April 1, 2013
SoftBank Corp.

Change in Scope of Consolidation of a Subsidiary

SoftBank Corp. (the "**Company**") announced that GungHo Online Entertainment, Inc. (JASDAQ Standard, code 3765, "**GungHo Online Entertainment**"), which was an affiliate of the Company accounted for under the equity method, became a consolidated subsidiary of the Company as of April 1, 2013.

1. Reason for the change in scope of consolidation of a subsidiary and its method

Masayoshi Son, chairman and CEO of the Company, has reportedly agreed to a Memorandum of Understanding on Exercise of Voting Rights for Deferment of Execution of Pledges with respect to GungHo Online Entertainment's shares on April 1, 2013, with Heartis Inc. (number of shares held (see Note 1 below): 213,080 shares; Holding Rate (see Note 2 below): 18.5%; "**Heartis**") (the "**MOU**"), which is GungHo Online Entertainment's second largest shareholder and Taizo Son's asset management company and which has Taizo Son, chairman of GungHo Online Entertainment, as its representative director. Under the MOU, in order to have Son Holdings Inc. ("**Son Holdings**"), a director of which is Masayoshi Son and which is Masayoshi Son's asset management company, defer the execution of pledges over GungHo Online Entertainment's shares held by Heartis, Heartis has reportedly agreed, effective as of April 1, 2013, to the effect that at the shareholders meeting of GungHo Online Entertainment Heartis will exercise the voting rights in all of GungHo Online Entertainment's shares it holds in accordance with Masayoshi Son's instructions. Further, the Company has adopted the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2014, so when the MOU becomes effective, SoftBank BB Corp. (number of shares held: 387,440 shares; Holding Rate: 33.63%; "**SoftBank BB**"), all of the voting rights in which are owned by the Company, and Masayoshi Son, who has a close relationship with the Company, will together come to represent a majority of the voting rights in GungHo Online Entertainment's shares (number of voting rights represented by the total of 600,520 shares held by SoftBank BB and Heartis: 600,520 rights; voting right Holding Rate (see Note 3 below): 52.13%), as a result of which GungHo Online Entertainment became a consolidated subsidiary of the Company (see Note 4 below).

Notes
1. GungHo Online Entertainment has carried out a share split, effective April 1, 2013, at a ratio of 10 shares for every 1 share (the "**Share Split**"). As a result, the number of GungHo Online Entertainment's shares is set out using the figure calculated by multiplying the number of shares before GungHo Online Entertainment's Share Split by 10 and converting that quotient to the number of shares after GungHo Online Entertainment's Share Split (the "**Number of Shares After GungHo Online Entertainment's Share Split**").
2. "**Holding Rate**" means the percentage (rounded off to the second decimal place; the same applies to all calculations below) of the number of shares held accounted for by the number of shares (1,152,010 shares) calculated by adding (i) the number of shares (1,149,810 shares) calculated by multiplying by 10 the total number of GungHo Online Entertainment's outstanding shares as at December 31, 2012 (114,981 shares) set out in the 16th Securities Report filed by GungHo Online Entertainment on March 22, 2013, to (ii) the number of shares (2,200 shares) calculated by multiplying by 10 the number of GungHo Online Entertainment's Shares (220 shares) that are subject to the number of options as at December 31, 2012 (44 options) that are series 1 options that were issued on July 30, 2004 (the "**Series 1 Options**") pursuant to GungHo Online Entertainment's extraordinary shareholder meeting resolution adopted on May 17, 2004, and extraordinary board of directors resolution adopted on June 21, 2004, that are set out in that Securities Report.
3. The voting right Holding Rate (rounded off to the second decimal place; the same applies

to all calculations below) is calculated using the number of voting rights (1,152,010 rights) relating to the Number of Shares After GungHo Online Entertainment's Share Split (1,152,010 shares) as the denominator, which is based on the number of shares (115,201 shares; the Number of Shares After GungHo Online Entertainment's Share Split: 1,152,010 shares) calculated by adding (i) the total number of GungHo Online Entertainment's outstanding shares as at December 31, 2012 (114,981 shares; the Number of Shares After GungHo Online Entertainment's Share Split: 1,149,810 shares) set out in the 16th Securities Report filed by GungHo Online Entertainment on March 22, 2013, to (ii) the number of GungHo Online Entertainment's Shares (220 shares; the Number of Shares After GungHo Online Entertainment's Share Split: 2,200 shares) that are subject to the number of the Series 1 Options as at December 31, 2012 (44 options) that are set out in that Securities Report.

