

February 8, 2017

Earnings Results for the 9-month Period Ended December 31, 2016

Masayoshi Son

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Performance and other information herein about selected past SoftBank investments is intended to illustrate SoftBank's experience making investments. The past investments presented herein were selected by SoftBank on the basis of subjective criteria, and different persons might reach different conclusions as to individual investments' relevance and about which investments to include in such selection.

Certain information herein refers to certain trends in the technology and related industries. There can be no assurance that such trends will continue. The investments included in this material are not, and do not purport to be, representative of all investments, or all types of investments, previously made by SoftBank. The performance of these selected investments is not indicative of future performance.

The investment performance information included herein is as of January 31, 2017. An update of the investment performance information herein, including to reflect any changes to the market value of any publicly traded securities, may produce different performance numbers. Nothing contained herein should be relied upon as a guarantee, promise, forecast or representation as to the future. Past performance is not necessarily indicative of future results.

General Notes on IRR Calculation

IRR calculations are estimated, unaudited and subject to adjustment. The IRRs set forth herein are based in part on current valuations of unrealized investments or the unrealized portion of any partially realized investments and such valuations have not been audited on an individual basis. There can be no assurance that such investments will ultimately be realized at their current valuations.

All IRR figures shown for SoftBank investments are gross IRRs based on cash flows denominated in Japanese Yen. The IRR calculations treat each investment as having been made on the last day of the SoftBank fiscal year in which the investment was made and treat any proceeds related to a realization event as having been received on the last day of the SoftBank fiscal year in which the applicable realization event occurred. Such gross IRR figures reflect actual or estimated investment-level performance (aggregated where relevant), and exclude costs such as transaction expenses and other expenses which may be incurred in a fund context. Past performance is not necessarily indicative of future results.

Unrealized Investments

The IRRs set forth in this material are based in part on current valuations of unrealized investments or the unrealized portion of any partially realized investments and such valuations have not been audited on an individual basis. There can be no assurance that such investments will ultimately be realized at their current valuations.

Composite Performance

Aggregate, composite and cumulative investment performance data herein represents aggregate data of multiple SoftBank investments. However, SoftBank investments were made during different economic cycles and any such performance reflects neither a specific SoftBank investment nor a group of investments managed as a single portfolio. It should not be assumed that any person has received the investment performance indicated by such aggregate, composite or cumulative performance data.

Subsequent Events (Post-January 31, 2017 Realizations)

An update of the investment performance information herein, including to reflect any changes to the market value of any publicly traded securities, may produce different performance numbers and, in some cases, different selections of investments.

The background of the slide is a dark blue color with a complex network of light blue lines and dots, resembling a digital or social network. The dots are small circles, and the lines are thin, connecting the dots in a web-like pattern.

== SoftBank

Business Domain = Information Revolution

Driving the Information Revolution Since Establishment



PC (Distribution)



PC Internet



Mobile Internet



IoT
(Internet of Things)

 **SoftBank**

Accelerate Information Revolution

Consolidated Results

Consolidated Results

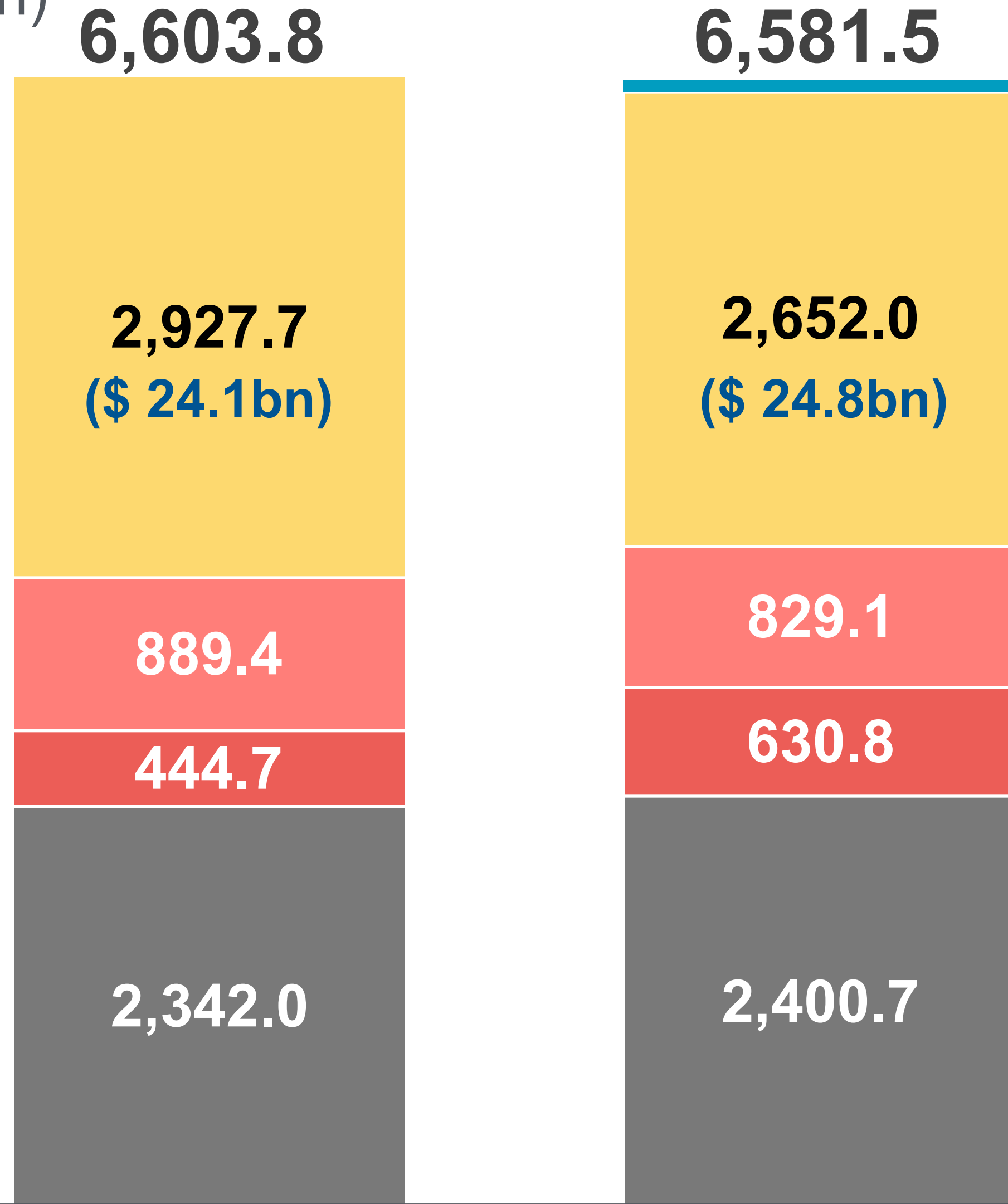
(JPY bn)

	FY2015 Q1-3	FY2016 Q1-3	Change	Ratio
Net sales	6,603.8	6,581.5	-22.3	-0.3%
Adjusted EBITDA	1,822.4	1,994.1	+171.7	+9%
EBIT	804.7	949.7	+145.0	+18%
Net income	429.0	857.4	+428.4	+100%

Net Sales

Down 0.3%

(JPY bn)



ARM

Earnings reflected since Sept. 6, 2016

Sprint

Impact of strong yen (-JPY 360.6bn)

Increase in dollar terms

Distribution & others

Yahoo Japan

Consolidation of ASKUL

Domestic Telco

Increase in telecom service revenue product & other sales

FY2015
Q1-3

FY2016
Q1-3

(Exchange rate)
 FY2015Q1: JPY121.34 / USD
 Q2: JPY121.91 / USD
 Q3: JPY121.07 / USD
 FY2016Q1: JPY109.07 / USD
 Q2: JPY102.91 / USD
 Q3: JPY108.72 / USD

Adjusted EBITDA

(JPY bn)

1,994.1

Up 9%

2003 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 (FY)
Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3

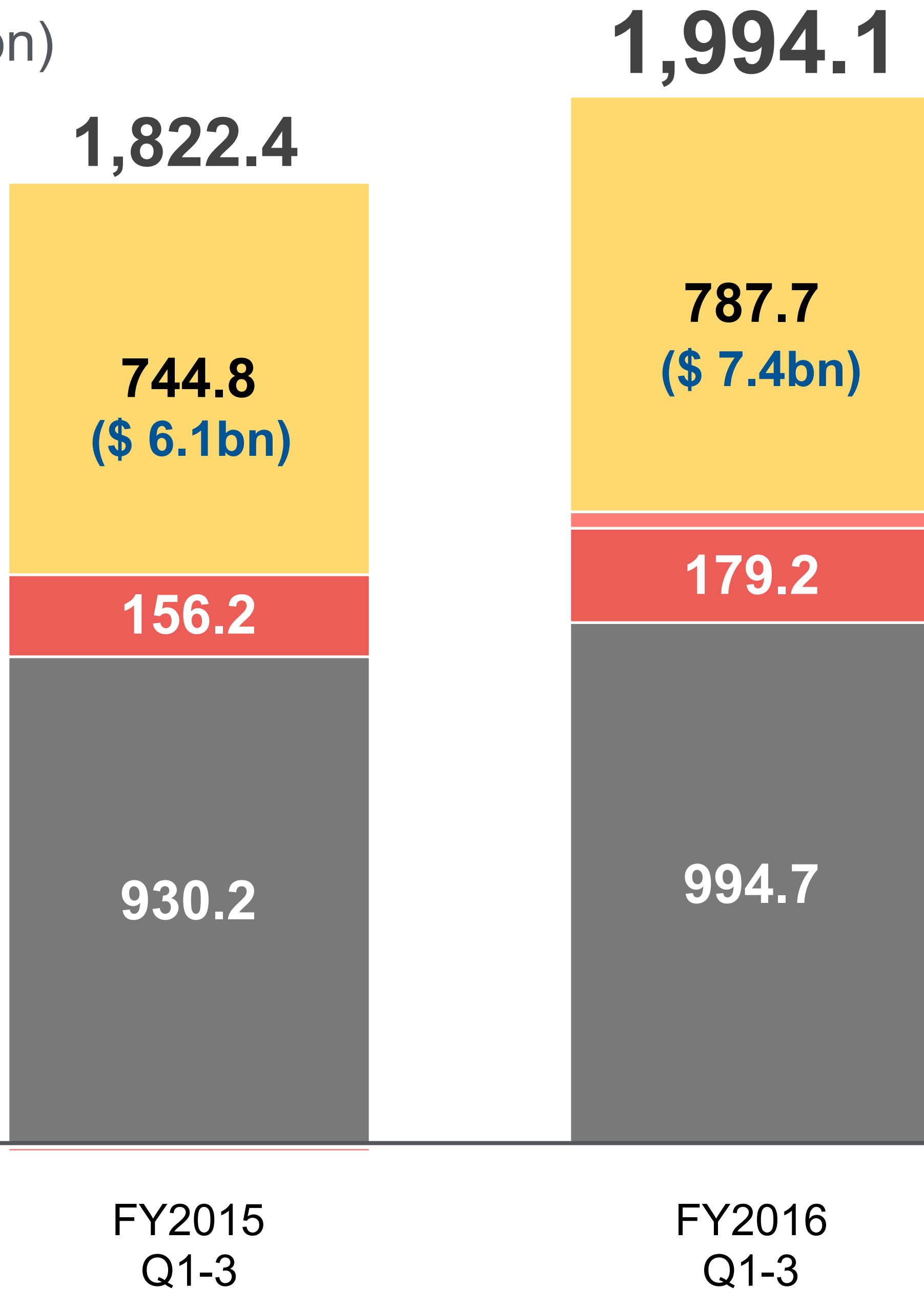
Japanese-GAAP

IFRSs

*FY2013-2014: excluding impact of GungHo & Supercell

Adjusted EBITDA

(JPY bn)



Sprint

Cost reduction effort

Impact of strong yen (-JPY 106.6bn)

Up 20% in dollar terms

Distribution, ARM & other

Yahoo Japan

Domestic Telco

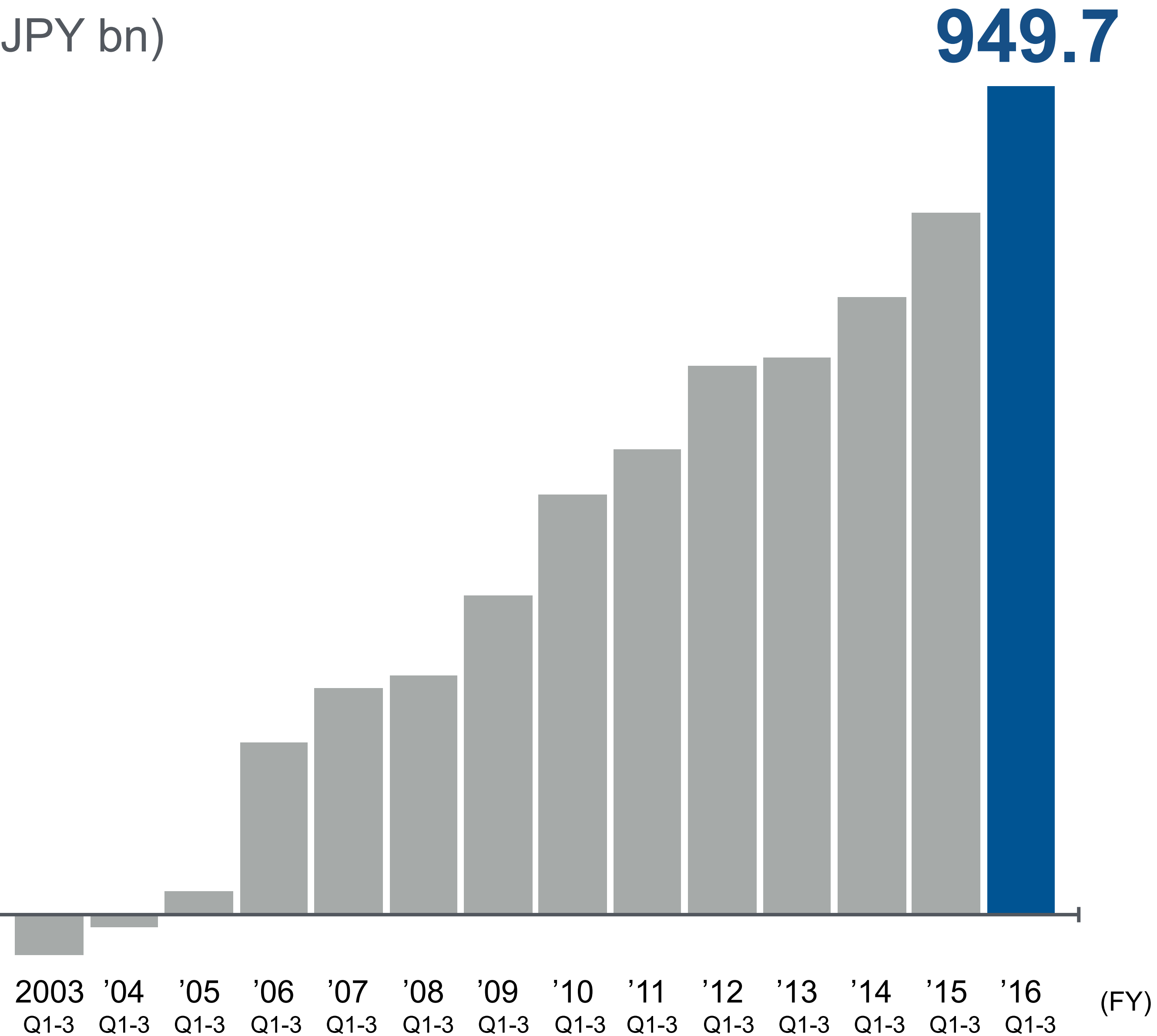
Revenue increase
& cost reduction effort

Up 9%

(Exchange rate)
 FY2015Q1: JPY121.34 / USD
 Q2: JPY121.91 / USD
 Q3: JPY121.07 / USD
 FY2016Q1: JPY109.07 / USD
 Q2: JPY102.91 / USD
 Q3: JPY108.72 / USD

EBIT

(JPY bn)



Up 18%

2003 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 (FY)
Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3 Q1-3

Japanese-GAAP

IFRSs

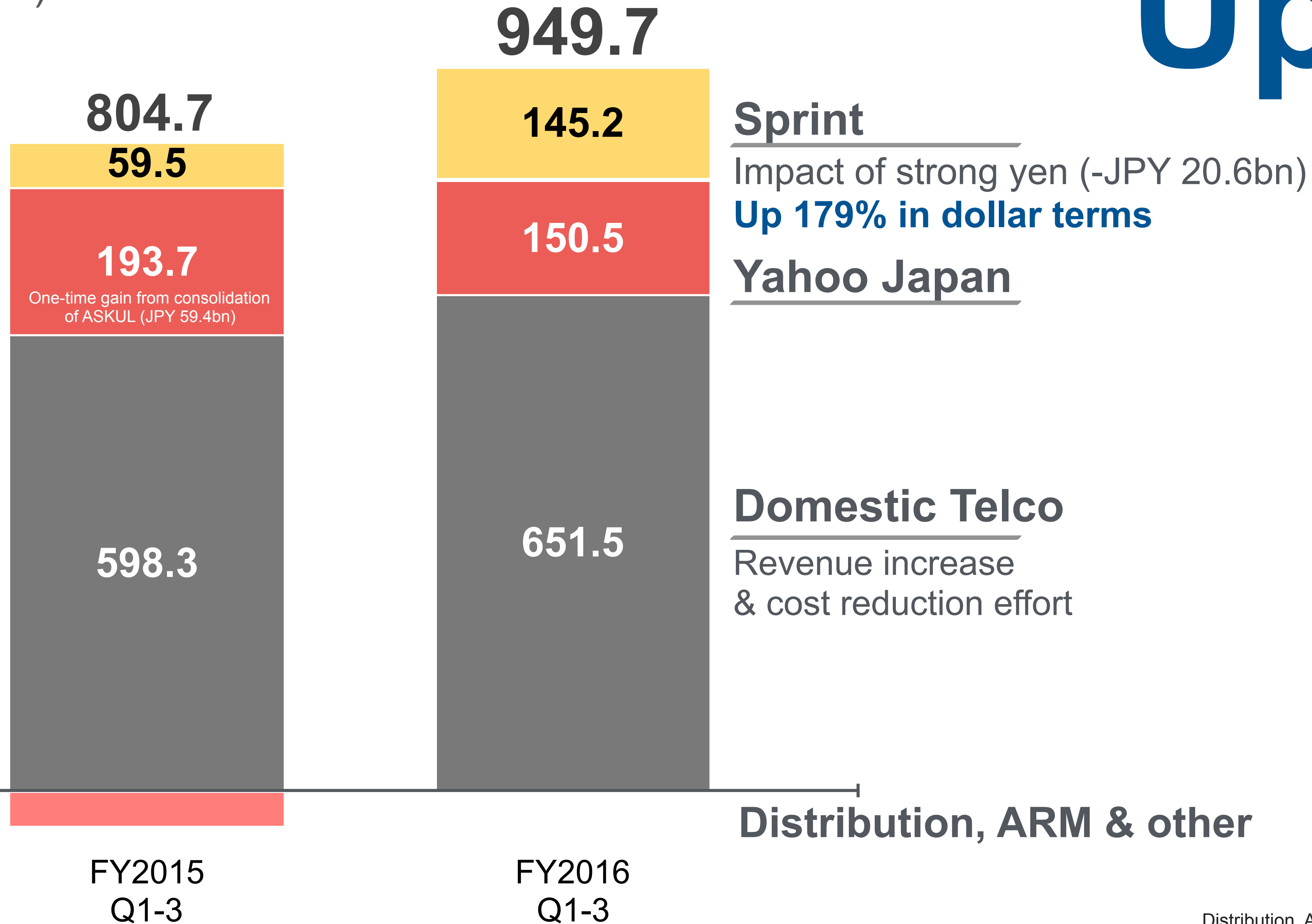
*FY2013-2014: excluding impact of GungHo & Supercell

*FY2013: excluding one-time gain from consolidation of WILLCOM

EBIT

(JPY bn)

Up 18%



(Exchange rate)
FY2015Q1: JPY121.34 / USD
Q2: JPY121.91 / USD
Q3: JPY121.07 / USD
FY2016Q1: JPY109.07 / USD
Q2: JPY102.91 / USD
Q3: JPY108.72 / USD

Net Debt EBITDA Multiple (Consolidated)

6.2x (after Vodafone K.K. acquisition)



Target leverage
3.5x

2006 June '07 Mar. '08 Mar. '09 Mar. '10 Mar. '11 Mar. '12 Mar. '13 Mar. '14 Mar. '15 Mar. '16 Mar. '16 Dec.

*1 Adjusted EBITDA for FY2014 has been revised retrospectively due to GungHo becoming an equity method associate.

*2 Up to FY2011: JGAAP, including finance leases and preferred securities

*3 ARM's annualized adjusted EBITDA.

*4 Revenues related to sales of Supercell are reflected.

*5 50% of the funds procured through Hybrid Bonds are categorized as equity.

