eAccess Ltd.

RESULTS OF OPERATIONS AND FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2012

This document contains our projections and other "forward-looking statements" that reflect eAccess' current expectations and projections, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments, and anticipated regulatory changes in the markets in which we operate or intend to operate. These forward-looking statements involve risks and uncertainties and are not guarantees of future performance. They are based on numerous assumptions and our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may materially differ from these forward-looking statements. These forward-looking statements speak only as of the date hereof and we undertake no obligation to update or revise any forward looking statements.

Solely for your convenience, this document contains translations of certain Japanese yen amounts into U.S. dollar amounts. Unless indicated otherwise, the Japanese yen amounts in this document were converted into U.S. dollars at the exchange rate of \$1.00 = ¥86.64, the exchange rate in effect as of December 31, 2012, as set forth in the H.10 weekly statistical release of the Board of Governors of the Federal Reserve System of the United States. The translations into U.S. dollars set forth herein are for convenience only and are not audited. No representation is made that the Japanese yen amounts have been, could have been or could be converted into U.S. dollars at such rates or any other rate.

1. Qualitative Information regarding Settlement of Accounts for the Nine Months Ended December 31, 2012

(1) Qualitative Information regarding Operating Results

Based on a share exchange agreement concluded between eAccess Ltd. ("the Company") and SOFTBANK CORP. ("SOFTBANK") on October 1, 2012 and a change agreement concluded on November 2, 2012 to make a partial change to the share exchange agreement, the Company carried out a share exchange on January 1, 2013 (effective date) whereby SOFTBANK became the wholly-owning parent company of the Company. In advance of the effective date, on December 26, 2012 the common shares of the Company were delisted from Tokyo Stock Exchange, Inc.
Through this share exchange, by becoming a member of the SOFTBANK Group, establishing a structure that will allow the two companies to combine management resources swiftly and efficiently, and accelerating the penetration of the mobile broadband service, we will work for business expansion and improvement in corporate value across the whole group.
Because SOFTBANK transferred some of the shares of the Company to companies outside its group on January 17, 2013, the Company is now an equity method affiliate of SOFTBANK.

In the nine months ended December 31, 2012, the Company worked to reinforce its own distribution channel and deployed marketing initiatives concentrating on "EMOBILE LTE," resulting in growth in the accumulated total number of subscribers in the Mobile Business, which provides mobile broadband communication services under the EMOBILE brand. As a result, the Company's revenue increased by 9.6% year on year to ¥163,479 million. With respect to profits, on the other hand, operating profit decreased by 29.7% year on year to ¥13,374 million. This was the result of an increase in costs in the Mobile Business including an increase in sales personnel expenses for the reinforcement of the Company's own distribution channel and an increase in operating expenses associated with maintaining customers, as well as a sales decline in the Fixed Broadband Business due to a decrease in ADSL subscribers.
In addition, recurring profit decreased by 48.4% year on year to ¥5,018 million due to the recording of ¥6,980 million in interest expense as non-operating expenses. Subsidy income for the replacement of existing equipment for operation of the LTE service and contribution for the shared network facilities, etc. of ¥1,850 million were recorded as non-recurring profit, while on the other hand loss on disposition of fixed assets for the equipment that was replaced and loss on the above-mentioned business integration with SOFTBANK, etc. of ¥9,474 million were recognized as non-recurring loss. Additionally, income tax expense–deferred of minus ¥1,182 million was recorded, and as a result, net loss of ¥1,433 million was recorded (compared to net income of ¥5,501 million in the same period of the previous fiscal year).

Operating results by segment are as follows.

