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 4 of this report.

SoftBank Corp.
Consolidated Financial Report
For the fiscal year ended March 31, 2014 (IFRS)

Tokyo, May 7, 2014

1. Financial Highlights

(Millions of yen; amounts are rounded off 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	%
Fiscal year ended March 31, 2014	**¥6,666,651**	**108.2**	**¥1,085,362**	**35.8**	**¥932,367**	**30.3**	**¥586,149**	**33.9**	**¥527,035**	**41.5**	**¥525,570**	**(18.2)**
Fiscal year ended March 31, 2013	¥3,202,536	-	¥799,399	-	¥715,504	-	¥437,837	-	¥372,481	-	¥642,187	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)	Ratio of operating income to net sales (%)
Fiscal year ended March 31, 2014	**¥442.64**	**¥440.37**	**29.5**	**7.8**	**16.3**
Fiscal year ended March 31, 2013	¥332.51	¥328.08	29.7	11.5	25.0

Note: Equity in income (loss) of associates
Fiscal year ended March 31, 2014: ¥ 74,402 million
Fiscal year ended March 31, 2013: ¥ (3,663) million

(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 (%)	Equity per share attributable to owners of the parent (yen)
As of March 31, 2014	**¥16,684,997**	**¥2,858,670**	**¥1,955,374**	**11.7**	**1,645.31**
As of March 31, 2013	¥7,218,172	¥1,930,440	¥1,612,756	22.3	1,353.55

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2014	**¥860,245**	**¥(2,718,188)**	**¥2,359,375**	**¥1,963,490**
Fiscal year ended March 31, 2013	¥813,025	¥(874,144)	¥471,477	¥1,439,057

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2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Fiscal year ended March 31, 2013	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2014	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2015 (Forecasted)	-	20.00	-	20.00	40.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	(Millions of yen)	%	%
Fiscal year ended March 31, 2013	45,934	12.0	3.7
Fiscal year ending March 31, 2014	47,608	9.0	2.7
Fiscal year ending March 31, 2015 (Forecasted)		-	

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

The Company projects net sales of ¥8 trillion and operating income of ¥1 trillion under IFRSs in the fiscal year ending March 31, 2015. The Company has upwardly revised its previous net sales forecast, announced in the Consolidated Financial Report for the six-month period ended September 30, 2013, by an additional ¥1 trillion mainly related to the acquisition and consolidation of Brightstar Corp. in January 2014. The operating income of the fiscal year ended March 31, 2014 of ¥1,085.4 billion includes income from remeasurement relating to business combination of ¥253.9 billion. The forecasted operating income of the fiscal year ending March 31, 2015 of ¥1 trillion does not include any temporary gains.

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes
Newly consolidated: One company Sprint Communications, Inc.

Please refer to page 29 "(1) Significant Changes in Scope of Consolidation for the Fiscal Year ended March 31, 2014" under "3. Notes to Summary Information" for details.

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

Please refer to page 29 "(2) Changes in Accounting Policies and Accounting Estimates" under "3. Notes to Summary Information" for details.

(2) Number of shares issued (common stock)
[1] Number of shares issued (including treasury stock):
As of March 31, 2014: 1,200,660,365 shares
As of March 31, 2013: 1,200,660,365 shares
[2] Number of treasury stock:
As of March 31, 2014: 12,204,526 shares
As of March 31, 2013: 9,160,493 shares
[3] Number of average stocks during twelve-month period (April-March):
Fiscal year ended March 31, 2014: 1,190,650,355 shares
Fiscal year ended March 31, 2013: 1,120,200,622 shares

[For Reference]

Financial Highlights (Non-Consolidated)

(1) Non-Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2014	¥49,586	7.7	¥34,402	9.0	¥245,941	115.9	¥243,049	219.8
Fiscal year ended March 31, 2013	¥46,020	5.3	¥31,553	5.1	¥113,897	210.9	¥75,999	199.9

	Net income per share-basic (yen)	Net income per share-diluted (yen)
Fiscal year ended March 31, 2014	¥204.13	¥203.85
Fiscal year ended March 31, 2013	¥67.84	¥66.86

(2) Non-Consolidated Financial Position

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (yen)
As of March 31, 2014	¥5,709,742	¥936,019	16.4	¥787.26
As of March 31, 2013	¥3,873,731	¥885,635	22.9	¥743.21

Note: Shareholders' equity (Non-consolidated)
As of March 31, 2014: ¥935,629 million
As of March 31, 2013: ¥885,540 million

Financial Highlights (Non-Consolidated) are prepared under Japanese Generally Accepted Accounting Principles ("JGAAP").

*** Implementation status of audit procedures**

This consolidated financial report is not subject to audit procedures based on the Financial Instruments and Exchange Act, and the audit procedures for the 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. For the differences between IFRSs and JGAAP in respect of the Company's financial data, please refer to page 82 "17. First-time adoption of IFRSs" in "(6) Notes to Consolidated Financial Statements" under "4. Consolidated Financial Statements" for details.

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 May 7, 2014, the Company will hold an earnings results briefing for financial institutions, institutional investors, and the media. This earnings results briefing will be broadcast live on our website in both Japanese and English (http://www.softbank.jp/en/corp/irinfo/). The Earnings Results Data Sheets will also be posted on the Company's web site around 4 p.m. on the day of the announcement: (http://www.softbank.jp/en/corp/irinfo/presentations/)

(Appendix)

Contents

1. Results of Operations

Adoption of IFRSs

SoftBank Corp. has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) from the three-month period ended June 30, 2013, the first quarter of the fiscal year ended March 31, 2014 (the "fiscal year"). The date of transition to IFRSs is April 1, 2012. The financial data for the year ended March 31, 2013 (the "previous fiscal year") is also presented based on IFRSs.

The main items adjusted from JGAAP in accordance with the adoption of IFRSs are as follows:

・Change in scope of consolidation
- eAccess Ltd. and Wireless City Planning Inc., which were associates under JGAAP, are subsidiaries under IFRSs.

・Items related to consolidated statements of financial position
- Regarding certain securitization transactions that previously qualified for extinguishment of financial assets under JGAAP, securitized receivables are recognized retrospectively and accompanying liabilities are recognized as interest-bearing debt under IFRSs when they are not qualified for derecognition of financial assets under IFRSs.
- Preferred securities issued by a subsidiary are accounted for as equity transactions and recorded as minority interests under JGAAP. Under IFRSs, they are accounted for as interest-bearing debt in the consolidated statements of financial position.

・Items related to the consolidated statements of income
- Goodwill is amortized regularly under JGAAP. Under IFRSs, goodwill is not amortized regularly but tested for impairment at least once a year.
- Commission fees paid related to sales of mobile handsets are accounted for as costs when they occur under JGAAP. Under IFRSs, the amount of commission fees expected to occur in the future is deducted from revenues.

Please refer to page 82 "17. First-time adoption of IFRSs" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details of these adjustments.

Consolidation of Sprint

As of July 10, 2013 the Company (SoftBank Corp. and its subsidiaries) closed the acquisition of Sprint Corporation (previously Sprint Nextel Corporation, "Sprint") and started its consolidation. In conjunction with this, a new reportable segment, "Sprint," has been established from the three-month period ended September 30, 2013 (the "second quarter").

For details about the consolidation of Sprint, please refer to page 57 "(3) Sprint" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations."

(1) Analysis of Consolidated Results of Operations

a. Consolidated Results of Operations

(Millions of yen)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change	Change %
Net sales	3,202,536	**6,666,651**	3,464,115	108.2%
Operating income	799,399	**1,085,362**	285,963	35.8%
Income before income tax	715,504	**932,367**	216,863	30.3%
Net income	437,837	**586,149**	148,312	33.9%
Net income attributable to owners of the parent	372,481	**527,035**	154,554	41.5%

The main factors affecting earnings for the fiscal year were as follows:

(a) Net Sales

Net sales totaled ¥6,666,651 million, for a ¥3,464,115 million (108.2%) year-on-year increase. This was mainly due to recording sales of ¥2,601,031 million in the newly added Sprint segment from the second quarter. Apart from this, the Mobile Communications segment also recorded a ¥819,888 million year-on-year increase in net sales. The increase in the Mobile Communications segment was due to the impact of consolidating GungHo Online Entertainment, Inc.[1] ("GungHo") from April 2013, WILLCOM, Inc.[2] from July 2013, Supercell Oy[3] ("Supercell") from October 31, 2013, and Brightstar Corp.[4] from January 30, 2014, as well as increases in the number of subscribers and units sold[5] at SoftBank Mobile Corp., which led to increases in both service revenue (mainly former telecom service revenue) and product sales (mainly former sales of handsets). In addition, the full-year sales of eAccess Ltd., which was consolidated from January 2013, were recorded and also contributed to the overall increase.

(b) Cost of Sales

Cost of sales increased ¥2,342,328 million (145.4%) year on year to ¥3,953,170 million. This was primarily due to the newly added Sprint segment from the second quarter. Apart from this, the impact of consolidating GungHo, WILLCOM, Inc., Supercell, and Brightstar Corp., and the rise in cost of goods in line with an increase in the number of smartphones, especially iPhone,[6] sold at SoftBank Mobile Corp. caused part of the overall

[1] Please refer to page 55 "(2) GungHo Online Entertainment, Inc." under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations" for details of consolidation of GungHo.
[2] Please refer to page 61 "(4) WILLCOM, Inc." under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations" for details of consolidation of WILLCOM, Inc.
[3] Please refer to page 63 "(5) Supercell" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations" for details of consolidation of Supercell.
[4] Please refer to page 65 "(6) Brightstar Corp." under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations" for details of consolidation of Brightstar Corp.
[5] Units sold: the total number of new subscriptions and handset upgrades
[6] iPhone is a trademark of Apple Inc. The iPhone trademark is used under license from Aiphone K.K.

increase. The full-year cost of sales of eAccess Ltd., which was consolidated from January 2013, was recorded and also caused part of this increase.

(c) Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by ¥1,032,502 million (130.0%) year on year to ¥1,826,575 million. This was primarily due to the newly added Sprint segment from the second quarter. Apart from this, the impact of consolidating GungHo, WILLCOM, Inc., and Supercell caused part of the overall increase. The full-year expenses of eAccess Ltd., which was consolidated from January 2013, were recorded and also caused part of this increase.

(d) Income from Remeasurement Relating to Business Combination

Income from remeasurement relating to business combination was ¥253,886 million, an increase of ¥252,108 million year on year. This corresponds to income of ¥150,120 million and ¥103,766 million recognized following reevaluation at fair value of the Company’s respective equity interests in GungHo and WILLCOM, Inc. that it already held on the dates when the Company acquired control of the respective companies. Please refer to page 55 “(2) GungHo Online Entertainment, Inc. b. Consideration transferred and the components” and page 61 “(4) WILLCOM, Inc. b. Consideration transferred and the components” under “4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations” for details.

(e) Other Operating Income and Loss

Other operating loss was ¥55,430 million (not recorded in the previous fiscal year). This primarily reflected the recording of impairment loss of ¥32,090 million, as well as severance costs associated with reduction in the workforce of Sprint of ¥18,307 million. Please refer to page 79 “12. Other operating income and loss” under “4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details.

(f) Operating Income

As a result of (a) to (e), operating income totaled ¥1,085,362 million, for a ¥285,963 million (35.8%) year-on-year increase.

(g) Finance Cost

Finance cost rose ¥206,181 million (315.8%) year on year to ¥271,478 million. The increase was mainly due to the impact of adding the interest expense of Sprint, as well as an increase in interest expenses for bonds and borrowings at SoftBank Corp.

(h) Equity in Income and Loss of Associates

Equity in income of associates was ¥74,402 million, an improvement of ¥78,065 million year on year (equity in loss of associates of ¥3,663 million was recorded for the previous fiscal year). The increase was mainly due to recording equity in income of associates of ¥66,780 million related to Alibaba Group Holding Limited.

(i) Other Non-operating Income and Loss

Other non-operating income was ¥44,081 million, an improvement of ¥59,016 million year on year (other non-operating loss of ¥14,935 million was recorded for the previous fiscal year).

i. Gain on sales of associates' stocks increased ¥32,221 million year on year to ¥33,058 million. This was mainly due to the sale of shares of PPLive Corporation in December 2013.

ii. Interest income increased ¥17,906 million year on year to ¥21,015 million.

iii. Derivative loss was ¥19,588 million, deteriorated by ¥31,465 million year on year.

Please refer to page 80 "14. Other non-operating income and loss" under "4. Consolidated Financial Statements (6) Notes to Consolidate Financial Statements" for details about interest income and derivative loss.

(j) Income before Income Tax

As a result of (f) to (i), income before income tax was ¥932,367 million, an increase of ¥216,863 million (30.3%) year on year.

(k) Income Taxes

Provisions for current income taxes were ¥346,218 million, an increase of ¥68,551 million (24.7%) year on year.

(l) Net Income

As a result of (j) to (k), net income totaled ¥586,149 million, for a ¥148,312 million (33.9%) year-on-year increase.

(m) Net Income Attributable to Owners of the Parent

After deducting net income and loss attributable to non-controlling interests in subsidiaries such as Yahoo Japan Corporation, Sprint, and GungHo from (l), net income attributable to owners of the parent was ¥527,035 million, for a ¥154,554 million (41.5%) increase year on year.

(n) Comprehensive Income

Comprehensive income totaled ¥525,393 million, for a ¥116,794 million (18.2%) year-on-year decrease. Of this, comprehensive income attributable to owners of the parent was ¥450,990 million, for a ¥124,152 million (21.6%) year-on-year decrease.

b. Results by Segment

The Company's reportable segments (Note 1) 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."

From the second quarter, the former "Domestic Mobile Communications" and "Domestic Fixed-line Telecommunications" segments were renamed as "Mobile Communications" and "Fixed-line Telecommunications," respectively. The Sprint segment was newly established from the second quarter in conjunction with Sprint's consolidation.

In the Mobile Communications segment, SoftBank Mobile Corp. and other companies provide mobile communications services and sales of mobile handsets and accessories, etc.

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

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

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

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

Segments		Main Businesses	Core Companies
Reportable Segments	Mobile Communications	・Provision of mobile communications services in Japan ・Sales of mobile handsets and accessories ・Sales of PC software and peripherals ・Production and distribution of online games for smartphones and other devices	SoftBank Mobile Corp. eAccess Ltd. WILLCOM, Inc. Wireless City Planning Inc. Brightstar Corp. SoftBank BB Corp. SoftBank Telecom Corp. GungHo Online Entertainment, Inc. Supercell Oy
	Sprint	・Provision of mobile communications services by Sprint in the U.S. ・Sales of mobile handsets 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. eAccess Ltd. Yahoo Japan Corporation
	Internet	・Internet advertising ・e-commerce business ・Membership services	Yahoo Japan Corporation
Others		・Fukuoka SoftBank HAWKS related businesses	Fukuoka SoftBank HAWKS Corp.

Notes:
1. The results for the previous fiscal year are presented in accordance with the above reportable segments.
2. Income of reportable segments is based on income from operating income, excluding "Income 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)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change	Change %
Net sales	2,345,630	**3,165,518**	819,888	35.0%
Segment income	517,120	**608,950**	91,830	17.8%

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The segment's net sales increased by ¥819,888 million (35.0%) year on year to ¥3,165,518 million. The main factor behind the increase was the impact of consolidating GungHo, WILLCOM, Inc., Supercell, and Brightstar Corp. in addition to increases in the number of mobile phone subscribers and units sold at SoftBank Mobile Corp., which led to increases in both service revenue (mainly former telecom service revenue) and product sales (mainly former sales of mobile handsets). In addition, the full-year net sales of eAccess Ltd., which was consolidated from January 2013, were recorded and also contributed to the overall increase.

The segment's operating expenses increased by ¥728,058 million (39.8%) year on year to ¥2,556,568 million. The principal cause of this increase was the impact of consolidating GungHo, WILLCOM, Inc., Supercell, and Brightstar Corp. and higher operating expenses at SoftBank Mobile Corp. The higher expenses at SoftBank Mobile Corp. reflected increases in the cost of goods and sales commissions in line with strong sales of smartphones, especially iPhone. Another factor behind the increase in sales commissions of SoftBank Mobile Corp. was further competition to win customers under Mobile Number Portability (MNP). In addition, the full-year operating expenses of eAccess Ltd., which was consolidated from January 2013, also caused part of the overall increase.

As a result, segment income increased by ¥91,830 million (17.8%) year on year to ¥608,950 million.

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・Number of Subscribers

Net subscriber additions (new subscribers minus cancellations) for the fiscal year at SoftBank Mobile Corp. totaled 3,445,000. This was primarily the result of solid sales of smartphones, especially iPhone, as well as communication modules and other items, mainly due to conducting various sales promotions.[7] As a result, the cumulative number of subscribers at SoftBank Mobile Corp. as of March 31, 2014 (the "end of the fiscal year") stood at 35,925,000.

・ARPU

ARPU (excluding communication modules)[8] at SoftBank Mobile Corp. for the fiscal year, decreased by ¥100 year on year to ¥4,450. Out of this, data ARPU rose ¥150 year on year to ¥2,930. The decline in ARPU mainly reflects an increase in low-ARPU handsets and a decline in the voice calls using voice devices. Meanwhile, the continuous growth in the number of high-data ARPU smartphone subscribers contributed to the increase in data ARPU.

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[7] Directed at potential smartphone customers, including a promotion offering discounts to new and upgrading customers and a promotion offering discounts to upgrading existing customers that allows their family members to use their old handsets (if they make a new subscription).

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

・**Number of Units Sold**

The number of units sold at SoftBank Mobile Corp. for the fiscal year increased by 1,062,000 year on year to 14,175,000. The increase was primarily due to various sales promotions and the resulting continuous steady sales of smartphones, especially iPhone. In addition, further competition to win customers under MNP and a resulting increase in the number of customers who switched from other operators contributed to the growth.

・**Churn Rate and Upgrade Rate**

The churn rate[8] at SoftBank Mobile Corp. for the fiscal year was 1.27%, up 0.18 of a percentage point year on year. This was mainly due to an increase in cancellations for non-voice devices reaching the end of their two-year subscriptions. In addition, further competition to win customers under MNP and a resulting increase in the number of customers who switched to other operators led to the higher churn rate.

The upgrade rate[8] was 1.36%, down 0.17 of a percentage point year on year.

(b) Sprint Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change	Change %
Net sales	Segment was newly established from the second quarter of the fiscal year ended March 31, 2014	**2,601,031**	2,601,031	-%
Segment income (loss)		**(1,216)**	(1,216)	-%

Note:
3. In the Sprint segment, the earnings reflect the results of operation of Sprint since July 11, 2013.

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The segment's net sales totaled ¥2,601,031 million. This mainly includes Sprint platform[9] service revenue and product sales. Nextel platform[10] service revenue is not recorded in the fiscal year as a result of its shutdown on June 30, 2013.

The segment's operating expenses totaled ¥2,602,247 million. Operating expenses included ¥129,863 million of amortization of customer relationships (amortized based on the sum-of-the-digits method) recorded at Sprint's consolidation.

As a result, segment loss was ¥1,216 million. Segment income for the three-month period ended March 31, 2014 (the "fourth quarter") was ¥56,962 million.

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Subscribers at Sprint for the period from July 1, 2013 to March 31, 2014 decreased by 303,000,[11] and the cumulative number of subscribers as of March 31, 2014 stood at 54,887,000. Of these, on the Sprint platform there was a net

[9] Sprint-operated CDMA and LTE networks. This excludes the Nextel/ iDEN network (see note 10) and the subscribers / network acquired through transactions with U.S. Cellular Corporation ("U.S. Cellular") and Clearwire Corporation ("Clearwire").
[10] Sprint acquired the wireless service operated on Integrated Digital Enhanced Network (iDEN) in conjunction with its acquisition of Nextel Corporation in 2005.
[11] Excludes 1,602,000 subscribers acquired in conjunction with the Sprint's acquisition of Clearwire on July 9, 2013 (see note 21).

increase of 204,000,[12] bringing its cumulative number of subscribers to 53,551,000 as of March 31, 2014.

Sprint platform ARPU[13] for the fourth quarter was $63.52 for postpaid and $26.45 for prepaid, and its churn rate[13] was 2.11% for postpaid and 4.33% for prepaid.

(c) Fixed-line Telecommunications Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change	Change %
Net sales	531,028	**548,090**	17,062	3.2%
Segment income	114,232	**108,612**	(5,620)	(4.9%)

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The segment's net sales increased by ¥17,062 million (3.2%) year on year to ¥548,090 million. The full-year net sales of the fixed-line telecommunications business of eAccess Ltd., which was consolidated from January 2013, contributed to this increase. On the other hand, revenues from the broadband business at SoftBank BB Corp. decreased due to a decline in its number of ADSL service subscribers.

Segment income decreased by ¥5,620 million (4.9%) year on year to ¥108,612 million. This was mainly due to the decrease in net sales in the broadband business at SoftBank BB Corp.

(d) Internet Segment

(Millions of yen)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change	Change %
Net sales	356,609	**399,869**	43,260	12.1%
Segment income	180,720	**188,949**	8,229	4.6%

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The segment's net sales increased by ¥43,260 million (12.1%) year on year to ¥399,869 million. The increase was the result of growth in revenue at Yahoo Japan Corporation mainly from display advertising[14] and sponsored-search advertising especially through smartphones. This was despite the fact that Yahoo Japan Corporation eliminated store tenant and other fees from October 2013 as part of a new strategy in its e-commerce business.

