



**May 10, 2016**

**Earnings Results  
for the Fiscal Year  
Ended March 31, 2016**

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# Consolidated Results

# Consolidated Results

(JPY bn)

	FY2014	FY2015	Change	YoY
<b>Net sales</b>	8,504.1	<b>9,153.5</b>	+649.4	+8%
<b>Adjusted EBITDA</b>	2,041.6	<b>2,438.9</b>	+397.3	+19%
<b>EBIT</b>	918.7	<b>999.5</b>	+80.8	+9%
<b>Net income</b>	668.4	<b>474.2</b>	-194.2	-29%
Excluding one-time gains* (related to Alibaba IPO)	384.9	<b>474.2</b>	+89.3	+23%

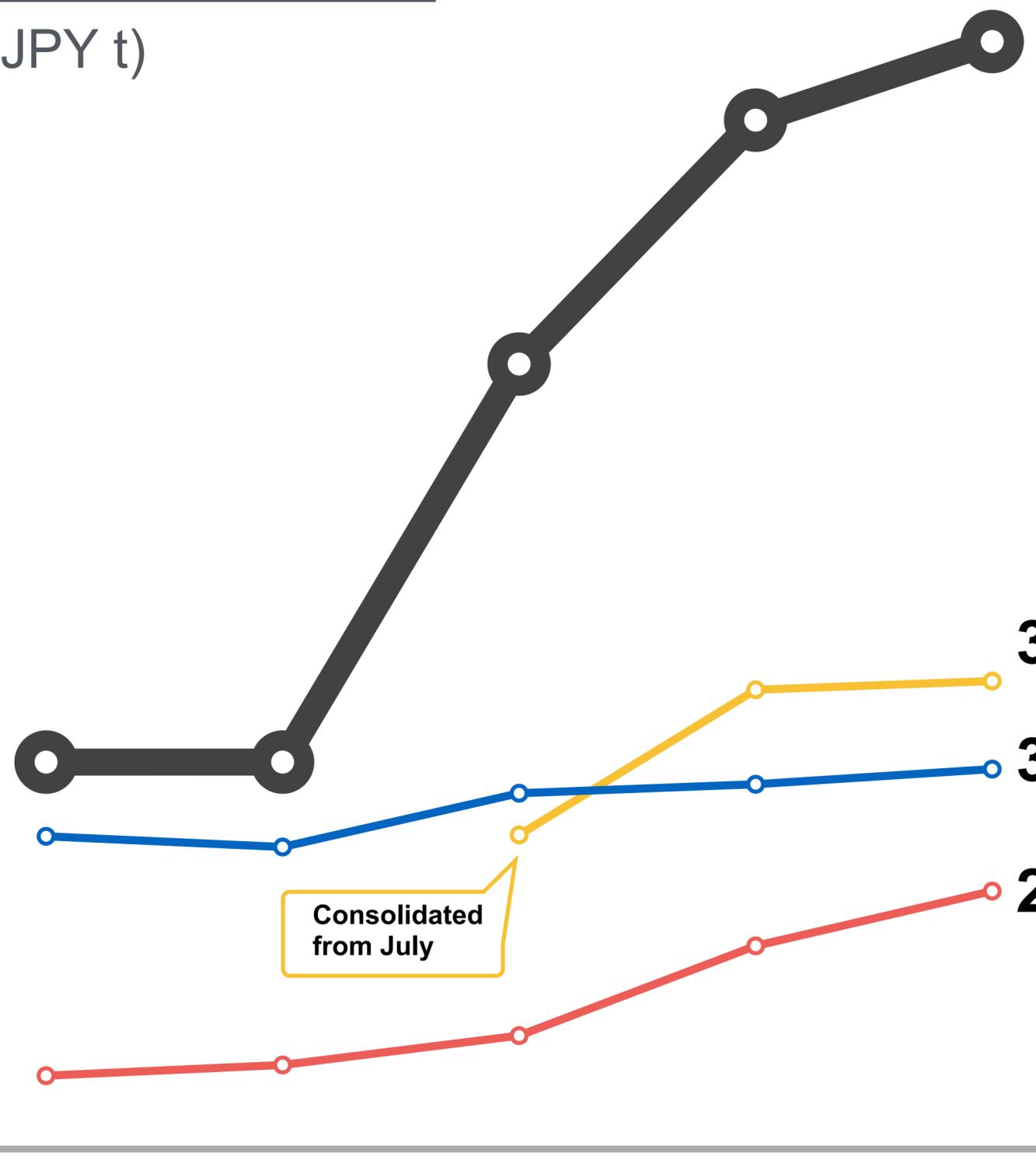
\*One-time gains: dilution gain from changes in equity interest related to Alibaba  
+ IFRSs adjustment on Alibaba's Convertible Preference Shares (CPS)

(Note) 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)

**9.2t** **+8%** **Consolidated**



**3.9** **+2%** **Sprint** **FX impact**

**3.1** **+4%** **Domestic Telco** **Increase in telecom service revenue, product & other sales**

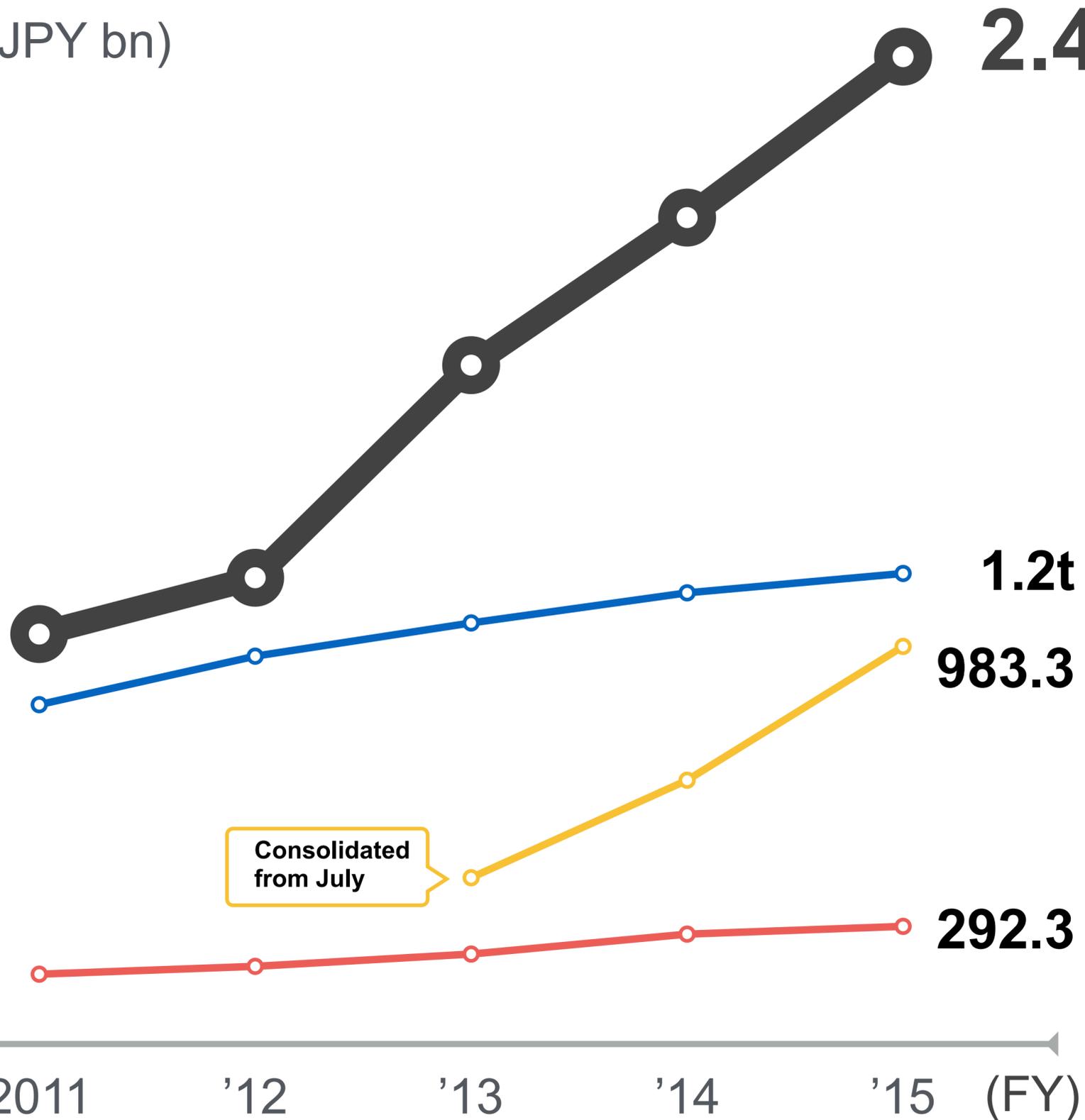
**2.1** **+27%** **YJ & others**

Consolidated from July

2011 '12 '13 '14 '15 (FY)

# Adjusted EBITDA

(JPY bn)



2.4t

+19%

**Consolidated**

+4% **Domestic Telco**

+51% **Sprint**

**FX impact & cost reduction**

+7% **YJ & others**

Consolidated from July

\*FY2011: Japanese-GAAP, 2012-15: IFRSs

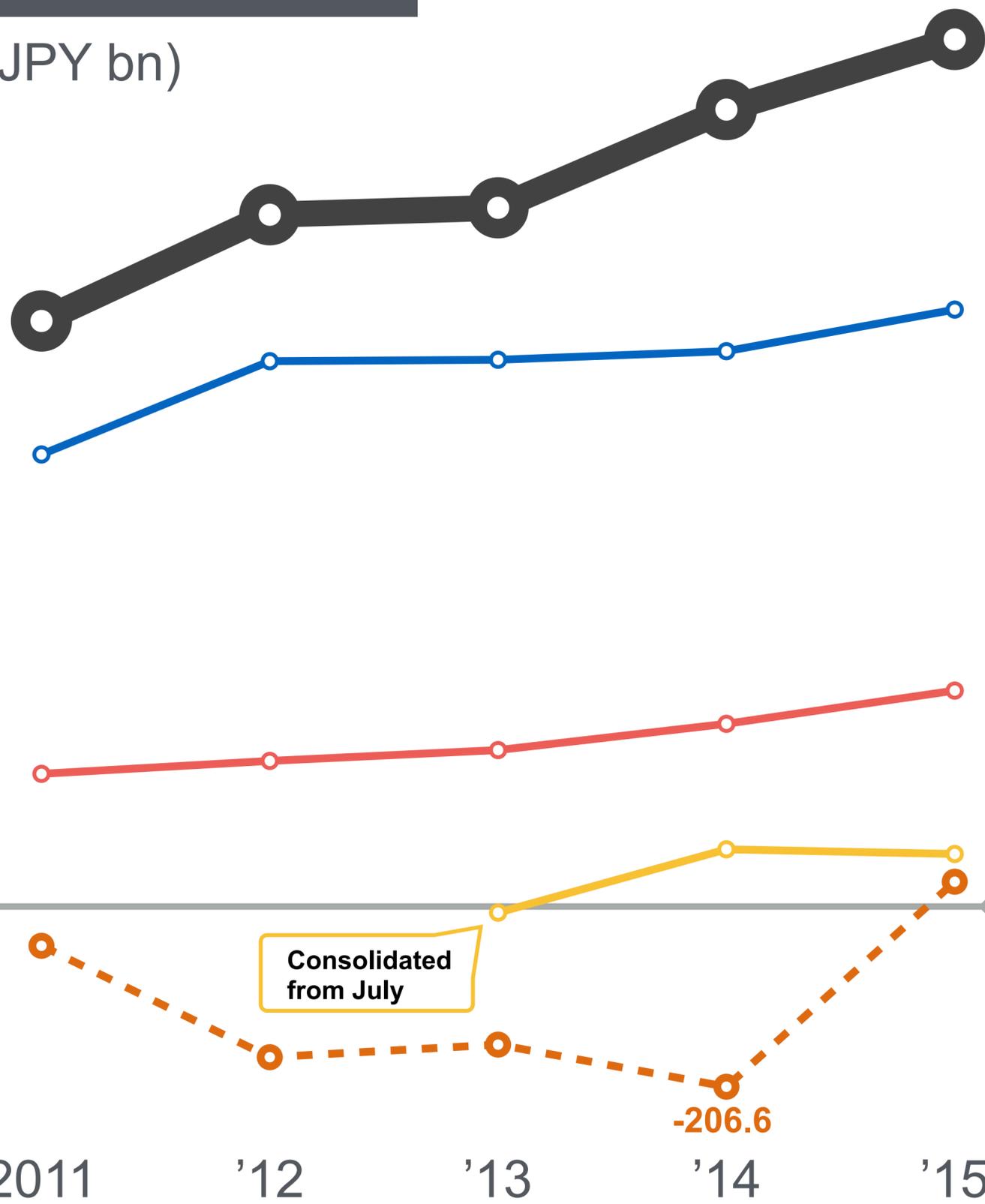
\*YJ & others = Yahoo Japan segment + Distribution segment + Others + Reconciliations

\*FY11~13: EBITDA = segment income + depreciation

FY14~15: Adjusted EBITDA = segment income + depreciation - income from remeasurement relating to business combination ± other operating income (loss)

# EBIT

(JPY bn)



999.5

+9%

Consolidated

688.4

+7%

Domestic Telco

249.6

+18%

YJ & others

61.5

-8%

Sprint (IFRSs)

33.8

+240.3

Sprint (USGAAP)

Consolidated from July

-206.6

(FY)

\*FY2011: Japanese-GAAP, 2012-15: IFRSs

\*YJ & others = Yahoo Japan segment + Distribution segment + Others + Reconciliations

