

# **Earnings Results for the 9-month Period Ended December 31, 2014**

**February 10, 2015  
SoftBank Corp.**

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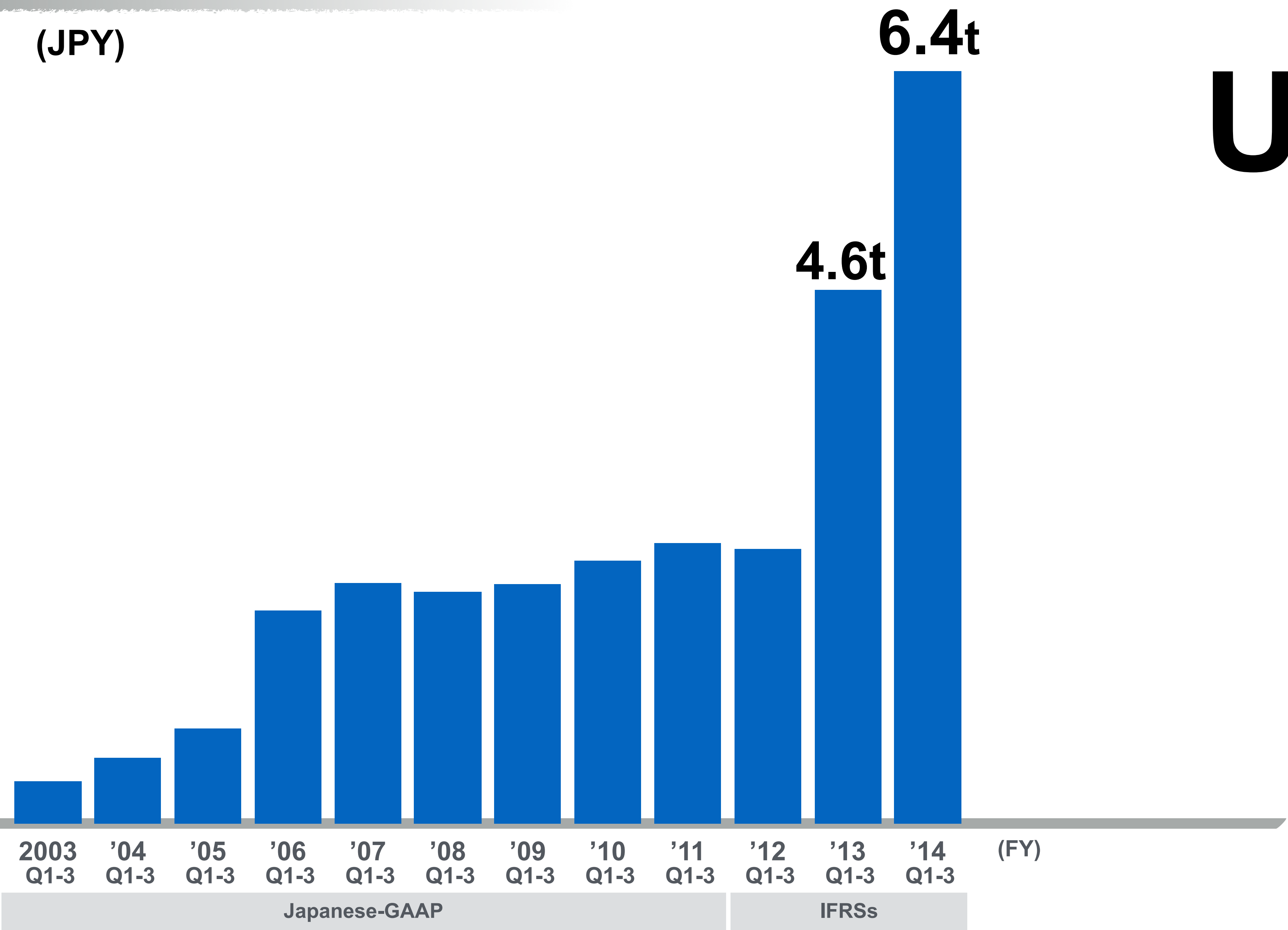
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# Consolidated Results of Operations

# Net Sales

(JPY)

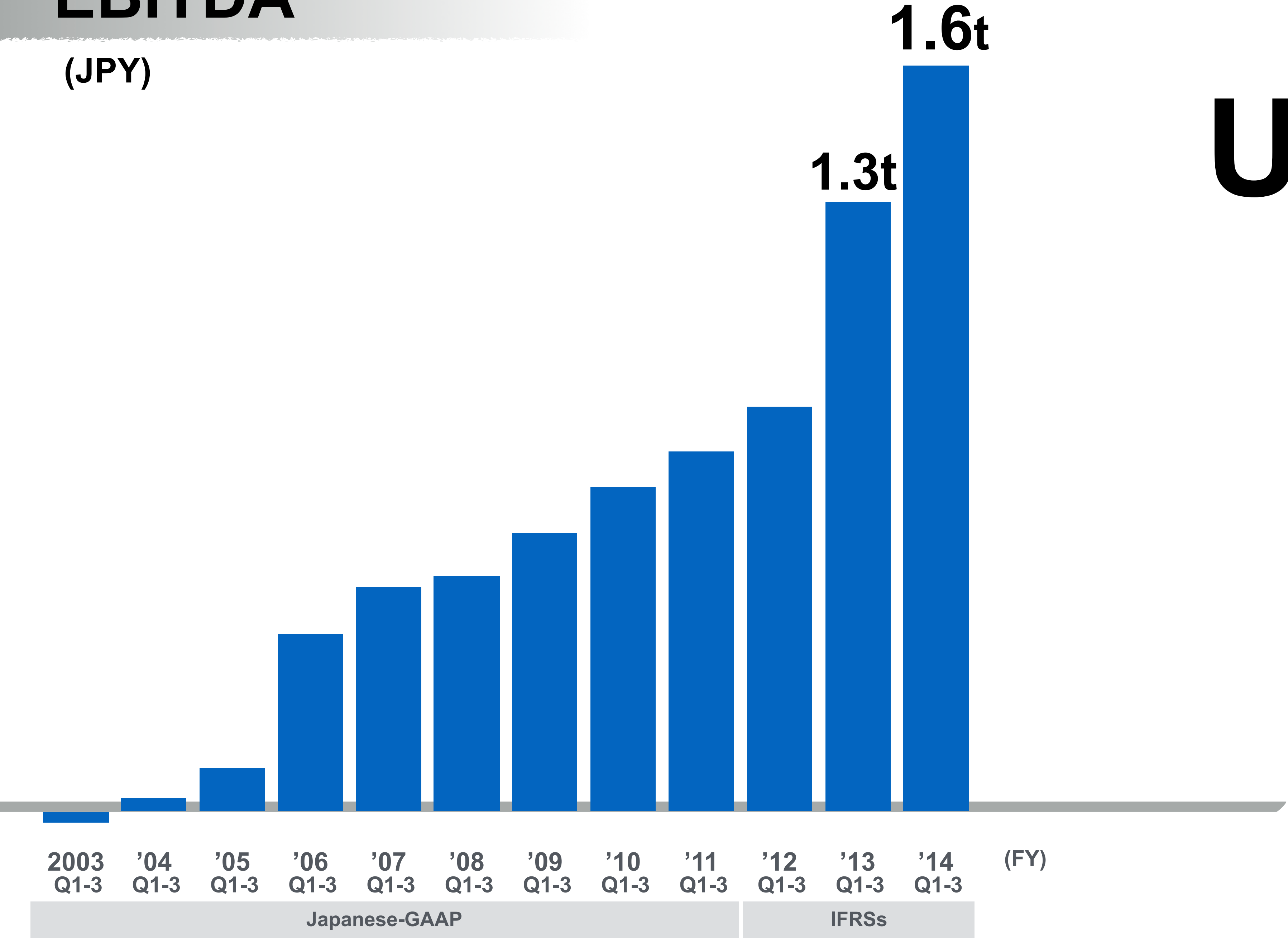
Up 41%  
YoY



# EBITDA

(JPY)

Up 22%  
YoY



# EBIT

(Operating income)

(JPY)

Temporary gains from consolidation of  
GungHo, WILLCOM, etc.

940.6bn

248.6bn

788.0bn

Down 16%

|      |      |      |      |      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2003 | '04  | '05  | '06  | '07  | '08  | '09  | '10  | '11  | '12  | '13  | '14  | (FY) |
| Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 |      |

Japanese-GAAP

IFRSs

# EBIT

(Operating income)

(JPY)

Temporary gains from consolidation of  
GungHo, WILLCOM, etc.

