

*Disclaimer:*

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*

October 28, 2014

**SoftBank Technology Corp.**  
**Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2015**  
**(Six Months Ended September 30, 2014)**

[Japanese GAAP]

**Company name: SoftBank Technology Corp.** (Tokyo Stock Exchange/Code No. 4726)

(URL <http://www.softbanktech.co.jp/>)

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Scheduled date of filing of Quarterly Report: November 13, 2014

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Six Months Ended September 30, 2014**  
**(April 1, 2014 – September 30, 2014)**

(1) Consolidated Results of Operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2014	19,678	20.8	572	0.4	541	(7.3)	330	1.8
Six months ended Sep. 30, 2013	16,286	1.3	570	(17.2)	584	(32.5)	324	(46.0)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2014: 377 (down 3.4%)  
Six months ended Sep. 30, 2013: 391 (down 33.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2014	34.13	33.73
Six months ended Sep. 30, 2013	33.54	33.26

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2014	20,891	10,354	46.2	995.43
As of Mar. 31, 2014	19,218	9,629	49.2	977.93

Reference: Shareholders' equity (million yen) As of Sep. 30, 2014: 9,642 As of Mar. 31, 2014: 9,464

**2. Dividends**

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2014	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2015	-	0.00			
Fiscal year ending Mar. 31, 2015 (forecast)			-	20.00	20.00

Note: Revisions to the most recently announced dividend forecast: None

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2015**  
**(April 1, 2014 – March 31, 2015)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	40,000	8.3	1,700	24.1	1,700	24.7	1,000	57.2	103.28

Note: Revisions to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly added: 2 (Cybertrust Japan Co., Ltd., Miracle Linux Corporation)

Excluded: -

Note: Please refer to “2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period” on page 6 of the attachments for further information.

(2) Application of special accounting for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

i. Changes in accounting policies due to revisions in accounting standards, others: None

ii. Changes in accounting policies other than i. above: None

iii. Changes in accounting estimates: None

iv. Restatements: None

(4) Number of outstanding shares (Common stock)

i. Number of shares outstanding at the end of the period (including treasury shares)

As of Sep. 30, 2014:	10,649,100 shares	As of Mar. 31, 2014:	10,640,200 shares
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ii. Number of treasury shares at the end of the period

As of Sep. 30, 2014:	961,890 shares	As of Mar. 31, 2014:	961,890 shares
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iii. Average number of shares outstanding during the period

Six months ended Sep. 30, 2014:	9,682,360 shares	Six months ended Sep. 30, 2013:	9,678,310 shares
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\* Information regarding the implementation of quarterly review procedures

The current quarterly summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of this disclosure, the review procedures for the quarterly consolidated financial statements to be filed have not been completed.

\* Explanation for appropriate use of operating forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in this report are based on assumptions based upon valid and other reasonable information available to the Company at the time this report was created. This report is not promises by the Company regarding future performance. The actual performance may differ significantly from these forecasts for a variety of reasons.

How to view supplementary information at the financial results meeting

The Company plans to hold a financial results meeting for institutional investors and analysts on October 29, 2014. Supplementary materials for financial results will be disclosed, using the Timely Disclosure network (TDnet), and will be available on the Company's website (<http://www.softbanktech.co.jp/corp/ir/>).

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## 1. Overview of Result of Operations and Financial Position

### (1) Overview of Results of Operations

	(Millions of yen)				(Yen)
	Net sales	Operating income	Ordinary income	Net income	Net income per share
Six months ended Sep. 30, 2014	19,678	572	541	330	34.13
Six months ended Sep. 30, 2013	16,286	570	584	324	33.54
Change	20.8%	0.4%	(7.3)%	1.8%	1.8%
(Reference) Fiscal year ended Mar. 31, 2014	36,951	1,370	1,363	636	65.74

In the first half of the current fiscal year, the SoftBank Technology Group's net sales increased 20.8% year on year to 19,678 million yen, operating income increased 0.4% to 572 million yen, ordinary income decreased 7.3% to 541 million yen and net income increased 1.8% to 330 million yen.

