

**Earnings Results for the  
Three-month Period  
Ended June 30, 2012  
(April to June 2012)**

**Analyst Meeting**



**August 1, 2012**

**SOFTBANK CORP.**

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### <Regarding Revenue Recognition In the Mobile Communications Segment>

In the Mobile Communications segment, net sales are mainly generated through telecom service revenue and sales of mobile handsets. The telecom services consist of voice and data services and are recognized as revenue when services are provided to customers, based upon basic flat-rate monthly charges plus usage of traffic in accordance with price plans subjected to discounts.

Sales of mobile handsets are recognized when merchandise is shipped to sales agents. The agents sell the mobile handsets to the customers mainly by installment payments over a period of 24 months. SOFTBANK MOBILE Corp. purchases the installment sales receivables from the agents and collects the installment sales receivables during the 24 months.

Activation fees from new customers are recognized as revenue when services are activated.

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# Accounting

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Kazuko Kimiwada

Corporate Officer

General Manager

Accounting & Internal Control

SOFTBANK CORP.

## Consolidated P/L Analysis

# Consolidated P/L Summary

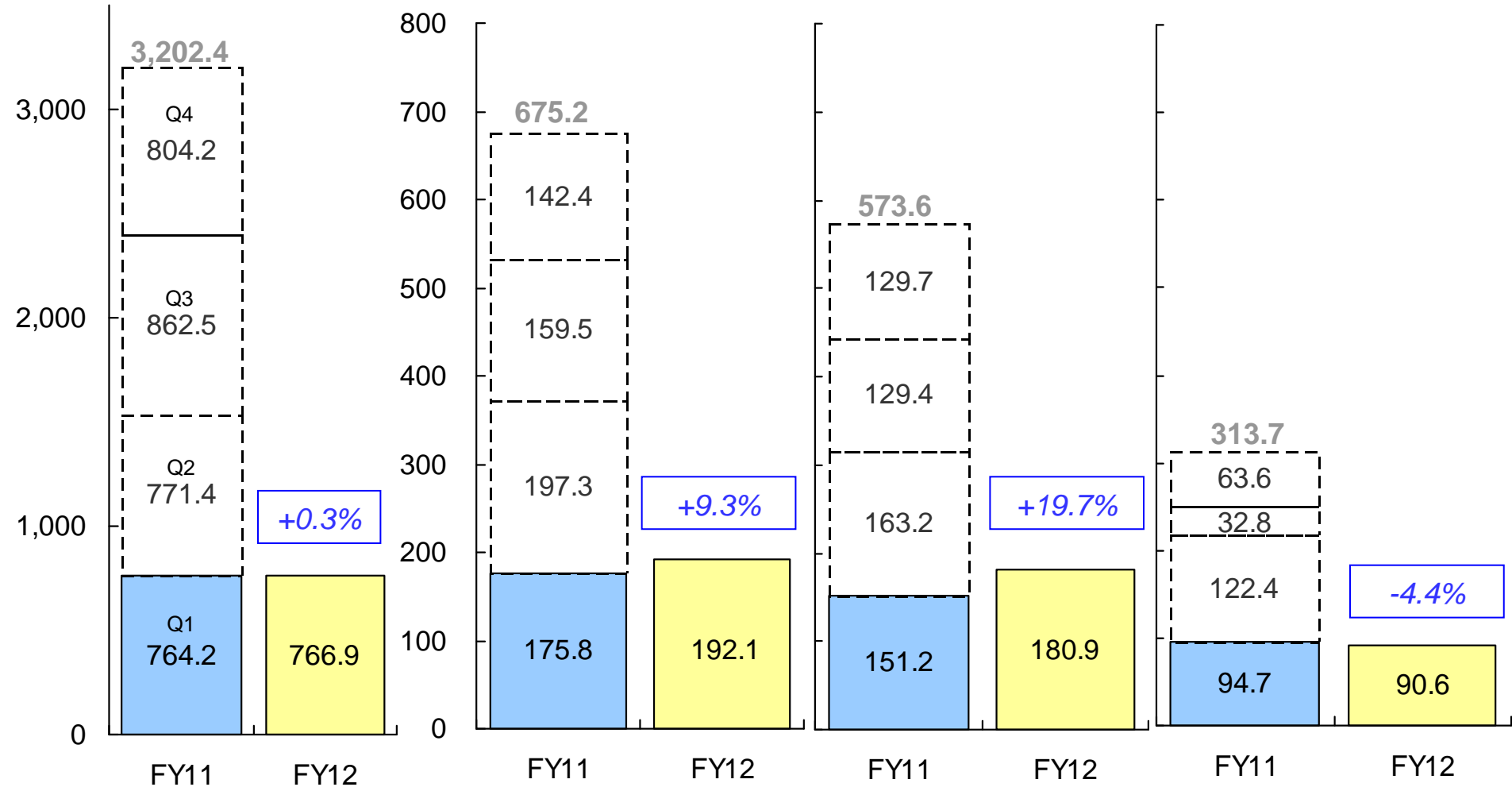
<bn JPY>

Net Sales

Operating Income

Ordinary Income

Net Income

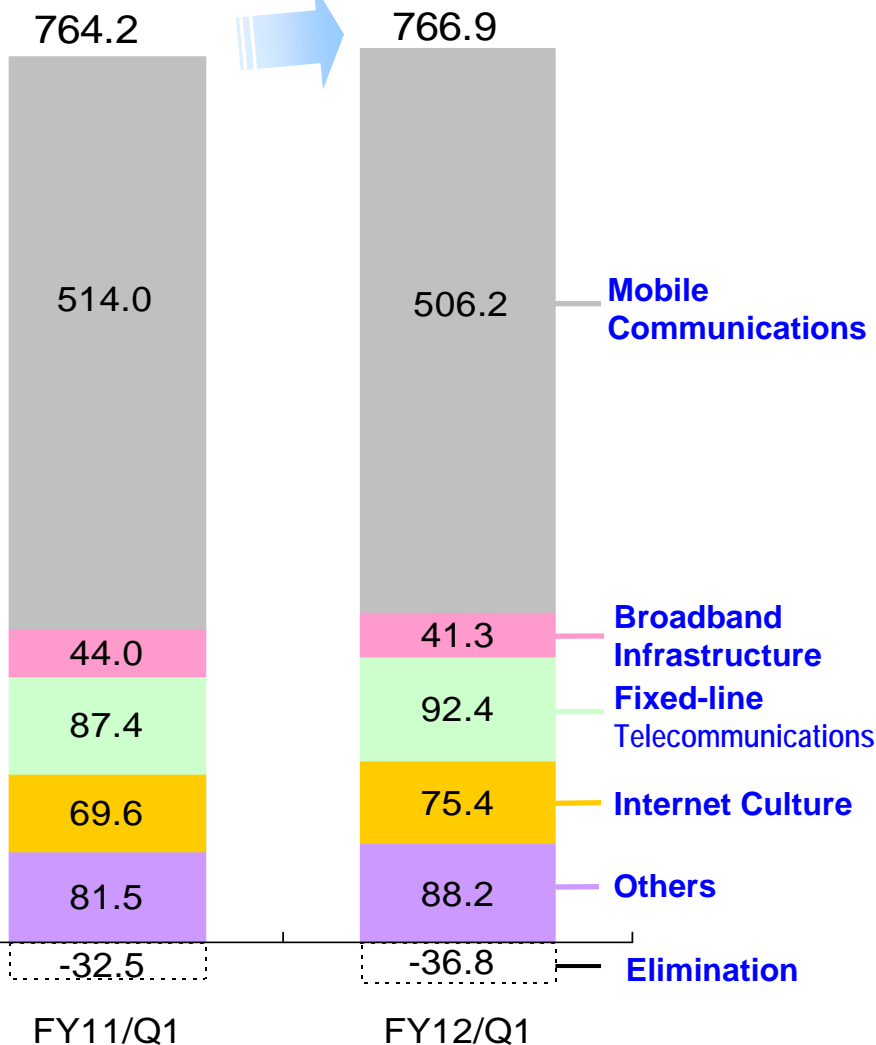


# Consolidated Net Sales

**+2.6**  
**(+0.3%)**

<bn JPY>

(Main factors for the change)



## Mobile Communications **-7.8bn**

- Increase in telecom service revenue	+29.8bn
( Increase in data-related revenue	+35.1bn
Decrease in voice-related revenue	-7.1bn
- Decrease in sales of mobile handsets and accessories, etc.	-37.6bn

## Broadband Infrastructure **-2.6bn**

Decrease in sales of <i>Yahoo! BB ADSL</i>	-8.3bn
Increase in sales of <i>Yahoo! BB hikari with FLET'S</i>	+3.3bn

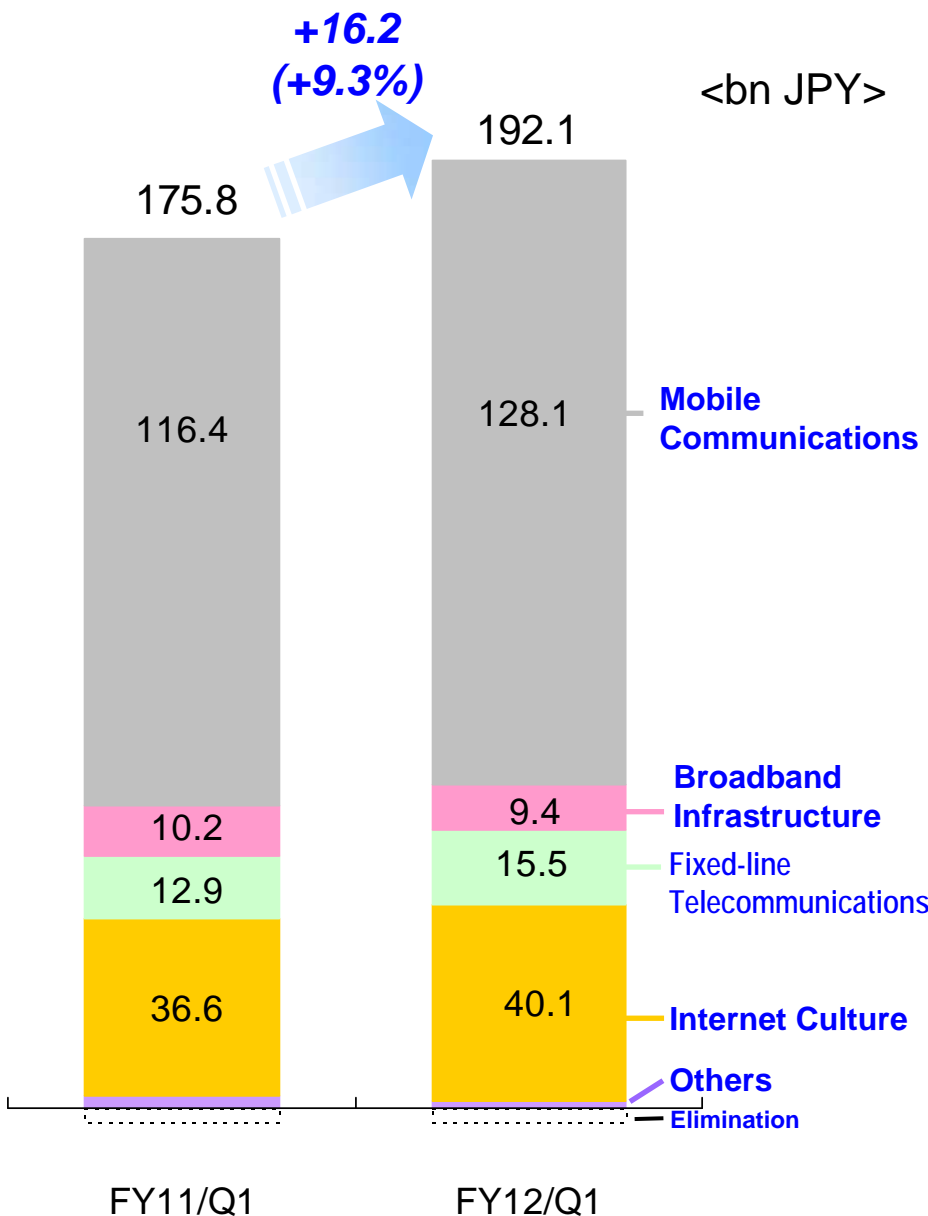
## Fixed-line Telecommunications **+4.9bn**

Increase in revenue from provision of telecommunication lines to Group companies such as SBM	
Increase in solution service revenues for corporate customers (data center services, etc.)	

## Internet Culture **+5.8bn**

Increase in revenue from listing advertising via smartphones, display advertising, game-related services, and information listing services	
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# Consolidated Operating Income



(Main factors for the change)

## Mobile Communications +11.6bn

- Decrease in net sales -7.8bn
- Decrease in COS, SGA +19.4bn

Decrease in COS and sales commissions in line with an increased proportion of handsets sold that have lower cost of goods and acquisition cost per sub  
Increase in depreciation & amortization on installation of additional base stations

## Broadband Infrastructure -0.7bn

- Decrease in net sales -2.6bn
- Decrease in telecom service line usage fees mainly reflecting a decrease in number of ADSL lines +1.9bn

## Fixed-line Telecommunications +2.6bn

- Increase in net sales +4.9bn
- Increase in COS, SGA -2.3bn

Increase in telecom equipment fees.  
Increase in COS for solutions services for corporate customers  
Decrease in lease expenses due to an increase in equipment for which the lease term has been expired

## Internet Culture +3.5bn

- Increase in net sales +5.8bn

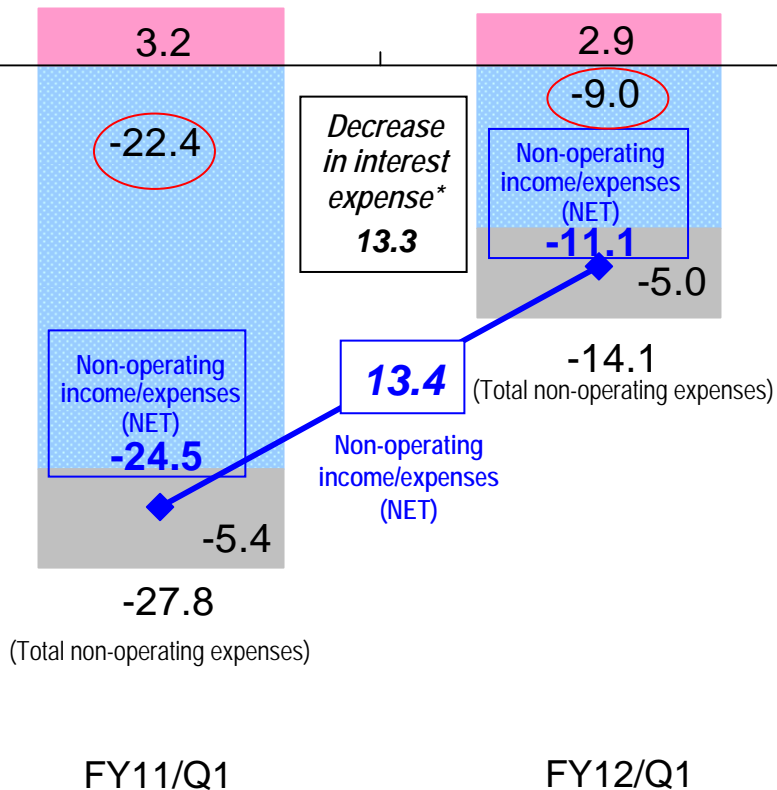


# Non-operating Income/Expense and Ordinary Income

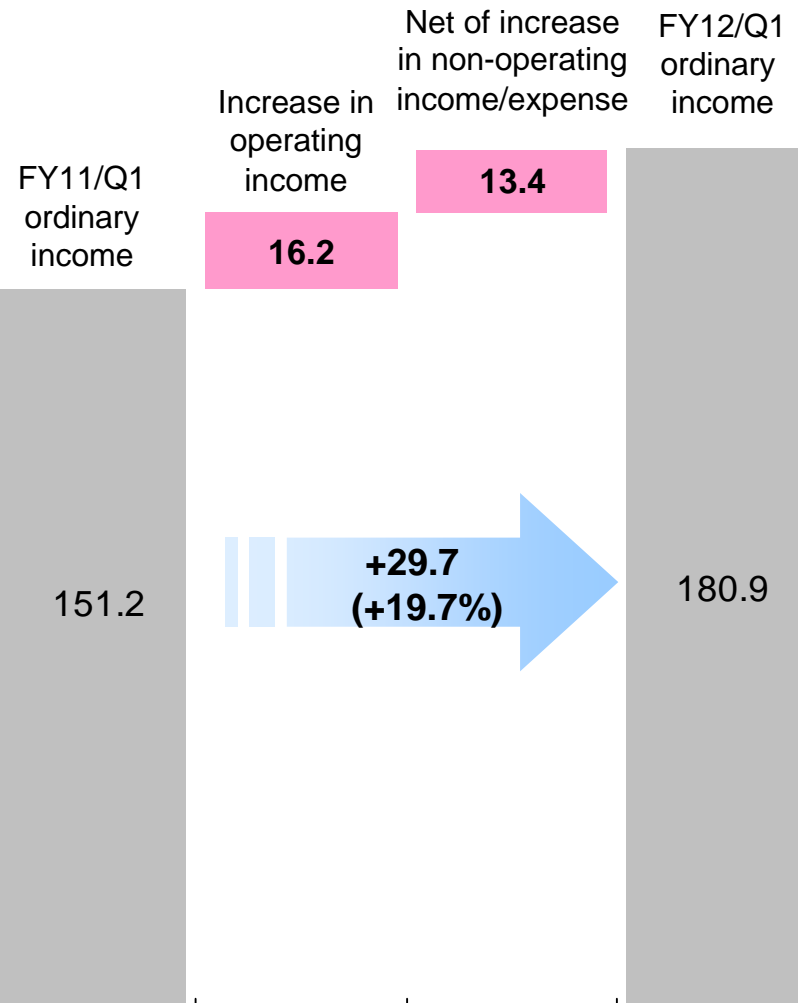
<bn JPY>

## Non-operating Income/Expense

- Non-operating Income
- Interest expense
- Other non-operating expenses
- Non-operating income/expenses (NET)



## Ordinary Income

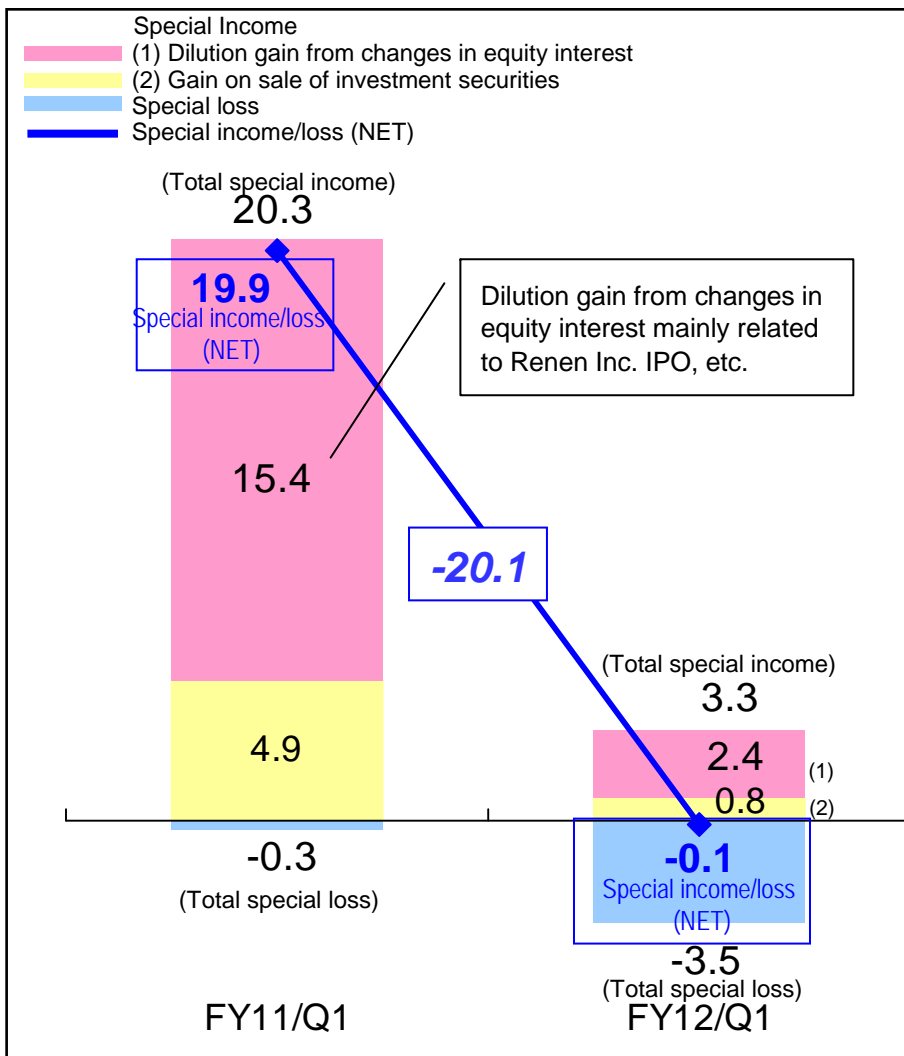


\* As SOFTBANK MOBILE paid off its SBM loan in October 2011

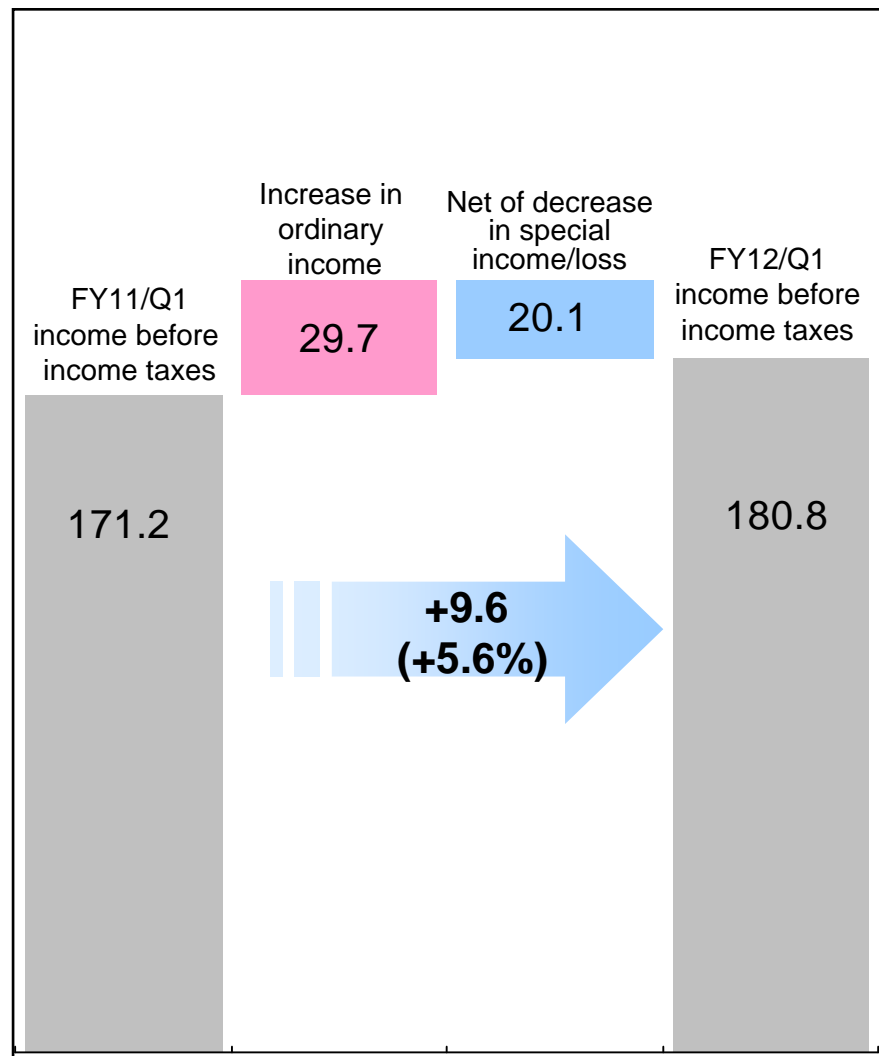
# Special Income/Loss and Income Before Income Taxes

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## Special Income/Loss



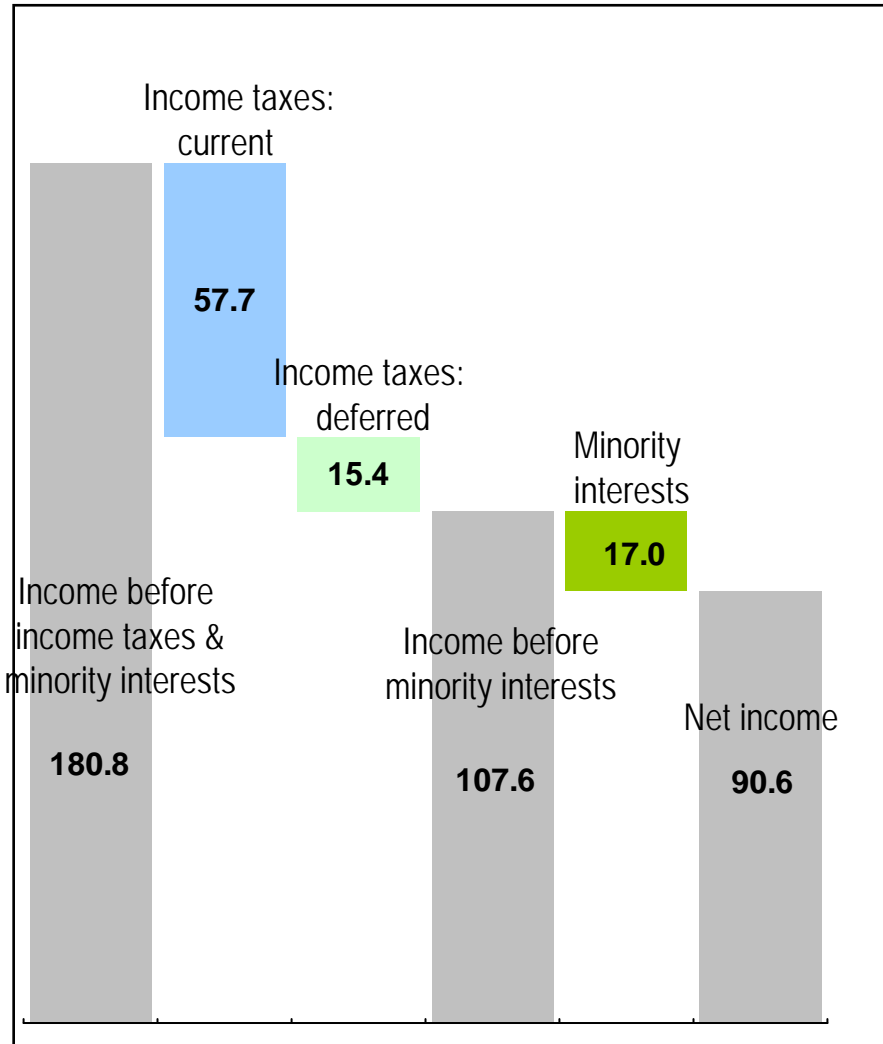
## Income Before Income Taxes



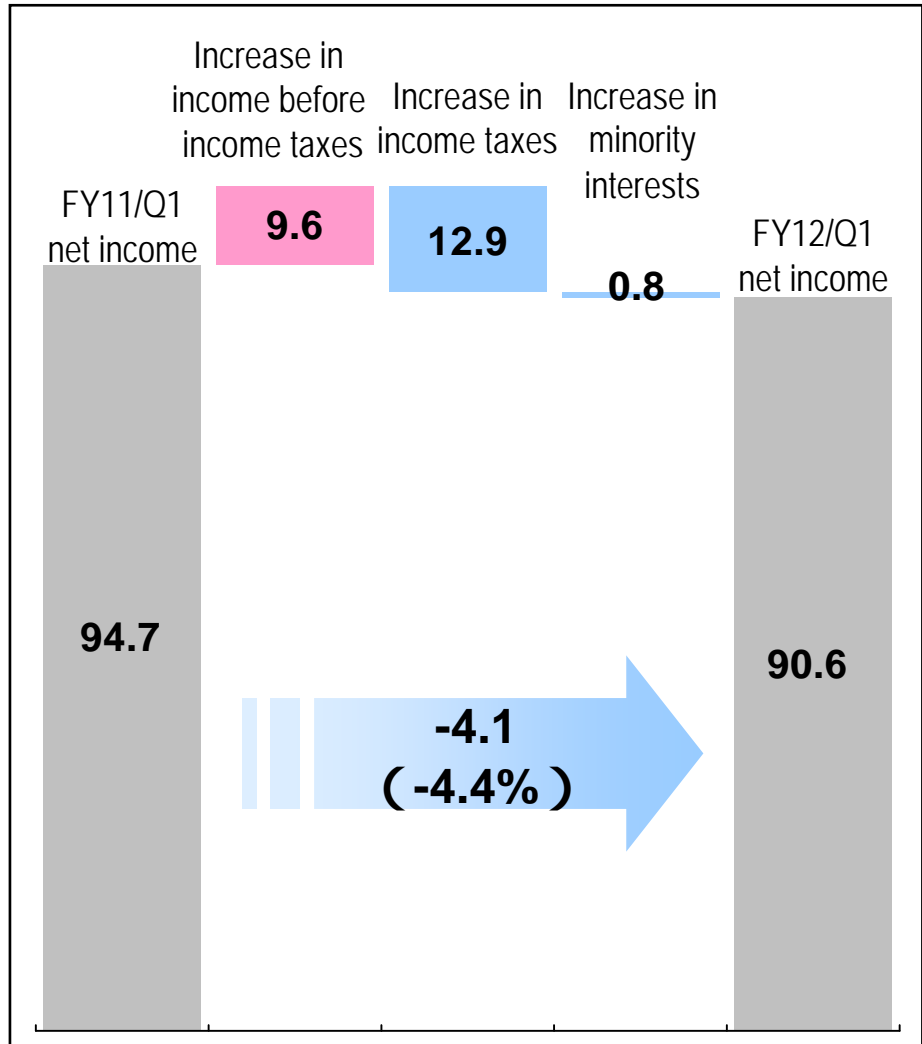
# Net Income

<bn JPY>

FY12/Q1 Net Income



YoY Increase Factors



# (Reference) FY12/Q1 Comprehensive Income

<bn JPY>

	B/S FY11/Q4 Balance  a	Changes during FY12/Q1			B/S FY12/Q1 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		107.6	17.0			90.6
Other comprehensive loss			Minority interests in net income		Net income	
Unrealized gain/loss on available-for-sale securities	10.5	-12.1	-0.0	-0.6	-2.2	
Deferred gain/loss on derivatives under hedge accounting	-0.9	0.1	-	-	-0.8	
Foreign currency translation adjustment	-30.8	-4.7	+0.1	+8.9	-26.7	
Share of other comprehensive income of affiliated companies accounted for using equity method*	-	8.2	-	-8.2	-	
Total other comprehensive loss	-21.2	-8.5	+0.1	-	-29.8	
Comprehensive income		99.1	17.1			82.0

\* 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

## FY12/Q1 Main Breakdown of Tax Expenses

< bn JPY >

<b>A</b>	<b>Income taxes: current</b>	<b>57.7</b>
	(main breakdown)	
	1. BBM income taxes under consolidated tax return	26.8
	2. SBM local taxes (out of scope for BBM consolidated tax return)	13.1
	3. Yahoo Japan	14.5
<b>B</b>	<b>Income taxes: deferred</b>	<b>15.4</b>
	(main breakdown)	
	4. SBTM utilization of loss carryforwards, decrease in temporary difference, etc.	6.8
	5. SBM depreciation and amortization adjustments (occurred at time of SBM acquisition)	2.2
	6. SBM decrease in temporary difference ( local income taxes payable, etc.)	2.2
	7. SBB utilization of loss carryforwards, decrease in temporary difference, etc.	0.7
	8. Other temporary difference	3.2
	<b>Total income taxes (A+B)</b>	<b>73.1</b>

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

# Deferred Tax Assets and Liabilities (Ref.)

FY12/Q1 Balance

< bn JPY >

## Deferred tax assets:

(main breakdown)	
Depreciation and amortization	51.5
Loss carryforwards	37.3
Valuation of assets and liabilities of acquired consolidated subsidiaries at fair market value	28.6
Investment securities	20.9
Allowance for point mileage	12.6
Allowance for doubtful accounts	12.4
Accounts payable – other and accrued expenses	10.9
Other	55.4
<b>Gross deferred tax assets</b>	<b>230.0</b>
<b>Less: valuation allowance</b>	<b>-76.4</b>

## Total deferred tax assets

153.6

## Deferred tax liabilities:

(main breakdown)	
Deferred taxable gain on a sale of shares of a subsidiary to a 100% owned subsidiary under Japanese group taxation regime	-11.6
Unrealized gain on available-for-sale securities	-1.7
Others	-11.9

## Total deferred tax liabilities

-25.2

## Net deferred tax assets

128.3

# Difference in Tax Rate (reference)

## FY12/Q1 Reconciliation Between Statutory Tax Rate and Effective Tax Rate

	Rate (%)	<ref.> Amount (bn JPY)
Income before income tax		180.8
Statutory income tax rate	38.0%	68.7
(main factors of difference)		
- Amortization of goodwill (mainly SOFTBANK MOBILE)	3.2%	5.7
- Decrease in valuation allowance	-2.2%	-3.9
- Others	1.4%	2.5
Effective income tax rate	40.4%	73.1

# Renewable Energy Business (Reference)

## SB Energy Corp. (100% subsidiary of SOFTBANK)

In charge of renewable energy business of SOFTBANK group.