Operating expenses increased by ¥35,031 million (19.9%) year on year to ¥210,920 million. This was mainly due to an increase in sales promotion expenses at Yahoo Japan Corporation for vigorous promotion activities conducted in relation to the e-commerce business, as well as increases in personnel expenses and outsourcing fees.

As a result, segment income increased by ¥8,229 million (4.6%) year on year to ¥188,949 million.

[12] Excludes 29,000 subscribers relating to a Clearwire MVNO arrangement (see note 21).

[13] For definitions and calculations of ARPU and churn rate of Sprint platform, see page 13 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (b) Sprint Platform."

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

(Reference 1: Principal Operational Data)

(a) Mobile Communications Segment

		Fiscal Year Ended March 31, 2013					**Fiscal Year Ended March 31, 2014**				
		Three-month Period Ended June 30, 2012	Three-month Period Ended Sept. 30, 2012	Three-month Period Ended Dec. 31, 2012	Three-month Period Ended March 31, 2013	Fiscal Year Ended March 31, 2013	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	**Three-month Period Ended March 31, 2014**	**Fiscal Year Ended March 31, 2014**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Cumulative subscribers[15]	(Thousands)										
	SoftBank Mobile Corp.	29,702	30,461	31,322		32,480	33,290	34,068	34,760		**35,925**
	eAccess Ltd.	4,138	4,259	4,292		4,319	4,343	4,415	4,497		**4,465**
	WILLCOM, Inc. (PHS)	4,696	4,814	4,943		5,086	5,199	5,310	5,403		**5,546**
SoftBank Mobile Corp.	Net additions[15] (Thousands)	753	759	861	1,158	3,531	810	778	692	**1,165**	**3,445**
	Postpaid	772	771	872	1,170	3,585	818	790	716	**1,202**	**3,526**
	Prepaid	-19	-12	-11	-12	-55	-8	-12	-24	**-36**	**-81**
	ARPU[16,17] (excl. communication modules) (¥ / month)	4,510	4,650	4,640	4,400	4,550	4,460	4,520	4,490	**4,340**	**4,450**
	Data	2,710	2,760	2,800	2,840	2,780	2,870	2,930	2,960	**2,970**	**2,930**
	Handsets shipped[18] (Thousands)	2,359	2,631	3,486	3,082	11,558	2,575	2,734	3,347	**3,377**	**12,033**
	Units sold[19] (Thousands)	2,586	2,997	3,843	3,686	13,113	3,023	3,150	3,713	**4,289**	**14,175**
	New subscriptions	1,663	1,718	1,894	2,243	7,519	1,790	1,904	2,015	**2,921**	**8,629**
	Handset upgrades	923	1,279	1,949	1,443	5,594	1,233	1,246	1,698	**1,368**	**5,546**
	Churn rate[16] (% / month)	1.03	1.06	1.12	1.14	1.09	0.99	1.12	1.28	**1.66**	**1.27**
	Postpaid	0.96	1.00	1.06	1.09	1.03	0.94	1.06	1.24	**1.63**	**1.22**
	Upgrade rate[16] (% / month)	1.05	1.42	2.10	1.51	1.53	1.25	1.23	1.64	**1.30**	**1.36**
	(Ref.) ARPU[16,17] (incl. communication modules) (¥ / month)	4,210	4,340	4,300	4,060	4,220	4,090	4,120	4,090	**3,930**	**4,060**
	Data	2,540	2,580	2,610	2,630	2,590	2,640	2,690	2,700	**2,700**	**2,680**

15 Includes the number of prepaid mobile phones and communication module service subscribers. The communication module service subscriber's net additions for the fiscal year were 934,000 and the cumulative number at the end of the fiscal year totaled 3,834,000.

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

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

18 Handsets shipped: the number of handsets shipped (sold) to handset dealers

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

(b) Sprint Segment

		Fiscal Year Ended March 31, 2013					**Fiscal Year Ended March 31, 2014**				
		Three-month Period Ended June 30, 2012	Three-month Period Ended Sept. 30, 2012	Three-month Period Ended Dec. 31, 2012	Three-month Period Ended March 31, 2013	Fiscal Year Ended March 31, 2013	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	**Three-month Period Ended March 31, 2014**	**Fiscal Year Ended March 31, 2014**
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Cumulative Subscribers[20]	(Thousands) Sprint total	56,386	55,963	55,626		55,211	53,588	54,877	55,354		**54,887**
	Sprint platform	51,974	52,857	53,540		53,896	53,376	53,252	53,934		**53,551**
	Postpaid	29,434	29,844	30,245		30,257	30,451	30,091	30,149		**29,918**
	Prepaid	14,149	14,608	15,133		15,701	15,215	15,299	15,621		**15,257**
	Wholesale & affiliate	8,391	8,405	8,162		7,938	7,710	7,862	8,164		**8,376**
	Nextel platform	4,412	3,106	2,086		1,315	-	-	-		**-**
	U.S. Cellular & Clearwire[21]	-	-	-		-	212	1,625	1,420		**1,336**
Sprint platform	(Thousands) Net additions[20]	1,281	883	683	356		-520	-95	682	**-383**	
	Postpaid	442	410	401	12		194	-360	58	**-231**	
	Prepaid	451	459	525	568		-486	84	322	**-364**	
	Wholesale & affiliate	388	14	-243	-224		-228	181	302	**212**	
	($ / month) ARPU[22]										
	Postpaid	63.38	63.21	63.04	63.67		64.20	64.28	64.11	**63.52**	
	Prepaid	25.49	26.19	26.30	25.95		26.96	25.33	26.78	**26.45**	
	(% / month) Churn rate[22]										
	Postpaid	1.69	1.88	1.98	1.84		1.83	1.99	2.07	**2.11**	
	Prepaid	3.16	2.93	3.02	3.05		5.22	3.57	3.01	**4.33**	

20 Includes the number of prepaid mobile phones and communication module service subscribers.

21 Sprint acquired 411,000 subscribers (352,000 postpaid subscribers and 59,000 prepaid subscribers) through the acquisition of assets from U.S. Cellular in conjunction with its acquisition of U.S. Cellular when the transaction closed on May 17, 2013. Sprint also acquired 1,602,000 subscribers (788,000 postpaid subscribers, 721,000 prepaid subscribers, and 93,000 wholesale subscribers), in conjunction with its acquisition of Clearwire 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.

22 For definition and calculation of ARPU and churn rate of Sprint platform, see page 13 "(Reference 2: Definition and Calculation Method of Principal Operational Data) (b) Sprint Platform."

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

(a) SoftBank Mobile Corp.

i. ARPU

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

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

Data ARPU (excluding communication modules)
= data-related revenue (excluding communication modules) / number of active subscribers (excluding communication modules)

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

Data ARPU (including communication modules)
= data-related revenue / number of active subscribers

Number of active subscribers: the total of the monthly number of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month) / 2). The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones and devices that do not have voice communication functionalities (excluding communication modules). The number of active subscribers used in the calculation of ARPU (including communication modules) includes communication modules.

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 revenue, 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.

ii. Churn rate

Churn rate = number of churn / number of active subscribers (rounded to the nearest 0.01%)
Number of churn: total number of subscribers that churned during the relevant period
Number of active subscribers: the total of the monthly number of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month) / 2). The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities. The number of active subscribers used in the calculation of churn rate of postpaid subscribers excludes prepaid mobile phones.

iii. Upgrade rate

Upgrade rate = number of upgrades / number of active subscribers (rounded to the nearest 0.01%)
Number of upgrades: 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). The number of active subscribers is based on SoftBank Mobile Corp.'s cumulative subscribers including prepaid mobile phones, communication modules, and devices that do not have voice communication functionalities.

(b) Sprint Platform

i. ARPU

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 number of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month) / 2). The number of active subscribers is based on cumulative subscribers including communication modules and devices that do not have voice communication functionalities.

ii. Churn rate

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

Deactivations: total number of subscribers that churned during the relevant period. The number of active postpaid subscribers is based on cumulative subscribers including communication modules and devices that do not have voice communication functionalities. The number of deactivations excludes the number of subscribers who switch between prepaid and postpaid on the same date.

Number of active subscribers: the total of the monthly number 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)(Note 4)

(a) Capital Expenditure (acceptance basis)

(Millions of yen)

	Fiscal Year Ended March 31, 2013					**Fiscal Year Ended March 31,2014**				
	Three-month Period Ended June 30, 2012	Three-month Period Ended Sept. 30, 2012	Three-month Period Ended Dec. 31, 2012	Three-month Period Ended March 31, 2013	Fiscal Year Ended March 31, 2013	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	**Three-month Period Ended March 31, 2014**	**Fiscal Year Ended March 31, 2014**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Mobile Communications segment	92,500	141,927	176,705	238,751	649,883	163,581	164,563	170,469	**180,347**	**678,960**
Sprint segment (Note 5)	Segment was newly established from the second quarter of the fiscal year ended March 31, 2014						163,574	208,733	**91,969**	**464,276**
Fixed-line Telecommunica-tions segment	10,292	12,708	16,216	26,466	65,682	9,903	16,743	13,091	**20,731**	**60,468**
Internet segment	4,942	3,195	6,310	8,538	22,985	4,393	2,746	9,194	**9,706**	**26,039**
Others	7,163	1,866	2,126	3,456	14,611	2,835	4,694	3,082	**4,896**	**15,507**
Consolidated total	114,897	159,696	201,357	277,211	753,161	180,712	352,320	404,569	**307,649**	**1,245,250**

(b) Depreciation and Amortization

(Millions of yen)

	Fiscal Year Ended March 31, 2013					**Fiscal Year Ended March 31,2014**				
	Three-month Period Ended June 30, 2012	Three-month Period Ended Sept. 30, 2012	Three-month Period Ended Dec. 31, 2012	Three-month Period Ended March 31, 2013	Fiscal Year Ended March 31, 2013	Three-month Period Ended June 30, 2013	Three-month Period Ended Sept. 30, 2013	Three-month Period Ended Dec. 31, 2013	**Three-month Period Ended March 31, 2014**	**Fiscal Year Ended March 31, 2014**
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	**Q4**	**Full Year**
Mobile Communications segment	59,693	63,548	67,778	89,204	280,223	83,367	92,228	100,205	**119, 184**	**394,984**
Sprint segment (Note 5)	Segment was newly established from the second quarter of the fiscal year ended March 31, 2014						134,191	152,411	**131,859**	**418,461**
Fixed-line Telecommunica-tions segment	12,603	12,642	12,798	15,786	53,829	14,809	14,918	15,402	**16,948**	**62,077**
Internet segment	3,171	2,917	2,992	3,490	12,570	3,221	3,218	3,700	**5,230**	**15,369**
Others	1,956	2,114	2,127	2,301	8,498	1,902	2,085	2,329	**2,697**	**9,013**
Consolidated total	77,423	81,221	85,695	110,781	355,120	103,299	246,640	274,047	**275,918**	**899,904**

Notes:

4. The results for the previous fiscal year and each quarter of the previous fiscal year are presented in accordance with the reportable segments adopted since the second quarter of the fiscal year ended March 31, 2014.
5. Capital expenditure and depreciation and amortization of the Sprint segment are reflected from July 11, 2013.

c. Forecasts on the Consolidated Results of Operations for the Fiscal Year Ending March 31, 2015

The Company projects net sales of ¥8 trillion, EBITDA(Note 6) of ¥2 trillion, and operating income of ¥1 trillion under IFRSs in the fiscal year ending March 31, 2015 ("FY2014"). The Company has upwardly revised its previous net sales forecast, announced in the Consolidated Financial Report for the six-month period ended September 30, 2013, by an additional ¥1 trillion mainly related to the acquisition and consolidation of Brightstar Corp. in January 2014.

The operating income of the fiscal year ended March 31, 2014 of ¥1,085.4 billion includes income from remeasurement relating to business combination of ¥253.9 billion. The forecasted FY2014 operating income of ¥1 trillion does not include any temporary gains.

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

(2) Analysis of Consolidated Financial Position

a. Assets, Liabilities, and Equity

Assets, liabilities, and equity at the end of the fiscal year were as follows: (Millions of yen)

	As of March 31, 2013	**As of March 31, 2014**	Change	Change %
Total assets	7,218,172	**16,684,997**	9,466,825	131.2%
Total liabilities	5,287,732	**13,826,327**	8,538,595	161.5%
Total equity	1,930,440	**2,858,670**	928,230	48.1%

(a) Current Assets

(Millions of yen)

Item	As of March 31, 2013 A	Opening balance of Sprint on acquisition date[23] (July 10, 2013) B	Other changes C	**As of March 31, 2014** **D=A+B+C**	Change E=B+C
Cash and cash equivalents	1,439,057	447,873	76,560	**1,963,490**	524,433
Trade and other receivables	936,307	322,957	410,281	**1,669,545**	733,238
Other financial assets	229,239	111,764	(176,276)	**164,727**	(64,512)
Inventories	54,268	105,318	92,091	**251,677**	197,409
Other current assets	127,148	42,655	123,418	**293,221**	166,073
Total current assets	2,786,019	1,030,567	526,074	**4,342,660**	1,556,641

Current assets totaled ¥4,342,660 million, for a ¥1,556,641 million (55.9%) increase from March 31, 2013 (the “previous fiscal year-end”). The primary components of the change were as follows:

i. Cash and cash equivalents

Cash and cash equivalents totaled ¥1,963,490 million, for a ¥524,433 million increase from the previous fiscal year-end. The Company recognized ¥447,873 million for the consolidation of Sprint on the acquisition date.

ii. Trade and other receivables

Trade and other receivables totaled ¥1,669,545 million, an increase of ¥733,238 million from the previous fiscal year-end. This increase was primarily due to recording ¥322,957 million and ¥190,802 million for the consolidation of Sprint and Brightstar Corp. on their acquisition dates, respectively.

iii. Other financial assets

Other financial assets totaled ¥164,727 million, a decrease of ¥64,512 million from the previous fiscal year-end. Items such as derivative financial assets, fixed-term deposits, and marketable securities are included in other financial assets.

[23] The figures for the opening balance of Sprint on the acquisition date have been retroactively restated since new information was obtained during the fiscal year. For details please refer to page 59 “f. Fair values of assets and liabilities, non-controlling interests and goodwill on the acquisition date” under “4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations (3) Sprint.”

- The Company recognized ¥111,764 million for the consolidation of Sprint on the acquisition date.
- The Company had concluded a foreign currency forward contract for $17.0 billion in relation to funding for the acquisition of Sprint and recorded the fair value of this contract of ¥189,357 million in derivative financial assets at the previous fiscal year-end. However, this derivative financial asset was derecognized and no value was ascribed to it due to the settlement of the foreign exchange transaction upon the completion of the acquisition of Sprint. Please refer to page 80 "14. Other non-operating income and loss" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details.

(b) Non-current Assets

(Millions of yen)

Item	As of March 31, 2013 A	Opening balance of Sprint on acquisition date[23] (July 10, 2013) B	Other changes C	**As of March 31, 2014** **D=A+B+C**	Change E=B+C
Property, plant and equipment	1,830,615	1,291,364	464,348	**3,586,327**	1,755,712
Goodwill	924,972	275,201	332,132	**1,532,305**	607,333
Intangible assets	528,683	5,301,283	347,735	**6,177,701**	5,649,018
FCC Licenses[24]	-	3,612,994	96,532	3,709,526	3,709,526
Customer relationships	83,876	700,192	(106,574)	677,494	593,618
Trademarks	3,968	652,859	18,623	675,450	671,482
Software	411,285	138,330	97,771	647,386	236,101
Game titles	-	-	166,522	166,522	166,522
Others	29,554	196,908	74,861	301,323	271,769
Investments accounted for using the equity method	208,664	-	95,654	**304,318**	95,654
Other financial assets	634,647	23,938	(256,892)	**401,693**	(232,954)
Deferred tax assets	175,390	-	(2,658)	**172,732**	(2,658)
Other non-current assets	129,182	12,394	25,685	**167,261**	38,079
Total non-current assets	4,432,153	6,904,180	1,006,004	**12,342,337**	7,910,184

Non-current assets totaled ¥12,342,337 million, for a ¥7,910,184 million (178.5%) increase from the previous fiscal year-end. The components of the change of primary items were as follows:

i. Property, plant and equipment

Property, plant and equipment totaled ¥3,586,327 million, for a ¥1,755,712 million increase from the previous fiscal year-end. This was mainly due to ¥1,291,364 million recognized for the consolidation of Sprint on the

[24] Licenses issued by the U.S. Federal Communications Commission for use of specified frequency bands.

acquisition date. In addition, property, plant and equipment increased by ¥464,348 million, mainly due to capital expenditure in the Mobile Communications and Sprint segments.

ii. Goodwill

Goodwill totaled ¥1,532,305 million, for a ¥607,333 million increase from the previous fiscal year-end.

- The Company recorded ¥275,201 million in goodwill for the consolidation of Sprint on the acquisition date. In relation to the acquisition of Sprint, the Company entered into a foreign currency forward contract, out of which $17.0 billion was accounted for under hedge accounting. The fair value on the acquisition date of ¥311,659 million of this hedging instrument was deducted from the amount of goodwill initially recognized from the acquisition of Sprint. Please refer to page 60 "(Note 6) Basis adjustment" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations (3) Sprint f. Fair values of assets and liabilities, non-controlling interests, and goodwill on the acquisition date" for details.
- The Company recorded goodwill of ¥146,032 million in relation to GungHo; ¥19,143 million in relation to WILLCOM, Inc.; ¥98,803 million in relation to Supercell; and ¥59,857 million in relation to Brightstar Corp. in conjunction with their consolidation on their acquisition dates.

iii. Intangible assets

Intangible assets totaled ¥6,177,701 million, for a ¥5,649,018 million increase from the previous fiscal year-end.

- FCC Licenses totaled ¥3,709,526 million (not recorded at the previous fiscal year-end). This was mainly because the Company recognized ¥3,612,994 million for the consolidation of Sprint on the acquisition date, and because the yen had weakened against the U.S. dollar at the end of the fiscal year compared to the time of acquisition of Sprint. From an accounting perspective FCC Licenses are non-amortized assets.
- Customer relationships totaled ¥677,494 million, for a ¥593,618 million increase from the previous fiscal year-end. This was mainly due to recognizing Sprint's customer relationships of ¥700,192 million for the consolidation of Sprint on the acquisition date. Customer relationships, mainly in relation to Sprint, eAccess Ltd., and WILLCOM, Inc., were amortized by a total of ¥155,016 million in the fiscal year.
- Trademarks totaled ¥675,450 million, for an increase of ¥671,482 million from the previous fiscal year-end. This was due to recognizing ¥652,859 million for trademarks held by Sprint for the consolidation on the acquisition date.
- Software totaled ¥647,386 million, for a ¥236,101 million increase from the previous fiscal year-end. This was due to ¥138,330 million recognized for the consolidation of Sprint on the acquisition date and an increase of ¥97,771 million mainly in relation to capital expenditures in the Mobile Communications and Sprint segments.
- Game titles totaled ¥166,522 million (not recorded at the previous fiscal year-end). This was mainly due to recognizing ¥77,796 million for the consolidation of GungHo in April 2013 and ¥119,099 million for the consolidation of Supercell on October 31, 2013, and amortizing them by a total of ¥35,880 million in the fiscal year.

iv. Other financial assets

Other financial assets totaled ¥401,693 million, for a ¥232,954 million decrease from the previous fiscal year-end. At the previous fiscal year-end the convertible bonds issued by Sprint and shares of WILLCOM, Inc. were recorded as investment securities. However, the ending amount of both investment securities became zero as a result of their consolidation in the second quarter.

(c) Current Liabilities

(Millions of yen)

Item	As of March 31, 2013 A	Opening balance of Sprint on acquisition date[23] (July 10, 2013) B	Other changes C	**As of March 31, 2014** **D=A+B+C**	Change E=B+C
Interest-bearing debt	1,534,128	86,961	(473,190)	**1,147,899**	(386,229)
Short-term borrowings	458,313	-	(187,784)	**270,529**	(187,784)
Current portion of long-term borrowings	631,232	13,380	(251,046)	**393,566**	(237,666)
Current portion of corporate bonds	204,837	63,317	(128,854)	**139,300**	(65,537)
Current portion of lease obligations	192,658	10,264	61,373	**264,295**	71,637
Others	47,088	-	33,121	**80,209**	33,121
Trade and other payables	972,669	632,348	100,939	**1,705,956**	733,287
Other financial liabilities	4,833	-	1,014	**5,847**	1,014
Income taxes payables	182,050	4,553	59,410	**246,013**	63,963
Provisions	1,602	106,630	(15,117)	**93,115**	91,513
Other current liabilities	142,634	282,501	109,813	**534,948**	392,314
Total current liabilities	2,837,916	1,112,993	(217,131)	**3,733,778**	895,862

Current liabilities totaled ¥3,733,778 million, for a ¥895,862 million (31.6%) increase from the previous fiscal year-end. The components of the change of primary items were as follows:

i. Interest-bearing debt

Interest-bearing debt totaled ¥1,147,899 million, for a ¥386,229 million decrease from the previous fiscal year-end. This was mainly due to decreases of ¥237,666 million in the current portion of long-term borrowings and ¥187,784 million in short-term borrowings. These decreases were due to the Company repaying part of existing borrowings in September 2013 in accordance with the refinancing of the Sprint acquisition bridge loan and other existing borrowings and debts.

ii. Trade and other payables

Trade and other payables totaled ¥1,705,956 million for a ¥733,287 million increase from the previous fiscal year-end. This was mainly due to ¥632,348 million recognized for the consolidation of Sprint on the acquisition date as well as the consolidation of Brightstar Corp.

iii. Other current liabilities

Other current liabilities totaled ¥534,948 million for a ¥392,314 million increase from the previous fiscal year-end. This was mainly due to ¥282,501 million recognized for the consolidation of Sprint on the acquisition date.