The main factors affecting results of operations were as follows:

#### (a) Net sales

Net sales increased 3,391 million yen (20.8%) year on year to 19,678 million yen. This was mainly due to strong growth in the system integration business to companies in the SoftBank Group and the receipt of a large order and growth in the number of contracted companies in the Microsoft solutions business for companies outside the SoftBank Group. There were also increases in sales involving security products and system construction projects. In addition, there was a contribution to sales from the inclusion of subsidiaries Cybertrust Japan Co., Ltd. in April 2014 and Miracle Linux Corporation in July 2014.

#### (b) Marginal profit

Marginal profit increased 1,466 million yen (40.3%) to 5,101 million yen. The marginal profit ratio increased 3.6 points to 25.9%. The main reasons for these improvements were the strong performances by the system integration business and platform solutions business and the acquisitions of Cybertrust Japan Co., Ltd. and Miracle Linux Corporation. These two new subsidiaries contributed to an increase in the marginal profit by providing value-added content and services that utilize their respective original technologies.

#### (c) Fixed cost

Fixed costs increased 1,464 million yen (47.8%) to 4,528 million yen. This increase was mainly the result of the inclusion of subsidiaries Fontworks Inc., Kan Corporation, Cybertrust Japan Co., Ltd. and Miracle Linux Corporation in the consolidation. In addition, there were expenses to increase the workforce and relocate the head office due to the larger scale of operations. There was also an increase in depreciation in association with the larger number of subsidiaries and investments for the growth of business operations.

#### (d) Operating income

As a result of the above items (a) to (c), operating income increased 2 million yen (0.4%) to 572 million yen.

#### (e) Non-operating income and expenses

Net non-operating expenses decreased 44 million yen from the non-operating income of 13 million yen to 31 million yen. This was mainly due to an increase in loss on investments in partnership and interest expenses.

#### (f) Income before income taxes and minority interests

As a result of the above items (d) to (e), income before income taxes and minority interests decreased 38 million yen (6.7%) to 541 million yen.

#### (g) Total income taxes

Total income taxes decreased 56 million yen (22.5%) to 195 million yen.

## (h) Net income

As a result of the above items (f) to (g), net income increased 5 million yen (1.8%) to 330 million yen.

Starting in the first quarter of the current fiscal year, the eBusiness Services segment and Solutions segment have been combined to create a single business segment, which is the ICT Services segment. The following table shows the primary components of this new segment.

Segment		Service category	Main services	Core companies
Reportable segment	ICT Services	Digital marketing	<ul style="list-style-type: none"> <li>• Operation of e-commerce sites of other companies</li> <li>• Sales of font set, and provision of web font services</li> <li>• Provision of website access log analysis tools and associated consulting services</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• Fontworks Inc.</li> <li>• Kan Corporation</li> <li>• Solution Business Technology Hong Kong Ltd.</li> <li>• SOLUTION BUSINESS TECHNOLOGY KOREA Ltd.</li> </ul>
		Platform solutions	<ul style="list-style-type: none"> <li>• Construction of corporate IT platforms, including servers, storage, networks and other items, and associated operation and maintenance services</li> <li>• Server and terminal certification service, vulnerability diagnosis service and other services</li> <li>• Provision of open source software solutions centered on Linux</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• Cybertrust Japan Co., Ltd.</li> <li>• Miracle Linux Corporation</li> </ul>
		System integration	<ul style="list-style-type: none"> <li>• Development of IT systems for companies and provision of associated operation and maintenance services</li> <li>• Support for shifting to the Microsoft cloud services and provision of the SoftBank Technology Group's own services</li> <li>• Provision of mobile application services</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• M-SOLUTIONS, Inc.</li> <li>• Mobile Interface Corporation</li> </ul>

**i. Digital marketing**

(Millions of yen)

	First six months of FY3/14	First six months of FY3/15	Change (Amount)	Change (Ratio)
Net sales	8,939	9,366	427	4.8%
Marginal profit	1,327	1,342	15	1.1%

