eAccess Ltd.

FINANCIAL STATEMENTS
FOR THE 14TH TERM
(From April 1, 2012, to March 31, 2013)

- Balance Sheet
- Statement of Operations
- Statement of Changes in Net Assets
- Notes to Financial 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 = ¥94.16, the exchange rate in effect as of March 31, 2013, 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.

eAccess Ltd.
Financial Statements

for the 14th term

(From April 1, 2012, to March 31, 2013)

Balance Sheet

(As of March 31, 2013)

	(¥ in millions)	(Unaudited) ($ in thousands)
(ASSETS)		
Current assets	**132,107**	**1,403,010**
Cash and cash deposits	72,623	771,270
Accounts receivable-trade	38,313	406,893
Merchandise	2,291	24,331
Supplies	110	1,172
Advance payments-trade	243	2,577
Prepaid expenses	2,638	28,017
Accounts receivable-other	4,263	45,272
Deferred tax assets	11,267	119,659
Other current assets	2,929	31,107
Allowance for bad debt	(2,569)	(27,286)
Fixed assets	**218,921**	**2,324,991**
Tangible fixed assets	**151,740**	**1,611,510**
Buildings	1,281	13,601
Structures	15,850	168,334
Machinery and equipments	7,326	77,803
Wireless telecommunications equipments	115,109	1,222,486
Terminal equipments	308	3,274
Tools, furniture and fixtures	779	8,275
Land	0	2
Construction in progress	11,086	117,734
Intangible fixed assets	**28,935**	**307,299**
Right of trademark	5	53
Software	26,006	276,191
Software in progress	2,924	31,055
Investments and other assets	**38,246**	**406,182**
Securities investments	1,538	16,337
Stocks of subsidiary and affiliate	255	2,708
Long-term prepaid expenses	10,835	115,071
Guarantee deposits	2,117	22,478
Deferred tax assets	11,360	120,643
Derivatives	12,141	128,945
Investments and others	102	1,081
Allowance for bad debt	(102)	(1,081)
Deferred assets	**708**	**7,519**
Issurance costs for bond	708	7,519
TOTAL ASSETS	**351,737**	**3,735,520**

	(¥ in millions)	(Unaudited) ($ in thousands)
(LIABILITIES)		
Current liabilities	**118,035**	**1,253,561**
Accounts payable-trade	4,320	45,875
Short-term debt	6,300	66,907
Current portion of long-term debt	33,128	351,829
Current portion of capital lease obligations	8	88
Other accounts payable	15,647	166,174
Accounts payable-facilities	19,089	202,734
Current portion of installment obligations	15,023	159,553
Accrued expenses	6,968	74,003
Income tax payable	4,918	52,235
Accrued consumption taxes	19	201
Advances received	10,987	116,684
Deposits received	1,264	13,422
Unearned revenue	13	137
Asset retirement obligations	350	3,719
Long-term liabilities	**156,987**	**1,667,232**
Bonds	63,611	675,566
Long-term debt, less current portion	88,255	937,286
Capital lease obligations, less current portion	0	4
Installment obligations, less current portion	4,251	45,145
Asset retirement obligations	867	9,207
Other long-term liabilities	2	24
TOTAL LIABILITIES	**275,022**	**2,920,793**
(NET ASSETS)		
Shareholders' equity	**76,541**	**812,882**
Capital stock	**43,286**	**459,709**
Capital surplus	**74,034**	**786,257**
Legal capital surplus	74,034	786,257
Retained earnings/ (loss)	**(40,779)**	**(433,084)**
Other retained earnings / (loss)	(40,779)	(433,084)
Retained earnings brought forward / (loss)	(40,779)	(433,084)
Valuation and translation adjustments	**174**	**1,845**
Valuation adjustment on securities investments	35	376
Deferred gains on hedge	138	1,469
TOTAL NET ASSETS	**76,715**	**814,727**
TOTAL LIABILITIES AND NET ASSETS	**351,737**	**3,735,520**

Statement of Operations

(From April 1, 2012 to March 31, 2013)

	(¥ in millions)	(Unaudited) ($ in thousands)
Revenue	**220,710**	**2,343,991**
Cost of revenue	**84,528**	**897,710**
Gross profit	**136,182**	**1,446,281**
Selling, general and administrative expenses	**121,115**	**1,286,267**
Operating profit	**15,067**	**160,013**
Non-operating income	**12,923**	**137,245**
Interest income	122	1,300
Dividend income	2	24
Gain on bad debts recovered	120	1,279
Gain on valuation of derivatives	12,141	128,945
Others	536	5,697
Non-operating expenses	**17,828**	**189,340**
Interest expense	5,534	58,771
Interest on bonds	4,141	43,981
Amortization of issurance costs for bond	211	2,242
Foreign exchange losses	6,637	70,489
Others	1,305	13,858
Recurring profit	**10,162**	**107,918**
Non-recurring profit	**4,681**	**49,709**
Gain on sales of fixed assets	9	98
Compensation for the loss on disposal of fixed assets	3,513	37,309
Contribution for right of using facilities	1,158	12,303
Non-recurring loss	**12,392**	**131,609**
Loss on disposal of fixed assets	6,754	71,734
Loss on business integration	5,638	59,875
Income before income taxes	**2,450**	**26,018**
Income tax expense-current	4,424	46,983
Income tax expense-deferred	436	4,635
Net Loss	**(2,411)**	**(25,600)**

Statement of Changes in Net Assets

(From April 1, 2012 to March 31, 2013)

(¥ in millions)

	Shareholders' equity				
		Capital surplus	Retained earnings		
			Other retained earnings		
	Capital stock	Legal capital surplus	Retained earnings brought forward	Treasury stock	Total shareholders' equity
Balance at April 1, 2012	18,503	49,251	17,524	–	85,277
Cumulative effect of changes in accounting policies			(50,247)		(50,247)
Beginning balance as restated	18,503	49,251	(32,723)		35,030
Changes of items during the period					
Issuance of new stock, net	24,783	24,783			49,567
Cash dividends			(2,866)		(2,866)
Net income after tax			(2,411)		(2,411)
Purchase of treasury stock				(2,779)	(2,779)
Retirement of treasury stock			(2,779)	2,779	–
Net changes of items other than shareholders' equity					–
Total changes of items during the period	24,783	24,783	(8,056)	–	41,511
Balance at March 31, 2013	43,286	74,034	(40,779)	–	76,541

(¥ in millions)

	Valuation and translation adjustments		
	Valuation adjustments on securities investments	Deferred gains or losses on hedges	Total net assets
Balance at April 1, 2012	35	1,059	86,371
Cumulative effect of changes in accounting policies			(50,247)
Beginning balance as restated	35	1,059	36,124
Changes of items during the period			
Issuance of new stock, net			49,567
Cash dividends			(2,866)
Net income after tax			(2,411)
Purchase of treasury stock			(2,779)
Retirement of treasury stock			–
Net changes of items other than shareholders' equity	0	(920)	(920)
Total changes of items during the period	0	(920)	40,590
Balance at March 31, 2013	35	138	76,715

Notes to Financial Statements

(Notes on Significant Accounting Policies)

(1) Valuation policy and methods of securities

i) Stocks of subsidiaries and affiliated companies

Stated at cost using moving-average method.

ii) Available-for-sale securities

Securities with fair market value

Stated at fair value (valuation difference is treated using the direct net asset adjustment method, and cost of securities sold is determined by the moving-average method) based on market value at the balance sheet date.

Securities without fair market value

Stated at cost using moving-average method.

Additionally, with regard to contributions to investment business limited liability partnerships and similar partnerships (according to Article 2, Paragraph 2 of the Financial Instruments and Exchange Law, such contributions are regarded as negotiable securities), the Company mainly uses, as the book value, the net value of its holdings of partnership assets.

(2) Valuation policy and methods of derivatives

Stated at fair market value.

(3) Valuation policy and methods of inventories

Merchandise and Supplies are stated at cost using moving-average method (devaluating book value method based on decreases in profitability).

(4) Depreciation and amortization method and standards for Fixed assets

i) Tangible fixed assets (excluding leased assets)

Buildings (excluding leasehold improvements), Structures, Machinery and equipments, Wireless telecommunications equipments and Terminal equipments are depreciated with the straight-line method.

Leasehold improvements and Tools, furniture and fixtures are depreciated with the declining-balance method.