(d) Non-current Liabilities

(Millions of yen)

Item	As of March 31, 2013 A	Opening balance of Sprint on acquisition date[23] (July 10, 2013) B	Other changes C	**As of March 31, 2014 D=A+B+C**	Change E=B+C
Interest-bearing debt	2,173,725	2,668,163	3,180,266	**8,022,154**	5,848,429
Long-term borrowings	510,856	34,854	1,698,145	**2,243,855**	1,732,999
Corporate bonds	791,919	2,590,208	1,360,946	**4,743,073**	3,951,154
Lease obligations	564,077	43,101	123,737	**730,915**	166,838
Others	306,873	-	(2,562)	**304,311**	(2,562)
Other financial liabilities	38,654	5,662	(3,165)	**41,151**	2,497
Defined benefit liabilities	14,506	65,763	(3,228)	**77,041**	62,535
Provisions	21,765	143,739	(28,584)	**136,920**	115,155
Deferred tax liabilities	120,979	1,409,387	2,655	**1,533,021**	1,412,042
Other non-current liabilities	80,187	184,106	17,969	**282,262**	202,075
Total non-current liabilities	2,449,816	4,476,820	3,165,913	**10,092,549**	7,642,733

Non-current liabilities totaled ¥10,092,549 million, for a ¥7,642,733 million (312.0%) increase from the previous fiscal year-end. The components of the change of primary items were as follows:

i. Interest-bearing debt

Interest-bearing debt totaled ¥8,022,154 million, for an increase of ¥5,848,429 million from the previous fiscal year-end.

- Corporate bonds totaled ¥4,743,073 million, for a ¥3,951,154 million increase from the previous fiscal year-end. This increase mainly reflects ¥2,590,208 million recognized for the consolidation of Sprint on the acquisition date, totaling $9.0 billion (¥890,850 million) of straight corporate bonds issued by Sprint, and ¥450,000 million of unsecured straight corporate bonds and ¥324,382 million of foreign currency denominated straight corporate bonds issued by SoftBank Corp. Meanwhile, Clearwire redeemed $3,263 million (¥328,507 million) of its bonds before maturity.
- Long-term borrowings totaled ¥2,243,855 million, for an increase of ¥1,732,999 million from the previous fiscal year-end. This was mainly due to the Company borrowing ¥1.98 trillion in September 2013 to refinance its bridge loan for the acquisition of Sprint and other existing borrowings and debts, while concurrently repaying part of existing borrowings.

Please refer to page 73 “9. Interest-bearing debt” under “4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements” for details.

ii. Deferred tax liabilities

Deferred tax liabilities totaled ¥1,533,021 million, for an increase of ¥1,412,042 million from the previous fiscal year-end. This was mainly due to recognition of a temporary difference relating to FCC Licenses, customer relationships, and trademarks in conjunction with the consolidation of Sprint.

(e) Equity

(Millions of yen)

	As of March 31, 2013	**As of March 31, 2014**	Change
Equity attributable to owners of the parent	1,612,756	**1,955,374**	342,618
Non-controlling interests	317,684	**903,296**	585,612
Total equity	1,930,440	**2,858,670**	928,230

Equity totaled ¥2,858,670 million, for a ¥928,230 million (48.1%) increase from the previous fiscal year-end. Of this amount, equity attributable to owners of the parent and non-controlling interests increased by ¥342,618 million (21.2%) and ¥585,612 million (184.3%), respectively. The ratio of equity attributable to owners of the parent to total assets decreased by 10.6 percentage points from the previous fiscal year-end to 11.7%. The lower ratio of equity attributable to owners of the parent to total assets primarily reflected an increase in the amount of assets and liabilities mainly in conjunction with the consolidation of Sprint, while equity attributable to owners of the parent increased.

(Equity Attributable to Owners of the Parent)

(Millions of yen)

Item	As of March 31, 2013	**As of March 31, 2014**	Change
Common stock	238,772	**238,772**	-
Additional paid-in capital	436,704	**405,111**	(31,593)
Retained earnings	712,088	**1,193,366**	481,278
Treasury stock	(22,834)	**(51,492)**	(28,658)
Accumulated other comprehensive income	248,026	**196,617**	(78,409)
Available-for-sale financial assets	50,700	**14,122**	(36,578)
Cash flow hedges	114,158	**(19,942)**	(134,100)
Exchange differences on translating foreign operations	83,168	**175,437**	92,269
Total equity attributable to owners of the parent	1,612,756	**1,955,374**	342,618

Equity attributable to owners of the parent totaled ¥1,955,374 million, for a ¥342,618 million (21.2%) increase from the previous fiscal year-end. The components of the change of primary items were as follows:

i. Retained earnings totaled ¥1,193,366 million, for a ¥481,278 million increase from the previous fiscal year-end. This mainly reflected the recording of net income attributable to owners of the parent of ¥527,035 million, despite a decrease totaling ¥47,669 million due to the payment of the year-end dividend for the fiscal year ended March 31, 2013 and the interim dividend for the fiscal year ended March 31, 2014.

ii. Accumulated other comprehensive income totaled ¥169,617 million, for a ¥78,409 million decrease from the previous fiscal year-end.

- Available-for-sale financial assets were ¥14,122 million, for a ¥36,578 million decrease from the previous fiscal year-end. At the previous fiscal year-end, the Company measured the fair value of its shares of WILLCOM, Inc., which were classified as available-for-sale financial assets, and recognized the difference between the fair value and the acquisition cost as accumulated other comprehensive income, net of tax. In conjunction with the consolidation of WILLCOM, Inc. in the second quarter, the entire amount of the accumulated other comprehensive income recognized relating to these shares was derecognized and recognized as income from remeasurement relating to business combination in the consolidated statements of income.
- Cash flow hedges were negative ¥19,942 million, for a ¥134,100 million decrease from the previous fiscal year-end. An amount of $17.0 billion was previously accounted for under hedge accounting out of a foreign currency forward contract concluded in relation to the acquisition of Sprint. Then, accumulated other comprehensive income from this $17.0 billion foreign currency forward contract was derecognized in the second quarter and deducted from goodwill initially recognized from the consolidation of Sprint. Please refer to page 60 "(Note 6) Basis adjustment" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations (3) Sprint f. Fair values of assets and liabilities, non-controlling interests, and goodwill on the acquisition date" for details.
- Exchange differences on translating foreign operations were ¥175,437 million, for a ¥92,269 million increase from the previous fiscal year-end. This was mainly because the yen had weakened against the U.S. dollar at the end of the fiscal year compared to the time of acquisition of Sprint.

(Non-controlling Interests)

Non-controlling interests totaled ¥903,296 million, for a ¥585,612 million (184.3%) increase from the previous fiscal year-end, mainly in conjunction with consolidating Sprint, GungHo, and Supercell.

b. Cash Flows

Cash flows for the fiscal year were as follows:

Cash and cash equivalents at the end of the fiscal year totaled ¥1,963,490 million, for a ¥524,433 million increase from the previous fiscal year-end.

(Millions of yen)

	Fiscal Year Ended March 31, 2013	**Fiscal Year Ended March 31, 2014**	Change
Cash flows from operating activities	813,025	**860,245**	47,220
Cash flows from investing activities	(874,144)	**(2,718,188)**	(1,844,044)
Cash flows from financing activities	471,477	**2,359,375**	1,887,898

(Reference)

Cash flows from operating activities - capital expenditure(Note 7)	223,704	**(511,155)**	(734,859)

Note:
7. Outlays for purchase of property, plant and equipment and intangible assets

(a) Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥860,245 million (compared with ¥813,025 million provided in the previous fiscal year). Out of this, Sprint's net cash provided by operating activities (for the period from July 11, 2013 to March 31, 2014) totaled ¥24,999 million. The primary components of cash flows were as follows:

i. Net income totaled ¥586,149 million.

ii. The main items added to net income were ¥899,904 million in depreciation and amortization, ¥346,218 million in income taxes, and ¥271,478 million in finance cost.

iii. The main items deducted from net income were income from remeasurement relating to business combination of ¥253,886 million, equity in income of associates of ¥74,402 million, and other non-operating income of ¥44,081 million. Equity in income of associates mainly reflected the recording of equity in income of associates of ¥66,780 million related to Alibaba Group Holding Limited. Please refer to page 55 "(2) GungHo Online Entertainment, Inc. b. Consideration transferred and the components" and page 61 "(4) WILLCOM, Inc. b. Consideration transferred and the components" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements 5. Business combinations" for details on income from remeasurement relating to business combination, and page 80 "14. Other non-operating income and loss" under "4. Consolidated Financial Statements (6) Notes to Consolidated Financial Statements" for details on other operating income and loss.

iv. Interest paid was ¥306,697 million. The year-on-year increase of ¥234,401 million compared with the previous fiscal year was mainly due to the impact of adding the interest expense of Sprint, as well as an increase in interest expenses for bonds and borrowings at SoftBank Corp.

v. Income taxes paid was ¥315,377 million.

(b) Cash Flows from Investing Activities

Net cash used in investing activities was ¥2,718,188 million (compared with ¥874,144 million used in the previous fiscal year). The primary components of cash flows were as follows:

i. Decrease from acquisition of control over subsidiaries of ¥1,663,539 million was recorded, mainly due to the consolidation of Sprint, GungHo, Supercell, and Brightstar Corp.

ii. Outlays for purchase of property, plant and equipment and intangible assets amounted to ¥1,371,400 million. Out of this, Sprint's outlays for purchase of property, plant and equipment and intangible assets (for the period from July 11, 2013 to March 31, 2014) amounted to ¥563,849 million.

iii. Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries of ¥310,104 million were recorded, due to the settlement of the foreign currency forward contract of $18.5 billion concluded in relation to the acquisition of Sprint.

(Reference: Total Invested Amount for Acquisition of Sprint)

The invested amount for the Sprint acquisition and the timing of payments was as follows:

	Invested amount		Timing of payment
	U.S. dollars	Millions of yen	
Purchase of convertible bonds(Note 8) A	$3.1 billion	249,333	Oct. 2012
Cash investment B	$18.5 billion	1,875,149	July 2013
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries(Note 9) C	-	310,104	-
Additional purchases of shares(Note 10) D	$500 million	49,535	Aug. - Sept. 2013
Total E=A+B-C+D	$22.1 billion	1,863,913	

Cash and cash equivalents held by Sprint at the time of acquisition of control F	$4.4 billion	447,873	

Notes:

8. Converted to Sprint shares on July 10, 2013.
9. Proceeds from the settlement of the foreign currency forward contract of $18.5 billion concluded in relation to the acquisition of Sprint.
10. From August 1 to September 16, 2013 the Company acquired approximately 2% of additional shares of Sprint after its consolidation on July 10, 2013. Since this was executed after acquiring control of Sprint the relevant invested amount is recorded under cash flows from financing activities.
11. Of the amount recorded for decrease from acquisition of control over subsidiaries for the fiscal year, outlays for the acquisition of Sprint amounted to ¥1,427,276 million. This is calculated by subtracting cash and cash equivalents held by Sprint at the time of acquisition of control (F) from the $18.5 billion in cash investment (B).

(c) Cash Flows from Financing Activities

Net cash provided by financing activities was ¥2,359,375 million (compared with ¥471,477 million provided in 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 ¥4,698,294 million. The primary components were as follows:

- Proceeds from long-term borrowings of ¥2,587,755 million, mainly from borrowings of ¥1.98 trillion executed by SoftBank Corp. in September 2013 in conjunction with the refinancing of the Sprint acquisition bridge loan and other existing borrowings and debts.
- Proceeds from issuance of corporate bonds of ¥1,665,232 million. This mainly consisted of a total of $9.0 billion (¥890,850 million) of straight corporate bonds issued by Sprint, and ¥450,000 million of unsecured straight corporate bonds and ¥324,382 million of foreign currency denominated straight corporate bonds issued by SoftBank Corp.
- Proceeds from sale and leaseback of newly acquired equipment of ¥445,307 million.

(Items Decreasing Cash Flows)

i. Repayment of long-term interest-bearing debt was ¥1,971,594 million. The primary components were as follows:

- Repayment of long-term borrowings of ¥1,133,313 million. This was mainly due to the Company repaying part of existing borrowings in September 2013 in accordance with the refinancing of the Sprint acquisition bridge loan and other existing borrowings and debts.
- Redemption of corporate bonds of ¥533,538 million, mainly from Clearwire's early redemption of $3,263 million (¥328,507 million) of its corporate bonds and SoftBank Corp.'s redemption of its unsecured straight bonds totaling ¥205,000 million.

ii. Decrease in short-term interest-bearing debt, net resulted in an outlay of ¥201,794 million.

iii. Payment from purchase of subsidiaries' equity from non-controlling interests was ¥83,232 million. This mainly included the Company's additional purchase of approximately 2% of Sprint shares from August 1 to September 16, 2013, after its consolidation on July 10, 2013, which resulted in an outlay of ¥49,535 million, as well as an outlay of ¥30,000 million for Yahoo Japan Corporation's repurchase of its own shares.

(d) Trends in Cash Flow-related Indicators

A summary of trends in cash flow-related indicators is as follows:

	Fiscal year ended March 31, 2013	**Fiscal year ended March 31, 2014**
Ratio of equity attributable to owners of the parent to total assets	22.3 %	**11.7 %**
Ratio of equity attributable to owners of the parent to market capitalization	71.6 %	**55.5 %**
Net interest-bearing debt / EBITDA ratio	2.0 times	**3.6 times**
Interest coverage ratio	17.7 times	**6.6 times**

Ratio of equity attributable to owners of the parent to total assets: equity attributable to owners of the parent / total assets
Ratio of equity attributable to owners of the parent to market capitalization:
equity attributable to owners of the parent / market capitalization
Net interest-bearing debt / EBITDA ratio: net interest-bearing debt / EBITDA
Interest coverage ratio: EBITDA / finance cost

Notes:

12. The above indicators are calculated based on consolidated figures excluding EBITDA for the fiscal year ended March 31, 2014.
13. Market capitalization: market value of shares at the end of the fiscal year multiplied by number of shares outstanding, net of treasury stock.
14. Net interest-bearing debt: interest-bearing debt - cash position
    Cash position: cash and cash equivalents + short-term investments recorded as current assets
15. EBITDA: net sales - cost of sales - selling, general and administrative expenses + depreciation and amortization
    The Company's EBITDA for the fiscal year ended March 31, 2014 is calculated by adding the annualized Sprint segment's EBITDA (aggregated amount from July 11, 2013 to March 31, 2014) to the remaining segments' EBITDA.

(3) Fundamental Policy for Distribution of Profit, and Dividend for the Fiscal Year

SoftBank Corp.'s basic policy is to maintain a sound financial status while both investing aggressively to ensure sustained growth and returning profits to shareholders. Returns to shareholders include cash dividends, paid twice per year in principle as an interim dividend and a year-end dividend.

The Board of Directors' meeting resolved to propose a year-end dividend for the fiscal year of ¥20.00 per share. Together with the interim dividend of ¥20.00 per share paid in December 2013, this brings the annual dividend for the fiscal year to ¥40.00 per share, the same as the previous fiscal year.

2. Management Policies

(1) Basic Management Approach

The Company is guided by a corporate philosophy of “Information Revolution – Happiness for everyone.” The Company aims to be a provider of the most essential technologies and services to people around the world through its endeavors in various businesses in the information industry, while maximizing its enterprise value.

(2) Medium- to Long-term Strategies

a. Focus on Mobile Internet

In the ICT market the rapid penetration of smartphones and tablets[25] are causing a shift from PCs to mobile devices as the preferred means of accessing the Internet. One of the Company’s strategies is to concentrate on business development in the field of mobile Internet, which is growing in line with these changes.

According to this strategy, the Company is currently working to strengthen its network and provide high-speed data communication services, enhance its lineup of smartphones and tablets, expand its mobile content, optimize services such as e-commerce for mobile devices, and enhance its cloud services, among other initiatives. By promoting mobile Internet usage, the entire Company can increase revenues from the use of data communication services and other services and content.

b. Forming and Expanding a Strategic Synergy Group

The information industry is characterized by rapid changes in technology, business models, and market needs. To become a provider of the most essential technologies and services to people around the world, it is imperative that the Company be flexible regarding any specific technologies or business models, and continue transforming itself repeatedly in line with the changes in the times, expanding and changing its lines of businesses.

The Company launches new services and businesses from within the Company, and also invests in companies possessing outstanding technologies or business models, or establishes joint ventures with them to form and expand a “strategic synergy group” on a global scale.

Each company in the strategic synergy group conducts business and makes decisions autonomously, organically combining their respective strengths to create synergies. In this way, the entire group will realize sustainable growth.

c. Expand Business Scale through Entry into the U.S.

The U.S. market holds great potential for rapid expansion in the mobile Internet field. It has approximately 350 million cumulative mobile phone subscribers[26] –more than twice the number in Japan. The Company completed its acquisition of major U.S. mobile operator Sprint on July 10, 2013. Through this acquisition the Company aims to establish an operating base in the U.S. market, thereby expanding its business scale and allowing it to capture the growth of this market going forward.

Having completed the above acquisition, the Company has become a mobile operator with one of the largest subscriber bases[26] in the combined Japanese and U.S. markets. This will enable the Company to leverage benefits of scale to the fullest extent in developing its business, including procurement of mobile handsets and network equipment, as well as the provision of content and services such as games and video by Group companies.

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[25] Yano Research Institute Ltd., “Global Market of Smart Phones/Tablets/Wearables/Smart Devices 2013-2014”
[26] GSMA Intelligence (as of December 31, 2013)

(3) Important Management Issues for the Company

a. Countermeasures for Network Traffic in Mobile Communications Services in Japan

In Japan, the connectivity of the Company's mobile communications services[27] has been dramatically improved as a result of its continued installation of base stations compatible with the 900 MHz band, which can efficiently cover wide areas, throughout the two fiscal years ended March 31, 2013 and 2014. Looking ahead, the Company will now focus on dealing with the expected increase in network traffic that accompanies the increase in penetration and capabilities of smartphones.

Specifically, the Company plans to increase the overall usage efficiency of its frequency bands by introducing LTE[28] to the 900 MHz band, while continuing to reduce the size of cells (the size of the range covered by a single base station) in urban areas, where network traffic volume is especially large, and to further improve the communication quality of Wi-Fi spots. Through these initiatives, the Company plans to increase its ability to cope not only with constant traffic, but also with so-called "burst traffic," where network traffic spikes momentarily, causing congestion (a stall in signal processing).

b. Strengthen the Operating Base in the Japanese and U.S. Markets

Following the completion of the acquisition of Sprint, the Company has become a mobile operator with one of the largest subscriber bases[26] in the combined Japanese and U.S. markets. Looking ahead, the Company must move swiftly to strengthen its operating base across both markets and consolidate its position as one of the world's largest mobile Internet companies.

In the Japanese market, SoftBank Mobile Corp. and other Group companies will collectively build a solid foundation for the operating base through measures such as strengthening the network, bolstering sales activities, improving customer satisfaction, and enhancing content.

Meanwhile, in the U.S. market the Company will enhance Sprint's competitive capabilities and establish a strong operating base. To this end, it will leverage the expertise it has cultivated in Japan with regard to smartphones and communications networks, and its experience in executing measures boldly and swiftly in a way unheard of among its Japanese competitors.

c. Reduce Net Interest-bearing Debt

The Company's net interest-bearing debt as of March 31, 2014 stood at ¥7,059,286 million, an increase of ¥4,801,479 million from the previous fiscal year-end. The change is mainly due to procurement of funds in relation to the acquisition of Sprint, and incorporation of Sprint's net interest-bearing debt in conjunction with its consolidation.

The Company will work to reduce net interest-bearing debt by leveraging the abundant cash flows generated by its steady business in Japan, particularly in the Mobile Communications segment.

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[27] 900 MHz compatible smartphones' call and data connection rates

[28] An advanced wireless communication standard that builds on the third-generation (3G) mobile phone standard. LTE achieves higher communication speeds and makes more efficient use of the frequency band than 3G.

3. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Fiscal Year ended March 31, 2014

Specified subsidiary (one company) newly consolidated in the fiscal year ended March 31, 2014

Sprint Communications, Inc.

On July 10, 2013, the Company capitalized Sprint Corporation (hereinafter "Sprint") with $21.6 billion. In the above process, Sprint Nextel Corporation merged with Starburst III, Inc., which used to be a subsidiary of the Company, with Sprint Nextel Corporation being the surviving entity, and changed its name to Sprint Communications, Inc. Consequently, Sprint Communications, Inc., the surviving entity, was newly included in the scope of consolidation. Starburst II, Inc., which used to own all the shares of Starburst III, Inc., succeeded Sprint's business and changed its name to Sprint Corporation.

