

**SOFTBANK CORP.**  
**CONSOLIDATED FINANCIAL REPORT**  
**For the nine-month period ended December 31, 2007**

Tokyo, February 7, 2008

**FINANCIAL HIGHLIGHTS**

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

**1. Results of Operations**

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Nine-month period ended December 31, 2007</b>	<b>¥2,058,765</b>	<b>13.0</b>	<b>¥260,188</b>	<b>31.9</b>	<b>¥231,998</b>	<b>107.9</b>	<b>¥93,196</b>	<b>324.9</b>
Nine-month period ended December 31, 2006	¥1,822,369	124.9	¥197,285	606.8	¥111,615	-	¥21,933	23.1
Fiscal year ended March 31, 2007	¥2,544,219	-	¥271,065	-	¥153,423	-	¥28,815	-

	Net income per share - basic (yen)	Net income per share - diluted (yen)
<b>Nine-month period ended December 31, 2007</b>	<b>¥87.57</b>	<b>¥82.34</b>
Nine-month period ended December 31, 2006	¥20.79	¥20.25
Fiscal year ended March 31, 2007	¥27.31	¥26.62

**2. Financial Condition**

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

	Total assets	Total equity	Equity ratio (%)	Shareholders' equity per share (yen)
<b>As of December 31, 2007</b>	<b>¥4,485,056</b>	<b>¥843,669</b>	<b>8.7</b>	<b>¥360.59</b>
As of December 31, 2006	¥4,191,853	¥695,897	6.4	¥253.74
As of March 31, 2007	¥4,310,852	¥716,237	6.6	¥268.02

**3. Cash Flows**

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

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the periods
<b>Nine-month period ended December 31, 2007</b>	<b>¥57,256</b>	<b>¥(273,635)</b>	<b>¥301,215</b>	<b>¥460,278</b>
Nine-month period ended December 31, 2006	¥258,332	¥(2,028,660)	¥1,722,831	¥393,423
Fiscal year ended March 31, 2007	¥311,201	¥(2,097,937)	¥1,718,384	¥377,520

#### 4. Earnings Forecast for the Fiscal Year Ending in March 2008 (April 1, 2007 - March 31, 2008)

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

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Fiscal year ending March 31, 2008	¥-	¥-	¥-	¥-	¥-

Due to the introduction of unprecedented new sales and pricing methods in our main telecommunications business, especially in the Mobile Communications business, forecasting the consolidated business results for the fiscal year ending March 2008 is difficult. A forecast of the consolidated business results will therefore be announced as soon as a logical estimate can be made.

#### 5. Others

Significant Changes in Scope of Consolidation: None

Accounting Policies

- (1) Apply simplification of accounting methods: None
- (2) Changes in accounting methods from the latest fiscal year: None

**1. Qualitative Information Relating to the Consolidated Results of Operations**

<<Summary of the Consolidated Results of Operations>>		
<b>Net sales</b>	<b>¥2,058,765 million</b>	<b>(13.0 % increase year-on-year)</b>
<b>Operating income</b>	<b>¥260,188 million</b>	<b>(31.9 % increase year-on-year)</b>
<b>Ordinary income</b>	<b>¥231,998 million</b>	<b>(107.9 % increase year-on-year)</b>
<b>Nine-month net income</b>	<b>¥93,196 million</b>	<b>(324.9 % increase year-on-year)</b>

**[Overview of results for the nine-month period ended December 31, 2007]**

The SOFTBANK Group (hereinafter ‘the Group’), following its full-fledged entry into the mobile communications market, has put efforts into its four commitments—3G network enhancement, 3G handset lineup enrichment, mobile content enhancement, and enhancement of sales structure & branding—and worked to achieve its targets of increasing subscriber numbers, expanding market share, and further establishing the SoftBank brand. As a result, SOFTBANK MOBILE Corp. (hereinafter ‘SOFTBANK MOBILE’) has achieved the highest monthly net additions in subscribers (new subscribers minus cancellations) in the industry for eight consecutive months since May 2007. Moreover, under the Mobile Number Portability system, which was introduced in October 2006, the number of people switching from other mobile phone carriers to SOFTBANK MOBILE has exceeded the number switching from SOFTBANK MOBILE to other carriers for nine consecutive months since April 2007.

Supported by the strong performance of the Mobile Communications business, in the nine-month period ended December 31, 2007 (hereinafter ‘this period’) net sales surpassed the ¥2 trillion level, reaching ¥2,058,765 million. In addition, ¥260,188 million in operating income, ¥231,998 million in ordinary income, and ¥93,196 million in net income were recorded, each surpassing the results for the corresponding nine-month period in the previous fiscal year (the nine-month period ended December 31, 2006; hereinafter ‘year-on-year’).

SOFTBANK MOBILE was included in the scope of consolidation from the end of April 2006. Accordingly, the results for the same period of the previous fiscal year include eight months of SOFTBANK MOBILE’s results.

1. Net sales

In this period, net sales increased by ¥236,396 million, or 13.0 % year-on-year, to ¥2,058,765 million. This increase was primarily due to greater sales of handsets accompanying the steady increase of mobile phone subscribers, and the reflection of nine months of results from the Mobile Communications segment from this period. The Mobile Communications segment recorded net sales of ¥1,220,591 million, an increase of 20.3 % year-on-year.

2. Operating income

In this period, operating income increased by ¥62,903 million, or 31.9 % year-on-year, to ¥260,188 million. The Mobile Communications segment recorded operating income of ¥147,980 million, or a 30.3 % year-on-year increase.

Cost of sales in this period increased by ¥80,612 million year-on-year, to ¥1,086,108 million. Selling, general and administrative expenses rose by ¥92,880 million year-on-year, to ¥712,467 million. These increases were primarily due to the strong performance of the Mobile Communications segment and the reflection of nine months of results from this segment from this period.

### 3. Non-operating income

Non-operating income in this period increased by ¥56,720 million year-on-year, to ¥71,417 million. This was principally the result of a recording of ¥61,570 million in equity in earnings of affiliated companies.

Alibaba.com Limited (hereinafter 'Alibaba.com'), a subsidiary of SOFTBANK CORP's (hereinafter 'the Company') equity-method affiliate Alibaba Group Holding Limited (hereinafter 'Alibaba Group'), was newly listed on the Main Board of the Stock Exchange of Hong Kong Limited on November 6, 2007. Alibaba Group recorded gain on sale of shares in a subsidiary and dilution gain from changes in equity interest due to the issue of new shares accompanying the listing, and also from the sale of shares held in Alibaba.com. The Group's share of these gains totaled ¥57,223 million, which was recorded as equity in earnings of affiliate companies.

### 4. Non-operating expenses

Non-operating expenses were ¥99,607 million in this period, a decrease of ¥759 million year-on-year. This was mainly due to an increase of ¥30,033 million in interest expenses year-on-year, however financing-related expenses totaling ¥28,396 million that were recorded in the third quarter of the previous fiscal year did not occur this period.

### 5. Special income

Special income in this period totaled ¥31,870 million. Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net of ¥17,341 million and gain on sale of investment securities of ¥5,925 million were recorded. Accompanying the listing of consolidated subsidiaries ITmedia Inc. and Carview Corporation, ¥3,123 million was recorded as dilution gain from changes in equity interest.

### 6. Special loss

Special losses in this period totaled ¥46,603 million, including loss on unused telecommunications supplies of ¥12,006 million, valuation loss on investment securities of ¥11,760 million, loss on disposal of fixed assets of ¥9,493 million, and impairment loss of ¥8,818 million.

As SOFTBANK TELECOM Corp.'s (hereinafter 'SOFTBANK TELECOM') direct connection fixed-line voice service, *Otoku Line*, has seen increasing demand for its digital lines for corporate customers, in this period SOFTBANK TELECOM recorded loss on unused telecommunications supplies, loss on disposal of fixed assets and impairment loss on leased assets for part of its analogue telecommunications equipment. The special losses accompanying this totaled ¥26,250 million.

### 7. Income taxes

Current income taxes totaled ¥30,266 million and deferred income taxes amounted to ¥63,875 million.

Current income taxes, primarily for Yahoo Japan Corporation and other subsidiaries, totaled ¥38,311 million, while income tax payable for SOFTBANK Holdings Inc. was reversed as it became unnecessary to recognize; as a result, current income taxes were credited by ¥8,044 million.

Results by business segment are as follows:

**[Mobile Communications]**

<<Summary of Segment Results>>	
<b>Net sales</b>	<b>¥1,220,591million (a 20.3% increase year-on-year)</b>
<b>Operating income</b>	<b>¥147,980 million (a 30.3% increase year-on-year)</b>
<b>No. 1 in net subscriber additions for eight consecutive months</b>	
<b>Churn rate was 1.21%, upgrade rate was 2.00%, total ARPU amounted to ¥4,520/month for the third quarter</b>	

<Analysis of This Period Results>

Net sales increased by ¥205,803 million, or 20.3% year-on-year, to ¥1,220,591 million. Operating income increased by ¥34,439 million year-on-year, or 30.3%, to ¥147,980 million. This increase was primarily due to the reflection of nine months of results from SOFTBANK MOBILE from this period and to a substantial increase in sales of mobile handsets accompanying the steady increase in mobile phone subscribers and handset upgrades.

<Results for the Third Quarter>

(Millions of yen)

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	<b>Q3</b>
Sales	232,467	351,991	430,328	427,252	391,668	422,841	<b>406,081</b>
Operating income	27,293	29,341	56,906	42,202	43,528	50,691	<b>53,760</b>

<Number of Subscribers>

As of the end of this period, the number of SOFTBANK MOBILE subscribers had reached 17,613,500<sup>\*1</sup>, an increase of 2.117 million subscribers year-on-year. Since May 2007, SOFTBANK MOBILE has achieved the highest monthly net additions in subscribers (new subscribers minus cancellations) in the industry for eight consecutive months. Moreover, the number of 3G subscribers reached 12,281,500 as a result, the ratio of 3G subscribers to total number of subscribers increased to 69.7%.

To further promote the migration to 3G, SOFTBANK MOBILE will stop accepting new contract applications for its 2G service, including its prepaid service as of March 31, 2008.

(Thousands of lines)

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	<b>Q3</b>
Net additions	30.3	66.8	189.5	412.0	530.8	612.0	<b>561.0</b>
Total	15,240.2	15,307.0	15,496.5	15,908.5	16,440.5	17,052.5	<b>17,613.5</b>

\*1. The total number of subscribers for SOFTBANK MOBILE includes communication module service subscribers from this fiscal year. The number of communication module service subscribers at the end of this period was 1,600.

<Churn Rate and Upgrade Rate>

The churn rate for the third quarter was 1.21%, while the churn rate for 3G subscribers was 0.88%. As a result of the release of appealing handsets and the enhancement of services, as well as the effect of installment sales for handsets, the churn rate for 3G subscribers marked a drop below 1 percent.

The upgrade rate for the third quarter was 2.00%, a decrease of 1.02 percentage points compared to the third quarter of the previous fiscal year when the upgrade rate increased temporarily due to the enhancement of the 3G handset lineup in response to the Mobile Number Portability launched in October 2006.

