March 31, 2015
	Three-month Period Ended June 30, 2013	Three-month Period Ended September 30, 2013	Three-month Period Ended December 31, 2013	Three-month Period Ended March 31, 2014	Three-month Period Ended June 30, 2014
	Q1	Q2	Q3	Q4	Q1
Mobile Communications Segment					
GungHo Online Entertainment, Inc.					
	(Consolidated on April 1)				
Ymobile Corporation (formerly eAccess Ltd.) ^(Note 1)					
				(Merged by eAccess Ltd. on June 1)	
WILLCOM, Inc.					
		(Consolidated on July 1)			
Supercell Oy					
			(Consolidated on October 31)		
Brightstar Corp. ^(Note 2)					
				(Consolidated on January 30)	
Sprint Segment					
Sprint Corporation					
		(Consolidated on July 10)			

Notes:

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

1. Qualitative Information Regarding Three-month Period Results

(1) Qualitative Information Regarding Consolidated Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Three-month Period Ended June 30, 2013 ^(Note 3)	Three-month Period Ended June 30, 2014	Change	Change %
Net sales	881,069	1,992,216	1,111,147	126.1%
Operating income	400,121	337,632	(62,489)	(15.6%)
(Incl.) Gain from remeasurement relating to business combination	150,120	-	(150,120)	- %
Income before income tax	360,112	199,471	(160,641)	(44.6%)
Net income	269,652	111,308	(158,344)	(58.7%)
Net income attributable to owners of the parent	244,377	77,574	(166,803)	(68.3%)

Note:

3. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” Please refer to page 29 “2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements, (6) Notes to Condensed Interim Consolidated Financial Statements” for details on the retrospective adjustments.

The main factors affecting earnings for the three-month period ended June 30, 2014 (the “period”) were as follows:

(a) Net Sales

Net sales totaled ¥1,992,216 million, for a ¥1,111,147 million (126.1%) increase from the three-month period ended June 30, 2013 (the “same period of the previous fiscal year”). This was mainly due to the consolidation of Sprint, Brightstar Corp., Supercell, and WILLCOM, Inc. (currently Ymobile Corporation) in or after the three-month period ended September 30, 2013 (the “second quarter of the previous fiscal year”). At SoftBank Mobile Corp., sales declined as product sales decreased on a lower number of handsets shipped,¹ although service revenue continued to increase.

(b) Cost of Sales

Cost of sales increased ¥741,307 million (182.1%) year on year to ¥1,148,502 million. This was primarily due to the impact of consolidating Sprint and Brightstar Corp. At SoftBank Mobile Corp., cost of sales declined due to a decrease in the cost of goods.

(c) Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by ¥283,756 million (127.3%) year on year to ¥506,657 million. This was primarily due to the consolidation of Sprint. At SoftBank Mobile Corp., selling, general and

¹ Handsets shipped: the number of handsets shipped (sold) to dealers. Includes the number of handsets sold to customers at stores operated by SoftBank Mobile Corp. and the SoftBank ONLINE SHOP.

administrative expenses declined due to a decrease in sales commissions accompanying the lower number of units sold² and other factors.

(d) Gain from Remeasurement Relating to Business Combination

During the period, no gain from remeasurement relating to business combination was recorded. In the same period of the previous fiscal year, the Company recorded a gain of ¥150,120 million recognized following reevaluation at fair value of its equity interest in GungHo that it already held on the date when the Company acquired control.

(e) Other Operating Income and Loss

Other operating income was ¥575 million, an improvement of ¥1,547 million year on year (other operating loss of ¥972 million was recorded in the same period of the previous fiscal year).

(f) Operating Income

As a result of (a) to (e), operating income totaled ¥337,632 million, for a ¥62,489 million (15.6%) year-on-year decrease. The decline reflected the absence of gain from remeasurement relating to business combination of ¥150,120 million recorded in the same period of the previous fiscal year, although income was recorded in conjunction with the consolidation of Sprint and Supercell and operating income increased at SoftBank Mobile Corp. When comparing the amount obtained after discounting the gain from remeasurement relating to business combination from operating income for the period and the same period in the previous fiscal year, the amount for the period was ¥87,631 million (35.1%) higher.

(g) Finance Cost

Finance cost rose ¥57,604 million (210.4%) year on year to ¥84,987 million. The increase was mainly due to the impact of adding the interest expense of Sprint.

(h) Equity in Income and Loss of Associates

Equity in loss of associates was ¥63,425 million, a deterioration of ¥62,342 million year on year (equity in loss of associates of ¥1,083 million was recorded in the same period of the previous fiscal year). The main reason was recording equity in loss of associates of ¥65,285 million relating to Alibaba. Regarding the Convertible Preference Shares³ issued by Alibaba, the amount is recorded under mezzanine equity at the amount paid in accordance with U.S. GAAP adopted by Alibaba, whereas under IFRSs the amount is recorded as a liability and measured at fair value, with fluctuations in the fair value recognized as net profit or loss. During the period, the portion of increase in the fair value⁴ of the Convertible Preference Shares attributable to the Company amounting

² Units sold: the total number of new subscriptions and handset upgrades.

³ Alibaba submitted a registration statement (the "Registration Statement," including revisions thereto) to the U.S. Securities and Exchange Commission. The Registration Statement states that Alibaba is preparing to list its stock on the New York Stock Exchange, and that concurrently with the completion of the public offering, the outstanding Convertible Preference Shares issued by Alibaba will be automatically converted into 91,243,243 ordinary shares.

⁴ The Registration Statement states that the fair value of Alibaba's ordinary shares became US\$25.00 per share in the fourth calendar quarter of 2013 and US\$56.00 per share in June 2014.

to ¥102,996 million impacted the Company's equity in income and loss of associates by a loss.

Moreover, when the Convertible Preference Shares are automatically converted into ordinary shares upon the pending completion of the public offering, the Convertible Preference Shares recorded under liabilities will be reclassified to equity under IFRSs. Of the loss recorded as a result of the increase in fair value of the Convertible Preference Shares up until the completion of the public offering, the portion attributable to the Company will be recorded as dilution gain in the Company's consolidated statements of income, upon the completion of the public offering.

(i) Other Non-operating Income and Loss

Other non-operating income was ¥10,251 million, an improvement of ¥21,794 million year on year (other non-operating loss of ¥11,543 million was recorded in the same period of the previous fiscal year).

- Derivative loss was ¥1,542 million, improving by ¥27,897 million year on year.
- Interest income decreased ¥16,347 million year on year to ¥989 million.
- Gain from remeasurement relating to applying equity method of ¥6,249 million was recorded (not recorded in the same period of the previous fiscal year).

Please refer to page 42 "11. Other non-operating income and loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(j) Income before Income Tax

As a result of (f) to (i), income before income tax was ¥199,471 million, a decrease of ¥160,641 million (44.6%) year on year.

(k) Income Taxes

Provisions for current income taxes were ¥88,163 million, a decrease of ¥2,297 million (2.5%) year on year.

(l) Net Income

As a result of (j) to (k), net income totaled ¥111,308 million, for a ¥158,344 million (58.7%) year-on-year decrease.

(m) Net Income Attributable to Owners of the Parent

After deducting net income and loss attributable to non-controlling interests in subsidiaries such as Yahoo Japan Corporation and GungHo from (l), net income attributable to owners of the parent was ¥77,574 million, for a ¥166,803 million (68.3%) decrease year on year.

