

**Earnings Results for the  
Six-month Period  
Ended September 30, 2011  
(April to September 2011)**

**Analyst Meeting**



**October 28, 2011  
SOFTBANK CORP.**

## Disclaimer

This material was prepared based on information available and views held at the time it was made. Statements in this material that are not historical facts, including, without limitation, plans, forecasts and strategies are “forward-looking statements.”

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## Regarding Segment Information

The “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” and related “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” are being applied from FY2010 and are hereafter referred to as the “new standard.” Segment financial results for FY2009 are shown based on the new standard for comparison purposes only and have neither been audited nor reviewed by our independent auditors. The new standard has not been applied to all financial information up to and including FY2008 presented herein.

## **Accounting** 4

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Consolidated P/L Analysis 5

Consolidated B/S Analysis 16

Consolidated CF Analysis 26

## **Finance** 31

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## **Operation** 53

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Broadband Infrastructure Segment 55

Fixed-line Telecommunications Segment 59

Mobile Communications Segment 63

# Accounting



Kazuko Kimiwada

General Manager

Accounting, Internal Control

SOFTBANK CORP.

## Consolidated P/L Analysis

# Consolidated P/L Summary

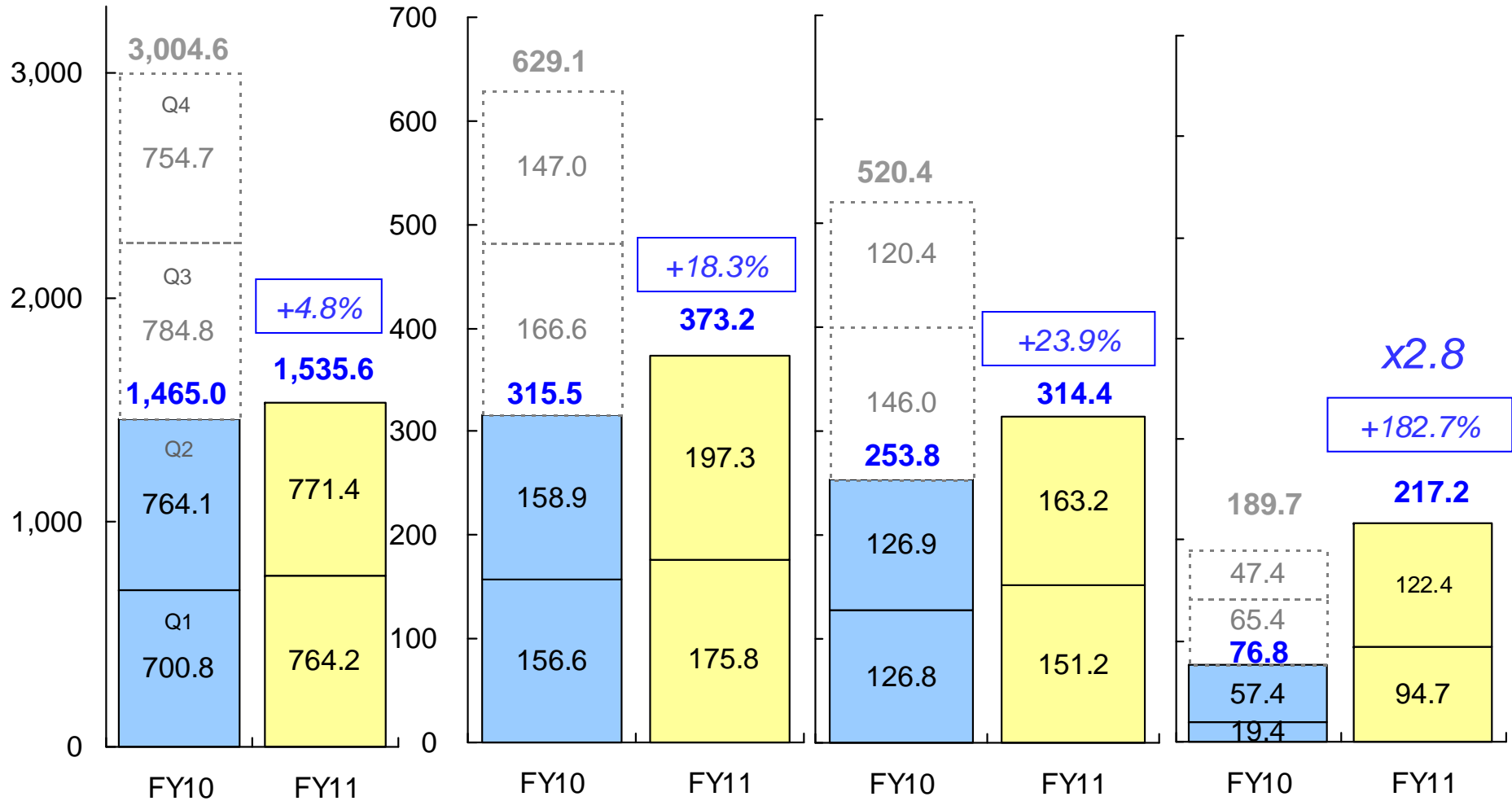
<bn JPY>

Net Sales

Operating Income

Ordinary Income

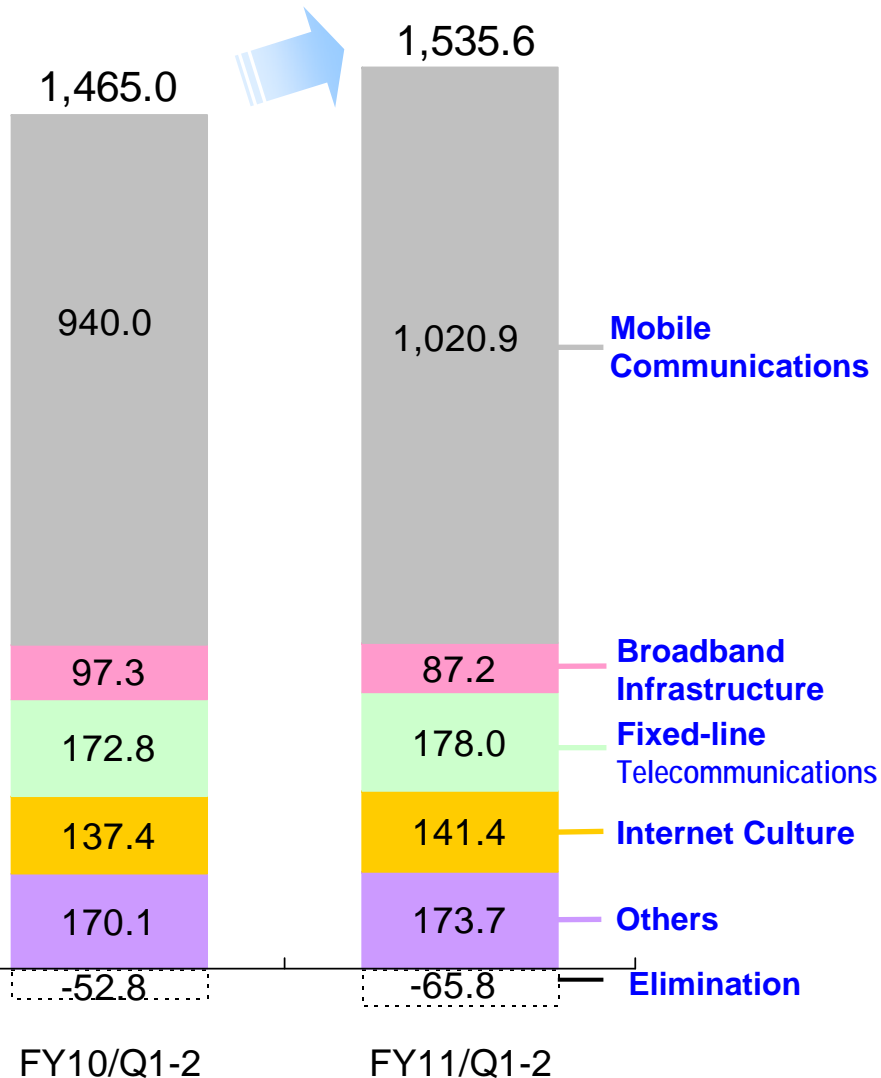
Net Income



# Consolidated Net Sales

**+70.6**  
**(+4.8%)**

<bn JPY>



## Mobile Communications **+80.8bn**

- Increase in telecom service revenue +86.5bn
- ( Increase in subscribers +91.1bn )
- Decrease in revenue from sales of mobile handsets and accessories -5.7bn

## Broadband Infrastructure **-10.1bn**

- Main factors for the change
- ( Decrease in the number of *Yahoo! BB ADSL* charged lines
- Increase in *Yahoo! BB hikari with FLET'S* contracts
- (whose ARPU is lower)

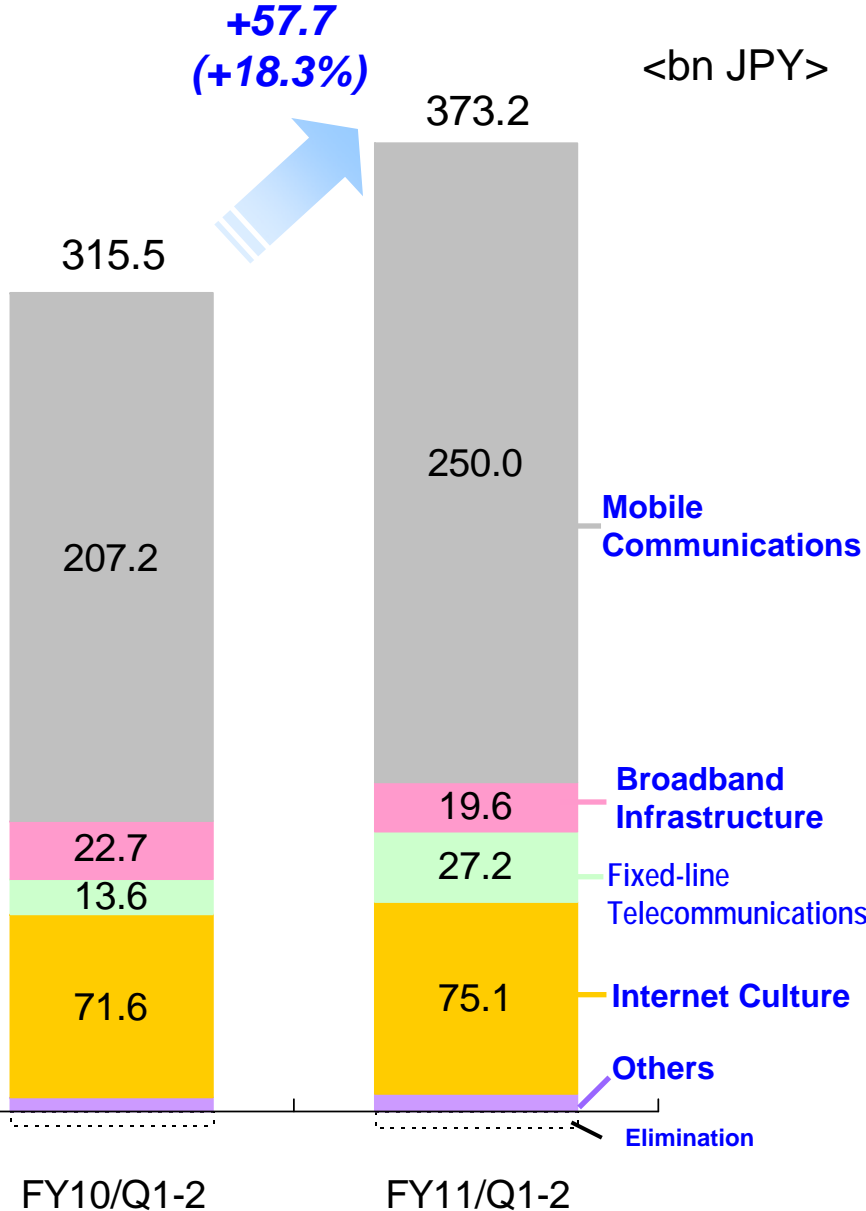
## Fixed-line Telecommunications **+5.1bn**

- Main factors for the change
- ( Increase in revenue from network provision to Group companies
- such as SBM (inter-segment sales)
- Decrease in *MYLINE* sales

## Internet Culture **+4.0bn**

- Main factors for the change
- ( Increase in revenue from listing advertising, game related
- services, information listing services, *Yahoo! Shopping*

# Consolidated Operating Income



**Mobile Communications +42.8bn**

- Increase in net sales +80.8bn
- Increase in COS, SGA -38.0bn

(main factors for the change)

- Increase in depreciation & amortization on additional installment of base stations
- Increase in sales commission and sales promotion expense as a result of increased number of handsets sold
- Decrease in COS on the increased portion of lower-priced handsets

**Broadband Infrastructure -3.0bn**

- Decrease in net sales -10.1bn
- Decrease in COS, SGA +7.0bn

(main factors for the change)

- Decrease in telecom service line usage fees mainly reflecting a decrease in number of ADSL lines

**Fixed-line Telecommunications +13.6bn**

- Increase in net sales +5.1bn
- Decrease in COS, SGA +8.4bn

(main factors for the change)

- Decrease in telecom equipment fees reflecting revised access charges between carriers
- Decrease in sales commissions and sales promotion expense

**Internet Culture +3.5bn**

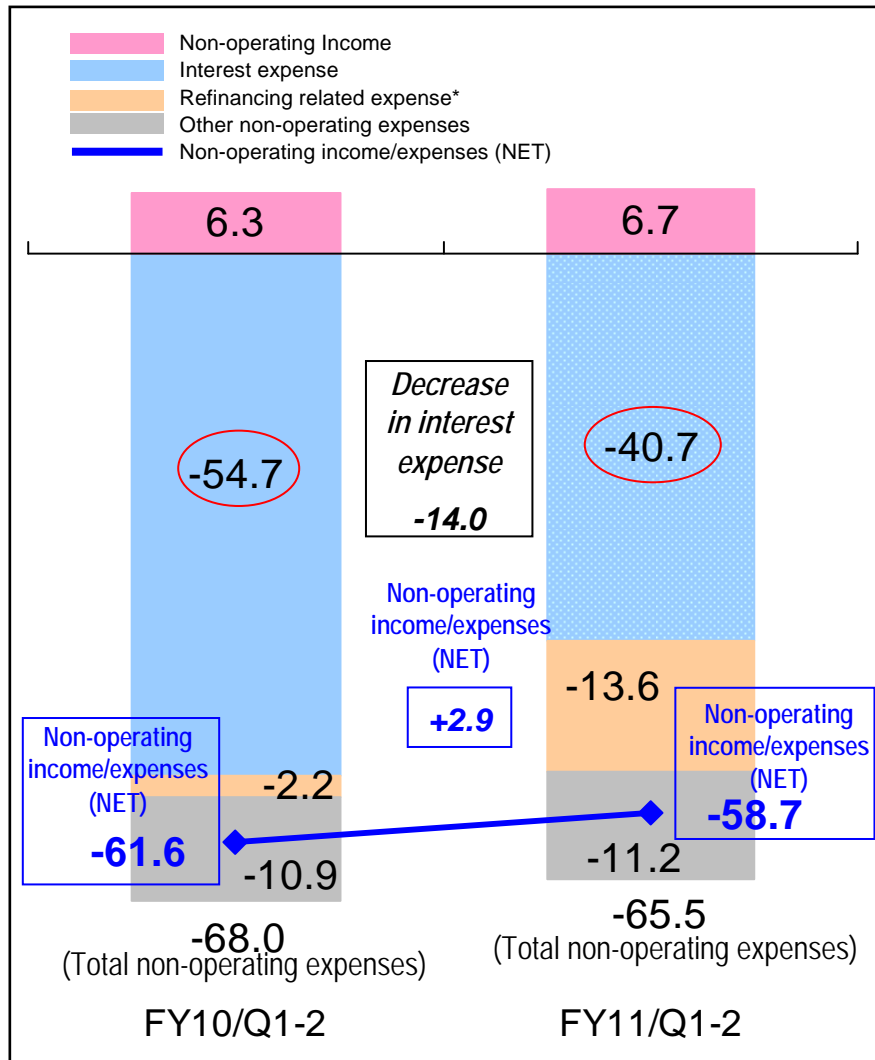
- Increase in net sales +4.0bn



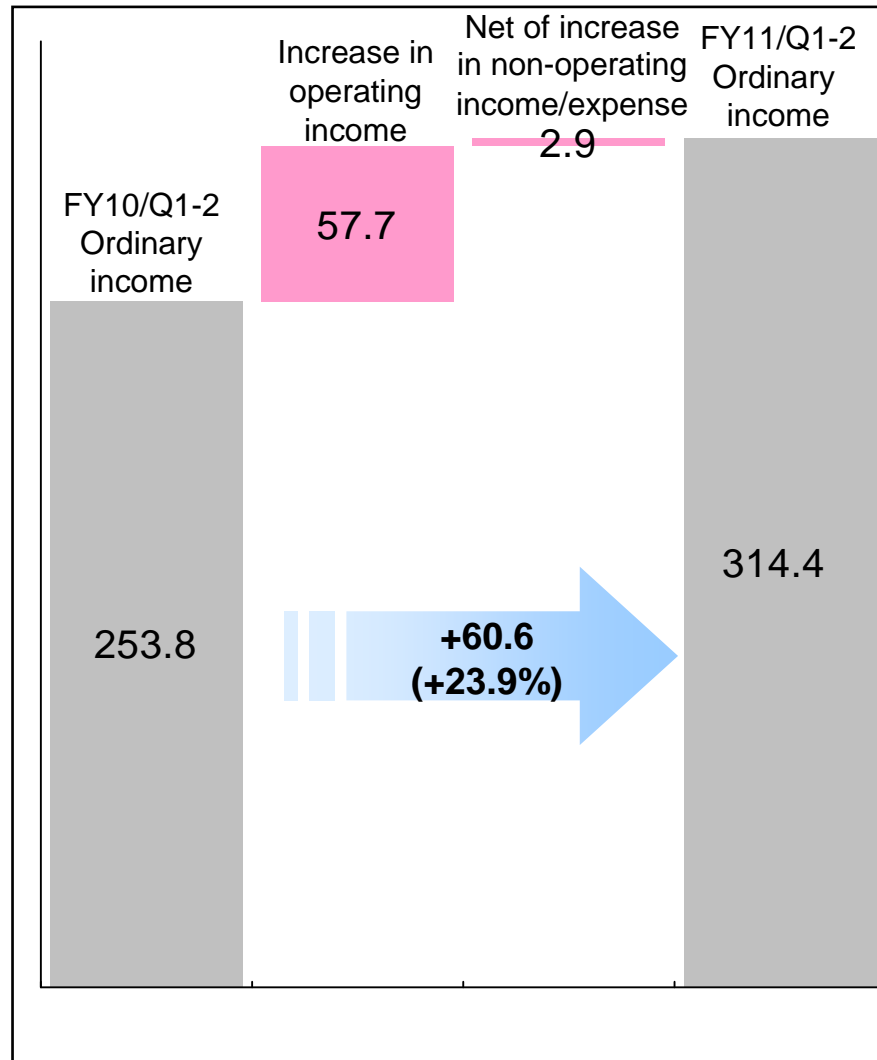
# Non-operating Income/Expense and Ordinary Income

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## Non-operating Income/Expense



## Ordinary Income

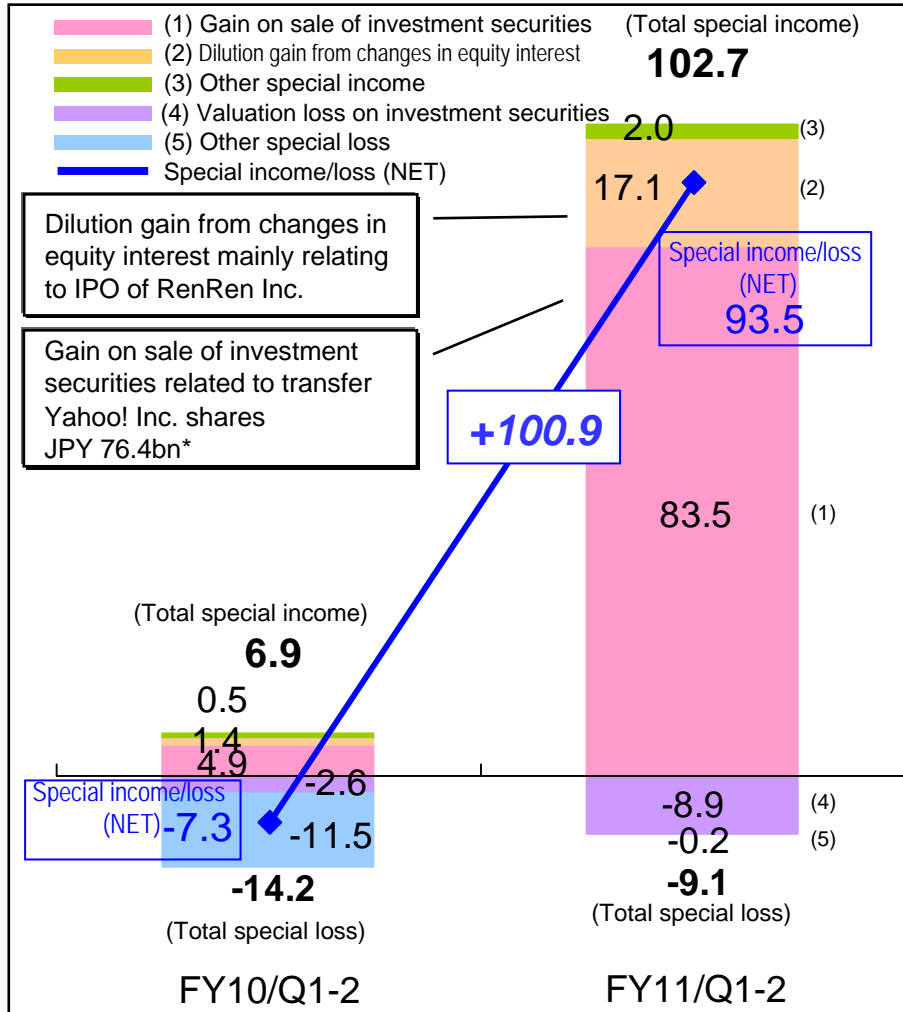


\*Mainly refinancing related expense of JPY 12.6bn (expected to be approx. JPY 23.0bn for the full year) associated with refinancing SBM loan (the loan procured under a whole business securitization scheme as part of the loan for procurement of Vodafone K.K. acquisition finance).

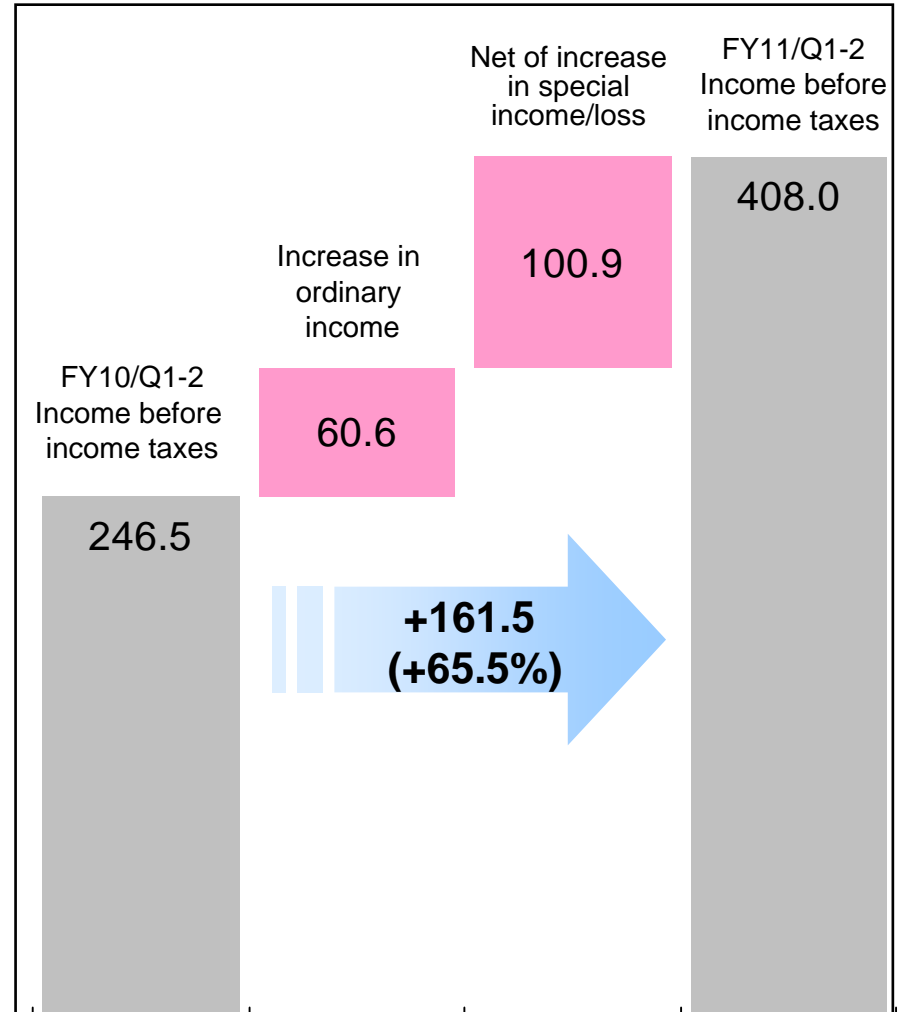
# Special Income/Loss and Income Before Income Taxes

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## Special Income/Loss



## Income Before Income Taxes

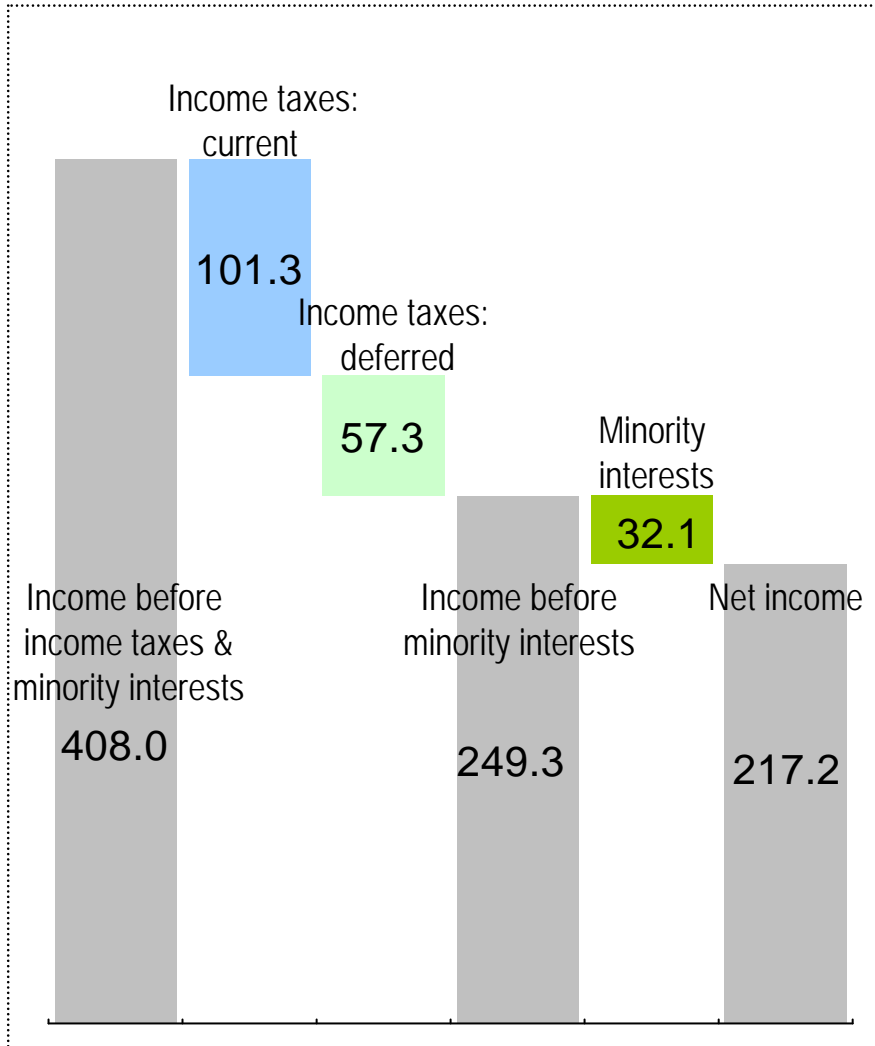


\*see page 28 of this presentation for details.