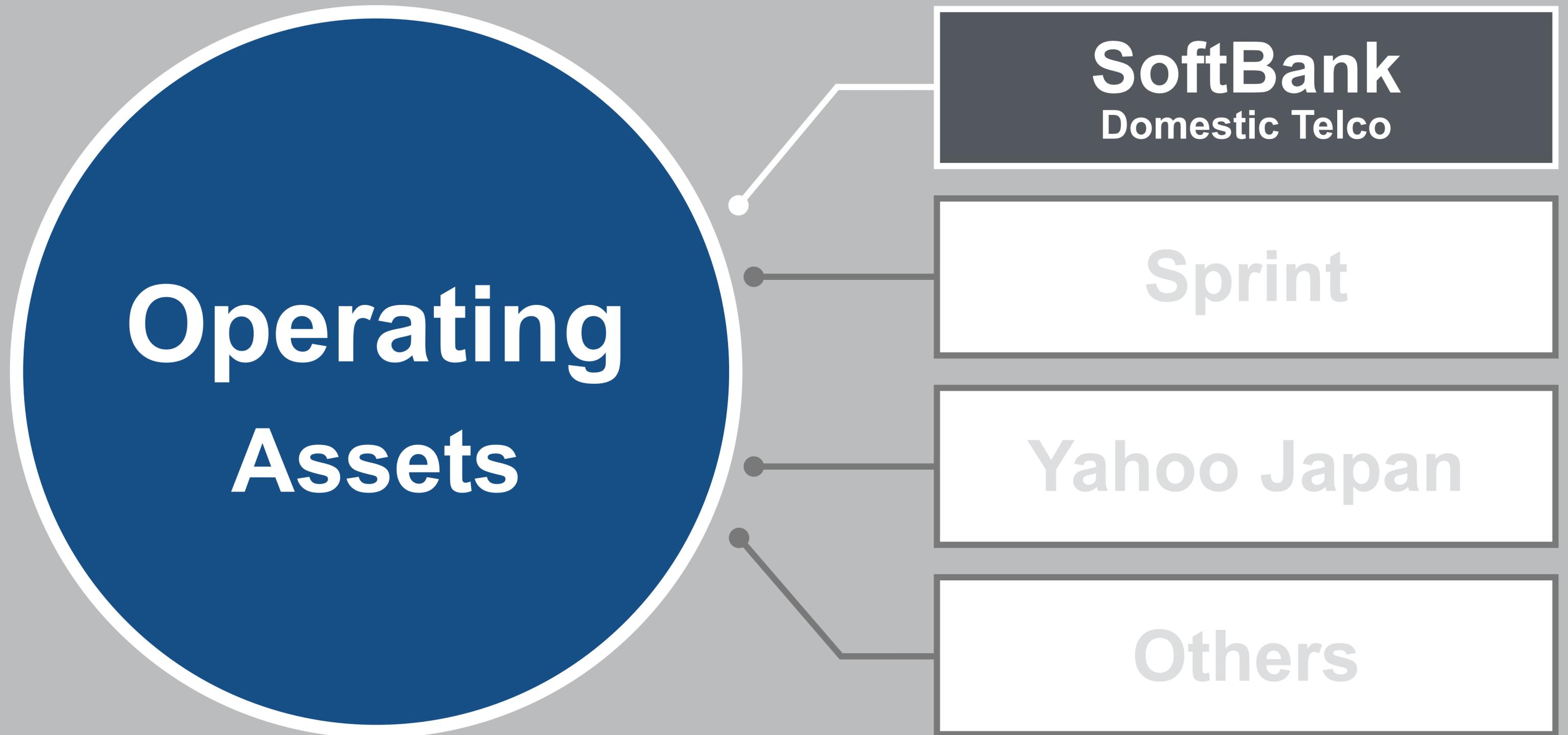
\*Sprint (USGAAP): USD 1 = JPY 109

# Business Portfolio

**Operating  
Assets**

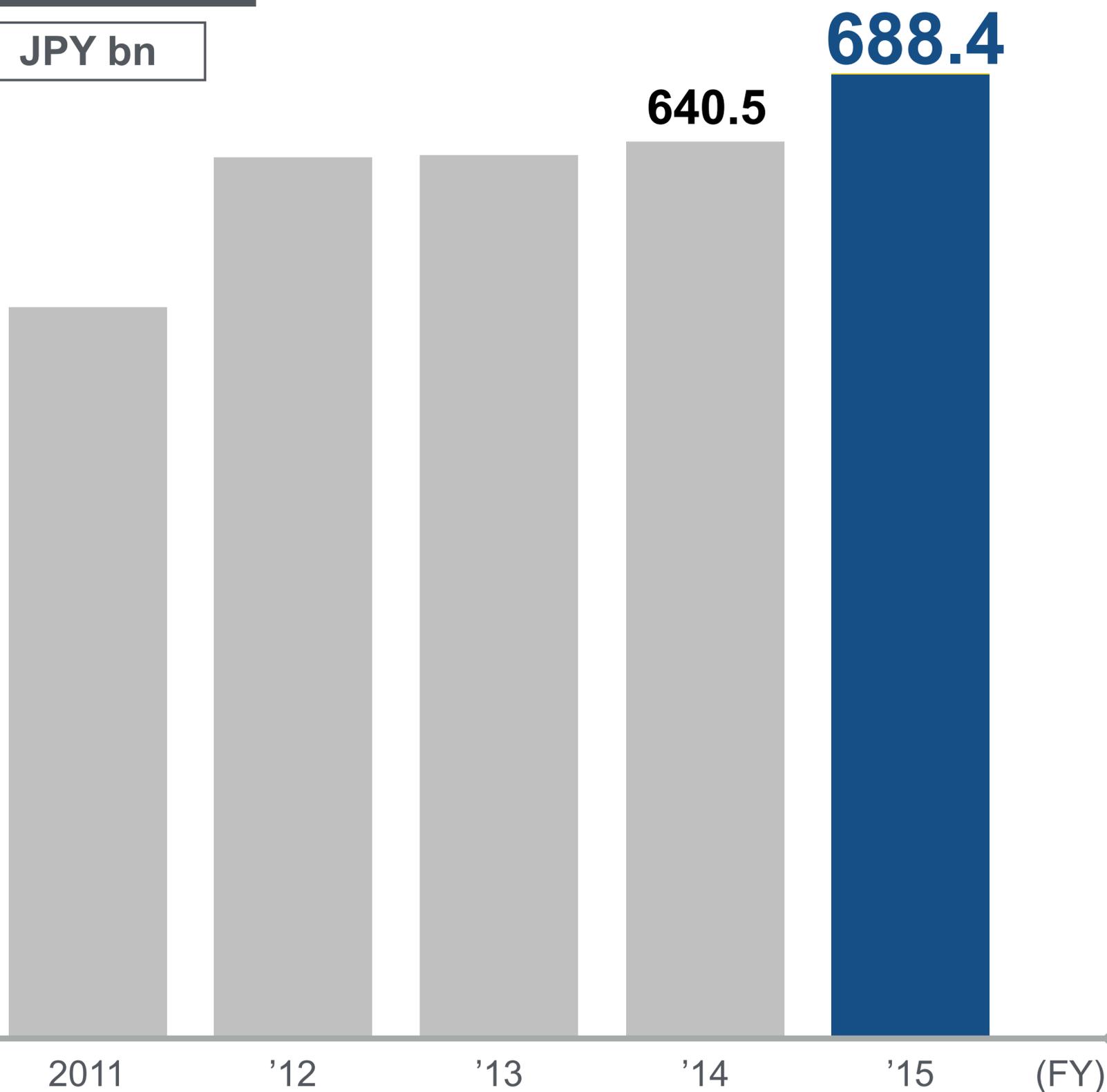
**Investment  
Assets**

# Business Portfolio



# EBIT

JPY bn



- YoY 7% increase
- Stable revenue trend
- Cost reduction effects

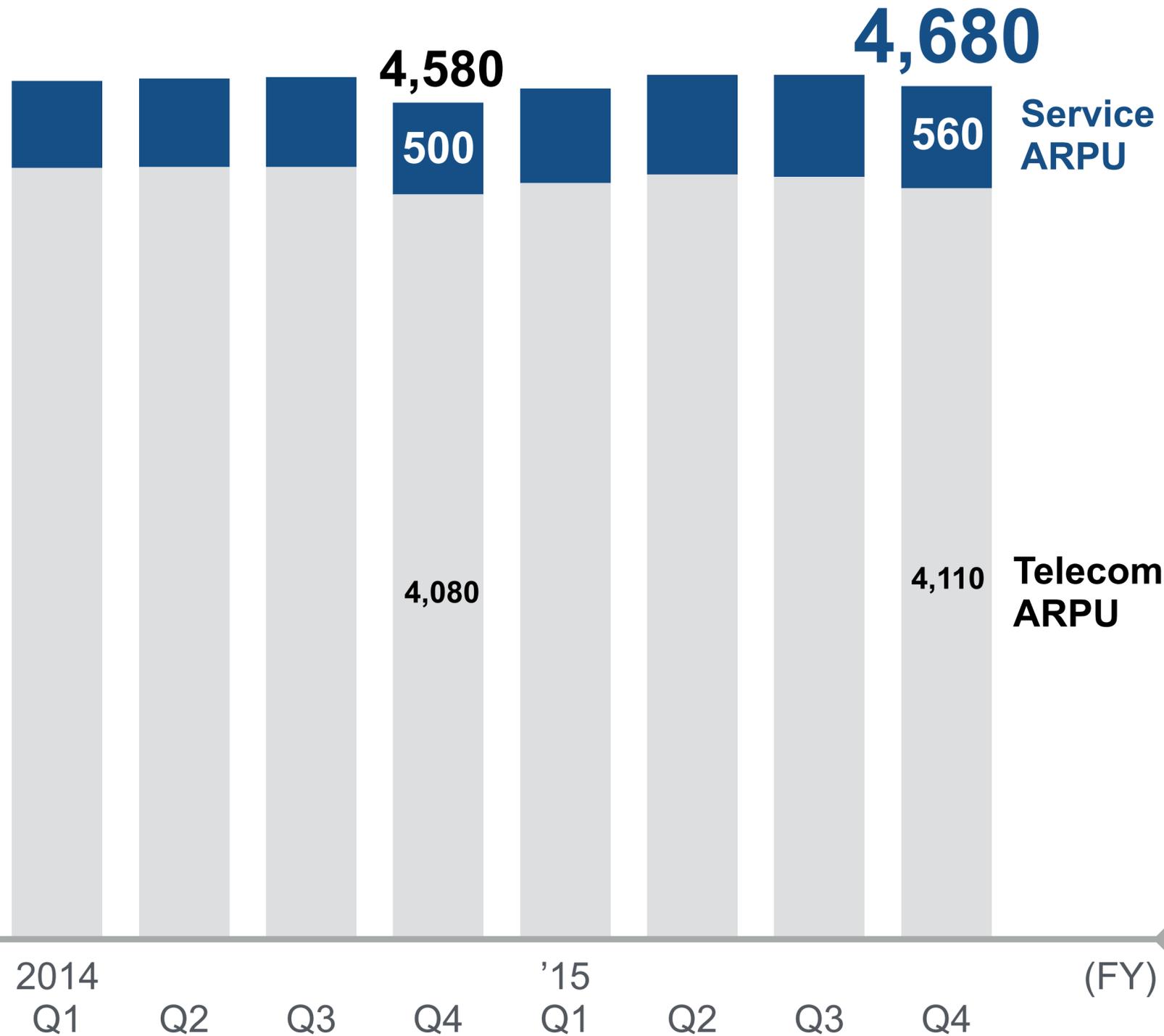
\*FY2011: Japanese-GAAP, 2012-15: IFRSs

\*After FY2014: Domestic Telecommunications business

Up to FY2013: Mobile Communications business + Fixed-line business + Broadband Infrastructure business

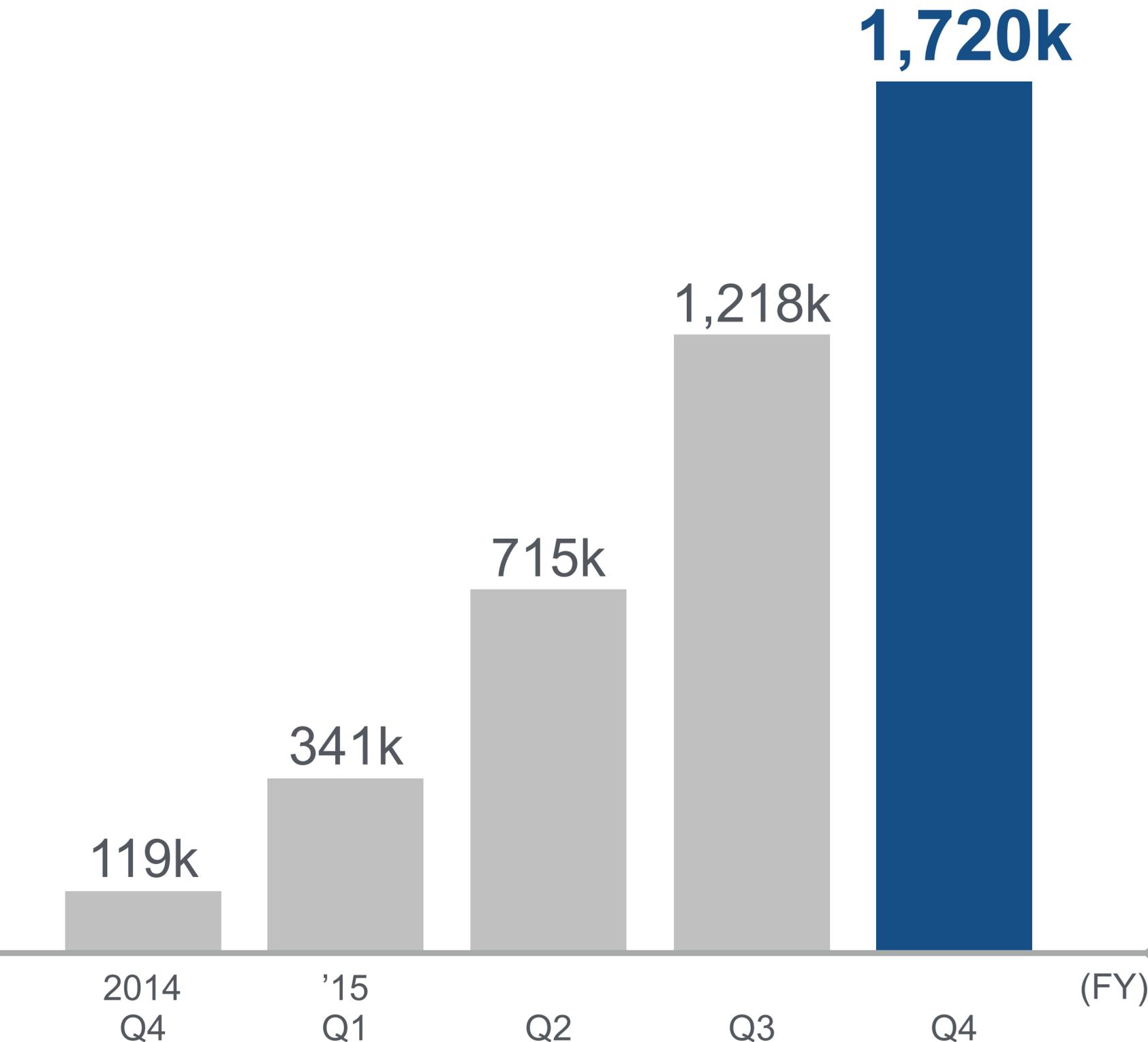
# ARPU (Main Subscribers)

JPY



- YoY 2% increase
- Service ARPU increasing

# Cumulative Subs (FTTH Service)



- Exceeds 1.7mil
- Bundle plan leads to reduced churn

# New Sports Content (from Mar. 17)

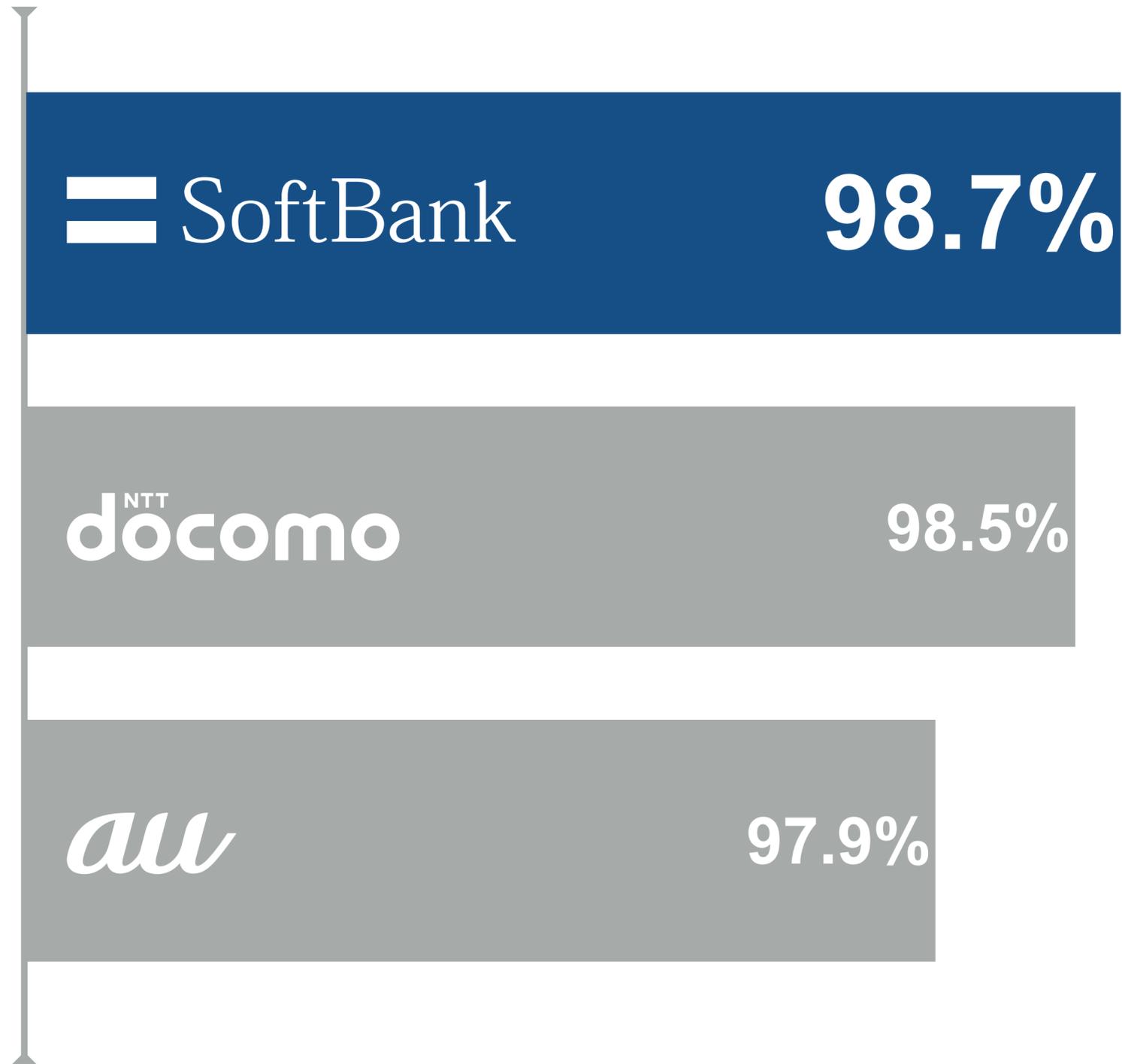


## スポナビライブ **Sportsnavi** LIVE



**Live streaming of professional baseball games to smartphones  
(10 out of 12 teams)**

# Smartphone Data Connectivity



- **Maintain high level**
- **Continue efficient CAPEX**

# Free Cash Flow

JPY

402.2bn

113.3bn

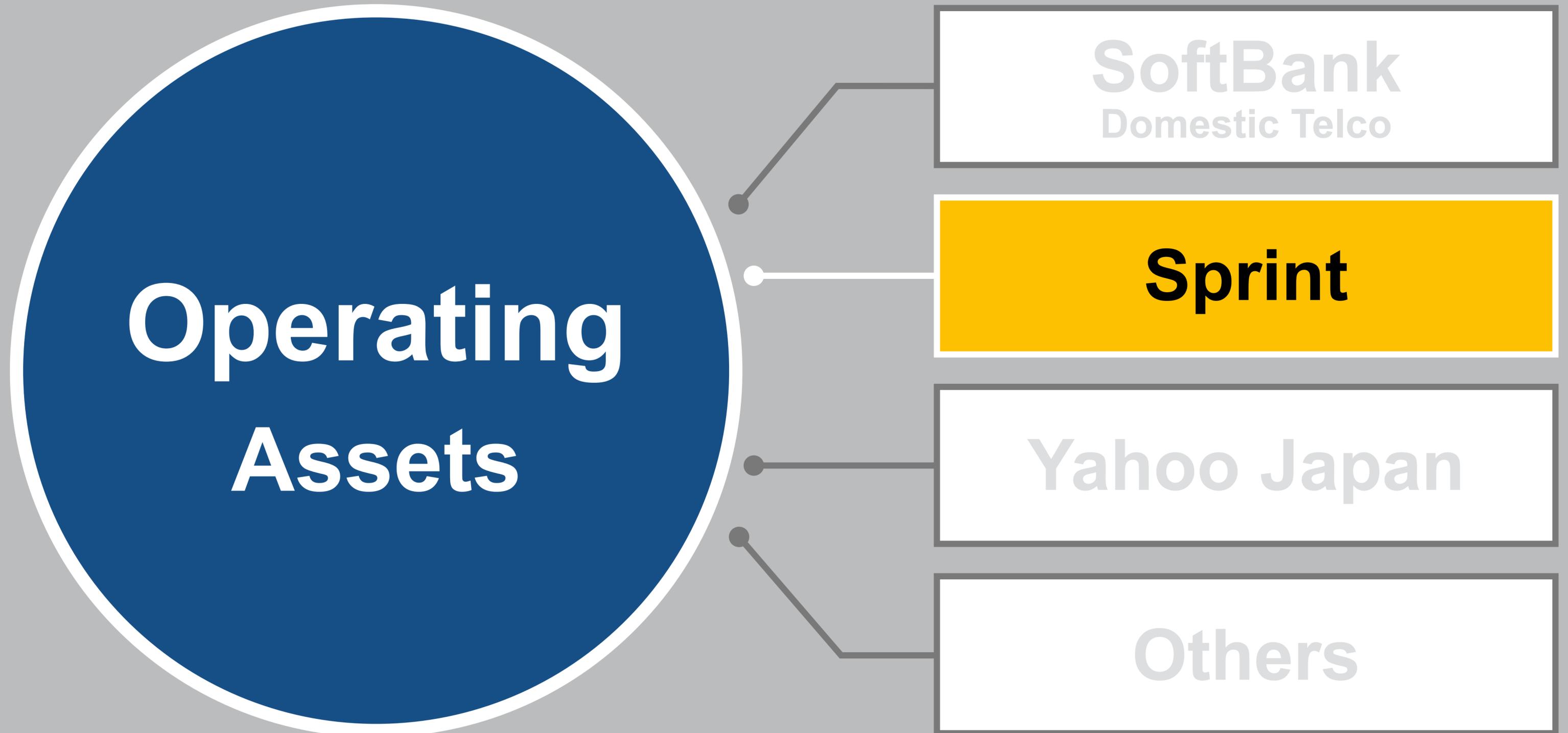
2014

2015

(FY)