(Note) Financial liabilities relating to sale of shares by variable prepaid forward contract are excluded from interest-bearing debt in the calculation.

Status of Major Segments

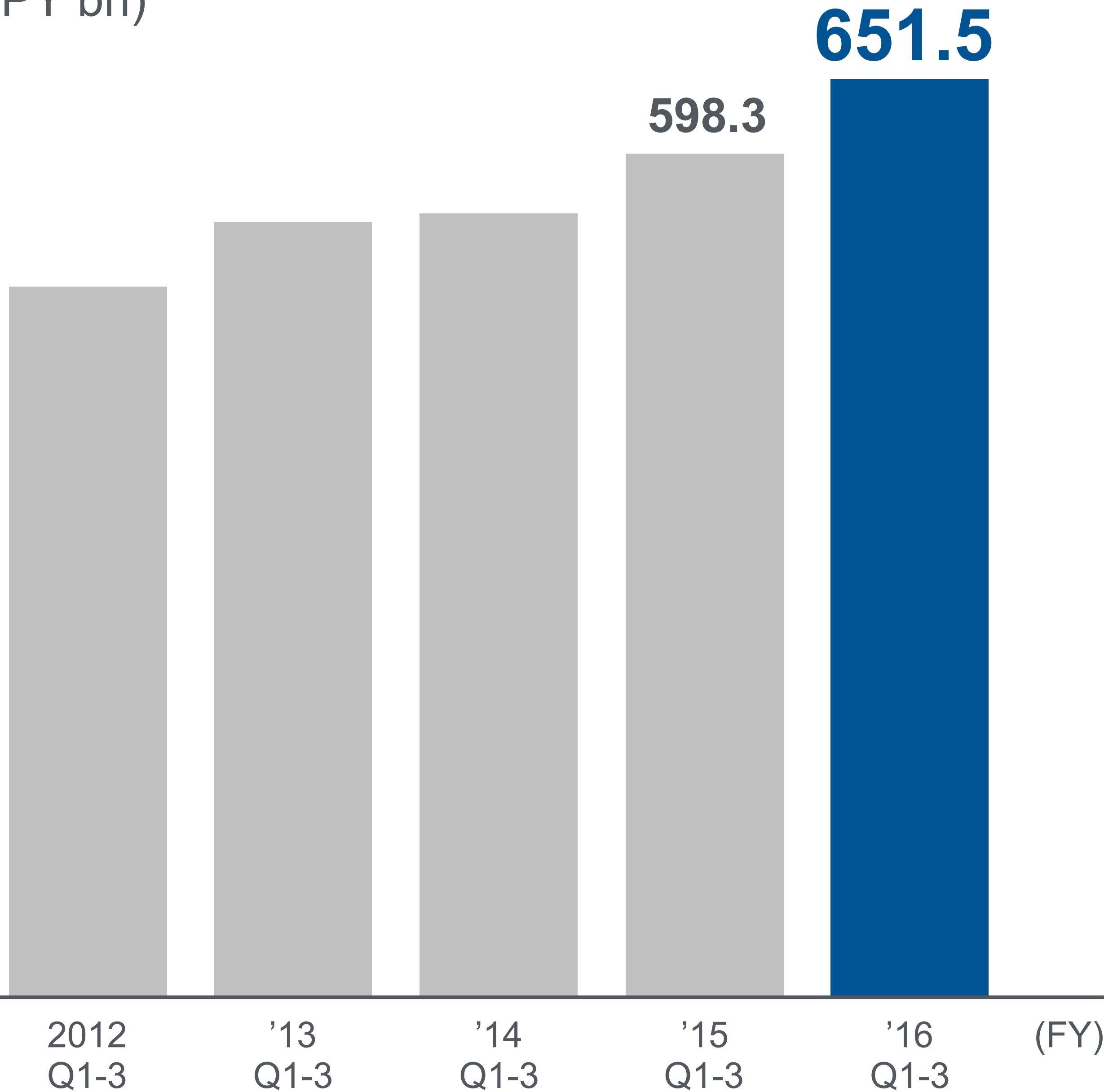


SoftBank

Domestic Telecommunications

EBIT

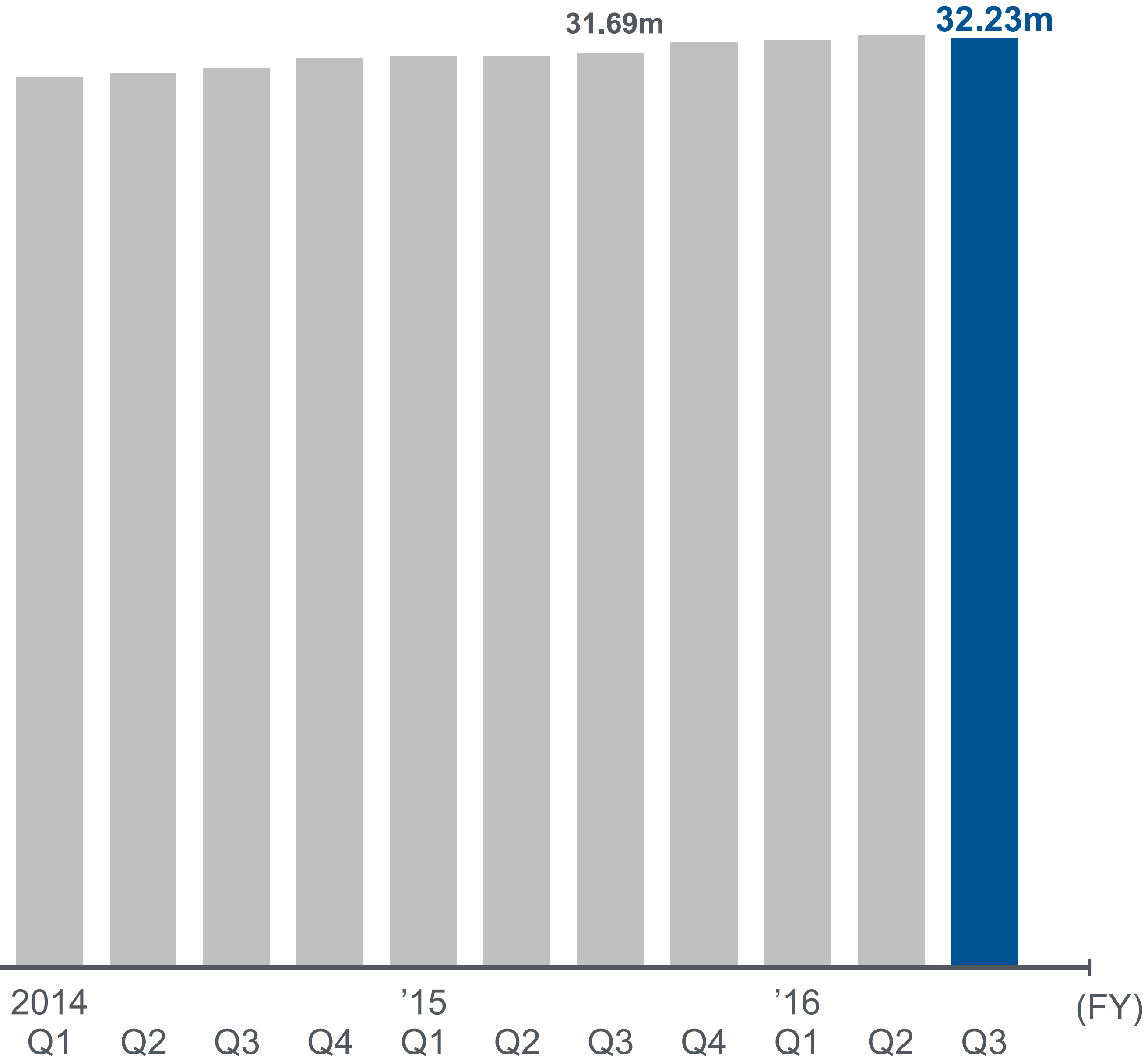
(JPY bn)



Up 9%

*FY2012-2016: IFRSs
After FY2014: Domestic Telecommunications segment
Up to FY2013: Mobile Communications segment + Fixed-line segment +
Broadband Infrastructure segment

Cumulative Subscribers (Main Subscribers)



+540k YoY

Handsets steady, decrease
in *Pocket Wi-Fi*, etc.

YAHOO! ショッピング
JAPAN



481k merchants



250m items

LOHACO

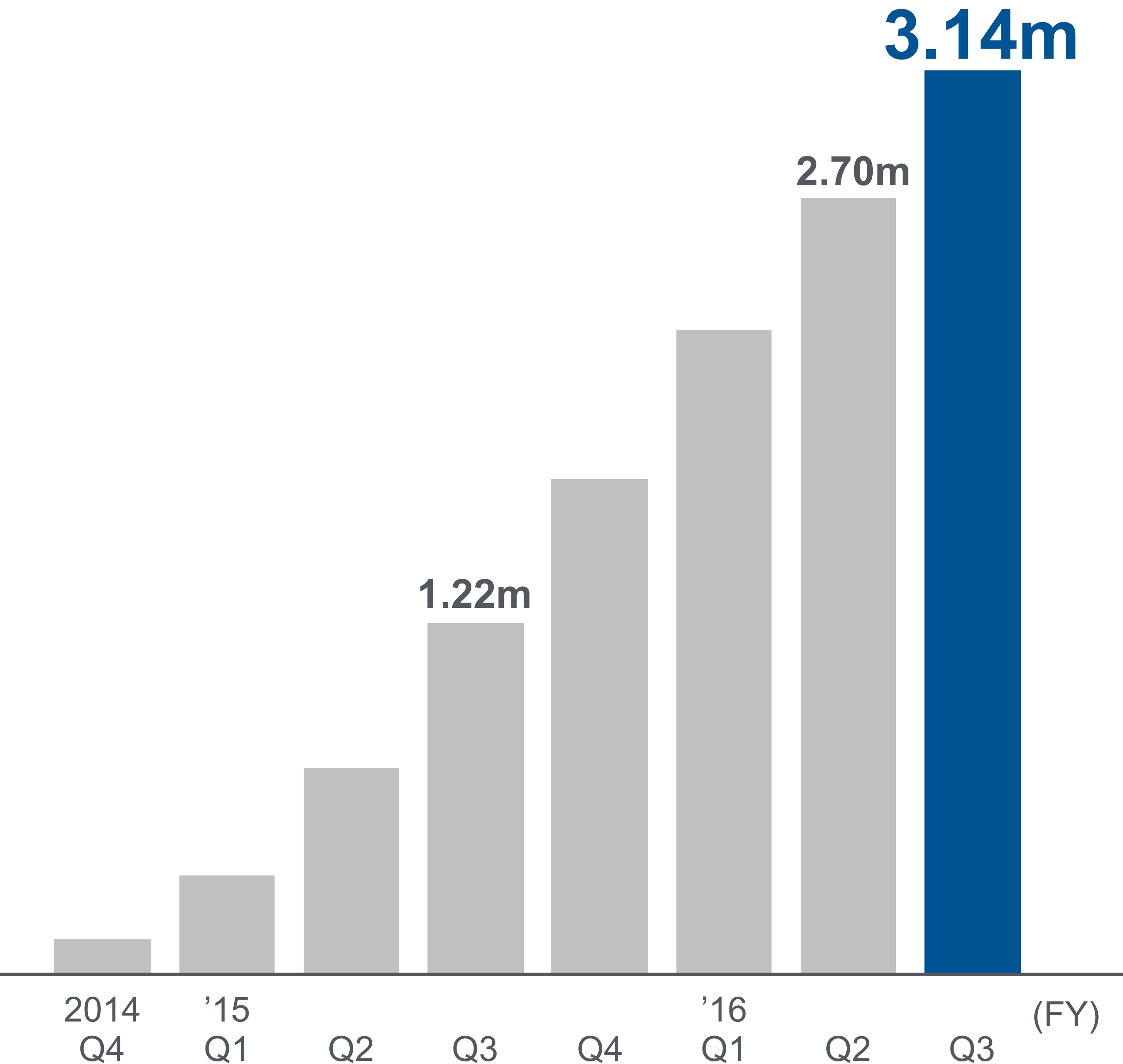


**SoftBank smartphone users get
10x points everyday**

*Period: from Feb. 1 - May 31, 2017. Points can be used for *Yahoo! JAPAN* services during the specified period.

*Requires smart log-in setting. *Number of merchants and items as of December 2016.

Cumulative Subs (FTTH Service)

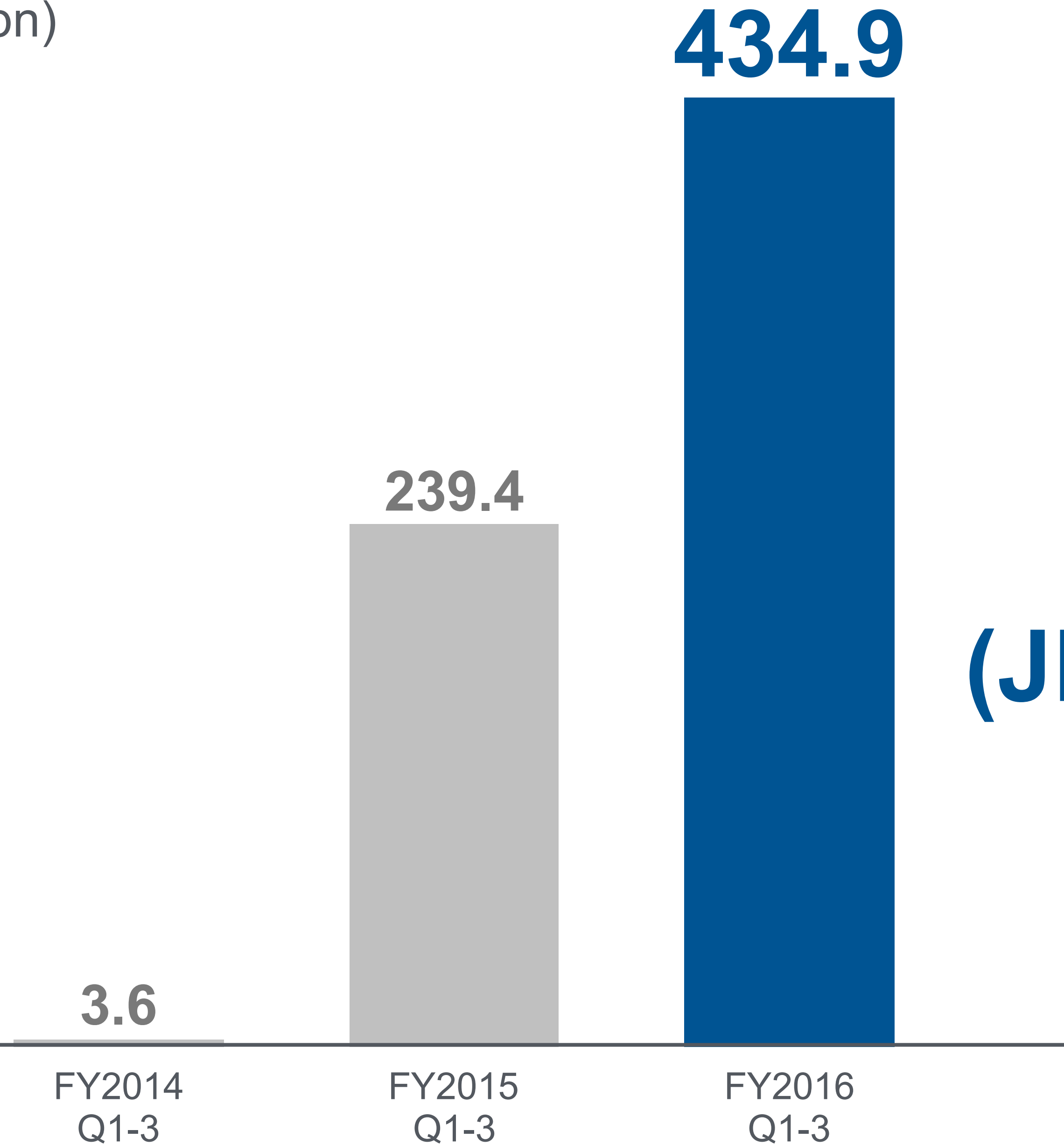


2.6x YoY

SoftBank 光

Free Cash Flow

(JPY bn)



**FY2016 forecast:
upward revision
(JPY 500bn => JPY 550bn)**



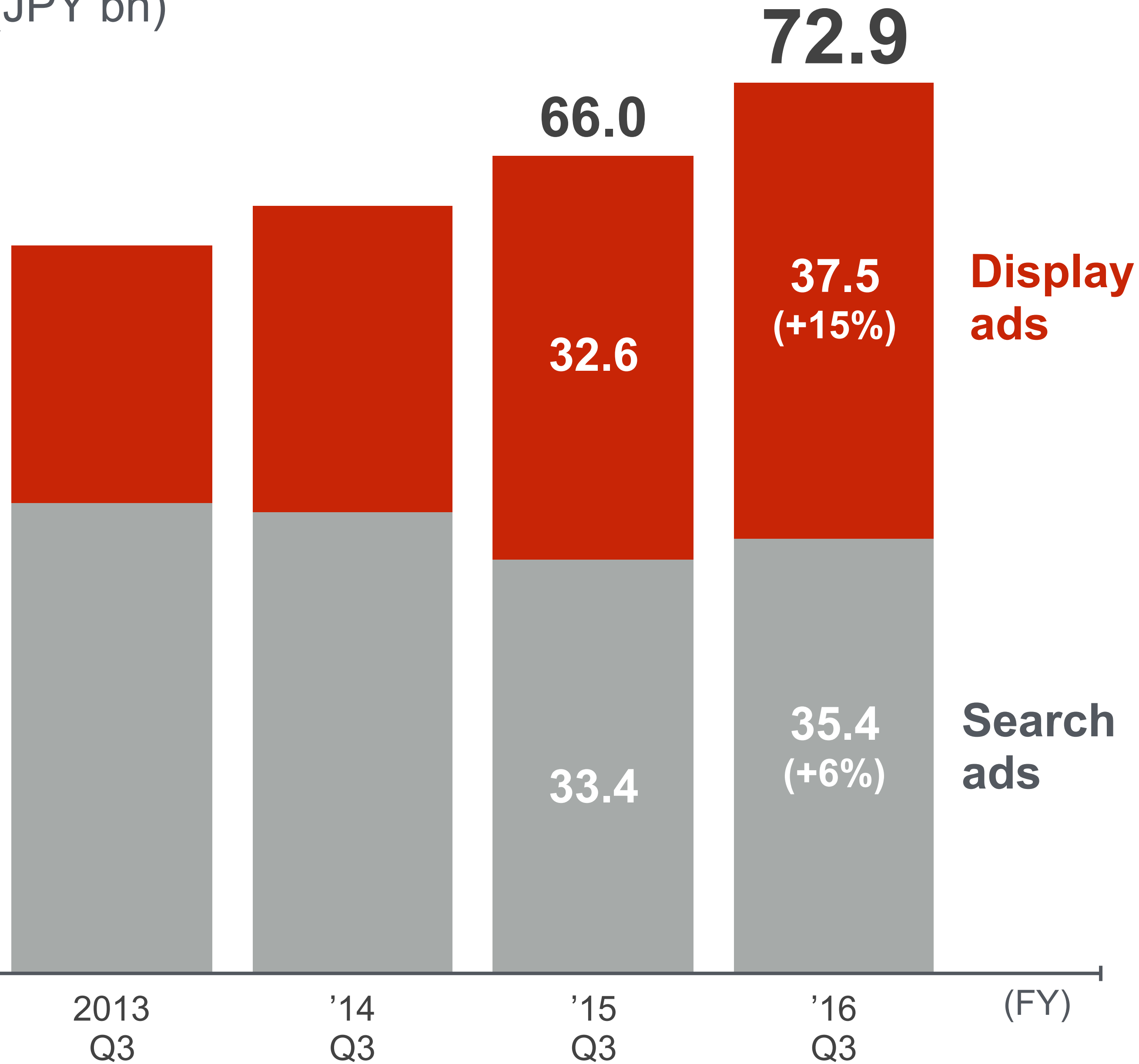
- 1 **Continue profit growth**
(toward 12 consecutive periods)
- 2 **FCF revised upward to JPY 550bn**
(+50bn)
- 3 **Focus on smartphones & FTTH**
- 4 **Expand business areas and synergies with Yahoo Japan**

