SoftBank

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

SoftBank Corp.
Consolidated Financial Report
For the nine-month period ended December 31, 2014 (IFRS)

Tokyo, February 10, 2015

1. Financial Highlights

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

(1) Results of Operations

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

	Net sales		Operating income		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Nine-month period ended December 31, 2014	**¥6,431,167**	**41.0**	**¥788,045**	**(16.2)**	**¥1,117,242**	**37.2**	**¥640,724**	**18.8**	**¥579,446**	**15.9**	**¥1,075,030**	**92.3**
Nine-month period ended December 31, 2013	¥4,561,703	94.4	¥940,632	-	¥814,545	-	¥539,266	-	¥499,831	-	¥559,171	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Nine-month period ended December 31, 2014	**¥487.45**	**¥486.86**
Nine-month period ended December 31, 2013	¥419.54	¥418.77

Note:
Year-on-year percentage changes except for net sales for the nine-month period ended December 31, 2013 are not described due to the retrospective adjustments in regard to the changes in accounting policies. Please refer to page 33 “Note 2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details.

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
As of December 31, 2014	**¥20,238,353**	**¥3,826,718**	**¥2,808,952**	**13.9**
As of March 31, 2014	¥16,690,127	¥2,830,382	¥1,930,441	11.6

Note:
Retrospective adjustments in regard to the changes in accounting policies are made for each financial figure as of March, 31 2014. Please refer to page 33 “Note 2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details.

2. Dividends

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

Note:
Revision of forecasts on the dividends: No

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

The Company projects net sales of ¥8 trillion and operating income of ¥900 billion for the fiscal year ending March 31, 2015. The operating income for the fiscal year ended March 31, 2014 of ¥1,077.0 billion (after retrospective adjustments) included gain from remeasurement relating to business combination of ¥253.9 billion. The forecasted operating income of ¥900 billion for the fiscal year ending March 31, 2015 does not include any temporary gains.

*** Notes**

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

(2) Changes in accounting policies and accounting estimates
- [1] Changes in accounting policies required by IFRSs: Yes
- [2] Changes in accounting policies other than those in [1]: No
- [3] Changes in accounting estimates: Yes

Please refer to page 23 "Changes in Accounting Policies and Accounting Estimates" under "2. Notes to Summary Information" for details.

(3) Number of shares issued (common stock)
- [1] Number of shares issued (including treasury stock):
  - As of December 31, 2014: 1,200,660,365 shares
  - As of March 31, 2014: 1,200,660,365 shares
- [2] Number of treasury stock:
  - As of December 31, 2014: 11,537,961 shares
  - As of March 31, 2014: 12,204,526 shares
- [3] Number of average stock during nine-month period (April-December):
  - As of December 31, 2014: 1,188,725,107 shares
  - As of December 31, 2013: 1,191,374,458 shares

*** Implementation status of interim review procedures**

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

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

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

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

On February 10, 2015, the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcast live on our web site in both Japanese and English at http://www.softbank.jp/en/corp/irinfo/. The Earnings Results Data Sheet will also be posted on the Company's web site around 4 p.m. on the same day at http://www.softbank.jp/en/corp/irinfo/presentations/.

(Appendix)

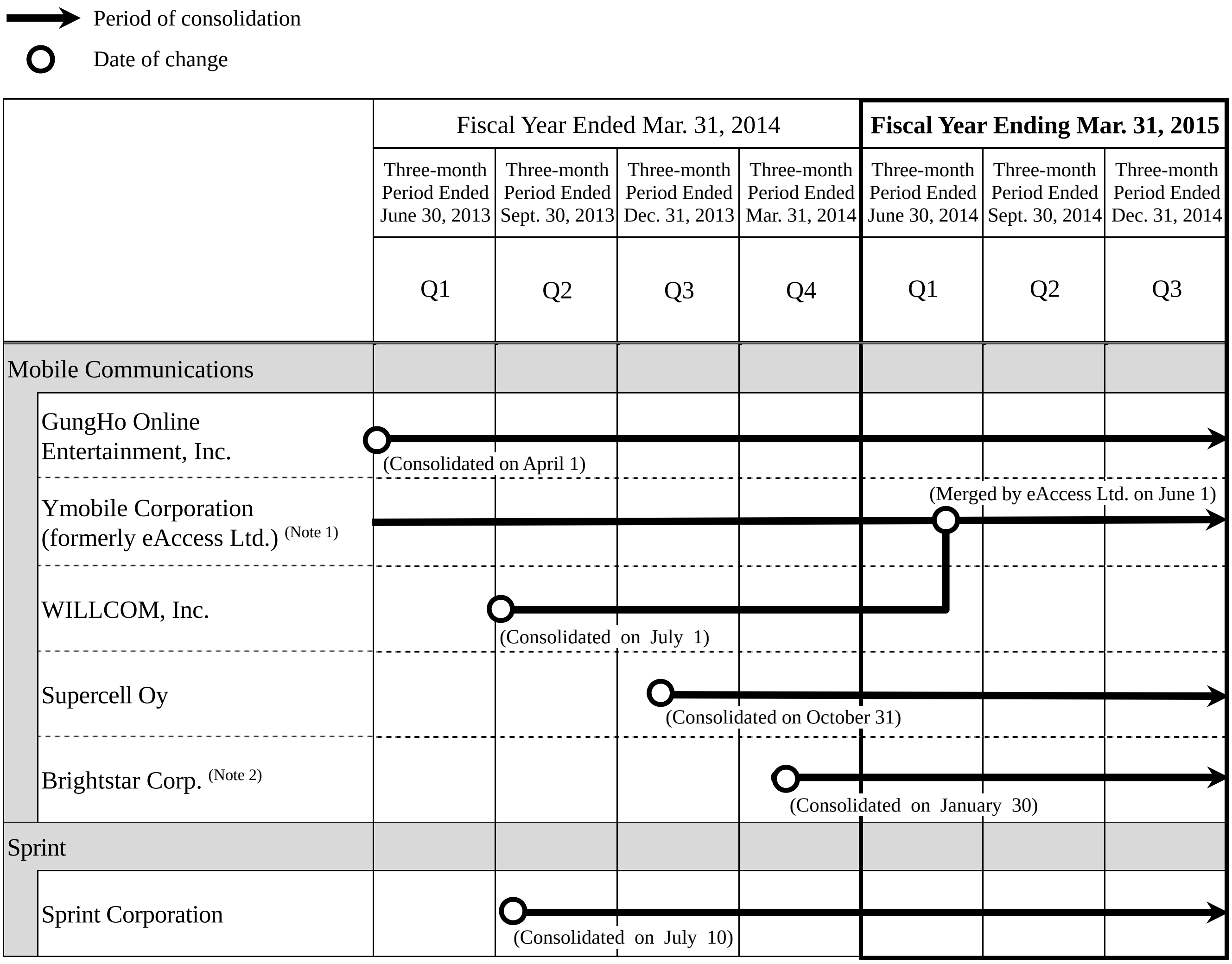
Contents

Definition of Company Names and Abbreviations used in Appendix

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

Company Name/ Abbreviation	Definition
"SoftBank Corp."	SoftBank Corp. (stand-alone basis)
The "Company"	SoftBank Corp. and its subsidiaries
* Each of the following abbreviations indicates the respective company, and its subsidiaries if any.	
"Sprint"	Sprint Corporation (formerly Sprint Nextel Corporation)
"Brightstar"	Brightstar Corp.
"GungHo"	GungHo Online Entertainment, Inc.
"Supercell"	Supercell Oy
"Alibaba"	Alibaba Group Holding Limited

Major Changes to Subsidiaries (April 2013 - December 2014)



Notes:

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

1. Qualitative Information Regarding Nine-month Period Results

(1) Qualitative Information Regarding Consolidated Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013 (Note 3)	**Nine-month Period Ended Dec. 31, 2014**	Change	Change %
Net sales	4,561,703	**6,431,167**	1,869,464	41.0%
Operating income	940,632	**788,045**	(152,587)	(16.2%)
(Incl.) Gain from remeasurement relating to business combination	253,886	-	(253,886)	-
Income before income tax	814,545	**1,117,242**	302,697	37.2%
(Incl.) Dilution gain from changes in equity interest	1,599	**599,806**	598,207	-
Net income	539,266	**640,724**	101,458	18.8%
Net income attributable to owners of the parent	499,831	**579,446**	79,615	15.9%

Note:

3. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." Please refer to page 33 "2. Significant accounting policies" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details on the retrospective adjustments.

The main factors affecting earnings for the nine-month period ended December 31, 2014 (the "period") were as follows:

(a) Net Sales

Net sales totaled ¥6,431,167 million, for a ¥1,869,464 million (41.0%) increase from the nine-month period ended December 31, 2013 (the "same period of the previous fiscal year"). This primarily resulted from increases in net sales in the Sprint segment and the Mobile Communications segment.

Net sales (for customers) of the Sprint segment totaled ¥2,683,437 million, for a ¥999,193 million (59.3%) increase compared to the same period of the previous fiscal year. The main reason for the increase was recording the results of Sprint for the entire period, when in the same period of the previous fiscal year its results were recorded only for the period from July 11, 2013, after its acquisition.

The Mobile Communications segment's net sales (for customers) amounted to ¥3,063,856 million, for a ¥875,626 million (40.0%) increase year on year. This was due to recording net sales of Brightstar[1] and Supercell for the entire period, when in the same period of the previous fiscal year the results of Brightstar were not recorded and those of Supercell were recorded only after its acquisition on October 31, 2013.

[1] In "1. Qualitative Information Regarding Nine-month Period Results" the earnings of Brightstar are shown excluding the earnings of SoftBank Commerce & Service Corp. which was consolidated by Brightstar on April 1, 2014. The earnings of SoftBank Commerce & Service Corp. and the commerce and service business of SoftBank BB Corp., from which SoftBank Commerce & Service Corp. inherited the business, have been included in the Mobile Communications segment.

(b) Operating Income

Operating income totaled ¥788,045 million, for a decrease of ¥152,587 million (16.2%) year on year. The decline primarily reflected a deterioration of ¥22,653 million in other operating loss and ¥253,886 million in gain from remeasurement relating to business combination recorded in the same period of the previous fiscal year, while income increased in the Sprint segment and the Mobile Communications segment by ¥105,330 million and ¥50,556 million, respectively.

Other operating loss was ¥27,981 million, a deterioration of ¥22,653 million year on year (other operating loss of ¥5,328 million was recorded in the same period of the previous fiscal year). The deterioration was mainly attributable to recording ¥29,509 million in severance costs associated with reduction in work force of Sprint (¥5,338 million in the same period of the previous fiscal year) and ¥18,751 million in provision for unprofitable contract at SoftBank Telecom Corp., which were partially offset by recording ¥18,726 million in gain on partial pension settlement at Sprint. Please refer to page 55 “11. Other operating loss” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details of other operating income and loss.

In the same period of the previous fiscal year, the Company recorded a gain of ¥253,886 million recognized following remeasurement at fair value of the respective equity interests in GungHo and WILLCOM, Inc.[2] that it already held on the dates when the Company acquired control. During the period, no gain from remeasurement relating to business combination was recorded.

(c) Finance Cost

Finance cost totaled ¥264,168 million, for a ¥77,536 million (41.5%) increase year on year. The increase was mainly due to the impact of recording the interest expense of Sprint for the entire period.

(d) Equity in Income and Loss of Associates

Equity in income of associates was ¥12,061 million, a deterioration of ¥7,901 million year on year (equity in income of associates of ¥19,962 million was recorded in the same period of the previous fiscal year). This was mainly due to the decrease of ¥18,959 million in equity in income of associates related to Alibaba.

Although Alibaba has shown steady growth, the decrease in income of associates related to it reflected its net income driven down by a loss of ¥398,716 million ($3,882 million) recognized in conjunction with the increase in the fair value of the Convertible Preference Shares issued by Alibaba from April 1, 2014 to September 18, 2014, the day preceding the date of Alibaba’s listing on the New York Stock Exchange.