- **Generating FCF**
- **EBITDA steady**

# Business Portfolio



# Turnaround Strategy Update

**Net Adds Improvement  
Revenue Stabilization**

**OPEX Reduction**

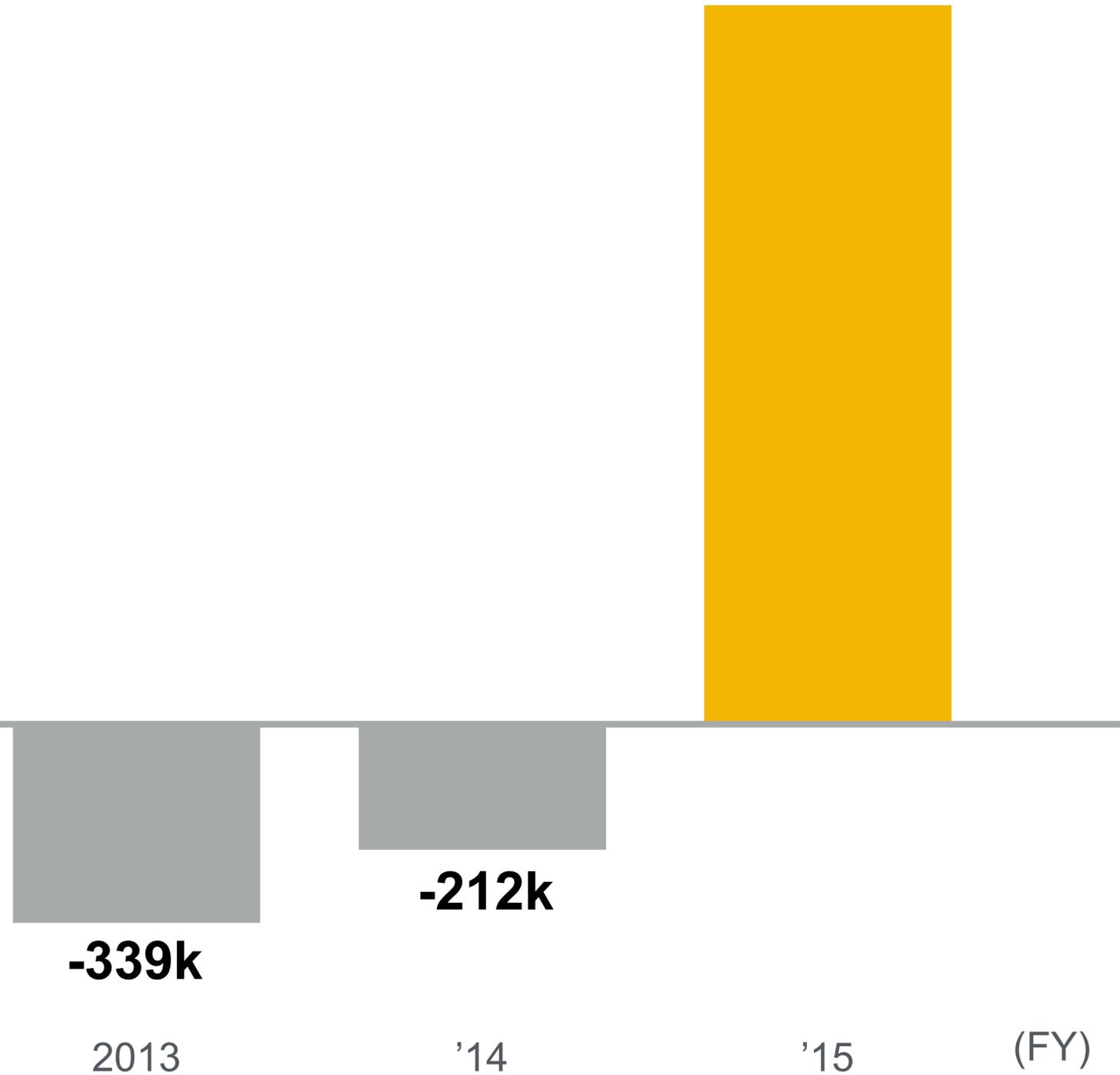
**Diverse  
Financing Methods**

**Network  
Improvement**

# Net Additions (Postpaid)

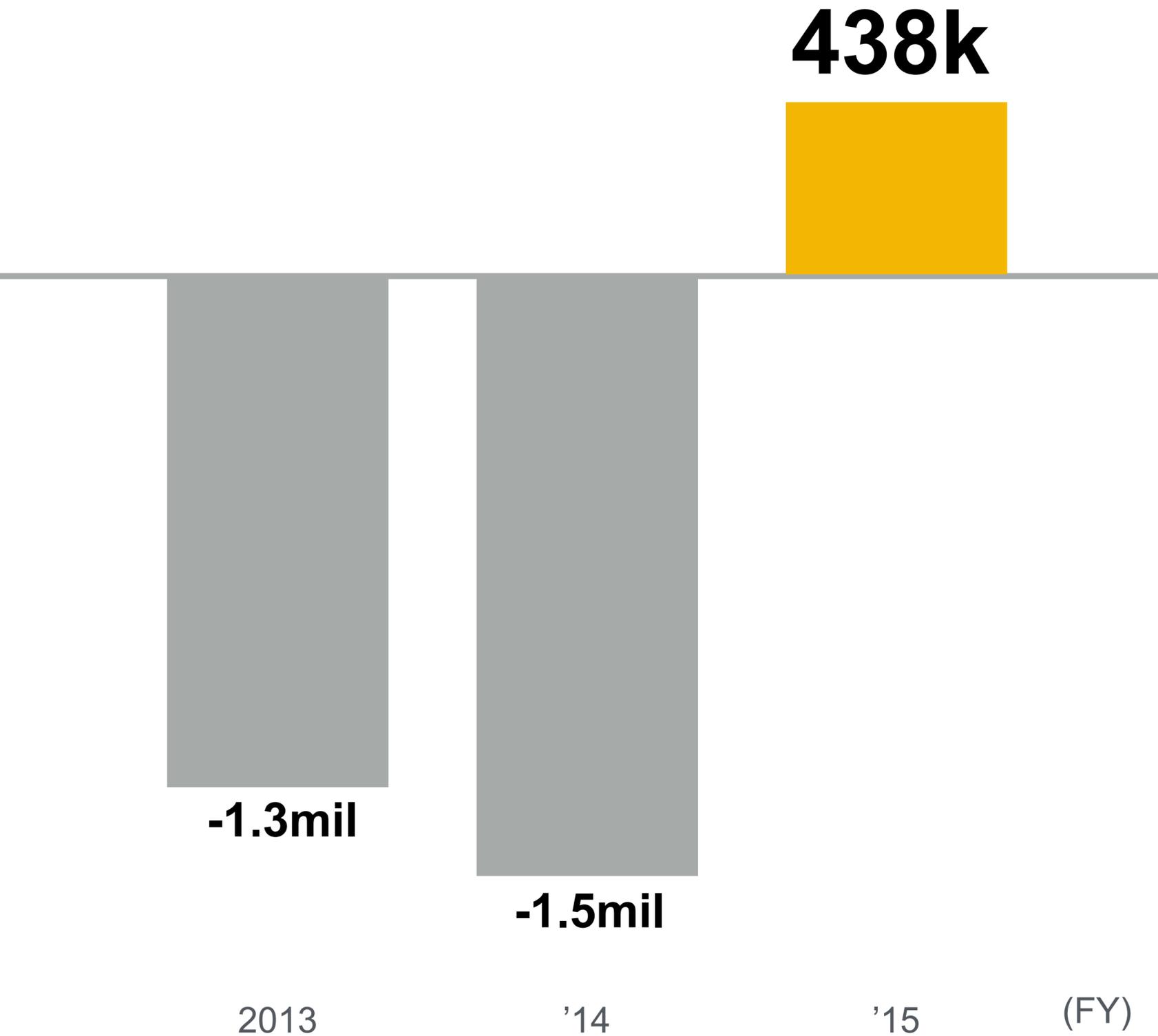


**1.25mil**



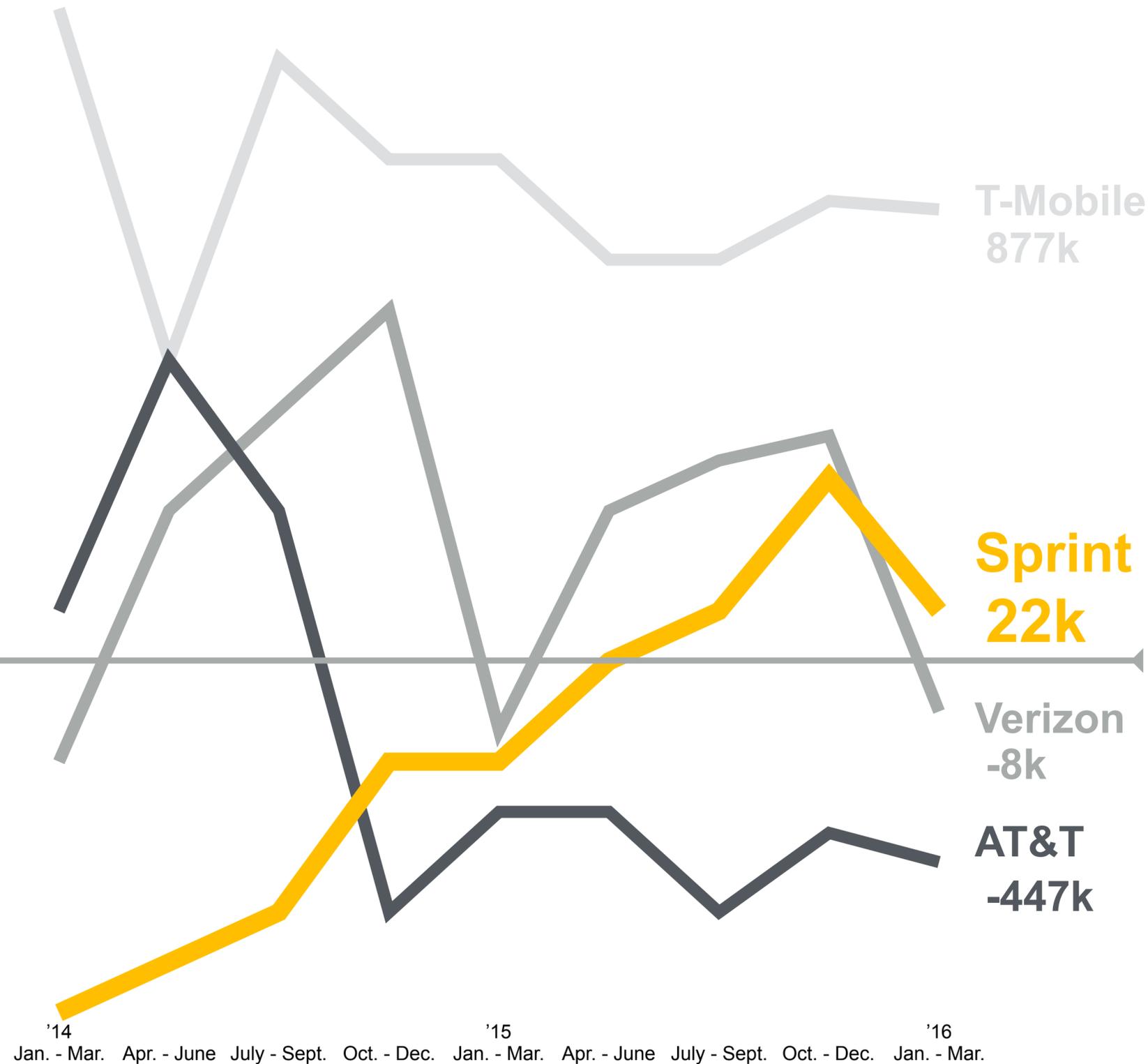
- **Up nearly 1.5mil (YoY)**
- **Highest in 3 years**

# Net Additions (Postpaid Phone)



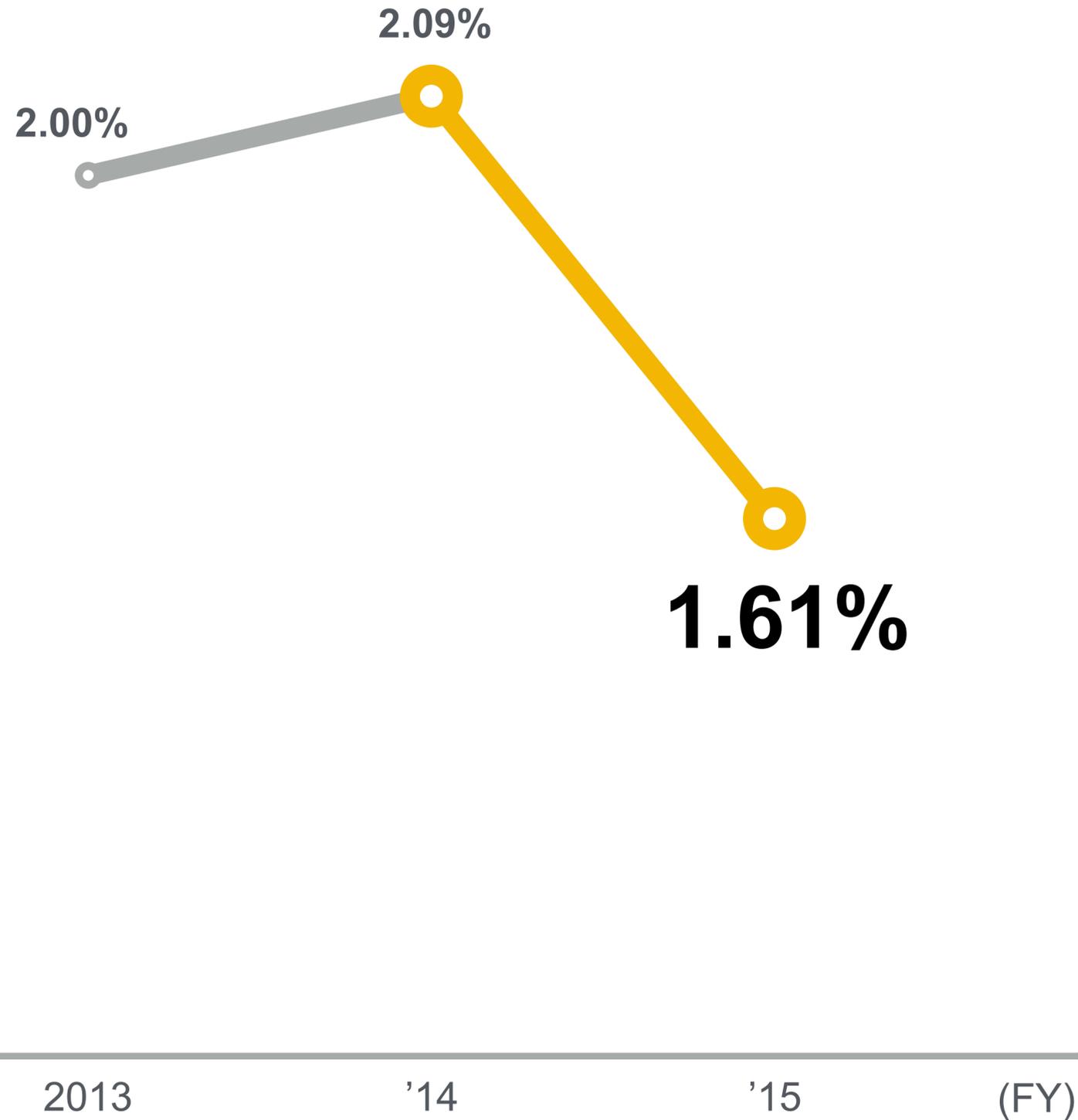
- **Up nearly 2mil (YoY)**
- **Highest in 3 years**

# Net Additions (Postpaid Phone)



- **Surpassed Verizon & AT&T for the first time on record**
- **6th consecutive quarter of YoY improvement**

