

November 7, 2016

Earnings Results for the 6-month Period Ended September 30, 2016

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Consolidated Results

Consolidated Results

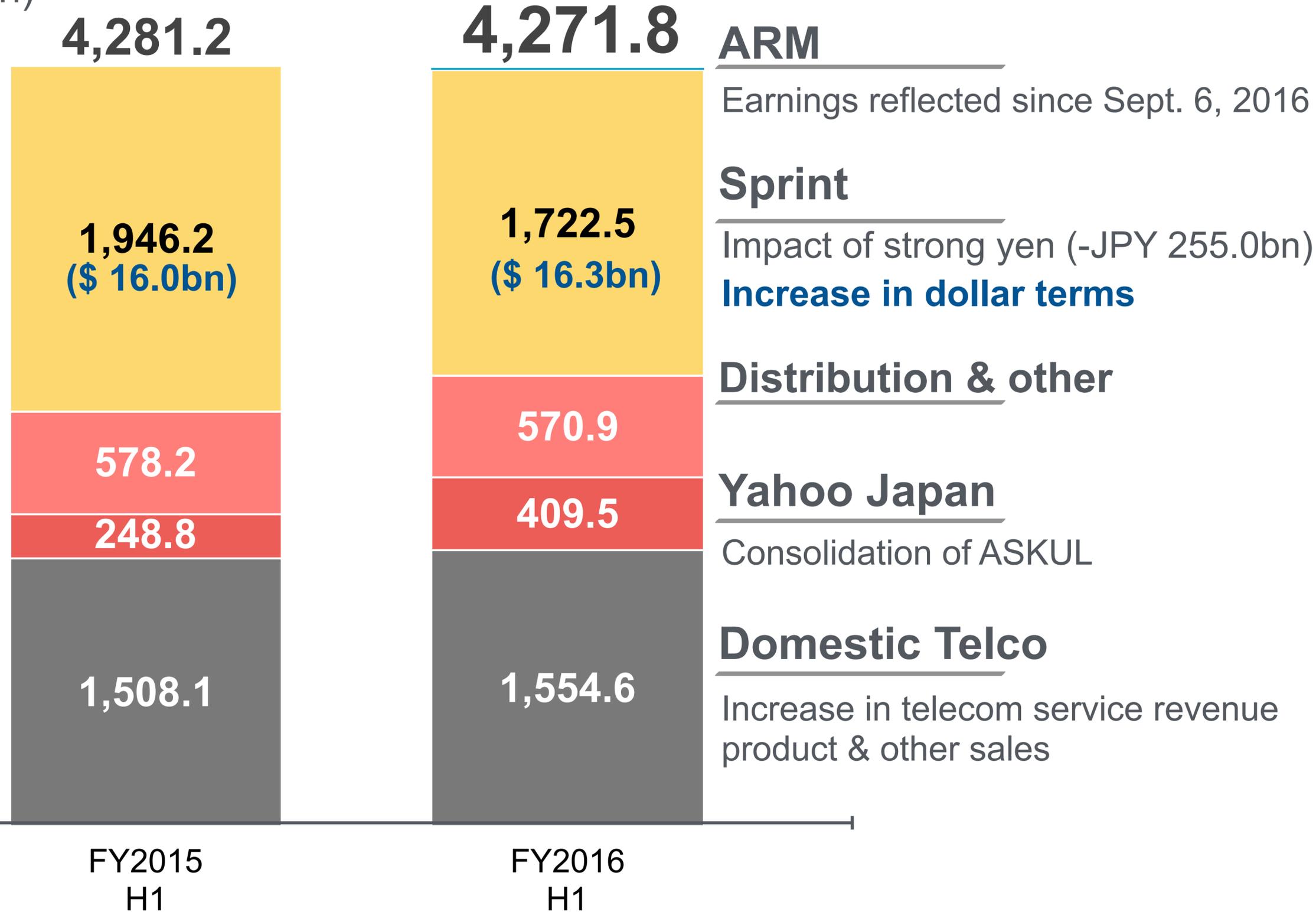
(JPY bn)

	FY2015 H1	FY2016 H1	Change	Ratio
Net sales	4,281.2	4,271.8	-9.4	-0.2%
Adjusted EBITDA	1,250.5	1,333.9	+83.4	+7%
EBIT	631.9	653.9	+22.0	+4%
Net income	426.7	766.2	+339.5	+80%

Net Sales

Down 0.2%

(JPY bn)



(Exchange rate)
 FY2015Q1: JPY 121.34 / USD
 Q2: JPY 121.91 / USD
 FY2016Q1: JPY 109.07 / USD
 Q2: JPY 102.91 / USD

Adjusted EBITDA

(JPY bn)

1,333.9

Steady growth

2003 H1 '04 H1 '05 H1 '06 H1 '07 H1 '08 H1 '09 H1 '10 H1 '11 H1 '12 H1 '13 H1 '14 H1 '15 H1 '16 H1 (FY)

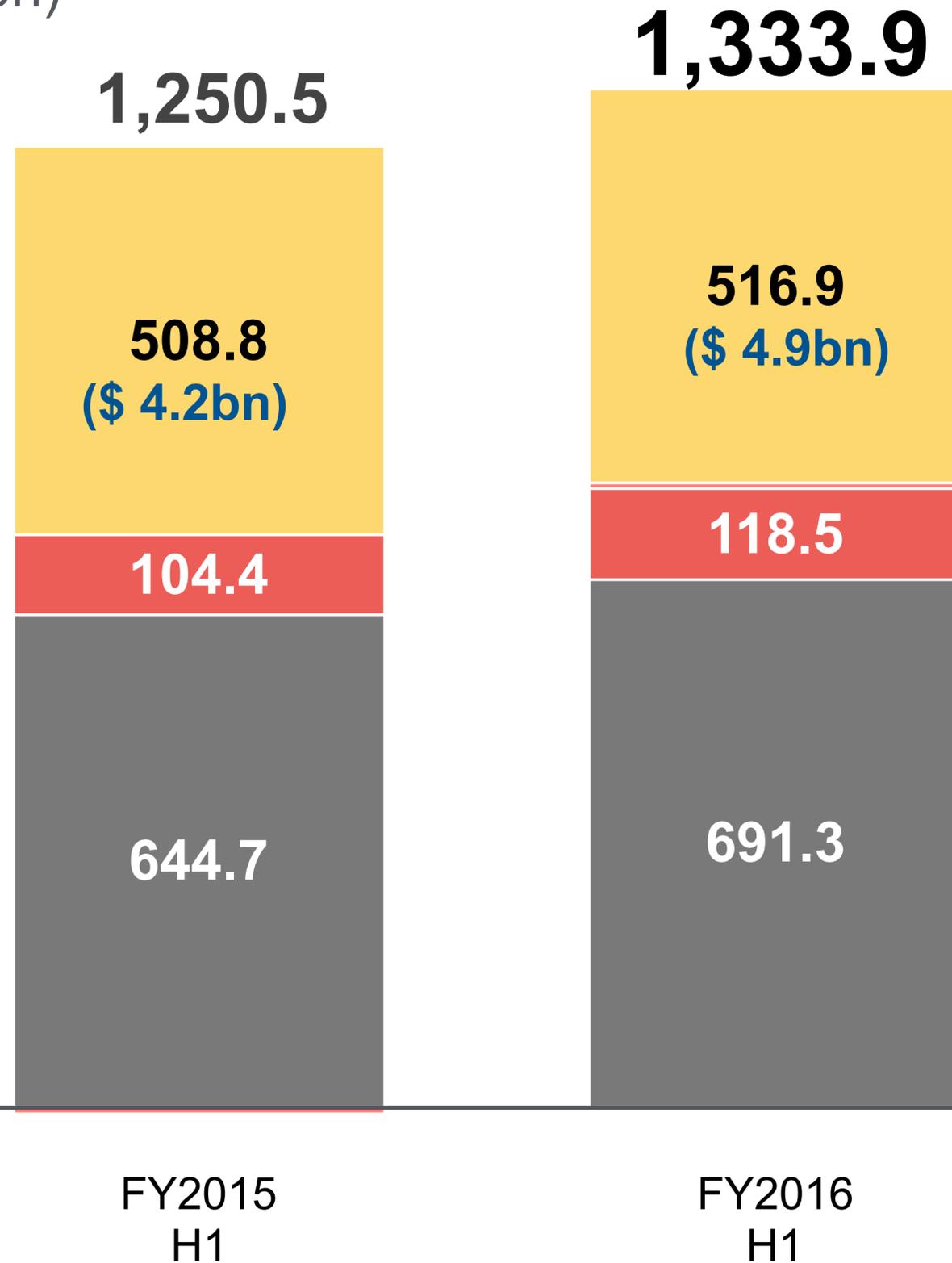
Japanese-GAAP

IFRSs

*FY2013-14: excluding impact of GungHo & Supercell

Adjusted EBITDA

(JPY bn)



Sprint

Cost reduction effort
Impact of strong yen (-JPY 75.8)

Up 17% in dollar terms

Distribution, ARM & other Yahoo Japan

Domestic Telco

Revenue increase
& cost reduction effort

Up 7%

(Exchange rate)

FY2015Q1: JPY 121.34 / USD

Q2: JPY 121.91 / USD

FY2016Q1: JPY 109.07 / USD

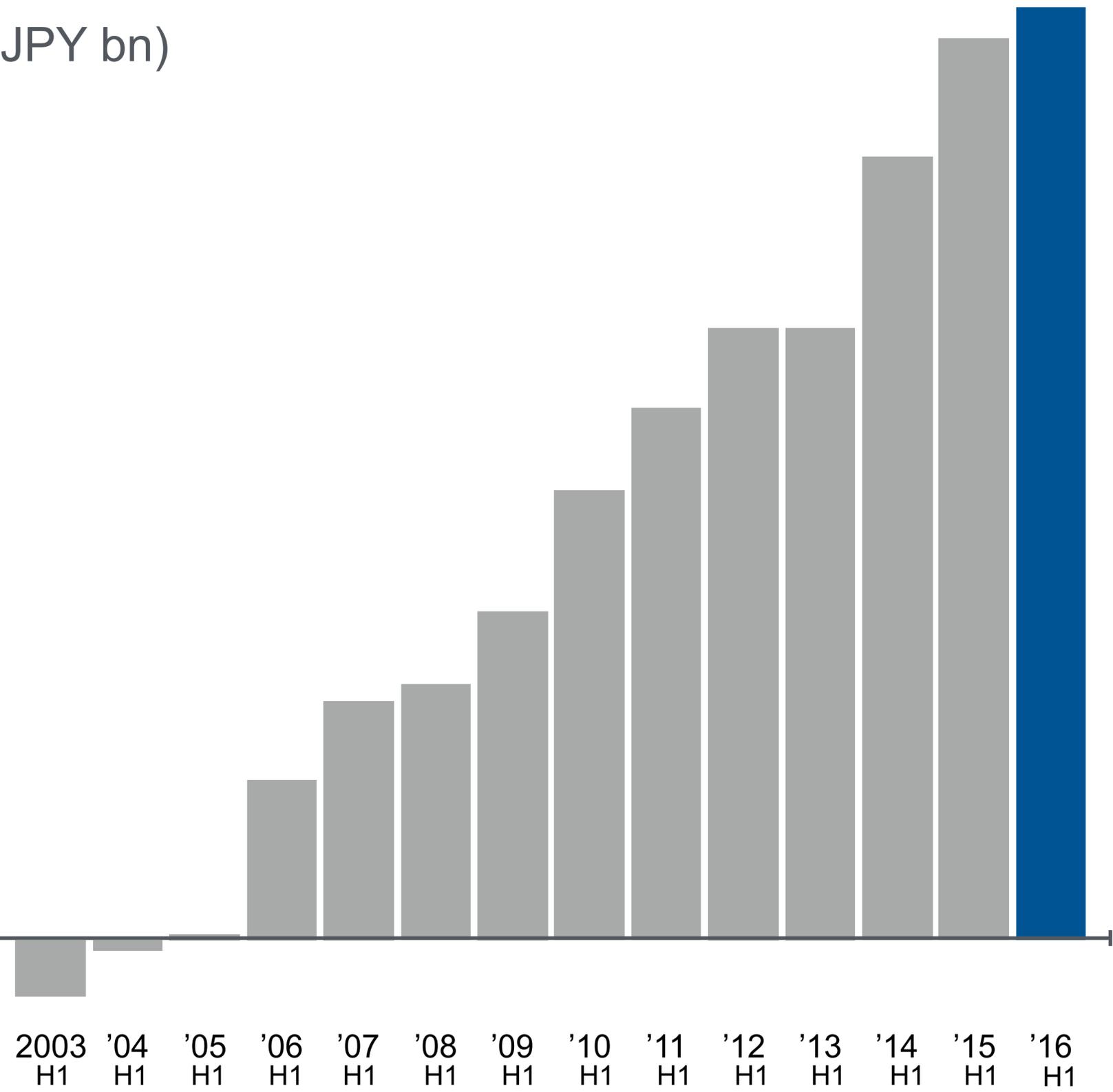
Q2: JPY 102.91 / USD

EBIT

(JPY bn)

