



November 4, 2015

Earnings Results
for the 6-month Period
Ended September 30, 2015

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Consolidated Results

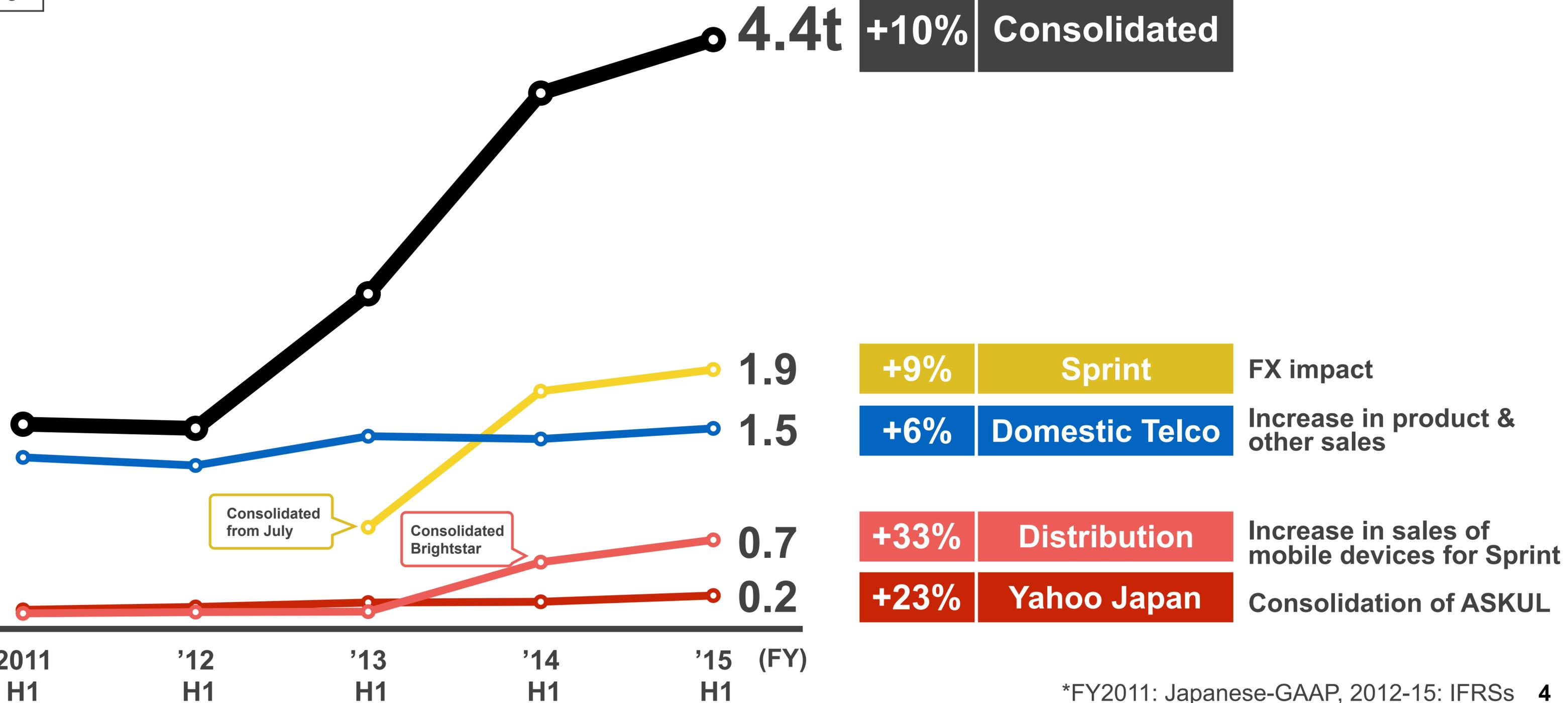
Consolidated Results

(JPY bn)	FY2014 H1	FY2015 H1	Change	YoY
Net sales	4,021.9	4,423.8	+401.9	+10%
EBITDA	1,077.1	1,316.0	+238.9	+22%
EBIT	564.9	685.8	+120.8	+21%
Net income	560.7	426.7	-134.0	-24%

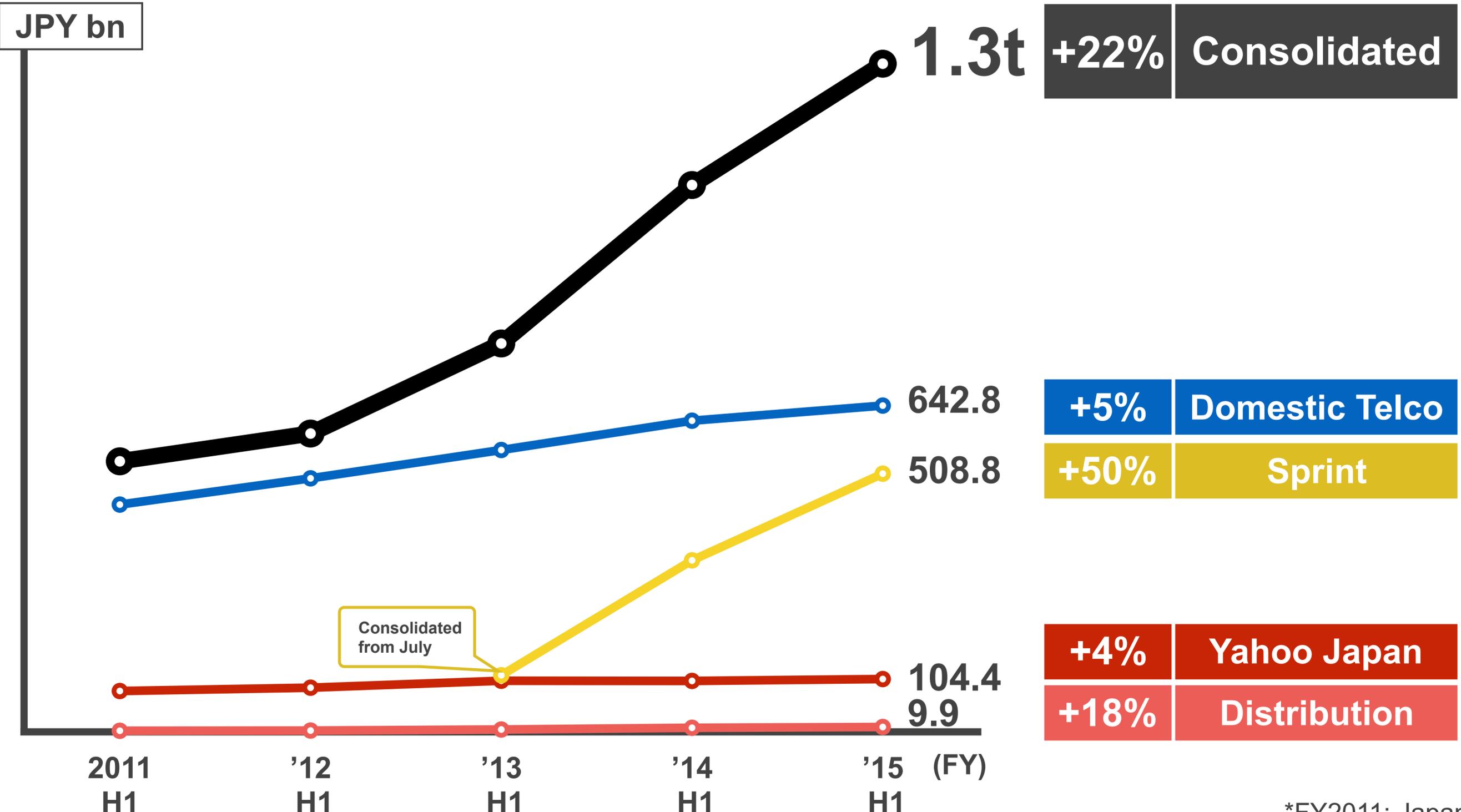
*The profit and loss of GungHo is reclassified in discontinued operations (FY2014, Apr. 1 - June 1, 2015).
Net income: net income attributable to owners of the parent

Net Sales

JPY t



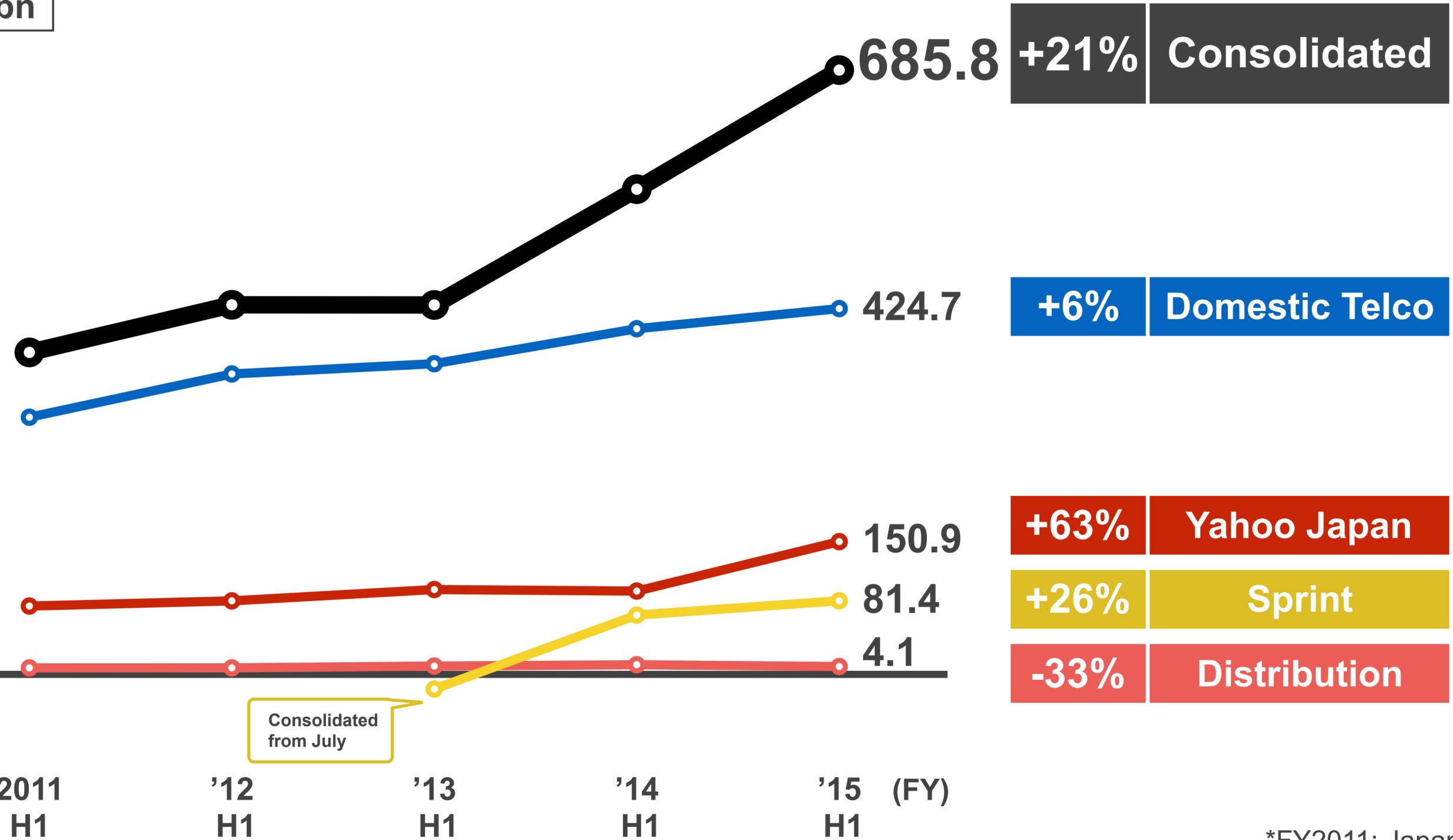
EBITDA



FX impact & cost reduction

EBIT

JPY bn



+21% Consolidated

+6% Domestic Telco

+63% Yahoo Japan

+26% Sprint

-33% Distribution

One-time gain on consolidation of ASKUL (+59.4)