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Churn rate	1.50	1.27	1.60	1.63	1.46	1.42	<b>1.21</b>
(3G only)	1.73	1.50	1.66	1.37	1.07	1.05	<b>0.88</b>
Upgrade rate	1.99	2.53	3.02	2.89	2.25	2.67	<b>2.00</b>

<ARPU and Average Acquisition Commission per User>

Total ARPU\*<sup>2</sup> for the third quarter was ¥4,520 per month. ARPU decreased by ¥1,040 compared to the third quarter of the previous fiscal year. This was due to the effect of the steady growth in the number of subscribers to *White Plan*, which has a basic monthly charge of ¥980 (including tax) and exceeded 10 million subscribers during December 2007, as well as to the special discount for subscribers to *New Super Bonus* plan. However, data ARPU increased by ¥160 compared to the third quarter of the previous fiscal year, to ¥1,490, and constituted 33.0% of total ARPU.

Average acquisition commission per user for the third quarter was ¥33,900.

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total	5,590	5,700	5,560	5,210	5,000	4,800	<b>4,520</b>
(Voice)	4,230	4,320	4,230	3,830	3,590	3,340	<b>3,040</b>
(Data)	1,350	1,380	1,330	1,380	1,410	1,470	<b>1,490</b>

\*2. Average Revenue Per User

**<<Summary of Efforts Made Concerning Key Challenges>>**

**10 new handsets in 49 colors announced for winter 2007 sales period**

**Search result display function on *Yahoo! Keitai* significantly enhanced**

***White Plan* applications exceeded 10 million**

<Handset Lineup for Winter 2007 Sales Period>

Ten new handsets in 49 colors, revolving around the keyword *PREMIUM*, were announced in October as the lineup for winter 2007 sales period, and were launched successively from mid-November. The lineup offers premium design with functionality, and includes an ultra-thin One Seg compatible handset with exceptional design and texture using high quality stainless-steel, an AQUOS Mobile Phone equipped with a 3.2-inch full wide VGA LCD, and the 'CHAR AZNABLE'S CUSTOM Mobile' featuring the popular animated character, 'CHAR AZNABLE' of 'Mobile Suit Gundam' in its design.

Further, the lineup for spring 2008 sales period was announced on January 28, and will be launched successively from February. The lineup consists out of 15 handsets, each full of individuality, will include 'Internet Machine,' with full keyboard; 'Waterproof Keitai' for wet hands; and 'Stock trading Keitai' which is equipped with a '*Stock trading Key*'.

<Enhanced Search Display Function for Mobile Version of *Yahoo! Search*>

In October 2007, SOFTBANK MOBILE drastically enhanced the functionality of the mobile version of *Yahoo! Search*, the search service of *Yahoo! Keitai* which is the portal for SOFTBANK MOBILE handsets. In addition to major design changes in the search result display, this function enhancement allows customers to find what they need most in the search results by predicting their needs and showing these results at the top of the page, enabling richer search results faster and easier.

<White Plan Subscribers Exceed 10 Million>

There has been steady growth in the number of applications for *White Plan*, which exceeded 10 million subscribers on December 22, 2007. The plan allows users to make free domestic on-net voice calls between 1:00am and 9:00pm with a basic monthly charge of ¥980 (including tax)<sup>\*3</sup> and to make calls outside of this time range or to other operators' users with a flat fee of ¥21 (including tax) per 30 seconds. The number of *White Plan* applications exceeded 10 million in approximately 11 months since its introduction in January 2007. At the same time, the number of applications to *Double White* discount service reached 3.23 million. This discount service, available to *White Plan* subscribers, halves the ¥21 flat fee to ¥10.5 (including tax) per 30 seconds for an additional basic monthly charge of ¥980 (including tax).

Further, SOFTBANK MOBILE has introduced *White Plan Student Discount*, a new discount service for students, which offers free basic monthly charge for three years upon subscription. This service will be offered from February 1 till May 31, 2008

\*3. Charges for Video Call, 64K digital data communication and International service will be applied separately.

**[Broadband Infrastructure]**

<<Summary of Segment Results>>	
<b>Net sales</b>	<b>¥194,160 million (1.1% decrease year-on-year)</b>
<b>Operating income</b>	<b>¥30,295 million (56.0% increase year-on-year)</b>
<b>Total installed lines for <i>Yahoo! BB ADSL</i>, 4,943,000 (at the end of December 2007)</b>	

## &lt;Analysis of This Period Results&gt;

Net sales decreased by ¥2,157 million, or 1.1%, year-on-year, to ¥194,160 million. Operating income increased by ¥10,879 million, or 56.0%, to ¥30,295 million.

## &lt;Results for the Third Quarter&gt;

	( Millions of yen )						
	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	63,322	65,728	67,266	67,910	65,747	64,072	<b>64,340</b>
Operating income	5,479	6,189	7,747	7,393	8,665	10,320	<b>11,309</b>

## &lt;Operating Conditions&gt;

The number of installed lines of *Yahoo! BB ADSL*, the comprehensive broadband service provided by SOFTBANK BB Corp. (hereinafter 'SOFTBANK BB'), was 4,943,000 lines at the end of this period. On a customer payment basis, ARPU for the third quarter reached ¥4,316. In ADSL operations, measures to improve management efficiency resulted in increased operating income. Moreover, the ratio of subscribers to faster services, such as *Yahoo! BB 50M*, and high-value-added services, such as *Wireless LAN Pack*, increased steadily, reaching 30.0% for faster services, including *Yahoo! BB 50M*, and 30.1 % for *Wireless LAN Pack*.

## &lt;Optic-fiber Business&gt;

Currently, in the case where the Group installs optic-fibers to users' homes, regardless of whether the number of users is small or large, the Group needs to lease a cable of optic-fiber bundling 8 subscription lines from NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION and NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (hereinafter 'NTT East and West'). Based on these conditions a fair competitive environment is not yet available. When leasing an optic-fiber per subscriber (an unbundled line) becomes available, as with the ADSL service, it will be possible to provide service at a lower price to users. Therefore, the Group will continue verification tests and other efforts with other operators and negotiate with NTT East and West and the Ministry of Internal Affairs and Communications. In addition to these efforts, in certain parts of the Tokyo metropolitan area, Kanagawa, Aichi and Miyagi Prefectures, the Group is continuously implementing its *Yahoo! BB hikari Installation Free* service. The service does not require installation work at users' home as it utilizes optic-fibers and the existing telephone lines for transmission.



**[Fixed-line Telecommunications]**

<<Summary of Segment Results >>	
<b>Net sales</b>	<b>¥271,452 million (1.5 % decrease year-on-year)</b>
<b>Operating income</b>	<b>¥1,724 million</b>
<b>Total installed lines for the <i>Otoku Line</i> service, 1,351,000 (at the end of December 2007)</b>	

## &lt; Analysis of This Period Results &gt;

Net sales decreased by ¥4,210 million, or 1.5% year-on-year, to ¥271,452 million. Operating income amounted to ¥1,724 million in this period, whereas an operating loss of ¥2,308 million was recorded in the same period of the previous fiscal year.

## &lt; Results for the Third Quarter &gt;

	( Millions of yen )						
	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	88,673	93,276	93,712	98,466	90,486	90,986	<b>89,979</b>
Operating income (loss)	1,212	(916)	(2,603)	(656)	(111)	460	<b>1,375</b>

## &lt;Operating Conditions&gt;

SOFTBANK TELECOM is utilizing its core *Otoku Line* direct connection fixed-line voice service to expand its corporate customer base. The number of *Otoku Line* installed lines steadily increased, reaching a total of 1,351,000 at the end of this period, a year-on-year increase of 215,000. Corporate customers constituted 68.1% of the total lines, a year-on-year increase of 12.8 percentage points. SOFTBANK TELECOM will continue to focus its efforts on direct marketing to major corporate clients, for which profitability is higher.

Due to the increasing demand for *Otoku Line* digital lines for corporate customers, SOFTBANK TELECOM recorded loss on unused telecommunications supplies, loss on disposal of fixed assets and impairment loss on leased assets in the third quarter for part of its analogue telecommunications equipment.

**[Internet Culture]**

<<Summary of Segment Results>>	
<b>Net sales</b>	<b>¥176,925 million (25.2 % increase year-on-year)</b>
<b>Operating income</b>	<b>¥83,779 million (20.8 % increase year-on-year)</b>
<b>Number of stores on <i>Yahoo! Shopping</i> and <i>Yahoo! Auctions</i> reached 30,223</b>	

## &lt;Analysis of This Period Results&gt;

Net sales increased by ¥35,555 million, or 25.2 %, year-on-year, to ¥176,925 million. Operating income increased by ¥14,424 million, or 20.8 %, to ¥83,779 million.

## &lt;Results for the Third Quarter&gt;

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	44,642	46,676	50,049	52,842	52,796	57,623	<b>66,505</b>
Operating income	21,630	22,712	25,011	27,189	27,148	27,766	<b>28,864</b>

## &lt;Operating Conditions&gt;

In Yahoo Japan Corporation's advertising business, sales of display advertising were robust, supported by firm sales of behavioral advertising and growth in sales of Prime Display, which Yahoo Japan Corporation began marketing as a strategic product in October 2007. Paid listing advertising sales again surged ahead because of increased use of search services, start of the listing advertising service during the second quarter, which takes into consideration a quality index and the bidding price in determining the listing order.

Furthermore, in non-advertising business services, e-commerce and information listing related sales increased steadily. Moreover, the total number of stores on *Yahoo! Shopping* and *Yahoo! Auctions* was 30,223 at the end of this period, a year-on-year increase of 5,162.

## [e-Commerce]

<<Summary of Segment Results>>	
Net sales	<b>¥195,107 million (2.9 % increase year-on-year)</b>
Operating income	<b>¥2,910 million (40.3 % decrease year-on-year)</b>
<b>Launch of a New Brand, <i>SoftBank SELECTION</i></b>	

## &lt;Analysis of This Period Results&gt;

Net sales increased by ¥5,558 million, or 2.9 % year-on-year, to ¥195,107 million. Operating income decreased by ¥1,961 million year-on-year, or 40.3 %, to ¥2,910 million.

## &lt;Results for the Third Quarter&gt;

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	59,142	65,037	65,369	82,021	61,660	63,812	<b>69,634</b>
Operating income	1,461	1,399	2,010	1,809	1,167	933	<b>809</b>

## &lt;Operating Conditions&gt;

In SOFTBANK BB's distribution business, a new brand, *SoftBank SELECTION*, was established in November 2007. The brand incorporates a range of specially selected mobile handset accessories and computer software, which are available at certain SoftBank shops, mass appliance retailers, and other outlets.

Sales of network peripherals, such as routers and switching devices, and IT equipment for corporate customers,

such as servers and client PCs, were strong during this period. Although sales of hardware to mass appliance retailers increased, operating income decreased due to sluggish sales of highly profitable software and initial investments in the mobile solution business for the corporate market and in new businesses, such as SaaS<sup>\*4</sup>.

\*4. Software as a Service: Instead of purchasing application software, this service allows customers to use the software on the provider's server via a meter-rate system.

## [Others]

### <Analysis of This Period Results>

Net sales increased by ¥9,260 million, or 14.1 % year-on-year, to ¥74,963 million. Operating loss was ¥3,268 million, compared with an operating loss of ¥4,172 million in the same period of the previous fiscal year.

The results of this segment include the results of broadcast media business (mainly Broadmedia Corporation), technology services business (SOFTBANK TECHNOLOGY CORP.), media & marketing business (mainly SOFTBANK Creative Corp. and ITmedia Inc.), overseas fund business, and other businesses (mainly TV Bank Corp. and *Fukuoka Softbank Hawks* related businesses).

