

**Earnings Results  
for the Three-month Period  
Ended June 30, 2009  
(FY2009/Q1)**

**Analyst Meeting**



**July 31, 2009  
SOFTBANK CORP.**

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## Accounting

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## Finance

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## Operating

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Broadband Infrastructure Segment	59
Fixed-line Telecommunications Segment	63
Mobile Communications Segment	67

# Accounting



Kazuko Kimiwada

General Manager

Accounting, Internal Control

SOFTBANK CORP.

# Accounting

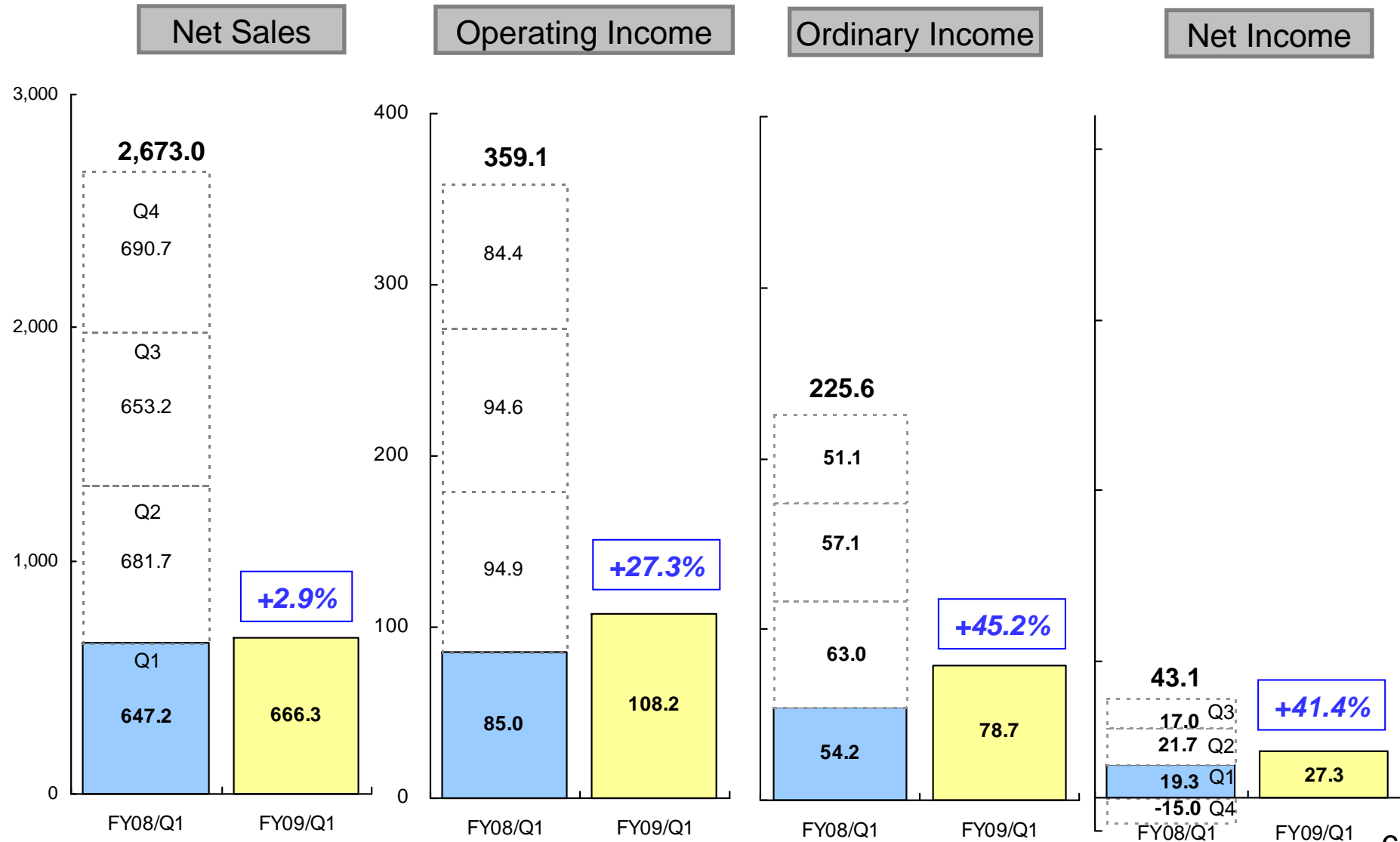
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## Consolidated P/L Analysis

# Consolidated P/L Summary

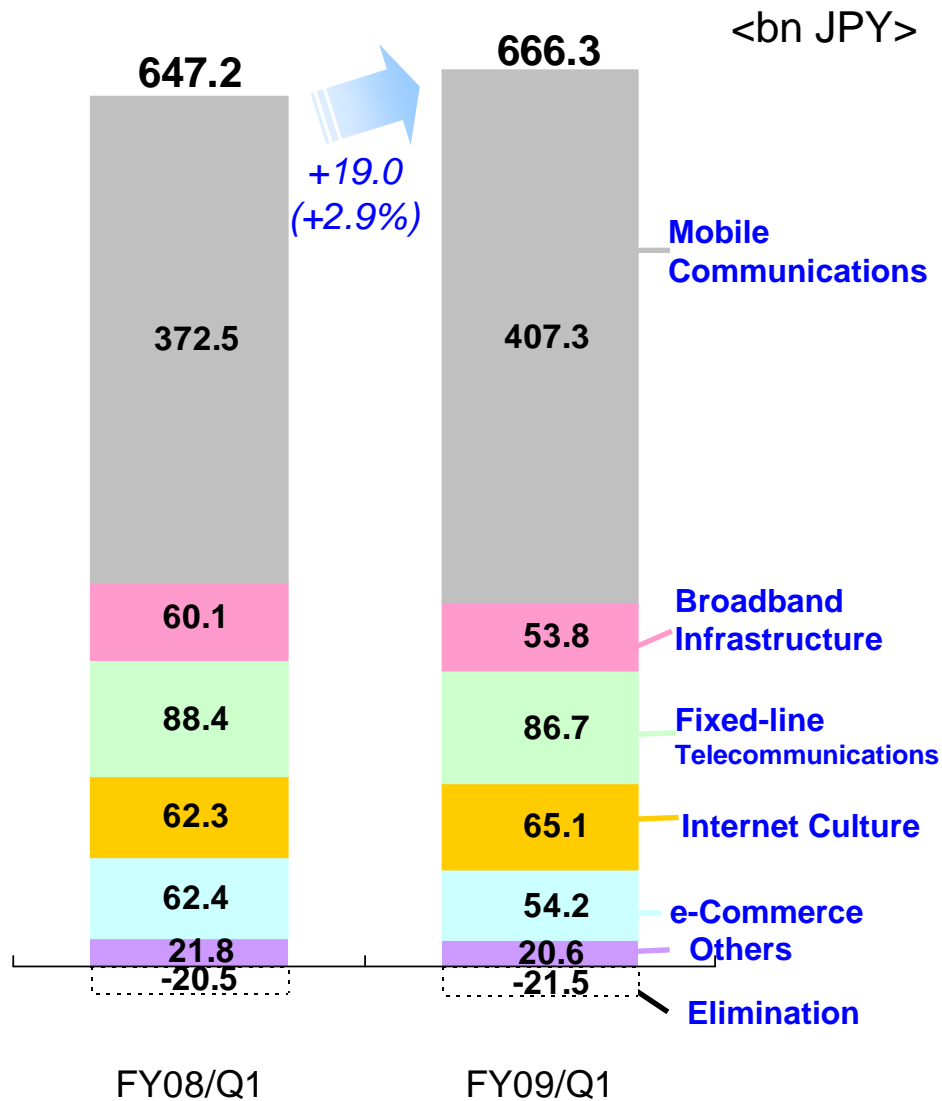
<P/L-1>

<bn JPY>



# Consolidated Net Sales

<P/L-2>



**Mobile Communications +34.7bn**

- Increase in telecommunications service revenue +15.7bn  
 (Increase in subscribers +24.2bn  
 Decrease in ARPU -9.5bn )
- Increase in sales of mobile handsets and accessories +19.0bn

**Broadband Infrastructure -6.3bn**

- Decrease in the number of ADSL charged users -4.4bn
- Decrease in ADSL ARPU -0.1bn
- Decrease in ODN -0.7bn

**Fixed-line Telecommunications -1.6bn**

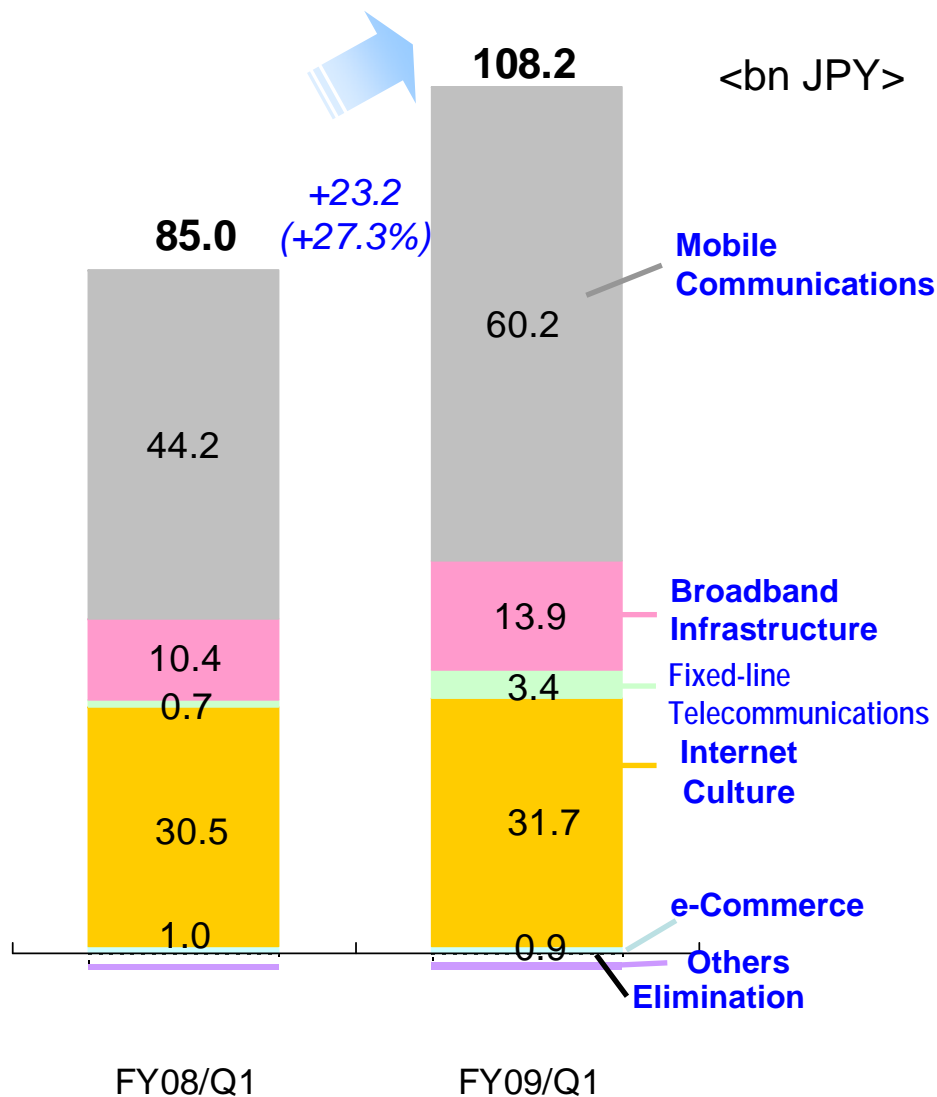
- Increase in *OTOKU Line* +3.2bn
- Increase in solution sales +3.0bn
- Decrease in *MYLINE* -2.7bn
- Decrease in international traffic -2.3bn
- Impact of transfer of former SOFTBANK IDC segment -2.4bn

**Internet Culture +2.8bn**

- Decrease in advertising business -0.4bn
- Business service increase +1.7bn
- Personal service increase +1.7bn

# Consolidated Operating Income

<P/L-3>



## Mobile Communications +15.9bn

- Increase in net sales +34.7bn
- Costs of goods sold:
  - Decrease in valuation loss on handsets +10.4bn
  - Increase in number of handsets sold -10.0bn
- Selling, general and administrative expenses:
  - Increase in sales commissions -25.9bn
  - Decrease in provision for allowance for doubtful accounts, and bad debt loss on doubtful accounts +7.6bn

## Broadband Infrastructure +3.4bn

- Decrease in net sales -6.3bn
- Decrease in depreciation and amortization of cost of goods sold and lease fees, etc. +4.2bn
- Decrease in selling, general and administrative expenses
  - Decrease in sales commission and sales promotion expense +5.0bn

## Fixed-line Telecommunications +2.6bn

- Decrease in net sales -1.6bn
- Decrease in access charge and usage fees of telecommunication equipment +1.4bn
- Decrease in *OTOKU Line* related sales costs +1.7bn

## Internet Culture +1.1bn

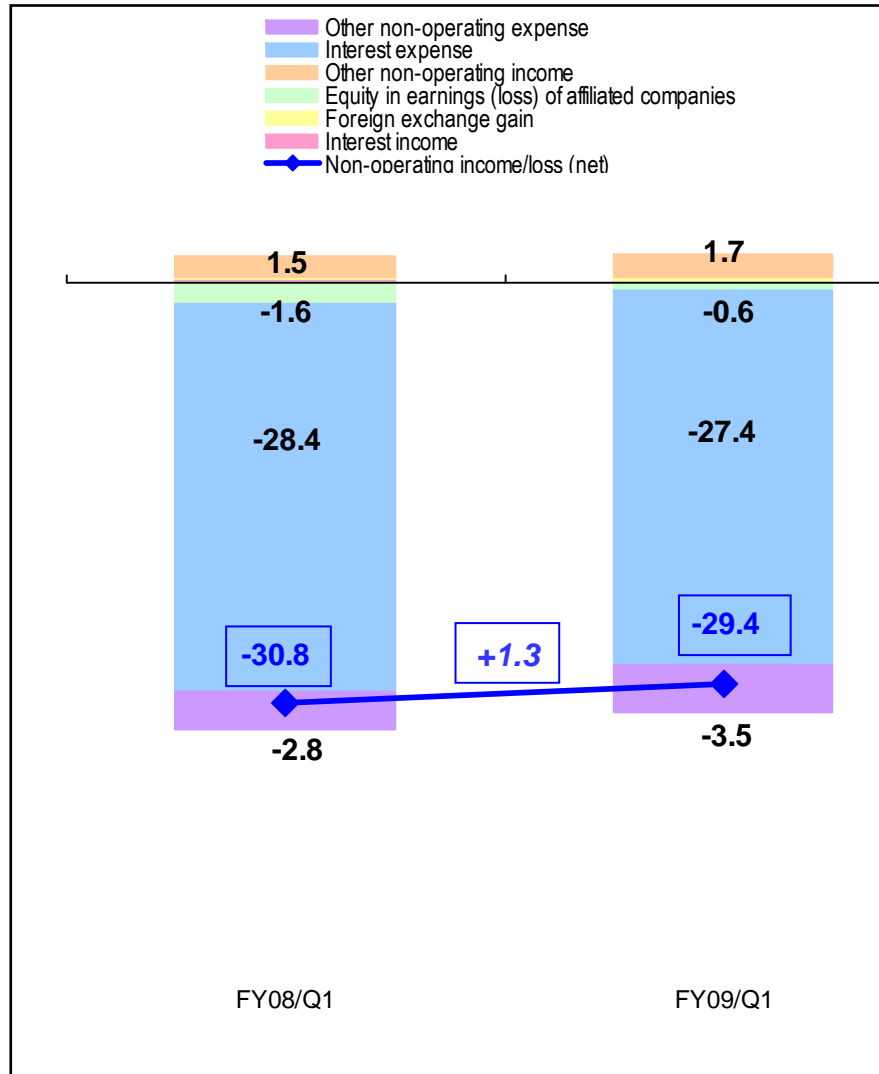
- Increase in net sales +2.8bn
- Yahoo Japan increase in cost of goods sold -0.9bn
- Yahoo Japan decrease in selling, general and administrative expenses consignment fees +0.2bn



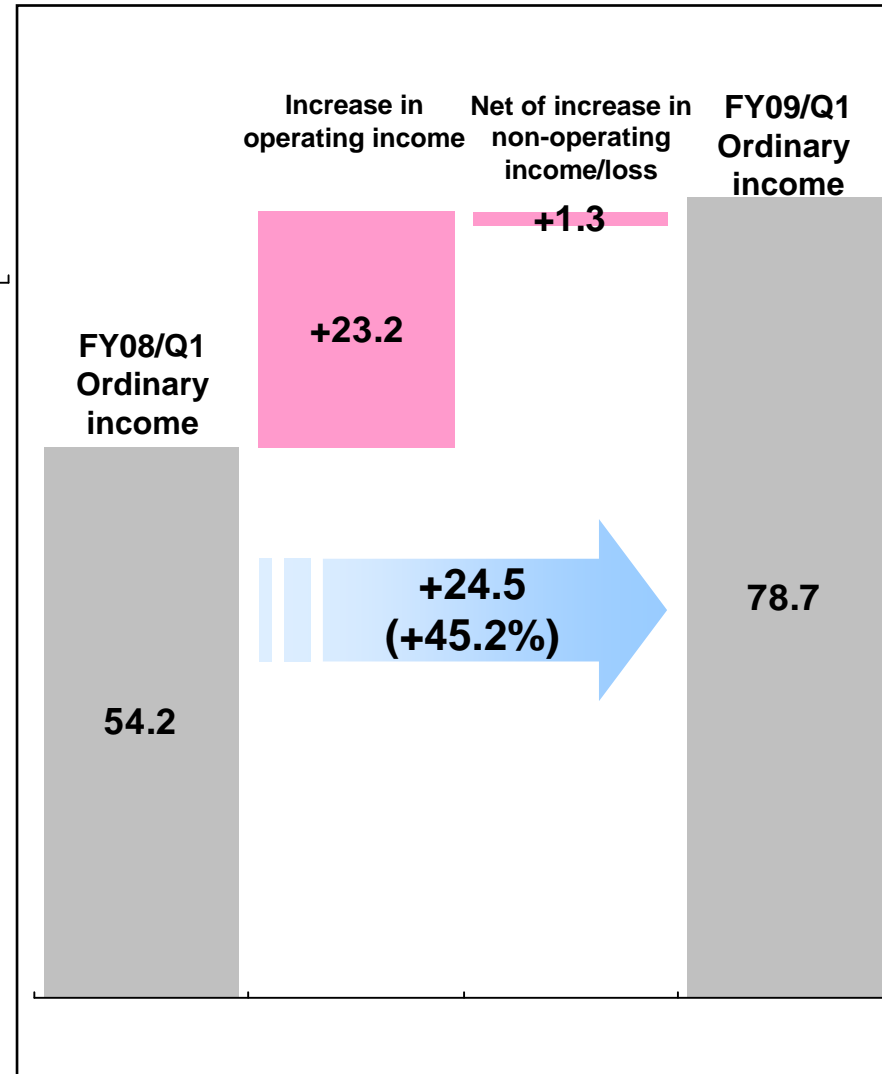
# Non-operating Income/Loss and Ordinary Income

<bn JPY>

### Non-operating Income/Loss



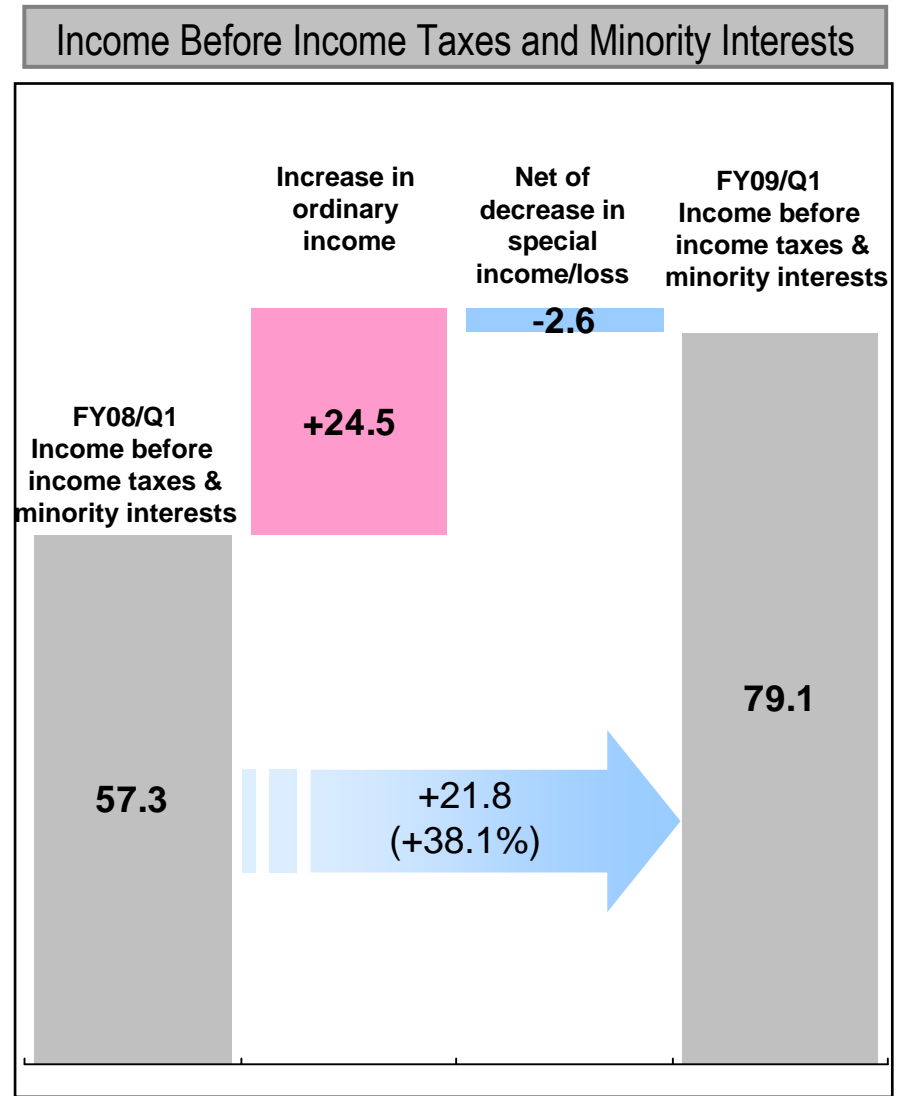
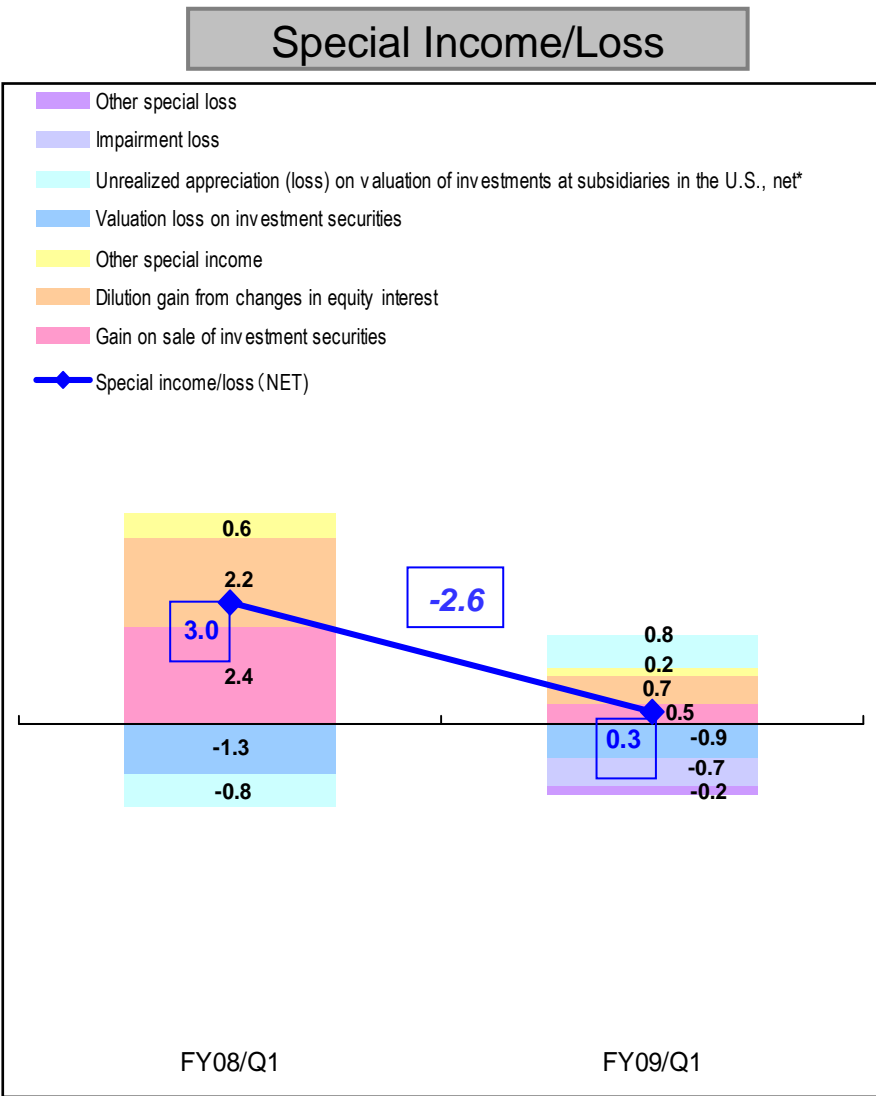
### Ordinary Income



# Special Income/Loss and Income Before Income Taxes and Minority Interests

<P/L-5>

< bn JPY >



\*Unrealized appreciation (loss) on valuation of investments and gain (loss) on sale of investments at subsidiaries in the U.S., net.

# Tax and Other Adjustments, Difference in Tax Rate

&lt;bn JPY&gt;

## Breakdown of Tax Expenses

<b>A</b>	<b>Income taxes; current</b>	<b>19.8</b>
	(main breakdown)	
	1. Yahoo Japan	13.4
	2. SBM local taxes (out of scope for BBM consolidated tax return)	5.4
<b>B</b>	<b>Income taxes; deferred</b>	<b>21.1</b>
	(main breakdown)	
	3. SBM decrease in temporary difference (allowance for inventory written-off, allowances for doubtful accounts etc.)	8.1
	4. BBM utilization of loss carryforwards under consolidated tax return etc.	7.1
	5. SBB utilization of loss carryforwards etc.	5.2
	6. SBM depreciation and amortization adjustments (occurred at time of SBM acquisition)	1.7
<b>Total income taxes (A+B)</b>		<b>41.0</b>

## Difference in Tax Rate

### Reconciliation Between Statutory Tax Rate and Effective Tax Rate

	Rate (%)	Amount (bn JPY)
Income before taxes and minority interests		79.1
Statutory income tax rate	40.7%	32.2
(Main factors of permanent difference)		
• Amortization of goodwill (mainly SBM)	7.7%	6.0
• Change in valuation allowance	1.3%	1.0
• Others	2.1%	1.7
Effective income tax rate	51.8%	41.0

# Loss Carryforwards (e/o June 2009)

<P/L-8>

< bn JPY>

Company Name	FY08/Q4 Balance (tax income based)	Occurred During FY2009/Q1 (tax income based)	Utilized During FY2009/Q1 (tax income based)	Other Variances	FY09/Q1 Balance (tax income based)	Deferred Tax Assets (Tax based)	Expiry Date
BB Mobile	77.1	-	-22.5	-	54.6	22.2	Mar 2016-Mar 2017
SOFTBANK TELECOM	85.5	6.1	-	-	91.6	38.5	Mar 2013-Mar 2017
SOFTBANK BB	23.4	-	-10.0	-	13.4	5.4	Mar 2013
Others	129.1	18.5	-2.1	-1.3	144.2	56.7	Mar 2010-Mar 2017
Total	315.3	24.6	-34.7	-1.3	303.9	122.9	

Valuation allowance -95.3

Deferred tax assets relating to loss carryforwards on B/S (total amount) 27.5

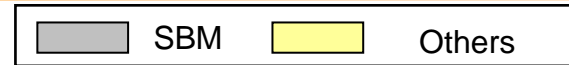
# Accounting

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## Consolidated B/S Analysis

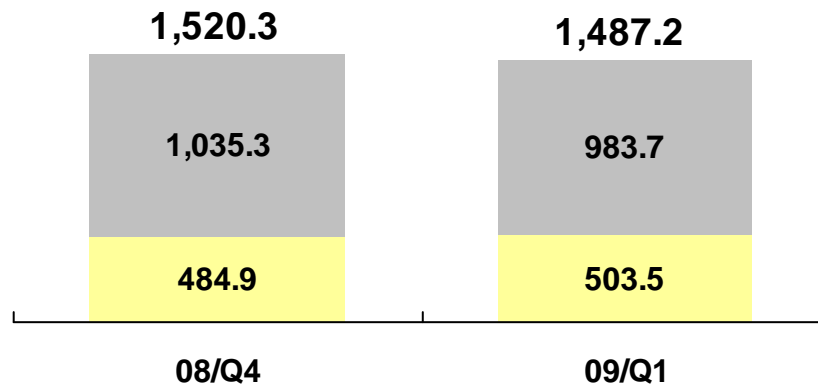
# Consolidated B/S Summary

<B/S-1>

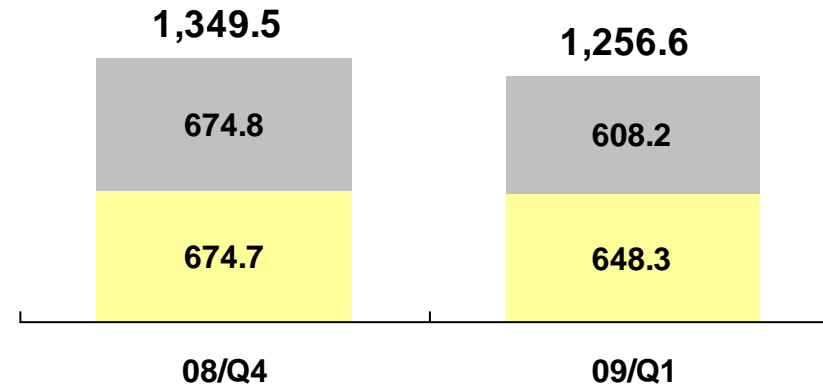


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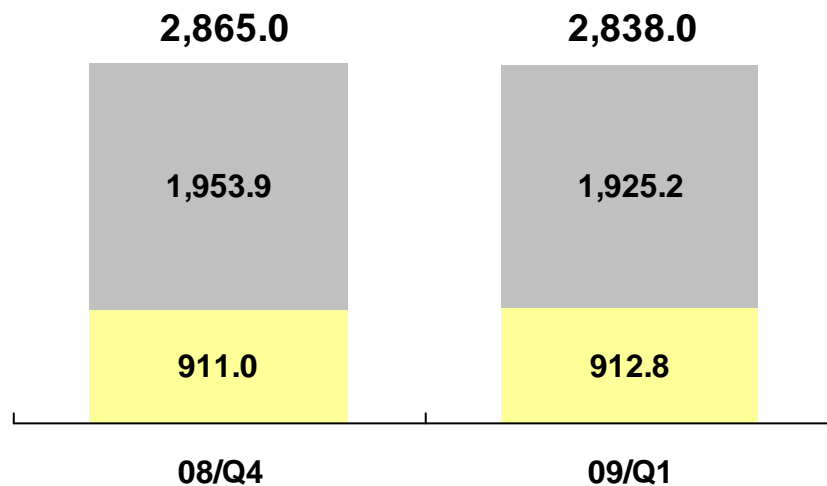
Current Assets