The Convertible Preference Shares were converted into common stock in conjunction with Alibaba's listing dated September 19, 2014. Consequently dilution gain from changes in equity interest was recorded for the portion attributable to the Company out of the loss incurred up until the listing in association with the increase in the fair value of the Convertible Preference Shares.

(e) Dilution Gain from Changes in Equity Interest

Dilution gain from changes in equity interest was ¥599,806 million, an increase of ¥598,207 million year on year.

[2] WILLCOM, Inc. was merged by eAccess Ltd. (currently Ymobile Corporation) on June 1, 2014.

This was mainly attributable to recording dilution gain from changes in equity interest of ¥599,668 million in connection with the listing of Alibaba, primarily as a result of the issuance of new shares by Alibaba and the conversion of the Convertible Preference Shares issued by Alibaba into common stock.

(f) Other Non-operating Income and Loss

Other non-operating loss was ¥18,502 million, a deterioration of ¥57,486 million year on year (other non-operating income of ¥38,984 million was recorded in the same period of the previous fiscal year). The primary components were as follows:

- Impairment loss on equity method associates of ¥32,339 million was recorded (not recorded in the same period of the previous fiscal year).
- Gain on sales of equity method associates was ¥1,379 million, deteriorating by ¥25,322 million year on year.
- Interest income decreased ¥17,171 million year on year to ¥2,873 million.
- Loss on sales of securities was ¥2,143 million (gain on sales of securities of ¥11,565 million was recorded in the same period of the previous fiscal year).
- Derivative loss was ¥1,195 million, improving by ¥13,862 million year on year.

Please refer to page 56 “14. Other non-operating income and loss” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details.

(g) Income before Income Tax

As a result of (b) to (f), income before income tax was ¥1,117,242 million, an increase of ¥302,697 million (37.2 %) year on year.

(h) Income Taxes

Provisions for current income taxes were ¥476,518 million, an increase of ¥201,239 million (73.1%) year on year. Tax effects were recognized in principle for equity in income of associates and dilution gain from changes in equity interest related to associates such as Alibaba.

(i) Net Income

As a result of (g) to (h), net income totaled ¥640,724 million, for a ¥101,458 million (18.8%) year-on-year increase.

(j) Net Income Attributable to Owners of the Parent

After deducting net income and loss attributable to non-controlling interests in subsidiaries such as Yahoo Japan Corporation, Sprint, GungHo, and Supercell from (i), net income attributable to owners of the parent amounted to ¥579,446 million, for a ¥79,615 million (15.9%) increase year on year.

(k) Comprehensive Income

Comprehensive income totaled ¥1,075,030 million, for a ¥515,859 million (92.3%) year-on-year increase. Of this, comprehensive income attributable to owners of the parent was ¥954,777 million, for a ¥460,365 million (93.1%) year-on-year increase.

b. Results by Segment

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

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

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

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

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

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

Segments		Main Businesses	Core Companies
Reportable Segments	Mobile Communications	・Provision of mobile communications services in Japan ・Sale of mobile devices and accessories ・Sale of PC software and peripherals ・Production and distribution of online games for smartphones and other devices	SoftBank Mobile Corp. Ymobile Corporation Wireless City Planning Inc. Brightstar Corp. SoftBank Telecom Corp. GungHo Online Entertainment, Inc. Supercell Oy
	Sprint	・Provision of mobile communications services by Sprint in the U.S. ・Sale of mobile devices and accessories accompanying the above services ・Provision of fixed-line telecommunications services by Sprint	Sprint Corporation
	Fixed-line Telecommunications	・Provision of telecom services such as fixed-line telephone and data communications services to domestic corporate customers ・Provision of broadband services to domestic individual customers ・Services accompanying the above services	SoftBank Telecom Corp. SoftBank BB Corp. Ymobile Corporation Yahoo Japan Corporation
	Internet	・Internet advertising ・e-commerce business ・Membership services	Yahoo Japan Corporation
Others		・Fukuoka SoftBank HAWKS related businesses	Fukuoka SoftBank HAWKS Corp.

Note:
4. Income of reportable segments is based on income from operating income, excluding "Gain from remeasurement relating to business combination" and "Other operating income (loss)," as follows:
Segment income = (net sales – cost of sales – selling, general and administrative expenses) in each segment

(a) Mobile Communications Segment

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013	**Nine-month Period Ended Dec. 31, 2014**	Change	Change %
Net sales	2,203,828	**3,087,458**	883,630	40.1%
Segment income	521,227	**571,783**	50,556	9.7%

< Overview of Operations >

The segment's net sales increased by ¥883,630 million (40.1%) year on year to ¥3,087,458 million. The increase was mainly due to recording the results of Brightstar and Supercell for the entire period and an increase in net sales of SoftBank Mobile Corp.

Net sales of Brightstar amounted to ¥656,584 million. In the same period of the previous fiscal year net sales of Brightstar were not recorded, while in the period they were recorded for the entire period. Net sales of Supercell were also recorded for the entire period, while in the same period of the previous fiscal year they were recorded only after its acquisition on October 31, 2013.

At SoftBank Mobile Corp., net sales increased by ¥59,212 million to ¥1,722,696 million on higher product sales, as well as increased service revenue along with growth in the cumulative number of subscribers. The increase in product sales was primarily a result of a higher average price per mobile device due to changes in the mix of devices sold, despite a slight decrease in the number of handsets shipped.[3]

Segment income increased by ¥50,556 million (9.7%) year on year to ¥571,783 million. This was mainly due to recording the income of Supercell for the entire period and an increase in income at SoftBank Mobile Corp. The increase in income at SoftBank Mobile Corp. was mainly attributable to the aforementioned increase in its net sales and decrease in sales commissions, which outweighed increases in depreciation and communication network charges.

< Overview of Business Operations >

(Principal operational data of SoftBank Mobile Corp. is shown below.)

・Number of Subscribers

The cumulative number of subscribers at SoftBank Mobile Corp. as of December 31, 2014 (the "end of the third quarter") stood at 37,401,000. Net subscriber additions (new subscriptions minus churn) for the period at SoftBank Mobile Corp. totaled 1,477,000. This was primarily the result of solid trends in subscriber numbers, especially for smartphones and tablets, and communication modules.

・ARPU

ARPU[4] at SoftBank Mobile Corp. for the three-month period ended December 31, 2014 (the "third quarter") decreased by ¥240 year on year to ¥4,250. This decline in ARPU primarily reflected an increase in low-ARPU

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

[4] For definitions and calculation methods of ARPU and churn and upgrade rates at SoftBank Mobile Corp., see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Mobile Corp."

devices. Meanwhile, ARPU was pushed up mainly by growth in the number of LTE subscriptions, which have relatively higher data communication charges compared to 3G subscriptions.

・**Number of Units Sold**

The number of units sold[5] at SoftBank Mobile Corp. in the period increased by 7,000 year on year to 9,893,000.

・**Churn Rate and Upgrade Rate**

The churn rate[4] at SoftBank Mobile Corp. for the third quarter was 1.34%, up 0.06 of a percentage point year on year. The upgrade rate[4] was 1.87%, up 0.23 of a percentage point year on year. This was mainly due to the progress in iPhone upgrades.

(b) Sprint Segment

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013	**Nine-month Period Ended Dec. 31, 2014**	Change	Change %
Net sales	1,684,439	**2,809,857**	1,125,418	66.8%
Segment income	(50,502)	**54,828**	105,330	-

(Reference: other operating income (loss) related to Sprint)

Severance costs associated with reduction in work force of Sprint	(5,338)	**(29,509)**	(24,171)	-
Gain on partial pension settlement	-	**18,726**	18,726	-

Note:
5. The Sprint segment includes the results of Sprint since July 11, 2013.

< Overview of Operations >

The segment's net sales increased by ¥1,125,418 million (66.8%) year on year to ¥2,809,857 million. The main factor behind the increase was that in the same period of the previous fiscal year Sprint's results were reflected only from July 11, 2013, while in the period they were reflected for the entire period.

Segment income improved by ¥105,330 million year on year to ¥54,828 million, from a segment loss of ¥50,502 million in the same period of the previous fiscal year. The principal cause of this improvement was a decrease in depreciation as a result of some of the legacy assets becoming fully depreciated as of December 31, 2013. Other factors which contributed to the improvement in income included a decrease in network and roaming expenses primarily resulting from the network enhancement and improvement, and a decrease in subsidy due to an increased adoption of the installment billing program for mobile devices from the conventional subsidized model, where Sprint pays subsidies to bear a part of the cost of devices for customers.

Severance costs associated with reduction in work force and gain on partial pension settlement at Sprint were

[5] Units sold: the total number of new subscriptions and handset upgrades.

recorded as other operating income and loss on the Company's condensed interim consolidated statements of income and did not affect segment income. Please refer to page 55 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

Although Sprint recorded $2.13 billion of impairment losses in the third quarter, the Company did not recognize an impairment loss related to Sprint, primarily due to differences in adopted GAAP. Please refer to the Company's press release "Impairment Losses Related to Sprint (under US GAAP) and Reasons for Not Recognizing an Impairment Loss Related to Sprint in the Consolidated Financial Statements of SoftBank (under IFRSs)," dated February 5, 2015, for details.

< Overview of Business Operations >

・Number of Subscribers

The Sprint platform[6] had 1,337,000 net subscriber additions for the period. This primarily reflected a 1,857,000 net addition in wholesale & affiliate, mainly due to growth of communication modules for automobiles, despite a 423,000 net loss in postpaid mostly caused by a net loss of mobile phones. As a result, the cumulative number of the Sprint platform subscribers stood at 54,888,000 at the end of the third quarter.

・ABPU

Starting from the third quarter, Sprint discloses ABPU[7] (Average Billings Per User), which is the sum of ARPU[7] and monthly-average equipment billings,[8] as its key performance indicator in addition to ARPU.

Sprint platform postpaid ABPU for the third quarter was $62.16, for a $2.08 year-on-year decrease. This was mainly due to an increased number of subscriptions to lower price plans offered in conjunction with device financing programs such as installment sales and leases, as well as tablet subscriptions, whose monthly service charge is lower than mobile phones. On the other hand, equipment billings increased due to the increased adoption of the installment billing program for mobile devices.

・Churn Rate

The Sprint platform postpaid churn rate[7] for the third quarter was 2.30%, up 0.23 of a percentage point year on year. The rate was mainly pushed up by the impact of competition for customers in the third quarter, as well as increased involuntary churn due to unpaid subscriptions.

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[6] Sprint-operated CDMA and LTE networks.
[7] For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."
[8] Equipment billings: the sum of installment billings under the installment billing program and lease fees under the leasing program.

(c) Fixed-line Telecommunications Segment

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013	**Nine-month Period Ended Dec. 31, 2014**	Change	Change %
Net sales	407,425	**400,017**	(7,408)	(1.8%)
Segment income	89,368	**81,321**	(8,047)	(9.0%)

(Reference: other operating loss related to SoftBank Telecom Corp.)

Provision for unprofitable contract	-	**(18,751)**	(18,751)	-

< Overview of Operations >

The segment's net sales decreased by ¥7,408 million (1.8%) year on year to ¥400,017 million. This was mainly due to a decline in ADSL service revenue at Ymobile Corporation and a decrease in net sales at SoftBank Telecom Corp. The revenue decrease at SoftBank Telecom Corp. principally reflected temporary revenue from interconnection charges recorded in the same period of the previous fiscal year.

Segment income decreased by ¥8,047 million (9.0%) year on year to ¥81,321 million. This was mainly due to a decrease in net sales, as well as an increase in outsourcing expenses and communication network charges at SoftBank Telecom Corp. relating to the network for communications services for a corporate customer.

Provision for unprofitable contract related to communications services at SoftBank Telecom Corp. was recorded as other operating loss on the Company's condensed interim consolidated statements of income and did not affect segment income. Please refer to page 55 "11. Other operating loss" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details.