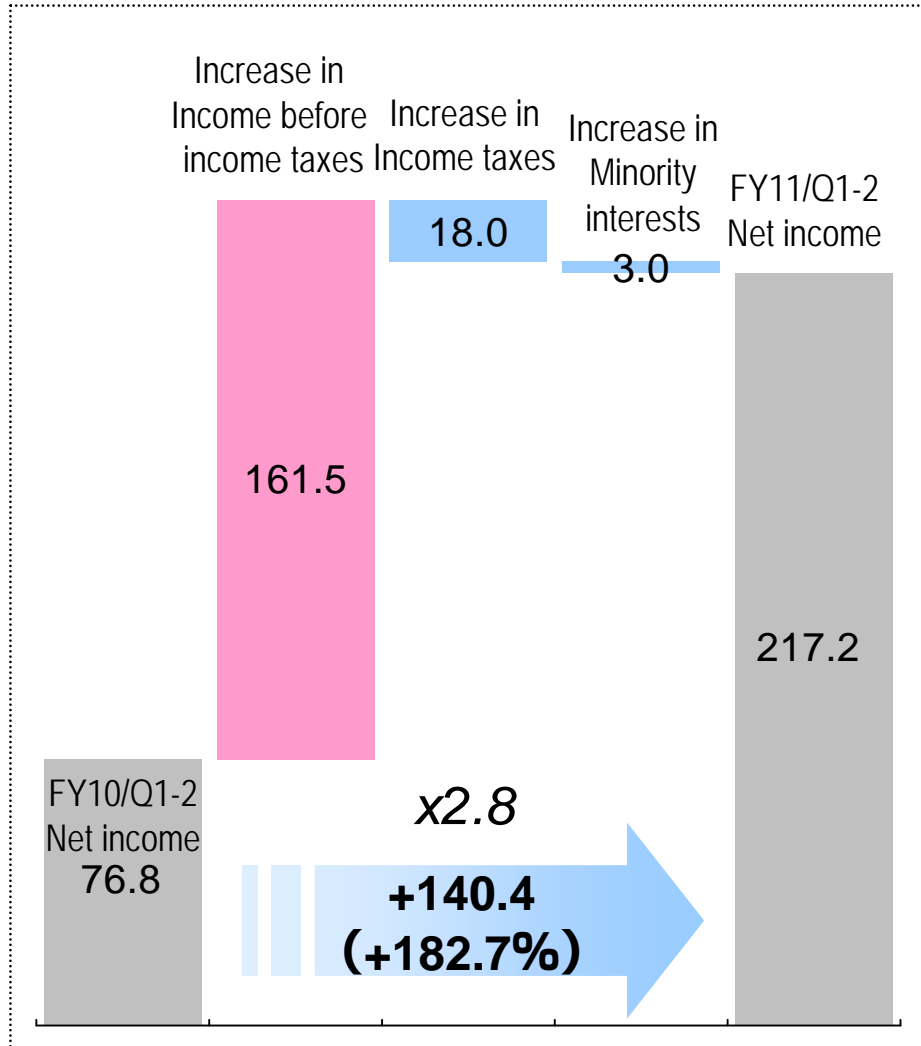
# Net Income

<bn JPY>

FY11/Q1-2 Net Income



YoY Increase Factors



# (Reference) FY11/Q1-2 Comprehensive Income

<bn JPY>

	B/S FY10/Q4 Balance a	Changes during FY11/Q1-2			B/S FY11/Q2 Balance (a + b - c + d)	P/L (b - c)
		Compre- hensive Income /loss b	(Adjustment) Minority interest equivalent c	(Adjustment) Share of other comprehensive income of affiliated companies accounted for using equity method d		
Income before minority interests		249.3	32.1			217.2
Other comprehensive loss			Minority Interests in Net Income		Net Income	
Unrealized gain/loss on available-for-sale securities	34.9	-37.1	-1.7	-0.1	-0.5	
Deferred gain/loss on derivatives under hedge accounting	11.2	-12.9	-0.4	-	-1.2	
Foreign currency translation adjustment	-50.2	-3.1	0.0	0.3	-53.0	
Share of other comprehensive income of affiliated companies accounted for using equity method*1		+0.2	-	-0.2	-	
Total other comprehensive loss	-4.0	-53.0	-2.1	-	-54.9	
Comprehensive income		196.3	29.9			166.3

\*1. Separately indicates the share of other comprehensive income of affiliated companies accounted for using equity method included in other accounts of comprehensive income

Comprehensive income attributable to minority interests

Comprehensive income attributable to owners of the parent

# Tax and Other Adjustments

## FY11/Q1-2 Main Breakdown of Tax Expenses

< bn JPY >

<b>A</b>	<b>Income taxes: current</b>	<b>101.3</b>
	(main breakdown)	
	1. BBM income taxes under consolidated tax return	37.5
	2. SBM local taxes (out of scope for BBM consolidated tax return)	22.8
	3. Yahoo Japan	30.1
<b>B</b>	<b>Income taxes: deferred</b>	<b>57.3</b>
	(main breakdown)	
	4. SBH decrease in temporary difference	25.0
	5. SBM decrease in temporary difference (approximate accounts payable, allowance for point mileage, etc.)	24.0
	6. SBM depreciation and amortization adjustments (occurred at time of SBM acquisition)	4.6
	7. SB utilization of loss carryforwards, etc.	4.4
	8. SBB utilization of loss carryforwards, decrease in temporary difference, etc.	3.6
	9. SBTM deferred tax assets (loss carryforwards)	-7.2
	10. Other temporary difference	2.6
<b>Total income taxes (A+B)</b>		<b>158.6</b>

# Difference in Tax Rate & Loss Carryforwards (Ref.)

## FY11/Q1-2 Reconciliation Between Statutory Tax Rate and Effective Tax Rate

	Rate (%)	<ref.> Amount (bn JPY)
Income before income tax		408.0
Statutory income tax rate	40.7%	166.0
(main factors of difference)		
- Amortization of goodwill (mainly SOFTBANK MOBILE)	3.0%	12.1
- Decrease in valuation allowance	-3.4%	-13.7
- Dilution gain from changes in equity interest, net	-1.7%	-6.9
- Others	0.3%	1.2
Effective income tax rate	38.9%	158.6

## <Reference> Loss Carryforwards (September 2011)

<bn JPY>

Company Name	FY10/Q4 Balance (taxable income based)	Occurred During FY11/Q1-2 (taxable income based)	Utilized During FY11/Q1-2 (taxable income based)	Other Variances	FY11/Q2 Balance (taxable income based)	Deferred Tax Assets (tax based)	Expiry Date
SOFTBANK TELECOM	75.9	-	-25.1	-	50.8	21.3	Mar 2013- Mar 2016
SOFTBANK BB	10.5	-	-3.5	-	6.9	2.8	Mar 2013- Mar 2017
Others	108.7	2.3	-11.9	-2.5	96.4	38.0	Mar 2012- Mar 2018
Total	195.2	2.3	-40.6	-2.5	154.3	62.2	

Valuation allowance

-33.1

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

29.0

# Financial Results of Non-consolidated Subsidiaries and Affiliates

Net income/loss, interest-bearing debt at non-consolidated subsidiaries and affiliates not accounted for under the equity method

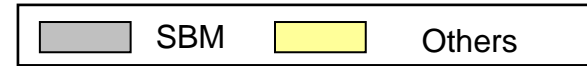
	Number of Companies	Net Income/Loss (after consideration of economic interest)	Interest-bearing Debt (not within the SB Group)
Non-consolidated subsidiaries not under the equity method	54	JPY 120mil	JPY 120mil
Non-consolidated subsidiaries under the equity method	4	-	-
Affiliated companies not under the equity method	23	JPY -80mil	N/A
<b>Total</b>	<b>81</b>	<b>JPY 40mil</b>	<b>JPY 120mil</b>

SOFTBANK CORP. owns 100% shares issued by WILLCOM, Inc. However, WILLCOM is in the process of rehabilitation under the Corporate Rehabilitation Act and SOFTBANK does not have effective control over WILLCOM. Therefore, WILLCOM is not treated as a subsidiary and not included in any of the above figures.

## Consolidated B/S Analysis

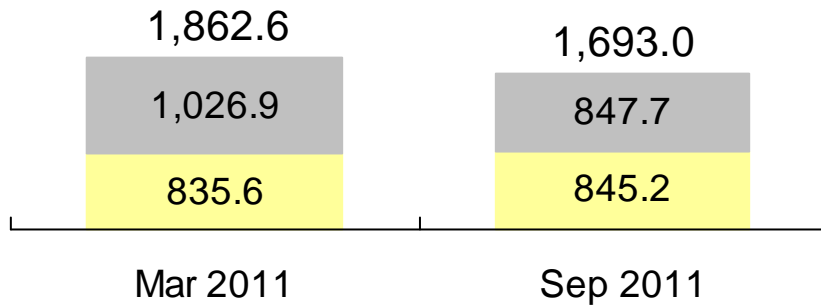


# Consolidated B/S Summary

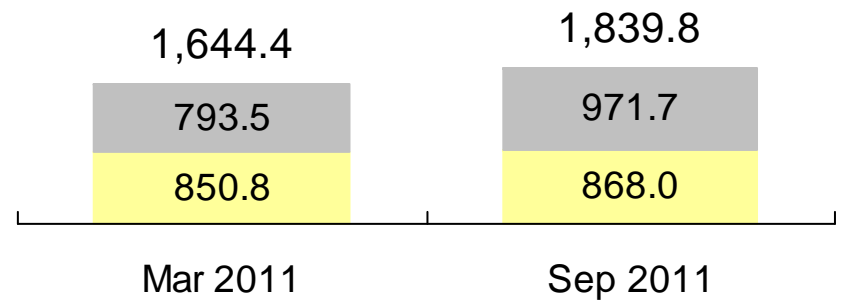


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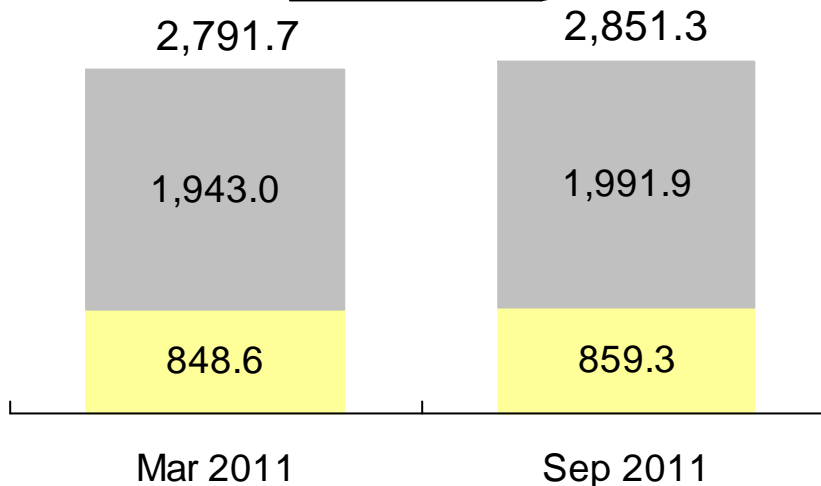
Current Assets



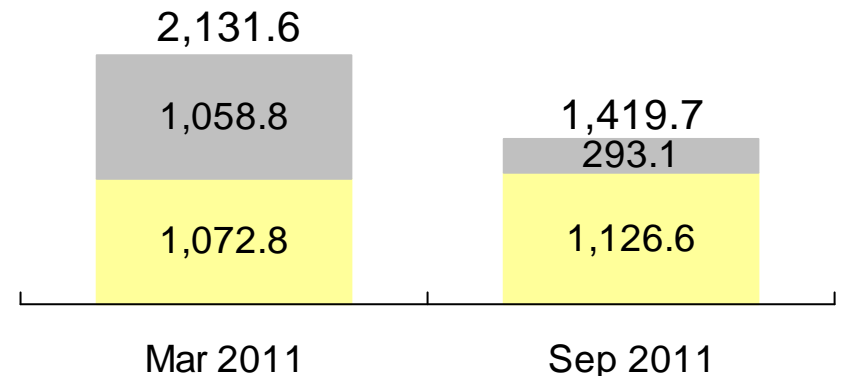
Current Liabilities



Fixed Assets



Long-term Liabilities



# Consolidated B/S (1) Current Assets

<bn JPY>

Assets	Mar 2011	Sep 2011	Variance	Outline
Current assets	1,862.6	1,693.0	-169.5	
SBM	1,026.9	847.7	-179.2	
Others	835.6	845.2	9.6	
Cash and deposits	861.6	902.7	41.1	
SBM	408.0	339.7	-68.3	Increase provided by operating activities (+257.6), outlay due to acquisition of fixed assets (-167.2), repayment of SBM loan (-488.0), Repayment of securitization of installment sales receivables (-40.0), Sale and lease back of equipment newly acquired (procured +72.0, repaid - 60.4)
Others	453.5	563.0	109.4	SB: Mar 11 (199.0) >> Sep 11 (279.8) Breakdown: 36 <sup>th</sup> & 37 <sup>th</sup> Unsecured Straight Bond issue (+129.3), Borrowings (+241.9), CP (-25.0), Redemption of 25 <sup>th</sup> & 27 <sup>th</sup> Unsecured Straight Bond (-113.5) Yahoo Japan: Mar 11 (173.8) >> Sep 11 (197.9)
Notes and accounts receivable-trade	657.7	576.6	-81.1	
SBM	498.1	427.1	-70.9	Mobile handset installment sales receivables Mar 11 (252.1) >> Sep 11 (198.8) including sale of installment sales receivables (-123.1) Telecom revenue receivables Mar 11 (172.3) >> Sep 11 (182.0) Mobile handsets sales receivables (to sales agents) Mar 11 (68.0) >> Sep 11 (41.6)
Others	159.6	149.4	-10.2	SBB: Mar 11 (58.5) >> Sep 11 (56.1), SBTM: Mar 11 (44.8) >> Sep 11 (37.9)
Marketable securities	78.0	3.9	-74.1	
SBM	-	-	-	
Others	78.0	3.9	-74.1	SBH: Yahoo! Inc. shares (-73.5) repaid debt by transferring Yahoo! Inc. shares to CITIBANK, N.A.*
Merchandise and finished products	49.8	33.0	-16.7	
SBM	38.6	20.9	-17.6	
Others	11.2	12.1	0.8	
Deferred tax assets	90.9	75.4	-15.4	
SBM	45.2	28.2	-17.0	
Others	45.6	47.1	1.5	
Others	162.0	142.1	-19.8	
SBM	68.9	66.9	-2.0	
Others	93.1	75.2	-17.8	SBH: derivative assets (-22.6) decreased after settlement of forward contract regarding transfer of Yahoo! Inc. shares*
Allowance for doubtful accounts	-37.7	-41.0	-3.2	
SBM	-32.0	-35.2	-3.1	
Others	-5.6	-5.7	-0.0	

\*see page 28 for details.

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

# Consolidated B/S (2) Tangible Assets

<bn JPY>

Assets	Mar 2011	Sep 2011	Variance	Outline
Fixed assets	2,791.7	2,851.3	59.6	
SBM	1,943.0	1,991.9	48.8	
Others	848.6	859.3	10.7	
Property and equipment, net	1,113.4	1,191.2	77.7	
SBM	809.6	880.2	70.6	
Others	303.8	310.9	7.1	
Building and structures	74.8	74.3	-0.5	
SBM	26.3	26.0	-0.3	
Others	48.4	48.3	-0.1	
Telecommunications equipment	840.8	912.7	71.9	
SBM	713.5	785.1	71.5	Acquisition of telecommunications equipment (+111.5), Acquisition of antenna equipment (+15.1), Depreciation etc. (-55.2)
Others	127.2	127.6	0.4	SBTM: Mar 11 (98.1) >> Sep 11 (95.4) SBB: Mar 11 (23.3) >> Sep 11 (26.5)
Telecommunications service lines	68.8	66.8	-2.0	
SBM	7.4	7.8	0.4	
Others	61.3	58.9	-2.4	SBTM: Mar 11 (61.3) >> Sep 11 (58.9)
Land	22.8	22.9	0.0	
SBM	10.9	10.9	0.0	
Others	11.9	11.9	-	
Construction in progress	55.6	57.5	1.8	
SBM	34.5	33.9	-0.5	
Others	21.1	23.5	2.3	
Other	50.3	56.7	6.4	
SBM	16.7	16.3	-0.4	
Others	33.5	40.4	6.8	

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

# Consolidated B/S (3) Intangible Assets, Investments and Other Assets

<bn JPY>

Assets	Mar 2011	Sep 2011	Variance	Outline
Fixed assets	2,791.7	2,851.3	59.6	
Intangible assets, net	1,120.3	1,107.1	-13.2	
SBM	1,002.0	992.3	-9.7	
Others	118.3	114.8	-3.4	
Goodwill	839.2	807.9	-31.2	
SBM	775.7	749.9	-25.7	Decrease due to regular amortization
Others	63.5	57.9	-5.5	Decrease due to regular amortization
Software	248.8	267.5	18.7	
SBM	220.3	238.2	17.8	
Others	28.4	29.3	0.8	
Other	32.2	31.5	-0.6	
SBM	5.9	4.0	-1.8	
Others	26.2	27.5	1.2	
Investments and other assets	557.9	552.9	-4.9	
SBM	131.3	119.3	-12.0	
Others	426.5	433.6	7.0	
Investment securities and Investment In unconsolidated sub & affiliates	340.4	350.4	10.0	
SBM	0.8	0.7	-0.0	
Others	339.5	349.6	10.0	Renren Inc.: changes in equity interest related to IPO in NYSE (May 11), etc. (+12.2), investment in Gilt Groupe (+4.7), investment in InMobi Pte. Ltd.(+7.8)
Deferred tax assets	109.1	95.9	-13.1	
SBM	90.7	79.2	-11.4	
Others	18.4	16.7	-1.7	
Other	123.3	122.7	-0.5	
SBM	49.3	50.1	0.8	
Others	73.9	72.6	-1.3	
Allowance for doubtful accounts (long-term)	-15.0	-16.2	-1.2	
SBM	-9.5	-10.8	-1.3	
Others	-5.4	-5.3	0.1	
Deferred charges	1.3	6.7	5.3	
SBM	-	-	-	
Others	1.3	6.7	5.3	

# Consolidated B/S (4) Current Liabilities

<bn JPY>

Liabilities	Mar 2011	Sep 2011	Variance	Outline
Current liabilities	1,644.4	1,839.8	195.4	
SBM	793.5	971.7	178.2	
Others	850.8	868.0	17.1	
Accounts payable-trade	193.6	148.5	-45.0	
SBM	133.9	95.7	-38.1	Payment for mobile handsets, etc.
Others	59.7	52.7	-6.9	SBB: Mar 11 (39.3) >> Sep 11 (32.6) SBTM: Mar 11 (4.2) >> Sep 11 (3.6)
Short-term borrowings	410.9	532.6	121.7	
SBM	49.9	294.3	244.4	Transfer of SBM loan to be repaid in Oct 11 from long-term liabilities (+284.5) Repayment of securitization of installment sales receivables (-40.0)
Others	361.0	238.3	-122.7	SB Non-consolidated: Mar 11 (263.6) >> Sep 11 (236.9) SBH: Mar 11 (93.3) >> Sep 11 (-) repayment of borrowings from CITIBANK, N.A.*
Commercial paper	25.0	-	-25.0	
SBM	-	-	-	
Others	25.0	-	-25.0	SB: Mar 11 (25.0) >> Sep 11 (-)
Current portion of corporate bonds	128.5	110.0	-18.5	
SBM	-	-	-	
Others	128.5	110.0	-18.5	SB: redemption of 25 <sup>th</sup> & 27 <sup>th</sup> Unsecured Straight Bond (-113.5) transfer of 28 <sup>th</sup> & 29 <sup>th</sup> Unsecured Straight Bond from long-term liabilities (+95.0) SBTM: 2nd series Unsecured Straight Bond Sep 11 (15.0)
Accounts payable-other	561.4	726.8	165.4	
SBM	453.3	430.1	-23.2	Payment of sales commission (-27.4)
Others	108.0	296.7	188.6	Accounts payable-other related to acquisition of preferred stock, etc. issued to Vodafone Group transferred from long-term liabilities (+200.0)
Current portion of lease obligations	131.3	132.7	1.4	
SBM	111.4	110.1	-1.3	
Others	19.8	22.5	2.7	
Other	193.5	188.9	-4.6	
SBM	44.8	41.3	-3.5	Income taxes payable etc. (local taxes) Mar 11 (29.6) >> Sep 11 (27.8)
Others	148.7	147.6	-1.0	Income taxes payable etc. BBM: Mar 11 (50.9) >> Sep 11 (44.6) Yahoo Japan: Mar 11 (32.4) >> Sep 11 (30.6)

\*See page 28 for details.

SB: SOFTBANK SBM: SOFTBANK MOBILE SBB: SOFTBANK BB SBTM: SOFTBANK TELECOM SBH: SOFTBANK Holdings Inc. BBM: BB Mobile  
Vodafone Group: Vodafone International Holdings B.V. and Vodafone Overseas Finance Limited

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

<bn JPY>

Liabilities	Mar 2011	Sep 2011	Variance	Liabilities
Long-term liabilities	2,131.6	1,419.7	-711.9	
SBM	1,058.8	293.1	-765.7	
Others	1,072.8	1,126.6	53.7	
Corporate bonds	507.3	492.3	-15.0	
SBM	-	-	-	
Others	507.3	492.3	-15.0	SB: 36 <sup>th</sup> & 37 <sup>th</sup> Unsecured Straight Bond issue (+130.0) 28 <sup>th</sup> & 29 <sup>th</sup> Unsecured Straight Bond transferred to current liabilities (-95.0) Decrease due to the conversion of Convertible Bonds due 2014 into common stock (-49.9)
Long-term debt	1,030.9	527.5	-503.4	
SBM	772.5	-	-772.5	SBM loan Mar 11 (772.5) >> Sep 11 (-) Breakdown: Repayment of SBM loan (-488.0) Transfer of amounts to be paid in Oct 11 to current liabilities (-284.5)
Others	258.3	527.5	269.1	SB: Mar 11 (257.9) >> Sep 11 (526.5) Borrowings related to SBM loan refinance (+352.5)
Deferred tax liabilities	26.5	25.2	-1.3	
SBM	-	-	-	
Others	26.5	25.2	-1.3	
Allowance for point mileage	41.9	33.0	-8.8	
SBM	41.9	33.0	-8.8	Point service for customers
Others	-	-	-	
Lease obligations	199.7	215.1	15.4	
SBM	173.4	186.3	12.9	
Others	26.3	28.8	2.5	
Other	325.0	126.2	-198.7	
SBM	70.9	73.7	2.7	
Others	254.1	52.5	-201.5	Accounts payable relating to Acquisition of preferred stock, etc. issued to Vodafone Group transferred to current liabilities (-200.0)

SMB loan refinance: borrowings by SOFTBANK for total JPY 550.0bn  
1<sup>st</sup> borrowing (July 27 2011): JPY 352.5bn  
2<sup>nd</sup> borrowing scheduled (Oct 27 2011) : JPY 197.5bn

Repayment by SBM loan refinance:  
1<sup>st</sup> SBM loan repayment (July 27 2011): JPY 369.5bn  
2<sup>nd</sup> SBM loan repayment scheduled (Oct 27 2011): JPY 284.5bn (transferred to current liabilities)

Note: Vodafone Group indicates Vodafone International Holdings B.V. and Vodafone Overseas Finance Limited  
SB: SOFTBANK SBM: SOFTBANK MOBILE

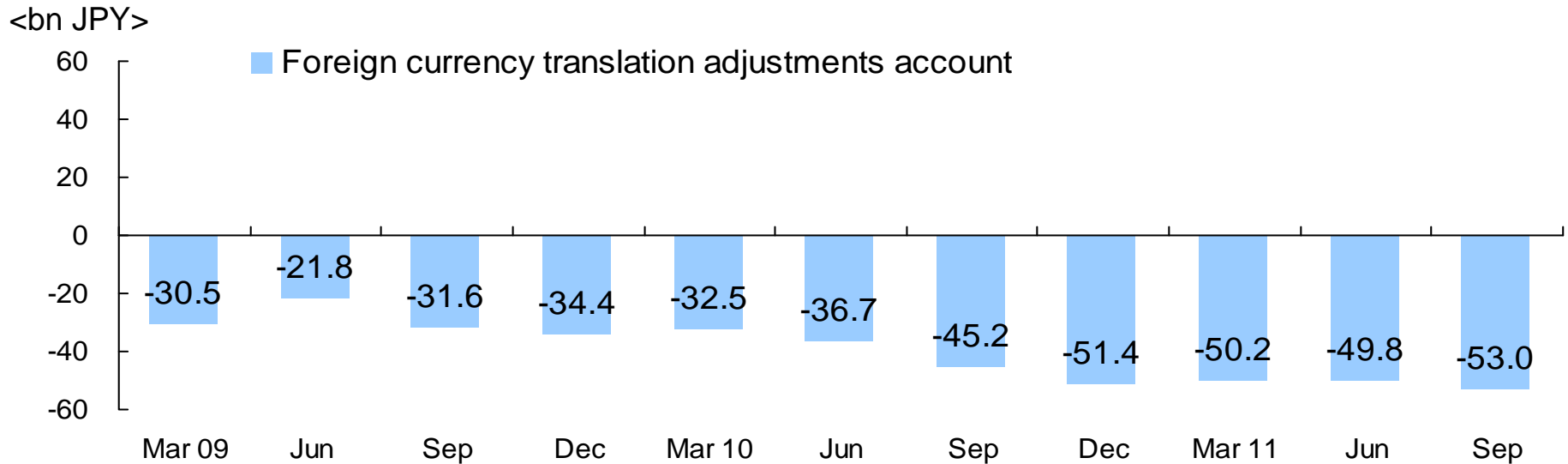
# Consolidated B/S (6) Equity

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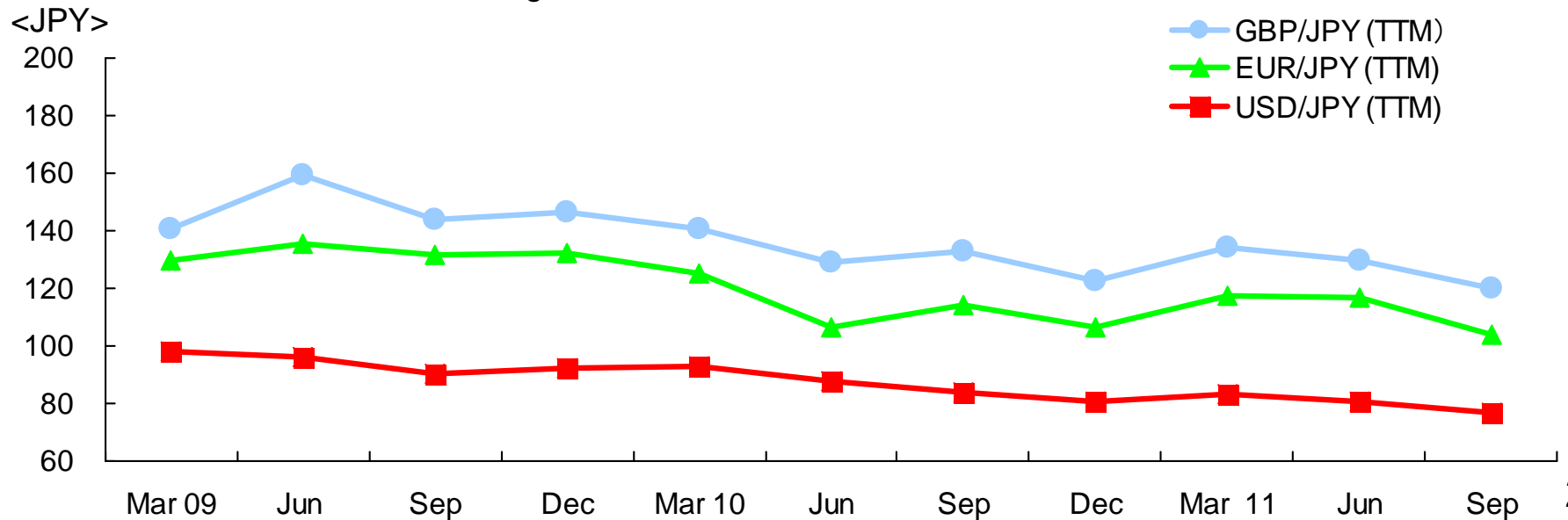
Equity	Mar 2011	Sep 2011	Variance	Outline
Equity	879.6	1,291.5	411.9	
Shareholders' equity	623.3	874.3	251.0	
Common stock	188.7	213.7	25.0	Transfer due to the conversion of Convertible Bonds due 2014 into common stock
Additional paid-in capital	212.5	237.5	24.9	Transfer due to the conversion of Convertible Bonds due 2014 into common stock
Retained earnings	222.2	434.1	211.8	Net income (+217.2), dividend (-5.4)
Treasury stock	-0.2	-11.0	-10.8	Acquisition of treasury stock (in Sep 2011)
Valuation and translation adjustments	-4.0	-54.9	-50.8	
Unrealized gain/ loss on available-for-sale securities	34.9	-0.5	-35.4	Decrease due to transfer of Yahoo! Inc. shares (-36.7)*
Deferred gain/loss on derivatives under hedge accounting	11.2	-1.2	-12.4	Decrease related to settlement of forward contract regarding transfer of Yahoo! Inc. shares (-12.6)*
Foreign currency translation adjustments	-50.2	-53.0	-2.8	
Stock acquisition rights	0.7	0.8	0.1	
Minority interests	259.6	471.3	211.6	Issuance of preferred securities (restricted voting rights ) by a subsidiary (+200.0) *see page 40. Yahoo Japan: Mar 11 (215.6) >>Sep 11 (231.5)

\*see page 28 for details.

