

**Earnings Results  
for the Six-month Period  
Ended September 30, 2009  
(Apr-Sep 2009)**

**Analyst Meeting**



**October 30, 2009  
SOFTBANK CORP.**

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## Accounting 5

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Consolidated P/L Analysis 6

Consolidated B/S Analysis 14

Consolidated CF Analysis 24

## Finance 29

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## Operating 57

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Broadband Infrastructure Segment 59

Fixed-line Telecommunications Segment 63

Mobile Communications Segment 67



# Accounting



Kazuko Kimiwada

General Manager

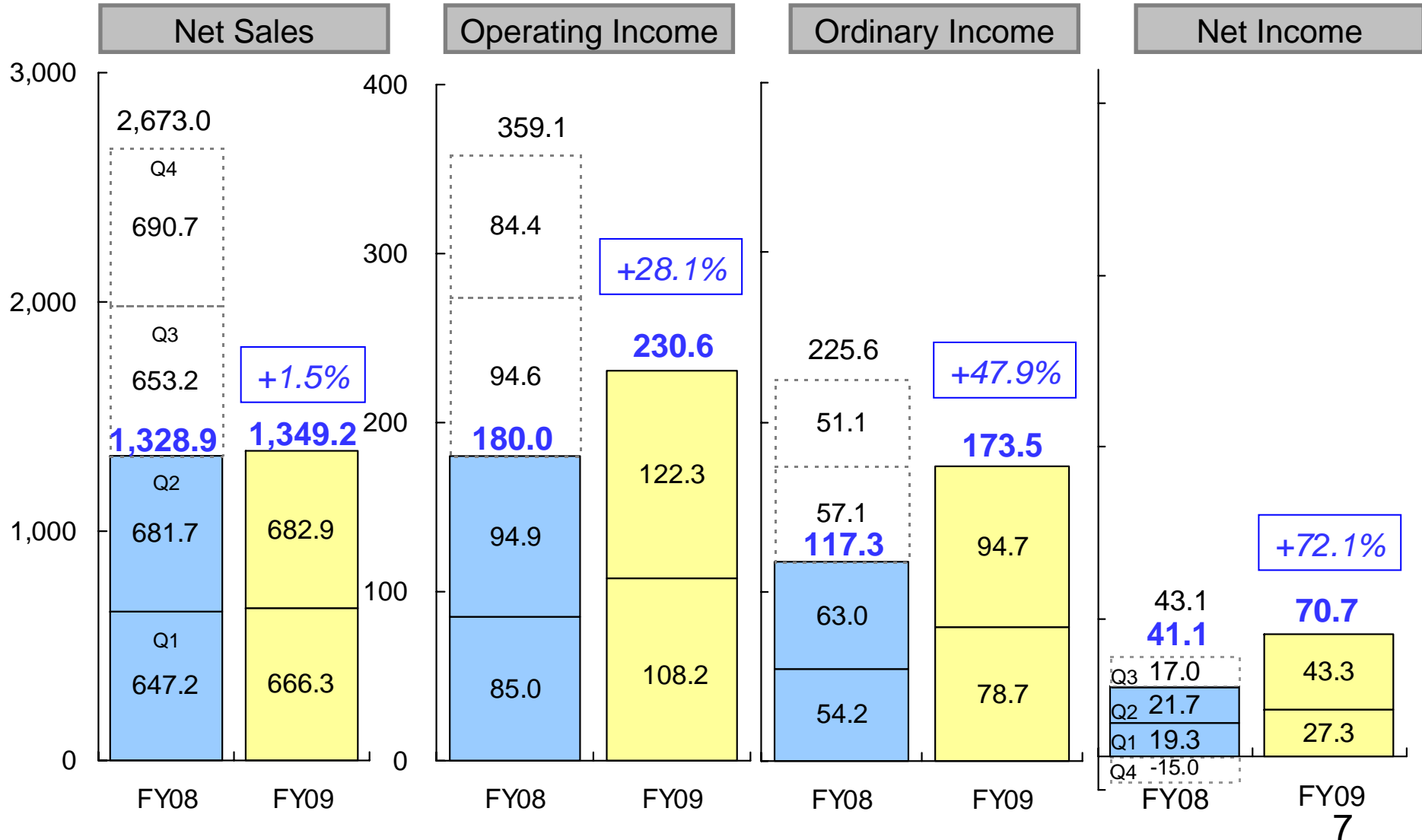
Accounting, Internal Control

SOFTBANK CORP.

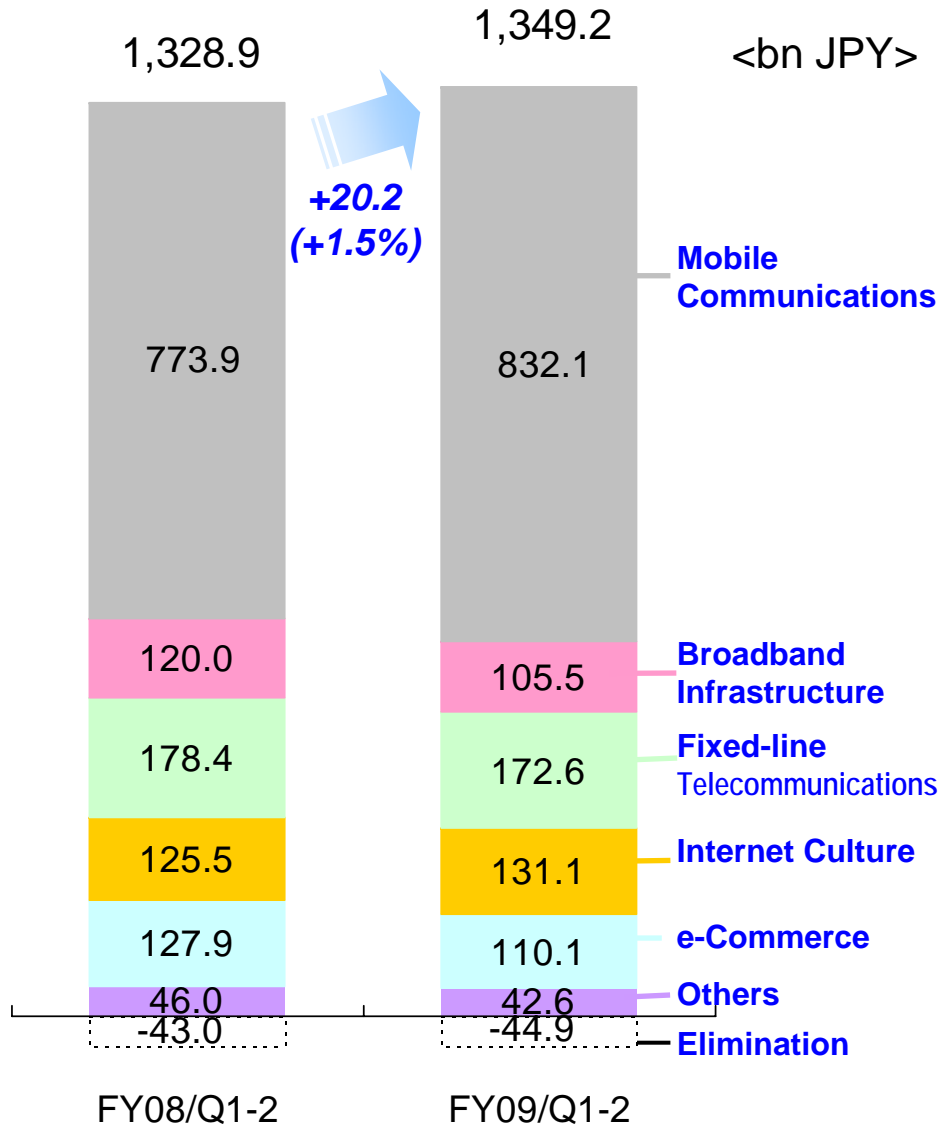
## Consolidated P/L Analysis

# Consolidated P/L Summary

<bn JPY>



# Consolidated Net Sales



<bn JPY>

## Mobile Communications +58.2bn

- Increase in telecommunications service revenue +36.9bn  
 (Increase in subscribers +46.1bn  
 Decrease in ARPU -10.7bn)
- Increase in revenue from sales of mobile handsets and accessories +21.3bn

## Broadband Infrastructure -14.5bn

- Decrease in the number of Yahoo! BB ADSL charged users -10.5bn
- Decrease in Yahoo! BB ADSL ARPU -0.1bn
- Decrease in ODN -1.5bn

## Fixed-line Telecommunications -5.8bn

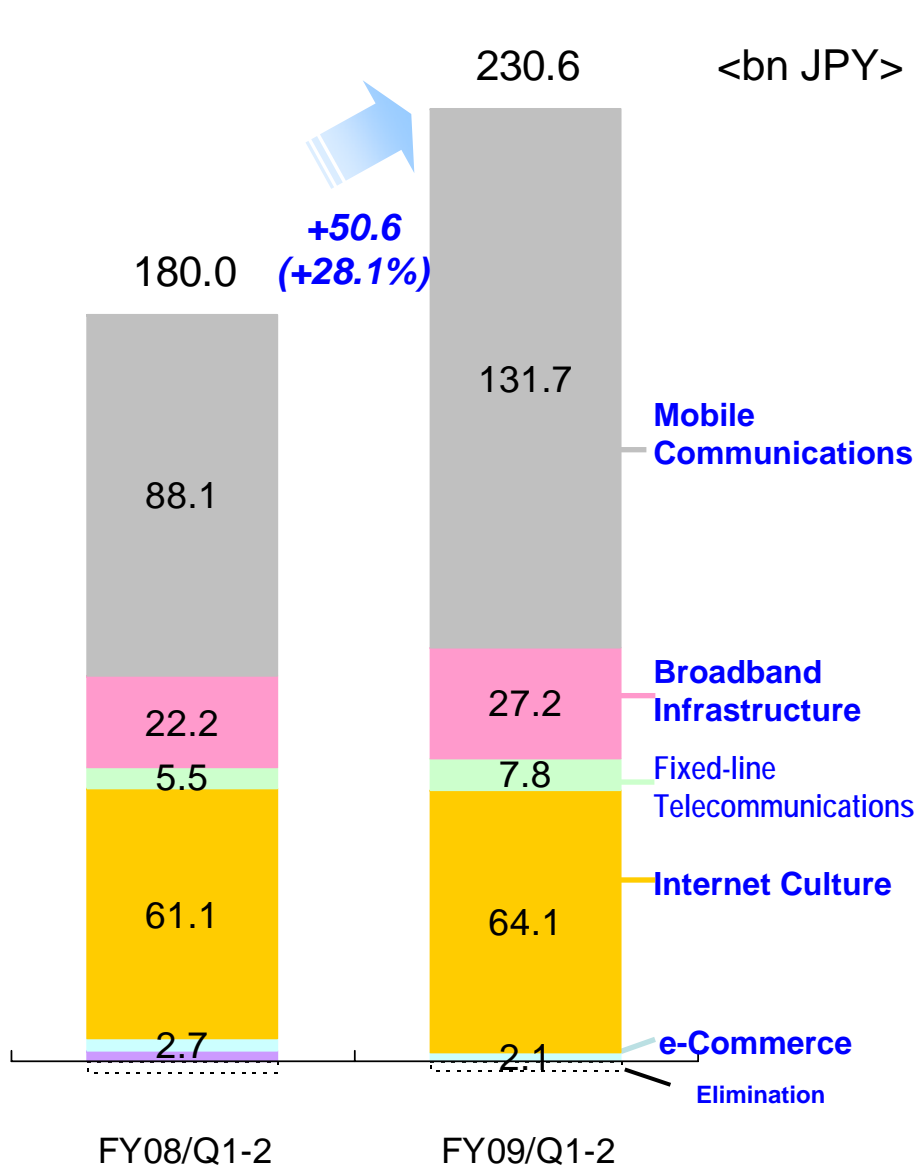
- Increase in *OTOKU Line* +7.1bn
- Increase in non-telecom sales revenue +3.6bn
- Decrease in *MYLINE* -5.0bn
- Decrease in international traffic -4.4bn
- Impact of segment transfer of former SOFTBANK IDC -5.0bn

## Internet Culture +5.5bn

- Decrease in advertising business revenue -1.5bn
- Increase in business service revenue +3.7bn
- Increase in personal service revenue +3.4bn



# Consolidated Operating Income



## Mobile Communications +43.6bn

- Increase in net sales +58.2bn
- Increase in operating expenses -14.6bn (main factors for increase in expenses)
  - Increase in sales commissions (main factors for decrease in expenses)
- Decrease in cost of sales, such as access charge, usage fees of telecommunication equipment etc.
- Decrease in provision for allowance for doubtful accounts, and bad debt loss on doubtful accounts

## Broadband Infrastructure +4.9bn

- Decrease in net sales -14.5bn
- Decrease in cost of sales, such as depreciation and amortization, lease fees etc. +9.3bn
- Decrease in selling, general and administrative expenses (main factors)
  - Decrease in sales commission and sales promotion expense +9.3bn

## Fixed-line Telecommunications +2.2bn

- Decrease in net sales -5.8bn
- Decrease in cost of sales, such as usage fees of telecommunication equipment etc. +6.5bn
- Decrease in *OTOKU Line* related sales costs +1.8bn

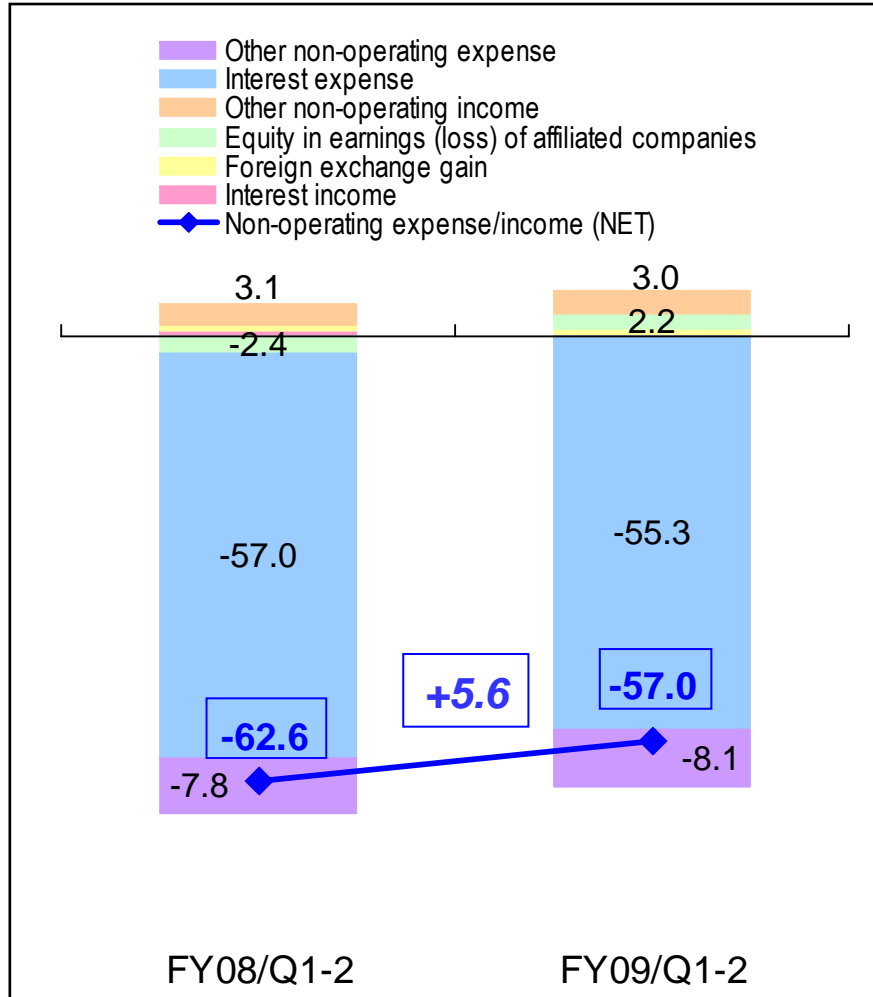
## Internet Culture +2.9bn

- Yahoo Japan: decrease in selling, general and administrative expenses, such as consignment fees etc. +2.7bn

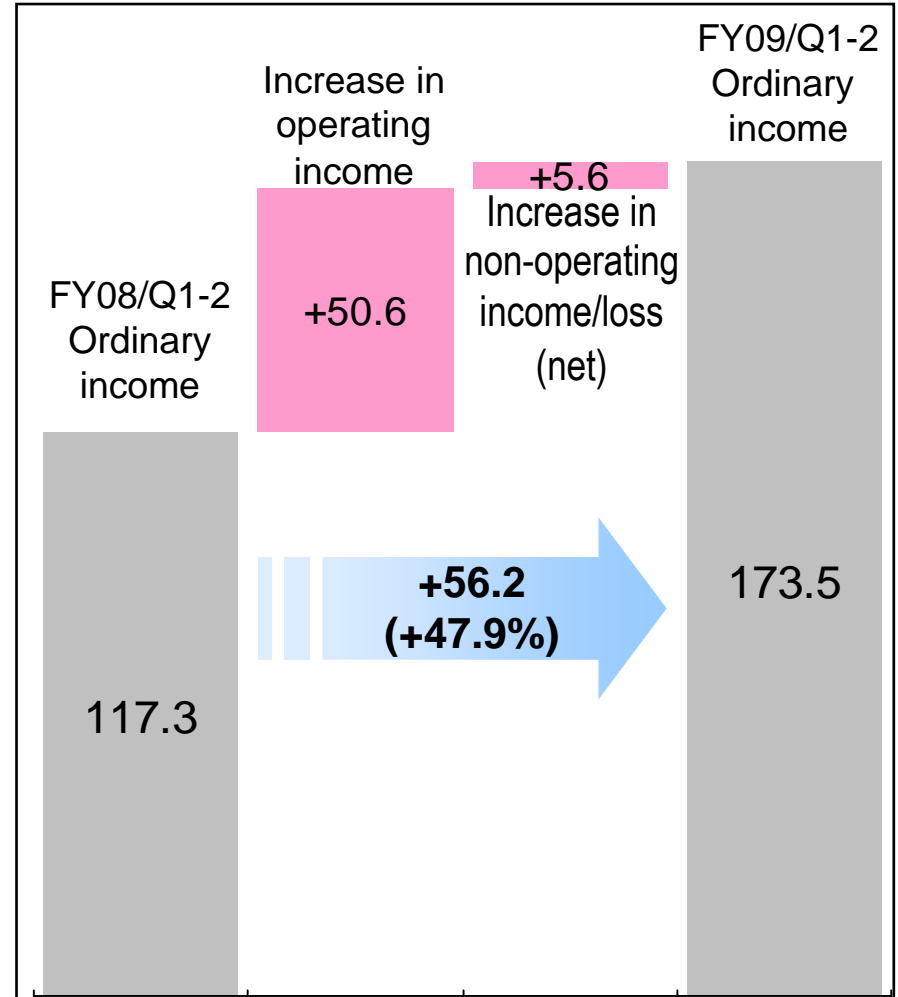
# Non-operating Income/Loss and Ordinary Income

<bn JPY>

## Non-operating Income/Loss



## Ordinary Income



# Tax and Other Adjustments

FY09/Q1-2 Breakdown of Tax Expenses

< bn JPY >

<b>A</b>	<b>Income taxes; current</b>	<b>48.8</b>
	(main breakdown)	
	1. Yahoo Japan	27.7
	2. SBM local taxes (out of scope for BBM consolidated tax return)	16.8
	3. BBM income taxes under consolidated tax return (all loss carryforwards fully utilized)	1.9
<b>B</b>	<b>Income taxes; deferred</b>	<b>34.7</b>
	(main breakdown)	
	4. BBM utilization of loss carryforwards under consolidated tax return etc.	23.9
	5. SBB utilization of loss carryforwards etc.	10.1
	6. SBM depreciation and amortization adjustments (occurred at time of SBM acquisition)	3.5
	<b>Total income taxes (A+B)</b>	<b>83.5</b>

# Difference in Tax Rate

## FY09/Q1-2 Reconciliation Between Statutory Tax Rate and Effective Tax Rate

	Rate	Amount (bn JPY)
Income before income taxes and minority interests		176.8
Statutory income tax rate	40.7%	71.9
(main factors of difference)		
• Amortization of goodwill (mainly SBM)	6.9%	12.1
• Change in valuation allowance	0.7%	1.1
• Others	-1.0%	-1.7
Effective income tax rate	47.3%	83.5

# Loss Carryforwards (Sep 09)

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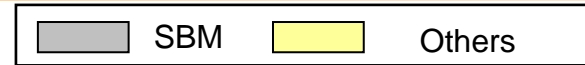
Company Name	FY08/Q4 Balance (taxable income based)	Occurred During FY09/Q1-2 (taxable income based)	Utilized During FY09/Q1-2 (taxable income based)	Other Variances	FY09/Q2 Balance (taxable income based)	Deferred Tax Assets (tax based)	Expiry Date
BB Mobile	77.1	-	-77.1	-	-	-	
SOFTBANK TELECOM	85.5	2.9	-	-	88.5	37.2	Mar 2013-Mar 2017
SOFTBANK BB	23.4	-	-18.6	-	4.7	1.9	Mar 2013
Others	129.1	28.3	-6.9	-2.8	147.7	58.7	Mar 2010-Mar 2017
Total	315.3	31.3	-102.7	-2.8	241.0	97.9	

Valuation allowance -90.0

Deferred tax assets relating to loss carryforwards on B/S (total amount) 7.8

## Consolidated B/S Analysis

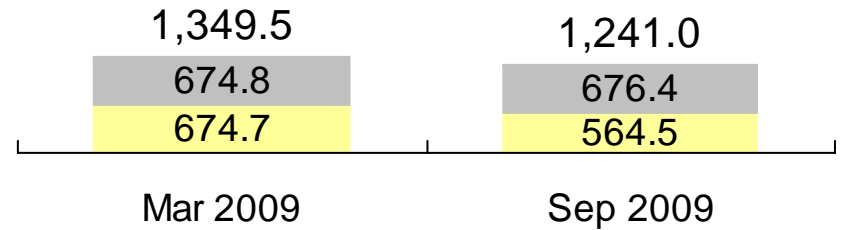
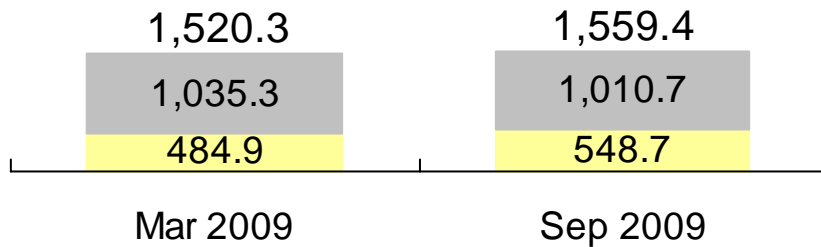
# Consolidated B/S Summary



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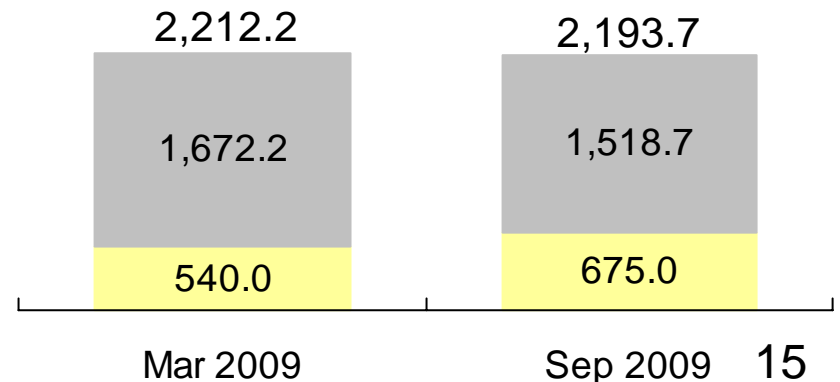
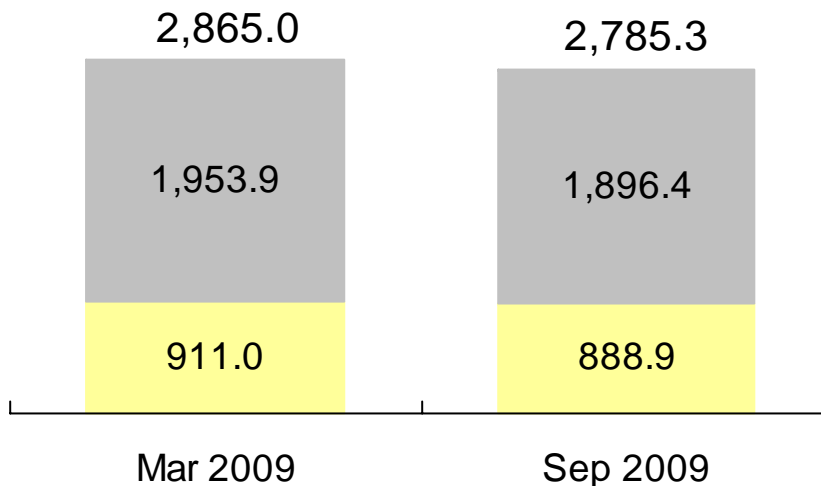
Current Assets

Current Liabilities



Fixed Assets

Long-term Liabilities



# Consolidated B/S (1) Current Assets

<bn JPY>

Assets	Mar 2009	Sep 2009	Variance	Outline
Current assets	1,520.3	1,559.4	39.1	
SBM	1,035.3	1,010.7	-24.5	
Others	484.9	548.7	63.7	
Cash and deposits	457.9	575.8	117.8	
SBM	266.6	272.5	5.9	Increase provided by operating activities (+167.2) Securitization of installment sales receivables (procured +120.2, repaid -120.5) Sale and lease back of equipment newly acquired (received +32.9, repaid -43.4) Purchase of fixed assets (-115.0), repayment of SBM loan (-65.8)
Others	191.3	303.2	111.9	SB stand-alone: Mar 09 (93.9) >> Sep 09 (148.7) Breakdown: 27 <sup>th</sup> , 28 <sup>th</sup> , 29 <sup>th</sup> Unsecured Straight Corporate Bond issue (+155.0), bond redemption (-6.6), borrowings repaid (-92.9) Yahoo Japan: Mar 09 (16.4) >> Sep 09 (68.3)
Notes and accounts receivable-trade	858.0	802.3	-55.7	
SBM	682.7	648.7	-34.0	Mobile handset installment sales receivables Mar 09 (487.8) >> Sep 09 (464.8) Telecom revenue receivables etc. Mar 09 (123.5) >> Sep 09 (130.7) Mobile handsets sales receivables (agents) Mar 09 (66.4) >> Sep 09 (48.5)
Others	175.3	153.6	-21.6	SBB: Mar 09 (68.8) >> Sep 09 (56.4) SBTM: Mar 09 (54.5) >> Sep 09 (45.8)
Merchandise and finished products	42.3	40.7	-1.5	
SBM	32.3	29.6	-2.6	
Other	10.0	11.1	1.1	
Deferred tax assets	93.0	66.2	-26.7	
SBM	42.5	44.8	2.3	
Others	50.5	21.4	-29.0	BBM: utilization of loss carryforwards etc. (-31.4) SBB: utilization of loss carryforwards etc. (-7.6)
Other	117.7	119.0	1.2	
SBM	52.3	53.4	1.1	
Others	65.4	65.5	0.1	
Allowance for doubtful accounts	-48.8	-44.8	3.9	
SBM	-41.1	-38.4	2.6	
Others	-7.7	-6.4	1.2	



# Consolidated B/S (2) Tangible Assets

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Assets	Mar 2009	Sep 2009	Variance	Outline
Fixed assets	2,865.0	2,785.3	-79.6	
SBM	1,953.9	1,896.4	-57.5	
Others	911.0	888.9	-22.0	
Property and equipment, net	1,000.9	968.7	-32.1	
SBM	697.1	677.4	-19.6	
Others	303.8	291.3	-12.5	
Building and structures	71.5	70.9	-0.6	
SBM	29.4	28.2	-1.1	
Others	42.1	42.6	0.5	
Telecommunications equipment	738.9	719.7	-19.2	
SBM	604.0	590.7	-13.3	Acquisition of telecommunications equipment (+36.7), acquisition of antenna equipment (+4.1), depreciation etc. (-54.2)
Others	134.8	128.9	-5.8	SBTM: Mar 09 (102.4) >> Sep 09 (98.8) SBB: Mar 09 (27.7) >> Sep 09 (24.5)
Telecommunications service lines	79.6	76.1	-3.5	
SBM	8.9	8.6	-0.3	
Others	70.6	67.5	-3.1	SBTM: Mar 09 (70.6) >> Sep 09 (67.5)
Land	22.5	22.5	-0.0	
SBM	10.8	10.8	0.0	
Others	11.7	11.7	-0.0	
Construction in progress	37.4	30.8	-6.6	
SBM	17.3	15.6	-1.7	
Others	20.1	15.2	-4.8	SBTM: Mar 09 (14.0) >> Sep 09 (12.1)
Other	50.7	48.5	-2.2	
SBM	26.4	23.3	-3.0	
Others	24.2	25.1	0.8	

# Consolidated B/S (3) Intangible Assets

<bn JPY>

Assets	Mar 2009	Sep 2009	Variance	Outline
Fixed assets				
Intangible assets, net	1,222.1	1,184.0	-38.0	
SBM	1,077.4	1,049.1	-28.3	
Others	144.6	134.8	-9.7	
Goodwill	956.7	925.3	-31.4	
SBM	878.5	852.8	-25.7	Decrease due to regular amortization
Others	78.1	72.4	-5.7	Decrease due to regular amortization
Software	226.1	219.9	-6.1	
SBM	189.7	184.6	-5.1	
Others	36.3	35.3	-0.9	
Other	39.2	38.7	-0.4	
SBM	9.1	11.7	2.5	
Others	30.0	27.0	-3.0	
Investments and other assets	641.9	632.5	-9.4	
SBM	179.3	169.7	-9.5	
Others	462.6	462.7	0.1	
Investment securities and Investment In unconsolidated sub & affiliates	320.1	341.4	21.3	
SBM	1.7	2.0	0.3	
Others	318.3	339.4	21.0	Increase in share price of Yahoo! Inc. (+18.4)
Deferred tax assets	158.2	149.4	-8.7	
SBM	128.5	121.9	-6.6	
Others	29.6	27.5	-2.1	
Other	200.7	170.3	-30.3	
SBM	81.0	69.6	-11.3	
Others	119.7	100.7	-19.0	SBH: derivative assets (-20.3)
Allowance for doubtful accounts (long-term)	-37.1	-28.7	8.3	
SBM	-31.9	-23.8	8.1	
Others	-5.1	-4.8	0.2	
Deferred charges	1.3	2.3	0.9	
SBM	-	-	-	
Others	1.3	2.3	0.9	

SBM: SOFTBANK MOBILE SBH: SOFTBANK Holdings Inc.