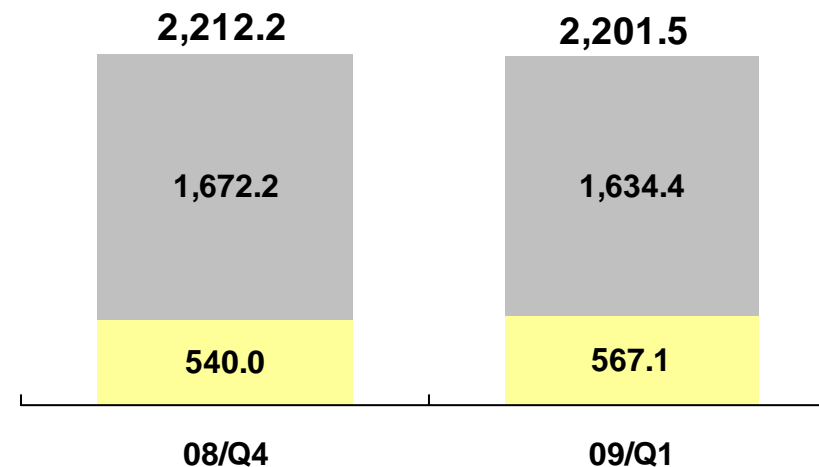
Current Liabilities



Fixed Assets



Long-term Liabilities



# Consolidated B/S (1) Current Assets

<B/S-2>

<bn JPY>

Assets	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Current assets	1,520.3	1,487.2	-33.0	
SBM	1,035.3	983.7	-51.5	
Others	484.9	503.5	18.5	
Cash and deposits	457.9	482.7	24.8	
SBM	266.6	247.1	-19.4	Increase provided by operating activities (+79.9) Securitization of installment sales receivables (procured +70.2, paid -60.1) Sale and lease back of equipment newly acquired (received +2.5, paid -21.4) Purchase of fixed assets (-60.0), repayment of SBM loan (-30.7)
Others	191.3	235.6	44.2	SB stand-alone: e/o Mar 09 (93.9) >> e/o Jun 09 (126.3) Breakdown: 27 <sup>th</sup> Unsecured Straight Corporate Bond issue (+60.0), exercise of stock acquisition rights (+2.1), borrowings paid (-30.2), interest paid (-6.3), dividend paid (-1.9) Yahoo Japan: e/o Mar 09 (16.4) >> e/o Jun 09 (32.5) Breakdown: Increase provided by operating activities (+37.1), repayment of borrowings (-10.0), dividend paid (-7.5)
Notes and accounts receivable-trade	858.0	810.0	-48.0	
SBM	682.7	654.2	-28.4	Mobile handset installment sales receivables e/o Mar 09 (487.8) >> e/o Jun 09 (479.1) Telecom revenue receivables etc. e/o Mar 09 (123.5) >> e/o Jun 09 (122.8) Mobile handsets sales receivables (agencies) e/o Mar 09 (66.4) >> e/o Jun 09 (48.2)
Others	175.3	155.8	-19.5	SBB: e/o Mar 09 (68.8) >> e/o Jun 09 (58.1) SBTM: >> e/o Mar 09 (54.5) >> e/o Jun 09 (47.5)
Merchandise and finished products	42.3	42.9	0.6	
SBM	32.3	32.4	0.1	Mobile handsets etc.
Other	10.0	10.4	0.4	
Deferred tax assets	93.0	74.9	-18.0	
SBM	42.5	35.2	-7.2	
Others	50.5	39.6	-10.8	BBM: utilization of loss carryforwards etc. (-6.7) SBB: utilization of loss carryforwards etc. (-4.7)
Other	117.7	120.7	2.9	
SBM	52.3	52.8	0.4	
Others	65.4	67.9	2.4	
Allowance for doubtful accounts	-48.8	-44.2	4.6	
SBM	-41.1	-38.1	2.9	
Others	-7.7	-6.0	1.6	

SBM: SOFTBANK MOBILE SBB: SOFTBANK BB SBTM: SOFTBANK TELECOM BBM: BB Mobile



# Consolidated B/S (2) Tangible Assets

<B/S-3>

<bn JPY>

Assets	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Fixed assets	2,865.0	2,838.0	-26.9	
SBM	1,953.9	1,925.2	-28.7	
Others	911.0	912.8	1.8	
Property and equipment, net	1,000.9	983.6	-17.2	
SBM	697.1	686.8	-10.2	
Others	303.8	296.8	-7.0	
Building and structures	71.5	72.2	0.6	
SBM	29.4	28.7	-0.6	Network center etc.
Others	42.1	43.4	1.3	
Telecommunications equipment	738.9	729.6	-9.3	
SBM	604.0	597.8	-6.2	Acquisition of equipment (+19.2), acquisition of antenna equipment (+1.4), depreciation etc. (-26.9)
Others	134.8	131.8	-3.0	SBTM: e/o Mar 09 (102.4) >> e/o Jun 09 (100.0) SBB: e/o Mar 09 (27.7) >> e/o Jun 09 (26.1)
Telecommunications service lines	79.6	77.6	-1.9	
SBM	8.9	8.7	-0.1	
Others	70.6	68.8	-1.7	SBTM: e/o Mar 09 (70.6) >> e/o Jun 09 (68.8)
Land	22.5	22.5	-0	
SBM	10.8	10.8	0	
Others	11.7	11.7	-0	
Construction-in-progress	37.4	30.9	-6.5	
SBM	17.3	15.2	-2.0	
Others	20.1	15.6	-4.4	SBTM: e/o Mar 09 (14.0) >> e/o Jun 09 (12.5)
Other	50.7	50.6	-0	
SBM	26.4	25.4	-1.0	
Others	24.2	25.2	0.9	

SBM: SOFTBANK MOBILE SBB: SOFTBANK BB SBTM: SOFTBANK TELECOM

# Consolidated B/S (3) Intangible Assets

Assets	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Intangible assets, net	1,222.1	1,202.6	-19.4	
SBM	1,077.4	1,062.7	-14.6	
Others	144.6	139.9	-4.7	
Goodwill	956.7	940.9	-15.7	
SBM	878.5	865.6	-12.8	Decrease due to amortization
Others	78.1	75.2	-2.9	Decrease due to amortization
Software	226.1	222.7	-3.3	
SBM	189.7	186.2	-3.5	
Others	36.3	36.5	0.2	
Other	39.2	38.9	-0.3	
SBM	9.1	10.8	1.7	
Others	30.0	28.0	-2.0	
Investments and other assets	641.9	651.7	9.7	
SBM	179.3	175.5	-3.7	
Others	462.6	476.1	13.5	
Investment securities and inv. in unconsolidated sub & affiliates	320.1	345.0	24.9	
SBM	1.7	2.1	0.3	
Others	318.3	342.9	24.6	Increase in share price of Yahoo! Inc. (+13.0)
Deferred tax assets	158.2	154.9	-3.3	
SBM	128.5	126.1	-2.4	
Others	29.6	28.7	-0.9	
Other	200.7	186.6	-14.1	
SBM	81.0	76.6	-4.4	
Others	119.7	110.0	-9.6	SBH: derivative assets (-11.8)
Allowance for doubtful accounts (long-term)	-37.1	-34.9	2.1	
SBM	-31.9	-29.2	2.6	
Others	-5.1	-5.6	-0.5	
Deferred charges	1.3	1.9	0.6	
SBM	-	-	-	
Others	1.3	1.9	0.6	

SBM: SOFTBANK MOBILE SBB: SOFTBANK BB SBTM: SOFTBANK TELECOM SBH: SOFTBANK Holdings Inc.

# Consolidated B/S (4) Current Liabilities

<B/S-5>

<bn JPY>

Liabilities	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Current liabilities	1,349.5	1,256.6	-92.9	
SBM	674.8	608.2	-66.5	
Others	674.7	648.3	-26.3	
Accounts payable-trade	160.3	148.5	-11.8	
SBM	100.5	99.9	-0.5	Payment for merchandise (mobile handsets accessories etc.)
Others	59.8	48.5	-11.2	SBB: e/o Mar 09 (38.3) >> e/o Jun 09 (28.2) SBTM: e/o Mar 09 (5.5) >> e/o Jun 09 (4.5)
Short-term borrowings	575.5	540.8	-34.6	
SBM	185.7	189.2	3.5	Mainly securitization of installment sales receivables
Others	389.7	351.6	-38.1	SB stand-alone: e/o Mar 09 (336.0) >> e/o Jun 09 (300.8) SBTM: e/o Mar 09 (20.9) >> e/o Jun 09 (20.9) Yahoo Japan: e/o Mar 09 (20.0) >> e/o Jun 09 (20.0)
Current portion of corporate bonds	64.0	84.0	20.0	
SBM	—	—	—	
Others	64.0	84.0	20.0	SB stand-alone: transfer from long-term account of 24 <sup>th</sup> Unsecured straight corporate bond (+20.0)
Accounts payable-other	352.1	291.3	-60.7	
SBM	268.8	209.3	-59.4	Decrease in payables to sales agencies (-34.8), decrease in payables for equipment (-31.2)
Others	83.3	81.9	-1.3	
Current portion of lease obligations	88.2	89.4	1.2	
SBM	86.7	87.9	1.1	Transfer from long-term (+22.6), lease fees paid (-21.4)
Others	1.5	1.5	0	
Others	109.2	102.4	-6.8	
SBM	33.1	21.7	-11.3	
Others	76.1	80.6	4.4	

# Consolidated B/S (5) Long-term Liabilities

<B/S-6>

<bn JPY>

Liabilities	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Long-term liabilities	2,212.2	2,201.5	-10.7	
SBM	1,672.2	1,634.4	-37.8	
Others	540.0	567.1	27.1	
Corporate bonds	324.5	361.9	37.3	
SBM	—	—	—	
Others	324.5	361.9	37.3	SB stand-alone: Issue 27 <sup>th</sup> Unsecured Straight Corporate Bond (+60.0) Transfer to current account of 24 <sup>th</sup> series unsecured bond (-20.0)
Long-term debt	1,436.2	1,403.2	-33.0	
SBM	1,305.7	1,281.5	-24.1	SBM loan related e/o Mar 09 (1,184.8) >> e/o Jun 09 (1,154.1) Vodafone subordinated loan e/o Mar 09 (84.5) >> e/o Jun 09 (84.5) Installment sales receivables securitization borrowings e/o Mar 09 (36.2) >> e/o Jun 09 (42.8)
Others	130.5	121.7	-8.8	SB stand-alone: e/o Mar 09 (5.0) >> e/o Jun 09 (10.0) Yahoo: e/o Mar 09 (10.0) >> e/o Jun 09 (-)
Deferred tax liabilities	28.7	30.0	1.2	
SBM	—	—	—	
Others	28.7	30.0	1.2	
Allowance for point mileage	41.8	44.4	2.6	
SBM	41.8	44.4	2.6	Point service for customers
Others	—	—	—	
Lease obligations	233.3	213.2	-20.0	
SBM	227.6	207.5	-20.1	Newly procured (+2.5), transferred to short-term (-22.6)
Others	5.6	5.7	0	
Other	147.5	148.6	1.1	
SBM	97.0	100.8	3.8	Additional entrustment for debt assumption of bonds (long-term payables 75.0)
Others	50.4	47.7	-2.7	

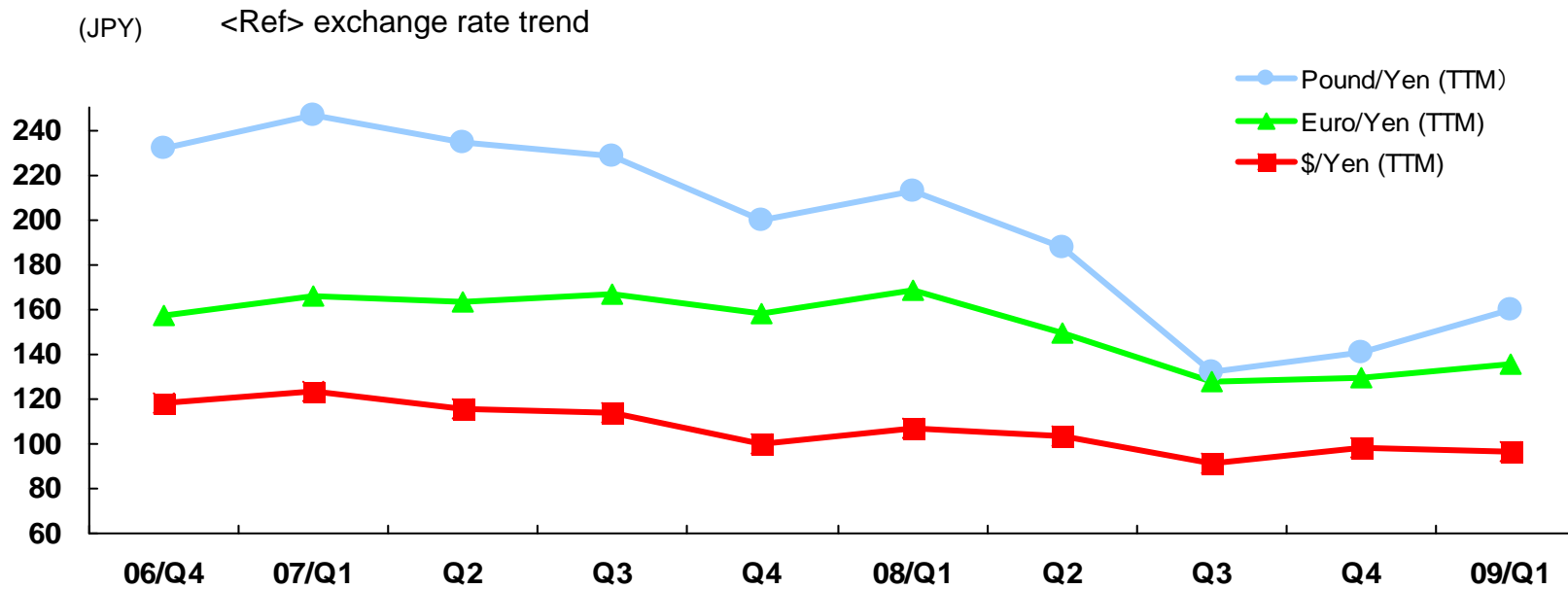
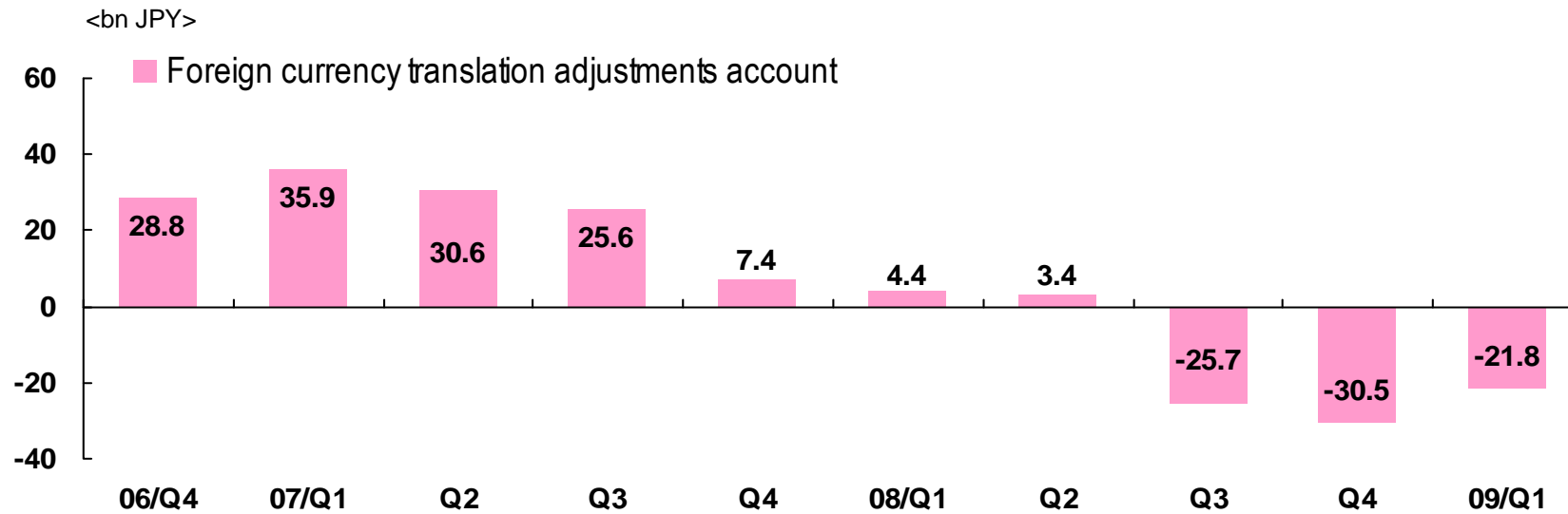
# Consolidated B/S (6) Equity

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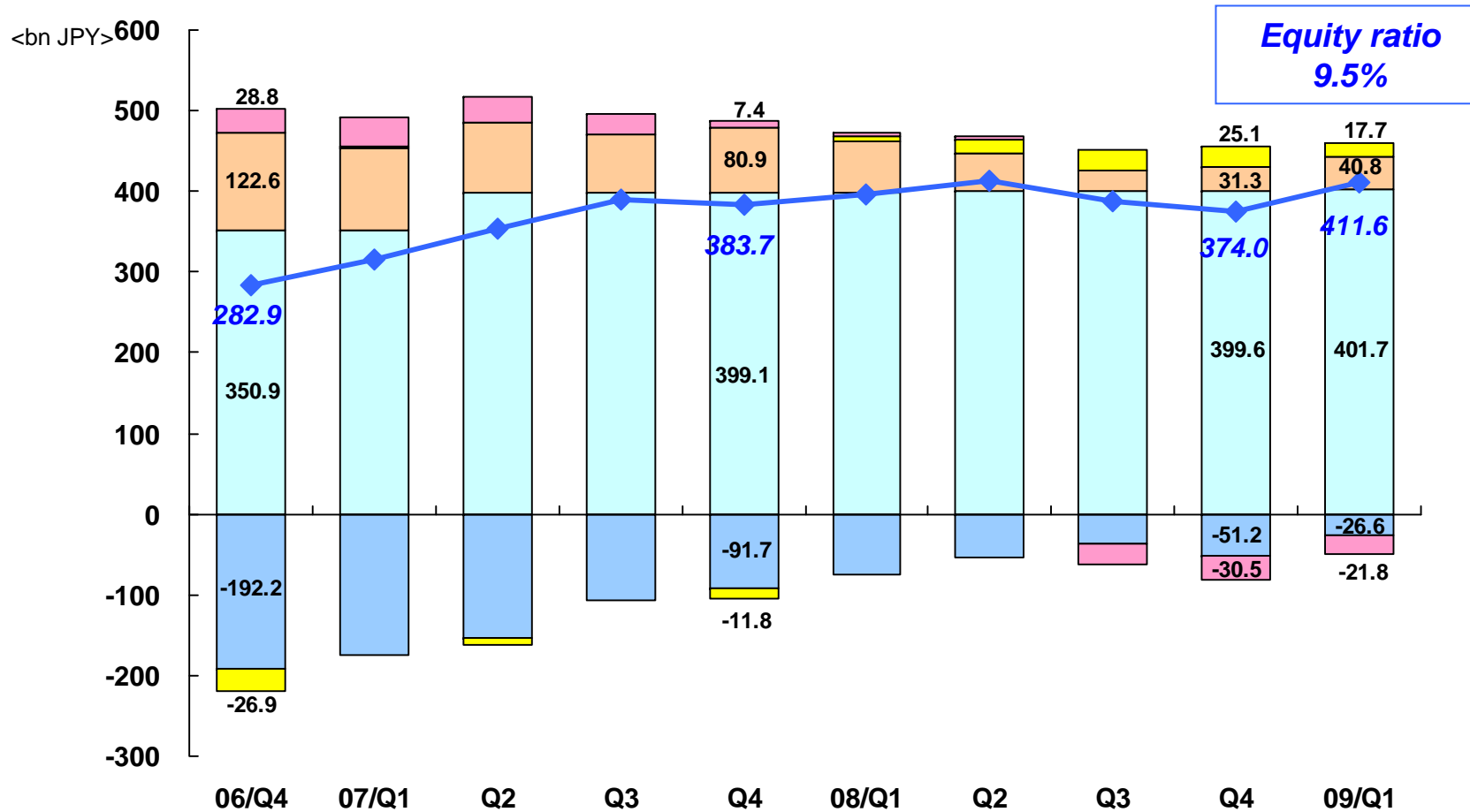
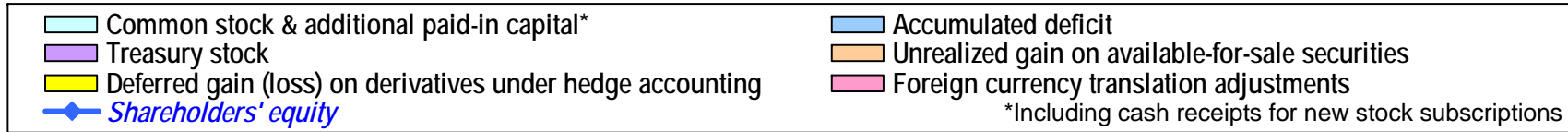
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Net Assets	e/o Mar 2009	e/o Jun 2009	Variance	Outline
Equity	824.7	869.1	44.3	
Shareholders' equity	348.1	374.8	26.6	
Common stock	187.6	188.7	1.0	Exercise of stock acquisition rights
Additional paid-in capital	211.9	213.0	1.0	Exercise of stock acquisition rights
Accumulated deficit	-51.2	-26.6	24.5	FY2009/Q1 net income (+27.3), dividend (-2.7)
Treasury stock	-0.2	-0.2	-0	
Valuation and translation adjustments	25.8	36.7	10.8	
Unrealized gain on available-for-sale securities	31.3	40.8	9.4	Increase in share price of Yahoo! Inc. etc
Deferred gain on derivatives under hedge accounting	25.1	17.7	-7.3	
Foreign currency translation adjustments	-30.5	-21.8	8.7	
Stock acquisition rights	0.2	0.3	0	
Minority interests	450.4	457.1	6.7	BBM e/o Jun 09 (300.0) *Issued preferred stock to Vodafone International Holdings B.V. Yahoo Japan e/o Mar 09 (132.2) >> e/o Jun (138.4)

# (Equity) Foreign Currency Translation Adjustments



# (Equity) Shareholders' Equity



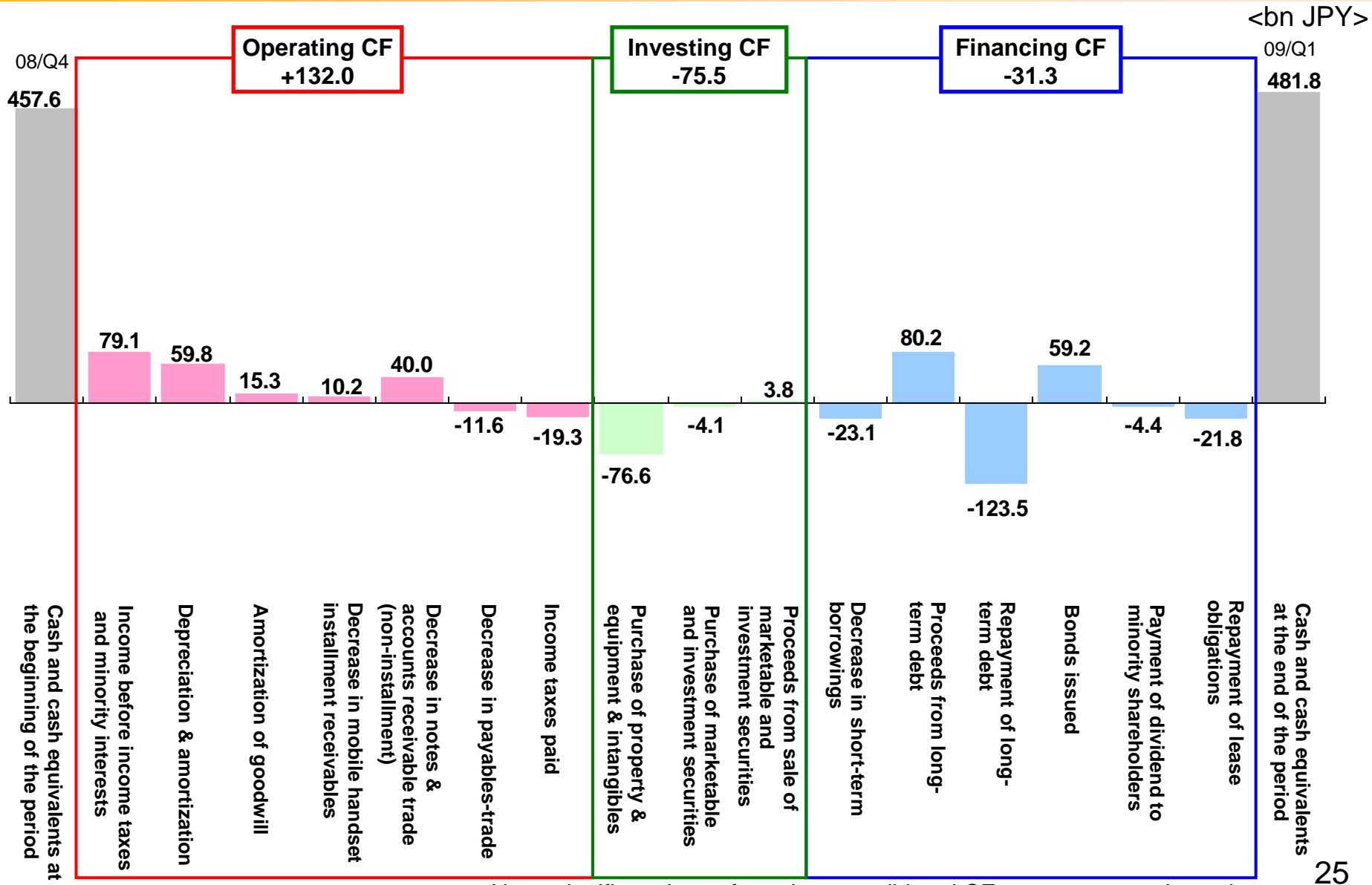
# Accounting

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## Consolidated CF Analysis

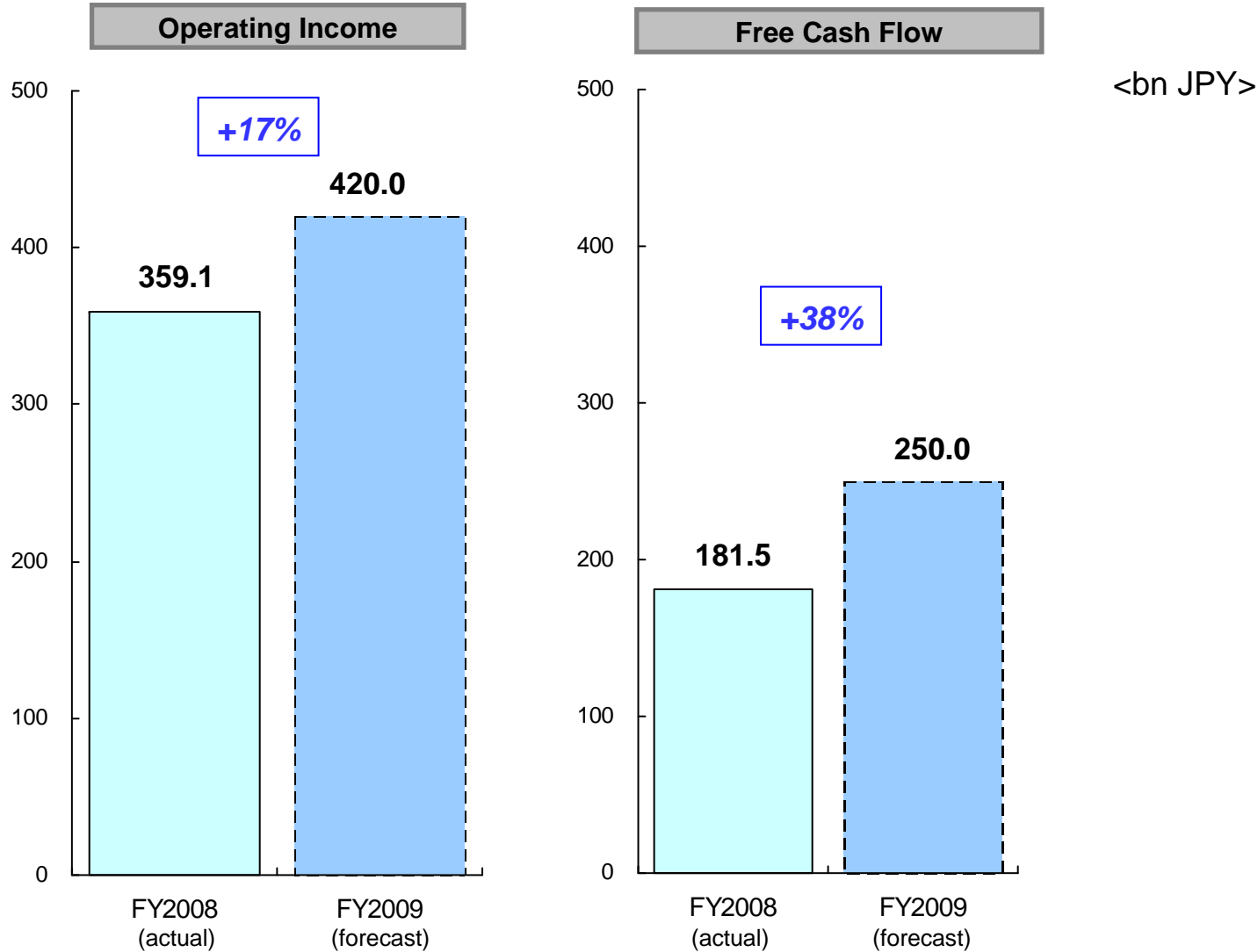


# Consolidated Cash Flow Main Breakdown



Note: significant items from the consolidated CF statement are shown here.

# Earnings Forecast



Definition: Free Cash Flow = cash flows from operating activities + cash flows from investing activities

# Scope of Consolidation/Scope of Equity Method

	No. of Comp.	Core Companies
Consolidated subsidiaries	110	SOFTBANK MOBILE, SOFTBANK BB, SOFTBANK TELECOM, Yahoo Japan, SOFTBANK TECHNOLOGY, ITmedia, etc.
Newly consolidated subsidiaries	5	
Subsidiaries excluded from consolidation	3	
Non-consolidated subsidiaries (=1+2)	67	Insignificant companies
Non-consolidated subsidiaries under the equity method (1)	5	
Entities newly accounted under the equity method	1	
Affiliated companies under the equity method	59	Gung Ho Online Entertainment, MySpace Japan, Alibaba Group Holding Limited, etc.
Entities newly accounted under the equity method	-	
Entities no longer accounted under the equity method	11	
Non-consolidated subsidiaries not under the equity method (2)	62	Insignificant companies
Affiliated companies not under the equity method	26	Insignificant companies

	Consolidated subsidiaries	Companies under equity method	Core group companies	Main business activities
Mobile Communications	6	2	SOFTBANK MOBILE (SBM)	- Mobile phone service - Sales of mobile phone handsets
Broadband Infrastructure	6	1	SOFTBANK BB (SBB)	- ADSL and fiber-optic high-speed Internet connection services
Fixed-line Telecommunications	3	-	SOFTBANK TELECOM (SBTM)	- Fixed-line telecommunications service
Internet Culture	19	12	Yahoo Japan	- Online advertisement
e-Commerce	7	4	SOFTBANK BB, Vector, Carview	- Distribution of PC, software, and PC accessories - e-Commerce towards businesses and consumers
Others	69	45	SOFTBANK TECHNOLOGY, ITmedia	-Technology service business - Media marketing business - Overseas fund business
Total	110	64		

\* SOFTBANK BB Corp. SOFTBANK TELECOM Corp., and Yahoo Japan Corporation are included in the consolidated subsidiaries of the Broadband Infrastructure, Fixed-line Telecommunications, and Internet Culture segments respectively, while SOFTBANK BB Corp., SOFTBANK TELECOM Corp., and Yahoo Japan Corporation operate multiple business and their operating results are allocated to multiple business segments.



# Finance



Yoshimitsu Goto  
General Manager Finance  
SOFTBANK CORP.