# [Equity] Foreign Currency Translation Adjustments



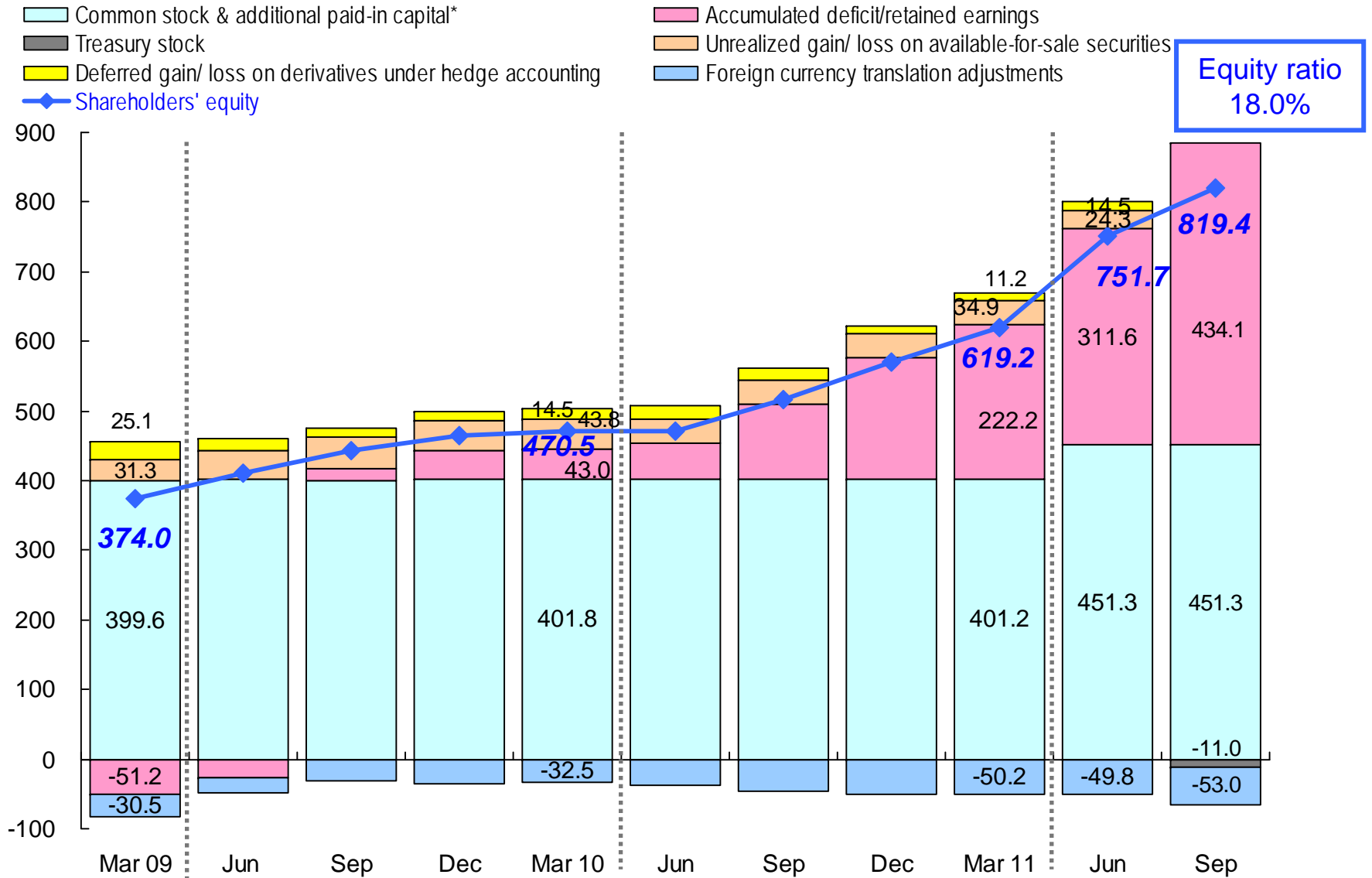
<Reference> Main exchange rate trend





# [Equity] Shareholders' Equity

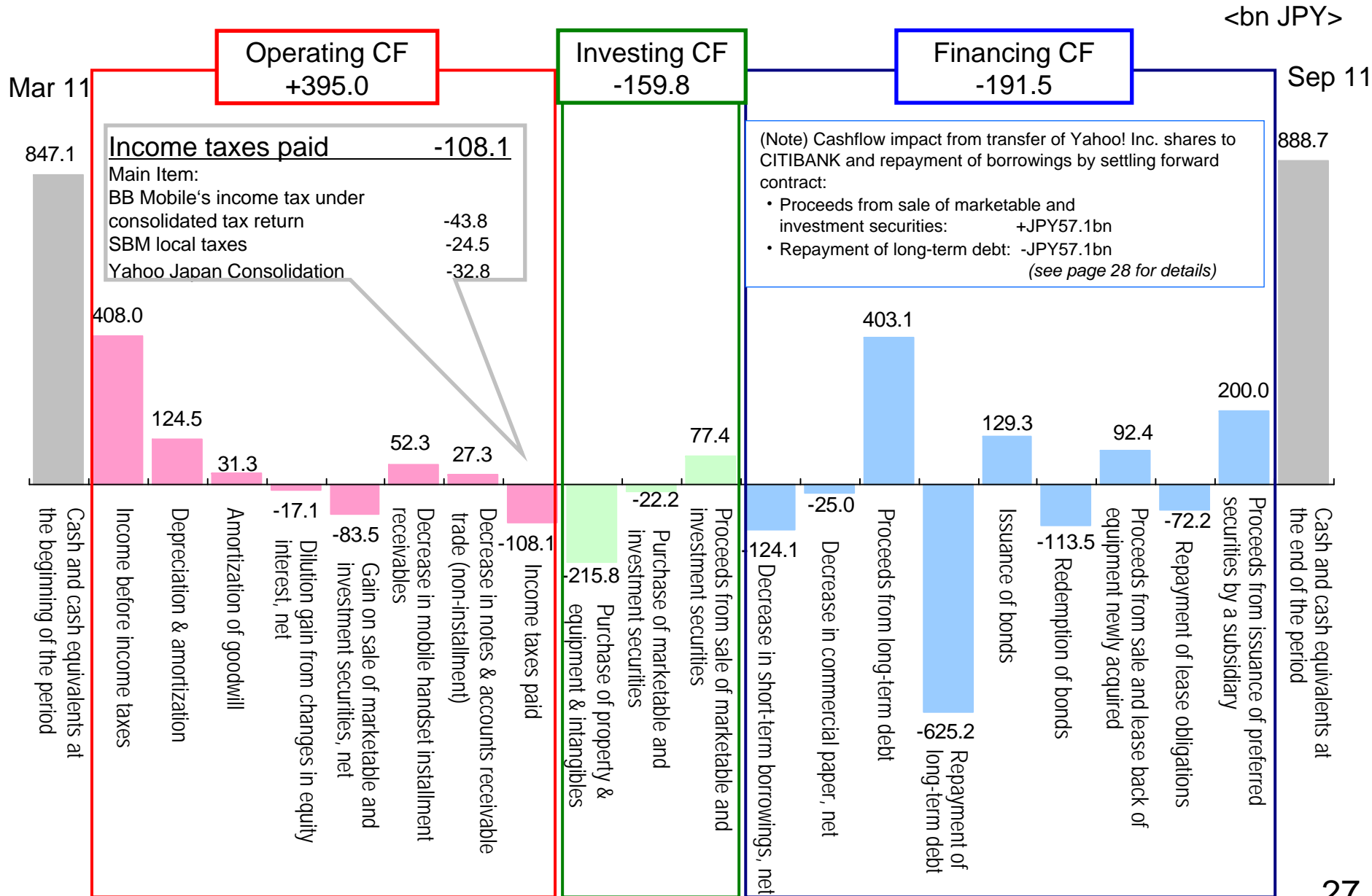
<bn JPY>



\*Includes cash receipts for new stock subscriptions

## Consolidated CF Analysis

# Consolidated Cash Flow Main Breakdown

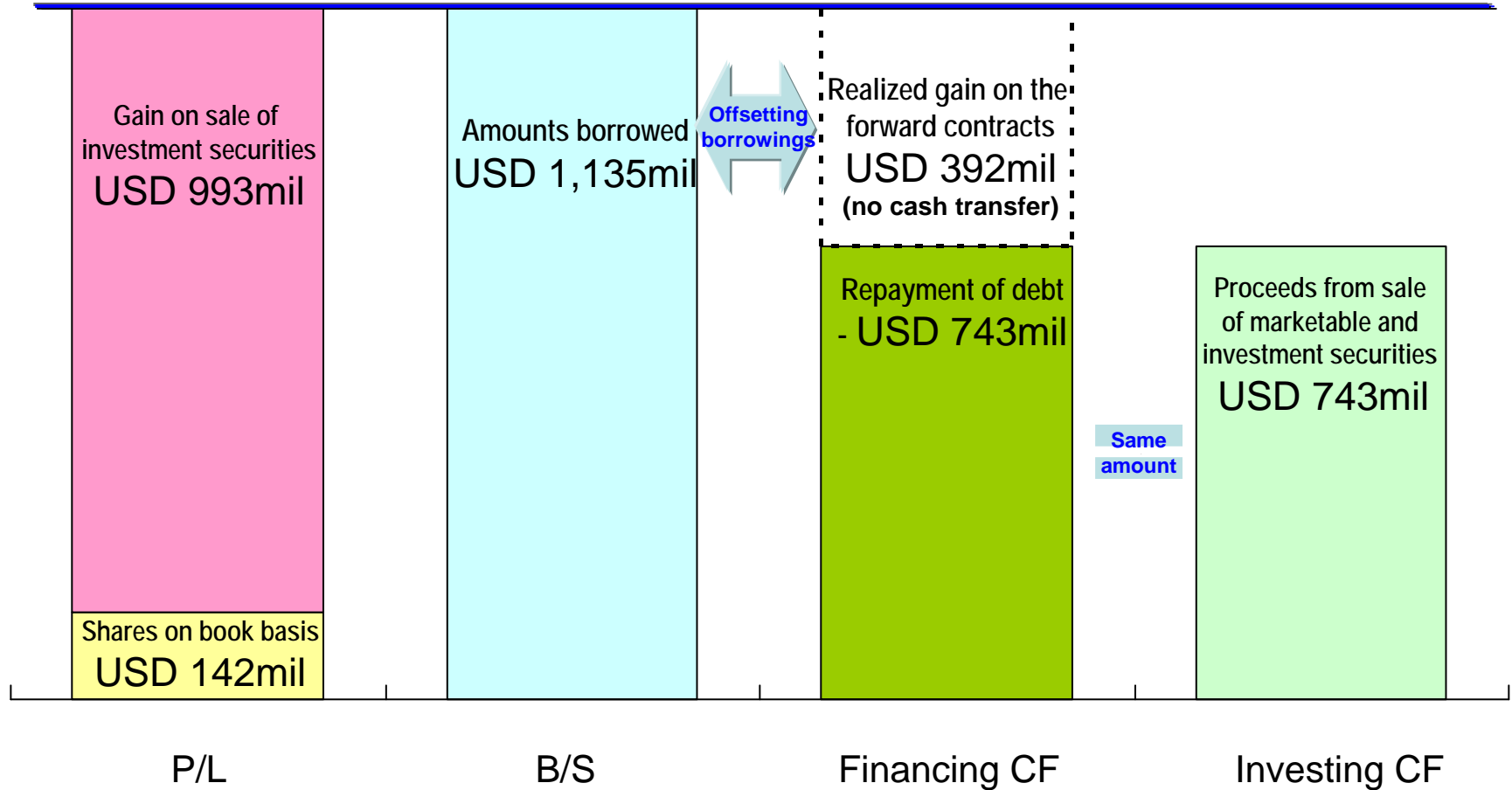


Note: significant items from the consolidated cash flow statement are shown here.

# Repayment of Borrowings by Transfer of Yahoo! Inc. Shares

## Impact on Consolidated Financial Statements

\$1,135mil



 SoftBank

 SoftBank

# Finance



Yoshimitsu Goto  
General Manager Finance  
SOFTBANK CORP.

# Main Financing Activities of FY2011

## <Main Financing Activities>

Date	Content	Amount
2011 June	Issue 36 <sup>th</sup> Unsecured Straight Corporate Bond (Fukuoka SoftBank HAWKS Bond)	JPY 100.0bn
June	Issue 37 <sup>th</sup> Unsecured Straight Corporate Bond	JPY 30.0bn
June	Conversion of Convertible Bond due 2014 into common stock (exercise of the right for early redemption)	JPY 50.0bn
July	Refinance of acquisition finance of Vodafone K.K. (July: structure of syndicated loan, Oct: full repayment of SBM loan)	JPY 550.0bn
Sep	Acquisition of treasury stock	JPY 10.7bn
Sep	Issuance of preferred securities by a consolidated subsidiary	JPY 200.0bn
Sep	Renewal of credit line facility	JPY 180.0bn
Sep	Repayment of borrowings with shares (Yahoo! Inc.) held by a U.S. subsidiary	USD 1,135mil (JPY 90.8bn*)
Oct	Acquisition of treasury stock	JPY 11.8bn

## <Main Investments in Businesses>

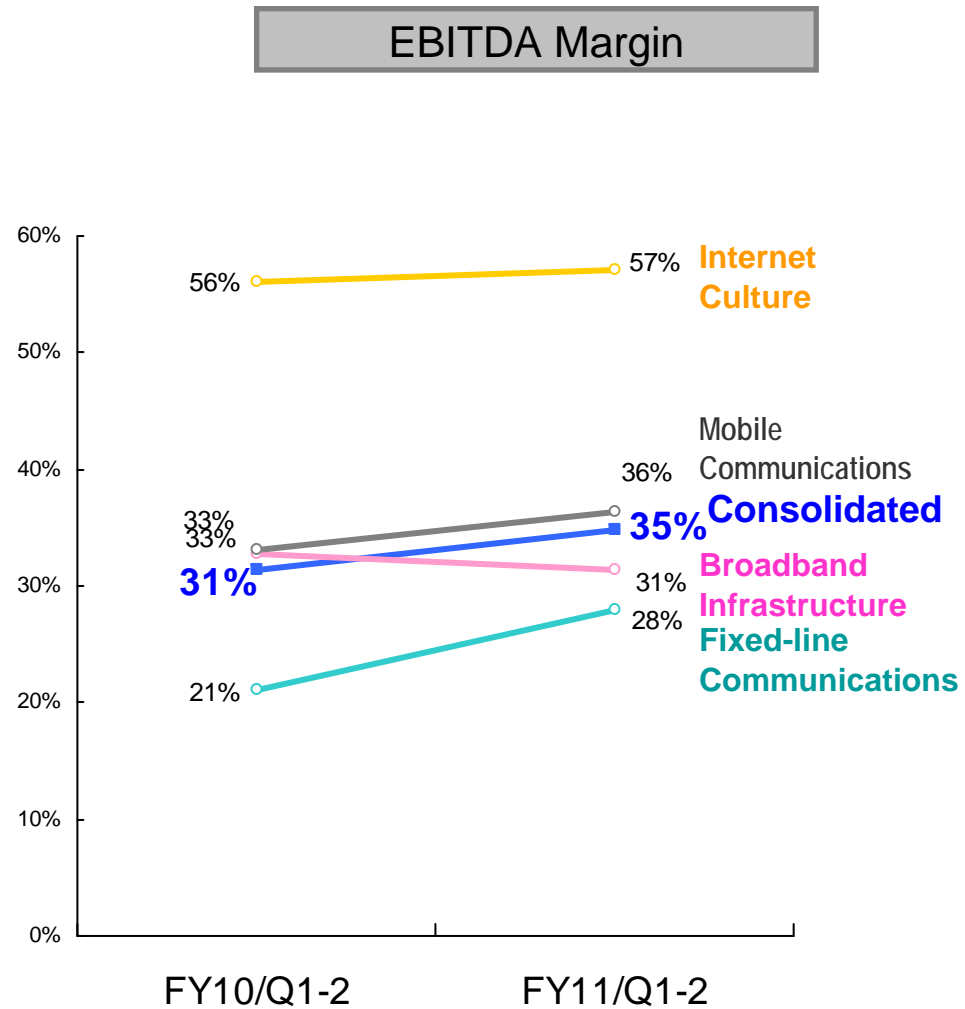
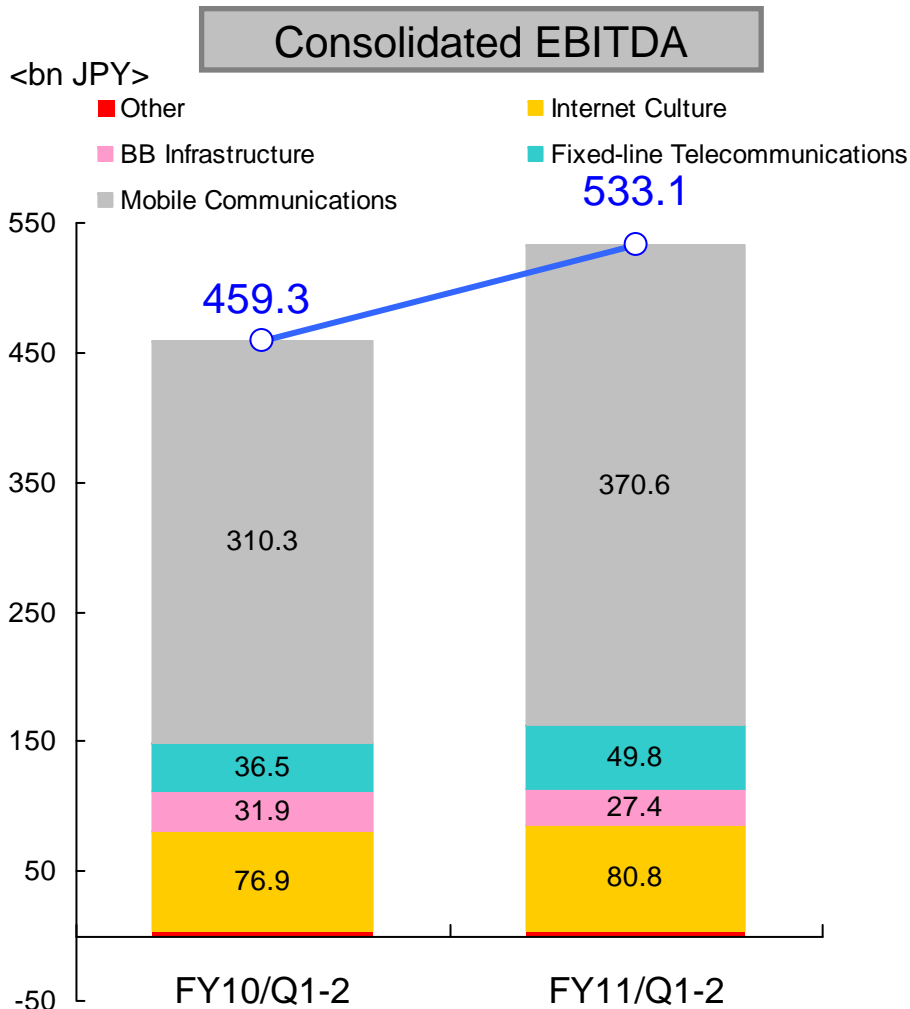
Company Name	Invested Amount
InMobi Pte. Ltd.	USD 100mil (JPY 8.0bn*)
Gilt Groupe Inc.	USD 62.5mil (JPY 5.0bn*)

\* Calculated based upon exchange rate of 1USD=80JPY.



# EBITDA and EBITDA Margin (by segment)

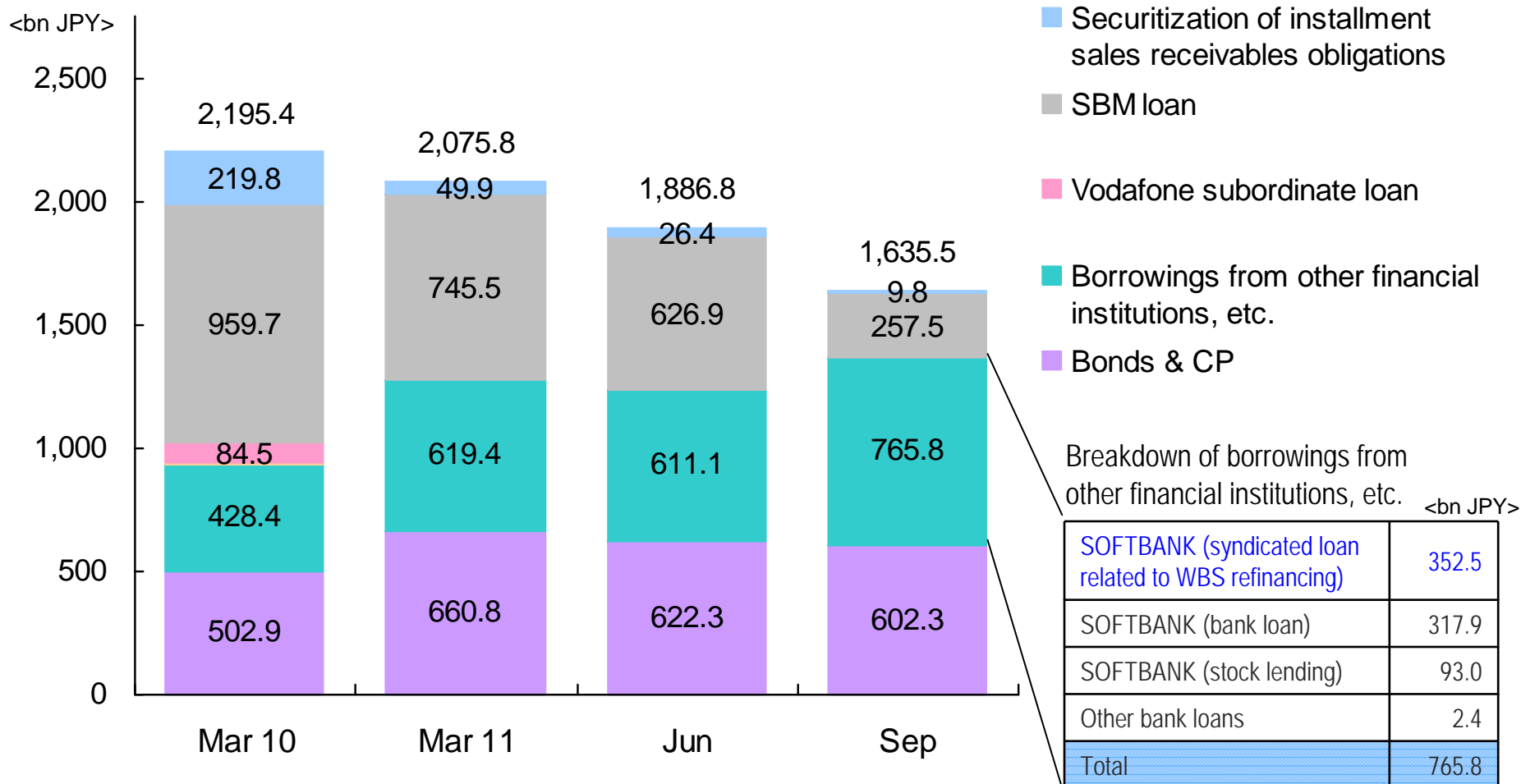
➤ Consolidated EBITDA margin remains stable at 30%.



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

# Interest-bearing Debt (by procurement method)

- Completed the repayment of SBM loan by executing the syndicated loan related to refinance of mobile business acquisition.



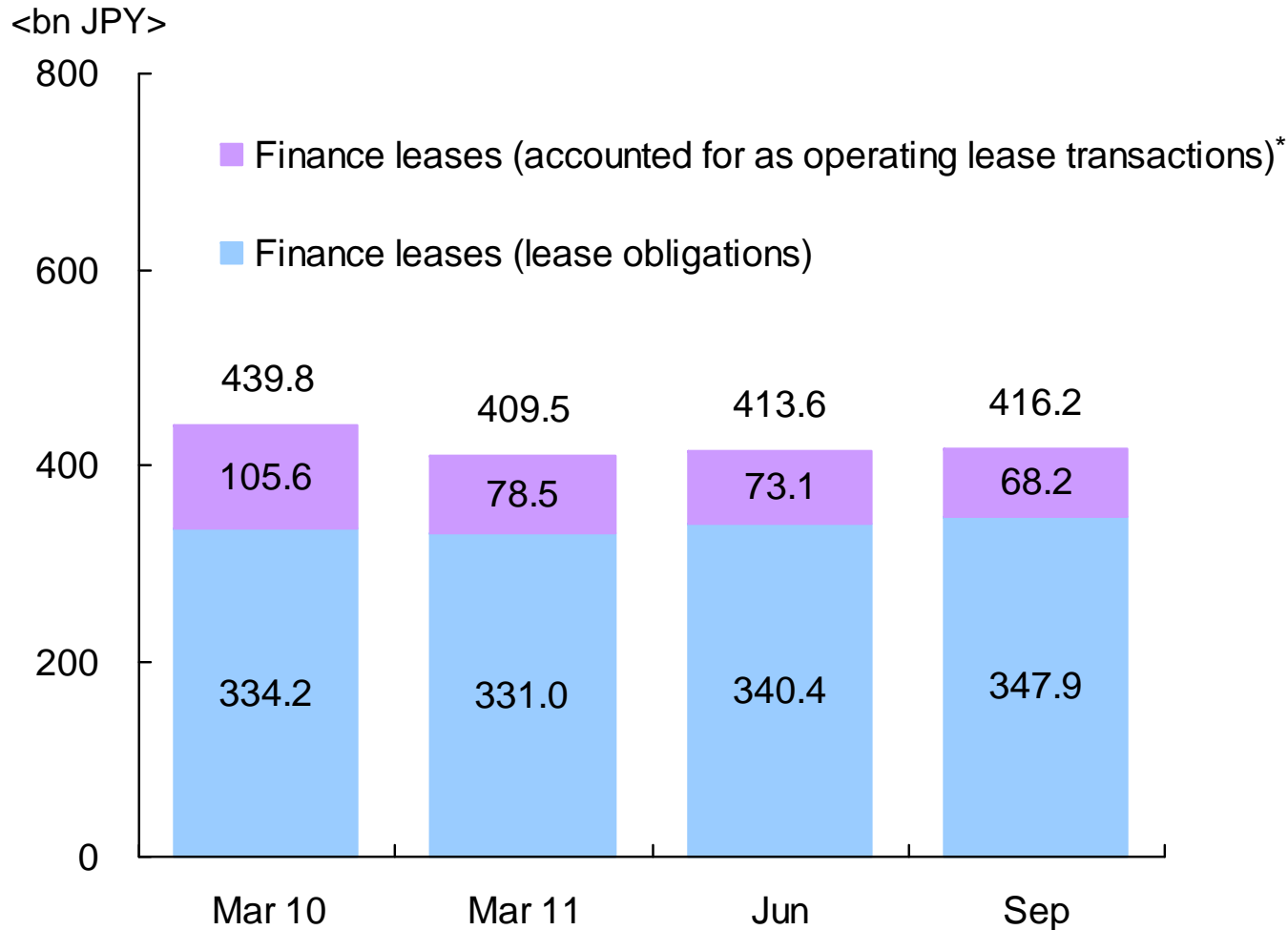
Note: 1. Interest-bearing debt= short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings.

Lease obligations are not included.

2. SBM loan: excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.), which was substantially a part of SBM loan, with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

# Lease Obligations

- Lease balance remains stable.

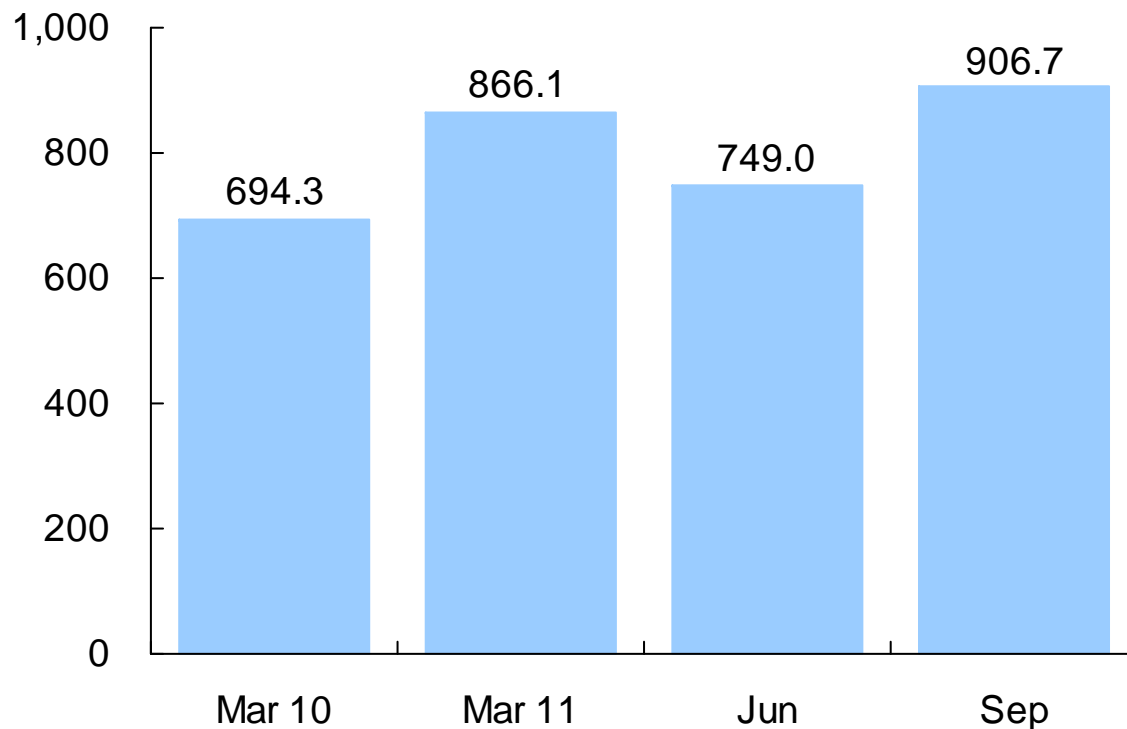


\*Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008.

# Cash Position

- Sustain abundant cash position.

<bn JPY>



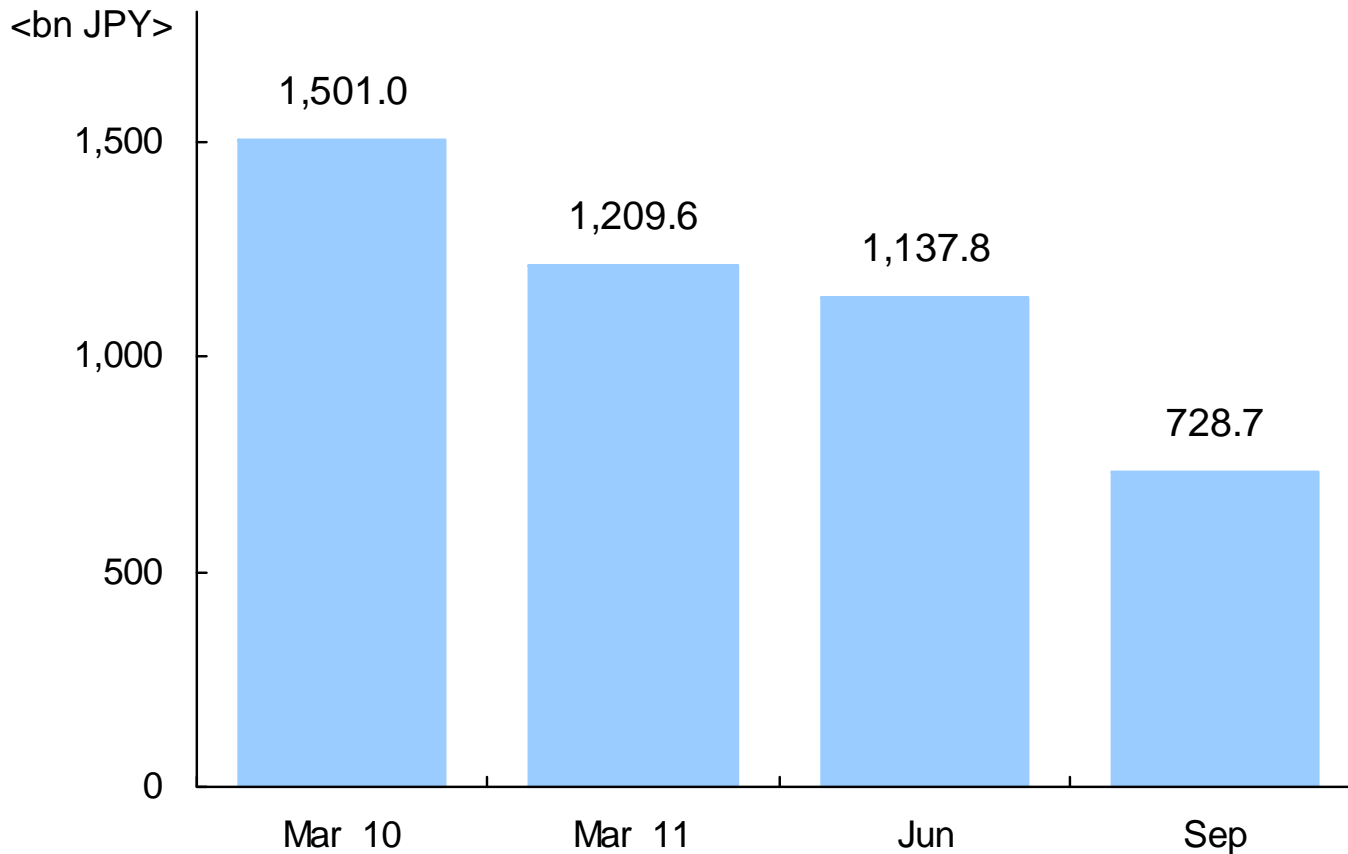
	Mar 10	Mar 11	Jun	Sep
Credit line facility size	161.0	187.0	187.0	180.0
Unused portion	101.0	107.0	157.0	180.0

Note:1.Cash position = cash and cash deposits + marketable securities included in current assets  
(excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)

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

# Net Interest-bearing Debt

- Achieved the target of net interest-bearing debt reduction 6 months ahead of schedule.



Note: 1. Net interest-bearing debt = interest-bearing debt - cash position

2. Interest-bearing debt: short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings  
Lease obligations are not included.

Excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

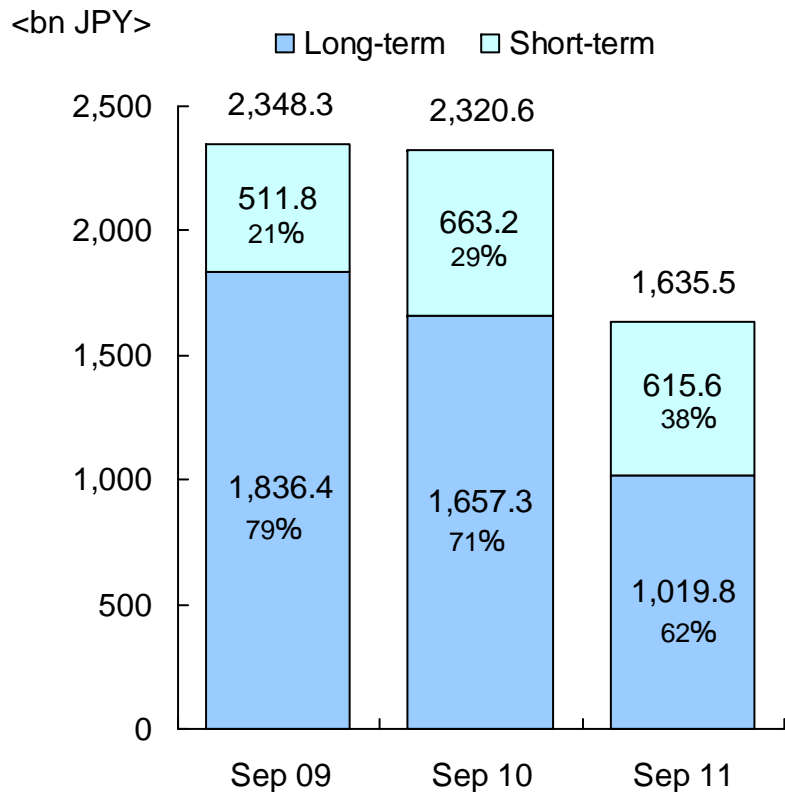
3. Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)

# Interest-bearing Debt

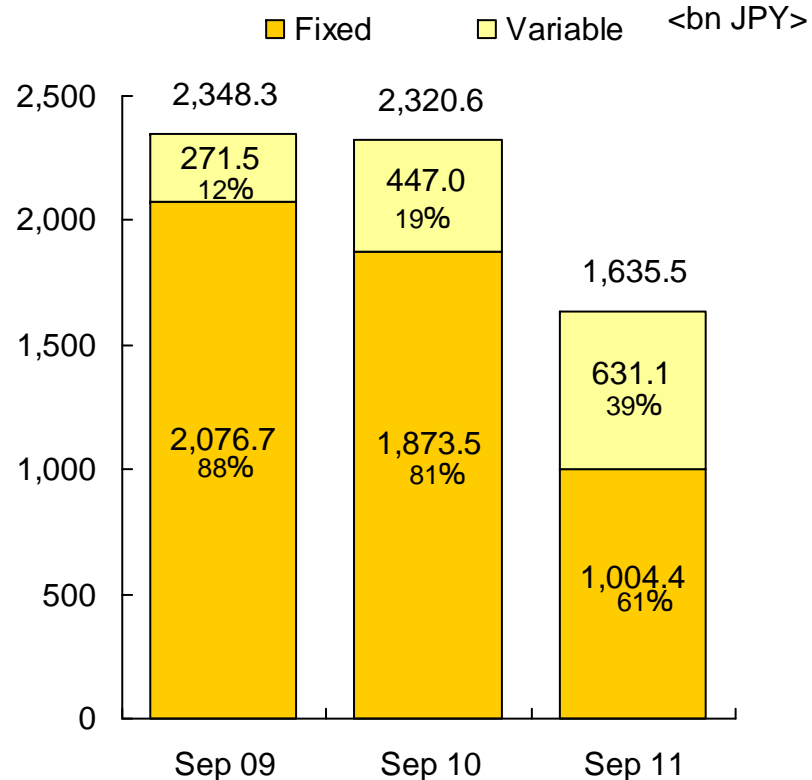
## Long/Short and Fixed/Variable Ratio Trend

- Short-term & variable rate ratio increased due to the repayment of long-term debt on a large scale.

Interest-bearing Debt  
Long/Short Ratio



Interest-bearing Debt  
Fixed/Variable Ratio

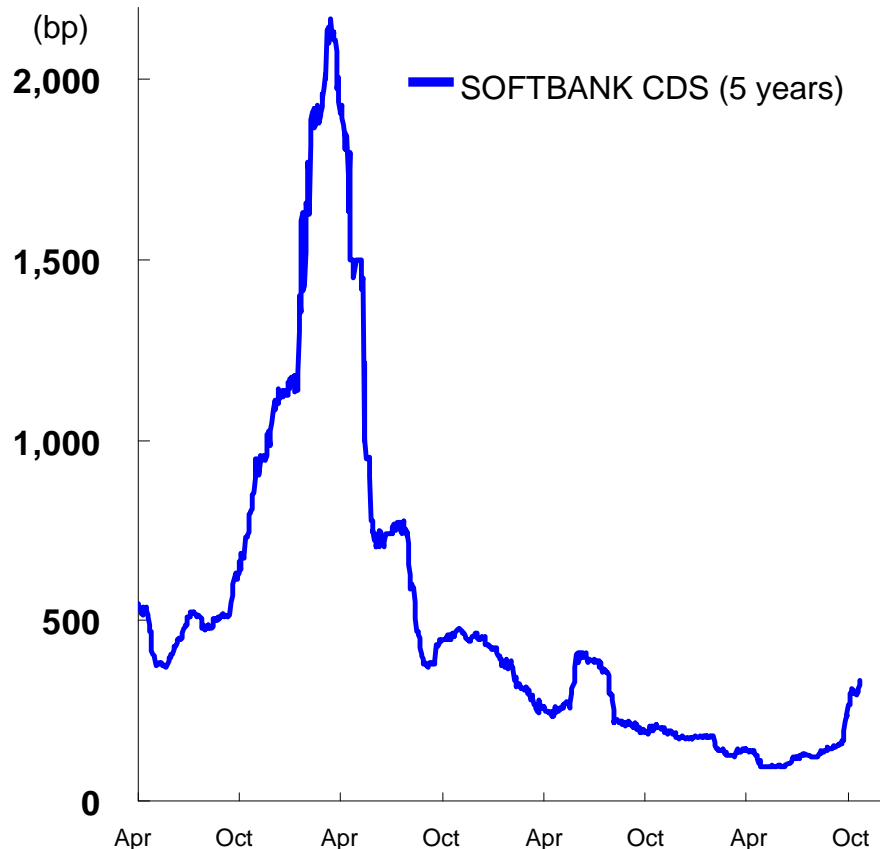


Note: interest-bearing debt: short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings  
Lease obligations are not included.

From March 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

# Credit Spread

CDS



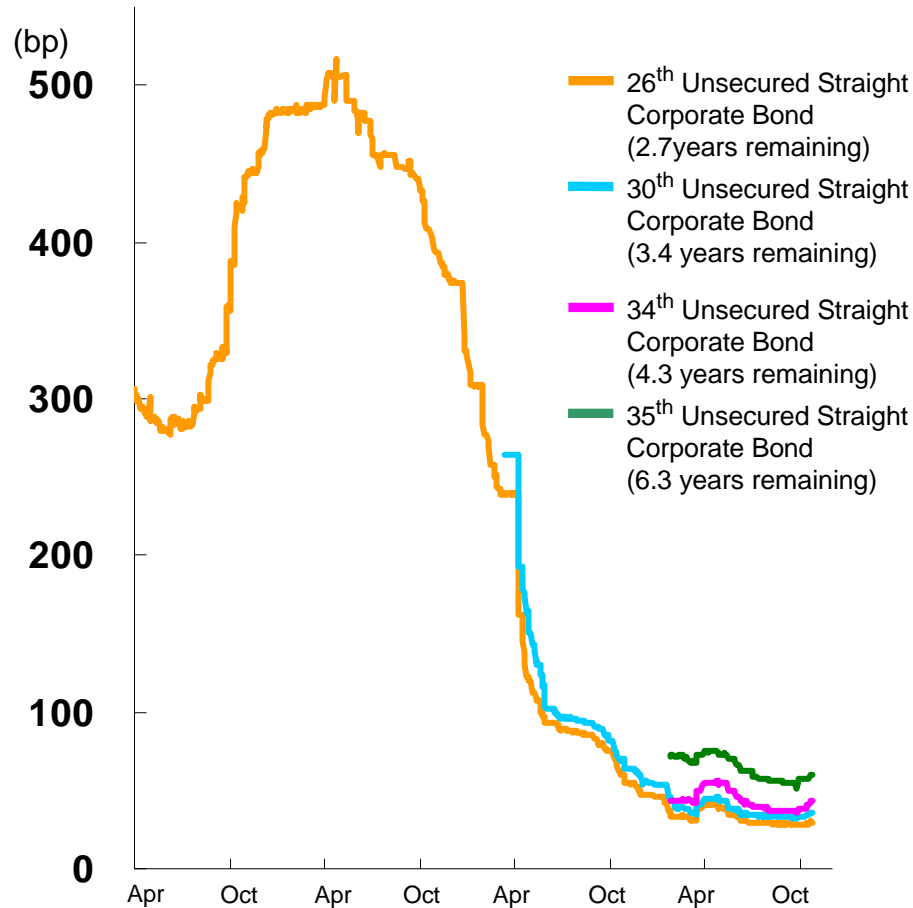
FY08

FY09

FY10

FY11

Bond Spread



FY08

FY09

FY10

FY11

Source: CDS; Bloomberg data

Bond spread data; calculated by SOFTBANK CORP. based on Japan Securities Dealers Association data.

CDS: Credit Default Swap

# Issuance of Preferred Securities by a Consolidated Subsidiary

Financed JPY200.0bn through issuance of preferred securities by a consolidated subsidiary.

## <Outline>

Amount	JPY 200.0bn
Dividend rate	2.04% (Step-up clause will be applied after May 2015)
Use of funds	Mainly payment (in Apr 2012) relating to the acquisition of preferred stock, etc. issued by BB Mobile Corp. to the Vodafone Group*

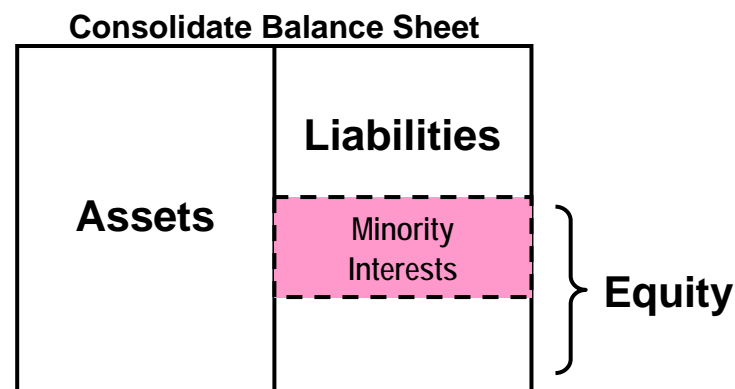
Redemption is scheduled in May 2015, when it becomes possible before maturity.

## <Purpose>

Minority interests decreased due to the acquisition in Dec 2010 of the preferred stock, etc. issued by BB Mobile to Vodafone Group.\*



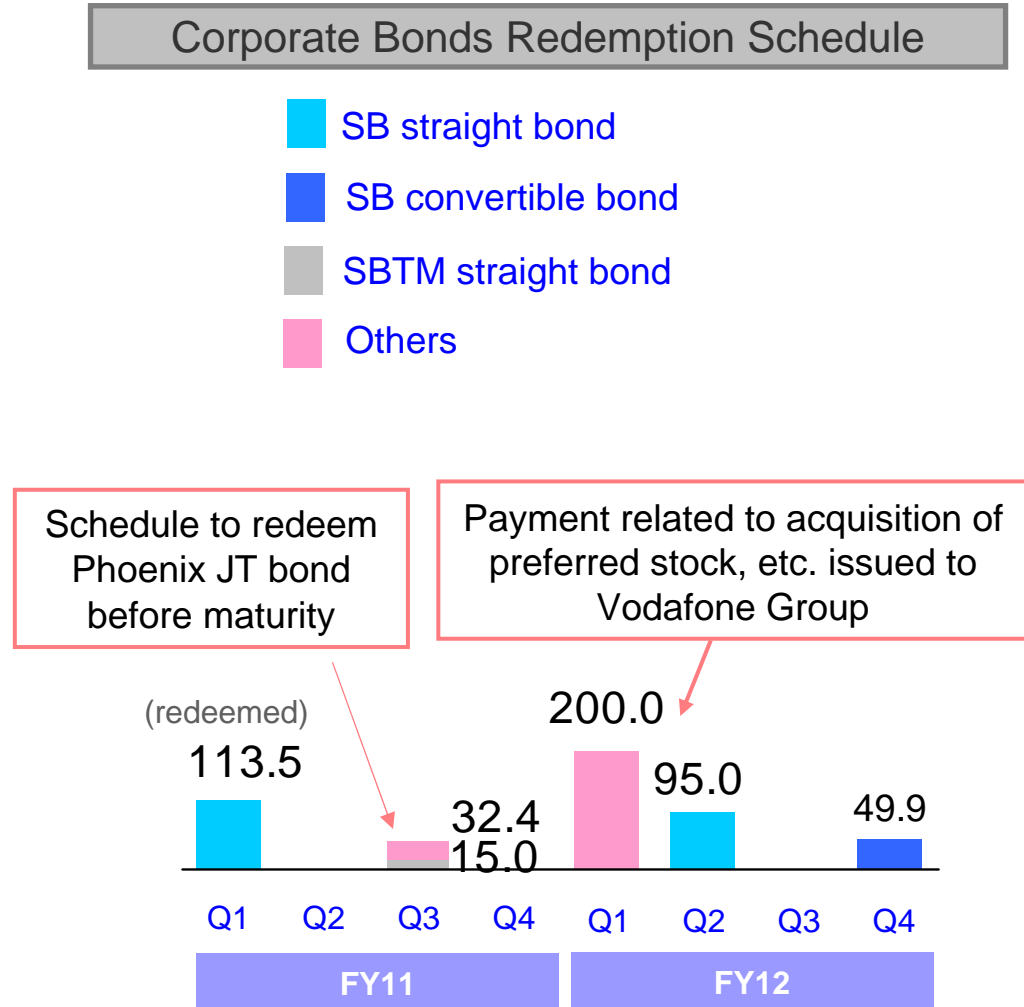
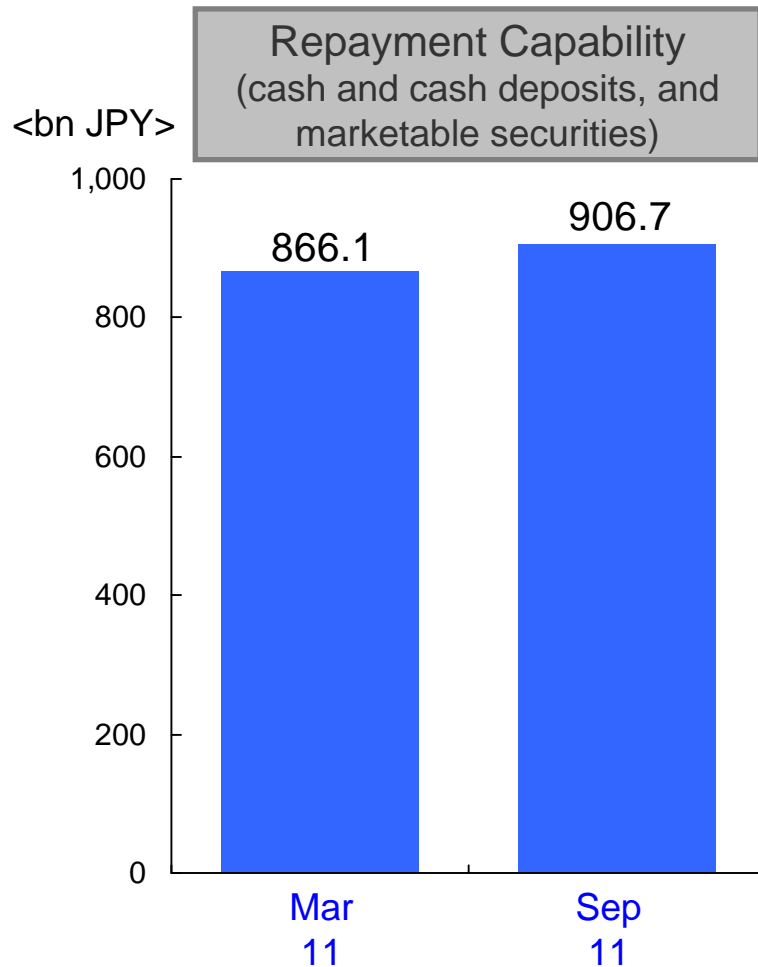
The preferred securities are recorded as minority interests on consolidated B/S  
Improved financial stability





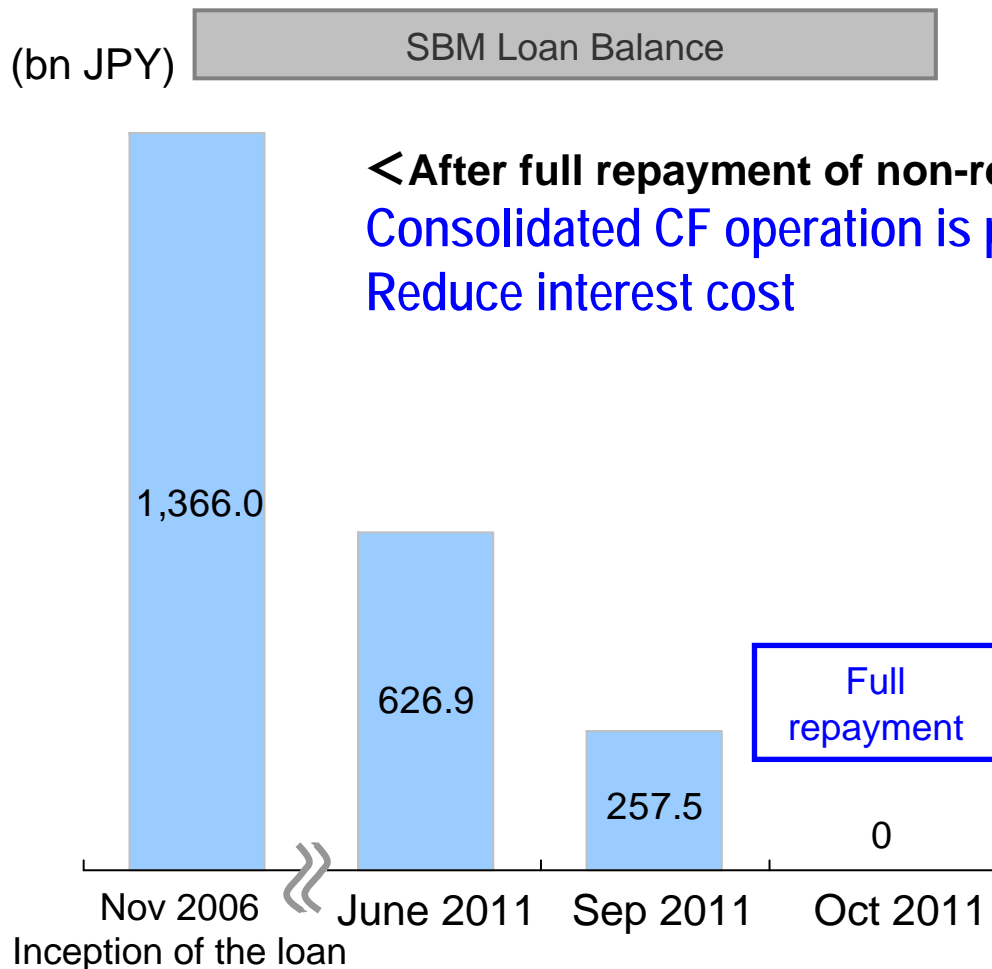
# Bond Redemption Schedule

➤ Sustain sufficient repayment resources.



SB: SOFTBANK SBTM: SOFTBANK TELECOM Vodafone Group: Vodafone International Holdings B.V. and Vodafone Overseas Finance Limited  
 Note: Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)

# WBS Refinance: Full & Early Repayment of SBM Loan



July 22	Refinance Execution of loan agreement (Total amount: JPY 550.0bn)
July 27	Repayment by executing the 1st borrowing and use of SBM's funds in hand
Oct 27	Full repayment by executing the 2nd borrowing and use of SBM's funds in hand

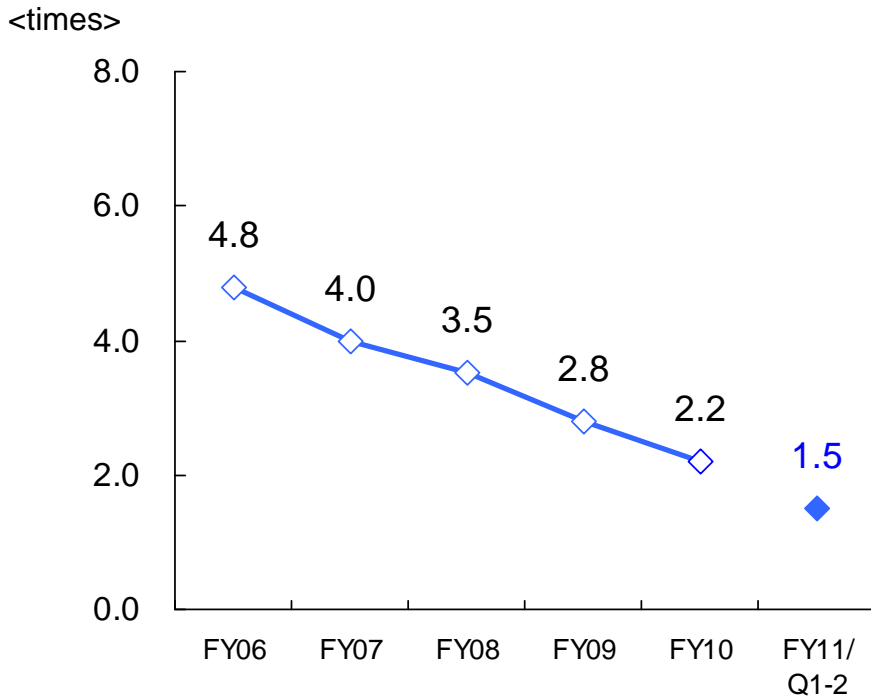
SBM: SOFTBANK MOBILE

Note SBM loan: from March 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.), which was substantially a part of SBM loan, with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

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

➤ Net interest-bearing debt/EBITDA multiple to mark below 1.0

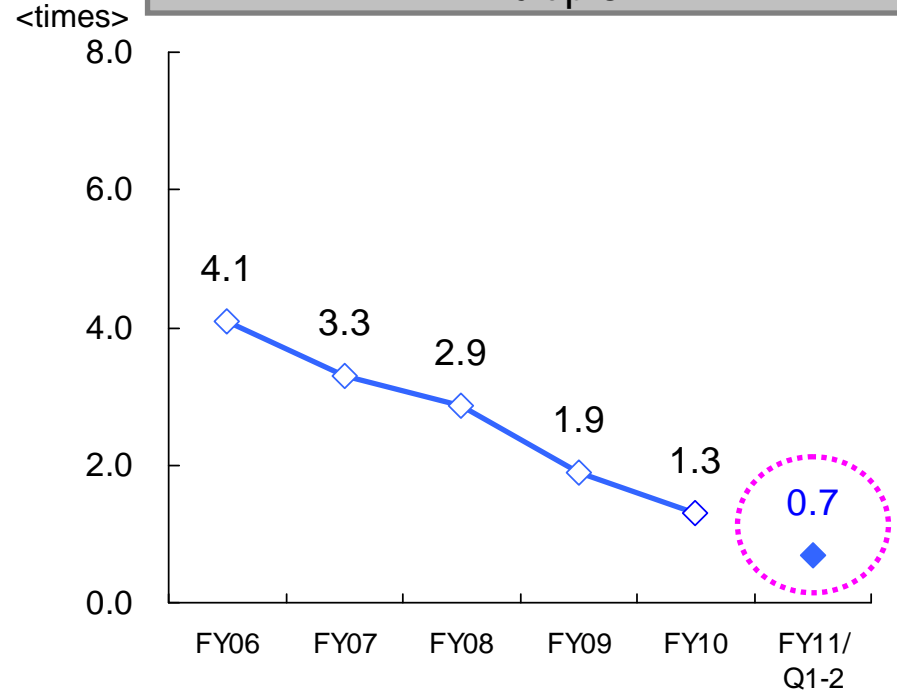
Interest-bearing Debt/EBITDA Multiple



Annual

Interim

Net Interest-bearing Debt/EBITDA Multiple



Annual

Interim

Note: 1. Net interest-bearing debt = interest-bearing debt - cash position

2. Interest-bearing debt= short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings

Lease obligations are not included. From March 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP.

3. Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)

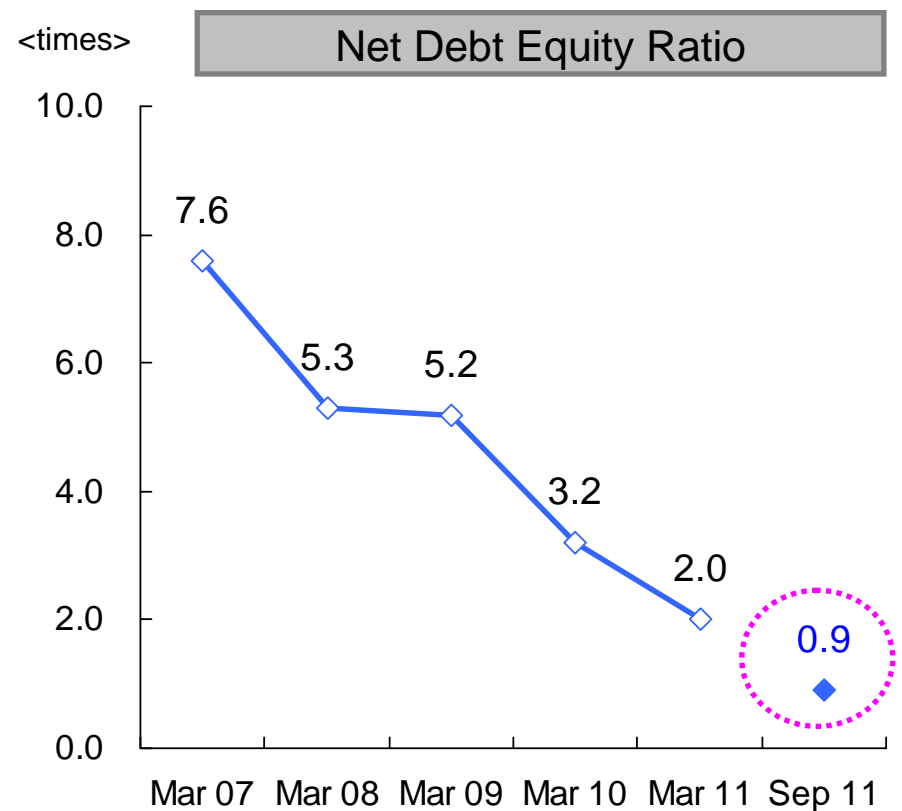
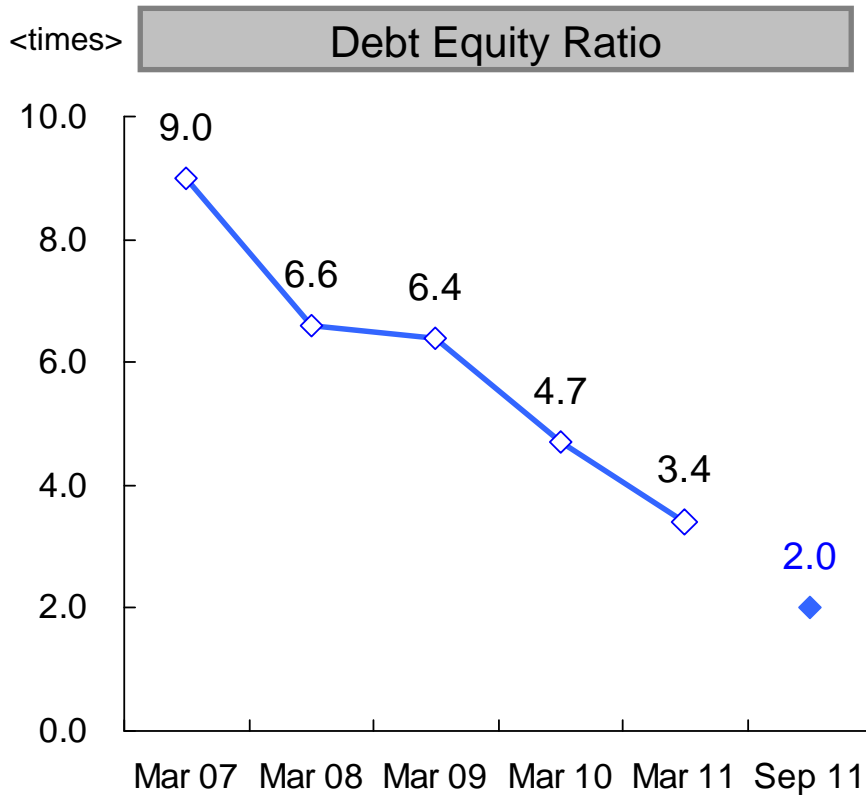
4. Interest-bearing debt and net interest-bearing debt of FY2006 are calculated with retroactive adjustments by adding the cash receipts as collateral relating to marketable security lending transactions.

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

6. Interest-bearing debt/ EBITDA multiple for FY11/Q1-2 is calculated based on annualized EBITDA in FY11/Q1-2 result.

# Improve Indexes: (2) Debt/Equity Ratio

➤ Net debt equity ratio marked below 1.0.

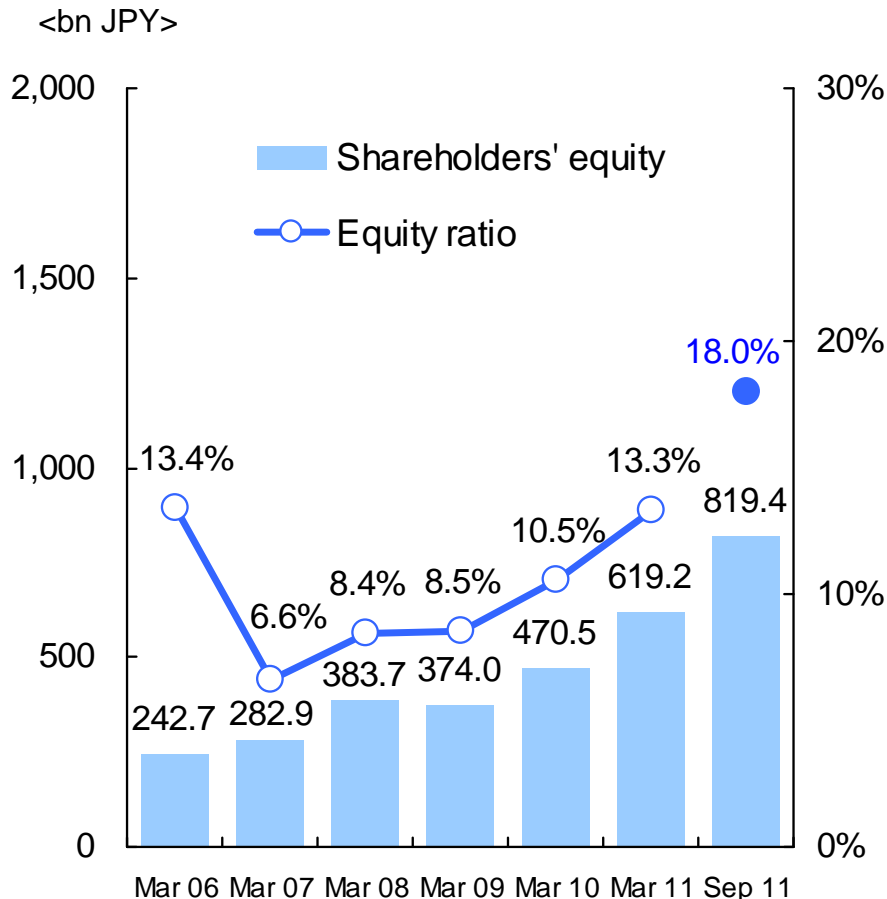


- Note: 1. D/E ratio = interest-bearing debt/shareholders' equity  
 2. Net D/E ratio = interest-bearing debt/shareholders' equity  
 3. Net interest-bearing debt = interest-bearing debt - cash position  
 4. Interest-bearing debt= short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings. Lease obligations are not included.  
 From March 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP.  
 5. Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)  
 6. Interest-bearing debt and net interest-bearing debt of March 2007 are calculated with retroactive adjustments by adding the cash receipts as collateral relating to marketable security lending transactions.

