

SoftBank Next 30-Year Vision

June 25, 2010

**Chairman & CEO
Masayoshi Son**



SoftBank

SoftBank Next 30-Year Vision

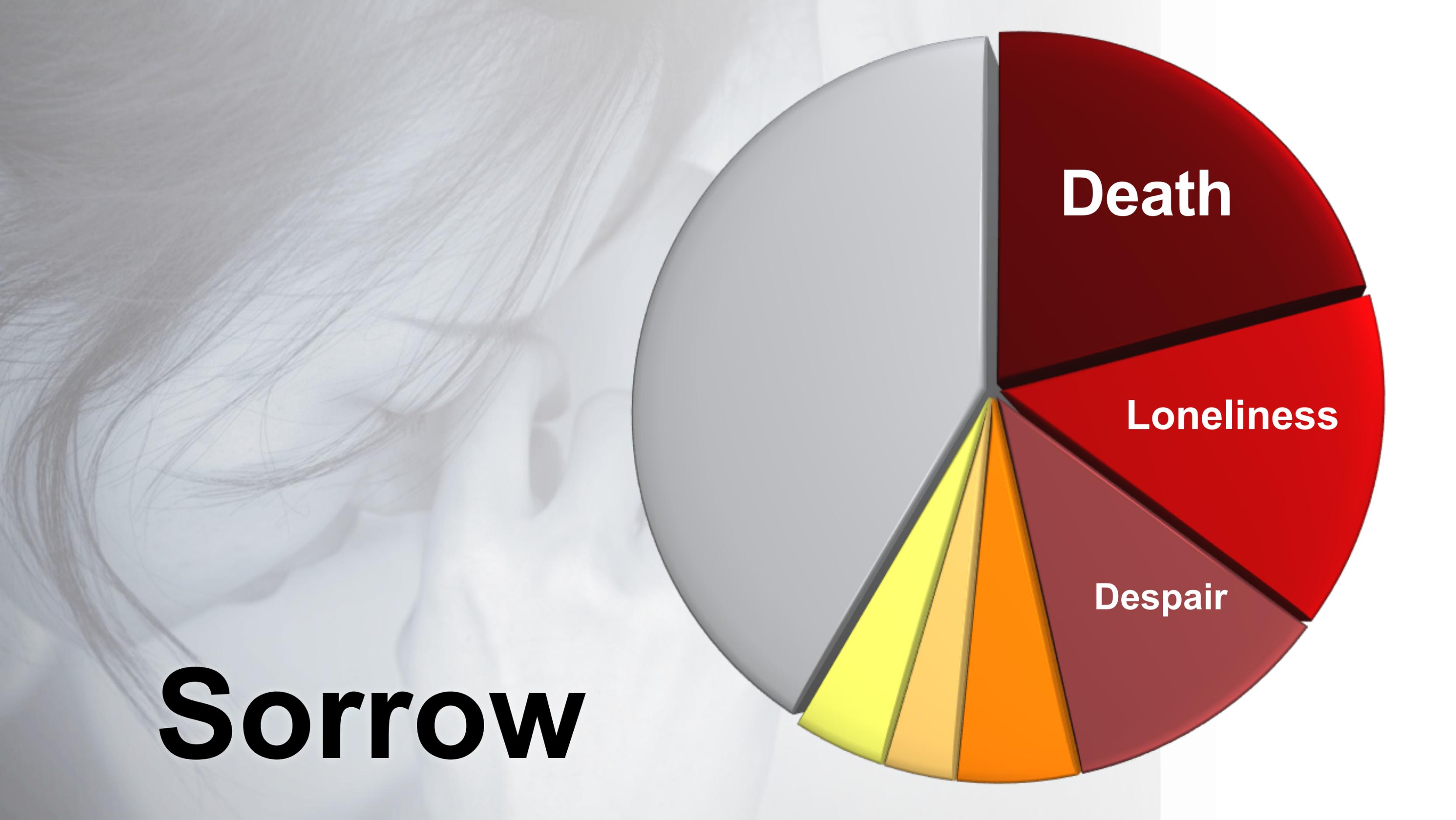
Philosophy

**Information Revolution -
Happiness for everyone**

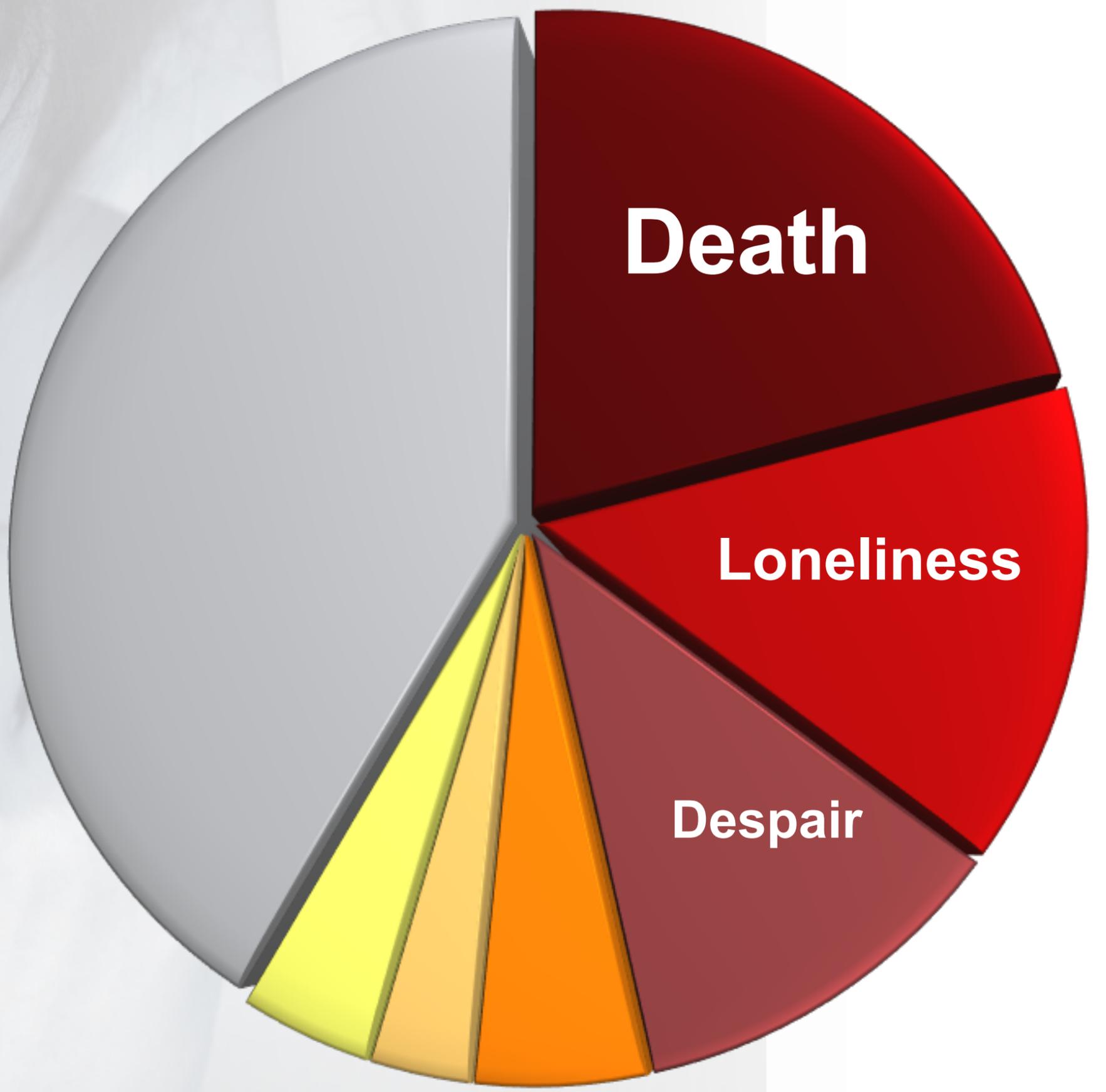


**SoftBank works to
comfort people
in their sorrow**

**What would be
the saddest thing in your life?**



Sorrow



Death of loved one



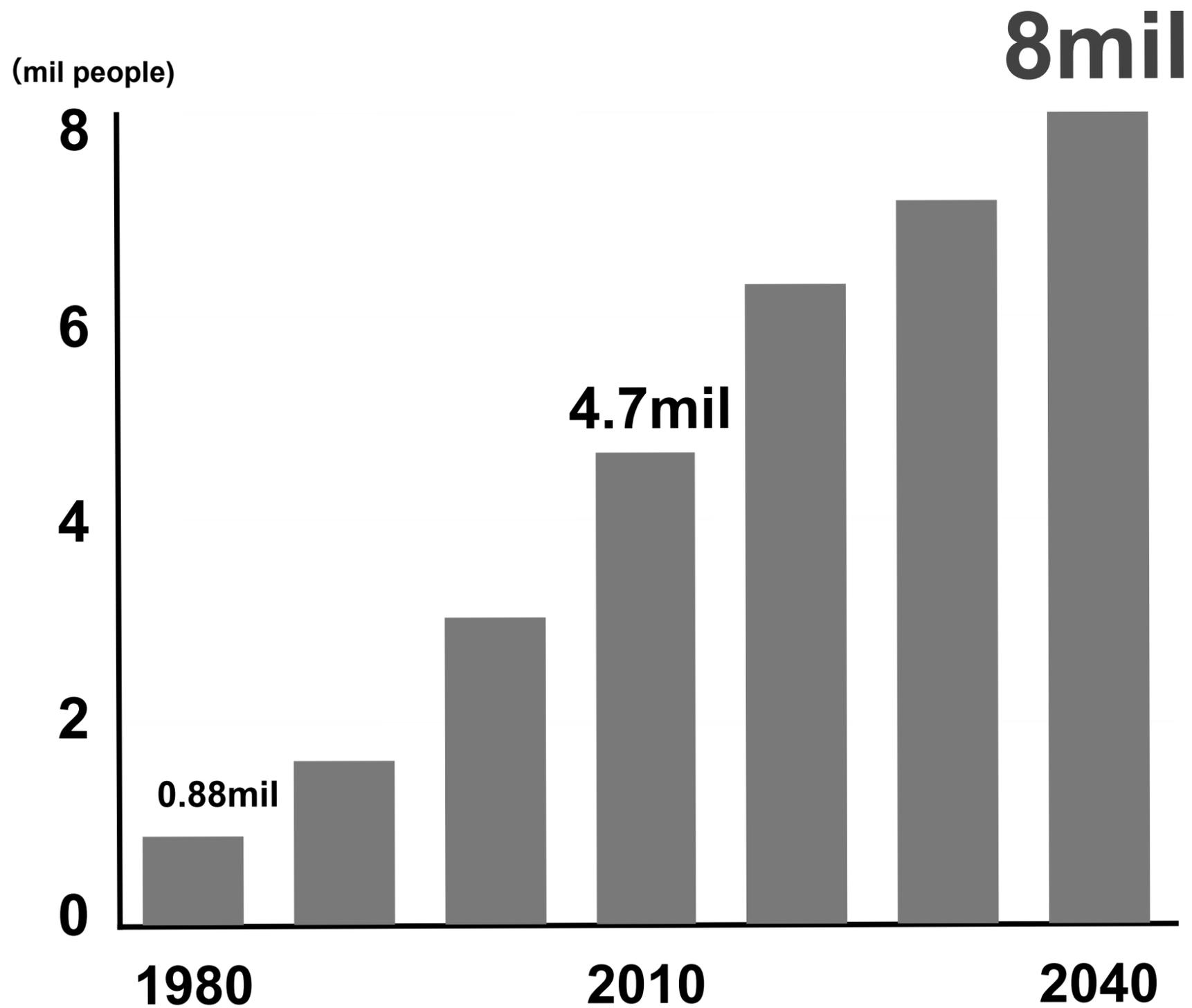
World Top Causes of Death (2008)

	Cause	No. of Deaths
1	Cardiac disease	9.3mil
2	Cancer	6.6mil
3	Apoplexy	6.0mil
4	Respiratory disease	3.8mil
5	Lung disease	3.3mil

Loneliness



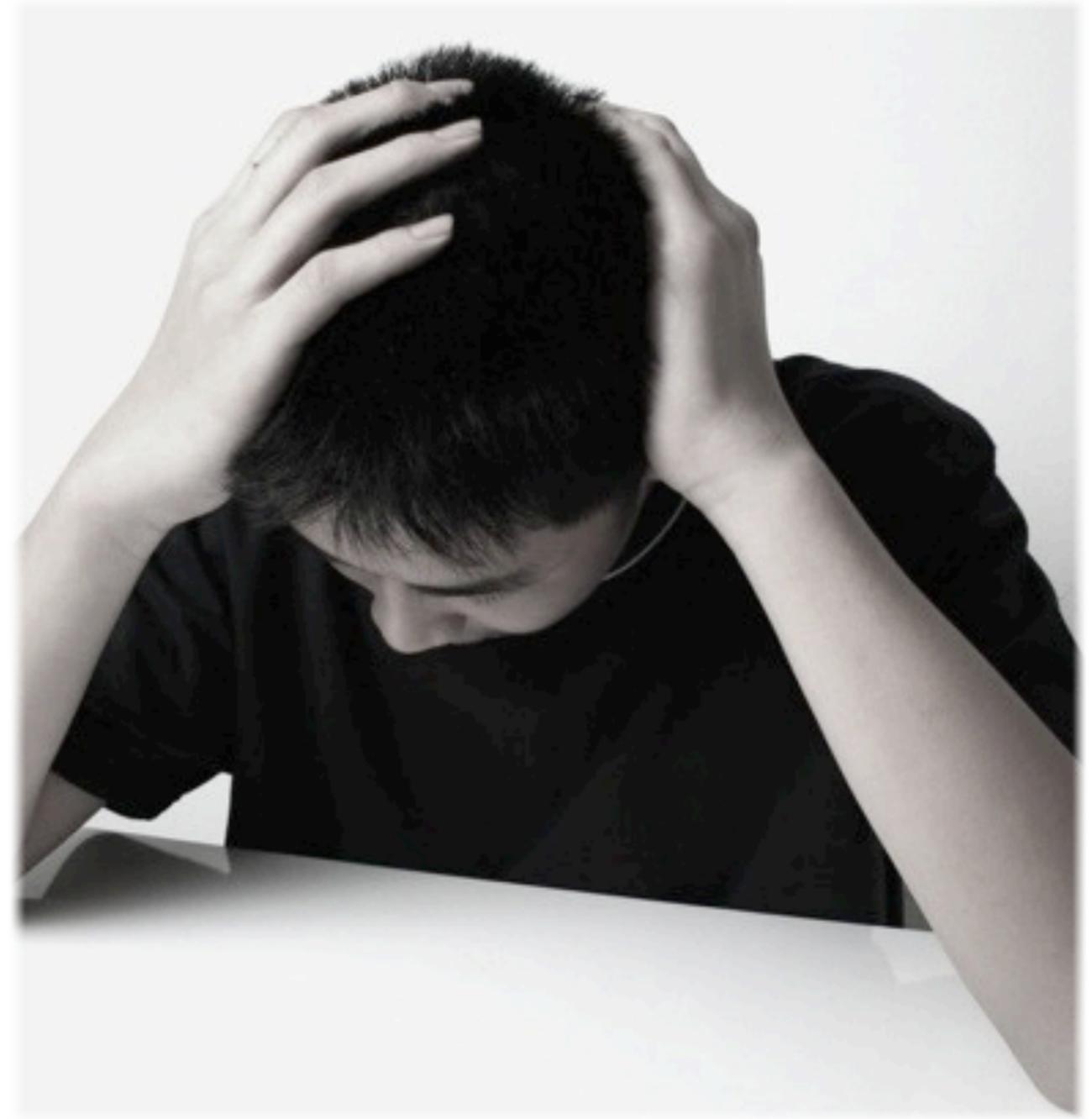
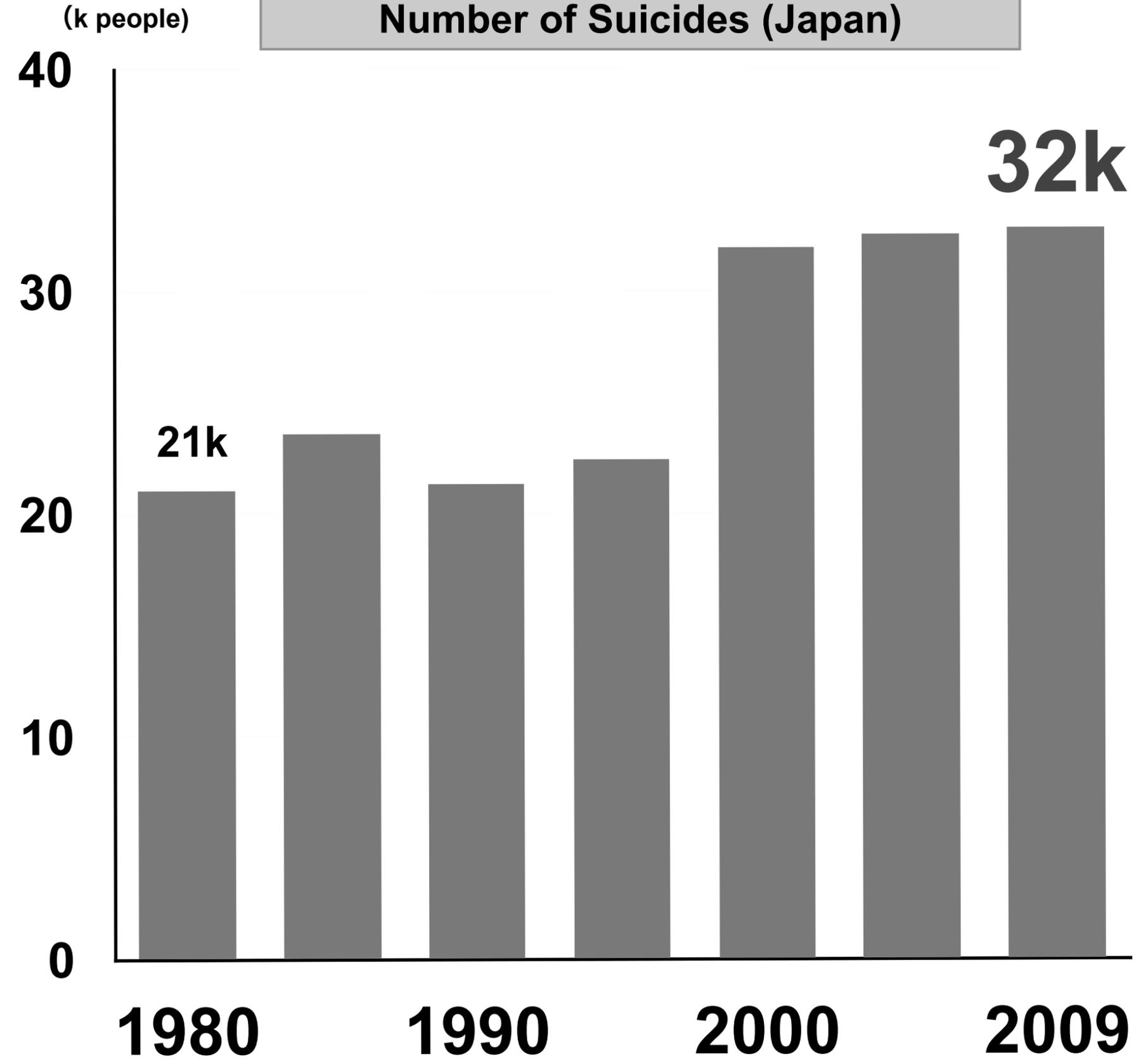
No. of the Elderly Living Alone (Japan)