A. Mobile Business

(¥ in millions)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase/decrease	%
Revenue	114,746	136,365	21,619	18.8
Segment profit (operating profit)	7,591	5,436	(2,155)	(28.4)

	3Q FY3/2012	3Q FY3/2013	Increase/decrease	%
Net increase in subscribers (thousands)	221	33	(188)	(85.1)
Accumulated total subscribers (thousands)	3,800	4,292	492	12.9
ARPU (yen/month)	2,730	2,700	(30)	(1.1)
Monthly churn rate (%)	1.54	1.48	(0.06)	–

* ARPU: Average Revenue Per User (amounts less than ¥10 are rounded off)

In the Mobile Business in the nine months ended December 31, 2012, mainly due to steady growth in the accumulated total number of subscribers, revenue was ¥136,365 million, up 18.8% year on year. During the nine months ended December 31, 2012, the number of subscribers grew mainly for "EMOBILE LTE" through the Company's own distribution channel including mass retailers, despite a decline in customer acquisitions through wholesale channels for mobile broadband lines and cancellations due to two-year contract completions. The Company thus had accumulated total number of subscribers of 4,292 thousand as of December 31, 2012, up 492 thousand, or 12.9%, from December 31, 2011. On the other hand, segment profit (operating profit) in the nine months ended December 31, 2013 was ¥5,436 million, down 28.4%. This was primarily the result of an increase in costs including an increase in sales personnel expenses for the reinforcement of the Company's own distribution channel, and an increase in operating expenses associated with maintaining customers.
As of December 31, 2012, nationwide service coverage in population terms was 94%.

(Note) Effective from the first quarter ended June 30, 2012, a change has been made from nationwide service coverage in real population terms to nationwide service coverage in population terms as defined by the Ministry of Internal Affairs and Communications, calculated on the basis of whether communication is possible at the sites of city, town or village government offices.

Number of Subscribers

EMOBILE added a net 33 thousand subscribers during the third quarter ended December 31, 2012, down 85.1% from the net figure in the same period of the previous fiscal year. The net figure shows the difference between the number of new subscriptions and cancellations. This was mainly because of a lack of 3G line customer acquisitions at major wholesalers, in addition to all customers on two-year, long-term contract discounts opting to cancel their contracts upon completion.

ARPU (Average Revenue Per User)

Average revenue per user for the third quarter ended December 31, 2012 declined by 1.1% year on year to ¥2,700. The main factor in this decline was a fall in ARPU in the Company's own distribution channel due to shifts by existing customers to other services, despite a decrease in the rate of accumulated subscribers through wholesale channels, which have relatively low monthly charges.

Monthly Churn Rates

Although the monthly churn rate for the third quarter ended December 31, 2012 fell 0.06 percentage points year on year to 1.48%, there was no particular factor with a significant impact on the year-on-year comparison.

B. Fixed Broadband Business

(¥ in millions)

	Nine months ended December 31, 2011	Nine months ended December 31, 2012	Increase/decrease	%
Revenue	34,378	27,114	(7,264)	(21.1)
Segment profit (operating profit)	11,435	7,938	(3,497)	(30.6)

	3Q FY3/2012	3Q FY3/2013	Increase/decrease	%
ADSL accumulated total subscribers (thousands)	1,661	1,290	(371)	(22.3)
ADSL ARPU (yen/month)	1,998	1,977	(21)	(1.1)
ADSL monthly churn rate (%)	1.97	2.29	0.32	–

* ARPU: Average Revenue Per User (amounts less than ¥1 are rounded off)

In the Fixed Broadband Business, the accumulated total number of subscribers was down because the number of cancellations exceeded the number of new subscriptions, mainly due to the penetration of new, high-speed mobile broadband communications such as LTE. This was despite joint efforts with Internet service providers and other partners, to which the Company sells ADSL lines as a wholesaler, to attract new customers and suppress churn rates. The accumulated total number of ADSL subscribers as of December 31, 2012 declined by 22.3% year on year to 1,290 thousand.
As a result, revenue for the nine months ended December 31, 2012 declined by 21.1% year on year to ¥27,114 million and segment profit (operating profit) declined by 30.6% year on year to ¥7,938 million.