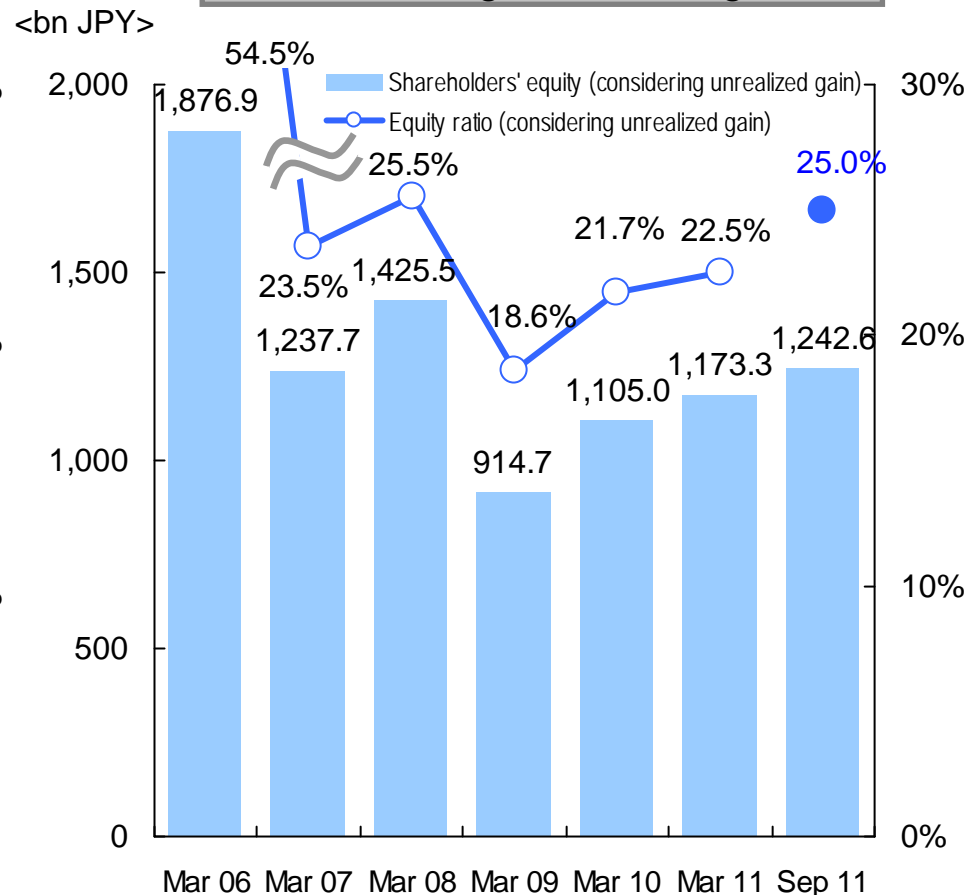
# Improve Indexes: (3) Equity Ratio

➤ Equity ratio significantly recovered.

Equity Ratio



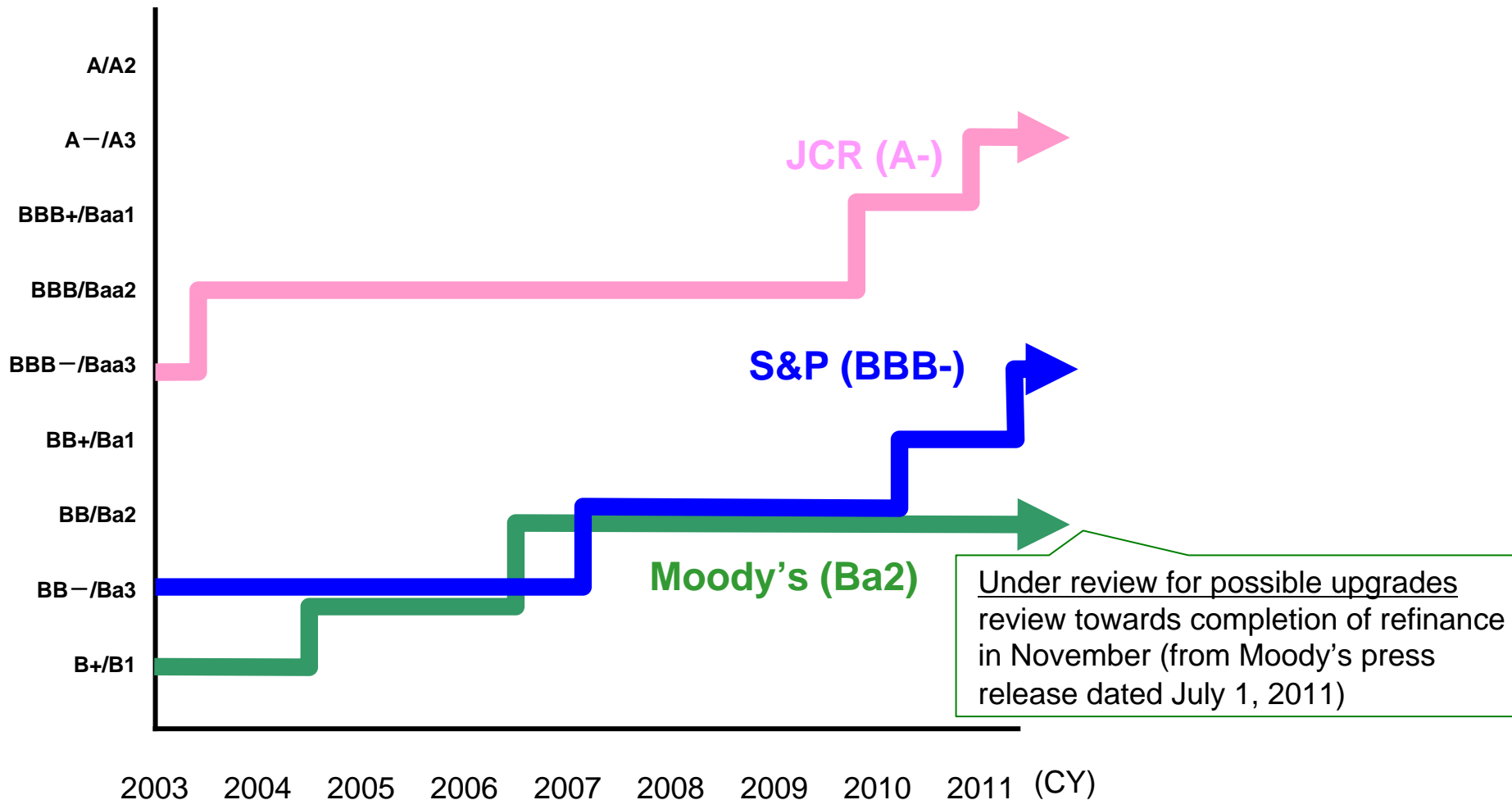
(Ref.) Equity Ratio\*  
<considering unrealized gain>



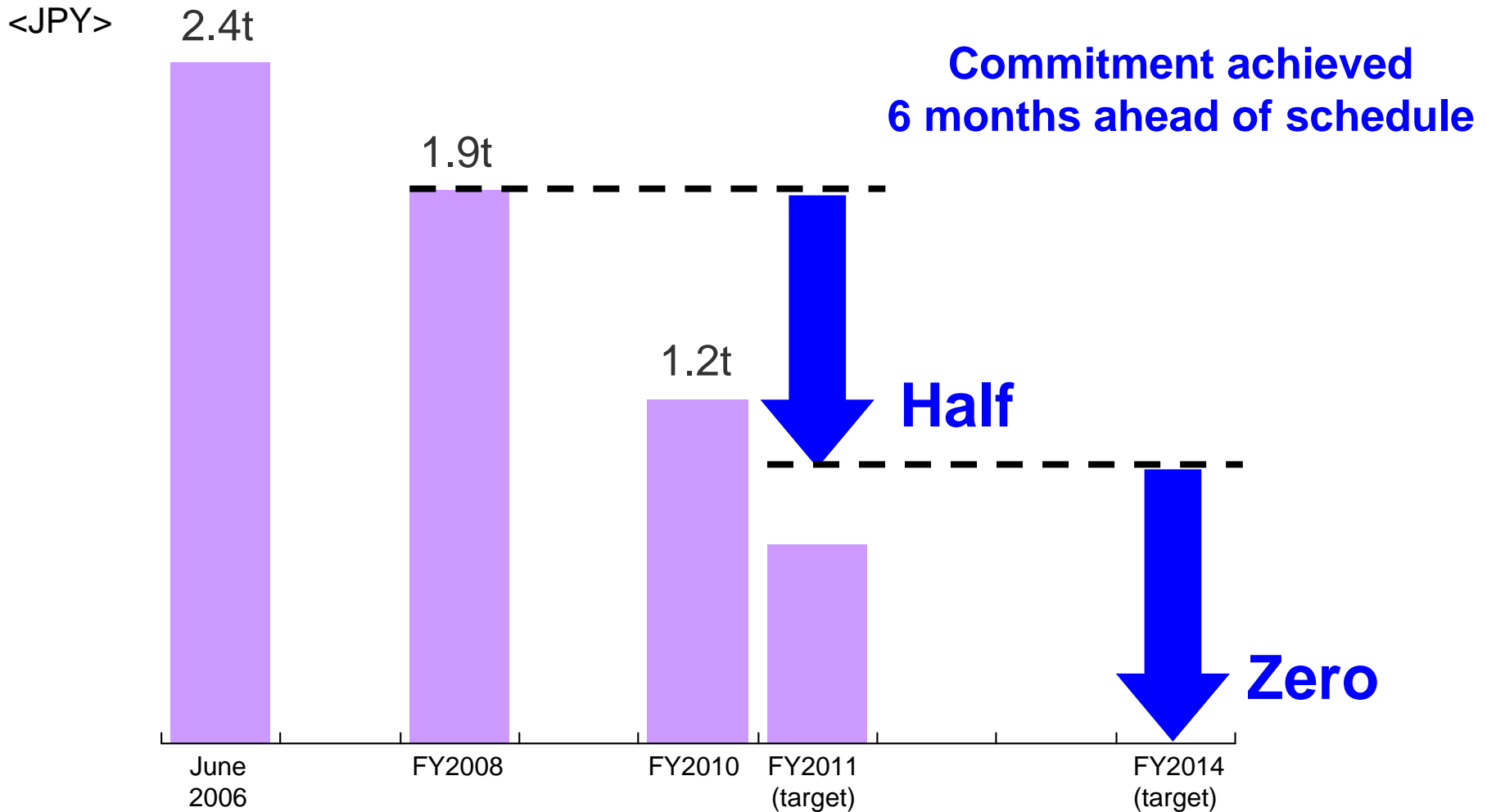
Note: shareholders' equity and equity ratio considering unrealized gain are calculated by SOFTBANK CORP. based on the share price of investment securities (listed & public companies only) directly held by SOFTBANK CORP. and its domestic overseas wholly-owned subsidiaries, etc. at each fiscal year-end. See page 8 of FY2011/Q2 Analyst Meeting Supplemental Data for calculation basis.

# Trend of Credit Rating of SOFTBANK

- Moody's under review for possible upgrades.



# Commitment to Reduce Net Interest-bearing Debt



Note: 1. Net interest-bearing debt = interest-bearing debt - cash position

2. Interest-bearing debt: short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings  
Lease obligations are not included.

From March 2010, this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

3. Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)

4. Half: half the end of FY2008 level

# Commitments Unchanged

**Cumulative 3 years FCF\* : at least JPY 1t** (FY2009-2011)

**Net Interest-bearing debt\* to half** (by end of FY2011)

**Net Interest-bearing debt\* to zero** (by end of FY2014)

**No major investments until the achievement of the commitments**

Notes: 1. Free cash flow (FCF, cash and deposits) = cash flows from operating activities + cash flows from investing activities

2. Net interest-bearing debt = interest-bearing debt – cash position

3. Interest-bearing debt: short-term borrowings + commercial papers + bonds due for redemption within 1 year + bonds + long-term debt  
Lease obligations are not included.

From March 2010 this excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.) with a face value of JPY 27.0bn acquired by SOFTBANK CORP. that were issued under the whole business securitization scheme associated with the acquisition of Vodafone K.K.

4. Cash position = cash and cash deposits + marketable securities included in current assets (excludes Yahoo! Inc. shares held by a subsidiary of SOFTBANK CORP. in the United States of America)



# FY2011 Financial Strategies

## Balance between growth strategy and strengthening financial base

### 1. Gain foothold for further growth

- Prioritized distribution of FCF to CAPEX
- Support strategic business investments actively
- Focus on value improvement of companies invested in

### 2. New phase of credit improvement

- Full repayment of non recourse loan after WBS refinance
- Solid reduction of debt towards zero net interest-bearing debt
- Improve credit rating by strengthening financial base and WBS refinance

### 3. Thorough focus on investors and market

- Continue to pursue various & flexible procurement methods
- Continue to enhance relationships with domestic and international financial institutions, access main markets

# (Reference) Corporate Bond Details

< mil JPY >

Company Name	Bond	Issue Date	Maturity Date	Interest Rate (%/year)	Collateral	Mar. 11 Balance	Sep. 11 Balance	Change
SOFTBANK CORP.	27 <sup>th</sup> series Unsecured Straight Bond (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	53,500	—	-53,500
	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 (Fukuoka SoftBank HAWKS bond)	2009/9/18	2012/9/18	4.52	None	65,000	65,000	—
	Convertible Bond due 2013 *	2003/12/30	2013/3/31	1.50	None	49,998	49,988	-10
	31 <sup>th</sup> series Unsecured Straight Bond	2010/6/2	2013/5/31	1.17	None	25,000	25,000	—
	33 <sup>th</sup> series Unsecured Straight Bond (Fukuoka SoftBank HAWKS bond)	2010/9/17	2013/9/17	1.24	None	130,000	130,000	—
	Convertible Bond due 2014	2003/12/30	2014/3/31	1.75	None	49,992	—	-49,992
	37 <sup>th</sup> series Unsecured Straight Bond	2011/6/10	2014/6/10	0.65	None	—	30,000	30,000
	26 <sup>th</sup> series Unsecured Straight Bond	2007/6/19	2014/6/19	4.36	None	14,900	14,900	—
	30 <sup>th</sup> series Unsecured Straight Bond	2010/3/11	2015/3/11	3.35	None	30,000	30,000	—
	32 <sup>th</sup> series Unsecured Straight Bond	2010/6/2	2015/6/2	1.67	None	25,000	25,000	—
	34 <sup>th</sup> series Unsecured Straight Bond	2011/1/25	2016/1/25	1.10	None	45,000	45,000	—
	36 <sup>th</sup> series Unsecured Straight Bond (Fukuoka SoftBank HAWKS bond)	2011/6/17	2016/6/17	1.00	None	—	100,000	100,000
35 <sup>th</sup> series Unsecured Straight Bond	2011/1/25	2018/1/25	1.66	None	10,000	10,000	—	
SOFTBANK TELECOM	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	-	-	-	-	-	635,890	602,388	-33,502

\* Early redemption is possible on SOFTBANK's request for Convertible bond due 2013 in case certain conditions are met.

SoftBank

 SoftBank

# Operation

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## Kazuhiko Fujihara

Senior Vice President, Director & CFO  
SOFTBANK MOBILE Corp.

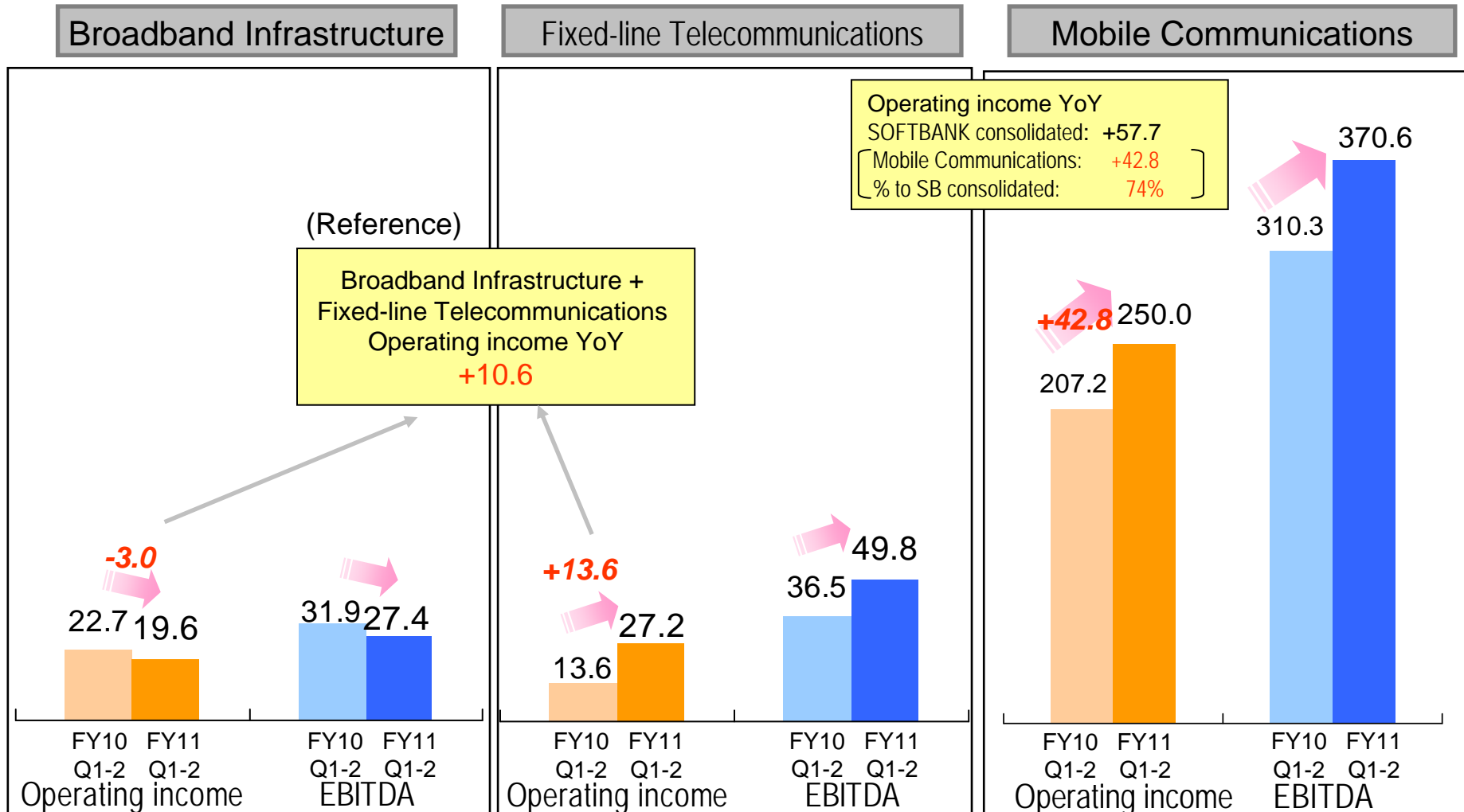
Senior Vice President, Director & CFO  
SOFTBANK BB Corp.

Senior Vice President, Director  
SOFTBANK TELECOM Corp.

# Overview of Telecommunications Businesses

- 3 Telecommunications Businesses led consolidated operating income to reach record high.

<bn JPY>



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

2. Broadband Infrastructure: Broadband Infrastructure segment, Mobile Communications: Mobile Communications segment, SB: SOFTBANK

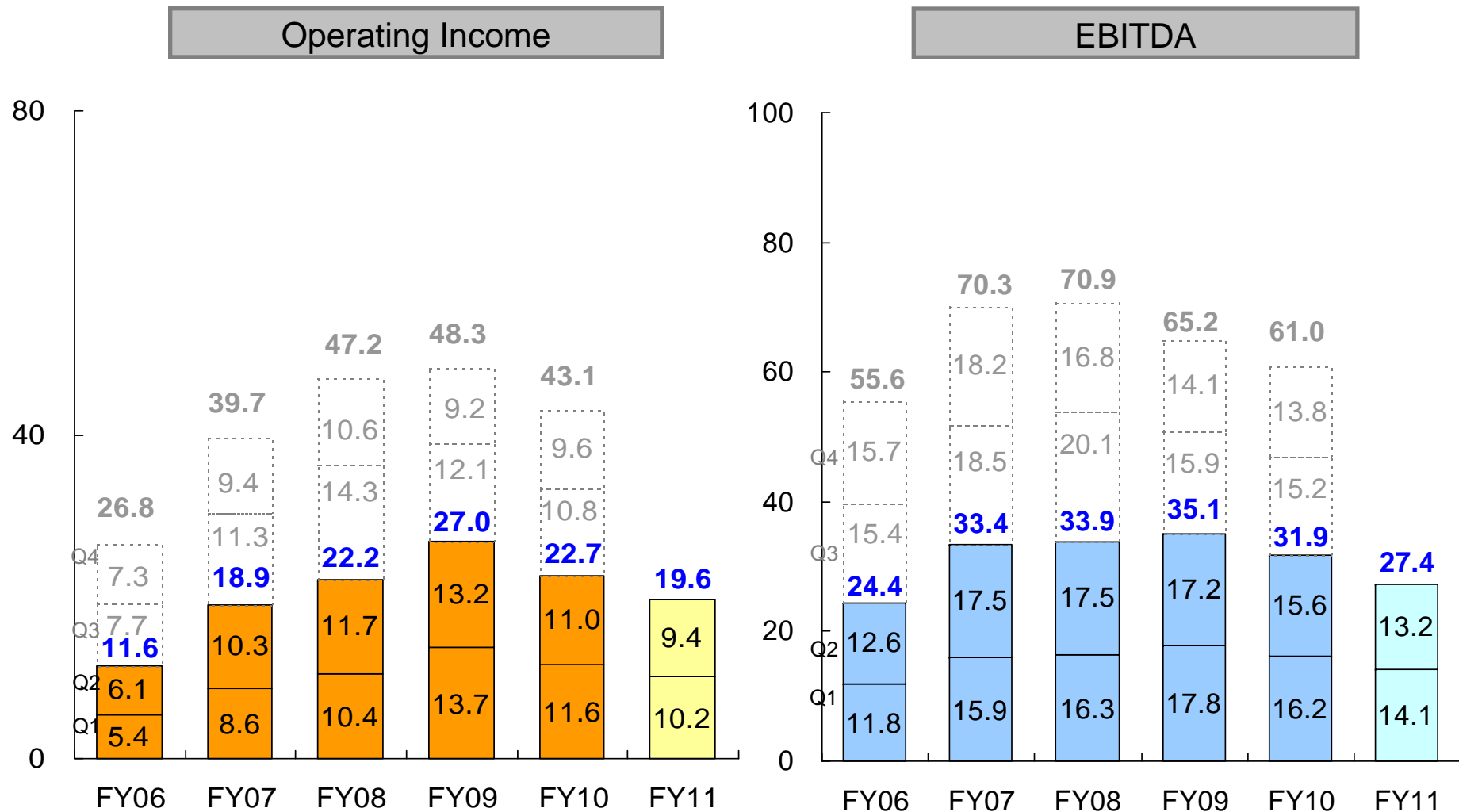
## Broadband Infrastructure Business

# Operating Income, EBITDA

<BB>

➤ Profit decreased YoY. Efforts continued to increase lines.

<bn JPY>



Note: 1 Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.  
 2 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>

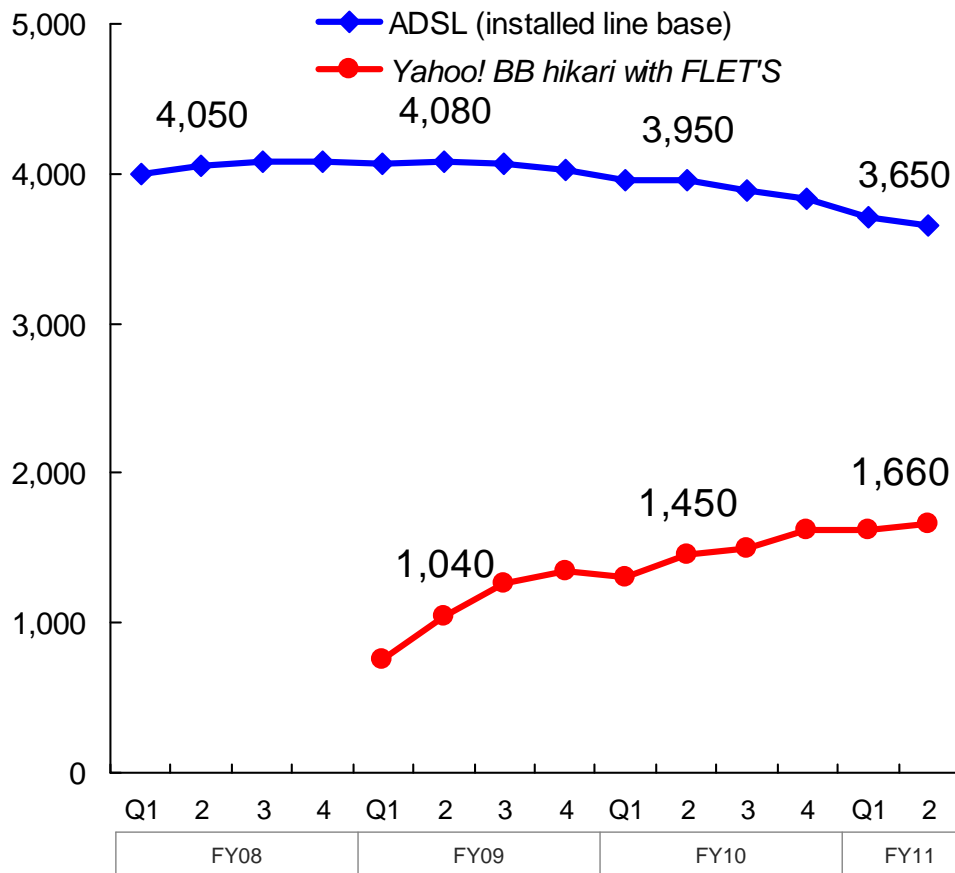
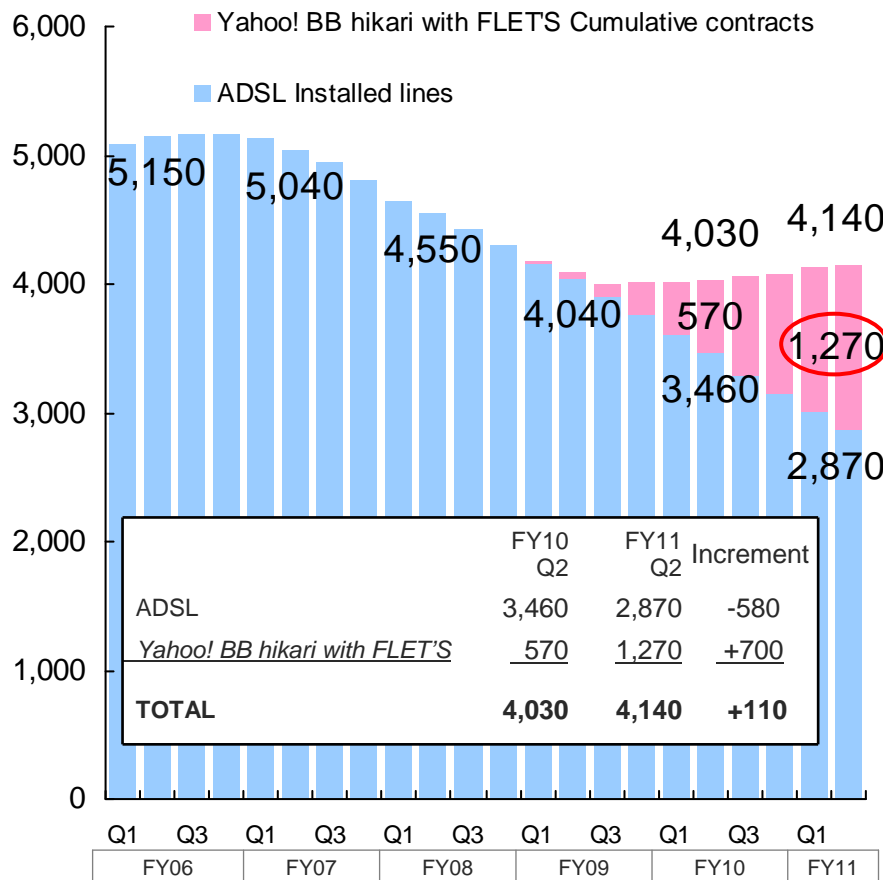
- Number of lines: decreased in ADSL, increased in *Yahoo! BB hikari with FLET'S*. Net increase in total.