### <Results for the Third Quarter>

	Fiscal year ended March 31,2007				Fiscal year ending March 31,2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	20,289	23,785	21,628	25,082	24,871	26,907	<b>23,184</b>
Operating income (loss)	(717)	547	(4,002)	(557)	(689)	38	<b>(2,617)</b>

## 2. Qualitative Analysis Relating to the Consolidated Financial Position

<<Summary of the Consolidated Financial Position>>		
<b>Total assets</b>	<b>¥4,485,056 million</b>	<b>(a 4.0% increase from the end of March 2007)</b>
<b>Total liabilities</b>	<b>¥3,641,386 million</b>	<b>(a 1.3% increase from the end of March 2007)</b>
<b>Equity</b>	<b>¥843,669 million</b>	<b>(a 17.8% increase from the end of March 2007)</b>
<b>Cash flows from operating activities</b>	<b>a ¥57,256 million increase</b>	
<b>Cash flows from investing activities</b>	<b>a ¥273,635 million decrease</b>	
<b>Cash flows from financial activities</b>	<b>a ¥301,215 million increase</b>	
<b>Balance of cash and cash equivalents</b>	<b>¥460,278 million</b>	<b>(a ¥82,757 million increase from the end of March 2007)</b>

### (1) Assets, Liabilities and Equity

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

#### [Current Assets]

Current assets increased by ¥225,238 million from the end of the previous fiscal year, to ¥1,472,672 million. This was mainly due to an increase in notes and accounts receivable-trade of ¥219,598 million, resulting from a favorable trend in the installment sales of mobile handsets of SOFTBANK MOBILE. Also, as a consequence of factors including SOFTBANK MOBILE securitizing a portion of its installment sales receivables, cash and deposits increased by ¥83,335 million, while short-term deferred tax assets of ¥31,128 million were reversed.

Furthermore, funds procured through the securitization of installment sales receivables were recorded as borrowings, and entrusted installment sales receivables were recorded as notes and accounts receivable-trade.

#### [Fixed Assets]

##### <Property and equipment, net>

Property and equipment, net increased by ¥8,150 million from the end of the previous fiscal year, to ¥1,038,003 million. This was primarily the result of an increase of ¥41,996 million in telecommunications equipment, such as base stations and switching equipment. On the other hand, due to the completion of construction, construction-in-progress decreased by ¥19,960 million.

##### <Intangible assets>

Intangible assets decreased by ¥33,016 million from the end of the previous fiscal year, to ¥1,246,693 million. This was primarily the result of a decrease of ¥42,548 million in goodwill, whereas software increased by ¥15,285 million.

##### <Investments and other assets>

Investments and other assets decreased by ¥25,491 million from the end of the previous fiscal year, to ¥724,185 million. This was primarily the result of reversing ¥33,662 million in non-current deferred tax assets due to the utilization of loss carry-forwards.

[Current Liabilities]

Current liabilities decreased by ¥34,620 million from the end of the previous fiscal year, to ¥1,108,283 million. This was primarily the result of decreases of ¥71,999 million in accounts payable-other and accrued expenses, ¥41,045 million in notes and accounts payable-trade, and ¥20,000 million in cash receipts as collateral, which offset increases of ¥55,427 million in short-term borrowings, ¥48,309 million in current portion of lease obligations, and ¥28,608 million in current portion of corporate bonds.

[Long-term liabilities]

Long-term liabilities increased by ¥81,390 million from the end of the previous fiscal year, to ¥2,533,103 million. Lease obligation increased by ¥171,269 million and corporate bonds rose ¥38,450 million, while long-term debt decreased by ¥84,532 million.

The balance of long-term borrowings procured by SOFTBANK MOBILE through the whole business securitization (WBS) financing scheme decreased by ¥60,069 million from the end of the previous fiscal year, to ¥1,295,021 million.

[Equity]

Equity increased by ¥127,432 million from the end of the previous fiscal year, to ¥843,669 million, and net income in this period was ¥93,196 million. However, due to the adoption of new accounting standards at a U.S. subsidiary, a reduction in retained earnings of ¥5,150 million and payment of dividends from retained earnings of ¥2,639 million were recorded. As a result, accumulated deficit improved by ¥85,108 million. In addition, increases of ¥24,074 million in common stock and ¥24,032 million in additional paid-in capital were recorded due to such factors as the execution of stock acquisition rights and stock subscription rights. Moreover, deferred loss on derivatives under hedge accounting improved by ¥27,701 million, and minority interests in consolidated subsidiaries increased ¥23,864 million. However, unrealized gain on available-for-sale securities decreased by ¥51,140 million.

A subsidiary of the Company in the United States applied 'Accounting for Uncertainty in Income Taxes' (Financial Accounting Standard Board Interpretation No. 48), effective for fiscal years beginning after December 15, 2006, from the nine-month period ended December 31, 2007. The cumulative effect of applying the provisions of this Interpretation was reported as an adjustment to the opening balance of accumulated deficit.

**(2) Cash Flow**

During this period, net cash provided by operating activities was ¥57,256 million, net cash used in investing activities was ¥273,635 million, and net cash provided by financing activities was ¥301,215 million. As a result, cash and cash equivalents at the end of this period amounted to ¥460,278 million, an increase of ¥82,757 million from the end of the previous fiscal year.

[Cash Flow from Operating Activities]

Net cash provided by operating activities was ¥57,256 million. Income before income taxes and minority interests for this period amounted to ¥217,265 million. As non-cash items, depreciation and amortization of ¥163,277 million and amortization of goodwill of ¥44,261 million were recorded. Other adjustment items included equity in

earnings under the equity method of ¥61,570 million and unrealized appreciation on investments at subsidiaries in U.S. and gain on sale of those investment securities of ¥17,341 million, which were subtracted from income before income taxes and minority interests for this period. On the other hand, interest expense of ¥83,573 million and valuation loss on investment securities of ¥11,760 million were added. In addition, due to an increase in receivables of ¥221,519 million and a decrease in payables of ¥41,614 million, operating cash flow was impacted negatively. Interest paid was ¥76,925 million, and income taxes paid, for Yahoo Japan Corporation and others, were ¥52,560 million.

[Cash Flow from Investing Activities]

Net cash used in investing activities was ¥273,635 million. As a result of capital investment, mainly in the telecommunications segments, purchase of property and equipment and intangibles totaled ¥283,706 million. In addition, purchase of marketable and investment securities was ¥36,087 million, while proceeds from sales of marketable and investment securities were ¥31,526 million.

[Cash Flows from Financing Activities]

Net cash provided by financing activities was ¥301,215 million. In the Mobile Communications segment, ¥282,726 million was recorded from the sale and lease back of equipment newly acquired, and mobile handset installment sales receivables were securitized, which resulted in proceeds from long-term debt of ¥224,542 million. In addition, proceeds from issuance of bonds by the Company were ¥89,463 million, and from execution of warrants were ¥44,768 million. On the other hand, short-term borrowings decreased by ¥78,309 million, and cash receipts as collateral decreased by ¥20,000 million. Repayment of long-term debt was ¥174,891 million, and payment for the redemption of straight bonds was ¥23,932 million.

### **(3) Major Financing Activities**

The major financing activities in this period were as follows:

Item	Company Name	Details	Summary
New stock issue	SOFTBANK CORP.	¥44,088 million procured following the execution of stock acquisition rights.	Date of execution: September 27, 2007 Funds procured: ¥44,088 million
Bond issue	SOFTBANK CORP.	24th Unsecured Straight Bond (Fukuoka SoftBank HAWKS Bond)	Date of issue: April 26, 2007 Date of redemption: April 26, 2010 Aggregate amount of issue: ¥20,000 million Coupon: 2.72% Use: mainly repayment of existing interest-bearing debt
		25th Unsecured Straight Bond	Date of issue: June 19, 2007 Date of redemption: June 17, 2011 Aggregate amount of issue: ¥55,000 million Coupon: 3.39% Use: mainly repayment of debt
		26th Unsecured Straight Bond	Date of issue: June 19, 2007 Date of redemption: June 19, 2014 Aggregate amount of issue: ¥15,000 million Coupon: 4.36% Use: mainly repayment of debt
Securitization of receivables	SOFTBANK MOBILE Corp.	Procurement of funds totaling ¥88,161 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: June 29, 2007 Redemption method: monthly pass-through repayment Use: capital investment and repayment of funds raised via WBS
		Procurement of funds totaling ¥64,863 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: September 28, 2007 Redemption method: monthly pass-through repayment Planned use: capital investment and repayment of funds raised via WBS
		Procurement of funds totaling ¥75,518 million accompanying securitization of mobile phone installment sales receivables (recorded as borrowings)	Procurement date: December 26, 2007 Redemption method: monthly pass-through repayment Planned use: capital investment and repayment of funds raised via WBS
Repayment of debt and others	SOFTBANK CORP.	¥130,112 million, net	Borrowings: ¥125,112 million (net) and 5,000 million commercial paper
	SOFTBANK MOBILE Corp.	¥60,069 million	Repayment of funds raised via WBS
	SOFTBANK TELECOM Corp.	¥17,400 million	
	Yahoo Japan Corporation	¥20,000 million	

Item	Company Name	Details	Summary
Bond redemption	SOFTBANK CORP.	2nd Unsecured Straight Bond	Date of redemption: September 27, 2007 Aggregate amount of redemption: ¥23,900 million
Implementation of capital investment through finance lease agreements with ownership transfer	SOFTBANK MOBILE Corp.	Implementation of capital investment for mobile communications utilizing lease agreements	Funds procured during the interim period: ¥282,726 million

### 3. Qualitative Information Related to the Forecasts of Consolidated Results

The Company strives to increase returns to shareholders by augmenting enterprise value. Our basic policy is to return our profits to all our stakeholder groups in a fair way.

The Company's policy regarding dividends is to set dividend payments while taking into consideration the need to maintain the proper balance between bolstering the operating base and preserving a stable dividend from a medium-to-long-term perspective. The dividend for the current fiscal year is undecided at this time, and there are no plans to pay an interim dividend.



#### 4. The SOFTBANK Group

As of December 31, 2007, the Group is comprised of the Company (pure holding company) and the following ten business segments. The number of consolidated subsidiaries and equity-method companies in each business segment is as follows.

