

July 28, 2016

Earnings Results for the 3-month Period Ended June 30, 2016

Masayoshi Son

Disclaimer

This material was prepared based on information available and views held at the time it was made. Statements in this material that are not historical facts, including, without limitation, plans, forecasts and strategies are “forward-looking statements”.

Forward-looking statements are by their nature subject to various risks and uncertainties, including, without limitation, a decline in general economic conditions, general market conditions, technological developments, changes in customer demand for products and services, increased competition, risks associated with international operations, and other important factors, each of which may cause actual results and future developments to differ materially from those expressed or implied in any forward-looking statement.

With the passage of time, information in this material (including, without limitation, forward-looking statements) could be superseded or cease to be accurate. SoftBank Group Corp. disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement or other information in any material or generally to any extent. Use of or reliance on the information in this material is at your own risk. Information contained herein regarding companies other than SoftBank Group Corp. and other companies of the SoftBank Group is quoted from public sources and others. SoftBank Group Corp. has neither verified nor is responsible for the accuracy of such information.

Any statements made herein regarding Sprint Corporation (“Sprint”) are made by SoftBank solely in its capacity as an investor in Sprint. None of such statements are made on behalf of or attributable to Sprint. Any information contained herein regarding Sprint is subject to any and all subsequent disclosures made by Sprint on its own behalf. Neither Sprint nor SoftBank undertakes any obligation to update the information contained herein in connection with any subsequent disclosures made by Sprint, or to reflect any other subsequent circumstances or events. Nothing contained herein may be construed as an obligation on the part of Sprint to provide disclosures or guidance on its own behalf.

Steady Progress in All Segments

 **SoftBank**
Domestic Telco

Continued EBIT growth
(+11%)

Sprint 

Adjusted EBITDA
significantly increased
(+18%)

YAHOO!
JAPAN

E-Commerce
Revolution progress
on track
(transaction value +38%)

 **SoftBank**
Investment Assets

Realized value
through exits,
generating \$17.2bn
in total proceeds

*1 Adjusted EBITDA: USGAAP (dollar base)

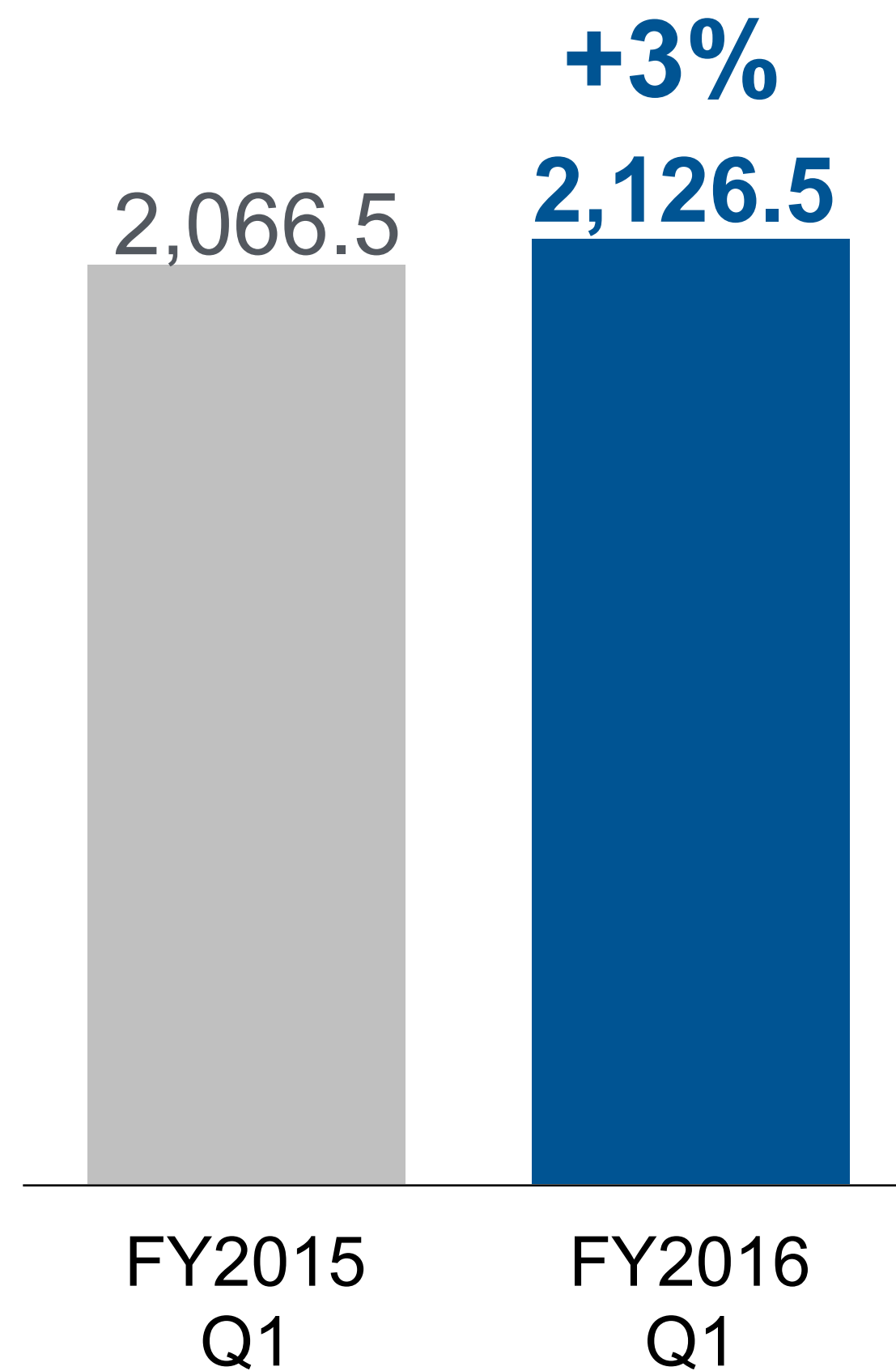
*2 38%: Shopping transaction value

Consolidated Results

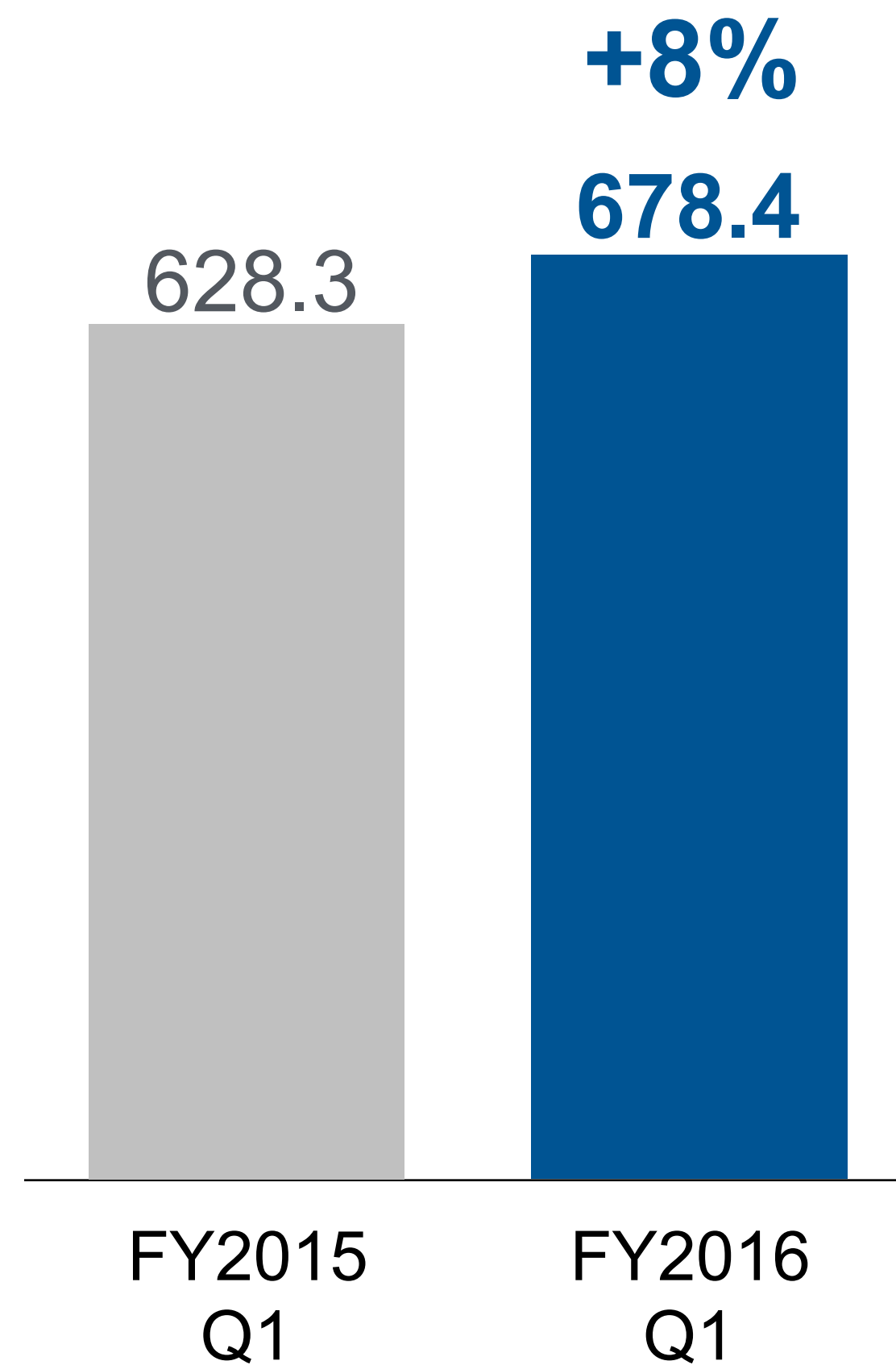
Increased all KPIs

(JPY bn)

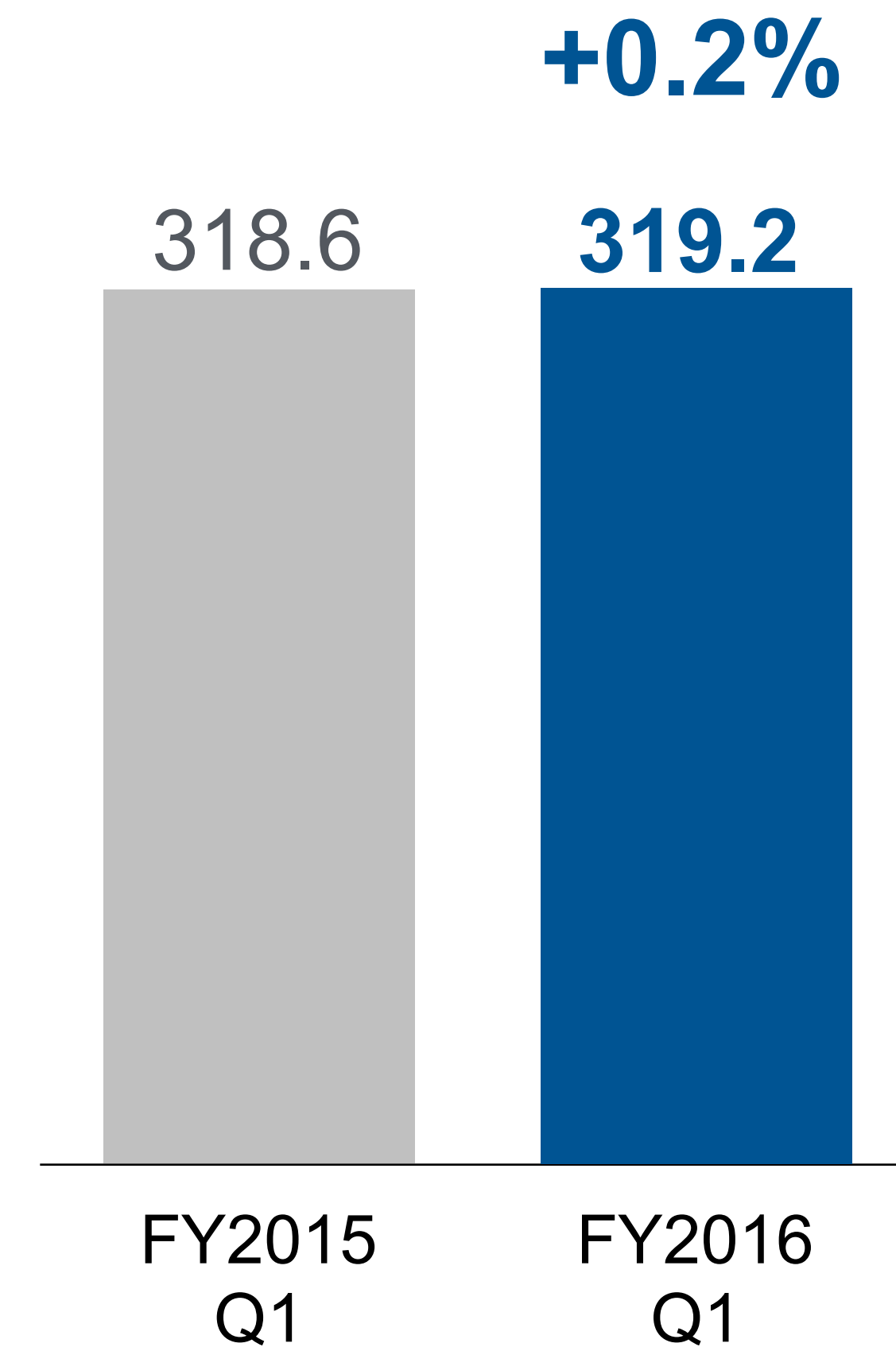
Net Sales



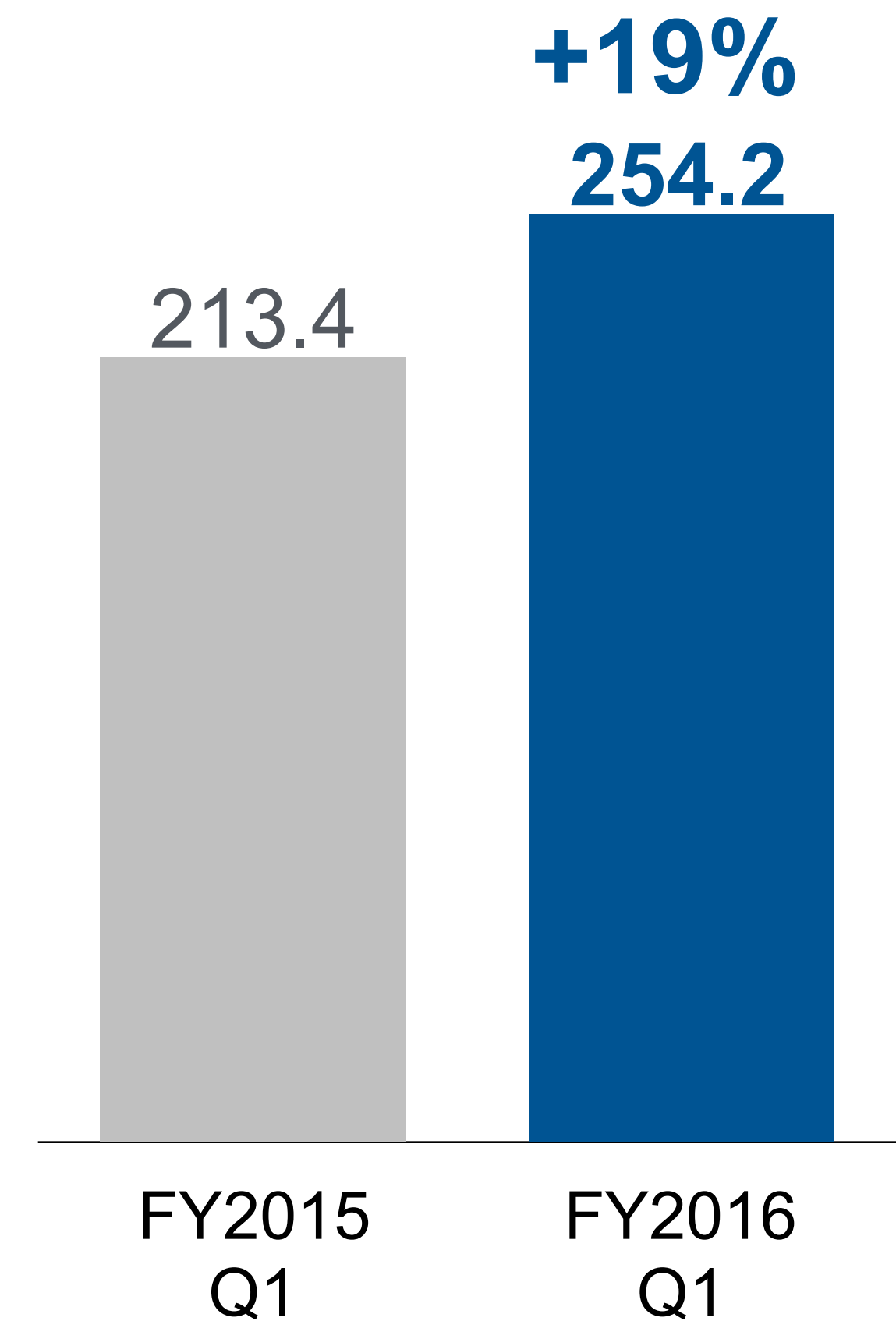
Adjusted EBITDA



EBIT

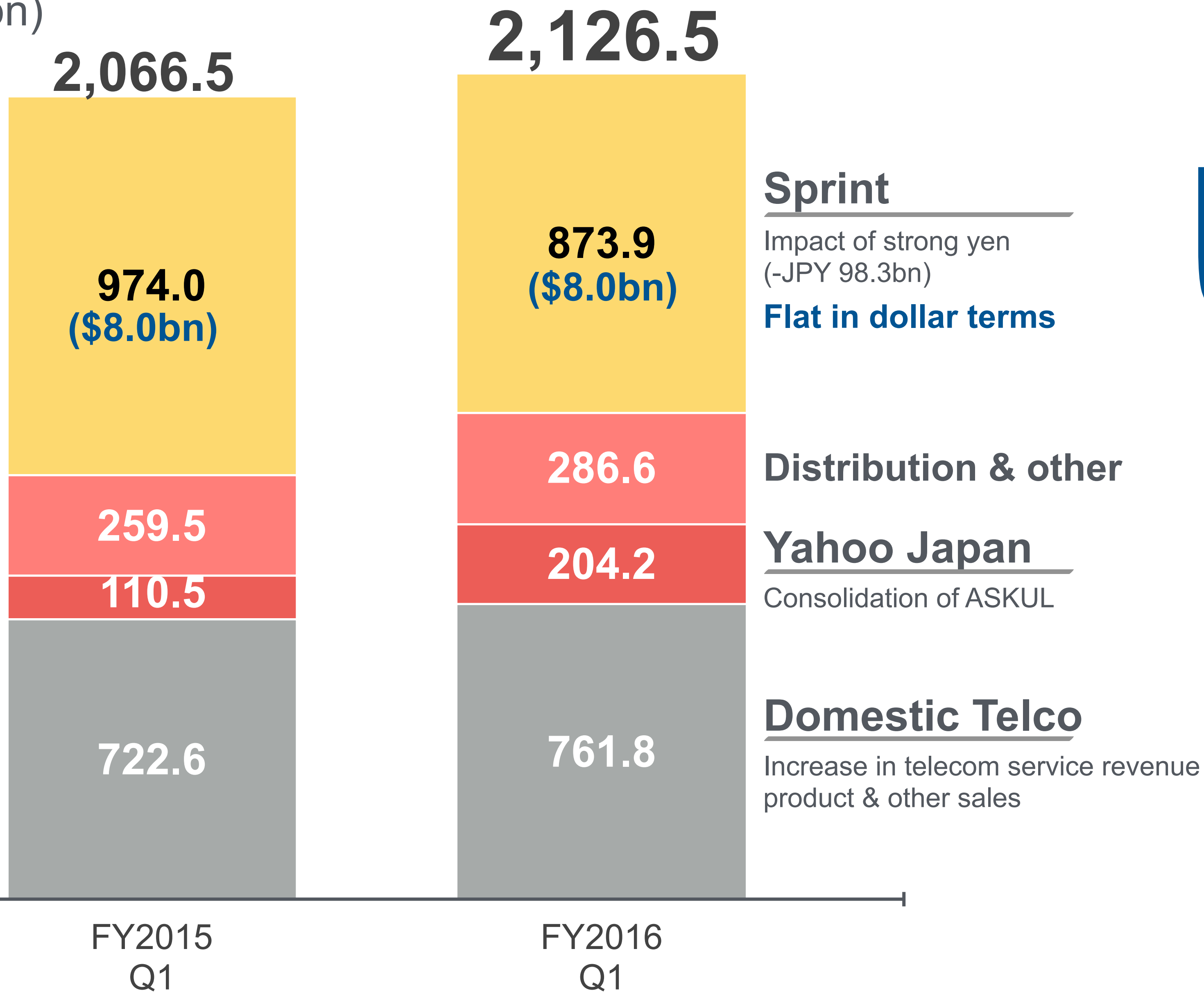


Net Income



Net Sales

(JPY bn)



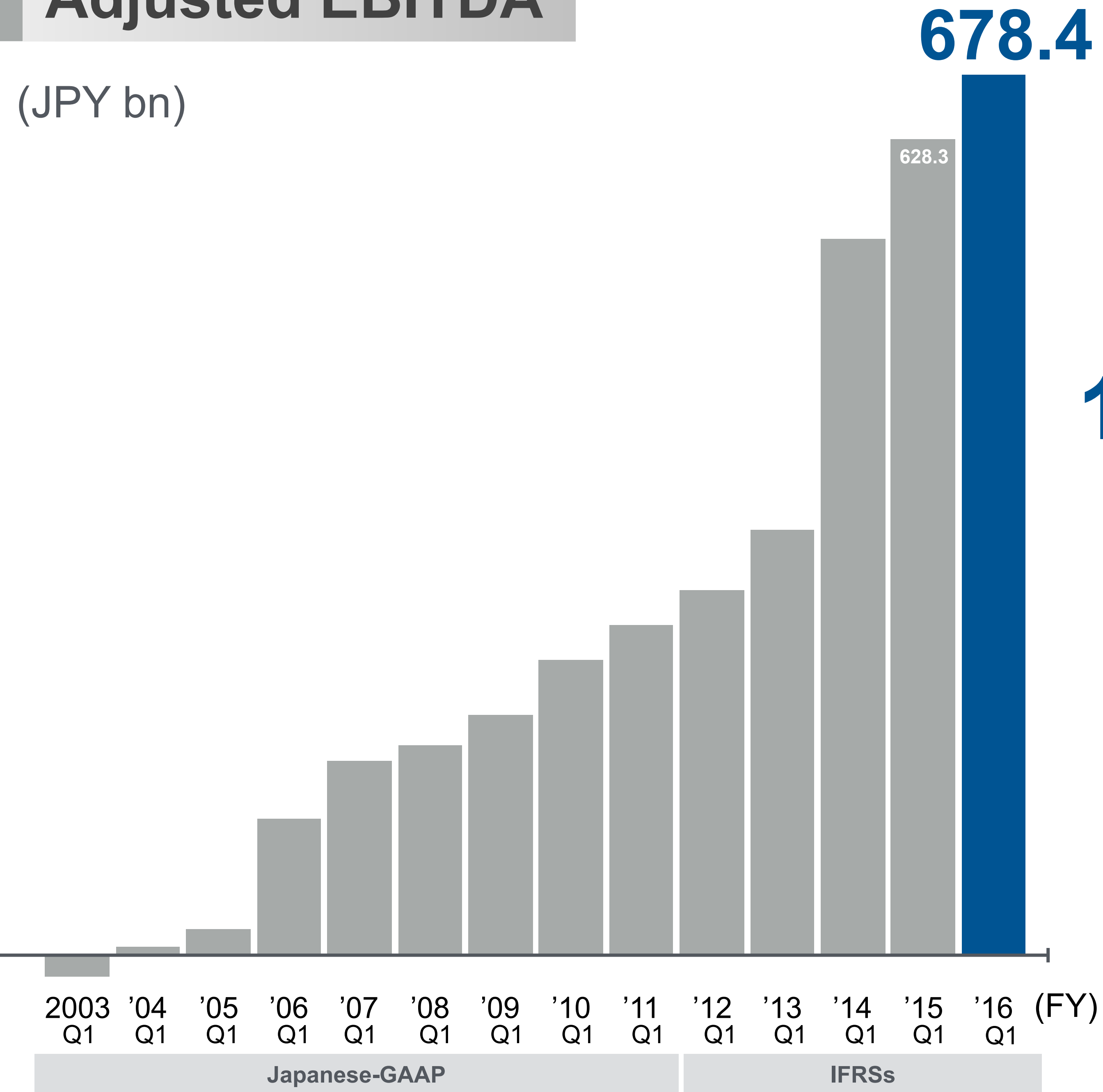
Up 3%

(Exchange rate)
FY2015Q1 : JPY121.34 / USD
FY2016Q1 : JPY109.07 / USD

Distribution & other = distribution + other + eliminations

Adjusted EBITDA

(JPY bn)