YAHOO!
JAPAN

Advertising Revenue

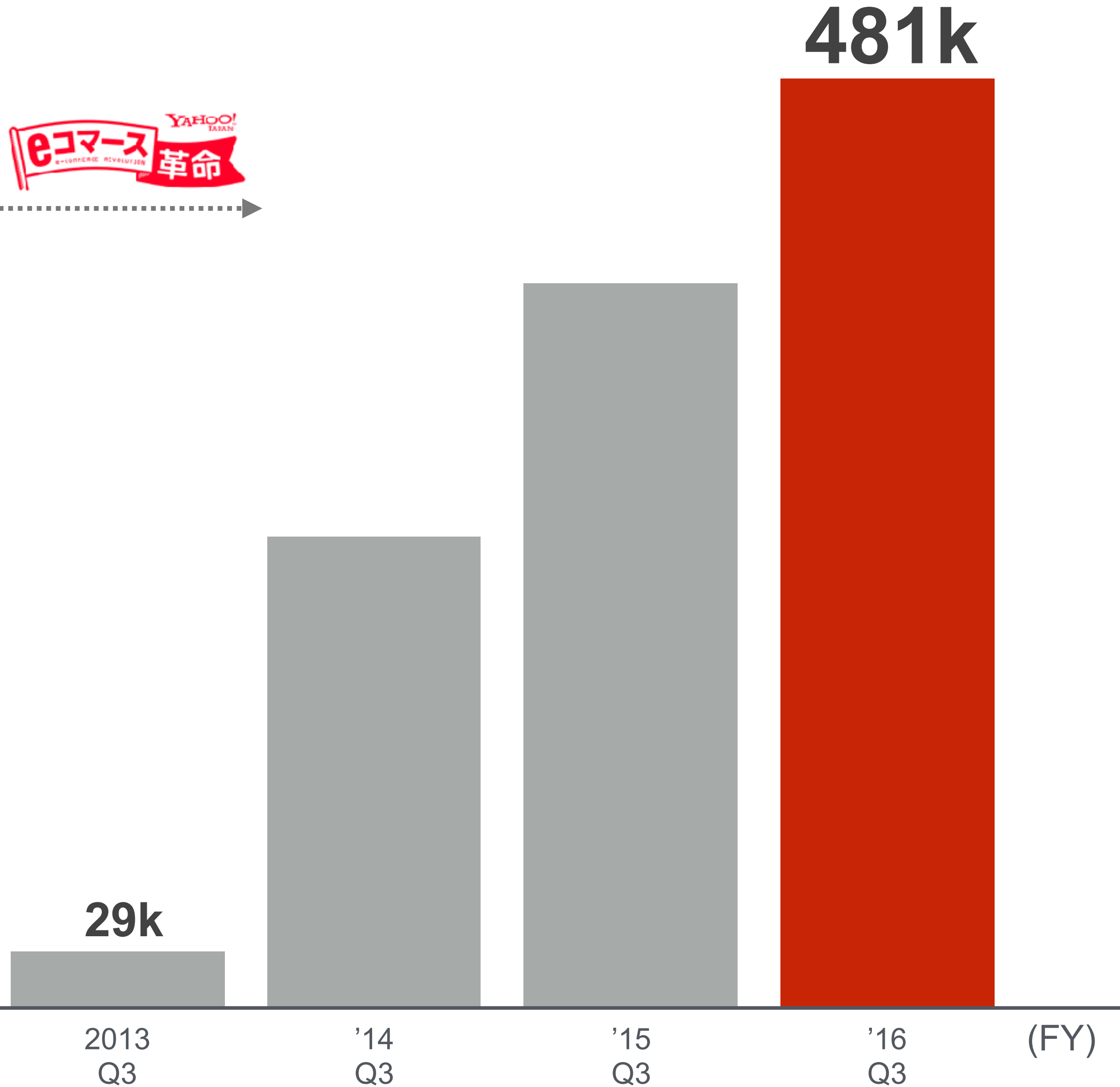


(JPY bn)



+10% YoY

Yahoo! Shopping Number of Merchants



16x
in 3 years
10x compared to competitors

Shopping Transaction Value

(JPY bn)



140.7

68.9

2013
Q3

'14
Q3

'15
Q3

'16
Q3

(FY)

Doubled in 3 years

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

Sprint

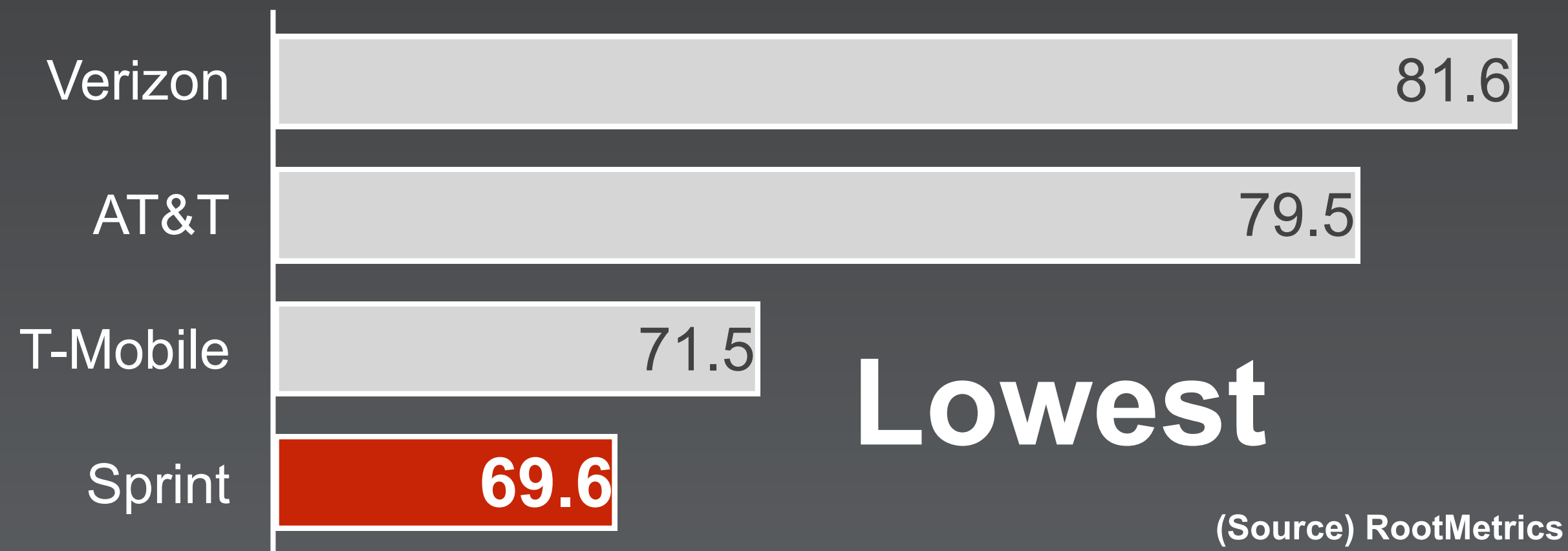


Acquisition of Sprint in 2013

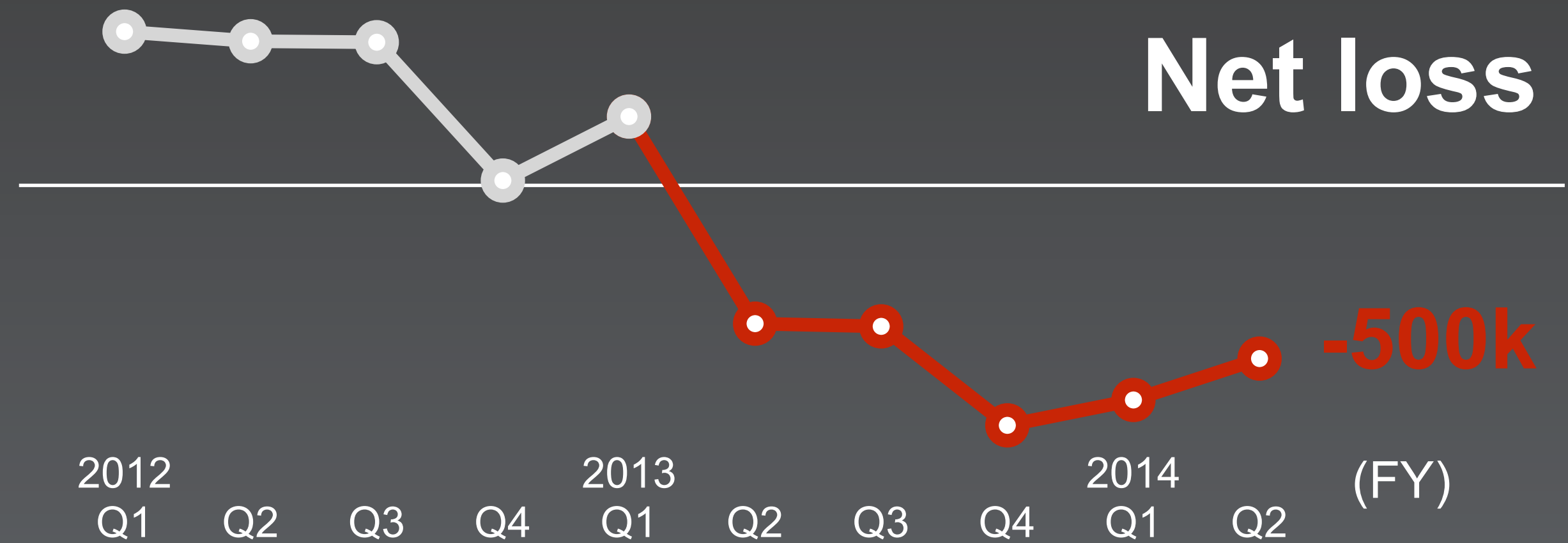
Terrible Track Record



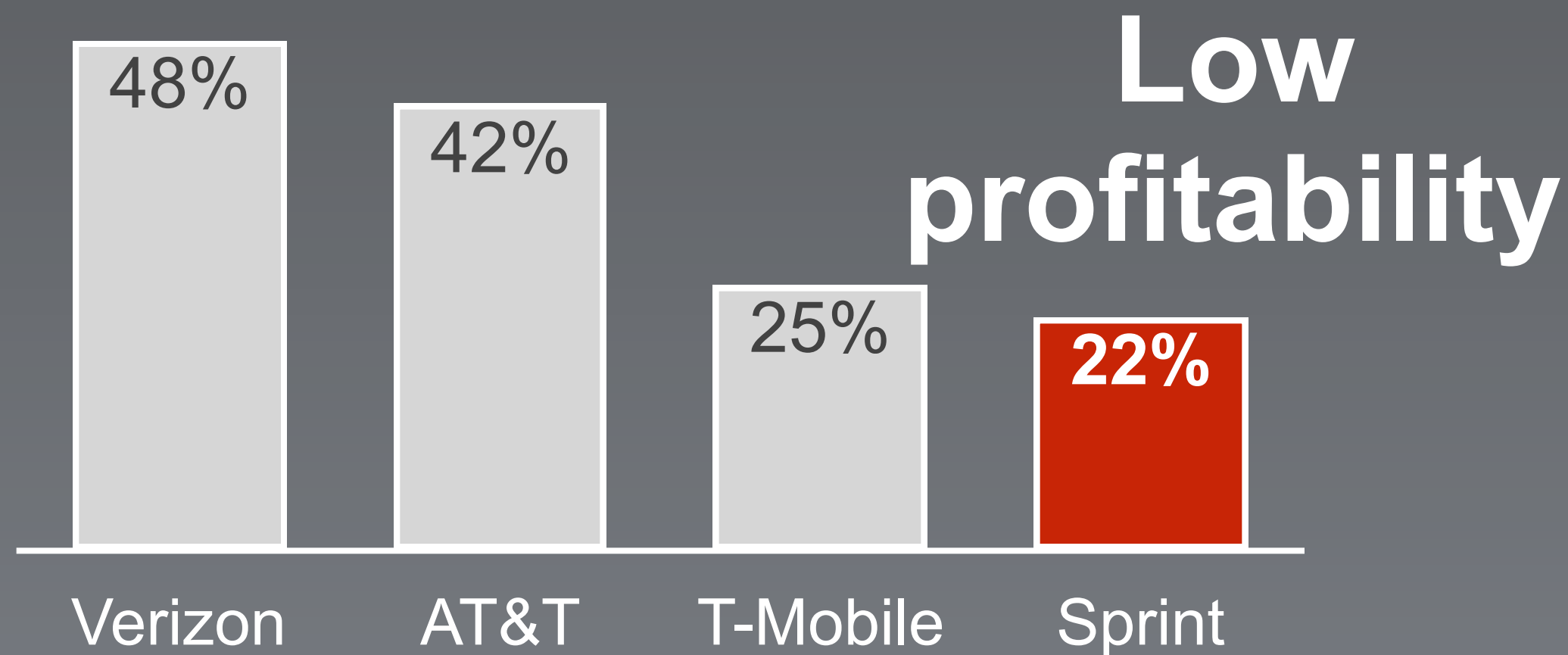
Network (2014H1)



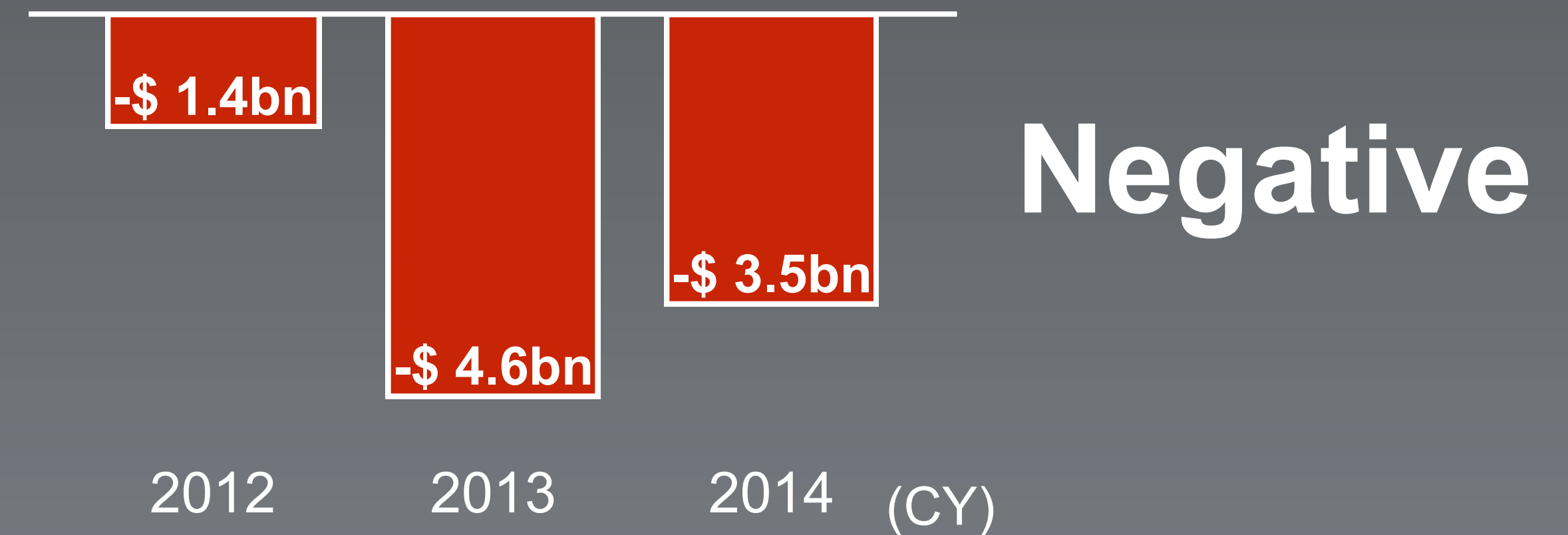
Net Adds (Postpaid phone)



Wireless EBITDA Margin (2014)