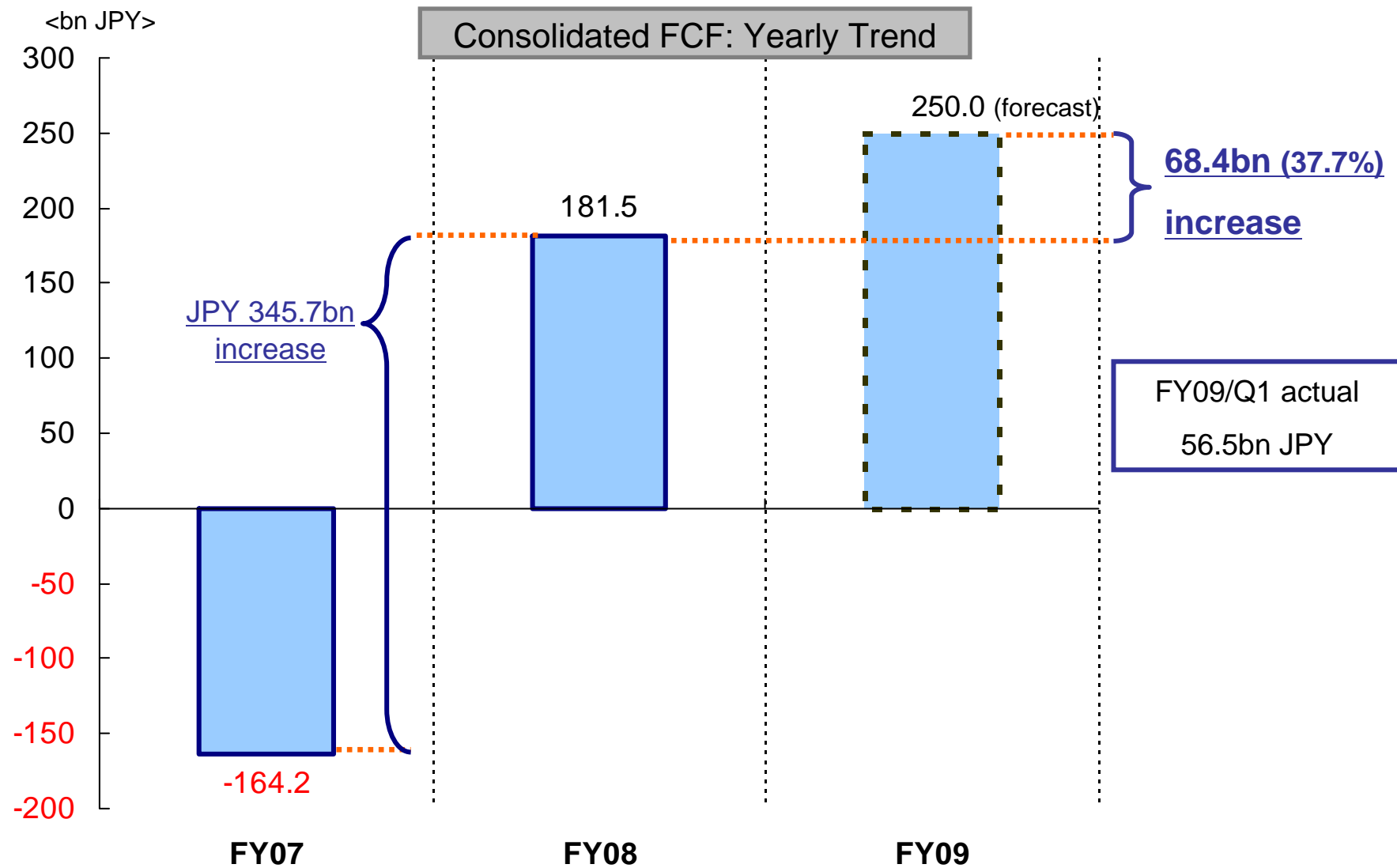
\*Group Management was abolished and combined with Finance on May 1, 2009

# Main Financial Activities of FY2009

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Date	Content	Amount (JPY bn)
June 2009	Issue 27th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	60.0
June 2009	Securitization of installment sales receivables (ninth)	70.2
July 2009	Issue 28th Unsecured Straight Corporate Bond	30.0

# FCF Actual - Forecast

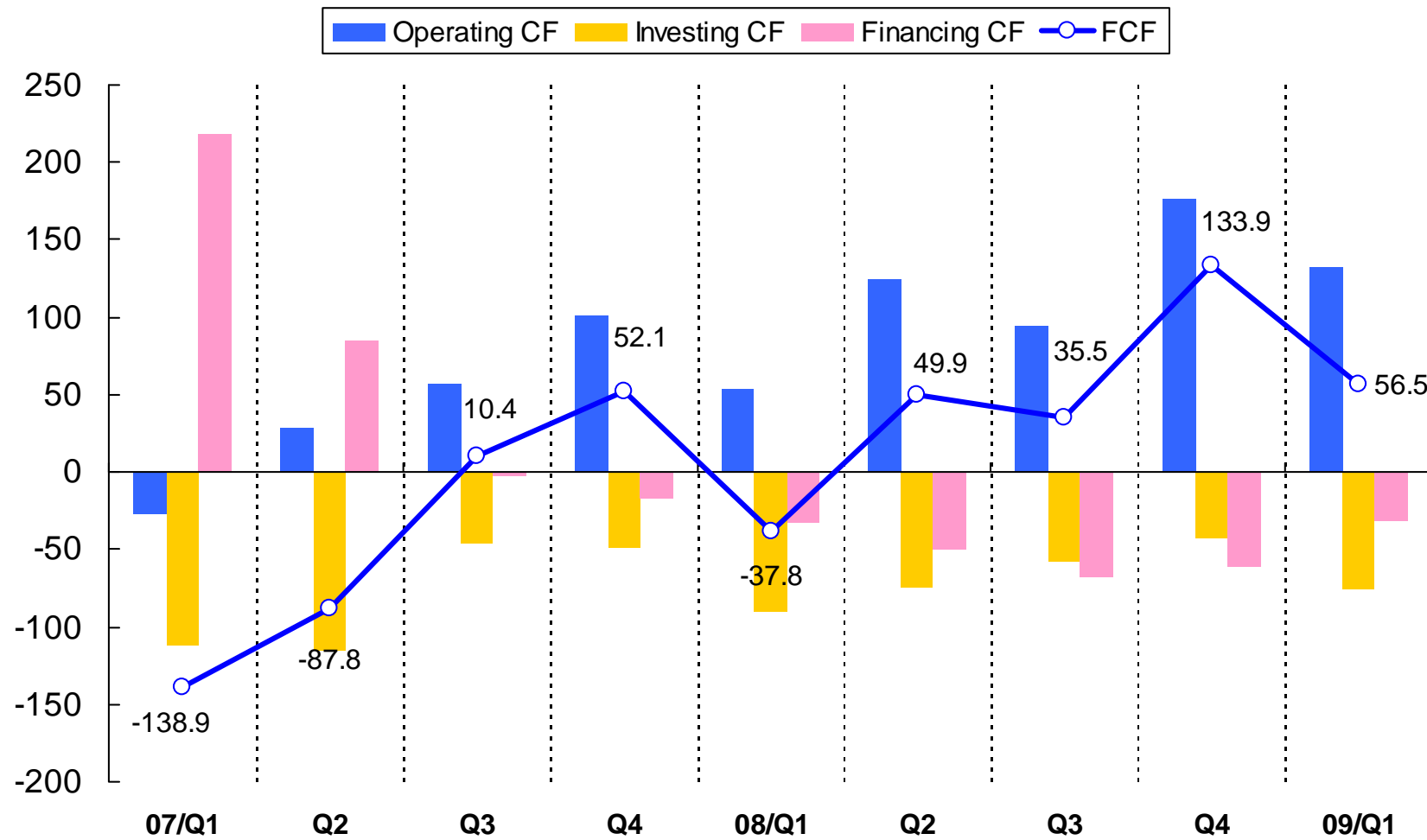


Definition: FCF = cash flows from operating activities + cash flows from investing activities

# Cash Flow Trend

Consolidated FCF: Yearly Trend

<bn JPY>

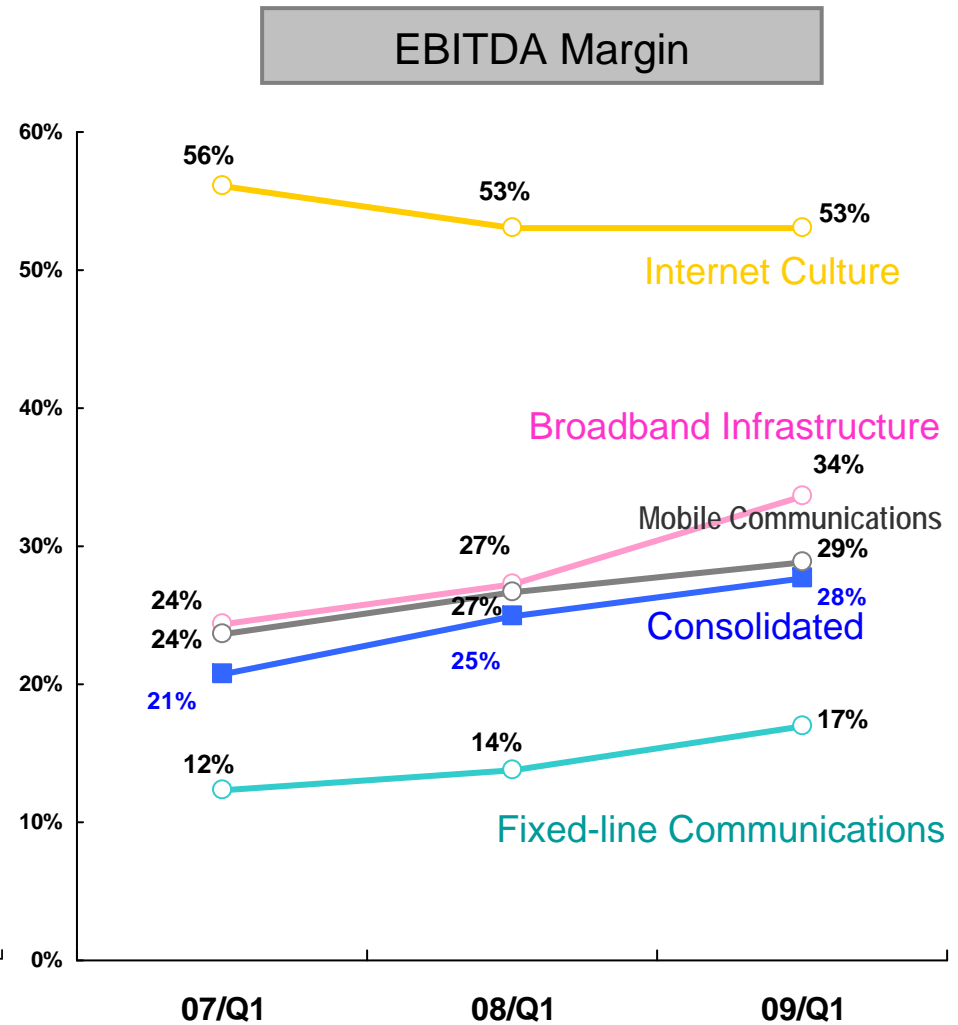
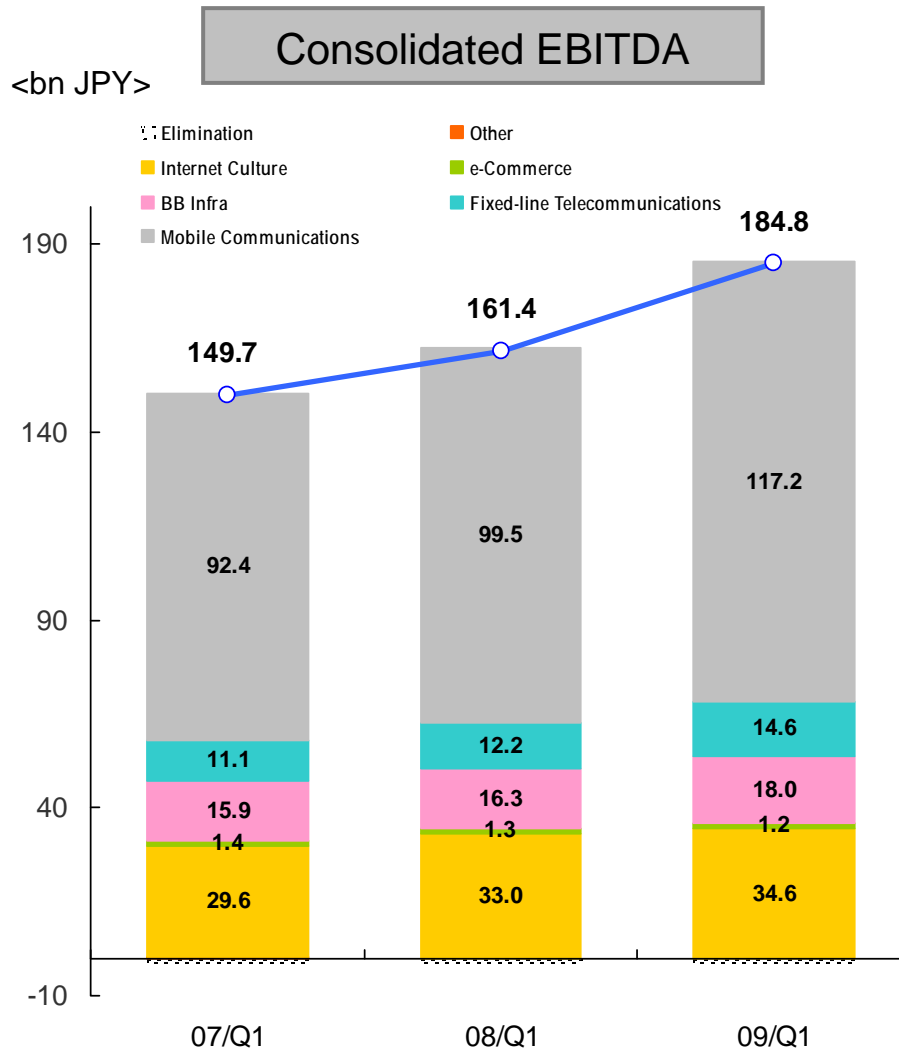


Definition: FCF = cash flows from operating activities + cash flows from investing activities



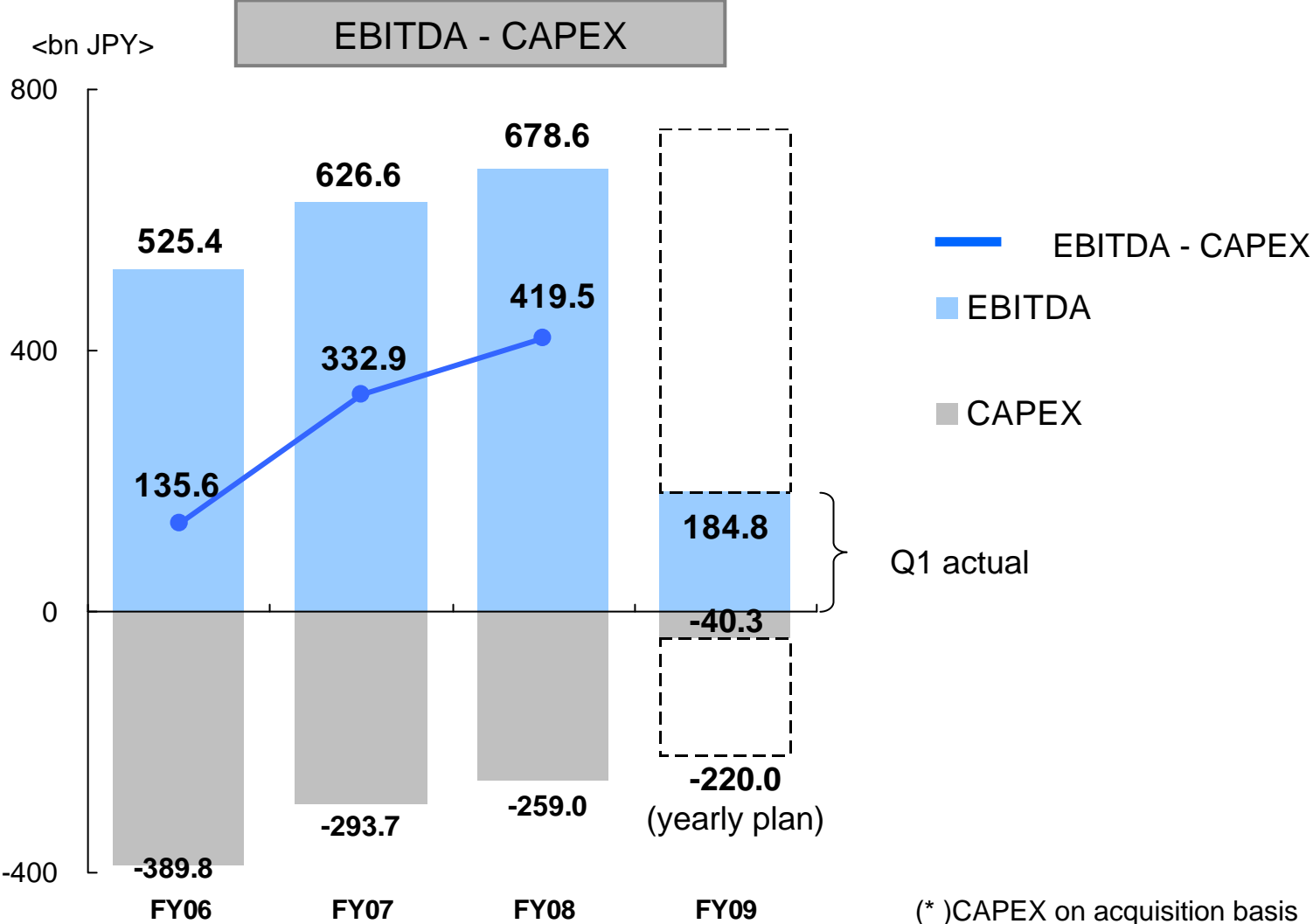
# EBITDA and EBITDA Margin (by segment)

➤ EBITDA growing steadily in each segment.



# EBITDA - CAPEX

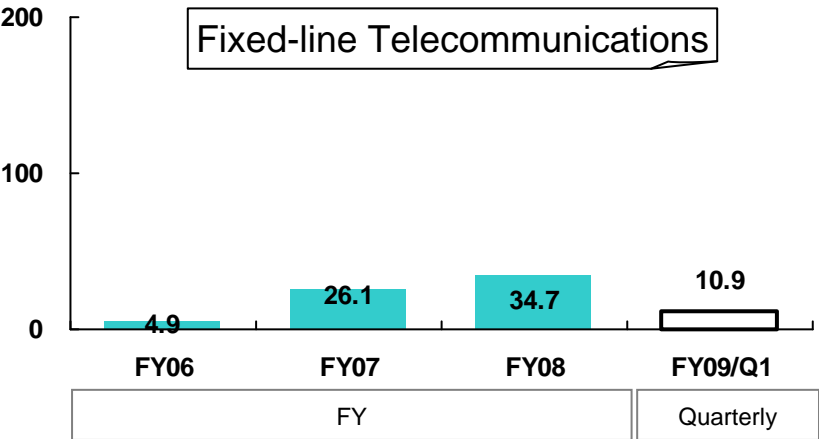
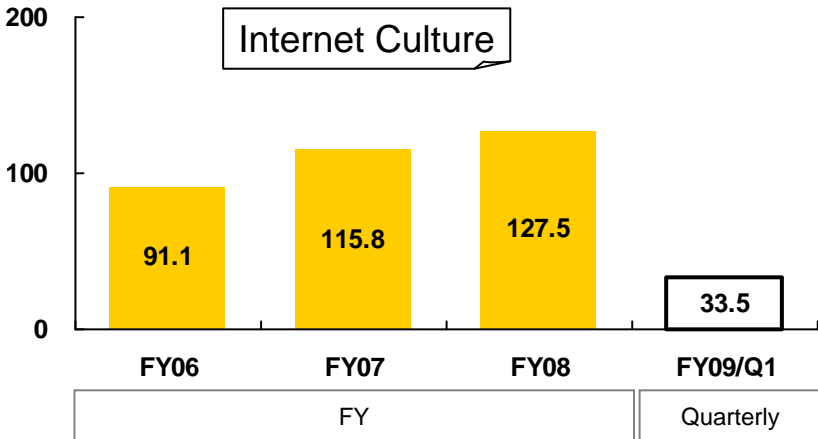
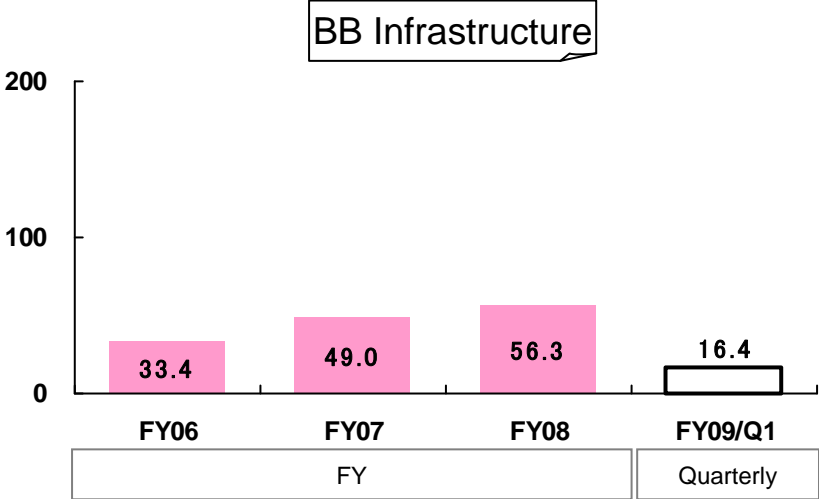
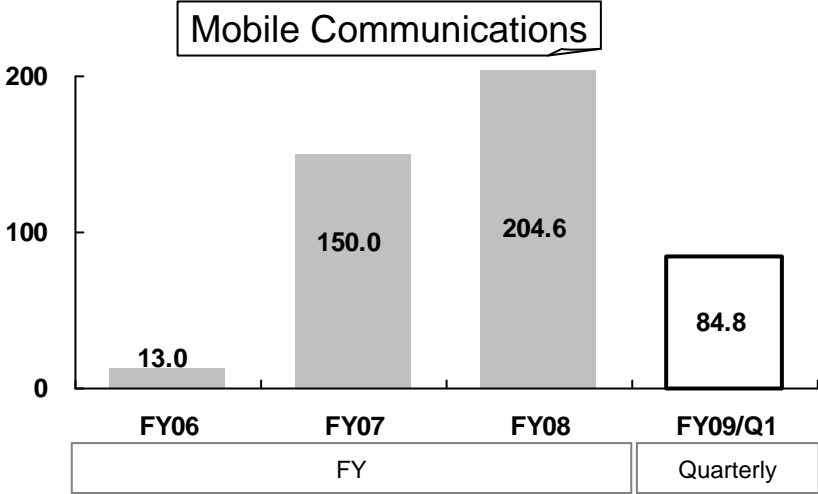
➤ Steady increase due to expansion of EBITDA.



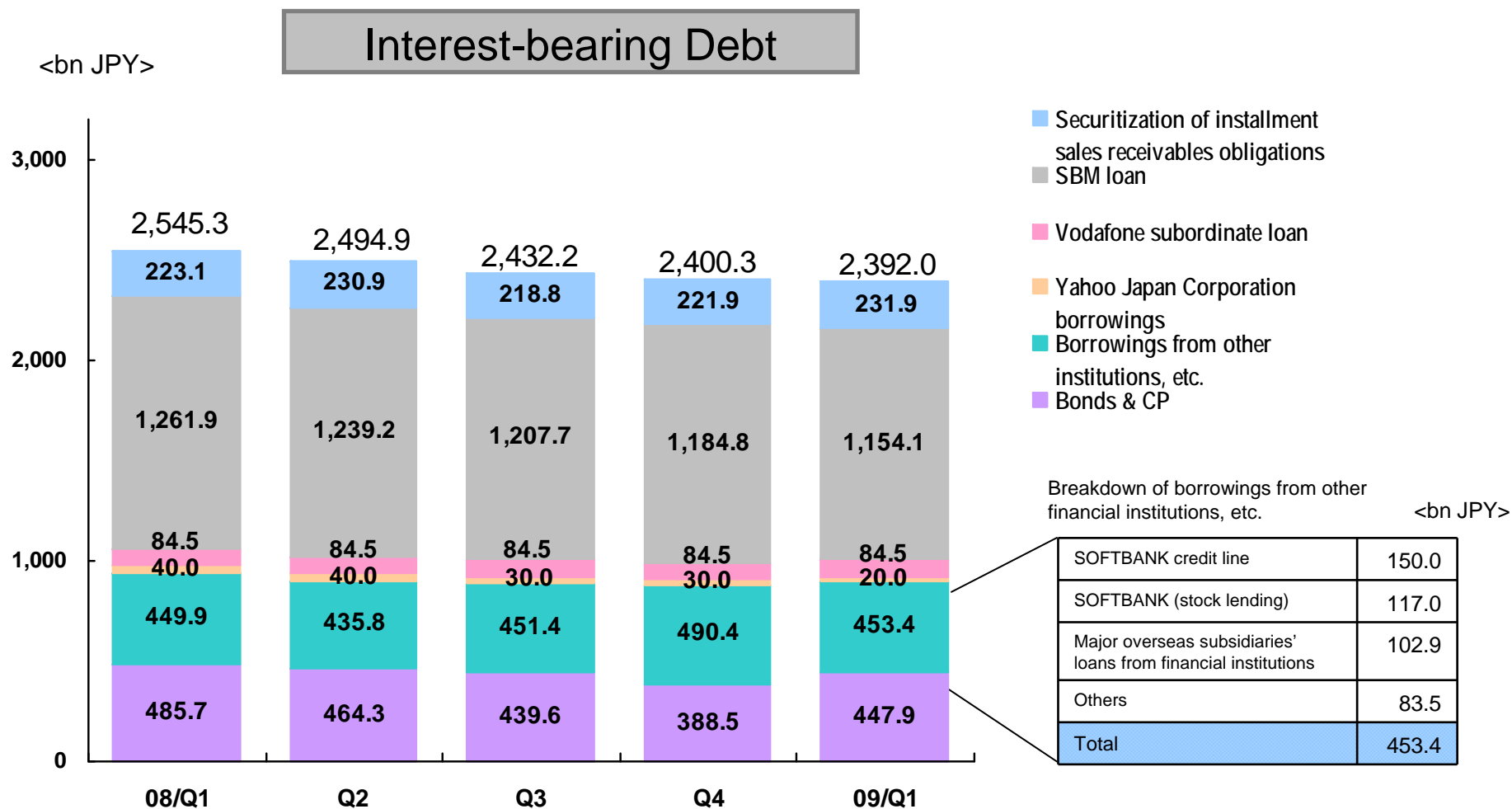
# EBITDA – CAPEX (main segments)

Yearly Trend

<bn JPY>

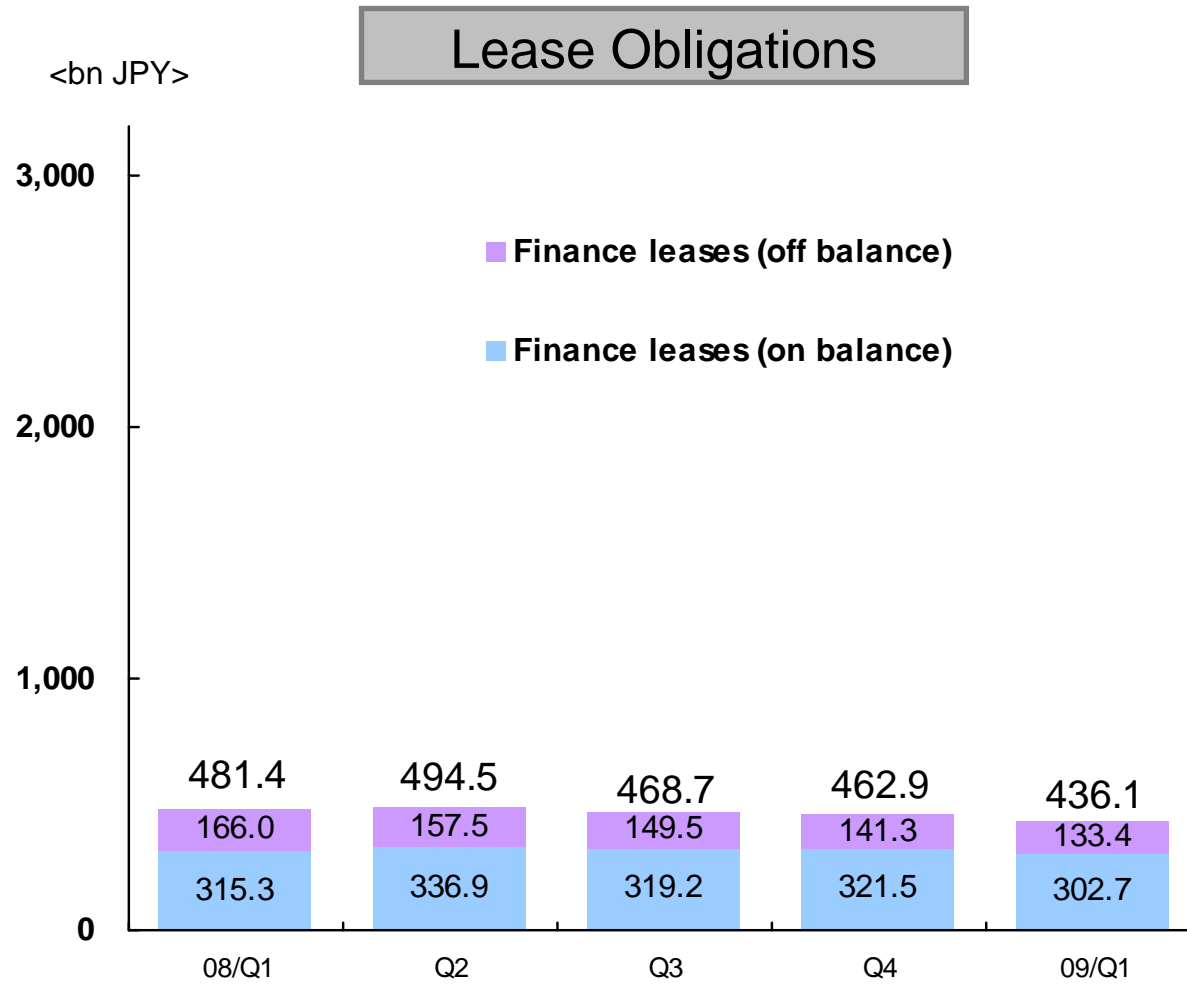


# Interest-bearing Debt (by procurement method)

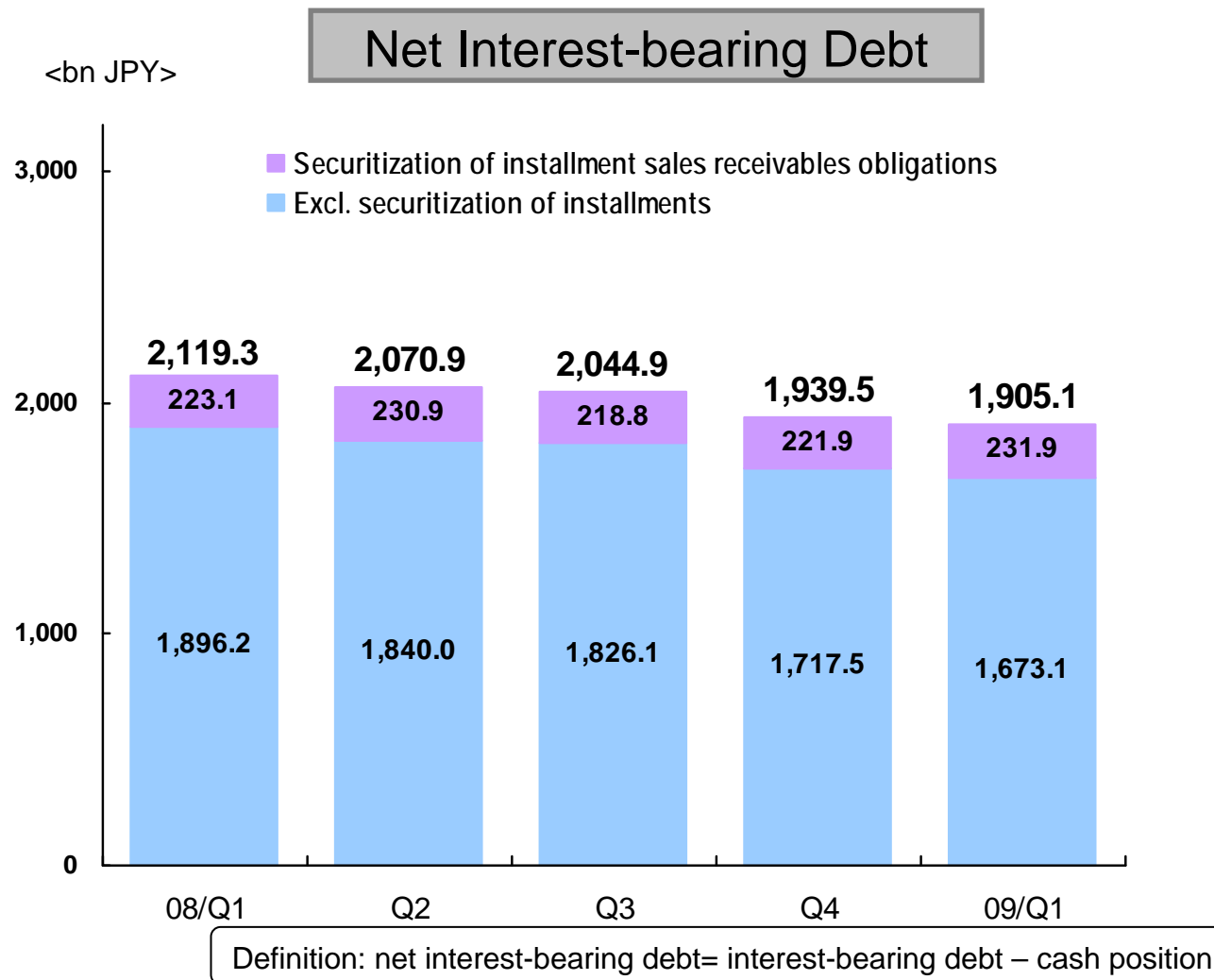


\* Lease obligations are not included in interest-bearing debt. Please refer to the next page for details on lease obligations.