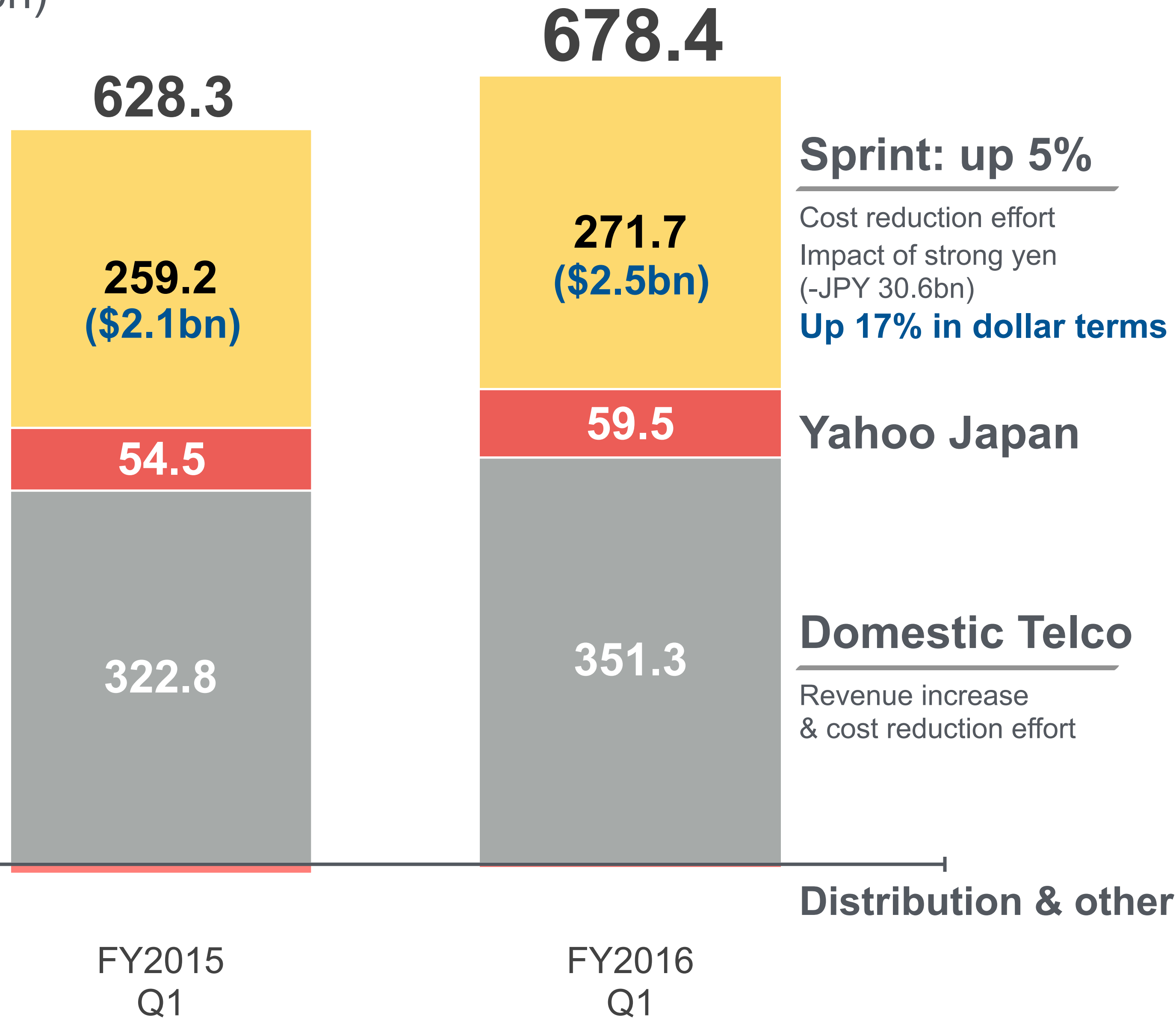


Record high
13 consecutive periods

*FY2013-14: excluding impact of GungHo & Supercell.

Adjusted EBITDA

(JPY bn)



Up 8%

(Exchange rate)
FY2015Q1 : JPY121.34 / USD
FY2016Q1 : JPY109.07 / USD

Distribution & other = distribution + other + eliminations

EBIT

(JPY bn)

319.2

318.6

Record high
11 consecutive periods

2003 Q1 '04 Q1 '05 Q1 '06 Q1 '07 Q1 '08 Q1 '09 Q1 '10 Q1 '11 Q1 '12 Q1 '13 Q1 '14 Q1 '15 Q1 '16 Q1 (FY)

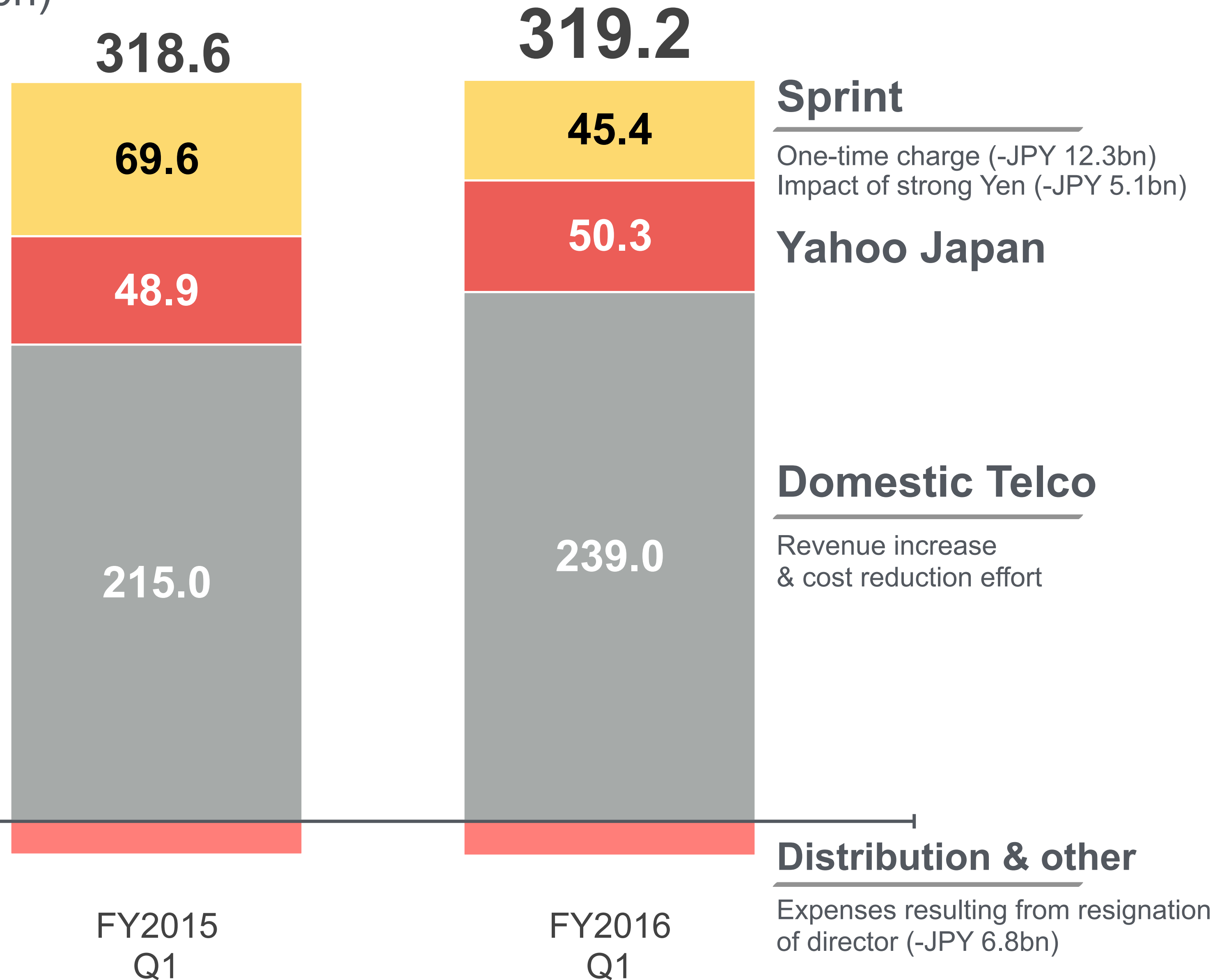
Japanese-GAAP

IFRSs

*FY2013-14: excluding impact of GungHo & Supercell.

EBIT

(JPY bn)



Up 0.2%

One-time charge:
loss on contract termination
related to the Shentel transaction

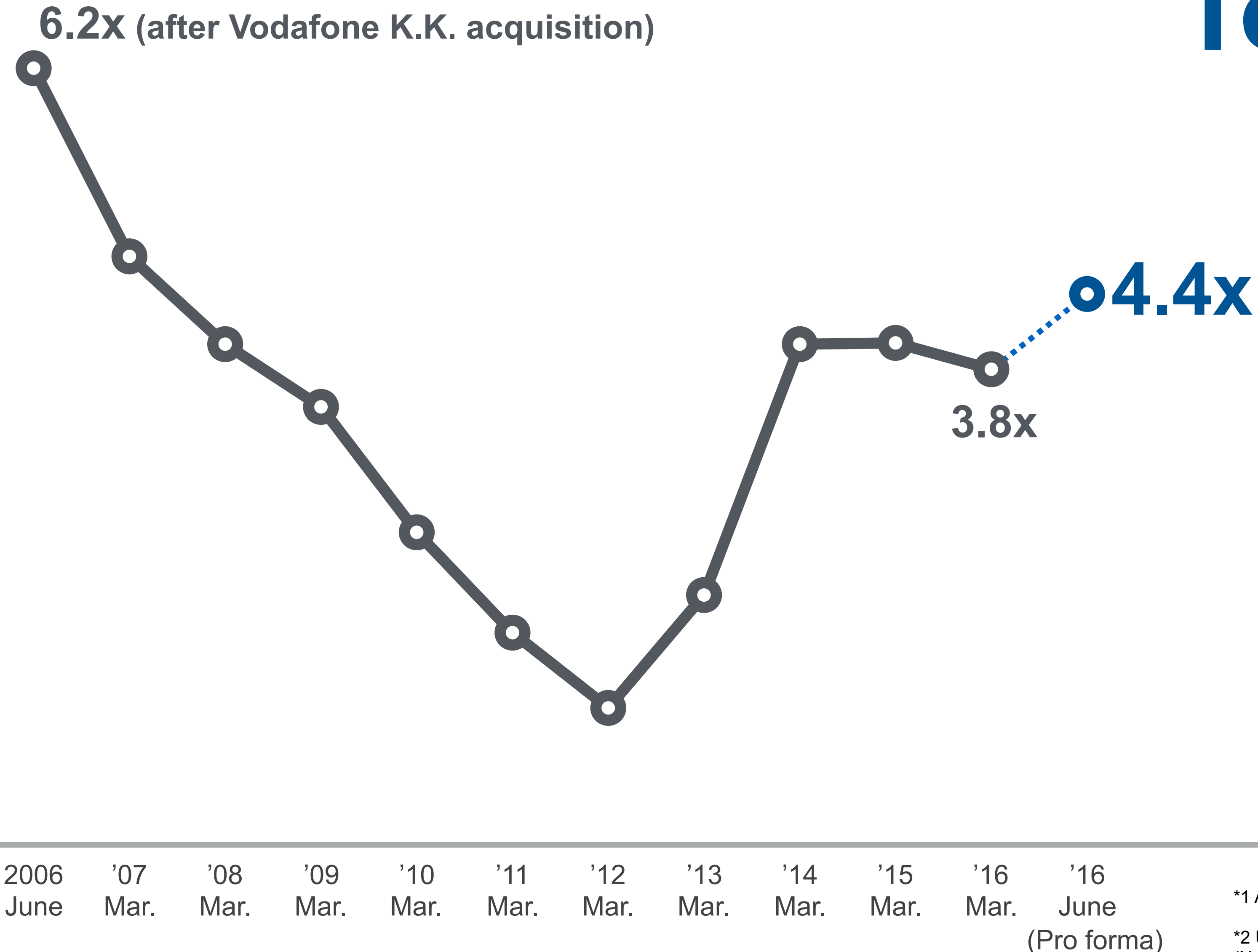
(Exchange rate)
FY2015Q1 : JPY121.34 / USD
FY2016Q1 : JPY109.07 / USD

Distribution & other = distribution + other + eliminations

Financial Status

Net Debt EBITDA Multiple (Consolidated)

Toward prompt reduction



- 1. Monetization of Supercell, GungHo and portion of Alibaba
- 2. Pro forma for ARM acquisition

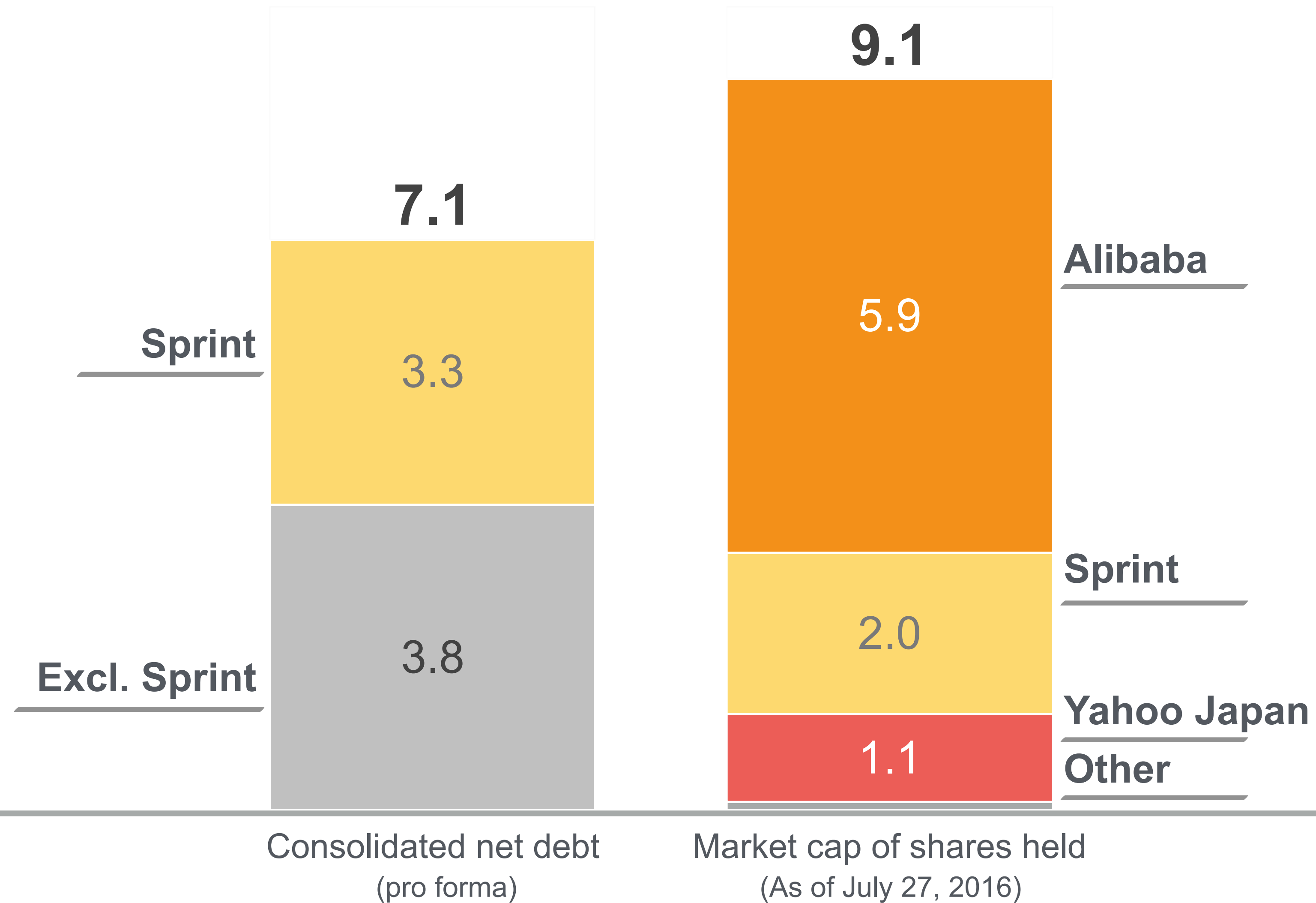
2006 June '07 Mar. '08 Mar. '09 Mar. '10 Mar. '11 Mar. '12 Mar. '13 Mar. '14 Mar. '15 Mar. '16 Mar. '16 June (Pro forma)

*1 Adjusted EBITDA for fiscal 2014 has been revised retrospectively due to GungHo becoming an equity method associate.
 *2 Up to FY2011: JGAAP, including finance leases and preferred securities
 (Note) Mandatory Exchangeable Trust Securities are excluded from debt in the calculation.

Consolidated Net Debt & Market Cap of Shares Held

After reflecting monetization of Supercell, GungHo, portion of Alibaba
(pro forma before ARM acquisition)

(JPY t)



Status of Major Segments

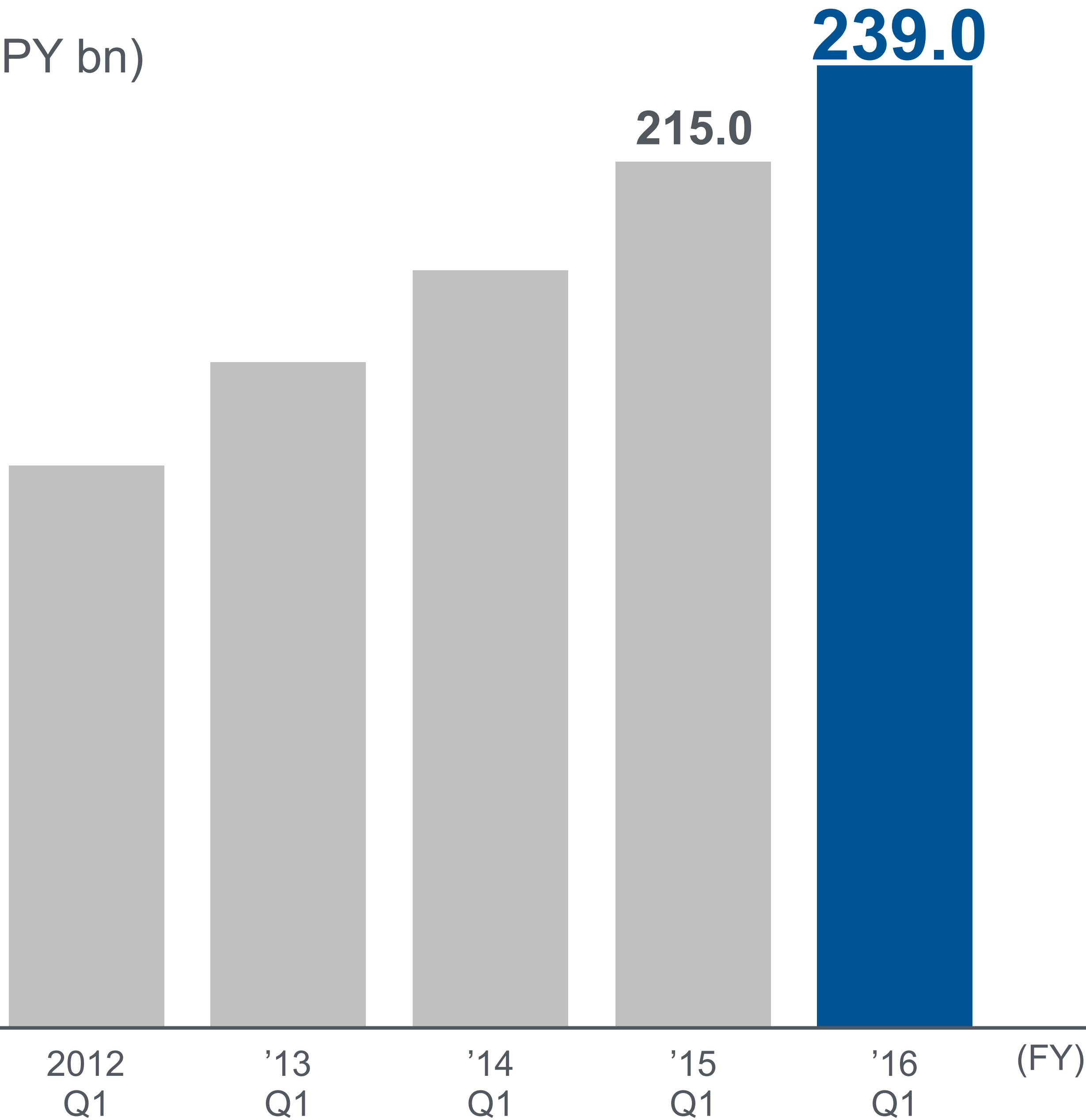


Highlights

- 1. Robust results (EBIT +11%)**
- 2. Accelerate growth via smartphones & FTTH**
- 3. Generate JPY 500bn in FCF in FY2016**

EBIT

(JPY bn)