(d) Internet Segment

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013	**Nine-month Period Ended Dec. 31, 2014**	Change	Change %
Net sales	297,976	**303,712**	5,736	1.9%
Segment income	143,478	**136,459**	(7,019)	(4.9%)

<Overview of Operations>

The segment's net sales increased by ¥5,736 million (1.9%) year on year to ¥303,712 million. This increase was a result of revenue growth in the advertising business at Yahoo Japan Corporation, especially from display advertising,[9] which was partially offset by a revenue decrease in the e-commerce business relating to its new

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

strategy, which includes eliminating monthly store tenant and other fees.

Segment income decreased by ¥7,019 million (4.9%) year on year to ¥136,459 million. This decrease was mainly caused by Yahoo Japan Corporation as a result of its decreased sales in the e-commerce business, as well as increased depreciation accompanying its continued capital expenditures related to the advertising business, big data and security enhancement, and increased personnel expenses.

(Reference 1: Principal Operational Data)

(a) Mobile Communications Segment

		Fiscal Year Ended Mar. 31, 2014					**Fiscal Year Ending Mar. 31, 2015**		
		Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	**Three-month Period Ended Dec. 31, 2014**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Cumulative Subscribers	(Thousands) SoftBank Mobile Corp.[10]	33,290	34,068	34,760		35,925	36,482	37,047	**37,401**
	Ymobile Corporation[11,12]	9,542	9,725	9,899		10,011	10,002	10,066	**10,065**
	(Incl.) PHS	5,199	5,310	5,403		5,546	5,516	5,470	**5,305**
SoftBank Mobile Corp.	(Thousands) Net additions[10]	810	778	692	1,165	3,445	557	565	**355**
	Postpaid	818	790	716	1,202	3,526	591	594	**384**
	Prepaid	-8	-12	-24	-36	-81	-34	-29	**-29**
	(¥ / month) ARPU[13,14]	4,460	4,520	4,490	4,340	4,450	4,280	4,260	**4,250**
	(Thousands) Handsets shipped[15]	2,575	2,734	3,347	3,377	12,033	1,769	2,978	**3,832**
	(Thousands) Units sold[16]	3,023	3,150	3,713	4,289	14,175	2,533	3,428	**3,932**
	New subscriptions	1,790	1,904	2,015	2,921	8,629	1,761	1,968	**1,847**
	Handset upgrades	1,233	1,246	1,698	1,368	5,546	772	1,460	**2,085**
	(% / month) Churn rate[13]	0.99	1.12	1.28	1.66	1.27	1.11	1.27	**1.34**
	Postpaid	0.94	1.06	1.24	1.63	1.22	1.07	1.23	**1.30**
	(% / month) Upgrade rate[13]	1.25	1.23	1.64	1.30	1.36	0.71	1.32	**1.87**

[10] Includes the number of prepaid mobile phones and communication module service subscribers. The communication module subscribers' net additions for the period were 542,000 and the cumulative number at the end of the third quarter totaled 4,376,000.

[11] eAccess Ltd. changed its company name to Ymobile Corporation on July 1, 2014. Preceding this, eAccess Ltd. merged with WILLCOM, Inc. on June 1, 2014.

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

[13] For definitions and calculation methods of ARPU and churn and upgrade rates at SoftBank Mobile Corp., see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (a) SoftBank Mobile Corp."

[14] ARPU in the fourth quarter of every fiscal year includes impact from revision of interconnection charges.

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

[16] Units sold: the total number of new subscriptions and handset upgrades.

(b) Sprint Segment

		Fiscal Year Ended Mar. 31, 2014					**Fiscal Year Ending Mar. 31, 2015**		
		Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	**Three-month Period Ended Dec. 31, 2014**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Cumulative Subscribers[17]	(Thousands) Sprint total	53,588	54,877	55,354		54,887	54,553	55,037	**55,929**
	Sprint platform	53,376	53,252	53,934		53,551	53,331	53,921	**54,888**
	Postpaid	30,451	30,091	30,149		29,918	29,737	29,465	**29,495**
	Prepaid	15,215	15,299	15,621		15,257	14,715	14,750	**15,160**
	Wholesale & affiliate	7,710	7,862	8,164		8,376	8,879	9,706	**10,233**
	U.S. Cellular & Clearwire[18]	212	1,625	1,420		1,336	1,222	1,116	**1,041**
Sprint Platform	(Thousands) Net additions[17]	-520	-95	682	-383		-220	590	**967**
	Postpaid	194	-360	58	-231		-181	-272	**30**
	Prepaid	-486	84	322	-364		-542	35	**410**
	Wholesale & affiliate	-228	181	302	212		503	827	**527**
	($ / month) ABPU[19] Postpaid	-	-	64.24	64.13		63.59	62.75	**62.16**
	($ / month) ARPU[19]								
	Postpaid	64.20	64.28	64.11	63.52		62.07	60.58	**58.90**
	Prepaid	26.96	25.33	26.78	26.45		27.38	27.19	**27.12**
	(% / month) Churn rate[19]								
	Postpaid	1.83	1.99	2.07	2.11		2.05	2.18	**2.30**
	Prepaid	5.22	3.57	3.01	4.33		4.44	3.76	**3.94**

[17] Includes the number of communication module service subscribers.
[18] Sprint acquired 411,000 subscribers (352,000 postpaid subscribers and 59,000 prepaid subscribers) through the acquisition of assets from U.S. Cellular Corporation ("U.S. Cellular") following its acquisition of U.S. Cellular when the transaction closed on May 17, 2013. Sprint also acquired 1,602,000 subscribers (788,000 postpaid subscribers, 721,000 prepaid subscribers, and 93,000 wholesale subscribers) following its acquisition of Clearwire Corporation ("Clearwire") when the transaction closed on July 9, 2013, and transferred 29,000 Sprint wholesale subscribers relating to a Clearwire MVNO arrangement that were originally recognized on the Sprint platform to this category.
[19] For definitions and calculation methods of ABPU/ARPU and churn rate of the Sprint platform, see page 14 "(Reference 2: Definitions and Calculation Methods of Principal Operational Data) (b) Sprint Platform."

(Reference 2: Definitions and Calculation Methods of Principal Operational Data)

(a) SoftBank Mobile Corp.

i. ARPU

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

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

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

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

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

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

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

ii. Churn rate

Churn rate = number of churn / number of active subscribers (rounded to the nearest 0.01%)
Number of churn: the total number of subscribers that churned during the relevant period
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

iii. Upgrade rate

Upgrade rate = number of upgrades / number of active subscribers (rounded to the nearest 0.01%)
Number of upgrades: the total number of upgrades during the relevant period
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

(b) Sprint Platform

i. ABPU/ARPU

ABPU: Average Billings Per User per month (rounded to the nearest $.01)
ABPU = (service revenue + equipment billings) / number of active subscribers
Equipment billings: the sum of installment billings under the installment billing program and lease fees under the leasing program

ARPU: Average Revenue Per User per month (rounded to the nearest $.01)
ARPU = service revenue / number of active subscribers

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

ii. Churn rate

Churn rate = number of deactivations / number of active subscribers (rounded to the nearest 0.01%)
Deactivations: the total number of subscribers that churned during the relevant period. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid.
Number of active subscribers: the total of the monthly numbers of active subscribers for the relevant period
((subscribers at the beginning of the month + subscribers at the end of the month) / 2)

(Reference 3: Capital Expenditure and Depreciation)

(a) Capital Expenditure (acceptance basis)

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2014					**Fiscal Year Ending Mar. 31, 2015**		
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	**Three-month Period Ended Dec. 31, 2014**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Mobile Communications Segment	163,581	164,563	170,469	180,347	678,960	123,186	121,794	**129,673**
Sprint Segment		163,574	208,733	91,969	464,276	148,793	162,025	**213,765**
Fixed-line Telecommunica-tions Segment	9,903	16,743	13,091	20,731	60,468	9,946	14,447	**15,151**
Internet Segment	4,393	2,746	9,194	9,706	26,039	8,534	5,035	**9,418**
Others	2,835	4,694	3,082	4,896	15,507	5,552	4,446	**8,983**
Consolidated total	180,712	352,320	404,569	307,649	1,245,250	296,011	307,747	**376,990**

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended Mar. 31, 2014					**Fiscal Year Ending Mar. 31, 2015**		
	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	Three-month Period Ended Mar. 31, 2014	Fiscal Year Ended Mar. 31, 2014	Three-month Period Ended June 30, 2014	Three-month Period Ended Sept. 30, 2014	**Three-month Period Ended Dec. 31, 2014**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	**Q3**
Mobile Communications Segment	83,367	92,228	100,205	119, 184	394,984	106,600	106,979	**110,198**
Sprint Segment		134,191	152,411	131,859	418,461	128,621	132,763	**145,354**
Fixed-line Telecommunica-tions Segment	14,809	14,918	15,402	16,948	62,077	13,939	14,988	**14,931**
Internet Segment	3,221	3,218	3,700	5,230	15,369	3,543	4,153	**4,396**
Others	1,902	2,085	2,329	2,697	9,013	2,298	2,299	**2,596**
Consolidated total	103,299	246,640	274,047	275,918	899,904	255,001	261,182	**277,475**

Note:
6. The Sprint segment includes the results of Sprint since July 11, 2013.

(2) Qualitative Information Regarding Consolidated Financial Position

a. Assets, Liabilities and Equity

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

(Millions of yen)

	As of March 31, 2014 (Note 7)	**As of December 31, 2014**	Change	Change %
Total assets	16,690,127	**20,238,353**	3,548,226	21.3%
Total liabilities	13,859,745	**16,411,635**	2,551,890	18.4%
Total equity	2,830,382	**3,826,718**	996,336	35.2%

(Reference)

Exchange rate USD/ JPY	102.92	**120.55**	17.63	17.1%

Note:

7. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 "Levies." Please refer to page 33 "2. Significant accounting policies" under "3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements" for details on the retrospective adjustments.

(a) Current Assets

(Millions of yen)

Item	As of March 31, 2014	**As of December 31, 2014**	Change
Cash and cash equivalents	1,963,490	**2,448,707**	485,217
Sprint	*511,562*	***416,536***	*(95,026)*
Trade and other receivables	1,669,545	**1,890,597**	221,052
Sprint	*370,564*	***452,388***	*81,824*
Other financial assets	164,727	**234,909**	70,182
Inventories	251,677	**416,509**	164,832
Other current assets	281,535	**270,038**	(11,497)
Total current assets	4,330,974	**5,260,760**	929,786

Current assets totaled ¥5,260,760 million, for a ¥929,786 million (21.5%) increase from March 31, 2014 (the "previous fiscal year-end"). The primary components of the change were as follows:

- Cash and cash equivalents increased by ¥485,217 million from the previous fiscal year-end.
- Trade and other receivables was incremented by ¥221,052 million from the previous fiscal year-end. This was mainly due to an increase in installment receivables at Sprint resulting from the increased adoption of the installment billing program for mobile devices and an increase of accounts receivables at Brightstar.
- Inventories increased by ¥164,832 million from the previous fiscal year-end. This was primarily due to an increase in inventories of mobile devices at Sprint led by seasonal factors.