653.9

Steady growth



2003 H1 '04 H1 '05 H1 '06 H1 '07 H1 '08 H1 '09 H1 '10 H1 '11 H1 '12 H1 '13 H1 '14 H1 '15 H1 '16 H1 (FY)

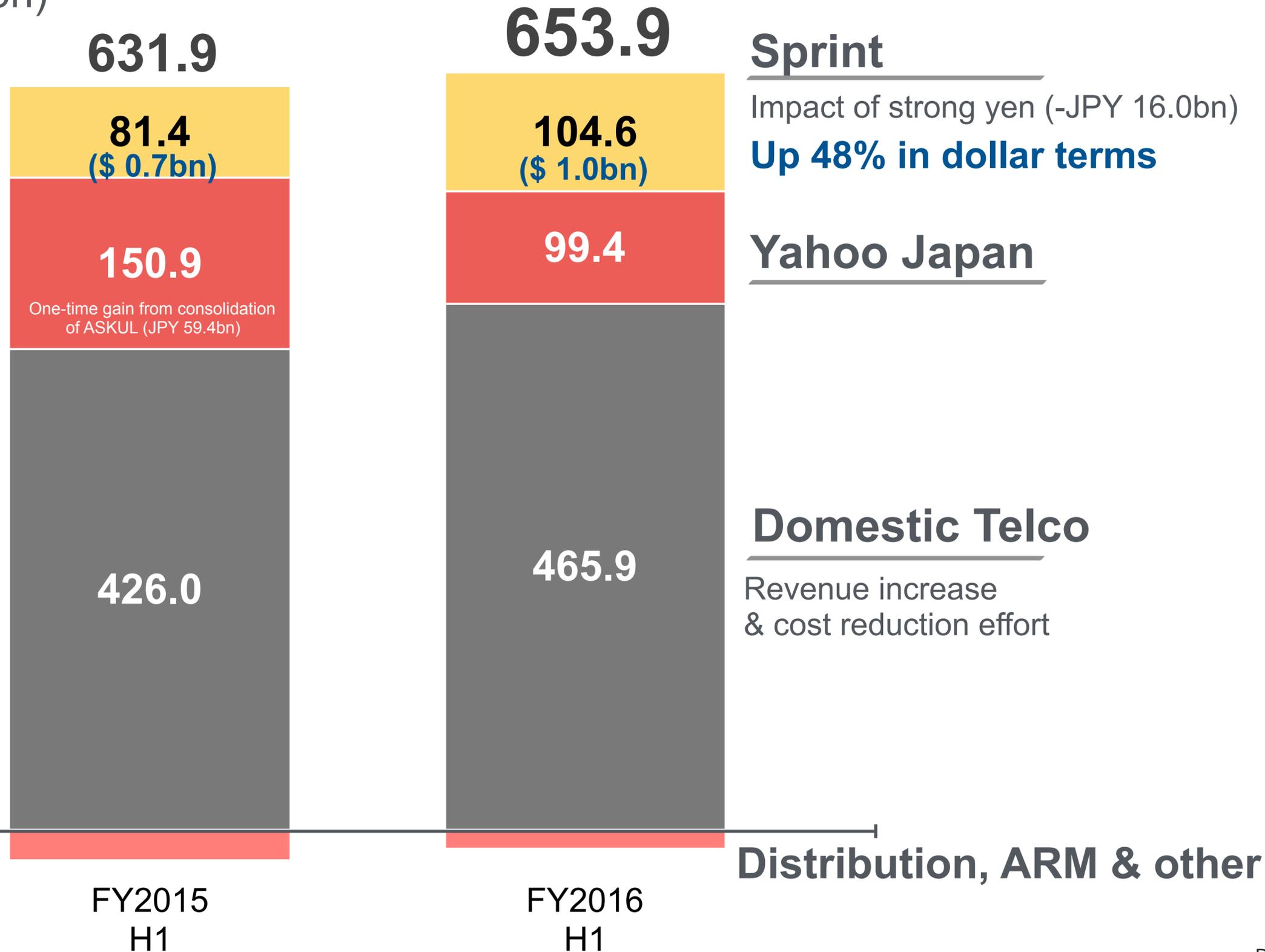
Japanese-GAAP

IFRSs

*FY2013-14: excluding impact of GungHo & Supercell
*FY2013: excluding one-time gain from consolidation of GungHo & WILLCOM

EBIT

(JPY bn)



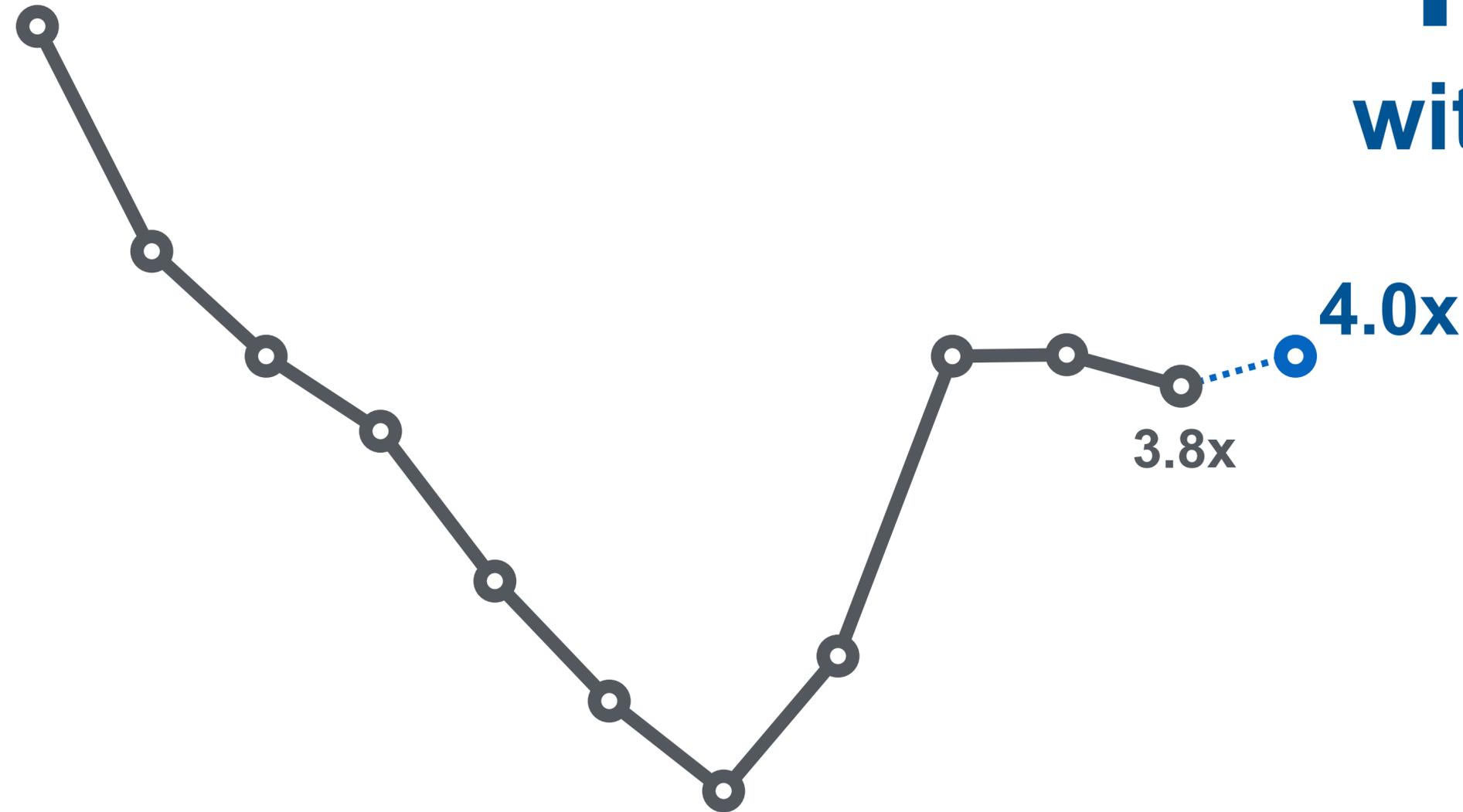
Up 4%

(Exchange rate)
FY2015Q1: JPY 121.34 / USD
Q2: JPY 121.91 / USD
FY2016Q1: JPY 109.07 / USD
Q2: JPY 102.91 / USD

Net Debt EBITDA Multiple (Consolidated)

Toward 3.5x
within couple of years

6.2x (after Vodafone K.K. acquisition)



2006 June '07 Mar. '08 Mar. '09 Mar. '10 Mar. '11 Mar. '12 Mar. '13 Mar. '14 Mar. '15 Mar. '16 Mar. '16 Sept.

*1 Adjusted EBITDA for fiscal 2014 has been revised retrospectively due to GungHo becoming an equity method associate.

*2 Up to FY2011: JGAAP, including finance leases and preferred securities

*3 ARM's annualized adjusted EBITDA.

*4 Revenues related to sales of Supercell are reflected.

*5 50% of the funds procured through Hybrid Bonds are categorized as equity.

(Note) Financial liabilities relating to sale of shares by variable prepaid forward contract are excluded from interest-bearing debt in the calculation.

Status of Major Segments

Highlights

 **Sprint**

1. Robust results (EBIT +9%)

 **YAHOO!**
JAPAN

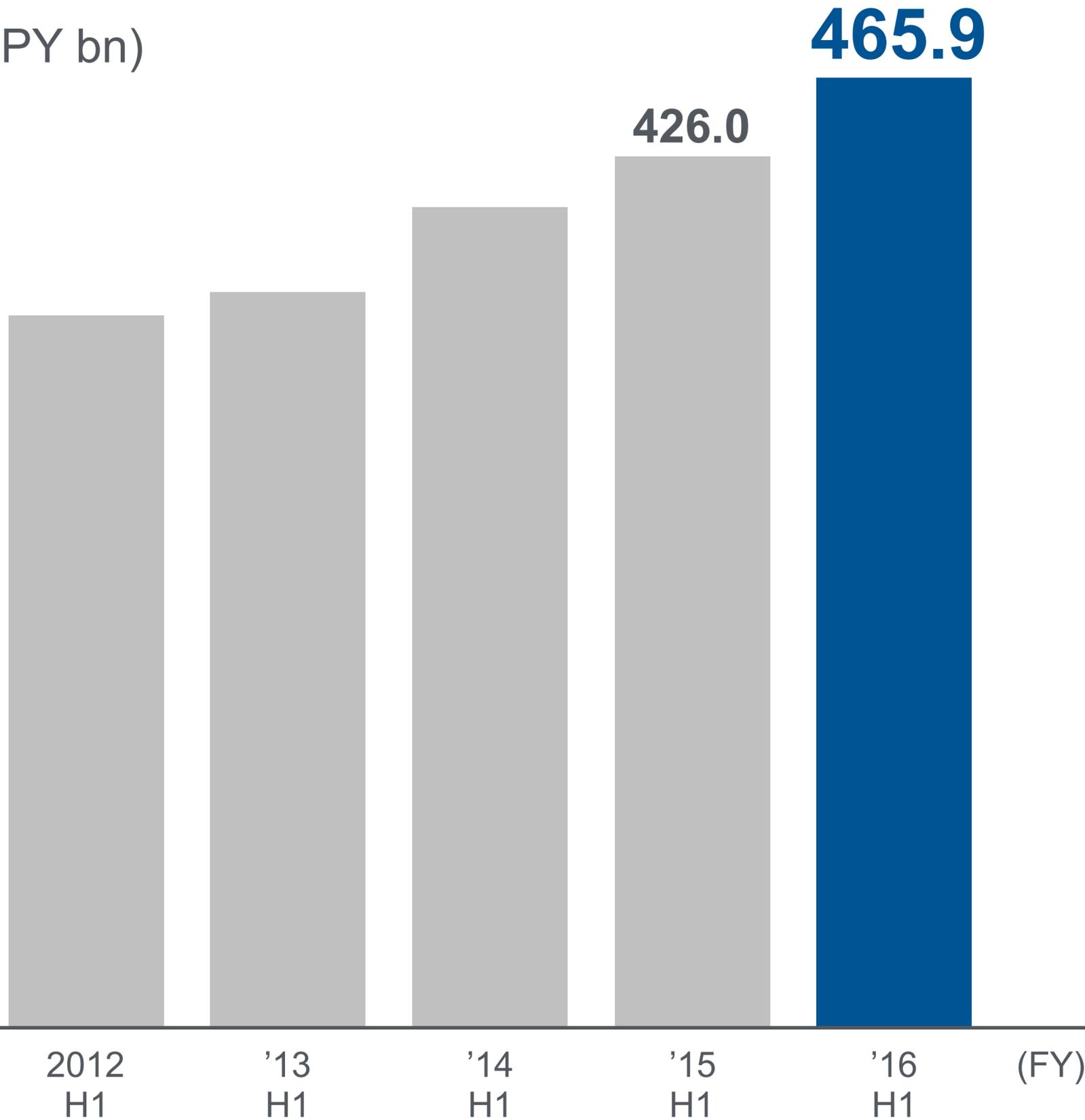
2. Accelerate growth via smartphones & FTTH

 **ARM**

3. On track to generate JPY 500bn in FCF in FY2016

EBIT

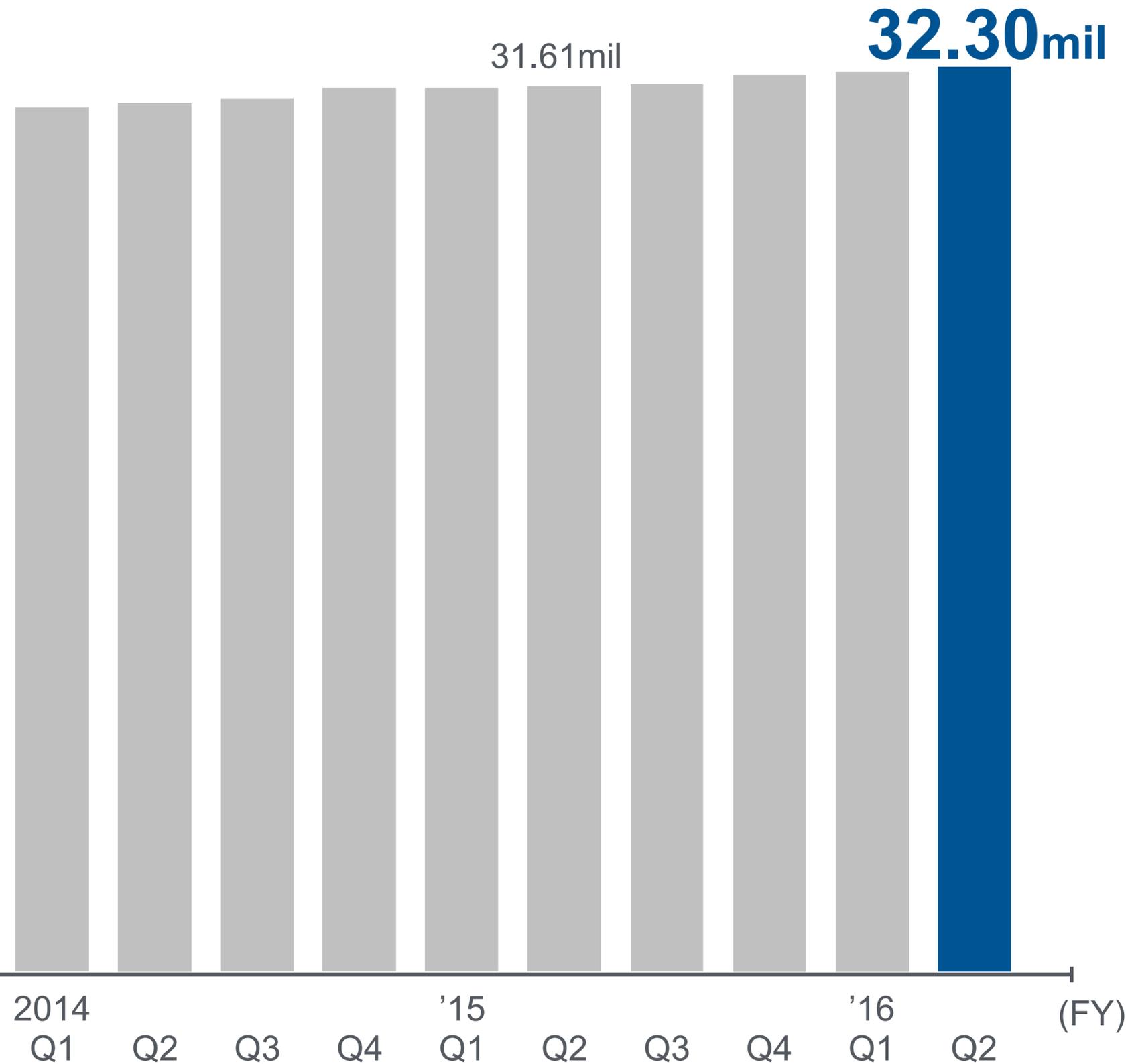
(JPY bn)