Solar power plants in Kyoto and Gunma have started operations since July 1, 2012 (as shown below).

First project started operation in Q2	Power output	Start of operation
SoftBank Kyoto Solar Park (Kyoto City, Kyoto)	Approx. 2.1 MW	July 1
SoftBank Shinto Solar Park (Shinto Village, Gunma)	Approx. 2.4 MW	July 1

Impact on consolidated financial statements for Q1:

Total Assets: approx. JPY1.8bn; mainly for capital expenditures

Sales: none; since the first project started operation on July 1, 2012 (Q2).

## Minor impact on consolidated results



# Financial Results of Non-consolidated Subsidiaries and Affiliates

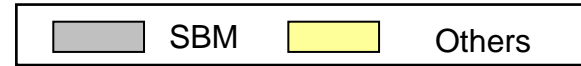
## Net income/loss, interest-bearing debt at non-consolidated subsidiaries and affiliates

	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	60	JPY 100mil	JPY 150mil
Non-consolidated subsidiaries under the equity method	3	-	-
Affiliated companies not under the equity method	24	JPY -70mil	N/A
<b>Total</b>	<b>87</b>	<b>JPY 20mil</b>	<b>JPY 150mil</b>

SOFTBANK CORP. owns 100% shares issued by WILLCOM, Inc. However, WILLCOM is in the process of reorganization under the Corporate Reorganization 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.

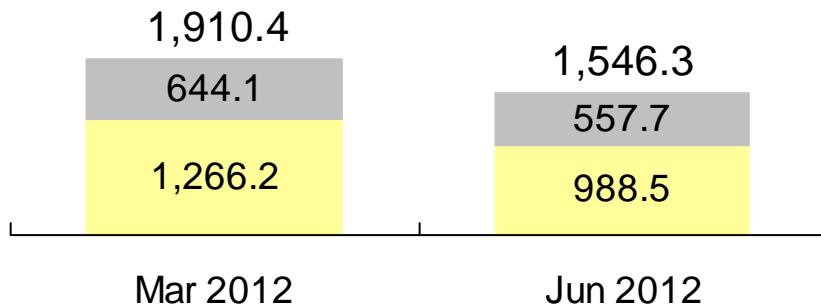
## Consolidated B/S Analysis

# Consolidated B/S Summary

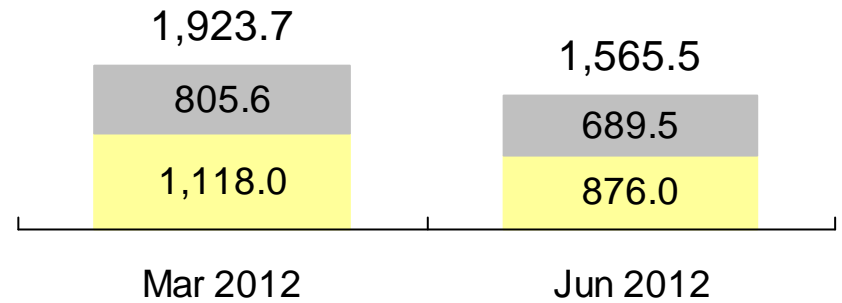


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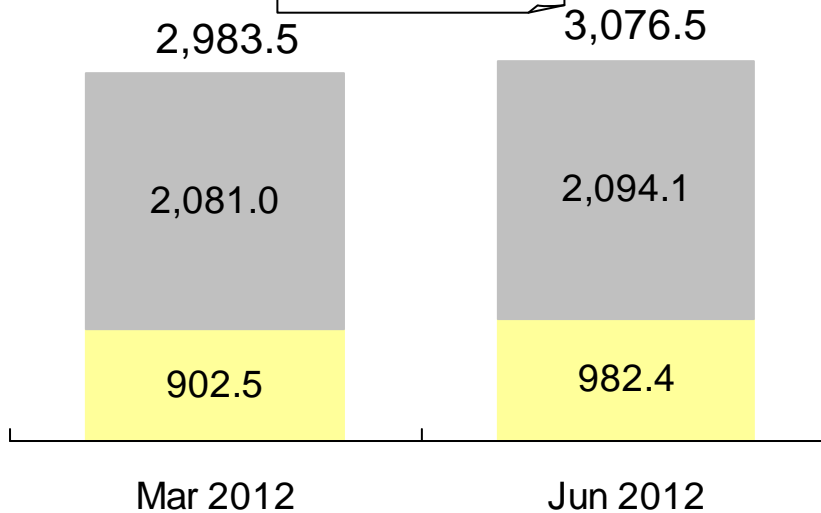
Current Assets



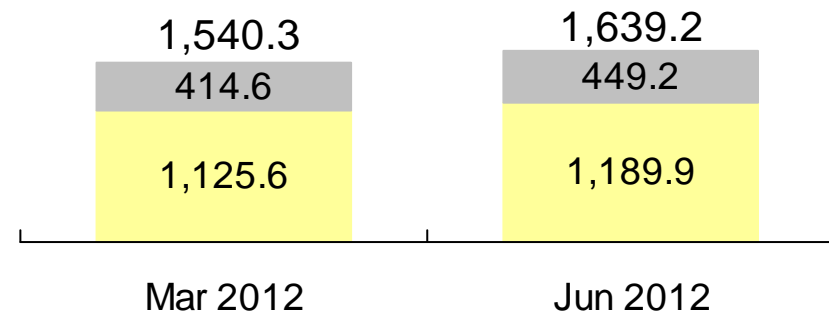
Current Liabilities



Fixed Assets



Long-term Liabilities



# Consolidated B/S (1) Current Assets

<bn JPY>

Assets	Mar 2012	Jun 2012	Variance	Outline
Current assets	1,910.4	1,546.3	-364.1	
SBM	644.1	557.7	-86.4	
Others	1,266.2	988.5	-277.7	
Cash and deposits	1,016.2	758.1	-258.0	
SBM	49.8	51.3	1.5	
Others	966.4	706.8	-259.6	SB: Mar 12 (644.5) >> Jun 12 (423.3) Breakdown: payment for acquisition of preferred stock, etc. issued to Vodafone Group (-200.0) Dividend payment (-39.2) Yahoo Japan: Mar 12 (241.6) >> Jun 12 (200.0) investment in ASKUL Corporation (-33.0)
Notes and accounts receivable-trade	661.2	572.8	-88.4	
SBM	491.8	417.7	-74.0	Mobile handset installment sales receivables Mar 12 (221.2) >> Jun 12 (188.4) including sale of installment sales receivables (-78.5) Telecom revenue receivables Mar 12 (188.4) >> Jun 12 (184.0) Mobile handsets sales receivables (to sales agents) Mar 12 (75.8) >> Jun 12 (41.2)
Others	169.4	155.0	-14.3	SBB: Mar 12 (59.7) >> Jun 12 (53.0), SBTM: Mar 12 (46.3) >> Jun 12 (41.7)
Marketable securities	4.5	5.6	1.0	
SBM	-	-	-	
Others	4.5	5.6	1.0	
Merchandise and finished products	42.6	28.8	-13.7	
SBM	30.8	14.9	-15.8	
Others	11.7	13.8	2.1	
Deferred tax assets	56.4	38.4	-17.9	
SBM	26.2	18.3	-7.8	
Others	30.2	20.1	-10.0	
Others	168.2	177.8	9.6	
SBM	78.6	85.0	6.4	
Others	89.6	92.8	3.1	
Allowance for doubtful accounts	-39.0	-35.5	3.4	
SBM	-33.1	-29.7	3.4	
Others	-5.8	-5.8	0.0	

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

# Consolidated B/S (2) Tangible Assets

<bn JPY>

Assets	Mar 2012	Jun 2012	Variance	Outline
Fixed assets	2,983.5	3,076.5	92.9	
SBM	2,081.0	2,094.1	13.1	
Others	902.5	982.4	79.8	
Property and equipment, net	1,296.3	1,409.6	113.2	
SBM	964.4	982.4	17.9	
Others	331.9	427.2	95.3	
Building and structures	77.4	118.0	40.6	
SBM	26.7	27.5	0.7	
Others	50.6	90.5	39.9	FSBHM: mainly due to acquisition of Fukuoka Yahoo! JAPAN Dome See page 31 for details
Telecommunications equipment	988.5	995.9	7.4	
SBM	851.4	854.3	2.9	Acquisition of telecommunications equipment (+37.7), Acquisition of antenna equipment (+2.4), depreciation etc. (-37.3)
Others	137.1	141.5	4.4	SBTM: Mar 12 (98.3) >> Jun 12 (99.2) SBB: Mar 12 (31.3) >> Jun 12 (33.2)
Telecommunications service lines	65.2	63.8	-1.3	
SBM	8.0	7.9	-0.1	
Others	57.1	55.8	-1.2	SBTM: Mar 12 (57.1) >> Jun 12 (55.8)
Land	23.1	73.8	50.7	
SBM	11.2	11.2	0.0	
Others	11.9	62.6	50.6	FSBHM: mainly due to acquisition of Fukuoka Yahoo! JAPAN Dome See page 31 for details
Construction in progress	80.5	93.8	13.3	
SBM	49.6	64.1	14.4	
Others	30.8	29.7	-1.0	
Other	61.5	64.0	2.5	
SBM	17.3	17.2	-0.0	
Others	44.2	46.8	2.6	

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

<bn JPY>

Assets	Mar 2012	Jun 2012	Variance	Outline
Fixed assets	2,983.5	3,076.5	92.9	
Intangible assets, net	1,126.5	1,116.5	-10.0	
SBM	1,011.0	1,003.4	-7.6	
Others	115.4	113.0	-2.3	
Goodwill	780.2	764.4	-15.8	
SBM	724.2	711.4	-12.8	Decrease due to regular amortization
Others	55.9	53.0	-2.9	Decrease due to regular amortization
Software	310.1	321.9	11.7	
SBM	276.8	285.2	8.4	
Others	33.3	36.6	3.3	
Other	36.1	30.1	-5.9	
SBM	9.9	6.7	-3.1	
Others	26.1	23.3	-2.7	
Investments and other assets	560.6	550.3	-10.2	
SBM	105.5	108.2	2.7	
Others	455.1	442.0	-13.0	
Investment securities	338.1	318.2	-19.9	
SBM	0.7	0.7	0.0	
Others	337.4	317.4	-19.9	Privatization of Alibaba.com Limited (-51.2)* Yahoo Japan: investment in ASKUL Corporation (+33.0)
Deferred tax assets	104.3	108.1	3.8	
SBM	64.9	68.2	3.2	
Others	39.3	39.8	0.5	
Other	134.0	140.6	6.5	
SBM	51.2	51.4	0.1	
Others	82.8	89.2	6.3	
Allowance for doubtful accounts (long-term)	-15.9	-16.6	-0.7	
SBM	-11.4	-12.1	-0.7	
Others	-4.5	-4.5	-0.0	
Deferred charges	5.6	5.2	-0.4	
SBM	-	-	-	
Others	5.6	5.2	-0.4	

\*See page 26 for details.  
SBM: SOFTBANK MOBILE

# Consolidated B/S (4) Current Liabilities

<bn JPY>

Liabilities	Mar 2012	Jun 2012	Variance	Outline
Current liabilities	1,923.7	1,565.5	-358.1	
SBM	805.6	689.5	-116.1	
Others	1,118.0	876.0	-242.0	
Accounts payable-trade	190.5	137.2	-53.2	
SBM	120.4	81.7	-38.6	Payment for mobile handsets, etc.
Others	70.1	55.4	-14.6	SBB: Mar 12 (41.5) >> Jun 12 (31.5)
Short-term borrowings	403.1	388.1	-14.9	
SBM	-	-	-	
Others	403.1	388.1	-14.9	SB: Mar 12 (401.9) >> Jun 12 (386.9)
Current portion of corporate bonds	144.9	169.9	25.0	
SBM	-	-	-	
Others	144.9	169.9	25.0	SB: transfer of 31 <sup>st</sup> Unsecured Straight Bond from long-term liabilities (+25.0)
Accounts payable-other	835.0	575.5	-259.4	
SBM	509.7	445.2	-64.4	Payment of accounts payable related to facilities (-6.2), payment to sales agents (-41.1)
Others	325.3	130.2	-195.0	SB: payment for acquisition of preferred stock, etc. issued to Vodafone Group (-200.0)
Current portion of lease obligations	152.6	165.9	13.2	
SBM	126.8	134.1	7.2	
Others	25.8	31.7	5.9	
Other	197.3	128.6	-68.6	
SBM	48.6	28.2	-20.3	Income taxes payable etc. (local taxes) Mar 12 (31.8) >> Jun 12 (13.6)
Others	148.6	100.3	-48.3	Income taxes payable etc. BBM: Mar 12 (54.1) >> Jun 12 (25.0) Yahoo Japan: Mar 12 (34.0) >> Jun 12 (14.9)

SBM: SOFTBANK MOBILE SBB: SOFTBANK BB SB: SOFTBANK BBM: BB Mobile

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

<bn JPY>

Liabilities	Mar 2012	Jun 2012	Variance	Liabilities
Long-term liabilities	1,540.3	1,639.2	98.9	
SBM	414.6	449.2	34.6	
Others	1,125.6	1,189.9	64.2	
Corporate bonds	459.9	434.9	-25.0	
SBM	-	-	-	
Others	459.9	434.9	-25.0	SB: 31 <sup>st</sup> Unsecured Straight Bond transferred to current liabilities (-25.0)
Long-term debt	560.0	565.1	5.0	
SBM	-	-	-	
Others	560.0	565.1	5.0	SB: Mar 12 (559.0) >> Jun 12 (564.0)
Deferred tax liabilities	20.3	18.2	-2.0	
SBM	-	-	-	
Others	20.3	18.2	-2.0	
Allowance for point mileage	32.0	33.5	1.4	
SBM	32.0	33.5	1.4	Point service for customers
Others	-	-	-	
Lease obligations	347.6	469.8	122.1	
SBM	316.8	355.1	38.2	
Others	30.8	114.7	83.9	FSBHM: mainly due to acquisition of Fukuoka Yahoo! JAPAN Dome See page 31 for details
Other	120.2	117.5	-2.7	
SBM	65.7	60.6	-5.1	
Others	54.4	56.8	2.3	

SBM: SOFTBANK MOBILE SB: SOFTBANK FSBHM: Fukuoka SOFTBANK HAWKS Marketing



# Consolidated B/S (6) Equity

<bn JPY>

Equity	Mar 2012	Jun 2012	Variance	Outline
Equity	1,435.6	1,423.2	-12.3	
Shareholders' equity	957.9	953.3	-4.6	
Common stock	213.7	213.7	-	
Additional paid-in capital	236.5	185.3	-51.2	Privatization of Alibaba.com Limited (-51.2) *
Retained earnings	530.5	577.1	46.6	Net income (+90.6), dividend (-43.9)
Treasury stock	-22.9	-22.9	-0.0	
Valuation and translation adjustments	-21.2	-29.8	-8.6	
Unrealized gain/ loss on available-for-sale securities	10.5	-2.2	-12.8	
Deferred gain/loss on derivatives under hedge accounting	-0.9	-0.8	0.1	
Foreign currency translation adjustments	-30.8	-26.7	4.1	
Stock acquisition rights	0.8	0.9	0.0	
Minority interests	498.0	498.9	0.8	Yahoo Japan: Mar 12 (263.2) >>Jun 12 (266.3)

\*See page 26 for details.

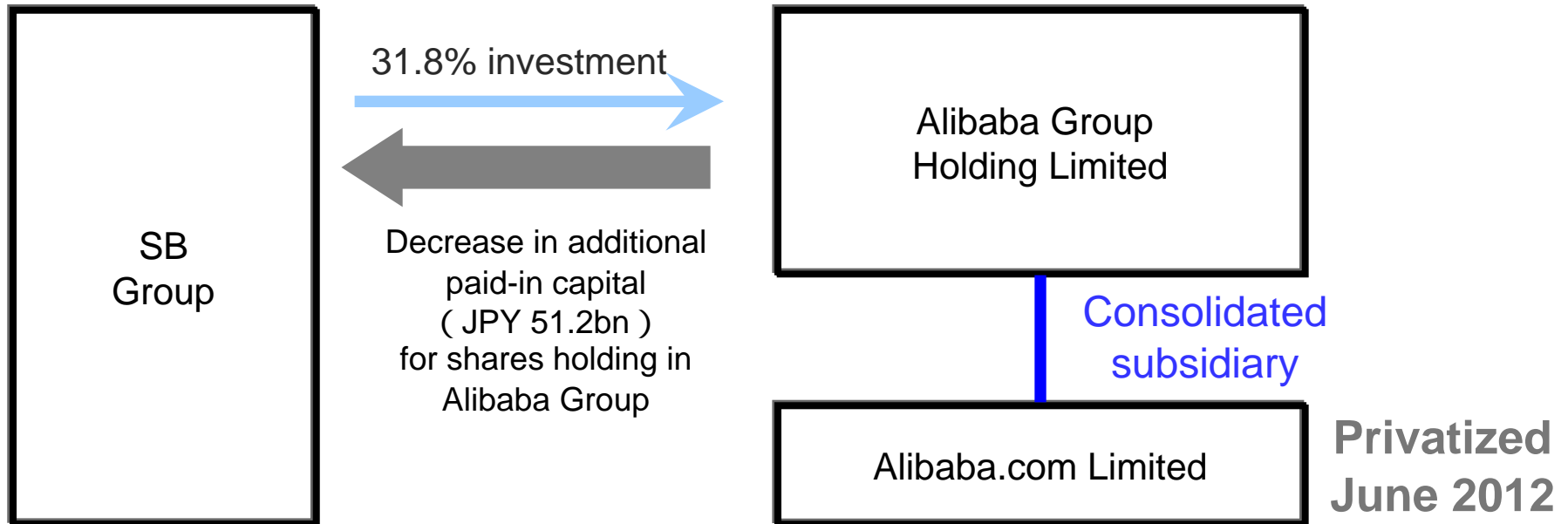
# Impact of Alibaba.com Privatization (reference)

Alibaba Group Holding Limited, of which SOFTBANK Group owns 31.8%, acquired the shares of Alibaba.com Limited, a subsidiary of Alibaba Group Holding Limited, through a takeover bid in June 2012 and privatized Alibaba.com Limited.

Because Alibaba Group's financial statements are prepared in accordance with US GAAP Alibaba Group recorded a decrease in additional paid-in capital.

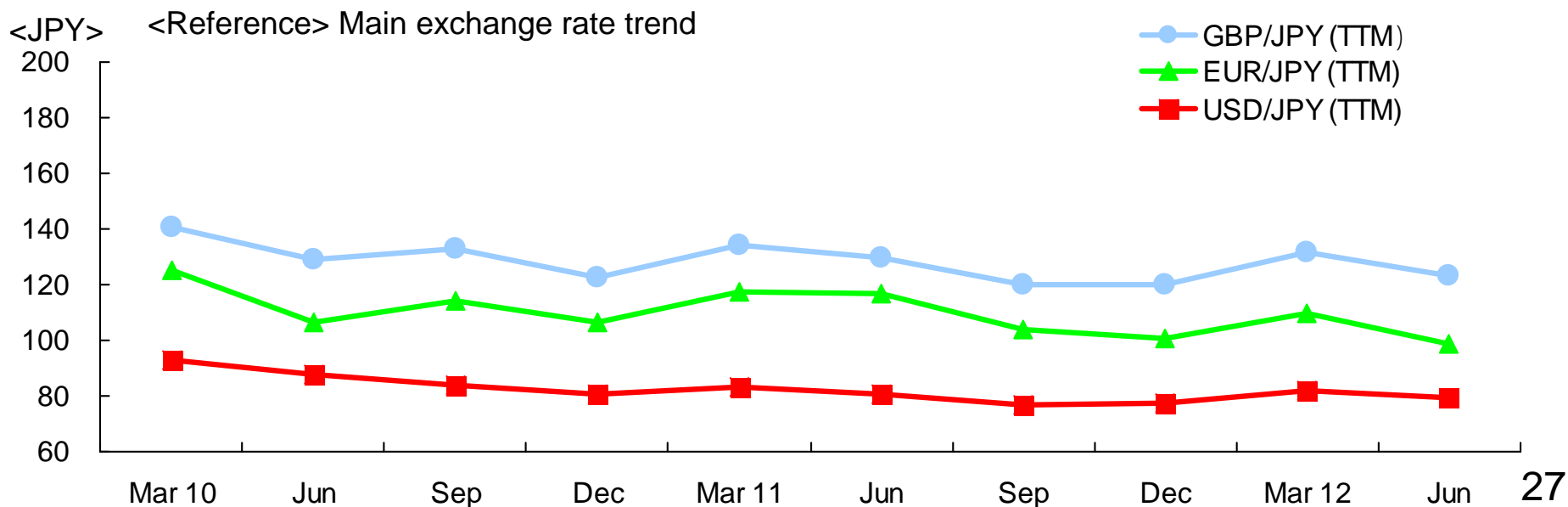
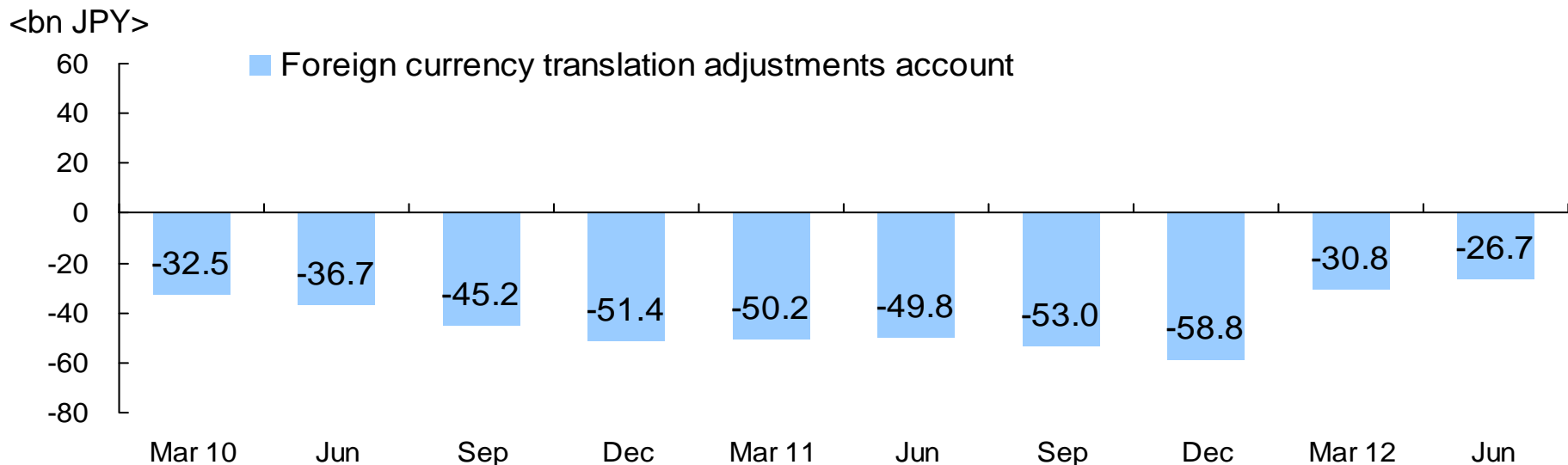
Accordingly, SB Group recorded a decrease in additional paid-in capital amounting to JPY 51.2bn (for shares holding in Alibaba Group\*).

## <SOFTBANK and Alibaba Group Structure>

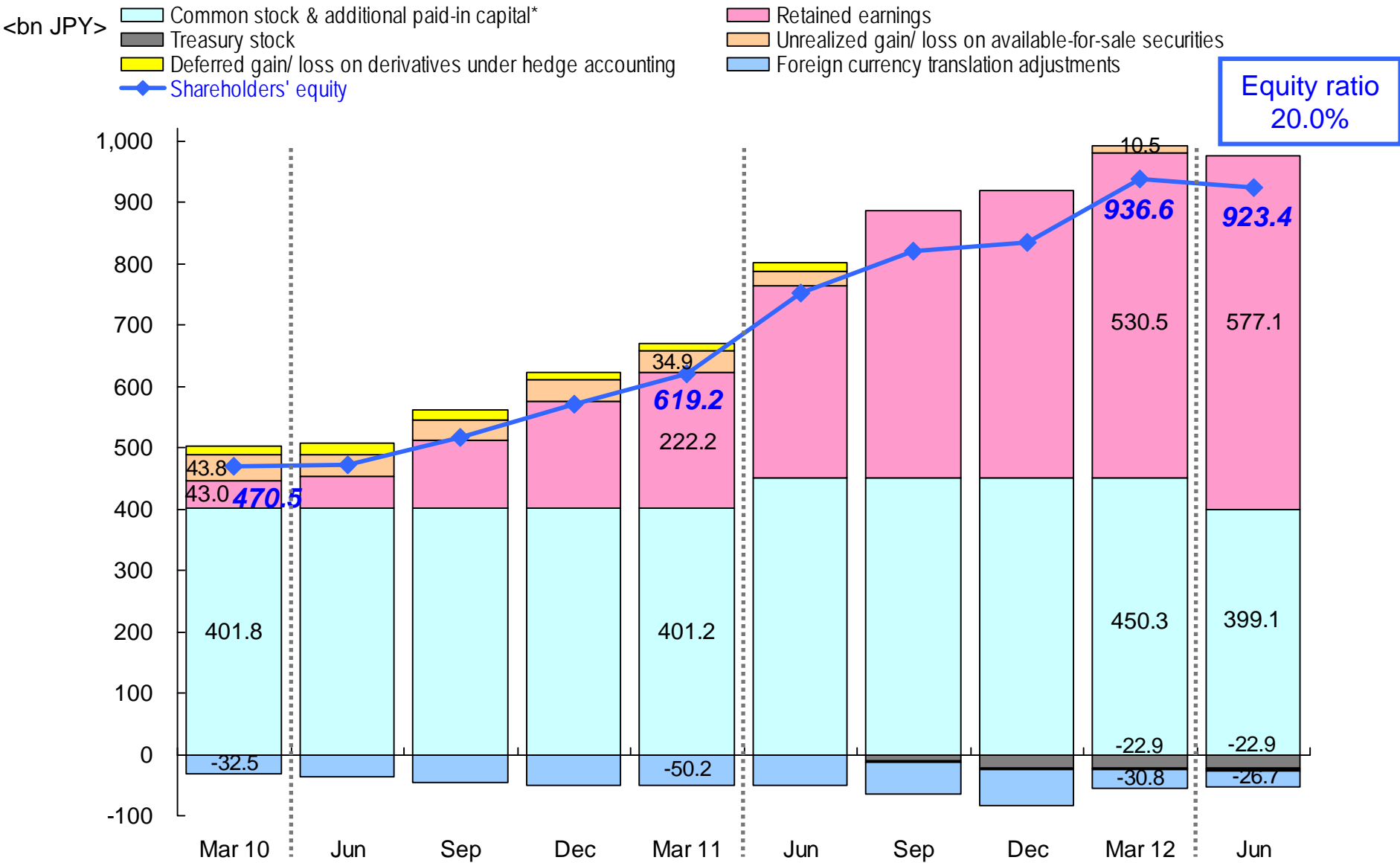


\*Alibaba Group Holding Limited

# [Equity] Foreign Currency Translation Adjustments



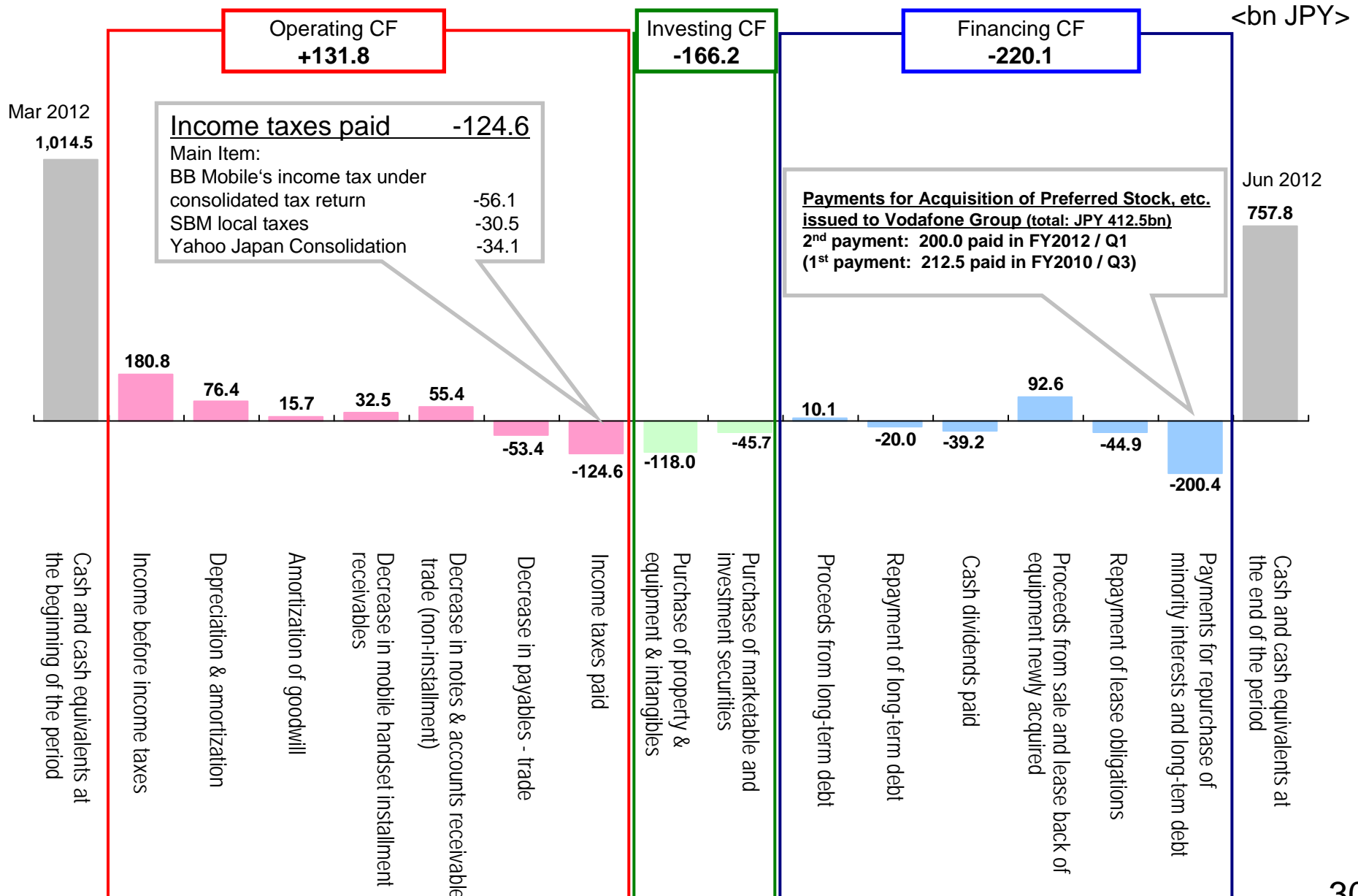
# [Equity] Shareholders' Equity



\*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.