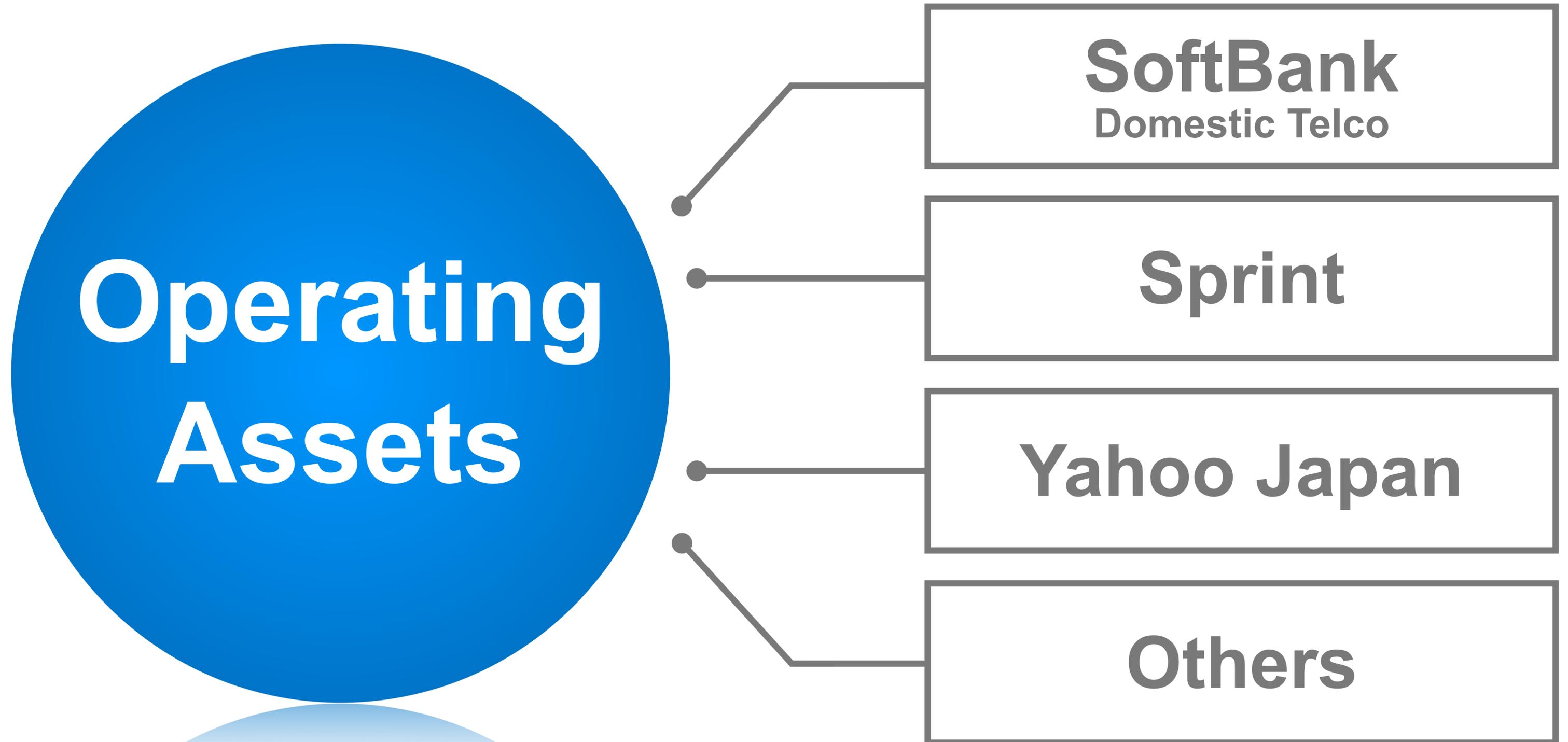
Consolidated from July

Business Portfolio

**Operating
Assets**

**Investment
Assets**

Business Portfolio





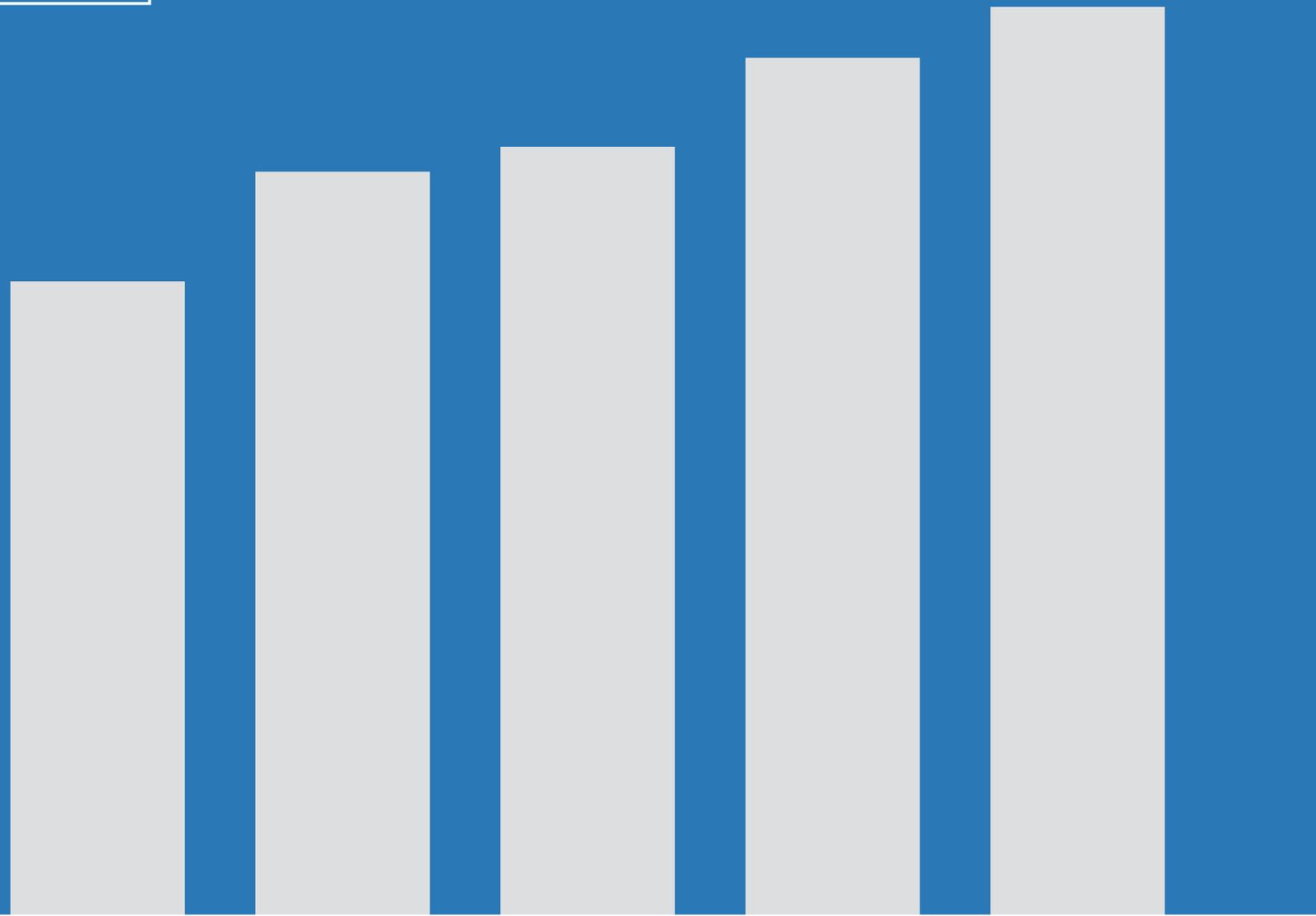
SoftBank

Domestic Telco

EBIT (Operating income)

JPY

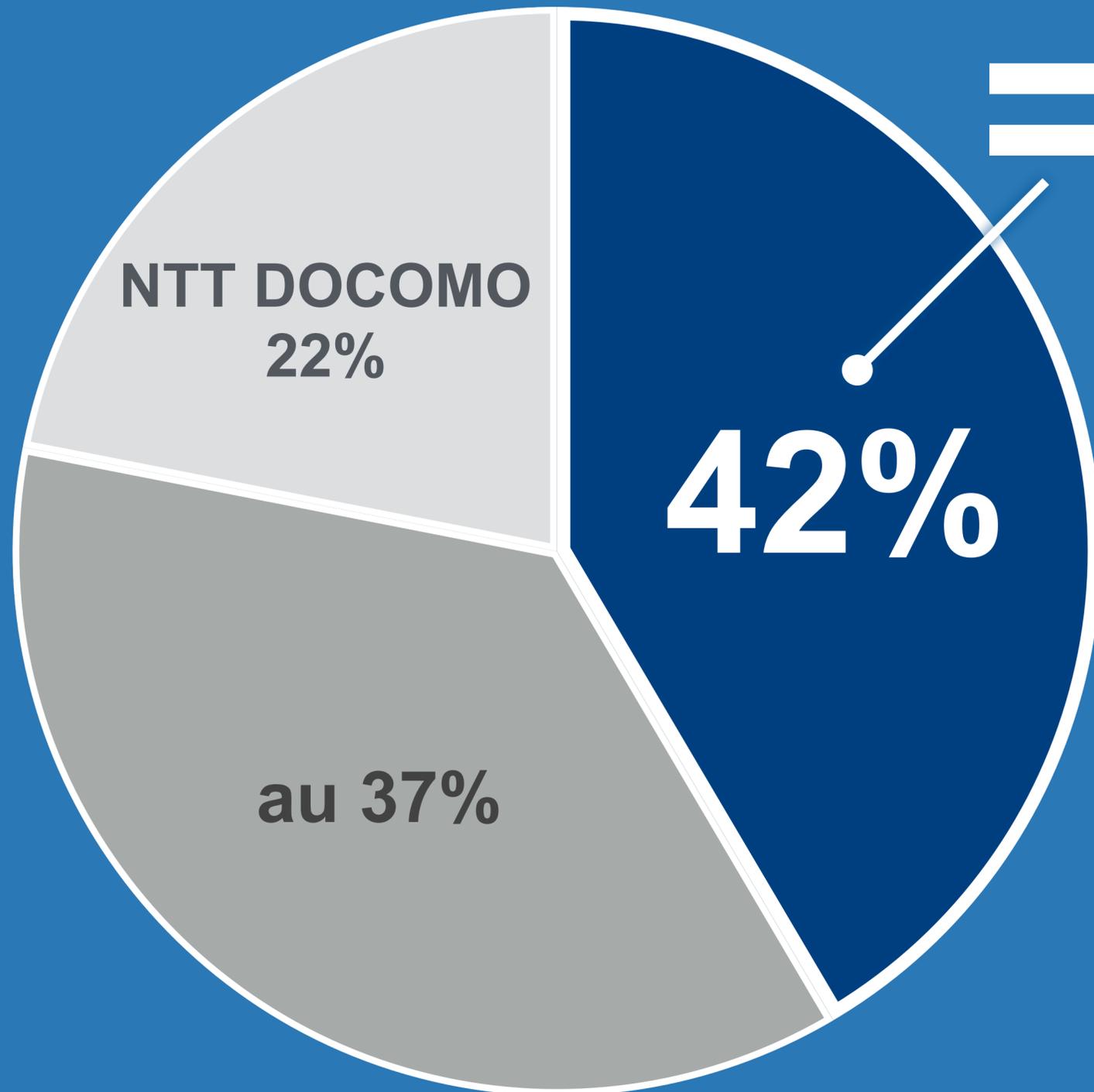
424.7bn



- **Continued EBIT growth**
- **Cost reduction effects**
- **Focus on new growth drivers (Broadband + OTT Services)**

'11 H1 '12 H1 '13 H1 '14 H1 '15 H1 (FY)

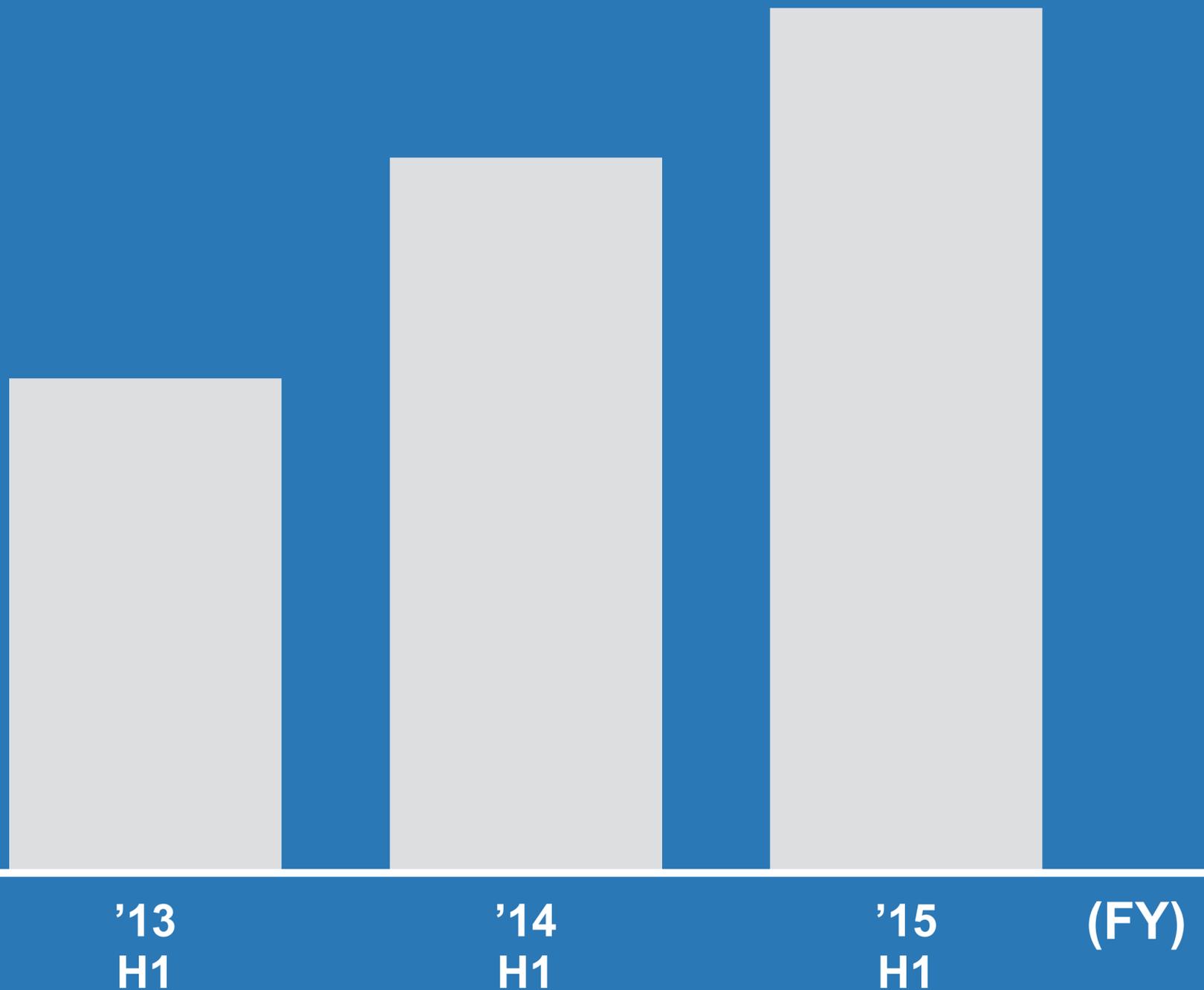
*FY2011: Japanese-GAAP, 2012-15: IFRSs
 *After FY2014: Domestic Telecommunications business
 Up to FY2013: Mobile Communications business + Fixed-line business + Broadband Infrastructure business



SoftBank

- Sales share No.1
- Launched on Sept. 25, good start

Newly Sold Android™ Units



SoftBank + Y!mobile

- YoY 21% increase
- Enhance handset lineup

Customer Satisfaction Survey (J.D. Power)



Japan Corporate Network Service

<Large Enterprise>

No.1



Cloud Service

<Telecom Service Provider>

No.1

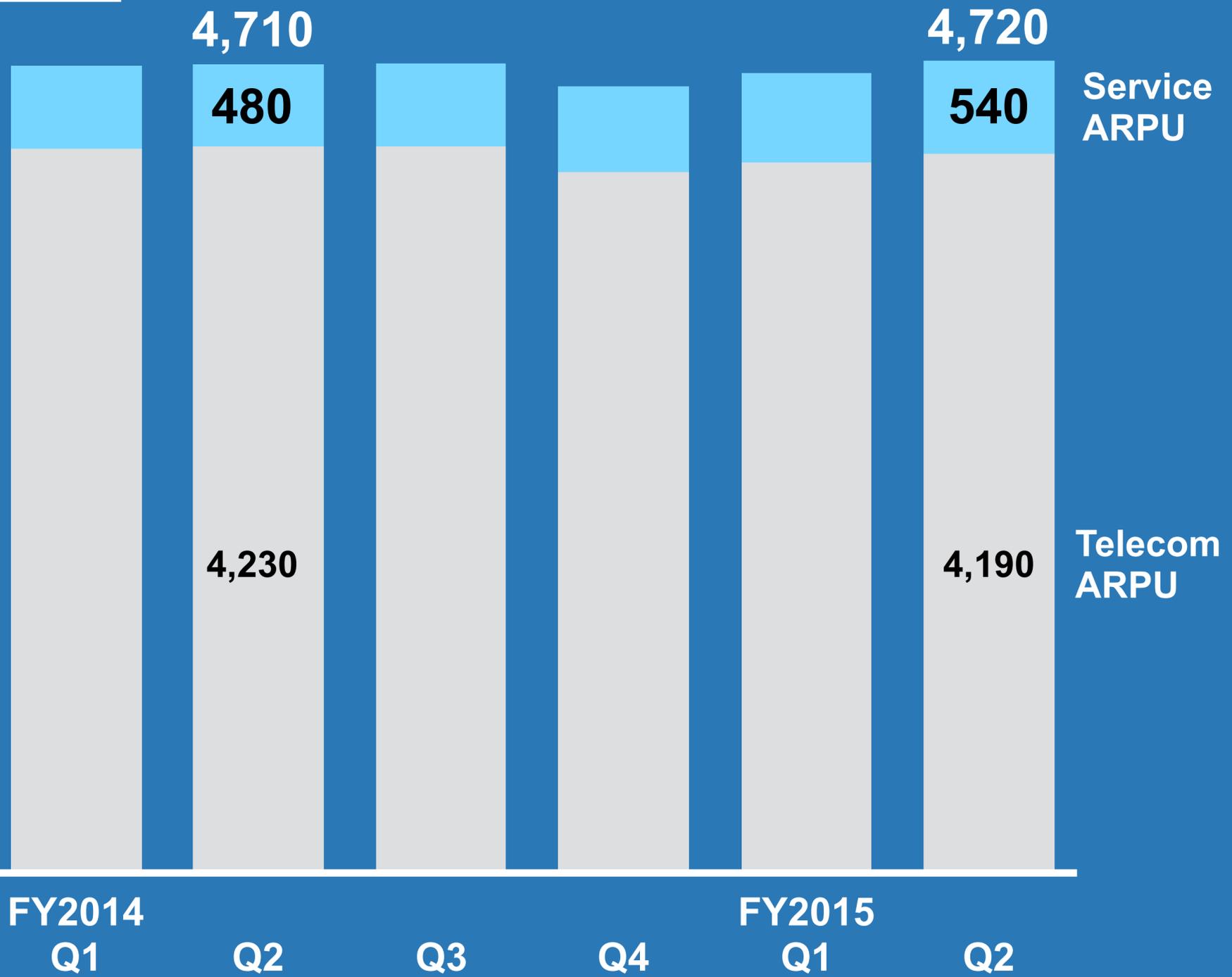
Source: J.D. Power Asia Pacific japan.idpower.com

Japan Network Service Satisfaction Study 2015. This study measures the satisfaction with fixed system network services provided by telecom service providers in 454 businesses with over 1000 employees by gathering 642 surveys (maximum 2 telecom service providers evaluated by one business).

Japan Cloud Service Provider Customer Satisfaction Survey 2015. This study measures the satisfaction with cloud services provided by telecom service providers in 741 businesses with over 50 employees by gathering 838 surveys (maximum 2 telecom service providers evaluated by one business).