Solid growth
Up 9%

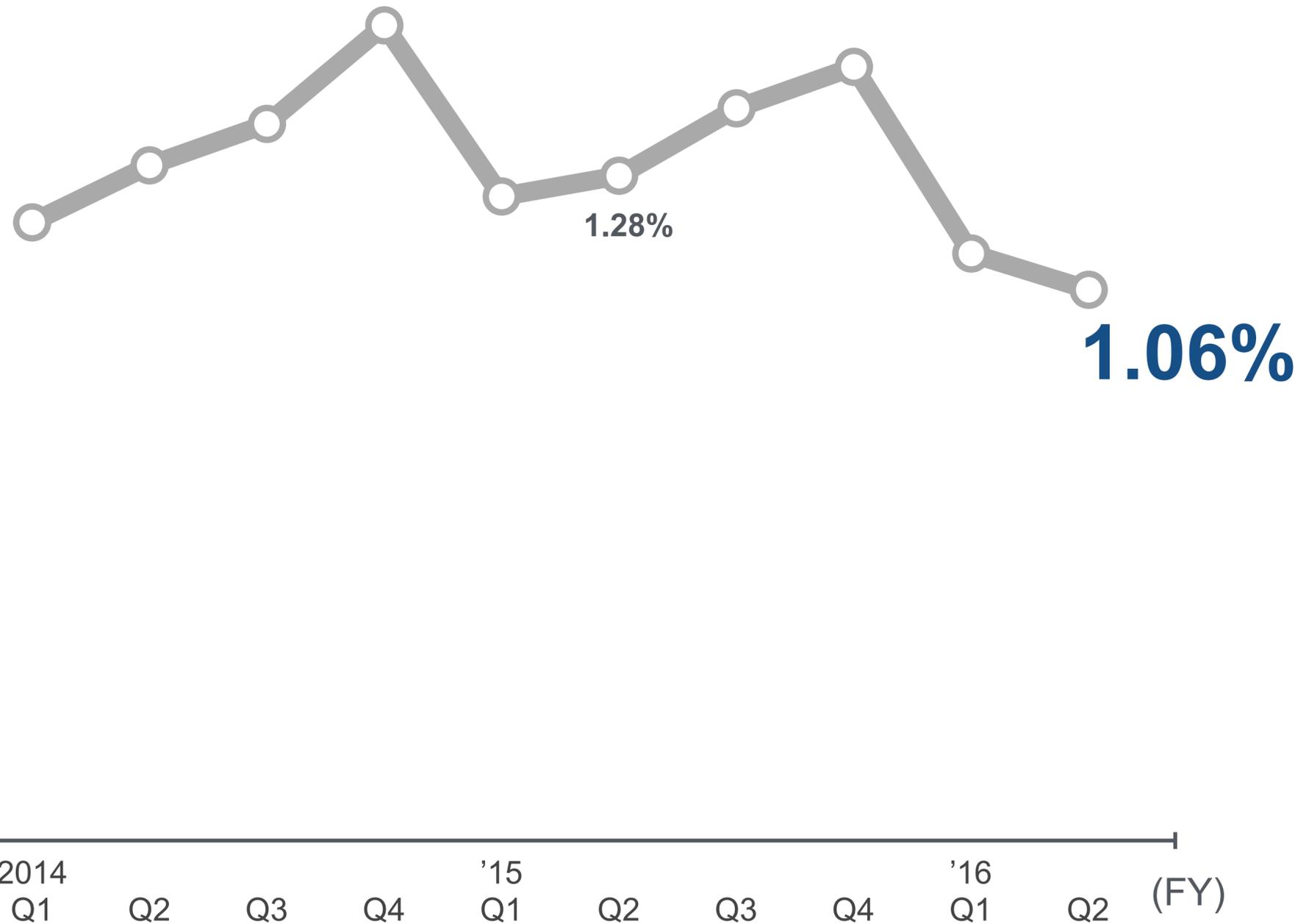
*FY2012-2016: IFRSs
After FY2014: Domestic Telecommunications segment
Up to FY2013: Mobile Communications segment + Fixed-line segment +
Broadband Infrastructure segment

Cumulative Subscribers (Main Subscribers)



Steady growth
YoY +690k

Churn (Main Subscribers)



Significantly improved

Improved *SoftBank* brand
(Impact of bundled services with FTTH, etc.)

Meeting various users' needs

(1) Cost conscious

Y!mobile

JPY 1,980/month^{*1}

(2) Large data plan

Giga Monster

ギガモンスター

20GB JPY 6,000/month^{*2}
63% OFF^{*3}

(3) Long-time users

**Long-time use
benefits**

JPY 15,000 worth of points^{*4}

(4) Fiber

Home Discount Hikari Set 2,000/month off^{*5}

^{*1} Voice calls and data communication charges are included. When subscribing to "Smartphone Plan S" and "Smartphone Plan Discount," "1,980 Discount" applied. Every month for a year from start of contract, JPY 2,980/ month from second year.

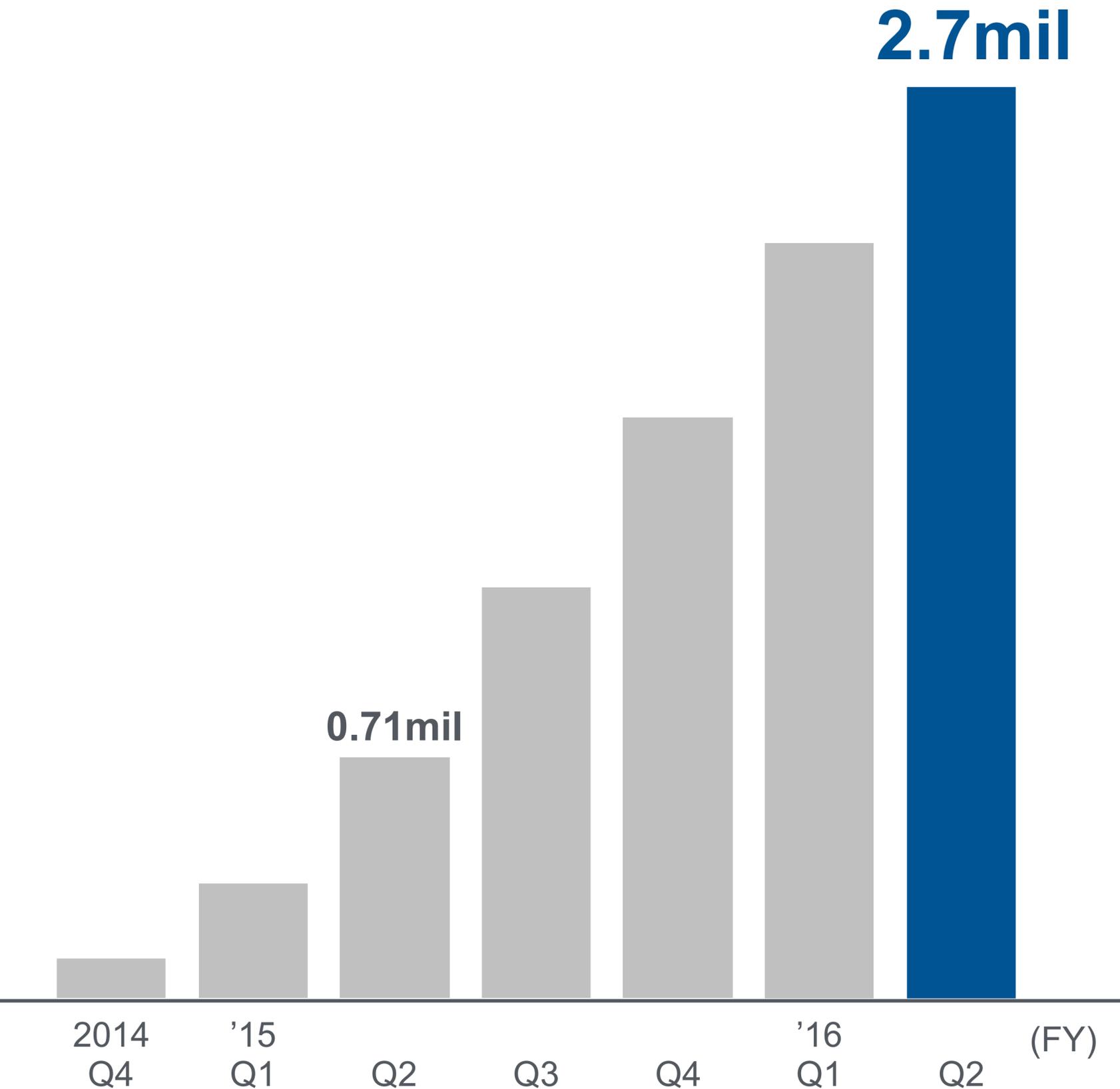
^{*2} Data flat-rate plan.

^{*3} Discount ratio from *Data Flat-rate Pack - Large (20GB)* (JPY 16,000/month), offered before introduction of the the *Giga Monster* plan.

^{*4} Maximum 2 years. T-Points which can be used during a fixed time interval on *Yahoo! Shopping* or other *Yahoo! JAPAN* services. Scheduled to start from December 2016.

^{*5} Maximum 2 years. When subscribing to *Data Flat-rate Pack - Large (30GB)* under the *Home Discount Hikari Set - More Campaign*.

Cumulative Subs (FTTH Service)

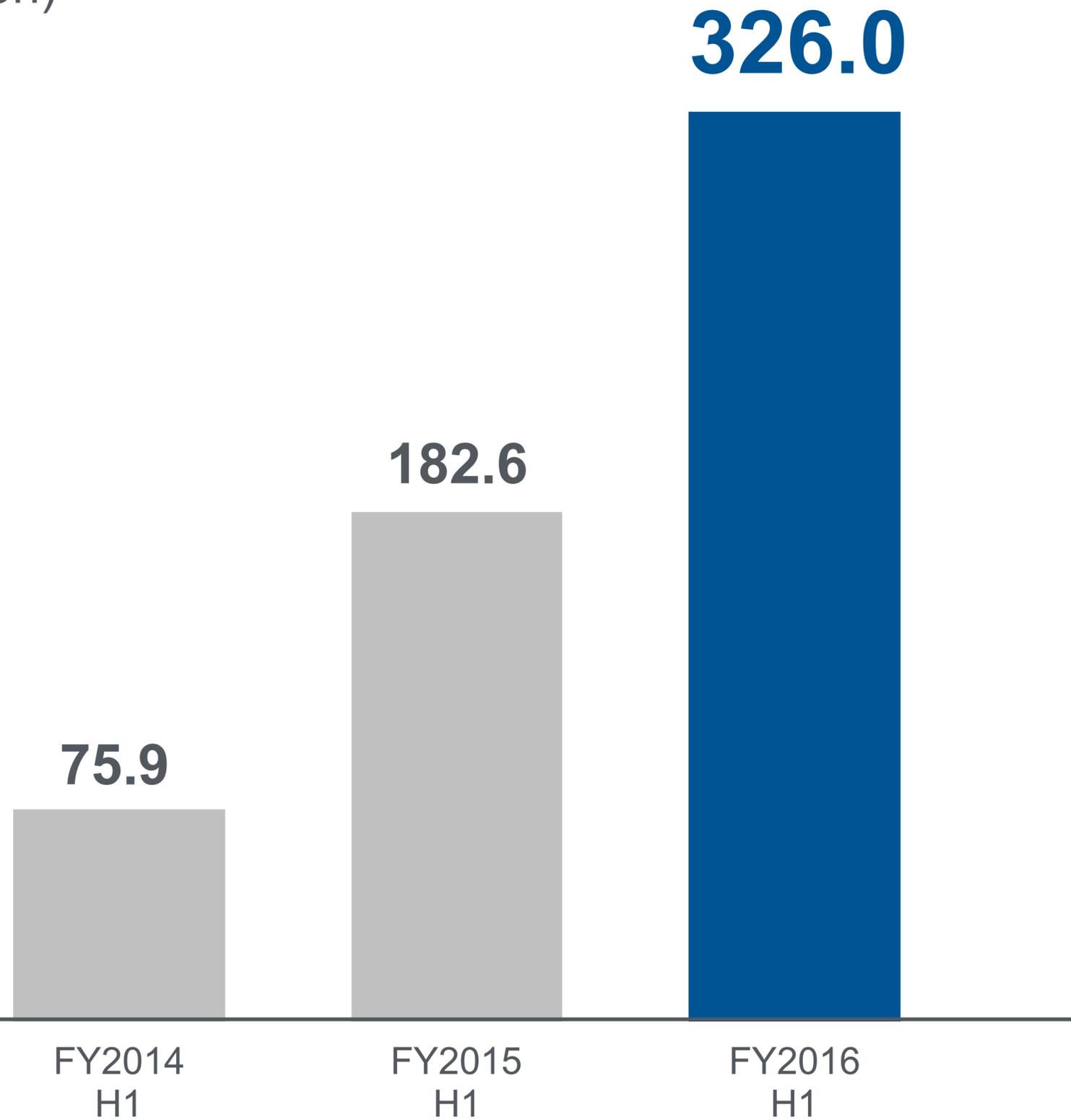


Rapid growth

SoftBank 
SoftBank Hikari

Free Cash Flow

(JPY bn)