(b) Non-current Assets

(Millions of yen)

Item	As of March 31, 2014	**As of December 31, 2014**	Change
Property, plant and equipment	3,586,327	**4,189,594**	603,267
Sprint	*1,472,679*	***2,040,335***	*567,656*
Goodwill	1,539,607	**1,635,685**	96,078
Sprint	*286,258*	***333,078***	*46,820*
Intangible assets	6,177,701	**6,978,064**	800,363
Sprint	*5,303,382*	***6,056,492***	*753,110*
FCC licenses[20]	3,709,526	**4,328,634**	619,108
Sprint	*3,709,526*	***4,328,634***	*619,108*
Customer relationships	677,494	**628,375**	(49,119)
Sprint	*579,885*	***540,634***	*(39,251)*
Trademarks	675,450	**790,040**	114,590
Sprint	*663,150*	***775,343***	*112,193*
Software	647,386	**740,311**	92,925
Game titles	166,522	**132,302**	(34,220)
Others	301,323	**358,402**	57,079
Investments accounted for using the equity method	304,318	**1,142,757**	838,439
Other financial assets	401,693	**674,609**	272,916
Deferred tax assets	182,246	**169,030**	(13,216)
Other non-current assets	167,261	**187,854**	20,593
Total non-current assets	12,359,153	**14,977,593**	2,618,440

Non-current assets totaled ¥14,977,593 million, for a ¥2,618,440 million (21.2%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Investments accounted for using the equity method increased by ¥838,439 million from the previous fiscal year-end. This was mainly due to the recording of dilution gain from changes in equity interest related to Alibaba.
- Intangible assets increased by ¥800,363 million from the previous fiscal year-end. The increase was caused mainly by an increase in FCC licenses (non-amortized assets from an accounting perspective) of ¥619,108 million and an increase in trademarks of ¥114,590 million, primarily due to the impact of the yen at the end of the third quarter depreciating against the U.S. dollar from the previous fiscal year-end. On the other hand, customer relationships and game titles declined by ¥49,119 million and ¥34,220 million, respectively both mainly due to regular amortization.

[20] Licenses issued by the U.S. Federal Communications Commission for use of specified spectrum.

・ Property, plant and equipment rose by ¥603,267 million from the previous fiscal year-end. This mainly reflected an increase of ¥567,656 million at Sprint, mostly due to its acquisitions of telecommunications equipment to enhance its network, as well as the impact of the yen at the end of the third quarter depreciating against the U.S. dollar from the previous fiscal year-end.

(c) Current Liabilities

(Millions of yen)

Item	As of March 31, 2014	**As of December 31, 2014**	Change
Interest-bearing debt	1,147,899	**1,551,293**	403,394
Sprint	*101,977*	***156,946***	*54,969*
Short-term borrowings	270,529	**234,049**	(36,480)
Current portion of long-term borrowings	393,566	**484,169**	90,603
Current portion of corporate bonds	139,300	**168,949**	29,649
Sprint	*64,433*	***113,863***	*49,430*
Current portion of lease obligations	264,295	**384,104**	119,809
Current portion of preferred securities	-	**200,000**	200,000
Others	80,209	**80,022**	(187)
Trade and other payables	1,705,956	**2,023,689**	317,733
Sprint	*529,465*	***897,014***	*367,549*
Other financial liabilities	5,847	**20,697**	14,850
Income taxes payables	246,013	**135,307**	(110,706)
Provisions	93,115	**66,280**	(26,835)
Other current liabilities	568,366	**652,079**	83,713
Total current liabilities	3,767,196	**4,449,345**	682,149

Current liabilities totaled ¥4,449,345 million, for a ¥682,149 million (18.1%) increase from the previous fiscal year-end. The primary components of the change were as follows:

・ Interest-bearing debt increased by ¥403,394 million from the previous fiscal year-end. This was mostly due to the reclassification from non-current liabilities of ¥200,000 million of the preferred (restricted voting) securities of the subsidiary SFJ Capital Limited issued in September 2011, because it will become possible for the holders to exercise their put option to redeem the preferred securities in cash in May 2015 or later. The current portion of lease obligations also increased by ¥119,809 million, mainly due to the reclassification from non-current liabilities of the lease obligation relating to the FUKUOKA YAHUOKU!

DOME, as the lease contract is scheduled to end in July 2015.

- Trade and other payables increased by ¥317,733 million from the previous fiscal year-end. This was mainly attributable to an increase in accounts payable – trade of ¥286,503 million at Sprint, primarily due to an increased purchase of mobile devices and a revision of the payment terms with certain network equipment and mobile device suppliers.

(d) Non-current Liabilities

(Millions of yen)

Item	As of March 31, 2014	**As of December 31, 2014**	Change
Interest-bearing debt	8,022,154	**9,319,490**	1,297,336
Sprint	*3,257,182*	***3,740,774***	*483,592*
Long-term borrowings	2,243,855	**2,181,088**	(62,767)
Corporate bonds	4,743,073	**6,361,238**	1,618,165
Sprint	*3,164,192*	***3,655,945***	*491,753*
Lease obligations	730,915	**685,023**	(45,892)
Preferred securities	199,156	**-**	(199,156)
Others	105,155	**92,141**	(13,014)
Other financial liabilities	41,151	**26,031**	(15,120)
Defined benefit liabilities	77,041	**114,599**	37,558
Provisions	136,920	**140,286**	3,366
Deferred tax liabilities	1,533,021	**2,018,399**	485,378
Sprint	*1,448,264*	***1,722,773***	*274,509*
Other non-current liabilities	282,262	**343,485**	61,223
Total non-current liabilities	10,092,549	**11,962,290**	1,869,741

Non-current liabilities totaled ¥11,962,290 million, for a ¥1,869,741 million (18.5%) increase from the previous fiscal year-end. The primary components of the change were as follows:

- Interest-bearing debt increased by ¥1,297,336 million from the previous fiscal year-end. The increase mainly reflected SoftBank Corp.'s issuance of ¥700,000 million in unsecured straight corporate bonds and ¥400,000 million in unsecured subordinated corporate bonds, as well as an increase in Sprint's corporate bonds by ¥491,753 million primarily due to the yen at the end of the third quarter depreciating against the U.S. dollar from the previous fiscal year-end. On the other hand, the preferred (restricted voting) securities of SFJ Capital Limited were reclassified into current liabilities.
- Deferred tax liabilities increased by ¥485,378 million from the previous fiscal year-end. This was mainly due to an increase of ¥274,509 million at Sprint, primarily due to the yen at the end of the third quarter

depreciating against the U.S. dollar from the previous fiscal year-end. In addition, a tax effect was recognized for the difference between the carrying amount of Alibaba on a consolidated basis, which increased due to the recording of dilution gain from changes in equity interest, and its carrying amount on a tax basis.

(e) Equity

(Millions of yen)

	As of March 31, 2014	**As of December 31, 2014**	Change
Equity attributable to owners of the parent	1,930,441	**2,808,952**	878,511
Non-controlling interests	899,941	**1,017,766**	117,825
Total equity	2,830,382	**3,826,718**	996,336

Equity totaled ¥3,826,718 million, for a ¥996,336 million (35.2%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent and non-controlling interests increased by ¥878,511 million (45.5%) and ¥117,825 million (13.1%), respectively. The ratio of equity attributable to owners of the parent to total assets increased by 2.3 percentage points from the previous fiscal year-end to 13.9%.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

Item	As of March 31, 2014	**As of December 31, 2014**	Change
Common stock	238,772	**238,772**	-
Capital surplus	405,045	**374,578**	(30,467)
Retained earnings	1,168,266	**1,662,437**	494,171
Treasury stock	(51,492)	**(48,694)**	2,798
Accumulated other comprehensive income	169,850	**581,859**	412,009
Available-for-sale financial assets	14,122	**17,941**	3,819
Cash flow hedges	(19,942)	**(10,727)**	9,215
Exchange differences on translating foreign operations	175,670	**574,645**	398,975
Total equity attributable to owners of the parent	1,930,441	**2,808,952**	878,511

Equity attributable to owners of the parent totaled ¥2,808,952 million, for a ¥878,511 million (45.5%) increase from the previous fiscal year-end. This was mainly due to increases from the previous fiscal year-end in retained earnings and accumulated other comprehensive income of ¥494,171 million and ¥412,009 million, respectively. The increase in retained earnings primarily reflected net income attributable to owners of the parent of ¥579,446 million. The increase in accumulated other comprehensive income was mainly attributable to an increase in exchange differences on translating foreign operations due to the yen at the end of the third quarter depreciating against the U.S. dollar from the previous fiscal year-end.

(Non-controlling Interests)

Non-controlling interests totaled ¥1,017,766 million, for a ¥117,825 million (13.1%) increase from the previous fiscal year-end.

b. Cash Flows

Cash flows for the period were as follows:

Cash and cash equivalents at the end of the third quarter totaled ¥2,448,707 million, for a ¥485,217 million increase from the previous fiscal year-end.

(Millions of yen)

	Nine-month Period Ended Dec. 31, 2013 (Note 8)	**Nine-month Period Ended Dec. 31, 2014**	Change
Cash flows from operating activities	497,657	**799,427**	301,770
Cash flows from investing activities	(2,376,501)	**(1,359,208)**	1,017,293
Cash flows from financing activities	2,447,322	**951,003**	(1,496,319)

(Reference)

Cash flows from operating activities - capital expenditure (Note 9)	(498,007)	**(193,778)**	304,229

Notes:

8. Retrospective adjustments are made in accordance with the adoption of IFRIC 21 “Levies.” Please refer to page 33 “2. Significant accounting policies” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements” for details on the retrospective adjustments.
9. Outlays for purchase of property, plant and equipment and intangible assets.

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥799,427 million (compared with ¥497,657 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

i. Net income totaled ¥640,724 million.

ii. The main items added to net income were ¥793,658 million in depreciation and amortization, ¥476,518 million in income taxes, and ¥264,168 million in finance cost.

iii. The main item subtracted from net income was ¥599,806 million in dilution gain from changes in equity interest.

iv. Interest paid was ¥298,017 million.

v. Income taxes paid was ¥388,089 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥1,359,208 million (compared with ¥2,376,501 million used in the same period of the previous fiscal year). The primary components of cash flows were as follows:

i. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥993,205 million.

ii. Payments for acquisition of investments amounted to ¥454,078 million. This was mainly attributable to acquisitions of marketable securities amounting to ¥248,848 million for short-term trading purposes primarily by Sprint and Brightstar. Payments also included investments in Jasper Infotech Private Limited, the operator of the online marketplace *snapdeal.com* in India, and Grabtaxi Holdings Pte Ltd, the provider of a mobile taxi booking application in South East Asia, and others.

iii. Proceeds from sales/redemption of investments totaled ¥268,318 million. This was mainly attributable to ¥249,718 million of sale of marketable securities acquired for short-term trading primarily by Sprint and Brightstar.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥951,003 million (compared with ¥2,447,322 million provided in the same period of the previous fiscal year). The primary components of cash flows were as follows:

(Items Increasing Cash Flows)

Proceeds from long-term interest-bearing debt amounted to ¥1,725,939 million. The components were as follows:

- Proceeds from issuance of corporate bonds of ¥1,134,317 million. This consisted of SoftBank Corp.'s issuance of unsecured straight corporate bonds and unsecured subordinated corporate bonds.
- Proceeds from sale and leaseback of newly acquired equipment of ¥312,225 million.
- Proceeds from long-term borrowings of ¥279,397 million. This was mainly due to borrowings made through securitization of installment sales receivables at SoftBank Mobile Corp.

(Items Decreasing Cash Flows)

i. Repayment of long-term interest-bearing debt was ¥598,581 million. The primary components were as follows:
  - Repayment of long-term borrowings of ¥270,611 million. This was mainly due to SoftBank Mobile Corp. repaying borrowings made through securitization of installment sales receivables.
  - Repayment of lease obligations of ¥222,227 million.
  - Redemption of corporate bonds of ¥63,446 million. This was mainly due to SoftBank Corp.'s redemption of its unsecured straight corporate bonds totaling ¥44,900 million.

ii. Decrease in short-term interest-bearing debt, net was ¥68,391 million.

iii. Payment for purchase of subsidiaries' equity from non-controlling interests of ¥48,127 million. This was mainly due to the additional purchase of shares of Brightstar Global Group Inc., the parent company (100% ownership) of Brightstar.

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

The Company projects net sales of ¥8 trillion, EBITDA [Note 10] of approximately ¥2 trillion, and operating income of ¥900 billion for the fiscal year ending March 31, 2015. The operating income for the fiscal year ended March 31, 2014 of ¥1,077.0 billion (after retrospective adjustments) included gain from remeasurement relating to business combination of ¥253.9 billion. The forecasted operating income of ¥900 billion for the fiscal year ending March 31, 2015 does not include any temporary gains.