The main estimated useful lives are as follows:

Buildings	8 - 33 years
Structures	30 years
Machinery and equipments	6 - 10 years
Wireless telecommunications equipments	10 years
Terminal equipments	3 years
Tools, furniture and fixtures	2 - 20 years

ii) Intangible fixed assets

(Software)

For Software for internal use, the straight-line method is applied based on the software's estimated useful life within the Company (5 - 10 years).

iii) Long-term prepaid expenses

For the right of using facilities, the straight-line method is applied based on estimated useful life (10 years).

iv) Leased assets

For leased items recognized as assets for "Terminal equipments" (items related to finance lease transactions other than those in which the lessee is given rights approximating to ownership), the straight-line method is applied with the lease term as the useful life and the residual value set at zero.

(5) Accounting for deferred assets

i) Issuance costs for stocks

Stock issuance costs are charged to expenses as incurred.

ii) Issuance costs for bonds

Issuance costs for bond are amortized by the straight-line method over the years until maturity.

(6) Accounting for allowances and reserves

Allowance for bad debt

To prepare for uncollectible credits in accounts receivable, etc., the Company provides an allowance for general credits using actual bad debt ratio, and provides an allowance for an estimated unrecoverable amount of specific credits deemed to be uncollectible after considering possible losses on collection.

(7) Method for deferred hedge accounting

i) Method for deferred hedge accounting

(Forward exchange contracts)

Hedges are treated with deferred losses on hedges. Forward exchange contracts are translated at the foreign exchange rates stipulated in the contract if the forward exchange contract satisfies the requirements for this treatment.

ii) Hedging instruments and hedged items

(Hedging instruments)

Forward exchange contracts

(Hedged items)

Forecasted transactions denominated in foreign currencies

iii) Hedging policy

Forward exchange contracts are conducted as a measure against risks due to foreign exchange fluctuations.

iv) Assessment of effectiveness of hedge

The Company compares the accumulated changes in prices between hedged items and hedging instruments during the period from the commencement of hedge to the assessment of effectiveness of hedge and tests the effectiveness of hedge on the basis of their accumulated changes. When significant terms and conditions of hedging instruments and hedged items are identical and changes in prices and cash flows are expected to be offset in full at the commencement of a hedge and continuously thereafter, the Company does not assess the effectiveness of the hedge. For any items which have not been qualified for deferred hedge accounting as a result of the assessment of effectiveness of hedge, the Company discontinues the application of deferred hedge accounting to them.

(8) Accounting treatment of consumption taxes, etc.

Items subject to consumption tax, etc. are recorded at amounts exclusive of consumption taxes, etc.

(9) Changes in accounting policies

i) <u>Change in accounting policy that is difficult to distinguish from change in accounting estimates</u>

Due to the revision of the Corporation Tax Law, among Tangible fixed assets which were acquired on or after April 1, 2012, “Leasehold improvements” and “Tools, furniture and fixtures”, which were previously depreciated using the declining-balance method, are now depreciated under a new depreciation method from the current fiscal year, pursuant to the revised Corporation Tax Law. Compared with the former depreciation method, the impact of the change on Operating profit, Recurring profit, and Income before income taxes was not significant.

ii) <u>Change in accounting treatment of the discount amount incurred at the conclusion of telecommunication contracts with a non-cancellable period</u>

For the discount amount incurred at the conclusion of a telecommunication contract which has a non-cancellable period, the amount was previously recorded as Accounts receivable-other at the inception of the contract, while expenses were recognized over the contract period. From the current fiscal year, the entire amount is now recorded as a one-time expense at the conclusion of the contract.

This was intended to make the accounting treatment consistent with the method applied in the SoftBank Group upon the Company becoming a wholly-owned subsidiary of SoftBank through a share exchange with SoftBank on January 1, 2013.

The aforementioned change in accounting treatment was applied retrospectively, and as a result, the cumulative effect was reflected in the beginning balance of Net assets, thereby reducing ¥43,160 million in the beginning balance of Retained earnings for the current fiscal year. In addition, compared with the previous accounting treatment, Operating profit, Recurring profit, and Income before income taxes declined by ¥702 million respectively.

iii) <u>Change in accounting treatment of upfront fees paid at the conclusion of contracts for monetary loans</u>

For upfront fees paid at the conclusion of a contract for monetary loans, the amounts were previously recorded as Prepaid expenses at the time of payment, while expenses were recognized over the contract period. From the current fiscal year, the entire amount is now recorded as a one-time expense at the time of payment.

This was intended to make the accounting treatment consistent with the method applied in the SoftBank Group upon the Company becoming a wholly-owned subsidiary of SoftBank through a share exchange with SoftBank on January 1, 2013.

The aforementioned change in accounting treatment was applied retrospectively, and as a result, the cumulative effect was reflected in the beginning balance of Net assets, thereby reducing ¥7,087 million in the beginning balance of Retained earnings for the current fiscal year. In addition, compared with the previous accounting treatment, Recurring profit and Income before income taxes increased by ¥862 million respectively.

(10) Changes in presentation

(Balance Sheet)

"Right of using facilities", which had been presented as a classified item in Intangible fixed assets until the previous fiscal year, is included in "Long-term prepaid expenses" in Investments and other assets, from the current fiscal year. This change was made for consistency with the presentation method of the SoftBank Group.

(Statement of Operations)

"Gain on disposal of unpaid dividend" (¥11 million for the current fiscal year) in Non-operating income and "Commission expense" (¥1,122 million for the current fiscal year) in Non-operating expenses, both of which had been presented as a classified item until the previous fiscal year, are included in "Others" in Non-operating income and Non-operating expenses respectively from the current fiscal year, due to a decline in its materiality.

For "Foreign exchange losses" in Non-operating expenses, while it had been included in "Others" in Non-operating expenses until the previous fiscal year, it is presented as a classified item from the current fiscal year due to an increase in its materiality.

(11) Changes of accounting estimates

(Balance Sheet)

Due to the business integration with the SoftBank Group, the Company aligned its use and management of Fixed assets with the method applied by the SoftBank Group. Following the above alignment, the Company conducted a review of useful lives and assessed that applying useful lives consistent with the said Group to the following Fixed assets is reasonable. Accordingly, the following changes were made effective January 1, 2013. Due to these changes, Operating profit, Recurring profit, and Income before income taxes increased by ¥2,078 million respectively, compared with the amount calculated using the previous method.

i)	Tangible fixed assets (excluding leased assets)	
	Machinery and equipments	Change from 6 years to 6 - 10 years
	Wireless telecommunications equipments	Change from 9 years to 10 years
ii)	Intangible fixed assets	
	Software	Change from 5 years to 5 - 10 years
iii)	Long-term prepaid expenses	
	Right of using facilities	Change from 20 years to 10 years

(Notes to Balance Sheet)

(1) The amounts described below are presented by rounding off to the nearest one million yen unit.

(2) Monetary claims and debts to affiliated companies

Short-term claims	¥193 million
Short-term debts	¥146 million

(3) Accumulated depreciation and accumulated impairment loss on Tangible fixed assets: ¥144,677 million

(4) Assets pledged as collateral

Collateral provided for syndicated loan

Major assets held by the Company were pledged as collateral for the syndicated loan agreements ((5) ii)) for the Company. The period and book values of assets pledged as collateral as of the end of the fiscal year are as follows:

(Period for pledging assets as collateral)

Until the borrowings under the syndicated loan are repaid in full.

(Assets pledged as collateral)

Cash and cash deposits	¥59,771 million
Accounts receivable-trade	¥33,862 million
Merchandise	¥2,291 million
Tangible fixed assets	¥133,123 million
Intangible fixed assets	¥27,075 million
Long-term prepaid expenses	¥10,774 million
Total	¥266,897 million

(5) State of borrowings under the commitment line

i) The Company established the following credit facilities in order to secure funds necessary for working capital and capital investment.

(¥ in millions)

	Borrowing facility	Outstanding borrowing
Commitment lines (Note 1)	6,300	6,300
Commitment lines (Note 2)	16,938	16,938
Commitment lines (Note 3)	16,367	9,165
Installment disbursement term loan (Note 4)	6,494	6,494
Installment disbursement term loan (Note 5)	5,578	5,578
Installment disbursement term loan (Note 6)	7,318	6,446
Total	58,996	50,921

(Note) 1. Five banks for a borrowing period of up to 1 year

(Note) 2. One bank for a borrowing period of up to 8 years and 6 months

(Note) 3. Two banks for a borrowing period of up to 8 years and 11 months

(Note) 4. One bank for a borrowing period of up to 5 years and 10 months

(Note) 5. One bank for a borrowing period of up to 5 years and 5 months

(Note) 6. One bank for a borrowing period of up to 6 years

Financial covenants have been provided for these commitment lines and installment disbursement term loans. In the event of a breach of these covenants, the Company might be demanded for repayment of all the interest-bearing debt under these borrowings.