Significantly improved

1

**Continue profit growth
(toward 12 consecutive periods)**

2

JPY 500bn in FCF

3

Focus on smartphones & FTTH

4

**Expand business areas and
synergies with Yahoo Japan**

 **SoftBank**
Domestic Telco

Highlights

 Sprint

1. Robust results (adjusted EBITDA +17%)

 YAHOO!
JAPAN

2. Turnaround strategy making steady progress

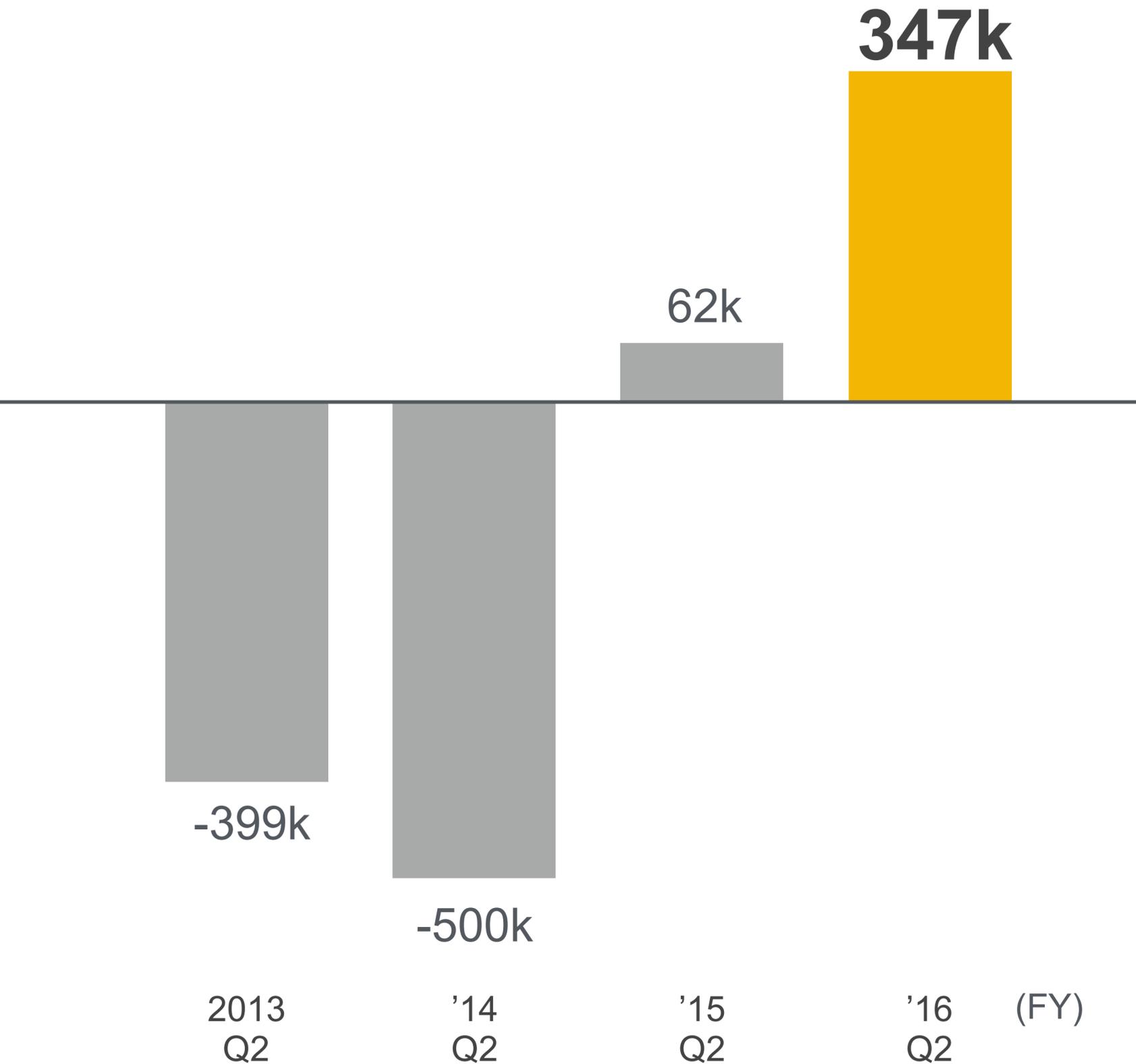
 ARM

3. Adjusted FCF around break-even in FY2016

Net Additions (Postpaid Phone)



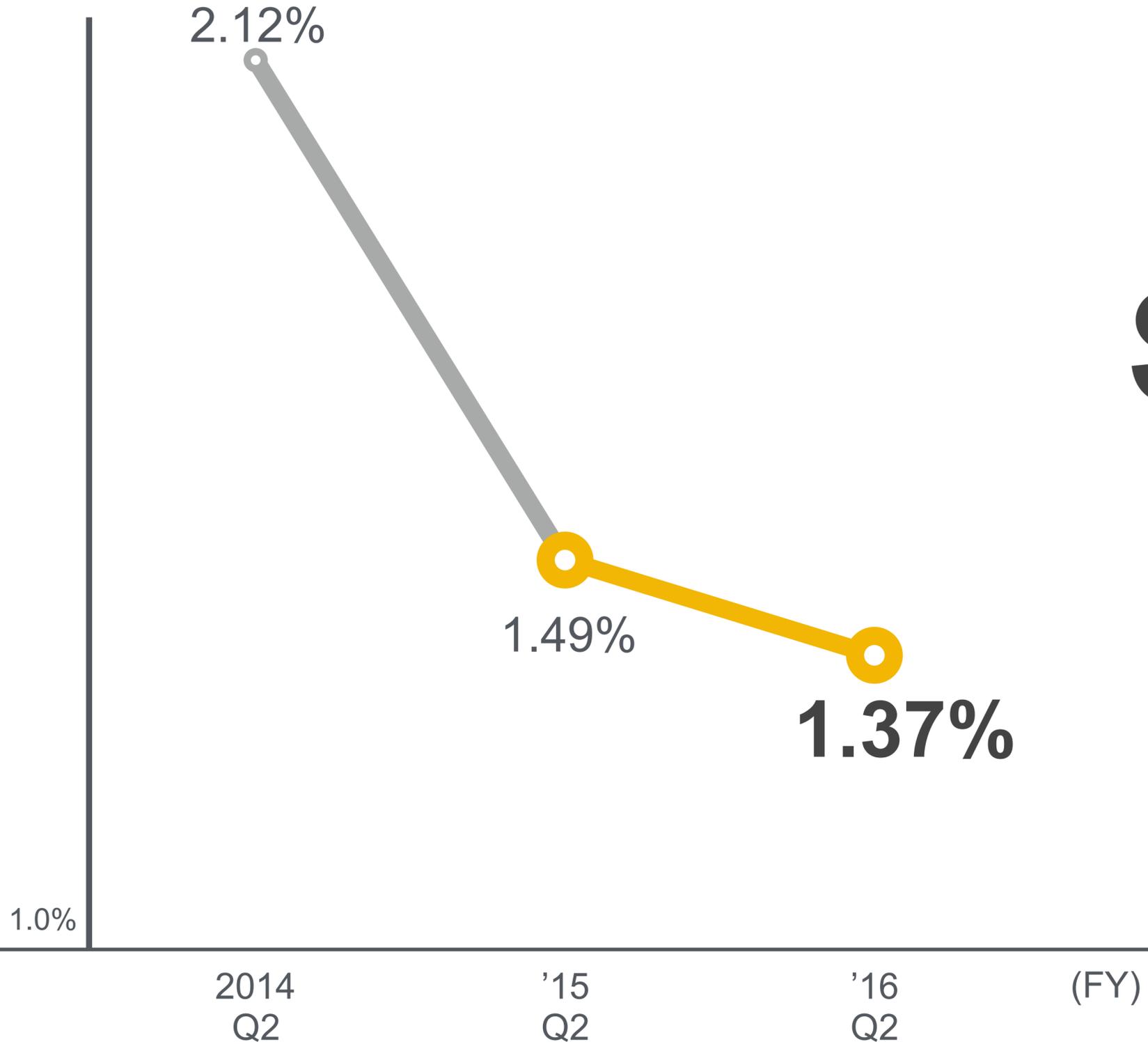
More than **5X** YoY
Net port positive for
2 consecutive quarters



Paul Marcarelli

*Q2: July - September
*Sprint platform
*Net port positive: MNP from the three major national carriers.

Best in
Sprint history

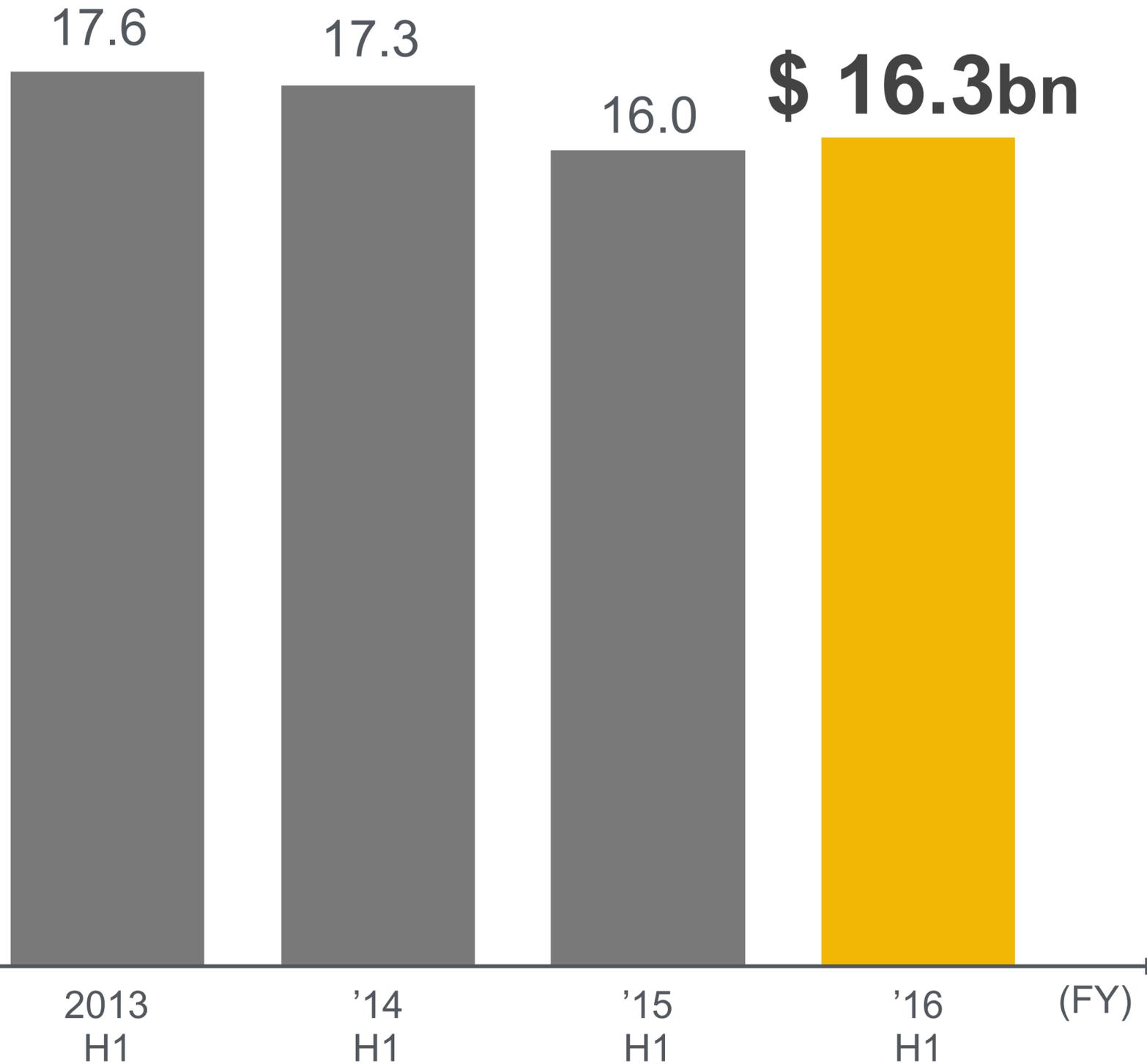


*Q2: July - September
*Sprint platform

Net Operating Revenue



USGAAP (USD bn)