(n) Comprehensive Income

Comprehensive income totaled ¥67,889 million, for a ¥278,175 million (80.4%) year-on-year decrease. Of this, comprehensive income attributable to owners of the parent was ¥43,778 million, for a ¥277,847 million (86.4%) year-on-year decrease.

b. Results by Segment

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

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

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

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

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

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

Segments		Main Businesses	Core Companies
Reportable Segments	Mobile Communications	<ul style="list-style-type: none"> • Provision of mobile communications services in Japan • Sale of mobile devices and accessories • Sale of PC software and peripherals • Production and distribution of online games for smartphones and other devices 	SoftBank Mobile Corp. Ymobile Corporation Wireless City Planning Inc. Brightstar Corp. SoftBank Telecom Corp. GungHo Online Entertainment, Inc. Supercell Oy
	Sprint	<ul style="list-style-type: none"> • Provision of mobile communications services by Sprint in the U.S. • Sale of mobile devices and accessories accompanying the above services • Provision of fixed-line telecommunications services by Sprint 	Sprint Corporation
	Fixed-line Telecommunications	<ul style="list-style-type: none"> • Provision of telecom services such as fixed-line telephone and data communications services to domestic corporate customers • Provision of broadband services to domestic individual customers • Services accompanying the above services 	SoftBank Telecom Corp. SoftBank BB Corp. Ymobile Corporation Yahoo Japan Corporation
	Internet	<ul style="list-style-type: none"> • Internet advertising • e-commerce business • Membership services 	Yahoo Japan Corporation
Others		<ul style="list-style-type: none"> • Fukuoka SoftBank HAWKS related businesses 	Fukuoka SoftBank HAWKS Corp.

Notes:

4. The Sprint segment was established in the second quarter of the previous fiscal year in conjunction with the consolidation of Sprint.

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

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

(a) Mobile Communications Segment

(Millions of yen)

	Three-month Period Ended June 30, 2013	Three-month Period Ended June 30, 2014	Change	Change %
Net sales	661,918	882,901	220,983	33.4%
Segment income	180,859	207,890	27,031	14.9%

< Overview of Operations >

The segment's net sales increased by ¥220,983 million (33.4%) year on year to ¥882,901 million. The main factor behind the increase was the impact of consolidation of Brightstar Corp., Supercell and WILLCOM, Inc. (currently Ymobile Corporation). At SoftBank Mobile Corp., sales declined as product sales decreased on a lower number of handsets shipped although service revenue continued to increase.

Segment income increased by ¥27,031 million (14.9%) year on year to ¥207,890 million. The principal cause of this increase was a decrease in cost of goods and sales commissions at SoftBank Mobile Corp. mainly due to a lower number of handsets shipped and units sold. Recording of income of Supercell in conjunction with its consolidation also contributed to this increase.

< Overview of Business Operations >
• Number of Subscribers

The cumulative number of subscribers at SoftBank Mobile Corp. as of June 30, 2014 (the "end of the period") stood at 36,482,000. Net subscriber additions (new subscriptions minus churn) for the period at SoftBank Mobile Corp. totaled 557,000. This was primarily the result of solid trends in subscriber numbers, especially for smartphones and tablets, communication modules and other items.

• ARPU

ARPU⁵ at SoftBank Mobile Corp. for the period, decreased by ¥180 year on year to ¥4,280. Out of this, data ARPU rose ¥90 year on year to ¥2,960. The decline in ARPU mainly reflects an increase in low-ARPU devices and a decline in voice calls using voice devices. Meanwhile, the growth in the number of LTE subscriptions, with relatively higher data communication charges compared to 3G subscriptions, contributed to the increase in data ARPU.

• Number of Units Sold

The number of units sold at SoftBank Mobile Corp. for the period decreased by 490,000 year on year to 2,533,000. The decrease was primarily due to a decline in the number of upgrades, although new subscriptions were about the same level year on year. The decline in the number of upgrades was mainly due to prolonged use of mobile devices and the impact of sales promotions⁶ stimulating upgrades that were offered in the same period of the

⁵ For definitions and calculations of ARPU, churn and upgrade rates at SoftBank Mobile Corp., see page 12 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (a) SoftBank Mobile Corp."

⁶ A promotion offering points to customers who upgraded between eligible handsets and discounts to customers who upgraded to eligible handsets.

previous fiscal year.

• **Churn Rate and Upgrade Rate**

The churn rate⁵ at SoftBank Mobile Corp. for the period was 1.11%, up 0.12 of a percentage point year on year. This was mainly due to an increase in churn for non-voice devices reaching the end of their two-year subscriptions.

The upgrade rate⁵ was 0.71%, down 0.54 of a percentage point year on year. The decline in the upgrade rate was mainly due to prolonged use of mobile devices and the impact of sales promotions stimulating upgrades that were offered in the same period of the previous fiscal year.

(b) Sprint Segment

(Millions of yen)

	Three-month Period Ended June 30, 2013	Three-month Period Ended June 30, 2014	Change	Change %
Net sales	Segment was newly established from the second quarter of the fiscal year ended March 31, 2014	897,737	897,737	-
Segment income		61,705	61,705	-

< Overview of Operations >

The segment's net sales totaled ¥897,737 million. This mainly includes Sprint platform⁷ service revenue and product sales.

Segment income totaled ¥61,705 million. Operating expenses included ¥40,718 million of amortization of customer relationships (amortized based on the sum-of-the-digits method) recorded at Sprint's consolidation.

< Overview of Business Operations >

Subscribers at Sprint decreased by 334,000 in the period and the cumulative number of subscribers as of the end of the period stood at 54,553,000.

Of these, on the Sprint platform there was a net decrease of 220,000, bringing its cumulative number of subscriptions to 53,331,000 as of the end of the period. The decrease was due to a decline of 542,000 in the number of prepaid subscribers, mainly from the impact of customers who did not complete the annual recertification of the Lifeline Assistance Program.⁸

Sprint platform ARPU⁹ for the period was US\$62.07 for postpaid and US\$27.38 for prepaid, and its churn rate⁹ was 2.05% for postpaid and 4.44% for prepaid.

⁷ Sprint-operated CDMA and LTE networks.

⁸ A program where carriers in the U.S. receive a subsidy from a government fund to provide discounted services to low-income subscribers.

⁹ For definitions and calculations of ARPU and churn rate of Sprint platform, see page 12 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (b) Sprint Platform."

(c) Fixed-line Telecommunications Segment

(Millions of yen)

	Three-month Period Ended June 30, 2013	Three-month Period Ended June 30, 2014	Change	Change %
Net sales	133,406	131,836	(1,570)	(1.2%)
Segment income	28,635	26,717	(1,918)	(6.7%)

< Overview of Operations >

The segment's net sales decreased by ¥1,570 million (1.2%) year on year to ¥131,836 million.

Segment income decreased by ¥1,918 million (6.7%) year on year to ¥26,717 million. This was mainly due to a decrease in net sales as well as an increase in costs relating to network construction for corporate communication services at SoftBank Telecom Corp.

(d) Internet Segment

(Millions of yen)

	Three-month Period Ended June 30, 2013	Three-month Period Ended June 30, 2014	Change	Change %
Net sales	96,198	96,858	660	0.7%
Segment income	46,762	45,483	(1,279)	(2.7%)

<Overview of Operations>

The segment's net sales increased by ¥660 million (0.7%) year on year to ¥96,858 million. The increase was the result of growth in advertising revenue at Yahoo Japan Corporation, especially from display advertising,¹⁰ although its new e-commerce business strategy including eliminating monthly store tenant and other fees caused a decrease.

Segment income decreased by ¥1,279 million (2.7%) year on year to ¥45,483 million. This decrease was mainly caused by a decline in sales in the e-commerce business at Yahoo Japan Corporation in addition to its increased sales promotion expenses related to the e-commerce business and outsourcing fees, and other costs.