The Company had not breached any covenants as of March 31, 2013.

ii) The Company entered into syndicated loans (loan balance of ¥76,762 million) in total for a borrowing period of up to 5 years with 34 banks in order to secure the funds necessary for the Mobile Business.

Certain financial covenants and operating covenants are provided for the syndicated loans. The major provisions of financial covenants and operating covenants are as follows. In the event of breach of these covenants, the Company might be demanded for repayment of all the interest-bearing debts under the syndicated loans.

The Company had not breached any of the financial covenants or operating covenants below as of March 31, 2013.

- Financial covenants
1. The Company shall meet the required debt service coverage ratio (*1)
2. The Company shall meet the required interest coverage ratio (*2)
3. The Company shall meet the required leverage ratio (*3)
4. The Company shall maintain positive net worth during the loan period
   *1 Debt service coverage ratio: amount available for repayment / total payment of principal and interest
   *2 Interest coverage ratio: EBITDA (Earning Before Interest, Taxes, Depreciation, and Amortization) / total interest expenses
   *3 Leverage ratio: (interest-bearing debt outstanding－cash and cash deposits) / EBITDA
- Operating covenants
1. The Company shall meet the required population coverage ratio or the required aggregate number of base stations
2. The Company shall meet the required target for the number of subscribers

   The state of assets pledged as collateral is described in (4).

iii) To secure funds necessary for the Mobile Business, the Company entered into the installment purchase contracts with 8 lease companies on January 19, 2013. As of March 31, 2013, the outstanding balances of unexecuted agreements are as follows:

Total amount of installment	¥5,000 million
Used amount	¥1,962 million
Unused amount of installment	¥3,038 million

(6) Financial covenants have been provided for corporate bonds denominated in foreign currencies of ¥63,611 million issued on April 1, 2011. The Company had not breached any covenants as of March 31, 2013.

(Notes to Statement of Operations)

(1) The amounts described below are presented by rounding off to the nearest one million yen unit.

(2) Transactions with affiliated companies

Operating transactions	
Revenue	¥545 million
Operating expenses	¥529 million
Non-operating transactions	¥4 million

(3) Details of Gain on sales of fixed assets are as follows:

(Tangible fixed assets)	
Buildings	¥2 million
Terminal equipments	¥0 million
Tools, furniture and fixtures	¥2 million
Land	¥6 million
Total	¥9 million

(4) Details of Loss on disposal of fixed assets are as follows.

(Tangible fixed assets)	
Buildings	¥27 million
Structures	¥4 million
Machinery and equipments	¥58 million
Wireless telecommunications equipments	¥5,135 million
Terminal equipments	¥50 million
Tools, furniture and fixtures	¥81 million
(Intangible fixed assets)	
Software	¥1,399 million
Total	¥6,754 million

(5) Loss on business integration includes: costs of stock option purchase, advisory expenses, advanced redemption of corporate bonds, and others associated with the business integration with SoftBank.

(Notes to Statement of Changes in Net Assets)

(1) The amounts described below are presented by rounding off to the nearest one million yen unit or one yen unit.

(2) Number of outstanding shares issued as of March 31, 2013
Class A stock 267,777 shares
Class B stock 1,649 shares

(3) Number of shares of treasury stock as of March 31, 2013
No items to report

(4) Items concerning cash dividends
Items concerning cash dividends paid out during the current fiscal year

Resolution	Class of shares	Source of dividends	Total amounts of dividends (¥ in millions)	Dividend per share (¥)	Record date	Effective date
May 11, 2012 Board meeting	Common stock	Retained earnings	693	200	March 31, 2012	June 25, 2012
May 11, 2012 Board meeting	Class 1 preferred stock	Retained earnings	46	1,836,250	March 31, 2012	June 25, 2012
August 8, 2012 Board meeting	Common stock	Retained earnings	693	200	June 30, 2012	September 10, 2012
August 8, 2012 Board meeting	Class 1 preferred stock	Retained earnings	46	1,828,940	June 30, 2012	August 29, 2012
November 12, 2012 Board meeting	Common stock	Retained earnings	693	200	September 30, 2012	December 10, 2012
December 7, 2012 Board meeting	Common stock	Retained earnings	696	200	December 31, 2012	March 11, 2013

(Note) Dividend amounts are presented by rounding off to the nearest 1 yen unit.
The Company carried out the acquisition and cancellation of the Class 1 preferred stocks as of July 2, 2012. Due to this action, for dividend paid at the end of the first quarter, the board meeting held on August 8, 2012 resolved to pay the cash dividends of ¥1,828,940.44 which was calculated on a per diem basis, taking the number of days up to the record date.

(5) Class and numbers of shares for share options (excluding those whose exercise period has not started), issued as of March 31, 2013
No items to report

(Notes on Tax Effect Accounting)

Major breakdown of Deferred tax assets and liabilities

(Deferred tax assets)

Accrued business taxes	¥496 million
Accrued expenses	¥1,505 million
Advances received	¥3,966 million
Allowance for bad debt	¥1,015 million
Terminal related valuation loss	¥1,116 million
Promotion expenses	¥16,719 million
Commission expense	¥2,276 million
Loss on disposal of fixed assets	¥4,492 million
Goodwill	¥9,128 million
Foreign exchange losses	¥2,529 million
Depreciation and amortization	¥1,914 million
Securities investment	¥39 million
Asset retirement obligations	¥447 million
Loss carried forward	¥16,899 million
Others	¥193 million
Total gross deferred tax assets	¥62,735 million

(Deferred tax liabilities)	
Deferred gains or losses on hedges	(¥85 million)
Valuation adjustment on securities investment	(¥20 million)
Asset retirement obligations	(¥291 million)
Total gross deferred tax liabilities	(¥396 million)
Valuation allowance	(¥39,712 million)
Net deferred tax assets	22,627 million

(Notes on Financial Instruments)

(1) Conditions of financial instruments

i) Policies for using financial instruments

The Company raises necessary funds based on its capital investment plans to conduct its business mainly by bank loans or issuance of bonds.

The Company invests temporary cash surpluses in highly liquid and secure financial instruments, and the Company raises short-term funds by bank loans.

The Company also follows the policy of using derivatives not for speculative purposes, but for managing foreign currency exchange risk.

ii) Details of financial instruments used and the exposures to risk

1. Accounts receivable–trade is exposed to customers' credit risk.
2. Securities investments mainly consist of equity securities related to customers and suppliers in relation to business. Some of these securities are exposed to risk of market price fluctuation.
3. With respect to operating debts such as Accounts payable–trade and Other accounts payable, payment terms are generally less than three months, while payment terms for some Accounts payable–facilities are up to six months. Some operating debts are exposed to foreign exchange fluctuation risk because they are denominated in foreign currencies. They are hedged by forward exchange contracts.
4. Loans, Bonds and Installment obligations are generally for the purpose of funds related to capital investment and purchase of terminals. The longest redemption date is eight years from the end of the current fiscal year. Some of them have floating interest rates and are exposed to interest rate fluctuation risk. Bonds denominated in foreign currencies are exposed to foreign exchange fluctuation risk.
5. Derivative transactions are related to forward exchange contracts, which are used to hedge foreign exchange fluctuation risk of operating debt denominated in foreign currencies.
   With respect to hedging instruments and hedged items, hedging policy and the assessment of the effectiveness of deferred hedge accounting, please refer to Notes on Significant Accounting Policies (7) Method for deferred hedge accounting.
   In addition, currency swap transactions were entered into in order to hedge foreign exchange fluctuation risk pertaining to corporate bonds denominated in foreign currencies, and hedge accounting had been applied until the previous fiscal year. Based on the review of the financing plan upon concluding the business integration with SoftBank, and given that the Company satisfied the required conditions to cease applying hedge accounting, the Company discontinued hedge accounting from the current fiscal year by recognizing the valuation differences of the currency swap transactions.

iii) Risks relating to financial instruments and the management system thereof

1. Credit risk management (customer's default risk)
   At the Company, in order to properly manage operating receivables, in accordance with the credit control policy, the conditions of main business partners are periodically reviewed, and the due dates and outstanding balances for individual business partners are managed. In addition, the Company makes efforts for early identification and mitigation of default risk resulting from factors such as a deterioration in financial conditions.
   Because the counterparties to derivative financial transactions are limited to major financial institutions and trading companies, the Company anticipates few potential losses arising from the credit risk.
2. Market risk management (foreign currency exchange and interest rate fluctuation risk)
   The Company principally uses forward exchange contracts to hedge foreign exchange fluctuation risk. In addition, the Company carries out foreign currency swap transactions to

avoid foreign exchange fluctuation risk on corporate bonds denominated in foreign currencies.
With respect to Securities investments, the Company identifies and monitors fair market values and financial positions of the issuers on a regular basis and continuously reviews the status of these securities considering credit risk and the relationships with the issuers.
With respect to derivative transactions, when a transaction (including forecasted transaction) for which risk management is required arises, a risk manager for derivative transactions makes those involved in the transaction thoroughly aware that it requires risk management, and instructs them how to control and mitigate the risk by identifying the hedging instrument to lower the risk and, if necessary, obtains both Treasurer's and other related management's consent for execution.