# Churn (Postpaid)

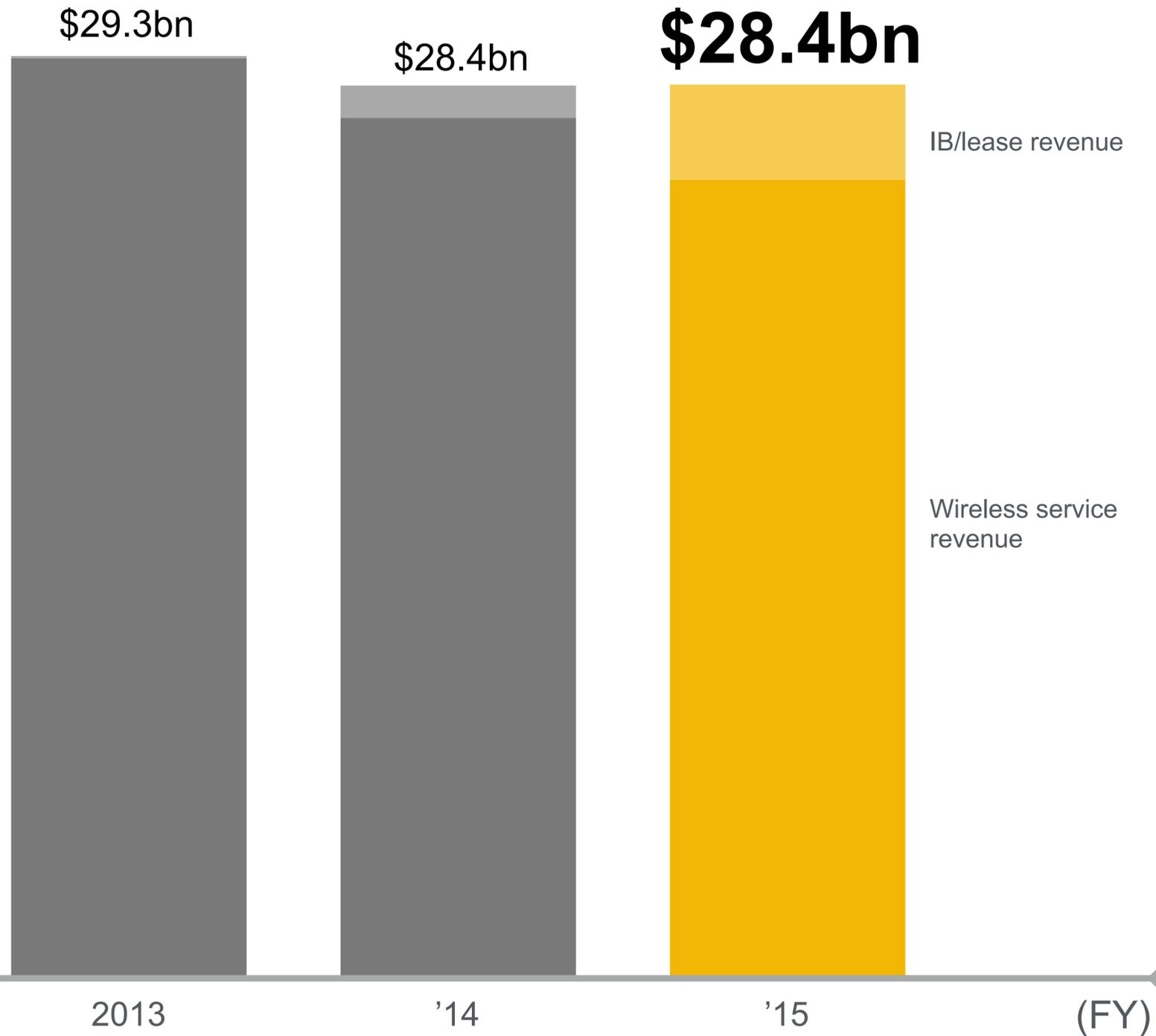


- **Lowest ever for a fiscal year**
- **Drastically reduced (YoY 48bp improvement)**

# Revenue (Wireless Service Revenue + IB/Lease Revenue)



USGAAP

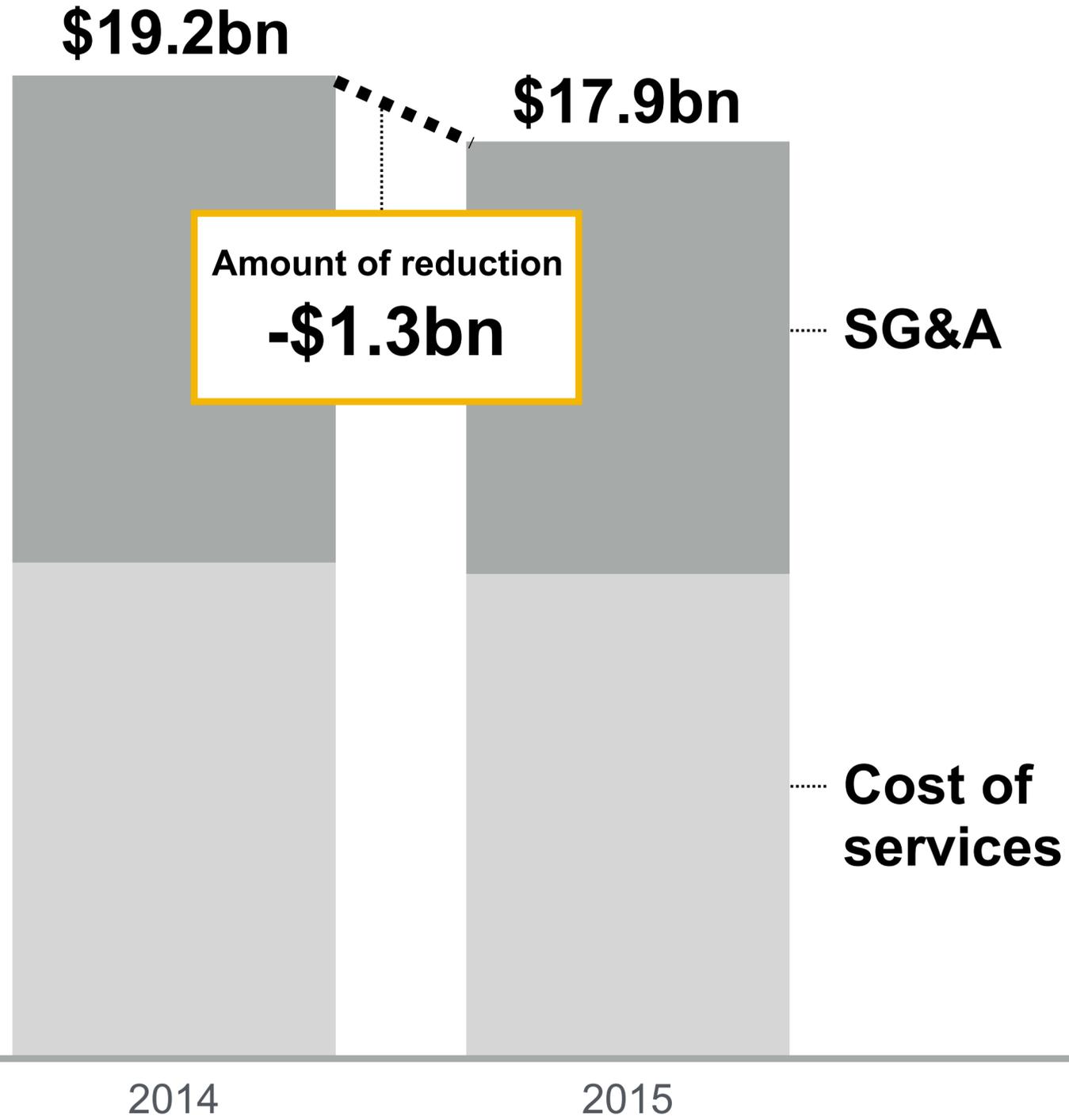


- **Stabilized**
- **Up slightly (YoY)**

# Cost Reduction



USGAAP



- YoY \$1.3bn reduction

# Adjusted EBITDA



USGAAP

Joined  
SoftBank Group

**\$8.1bn**

\$5.7bn

\$6.0bn

2011

'12

'13

'14

'15

(FY)

- **YoY \$2bn+ improvement**
- **YoY 36% increase**

# EBIT

## USGAAP



Joined  
SoftBank Group

**\$310mil**

-\$1,450mil

-\$1,895mil

2011 '12 '13 '14 '15 (FY)

- **Positive for the 1st time in 9 years**

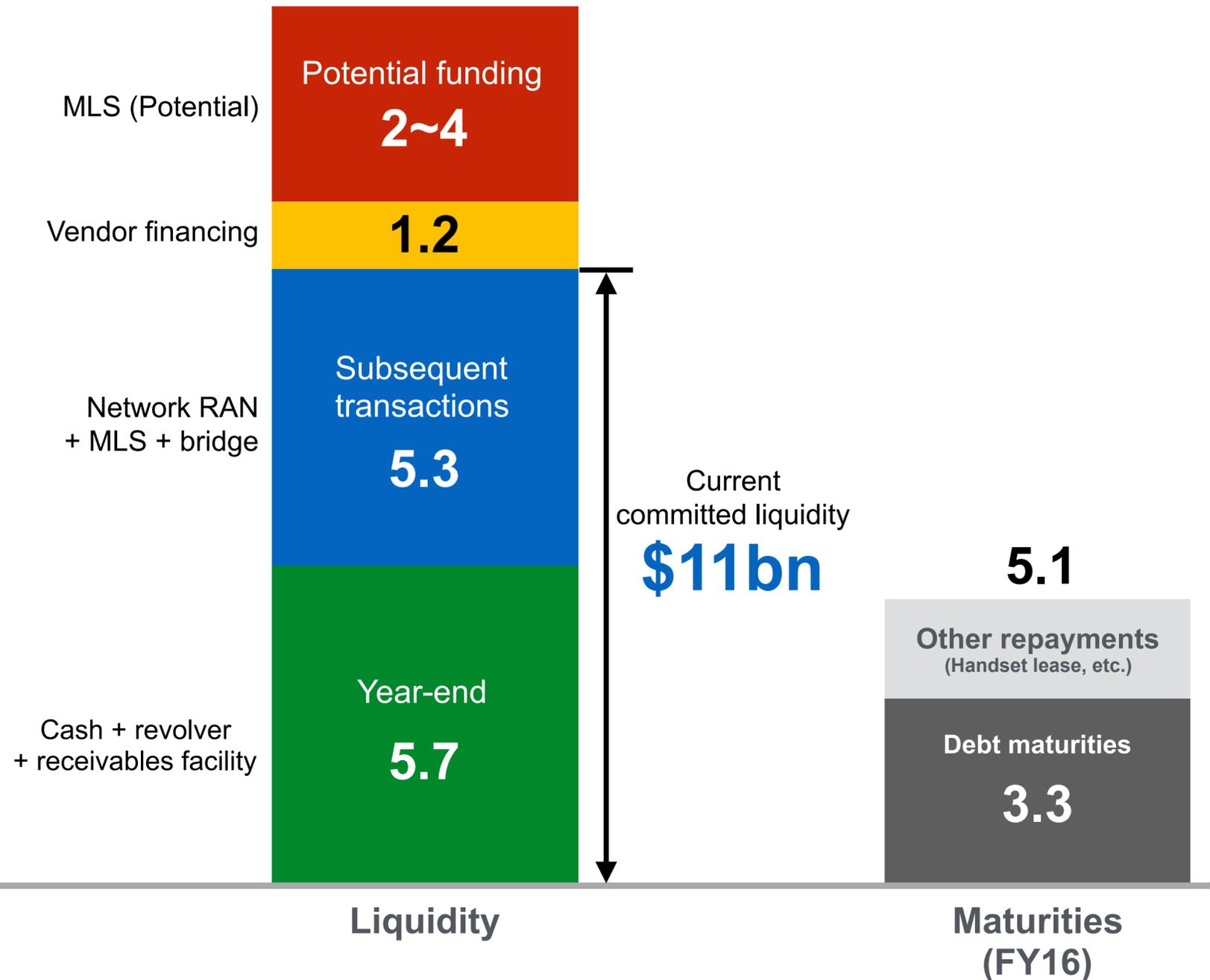
# Liquidity

USGAAP

USD bn



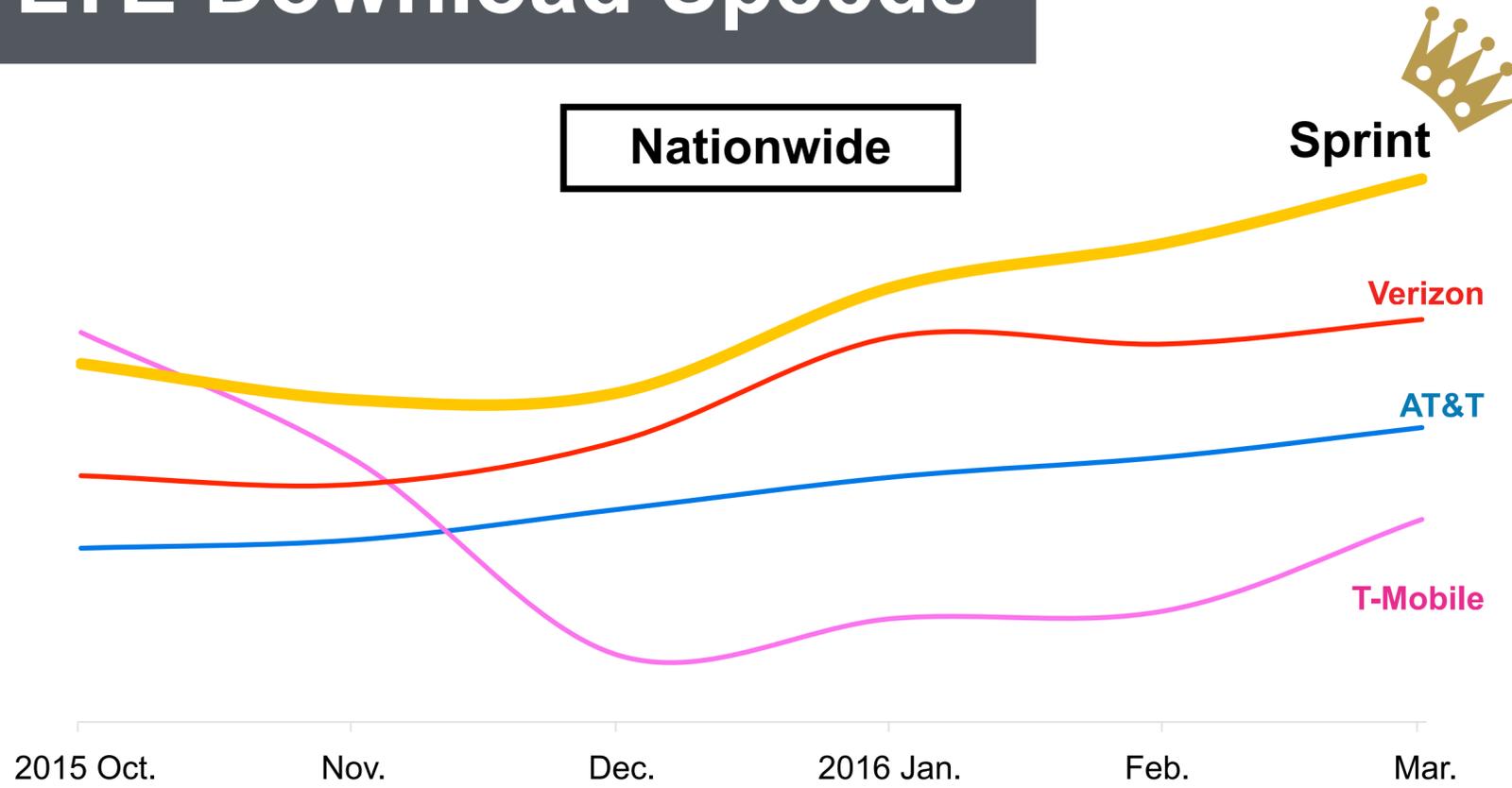
14~16



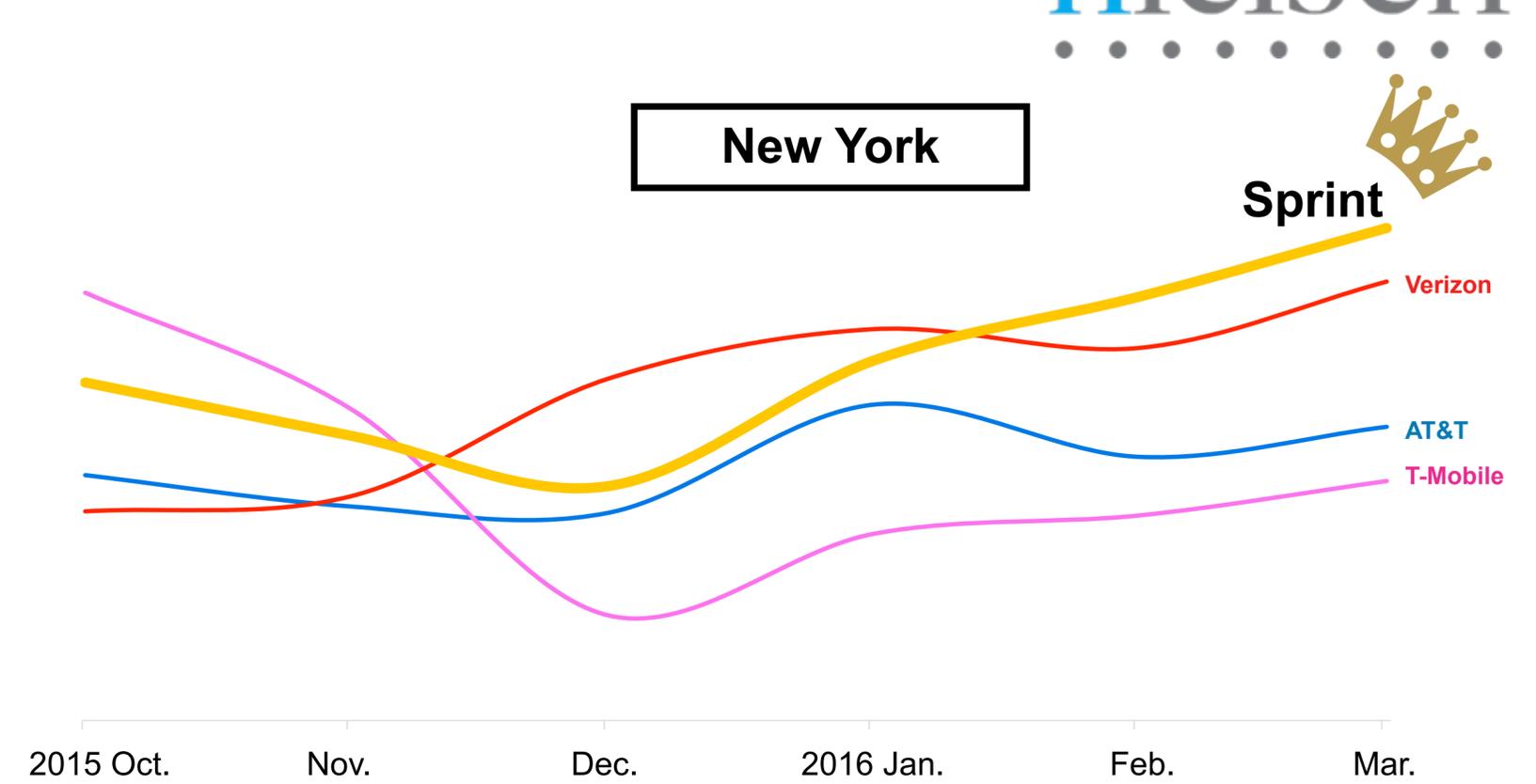
- **Sustain abundant liquidity**
- **Plan to repay FY16 maturities as they come due**