ARPU

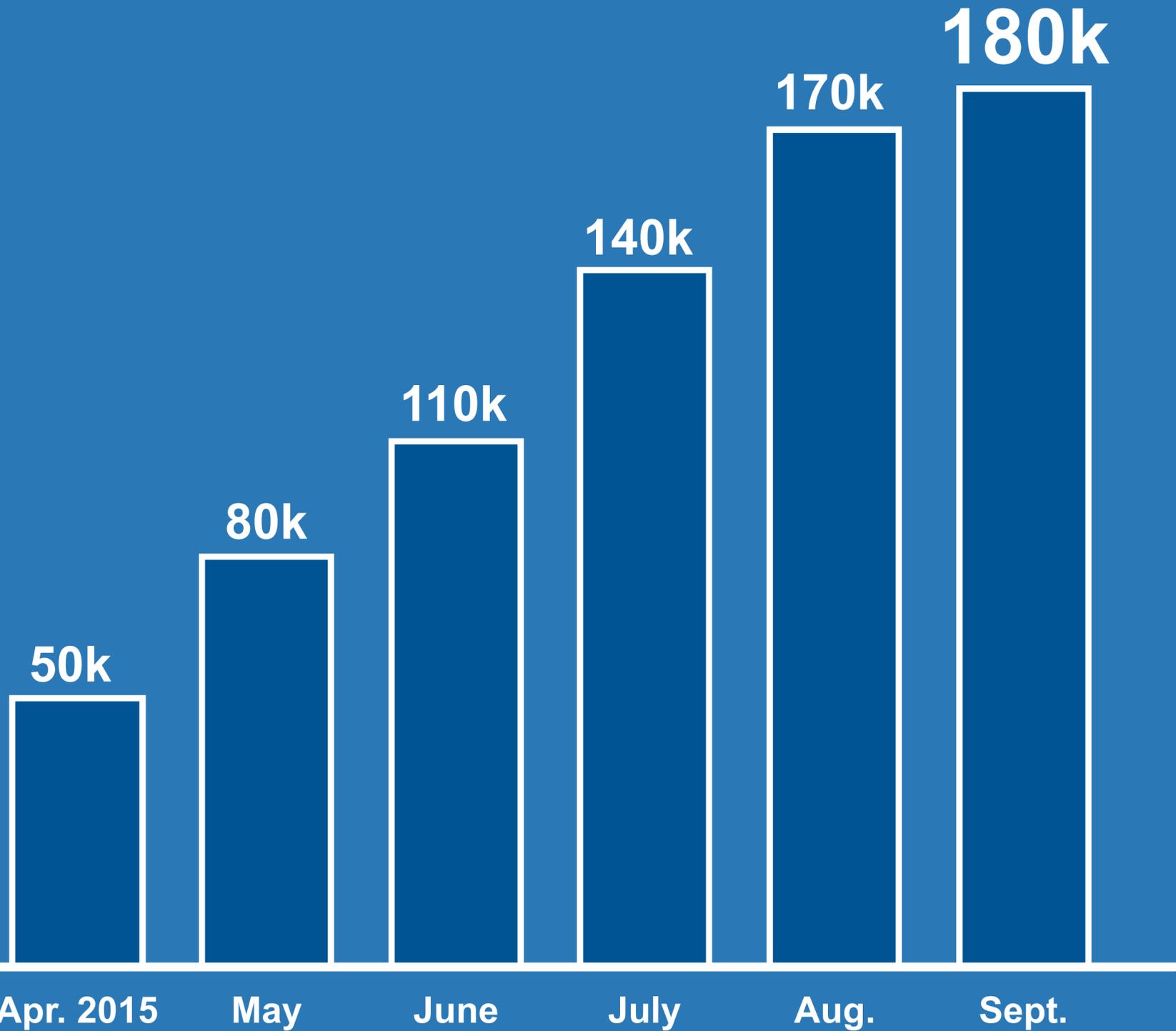
JPY



- Diversify revenue
- Strengthen partnership with Yahoo Japan

*Main subscribers (smartphones, conventional mobile phones, tablets, etc.)

Monthly Number of Acquisitions



SoftBank 

- Reached 710k cumulative subs

- Increasing steadily

NETFLIX Carrier Exclusive*

 SoftBank

Contents

World's leading Internet TV network

NETFLIX

+

Infrastructure

FTTH + Mobile + Carrier Billing

 SoftBank   SoftBank

Competitors

Pay-channel
(Broadcast)

+

Cable

Attractive collaboration

No.1 Network



Smartphone Data Connectivity (nationwide)

SoftBank **98.7%**

docomo **98.4%**

au **97.6%**

94%

Source :Agoop (As of Nov. 1, 2015)



Speed Test (nation-wide major 300 stations)

SoftBank **45Mbps**

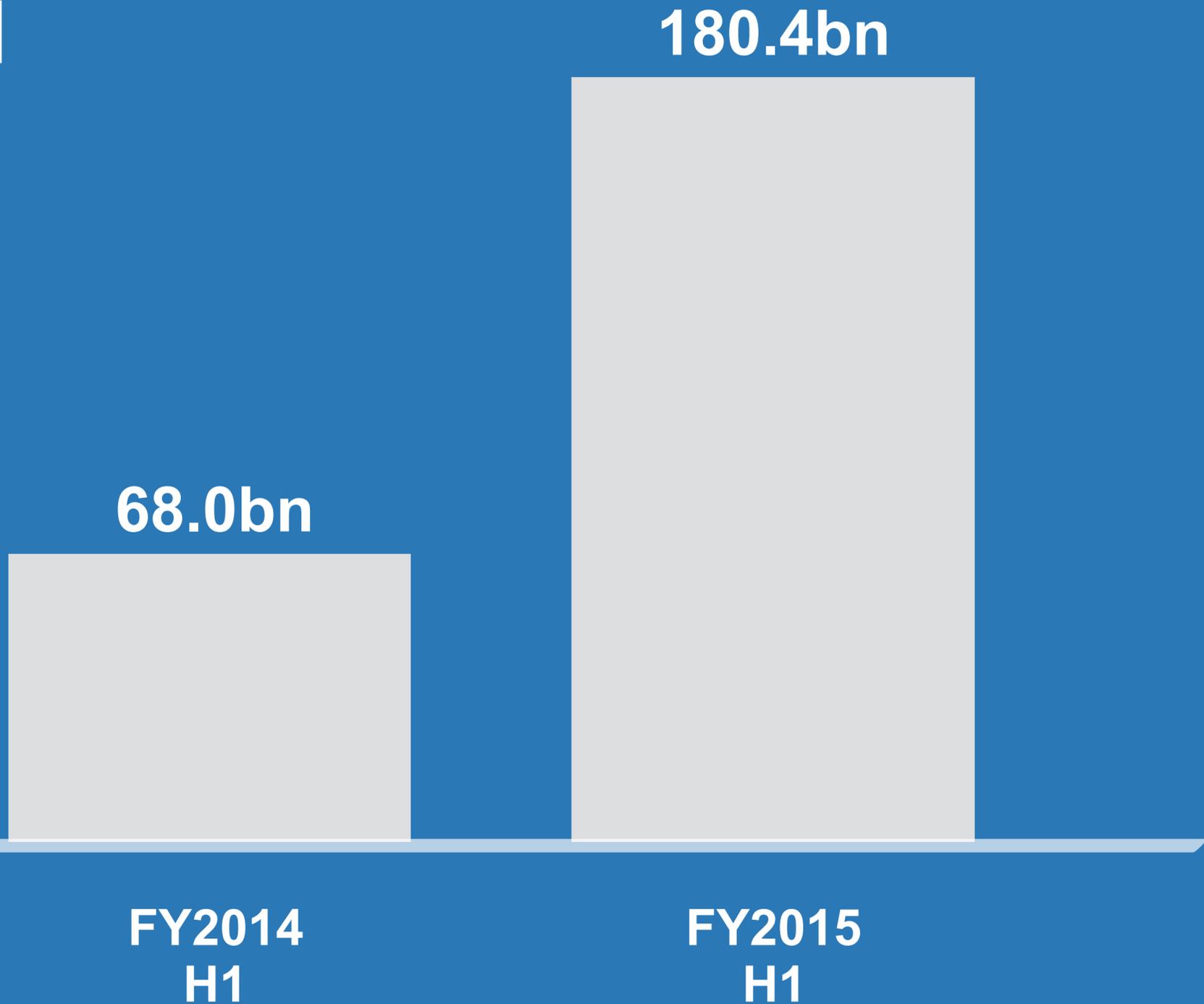
au **42Mbps**

docomo **35Mbps**

Source: Nikkei BP Consulting, Inc. "Nation-wide 300 stations LTE/4G communication speed survey" downlink speed

Free Cash Flow

JPY



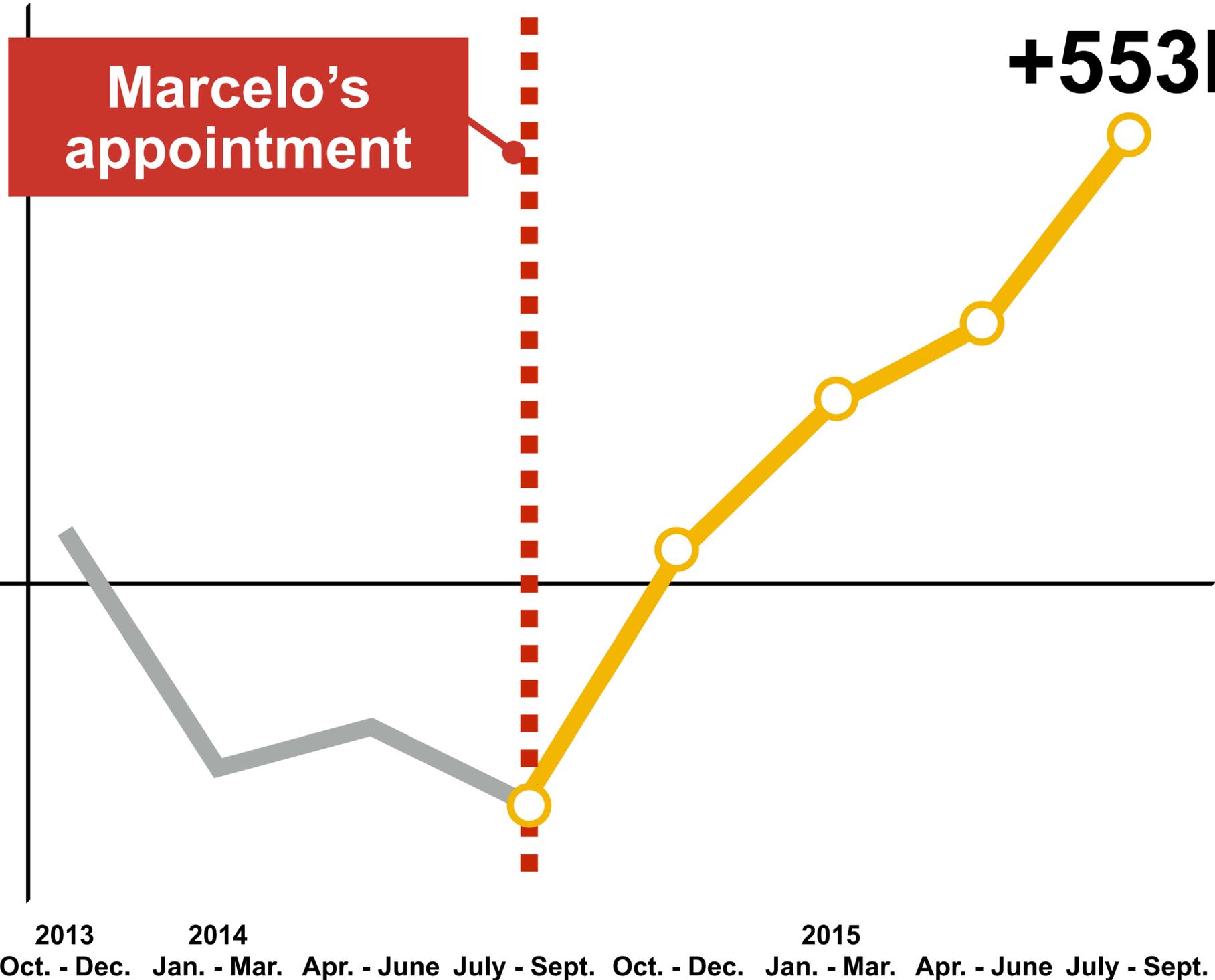
- **Generating FCF**
- **EBITDA steady**
- **CAPEX peaked out**

*IFRSs
Excluding eliminations within SoftBank Group Corp.
Excluding impact of income tax withheld related to dividend payments

Sprint



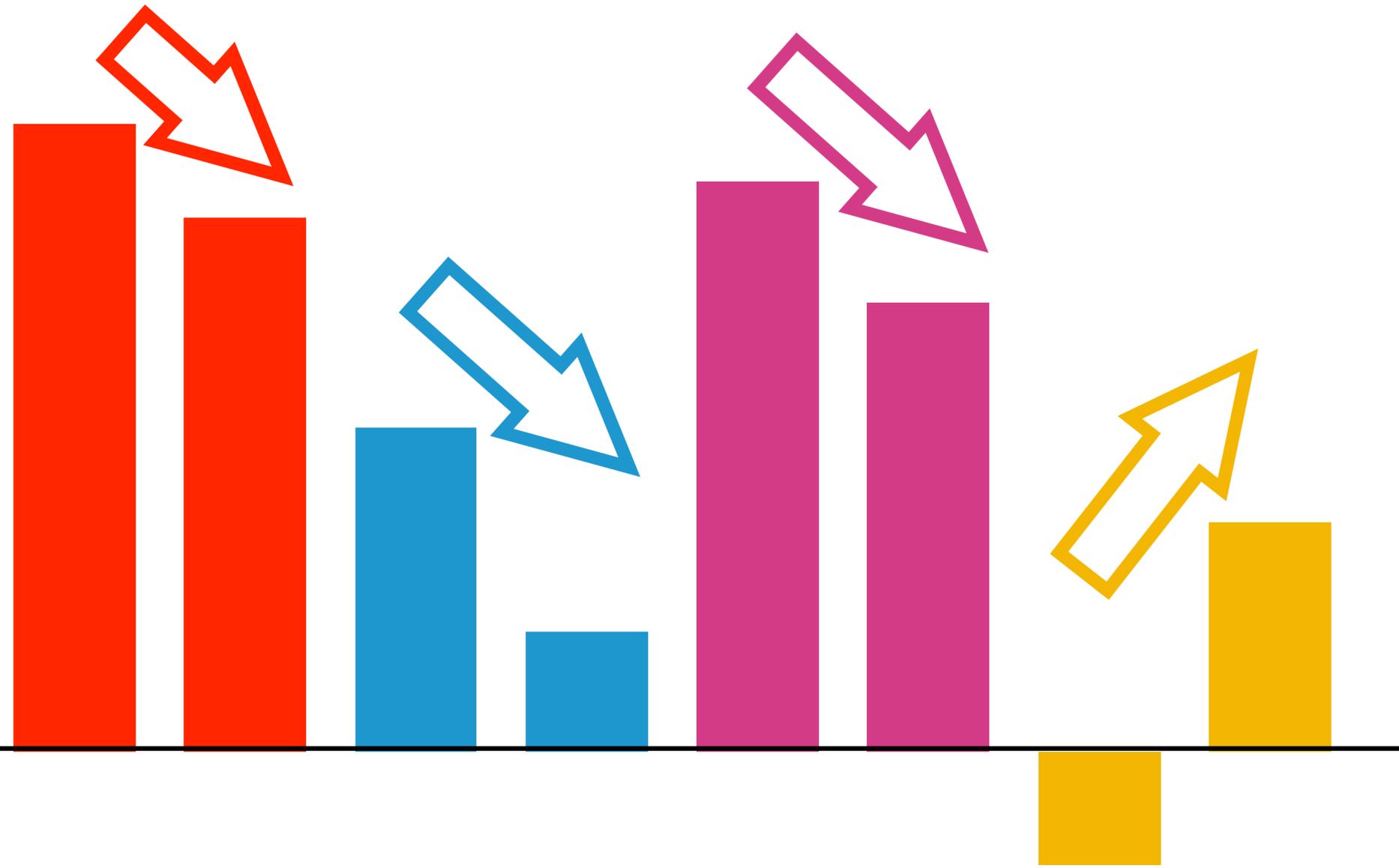
Net Additions (Postpaid)