3. Liquidity risk management on fund raising (risk of inability to repay at payment due dates)
The Company controls its liquidity risk by preparing and updating payment schedule management plans on a timely basis based on reports from each department, and by maintaining certain levels of liquidity on hand.

iv) Supplemental explanation on the fair value of financial instruments
Fair values of financial instruments include market prices and reasonably estimated values when market prices are unavailable. As variable factors are incorporated into the estimation of the relevant fair value, it may vary depending on the assumptions used.

(2) Fair value of financial instruments
Carrying amount, fair value and the difference between them as of March 31, 2013 are shown below.
Financial instruments for which it is considered extremely difficult to determine the fair values are excluded from the following table. (See (Note 2).)

(¥ in millions)

		Amount recorded on Balance Sheet	Fair value	Differences
(1)	Cash and cash deposits	72,623	72,623	–
(2)	Accounts receivable–trade	38,313		
	Allowance for bad debt (*1)	(2,569)		
		35,744	35,744	–
(3)	Accounts receivable–other	4,263	4,263	–
(4)	Securities investments			
	Available-for-sale securities	101	101	–
Total assets		112,730	112,730	–
(1)	Accounts payable–trade	4,320	4,320	–
(2)	Other accounts payable	15,647	15,647	–
(3)	Accounts payable–facilities	19,089	19,089	–
(4)	Installment obligations (*2)	19,274	19,347	72
(5)	Bonds	63,611	71,287	7,676
(6)	Short-term debt	6,300	6,300	–
(7)	Long-term debt (*3)	121,383	120,786	(597)
Total liabilities		249,625	256,776	7,151
Derivative financial transactions (*4)		12,365	12,365	—

(*1) The allowance for bad debt which is individually set up for corresponding accounts receivable–trade is deducted.
(*2) The amount includes Current portion of installment obligations in Current liabilities and Installment obligations in Long-term liabilities.
(*3) The amount includes Current portion of long-term debt.
(*4) The values of assets and liabilities arising from derivative financial transactions are shown at net value.

(Note) 1. Measurement method of the fair value of financial instruments and matters relating to securities and derivative transactions

Assets:

(1) Cash and cash deposits, (3) Accounts receivable–other
The book value is close to fair value because these items are settled within a short period.

(2) Accounts receivable–trade
As accounts receivable (excluding installment claims) is settled within a short period and its fair value is almost same as its book value, the book value is used.
With regard to the installment claim, its fair value was computed by a discount method by applying the yield, which incorporated the factor of credit risk and the period until the maturity. As its result, as the fair

value became almost equal to the book value, the book value is used.
These items take credit risk into consideration by deducting allowances.

(4) Securities investments
In relation to the market value of investment securities, for shares the market prices of exchanges are used.

Liabilities:

(1) Accounts payable–trade, (2) Other accounts payable, (3) Accounts payable–facilities, (6) Short-term debt
The book value is close to fair value because these items are settled within a short period.

(4) Installment obligations
The fair value of installment obligations is calculated by applying a discount rate to the total of scheduled principal and interest. That discount rate is based on the assumed interest rate applicable if a similar new loan was entered into.

(5) Bonds
Applicable market price is used for the fair value.

(7) Long-term debt
The fair value of long-term debt is calculated by applying a discount rate to the total of principal and interest. That discount rate is based on the assumed interest rate applicable if a similar new loan was entered into.

Derivative transactions:

(1) Non-hedged derivative financial transactions

(¥ in millions)

Transaction type	Type	Fiscal year ended March 31, 2013				Calculation method for fair value
		Contract amount	Portion due over one year	Fair value	Valuation gains or losses	
Off-market transactions	Currency swap contract					The fair values are based on the price quoted by the banks with which the Company has business transactions.
	USD	33,997	33,997	8,782	8,782	
	EUR	22,961	22,961	3,359	3,359	
Total		56,957	56,957	12,141	12,141	

(2) Hedged derivative financial transactions

(¥ in millions)

Transaction type	Type	Hedged items	Fiscal year ended March 31, 2013			Calculation method for fair value
			Contract amount	Portion due over one year	Fair value	
Forward exchange contracts are translated at the foreign exchange rates stipulated in the contract	Foreign exchange forward contract					The fair values are based on the price quoted by the trading company with which the Company has business transactions.
	Buy contracts					
	USD	Accounts payable–trade	1,171	–	223	
	USD	Accounts payable–trade	1,138	–	(Note)	
Total			2,309	–	223	

(Note) Forward exchange contracts are accounted for as an integral part of foreign currency denominated payables, which are hedged items. As a result, their fair values are included in the fair value of accounts payable-trade.

(Note) 2. Financial instruments for which it is deemed extremely difficult to measure the fair value

(¥ in millions)

Classification	Holding purpose	Amount recorded on Balance Sheet
Non-marketable securities	Securities investment Available-for-sale securities	1,404
Investment Limited Partnership	Securities investment Available-for-sale securities	33
Non-marketable securities	Stocks of subsidiary and affiliate	255

These are not included in the scope of fair value disclosure as it is deemed difficult to measure the fair value because they are nonmarketable.

(Note) 3. Planned repayment amounts for Bond, Short-term debt, Long-term debt, Capital lease obligations and Installment obligations after the closing date

(¥ in millions)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Bonds	–	–	–	–	–	39,465 (USD 419,620,000) 24,146 (EUR 200,000,000)
Short-term debt	6,300	–	–	–	–	–
Long-term debt	33,128	40,521	29,045	7,605	5,283	5,800
Capital lease obligations	8	0	–	–	–	–
Installment obligations	15,023	4,251	–	–	–	–

(Notes on Transactions with Related Parties)

(1) Parent company and major corporate shareholders

Type	Name	Ratio of voting rights (owning or owned) (%)	Relationship with related parties	Content of transaction	Transaction amount (¥ in millions)	Account	Ending balance (¥ in millions)
Other capital-related company	SoftBank Corp.	Directly-owned 33.29	Interlocking directorate	Acceptance of new shares issued	49,000	–	–

(2) Fellow subsidiaries and the like

Type	Name	Ratio of voting rights (owning or owned) (%)	Relationship with related parties	Content of transaction	Transaction amount (¥ in millions)	Account	Ending balance (¥ in millions)
Subsidiary of other capital-related company	SoftBank Mobile Corp.	–	Interlocking directorate Offering the Company's services	Offering mobile network services (Note)	8,903	Accounts receivable-trade Advances received	7,874 10,500

The Company implemented a share exchange on January 1, 2013 (effective date), whereby SoftBank became a wholly-owning parent company of the Company. The transaction amounts with the SoftBank Group present the transactions from January 1, 2013 to March 31, 2013.

Terms of transactions and policies for determining the terms of transactions

(Note) Prices and other terms of transactions are determined based on prices that the Company recommends with reference to the market situation and subsequent price negotiations.

(Notes on Per Share Information)

(1) Net assets per share pertaining to stock other than common stock ¥284,733.76

(2) Net loss per share pertaining to stock other than common stock (¥12,404.26)

* On January 17, 2013, the Company implemented a share exchange by exchanging one share of common stock for 218,777 of 3,477,915 shares of Class A stock and for 1,649 of 3,477,915 shares of Class B stock. The amount of net loss per share is computed based on the assumption that the said share exchange was executed in the beginning of the current fiscal year.

(Notes on Significant Subsequent Events)

No items to report

(Additional Information)

At the board meeting held on October 1, 2012, the Company resolved the business integration with SoftBank by means of a share exchange, and concluded a share exchange agreement with SoftBank on the same date. (The amendment agreement on the said share exchange agreement was concluded on November 2, 2012.) Based on these two agreements, subsequent to the approval by the Company's extraordinary shareholders meeting on December 7, 2012, the Company executed a share exchange on January 1, 2013 (effective date), whereby SoftBank became a wholly-owning parent company of the Company and the Company became a wholly-owned subsidiary of SoftBank. In addition, SoftBank subsequently transferred the Company's shares to companies outside the SoftBank Group, whereby SoftBank was changed from the Company's parent company to one of the Company's other capital-related entities.