As the amount of common stock of Sprint Communications, Inc. which was included in the scope of consolidation is more than ten-hundreds of the common stock of SoftBank Corp., this is a change of a specified subsidiary with the change in the scope of consolidation.

(2) Changes in Accounting Policies and Accounting Estimates

(Changes in accounting estimates)

For the three-month period ended June 30, 2013, the Company changed its assumptions and estimates related to the acquisition of Sprint, which are used as a material basis for the carrying amount of the convertible bonds issued by Sprint Nextel Corporation and held by a subsidiary, Starburst II, Inc. The corporate bond was converted to the shares of Sprint shares in July 2013.

The details are described in "Note 14. Other non-operating income and loss, (6) Notes to Consolidated Financial Statements, 4. Consolidated Financial Statements."

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Assets			
Current assets			
Cash and cash equivalents	1,021,113	1,439,057	1,963,490
Trade and other receivables	786,902	936,307	1,669,545
Other financial assets	10,399	229,239	164,727
Inventories	55,683	54,268	251,677
Other current assets	85,014	127,148	293,221
Total current assets	1,959,111	2,786,019	4,342,660
Non-current assets			
Property, plant and equipment	1,377,185	1,830,615	3,586,327
Goodwill	777,911	924,972	1,532,305
Intangible assets	340,323	528,683	6,177,701
Investments accounted for using the equity method	208,526	208,664	304,318
Other financial assets	318,599	634,647	401,693
Deferred tax assets	183,409	175,390	172,732
Other non-current assets	85,490	129,182	167,261
Total non-current assets	3,291,443	4,432,153	12,342,337
Total assets	5,250,554	7,218,172	16,684,997

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Liabilities and equity			
Current liabilities			
Interest-bearing debt	926,671	1,534,128	1,147,899
Trade and other payables	975,832	972,669	1,705,956
Other financial liabilities	1,206	4,833	5,847
Income taxes payables	123,213	182,050	246,013
Provisions	1,456	1,602	93,115
Other current liabilities	94,155	142,634	534,948
Total current liabilities	2,122,533	2,837,916	3,733,778
Non-current liabilities			
Interest-bearing debt	1,763,273	2,173,725	8,022,154
Other financial liabilities	37,170	38,654	41,151
Defined benefit liabilities	14,953	14,506	77,041
Provisions	20,643	21,765	136,920
Deferred tax liabilities	45,351	120,979	1,533,021
Other non-current liabilities	79,585	80,187	282,262
Total non-current liabilities	1,960,975	2,449,816	10,092,549
Total liabilities	4,083,508	5,287,732	13,826,327
Equity			
Equity attributable to owners of the parent			
Common stock	213,798	238,772	238,772
Additional paid-in capital	250,767	436,704	405,111
Retained earnings	405,584	712,088	1,193,366
Treasury stock	(22,947)	(22,834)	(51,492)
Accumulated other comprehensive income	45,433	248,026	169,617
Total equity attributable to owners of the parent	892,635	1,612,756	1,955,374
Non-controlling interests	274,411	317,684	903,296
Total equity	1,167,046	1,930,440	2,858,670
Total liabilities and equity	5,250,554	7,218,172	16,684,997

(2) Consolidated Statements of Income and Other Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	3,202,536	6,666,651
Cost of sales	(1,610,842)	(3,953,170)
Gross profit	1,591,694	2,713,481
Selling, general and administrative expenses	(794,073)	(1,826,575)
Income from remeasurement relating to business combination	1,778	253,886
Other operating loss	-	(55,430)
Operating income	799,399	1,085,362
Finance cost	(65,297)	(271,478)
Equity in income (loss) of associates	(3,663)	74,402
Other non-operating income (loss)	(14,935)	44,081
Income before income tax	715,504	932,367
Income taxes	(277,667)	(346,218)
Net income	437,837	586,149
Net income attributable to		
Owners of the parent	372,481	527,035
Non-controlling interests	65,356	59,114
	437,837	586,149
Earnings per share attributable to owners of the parent		
Basic (yen)	332.51	442.64
Diluted (yen)	328.08	440.37

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net income	437,837	586,149
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	68	3,214
Total items that will not be reclassified to profit or loss	68	3,214
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets	4,489	(38,767)
Cash flow hedges	115,136	(134,002)
Exchange differences on translating foreign operations	65,856	90,388
Share of other comprehensive income of associates	18,801	18,588
Total items that may be reclassified subsequently to profit or loss	204,282	(63,793)
Total other comprehensive income (loss), net of tax	204,350	(60,579)
Total comprehensive income	642,187	525,570
Total comprehensive income attributable to		
Owners of the parent	575,142	451,167
Non-controlling interests	67,045	74,403
	642,187	525,570

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2013

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
As of April 1, 2012	213,798	250,767	405,584	(22,947)	45,433	892,635	274,411	1,167,046
Comprehensive income								
Net income	-	-	372,481	-	-	372,481	65,356	437,837
Other comprehensive income	-	-	-	-	202,661	202,661	1,689	204,350
Total comprehensive income	-	-	372,481	-	202,661	575,142	67,045	642,187
Transactions with owners and other transactions								
Cash dividends	-	-	(66,045)	-	-	(66,045)	(12,840)	(78,885)
Transfer of accumulated other comprehensive income to retained earnings	-	-	68	-	(68)	-	-	-
Issuance of new shares	24,974	257,432	-	-	-	282,406	-	282,406
Purchase and disposal of treasury stock	-	13	-	113	-	126	-	126
Changes from business combination	-	-	-	-	-	-	2,667	2,667
Changes in interests in subsidiaries	-	(6,821)	-	-	-	(6,821)	(14,217)	(21,038)
Changes in associates' interests in their subsidiaries	-	(51,223)	-	-	-	(51,223)	-	(51,223)
Decrease by exercise of stock acquisition right	-	(13,539)	-	-	-	(13,539)	-	(13,539)
Share-based payment transactions	-	75	-	-	-	75	-	75
Other	-	-	-	-	-	-	618	618
Total transactions with owners and other transactions	24,974	185,937	(65,977)	113	(68)	144,979	(23,772)	121,207
As of March 31, 2013	238,772	436,704	712,088	(22,834)	248,026	1,612,756	317,684	1,930,440

For the fiscal year ended March 31, 2014

(Millions of yen)

	Equity attributable to owners of the parent							
	Common stock	Additional paid-in capital	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
Comprehensive income								
Net income	-	-	527,035	-	-	527,035	59,114	586,149
Other comprehensive income (loss)	-	-	-	-	(75,868)	(75,868)	15,289	(60,579)
Total comprehensive income	-	-	527,035	-	(75,868)	451,167	74,403	525,570
Transactions with owners and other transactions								
Cash dividends	-	-	(47,669)	-	-	(47,669)	(15,365)	(63,034)
Transfer of accumulated other comprehensive loss to retained earnings	-	-	2,541	-	(2,541)	-	-	-
Purchase and disposal of treasury stock	-	(13)	(629)	(28,658)	-	(29,300)	-	(29,300)
Changes from business combination	-	-	-	-	-	-	573,447	573,447
Acquisition of options to convert to subsidiaries' common stocks	-	(10,323)	-	-	-	(10,323)	-	(10,323)
Changes in interests in subsidiaries	-	(21,553)	-	-	-	(21,553)	(57,250)	(78,803)
Share-based payment transactions	-	296	-	-	-	296	11,219	11,515
Other	-	-	-	-	-	-	(842)	(842)
Total transactions with owners and other transactions	-	(31,593)	(45,757)	(28,658)	(2,541)	(108,549)	511,209	402,660
As of March 31, 2014	238,772	405,111	1,193,366	(51,492)	169,617	1,955,374	903,296	2,858,670

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Net income	437,837	586,149
Depreciation and amortization	355,120	899,904
Income from remeasurement relating to business combination	(1,778)	(253,886)
Finance cost	65,297	271,478
Equity in loss (income) of associates	3,663	(74,402)
Other non-operating loss (income)	14,935	(44,081)
Income taxes	277,667	346,218
Increase in trade and other receivables	(58,444)	(106,055)
Increase in trade and other payables	39,365	21,375
Other	(35,007)	(171,927)
Subtotal	1,098,655	1,474,773
Interest and dividends received	2,886	7,546
Interest paid	(72,296)	(306,697)
Income taxes paid	(216,220)	(315,377)
Net cash provided by operating activities	813,025	860,245
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(589,321)	(1,371,400)
Payments for acquisition of investments	(318,306)	(208,322)
Proceeds from sales/redemption of investments	20,676	260,789
Increase (decrease) from acquisition of control over subsidiaries	12,227	(1,663,539)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	-	310,104
Other	580	(45,820)
Net cash used in investing activities	(874,144)	(2,718,188)
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	345,572	(201,794)
Proceeds from long-term interest-bearing debt	1,324,585	4,698,294
Repayment of long-term interest-bearing debt	(898,867)	(1,971,594)
Payment from purchase of subsidiaries' equity from non-controlling interests	(20,549)	(83,232)
Cash dividends paid	(66,527)	(47,600)
Cash dividends paid to non-controlling interests	(12,798)	(14,747)
Payments for preferred stocks, stock acquisition rights, and long-term debt of subsidiaries	(200,444)	-
Other	505	(19,952)
Net cash provided by financing activities	471,477	2,359,375
Effect of exchange rate changes on cash and cash equivalents	7,586	23,001
Increase in cash and cash equivalents	417,944	524,433
Cash and cash equivalents at the beginning of the year	1,021,113	1,439,057
Cash and cash equivalents at the end of the year	1,439,057	1,963,490

(5) Significant Doubt about Going-Concern Assumption

There are no applicable items for the fiscal year ended March 31, 2014.

(6) Notes to Consolidated Financial Statements

1. Reporting entity

SoftBank Corp. is a corporation domiciled in Japan. These consolidated financial statements are composed of SoftBank Corp. and its subsidiaries (the "Company"). The Company engages in various businesses in the information industry, with its base in the Mobile Communications segment, the Sprint segment, the Fixed-Line Telecommunications segment, and the Internet segment. The Sprint segment was added to our business as a result of the following acquisition during the three-month period ended September 30, 2013.

On July 10, 2013, the Company acquired approximately 78% of the shares of Sprint Corporation (previously Sprint Nextel Corporation) (hereinafter ("Sprint")), and Sprint became a subsidiary of SoftBank Corp. In addition, the Company additionally acquired approximately 2% of Sprint shares from August 1 to September 16, 2013. As a result, the Company's ownership in the outstanding Sprint common stock became approximately 80% as of March 31, 2014.

The details are described in "(3) Sprint" in "Note 5. Business combinations" and in "(1) Description of reportable segment" in "Note 6. Segment information."

2. Basis of preparation of consolidated financial statements

(1) Compliance with IFRSs and first-time adoption

The Company meets the criteria of a "Specified Company" defined under Article 1-2 of the Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements ("the Regulations of Consolidated Statements") (Ministry of Finance Regulation No.28, 1976), and accordingly the consolidated financial statements of the Company have been prepared in compliance with International Financial Reporting Standards ("IFRSs") pursuant to Article 93 of the Regulations of Consolidated Statements.

The Company has prepared the consolidated financial statements in accordance with IFRSs from the three-month period ended June 30, 2013, the first quarter of the fiscal year ended March 31, 2014. The date of transition to IFRSs is April 1, 2012. The Company applied IFRS 1 First-time Adoption of International Financial Reporting Standards ("IFRS 1") for the transition to IFRSs. The effect of the transition to IFRSs on the Company's financial position, result of operations, and cash flows is provided in "Note 17. First-time adoption of IFRSs."

The Company's accounting policies comply with IFRSs effective at March 31, 2014, excluding the standards which have not been early adopted and the exemptions permitted by IFRS 1.

(2) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain items, such as financial instruments, that are measured at fair value as described in "Note 3. Significant accounting policies."

(3) Presentation currency and unit of currency

These consolidated financial statements have been presented in Japanese yen, which is the currency of the primary economic environment of SoftBank Corp. (hereinafter "functional currency"), and are rounded off to the nearest million yen.

(4) New standards, interpretations, and revisions early adopted by the Company

The Company has early adopted IAS 36 "Impairment of Assets" (amended in May, 2013), which revises the disclosure of the recoverable amount of non-financial assets regarding impairment.

(5) New standards and interpretations not yet adopted by the Company

New standards and interpretations which are newly established or amended before the approval date of the consolidated financial statements, not yet adopted by the Company and will have potential impacts are as follows. The Company is currently evaluating potential impacts and it is not possible to estimate the amount of these impacts.

Standard/interpretation		Mandatory adoption (From the year beginning)	To be adopted by the Group	Outline of the new/revised standards
IAS 32 (Amendments)	Financial Instruments: Presentation	January 1, 2014	Fiscal year ending March 31, 2015	To clarify the requirements of net presentation of financial assets and liabilities
IFRS 9	Financial Instruments	Not determined	Not determined	IFRS 9 replaces a part of the previous IAS 39. The main revisions are: to revise classification of measurement categories of financial assets (amortized costs and fair values) and measurement; to revise the treatment of changes in fair values of financial liabilities measured at fair values; and, to revise the eligibility requirement of hedged items and hedging instruments, and requirements related to the effectiveness of the hedge.
IFRIC 21	Levies	January 1, 2014	Fiscal year ending March 31, 2015	To clarify the timing of recognition of liabilities related to the payment of levies

(6) Abbreviation of the notes

Abbreviations used in the notes are as follows:

Abbreviation	Company name /Group name
“the Company”	SoftBank Corp. and its subsidiaries
“Sprint”	Sprint Corporation (previously Sprint Nextel Corporation)
“Clearwire”	Clearwire Corporation
“GungHo”	GunHo Online Entertainment, inc.
“Supercell”	Supercell Oy
“Kahon 3”	Kahon 3 Oy
“SoftBank C&S”	SoftBank Commerce & Service Corp.
“WCP”	Wireless City Planning Inc.

3. Significant accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements (including the consolidated statement of financial position at the date of transition to IFRSs).

(1) Basis of consolidation

a. Subsidiaries

A subsidiary is an entity that is controlled by SoftBank Corp.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries' financial statements are consolidated from the date when control is acquired ("acquisition date") until the date when the control is lost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Non-controlling interests consist of those interests at the acquisition date and any adjustments for subsequent changes in those interests.

Total comprehensive income of subsidiaries is generally attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup balances and transactions and unrealized gain or loss arising from intragroup transactions are eliminated on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

When SoftBank Corp. loses control of a subsidiary, a gain or loss is calculated as the difference between:

・ the aggregate of the fair value of the consideration received and the fair value of any retained interest, and:
・ the net carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary when a control is lost.

Any amounts previously recognized in accumulated other comprehensive income in relation to the former subsidiaries are reclassified to profit or loss.

b. Associates

An associate is an entity over which SoftBank Corp. has significant influence in the financial and operating policy decisions but does not have control or joint control.

Investments in associates are accounted for using the equity method and initially recognized at cost. The investment is adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

When the loss of an associate exceeds the Company's interest in that associate, long-term interests that, in substance, form a part of the net investment in the company are decreased to zero, and no additional loss is recognized except when the Company incurs legal or constructive obligations to or makes payments on behalf of the associate.

Unrealized gains or losses on intercompany transactions with associates are added to or deducted from the carrying amount of the investments only to the extent of the Company's interests in the associates.

Any excess in the cost of acquisition of an associate over the Company's share of the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of the investments in associates.

Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investment in associates, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates that the investment may be impaired.

The Company applies the equity method to the financial statements of Alibaba Group Holding Limited, an associate of the Company, on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba Group Holding Limited due to the contract with Alibaba Group Holding Limited. Adjustments are made for significant transactions or events which occurred during the intervening period and which were publicly announced by Alibaba Group Holding Limited.

(2) Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date.

The consideration transferred in a business combination is measured as the sum of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, and the fair value at the acquisition date of the equity interests issued by the Company. Acquisition-related costs are recognized in profit or loss as incurred.

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

- deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets or disposal groups that are classified as held for sale are measured in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."

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

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

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

If the initial accounting for a business combination is incomplete by the end of the fiscal year, the Company reports in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances that existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

The Company has used the exemption in IFRS 1 and elected not to apply IFRS 3 “Business Combinations” retrospectively to business combinations that occurred before April 1, 2012 (the date of transition to IFRSs). Goodwill arising in business combinations that occurred before the date of transition to IFRSs is carried over at the carrying amount under the previous accounting standard (JGAAP) as of the date of transition to IFRSs, and recorded by that amount after impairment test.

(3) Foreign currency translation

a. Transactions denominated in foreign currencies

The financial statements of each Group company are prepared in the functional currency. Transactions in currencies other than the entity’s functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into the functional currency at the rates prevailing at the end of the fiscal year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured.

Exchange differences arising from translation are recognized in profit or loss, except for exchange differences arising from non-monetary available-for-sale financial assets measured through other comprehensive income and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company’s foreign operations (including goodwill arising from acquisitions and the adjustments of fair value) are translated into Japanese yen using exchange rates prevailing at the end of the fiscal year.

Income, expenses and cash flows are translated into Japanese yen by using the average exchange rates for the quarter. When the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, the exchange rates at the transaction dates are used for the translation.

The exchange rates used in the translation are described in “Note 10. Exchange rate.”

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income and cumulative differences are included in accumulated other comprehensive income.

These cumulative differences are reclassified from equity to profit or loss when the Company loses control or significant influence over the foreign operation.

With the adoption of the exemption in IFRS 1, the Company transferred all of the accumulated exchange differences to retained earnings at the date of transition to IFRSs.

(4) Financial instruments

a. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract provision of the instrument.

Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets at fair value through profit or loss (“financial assets at FVTPL”) and financial liabilities at fair value through profit or loss (“financial liabilities at FVTPL”) are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL and financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

Non-derivative financial assets are classified into “financial assets at FVTPL”, “held-to-maturity investments”, “loans and receivables,” and “available-for-sale financial assets.” The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

All purchase and sales of financial assets in a regular way are recognized and derecognized on a trade date basis. The purchase and sales in a regular way refer to acquiring or disposing financial assets under a contract that requires the delivery of assets within a time frame established by regulation or convention in the marketplace.

(a) Financial assets at FVTPL

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

- the financial assets are managed in accordance with the Company’s documented risk management policy or investment strategy, and:
- its performance is reviewed on the fair value basis by the Company’s management to make decisions about the investment plan.

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

(b) Held-to-maturity investments

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

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

(c) Loans and receivables

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

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

(d) Available-for-sale financial assets

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

- they are designated as “available-for-sale financial assets”; or
- they are classified neither as “financial assets at FVTPL,” “held-to-maturity investments,” nor as “loans and receivables.”

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

(e) Impairment of financial assets

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

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

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

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

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

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

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

(f) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

c. Non-derivative financial liabilities

The Company's non-derivative financial liabilities include interest-bearing debt and trade and other payables. These financial liabilities are measured at amortized cost using the effective interest method, subsequent to initial recognition.

The Company derecognizes financial liabilities when the Company's obligations are discharged, canceled or expired.

d. Derivatives and hedge accounting

(a) Derivatives

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair values at the end of fiscal year. Changes in the fair value of derivative are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified into "financial assets at FVTPL" and derivative financial liabilities not designated as hedging instruments are classified into "financial liabilities at FVTPL."

(b) Hedge accounting

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

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

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

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

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

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

(c) Embedded derivatives

Derivatives embedded in non-derivative host contracts (“embedded derivatives”) are separated from the host contracts and accounted for as separate derivatives when their economic characteristics and risks are not closely related to those of the host contracts and the whole financial instruments, including embedded derivatives, are not measured at FVTPL.

e. Compound instruments

Compound instruments issued by the Company (corporate bonds with stock acquisition rights) are classified as liability and equity components in accordance with their contractual arrangements. Upon initial recognition of compound instruments, the liability component is measured based on the fair value of similar liabilities with no equity conversion option, and the equity component is measured as the difference between the fair value of the compound instrument as a whole and the fair value of the liability component.

Transaction costs are allocated to the liability and equity components in proportion to the initial carrying amounts. Transaction costs related to the equity component are deducted from equity.

Subsequent to initial recognition, the liability component is measured on an amortized cost basis using the effective interest method. The equity component is not remeasured after initial recognition.

f. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term investments with maturities of three-month or less that are readily convertible to cash and subject to insignificant risk of change in value.

(6) Inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile handsets and accessories. Their costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs are mainly calculated on the moving-average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(7) Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement and site restoration.

Property, plant and equipment are depreciated mainly using the straight-line method over the estimated useful lives of each component. The depreciable amount is calculated as the cost of an asset, less its residual value. Land and construction in progress are not depreciated.

The estimated useful lives of major components of property, plant and equipment are as follows:

Buildings and structures	
Buildings	30 - 50 years
Other	5 - 15 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	3 - 15 years
Towers	15 - 42 years
Other	5 - 40 years
Other	2 - 10 years

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

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

(8) Goodwill

Please refer to "(2) Business combinations" in "Note 3. Significant accounting policies" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash-generating units to which goodwill has been allocated, and annually regardless of any indication of impairment. Impairment is described in "(11) Impairment of tangible assets, intangible assets and goodwill" in "Note 3. Significant accounting policies."