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

2. Notes to Summary Information

Changes in Accounting Policies and Accounting Estimates
(Changes in accounting policies required by IFRSs)

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

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

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

(Changes in accounting estimates)

Sprint revised its methodology and assumptions used in estimating the value for returned handsets during the three-month period ended December 31, 2014.

The details are described in “Note 3. Significant judgments and estimates” under “3. Condensed Interim Consolidated Financial Statements (6) Notes to Condensed Interim Consolidated Financial Statements.”

3. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2014*	As of December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	1,963,490	2,448,707
Trade and other receivables	1,669,545	1,890,597
Other financial assets	164,727	234,909
Inventories	251,677	416,509
Other current assets	281,535	270,038
Total current assets	4,330,974	5,260,760
Non-current assets		
Property, plant and equipment	3,586,327	4,189,594
Goodwill	1,539,607	1,635,685
Intangible assets	6,177,701	6,978,064
Investments accounted for using the equity method	304,318	1,142,757
Other financial assets	401,693	674,609
Deferred tax assets	182,246	169,030
Other non-current assets	167,261	187,854
Total non-current assets	12,359,153	14,977,593
Total assets	16,690,127	20,238,353

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

(Millions of yen)

	As of March 31, 2014*	As of December 31, 2014
Liabilities and equity		
Current liabilities		
Interest-bearing debt	1,147,899	1,551,293
Trade and other payables	1,705,956	2,023,689
Other financial liabilities	5,847	20,697
Income taxes payables	246,013	135,307
Provisions	93,115	66,280
Other current liabilities	568,366	652,079
Total current liabilities	3,767,196	4,449,345
Non-current liabilities		
Interest-bearing debt	8,022,154	9,319,490
Other financial liabilities	41,151	26,031
Defined benefit liabilities	77,041	114,599
Provisions	136,920	140,286
Deferred tax liabilities	1,533,021	2,018,399
Other non-current liabilities	282,262	343,485
Total non-current liabilities	10,092,549	11,962,290
Total liabilities	13,859,745	16,411,635
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	405,045	374,578
Retained earnings	1,168,266	1,662,437
Treasury stock	(51,492)	(48,694)
Accumulated other comprehensive income	169,850	581,859
Total equity attributable to owners of the parent	1,930,441	2,808,952
Non-controlling interests	899,941	1,017,766
Total equity	2,830,382	3,826,718
Total liabilities and equity	16,690,127	20,238,353

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

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

For the nine-month period ended December 31

Condensed Interim Consolidated Statements of Income

(Millions of yen)

	Nine-month period ended December 31, 2013*	Nine-month period ended December 31, 2014
Net sales	4,561,703	6,431,167
Cost of sales	(2,635,737)	(3,923,910)
Gross profit	1,925,966	2,507,257
Selling, general and administrative expenses	(1,233,892)	(1,691,231)
Gain from remeasurement relating to business combination	253,886	-
Other operating loss	(5,328)	(27,981)
Operating income	940,632	788,045
Finance cost	(186,632)	(264,168)
Equity in income of associates	19,962	12,061
Dilution gain from changes in equity interest	1,599	599,806
Other non-operating income (loss)	38,984	(18,502)
Income before income tax	814,545	1,117,242
Income taxes	(275,279)	(476,518)
Net income	539,266	640,724
Net income attributable to		
Owners of the parent	499,831	579,446
Non-controlling interests	39,435	61,278
	539,266	640,724
Earnings per share attributable to owners of the parent		
Basic (yen)	419.54	487.45
Diluted (yen)	418.77	486.86

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

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine-month period ended December 31, 2013*	Nine-month period ended December 31, 2014
Net income	539,266	640,724
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	17,174	(45,985)
Total items that will not be reclassified to profit or loss	17,174	(45,985)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	(42,514)	4,736
Cash flow hedges	(136,892)	9,096
Exchange differences on translating foreign operations	163,750	423,151
Share of other comprehensive income of associates	18,387	43,308
Total items that may be reclassified subsequently to profit or loss	2,731	480,291
Total other comprehensive income, net of tax	19,905	434,306
Total comprehensive income	559,171	1,075,030
Total comprehensive income attributable to		
Owners of the parent	494,412	954,777
Non-controlling interests	64,759	120,253
	559,171	1,075,030

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

For the three-month period ended December 31

Condensed Interim Consolidated Statements of Income

(Millions of yen)

	Three-month period ended December 31, 2013*	Three-month period ended December 31, 2014
Net sales	1,963,091	2,326,803
Cost of sales	(1,231,914)	(1,483,260)
Gross profit	731,177	843,543
Selling, general and administrative expenses	(527,263)	(633,901)
Other operating loss	(453)	(18,255)
Operating income	203,461	191,387
Finance cost	(80,770)	(92,919)
Equity in income of associates	23,742	31,357
Other non-operating income (loss)	39,744	(8,364)
Income before income tax	186,177	121,461
Income taxes	(92,423)	(89,178)
Net income	93,754	32,283
Net income attributable to		
Owners of the parent	89,664	18,736
Non-controlling interests	4,090	13,547
	93,754	32,283
Earnings per share attributable to owners of the parent		
Basic (yen)	75.30	15.76
Diluted (yen)	75.02	14.68

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

Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three-month period ended December 31, 2013*	Three-month period ended December 31, 2014
Net income	93,754	32,283
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	17,185	(45,739)
Total items that will not be reclassified to profit or loss	17,185	(45,739)
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	4,693	5,844
Cash flow hedges	3,340	4,839
Exchange differences on translating foreign operations	221,175	283,710
Share of other comprehensive income of associates	11,492	41,912
Total items that may be reclassified subsequently to profit or loss	240,700	336,305
Total other comprehensive income, net of tax	257,885	290,566
Total comprehensive income	351,639	322,849
Total comprehensive income attributable to		
Owners of the parent	306,372	273,331
Non-controlling interests	45,267	49,518
	351,639	322,849

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

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the nine-month period ended December 31, 2013*

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2013	238,772	436,704	712,088	(22,834)	248,026	1,612,756	317,684	1,930,440
Effect of retrospective adjustments	-	-	(18,315)	-	-	(18,315)	(654)	(18,969)
As of April 1, 2013 (after adjustments)	238,772	436,704	693,773	(22,834)	248,026	1,594,441	317,030	1,911,471
Comprehensive income								
Net income	-	-	499,831	-	-	499,831	39,435	539,266
Other comprehensive income	-	-	-	-	(5,419)	(5,419)	25,324	19,905
Total comprehensive income	-	-	499,831	-	(5,419)	494,412	64,759	559,171
Transactions with owners and other transactions								
Cash dividends	-	-	(47,669)	-	-	(47,669)	(13,641)	(61,310)
Transfer of accumulated other comprehensive income to retained earnings	-	-	13,711	-	(13,711)	-	-	-
Purchase and disposal of treasury stock	-	(13)	(583)	(28,765)	-	(29,361)	-	(29,361)
Changes from business combination	-	-	-	-	-	-	566,637	566,637
Acquisition of options to convert to subsidiaries' common stocks	-	(10,323)	-	-	-	(10,323)	-	(10,323)
Changes in interests in subsidiaries	-	(21,704)	-	-	-	(21,704)	(46,018)	(67,722)
Share-based payment transactions	-	297	-	-	-	297	6,428	6,725
Other	-	-	-	-	-	-	946	946
Total transactions with owners and other transactions	-	(31,743)	(34,541)	(28,765)	(13,711)	(108,760)	514,352	405,592
As of December 31, 2013	238,772	404,961	1,159,063	(51,599)	228,896	1,980,093	896,141	2,876,234

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

For the nine-month period ended December 31, 2014

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2014	238,772	405,111	1,193,366	(51,492)	169,617	1,955,374	903,296	2,858,670
Effect of retrospective adjustments*	-	(66)	(25,100)	-	233	(24,933)	(3,355)	(28,288)
As of April 1, 2014 (after adjustments)	238,772	405,045	1,168,266	(51,492)	169,850	1,930,441	899,941	2,830,382
Comprehensive income								
Net income	-	-	579,446	-	-	579,446	61,278	640,724
Other comprehensive income	-	-	-	-	375,331	375,331	58,975	434,306
Total comprehensive income	-	-	579,446	-	375,331	954,777	120,253	1,075,030
Transactions with owners and other transactions								
Cash dividends	-	-	(47,547)	-	-	(47,547)	(16,222)	(63,769)
Transfer of accumulated other comprehensive income to retained earnings	-	-	(36,678)	-	36,678	-	-	-
Purchase and disposal of treasury stock	-	-	(1,050)	2,798	-	1,748	-	1,748
Changes from business combination	-	-	-	-	-	-	1,423	1,423
Changes in interests in subsidiaries	-	(31,716)	-	-	-	(31,716)	7,363	(24,353)
Share-based payment transactions	-	1,249	-	-	-	1,249	6,169	7,418
Other	-	-	-	-	-	-	(1,161)	(1,161)
Total transactions with owners and other transactions	-	(30,467)	(85,275)	2,798	36,678	(76,266)	(2,428)	(78,694)
As of December 31, 2014	238,772	374,578	1,662,437	(48,694)	581,859	2,808,952	1,017,766	3,826,718

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

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Nine-month period ended December 31, 2013*	Nine-month period ended December 31, 2014
Cash flows from operating activities		
Net income	539,266	640,724
Depreciation and amortization	623,986	793,658
Gain from remeasurement relating to business combination	(253,886)	-
Finance cost	186,632	264,168
Equity in income of associates	(19,962)	(12,061)
Dilution gain from changes in equity interests	(1,599)	(599,806)
Other non-operating (income) loss	(38,984)	18,502
Income taxes	275,279	476,518
Increase in trade and other receivables	(84,517)	(114,314)
(Decrease) increase in trade and other payables	(43,446)	154,275
Other	(198,926)	(140,081)
Subtotal	983,843	1,481,583
Interest and dividends received	6,231	3,950
Interest paid	(225,388)	(298,017)
Income taxes paid	(267,029)	(388,089)
Net cash provided by operating activities	497,657	799,427
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(995,664)	(993,205)
Payments for acquisition of investments	(181,004)	(454,078)
Proceeds from sales/redemption of investments	172,929	268,318
Decrease from acquisition of control over subsidiaries	(1,568,582)	(18,794)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	310,104	-
Other	(114,284)	(161,449)
Net cash used in investing activities	(2,376,501)	(1,359,208)
Cash flows from financing activities		
Decrease in short-term interest-bearing debt, net	(101,431)	(68,391)
Proceeds from long-term interest-bearing debt	4,380,354	1,725,939
Repayment of long-term interest-bearing debt	(1,678,922)	(598,581)
Payment from purchase of subsidiaries' equity from non-controlling interests	(71,869)	(48,127)
Cash dividends paid	(47,195)	(47,255)
Cash dividends paid to non-controlling interests	(13,533)	(16,209)
Other	(20,082)	3,627
Net cash provided by financing activities	2,447,322	951,003
Effect of exchange rate changes on cash and cash equivalents	39,101	93,995
Increase in cash and cash equivalents	607,579	485,217
Cash and cash equivalents at the beginning of the period	1,439,057	1,963,490
Cash and cash equivalents at the end of the period	2,046,636	2,448,707

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

(5) Significant Doubt about Going-Concern Assumption

For the nine-month period ended December 31, 2014

There are no applicable items.

(6) Notes to Condensed Interim Consolidated Financial Statements

1. Definition of company name and abbreviation used in the notes

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

Company name / Abbreviation	Definition
"SoftBank Corp."	SoftBank Corp. (stand-alone basis)
The "Company"	SoftBank Corp. and its subsidiaries
*Each of the following abbreviations indicates the respective company, and its subsidiaries if any.	
"Sprint"	Sprint Corporation (formerly Sprint Nextel Corporation)
"Clearwire"	Clearwire Corporation
"GungHo"	GungHo Online Entertainment, Inc.
"Supercell"	Supercell Oy
"Kahon 3"	Kahon 3 Oy
"Alibaba"	Alibaba Group Holding Limited

2. Significant accounting policies

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

Adoption of new standards and interpretations
The following standards are applied by the Company during the three-month period ended June 30, 2014.