Adjusted FCF



4 Turnaround Strategies

Network Improvement

Net Adds Improvement

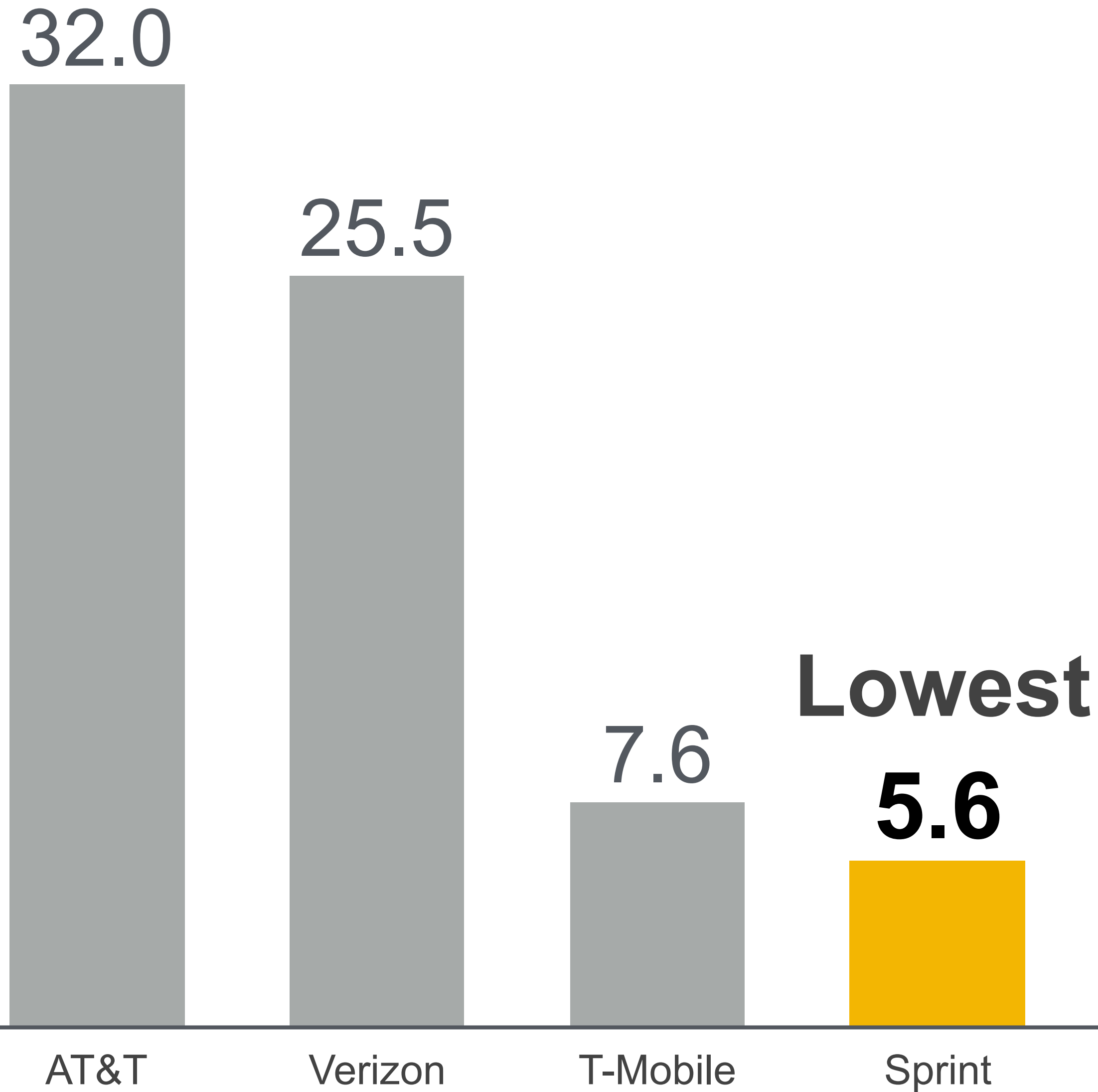
OPEX Reduction

Diverse
Financing Methods

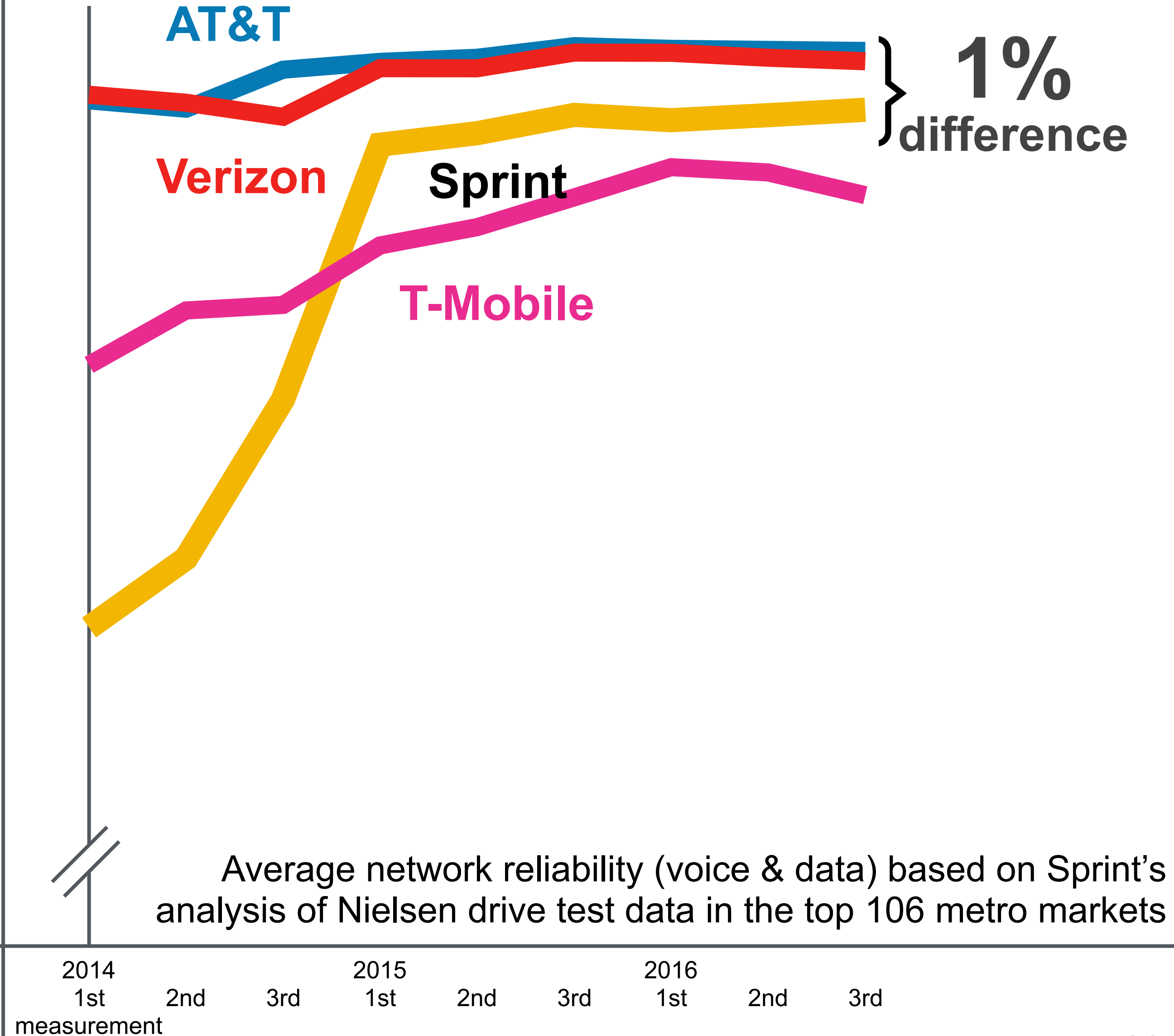
Consolidated CAPEX

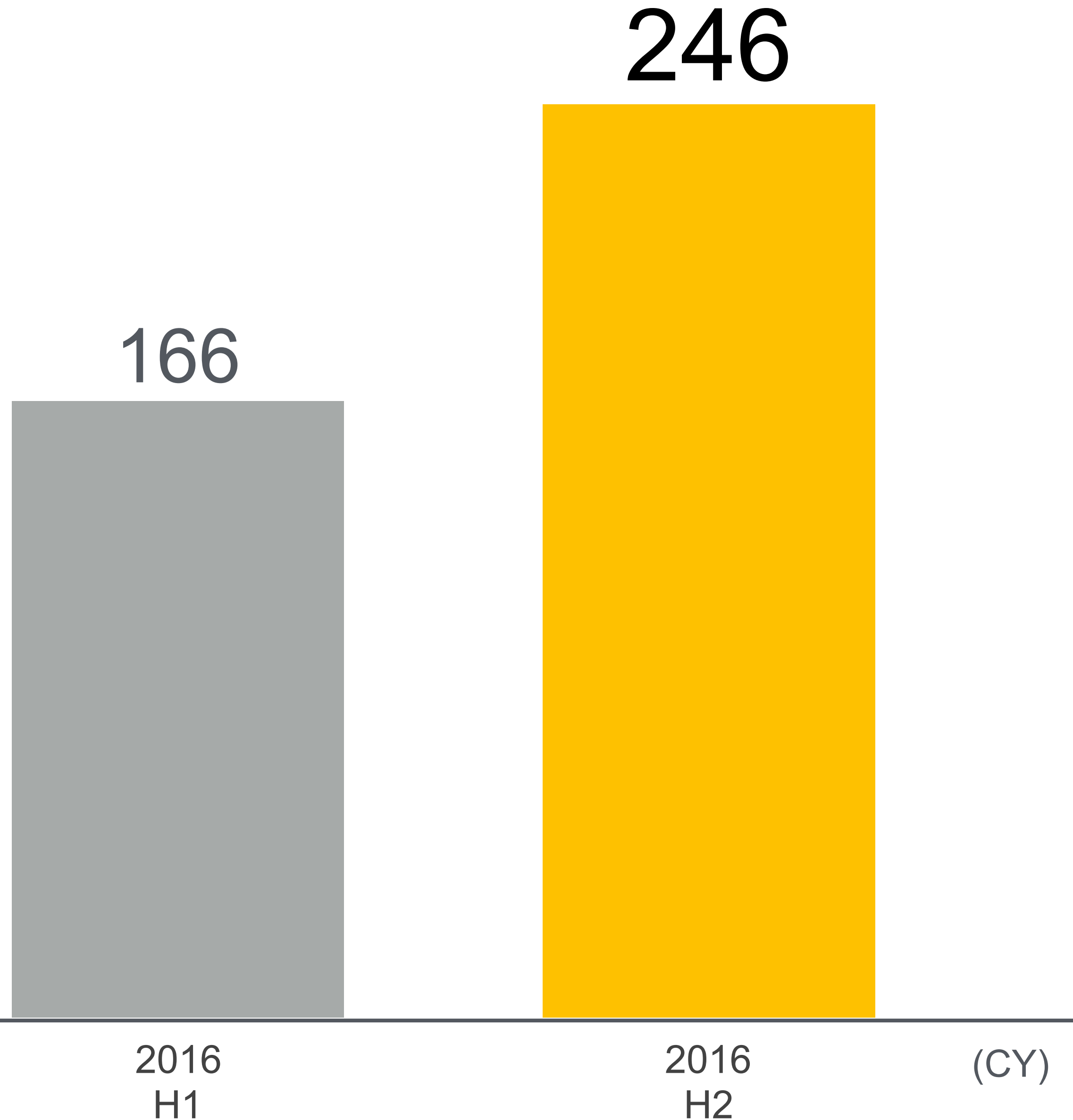
(April 2015 - September 2016)

(USD bn)



Network Reliability





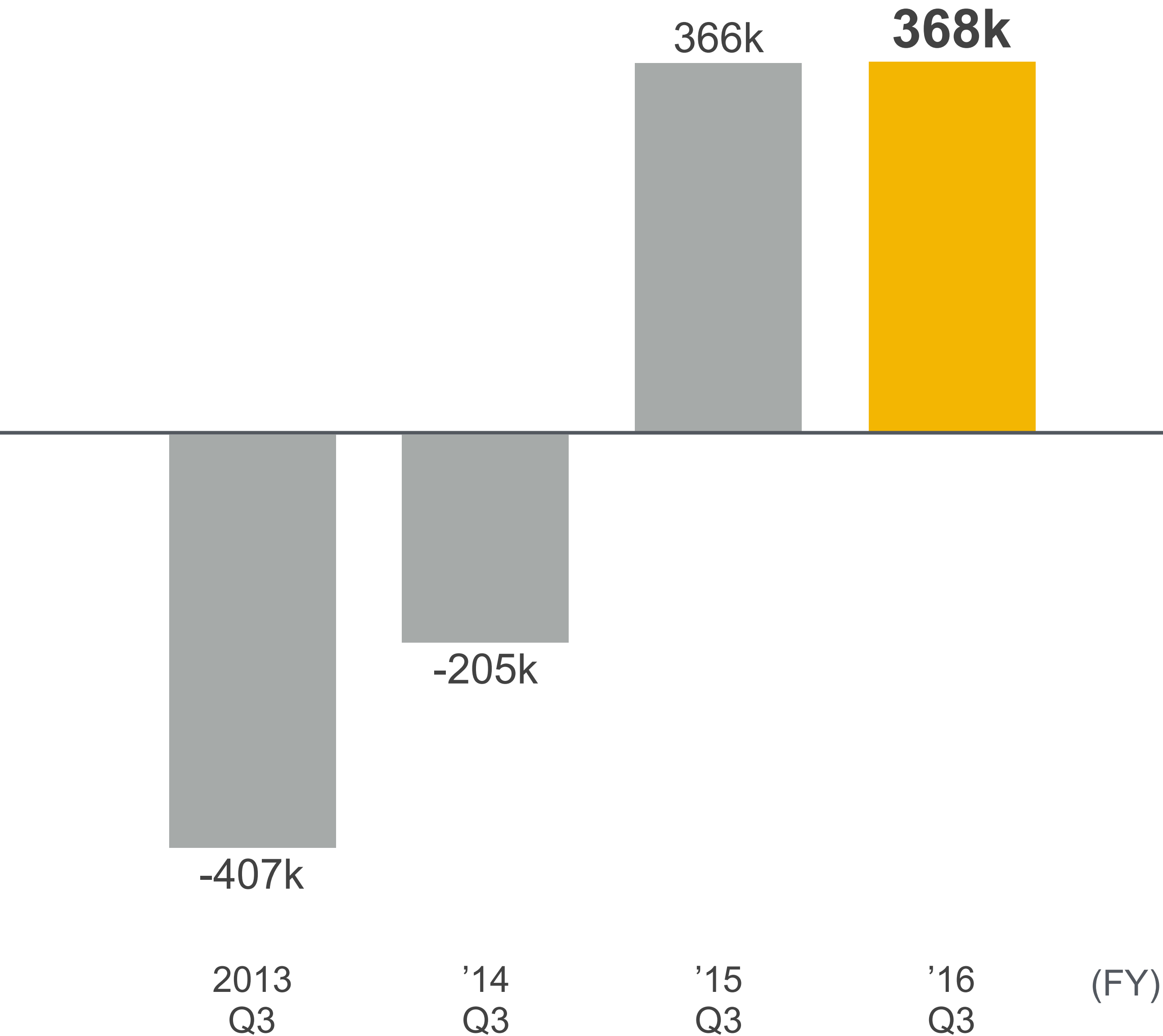
Most ever

RootScore Awards

Number of outright or shared first-place for 6 indexes of network performance measured in metro markets.

(Ref.) 6 indexes: overall, reliability, speed, data, call, text

Net Additions (Postpaid Phone)

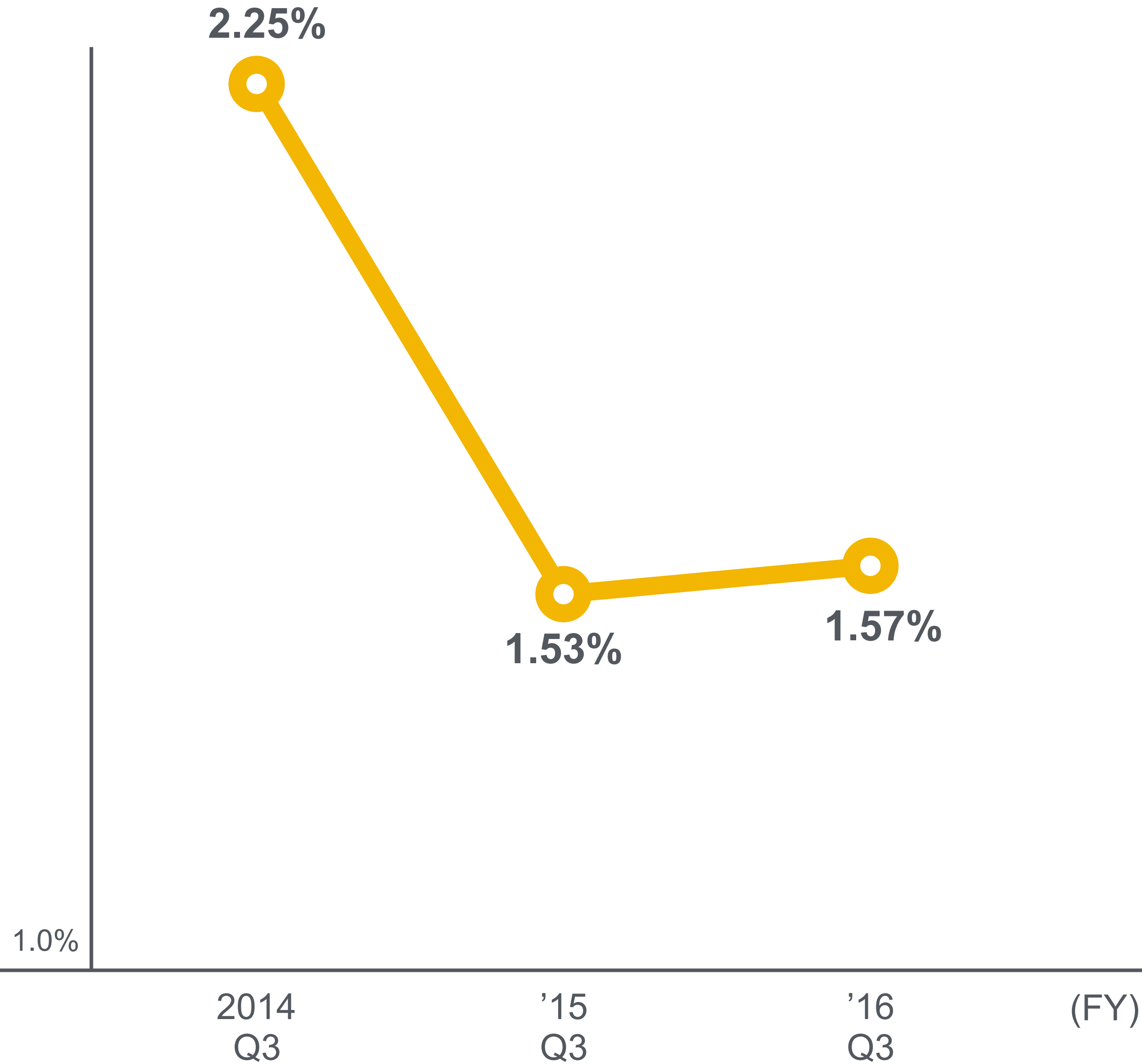


Steady

Postpaid net port positive for 3 consecutive quarters

*Q3: October - December
*Sprint platform

Churn (Postpaid Phone)

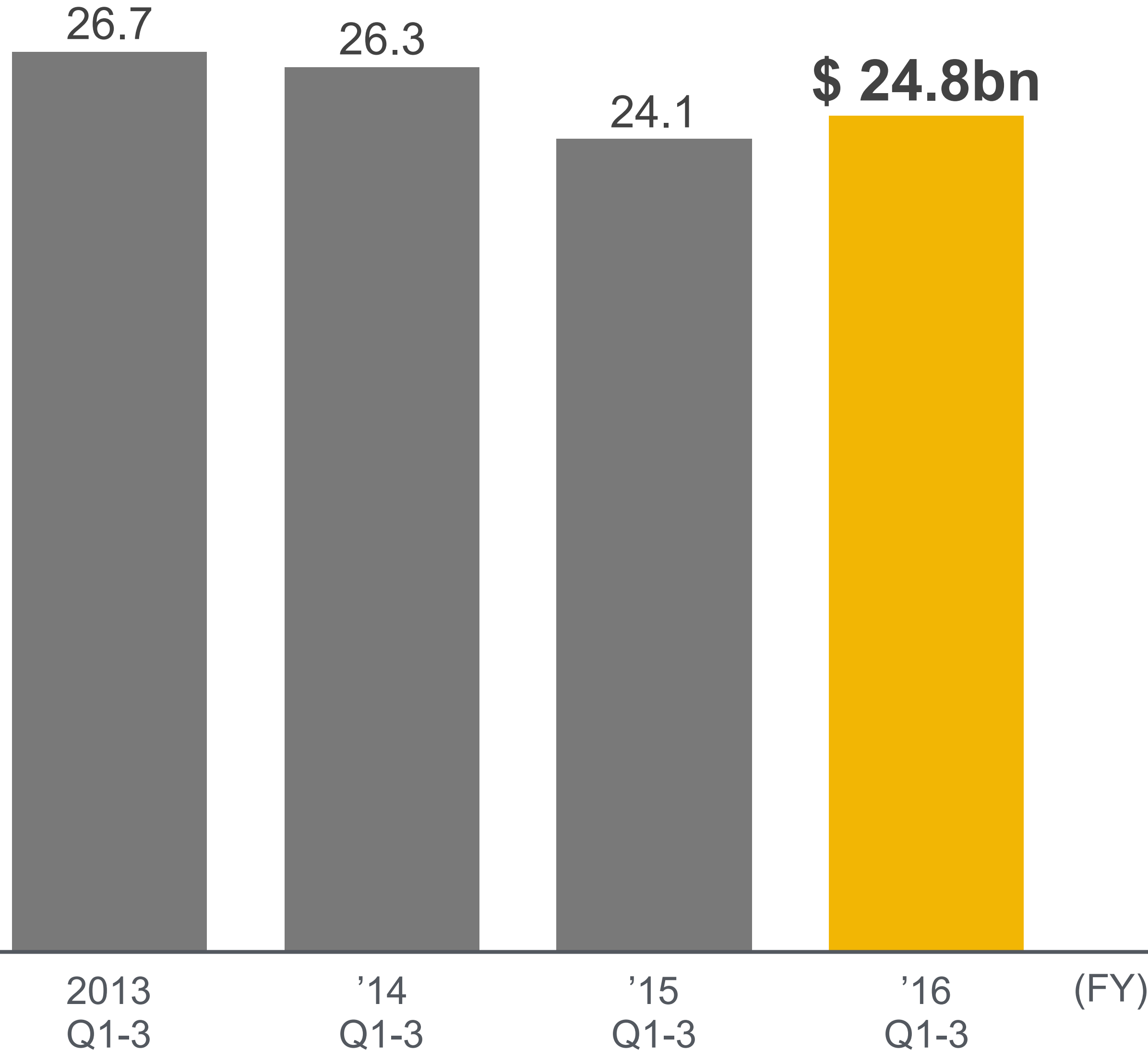


Maintain low level

*Q3: October - December
*Sprint platform

Net Operating Revenue

USGAAP (USD bn)



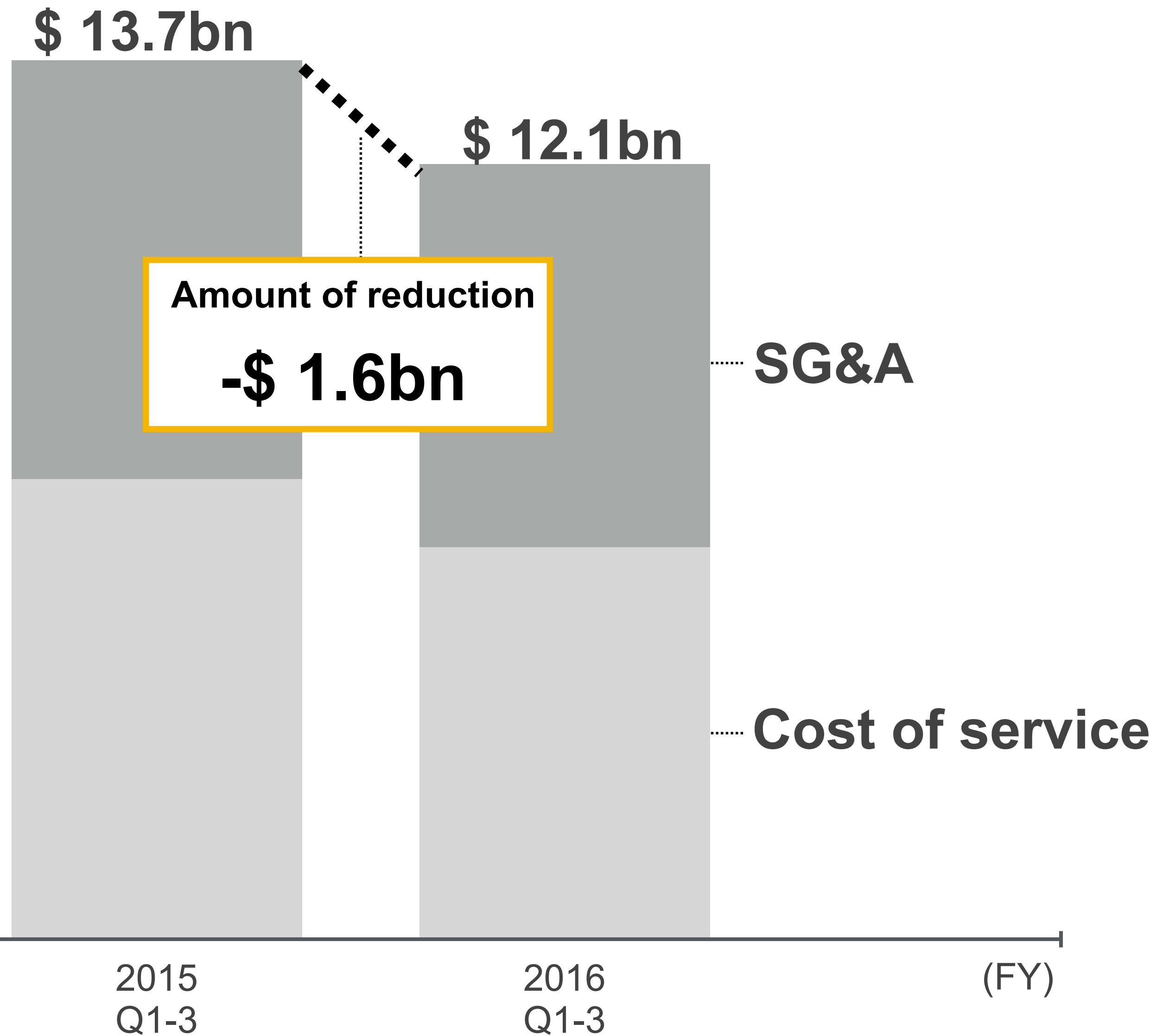
Growth

Cost Reduction

USGAAP (USD bn)