Name of the acquiring company and its business, reasons for the business combination, date of the business combination, legal form of the business combination, computation method to determine the ratio of the share exchange

(1) Name of the acquiring company and its business
SoftBank Corp., a holding company

(2) Reasons for the business combination
The business integration was executed based on the judgment that becoming a wholly-owned subsidiary of SoftBank will allow the two companies to utilize their management resources swiftly and efficiently, and to further accelerate the penetration of the mobile broadband service.

(3) Date of the business combination
January 1, 2013

(4) Legal form of the business combination
A share exchange by which SoftBank became a wholly-owning parent company and the Company became a wholly-owned subsidiary

(5) Computation method to determine the ratio of the share exchange
The ratio of the share exchange was 20.09 (rounding up to the second decimal place), which was computed by dividing the appraised value of the Company's common stock at ¥52,000 per share by the value of ¥2,589 per share (rounding up to the nearest 1 yen unit), the average value of the closing prices of SoftBank common stock in regular transactions on the Tokyo Stock Exchange, Inc. during the period from October 17, 2012 (including this date) to November 2, 2012 (including this date).
The Company's common stock price (closing price) was ¥15,070 on September 28, 2012 and ¥45,500 on November 2, 2012. SoftBank and the Company determined the appraised value of the Company's common stock by discussing together based on the aforementioned stock prices and comprehensive views including: 1) the Company's network of mobile communication service, 2) its customer base, and 3) expected synergy with SoftBank Mobile and others.

eAccess Ltd.

SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED MARCH 31, 2013

1. Detailed Schedule of Tangible Fixed Assets and Intangible Fixed Assets
2. Detailed Schedule of Allowance
3. Detailed Schedule of Selling, General and Administrative Expenses

*The amounts described herein are presented by rounding off to the nearest one million yen unit.

1. Detailed Schedule of Tangible Fixed Assets and Intangible Fixed Assets (including Items which Incur Depreciation and Amortization Expenses under Investments and Other Assets)

(¥ in millions)

Category	Type of assets	Amount recorded on Balance Sheet as of April 1, 2012	Increase in the fiscal year ended March 31, 2013	Decrease in the fiscal year ended March 31, 2013	Depreciation or amortization for the fiscal year ended March 31, 2013	Amount recorded on Balance Sheet as of March 31, 2013	Accumulated depreciation or amortization	Acquisition cost as of March 31, 2013
Tangible fixed assets	Buildings	996	797	128	384	1,281	1,205	2,486
	Structures	16,089	389	4	624	15,850	2,691	18,542
	Machinery and equipments	8,377	1,983	68	2,966	7,326	48,754	56,080
	Wireless telecommuni-cations equipments	115,533	24,982	5,643	19,762	115,109	79,439	194,548
	Terminal equipments	867	86	50	594	308	8,175	8,483
	Tools, furniture and fixtures	1,043	486	83	667	779	4,413	5,192
	Land	307	–	307	–	0	–	0
	Construction in progress	5,009	32,620	26,543	–	11,086	–	11,086
	Total	148,220	61,343	32,825	24,997	151,740	144,677	296,417
Intangible fixed assets	Right of trademark	6	–	–	1	5		
	Software	25,151	12,271	1,399	10,016	26,006		
	Software in progress	1,111	14,242	12,429	–	2,924		
	Total	26,267	26,513	13,828	10,017	28,935		
Investments and other assets	Long-term prepaid expenses	14,237	2,716	5,147	974	10,831		
	Total	14,237	2,716	5,147	974	10,831		

(1) The major components of the increase in the fiscal year ended March 31, 2013 are as follows:

Wireless telecommunications equipments
Wireless telecommunications equipments related to provision of data communication services and voice services ¥24,982 million

Software
Software related to telecommunications software and customer management systems, etc. ¥11,760 million
Software related to ADSL and transmission telecommunications equipments ¥510 million

(2) The major components of the decrease in the fiscal year ended March 31, 2013 are as follows:

Wireless telecommunications equipments
Disposal due to renewal and replacement from making the network LTE-compatible and high-speed ¥5,058 million

Long-term prepaid expenses
Reduction due to refund of contribution for right of using facilities ¥5,147 million

(3) Amount of accumulated impairment loss is included in “Accumulated depreciation or amortization.”

2. Detailed Schedule of Allowance

(¥ in millions)

	Balance as of April 1, 2012	Increase in the fiscal year ended March 31, 2013	Decrease in the fiscal year ended March 31, 2013		Balance as of March 31, 2013
			Used for intended purpose	Others	
Allowance for bad debt	3,387	2,569	1,722	1,666	2,569
Allowance for bad debt (long-term)	92	102	75	17	102
Total allowance for bad debt	3,479	2,671	1,796	1,683	2,671

(1) "Others" of "Decrease in the fiscal year ended March 31, 2013" for allowance for bad debt reflects the reversal of the balance of the account as of the end of the previous year.

(2) Figures under "Balance as of April 1, 2012" are restated due to the change in accounting treatment of the discount amount incurred at the conclusion of telecommunication contracts with a non-cancellable period.

3. Detailed Schedule of Selling, General and Administrative Expenses

(¥ in millions)

Account	Amount
Advertising expenses	1,116
Promotion expenses	93,851
Provision of allowance for bad debt	988
Salaries and benefits	6,790
Compensations	328
Traveling and transportation expenses	293
Rent expenses	1,555
Business consignment expenses	6,771
Supplies expenses	382
Communication expenses	1,060
Depreciation and amortization	4,304
Research and development expenses	535
Others	3,143
Total	121,115

Independent Auditor's Report

The Board of Directors
eAccess Ltd.

We have audited the financial statements, comprising the balance sheet, the statement of operations, the statement of changes in net assets and the related notes, and the supplementary schedules of eAccess Ltd. as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of eAccess Ltd. for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Emphases of Matters

1. We draw attention to item (9) of the Notes on Significant Accounting Policies which describes eAccess Ltd. changed its accounting treatment for accounts receivables-other related to telecommunication contract and prepaid expenses related to contracts for monetary loans.

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2. We draw attention to item (11) of the Notes on Significant Accounting Policies which describes eAccess Ltd. changed its useful life determinations for tangible fixed assets, intangible fixed assets and long-term prepaid expenses.
3. We draw attention to Additional Information which describes eAccess Ltd. carried out a share exchange on January 1, 2013, whereby SoftBank Corp. became a wholly-owning parent company of eAccess Ltd. and eAccess Ltd. became a wholly-owned subsidiary of SoftBank Corp.

Our opinion is not qualified in respect of these matters

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit does not include the translation of yen amounts into U.S. dollar amounts.

KPMG AZSA LLC

KPMG AZSA LLC
June 21, 2013
Tokyo, Japan

eAccess Ltd.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

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 = ¥94.16, the exchange rate in effect as of March 31, 2013, 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.

Statement of Cash Flows

(For the year ended March 31, 2013)

	(¥ in millions)	(Uunaudited) ($ in thousands)
Cash flows from operating activities		
Income before income taxes	2,450	26,018
Depreciation	35,850	380,734
Gain on sales of fixed assets	(9)	(98)
Loss on disposal of fixed assets	6,754	71,734
Amortization of bond issuance cost	211	2,242
Compensation for the loss on disposal of fixed assets	(3,513)	(37,309)
Contribution for right of using facilities	(1,158)	(12,303)
Loss on business integration	5,638	59,875
Gain on valuation of derivatives	(12,141)	(128,945)
Decrease in allowance for bad debt	(808)	(8,580)
Interest and dividend income	(125)	(1,324)
Interest expense	9,675	102,752
Commission expense	1,122	11,915
Foreign exchange losses	6,636	70,479
Increase in accounts receivable-trade	(1,718)	(18,250)
Decrease in inventories	2,089	22,190
Increase in accounts receivable-other	(429)	(4,553)
Decrease in other assets	1,392	14,780
Decrease in accounts payable-trade	(1,274)	(13,525)
Decrease in other accounts payable	(4,697)	(49,882)
Increase in accrued expenses	1,013	10,760
Increase in advances received	10,895	115,707
Increase in other liabilities	542	5,751
Others	(281)	(2,980)
Subtotal	58,115	617,189
Interest and dividend received	125	1,327
Interest paid	(9,692)	(102,933)
Compensation for the loss on disposal of fixed assets received	455	4,834
Advisory fee paid	(2,758)	(29,287)
Income taxes paid	(14)	(147)
Income taxes refund	3	30
Net cash provided by operating activities	46,234	491,013
Cash flows from investing activities		
Increase in restricted deposit	(127)	(1,348)
Purchase of affiliated company stocks	(255)	(2,708)
Purchase of tangible fixed assets	(23,102)	(245,353)
Proceeds from sales of tangible fixed assets	419	4,447
Purchase of intangible fixed assets	(12,348)	(131,139)
Purchase of long-term prepaid expenses	(2,717)	(28,854)
Proceeds from contribution for the shared network facilities	6,168	65,501
Others	(34)	(362)
Net cash used in investing activities	(31,997)	(339,816)
Cash flows from financing activities		
Repayments of capital lease obligations	(185)	(1,965)
Proceeds from sales and redemption by installment payment	15,837	168,188
Repayments of installment obligations	(18,351)	(194,894)
Proceeds from short-term debt	18,900	200,722
Repayments of short-term debt	(12,600)	(133,815)
Proceeds from long-term debt	16,130	171,300
Repayments of long-term debt	(29,522)	(313,530)
Payments for arrangement of interest bearing debt	(1,122)	(11,915)
Redemption of bonds	(12,994)	(138,003)
Proceeds from settlement of derivatives	469	4,977
Purchase of preferred stock	(2,779)	(29,516)
Proceeds from stock issuance, net	49,565	526,387
Purchase of own subscription rights to shares	(2,306)	(24,489)
Dividends paid	(2,861)	(30,383)
Net cash provided by financing activities	18,179	193,067
Effect of exchange rate change on cash and cash equivalents	14	146
Net change in cash and cash equivalents	32,430	344,409
Cash and cash equivalents at the beginning of the period	38,412	407,942
Cash and cash equivalents at the end of the period	70,841	752,351