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

IFRIC 21 is applied retrospectively in accordance with its transition method. Condensed interim consolidated financial statements for the nine-month period ended December 31, 2013, the three-month period ended December 31, 2013 and for the fiscal year ended March 31, 2014 are presented after the retrospective application.

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

(Condensed Interim Consolidated Statements of Financial Position)

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Decrease in other current assets	(11,686)	(9,204)
Increase in goodwill	7,302	8,366
Increase in deferred tax assets	9,514	4,008
Increase in total assets	5,130	3,170
Increase in other current liabilities	33,418	6,397
Increase in total liabilities	33,418	6,397
Decrease in capital surplus	(66)	(65)
Decrease in retained earnings	(25,100)	(3,092)
Increase in accumulated other comprehensive income	233	985
Decrease in non-controlling interests	(3,355)	(1,055)
Decrease in total equity	(28,288)	(3,227)

(Condensed Interim Consolidated Statements of Income)

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Decrease in cost of sales	14,905	28,772
Decrease in selling, general and administrative expenses	1,499	1,222
Increase in income taxes	(3,260)	(5,505)
Increase in net income	13,144	24,489
Earnings per share attributable to owners of the parent		
Increase in earnings per share-basic (yen)	9.74	18.51
Increase in earnings per share-diluted (yen)	9.73	18.49

(Condensed Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Increase in net income	13,144	24,489
Increase in exchange differences on translating foreign operations	441	855
Increase in total comprehensive income	13,585	25,344

(Condensed Interim Consolidated Statements of Cash Flows)

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Cash flows from operating activities		
Increase in net income	13,144	24,489
Increase in income taxes	3,260	5,505
Decrease in other	(16,404)	(29,994)
Net cash provided by (used in) operating activities	-	-

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

3. Significant judgments and estimates

In preparing consolidated financial statements under IFRSs, management makes judgments, estimates, and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are based on the management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of its estimates or assumptions, however, actual results in the future may differ from those estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in the future periods.

Significant judgments, estimates and assumptions that affect the amounts recognized in the Company's condensed interim consolidated financial statements are consistent with those for the fiscal year ended March 31, 2014 except as described in the following paragraph.

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

Recently, Sprint has observed sustained value and extended useful lives for handsets leading to an increase in the estimated value for returned inventory. As a result, Sprint revised its methodology and assumptions used in estimating the value for returned handsets during the three-month period ended December 31, 2014. The change in estimate was accounted for on a prospective basis effective October 1, 2014.

The effect of the change in estimate, which was included in "Cost of sales" in the Company's condensed interim consolidated statements of income, reduced the Company's operating loss by approximately ¥11,439 million (approximately $100 million) for the nine-month period ended December 31, 2014. In addition, this change resulted in an increase to "Inventories" on the condensed interim consolidated statements of financial position of approximately ¥12,055 million (approximately $100 million) as of December 31, 2014.

4. Business combinations

For the nine-month period ended December 31, 2013

(1) GungHo Online Entertainment, Inc.

a. Overview of consolidation

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

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

(Business description of GungHo)

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

(Acquisition date)

April 1, 2013

b. Consideration transferred and the components

(Millions of yen)

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

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

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

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

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

Notes:

1. Intangible assets

Game titles of ¥77,796 million are included.

2. Non-controlling interests

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

3. Goodwill

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

d. Payment for acquisition of control over subsidiaries

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

e. Sales and net income of the acquiree

The amount of the acquiree's sales and net income before elimination of inter-company transactions and after the acquisition date are ¥132,156 million and ¥29,839 million, respectively, which are recorded in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2013.

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

(2) Sprint

a. Overview of consolidation

On October 15, 2012, the Company and Sprint entered into a series of definitive agreements under which the Company will invest in Sprint. After the completion of negotiations, the Company and Sprint agreed to amend a portion of the transaction on June 11, 2013.

On July 10, 2013, SoftBank Corp. capitalized, through a wholly owned subsidiary, Starburst I, Inc., Sprint with an additional $18.5 billion and the total investment of SoftBank Corp. amounted to $21.6 billion, including $3.1 billion of corporate bonds with stock acquisition rights issued by Sprint Nextel Corporation (the “Bond”) invested by Starburst II, Inc. on October 22, 2012. Of the invested amounts of $21.6 billion, $16.6 billion was distributed to existing individual Sprint’s shareholders and $5 billion is used to strengthen Sprint. The Bond held by Starburst II, Inc. was converted into shares.

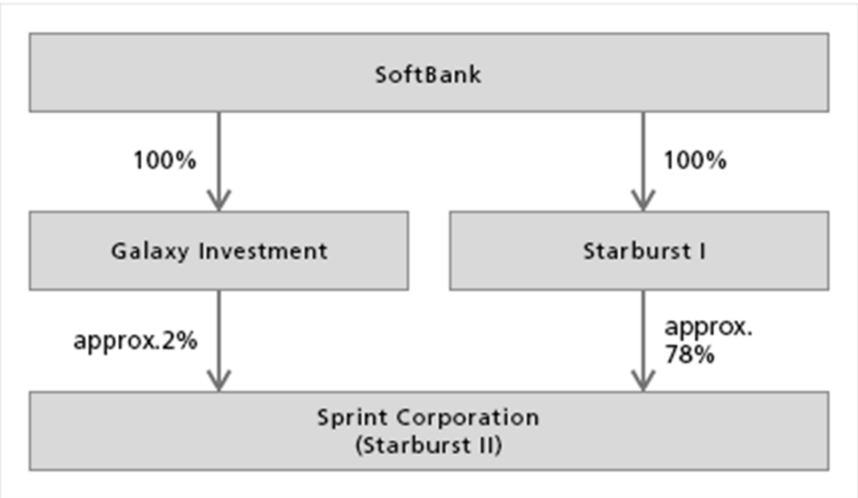
Through the transaction, approximately 72% of Sprint Nextel Corporation shares were acquired for $7.65 per share in cash, and the remaining shares were converted into Sprint shares on a one-to-one basis, which succeeded Sprint Nextel Corporation and became listed on the New York Stock Exchange.

As a result of the transaction, Starburst I, Inc., owns approximately 78% of the shares of Sprint and Sprint became a subsidiary of SoftBank Corp.

Prior to the transaction, Clearwire, a company providing high-speed wireless communication services in the U.S., became a wholly owned subsidiary of Sprint on July 9, 2013.

From August 1, 2013 to September 16, 2013, SoftBank Corp., through Galaxy Investment Holdings, Inc., a wholly-owned subsidiary in the U.S., additionally purchased approximately 2% of the shares of Sprint (purchase price: $500 million). As a result, the Company’s ownership in the outstanding Sprint common stock became approximately 80% as of December 31, 2013.

Structure after completion of the transaction



b. Purpose of consolidation

(a) Enables the Company to establish an operating base as one of the largest mobile Internet companies in the world. The combined subscriber base will be one of the largest between the U.S. and Japan*.

(b) Enables the Company to leverage its deep expertise in smartphones and next-generation mobile networks, and its track record of success in competing in mature markets with large incumbents, to enhance competitiveness of Sprint in the U.S.

(c) Provides Sprint $5 billion of new capital for its mobile network, strategic investments, and balance sheet as part of its continued efforts to fortify its operating base towards future growth.

Note:
Based on Telecommunications Carriers Association ("TCA") data and disclosed material by relevant companies as of the end of June 2013.

c. Summary of Sprint

Name	Sprint Corporation
Address	6200 Sprint Parkway, Overland Park, Kansas
Name and title of representative	Marcelo Claure, Chief Executive Officer and Director (Assumed the post on August 11, 2014)
Business description	Holding company Provision of telecommunications services through its operating subsidiaries
Note	The Chairman of the Board and the Vice Chairman of the Board were assumed by Masayoshi Son, the Chairman & CEO of SoftBank Corp. and Ronald Fisher, Director of SoftBank Corp., respectively. Adm. Mike Mullen, former Chairman of the Joint Chiefs of Staff, has been appointed as the Director in charge of security.
Consolidated sales	$35,493 million (For the year ended December 31, 2013, US GAAP)

d. Acquisition date

July 10, 2013

e. Consideration transferred and the component

		(Millions of yen) Acquisition date (July 10, 2013)
Payment by cash		1,875,149
Conversion of corporate bonds with stock acquisition rights held at the time of acquisition		313,534
Total consideration transferred	A	2,188,683

Acquisition-related costs of ¥12,106 million arising from the business combination are recognized in "Selling, general and administrative expenses," with ¥3,751 million for the year ended March 31, 2013, and ¥8,355 million for the nine-month period ended December 31, 2013.

f. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date[1]

(Millions of yen)

		Acquisition date (July 10, 2013)
Current assets		
Cash and cash equivalents		447,873
Trade and other receivables[2]		332,553
Other financial assets		111,764
Inventories		105,318
Other current assets		43,236
Total current assets		1,040,744
Non-current assets		
Property, plant and equipment[3]		1,291,364
Intangible assets[3]		5,305,965
Other financial assets		23,938
Other non-current assets		14,139
Total non-current assets		6,635,406
Total assets		7,676,150
Current liabilities		
Interest-bearing debt[3]		86,961
Trade and other payables		634,371
Income taxes payables		4,553
Provisions[4]		101,404
Other current liabilities		291,398
Total current liabilities		1,118,687
Non-current liabilities		
Interest-bearing debt[3]		2,668,163
Other financial liabilities		5,662
Defined benefit liabilities		65,763
Provisions[4]		146,492
Deferred tax liabilities[5]		1,422,965
Other non-current liabilities		184,107
Total non-current liabilities		4,493,152
Total liabilities		5,611,839
Net assets	B	2,064,311
Non-controlling interests[6]	C	466,735
Basis adjustment[7]	D	311,659
Goodwill[8]	A-(B-C)-D	279,448

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

Notes:

1. Adjustment of the provisional amount

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. Allocation of the consideration transferred was completed during the three-month period ended June 30, 2014. The details of the adjustments from the initial provisional amounts are as follows. Due to the additional analysis performed by Sprint management on the fair value of FCC licenses, intangible assets increased by ¥30,342 million and non-controlling interests increased by ¥29,029 million. As a result, goodwill decreased by ¥14,970 million.

2. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected

As for the fair value of ¥332,553 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥353,388 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥20,835 million.

3. Property, plant and equipment, intangible assets and interest-bearing debt

The components of the carrying amounts are as follows:

(Property, plant and equipment)

	(Millions of yen)
	Acquisition date (July 10, 2013)
Buildings and structures	140,270
Telecommunications equipment	794,524
Land	18,362
Construction in progress	298,928
Other	39,280
Total	1,291,364

(Intangible assets)

	(Millions of yen)
	Acquisition date (July 10, 2013)
Intangible assets with finite useful lives	
Software	138,330
Customer relationships	700,192
Favorable lease contracts	148,979
Trademarks	52,593
Other	47,928
Intangible assets with indefinite useful lives	
FCC licenses	3,617,677
Trademarks	600,266
Total	5,305,965

(Interest-bearing debt)

	(Millions of yen)
	Acquisition date (July 10, 2013)
Current	
Current portion of long-term borrowings	13,380
Current portion of corporate bonds	63,317
Current portion of lease obligations	10,264
Total	86,961
Non-current	
Long-term borrowings	34,854
Corporate bonds	2,590,208
Lease obligations	43,101
Total	2,668,163

4. Provisions

Provisions recognized by the business combination are mainly asset retirement obligations, lease exit costs related to the shutdown of the Nextel Platform, and exit costs related to payments that will continue to be made under Sprint's backhaul access contracts for which it will no longer be receiving any economic benefit. Backhaul is an intermediary network which connects the cell towers to the local switching center.

5. Deferred tax liabilities

Deferred tax liabilities recognized by this business combination are mainly temporary differences related to FCC licenses, and trademarks with indefinite useful lives.