Significant reduction



Adjusted EBITDA

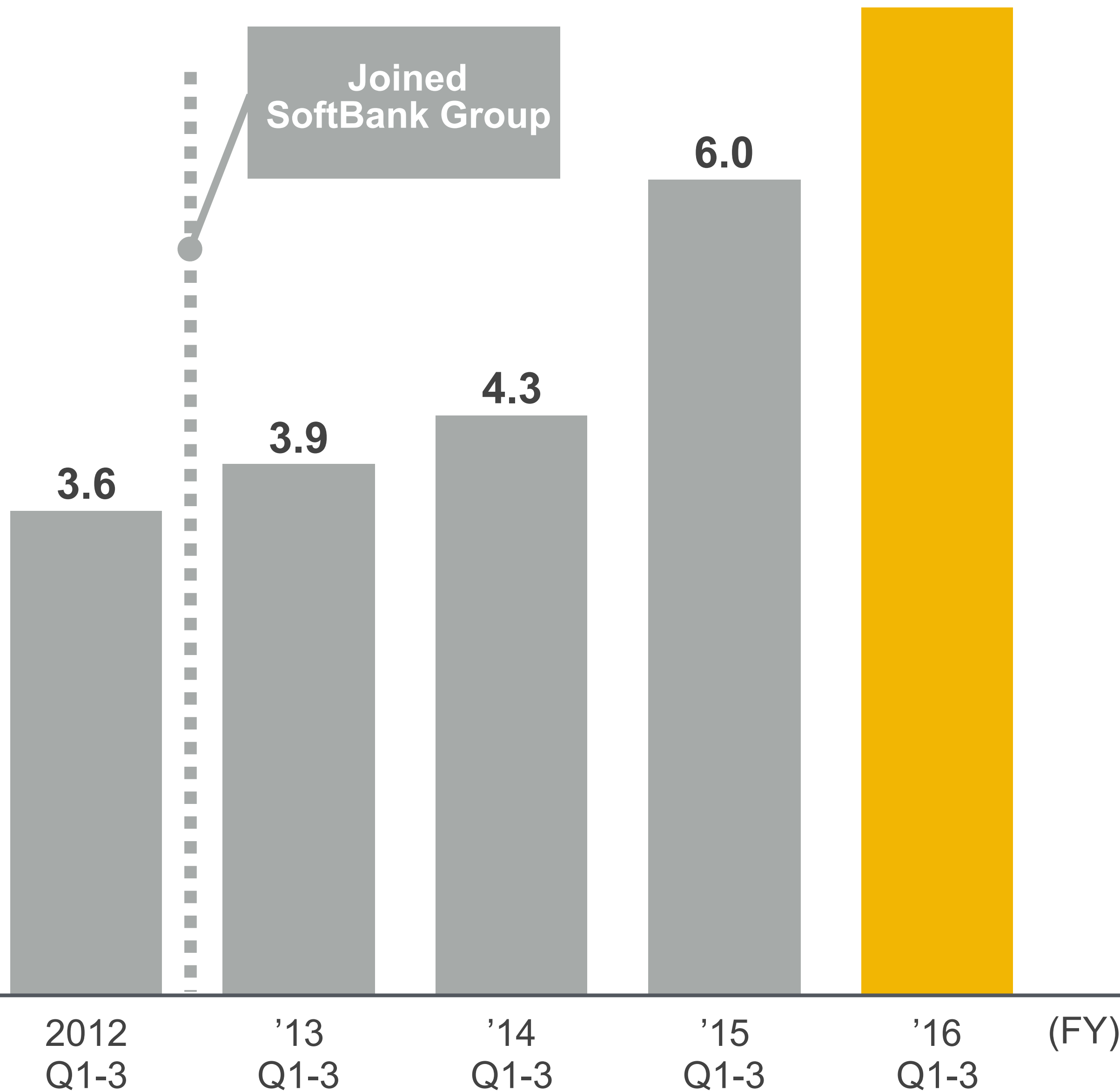


USGAAP (USD bn)

\$ 7.3bn

Joined SoftBank Group

Double in 4 years



Operating Income



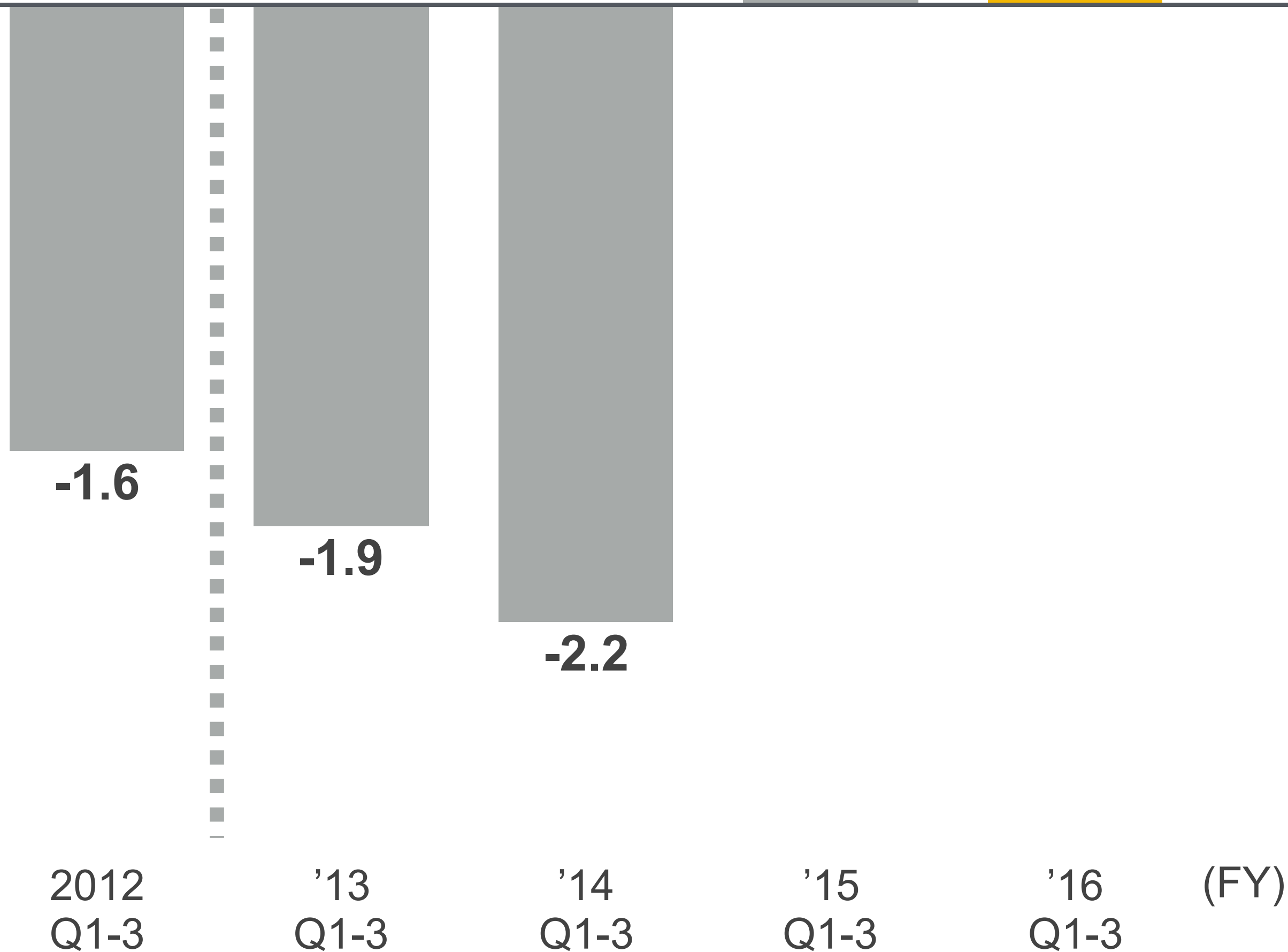
USGAAP (USD bn)

\$ 1.3bn

Joined SoftBank Group

0.3

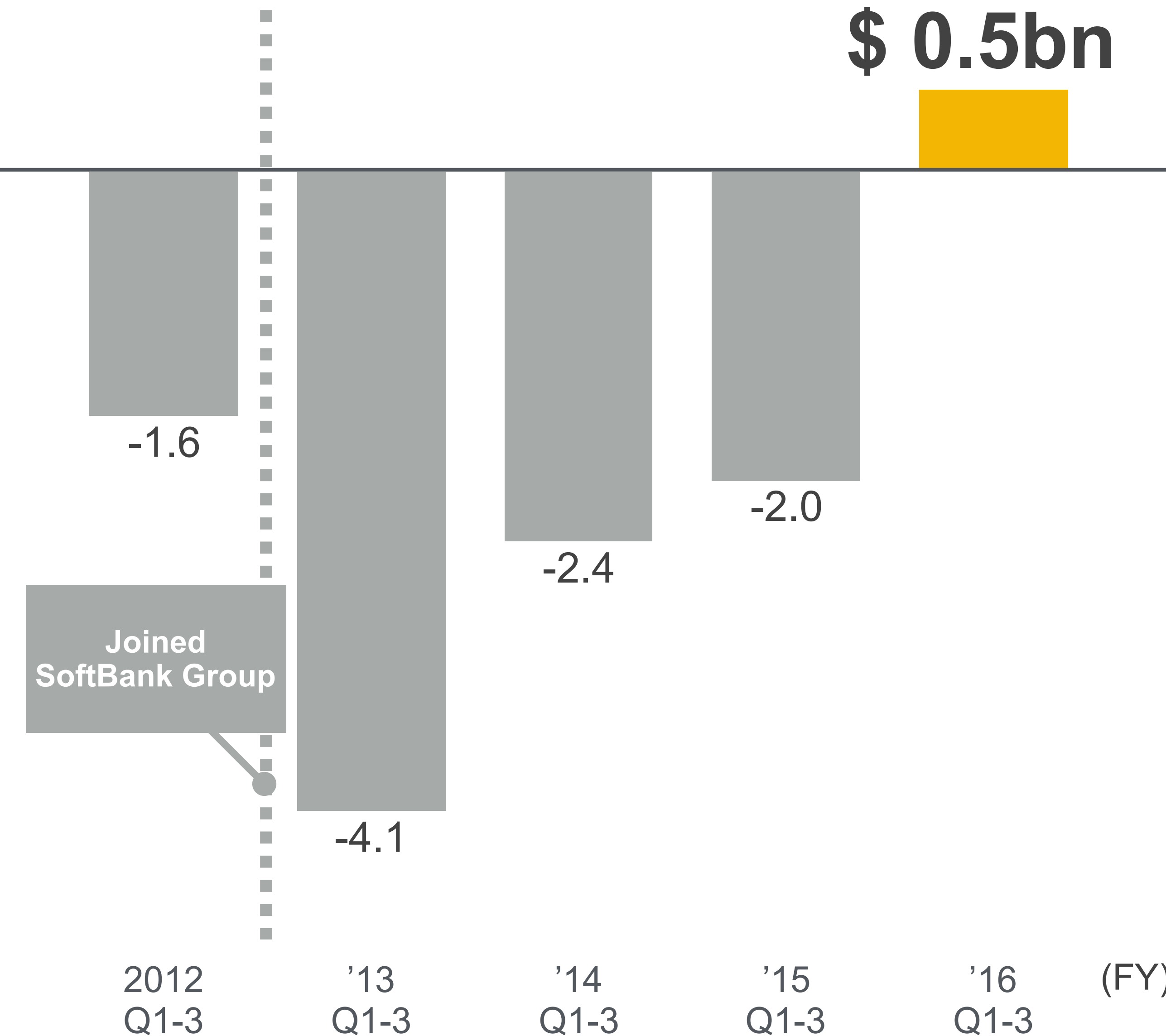
Significantly improved



Adjusted Free Cash Flow



USGAAP (USD bn)



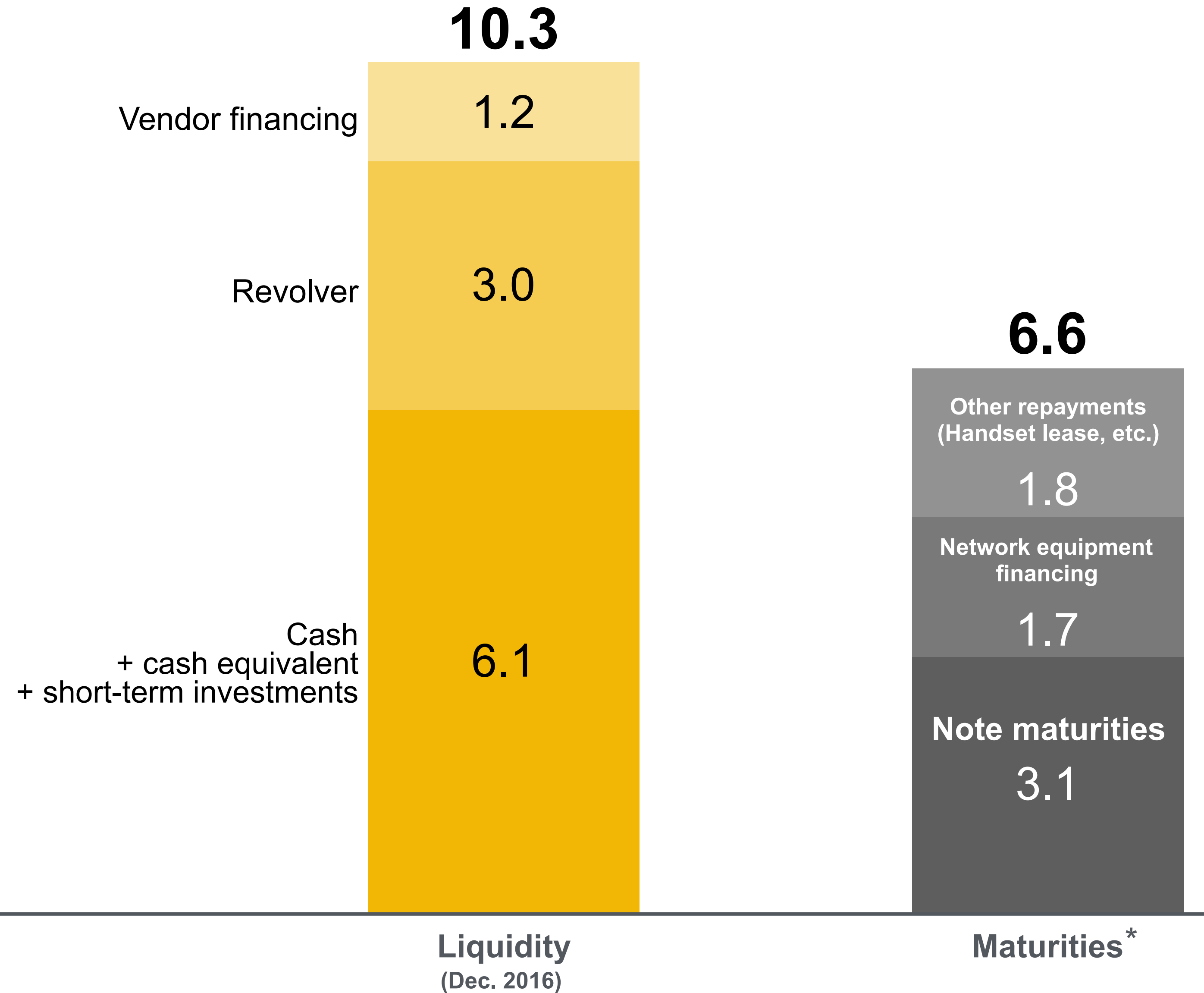
Significantly improved

*Q1-3: April - December
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

Liquidity



USGAAP (USD bn)



Sufficient level

*Including maturities due by December 2017.

Holding Value



JPY 1.95t

Avg. share price USD 6.90
(Avg. exchange rate: JPY 85.2/dollar)

Acquisition cost

JPY 3.09t

Share price USD 8.34
(JPY 111.8/dollar)

Current
(Feb. 7, 2017)

After acquisition

+58%

Sprint



- 1 Adjusted EBITDA \$ 9.7-10.0bn
- 2 Operating income \$ 1.4-1.7bn
- 3 Cash CAPEX \$ 2.0-2.3bn
- 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

ARM

Revenue



(JPY)

127.3bn

(\$ 1.18bn)

138.1bn

(\$ 1.28bn)

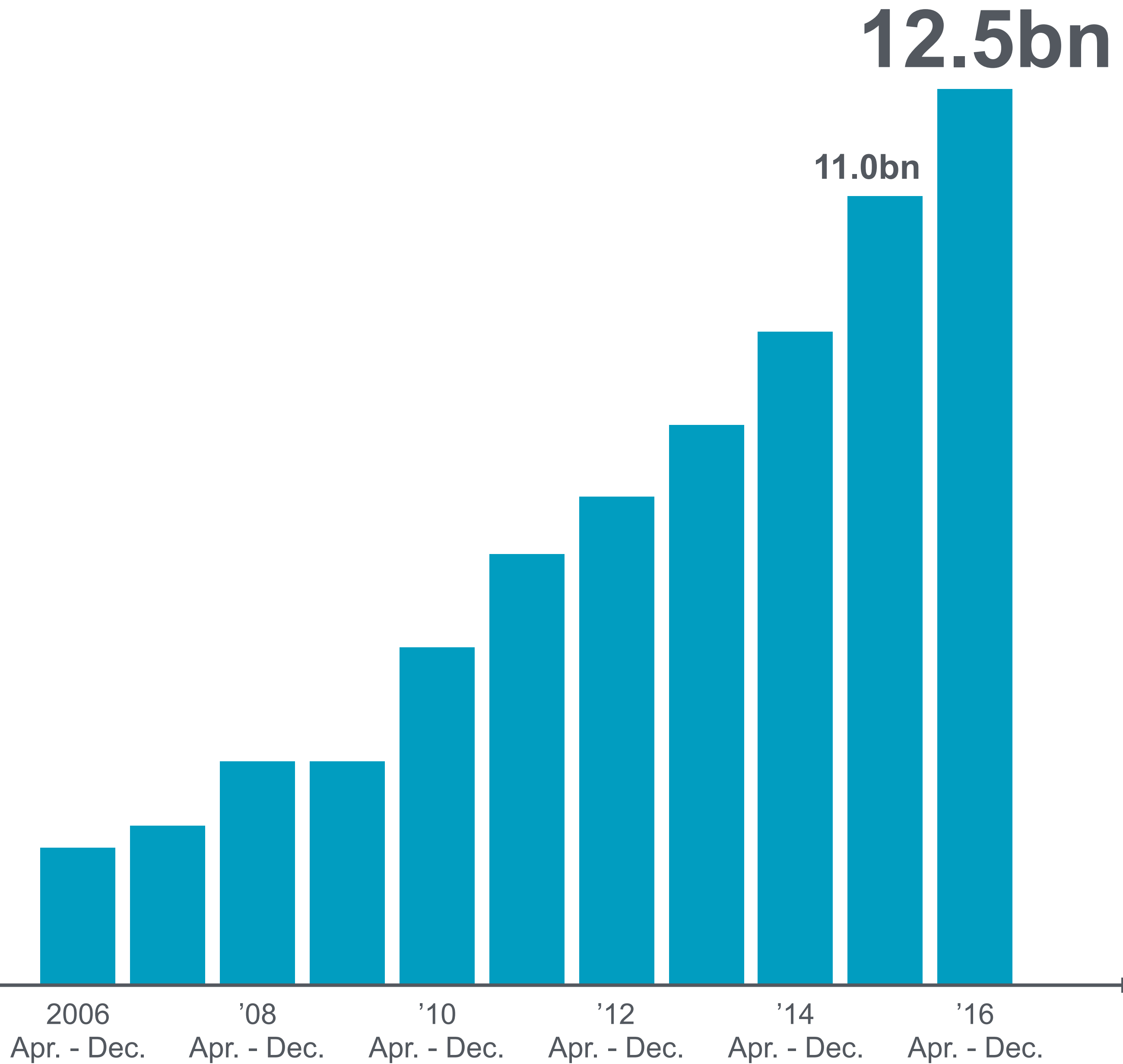
2015
Apr. - Dec.