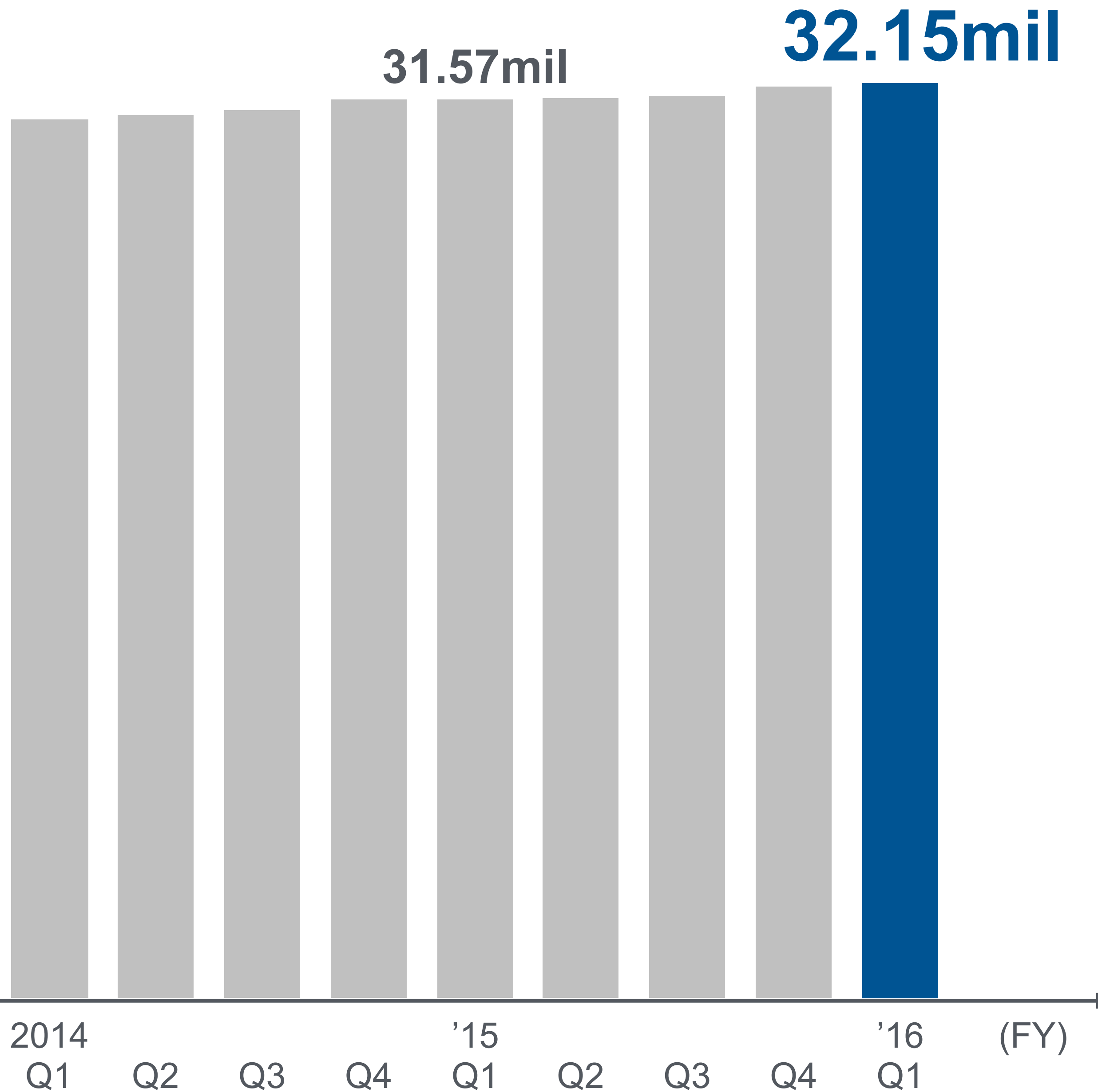
Solid growth

*FY2012-16: IFRSs

*After FY2014: Domestic Telecommunications segment

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

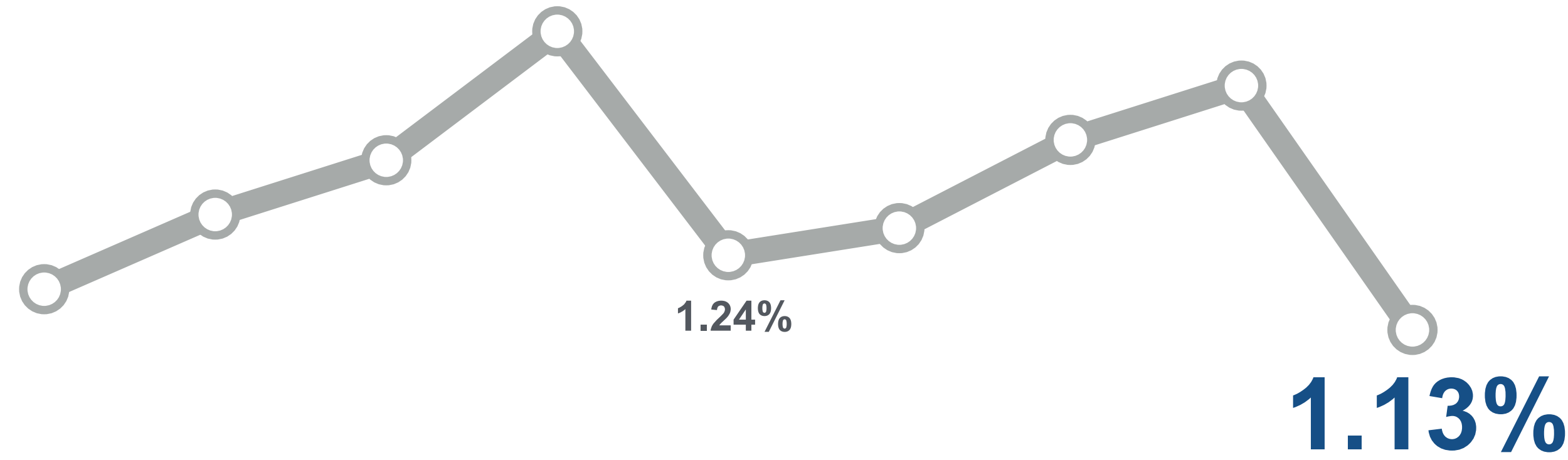
Cumulative Subscribers (Main Subscribers)



Steady growth

YoY +580k

Churn Rate (Main Subscribers)



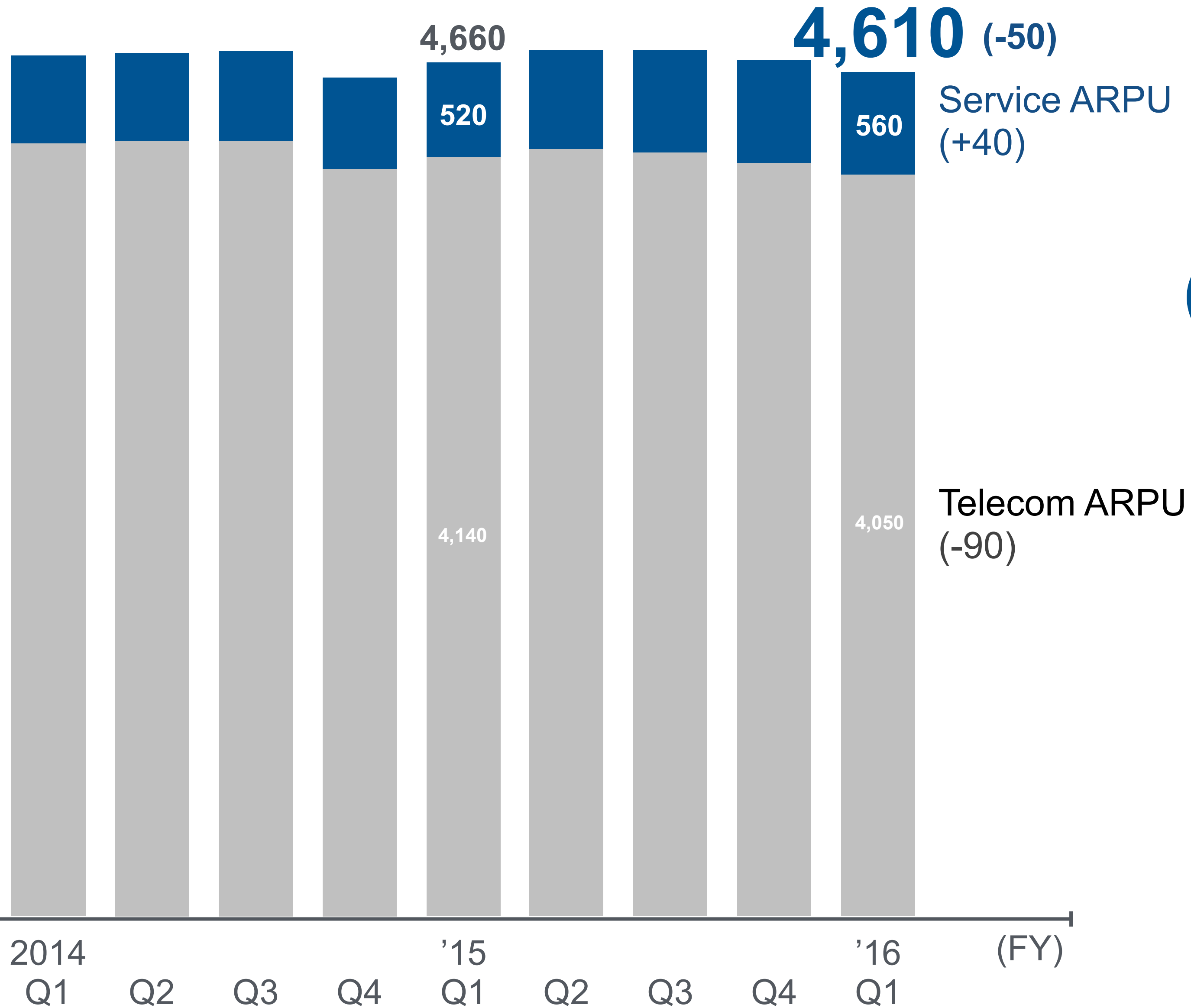
Significantly improved

Improved “*SoftBank*” brand
(Impact of bundled services with FTTH, etc.)

2014 Q1 Q2 Q3 Q4 '15 Q1 Q2 Q3 Q4 '16 Q1 (FY)

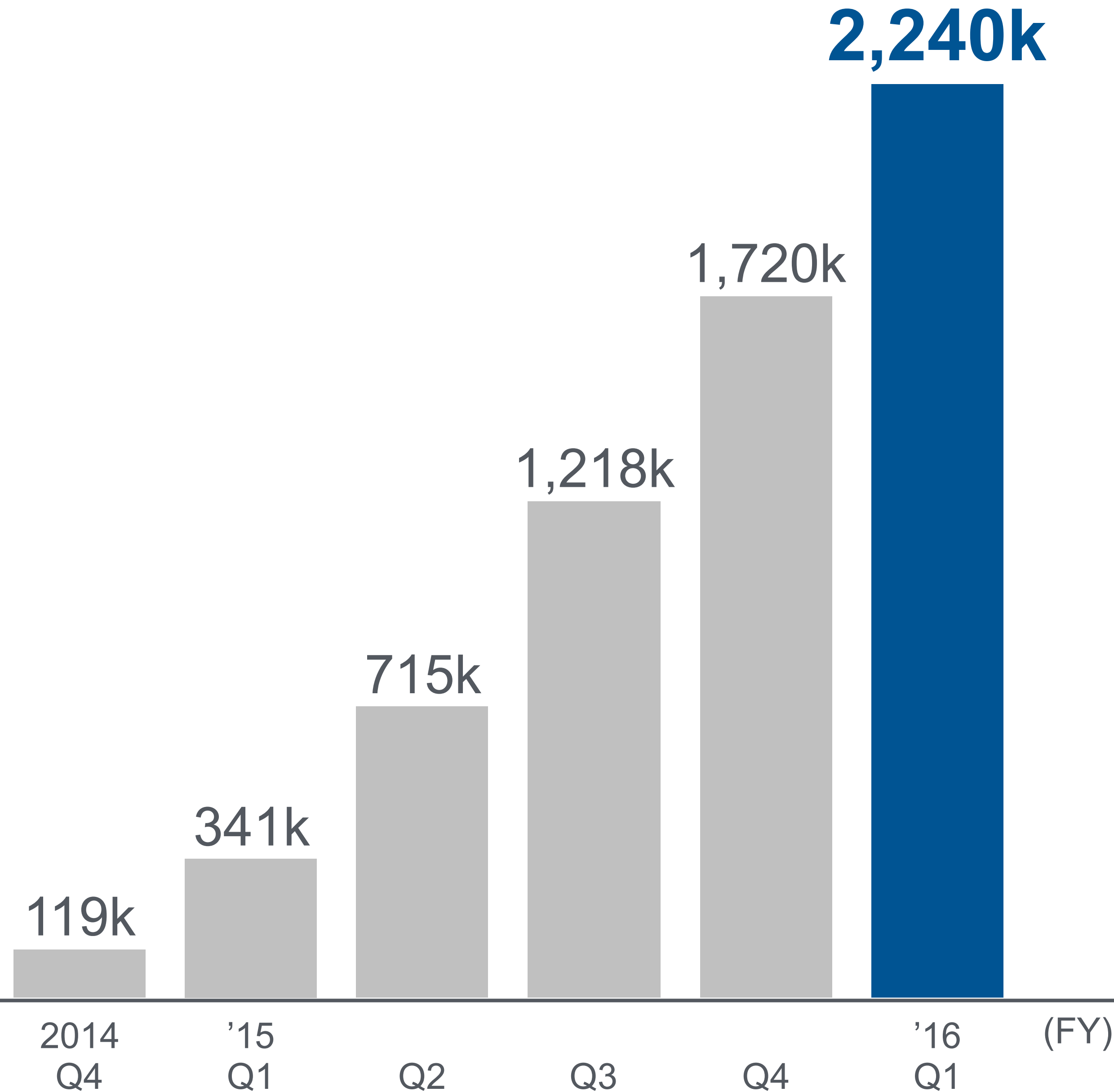
ARPU (Main Subscribers)

(JPY)



**Service ARPU
increase
(Telecom ARPU decrease)**

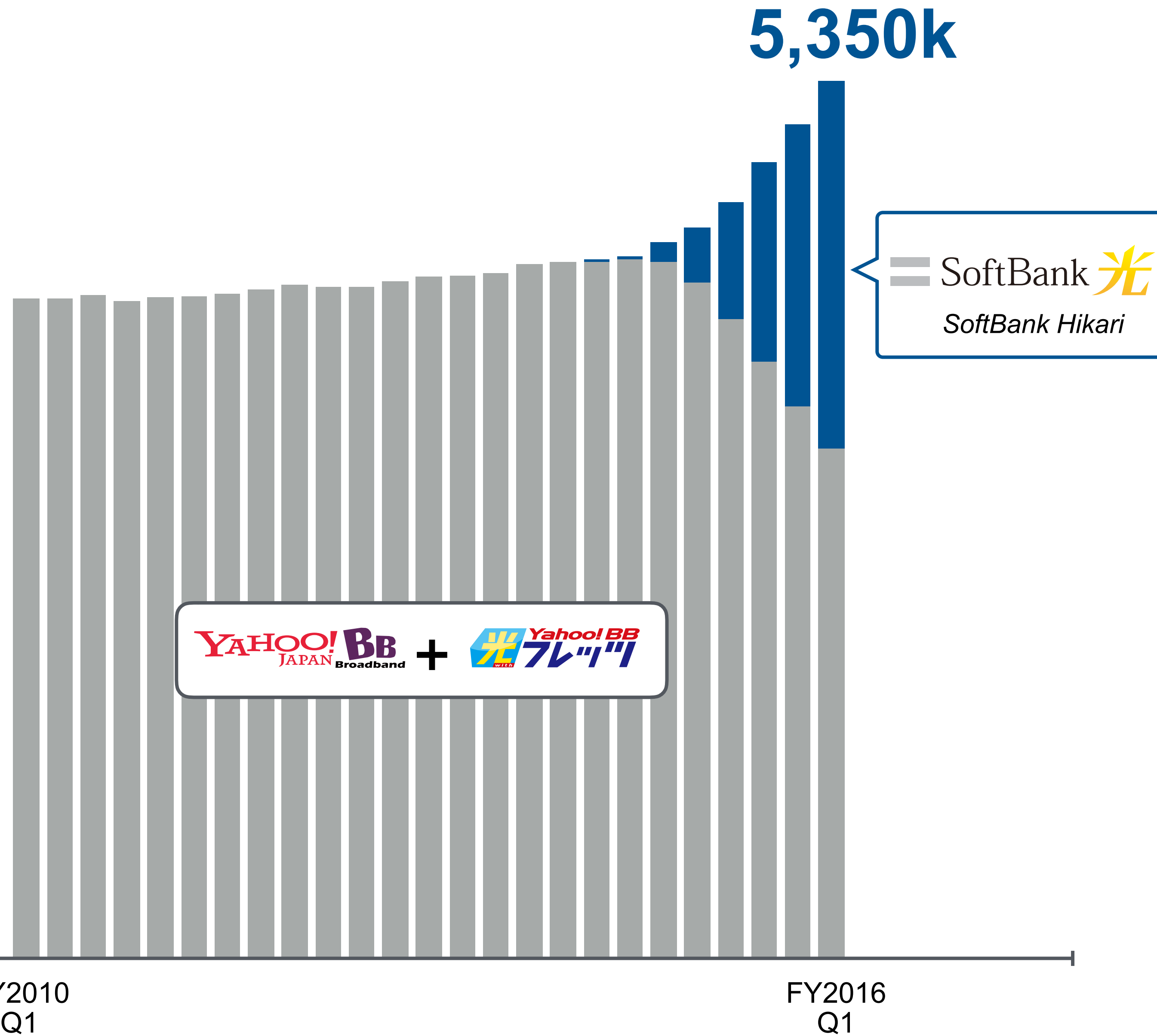
Cumulative Subs (FTTH Service)



Rapid growth

SoftBank 
SoftBank Hikari

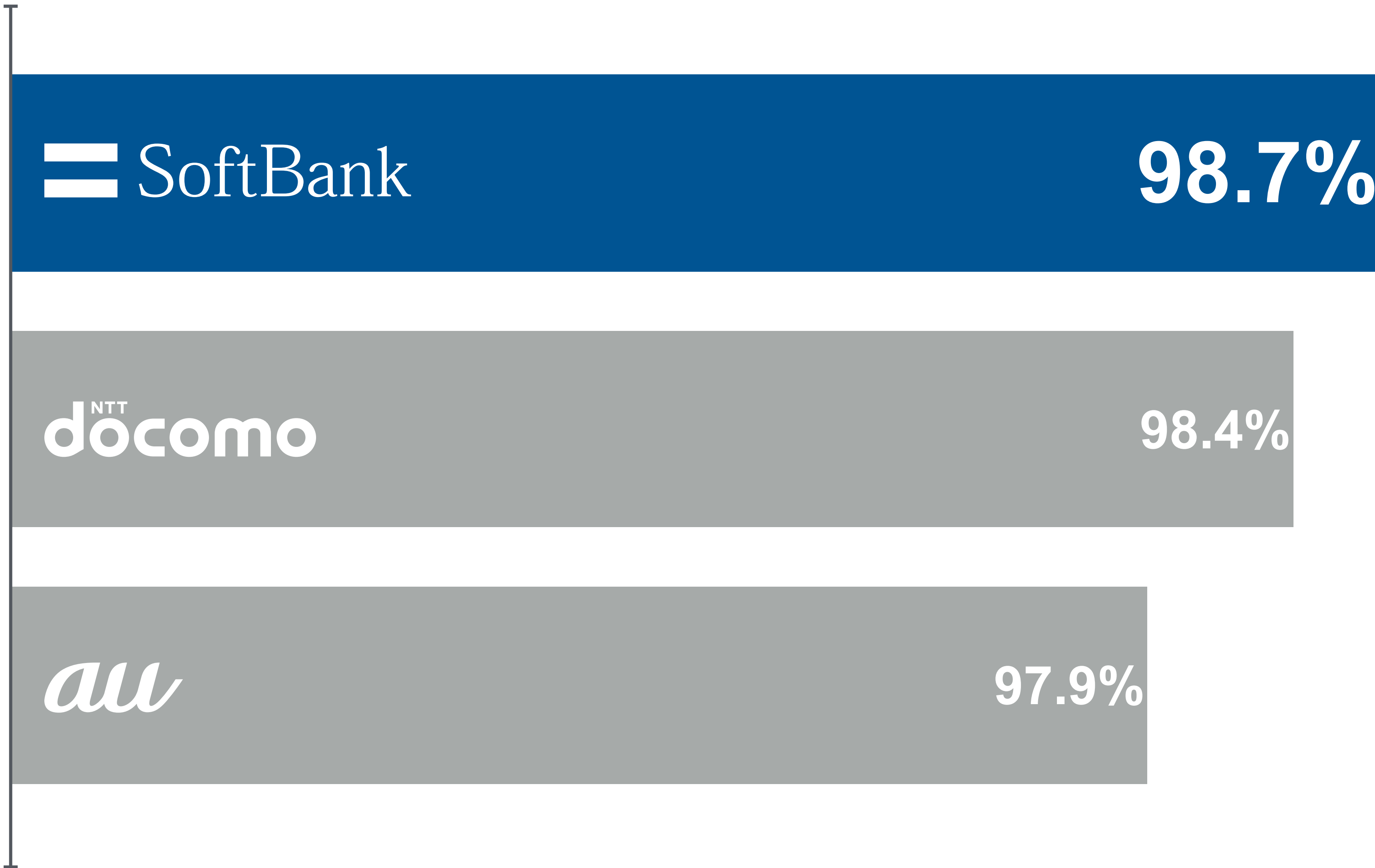
Fixed-line Cumulative Subs



Record high

Former record: 5,170k (November 2006)
*SoftBank Hikari includes SoftBank Air.

Smartphone Data Connectivity



No.1

Free Cash Flow

(JPY bn)

69.7bn

Significantly
improved

-32.2bn

FY2015
Q1

FY2016
Q1

Free Cash Flow = operating cash flow + investing cash flow
*IFRSs
Excluding eliminations within SoftBank Group Corp.

Create growth opportunities through smartphones & FTTH





1

**Continue profit growth
(toward 12 consecutive periods)**

2

JPY 500bn in FCF

3

Focus on smartphones & FTTH

4

**Expand business areas and
synergies with Yahoo Japan**

Highlights

- 1. Robust results (adjusted EBITDA +18%)**
- 2. Turnaround strategy making steady progress**
- 3. Adjusted FCF around break-even in FY2016**

Turnaround Strategy Update

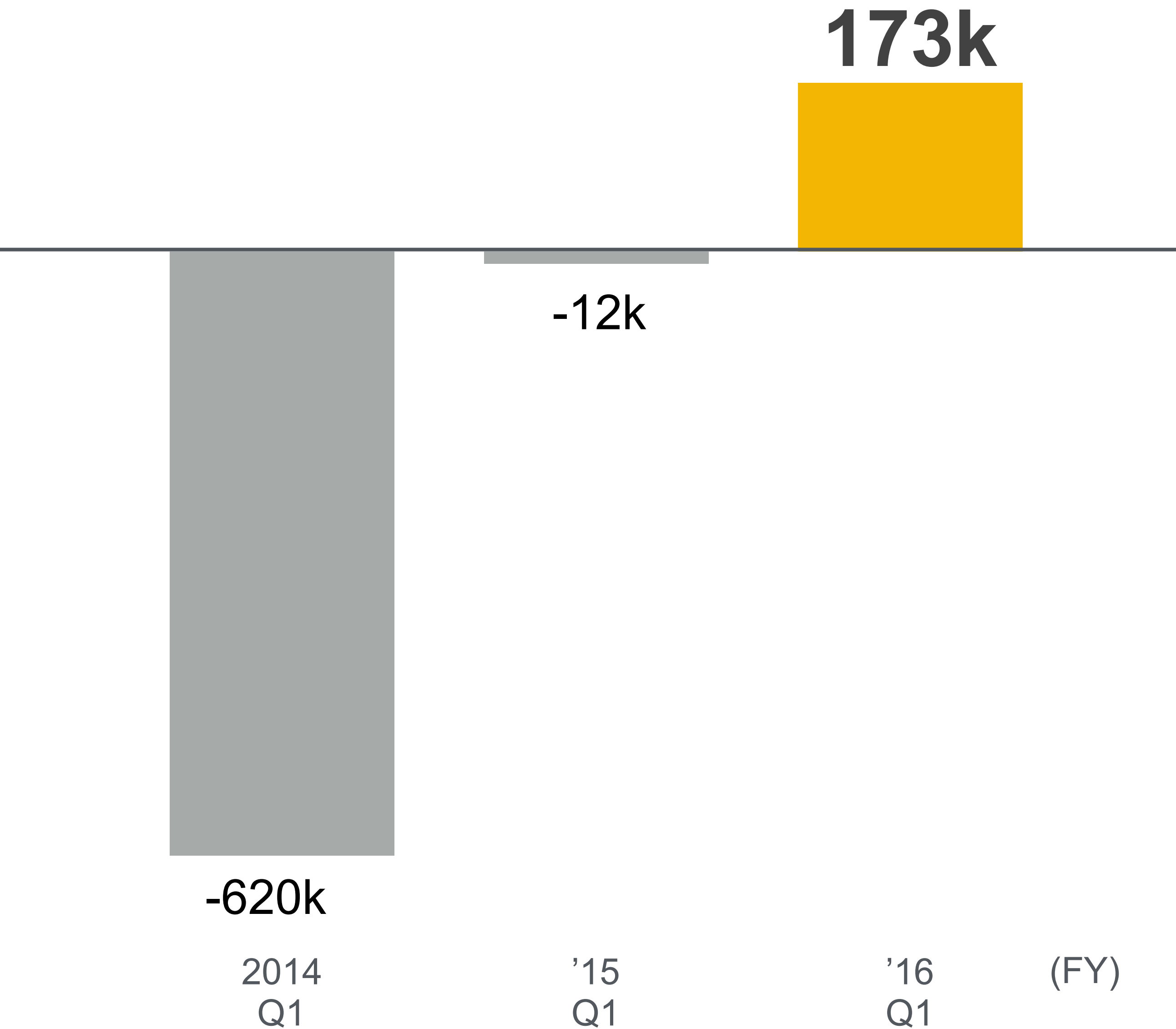
**Net Adds Improvement
Revenue Stabilization**

OPEX Reduction

**Diverse
Financing Methods**

**Network
Improvement**

Net Additions (Postpaid Phone)



Highest in 9 years

Net port positive for first time in over 5 years

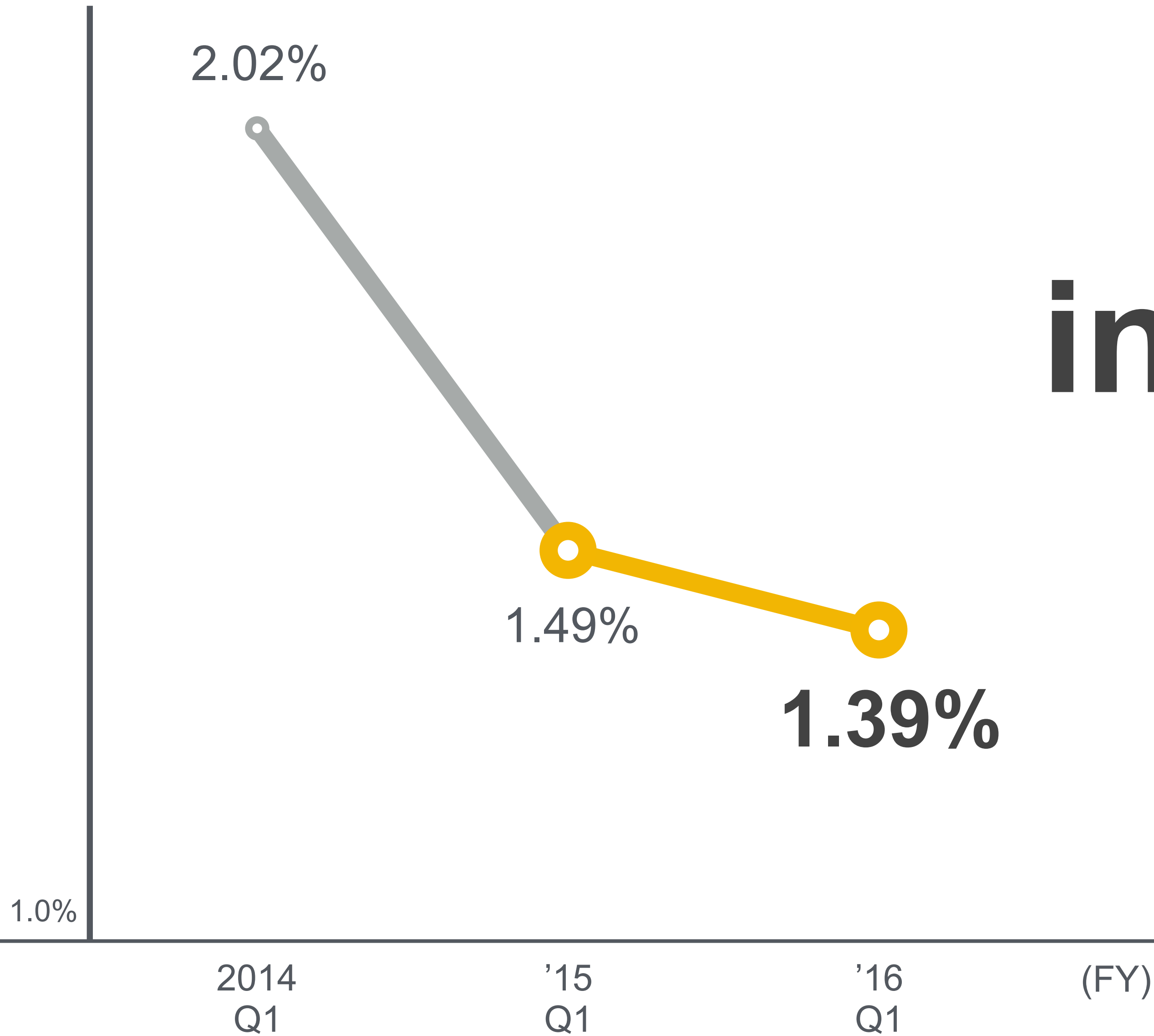
*Q1: April - June

*9 years: excludes Nextel migrations, Q1 basis.