The Company's policy for goodwill arising on the acquisition of an associate is described in "(1) Basis of consolidation" in "Note 3. Significant accounting policies."

(9) Intangible assets

Intangible assets are measured on a historical cost basis at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately are measured at cost at initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill at initial recognition and are measured at fair value at the acquisition date. Any internally generated research and development expenditure is recognized as an expense in the period in which it is incurred, except for expenditures on development activities eligible for capitalization (internally generated intangible assets). The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets all of the capitalization criteria to the date the development is completed.

There are intangible assets with finite useful lives and intangible assets with indefinite useful lives.

The intangible assets with finite useful lives are amortized over the estimated useful lives. Amortization of the customer relationships is calculated by the sum-of-the-digits method and intangible assets with finite useful lives other than customer relationships are amortized by the straight-line method.

The estimated useful lives of major categories of intangible assets with finite useful lives are as follows:

Software	
Software related to wireless equipment	5 - 10 years
Other	3 - 5 years
Customer relationships	4 - 16 years
Favorable lease contracts	3 - 23 years
Game titles	3 - 5 years
Trademarks (with finite useful lives)	34 years
Other	3 - 20 years

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

Favorable lease contracts are recognized as intangible assets based on the estimated fair value of the favorable portion of future cash flows if, at the time of business combinations, the terms of operating lease contracts in which the acquiree is the lessee are favorable compared to market terms.

Intangible assets with indefinite useful lives are as follows:

- Licenses using specific frequency spectrum granted by Federal Communications Commission ("FCC Licenses")
- Trademarks (with indefinite useful lives)

As long as the Company acts within the requirements of the regulatory authorities, the renewal and extension of FCC Licenses are reasonably certain at minimal cost. Since the development of any technology that would render this spectrum obsolete is not known, it is determined that FCC Licenses have indefinite useful lives. The Company determined that “Sprint”, “Boost Mobile” and other trademarks have indefinite useful lives as they can be legally used continuously as long as the business continues.

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in “(11) Impairment of tangible assets, intangible assets and goodwill” in “Note 3. Significant accounting policies.”

(10) Leases

The assessment of whether an arrangement is a lease or contains a lease is made on a basis of all the facts and circumstances at the inception of the arrangement.

Leases are classified as finance leases whenever all the risks and rewards of ownership of assets are substantially transferred to the lessee. All other leases are classified as operating leases. It is determined that all the risks and rewards of ownership of assets are transferred to the lessee when the lease terms account for most of the economic useful lives of the assets, or the present values of the total minimum lease payments are almost equal to the fair values of the assets. The lease terms are the total of the non-cancelable period and the period which is deemed to be reasonably certain that the renewal option will be exercised at the inception of the leases.

a. Finance leases

(The Company as lessee)

At inception, the Company initially recognizes finance leases as assets and the lease obligation at the amount equal to the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Subsequent to initial recognition, the accounting policy for assets held under finance leases is consistent with that of assets that are owned. Lease payments are apportioned between finance cost and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

b. Operating leases

(The Company as lessee)

Gross operating lease payments are recognized as expenses on a straight-line basis over the relevant lease terms.

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

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

At the end of the fiscal year, the Company determines whether there is any indication that property, plant and equipment and intangible assets may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

At the end of the fiscal year, the Company evaluates whether there is any indication that an impairment loss recognized in prior years for assets other than goodwill has decreased or extinguished. If such indication of a reversal of an impairment loss exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be higher than its carrying amount, a reversal of an impairment loss is recognized, to the extent that the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount (less depreciation and amortization) that would have been recognized, had no impairment loss been recognized.

b. Impairment of goodwill

At the end of the fiscal year and at the end of each quarter, the Company determines whether there is any indication that goodwill may be impaired.

Goodwill is allocated to each of the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies arising from the combination, and it is tested for impairment annually regardless of any indication of impairment, and when there is an indication that the cash-generating unit may be impaired. If, at the time of the impairment test, the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or groups of cash-generating units and then to the other assets pro rata based on the carrying amount of each asset in the unit or groups of cash-generating units.

Any impairment loss for goodwill is recognized directly in profit or loss and is not reversed in subsequent periods.

(12) Retirement benefits

Defined contribution plans are post-employment benefit plans under which an employer pays fixed contributions into a separate fund and will have no legal or constructive obligations to pay further contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The Company primarily adopts defined contribution pension plans.

SoftBank Mobile Corp. and SoftBank Telecom Corp. have frozen their defined benefit lump-sum plans as of March 2006 and 2007, respectively. Liabilities for the frozen defined benefit lump-sum plans are recognized as defined benefit liabilities until they are paid in the form of a lump sum at the time of future retirement of employees.

Sprint has frozen its defined benefit pension plans as of December 2005. Liabilities for the defined benefit pension plans are recognized as defined benefit liabilities until they are paid as pension after the time of retirement of employees.

a. Defined contribution plans

Contributions paid for defined contribution plans are recognized as expenses in the period in which the employees render the related service. Contributions payable are recognized as liabilities.

b. Defined benefit plans

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

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

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

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

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

(13) Provisions

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

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

The Company recognizes asset retirement obligations and restructuring provision as provisions.

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

(14) Treasury stock

When the Company reacquires its own equity share capital ("treasury stock"), the consideration paid, including any directly attributable increments costs (net of income taxes), is deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the treasury stock. The difference between the carrying amount and the consideration on sale is recognized as additional paid-in capital.

(15) Share-based payments

The Company grants stock options and restricted stock unit awards as equity-settled share-based compensation.

Stock options are measured at fair value at the grant date. The fair value of stock options is calculated using the Black-Scholes model and the Monte Carlo simulation, and the fair value of restricted stock units is calculated using the share price at the date of grant.

The fair value determined at the grant date is expensed over the vesting period, based on the estimate of stock options or restricted stock units that will eventually vest, with a corresponding increase in equity.
The Company regularly reviews the assumptions made and revises estimates of the number of stock options or restricted stock units that are expected to vest, when necessary.

The Company has used the exemption in IFRS 1 and elected not to apply IFRS 2 "Share-based Payment" for a part of share-based payments vested prior to April 1, 2012 (the date of transition to IFRSs).

(16) Revenue

The Company's accounting policy for revenue recognition by major categories is as follows:

a. Mobile Communications service and sales of mobile handsets

The Company provides mobile telecommunications services, which consist of voice communications and data transmission, and also sells mobile handsets and accessories to customers

In the Mobile Communications service, revenues are mainly generated from basic monthly charges, telecom service ("revenues from the mobile telecommunications service") and other fees. Also, revenues from the sale of mobile handsets ("revenues from the sale of mobile handsets") are generated from the sale of mobile handsets and accessories to customers or dealers.

The business flow of the above transactions consists of “Indirect transaction” where the Company sells mobile handsets to dealers and enters into telecommunications services contract with customers through dealers, and “Direct sales” where the Company sells mobile handsets to customers and enters into telecommunications services contract directly with customers. The revenues are recognized respectively as follows.

(a) Indirect transaction

Revenues from the sale of mobile handsets are recognized when mobile handsets are delivered to dealers, which is when risk and economic value are deemed to be transferred. Commission fees paid to dealers related to the sales of mobile handsets are deducted from revenues.

The mobile telecommunications services are recognized as revenue when services are provided to customers. Discounts are deducted from revenues from monthly mobile telecommunications services as a discount of mobile telecommunications charges.

Activation fees are deferred upon entering into the contract and recognized as revenues over the estimated average contract period. Upgrade fees are recognized as revenues over the estimated average usage period of handsets with the customers. Direct costs related to activation are deferred to the extent of the activation fees and upgrade fees and are amortized over the respective same period.

(b) Direct sales

In direct transaction, as the revenue from the sales of mobile handsets and the mobile telecommunication services, including the fees, are considered to be one transaction, the total amount of revenues are allocated to mobile handsets and telecommunication service on the basis of fair value ratio.

When handsets are sold in installments, revenue from the sales of mobile handsets is recognized based on the fair value ratio when handsets are delivered to the customers. When handsets are sold in lump-sum payment, the maximum amount of revenues to be recognized by the sale of mobile handsets are set by the amounts to be received from customers at the sales of mobile handsets. The amount of revenue allocated to the mobile telecommunication services is recognized, when the service is provided to the customers.

Points granted to customers through the customer royalty program are deferred at their fair values of benefits to be exchanged based on the estimated point utilization rate and recognized as revenues upon customers’ utilizing those points, in both direct and indirect sales.

b. Sales of game items

In games that the Company provide for mobile devices, the Company sells items that are usable in games. The revenue from the sales of those items are deferred at the time of sales, and recognized as revenue when they are actually used by the customers or over the estimated usage period, based on the characteristics of the items.

c. Fixed-line Telecommunications service

In the Fixed-line Telecommunications service, revenues are generated mainly from voice communications and digital data transmission services, internet provider charges, ADSL service fees, IP telephony service fees, and the usage of the network (“revenues from fixed-line telecommunications service”).

Revenues from fixed-line telecommunications services are recognized as revenues when services are provided to customers, based upon fixed monthly charges plus the usage of the network.

d. Internet service

In Internet service, revenues are generated mainly from premium advertising, promotion advertising, information listing service, commission from e-commerce transactions, and revenues from membership.

Revenues from premium advertising are recognized over the period in which advertisements are shown on a website. Revenue from promotion advertising is recognized when a user clicks on a promotion advertisement. Revenues from information listing service are recognized over the period in which these services are shown on a website. Revenues from commissions of e-commerce transactions are recognized when the transactions occur. Membership revenues are recognized over the period in which the memberships are valid.

(17) Sales commission fees

The Company pays sales commission fees when dealers sell the Company's mobile handsets to customers or acquire and retain engagement of telecommunications service between the Company and customers. Commission fees related to the sales of mobile handsets are deducted from the revenues from the sales of mobile handsets. Commission fees related to the acquisition and retention of engagement of telecommunications service are recognized as selling, general and administrative expenses.

(18) Income tax

Income tax expense is composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and taxes related to items that are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of the fiscal year.

Deferred tax assets are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income.

Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

Deferred tax liabilities are basically recognized for taxable temporary differences, except for:

- temporary differences arising from the initial recognition of assets and liabilities, related transactions other than business combination, that affects neither the accounting profit nor the taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill;
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.

(19) Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted-average number of common stocks outstanding for the period.

Diluted earnings per share assume full conversion of the issued potential stocks having a dilutive effect, with an adjustment for net income attributable to owners of the parent and the weighted-average number of common stocks (after adjusting for treasury stocks) outstanding for the period.

4. 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 consolidated financial statements are as follows:

- judgments if an entity is controlled by the Company in the decision making on the scope of consolidation ((1) in "Note 3. Significant accounting policies");
- estimates of fair value of assets acquired and the liabilities assumed in a business combination ((2) in Note 3 and "Note 5. Business combinations");
- fair value measurement of available-for-sale financial assets ((4) in Note 3) ;
- estimates of forecasted transactions related to hedge accounting ((4) in Note 3) ;
- estimates for amortization period and impairment of financial assets measured at amortized cost ((4) in "Note 14. Other non-operating income and loss");
- fair value measurement of derivatives (including embedded derivatives) ((4) in "Note 3. Significant accounting policies" and "Note 14. Other non-operating income and loss");
- estimates of useful life of property, plant and equipment and intangible assets ((7) and (9) in Note 3) ;
- estimates for impairment of property, plant and equipment, intangible assets and goodwill ((11) in Note 3) ;
- judgments and estimates for recognition and measurement on provisions ((13) in Note 3); and
- assessment of recoverability of deferred tax assets ((18) in Note 3).

During the three-month period ended June 30, 2013, in conjunction with measurement of carrying amount of the bonds with stock acquisition rights issued by Sprint Nextel Corporation and held by a subsidiary, Starburst II, Inc., underlying assumptions and related estimates for acquisition of Sprint were changed. These bonds with stock acquisition rights were converted into the shares of Sprint in July 2013.

The details are described in "Note 14. Other non-operating income and loss."

5. Business combinations

For the fiscal year ended March 31, 2013

(1) eAccess Ltd.

a. Overview of consolidation

SoftBank Corp. and eAccess Ltd. executed stock exchange transaction in which SoftBank Corp. became the parent and eAccess Ltd. became its wholly owned subsidiary as of January 1, 2013 (effective date of stock exchange), pursuant to the stock exchange agreement between two companies entered into on October 1, 2012, and to the amended stock exchange agreement entered into on November 2, 2012. Further, on January 17, 2013, eAccess Ltd. acquired and then canceled all its common stocks owned by SoftBank Corp., and newly issued Class A shares (without voting rights) and Class B shares (with voting rights) to SoftBank Corp. On the same day, a part of eAccess Ltd.'s Class B shares owned by SoftBank Corp. were transferred to 11 companies outside of the Group.

As a result, SoftBank Corp.'s voting rights in eAccess Ltd. decreased to 33.3%, less than the majority. However, SoftBank Corp.'s economic ownership ratio is 99.5%, which is significantly higher than the percentage of voting rights (33.3%). Also, considering the fact that the proportion of voting rights is relatively large compared to other holders of voting rights due to the dispersion of voting rights, and considering the fact that SoftBank Corp. can practically appoint and dismiss directors of eAccess Ltd. pursuant to the stock transfer agreement executed between SoftBank Corp. and the companies outside the Group, SoftBank Corp. determined that it has substantial control over eAccess Ltd. and included it into the scope of consolidation as a subsidiary.

eAccess Ltd. is scheduled to conduct an absorption type merger with WILLCOM, Inc., eAccess Ltd. being the surviving company and WILLCOM, Inc being the dissolving company, effective on June 1, 2014. After the merger, SoftBank Corp. is scheduled to transfer all shares of eAccess Ltd. owned by SoftBank Corp. to Yahoo Japan Corporation on June 2, 2014.

Note: Other than voting rights, the holders of Class A shares and the holders of Class B shares are granted the same rights.

(Business Description of eAccess Ltd.)
(a) Providing mobile broadband communication services under the EMOBILE brand
(b) Providing ADSL communication services mainly through wholesale channels

(Acquisition date)
January 1, 2013

b. Consideration transferred and the components

(Millions of yen)

		Acquisition date (January 1, 2013)
Fair value of SoftBank Corp.'s common stocks delivered at the time of acquisition of control		219,396
Fair value of Class B shares of eAccess Ltd. transferred at the time of acquisition of control		(1,100)
Total consideration transferred	A	218,296

¥1,028 million of acquisition-related costs arising from the business combination are recognized in "Selling, general and administrative expenses."

c. Exchange ratio for each class of shares, calculation method for exchange ratio, and the number and estimated value of shares delivered

(a) Exchange ratio for each class of shares
20.09 shares of the Company's common stocks for one common stock of eAccess Ltd.

(b) Calculation method for exchange ratio

Stock prices (closing price) of common stock of eAccess Ltd. were ¥15,070 on September 28, 2012 and ¥45,500 on November 2, 2012, respectively. SoftBank Corp. and eAccess Ltd. determined estimated value of common stocks of eAccess Ltd. through mutual consultation, taking into consideration the above stock prices, as well as (1) mobile communication services network of eAccess Ltd., (2) its customer base, and (3) synergies to be created between eAccess Ltd. and SoftBank Corp.

To ensure that exchange ratio is determined in a fair and reasonable manner, SoftBank Corp. and eAccess Ltd. respectively used independent financial advisor to conduct financial analysis of exchange ratio, when entering into the amended stock exchange agreement. SoftBank Corp. used Mizuho Securities Co., Ltd and Plutus Consulting Co., Ltd., while eAccess Ltd. used Goldman Sachs Japan Co., Ltd.

(c) The number and estimated value of shares delivered

The number of shares	69,871,312
Estimated value (million yen)	219,396

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

		(Millions of yen) Acquisition date (January 1, 2013)
Current assets		84,069
Property, plant and equipment		147,886
Intangible assets		113,107
Other non-current assets		38,311
Total assets		383,373
Current liabilities		108,073
Non-current liabilities		191,926
Total liabilities		299,999
Net assets	B	83,374
Non-controlling interests[1]	C	417
Goodwill[2]	A-(B-C)	135,339

Notes:

1. 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.

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

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

As for fair value of ¥30,882 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥33,754 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥2,872 million.

f. Increase from acquisition of control over subsidiaries

	(Millions of yen) Acquisition date (January 1, 2013)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	29,796
Proceeds from transfer of Class B shares of eAccess Ltd.	1,100
Increase in cash from the acquisition of control over the subsidiary	30,896

g. 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 ¥53,013 million and ¥5,382 million respectively, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2013.

For the fiscal year ended March 31, 2014

(2) 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. (the "Heartis"; percentage of voting interest: 18.5%), 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 "Income from remeasurement relating to business combination" in the 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		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[1]	C	48,818
Goodwill[2]	A-(B-C)	146,032

Notes:

1. 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.

2. 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.

d. Decrease from 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
Decrease in cash from the acquisition of control over the subsidiary	(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 ¥181,056 million and ¥42,857 million respectively, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014.

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

(3) 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.

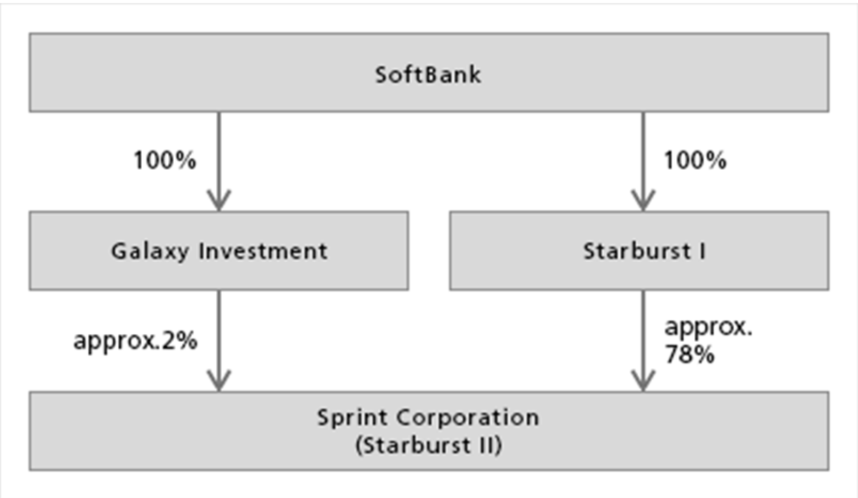
Through the transaction, approximately 72% of Sprint Nextel Corporation shares were acquired for $7.65 per share in cash, and the remaining shares were converted into Sprint shares on a one-to-one basis, which succeeded Sprint Nextel Corporation and became listed on the New York Stock Exchange.

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 March 31, 2014.

(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	Dan Hesse, Chief Executive Officer and Director
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 (Fiscal year ended December 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 fiscal year ended March 31, 2014.

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

		(Millions of yen)
		Acquisition date (July 10, 2013)
Current assets		
Cash and cash equivalents		447,873
Trade and other receivables[1]		322,957
Other financial assets		111,764
Inventories		105,318
Other current assets		42,655
Total current assets		1,030,567
Non-current assets		
Property, plant and equipment[2]		1,291,364
Intangible assets[2]		5,301,283
Other financial assets		23,938
Other non-current assets		12,394
Total non-current assets		6,628,979
Total assets		7,659,546
Current liabilities		
Interest-bearing debt[2]		86,961
Trade and other payables		632,348
Income taxes payables		4,553
Provisions[3]		106,630
Other current liabilities		282,501
Total current liabilities		1,112,993
Non-current liabilities		
Interest-bearing debt[2]		2,668,163
Other financial liabilities		5,662
Defined benefit liabilities		65,763
Provisions[3]		143,739
Deferred tax liabilities[4]		1,409,387
Other non-current liabilities		184,106
Total non-current liabilities		4,476,820
Total liabilities		5,589,813
Net assets	B	2,069,733
Non-controlling interests[5]	C	467,910
Basis adjustment[6]	D	311,659
Goodwill[7]	A-(B-C)-D	275,201

Consideration transferred is allocated to acquired assets and assumed liabilities based on the fair value on the acquisition date. The above amounts, which are provisional fair values based on the best estimate at present, may change for a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date, may be obtained.

From the acquisition date, provisional amounts of assets, liabilities and non-controlling interests on the acquisition date have been adjusted. Major adjustments are as follows: Intangible assets increased by ¥25,660 million due to additional analysis performed by Sprint management related to the value assigned to certain FCC Licenses[8]. Deferred tax liabilities decreased by ¥13,699 million primarily due to adjustments related to FCC Licenses. Non-controlling interest increased by ¥30,204 million. Accordingly, goodwill decreased by ¥19,217 million.

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

Notes:

1. Estimation of fair values of acquired receivables, contractual amounts receivables and amounts not expected to be collected
As for the fair value of ¥322,957 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥343,792 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥20,835 million.

2. Property, plant and equipment, Intangible assets and Interest-bearing debt
The components are described in “Note 7. Property, plant and equipment”, “Note 8. Intangible assets” and “(1) Components of interest-bearing debt” in “Note 9. Interest-bearing debt.”

3. 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.

4. 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.

5. 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

6. 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.