# (Reference) Accounting Treatment for Acquisition of Fukuoka Yahoo! JAPAN Dome

The SOFTBANK Group reached an agreement with GIC\*<sup>1</sup> group on the acquisition of the Fukuoka Yahoo! JAPAN Dome from GIC group on March 24, 2012 . (Fukuoka SOFTBANK HAWKS Marketing Corp.\*<sup>2</sup> (or FSBHM) will acquire a trust beneficiary interest related to the dome on July 1, 2015)  
This contract constitutes an integral part of the dome lease contract.

	Old Contract (lease)	New Contract (lease & acquisition of trust beneficiary interest )													
	- FY2011	FY2012 -	July 2015 -												
	Finance leases in which the ownership of leased assets is not transferred to lessees at the end of lease periods	Finance leases in which the ownership of leased assets is transferred to lessees at the end of lease periods	Acquisition of trust beneficiary interest (Payment of 74.5bn)												
	Accounted for as operating lease transactions with lease related notes	Recorded on the consolidated balance statements													
			<JPY>												
<b>BS</b>	Not recorded on the balance sheet  Applied the former Accounting Standard for Lease Transactions, thus accounted for as operating lease	<p style="text-align: center;">Declined by depreciation<sup>(3)</sup> x 3 years and 4 months</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Buildings: <b>38.2bn</b></td> <td style="width: 50%;">Lease obligations</td> </tr> <tr> <td>Land: 49.3bn</td> <td><b>87.6bn (1)</b></td> </tr> <tr> <td style="text-align: right;"><b>87.6bn</b></td> <td></td> </tr> </table>	Buildings: <b>38.2bn</b>	Lease obligations	Land: 49.3bn	<b>87.6bn (1)</b>	<b>87.6bn</b>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Buildings: <b>34.5bn</b></td> <td style="width: 50%;"></td> </tr> <tr> <td>Land: 49.3bn</td> <td></td> </tr> <tr> <td style="text-align: right;"><b>83.8bn</b></td> <td></td> </tr> </table>	Buildings: <b>34.5bn</b>		Land: 49.3bn		<b>83.8bn</b>	
Buildings: <b>38.2bn</b>	Lease obligations														
Land: 49.3bn	<b>87.6bn (1)</b>														
<b>87.6bn</b>															
Buildings: <b>34.5bn</b>															
Land: 49.3bn															
<b>83.8bn</b>															
<b>CF</b>	Lease payments (Operating CF) <b>-5.0bn/year</b>	Interest paid (Operating CF) <b>-1.0bn/year</b>  Repayment of lease obligations <sup>*3</sup> (Financing CF) <b>-4.0bn/year (2)</b>	Repayment of lease obligations (Financing CF) <b>-74.5bn</b>  ((1) - (2)) x 3 years and 4 months												
<b>PL</b>	Lease expense <b>-5.0bn/year</b>	Interest expense <b>-1.0bn/year</b> Depreciation <b>-1.1bn/year (3)</b>	Depreciation <b>-1.1bn/year</b>												

\*1 GIC: the Government of Singapore Investment Corporation

\*2 As the fiscal year end of FSBHM, which entered into the contract, is the end of February, and the consolidated financial statements reflects FSBHM's financial statements as of the end of February, this transaction was reflected in the fiscal year ending March 31, 2013 (FY2012).

\*3 Amounts in BS, CF and PL are approximated calculations.

 SoftBank



# Finance

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Yoshimitsu Goto

Executive Corporate Officer

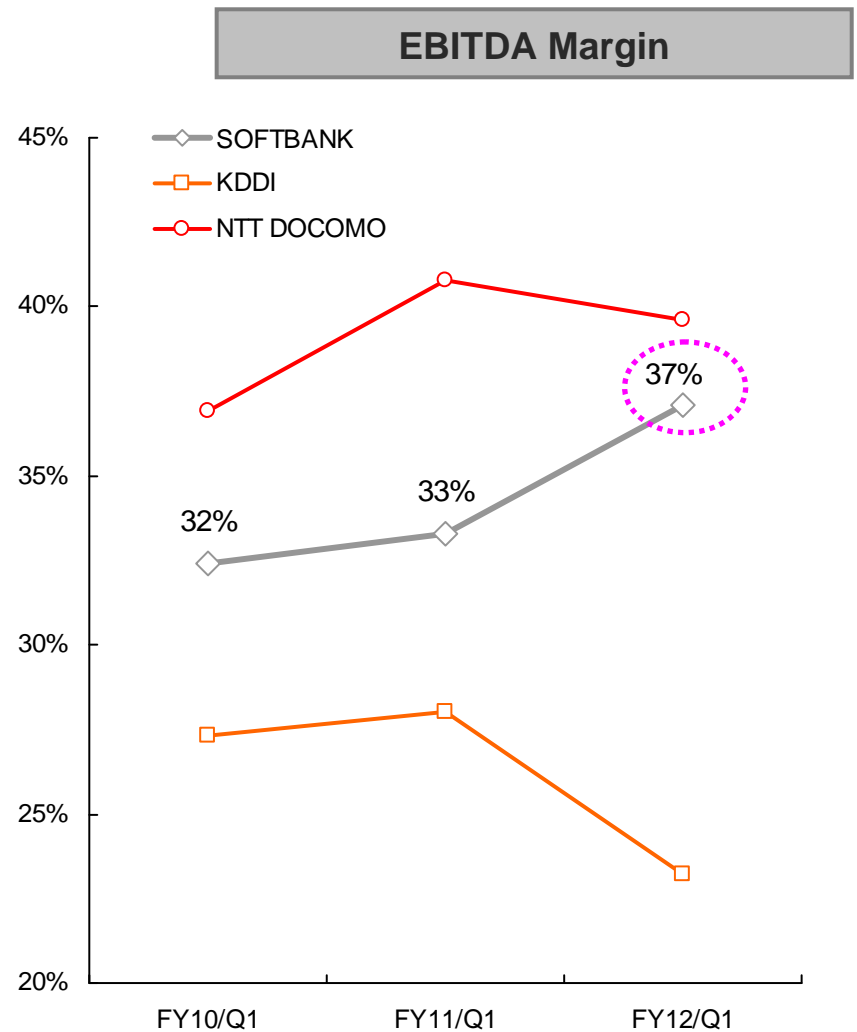
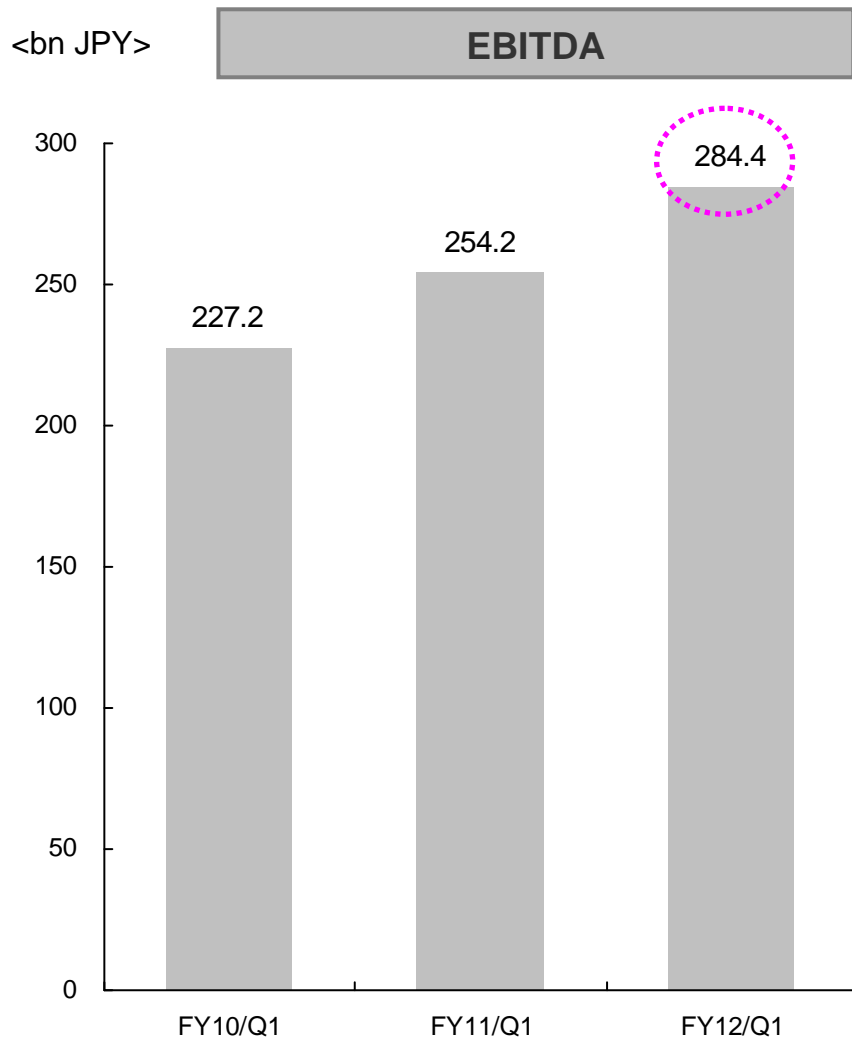
General Manager

Finance

SOFTBANK CORP.

# EBITDA and EBITDA Margin

## EBITDA margin keeps increasing



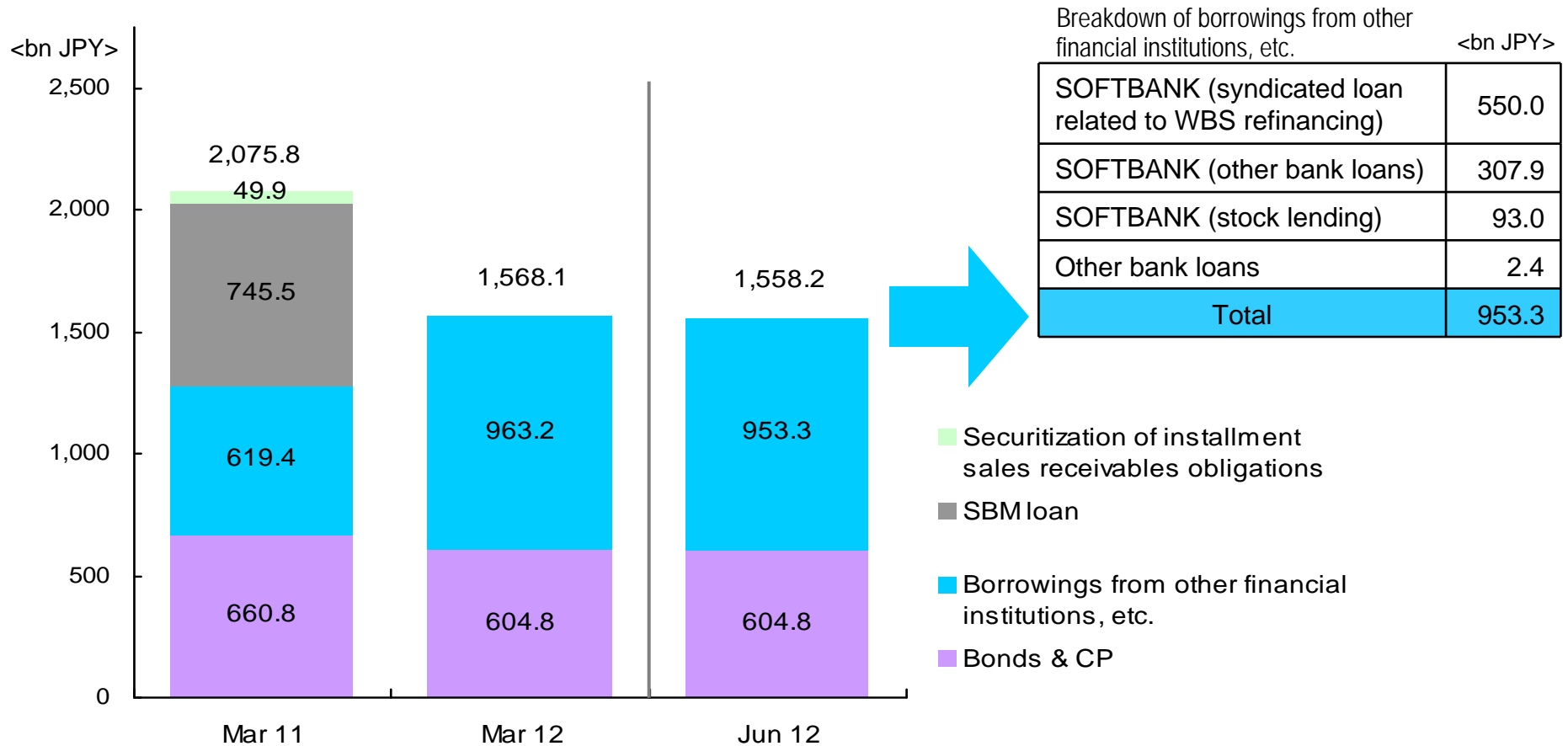
Note: 1. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)

2. EBITDA Margin = EBITDA / net sales

(Source) Created by SOFTBANK CORP. based on respective companies' publicly available information.

# Interest-bearing Debt

No significant changes in Q1

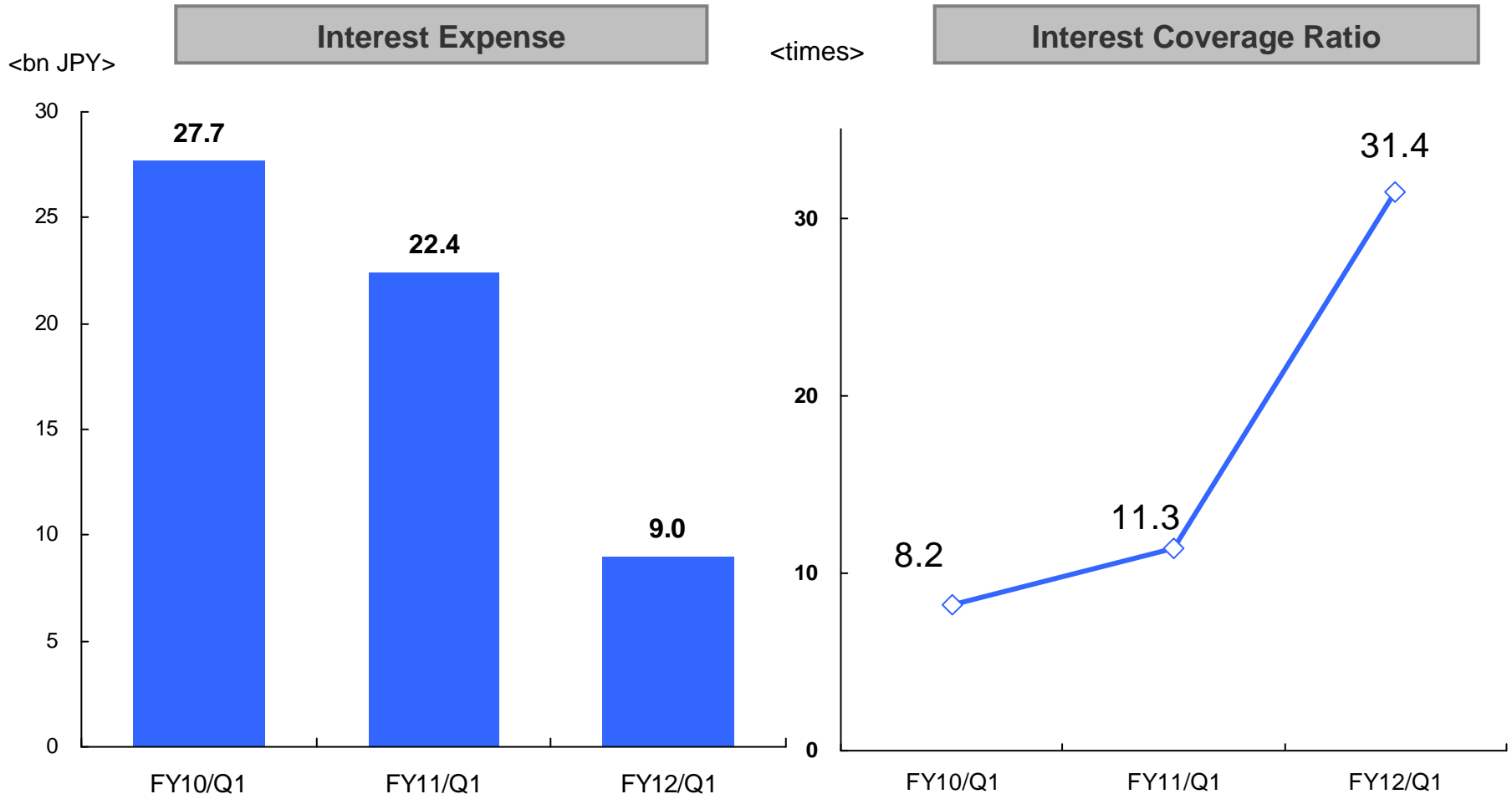


Note: 1. Interest-bearing debt= short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings.  
Lease obligations are not included.

2. SBM loan: March 2011, excludes the corporate bonds (WBS Class B2 Funding Notes, issued by J-WBS Funding K.K.), which were 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.

# Interest Expense

Significant reduction in interest expense along with refinance of acquisition finance of Vodafone K.K.



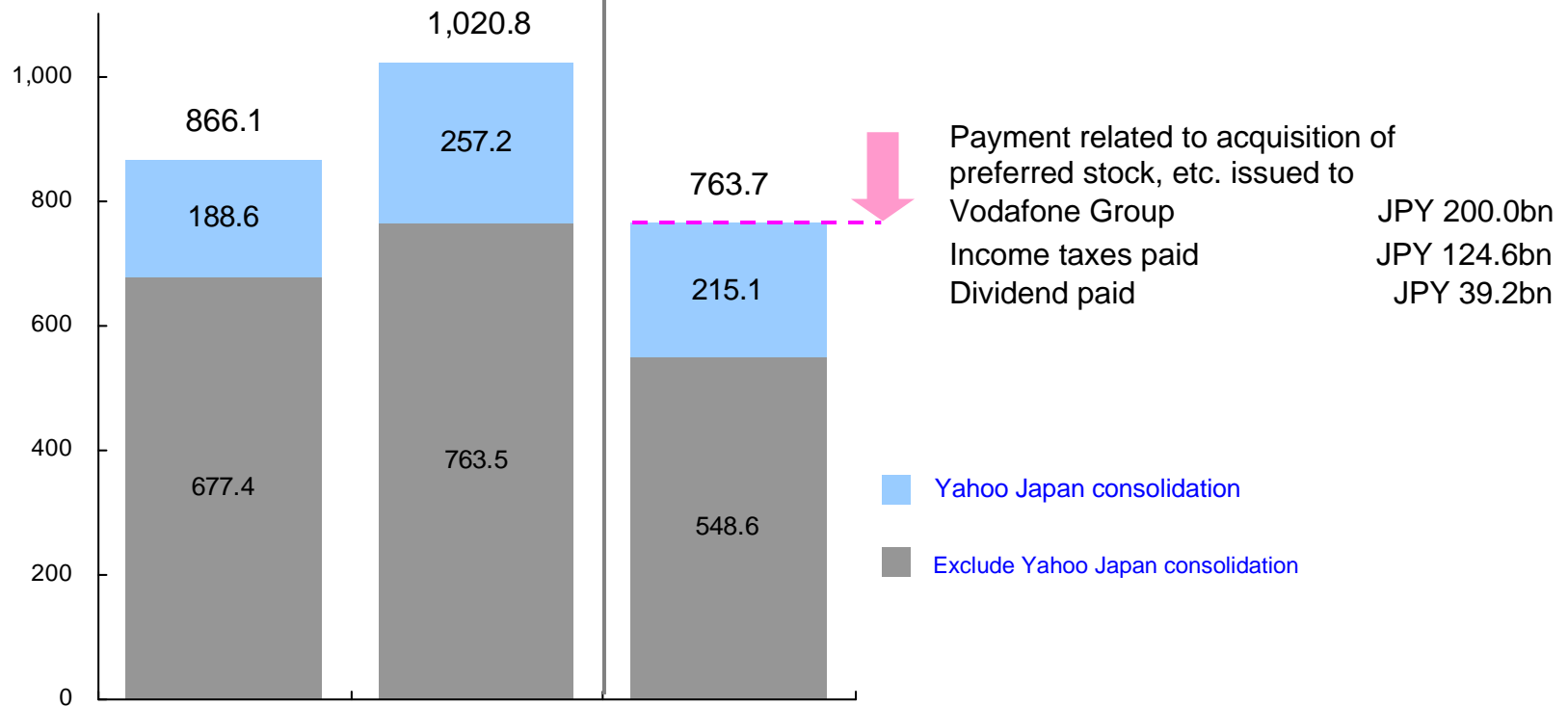
Note: 1. Interest coverage ratio = EBITDA / interest expenses

2. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)

# Cash Position

Decreased due to accounts payable and taxes paid, but ample level sustained

<bn JPY>

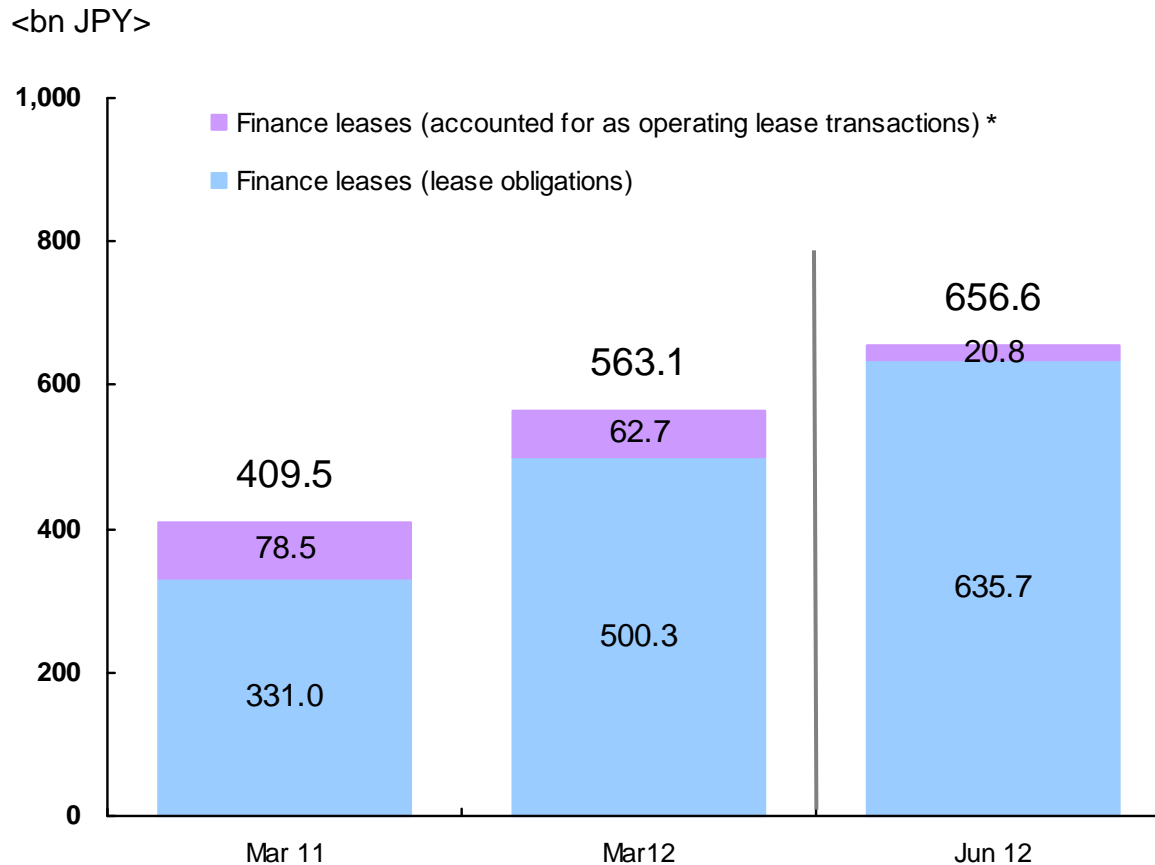


	Mar 11	Mar 12	Jun 12
Credit line facility size	187.0	180.0	180.0
Unused portion	107.0	180.0	180.0

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

# Lease Obligations

Actively utilizing lease financing for continuous enhancement of the network

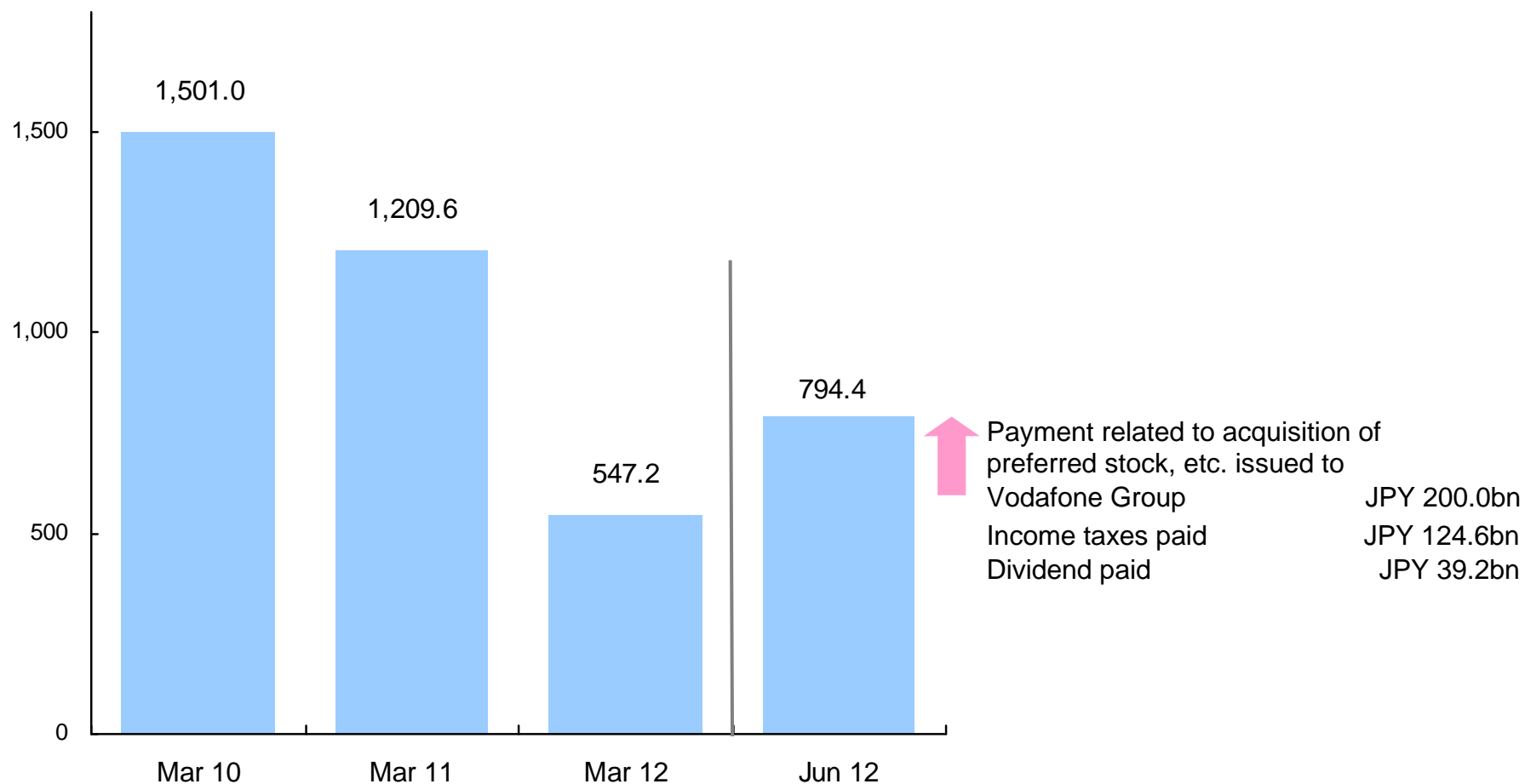


\*Finance lease transactions in which the ownership of leased assets was not transferred to lessees and contracted before April 1, 2008.

# Net Interest-bearing Debt

Increased due to payment for payable and taxes, etc.