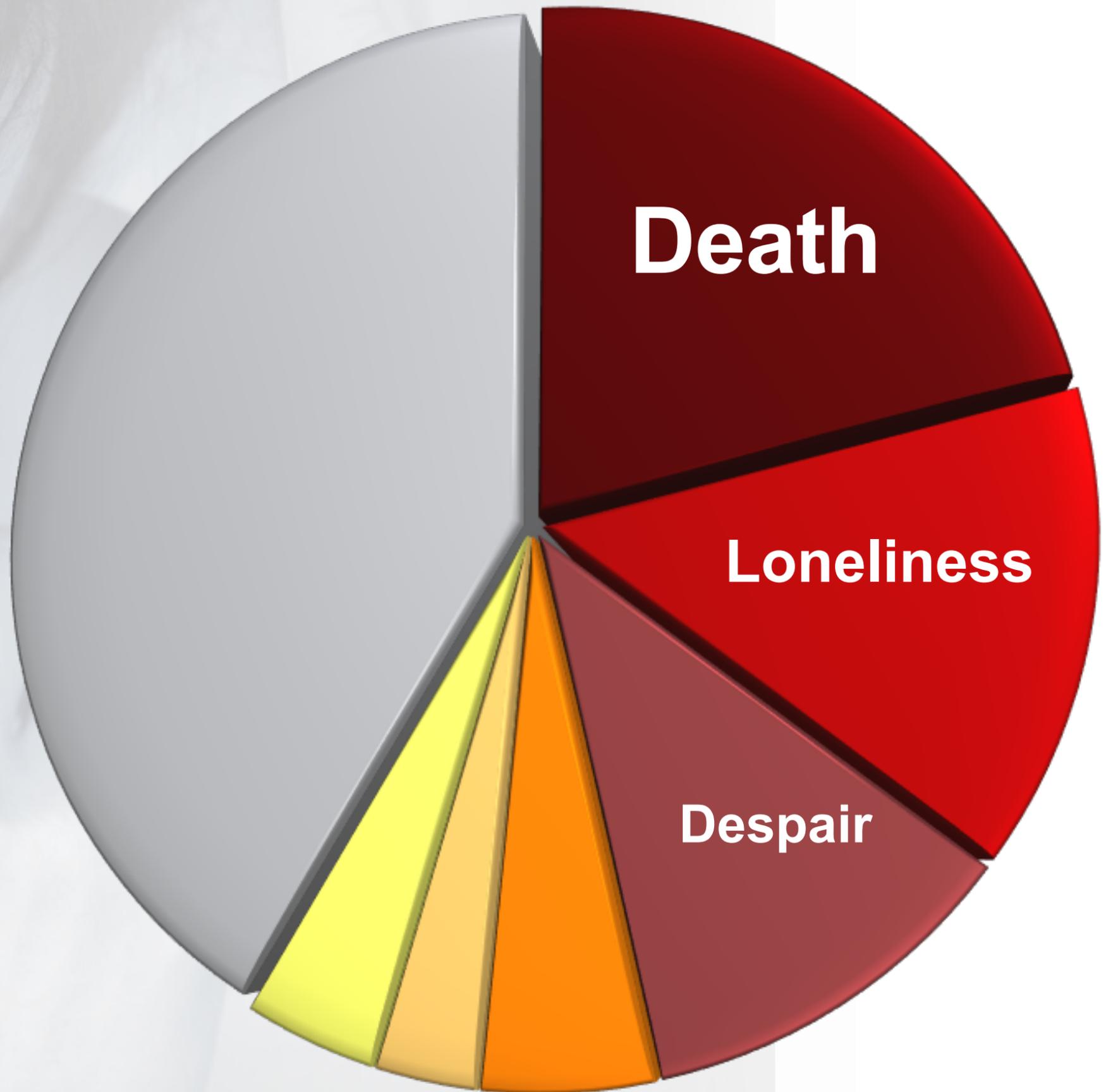
Despair

Number of Suicides (Japan)





Sorrow





Sorrow

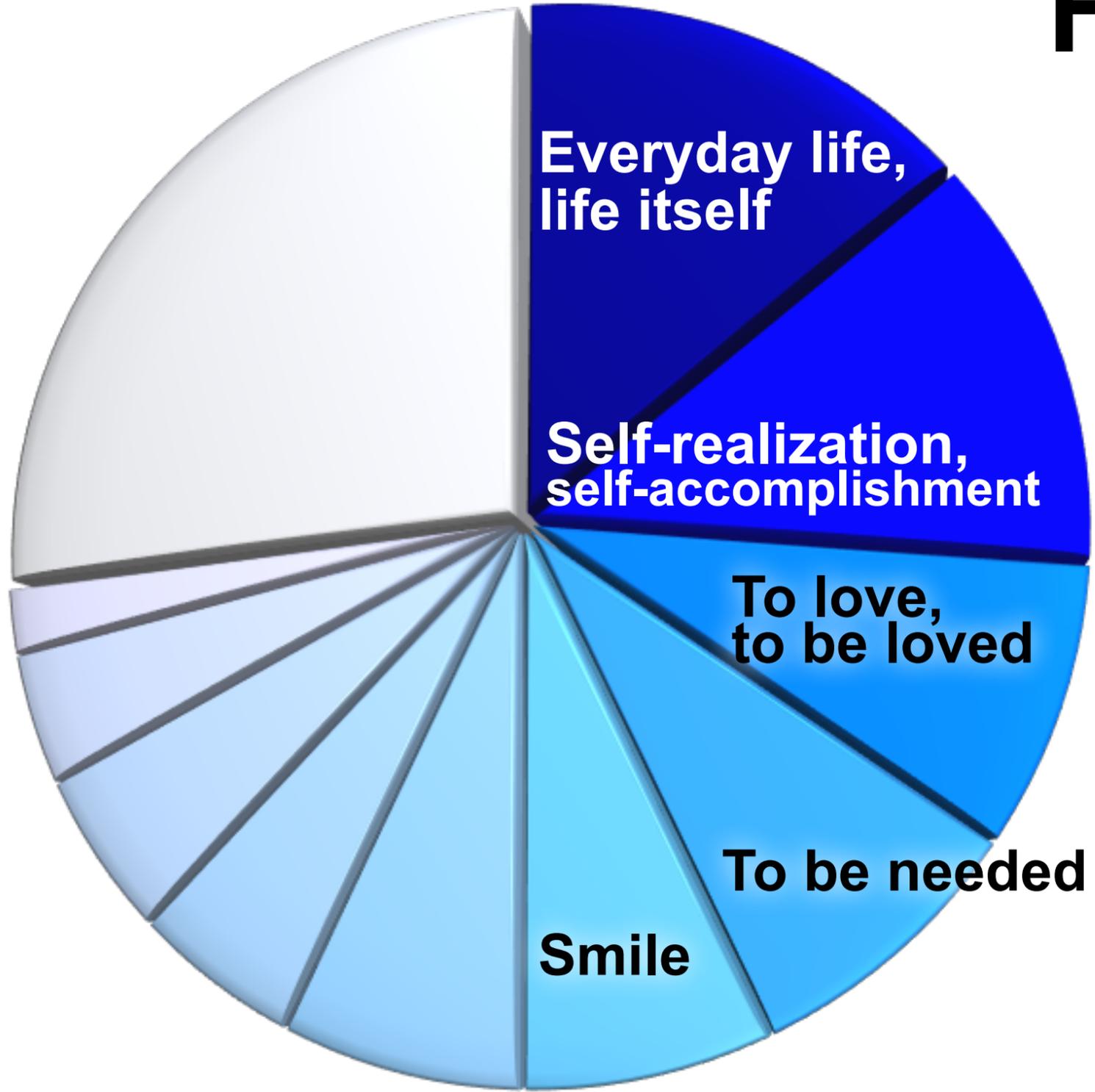
Loneliness

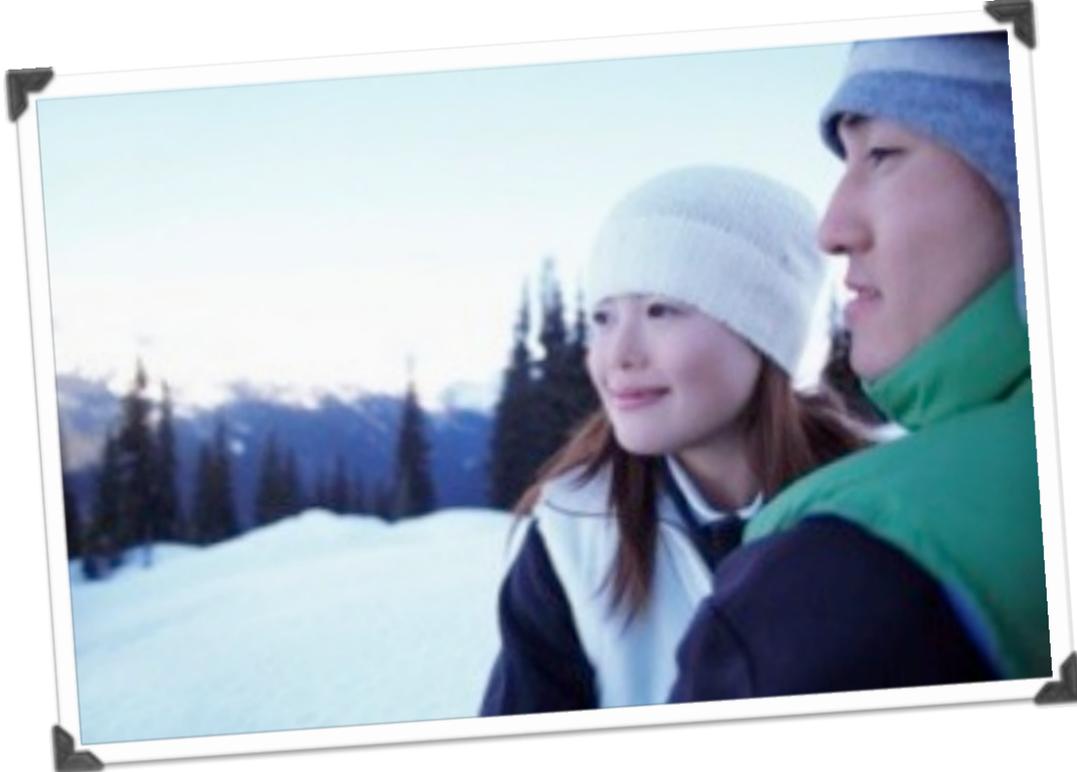
**The saddest thing
in people's life is loneliness**

**SoftBank works to
increase people's joy**

**What would be
the happiest thing in your life?**

Happy = Touched





Touched by seeing



Touched by learning



Touched by love

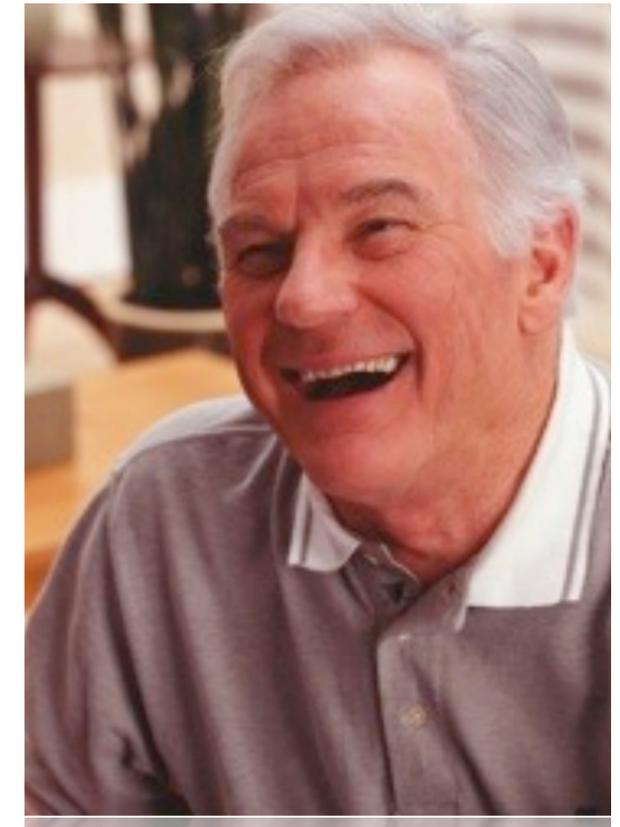
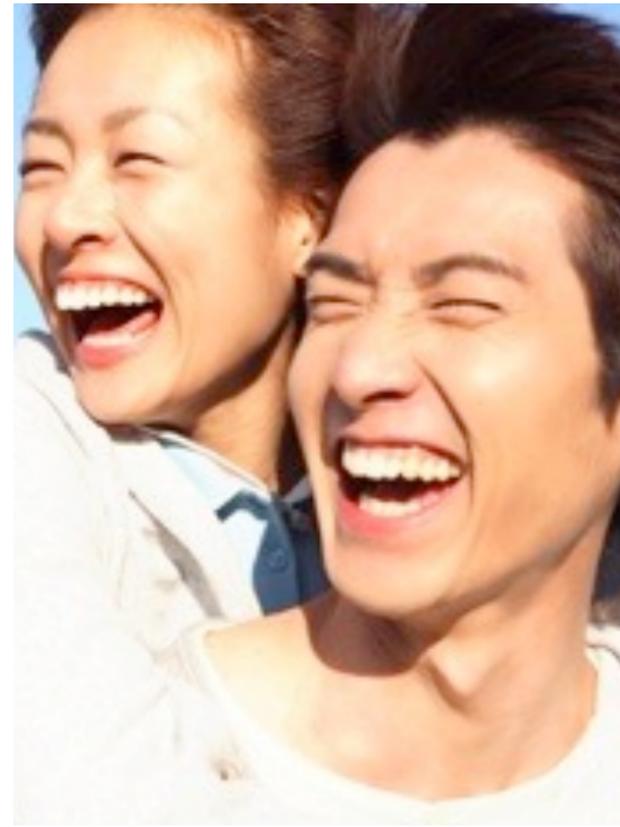
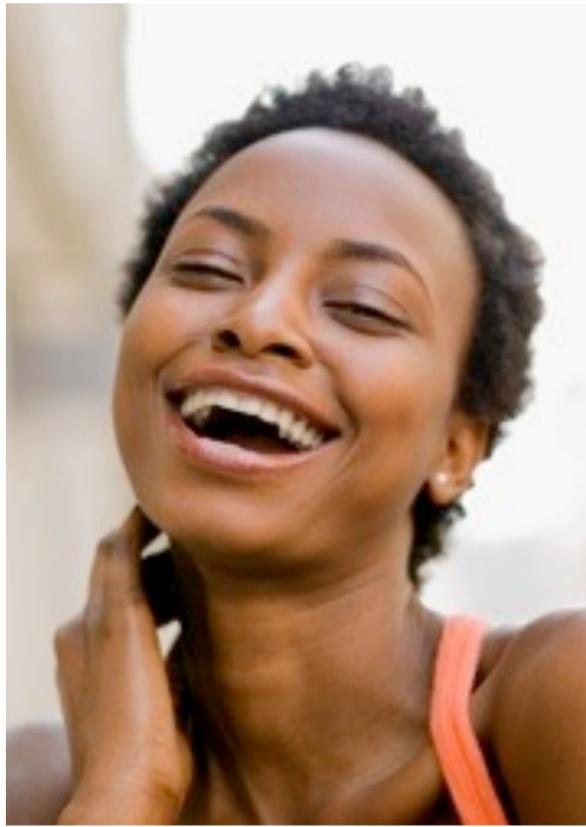


Touched by interactions



**Touched by playing
etc...**

Information Revolution - Happiness for everyone



**30 years till now
&
the next 30 years**

SoftBank's past 30 Years (movie)

We have overcome many obstacles for information revolution



YAHOO!
JAPAN

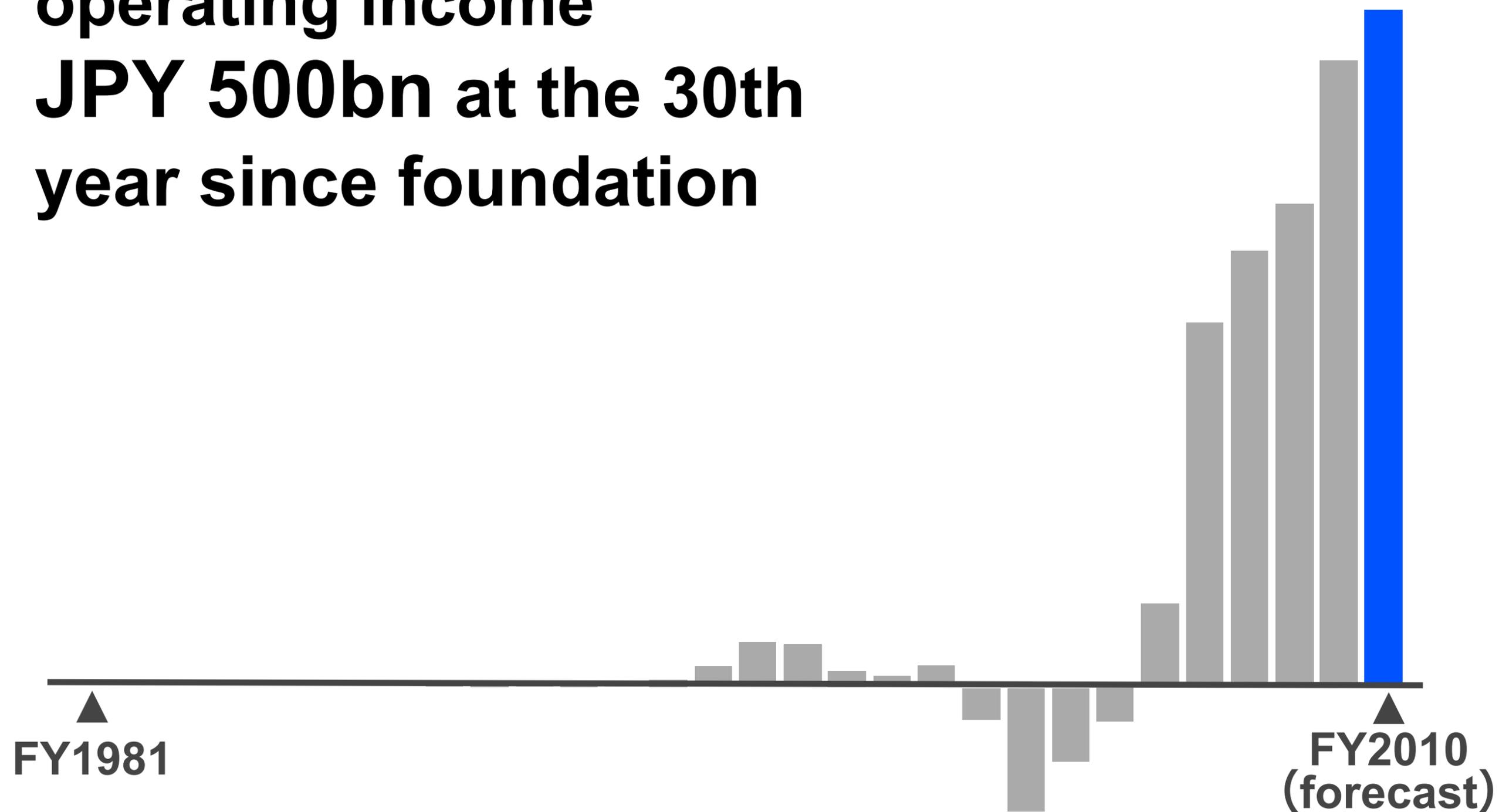


YAHOO! BB
JAPAN Broadband



**Consolidated
operating income
JPY 500bn at the 30th
year since foundation**

JPY 500bn



FY2009

Consolidated Operating Income Ranking

Rank	Company Name	Amount
1	NTT	1,117.6bn JPY
2	NTT DOCOMO	834.2bn JPY
3	SoftBank	465.8bn JPY
4	INPEX	461.6bn JPY
5	KDDI	443.8bn JPY
6	Takeda Pharmaceutical	420.2bn JPY
7	Honda Motor	363.7bn JPY
8	Nintendo	356.5bn JPY
9	East Japan Railway	344.8bn JPY
10	NISSAN MOTOR	311.6bn JPY

**Top 3
in Japan**

Endeavoring to benefit society and the economy and maximize enterprise value by fostering the sharing of wisdom and knowledge gained through the IT revolution.