# Balance of Lease Obligations

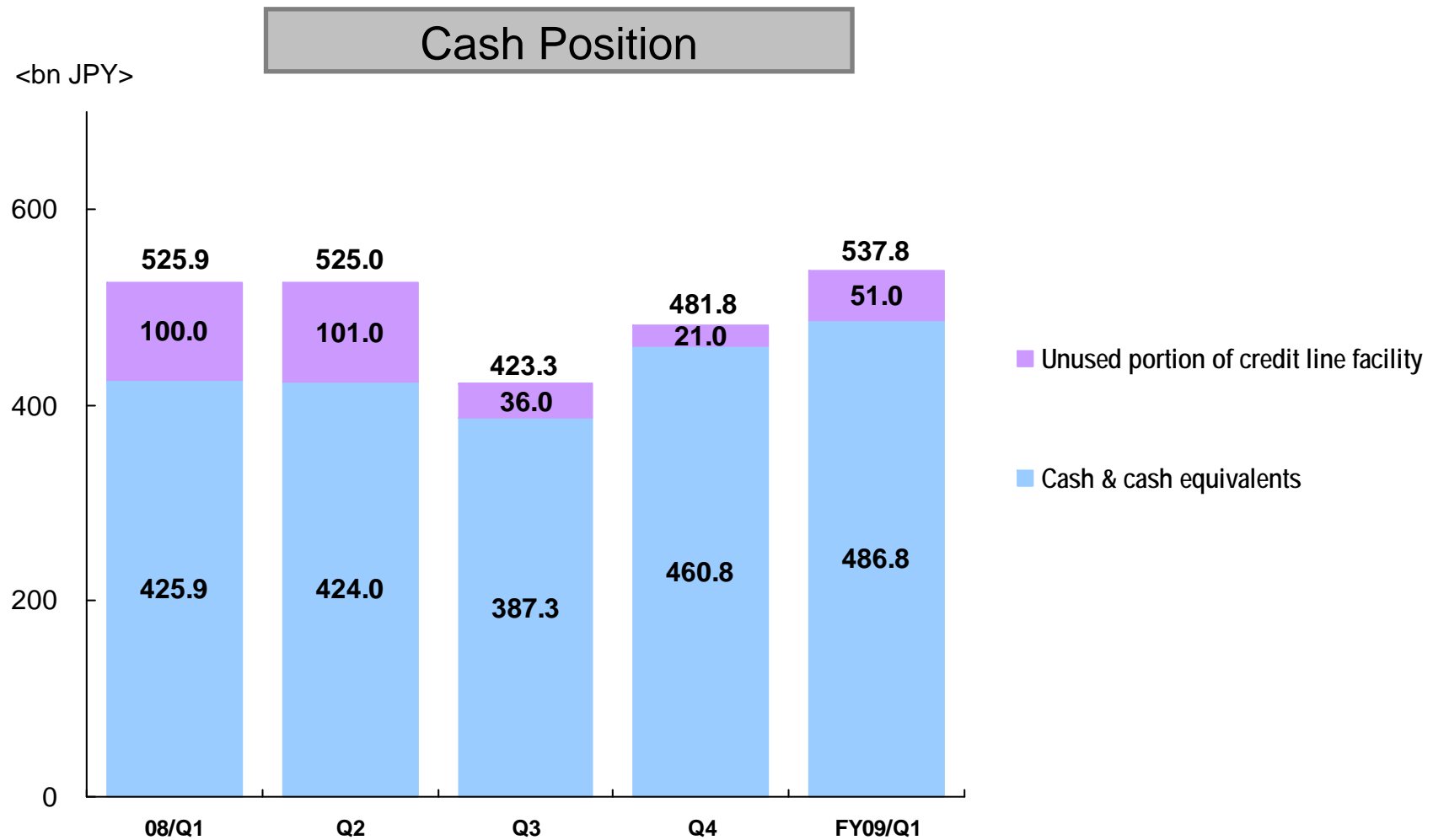


# Net Interest-bearing Debt Balance



\* Lease obligations are not included in interest-bearing debt.

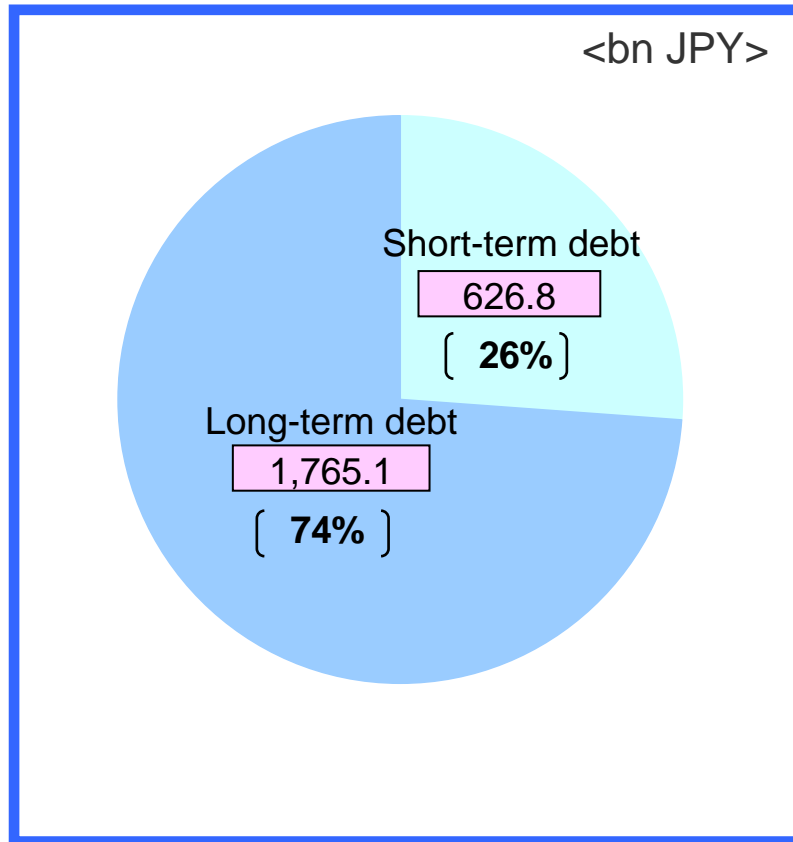
# Cash Position



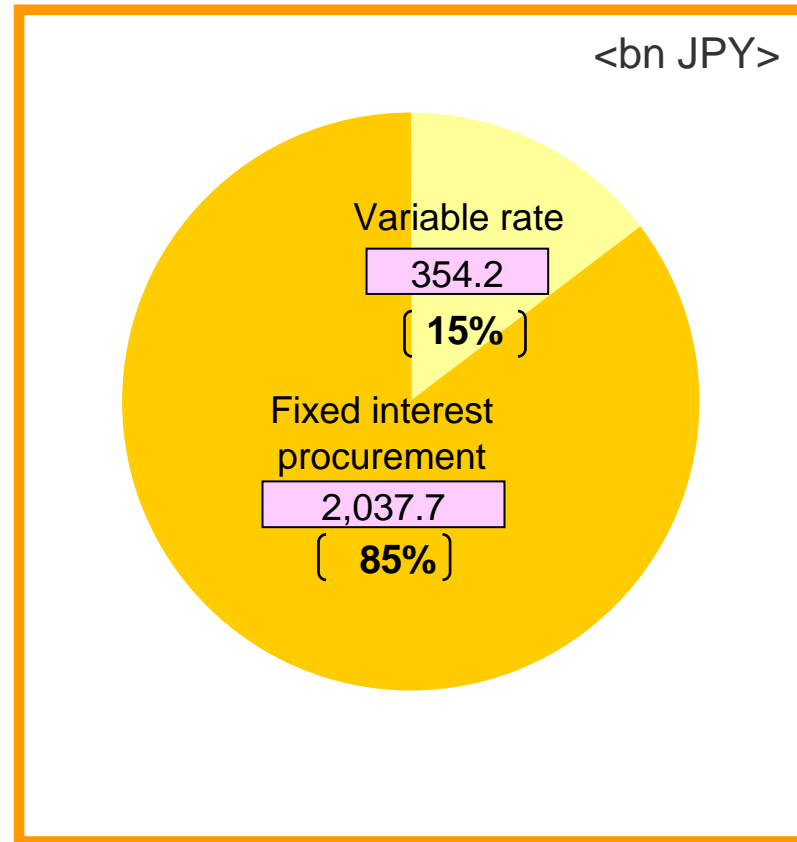
Definition: cash position = cash&cash deposits, marketable securities  
unused portion of credit line facility = credit line facility size - credit line borrowings

# Interest-bearing Debt Long/short and Fixed/Variable Ratio (e/o June 2009)

Interest-bearing Debt  
Long/short Ratio



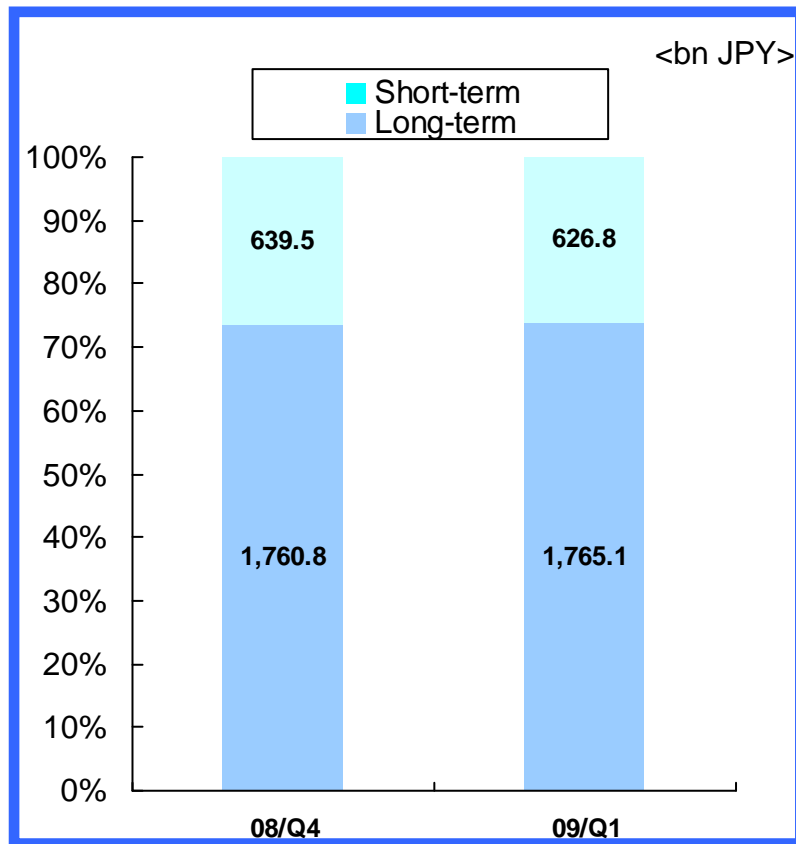
Interest-bearing Debt  
Fixed/Variable Ratio



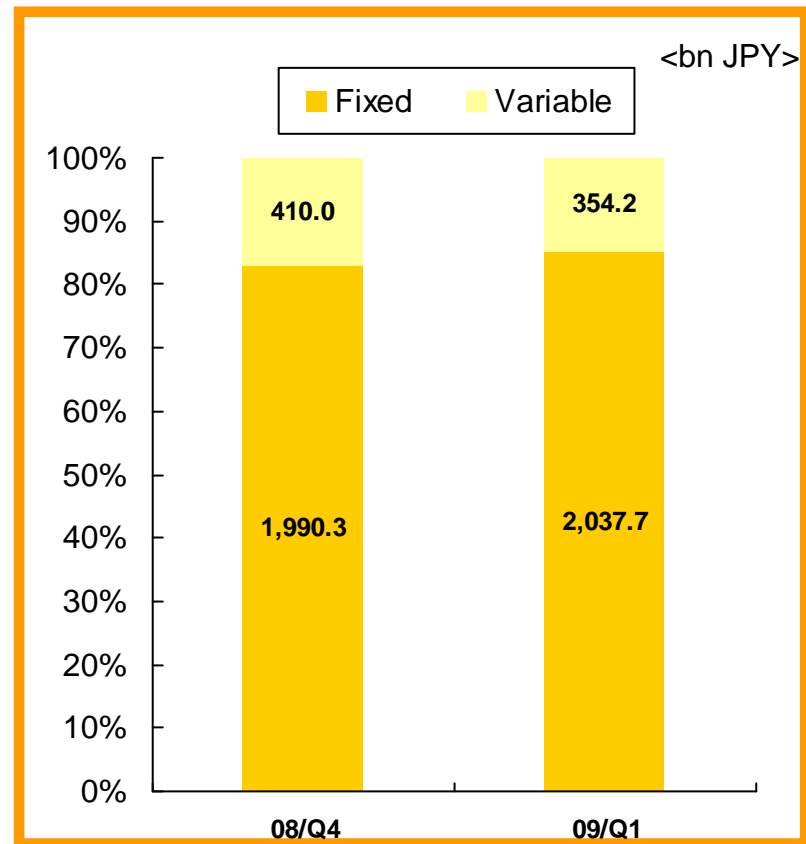


# Interest-bearing Debt Long/short and Fixed/Variable Ratio

Interest-bearing Debt  
Long/short Ratio



Interest-bearing Debt  
Fixed/Variable Ratio



# Current Portion of Liabilities Details (e/o June 2009)

Short-term Borrowings	298.1	<bn JPY>
Credit line facility (SB)	150.0	
Cash receipts as collateral relating to marketable security lending transactions	117.0	
Bank loans (SB)	28.8	
Others	2.3	
Current portion of Long-term Borrowings	242.7	
Securitization of installment sales receivables (SBM)	189.1	
Bank loans (SBTM)	20.0	
Bank loans (SB)	20.0	
Bank loans (Yahoo Japan Corporation)	5.0	
Others	8.5	
Current Portion of Corporate Bonds	86.0	
Straight bonds (SB)	39.0	
Straight bonds (SBTM)	45.0	
CP	2.0	
Total	626.8	

(\*) Concerning the CB with stock options due in 2013, early redemption of these bonds due to the holders' requesting becomes possible during FY2009/Q4.

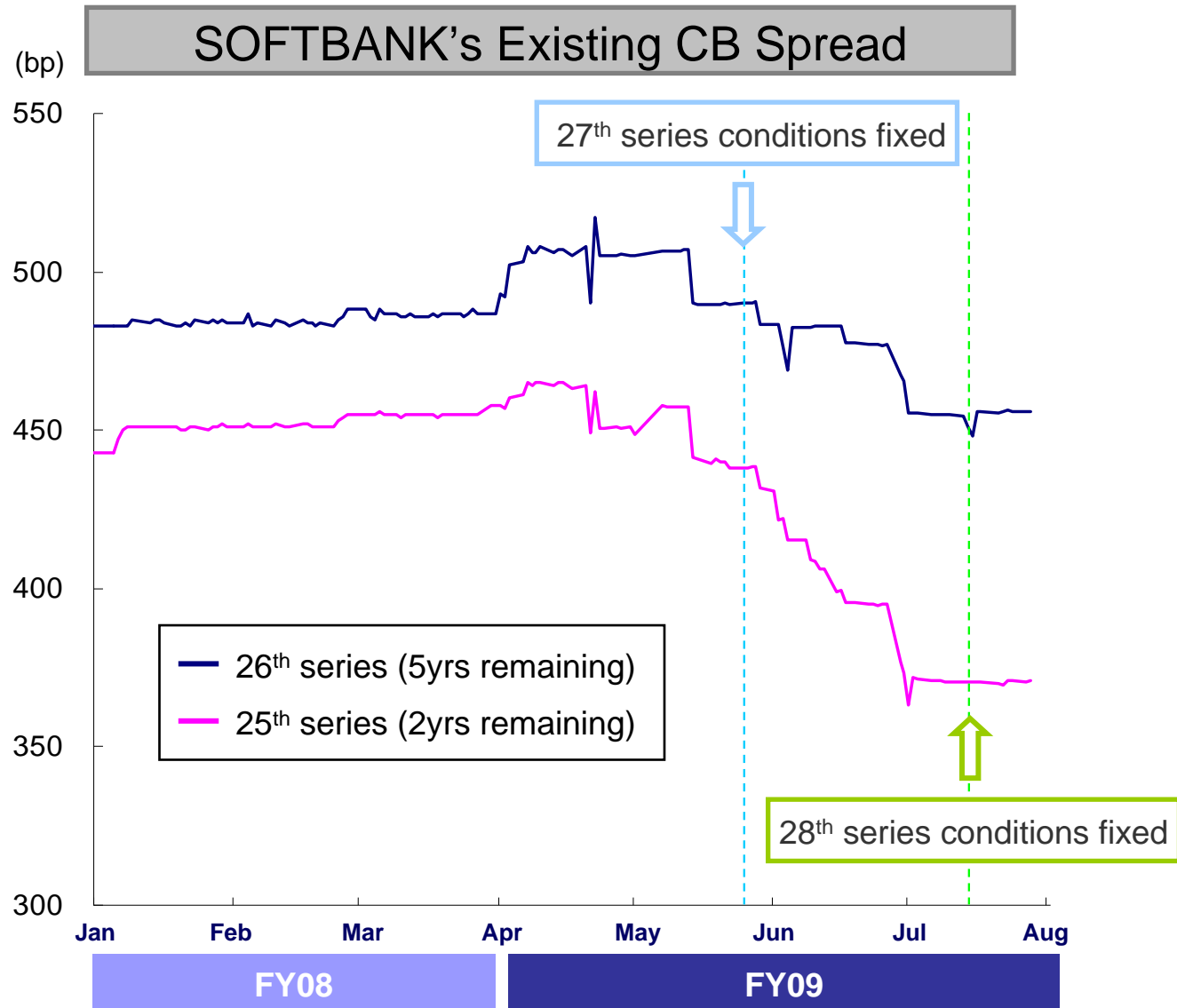
# First Corporate Bond in 2 Years

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June 27th Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	JPY 60.0bn (for individual investors)
July 28th Unsecured Straight Corporate Bond	JPY 30.0bn (for institutional investors)

- Secure long and stable financing
- Resume access to corporate bond market
- No change in terms of policy of reducing net interest-bearing debt

# Corporate Bond Spread Shrinking

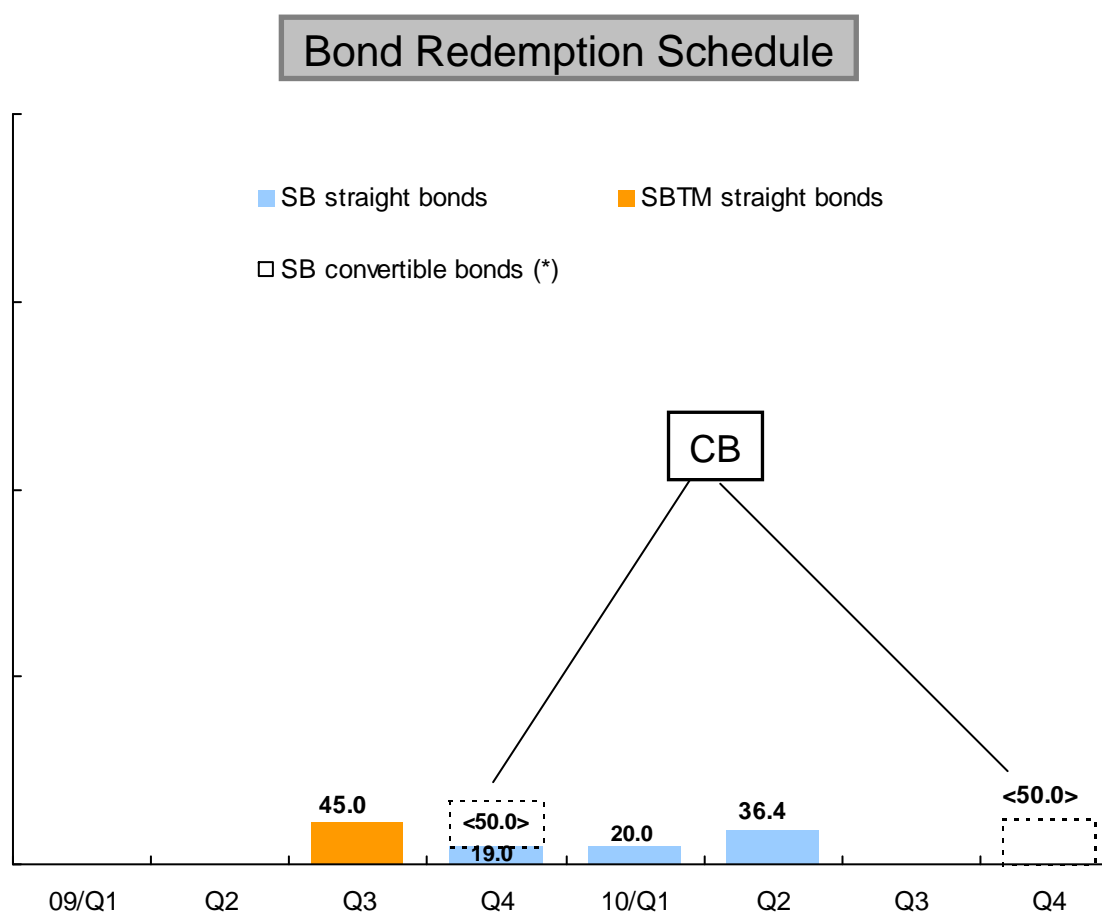
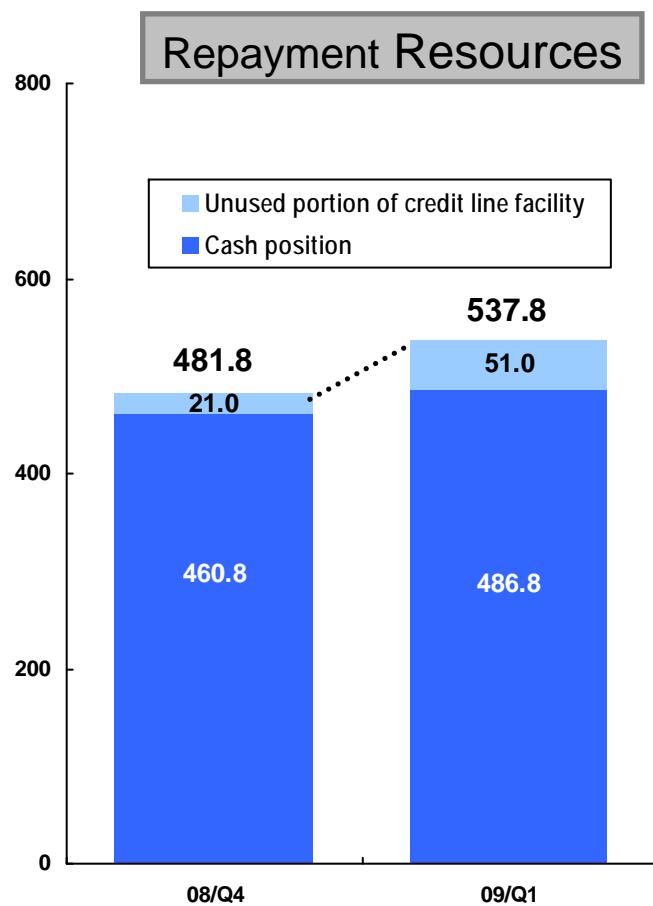


Source: Japan Securities Dealers Association

# Bond Redemption Schedule

- Sustain sufficient cash position.

<bn JPY>



\* Concerning CB due 2013, 2014, under certain conditions early redemption of these bonds due to the holders' or companies' request is possible respectively in March 2010, and March 2011. The above chart assumes the case where bond holders exercise their put options.

# Corporate Bond Details

<mil JPY>

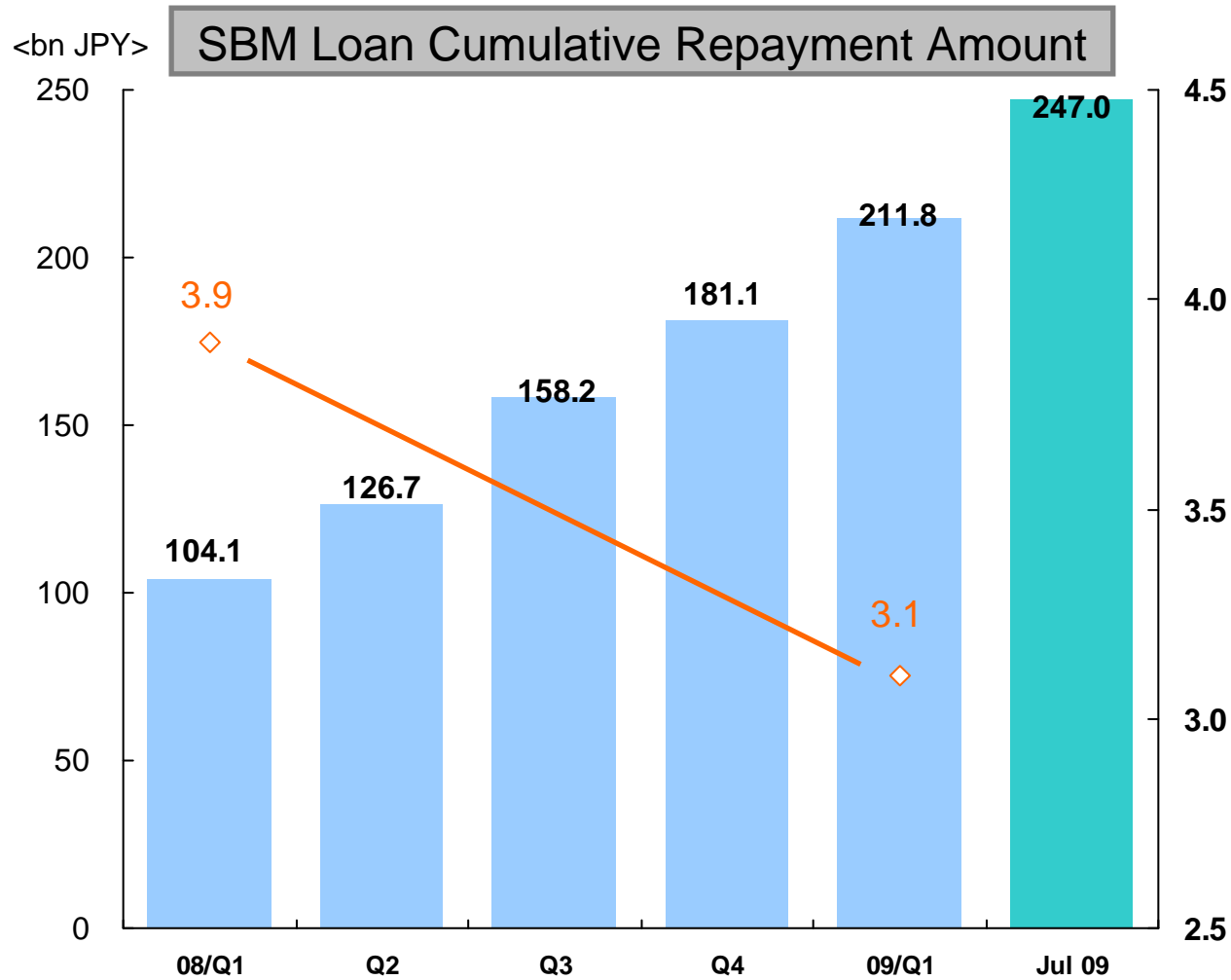
Company name	Bond	Issue date	Maturity date	Interest rate (%/year)	Collateral	Mar 09 balance	Jun 09 balance	Change
SOFTBANK CORP.	19th series Unsecured Straight Bond	2005/1/31	2010/1/29	1.97	None	19,000	19,000	—
	24th series Unsecured Straight Bond (3rd Fukuoka SoftBank HAWKS bond)	2007/4/26	2010/4/26	2.72	None	20,000	20,000	—
	22nd series Unsecured Straight Bond	2005/9/14	2010/9/14	1.98	None	36,400	36,400	—
	27th series Unsecured Straight Bond (4th Fukuoka SoftBank HAWKS bond)	2009/6/11	2011/6/10	5.10	None	—	60,000	60,000
	25th series Unsecured Straight Bond	2007/6/19	2011/6/17	3.39	None	53,900	53,500	-400
	Convertible Bond due 2013 <sup>(*)</sup>	2003/12/30	2013/3/31	1.50	None	50,000	50,000	—
	Euro-denominated Senior Notes due 2013	2006/10/12	2013/10/15	7.75	None	51,766 (Eur 388Mil)	49,616 (Eur 371Mil)	-2,149
	Convertible Bond due 2014 <sup>(*)</sup>	2003/12/30	2014/3/31	1.75	None	50,000	50,000	—
	26th series Unsecured Straight Bond	2007/6/19	2014/6/19	4.36	None	15,000	14,900	-100
SOFTBANK TELECOM Corp.	1st series Unsecured Straight Bond	2004/12/7	2009/12/7	2.00	None	45,000	45,000	—
	2nd series Unsecured Straight Bond	2004/12/7	2011/12/7	2.88	None	15,000	15,000	—
Phoenix JT	Subordinated Notes Due 2016	2004/12/24	2016/12/15	5.95	None	32,400	32,400	—
Other corporate bonds	-	-	-	-	-	100	100	—
Total	-	-	-	-	-	388,566	445,916	57,350

(\*1) Concerning CB due 2013, 2014, under certain conditions early redemption of these bonds due to the holders' or companies' request is possible respectively in March 2010, March 2011.

(\*2) The above table does not include straight bonds issued by SOFTBANK MOBILE, on which an in-substance defeasance was executed. Funds for redemption have been secured by credit enhancement through Mizuho Corporate Bank, Ltd.