940.6bn

248.6bn

788.0bn

692.0bn

Up 14%

excluding temporary gains

|      |      |      |      |      |      |      |      |      |      |      |      |      |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2003 | '04  | '05  | '06  | '07  | '08  | '09  | '10  | '11  | '12  | '13  | '14  | (FY) |
| Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 | Q1-3 |      |

Japanese-GAAP

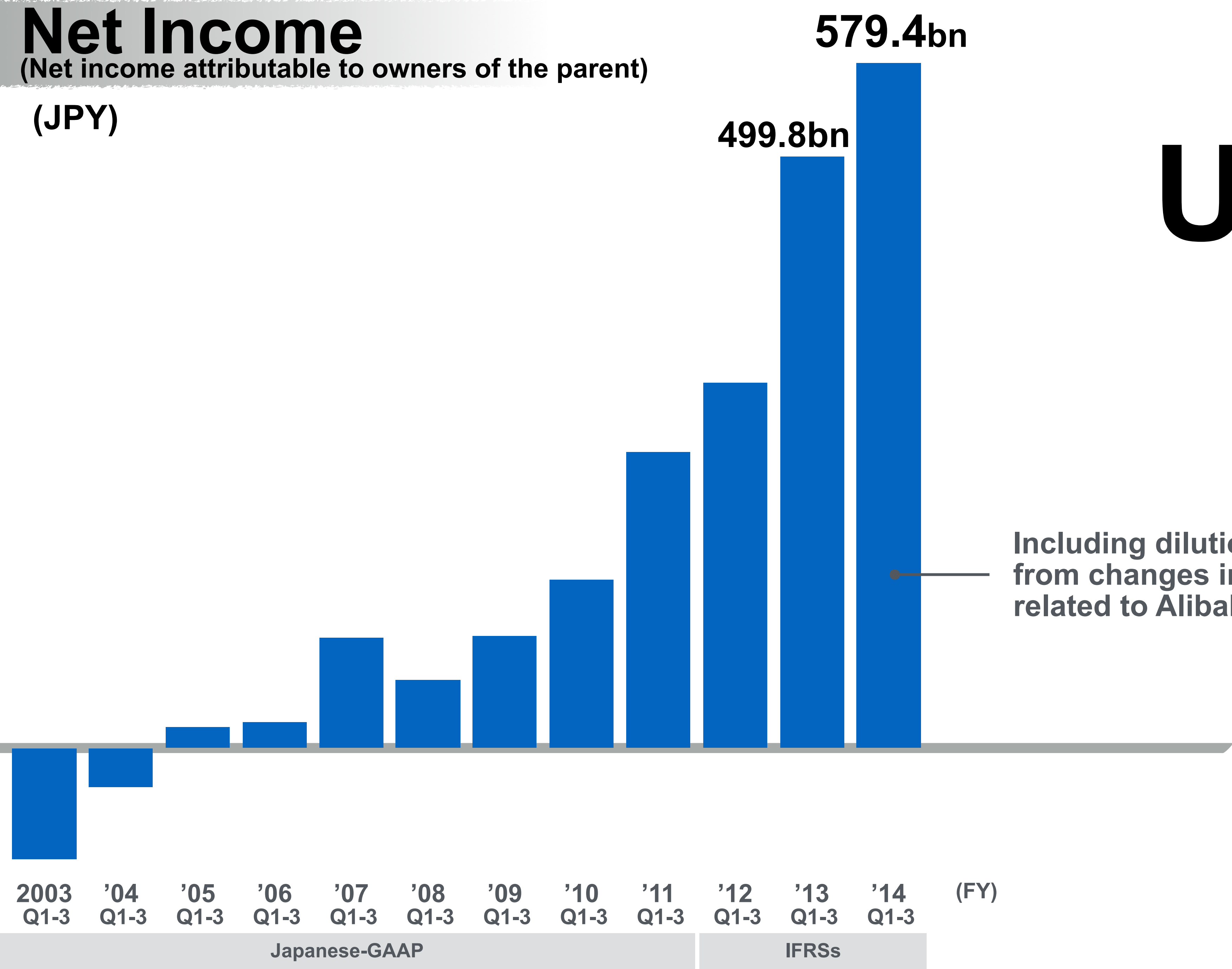
IFRSs

# Net Income

(Net income attributable to owners of the parent)

(JPY)

Up 16%  
YoY





# Summary of Consolidated Operation Results

(JPY)

|                                  | FY13/Q1-3 | FY14/Q1-3 | Change      | YoY  |
|----------------------------------|-----------|-----------|-------------|------|
| Net sales                        | 4,561.7bn | 6,431.2bn | + 1,869.5bn | 141% |
| EBITDA                           | 1,316.0bn | 1,609.7bn | + 293.7bn   | 122% |
| EBIT<br>(Operating income)       | 940.6bn   | 788.0bn   | - 152.6bn   | 84%  |
| *excluding<br>temporary<br>gains | 692.0bn   | 788.0bn   | + 96.0bn    | 114% |
| Net income                       | 499.8bn   | 579.4bn   | + 79.6bn    | 116% |

\*Excluding temporary gains from consolidation of GungHo, WILLCOM, etc. (JPY 248.6bn) in Q1-3 FY2013.

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# FY2014 Forecast

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**Net sales**

**JPY 8t**

**EBITDA**

**approx. JPY 2t**

**EBIT**  
(Operating income)

**JPY 900bn**

# SoftBank Business Domains



**Communications**



**Internet**

# SoftBank Business Domains



**Communications**



**Internet**

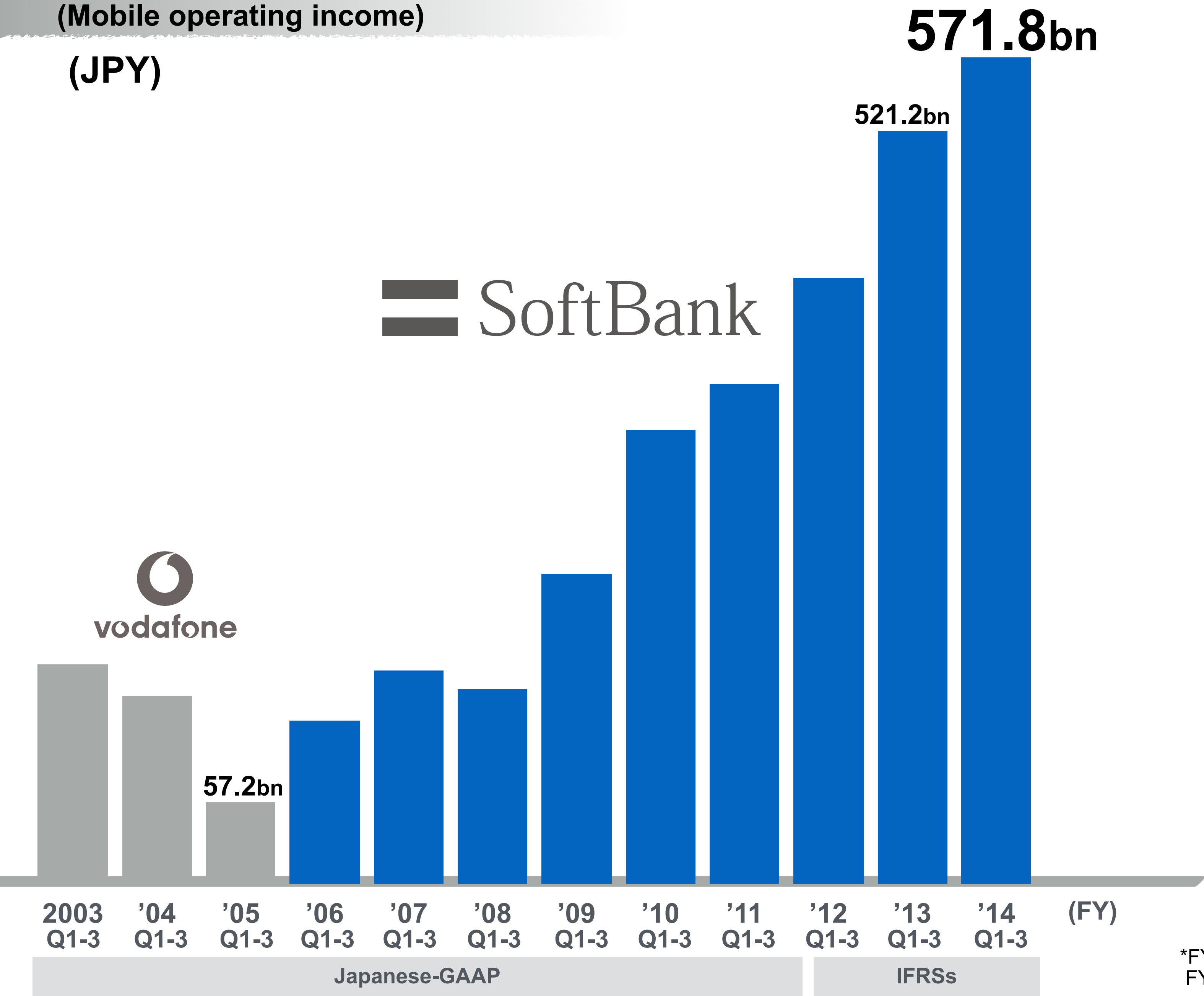
# Mobile EBIT

(Mobile operating income)

(JPY)

