

SOFTBANK CORP.
CONSOLIDATED Financial Report
For six months ended September 30, 1999 and 1998

FINANCIAL HIGHLIGHTS

(1) FINANCIAL PERFORMANCE RESULTS

(UNIT : YEN : millions, rounded down)

	1999/9/30	1998/9/30
Net Sales	201,579	246,187
Operating Income	3,685	6,255
Ordinary Income (Loss)	(11,298)	(2,359)
Net Income	(3,517)	3,288

Earnings per Share	¥-32.93	¥32.16
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(2) FINANCIAL CONDITION

(UNIT : YEN : millions, rounded down)

	1999/9/30	1998/9/30
Total Assets	1,065,342	1,187,242
Total Shareholders' Equity	330,762	232,008

	1999/9/30	1998/9/30
Equity/Assets	31.0%	19.5%
Total Shareholders' Equity per Share	¥3,035.43	¥2,268.01

CONSOLIDATED BALANCE SHEETS

*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	As of September 30, 1999	As of September 30, 1998	As of September 30, 1999
ASSETS			
Current Assets:			
Cash and cash equivalents	174,188	49,834	1,628,686
Notes and accounts receivable	102,449	116,625	957,915
Marketable securities	65,635	27,121	613,698
Inventories	18,499	28,250	172,969
Deferred tax assets	7,375	-	68,957
Other current assets	69,691	46,442	651,622
Allowance for bad debts(short-term)	(7,276)	(2,395)	(68,032)
Total current assets	430,562	265,879	4,025,825
Fixed Assets:			
Property, plant and equipment(net)	16,166	15,631	151,155
Intangible fixed assets:			
Goodwill	169,365	199,648	1,583,590
Consolidation adjustment	-	189	-
Other intangible assets	196,027	396,420	1,832,885
	365,393	596,259	3,416,484
Investments and Advances:			
Investments in securities	203,145	158,606	1,899,439
Long-term loans	4,978	135,816	46,545
Deferred tax assets	27,719	874	259,177
Other investments	17,770	13,880	166,152
Allowance for bad debts(long-term)	(1,097)	(2,292)	(10,257)
	252,517	306,885	2,361,075
Deferred charges:			
Stock issuance costs	-	54	-
Bond issuance costs	398	2,533	3,721
Other deferred charges	303	-	2,833
	702	2,587	6,564
Consolidation adjustment	-	-	-
TOTAL ASSETS	1,065,342	1,187,242	9,961,122

Note 1: Yen figures have been translated into U.S. dollars, for convenience only at ¥106.95 = \$1.00, the approximate exchange rate prevailing on September 30, 1999.

CONSOLIDATED BALANCE SHEETS

Accounts	Millions of yen, rounded down		*Note 1 Thousands of U.S. dollars
	As of	As of	As of
	September 30, 1999	September 30, 1998	September 30, 1999
LIABILITIES			
Current Liabilities:			
Accounts payable - trade	39,289	45,459	367,359
Short-term loan payable	50,268	30,540	470,014
Straight bonds payable within a year	15,900	19,600	148,668
Convertible bonds payable within a year	33	-	
Income taxes payable	14,825	9,309	138,616
Accrued expenses	23,466	20,299	219,411
Deferred tax liabilities	11,836		110,669
Allowance for sales return and rebates	6,557	13,044	61,309
Other current liabilities	51,065	39,454	477,466
Total current liabilities	213,242	177,707	1,993,848
Long-term Debt:			
Bonds payable	199,984	168,415	1,869,883
Convertible bonds payable	17,464	53,281	163,291
Long-term notes payable	158,048	390,706	1,477,775
Long-term deferred tax liabilities	23,751	19,207	222,076
Consolidation adjustment	291	-	2,721
Other non-current liabilities	27,146	25,777	253,820
	426,686	657,387	3,989,584
Cumulative translation adjustments	7,503	49,810	70,154
TOTAL LIABILITIES	647,432	884,906	6,053,595
MINORITY INTEREST	87,146	70,328	814,829
SHAREHOLDERS' EQUITY			
Shareholders' Equity:			
Common stock	120,216	102,083	1,124,039
Additional paid-in capital	144,386	122,421	1,350,033
Retained earnings	46,887	10,185	438,401
Unrealized loss on marketable equity securities	19,427	(1,513)	181,646
Treasury Stock	(154)	(1,167)	(1,440)
TOTAL SHAREHOLDERS' EQUITY	330,762	232,008	3,092,679
TOTAL LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY	1,065,342	1,187,242	9,961,122

Note 1: Yen figures have been translated into U.S. dollars, for convenience only at ¥106.95 = \$1.00, the approximate exchange rate prevailing on September 30, 1999.