# SBM Loan

- SBM loan repayment exceeds forecast

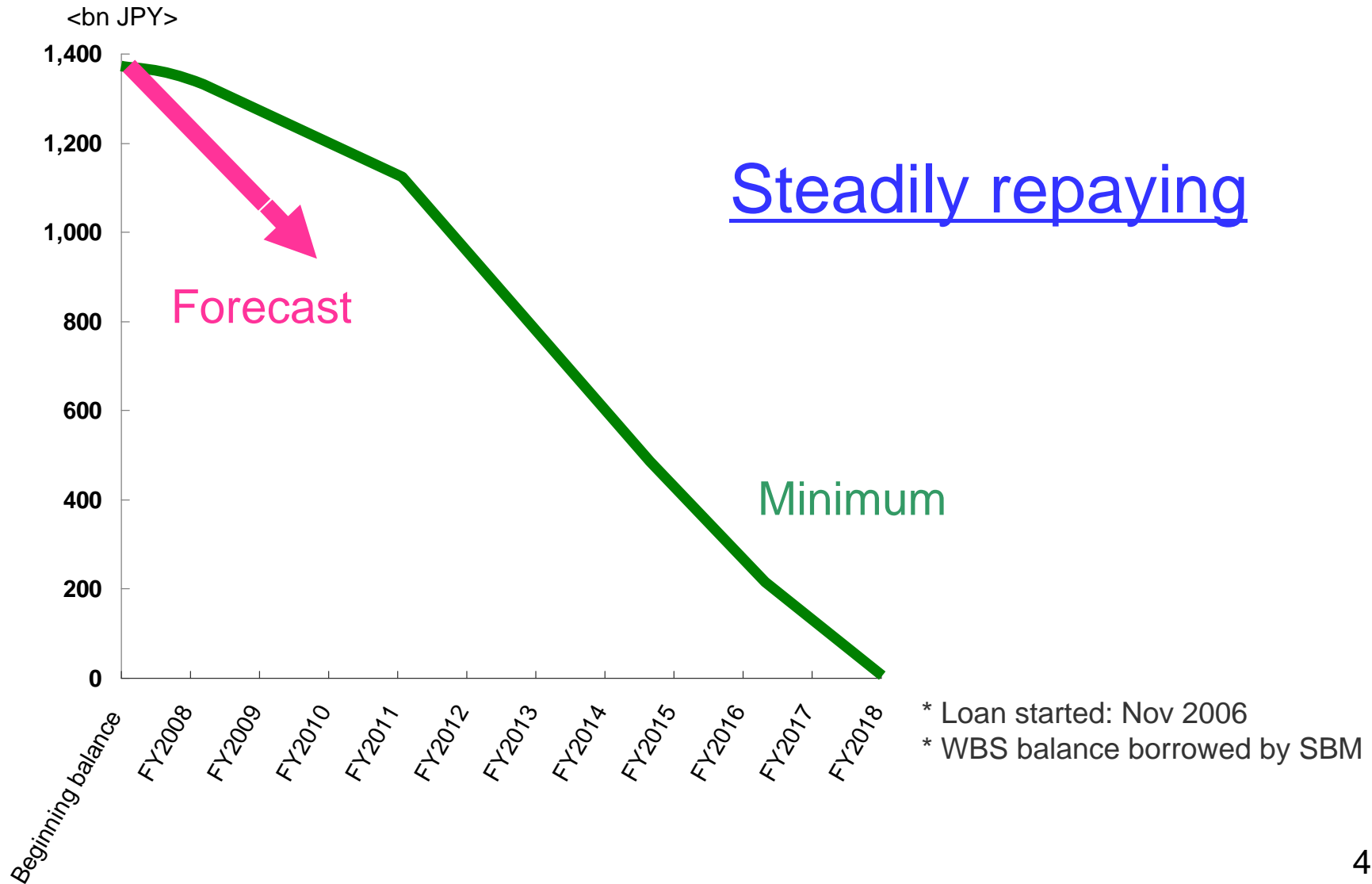


Mobile  
Communications  
leverage ratio\*  
X3.1  
(FY09/Q1)

Net interest-bearing  
debt basis  
X2.6

\*Leverage ratio =  
Mobile Communications debt/  
Mobile Communications EBITDA

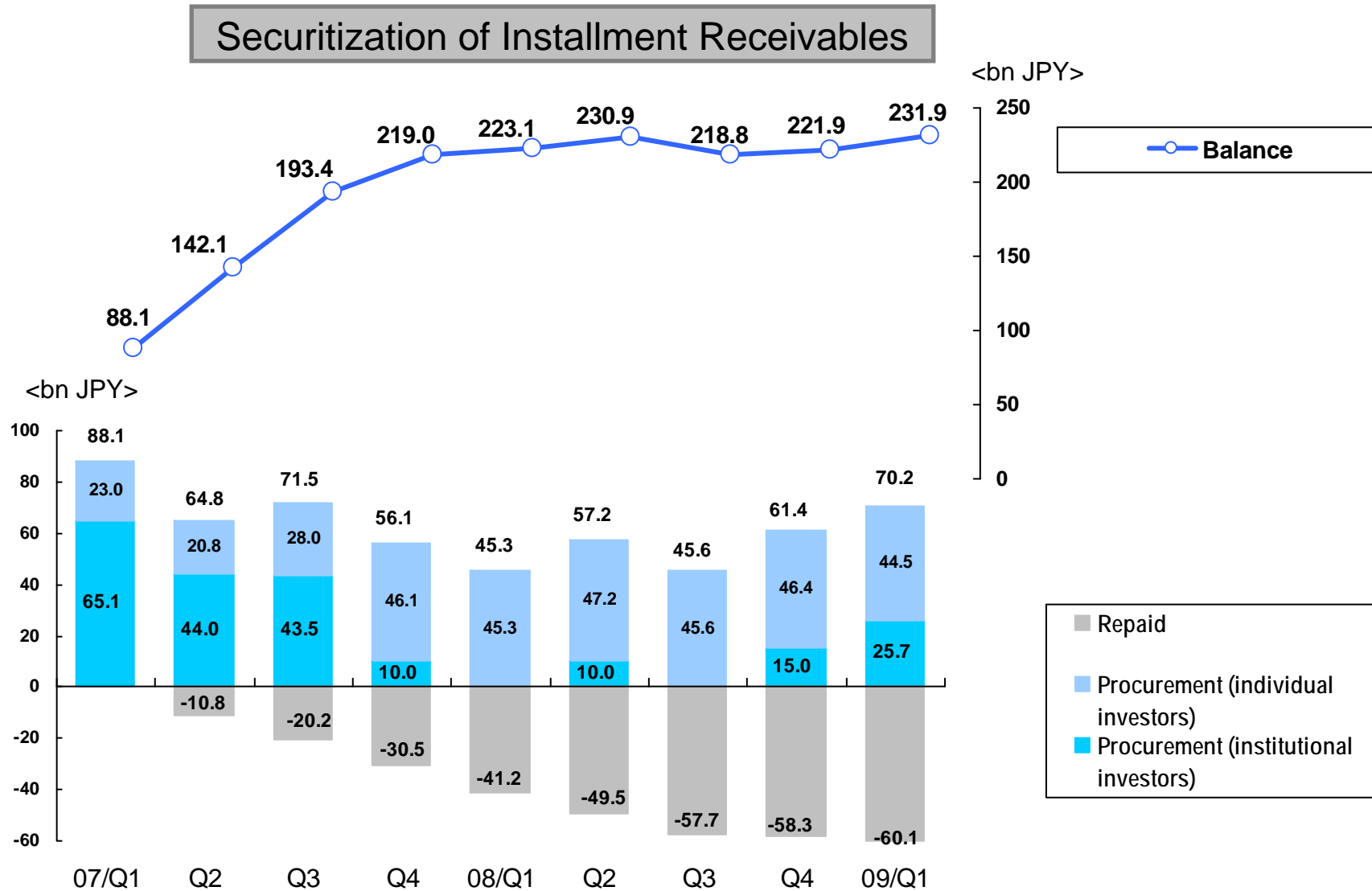
# Debt Balance After Mobile Business Acquisition





# Securitization of Installment Receivables

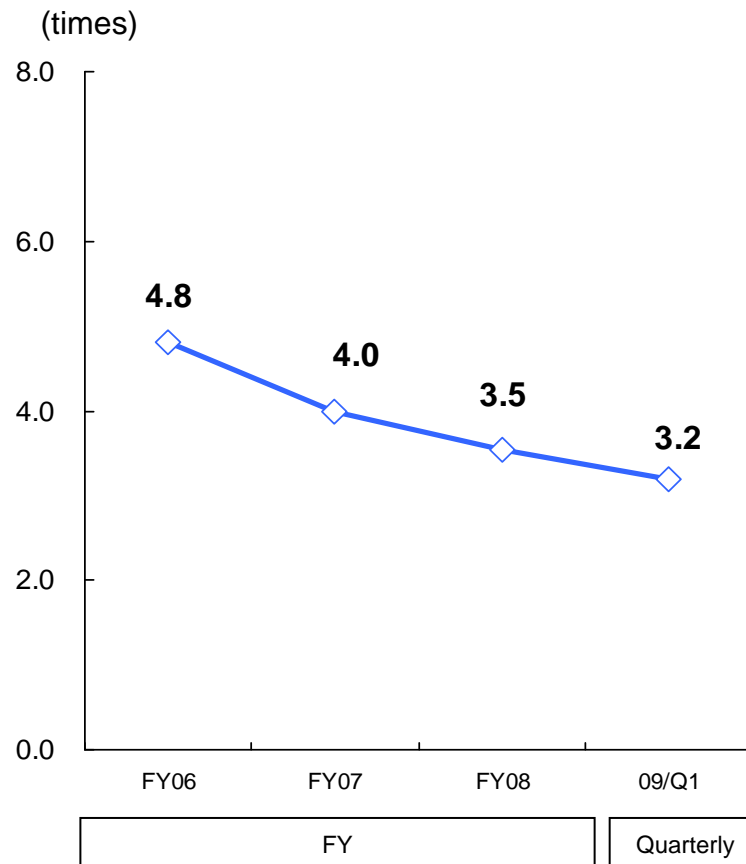
- Continue securitization of installment receivables going forwards.



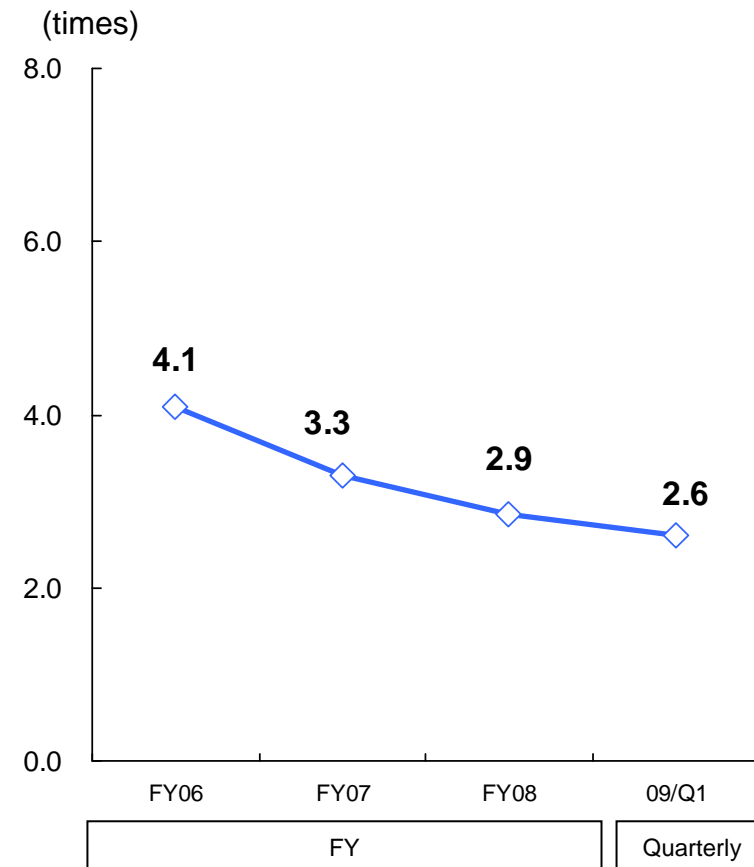
# Improve Indexes: (1) Interest-bearing Debt/EBITDA Multiple

- Combine reduction of interest-bearing debt and expansion of EBITDA.

Interest-bearing Debt/EBITDA Multiple



(Ref.) Net Interest-bearing Debt/EBITDA Multiple



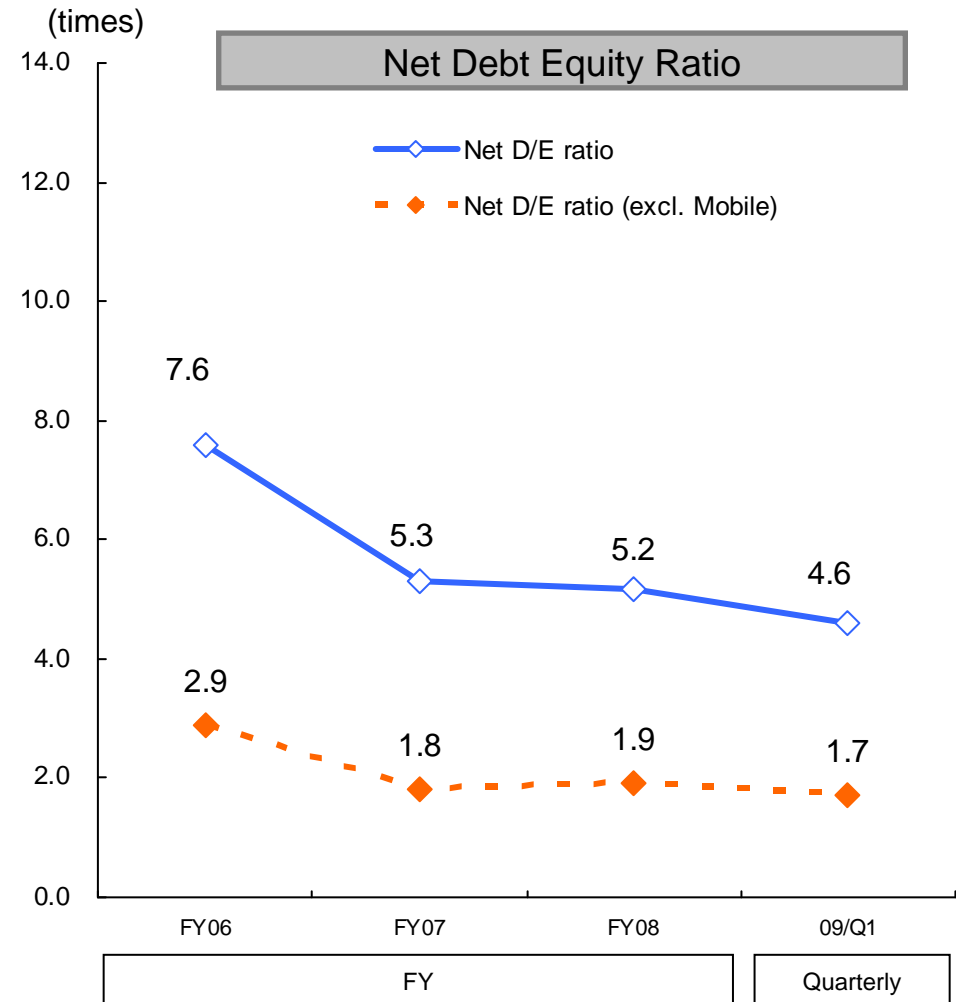
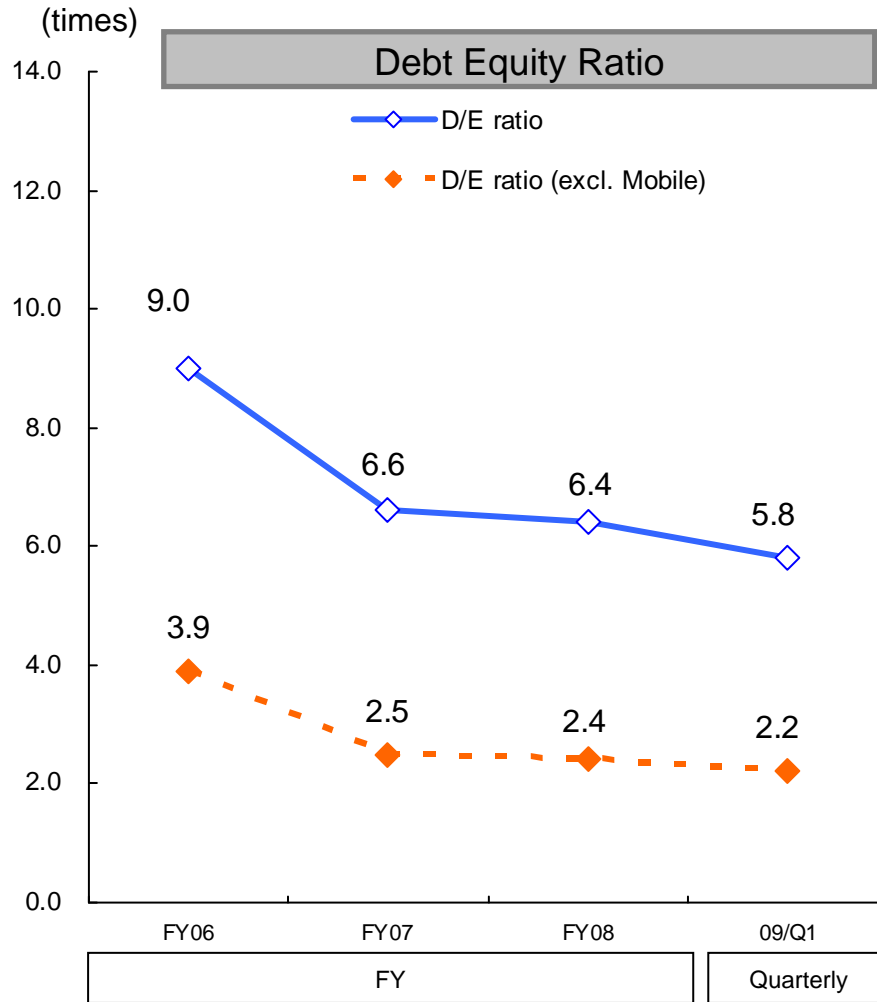
\*1 Interest-bearing debt and net interest-bearing debt before FY2006 is calculated with retroactive adjustments by adding the cash receipts as collateral relating to marketable security lending transactions.

\*2 Lease obligations are not included in interest-bearing debt.

\*3 EBITDA at annualized rate (Q1 actual X4)

# Improve Indexes: (2) Debt/Equity Ratio

➤ Ratio improving steadily.



\*1 Interest-bearing debt and net interest-bearing debt before FY2006 are calculated with retroactive adjustments by adding the cash receipts as collateral relating to marketable security lending transactions.

\*2 Lease obligations are not included in interest-bearing debt.

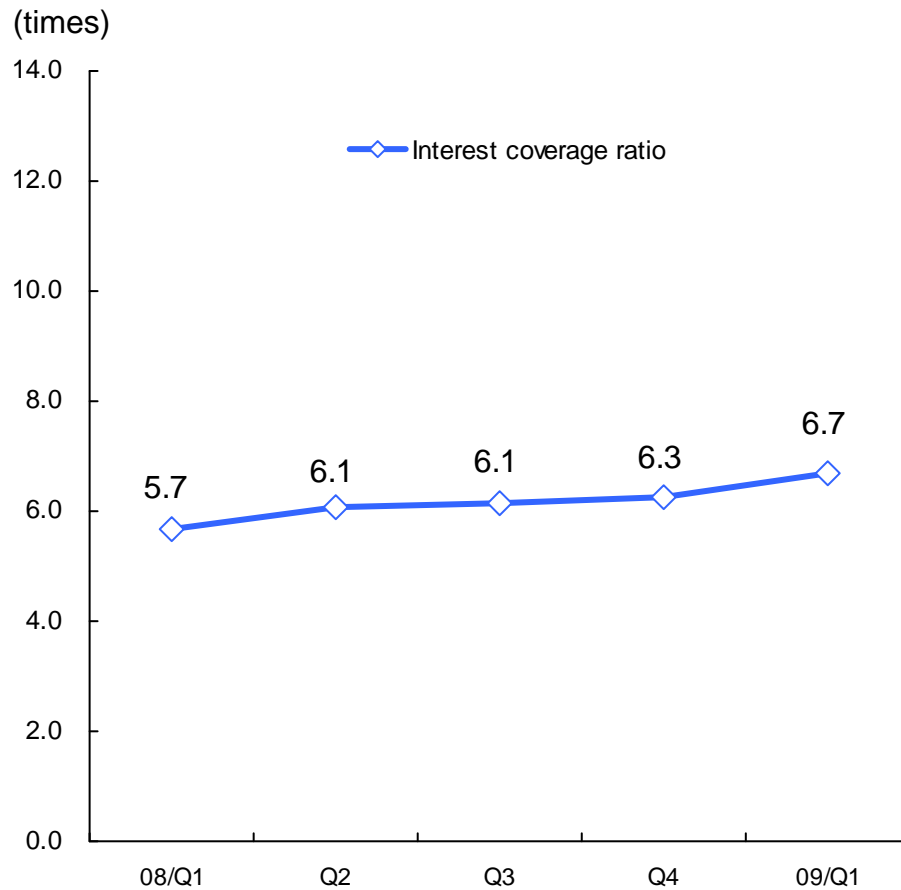
\*3 Excluding Mobile: SOFTBANK MOBILE and BB Mobile's balance has been deducted from consolidated interest-bearing debt and net interest-bearing debt balance respectively.

\*4 EBITDA at annualized rate (Q1 actual X4)

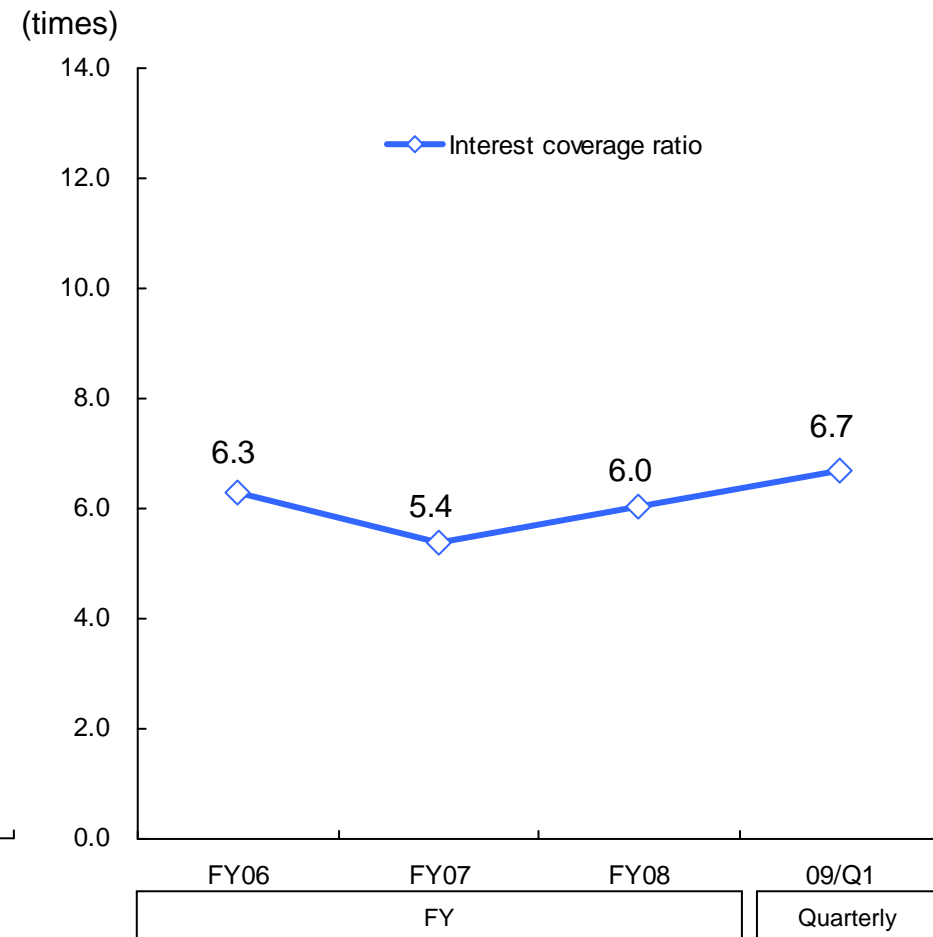
# Improve Indexes: (3) Interest Coverage Ratio

- Maintain stable trend.

Quarterly Interest Coverage Ratio\* (Quarterly)



Quarterly Interest Coverage Ratio\* (Yearly)



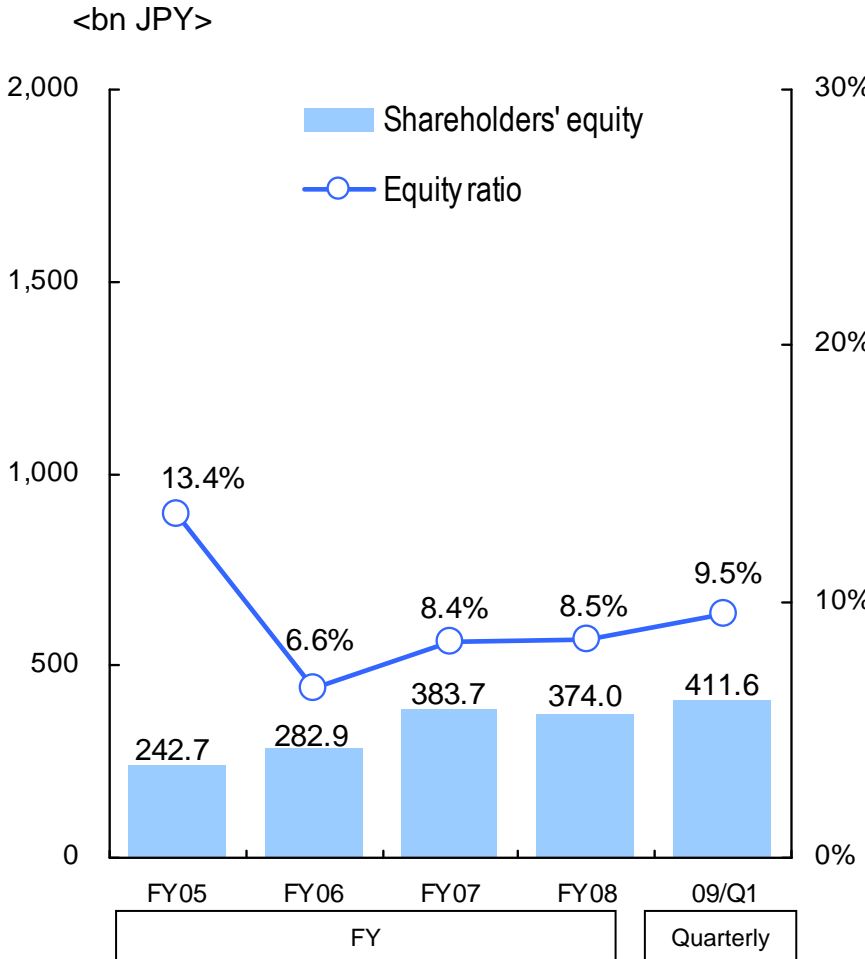
\* Interest coverage ratio = EBITDA/interest expenses

\* Interest expense in or before FY2007 include retroactively adjusted stock bailment fees relating to marketable security lending transactions.

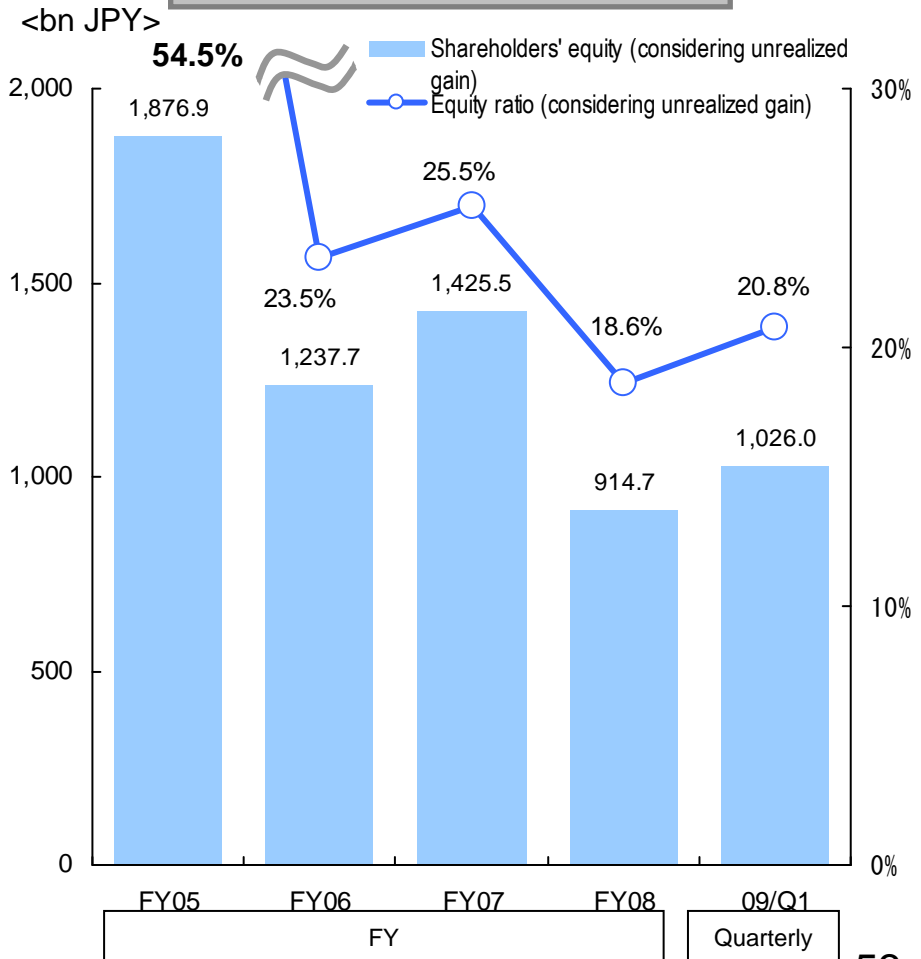
# Improve Indexes: (4) Equity Ratio

➤ Improve equity ratio through steady build up of profit.

Equity Ratio



(Ref.) Considering Unrealized Gain



\*Refer to the page 8 of the supplemental data for calculation basis.

# FY2009 Financial Strategies

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## **Towards 'ZERO net-interest bearing debt'**

- Maximize FCF, through maximum operating CF and appropriate investing CF
- Continued improvement of various financial indexes through steady reduction of debts
- Improve credit rating as a result of strengthening of balance sheet

## **Conservative financial management according to market**

- Utilize diverse, appropriate procurement methods according to market conditions
- Secure stable long-term procurement, improve long-term debt ratio
- Sustain abundant cash position

## **High quality IR activities**

- Approach all layers of investors in both the debt & equity markets
- Disclose earnings forecast, clarify growth scenario
- Further expansion of disclosure content







# Operation



## Kazuhiko Fujihara

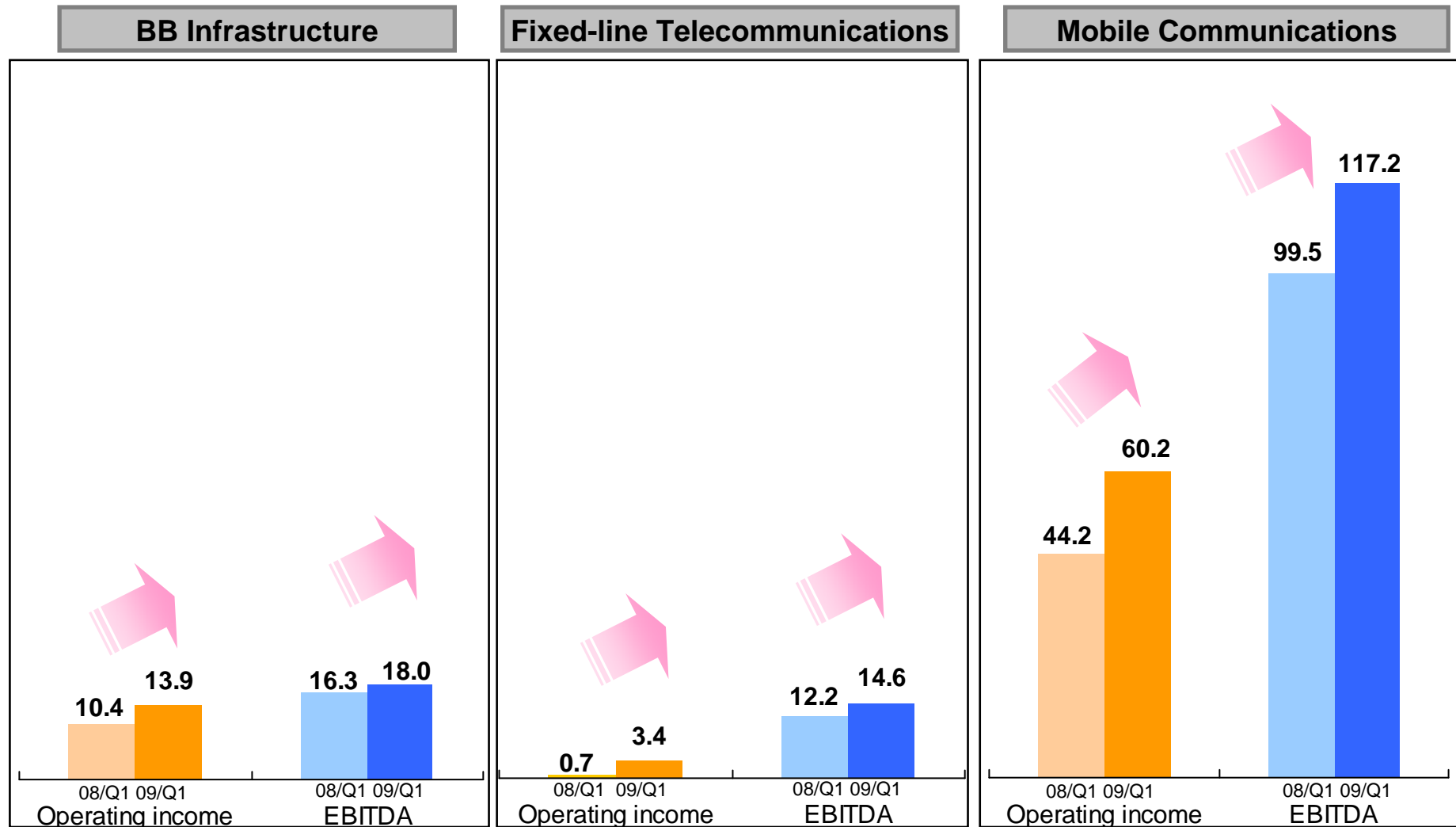
Senior Vice President, CFO, Director of the Board  
SOFTBANK MOBILE Corp.

Senior Vice President & CFO, Director  
SOFTBANK BB Corp.

Director  
SOFTBANK TELECOM Corp.