Business segments	Consolidated subsidiaries	Equity-method non-consolidated subsidiaries and affiliates	Main business of segment and name of business
Mobile Communications	5	3	Provision of mobile communication services and mobile phones accompanying the services etc. (Core company: SOFTBANK MOBILE Corp.)
Broadband Infrastructure	5	3	Provision of ADSL and fiber-optic high-speed Internet connection service, IP telephony service, etc. (Core company: SOFTBANK BB Corp. <sup>*1</sup> )
Fixed-line Telecommunications	4	-	Fixed-line telecommunications such as voice transmission service, data transmission service, private leased circuit and data center service etc. (Core companies: SOFTBANK IDC Corp., SOFTBANK TELECOM Corp. <sup>*1</sup> )
Internet Culture	15	19	Internet-based advertising operations, portal business and auction business etc. (Core company: Yahoo Japan Corporation <sup>*1</sup> )
e-Commerce	6	4	Distribution of PC software and such hardware as PCs and peripherals, enterprise solutions, and diversified e-commerce businesses, including business transaction platform (B2B) and consumer-related e-commerce (B2C) etc. (Core companies: SOFTBANK BB Corp. <sup>(Note1)</sup> Vector Inc., Carview Corporation)
Others	76	45	Broadmedia, Technology Services, Media & Marketing, Overseas Funds, Others (Core companies: Broadmedia Corporation <sup>*2</sup> , SOFTBANK TECHNOLOGY CORP., SOFTBANK Creative Corp., ITmedia Inc., Fukuoka Softbank Hawks Marketing Corp.)
Total	111	74	

The following SOFTBANK subsidiaries are listed on domestic stock exchanges as of December 31, 2007:

Company Name	Listed Exchange
Yahoo Japan Corporation	Tokyo Stock Exchange 1st section Jasdaq Securities Exchange
SOFTBANK TECHNOLOGY CORP.	Tokyo Stock Exchange 1st section
Vector Inc.	Osaka Securities Exchange Hercules
Broadmedia Corporation	Osaka Securities Exchange Hercules
ITmedia Inc. <sup>*3</sup>	Tokyo Stock Exchange Mothers
Carview Corporation <sup>*3</sup>	Tokyo Stock Exchange Mothers

\*1. SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation are included in the consolidated subsidiaries of the Broadband Infrastructure, Fixed-line Telecommunications and Internet Culture segments, respectively, while SOFTBANK BB Corp., SOFTBANK TELECOM Corp. and Yahoo Japan Corporation operate multiple businesses and their operating results are allocated to multiple business segments.

\*2. Broadmedia Corporation changed its company name from Club iT Corporation on October 1, 2007.

\*3. ITmedia Inc. and Carview Corporation listed their shares on the Tokyo Stock Exchange Mothers on April 19 and June 12 of 2007 respectively.

## 4. Consolidated Financial Statements

### Consolidated Balance Sheets

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

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007	Increase (Decrease) for nine months	
	Amount	Amount	Amount	Amount	%
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and deposits	¥394,772	<b>¥461,001</b>	¥377,666	83,335	22.1
Notes and accounts receivable - trade	471,266	<b>803,570</b>	583,972	219,598	37.6
Marketable securities	7,022	<b>7,958</b>	8,588	(630)	(7.3)
Inventories	79,659	<b>68,478</b>	76,898	(8,419)	(10.9)
Deferred tax assets	68,861	<b>77,866</b>	108,994	(31,128)	(28.6)
Other current assets	105,925	<b>104,497</b>	119,250	(14,752)	(12.4)
Less:					
Allowance for doubtful accounts	(18,279)	<b>(50,701)</b>	(27,936)	(22,764)	-
Total current assets	1,109,229	<b>1,472,672</b>	1,247,433	225,238	18.1
<b>Fixed assets:</b>					
<b>Property and equipment, net:</b>					
Buildings and structures	87,749	<b>82,424</b>	89,444	(7,020)	(7.8)
Telecommunications equipment	667,197	<b>736,781</b>	694,785	41,996	6.0
Telecommunications service lines	92,955	<b>87,801</b>	92,235	(4,434)	(4.8)
Land	30,119	<b>24,837</b>	27,747	(2,909)	(10.5)
Construction in progress	65,200	<b>51,817</b>	71,777	(19,960)	(27.8)
Other	51,118	<b>54,341</b>	53,861	479	0.9
Total property and equipment	994,341	<b>1,038,003</b>	1,029,852	8,150	0.8
<b>Intangible assets, net:</b>					
Goodwill	1,144,518	<b>990,378</b>	1,032,927	(42,548)	(4.1)
Software	183,330	<b>215,901</b>	200,615	15,285	7.6
Other intangibles	46,344	<b>40,414</b>	46,168	(5,754)	(12.5)
Total intangible assets	1,374,193	<b>1,246,693</b>	1,279,710	(33,016)	(2.6)
<b>Investments and other assets:</b>					
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	454,786	<b>487,173</b>	487,421	(247)	(0.1)
Deferred tax assets	157,336	<b>124,121</b>	157,783	(33,662)	(21.3)
Other assets	106,726	<b>121,013</b>	113,877	7,136	6.3
Less:					
Allowance for doubtful accounts	(9,416)	<b>(8,122)</b>	(9,405)	1,282	-
Total investments and other assets	709,433	<b>724,185</b>	749,677	(25,491)	(3.4)
Total fixed assets	3,077,968	<b>3,008,883</b>	3,059,240	(50,357)	(1.6)
<b>Deferred charges</b>	4,655	<b>3,500</b>	4,178	(678)	(16.2)
<b>Total assets</b>	¥4,191,853	<b>¥4,485,056</b>	¥4,310,852	174,203	4.0

**Consolidated Balance Sheets**

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

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007	Increase (Decrease) for nine months	
	Amount	Amount	Amount	Amount	%
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Accounts payable - trade	¥159,154	¥154,121	¥195,167	(41,045)	(21.0)
Short-term borrowings	254,606	249,083	193,656	55,247	28.6
Commercial paper	19,800	-	5,000	(5,000)	-
Current portion of corporate bonds	23,964	72,572	43,964	28,608	65.1
Accounts payable - other and accrued expenses	342,068	343,561	415,561	(71,999)	(17.3)
Income taxes payable	76,593	16,381	33,070	(16,688)	(50.5)
Current portion of lease obligations	3,036	66,358	18,049	48,309	267.7
Cash receipts as collateral	150,000	130,000	150,000	(20,000)	(13.3)
Other current liabilities	84,593	76,203	88,433	(12,230)	(13.8)
Total current liabilities	1,113,816	1,108,283	1,142,903	(34,620)	(3.0)
<b>Long-term liabilities:</b>					
Corporate bonds	451,482	461,050	422,599	38,450	9.1
Long-term debt	1,720,950	1,644,650	1,729,183	(84,532)	(4.9)
Deferred revenue	30,132	15,320	26,392	(11,072)	(42.0)
Deferred tax liabilities	47,230	46,725	50,136	(3,410)	(6.8)
Liability for retirement benefits	17,177	16,095	16,701	(606)	(3.6)
Allowance for point mileage	44,787	43,678	43,787	(109)	(0.2)
Lease obligations	12,521	246,234	74,964	171,269	228.5
Other liabilities	57,857	59,348	87,947	(28,599)	(32.5)
Total long-term liabilities	2,382,139	2,533,103	2,451,712	81,390	3.3
<b>Total liabilities</b>	3,495,956	3,641,386	3,594,615	46,770	1.3
<b>Equity:</b>					
Common stock	163,130	187,384	163,309	24,074	14.7
Cash receipts for new stock subscriptions	2	1	1	-	-
Additional paid-in capital	187,490	211,701	187,669	24,032	12.8
Accumulated deficit	(199,161)	(107,162)	(192,271)	85,108	-
Less: Treasury stock	(187)	(203)	(193)	(10)	-
Total shareholders' equity	151,274	291,721	158,515	133,205	84.0
Unrealized gain on available-for-sale securities	99,540	71,479	122,619	(51,140)	(41.7)
Deferred loss and (gain) on derivatives under hedge accounting	(11,340)	705	(26,995)	27,701	-
Foreign currency translation adjustments	28,326	25,699	28,810	(3,110)	(10.8)
Total valuation and translation adjustments	116,525	97,884	124,434	(26,549)	(21.3)
Stock acquisition rights	3,167	92	3,180	(3,088)	(97.1)
Minority interests	424,929	453,971	430,106	23,864	5.5
<b>Total equity</b>	695,897	843,669	716,237	127,432	17.8
<b>Total liabilities and equity</b>	¥4,191,853	¥4,485,056	¥4,310,852	174,203	4.0

**Consolidated Statements of Income**

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

	Nine-month period ended December 31, 2006	Nine-month period ended December 31, 2007	Increase (Decrease)		Fiscal year ended March 31, 2007
	Amount	Amount	Amount	%	Amount
<b>Net sales</b>	¥1,822,369	<b>¥2,058,765</b>	¥236,396	13.0	¥2,544,219
<b>Cost of sales</b>	1,005,496	<b>1,086,108</b>	80,612	8.0	1,409,520
<b>Gross Profit</b>	816,872	<b>972,656</b>	155,784	19.1	1,134,698
<b>Selling, general and administrative expenses</b>	619,587	<b>712,467</b>	92,880	15.0	863,633
<b>Operating income</b>	197,285	<b>260,188</b>	62,903	31.9	271,065
Interest income	3,075	<b>2,201</b>	(873)	(28.4)	3,394
Foreign exchange gain, net	-	<b>3,750</b>	3,750	-	-
Equity in earnings of affiliated companies	5,282	<b>61,570</b>	56,288	-	2,130
Other non-operating income	6,339	<b>3,894</b>	(2,444)	(38.6)	8,006
<b>Non-operating income</b>	14,697	<b>71,417</b>	56,720	385.9	13,531
Interest expense	53,539	<b>83,573</b>	30,033	56.1	79,521
Foreign exchange loss, net	2,943	-	(2,943)	-	834
Financing related expenses	28,396	-	(28,396)	-	28,715
Other non-operating expenses	15,487	<b>16,034</b>	546	3.5	22,101
<b>Non-operating expenses</b>	100,367	<b>99,607</b>	(759)	(0.8)	131,173
<b>Ordinary income</b>	111,615	<b>231,998</b>	120,383	107.9	153,423
Gain on sale of investment securities	80,708	<b>5,925</b>	(74,783)	(92.7)	83,160
Dilution gain from changes in equity interest	2,097	<b>3,123</b>	1,025	48.9	2,598
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	2,474	<b>17,341</b>	14,867	600.7	2,253
Other special income	1,976	<b>5,479</b>	3,503	177.3	4,641
<b>Special income</b>	87,257	<b>31,870</b>	(55,387)	(63.5)	92,653
Valuation loss on investment securities	3,448	<b>11,760</b>	8,311	241.0	5,351
Loss on disposal of fixed assets	1,808	<b>9,493</b>	7,685	424.9	7,695
Impairment loss	-	<b>8,818</b>	8,818	-	-
Loss on unused telecommunications supplies	-	<b>12,006</b>	12,006	-	-
Loss on redemption of bonds	10,429	-	(10,429)	-	10,429
Other special losses	6,263	<b>4,525</b>	(1,738)	(27.8)	14,028
<b>Special loss</b>	21,949	<b>46,603</b>	24,653	112.3	37,503
<b>Income before income taxes and minority interests</b>	176,922	<b>217,265</b>	40,342	22.8	208,573
<b>Income taxes:</b>					
Current	93,525	<b>30,266</b>	(63,258)	(67.6)	48,726
Deferred	33,253	<b>63,875</b>	30,622	92.1	93,676
<b>Minority interests in net income</b>	28,210	<b>29,925</b>	1,715	6.1	37,355
<b>Net income</b>	¥21,933	<b>¥93,196</b>	¥71,262	324.9	¥28,815

## Consolidated Statements of Changes in Equity

Nine-month period from April 1, 2006 to December 31, 2006:

(Millions of yen, amounts less than one million yen are omitted)

	Shareholders' equity						Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Cash receipts for new stock subscriptions	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total			
<b>Balance at April 1, 2006</b>	¥162,916	¥5	¥187,303	¥(218,561)	¥(169)	¥131,494	¥129,051	¥(36,840)	¥19,062	¥111,273	¥3,150	¥101,346	¥347,263
<b>Changes of items during the period</b>													
Exercise of warrants	214	(5)	213	-	-	422	-	-	-	-	-	-	422
Cash receipts for new stock subscriptions	-	2	-	-	-	2	-	-	-	-	-	-	2
Cash dividends (Note)	-	-	-	(2,637)	-	(2,637)	-	-	-	-	-	-	(2,637)
Bonuses to directors (Note)	-	-	-	(87)	-	(87)	-	-	-	-	-	-	(87)
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	(26)	191	-	164	-	-	-	-	-	-	164
Net income	-	-	-	21,933	-	21,933	-	-	-	-	-	-	21,933
Purchase of treasury stock	-	-	-	-	(17)	(17)	-	-	-	-	-	-	(17)
Items other than changes in shareholders' equity, net	-	-	-	-	-	-	(29,511)	25,500	9,263	5,252	17	323,583	328,853
<b>Total changes in this period</b>	214	(3)	187	19,400	(17)	19,780	(29,511)	25,500	9,263	5,252	17	323,583	348,633
<b>Balance at December 31, 2006</b>	¥163,130	¥2	¥187,490	¥(199,161)	¥(187)	¥151,274	¥99,540	¥(11,340)	¥28,326	¥116,525	¥3,167	¥424,929	¥695,897

Note: Appropriation of retained earnings resolved at the annual shareholders' meeting held in June 2006.