- Improved customer credit profiles
- Lower churn

*Sprint platform
*Including migrations from prepaid (199k)

Net Additions (Postpaid)



• Only carrier with growth

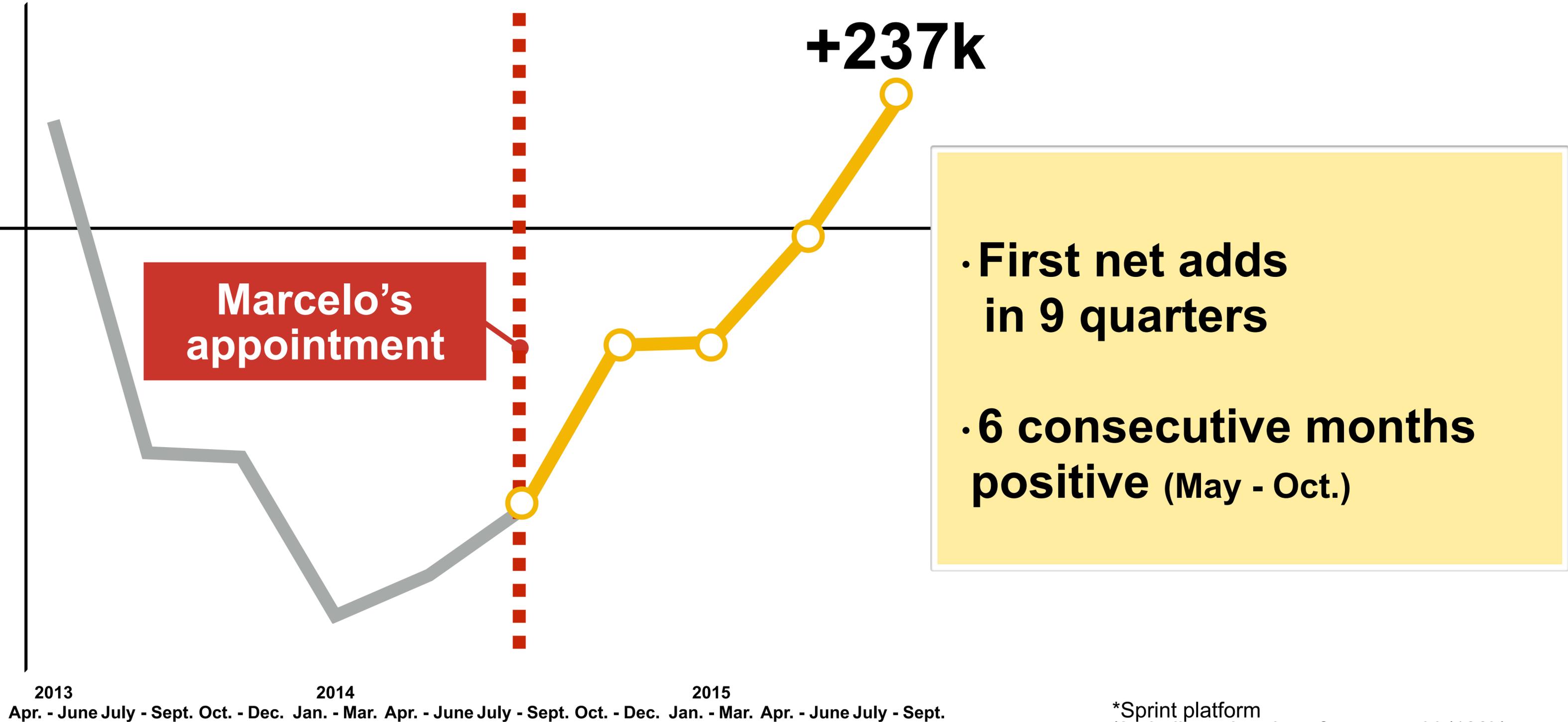
2Q14 2Q15 2Q14 2Q15 2Q14 2Q15 2Q14 2Q15



*Sprint platform
*Including migrations from prepaid (199k)

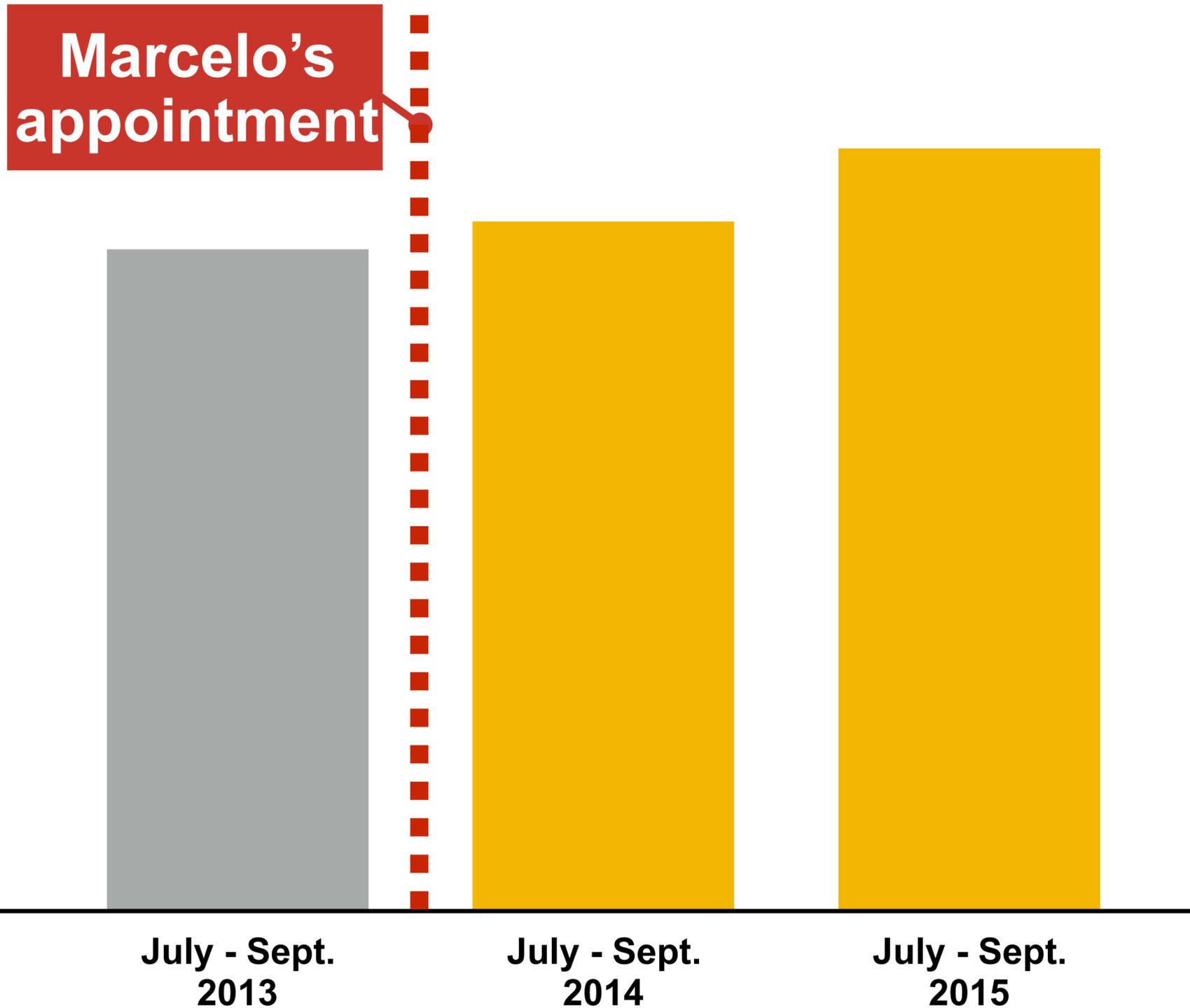


Net Additions (Postpaid phone)



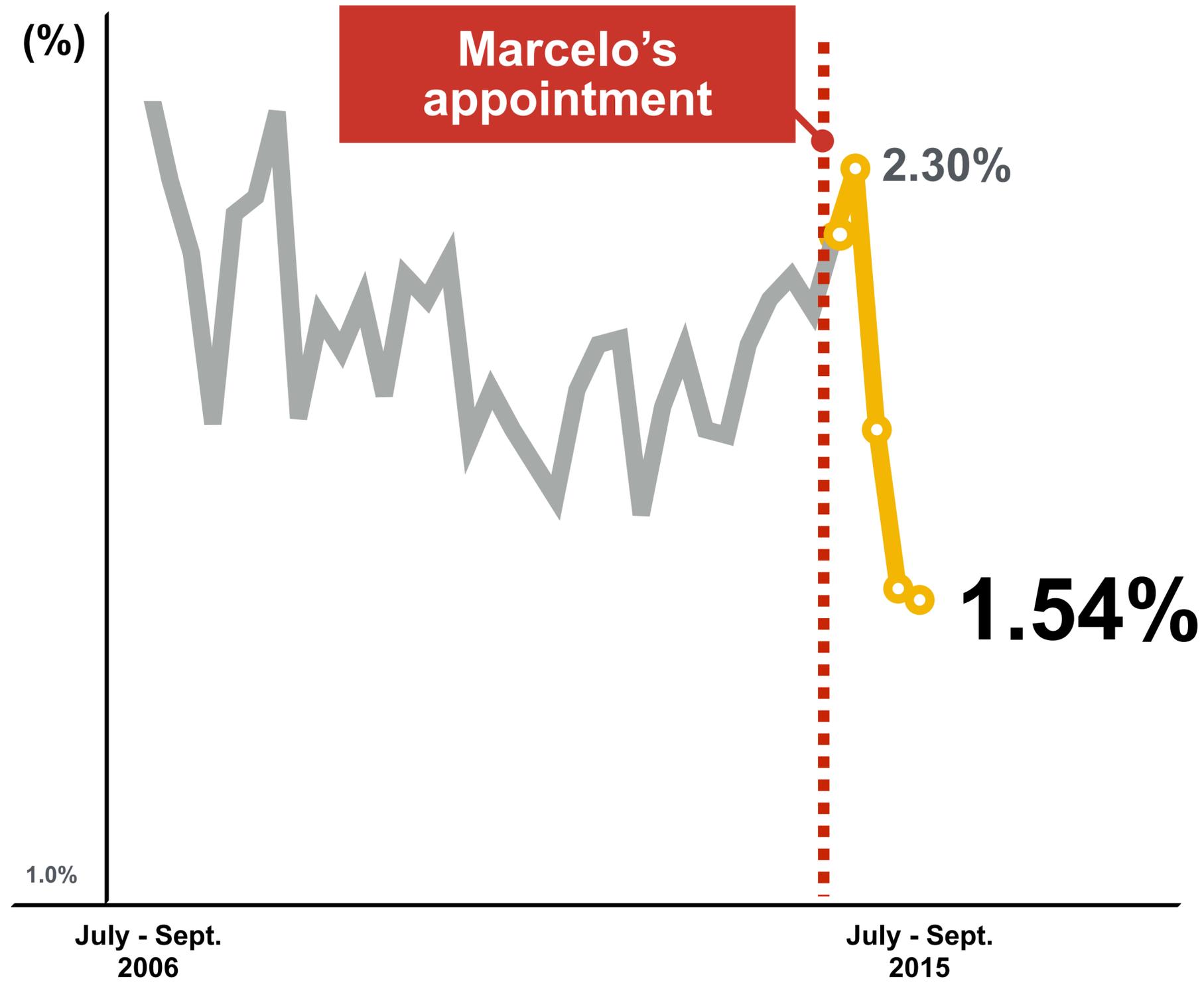
*Sprint platform
*Including migrations from prepaid (199k)

Prime Gross Additions

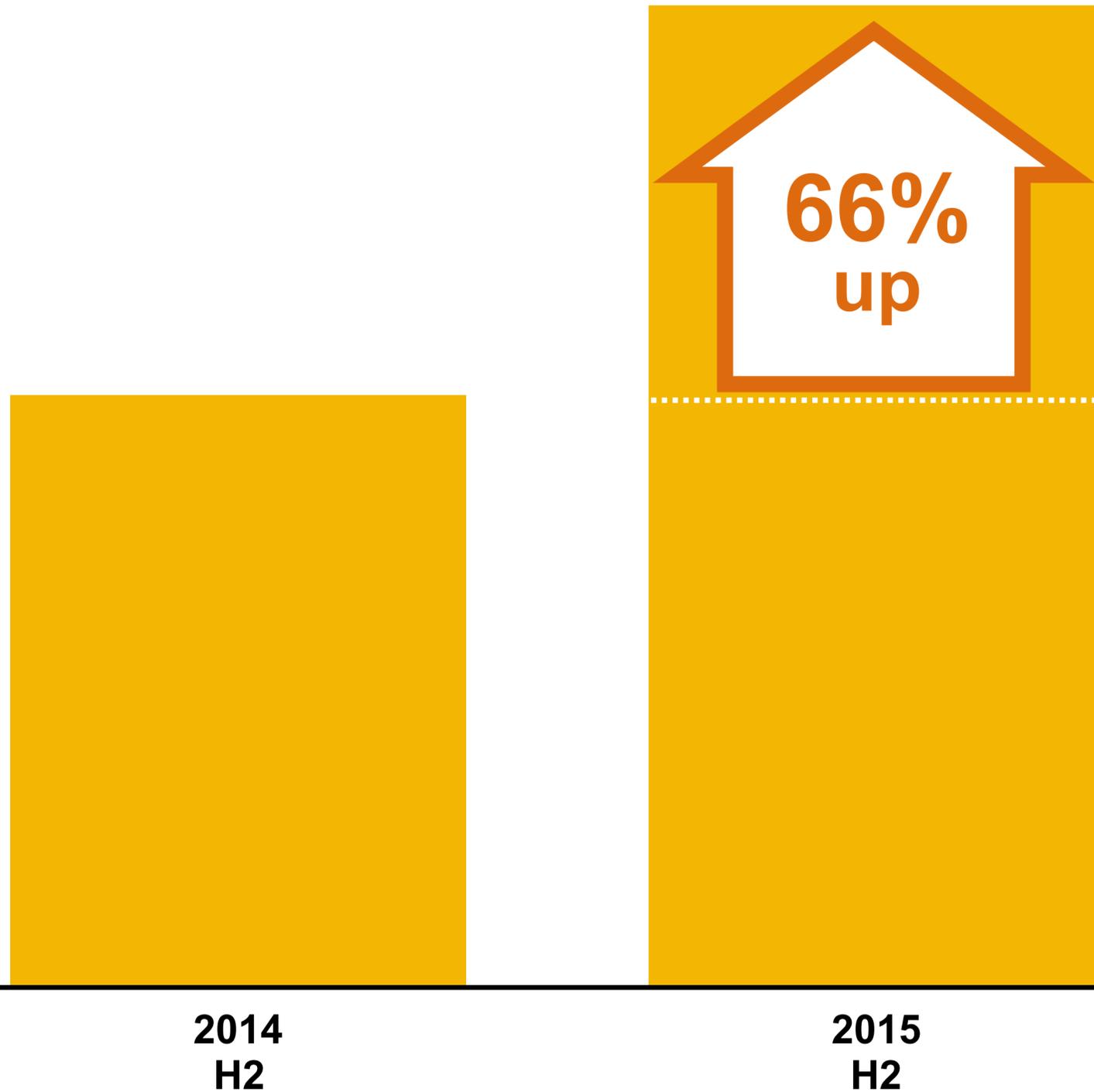


• YoY Up 10%

Churn (Postpaid)



- Record low in Sprint's 20 year history
- Improved customer quality and network performance