(2) Qualitative Information regarding Financial Condition

A. Status of Assets, Liabilities, and Net Assets
As of December 31, 2012, current assets, tangible fixed assets, and intangible fixed assets amounted to ¥124,576 million, ¥152,497 million, and ¥31,312 million, respectively; compared to the previous fiscal year-end, they showed an increase of ¥2,403 million, an increase of ¥4,277 million, and a decrease of ¥9,192 million, respectively. The increase in current assets was due mainly to a decrease of ¥8,489 million in cash and deposits, an increase of ¥802 million in accounts receivable–trade, a decrease of ¥237 million in merchandise, an increase of ¥1,234 million in prepaid expenses, and an increase of ¥9,147 million in accounts receivable–other. Additionally, investments and other assets stood at ¥45,981 million, up ¥5,685 million compared to the previous fiscal year-end. This was mainly due to an increase of ¥5,924 million in derivatives. As a result, total assets came to ¥355,116 million, an increase of ¥2,804 million compared to the previous fiscal year-end.
As of December 31, 2012, current liabilities amounted to ¥111,639 million, an increase of ¥26,530 million compared to the previous fiscal year-end. This was due mainly to an increase of ¥6,300 million in short-term debt, an increase of ¥6,573 million owing to repayment of the current portion of long-term debt and transfer of long-term debt to the current portion, an increase of ¥1,099 million in other accounts payable, and the recording of ¥2,620 million of allowance for loss on business integration. Long-term liabilities amounted to ¥161,809 million, a drop of ¥19,023 million compared to the previous fiscal year-end. This was due mainly to a decrease of ¥10,196 million in long-term debt, less current portion, and a decrease of ¥7,997 million mainly from the advance redemption of subscription rights to shares attached to convertible bonds due 2016. As a result, total liabilities came to ¥273,448 million, an increase of ¥7,507 million compared to the previous fiscal year-end.
As of December 31, 2012, net assets came to ¥81,668 million, a decrease of ¥4,703 million compared to the previous fiscal year-end. This was due mainly to the recording of net loss of ¥1,433 million, cash dividends of ¥2,866 million, retirement of preferred stock (treasury stock) of ¥2,774 million, and an increase of ¥1,802 million in deferred gains on hedges.

B. Analysis of Cash Flows
Cash and cash equivalents as of December 31, 2012 amounted to ¥29,796 million. This represents a decrease of ¥11,973 million compared to December 31, 2011.

(Cash Flows from Operating Activities)
Net cash provided by operating activities decreased ¥8,434 million year on year to ¥37,461 million. The main factors in this were the addition of ¥28,739 million in depreciation, which is a non-fund item, ¥3,854 million in loss on disposition of fixed assets and ¥2,863 million in loss on business integration to ¥2,606 million in loss before income taxes, as well as ¥3,797 million used in reducing accounts payable–trade and other accounts payable.

(Cash Flows from Investing Activities)
Net cash used in investing activities increased ¥3,833 million year on year to ¥31,438 million. The main factor in this was ¥32,852 million used in purchase of fixed assets.

(Cash Flows from Financing Activities)
Net cash used in financing activities decreased ¥5,265 million year on year to ¥14,652 million. The main factors in this were ¥13,875 million in proceeds from sales and redemption by installment payment, ¥13,341 million in repayments of installment obligations, a net income of ¥6,300 million caused by borrowing and repayments of short-term debt, a net payment of ¥3,623 million caused by borrowing and repayments of long-term debt, ¥12,240 million in redemption of bonds, ¥2,774 million used in purchase of preferred stock, and ¥2,178 million in dividends paid.

2. Summary Information (Notes)

(1) Change in accounting policies, change in accounting estimates, and restatement of prior period financial statements after error corrections

(Change in accounting policy that is difficult to distinguish from change in accounting estimate)
Effective from the first quarter ended June 30, 2012, following the revision of the Corporation Tax Act, for tangible fixed assets acquired on or after April 1, 2012, the Company applied the depreciation method in compliance with the revised Corporation Tax Act to “leasehold improvements” and “tools, furniture and fixtures,” to which the declining-balance method was applied.
As a result of this change, compared with the corresponding amounts under the previous method, operating profit and recurring profit in the nine months ended December 31, 2012 each increased by ¥25 million and loss before income taxes in the nine months ended December 31, 2012 decreased by ¥25 million.

