May 7, 2014
SoftBank Corp.

Announcement Concerning Year-on-year Consolidated Results of Operations Comparison for the Fiscal Year Ended March 31, 2014

SoftBank Corp. (the "Company") announced the following consolidated results of operations comparison between the fiscal year ended March 31, 2014 (from April 1, 2013 to March 31, 2014) and the fiscal year ended March 31, 2013 (from April 1, 2012 to March 31, 2013), and the earnings forecasts disclosed in the Consolidated Financial Report for the six-month period ended September 30, 2013.

1. Comparison of the consolidated results of operations

	Net sales	Operating income	Income before income tax	Net income	Net income attributable to owners of the parent
Fiscal year ended March 31, 2013 (A)	JPY mil 3,202,536	JPY mil 799,399	JPY mil 715,504	JPY mil 437,837	JPY mil 372,481
Earnings forecasts (B)	At least JPY 6 trillion	At least JPY 1 trillion	-	-	-
Fiscal year ended March 31, 2014	JPY mil 6,666,651	JPY mil 1,085,362	JPY mil 932,367	JPY mil 586,149	JPY mil 527,035
Change % compared to (A)	% 108.2	% 35.8	% 30.3	% 33.9	% 41.5
Change % compared to (B)	% 11.1	% 8.5	-	-	-

2. Reasons for the fluctuation

The reasons for the fluctuation in results of operations in the fiscal year ended March 31, 2014 compared to results in the previous fiscal year are described in the analysis of consolidated results of operations below. Net sales significantly exceeded the forecast due to the impact of consolidating Brightstar Corp. ("Brightstar") from January 30, 2014, as well as increases in the number of subscribers and units sold[1] at SoftBank Mobile Corp. surpassing the forecasts.

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

Analysis of consolidated results of operations

(a) Net Sales

Net sales totaled JPY 6,666,651 million, for a JPY 3,464,115 million (108.2%) year-on-year increase. This was mainly due to recording sales of JPY 2,601,031 million in the newly added Sprint segment from the second quarter. Apart from this, the Mobile Communications segment also recorded a JPY 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. ("GungHo") from April 2013, WILLCOM, Inc. from July 2013, Supercell Oy ("Supercell") from October 31, 2013, and Brightstar from January 30, 2014, as well as increases in the number of 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 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 JPY 2,342,328 million (145.4%) year on year to JPY 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, and the rise in cost of goods in line with an increase in the number of smartphones, especially iPhone,[2] sold at SoftBank Mobile Corp. caused part of the overall 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 JPY 1,032,502 million (130.0%) year on year to JPY 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 JPY 253,886 million, an increase of JPY 252,108 million year on year. This corresponds to income of JPY 150,120 million and JPY 103,766 million recognized following reevaluation at fair value of the

[2] iPhone is a trademark of Apple Inc. The iPhone trademark is used under license from Aiphone K.K.

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.

(e) Other Operating Income and Loss

Other operating loss was JPY 55,430 million (not recorded in the previous fiscal year). This primarily reflected the recording of impairment loss of JPY 32,090 million, as well as severance costs associated with reduction in the workforce of Sprint of JPY 18,307 million.

(f) Operating Income

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

(g) Finance Cost

Finance cost rose JPY 206,181 million (315.8%) year on year to JPY 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 JPY 74,402 million, an improvement of JPY 78,065 million year on year (equity in loss of associates of JPY 3,663 million was recorded for the previous fiscal year). The increase was mainly due to recording equity in income of associates of JPY 66,780 million related to Alibaba Group Holding Limited.

(i) Other Non-operating Income and Loss

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

i. Gain on sales of associates' stocks increased JPY 32,221 million year on year to JPY 33,058 million. This was mainly due to the sale of shares of PPLive Corporation in December 2013.
ii. Interest income increased JPY 17,906 million year on year to JPY 21,015 million.
iii. Derivative loss was JPY 19,588 million, deteriorated by JPY 31,465 million year on year.

(j) Income before Income Tax

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

(k) Income Taxes

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

(l) Net Income

As a result of (j) to (k), net income totaled JPY 586,149 million, for a JPY 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 JPY 527,035 million, for a JPY 154,554 million (41.5%) increase year on year.