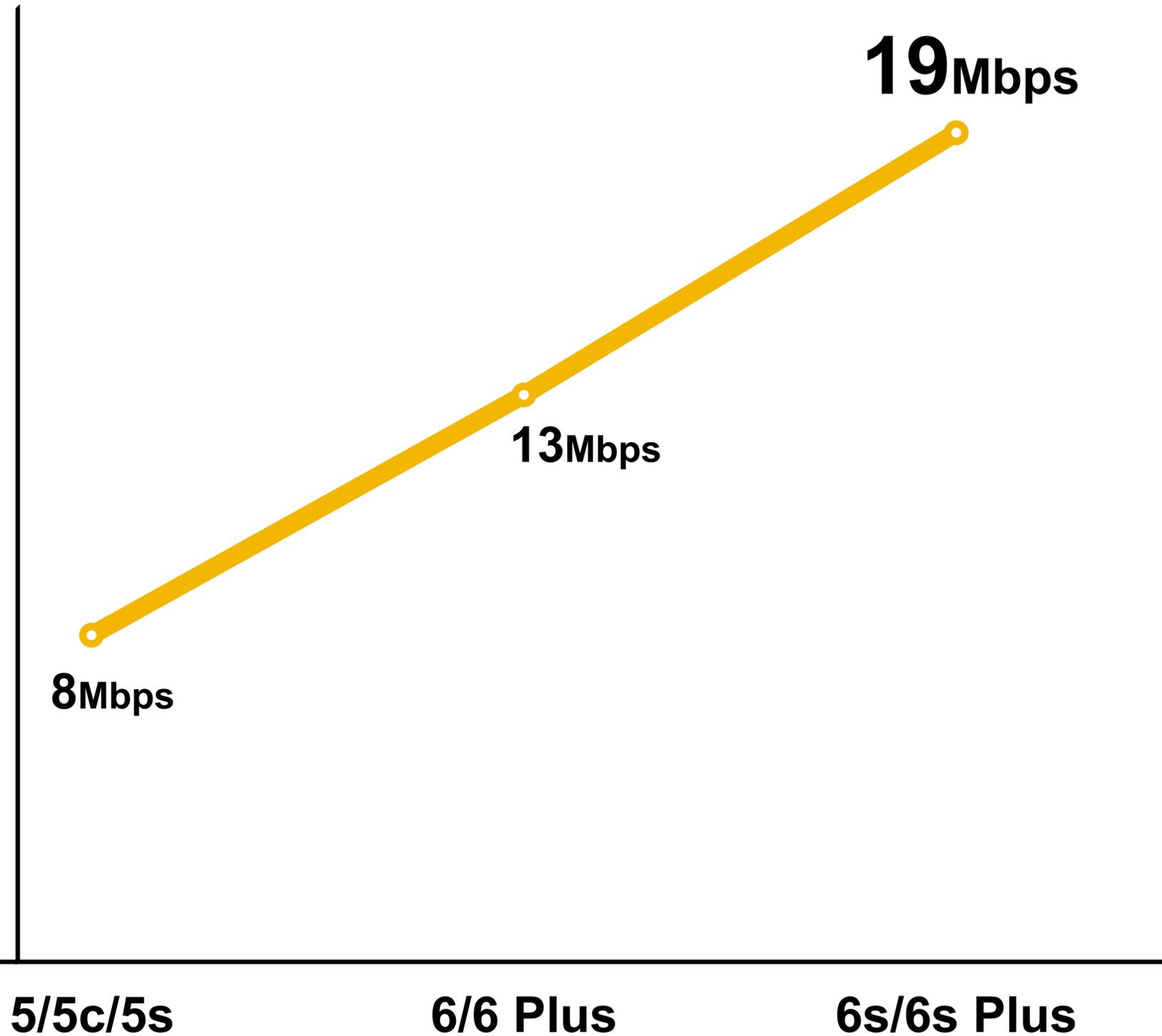


- **Improve network quality**
- **Improve user experience**

(Source) RootMetrics
*Median downlink throughput speed

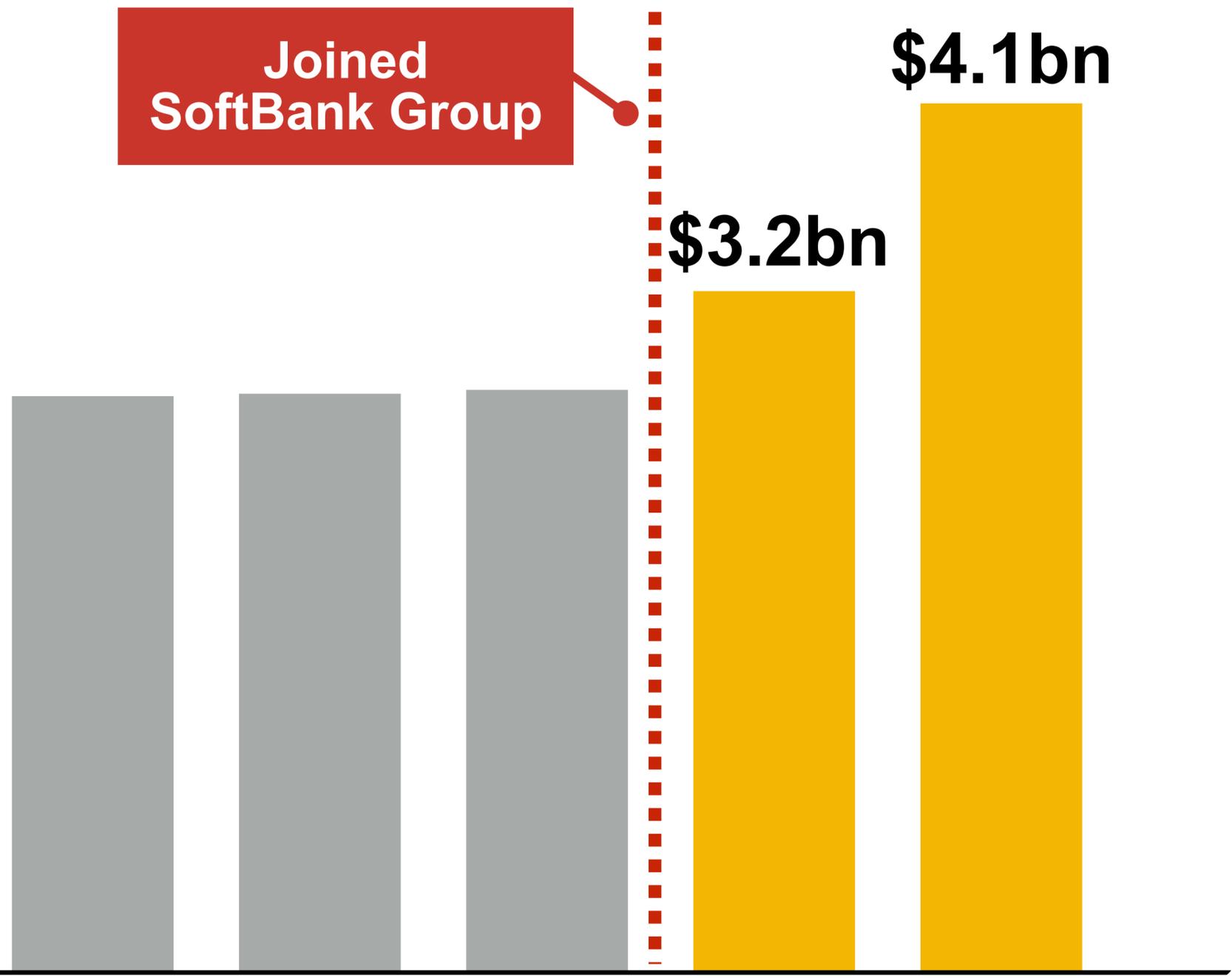
"Rankings based on 54 corresponding RootMetrics Metro RootScore Reports from 2H 2014 and 2H 2015 (July 1 – Oct 12, 2015) for mobile performance as tested on best available plans and devices on four mobile networks across all available network types. Your experiences may vary. The RootMetrics award is not an endorsement of Sprint. Visit www.rootmetrics.com for more details.

iPhone Average Download Speed



- **50% faster than last gen.**
- **Improve network quality**

(Source) PC Magazine (Oct. 15, 2015)
Average download speed based on total 32,000 samples
Survey period: Oct. 1-9, 2015

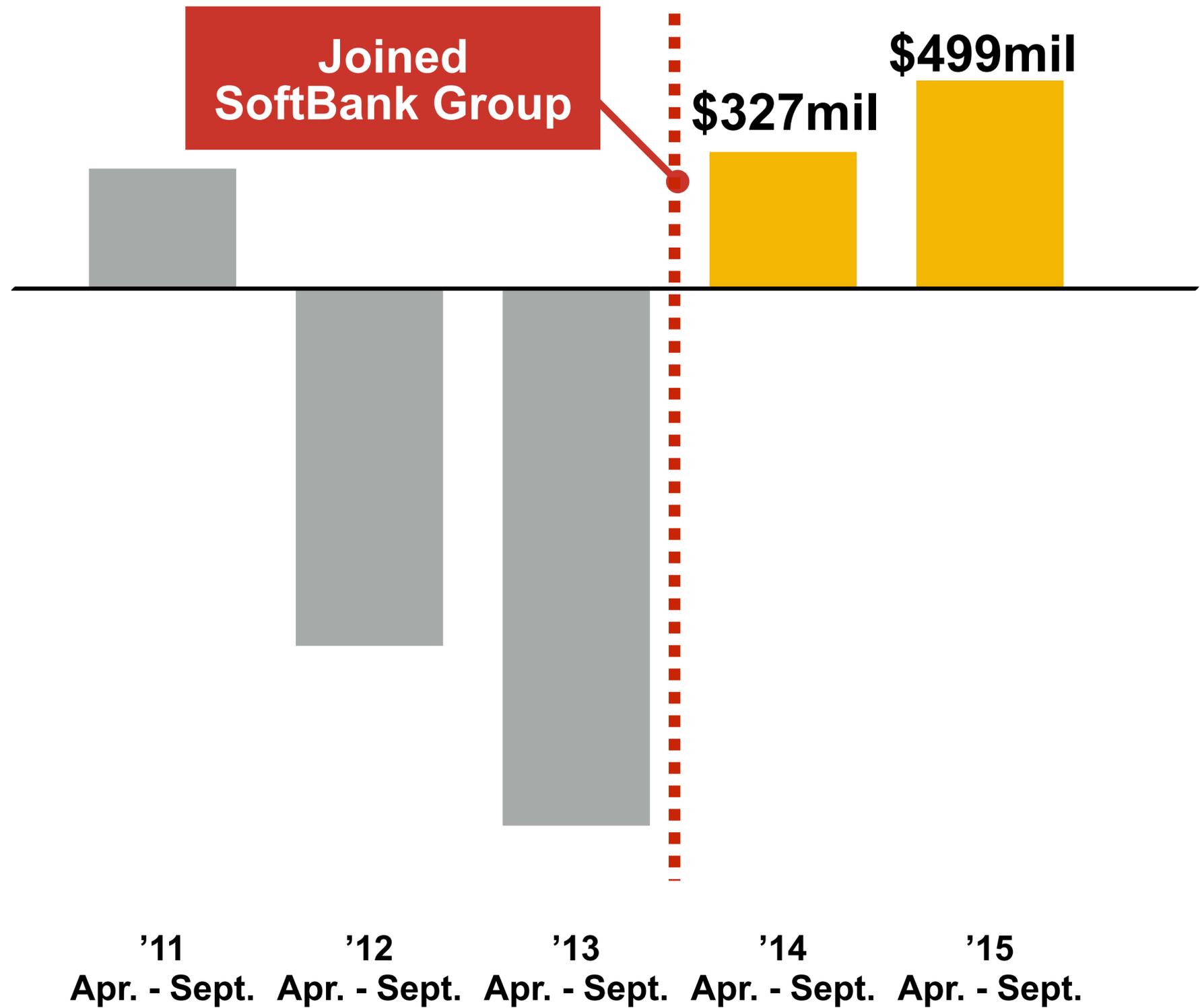


Joined SoftBank Group

- YoY 27% increase
- Bad debt expense improved
- Decrease in COGS due to higher ratio of leased devices

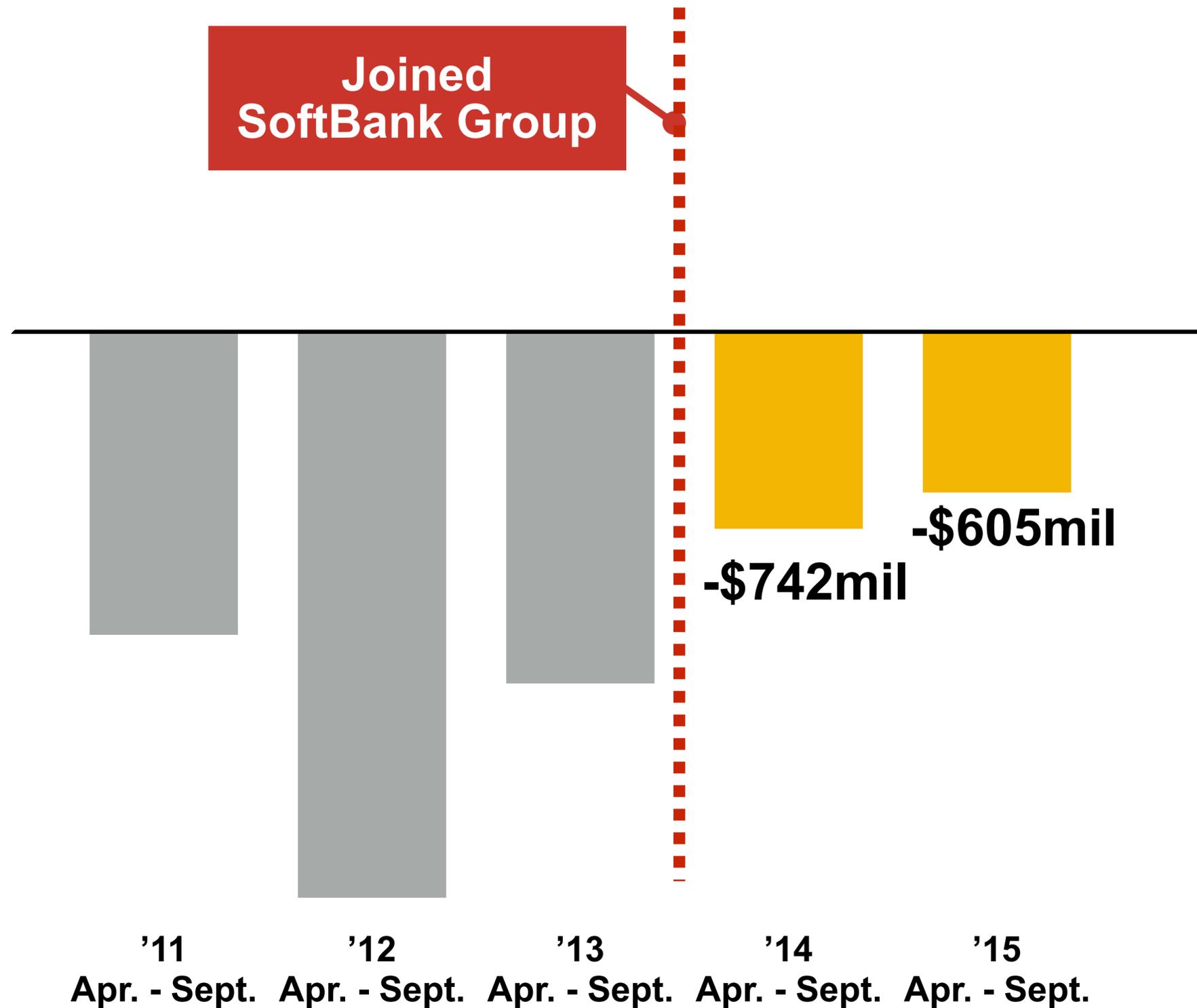
'11 Apr. - Sept. '12 Apr. - Sept. '13 Apr. - Sept. '14 Apr. - Sept. '15 Apr. - Sept.

*For the conventional sales of mobile devices, including the installment billing method, the cost of goods sold is recognized at the point of sale. However, under the leasing program, depreciation expenses for the capitalized leased devices are recognized throughout the period of the lease.