SOFTBANK CORP. and Subsidiaries

Consolidated Statements of Income

*Note 1

Accounts	Millions of yen, rounded down		Thousands of U.S. dollars
	For six months ended September 30, 1999	For six months ended September 30, 1998	For six months ended September 30, 1998
Net Sales	201,579	246,187	1,884,797
Cost of Sales	130,863	164,353	1,223,590
Gross Profit	70,715	81,834	661,197
Selling, General and Administrative Expenses	67,029	75,578	626,732
Operating Income	3,685	6,255	34,455
Non-Operating Income:	6,105	16,005	57,083
Non-Operating Expenses:	21,089	24,620	197,186
Ordinary Income	(11,298)	(2,359)	(105,638)
Extraordinary Income	90,793	14,133	848,929
Extraordinary Loss	86,732	4,761	810,958
Income Before Income Taxes	(7,237)	7,011	(67,667)
Provision for Income Taxes	13,370	5,179	125,012
Cumulative effect of an accounting change	(14,686)	-	-
Minority Interest	(2,404)	(1,456)	(22,478)
Net Income	(3,517)	3,288	(32,885)
Retained Earnings :			
Beginning Balance (as of 3/31/99)	52,556	23,266	491,407
Increase of retained earnings due to changes in the companies accounted for on a consolidated basis.	5	1,104	47
Cash Dividends	(2,095)	(4,088)	(19,589)
Directors' Bonus	(61)	(53)	(570)
Cumulative effect of accounting for the purchase of MAC assets by the pooling of interests method.	-	(13,332)	-
Ending Balance (as of 9/30/99)	46,887	10,185	438,401

Note 1: Yen figures have been translated into U.S. dollars, for convenience only at ¥106.95 = \$1.00, the approximate exchange rate prevailing on September 30, 1999.

Segment Information

A. Business Segment

(Unit: YEN : millions, rounded down)

		For six months ended September 30, 1999								
		Software and Network	Finance	Media	Technology Events	Internet	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income :									
	Net Sales									
	(1)Net Sales to outside customers	115,193	6,900	47,180	12,480	8,042	11,782	201,579	-	201,579
	(2) Inter-Segment net sales	1,770	877	65	25	316	1,113	4,168	(4,168)	-
	Total	116,964	7,777	47,245	12,505	8,358	12,896	205,748	(4,168)	201,579
	Operating Expense	113,762	2,916	50,166	11,941	7,680	12,806	199,274	(1,381)	197,893
	Operating Income	3,201	4,860	(2,921)	564	677	90	6,473	(2,787)	3,685
2	Assets, Depreciation and Capital Expenditures :									
	Assets	141,911	96,060	276,537	145,304	157,962	93,200	910,978	154,364	1,065,342
	Depreciation	567	88	6,968	2,246	645	1,274	11,790	7	11,797
	Capital Expenditures	544	638	2,852	71	590	771	5,469	31	5,500

(Unit: YEN : millions, rounded down)

		For six months ended September 30, 1998							
		Software and Network	Media	Technology Events	Services	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income :								
	Net Sales								
	(1)Net Sales to outside customers	99,862	64,017	14,181	64,492	3,633	246,187	-	246,187
	(2) Inter-Segment net sales	19	19	2	2,929	208	3,180	(3,180)	-
	Total	99,882	64,036	14,184	67,422	3,841	249,368	(3,180)	246,187
	Operating Expense	96,901	63,644	13,744	65,661	3,162	243,113	(3,181)	239,931
	Operating Income	2,981	392	440	1,761	679	6,255	0	6,255
2	Assets, Depreciation and Capital Expenditures :								
	Assets	122,534	371,783	158,441	297,370	202,225	1,152,355	34,886	1,187,241
	Depreciation	690	7,606	2,569	4,631	966	16,463	74	16,537
	Capital Expenditures	458	843	548	1,172	94	3,116	43	3,160

Note 1:

1 : The classification of business segments to be adopted is based on the one which has been used for management purposes.