2016
Apr. - Dec.

Up 8%



(Note) USD 1 = JPY 107.88 (average exchange rate of April - December 2016)



Explosive growth continues



(JPY)

34.9bn

(£ 243m)

23.4bn

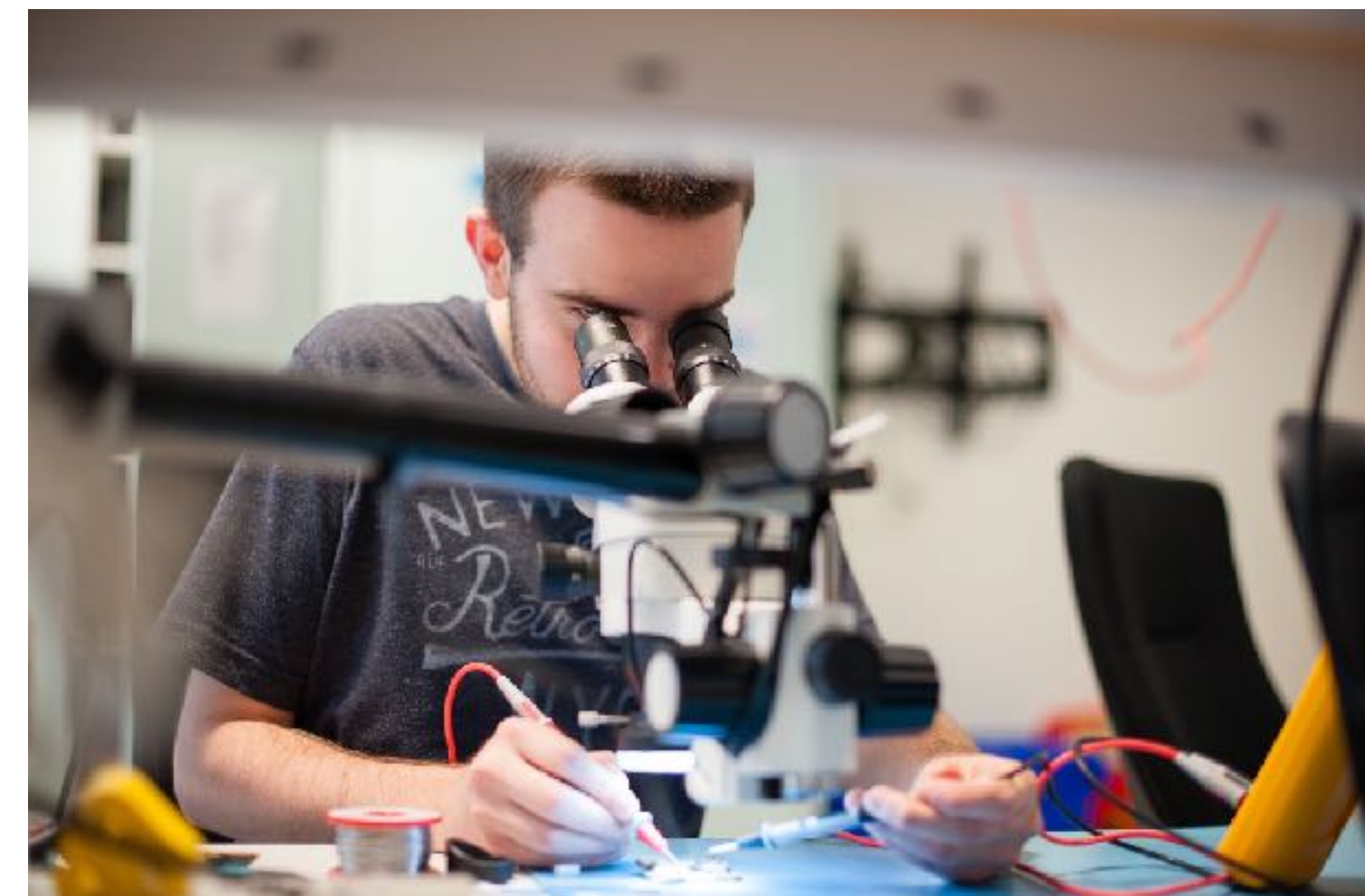
(£ 163m)

2015
Q1-3

2016
Q1-3

(FY)

Accelerate up-front investment



(Note) GBP 1 = JPY 143.72 (average exchange rate of April - December 2016)

Europe's leading research center selects ARM-based chip for next generation supercomputer



Barcelona Supercomputer Center:
A public research center located in a former chapel at Polytechnic University Catalonia

ARM

1

Continue to invest in new technology and markets

2

Gain more share in long-term growth markets

3

Create new opportunities from the Internet of Things

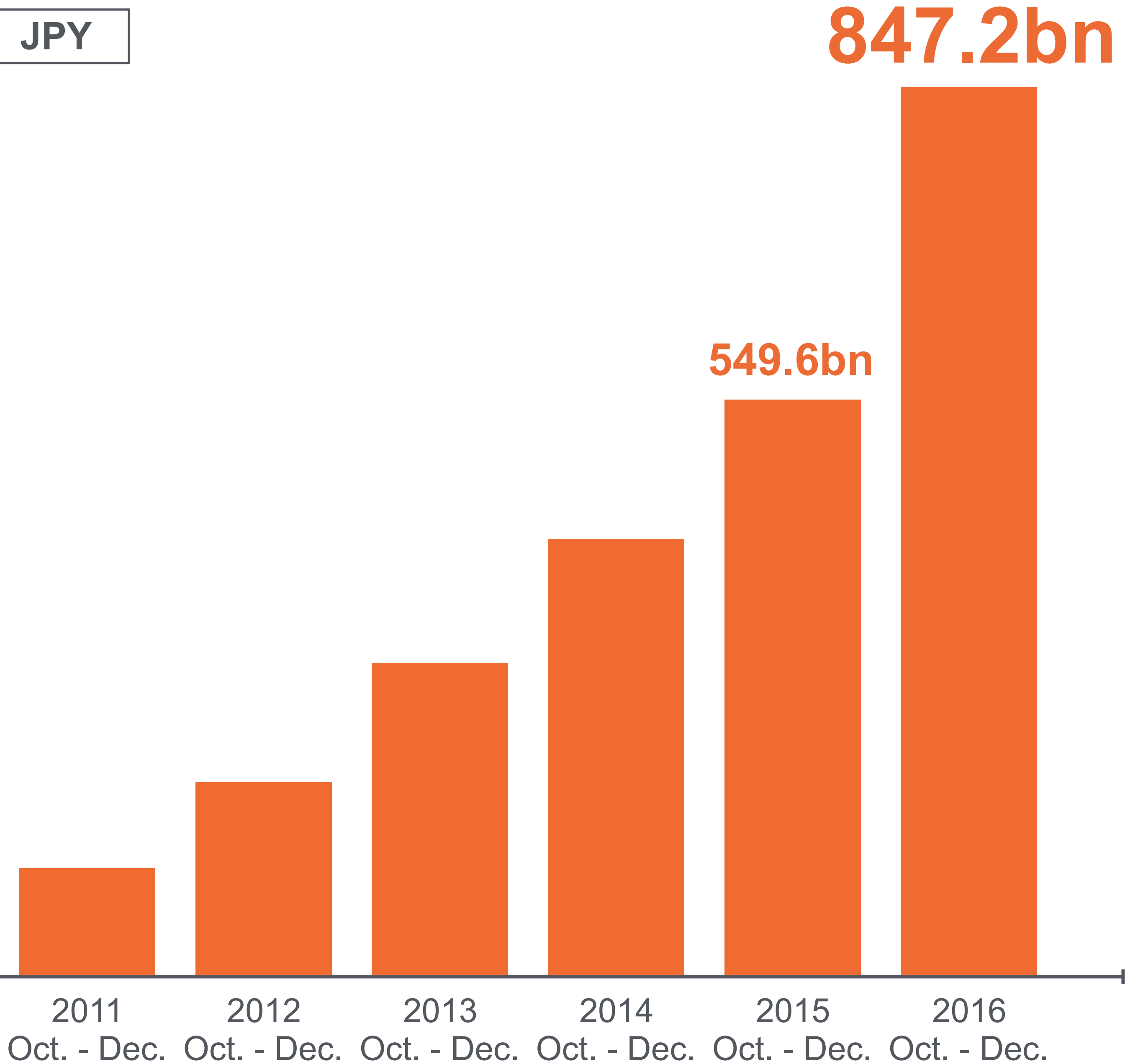


Total Revenue

JPY



USGAAP



Up 54%

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited
USD 1.00 = JPY 108.72, USD 1.00 = RMB 6.833

Non-GAAP Net Income

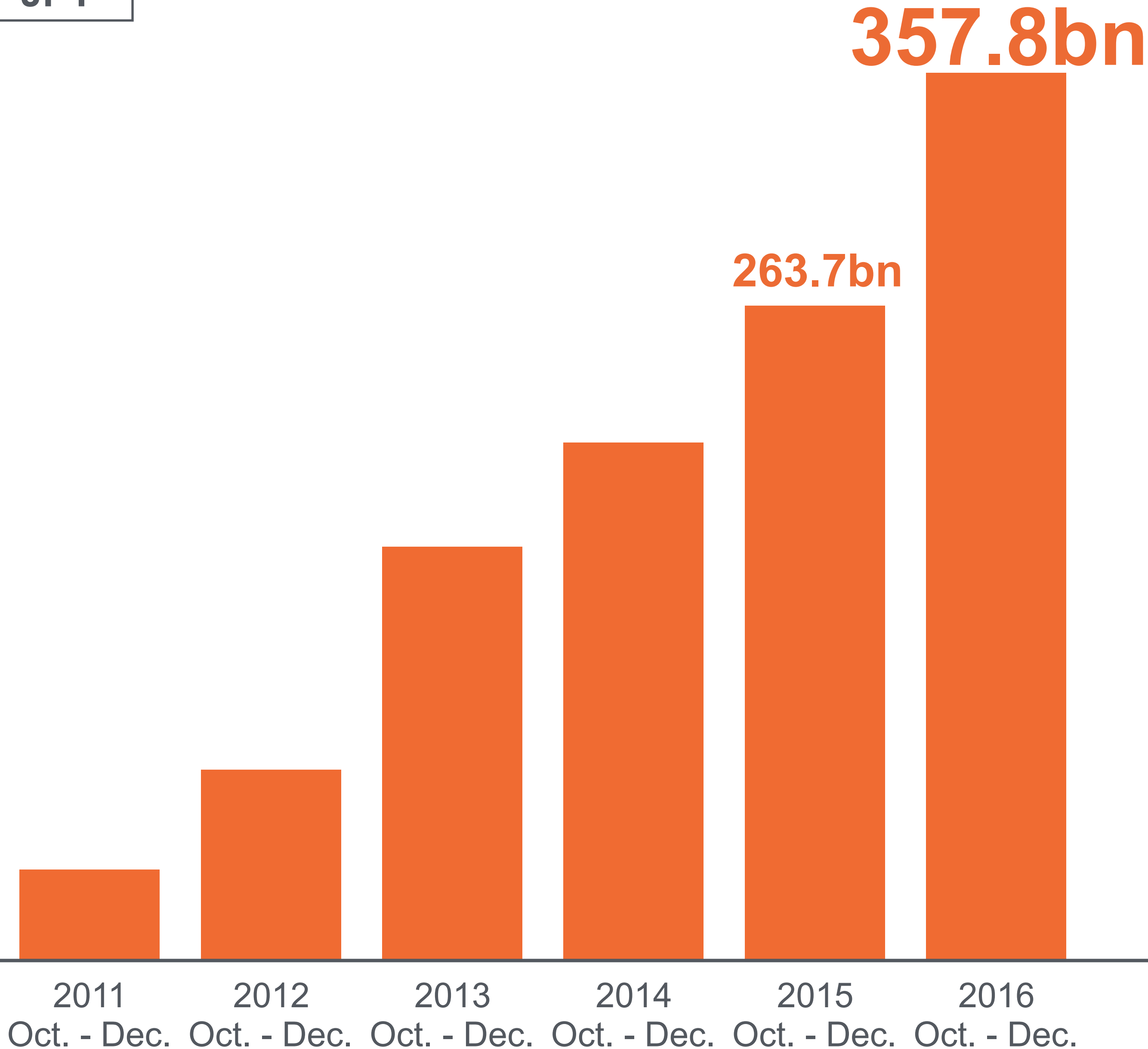
JPY



USGAAP

Non-GAAP

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



Up 36%

(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited
USD 1.00 = JPY 108.72, USD 1.00 = RMB 6.833

Free Cash Flow

JPY



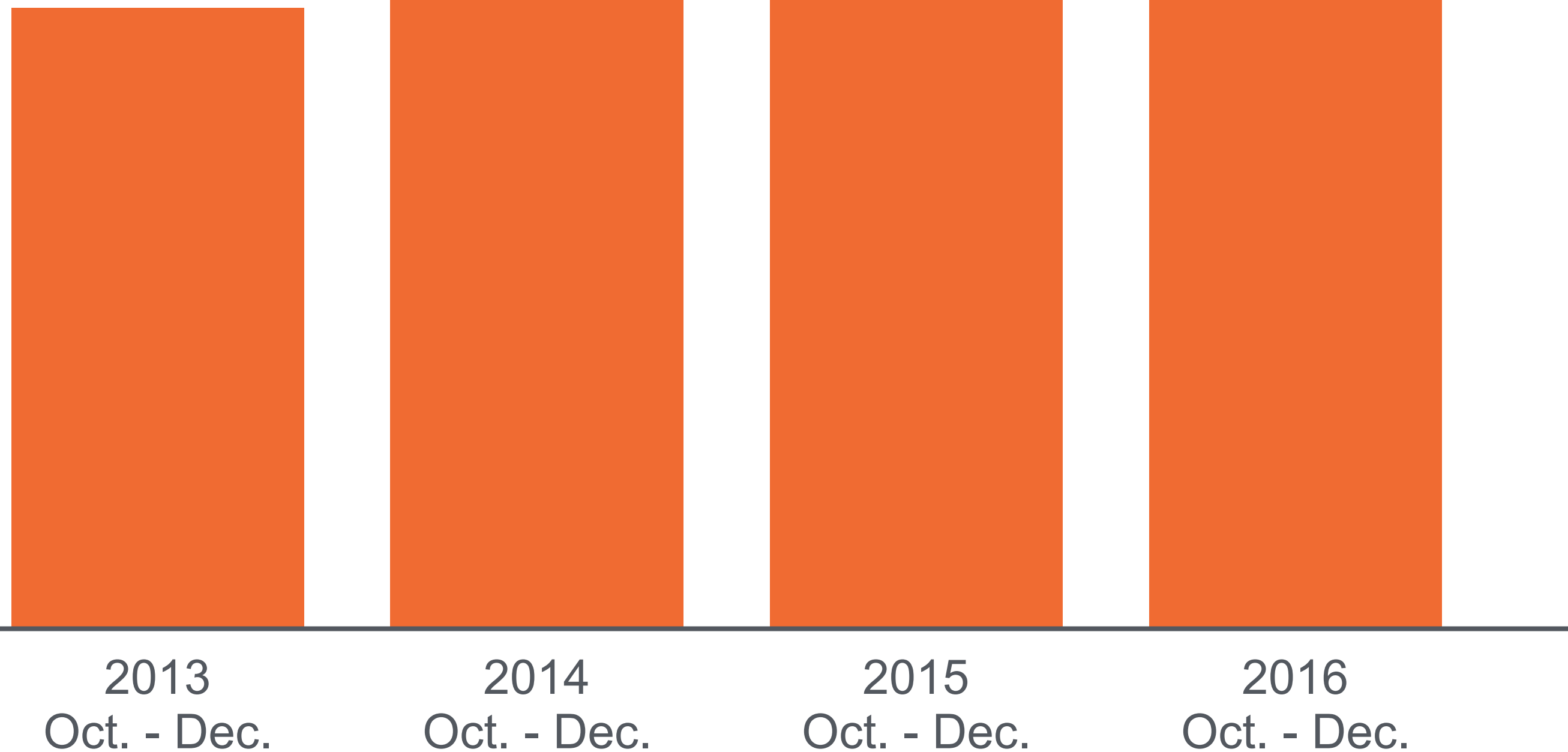
USGAAP

Non-GAAP

542.9bn

377.4bn

Up 44%

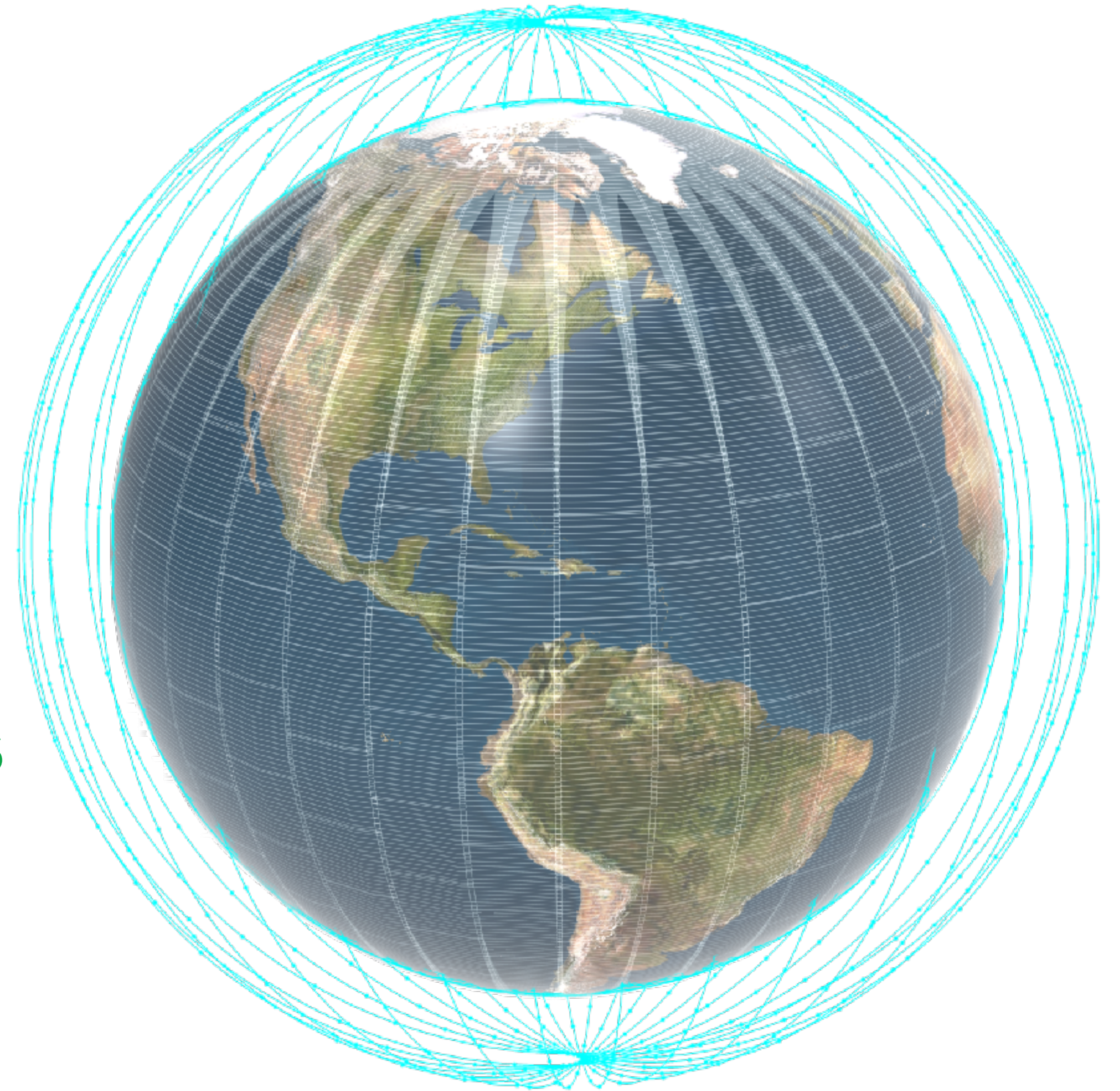


(Source) Created by SoftBank Group Corp. based on publicly available historical information published by Alibaba Group Holding Limited
USD 1.00 = JPY 108.72, USD 1.00 = RMB 6.833