*Net port positive: MNP from the three major national carriers.

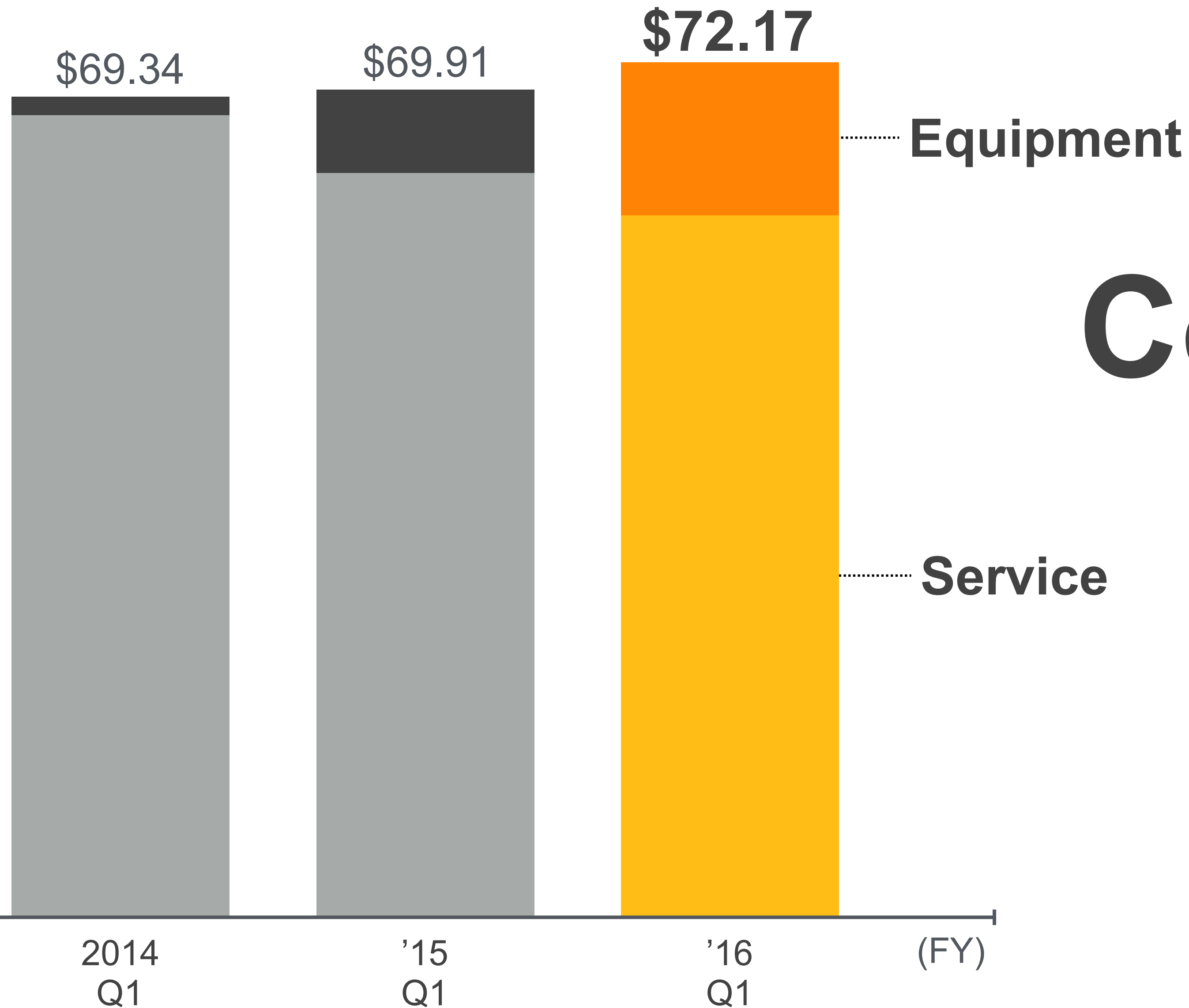
*Sprint platform (excluding impact of the Shentel transaction)

Lowest in Sprint history



*Q1: April - June
*Sprint platform

Average Billing Per Users: ABPU (Postpaid Phone)



**Continuously
increase**

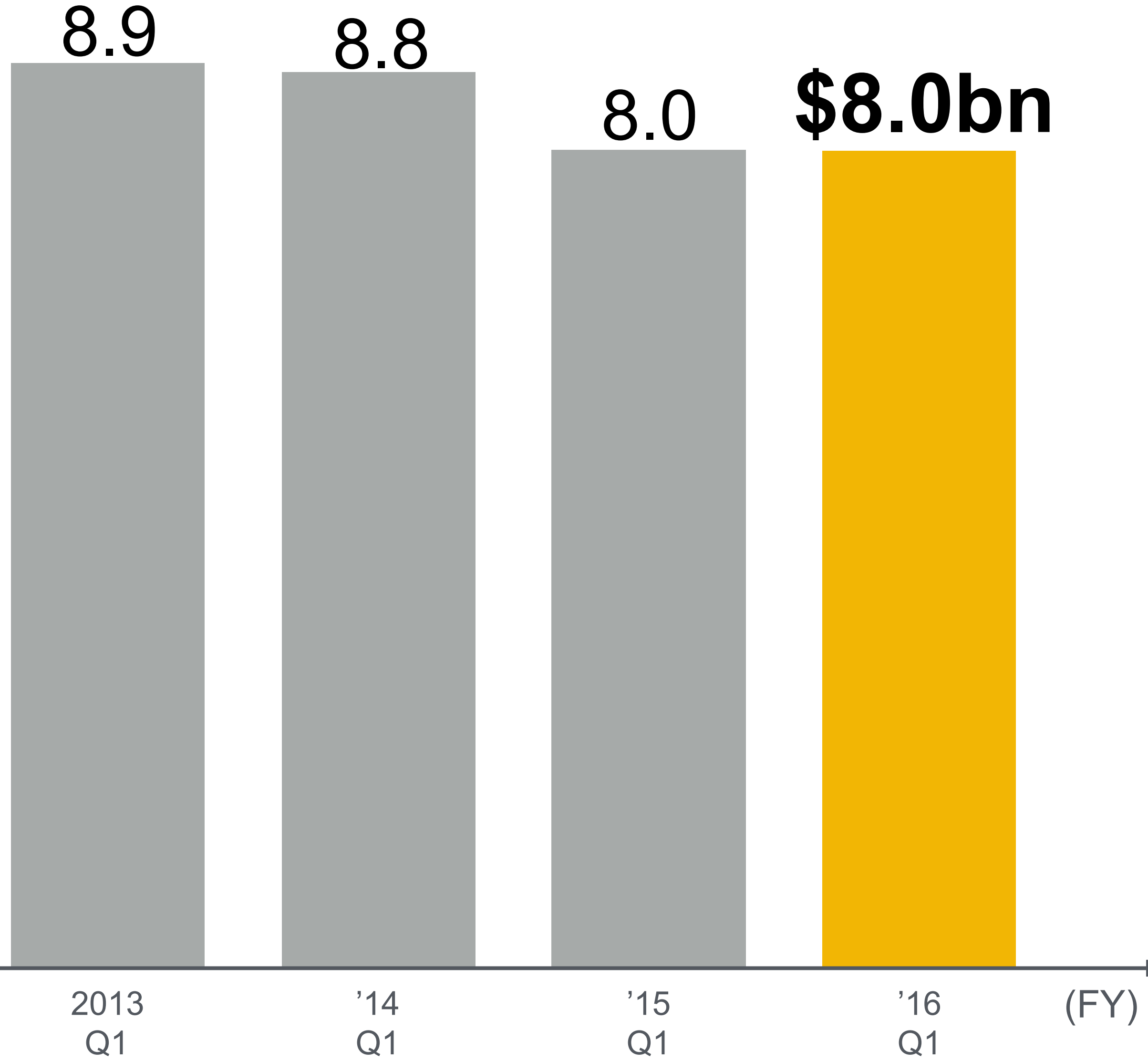
YoY +3%

*Q1: April - June
*Sprint platform

Net Sales



USGAAP (USD bn)

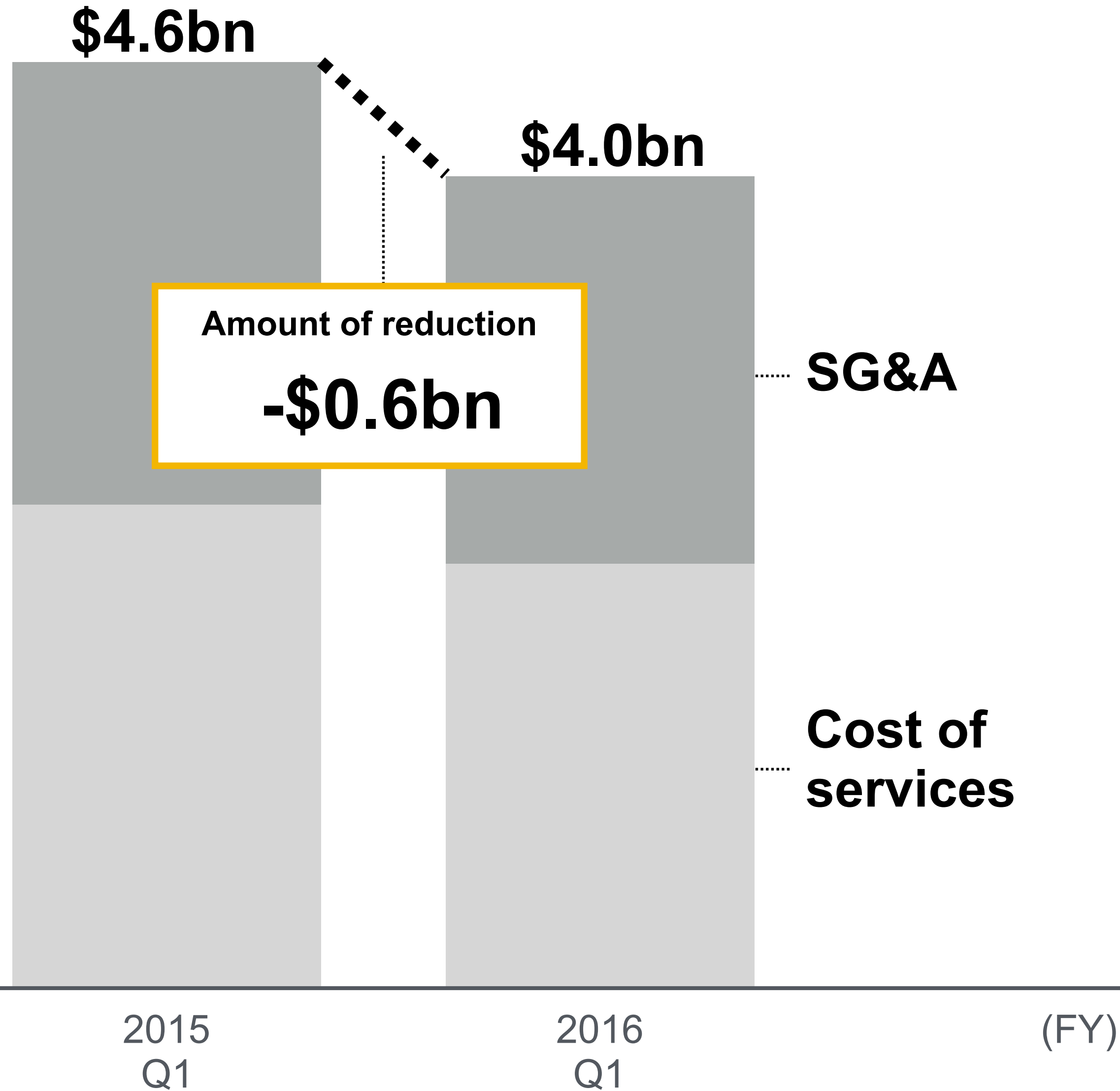


Stabilized

Cost Reduction



USGAAP (USD bn)



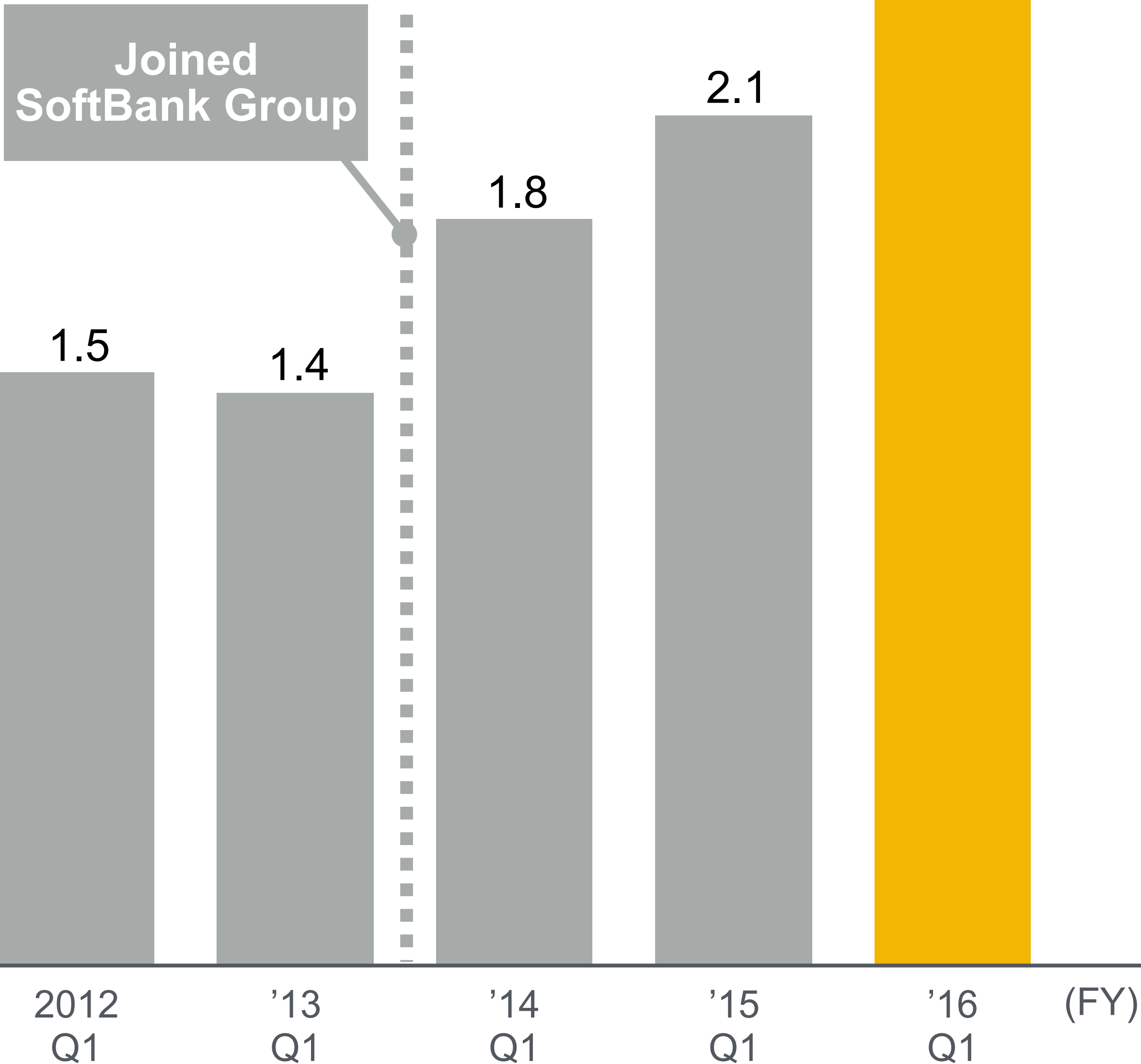
On track

Adjusted EBITDA



USGAAP (USD bn)

\$2.5bn

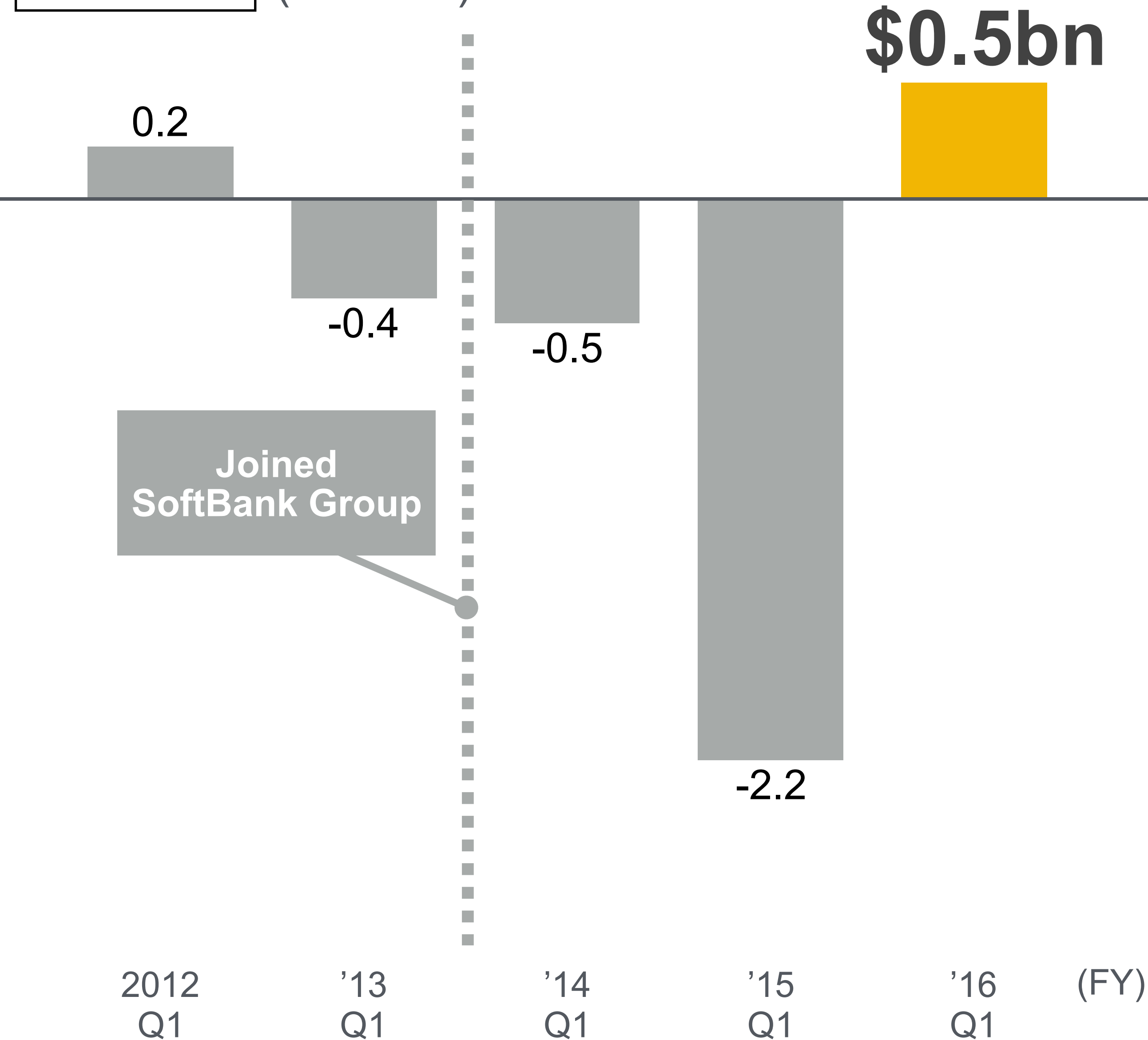


Up 18%

Adjusted Free Cash Flow



USGAAP (USD bn)

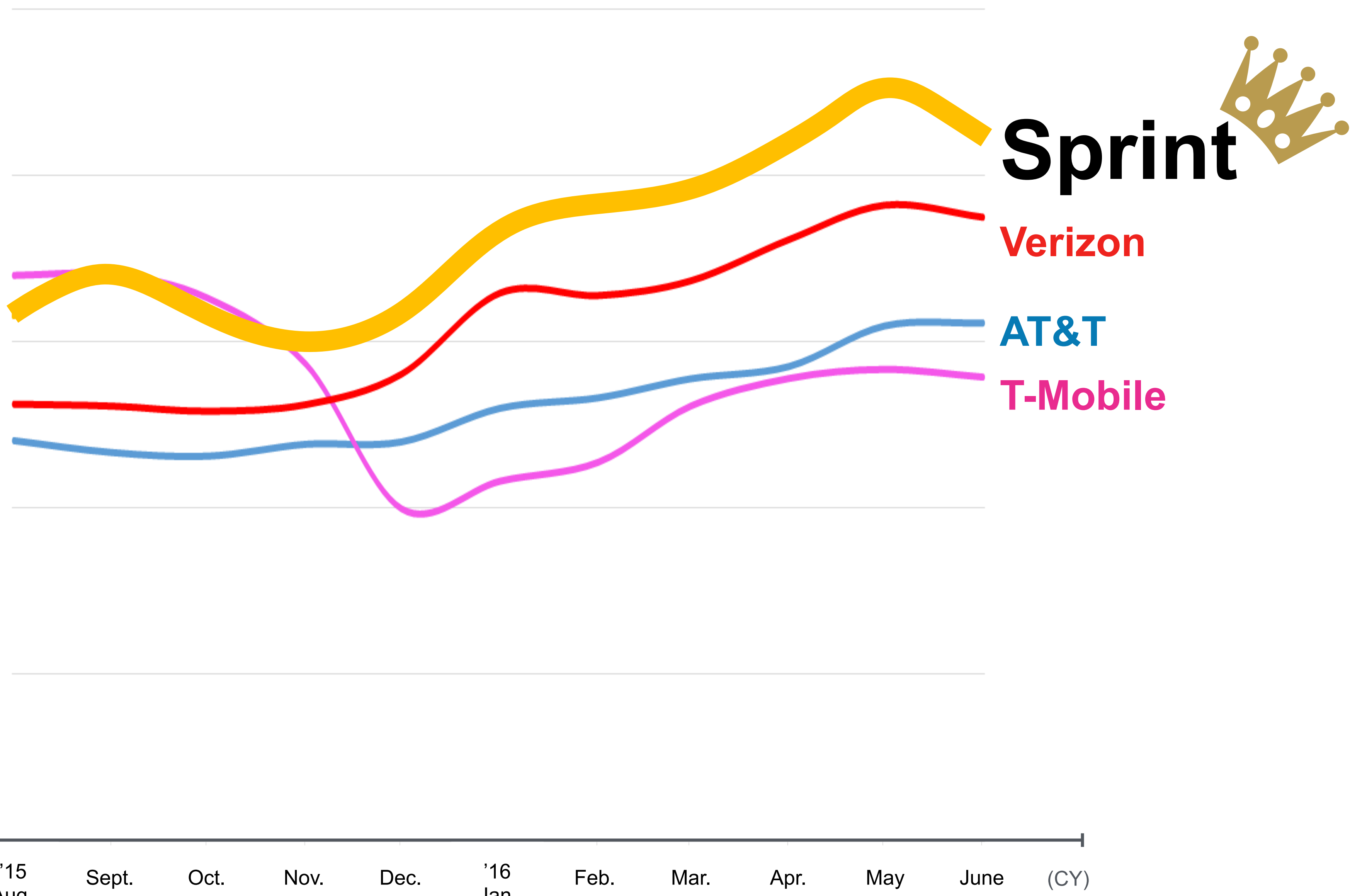


Significantly improved

*Q1: April - June

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.