<bn JPY>



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

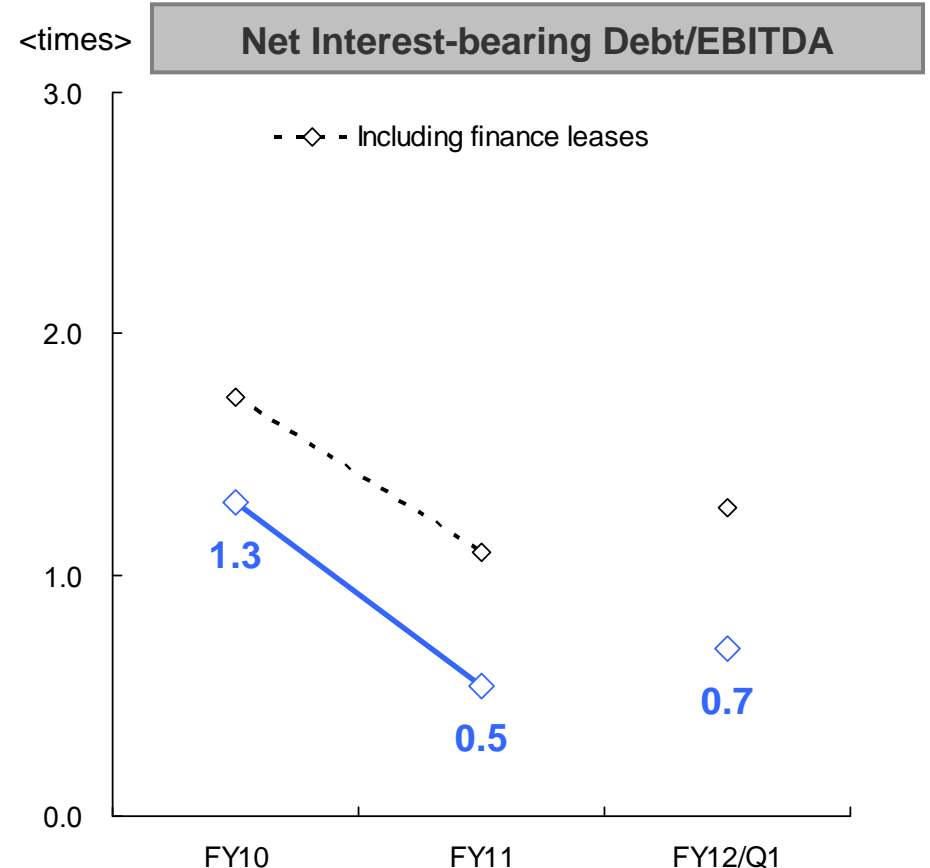
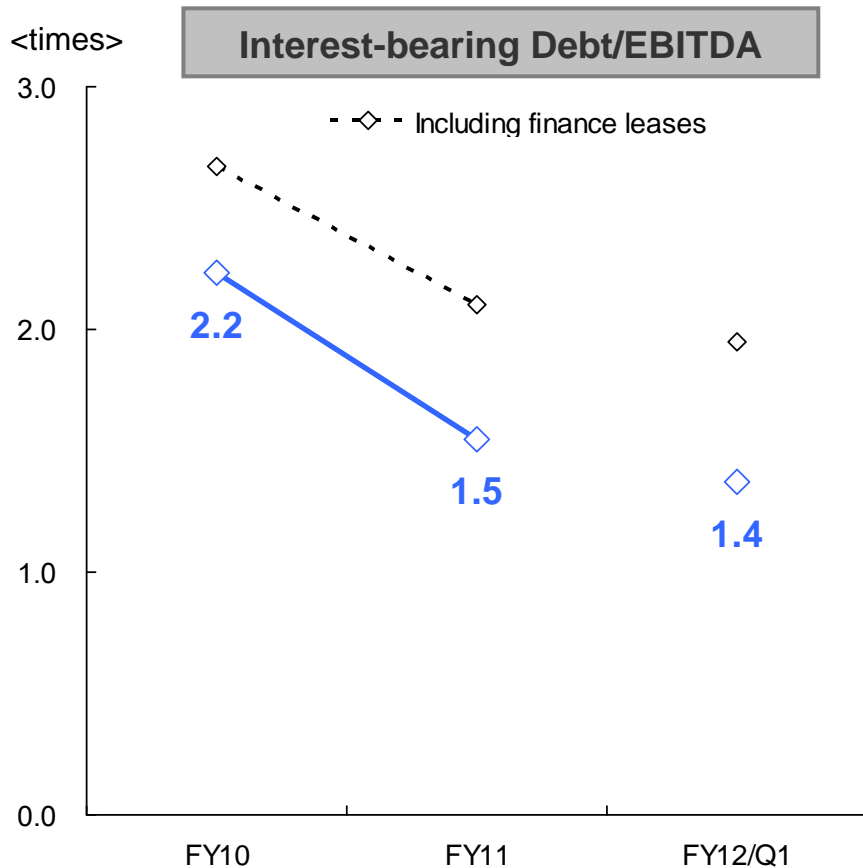
2. Interest-bearing debt: short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings  
 Lease obligations are not included.

From March 2010 to March 2011, 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/EBITDA Multiple

## Interest-bearing Debt/EBITDA multiple keeps low level



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. For FY2010, 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)

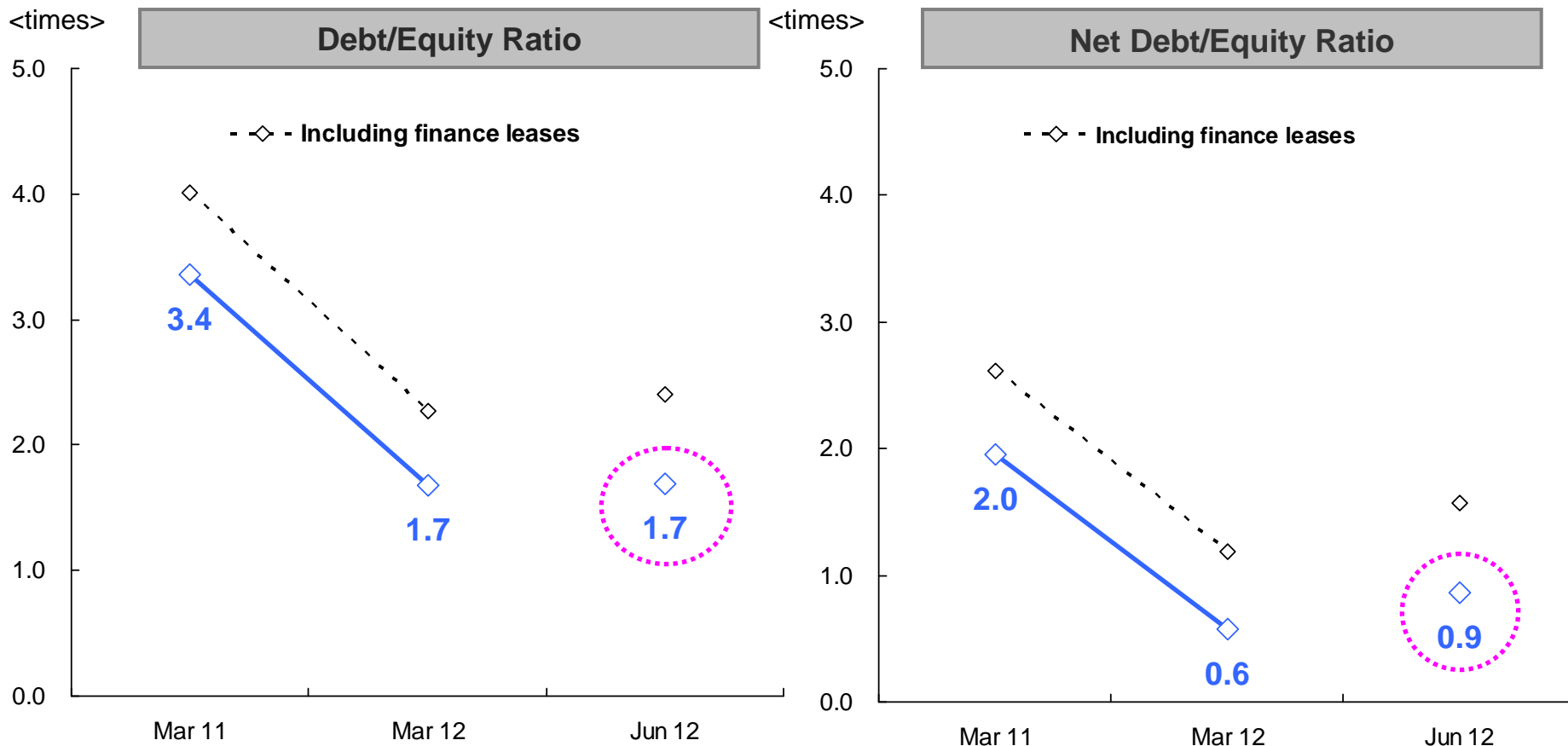
4. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)

5. Interest-bearing Debt/ EBITDA multiple for FY12/Q1 is calculated based on annualized EBITDA in Q1 result.



# Debt/Equity Ratio

## Low level of debt/equity ratio sustained



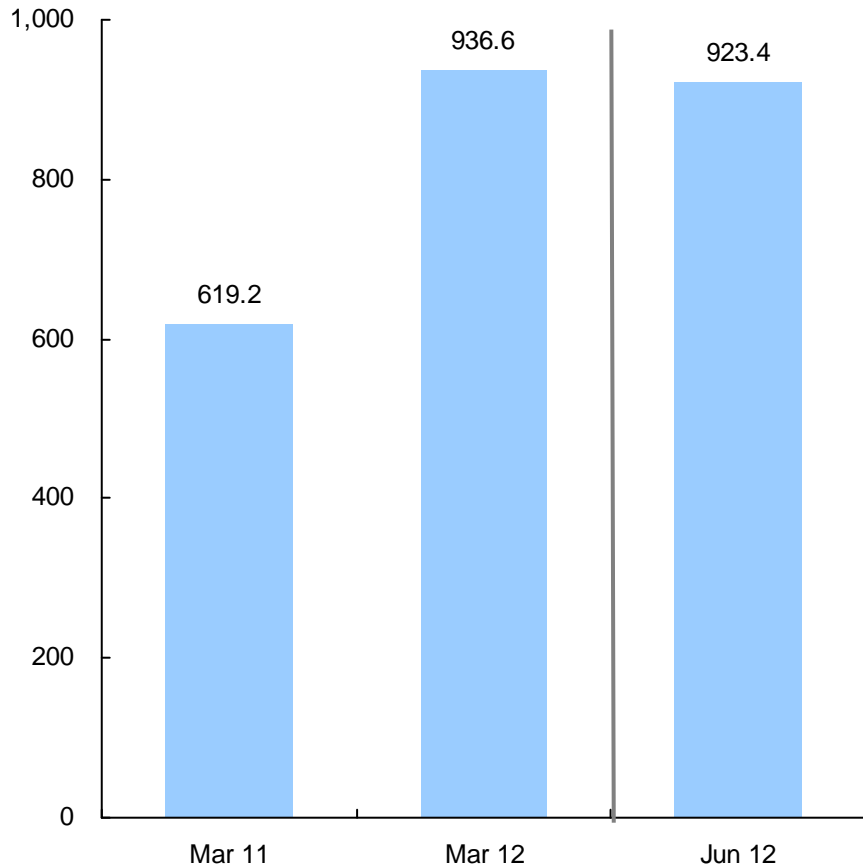
- Note: 1. D/E ratio = interest-bearing debt/shareholders' equity  
 2. Net D/E ratio = net interest-bearing debt/shareholders' equity  
 3. Net interest-bearing debt = interest-bearing debt - cash position  
 4. Interest-bearing debt = short-term borrowings + commercial paper + bonds due for redemption within 1 year + bonds + long-term borrowings. Lease obligations are not included. For March 2011, 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)

# Equity Ratio

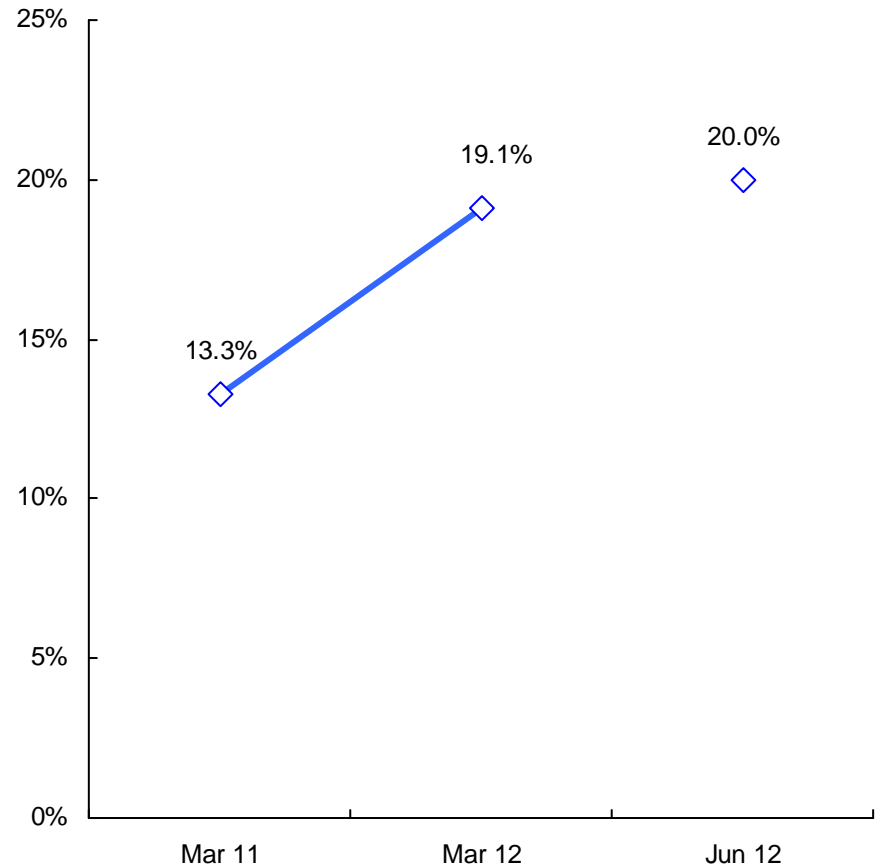
## Equity ratio reaches 20% level

<bn JPY>

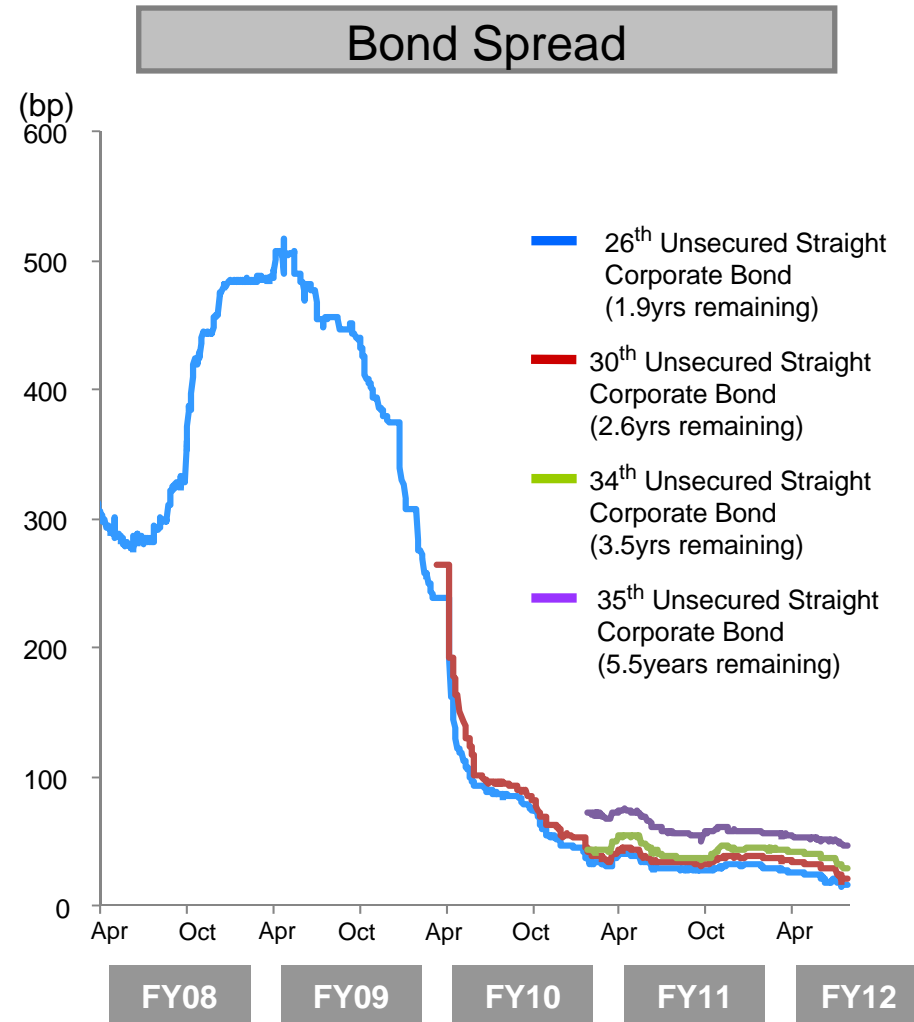
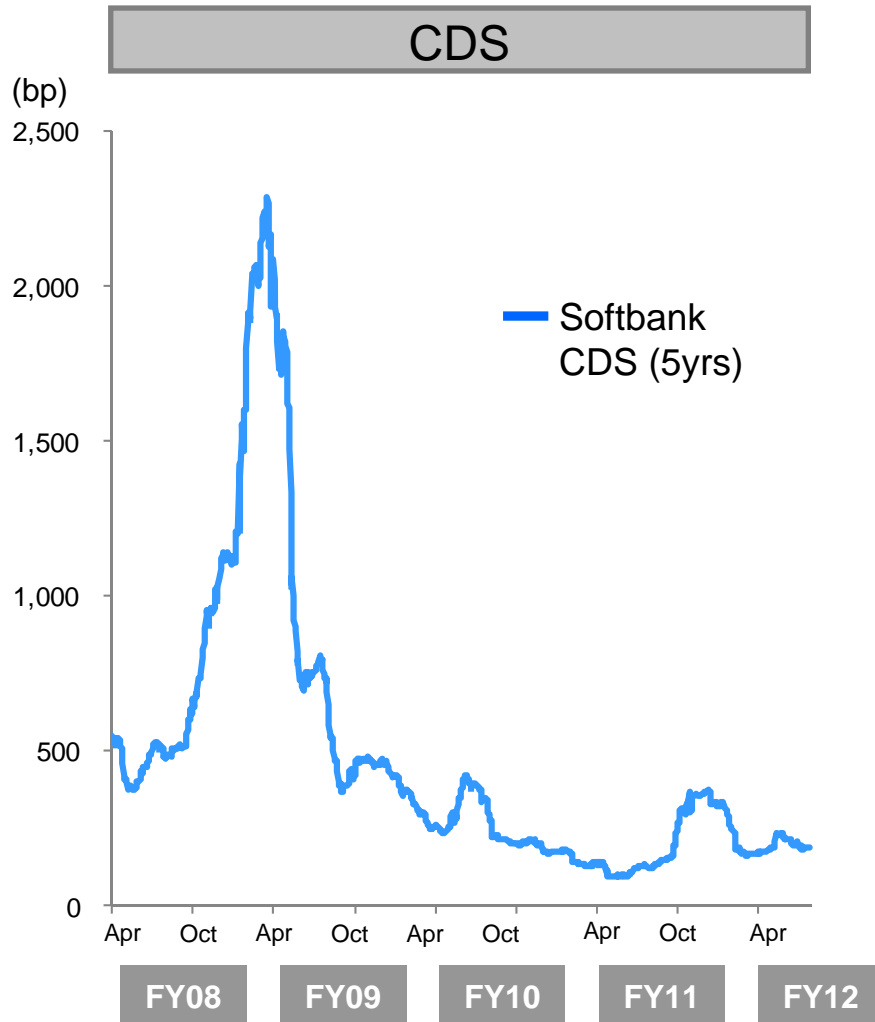
Shareholders' Equity



Equity Ratio



# Credit Spread



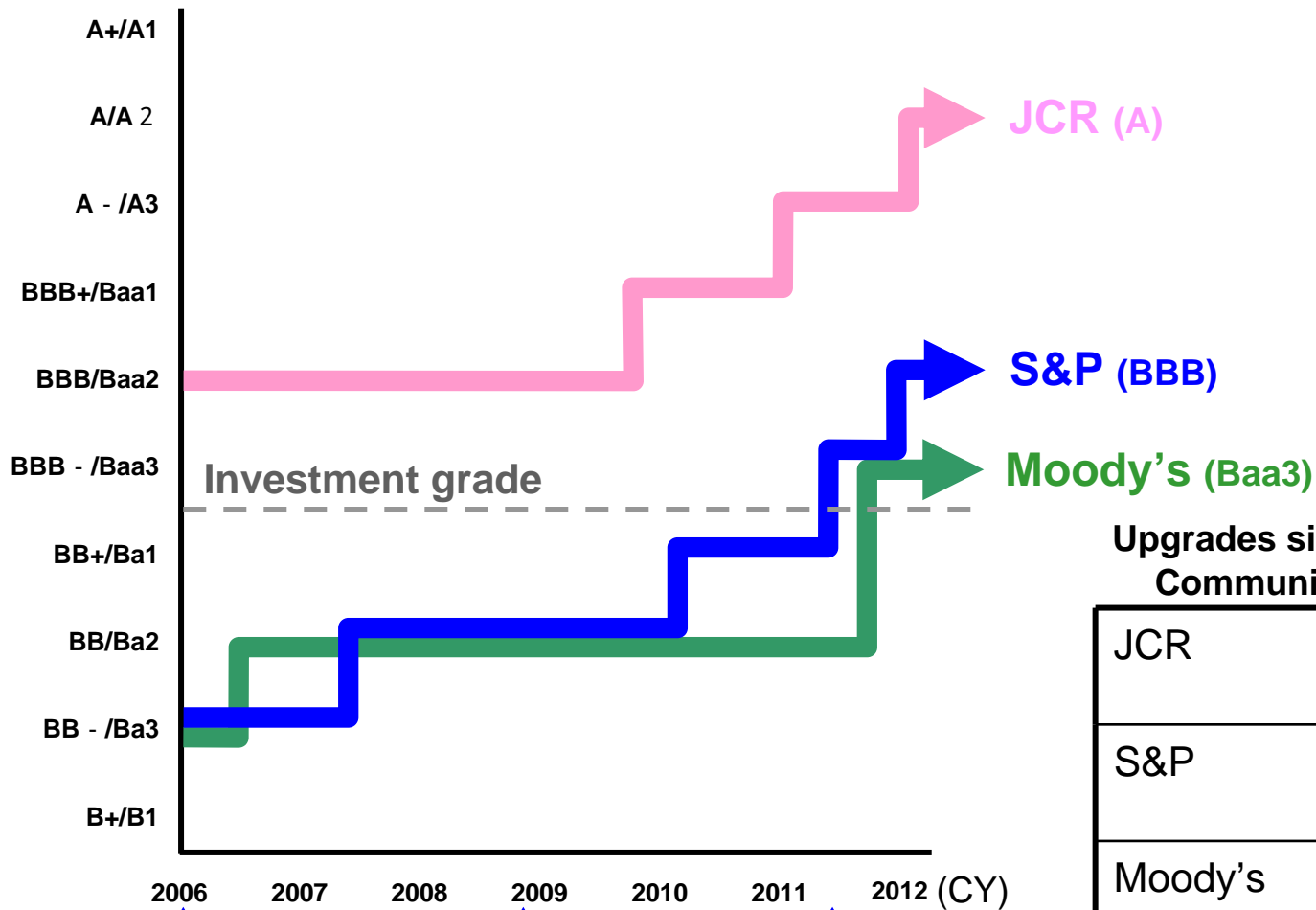
Source: CDS; Bloomberg data

Bond spread (the difference in interest rate on corporate bonds compared to the swap rate) ; calculated by SOFTBANK CORP. based on Japan Securities Dealers Association data.

CDS: Credit Default Swap

# Trend of Credit Rating of SOFTBANK

## Highest rating ever



### Upgrades since entering Mobile Communications business

JCR	3 notches BBB >> A
S&P	4 notches BB- >> BBB
Moody's	3 notches Ba3 >> Baa3



**Shift from “strengthening financials” to  
“enhancing enterprise value”**

# Dividend Per Share

	<b>FY11</b>	<b>FY12 (Plan)</b>
Interim dividend	-	JPY 20
Year-end dividend	JPY 40	JPY 20
Annual dividend	JPY 40	JPY 40

**Enhance shareholder return  
through interim dividend**

\* The interim dividend amount and payout date will be resolved at a separate future Board of Directors meeting.

\* Year-end dividend is subject to the resolution of the Annual Meeting of Shareholders to be held in June 2013.

# FY2012 Financial Strategies

## Shift focus from “strengthening financials” to “enhancing enterprise value”

### 1. Pursue optimum leverage

- Define the leverage level allowing pursuit of both growth and stability
- Pursue growth strategy for timely response to investment opportunities in growth areas
- Optimize funding costs

### 2. Increased flexibility to dynamic market change

- Expand more diversification of funding
- Focus on striking a right balance between direct and indirect financing
- Enhance the function of holding company through the Group-wide CMS
- Ensure analysis and management of market risk of our assets

### 3. Investor satisfaction focus

- Pursue greater shareholder return and establish shareholder return policy
- Aim to share growth scenarios and financial strategy with investors through further communication
- Broaden investor base through participation in more markets

# Appendix



# (Reference) Corporate Bond Details

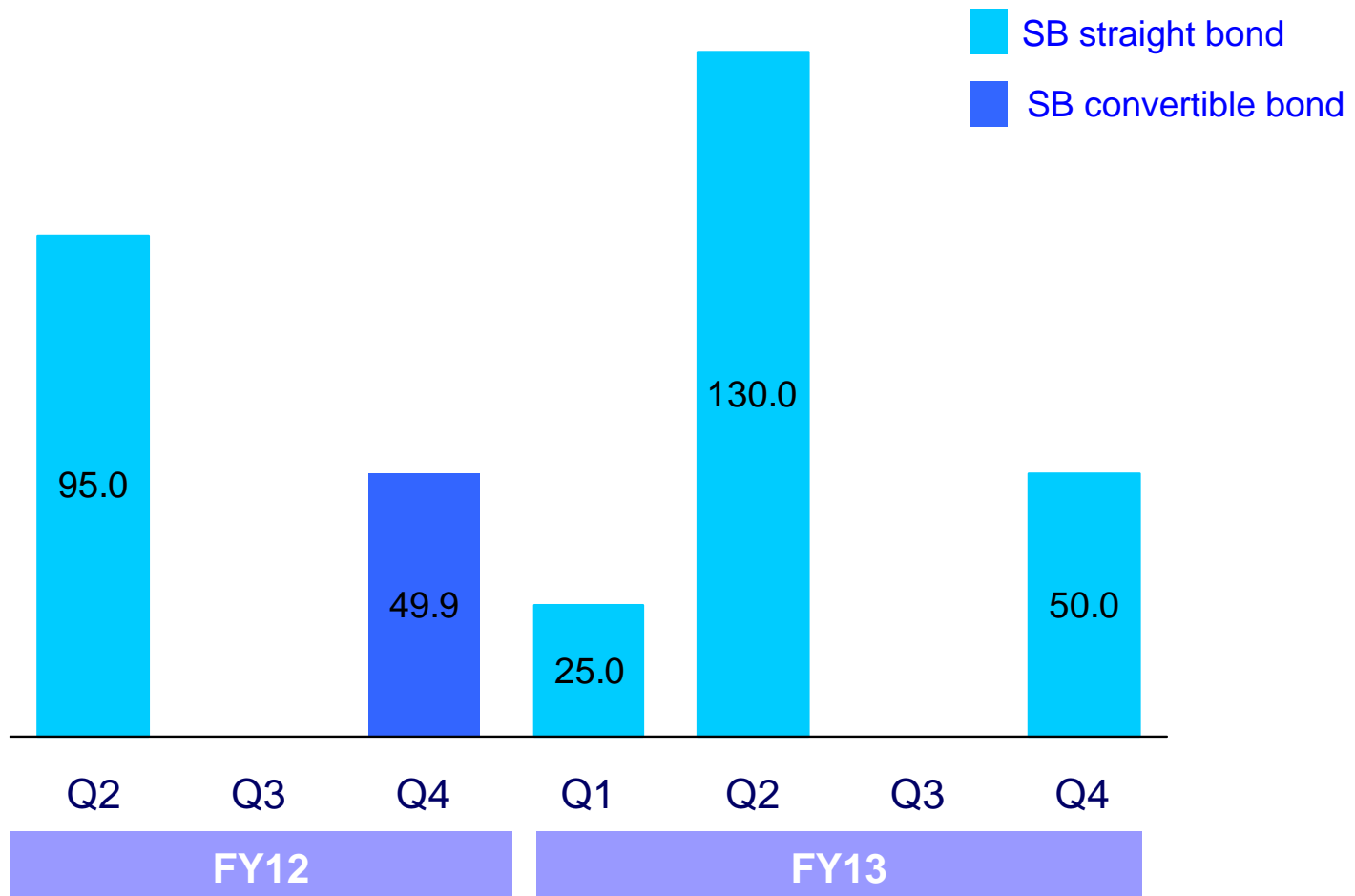
< mil JPY >

Company name	Bond	Issue date	Maturity date	Interest rate (%/year)	Collateral	Mar. 12 balance	Jun. 12 balance	Change
SOFTBANK CORP.	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	49,988	49,988	-
	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	-
	38 <sup>th</sup> series Unsecured Straight Bond	2012/1/27	2014/1/27	0.42	None	50,000	50,000	-
	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	-	
Total	-	-	-	-	-	604,888	604,888	-

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

# (Reference) Bond Redemption Schedule

<bn JPY>



# (Reference) Interest-bearing Debt

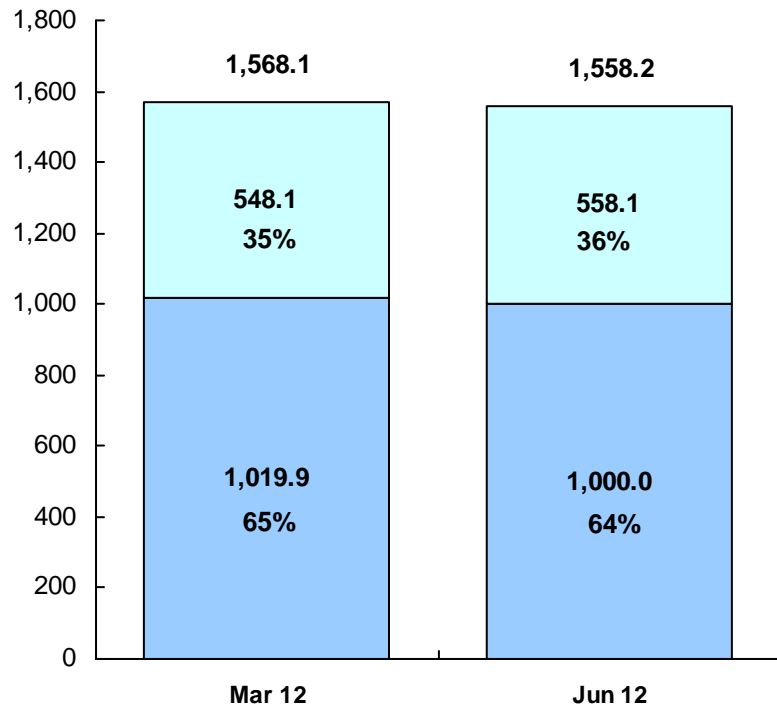
## Long/Short and Fixed/Variable Ratio Trend

Both long/short ratio and fixed/variable ratio stable

Interest-bearing Debt  
Long/Short Ratio

<bn JPY>

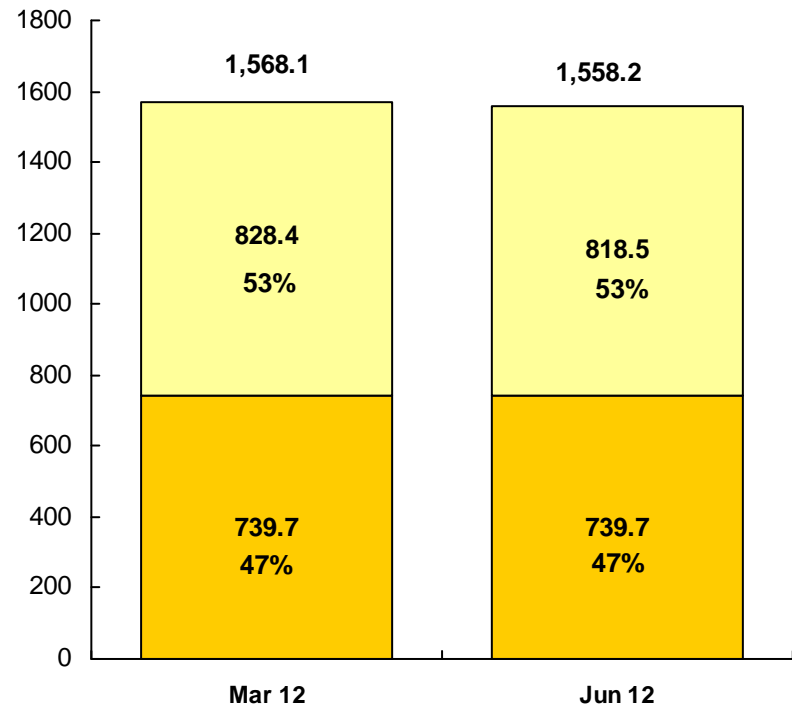
■ Long-term ■ Short-term



Interest-bearing Debt  
Fixed/Variable Ratio

<bn JPY>

■ Fixed ■ Variable



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.