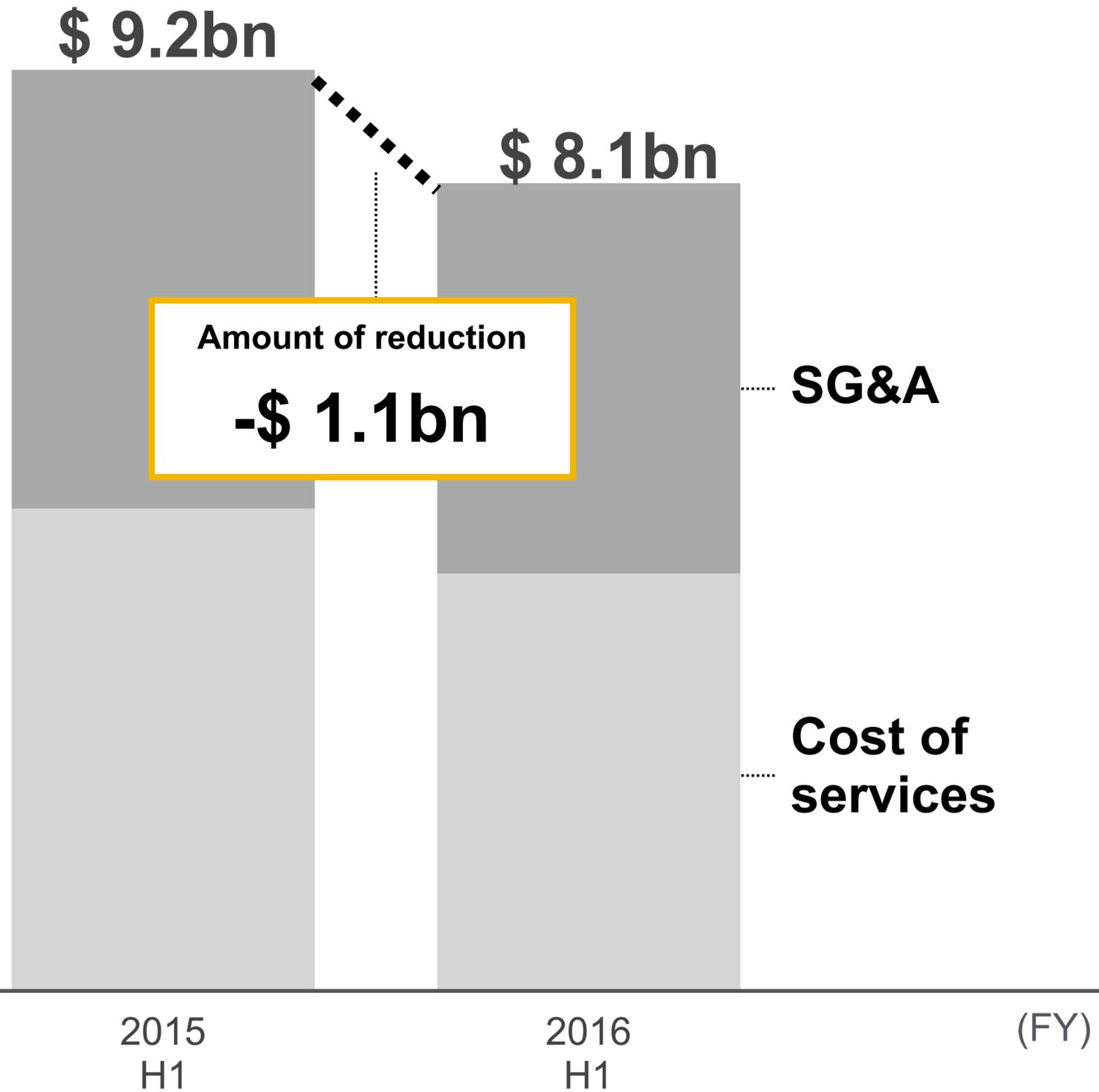


Growth

Cost Reduction



USGAAP (USD bn)



Significant reduction

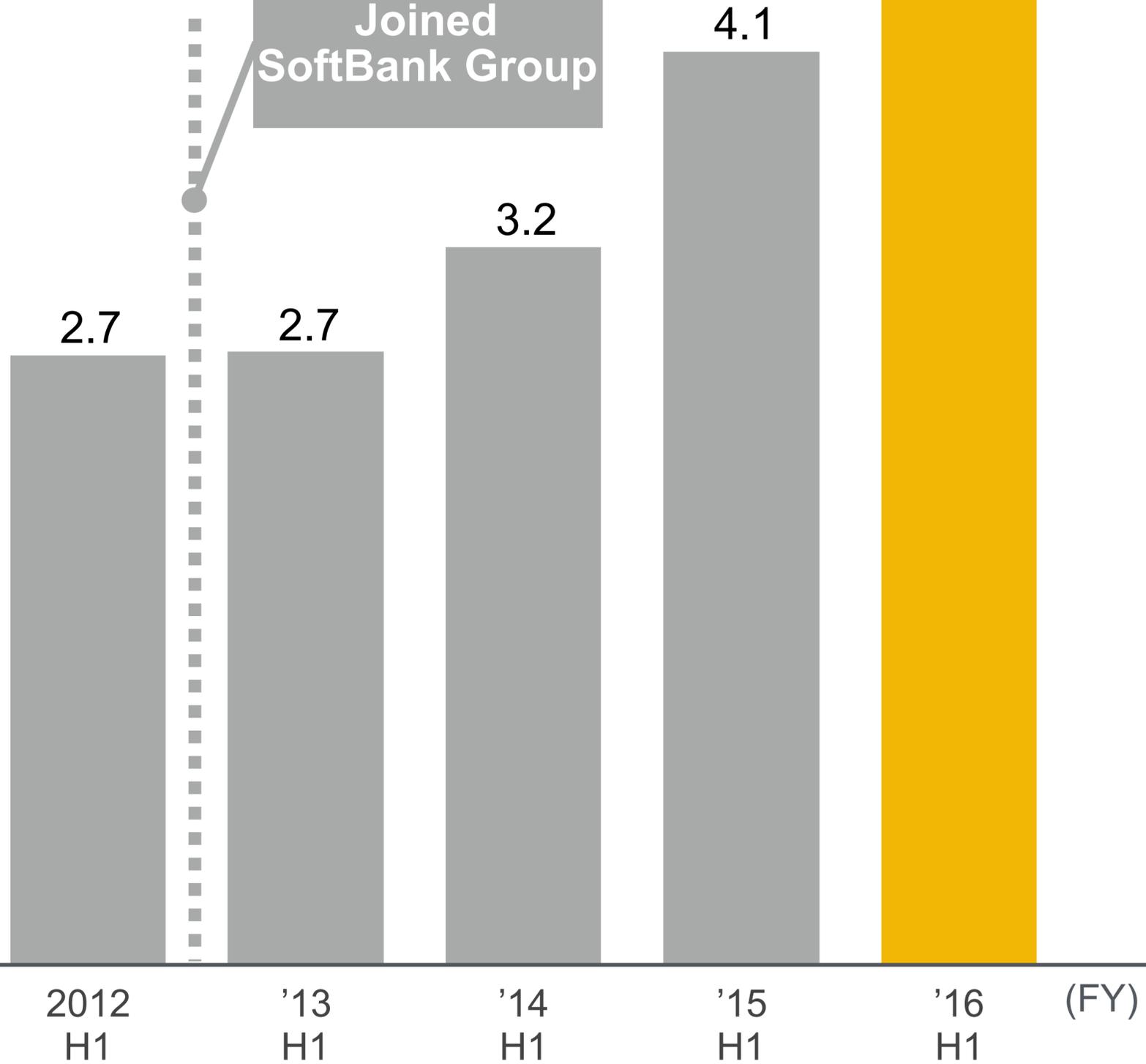
Adjusted EBITDA



USGAAP (USD bn)

\$ 4.8bn

Joined
SoftBank Group



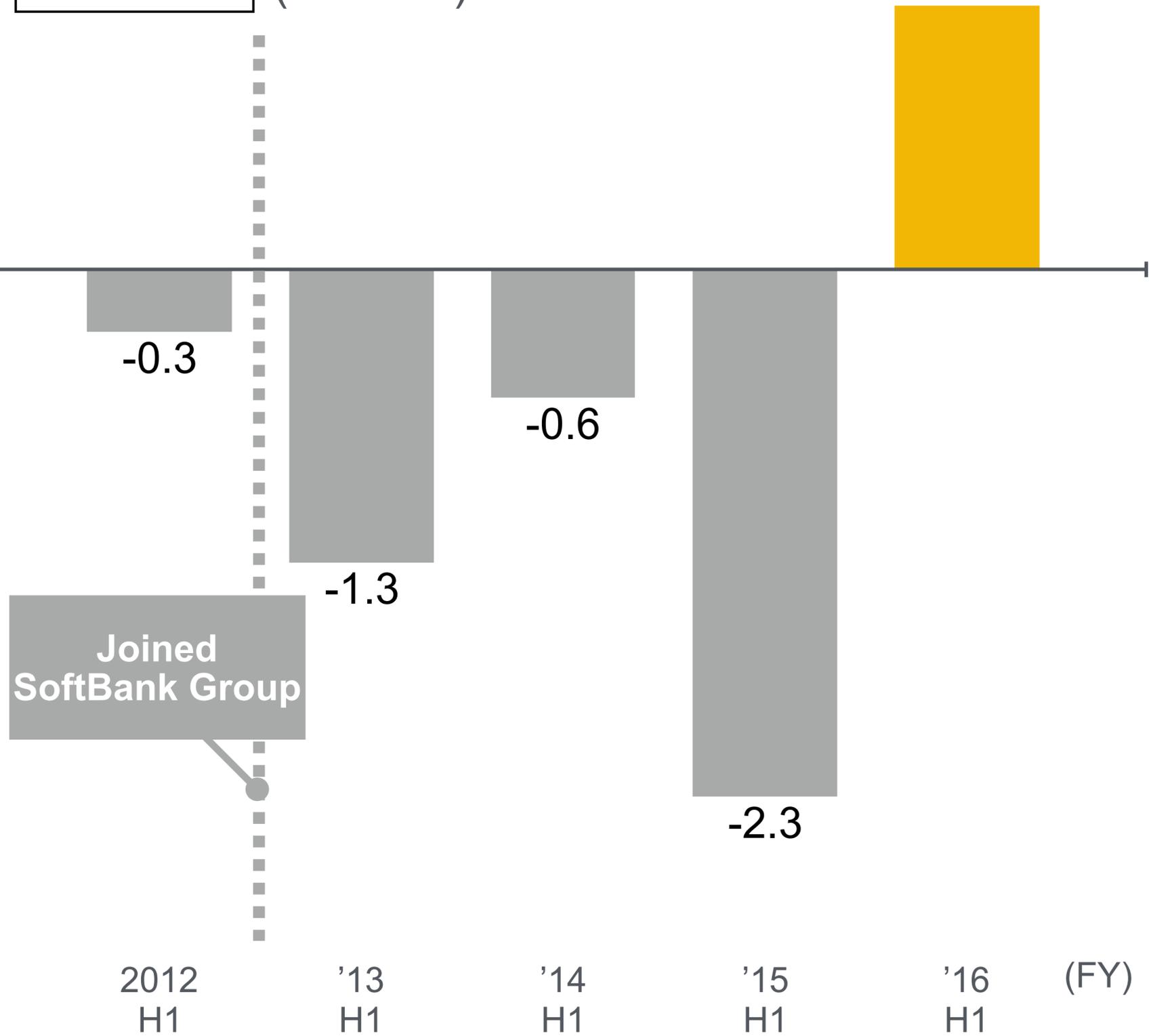
Up 17%

Adjusted Free Cash Flow



USGAAP (USD bn)

\$ 1.2bn

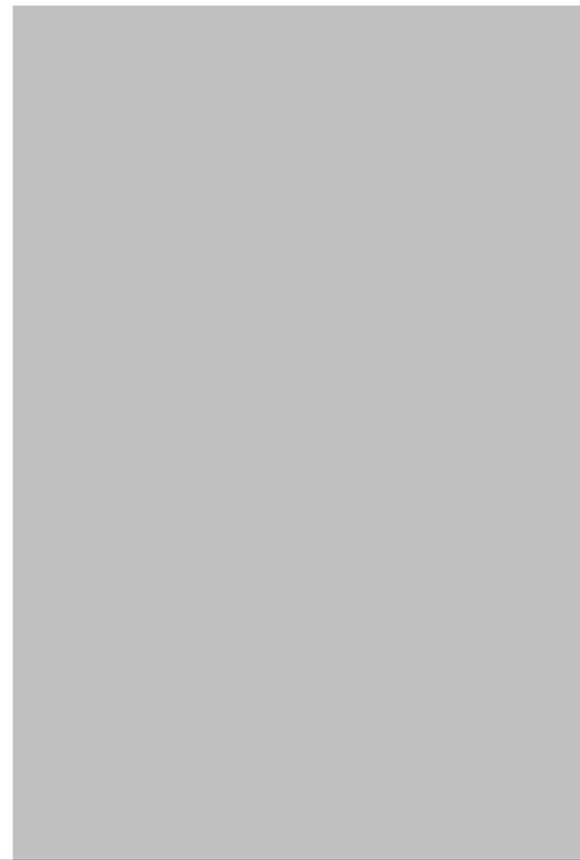


Significantly improved

*H1: April - September
 Adjusted FCF: the cash provided by operating activities + the cash used in investing activities (excluding short-term investments) + the proceeds from sales of future lease receivables, net of repayments.

137

90



CY2016
H1



CY2016
H2

Significantly improved



- 1 Adjusted EBITDA \$ 9.5-10.0bn**
- 2 Operating income \$ 1.2-1.7bn**
- 3 Cash CAPEX less than \$ 3.0bn**
- 4 Adjusted FCF around break-even**

Cash CAPEX excluding the CAPEX associated with purchasing leased devices in indirect channels
Adjusted FCF: the cash provided by operating activities + the cash used in investing activities (excluding short-term investments)
+ the proceeds from sales of future lease receivables, net of repayments.

