

**Announcement of Consolidation of WILLCOM, Inc. as
a Wholly-owned Subsidiary of SoftBank Corp.**

July 1, 2013
SoftBank Corp.

WILLCOM, Inc. (“WILLCOM”), of which 100% of its issued shares are held by SoftBank Corp. (the “Company”), received an order of termination of rehabilitation proceedings from the Tokyo District Court on July 1, 2013. Consequently, WILLCOM became a consolidated subsidiary of the Company on the same day.

1. Background

In February 2010, WILLCOM filed a petition with the Tokyo District Court for commencement of rehabilitation proceedings. Following the court’s order to commence rehabilitation WILLCOM entered into the rehabilitation process in March 2010. In accordance with the rehabilitation plan, approved in November 2010, WILLCOM has been repaying rehabilitation claims and such. This consists of making payments amounting to JPY 41.0 billion for rehabilitation claims and rehabilitation security interests evenly over six years starting from 2011. The Company became WILLCOM’s sponsor in August 2010, dispatched a business trustee, and has been providing necessary support for business operations and execution of the rehabilitation plan. The Company acquired 100% of WILLCOM’s issued shares in December 2010.

The cumulative number of subscribers of WILLCOM (total of PHS and 3G service) once exceeded 4.66 million at the end of July 2007, but declined to 3.78 million at the end of December 2010. However, with the Company’s support, WILLCOM implemented a rapid succession of initiatives such as the introduction of attractive and reasonable price plans, enhancement of the product lineup, and expansion of the store network, and as a result, the net subscriber additions (new subscribers minus cancellations) turned positive after 19 months of net losses in January 2011. Since then, the cumulative number of subscribers continues to increase and stood at 5.45 million at the end of May 2013. Along with the increase in subscribers, WILLCOM’s quarterly operating income turned positive in the second quarter of fiscal 2011, and is sustaining its positive trend.

As the business results are improving steadily, WILLCOM made a lump-sum repayment of the rehabilitation claims and such (outstanding balance of approximately JPY 27.1 billion) by procuring the necessary funds from the Company, and filed a petition with the Tokyo District Court for the termination of its rehabilitation proceedings. On July 1, 2013, WILLCOM received an order of termination of rehabilitation proceedings from the Tokyo District Court. Consequently, WILLCOM is no longer supervised by the court or trustees, and became a consolidated subsidiary of the Company on the same day.

2. Outline of WILLCOM

(1) Name	WILLCOM, Inc.
(2) Address	Tokyo Shiodome Bldg. 1-9-1 Higashi-shimbashi, Minato-ku, Tokyo
(3) Name and Title of Representative	Ken Miyauchi, representative director & president

(4) Business Description	Telecommunication business		
(5) Stated Capital	JPY 150,000,000		
(6) Date of Incorporation	July 1, 1994		
(7) Major Shareholders and Shareholding Rate (as of June 30, 2013)	SoftBank Corp. (100%)		
(8) Relation between the Company and WILLCOM	Capital Relationship	The Company owns 100% of shares issued by WILLCOM	
	Personnel Relationship	Ken Miyauchi, representative director, executive vice president of the Company, holds the position of representative director & president of WILLCOM.	
	Business Relationship	The Company provides financial support to WILLCOM. SoftBank Mobile Corp., SoftBank Telecom Corp. and SoftBank BB Corp., consolidated subsidiaries of the Company, and WILLCOM mutually provide telecommunication services.	
(9) Financial condition and operating results of last three years (in JPY)			
Fiscal Year-end	March 31, 2011	March 31, 2012	March 31, 2013
Total equity	45,872 million	48,403 million	56,113 million
Total assets	127,060 million	138,561 million	149,084 million
Total equity per share	152,908	161,345	187,043
Net sales	47,948 million	165,059 million	169,323 million
Operating income (loss)	(1,790 million)	2,488 million	6,372 million
Ordinary income (loss)	(1,471 million)	3,823 million	6,750 million
Net income (loss)	(2,723 million)	2,531 million	7,709 million
Net income (loss) per share	(9,079)	8,437	25,697
Cash dividends per share	—	—	—

(Note) Operating results for the fiscal year ended on March 31, 2011 represent the results of the four months, December 2010 to March 2011, after the approval of the rehabilitation plan.

3. Schedule

Lump-sum repayment of rehabilitation claims and such by WILLCOM	June 7, 2013
WILLCOM filed a petition with the Tokyo District Court for the termination of rehabilitation proceedings	June 17, 2013
Tokyo District Court issued an order for the termination of rehabilitation proceedings of WILLCOM (WILLCOM to become a consolidated subsidiary of the Company)	July 1, 2013

4. Future Outlook

As WILLCOM becomes a consolidated subsidiary, its shares held by the Company (100% of issued shares) will be re-evaluated at fair value, and the difference between acquisition cost and fair value will be recorded on the consolidated statements of income of the Company. The Company will announce the

amount of this difference once it is verified.

(Ref.) Forecast for the fiscal year ending March 31, 2014 and actual results for the fiscal year ended March 31, 2013

(JPY million)

	Net sales	Operating income	Ordinary income	Net income
Fiscal year ending March 31, 2014 (forecast)	—	—	—	—
Fiscal year ended March 31, 2013 (actual)	3,378,365	745,000	653,214	289,403

The Company has adopted the International Financial Reporting Standards (IFRS) in place of the Japanese-GAAP standards from the fiscal year ending March 31, 2014 (transition date: April 1, 2012). Under IFRS the Company is projecting consolidated operating income from its domestic business of at least JPY 1 trillion in the fiscal year ending March 31, 2014. This includes an expected gain of approximately JPY 150.0 billion resulting from the re-evaluation of the existing interests held in GungHo Online Entertainment, Inc. at fair value as GungHo Online Entertainment, Inc., which was an affiliate under the equity method, became a consolidated subsidiary on April 1, 2013.