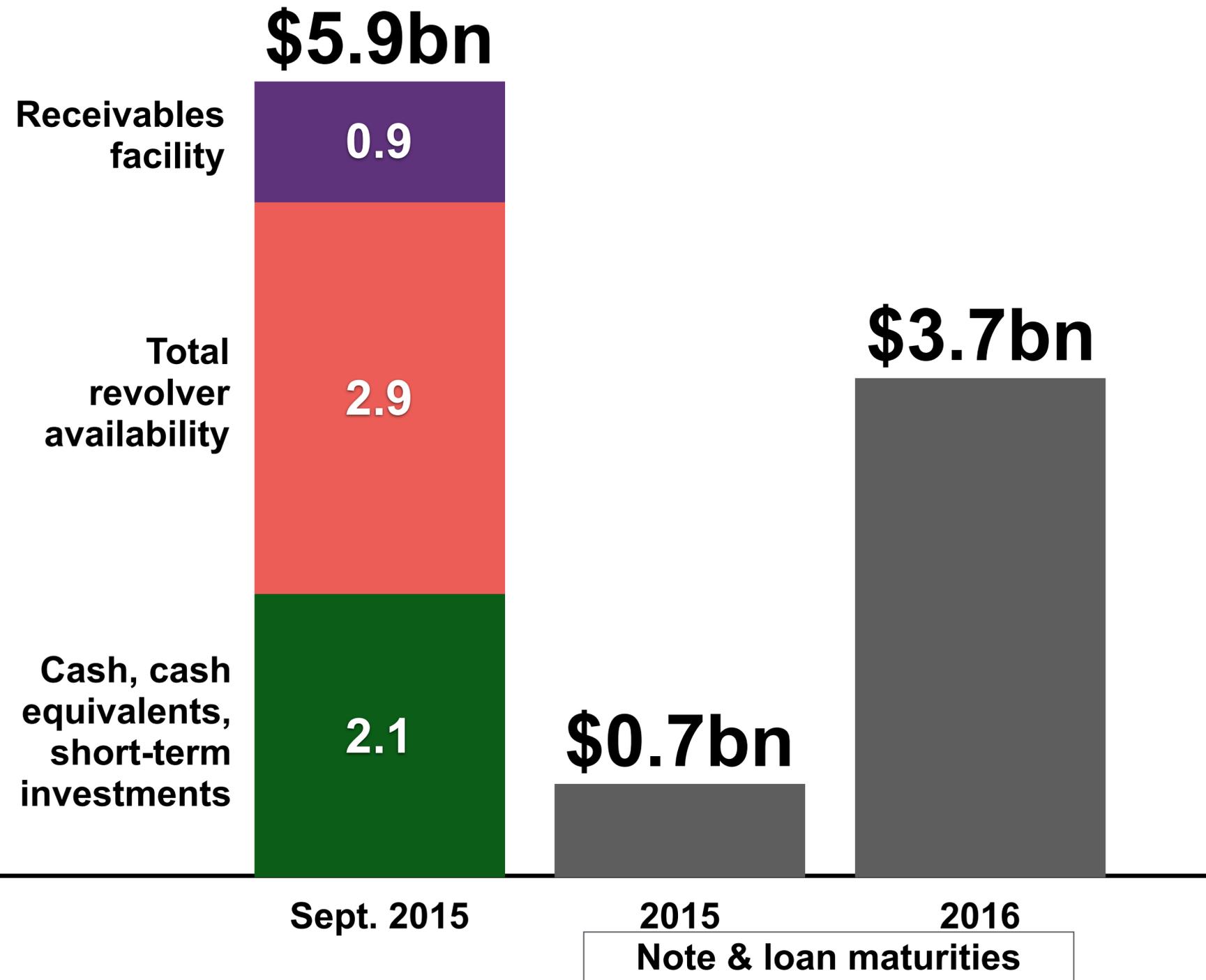


- **Positive**
- **Cost reduction offsets decline in operating revenue**

Net Income



- **Continuous improvement**
- **Positive operating income reduced by interest expense**



• **Sustain abundant liquidity**



Turnaround Strategy

Turnaround Strategy

**OPEX
Reduction**

**Network
Improvement**

**Increase
Financing
Options**

Sustainable run rate reduction (FY2016+)

\$2bn or more

One-time cost expected

\$1 ~ 1.2bn

(FY2015 H2 - FY2016)

Network Improvement



**Aim to be
No.1 network**

Increase Financing Options

1 Expand network vendor financing

2 Establish handset lease co.

3 Realize securitization of various assets

Improve liquidity

Turnaround Strategy

**OPEX
Reduction**



**\$2bn
or more**

**Network
Improvement**



**Aim to be
No.1 network**

**Increase
Financing
Options**



**Improve
liquidity**

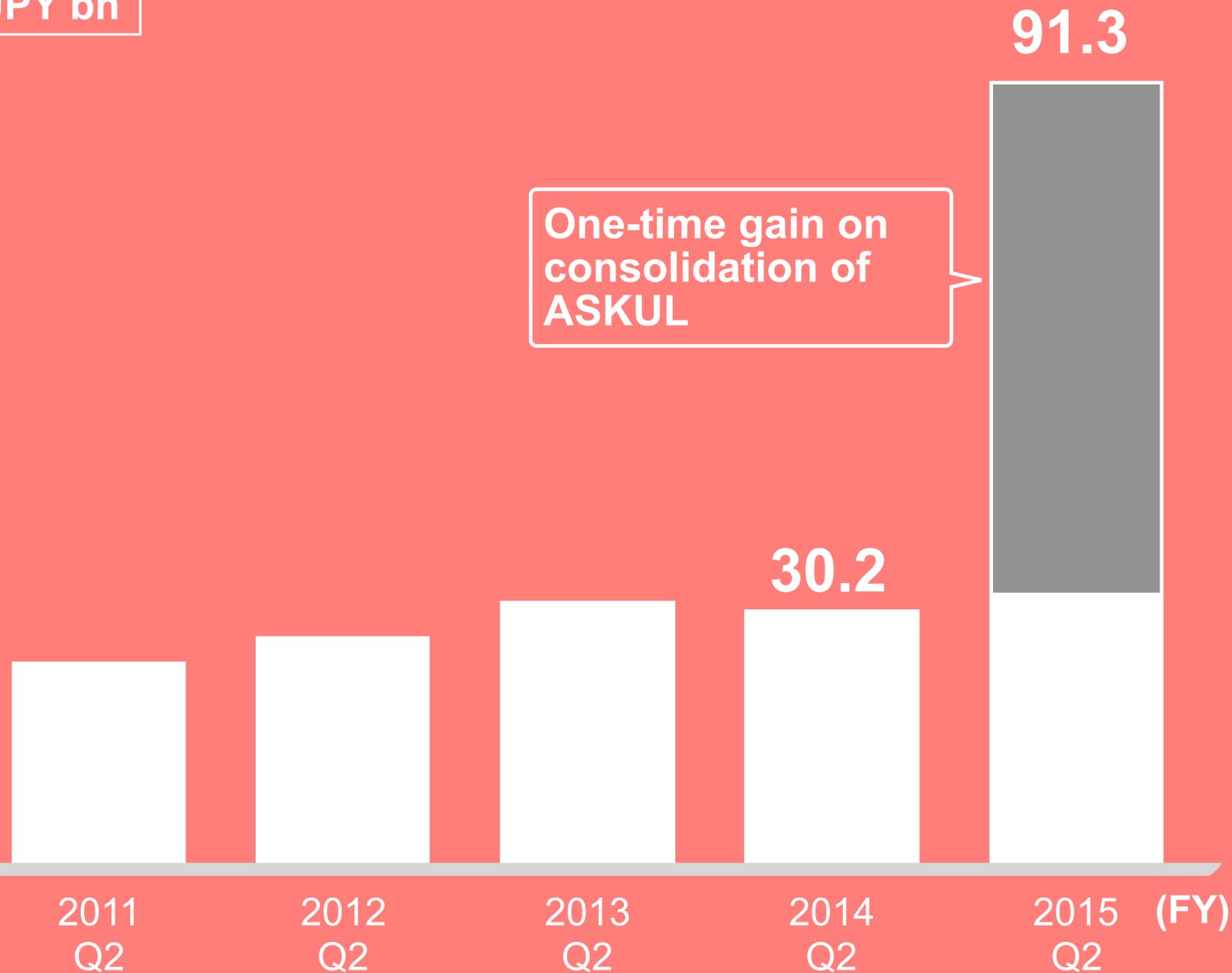
Toward Sustainable Turnaround



YAHOO!
JAPAN

Net Income

JPY bn

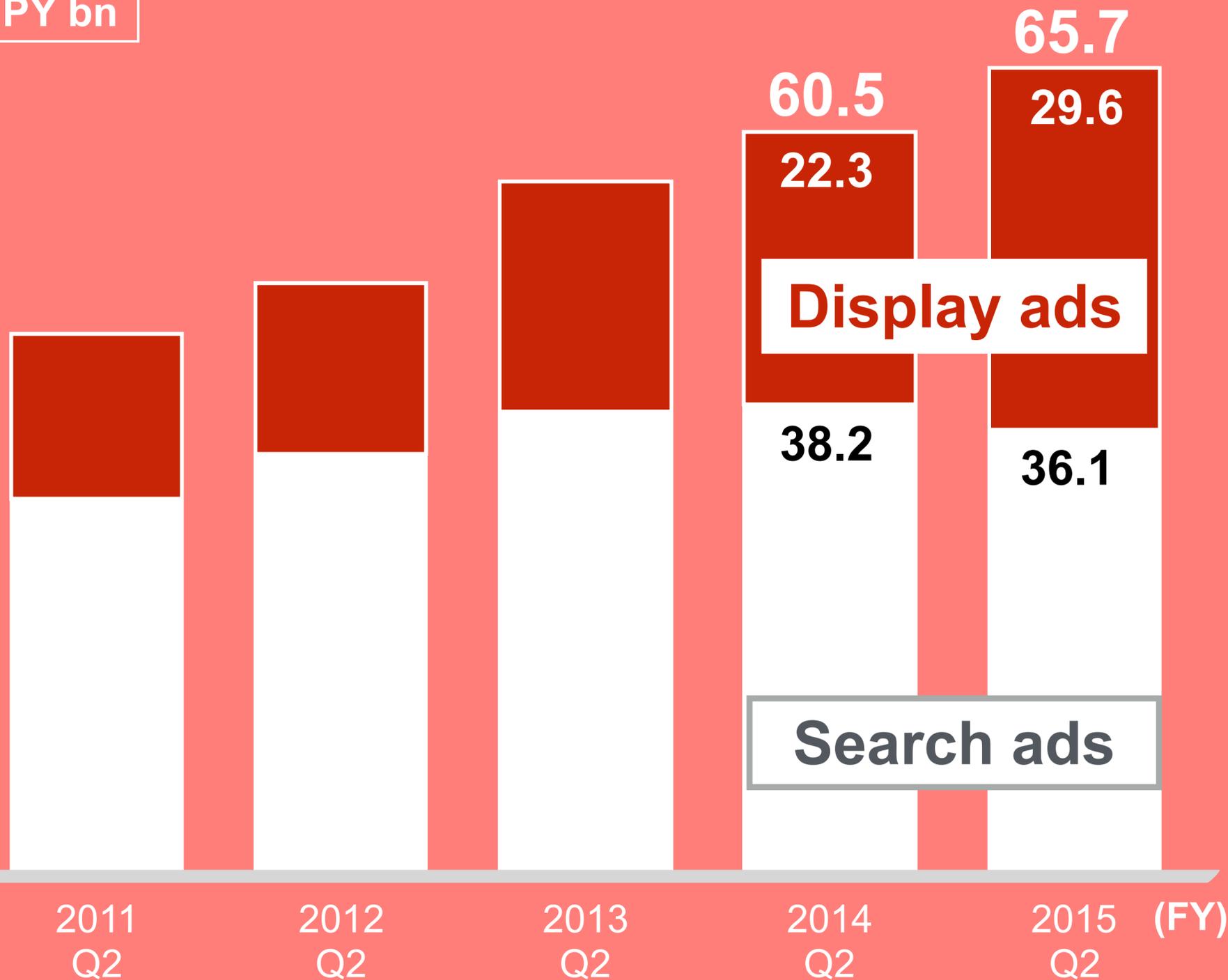


One-time gain on consolidation of ASKUL

- **YoY 203% increase**
- **Steady growth**
(excluding one-time gain on consolidation of ASKUL)

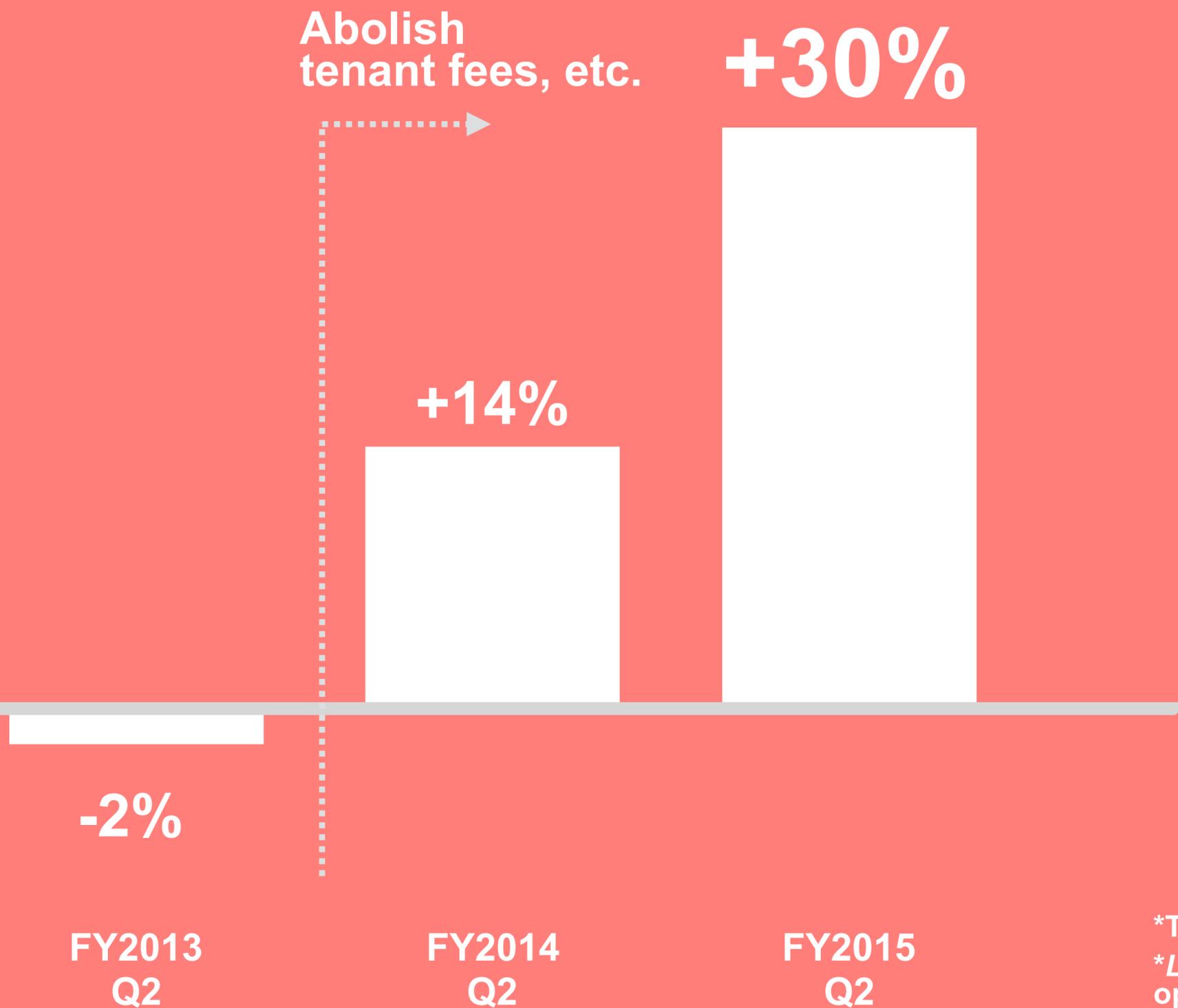
Advertising Revenue

JPY bn



- Growing display ads
- *Yahoo! Display Network* contributes

Shopping Transaction Value (YoY growth)



- YoY 30% increase
- New e-commerce strategy successful

*Transaction value of *Yahoo! Shopping* and *LOHACO*.

**LOHACO*'s transaction value is the revenue of *LOHACO* business, operated by ASKUL, from June 21 to Sept. 20, after 2013.