# Consolidated B/S (4) Current Liabilities

<bn JPY>

Liabilities	Mar 2009	Sep 2009	Variance	Outline
Current liabilities	1,349.5	1,241.0	-108.5	
SBM	674.8	676.4	1.5	
Others	674.7	564.5	-110.1	
Accounts payable-trade	160.3	158.0	-2.2	
SBM	100.5	106.6	6.1	
Others	59.8	51.4	-8.4	SBB: Mar 09 (38.3) >> Sep 09 (31.8) SBTM: Mar 09 (5.5) >> Sep 09 (3.1)
Short-term borrowings	575.5	390.4	-185.0	
SBM	185.7	184.6	-1.1	Mainly securitization of installment sales receivables
Others	389.7	205.8	-183.9	SB stand-alone: Mar 09 (336.0) >> Sep 09 (175.5) credit line facility repaid (-160.0) SBTM: Mar 09 (20.9) >> Sep 09 (0.9) Yahoo Japan: Mar 09 (20.0) >> Sep 09 (20.0)
Current portion of corporate bonds	64.0	118.4	54.4	
SBM	—	—	—	
Others	64.0	118.4	54.4	SB stand-alone: transfer from long-term account of 22 <sup>nd</sup> , 24 <sup>th</sup> Unsecured Straight Corporate Bond (+54.4)
Accounts payable-other	352.1	337.9	-14.1	
SBM	268.8	258.1	-10.6	Additional entrustment for debt assumption of bonds transfer from long-term (+75.0), decrease in payables for equipment (-84.8)
Others	83.3	79.8	-3.4	
Current portion of lease obligations	88.2	99.4	11.2	
SBM	86.7	94.3	7.5	Transfer from long-term (+50.9), lease fees paid (-43.4)
Others	1.5	5.1	3.6	
Others	109.2	136.6	27.3	
SBM	33.1	32.7	-0.3	
Others	76.1	103.8	27.6	Yahoo Japan income taxes payable etc (+28.5)

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

<bn JPY>

Liabilities	Mar 2009	Sep 2009	Variance	Outline
Long-term liabilities	2,212.2	2,193.7	-18.5	
SBM	1,672.2	1,518.7	-153.5	
Others	540.0	675.0	135.0	
Corporate bonds	324.5	418.5	93.9	
SBM	-	-	-	
Others	324.5	418.5	93.9	SB stand-alone: 27 <sup>th</sup> , 28 <sup>th</sup> , 29 <sup>th</sup> Unsecured Straight Corporate Bond issue (+155.0) Transfer to current account of 22 <sup>nd</sup> ,24 <sup>th</sup> series unsecured bonds (-54.4)
Long-term debt	1,436.2	1,417.9	-18.3	
SBM	1,305.7	1,240.6	-65.0	SBM loan related Mar 09 (1,184.8) >> Sep 09 (1,118.9) Vodafone subordinated loan Mar 09 (84.5) >> Sep 09 (84.5) Installment sales receivables securitization borrowings Mar 09 (36.2) >> Sep 09 (37.1)
Others	130.5	177.2	46.6	SB stand-alone: Mar 09 (5.0) >> Sep 09 (72.6) Yahoo Japan: Mar 09 (10.0) >> Sep 09 (-)
Deferred tax liabilities	28.7	28.5	-0.2	
SBM	-	-	-	
Others	28.7	28.5	-0.2	
Allowance for point mileage	41.8	42.7	0.9	
SBM	41.8	42.7	0.9	Point service for customers
Others	-	-	-	
Lease obligations	233.3	216.8	-16.4	
SBM	227.6	209.5	-18.0	Newly procured (+32.9), transferred to short-term (-50.9)
Others	5.6	7.2	1.6	
Other	147.5	69.1	-78.3	
SBM	97.0	25.7	-71.3	Additional entrustment for debt assumption of bonds transferred to Accounts payable-other (-75.0)
Others	50.4	43.4	-7.0	

# Consolidated B/S (6) Equity

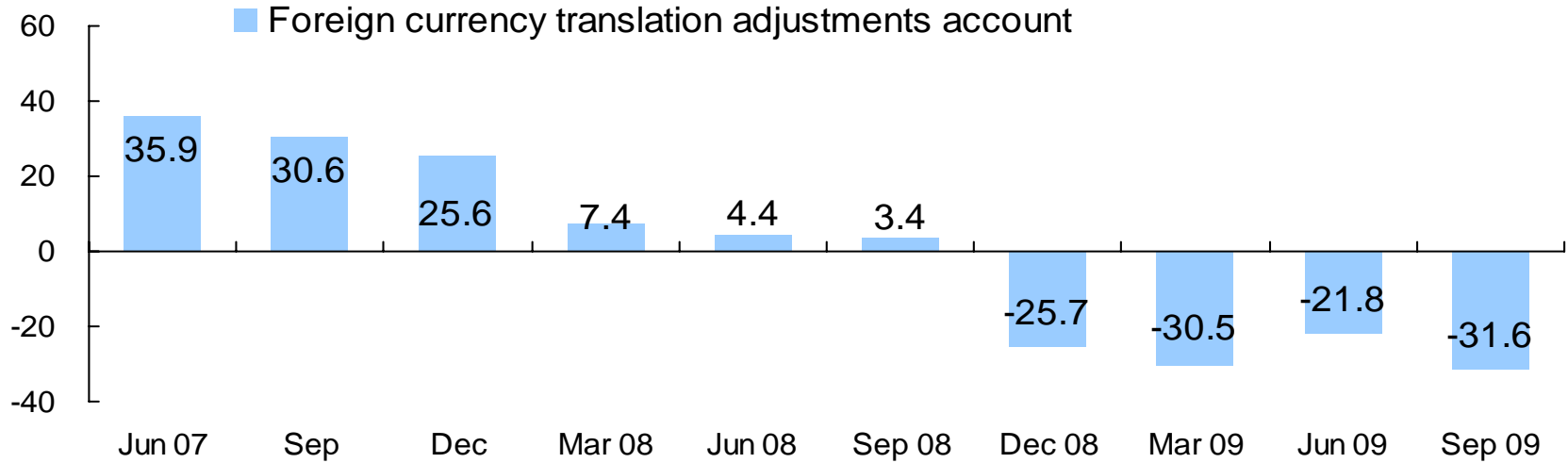
<bn JPY>

Equity	Mar 2009	Sep 2009	Variance	Outline
Equity	824.7	912.3	87.5	
Shareholders' equity	348.1	417.9	69.7	
Common stock	187.6	188.7	1.0	
Additional paid-in capital	211.9	212.2	0.2	
Accumulated deficit/retained earnings	-51.2	17.1	68.4	FY2009/Q2 net income (+70.7), dividend (-2.7)
Treasury stock	-0.2	-0.2	0.0	
Valuation and translation adjustments	25.8	25.2	-0.6	
Unrealized gain on available-for-sale securities	31.3	44.2	12.9	Increase in share price of Yahoo! Inc. etc
Deferred gain on derivatives under hedge accounting	25.1	12.6	-12.4	
Foreign currency translation adjustments	-30.5	-31.6	-1.0	
Stock acquisition rights	0.2	0.3	-0.0	
Minority interests	450.4	468.7	18.3	BBM: Sep 09 (300.0) Note: Issued preferred stock to Vodafone International Holdings B.V. Yahoo Japan: Mar 09 (132.2) >> Sep (149.4)

BBM: BB Mobile

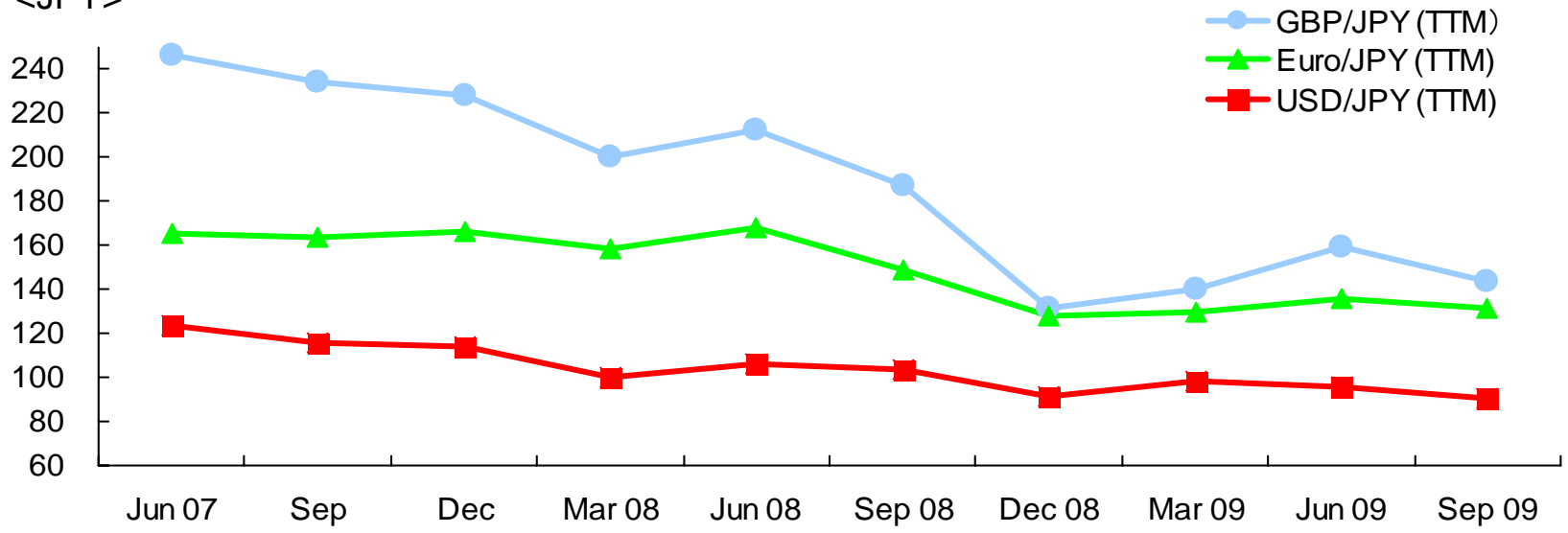
# [Equity] Foreign Currency Translation Adjustments

<bn JPY>



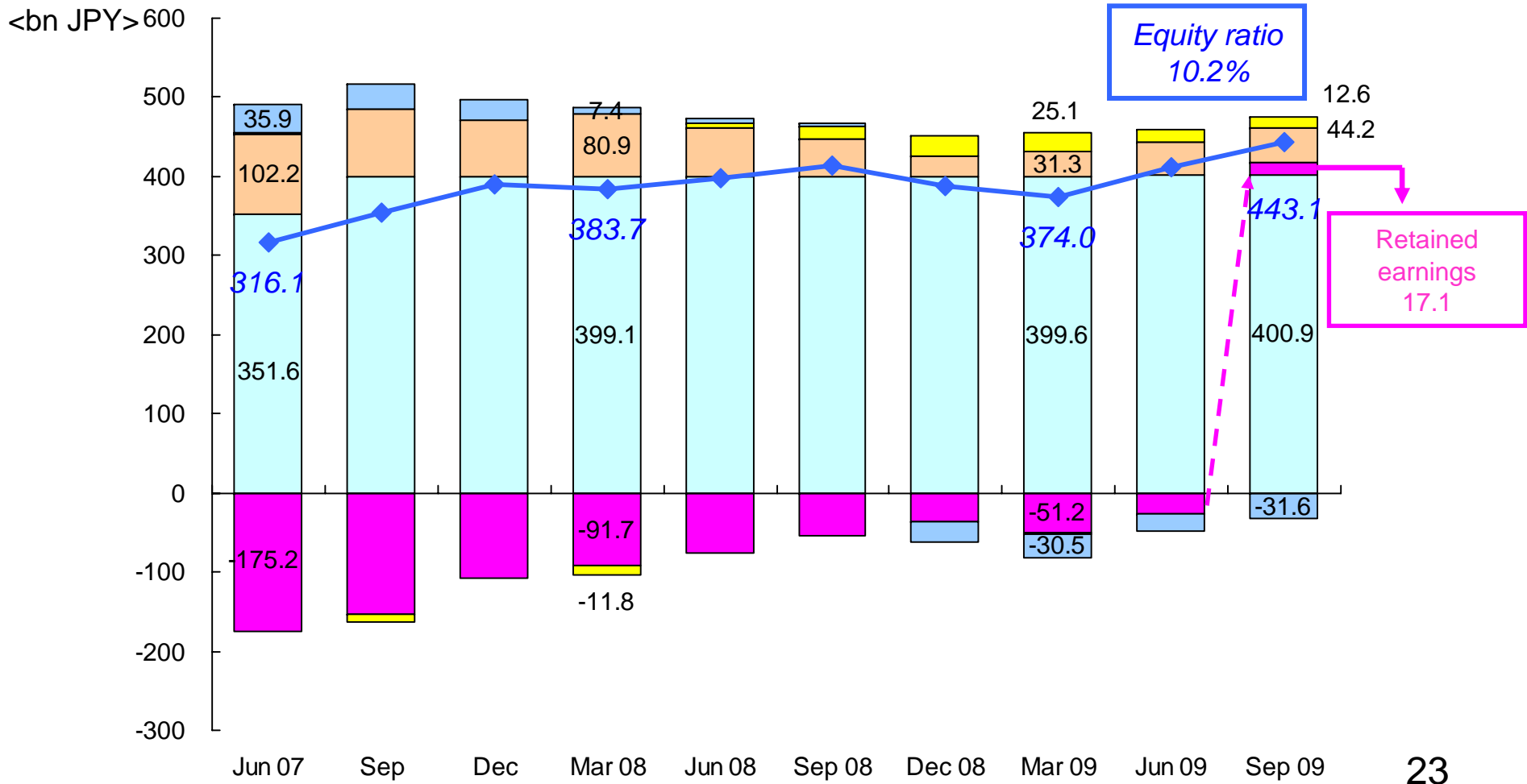
<JPY>

<Ref> Main exchange rate trend



# [Equity] Shareholders' Equity

- Common stock & additional paid-in capital\*
  - Treasury stock
  - Deferred gain (loss) on derivatives under hedge accounting
  - Shareholders' equity
  - Accumulated deficit/retained earnings
  - Unrealized gain on available-for-sale securities
  - Foreign currency translation adjustments
- \*Including cash receipts for new stock subscriptions



## Consolidated CF Analysis



# Consolidated Cash Flow Main Breakdown

<bn JPY>

Sep 09

573.4

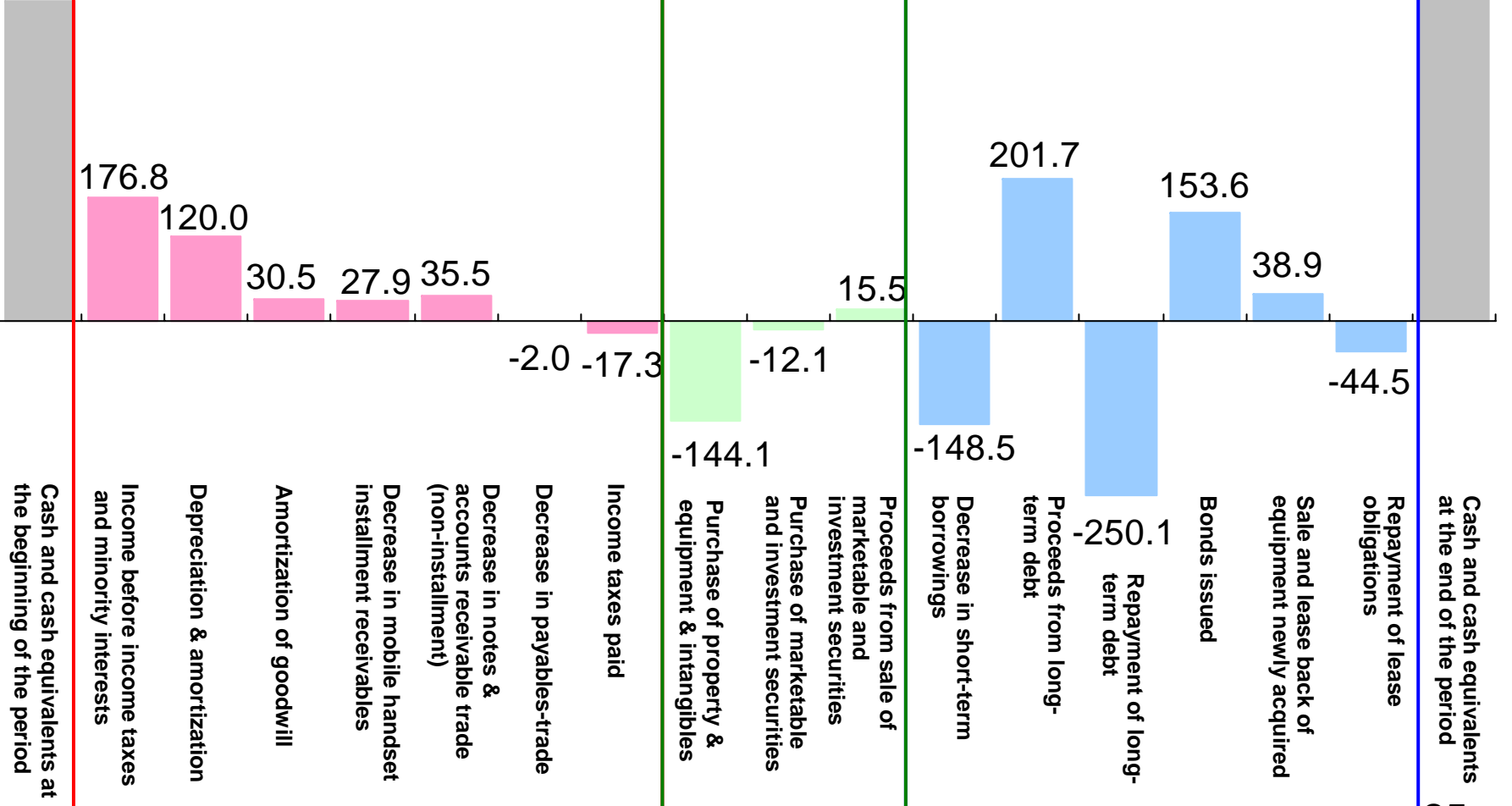
Mar 09

457.6

**Operating CF**  
**+315.3**

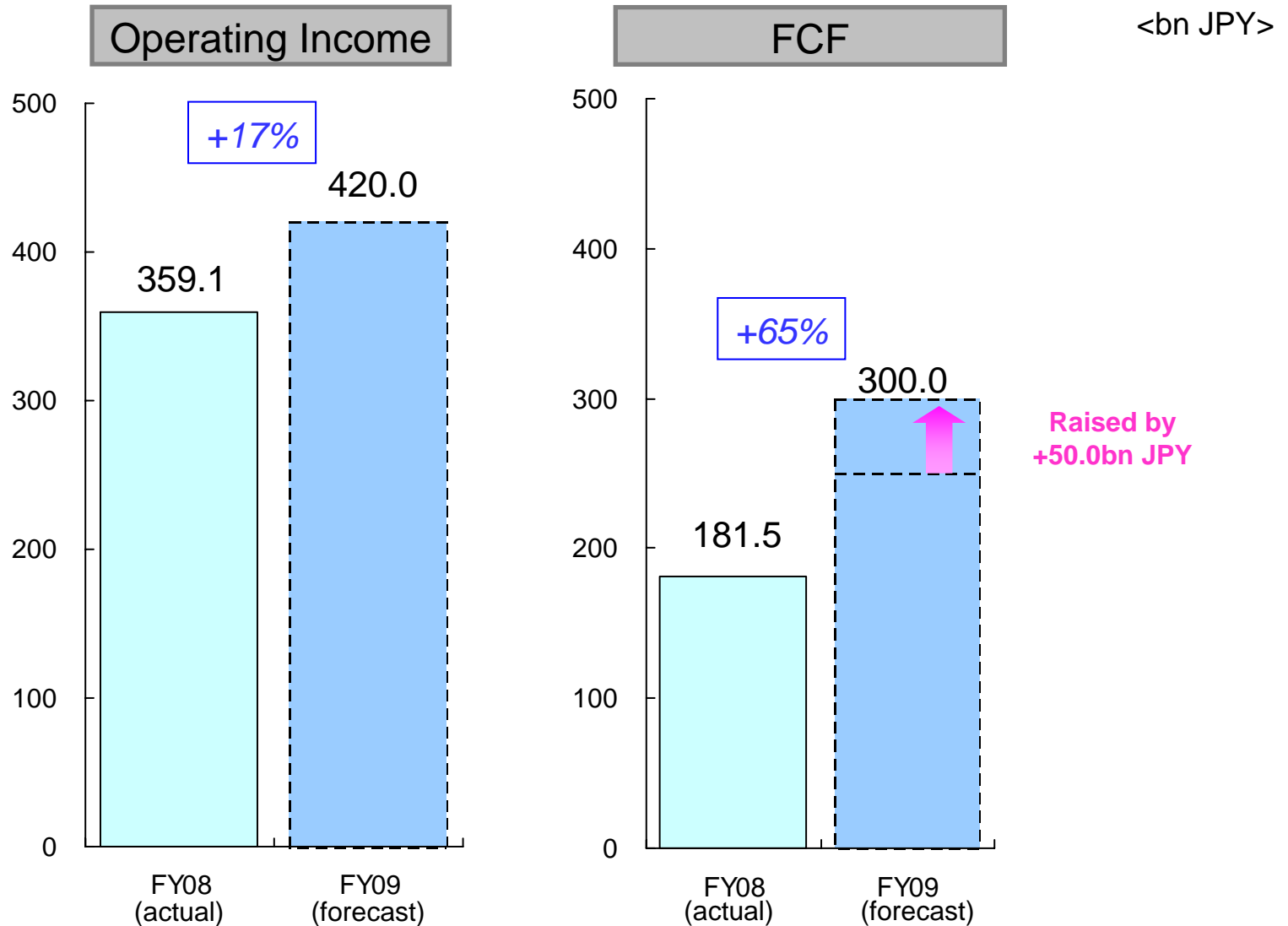
**Investing CF**  
**-138.2**

**Financing CF**  
**-59.0**



Note: Significant items from the consolidated cash flow statement are shown here.

# Consolidated Earnings Forecast



Note: Free Cash Flow (FCF) = cash flows from operating activities + cash flows from investing activities

# Scope of Consolidation/Scope of Equity Method

		Number of Companies	Name of 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 (3=1+2)		66	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		58	Gung Ho Online Entertainment, MySpace Japan, Alibaba Group Holding Limited, etc.
	Entities newly accounted under the equity method	0	
	Entities no longer accounted under the equity method	12	
Non-consolidated subsidiaries not under the equity method (2)		61	Insignificant companies
Affiliated companies not under the equity method (4)		25	Insignificant companies

Net loss, interest-bearing debt at non-consolidated subsidiaries and affiliates not accounted for under the equity method			
	Number of Companies	Net Loss (after consideration of voting rights ratio)	Interest-bearing Debt (not within the SB group)
Non-consolidated subsidiaries (3)	66	-0.16	0.19
Affiliates not accounted for by the equity method (4)	25	-0.17	-

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# Finance



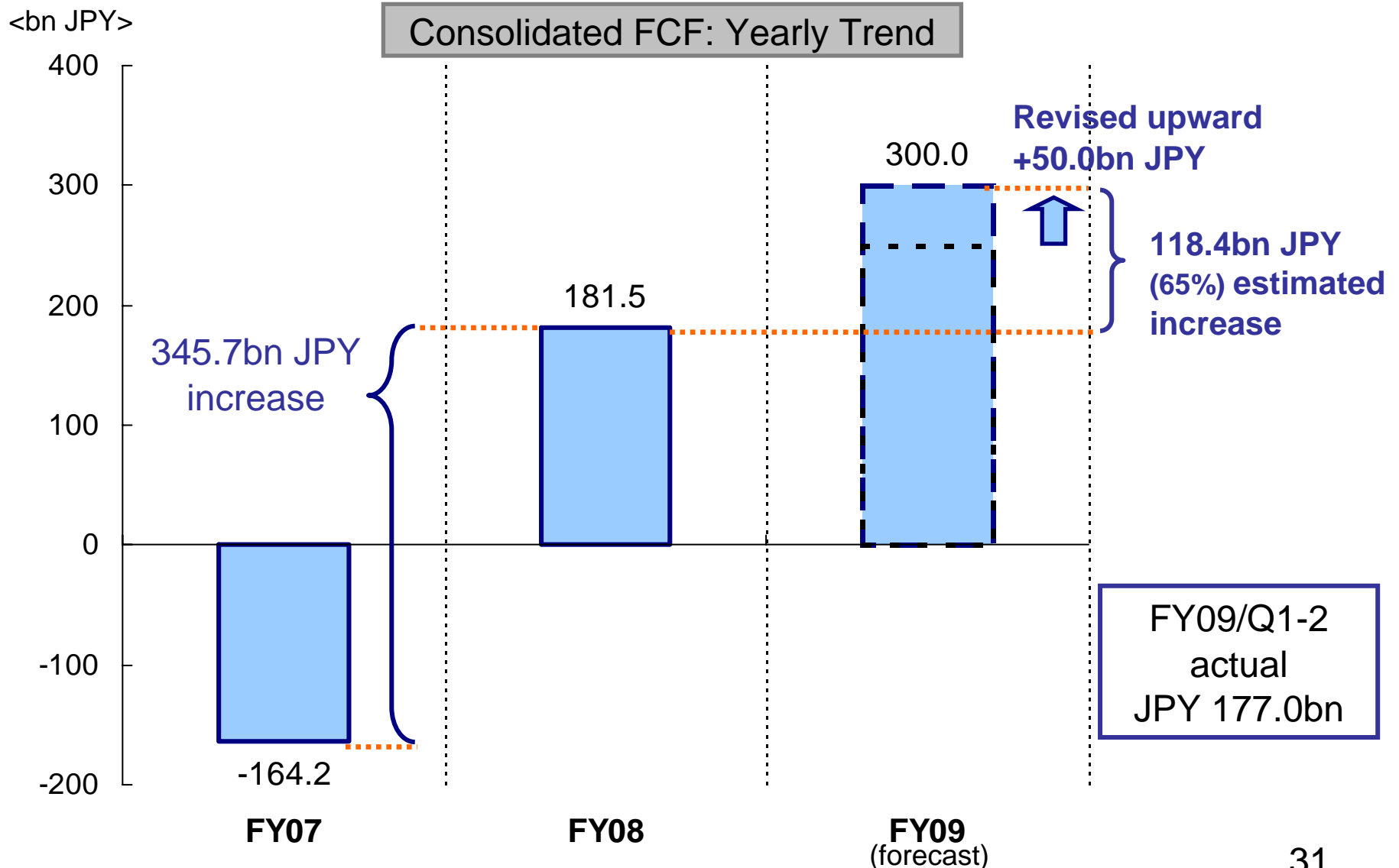
Yoshimitsu Goto  
General Manager Finance  
SOFTBANK CORP.

# Main Financial Activities of FY2009 Apr-Sep

(bn JPY)

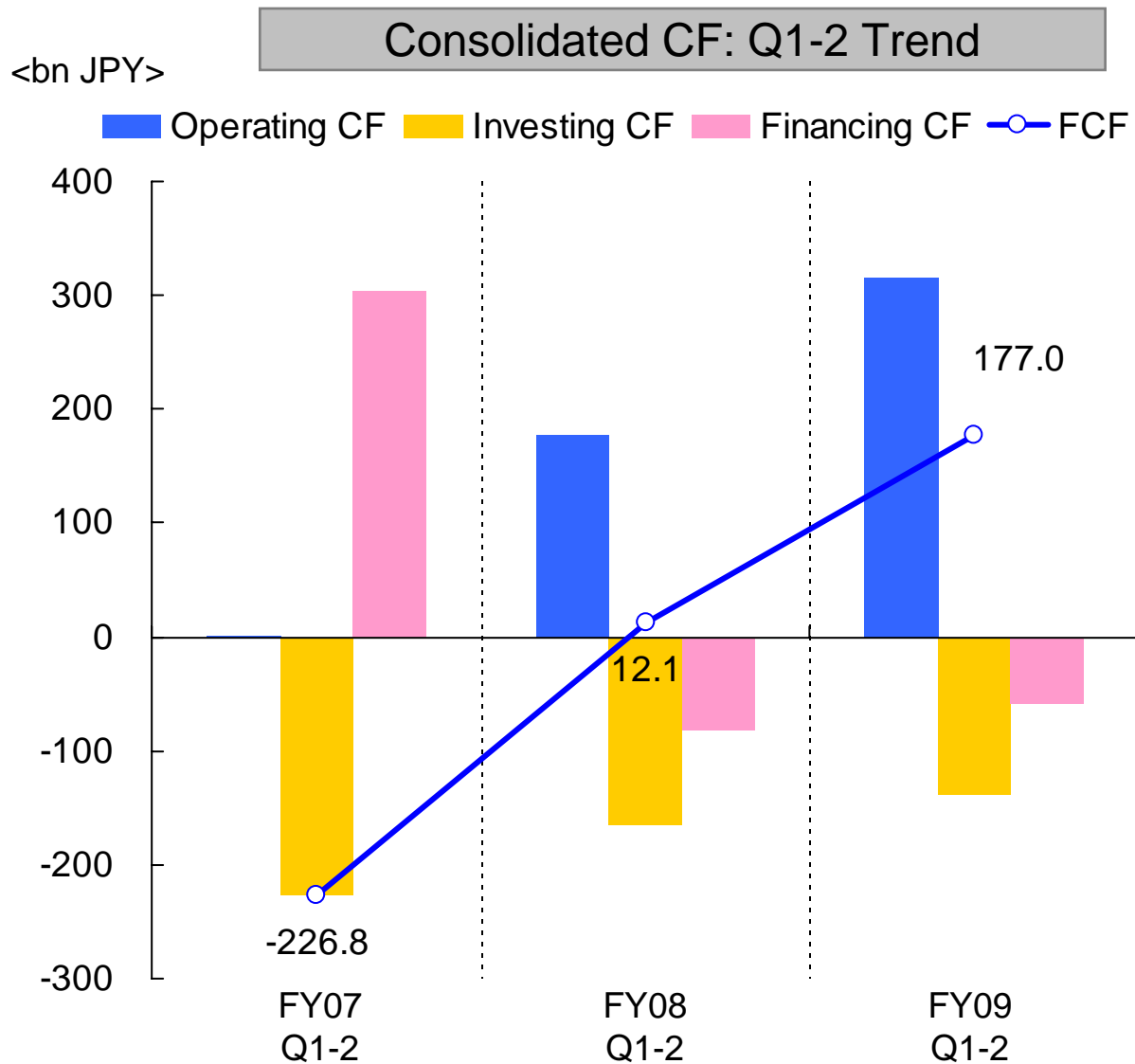
Date	Content	Amount
June 2009	Issue 27 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	60.0
June 2009	Securitization of mobile handset installment sales receivables	70.2
July 2009	Issue 28 <sup>th</sup> Unsecured Straight Corporate Bond	30.0
September 2009	Issue 29 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	65.0
September 2009	Renewal of credit line facility	235.6
September 2009	Securitization of mobile handset installment sales receivables	49.9

# FCF Actual - Forecast



Note: Free Cash Flow (FCF) = cash flows from operating activities + cash flows from investing activities

# Cash Flow Trend



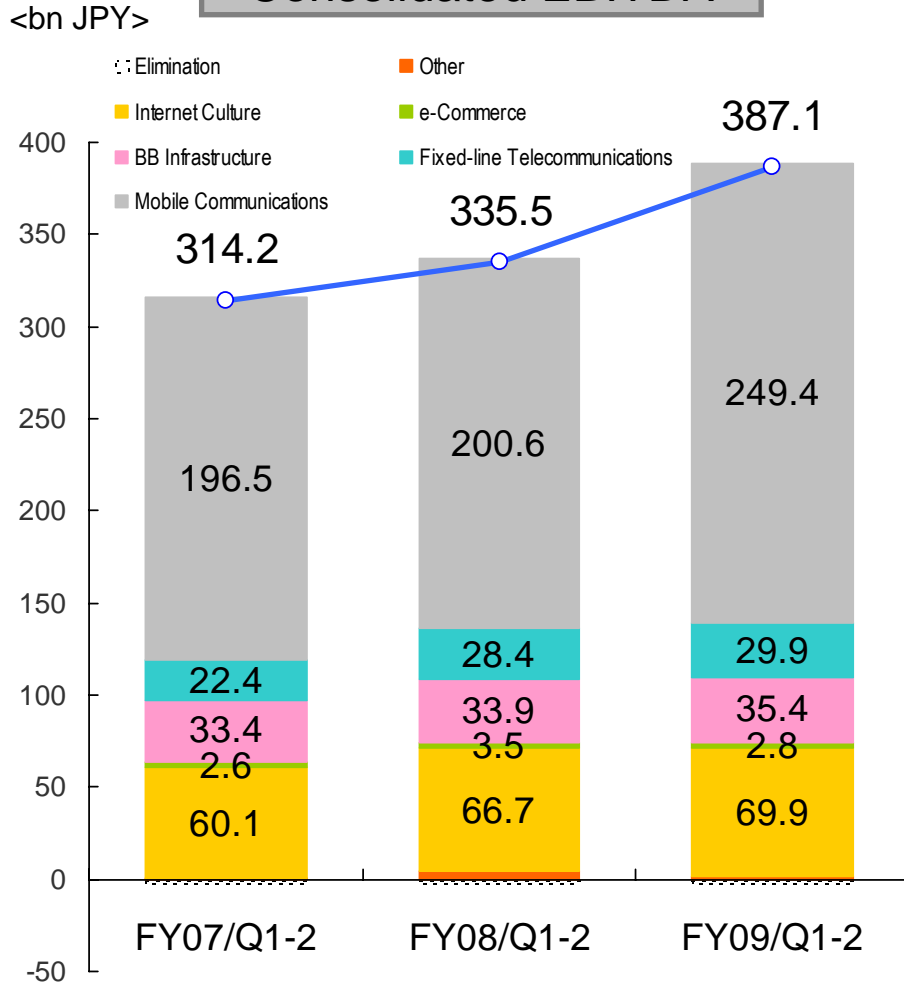
Note: Free Cash Flow (FCF) = cash flows from operating activities + cash flows from investing activities



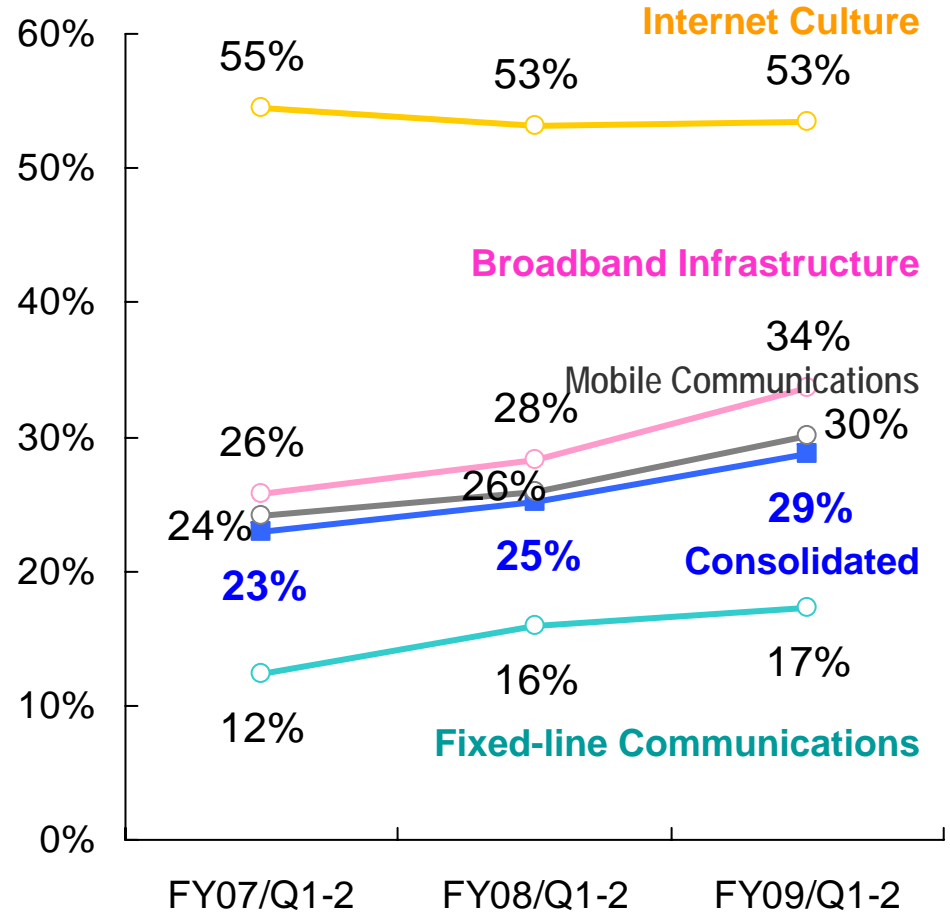
# EBITDA and EBITDA Margin (by segment)

➤ EBITDA growing steadily in each segment.