¹⁰ Graphical, Flash®, and video advertising that appears on a certain defined area. Includes premium advertisements such as *Brand Panel* shown on *Yahoo! JAPAN*'s top page, and *Yahoo! Display Ad Network (YDN)*, which shows advertisements most suitable to the user based on the content the user is viewing and their interests, attributes, and geographical location.

(Reference 1: Principal Operational Data)
(a) Mobile Communications Segment

		Fiscal Year Ended March 31, 2014					Fiscal Year Ending March 31, 2015
		Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended March 31, 2014	Fiscal Year Ended March 31, 2014	Three-month Period Ended June 30, 2014
		Q1	Q2	Q3	Q4	Full Year	Q1
Cumulative subscribers	(Thousands) SoftBank Mobile Corp. ¹¹	33,290	34,068	34,760		35,925	36,482
	Ymobile Corporation ^{12,13}	9,542	9,725	9,899		10,011	10,002
	(Incl.) PHS	5,199	5,310	5,403		5,546	5,516
SoftBank Mobile Corp.	(Thousands) Net additions ¹¹	810	778	692	1,165	3,445	557
	Postpaid	818	790	716	1,202	3,526	591
	Prepaid	-8	-12	-24	-36	-81	-34
	(¥ / month) ARPU ^{14,15}	4,460	4,520	4,490	4,340	4,450	4,280
	(Incl.) Data	2,870	2,930	2,960	2,970	2,930	2,960
	(Thousands) Handsets shipped ¹⁶	2,575	2,734	3,347	3,377	12,033	1,769
	(Thousands) Units sold ¹⁷	3,023	3,150	3,713	4,289	14,175	2,533
	New subscriptions	1,790	1,904	2,015	2,921	8,629	1,761
	Handset upgrades	1,233	1,246	1,698	1,368	5,546	772
	(% / month) Churn rate ¹⁴	0.99	1.12	1.28	1.66	1.27	1.11
	Postpaid	0.94	1.06	1.24	1.63	1.22	1.07
(% / month) Upgrade rate ¹⁴	1.25	1.23	1.64	1.30	1.36	0.71	

¹¹ Includes the number of prepaid mobile phones and communication module service subscribers. The communication module service subscriber's net additions for the period were 194,000 and the cumulative number at the end of the period totaled 4,028,000.

¹² eAccess Ltd. changed its company name to Ymobile Corporation on July 1, 2014. eAccess Ltd. merged with WILLCOM, Inc. on June 1, 2014.

¹³ Includes the number of prepaid mobile phones and communication module service subscribers. The number of subscribers for the services provided by Ymobile Corporation under the "Y!mobile" (formerly "EMOBILE" or "WILLCOM") brand utilizing the communication network of SoftBank Mobile Corp. is not included.

¹⁴ For definition and calculation method of ARPU, churn and upgrade rates at SoftBank Mobile Corp., see page 12 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (a) SoftBank Mobile Corp."

¹⁵ ARPU in the fourth quarter of each fiscal year includes impact from revision of interconnection charges.

¹⁶ Handsets shipped: the number of handsets shipped (sold) to dealers. Includes the number of handsets sold to customers at stores operated by SoftBank Mobile Corp. and the SoftBank ONLINE SHOP.

¹⁷ Units sold: the total number of new subscriptions and handset upgrades.

(b) Sprint Segment

		Fiscal Year Ended March 31, 2014					Fiscal Year Ending March 31, 2015	
		Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended March 31, 2014	Fiscal Year Ended March 31, 2014	Three-month Period Ended June 30, 2014	
		Q1	Q2	Q3	Q4	Full Year	Q1	
Cumulative Subscribers ¹⁸	(Thousands)							
	Sprint total	53,588	54,877	55,354		54,887	54,553	
	Sprint platform	53,376	53,252	53,934		53,551	53,331	
	Postpaid	30,451	30,091	30,149		29,918	29,737	
	Prepaid	15,215	15,299	15,621		15,257	14,715	
	Wholesale & affiliate	7,710	7,862	8,164		8,376	8,879	
	U.S. Cellular & Clearwire ¹⁹	212	1,625	1,420		1,336	1,222	
Sprint platform	(Thousands)							
	Net additions ¹⁸	-520	-95	682	-383		-220	
	Postpaid	194	-360	58	-231		-181	
	Prepaid	-486	84	322	-364		-542	
	Wholesale & affiliate	-228	181	302	212		503	
	(US\$ / month)							
	ARPU ²⁰							
	Postpaid	64.20	64.28	64.11	63.52		62.07	
	Prepaid	26.96	25.33	26.78	26.45		27.38	
	(% / month)							
Churn rate ²⁰								
Postpaid	1.83	1.99	2.07	2.11		2.05		
Prepaid	5.22	3.57	3.01	4.33		4.44		

¹⁸ Includes the number of communication module service subscribers.

¹⁹ Sprint acquired 411,000 subscribers (352,000 postpaid subscribers and 59,000 prepaid subscribers) through the acquisition of assets from U.S. Cellular Corporation ("U.S. Cellular") in conjunction with its acquisition of U.S. Cellular when the transaction closed on May 17, 2013. Sprint also acquired 1,602,000 subscribers (788,000 postpaid subscribers, 721,000 prepaid subscribers, and 93,000 wholesale subscribers), in conjunction with its acquisition of Clearwire Corporation ("Clearwire") when the transaction closed on July 9, 2013, and transferred 29,000 Sprint wholesale subscribers relating to a Clearwire MVNO arrangement that were originally recognized on the Sprint platform, to this category.

²⁰ For definition and calculation of ARPU and churn rate of Sprint platform, see page 12 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (b) Sprint Platform."

(Reference 2: Definition and Calculation Method of Principal Operational Data)

(a) SoftBank Mobile Corp.

i. ARPU

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

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

$\text{Data ARPU} = \text{data-related revenue} / \text{number of active subscribers}$

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

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

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

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

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

ii. Churn rate

Churn rate = number of churn / number of active subscribers (rounded to the nearest 0.01%)

Number of churn: the total number of subscribers that churned during the relevant period

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

iii. Upgrade rate

Upgrade rate = number of upgrades / number of active subscribers (rounded to the nearest 0.01%)

Number of upgrades: the total number of upgrades during the relevant period

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

(b) Sprint Platform

i. ARPU

ARPU: Average Revenue Per User per month (rounded to the nearest US\$.01)

$ARPU = \text{service revenue} / \text{number of active subscribers}$

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

ii. Churn rate

Churn rate = number of deactivations / number of active subscribers (rounded to the nearest 0.01%)

Deactivations: the total number of subscribers that churned during the relevant period. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid.

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

(Reference 3: Capital Expenditure and Depreciation)
(a) Capital Expenditure (acceptance basis)

(Millions of yen)

	Fiscal Year Ended March 31, 2014					Fiscal Year Ending March 31, 2015
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended March 31, 2014	Fiscal Year Ended March 31, 2014	Three-month Period Ended June 30, 2014
	Q1	Q2	Q3	Q4	Full Year	Q1
Mobile Communications Segment	163,581	164,563	170,469	180,347	678,960	123,186
Sprint Segment ^(Note 6)		163,574	208,733	91,969	464,276	148,793
Fixed-line Telecommunica- tions Segment	9,903	16,743	13,091	20,731	60,468	9,946
Internet Segment	4,393	2,746	9,194	9,706	26,039	8,534
Others	2,835	4,694	3,082	4,896	15,507	5,552
Consolidated total	180,712	352,320	404,569	307,649	1,245,250	296,011

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended March 31, 2014					Fiscal Year Ending March 31, 2015
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended March 31, 2014	Fiscal Year Ended March 31, 2014	Three-month Period Ended June 30, 2014
	Q1	Q2	Q3	Q4	Full Year	Q1
Mobile Communications Segment	83,367	92,228	100,205	119,184	394,984	106,600
Sprint Segment ^(Note 6)		134,191	152,411	131,859	418,461	128,621
Fixed-line Telecommunica- tions Segment	14,809	14,918	15,402	16,948	62,077	13,939
Internet Segment	3,221	3,218	3,700	5,230	15,369	3,543
Others	1,902	2,085	2,329	2,697	9,013	2,298
Consolidated total	103,299	246,640	274,047	275,918	899,904	255,001

Note:

6. The Sprint segment was established in the second quarter of the previous fiscal year in conjunction with the consolidation of Sprint. The amounts of capital expenditure and depreciation and amortization of the Sprint segment have been reflected since July 11, 2013.