4. As announced in the press release "Commencement of Tender Offer by a Consolidated Subsidiary (SoftBank Mobile Corp.) issued on March 25, 2013, SoftBank Mobile Corp. ("**SoftBank Mobile**"), all of voting rights of which are owned by the Company, has resolved at its board of directors meeting on March 25, 2013, to acquire by tender offer (the "**Tender Offer**") the ordinary shares of GungHo Online Entertainment. The tender offer period is from April 1, 2013 to April 26, 2013. If the Tender Offer is successful, SoftBank Mobile and SoftBank BB (number of shares held: 387,440 shares; Holding Rate: 33.63%), all of each voting rights of which are owned by the Company, will together own a total of 460,840 GungHo Online Entertainment's shares (Holding Rate: 40.00%), and when the MOU takes effect, the Company will, together with Masayoshi Son, who has a close relationship with the Company, come to represent a majority of the voting rights in GungHo Online Entertainment's shares (the total number of voting rights represented by the total of 673,920 shares held by SoftBank Mobile, SoftBank BB, and Heartis: 673,920 rights; the voting right Holding Rate: 58.50%), so even if Japanese generally accepted accounting practices were applied, GungHo Online Entertainment would come to correspond to a consolidated entity of the Company pursuant to effective control criteria.

2. Outline of GungHo Online Entertainment

1	Name	GungHo Online Entertainment, Inc.	
2	Address	3-8-1 Marunouchi, Chiyoda-ku, Tokyo	
3	Name and Title of Representative	Kazuki Morishita, Representative director, President and CEO	
4	Business Description	Plan, development, operation and distribution of Internet online game Plan and development of mobile content Plan, development and sales of character goods Plan, development and distribution of other entertainment content	
5	Stated Capital	JPY 5,332,504,000 (as of December 31, 2012)	
6	Date of Incorporation	July 1, 1998	
7	Major Shareholders and Shareholding Rate (as of December 31, 2012)	SoftBank BB Corp.	33.69%
		Heartis Inc.	18.53%
		ASIAN GROOVE GOUDOU GAISHA	14.49%
		Japan Trustee Services Bank, Ltd. (Trust Account)	1.32%
		Kazuki Morishita	1.31%
		The Master Trust Bank of Japan, Ltd (Trust Account)	1.07%
		BNY GCM CLIENT ACCOUNT JP RD AC ISG (FE-AC) Standing proxy: Bank of Tokyo–Mitsubishi UFJ, Ltd	1.01%
		Sun Chlorella Corporation	0.92%
		Key Light, Inc.	0.86%

	Osaka Securities Finance Co., Ltd.		0.56%
8 Relationship between the Company and GungHo Online Entertainment	Capital Relationship	There is no capital relationship between the Company and GungHo Online Entertainment to be specified. SoftBank BB, a fellow subsidiary of the Company owns 387,440 shares (Holding Rate: 33.63%) of GungHo Online Entertainment's Shares.	
	Personnel Relationship	Norikazu Oba, assistant to the Manager of the finance Department and group manager of Finance Management of the Company concurrently serves as a director of GungHo Online Entertainment.	
	Business Relationship	SoftBank Mobile, whose 100% voting rights are held by the Company records sales from GungHo Online Entertainment. The Company delegates advisory service to Heartis, whose 100% voting rights are indirectly held by Taizo Son, a representative chairman of GungHo Online Entertainment.	
	Status of Applicability to the Related Party	GungHo Online Entertainment is an equity method affiliate of the Company as of April 1, 2013, and it applies to the related party of the Company.	