Consolidated EBITDA



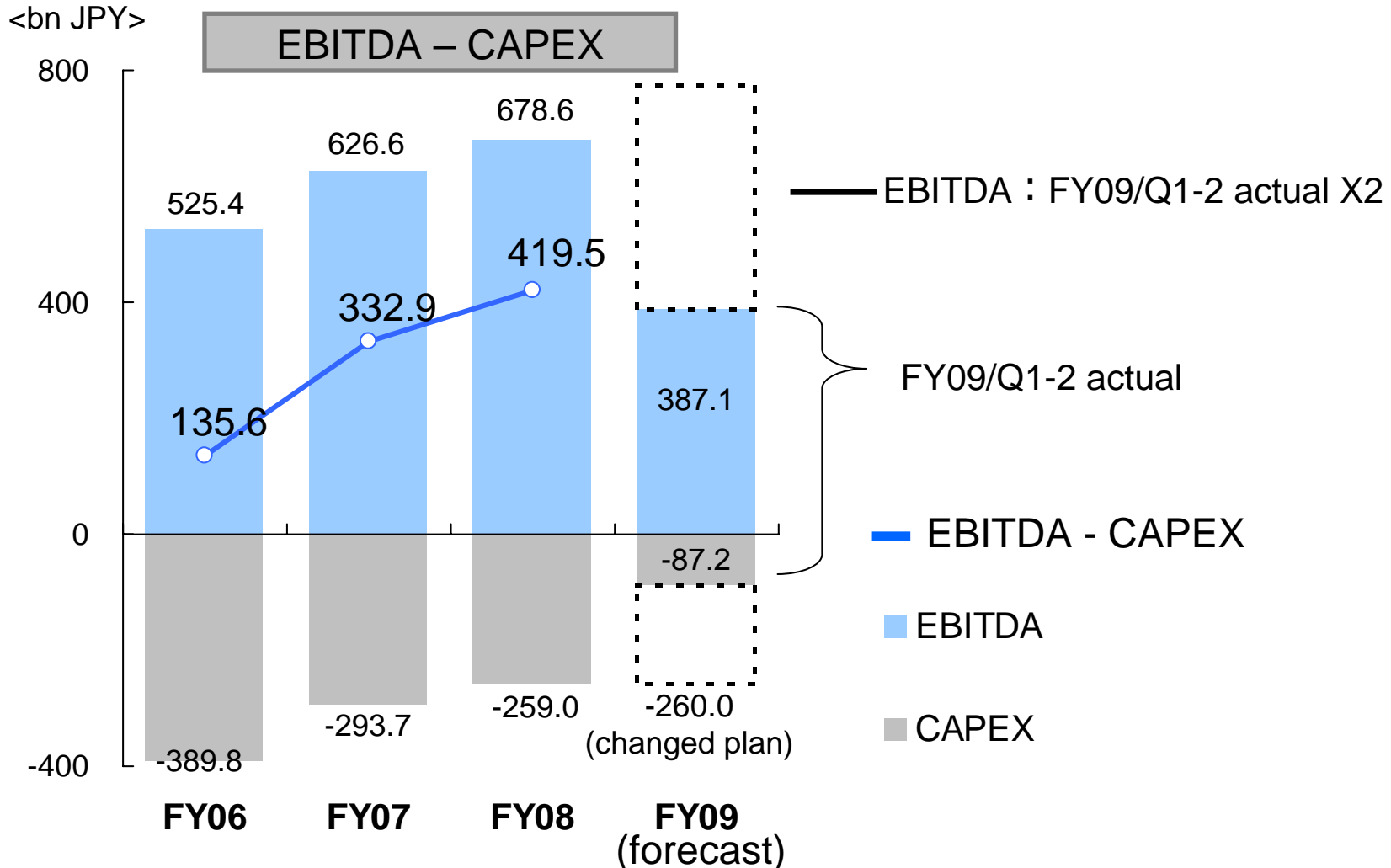
EBITDA Margin



Note: EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses

# EBITDA - CAPEX

➤ Steady increase due to expansion of EBITDA.



Note 1 : EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses

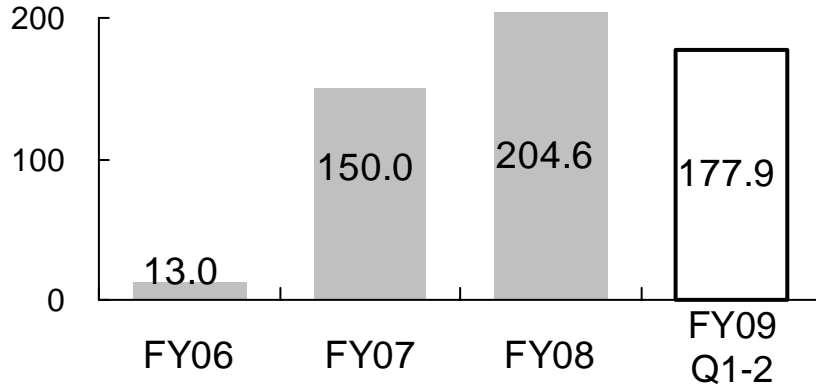
2 : CAPEX is on acquisition basis

# EBITDA – CAPEX (by main segments)

## EBITDA – CAPEX

<bn JPY>

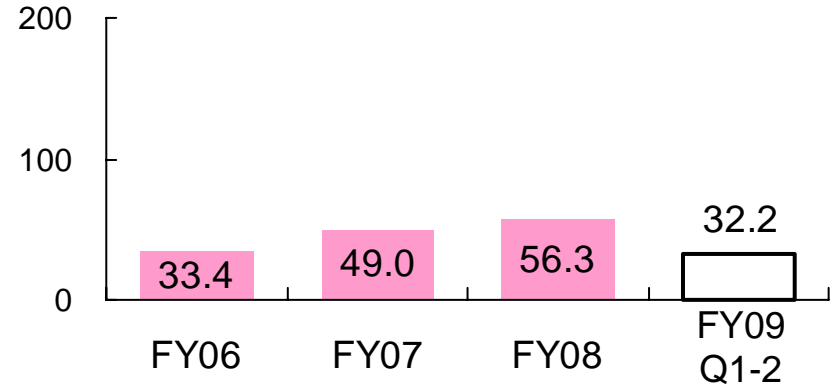
### Mobile Communications



Yearly

Interim

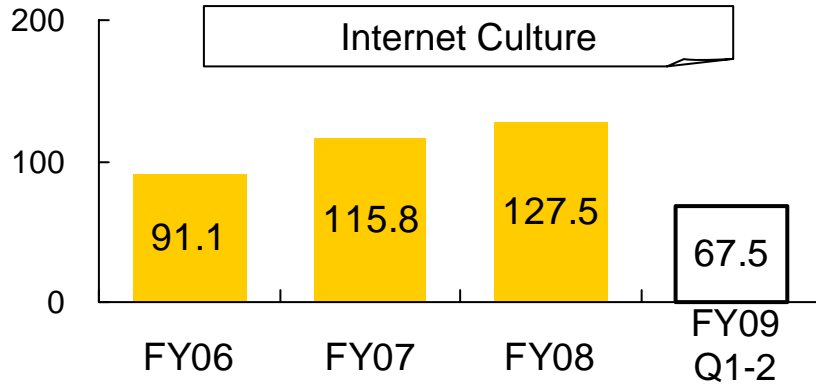
### Broadband Infrastructure



Yearly

Interim

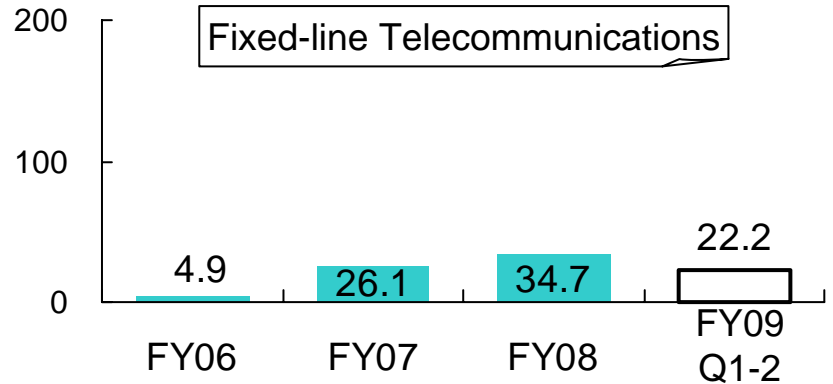
### Internet Culture



Yearly

Interim

### Fixed-line Telecommunications



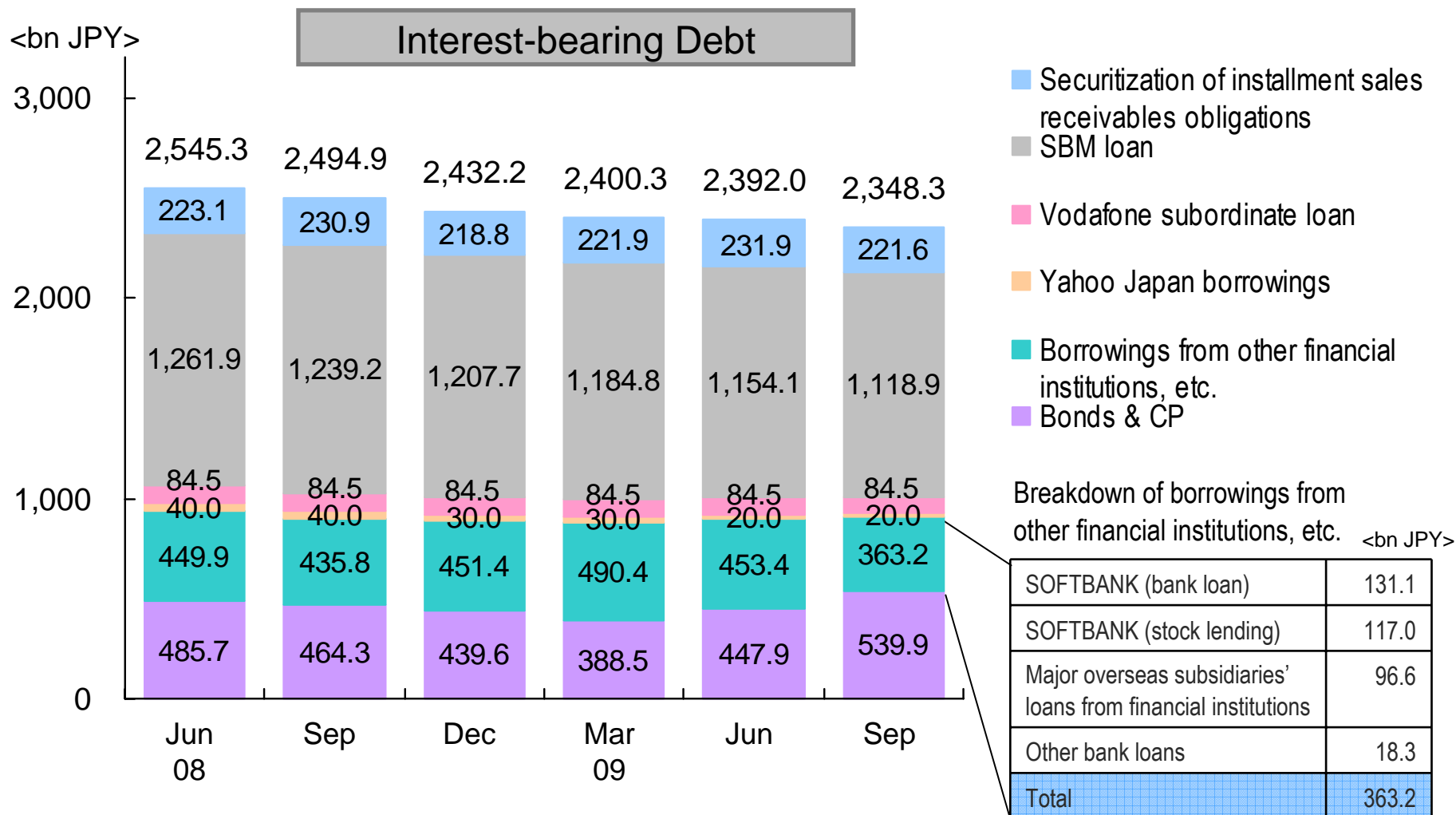
Yearly

Interim

Note 1 : EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses

2 : CAPEX is on acquisition basis

# Interest-bearing Debt (by procurement method)

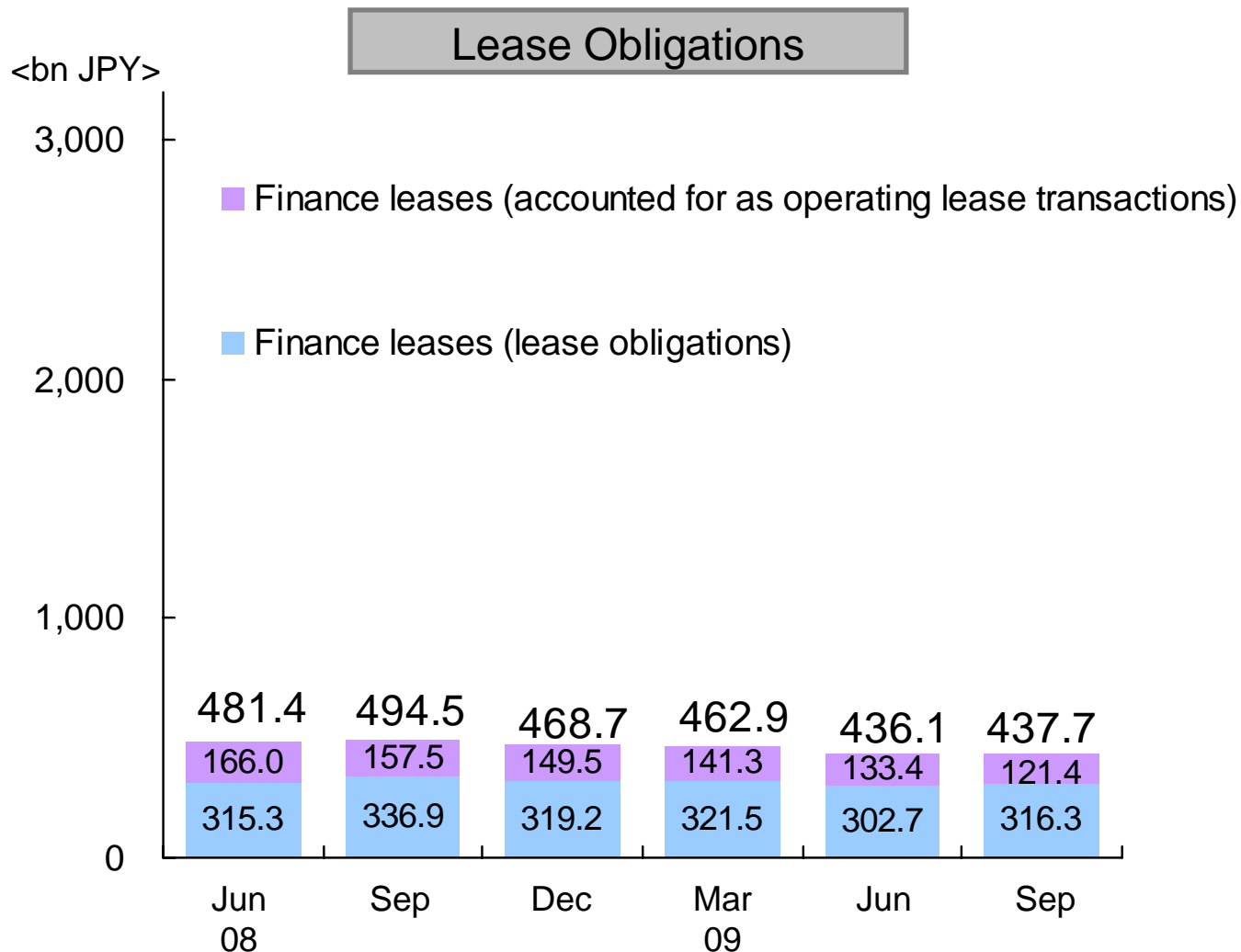


Note 1: Lease obligations are not included in interest-bearing debt.

Please refer to the next page for details on lease obligations.

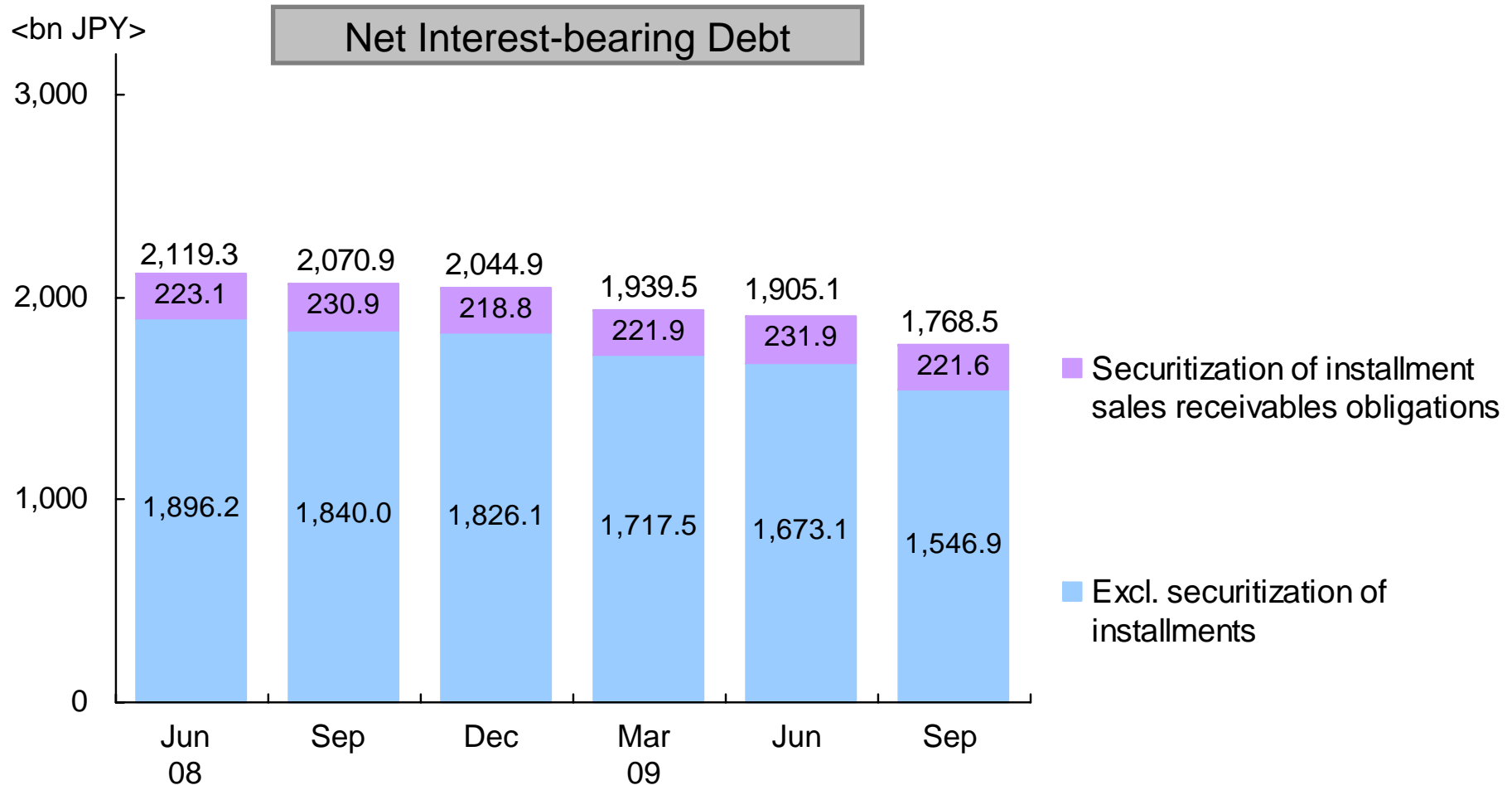
2: SBM loan : WBS borrowings balance mainly borrowed by SOFTBANK MOBILE.

# Lease Obligations



Note: Transactions before April 1 2008 are accounted for as operating lease transactions.

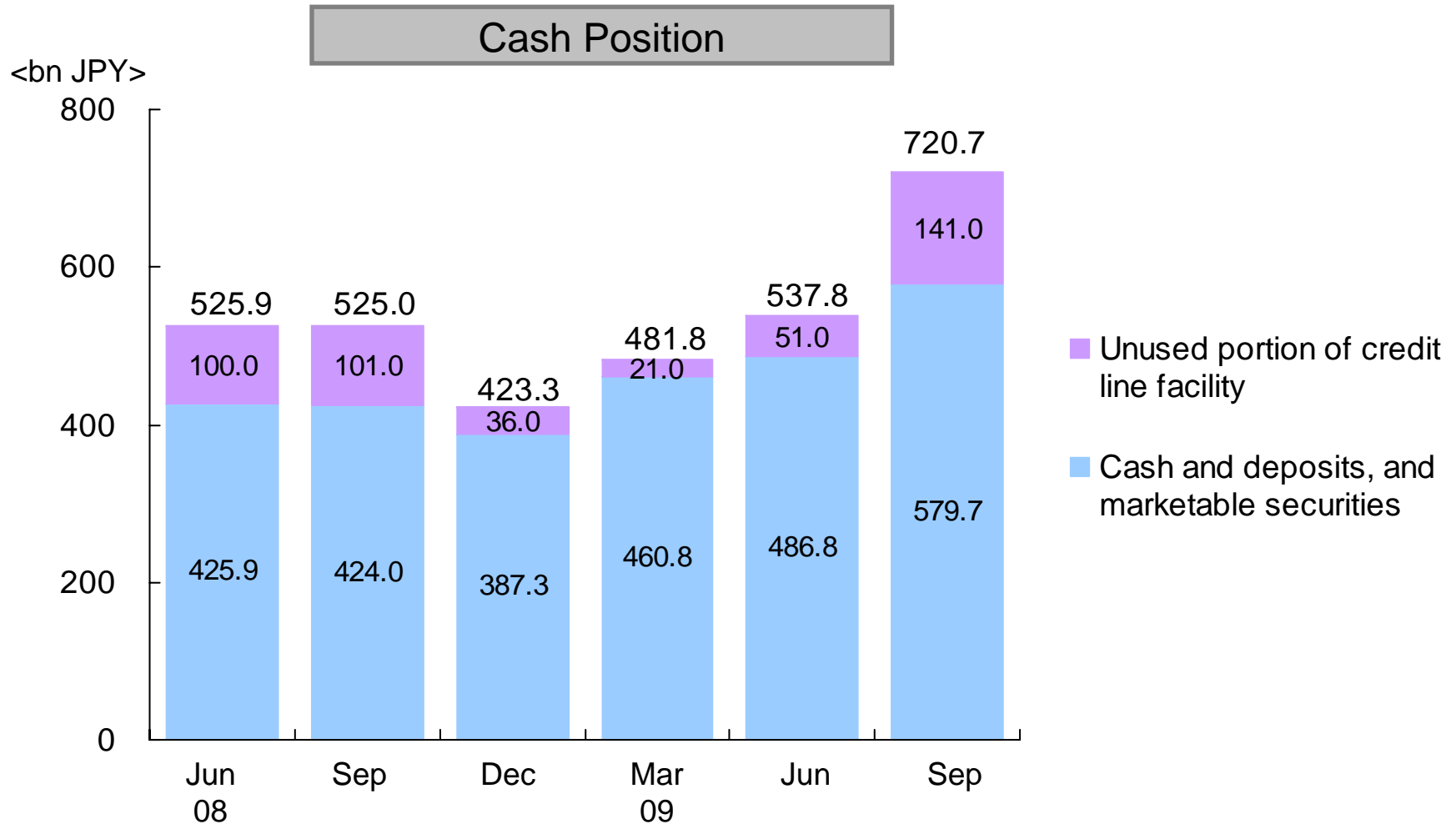
# Net Interest-bearing Debt



Note 1: Net interest-bearing debt = interest-bearing debt (not including lease obligations) – cash position

2: Cash position = cash and deposits, marketable securities

# Cash Position



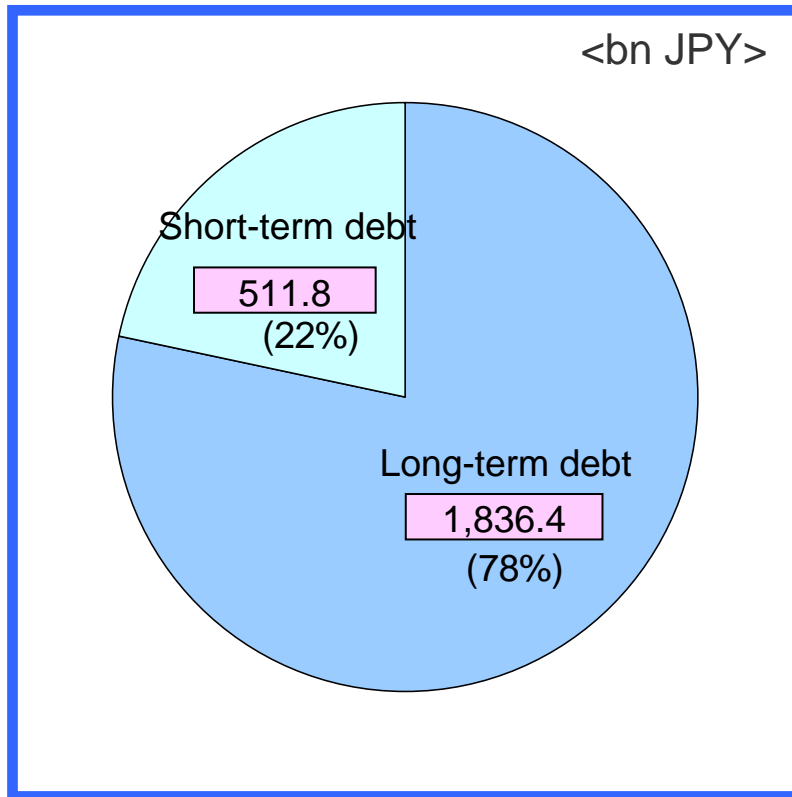
Note 1: Cash position = cash and deposits, marketable securities

2: Unused portion of credit line facility = credit line facility size - credit line borrowings

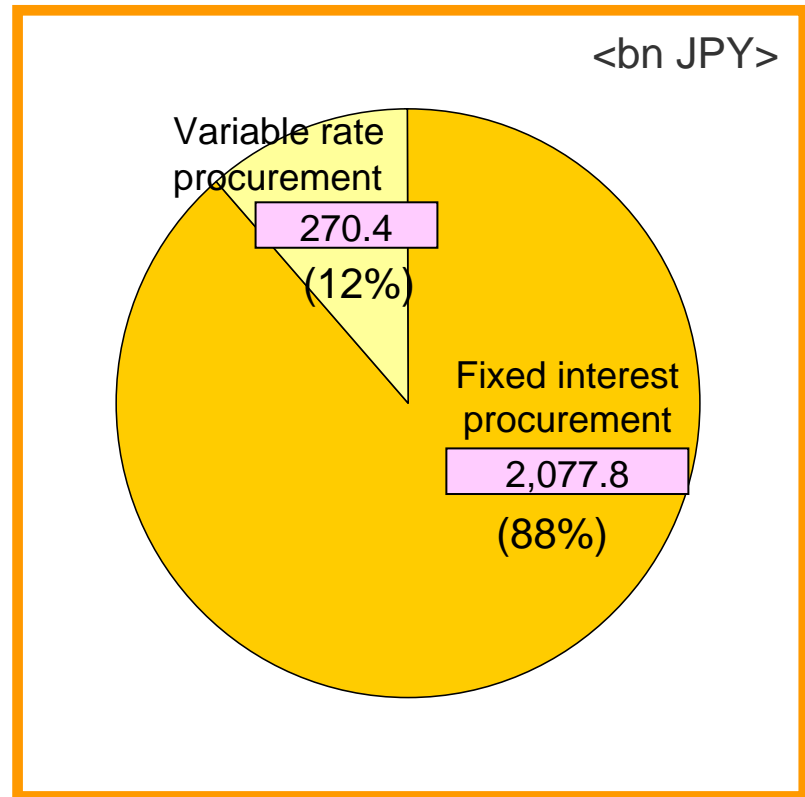
# Interest-bearing Debt

## Long/Short and Fixed/Variable Ratio (Sep 09)

Interest-bearing Debt  
Long/Short Ratio



Interest-bearing Debt  
Fixed/Variable Ratio



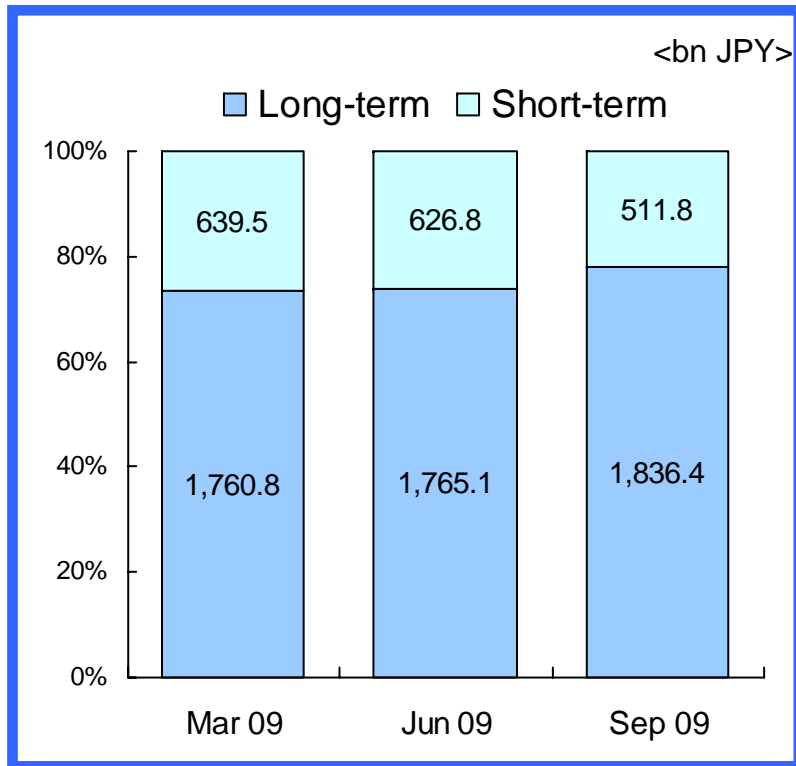
Note : Lease obligations are not included in interest-bearing debt.