(2) Qualitative Information Regarding Consolidated Financial Position

a. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2014 ^(Note 7)	As of June 30, 2014	Change	Change %
Total assets	16,690,127	16,513,129	(176,998)	(1.1%)
Total liabilities	13,859,745	13,648,331	(211,414)	(1.5%)
Total equity	2,830,382	2,864,798	34,416	1.2%

Note:

7. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” Please refer to page 29, “2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements, (6) Notes to Condensed Interim Consolidated Financial Statements” for details on the retrospective adjustments.

(a) Current Assets

(Millions of yen)

Item	As of March 31, 2014	As of June 30, 2014	Change
Cash and cash equivalents	1,963,490	1,902,452	(61,038)
<i>Sprint</i>	511,562	422,792	(88,770)
Trade and other receivables	1,669,545	1,613,536	(56,009)
<i>Sprint</i>	370,564	379,242	8,678
Other financial assets	164,727	185,658	20,931
Inventories	251,677	300,112	48,435
Other current assets	281,535	303,852	22,317
Total current assets	4,330,974	4,305,610	(25,364)

Current assets totaled ¥4,305,610 million, for a ¥25,364 million (0.6%) decrease from March 31, 2014 (the “previous fiscal year-end”). The primary components of the change were as follows:

- Cash and cash equivalents totaled ¥1,902,452 million, for a ¥61,038 million decrease from the previous fiscal year-end.
- Trade and other receivables totaled ¥1,613,536 million, for a ¥56,009 million decrease from the previous fiscal year-end. This was mainly due to an increase in accounts receivable from dealers at the previous fiscal year-end. This temporary increase was driven by an increase in the number of mobile handsets shipped at SoftBank Mobile Corp. in the three-month period ended March 31, 2014 (the “fourth quarter of the previous fiscal year”), due to the impact of competition to win customers under Mobile Number Portability (“MNP”).
- Inventories totaled ¥300,112 million, for a ¥48,435 million increase from the previous fiscal year-end.

(b) Non-current Assets

(Millions of yen)

Item	As of March 31, 2014	As of June 30, 2014	Change
Property, plant and equipment	3,586,327	3,636,084	49,757
<i>Sprint</i>	1,472,679	1,505,559	32,880
Goodwill	1,539,607	1,530,965	(8,642)
<i>Sprint</i>	286,258	280,056	(6,202)
Intangible assets	6,177,701	6,032,465	(145,236)
<i>Sprint</i>	5,303,382	5,158,375	(145,007)
FCC licenses ²¹	3,709,526	3,631,653	(77,873)
<i>Sprint</i>	3,709,526	3,631,653	(77,873)
Customer relationships	677,494	622,417	(55,077)
<i>Sprint</i>	579,885	530,688	(49,197)
Trademarks	675,450	665,003	(10,447)
<i>Sprint</i>	663,150	652,705	(10,445)
Software	647,386	670,169	22,783
Game titles	166,522	151,443	(15,079)
Others	301,323	291,780	(9,543)
Investments accounted for using the equity method	304,318	257,386	(46,932)
Other financial assets	401,693	420,500	18,807
Deferred tax assets	182,246	159,701	(22,545)
Other non-current assets	167,261	170,418	3,157
Total non-current assets	12,359,153	12,207,519	(151,634)

Non-current assets totaled ¥12,207,519 million, for a ¥151,634 million (1.2%) decrease from the previous fiscal year-end. The main reason for the change was a ¥145,236 million decline in intangible assets from the previous fiscal year-end. This decrease was caused by a decline in FCC licenses (non-amortized assets from an accounting perspective) of ¥77,873 million mainly due to the impact of the yen appreciating against the U.S. dollar as of the end of the period compared with the previous fiscal year-end, as well as declines of ¥55,077 million in customer relationships and ¥15,079 million in game titles, both due to regular amortization and other factors.

²¹ Licenses issued by the U.S. Federal Communications Commission for use of specified spectrum.

(c) Current Liabilities

(Millions of yen)

Item	As of March 31, 2014	As of June 30, 2014	Change
Interest-bearing debt	1,147,899	1,365,890	217,991
<i>Sprint</i>	<i>101,977</i>	<i>81,846</i>	<i>(20,131)</i>
Short-term borrowings	270,529	314,022	43,493
Current portion of long-term borrowings	393,566	394,069	503
Current portion of corporate bonds	139,300	100,040	(39,260)
<i>Sprint</i>	<i>64,433</i>	<i>45,079</i>	<i>(19,354)</i>
Current portion of lease obligations	264,295	280,203	15,908
Current portion of preferred securities	-	199,578	199,578
Others	80,209	77,978	(2,231)
Trade and other payables	1,705,956	1,543,077	(162,879)
Other financial liabilities	5,847	4,761	(1,086)
Income taxes payables	246,013	98,797	(147,216)
Provisions	93,115	75,021	(18,094)
Other current liabilities	568,366	504,115	(64,251)
Total current liabilities	3,767,196	3,591,661	(175,535)

Current liabilities totaled ¥3,591,661 million, for a ¥175,535 million (4.7%) decrease from the previous fiscal year-end. The components of the change of primary items were as follows:

- Interest-bearing debt totaled ¥1,365,890 million, for a ¥217,991 million increase from the previous fiscal year-end. This was mainly due to the reclassification from non-current liabilities of ¥200,000 million of the preferred (restricted voting) securities (balance as of the end of the period: ¥199,578 million) of the subsidiary SFJ Capital Limited issued in September 2011 because, although maturity is not determined in the contract, there is a possibility that the holders will exercise their put option to redeem the preferred securities in cash in May 2015 or later.
- Trade and other payables totaled ¥1,543,077 million for a ¥162,879 million decrease from the previous fiscal year-end. This was mainly due to increases in accounts payable relating to sales commissions to dealers and accounts payable to handset manufacturers at the previous fiscal year-end. These temporary increases were driven by respective increases in the units sold and the number of handsets procured during the fourth quarter of the previous fiscal year, due to the impact of competition to win customers under MNP.
- Income taxes payables totaled ¥98,797 million for a ¥147,216 million decrease from the previous fiscal year-end. This was mainly attributable to the payment of income taxes payables recorded at the previous fiscal year-end, although the Company recorded income taxes payables for the period.