Nine-month period from April 1, 2007 to December 31, 2007:

(Millions of yen, amounts less than one million yen are omitted)

	Shareholders' equity						Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Cash receipts for new stock subscriptions	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total			
<b>Balance at April 1, 2007</b>	163,309	1	187,669	(192,271)	(193)	158,515	122,619	(26,995)	28,810	124,434	3,180	430,106	716,237
<b>Changes of items during the period</b>													
Increase in accumulated deficit due to adoption of new accounting standards at a subsidiary in the U.S.	-	-	-	(5,150)	-	(5,150)	-	-	-	-	-	-	(5,150)
Exercise of warrants	24,074	(1)	24,032	-	-	48,105	-	-	-	-	-	-	48,105
Cash receipts for new stock subscriptions	-	1	-	-	-	1	-	-	-	-	-	-	1
Cash dividends	-	-	-	(2,639)	-	(2,639)	-	-	-	-	-	-	(2,639)
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	-	(298)	-	(298)	-	-	-	-	-	-	(298)
Net income	-	-	-	93,196	-	93,196	-	-	-	-	-	-	93,196
Purchase of treasury stock	-	-	-	-	(10)	(10)	-	-	-	-	-	-	(10)
Items other than changes in shareholders' equity, net	-	-	-	-	-	-	(51,140)	27,701	(3,110)	(26,549)	(3,088)	23,864	(5,772)
<b>Total changes in this period</b>	24,074	-	24,032	85,108	(10)	133,205	(51,140)	27,701	(3,110)	(26,549)	(3,088)	23,864	127,432
<b>Balance at December 31, 2007</b>	187,384	1	211,701	(107,162)	(203)	291,721	71,479	705	25,699	97,884	92	453,971	843,669

Fiscal year from April 1, 2006 to March 31, 2007:

(Millions of yen, amounts less than one million yen are omitted)

	Shareholders' equity						Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total equity
	Common stock	Cash receipts for new stock subscriptions	Additional paid-in capital	Accumulated deficit	Treasury stock	Total	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Total			
<b>Balance at April 1, 2006</b>	¥162,916	¥5	¥187,303	¥(218,561)	¥(169)	¥131,494	¥129,051	¥(36,840)	¥19,062	¥111,273	¥3,150	¥101,346	¥347,263
<b>Changes of items during the year</b>													
Exercise of warrants	393	(5)	393	-	-	780	-	-	-	-	-	-	780
Cash receipts for new stock subscriptions	-	1	-	-	-	1	-	-	-	-	-	-	1
Cash dividends (Note)	-	-	-	(2,637)	-	(2,637)	-	-	-	-	-	-	(2,637)
Bonuses to directors (Note)	-	-	-	(90)	-	(90)	-	-	-	-	-	-	(90)
Adjustments of accumulated deficit due to change in scope of the consolidation	-	-	(26)	202	-	176	-	-	-	-	-	-	176
Net income	-	-	-	28,815	-	28,815	-	-	-	-	-	-	28,815
Purchase of treasury stock	-	-	-	-	(23)	(23)	-	-	-	-	-	-	(23)
Items other than changes in shareholders' equity, net	-	-	-	-	-	-	(6,432)	9,845	9,747	13,160	30	328,760	341,951
<b>Total changes in the year</b>	393	(3)	366	26,289	(23)	27,021	(6,432)	9,845	9,747	13,160	30	328,760	368,973
<b>Balance at March 31, 2007</b>	¥163,309	¥1	¥187,669	¥(192,271)	¥(193)	¥158,515	¥122,619	¥(26,995)	¥28,810	¥124,434	¥3,180	¥430,106	¥716,237

Note: Appropriation of retained earnings resolved at the annual shareholders' meeting held in June 2006.

**Consolidated Statements of Cash Flows**

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

	Nine-month period ended December 31, 2006	<b>Nine-month period ended December 31, 2007</b>	Fiscal year ended March 31, 2007
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥176,922	<b>¥217,265</b>	¥208,573
Adjustments for:			
Depreciation and amortization	135,120	<b>163,277</b>	189,092
Amortization of goodwill	42,565	<b>44,261</b>	53,595
Equity in earnings of affiliated companies	(5,282)	<b>(61,570)</b>	(2,130)
Dilution gain from changes in equity interest, net	(2,029)	<b>(848)</b>	(2,484)
Valuation loss on investment securities	3,448	<b>11,760</b>	5,351
Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net	(2,474)	<b>(17,341)</b>	(2,253)
Gain on sale of marketable and investment securities, net	(80,518)	<b>(6,190)</b>	(82,567)
Foreign exchange (gain) loss, net	2,749	<b>(3,572)</b>	1,136
Interest and dividend income	(3,311)	<b>(2,577)</b>	(3,713)
Interest expense	53,539	<b>83,573</b>	79,521
Changes in operating assets, and liabilities			
Increase in receivables – trade	(112,760)	<b>(221,519)</b>	(225,489)
Increase (decrease) in payables - trade	55,284	<b>(41,614)</b>	91,184
Other, net	73,561	<b>19,492</b>	103,913
Sub-total	336,815	<b>184,392</b>	413,729
Interest and dividends received	4,769	<b>2,349</b>	5,519
Interest paid	(37,360)	<b>(76,925)</b>	(62,081)
Income taxes paid	(45,890)	<b>(52,560)</b>	(45,964)
Net cash provided by operating activities	258,332	<b>57,256</b>	311,201

- Continued -



**Consolidated Statements of Cash Flows (Continued)**

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

	Nine-month period ended December 31, 2006	Nine-month period ended December 31, 2007	Fiscal year ended March 31, 2007
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment, and intangibles	¥(230,461)	¥ (283,706)	¥(297,764)
Purchase of marketable and investment securities	(102,571)	(36,087)	(114,022)
Proceeds from sale of marketable and investment securities	159,339	31,526	168,354
Acquisition of interests in subsidiaries newly consolidated, net of cash acquired	(1,844,046)	2,674	(1,844,849)
Sale of interests in subsidiaries previously consolidated, net	(21)	(134)	(89)
Proceeds from sales of interests in consolidated subsidiaries	8	1,012	10
Increase in loan receivables	(14,228)	(26,403)	(16,519)
Collection of loan receivables	9,762	24,394	15,749
Other, net	(6,442)	13,089	(8,805)
Net cash used in investing activities	(2,028,660)	(273,635)	(2,097,937)
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings, net	20,645	(78,309)	(8,848)
Increase (decrease) in commercial paper, net	9,400	(5,000)	(5,400)
Proceeds from long-term debt	1,586,970	224,542	1,586,970
Repayment of long-term debt	(74,827)	(174,891)	(98,151)
Proceeds from issuance of bonds	72,668	89,463	72,558
Redemption of bonds	(205,302)	(23,932)	(205,334)
Exercise of warrants	427	44,768	786
Proceeds from issuance of shares to minority shareholders	300,331	6,865	300,378
Cash dividends paid	(2,636)	(2,635)	(2,640)
Cash dividends paid to minority shareholders	(3,126)	(3,547)	(3,143)
Proceeds from sale and lease back of equipment newly acquired	-	282,726	65,818
Increase (decrease) in cash receipts as collateral, net	50,000	(20,000)	50,000
Other, net	(31,718)	(38,834)	(34,607)
Net cash provided by financing activities	1,722,831	301,215	1,718,384
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(1,878)	(1,307)	3,073
<b>Net (decrease) increase in cash and cash equivalents</b>	(49,374)	83,529	(65,277)
<b>Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries</b>	(3,896)	(771)	(3,896)
<b>Cash and cash equivalents, beginning of the period</b>	446,694	377,520	446,694
<b>Cash and cash equivalents, end of the period</b>	¥393,423	¥460,278	¥377,520

**Condensed Quarterly Financial Information**
**Condensed Statements of Income**

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

	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
	April 1, 2006 to June 30, 2006	July 1, 2006 to September 30, 2006	October 1, 2006 to December 31, 2006	January 1, 2007 to March 31, 2007	April 1, 2007 to June 30, 2007	July 1, 2007 to September 30, 2007	October 1, 2007 to December 31, 2007
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Net sales	¥494,231	¥625,941	¥702,195	¥721,850	¥663,084	¥701,660	¥694,020
Cost of sales	273,895	341,443	390,157	404,024	352,896	365,968	367,244
Gross profit	220,336	284,498	312,037	317,826	310,188	335,692	326,775
Selling, general and administrative expenses	165,978	226,303	227,304	244,045	231,442	246,691	234,333
Operating income	54,357	58,194	84,733	73,780	78,746	89,000	92,441
Non-operating income (Note)	12,096	4,540	1,829	4,259	4,531	5,654	61,231
Non-operating expenses (Note)	40,459	26,039	37,637	36,231	32,123	34,643	32,840
Ordinary income	25,994	36,696	48,924	41,808	51,154	60,010	120,833
Special income (Note)	4,672	66,795	15,788	5,617	9,514	19,312	4,525
Special loss (Note)	1,365	13,895	6,688	15,775	2,266	14,796	31,024
Income before income taxes and minority interests	29,302	89,596	58,024	31,650	58,403	64,527	94,334
Income taxes - Current	10,146	70,826	12,552	(44,798)	2,826	13,982	13,458
Income taxes - Deferred	9,224	(3,182)	27,211	60,423	20,065	19,009	24,800
Minority interests in net income	8,514	8,930	10,765	9,145	10,380	10,203	9,341
Net income	¥1,418	¥13,021	¥7,494	¥6,881	¥25,130	¥21,331	¥46,734

Note: Foreign exchange gain (loss), equity in earnings (loss) of affiliated companies, income (expenses) from investments in partnerships, and unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S. are netted on quarterly basis for presentation purposes. Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net of prior year is reclassified retroactively.