 SoftBank
Domestic Telco

Sprint 

 YAHOO!
JAPAN

ARM

 SoftBank
Investment Assets

Highlights

- 1. Continue profit growth**
- 2. Display advertising driving growth**
- 3. Surge in shopping transaction value**

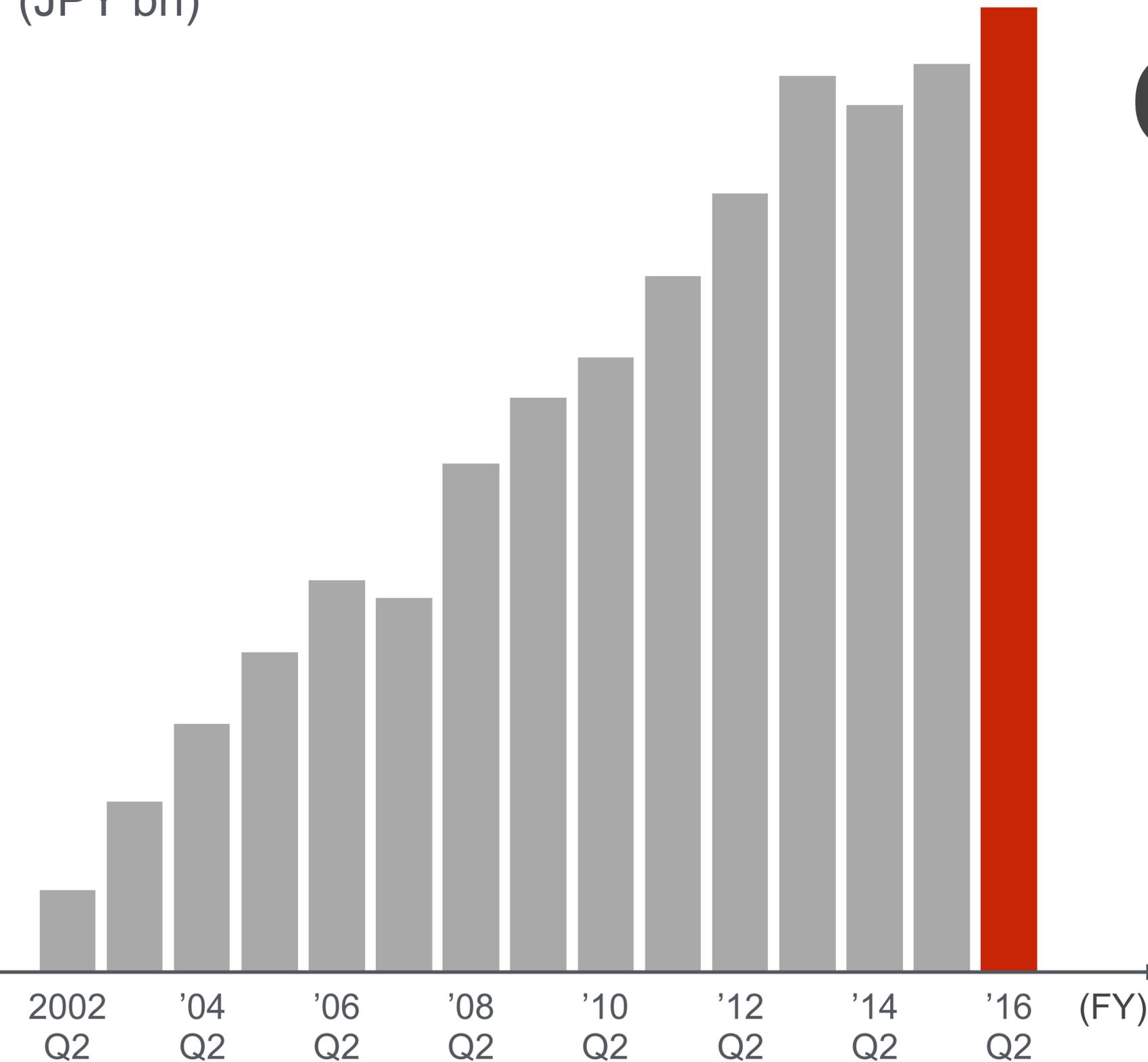
Adjusted Net Income



(JPY bn)

33.6

Continued growth



Adjusted net income: Adjusted net income attributable to owners of the parent

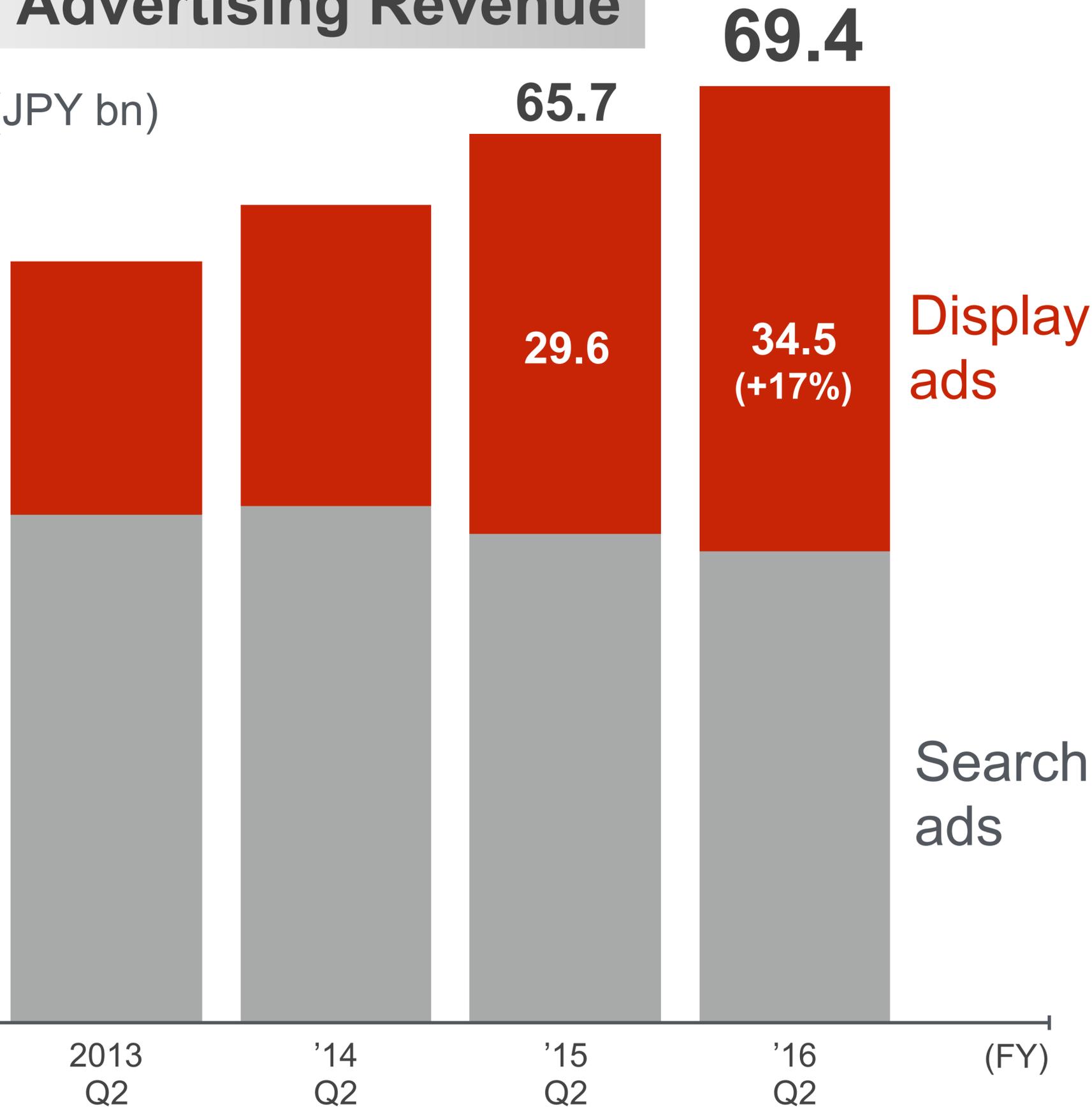
*Up to FY2012: Japanese-GAAP, 2013-: IFRSs

*Net income attributable to owners of the parent for FY15 Q2 (JPY 91.3bn) has been adjusted to JPY 31.6bn after deduction of the gain from remeasurement relating to business combination of JPY 59.6bn.

Advertising Revenue



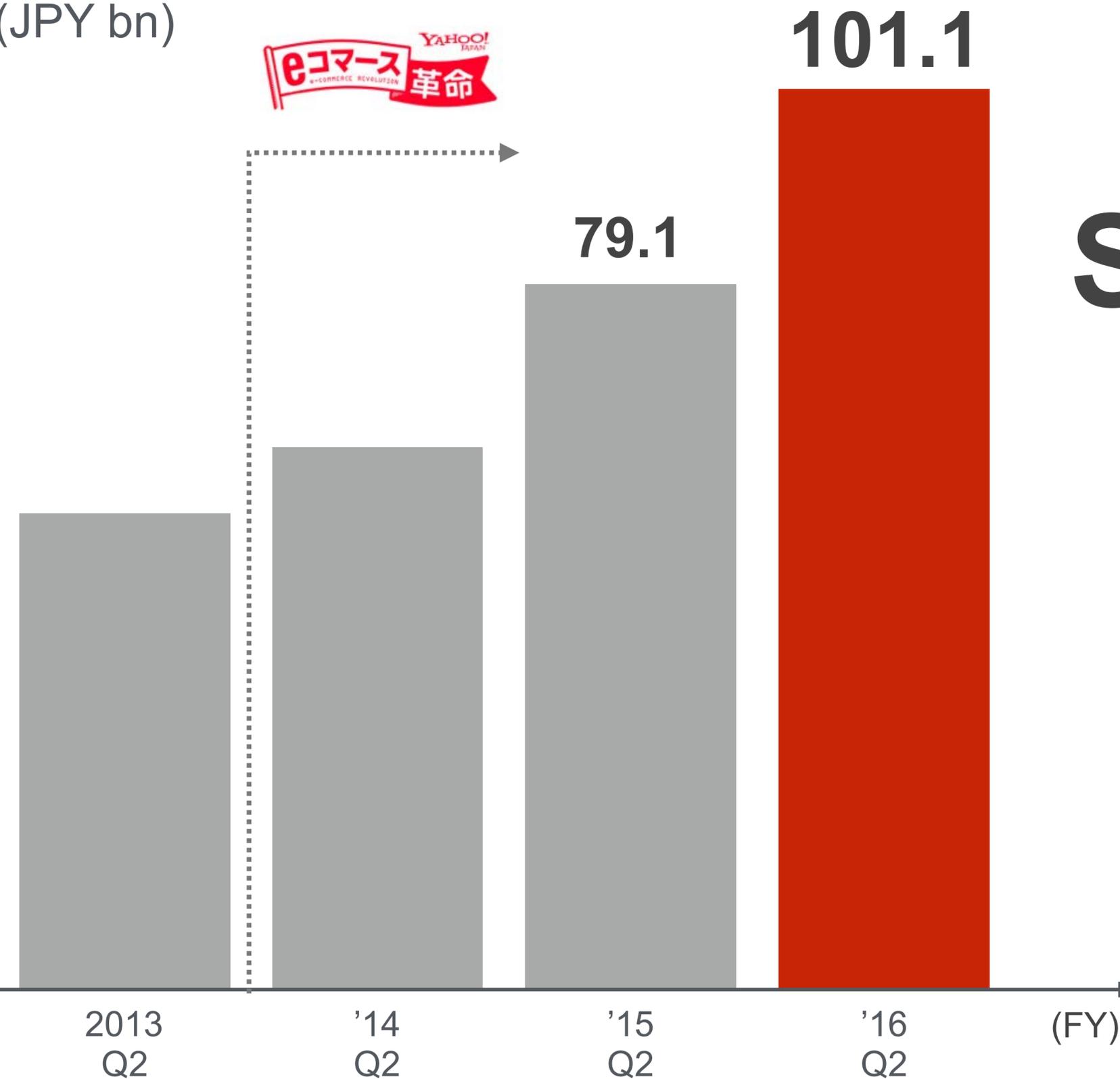
(JPY bn)



Driving growth

Shopping Transaction Value

(JPY bn)



Significant growth

*Transaction value of Yahoo! Shopping and LOHACO
LOHACO: revenue of ASKUL Corporation's LOHACO business; closed on every 20th.

 SoftBank
Domestic Telco

Sprint 

YAHOO!
JAPAN

ARM

 SoftBank
Investment Assets

Highlights

- 1. Uninterrupted execution of strategy**
- 2. Strong growth continues with
7.6bn ARM-based chips shipped**
- 3. Major design wins across industry**

Sharing Vision with ARM

Sept. 6-7, 2016
San Jose office



Support and Accelerate ARM's Strategy



Mobile



**Networking
& Servers**



**Embedded
Computing**

Progress Over 95% smartphones contain at least one ARM-based chip

Strategy Revenue per smartphone increases as customers deploy ARM's latest technology



Latest technologies create new revenue streams

The New Revolution Virtual Reality Coaster, "Six Flags Magic Mountain"

Progress ARM technology adopted by many leading semiconductor companies

Strategy Intelligent networking infrastructure, energy-efficient servers



Selected ARMv8-A for Post-K Supercomputer

Will perform 100x more than current generation





Progress Two new processors for secure embedded processing



Strategy Connecting billions of smart sensors into the Internet of Things



First embedded processors designed for secure connected devices



Cortex-A5



New Processors (Announced Oct. 25)