(d) Non-current Liabilities

(Millions of yen)

Item	As of March 31, 2014	As of June 30, 2014	Change
Interest-bearing debt	8,022,154	8,020,644	(1,510)
<i>Sprint</i>	3,257,182	3,198,047	(59,135)
Long-term borrowings	2,243,855	2,230,500	(13,355)
Corporate bonds	4,743,073	4,952,454	209,381
<i>Sprint</i>	3,164,192	3,109,075	(55,117)
Lease obligations	730,915	749,406	18,491
Preferred securities	199,156	-	(199,156)
Others	105,155	88,284	(16,871)
Other financial liabilities	41,151	43,487	2,336
Defined benefit liabilities	77,041	75,440	(1,601)
Provisions	136,920	133,321	(3,599)
Deferred tax liabilities	1,533,021	1,502,107	(30,914)
<i>Sprint</i>	1,448,264	1,437,334	(10,930)
Other non-current liabilities	282,262	281,671	(591)
Total non-current liabilities	10,092,549	10,056,670	(35,879)

Non-current liabilities totaled ¥10,056,670 million, for a ¥35,879 million (0.4%) decrease from the previous fiscal year-end. Interest-bearing debt decreased by ¥1,510 million from the previous fiscal year-end. The decrease mainly reflected the reclassification into current liabilities of the preferred (restricted voting) securities of SFJ Capital Limited and a decrease in Sprint's corporate bonds by ¥55,117 million due to a decline in exchange differences attributable to the yen appreciating against the U.S. dollar as of the end of the period compared with the previous fiscal year-end. On the other hand SoftBank Corp. issued ¥300,000 million of unsecured straight corporate bonds.

(e) Equity

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014	Change	Change %
Equity attributable to owners of the parent	1,930,441	1,950,433	19,992	1.0%
Non-controlling interests	899,941	914,365	14,424	1.6%
Total equity	2,830,382	2,864,798	34,416	1.2%

Equity totaled ¥2,864,798 million, for a ¥34,416 million (1.2%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent and non-controlling interests increased by ¥19,992 million (1.0%) and ¥14,424 million (1.6%), respectively. The ratio of equity attributable to owners of the parent to total assets increased by 0.2 of a percentage point from the previous fiscal year-end to 11.8%.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

Item	As of March 31, 2014	As of June 30, 2014	Change
Common stock	238,772	238,772	-
Capital surplus	405,045	404,884	(161)
Retained earnings	1,168,266	1,221,739	53,473
Treasury stock	(51,492)	(51,260)	232
Accumulated other comprehensive income	169,850	136,298	(33,552)
Available-for-sale financial assets	14,122	14,500	378
Cash flow hedges	(19,942)	(16,183)	3,759
Exchange differences on translating foreign operations	175,670	137,981	(37,689)
Total equity attributable to owners of the parent	1,930,441	1,950,433	19,992

Equity attributable to owners of the parent totaled ¥1,950,433 million, for a ¥19,992 million (1.0%) increase from the previous fiscal year-end. This was mainly due to an increase in retained earnings by ¥53,473 million while accumulated other comprehensive income decreased by ¥33,552 million from the previous fiscal year-end. The increase in retained earnings reflected net income attributable to owners of the parent of ¥77,574 million, as well as payment of a year-end dividend totaling ¥23,769 million. The decrease in accumulated other comprehensive income was mainly attributable to a decline in exchange differences on translating foreign operations due to the yen appreciating against the U.S. dollar as of the end of the period compared with the previous fiscal year-end.

(Non-controlling Interests)

Non-controlling interests totaled ¥914,365 million, for a ¥14,424 million (1.6%) increase from the previous fiscal year-end.

b. Cash Flows

Cash flows during the period were as follows:

Cash and cash equivalents at the end of the period totaled ¥1,902,452 million, for a ¥61,038 million decrease from the previous fiscal year-end.

(Millions of yen)

	Three-month Period Ended June 30, 2013 ^(Note 8)	Three-month Period Ended June 30, 2014	Change
Cash flows from operating activities	2,243	104,784	102,541
Cash flows from investing activities	(246,062)	(377,737)	(131,675)
Cash flows from financing activities	874,132	219,309	(654,823)

(Reference)

Cash flows from operating activities - capital expenditure ^(Note 9)	(180,009)	(216,479)	(36,470)
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Notes:

8. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." Please refer to page 29 "2. Significant accounting policies" under "3. Condensed Interim Consolidated Financial Statements, (6) Notes to Condensed Interim Consolidated Financial Statements" for details on the retrospective adjustments.
9. Outlays for purchase of property, plant and equipment and intangible assets.

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥104,784 million (compared with ¥2,243 million provided in the same period of the previous fiscal year). Out of this, Sprint's net cash provided by operating activities totaled ¥68,138 million. The primary components of cash flows were as follows:

- i. Net income totaled ¥111,308 million.
- ii. The main items added to net income were ¥255,001 million in depreciation and amortization, ¥88,163 million in income taxes, ¥84,987 million in finance cost, and ¥63,425 million in equity in loss of associates.
- iii. Decrease in trade and other receivables (increase in cash flows) of ¥73,856 million and decrease in trade and other payables (decrease in cash flows) of ¥158,677 million were recorded. These decreases were mainly due to settling receivables and accounts payable to dealers and accounts payable to handset manufacturers that were recorded at the previous fiscal year-end.
- iv. Interest paid was ¥95,263 million. The year-on-year increase of ¥71,492 million was mainly due to the impact of adding the interest expense of Sprint.
- v. Income taxes paid was ¥255,155 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥377,737 million (compared with ¥246,062 million used in the same period of the previous fiscal year). The primary components of cash flows were as follows:

- i. Outlays for purchase of property, plant and equipment, and intangible assets amounted to ¥321,263 million. Out of this, Sprint's outlays for purchase of property, plant and equipment, and intangible assets amounted to ¥130,598 million.

- ii. Payments for acquisition of investments of ¥97,574 million and proceeds from sales/redemption of investments of ¥90,100 million were recorded. These were mainly attributable to short-term trading of marketable securities by Sprint.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥219,309 million (compared with ¥874,132 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

(Items Increasing Cash Flows)

Proceeds from long-term interest-bearing debt amounted to ¥484,051 million. The primary components were as follows:

- Proceeds from issuance of corporate bonds of ¥300,000 million. This consisted of unsecured straight corporate bonds issued by SoftBank Corp.
- Proceeds from sale and leaseback of newly acquired equipment of ¥103,136 million.
- Proceeds from long-term borrowings of ¥80,915 million. These were mainly due to borrowings made through securitization of installment sales receivables at SoftBank Mobile Corp.

(Items Decreasing Cash Flows)

Repayment of long-term interest-bearing debt was ¥231,811 million. The primary components were as follows:

- Repayment of long-term borrowings of ¥81,375 million. This was mainly due to SoftBank Mobile Corp. repaying borrowings made through securitization of installment sales receivables.
- Redemption of corporate bonds of ¥63,423 million. This was mainly due to SoftBank Corp.'s redemption of its unsecured straight corporate bonds totaling ¥44,900 million.

(3) Qualitative Information Regarding Forecast on Consolidated Results of Operations

The Company projects net sales of ¥8 trillion, EBITDA^(Note 10) of ¥2 trillion, and operating income of ¥1 trillion under IFRSs for the fiscal year ending March 31, 2015.

The operating income of the fiscal year ended March 31, 2014 of ¥1,077.0 billion (after retrospective adjustments) includes gain from remeasurement relating to business combination of ¥253.9 billion. The forecasted operating income of ¥1 trillion for the fiscal year ending March 31, 2015 does not include any temporary gains.

Note:

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

2. Notes to Summary Information
**Changes in Accounting Policies and Accounting Estimates
 (Changes in accounting policies required by IFRSs)**

The following standards are applied by the Company during the three-month period ended June 30, 2014.

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

The details are described in “Note 2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements”

3. Condensed Interim Consolidated Financial Statements
(1) Condensed Interim Consolidated Statements of Financial Position

	As of March 31, 2014*	(Millions of yen) As of June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	1,963,490	1,902,452
Trade and other receivables	1,669,545	1,613,536
Other financial assets	164,727	185,658
Inventories	251,677	300,112
Other current assets	281,535	303,852
Total current assets	4,330,974	4,305,610
Non-current assets		
Property, plant and equipment	3,586,327	3,636,084
Goodwill	1,539,607	1,530,965
Intangible assets	6,177,701	6,032,465
Investments accounted for using the equity method	304,318	257,386
Other financial assets	401,693	420,500
Deferred tax assets	182,246	159,701
Other non-current assets	167,261	170,418
Total non-current assets	12,359,153	12,207,519
Total assets	16,690,127	16,513,129

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 2. Significant accounting policies.”