Vision

Vision

**Design corporate DNA
leading SoftBank's growth in
the next 300 years**



**This vision is designed
with the time span of 300 years**

**The next 3 decades is
merely the first step**

**Look into the far distance
whenever you get lost**

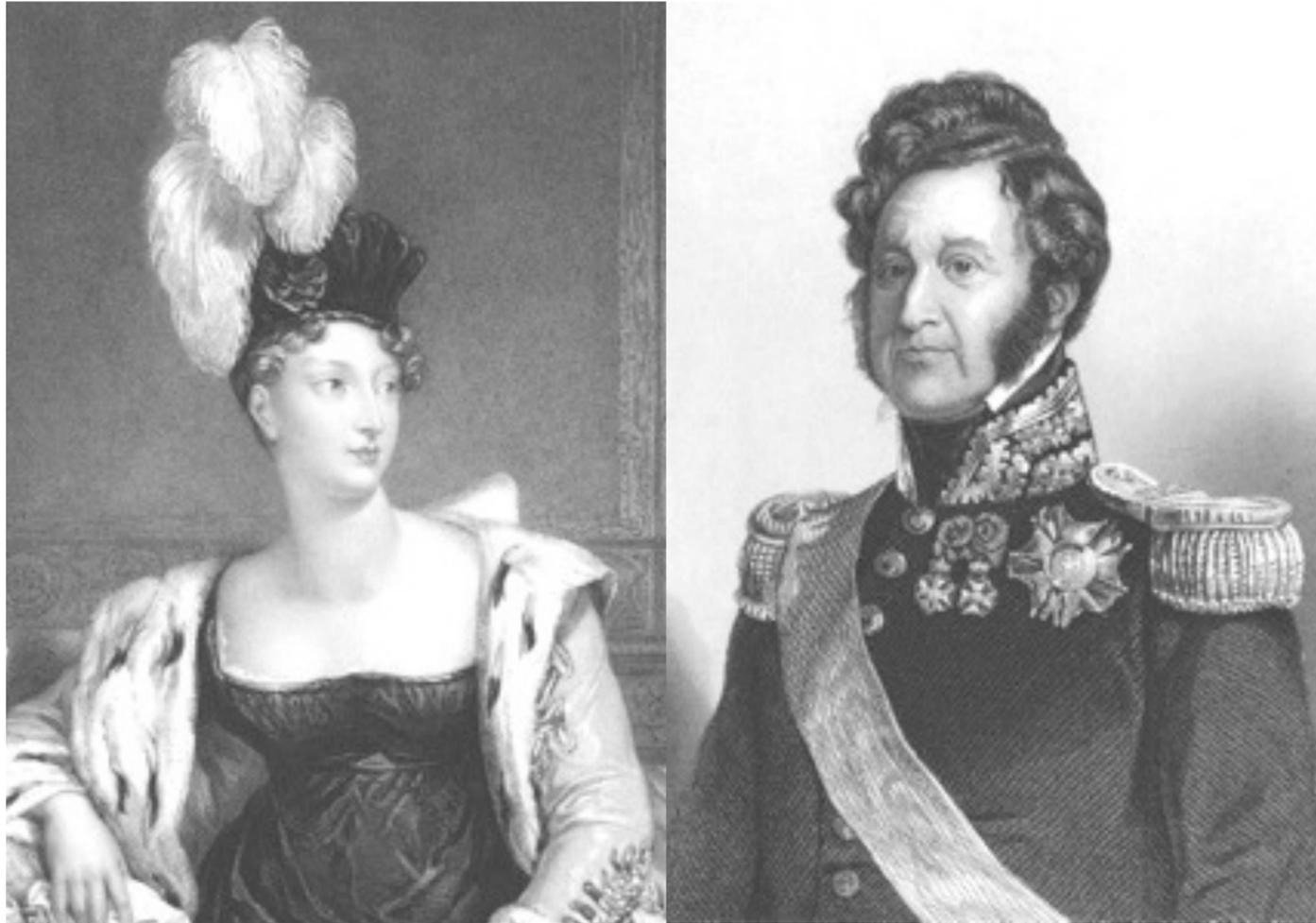




**We learn from the past
to determine
the future course**



**World in
300 years ago**



The wealthy **39 years**

General public **33 years**

Industrial Revolution



1705

Steam engine

1709

**Iron-making
technology**

1764

**Spinning
technology**

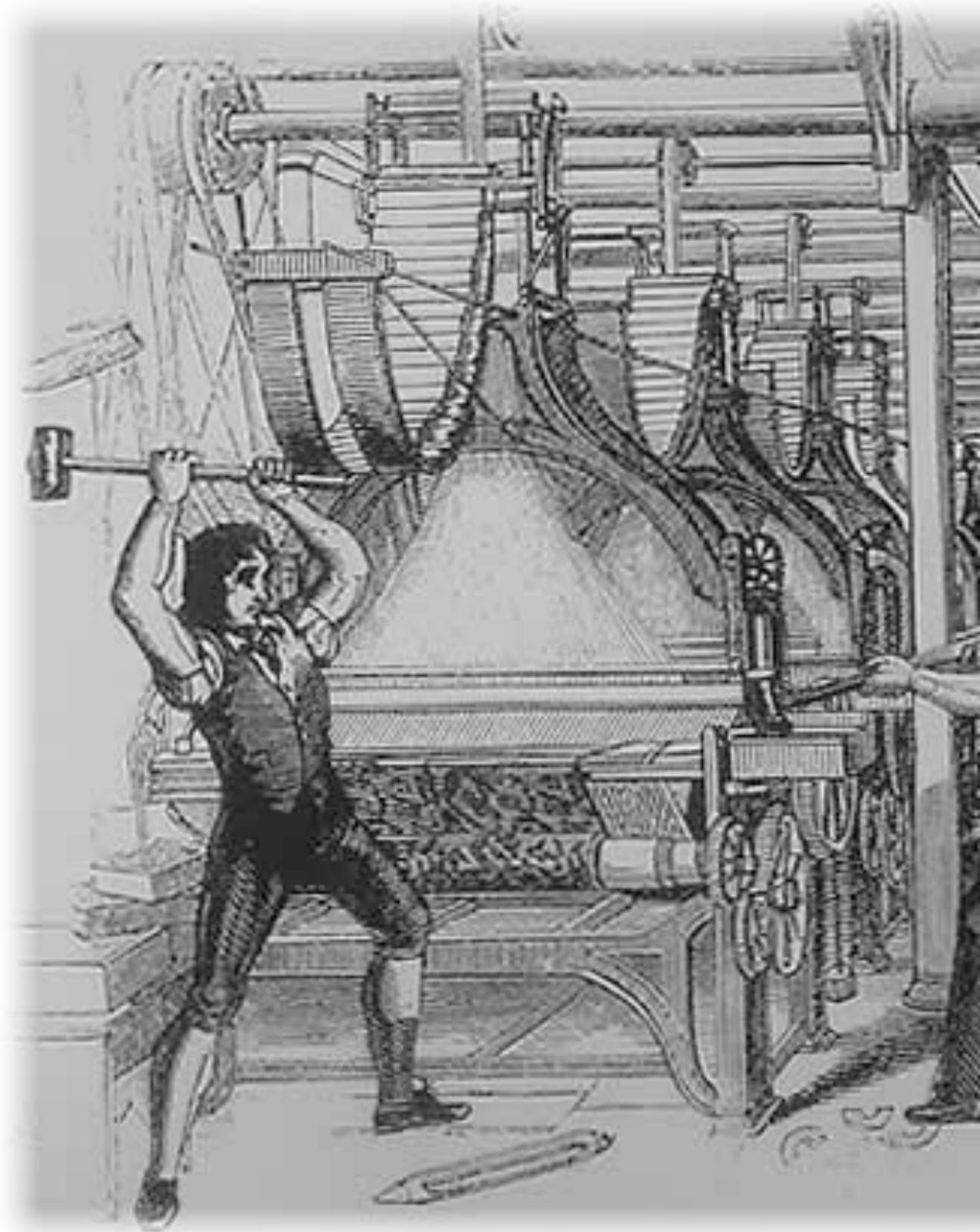
1807

Steam ship

1825

**Steam engine
railway**

**Riot by people
who feared machines**



World in 300 years from now



== SoftBank

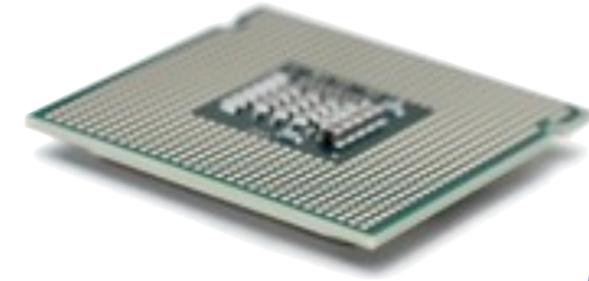
Information Big Bang



No. of Calculations per USD 1000 per second

**3.5 quadrillion
times
in 100 yrs**

Micro Processor
20 billion per second



Transistor



Vacuum Tube



Relay



Analytical Engine
0.000006 per second



1900

1920

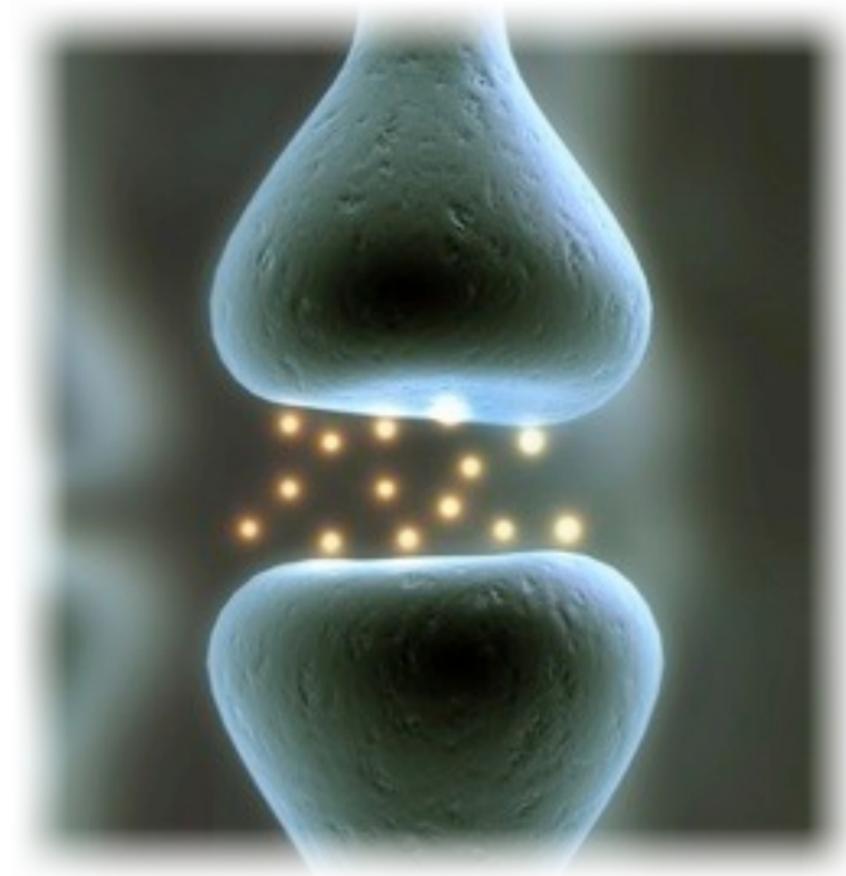
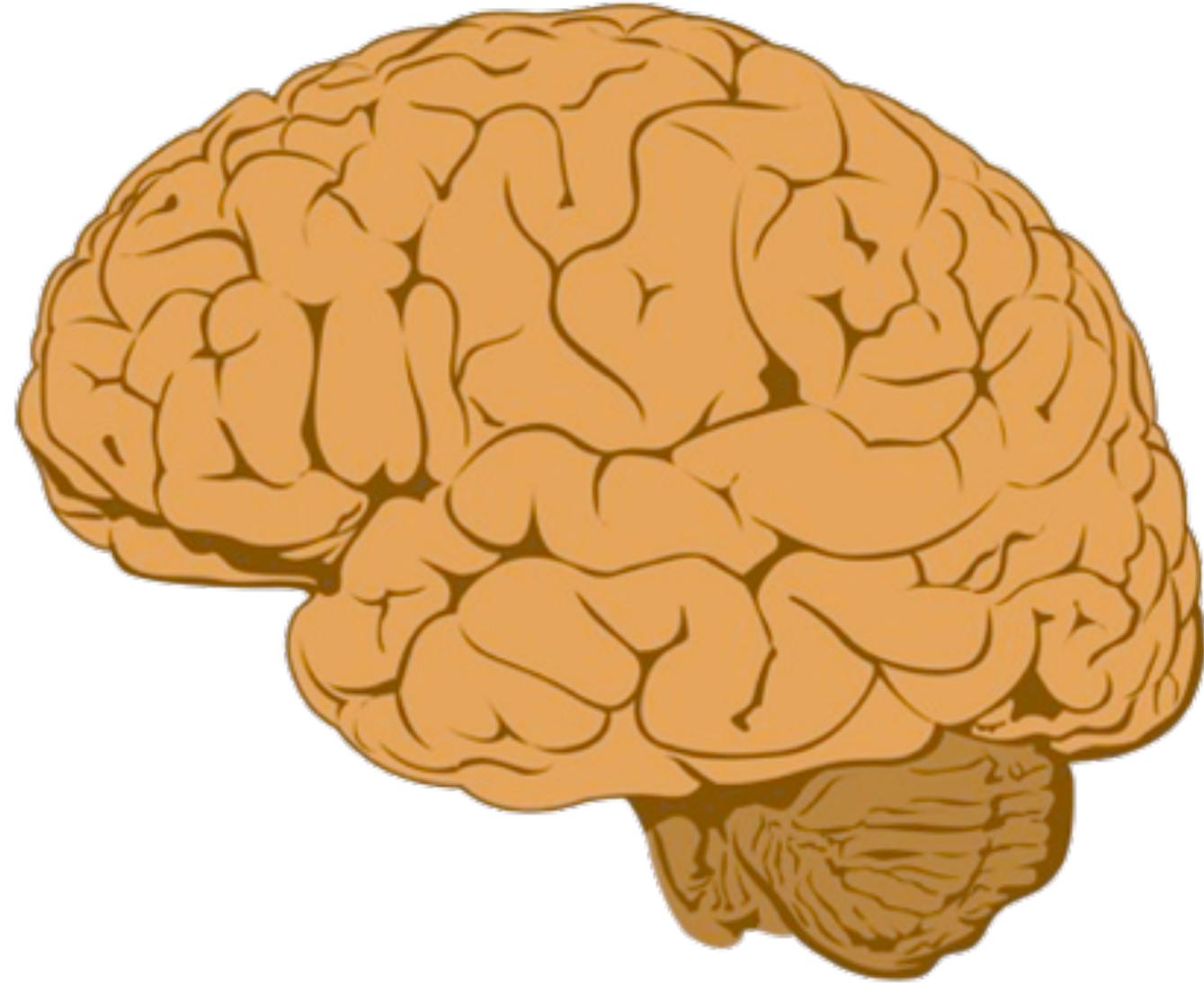
1940

1960

1980

2000

2010

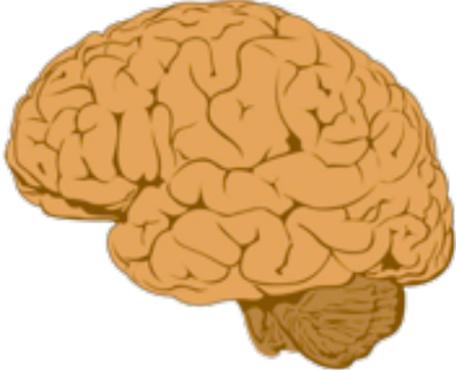


Synapse

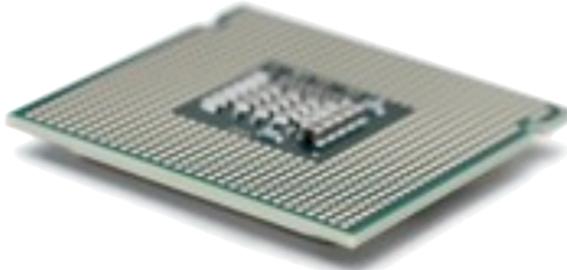
Binary numeral- system

Number of brain cells **Approx. 30bn**

Number of cells
(No. of transistors)