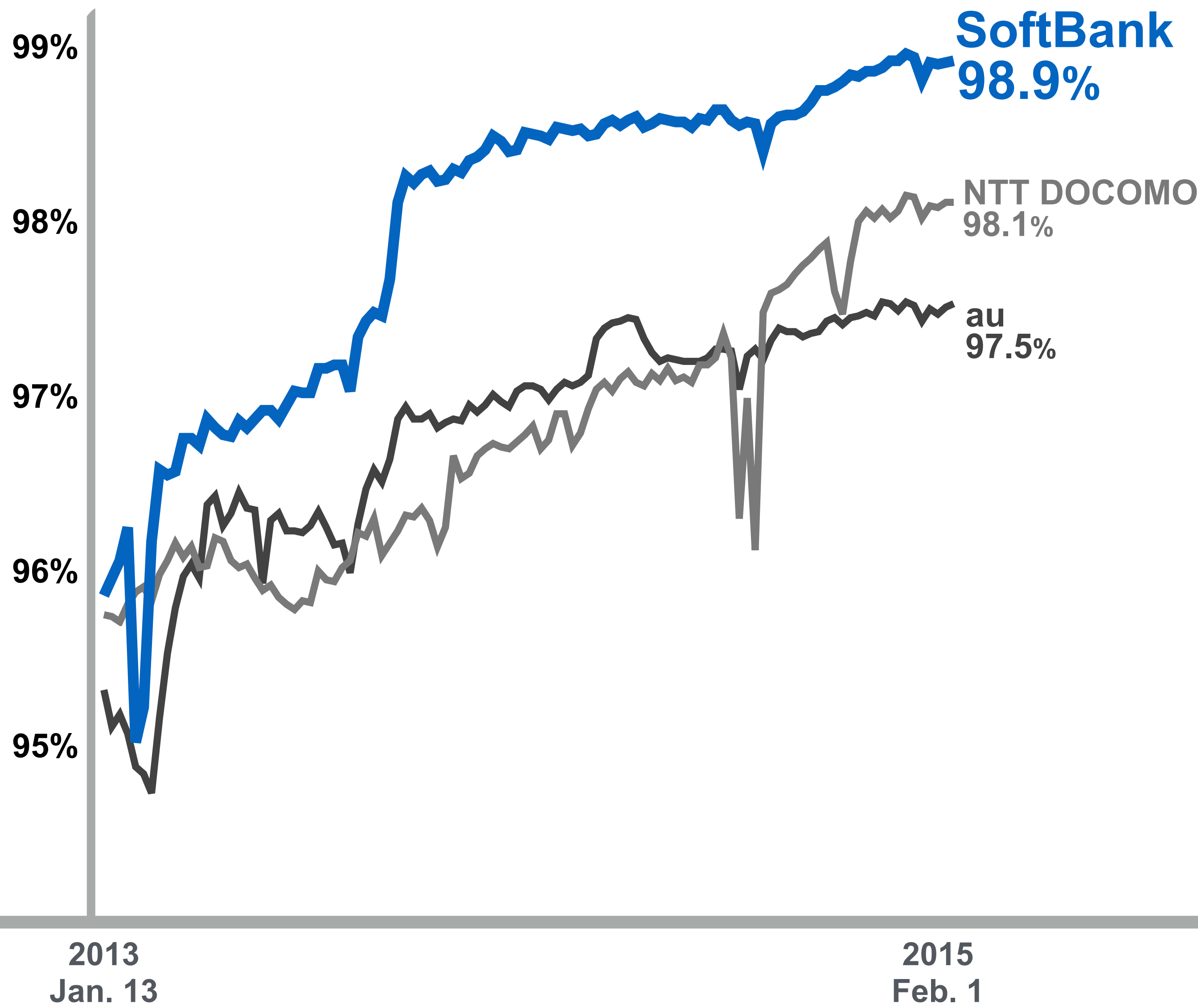
SoftBank

10x  
in 9 years



\*FY2006-2011: operating income of Mobile Communications business  
FY2012-2014: segment income of Mobile Communications business

# Smartphone Data Connectivity



**Smartphone  
connectivity  
No.1**

\*Statistics analyzed by Agoop Corp. Platinum band-compatible smartphone data connection: total 120,000 platinum band-compatible smartphones (40,000 for each operator) were randomly selected for analysis. Analysis data was collected through the Disaster Alert app (by Yahoo Japan) and Ramen Checker app (by Agoop).

# Smartphone data communications speed No.1



(Nationwide downlink speeds / Analysis of 3.60mil data logs)



SoftBank

**20.7**  
Mbps

au

**17.0**  
Mbps

NTT DOCOMO

**16.1**  
Mbps

(Source) Agoop "Analysis of Data Communications Speed of Smartphones" (Dec. 31, 2014)

Data collected from Oct. 1, 2014 to Dec. 31, 2014 nationwide.

Analysis of approx. 7.2mil (3.6mil for download speeds, 3.6mil for upload speeds) data of communication speed collected through the Network Connection Checker and Speed Checker apps (by Agoop) on total 61,000 smartphones in approx. 20,000 areas

Analytical conditions: within 500m x 500m areas that obtained data logs for all 3 operators.



**MIZUHO** ×  SoftBank

**Jointly promote  
work style revolution**

**20,000+** iPads introduced  
**SB innovation know-how**





# Android Units Sold

= SoftBank + **Y!mobile**

Up 63% YoY



Oct. - Dec. 2013

Oct. - Dec. 2014



Total of SoftBank Mobile and Ymobile (new subscriptions & handset upgrades)



# Y! mobile

## Newly sold Android™ units

# No.1

\*Mobile phones for the Aug. - Jan. 2015 period. Android OS  
Share of units by operator within new subscriptions  
Total of nationwide electronics retail stores GfK Japan research



# Smartphone & Internet Bundle Discount

家族はトクした  
ほうがいい。



**Discount on mobile monthly  
usage charge when  
combined with fixed-line**

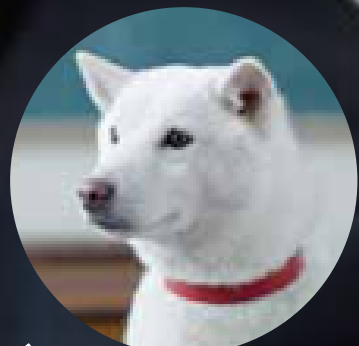
**Max. JPY 2,000 discount/line**

\*Applicable to customers subscribing to SoftBank mobile phones and fixed-line services designated by SoftBank who apply to Smartphone & Internet Bundle Discount. Cannot be combined with certain services. Refer to SoftBank Mobile's website for details.





25歳までに、  
じつは人生  
いろいろ決まる。



白戸次郎 (17 歳)



お子様が25歳まで、家族も  
ず———っとおトク!

家族の学割  
25



樋口正子 (17 歳)

当キャンペーンの適用には、加入必須のサービスがあります。家族は他社からのりかえの場合。  SoftBank

# 家族の学割

Student Discount with Family

Family members of children ages  
**25 and under**

**JPY 540 discount/month  
& 1GB extra**

Customers aged 25 and under

**TSUTAYA CD rental  
substantially half-price etc.**

\*When subscribing to Smartphone Flat-rate. Privileges apply to both family members & child until the month the child reaches the age of 26. In case of a new subscription (non-MNP) the discount for family members is limited to 2 years. Refer to SoftBank Mobile's website for details.



# Agreement on Development of Japanese-enabled IBM *Watson*

IBM × = SoftBank

**Jointly create**  
**the cognitive technology market**



 **SoftBank**  
SoftBank Mobile Corp.

 **SoftBank**  
SoftBank BB Corp.

 **SoftBank**  
SoftBank Telecom Corp.

 **Y!mobile**  
Ymobile Corporation

**Merger**  
April 1, 2015 (plan)

**SoftBank Mobile Corp.**

**Further growth & efficiency**



# Impairment Loss

**USGAAP**  
(Sprint)

**USD 2.13bn**

**IFRSs**  
(SoftBank)

**None**



# Difference in Recognition of Impairment Loss

(Consider following for each CGU)

## USGAAP (Sprint)

Impairment test on  
individual assets  
and lower level  
asset groupings

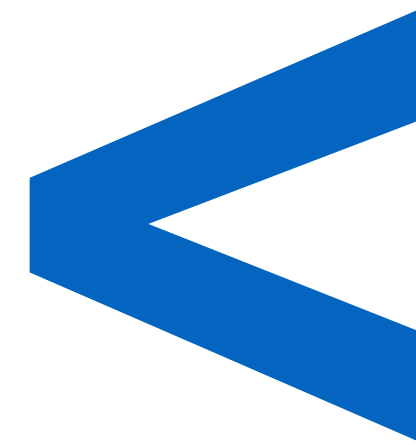
## IFRSs (SoftBank)