Number of Lines

ARPU

<k lines>

<JPY>



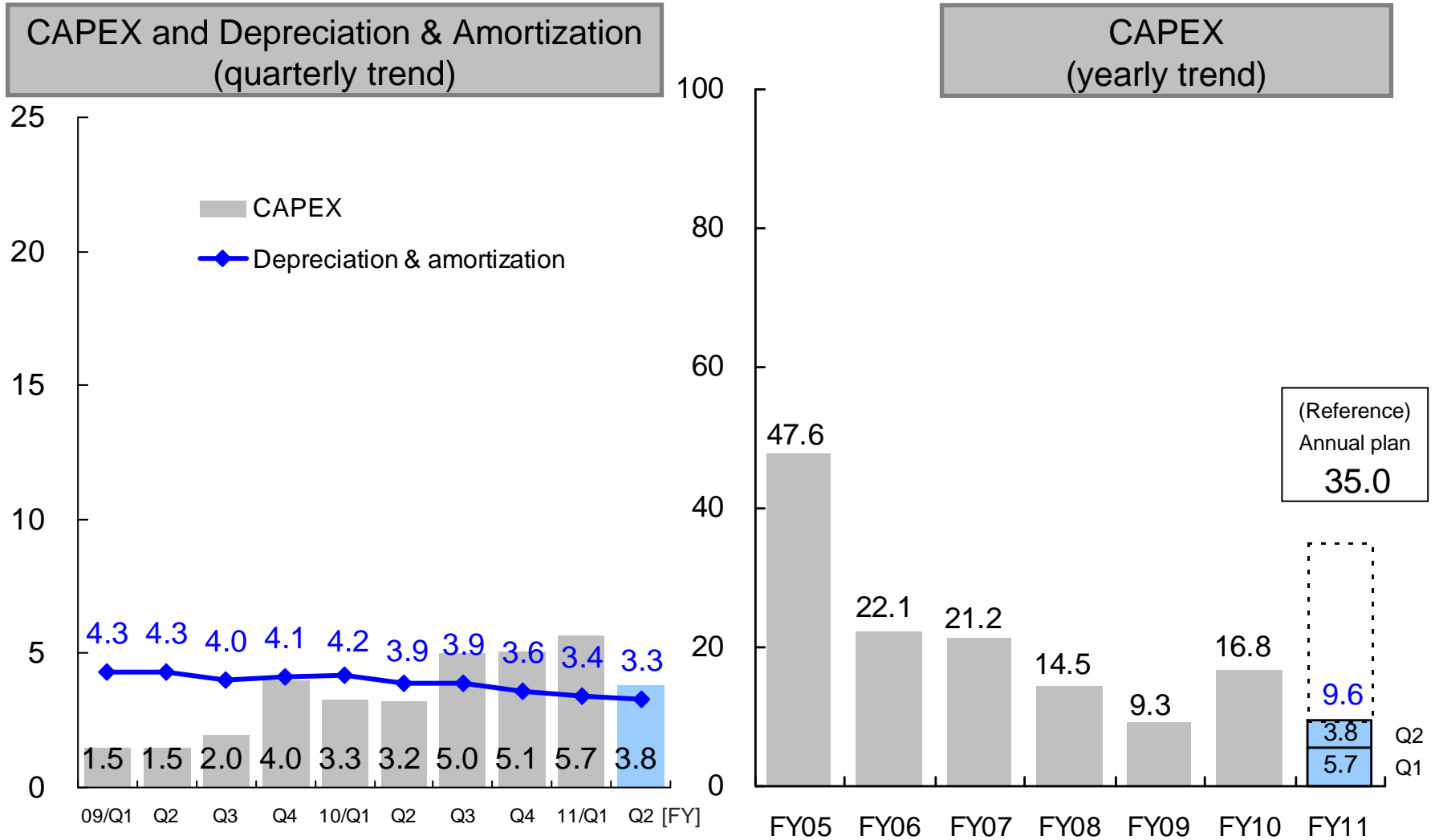
- Note: 1. ADSL Installed lines: lines for which connection construction for ADSL line at central office of NTT East or NTT West is complete.  
 Yahoo! BB hikari with FLET'S cumulative contracts: users for which connection construction for FLET'S HIKARI line at central office of NTT East or NTT West is complete.  
 2. Yahoo! BB hikari with FLET'S: a broadband connection service that combines the Internet connection service Yahoo! BB and the FLET'S HIKARI fiber-optic connection provided by NTT East and NTT West. FLET'S and FLET'S HIKARI are registered trademarks of NTT East and NTT West.  
 3. ARPU (revenue per installed line): average revenue per user (rounded to the nearest JPY 10)

# CAPEX (acceptance basis)

<BB>

➤ Enhanced CAPEX. Annual plan: JPY 35.0bn (Q1-2: 27.4% completed)

<bn JPY>



Note: Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.

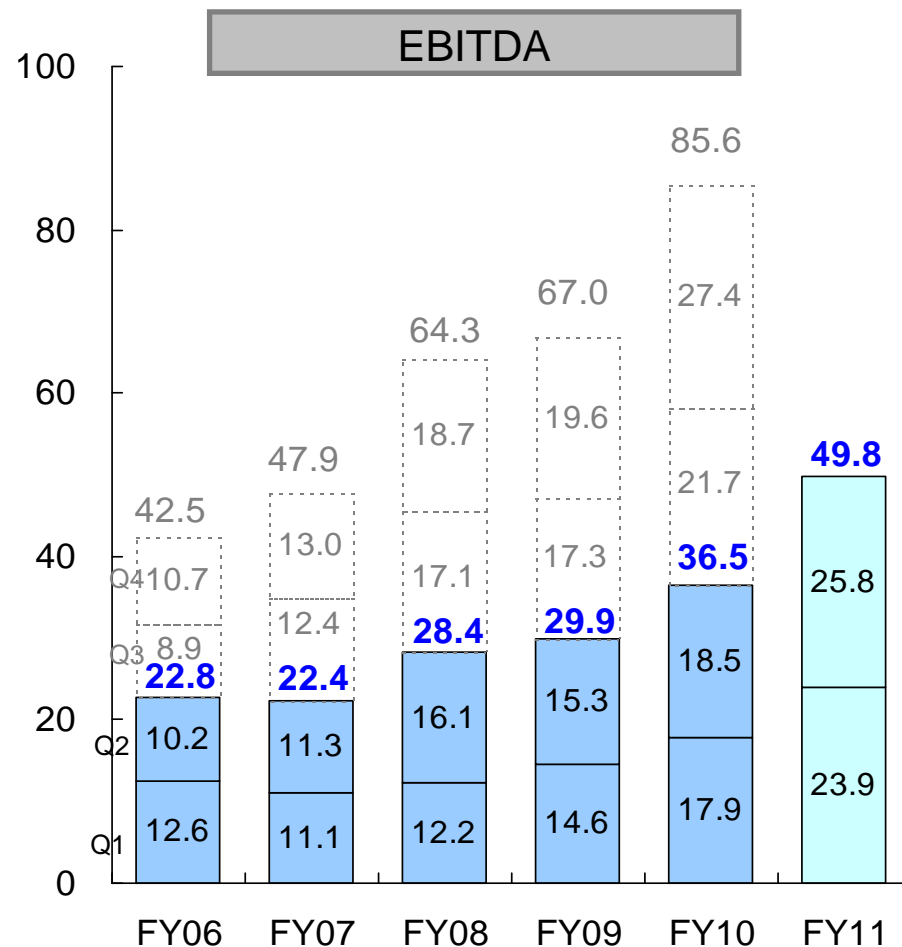
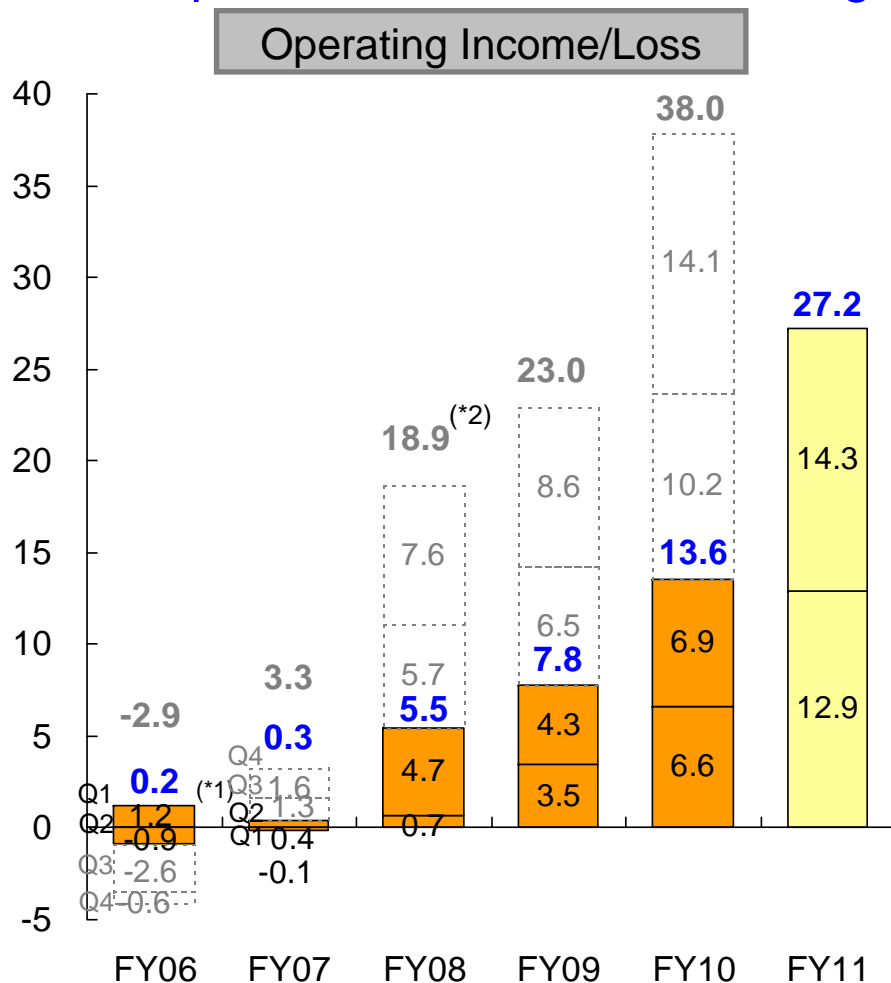
## Fixed-line Telecommunications

# Operating Income, EBITDA

<Fixed>

- Sustained revenue & profit increase, through enhancement of corporate sales, efficient management, group synergies.

<bn JPY>



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

2. FY2008: includes operating income of JPY 2.0bn of SOFTBANK IDC Solutions Corp. (merged with Yahoo Japan at the end of FY08)

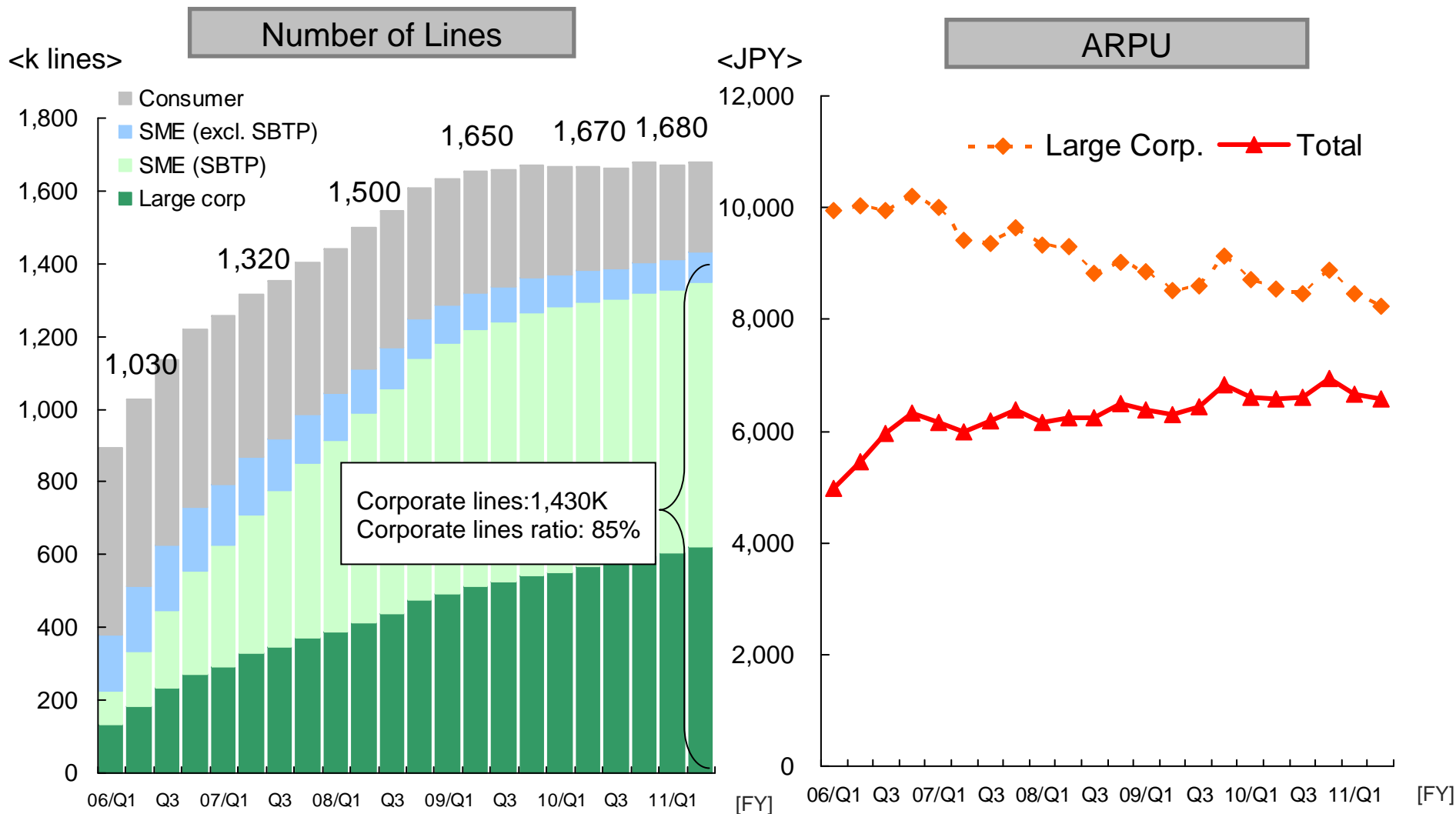
3. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses

4. Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.

# Number of Lines and ARPU for *OTOKU Line*

<Fixed>

➤ Number of lines and ARPU in solid trend on enhancement of corporate sales



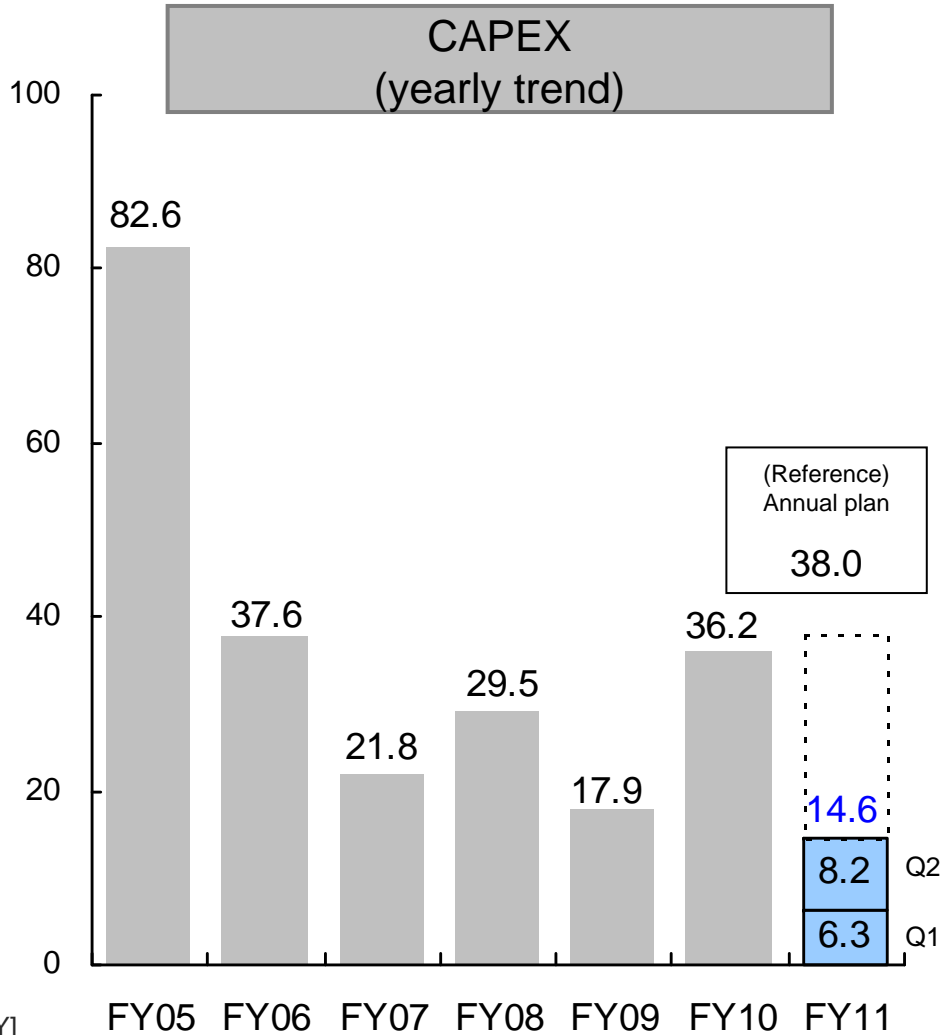
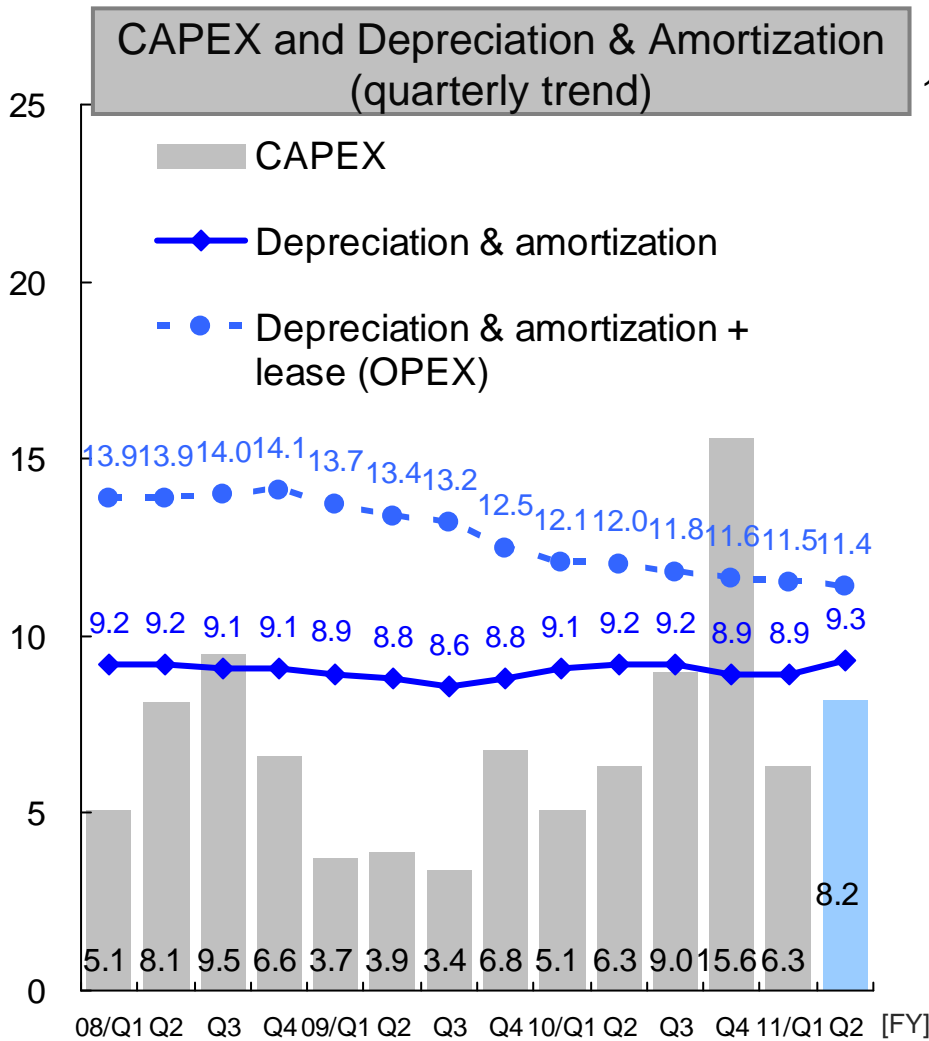
Note: 1. ARPU: Average Revenue Per line (rounded to the nearest JPY 10)  
2. SBTP: SOFTBANK TELECOM PARTNERS

# CAPEX (acceptance basis)

<Fixed>

- Annual plan: JPY 38.0bn (Q1-2: 38.4% completed)  
Depreciation & amortization + lease decreasing.

<bn JPY>



\*Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.

## Mobile Communications

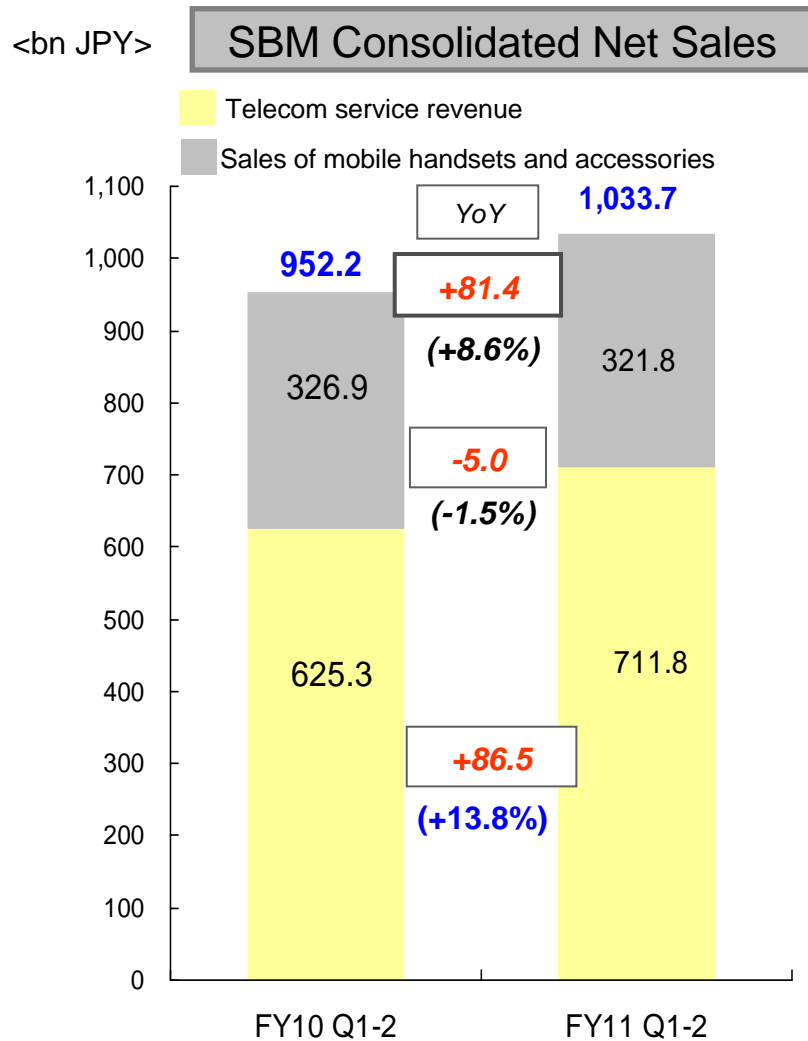
 SoftBank



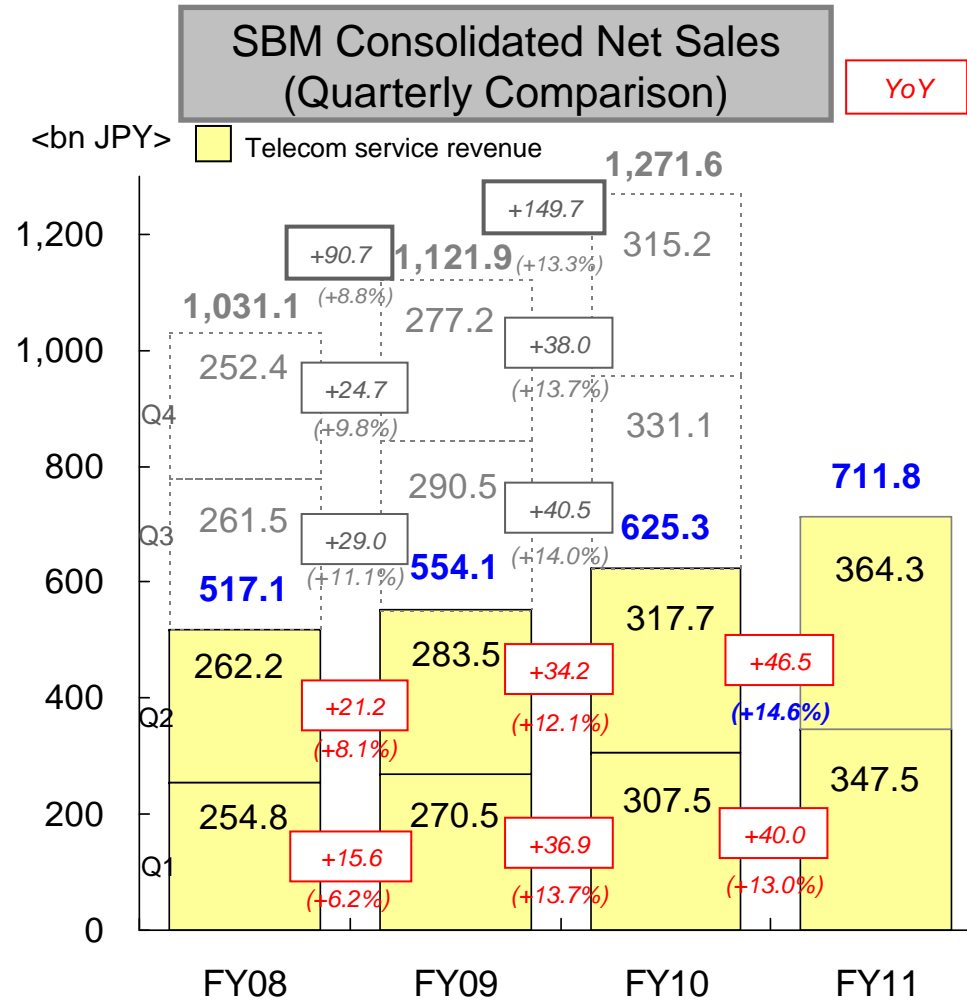
# SBM Consolidated Net Sales

<Mobile>

- Net sales increased by **8.6%**  
(achieved the record high\* YoY increase of **13.8%** in telecom service revenue).



SBM: SOFTBANK MOBILE

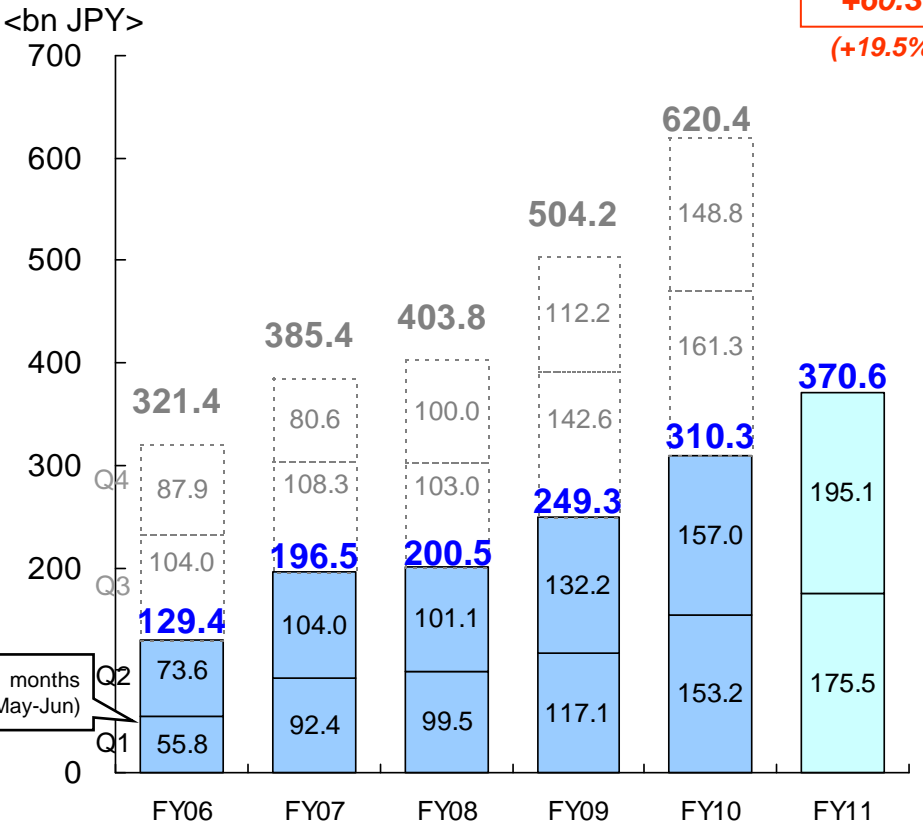
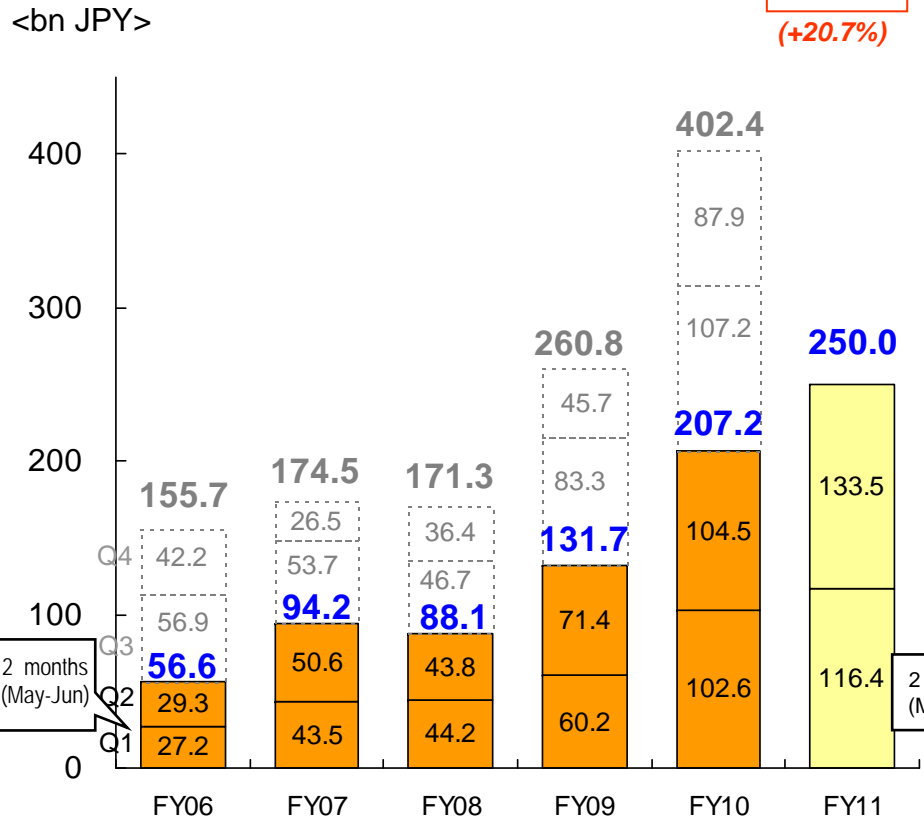
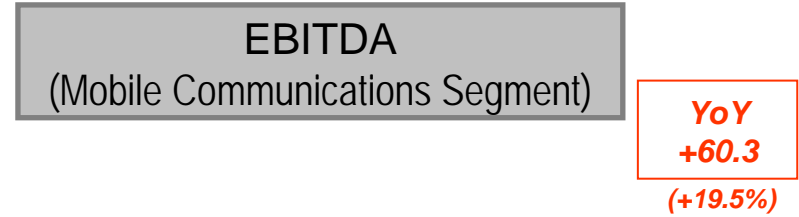
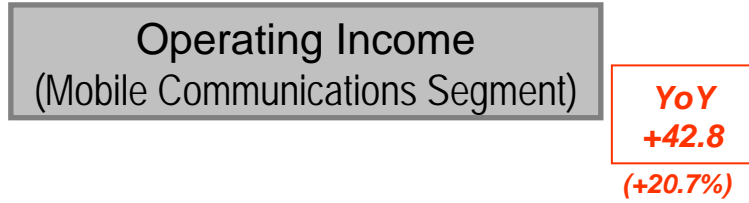


\*On Q1-2 base; since SOFTBANK established the Mobile Communications segment in FY2006

# Operating Income/ EBITDA (SB Consolidated)

<Mobile>

- Revenue and profit new record high\*; operating income increased by **20.7%** YoY.



\*Since SOFTBANK CORP. established the Mobile Communications segment in FY2006

Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.