**Condensed Statements of Cash Flows**

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

	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
	April 1, 2006 to June 30, 2006	July 1, 2006 to September 30, 2006	October 1, 2006 to December 31, 2006	January 1, 2007 to March 31, 2007	April 1, 2007 to June 30, 2007	July 1, 2007 to September 30, 2007	October 1, 2007 to December 31, 2007
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
Net cash provided by (used in) operating activities	¥64,675	¥122,464	¥71,193	¥52,868	¥(27,478)	¥27,922	¥56,812
Net cash provided by (used in) investing activities	(1,965,832)	8,847	(71,675)	(69,276)	(111,519)	(115,766)	(46,349)
Net cash provided by (used in) financing activities	1,743,429	(144,656)	124,058	(4,446)	218,480	85,045	(2,311)
Effect of exchange rate changes on cash and cash equivalents	134	703	(2,716)	4,951	1,495	(2,158)	(644)
Net increase (decrease) in cash and cash equivalents	(157,593)	(12,641)	120,859	(15,902)	80,978	(4,955)	7,506
Decrease in cash and cash equivalents due to exclusion of previously consolidated subsidiaries	(3,886)	-	(9)	-	(771)	-	-
Cash and cash equivalents, beginning of the period	446,694	285,214	272,572	393,423	377,520	457,727	452,771
Cash and cash equivalents, end of the period	¥285,214	¥272,572	¥393,423	¥377,520	457,727	452,771	460,278
Note: "Depreciation and amortization" and "amortization of goodwill" included in net cash provided by operating activities	¥48,989	¥62,424	¥66,271	¥65,001	¥67,960	¥69,259	¥70,319

## Basis of Presentation of Consolidated Financial Statements

### 1. Changes in scope of consolidation

As of December 31, 2007, SOFTBANK CORP. (the “Company”) consolidated 111 subsidiaries (together, the “Group”). 81 subsidiaries were not consolidated as the individual and aggregate amounts were not considered material in relation to the consolidated total assets, net sales, net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in scope of consolidation were as follows:

<Increase>

3 companies

Significant changes:

Overture K.K.

Newly acquired

<Decrease>

10 companies

### 2. Changes in scope of equity method

As of December 31, 2007, the Company held 3 non-consolidated subsidiaries and 71 affiliates, all of which were accounted for under the equity method. 78 non-consolidated subsidiaries and 20 affiliates were not accounted for under the equity method, as the individual and aggregate amounts were not considered material in relation to the net income and retained earnings (accumulated deficit) of the SOFTBANK Consolidated Financial Statements.

Changes in application of equity method were as follows:

<Increase>

11 companies

<Decrease>

3 companies

### 3. Summary of significant accounting policies

[1] Evaluation standards and methods for major assets

(1) Marketable securities and investment securities

Held-to-maturity debt securities: Stated at amortized cost

Available-for-sale securities:

With market quotations: Stated at fair value, which represents the market prices at the balance sheet date (unrealized gain/loss is included as a separate component in equity, net of tax, while cost is primarily determined using the moving-average method)

Without market quotations: Carried at cost, primarily based on the moving-average method

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions established by the American Institute of Certified Public Accountants (“AICPA”) Guide on Investment Companies (the “AICPA Guide”) and account for the investment securities in accordance with the AICPA Guide. The investment securities are carried at fair value, and net changes in fair value are recorded in the consolidated statements of income under the application of the AICPA Guide.

(2) Derivative instruments: Stated at fair value

(3) Inventories: Carried at cost, primarily based on the moving-average method

[2] Depreciation and amortization

(1) Property and equipment

Buildings and structures:	Computed primarily using the straight-line method
Telecommunications equipment:	Computed using the straight-line method
Telecommunications service lines:	Computed using the straight-line method
Others:	Computed primarily using the straight-line method

(2) Intangible assets: Computed using the straight-line method

[3] Accounting principles for major allowances and accruals

(1) <Allowance for doubtful accounts>

Allowance for doubtful accounts is calculated based on the aggregate amount of estimated credit losses on doubtful receivables, plus an amount for receivables other than doubtful receivables calculated using historical write-off experience ratios from certain prior periods.

(2) <Accrued retirement benefits>

SOFTBANK MOBILE Corp., SOFTBANK TELECOM Corp., and certain other subsidiaries have defined benefit pension plans for their employees. These companies account for the obligation for retirement benefits based on the projected benefit obligations at the end of the fiscal year end.

SOFTBANK MOBILE Corp. and SOFTBANK TELECOM Corp. amended the pension plans by suspending the defined benefit pension plans at the end of March 2007 and March 2006, respectively, and implementing defined contribution pension plans. The retirement benefits existed and calculated under the benefit pension plan were fixed and will be paid at the retirement of applicable employees, and the projected benefit obligations are calculated based on these fixed retirement benefits. As a result, service cost under the defined benefit pension plans at SOFTBANK MOBILE Corp. and SOFTBANK TELECOM Corp. did not occur for the nine-month period ended December 31, 2007.

(3) <Allowance for point mileage >

SOFTBANK MOBILE Corp. has an allowance for point mileage which is accrued based on the estimated future obligation arising from point service, based on past experience.

[4] Translation of foreign currency transactions and accounts

All assets and liabilities in foreign currencies are translated at the foreign currency exchange rates prevailing at the respective balance sheet dates. Foreign currency exchange gains or losses are charged to net income when incurred.

The translation of foreign currency denominated revenues and expenses in the financial statements of foreign consolidated subsidiaries into Japanese yen is performed by using the average exchange rate for the period. Assets and liabilities are translated using the foreign currency exchange rates prevailing at the balance sheet dates, and capital stock is translated using the historical foreign currency exchange rates. Foreign currency financial statement translation differences are presented as a separate component of "Equity," and the portion pertaining to minority shareholders, which is included in "Minority interests."

[5] Lease

Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

[6] Accounting for significant hedge transactions

(1) Collar transaction

<Hedge accounting>

Unrealized gains and losses, net of tax, on a collar transaction that qualifies as an effective cash flow hedge at consolidated subsidiaries in the United States of America are reported as a separate component of “Equity” in the Company’s consolidated balance sheets. As such, unrealized gains and losses associated with the collar transaction will be recognized into earnings in the same period during which the hedged assets and liabilities are recognized in earnings.

<Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Prepaid variable share forward contract (the collar transaction)

Hedged items: Equity security

<Hedging policy>

The purpose of the collar transaction is to hedge the variability of cash flows associated with the future market price of the underlying equity security, which is used for the settlement of loans at maturity.

<Effectiveness of hedge transactions>

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

(2) Interest rate swap

<Hedge accounting>

For interest rate swaps whose amounts, index and periods are same as the conditions for hedged items, the “exceptional method” is adopted. Under this method, a certain domestic consolidated subsidiary does not account for gains and losses of those interest rate swaps on a fair value basis and recognizes swap interest on an accrual basis.

<Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Interest rate swap contracts

Hedged items: Interest expense on borrowings

<Hedging policy>

The domestic consolidated subsidiaries use derivative financial instruments to hedge the risk of exposures to fluctuations in interest rates in accordance with its internal policies, regarding the authorization and credit limit amount.

< Effectiveness of hedge transactions >

Effectiveness of the hedge transaction is omitted due to the adoption of “exceptional method.”

(3) Forward-exchange contract

<Hedge accounting>

Long-term debt denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuation are translated at the contracted rate, if the forward contracts qualify for hedge accounting.

<Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Forward-exchange contract

Hedged items: Foreign currency-denominated bond

<Hedging policy>

In accordance with the Company’s policy, the Company uses derivatives to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

< Effectiveness of hedge transactions >

Effectiveness of the hedge transaction is omitted due to qualifying for hedge accounting.

[7] Accounting method for consumption taxes

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

**4. Accounting for business combinations**

All assets and liabilities of acquired entities are revalued at the respective fair market value at the combination date.

**5. Amortization of goodwill**

“Goodwill” is amortized on a straight-line basis over reasonably estimated periods in which economic benefits are expected to be realized. Immaterial goodwill is expensed as incurred.

The goodwill resulted from acquisition of Vodafone K.K. (currently SOFTBANK MOBILE Corp.) is amortized over 20-year-period.

**6. Scope of cash and cash equivalents in the consolidated statements of cash flows**

“Cash and cash equivalents” are comprised of cash on hand, bank deposits withdrawable on demand and highly liquid investments with initial maturities of three months or less and a low risk of fluctuation in value.

**Change in accounting policies****Accounting for Uncertainty in Income Taxes**

A subsidiary of the Company in the United States of America applied “Accounting for Uncertainty in Income Taxes” (Financial Accounting Standard Board Interpretation No. 48), effective for fiscal years beginning after December 15, 2006, from the nine-month period ended December 31, 2007.

The cumulative effect of applying the provisions of this Interpretation was recorded as an adjustment to the opening balance of accumulated deficit, and accordingly, accumulated deficit increased by ¥5,150 million for the nine-month period ended December 31, 2007.

## Notes

### (Consolidated Balance Sheets)

#### 1. Accumulated depreciation of property and equipment

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
	687,610 million yen	<b>811,675 million yen</b>	719,297 million yen

#### 2. Contingent liability

Based on debt assumption agreements with financial institutions, SOFTBANK MOBILE Corp. has transferred its debt repayment obligation for straight bonds previously issued to financial institutions. The bonds and payments to financial institutions incurred from transferring its debt repayment obligation for the bonds are eliminated in the Company's consolidated balance sheets.

However, under the terms of the indenture, SOFTBANK MOBILE Corp. will continue to be responsible for payments on the bonds until maturity or redemption of the bonds.

Subject Bonds	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
First Series Unsecured Bond	25,000 million yen	<b>25,000 million yen</b>	25,000 million yen
Third Series Unsecured Bond	25,000 million yen	<b>25,000 million yen</b>	25,000 million yen
Fifth Series Unsecured Bond	25,000 million yen	<b>25,000 million yen</b>	25,000 million yen
Seventh Series Unsecured Bond	25,000 million yen	<b>25,000 million yen</b>	25,000 million yen
Total	100,000 million yen	<b>100,000 million yen</b>	100,000 million yen

#### 3. Assets pledged as collateral

##### (1) For future lease liabilities

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
<u>Assets pledged as collateral:</u>			
Notes and accounts receivable – trade	10,973 million yen	<b>10,510 million yen</b>	10,877 million yen
In addition to above, amounts eliminated in the consolidated balance sheets as an intercompany balance:			
Notes and accounts receivable – trade	13,905 million yen	<b>13,872 million yen</b>	14,029 million yen

Note: The collateral for the future lease liabilities (finance lease accounted for as operating lease transactions) was provided by mortgaging against the aggregate of the current and future receivables due from customers of certain consolidated subsidiaries. The future lease liabilities at the end of periods are as follows:

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Future lease liabilities (finance lease accounted for as operating lease transactions)	13,637 million yen	<b>9,121 million yen</b>	13,026 million yen

## (2) For short-term borrowings and long-term debt

Assets pledged as collateral and secured liabilities by consolidated subsidiaries are as follows:

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
<u>Assets pledged as collateral:</u>			
Cash and deposits	71,265	<b>217,693</b>	70,897
Notes and accounts receivable – trade	212,387	<b>296,322</b>	303,486
Buildings and structures	13,949	<b>13,840</b>	13,986
Telecommunications equipment	373,878	<b>253,388</b>	362,644
Telecommunications service lines	194	<b>164</b>	226
Land	15,510	<b>15,578</b>	15,566
Property and equipment- other	0	<b>0</b>	0
Investment securities and investments in unconsolidated subsidiaries and affiliated companies	161,963	<b>143,505</b>	196,552
Investments and other assets – other assets	78	<b>215</b>	115
<b>Total</b>	<b>849,228 million yen</b>	<b>940,708 million yen</b>	<b>963,475 million yen</b>
<u>Secured liabilities:</u>			
Accounts payable - trade	1,137	<b>1,271</b>	1,246
Short-term borrowings	6,831	<b>6,772</b>	5,373
Accounts payable – other and accrued expenses	120	-	123
Long-term debt	1,487,190	<b>1,411,859</b>	1,474,523
<b>Total</b>	<b>1,495,280 million yen</b>	<b>1,419,903 million yen</b>	<b>1,481,267 million yen</b>

SOFTBANK MOBILE Corp. shares owned by BB Mobile Corp. and BB Mobile Corp. shares owned by Mobiletech Corporation are pledged as collateral for long-term debt (totaled to ¥1,295,021 million) resulted from the refinancing the loan accompanying the acquisition of SOFTBANK MOBILE Corp., in addition to the assets pledged as collateral above.