LTE Download Delivered Speed

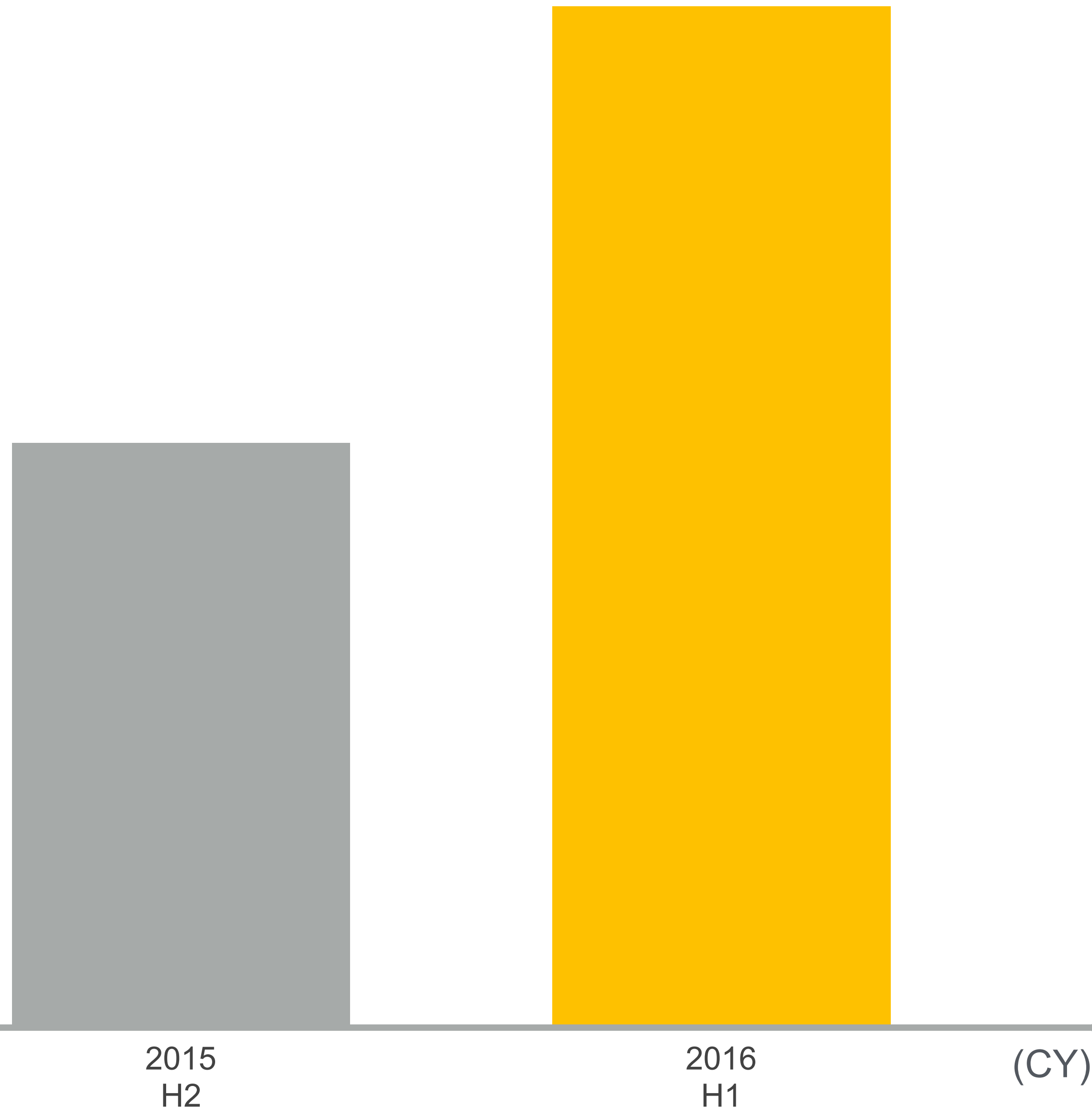


No.1 speed

'15 Aug. Sept. Oct. Nov. Dec. '16 Jan. Feb. Mar. Apr. May June (CY)

Source: Sprint's analysis of Nielsen NMP data (Apr. - June 2016) of average LTE download speeds in 44 NMP MSA's

Up 75%



RootScore Awards (Reliability)
Number of outright or shared first-place for reliability of network performance measured in 125 metro markets

USGAAP (USD bn)

14~16

Receivables/device financing

2~4

Vendor financing

1.1

Unsecured financing facility

2.5

Revolver

3.0

Cash, cash equivalent, short-term investments

5.1

General purpose liquidity

\$10.6bn

5.1

Other repayments
(Handset lease, etc.)

Debt maturities

3.3

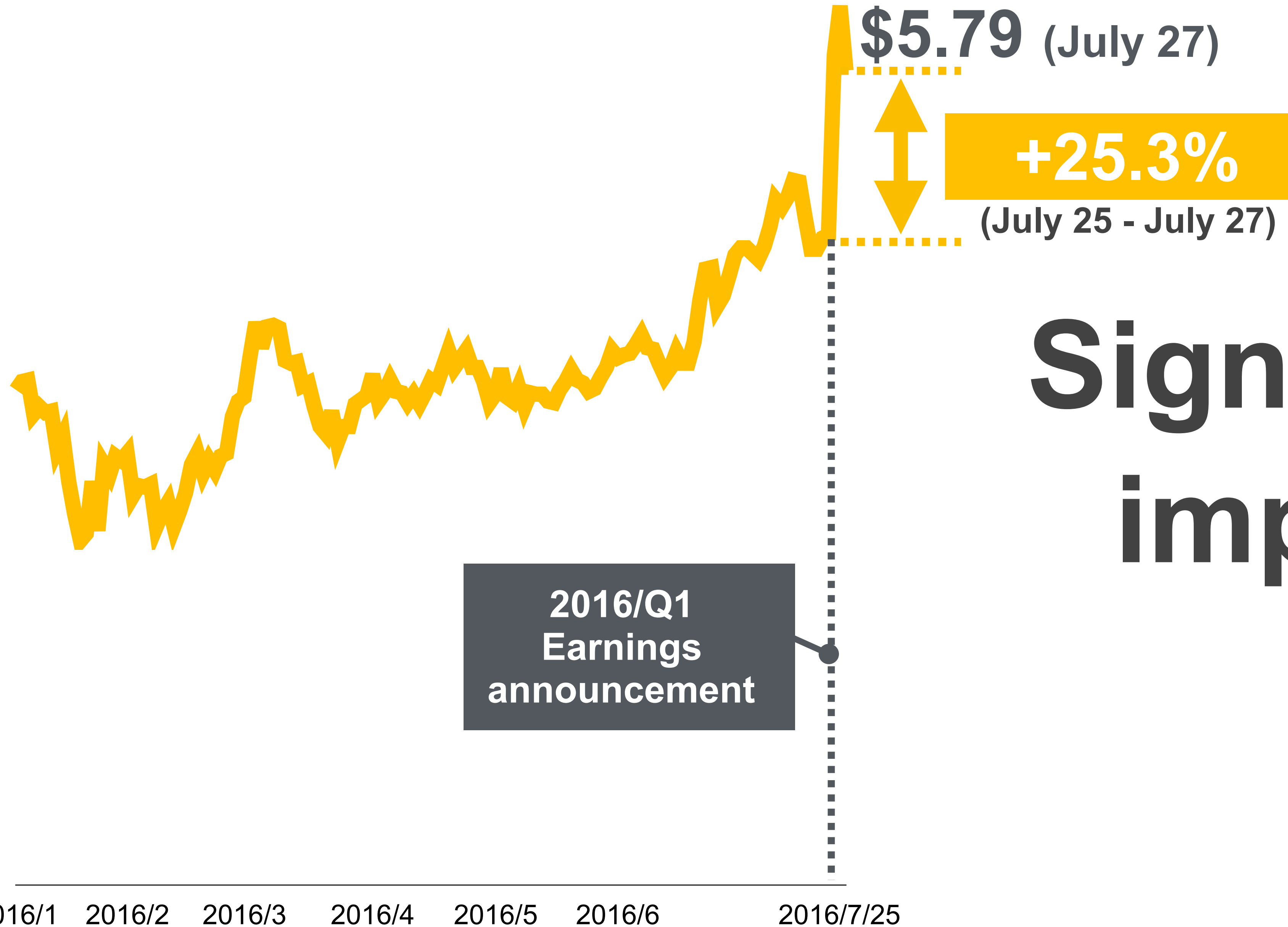
Liquidity

**Maturities*
(FY16)**

More than sufficient liquidity

*Includes maturities due through June 2017.

Share Price in 2016



Significantly improved

2016/Q1 Earnings announcement

Acquisition Cost



Avg. share price: \$6.90
(Avg. FX rate: JPY 85.2 / \$)

JPY1.95t

Acquisition cost

JPY2.01t (+JPY 0.07t)

Current value
(July 27, 2016)

Share price: \$5.79
(FX rate: JPY 105.0 / \$)

Excl. acquisition-related expenses
FX rate: JPY 105.0 / \$ 38



- 1 Adjusted EBITDA \$9.5-\$10.0bn**
- 2 Operating income \$1.0-1.5bn**
- 3 Cash CAPEX approx. \$3.0bn**
- 4 Adjusted FCF around break-even**

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.

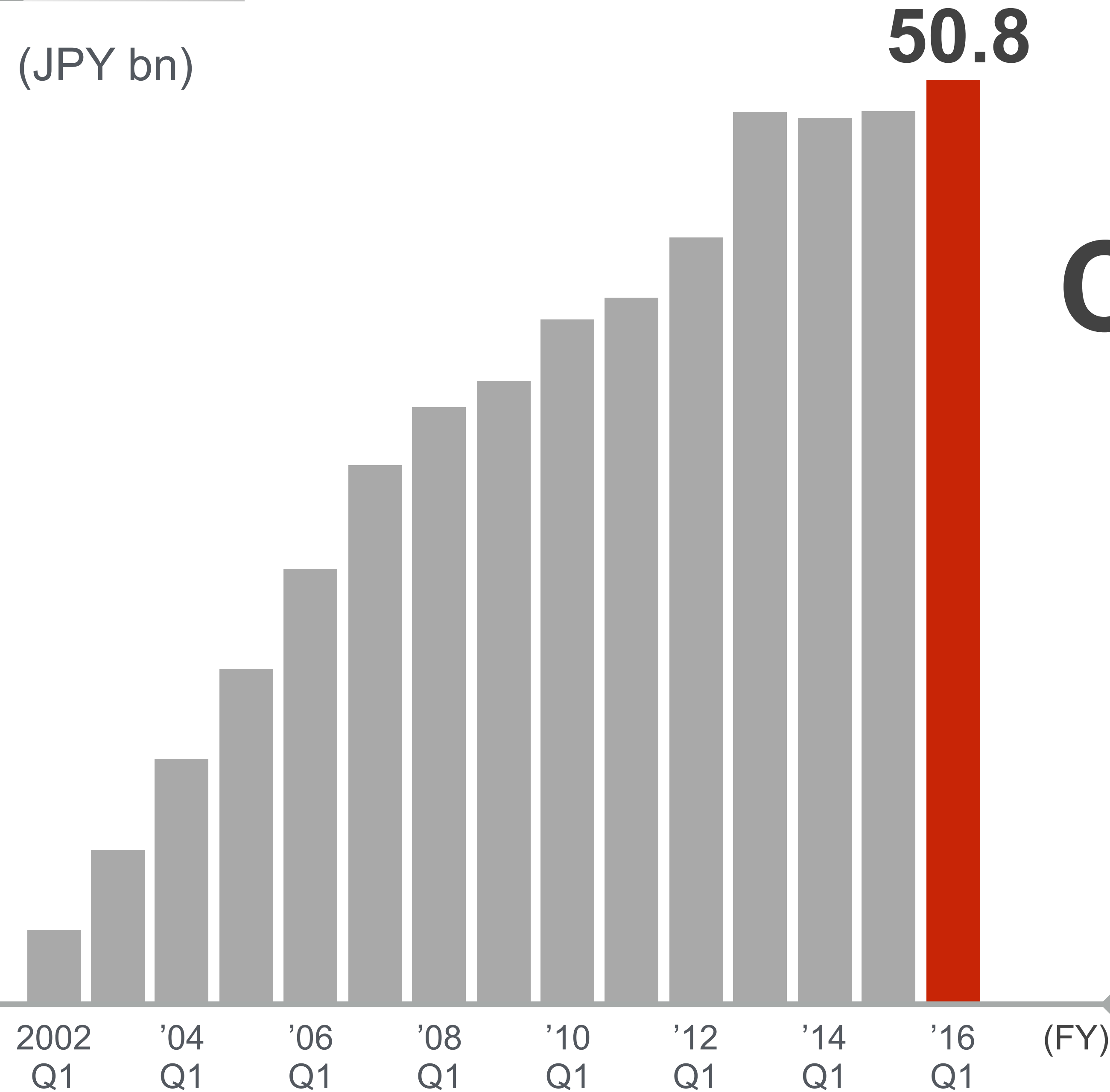
Highlights

- 1. Continue profit growth**
- 2. Display advertising driving growth**
- 3. Surge in shopping transaction value (+38%)**

EBIT



(JPY bn)



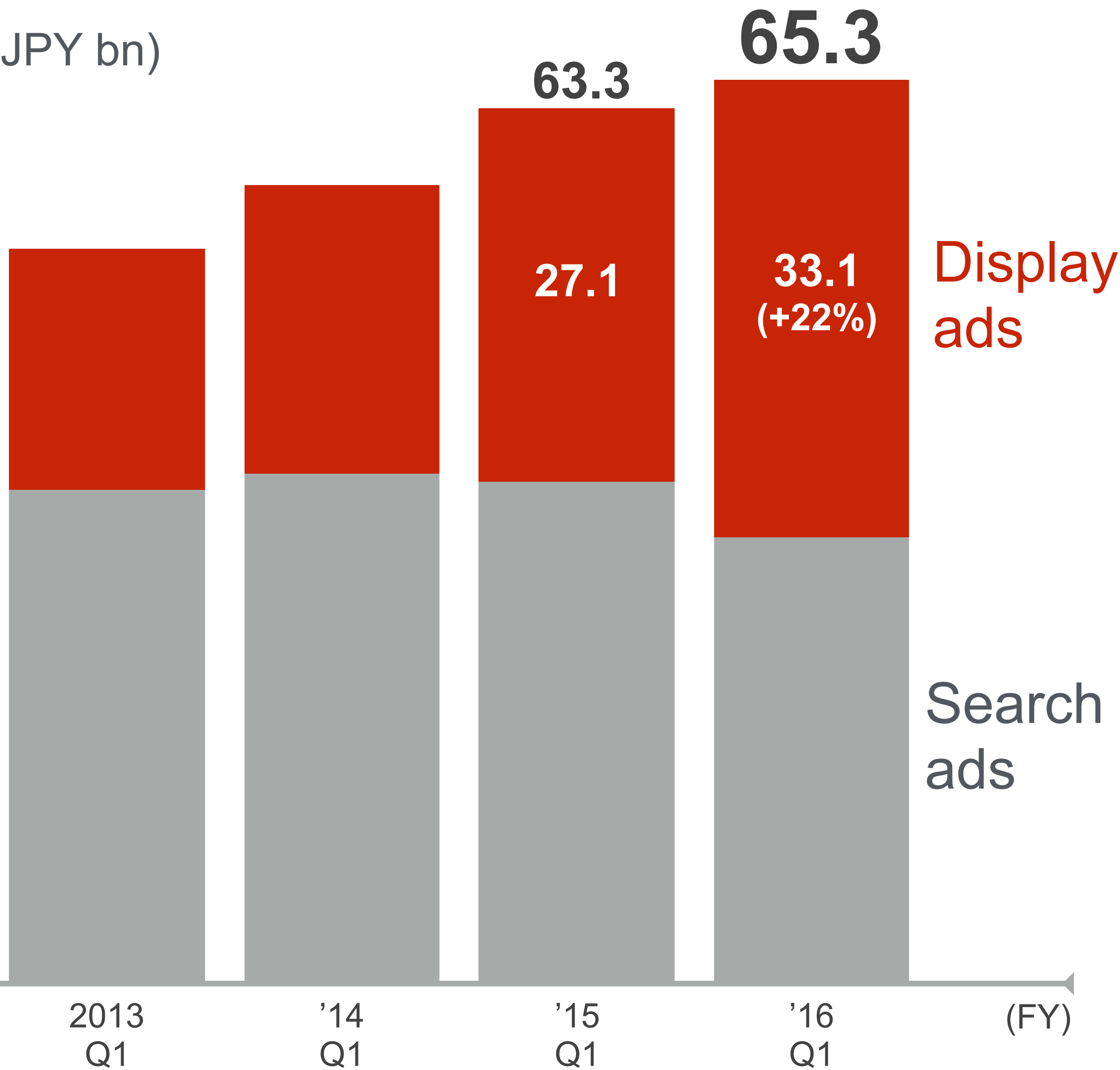
Continued growth

*Up to FY2012: Japanese-GAAP, 2013-: IFRSs

Advertising Revenue

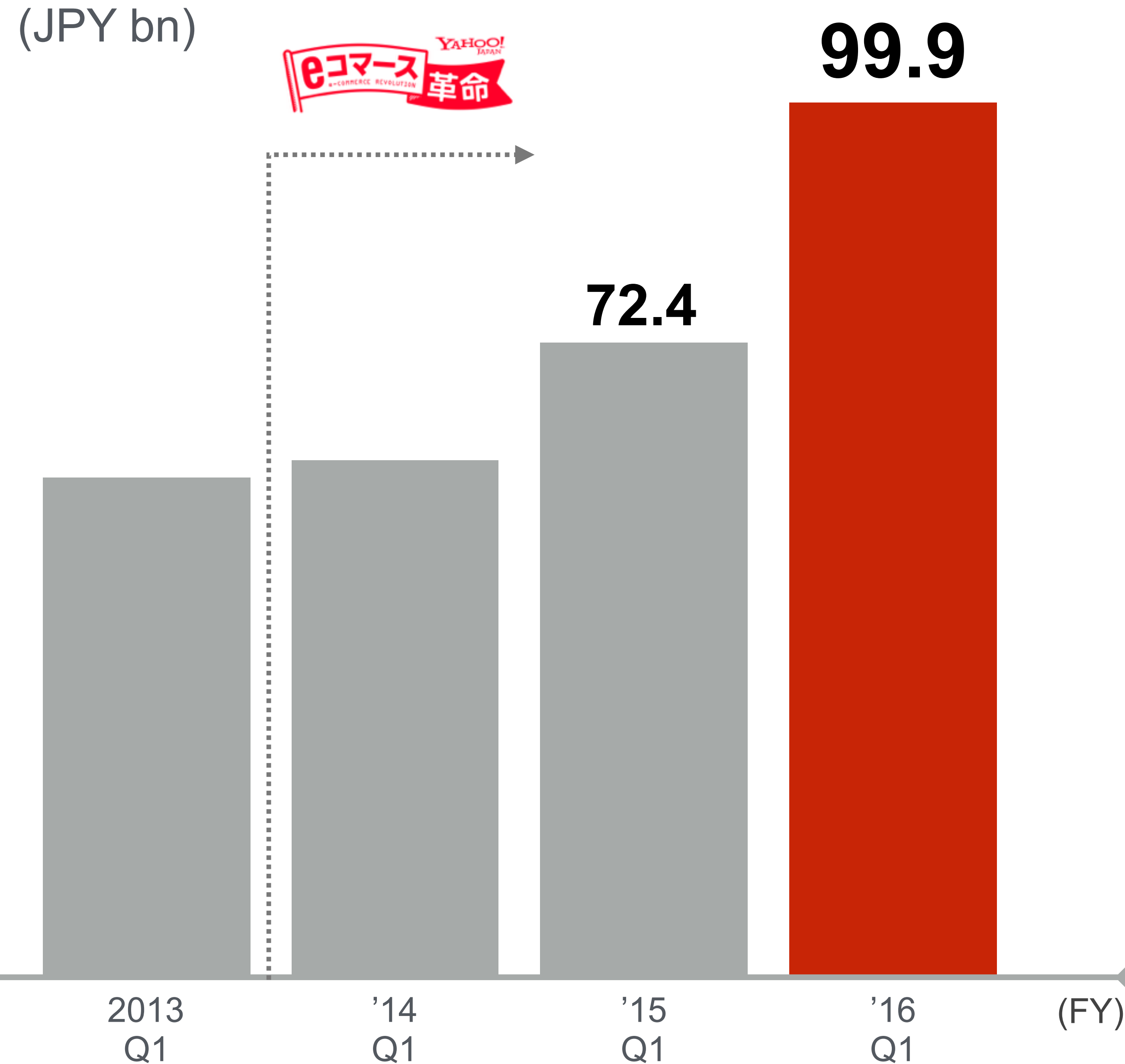


(JPY bn)



Driving growth

Shopping Transaction Value



Up 38%

*Transaction value of Yahoo! Shopping and LOHACO
LOHACO: revenue of ASKUL Corporation's LOHACO business; closed on every 20th.