SoftBank

# Operation

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## Kazuhiko Fujihara

Executive Vice President, Director & CFO  
SOFTBANK MOBILE Corp.

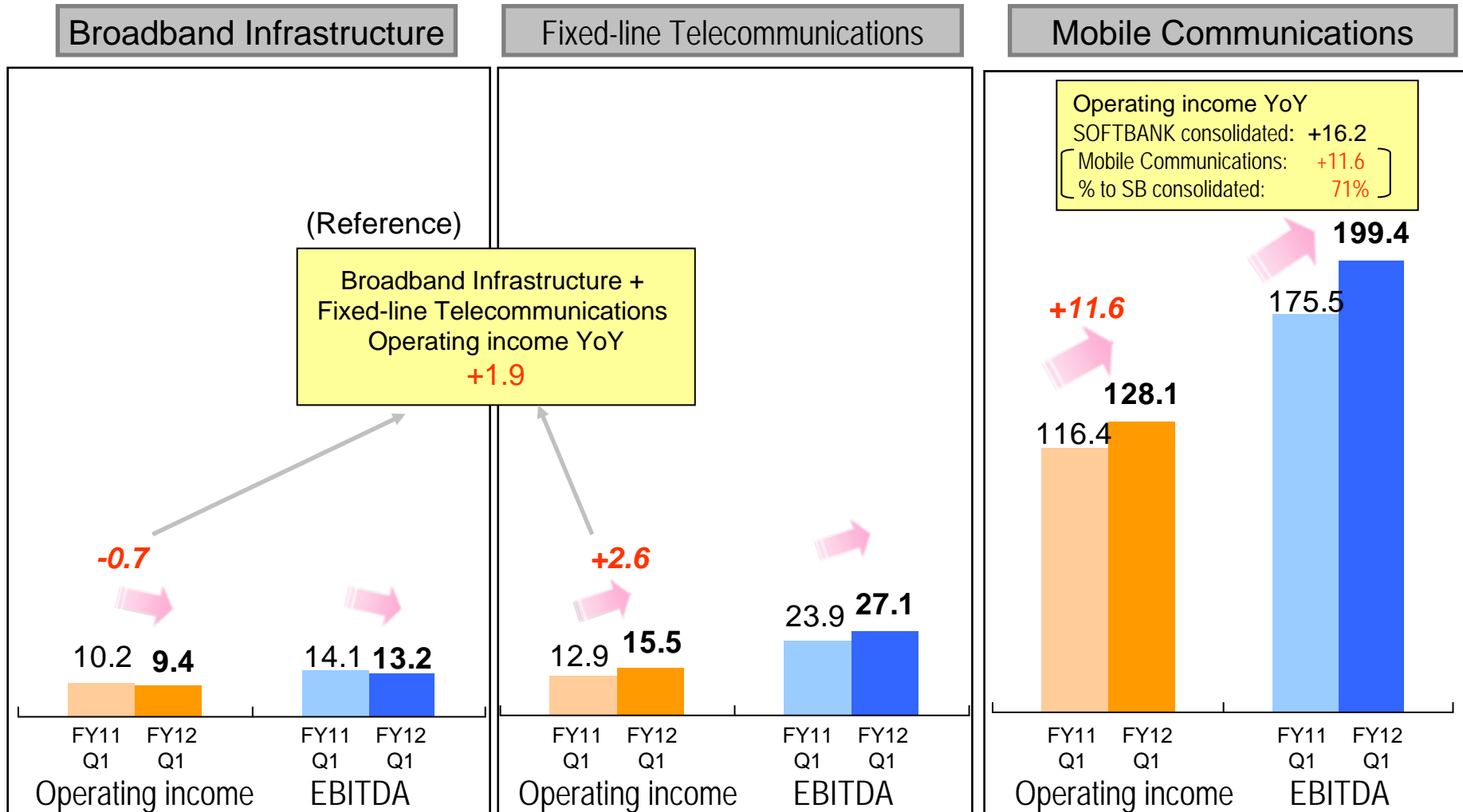
Executive Vice President, Director & CFO  
SOFTBANK BB Corp.

Executive Vice President, Director  
SOFTBANK TELECOM Corp.

# Overview of Telecommunications Businesses

- Telecommunications businesses led consolidated operating income to reach record high (7 consecutive periods).

<bn JPY>



Note 1. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)

2. From FY2011/ Q3, depreciation & amortization includes loss on disposal of fixed assets included in operating expenses.

Depreciation and amortization for the previous year has been reclassified and restated accordingly.

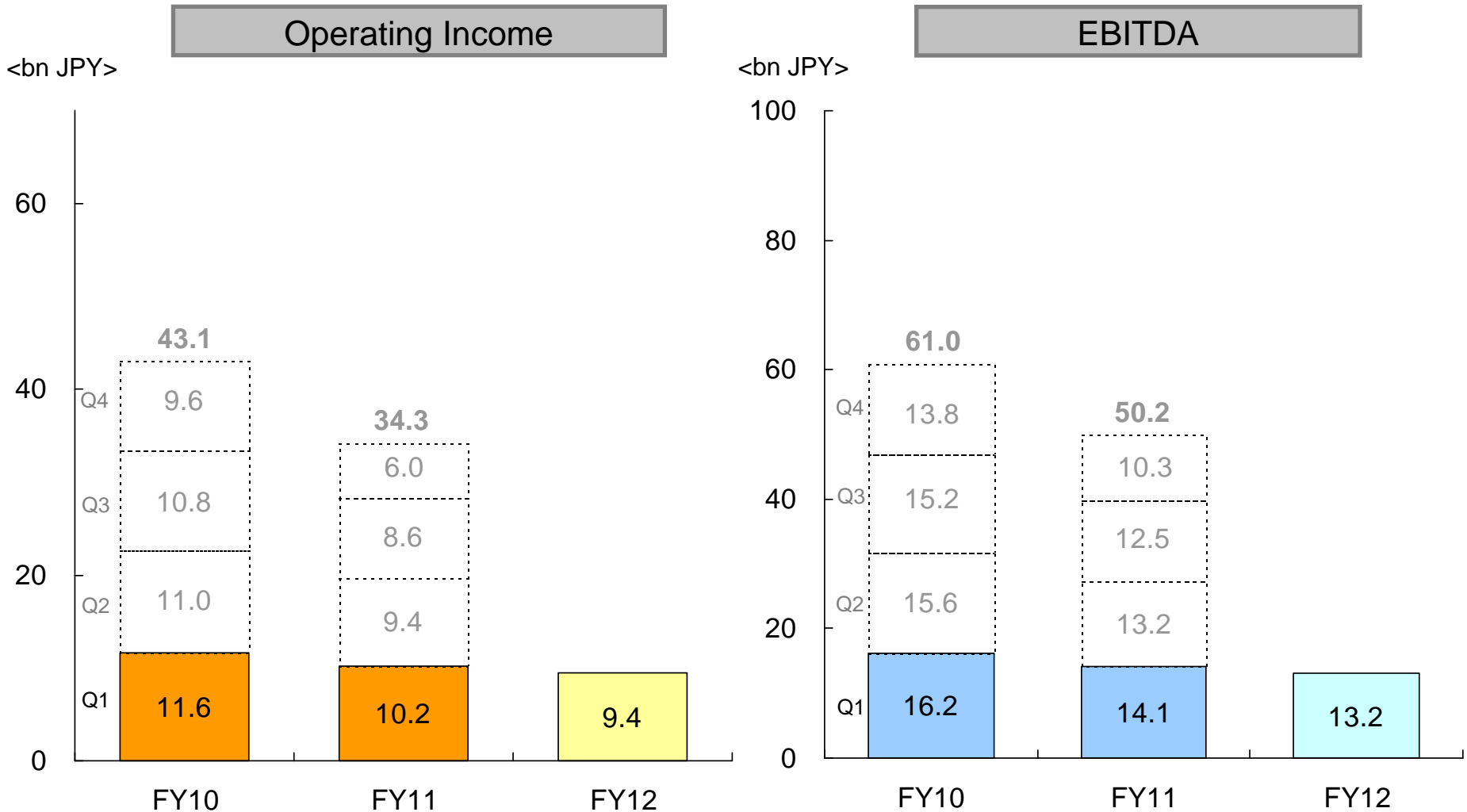
3. Broadband Infrastructure: Broadband Infrastructure segment, Mobile Communications: Mobile Communications segment, SB: SOFTBANK

## Broadband Infrastructure Segment

# Operating Income, EBITDA

<BB>

➤ Profit decreased YoY. Efforts continued to increase subscribers.



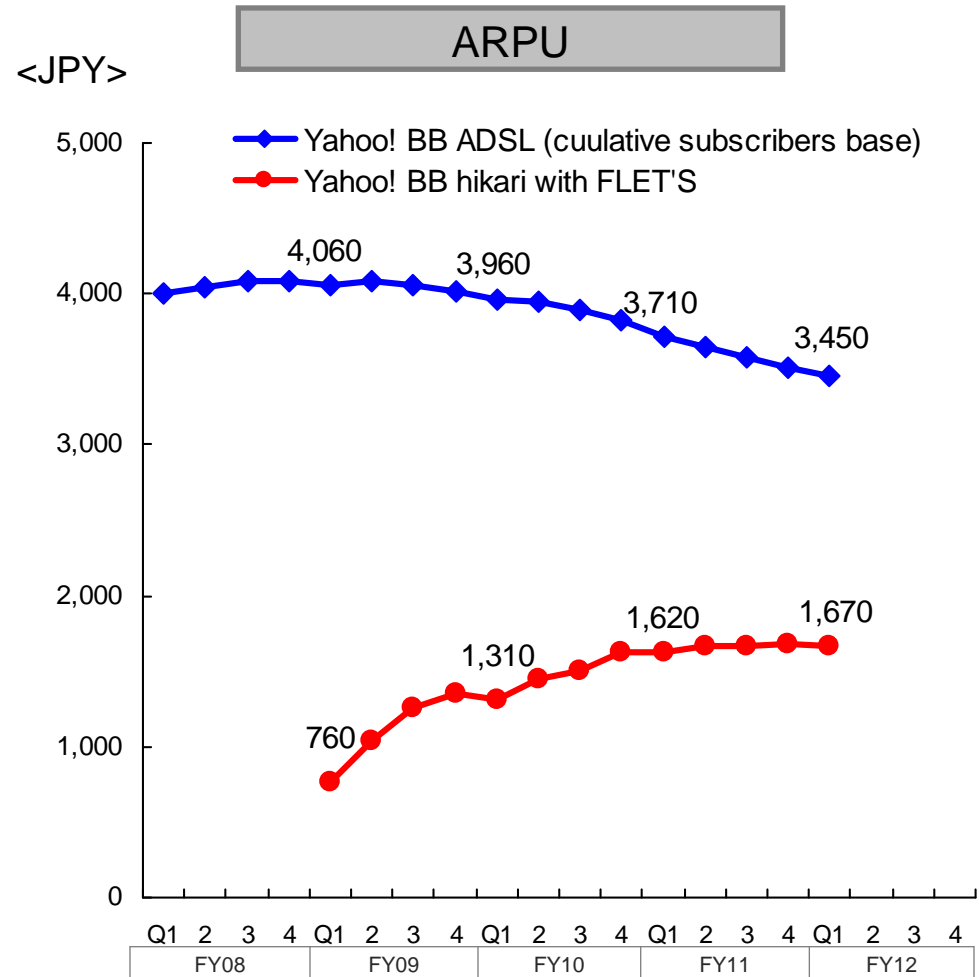
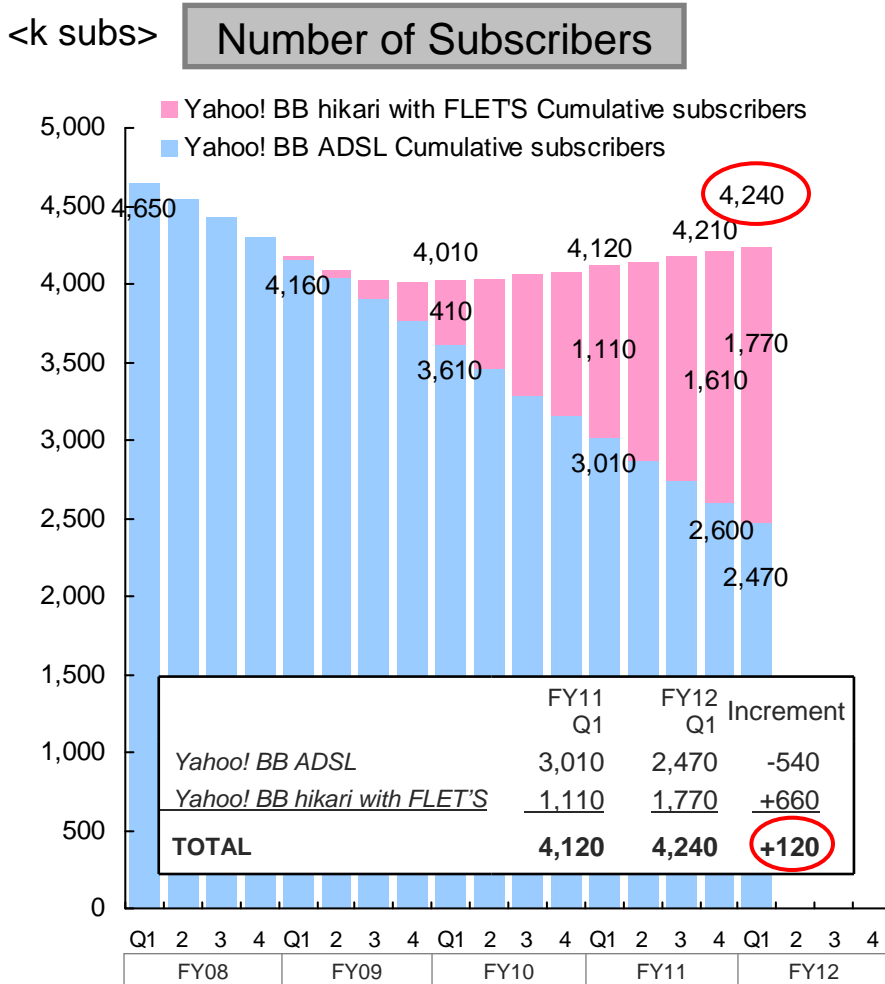
Note: EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)



# Yahoo! BB Subscribers and ARPU

<BB>

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



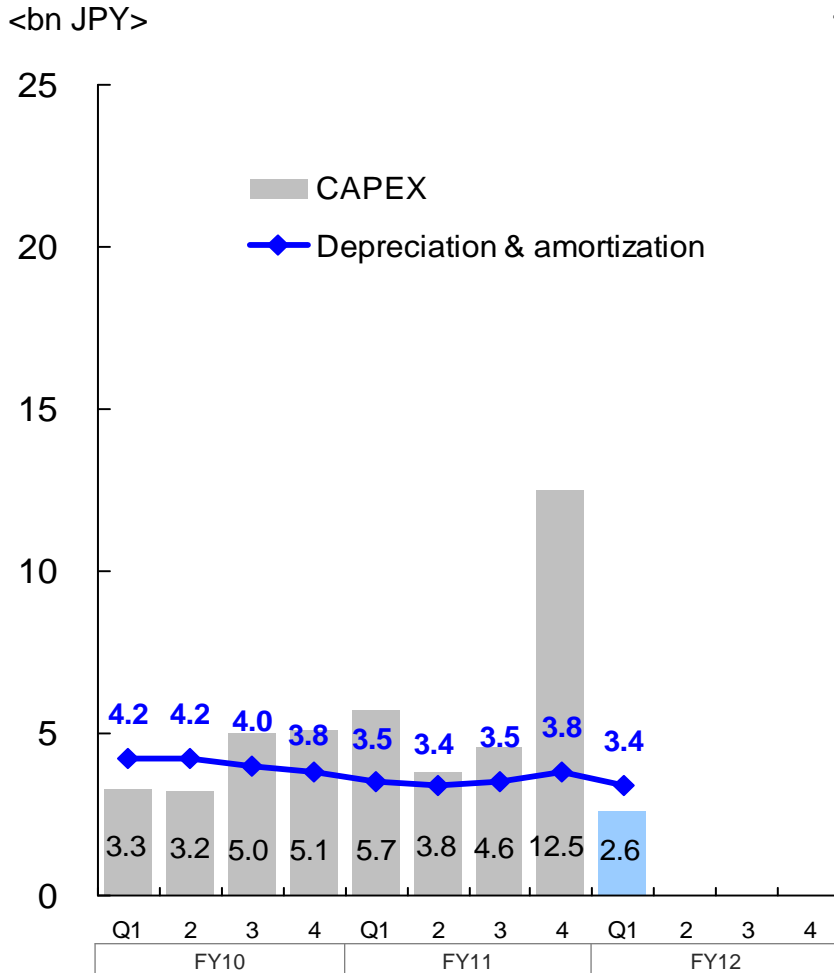
Note: 1. ADSL subscribers: subscribers for which connection construction for ADSL subscribers at central office of NTT East or NTT West is complete (including suspended plan).  
 Yahoo! BB hikari with FLET'S cumulative subscribers: users for which connection construction for FLET'S HIKARI line at central office of NTT East or NTT West is complete and who are provided services.  
 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)

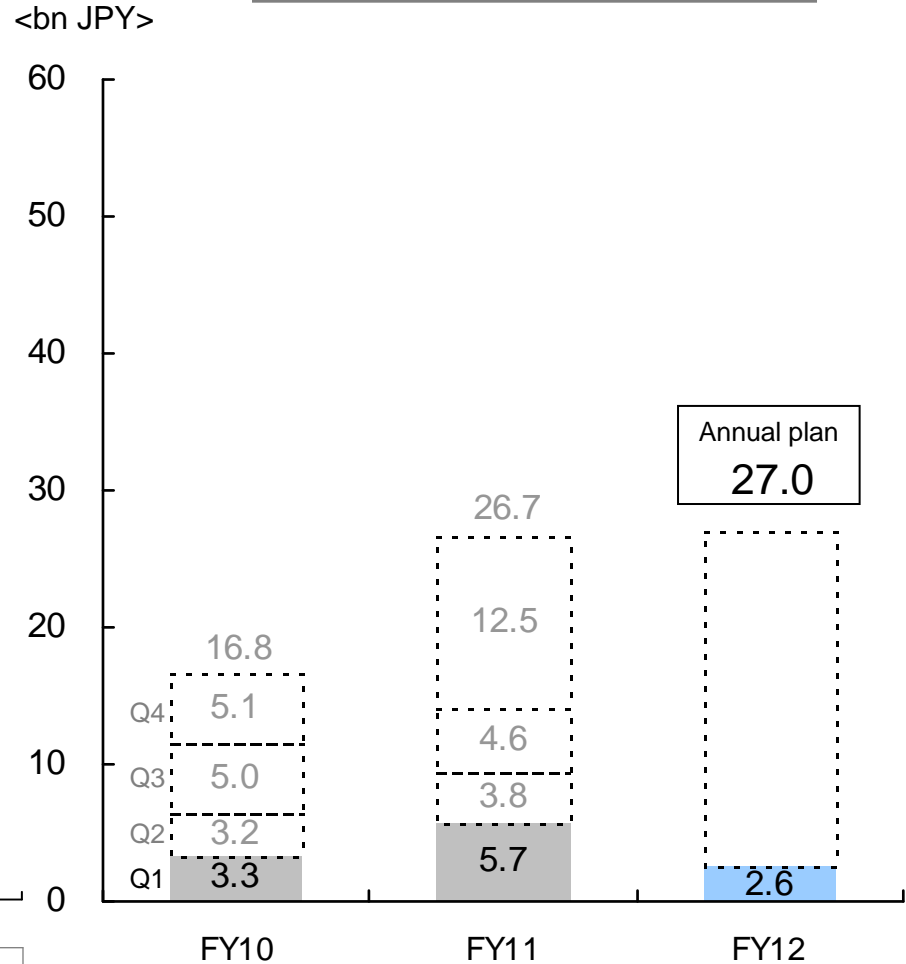
<BB>

➤ Annual plan: JPY 27.0bn (Q1 10% completed)

CAPEX and Depreciation & Amortization  
(quarterly trend)



CAPEX  
(yearly trend)



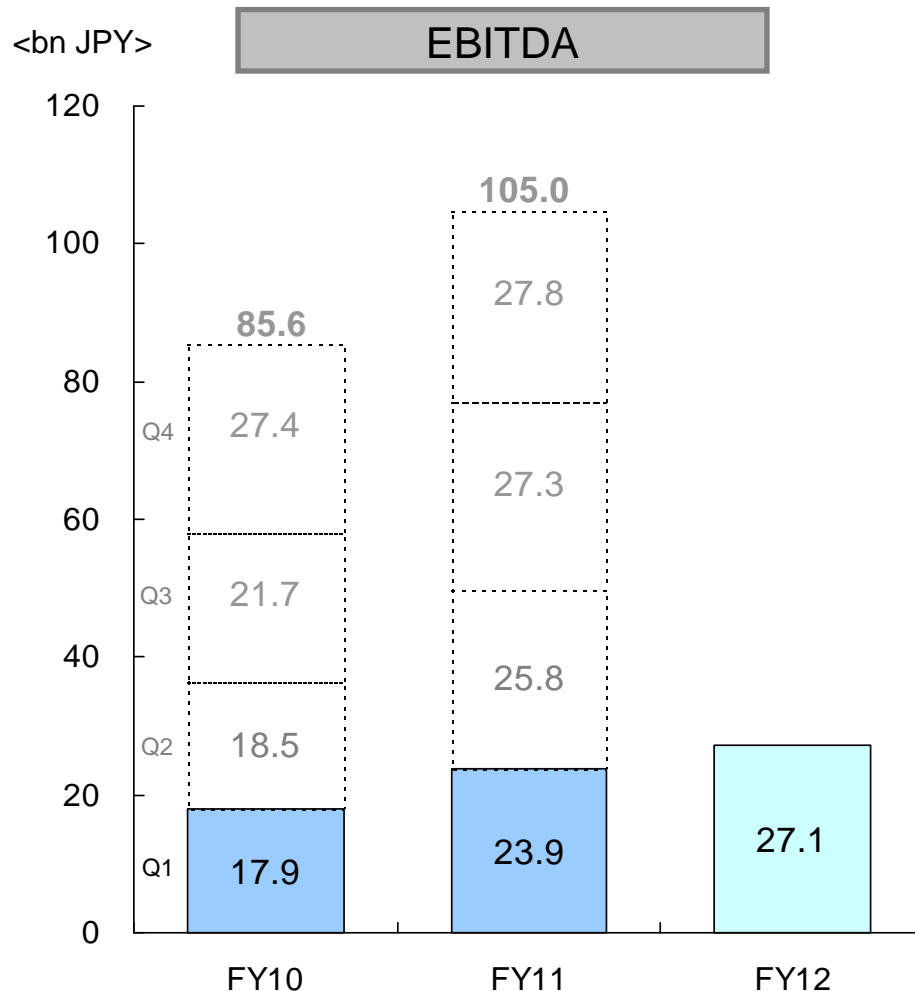
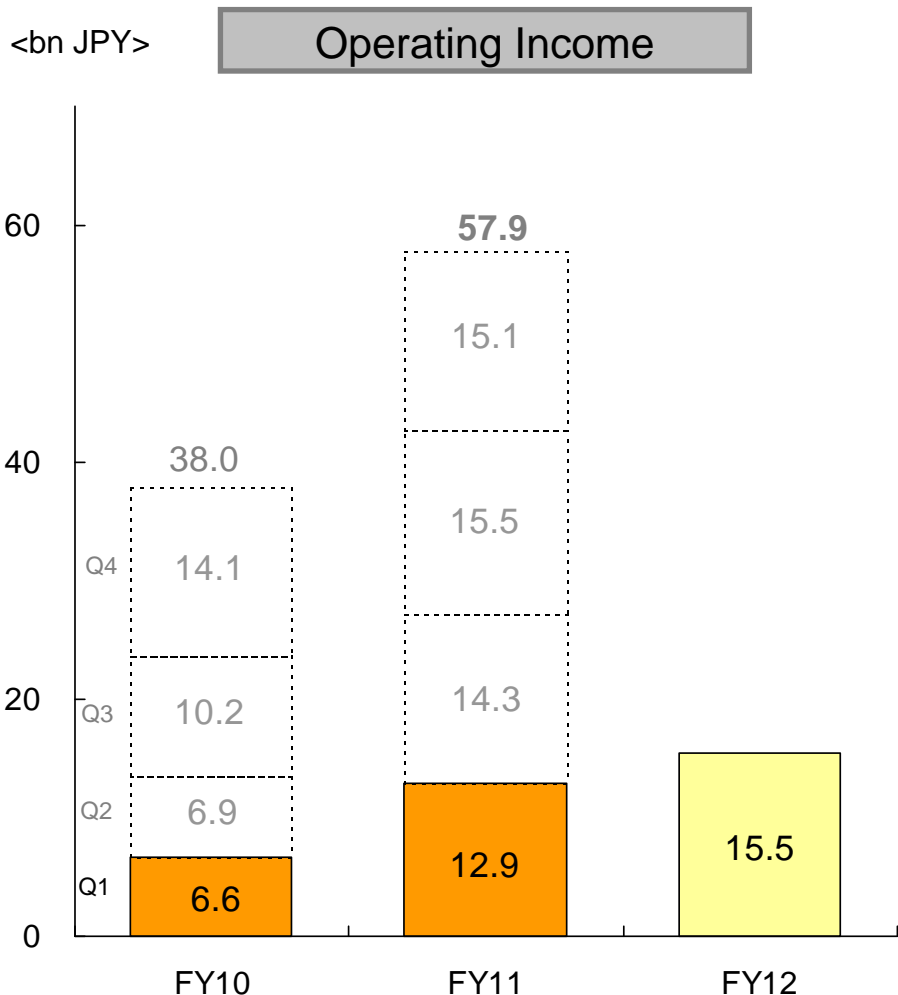
Note: From FY2011/ Q3, depreciation & amortization includes loss on disposal of fixed assets included in operating expenses. Depreciation and amortization for the previous quarters has been reclassified and restated accordingly.