The funds procured through the securitization of installment sales receivables of SOFTBANK Mobile Corp., in the amount of ¥136,251 million and ¥57,177 million, were recorded as “Short-term borrowings” and “Long-term debt,” respectively, as of December 31, 2007. The installment sales receivables, equivalent to ¥193,429 million which is the amount of senior trust certificate of the securitized installment sales receivables for this procurement, was included in “Notes and account receivable-trade,” along with the amount of trust beneficial certificate held by the SOFTBANK MOBILE Corp. Trustee procured the funds through asset backed loans which were backed by these installment sales receivables.

#### 4. Securities loaned

A portion of investment securities was lent to financial institutions according to stock lending agreements, and the amounts of applicable investment securities recorded in the Company’s consolidated balance sheets are as follows:

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Investment securities	470 million yen	<b>144 million yen</b>	193 million yen



**5. Cash receipts as collateral**

Cash receipts as collateral from financial institutions, to whom the Company has lent shares in its subsidiary under security deposit agreements, are presented as follows:

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
Cash receipts as collateral	150,000 million yen	<b>130,000 million yen</b>	150,000 million yen

According to the security deposit agreements, the Company paid a fixed rate amount as stock bailment fees and other fees totaling ¥2,303 million, ¥2,699 million, and ¥3,539 million for the periods ended December 31, 2006, December 31, 2007, and March 31, 2007, respectively, and recorded the fees as other non-operating expenses in the consolidated statements of income.

**6. Line of credit as a creditor (not used)**

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
	15,771 million yen	<b>15,240 million yen</b>	7,708 million yen

**7. Cash receipts for new stock subscriptions**

Cash receipts for new stock subscriptions represent amounts paid at the exercise of warrants as advances on subscriptions. In January 2008, the Company issued 1,200 new shares.

## (Consolidated Statements of Income)

### 1. Selling, general and administrative expenses

	Nine-month period ended December 31, 2006	Nine-month period ended December 31, 2007	Fiscal year ended March 31, 2007
Sales commission	188,466 million yen	211,453 million yen	260,478 million yen
Sales promotion expense	101,155	120,277	145,382
Payroll and bonuses	69,619	77,631	94,723
Allowance for doubtful accounts	6,117	26,763	16,614

### 2. Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the United States of America, net

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The net changes in the fair value of the investments are recorded as “Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net” and gain or loss on sale of investments, computed based on the acquisition cost, is also included in such account. The unrealized appreciation on investments and gain or loss on sale of investments included in “Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net” are as follows:

	Nine-month period ended December 31, 2006	Nine-month period ended December 31, 2007	Fiscal year ended March 31, 2007
Unrealized appreciation on investment at subsidiaries in the U.S.,net	2,474 million yen	4,301 million yen	4,935 million yen
Gain or loss on sale of investments at subsidiaries in the U.S.,net	-	13,040	(2,682)
Total	2,474	17,341	2,253

### 3. Impairment loss

Segment	Fixed-line Telecommunications
Use	Access gateway switch (AGW)
Type of Assets	Finance lease assets
Impairment loss	¥8,818 million

#### (1) Method used to determine assets grouping

When reviewing for impairment, assets are grouped based on the business unit conducted by the Group. Moreover, assets related to disposition or restructuring of business, idled assets, and assets leased to others are grouped individually.

#### (2) Impairment loss of leased access gateway switch (AGW)

Impairment loss is recorded for certain unused access gateway switch (AGW) which were reserved for the analog lines customers of otoku line direct connection fixed-line voice service. The present values of future lease payment, which are considered as the carrying value of lease assets, are recorded in the consolidated statement of income.

### 4. Loss on unused telecommunications supplies and loss on disposal of fixed assets

In addition to the above impairment loss, loss on unused telecommunications supplies of ¥12,006 million and loss on disposal of fixed assets of ¥5,425 million are recorded for the unused analog lines assets which are reserved for the analog line customers of the direct connection fixed-line voice service.

**(Consolidated Statements of Changes in Equity)**
**Nine-month period from April 1, 2006 to December 31, 2006:**
**1. Class and number of outstanding shares:** (shares in thousands)

	March 31, 2006	Increase	Decrease	December 31, 2006
Number of common stocks	1,055,231	312	-	1,055,544

Note: Increase resulted from the exercise of stock acquisition rights.

**2. Class and number of treasury stocks:** (shares in thousands)

	March 31, 2006	Increase	Decrease	December 31, 2006
Number of common stocks	149	7	-	156

Note: Increase resulted from the acquisition of the fractional shares.

**3. Stock acquisition rights:**

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2006	Increase	Decrease	December 31, 2006	December 31, 2006
SOFTBANK, Corp.	Stock acquisition rights issued in 2004	Common stocks	24,000	-	-	24,000	3,150
Consolidated Subsidiaries	-		-				17
Total			-				3,167

**4. Dividends:**

## Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 23, 2006	Common stocks	2,637	¥2.50	March 31, 2006	June 23, 2006

**Nine-month period from April 1, 2007 to December 31, 2007:**
**1. Class and number of outstanding shares:** (shares in thousands)

	March 31, 2007	Increase	Decrease	December 31, 2007
Number of common stocks	1,055,862	24,747	-	1,080,610

Note: Increase resulted from the exercise of stock acquisition rights.

**2. Class and number of treasury stocks:** (shares in thousands)

	March 31, 2007	Increase	Decrease	December 31, 2007
Number of common stocks	158	4	-	162

Note: Increase resulted from the acquisition of the fractional shares.

**3. Stock acquisition rights:**

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2007	Increase	Decrease	December 31, 2007	December 31, 2007
SOFTBANK, Corp.	Stock acquisition rights issued in 2004	Common stocks	24,000	-	24,000	-	-
Consolidated Subsidiaries	-		-				92
Total			-				92

Note: Decrease resulted from the exercise of warrants.

**4. Dividends:**

## Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 22, 2007	Common stocks	2,639	¥2.50	March 31, 2007	June 25, 2007

**5. Adoption of new accounting standards at a subsidiary in the United States of America**

A subsidiary of the Company in the United States of America applied "Accounting for Uncertainty in Income Taxes" (Financial Accounting Standard Board Interpretation No. 48), effective for fiscal years beginning after December 15, 2006, from the nine-month period ended December 31, 2007. The cumulative effect of applying the provisions of this Interpretation was reported as an adjustment to the opening balance of accumulated deficit, and accordingly, it is recorded as "Increase in accumulated deficit due to adoption of new accounting standards at a subsidiary in the U.S." in the consolidated statements of changes in equity.

**Fiscal year from April 1, 2006 to March 31, 2007:**

**1. Class and number of outstanding shares:** (shares in thousands)

	March 31, 2006	Increase	Decrease	March 31, 2007
Number of common stocks	1,055,231	631	-	1,055,862

Note: Increase resulted from the exercise of stock acquisition rights.

**2. Class and number of treasury stocks:** (shares in thousands)

	March 31, 2006	Increase	Decrease	March 31, 2007
Number of common stocks	149	9	-	158

Note: Increase resulted from the acquisition of the fractional shares.

**3. Stock acquisition rights:**

Type	Detail of stock acquisition rights	Class of shares	Number of shares for stock acquisition rights (in thousands)				Millions of yen
			March 31, 2006	Increase	Decrease	March 31, 2007	March 31, 2007
SOFTBANK, Corp.	Stock acquisition rights issued in 2004	Common stocks	24,000	-	-	24,000	3,150
Consolidated Subsidiaries	-		-				30
Total			-				3,180

**4. Dividends:**

(1) Dividend paid

Resolution	Class of shares	Amount of dividend (Millions of yen)	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 23, 2006	Common stocks	2,637	¥2.50	March 31, 2006	June 23, 2006

(2) Dividends which recorded date is in the fiscal year 2007 and effective date for payment is in the fiscal year 2008.

Resolution	Class of shares	Amount of dividend (Millions of yen)	Source of dividend	Dividend per share	Record date	Effective date
Ordinary general meeting of shareholders, June 22, 2007	Common stocks	2,639	Retained earnings	¥2.50	March 31, 2007	June 25, 2007

**(Consolidated Statements of Cash Flows)**
**1. Reconciliation of cash and cash equivalents to the amounts presented in the accompanying consolidated balance sheets**

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Cash and deposits	394,772	<b>461,001</b>	377,666
Marketable securities	7,022	<b>7,958</b>	8,588
Time deposits with original maturity over three months	(2,618)	<b>(1,648)</b>	(1,989)
Stocks and bonds with original maturity over three months	(5,753)	<b>(7,033)</b>	(6,744)
Cash and cash equivalents	393,423 million yen	<b>460,278 million yen</b>	377,520 million yen

**2. Scope of Purchase of property and equipment, and intangibles in the consolidated statements of cash flows**

“Purchase of property and equipment, and intangibles” are comprised of cash outflows from purchasing property and equipment, and intangible assets (excluding goodwill) and long-term prepaid expenses.

**3. Proceeds from sale and lease back of equipment newly acquired**

Once SOFTBANK MOBILE Corp. purchases telecommunications equipment for the purpose of assembly, installation and inspection, SOFTBANK MOBILE Corp. sells the equipment to lease companies for sale and lease back purpose. The leased asset and lease obligation are recorded in the consolidated balance sheets.

The cash outflows from the purchase of the equipment from vendors are included in “Purchase of property and equipment, and intangibles” and the cash inflows from the sale of the equipment to lease companies are included in “Proceeds from sale and lease back of equipment newly acquired.”