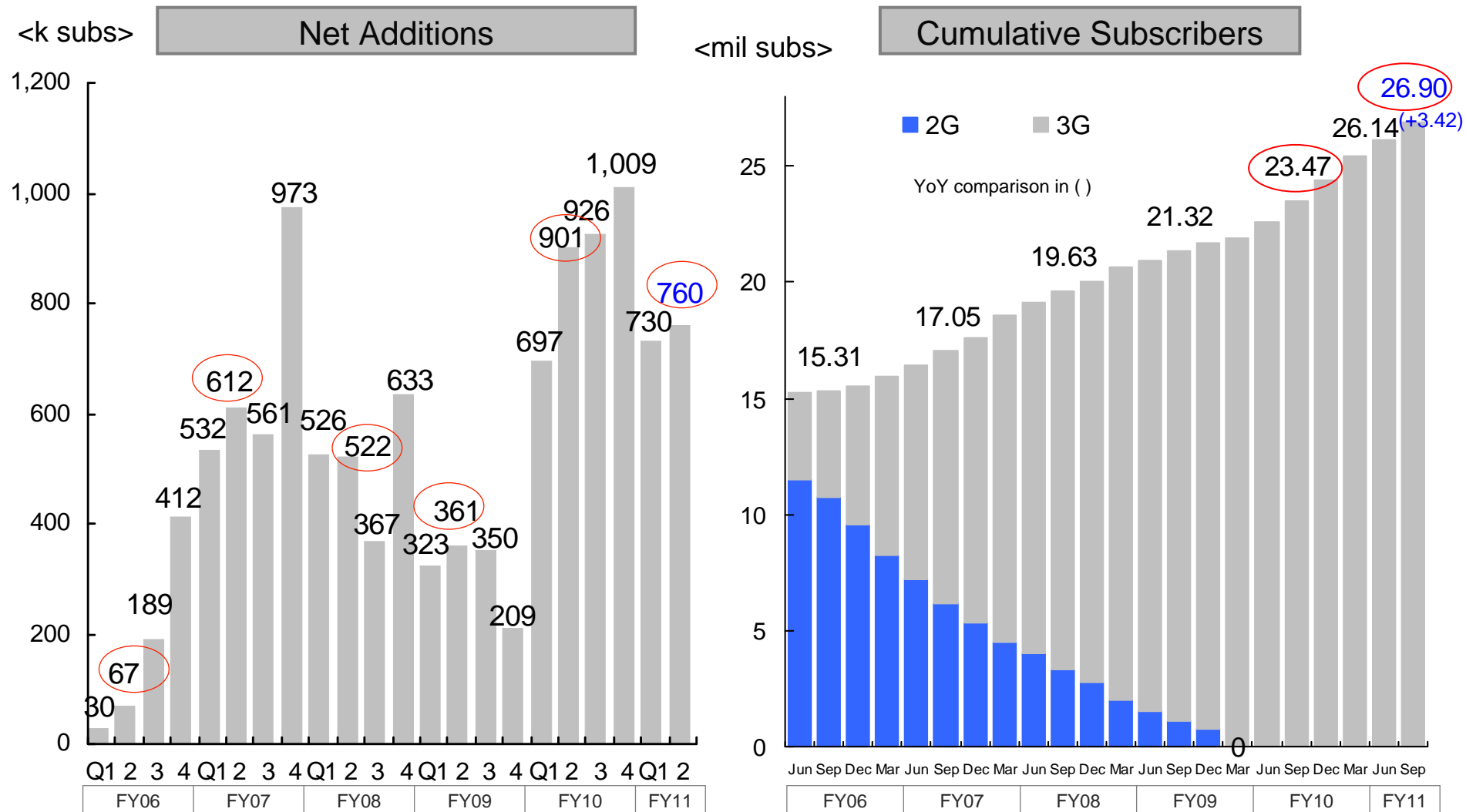
Note: EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill) + loss on disposal of fixed assets included in operating expenses

SB: SOFTBANK

# Number of Subscribers (quarterly net additions/cumulative)

<Mobile>

➤ Net additions in Q2 marked 760k. Cumulative subs +3.42mil YoY.

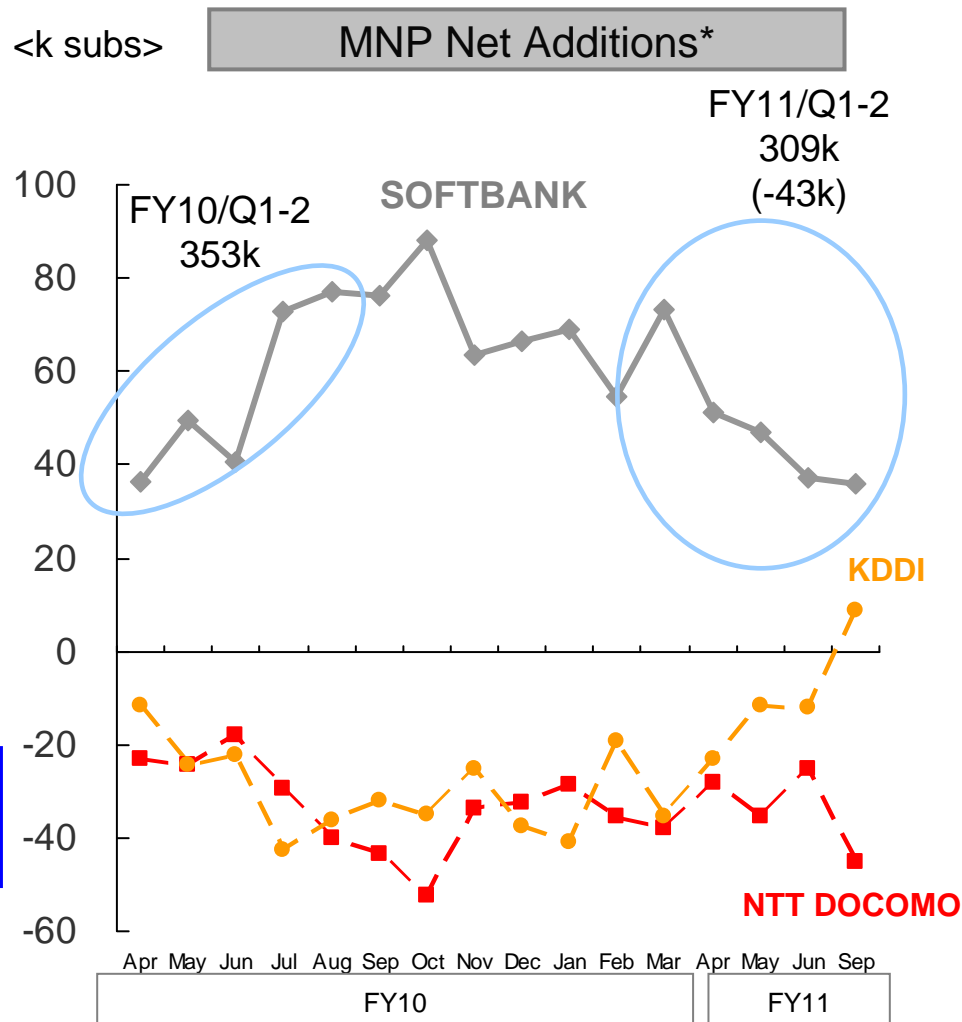
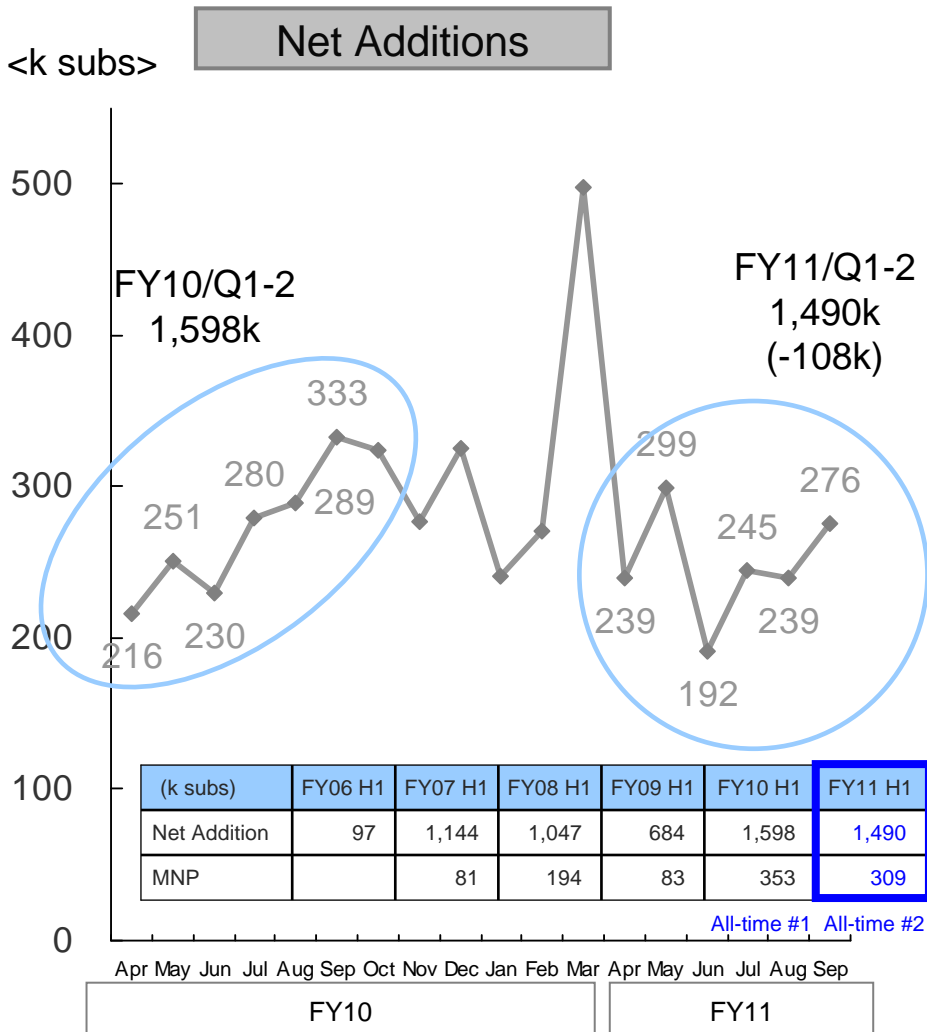


Note: the number of net subscriber additions and the number of cumulative subscribers include prepaid mobile phones and communication module service subscribers.

# Number of Monthly Net Additions

<Mobile>

➤ H1: Net additions 1.49mil, MNP\* 309k (both marked the all-time No.2)

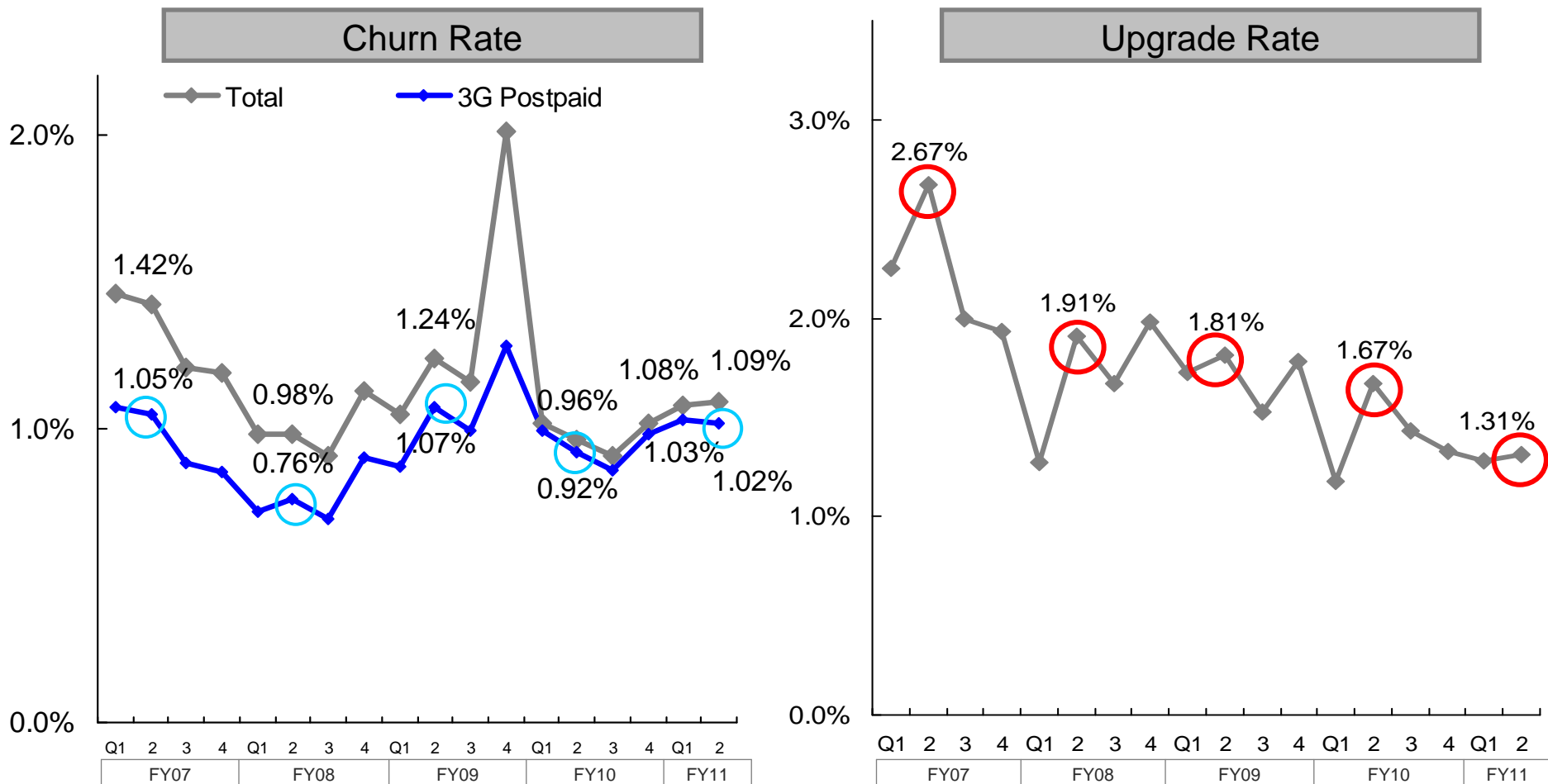


Note 1. The number of net subscriber additions includes prepaid mobile phones and communication module service subscribers.  
 Note 2. MNP Net Additions: net of port-in/out through Mobile Number Portability. Created by SOFTBANK CORP.

# Churn Rate & Upgrade Rate

<Mobile>

- YoY: Churn rate increased; upgrade rate decreased.  
(Both were inflated by 2G termination till FY09.)



Note 1. Churn rate (all contracts) and upgrade rate is calculated with prepaid mobile phones and communication module service subscribers included in the number of subscribers, churn, and upgrades, respectively.

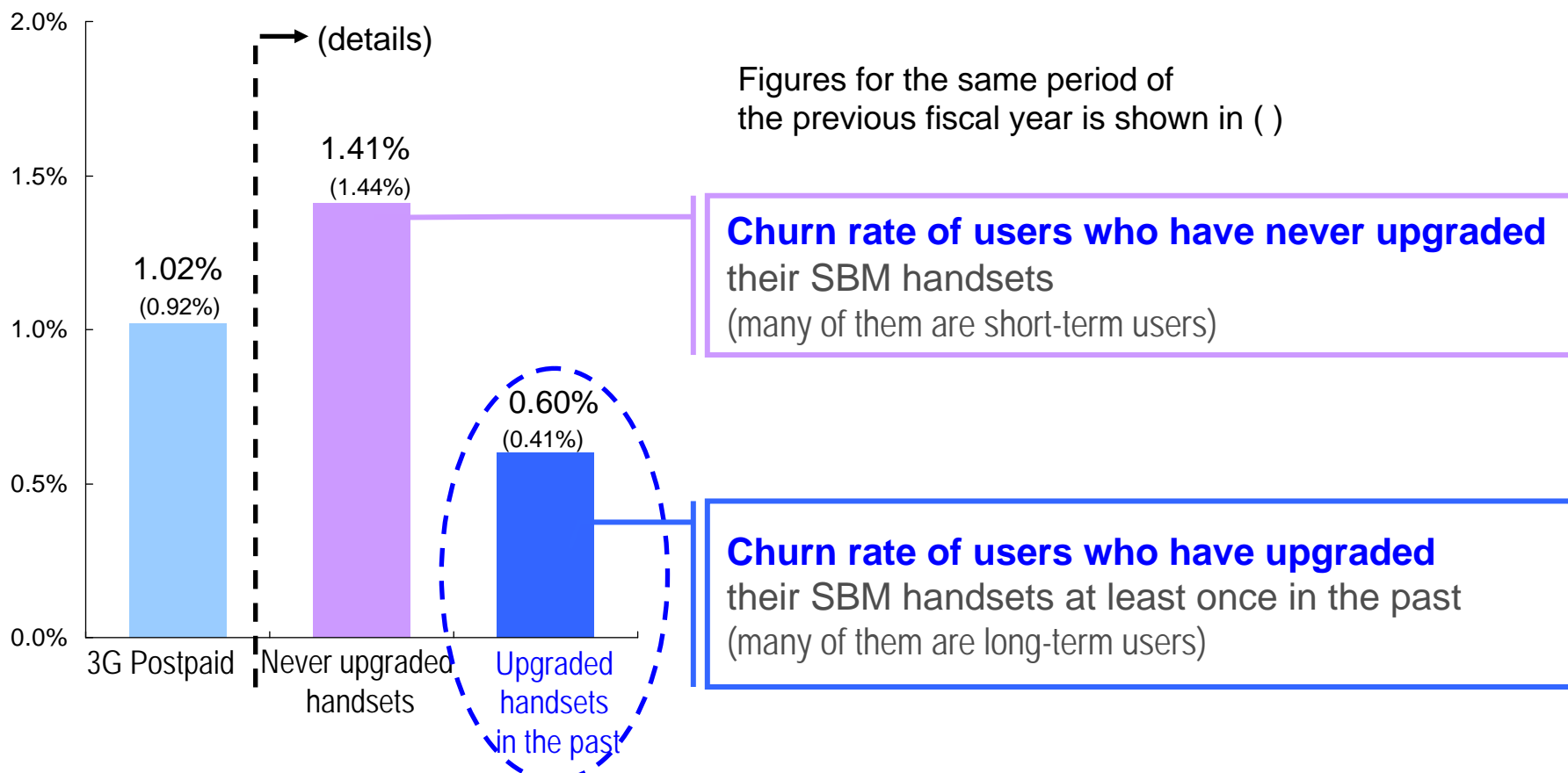
2. Churn rate (3G postpaid): calculated with communication module service subscribers included in the number of subscribers and churn.

# Churn Rate Details (FY11/Q2)

<Mobile>

- Churn rate largely varies according to the history of handset upgrades.

Churn Rate of 3G Postpaid (FY11/Q2)  
<by history of handset upgrades>



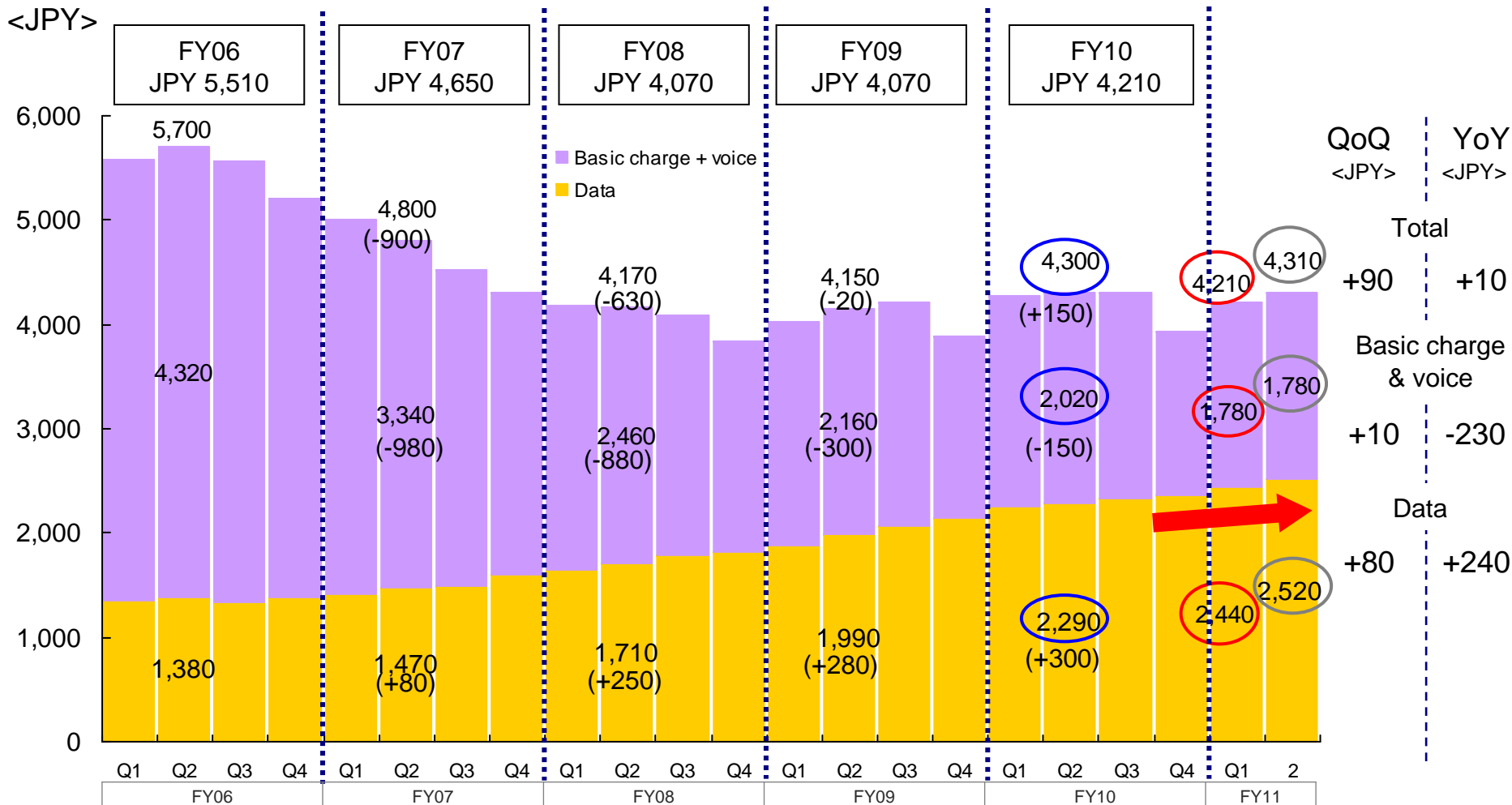
Note: churn rate is calculated with communication module service subscribers included in the number of subscribers and churn.  
SBM: SOFTBANK MOBILE

# ARPU (Average Revenue Per User)

<Mobile>

- QoQ: + JPY 90, data +JPY 80.
- YoY: + JPY 10, data + JPY 240.

impact from access charge price reduction: JPY 100



Note: ARPU: Average Revenue Per User (rounded to the nearest JPY 10). Revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules.

ARPU = basic monthly charge + monthly usage charge + voice, data, etc. - Monthly Discounts (New Super Bonus Special Discount). For the Mobile Communications segment, the term "ARPU" used alone indicates the total of the basic monthly charge plus voice ARPU plus data ARPU. Annual ARPU for FY08 and FY09 before rounding is JPY4,065 and JPY4,068, respectively.

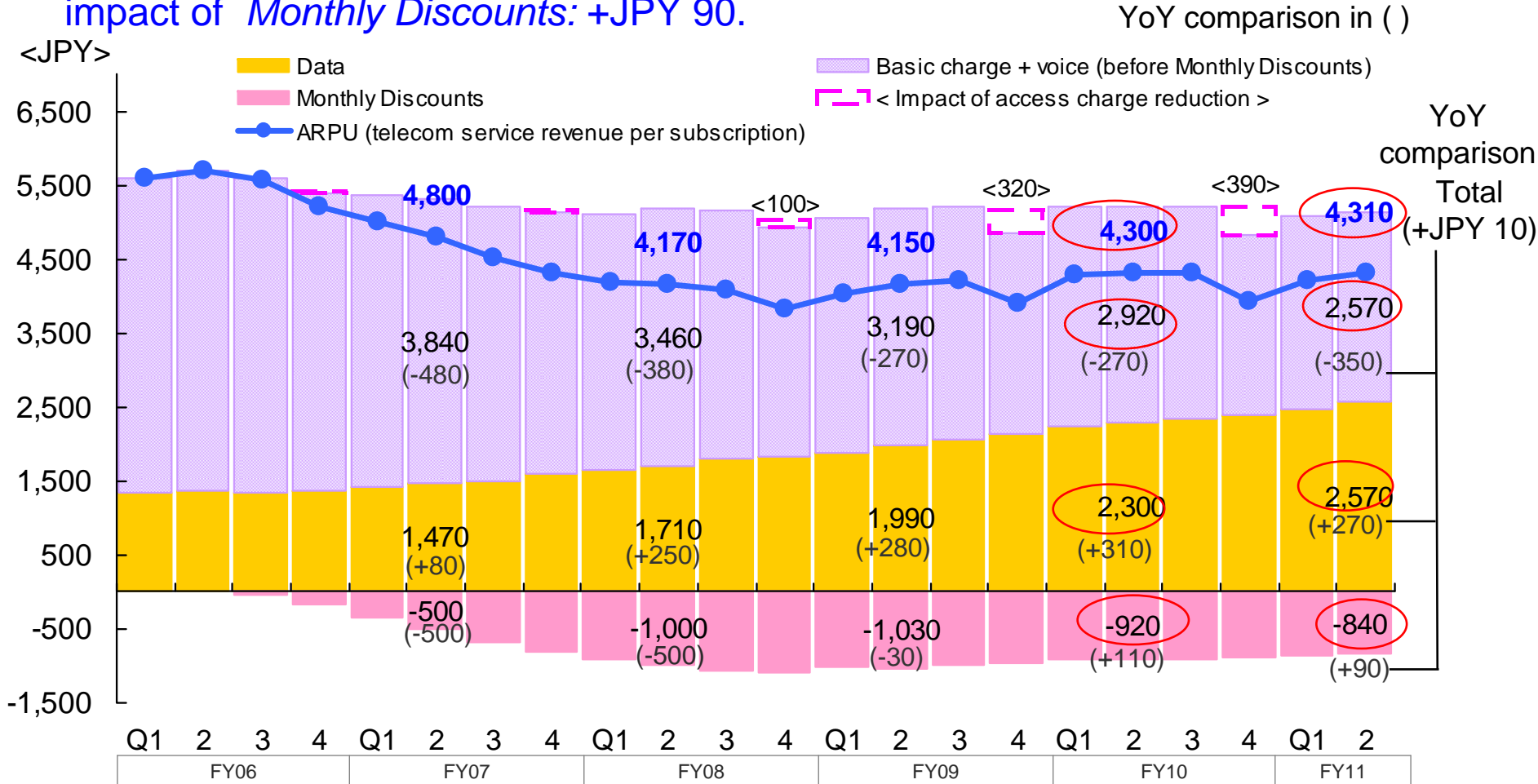
# ARPU (Average Revenue Per User)

<Mobile>

➤ YoY (*Monthly Discounts* referred to separately)

Basic monthly charge plus voice: -JPY 350, data: +JPY 270

impact of *Monthly Discounts*: +JPY 90.



Note: ARPU: Average Revenue Per User (rounded to the nearest JPY 10). Revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules.

ARPU = basic monthly charge + monthly usage charge + voice, data, etc. - *Monthly Discounts (New Super Bonus Special Discount)*

The term "ARPU" used alone indicates the total of the basic monthly charge plus voice ARPU plus data ARPU.

Basic charge + voice (before monthly discounts) is before deducting monthly discounts from basic charge + voice ARPU.

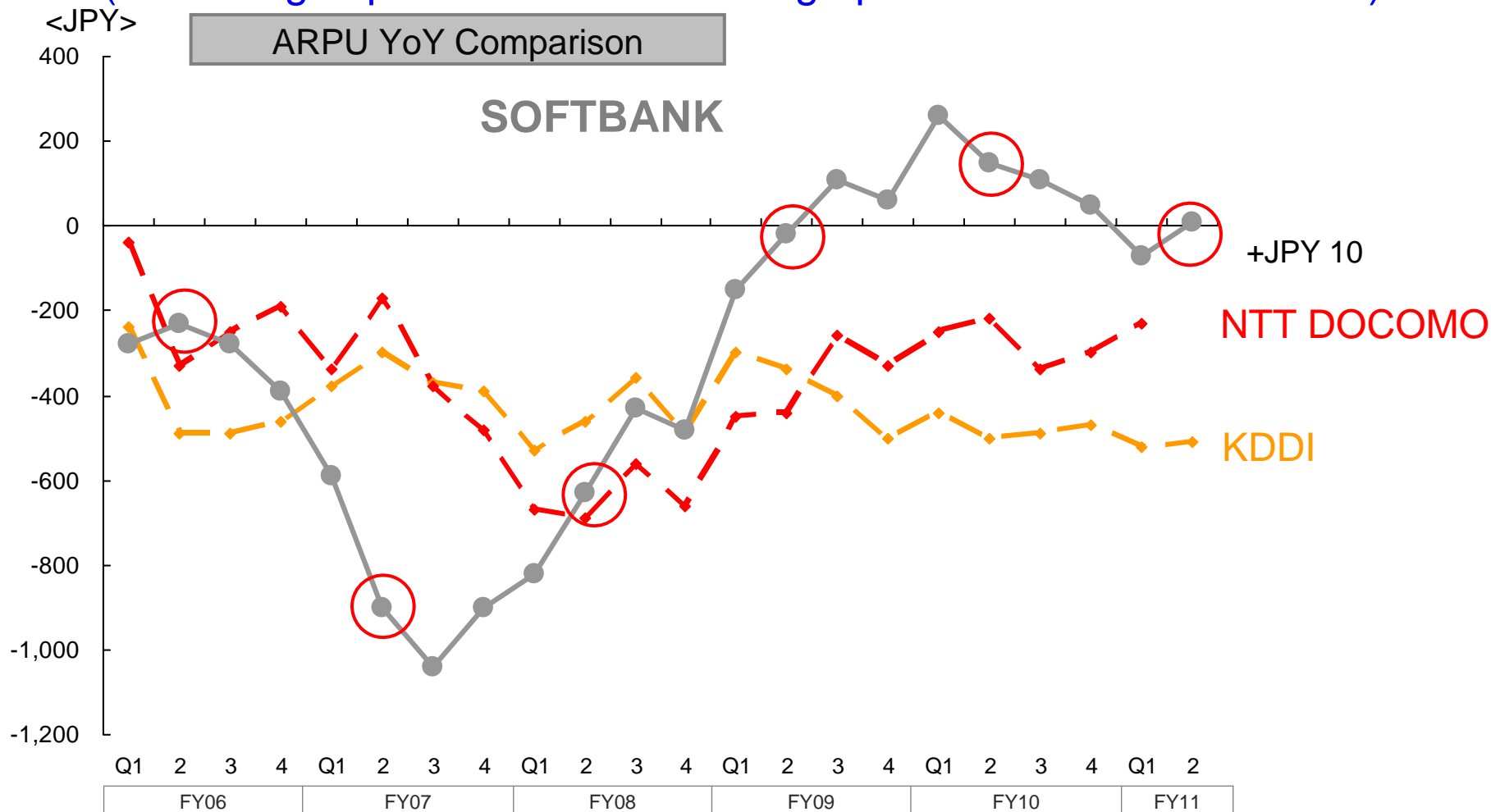
Impact of access charge reduction : indicates impact of reduction relating to revised access charges between carriers (showing 12 month amount collectively )



# ARPU Comparison

<Mobile>

- Increased by JPY 10 YoY  
(absorbing impact from access charge price reduction of JPY 100) .