3. Financial Statements

(1) Balance Sheets

(As of March 31, 2012 and December 31, 2012)

	(¥ in millions)	(¥ in millions)	($ in thousands)
	Prior Year End (As of March 31, 2012)	Current 3rd-qtr End (As of December 31, 2012)	
(ASSETS)			
Current assets			
Cash and deposits	40,066	31,578	364,474
Accounts receivable-trade	36,595	37,397	431,637
Merchandise	4,415	4,179	48,234
Accounts receivable-other	32,163	41,310	476,801
Income taxes receivable	3	1	12
Other current assets	12,389	13,054	150,669
Allowance for bad debt	(3,457)	(2,941)	(33,945)
Total current assets	122,173	124,576	1,437,858
Fixed assets			
Tangible fixed assets			
Wireless telecommunications equipments	115,533	114,472	1,321,237
Others, net	32,687	38,025	438,885
Total tangible fixed assets	148,220	152,497	1,760,122
Intangible fixed assets	40,504	31,312	361,404
Investments and other assets			
Investments and others	40,470	46,157	532,745
Allowance for bad debt	(174)	(176)	(2,031)
Total investments and other assets	40,296	45,981	530,713
Total fixed assets	229,020	229,790	2,652,239
Deferred assets			
Bond issuance cost	1,119	750	8,657
Total deferred assets	1,119	750	8,657
TOTAL ASSETS	352,312	355,116	4,098,753

Balance Sheets (Continued)

(As of March 31, 2012 and December 31, 2012)

	(¥ in millions)	(¥ in millions)	($ in thousands)
	Prior Year End (As of March 31, 2012)	Current 3rd-qtr End (As of December 31, 2012)	
(LIABILITIES)			
Current liabilities			
Accounts payable-trade	5,593	3,663	42,278
Short-term debt	-	6,300	72,715
Current maturities of bonds	1,580	526	6,071
Current portion of long-term debt	29,099	35,672	411,727
Other accounts payable	26,880	27,979	322,934
Accrued expenses	5,947	6,837	78,913
Income tax payable	121	85	981
Allowance for loss on business integration	-	2,620	30,240
Other current liabilities	15,889	27,956	322,669
Total current liabilities	85,109	111,639	1,288,539
Long-term liabilities			
Bonds, less current maturities	67,502	59,506	686,819
Long-term debt, less current portion	105,676	95,480	1,102,031
Other long-term liabilities	7,654	6,824	78,763
Total long-term liabilities	180,832	161,809	1,867,602
TOTAL LIABILITIES	265,941	273,448	3,156,140
(NET ASSETS)			
Shareholders' equity			
Capital stock	18,503	18,786	216,828
Capital surplus	49,251	49,534	571,722
Retained earnings	17,524	10,451	120,626
Total shareholders' equity	85,277	78,771	909,176
Valuation and translation adjustments			
Valuation adjustment on securities investments	35	36	416
Deferred gains on hedges	1,059	2,861	33,022
Total valuation and translation adjustments	1,094	2,897	33,437
TOTAL NET ASSETS	86,371	81,668	942,613
TOTAL LIABILITIES AND NET ASSETS	352,312	355,116	4,098,753

(2) Statement of Operations
(For the nine months ended December 31, 2011 and 2012)

	(¥ in millions)	(¥ in millions)	($ in thousands)
	Prior 3rd-qtr (Nine months ended Decrmber 31, 2011)	Current 3rd-qtr (Nine months ended December 31, 2012)	
Revenue	149,124	163,479	1,886,877
Cost of revenue	59,446	64,165	740,593
Gross profit	89,678	99,313	1,146,272
Selling, general and administrative expenses	70,652	85,940	991,921
Operating profit	19,026	13,374	154,363
Non-operating income			
Interest income	8	101	1,166
Dividend income	2	2	23
Gain on bad debts recovered	116	100	1,154
Others	117	57	658
Total non-operating income	243	261	3,012
Non-operating expenses			
Interest expense	7,833	6,980	80,563
Others	1,705	1,637	18,894
Total non-operating expenses	9,537	8,617	99,458
Recurring profit	9,731	5,018	57,918
Non-recurring profit			
Gain on sales of fixed assets	4	2	23
Compensation for the loss of fixed asset retirement	-	801	9,245
Contribution for the shared network facilities	-	1,048	12,096
Total non-recurring profit	4	1,850	21,353
Non-recurring loss			
Loss on disposition of fixed assets	152	3,854	44,483
Loss on business integration	-	5,620	64,866
Total non-recurring loss	152	9,474	109,349
Income / (Loss) before income taxes	9,582	(2,606)	(30,078)
Income / (Loss) tax expense-current	15	9	104
Income / (Loss) tax expense-deferred	4,067	(1,182)	(13,643)
Total income taxes	4,081	(1,173)	(13,539)
Net income / (Loss)	5,501	(1,433)	(16,540)