# Overview of 3 Telecommunications Businesses

- Significant increase in profit in all 3 telecommunications businesses. <bn JPY>



# Operation

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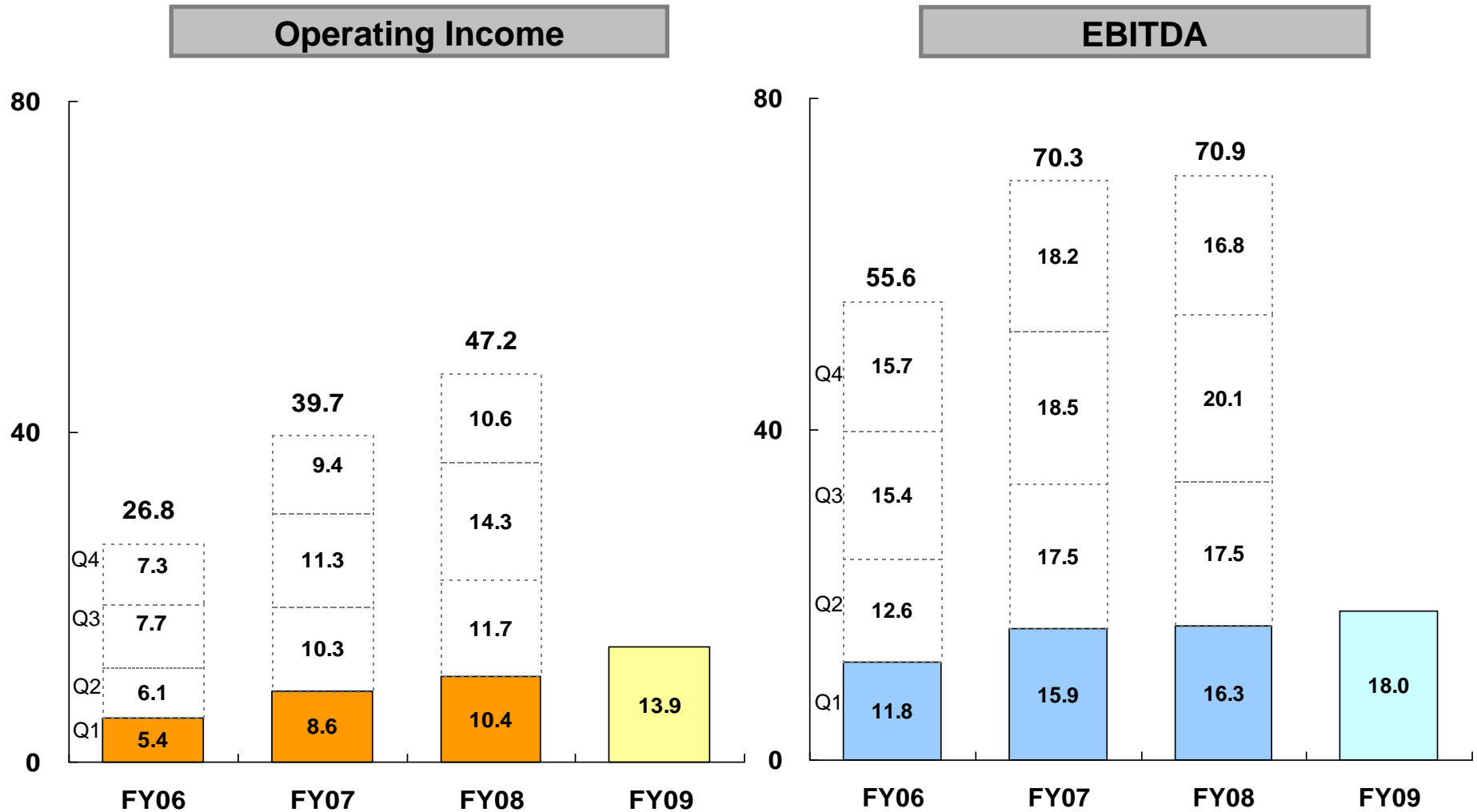
**Broadband Infrastructure Business**

# Operating Income, EBITDA (BB Business)

<BB-1>

➤ Maintain trend of revenue increase through cost reductions.

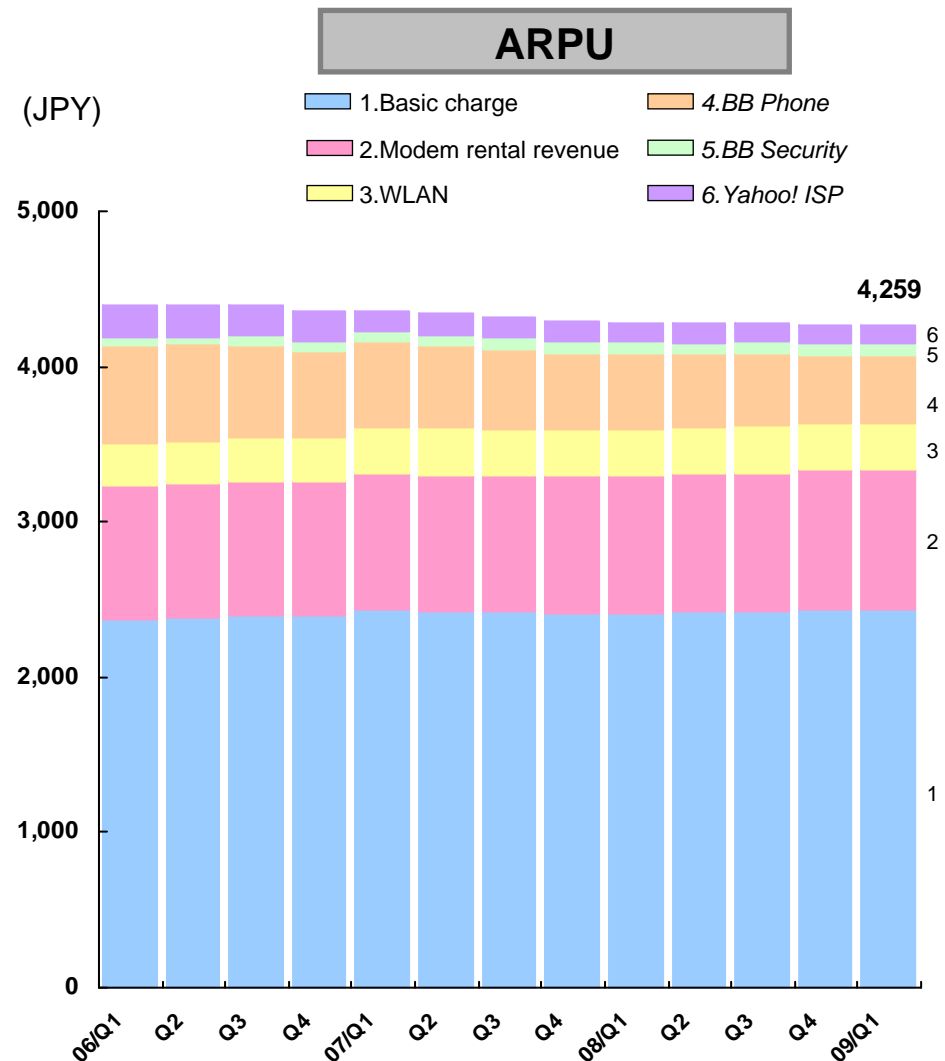
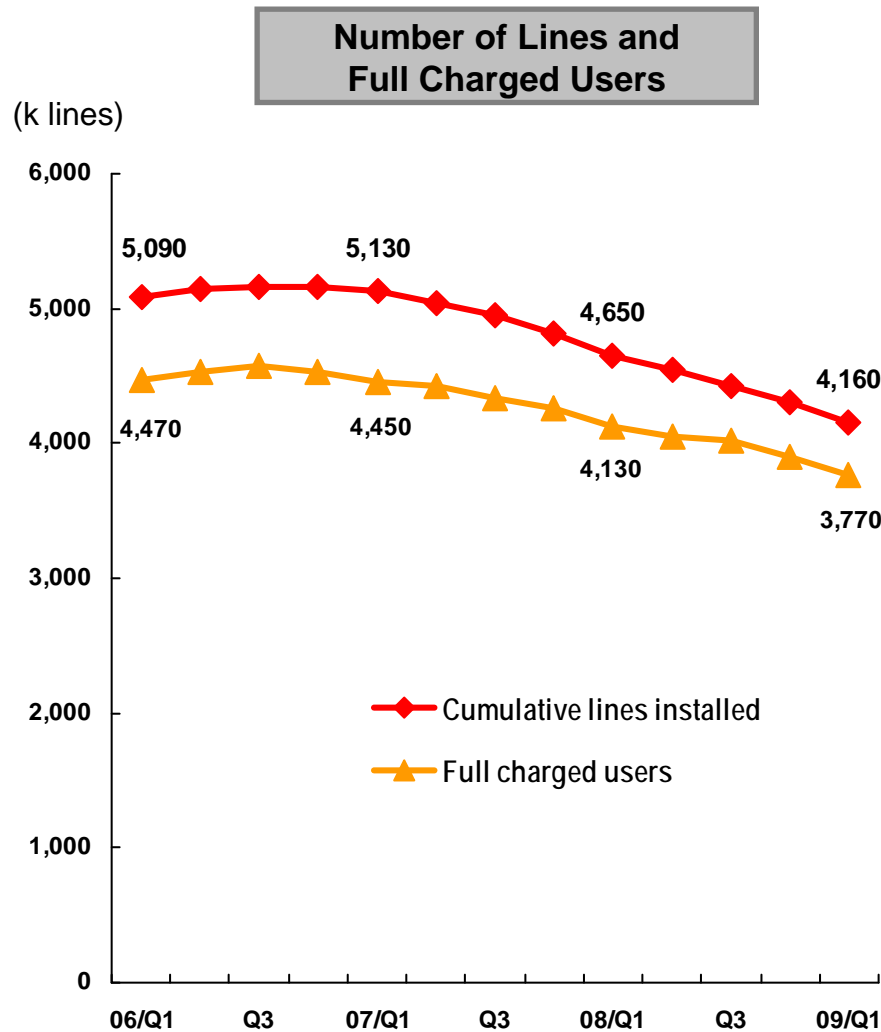
<bn JPY>



# Yahoo! BB ADSL Lines and ARPU

<BB-2>

➤ Number of ADSL lines are decreasing. ARPU on same level.



\*ARPU is based on user's payment. The impact of the modem rental business sale is not reflected.

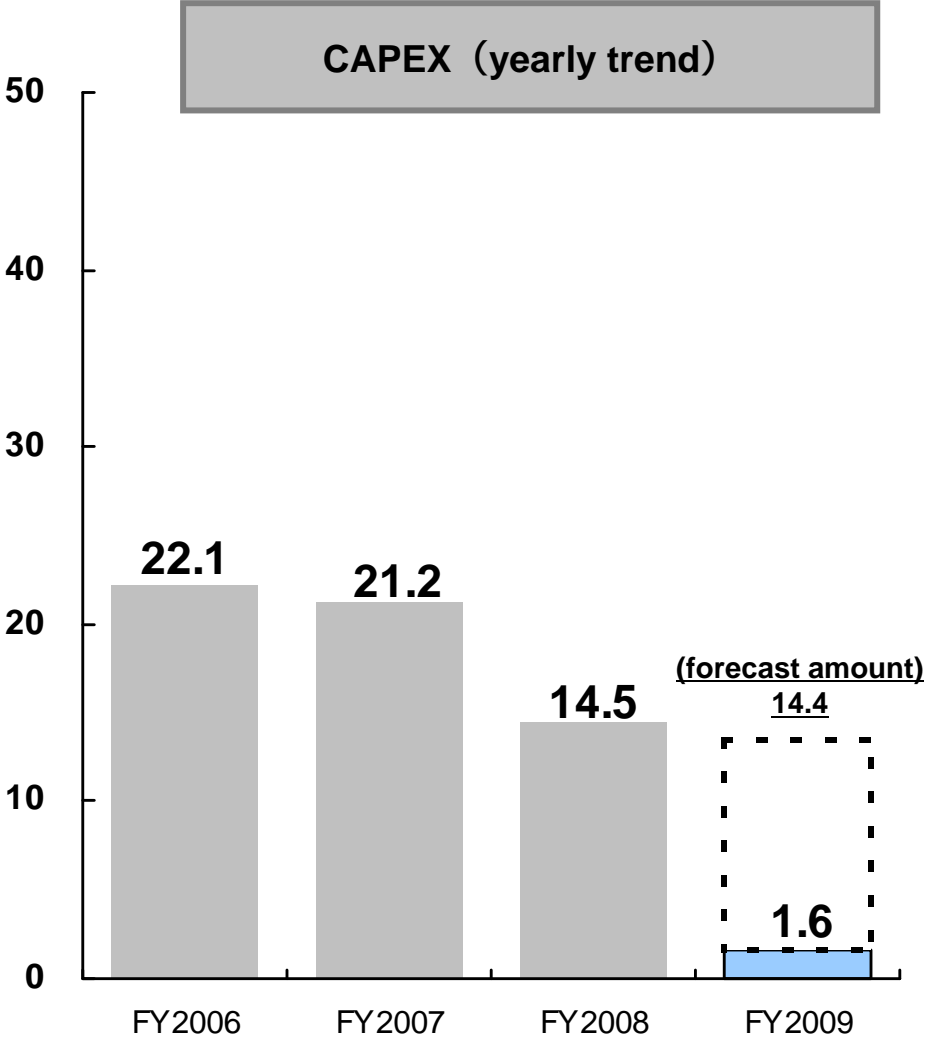
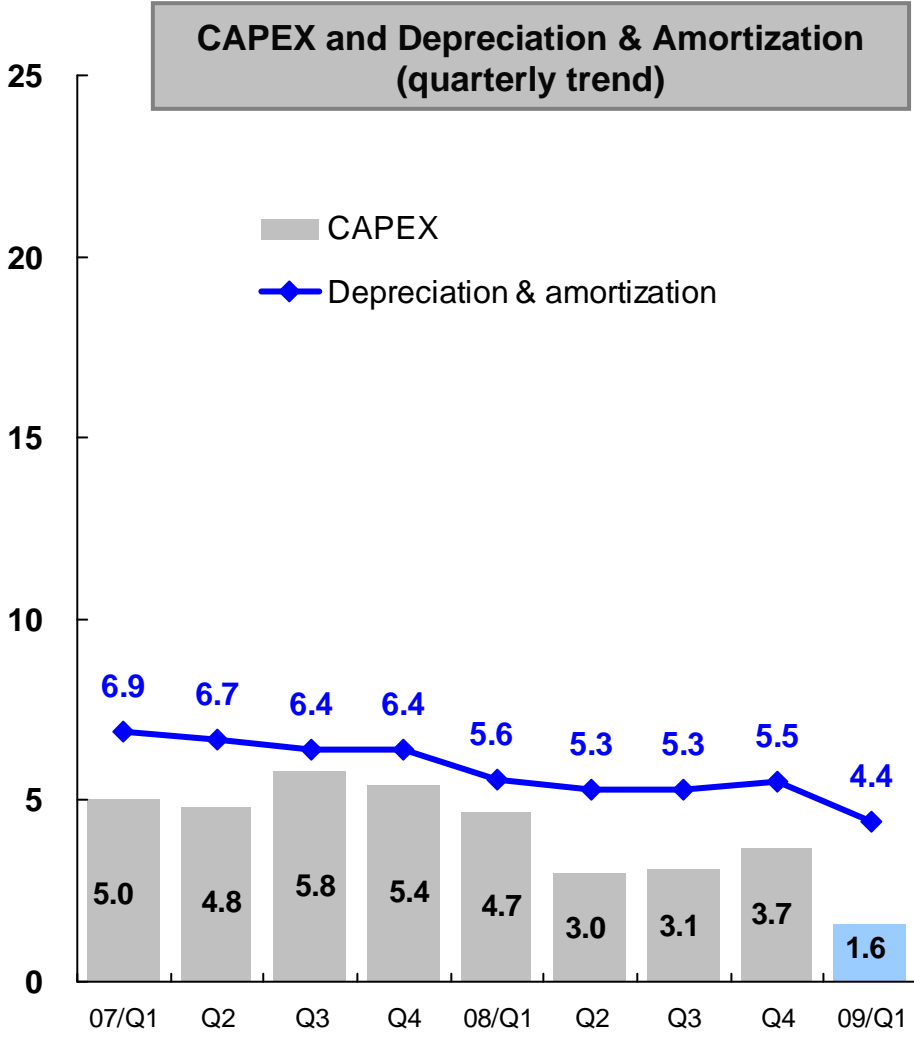
From F07/Q1 part of Yahoo! ISP revenue recorded as basic charge (no impact on user's charge).

# CAPEX [actual] (BB Business)

<BB-3>

➤ CAPEX stabilized within range of depreciation.

<bn JPY>



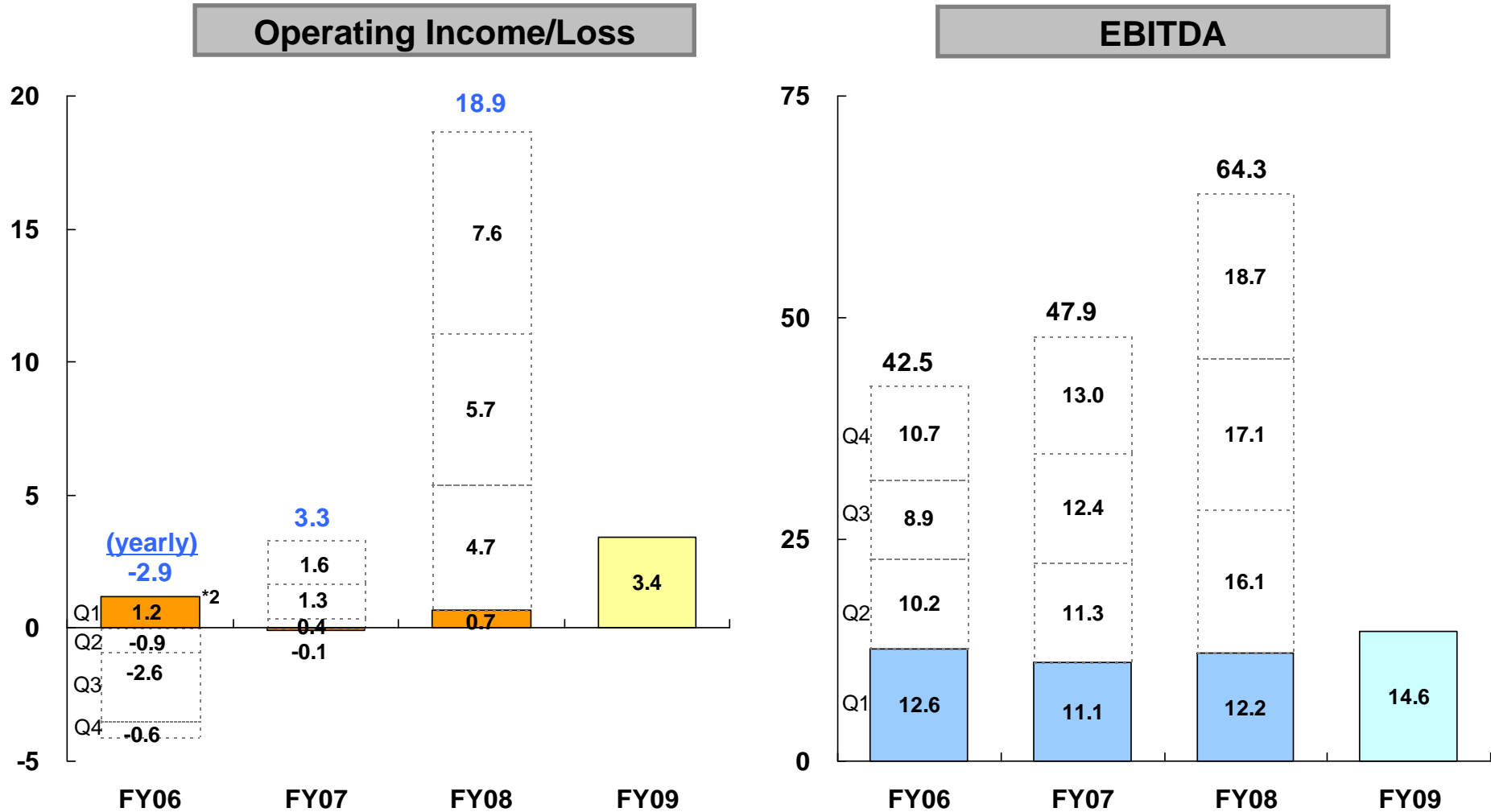
# Operation

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## Fixed-line Telecommunications

# Operating Income, EBITDA (Fixed-line Telecommunications Business) <Fixed-1>

- Trend of revenue increase through enhancement of corporate lines and efficient management (increase in revenue and profit)\*1 <bn JPY>



\*1 Net sales was -1.6 bn JPY, including impact of former SOFTBANK IDC segment of JPY -2.4bn (actual figure JPY +0.8bn).

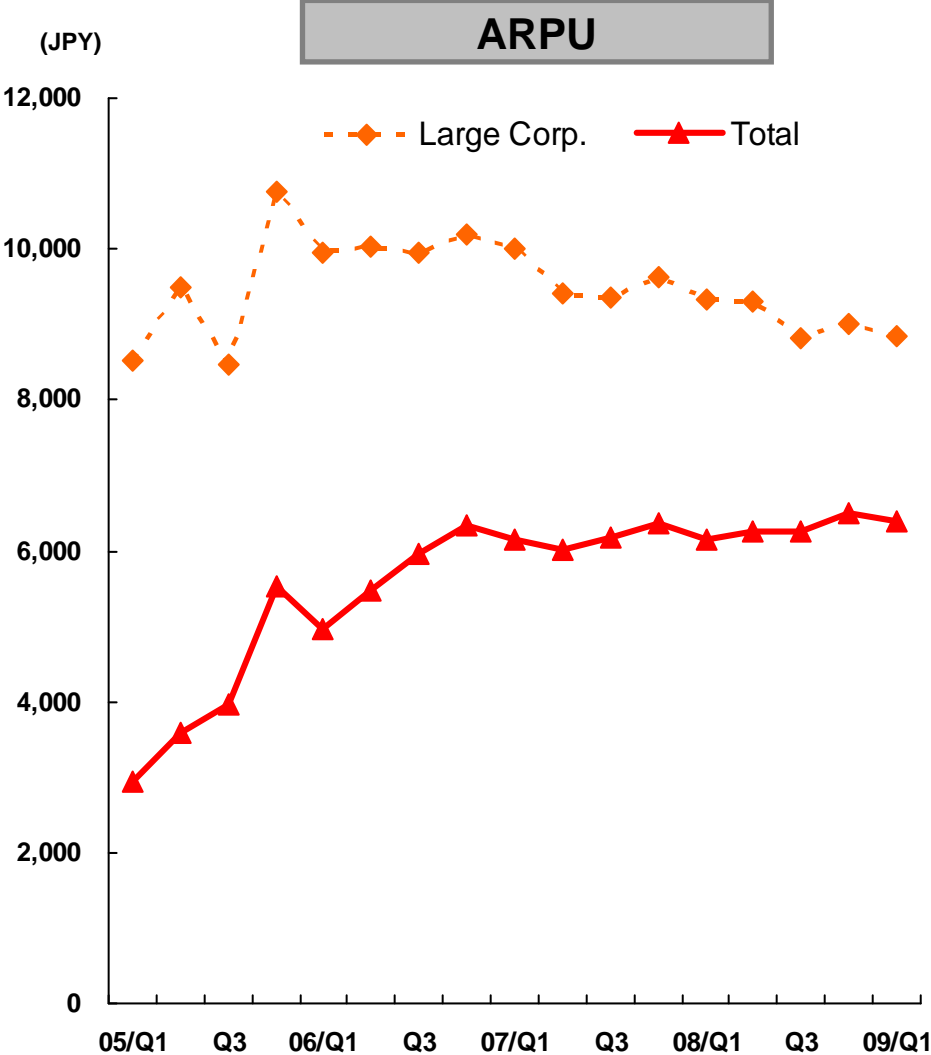
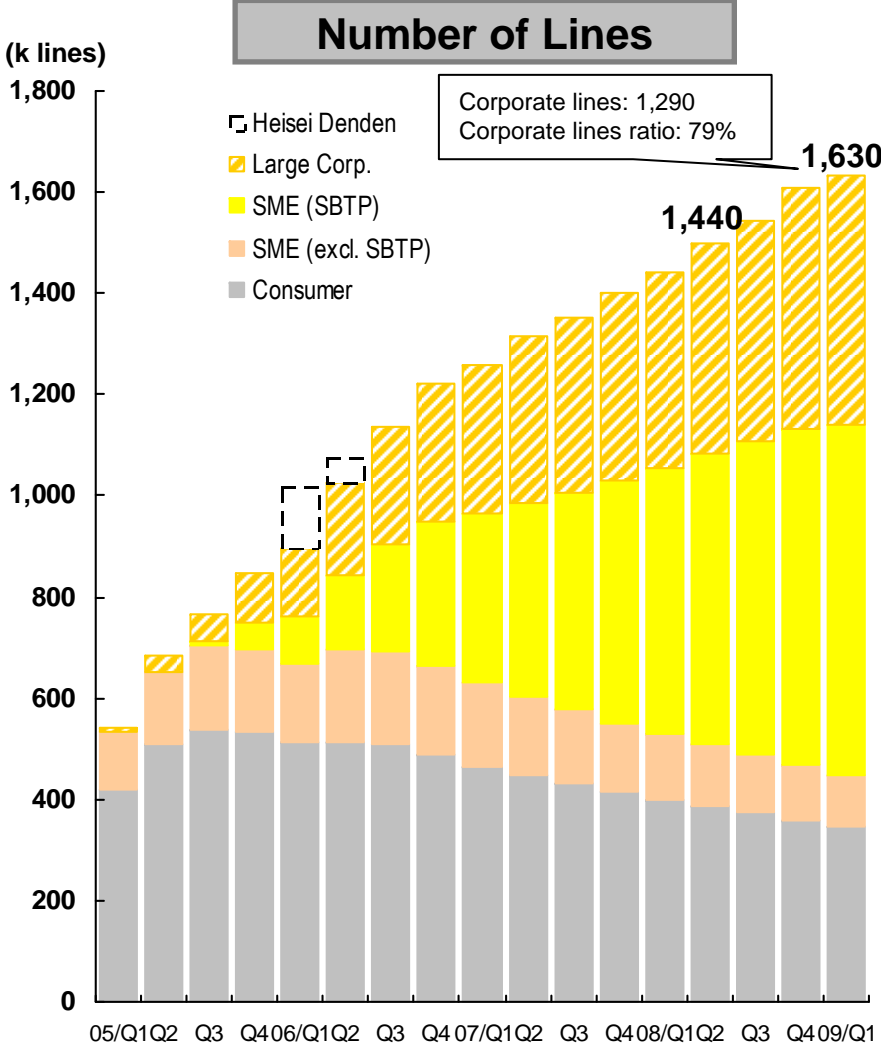
\*2 FY06/Q1: including reversal of JPY 2.5bn for retirement benefits.



# Number of Lines and ARPU for *OTOKU Line*

<Fixed-2>

➤ Number of lines and ARPU improving due to enhancement of corporate lines.



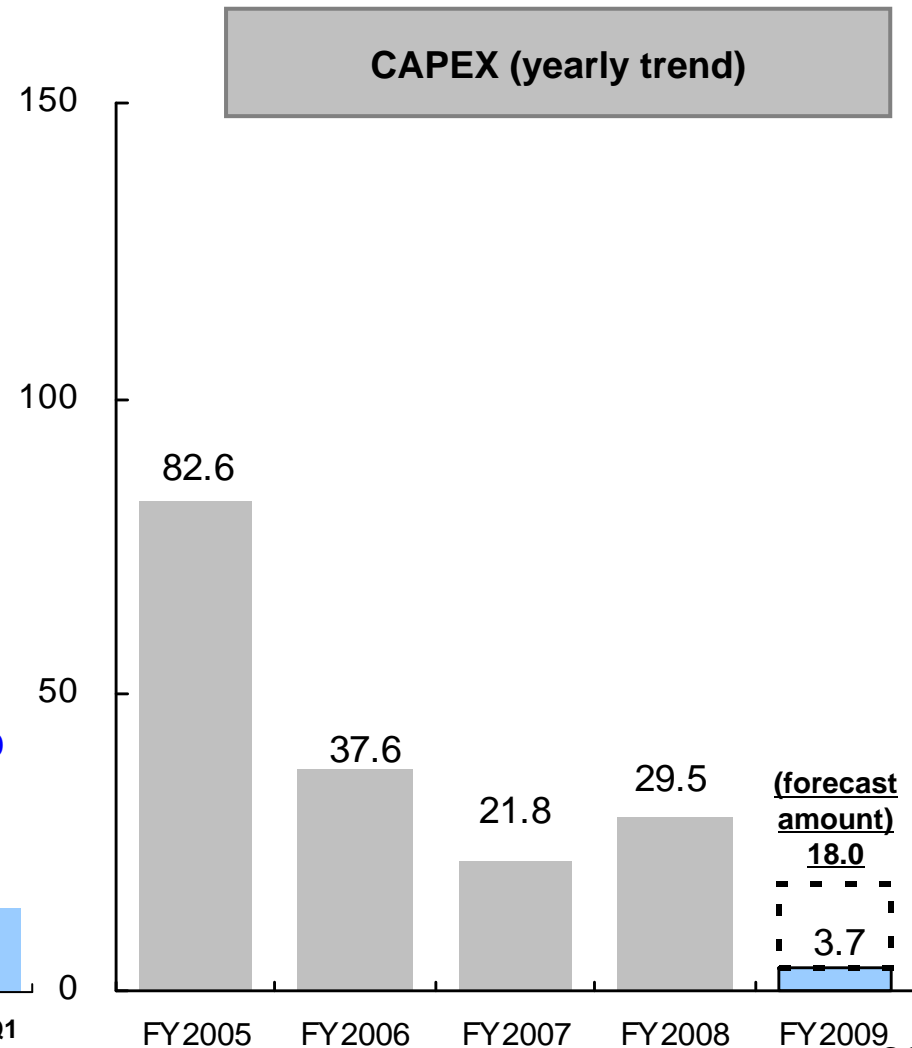
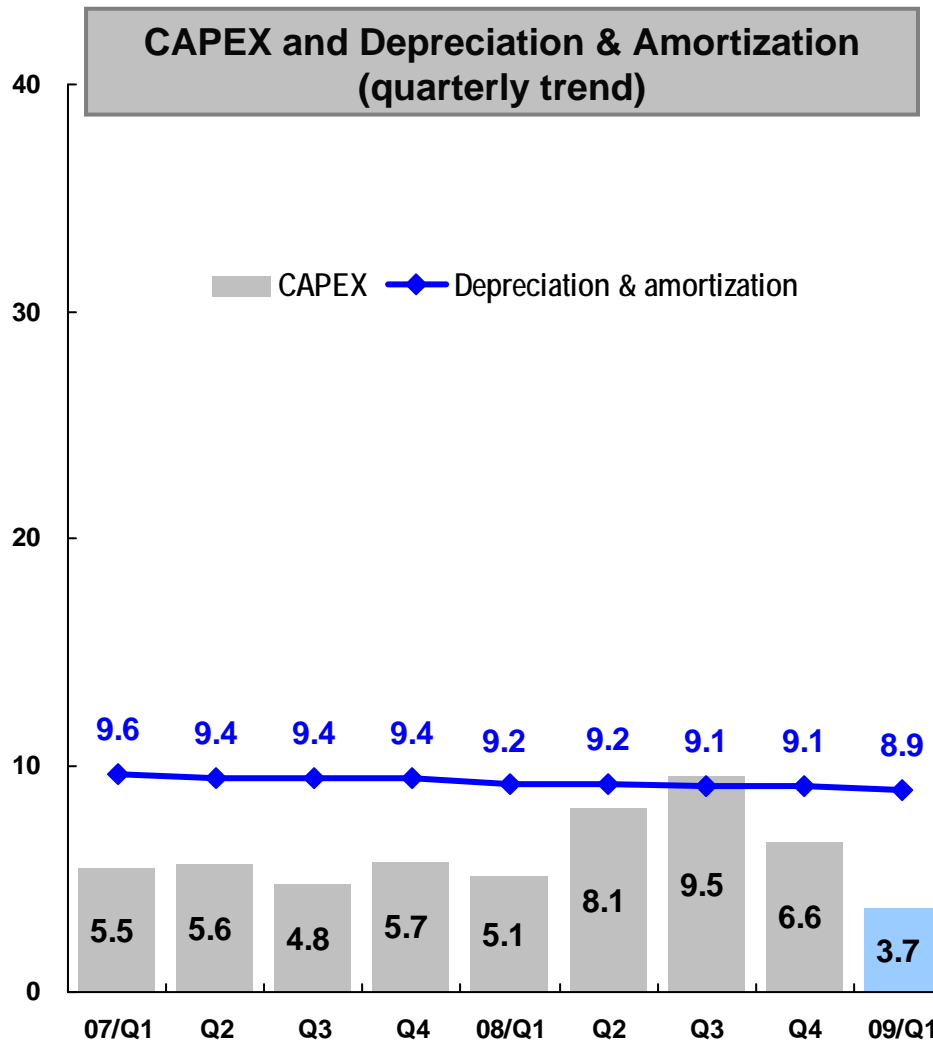
\*SBTP : SOFTBANK TELECOM PARTNERS

# CAPEX [actual] (Fixed-line Telecommunications Business)

<Fixed-3>

➤ CAPEX stabilized within range of depreciation.