**(Segment Information)**
**1. Business segment information**

(1) For the nine-month period ended December 31, 2006

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,008,538	¥192,836	¥247,719	¥139,110	¥178,333	¥55,832	¥1,822,369	¥-	¥1,822,369
(2) Inter-segment	6,250	3,480	27,943	2,259	11,216	9,871	61,021	(61,021)	-
Total	1,014,788	196,317	275,662	141,369	189,549	65,703	1,883,390	(61,021)	1,822,369
Operating expenses	901,246	176,901	277,971	72,014	184,677	69,876	1,682,688	(57,604)	1,625,083
Operating income (loss)	¥113,541	¥19,415	¥(2,308)	¥69,354	¥4,871	¥(4,172)	¥200,702	¥ (3,417)	¥197,285

(2) For the nine-month period ended December 31, 2007

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,212,068	¥189,592	¥236,279	¥174,033	¥184,069	¥62,721	¥2,058,765	¥-	2,058,765
(2) Inter-segment	8,523	4,567	35,172	2,891	11,038	12,242	74,435	(74,435)	-
Total	1,220,591	194,160	271,452	176,925	195,107	74,963	2,133,201	(74,435)	2,058,765
Operating expenses	1,072,611	163,864	269,728	93,145	192,197	78,231	1,869,779	(71,202)	1,798,576
Operating income (loss)	¥147,980	¥30,295	¥1,724	¥ 83,779	¥2,910	¥ (3,268)	¥263,421	¥ (3,232)	¥260,188

(3) For the fiscal year ended March 31, 2007

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

	Mobile Communications	Broadband Infrastructure	Fixed-line Telecommunications	Internet Culture	e-Commerce	Others	Total	Elimination or Corporate	Consolidated
Net sales									
(1) Customers	¥1,430,821	¥258,824	¥332,136	¥191,509	¥256,923	¥74,003	¥2,544,219	¥-	¥2,544,219
(2) Inter-segment	11,218	5,402	41,993	2,702	14,647	16,781	92,746	(92,746)	-
Total	1,442,040	264,227	374,129	194,212	271,570	90,785	2,636,966	(92,746)	2,544,219
Operating expenses	1,286,296	237,418	377,095	97,667	264,889	95,515	2,358,883	(85,729)	2,273,153
Operating income (loss)	¥155,743	¥26,809	¥(2,965)	¥96,544	¥6,680	¥(4,730)	¥278,082	¥(7,017)	¥271,065

**Notes:**

- Business segments are categorized primarily based on the nature of business operations, type of services, and similarity of sales channels, etc. which the SOFTBANK Group uses for its internal management purpose.
- Please refer to the chart of "The SOFTBANK Group" for the main businesses segments on the page 17.
- Unallocated operating expenses for the nine-month periods ended December 31, 2006, December 31, 2007 and for the fiscal year ended March 31, 2007 in the column "Elimination or Corporate," mainly represent expenses of the corporate division of the Company, which totaled ¥3,986 million, ¥4,141 million and ¥8,481 million, respectively.
- In the Mobile Communications segment, which was established for the fiscal year ended March 31, 2007, net sales and operating expenses of SOFTBANK MOBILE Corp. and its consolidated subsidiaries were consolidated from May 2006.

**(Leases)**
**1. Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods  
(as a lessee)**

(1) Amounts equivalent to acquisition costs, accumulated depreciation, and accumulated impairment loss of leased property for each period:

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
<b>Telecommunications equipment and telecommunications service lines</b>			
Acquisition cost	198,797	<b>178,848</b>	185,251
Accumulated depreciation	(69,048)	<b>(62,875)</b>	(60,294)
Accumulated impairment loss	(21,703)	<b>(30,521)</b>	(21,703)
Net leased property	108,045 million yen	<b>85,451 million yen</b>	103,252 million yen
<b>Buildings and structures</b>			
Acquisition cost	48,224	<b>47,004</b>	48,237
Accumulated depreciation	(5,464)	<b>(6,834)</b>	(6,127)
Accumulated impairment loss	-	-	-
Net leased property	42,759 million yen	<b>40,169 million yen</b>	42,109 million yen
<b>Property and equipment - others</b>			
Acquisition cost	20,215	<b>18,381</b>	20,187
Accumulated depreciation	(5,753)	<b>(6,092)</b>	(6,168)
Accumulated impairment loss	(1,431)	<b>(1,255)</b>	(1,388)
Net leased property	13,030 million yen	<b>11,034 million yen</b>	12,630 million yen
<b>Intangible assets</b>			
Acquisition cost	10,121	<b>10,060</b>	10,124
Accumulated depreciation	(1,802)	<b>(3,069)</b>	(2,254)
Accumulated impairment loss	(247)	<b>169</b>	(234)
Net leased property	8,071 million yen	<b>6,821 million yen</b>	7,635 million yen
<b>Total</b>			
Acquisition cost	277,359	<b>254,295</b>	263,800
Accumulated depreciation	(82,068)	<b>(78,872)</b>	(74,846)
Accumulated impairment loss	(23,383)	<b>(31,945)</b>	(23,326)
Net leased property	171,908 million yen	<b>143,476 million yen</b>	165,628 million yen

Long-term prepaid expenses relating to a lease contract, in which the contract term and payment term are different, for the period ended December 31, 2006, December 31, 2007 and for the fiscal year ended March 31, 2007 were ¥6,118 million, ¥13,133 million and ¥7,848 million, respectively and are included in "Other assets" of investments and other assets in the consolidated balance sheets.

(2) Obligations under finance lease at the end of each period:

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
Due within one year	33,707	<b>32,431</b>	33,088
Due after one year	170,739	<b>147,141</b>	165,966
Total	204,447 million yen	<b>179,572 million yen</b>	199,055 million yen
Balance of allowance for impairment loss on leased property	19,406 million yen	<b>23,296 million yen</b>	18,170 million yen



- (3) Lease payments, reversal of allowance for impairment loss on leased property, amounts equivalent to depreciation, interest expense and impairment loss for each period:

	Nine-month period ended December 31, 2006	<b>Nine-month period ended December 31, 2007</b>	Fiscal year ended March 31, 2007
Lease payments	40,447 million yen	<b>33,784 million yen</b>	52,875 million yen
Reversal of allowance for impairment loss on leased property	4,020	<b>3,692</b>	5,256
Depreciation expense	31,853	<b>25,151</b>	41,529
Interest expense	10,638	<b>8,463</b>	14,086
Impairment loss	-	<b>8,818</b>	-

- (4) Calculation method used to determine the amount equivalent to depreciation and interest expense:

The amount equivalent to depreciation is computed using the straight-line method over the period of the capital leases, assuming no residual value except in cases where the residual value is guaranteed in the lease contract.

The amount equivalent to interest expense is calculated by subtracting acquisition costs from the total lease payments and allocated over the lease periods based on the interest method.

**(as a lessor)**

- (1) Acquisition cost and accumulated depreciation at the end of each period:

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
Property and equipment - others			
Acquisition cost	62	-	-
Accumulated depreciation	(62)	-	-
<u>Net leased property</u>	<u>- million yen</u>	<u><b>- million yen</b></u>	<u>- million yen</u>

- (2) The future lease receivables under finance lease at the end of each period:

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
Due within one year	-	-	-
Due after one year	-	-	-
<u>Total</u>	<u>- million yen</u>	<u><b>- million yen</b></u>	<u>- million yen</u>

- (3) Lease income, depreciation and amount equivalent to interest income under finance lease for each period:

	Nine-month period ended December 31, 2006	<b>Nine-month period ended December 31, 2007</b>	Fiscal year ended March 31, 2007
Lease income	29 million yen	<b>- million yen</b>	29 million yen
Depreciation expense	29	-	29
Interest income	0	-	0

- (4) Calculation method of amount equivalent to interest income

The amount equivalent to interest income is calculated by subtracting acquisition costs from total lease income and estimated residual value and allocated over the lease periods based on the interest method.

**2. Non-cancelable operating lease transactions**
**(as a lessee)**

The future lease payments under non-cancelable operating leases at the end of each period:

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
Due within one year	11,810	<b>3,759</b>	9,898
Due after one year	4,444	<b>14,297</b>	4,386
<b>Total</b>	16,254 million yen	<b>18,056 million yen</b>	14,284 million yen

**(as a lessor)**

The future lease receivables under non-cancelable operating leases at the end of each period:

	As of December 31, 2006	<b>As of December 31, 2007</b>	As of March 31, 2007
Due within one year	1,191	<b>1,448</b>	1,258
Due after one year	1,763	<b>2,136</b>	1,700
<b>Total</b>	2,954 million yen	<b>3,584 million yen</b>	2,958 million yen

**(Investment in Debt and Equity Securities)**
**1. Marketable and investment securities at fair value**

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

	As of December 31, 2006			As of December 31, 2007			As of March 31, 2007		
	Investment Cost	Carrying Amount	Differences	Investment Cost	Carrying Amount	Differences	Investment Cost	Carrying Amount	Differences
(1) Equity securities	36,097	192,912	156,815	<b>35,925</b>	<b>160,724</b>	<b>124,798</b>	40,068	231,789	191,721
(2) Other	225	225	0	<b>1,290</b>	<b>1,287</b>	<b>(2)</b>	1,100	1,100	0
Total	36,323	193,138	156,815	<b>37,215</b>	<b>162,012</b>	<b>124,796</b>	41,168	232,890	191,721

**2. Carrying amounts of the unlisted investment securities**

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

	As of December 31, 2006	As of December 31, 2007	As of March 31, 2007
	Carrying Amount	Carrying Amount	Carrying Amount
(1) Held-to-maturity debt securities:			
Foreign debt securities	-	<b>700</b>	-
Debt securities	170	<b>368</b>	170
(2) Available-for-sale securities:			
Equity securities	119,627	<b>107,002</b>	141,790
Investments in limited partnerships	4,669	<b>6,356</b>	5,802
Money Management Fund	5,386	<b>5,618</b>	6,053
Foreign debt securities	-	<b>1,074</b>	148
Designated Money Trust	1,000	-	1,000
Preferred fund certificate	2,000	-	2,000
Other	615	<b>1,304</b>	618
Total	133,469	<b>122,423</b>	157,583

### 3. Investment securities evaluated at fair value under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” Investment Companies

Certain subsidiaries of the Company in the United States of America qualify as investment companies under the provisions of “American Institute of Certified Public Accountants Audit and Accounting Guide” investment companies (the AICPA Guide) and account for the investment securities in accordance with the AICPA Guide.

The carrying amounts of the investment securities at fair value recorded in the consolidated balance sheets at December 31, 2007 and net changes in fair value of the investment securities, and gain on sale of the investment securities, net recorded as “Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net” in the consolidated statements of income for the nine-month period ended December 31, 2007 are as follows:

The net changes in the fair value of the investments are recorded as “Unrealized appreciation on investments and gain on sale of investments at subsidiaries in the U.S., net” and gain or loss on sale of investments, computed based on the acquisition cost, is also included in such account.

#### Nine-month period ended December 31, 2007 (as of December 31, 2007)

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets:	33,039 million yen
Net changes in fair value of investment securities recorded in consolidated statements of income:	4,301 million yen
Gain on sale of investment securities, net recorded in consolidated statements of income:	13,040 million yen

These investment securities were included in Equity securities in “2. Carrying amounts of the unlisted investments securities, (2) Available-for-sale securities” for the fiscal year ended March 31, 2007. Due to the materiality of the amount and for the purpose of clearly disclosing the investment securities evaluated at fair value, these investments are separately disclosed as “3. Investment securities evaluated at fair value under the provisions of AICPA Audit and Accounting Guide on Investment Companies.”

(For reference)

Carrying amounts of the investment securities at fair value included in Equity securities in “2. Carrying amounts of the unlisted investments securities, (2) Available-for-sale securities”, net changes in fair value of the investment securities and gain or loss on sale of the investments securities, net recorded in the consolidated statements of income are as follows:

#### Nine-month period ended December 31, 2006 (as of December 31, 2006)

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets:	11,192 million yen
Net changes in fair value of investment securities recorded in consolidated statements of income:	2,474 million yen

#### Fiscal year ended March 31, 2007 (as of March 31, 2007)

Carrying amounts of investment securities at fair value recorded in consolidated balance sheets:	33,256 million yen
Net changes in fair value of investment securities recorded in consolidated statements of income:	4,935 million yen
Loss on sale of investment securities, net recorded in consolidated statements of income:	(2,682) million yen