	As of March 31, 2014*	(Millions of yen) As of June 30, 2014
Liabilities and equity		
Current liabilities		
Interest-bearing debt	1,147,899	1,365,890
Trade and other payables	1,705,956	1,543,077
Other financial liabilities	5,847	4,761
Income taxes payables	246,013	98,797
Provisions	93,115	75,021
Other current liabilities	568,366	504,115
Total current liabilities	3,767,196	3,591,661
Non-current liabilities		
Interest-bearing debt	8,022,154	8,020,644
Other financial liabilities	41,151	43,487
Defined benefit liabilities	77,041	75,440
Provisions	136,920	133,321
Deferred tax liabilities	1,533,021	1,502,107
Other non-current liabilities	282,262	281,671
Total non-current liabilities	10,092,549	10,056,670
Total liabilities	13,859,745	13,648,331
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	405,045	404,884
Retained earnings	1,168,266	1,221,739
Treasury stock	(51,492)	(51,260)
Accumulated other comprehensive income	169,850	136,298
Total equity attributable to owners of the parent	1,930,441	1,950,433
Non-controlling interests	899,941	914,365
Total equity	2,830,382	2,864,798
Total liabilities and equity	16,690,127	16,513,129

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 2. Significant accounting policies."

(2) Condensed Interim Consolidated Statements of Income and Other Comprehensive Income
Condensed Interim Consolidated Statements of Income

	(Millions of yen)	
	Three-month period ended June 30, 2013*	Three-month period ended June 30, 2014
Net sales	881,069	1,992,216
Cost of sales	(407,195)	(1,148,502)
Gross profit	473,874	843,714
Selling, general and administrative expenses	(222,901)	(506,657)
Gain from remeasurement relating to business combination	150,120	-
Other operating income (loss)	(972)	575
Operating income	400,121	337,632
Finance cost	(27,383)	(84,987)
Equity in loss of associates	(1,083)	(63,425)
Other non-operating income (loss)	(11,543)	10,251
Income before income tax	360,112	199,471
Income taxes	(90,460)	(88,163)
Net income	269,652	111,308
Net income attributable to		
Owners of the parent	244,377	77,574
Non-controlling interests	25,275	33,734
	269,652	111,308
Earnings per share attributable to owners of the parent		
Basic (yen)	205.09	65.27
Diluted (yen)	204.80	65.14

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 2. Significant accounting policies."

Condensed Interim Consolidated Statements of Comprehensive Income

	Three-month period ended June 30, 2013*	(Millions of yen) Three-month period ended June 30, 2014
Net income	269,652	111,308
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(6)	(244)
Total items that will not be reclassified to profit or loss	(6)	(244)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	22,912	(2,091)
Cash flow hedges	24,895	3,788
Exchange differences on translating foreign operations	22,996	(39,511)
Share of other comprehensive income of associates	5,615	(5,361)
Total items that may be reclassified subsequently to profit or loss	76,418	(43,175)
Total other comprehensive income (loss), net of tax	76,412	(43,419)
Total comprehensive income	346,064	67,889
Total comprehensive income attributable to		
Owners of the parent	321,625	43,778
Non-controlling interests	24,439	24,111
	346,064	67,889

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 2. Significant accounting policies.”

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the three-month period ended June 30, 2013*

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
As of April 1, 2013	238,772	436,704	712,088	(22,834)	248,026	1,612,756	317,684	1,930,440
Effect of retrospective adjustments	-	-	(18,315)	-	-	(18,315)	(654)	(18,969)
As of April 1, 2013 (after adjustments)	238,772	436,704	693,773	(22,834)	248,026	1,594,441	317,030	1,911,471
Comprehensive income								
Net income	-	-	244,377	-	-	244,377	25,275	269,652
Other comprehensive income	-	-	-	-	77,248	77,248	(836)	76,412
Total comprehensive income	-	-	244,377	-	77,248	321,625	24,439	346,064
Transactions with owners and other transactions								
Cash dividends	-	-	(23,830)	-	-	(23,830)	(13,556)	(37,386)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(6)	-	6	-	-	-
Purchase and disposal of treasury stock	-	17	-	224	-	241	-	241
Changes from business combination	-	-	-	-	-	-	48,866	48,866
Changes in interests in subsidiaries	-	(73)	-	-	-	(73)	(207)	(280)
Share-based payment transactions	-	123	-	-	-	123	-	123
Other	-	-	-	-	-	-	88	88
Total transactions with owners and other transactions	-	67	(23,836)	224	6	(23,539)	35,191	11,652
As of June 30, 2013	238,772	436,771	914,314	(22,610)	325,280	1,892,527	376,660	2,269,187

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” The details are described in “Note 2. Significant accounting policies.”

For the three-month period ended June 30, 2014

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income			
As of April 1, 2014	238,772	405,111	1,193,366	(51,492)	169,617	1,955,374	903,296	2,858,670
Effect of retrospective adjustments*	-	(66)	(25,100)	-	233	(24,933)	(3,355)	(28,288)
As of April 1, 2014 (after adjustments)	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382
Comprehensive income								
Net income	-	-	77,574	-	-	77,574	33,734	111,308
Other comprehensive loss	-	-	-	-	(33,796)	(33,796)	(9,623)	(43,419)
Total comprehensive income	-	-	77,574	-	(33,796)	43,778	24,111	67,889
Transactions with owners and other transactions								
Cash dividends	-	-	(23,769)	-	-	(23,769)	(16,013)	(39,782)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(244)	-	244	-	-	-
Purchase and disposal of treasury stock	-	-	(88)	232	-	144	-	144
Changes in interests in subsidiaries	-	(159)	-	-	-	(159)	1,926	1,767
Share-based payment transactions	-	(2)	-	-	-	(2)	4,576	4,574
Other	-	-	-	-	-	-	(176)	(176)
Total transactions with owners and other transactions	-	(161)	(24,101)	232	244	(23,786)	(9,687)	(33,473)
As of June 30, 2014	238,772	404,884	1,221,739	(51,260)	136,298	1,950,433	914,365	2,864,798

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 2. Significant accounting policies."

(4) Condensed Interim Consolidated Statements of Cash Flows

	(Millions of yen)	
	Three-month period ended June 30, 2013*	Three-month period ended June 30, 2014
Cash flows from operating activities		
Net income	269,652	111,308
Depreciation and amortization	103,299	255,001
Gain from remeasurement relating to business combination	(150,120)	-
Finance cost	27,383	84,987
Equity in loss of associates	1,083	63,425
Other non-operating loss (income)	11,543	(10,251)
Income taxes	90,460	88,163
Decrease in trade and other receivables	10,196	73,856
Decrease in trade and other payables	(31,475)	(158,677)
Other	(51,959)	(54,137)
Subtotal	280,062	453,675
Interest and dividends received	2,291	1,527
Interest paid	(23,771)	(95,263)
Income taxes paid	(256,339)	(255,155)
Net cash provided by operating activities	2,243	104,784
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(182,252)	(321,263)
Payments for acquisition of investments	(16,800)	(97,574)
Proceeds from sales/redemption of investments	13,780	90,100
Decrease from acquisition of control over subsidiaries	(15,408)	-
Other	(45,382)	(49,000)
Net cash used in investing activities	(246,062)	(377,737)
Cash flows from financing activities		
Increase in short-term interest-bearing debt, net	131,072	16,612
Proceeds from long-term interest-bearing debt	944,051	484,051
Repayment of long-term interest-bearing debt	(180,988)	(231,811)
Payment from purchase of subsidiaries' equity from non-controlling interests	-	(12,191)
Cash dividends paid	(21,862)	(22,917)
Cash dividends paid to non-controlling interests	(13,461)	(16,017)
Other	15,320	1,582
Net cash provided by financing activities	874,132	219,309
Effect of exchange rate changes on cash and cash equivalents	952	(7,394)
Increase (decrease) in cash and cash equivalents	631,265	(61,038)
Cash and cash equivalents at the beginning of the period	1,439,057	1,963,490
Cash and cash equivalents at the end of the period	2,070,322	1,902,452

Note:

Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." The details are described in "Note 2. Significant accounting policies."