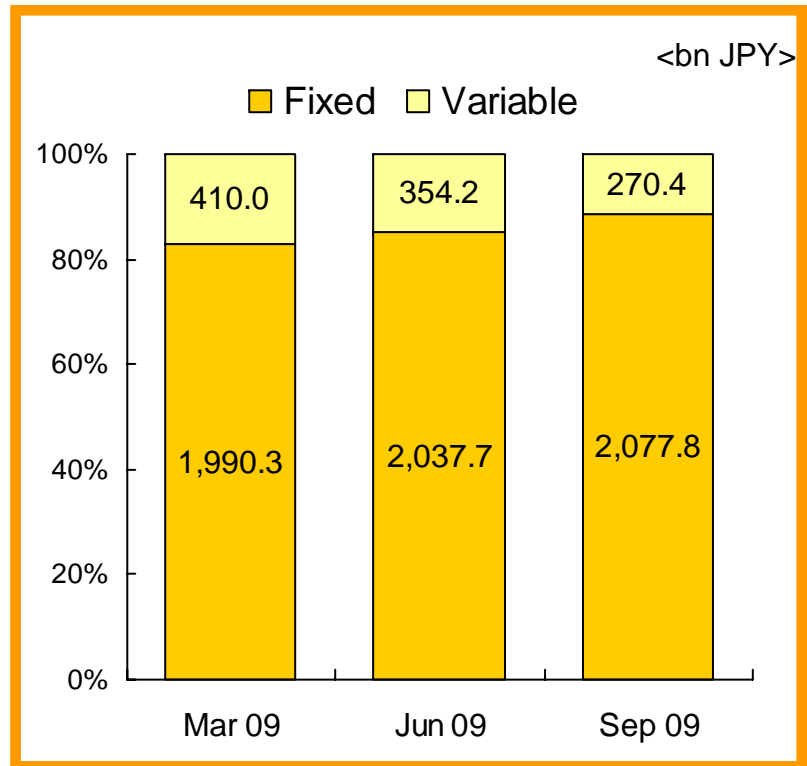
# Interest-bearing Debt

## Long/Short and Fixed/Variable Ratio Trend

Interest-bearing Debt  
Long/Short Ratio

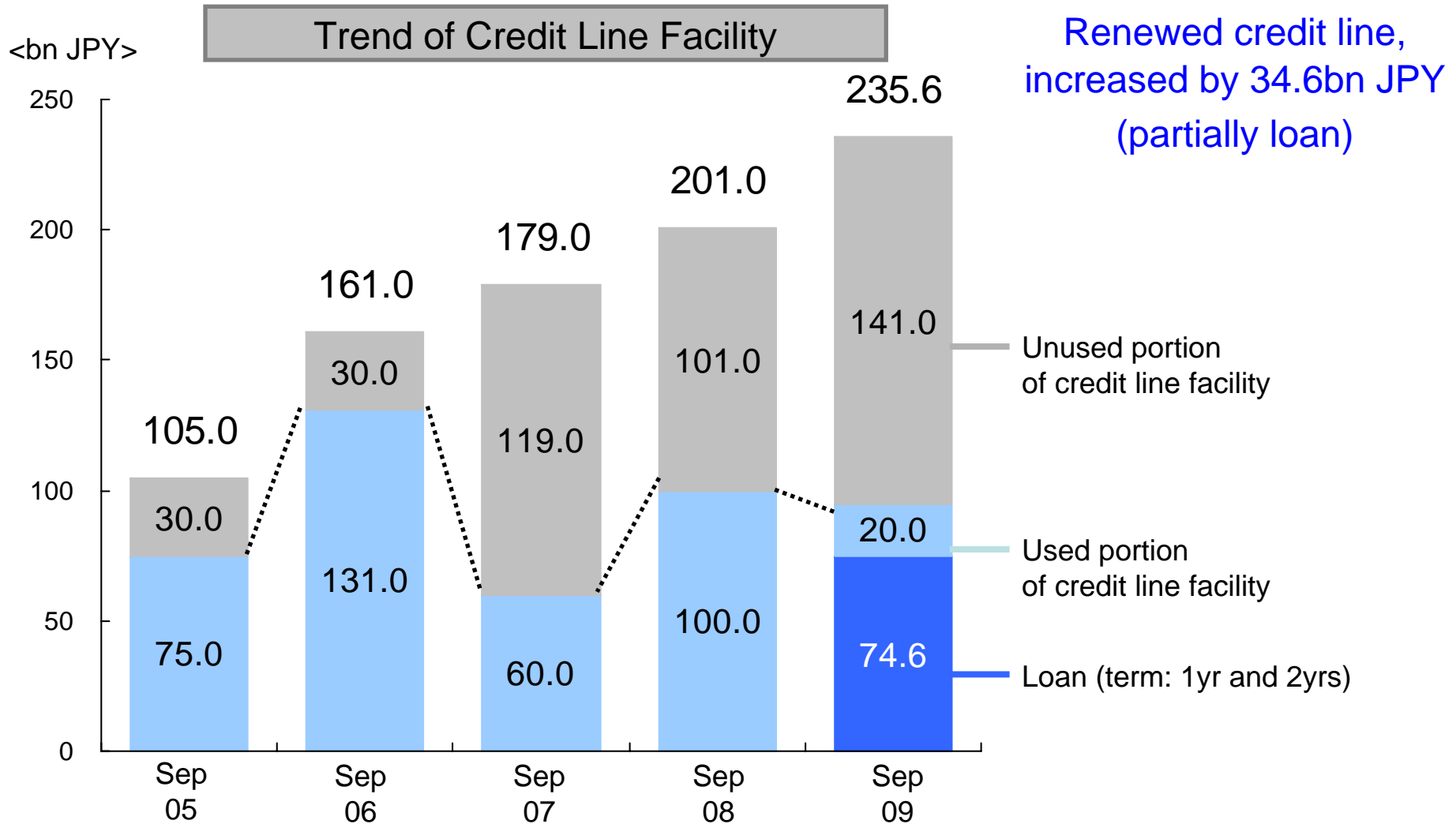


Interest-bearing Debt  
Fixed/Variable Ratio



Note : Lease obligations are not included in interest-bearing debt.

# Renewal of Credit Line Facility



Note : Unused portion of credit line facility = credit line facility size - credit line borrowings

# Issue of Corporate Bonds in FY09/Q1-2

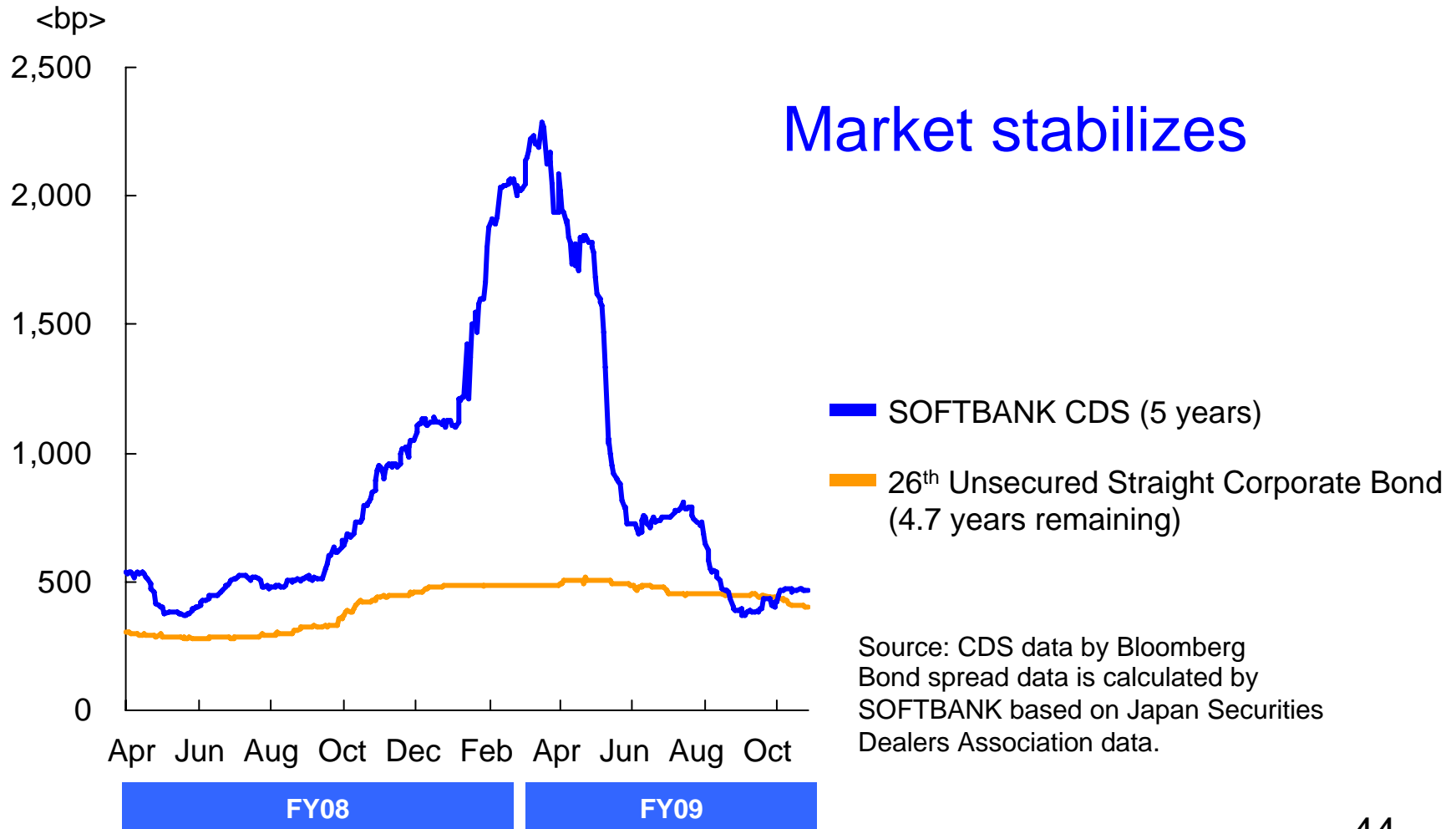
Month	Content	Amount (bn JPY)	Targeted Investors	Coupon rate	Term to maturity
June	27 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	<b>60.0</b>	Individual	5.10% p.a.	2 years
July	28 <sup>th</sup> Unsecured Straight Corporate Bond	<b>30.0</b>	Institutional	4.72% p.a.	3 years
Sep	29 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	<b>65.0</b>	Individual	4.52% p.a.	3 years

FY09/Q1-2: Procurement of 155.0bn JPY in total

- Secure long and stable financing
- No change in terms of policy of reducing net interest-bearing debt

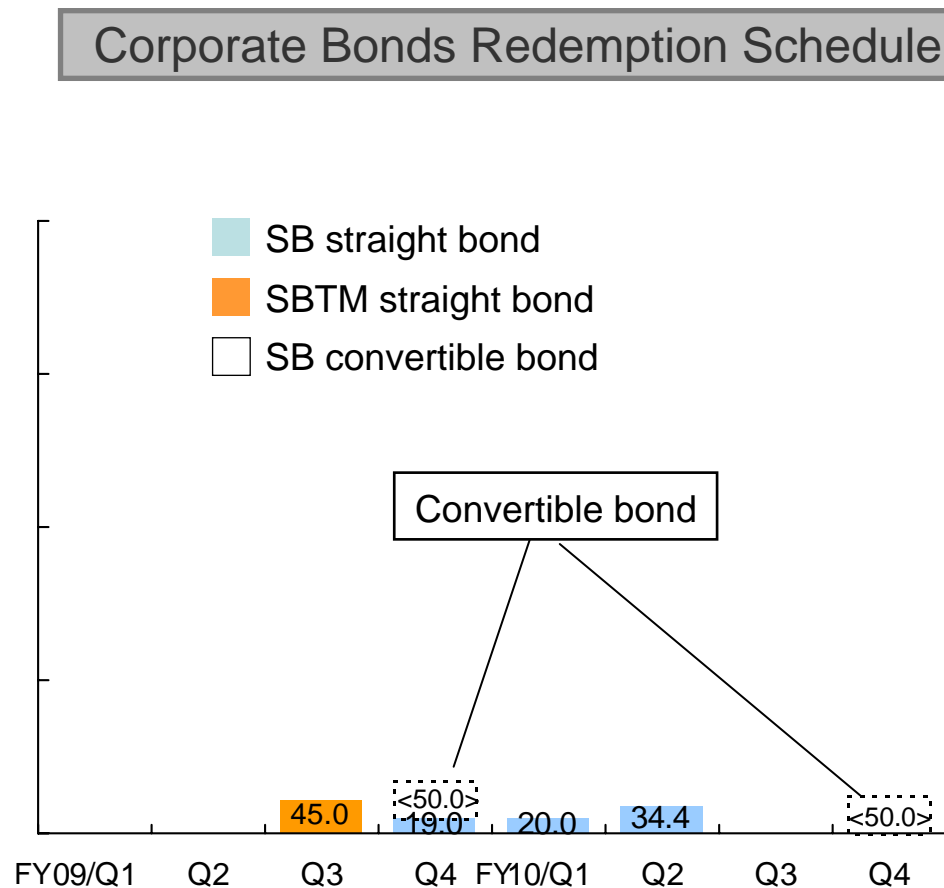
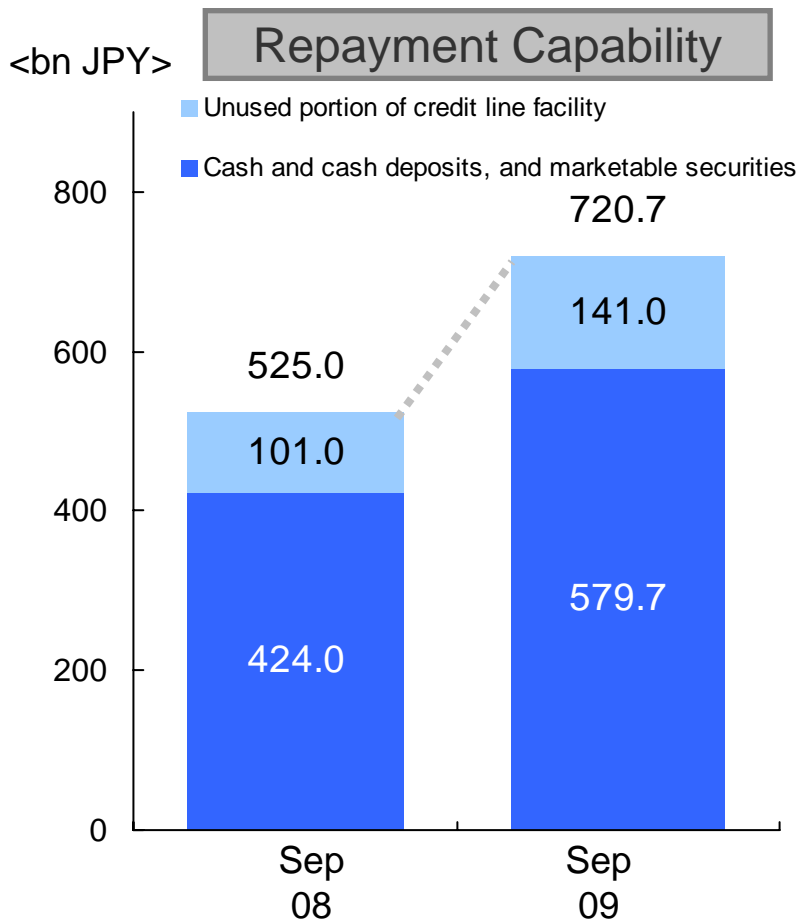
# Credit Spread

SOFTBANK CDS and Bond Spread Trend



# Bond Redemption Schedule

➤ Sustain sufficient repayment resources.



Note 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, and March 2011. The above chart assumes the case where bond holders exercise their put options.

2: Unused portion of credit line facility = credit line facility size - credit line borrowings

3: SB: SOFTBANK, SBTM: SOFTBANK TELECOM

# Corporate Bond Details

<mil JPY>

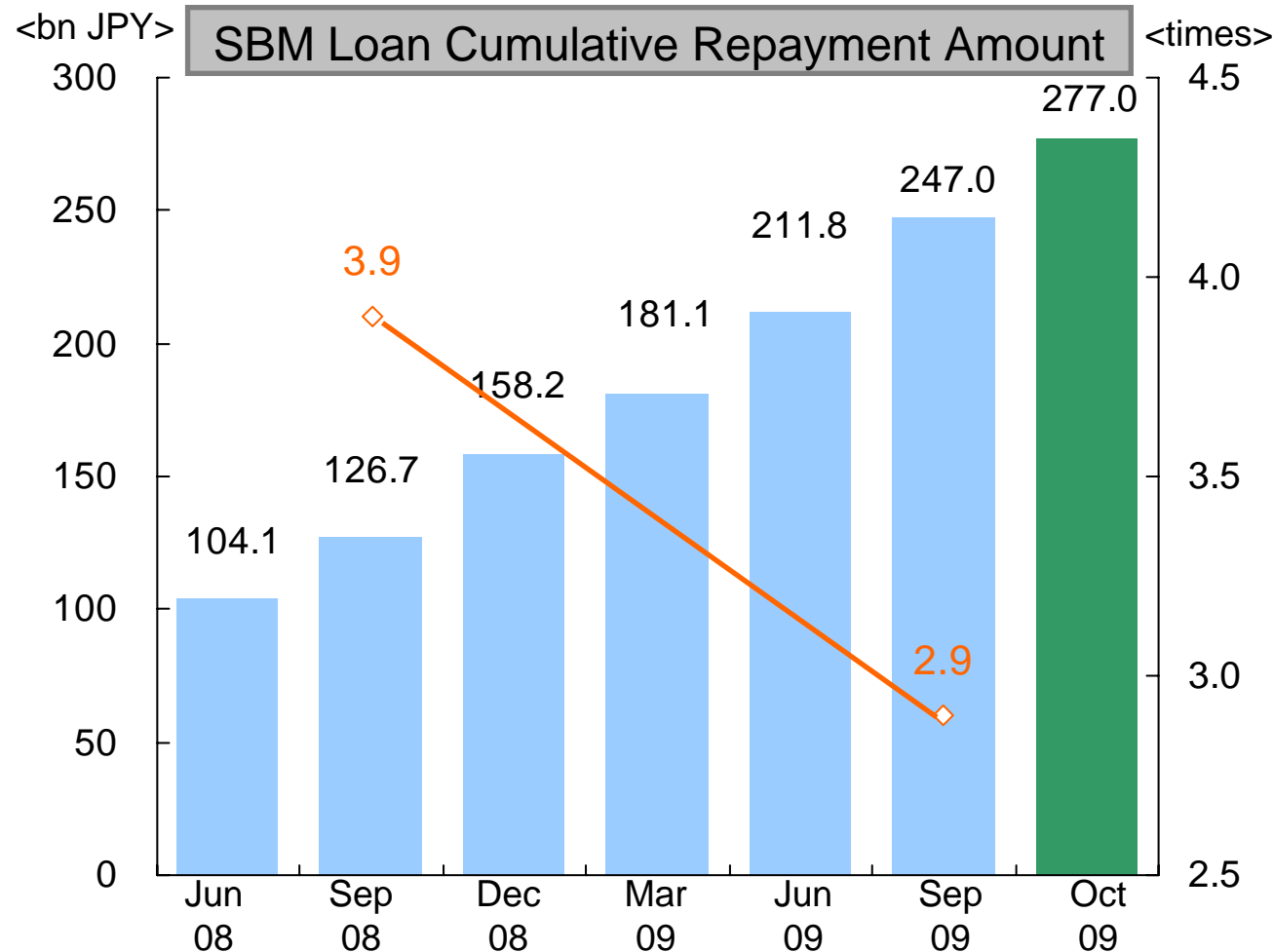
Company name	Bond	Issue date	Maturity date	Interest rate (%/year)	Collateral	Mar 09 balance	Sep 09 balance	Change
SOFTBANK CORP.	19 <sup>th</sup> series Unsecured Straight Bond	2005/1/31	2010/1/29	1.97	None	19,000	19,000	—
	24 <sup>th</sup> series Unsecured Straight Bond (3 <sup>rd</sup> Fukuoka SoftBank HAWKS bond)	2007/4/26	2010/4/26	2.72	None	20,000	20,000	—
	22 <sup>nd</sup> series Unsecured Straight Bond	2005/9/14	2010/9/14	1.98	None	36,400	34,400	-2,000
	27 <sup>th</sup> series Unsecured Straight Bond (4 <sup>th</sup> Fukuoka SoftBank HAWKS bond)	2009/6/11	2011/6/10	5.10	None	—	60,000	60,000
	25 <sup>th</sup> series Unsecured Straight Bond	2007/6/19	2011/6/17	3.39	None	53,900	53,500	-400
	28 <sup>th</sup> series Unsecured Straight Bond	2009/7/24	2012/7/24	4.72	None	—	30,000	30,000
	29 <sup>th</sup> series Unsecured Straight Bond (5 <sup>th</sup> Fukuoka SoftBank HAWKS bond)	2009/9/18	2012/9/18	4.52	None	—	65,000	65,000
	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)	47,603 (Eur 355mil)	-4,162
	Convertible Bond due 2014 <sup>(*)</sup>	2003/12/30	2014/3/31	1.75	None	50,000	50,000	—
26 <sup>th</sup> series Unsecured Straight Bond	2007/6/19	2014/6/19	4.36	None	15,000	14,900	-100	
SOFTBANK TELECOM	1 <sup>st</sup> series Unsecured Straight Bond	2004/12/7	2009/12/7	2.00	None	45,000	45,000	—
	2 <sup>nd</sup> 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	536,903	148,337

Note 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 Cumulative Repayment Amount

➤ Repayment exceeds plan.

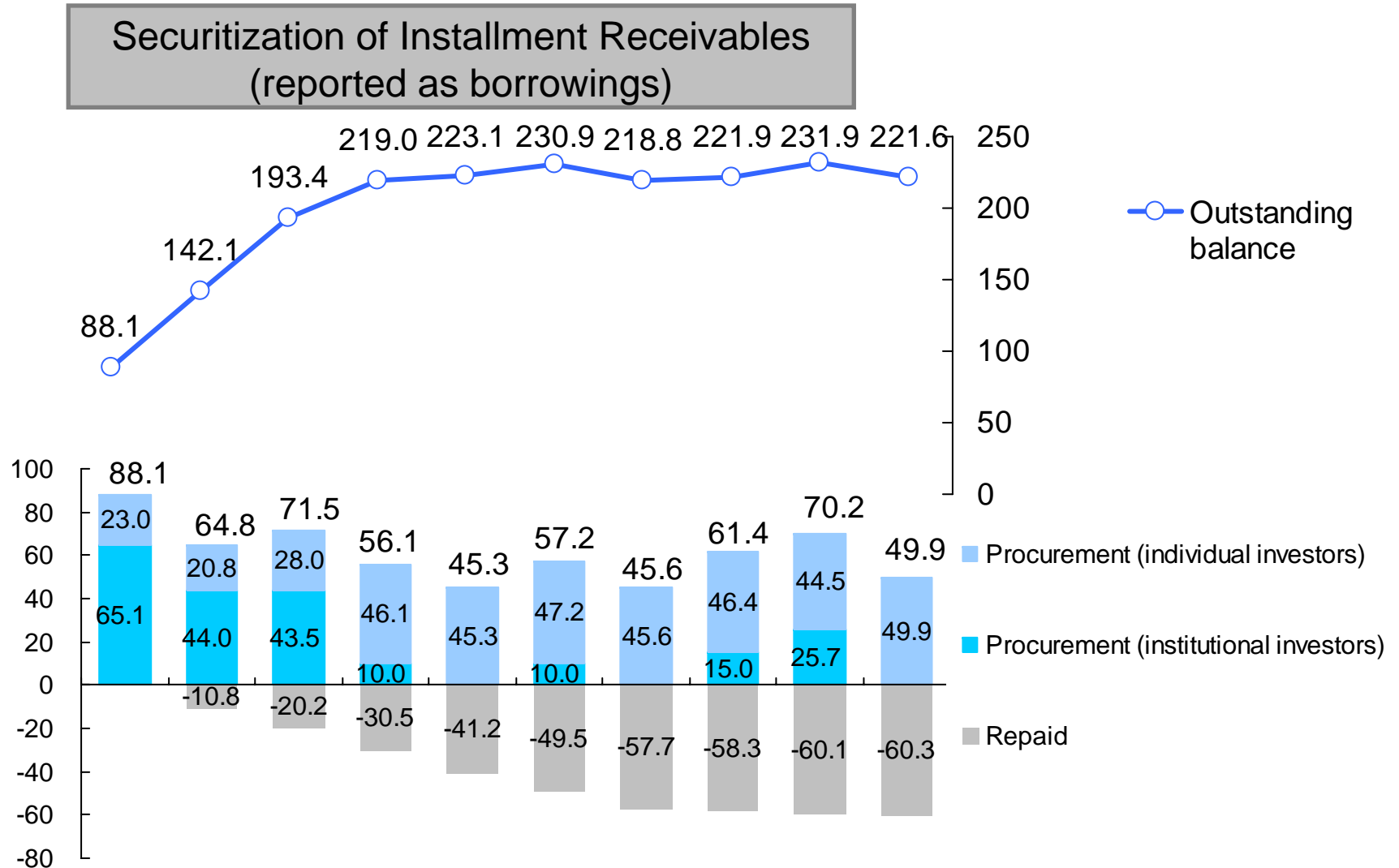


Mobile  
Communications  
leverage ratio  
**2.9 times**  
(Sep 09)

Net interest-bearing  
debt basis  
**2.3X**

Note 1: Leverage ratio = Interest-bearing debt (Mobile Communications) / EBITDA (Mobile Communications)  
 2: Net interest-bearing debt = interest-bearing debt (not including lease obligations) – cash position  
 3: SBM loan: WBS borrowings balance mainly borrowed by SOFTBANK MOBILE

# Securitization of Installment Receivables in Mobile Communications (reported as borrowings)

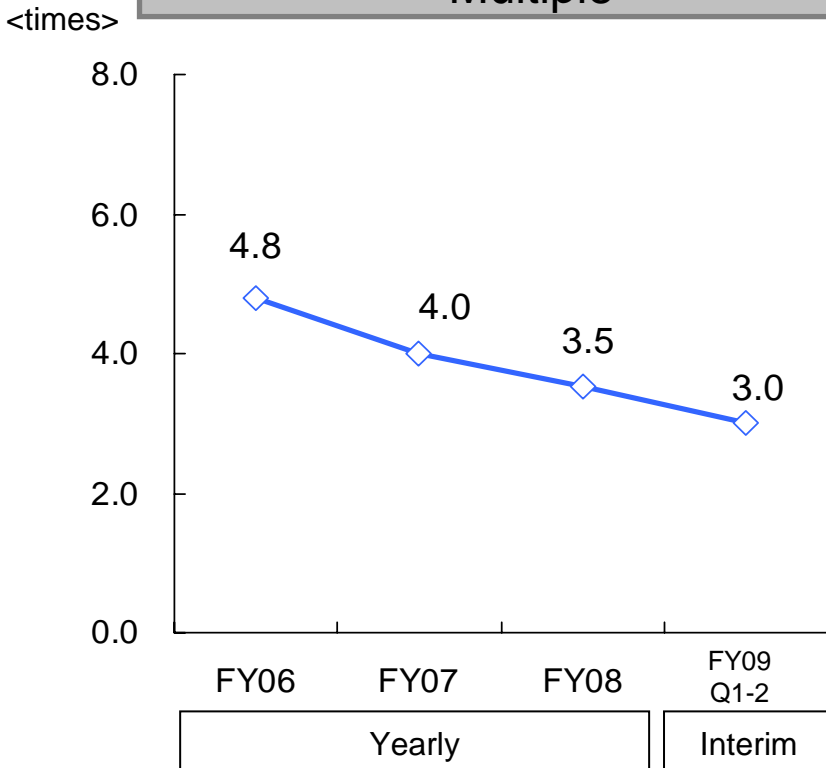




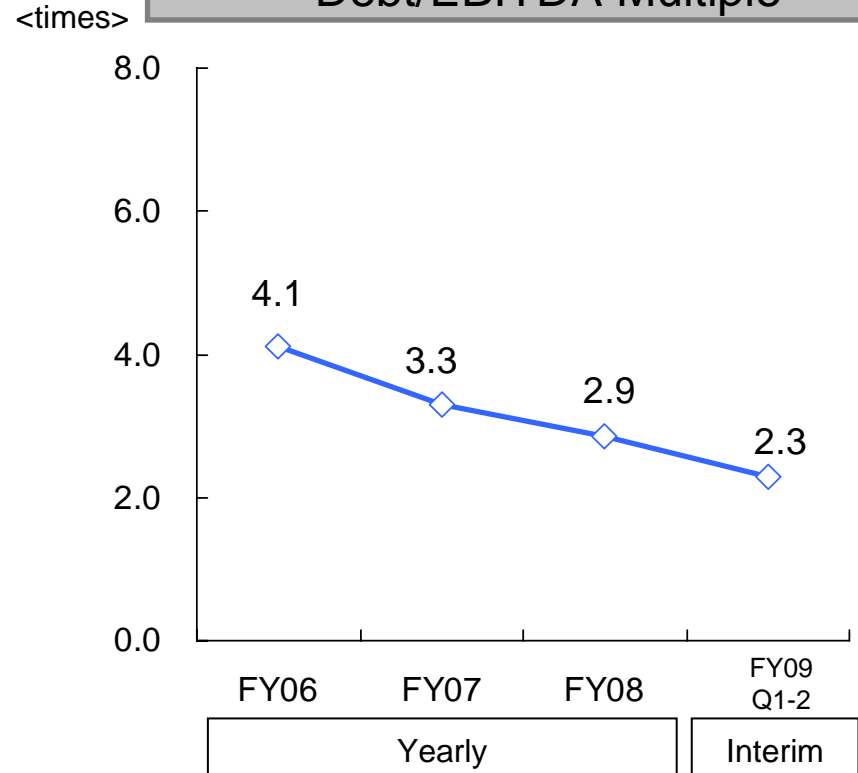
# Improve Indexes: (1) Interest-bearing Debt/EBITDA Multiple

- Expand EBITDA and reduce interest-bearing debt.

Interest-bearing Debt/EBITDA Multiple



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



Note 1: Interest-bearing debt and net interest-bearing debt of 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.