Note 1. ARPU: Average Revenue Per User (rounded to the nearest JPY 10). Revenue and number of mobile phone subscribers include prepaid mobile phones and communication modules.

ARPU = basic monthly charge + monthly usage charge + voice, data, etc. – Monthly Discounts (New Super Bonus Special Discount)

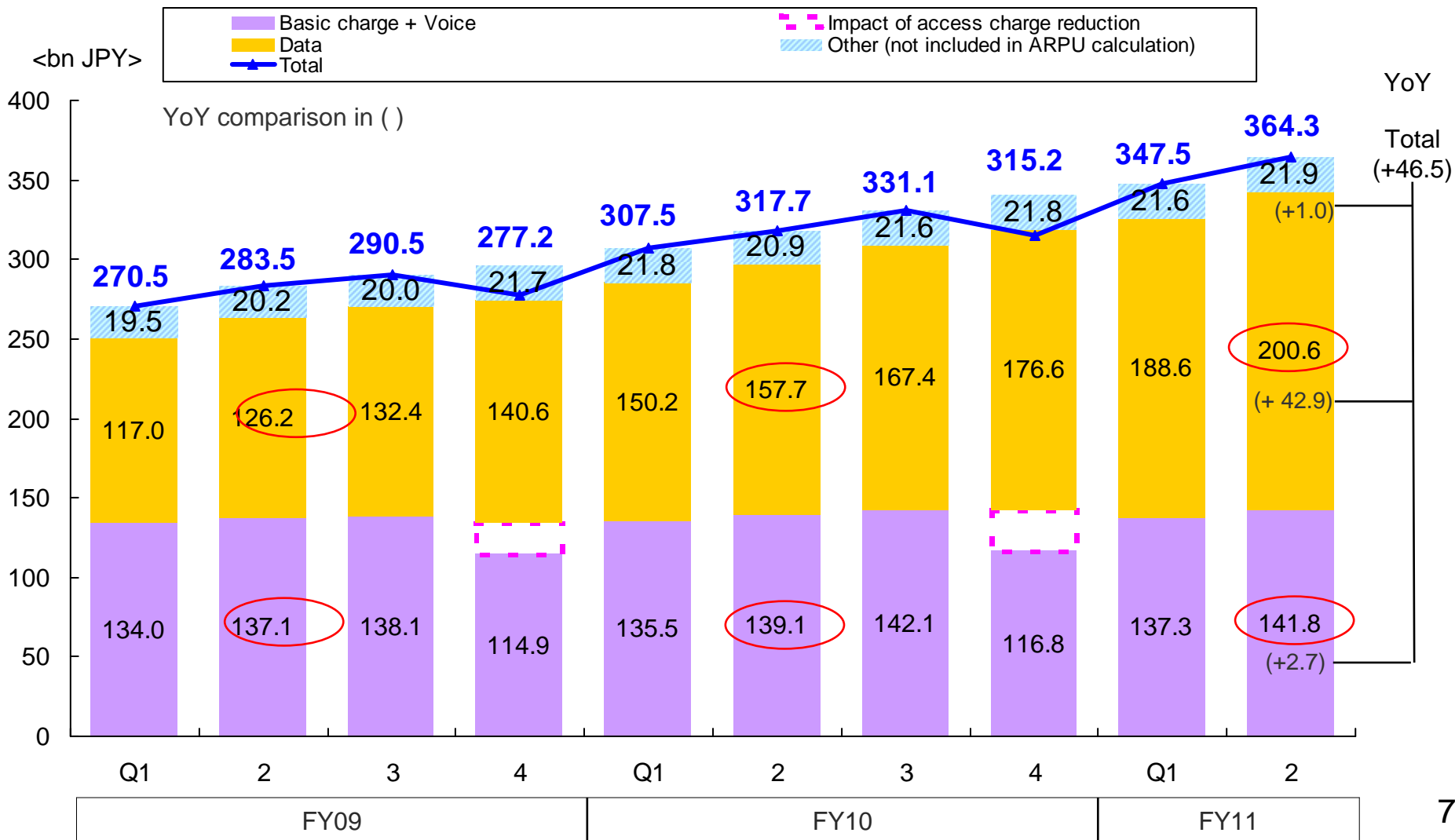
The term "ARPU" used alone indicates the total of the basic monthly charge plus voice ARPU plus data ARPU.

2. Calculated by SOFTBANK CORP. based on respective companies' publicly available information.

# Trend of SBM Telecom Service Revenue

<Mobile>

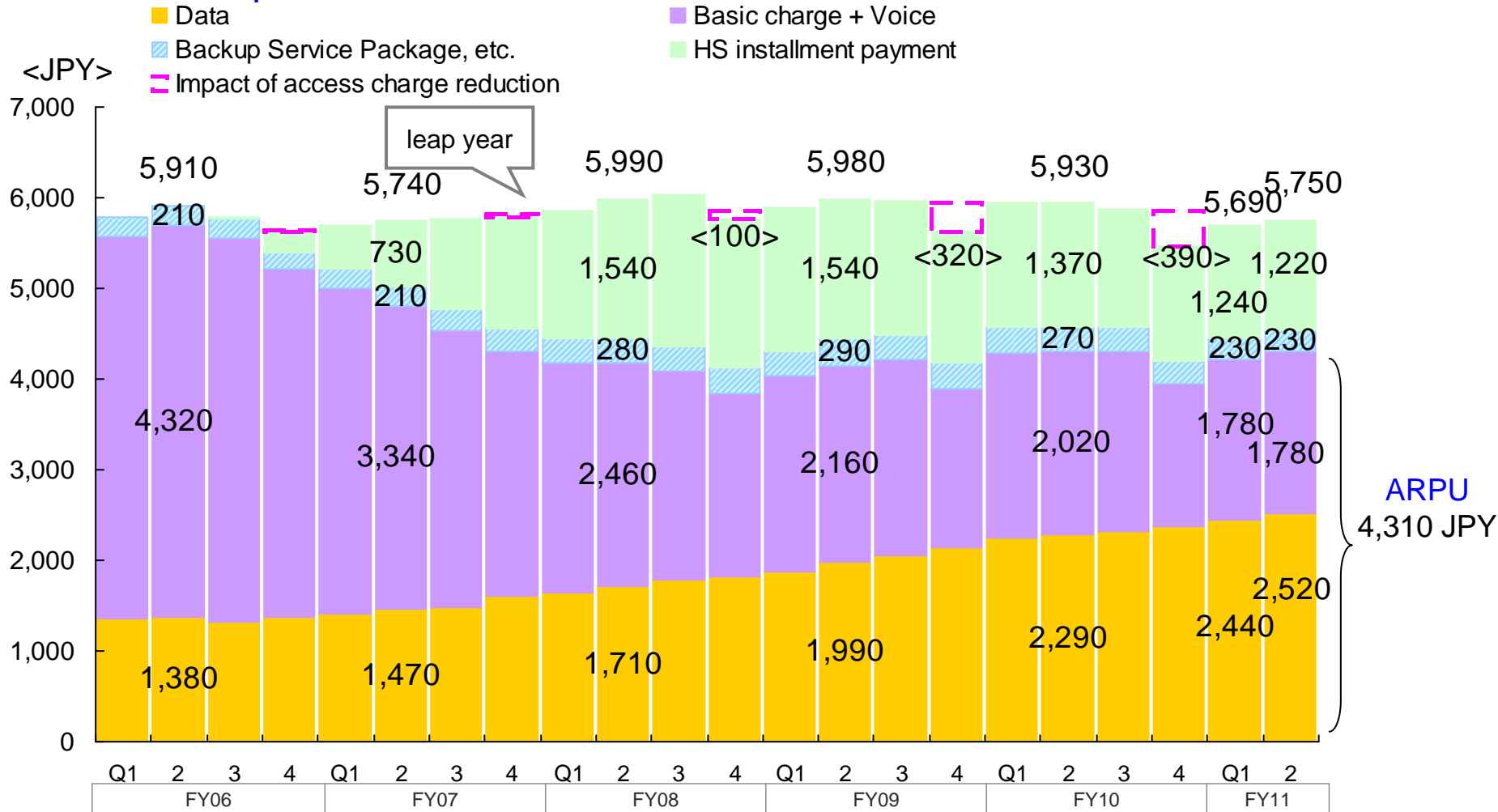
- Voice (incl. basic monthly charge) maintains a stable trend.
- Data drives the increase in telecom service revenue.



# Average Cash Income Per Subscription (including HS installment payment)

<Mobile>

➤ Cash income per subscription decreased due to impact of termination of installment periods, etc.



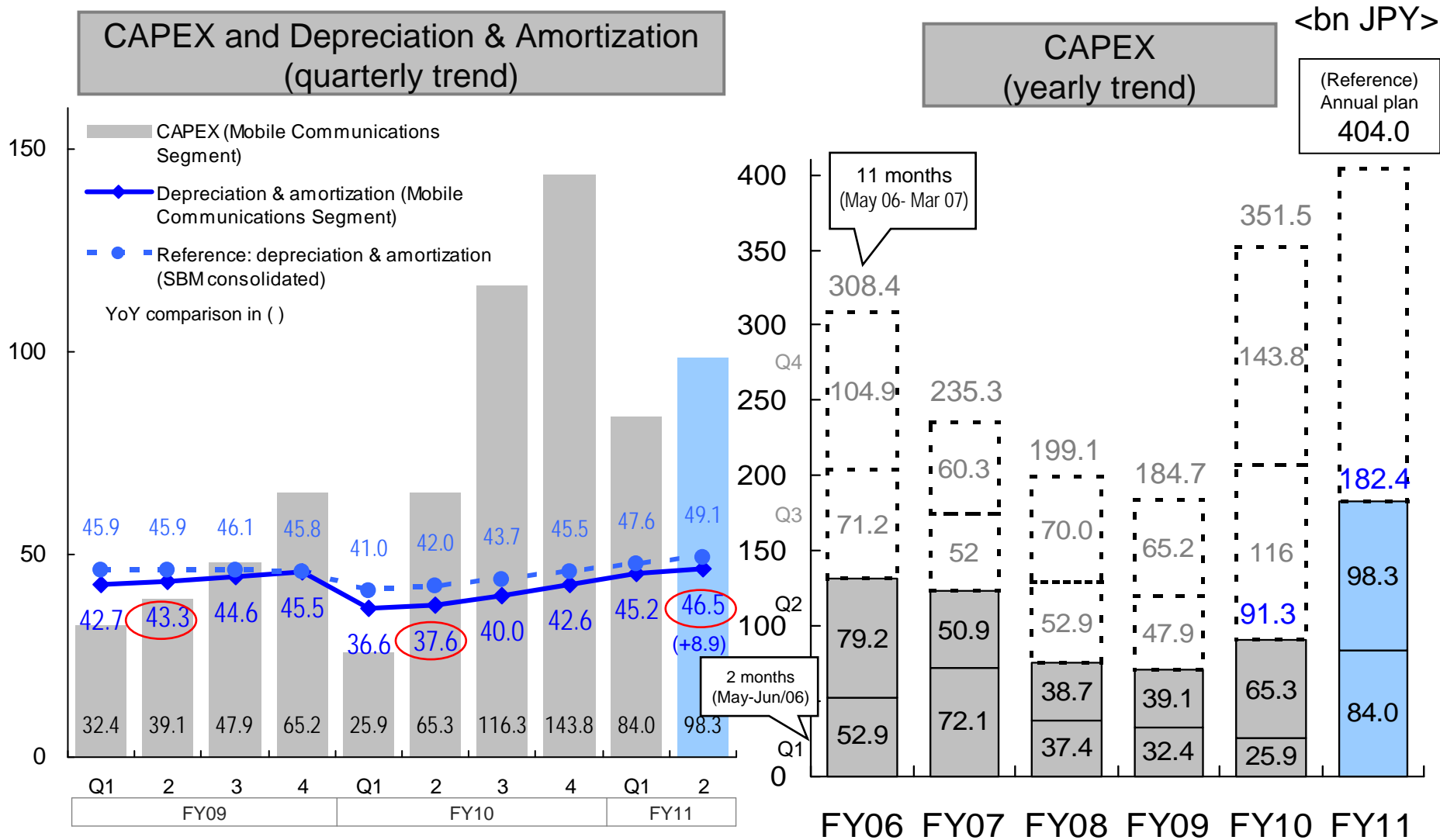
Note: cash income per subscription = ARPU (basic monthly charge plus voice ARPU + data ARPU) + handset installment payment + backup service package, etc (rounded to the nearest JPY10)

Impact of access charge reduction: indicates impact of reduction relating to revised access charges between carriers (showing 12 month amount collectively)

# CAPEX (acceptance basis)

<Mobile>

➤ Annual plan: JPY 404.0bn (Q1-2: 45.2% completed). D&A increasing.

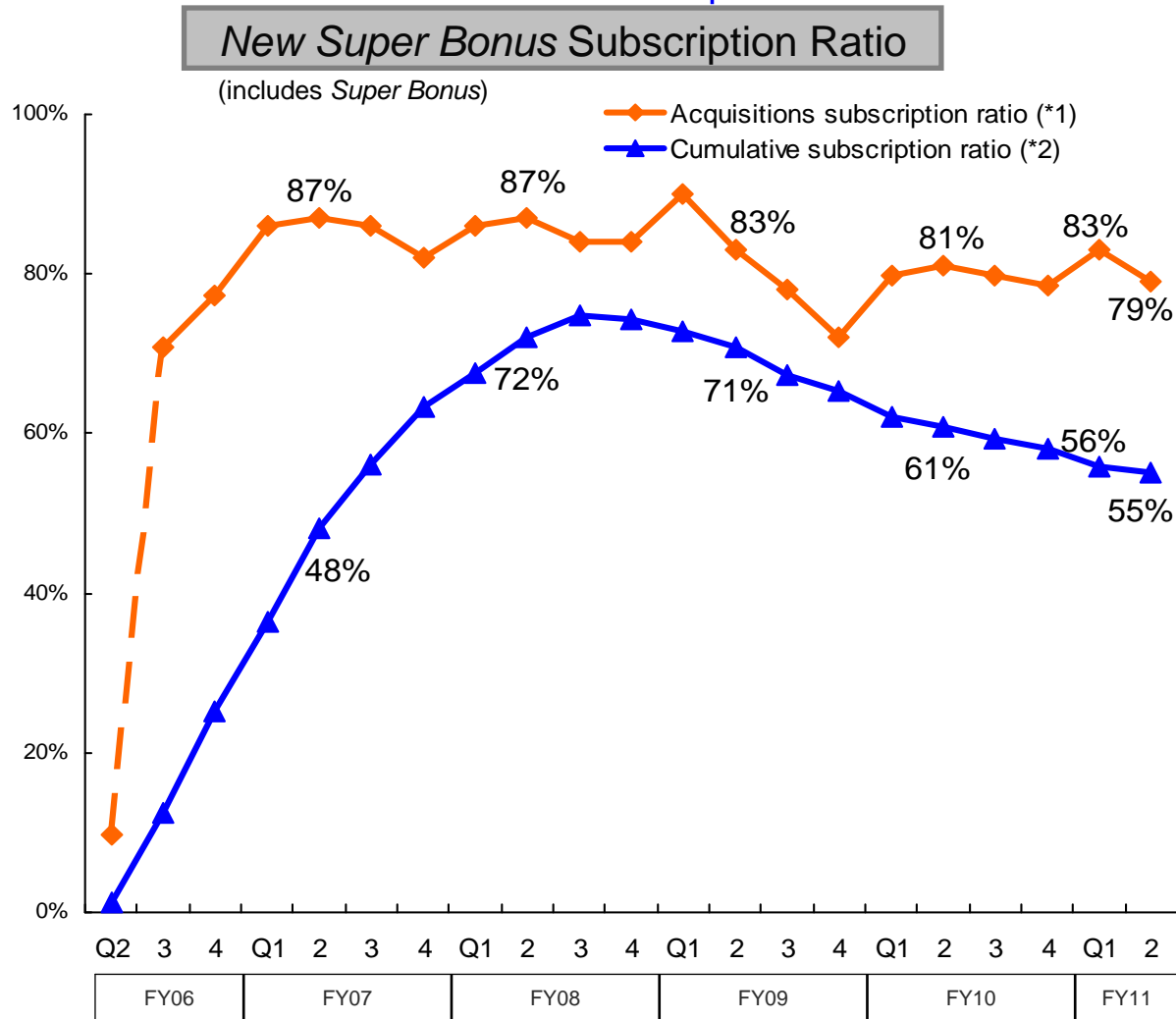


Segment financial results: new standards are applied from FY2010. FY2009 results are shown based on the new standard for comparison purposes only.  
SBM: SOFTBANK, MOBILE

# New Super Bonus Subscription Ratio

<Mobile>

- Subscription ratio remains stable around 80%. Cumulative subscription ratio decreasing due to termination of installment periods, etc.



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

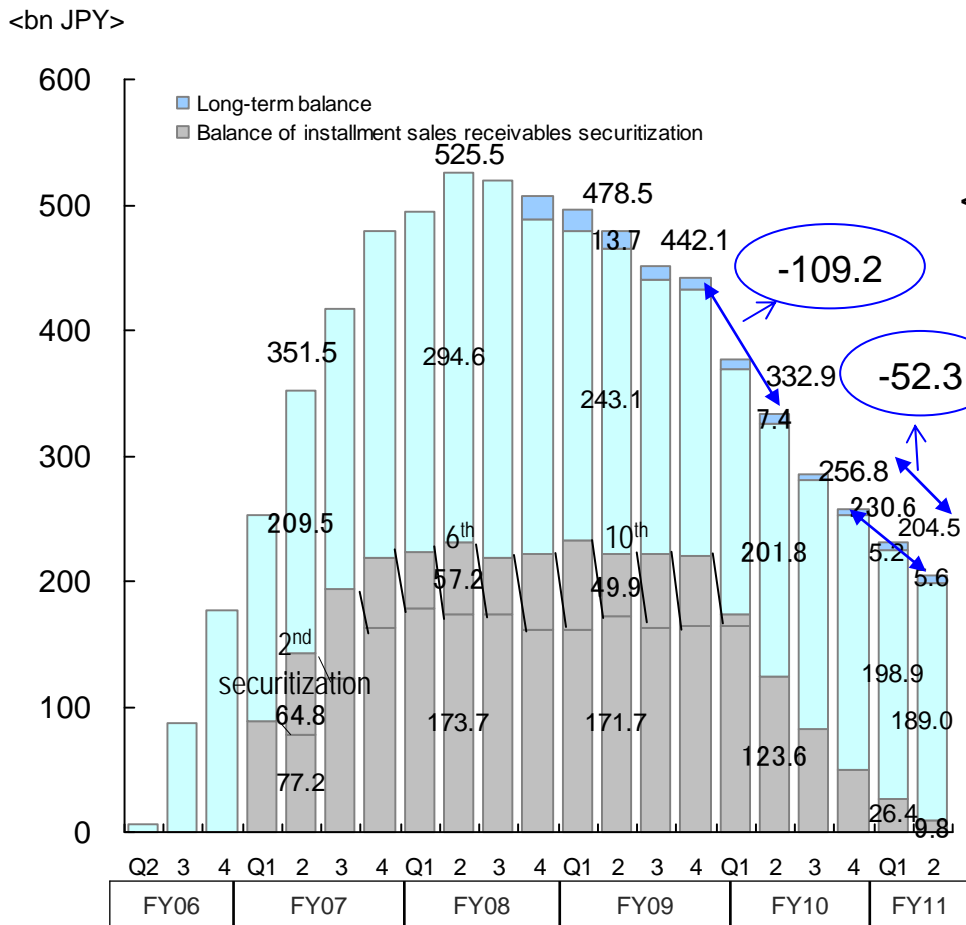
\*2 Cumulative subscription ratio: ratio of New Super Bonus subscribers to total subscribers (excluding subscribers whose Monthly Discounts ended)

# Installment Sales Receivables Balance

<Mobile>

➤ Continued sale of installment sales receivables. Impacts on operating cashflow decreasing.

Installment Sales Receivables Balance



<ref.>Amount of receivables sold

FY09			FY10				FY11	
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
10.3	10.3	-	55.7	57.9	63.3	62.8	62.9	60.1

123.1

<Relation of receivables movement and OCF>

1	Occurred	+172.4	5	if not sold	-183.5
2	Collected	-101.6	6	impact of sales	+81.8
3	Sold	-123.1	(accumulated)		
4	Net	-52.3	Net	-101.6	

**SB consolidated OCF : JPY +52.3bn**  
(YoY: JPY +109.2bn)

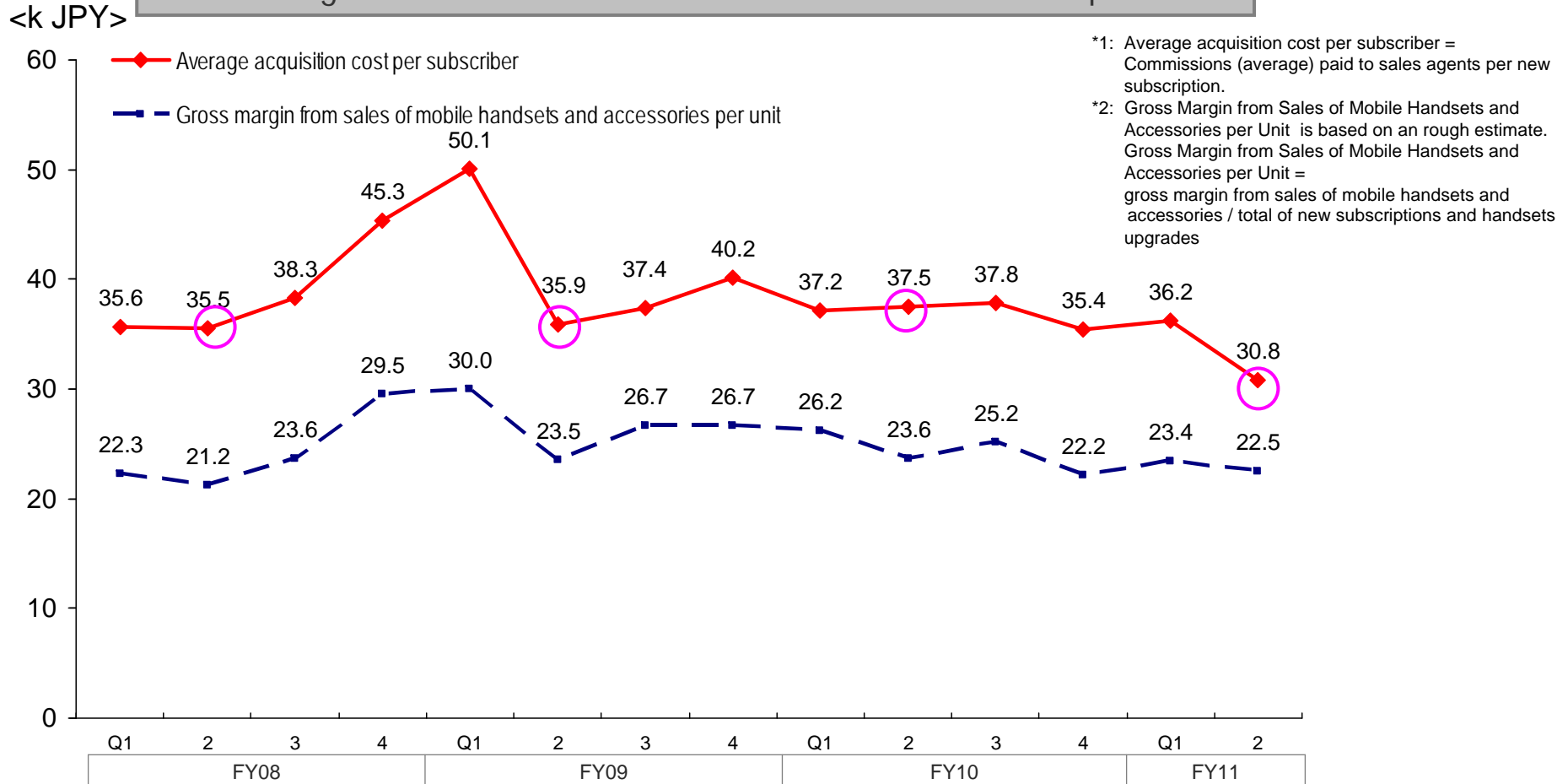
<Impact of sales>

Sold (above 3)	+123.1	
Collected (above 6)	-81.8	... increasing due to sales
Net	41.3	... decreasing due to 6

# Average Acquisition Cost per Subscriber and Gross Margin from Sales of Mobile Handsets and Accessories <Mobile>

- Average acquisition cost per sub decreased due to change in the product mix in handsets sold.

SBM Average Acquisition Cost per Subscriber\*1 and Gross Margin from Sales of Mobile Handsets and Accessories per Unit\*2



Note: handsets sold: total of new subscriptions and handset upgrades  
 new subscriptions include prepaid mobile phones and communication modules.

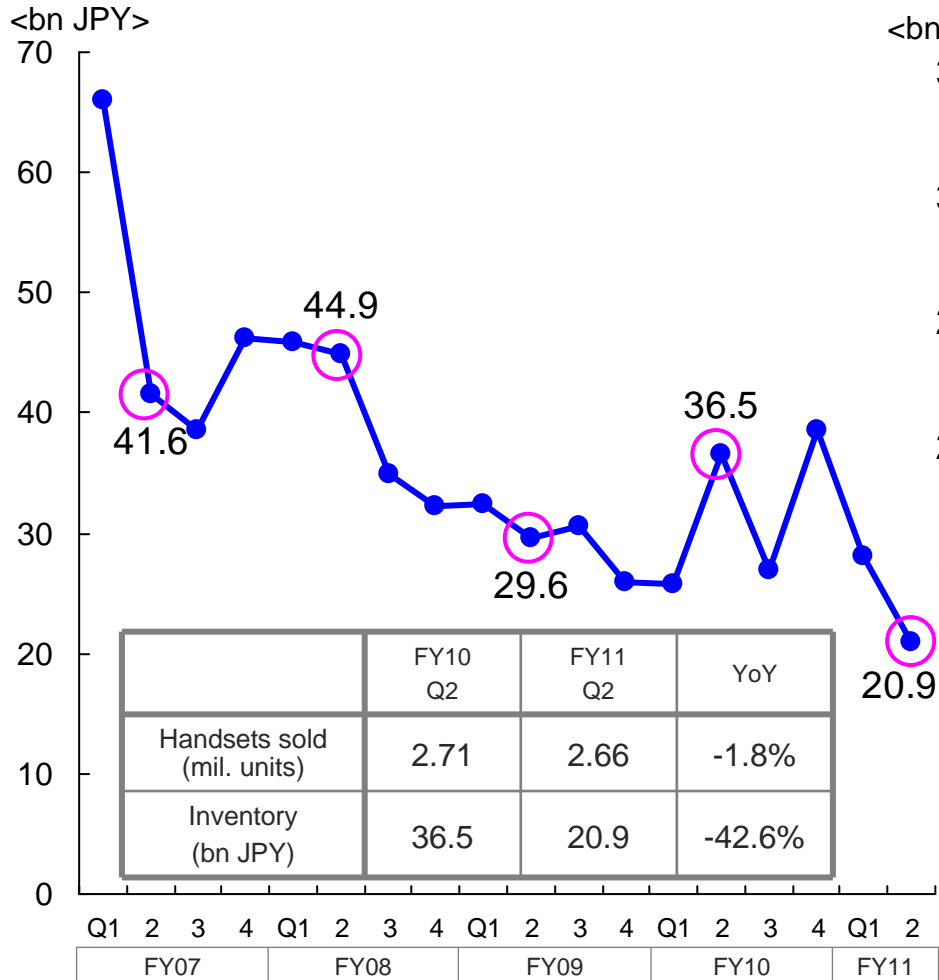
SBM: SOFTBANK MOBILE

# Improvement in Management Efficiency

<Mobile>

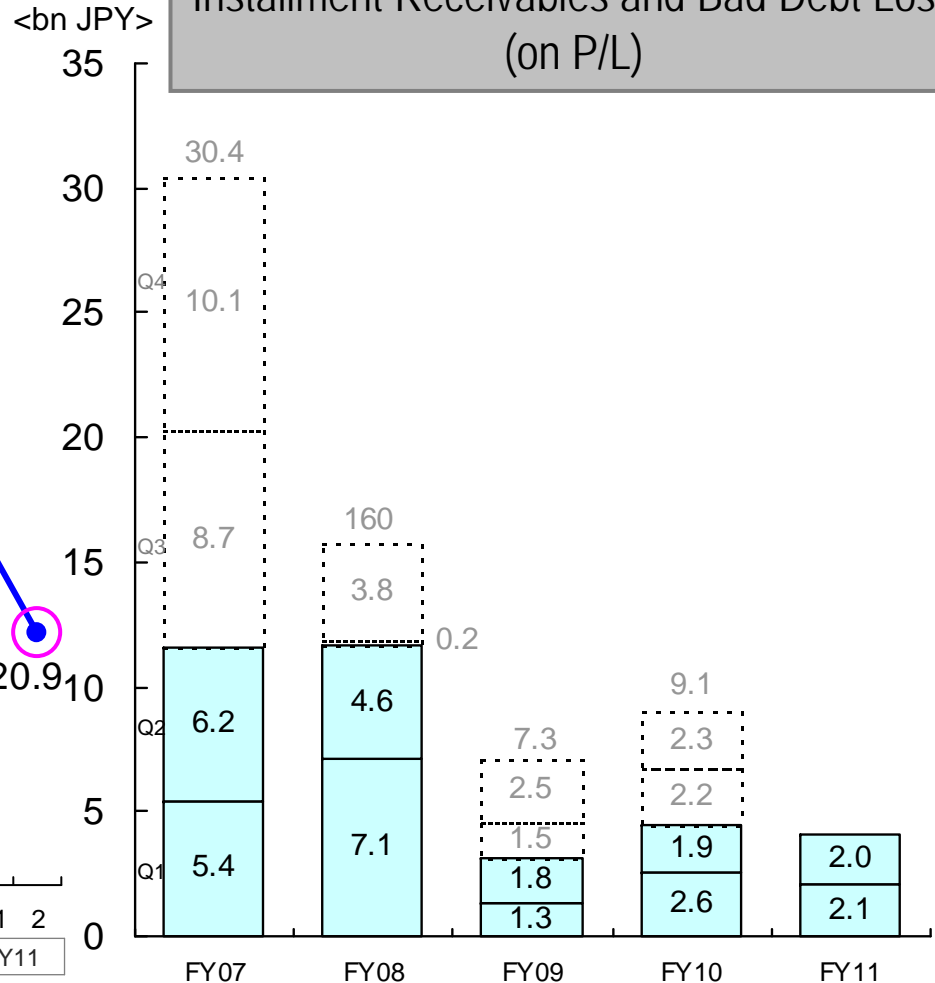
## ➤ Inventory of lowest-ever level

SBM Inventory (on B/S)



## ➤ Allowances sustain steady trend.

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



\*Handsets sold: total of new subscriptions and handset upgrades SBM: SOFTBANK MOBILE





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