(Notes to Statement of Cash Flows)

(1) The amounts described below are presented by rounding off to the nearest one million yen unit.

(2) Cash and cash equivalents in Statement of Cash Flows consist of cash on hand, cash in banks which can be withdrawn as needed, and short-term investments with maturities of within three months that can be easily converted to cash with minimal risk of change in value.

(3) Reconciliation of cash and cash equivalents at the end of the period and the amount recorded in Balance Sheet.

Cash and cash deposits	72,623
Restricted deposit	(1,781)
Cash and cash equivalents	70,841

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<u>Independent Auditor's Report</u>

The Board of Directors
eAccess Ltd.

We have audited the statement of cash flows and the related notes of eAccess Ltd. for the year from April 1, 2012 to March 31, 2013 (hereinafter referred to as "the statement of the cash flows") at eAccess Ltd.'s request.

Management's Responsibility for the Statement of Cash Flows

Management is responsible for the preparation and fair presentation of the statement of cash flows in accordance with those requirements of accounting principles generally accepted in Japan relevant to preparing the statement of the cash flows, and for such internal control as management determines is necessary to enable the preparation of the statement of cash flows that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement of cash flows based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash flows are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of cash flows. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the statement of cash flows, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the statement of cash flows in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement of cash flows.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash flows referred to above present fairly, in all material respects, cash flows for the period, for which the statement of cash flows was prepared, in accordance with those requirements of accounting principles generally accepted in Japan relevant to preparing the statement of the cash flows.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit does not include the translation of yen amounts into U.S. dollar amounts.

KPMG AZSA LLC

KPMG AZSA LLC
June 21, 2013
Tokyo, Japan

eAccess Ltd.

BUSINESS REPORT
AS OF AND FOR THE YEAR ENDED MARCH 31, 2013

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.

eAccess Ltd.
Business Report

for the 14th term

(From April 1, 2012, to March 31, 2013)

I. Items Concerning the Corporate Group's Current Status

1. Operating Progress and 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. Prior to the effective date, on December 26, 2012, the common shares of the Company were delisted from Tokyo Stock Exchange, Inc. SoftBank subsequently transferred some of the shares of the Company to companies outside its group on January 17, 2013.

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.

The Company's Revenue for the fiscal year ended March 31, 2013 increased by 7.8% year on year to ¥220,710 million. This was mainly due to an increase in the accumulated total number of subscribers in the Mobile Business, which provides a mobile broadband communication service under the EMOBILE brand. With respect to profits, on the other hand, Operating profit decreased by 38.4% year on year to ¥15,067 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 the number of ADSL subscribers.

In addition, as a result of the aforementioned business integration with SoftBank, currency swap transactions concerning the Company's bonds denominated in foreign currencies became excluded from hedge accounting. Further, Unrealized profit of ¥12,141 million that had arisen from revaluation of derivative transactions was recorded as Non-operating income. With regard to Non-operating expenses, a Foreign exchange loss of ¥6,637 million, Interest expense of ¥5,534 million, and Interest on corporate bonds of ¥4,141 million were recorded. As a result, Recurring profit decreased by 16.6% year on year to ¥10,162 million.

Moreover, subsidy income to be used for the replacement of existing equipment for operations of the LTE service and Contribution for right of using facilities, etc. of ¥4,681 million were recorded as Non-recurring profit, while Loss on disposal of fixed assets for the equipment that was replaced and loss related to the aforementioned business integration with SoftBank, etc. of ¥12,392 million were recognized as Non-recurring loss. As a result, Income before income taxes decreased by 79.5% year on year to ¥2,450 million.

Additionally, taxes of ¥4,424 million covering income taxes, as well as Income tax expense-deferred of ¥436 million were recorded. As a result, a Net loss of ¥2,411 million was recorded (compared to Net income of ¥15,156 million in the previous fiscal year).

Operating results by segment for the current fiscal year are as follows.

(¥ in millions)

	Fiscal year ended March 31, 2013	
	Revenue	Segment profit (operating profit)
Mobile Business	185,694	5,031
Fixed Broadband Business	35,016	10,035
Total	220,710	15,067

(1) Mobile Business

Revenue in the Mobile Business increased by 16.0% year on year to ¥185,694 million, mainly due to steady growth in the accumulated total number of subscribers. In the current fiscal year, the business experienced a decline in customer acquisitions through wholesale channels for mobile broadband lines and cancellations due to two-year contract completions. However, the number of subscribers grew mainly in the LTE service, EMOBILE LTE, which was launched in March 2012 through the Company’s own distribution channel including mass retailers. Hence, the Company accumulated a total number of subscribers of 4,319 thousand as of March 31, 2013, up 301 thousand, or 7.5% from the previous fiscal year-end. On the other hand, segment profit (Operating profit) for the current fiscal year decreased by 47.8% year on year to ¥5,031 million. 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 March 31, 2013, nationwide service coverage in population terms was 95%.

(Note) Effective from the current fiscal year, 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.

(2) Fixed Broadband Business

In the Fixed Broadband Business, the accumulated total number of subscribers was down because the number of cancellations exceeded the number of new subscriptions. 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 March 31, 2013 was 1,197 thousand.

As a result, Revenue for the current fiscal year declined by 21.6% year on year to ¥35,016 million and segment profit (Operating profit) declined by 32.2% year on year to ¥10,035 million.

2. Capital Expenditure, etc.

Total amount of capital expenditure for the current fiscal year was ¥46,552 million.

This was mainly for improving communication speed and strengthening wireless telecommunications equipment to accommodate increasing traffic resulting from an increase in the number of subscribers in the Mobile Business (¥42,630 million), and strengthening telecommunications equipment for the provision of backbone services in the Fixed Broadband Business (¥3,607 million).

3. Challenges to Address

The Company aims to maximize Group profitability as a member of the SoftBank Group. It also strives to ensure high-quality communications that can maintain continuous and stable communication services and provide broadband communication services that are always convenient and easy to use.

Towards these ends, the Company will put the highest priority on addressing the following issues.

(1) Expansion of Mobile Business and ensuring stable profit in Fixed Broadband Business

The Company aims at active expansion of the growing Mobile Business and ensuring a stable profit in the Fixed Broadband Business.

For its Mobile Business the Company strives to realize a society with truly seamless broadband services through the promotion of mobile broadband services based on superior convenience and functionality by leveraging LTE, high-speed communication technologies to provide new services, new charge systems and attractive terminals. In addition, amid smartphones becoming dominant in the mobile market, the Company, as a Group strategy, aggressively promotes sales of smartphones equipped with Android OS.

In the Fixed Broadband Business, the Company endeavors to emphasize the advantages of ADSL services including their lower cost compared with FTTH and ease of introduction, while retaining existing customers and maintaining profitability by strengthening costs management.

(2) Enhancement of sales and marketing system

The Company has increased the number of subscribers, mainly by obtaining customers for mobile routers, in cooperation with affiliated partners and distributors. In future, responding to further expansion of smartphone and tablet markets, the Company will reinforce its business relationships with partners further and actively utilize resources and knowhow of the SoftBank Group, while it will expand distribution channel including EMOBILE shops. Its aim is to enhance opportunities to attract new customers.