 SoftBank
Domestic Telco

 Sprint

 YAHOO!
JAPAN

 SoftBank
Investment Assets

Highlights

Results **Realized value generating \$17.2bn in proceeds**

Strategy **Market leadership in key markets**

New Activities **Follow-on in Didi and SoFi; exit of Supercell, GungHo, asset reallocation of Alibaba**

*1. Alibaba total proceeds (net): \$8.8bn; the net proceeds of SoftBank Group companies through the issuance of \$6.6bn METS under the variable prepaid forward contract are approximately \$5.4bn

*2. Supercell total proceeds: \$7.8bn; includes \$7.3bn for 72% stake sale and \$0.4bn for pre-closing dividend

*3. GungHo total proceeds: \$0.7bn; JPY 72.2bn, applied exchange rate of \$1 = 107 JPY

Universe of Portfolio Companies



E-commerce



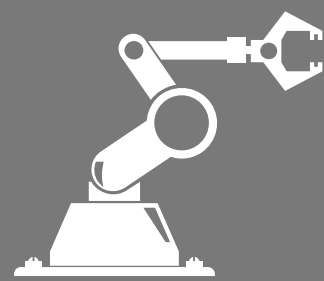
Ride-sharing



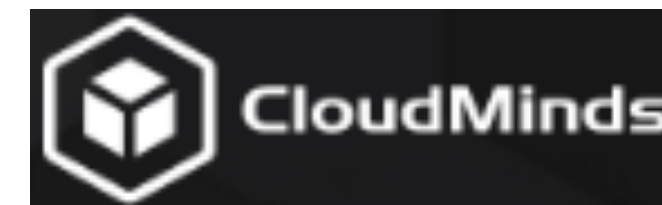
FinTech



Internet & Media



AI &
Connected Devices

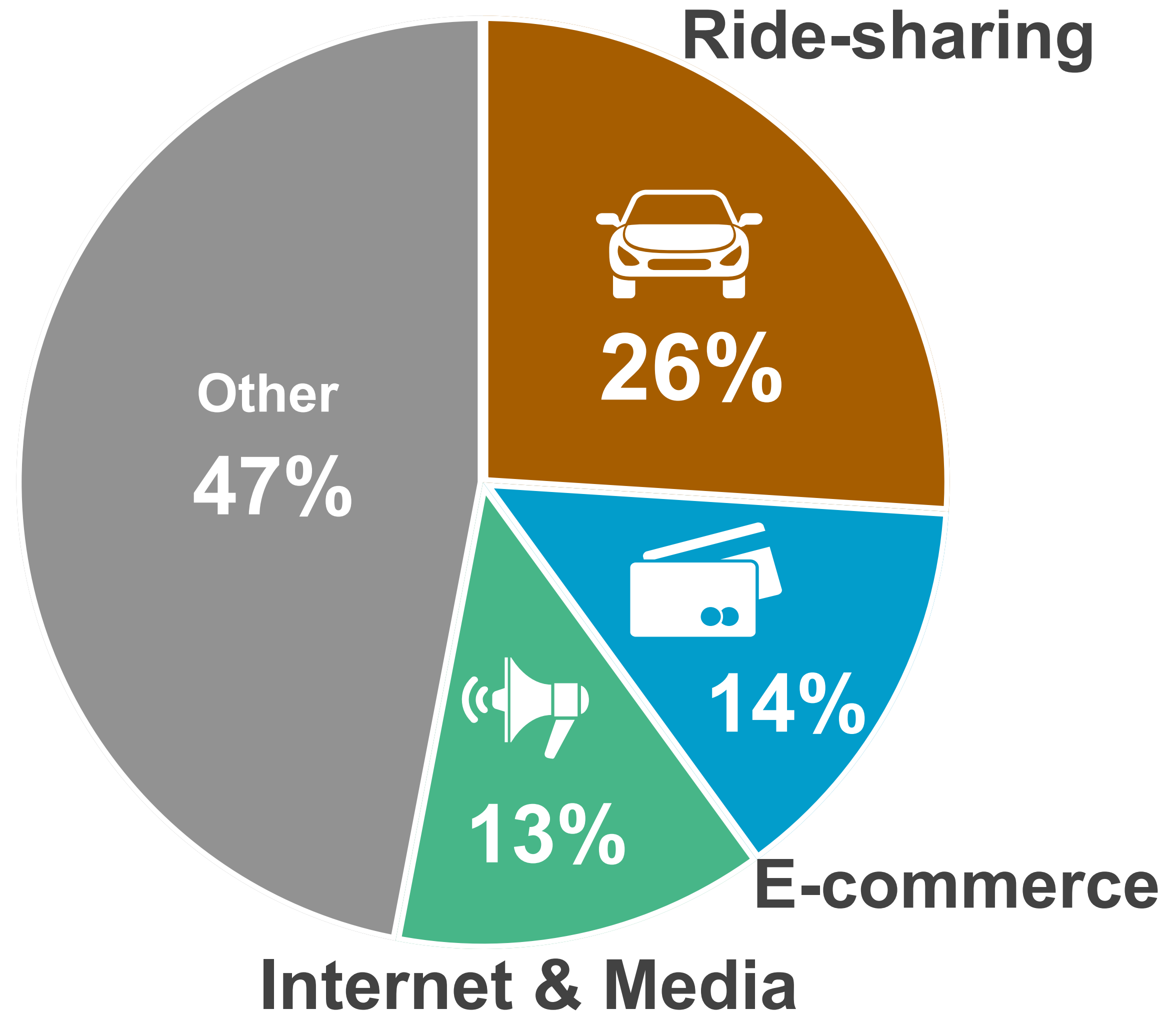
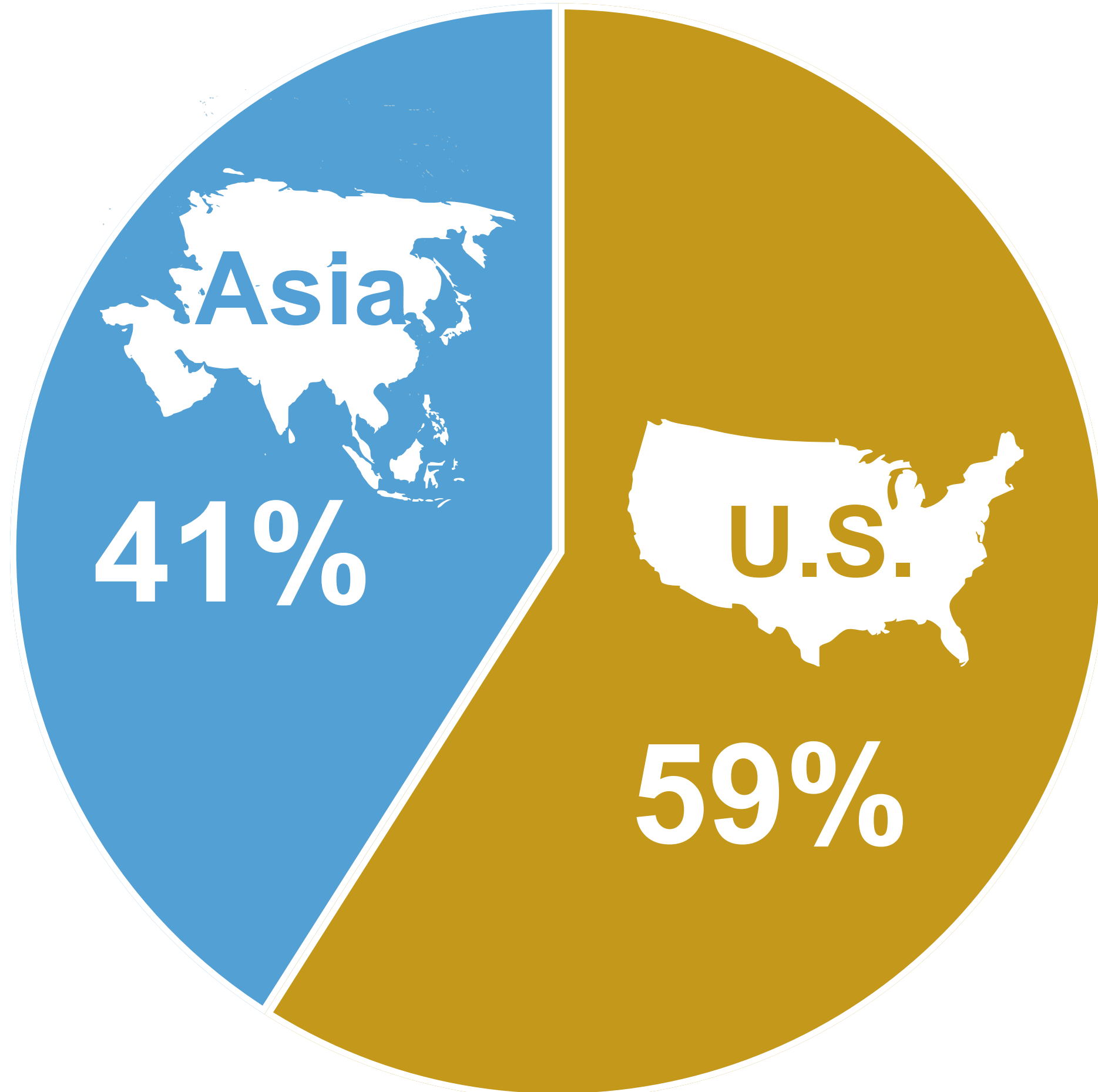


Healthcare



Capital Deployed Last Year

Total: \$2.0bn



*E-commerce includes classifieds.

Major Portfolio Changes

New investments

(Follow-on) Didi, SoFi

Exits

Asset reallocation



- Fastest growing in world's largest consumer market
- Dominant platform with Alibaba & Tencent backing
- Strong execution serving entire demand curve

Major Portfolio Changes

New investments

Exits

Supercell, GungHo

Asset reallocation



- \$7.8bn total proceeds; 93% IRR
- Tencent ideal partner to go to next level
- Deleveraging and strategic flexibility

Major Portfolio Changes

New investments

Exits

Asset reallocation

Alibaba (partial stake)



- \$8.8bn net proceeds; 68% IRR
- Innovative sale and EB structure enables monetization at premium
- Remain largest shareholder with 27%; close partnership continues

Investment Track Record

JPY 10.1t

IRR 44%

JPY 739.8bn

Accumulated investment

Accumulated return



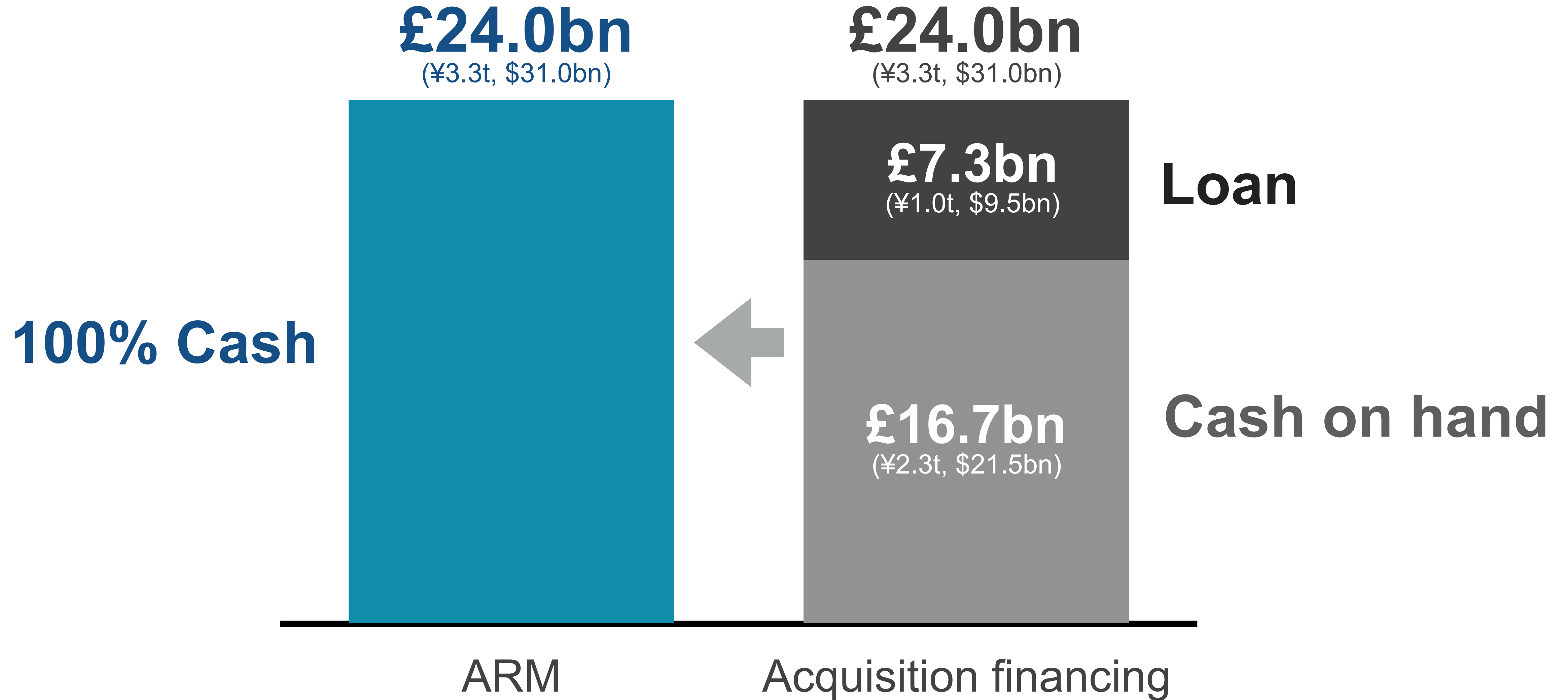
Further Growth Strategy

July 18, 2016

Announced Strategic Agreement

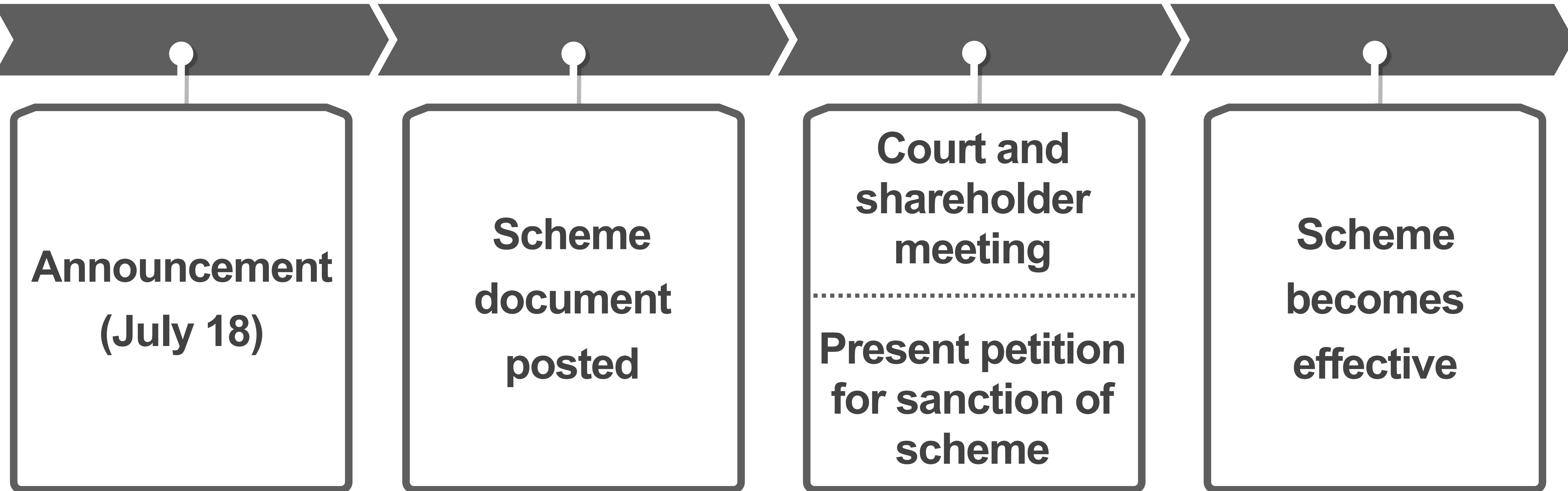


Total Acquisition Price



Excluding 20.4mil shares (1.4%) SoftBank Group currently owns.

Timeline

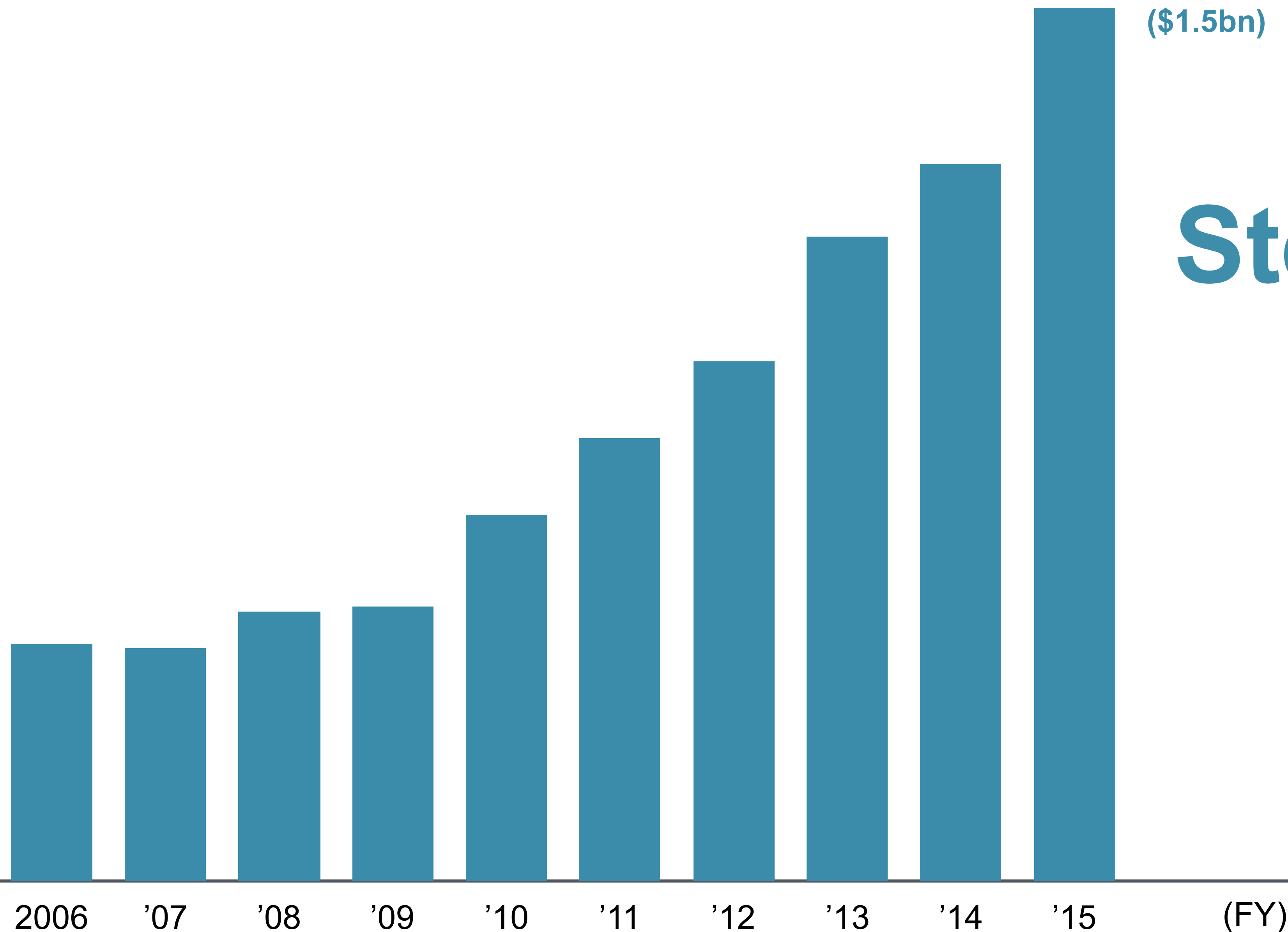


ARM

JPY 179.1bn

(\$1.5bn)

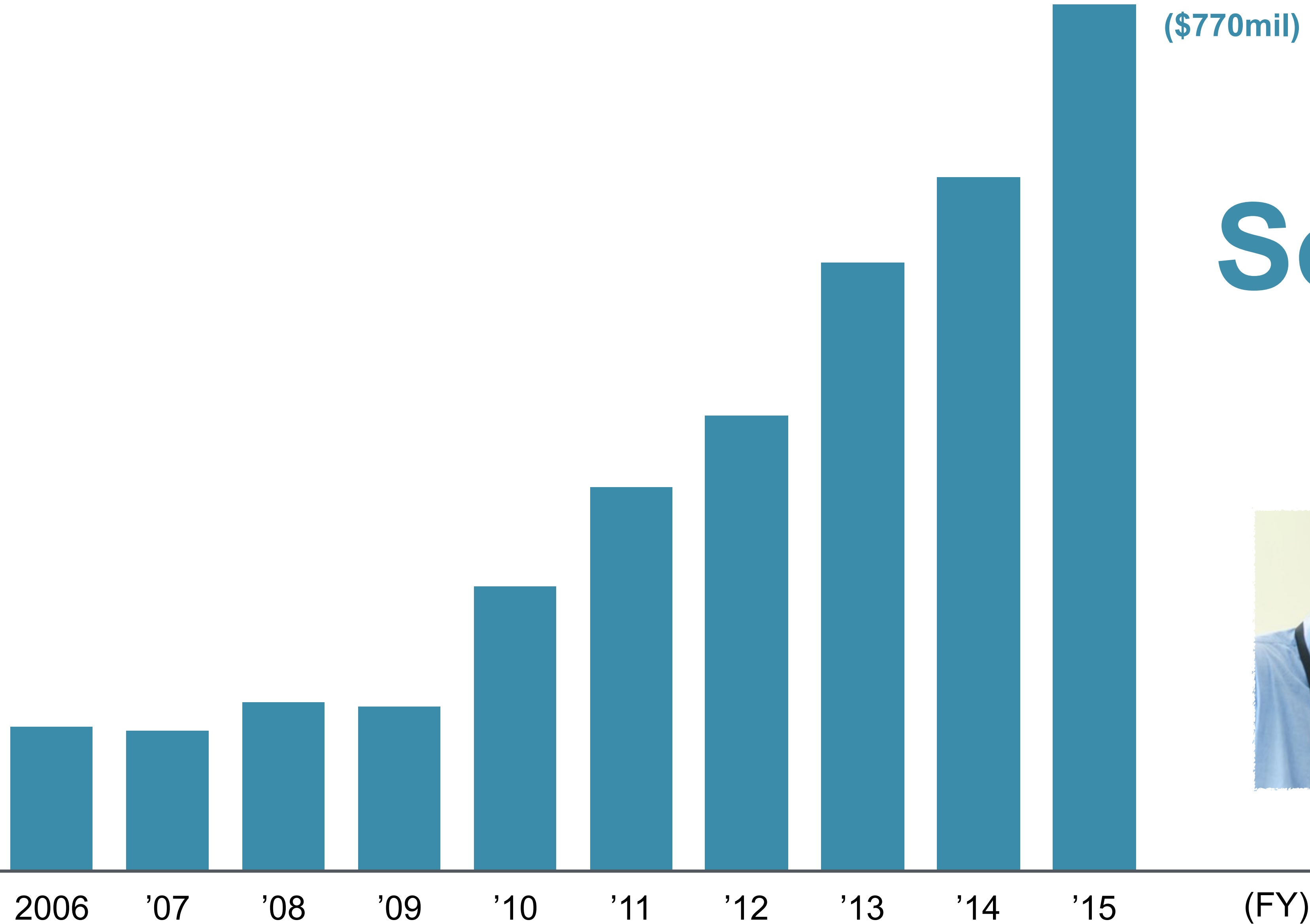
Steady growth



Operating Profit

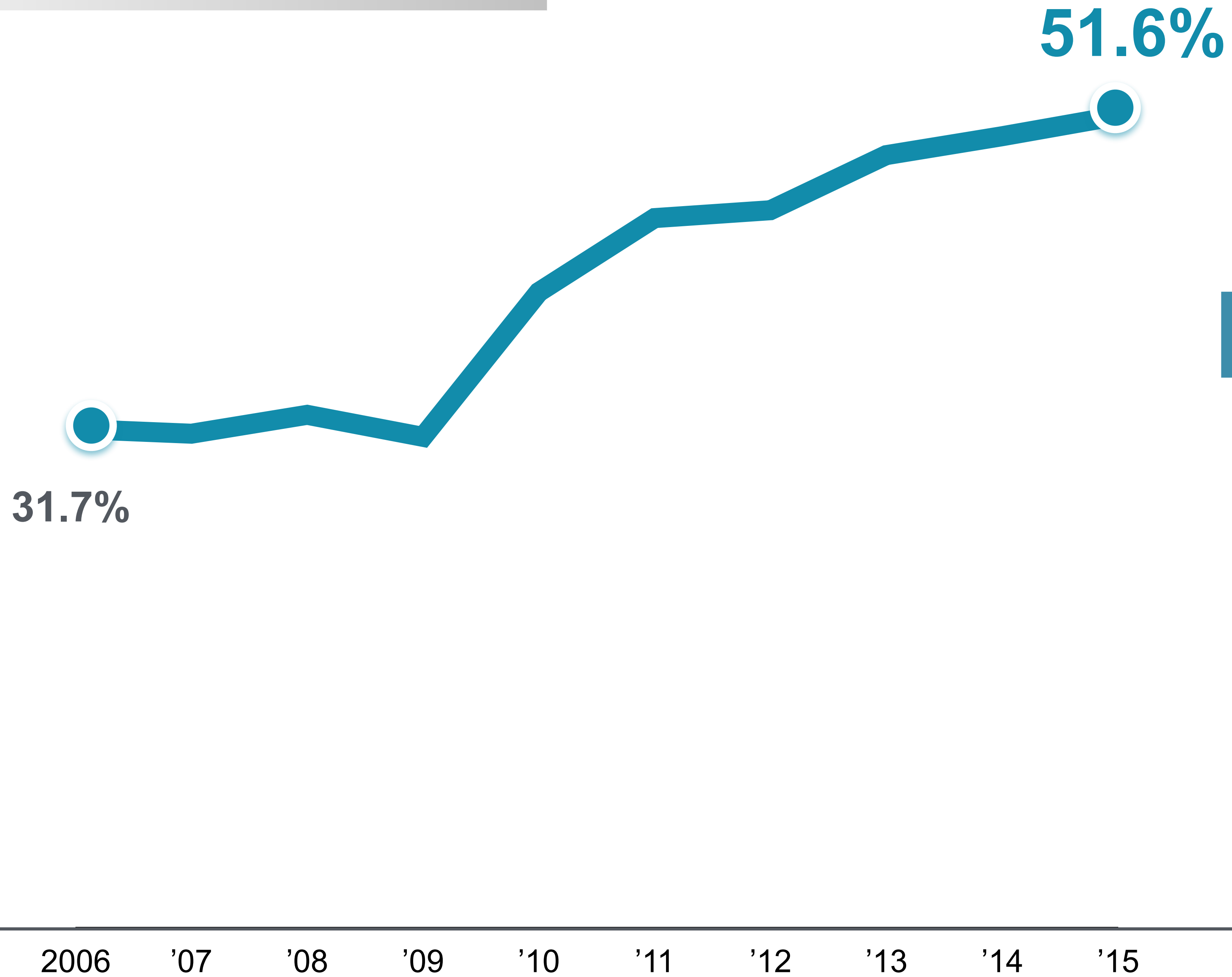
JPY 92.4bn
(\$770mil)