## Major services in the digital marketing business

- Provision of Symantec Store, web fonts, foreign currency payment processing and other e-commerce services
- Provision of Adobe Analytics, Google Analytics Premium, sibulla and other web analysis services
- Provision of SIGNAL Consulting and other data analytics services

## Results of operations of the digital marketing business

Net sales in the digital marketing business increased 427 million yen (4.8%) to 9,366 million yen. In the data analysis business, sales were higher because of the growth in the number of companies with contracts for using the web access analysis tools of Adobe and Google. In addition, the June 2013 inclusion of subsidiaries Fontworks and Kan contributed to boost sales.

Marginal profit in this business increased 15 million yen (1.1%) to 1,342 million yen. Marginal profit was about the same as one year earlier as the inclusion of new subsidiaries Fontworks and Kan offset a decline in profitability in the Symantec Store business.

## ii. Platform solutions

(Millions of yen)

	First six months of FY3/14	First six months of FY3/15	Change (Amount)	Change (Ratio)
Net sales	4,451	6,153	1,702	38.3%
Marginal profit	1,100	1,979	878	79.8%

Major services in the platform solutions business

- Construction of IT platforms using products of Cisco, hp, VMware and other suppliers and provision of operation and maintenance services
- Construction of security systems using products of McAfee, FireEye, ForeScout and other suppliers and provision of maintenance services
- Provision of security services including server certificates, device authentication, vulnerability diagnoses and other services

Results of operations of the platform solutions business

Net sales in the platform solutions business increased 1,702 million yen (38.3%) to 6,153 million yen. One reason was higher sales of Thin Client and other IT platform construction and operation and maintenance services for companies. There was also an increase in orders for FireEye and other new security products in the security business. In addition, the inclusion of new subsidiaries Cybertrust Japan and Miracle Linux contributed to sales growth.

Marginal profit in this business increased 878 million yen (79.8%) to 1,979 million yen. Growth in sales of IT platform construction services for companies and the inclusion of new subsidiaries Cybertrust Japan and Miracle Linux were mainly responsible for the higher marginal profit.

## iii. System integration

(Millions of yen)

	First six months of FY3/14	First six months of FY3/15	Change (Amount)	Change (Ratio)
Net sales	2,896	4,158	1,262	43.6%
Marginal profit	1,206	1,779	572	47.4%

Major services in the system integration business

- Development of IT systems for companies and provision of operation and maintenance services
- Provision of services associated with Microsoft Office365, Share Point and Microsoft Azure
- Provision of the SoftBank Technology Group's own services associated with these activities, such as Online Service Gate and ADFS on Cloud

Results of operations of the system integration business

Net sales in the system integration business increased 1,262 million yen (43.6%) to 4,158 million yen. The SoftBank Technology Group has been aggressively recruiting engineers and having engineers acquire certifications involving advanced technologies with the goal of capturing large orders. By focusing engineers at the group on this business, the system integration business captured a substantial volume of system development orders from companies in the SoftBank Group. In addition, in the Microsoft solutions business, there were large orders and growth in the number of contracted companies, all outside the SoftBank Group. System integration business performance also benefited from growth in the number of contracted companies for SoftBank Technology Group's own services, such as Online Service Gate and ADFS on Cloud. As a result, total sales in this business were much higher than one year earlier.

Marginal profit in this business increased 572 million yen (47.4%) to 1,779 million yen. The increase in earnings was mainly the result of higher sales in the system integration business and the Microsoft solutions business.

**(2) Overview of Financial Position****Assets, Liabilities, and Net Assets**

(Millions of yen)

	As of Mar. 31, 2014	As of Sep. 30, 2014	(Reference) As of Sep. 30, 2013
Total assets	19,218	20,891	16,110
Net assets	9,629	10,354	9,267
Shareholders' equity ratio	49.2%	46.2%	56.6%

**Assets**

Total assets increased 1,672 million yen from the end of the previous fiscal year to 20,891 million yen at the end of the second quarter of the current fiscal year.