9 Financial condition and operating results of last 3 years

Fiscal Year-end	Dec. 2010	Dec. 2011	Dec. 2012
Consolidated total equity	JPY 9,482 million	JPY 10,794 million	JPY 19,391 million
Consolidated total assets	JPY 13,345 million	JPY 14,200 million	JPY 25,085 million
Consolidated total equity per share	JPY 54,005.82	JPY 65,016.97	JPY 142,919.74
Consolidated net sales	JPY 9,240 million	JPY 9,607 million	JPY 25,821 million
Consolidated operating income	JPY 1,844 million	JPY 1,176 million	JPY 9,298 million
Consolidated ordinary income	JPY 2,453 million	JPY 1,545 million	JPY 9,355 million
Consolidated net income	JPY 1,936 million	JPY 1,657 million	JPY 8,209 million
Consolidated net income per share	JPY 16,873.60	JPY 14,422.62	JPY 71,420.18
Cash dividends per share	JPY—	JPY—	JPY—

3. Outline of the company which has agreed to exercise the voting rights in all of the shares it holds in GungHo Online Entertainment in accordance with the instructions of Masayoshi Son, chairman and CEO, who has a close relationship with the Company.

(1)	Name	Heartis Inc.	
(2)	Address	2-6-3 Nishi Gotanda, Shinagwa ku,Tokyo	
(3)	Name and Title of Representative	Taizo Son, chairman	
(4)	Business Description	Asset management, management consulting operations	
(5)	Stated Capital	JPY 1 million	
(6)	Date of Incorporation	November 8, 2006	
(7)	Major Shareholders and Shareholding Rate	100% voting rights are indirectly held by Taizo Son	
(8)	Relationship between the Company and Heartis	Capital Relationship	There is no capital relationship between the Company and Heartis to be specified.
		Personnel Relationship	There is no capital relationship between the Company and Heartis to be specified.
		Business Relationship	SoftBank Mobile, whose 100% voting rights are held by the Company, delegates advisory service to Heartis
		Status of Applicability to the Related Party	A close relative of a director and major shareholder of the Company holds 100% of the voting rights of Heartis indirectly, and it applies to the related party of the Company.

4. Shares and voting rights held

(1)	(Before change in scope) Number of shares held by SoftBank BB	387,440 shares (Number of voting rights: 387,440 rights) (Voting right Holding Rate: 33.63%)
(2)	(Before change in scope) Number of shares held by Heartis)	213,080 shares (Number of voting rights: 213,080 rights) (Voting right Holding Rate: 18.50%)
(3)	(After change in scope) Number of shares held by SoftBank BB and Heartis	600,520 shares (Number of voting rights: 600,520 rights (Voting right Holding Rate: 52.13%)

(Note) The number of voting rights represented by the number of shares held is set out using the number of voting rights represented by Number of Shares After GungHo Online Entertainment's Share Split.

5. Schedule

April 1, 2013

6. Future prospects

The Company has adopted the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2014. As a result of GungHo Online Entertainment becoming a consolidated subsidiary, the Company will re-measure the fair value of the existing shares held. The impact of this on the Company's consolidated statement of income for the first quarter of the fiscal year ending March 31, 2014 is expected to be a gain of approximately JPY 150.0 billion.

The impact of consolidating GungHo Online Entertainment's financial results into the consolidated financial results from April 1, 2013 will be announced once they are verified.

(Ref.) Forecast for the fiscal year ending March 31, 2013 and actual results for the fiscal year ended March 31, 2012.

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Fiscal year ending March 2013 Forecast	—	—	—	—
Fiscal year ended March 2012 Actual	3,202,435	675,283	573,651	313,752

The Group is continuing to focus on network expansion and customer acquisition in the Mobile Communications segment. As its customer base continues to expand steadily from these efforts, the Group's earnings base will increase. As a result, the Group is forecasting a year-on-year increase in both consolidated net sales and operating income, and is confidently projecting that consolidated operating income will exceed JPY 700 billion for its fiscal year ending March 31, 2013.