<bn JPY>



# Operation

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**Mobile Communications**

# SBM Consolidated Net Sales

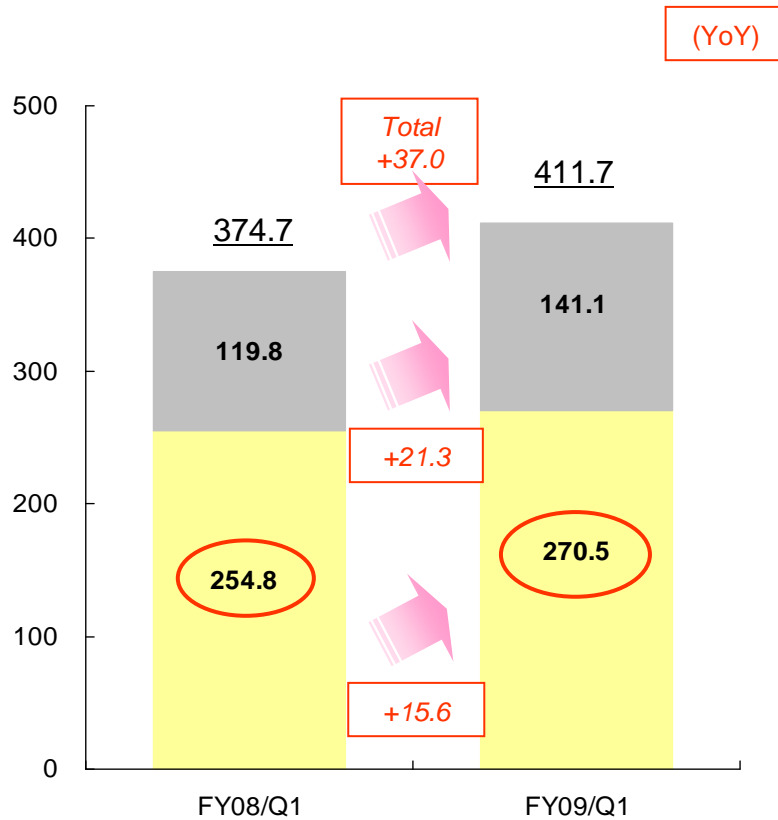
<Mobile-1>

➤ Both telecom service revenue and handset sales revenue increased YoY.

<bn JPY>

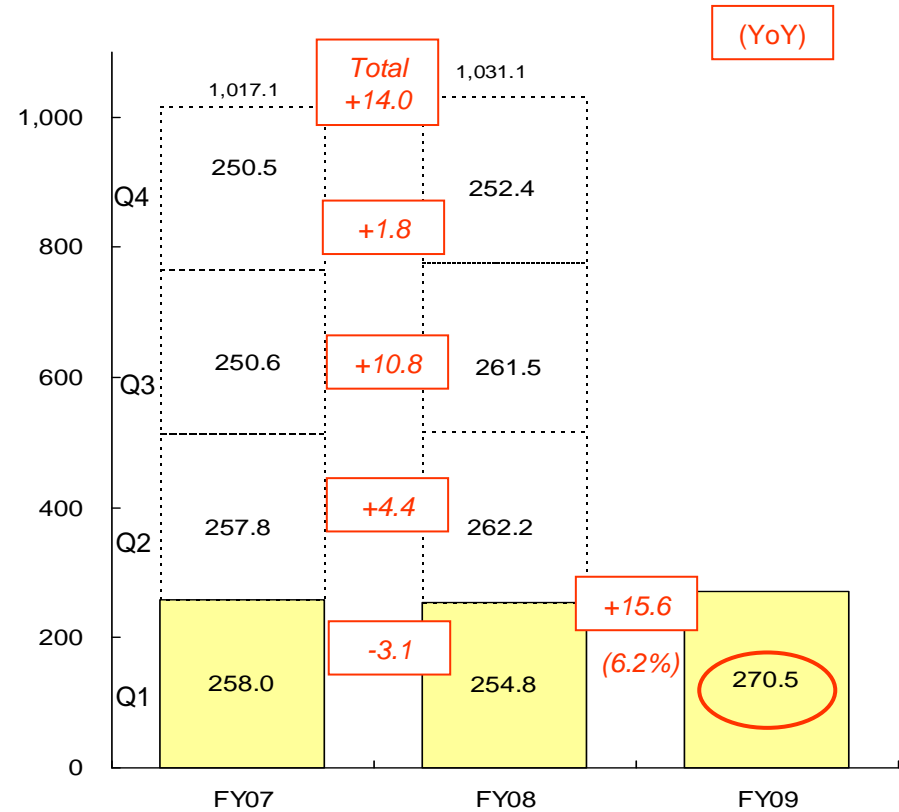
SBM Consolidated Net Sales  
Yearly Comparison

Telecom service income
  Sales of mobile handsets and accessories



SBM Consolidated Net Sales  
Quarterly Comparison

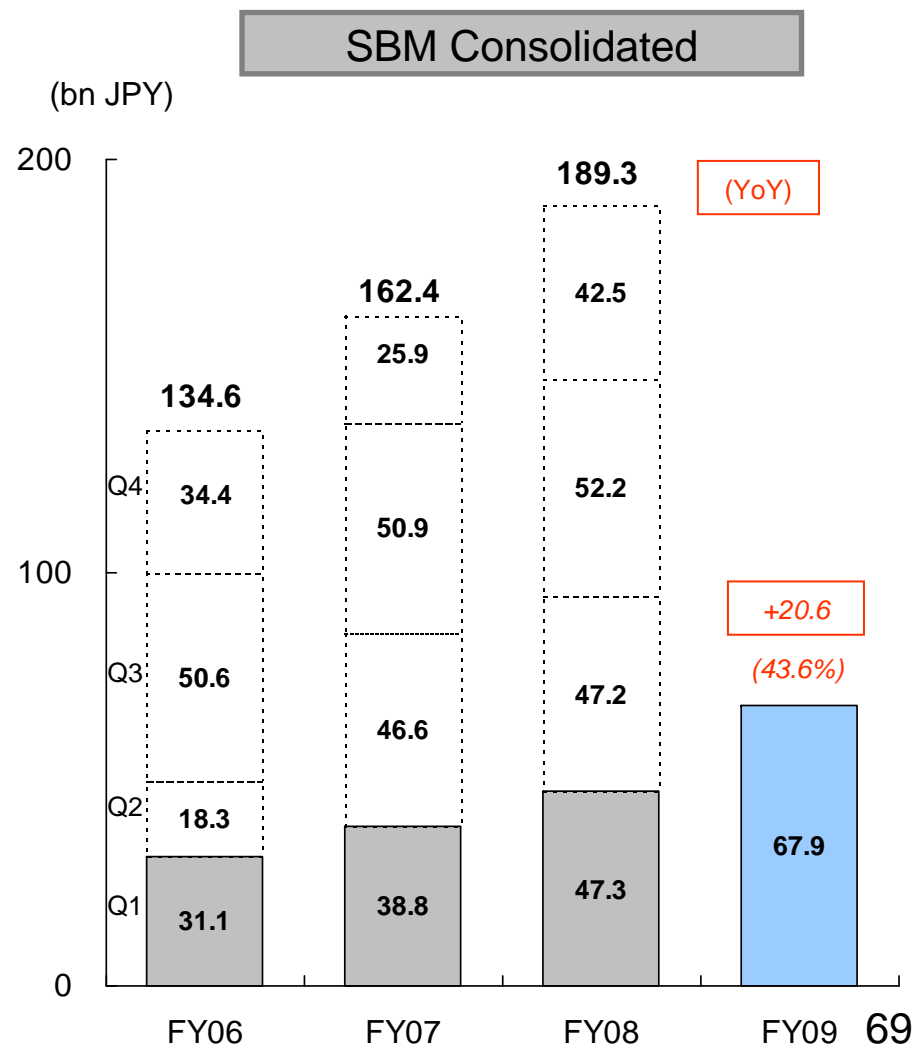
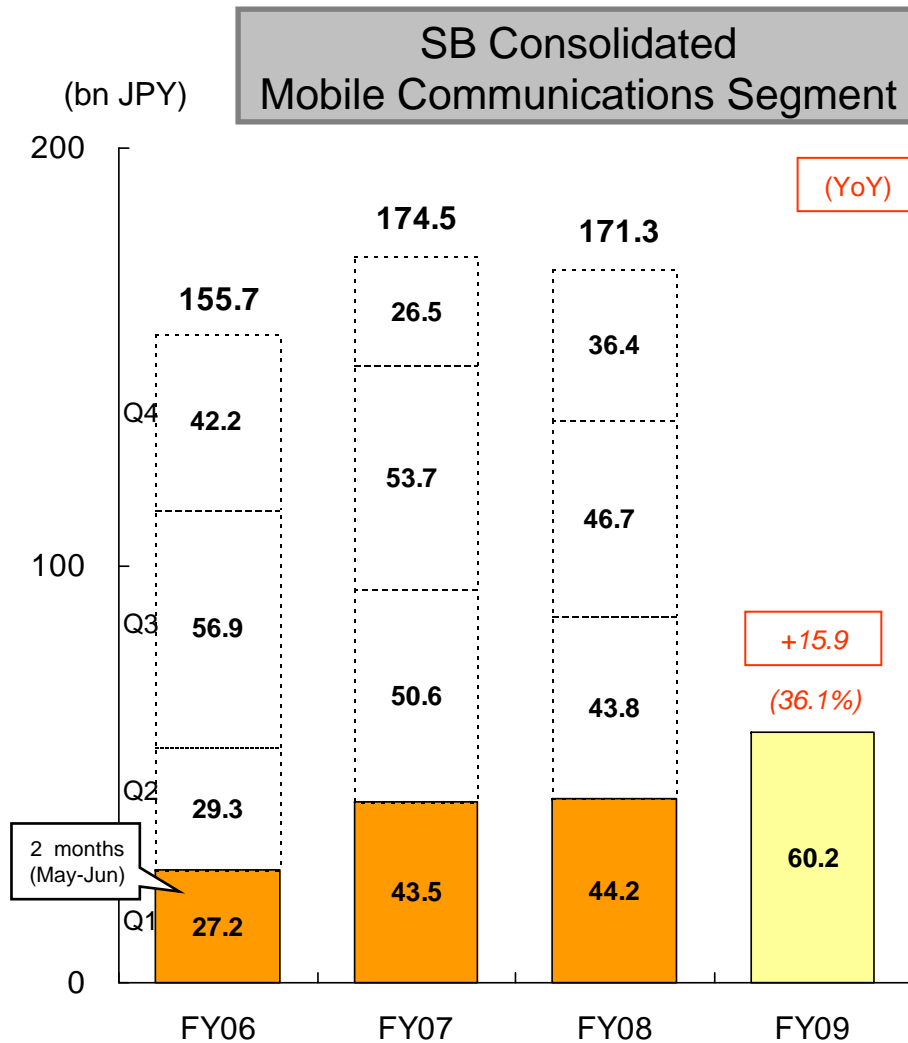
Telecom service income



# Operating Income (SB consolidated, SBM consolidated)

<Mobile-2>

- Significant increase in revenue by increase of sales and efficient management. Led the consolidated results.



# EBITDA (SB consolidated, SBM consolidated)

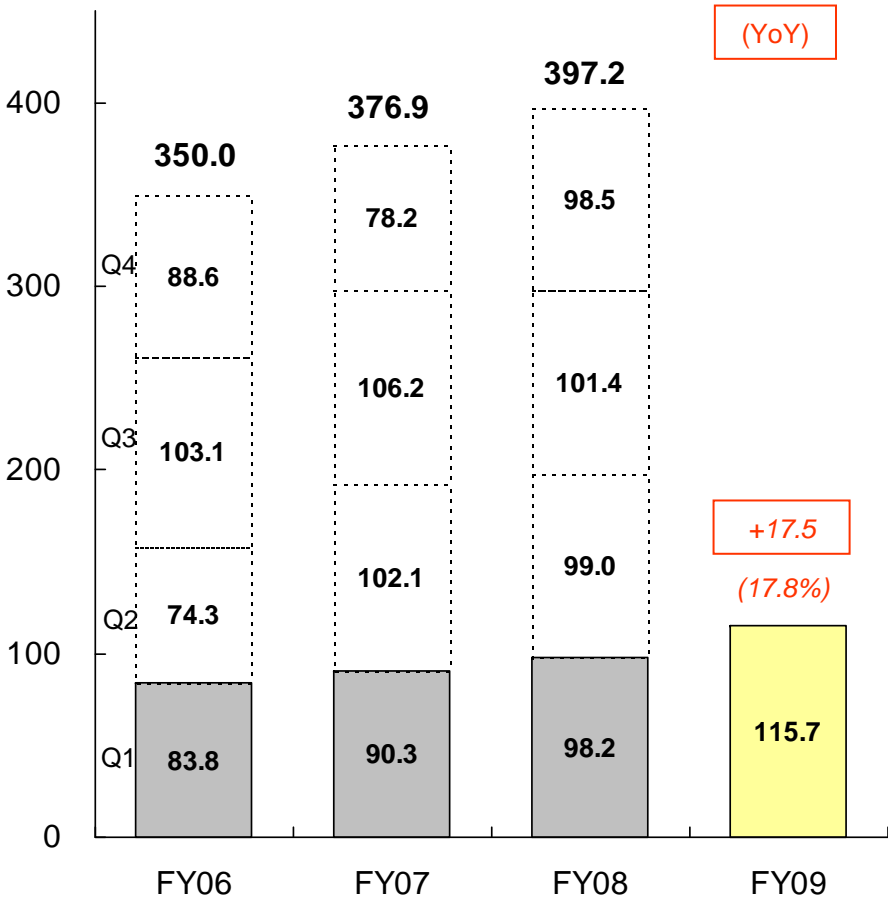
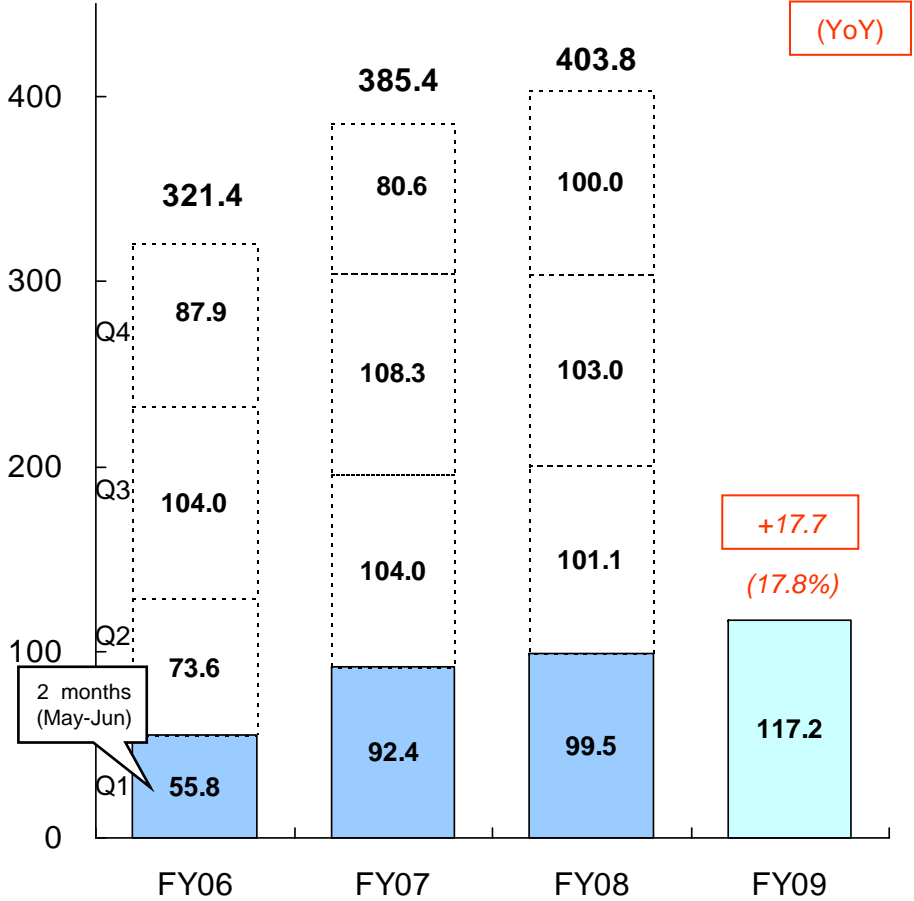
<Mobile-3>

➤ Favorable trend sustained by sales increase and efficient management.

<bn JPY>

SB Consolidated Mobile Communications Segment

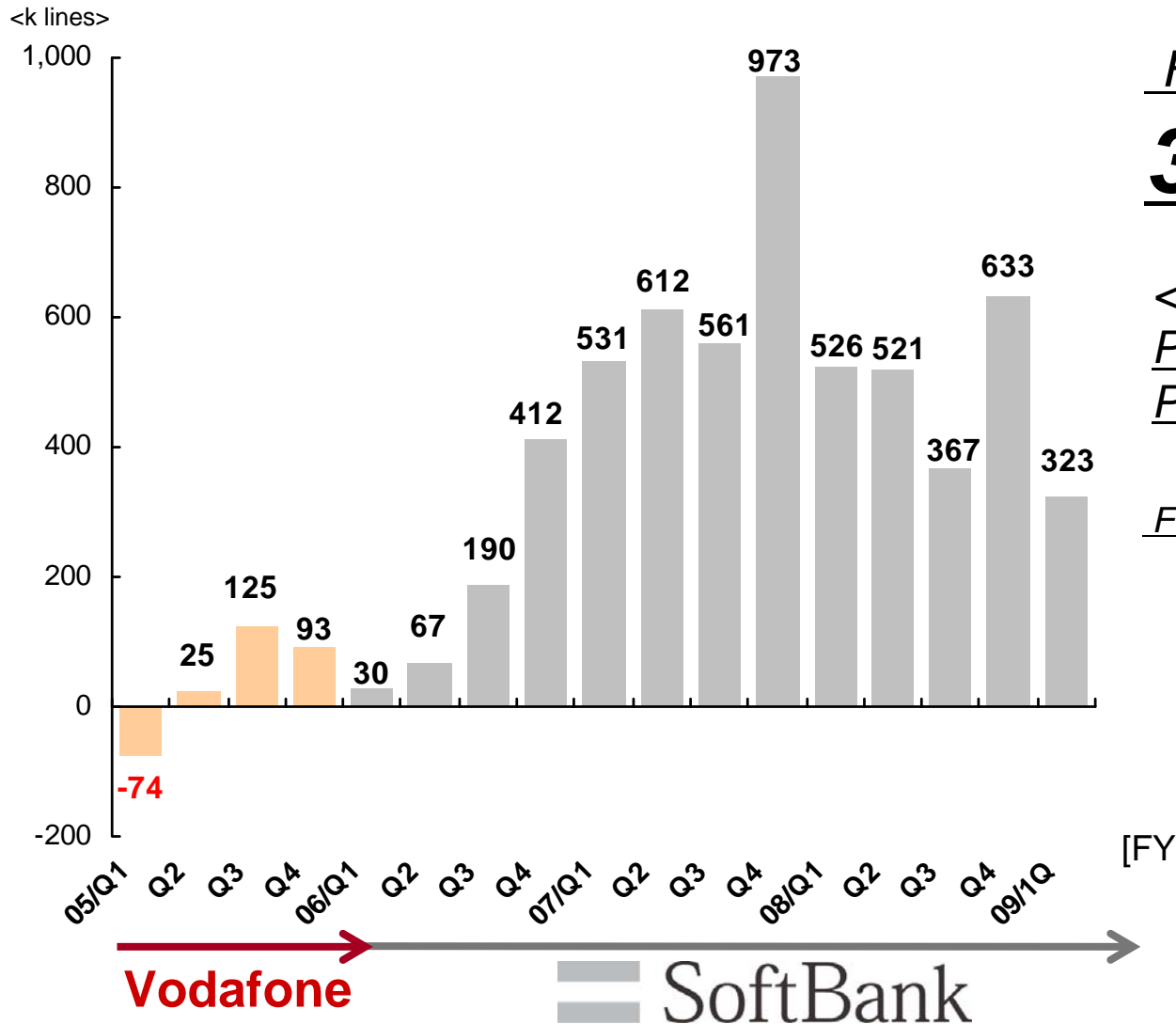
SBM Consolidated



# Quarterly Net Additions

<Mobile-4>

➤ No.1 in net additions for 26 consecutive months.



FY09/Q1 net additions

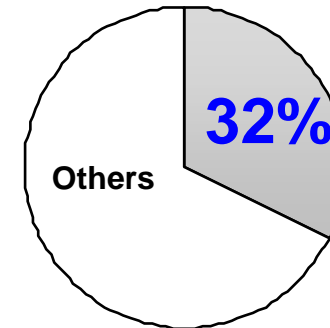
**323k**

<Breakdown>

Postpaid +359k

Prepaid -36k

FY09/Q1 net addition share

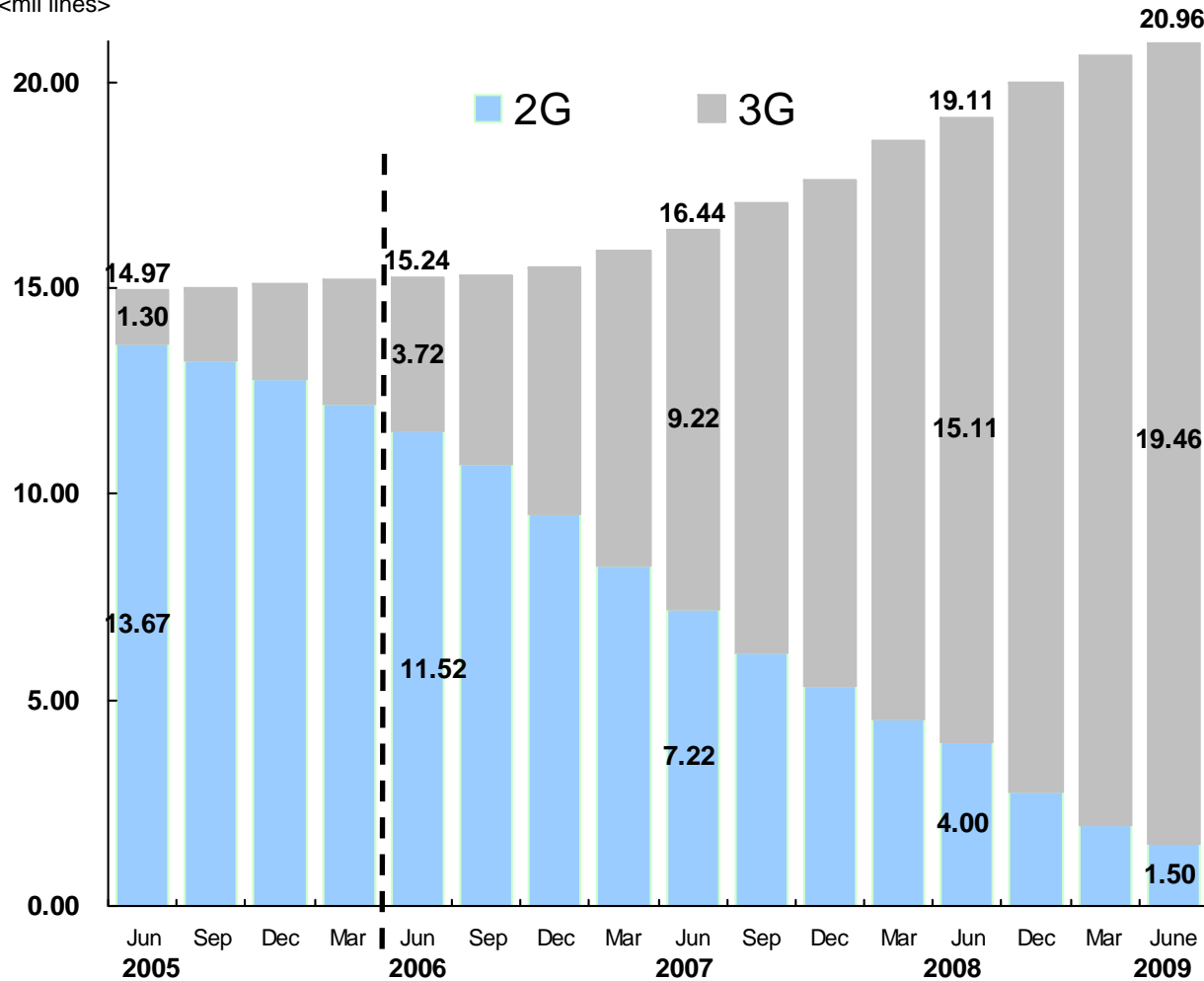


# Total Subscribers, 3G Subscribers

<Mobile-5>

- Number of total subscribers growing steadily. 3G subscribers exceeded 93%.

<mil lines>



## Cumulative

2009/6	20.96 mil
2006/6	15.24 mil

In 3 years +5.72 mil

## 3G Ratio

2009/6	93%
2006/6	24%

In 3 years +69%

Vodafone

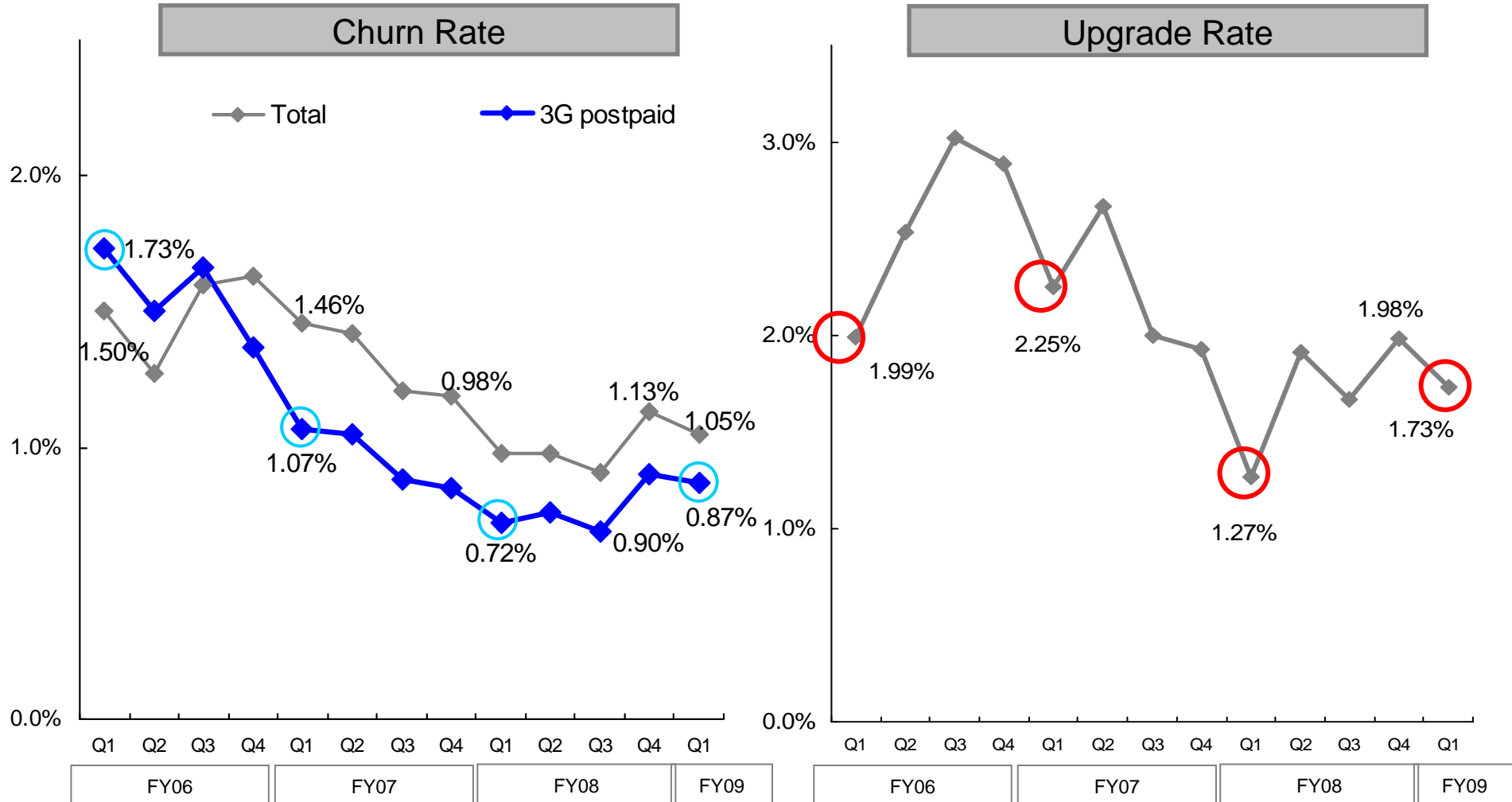
SoftBank



# Churn Rate & Upgrade Rate

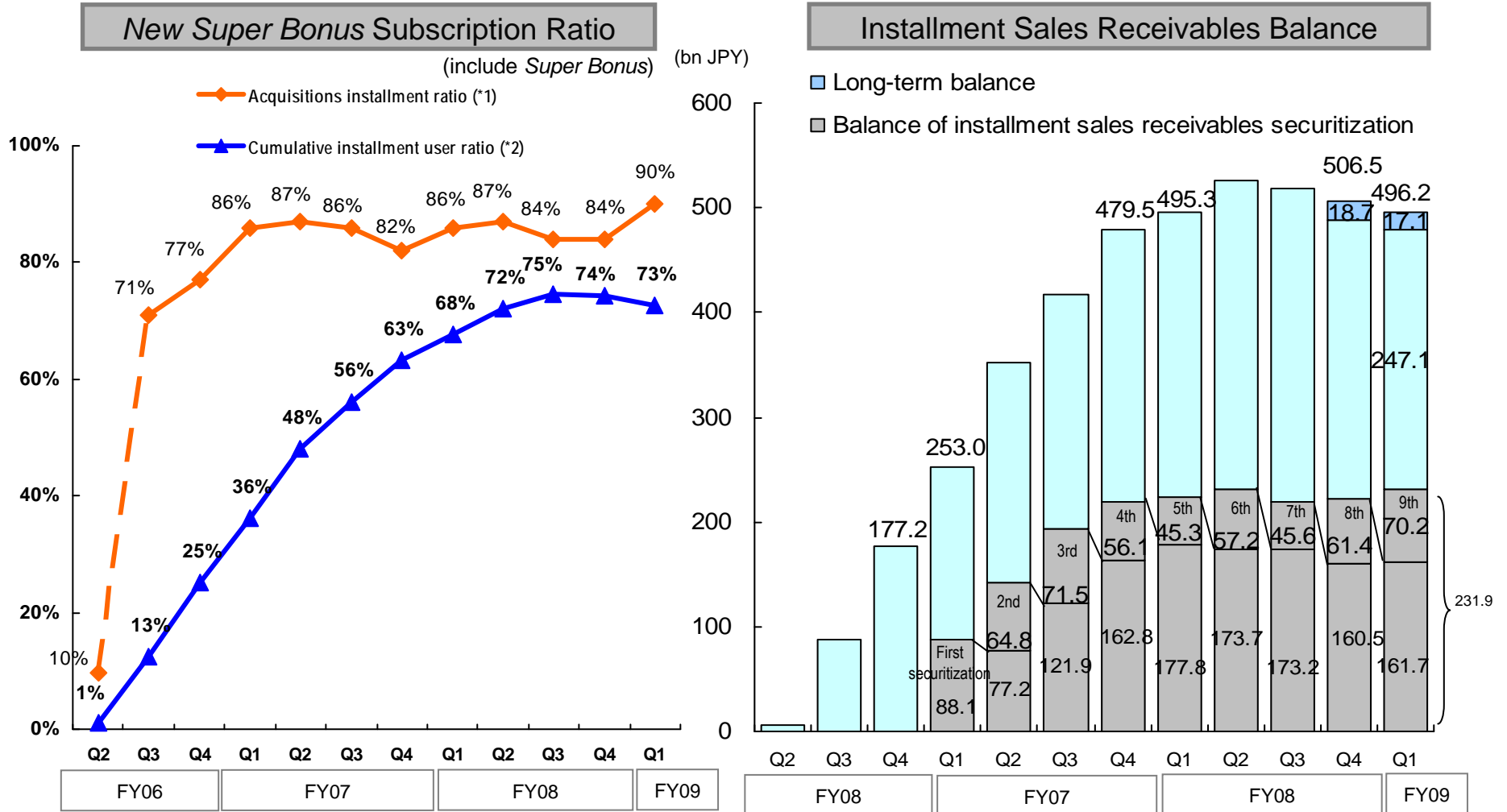
<Mobile-6>

- Churn rate improved since FY08/Q4. In FY08/Q1 increased due to first cycle of installments ended.
- Steady trend in upgrade rate with the introduction of new summer model HS and iPhone™ 3G.



# New Super Bonus Ratio and Installment Sales Receivables <Mobile-7>

- Maintain high subscription ratio. Installment balance over peak.  
Favorable trend in securitization of installment sales receivables.