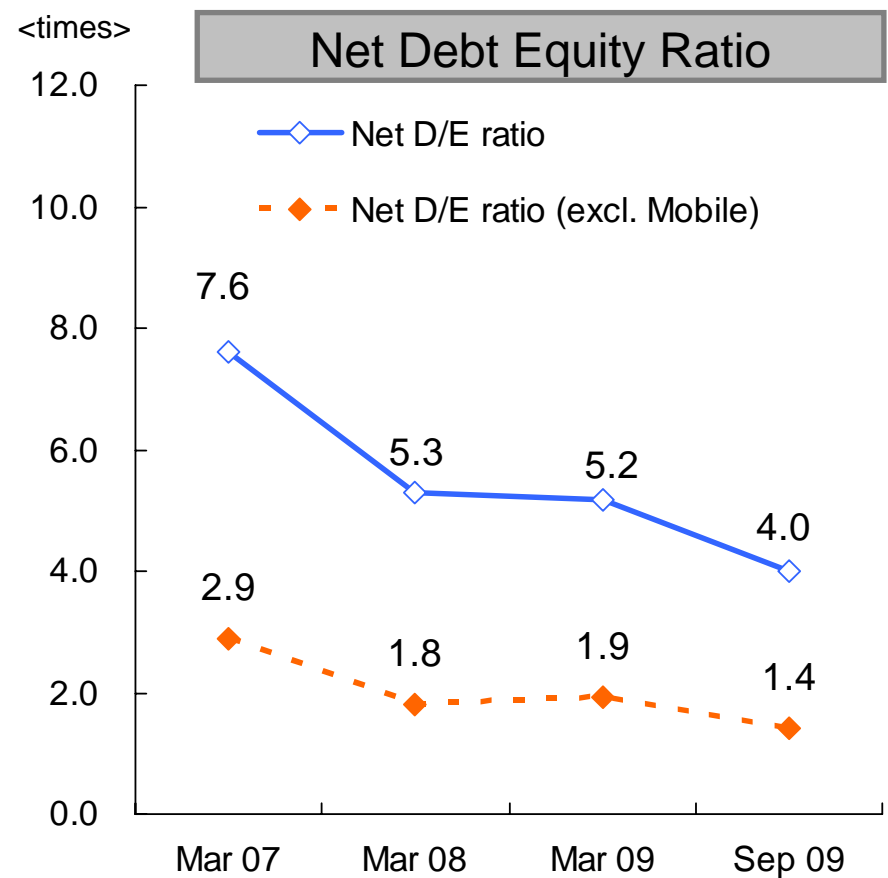
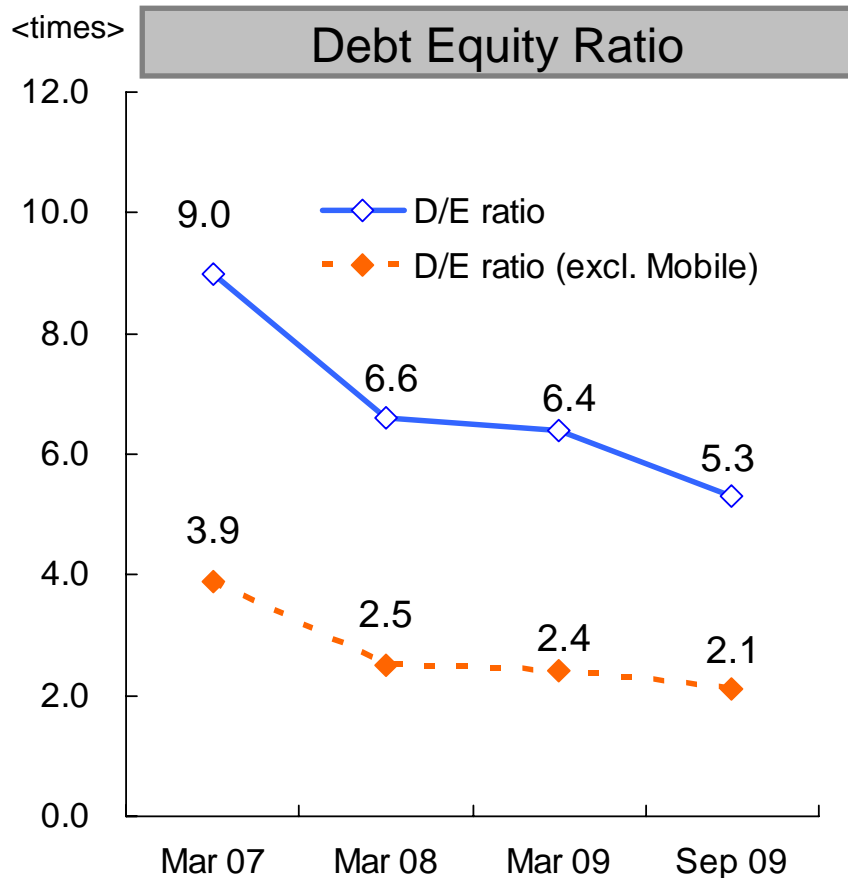
3: EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses

4: EBITDA in FY09 at annualized rate (Q1-2 actual X2)

5: Net interest-bearing debt = interest-bearing debt (not including lease obligations) – cash position

# Improve Indexes: (2) Debt/Equity Ratio

➤ Ratio improving steadily.



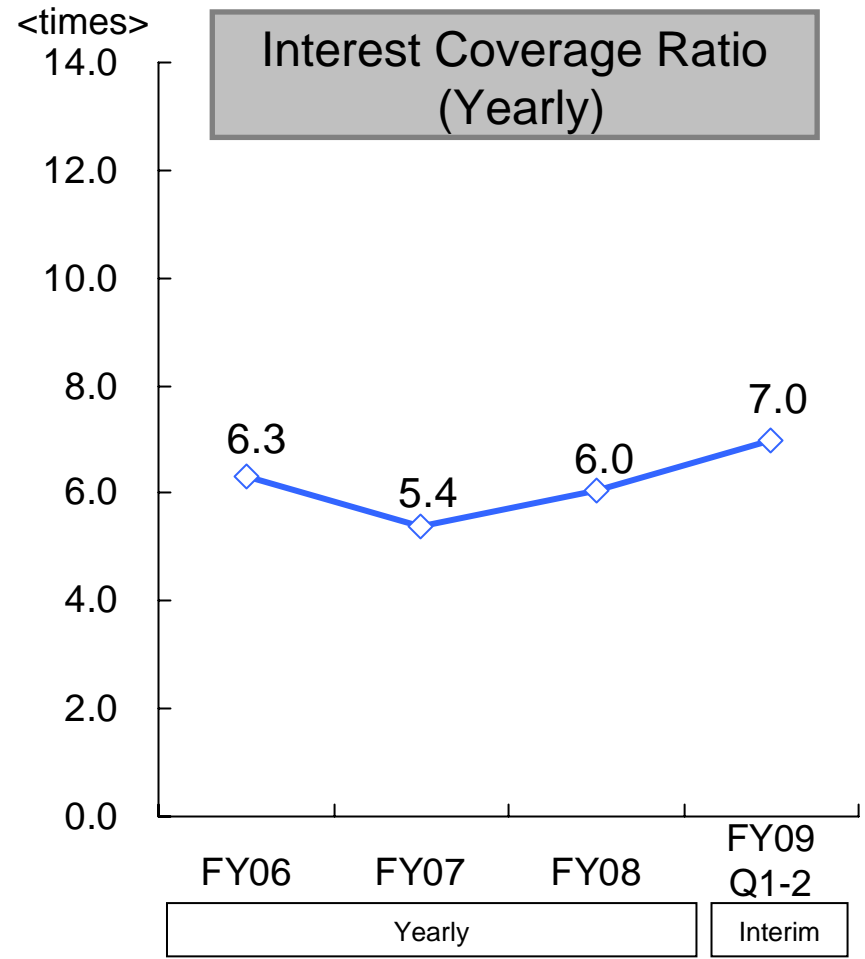
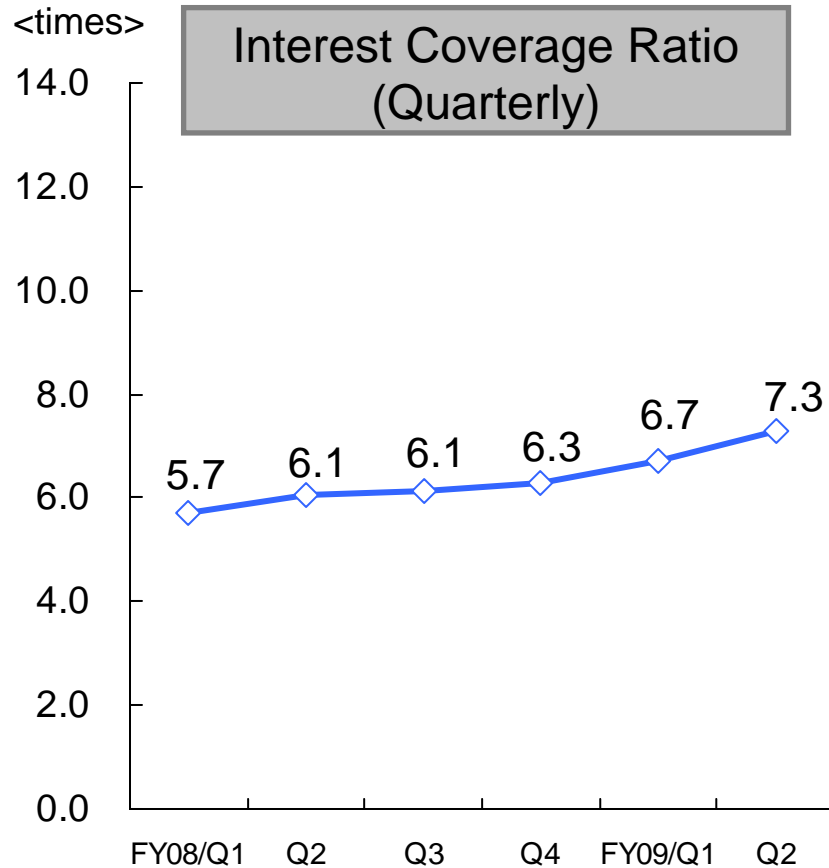
Note 1: D/E ratio = interest-bearing debt/shareholders' equity

Note 2: Interest-bearing debt and net interest-bearing debt of FY2006 are calculated with retroactive adjustments by adding the cash receipts as collateral relating to marketable security lending transactions. Lease obligations are not included in interest-bearing debt.

Note 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.

# Improve Indexes: (3) Interest Coverage Ratio

## ➤ Maintain stable trend.



Note 1: Interest coverage ratio = EBITDA/interest expenses

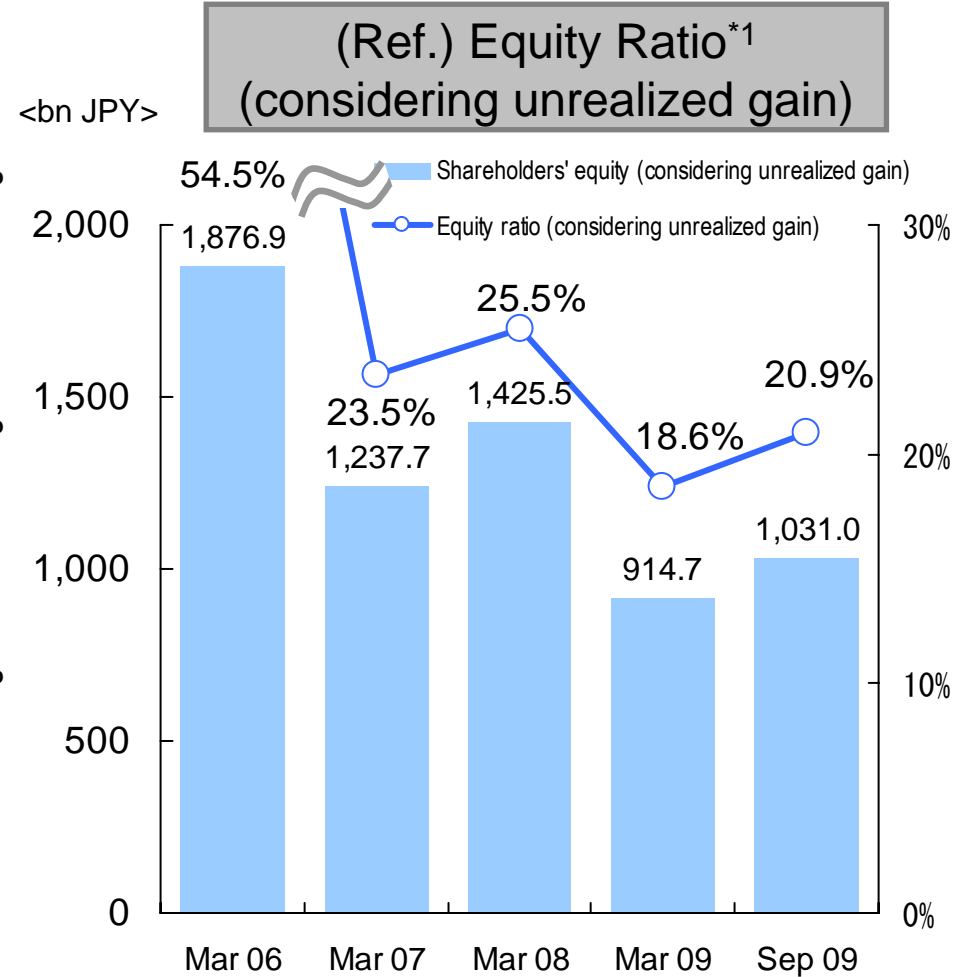
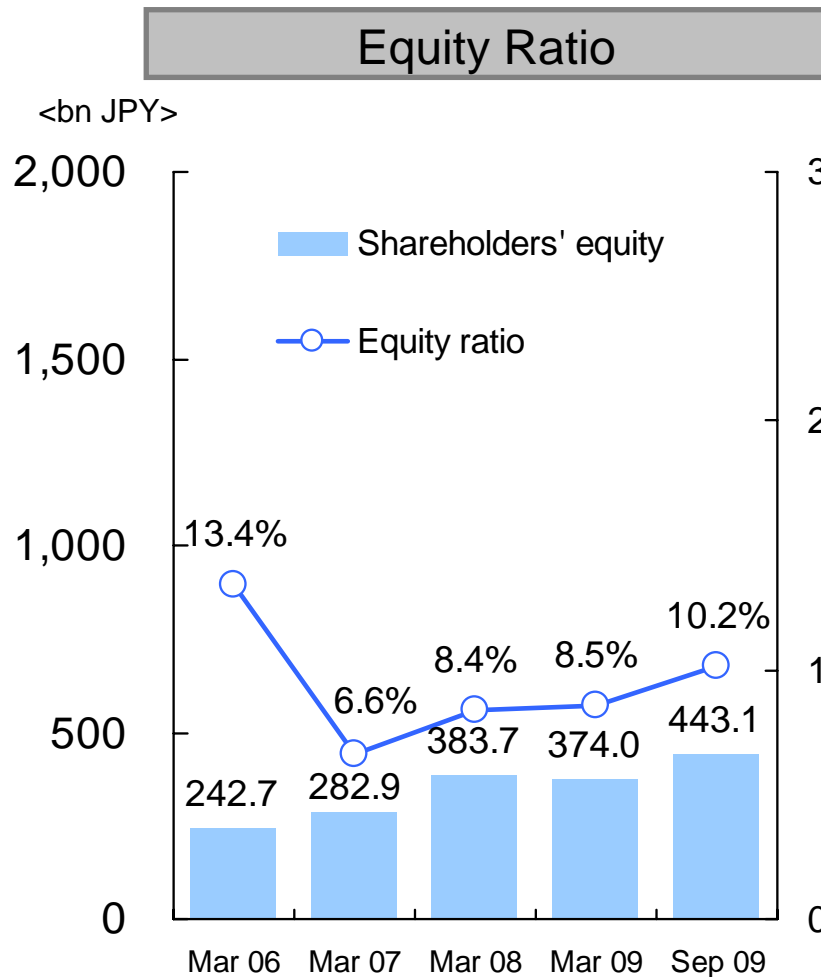
2: EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill), and loss on disposal of fixed assets included in operating expenses

3: EBITDA of FY2009 annualized (Q1-2 actual X 2)

4: Interest expense in FY2006 include retroactively adjusted stock bailment fees relating to marketable security lending transactions.

# Improve Indexes: (4) Equity Ratio

- Equity ratio recovered to double digits.



\*1: Refer to the page 8 of the supplemental data for calculation basis.

# FY2009 Financial Strategies

## **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 both in the debt & equity markets
- ◆ Disclose earnings forecast, clarify growth scenario
- ◆ Further expansion of disclosure content









# Operation

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## Kazuhiko Fujihara

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

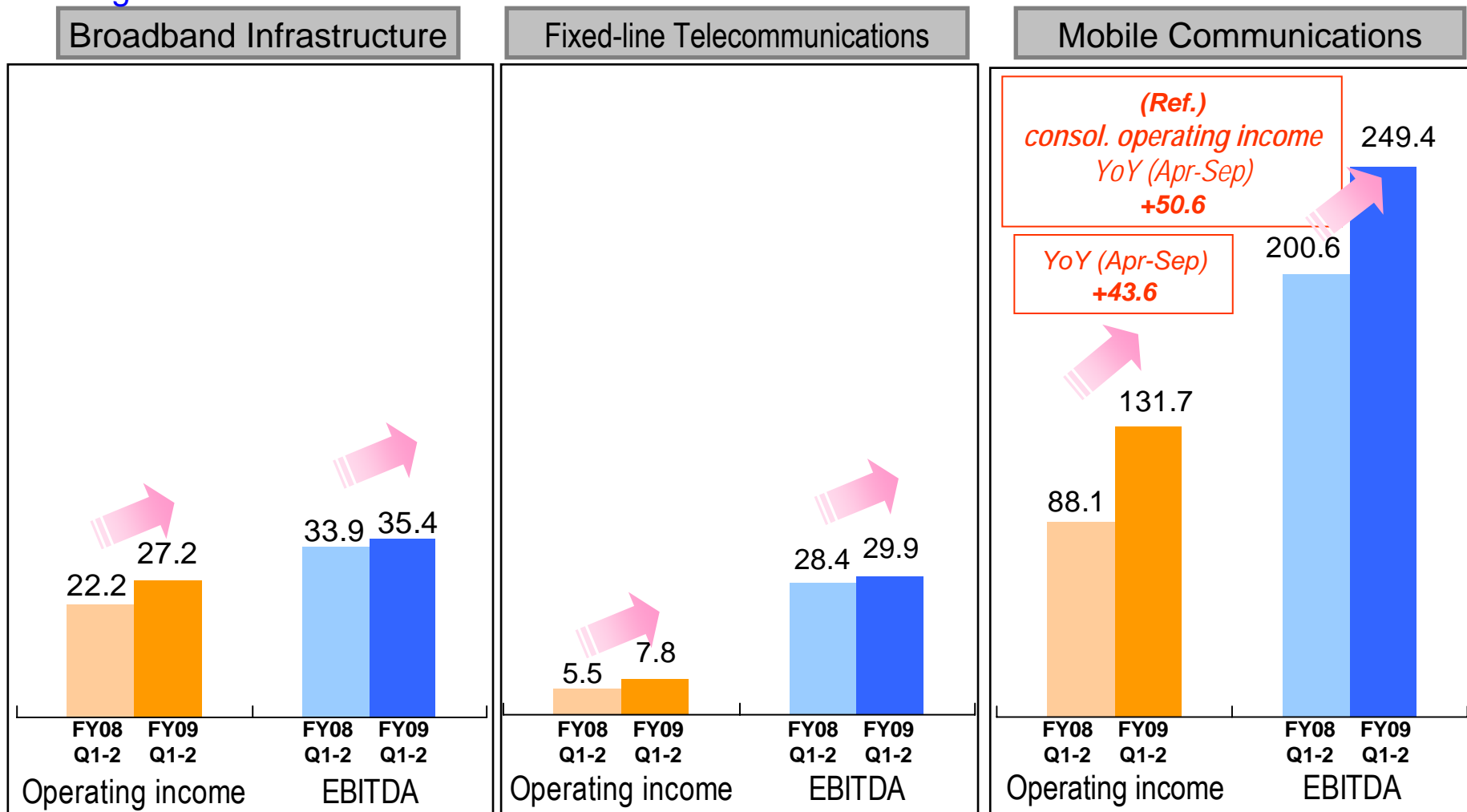
Senior Vice President & CFO, Director  
SOFTBANK BB Corp.

Director  
SOFTBANK TELECOM Corp.

# Overview of 3 Telecommunications Businesses

- Increase in profit in all 3 telecommunications businesses.  
Significant increase in Mobile Communications.

<bn JPY>



\* 1 EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses.

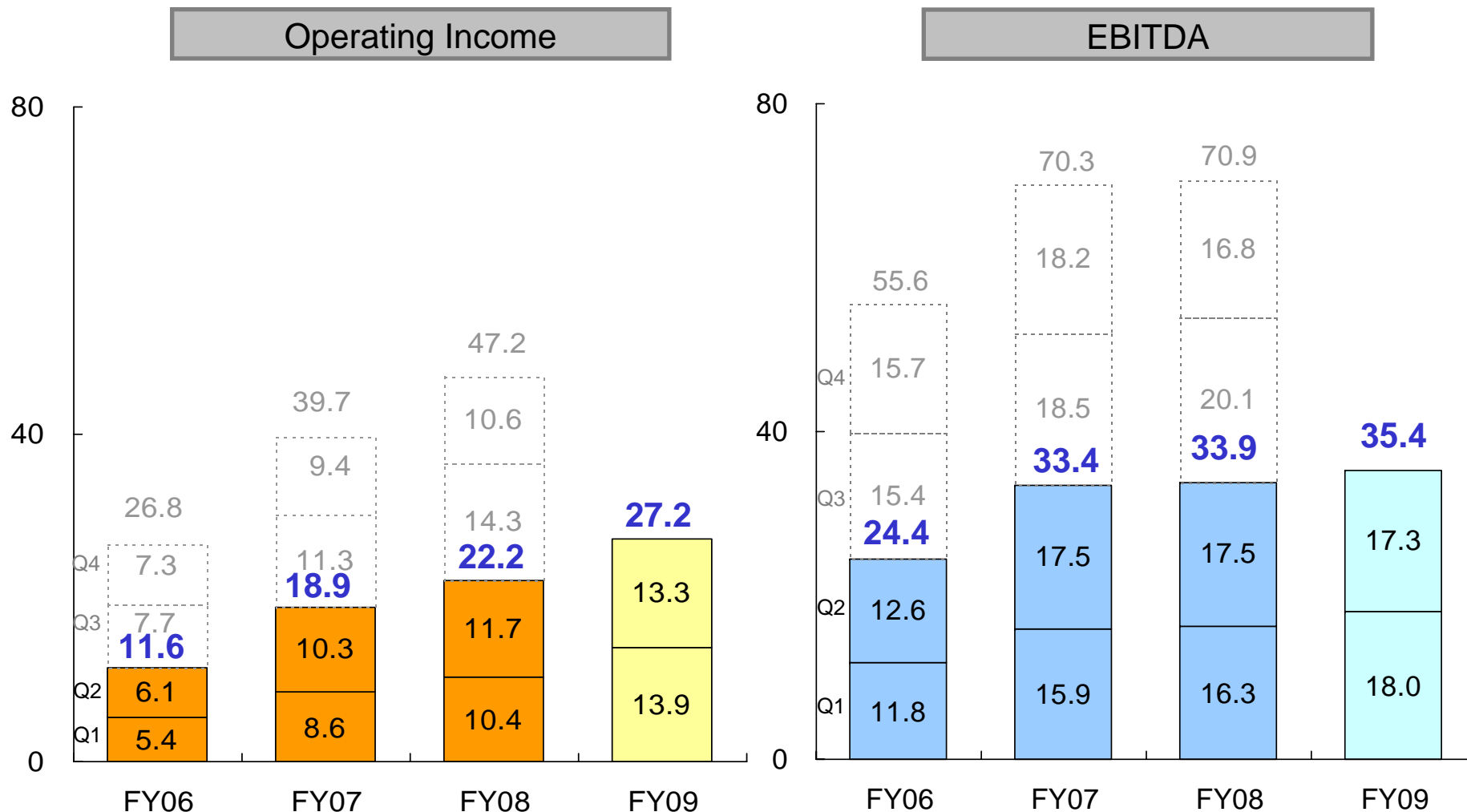
## Broadband Infrastructure Business

# Operating Income, EBITDA

<BB>

- Maintain trend of revenue increase through cost reductions.

<bn JPY>

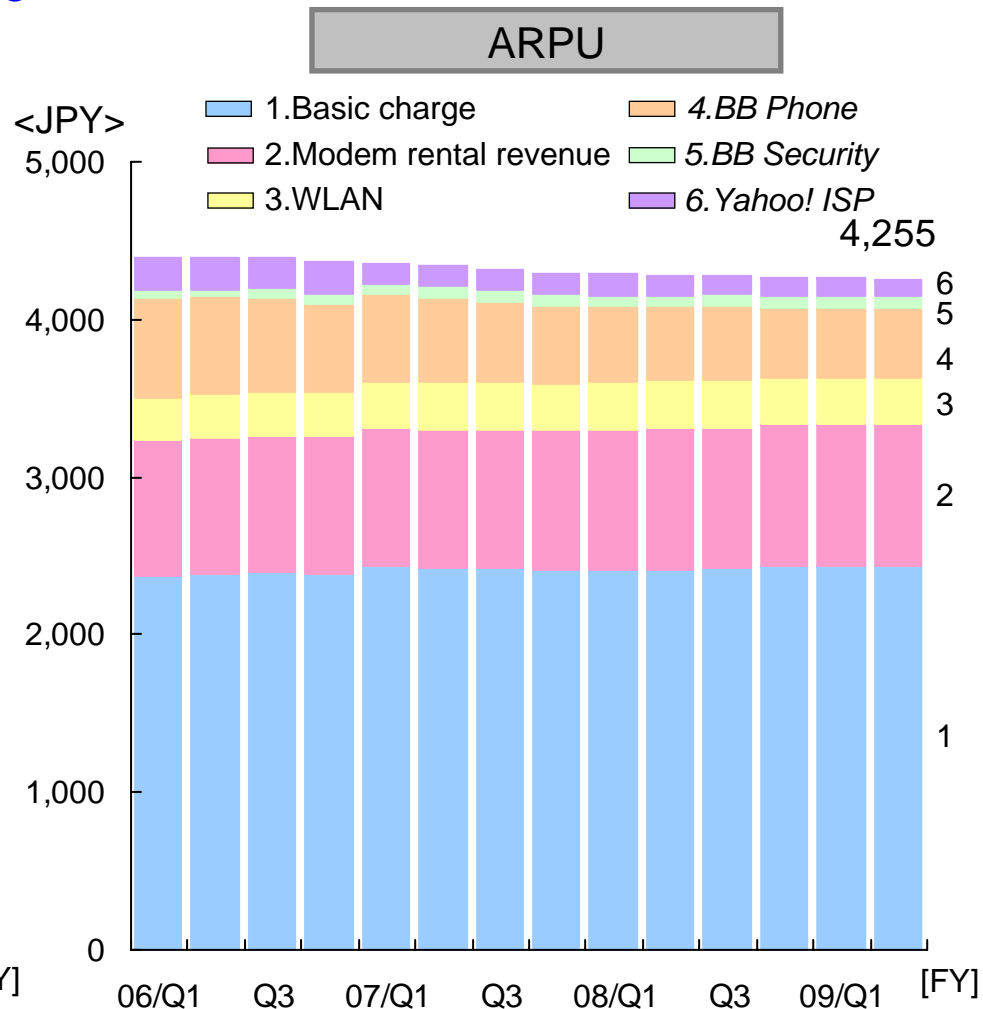
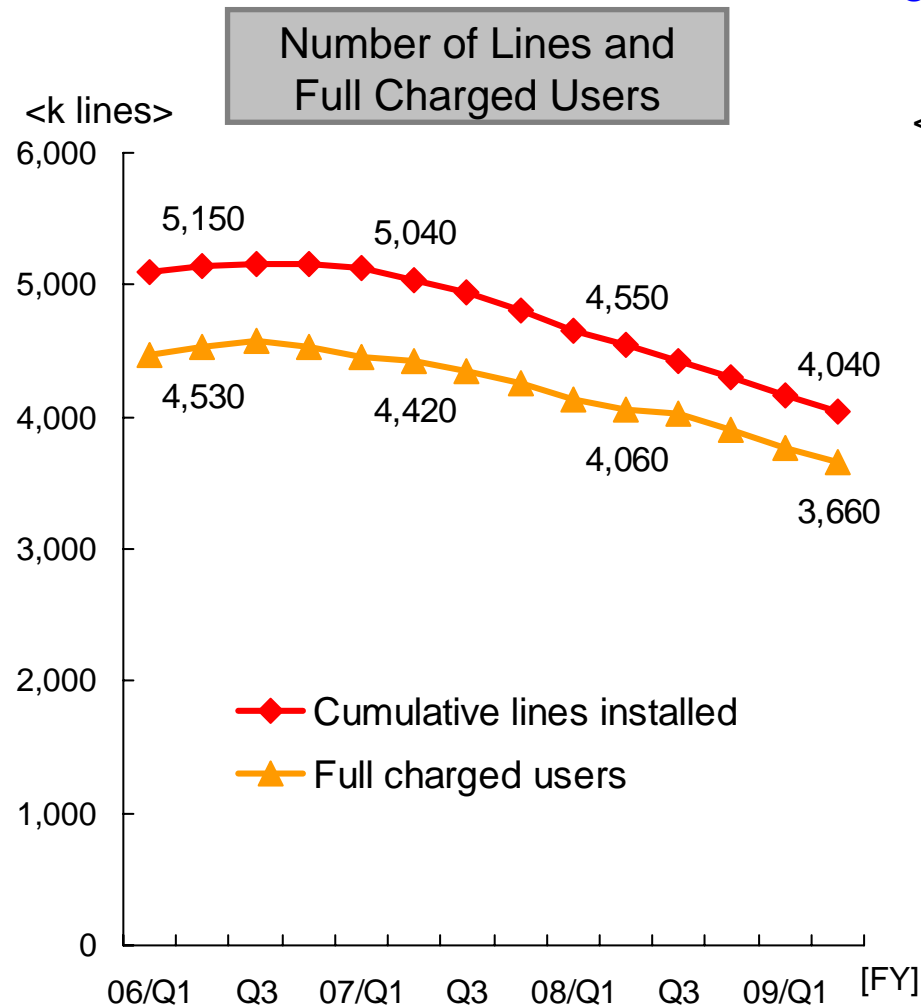


\* EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses.