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

8. FCC Licenses
Licenses issued by the U.S. Federal Communications Commission for use of specified frequently bands.

g. Decrease from 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
Decrease in cash from the acquisition of control over the subsidiary	(1,427,276)
Proceeds from settlement of foreign currency forward contract for acquisition of control of subsidiaries	310,104
Decrease in cash from the acquisition of control over the subsidiary, 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 consolidated statements of income for the fiscal year ended March 31, 2014, are ¥2,601,031 million and ¥188,396 million, respectively.

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

(4) 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. is scheduled to conduct an absorption type merger with eAccess Ltd., eAccess Ltd. being the surviving company and WILLCOM, Inc. being the dissolving company, effective on June 1, 2014. After the merger, SoftBank Corp. is scheduled to transfer all shares of eAccess Ltd. owned by SoftBank Corp. to Yahoo Japan Corporation on June 2, 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 "Income from remeasurement relating to business combination" in the 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		80,843
Property, plant and equipment		46,026
Intangible assets		43,639
Other non-current assets		14,883
Total assets		185,391
Current liabilities		83,958
Non-current liabilities		16,284
Total liabilities		100,242
Net assets	B	85,149
Non-controlling interests[1]	C	222
Goodwill[2]	A-(B-C)	19,143

Notes:

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

2. 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. Increase 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
Increase in cash from the acquisition of control over the subsidiary	14,043

f. Sales and net loss of the acquiree

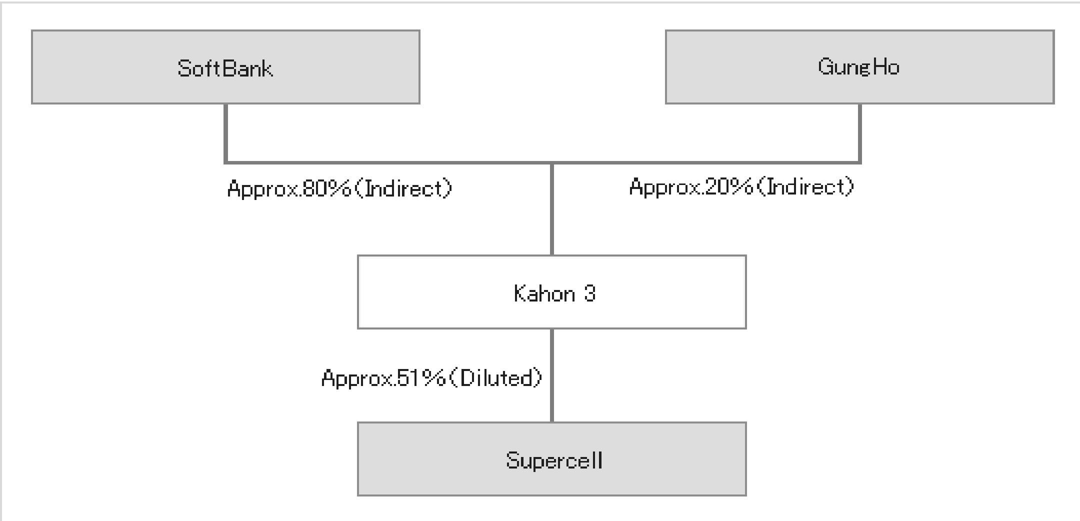
The amounts of the acquiree's sales and net loss before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥ 124,068 million and ¥ 4,823 million, respectively.

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

(5) 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.



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, CEO
Business description	Mobile/Social interactive entertainment
Common stock	€2,500
Date of foundation	May 14, 2010
Consolidated sales	€519,093 thousands (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 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		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[1]	C	53,295
Goodwill[2]	A-(B-C)	98,803

Consideration transferred is allocated to acquired assets and assumed liabilities based on a fair value on the acquisition date. The above amounts, which are provisional fair values based on the best estimate at present, may change for a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date may be obtained.

Notes:

1. 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.

2. 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. Decrease from 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
Decrease in cash from the acquisition of control over the subsidiary	(137,902)

h. Sales and net income of the acquiree

The amounts of the acquiree's sales and net income before elimination of inter-company transactions after the acquisition date, which are recorded in the consolidated statements of income for the fiscal year ended March 31, 2014, are ¥54,841 million and ¥3,799 million, respectively.

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

(6) Brightstar Corp.

a. Overview of consolidation

The Company completed the acquisition of all common and preferred stocks of Brightstar Corp., a mobile device distributor in the United States, and the establishment of the organizational structure related to the transaction on January 30, 2014. Accordingly, Brightstar Corp. became a subsidiary of the Company. At the completion of the transaction, the Company owns approximately 57% of the voting rights of Brightstar Global Group Inc. that owns 100% of Brightstar Corp.

In the transaction, SoftBank Corp. invested a total of $1.26 billion (¥128.4 billion[1]) into Brightstar Global Group Inc., of which SoftBank Corp. owns all the interests. SoftBank Corp. received newly-issued common stocks of Brightstar Global Group Inc., newly-issued non-voting preferred stocks of Brightstar Global Group Inc. that have an aggregate liquidation preference of $860 million, and warrant (the "Warrant") that provides SoftBank Corp. with the rights to acquire a number of common stocks of Brightstar Global Group Inc. for de minumis value. The Warrant entitles SoftBank Corp. to raise its ownership of the common stocks of Brightstar Global Group Inc. to approximately 70% over five years. Brightstar Global Group Inc. acquired all common and preferred stocks (including payment of accrued dividends) of Brightstar Corp. from existing shareholders for consideration of $1.11 billion and newly issued common stocks Brightstar Global Group Inc. representing approximate 43% of the common shares issued.

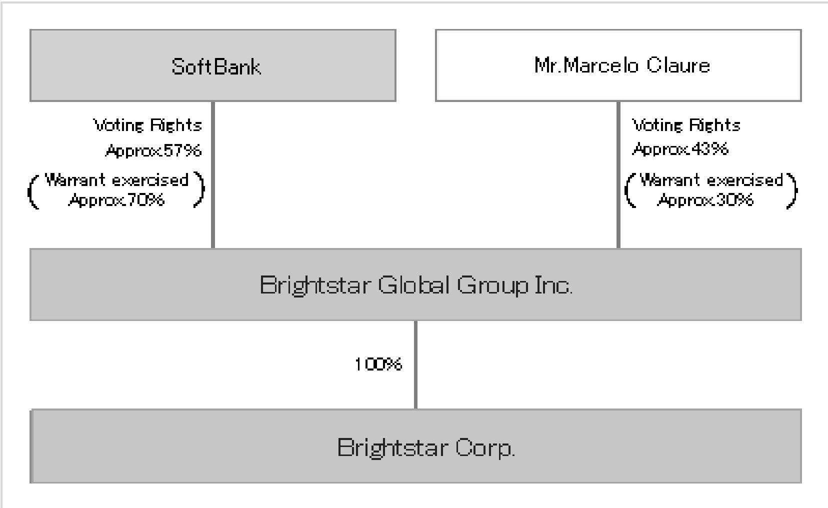
As a result of the transaction, SoftBank Corp. owns approximately 57% of the voting rights and common shares of the Brightstar Global Group Inc. that owns 100% of Brightstar Corp., and Mr. Marcelo Claure, Chairman and CEO of Brightstar Corp., owns approximately 43%. Accordingly, Brightstar Corp. became a subsidiary of SoftBank Corp. The Company accounts for Brightstar Global Group Inc. as a acquiree.

The Company uses $1.11 billion out of the total investment of $1.26 billion to complete the Brightstar Corp. share purchases, and the remaining $0.15 billion of SoftBank Corp.'s investment will be contributed to Brightstar Corp. in order to fund, among others, ongoing corporate activities.

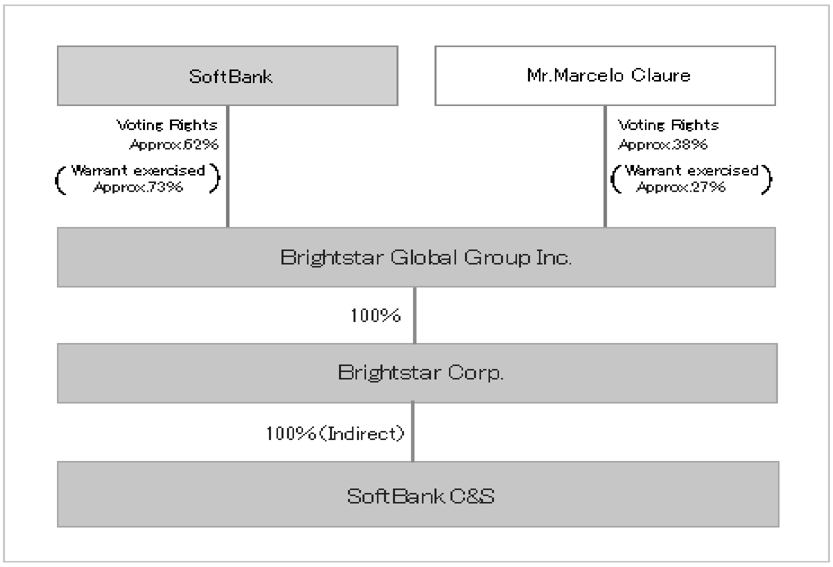
The Company plans to ratably exercise the Warrant to increase its ownership in Brightstar Global Group Inc. to obtain approximately 70% of the voting power, and common stock, over the five year vest period.

SoftBank BB Corp., a subsidiary of SoftBank Corp., divided its commerce and service business and newly established SoftBank C&S on April 1, 2014. All shares of SoftBank C&S held by SoftBank Corp. were transferred to SB C&S Holdings G.K., a wholly-owned subsidiary of Brightstar Corp., and SoftBank Corp. acquired additional common stocks of Brightstar Global Group Inc. As a result, the Company's ownership share of the voting rights and common stocks of Brightstar Global Group Inc. became approximately 62% (approximately 73% after the exercise of the Warrant) on April 1, 2014.

(a) Structure as of March 31,2014



(b) Structure as of April 1,2014



b. Purpose of consolidation

Brightstar Corp. is one of the world's largest specialized wireless distributors and a leading provider of diversified services focused on enhancing the performance and results of the key participants in the wireless device value chain: manufacturers, operators and retailers. Its services include Supply Chain Solutions, Handset Protection & Insurance, Buyback and Trade-in Solutions, Multi-Channel Retail Solutions, and Financial Services. Today, Brightstar Corp. provides services in over 125 countries and has a local presence in over 50 countries.

The Comapny acquired Sprint in July 2013, expanding its business operations from Japan to the U.S. With Brightstar Corp. becoming a subsidiary, the Comapny aims to strengthen its purchasing scale for mobile devices and further increase competitiveness both in Japan and the U.S.

c. Summary of Brightstar Corp.

Name	Brightstar Corp.
Address	9725 NW 117th Ave, #300 Miami, Florida, U.S.A.
Name and title of representative	Marcelo Claure, Chairman and Chief Executive Officer
Business description	Mobile device distribution
Common stock	$2,000
Date of foundation	September 23, 1997
Consolidated sales	$7,227,879 thousands (the year ended December 2013, US GAAP)

d. Acquisition date

January 30, 2014

e. Consideration transferred and the component

(Millions of yen)

		Acquisition date (January 30, 2014)
Payment by cash		128,378
Total consideration transferred	A	128,378

Acquisition-related costs of ¥1,190 million arising from the business combination are recognized in "Selling, general and administrative expenses."

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

		(Millions of yen) Acquisition date (January 30, 2014)
Current assets		340,644
Intangible assets		74,991
Total assets		415,635
Current liabilities		260,518
Non-current liabilities		82,835
Total liabilities		343,353
Net assets	B	72,282
Non-controlling interests[1]	C	3,761
Goodwill[2]	A-(B-C)	59,857

Consideration transferred is allocated to acquired assets and assumed liabilities based on a fair value on the acquisition date. The above amounts, which are provisional fair values based on the best estimate at present, may change for a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date may be obtained.

Notes:
1. 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.

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

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

As for fair value of ¥190,802 million of acquired receivables and other receivables (mainly sales receivables), the total amount of contracts is ¥192,194 million and the estimate of the contractual cash flows not expected to be collected at the acquisition date is ¥1,392 million.

h. Decrease from acquisition of control over subsidiaries

	(Millions of yen) Acquisition date (January 30,2014)
Payment for the acquisition by cash	(128,378)
Cash and cash equivalents held by the acquiree at the time of acquisition of control	41,428
Decrease in cash from the acquisition of control over the subsidiary	(86,950)

i. 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 consolidated statements of income for the fiscal year ended March 31, 2014, are ¥137,534 million and ¥1,704 million, respectively.

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

6. 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.

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

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

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

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

The Company previously had four segments, the Mobile Communications segment, the Broadband Infrastructure segment, the Fixed-line Telecommunications segment, and the Internet Culture segment until the year ended March 31, 2013. However, with the consolidation of eAccess Ltd. in January 2013, GungHo in April 2013, and Sprint in July 2013, the Company changed its reportable segments from the three-month period ended June 30, 2013 as the business size and region of the Company changed significantly.

For the three-month period ended June 30, 2013, the previous Fixed-line Telecommunications segment and the Broadband Infrastructure segment were integrated and included in the Domestic Fixed-line Telecommunications segment. Also the previous Mobile Communications segment was presented as the Domestic Mobile Communications segment and the previous Internet Culture segment was presented as the Internet Segment. Distribution business of SoftBank BB Corp. was previously included in "Others." However, it is included in the Domestic Mobile Communications segment, considering its stronger connection with mobile communications.

For the three-month period ended September 30, 2013, the Company changed the names of certain segments. The previous Domestic Mobile Communications was changed to the Mobile Communications. Also, the previous Domestic Fixed-line Telecommunications was changed to the Fixed-line Telecommunications. Only the names of the segments were changed; the definition of the segments remained the same.

Segment information for the fiscal year ended March 31, 2013, is presented in accordance with the reportable segment after the change.

(2) Net sales and income of reportable segments

Accounting policies for reportable segments are the same as the policies described in "Note 3. Accounting policies."

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

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

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

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

For the fiscal year ended March 31, 2013

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint	Fixed-line Telecomm-unications	Internet	Total	Others[1]	Reconcili-ations[2]	Consoli-dated
Net sales								
Customers	2,330,871	-	437,873	353,481	3,122,225	80,311	-	3,202,536
Intersegment	14,759	-	93,155	3,128	111,042	36,754	(147,796)	-
Total	2,345,630	-	531,028	356,609	3,233,267	117,065	(147,796)	3,202,536
EBITDA	797,343	-	168,061	193,290	1,158,694	13,158	(19,111)	1,152,741
Depreciation and amortization	(280,223)	-	(53,829)	(12,570)	(346,622)	(6,758)	(1,740)	(355,120)
Segment income	517,120	-	114,232	180,720	812,072	6,400	(20,851)	797,621
Income from remeasurement relating to business combination								1,778
Other operating income (loss)								-
Operating income								799,399
Finance cost								(65,297)
Equity in loss of associates								(3,663)
Other non-operating loss								(14,935)
Income before income tax								715,504

For the fiscal year ended March 31, 2014

(Millions of yen)

	Reportable segments							
	Mobile Commu-nications	Sprint[3]	Fixed-line Telecommu-nications	Internet	Total	Others [1]	Reconcili-ations [2]	Consoli-dated
Net sales								
Customers	3,142,663	2,600,743	442,152	396,554	6,582,112	84,539	-	6,666,651
Intersegment	22,855	288	105,938	3,315	132,396	39,914	(172,310)	-
Total	3,165,518	2,601,031	548,090	399,869	6,714,508	124,453	(172,310)	6,666,651
EBITDA	1,003,934	417,245	170,689	204,318	1,796,186	13,592	(22,968)	1,786,810
Depreciation and amortization	(394,984)	(418,461)	(62,077)	(15,369)	(890,891)	(7,551)	(1,462)	(899,904)
Segment income (loss)	608,950	(1,216)	108,612	188,949	905,295	6,041	(24,430)	886,906
Income from remeasure-ment relating to business combination								253,886
Other operating loss								(55,430)
Operating income								1,085,362
Finance cost								(271,478)
Equity in income of associates								74,402
Other non-operating income								44,081
Income before income tax								932,367

Notes:

1.“Others” 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.

7. Property, plant and equipment

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

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Buildings and structures	110,811	118,284	258,637
Telecommunications equipment	1,039,699	1,412,580	2,827,064
Land	72,536	73,930	92,545
Construction in progress	91,945	153,266	266,136
Other	62,194	72,555	141,945
Total	1,377,185	1,830,615	3,586,327

The components of the carrying amounts of property, plant and equipment recognized as a result of the consolidation of Sprint in July 2013 are as follows. The details of the acquisition are described in "(3) Sprint" in "Note 5. Business combinations."

(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

8. Intangible assets

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

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Intangible assets with indefinite useful lives			
FCC Licenses	-	-	3,709,526
Trademarks	-	3,790	622,975
Intangible assets with finite useful lives			
Software	310,755	411,285	647,386
Customer relationships	-	83,876	677,494
Favorable lease contracts	-	-	140,217
Game titles	-	-	166,522
Trademarks	201	178	52,475
Other	29,367	29,554	161,106
Total	340,323	528,683	6,177,701

As a result of consolidation of eAccess Ltd. in January 2013, the Company recognized customer relationships amounting to ¥84,684 million. The details of the acquisition are described in "(1) eAccess Ltd." in "Note 5. Business combinations."

As a result of consolidation of GungHo in April 2013, the Company recognized game titles amounting to ¥77,796 million. The details of the acquisition are described in "(2) GungHo Online Entertainment, Inc." in "Note 5. Business combinations."

The components of the carrying amounts of intangible assets recognized as a result of the consolidation of Sprint in July 2013 are as follows. The details of the acquisition are described in "(3) Sprint" in "Note 5. Business combinations."

	(Millions of yen) Acquisition date (July 10, 2013)
Intangible assets with indefinite useful lives	
FCC Licenses	3,612,994
Trademarks	600,266
Intangible assets with finite useful lives	
Software	138,330
Customer relationships	700,192
Favorable lease contracts	148,979
Trademarks	52,593
Other	47,929
Total	5,301,283

As a result of the consolidation of WILLCOM, Inc. in July 2013, the Company recognized customer relationships amounting to ¥25,004 million. The details of the acquisition are described in "(4) WILLCOM, Inc." in "Note 5. Business combinations."

As a result of consolidation of Supercell Oy in October 2013, the Company recognized game titles amounting to ¥119,099 million. The details of the acquisition are described in "(5) Supercell" in "Note 5. Business combinations."

As a result of consolidation of Brightstar Corp. in January 2014, the Company recognized customer relationships of ¥22,493 million and trademarks (intangible assets with indefinite useful lives) of ¥12,120 million. The details of the acquisition are described in "(6) Brightstar Corp." in "Note 5. Business combinations."

9. Interest-bearing debt

(1) Components of interest-bearing debt

The components of "Interest-bearing debt" in the consolidated statements of financial position are as follows:

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Current			
Short-term borrowings	114,625	458,313	270,529
Commercial paper	-	-	32,000
Current portion of long-term borrowings	496,073	631,232	393,566
Current portion of corporate bonds	142,686	204,837	139,300
Current portion of lease obligations	157,302	192,658	264,295
Current portion of installment payables	15,985	47,088	48,209
Total	926,671	1,534,128	1,147,899
Non-current			
Long-term borrowings	619,517	510,856	2,243,855
Corporate bonds	458,520	791,919	4,743,073
Lease obligations	431,722	564,077	730,915
Preferred securities	195,920	197,468	199,156
Installment payables	57,594	109,405	105,155
Total	1,763,273	2,173,725	8,022,154

Notes:

1. SoftBank Corp. has entered into a loan agreement (the "permanent loan") with a maximum total amount of borrowing at ¥1,980 billion with the financial institutions on September 13, 2013 to refinance the bridge loan for the consolidation of Sprint, executing borrowing on September 27, 2013 and on September 30, 2013.
The summary of the permanent loan is as follows.

Summary of the permanent loan

Borrower	SoftBank Corp.
Lenders	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Deutsche Bank AG Crédit Agricole CIB and others in total 19 institutions
Date of contract	September 13, 2013
Maximum total amount of borrowing and maturity	Total amount of borrowing limit :¥1.98 trillion (Breakdown) Facility A : ¥1.1 trillion (Maturity: September 13, 2018) Facility B : ¥880 billion (Maturity: September 14, 2020)
Loan drawdown amount and date	¥1.85 trillion on September 27, 2013 ¥130 billion on September 30, 2013
Primary use of loan proceeds	Repayment of bridge loan for Sprint consolidation Repayment of some existing borrowings at SoftBank Corp. Repayment of some existing debts at eAccess Ltd.
Collateral	Not applicable
Guarantors	SoftBank Mobile Corp. and SoftBank Telecom Corp.
Financial covenants	Following are the financial covenants for the permanent loan: (a) The amount of SoftBank Corp.'s net assets at the end of the year must not fall below 75% of SoftBank Corp.'s net assets at the end of the previous year. (b) The consolidated statements of financial position of SoftBank Corp. and consolidated balance sheets of BB Mobile Corp. at the end of the year must not show a net capital deficiency. At the end of the year, balance sheets of SoftBank Mobile Corp., SoftBank BB Corp. and SoftBank Telecom Corp. must not show a net capital deficiency. (c) In the SoftBank Corp.'s consolidated statements of income, operating income (loss) or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years. (d) Adjusted net interest-bearing debts[1] or leverage ratios[2] designated in the loan agreement must not exceed respective certain amounts or numbers at the end of each annual reporting period and at the end of the second quarter. 1. Adjusted net interest-bearing debts: Amounts deducting cash and cash equivalents from interest-bearing debts in the consolidated statement of financial position. Certain adjustments are made such as excluding certain listed subsidiaries such as Sprint from the subject. 2. Leverage ratio: Adjusted net interest-bearing debt / adjusted EBITDA[3] 3 Adjusted EBITDA: Certain adjustments are made to EBITDA such as excluding listed subsidiaries such as Sprint.