OneWeb

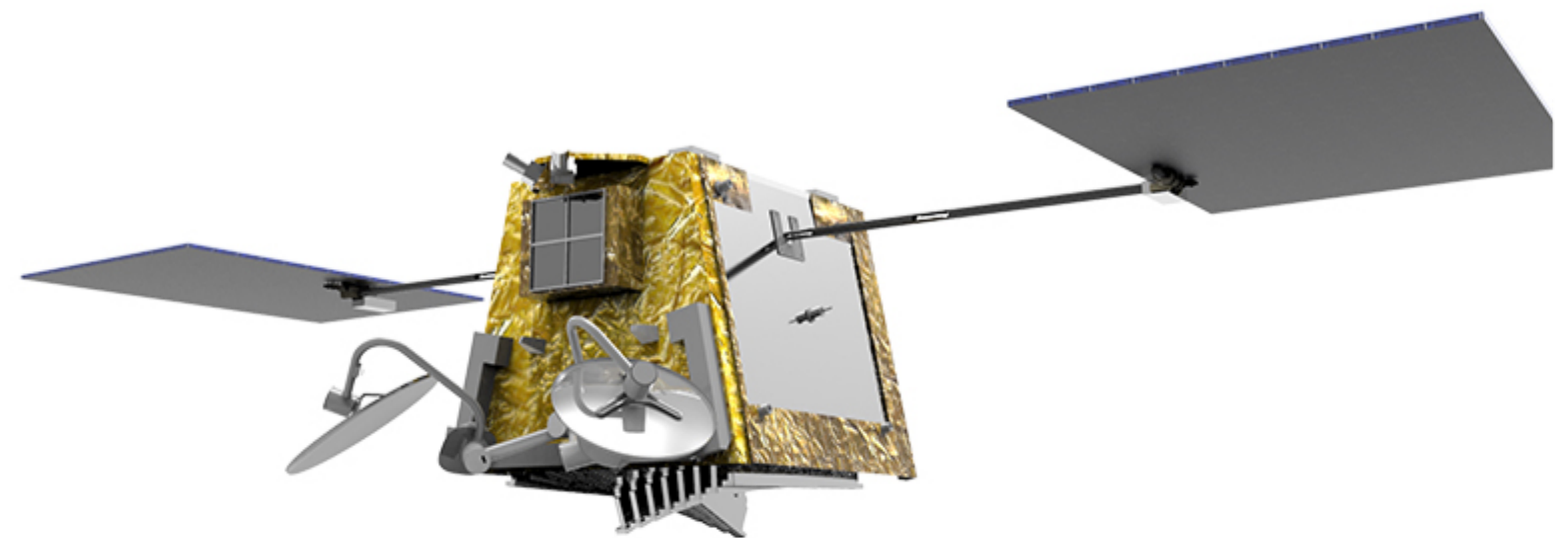
The Next Generation LEO Satellite Communications

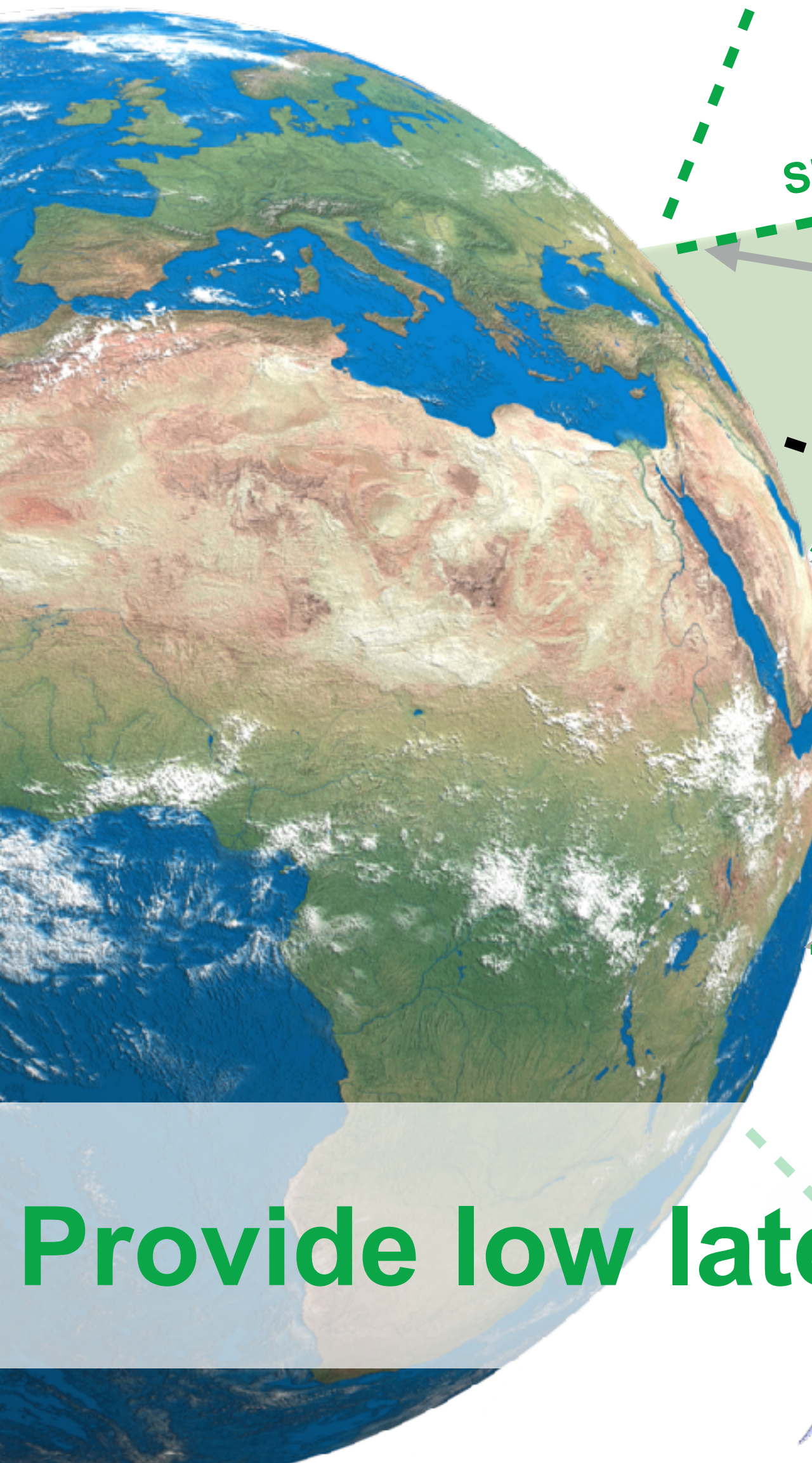


SoftBank Group + Existing investors

Support technological development and mass production

\$ 1.2bn
(\$ 1bn from SBG)





OneWeb

LEO Satellites (>720)

Signals

1,200km

Signals
(No interference)

36,000km

GSO

GSO signals

Provide low latency, high speed, global coverage at low cost

(Note) LEO: Low Earth Orbit
GSO: Geosynchronous orbit
Over 720 satellites: plan to design and build 53

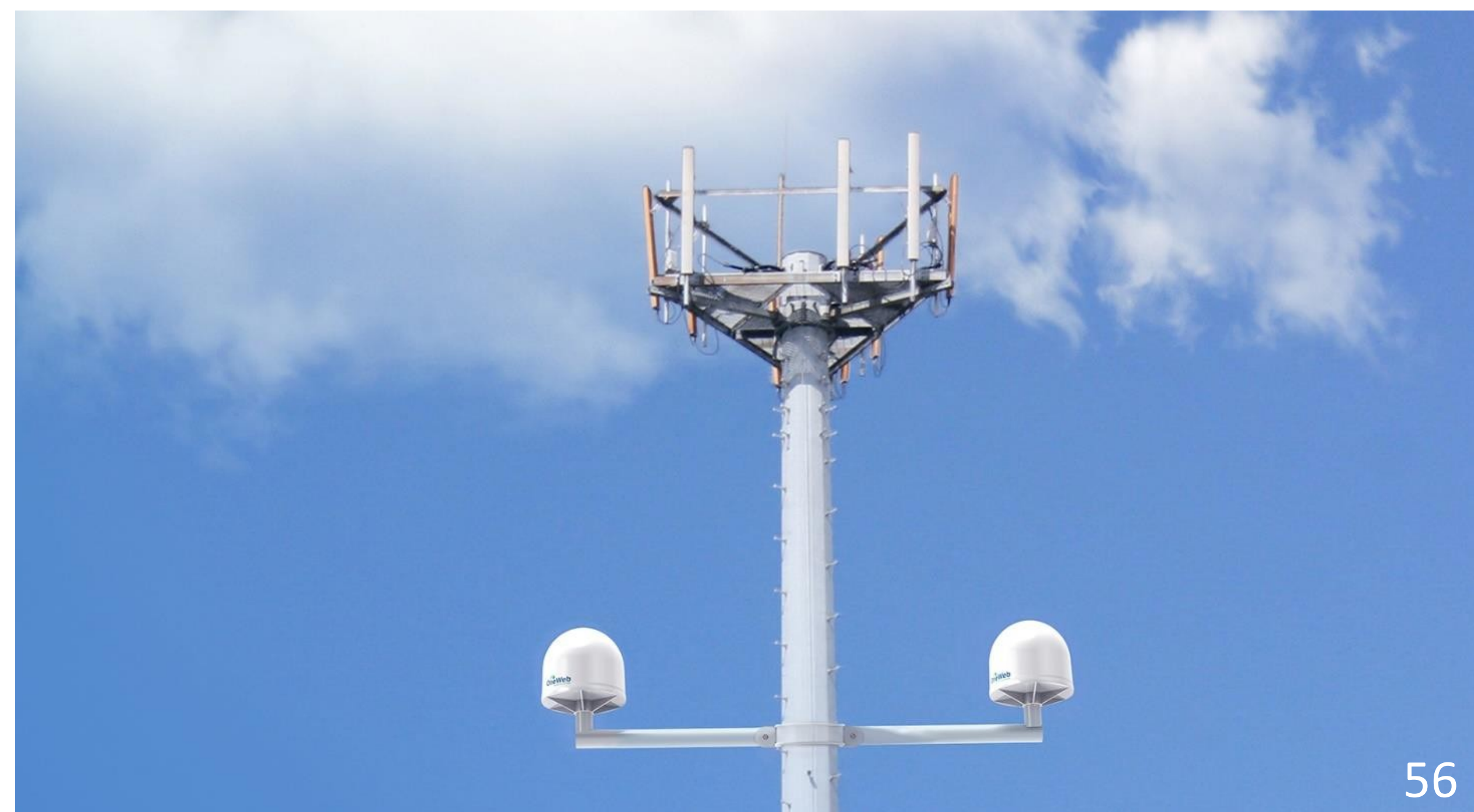


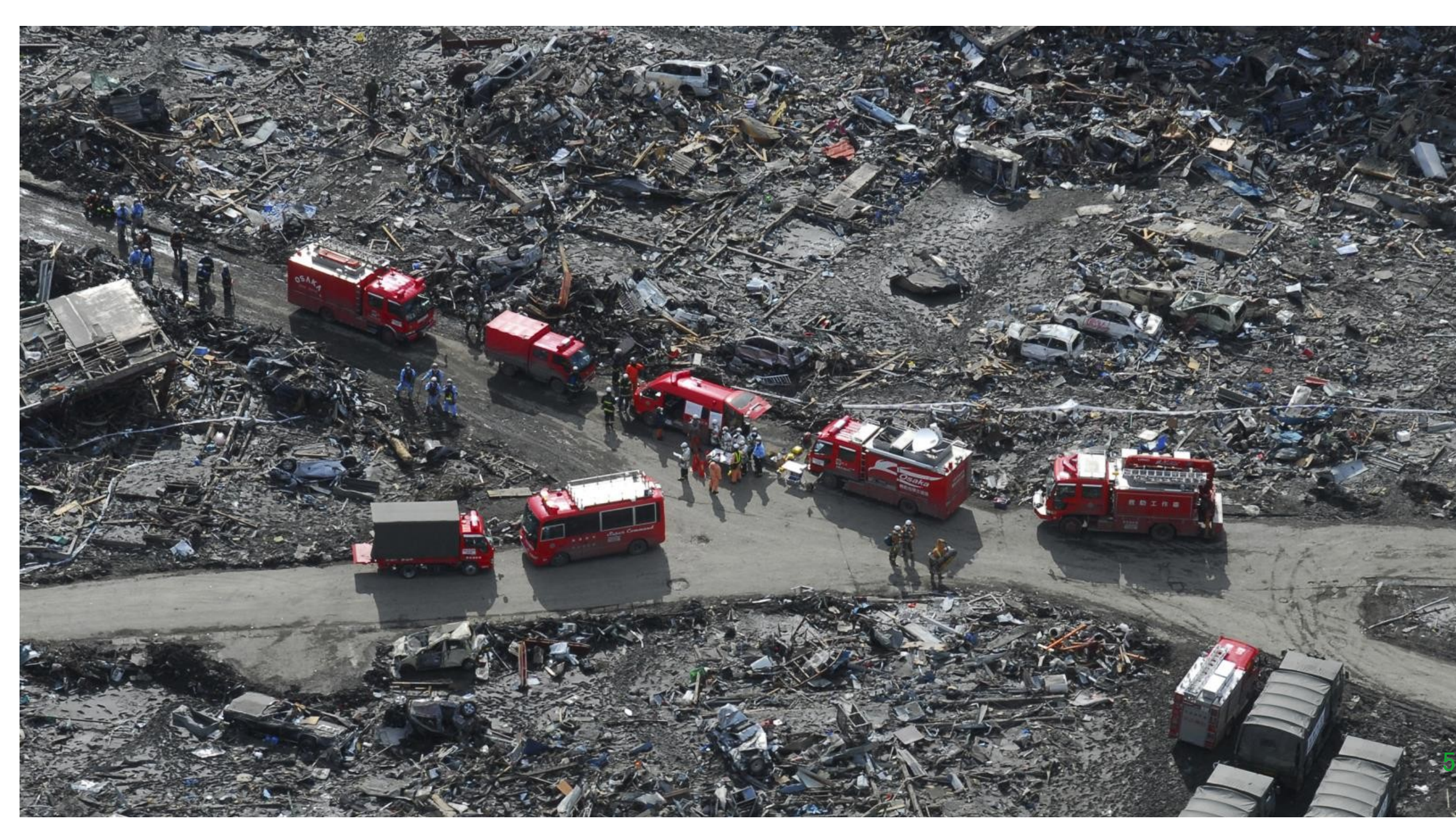
**Downlink
(Max.)**

200Mbps

**Uplink
(Max.)**

50Mbps

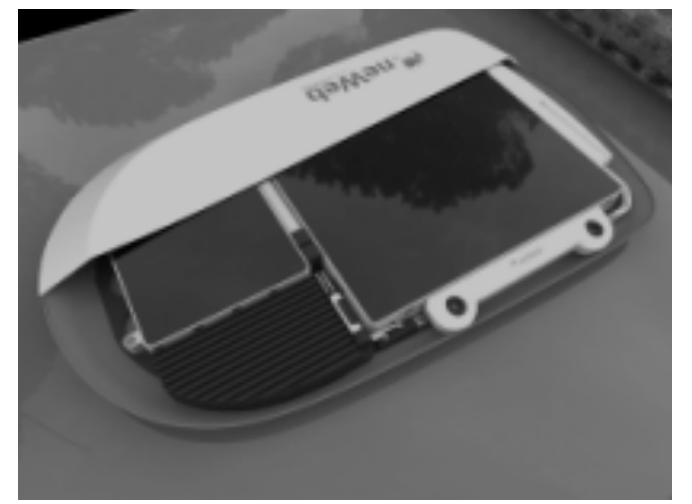




LEO Satellite



OneWeb Antenna

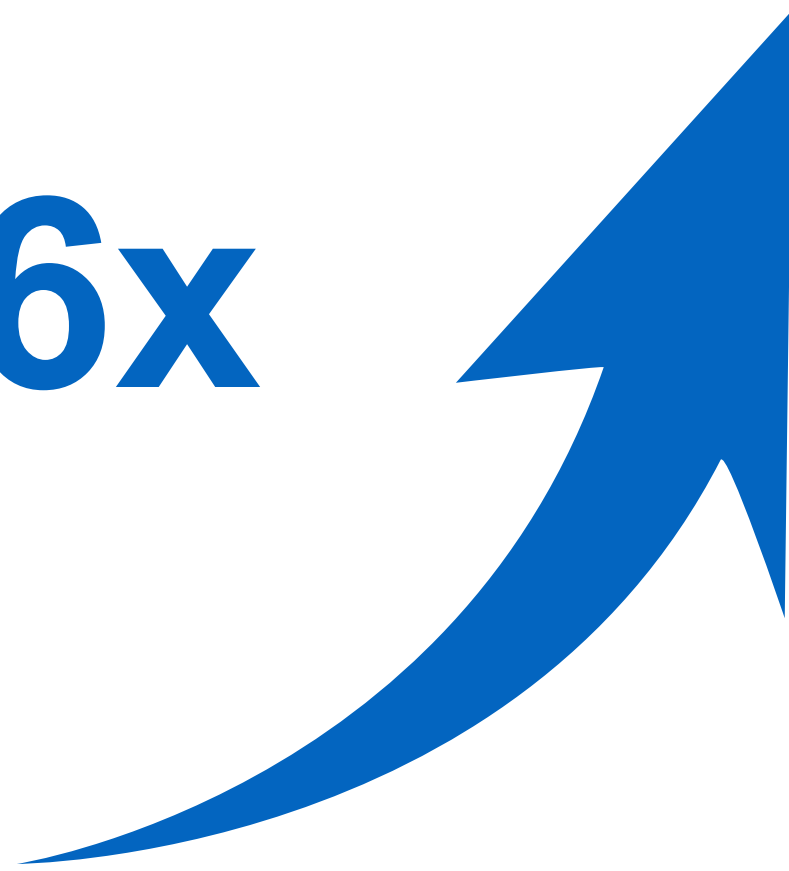


Track Record

Track Record

\$ 110bn

16x



\$ 7bn

Accumulated investment

Cumulative return
(1999 - Jan. 2017)

Internet companies

IRR 44%

(18 years)

Alibaba Group
阿里巴巴

YAHOO!

CISCO
(Japan)

SBI Holdings

Supercell

YAHOO! JAPAN

GungHo
Online Entertainment, Inc.

PPTV 聚力
始终和你同一频道

ITmedia Inc.

CCI
C C C I

Trend Micro

Ustream

Vector

SoftBank
Technology

Track Record

\$ 30bn

5x

\$ 7bn

Accumulated investment

Cumulative return
(1999 - Jan. 2017)

Internet companies
(excluding Alibaba)

IRR 43%

(18 years)

Logos included: SUPERCCELL, YAHOO! JAPAN, TREND MICRO, YAHOO!, GungHo Online Entertainment, Inc., USTREAM, CISCO (Japan), PPTV 聚力, Broadmedia, Vector, SBI Holdings, ITmedia Inc., CCI. Legend: SoftBank (grey), Technology (blue).

(Exchange rate) USD 1.00 = JPY 112.79
As of January 31, 2017

Track Record

\$ 190bn

7x

\$ 26bn

Accumulated investment

Cumulative return
(1999 - Jan. 2017)

**Internet companies
(including SBM and Sprint)**

IRR 43%

(18 years)

Alibaba Group 阿里巴巴

Sprint

YAHOO! JAPAN

SoftBank

GungHo Online Entertainment, Inc.

SUPERCELL

TREND MICRO

YAHOO!

CISCO (Japan)

PPTV 聚力 始终和你同一频道

Broadmedia

USTARCOM

SBI Holdings

ITmedia Inc.

Vector

CCI

SoftBank Technology

*1 (Exchange rate) USD 1.00 = JPY 112.79

*2 Includes SoftBank Mobile Business (former Vodafone Japan) and Sprint.