30bn

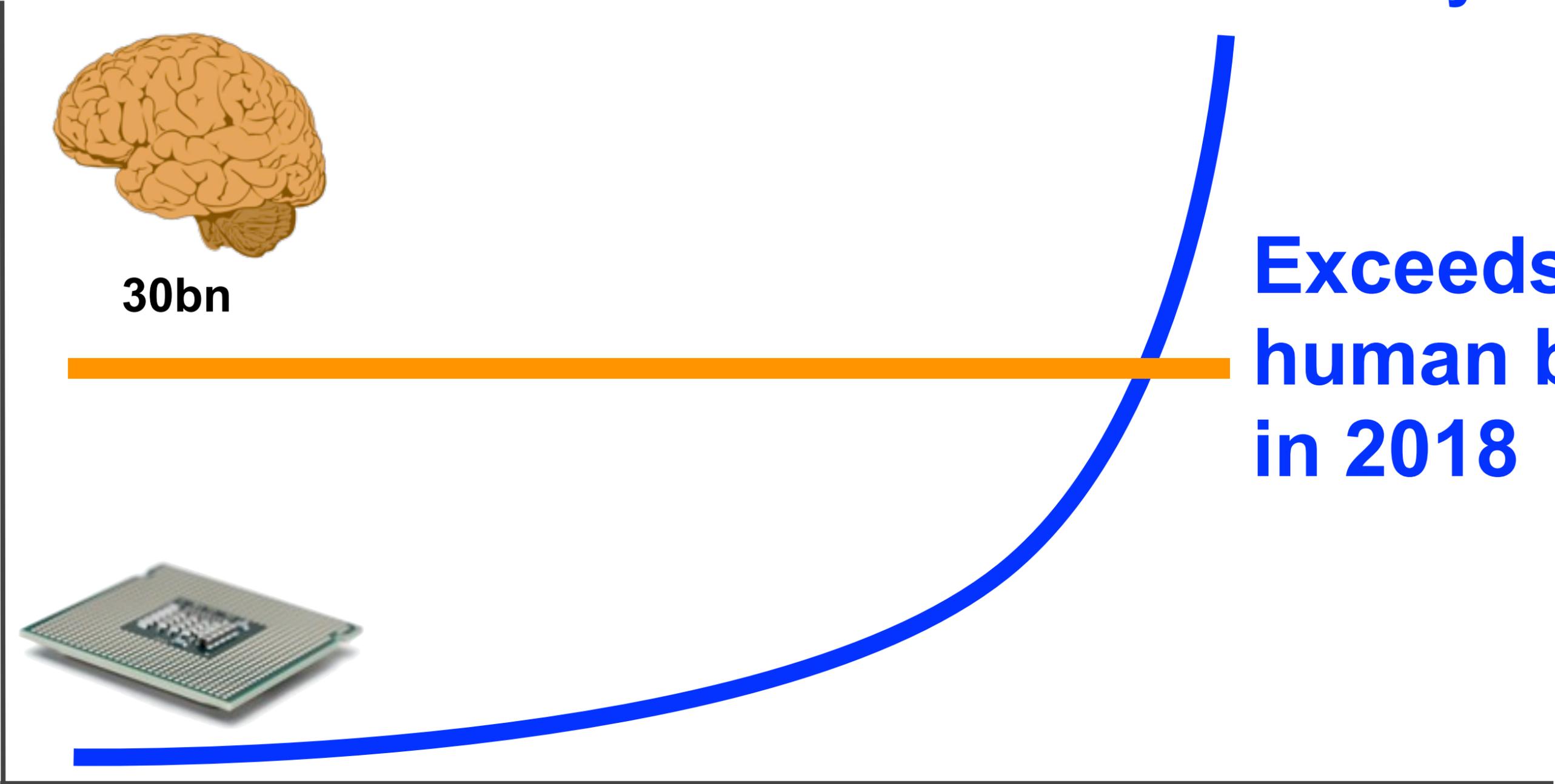


1 mil times in 30 yrs

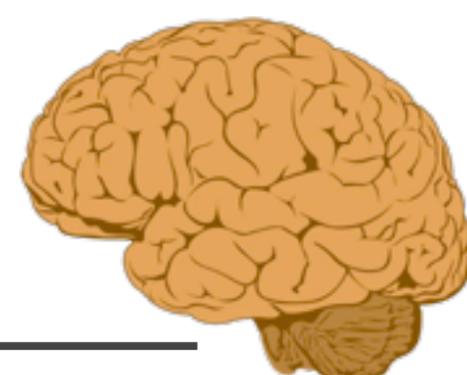
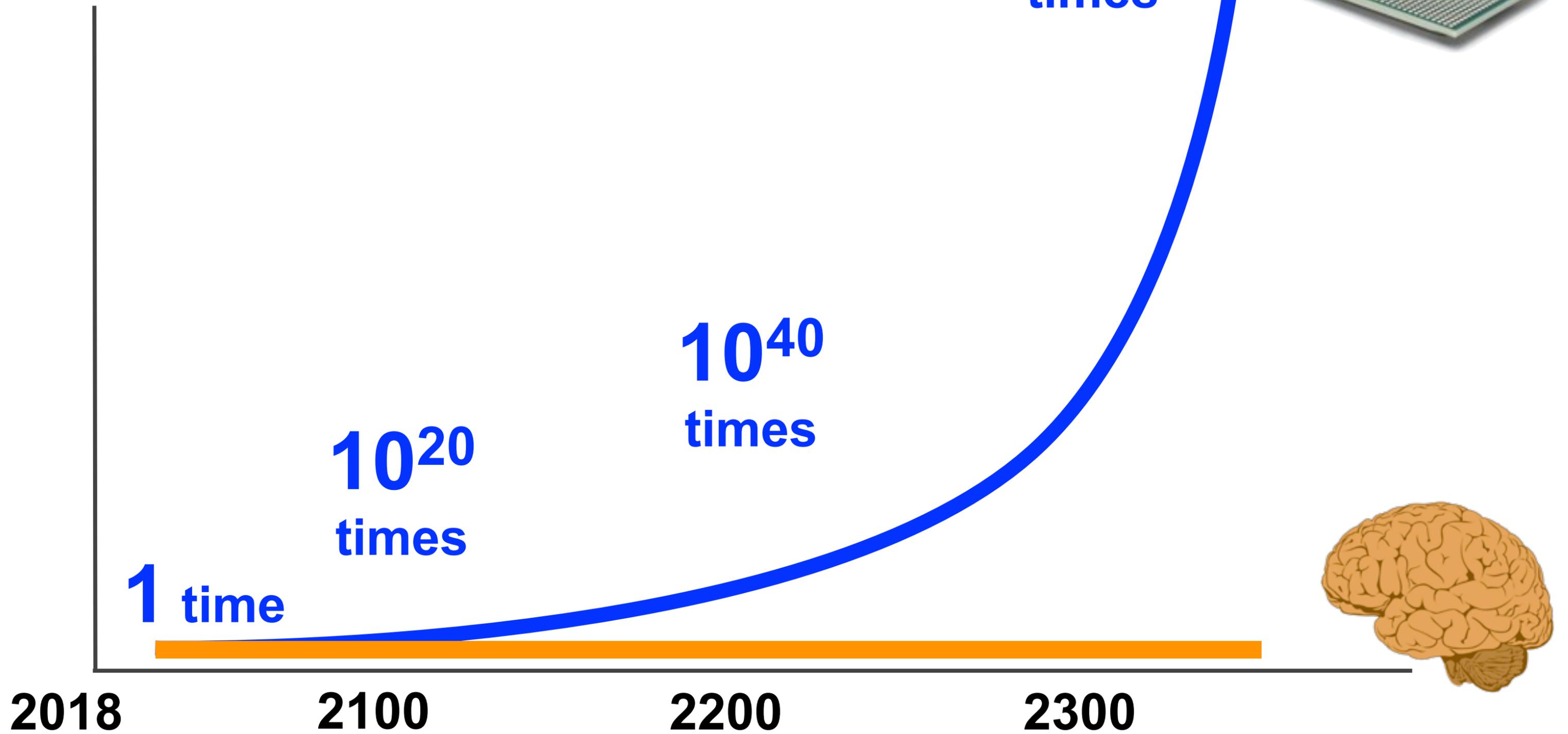
Exceeds
human brain
in 2018

2010

2018



Number of cells
(No. of computer elements)



Number of brain cells



30bn



8bn

Chimpanzee



Insect

1mil

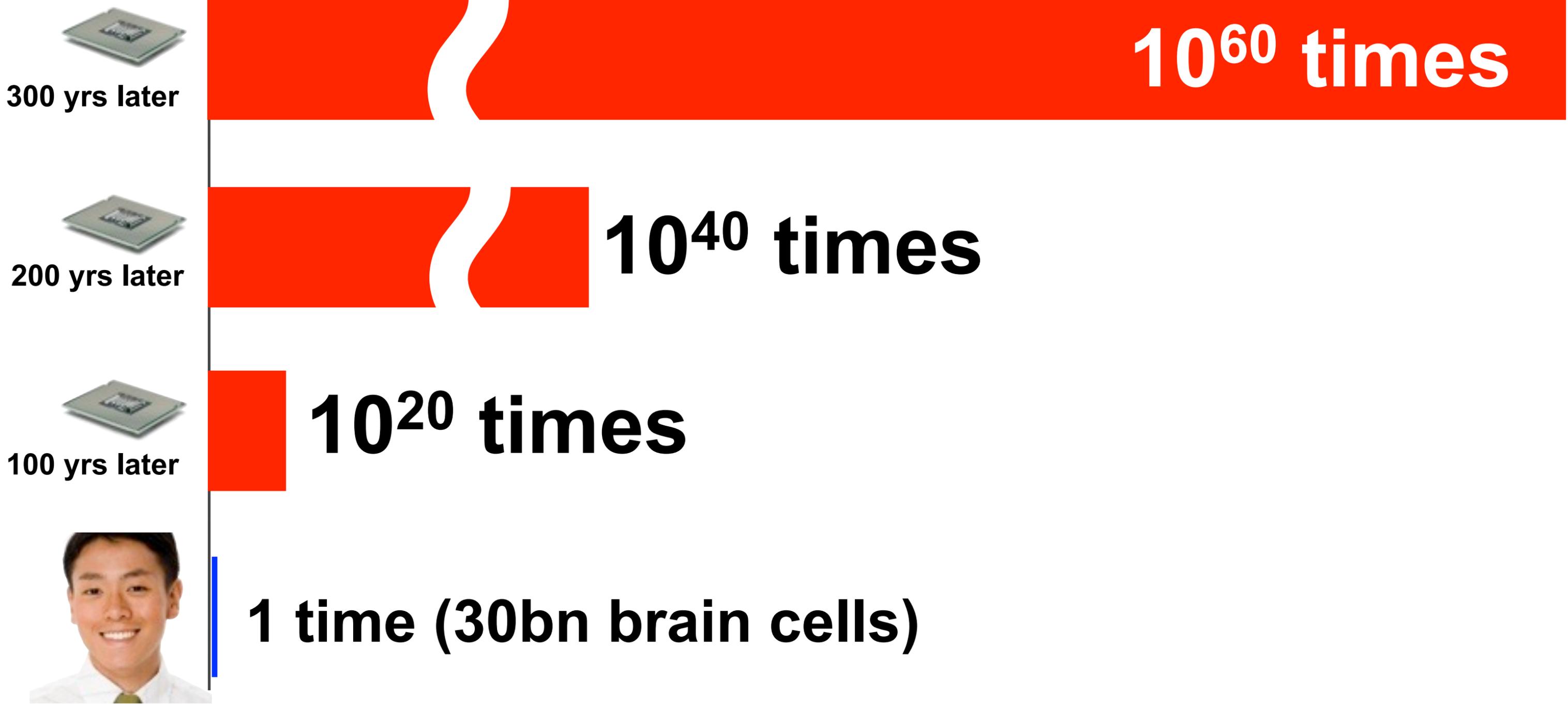


Ameba

1



Hypothesis of number of brain cells and computing elements



**The greatest
paradigm shift of
human kind**

Future that SoftBank works to realize

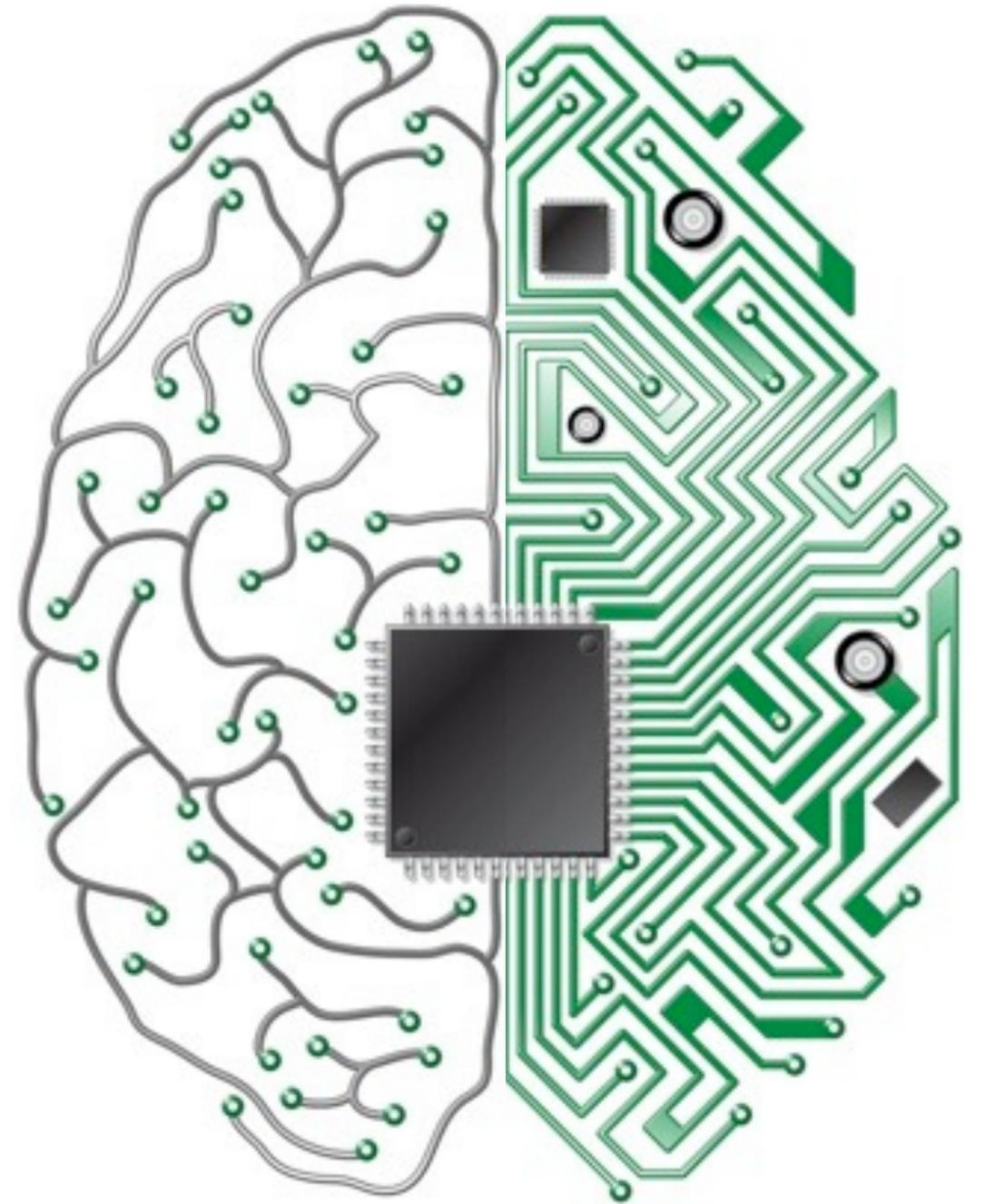
 SoftBank

SoftBank's commitment to the future is to achieve information revolution leading to people's happiness



**SoftBank works to obtain
cutting edge technology and
the most outstanding business model
with the times**

**Bring
brain computer
to life**





Brain:

“A system which **automatically acquires** data and algorithms”

Learning computer

Automatic accumulation of
knowledge

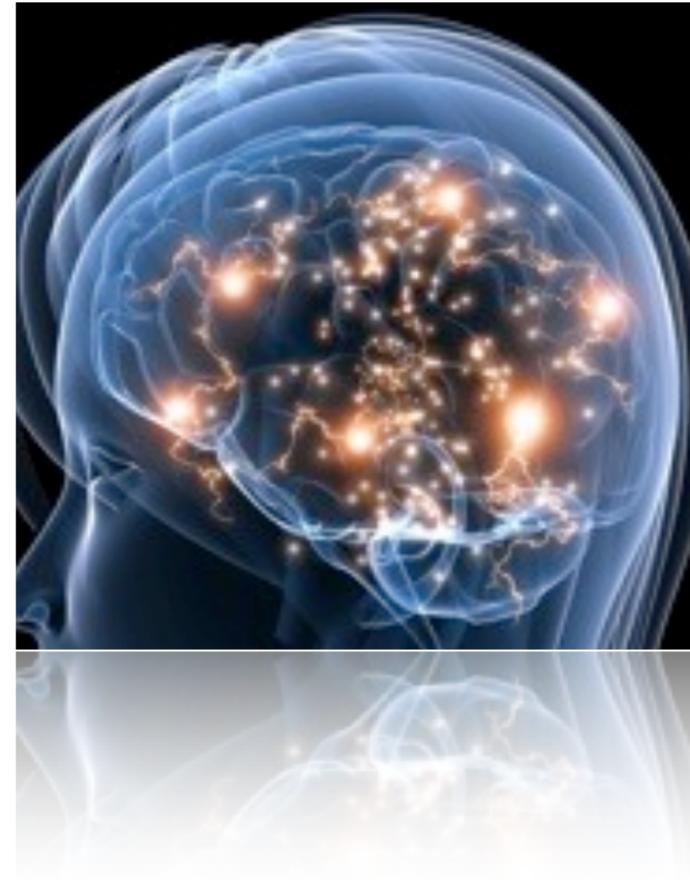
Data



+

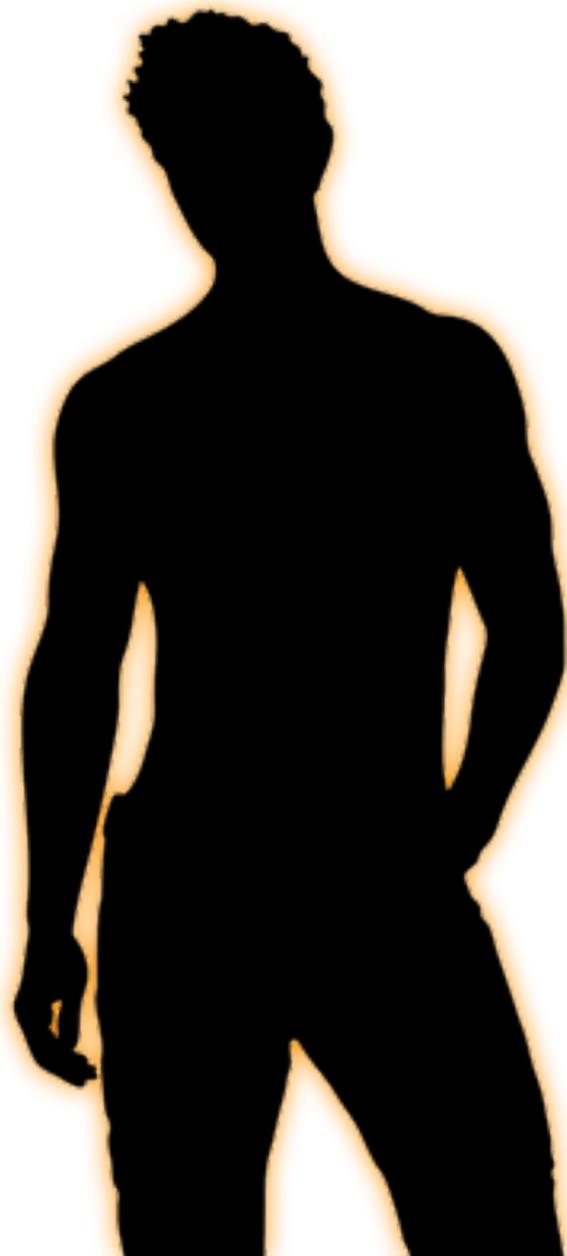
Automatic generation
of wisdom

Algorithm

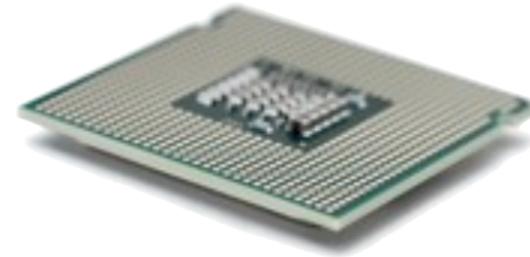


Our biggest theme:
“Symbiosis between humankind
and computer”

1 time



10^{60}
times



1 time





Case: A car with AI learned to crush into the driving course to drive faster



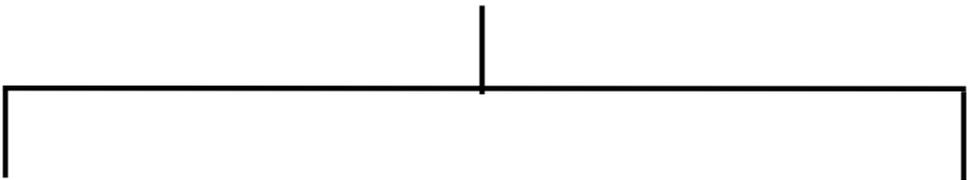
Cloned sheep

Function of Human Brain



Emotion

(Goal)