Notes:

2. The components of interest-bearing debt recognized as a result of the consolidation of Sprint in July 2013 are as follows. The details of the acquisition are described in "(3) Sprint" in "Note 5. Business combinations."

	(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

Notes:

3. Covenants on interest-bearing debts of Sprint

Major covenants on the interest-bearing debt issued by Sprint are as follows:

a. Holders of a portion ($20.1 billion) of notes issued by Sprint are provided with the right to require Sprint to repurchase the notes if there is a change of control and if there is a decline, to a certain extent, in ratings of the applicable notes by the Rating Services. Also, holders of a portion ($481 million) of notes issued by Clearwire and other subsidiary of Sprint are provided with the right to require the repurchase of the notes if a change of control triggering event occurs.

b. It is required that as of the last day of each quarter, Sprint's ratio of total indebtedness* to EBITDA (as defined) should not exceed a threshold level. Exceeding the ratio could result in the maturities being accelerated. The limit for the ratio was 6.25 as of March 31, 2014.

*Total indebtedness: the sum of Sprint's outstanding debt (excluding trade payable) and guarantee of indebtedness, with certain adjustments such as excluding amounts agreed based on contracts with lenders.

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

The components of "Increase (decrease) in short-term interest-bearing debt, net" in the consolidated statements of cash flows are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net increase (decrease) of short-term borrowings*	345,572	(233,794)
Net increase of commercial paper	-	32,000
Total	345,572	(201,794)

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 fiscal year ended March 31, 2014 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 consolidated statements of cash flows are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Proceeds from long-term borrowings	474,703	2,587,755
Proceeds from issuance of corporate bonds[1]	480,000	1,665,232
Proceeds from sale and leaseback of newly acquired equipment	369,882	445,307
Total	1,324,585	4,698,294

Notes:

1. Corporate bonds issued for the fiscal year ended March 31, 2014 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.

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

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Repayment of long-term borrowings	(574,753)	(1,133,313)
Redemption of corporate bonds[1]	(95,826)	(533,538)
Payment of lease obligations	(207,509)	(253,283)
Payment of installment payables	(20,779)	(51,460)
Total	(898,867)	(1,971,594)

Notes:

1. Major corporate bonds redeemed for the fiscal year ended March 31, 2014 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
38th Unsecured Straight Corporate Bond	Jan. 27, 2012	¥50,000 million	0.42%	Jan. 27, 2014
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.

10. 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 April 1, 2012	As of March 31, 2013	As of March 31, 2014
U.S. dollars	82.19	94.05	102.92

(2) Average rate for the quarter

For the fiscal year ended March31, 2013

(yen)

	Three-month period ended June 30, 2012	Three-month period ended September 30, 2012	Three-month period ended December 31, 2012	Three-month period ended March 31, 2013
U.S. dollars	80.40	78.42	81.49	91.07

For the fiscal year ended March31, 2014

(yen)

	Three-month period ended June 30, 2013	Three-month period ended September 30, 2013	Three-month period ended December 31, 2013	Three-month period ended March 31, 2014
U.S. dollars	97.94	98.20	101.02	103.28

11. Equity

(1) Additional paid-in capital

For the fiscal year ended March 31, 2013

Alibaba Group Holding Limited, an associate accounted for using the equity method, acquired the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through its takeover bid in June 2012, and privatized Alibaba.com Limited. The Company's additional paid-in capital decreased by ¥51,208 million as Alibaba Group Holding Limited treated this as a change in the interests in a controlled subsidiary, decreasing its additional paid-in capital.

For the fiscal year ended March 31, 2014

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 "(5) Supercell" in "Note 5. Business combinations."

(2) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013	As of March 31, 2014
Available-for-sale financial assets	46,427	50,700	14,122
Cash flow hedges*	(994)	114,158	(19,942)
Exchange differences on translating foreign operations	-	83,168	175,437
Total	45,433	248,026	169,617

Note:
In connection with the consolidation of Sprint, during the fiscal year ended March 31, 2014, accumulated other comprehensive income, generated from the hedging instrument designated as a cash flow hedge, is derecognized in order to deduct the amount from the initial amount of goodwill which was recognized by the consolidation. The details are described in "(3) Sprint" in "Note 5. Business combinations."

12. Other operating income and loss

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Impairment loss	-	
Assets related to ADSL services[1]	-	(11,210)
Assets related to Sprint[2]	-	(7,654)
Trademarks[3]	-	(7,404)
Goodwill	-	(5,822)
Severance costs associated with reduction in work force of Sprint	-	(18,307)
Other	-	(5,033)
Total	-	(55,430)

Notes:

1. As a result of reviewing the business plan for ADSL services at eAccess Ltd. in the Fixed-line Telecommunications segment, the recoverable amount of assets related to ADSL services became lower than their carrying amount, and therefore the carrying amounts was reduced to their value in use. Impairment loss on customer relationships was ¥8,655 million and impairment loss on telecommunications equipment and software was ¥2,555 million.

2. In the Sprint segment, certain telecommunications equipment inventories which will not be used in the future are impaired.

3. eAccess Ltd. and WILLCOM, Inc., are scheduled to conduct an absorption type merger, with eAccess Ltd. being the surviving company and WILLCOM, Inc being the company absorbed, effective on June 1, 2014. After the merger, SoftBank Corp. is scheduled to transfer all shares of eAccess Ltd. owned by SoftBank Corp. to Yahoo Japan Corporation on June 2, 2014. After the transfer, eAccess Ltd. will change its name to Ymobile Corporation and plans to provide services under the “Y!mobile” brand.

   Along with this, in the Mobile Communications segment, trademarks such as “EM,” “EMOBILE,” “WILLCOM,” and others which eAccess Ltd. and WILLCOM, Inc. used as service names, will not be used in the future, the trademarks are all impaired.

13. Finance cost

The components of finance cost are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Interest expense	(65,297)	(271,478)

14. Other non-operating income and loss

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Interest income[1]	3,109	21,015
Derivative gain (loss) [1,2,3]	11,877	(19,588)
Gain on sales of securities	2,288	12,325
Impairment loss on securities	(10,541)	(9,168)
Gain on sales of associates' stocks	837	33,058
Impairment loss on equity method associates[4]	(22,474)	-
Other	(31)	6,439
Total	(14,935)	44,081

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 it is 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 fiscal year ended March 31, 2014.

   With regard to the host contract (the bonds), the amount of payment less the fair value of the embedded derivative at inception of the bond was recorded in the consolidated statement of financial position at inception. This deduction amount is accreted using the effective interest method with corresponding adjustments to interest income. Initially, the expected remaining accretion period for the bond discount was seven years based on the contract term of the bond. However, based on the approval for the acquisition at the shareholders' meeting of Sprint on June 25, 2013, the Company changed the estimate of the expected remaining term to the completion of the acquisition. During the fiscal year ended March 31, 2014, 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 fiscal year ended March 31, 2014. Hedge accounting was applied to $17.0 billion as 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. Derivatives associated with the transactions for the acquisition of Sprint are as follows. Derivative financial assets are included in "Other financial assets" in consolidated statements of financial position.

Derivative to which hedge accounting is applied

(Millions of yen)

	As of April 1, 2012		As of March 31, 2013		As of March 31, 2014	
	Contract amounts (More than one year)	Fair value	Contract amounts (More than one year)	Fair value	Contract amounts (More than one year)	Fair value
Foreign exchange contracts						
To buy						
U.S. dollars	-	-	1,411,990 (-)	189,357	-	-
Total	-	-	1,411,990 (-)	189,357	-	-

Derivatives to which hedge accounting is not applied

(Millions of yen)

	As of April 1, 2012		As of March 31, 2013		As of March 31, 2014	
	Contract amounts (More than one year)	Fair value	Contract amounts (More than one year)	Fair value	Contract amounts (More than one year)	Fair value
Embedded derivatives						
Stock acquisition rights	-	-	291,555 (291,555)	15,706	-	-
Total	-	-	291,555 (291,555)	15,706	-	-

4. The Company recorded impairment loss of ¥22,474 million with regard to the equity method associate for the fiscal year ended March 31, 2013 as the expected future cash flow from the existing business plan was not expected and the carrying amount was reduced to the recoverable amount.

15. Earnings per share

(1) Basic earnings per share

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net income attributable to owners of the parent (Millions of yen)	372,481	527,035
Weighted-average number of ordinary shares (Thousands of shares)	1,120,201	1,190,650
Basic earnings per share (yen)	332.51	442.64

(2) Diluted earnings per share

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net income attributable to owners of the parent (Millions of yen)	372,481	527,035
Adjustments:		
Interest expense on bonds (net of tax) (Millions of yen)	1,339	-
Effect of dilutive securities issued by subsidiaries and associates (Millions of yen)	(63)	(1,993)
Net income used in the calculation of diluted earnings per share (Millions of yen)	373,757	525,042
Weighted-average number of ordinary shares (Thousands of shares)	1,120,201	1,190,650
Adjustments:		
Warrants and corporate bonds with stock acquisition rights (Thousands of shares)	19,030	1,622
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)	1,139,231	1,192,272
Diluted earnings per share (yen)	328.08	440.37

16. Supplemental information to the 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 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 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 the settlement of foreign currency forward contracts for consolidation of control of subsidiaries

For the fiscal year ended March 31, 2014

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

(4) Payments for preferred stocks, stock acquisition rights, and long-term debt of subsidiaries

For the fiscal year ended March 31, 2013

In April 2006, BB Mobile Corp. issued Class 1 preferred stock-series 1 and stock acquisition rights to Vodafone International Holdings B.V. and obtained a subordinated loan from Vodafone Overseas Finance Limited as a series of financing transactions for the Company's acquisition of Vodafone K.K. (currently SoftBank Mobile Corp.). In November 2006, refinancing of the funds for the acquisition was conducted, and SoftBank Mobile Corp. assumed BB Mobile Corp's subordinated loan.

In December 2010, the Company acquired all aforementioned Class 1 preferred stock-series 1 and stock acquisition rights issued by BB Mobile Corp. to Vodafone International Holdings B.V., and all principal amounts and accrued interest of a long-term loan receivable from SoftBank Mobile Corp. held by Vodafone Overseas Finance Limited for a total amount of ¥412,500 million. Of the total amount, ¥212,500 million and the remaining amount of ¥200,000 million with expenses associated with the acquisition were paid in December 2010 and April 2012, respectively.

17. First-time adoption of IFRSs

(1) Transition to IFRSs financial reporting

The Company first prepared consolidated financial statements in accordance with IFRSs from the fiscal year ended March 31, 2014.

The latest consolidated financial statements prepared in accordance with JGAAP are for the year ended March 31, 2013. The date of transition to IFRSs is April 1, 2012.

IFRS 1, in principle, requires first-time adopters to apply IFRSs retrospectively. However, as exceptions, the retrospective application of some aspects of IFRSs is prohibited, and they shall be applied prospectively from the date of transition to IFRSs. The following exceptions are applicable to the Company:

a. Accounting estimates

With regard to accounting estimates used for consolidated financial statements in accordance with IFRSs, new information received afterward is not reflected, for the estimates used under IFRSs to be consistent with estimates used when the financial statements under JGAAP were prepared.

b. Non-controlling interests

The Company applies the following requirements of IFRS 10 “Consolidated Financial Statements” prospectively from the date of transition to IFRSs:

・ the requirement that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance; and
・ the requirements for accounting for changes in a subsidiary that do not result in a loss of control.

IFRSs also grant first-time adopters to voluntarily elect to use exemptions from some requirements of IFRSs. The Company applied the following exemptions:

a. Business combinations

The Company has elected not to apply IFRS 3 “Business Combinations,” retrospectively to business combinations that occurred before the date of transition to IFRSs.

b. Translation differences for foreign operations

The Company has transferred all cumulative translation differences from other comprehensive income to retained earnings on the date of transition to IFRSs.

c. Share-based payments

The Company does not apply IFRS 2 “Share-based Payment” to a portion of stock options that were vested before the date of transition to IFRSs.

d. Compound instruments

The Company does not apply IAS 32 “Financial Instruments: Presentation” to the compound instruments with no outstanding liability balance at the date of transition to IFRSs.

The Company has made necessary adjustments to the consolidated financial statements prepared in accordance with JGAAP that had already been disclosed, in the course of the preparation of the consolidated financial statements in accordance with IFRSs.

The table below presents reconciliations required to be disclosed under the first-time adoption of IFRSs.

Items that do not affect retained earnings and comprehensive income are included in “Reclassification” of the reconciliation. Differences in the scope of consolidation under IFRSs from JGAAP are included in “Differences in the scope of consolidation.” Items that affect retained earnings or comprehensive income are included in “Differences in recognition and measurement.”

The amounts presented in the consolidated financial statements prepared in accordance with JGAAP for the years ended on or before March 31, 2013, were rounded down to the nearest million yen. As the amounts presented in the consolidated financial statements prepared in accordance with IFRSs from the fiscal year ended March 31, 2014, are rounded off to the nearest million yen, the amounts under JGAAP presented in the reconciliations are also rounded off to the nearest million yen.

(2) Reconciliation of equity as of April 1, 2012
(Items related to consolidated statement of financial position)

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Assets							**Assets**
Current assets							**Current assets**
Cash and deposits	1,016,252	(1,693)	6,554	-		1,021,113	Cash and cash equivalents
Notes and accounts receivable - trade	661,288	(35,571)	(2,560)	163,745	E	786,902	Trade and other receivables
Marketable securities	4,575	(4,575)	-	-		-	
		10,399	-	-		10,399	Other financial assets
Merchandise and finished products	42,618	13,065	-	-		55,683	Inventories
Deferred tax assets	56,469	(56,469)	-	-		-	
Other current assets	168,265	(93,391)	2,690	7,450	D	85,014	Other current assets
Less: Allowance for doubtful accounts	(39,015)	39,015	-	-		-	
Total current assets	1,910,452	(129,220)	6,684	171,195		1,959,111	Total current assets
Fixed assets							**Non-current assets**
Property and equipment, net	1,296,393	-	22,076	58,716	B, I	1,377,185	Property, plant and equipment
Intangible assets, net:							
Goodwill	780,243	-	1,211	(3,543)	A	777,911	Goodwill
Software	310,151	(310,151)	-	-		-	
Other intangibles	36,121	310,151	641	(6,590)		340,323	Intangible assets
Investments and other assets							
Investment securities	338,198	(338,198)	-	-		-	
		201,465	7,292	(231)	G	208,526	Investments accounted for using the equity method
		185,040	(22,081)	155,640	E	318,599	Other financial assets
Deferred tax assets	104,327	56,469	-	22,613		183,409	Deferred tax assets
Other assets	134,077	(64,264)	77	15,600	D, I	85,490	Other non-current assets
Less: Allowance for doubtful accounts	(15,957)	15,957	-	-		-	
Total fixed assets	2,983,553	56,469	9,216	242,205		3,291,443	Total non-current assets
Deferred charges	5,700	-	21	(5,721)		-	
Total assets	4,899,705	(72,751)	15,921	407,679		5,250,554	**Total assets**

Note: Described in "(7) Notes to the differences in recognition and measurement" on page 93.

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Liabilities							**Liabilities and equity**
Current liabilities							**Current liabilities**
		716,824	-	209,847	E, I	926,671	Interest-bearing debt
Accounts payable -trade	190,533	747,461	22,650	15,188	D	975,832	Trade and other payables
Short-term borrowings	403,168	(403,168)	-	-		-	
Current portion of corporate bonds	144,988	(144,988)	-	-		-	
Accounts payable-other and accrued expenses	835,053	(835,053)	-	-		-	
		1,206	-	-		1,206	Other financial liabilities
Income taxes payables	125,116	(2,614)	5	706		123,213	Income taxes payables
Current portion of lease obligations	152,683	(152,683)	-	-		-	
		1,456	-	-		1,456	Provisions
Other current liabilities	72,184	(1,191)	174	22,988	D, F	94,155	Other current liabilities
Total current liabilities	1,923,725	(72,750)	22,829	248,729		2,122,533	Total current liabilities
Long-term liabilities							**Non-current liabilities**
		1,425,264	-	338,009	E, I	1,763,273	Interest-bearing debt
Corporate bonds	459,900	(459,900)	-	-		-	
Long-term debt	560,070	(560,070)	-	-		-	
		9,711	26,069	1,390		37,170	Other financial liabilities
Liability for retirement benefits	14,953	-	-	-		14,953	Defined benefit liabilities
		20,603	40	-		20,643	Provisions
Deferred tax liabilities	20,370	-	(313)	25,294		45,351	Deferred tax liabilities
Allowance for point mileage	32,074	(32,074)	-	-		-	
Lease obligations	347,700	(347,700)	-	-		-	
Other liabilities	105,273	(55,835)	(9,999)	40,146	D, F	79,585	Other non-current liabilities
Total long-term liabilities	1,540,340	(1)	15,797	404,839		1,960,975	Total non-current liabilities
Total liabilities	3,464,065	(72,751)	38,626	653,568		4,083,508	**Total liabilities**

Note: Described in “(7) Notes to the differences in recognition and measurement” on page 93.

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Equity							**Equity**
Shareholders' equity							**Equity attributable to owners of the parent**
Common stock	213,798	-	-	-		213,798	Common stock
Additional paid-in capital	236,563	898	-	13,306	E	250,767	Additional paid-in capital
Retained earnings	530,534	-	(3,335)	(121,615)	(7)	405,584	Retained earnings
Less: Treasury stock	(22,947)	-	-	-		(22,947)	Treasury stock
		(21,253)	-	66,686	C, E	45,433	Accumulated other comprehensive income
Accumulated other comprehensive loss							
Unrealized gain on available-for-sale securities	10,567	(10,567)	-	-		-	
Deferred loss on derivatives under hedge accounting	(993)	993	-	-		-	
Foreign currency translation adjustments	(30,827)	30,827	-	-		-	
						892,635	Total equity attributable to owners of the parent
Stock acquisition rights	898	(898)	-	-		-	
Minority interests	498,047	-	(19,370)	(204,266)	A, B, E, F	274,411	**Non-controlling interests**
Total equity	1,435,640	-	(22,705)	(245,889)		1,167,046	**Total equity**
Total liabilities and equity	4,899,705	(72,751)	15,921	407,679		5,250,554	**Total liabilities and equity**

Note: Described in "(7) Notes to the differences in recognition and measurement" on page 93.

(3) Reconciliation of equity as of March 31, 2013
(Items related to consolidated statement of financial position)

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Assets							**Assets**
Current assets							**Current assets**
Cash and deposits	1,369,135	(4,505)	74,427	-		1,439,057	Cash and cash equivalents
Notes and accounts receivable - trade	662,187	26,174	26,516	221,430	D,E	936,307	Trade and other receivables
Marketable securities	4,704	(4,704)	-	-		-	
		227,235	2,004	-		229,239	Other financial assets
Merchandise and finished products	43,846	8,021	2,401	-		54,268	Inventories
Deferred tax assets	50,580	(50,580)	-	-		-	
Other current assets	490,964	(370,795)	747	6,232	D	127,148	Other current assets
Less: Allowance for doubtful accounts	(30,219)	30,219	-	-		-	
Total current assets	2,591,197	(138,935)	106,095	227,662		2,786,019	Total current assets
Fixed assets							**Non-current assets**
Property and equipment, net	1,657,640	-	208,596	(35,621)	B, I	1,830,615	Property, plant and equipment
Intangible assets, net:							
Goodwill	734,407	-	136,551	54,014	A	924,972	Goodwill
Software	383,733	(383,733)	-	-		-	
Other intangibles	36,805	383,733	113,634	(5,489)		528,683	Intangible assets
Investments and other assets							
Investment securities	870,608	(870,608)	-	-		-	
		458,823	(259,022)	8,863	G	208,644	Investments accounted for using the equity method
		464,151	(2,197)	172,693	E	634,647	Other financial assets
Deferred tax assets	99,967	50,580	(21)	24,864		175,390	Deferred tax assets
Other assets	158,558	(69,274)	13,902	25,996	D,H,I	129,182	Other non-current assets
Less: Allowance for doubtful accounts	(16,909)	16,909	-	-		-	
Total fixed assets	3,924,809	50,581	211,443	245,320		4,432,153	Total non-current assets
Deferred charges	8,880	-	9	(8,889)		-	
Total assets	6,524,886	(88,354)	317,547	464,093		7,218,172	**Total assets**

Note: Described in “(7) Notes to the differences in recognition and measurement” on page 93.