(5) Significant Doubt about Going-Concern Assumption

For the three-month period ended June 30, 2014

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements
1. Definition of company name and abbreviation used in the notes

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

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

2. Significant accounting policies

The significant accounting policies applied in these condensed interim consolidated financial statements are consistent with those for the fiscal year ended March 31, 2014, except for the adoption of the following new standards and interpretations. Income taxes for the three-month period ended June 30, 2014 are calculated based on the estimated effective tax rate for the year. Certain defined benefit liabilities as of June 30, 2014 are calculated based on reasonable estimates with the actuarial calculation made as of March 31, 2014.

Adoption of new standards and interpretations

The following standards are applied by the Company during the three-month period ended June 30, 2014.

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. Condensed interim consolidated financial statements for the three-month period ended June 30, 2013 and for the fiscal year ended March 31, 2014 are presented after the retrospective application.

Effects on the condensed interim consolidated financial statements by the above adoption are as follows.

(Condensed Interim Consolidated Statements of Financial Position)

	As of March 31, 2014	(Millions of yen) As of June 30, 2014
Decrease in other current assets	(11,686)	(12,829)
Increase in goodwill	7,302	7,207
Increase in deferred tax assets	9,514	6,411
Increase in total assets	<u>5,130</u>	<u>789</u>
Increase in other current liabilities	<u>33,418</u>	<u>18,736</u>
Increase in total liabilities	<u>33,418</u>	<u>18,736</u>
Decrease in capital surplus	(66)	(65)
Decrease in retained earnings	(25,100)	(16,087)
Increase in accumulated other comprehensive income	233	266
Decrease in non-controlling interests	<u>(3,355)</u>	<u>(2,061)</u>
Decrease in total equity	<u>(28,288)</u>	<u>(17,947)</u>

(Condensed Interim Consolidated Statements of Income)

	Three-month period ended June 30, 2013	(Millions of yen) Three-month period ended June 30, 2014
Decrease in cost of sales	8,597	12,972
Decrease in selling, general and administrative expenses	499	407
Increase in income taxes	<u>(2,630)</u>	<u>(3,103)</u>
Increase in net income	<u>6,466</u>	<u>10,276</u>
Earnings per share attributable to owners of the parent		
Increase in earnings per share-basic (yen)	5.13	7.58
Increase in earnings per share-diluted (yen)	5.12	7.55

(Condensed Interim Consolidated Statements of Comprehensive Income)

	Three-month period ended June 30, 2013	(Millions of yen) Three-month period ended June 30, 2014
Increase in net income	6,466	10,276
Increase in exchange differences on translating foreign operations	-	40
Increase in total comprehensive income	<u>6,466</u>	<u>10,316</u>

(Condensed Interim Consolidated Statements of Cash Flows)

	(Millions of yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Cash flows from operating activities		
Increase in net income	6,466	10,276
Increase in income taxes	2,630	3,103
Decrease in other	(9,096)	(13,379)
Net cash provided by (used in) operating activities	-	-

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

3. Business combinations

For the three-month period ended June 30, 2013

(1) GungHo Online Entertainment, Inc.

a. Overview of consolidation

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

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

(Business Description of GungHo)

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

(Acquisition date)

April 1, 2013

b. Consideration transferred and the components

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

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

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

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

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

Notes:

1. Intangible assets

Game titles of ¥77,796 million are included.

2. Non-controlling interests

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

3. Goodwill

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

d. Decrease from acquisition of control over subsidiaries

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

e. Sales and net income of the acquiree

The amount of the acquiree's sales and net income before elimination of inter-company transactions and after the acquisition date are ¥43,717 million and ¥11,839 million, respectively, which are recorded in the condensed interim consolidated statements of income for the three-month period ended June 30, 2013.

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

For the three-month period ended June 30, 2014

(2) Sprint (adjustment of the provisional amount)

On July 10, 2013, the Company owns 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 during the three-month period ended June 30, 2014. The details of the adjustments from the initial provisional amounts are as follows. Due to the additional analysis performed by Sprint management on the fair value of FCC licenses, intangible assets increased by ¥30,342 million and non-controlling interests increased by ¥29,029 million. As a result, goodwill decreased by ¥14,970 million. Retrospective adjustments are made due to the adoption of IFRIC 21 "Levies" as described in "Note 2. Significant accounting policies."

Fair values 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	<u>1,040,744</u>
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	<u>6,635,406</u>
Total assets	<u>7,676,150</u>
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	<u>1,118,687</u>
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	<u>4,493,152</u>
Total liabilities	<u>5,611,839</u>
Net assets	<u>2,064,311</u>
Non-controlling interests	466,735
Basis adjustment	<u>311,659</u>
Goodwill	<u>279,448</u>

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

4. Segment information

(1) Description of reportable segments

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

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

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

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

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

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

The Sprint segment was newly established from the three-month period ended September 30, 2013, by the consolidation of Sprint in July 2013.

(2) Net sales and income of reportable segments

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

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

Intersegment transactions are conducted under the same general business conditions as applied for external customers.

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

For the three-month period ended June 30, 2013

(Millions of yen)

	Reportable segments						Reconcili- ations ²	Consoli- dated
	Mobile Commu- nications	Sprint	Fixed-line Telecommu- nications	Internet	Total	Other ¹		
Net sales								
Customers	657,227	-	106,874	95,495	859,596	21,473	-	881,069
Intersegment	4,691	-	26,532	703	31,926	9,102	(41,028)	-
Total	<u>661,918</u>	<u>-</u>	<u>133,406</u>	<u>96,198</u>	<u>891,522</u>	<u>30,575</u>	<u>(41,028)</u>	<u>881,069</u>
EBITDA	264,226	-	43,444	49,983	357,653	2,938	(6,319)	354,272
Depreciation and amortization	(83,367)	-	(14,809)	(3,221)	(101,397)	(1,587)	(315)	(103,299)
Segment income	<u>180,859</u>	<u>-</u>	<u>28,635</u>	<u>46,762</u>	<u>256,256</u>	<u>1,351</u>	<u>(6,634)</u>	<u>250,973</u>
Gain from remeasurement relating to business combination								150,120
Other operating loss								(972)
Operating income								400,121
Finance cost								(27,383)
Equity in loss of associates								(1,083)
Other non-operating loss								(11,543)
Income before income tax								<u>360,112</u>

For the three-month period ended June 30, 2014

(Millions of yen)

	Reportable segments						Reconcili- ations ²	Consoli- dated
	Mobile Commu- nications	Sprint	Fixed-line Telecommu- nications	Internet	Total	Other ¹		
Net sales								
Customers	874,374	896,043	106,377	95,880	1,972,674	19,542	-	1,992,216
Intersegment	8,527	1,694	25,459	978	36,658	6,590	(43,248)	-
Total	<u>882,901</u>	<u>897,737</u>	<u>131,836</u>	<u>96,858</u>	<u>2,009,332</u>	<u>26,132</u>	<u>(43,248)</u>	<u>1,992,216</u>
EBITDA	314,490	190,326	40,656	49,026	594,498	3,111	(5,551)	592,058
Depreciation and amortization	(106,600)	(128,621)	(13,939)	(3,543)	(252,703)	(1,933)	(365)	(255,001)
Segment income	<u>207,890</u>	<u>61,705</u>	<u>26,717</u>	<u>45,483</u>	<u>341,795</u>	<u>1,178</u>	<u>(5,916)</u>	<u>337,057</u>
Gain from remeasurement relating to business combination								-
Other operating income								575
Operating income								337,632
Finance cost								(84,987)
Equity in loss of associates								(63,425)
Other non-operating income								10,251
Income before income tax								<u>199,471</u>

Notes:

1. "Other" includes Fukuoka SoftBank HAWKS-related business.
2. "Reconciliations" includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.