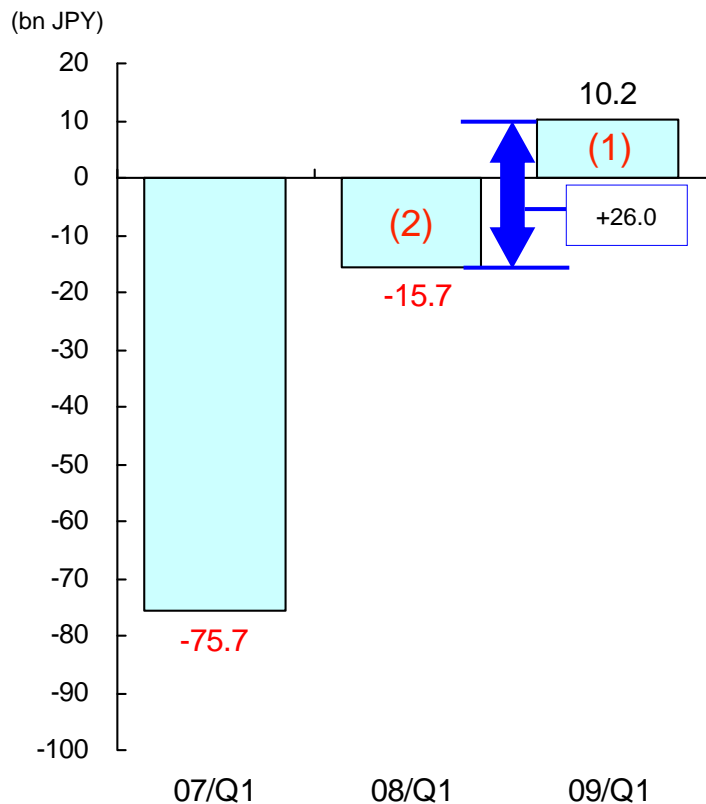


\*1 Acquisitions installment ratio: ratio of New Super Bonus subscribers to postpaid subscribers (new/upgrade)  
 \*2 Cumulative installment ratio: ratio of New Super Bonus subscribers to total subscribers (excluding subscribers whose Monthly Discounts ended)

# Cash Flow Impact from Installment Sales Receivables <Mobile-8>

- First cycle of increase in installment receivables ended. Improved impact on operating cash flow.

Installment Sales Receivables Balance (Yearly)



Decline in growth of installment sales receivables (decrease of Operating CF's minus impact)

	Installment Sales Receivables Balance (Beginning of the period)	Installment Sales Receivables Balance (end of the period)	Increase in Installment Sales Receivables	Impact on Operating CF
FY09/Q1	506.5	496.2	-10.2	(1) +10.2
FY08/Q1	479.5	495.3	+15.7	(2) -15.7
Variance			-26.0	+26.0

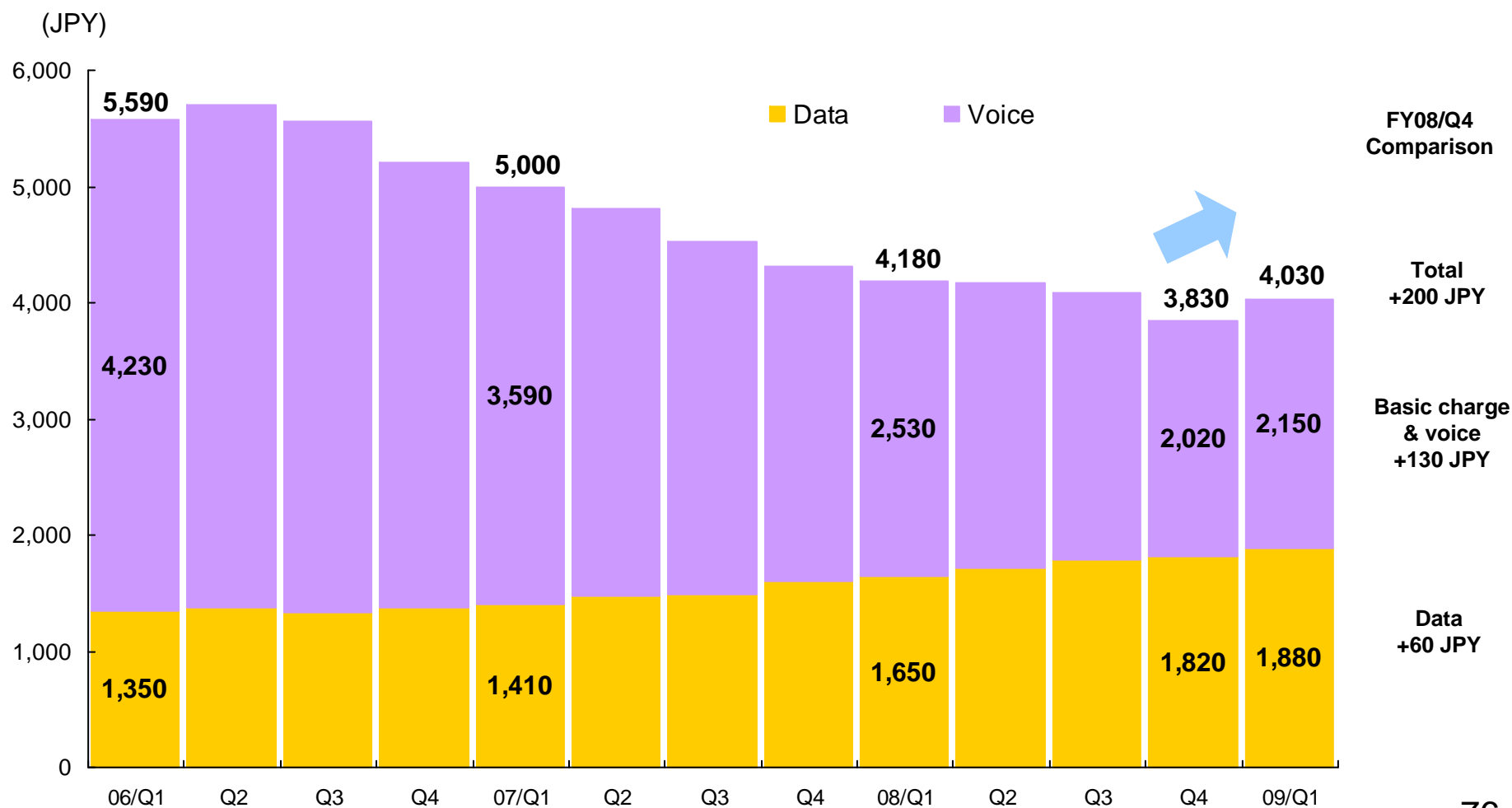
Reason for improvement in operating cash flow

<Reference>	FY08/Q1	FY09/Q1	Difference
SB Consolidated FCF	-37.8	56.5	+94.4

(bn JPY)

# ARPU (telecom service revenue per subscription) <Mobile-9>

- Total ARPU improved 200 JPY compared to FY08/Q4 back to be 4,000 JPY level.
- Data ARPU growth trend continued.



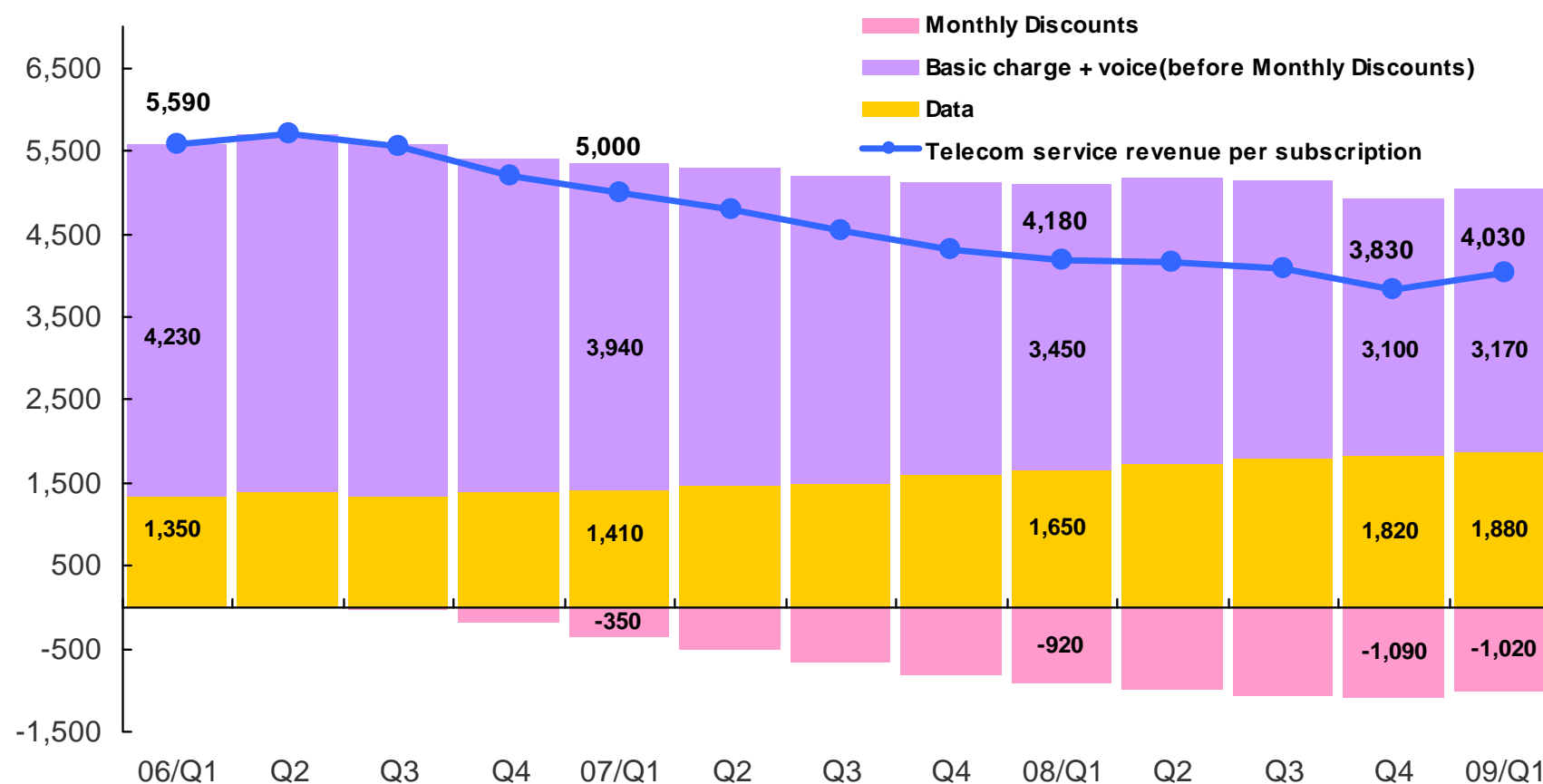
\*The name of New Super Bonus Special Discount was changed to Monthly Discounts on Nov 1, 2008

# ARPU (telecom service revenue per subscription)

<Mobile-10>

- Comp. FY08/Q4: data ARPU increased, voice ARPU increased due absence of seasonal factors, installment balance peaked out.
- Comp. to FY08/Q1: data ARPU increased, voice ARPU continued to decrease, *Monthly Discounts* expanding.

(JPY)

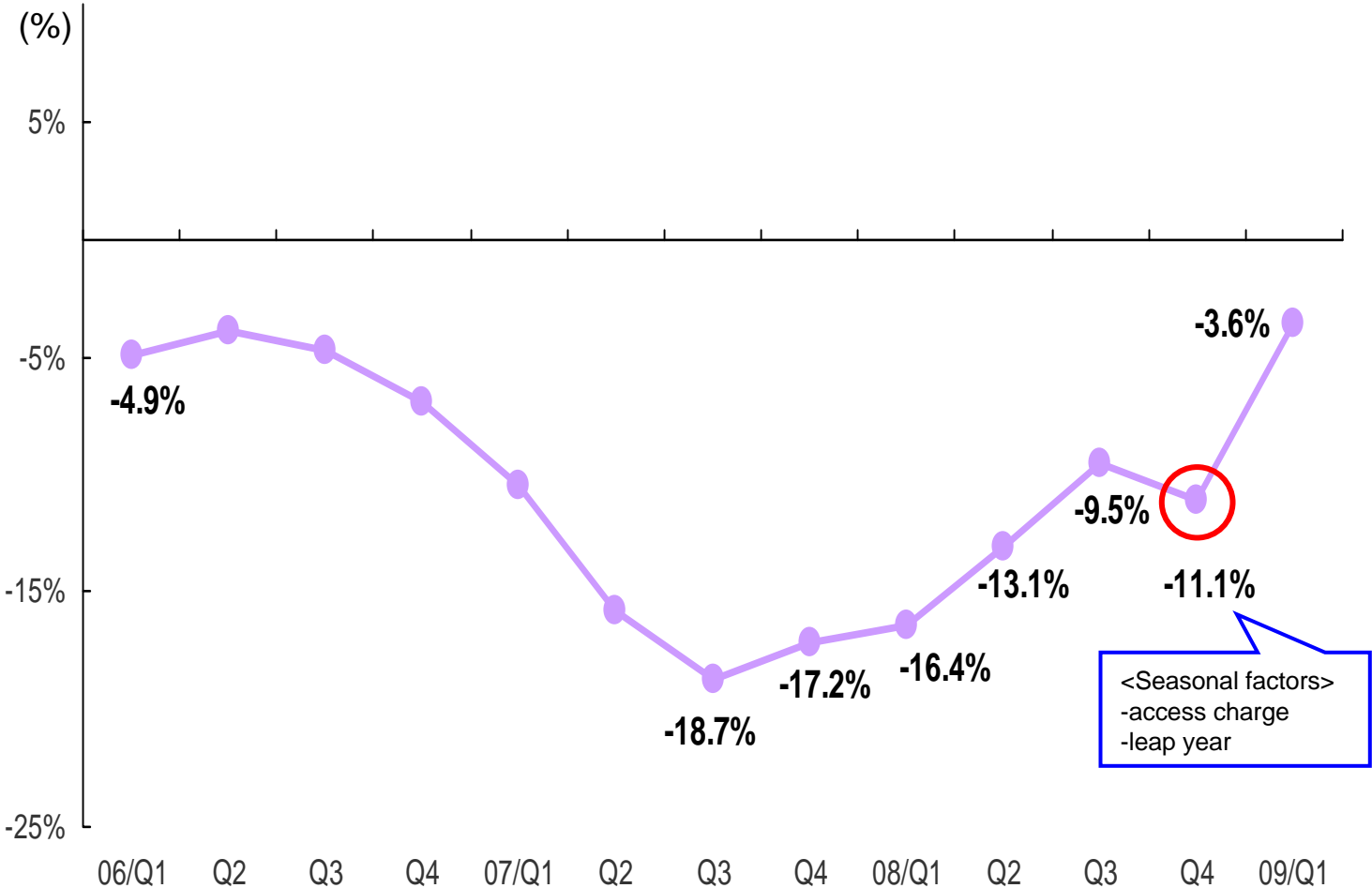


\*Telecom revenue per subscription (average)= data + basic charge + voice – telecom discounts (Monthly Discounts)

# Revenue Per Subscription YoY Comparison

<Mobile-11>

➤ ARPU is improving trend in the yearly comparison.

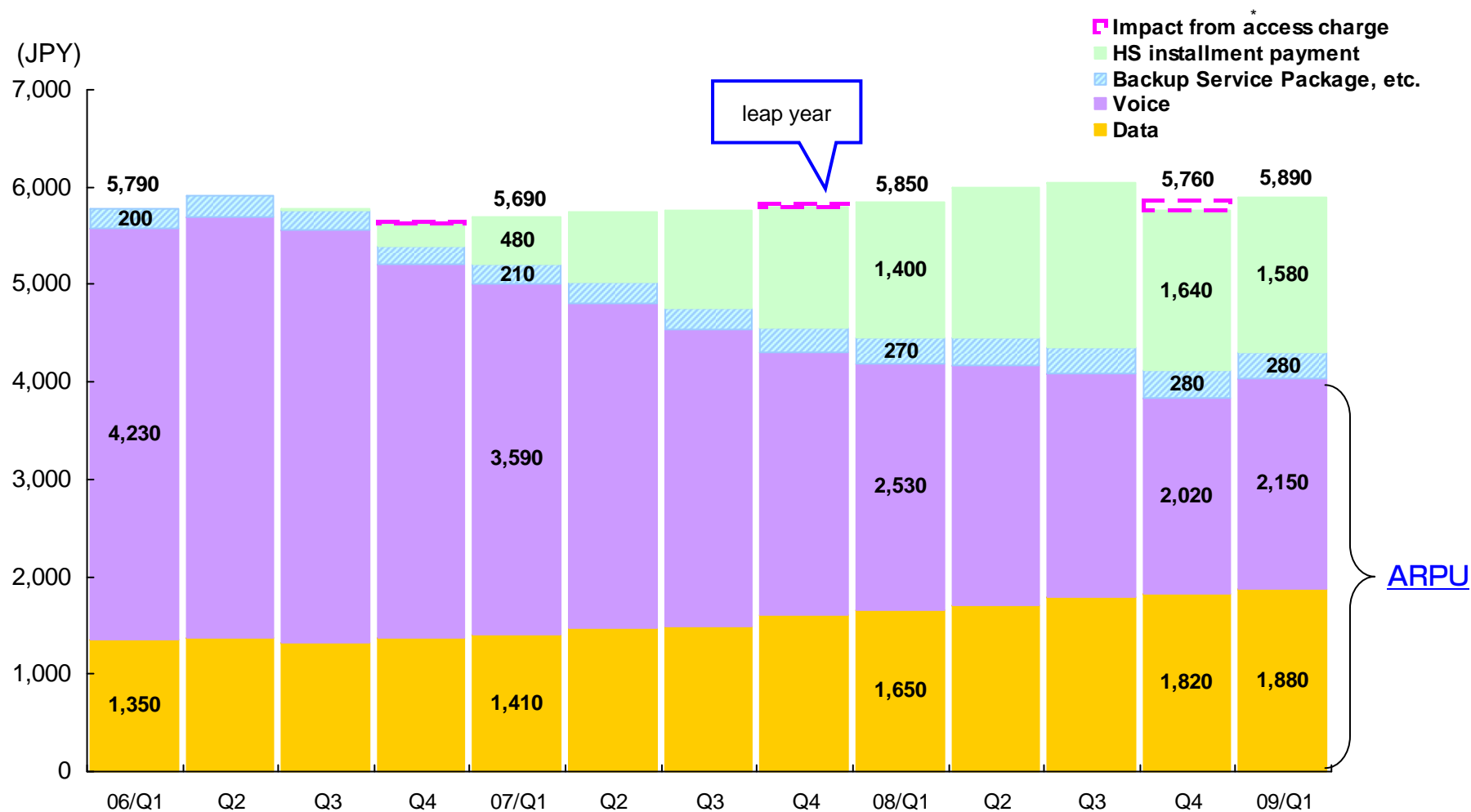


\*Telecom revenue per subscription (average)= data + basic charge + voice – telecom discounts (Monthly Discounts)

# Revenue Per Subscription (average)

<Mobile-12>

- Favorable trend in cash income per subscriber (incl. HS installment payments). Reason for improvement in operating CF.



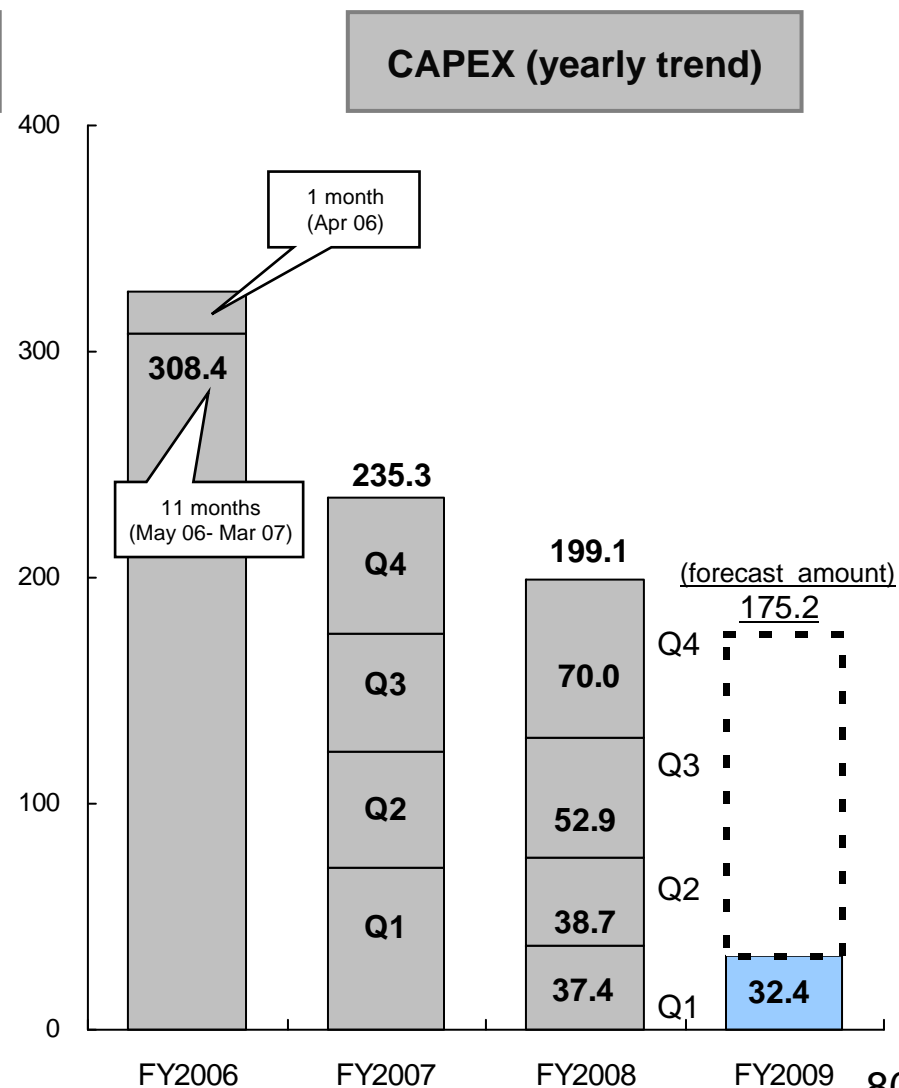
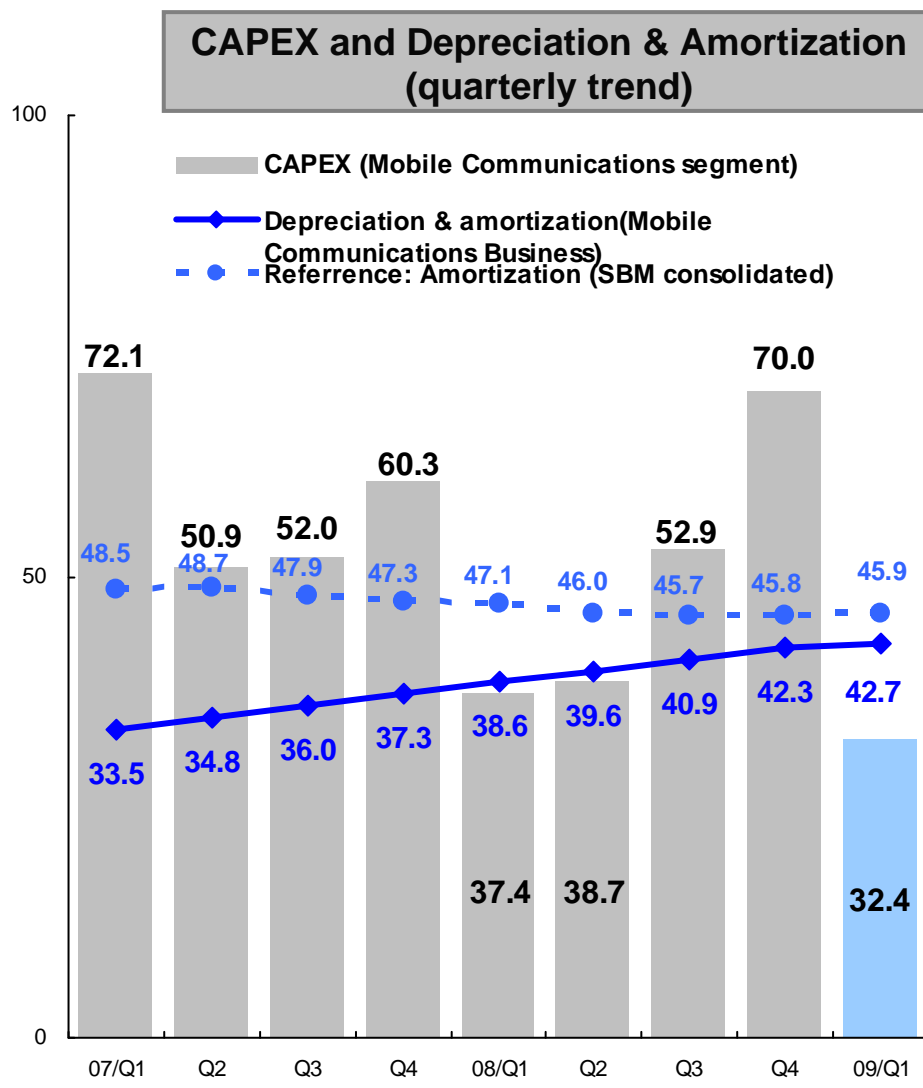
\*The access service charge impact is not included in cash income per subscriber and HS installment payment.

# CAPEX [actual] (Mobile Communications Business)

<Mobile-13>

## ➤ Continue effective CAPEX

<bn JPY>

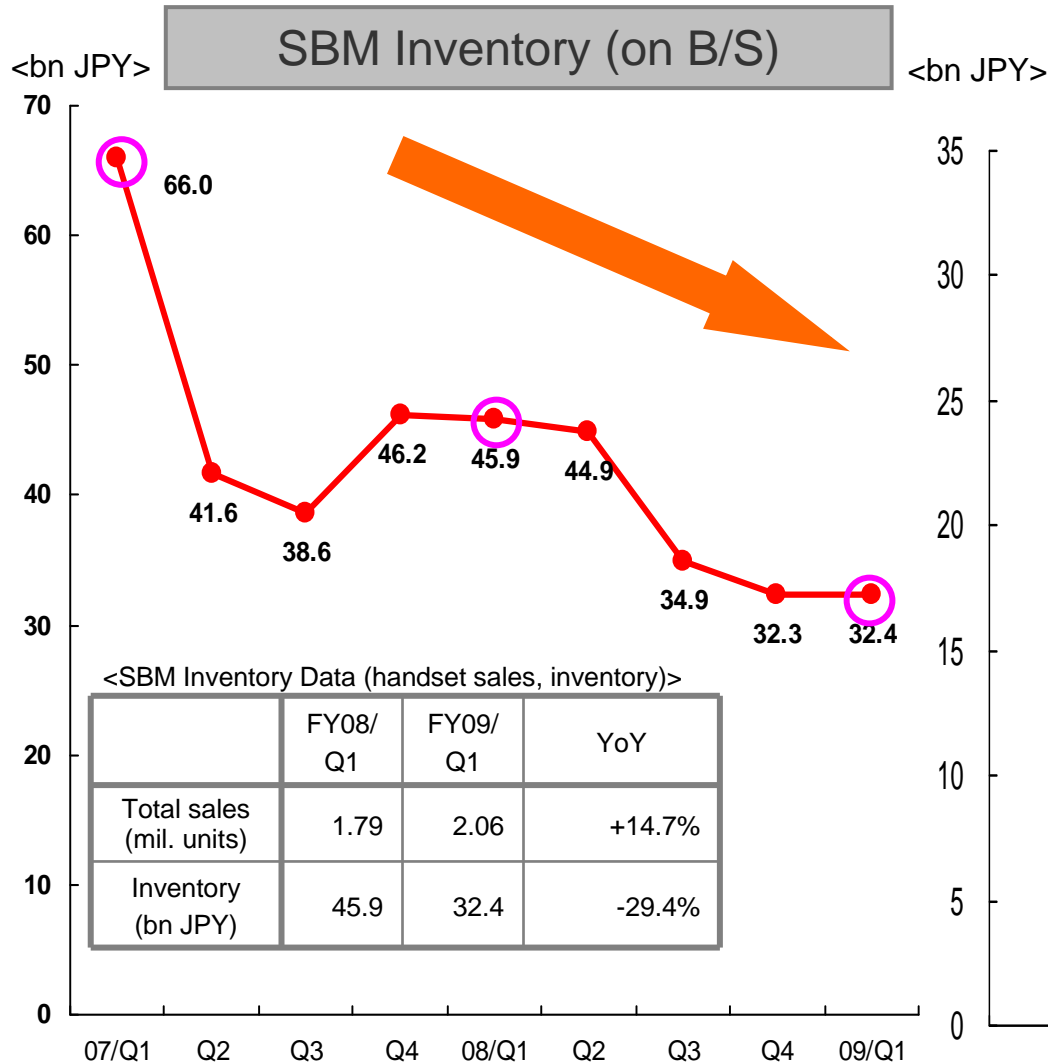




# Improved in Inventory

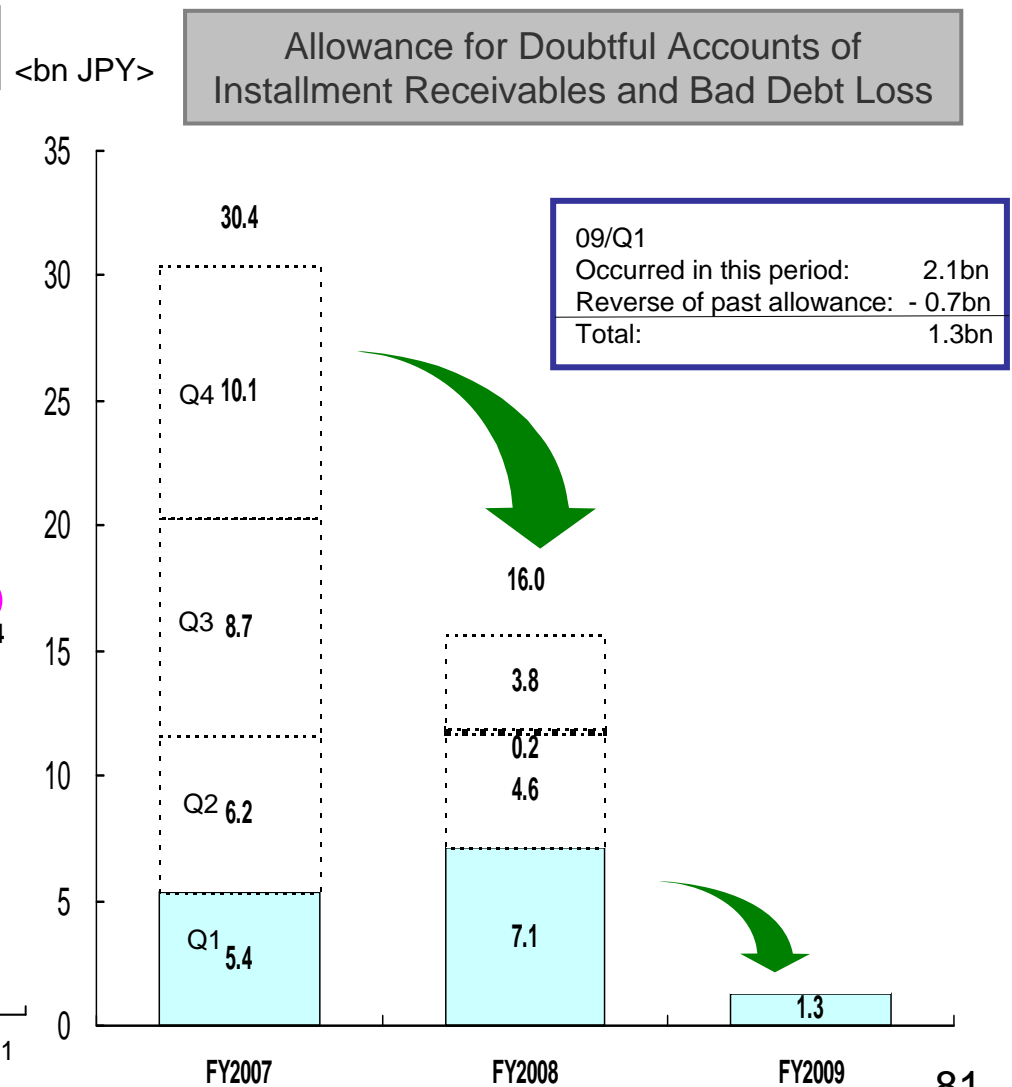
<Mobile-14>

## ➤ Big reduction in inventory



\*Annual handset sales amount is the total of HS sold for new subscriptions and upgrades.

## ➤ Big improvement of allowances





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