(3) Statement of Cash Flows

(For the nine months ended December 31, 2011 and 2012)

	(¥ in millions) Prior 3rd-qtr (Nine months ended December 31, 2011)	(¥ in millions) Current 3rd-qtr (Nine months ended December 31, 2012)	($ in thousands) Current 3rd-qtr (Nine months ended December 31, 2012)
Cash flows from operating activities			
Income / (Loss) before income taxes	9,582	(2,606)	(30,078)
Depreciation	28,283	28,739	331,706
Gain on sales of fixed assets	(4)	(2)	(23)
Loss on disposition of fixed assets	152	3,854	44,483
Amortization of bond issuance cost	179	169	1,951
Compensation for the loss of fixed asset retirement	-	(801)	(9,245)
Contribution for the shared network facilities	-	(1,048)	(12,096)
Loss on business integration	-	2,863	33,045
Other loss (gain)	(65)	25	289
Decrease in allowance for bad debt	(125)	(513)	(5,921)
Decrease in allowance for loss on disaster	(29)	-	-
Increase in allowance for loss on business integration	-	2,620	30,240
Interest and dividend income	(10)	(104)	(1,200)
Interest expense	7,833	6,980	80,563
Commission expense	1,451	1,457	16,817
Increase in accounts receivable-trade	(2,030)	(802)	(9,257)
Decrease (increase) in inventories	(1,716)	241	2,782
Decrease (increase) in accounts receivable-other	3,631	(4,434)	(51,177)
Increase in other assets	(2,141)	(312)	(3,601)
Increase (decrease) in accounts payable-trade	2,225	(1,930)	(22,276)
Increase (decrease) in other accounts payable	4,833	(1,868)	(21,560)
Decrease in accrued expenses	(1,150)	(186)	(2,147)
Increase (decrease) in other liabilities	(486)	10,865	125,404
Subtotal	50,414	43,210	498,730
Interest and dividend received	9	104	1,200
Interest paid	(7,079)	(6,298)	(72,692)
Compensation for the loss of fixed asset retirement received	-	455	5,252
Income taxes paid	(30)	(13)	(150)
Income taxes refund	2,581	3	35
Net cash provided by operating activities	45,895	37,461	432,375
Cash flows from investing activities			
Proceeds from time deposits at maturity	2,500	-	-
Placement into time deposits	(2,500)	-	-
Increase in restricted deposit	(471)	(127)	(1,466)
Purchase of stocks of subsidiaries and affiliates	-	(255)	(2,943)
Purchase of tangible fixed assets	(23,670)	(26,404)	(304,755)
Proceeds from sales of tangible fixed assets	15	2	23
Purchase of intangible fixed assets	(3,453)	(6,447)	(74,411)
Proceeds from contribution for the shared network facilities	-	1,825	21,064
Others	(26)	(31)	(358)
Net cash used in investing activities	(27,605)	(31,438)	(362,858)
Cash flows from financing activities			
Repayments of capital lease obligations	(626)	(164)	(1,893)
Proceeds from sales and redemption by installment payment	10,285	13,875	160,145
Repayments of installment obligations	(12,538)	(13,341)	(153,982)
Proceeds from short-term debt	-	12,600	145,429
Repayments of short-term debt	-	(6,300)	(72,715)
Proceeds from long-term debt	5,797	14,951	172,565
Repayments of long-term debt	(70,241)	(18,573)	(214,370)
Payments for arrangement of interest bearing debt	(1,889)	(1,072)	(12,373)
Proceeds from issuance of bonds	55,997	-	-
Redemption of bonds	(4,519)	(12,240)	(141,274)
Proceeds from stock issuance, net	41	565	6,521
Purchase of preferred stock	-	(2,774)	(32,018)
Dividends paid	(2,223)	(2,178)	(25,139)
Net cash used in financing activities	(19,917)	(14,652)	(169,114)
Effect of exchange rate change on cash and cash equivalents	(1)	14	162
Net change in cash and cash equivalents	(1,627)	(8,616)	(99,446)
Cash and cash equivalents at the beginning of the period	43,397	38,412	443,352
Cash and cash equivalents at the end of the period	41,770	29,796	343,906