5. Property, plant and equipment

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

	As of March 31, 2014	(Millions of yen) As of June 30, 2014
Buildings and structures	258,637	258,294
Telecommunications equipment	2,827,064	2,844,951
Land	92,545	92,263
Construction in progress	266,136	289,249
Other	141,945	151,327
Total	3,586,327	3,636,084

6. Intangible assets

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

	As of March 31, 2014	(Millions of yen) As of June 30, 2014
Intangible assets with indefinite useful lives		
FCC licenses	3,709,526	3,631,653
Trademarks	622,975	613,717
Intangible assets with finite useful lives		
Software	647,386	670,169
Customer relationships	677,494	622,417
Favorable lease contracts	140,217	134,274
Game titles	166,522	151,443
Trademarks	52,475	51,286
Other	161,106	157,506
Total	6,177,701	6,032,465

7. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	As of March 31, 2014	(Millions of yen) As of June 30, 2014
Current		
Short-term borrowings	270,529	314,022
Commercial paper	32,000	32,000
Current portion of long-term borrowings	393,566	394,069
Current portion of corporate bonds	139,300	100,040
Current portion of lease obligations	264,295	280,203
Current portion of preferred securities	-	199,578
Current portion of installment payables	48,209	45,978
Total	1,147,899	1,365,890
Non-current		
Long-term borrowings	2,243,855	2,230,500
Corporate bonds	4,743,073	4,952,454
Lease obligations	730,915	749,406
Preferred securities	199,156	-
Installment payables	105,155	88,284
Total	8,022,154	8,020,644

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

The components of “Increase in short-term interest-bearing debt, net” in the condensed interim consolidated statements of cash flows are as follows:

	Three-month period ended June 30, 2013	(Millions of yen) Three-month period ended June 30, 2014
Net increase of short-term borrowings	76,072	16,612
Net increase of commercial paper	55,000	-
Total	131,072	16,612

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

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

	(Millions of yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Proceeds from long-term borrowings	93,359	80,915
Proceeds from issuance of corporate bonds ^{1,4}	724,382	300,000
Proceeds from sale and leaseback of newly acquired equipment	126,310	103,136
Total	944,051	484,051

Notes:

1. Corporate bonds issued for the three-month period ended June 30, 2013 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
USD-denominated Senior Notes due year 2020	April 23, 2013	\$2,485 million ¥244,176 million ²	4.50% 3.29% ³	April 15, 2020
Euro-denominated Senior Notes due year 2020	April 23, 2013	€625 million ¥80,206 million ²	4.63% 4.05% ³	April 15, 2020
43rd Unsecured Straight Corporate Bond	June 20, 2013	¥400,000 million	1.74%	June 20, 2018

Notes:

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

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

4. Corporate bonds issued for the three-month period ended June 30, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
45th Unsecured Straight Corporate Bond	May 30, 2014	¥300,000 million	1.45%	May 30, 2019

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

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

	(Millions of yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Repayment of long-term borrowings	(87,944)	(81,375)
Redemption of corporate bonds ^{1,2}	(25,000)	(63,423)
Payment of lease obligations	(50,836)	(68,609)
Payment of installment payables	(17,208)	(18,404)
Total	<u>(180,988)</u>	<u>(231,811)</u>

Notes:

1. Corporate bonds redeemed for the three-month period ended June 30, 2013 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
31st Unsecured Straight Corporate Bond	June 2, 2010	¥25,000 million	1.17%	May 31, 2013

Notes:

2. Major corporate bonds redeemed for the three-month period ended June 30, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
26th Unsecured Straight Corporate Bond	June 19, 2007	¥14,900 million	4.36%	June 19, 2014
37th Unsecured Straight Corporate Bond	June 10, 2011	¥30,000 million	0.65%	June 10, 2014
iPCS, Inc. ³				
Second Lien Senior Secured Floating Rate Notes due 2014	April 23, 2007	\$181 million ¥18,513 million	3.49%	May 1, 2014

Notes:

3. iPCS, Inc. is a subsidiary of Sprint.

8. Foreign exchange rate

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

(1) Rate at the end of the period

	As of March 31, 2014	As of June 30, 2014
U.S. dollars	102.92	101.36

(yen)

(2) Average rate for the quarter

	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
U.S. dollars	97.94	102.14

(yen)

9. Equity

Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	As of March 31, 2014	As of June 30, 2014
Available-for-sale financial assets	14,122	14,500
Cash flow hedges	(19,942)	(16,183)
Exchange differences on translating foreign operations	175,670	137,981
Total	169,850	136,298

(Millions of yen)

10. Finance cost

The components of finance cost are as follows:

	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Interest expense	(27,383)	(84,987)

(Millions of yen)

11. Other non-operating income and loss

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

	(Millions of yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Interest income ¹	17,336	989
Derivative loss ^{1,2}	(29,439)	(1,542)
Gain from remeasurement relating to applying equity method ³	-	6,249
Other	560	4,555
Total	(11,543)	10,251

Notes:

1. Stock acquisition rights in the convertible bonds issued by Sprint Nextel Corporation and undertaken by Starburst II on October 22, 2012, were reported at fair value as a derivative, being bifurcated from the host contracts as they are classified as embedded derivatives and were recorded in "Other financial assets" in the consolidated statements of financial position. As the Company exercised the relevant stock acquisition right and the Company derecognized the derivatives, a derivative loss of ¥16,356 million was recorded during the three-month period ended June 30, 2013.

With regard to the host contract (the bonds), the amount of payment less the fair value of the embedded derivative at inception of the bond was recorded in the consolidated statement of financial position at inception. This deduction amount is accreted using the effective interest method with corresponding adjustments to interest income. Initially, the expected remaining accretion period for the bond discount was seven years based on the contract term of the bond. However, based on the approval for the acquisition at the shareholders' meeting of Sprint on June 25, 2013, the Company changed the estimate of the expected remaining term to the completion of the acquisition. During the three-month period ended June 30, 2013, the Company recognized interest income of ¥16,153 million. There was an increase of interest income of ¥15,568 million from the reflection of this change in the expected remaining term of the bond.

2. Of the foreign currency forward contract totaling \$22.0 billion which was related to the acquisition of Sprint, with regard to \$5.0 billion that did not meet the criteria for hedge accounting, a derivative loss of ¥16,950 million was recorded for the three-month period ended June 30, 2013. Hedge accounting was applied to \$17.0 billion as a cash flow hedge. Fair value of ¥311,659 million of hedge instruments on the acquisition date was deducted from the initial amount of goodwill which was recognized upon the acquisition.

3. 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.

12. Supplemental information to the condensed interim consolidated statements of cash flows

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

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

(2) Presentation of cash flow regarding finance leases

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

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