Impairment  
test on  
total of assets

**IFRSs**

# Impairment test result

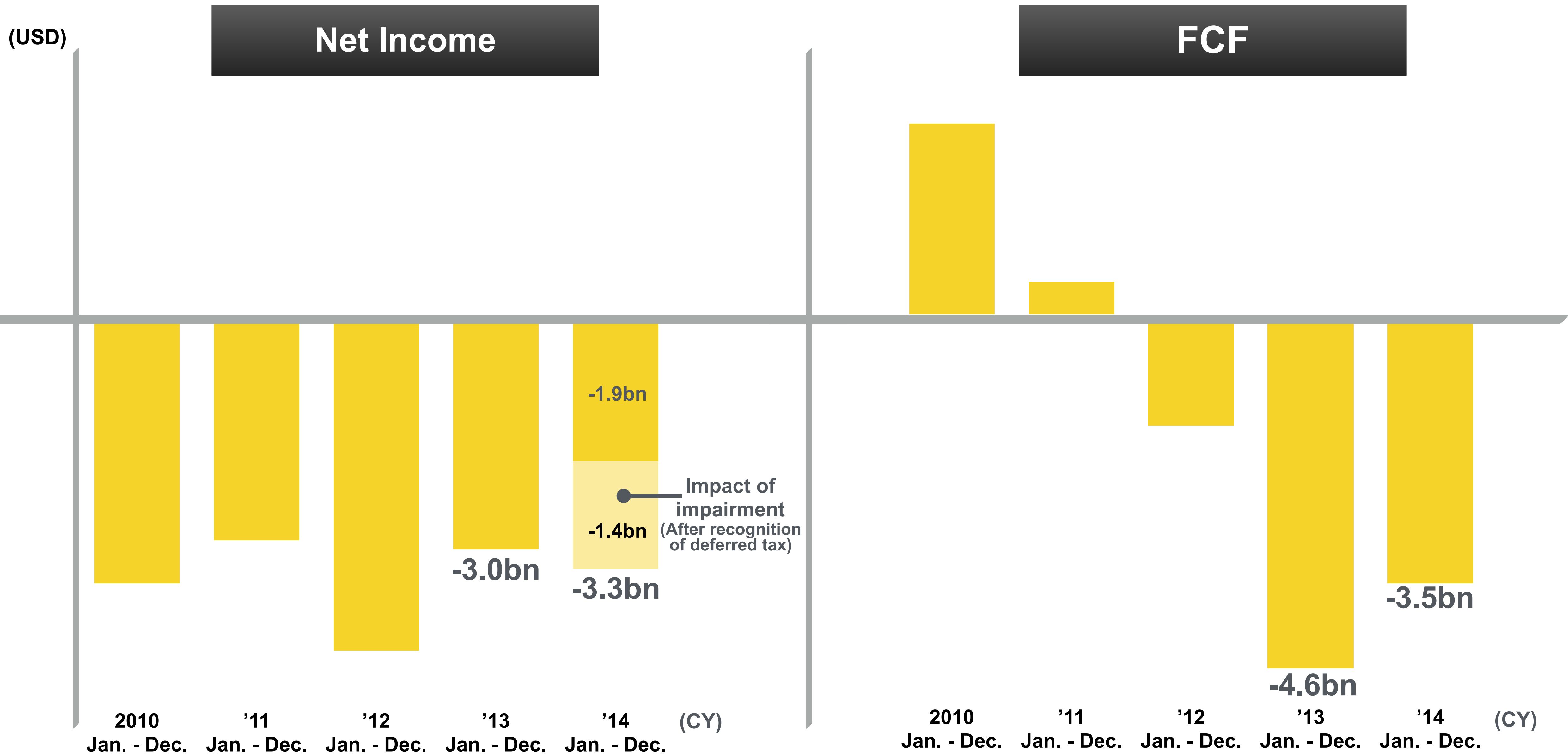
**Net assets  
carrying amount**



**Recoverable  
amount**

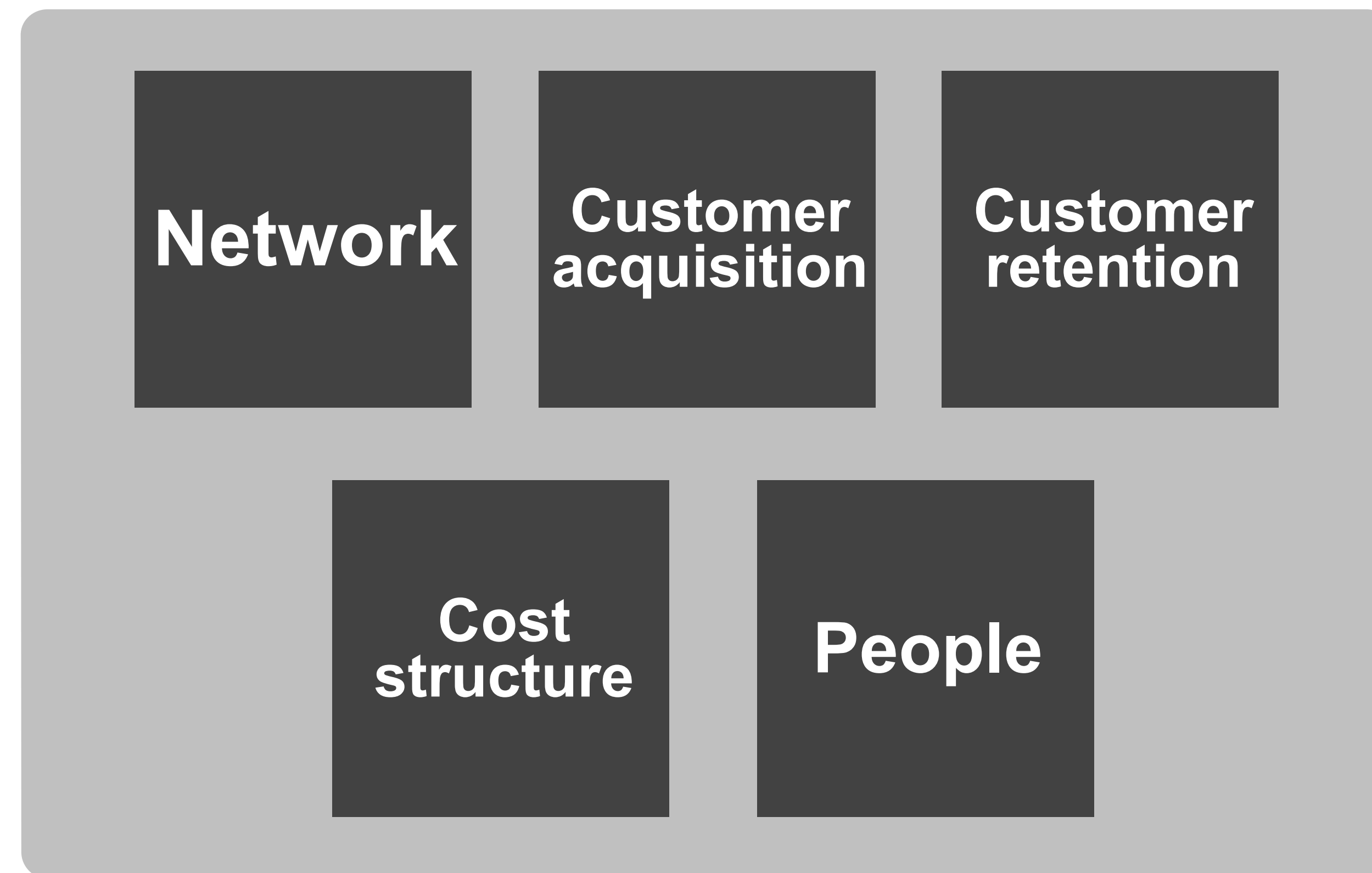
**[ (1) Share price\*  
(2) DCF-debt ] → Whichever is  
higher**

# No impairment



\*Combined consolidated USGAAP results presented to be consistent with Sprint's public disclosure and presentation of FY14 Q3 results.  
Cash flows from operating activities + cash flows from investing activities (less acquisition related outlays and short-term investments)