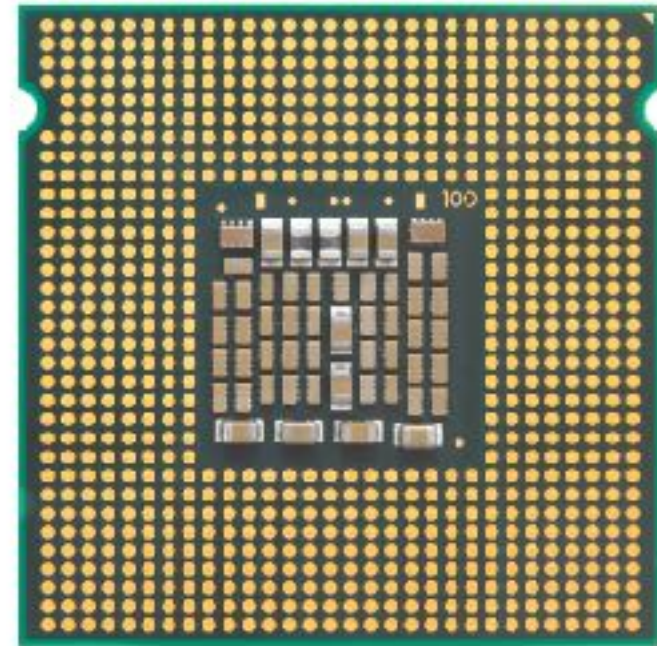
As of January 31, 2017



SoftBank

Accelerate Information Revolution

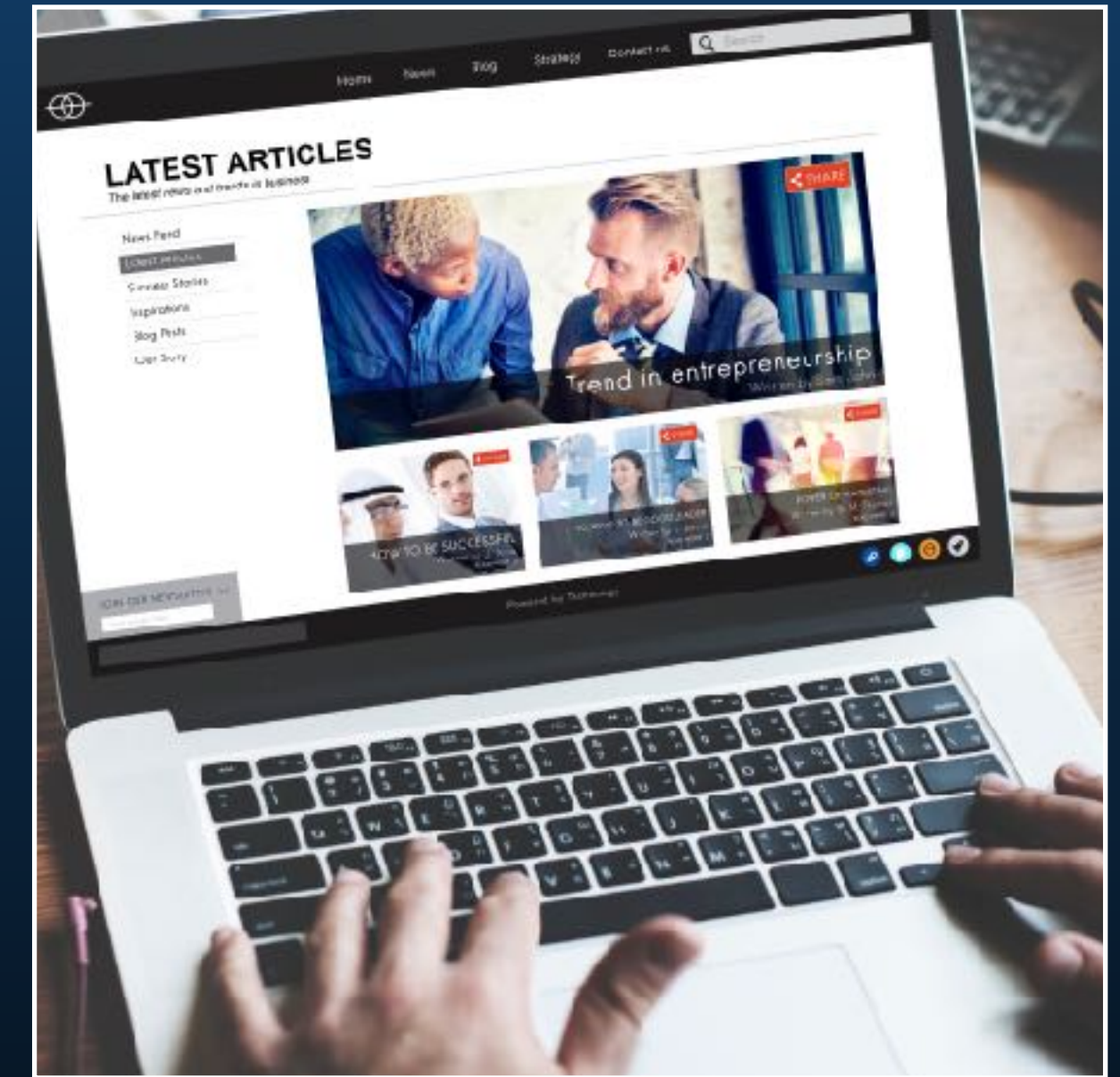
PC **Internet** Revolution



Chip

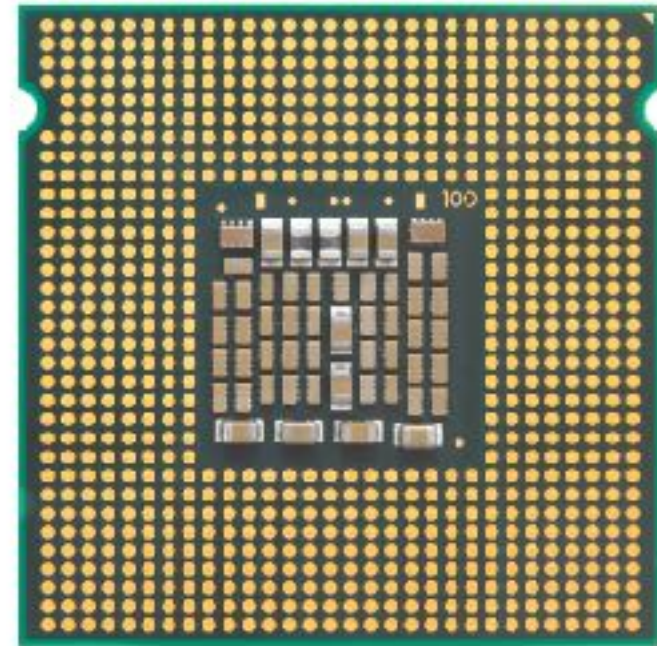


PC

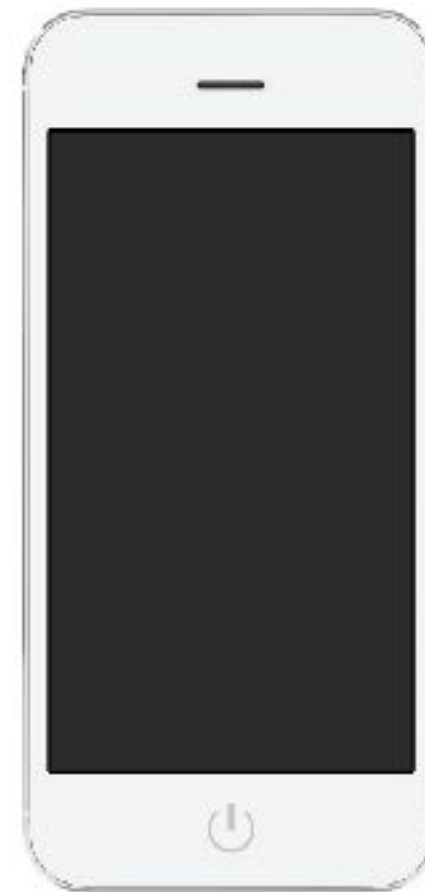


PC
Internet

Mobile **Internet** Revolution



Chip

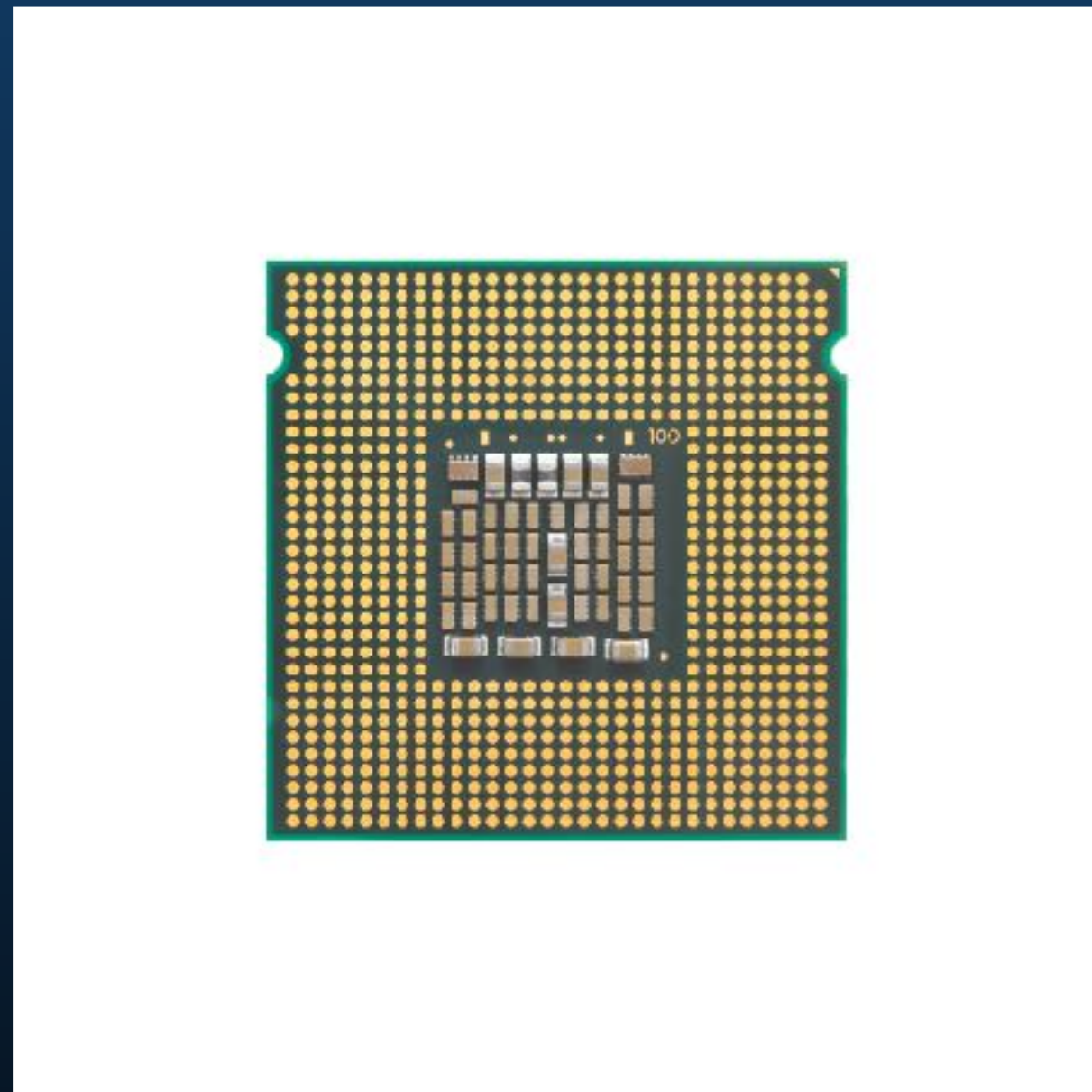


Smartphone



Mobile
Internet

Internet of Things Revolution



Chip
(90% ARM)



All sorts of devices

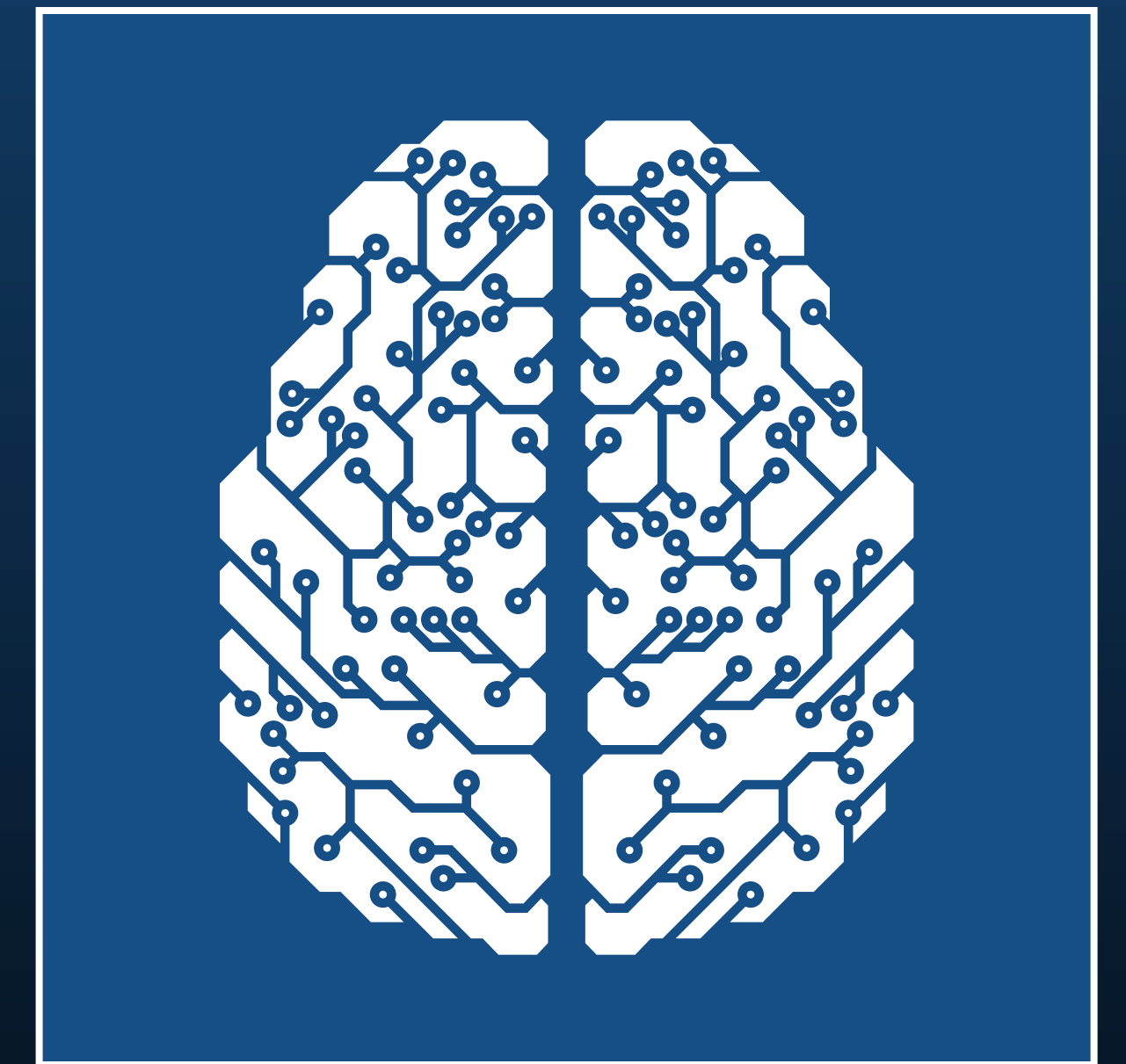
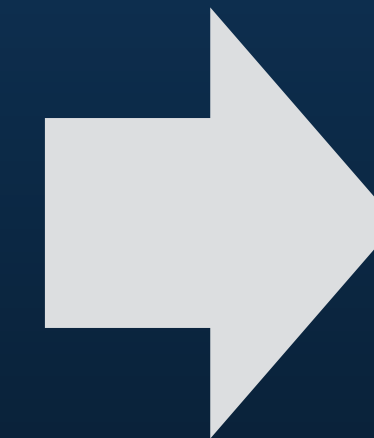
Surpasses Human Wisdom



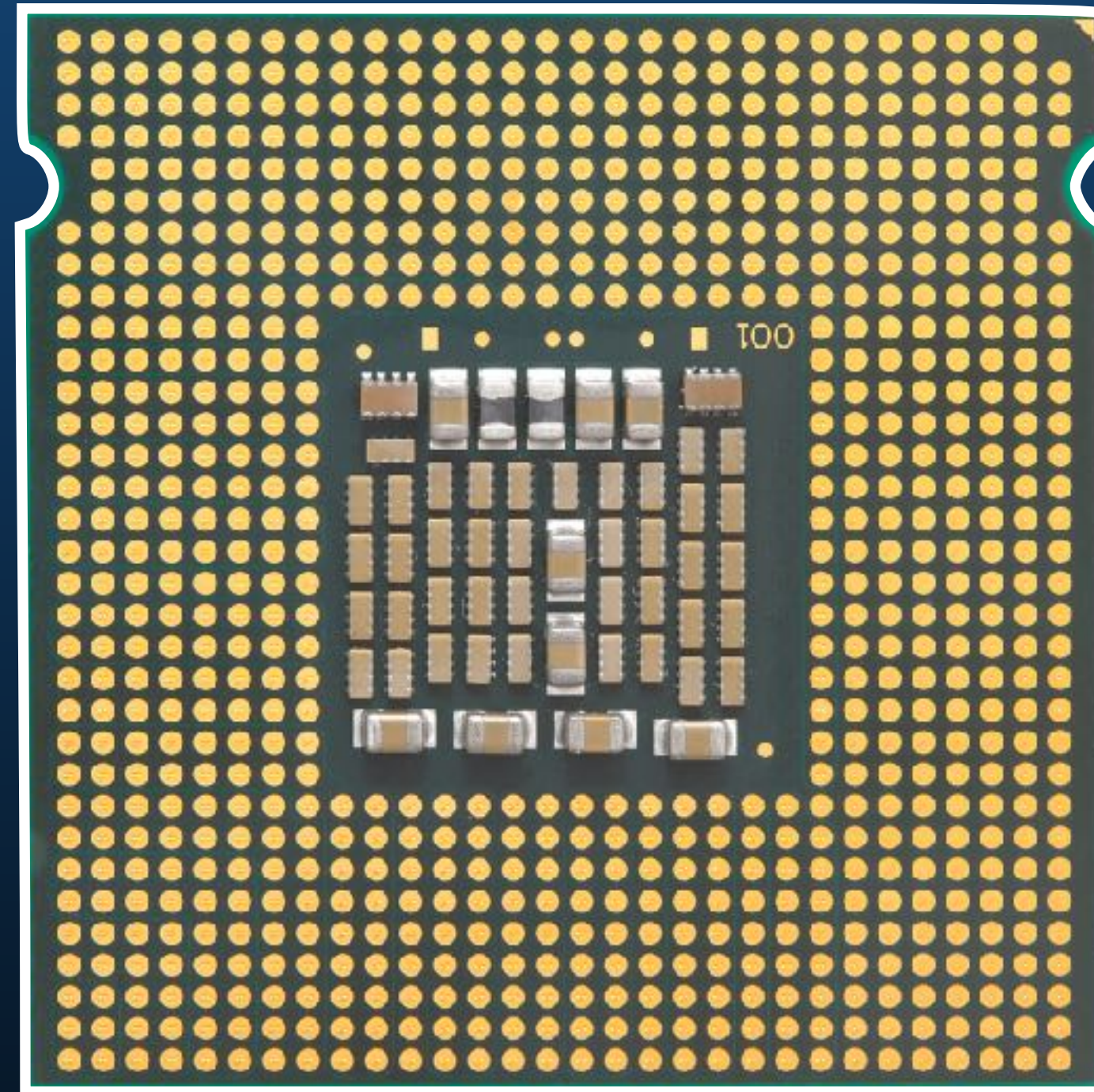
All sorts of devices
(Chips)



Cloud
(Big Data)



Artificial Intelligence
(Deep Learning)



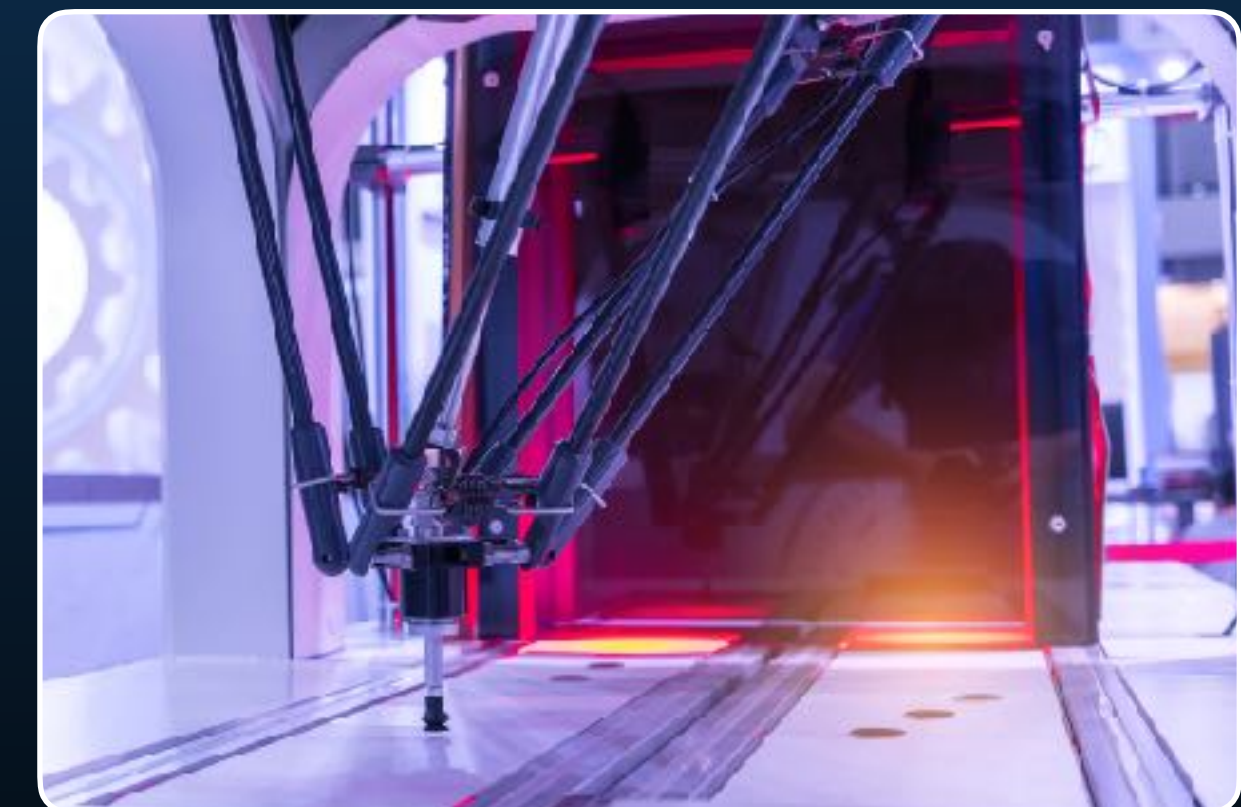
90% ARM



Big Bang within 30 years

SINGULARITY

SINGULARITY



Redefine all industries

SoftBank Vision Fund

Strategic Group for Information Revolution



= SoftBank

Information Revolution - Happiness for everyone

== SoftBank

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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