# LTE Download Speeds

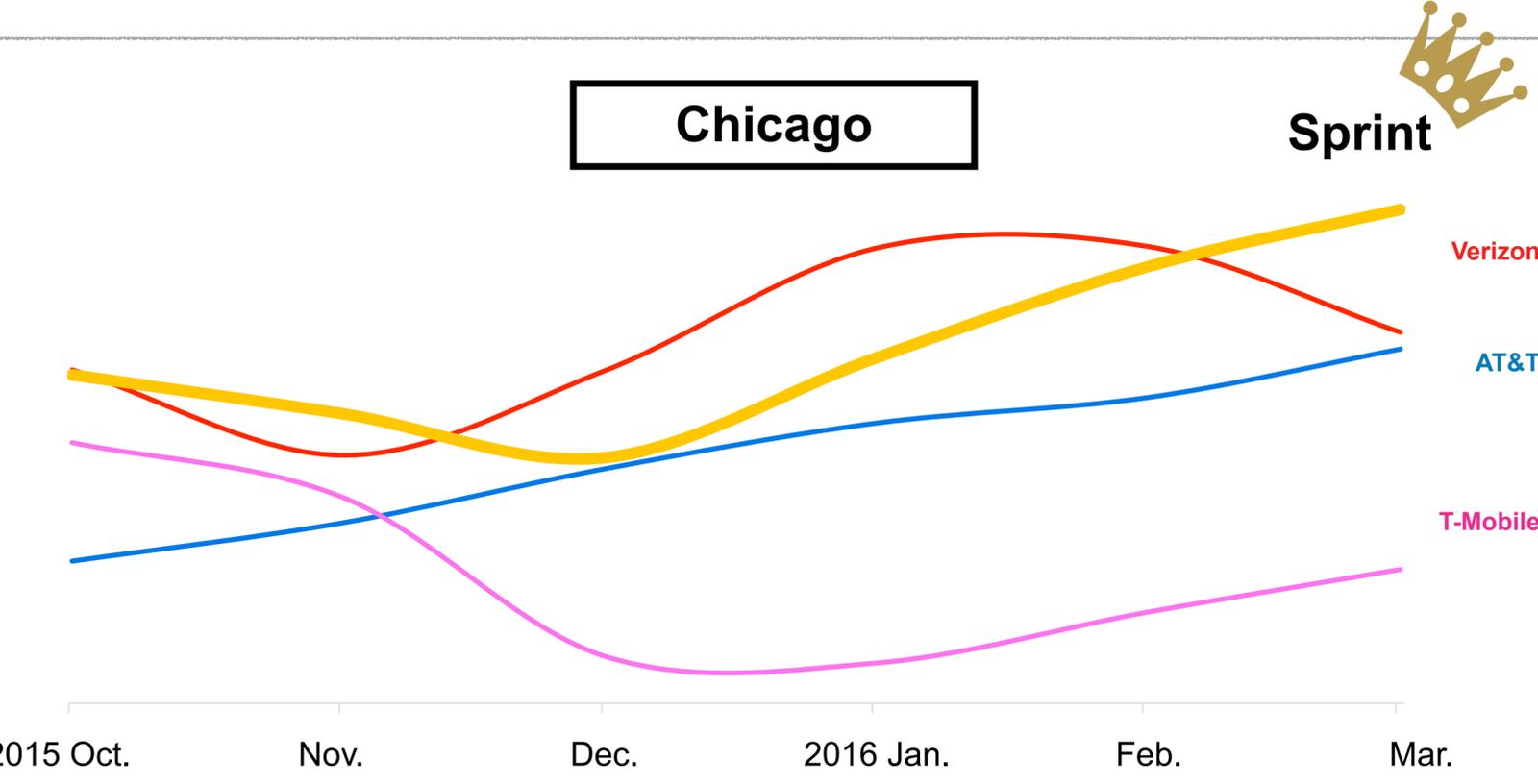
## Nationwide



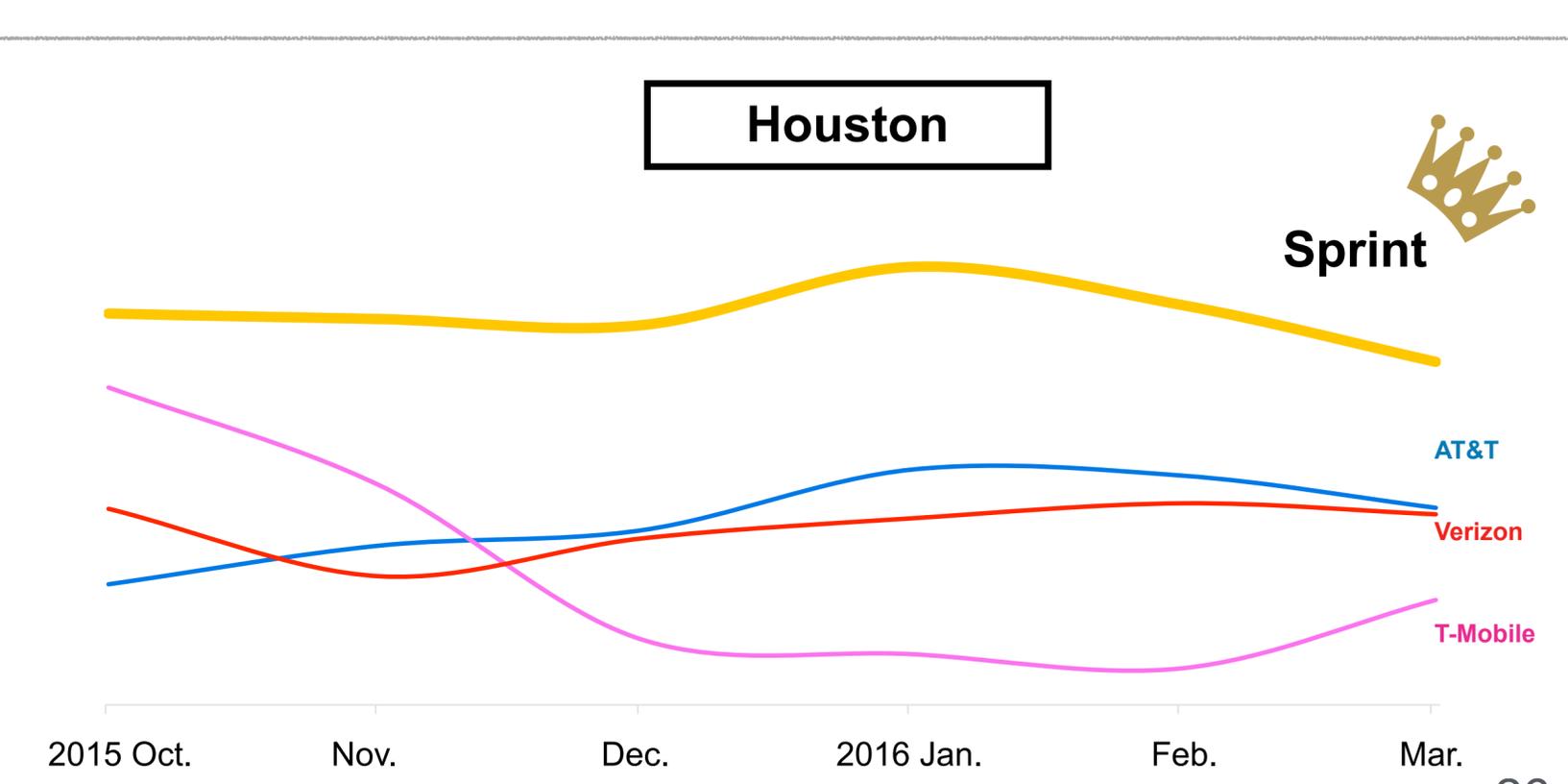
## New York



## Chicago



## Houston



# Adjusted EBITDA



USGAAP

**\$9.5bn~\$10bn**

**\$8.1bn**

\$5.7bn

\$4.8bn

\$5.1bn

\$5.7bn

\$6.0bn

2010

'11

'12

'13

'14

'15

'16

(FY)

Guidance

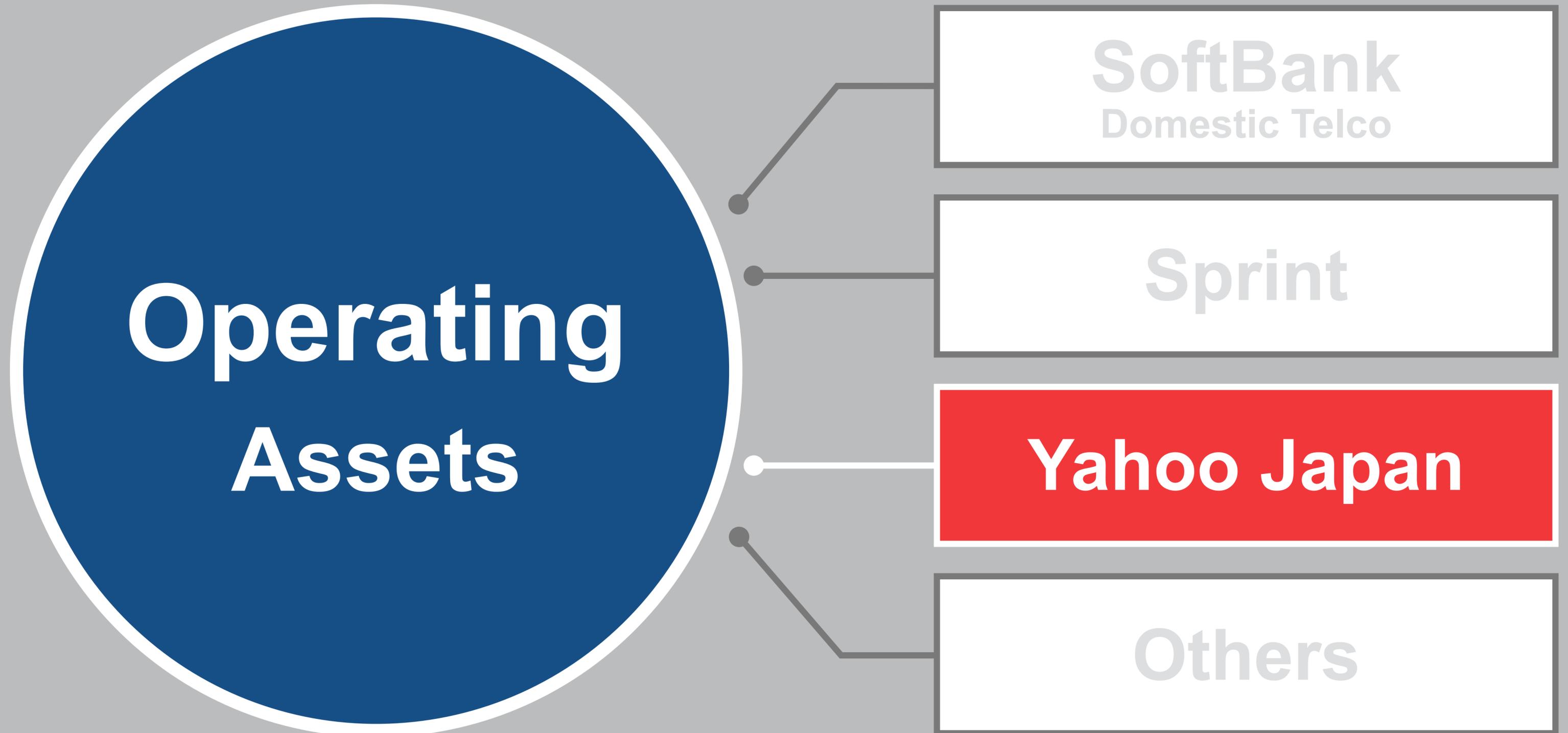
- **Achieved guidance for FY2015**
- **Accelerate transformation**

<b>1</b>	<b>Adjusted EBITDA</b>	<b>\$9.5-\$10bn</b>
<b>2</b>	<b>Operating Income</b>	<b>\$1-1.5bn</b>
<b>3</b>	<b>Cash CAPEX</b>	Approx. <b>\$3bn</b>
<b>4</b>	<b>Adjusted FCF</b>	Around <b>break-even</b>

Cash CAPEX excluding the CAPEX associated with purchasing leased devices in indirect channels

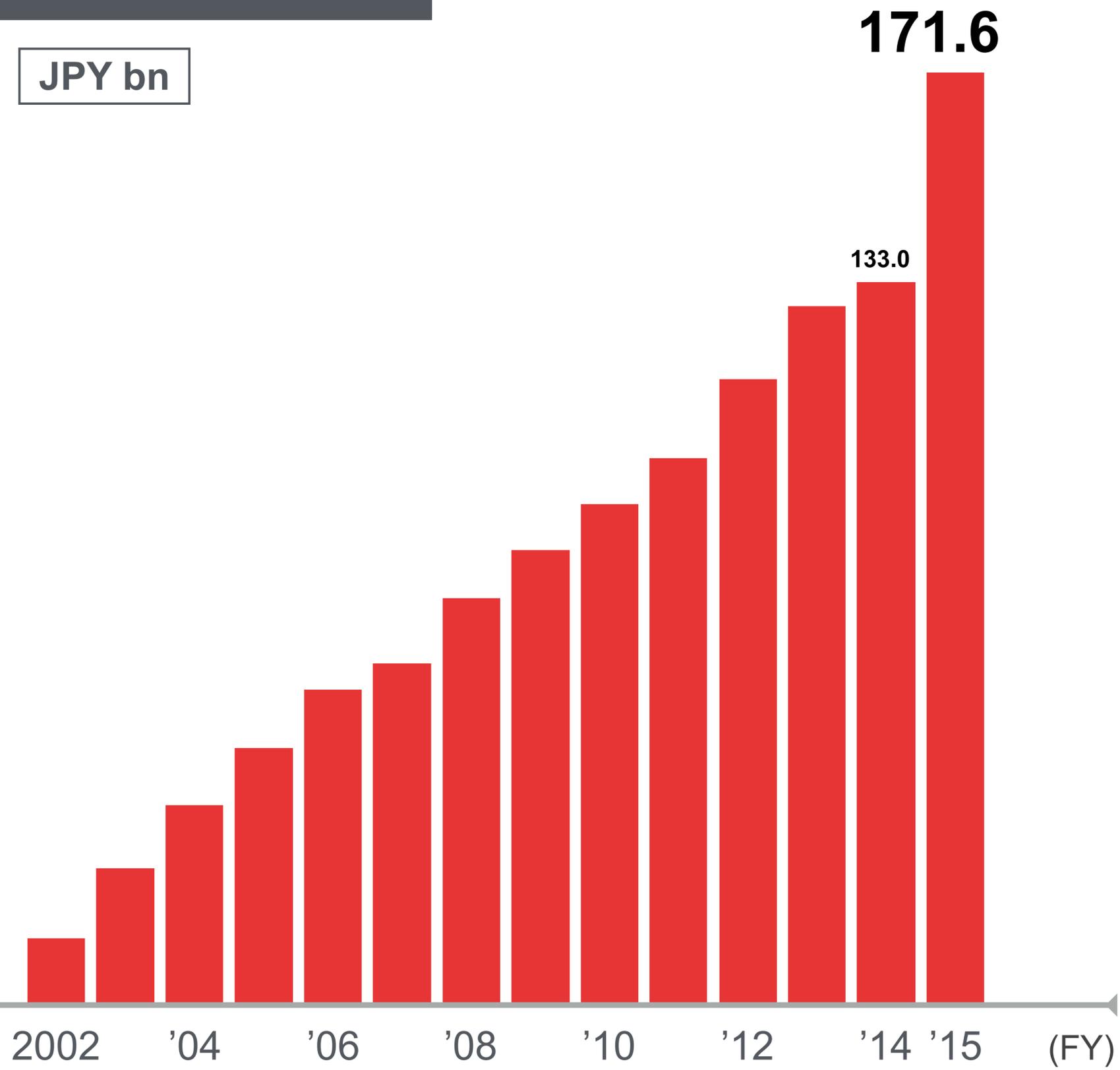
Adjusted FCF: the cash provided by operating activities + the cash used in investing activities (excluding short-term investments) + the proceeds from sales of future lease receivables, net of repayments.