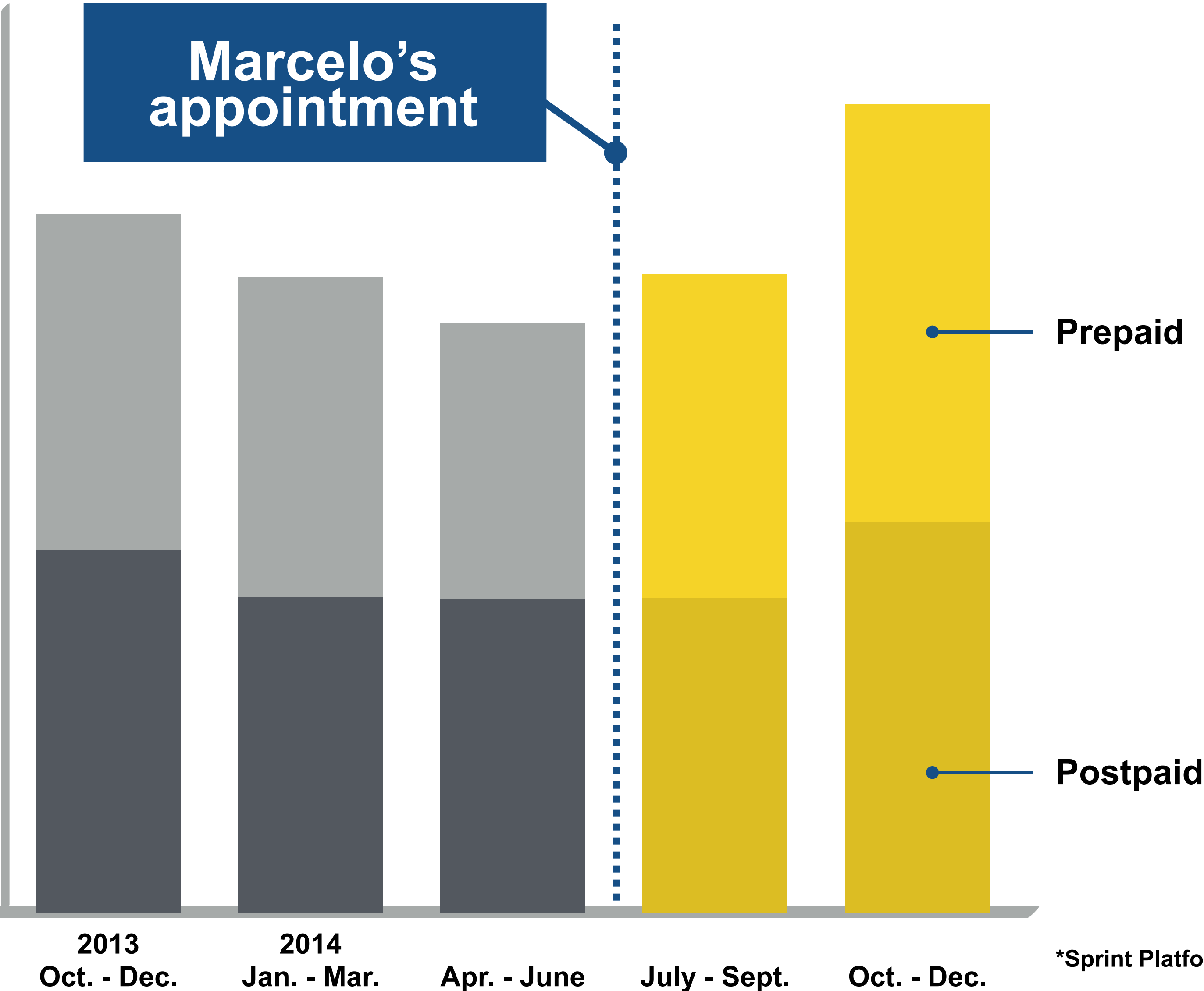
# Status after Marcelo's appointment



**Improve customer experience**



# Gross Additions (postpaid & prepaid)



Highest ever



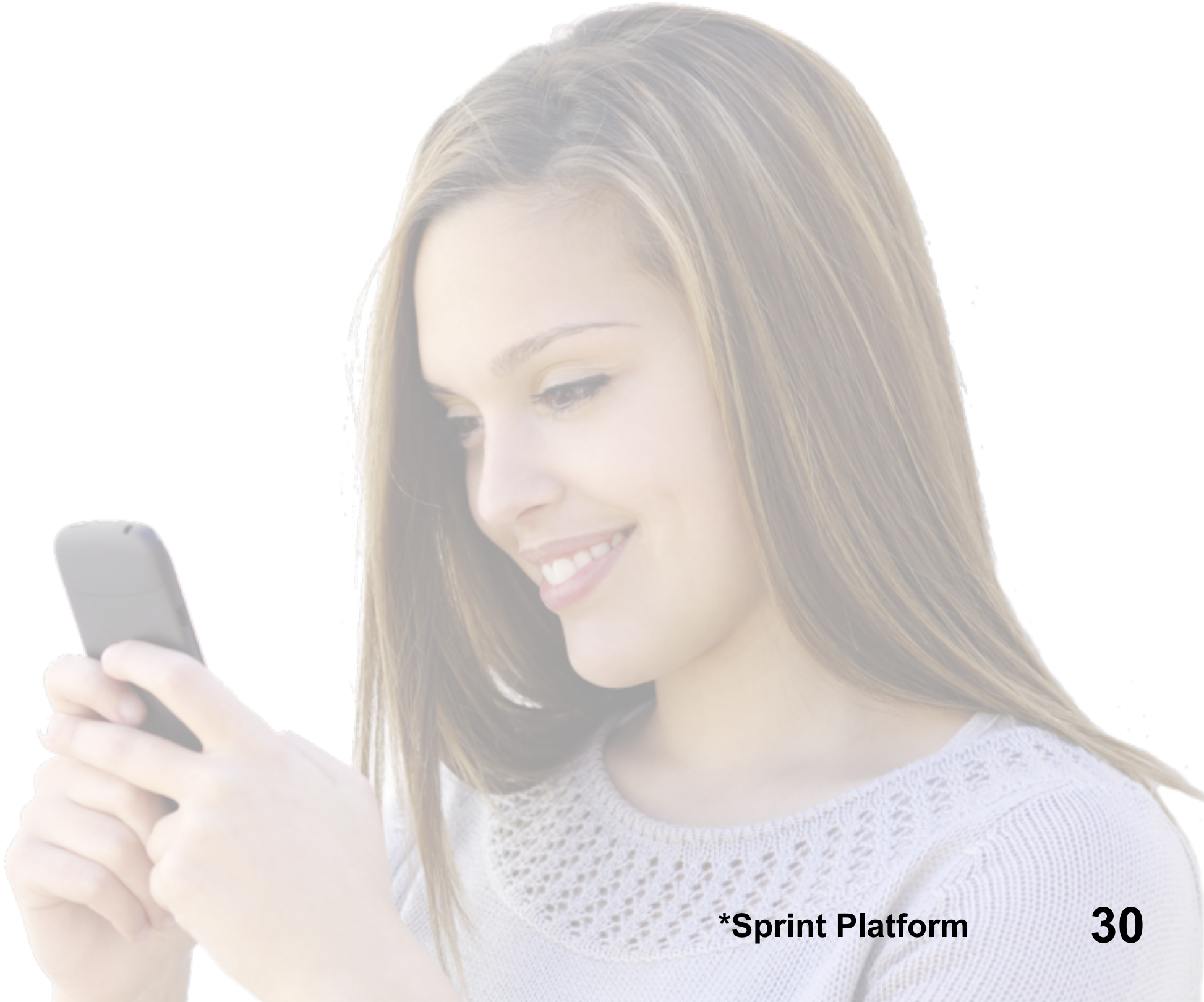
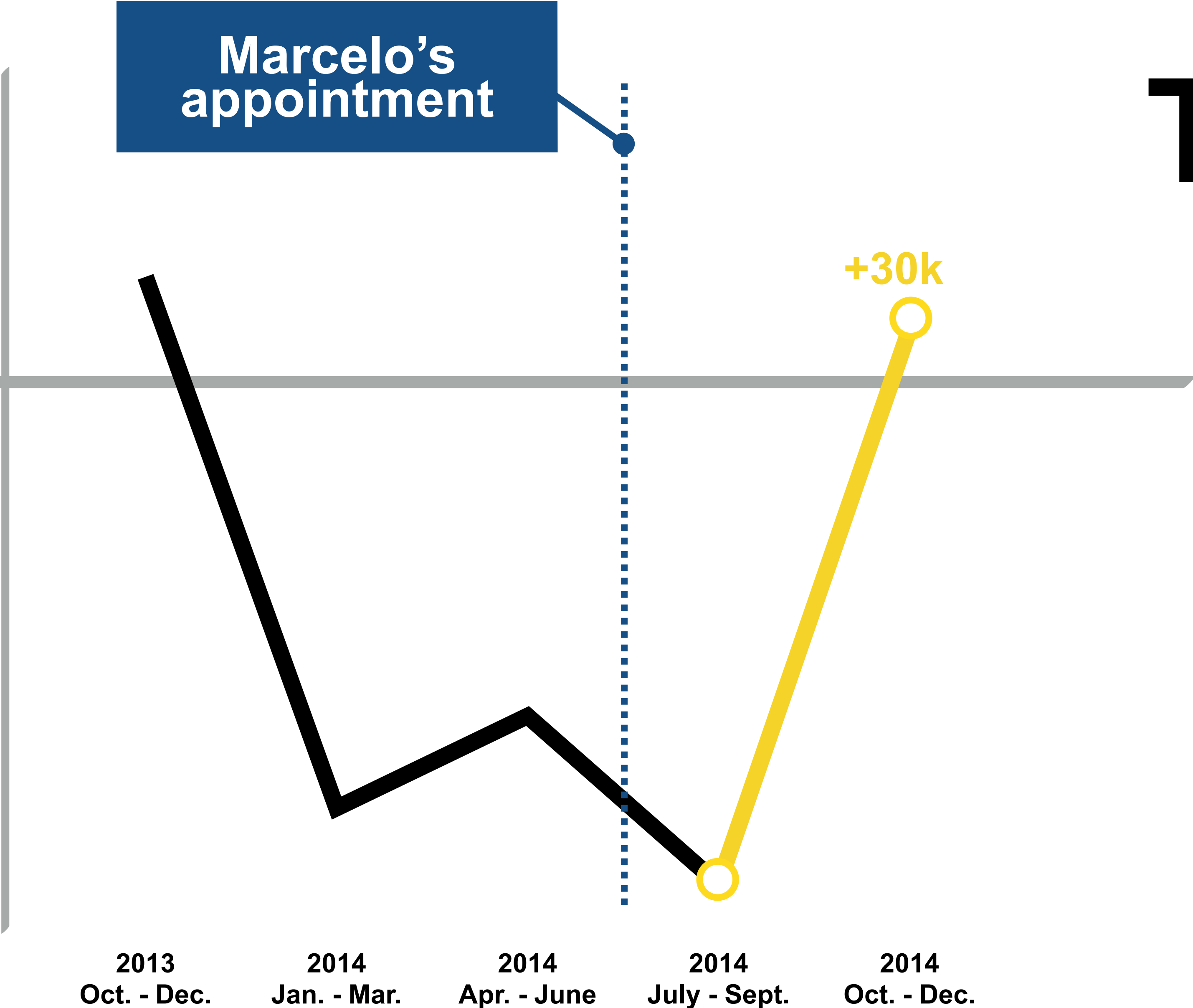
\*Sprint Platform