Knowledge

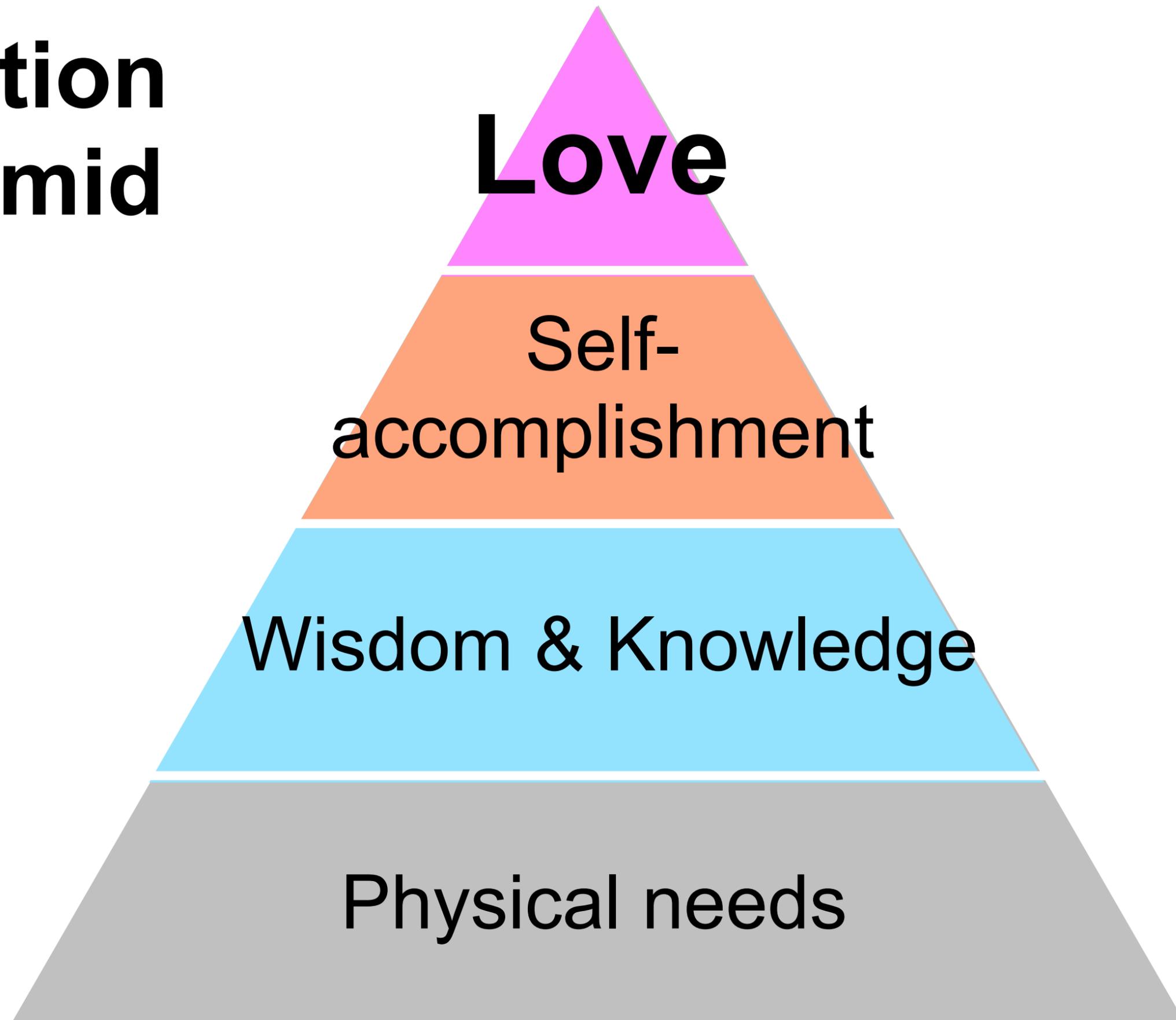
(Data)



Wisdom

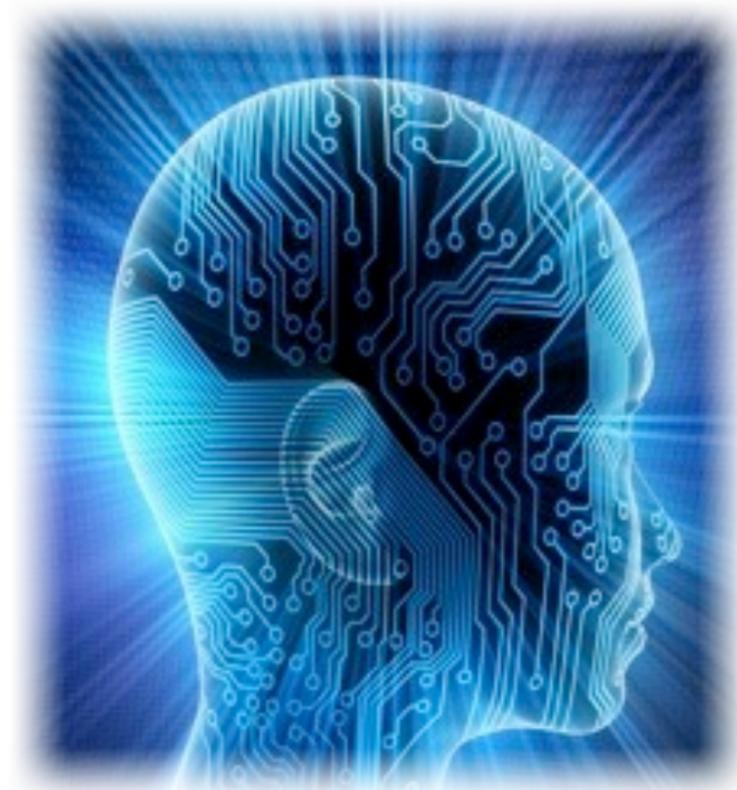
(Algorithm)

Emotion Pyramid





Knowledge



Wisdom

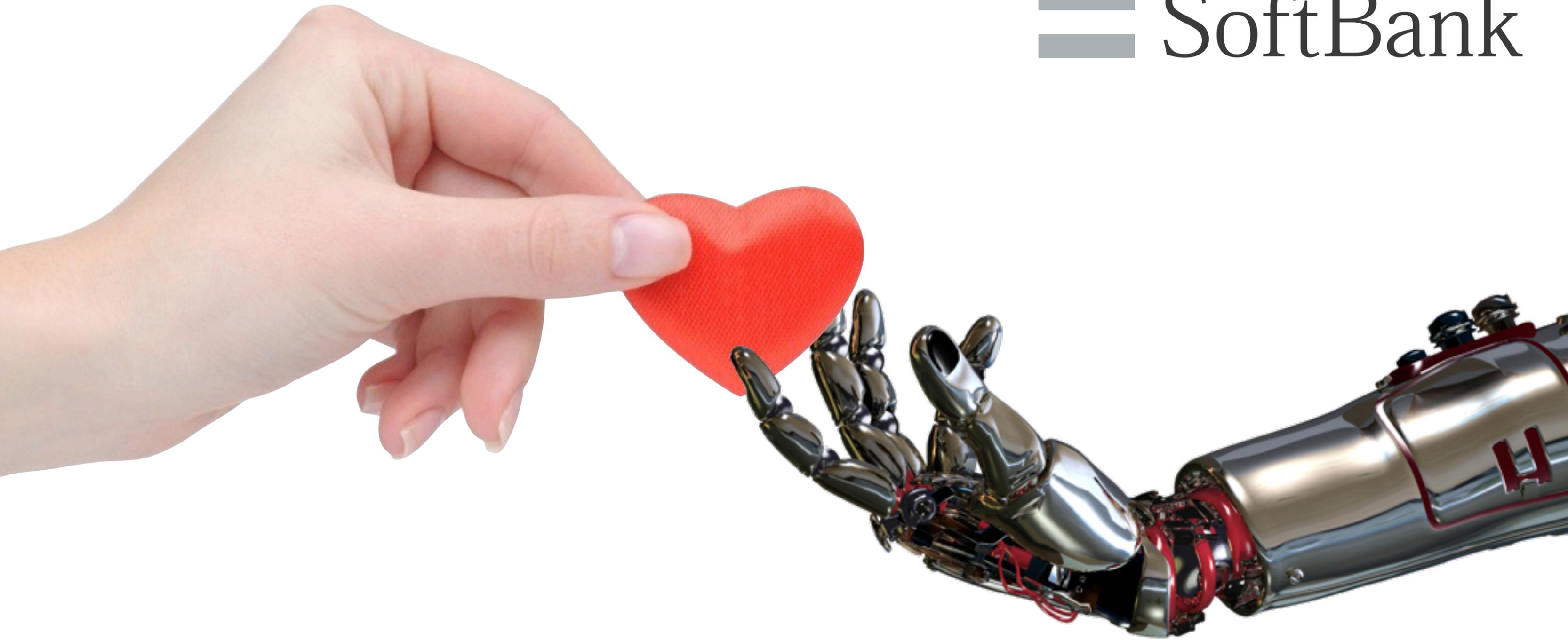


Emotion

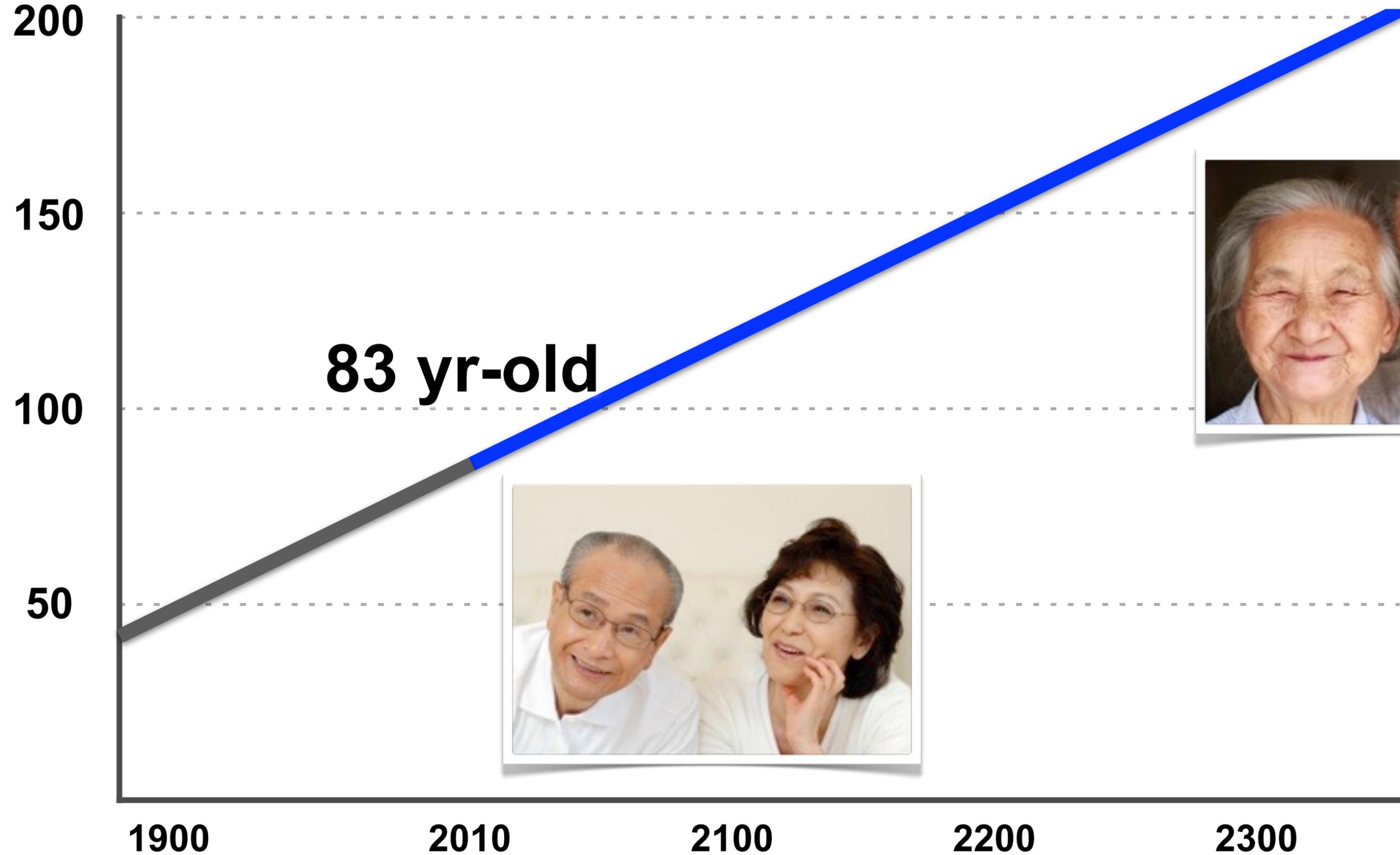
**Realization of
extra-intelligence**

Information Revolution - Happiness for everyone

≡ SoftBank



Average Life Expectancy (Japan)



200 yr-old

83 yr-old



Generalization of DNA treatment and artificial organs



Towards the era of
life expectancy of 200 years

Spread of communication through human bodies, and telepathy





Spread of
completely-
automated
translation

Disaster rescue

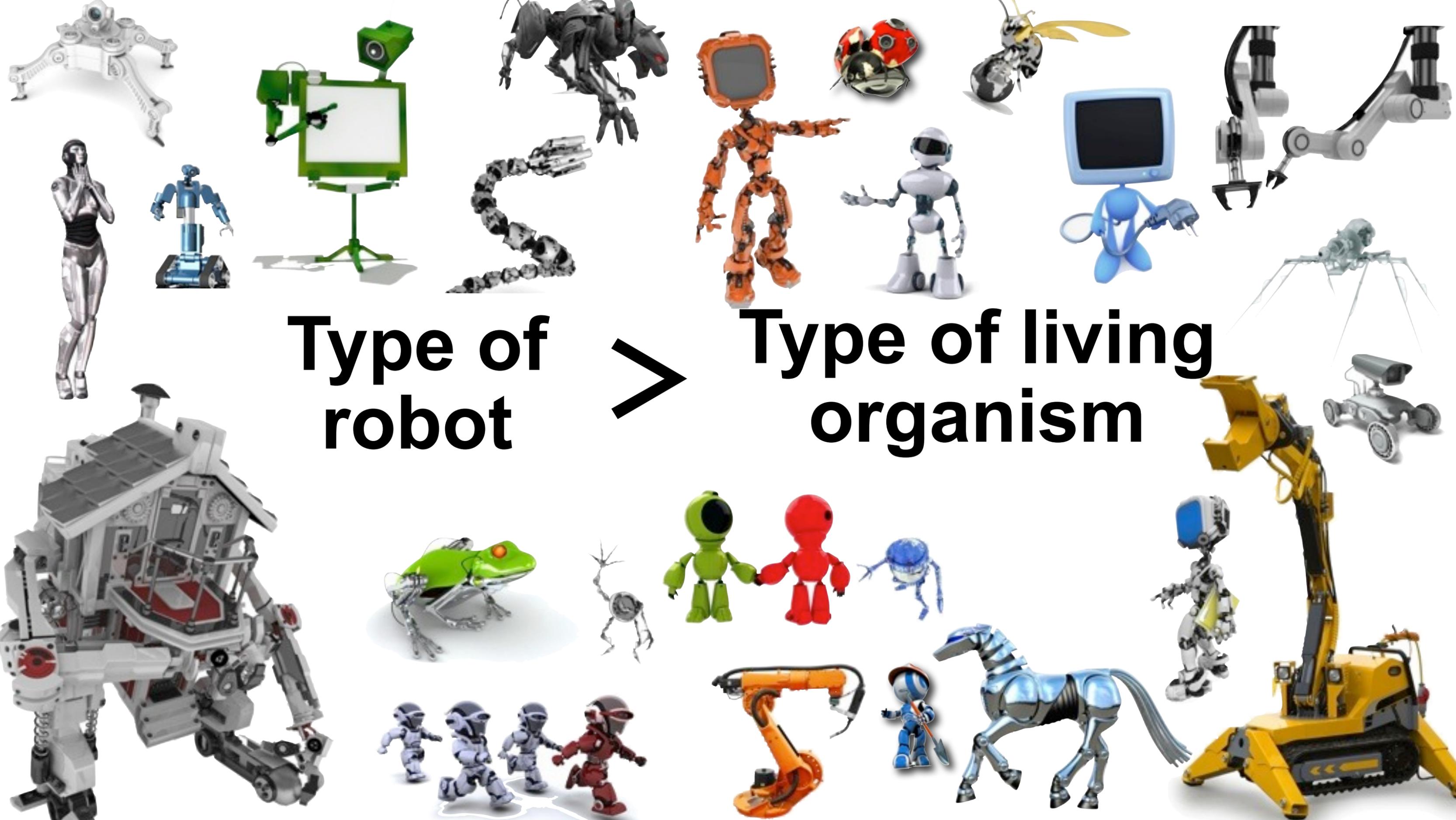


Nursing/ house work

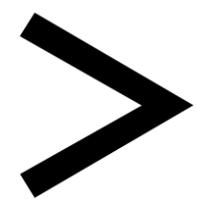


Emergency medicine





Type of robot



Type of living organism

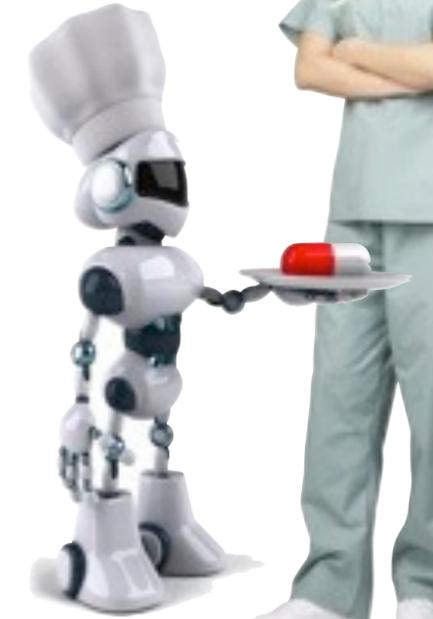


Most of new technologies
will be invented by computer





Coexistence with intelligent robots

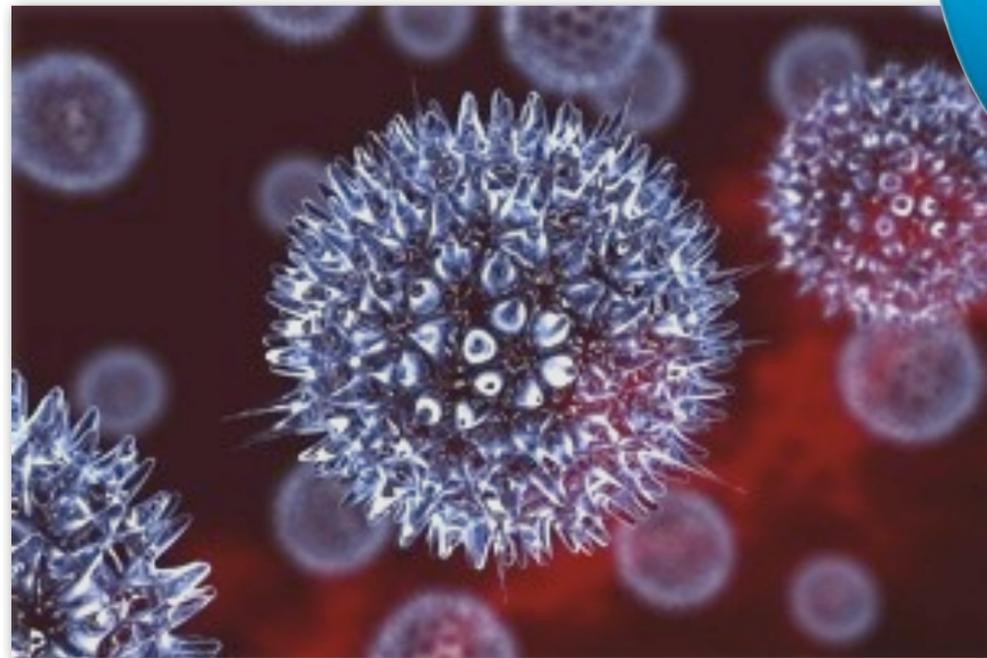




Natural disaster



Terrorism



Unknown virus



Meteor

**Yet, people long for love,
and get hurt by love**



**Information Revolution -
Happiness for everyone**

**World in
30 years from now**

— SoftBank



2010

2040

CPU

Number of transistors



3bn

1mil times



3quadrillion

(100k times of human brain)