# Business Portfolio



# Net Income

JPY bn



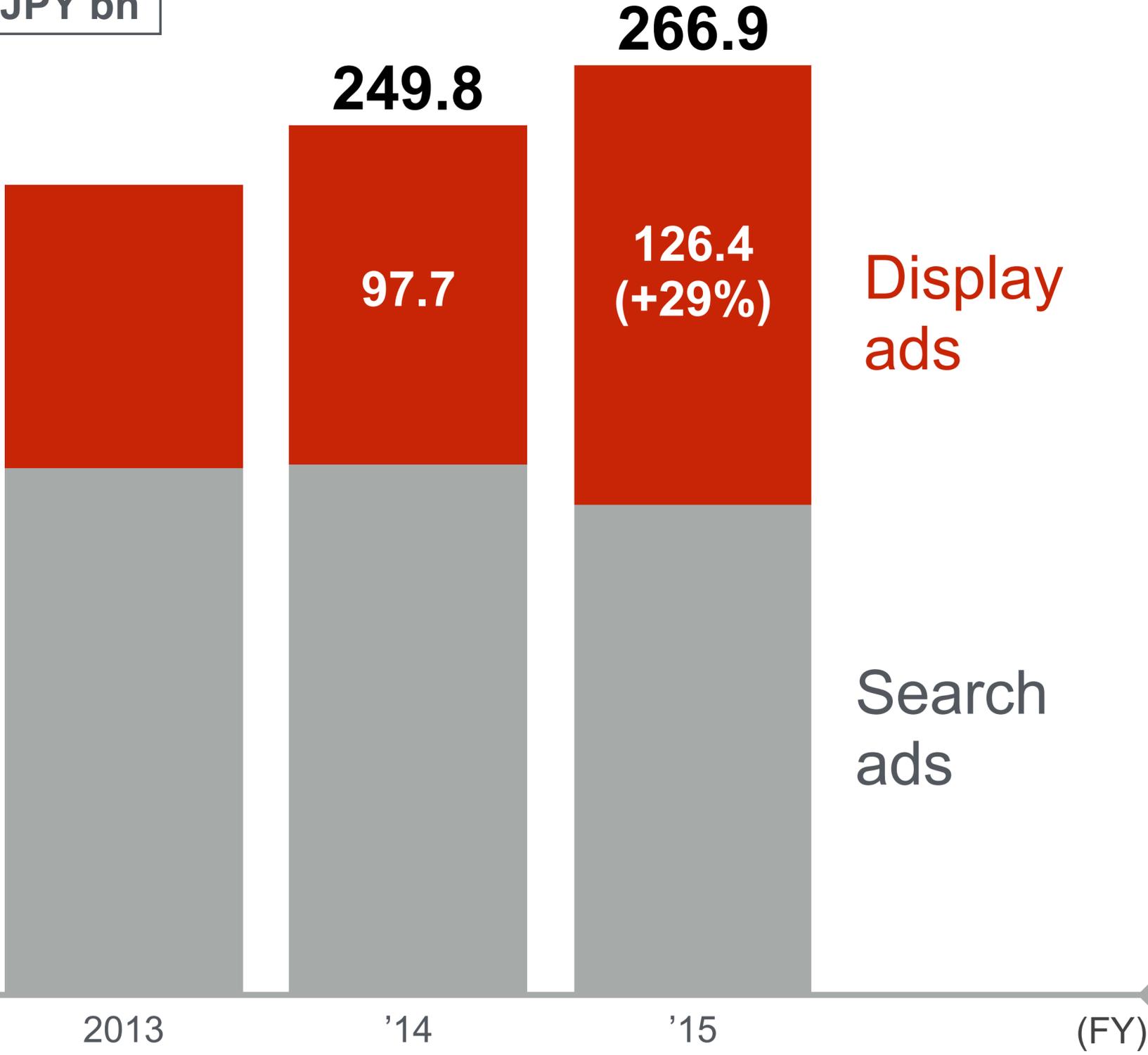
- **19 years of growth**

\*Up to FY2012: Japanese-GAAP, 2013-: IFRSs  
Net income: net income attributable to the owners of the parent

# Advertising Revenue



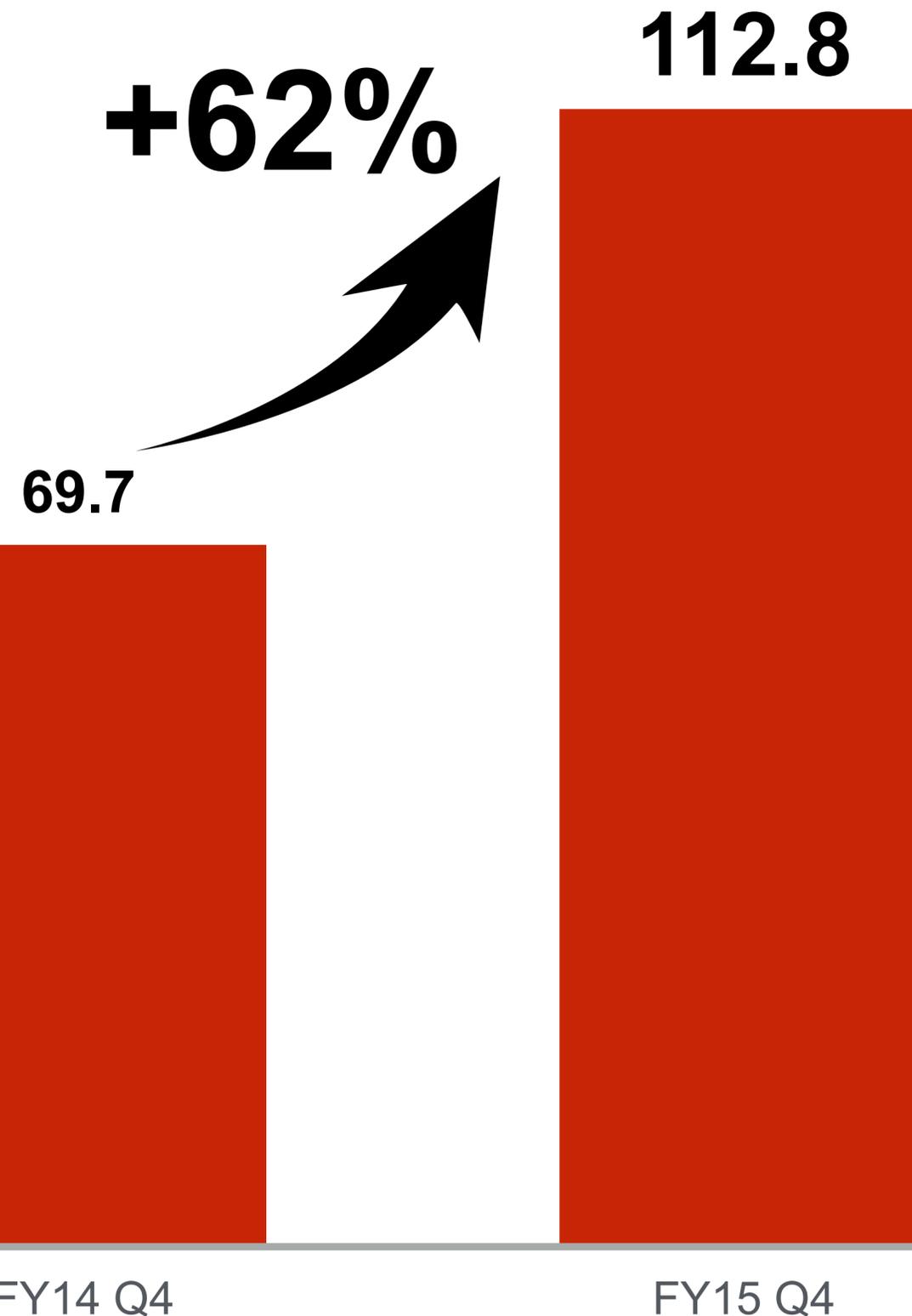
JPY bn



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

# Shopping Transaction Value

JPY bn



- **Highest growth ever**
- **Exceeds JPY 100bn for first time**
- **Largest product lineup**

1. Highest ever: since e-Commerce Revolution  
2. Exceeds JPY 100bn for first time: on 4Q basis  
3. Largest product lineup: number of products in *Yahoo! Shopping*, Yahoo Japan research  
\*Transaction value of *Yahoo! Shopping* and *LOHACO*

# Business Portfolio

Operating  
Assets

**Investment  
Assets**

# *What we are excited about*

1

**World-class entrepreneurs** in emerging markets

2

**Mobile & cloud enabling** brand new business models

3

Fundamental **changes in underlying IT infrastructure stack**

4

Breakthrough new tech: **AI, Autonomous Cars, VR/AR, IoT**

5

**Transformation in every industry** through technology

# *What's happening in private technology investing*

**High public market volatility**

**Unprecedented equity capitalization  
in private market**

**Few IPOs  
and poor IPO performance**

**Private valuation  
disconnect persists**

**More flat rounds & down rounds**  
**Profitable growth vs. growth at all costs**

# *Why SoftBank is well positioned*

**Invest with conviction, at scale**

**Long-term partner**

**Favorable access to capital**

**Global perspective**

**Operational value-add**

# Business Portfolio

E-commerce    
  

Transportation  
  

Games & Media  
  

FinTech  




# E-commerce



snapdeal

cou pang

tokopedia



# Gross Merchandise Volume



JPY

60t  
50t  
40t  
30t  
20t  
10t

RMB 3.1t

**60t** Alibaba Group  
阿里巴巴

**57t** Walmart (net sales)

- **Inverted on FY basis**
- **World's largest retailer**
- **Surpassed RMB 3t**

Alibaba	Apr. '11 - Mar. '12	Apr. '13 - Mar. '14	Apr. '15 - Mar. '16
Walmart	Feb. '11 - Jan. '12	Feb. '13 - Jan. '14	Feb. '15 - Jan. '16

(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

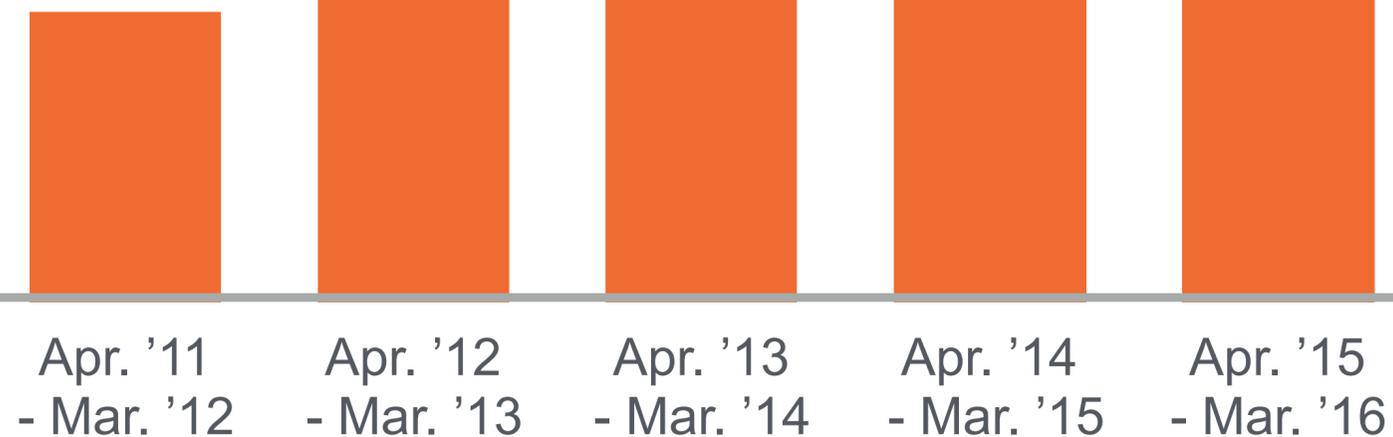
# Total Revenue

JPY

USGAAP

RMB 101bn  
2t

1.5t



- **YoY 33% increase**
- **Driven by rapid growth of China commerce retail biz**
- **Surpassed RMB 100bn**

(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

# Mobile Revenue

JPY

USGAAP

973.7bn

345.1bn

Apr. '12  
- Mar. '13

Apr. '13  
- Mar. '14

Apr. '14  
- Mar. '15

Apr. '15  
- Mar. '16

- **Mobile revenue YoY 2.8x**
- **Mobile MAU increase YoY 42%, reached 410mil**
- **Revenue / mobile MAU YoY 2x**

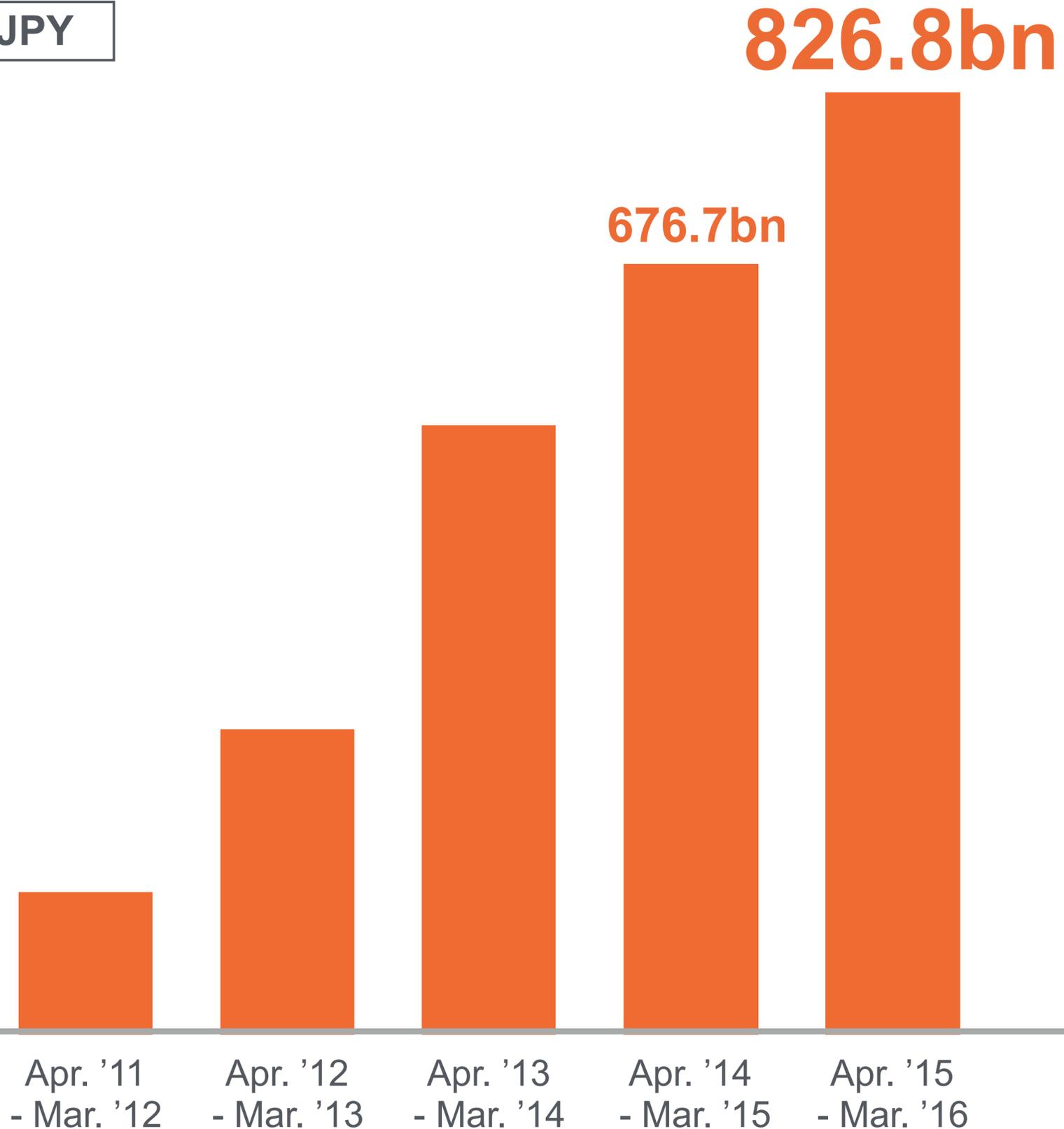
MAU: Monthly Active Users

(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

# Non-GAAP Net Income

JPY



USGAAP

Non-GAAP

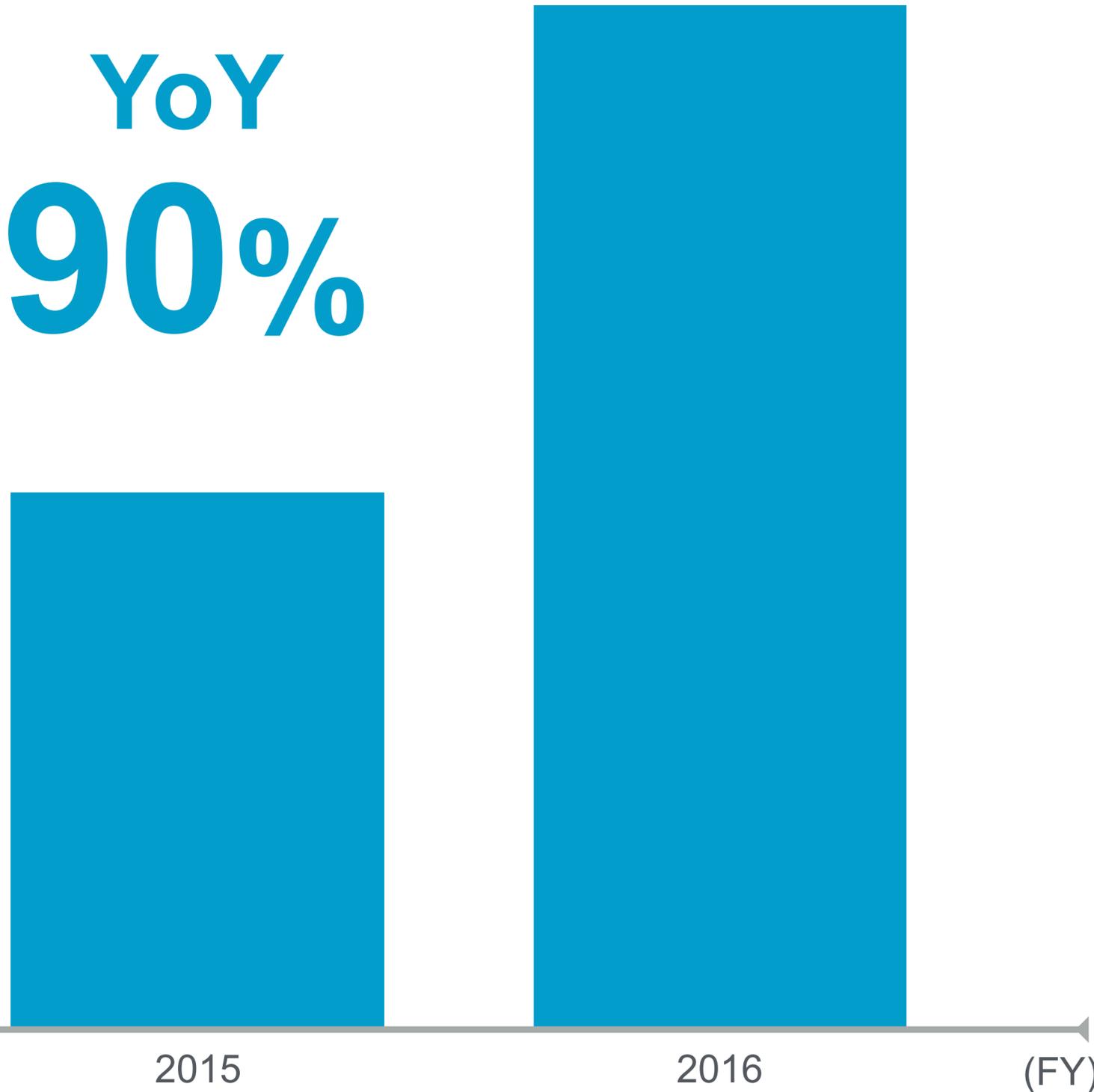
(Excluding the gains and losses related to share based compensation expenses, amortization of intangible assets, revaluation of investments etc.)