# Net Additions (postpaid)



Marcelo's  
appointment

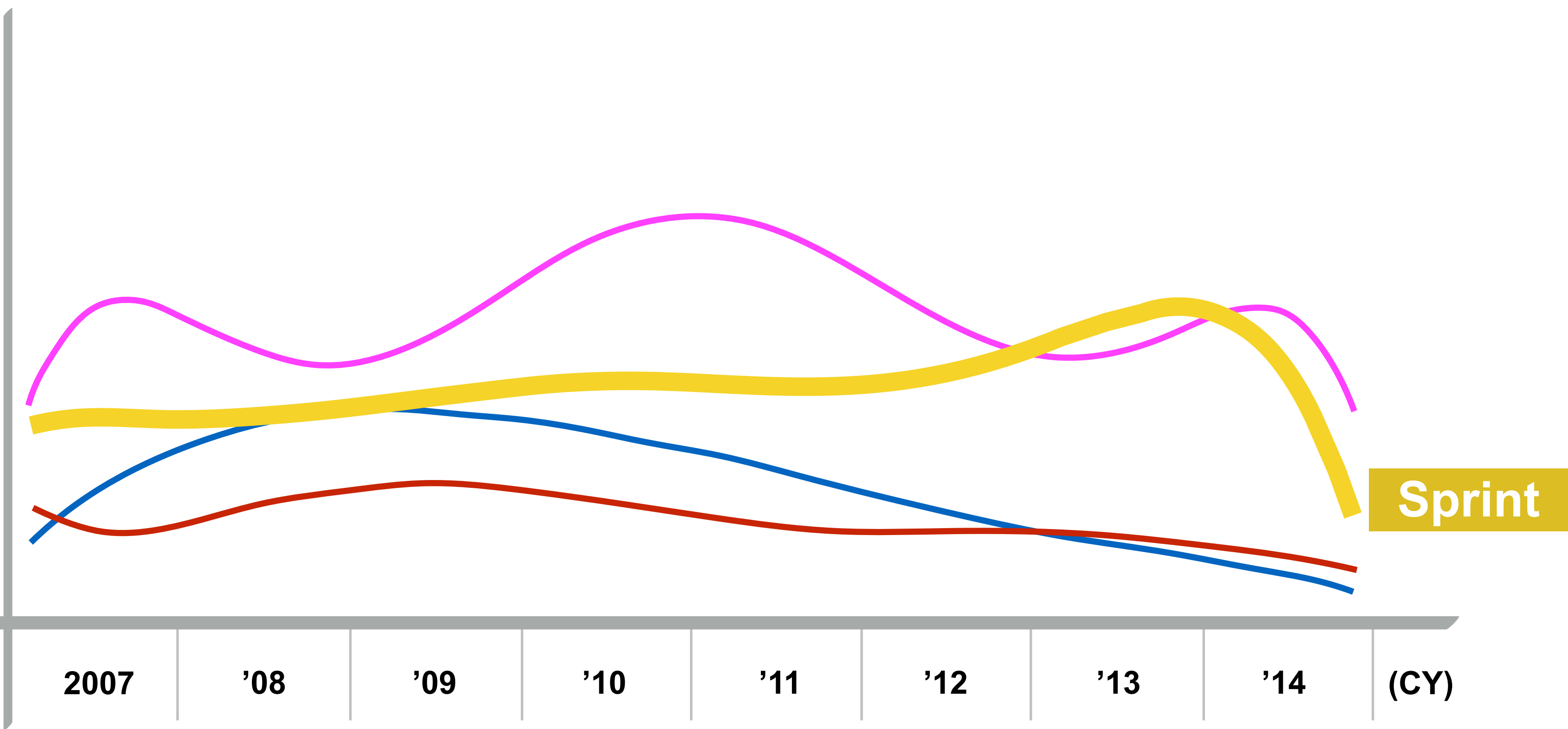
# Turnaround



# Sprint Network Quality

## Dropped Call Index [Sprint vs. Competitors]

Dropped call rate  
**Improved**





# Cost Reductions

**1 Optimize vendors and partners**

**2 Rationalize workforce**

**3 Zero-based budgeting**

**4 Review additional areas**

# SoftBank Business Domains



**Communications**



**Internet**

BuzzFeed



fitbit

HOUSING



Alibaba Group  
阿里巴巴

YAHOO!  
JAPAN

inmobi



SUP  
ERC  
ELL

tokopedia

renren

DRAMAFEVER



snapdeal.com

# Internet Allies



**Advertising  
media  
games**

**E-commerce**

**Transportation  
platform**

**Early / growth  
stage  
investments**

**Investment focus areas**



# E-commerce

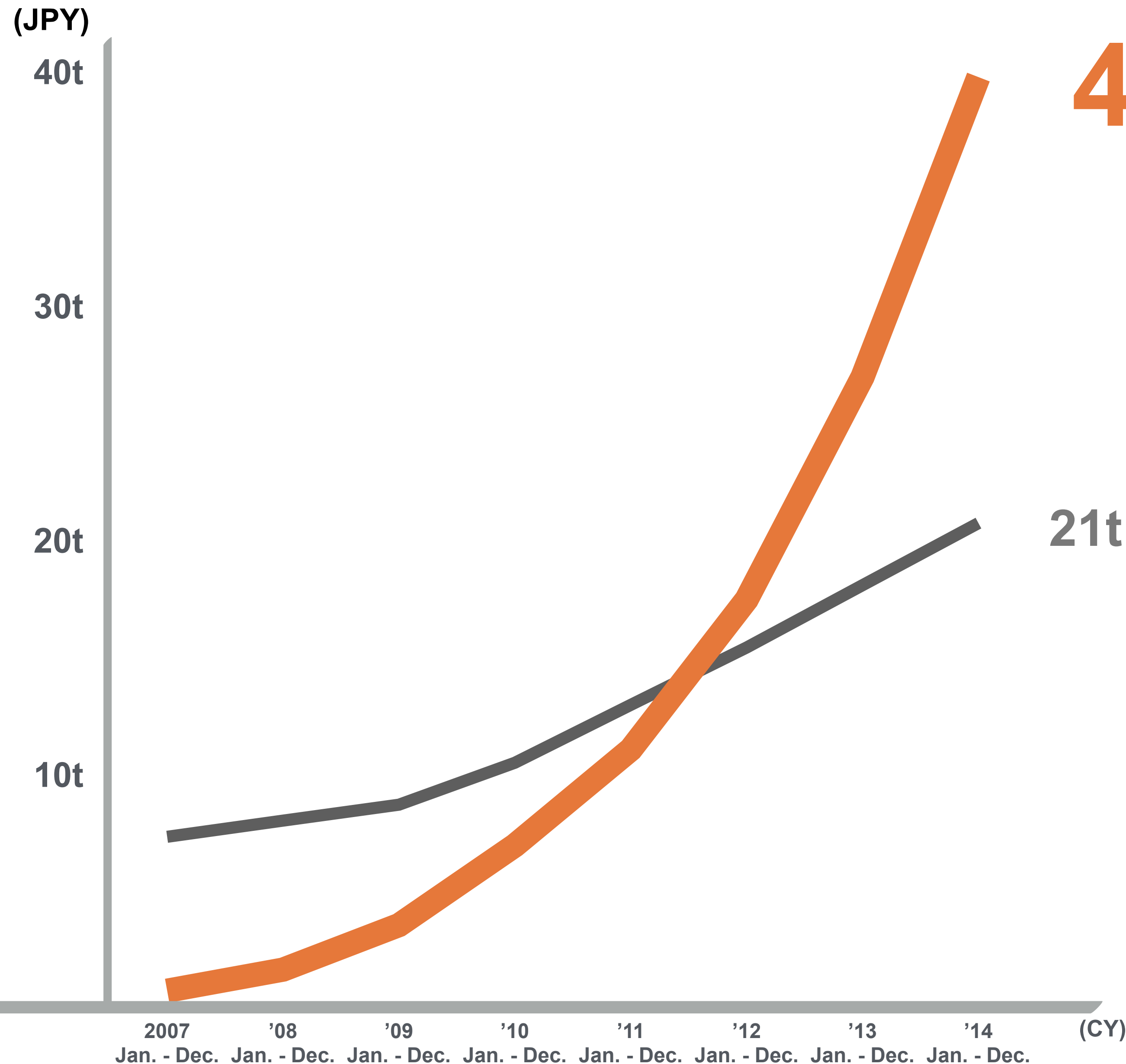


**Invest in growth regions**

**40t** 淘宝网 Taobao.com 天猫 TMALL.COM 聚划算 juhuasuan.com  
品质 团 购 每 一 天

**GMV**  
**Rapid growth**

21t ebay + amazon.com



(Source) Created by SoftBank Corp. based on respective companies' publicly available historical information published by Alibaba Group Holding Limited.  
 USD 1.00 = JPY 120, RMB 1.00 = JPY 17.49  
 Amazon.com: consolidated net sales  
 eBay: Marketplace Segment Gross Merchandise Volume