Scorecard

 **SoftBank**
Domestic Telco



- Need to drive broadband biz faster
- Manage regulatory concern

Sprint 



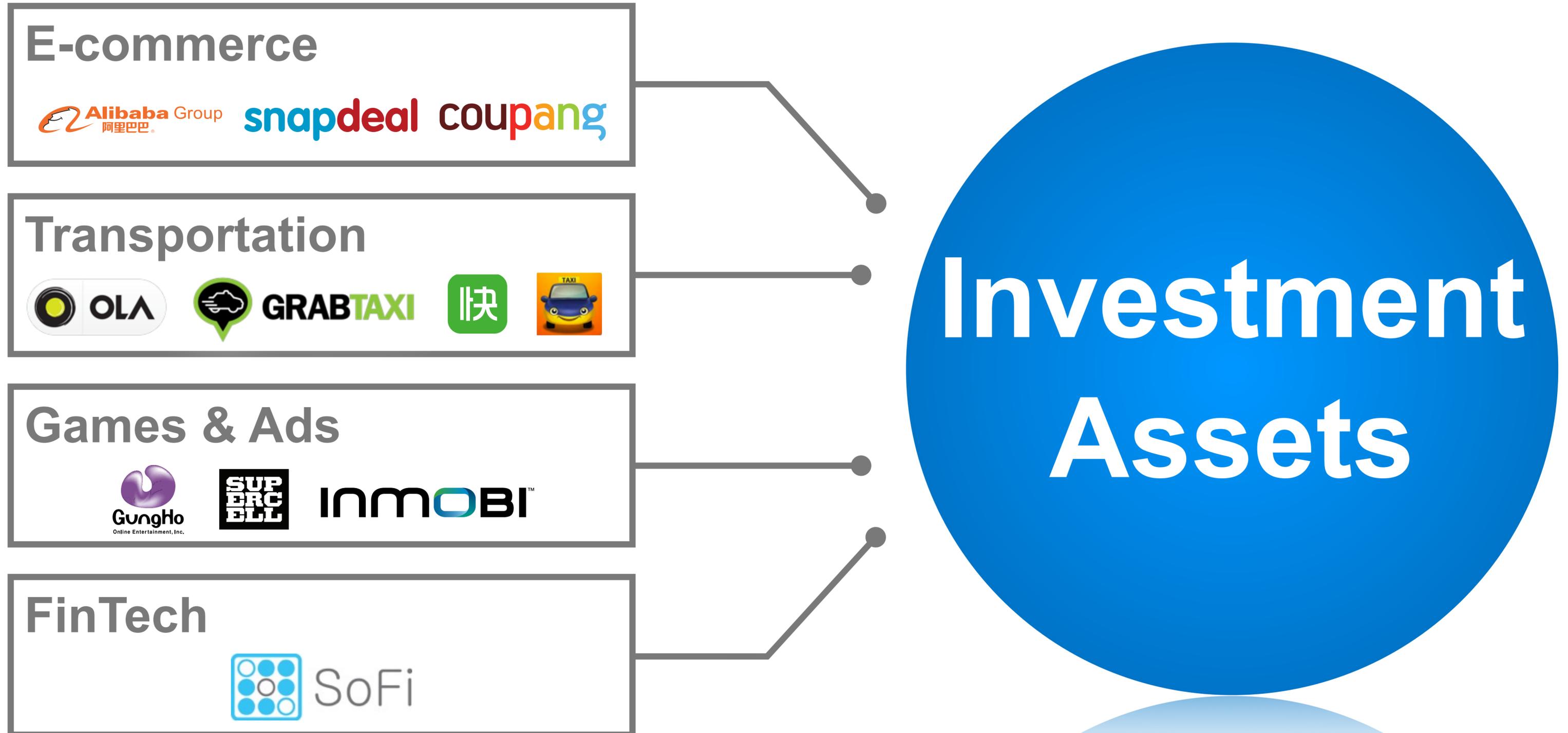
- Plan for transformation initiated on network and operation side

YAHOO!
JAPAN



- Great momentum on mobile
- Need to continue execution on shopping and new verticals

Business Portfolio



E-commerce



snapdeal

coupan

Gross Merchandise Volume



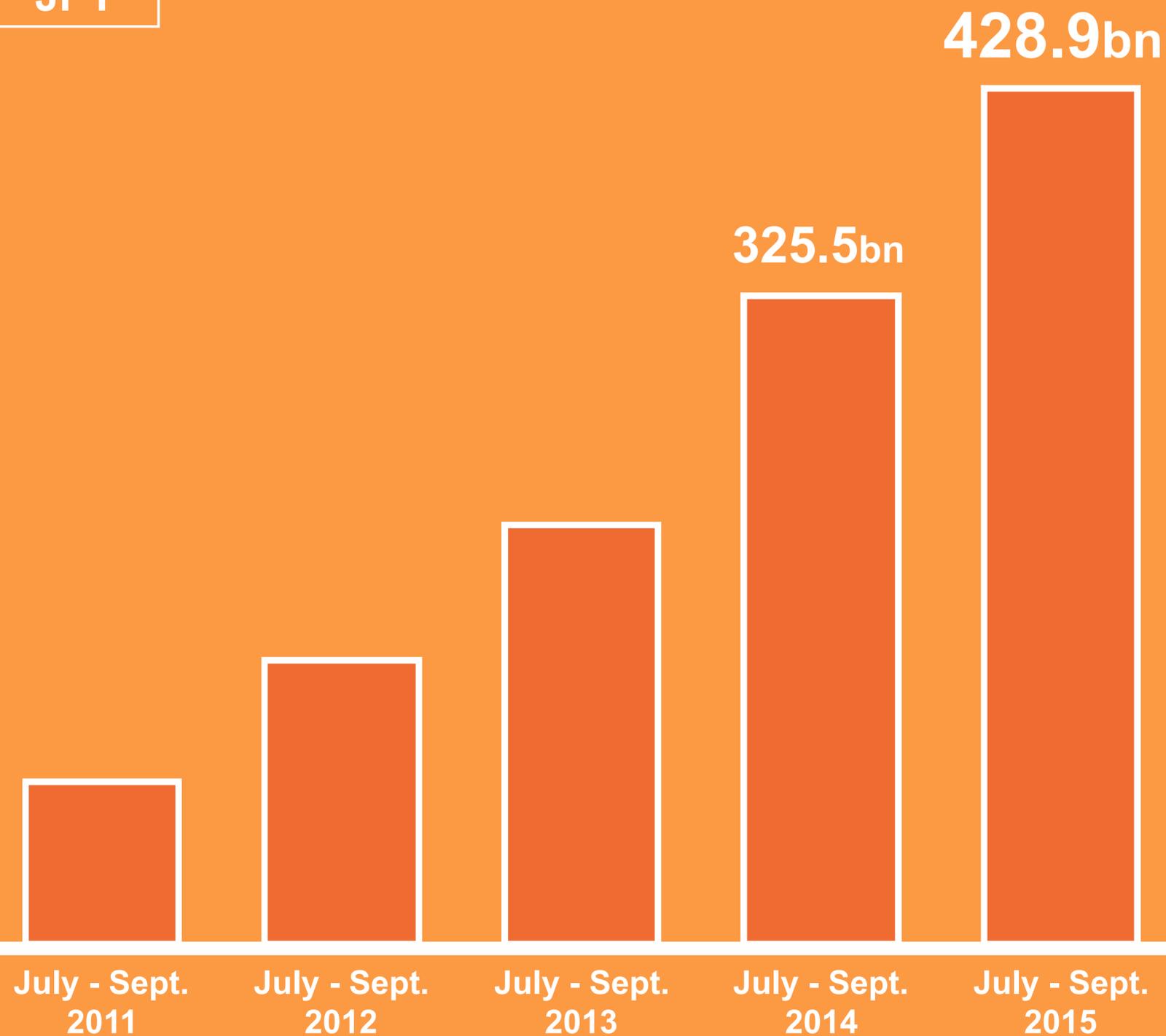
- Enhance ecosystem
- Mobile focus

Alibaba Apr. - Sept. '12 Apr. - Sept. '13 Apr. - Sept. '14 Apr. - Sept. '15
Walmart Feb. - July '12 Feb. - July '13 Feb. - July '14 Feb. - July '15

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited.
USD 1.00 = JPY 120, USD 1.00 = RMB 6.2036
Walmart (global): sum of net sales of Walmart U.S. and Walmart International

Revenue

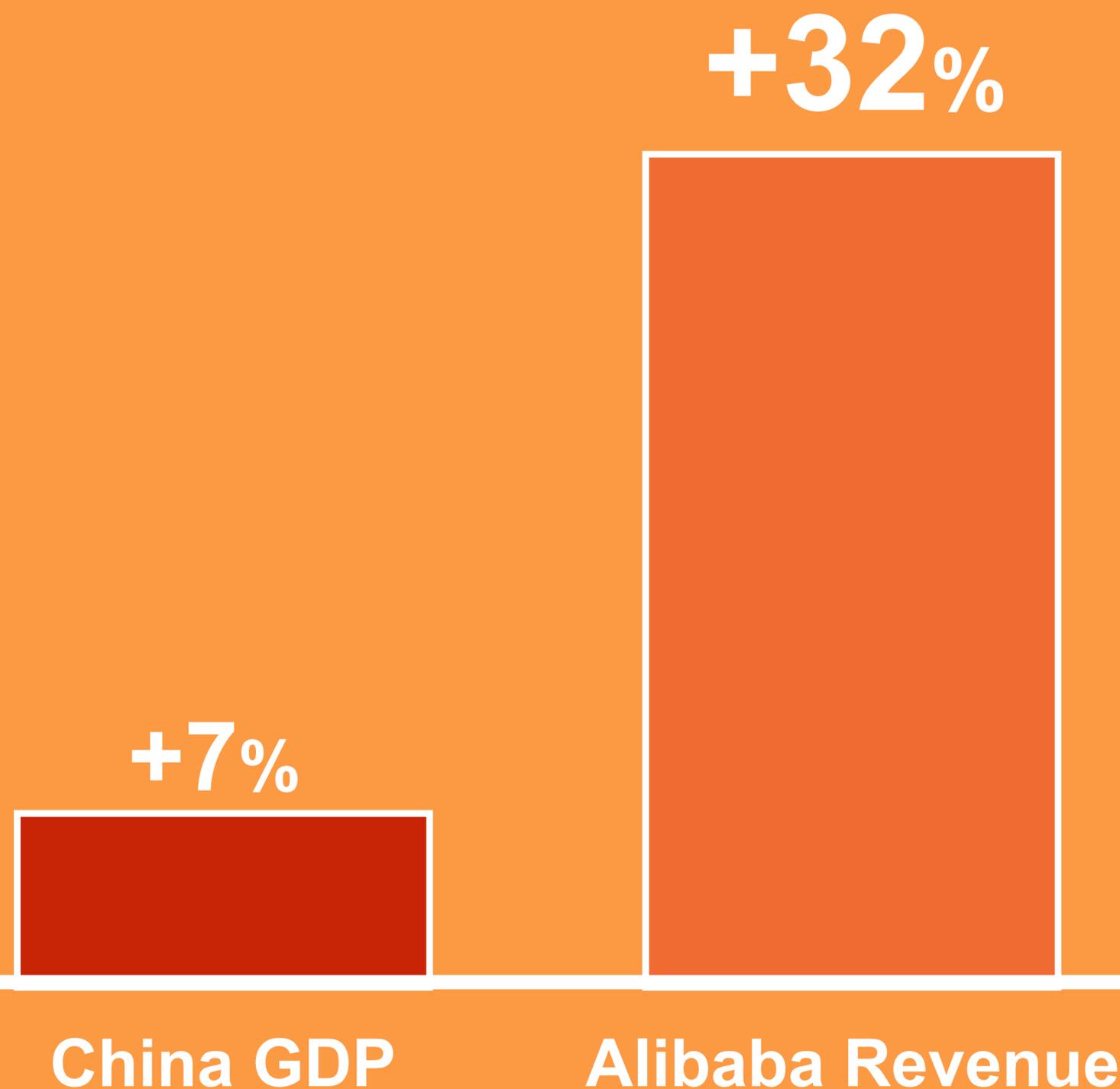
JPY



- YoY 32% increase
- Mobile revenue: YoY 3x increase

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited.
USD 1.00 = JPY 120, USD 1.00 = RMB 6.2036

(July - Sept. 2015)



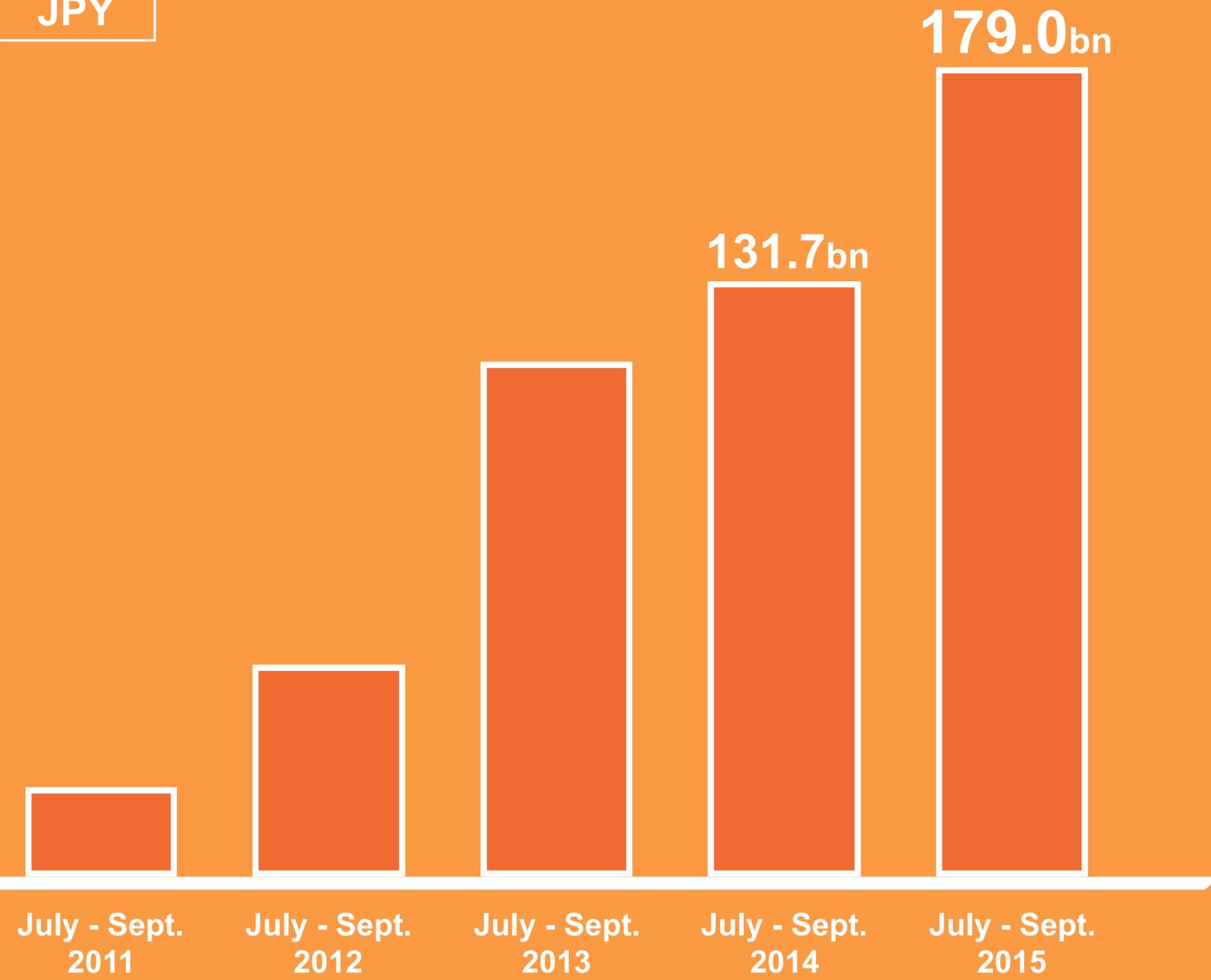
- Exceeds GDP growth
- Mobile expansion is driver
- Monetization rate increasing

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited and National Bureau of Statistics of China.

Non-GAAP Net Income (after tax)

USGAAP
Non-GAAP
(Excluding the gains and losses related to share based compensation expenses, amortization of intangible assets, revaluation of investments etc.)