# Yahoo! BB ADSL Lines and ARPU

<BB>

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



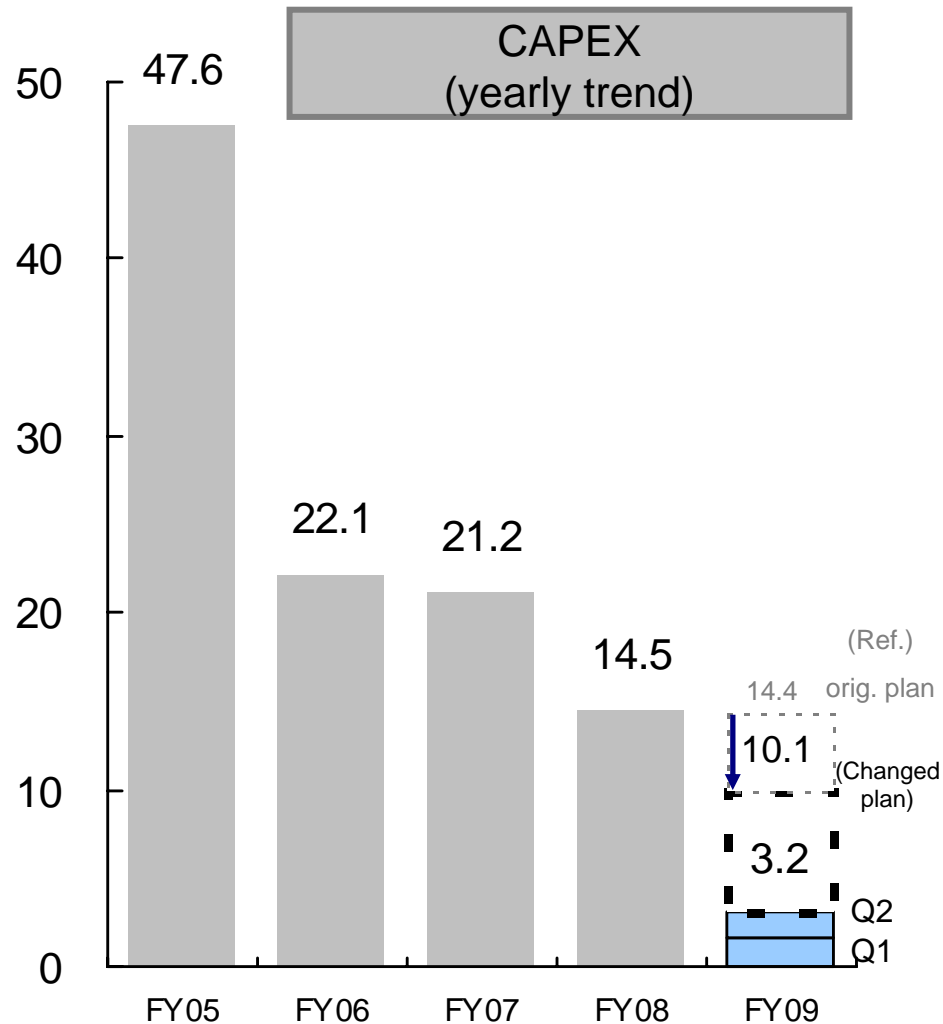
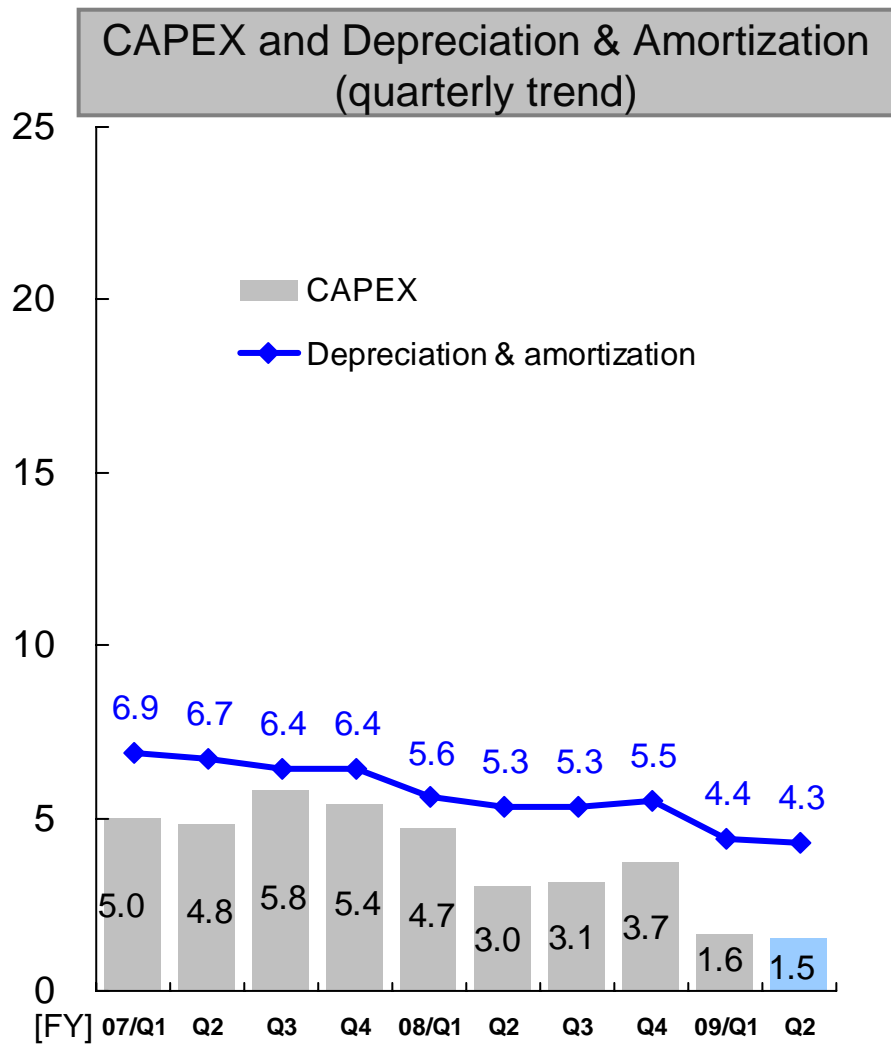
Note 1: ARPU is based on user's payment. The impact of the modem rental business sale is not reflected.

Note 2: From F07/Q1 part of Yahoo! ISP revenue recorded as basic charge, based on changed contract with Yahoo Japan (no impact on user's charge).

# CAPEX [acquisition basis]

<BB>

- ▶ CAPEX compressed and decreased from original planned amount (-4.3bn JPY). <bn JPY>



## Fixed-line Telecommunications

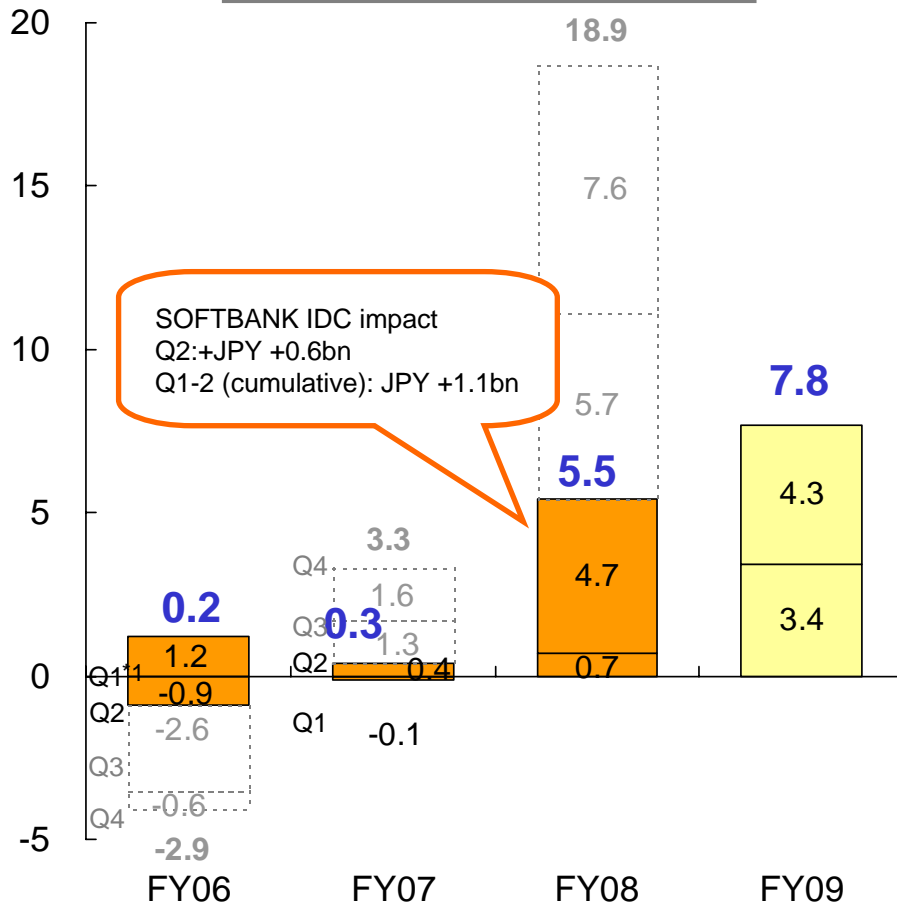
# Operating Income, EBITDA

<Fixed>

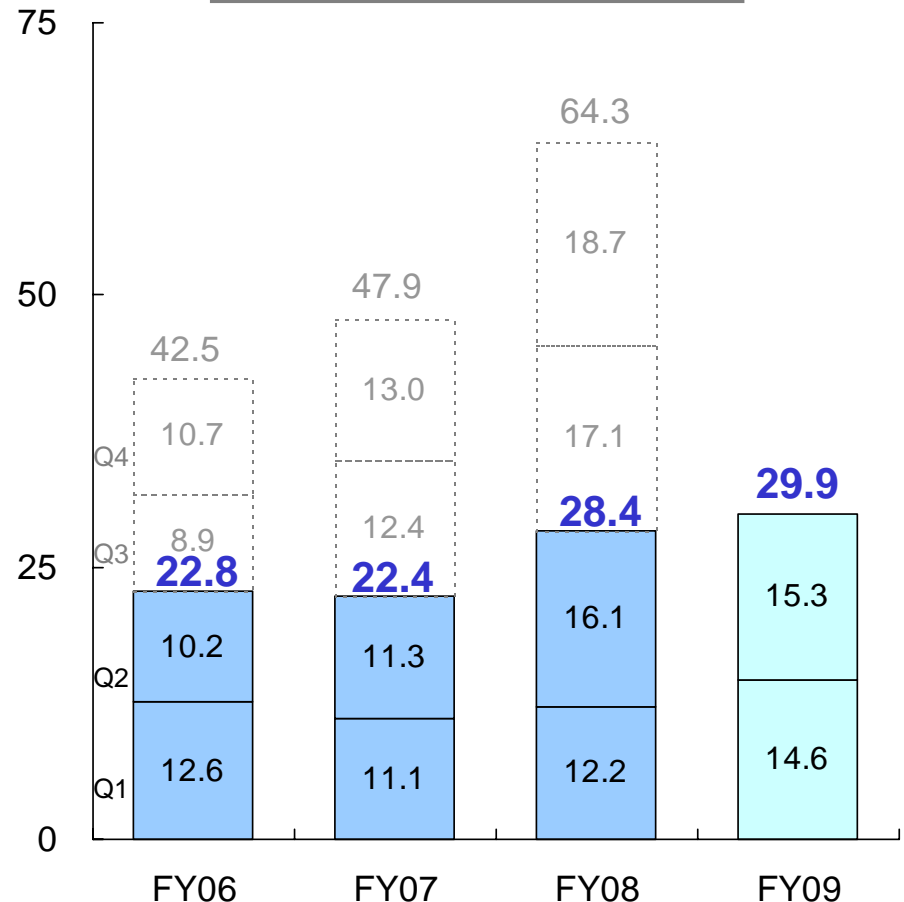
- Sustain trend of profit increase through enhancement of corporate lines and efficient management.

<bn JPY>

Operating Income/Loss



EBITDA



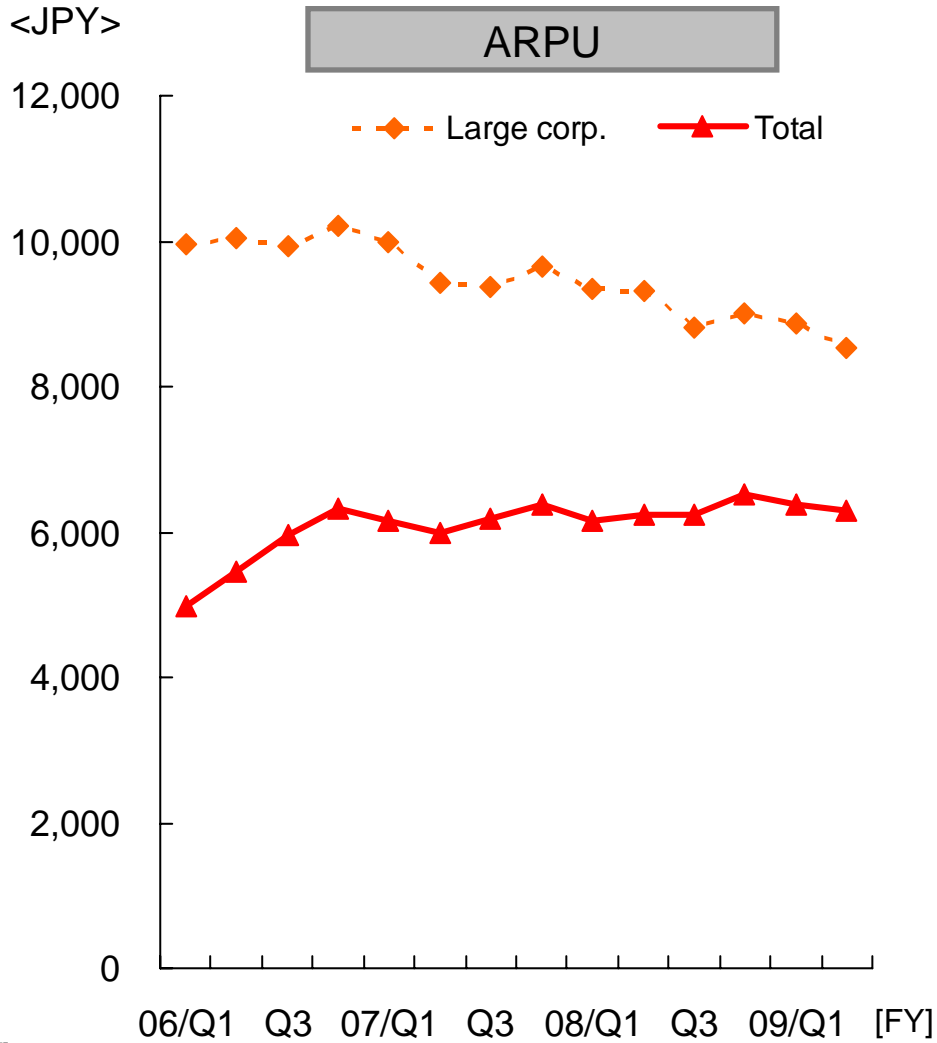
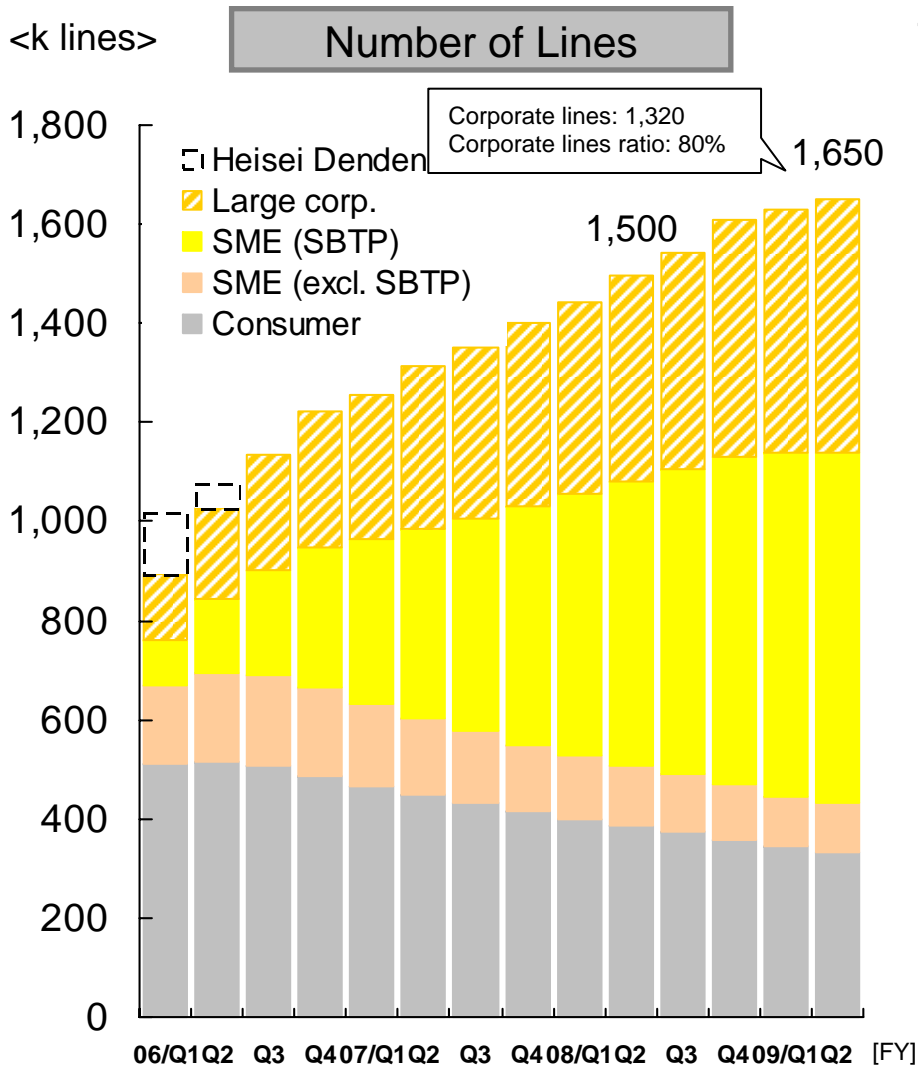
\*1: FY06/Q1: including one-off event (reversal of JPY 2.5bn for retirement benefits).

\*2: EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses.



# Number of Lines and ARPU for *OTOKU Line* <Fixed>

➤ Stead number of lines and ARPU due to enhancement of corporate lines.



Note 1 : ARPU = Average revenue per contract

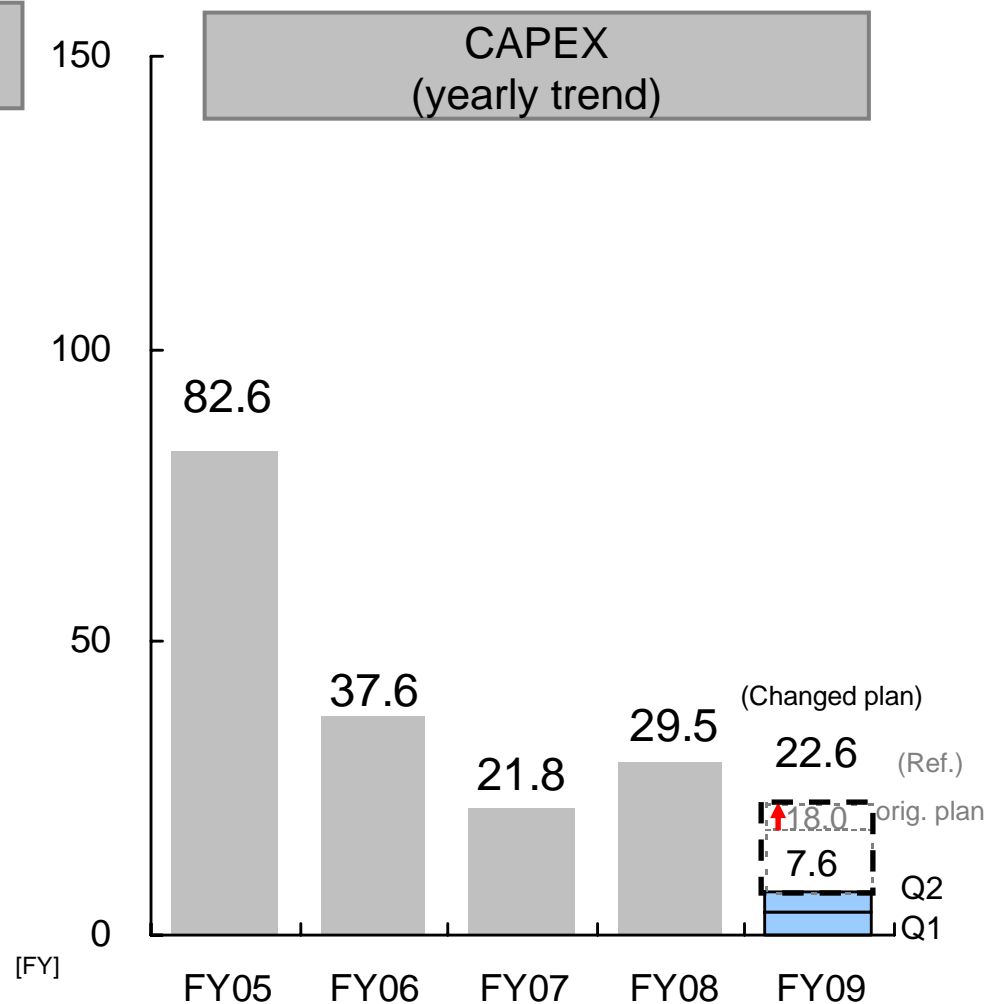
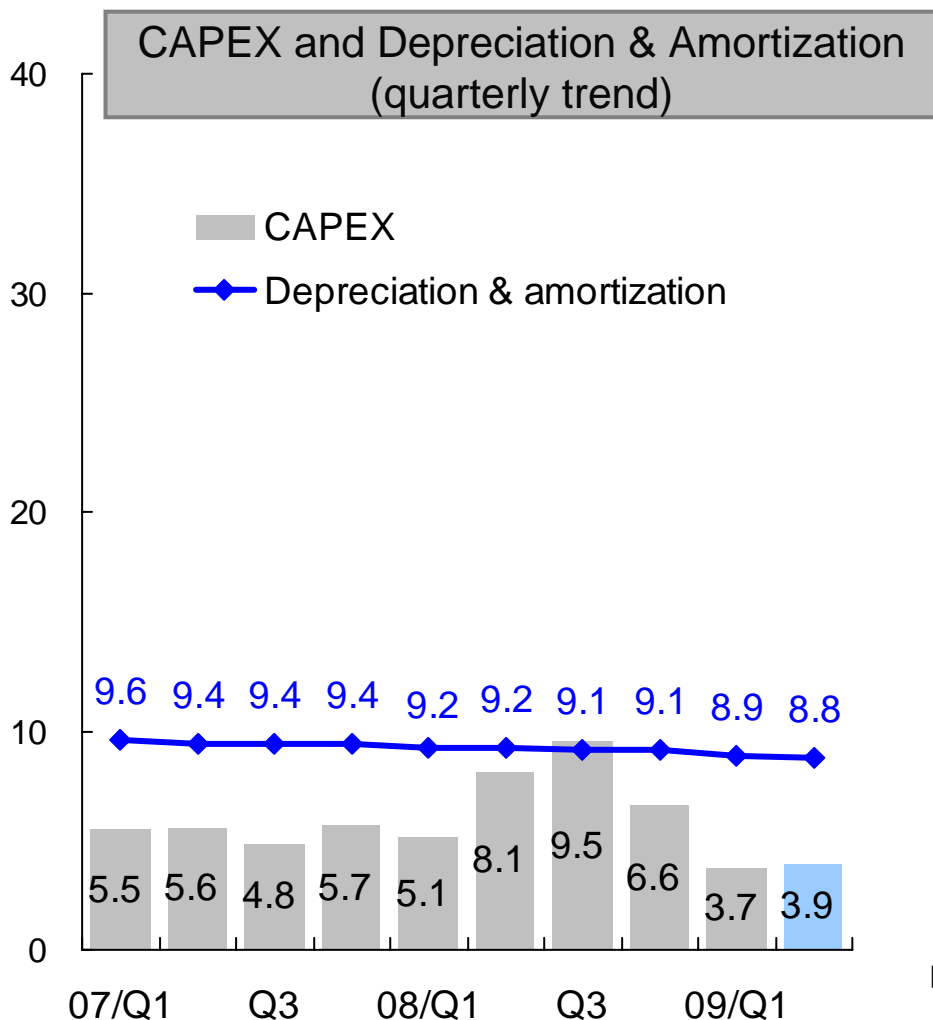
2 : SBTP: SOFTBANK TELECOM PARTNERS

# CAPEX [acquisition basis]

<Fixed>

➤ CAPEX for network increased (-4.6bn JPY).

<bn JPY>



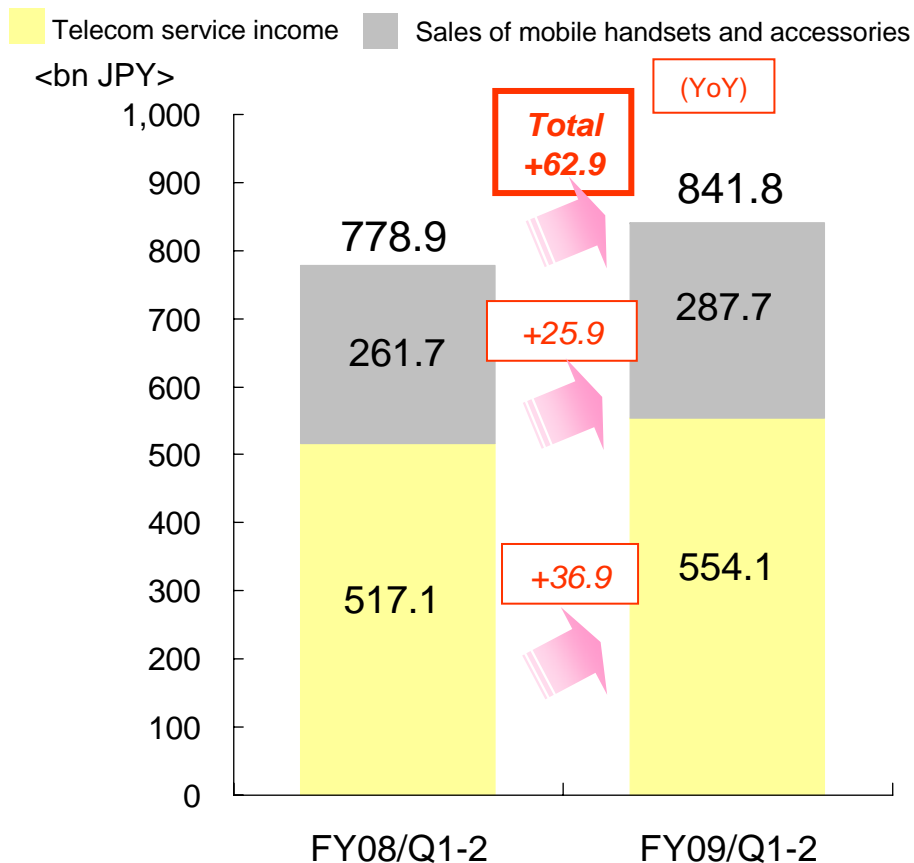
## Mobile Communications

# SBM Consolidated Net Sales

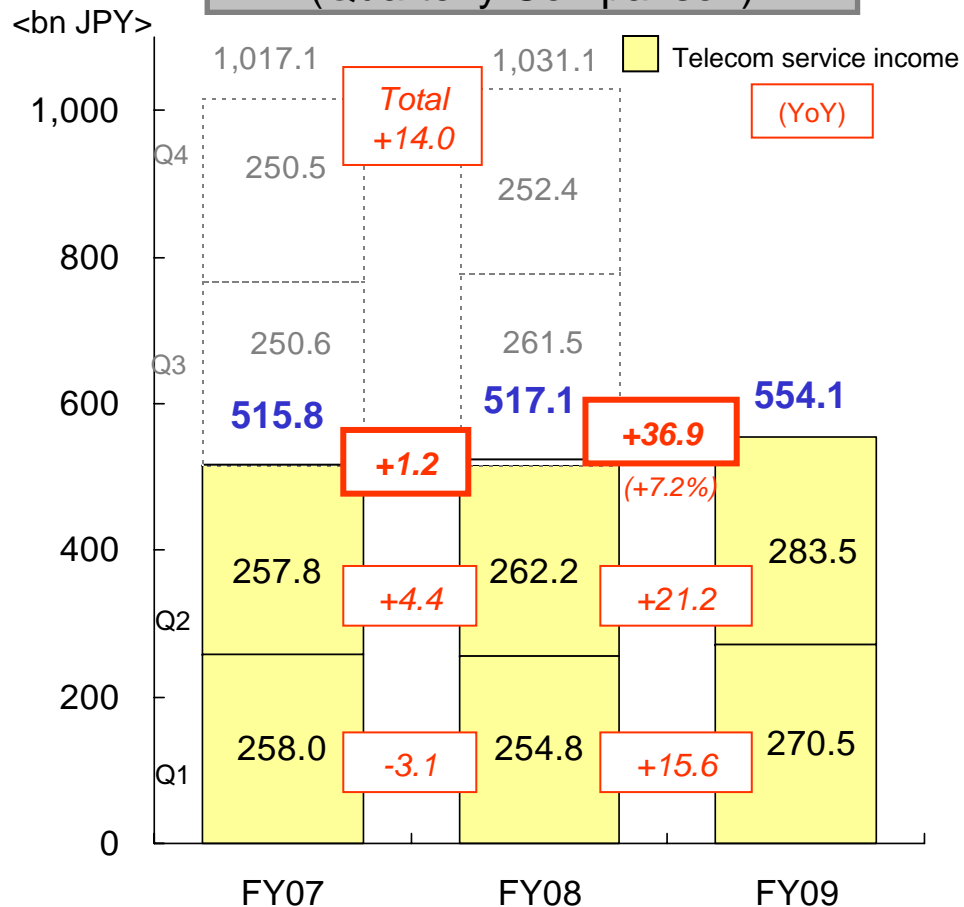
<Mobile>

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

SBM Consolidated Net Sales  
(Yearly Comparison)



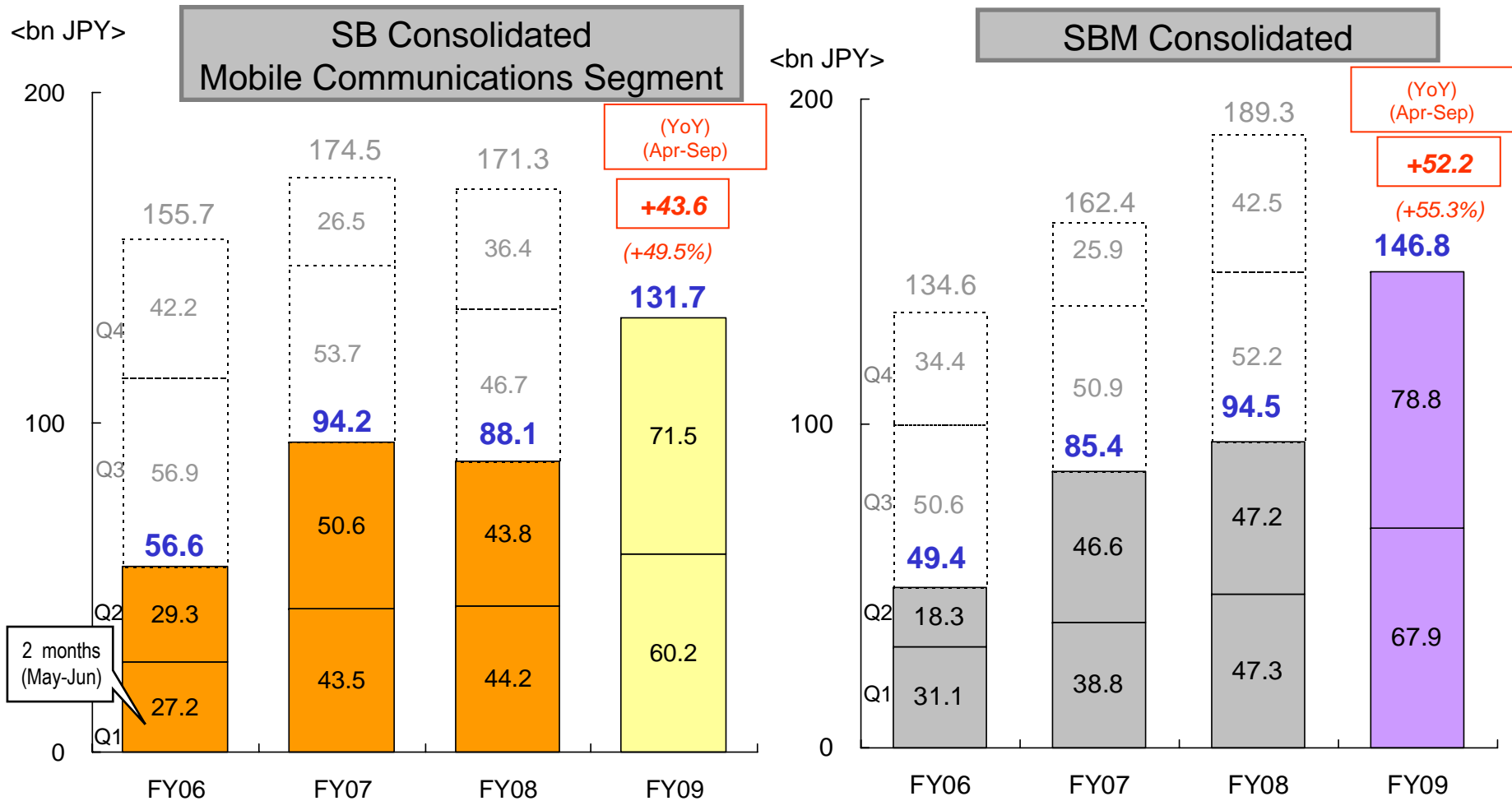
SBM Consolidated Net Sales  
(Quarterly Comparison)



# Operating Income (SB consolidated, SBM consolidated)

<Mobile>

- Increase in profit by approx. 50% by increase of sales and efficient management led the consolidated results.