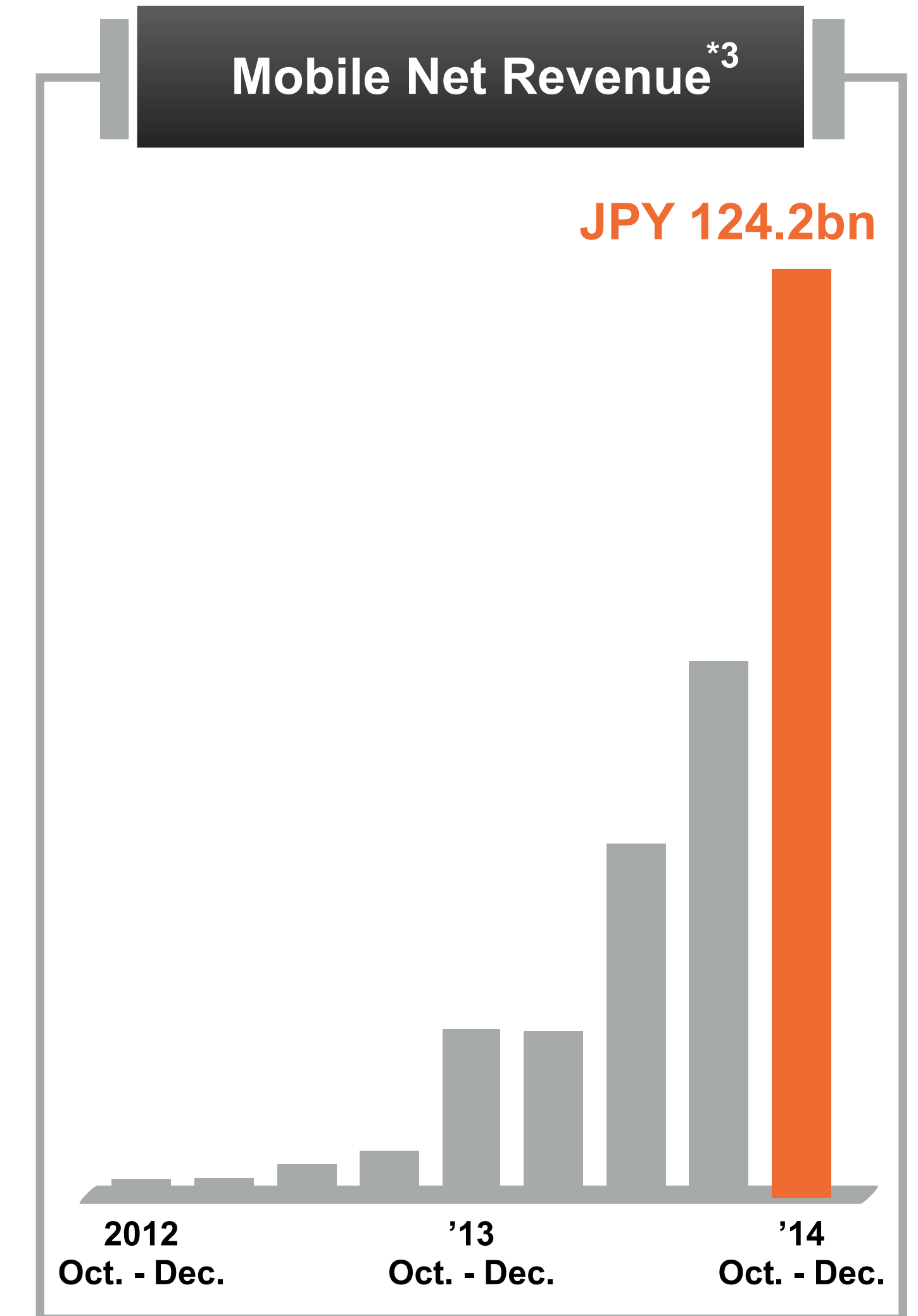
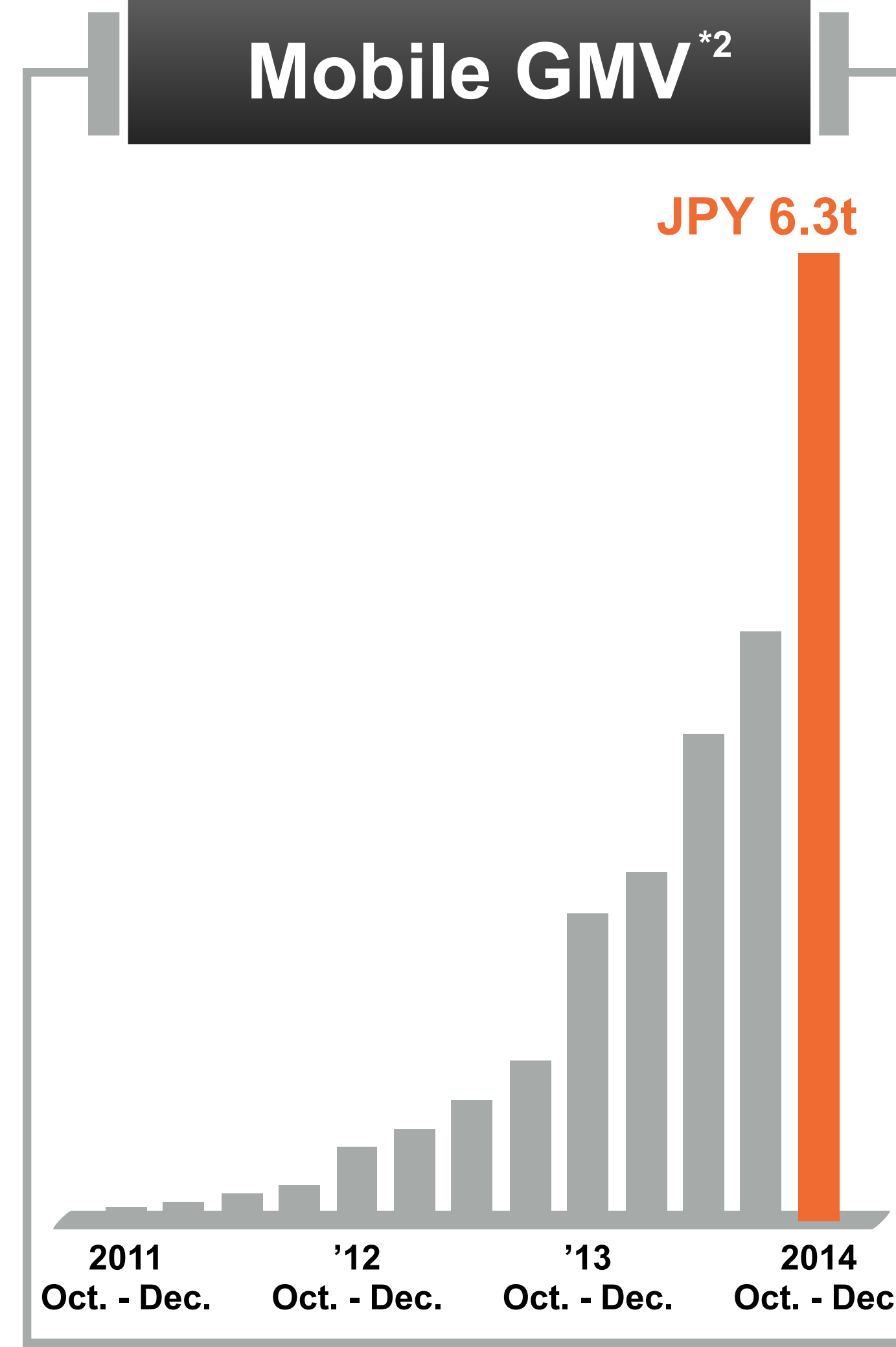
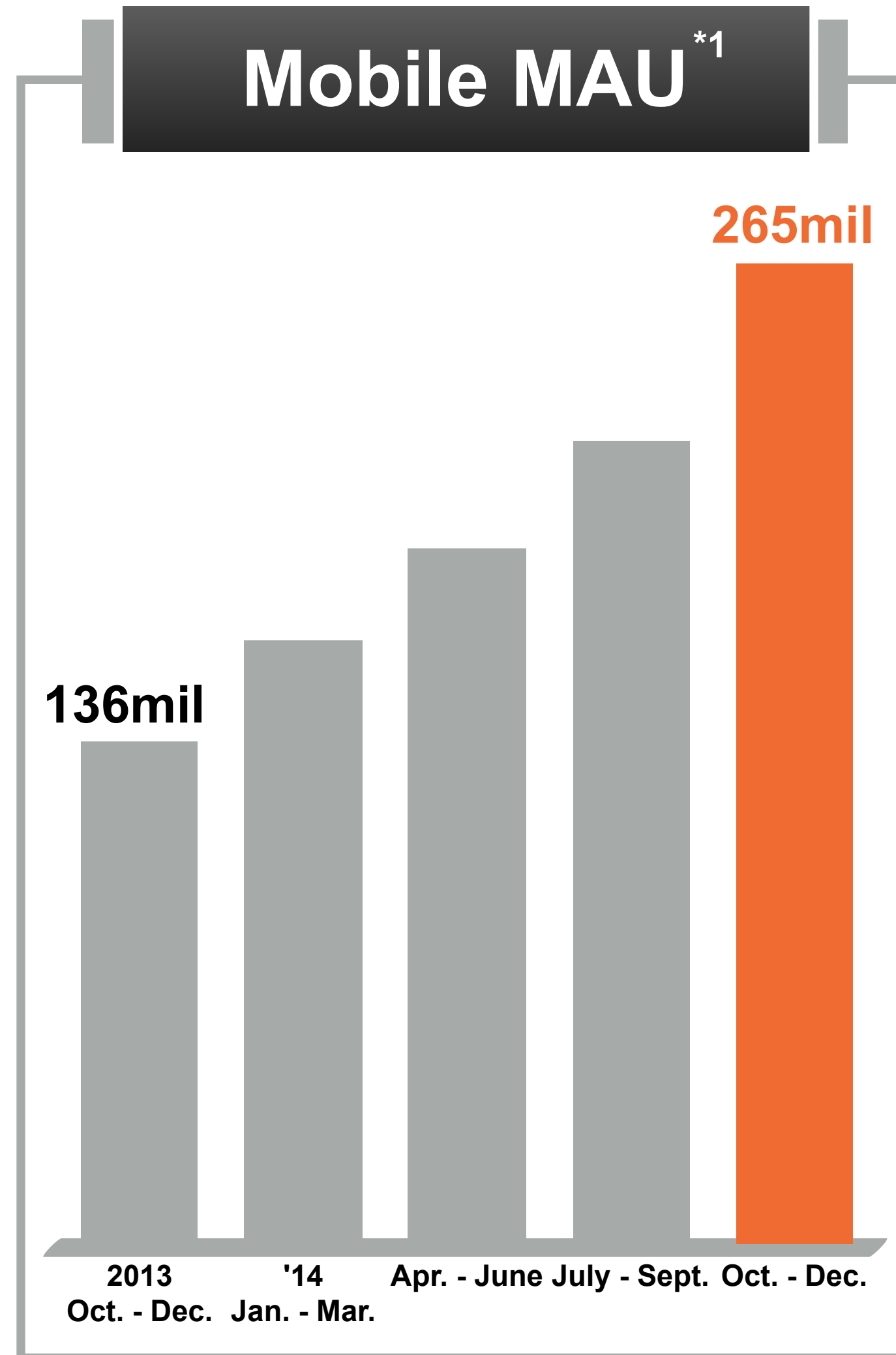