Current assets increased 173 million yen mainly due to an increase in cash and deposits, despite a decrease in notes and accounts receivable-trade.

Non-current assets increased 1,499 million yen mainly due to increases in goodwill and software resulting from the acquisition of subsidiaries' stock.

**Liabilities**

Total liabilities increased 947 million yen from the end of the previous fiscal year to 10,536 million yen at the end of the second quarter of the current fiscal year.

Current liabilities decreased 204 million yen mainly due to a decrease in accounts payable-other.

Non-current liabilities increased 1,152 million yen mainly due to an increase in long-term loans payable.

**Net assets**

Net assets increased 725 million yen from the end of the previous fiscal year to 10,354 million yen at the end of the second quarter of the current fiscal year mainly due to an increase in minority interests.

**ii. Cash Flows**

(Millions of yen)

	Six months ended Sep. 30, 2013	Six months ended Sep. 30, 2014	(Reference) Fiscal year ended Mar. 31, 2014
Cash flows from operating activities	477	1,864	209
Cash flows from investing activities	(3,949)	(2,195)	(2,418)
Cash flows from financing activities	(206)	1,819	(248)
Net increase (decrease) in cash and cash equivalents	(3,677)	1,489	(2,457)
Cash and cash equivalents at end of period	2,532	5,242	3,752

Cash and cash equivalents at the end of the second quarter of the current fiscal year increased 1,489 million yen over the end of the previous fiscal year to 5,242 million yen.

The details of cash flows from each activity and the major components of changes are as follows.

**Cash flows from operating activities**

Net cash provided by operating activities totaled 1,864 million yen (compared with net cash provided of 477 million yen one year earlier). Major sources of cash include a decrease in notes and accounts receivable-trade of 1,654 million yen and income before income taxes and minority interests of 541 million yen. Meanwhile, major uses of cash include a decrease in notes and accounts payable-trade of 894 million yen.

**Cash flows from investing activities**

Net cash used in investing activities totaled 2,195 million yen (compared with net cash used of 3,949 million yen one year earlier). Major uses of cash include the purchase of shares of subsidiaries resulting in change in scope of consolidation of 1,027 million yen and the purchase of property, plant and equipment of 858 million yen.

### **Cash flows from financing activities**

Net cash provided by financing activities totaled 1,819 million yen (compared with net cash used of 206 million yen one year earlier). Major sources of cash include the proceeds from long-term loans payable of 1,600 million yen.

### **(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

Forecasts are based on information currently available to the Company. Actual performance may differ from these forecasts for a number of reasons.

The Company maintains its consolidated forecasts for the fiscal year ending on March 31, 2015 that was announced on April 24, 2014.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Changes in Significant Subsidiaries during the Period**

Cybertrust Japan Co., Ltd. was included in the consolidation in the first quarter of the current fiscal year following the acquisition of its shares by the Company. Moreover, Miracle Linux Corporation was included in the consolidation in the second quarter of the current fiscal year following the acquisition of its shares by the Company.



**3. Quarterly Consolidated Financial Statements****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/14 (As of Mar. 31, 2014)	Second quarter of FY3/15 (As of Sep. 30, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	3,830,820	5,326,154
Notes and accounts receivable-trade	7,136,219	5,871,192
Merchandise	39,904	67,020
Work in process	117,382	272,308
Short-term loans receivable	-	1,800
Deferred tax assets	210,848	356,201
Other	1,315,343	929,388
Allowance for doubtful accounts	(8,360)	(8,604)
<b>Total current assets</b>	<b>12,642,158</b>	<b>12,815,461</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	458,601	571,256
Tools, furniture and fixtures, net	900,937	937,313
Construction in progress	39,946	-
<b>Total property, plant and equipment</b>	<b>1,399,485</b>	<b>1,508,569</b>
Intangible assets		
Goodwill	961,533	1,452,634
Software	766,458	1,180,012
Software in progress	171,117	96,163
Customer relationships	718,474	686,542
Other	13,121	325,827
<b>Total intangible assets</b>	<b>2,630,706</b>	<b>3,741,180</b>
Investments and other assets		
Investment securities	1,078,723	1,198,684
Deferred tax assets	242,023	280,101
Other	1,283,730	1,404,955
Allowance for doubtful accounts	(58,460)	(57,868)
<b>Total investments and other assets</b>	<b>2,546,017</b>	<b>2,825,872</b>
<b>Total non-current assets</b>	<b>6,576,208</b>	<b>8,075,622</b>
<b>Total assets</b>	<b>19,218,367</b>	<b>20,891,083</b>