Memory



32GB

1mil times



32PB

Network speed



1Gbps

3mil times



3Pbps

Content Storable in a 30,000 yen Handset

2010

2040



6400 songs

500bn songs



4 yrs
equivalent

350mil yrs
equivalent



4 hours
equivalent

30k yrs
equivalent





Content Downloadable Per Second from Cloud

2010

2040



1 song



3mil songs



1/4 day equivalent



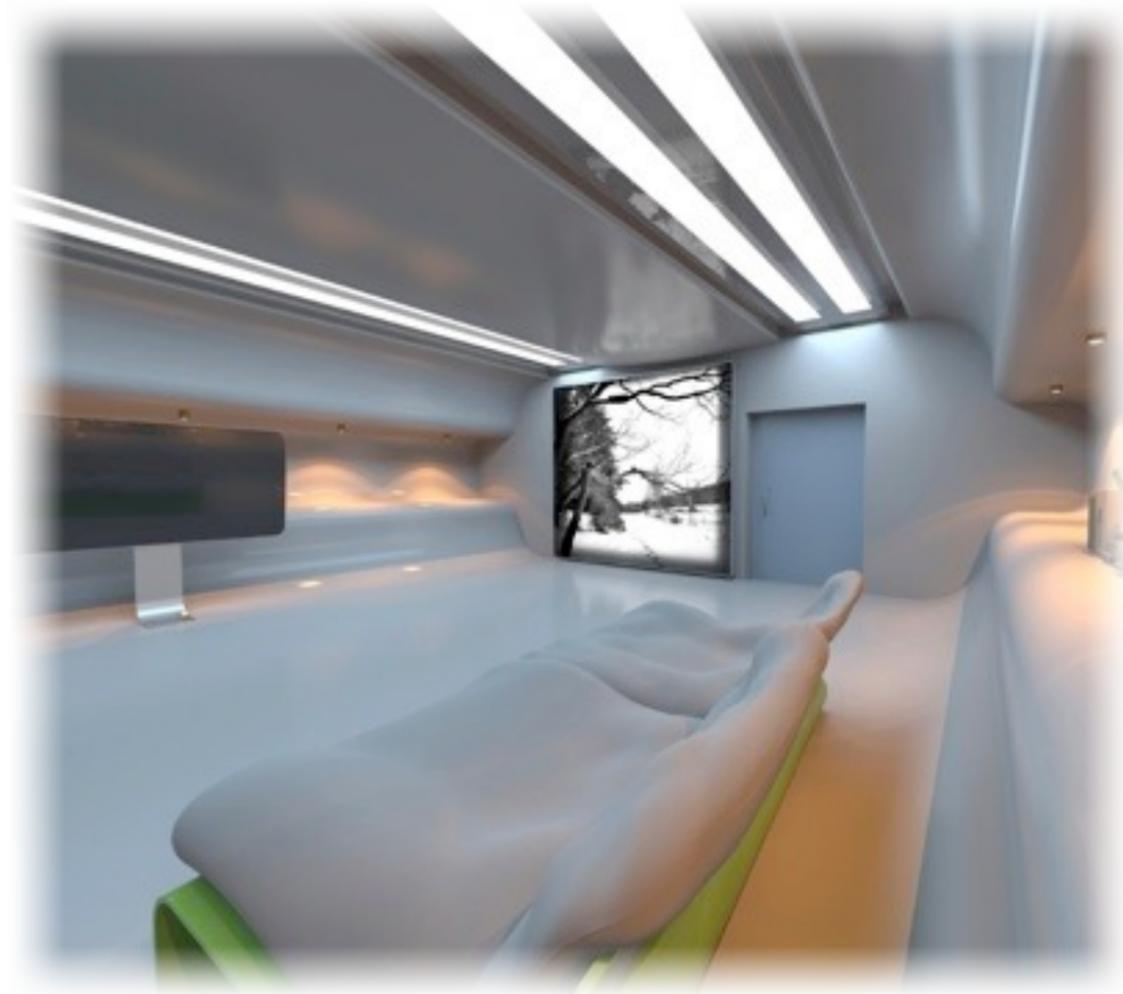
2000 years equivalent



Unlimited storage
Unlimited cloud
Zero speed network



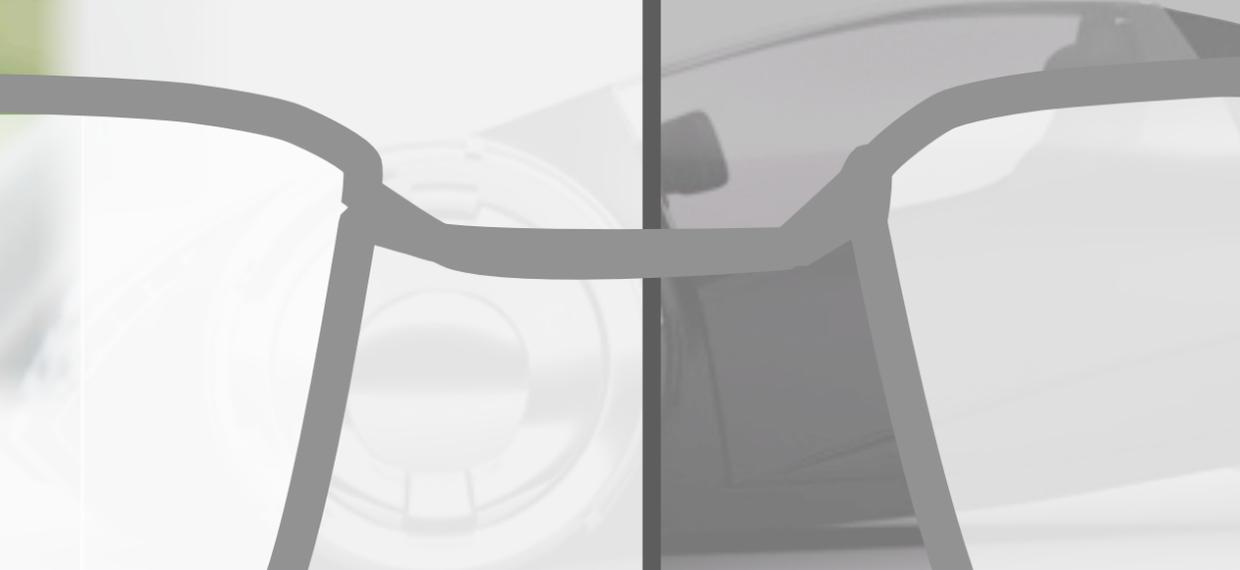
Change lifestyle
radically



Life log



Everything integrates with cloud



Everything integrates with cloud

Advanced and fair education



Advanced telemedicine



New work styles



Evolution of “Touched by sightseeing”

Now



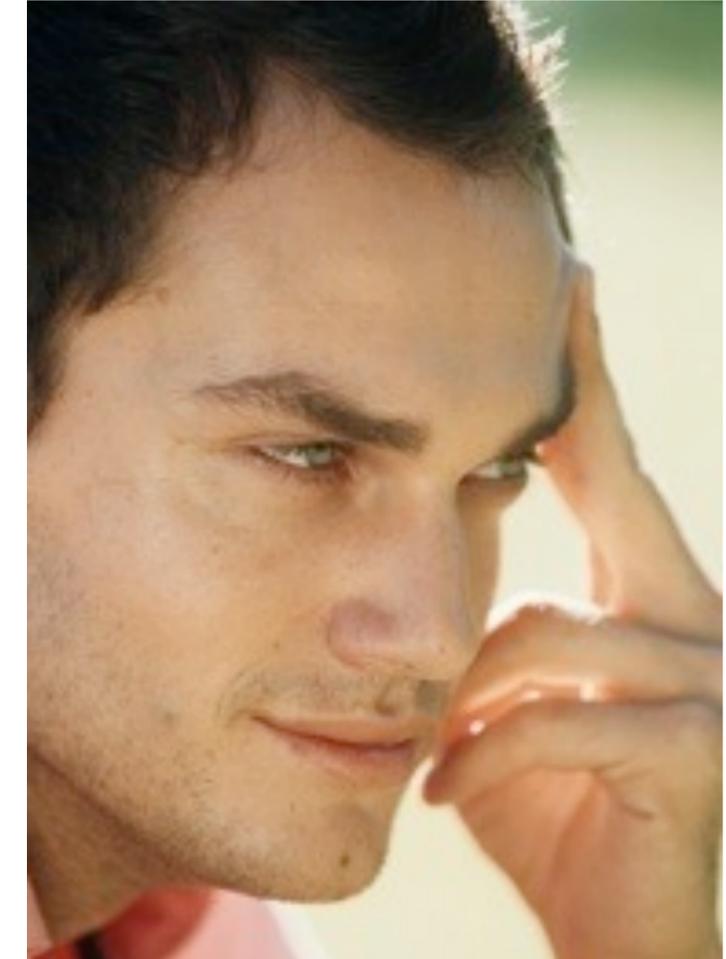
30 yrs later



VR
Sightseeing

**Virtual Reality*

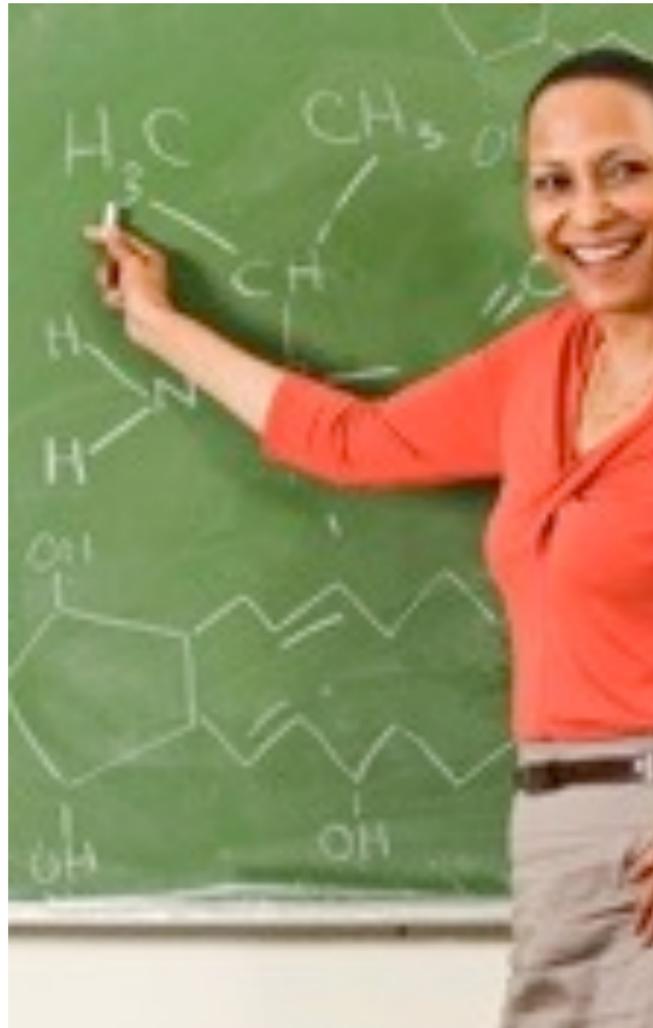
100 yrs later



Gather information
by just thinking

Evolution of “Touched by learning”

Now



30 yrs later



100 yrs later



VR e-textbook

**Virtual Reality*

Getting interested alone
enables learning

Evolution of “Touched by interactions”

Now



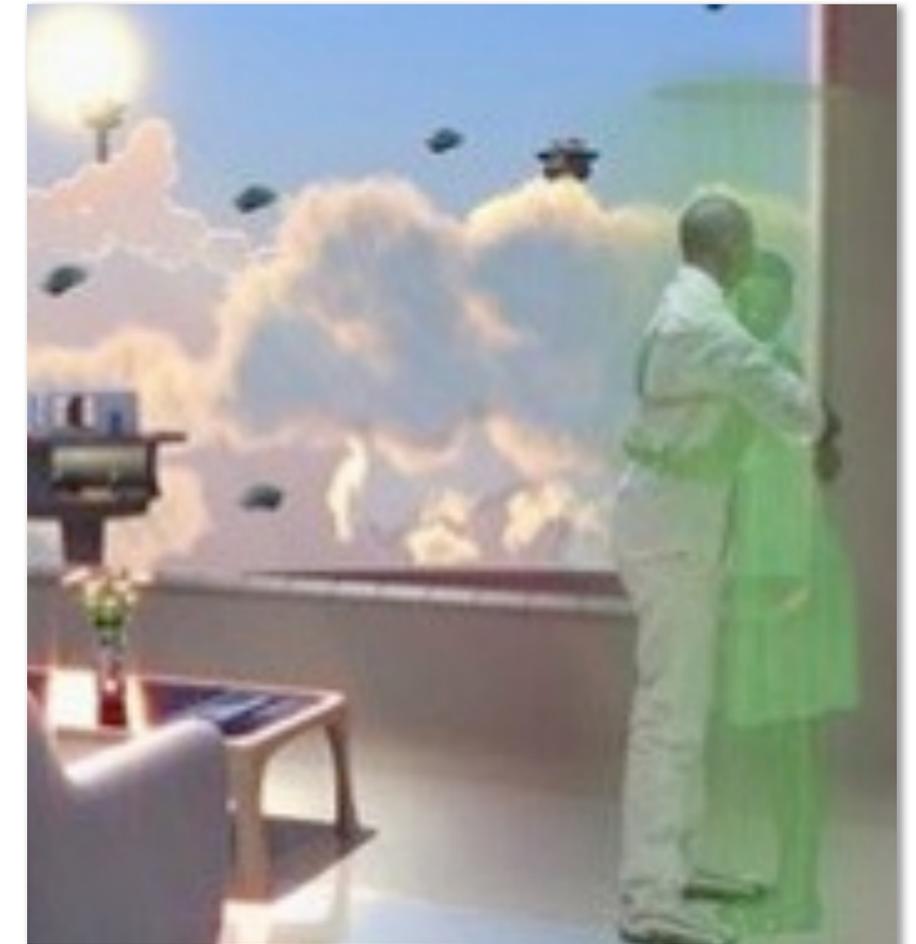
30 yrs later



Interact in VR

**Virtual Reality*

100 yrs later



Touch each other
in AR

**Augmented Reality*

Evolution of “Touched by playing”

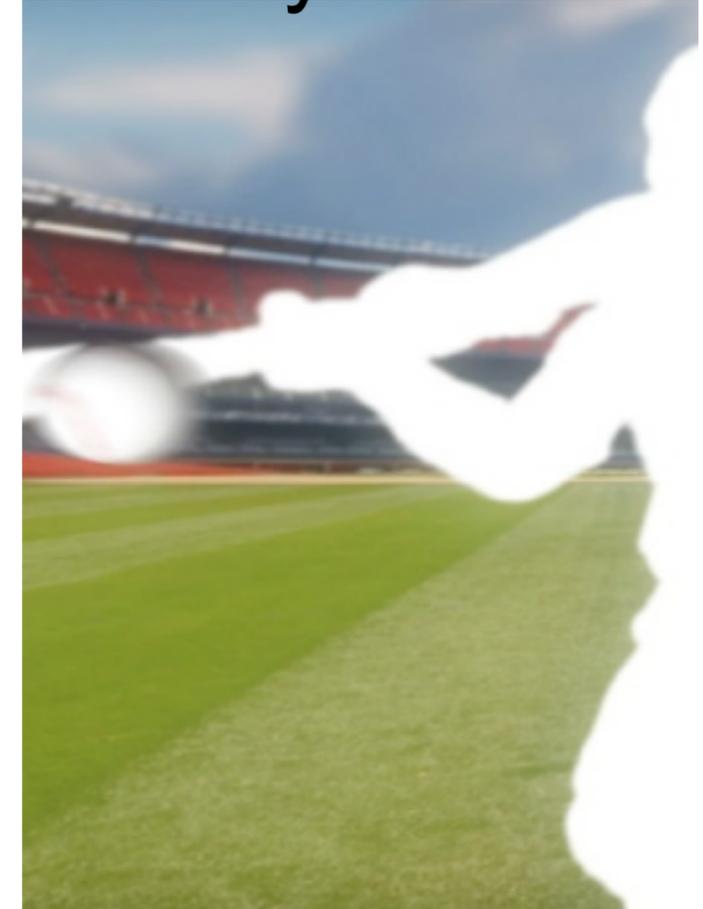
Now



30 yrs later



100 yrs later



VR game

**Virtual Reality*

AR game

**Augmented Reality*



**SoftBank works to make
cloud computing the greatest human
asset**

**SoftBank works to obtain
cutting edge technology and
the most outstanding business model
with the times**

Information Revolution

(movie)

Strategy

Difference from futurists:

**SoftBank works
to turn our vision into reality**

SoftBank

works to become a company

needed by people around the world

Market Cap Ranking

	Approx. 100 Years ago (around 1900)	30 Years ago (1985)	Present (2010)
1		IBM	Exxon Mobil
2	North Western Railway	Exxon	Petrochina
3	Pennsylvania Railroad	AT&T	Apple
4	Union Pacific Railroad	GE	Microsoft
5	Southern Pacific Railroad	British Telecommunications	Industrial and Commercial Bank of China
6	U.S. Steel	Sumitomo Bank	China Mobile
7	Standard Oil	Tokyo Electric	China Construction Bank
8	Tennessee Coal	Deutsche Bank	Berkshire Hathaway
9	JP Morgan and Company	Mitsubishi Bank	Wal-Mart Stores
10	City Bank of New York	DuPont	P&G

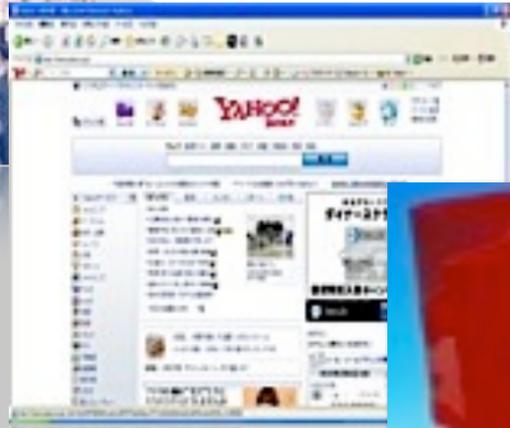
**In 30 years,
SoftBank aims to
be listed in the world top 10
with the market cap. of 200t yen**

Business Domain

**SoftBank focuses on
information industry**

**SoftBank does not
limit ourselves to
one particular technology
nor one business model**

Technologies and hardware change over time



**SoftBank Group works to
bring revolutionary changes
into people's lifestyles
with best partners**

 **A company growing
in the next 300 years**

History of the earth: 4.6bn years

**100bn species have emerged,
100mil species have survived**



5 Greatest Extinctions		Scale	Cause
440mil yrs ago	End of Ordovician	85%	Cooling of the earth
360mil yrs ago	End of Devonian	82%	Impact of 2 meteors
250mil yrs ago	End of Permian	96%	Volcanic activity
210mil yrs ago	End of Triassic	76%	Meteor impact
60mil yrs ago	End of Cretaceous	70%	Meteor impact



5 Greatest extinction crises

Turning Points

1981 Big bet after one month of business foundation

1983 Fight against illness

1994 IPO, ventured into US

2001 Start broadband business

2006 Acquired Vodafone KK

5 turning points of SoftBank



Species' survival ratio

Extant species are only 0.1%



99.9% of species went extinct

Companies' survival ratio (for 30 years)