2 : The Company operates principally in the following business segments:

- 1) Software and network
Distribution of PC software, PC hardware and network related products and Internet-related business.
- 2) Finance
Operate an online brokerage and other financial services as well as manage various venture funds.
- 3) Media
Publishing of PC-related books and magazines, game multimedia titles, Magazines used as medium for advertising business, Manuals and catalogues produced on consignment, and Digital satellite broadcasting business.
- 4) Technology Events
Computer trade show operations.
- 5) Internet
Investment in internet-related business, Internet directory services.
- 5) Other
E-commerce related technology and service related businesses.

Note 2:

The amounts of operating expenses included in the column "Elimination or Unallocable Amounts" is 3,282 million yen, which primarily consists of Sales, General & Administrative expenses incurred by newly established ventures.

Note 3:

The amounts of assets included in the column "Elimination or Unallocable Amounts" is 163,670 million yen, which includes surplus assets (cash and securities), long-term investment in securities and assets by newly established ventures.

Note 4:

Depreciation and capital expenditure include long-term prepayments and deferred charges and their amortization.

Note 5:

Following the sale of Kingston Technology Company and pursuant to consolidated financial accounting standard 39-3, the technology segment will be included in the other segment due to the decline in the importance of the business segment.

B. Geographic Areas

(Unit: YEN : millions, rounded down)

		For six months ended September 30, 1999					
		Japan	North America	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income (Loss) :						
	Net Sales						
	(1)Net Sales to outside customers	132,781	52,670	16,127	201,579	-	201,579
	(2) Inter-Segment net sales	13	139	-	153	(153)	-
	Total	132,795	52,809	16,127	201,732	(153)	201,579
	Operating Expense	122,224	57,116	16,270	195,611	2,281	197,893
	Operating Income	10,570	(4,306)	(142)	6,120	(2,434)	3,685
2	Assets	181,222	652,083	68,470	901,777	163,565	1,065,342

(Unit: YEN : millions, rounded down)

		For six months ended September 30, 1998						
		Japan	North America	Europe	Other	Total	Elimination or Unallocable Amounts	Consolidated Total
1	Net Sales and Operating Income (Loss) :							
	Net Sales							
	(1)Net Sales to outside customers	103,049	112,018	18,372	12,747	246,187	-	246,187
	(2) Inter-Segment net sales	29	1,494	-	-	1,523	(1,523)	-
	Total	103,079	113,513	18,372	12,747	247,711	(1,523)	246,187
	Operating Expense	98,364	113,888	20,248	10,272	242,773	(2,842)	239,931
	Operating Income	4,715	(375)	(1,876)	2,475	4,937	1,319	6,255
2	Assets	275,966	856,958	22,618	38,804	1,194,347	(7,105)	1,187,242

Note 1

Geographic classifications

1: Methodology for classification

2: Geographic areas

Degree of relative distance to geographic areas

North America: United States, Canada

Other: England, Germany, France, China, Hong Kong, Singapore

(Note: Comparative period was comprised mainly of England, Germany and France.)

Note 2:

The amounts of operating expenses included in the column "Elimination or Unallocable Amounts" is 3,282 million yen, which primarily consists of Sales, General & Administrative expenses incurred by newly established ventures.

Note 3:

The amounts of assets included in the column "Elimination or Unallocable Amounts" is 163,670 million yen, which includes surplus assets (cash and securities), long-term investment in securities and assets by newly established ventures.

C. Net Sales in Overseas Countries

(Unit: YEN : millions, rounded down)

	For six months ended September 30, 1999			For six months ended September 30, 1998			
	North America	Other	Total	North America	Europe	Other	Total
Net Sales in overseas countries (A)	52,414	16,604	69,018	108,038	21,778	17,389	147,207
Consolidated Net Sales (B)	-	-	201,579	-	-	-	246,187
Ratio (A) / (B)	26%	8%	34%	44%	9%	7%	60%

Note 1

Geographic classifications

1: Methodology for classification

2: Geographic areas

Degree of relative distance to geographic areas

North America: United States, Canada

Other: England, Germany, France, China, Hong Kong, Singapore

(Note: Comparative period was comprised mainly of England, Germany and France.)