(4) Notes on Premise of Going Concern

No items to report

(5) Notes on Significant Changes in Shareholders' Equity

No items to report

(6) Segment Information

I. Nine months ended December 31, 2011

1. Information about net revenue and profit (loss) by reportable segment

(¥ in millions)

	Reportable segment		Total	Adjustment	Amount on statement of operations (Note)
	Mobile Business	Fixed Broadband Business			
Net revenue					
Outside net revenue	114,746	34,378	149,124	–	149,124
Intersegment net revenue	–	–	–	–	–
Total	114,746	34,378	149,124	–	149,124
Segment profit	7,591	11,435	19,026	–	19,026

(Note) Segment profit matches operating profit in the statement of operations.

2. Impairment losses on fixed assets, goodwill and negative goodwill by reportable segment

(Significant impairment losses on fixed assets)

No items to report during the nine months ended December 31, 2011.

(Significant changes in amount of goodwill)

No items to report during the nine months ended December 31, 2011.

(Significant gains on negative goodwill)

No items to report during the nine months ended December 31, 2011.

II. Nine months ended December 31, 2012

1. Information about net revenue and profit (loss) by reportable segment

(¥ in millions)

	Reportable segment		Total	Adjustment	Amount on statement of operations (Note)
	Mobile Business	Fixed Broadband Business			
Net revenue					
Outside net revenue	136,365	27,114	163,479	–	163,479
Intersegment net revenue	–	–	–	–	–
Total	136,365	27,114	163,479	–	163,479
Segment profit	5,436	7,938	13,374	–	13,374

(Note) Segment profit matches operating profit in the statement of operations.

2. Impairment losses on fixed assets, goodwill and negative goodwill by reportable segment

(Significant impairment losses on fixed assets)

No items to report during the nine months ended December 31, 2012.

(Significant changes in amount of goodwill)

No items to report during the nine months ended December 31, 2012.

(Significant gains on negative goodwill)

No items to report during the nine months ended December 31, 2012.

(7) Notes on Reverse Acquisition

Nine months ended December 31, 2012

The Company implemented a share exchange with an effective date of July 1, 2010, which turned the Company into the wholly-owning parent company and EMOBILE into the wholly-owned subsidiary. This share exchange falls under the category of business combination through reverse acquisition in which EMOBILE became the acquiring company and the Company became the acquired company. The Company also implemented an absorption-type merger with an effective date of March 31, 2011 in which the Company became the surviving company and EMOBILE became the dissolving company.

Since no consolidated subsidiary exists as a result of the merger, the Company does not prepare consolidated financial statements. Moreover, for the purpose of the non-consolidated financial statements, the Company recorded the assets and liabilities of EMOBILE, the acquiring company, based on the fair book values determined on the day preceding the merger (the purchase method was not applied).

Therefore, an outline of the business combination through reverse acquisition that was implemented in the fiscal year in which the business combination occurred and the impact that it would have had on the non-consolidated financial statements should the purchase method have been applied to the acquired company (the Company) is presented below.