JPY

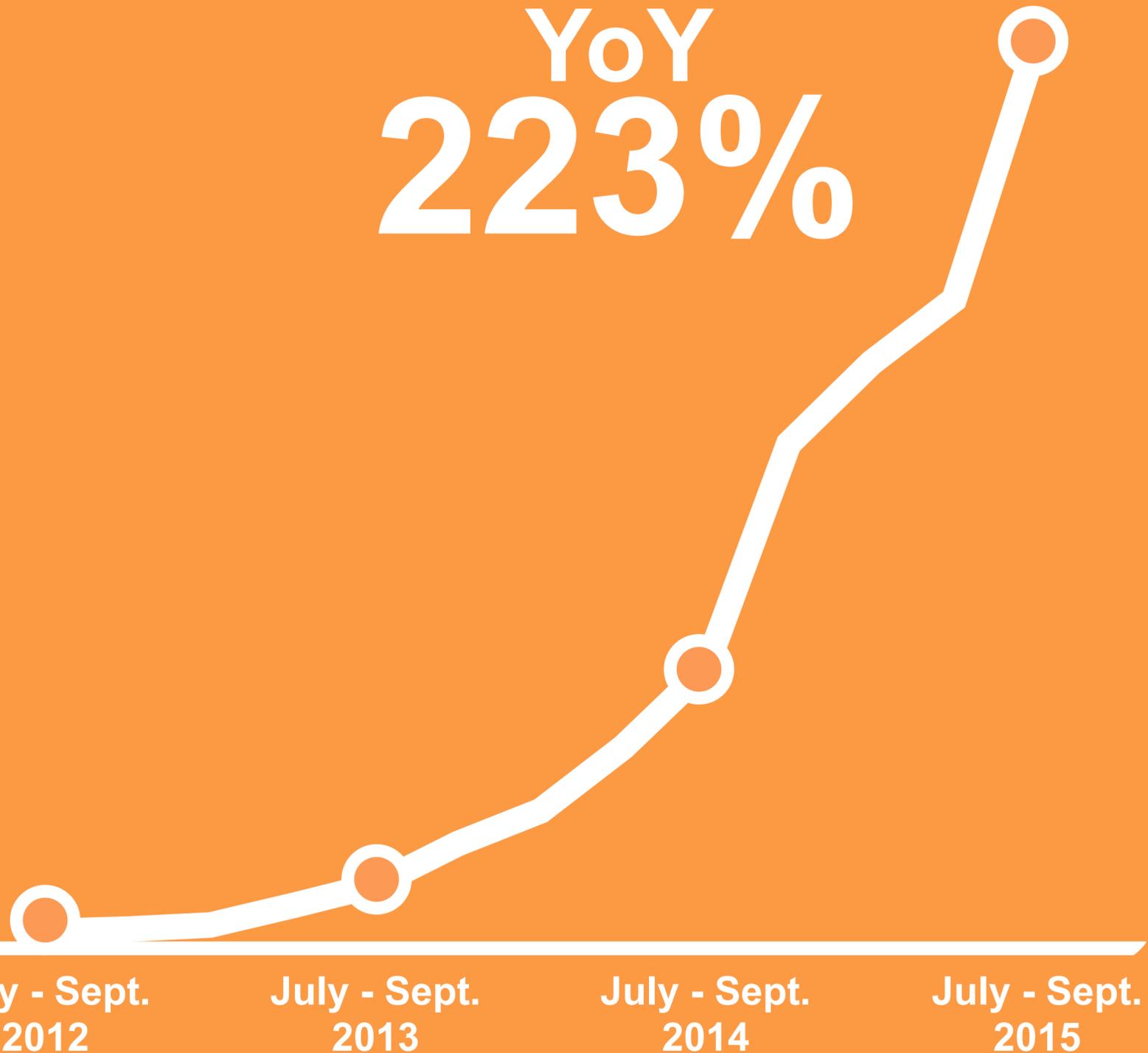


• YoY 36% increase

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited.
USD 1.00 = JPY 120, USD 1.00 = RMB 6.2036

Gross Merchandise Volume

YoY
223%



- Indian e-commerce will be \$100bn by FY2020
- \$3.5bn sales, 4x sales in a year
- Focus on category expansions; digital payments

Retail Revenue

YoY
531%



- **Mobile commerce market expansion**
- **Strong revenue growth, new customers, growing customer spend**
- **Focus on supply chain innovation for retail products**

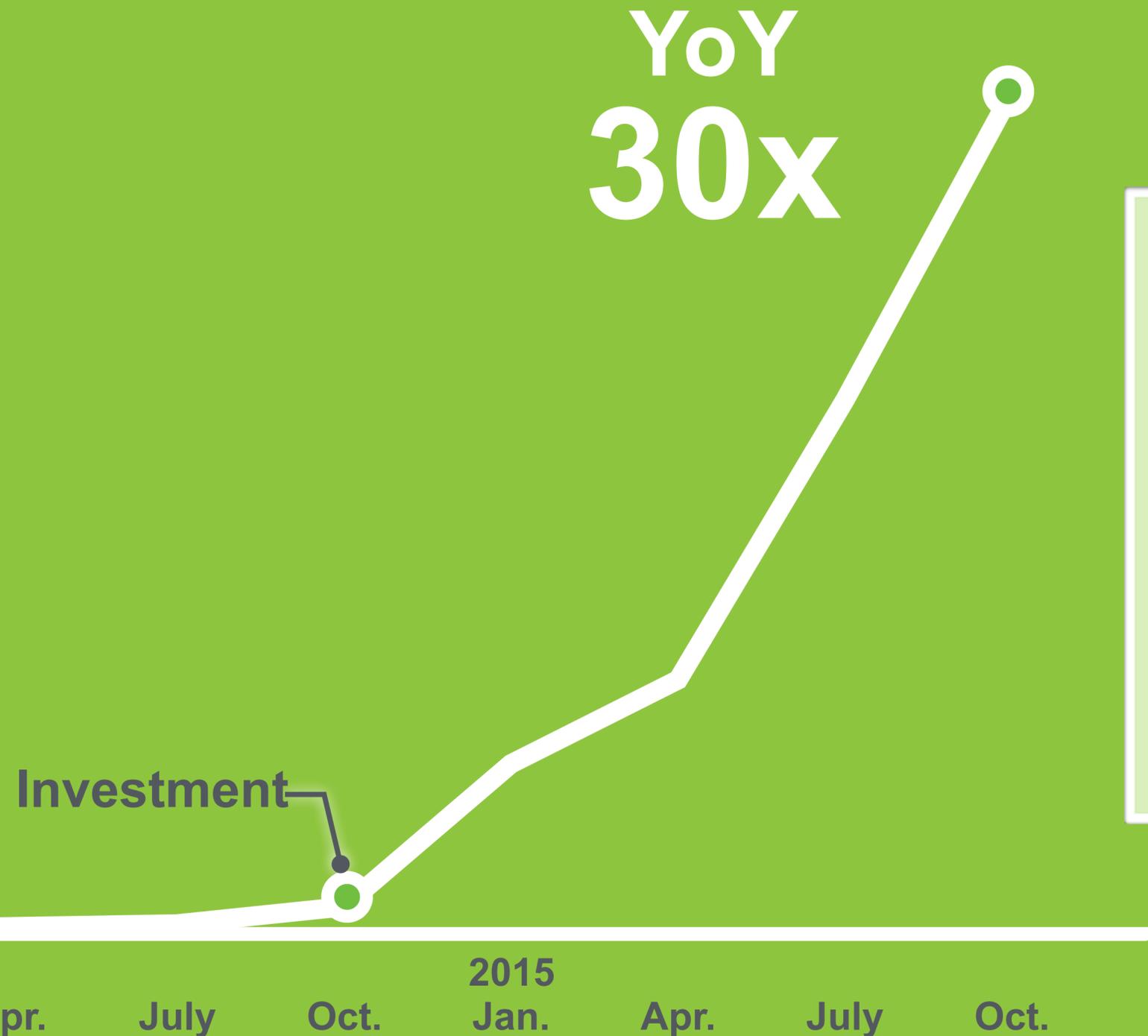
Retail revenues: revenue from goods delivered directly through Coupang's end-to-end fulfillment operations, which includes the "Coupang Man" home-grown fleet that enables last-mile delivery.

Transportation





Monthly Booking Requests



- Indian taxi market will be \$7bn by 2020
- +1mil booking requests a day (Sept. 2015)
- India's first cab leasing program

2014
Jan.

Apr.

July

Oct.

2015
Jan.

Apr.

July

Oct.

Quarterly Bookings

8x



July - Sept.
2014

July - Sept.
2015

- Extending regional market share
- 6x increase in MAUs over last year
- Up to 1.5mil bookings / day



Rides

4x



Aug. 2014

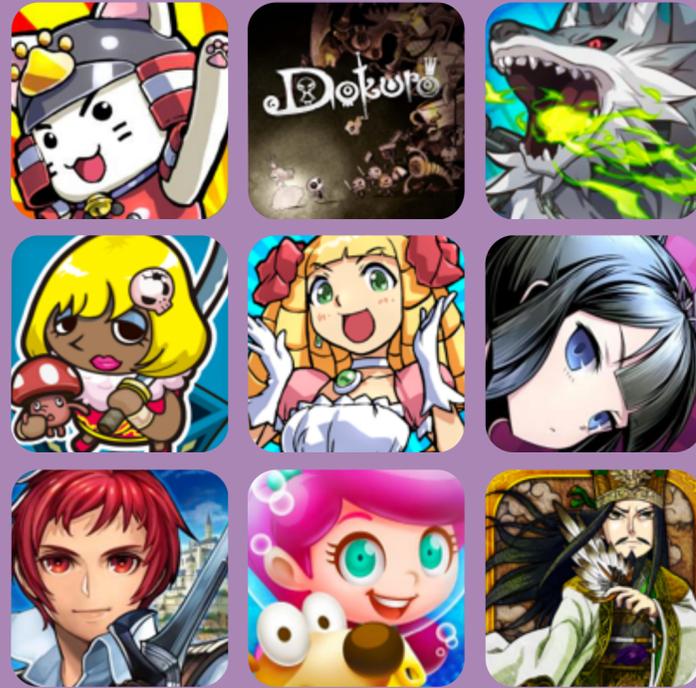
Aug. 2015

- **Leading on-demand taxi platform in China**
- **Significant growth headroom**
- **Continued strategic support from Alibaba and Tencent**

Games & Ads



Smartphone Games Growth Strategy



- Maximize existing value
- Create new entertaining games
- Enhance global user base



100bn

Monthly
ad impressions



1bn

Quarterly
active users



200k

App downloads
per day

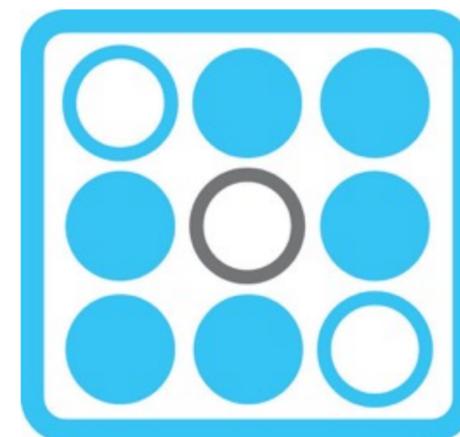


+190

Countries
covered

Building Global Mobile Ad Networks

FinTech



Sofi

SoFi Tech-enabled Lending Services

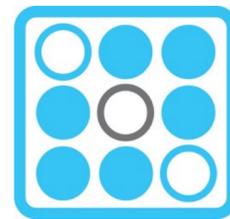
Borrowers



Financially responsible consumers

Application

Loan



SoFi

Now:

- Student loan refinancing
- Home mortgage
- Personal loans

Next:

- Wealth management
- Insurance
- Deposit products

Return

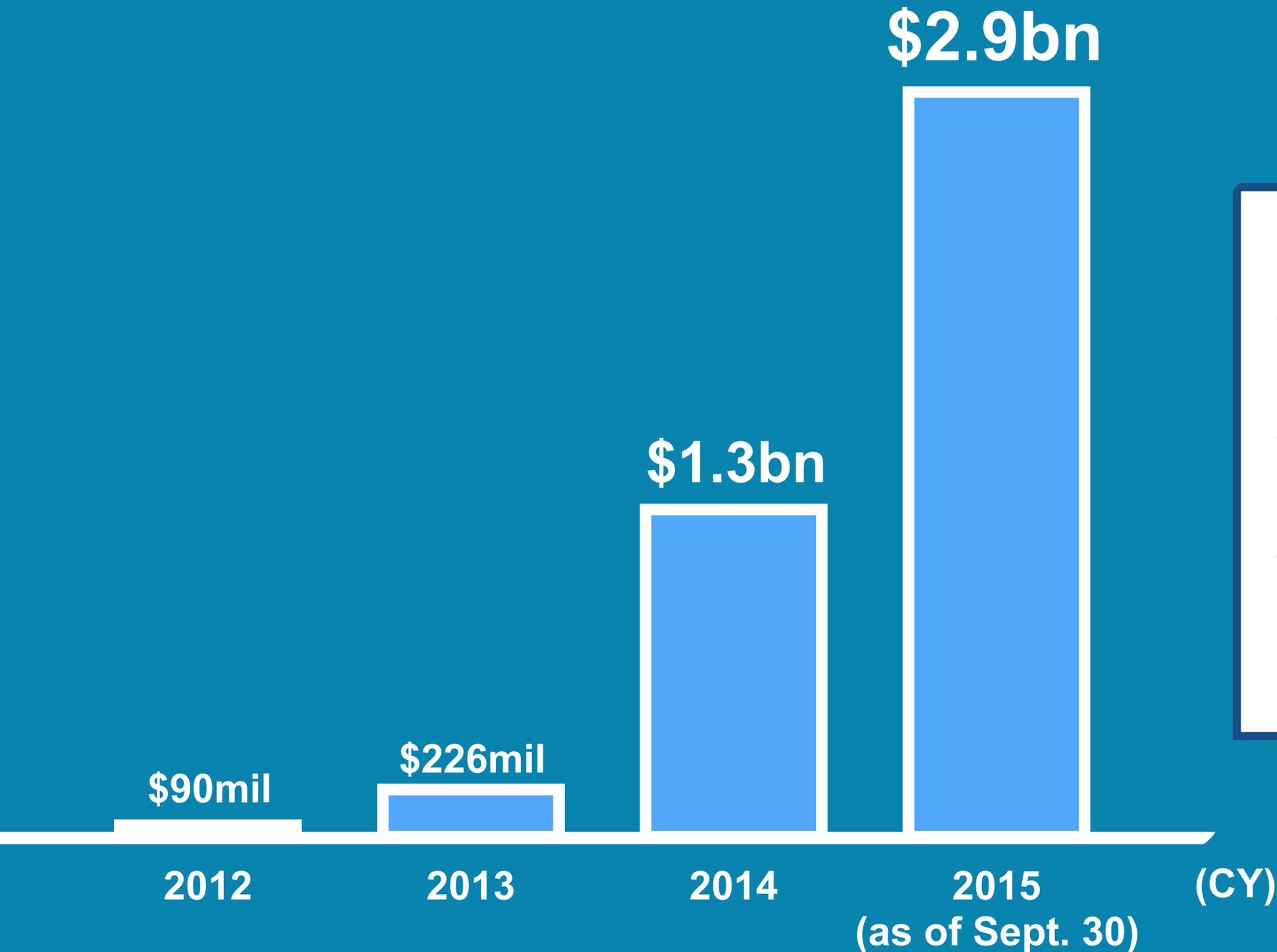
Capital

Lenders



Banks, institutional investors, etc.

Funded Amount



- **Scaled and diversified business**
- **Maintaining high credit quality**
- **Broad market disruption across the financial landscape**

Status of Investment Assets

Excited about new portfolio investments

**Focused on maximizing value of
portfolio companies**

Business Portfolio

**Operating
Assets**

**Investment
Assets**

Toward Further Growth



SoftBank
Group

1. Adoption of IFRSs

SoftBank Group Corp. adopted the International Financial Reporting Standards (IFRSs) from fiscal 2013. Figures for fiscal 2012 have also been presented in accordance with IFRSs.

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

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