Cortex-M33

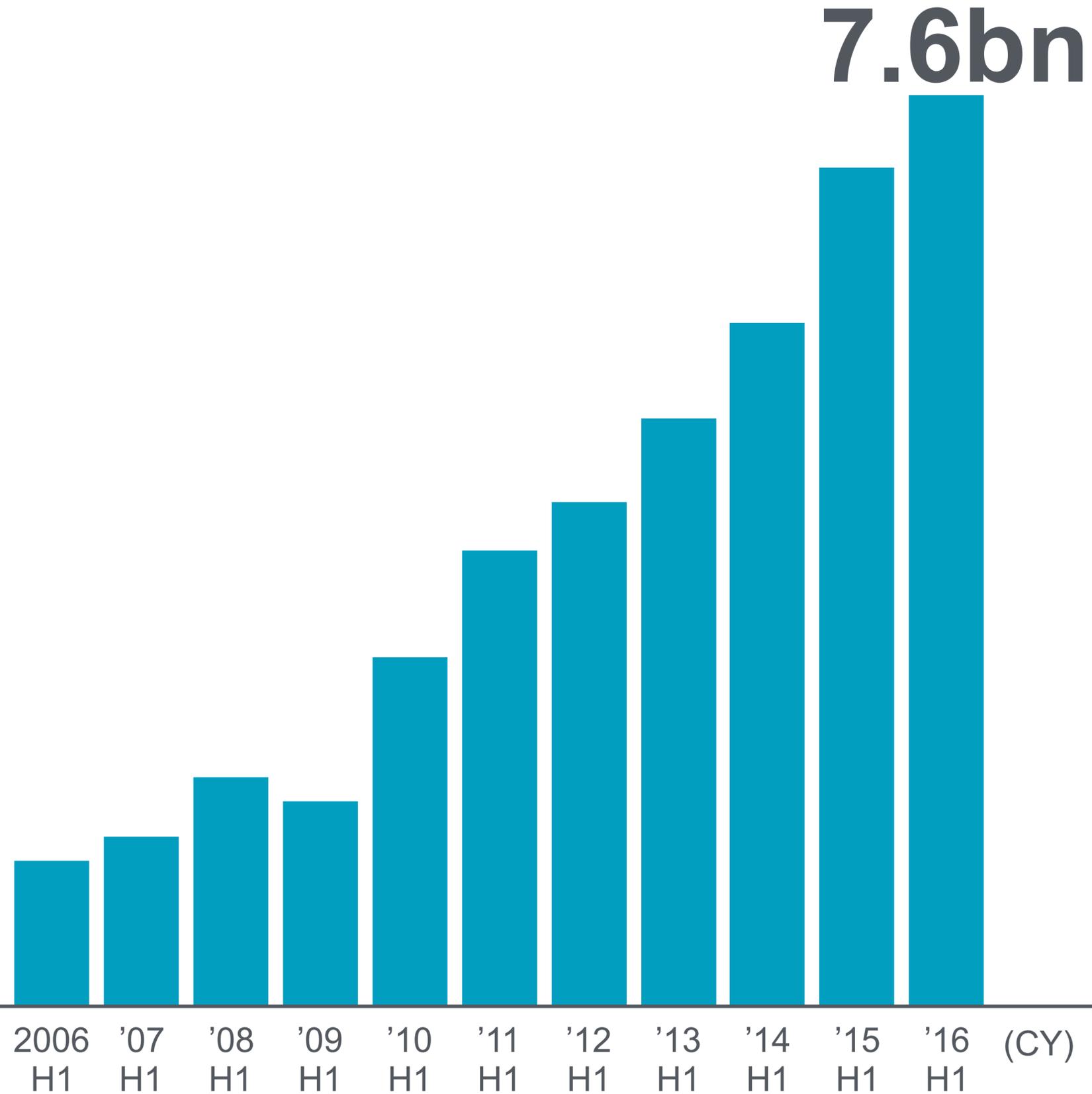


80%
smaller

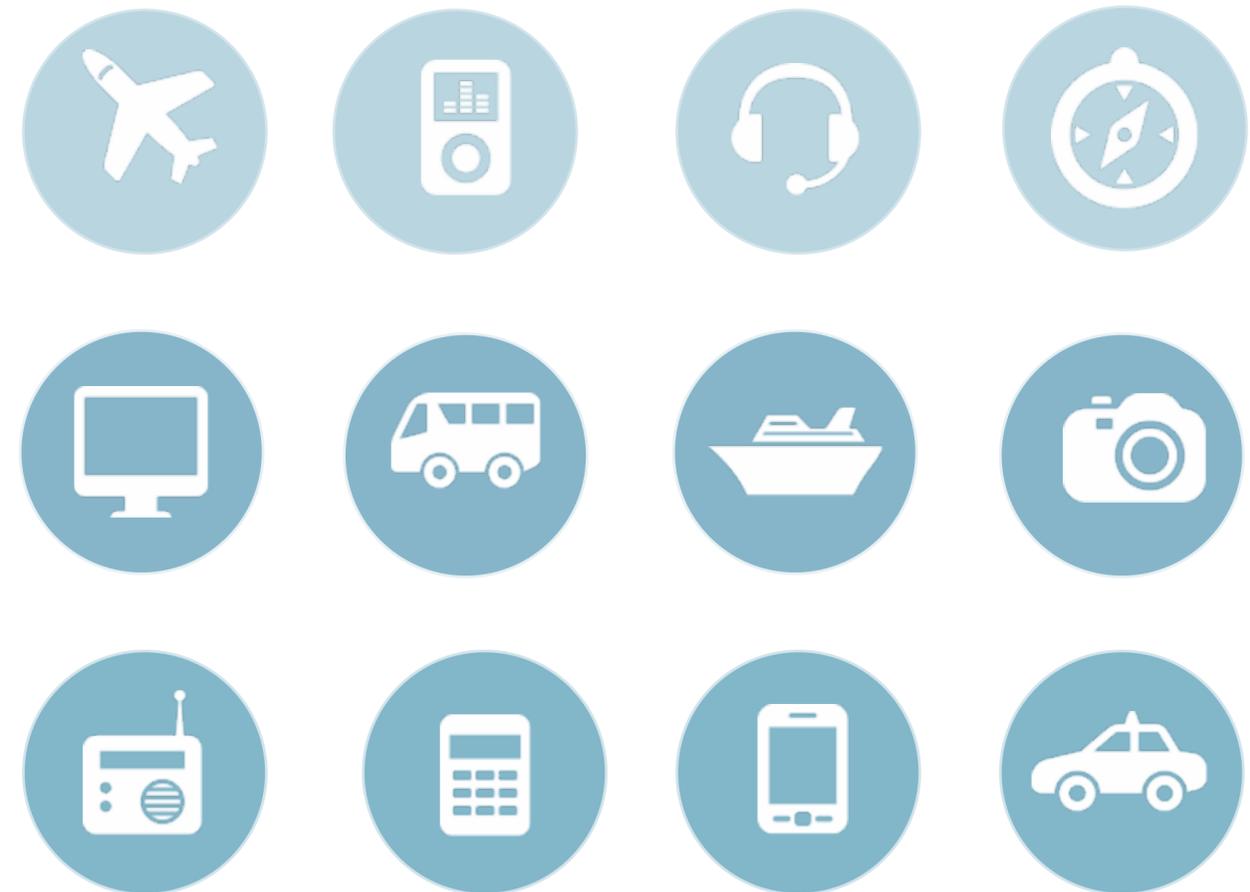
Cortex-M23



95%
smaller



Explosive growth continues



ARM

1

Continue to invest in new technology and markets

2

Gain more share in long-term growth markets

3

Create new opportunities from the Internet of Things

 SoftBank
Domestic Telco

 Sprint

 YAHOO!
JAPAN

 ARM

 SoftBank
Investment Assets

Highlights

Strategy **Market leadership in key markets**

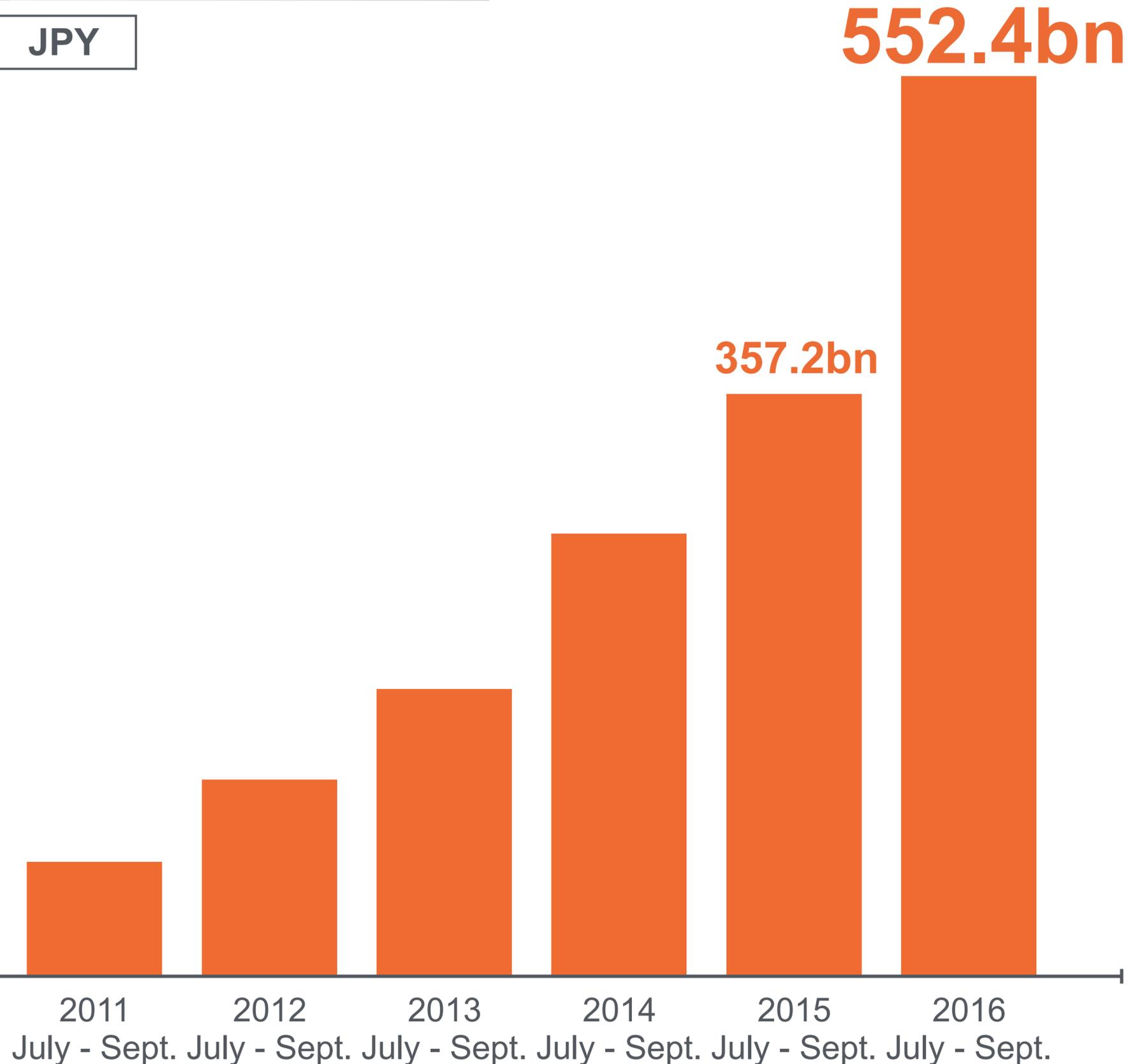
Progress **Alibaba showing strong growth**

Total Revenue

JPY



USGAAP



Up 55%

Driven by Chinese e-commerce etc.

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited
USD 1.00 = JPY 106.43, USD 1.00 = RMB 6.606

Non-GAAP Net Income

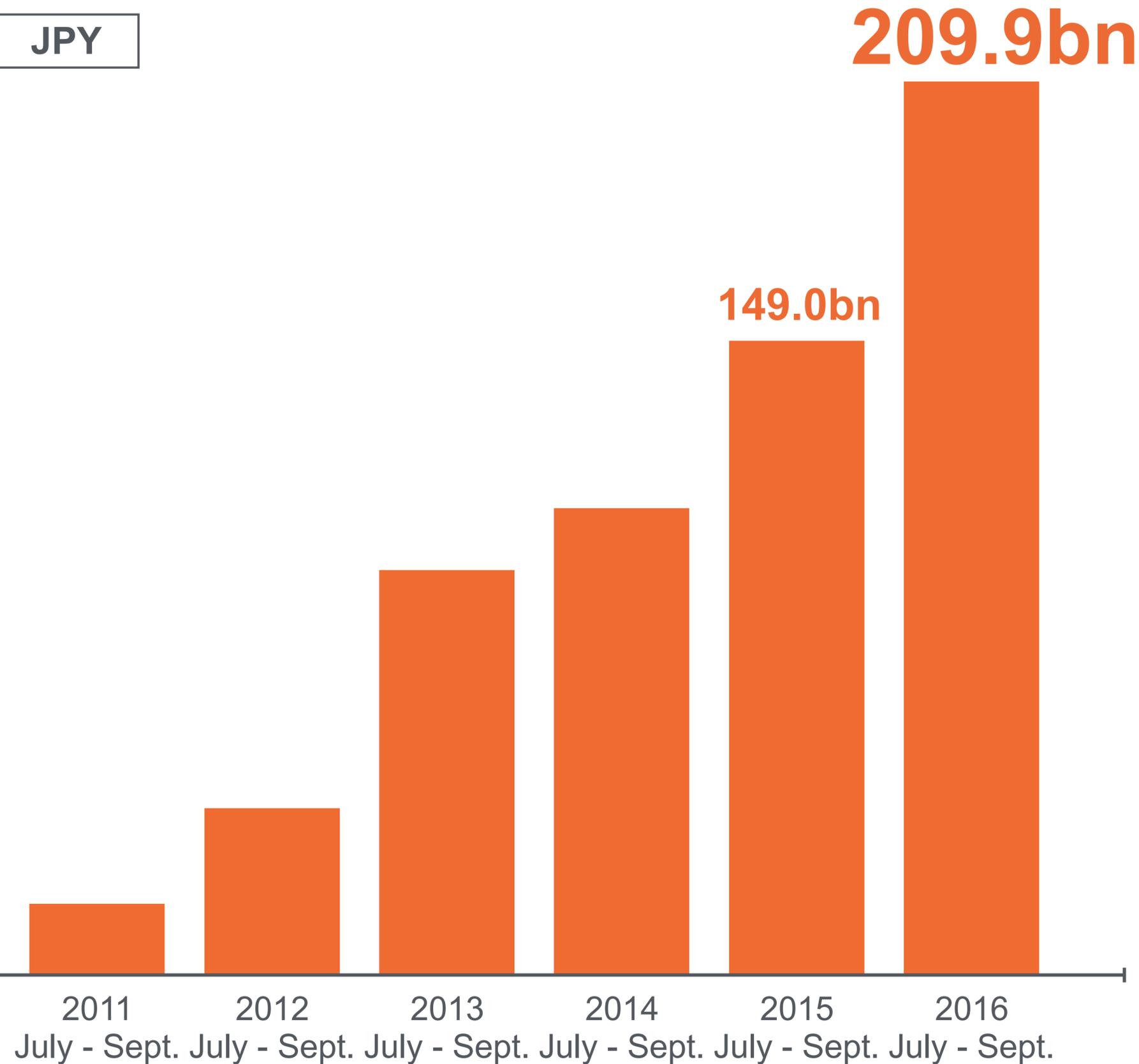
JPY



USGAAP

Non-GAAP

(Excluding the gains and losses related to share based compensation expenses, amortization of intangible assets, revaluation of investments etc.)