## Fixed-line Telecommunications Segment

# Operating Income, EBITDA

<Fixed>

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



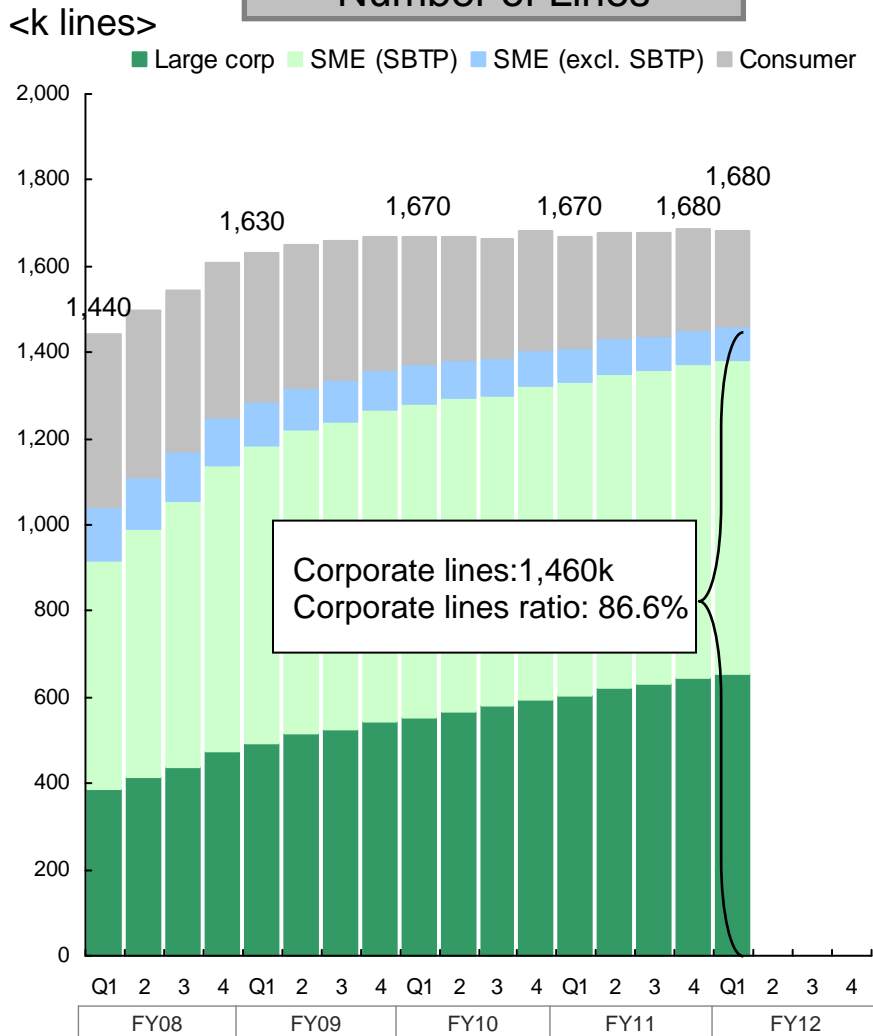
\*1. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)

# Number of Lines and ARPU for *OTOKU Line*

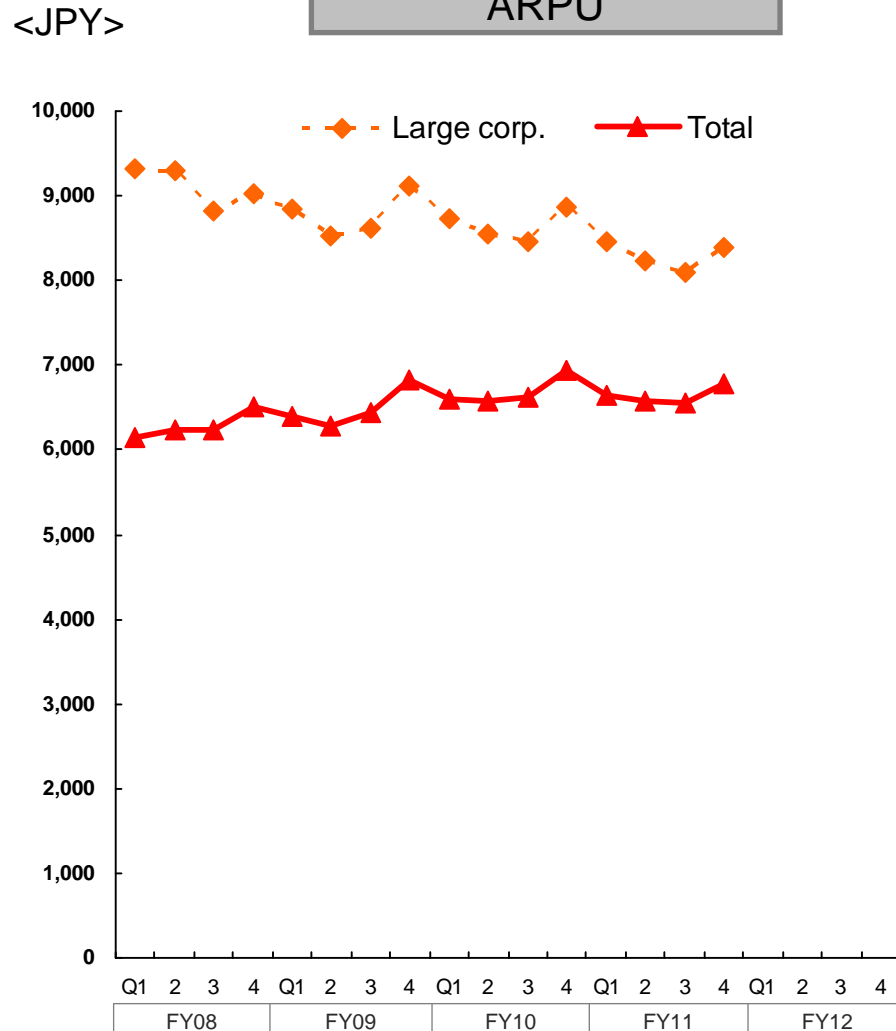
<Fixed>

➤ Solid trend in number of lines and ARPU on enhancement of corporate sales

Number of Lines



ARPU



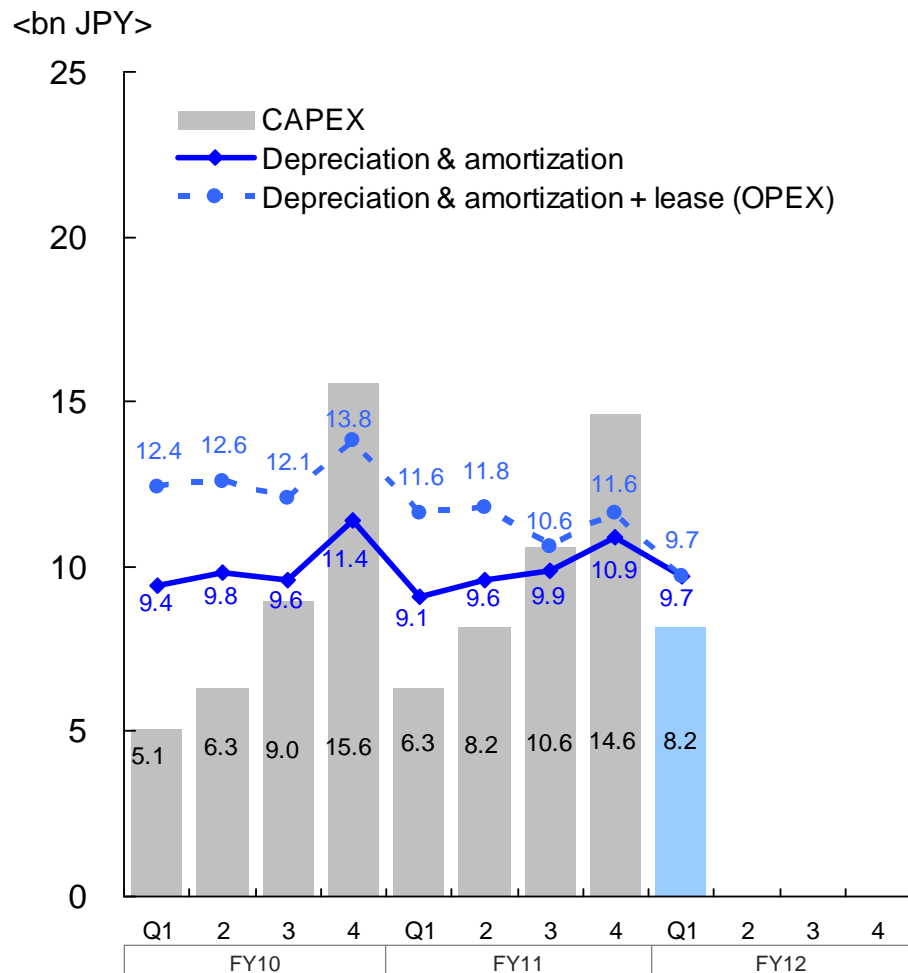
Note: 1. ARPU: Average Revenue Per line (rounded to the nearest JPY 10)  
2. SBTP: SOFTBANK TELECOM PARTNERS

# CAPEX (acceptance basis)

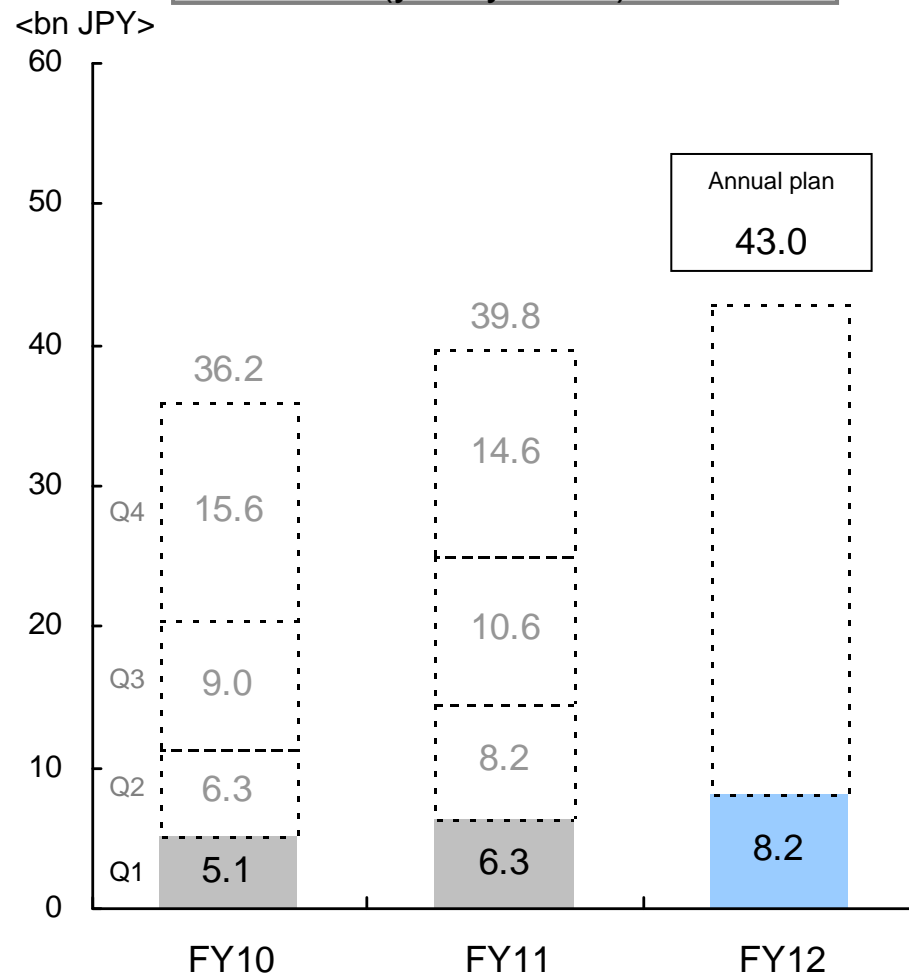
<Fixed>

➤ Annual plan: JPY 43.0bn (Q1 19% completed)

CAPEX and Depreciation & Amortization  
(quarterly trend)



CAPEX  
(yearly trend)



Note: From FY2011/ Q3, depreciation & amortization includes loss on disposal of fixed assets included in operating expenses. Depreciation and amortization for the previous quarters has been reclassified and restated accordingly.

 SoftBank

## Mobile Communications Segment

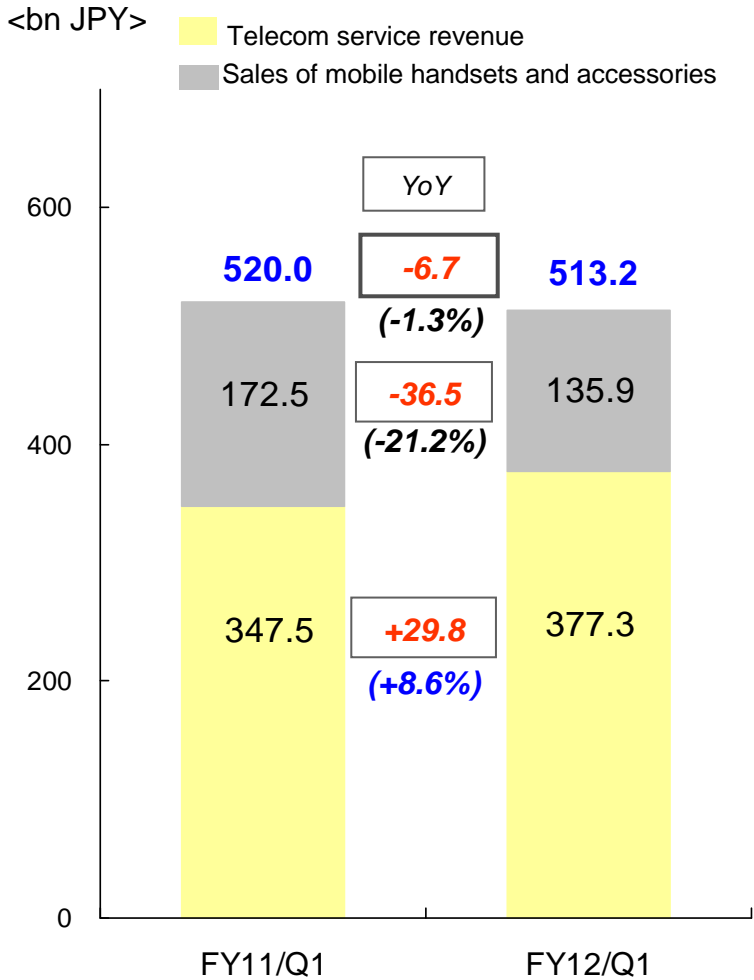


# SBM Consolidated Net Sales

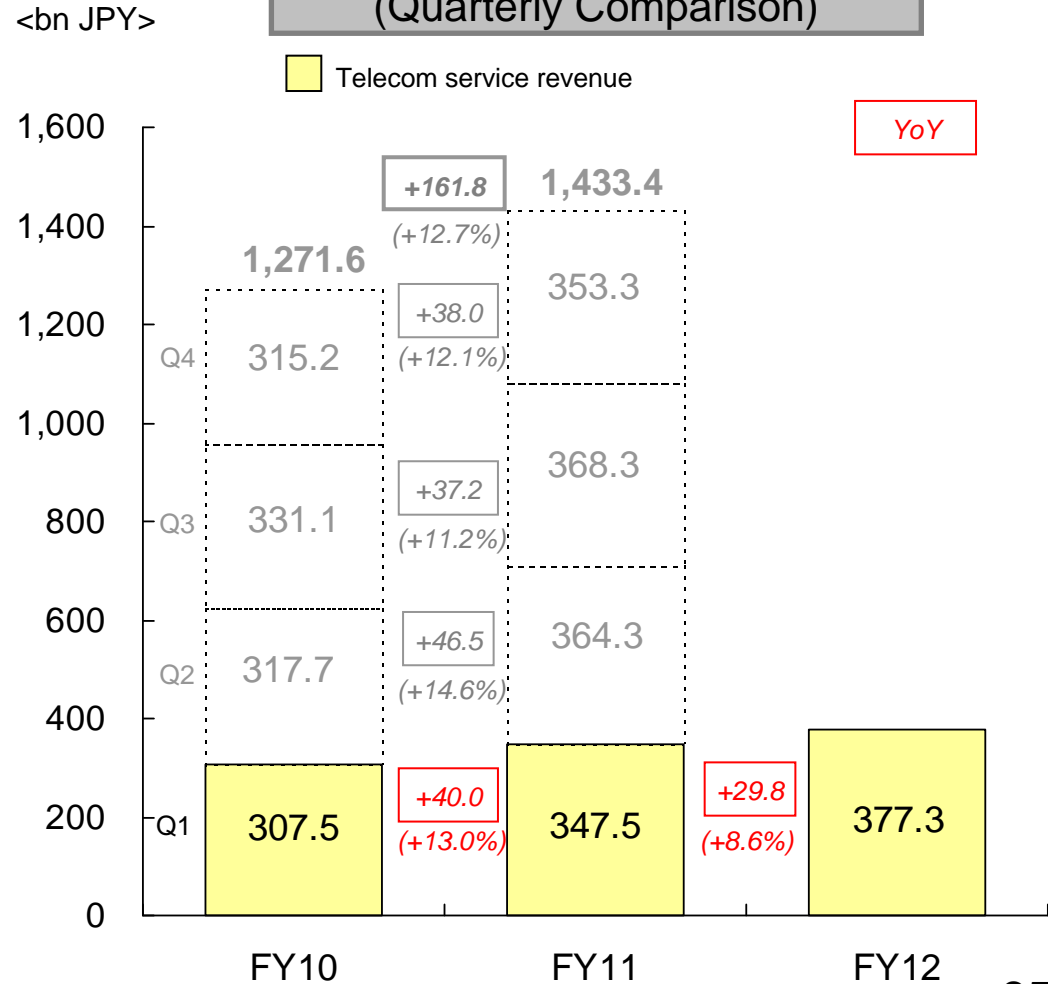
<Mobile>

- YoY: telecom service revenue increase by **8.6%**.  
sales of mobile handsets and accessories decreased by **21.2%**.

SBM Consolidated Net Sales



SBM Consolidated Net Sales (Quarterly Comparison)



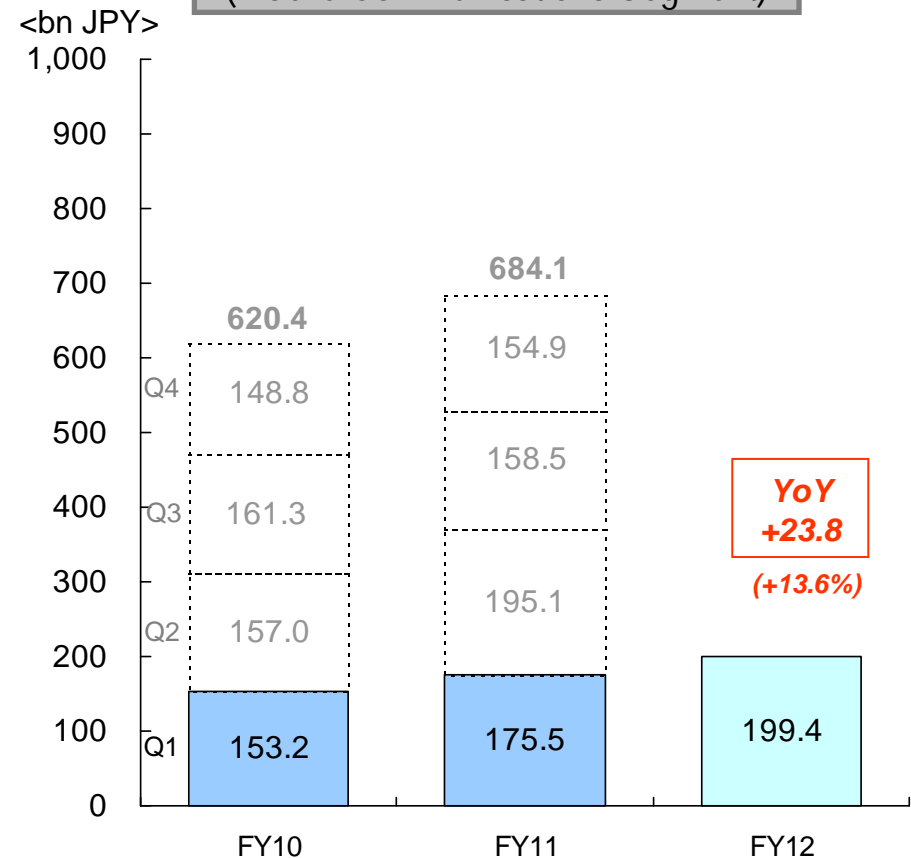
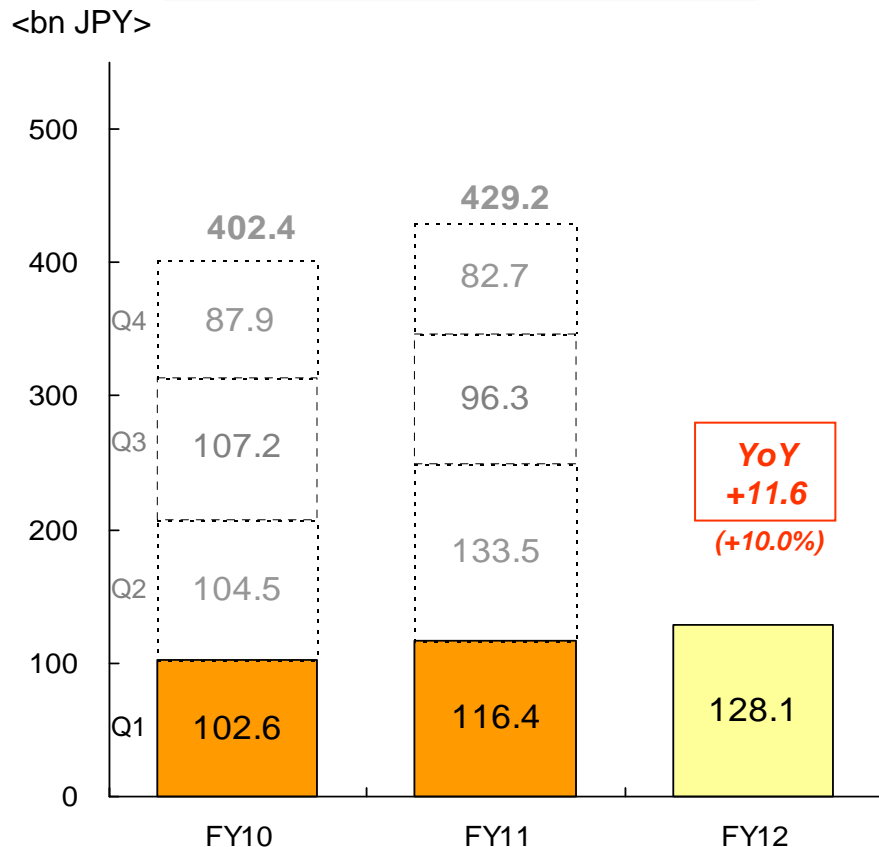
# Operating Income/ EBITDA (SB Consolidated)

<Mobile>

- Revenue and profit new record high;\*1  
operating income increased by **10.0%** YoY.

**Operating Income**  
(Mobile Communications Segment)

**EBITDA**  
(Mobile Communications Segment)

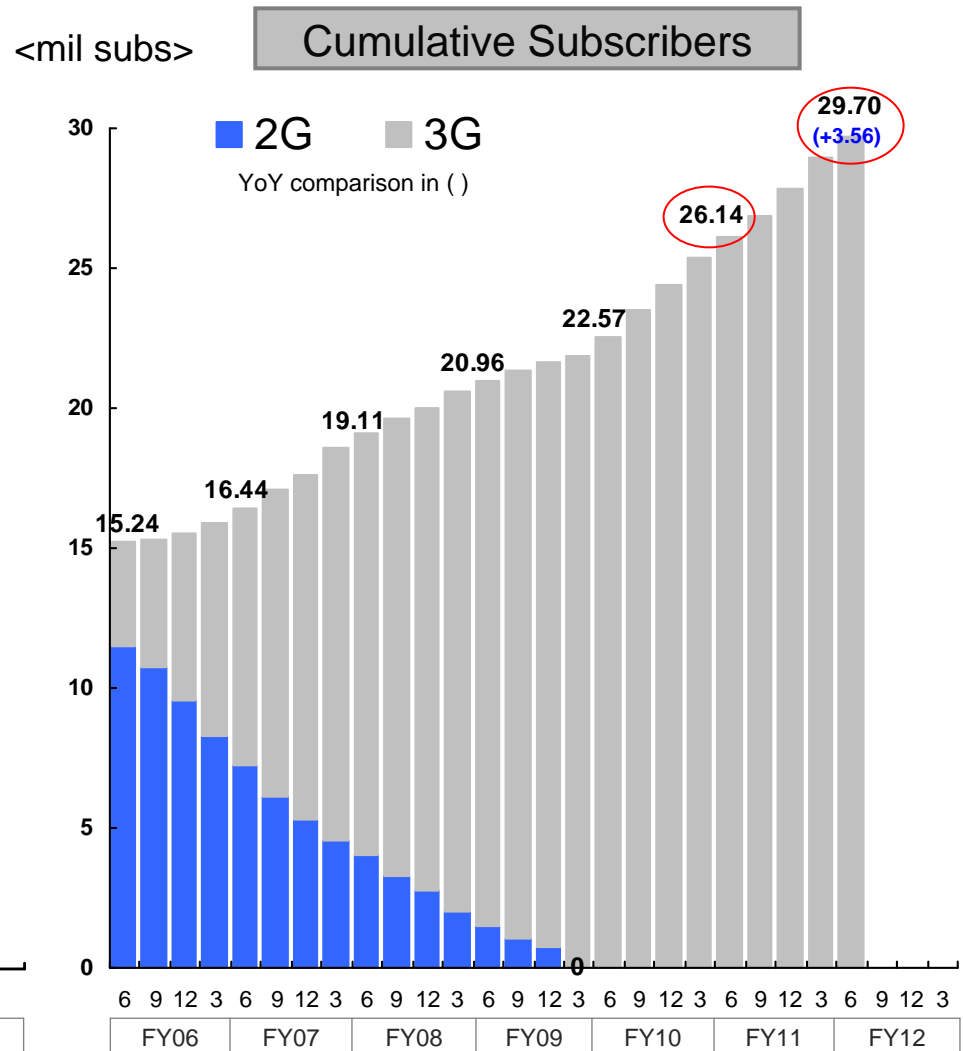
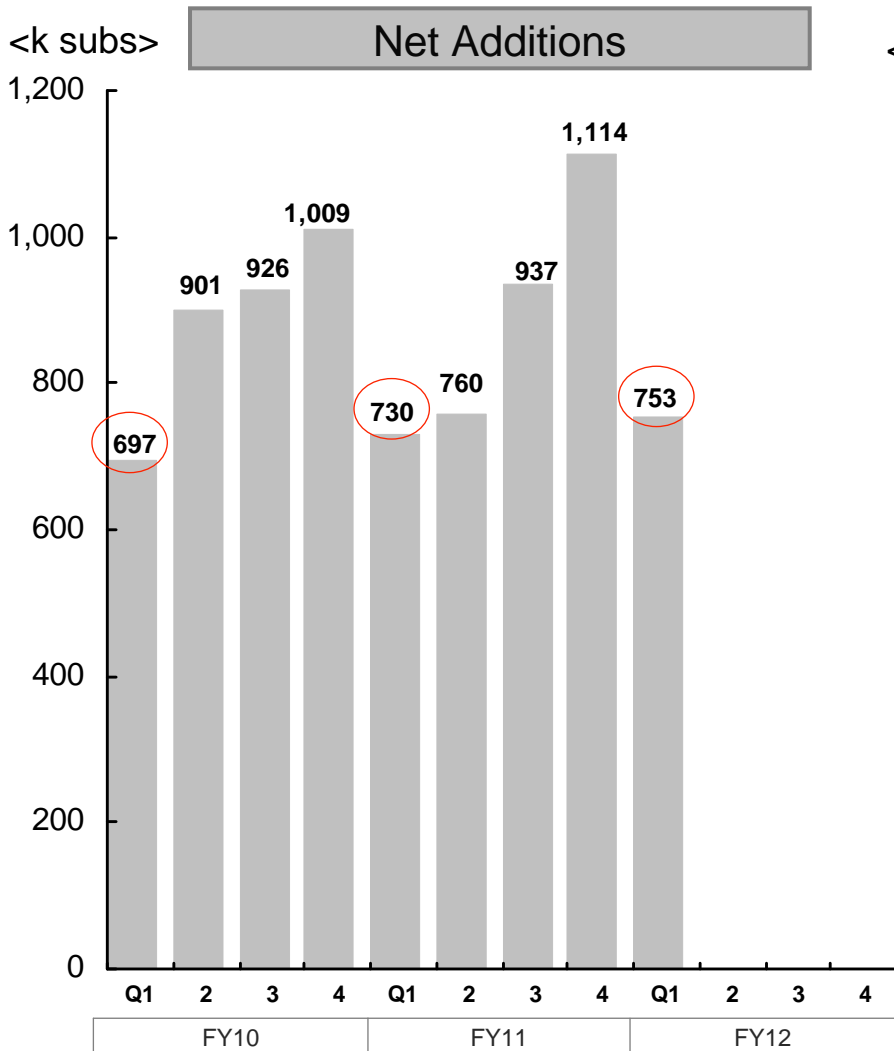


Note: 1. Since SOFTBANK CORP. established the Mobile Communications segment in FY2006  
 2. EBITDA = operating income (loss) + depreciation and amortization (including amortization of goodwill)  
 3. SB: SOFTBANK

# Number of Subscribers (quarterly net additions/cumulative)

<Mobile>

- Net additions in Q1 marked 753k (record high).  
Cumulative subs +3.56mil YoY

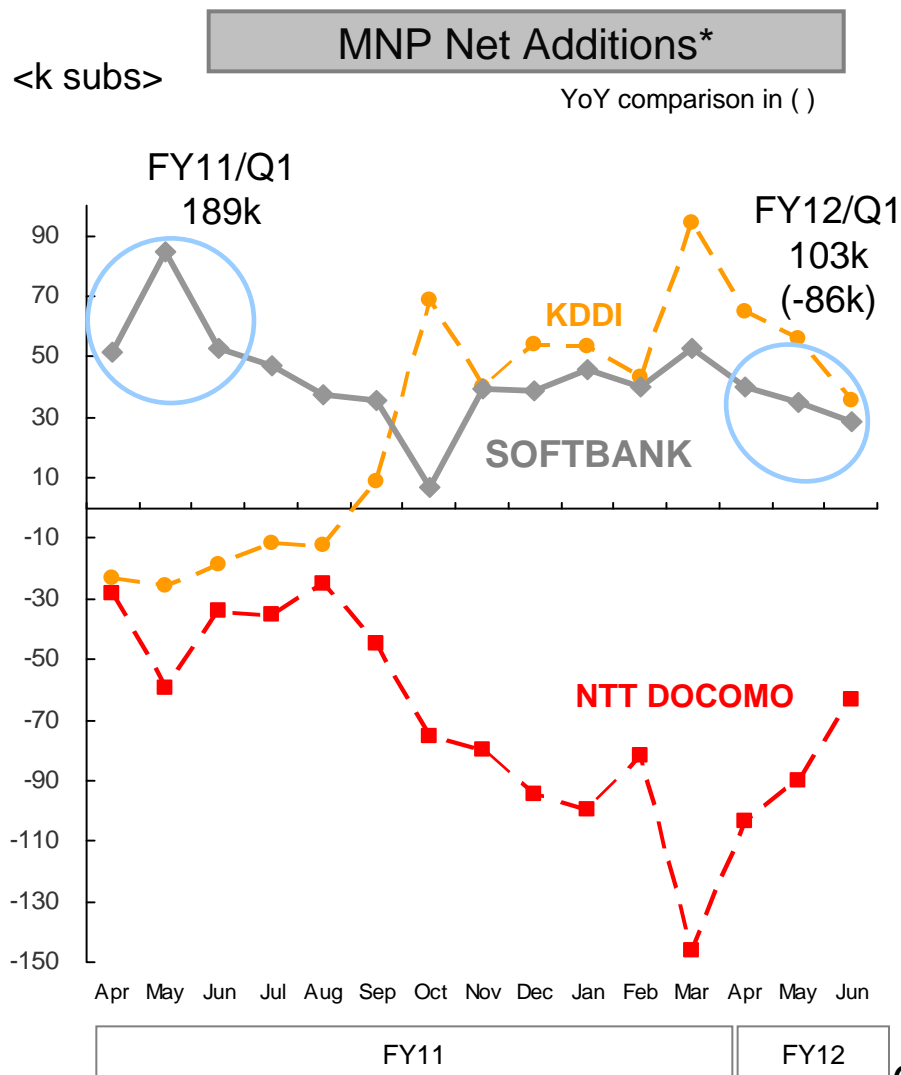
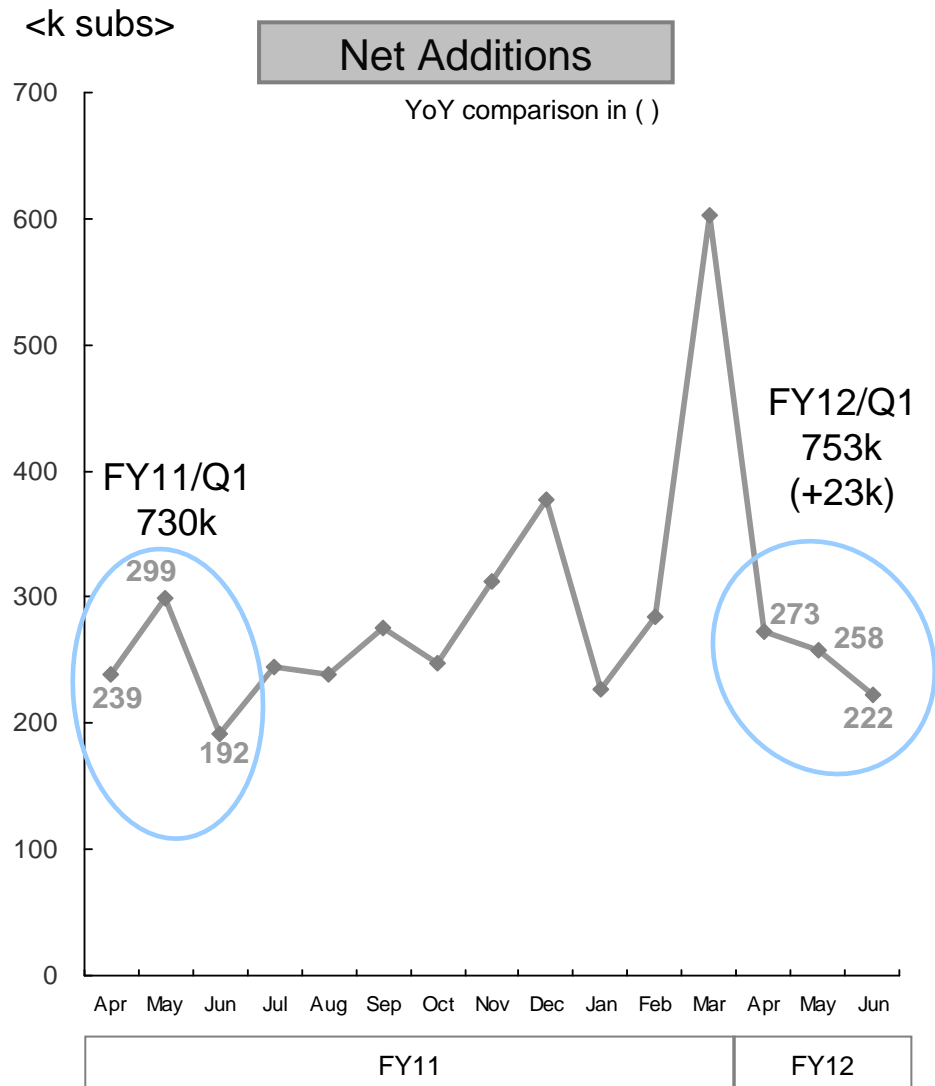


Note: the number of net subscriber additions and the number of cumulative subscribers include the number of prepaid mobile phones and communication module service subscribers.