1. Outline of the business combination through reverse acquisition that was implemented in the fiscal year in which the business combination occurred

(1) Name of the acquiring company and the description of its business

EMOBILE Ltd.: Mobile communication business

The Company implemented a share exchange which turned the Company into the wholly-owning parent company and EMOBILE into the wholly-owned subsidiary. This share exchange falls under the category of "reverse acquisition" in a business combination in which EMOBILE became the acquiring company and the Company became the acquired company.

The Company also implemented an absorption-type merger with an effective date of March 31, 2011 in which the Company (the acquired company) became the surviving company and EMOBILE (the acquiring company) became the dissolving company. This merger was accounted for as a transaction under common control.

(2) Purpose of business combination

The Company and EMOBILE have determined that in order to accelerate promotion of the two companies' corporate value, it is necessary to streamline and expedite the eAccess Group's management decisions by centralizing decision making of the Company and EMOBILE in order to proactively and promptly deal with the change of environment, and to make efficient investment as a Group possible by using the profits generated by two companies as financial resources. For this purpose, the Company and EMOBILE has come to a belief that the best course of action is to implement the share exchange.

(3) Date of business combination

July 1, 2010

(4) Legal form of business combination

Business combination was completed by way of share exchange through which the Company became the wholly-owning parent company, and EMOBILE became the wholly-owned subsidiary.

(5) Company name after business combination

No change in the company name after the share exchange

(6) Percentage of voting rights acquired

100%

(7) Basis of determining the acquiring company

EMOBILE has been determined as the acquiring company taking into account the voting rights ratio of the shareholders of the Company and EMOBILE after the share exchange, comparable size of the business of each entity, such as total assets and revenue, and importance of and the potential growth of the business.

2. Differences should the purchase method have been applied to the acquired company

(1) Items in non-consolidated balance sheet as of December 31, 2012

	(¥ in millions)
Current assets	–
Fixed assets	7,184
Deferred assets	(196)
Total assets	6,989
Current liabilities	–
Long-term liabilities	–
Total liabilities	–
Net assets	6,989

(Note) Goodwill of ¥7,184 million is included in the above fixed assets and total assets, amortized by the straight-line method over the period of time the effect is estimated to take place (10 years).

(2) Items in non-consolidated statement of operations for the nine months ended December 31, 2012

	(¥ in millions)
Revenue	–
Operating profit	(718)
Recurring profit	(649)
Income before income taxes	(649)
Net income	(649)
Net income per share (¥)	(187.35)

(Note) Amortization of goodwill of ¥718 million is included in the above operating profit.

(8) Significant Subsequent Events

(Coming into effect of share exchange between the Company and SOFTBANK CORP.)

After securing approval at an Extraordinary Shareholders' Meeting of the Company held on December 7, 2012, based on the share exchange agreement concluded on October 1, 2012 and the change agreement to make a partial change to the share exchange agreement concluded on November 2, 2012, this share exchange, whereby SOFTBANK CORP. ("SOFTBANK") became the wholly-owning parent company of the Company and the Company became the wholly-owned subsidiary of SOFTBANK, came into effect on January 1, 2013 and was implemented accordingly.

1. Change in parent company

(1) Name, address, name of representative, paid-in capital and business description of parent company involved in change

A.	Name	SOFTBANK CORP.
B.	Address	1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo
C.	Name of representative	Mr. Masayoshi Son, Chairman and CEO
D.	Paid-in capital	¥221,020 million
E.	Business description	Pure holding company

(2) Number of voting rights of the Company held by parent company and ratio to voting rights of all shareholders, etc. before and after change

	Number of voting rights held	Ratio to voting rights of all shareholders
Before change	– unit	–%
After change	3,477,915 units	100.00%

(3) Date of change

January 1, 2013

2. Change in major shareholders

(1) Name of major shareholders involved in change

New major shareholder	SOFTBANK CORP.
Previous major shareholder	GS TK Holdings III GK

(2) Numbers of voting rights held by major shareholders and ratios to voting rights of all shareholders, etc. before and after change

SOFTBANK CORP.