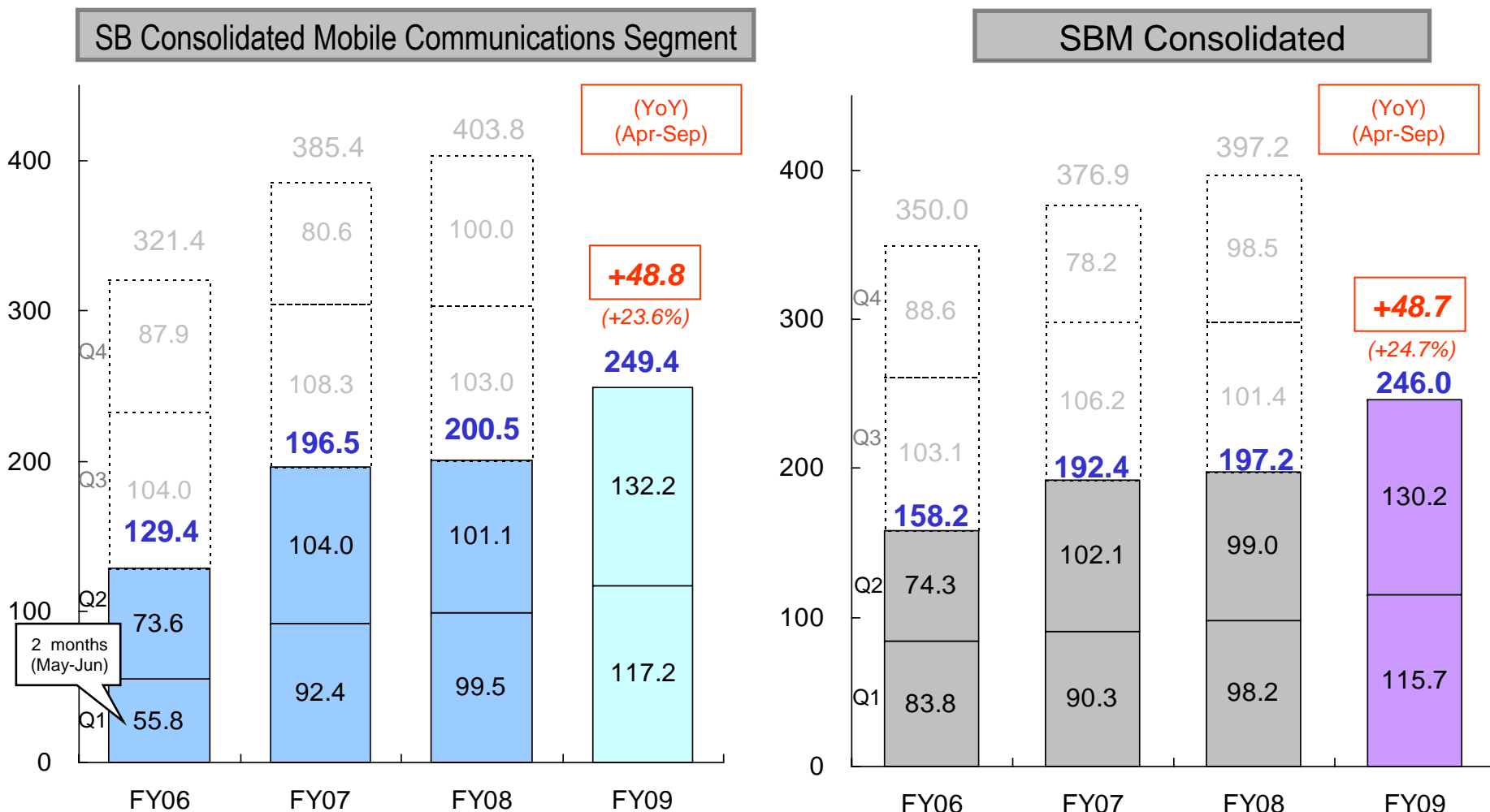


SB: SOFTBANK, SBM: SOFTBANK MOBILE

# EBITDA (SB consolidated, SBM consolidated)

<Mobile>

- Favorable trend sustained by sales increase and efficient management. <bn JPY>



\*1: EBITDA = Operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses.

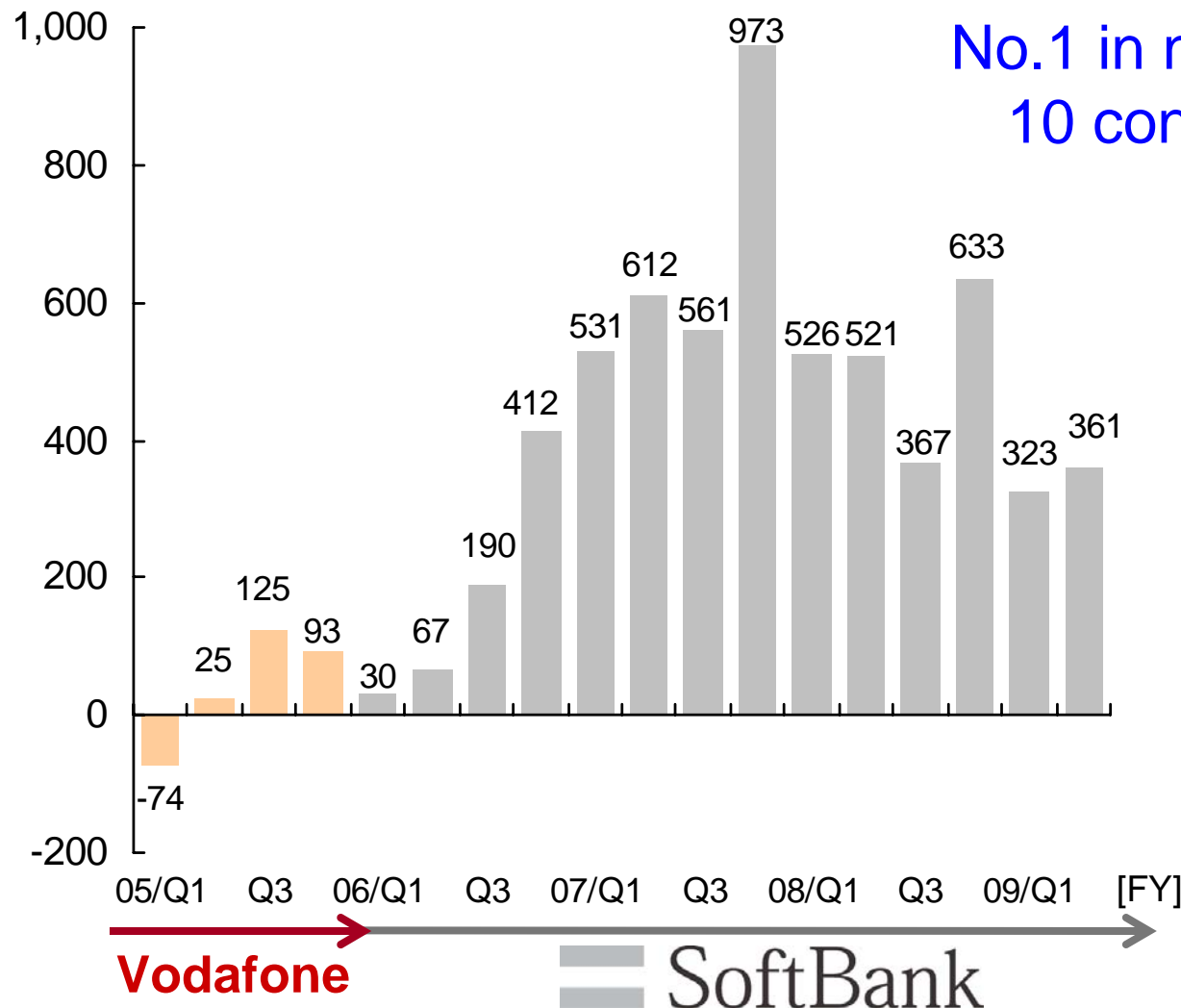
2: SB: SOFTBANK, SBM: SOFTBANK MOBILE

# Quarterly Net Additions

<Mobile>

➤ Continued steady growth in net additions.

<k subs>



No.1 in net addition share for 10 consecutive quarters\*

FY09/Q2 net additions

**361k**

<Breakdown>

Postpaid +395k

Prepaid -34k

\*Calculated by SOFTBANK based on Telecommunications Carriers Association statistical data.

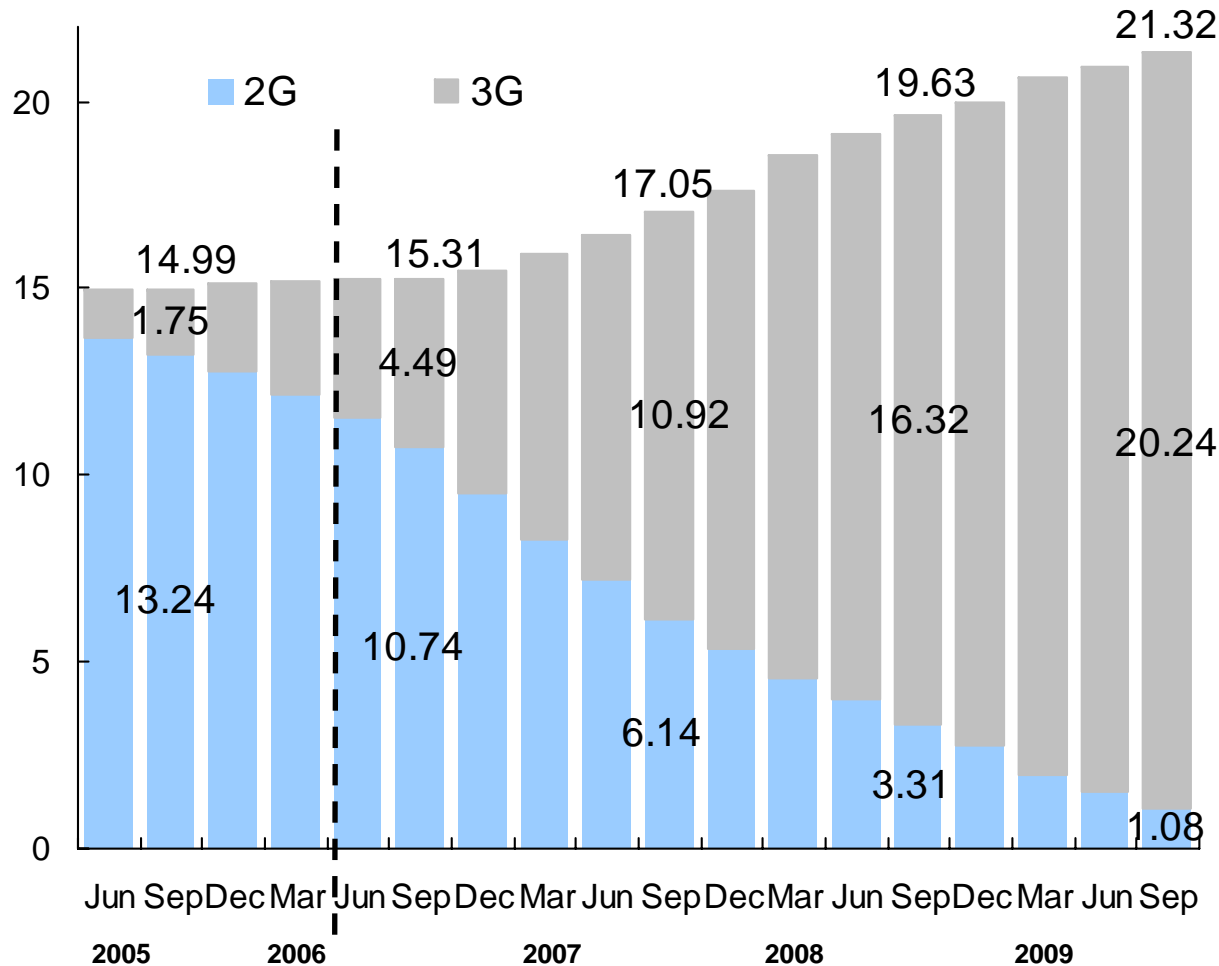
Note: Number of subscribers includes communication module service contracts.

# Trend of Total Subscribers and 3G Subscribers

<Mobile>

➤ Number of total subscribers growing steadily. 3G ratio increased to 94.9%.

<mil subs>



Cumulative Subscribers	
2009/9	21.32 mil
2006/6	15.24 mil
<b>Increase</b>	<b>+6.08 mil</b>

3G Ratio	
2009/9	94.9%
2006/6	24.4%
<b>Increase</b>	<b>+70.6%</b>



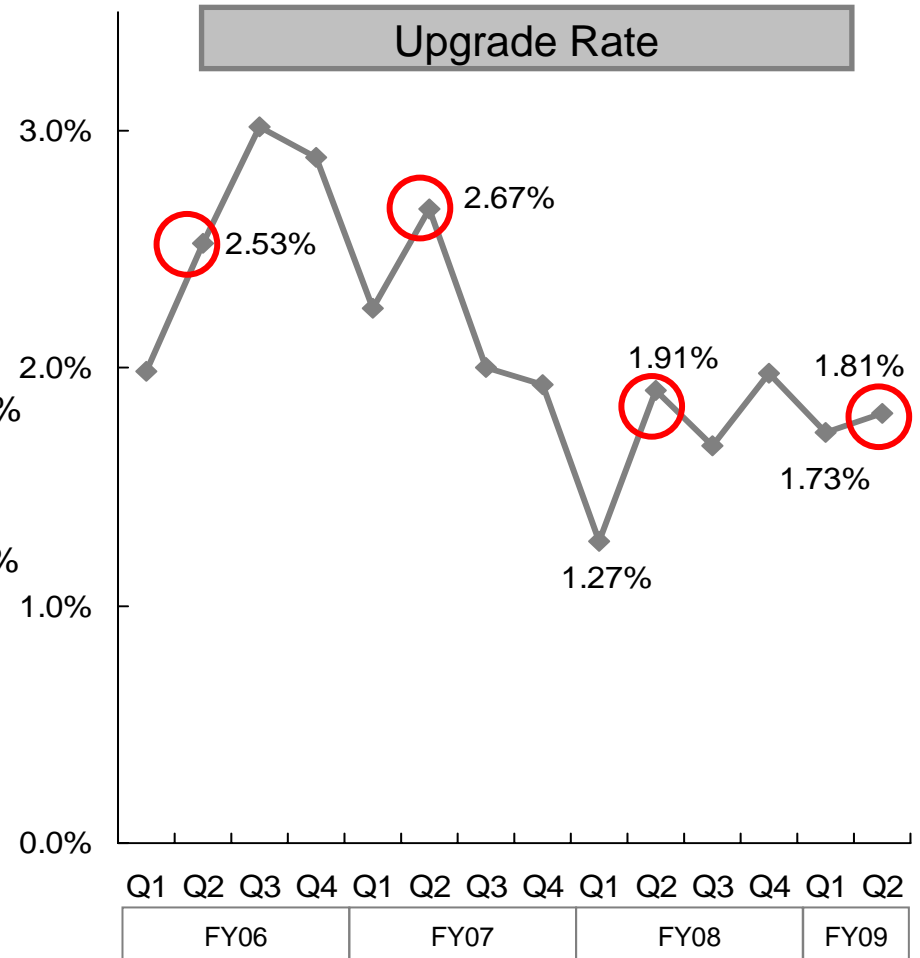
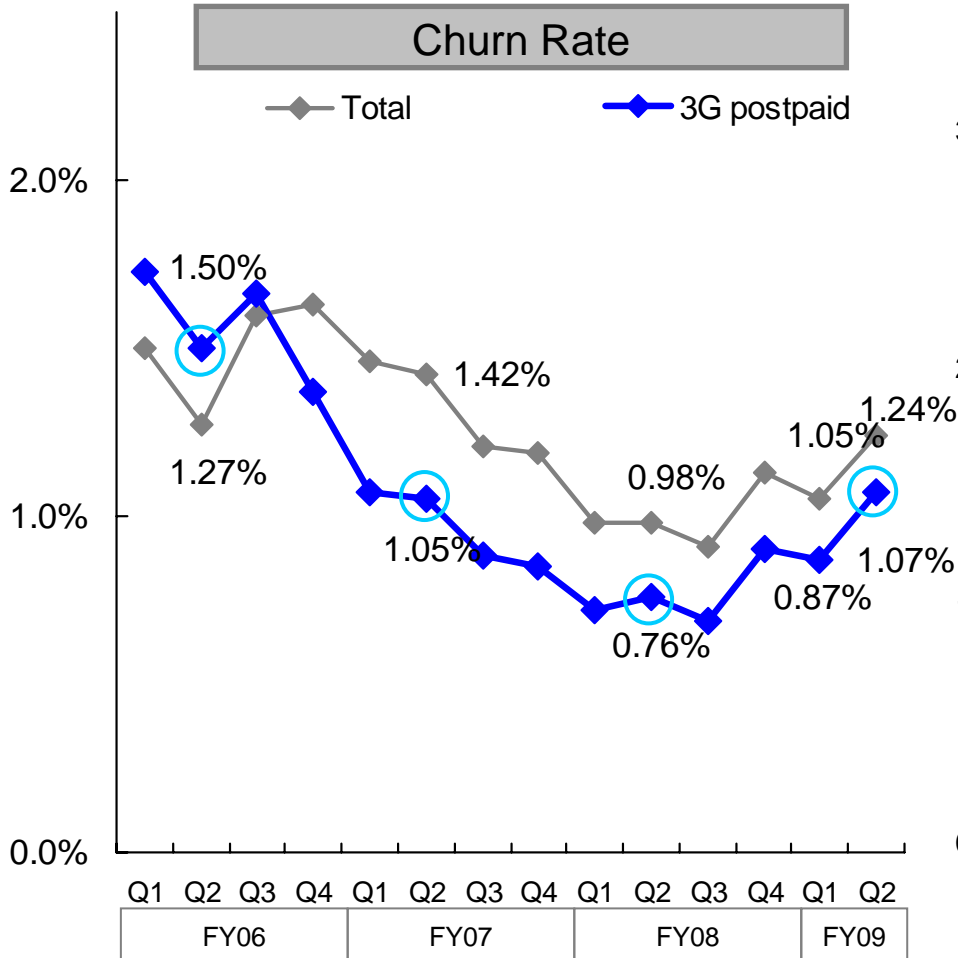
Note: Number of subscribers includes communication module service contracts.



# Churn Rate & Upgrade Rate

<Mobile>

- Churn rate higher QoQ, YoY due to end of installment contracts.
- Steady trend in upgrade rate.

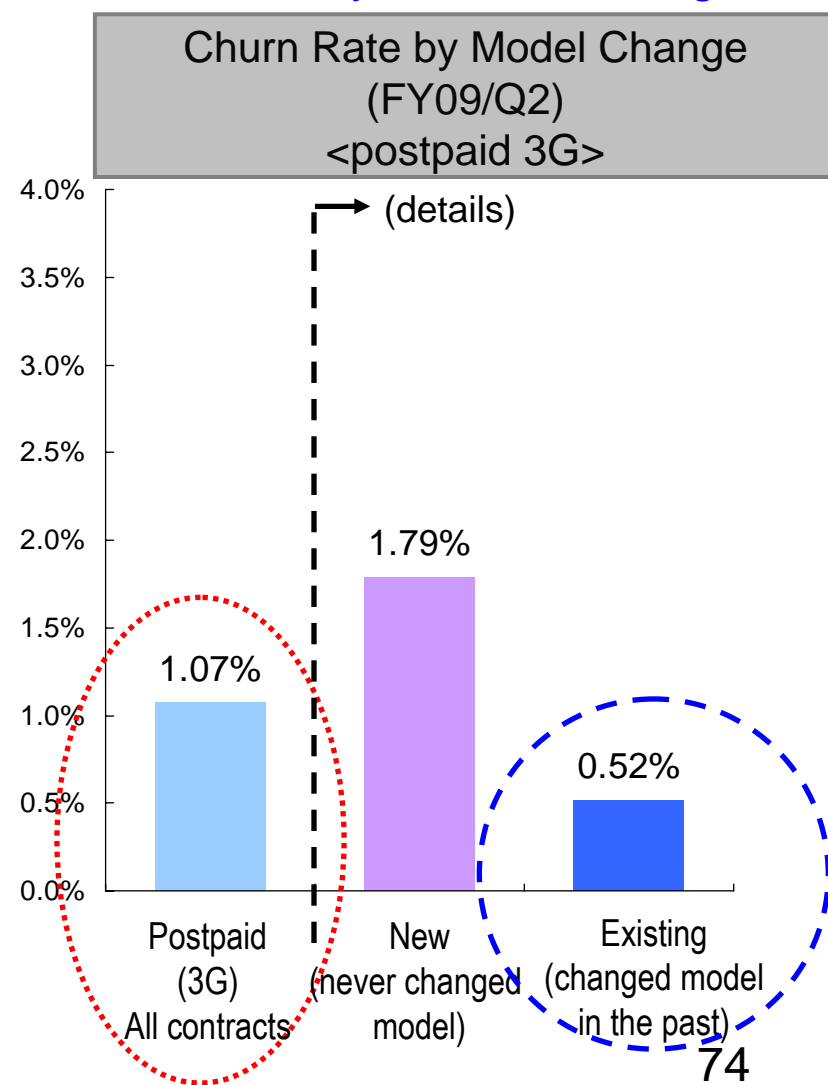
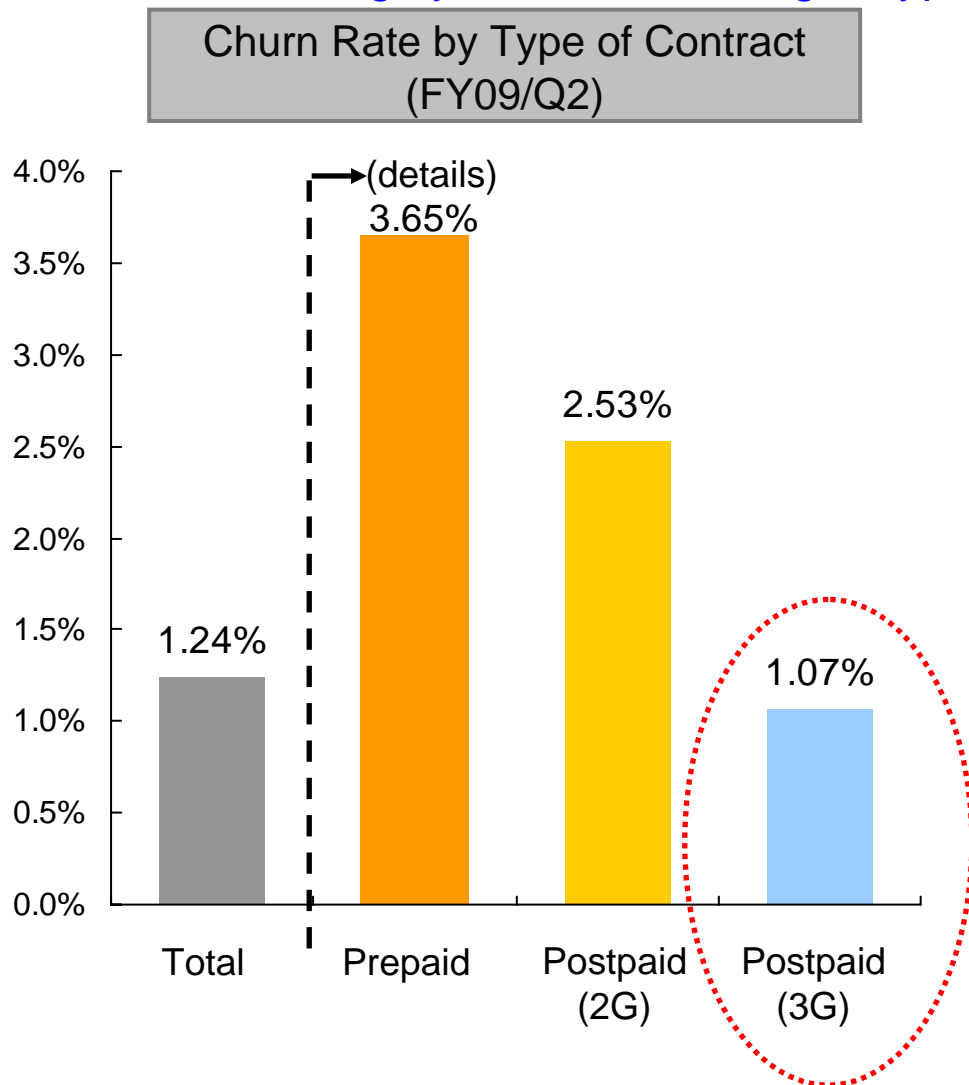


Note: Churn rate includes communication module service contracts.

# Churn Rate Details

<Mobile>

- Churn rate largely varies according to type of contract, history of model changes.



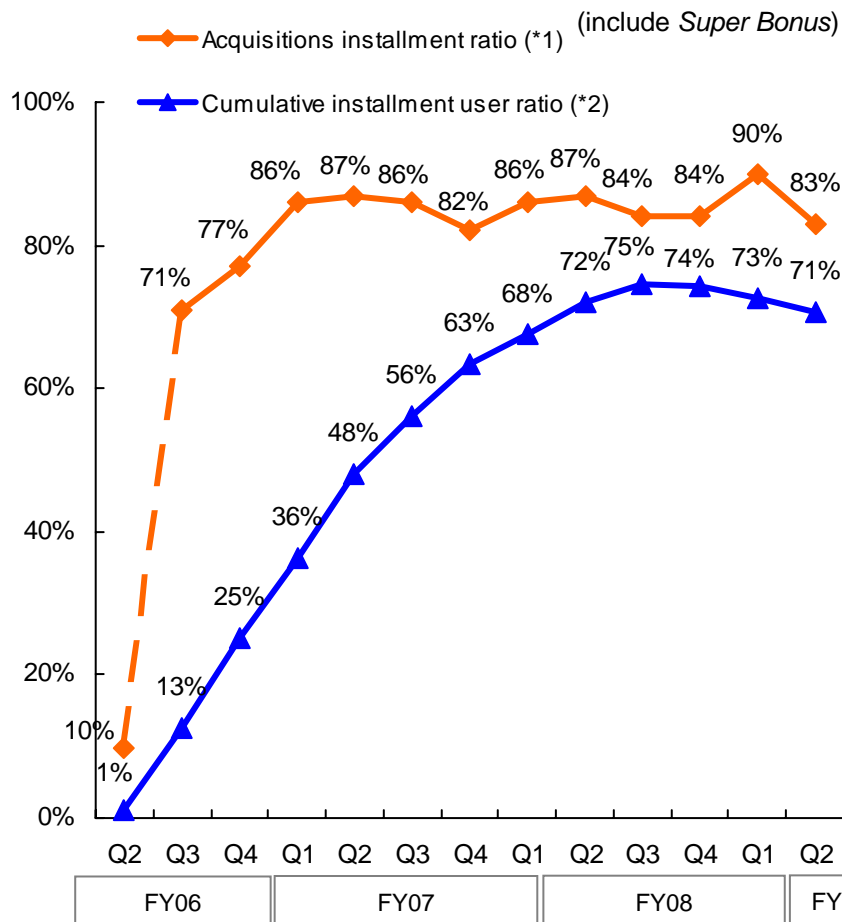
Note: Churn rate includes communication module service contracts.

# New Super Bonus Ratio and Installment Sales Receivables Balance

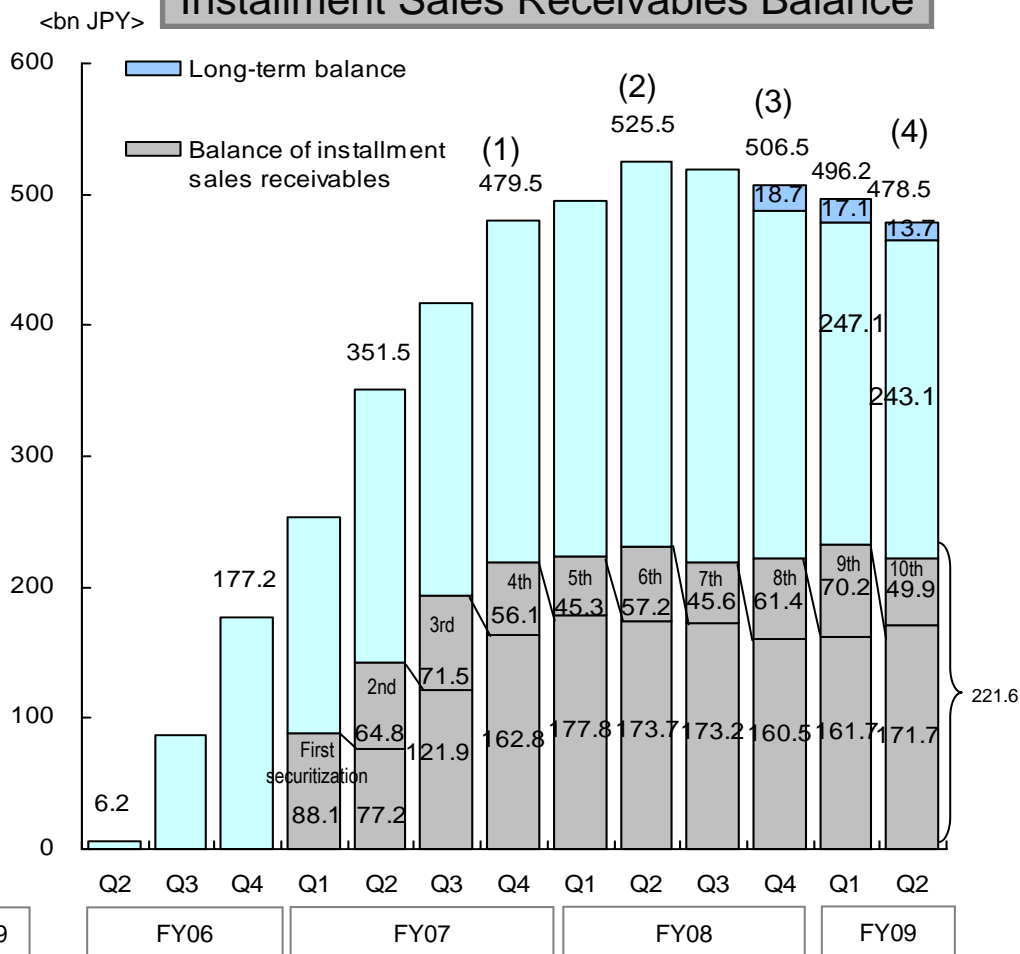
<Mobile>

➤ Maintain high subscription ratio. Installment balance over peak.

## New Super Bonus Subscription Ratio



## Installment Sales Receivables Balance



\*1 Acquisitions installment ratio: ratio of New Super Bonus subscribers to postpaid subscribers (new/upgrade)

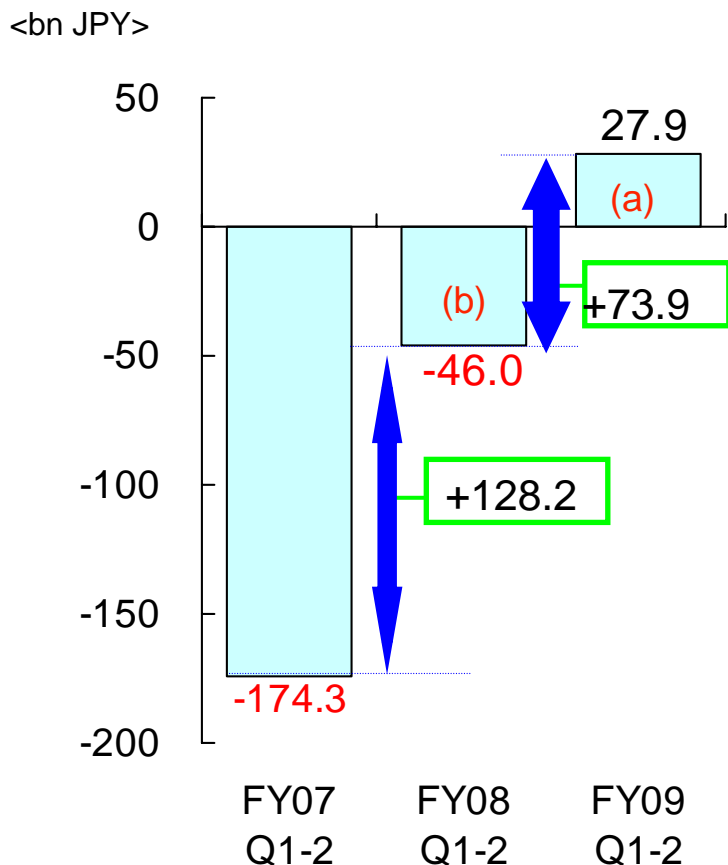
\*2 Cumulative installment ratio: ratio of New Super Bonus subscribers to total subscribers (excluding subscribers whose Monthly Discounts ended)

# Cash Flow Impact from Installment Sales Receivables

<Mobile>

- Impact on operating CF in FY09 Q1-2 JPY 73.9bn.  
Impact on operating CF decreasing.