# Number of Monthly Net Additions

<Mobile>

➤ Q1 net additions 753k (record high), MNP\* 103k.



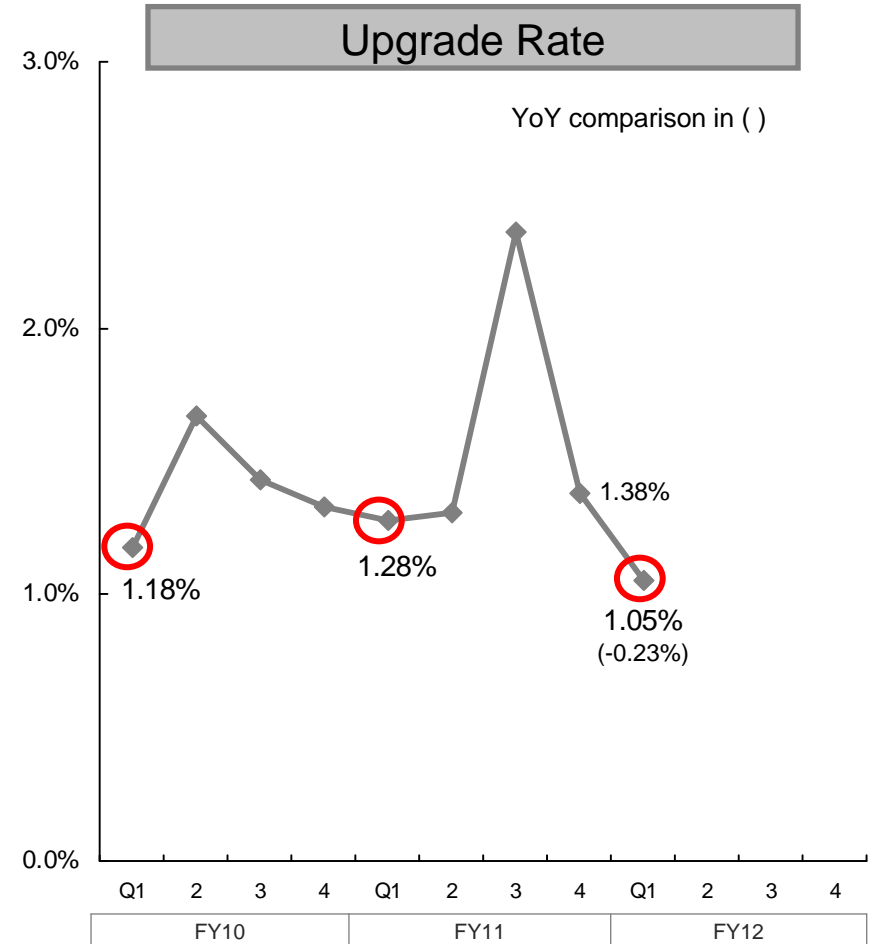
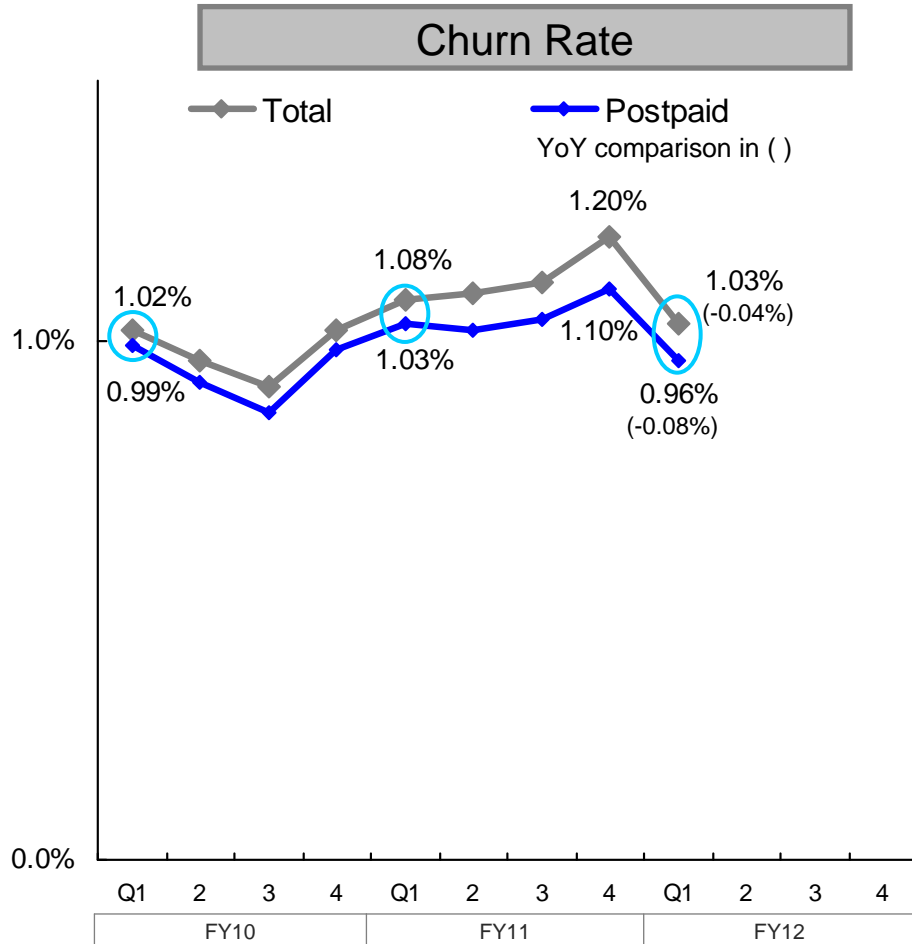
Note 1. The number of net subscriber additions includes the number of prepaid mobile phones and communication module service subscribers.

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 improved by 0.04% (total) and 0.08% (postpaid).  
upgrade rate down by 0.23% lowest level ever.



Note 1. For definition and calculation of the churn and upgrade rates, see page 81.

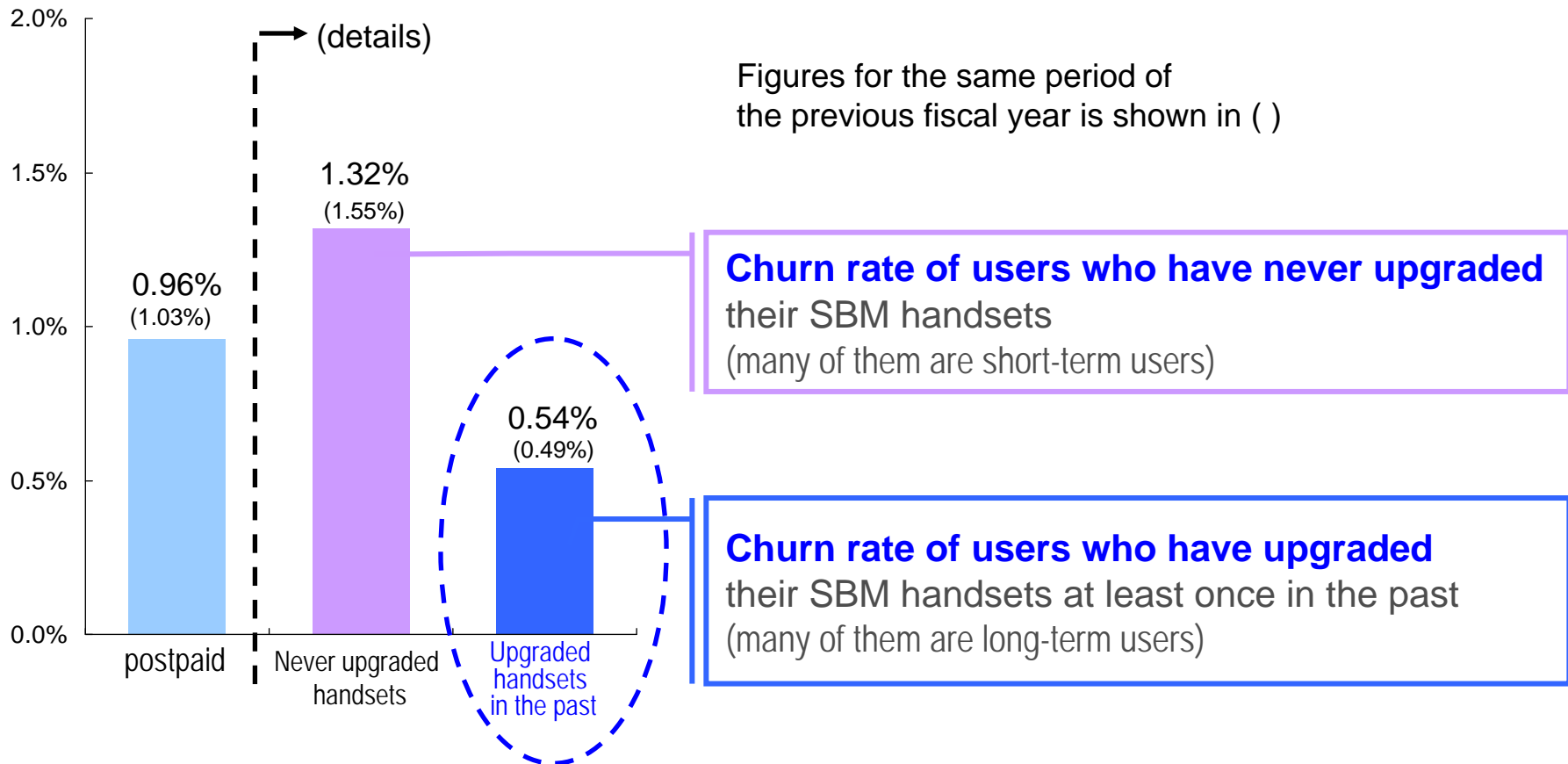
2. Churn rate (postpaid): calculated with communication module service subscribers and devices without voice communalization functionality included in the number of subscribers and churn.

# Churn Rate Details (FY12/Q1)

<Mobile>

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

Churn Rate of Postpaid (FY12/Q1)  
<by history of handset upgrades>



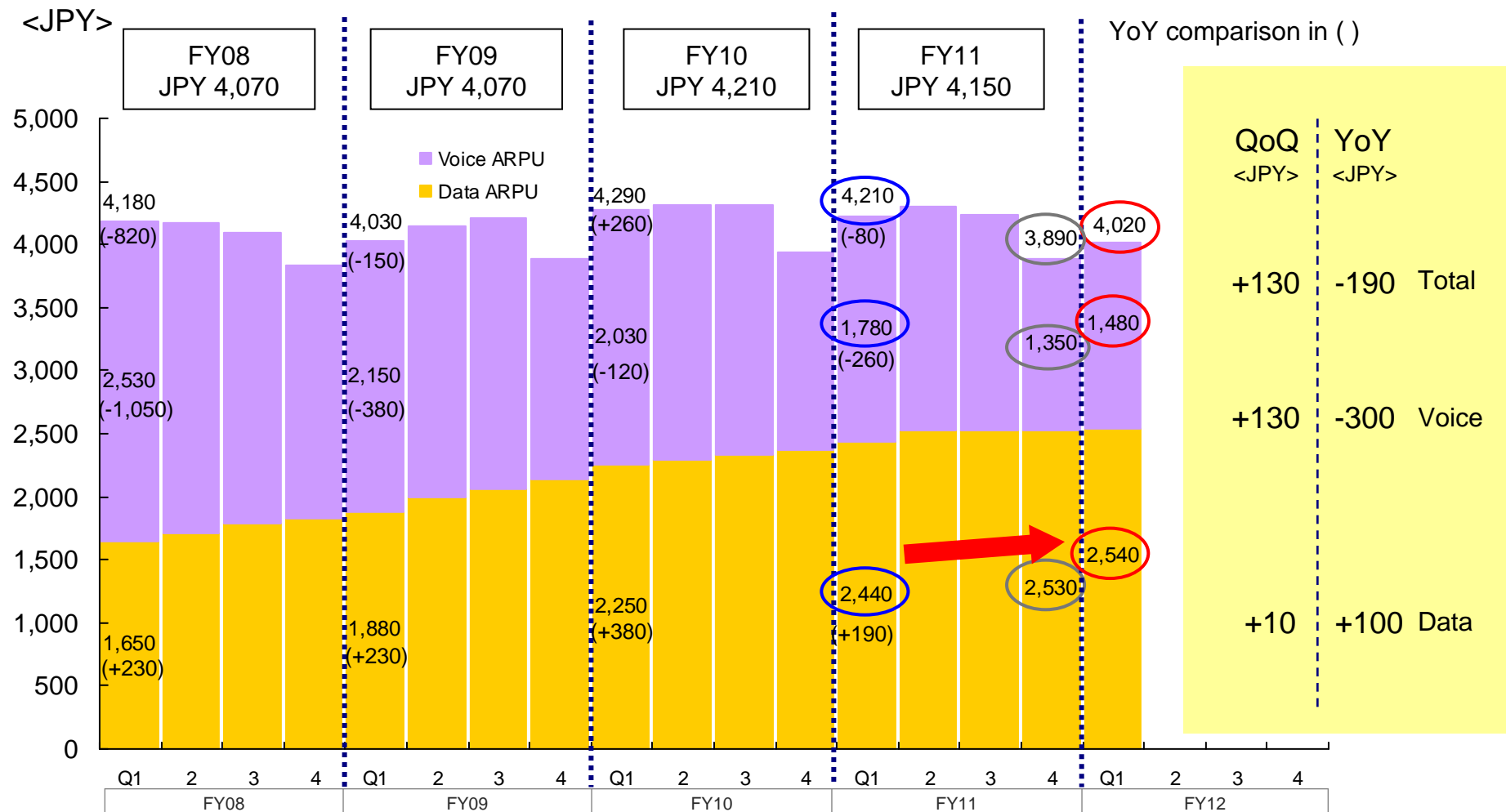
Note: 1. Churn rate (postpaid): calculated with communication module service subscribers and devices without voice communalization functionality included in the number of subscribers and churn.

2. SBM: SOFTBANK MOBILE

# ARPU (Average Revenue Per User)

<Mobile>

- QoQ: JPY +130, data JPY +10
- YoY: JPY -190, data JPY +100



Note: ARPU: Average Revenue Per User per month (rounded to the nearest JPY 10).

ARPU is discounted by Monthly Discounts (New Super Bonus Special Discount). For definition and calculation method of ARPU, refer to page 81.

# ARPU (Average Revenue Per User)

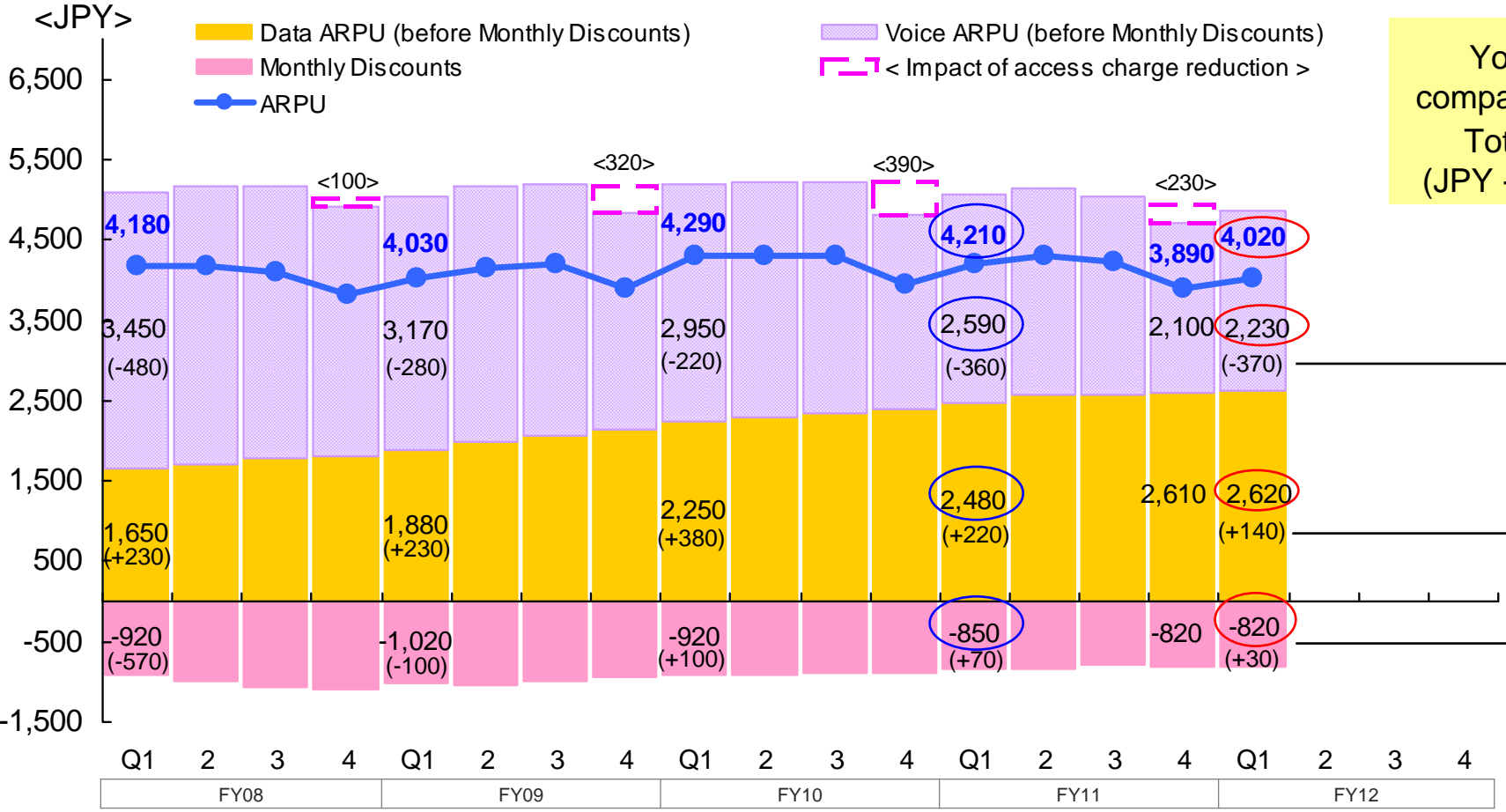
<Mobile>

➤ YoY (*Monthly Discounts* referred to separately)

Basic monthly charge plus voice: JPY -370, data: JPY +140  
 impact of *Monthly Discounts*: JPY +30.

YoY comparison in ( )

YoY comparison  
 Total  
 (JPY -190)

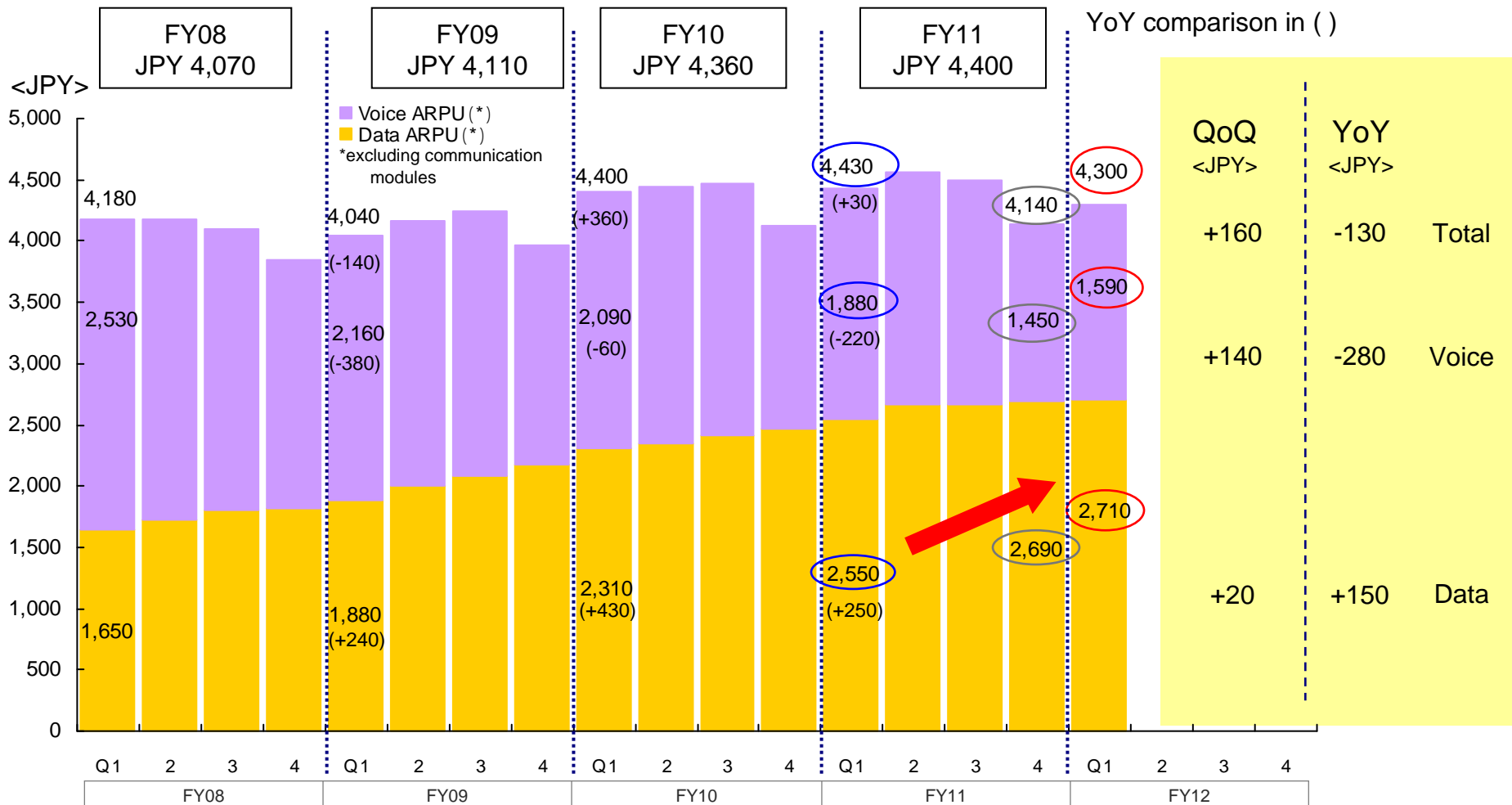


Note: ARPU: Average Revenue Per User per month (rounded to the nearest JPY 10).  
 ARPU is discounted by Monthly Discounts (New Super Bonus Special Discount). For definition and calculation method of ARPU, refer to page 81.



# (reference) ARPU (excluding communication modules) <Mobile>

- QoQ: JPY +160, data +JPY +20
- YoY: JPY -130, data +JPY +150



Note: ARPU: Average Revenue Per User per month (rounded to the nearest JPY 10).

ARPU is discounted by Monthly Discounts (New Super Bonus Special Discount). For definition and calculation method of ARPU, refer to page 81.

# Trend of SBM Telecom Service Revenue

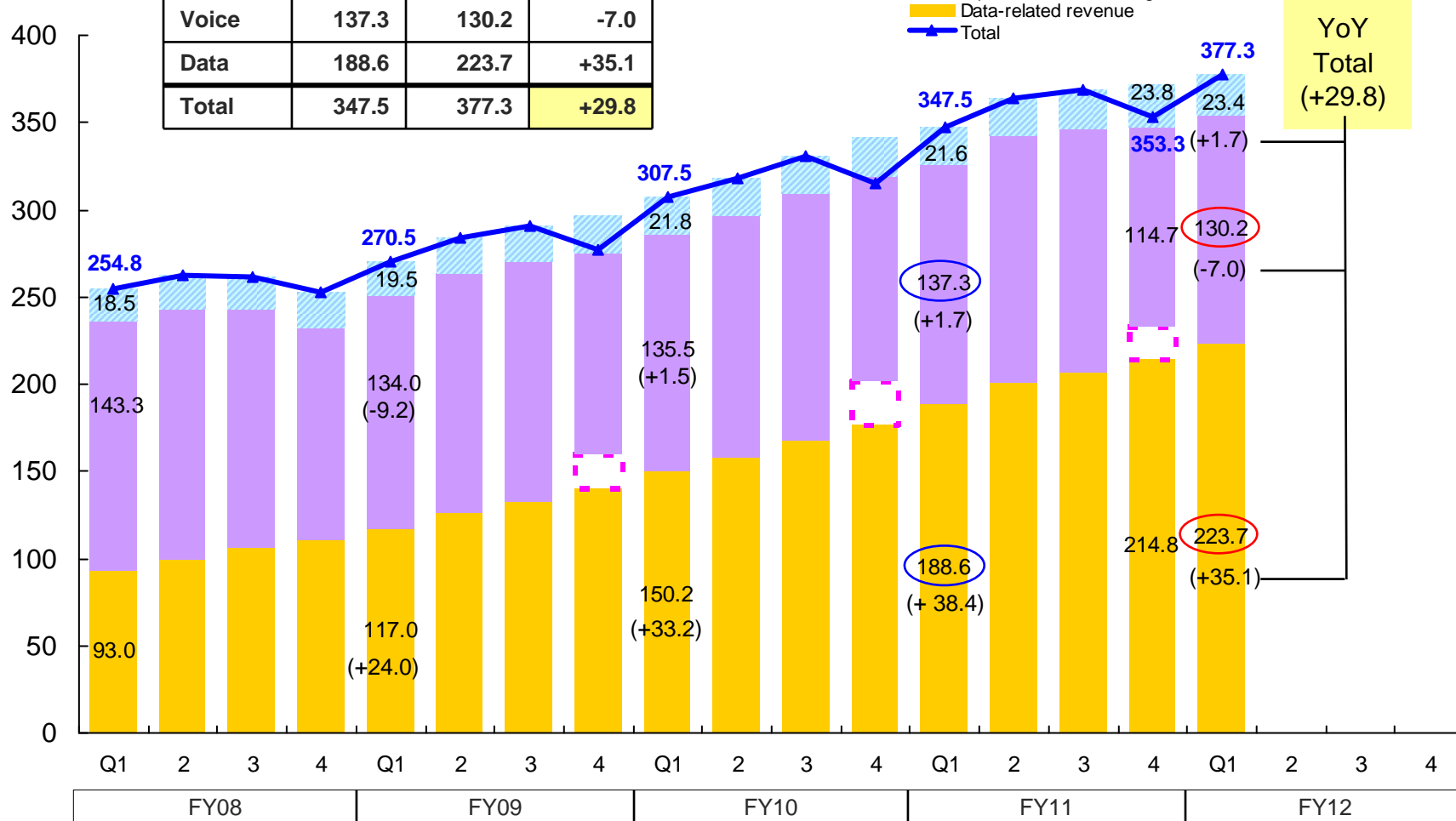
<Mobile>

➤ JPY 29.8bn increase YoY. Data growth (JPY 35.1bn) contributes significantly.

Revenue	FY11 Q1	FY12 Q1	Change
Other	21.6	23.4	+1.7
Voice	137.3	130.2	-7.0
Data	188.6	223.7	+35.1
<b>Total</b>	<b>347.5</b>	<b>377.3</b>	<b>+29.8</b>

YoY comparison in ( )

<bn JPY>

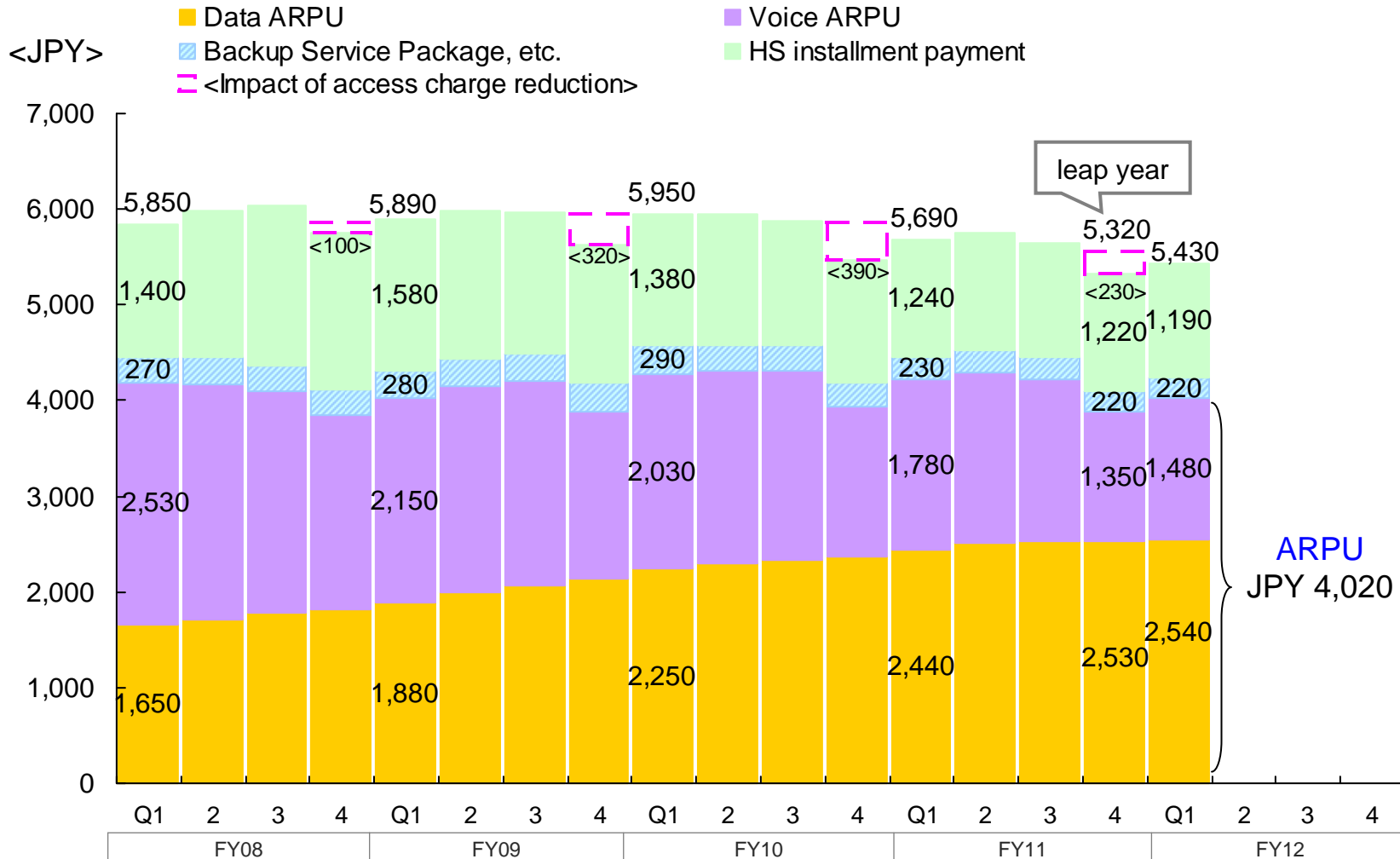


Note: voice related revenue consists of voice call charges, revenues from incoming calls, basic monthly charges, etc. Data related revenue consists of packet communication charges, etc.