- **YoY 22% increase**

# Gross Merchandise Value

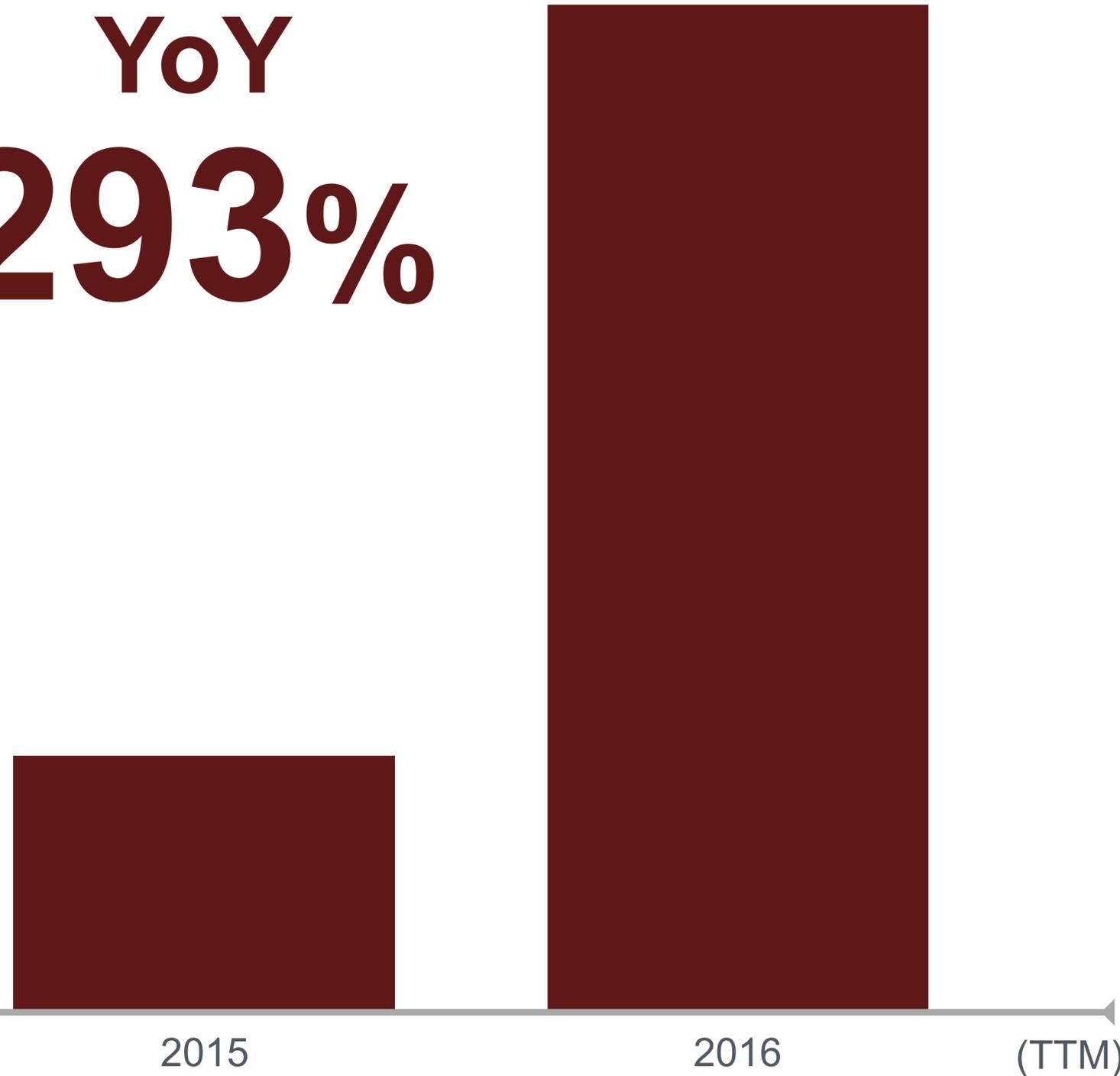


YoY  
**90%**



- **Repeat purchase rates increasing**
- **Investing in supply chain technology**
- **Fastest growing digital wallet in India**

YoY  
**293%**



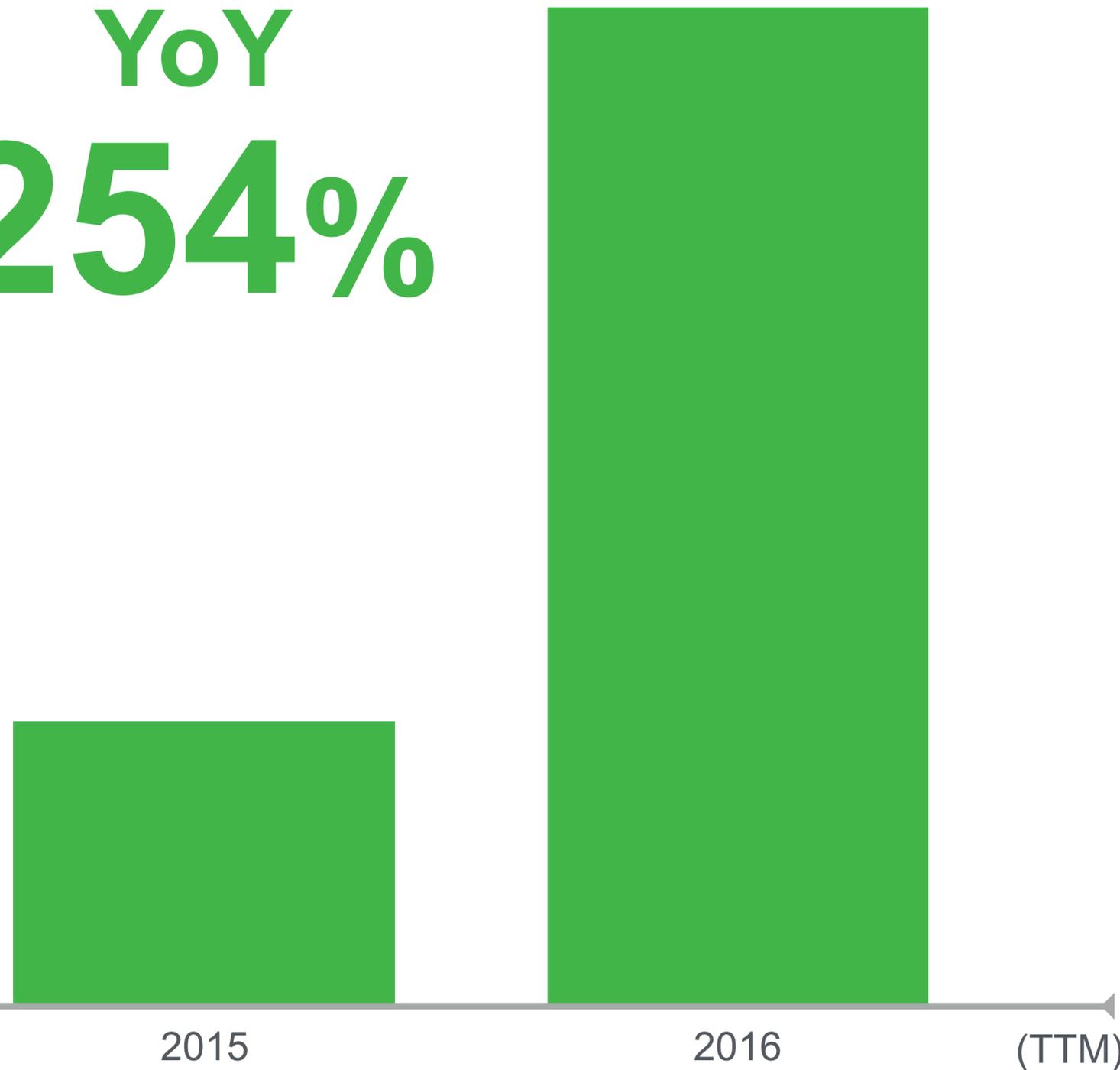
- **Leader in mobile commerce**
- **Launched 1 of 2 mega fulfillment centers in March 2016**

TTM: trailing 12 months counted backwards from March  
Retail revenue: 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.

# Gross Merchandise Value

tokopedia

YoY  
**254%**

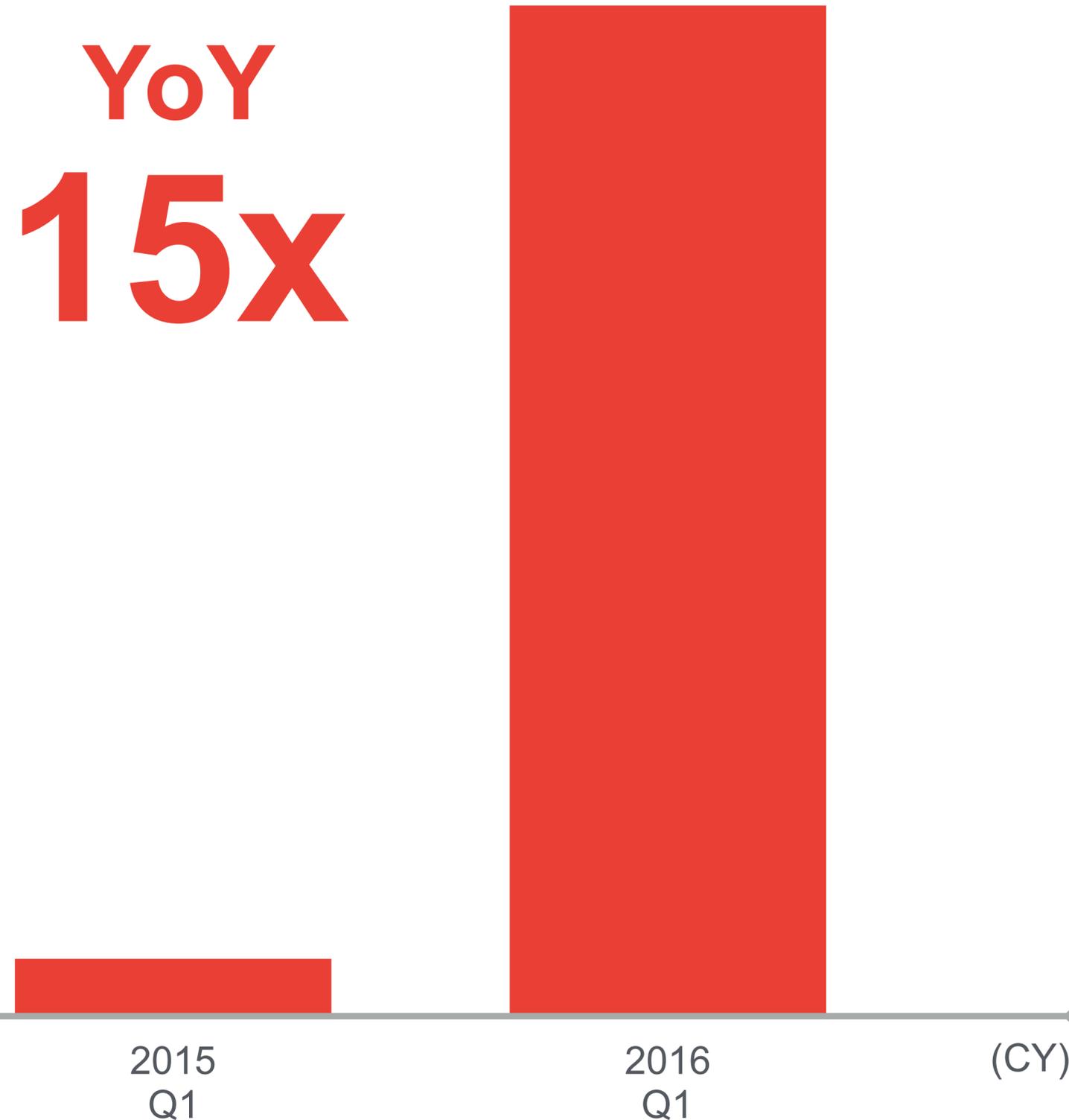


- **Largest e-commerce platform**
- **Strong customer and merchant retention**
- **Launched digital marketplace**

# Daily Booked Room Nights



YoY  
**15x**



- **Clear market leadership**
- **Profitable unit economics**
- **95% direct traffic**
- **50% mobile demand**

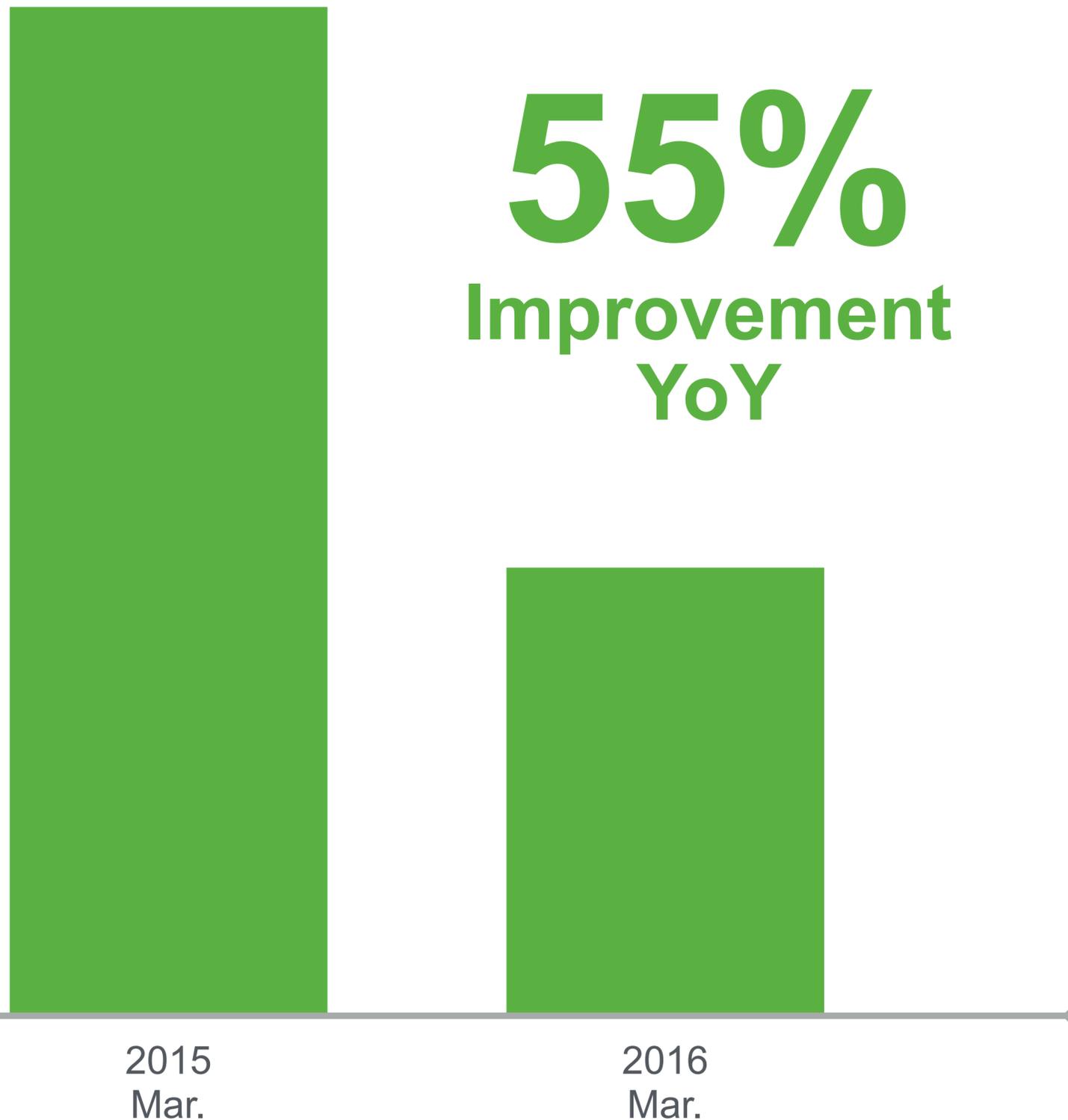
# Transportation



# Expected Arrival Time



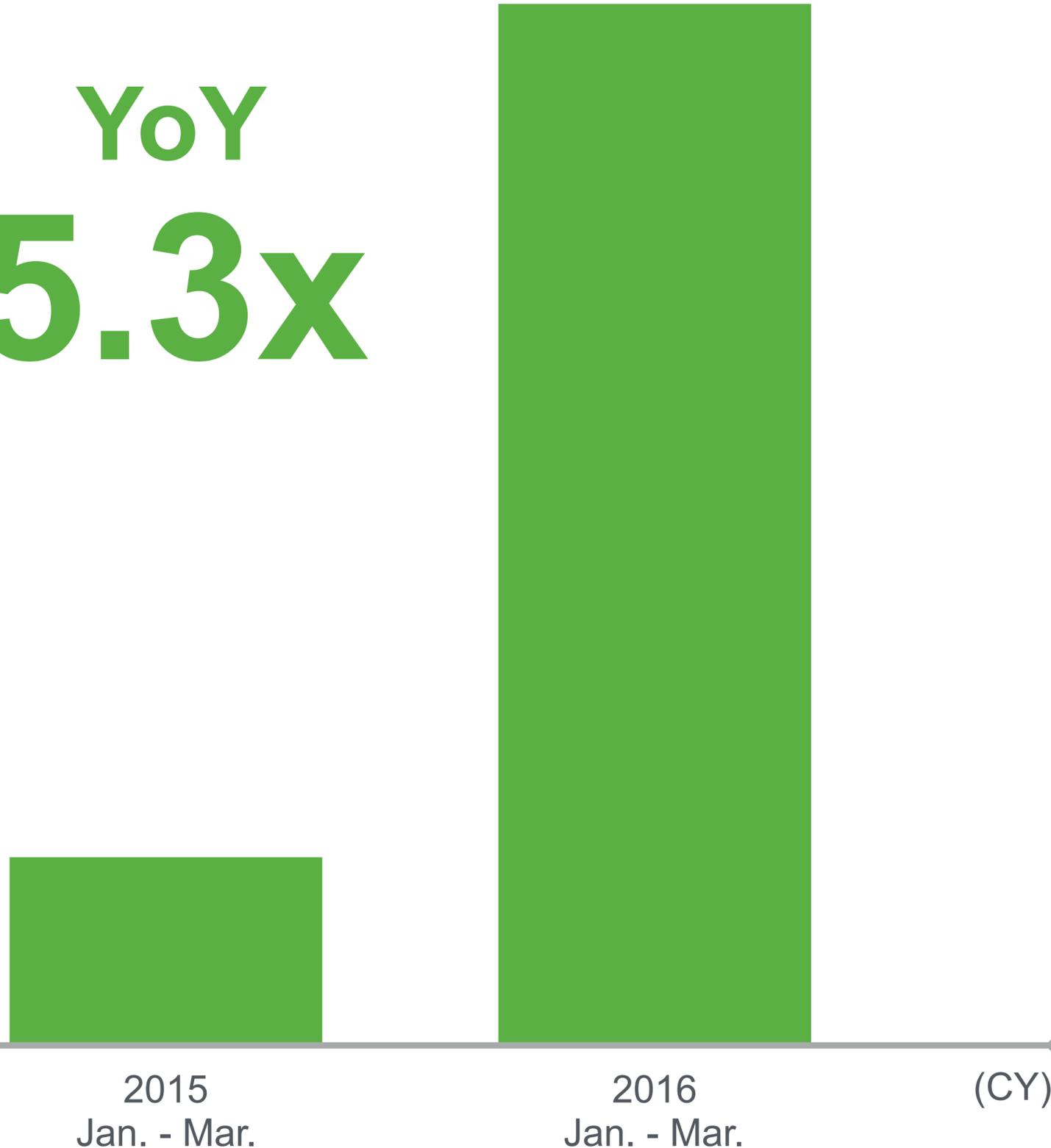
**55%**  
Improvement  
YoY



- **Largest network of customers and cabs in India**
- **Presence across price points**
- **Prime Minister of India launched Ola's E-Rickshaw service**