	Number of voting rights held	Ratio to voting rights of all shareholders
Before change	– unit	–%
After change	3,477,915 units	100.00%

GS TK Holdings III GK

	Number of voting rights held	Ratio to voting rights of all shareholders
Before change	876,767 units	25.21%
After change	– unit	–%

(3) Date of change

January 1, 2013

3. Other matters

Stated capital: ¥18,786,182,859

Total number of issued shares: 3,477,915 shares

(Change in parent company)

Following the approval of a resolution to change the Articles of Incorporation at an Extraordinary Shareholders' Meeting held on January 17, 2013, the Company acquired all common stock of the Company held by SOFTBANK (3,477,915 shares) based on the share acquisition clause, and delivered 218,777 shares of Class A stock of the Company (without voting rights) and 1,649 shares of Class B stock of the Company (with voting rights) as the consideration for the acquisition. In addition, on the same date, SOFTBANK transferred 1,100 shares of the Class B stock it had received to a total of 11 companies. Consequently, the ratio to the voting rights of all shareholders, etc. of the voting rights held by SOFTBANK became 33.29%, resulting in SOFTBANK no longer being the parent company of the Company.

Change in parent company

(1) Name, address, name of representative, paid-in capital and business description of parent company involved in change

A. Name SOFTBANK CORP.

B. Address 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo

C. Name of representative Mr. Masayoshi Son, Chairman and CEO

D. Paid-in capital ¥221,020 million

E. Business description Pure holding company

(2) Number of voting rights of the Company held by parent company and ratio to voting rights of all shareholders, etc. before and after change

	Number of voting rights held	Ratio to voting rights of all shareholders
Before change	3,477,915 units	100.00%
After change	549 units	33.29%

(3) Date of change

January 17, 2013

Quarterly Results for Fiscal Year 3/2013
Supplemental Financial Information

(¥ in millions)

Fixed-line Business	Fiscal Year 3/2012					Fiscal Year 3/2013		
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	1Q (4-6/2012)	2Q (7-9/2012)	3Q (10-12/2012)
EBITDA	5,225	4,969	4,689	4,288	19,171	3,712	3,481	3,060
Capital expenditures	189	494	864	2,024	3,571	488	1,488	670
Net increase subscribers (thousands)	-89	-95	-83	-96	-363	-104	-86	-85
Accumulated total subscribers (thousands)	1,839	1,744	1,661	1,565	1,565	1,461	1,375	1,290
ARPU (yen/month)	2,009	2,006	1,998	1,992	2,001	1,987	1,983	1,977
Churn rate (%/month)	2.04%	2.14%	1.97%	2.32%	2.12%	2.53%	2.22%	2.29%
SAC (yen)	7,500	7,000	6,000	7,000	7,000	7,500	8,500	6,000

Note: EBITDA=Operating profit + Depreciation and amortization

Mobile Business	Fiscal Year 3/2012					Fiscal Year 3/2013		
	1Q (4-6/2011)	2Q (7-9/2011)	3Q (10-12/2011)	4Q (1-3/2012)	Full-year/ Year-end	1Q (4-6/2012)	2Q (7-9/2012)	3Q (10-12/2012)
EBITDA	10,509	11,445	10,473	10,907	43,333	10,834	11,912	13,834
Capital expenditures	7,842	5,727	9,818	6,275	29,662	6,782	9,278	9,721
Net increase subscribers (thousands)	223	238	221	218	899	121	121	33
Accumulated total subscribers (thousands)	3,341	3,579	3,800	4,017	4,017	4,138	4,259	4,292
ARPU (yen/month)	2,860	2,730	2,730	2,680	2,740	2,680	2,710	2,700
Churn rate (%/month)	1.50%	1.44%	1.54%	1.50%	1.50%	1.45%	1.53%	1.48%
SAC (yen)	9,000	16,000	12,000	14,000	13,000	15,000	13,000	20,000

Note: EBITDA=Operating profit + Depreciation and amortization + Loss on inventory valuation + Depreciation included in R&D expenses + Material items of cash income in the non-operating profit & non-recurring profit

Note: SAC includes variable costs only (retroactively adjusted for FY3/2012)