# Taobao mobile app







# Rapid growth in mobile

(Source) Created by SoftBank Corp. based on respective companies' publicly available historical information published by Alibaba Group Holding Limited.

\*1 MAU: Monthly Active Users \*2 Mobile GMV = total GMV x mobile% of total GMV, USD 1.00 = JPY 120, USD 1.00 = RMB 6.2036 \*3 Mobile Net Revenue = mobile GMV x monetization rate





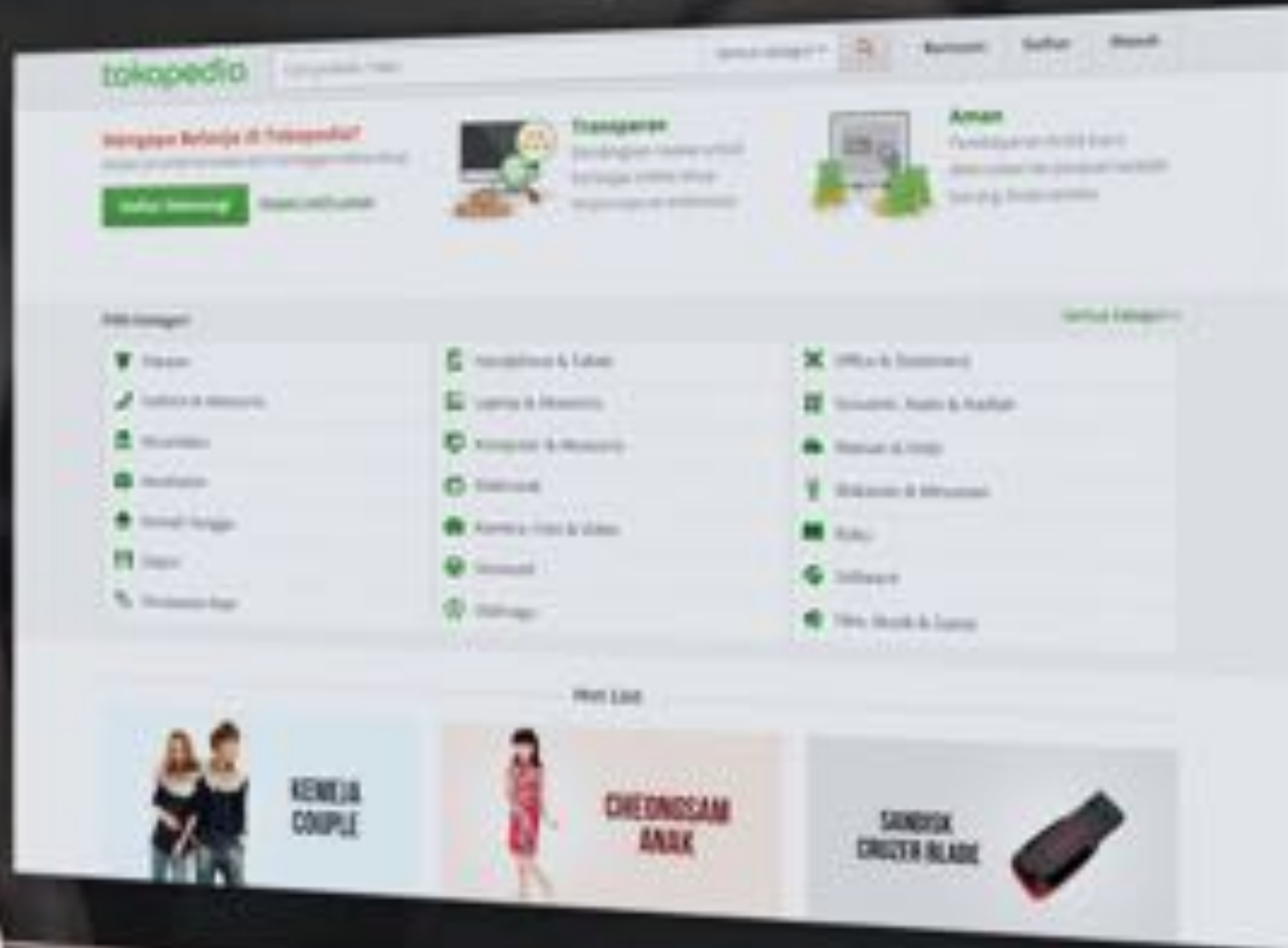
**snapdeal**.com

**No.1 online  
marketplace  
in India**



# tokopedia

**No.1 online  
marketplace  
in Indonesia**





# Transportation platform



**Invest in growth regions**





**No.1  
transportation platform  
in India**







**GRABTAXI**

**No.1  
transportation platform  
in Southeast Asia**





KuaiDi Taxi

**No.1  
transportation platform  
in China**





# Advertising, media, games

**SUP  
ERC  
ELL**

 **renren**

**YAHOO!**  
JAPAN

 **DRAMAFEVER**

**HOUSING**

**inMOBI™**

  
**GungHo**  
Online Entertainment, Inc.

  
**LEGENDARY**

## Invest in growth areas



# HOUSING

House hunting  
platform  
in India





# Early / growth stage investments

BuzzFeed

celtra 

 fitbit

criteo

  
Kabbage

 RebelMouse

 interactions

GLAM  
SQUAD

 xAd<sup>™</sup>  
The intersection of places + people



SoftBank Capital

# SoftBank Business Domains



**Communications**

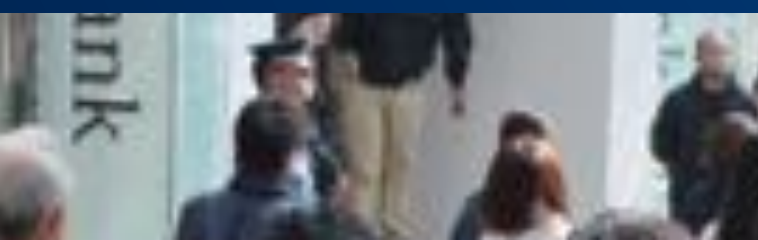


**Internet**



# 34 Years Since Foundation







**The view is different  
when you challenge yourself**

**Masayoshi Son**

# **Information Revolution**

## **- Happiness for everyone**



SoftBank

## 1. Adoption of IFRSs

SoftBank Corp. has adopted the International Financial Reporting Standards (IFRSs) from the three-month period ended June 30, 2013 (transition date: April 1, 2012). The financial data for the three-month period ended June 30, 2012 (“YoY”) and the fiscal year ended March 31, 2013 are also presented based on IFRSs. Units in this material are rounded to the nearest unit. (Previously less than one unit rounded down).

## 2. Definition of terms etc. in this material.

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

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

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

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

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

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

ARPU (Average Revenue Per User per month) (rounded to the nearest JPY10)

ARPU (excluding communication modules) = (data-related revenue (excluding communication modules) + basic monthly charge, voice-related revenues, etc. (excluding communication modules)) / number of active subscribers (excluding communication modules)

Record high, record high revenue: since SoftBank Corp. applied consolidated accounting in 1995/3.

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