	(Thousands of yen)	
	FY3/14 (As of Mar. 31, 2014)	Second quarter of FY3/15 (As of Sep. 30, 2014)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	4,804,803	4,021,041
Current portion of long-term loans payable	4,200	324,600
Lease obligations	93,717	99,986
Accounts payable-other	1,439,272	471,003
Income taxes payable	283,825	352,578
Provision for bonuses	389,128	504,602
Provision for directors' bonuses	-	29,433
Provision for loss on order received	1,087	20,193
Other	891,756	1,879,457
Total current liabilities	7,907,790	7,702,896
Non-current liabilities		
Bonds payable	200,000	100,000
Long-term loans payable	8,450	1,125,750
Lease obligations	572,198	543,600
Deferred tax liabilities	179,659	165,114
Long-term advances received	333,947	377,311
Negative goodwill	896	-
Net defined benefit liability	56,510	102,213
Asset retirement obligations	163,156	243,251
Other	166,460	176,460
Total non-current liabilities	1,681,278	2,833,700
Total liabilities	9,589,069	10,536,597
<b>Net assets</b>		
Shareholders' equity		
Capital stock	634,555	639,241
Capital surplus	712,204	716,890
Retained earnings	8,728,873	8,865,774
Treasury shares	(747,634)	(747,634)
Total shareholders' equity	9,327,999	9,474,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	135,180	166,344
Foreign currency translation adjustment	1,576	2,305
Total accumulated other comprehensive income	136,756	168,649
Subscription rights to shares	51,113	70,019
Minority interests	113,428	641,545
Total net assets	9,629,297	10,354,486
Total liabilities and net assets	19,218,367	20,891,083

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
**(For the Six-month Period)**

	(Thousands of yen)	
	First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
Net sales	16,286,655	19,678,614
Cost of sales	14,458,240	16,716,465
Gross profit	1,828,414	2,962,148
Selling, general and administrative expenses	1,257,819	2,389,293
Operating income	570,595	572,855
Non-operating income		
Interest income	4,261	444
Dividend income	4,060	2,400
Share of profit of entities accounted for using equity method	-	7,714
Foreign exchange gains	619	7,695
Miscellaneous income	10,017	4,848
Total non-operating income	18,958	23,102
Non-operating expenses		
Interest expenses	1,013	15,662
Loss on investments in partnership	-	37,643
Miscellaneous loss	4,398	1,069
Total non-operating expenses	5,412	54,375
Ordinary income	584,140	541,581
Extraordinary losses		
Impairment loss	4,267	547
Total extraordinary losses	4,267	547
Income before income taxes and minority interests	579,873	541,034
Income taxes-current	261,348	322,555
Income taxes-deferred	(9,310)	(127,319)
Total income taxes	252,037	195,236
Income before minority interests	327,836	345,798
Minority interests in income	3,234	15,331
Net income	324,601	330,466
Minority interests in income	3,234	15,331
Income before minority interests	327,836	345,798
Other comprehensive income		
Valuation difference on available-for-sale securities	62,761	31,164
Foreign currency translation adjustment	584	728
Total other comprehensive income	63,346	31,892
Comprehensive income	391,182	377,691
Comprehensive income attributable to:		
Owners of the parent	387,948	362,359
Minority interests	3,234	15,331