## Impact on Operating CF (cumulative)



<bn JPY>

	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 Q1-2	(3) 506.5	(4) 478.5	-27.9	(a)+27.9
FY08 Q1-2	(1) 479.5	(2) 525.5	+46.0	(b)-46.0
Variance			-73.9	<b>+73.9</b>

Increase in operating cash flow resulting from decrease in installment sales receivables

<Reference>

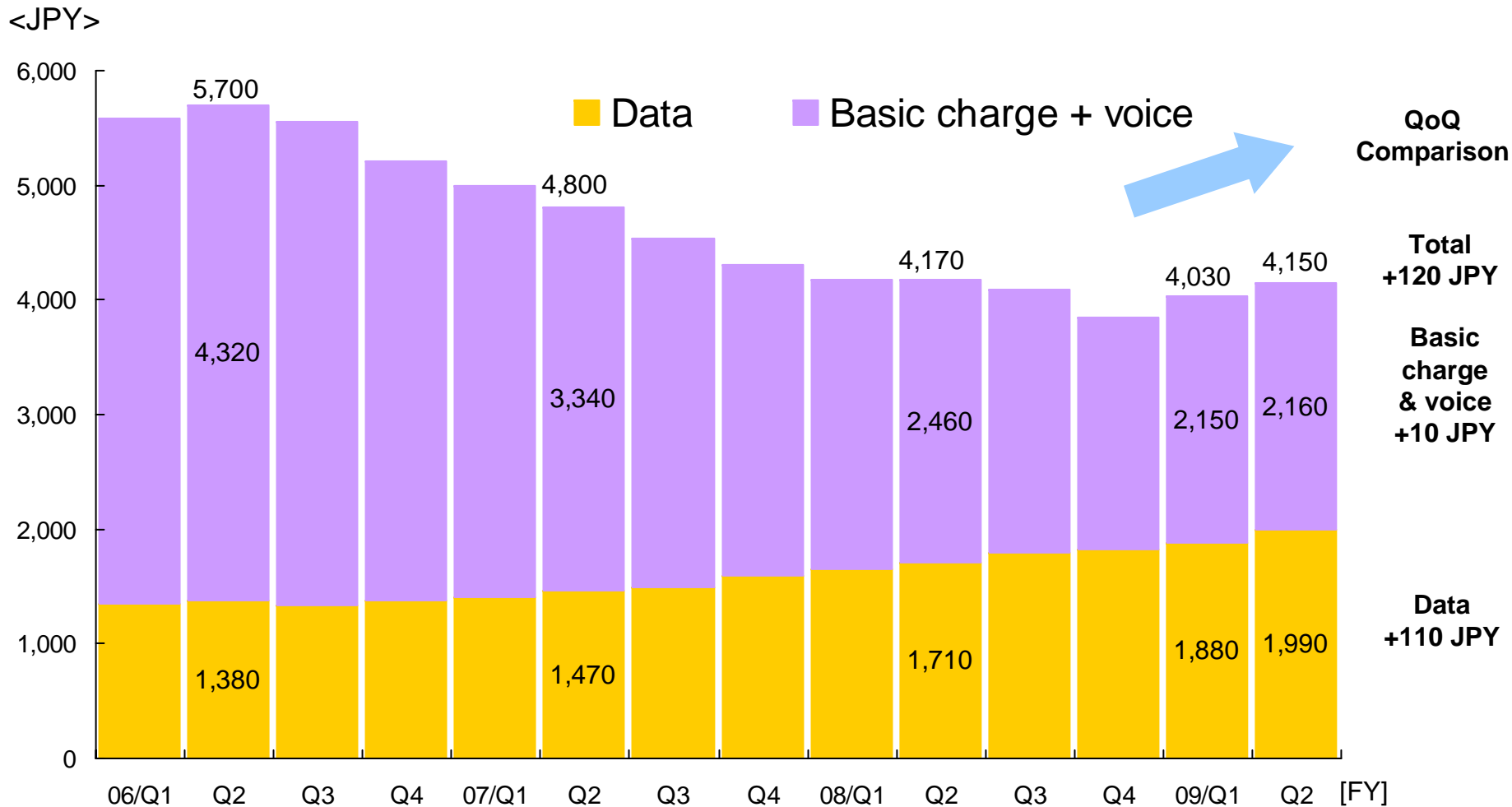
	FY08/Q1-2	FY09/Q1-2	Variance
SB Consolidated FCF	12.1	177.0	<b>+164.9</b>

\*1 Please refer to the graph on P75 for (1), (2), (3), (4) in the above table.

\*2 The decrease in the accounts receivables of FY09/Q1-2 includes the impact of the sale of mobile handset installment sales receivables (10.0 bn JPY).

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

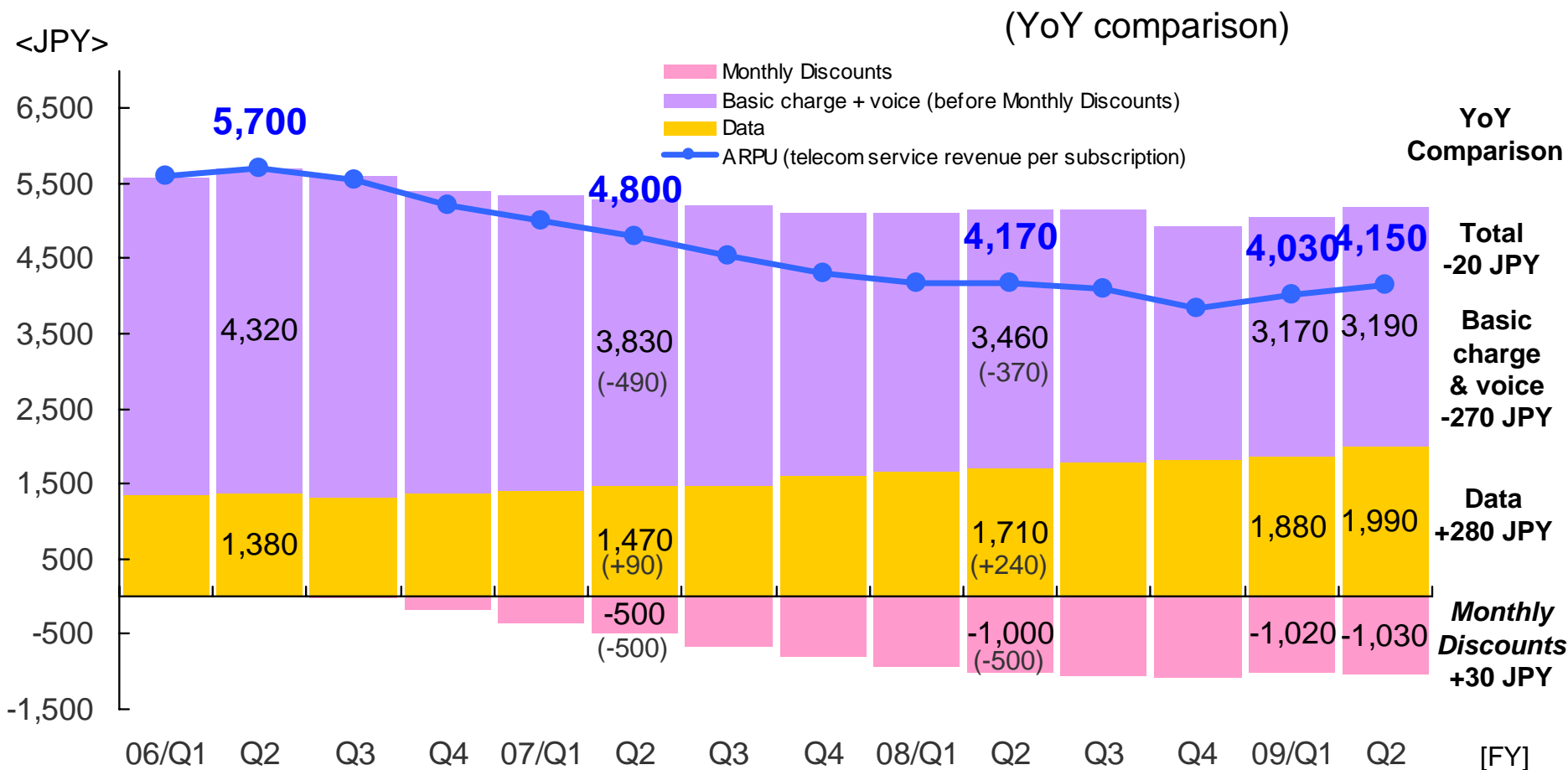
- Total ARPU in steady recovery, after bottoming in FY08/Q4.
- QoQ: Data ARPU growth trend increased.



Note: ARPU (telecom service revenue per subscription) = basic charge + monthly charge + voice, data, etc. – Monthly Discounts (New Super Bonus Special Discount)

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

- Monthly Discounts impact clearly over its peak.
- YoY: voice ARPU continues to decrease at slower pace. Data increases by JPY 280 (approx. 16%).



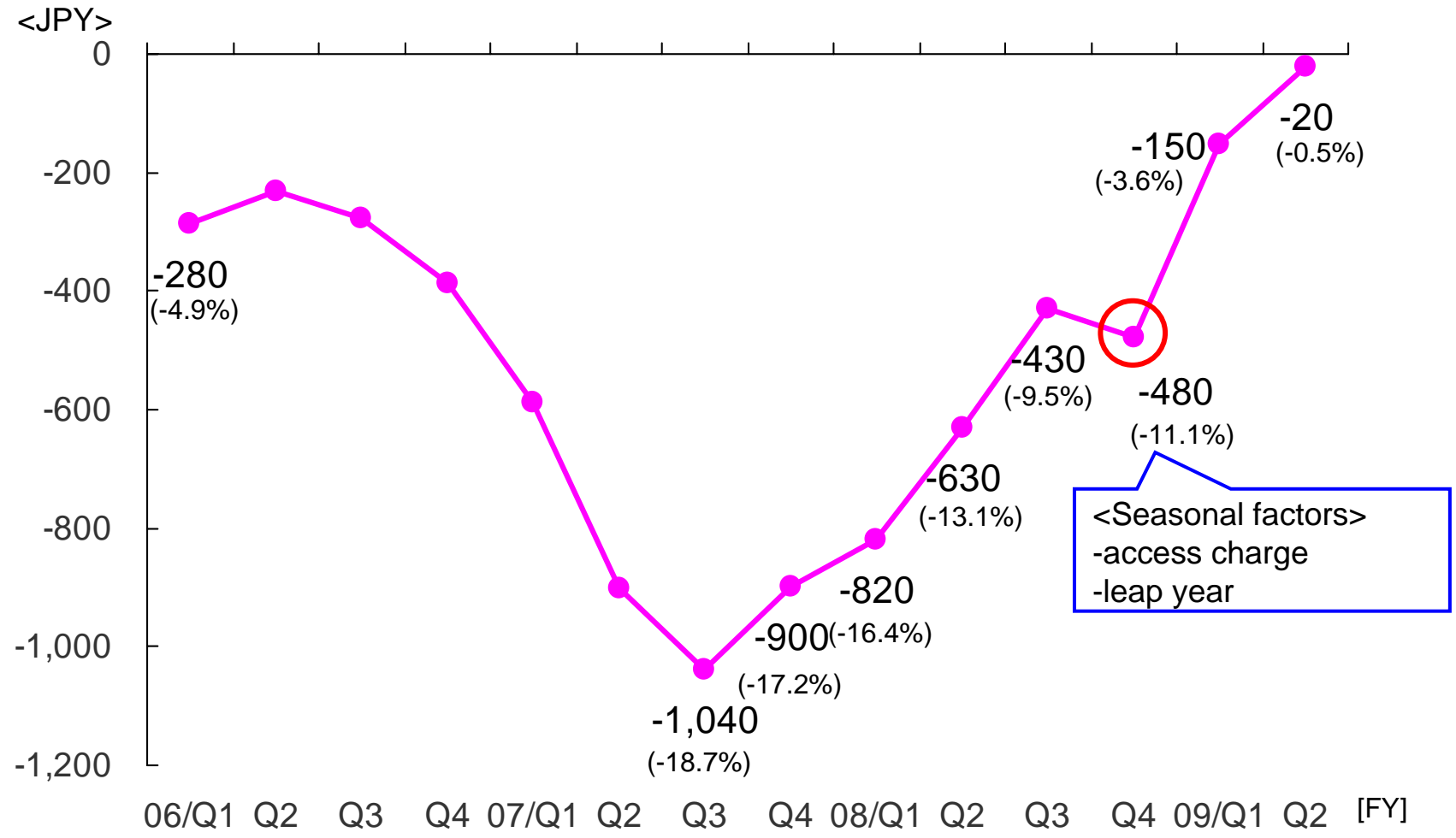
Note 1: ARPU (telecom service revenue per subscription) = basic charge + monthly charge + voice, data, etc. – Monthly Discounts (New Super Bonus Special Discount)

Note 2: The name of New Super Bonus Special Discount was changed to Monthly Discounts on Nov 1, 2008

# ARPU (telecom service revenue per subscription) YoY Comparison

<Mobile>

➤ ARPU continues to improve YoY due to data ARPU growth

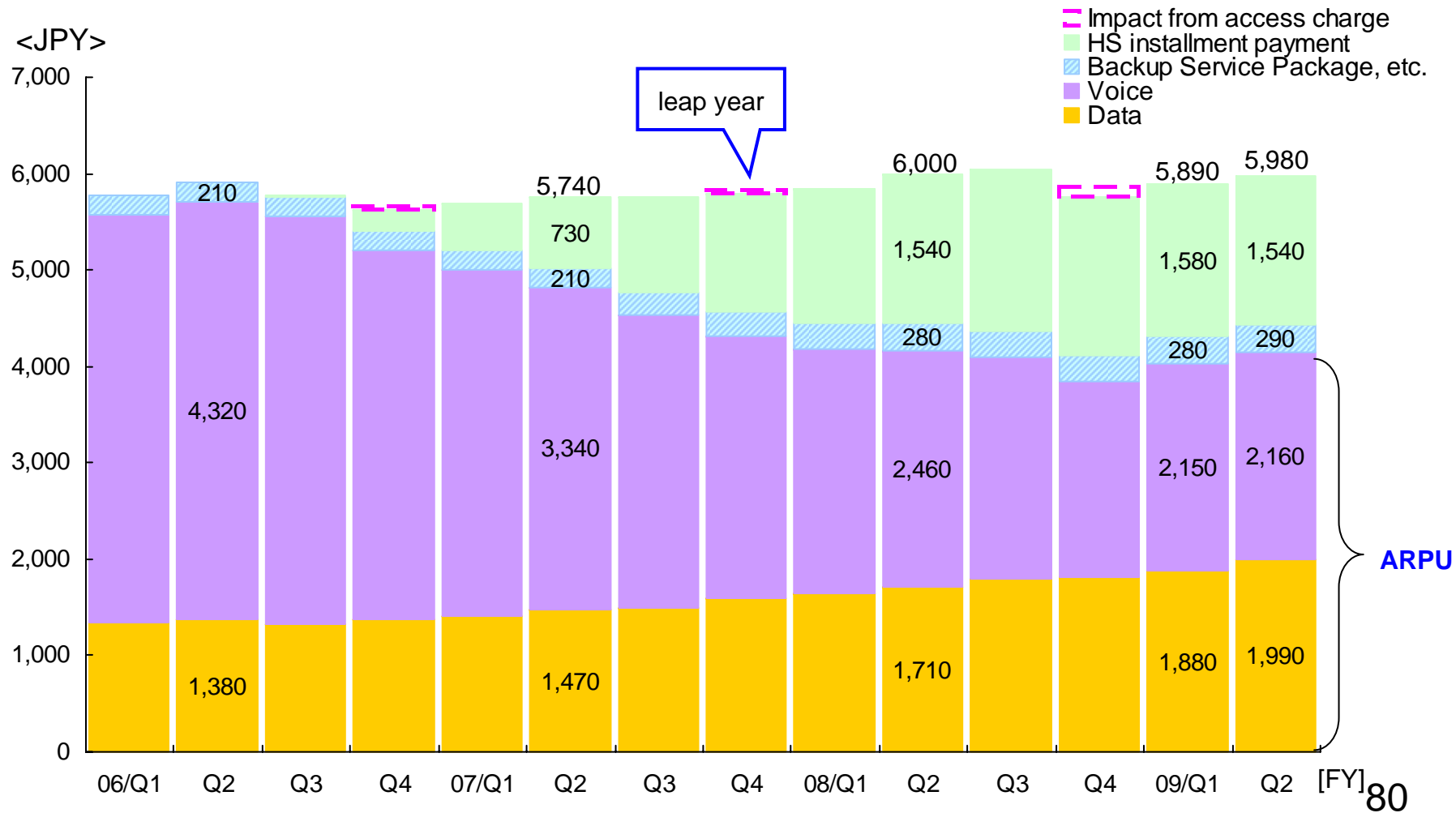


Note: ARPU (telecom service revenue per subscription) = basic charge + monthly charge + voice, data, etc. – Monthly Discounts (New Super Bonus Special Discount)

# Cash Income Per Subscription (average)

<Mobile>

➤ Favorable trend in cash income per subscriber (incl. HS installment payments).



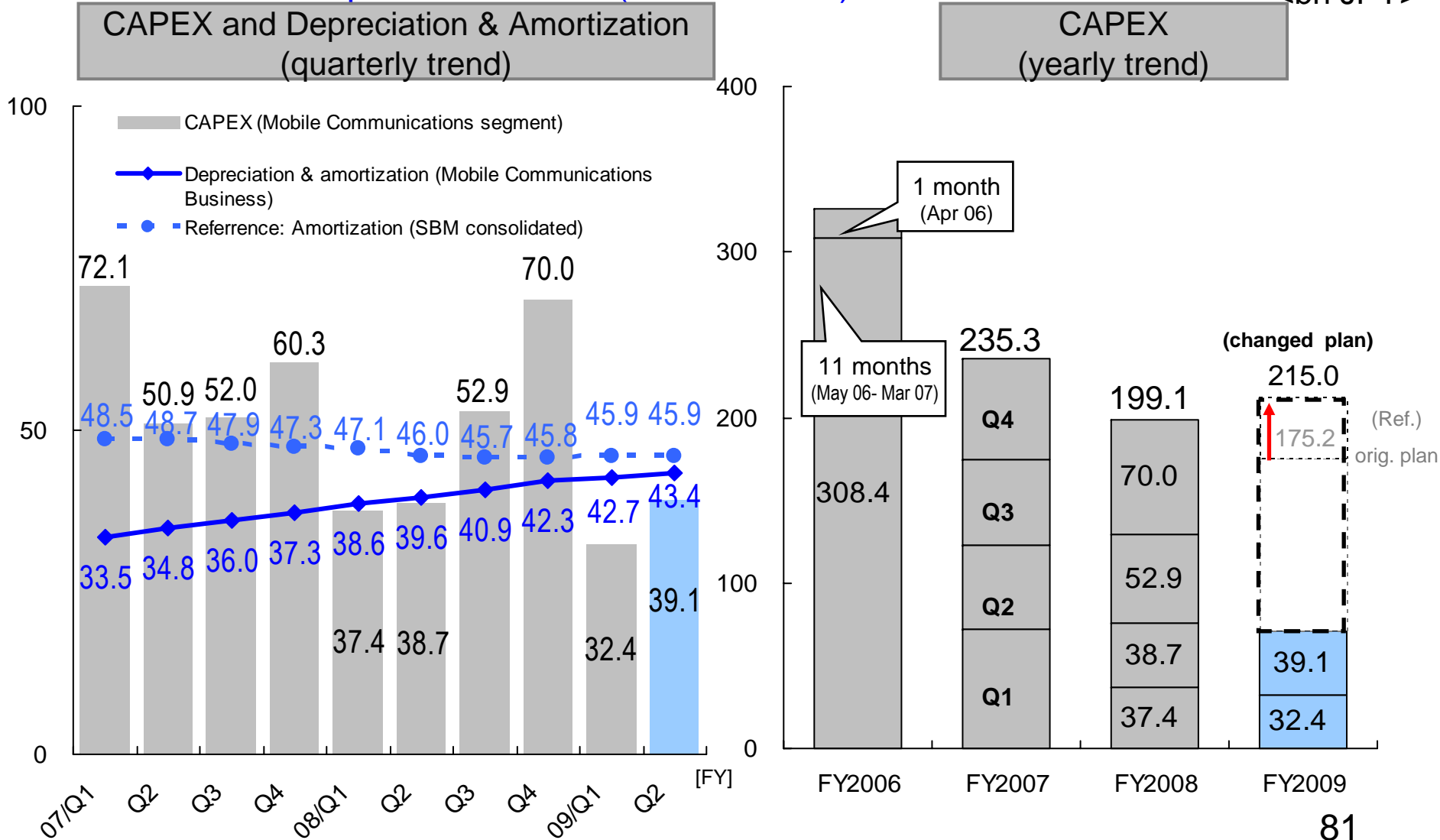
Note: Cash Income Per Subscription = ARPU + handset install payment + backup service package, etc.



# CAPEX [acquisition basis]

<Mobile>

➤ Revise CAPEX plan to increase (+39.8bn JPY).

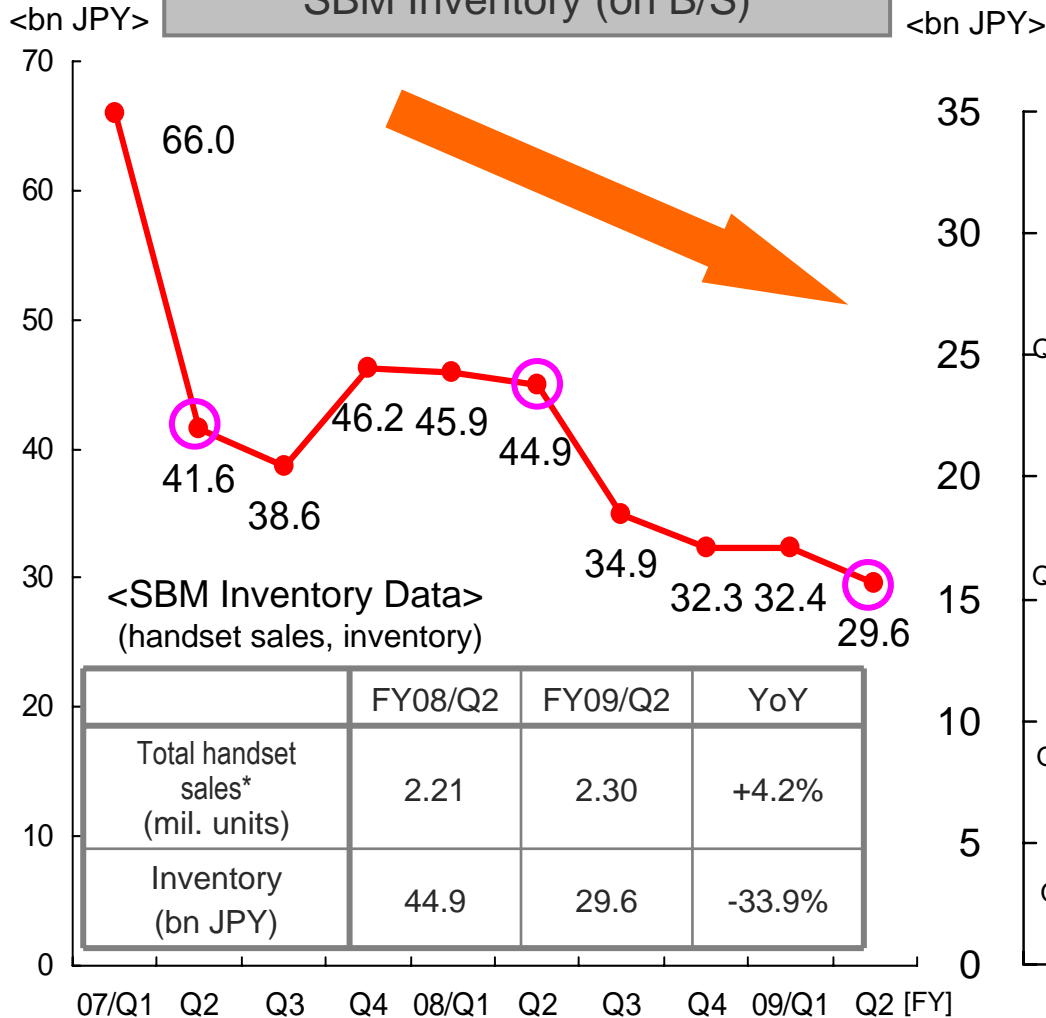


# Improvement in Management Efficiency

<Mobile>

- Large reduction in inventory since FY07
- Large improvement of allowances

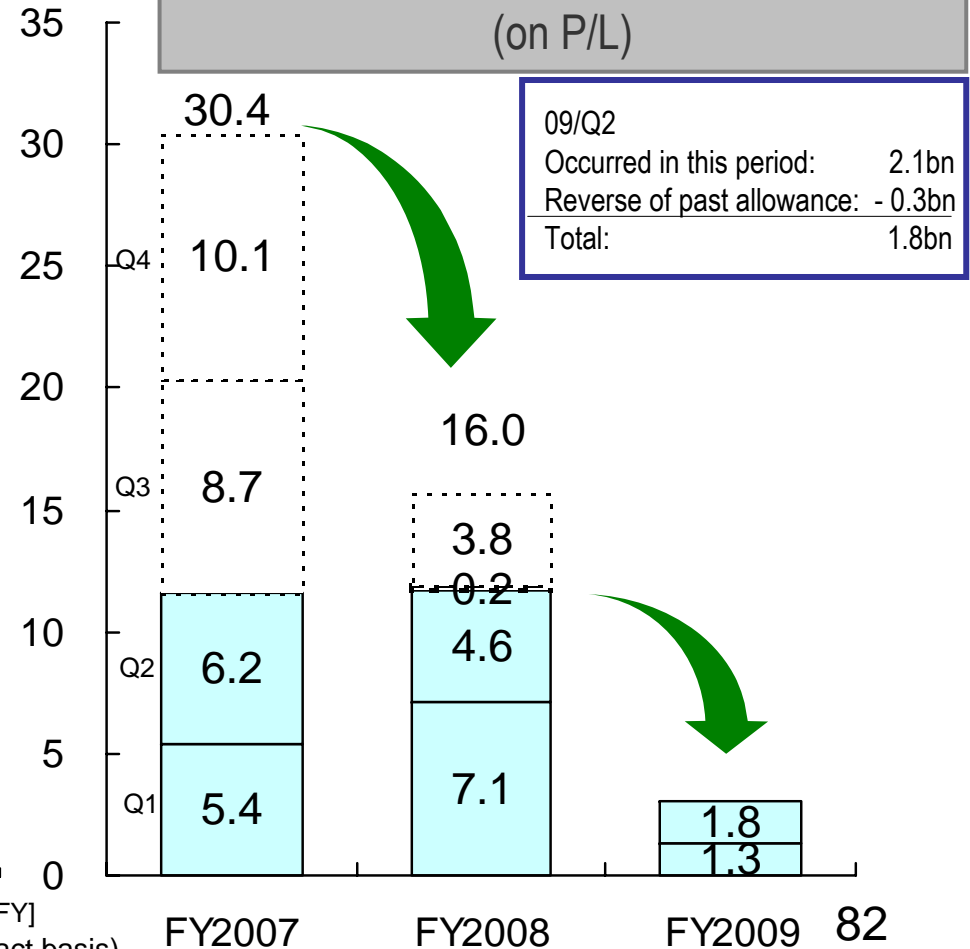
SBM Inventory (on B/S)



<SBM Inventory Data>  
(handset sales, inventory)

	FY08/Q2	FY09/Q2	YoY
Total handset sales* (mil. units)	2.21	2.30	+4.2%
Inventory (bn JPY)	44.9	29.6	-33.9%

Allowance for Doubtful Accounts of Installment Receivables and Bad Debt Loss (on P/L)



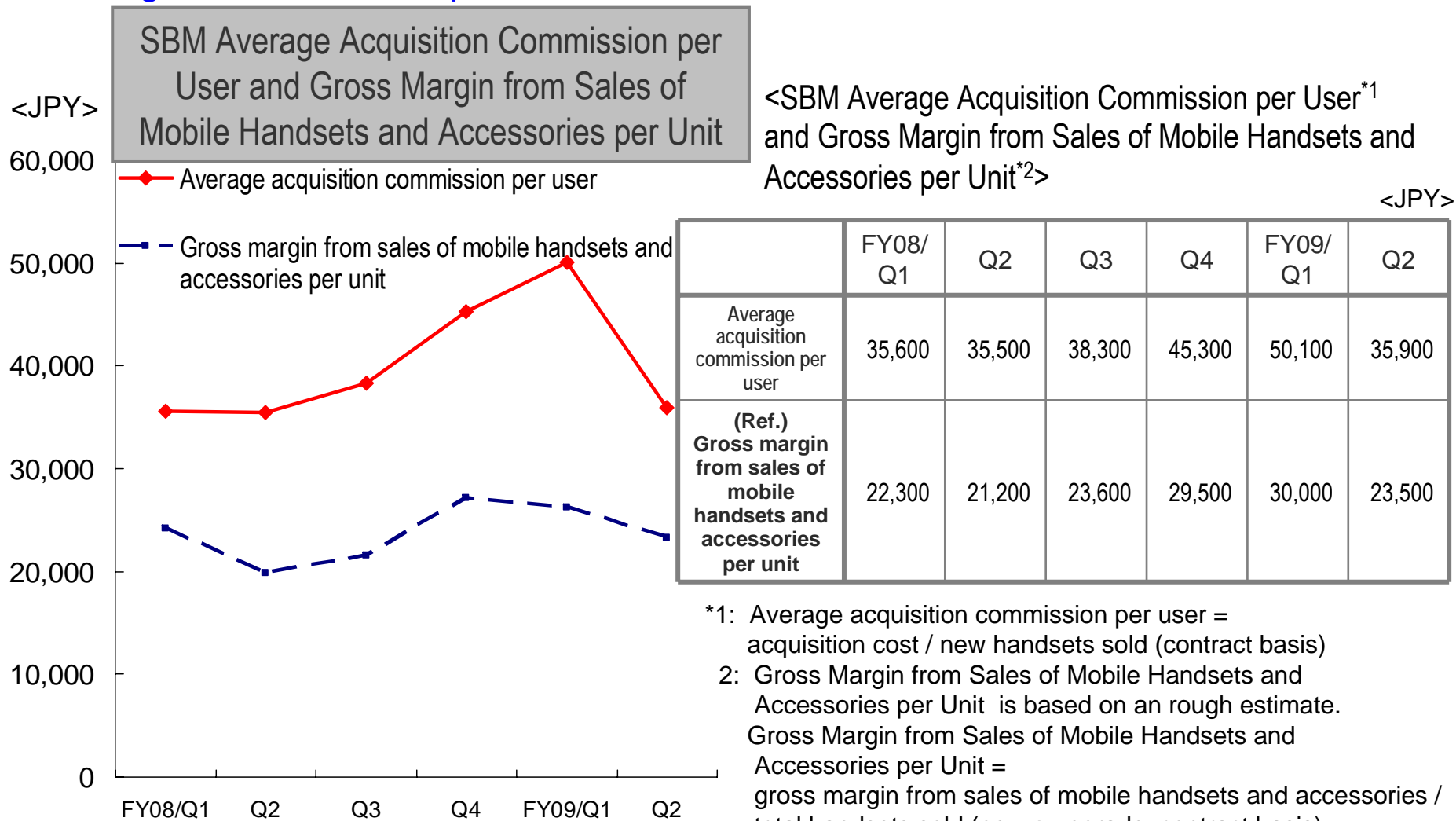
09/Q2  
 Occurred in this period: 2.1bn  
 Reverse of past allowance: -0.3bn  
 Total: 1.8bn

\*Total handset sales = total of handsets sold (new + upgrade, contract basis)

# Average Acquisition Commission per User and Gross Margin from Sales of Mobile Handsets and Accessories

➤ Large reduction in acquisition commission in FY09/Q2.

<Mobile>



\*1: Average acquisition commission per user = acquisition cost / new handsets sold (contract basis)  
 \*2: Gross Margin from Sales of Mobile Handsets and Accessories per Unit is based on a rough estimate.  
 Gross Margin from Sales of Mobile Handsets and Accessories per Unit = gross margin from sales of mobile handsets and accessories / total handsets sold (new + upgrade, contract basis)



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