Solid growth



Operating Margin

ARM



**High
profit margin**

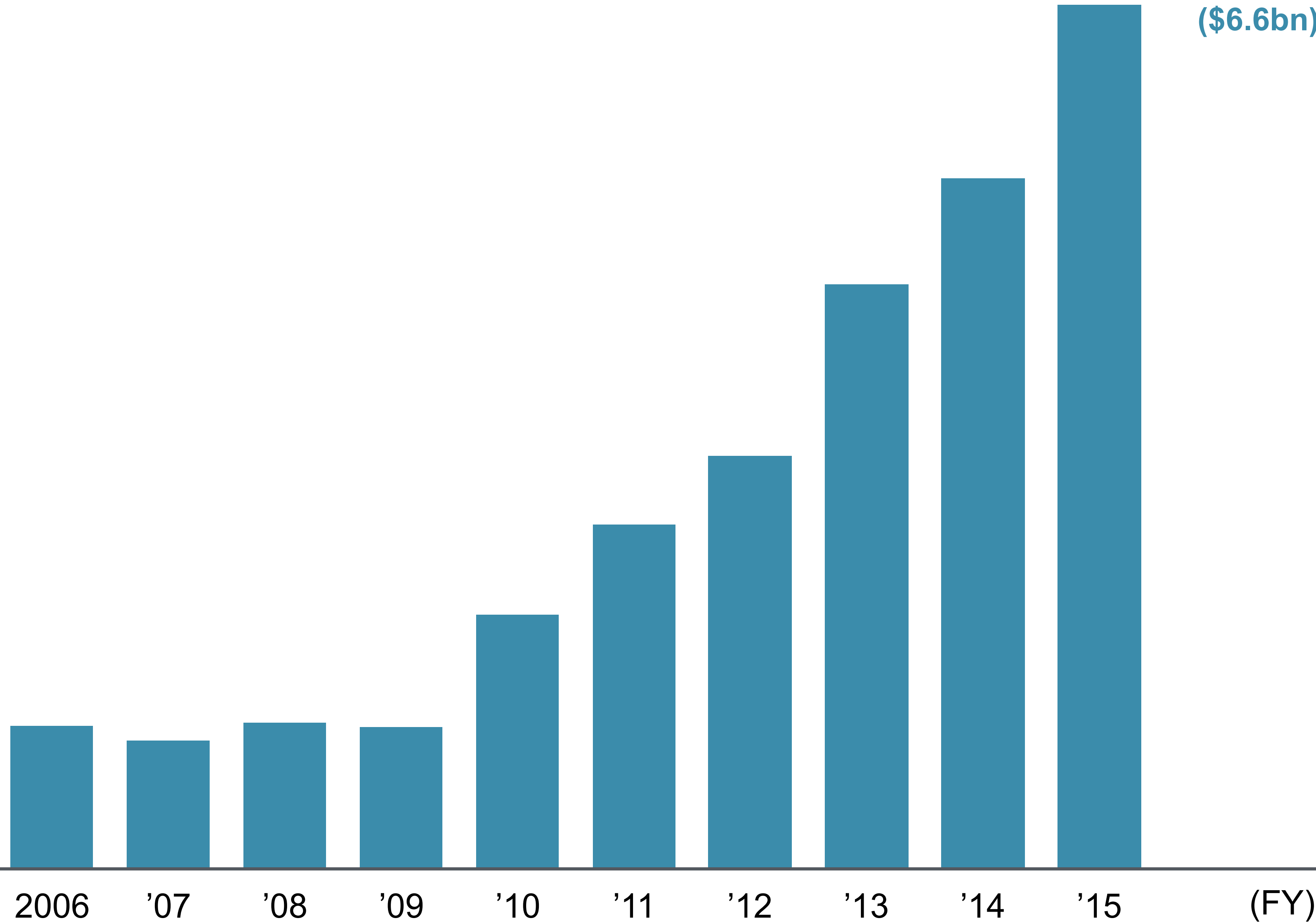
2006 '07 '08 '09 '10 '11 '12 '13 '14 '15 (FY)

Profit After Tax

JPY 79.3bn

(\$6.6bn)

High profit





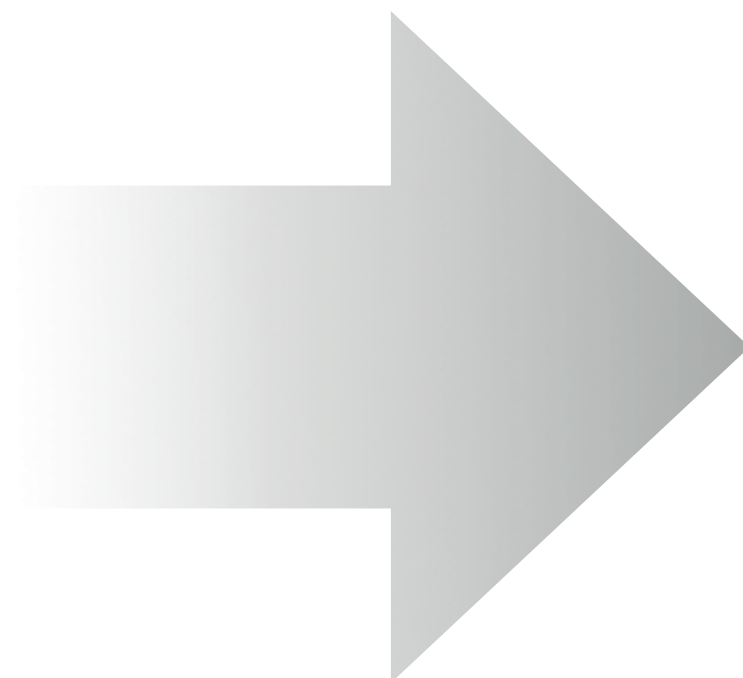
R&D and design



Develop & manufacture chips

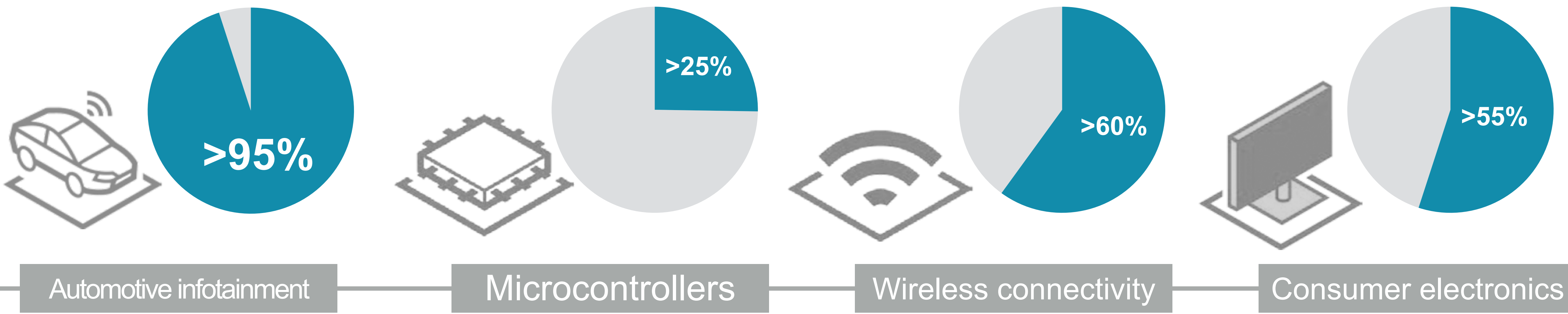
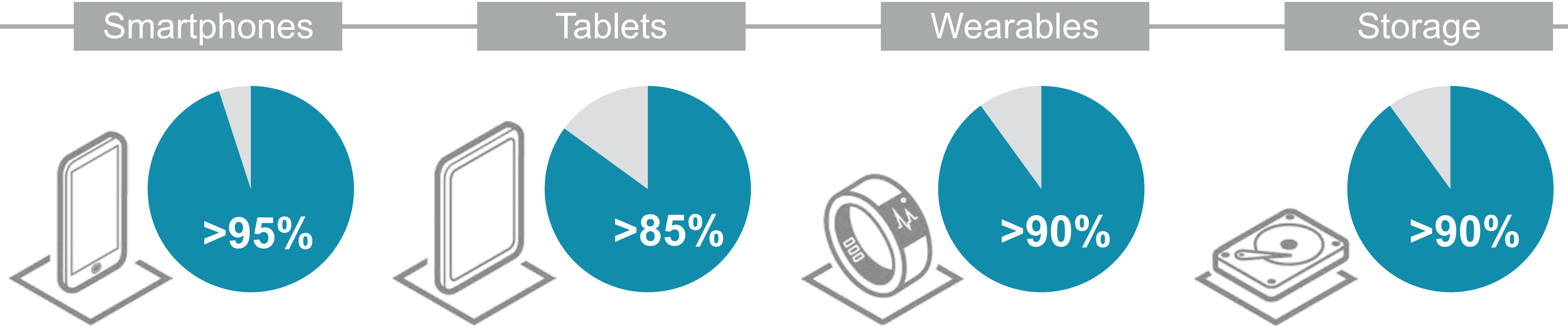


Various electric devices



Many consumer products incorporate ARM's technology

Market Share



ARM Powered SoCs Shipped



(bn)

14.8bn

Explosive growth continues



0.01

1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015

(Source) Created by SoftBank Group Corp. based on ARM Holdings' disclosure materials.

ARM Powered SoCs Shipped



(by processor; bn)

14.8bn

New products expanding

Cortex-M

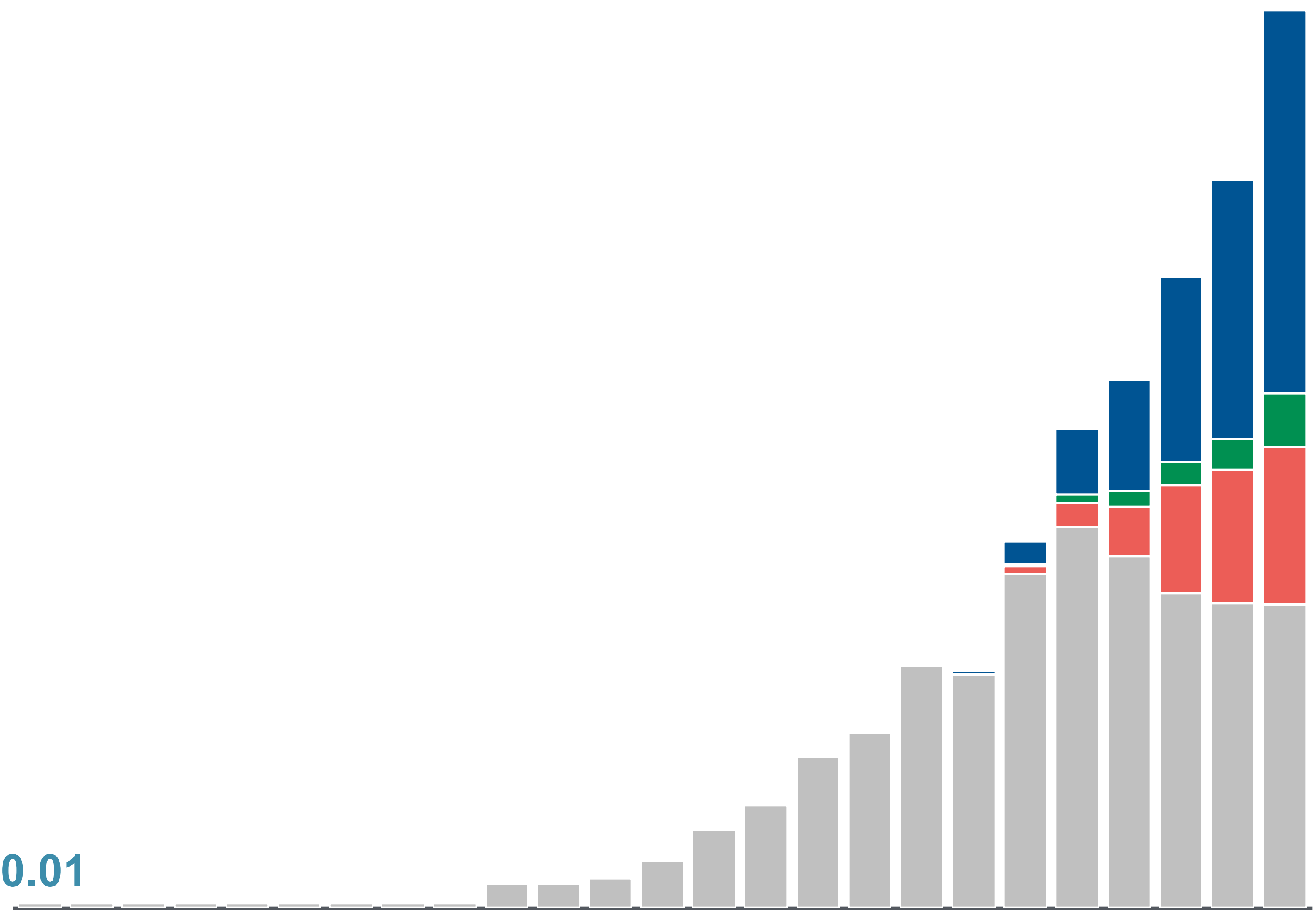
Cortex-R

Cortex-A

Classic
(ARM7, ARM9, ARM11)

0.01

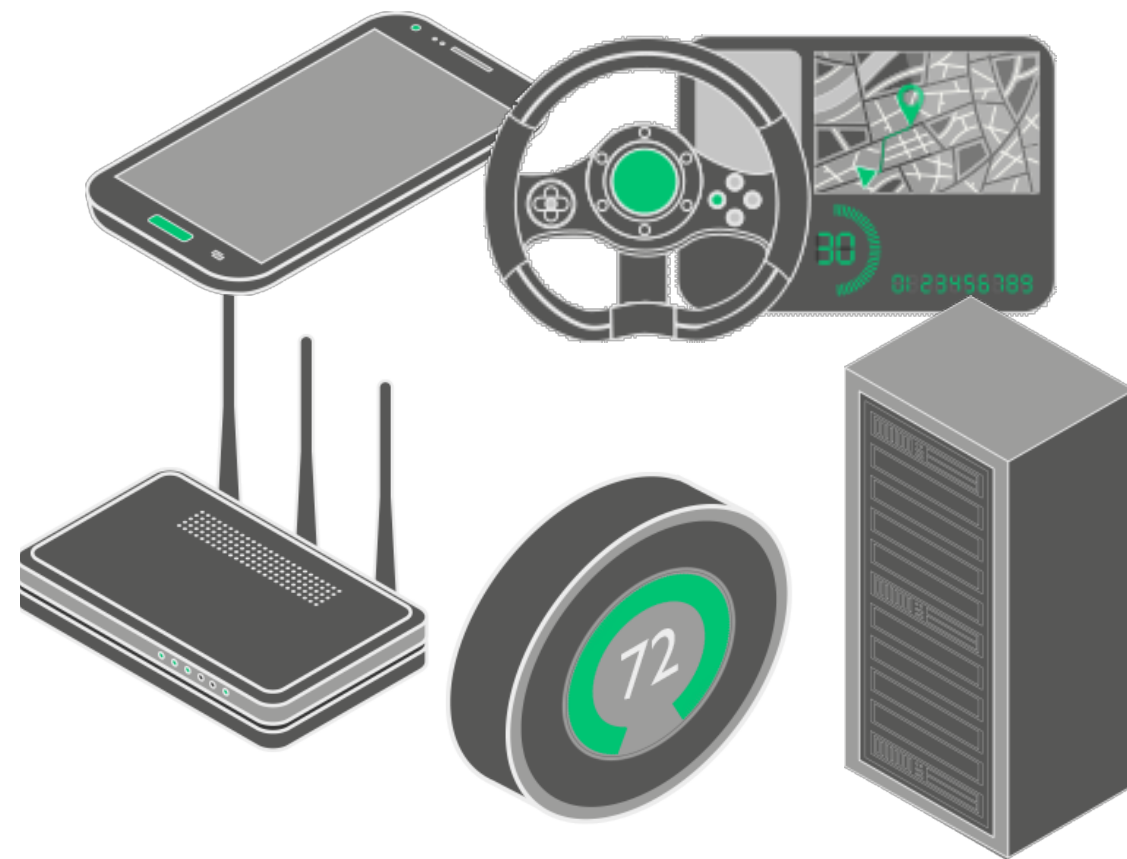
1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015



Product Lineup

Cortex-A

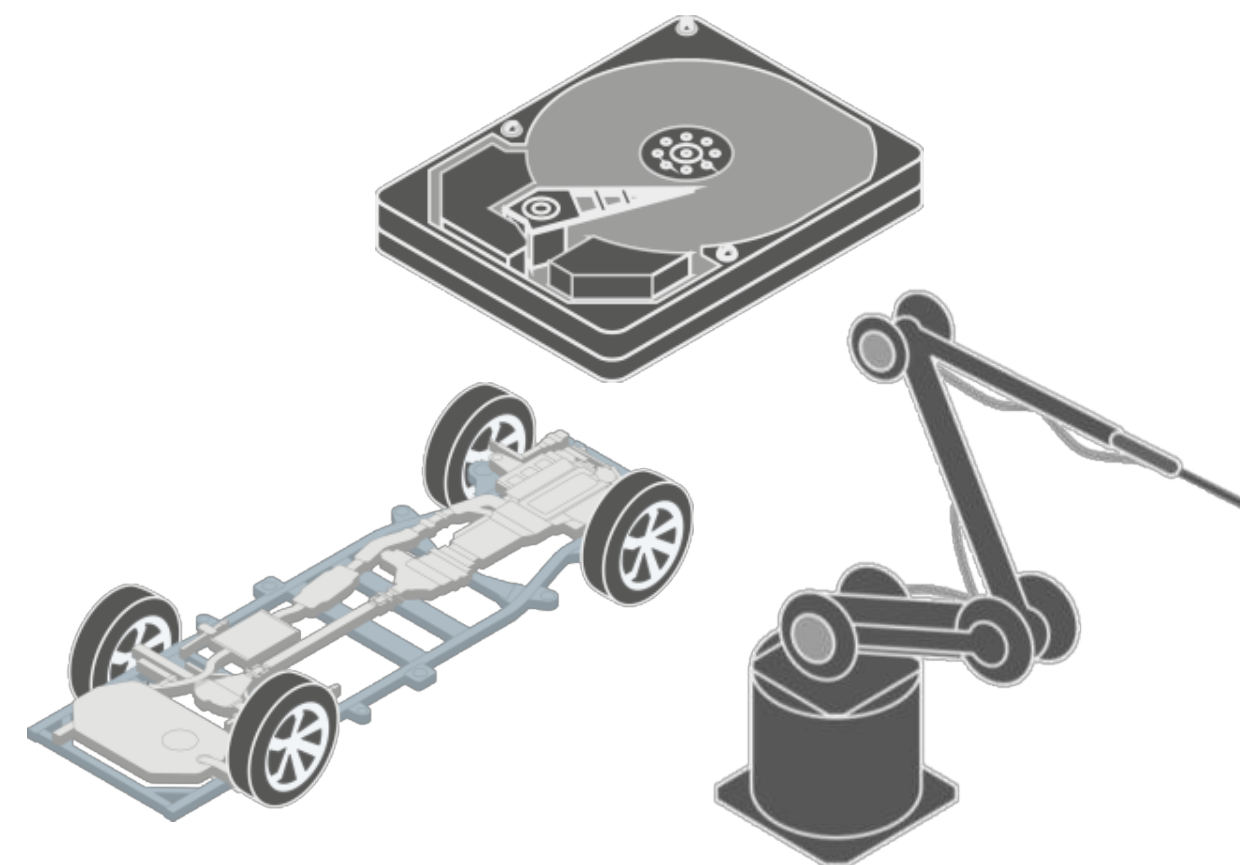
Highest performance



For rich operating systems

Cortex-R

Fast response



For real-time applications

Cortex-M

Smallest/lowest power

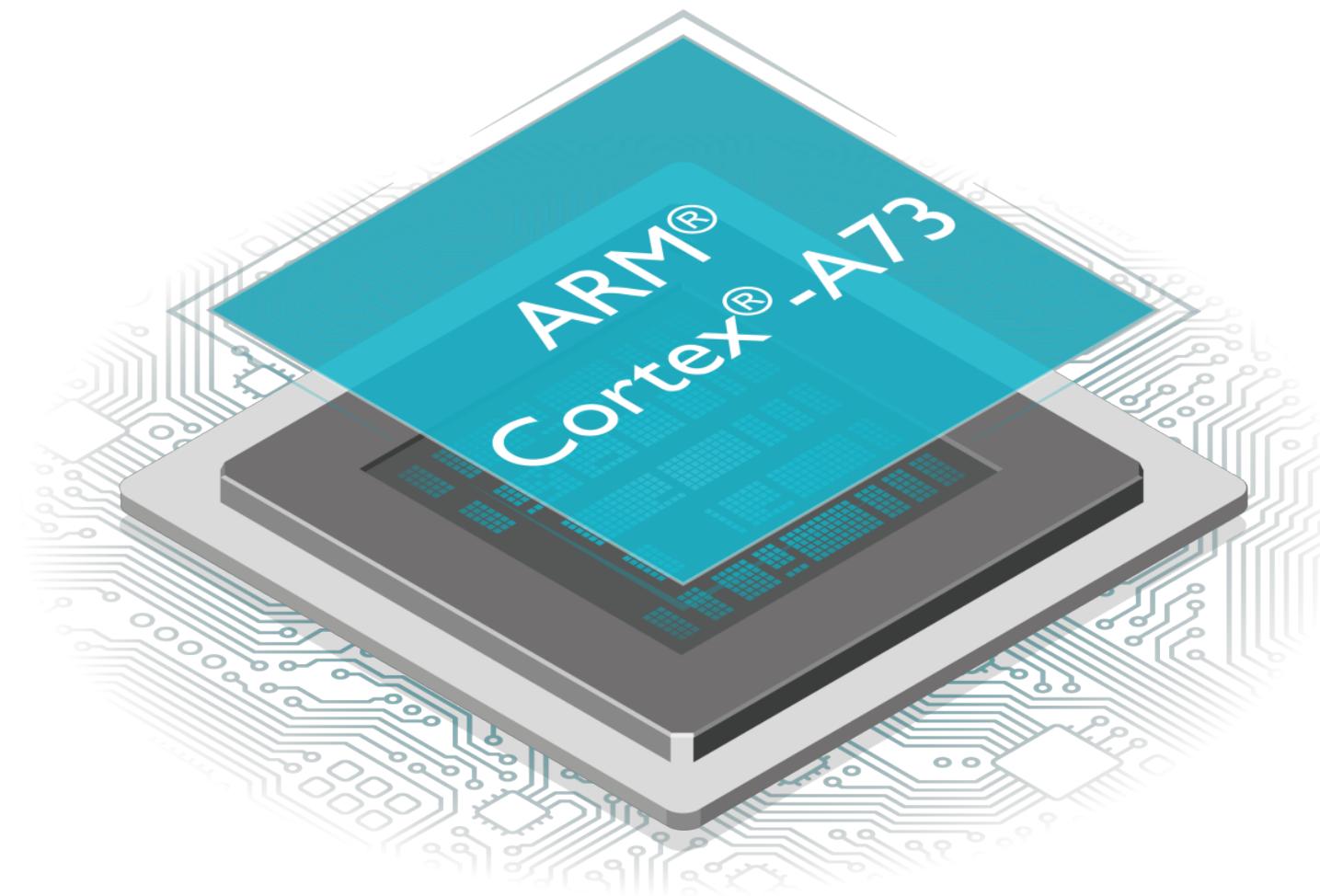


For microcontorollers

Cortex-A73



(Scheduled to be released in 2017)