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)	First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	579,873	541,034
Depreciation	210,218	421,054
Impairment loss	4,267	547
Amortization of goodwill	23,331	71,915
Share-based compensation expenses	10,660	20,939
Increase (decrease) in allowance for doubtful accounts	(20,357)	(1,140)
Increase (decrease) in provision for bonuses	32,197	24,972
Increase (decrease) in provision for directors' bonuses	29,142	29,433
Increase (decrease) in provision for loss on order received	598	19,106
Increase (decrease) in net defined benefit liability	-	5,085
Interest and dividend income	(8,321)	(2,844)
Interest expenses	1,013	15,662
Share of (profit) loss of entities accounted for using equity method	-	(7,714)
Loss (gain) on investments in partnerships	(2,692)	37,643
Decrease (increase) in notes and accounts receivable-trade	542,864	1,654,976
Decrease (increase) in inventories	(151,311)	(167,898)
Decrease (increase) in operating receivables	(97,943)	(107,243)
Increase (decrease) in notes and accounts payable-trade	(254,461)	(894,078)
Increase (decrease) in accrued consumption taxes	(15,523)	139,203
Increase (decrease) in operating debt	(137,360)	316,491
Other, net	616	1,344
<b>Subtotal</b>	<b>746,811</b>	<b>2,118,490</b>
Interest and dividend income received	4,411	2,851
Interest expenses paid	(1,013)	(15,662)
Income taxes paid	(272,618)	(241,525)
<b>Net cash provided by (used in) operating activities</b>	<b>477,590</b>	<b>1,864,153</b>
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	100,000	-
Purchase of property, plant and equipment	(89,901)	(858,137)
Purchase of intangible assets	(243,807)	(352,834)
Proceeds from redemption of securities	100,000	-
Purchase of investment securities	-	(103,646)
Proceeds from sales of investment securities	-	7,540
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,493,249)	(1,027,839)
Payments of loans receivable	(2,300,000)	-
Collection of loans receivable	845	150
Payments for guarantee deposits	(20,166)	(32,924)
Proceeds from collection of guarantee deposits	-	275,524
Payments for asset retirement obligations	-	(97,177)
Other, net	(3,026)	(6,000)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,949,306)</b>	<b>(2,195,346)</b>
<b>Cash flows from financing activities</b>		
Decrease in short-term loans payable	(1,923)	-
Proceeds from long-term loans payable	-	1,600,000
Repayments of long-term loans payable	-	(162,300)
Cash dividends paid	(193,271)	(193,495)
Proceeds from leaseback of equipment newly acquired	-	629,430
Repayments of lease obligations	(16,879)	(61,242)
Other, net	5,566	7,404
<b>Net cash provided by (used in) financing activities</b>	<b>(206,507)</b>	<b>1,819,797</b>
Effect of exchange rate change on cash and cash equivalents	584	728
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,677,639)</b>	<b>1,489,333</b>
Cash and cash equivalents at beginning of period	6,209,901	3,752,685
Cash and cash equivalents at end of period	2,532,262	5,242,019

#### **(4) Notes to Quarterly Consolidated Financial Statements**

##### **Going Concern Assumption**

Not applicable.

##### **Significant Changes in Shareholders' Equity**

Not applicable.

##### **Segment and Other Information**

###### Segment Information

1. First six months of FY3/14 (Apr. 1, 2013 – Sep. 30, 2013)

As stated in “2. First six months of FY3/15, Information related to Revisions for Reportable Segments.”

2. First six months of FY3/15 (Apr. 1, 2014 – Sep. 30, 2014)

Omitted since the Company has only a single business segment of ICT Services.

###### Information related to Revisions for reportable segments

In the previous fiscal year, there were two reportable segments: eBusiness Services and Solutions. On April 1, 2014, operations of the SoftBank Technology Group were reorganized based on the “OneSBT” concept for the purpose of focusing the resources of the entire group on the goal of achieving more growth. As a result, starting with the first quarter of the current fiscal year, a single reportable segment is used due to the end of the business unit structure and the unification of reportable business units.

###### *Disclaimer:*

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*