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

<Mobile>

➤ Cash income per subscription decreasing slightly.



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

For definition and calculation method of ARPU, refer to page 81.

Impact of access charge reduction: indicates impact of reduction relating to revised access charges between operators (showing amount for twelve months as if reflected in one time)

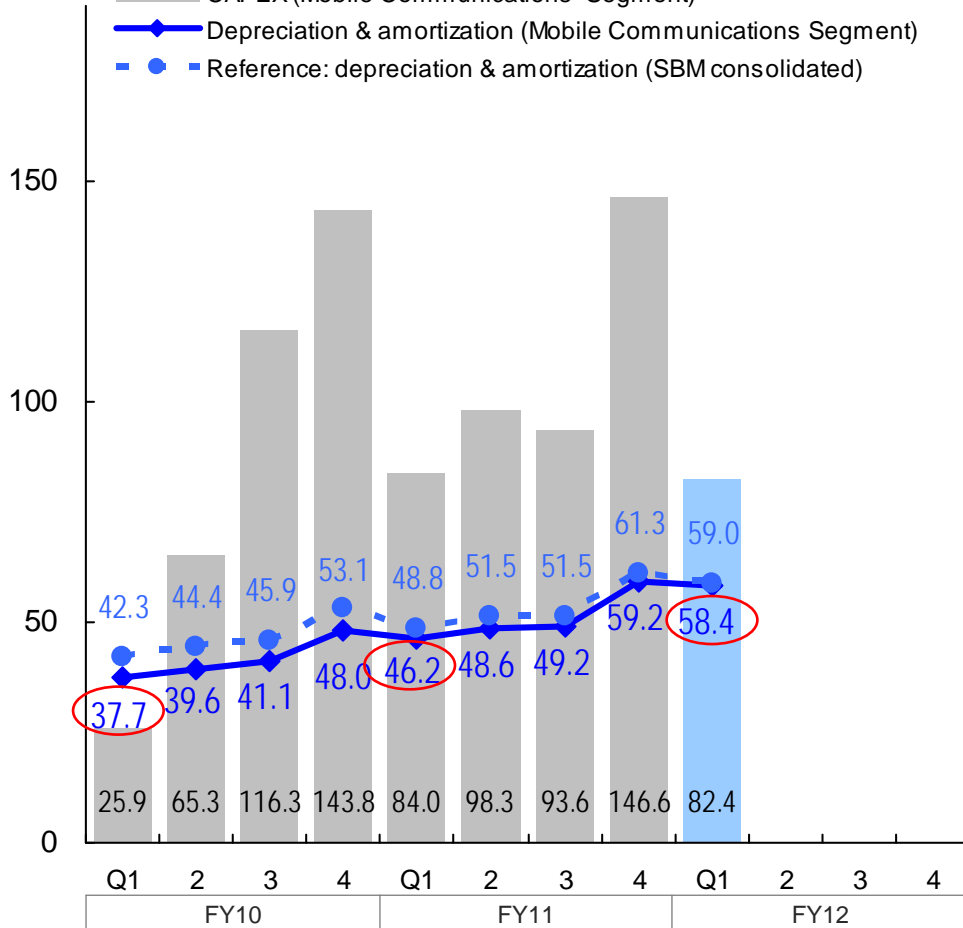
# CAPEX (acceptance basis)

<Mobile>

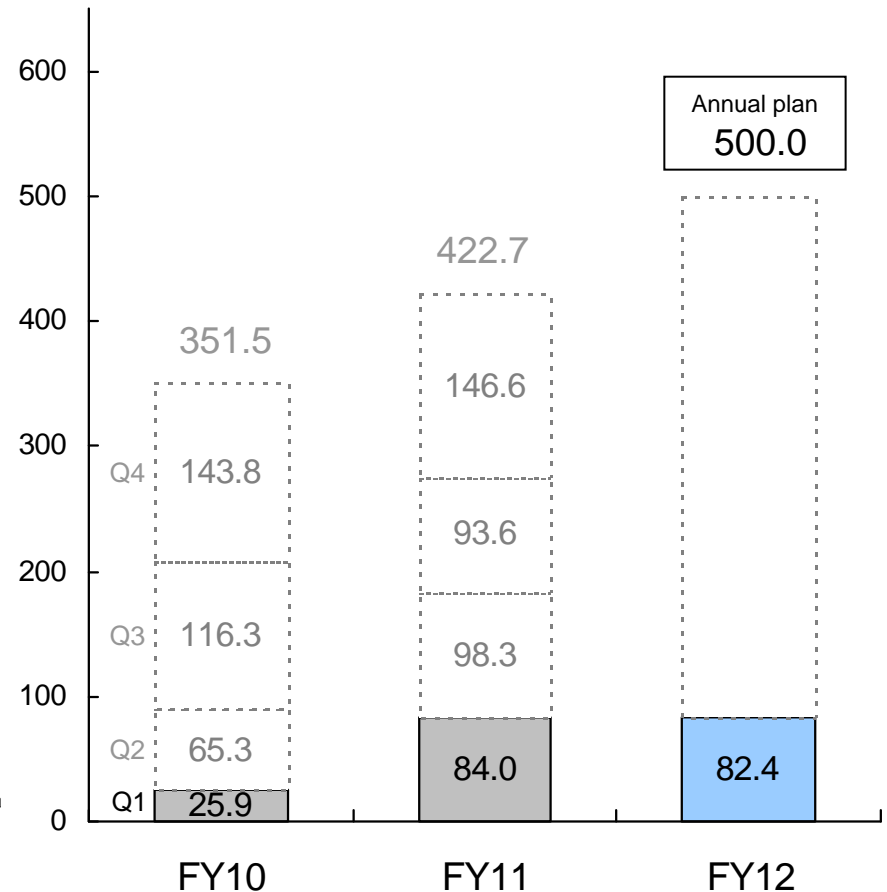
➤ Annual plan: JPY 500.0bn (Q1 16% completed), depreciation & amortization increasing trend.

CAPEX and Depreciation & Amortization (quarterly trend)

CAPEX (Mobile Communications Segment)  
 Depreciation & amortization (Mobile Communications Segment)  
 Reference: depreciation & amortization (SBM consolidated)



CAPEX (yearly trend) <bn JPY>



Note: From FY2011/ Q3, depreciation & amortization includes loss on disposal of fixed assets included in operating expenses.

Depreciation and amortization for the previous quarters has been reclassified and restated accordingly.

SBM: SOFTBANK MOBILE

# New Super Bonus Subscription Ratio

<Mobile>

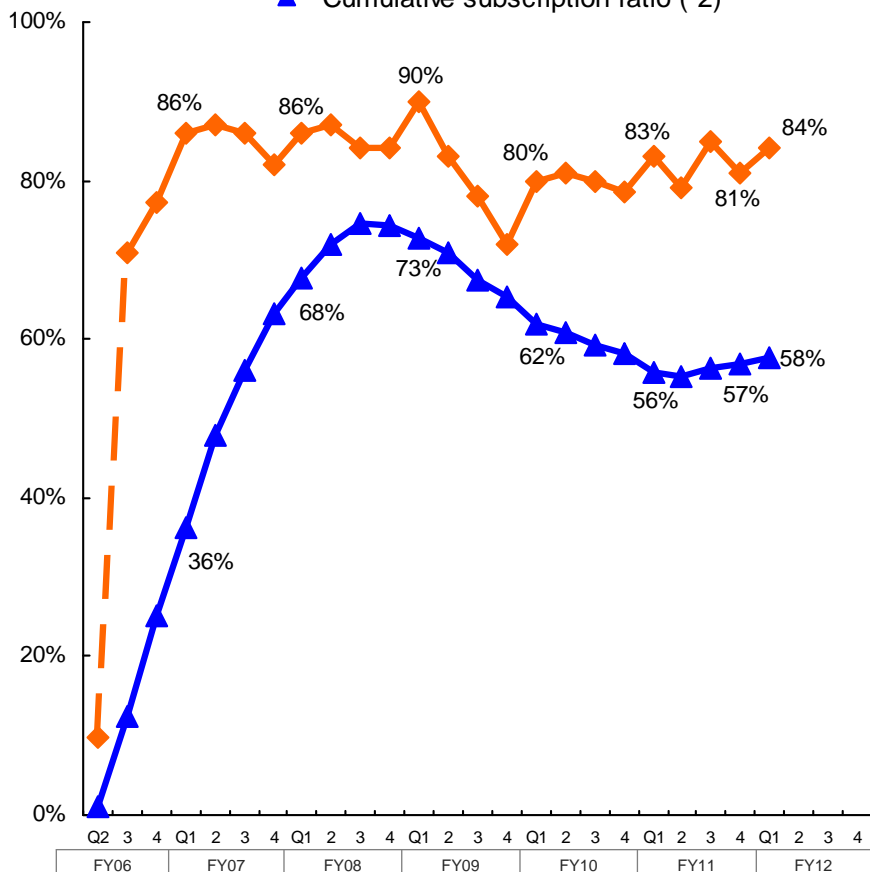
➤ Acquisitions subscription ratio stable around 80%.

➤ Continued sale of installment sales receivables. Receivables balance is declining.

## New Super Bonus Subscription Ratio

(includes Super Bonus)

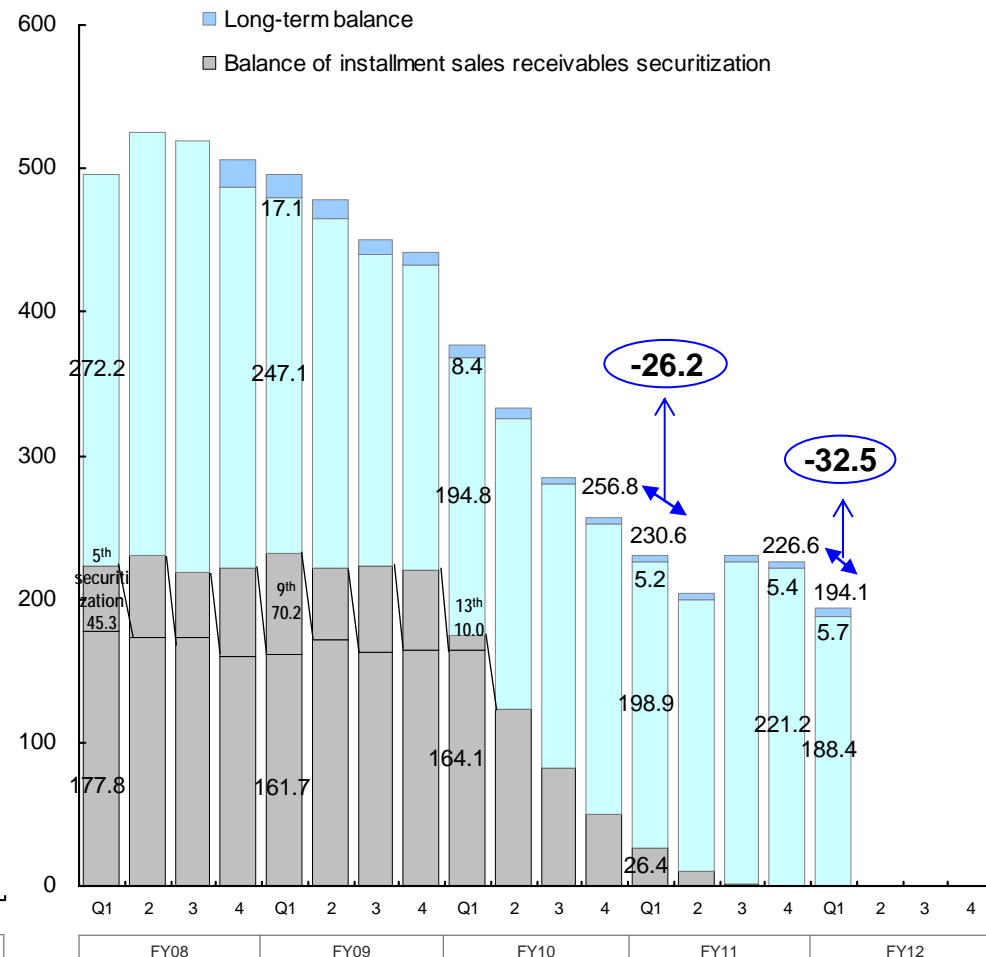
—◆— Acquisitions subscription ratio (\*1)  
—▲— Cumulative subscription ratio (\*2)



## Installment Sales Receivables Balance

<bn JPY>

■ Long-term balance  
■ Balance of installment sales receivables securitization



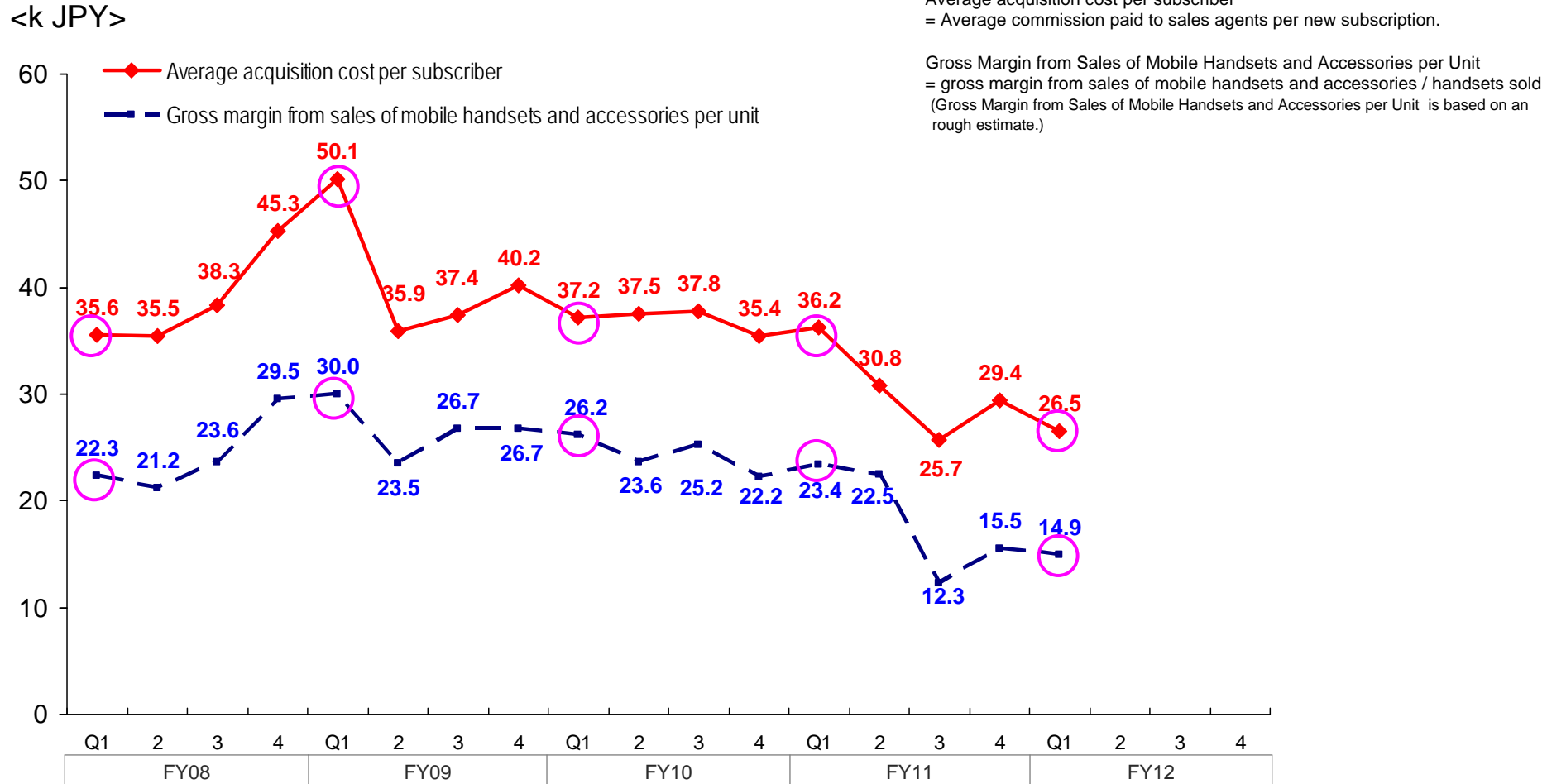
\*1 Acquisitions subscription ratio: ratio of New Super Bonus subscribers to postpaid subscribers (new/ upgrade)

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

# Average Acquisition Cost per Subscriber

## Gross Margin from Sales of Mobile Handsets and Accessories <Mobile>

➤ Decline due to increased proportion of handsets sold with lower cost of % of sales.



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

# Improvement in Management Efficiency

<Mobile>

➤ Inventory lowest level ever.

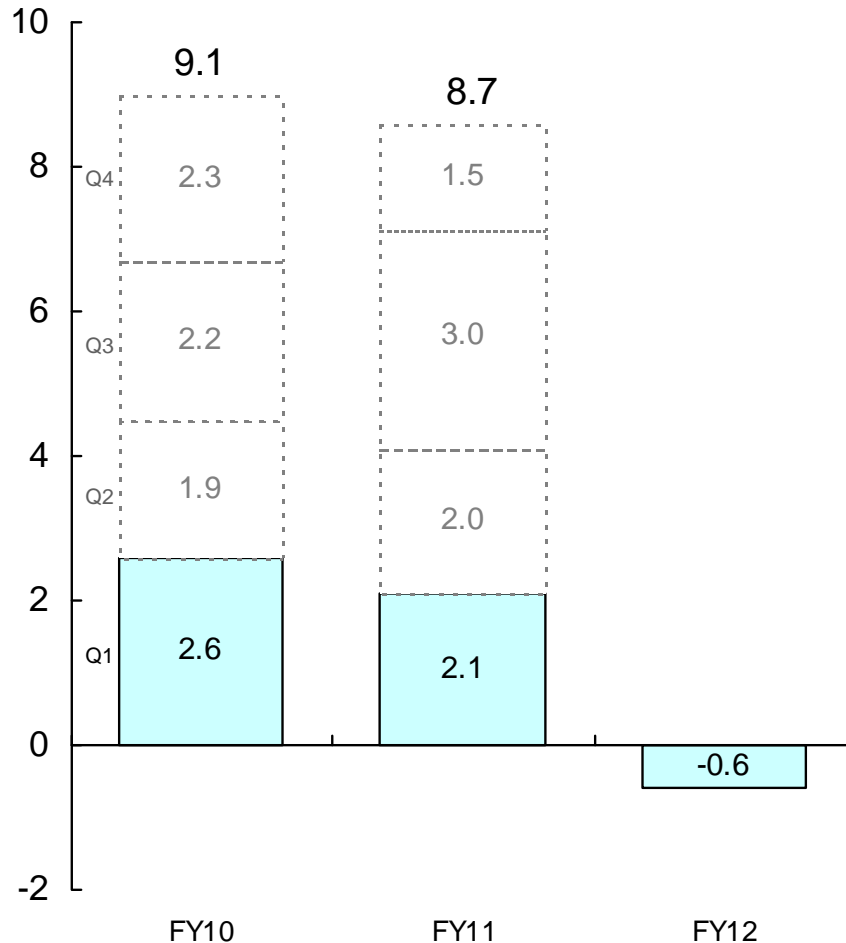
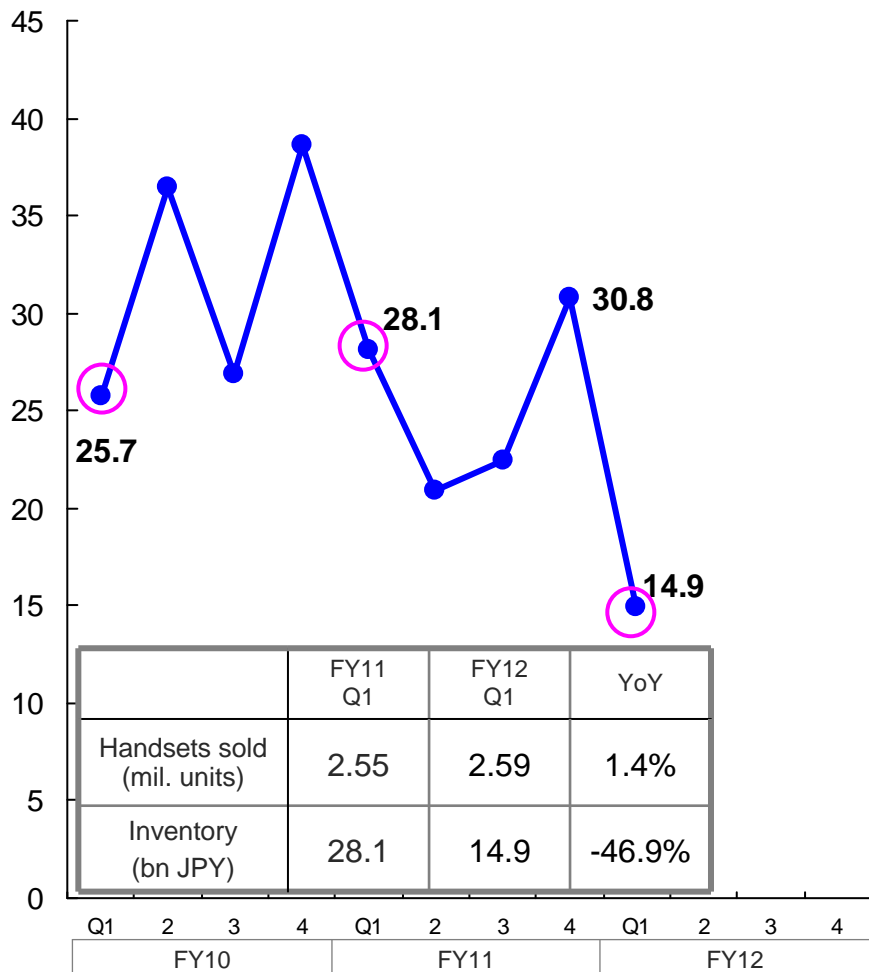
➤ Influenced by reversal of allowances.

SBM Inventory (on B/S)

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

<bn JPY>

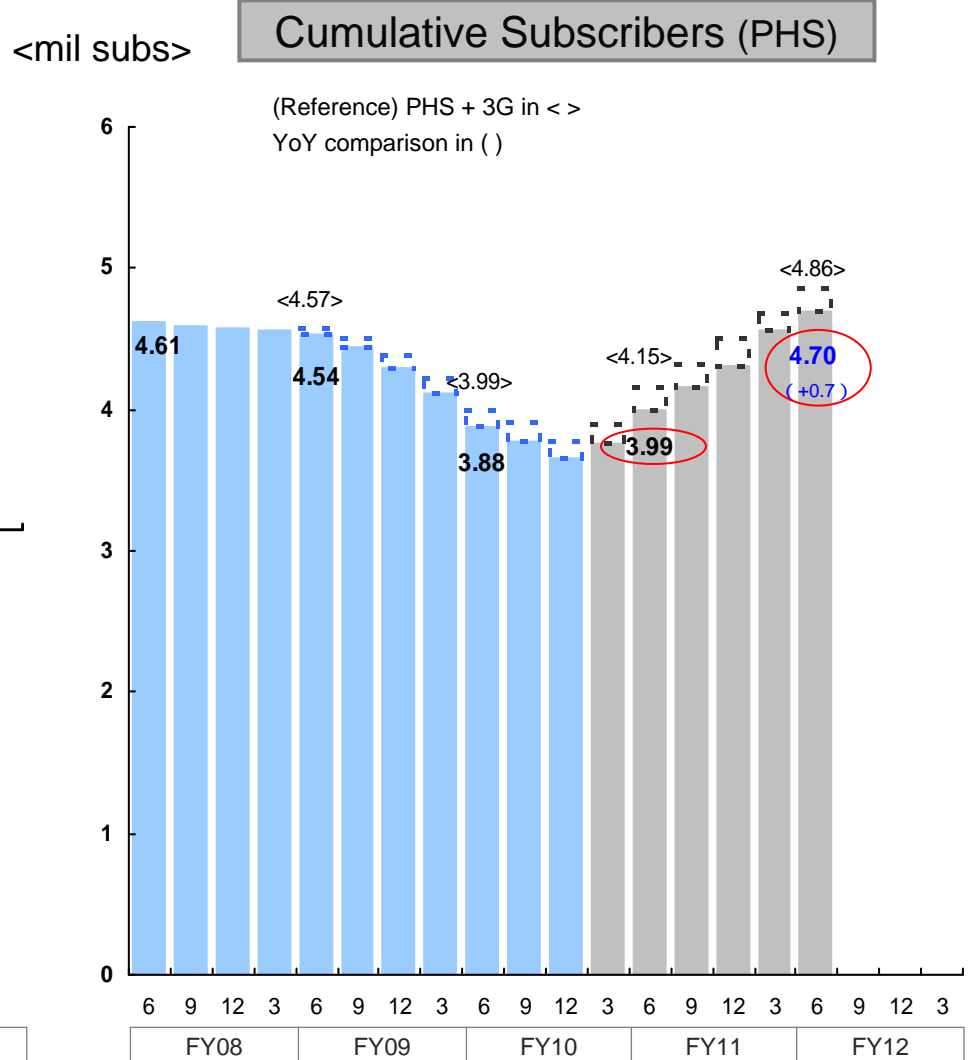
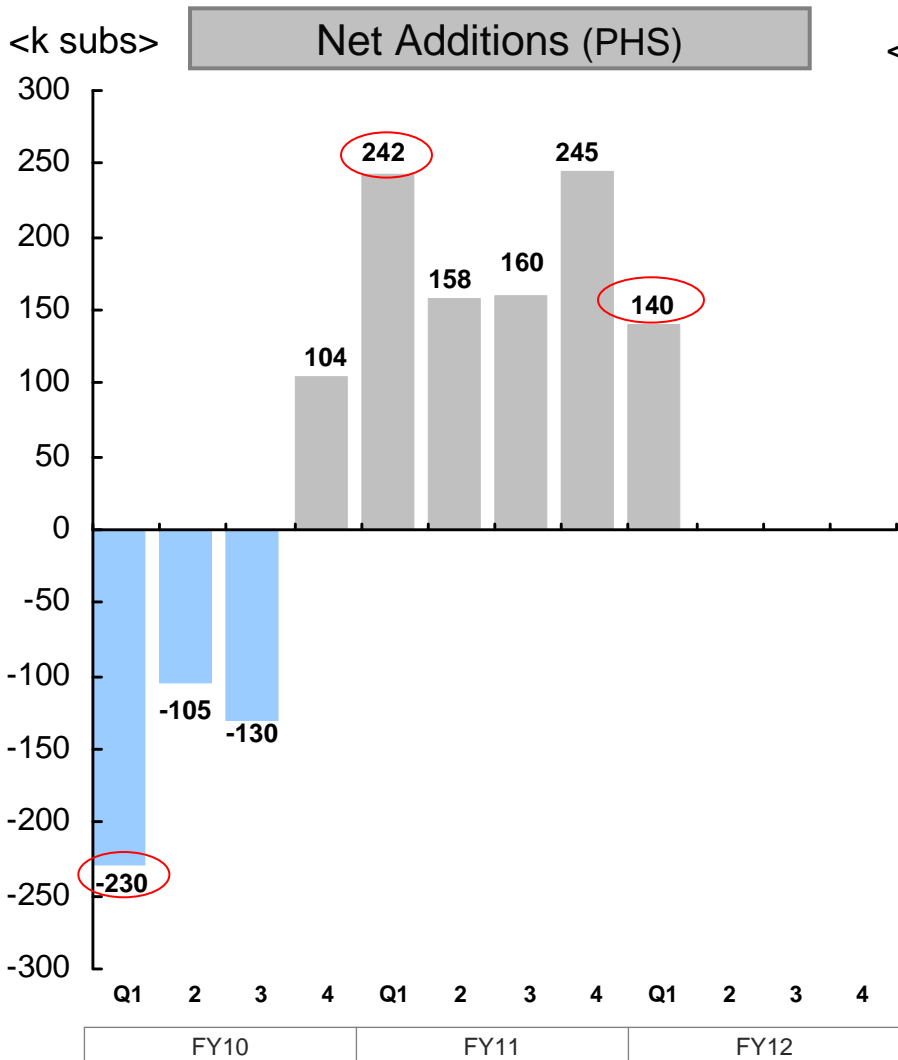
<bn JPY>



# (Reference) Number of Subscribers of Willcom (quarterly net additions/cumulative)

<Mobile>

➤ Net additions in Q1 marked 140k. Cumulative subs 4.7mil (+700k YoY).





# Definition and Calculation Method of ARPU, etc., in the Mobile Communications Business

<Mobile>

## 1. Definition and calculation method of ARPU

ARPU (Average Revenue Per User per month) (rounded to the nearest ¥10)

ARPU = (voice related revenue + data related revenue) / number of active subscribers  
= voice ARPU + data ARPU

ARPU (excluding communication modules) = (voice-related revenue + data-related revenue - communication modules-related revenue)  
/ number of active subscribers (excluding communication modules)

Voice ARPU = voice related revenue (such as voice call charges, basic monthly charges, revenues from incoming calls)  
/ number of active subscribers

Data ARPU = data related revenue (such as packet communication charges) / number of active subscribers

Number of active subscribers: total of monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).

Number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules and devices that do not have voice communication functionalities.

Number of active subscribers used in the calculation of ARPU (excluding communication modules) excludes communication modules.

Revenues from incoming calls: access charges received from other operators for voice calls from their customers on their network to SoftBank mobile phones as a charge for the services provided in the SOFTBANK MOBILE Corp. service area.

## 2. Definition and calculation method of churn rate

Churn rate in Mobile Communications = churn / number of active subscribers (rounded off to the nearest 0.01%)

Churn = total number of subscribers that churned during the relevant period

Number of active subscribers: total of monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).

Number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules and devices that do not have voice communication functionalities.

## 3. Definition and calculation method of upgrade rate

Upgrade rate in Mobile Communications = number of upgrades / number of active subscribers (rounded off to the nearest 0.01%)

Number of upgrades = total number of upgrades during the relevant period

Number of active subscribers: total of monthly numbers of active subscribers for the relevant period ((subscribers at the beginning of the month + subscribers at the end of the month)/2).

Number of active subscribers is based on SOFTBANK MOBILE Corp.'s cumulative subscribers including prepaid mobile phones, communication modules and devices that do not have voice communication functionalities.



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