0.02% is surviving



99.98% can not survive

**Design
corporate DNA leading
SoftBank's growth
in the next 300 years**



 **Strategic Synergy Group**



20th Century type

Low cost, technology

Mass production

Competitiveness

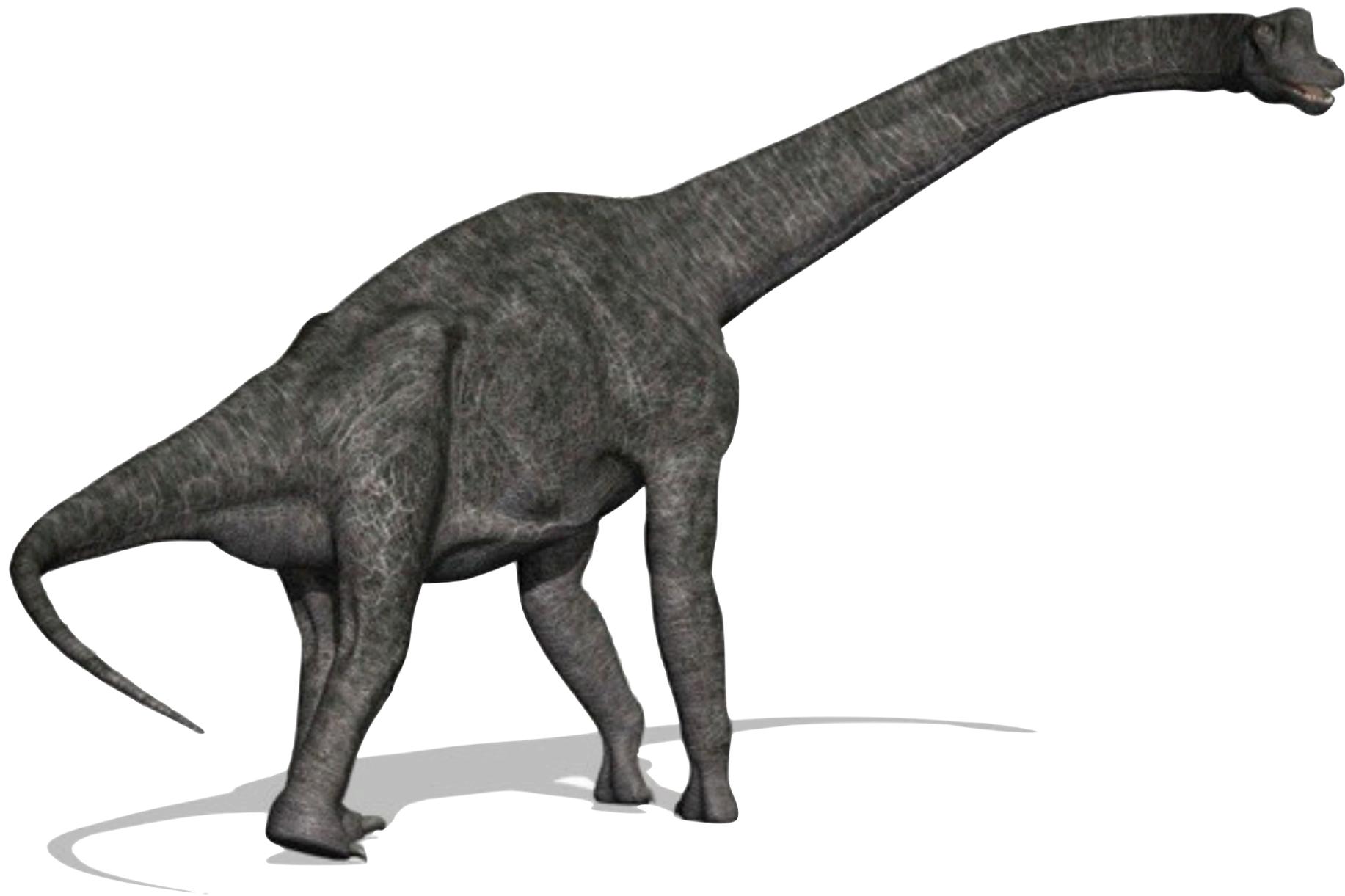
Strategy



21st Century type

Variety, safety

**Multiple variety of
small quantity**



20th Century type

Single brand

Slow



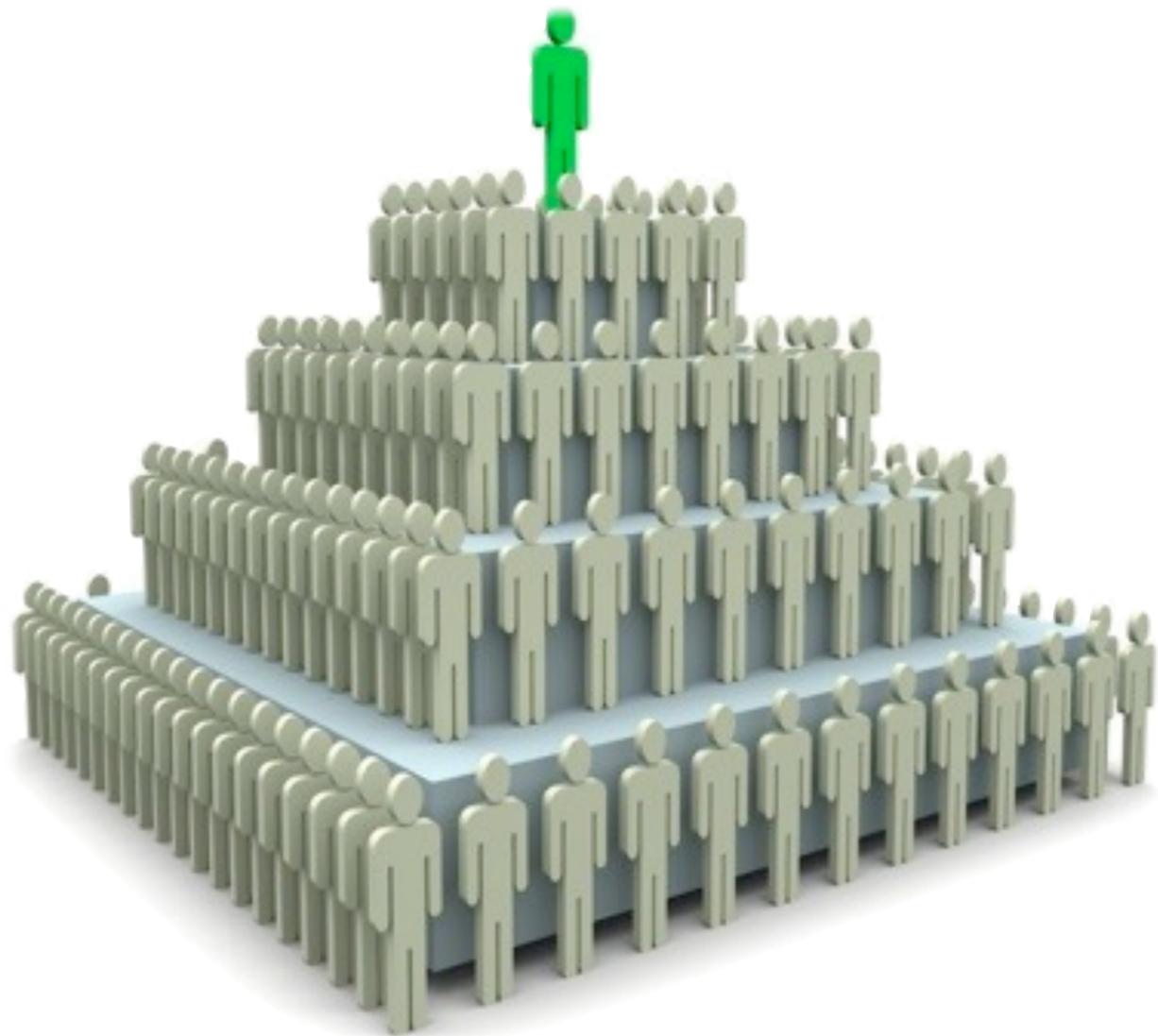
21st Century type

Multi brand

Fast

Brand

Speed of Evolution



20th Century type

Pyramid

Centralized

**Organization
Structure**

Decision making

21st Century type

Web

**Balanced between
centralization and decentralization**





20th Century type

**Supervision/
control style**

over 51%

Management

% of Stakes

21st Century type

**Autonomous/
harmonious style**

Mainly 20 - 40%



20th Century type

In-house R&D



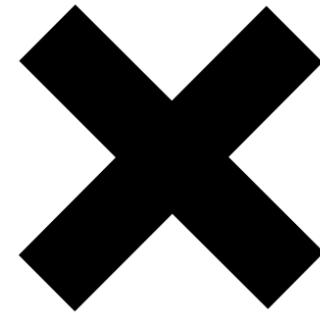
21st Century type

**Partnership
(joint venture)**

**Technology
Strategy**



**Ties based on
Capital**



**multiplied by*



**Ties based on
Buddy-like
Relations**

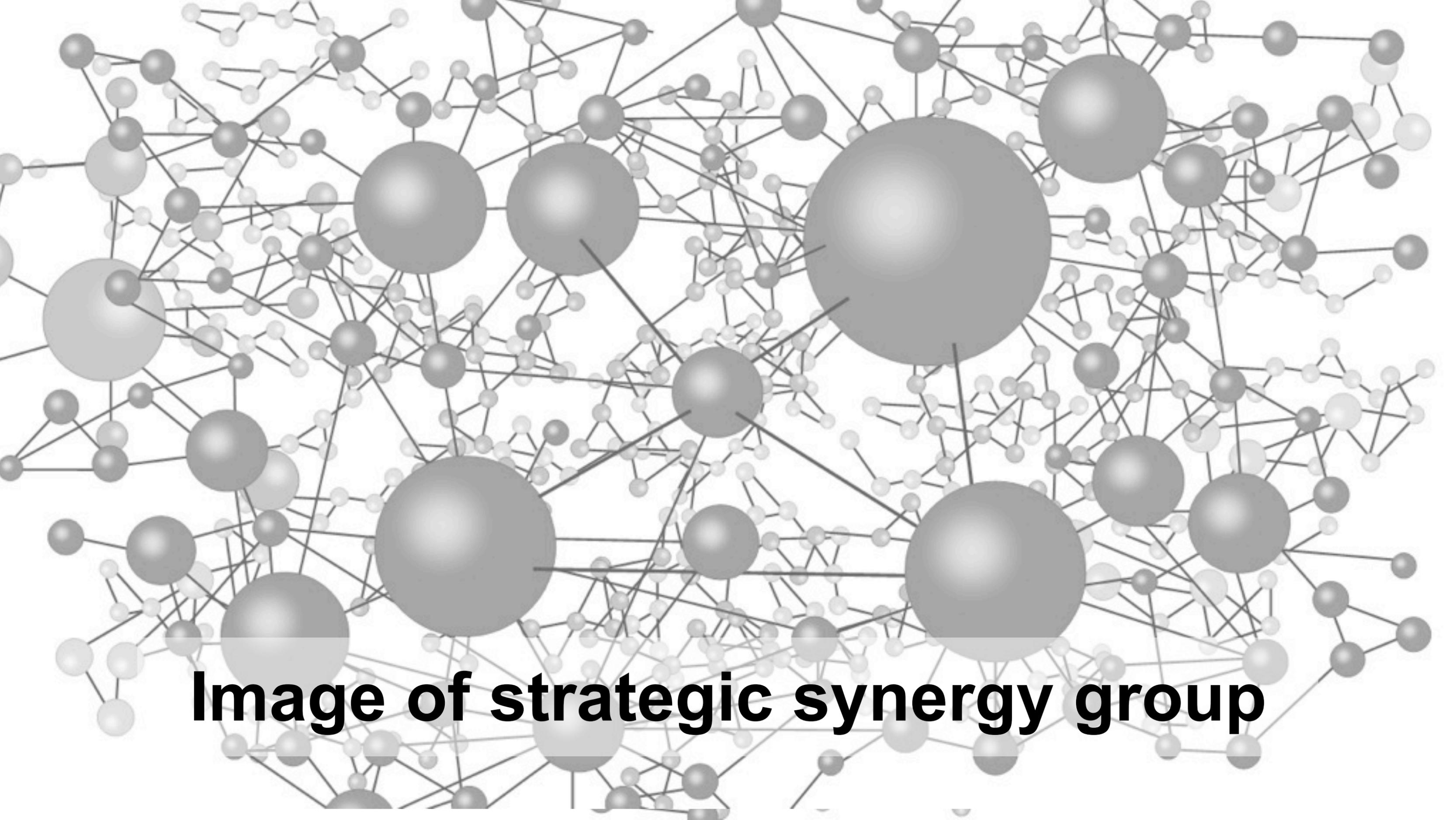
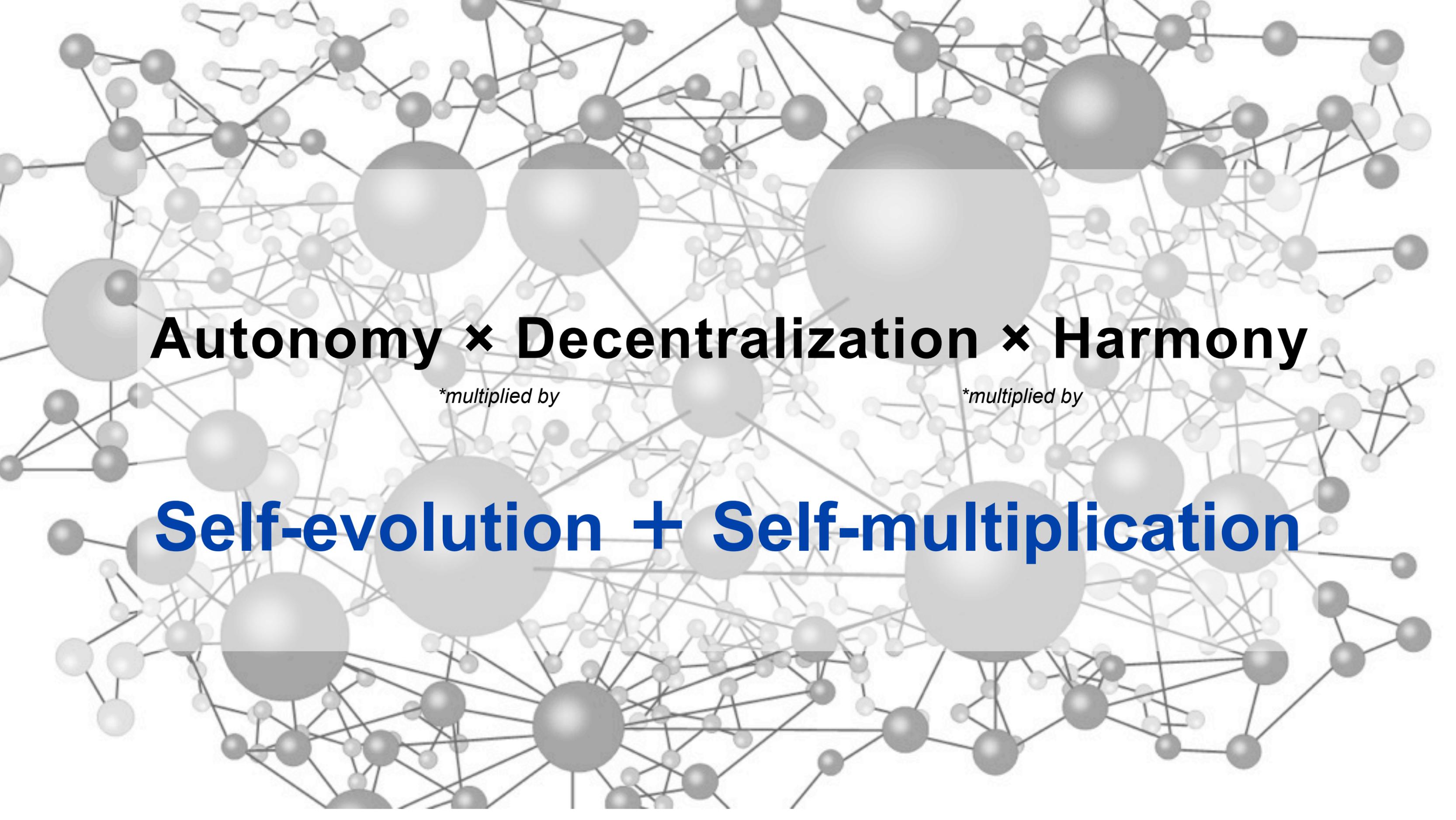