6. Non-controlling interests

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

7. Basis adjustment

The Company entered into a foreign currency forward contract to hedge exchange risks resulting from the investment in Sprint. This scheduled transaction was designated as a cash flow hedge. ¥311,659 million, the fair value of the hedging instruments at the acquisition date, was deducted from initial amount of goodwill which was recognized from the acquisition.

8. Goodwill

Goodwill reflects excess earning power expected from the future business development and the synergy with existing businesses.

g. Payment for acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (July 10, 2013)
Payment for the acquisition by cash	(1,875,149)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	447,873
Payment for the acquisition of control over the subsidiary by cash	(1,427,276)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	310,104
Payment for the acquisition of control over the subsidiary by cash, net	(1,117,172)

h. Sales and net loss of the acquiree

The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2013, are ¥1,684,439 million and ¥150,270 million, respectively.

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

(3) WILLCOM, Inc.

a. Overview of consolidation

SoftBank Corp. owns 100% of shares issued by WILLCOM, Inc. However, WILLCOM, Inc. was in the process of rehabilitation under the Corporate Reorganization Act and SoftBank Corp. did not have effective control over WILLCOM, Inc. Therefore, WILLCOM, Inc. was not treated as a subsidiary.

WILLCOM, Inc. made prepayments of rehabilitation claims and rehabilitation security interests in June 2013, and filed a petition with the Tokyo District Court for the termination of its rehabilitation proceedings. WILLCOM, Inc. received an order of termination of rehabilitation proceedings from the Tokyo District Court on July 1, 2013. Consequently, WILLCOM, Inc. became a subsidiary of SoftBank Corp.

WILLCOM, Inc. conducted an absorption type merger with eAccess Ltd., eAccess Ltd. being the surviving company and WILLCOM, Inc. being the dissolving company, on June 1, 2014 and changed its company name to Ymobile Corporation on July 1, 2014.

(Business description of WILLCOM, Inc.)
Telecommunications business

(Acquisition date)
July 1, 2013

b. Consideration transferred and the components

(Millions of yen)

		Acquisition date (July 1, 2013)
Fair value of equity interest in WILLCOM, Inc. already held at the time of the acquisition		104,070
Total consideration transferred	A	104,070

As a result of the reevaluation of 100% equity interest already held by the Company at the time of the acquisition of control in WILLCOM, Inc. at fair value, the Company recognized a gain of ¥103,766 million. This gain is presented as “Gain from remeasurement relating to business combination” in the condensed interim consolidated statements of income.

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

(Millions of yen)

		Acquisition date (July 1, 2013)
Current assets		79,754
Property, plant and equipment		46,026
Intangible assets[1]		43,639
Other non-current assets		14,883
Total assets		184,302
Current liabilities		83,958
Non-current liabilities		16,284
Total liabilities		100,242
Net assets	B	84,060
Non-controlling interests[2]	C	222
Goodwill[3]	A-(B-C)	20,232

Notes:

1. Intangible assets
   Customer relationships of ¥25,004 million are included.

2. Non-controlling interests
   Non-controlling interests are from WILLCOM OKINAWA, Inc. (proportionate interest held by the Company is 80%), a subsidiary of WILLCOM, Inc., and they are measured based on the proportionate interests after the acquisition in the identifiable net assets of the acquiree at the acquisition date.

3. Goodwill
   Goodwill reflects excess earning power expected from the future business development, assembled workforce and the synergy with existing business.

d. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected

The main components of acquired trade and other receivables are installment receivables and the fair value is ¥31,039 million. The total amount of contractual receivables is ¥31,328 million and the best estimate of the contractual cash flows not expected to be collected as of the acquisition date is ¥289 million.

e. Proceed from acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (July 1, 2013)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	14,043
Proceed in cash from the acquisition of control over the subsidiary	14,043

f. Sales and net loss of the acquiree

The amounts of the acquiree’s sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2013, are ¥82,293 million and ¥2,315 million, respectively.

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

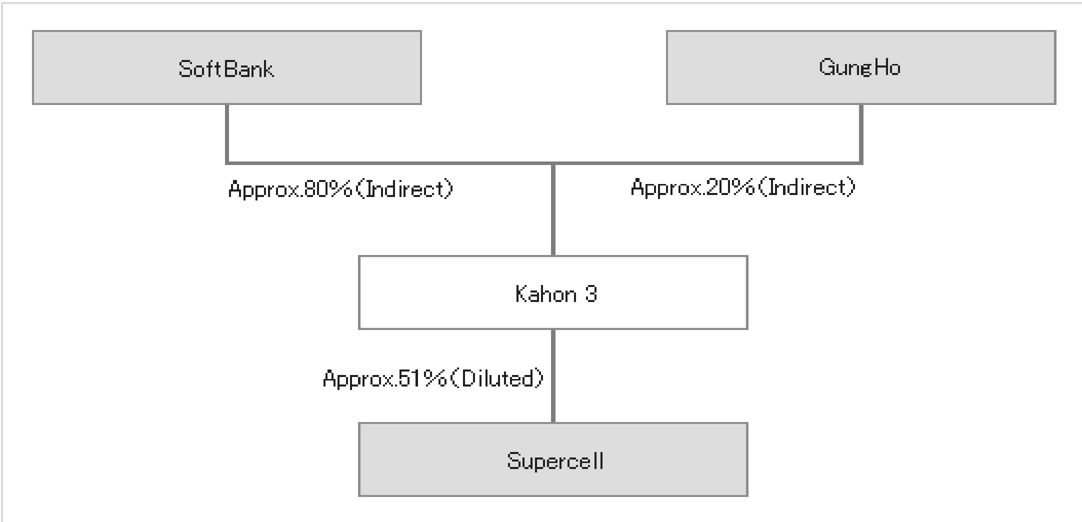
(4) Supercell

a. Overview of consolidation

SoftBank Corp. and GungHo, a subsidiary of SoftBank Corp., communally established Kahon 3, a special purpose company in Finland, SoftBank Corp. indirectly investing $1,224 million (investing ratio of approximately 80%) and GungHo indirectly investing approximately $306 million (investing ratio of approximately 20%). Through Kahon 3, the special purpose company, SoftBank Corp. and GungHo acquired approximately 51% (diluted) of voting stock of Supercell, with a total of $1.53 billion (¥150,720 million) on October 31, 2013. Accordingly, Supercell, a mobile game company headquartered in Finland, became a subsidiary of SoftBank Corp.

SoftBank Corp. acquired all interests of Kahon 3 held indirectly by GungHo on August 26, 2014.

Structure as of October 31, 2013



b. Purpose of consolidation

Supercell is a mobile game company headquartered in Finland. This new strategic partnership with SoftBank Corp. and GungHo will help accelerate Supercell's goal of becoming "the first truly global games company."

GungHo started its online game business in 2002, and it has since accumulated significant expertise and produced notable results in the development and operation of online games. Through the transaction, GungHo will leverage Supercell's position among the apps in the Games category of the App Store and marketing power abroad to enhance its global expansion.

c. Summary of Supercell

Name	Supercell Oy
Address	Itämerenkatu 11-13 00180 Helsinki Finland
Name and title of representative	Ilkka Paananen, Chief Executive Officer
Business description	Mobile/Social interactive entertainment
Common stock	€2,500
Date of foundation	May 14, 2010
Consolidated sales	€519,093 thousands (For the year ended December 2013, Finnish GAAP)

d. Acquisition date

October 31, 2013

e. Consideration transferred and the component

		(Millions of yen) Acquisition date (October 31, 2013)
Payment by cash		140,397
Total consideration transferred	A	140,397

Acquisition-related costs of ¥3,114 million arising from the business combination are recognized in “Selling, general and administrative expenses.”

Kahon 3 acquired common and preferred stocks of Supercell and options, which can convert the preferred stocks to common stocks (“conversion options”), with a total of ¥150,720 million. The consideration transferred for the business combination is ¥140,397 million, deducting the fair value of ¥10,323 million for the preferred stocks and the conversion options from the total amount of ¥150,720 million to acquire Supercell.

The fair value of ¥10,323 million for the preferred stocks and the conversion option is deducted from additional paid-in capital as “Acquisition of options to convert to subsidiaries’ common stocks” in the condensed interim consolidated statements of changes in equity.

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

(Millions of yen)

		Acquisition date (October 31, 2013)
Current assets		22,123
Intangible assets[1]		119,204
Other non-current assets		73
Total assets		141,400
Current liabilities		22,518
Non-current liabilities		23,993
Total liabilities		46,511
Net assets	B	94,889
Non-controlling interests[2]	C	53,295
Goodwill[3]	A-(B-C)	98,803

Notes:

1. Intangible assets
   Game titles of ¥119,099 million are included.

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

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

g. Payment for the acquisition of control over subsidiaries

(Millions of yen)

	Acquisition date (October 31,2013)
Payment for the acquisition by cash	(140,397)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	2,495
Payment for the acquisition of control over the subsidiary by cash	(137,902)

h. Sales and net loss of the acquiree

The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the condensed interim consolidated statements of income for the nine-month period ended December 31, 2013, are ¥17,044 million and ¥123 million, respectively.

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

5. Segment information

(1) Description of reportable segments

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

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

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

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

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

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

(2) Net sales and income of reportable segments

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

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

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

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

For the nine-month period ended December 31, 2013

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint[3]	Fixed-line Telecommu-nications	Internet	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	2,188,230	1,684,244	328,744	295,932	4,497,150	64,553	-	4,561,703
Intersegment	15,598	195	78,681	2,044	96,518	28,840	(125,358)	-
Total	2,203,828	1,684,439	407,425	297,976	4,593,668	93,393	(125,358)	4,561,703
EBITDA	797,027	236,100	134,497	153,617	1,321,241	11,306	(16,487)	1,316,060
Depreciation and amortization	(275,800)	(286,602)	(45,129)	(10,139)	(617,670)	(5,278)	(1,038)	(623,986)
Segment income (loss)	521,227	(50,502)	89,368	143,478	703,571	6,028	(17,525)	692,074
Gain from remeasurement relating to business combination								253,886
Other operating loss								(5,328)
Operating income								940,632
Finance cost								(186,632)
Equity in income of associates								19,962
Dilution gain from changes in equity interests								1,599
Other non-operating income								38,984
Income before income tax								814,545

For the nine-month period ended December 31, 2014

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint	Fixed-line Telecommu-nications	Internet	Total	Other[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	3,063,856	2,683,437	321,804	301,256	6,370,353	60,814	-	6,431,167
Intersegment	23,602	126,420	78,213	2,456	230,691	22,531	(253,222)	-
Total	3,087,458	2,809,857	400,017	303,712	6,601,044	83,345	(253,222)	6,431,167
EBITDA	895,560	461,566	125,179	148,551	1,630,856	(4,858)	(16,314)	1,609,684
Depreciation and amortization	(323,777)	(406,738)	(43,858)	(12,092)	(786,465)	(6,243)	(950)	(793,658)
Segment income	571,783	54,828	81,321	136,459	844,391	(11,101)	(17,264)	816,026
Gain from remeasurement relating to business combination								-
Other operating loss								(27,981)
Operating income								788,045
Finance cost								(264,168)
Equity in income of associates								12,061
Dilution gain from changes in equity interests								599,806
Other non-operating loss								(18,502)
Income before income tax								1,117,242

Notes:

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

For the three-month period ended December 31, 2013

(Millions of yen)

	Reportable segments							
	Mobile Communications	Sprint	Fixed-line Telecommunications	Internet	Total	Other[1]	Reconciliations[2]	Consolidated
Net sales								
Customers	810,930	923,386	110,076	100,772	1,945,164	17,927	-	1,963,091
Intersegment	6,371	112	26,980	914	34,377	10,693	(45,070)	-
Total	817,301	923,498	137,056	101,686	1,979,541	28,620	(45,070)	1,963,091
EBITDA	264,975	120,429	44,527	52,311	482,242	1,875	(6,156)	477,961
Depreciation and amortization	(100,205)	(152,411)	(15,402)	(3,700)	(271,718)	(1,942)	(387)	(274,047)
Segment income (loss)	164,770	(31,982)	29,125	48,611	210,524	(67)	(6,543)	203,914
Other operating loss								(453)
Operating income								203,461
Finance cost								(80,770)
Equity in income of associates								23,742
Other non-operating income								39,744
Income before income tax								186,177

For the three-month period ended December 31, 2014

(Millions of yen)

	Reportable segments							
	Mobile Communications	Sprint	Fixed-line Telecommunications	Internet	Total	Other[1]	Reconciliations[2]	Consolidated
Net sales								
Customers	1,184,869	909,136	108,840	104,614	2,307,459	19,344	-	2,326,803
Intersegment	9,188	117,285	26,874	793	154,140	8,579	(162,719)	-
Total	1,194,057	1,026,421	135,714	105,407	2,461,599	27,923	(162,719)	2,326,803
EBITDA	280,346	123,456	42,906	51,330	498,038	(5,547)	(5,374)	487,117
Depreciation and amortization	(110,198)	(145,354)	(14,931)	(4,396)	(274,879)	(2,300)	(296)	(277,475)
Segment income (loss)	170,148	(21,898)	27,975	46,934	223,159	(7,847)	(5,670)	209,642
Other operating loss								(18,255)
Operating income								191,387
Finance cost								(92,919)
Equity in income of associates								31,357
Other non-operating loss								(8,364)
Income before income tax								121,461

Notes:

1.“Other” includes Fukuoka SoftBank HAWKS-related business.