In addition, aiming to maximize the Group revenue, we at the Company strive to enhance marketing activities focusing on greater recognition of the “EMOBILE” brand and emphasizing the advantages of our services.

(3) Quality assurance and improvement of communication services

The Company ensures stable communication networks as a telecommunications carrier offering important social infrastructure. Aiming to deliver further enhanced convenience to users, we continue striving to expand communication areas, and to improve communication quality, while also improving communication speed by actively taking technological innovation.

(4) Enhancing cost competitiveness

To successfully expand customer bases by setting attractive charge systems and to promote proactive business activities, an enterprise in our industry must inevitably develop and enhance a management system to generate profits at low prices by constraining costs. For the Mobile Business, the Company undertakes various efforts to strength cost competitiveness on various fronts. Key cost controls include restraints on costs in relation to the development and construction of base stations through the implementation of technologies in compliance with global standards and the latest small base stations, and restraints on capital expenditures and running costs through the sharing of networks with the Fixed Broadband Business.

Furthermore, the Company is committed to achieving a leaner, more robust management structure by maximizing its group synergy in capital expenditures and procuring terminals, enhancing business efficiency through business process reform and curtailment of personnel expenses through flexible and dynamic reshuffling of personnel assignments.

(5) Enhancing customer satisfaction

Customers of the Company include affiliated ISPs and distributors, in addition to subscribers to the ADSL services, ISP services of AOL, and mobile communication services. To keep and increase the number of subscribers going forward, it will be critical to enhance customer satisfaction through continued efforts to improve the quality of services at broad contact points. The Company is committed to reinforcing its relationships with affiliated ISPs and distributors, who are an initial link to customers, and expanding direct marketing communication activities for customers through further fulfillment of services at call centers and customer support operations.

(6) Strengthening internal management system and employee education and training

In order to prevent various management insufficiencies arising as a result of business expansion, the Company educates and trains its employees even more thoroughly while improving its organizational structures, developing and improving its various regulations and rules, and improving its business processes steadily.

The Company believes that it is a social obligation to appropriately manage and protect the customers’ personal information it handles. “Information Security Committee,” a unit responsible for the constant promotion, management, and supervision of information security within the Company, develops and operates the Company’s security policies and related regulations and rules, in addition to tightening control over access to customer data and to high-security areas, and installing security software for internal networks. The Company ensures that every employee recognizes his or her obligation to manage personal information with vigilance and continues to promote the appropriate handling and discreet management of information.

Further, in terms of internal control, the Company has developed and improved necessary internal control to ensure the reliability of financial reporting under the Financial Instruments and Exchange Act.

The Company will also strengthen its internal control system by forming a Compliance Committee and Risk Management Committee, and thoroughly educate and train employees by establishing a department wholly devoted to employee education.

4. Principal Business (As of March 31, 2013)
   The Company is mainly engaged in the "Mobile Business," which provides mobile broadband communication services and offers development and sales of communication terminals, and the "Fixed Broadband Business," which provides services offering high-speed internet access centered on ADSL and ISP services under the AOL brand.

5. Principal Lenders (As of March 31, 2013)

Lenders	Loan balance
Syndicated loan	¥76,762 million
BNP Paribas S.A.	¥16,938 million
CHINA DEVELOPMENT BANK CORPORATION	¥18,518 million

(Note) Syndicated loan represents a joint financing loan facility arranged by thirty-four financial institutions in total, including Mizuho Bank, Ltd., ING Bank N.V., Tokyo Branch, Crédit Agricole Corporate and Investment Bank, Tokyo Branch, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd. and U.B.S. AG, Tokyo Branch, which are Mandated Lead Arrangers and Bookrunners.

6. Financing
   Major financing activities, which were newly carried out during the current fiscal year, are as follows.

- The Company entered into an agreement on the term loan to be disbursed on a staggered basis for the aggregate amount of ¥7,318 million with a bank dealing with the Company in order to purchase facilities related to mobile networks. The debt balance as of the end of the current fiscal year was ¥6,446 million. In addition, in accordance with the commitment line agreement (up to ¥17,000 million) and the agreement on the term loan to be disbursed on a staggered basis (the aggregate amount of ¥5,578 million), both of which had been concluded by the previous fiscal year for the purpose of purchasing facilities related to mobile networks, the Company borrowed loans of ¥8,011 million and ¥1,519 million, respectively, during the current fiscal year.
- In order to secure business funds, the Company concluded a commitment line agreement up to ¥6,300 million with a bank dealing with the Company, and borrowed loans for the aggregate amount of ¥6,300 million.

Other major loan agreements and installment purchase agreements, which were valid as of the end of the current fiscal year, are as follows.
The Company has installment purchase agreements with leasing companies for the purpose of purchasing terminals for the Mobile Business, building networks and securing business funds.

- The aggregate maximum amount of the installment purchase basic agreements for purchasing terminals, which were concluded during the current fiscal year, was ¥16,000 million (of which the aggregate maximum amount under the valid basic agreements as of the end of the current fiscal year was ¥5,000 million), and the maximum amount, which was unutilized and available for use as of the end of the current fiscal year, was ¥3,038 million. In addition, the balance of the installment purchase basic agreements for purchasing terminals (including those which had been concluded over the past years) was ¥14,921 million as of the end of the current fiscal year.
- The aggregate maximum amount of the installment purchase agreement for building networks was ¥30,000 million (expiration of the agreement execution period) and the balance as of the end of the current fiscal year was ¥1,927 million.
- The aggregate maximum amount of the installment purchase agreement for securing business funds was ¥3,500 million (expiration of the agreement execution period) and the balance as of the end of the current fiscal year was ¥2,369 million.

II. Accounting Auditor

Name: KPMG AZSA LLC

III. System and Policy of the Company

(Note) The "Group" described in "III. System and Policy of the Company" refers to the Company and its subsidiaries.

1. Basic Policy for Development of Internal Control System

Pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company shall develop the following system (hereinafter, the "Internal Control System") to ensure appropriateness of its operations.

(1) System to ensure performance of duties by Directors and employees conform with laws and regulations and the Articles of Incorporation

(i) The Board of Directors shall strive to develop a Group-wide compliance system in order to ensure that Directors and employees comply with laws and regulations and the Articles of Incorporation, and conduct their duties in accordance with sound social standards.

(ii) The Company shall establish a division to oversee the Group's compliance measures on a Group-wide basis. The Company shall also establish a code of conduct, implement training, and prepare and distribute a compliance manual concerning compliance with laws and regulations, the Articles of Incorporation, and social standards, thereby ensuring that Directors and employees are made aware of compliance and put compliance into practice in a thoroughgoing manner.

(iii) The Internal Audit Division shall conduct audits on the statuses of compliance at the Company and the Group companies regularly or as needed and report the results to the Representative Director.

(iv) The Company shall establish a whistle-blowing system whereby employees can directly report legally dubious acts and behaviors without going through the office hierarchy, and whereby whistle blowers are given due protection.

(v) The Company's basic policy shall underscore that the Company, working in cooperation with the Group companies, shall take decisive action against anti-social forces and block any relationships with a resolute attitude, and shall not provide any money or other benefits. The Company shall specify the aforementioned in its code of conduct and ensure that Directors and employees are made aware of issues regarding handling of anti-social forces and put this into practice in a thoroughgoing manner.

(2) System to retain and manage information about Directors' performance of duties

(i) Information about Directors' performance of duties shall be recorded in written documents or via an electromagnetic medium, and shall be retained appropriately in accordance with the Company's internal rules.

(ii) The Company shall develop a system whereby Directors, Corporate Auditors and other relevant personnel can access these documents, etc. at any time.

(3) Rules about loss risk management and other systems

(i) The Company shall establish a division to grasp and oversee risk management status across the whole Group, and develop internal rules which define risk management in a systematic manner.

(ii) The Company shall take appropriate measures to develop an optimal risk management system for operations, under which importance of identification, evaluation, monitoring, and management of various risks adherent to business executions are recognized, responsible divisions are assigned by risk categories, and the Group's risk as a whole is managed comprehensively and completely.

(iii) The Internal Audit Division shall conduct audits on the statuses of risk management at the Company's and the Group companies' divisions regularly or as needed and report the results to the Representative Director.

(iv) The Company shall develop a system and countermeasures in advance in order to respond to the occurrence or possible occurrence of unexpected situations with a substantial adverse impact on the Company's business, and if such situation occurs, the Company shall execute the countermeasures promptly and take actions to prevent recurrence.

(4) System to ensure efficient performance of duties by Directors
The Company shall establish management goals, properly manage budget and actual operating results, and conduct continuous monitoring of risks associated with business development, while streamlining and expediting operations through restructuring of organizations and operation processes and proper use of information technology, thereby ensuring efficiency in the execution of Directors' duties.