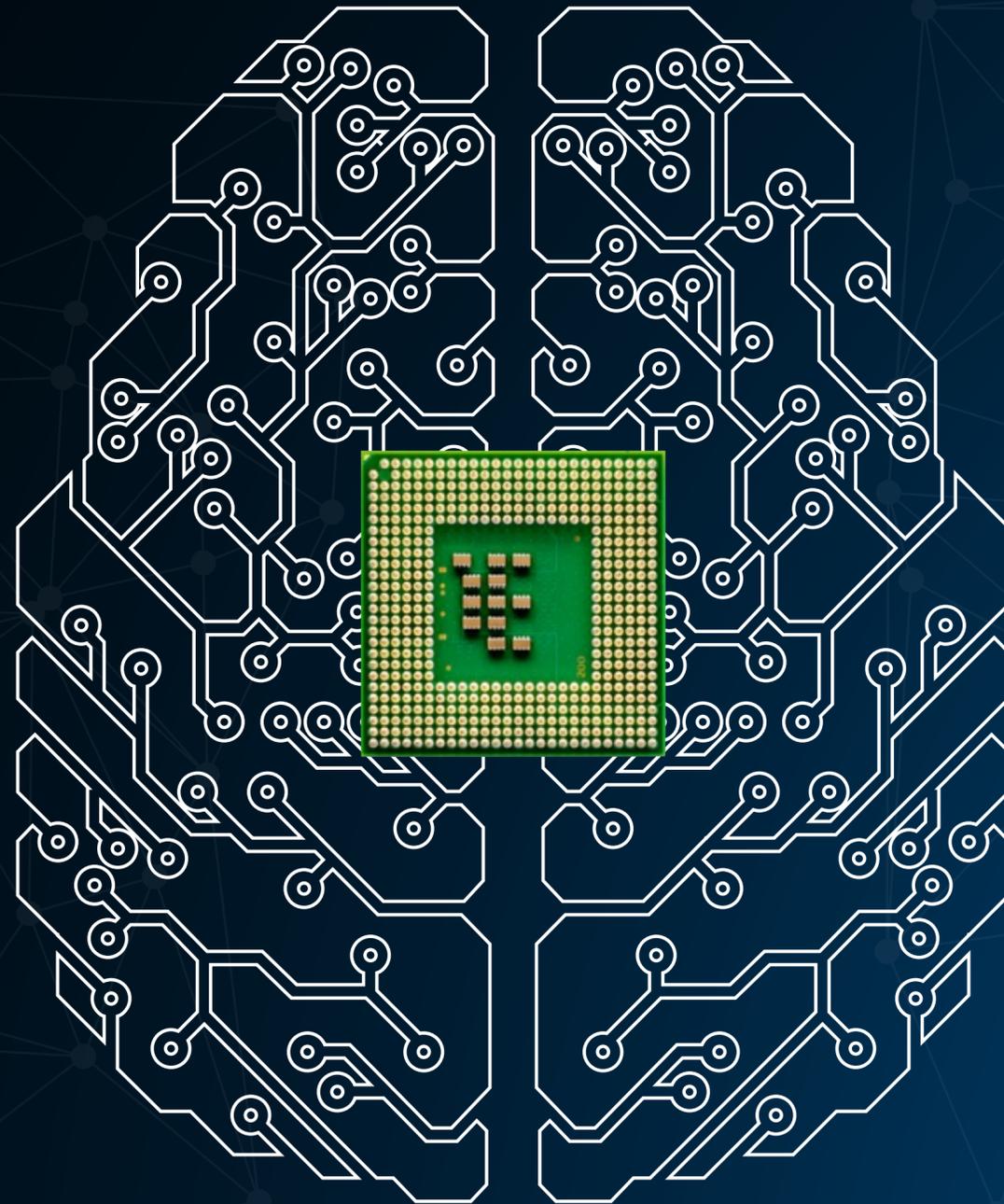


Up 41%

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited
USD 1.00 = JPY 106.43, USD 1.00 = RMB 6.606

Accelerating Growth Strategy

Singularity



Birth of extra
intelligent

Singularity



Future becomes predictable



World without accidents



Life expectancy
exceeds 100 years

All industries will be redefined

Singularity

SoftBank will lead the largest
project of human kind



SoftBank Vision Fund

SoftBank Vision Fund

SoftBank

>\$ 25bn

(JPY 2.5t)

+

**Saudi Arabia
(PIF)**

<\$ 45bn

(JPY 4.5t)

+

**Other
investors**

(currently negotiating)

Up to \$ 100bn

Investments over the
next 5 years

(JPY 10t)

Investment Track Record

\$ 110bn

Internet companies

IRR 44%

(18 years)

15x

\$ 7bn

Accumulated investment

Accumulated return
(1999-2016)

Alibaba Group
阿里巴巴

YAHOO!

CISCO
(Japan)

SBI Holdings

Supercell

YAHOO! JAPAN

GungHo
Online Entertainment, Inc.

PPTV 聚力
始终和你同一频道

ITmedia Inc.

CCI
CYBER COMMUNICATIONS INC.

Trend Micro

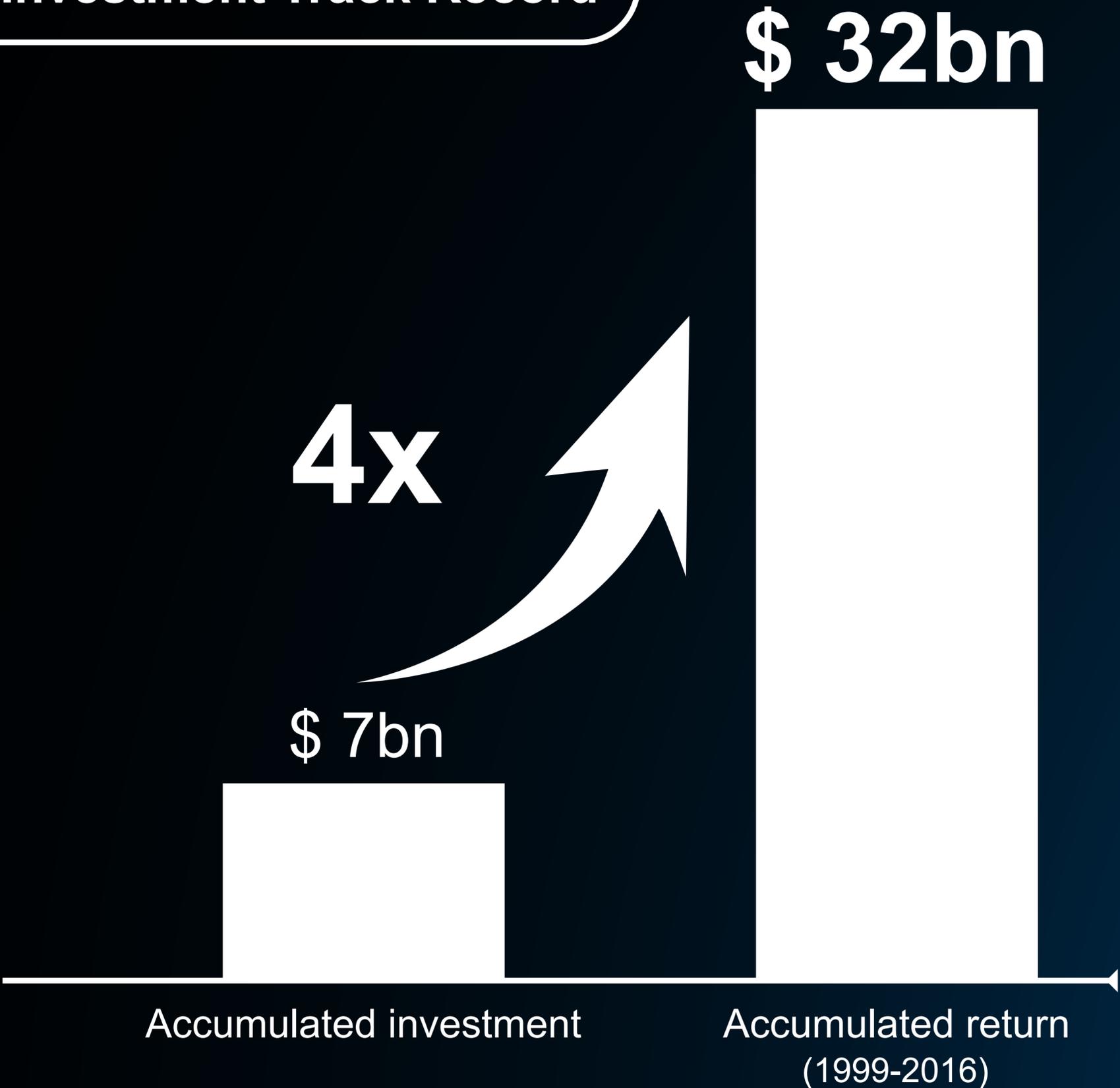
Broadmedia

UTSTARCOM

Vector

SoftBank Technology

Investment Track Record



Internet companies
excluding Alibaba

IRR 43%
(18 years)

A collection of logos for various companies, including Supercell, Yahoo!, Cisco (Japan), SBI Holdings, GungHo, PPTV, ITmedia Inc., CCI, Trend Micro, UTStarcom, Broadmedia, Vector, and SoftBank Technology.

Investment Track Record

\$ 190bn

Internet companies
(incl. SBM, Sprint)

IRR 43%

(18 years)

7x

\$ 30bn

Accumulated investment

Accumulated return
(1999-2016)

Alibaba Group
阿里巴巴

Sprint

YAHOO! JAPAN

SoftBank

Gungho
Online Entertainment, Inc.

SUPERCELL

YAHOO!

CISCO (Japan)

PPTV 聚力
始终和你同一频道

TREND MICRO

SBI Holdings

ITmedia Inc.

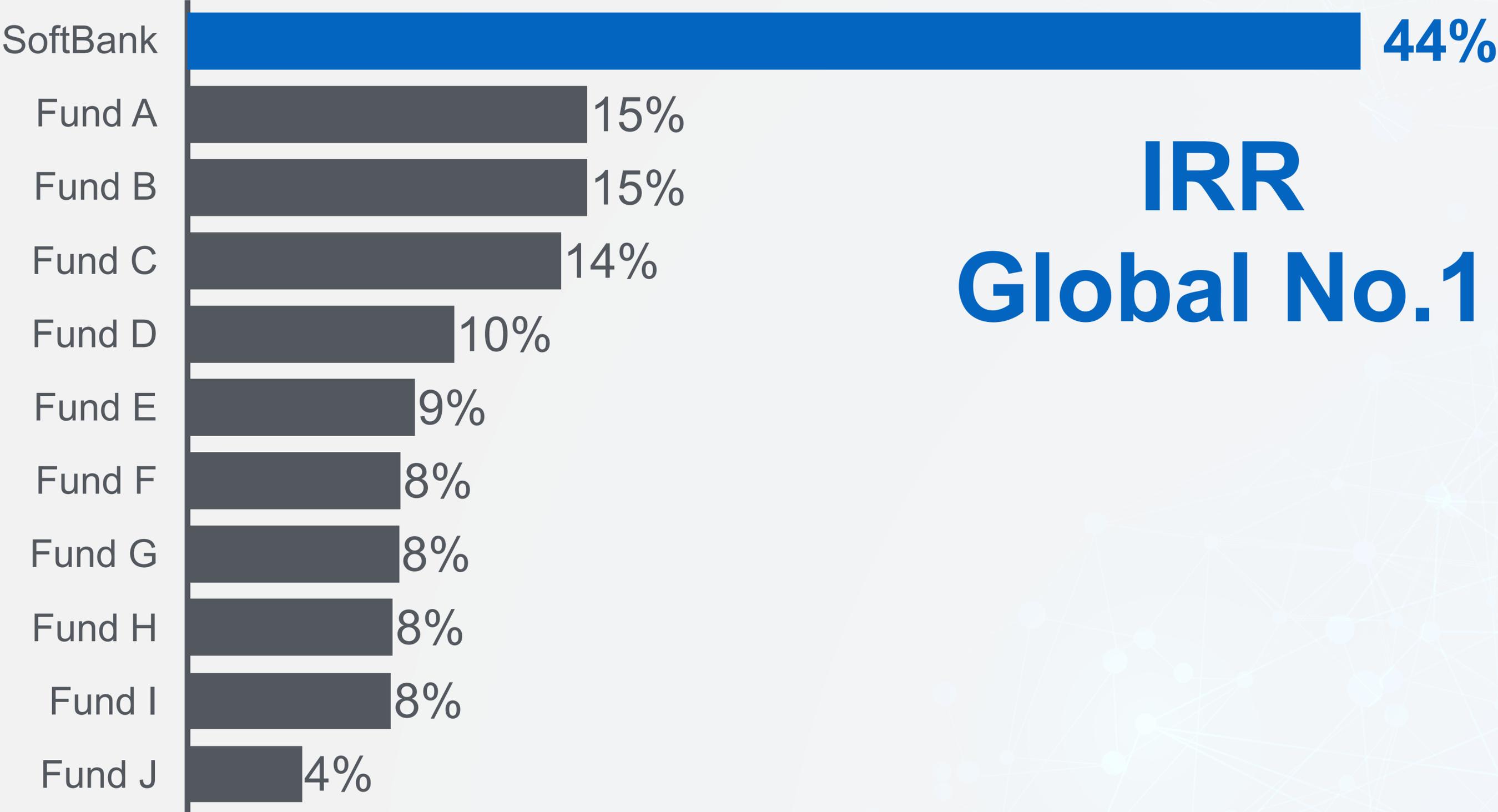
Vector

SoftBank Technology

*1 USD 1.00 = JPY 102, as of September 20, 2016

*2 Includes SoftBank Mobile Business (former Vodafone Japan) and Sprint

Investment Track Record (vs 10 Major Global Funds)



IRR
Global No.1



Meeting with his Royal Highness, Deputy Crown Prince Mohammed Bin Salman of the Kingdom of Saudi Arabia (Saudi Arabia, October 2016)

Future Financial Strategy

Improve leverage to 3.5x within couple of years

Strategic investments above 10s of billions of JPY will be executed through Fund

SoftBank Vision Fund

Become biggest investor in technology sector

Toward Further Growth



1. Adoption of IFRSs

SoftBank Group Corp. adopted the International Financial Reporting Standards (IFRSs) from fiscal 2013. Figures for fiscal 2012 have also been presented in accordance with IFRSs.

2. Definition of terms etc. in this material.

Free cash flow = cash flows from operating activities + cash flows from investing activities

EBITDA (IFRSs) = net sales – cost of sales – selling, general and administrative expenses + depreciation and amortization

EBITDA (Japanese-GAAP) = operating income (loss) + depreciation + amortization of goodwill

Interest-bearing debt (IFRSs): corporate bonds and commercial paper + long-term borrowings + short-term borrowings + lease obligations + installment payables + preferred securities

Interest-bearing debt (Japanese-GAAP): corporate bonds and commercial paper + long-term borrowings + short-term borrowings (excluding lease obligations)

Net interest-bearing debt: interest-bearing debt - cash position

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