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Liabilities							**Liabilities and equity**
Current liabilities							**Current liabilities**
		1,243,412	52,424	238,292	E, I	1,534,128	Interest-bearing debt
Accounts payable-trade	194,654	696,218	63,705	18,092	D	972,669	Trade and other payables
Short-term borrowings	813,491	(813,491)	-	-		-	
Current portion of corporate bonds	205,000	(205,000)	-	-		-	
Accounts payable-other and accrued expenses	751,690	(751,690)	-	-		-	
		4,833	-	-		4,833	Other financial liabilities
Income taxes payables	179,559	(3,096)	4,653	934		182,050	Income taxes payables
Deferred tax liability	71,975	(71,975)	-	-		-	
Current portion of lease obligations	192,603	(192,603)	-	-		-	
		1,252	350	-		1,602	Provisions
Other current liabilities	181,212	(68,189)	4,299	25,312	D, F	142,634	Other current liabilities
Total current liabilities	2,590,184	(160,329)	125,431	282,630		2,837,916	Total current liabilities
Long-term liabilities							**Non-current liabilities**
		1,721,366	188,231	264,128	E, I	2,173,725	Interest-bearing debt
Corporate bonds	734,900	(734,900)	-	-		-	
Long-term debt	354,291	(354,291)	-	-		-	
		12,981	25,673	-		38,654	Other financial liabilities
Liability for retirement benefits	14,506	-	-	-		14,506	Defined benefit liabilities
		20,847	918	-		21,765	Provisions
Deferred tax liabilities	17,940	71,975	7,230	23,834		120,979	Deferred tax liabilities
Allowance for point mileage	22,548	(22,548)	-	-		-	
Lease obligations	526,739	(526,739)	-	-		-	
Other liabilities	157,319	(116,716)	(8,552)	48,136	D, F	80,187	Other non-current liabilities
Total long-term liabilities	1,828,243	71,975	213,500	336,098		2,449,816	Total non-current liabilities
Total liabilities	4,418,427	(88,354)	338,931	618,728		5,287,732	**Total liabilities**

Note: Described in "(7) Notes to the differences in recognition and measurement" on page 93.

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Equity							**Equity**
Shareholders' equity							**Equity attributable to owners of the parent**
Common stock	238,772	-	-	-		238,772	Common stock
Additional paid-in capital	429,689	736	(125)	6,404	E	436,704	Additional paid-in capital
Retained earnings	753,616	-	(6,037)	(35,491)	(7)	712,088	Retained earnings
Less: Treasury stock	(22,834)	-	-	-		(22,834)	Treasury stock
		169,842	(1)	78,185	C,E,G	248,026	Accumulated other comprehensive income
Accumulated other comprehensive income							
Unrealized gain on available-for- sale securities	4,164	(4,164)	-	-		-	
Deferred gain on derivatives under hedge accounting	114,158	(114,158)	-	-		-	
Foreign currency translation adjustments	51,520	(51,520)	-	-		-	
						1,612,756	Total equity attributable to owners of the parent
Stock acquisition rights	736	(736)	-	-		-	
Minority interests	536,638	-	(15,221)	(203,733)	A, B, E, F	317,684	**Non-controlling interests**
Total equity	2,106,459	-	(21,384)	(154,635)		1,930,440	**Total equity**
Total liabilities and equity	6,524,886	(88,354)	317,547	464,093		7,218,172	**Total liabilities and equity**

Note: Described in “(7) Notes to the differences in recognition and measurement” on page 93.

(4) Adjustment to comprehensive income for the fiscal year ended March 31, 2013
(Items related to consolidated statement of income)

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Net sales	3,378,365	10,191	38,823	(224,843)	D	3,202,536	Net sales
Cost of sales	(1,590,740)	(9,522)	(22,918)	12,338	B,D,F,I	(1,610,842)	Cost of sales
Gross profit	1,787,625	669	15,905	(212,505)		1,591,694	**Gross profit**
Selling, general and administrative expenses	(1,042,625)	2,574	(24,757)	270,735	A,B,D, E,F,H, I	(794,073)	Selling, general and administrative expenses
Operating income	745,000						
		1,778	-	-		1,778	Income from remeasurement relating to business combination
		-	-	-		-	Other operating income
						799,399	**Operating income**
		(70,298)	(3,731)	8,732	E,I	(65,297)	Finance cost
		(11,050)	(908)	8,295	G	(3,663)	Equity in loss of associates
		(18,179)	5,117	(1,873)	E,G	(14,935)	Other non-operating loss
Non-operating income	19,779	(19,779)	-	-		-	
Non-operating expenses	(111,565)	111,565	-	-		-	
Ordinary income	653,214						
Special income	11,383	(11,383)	-	-		-	
Special loss	(14,103)	14,103	-	-		-	
Income before income taxes and minority interests	650,494	-	(8,374)	73,384	(7)	715,504	**Income before income tax**
Income taxes	(287,174)	-	1,543	7,964		(277,667)	Income taxes
Income before minority interests	363,320	-	(6,831)	81,348		437,837	**Net income**

Note: Described in “(7) Notes to the differences in recognition and measurement” on page 93.

(Items related to consolidated statement of comprehensive income)

(Millions of yen)

Presentation under JGAAP	JGAAP	Re-classification	Differences in the scope of consolidation	Differences in recognition and measurement	Notes	IFRSs	Presentation under IFRSs
Income before minority interests	363,320	-	(6,831)	81,348		437,837	**Net income**
Other comprehensive income (loss)							**Other comprehensive income (loss), net of tax**
							Items that will not be reclassified to profit or loss
		-	-	68		68	Remeasurements of defined benefit plan
						68	**Total items that will not be reclassified to profit or loss**
							Items that may be reclassified subsequently to profit or loss
Unrealized loss on available-for-sale securities	(8,121)	-	1	12,609	E	4,489	Available-for-sale financial assets
Deferred gain on derivatives under hedge accounting	117,859	-	(2,723)	-		115,136	Cash flow hedges
Foreign currency translation adjustment	65,906	-	-	(50)		65,856	Exchange differences on translating foreign operations
Share of other comprehensive income of affiliated companies accounted for using equity method	15,270	-	2,710	821		18,801	Share of other comprehensive income of associates
						204,282	**Total items that may be reclassified subsequently to profit or loss**
Total other comprehensive income	190,914	-	(12)	13,448		204,350	**Total other comprehensive income, net of tax**
Comprehensive income	554,234	-	(6,843)	94,796		642,187	**Total comprehensive income**

Note: Described in “(7) Notes to the differences in recognition and measurement” on page 93.

(5) Notes to the reclassification

The following reclassifications are made for the transition to IFRSs and do not affect retained earnings and comprehensive income.

a. Under JGAAP, investments in associates were included in investment securities. Under IFRSs, they are separately presented as investments accounted for using the equity method.

b. Under JGAAP, short-term borrowings, current portion of corporate bonds and current portion of lease obligations are presented as separate components and installment payables were included in accounts payable-other and accrued expenses. Under IFRSs, they are all included in interest-bearing debt (current). In addition, under JGAAP, corporate bonds, long-term debt and lease obligations (non-current) are presented as separate components and long-term installment payables were included in other liabilities (long term). Under IFRSs, they are all included in interest-bearing debt (non-current).

c. Under JGAAP, accounts payable - trade were presented separately. Accounts payable - other (except for installment payables) were included in accounts payable - other and accrued expenses. Deposits and other payables were included in other current liabilities. Under IFRSs, they are all included in trade and other payables.

d. All deferred tax assets and liabilities that were classified as current items under JGAAP are classified as non-current items under IFRSs.

e. Upon transition to IFRSs, sales and cost of sales arising from transactions where the Company acts as a principal are presented on a gross basis. Sales and cost of sales arising from transactions where the Company acts as an agent are presented on a net basis.

f. Finance income and cost, such as interest expense, among the amount that was presented as non-operating income, non-operating expenses, special income and special loss under JGAAP, are presented under finance income (cost), net under IFRSs.

g. Other reclassifications have been made by aggregating or separating presentation under JGAAP to be consistent with the presentation under IFRSs.

(6) Notes to the differences in the scope of consolidation

The effect of the review of the scope of consolidation under IFRSs from JGAAP is separately presented in these reconciliations.

Under JGAAP, WCP, which operates a wireless communications network using AXGP technology, was accounted for using the equity method, as the Company owns 33.3% of its voting rights. Upon transition to IFRSs, the Company determined that it has substantial control over WCP and included it into the scope of consolidation considering the fact that the Company constitutes the majority of members of WCP’s board of directors and that WCP’s business activities significantly depend on the Company.

eAccess Ltd. became Softbank Corp.’s wholly owned subsidiary effective on January 1, 2013. On January 17, 2013, SoftBank Corp. transferred certain stocks of eAccess Ltd. to 11 companies outside the Group.

Under JGAAP, SoftBank Corp.’s voting rights in eAccess Ltd. decreased to 33.3% after the transfer of stocks and eAccess Ltd. was accounted for using the equity method. Under IFRSs, SoftBank Corp. determined that it has substantial control over eAccess Ltd. and included it into the scope of consolidation, considering the fact that the economic ownership ratio of 99.5% is significantly higher than the percentage of voting rights, the proportion of voting rights is relatively large compared to other holders of voting rights due to the dispersion of voting rights, and the fact that SoftBank Corp. can practically appoint and dismiss directors of eAccess Ltd. pursuant to the stock transfer agreement executed between SoftBank Corp. and the companies outside the Group.

(7) Notes to the differences in recognition and measurement

Major adjustments to the retained earnings are as follows:

(Millions of yen)

	As of April 1, 2012	As of March 31, 2013
Retained earnings under JGAAP	530,534	753,616
Differences in the scope of consolidation	(3,335)	(6,037)
Differences in recognition and measurement		
A. Goodwill	(2,750)	60,798
B. Property, plant and equipment	(49,256)	(50,914)
C. Cumulative translation differences for foreign operations at the date of transition to IFRSs	(30,827)	(30,827)
D. Revenue recognition	(19,919)	(17,048)
E. Financial instruments	(20,370)	(14,517)
F. Employee benefits	(14,404)	(14,338)
G. Investments in associates	(231)	8,042
H. Acquisition-related costs arising from business combinations	-	(3,801)
I. Leases	(4,203)	(2,850)
Other	(6,590)	(5,094)
Tax effect on adjustments above and other tax effects	26,935	35,058
Total differences	(121,615)	(35,491)
Retained earnings under IFRSs	405,584	712,088

*A to I and “Other” in the table above are presented before net of tax effects.

Major adjustments to income before income tax are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2013
Income before income taxes and minority interests under JGAAP	650,494
Differences in the scope of consolidation	(8,374)
Differences in recognition and measurement	
A. Goodwill	64,022
B. Property, plant and equipment	(1,307)
C. Cumulative translation differences for foreign operations at the date of transition to IFRSs	-
D. Revenue recognition	2,871
E. Financial instruments	1,093
F. Employee benefits	(90)
G. Investments in associates	8,273
H. Acquisition-related costs arising from business combinations	(3,801)
I. Leases	1,353
Other	970
Total differences	73,384
Income before income tax under IFRSs	715,504

Details of major differences are as follows:

A. Goodwill

Under JGAAP, goodwill was amortized regularly over the periods in which economic benefits were reasonably expected to be realized. Under IFRSs, it is not amortized regularly and this resulted in an increase of the remaining amount of goodwill and a decrease of selling, general and administrative expenses for the year ended March 31, 2013.

An impairment test on goodwill was performed on April 1, 2012 and an impairment loss of ¥3,543 million on goodwill was recognized on April 1, 2012. The amount of the impairment loss on goodwill attributable to owners of the parent was deducted from retained earnings. The impaired goodwill is mainly related to the Fixed-line Telecommunications segment and Internet segment.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase (decrease) in goodwill	(3,543)	60,751
Decrease in non-controlling interests	793	47
Increase (decrease) in retained earnings	(2,750)	60,798

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Decrease in selling, general and administrative expenses	64,022
Increase in income before income tax	64,022

B. Property, plant and equipment

Upon transition to IFRSs, residual values and depreciation method of property, plant and equipment have been reviewed.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Decrease in property, plant and equipment	(46,257)	(47,564)
Increase in non-controlling interests	(2,999)	(3,350)
Decrease in retained earnings	(49,256)	(50,914)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Increase in cost of sales	(1,917)
Decrease in selling, general and administrative expenses	610
Decrease in income before income tax	(1,307)

C. Cumulative translation differences for foreign operations at the date of transition to IFRSs

By applying the exemption as an IFRSs first-time adopter as described above, the Company has transferred all cumulative translation differences for foreign operations to retained earnings on the date of transition to IFRSs (April 1, 2012), which has resulted in a decrease in retained earnings by ¥30,827 million.

D. Revenue recognition

a. Under JGAAP, commission fees related to sales of mobile handsets that the Company pays to dealers of mobile handsets were expensed as incurred. Under IFRSs, the amount of commission fees expected to occur in the future is deducted from the related revenues.

b. Under JGAAP, activation fees and upgrade fees were recognized as revenues upon receipt. Under IFRSs, they are deferred upon entering into the contract and recognized as revenues over the estimated average contract period and estimated average usage period of handsets. Direct costs related to activation are deferred to the extent that the activation fees and upgrade fees are amortized over the same periods.

c. Under JGAAP, an allowance for point mileage was accrued based on the estimated future obligation arising from point service to customers and provisions for the allowance were expensed as selling, general and administrative expenses. Under IFRSs, point services are recognized individually as goods to be transferred or services to be provided in the future. The fair value of benefits exchanged with points is deducted from revenues and revenues are recognized when customers use those points.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase in trade and other receivables	-	1,226
Increase in other current assets	10,009	14,462
Increase in other non-current assets	38,942	45,990
Increase in trade and other payables	(19,919)	(18,274)
Increase in other current liabilities	(10,009)	(14,462)
Increase in other non-current liabilities	(38,942)	(45,990)
Decrease in retained earnings	(19,919)	(17,048)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Decrease in net sales	(224,843)
Decrease in cost of sales	11,501
Decrease in selling, general and administrative expenses	216,213
Increase in income before income tax	2,871

E. Financial instruments

a. Under JGAAP, convertible bonds with stock acquisition rights were recognized as a whole and presented as a liability. Under IFRSs, stock acquisition rights embedded in convertible bonds are recognized separately and presented as additional paid-in capital. They are measured as the difference between the entire fair value of the convertible bonds with stock acquisition rights and the fair value of similar bonds with no stock acquisition rights. Also, under JGAAP, transaction costs related to the issuance of bonds are recognized as an asset and amortized over the redemption period. Under IFRSs, they are allocated to the liability and equity components in proportion to the carrying amounts. The costs related to liability are reflected in the measurement of amortized cost of the bond and recognized as expenses over the redemption period. The cost related to stock acquisition rights is deducted from equity.

b. Under JGAAP, commission fees related to borrowing were expensed as incurred. Under IFRSs, they are included in measuring the liability at amortized cost and recognized as an expense over the redemption period.

c. Under JGAAP, financial assets related to securitization transactions were derecognized when control over financial components of the financial assets is transferred to a third party. Under IFRSs, financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset. Therefore, for certain securitization transactions that previously qualified for extinguishment of financial assets under JGAAP, securitized receivables are recognized retrospectively and accompanying liabilities are recognized as borrowings under IFRSs since they are not qualified for derecognition of financial assets under IFRSs.

d. Under JGAAP, unlisted shares were measured based on their historical costs and impaired as necessary. Under IFRSs, they are classified as available-for-sale financial assets and measured at their fair values.

e. Under JGAAP, advances to dealers for installment sales receivables of mobile handsets were recognized as account-trade receivables by the amount under the installment contract, less allowance for doubtful accounts. Under IFRSs, the receivables arising from advances to dealers are recognized as trade and other receivables or other financial assets (non-current), while commission is expensed. Commission consists of credit risk, collecting costs and interest due to the passage of time.

f. Under JGAAP, preferred securities issued by a subsidiary were accounted for as equity transactions. Under IFRSs, they are accounted for as interest-bearing debt and measured at amortized cost using the effective interest method as it is necessary to deliver cash to owners of preferred securities in the future.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase in trade and other receivables	163,745	220,204
Increase in other financial assets (non-current)	155,640	172,693
Increase in interest-bearing debt (current)	(205,229)	(238,245)
Increase in interest-bearing debt (non-current)	(253,987)	(264,087)
Increase in additional paid-in capital (before tax)	(22,366)	(22,035)
Increase in accumulated other comprehensive income (before tax)	(56,170)	(71,529)
Decrease in non-controlling interests	204,413	204,135
Other	(6,416)	(15,653)
Decrease in retained earnings	(20,370)	(14,517)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Increase in selling, general and administrative expenses	(5,463)
Decrease in finance cost	8,457
Increase in other non-operating loss	(1,901)
Increase in income before income tax	1,093

(Consolidated statements of comprehensive income)	Fiscal year ended March 31, 2013
Increase in available-for-sale financial assets	12,609
Increase in other comprehensive income (net of tax)	12,609

F. Employee benefits

a. Upon transition to IFRSs, unused paid absences and long-term employee benefits are recognized as liabilities.

b. Under JGAAP, unrecognized actuarial gains and losses of retirement benefit obligations in the defined benefit plans were expensed as incurred in principle. Under IFRSs, they are recognized as other comprehensive income and transferred to retained earnings as incurred.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase in other current liabilities	(12,002)	(11,817)
Increase in other non-current liabilities	(3,783)	(3,952)
Decrease in non-controlling interests	1,381	1,431
Decrease in retained earnings	(14,404)	(14,338)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Increase in cost of sales	(9)
Increase in selling, general and administrative expenses	(81)
Decrease in income before income tax	(90)

G. Investments in associates

Under JGAAP, goodwill related to investments accounted for using the equity method was amortized equally over the periods in which economic benefits were reasonably expected to be realized. Under IFRSs, it is not amortized regularly, and resulting in an increase in investments accounted for using the equity method for the year ended March 31, 2013. As of April 1, 2012, the entire investment over associates, including goodwill, is tested for impairment. As a result, as of April 1, 2012, the Company recognized an impairment loss of ¥231 million and deducted it from retained earnings.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase (decrease) in investments accounted for using the equity method	(231)	8,863
Increase in accumulated other comprehensive income (before tax)	-	(821)
Increase (decrease) in retained earnings	(231)	8,042

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Increase in other non-operating loss	(22)
Increase in equity in income of associates	8,295
Increase in income before income tax	8,273

H. Acquisition-related costs arising from business combinations

Under JGAAP, acquisition-related costs arising from business combinations are recognized as an asset when they are regarded as consideration for the acquisitions. Under IFRSs, they are expensed as incurred or when services are rendered as transaction costs, directly attributable to business combinations, which have resulted in a decrease in other non-current assets.

The effect arising from the differences is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Decrease in other non-current assets	-	(3,801)
Decrease in retained earnings	-	(3,801)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Increase in selling, general and administrative expenses	(3,801)
Decrease in income before income tax	(3,801)

I. Leases

Under JGAAP, finance lease transactions in which the ownership of leased assets was not transferred to lessees and that are contracted before April 1, 2008, are accounted for as operating lease transactions as permitted exceptionally. Under IFRSs, leased assets and lease obligations are recognized. Accordingly, provisions for impairment of leased assets which were previously included in other liabilities (non-current) under JGAAP are offset by property, plant and equipment. Long-term prepaid lease expenses are offset by lease obligations.

The effect arising from the difference is summarized as follows:

(Millions of yen)

(Consolidated statements of financial position)	As of April 1, 2012	As of March 31, 2013
Increase in property, plant and equipment	104,973	11,943
Decrease in other non-current assets	(22,676)	(16,059)
Increase in interest-bearing debt (current)	(4,619)	(47)
Increase in interest-bearing debt (non-current)	(84,023)	(41)
Other	2,142	1,354
Decrease in retained earnings	(4,203)	(2,850)

(Consolidated statements of income)	Fiscal year ended March 31, 2013
Decrease in cost of sales	1,066
Decrease in selling, general and administrative expenses	12
Decrease in finance cost	275
Increase in income before income tax	1,353

(8) Notes to reconciliation of cash flows

The adjustment of cash flows for the year ended March 31, 2013

(Millions of yen)

(Consolidated statements of cash flows)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities
JGAAP	894,460	(919,770)	365,494
Differences in the scope of consolidation	5,687	41,725	20,667
Differences in recognition and measurement			
a. Securitization transactions	(51,081)	-	51,081
b. Measuring financial liabilities at amortized costs	(23,571)	-	23,571
Other	(12,470)	3,901	10,664
Total differences	(87,122)	3,901	85,316
IFRSs	813,025	(874,144)	471,477

Major differences in recognition and measurement are as follows:

a. Securitization transactions

Under JGAAP, securitization transactions qualifying for extinguishment of financial assets were included in cash flows from operating activities. Under IFRSs, certain securitized receivables are recognized for securitization transactions that are not qualified for derecognition of financial assets and accompanying liabilities are accounted for as borrowings. Accordingly, an increase or decrease in borrowings is included in cash flows from financing activities. As a result, cash flows from operating activities decreased with a corresponding increase in cash flows from financing activities.

b. Measuring financial liabilities at amortized costs

Under JGAAP, commission fees related to borrowings and corporate bonds were included in cash flows from financing activities. Under IFRSs, due to measuring borrowings and corporate bonds at amortized costs, commission fees are included in cash flows from operating activities. As a result, cash flows from operating activities decreased with a corresponding increase in cash flows from financial activities.