2.“Reconciliations” includes an elimination of intersegment transactions and the corporate general expenses unallocated to each reportable segment.

6. Property, plant and equipment

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

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Buildings and structures	258,637	267,240
Telecommunications equipment	2,827,064	3,131,037
Land	92,545	95,860
Construction in progress	266,136	409,683
Other	141,945	285,774
Total	3,586,327	4,189,594

7. Intangible assets

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

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Intangible assets with indefinite useful lives		
FCC licenses	3,709,526	4,328,634
Trademarks	622,975	729,689
Intangible assets with finite useful lives		
Software	647,386	740,311
Customer relationships	677,494	628,375
Favorable lease contracts	140,217	150,726
Game titles	166,522	132,302
Trademarks	52,475	60,351
Other	161,106	207,676
Total	6,177,701	6,978,064

8. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Current		
Short-term borrowings	270,529	234,049
Commercial paper	32,000	32,000
Current portion of long-term borrowings	393,566	484,169
Current portion of corporate bonds	139,300	168,949
Current portion of lease obligations	264,295	384,104
Current portion of preferred securities	-	200,000
Current portion of installment payables	48,209	48,022
Total	1,147,899	1,551,293
Non-current		
Long-term borrowings	2,243,855	2,181,088
Corporate bonds	4,743,073	6,361,238
Lease obligations	730,915	685,023
Preferred securities	199,156	-
Installment payables	105,155	92,141
Total	8,022,154	9,319,490

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

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

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Net decrease of short-term borrowings*	(133,431)	(68,391)
Net increase of commercial paper	32,000	-
Total	(101,431)	(68,391)

Note:
The Company borrowed a permanent loan in September 2013 and refinanced the bridge loan which was made for the consolidation of Sprint. The increase and the decrease in short-term borrowings for the nine-month period ended December 31, 2013 include the increase of borrowings of ¥1,034.9 billion on July 10, 2013, from the bridge loan and the decrease of borrowings by the repayment of the bridge loan in the amount of ¥1,284.9 billion (including the amount of repayment of ¥250 billion on December 21, 2012).

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

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

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Proceeds from long-term borrowings	2,378,670	279,397
Proceeds from issuance of corporate bonds[1,5]	1,665,232	1,134,317
Proceeds from sale and leaseback of newly acquired equipment	336,452	312,225
Total	4,380,354	1,725,939

Notes:
1. Corporate bonds issued for the nine-month period ended December 31, 2013 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
USD-denominated Senior Notes due year 2020	April 23, 2013	$2,485 million ¥244,176 million[2]	4.50% 3.29%[3]	April 15, 2020
Euro-denominated Senior Notes due year 2020	April 23, 2013	€625 million ¥80,206 million[2]	4.63% 4.05%[3]	April 15, 2020
43rd Unsecured Straight Corporate Bond	June 20, 2013	¥400,000 million	1.74%	June 20, 2018
44th Unsecured Straight Corporate Bond	Nov. 29, 2013	¥50,000 million	1.69%	Nov. 27, 2020
Sprint Corporation[4]				
7.25% Notes due 2021	Sept. 11, 2013	$2,250 million ¥220,950 million	7.25%	Sept. 15, 2021
7.875% Notes due 2023	Sept. 11, 2013	$4,250 million ¥417,350 million	7.88%	Sept. 15, 2023
7.125% Notes due 2024	Dec. 12, 2013	$2,500 million ¥252,550 million	7.13%	June 15, 2024

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

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

4. These corporate bonds were issued after the acquisition of Sprint.

5. Corporate bonds issued for the nine-month period ended December 31, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Total amount of issuance	Interest rate	Date of maturity
SoftBank Corp.				
45th Unsecured Straight Corporate Bond	May 30, 2014	¥300,000 million	1.45%	May 30, 2019
46th Unsecured Straight Corporate Bond	Sept. 12, 2014	¥400,000 million	1.26%	Sept. 12, 2019
1st Unsecured Subordinated Corporate Bond	Dec. 19, 2014	¥400,000 million	2.50%	Dec. 17, 2021
Sprint Communications, Inc.[6]				
Export Development Canada Facility (Tranche 3)	Dec. 19, 2014	$300 million ¥34,317 million	4.00%	Dec. 17, 2019

Notes:
6. Sprint Communications, Inc. is a subsidiary of Sprint.

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

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

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Repayment of long-term borrowings	(971,600)	(270,611)
Redemption of corporate bonds[1,3]	(483,528)	(63,446)
Payment of lease obligations	(180,032)	(222,227)
Payment of installment payables	(43,762)	(42,297)
Total	(1,678,922)	(598,581)

Notes:
1. Corporate bonds redeemed for the nine-month period ended December 31, 2013 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
31st Unsecured Straight Corporate Bond	June 2, 2010	¥25,000 million	1.17%	May 31, 2013
33rd Unsecured Straight Corporate Bond	Sept. 17, 2010	¥130,000 million	1.24%	Sept. 17, 2013
Clearwire Communications LLC[2]				
12% Senior Secured Notes due 2015	Nov. 24, 2009	$2,763 million ¥277,997 million	12.00%	Sept. 11, 2013 to Dec. 1, 2013
12% Second-Priority Secured Notes due 2017	Dec. 9, 2010	$500 million ¥50,510 million	12.00%	Oct. 30, 2013 Dec. 1, 2013

Notes:
2. These corporate bonds were redeemed after the acquisition of Sprint. Clearwire Communications LLC is a subsidiary of Sprint.

3. Major corporate bonds redeemed for the nine-month period ended December 31, 2014 are as follows:

Company name / Name of bonds	Date of issuance	Amount of redemption	Interest rate	Date of redemption
SoftBank Corp.				
26th Unsecured Straight Corporate Bond	June 19, 2007	¥14,900 million	4.36%	June 19, 2014
37th Unsecured Straight Corporate Bond	June 10, 2011	¥30,000 million	0.65%	June 10, 2014
iPCS, Inc.[4]				
Second Lien Senior Secured Floating Rate Notes due 2014	April 23, 2007	$181 million ¥18,513 million	3.49%	May 1, 2014

Notes:
4. iPCS, Inc. is a subsidiary of Sprint.

9. Foreign exchange rate

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

(1) Rate at the end of the period

(yen)

	As of March 31, 2014	As of December 31, 2014
U.S. dollars	102.92	120.55

(2) Average rate for the quarter

For the nine-month period ended December 31, 2013

(yen)

	Three-month period ended June 30, 2013	Three-month period ended September 30, 2013	Three-month period ended December 31, 2013
U.S. dollars	97.94	98.20	101.02

For the nine-month period ended December 31, 2014

(yen)

	Three-month period ended June 30, 2014	Three-month period ended September 30, 2014	Three-month period ended December 31, 2014
U.S. dollars	102.14	104.35	114.39

10. Equity

(1) Additional paid-in capital

For the nine-month period ended December 31, 2013

In connection with the consolidation of Supercell, the Company acquired preferred stocks of Supercell and options ("conversion options") to convert the preferred stocks to common stocks. The fair value of ¥10,323 million for the preferred stocks and the conversion options is deducted from additional paid-in capital as "Acquisition of options to convert to subsidiaries' common stocks." The details are described in "(4) Supercell" in "Note 4. Business combinations."

(2) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Available-for-sale financial assets	14,122	17,941
Cash flow hedges	(19,942)	(10,727)
Exchange differences on translating foreign operations	175,670	574,645
Total	169,850	581,859

11. Other operating loss

The components of other operating loss are as follows:

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Gain on partial pension settlement[1]	-	18,726
Severance costs associated with reduction in work force of Sprint	(5,338)	(29,509)
Provision for unprofitable contract[2]	-	(18,751)
Other	10	1,553
Total	(5,328)	(27,981)

Notes:

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

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

12. Finance cost

The components of finance cost are as follows:

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Interest expense	(186,632)	(264,168)

13. Dilution gain from changes in equity interest

For the nine-month period ended December 31, 2014

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

14. Other non-operating income and loss

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

(Millions of yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Interest income[1]	20,044	2,873
Derivative loss[1,2]	(15,057)	(1,195)
Gain and loss on sales of securities	11,565	(2,143)
Gain on sales of equity method associates	26,701	1,379
Impairment loss on equity method associates[3]	-	(32,339)
Gain from remeasurement relating to applying equity method[4]	-	6,249
Other	(4,269)	6,674
Total	38,984	(18,502)

Notes:

1. Stock acquisition rights in the convertible bonds issued by Sprint Nextel Corporation and undertaken by Starburst II on October 22, 2012, were reported at fair value as a derivative, being bifurcated from the host contracts as they are classified as embedded derivatives and were recorded in “Other financial assets” in the consolidated statements of financial position. As the Company exercised the relevant stock acquisition right and the Company derecognized the derivatives, a derivative loss of ¥16,356 million was recorded during the nine-month period ended December 31, 2013.

   With regard to the host contract (the bonds), the amount of payment less the fair value of the embedded derivative at inception of the bond was recorded in the consolidated statements of financial position at inception. This deduction amount is accreted using the effective interest method with corresponding adjustments to interest income. Initially, the expected remaining accretion period for the bond discount was seven years based on the contract term of the bond. However, based on the approval for the acquisition at the shareholders’ meeting of Sprint on June 25, 2013, the Company changed the estimate of the expected remaining term to the completion of the acquisition. During the nine-month period ended December 31, 2013, the Company recognized interest income of ¥16,219 million. There was an increase of interest income of ¥15,568 million from the reflection of this change in the expected remaining term of the bond.

2. Of the foreign currency forward contract totaling $22.0 billion which was related to the acquisition of Sprint, with regard to $5.0 billion that did not meet the criteria for hedge accounting, a derivative loss of ¥13,186 million was recorded for the nine-month period ended December 31, 2013. Hedge accounting was applied to $17.0 billion as a cash flow hedge. Fair value of ¥311,659 million of hedge instruments on the acquisition date was deducted from the initial amount of goodwill which was recognized upon the acquisition.

3. The Company recorded impairment loss of ¥32,339 million with regard to the equity method associate for the nine-month period ended December 31, 2014 as the fair value had been declining for a prolonged period and the carrying amount was reduced to the recoverable amount.

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

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

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

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

(2) Presentation of cash flow regarding finance leases

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

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

(3) Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries

For the nine-month period ended December 31, 2013

The proceeds are from the settlement of a foreign currency forward contract of $18.5 billion with regard to consolidation of Sprint.