Image of strategic synergy group

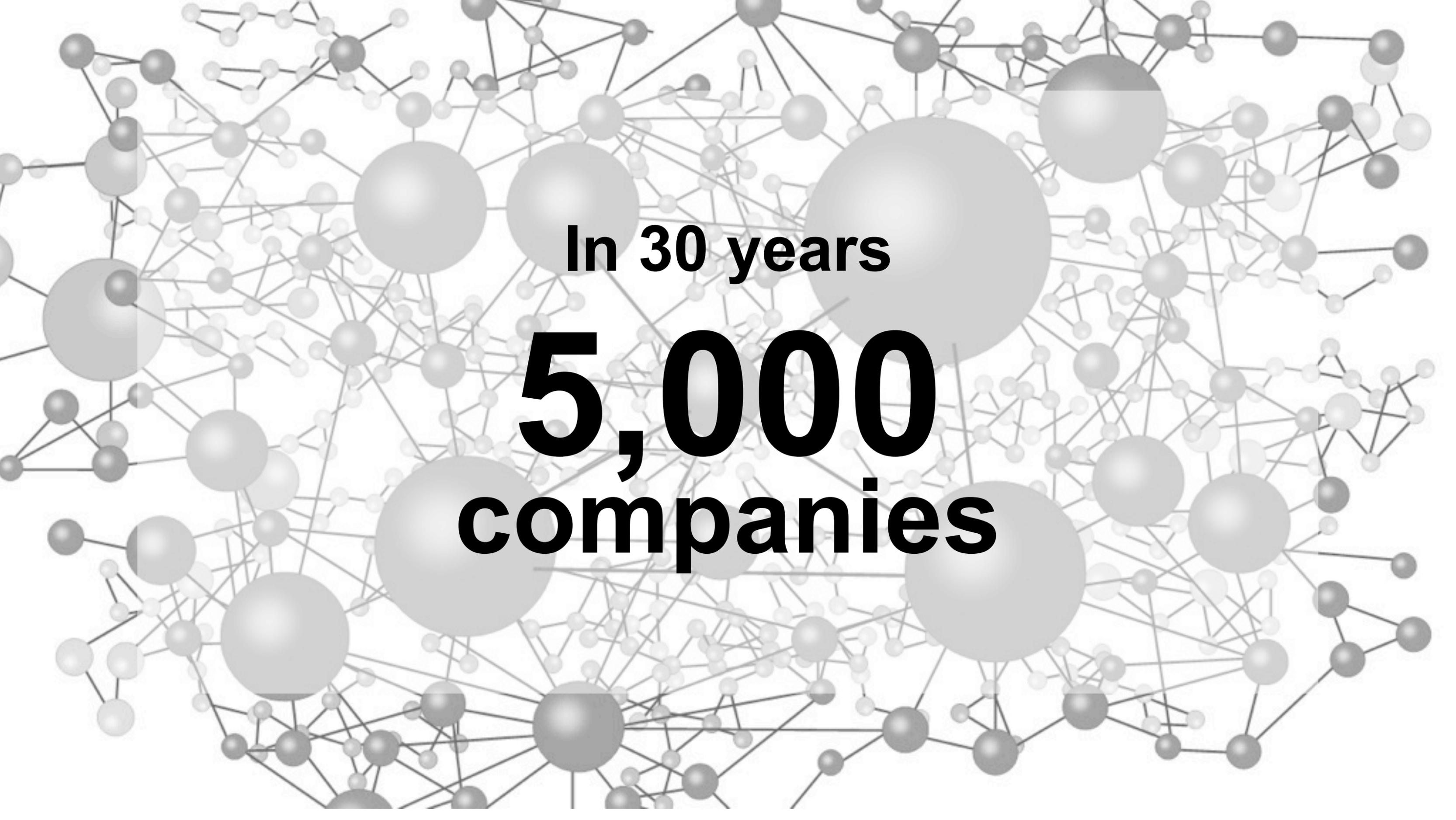


Autonomy × Decentralization × Harmony

**multiplied by*

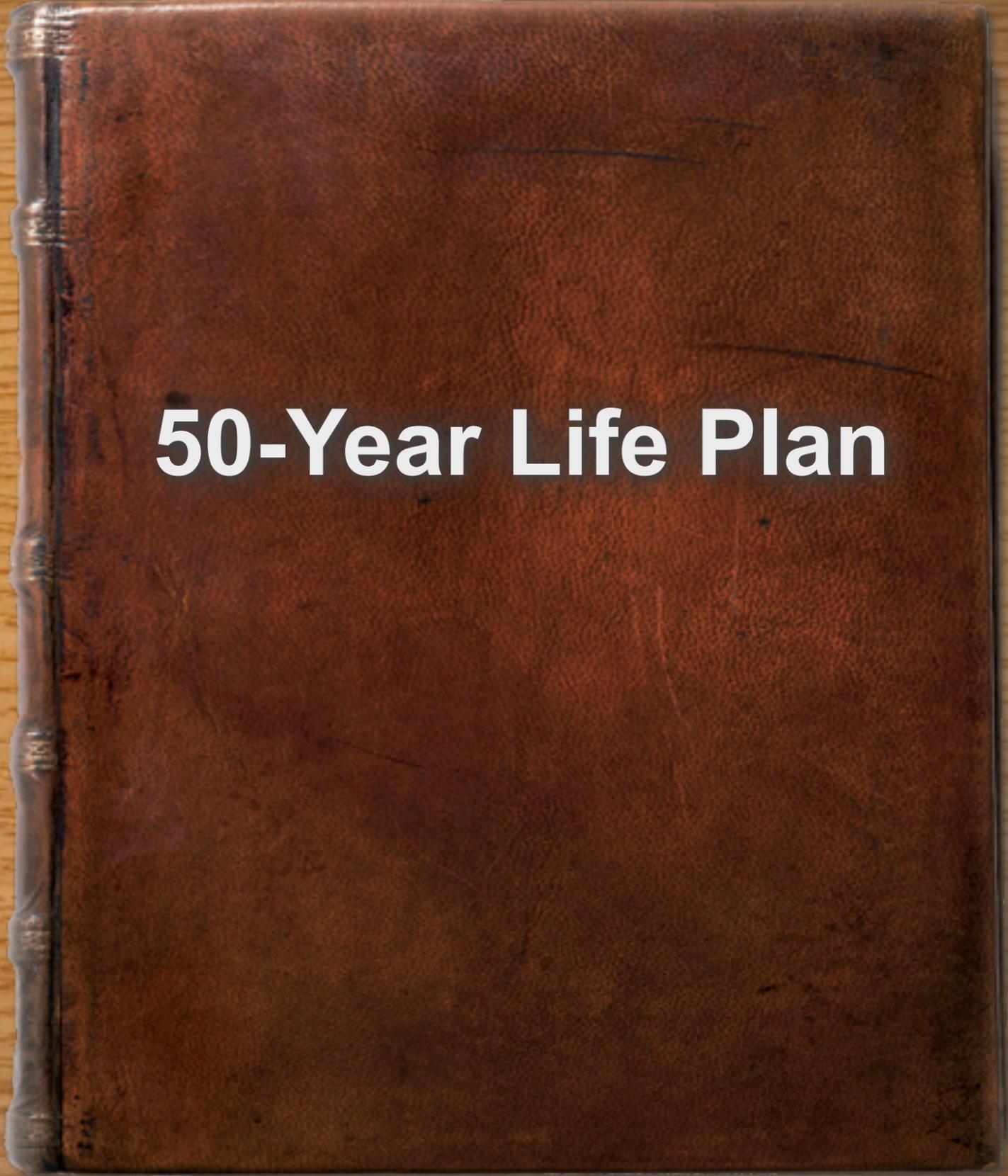
**multiplied by*

Self-evolution + Self-multiplication



In 30 years

**5,000
companies**

A brown leather book cover with the text "50-Year Life Plan" in white. The book is positioned on the right side of the frame, set against a light-colored wood-grain background. The cover has a textured, slightly worn appearance. The text is centered on the cover in a bold, sans-serif font.

50-Year Life Plan

50-Year Life Plan

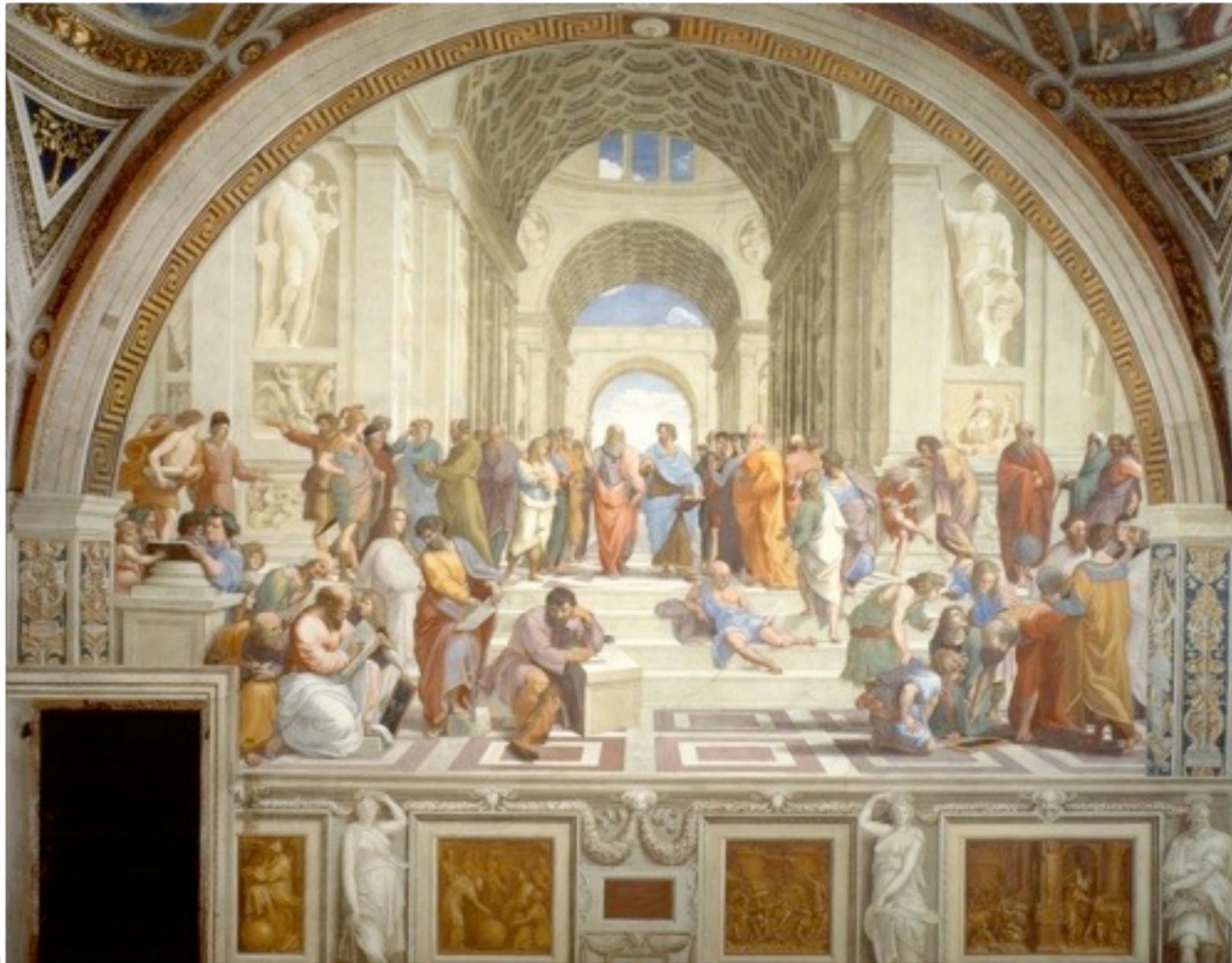
- 20s Get acknowledged
- 30s Finance war chest
- 40s Take on a challenge
- 50s Complete business
- 60s Hand over business
to next generation



60s

**Hand over business to
next generation**

 SoftBank Academia



Word Origin of Academia

“Akademeia”

**Founded by Plato in
387 BC**

Trained future leaders

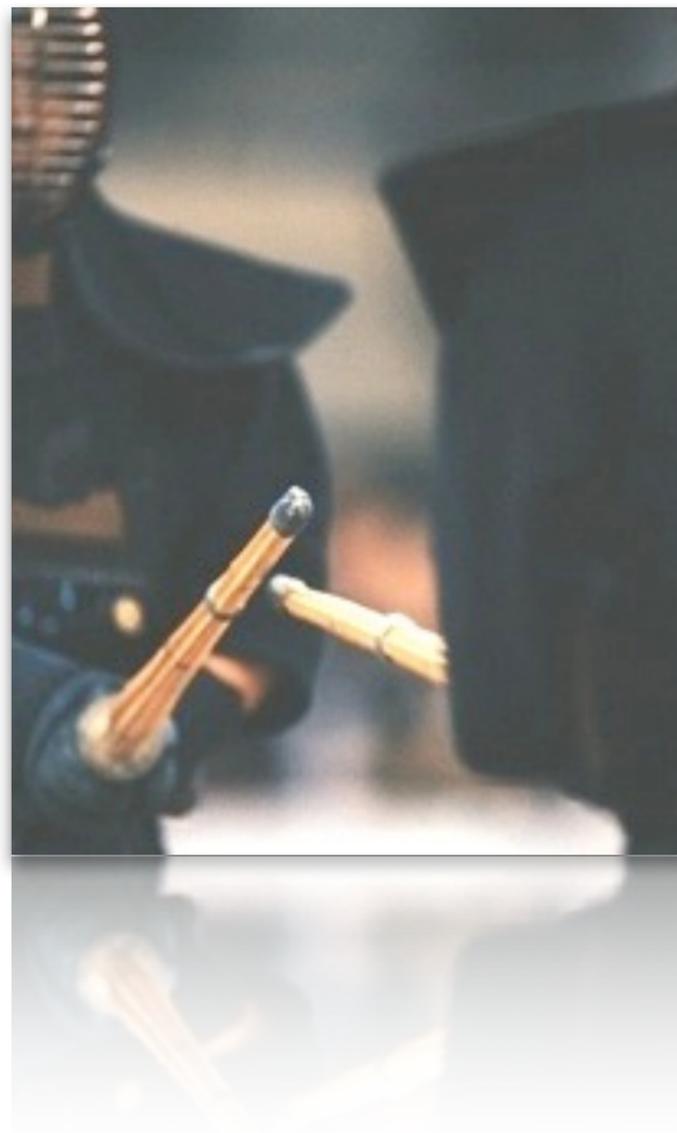
Start in July 2010



Training of successors



Practical training



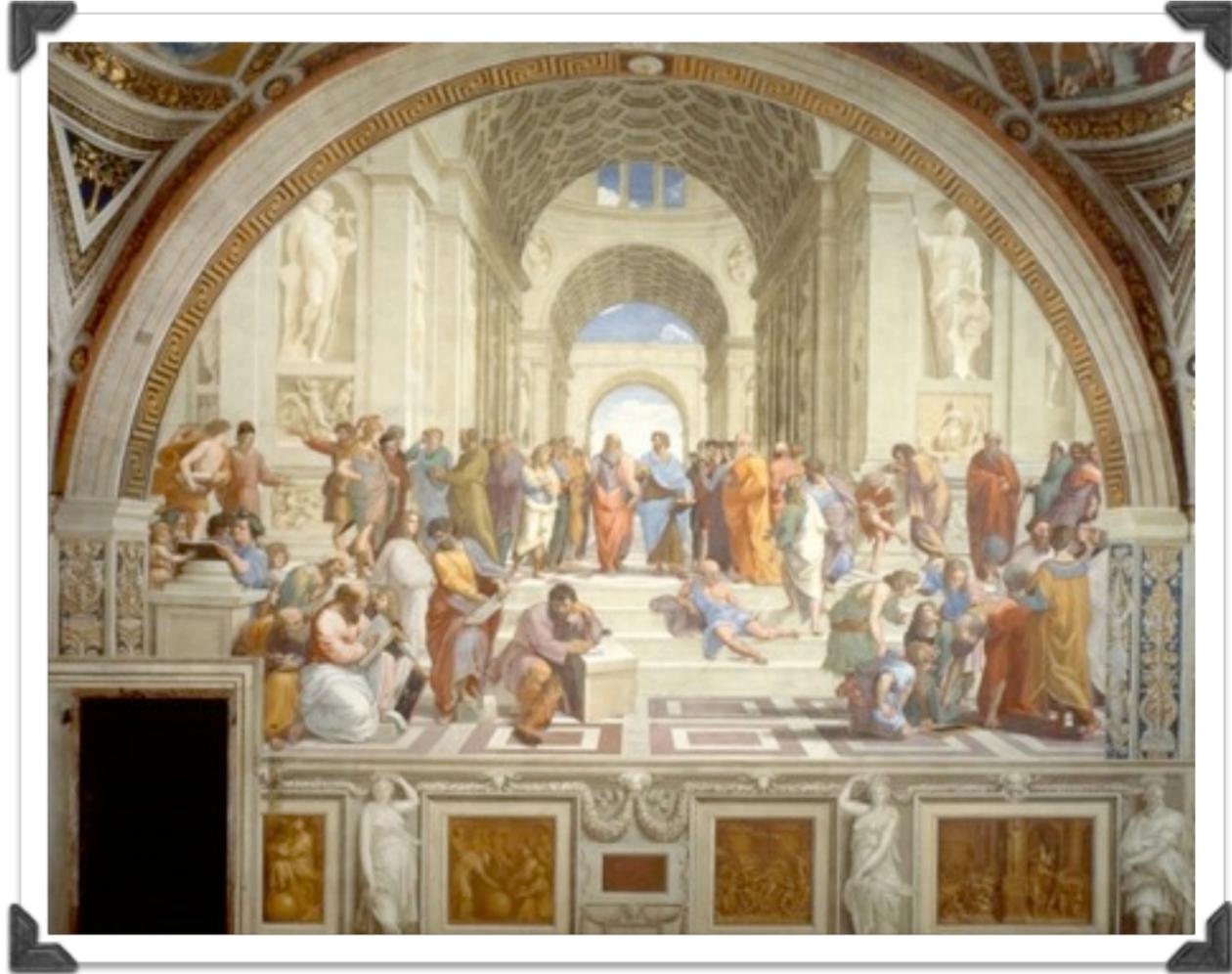
Supreme responsibility





SoftBank Values

- 1) Focus on information revolution and contribute to people's happiness**
 - 2) Be ambitious and tenacious of justice**
 - 3) Commit to be an overwhelming No.1**
 - 4) Think till our brains crush**
 - 5) No revolutions are down to the earth**
- ⋮



**To be
the Plato academy
in the 21 century**

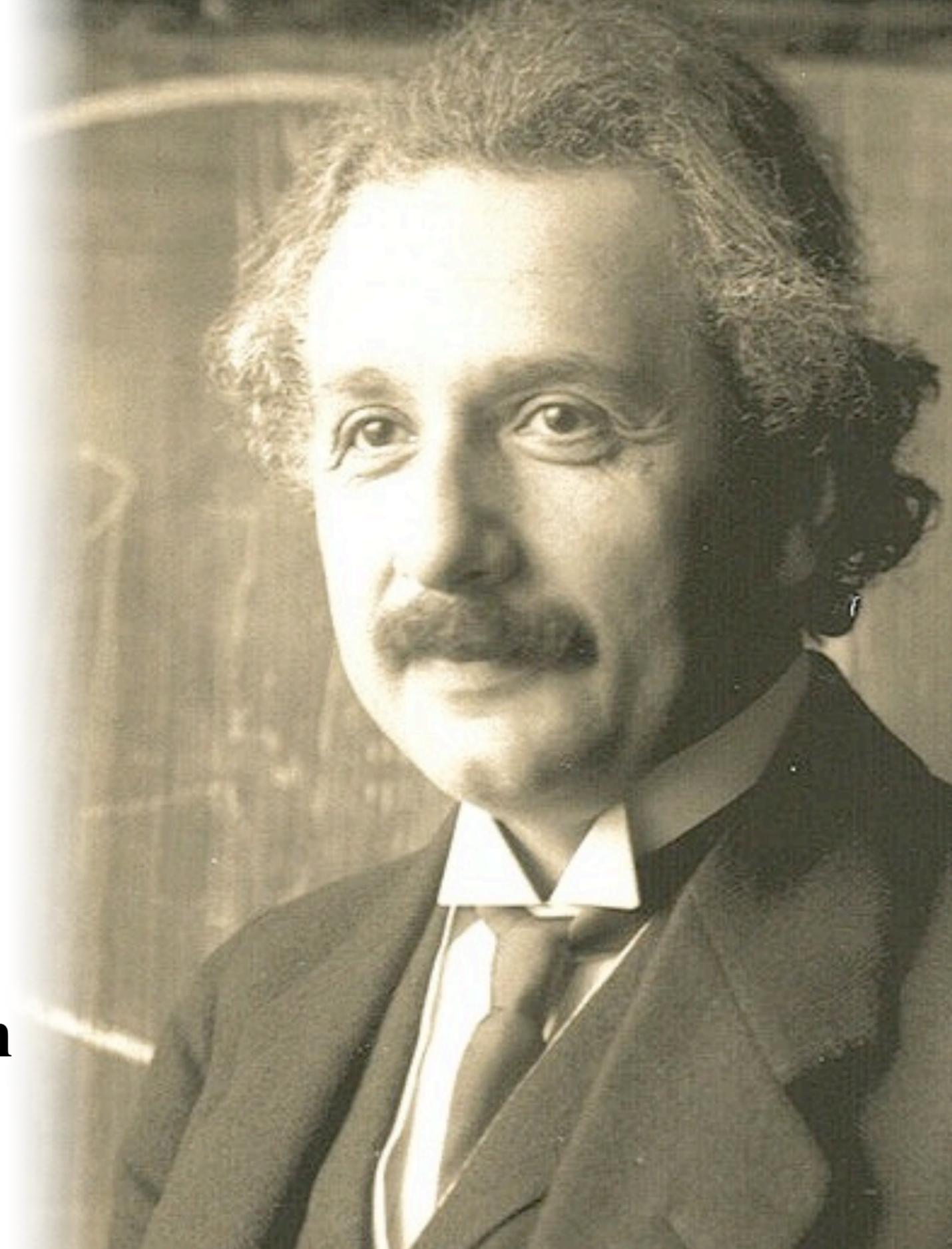
SoftBank Next 30-Year Vision

**SoftBank works to obtain
cutting edge technology &
the most outstanding business model
with the times**

**Information Revolution -
Happiness for everyone**

We exist for our fellow-men
- in the first place
for those on whose smiles and welfare
all our happiness depends,
and next for all those unknown to us
personally with whose destinies
we are bound up by the tie of sympathy.

-Albert Einstein





The most terrible poverty is
loneliness and the feeling of
being unloved.

- Mother Teresa

My Beloved Grandmother





We
(movie)



SoftBank