Frequencies up to 2.8GHz

30%

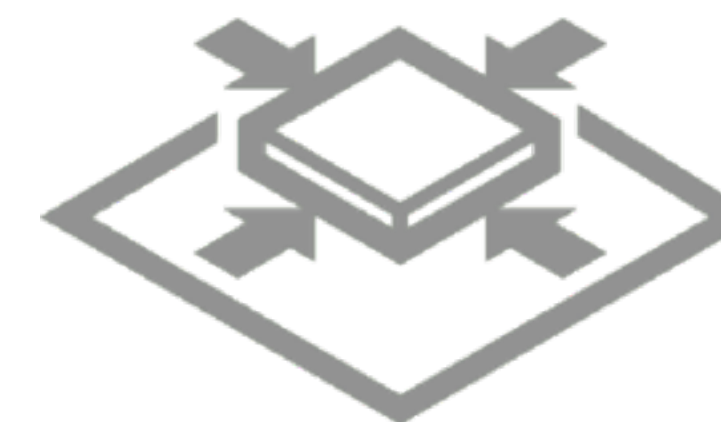
higher performance



Optimized for Mobile

30%

increased power efficiency



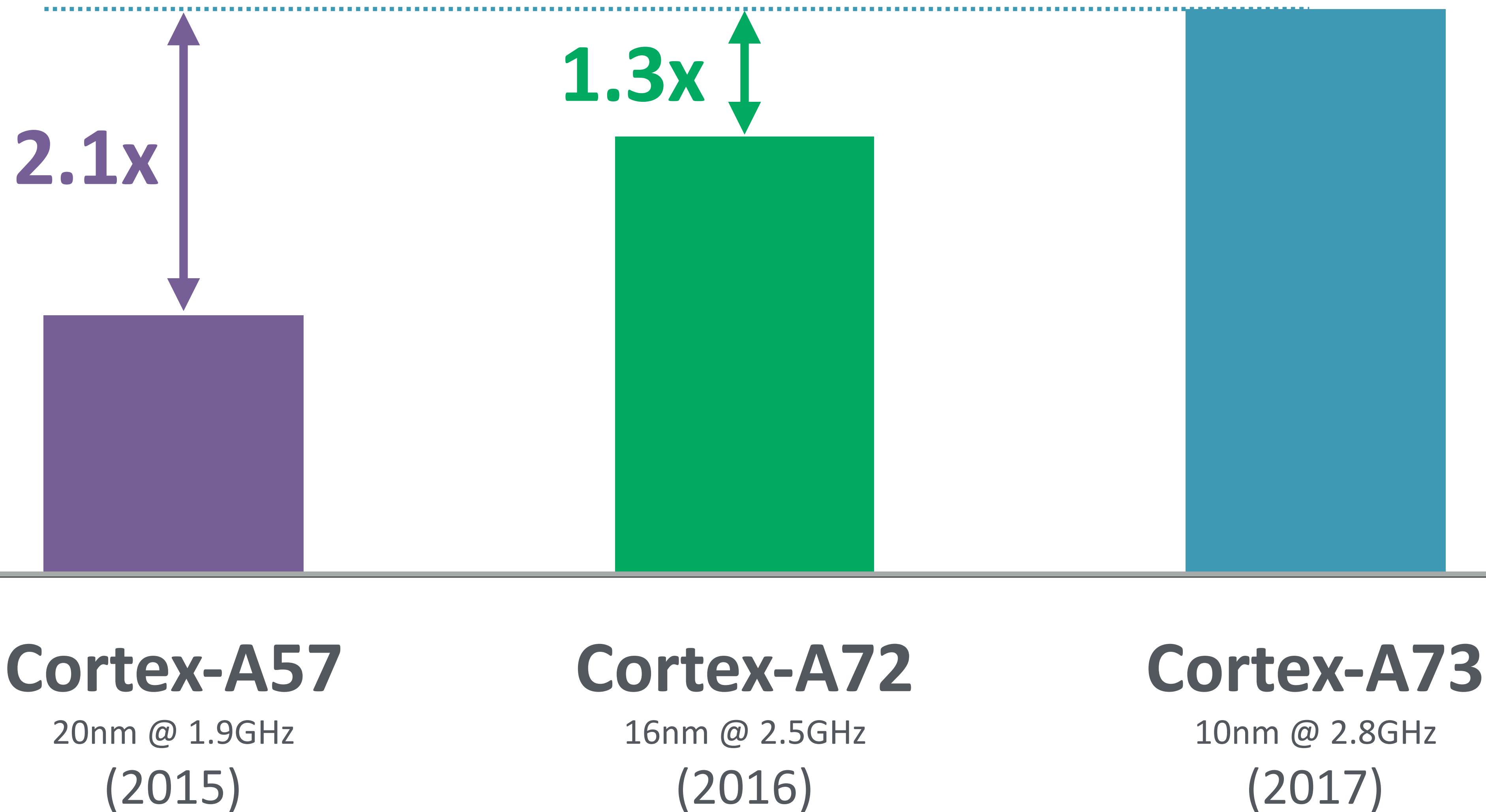
Smallest footprint in Premium

0.65mm²

per core area

The most efficient ARM premium CPU

Cortex-A73: Maximizes Performance

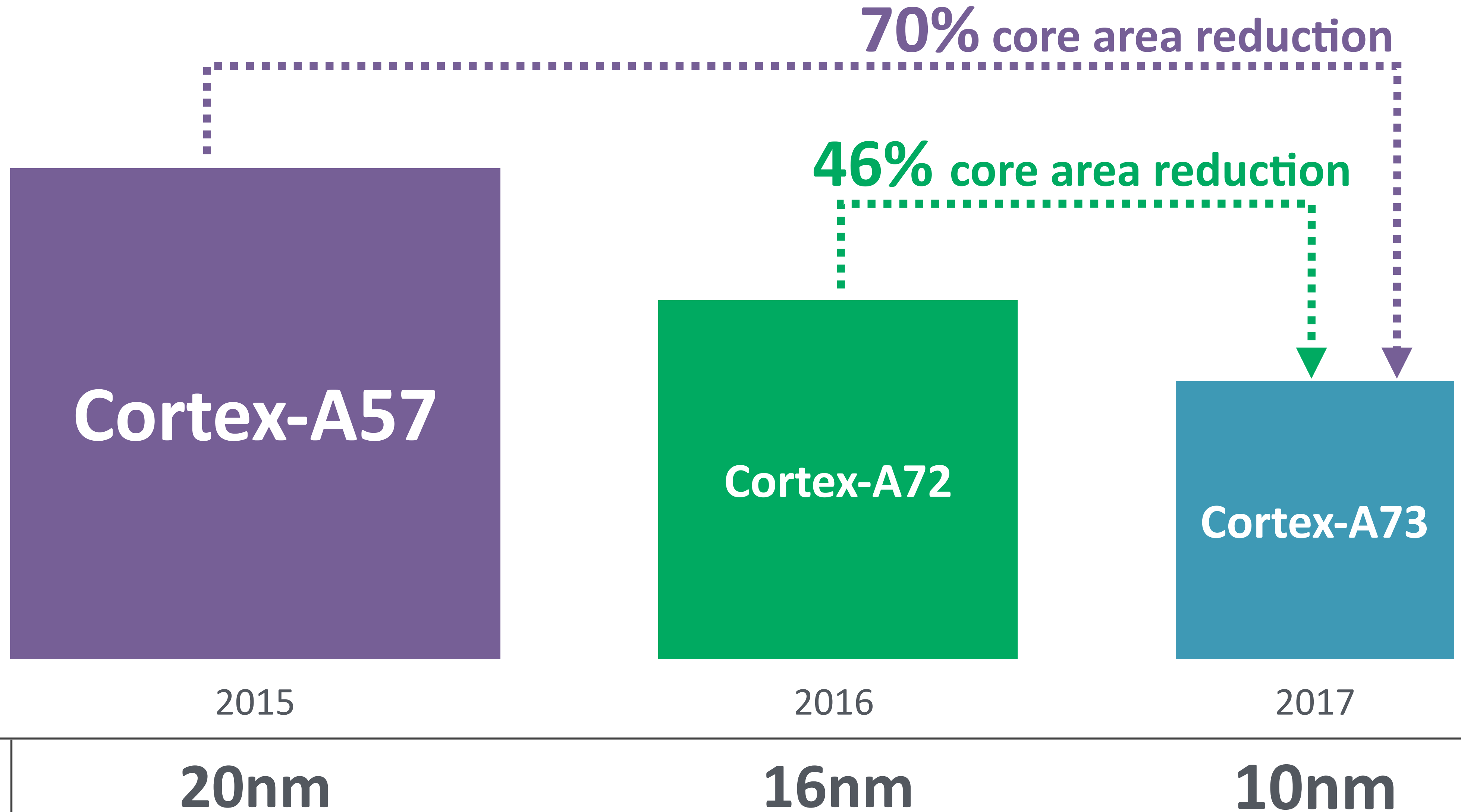


Galaxy S6, Nexus 6P

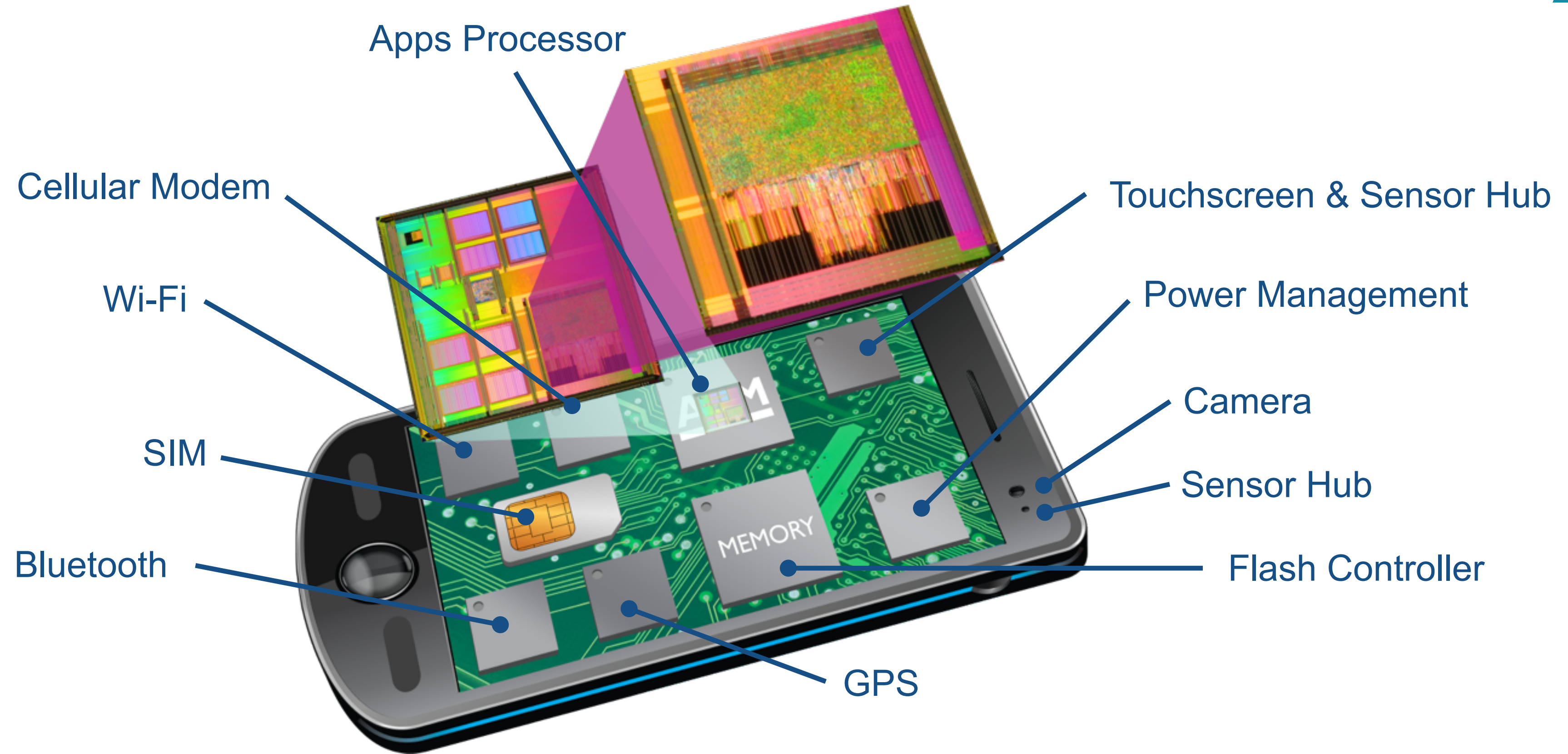
(Source) Created by SoftBank Group Corp. based on ARM Holdings' disclosure materials.

Sustained operation within 750mW per-core power budget. As measured on spec2k.

Cortex-A73: The Smallest ARM Premium CPU



1nm = 0.000001mm



Performance comparison with 2009

300x

GPU
performance

20x

Connectivity

24x

Screen resolution

100x

Compute
performance

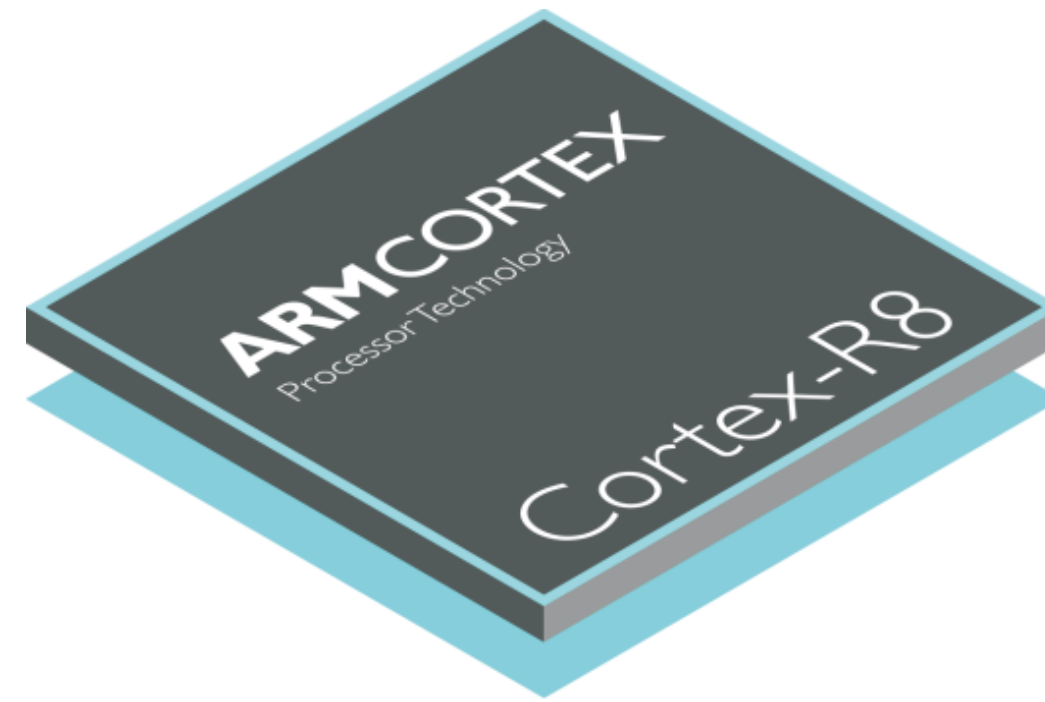
5x

Environmental
sensors

Cortex-R8



(Scheduled to be released in 2016)



Fast

The highest performing processor in its class

Unrivaled

Only real-time processor for 5G performance

Reliable

Advanced data integrity features

Scalable

Performance on demand from 1 to 4 coherent cores

Real Time

Low interrupt latency with immediate event response

Global No.1 CPU architecture in modem and storage

Key technology is the ARMv8-R Architecture

Vehicle systems

- Engine control
- Throttle control
- Transmission control
- Adaptive suspension
- Active steering
- Anti-lock braking
- Battery management
- Passenger airbags
- Tire pressure monitoring
- Immobilizer and alarms
- Telematics
- Communication gateway



Driver cockpit

- Instrument cluster
- Heads-up display
- Infotainment
- Drowsy driver detection
- Audio control
- Climate control

Advanced driver assistance

- Back up camera
- Blind spot detection
- 360 surround view
- Automatic parking
- Automatic braking
- Lane keeping
- Pedestrian and sign recognition

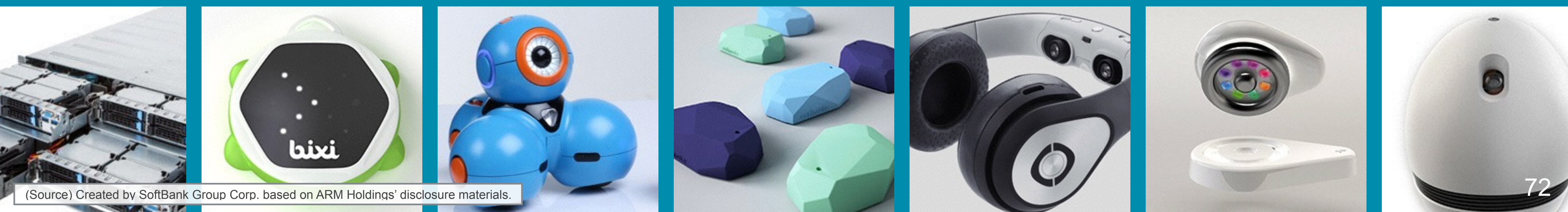
Convenience features

- Keyless entry and remote start
- Mirror control
- Power windows
- Seat comfort and adjustment
- Motorized trunks lift gates
- Interior lighting
- Rear seat entertainment
- Wipers





ARM Innovation Hub for IoT Era



The World's #1

Computing Ecosystem

CPU

Trust

Tools

GPU

Mobile

Embedded

Networking

Wearables

Innovation

Efficiency

Chip Shipment Forecast (Global)

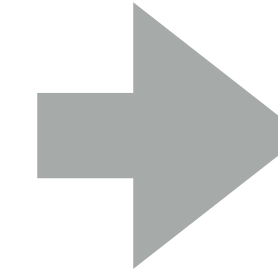


2015

2020 Forecast

Mobile Application Processors

\$18bn

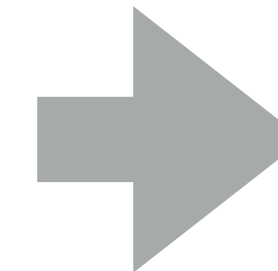


\$25bn

Includes smartphone, tablets and ARM addressable laptops

Network Infrastructure

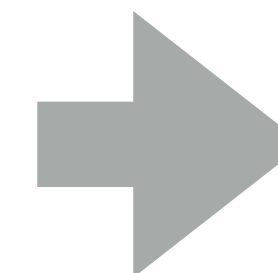
\$13bn



\$16bn

Servers

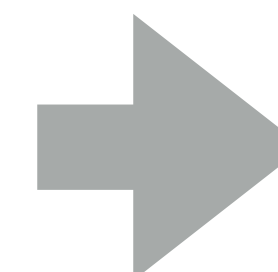
\$15bn



\$20bn

Embedded Intelligence

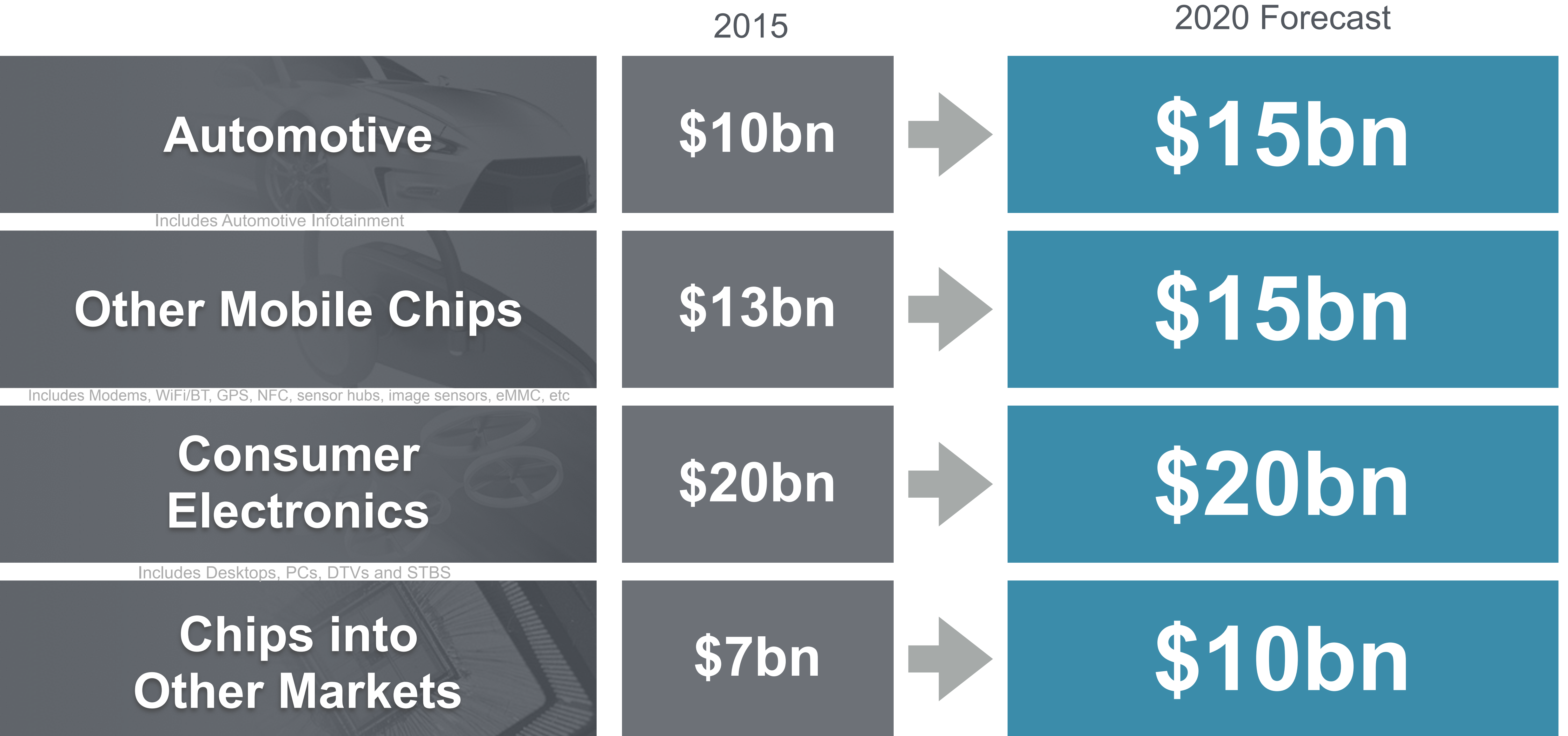
\$21bn



\$30bn

Includes microcontrollers, smartcards and non-mobile connectivity

Chip Shipment Forecast (Global)



Support and Accelerate Existing Strategy



+



Financial Policy

1 NO SoftBank equity financing used for ARM's transaction

2 NO change in Softbank dividend policy

3 Maintain flexibility with continued focus on net debt reduction

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

3. Trademarks and registered trademarks

The names of other companies, other logos, product names, service names, brands, etc., mentioned in this material are registered trademarks or trademarks of SoftBank Group Corp. or the applicable companies.

Unauthorized copying of this material and use of the information or the data in this material in whole or in part are not permitted.

- Apple, the Apple logo, iPhone and iPad are trademarks of Apple.
- The trademark “iPhone” is used with a license from Aiphone K.K.

Disclaimer

Overseas Jurisdictions

Not for release, publication or distribution (in whole or in part, directly or indirectly) in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.

Forward-looking statements

This presentation (including information incorporated by reference in this presentation), oral statements made regarding the transaction, and other information published by SoftBank and ARM contain statements which are, or may be deemed to be, “forward looking statements”. Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which the SoftBank Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward looking statements contained in this presentation relate to the SoftBank Group’s future prospects, developments and business strategies, the expected timing and scope of the transaction and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “is expected to”, “is subject to”, “budget”, “scheduled”, “forecasts”, “intends”, “may”, “will” or “should” or their negatives or other variations or comparable terminology. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors. Neither SoftBank nor ARM, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this presentation will actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

The forward looking statements speak only at the date of this presentation. SoftBank and ARM expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.