(5) System to ensure appropriateness of operations of the eAccess Group
In order to establish the Internal Control System at the Company and the Group companies, the Company shall establish a division in charge of the Internal Control System of the whole Group, while developing a structure that includes a system enabling the Company and the Group companies to carry out deliberations and information sharing, etc. on the Internal Control System efficiently.

(6) Items on employees whom Corporate Auditors request to appoint for assistance in their duties and independence of the employees from Directors
- (i) Based on a request by Corporate Auditors, Directors shall appoint appropriate persons as assistants to support the Corporate Auditor's duties.
- (ii) Appointments, transfers and personnel evaluations of assistants shall require approval from Corporate Auditors.

(7) System for Directors and employees to report to Corporate Auditors, and other relevant systems
- (i) In order to ensure effectiveness of audits, Corporate Auditors shall receive reports from Directors and employees on important items with an impact on the Company's and the Group companies' management and operating results.
- (ii) These important items shall include matters concerning compliance, risks and others in relation to the Internal Control System.
- (iii) When Directors find facts that may cause material damages to the Company, they shall report such facts to Corporate Auditors immediately.

(8) Other system to ensure effective auditing by Corporate Auditors
- (i) The Board of Corporate Auditors shall hold regular exchanges of opinions with the Representative Director and Accounting Auditor, respectively.
- (ii) Corporate Auditors shall be authorized to attend board meetings as well as other important meetings in order to understand important decision-making matters and the status of business execution. They shall also be allowed to access approval documents and other important records concerning business execution and to ask for explanations to Directors and employees as needed.

(9) System to ensure reliability and appropriateness of financial reporting
In order to ensure reliability and appropriateness of financial reporting, in accordance with the Financial Instruments and Exchange Act, the Company shall establish a "Principle of Internal Control over Financial Reporting" and develop a system to implement transparent and appropriate financial reporting to the markets.

2. Progress on Development of Internal Control System
In accordance with "Principle of Internal Control System," which was resolved at the board meeting on May 11, 2006, and whose partial revision was subsequently resolved at the board meeting on March 31, 2009, the Company strives for further enhancement of the Group's Internal Control System to prevent the occurrence of misconduct and maintain and improve its corporate value. The major contents are as follows.

(1) Legal compliance system
- (i) In practicing compliance, the Group stipulates in its code of conduct that it shall comply with laws and regulations, various internal rules and social standards, and act without ethical misconduct, thereby ensuring that Directors and employees are made aware of such matters and put it into practice in a thoroughgoing manner.
- (ii) The Company develops compliance rules and various relevant rules which specify the establishment of a compliance system as well as its appropriate management, thereby clarifying the system that Directors and employees should comply with.

(iii) The Company has established a Compliance Committee as a structure to oversee the Group's compliance. The Compliance Committee is responsible for providing educational and enlightenment activities concerning compliance, conducting special audits, and developing countermeasures on occurrences of serious compliance violations.
(iv) The Company has established a compliance inquiry service in line with the whistle-blowing system, and strives to foster a more transparent corporate climate, thereby building a system to prevent serious compliance incidents from occurring.
(v) The Company provides all employees with compliance training as well as the compliance manual, which is a guideline for exercising compliance.
(vi) In order to ensure reliability and appropriateness of financial reporting pursuant to the Financial Instruments and Exchange Act, the Company has established the Internal Control Office and develops a system to realize and strengthen internal control complying with the aforementioned Act, and has also specified the principle of internal control over financial reporting, thereby ensuring that Directors and employees are made aware of this principle and put it into practice in a thoroughgoing manner.
(vii)The Company reinforces the monitoring function of the Internal Audit Division and develops a system to ensure the Corporate Auditors' independence and effectiveness, thereby ensuring appropriateness of the whole Group's business operations.

(2) Risk management system
(i) The Company has established risk management rules and various relevant rules in order to minimize its financial damages by managing risks of the Group, thereby ensuring that Directors and employees are made aware of the Company's system to prevent and avoid risks and put it into practice in a thoroughgoing manner.
(ii) The Company has established a Risk Management Committee as a structure to oversee the Group's risk management. The Risk Management Committee is responsible for assessing and managing the Group's risks, providing educational and enlightenment activities concerning risk management, and developing countermeasures on occurrences or possible occurrences of serious crises.
(iii) In order to ensure a crisis management system and appropriate countermeasures if a crisis occurs, the Company develops crisis management rules and specifies definitions of crises, and has put in place a Crisis Management Committee. The Crisis Management Committee is responsible for developing a comprehensive system for crisis management and undertaking intensive crisis management if a crisis occurs.
(iv) The Company shall establish a Business Continuity Plan (BCP) that specifies measures to be taken by the Company when risks related to business continuity become apparent, and strive to develop a system to ensure business continuity.

(3) System to eliminate anti-social forces
(i) The Group specifies in its code of conduct and the compliance manual its basic policy towards illegal and wrongful demands and the like by anti-social forces, thereby ensuring that Directors and employees are made aware of this policy and put it into practice in a thoroughgoing manner.
(ii) In order to prepare for illegal and wrongful demands and the like by anti-social forces, the Group endeavors to routinely collect information from external specialist institutions such as police, lawyers, etc., cooperate closely with them if such cases occur, and develop a system under which it can take organizational countermeasures.
(iii) Pursuant to the Tokyo Metropolitan Ordinance for Eliminating the Organized Crime Groups enacted on October 1, 2011, the Group strives to develop a system for preventing transactions with anti-social forces, such as implementing an advance screening to avoid transactions with anti-social forces and inserting an additional clause stipulating the elimination of organized crime groups in contracts.

3. Policy Concerning Decisions on Dividends from Surplus, etc.
When it was listed, the Company's basic policy on dividends from surplus was to distribute stable and consistent funds after comprehensive consideration of its business performance each year, while also retaining the internal reserves necessary for future business development and enhancements in its corporate structure. Based on this policy, for payment of dividends for the current fiscal year, the Company paid out a quarterly dividend of ¥200 per common share during the period from the first quarter to the third quarter, totaling ¥600 per share as distribution of profits for the year. In addition, the Company acquired and cancelled its Class 1 preferred shares on July 2, 2012. As a result, for the dividend paid at the end of the first quarter, the Board of Directors resolved at a meeting held on August 8, 2012 to pay out dividends from surplus of ¥1,828,940, which was calculated on a pro rated basis in accordance with the number of days up to the record date.
With regard to the dividends from surplus after the Company was delisted upon conclusion of the share exchange with SoftBank in January 2013, the Company follows its basic policy of making resolutions at meetings of the Board of Directors in consideration of the wishes of shareholders.

(Note) The amounts described in this Business Report are presented by rounding them to the nearest unit.

Quarterly Results for Fiscal Year 3/2013
Supplemental Financial Information

（in million yen）

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)	4Q (1-3/2013)	Full-year/ Year-end
EBITDA	5,225	4,969	4,689	4,288	19,171	3,712	3,481	3,060	2,610	12,862
Capital expenditures	189	494	864	2,024	3,571	488	1,488	670	1,275	3,922
Net add subscribers (thousands)	-89	-95	-83	-96	-363	-104	-86	-85	-93	-368
Accumulated subscribers (thousands	1,839	1,744	1,661	1,565	1,565	1,461	1,375	1,290	1,197	1,197
ARPU (yen/month)	2,009	2,006	1,998	1,992	2,001	1,987	1,983	1,977	1,979	1,982
Churn rate (%/month)	2.04%	2.14%	1.97%	2.32%	2.12%	2.53%	2.22%	2.29%	2.63%	2.42%
SAC (yen)	7,500	7,000	6,000	7,000	7,000	7,500	8,500	6,000	8,500	7,500

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)	4Q (1-3/2013)	Full-year/ Year-end
EBITDA	10,509	11,445	10,473	10,907	43,333	10,834	11,912	13,834	8,792	45,373
Capital expenditures	7,842	5,727	9,818	6,275	29,662	6,781	9,284	9,721	16,844	42,631
Net add subscribers (thousands)	223	238	221	218	899	121	121	33	26	301
Accumulated subscribers (thousands	3,341	3,579	3,800	4,017	4,017	4,138	4,259	4,292	4,319	4,319
ARPU (yen/month)	2,860	2,730	2,730	2,680	2,740	2,680	2,710	2,700	2,690	2,690
Churn rate (%/month)	1.50%	1.44%	1.54%	1.50%	1.50%	1.45%	1.53%	1.48%	1.54%	1.50%
SAC (yen)	9,000	16,000	12,000	14,000	13,000	15,000	13,000	20,000	23,000	17,000

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)