YoY  
**5.3x**

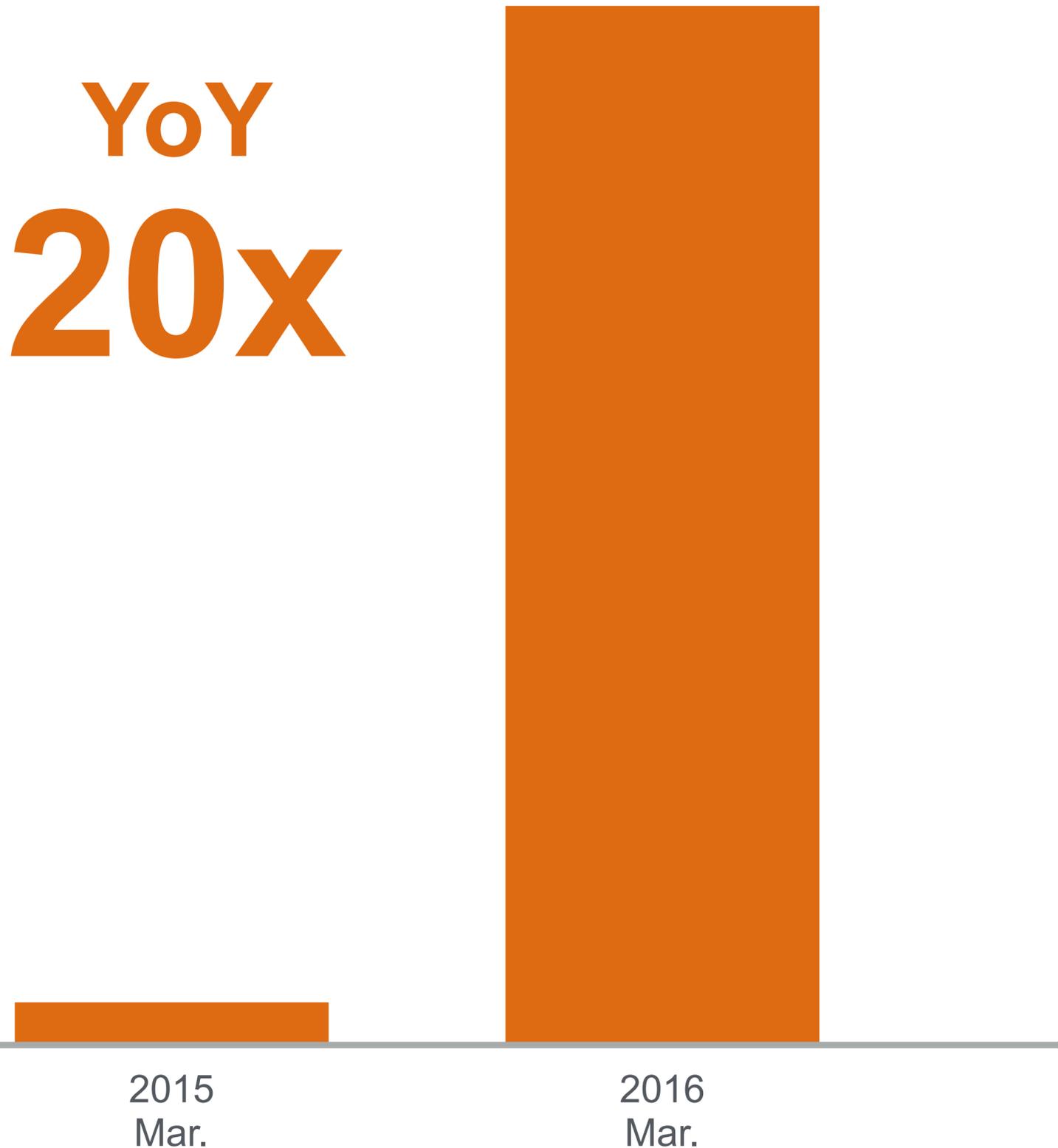


- **Extend market share in Private Car and Bike**
- **Leveraging all transport options to deliver best experience**
- **>5x YoY increase in MAU**

# Private Car Completed Rides



YoY  
**20x**



- **World's largest transportation platform by number of rides**
- **Clear leader in China**
- **230 out of 300 cities are profitable**

# Games & Media



# Average US iPhone Top Grossing Rank (2016Q1)

**SUP  
ERC  
ELL**



#1



#2



#10

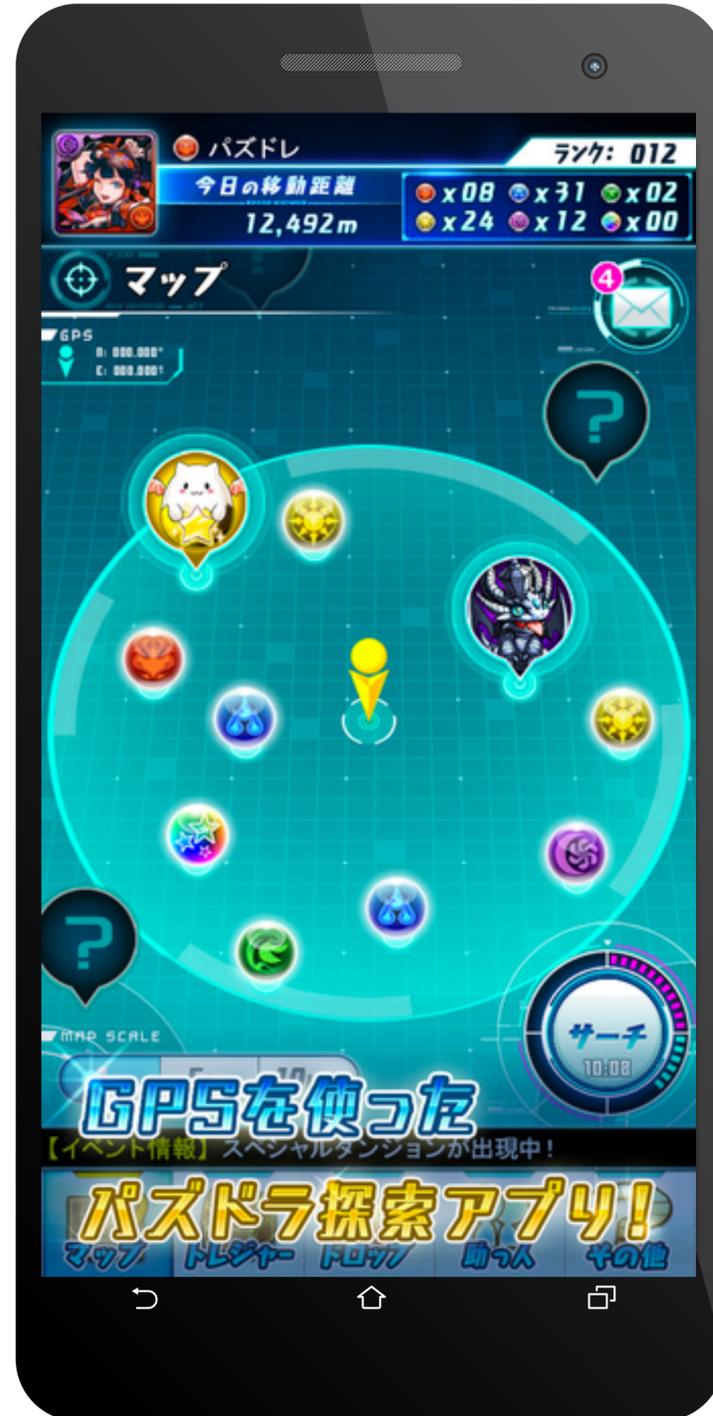
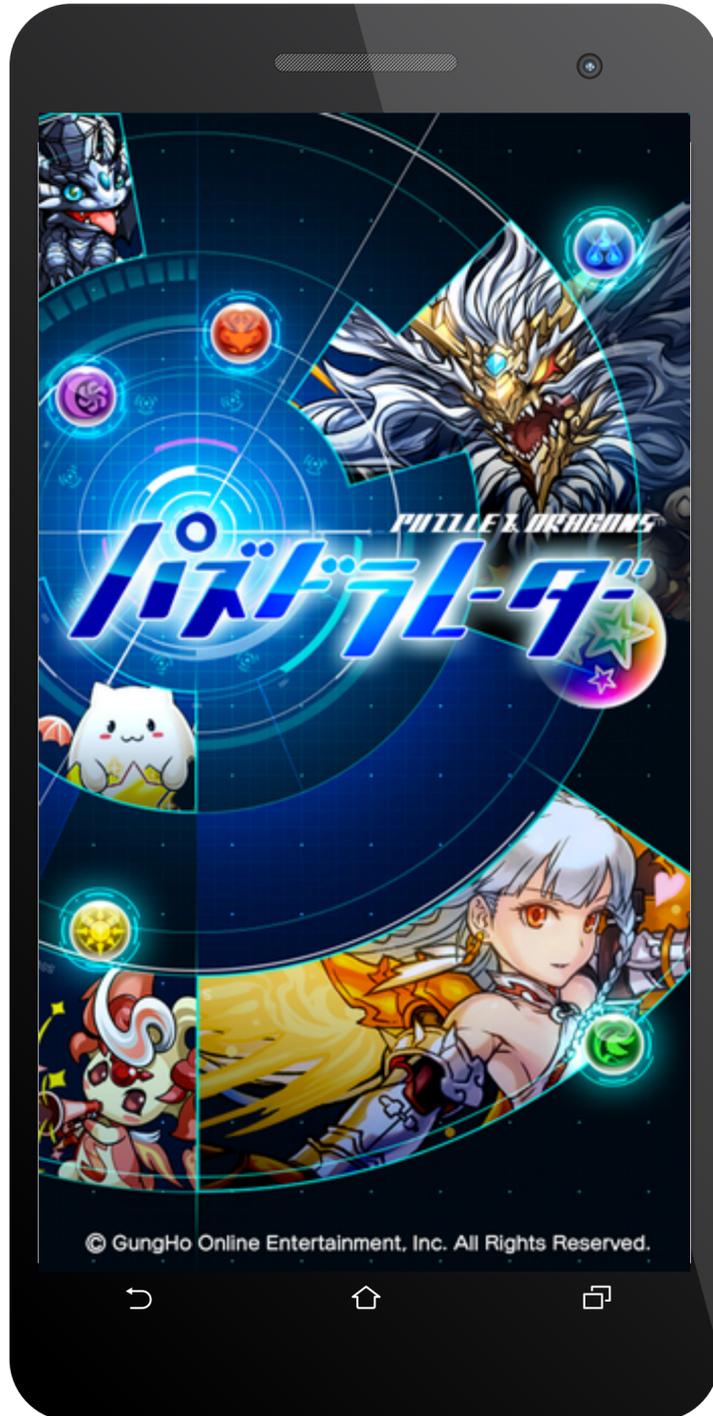


#20

- **Three games among the top-10 grossing games in key markets**

# Puzzle & Dragons Radar App (From Mar. 17)

Puzzle & Dragons themed treasure hunt app



- Exceeds 1mil DLs in 2 days

# Monthly Message Volume



YoY  
**2.4x**



2015  
Mar.

2016  
Mar.

- **First Indian Internet company >100m users**
- **Strong engagement - 120 minutes/week**
- **>100M games played in first month after launch**

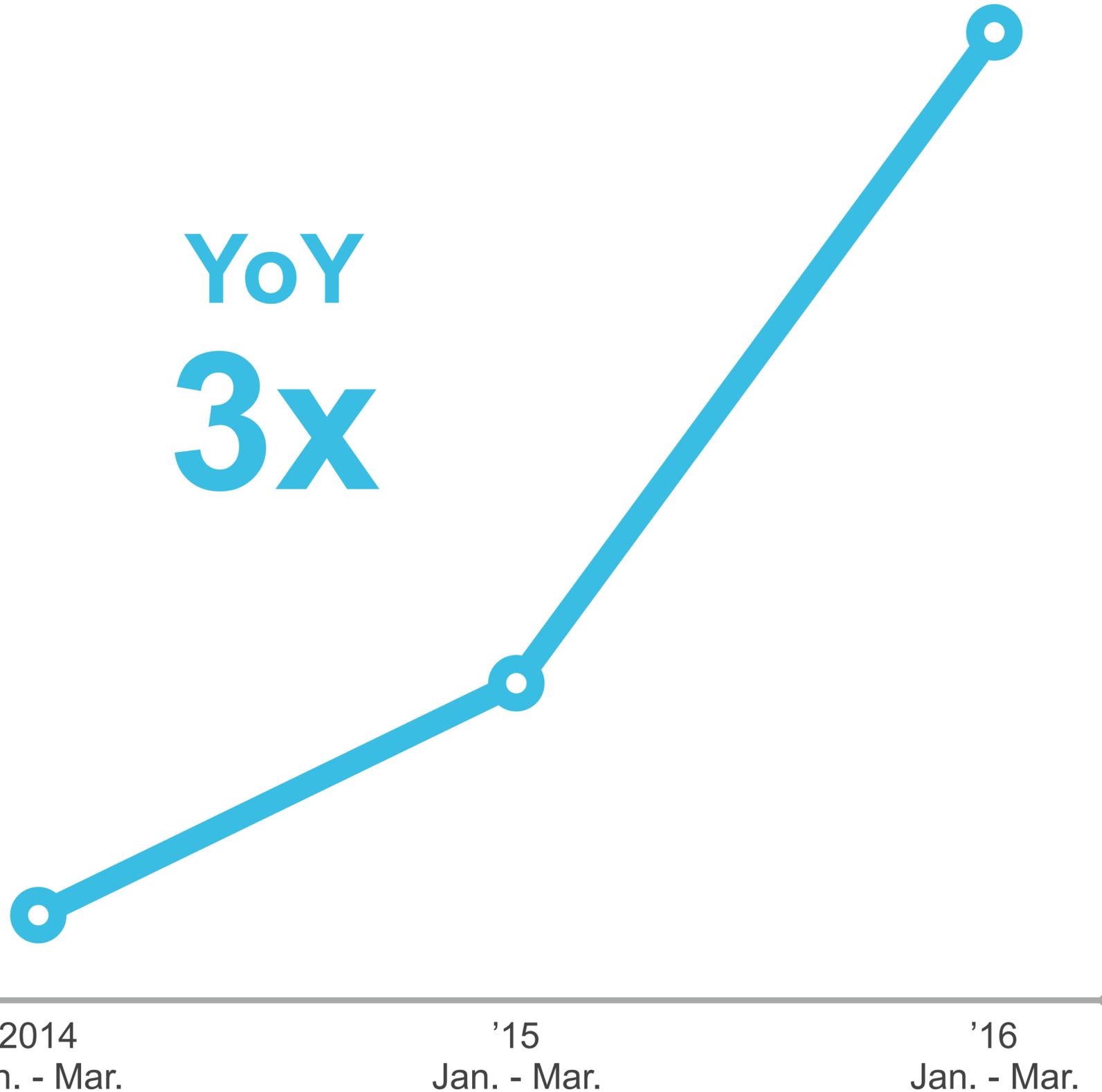
# FinTech



# Funded Amount



YoY  
3x



- **Strong loan volume growth continues**
- **135k+ high credit quality member base**
- **Launched wealth management offering**

# Business Portfolio

**Operating  
Assets**

**Investment  
Assets**

# Dividend per Share

	<b>FY2014</b>	<b>FY2015</b> <i>(Plan)</i>	<b>FY2016</b> <i>(Plan)</i>
<b>Interim dividend</b>	<b>JPY 20</b>	<b>JPY 20</b>	<b>JPY 22</b>
<b>Year-end dividend</b>	<b>JPY 20</b>	<b>JPY 21</b>	<b>JPY 22</b>
<b>Annual dividend</b>	<b>JPY 40</b>	<b>JPY 41</b>	<b>JPY 44</b>

**Enhance shareholder returns**

# Conclusion

**1. Domestic Telco generating FCF**

**2. Sprint turnaround strategy making progress**

**3. Investment strategy on track**

# Toward Further Growth



## 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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